

PUERTO RICO
PUBLIC-PRIVATE PARTNERSHIPS AUTHORITY

Partnership Committee Report

PUERTO RICO PUBLIC-PRIVATE PARTNERSHIP FOR THE SAN JUAN BAY CRUISE TERMINALS

July 12, 2022

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1. EXECUTIVE SUMMARY

Executive Summary

After a robust and competitive procurement process that lasted more than 48 months, on July 5, 2022, the Partnership Committee (the "**Partnership Committee**") established by the Puerto Rico Public-Private Partnerships Authority (the "**P3 Authority**") for this project pursuant to Section 8 of the Public-Private Partnerships Authority Act, Act No. 29-2009, as amended ("**Act 29**" or the "**Act**"), recommended to the Board of Directors of the P3 Authority (the "**P3 Authority Board**") the approval of the Public-Private Partnerships Agreement (the "**PPP Agreement**") between the Puerto Rico Ports Authority ("**PRPA**") and San Juan Cruise Port LLC ("**SJ Cruise Port**" or the "**Concession Company**", a subsidiary of Global Ports Holding Plc ("**Global Ports**") solely organized to execute and implement the PPP Agreement with the support of Global Ports and alongside Enka Construction and Development BV ("**Enka**"), a global engineering and construction firm, who will act as the lead construction contractor. The PPP Agreement awards a 30-year concession (the "**Concession**") for the operation, maintenance, repair, improvement and replacement of certain cruise terminals and related facilities in San Juan Bay (the "**San Juan Bay Cruise Terminals**"). References herein to the "**GP Group**" shall be deemed to mean Global Ports and other team members that participated during the procurement process.

Global Ports is the world's largest cruise port operator with an established presence in the Caribbean, Mediterranean, and Asia-Pacific, as well as extensive commercial port operations in Montenegro. Global Ports was established in 2004 as an international port operator. They hold a unique position in the cruise port landscape as the world's leading cruise port brand, with an integrated network of cruise port serving cruise liners, ferries, yachts and mega-yachts. Global Ports operates 26 cruise ports in 14 countries and continues to grow steadily. Global Ports provides services for 15 million passengers reaching a market share of 29% in the Mediterranean annually. Global Ports is known for its industry-leading experience of sustainable growth of cruise traffic. It has a proven track record in operating multiple world-class cruise ports and expertise in managing and developing complex construction projects for the cruise terminals they operate.



Global Ports has incorporated a wholly-owned, single purpose entity, San Juan Cruise Port LLC ("**SJ Cruise Port**" or the "**Concession Company**"), to sign and implement the Concession as the party to the PPP Agreement with PRPA.

The Partnership Committee has concluded that the Concession Company is uniquely positioned and equipped to transform the San Juan Bay Cruise Terminals into the leading cruise port of the Caribbean and maximize benefits for the people of Puerto Rico.

The Partnership Committee's decision marks an important milestone in addressing the current infrastructure deficiencies and operational disadvantages of the San Juan Bay Cruise Terminals. This Concession will not only reposition San Juan as a must-visit cruise port in the Caribbean, but it will also serve as a driver of economic growth in Puerto Rico following the destruction brought by Hurricane Irma ("**Irma**") and Hurricane María ("**María**", together with Irma, the "**Hurricanes**"), in 2017 and the ongoing COVID-19 pandemic ("**COVID-19**").

Prior to the impact of the Hurricanes and COVID-19, the San Juan Bay Cruise Terminals were already suffering from inherently deficient infrastructure. Due to PRPA funding constraints, improvements to the San Juan Bay Cruise Terminals since the 1990s have been modest and as needed, with PRPA endeavoring to support the evolving needs of the cruise industry but unable to make more than the minimum level of investment needed to maintain the piers. As a result, the San Juan Bay Cruise Terminals today are outdated, undersized, and fail to meet the needs and expectations of the modern cruise industry.

The damage caused by the Hurricanes exacerbated PRPA's challenges and created new ones. As a result, the Government of Puerto Rico (the "**Government**") has sought not only to rebuild after the Hurricanes, but also utilize the recovery process as an opportunity to jumpstart a long-term revitalization of the Puerto Rican economy. This revitalization would include, among other things, upgrading PRPA's facilities through major renovations to meet the needs of the modern cruise industry and be more resilient against future natural disasters, making San Juan a high-demand, vibrant and must-visit touristic cruise destination.

Pursuant to Act 29 and the Regulation for the Procurement, Evaluation, Selection, Negotiation and Award of Participatory Public-Private Partnership Contracts (the "**Regulation**"), on October 17, 2017, the P3 Authority received from Global Ports and Civil & Building North America ("**CBNA**") an unsolicited proposal for the exclusive right to repair, design, build, finance, maintain, and operate ("**RDBFMO**") certain cruise terminals in the San Juan Bay (the "**Unsolicited Proposal**"). The P3 Authority evaluated the Unsolicited Proposal following the requirements set forth by Act 29 and the Regulation, and, after careful evaluation, determined that the Unsolicited Proposal was beneficial to the public interest. Therefore, in compliance with Section 7 of the Regulation and Article 9 of Act 29, a project for the operation, maintenance, repair, improvement and replacement of the San Juan Bay Cruise Terminals through a public-private partnership ("**PPP**") with PRPA (the "**Project**") was opened to competitive procurement. The Project commenced with the Desirability and Convenience Study ("**D&C Study**") and was followed by the publication of a request for qualifications (the "**RFQ**") and subsequently, a request for proposals (the "**RFP**").

On September 5, 2018, the P3 Authority issued the RFQ for the Project. On or about October 17, 2018, five (5) private sector participants (including the GP Group) (each a "**Respondent**") submitted statements of qualifications ("**SOQs**") in response to the RFQ. Section 9(d) of Act 29 addresses consortia, a prevalent structure in PPP, and provides that parties wishing to participate in the procurement process for a PPP may present their proposals jointly as a consortium in order to best utilize the skills and expertise of each of the consortium members.

On November 20, 2018, the Partnership Committee selected the following three (3) experienced and reputable Respondents in the qualification process conducted pursuant to the RFQ (the "**RFQ Process**") to participate in the next phase of the process: (i) Puerto Rico Cruise Terminal Partners ("**PRCTP**"); (ii) San Juan Cruise Terminal Partners ("**SJCTP**"); and (iii) the GP Group.

On December 3, 2018, the P3 Authority issued the RFP for the Project. Before the RFP submission deadline, the P3 Authority received formal notifications from PRCTP and SJCTP confirming their withdrawal from the procurement process. On July 31, 2019, one participant in the RFP procurement process (the "**RFP Process**"), the GP Group, submitted a proposal in response to the RFP (the "**Proposal**").

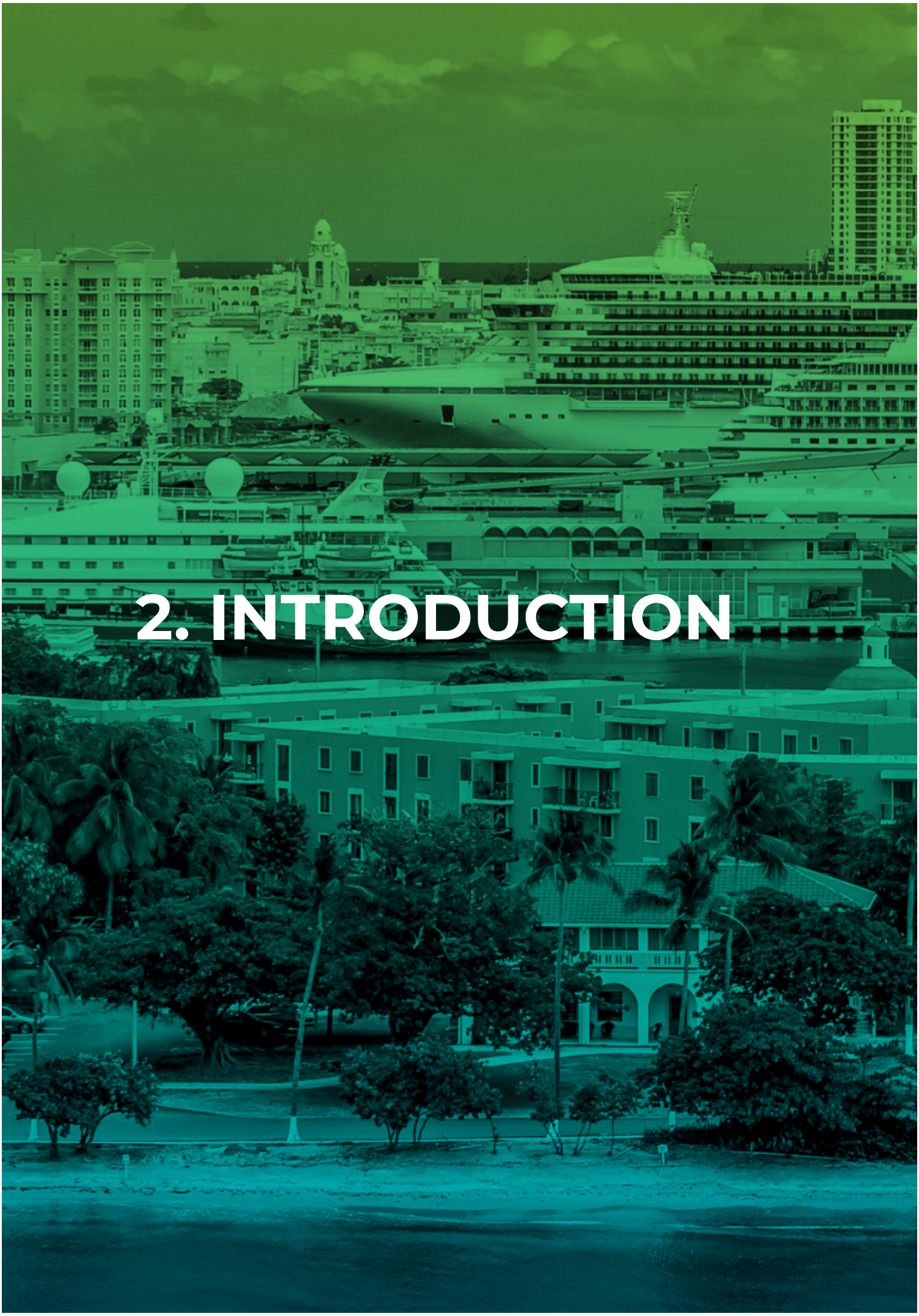
The RFP required proponents to submit as part of their proposals the following:

- A comprehensive proposal, which required, among other things, acceptance of the form of the PPP Agreement and submittal of a proposal security to secure the commitment of the proponent to its proposal until financial closing;
- A technical proposal, which required each proponent to provide details for (i) business and marketing, (ii) the operating plan and (iii) the port master plan and capital and Construction plan; and
- A financial proposal, which required each proponent to propose (i) an upfront fee equal to or greater than $72 million, (ii) robust and realistic financing plans, and (iii) plans to incorporate local equity or debt financing.

The Partnership Committee recommended that the GP Group be designated as Preferred Proponent, as defined in this Report, and proceed to further and final negotiations given that its Proposal provided a thorough, detailed and viable approach to each of the technical and financial components of the RFP. At the same time, the Proposal addressed the Project goals which include: (i) repairing and expanding the San Juan Bay Cruise Terminals; (ii) securing access to private funds; (iii) reducing PRPA's debt; and (iv) increasing operational efficiencies and cruise passenger traffic.

The Proposal presented a customized approach to repair and expand the San Juan Bay Cruise Terminals, which illustrated a comprehensive understanding of PRPA's circumstances. Among other things, the GP Group provided a detailed transition plan, business and marketing plan, operating plan, master plan, as well as an in-depth capital investment plan and construction plan. Additionally, the Proposal offered as an upfront concession fee $72 million and an additional amount of $3 million to be held in escrow for certain purposes which were also for the benefit of PRPA.

Based on the above, the Partnership Committee believes that the Concession (i) presents the most viable path forward to repair and expand the San Juan Bay Cruise Terminals, (ii) provides a sustainable path to achieving the Government's objective of positioning Puerto Rico as the must-visit cruise port in the Caribbean, and (iii) is the most advantageous option for the people of Puerto Rico. This report explains the final Partnership Committee recommendation to award the Project to the GP Group for signing of the PPP Agreement by the Concession Company after extensive negotiations and detailed revisions to the PPP Agreement and the Project resulting from the circumstances of the past two years of COVID-19 and its effect in the cruise industry. The Partnership Committee is pleased to present to the P3 Authority Board and other government stakeholders its recommendation.



2. INTRODUCTION

Introduction

This Partnership Committee Report (the "**Report**") has been prepared pursuant to:

- Section 8(b)(vii) and Section 9(g)(i) of Act 29; and
- Section 9.1 of the Regulation.

Except as provided in Exhibit A (Defined Terms) to this Report, capitalized terms used but not otherwise defined in this Report have the meaning ascribed to them in, as applicable, Act 29, the Regulation, or the RFP.

In accordance with Section 9(g) of Act 29, and Resolution 2018-44, as amended by Resolutions 2019-32, 2019-49 and 2021-05[1], of the P3 Authority Board, the P3 Authority established the Partnership Committee responsible for the procurement of a PPP with PRPA for the repair, improvement, operation and maintenance of the San Juan Bay Cruise Terminals and related facilities. Act 29 provides the Partnership Committee with the authority to negotiate the terms of the PPP Agreement and provides PRPA with the authority to execute the PPP Agreement negotiated by the Partnership Committee with the Concession Company, subject to (i) the approval of the P3 Authority Board of Directors and the Board of Directors of the PRPA and (ii) the approval of the Governor of Puerto Rico or his/her delegate, in each case pursuant to Act 29 and the Regulation (the approvals described in clauses (i) and (ii) together, the "**Required Approvals**").

In addition, the negotiated PPP Agreement is subject to the consent of the Financial Oversight and Management Board for Puerto Rico (the "**FOMB**") in accordance with the policy established pursuant to Section 204(b)(2) of PROMESA, which requires FOMB's approval before execution of all local Puerto Rico contracts with an aggregate expected value of $10 million or more.

On February 9, 2022, the Partnership Committee voted unanimously to approve and commence the process for the Required Approvals, starting with the FOMB. On June 9, 2022, and after more than a dozen meetings and multiple calls with the FOMB or its representatives, the FOMB conditionally approved the PPP Agreement. Following FOMB's approval, the P3 Authority met with the Preferred Proponent to finalize the PPP Agreement. Accordingly, on July 5, 2022, following a process of more than 48 months, the Partnership Committee voted unanimously to approve the PPP Agreement.

Accordingly, the PPP Agreement is submitted to the relevant entities for the Required Approvals. Upon receipt of the Required Approvals, as well as the execution of the PPP Agreement, this Report will be filed with the Office of the Clerk of the House of Representatives and of the Senate of the Legislative Assembly of the Commonwealth of Puerto Rico. The Report will also be published on the P3 Authority's website at www.p3.pr.gov and on the website of the Government of Puerto Rico.

As required by Section 9(g) of Act 29, the Partnership Committee has prepared this Report to describe the procedures followed in the procurement process for the award of the PPP Agreement and the reasons for its decision. In particular, this Report describes, pursuant to Section 9(g) of Act 29, the following considerations:

- the public policy and social welfare objectives the Government seeks to address through the implementation of the Project;
- the processes resulting in the recommended award of the PPP Agreement, including the RFQ Process, the RFP Process and the evaluation of the Proposal;
- the Partnership Committee's selection of the GP Group as the preferred proponent to engage in exclusive discussions and

1 The Resolutions from the P3 Authority Board of Directors can be found on the P3 Authority's website: www.p3.pr.gov

negotiations with the P3 Authority in connection with the Project (the "**Preferred Proponent**"); and the Partnership Committee's rationale for recommending the final award of the PPP Agreement to the Concession Company (the "**Recommended Award**").

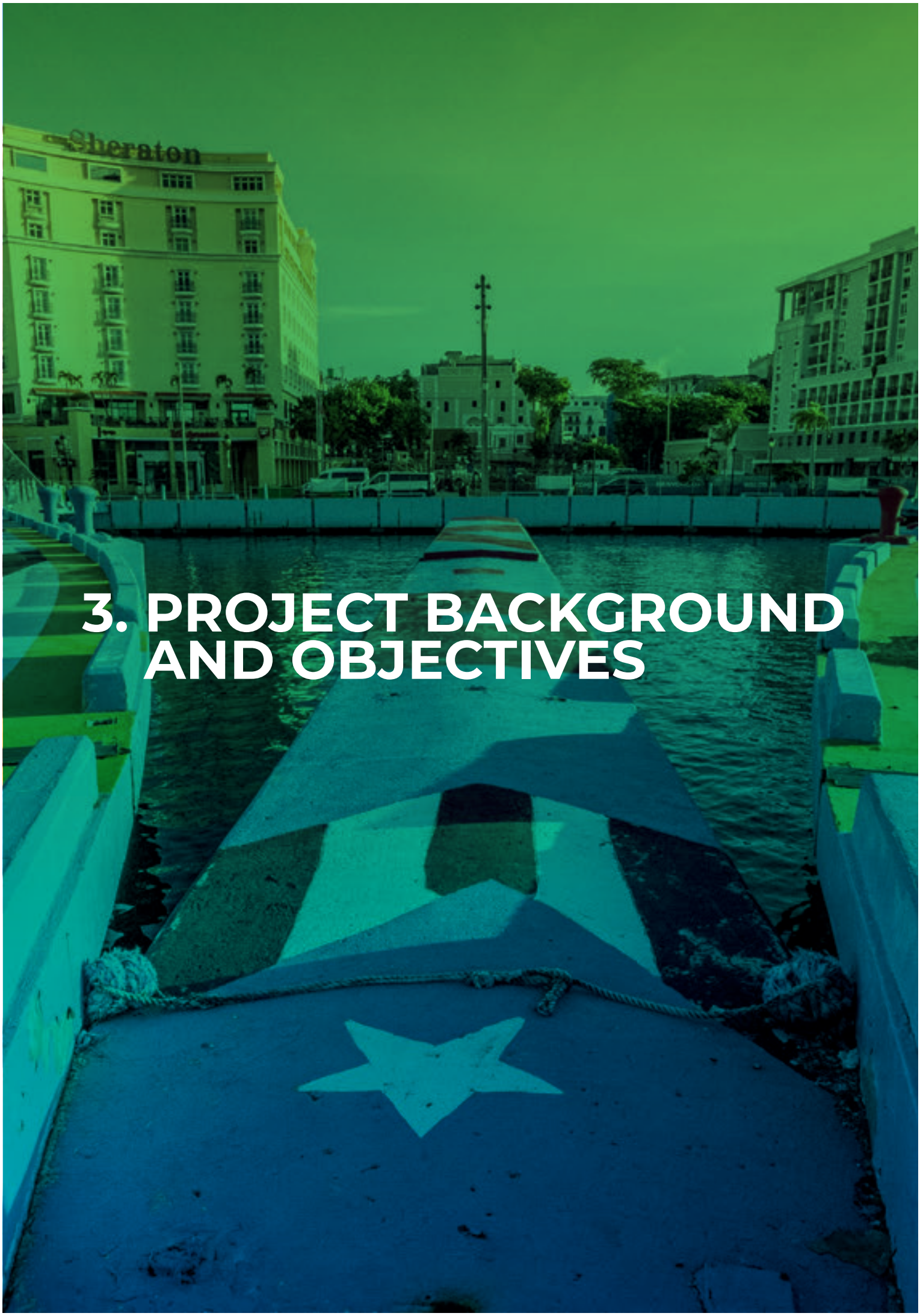
In addition, although not a Required Approval under Act 29, since the Pan American Piers portion of the San Juan Bay Cruise Terminals are located within the perimeter and airport layout plan of the Ribas Dominicci Airport (also known as the Isla Grande Airport), the PRPA will identify certain amount to be approved by the Federal Airport Administration ("**FAA**") for the use of Pan American Piers under the Concession. Members of the P3 Authority, PRPA and Consultants have met with the FAA to review the Project and its potential benefits, in addition to the regular meetings and conferences that PRPA holds with FAA where the Project has also been discussed. PRPA and members of the P3 Authority and Consultants will meet further with the FAA after obtaining the Required Approvals to support and complete the FAA process before financial closing of the Project.

Throughout the Project's procurement process, the P3 Authority and the Partnership Committee have received advice from various consultants to the P3 Authority (the "**Consultants**").[2]

This Report is divided into six (6) main sections:

- the Executive Summary;
- this Introduction;
- the Project Background and Objectives;
- the Procurement Process;
- the Recommended Award; and
- the Conclusion.

2 IMG Rebel ("IMG"), Macquarie Capital (USA) Inc. ("Macquarie"), CPM PR, LLC ("CPM"), DLA Piper ("DLA"), and Blanco Fuertes & Associates LLC acted as Consultants. IMG provided technical advice. Macquarie provided financial advice. CPM provided advice in the procurement process. DLA provided legal advice. Blanco Fuertes & Associates LLC provided real estate advice. In addition to the aforementioned Consultants, the P3 Authority engaged several other specialized consultants to advise on specific matters and liaised with (i) AAFAF and its consultants in connection with PRPA's financial and fiscal condition to, among other purposes, respond to FOMB's questions and (ii) PRPA and its consultants.



3. PROJECT BACKGROUND AND OBJECTIVES

3.1 Project Background

3.1.1 PRPA and the San Juan Bay Cruise Terminals

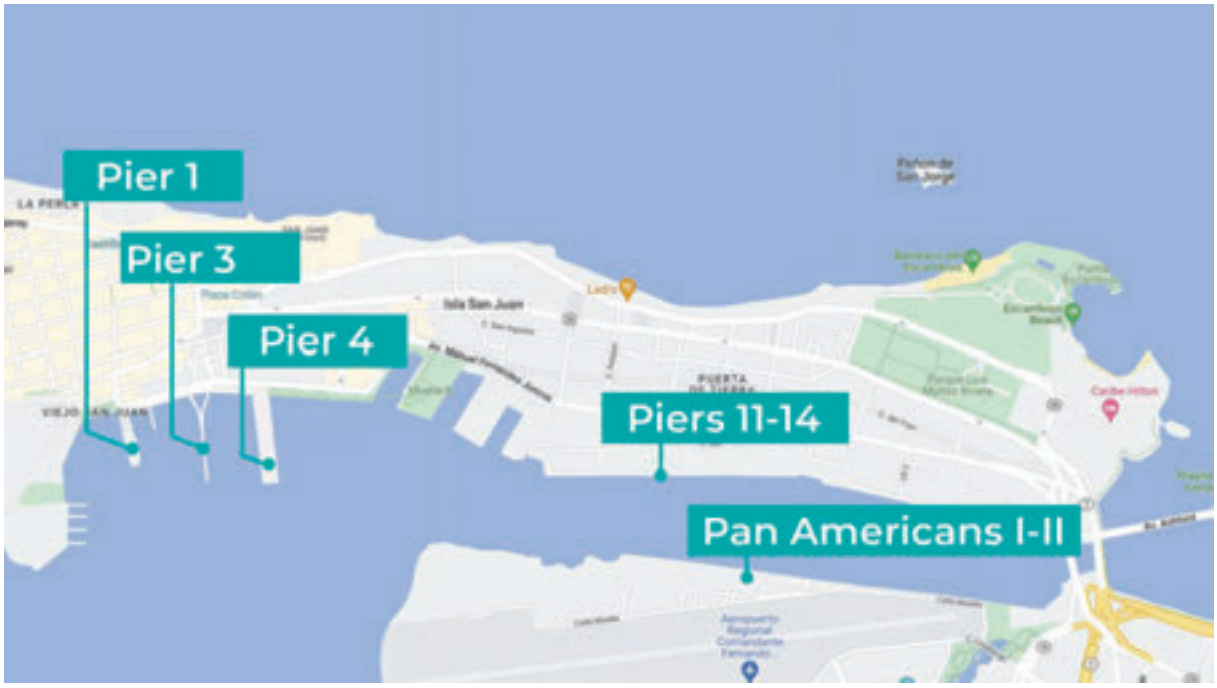
PRPA is a public corporation and government body created by Law No. 125 on May 7, 1942. It was originally established as the Transportation Authority of Puerto Rico, under the direction of the General Administrator who reported to a Board of Directors. In 1950, the functions of the Board of Directors were transferred to the Administrator of Economic Development. The Transportation Authority was renamed the Ports Authority in 1955. PRPA is currently directed by an Executive Director and a Board of Directors.

PRPA is subdivided into two (2) divisions: the Maritime Division and the Aviation Division. As part of the Maritime Division, PRPA owns and currently operates the San Juan Bay Cruise Terminals, consisting of Pier 1, Pier 3, Pier 4, Pier 11, Pier 12, Pier 13, Pier 14, Pan American Pier 1, Pan American Pier 2 and related walkways and adjoining property, as seen in the image below.

In addition, PRPA also operates other facilities in the harbor area of Isla Grande and the wharfs of Puerto Nuevo, as well as the wharfs in the harbor zones of Arecibo, Fajardo, Vieques, Culebra, Guayama, Guayanilla and Yabucoa. As part of the Aviation Division, the PRPA is responsible for nine (9) regional airports (the "**Regional Airports**") and is the owner of the Luis Muñoz Marín International Airport, currently being operated by Aerostar Airport Holdings LLC ("**Aerostar**"), a private partner pursuant to a PPP.

3.1.2 Puerto Rico's Under-Investment Compared to Other Ports

Puerto Rico has under-invested in its cruise terminal infrastructure in comparison to other competing ports. This under-investment has limited, and unremedied will continue to limit, the ability of the San Juan Bay Cruise Terminals to take advantage of the recovery and growth of the cruise line business.



Pier 1 was constructed around 1970 and predominantly serves homeport traffic. Pier 4 and the Pan American Piers 1 and 2 were constructed around 1980 for an older class of ships and for a mix of cargo and passengers. Throughout the years, these piers have been augmented to increase their capacity. In particular, Pier 4 was developed into a new homeport in the 1990s and subsequently redesigned to increase its capacity to meet the market requirements of that time. Since then, however, the improvements of these piers have been modest, with PRPA endeavoring to support the evolving needs of the cruise industry within the limits of the financing available for development. Due to funding constraints, PRPA's development strategy has been limited to a minimum level of investment needed to maintain Piers 1, 4 and the Pan American Piers 1 and 2 operational. Pier 3, on the other hand, was renovated in 2013 and is in satisfactory condition. Today, and as a result of the above-mentioned under-investment, portions of the San Juan Bay Cruise Terminals are outdated, undersized and fail to meet the needs and expectations of the modern cruise industry.



Pier 1



Pier 4



Pan American Pier

This contrasts with the major investments recently made or planned for the competing Floridian and Caribbean ports.

Miami. In recent years there has been considerable investment and future-announced investment across the Dante B. Fascell Port of Miami ("**PortMiami**") world-class cruise terminals. Considered already among the most modern and sophisticated cruise terminals in the world, PortMiami has positioned itself as a sought-after destination for both passengers and cruise lines. Recognizing the changing landscape of the region's cruise operations, PortMiami has undertaken, or plans to undertake, the following projects, among others:

- Terminal A: Starting in November 2018, Terminal A became home to Royal Caribbean Cruise Ltd ("**Royal Caribbean**") and its largest ships and is known as the largest cruise terminal in the US, the result of much collaboration with Miami-Dade County.
- Terminal AA/AAA: MSC Cruises is planning to design, finance, build, operate and maintain Cruise Terminals AA/AAA and its three berths for an approximate cost of $350 million with completion estimated for December 2023.
- Terminal B: Dubbed "The Pearl of Miami," Terminal B is home to Norwegian Cruise Line Holdings Ltd. ("**Norwegian**"). In 2018, a $239 million facility upgrade started, transforming the terminal into a 166,500 square foot state-of-the-art terminal which can accommodate cruise ships with a capacity of up to 5,000 passengers. The new terminal was inaugurated in August 2021.
- Terminal E: Most recently updated in 2018 with an investment of $8 million, Terminal E exclusively serves Carnival Corporation PLC ("**Carnival**") with new passenger boarding bridges. This 3-story facility has a VIP lounge, advanced

security screening, new check-in counters, and a conveyor baggage system.

- Terminal F: Miami's third-largest cruise terminal is currently under construction at an estimated cost of $170 million and is expected to accommodate Carnival's planned 7,000 passenger vessels (the Panorama, Celebration, and Mardi Gras). Terminal F will have facial recognition software to increase security efficiency during embarkation and 32-meter-long passenger boarding bridges specifically to accommodate the larger vessels.

- Terminal V: Most recently known as Terminal H, this terminal exclusively serves Virgin Voyages. Terminal V has a unique architecture, complete with palm trees and the like achieving a tropical-inspired feel. The 132,000 square foot terminal was inaugurated in February 2022.

Port Canaveral. The world's second largest cruise port by passenger count, Port Canaveral completed in mid-2020 a $163 million upgrade to Terminal 3; the largest upgrade of such project in port history. This new 188,000 square foot facility boasts a six story, 1,800 vehicle parking garage, cutting-edge technology baggage processing, state-of-the-art security and check-in area, seating for 1,700 guests, and the ability to handle the largest of cruise ships. The terminal can accommodate vessels up to 1,309 feet in length.

Freeport, Bahamas. Bahamas Port Investments ("**BPI**"), a joint venture between Royal Caribbean and ITM Group, were in negotiations with the Bahamian government for the transformation of the Grand Lucayan Resort into a major destination with additional hotel and conference space, a water adventure theme park, retail and restaurants. While this project has been cancelled by the new Bahamian government, the negotiations between BPI and the Freeport Harbour Company for the expansion and transformation of the cruise port into a world-class port facility are ongoing.

Nassau, Bahamas. In 2019 an affiliate of the Concession Company signed a 25-year management agreement post-construction for the Nassau Cruise Port. The Nassau Cruise Port will become a cruise homeport after a $300 million redevelopment project, which will increase the number of ship berths from five to six, boosting the passenger capacity from 20,000 to 30,000 on any given day. The project will replace a customer warehouse and include a new terminal building, retail facilities, food and beverage outlets, a major outdoor events and entertainment space, amphitheater, museum, and waterfront park.

Antigua. In November 2020, the St. Johns Port completed a $30 million construction investment of its fifth berth, the newest pier at the cruise port facility. This expansion is part of an $80 million development agreement signed between an affiliate of the Concession Company and the Government of Antigua in 2019 to redevelop a larger cruise complex.

3.1.3 Recent Challenges

Natural Disasters

PRPA's challenges were both highlighted and significantly aggravated by the Hurricanes, which struck Puerto Rico within two weeks of each other and resulted in one of the largest and most complex disaster response and recovery efforts in recent U.S. history. Irma skirted the northern coast of Puerto Rico, its eye passing north of Puerto Rico as a category five hurricane[3] on September 6, 2017, causing significant flooding, regional power and water outages, and other damage to Puerto Rico's

3 FEMA's definition for hurricanes is based on the Saffir-Simpson scale which takes into account a storm's maximum sustained wind speed. A category four hurricane is defined as having sustained winds ranging from 130 to 165 miles per hour and that will result in significant infrastructure damage, power outages lasting for months, and loss of life. A category five hurricane is the highest category and is defined as sustained winds over 157 miles per hour.

infrastructure. On September 20, 2017, while Irma's response operations were still ongoing, María made a direct strike over Puerto Rico as a category four hurricane, causing widespread and unprecedented devastation and destruction to the entire Island. María resulted in loss of life and massive infrastructure and property damage that severely affected Puerto Rico's population, economy, critical infrastructure, social service network and healthcare system.

The Hurricanes struck Puerto Rico in the midst of an already dire financial situation for PRPA and the Government. The series of earthquakes that struck Puerto Rico in December 2019 and January 2020, and the ensuing damage, further demonstrated the critical need for infrastructure investment.

COVID-19

The COVID-19 pandemic's effects from 2020 on the cruise industry have been widely documented. As many countries across the globe closed their borders in response to COVID-19, thousands of passengers were kept at sea, while vessels sought a port to dock. In mid-March 2020, Canada banned all ships with more than 500 people from docking in their ports. Australia, New Zealand, and the United States banned all ships arriving from foreign ports and directed all foreign flagged ships to leave the country. As a result of these redirections, passengers were quarantined on board for almost a month before being repatriated. The financial impacts on the cruise industry of these governmental measures and passengers' aversion to short-term cruise travel turned out to be temporary and overall recovery is on the horizon. The cruise industry is gaining momentum as most of the cruise brands have started sailing again. As an example, Royal Caribbean has about 80% of its fleet up and running.[4]

As of July 12, 2022, the Center of Disease and Control Prevention ("**CDC**") continues to recommend cruise ships operating in U.S. waters to participate in its COVID-19 Program for Cruise Ships. While participation is not compulsory, it is understood that those who opt out will require crew and passengers to wear masks when located indoors.[5]

Prior to the COVID-19, the cruise industry was the fastest-growing category in the leisure travel market. Since 1980, the industry had experienced an average annual passenger growth rate of approximately 7% per annum[6]. Between 2008 and 2018, the industry grew by 35%[7]. The Caribbean region is the largest market within the global cruise ship industry, representing over a third of the global demand, followed by the Mediterranean with 16%, and emerging markets, particularly Asia/Pacific and China, with over 10%. Within this timeframe, the global port capacity expanded from 269,000 berths to 563,000 berths and was expected to grow to 784,000 berths by 2027, a 290% increase in over 15 years.

In the past, the cruise industry has been relatively resilient to economic downturns. Passenger growth continued to be positive even during the last three recessions. Consistent with that history, manufacturers, service providers, and industry publications have indicated that there is significant cruise industry "pent-up demand" following the COVID-19-era limitations. Cruise Lines International Association, a trade organization for the cruise industry, found in December 2020, before major vaccine rollout announcements were made, that 73% of cruisers say they are "'likely to cruise in the next few years", and "50% say they will cruise within the year." Carnival's President and Chief Executive Officer ("**CEO**") Arnold Donald said that advance bookings for the first half of 2022 were at or above 2019's bookings for the same period spread across the globe, including Caribbean itineraries, strengthening the

4 See www.cruiseindustrynews.com/cruise-news/2678-jason-liberty-q2-in-line-royal-caribbean-won-t-compromize-guest-experience.html.

5 See CDC Cruise Ship Guidance at https://www.cdc.gov/quarantine/cruise/index.html

6 Florida Caribbean Cruise Association (2017). Cruise Industry Overview – 2017.

7 Florida Caribbean Cruise Association 2019; CLIA 2019.

cautiously optimistic outlook for the sector. Likewise, Disney's CEO Bob Chapek highlighted the "extremely strong" demand for the cruise lines in the entirety of 2022, and particularly in the 2nd half of 2022, based on current bookings. Michelle Fee, CEO of travel agency Cruise Planners, noted this pent-up demand after observing more cruise bookings for 2022 than in 2019 and 2020. In general, the pent-up demand for the industry continues to be reflected in the level of cruise bookings for 2023. However, the actual recovery of the cruise industry for 2021 proved less strong than anticipated, as a result of the additional unforeseen restrictions that were imposed after a new global surge in the COVID-19 cases, which slowed the industry from reaching the pre-pandemic levels of 2019.

The pandemic also created an opportunity for cruise lines to update their fleets. Although the number of cruise ships being sent to "shipbreaking" facilities, or recyclers, has increased since the COVID-19 began, the cruise lines seem to be adding new ships to their fleets. Carnival, for instance, ordered eighteen of its ships across nine of its operating brands to be disposed of; however, they are not cancelling any new build orders. Arnold Donald said, "we will be adding more efficient ships that will give us a greater opportunity for returns." Jason Liberty, President and Chief Financial Officer of Royal Caribbean recently echoed this sentiment, stating that they will not be cancelling any new build orders. The new vessels tend to be more efficient and larger.[8]

Based on cruise line trends and developments during the COVID-19 and given that the cruise market has traditionally been supply-driven, with cruise lines bringing down prices and filling capacity with discounted prices, there is an expectation that the industry will continue to recover successfully and expand.

8 See: https://markets.businessinsider.com/news/stocks/carnival-cruise-line-to-grow-fleet-by-two-additional-ships-by-2023-1030547341; https://thepointsguy.com/news/carnival-cruise-line-ship-expansion

https://www.businessinsider.com/carnival-selling-18-ships-amid-billions-losses-no-sail-order-2020-9?international=true&r=US&IR=T; New Cruise Ships on Order (cruisecritic.co.uk)

PRPA's Financial Condition

PRPA's balance sheet deterioration, reflecting continued budget imbalances between revenues and expenditures, and significant debt caused by deficit financing, led to the loss of capital markets access in 2014. This limited PRPA's ability to make necessary investments in the San Juan Bay Cruise Terminals. Coupled with the deterioration in the local and global economic environment, PRPA's funding capacity has been further affected, limiting the funding options available to PRPA and resulting in the deferral of routine and major maintenance projects on the San Juan Bay Cruise Terminals. The last major structural improvement to the San Juan Bay Cruise Terminals funded by the Government and PRPA was in 2013 and involved the expansion of Pier 3.

PRPA's three main sources of funding are maritime operations, airport operations, and government financial assistance, both from the Federal Government and from the Government of Puerto Rico.

- ***Government Contributions.*** After the Hurricanes, PRPA has been actively seeking funding through federal grants from the Federal Emergency Management Agency ("**FEMA**") and the U.S. Department of Housing and Urban Development ("**HUD**"), including from the Community Development Block Grant Disaster Recovery ("**CDBG-DR**") and Community Development Block Grant Mitigation ("**CDBG-MIT**") programs administered by Puerto Rico Department of Housing ("**PRDOH**") in collaboration with HUD or through other Government sources (collectively, "**Government Contributions**").

- To the date of this Report, PRPA has not received Government Contributions for any of the capital expenditures needed for the San Juan Bay Cruise Terminals

because FEMA has determined that the structural deficiencies in the San Juan Bay Cruise Terminals were primarily "pre-existing" and not caused by the Hurricanes. Therefore, the most urgent infrastructure repairs do not qualify for FEMA public assistance disaster relief funding. FEMA funds recently available to PRPA were spent on other needed repairs, such as repairing the cogeneration facility at the Luis Muñoz Marín International Airport. As for CDBG-DR and CDBG-MIT, PRPA and PRDOH are in the process of updating the Action Plan to include Piers 11 through 14 quay wall as a prospect to receive funding by PRDOH through the CDBG-MIT program. This process, however, will take time to complete and confirm any definitive funding.

- ***Cruise Line Funding.*** For the past 20 years, PRPA has relied upon funding from cruise line companies to make improvements to the San Juan Bay Cruise Terminals. Major quay wall or other similar pier piling, and foundation improvements have not been a part of the improvements made by the cruise lines, as such these are a primary focus for PRPA. The amount contributed by the cruise line companies has been repaid by a credit given to the cruise line companies against the passenger fees they would otherwise have to pay PRPA. In addition, the cruise line companies have obtained preferential berthing rights at various piers. Funding through the cruise lines is expensive and also results in Preferential Berthing Agreements ("**PBAs**") that are inconsistent with the policy of PRPA to expand the use of the San Juan Bay Cruise Terminals by a wider range of cruise lines under an open access regime. The existing PBAs give preferential rights to two cruise lines for 20-35 years in exchange for the financing of about $30 million in capital improvements on Piers 3, 4, and Pan American Piers, which in turn result in a cost of $56 million for PRPA. Moreover, the COVID-19 has had a devastating impact on the finances of the cruise lines and the reliability of the cruise lines as a future source of funding for San Juan Bay Cruise Terminals is unknown, as highlighted by recent reports of rating agencies. Moody's Investor Services ("**Moody's**") changed its outlook for US Lodging and Cruise from "*Stable*" to "*Negative*" in H1 2020 as a result of the grounding of cruise operations from the CDC's no-sail order. Per Moody's most recent July 2021 update, US cruise operations have returned following a 15-month standstill. However, there is still uncertainty around the ramp-up speed of operations, restricted occupancy compliance, and the recovery of increased leverage. Therefore, Moody's expects 2022 to be a recovery year with modest levels of cruising and occupancy aboard those ships. Moody's expects earnings to return to 2019 levels in 2023 at the earliest but notes the priority of free cash flow will be used to bring debt balances back to sustainable levels.

3.1.4 The Vision for the San Juan Bay Cruise Terminals

In response to the Hurricanes, the United States Maritime Administration ("**MARAD**"), under assignment by FEMA, conducted a condition assessment of the

9 The firm Iglesias-Vazquez and Associates was hired by the PRPA after the Hurricanes to assess the condition of the piers under consideration (the "IVA Report"). The survey included a walk-over inspection of the piers and buildings as well as a visual inspection by boat of the fenders and underside of the piers. A diving survey and detailed structural calculations were not part of the firm's scope of work. Considering the IVA Report did not include any structural analysis, it is of limited use and was not relied upon for determining required improvements to the San Juan Bay Cruise Terminals. PRPA subsequently hired Gvelop LLC to undertake a supplemental evaluation (including a diving survey and more detailed structural evaluation) (the "Gvelop Report") to verify MARAD's conclusions related to the condition of Pier 4 and the Pan American Piers. IVA Report and the Gvelop Report are collectively referred to herein as the "PRPA Technical Evaluation".

San Juan Bay Cruise Terminals through a private consultant (the "**MARAD Report**")[9]. The MARAD Report includes cost estimates for two categories, repairs and resilience measures. Additionally, the MARAD Report includes a walk-over inspection of the piers and buildings; a diving inspection, including ultrasonic thickness measurements; and structural calculations. The MARAD Report recommended, among others measures, that Piers 1 and 4 be rebuilt entirely and identified initial capital improvements costs as high as $300 million.

Moreover, PRPA concluded that in order to maintain San Juan as a major cruise port destination and increase the number of cruise passengers entering San Juan, it needed to expand the number of cruise lines that use the San Juan Bay Cruise

Terminals as either a port of call or a home port. In order to achieve such expansion, less dependence on PBAs is required, as such dependence typically ties the terminals to a limited number of cruise lines. Further, a better integration of San Juan with the rest of the Caribbean and global cruise industries would support these expansion goals.



Pier 1



Pier 4

From the MARAD Report and the importance of the San Juan Bay Cruise Terminals to the economy of Puerto Rico, the Government has sought not only to rebuild after the Hurricanes, but also see the recovery process as a chance to jumpstart a long-term revitalization of the Puerto Rican economy. Along with the aforementioned initiatives, PRPA is seeking to upgrade its facilities through major renovations to meet the needs of the modern cruise industry and be more resilient against future natural disasters.

As discussed above, based on the current economic conditions and PRPA's debt caused by deficit financing, PRPA does not foresee near term opportunities to access the debt markets to fund repairs and upgrades or, more importantly, the expansion and modernization to the San Juan Bay Cruise Terminals needed to maximize the opportunity that will be available in the cruise industry as demand for attractive Caribbean destinations recovers and expands. Further, due to structural damage to the piers that predates the Hurricanes, PRPA does not have access to certain federal funds that may assist with the rebuilding and expansion of the San Juan Bay Cruise Terminals. Consequently, and as concluded in the D&C Study undertaken by the P3 Authority for the Project, PRPA and the P3 Authority concluded that these are tasks that are better suited to a private operator and the best path forward would be through a PPP.

Puerto Rico's Existing PPP Program

For several years, Puerto Rico has been one of the few U.S. jurisdictions with an organized PPP program. The Government has a robust and successful PPP program under Act 29 and the use of this framework is ideal to meet the goals and objectives of PRPA and the Government for the rebuilding and developing of the San Juan Bay Cruise Terminals. The use of the PPP model to develop projects like the San Juan Bay Cruise Terminals is well established in Puerto Rico. Over the past decade, the Government has had success in harnessing best industry practices, expertise, experience, and know-how for

its infrastructure projects by entering into PPPs with private sector participants in other sectors. These projects include the long-term concession of toll roads PR-22 and PR-5 that was awarded in 2011 (the "**Toll Roads Project**"), the long-term lease agreement for the Luis Muñoz Marín International Airport that was awarded in 2013 (the "**LMM Airport Project**"), and, more recently, the long-term operation and maintenance agreement ("**O&M Agreement**") of the Puerto Rico Electric Power Authority's ("**PREPA**") electric transmission and distribution system, and the long-term O&M Agreement of the Puerto Rico and the Island Municipalities Maritime Transport Authority ("**MTA**") ferry systems (the "**MTA Project**"), both awarded in 2020. In each of these cases, the Government sought to strike a balance between government and private sector participation through a mutually beneficial contractual relationship that results in the efficient, effective, and affordable delivery of public goods and services to all citizens of Puerto Rico.

By providing clarity, uniformity and certainty with respect to PPP selection and contracting, Act 29 and the Regulation comprise one of the most robust legal frameworks for PPPs in the Americas. In particular, Puerto Rico's PPP program is guided by the following five key components of a successful PPP program identified by the World Bank Group: (i) clear public policy; (ii) strong legal framework; (iii) clear processes and institutional responsibility; (iv) responsible financial management; and (v) good governance arrangements, each of which is described in more detail below.[10]

Clear Public Policy – Puerto Rico's PPP program clearly articulates (i) the Government's intent to use PPPs to deliver public services and (ii) the objectives, scope and implementing principles of the PPP program.

Strong Legal Framework – Puerto Rico's PPP program is grounded in a strong legal framework that sets the rules and boundaries for how PPPs are implemented.

Clear Processes and Institutional Responsibility – Puerto Rico's PPP program provides a detailed, clear and consistent process by which PPP projects are identified, developed, appraised, implemented and managed, and sets forth the roles of different entities involved in that process.

Responsible Financial Management – Puerto Rico's PPP program requires responsible public financial management that ensures PPPs provide value without placing undue burden on future generations.

Good Governance Arrangements – Puerto Rico's PPP program provides for governance arrangements that allow other entities, such as auditing entities, the legislature and the public, to participate in PPP projects.

10 See World Bank Group; Private Infrastructure Advisory Facility; Asian Development Bank; Inter- American Development Bank; Multilateral Investment Fund. Public-Private Partnerships Reference Guide, version 3, 2017.

Act 29 provides that the public policy with respect to PPPs must be to maintain such controls necessary to protect the public interest yet balance this need for controls with the profit-making purpose of any private operation. The P3 Authority was created pursuant to the Act 29 as a public corporation of the Government and affiliated with the Puerto Rico Fiscal Agency and Financial Advisory Authority ("**AAFAF**", by its Spanish acronym). The P3 Authority is designated as the sole government entity authorized and responsible for implementing the Government's public policy on PPPs and for determining the functions, services or facilities for which PPPs are to be established[11].

Act 29 recognizes the need for PPPs to facilitate the development of infrastructure and other projects by delegating the risks inherent to such development or service to the party that is best capable of assessing and managing such risks, improving services, creating new jobs, and developing Puerto Rico's economy and competitiveness. Likewise, these partnerships enable the Government to make infrastructure projects feasible when the funds needed to complete a project are not available in the public treasury.

Furthermore, to ensure that PPPs provide value without placing an undue burden on future generations, Act 29 provides that all revenue received by the Government from a PPP Agreement may only be employed for any of the following uses:

- to pay debts of the public entity entering into the PPP Agreement;
- to pay debts of the central Government;
- to create a capital investment fund for the capital improvement program of the public entity entering into the PPP or the central Government;
- to create a fund to repay any line of credit that may have been granted by the Government Development Bank for Puerto Rico to the public entity entering into the PPP Agreement; and
- to contribute to the Government retirement systems.

The robustness of the Act's framework is evidenced by the success of the existing PPPs and O&M Agreements mentioned. In fact, the P3 Authority was presented with the Organization *of the Year – Public Sector* award at the **P3 Awards 2021** international awards ceremony. The *Organization of the Year – Public Sector* award was presented to the P3 Authority for its ability to solidly lead and execute large-scale transformation projects, even in the face of unprecedented challenges such as the impact of the Hurricanes, the earthquakes of 2019 and 2020; a deteriorated fiscal situation, and the restrictions stemming from the pandemic; among others.

The Toll Roads Project

The Toll Roads Project was structured as a 40-year concession agreement (the "**Toll Roads Agreement**") between Autopistas Metropolitanas de Puerto Rico LLC, a consortium composed by Goldman Sachs Infrastructure Partners and Abertis Infrastructures ("**Metropistas**"), and the Puerto Rico Highways and Transportation Authority ("**PRHTA**") for the maintenance and operation of two highways, PR-22 and PR-5. Pursuant to the Toll Roads Agreement, Metropistas made an upfront payment to PRHTA in the amount of $1.08 billion and committed to make certain investments to upgrade toll roads PR-22 that runs from San Juan to Hatillo and PR-5 that connects Cataño to Bayamón and bring these highways to world-class standards. The Toll Roads Agreement provides that remaining

11 In addition, Act 29 expressly states that it is the public policy of the Government to favor and promote the establishment of PPPs and further authorizes all departments, agencies, public corporations, and instrumentalities, as well as municipalities and the legislative and judicial branches of the Government, to use the establishment of PPPs in accordance with the process specified therein. Act 29 also prohibits the Government from legislating to limit the powers or rights granted to the P3 Authority and partnering government entities under Act 29 until the obligations under an executed PPP Agreement are satisfied.

revenues generated by the toll roads belong to Metropistas. The Toll Roads Project was the first concession of its type successfully achieved in Puerto Rico and was internationally recognized as a successful PPP project, winning both Project Finance International's deal of the year in the Americas category and the American Road and Transportation Builders Association's project of the year award in 2011.

The LMM Airport Project

The LMM Airport Project was structured as a 40-year lease agreement (the "**LMM Airport Agreement**") between the PRPA and Aerostar, to operate the Luis Muñoz Marín International Airport, the busiest airport in the Caribbean and containing the largest air cargo operation in Puerto Rico. Pursuant to the LMM Airport Agreement, Aerostar made an upfront payment to PRPA in the amount of $615 million and committed to make annual payments equal to a percentage of airport revenues and certain investments to upgrade the airport facilities. Like in the Toll Roads Project, the LMM Airport Agreement provides that all other revenues belong to Aerostar. The LMM Airport Project was the first PPP completed for an international airport under the Federal Aviation Administration Pilot Program and was also internationally recognized as a successful PPP project, winning Project Finance International's deal of the year award in 2013.

The Electric Power Transmission & Distribution System Project

On June 22, 2020, PREPA, the P3 Authority and LUMA Energy, LLC together with LUMA Energy ServCo, LLC (collectively "**LUMA**")[12] entered into a 15-year O&M Agreement for the operation, maintenance, management, repair and replacement of Puerto Rico's Electric Transmission and Distribution System. The O&M Agreement was the first PPP Agreement executed under the Puerto Rico Electric Power System Transformation Act, Act No. 120-2018, as amended, which was enacted with the ultimate goal of ensuring that Puerto Rico's electric power system evolves into a modern, sustainable, reliable, efficient, resilient, and cost-effective system. For this project, the P3 Authority was also a finalist in the P3 Awards 2021 for *Project of the Year – Utilities*.

The Puerto Rico Maritime Transportation Services Project

The MTA Project was structured as a 23-year O&M Agreement between MTA, HMS Ferries – Puerto Rico, LLC and HMS Ferries, Inc. to operate and maintain the MTA's ferry system, including the operation and maintenance of vessels and related facilities for the municipal ferry service provided in the key routes of Cataño-San Juan and Ceiba-Vieques-Culebra. The MTA Project is meant to ensure operational safety and quality of service provided to customers, modernize public services and build a stronger and more resilient infrastructure, the introduction of operational efficiencies, the increase in resources available for vessel maintenance and service improvement, and a reduction in the public sector subsidy of the MTA operations. The MTA Project O&M Agreement was signed on October 27, 2020. This project of the P3 Authority was also nominated as *Project of the Year – Transportation*.



LUMA employees restoring electrical services.

12 LUMA is a consortium composed of: Atco Ltd., Quanta Services Inc. and Innovative Emergency Management, Inc.

3.2 Project's Objectives

The Project consists of granting the Concession Company a 30-year administrative concession for the primary purpose and essential consideration of:

- Repairing, improving, operating and maintaining the San Juan Bay Cruise Terminals;
- Maintaining the safety and security of the San Juan Bay Cruise Terminals at the highest possible levels;
- Promoting, facilitating, aiding and enhancing commerce, tourism and economic development at the San Juan Bay Cruise Terminals for the Commonwealth of Puerto Rico;
- Improving the interaction of relevant local stakeholders, primarily from Old San Juan, Cataño, Puerta de Tierra and Condado areas, with the operations of the San Juan Bay Cruise Terminals; and
- Improving the experience of cruise visitors to further promote Puerto Rico as a major cruise destination.

As part of the Concession, the Concession Company will have the right to:

- Collect and retain fees, charges, payments and revenues in respect of the San Juan Bay Cruise Terminals included in the Project;
- Use all of the immovable property, personal property and equipment located at the Project site, as described in the PPP Agreement, during the Concession term; and
- Transfer all assets, as improved and expanded back to PRPA without any further compensation or transfer payment by PRPA upon expiration of the Concession term.

As a result, the Concession Company will have the right of enjoyment and use of the San Juan Bay Cruise Terminals. As a point of clarification, PRPA in no way is assigning, transferring ownership or otherwise conveying title of the San Juan Bay Cruise Terminals to the Concession Company. PRPA will continue to own current terminals and other facilities of the San Juan Bay Cruise Terminals as well as new terminals and facilities built in the future by the Concession Company.



Pier 1



Departure of cruise passengers in Pier 1.

3.3 Project's Anticipated Benefits

The Partnership Committee finds that the Project will generate significant economic and social benefits to the people of Puerto Rico, which are summarized in the following key social welfare and economic goals:

- Accelerate completion of important capital improvement works to enhance the performance, and safety conditions of the San Juan Bay Cruise Terminals in the short term and the expansion of the terminals to enhance the capabilities and offerings in the medium and long term;
- Spur private infrastructure investment in Puerto Rico, which has a multiplier effect on the economy and leads to the creation of new jobs;
- Increase the number of cruise ships and tourists that visit Puerto Rico on an annual basis, which has a positive effect on the island's economy, especially in the nearby communities of Old San Juan, Puerta de Tierra, Cataño and Condado;
- Reduce PRPA's debt burden, which has been negatively affected by its financial performance and capital structure;
- Provide a world class level of service to visitors of the San Juan Bay Cruise Terminals; and
- Make the new wharfs at Pan American Piers and Piers 11- 12 disaster resilient, making its underwater structure strong enough to be used by military and other vessels to bring in supplies or provide medical attention and temporary housing following a future disaster.

3.3.1 Repair and Expand the San Juan Bay Cruise Terminals

As described in previous sections, significant maintenance is needed to bring the piers up to PRPA's desired industry standards. The need to provide safe, efficient, and well-maintained cruise terminals in San Juan is evident. Moreover, the cruise ship order book demonstrates a trend towards larger vessels and with the Caribbean being the most popular cruise destination globally, it is expected that these ever-larger vessels will be deployed on the Caribbean routes (as has been the pattern over the past decades). Consequently, capital improvements will need to be spent on San Juan's cruise terminal infrastructure to ensure that San Juan continues to be able to serve the largest cruise vessels as well as the more demanding visitors.





Actual conditions of the Pan American Piers.

In addition to the investments necessary, operations at the San Juan Bay Cruise Terminals need to be maximized. In the past, the piers have been developed and upgraded in an as needed basis, with individual cruise lines financing improvements to specific piers in return for passenger fees credits and preferential berthing conditions[13]. While this approach has been necessary due to financial constraints, it means that the cruise terminals operation is not optimized. A comprehensive and cohesive strategy and master plan for the cruise terminals, including a long-range capital expenditure program, would enable the piers to be maximized and managed more effectively and operated more efficiently.

The PPP Agreement mandates certain repairs, rehabilitation, and expansion works to be carried out within a designated timeframe and funded solely (or in part, at PRPA's option, if Government Contributions are available) by the Concession Company. Based on the MARAD Report and the subsequent analysis reflected in PRPA's Technical Evaluation reports, the GP Group undertook its own assessment of the condition of

13 Existing PBAs between PRPA and the cruise lines include:

Contract	Key Provisions
PBA with Royal Caribbean for Pier 3 (February 10, 2003)	Royal Caribbean has a 25-year term (subject to suspensions and extensions as provided in the agreement)
PBA and Master Development Agreement with Carnival for Pier 4 (June 7, 2001)	Carnival has a 20-year term (subject to suspensions and extensions as provided in the agreement)
PBA and Development Agreement with Royal Caribbean for Pan American Piers 1 & 2 (April 19, 2002)	Royal Caribbean has a 35-year term (subject to suspensions and extensions as provided in the agreement)

$74.8 million
Estimated — Initial Investment Projects

the existing structures and proposed an initial investment of $74.8 million for the repair and improvement works of wharves and buildings, including: $15.9 million for Pier 4 wharf improvements, $40.1 million for Pan American Piers wharf improvements, and miscellaneous improvements to the Pier 1 wharf and buildings, the Pier 3 wharf, the Piers 1-4 walkways, and the Pan American Piers buildings collectively for $18.8 million. The Concession Company will undertake these capital improvement projects, described as the Initial Investment Projects ("**IIP**") in the PPP Agreement, with its own funds.

In addition, the Concession Company will undertake the Expansion Investment Projects ("**EIP**") and the Phase Two Projects, with its own funds, as provided in the PPP Agreement. If the PRPA obtains Government Contributions for some of these capital improvement projects, then the Government Contributions will be used, advancing the commencement of the EIP Projects, and the repairs of Piers 11-14 wharf. The details of the IIP, the EIP, the Phase Two Projects, and the use of Government Contributions are described in the PPP Agreement.

Lastly, the PPP Agreement requires the Concession Company to develop and maintain a Cruise Pier Improvements Master Plan and Open Access Regime during the term of the Concession. This master plan will enable the San Juan Bay Cruise Terminals to be managed more effectively and operated more efficiently and be available to an expanded universe of cruise lines and vessels at the cost of the Concession Company.

3.3.2 Secure Access to Funds

PRPA's limited sources of available funding and weak financial position, which make borrowing and investing new capital expenditures impracticable, are widely known and have been explained in this Report. The traditional sources for funding are either no longer available or, if available, could be used to complement private funding at the San Juan Bay Cruise Terminals.

A PPP model, as opposed to PRPA continuing to operate, maintain and make capital investments on the piers, will allow PRPA and the Government to cause the necessary capital expenditures from private sources to be made on the San Juan Bay Cruise Terminals, and use public funds for other PRPA improvements where private funding is not available. Ultimately, a PPP model allows PRPA to maximize immediate-term value, mitigate the need for additional PRPA debt, and accelerate improvements at the San Juan Bay Cruise Terminals, producing jobs and economic development for Puerto Rico. It is noted that the PPP Agreement includes the opportunity for PRPA to, in its discretion, use Government Contributions if received and provides for the complementary use of private funding and Government Contributions. The development of these capital projects using Government Contributions is described in the PPP Agreement.

Through the PPP Agreement, the Concession Company assumes the financing and revenue risk of the San Juan Bay Cruise Terminals, including the risk of cruise volumes not meeting projections. This is particularly beneficial during the period of recovery from the COVID-19, but it is also a long-term benefit to PRPA. The Concession Company is expected to be able to leverage its global cruise operations expertise and partnerships with the cruise lines, both during this COVID-19 crisis and beyond, to ensure that the San Juan Bay Cruise Terminals adopt the necessary measures and strategies to be competitive with other cruise terminals.

3.3.3 PRPA's Debt and Financial Obligations

PRPA's debt, including funded debt and other operational liabilities, amounts to $381 million, excluding accrued interest. PRPA's debt includes obligations previously held by Government Development Bank for Puerto Rico ("**GDB**") that were subsequently transferred to the GDB Debt Recovery Authority ("**DRA**") pursuant to the GDB Qualifying Modification under Title VI of PROMESA, past due Pay-Go liabilities, and past due accounts payables to the Puerto Rico Aqueduct and Sewer authority ("**PRASA**") and PREPA. Certain DRA obligations are secured by (i) a mortgage over properties of PRPA ("DRA Mortgage"), including a portion of the Concession area that would be released upon reaching an agreement with DRA or (ii) a lien on PRPA's revenues that would have to be resolved through negotiations with the DRA. Therefore, through this PPP delivery model and a corresponding upfront payment, PRPA would be able to reduce its outstanding debt upon reaching agreements with the DRA and subject to the customary approvals, including by the FOMB, pursuant to Section 207 of PROMESA. Any amounts of the upfront payment and any other revenue sharing mechanisms of this PPP, which will generate an ongoing revenue stream for PRPA, could be used to further reduce debt over time, defray expenses, or held as cash on the PRPA's balance sheet.[14]

As defined in the PPP Agreement, the Concession Company will pay PRPA:

- An upfront payment of $75 million, which includes a Concession Fee of $72 million and $3 million to be deposited into an Escrow Account. The moneys to be initially escrowed will be used, if needed, to cover any Compensation Events that may arise during the construction period of the IIP; any amount remaining of the $3 million in escrow will be paid to PRPA when the IIP are completed;
- An upfront dredging payment of $1.6 million as an initial dredging payment and no less than $310,000 and up to $410,000 for each year after the 3rd year, to be deposited in the Escrow Account. PRPA will then use these amounts for their dredging obligations, including the Berthing Areas Minimum Dredging Depth, Berthing Areas Adjusted Minimum Dredging Depth, Shipping Channels Minimum Dredging Depth and/or the Shipping Channels Adjusted Minimum Dredging Depth, collectively the "**Dredging Depths**", as further described in the PPP Agreement;
- The "**Annual Authority Revenue Share**" or "**AARS**", which is an amount to be paid in cash to PRPA on every Reporting Year equal to a minimum of 5% of the gross Cruise Port Revenues, as defined and further explained in the PPP Agreement; and
- The Incremental Annual Revenue Share ("**IARS**"), which establishes an additional amount of revenue share the Concession Company shall pay if PRPA obtains at least $50 million for the Piers 11-12 Wharf Project (consisting of a new quay wall along Piers 11-12). Further detail regarding the IARS can be found in the PPP Agreement.

14 GDB, AAFAF and PRPA.

Further to the financial payments to PRPA, the Concession Company will assume the following key obligations, among others:

- Existing obligations under the PBAs with Carnival, Royal Caribbean and Norwegian, though certain Reserved Sections will remain under PRPA's obligation.
- Fund costs and perform all operating and maintenance of the San Juan Bay Cruise Terminals during the term of the Concession.
- Assume all responsibility for financing all necessary capital repair and replacement in the San Juan Bay Cruise Terminals to keep them operating according to the agreed conditions, expenses that would otherwise be borne by PRPA.
- Actively recruit and hire PRPA employees that may want to work for the Concession Company.

On the latter, the Concession Company has agreed in the PPP Agreement the following:

- The Concession Company will use reasonable efforts to interview all PRPA employees who apply to the Concession Company for employment.
- The Concession Company will give preference to PRPA employees over other applicants with similar qualifications.
- The Concession Company commits to offer competitive and attractive benefits to the PRPA employees who receive a job offer.
- PRPA's employees may elect to transfer the balance of their retirement account to the defined contribution individual retirement account program the Concession Company may establish at its discretion.
- PRPA's employees that are hired by the Concession Company shall be guaranteed a minimum of 2 years employment during which period they may only be separated from their position based on just cause as defined under Act 80-1970, as amended.

3.3.4 Increase Operational Efficiencies and Cruise Passenger Traffic

Tied to the previous objectives, PRPA is seeking a private operator's own creativity and initiative to optimize operations and increase passenger volume at the San Juan Cruise Terminals. As a leading global operator with an established presence in the Caribbean, Mediterranean and Asia-Pacific regions, Global Ports is able to collect and transfer first-hand data and best practices to the ports and terminals they operate, with a strong focus on enhanced security practices and customer-oriented services. Through its portfolio of facilities and commitment to optimize its Caribbean assets following the deals in Nassau and Antigua, Global Ports is able to capture additional market share and reposition San Juan as a must-visit cruise port in the Caribbean, maximizing benefits for San Juan and Puerto Rico as a whole.

Through this Project and the PPP Agreement, the following benefits can be realized:

- Recovery of cruise passenger demand in San Juan post COVID-19 given the experience, world-wide network and market clout behind the Concession Company;
- Reduction in reliance on PBAs as a result of the open access model;
- Increase in the availability of the San Juan Bay Cruise Terminals to a wider range of vessels and cruise line companies, thereby increasing passenger traffic, diversifying passenger profile, and fostering the local tourism economy; and
- Adoption and use of the most state-of-the-art operating approaches, which will allow the San Juan Bay Cruise Terminals to maintain their competitive edge.

Global Ports Holdings

Global Operating Footprint

EUROPE



ASIA-PACIFIC



THE CARIBBEAN





4. PROCUREMENT PROCESS

4.1 Partnership Committee

Pursuant to Act 29 and the Regulation, the P3 Authority designates a separate and specific partnership committee for each PPP project, with focused membership based on experience and relevance to each project, to evaluate and select qualified proponents and to establish and negotiate the terms of the relevant partnership agreement. Accordingly, the P3 Authority established the Partnership Committee for the Project on June 14, 2018.

Section 8 of Act 29 requires that the partnership committee for each PPP project be composed of the following members:

- The Executive Director of AAFAF or his/her delegate;
- The officer of the Partnering Government Entity with direct inherence in the project or his/her delegate;
- One member of the Board of Directors of the Partnering Government Entity (or the Secretary, if it is an agency); and
- Two officials from any Government Entity chosen by the P3 Authority Board for their knowledge and experience in the kind of project subject to the partnership under consideration.

As of the date of the Recommended Award, and pursuant to the requirements summarized in the paragraph above, the Project Partnership Committee was comprised of the following individuals:

- Luis Umpierre Ferrer, CPA, Chief Risk Officer of AAFAF, as the delegate for the Executive Director of AAFAF;
- Joel Pizá Batiz, Esq, as the Executive Director of PRPA;
- Eileen Vélez Vega, PE, Secretary of the Department of Public Works and Transportation, as a member of the Board of Directors of PRPA;
- Julian Bayne Hernández, Esq., Chief Legal Officer of AAFAF, as one of the government officials chosen for his knowledge and experience in the kind of project covered by the public-private partnership under consideration; and
- Manuel Laboy Rivera, PE, Executive Director of the Central Office for Recovery, Reconstruction and Resiliency, as one of the government officials chosen for his knowledge and experience in the kind of project covered by the public-private partnership under consideration.

Pursuant to Section 8 of Act 29, the Partnership Committee is responsible for the overall management of the process for the award of the Project and determining the Recommended Award, including:

- Approving documents prepared and distributed in connection with the RFQ Process and the RFP Process;
- Evaluating and qualifying the Respondents SOQs submitted in response to the RFQ;
- Inviting the qualified Respondents to participate in the RFP Process;
- Engaging in, or supervising, the negotiation of the terms and conditions of the PPP Agreement with the Proponents;
- Evaluating the Proposals submitted and selecting the one most favorable to the Government and people of Puerto Rico;
- Contracting advisors, experts or consultants on behalf of the P3 Authority;

- Maintaining a book of minutes of the Partnership Committee's meetings;
- Preparing this Report and submitting the PPP Agreement for the Required Approvals; and
- Overseeing proper compliance with the procedures established for the negotiation of the PPP Agreement, the determination of the Recommended Award and the execution of the final PPP Agreement, including those requirements set forth in Act 29 and the Regulation.

It is noted that during the procurement process, the Partnership Committee held a total of 14 meetings and the composition of the Partnership Committee changed several times as prior members left office, thus requiring their substitution, as reflected in the P3 Authority's Board of Directors resolutions.[15]

4.2 Unsolicited Proposal

The P3 Authority received the Unsolicited Proposal on October 17, 2017, pursuant to Act 29 and the Regulation, for the exclusive right to repair, design, finance, build, operate and maintain certain cruise terminals in the San Juan Bay and the Navy Frontier Pier. The P3 Authority evaluated the Unsolicited Proposal following the requirements set forth by Act 29 and the Regulation. After a thorough review of the Unsolicited Proposal, on November 3, 2017, the P3 Authority determined that the Unsolicited Proposal was beneficial to the public interest, which is the initial evaluation required to be made. The D&C Study followed and was completed in 2018, resulting in a favorable conclusion about the Project. Consequently, in compliance with Section 7 of the Regulation and Article 9 of Act 29, the Project was opened to competitive procurement.

15 The Resolutions from the P3 Authority Board of Directors can be found on the P3 Authority's website: www.p3.pr.gov

4.3 Desirability and Convenience Study

The P3 Authority, with the support of PRPA, conducted a study on desirability and convenience, as required by Act 29 and the Regulation, to determine whether establishing the Project was advisable. The purpose of the D&C Study was to determine the service needs for the terminals, analyze options to provide for these needs, and select the most efficient and feasible alternative to address the established service needs. The D&C Study was published on June 18, 2018 and made available for the public review on the P3 Authority's website.

After review of the D&C Study, the Partnership Committee considered that the Project should be an administrative concession for the primary purpose and essential consideration of repairing, improving, operating and maintaining Pier 1, Pier 3, Pier 4, Piers 11 through 14 and Pan American Piers 1 and 2. The Navy Frontier and other additional lands included in the Unsolicited Proposal were not recommended to be included within the Project and were excluded.

The D&C Study is organized into two sections: (i) Part A, which explores what needs to be done to improve utility of the existing cruise terminals in San Juan and the degree to which the cruise terminals need to be expanded to enhance economic development and job creation; and (ii) Part B, which analyzes potential options to meet the objectives detailed in Part A.

Part A of the D&C Study concluded that cruise terminals are essential to Puerto Rico's economy. Enhanced cruise terminals are expected to improve economic conditions on the island, increase tourism activities, and promote economic development and job creation. To accomplish these goals, capital needs to be invested in the terminals to bring them up to world class standards and to repair hurricane damage. In addition, terminal operations should be optimized so as to be able to secure additional cruise

line calls and increased homeporting of vessels.

The main service needs identified in the D&C Study to be considered as part of a procurement were:

- Support economic development and job creation through tourism;
- Improve cruise terminal infrastructure;
- Balance the needs of cruise terminals and cruise passengers with other users of the harbor;
- Improve the financial position of PRPA and access funding for the projects; and
- Preserve Puerto Rico's unique natural environment.

Part B of the D&C Study concluded that a RDBFMO PPP model is the most effective way for PRPA to meet its goals.

RDBFMO described in the D&C Study includes specific repairs required to bring the piers up to good working order, design and construction of new infrastructure at the existing piers and outsourcing the operations and maintenance risk to a private partner. The PPP was evaluated as 'revenue risk', such that the private partner is entitled to the revenues generated by the Project, but the private partner also retains the risks associated with any insufficiency of the revenues generated to repay any financing incurred by the private partner to improve and operate the assets. PRPA and any other applicable Government entity would grant their rights to and interest in cruise line revenue and other Project revenue to the private partner with the expectation that the private partner will compensate PRPA for holding such rights during the term of the PPP Agreement by way of a combination of an upfront payment as well as ongoing payments from the private partner to PRPA. The D&C Study determined that such proceeds could be used by PRPA to pay down debt, thereby improving PRPA's balance sheet position, or could be used to fund ongoing costs of PRPA, such as improvements at other PRPA controlled assets. This approach was determined to maximize immediate-term value, mitigate the need for additional PRPA debt and accelerate improvements at the cruise terminals, producing jobs and economic development for Puerto Rico.

As required by Act 29, the P3 Authority made a comparative analysis of the cost and benefits represented in allowing PRPA to assume the responsibility for carrying out or continuing operations, repair and/or improvement of the San Juan Bay Cruise Terminals, as opposed to channeling the operation, building, repair and improvement through a PPP, including without limitation the effect on public finances. As described herein above, the D&C Study clearly concluded PRPA was not in an economic position to take on the Project, and that the same was best suited for a PPP.

In the D&C Study's Public Notice, which was published in a newspaper of general circulation in Puerto Rico on June 18, 2018, the P3 Authority detailed the public's right to submit comments, the process to do so, and other relevant information. The D&C Study was published and made available to the public through the P3 Authority's website. The deadline to submit such comments was July 19, 2018, on or before 5:00 P.M. AST. Within the established time frame, the P3 Authority received comments from eight parties, including cruise lines. The comments were reviewed, analyzed and discussed by the P3 Authority with PRPA and taken into consideration for the final scope that would become the subject of the competitive procurement process.

The comments received were generally complimentary of the contemplated Project, and of Global Ports, as the submitter of the Unsolicited Proposal. In addition to the foregoing, another common theme among the comments received was the need to encourage open ports that are not dominated or effectively controlled by any one cruise brand or collection of cruise brands. Many referenced the fact that the Caribbean has historically allowed legacy arrangements whereby some of the larger cruise brands have successfully secured preferential berthing rights as a negative factor limiting access to many ports. Generally, the commenters agreed that control of the San Juan Bay Cruise Terminals by one or a few cruise lines would act as a limiting factor for the rest of the industry and be to the detriment of San Juan as a cruise line destination.

4.4 Market Sounding

Prior to the development and preparation of the RFQ and in compliance with the Regulation, the P3 Authority opted to perform a market sounding process with the intention to receive feedback on specific topics relevant to the Project's scope, timeline and other relevant matters. The market sounding was carried out between August 13 and 16 of 2018, with the participation of companies and other interested parties in the cruise ship industry, including but not limited to port operators, cruise lines, port agents and construction companies.

The market sounding participants provided valuable feedback to the P3 Authority regarding the scope and duration of the PPP Agreement, as well as regarding the potential participation of market players as proponents under the Project.

Regarding the scope of the Project, market participants were in agreement that all San Juan Bay Cruise Terminals should be included as part of the Project in order to lead a successful procurement. The P3 Authority and PRPA agreed with this reasoning and the Project was developed as described in this Report.

Regarding prospective proponents, some market participants mentioned concerns regarding possible cruise line participation in the Project due to the fact that they understood awarding such PPP Agreement to a cruise brand could lead to a monopoly of the San Juan Bay Cruise Terminals in favor of the winning cruise line, excluding all others. Notwithstanding the foregoing, and in the interest of the free and fair competition fostered by Act 29 and the Regulation, both the P3 Authority and PRPA agreed not to limit participation and leave it open to all those that would be interested in being qualified and participating.

4.5 Qualification Process

On September 5, 2018, the P3 Authority issued the RFQ in compliance with Section 3 of Act 29. The objective of the RFQ was to enable the Partnership Committee to identify the Respondents qualified to participate in the RFP Process based on their qualifications. SOQs were due October 17, 2018.

In accordance to Act 29, the RFQ informed all prospective proponents that the Project was being initiated due to the receipt of the Unsolicited Proposal. Consequently, and in compliance with Article 9(b)(ii) of

Act 29, they were informed that the party that submitted such Unsolicited Proposal was to receive a predetermined benefit in the procurement process for the time, resources and expenses incurred in presenting the Project as an Unsolicited Proposal. Said benefit was defined and all participants were notified that it would be as follows:

- RFQ Phase: an increase of 5% on its evaluation score for the RFQ.
- RFP Phase (if qualified to move forward): if the Unsolicited Proposal proponent was not awarded the Project, a stipend of a fixed amount would be paid out to such proponent from the proceeds of the transaction.

The RFQ provided that the RFQ Process sought SOQs from companies or consortia that demonstrated, among other criteria, financial strength, ability to raise financing, and technical and professional ability and experience.

As set forth therein, the RFQ contemplated PRPA entering into a long-term PPP contract with a private partner pursuant to which PRPA would retain ownership of and title to all assets of the San Juan Bay Cruise Terminals and the private partner would assume all rights, responsibilities and risks related to the repair, expansion, financing, operation and maintenance of the San Juan Bay Cruise Terminals.

The prospective proponents were informed in the RFQ that the selected party at the end of the procurement process would be responsible for operating the San Juan Bay Cruise Terminals, under its own business plan and with its own staff, as well as any proprietary technology and systems, with operational costs being payable from the revenues generated from the private partner's operations. This role, as described in the RFQ, would encompass all elements of the San Juan Bay Cruise Terminal operations, including interacting and contracting with cruise lines, scheduling cruise line calls, allocating capacity at the piers, providing certain ancillary services (namely, those traditionally provided by PRPA, such as freshwater provision, parking services, and management of commercial and operational space on the piers), collecting revenues, providing security of the piers, liaising with Harbor Master, and marketing the piers to cruise lines. In addition, the private partner would be providing facilities maintenance and rehabilitation services for the piers and associated infrastructure over the term of the Concession.

Specifically, pursuant to the RFQ, the private partner would be responsible for providing all facilities maintenance and rehabilitation services, which would include activities such as routine, preventive and scheduled maintenance and rehabilitation works, keeping specifications of structures and preventing failure and/or degradation. The private partner would also be responsible for improving the infrastructure over time, in accordance with certain minimum service requirements and its own plan to grow the business.

Potential proponents were also informed that the preferred proponent would be responsible for financing the Project. The RFQ further emphasized that the risk of financing the Project and covering the costs of operations and maintenance would be borne by the private partner. Under the contemplated structure for the Project, the private partner's revenue stream would consist of fees derived from the passenger fees and related ancillary revenues. PRPA would not compensate the private partner for its services, but the private partner would rather share its revenues with PRPA.

On September 12 and 14, 2018, the P3 Authority conducted pre-submittal conference calls to provide a comprehensive summary of the Project and the requirements to be followed by Respondents in connection with the Project's statutory process. Interested companies and parties were able to participate in a video-call in which the P3 Authority shared a presentation, discussed the Project's scope and objectives, and explained the procurement process.

Pursuant to the RFQ, Respondents were able to submit any requests for clarification ("**RFCs**") they had with respect to the contents of the RFQ (each such RFC, an "**RFQ-RFC**") to the P3 Authority prior to 5:00 p.m. (AST) on September 17, 2018. The P3 Authority issued responses to the RFQ-RFCs submitted by Respondents following the process established in Section 5.4 of the Regulation. Notice of the RFQ was given in a newspaper of general circulation in Puerto Rico on September 5, 2018. In addition, the RFQ was published and made available to the public through the P3 Authority's website.

There were five addenda issued in connection with the RFQ as described in the Table 1.

Table 1. RFQ Addenda

Addendum	Description	Issued Date
1	Updated schedule for the Project	September 19, 2018
2	Responses to questions and clarifications requested by Respondents pursuant section 5.4 of the Regulation	October 1, 2018
3	Responses to questions and clarifications requested by Respondents pursuant section 5.4 of the Regulation; provided general clarifications to the RFQ	October 4, 2018
4	Clarified matters regarding federal grants and FEMA	October 4, 2018
5	Updated information of several preferential berthing agreements and developments related to the Project's facilities	October 5, 2018

The P3 Authority received five (5) SOQs from the following respondents:

- Carnival
- The GP Group
- PRCTP, a consortium formed by Ports America Group, Inc., Acciona Concesiones, S.L., Del Valle Group, S.P., Jacobs Engineering Group, CSA Architects & Engineers, LLP.
- Royal Caribbean
- SJCTP, a consortium formed by Sacyr, Infrastructure USA, LLC, Sacyr Construccion, S.A., Desarrollos Metropolitanos, LLC, Stantec Architecture Ltd., and L.P.C. & D. Inc.

In accordance with Section 8(b) of Act 29 and Section 3.4 of the Regulation, the Partnership Committee evaluated each SOQ based on the requirements set forth in the RFQ. Specifically, the Partnership Committee evaluated each SOQ considering the extent to which Respondents satisfied the evaluation criteria established in Section 3.2 of the RFQ based on the assessment completed by the Consultants.

The Partnership Committee conducted a meeting on November 14, 2018, to discuss the SOQ's and evaluate Respondent qualifications. Each member of the Partnership Committee was given access to the SOQs for review. Based on the evaluation completed, the Partnership Committee shortlisted three (3) respondents (the "**Qualified Respondents**") to participate in the RFP

Process. These were the GP Group, PRCTP and SJCTP. As detailed in the Qualification Memorandum, the GP Group received a final score of 101%, while the other two shortlisted received scores of 97% and 87% respectively. The two Respondents that were not shortlisted received scores of 64% and 50%.

The qualification process memorandum that memorialized the shortlisting process ("**Qualification Memorandum**"), describes the process, and summarizes the evaluation performed by the Partnership Committee in the selection of the Qualified Respondents. It should be noted that the Partnership Committee evaluated and scored each one of the SOQs submitted by the Respondents.

Respondents Not Shortlisted

The P3 Authority notified Respondents the result of the evaluation on November 20, 2018. Those not shortlisted had 20 days to seek review of the Partnership Committee's determination, as provided in Article 20 of the Act. Before the deadline, on December 6, 2018, one of the non-shortlisted Respondents requested copies of the documents related to the SOQs to evaluate the possibility of filing for judicial review. Respondent's representatives were given access and undertook their review of the documents on December 10, 2018, at the P3 Authority's offices. However, after such review, the Respondent did not file a request for judicial review. The other non-shortlisted Respondent did not request additional information about the qualification process nor filed for judicial review of the RFQ process.

4.6 Request for Proposals

4.6.1 RFP and RFP Addenda

On December 3, 2018, the P3 Authority issued the RFP to the Qualified Respondents in accordance with Section 3 of Act 29. The RFP Process sought proposals from the Qualified Respondents who had been pre-qualified in the RFQ Process. The objective of the RFP Process was to enable the Partnership Committee to determine the Qualified Respondent best suited to enter into the PPP Agreement based on the Proposals received.

A total of seventeen (17) addenda were issued as part of the RFP Process. Table 2 summarizes the subject of such addenda and the date they were issued.

Table 2. RFP Addenda

Addendum	Description	Date
1	Proposed Project timeline revision	January 9, 2019
2	Proposed Project timeline revision	January 28, 2019
3	Proposed Project timeline revision	February 16, 2019
4	Responses to request for clarifications submitted by Proponents (Questions #001-#058)	February 22, 2019
5	Proposed Project timeline revisions	April 4, 2019
6	Amendment to the RFP, including but not limited to the increase in scope which rendered the Alternative Technical Concept (ATC) moot, and Schedule 15: Fees and Charges, and revisions to the PPP Agreement	April 16, 2019
7	Responses from the P3 Authority to request for clarifications submitted by Proponents (Questions #010-#074)	May 22, 2019
8	Updated versions of: Draft to PPP Agreement; Schedule 2: Contracts; Schedule 4: Disclosure of Existing Claims; and Schedule 15: Fees and Charges	May 28, 2019
9	Proposed Project timeline revision, and updated version of Schedule 1: Legal Description of Cruise Port Facility and Schedule 13: Design and Build Standards	May 31, 2019
10	Responses to request for clarifications submitted by Proponents (Questions #075-#089)	June 18, 2019
11	Guidelines for the Development of Piers 11-14 Uplands	June 25, 2019
12	Responses to request for clarifications submitted by Proponents (Questions #081-#084)	July 10, 2019
13	Changes to the RFP document as well as updated versions of Schedules # 1, 2, 3, 5, 6, 8 to 13, 15 and 17	July 17, 2019
14	Changes to the RFP document: Proponent Certification Section, and Revenue Share Section	July 19, 2019
15	Changes to the RFP: clarification of Section 7.2.5.2- Forfeiture of Proposal Security	July 23, 2019
16	Propose timeline revision to amend the Proposal Submission Deadline	July 30, 2019
17	Proposed Project timeline Revisions	August 23, 2019

Throughout the course of the RFP Process prior to the Proposal submittal deadline, the P3 Authority drafted five versions of the PPP Agreement, all of which were posted in the Data Room (see Section 4.6.2 for more details) for Qualified Respondents' review and comment. Four individual conference calls were held between the Qualified Respondents, the P3 Authority and Consultants for the P3 Authority to discuss drafts of key documents, as stated under "**Key Milestones in the RFP Process**". Qualified Respondents' comments were taken into consideration by the P3 Authority, the Partnership Committee and the Consultants and incorporated into the PPP Agreement if deemed beneficial to the Project. Section 7.2.2 of the RFP described the proposal submission deadline and requirements, originally scheduled for May 13, 2019, and later amended for July 31, 2019.

4.6.2 Due Diligence

Throughout the RFP Process, the Qualified Respondents were provided the opportunity to conduct thorough due diligence.

Data Room

Subject to having signed confidentiality agreements, on December 3, 2018, the Qualified Respondents were given access to a digital data room with information and key documents related to the Project (the "**Data Room**"). Specifically, the Data Room contained approximately 650 documents which included, among others:

- RFP addenda;
- Draft PPP Agreement and schedules;
- Financial documents, including PRPA financial statements and budget;
- PRPA agreements, including preferential berthing agreement, PRPA deeds and lease agreements;
- Environmental documents;
- PRPA employee and bargaining agreement documents;
- PRPA piers and terminals technical information;
- PRPA operations and maintenance information;
- Conditions survey reports;
- Dredging documents; and
- Permit documents.

Site Visits

From January 22 to January 24, 2019, the P3 Authority held general meetings in Puerto Rico with all Qualified Respondents with the objective of discussing the Project and answer their questions. Qualified Respondents were able the opportunity to visit the San Juan Bay Cruise Terminals through coordinated site visits. Key personnel from PRPA, together with Consultants and representatives of the P3 Authority participated in these visits. Prior to the proposal submittal deadline, SJCTP visited the facilities on January 22, 2019, while the GP Group and PRCTP visited on January 23, 2019.

RFP Requests for Clarification

Similar to the RFQ Process and in accordance with Section 7.1.4 of the RFP, up to 15 days prior to the proposal submission deadline Qualified Respondents were able to submit to the P3 Authority any RFCs they had with respect to the contents of the RFP, the information available in the Data Room, PRPA and other matters related to the Project (each such RFC, an "**RFP-RFC**"). The RFP required that all RFP-RFCs be submitted in writing through a designated email. Verbal RFP-RFCs were not accepted. The P3 Authority answered RFP-RFCs in writing through RFP addenda that were made available in the Data Room.

4.6.3 PPP Agreement Discussions with Qualified Respondents

A draft PPP Agreement was made available to all Qualified Respondents after the execution of the NDA. As part of the RFP Process, Qualified Respondents were allowed to provide comments and submit suggested changes to the draft PPP Agreement.

Various issues were discussed between the P3 Authority and the Qualified Respondents throughout the comment phases. After addressing these issues, the PPP Agreement was published in final bid form.

4.6.4 Submission of Proposals

Before the submission deadline, the P3 Authority received formal notifications from PRCTP and SJCTP on April 16, 2019, and June 17, 2019, respectively, regarding their voluntary withdrawal from the procurement process. The remaining Qualified Respondent, the GP Group, submitted its Proposal to the P3 Authority on July 31, 2019, prior to the 5:00 P.M. AST deadline.

The Proposal was substantially complete and consistent with the evaluation criteria included in the RFP. However, the Proposal was submitted subject to certain changes to the final form of the PPP Agreement.

Pursuant to the procedures established in the Regulation, and according to Section 7.6 of the RFP, "**Procedures Following the Receipt of Proposals**", the P3 Authority requested the GP Group to provide supplemental information to the Proposal. Three Requests for Information ("**RFI**") were issued to the GP Group. The first RFI was issued on August 13, 2019, the second on August 29, 2019 and the final RFI on September 11, 2019.

On August 20, 2019, the Partnership Committee held a meeting and invited the GP Group to make a presentation about their Proposal. A second technical interview was held on September 4, 2019 with the participation of the P3 Authority staff and Consultants. The interviews were informative in nature and served to clarify several items from the Proposal. After the meeting, the Partnership Committee evaluated the Proposal based on the requirements set forth in the RFP, which are included in Section 5.1 of this Report.

4.6.5 Meetings of the Partnership Committee

In accordance with the requirements of Act 29 and the Regulation, the Partnership Committee held a total of 14 meetings and evaluated multiple documents and updated versions of the PPP Agreement throughout the course of this Project in which the P3 Authority, PRPA and the Consultants participated. In addition, the Partnership Committee approved various procurement process documents. Table 3 below provides a summary of the subject matters addressed at each Partnership Committee in person or telepresence meeting throughout the procurement process.

Table 3. Partnership Committee Meetings

Date	Meeting Subject
September 4, 2018	Review of the Partnership Committee's obligations and role pursuant to Act 29; Approval of the Request for Qualifications (RFQ)
November 14, 2018	Discussion, evaluation and scoring of the Statements of Qualifications (SOQs) received in response of the RFQ
November 29, 2018	Discussion and approval of the Request for Proposals (RFP)
December 18, 2018	Review and approval of PPP Agreement draft
May 28, 2019	Review and discussion of latest version of draft PPP Agreement and Schedules
August 20, 2019	GP Group presentation of the Proposal and discussion of the proposal's key aspects
September 13, 2019	Discussion of key details regarding the Proposal before conducting the final evaluation
February 27, 2020	Discussion of status of negotiations
May 13, 2020	Approval of Proposal Security replacement, negotiations status and PPP Agreement open issues (COVID lock down was already in effect in Puerto Rico)
September 18, 2020	Discussion of PPP Agreement and Schedules
December 2, 2021	Project status; GP Group presentation to the Partnership Committee
February 2, 2022	Discussion of the draft PPP Agreement and substitution of CBNA for Enka as construction contractor to future Concession Company
February 9, 2022	Approval of PPP Agreement and discussion of land assemblage and other real estate matters
July 5, 2022	Approval of updated PPP Agreement

4.6.6 Key Milestones in the RFP Process

Table 4 below summarizes the key milestones of the RFP Process.

Milestones	Date
Issuance of RFP and access to the Project's Data Room	December 3, 2018
Commenced Questions and Answers due diligence process	December 10, 2018
Issuance of first draft of the PPP Agreement and certain of its Schedules, including the Operating Standards and the Open Access Regime ("**Key Documents**")	December 14, 2018
Pre-Proposal conferences, Site Visits and meetings in San Juan	January 22 - 24, 2019
Submittal of issues list from Key Documents in order of importance (from "deal-breakers" to general comments) in anticipation of conference	February 4, 2019
Issuance of second drafts of Key Documents	February 21-27, 2019
Individual Proponents' conferences regarding second drafts of Key Documents and issues list	February 25 - 28, 2019
Submittal of list of potential Alternative Technical Concepts ("ATC") Proponent proposes to discuss at ATC meeting	March 11, 2019
ATC discussion via web conference	March 19-22, 2019
Submittal of comments on second drafts of Key Documents	March 29, 2019
Last day to submit proposed ATC's	April 4, 2019
Circulation of third draft PPP Agreement and Key Documents	April 16, 2019
Submittal of key issues list and detailed markup of third draft Key Documents in anticipation of conference	April 22, 2019
Third Individual Proponents conferences on detailed comments on drafts of Key Documents	April 24 - 26, 2019
Circulation of fourth draft of Key Documents	May 28, 2019
Submittal of key issues list and detailed markup of fourth draft Agreement and key documents in anticipation of conference	June 13, 2019
Fourth Individual Proponents' conferences on detailed comments on drafts of Key Documents	June 26-28, 2019
Final Key Documents distributed	July 17, 2019
Last day for the P3 Authority to issue substantial addenda regarding RFP (minor/administrative addenda may still be issued)	July 19, 2019
Proposal submission deadline	July 31, 2019
GP Group Presentation to the Partnership Committee (First Evaluation Interview)	August 20, 2019
Second Evaluation Interview technical meeting	September 4, 2019
Notification of Preferred Proponent	September 20, 2019
First negotiation meeting with GP Group	October 22, 2019

After the presentation of the Proposal Security by the Proponent Group in October 2019, negotiations with the Preferred Proponent began and continued through 2020 when they were interrupted as a result of the COVID-19. Consequently, once discussions resumed, a series of new negotiations had to be undertaken to take into account the circumstances and effects of the COVID-19 on the cruise industry and therefore on the Project. The PPP Agreement had to be modified to address how to manage those circumstances and effects.



5. RECOMMENDED AWARD

5.1 Process for Selection

5.1.1 Evaluation Criteria

Act 29 requires the Partnership Committee to consider certain specific factors in evaluating responses to the RFP. The Partnership Committee reviewed and evaluated the Proposal based on the evaluation criteria ("**Evaluation Criteria**") set forth in Table 5 below, which was developed by the Partnership Committee, the P3 Authority and the Consultants to meet the objectives of the Project, as well as those set forth in Act 29.

Table 5. RFP Evaluation Criteria

#	Component	Score / Weighing
	CONFORMANCE AND COMPLETENESS EVALUATION	
1.1	Completeness of Proposal	Pass / Fail
1.2	Financial, Technical and Professional Reputation	Pass / Fail
1.3	Financial Proposal Compliance	Pass / Fail
	GRADED EVALUATION	
2.1	Technical Proposal	
2.1.1	Business and Marketing Plan	55
2.1.2	Business Marketing Plan	10
2.1.3	Operating Plan	15
2.1.4	Port Master Plan & Capital Investments and Construction Plan	30
2.2	Financial Proposal	45
2.2.1	Upfront Concession Fee	40
2.2.2	Robustness of Financing Plan	3
2.2.3	Local Equity or Debt Financing	2

The Evaluation Criteria set forth in the RFP consisted of three (3) Pass/Fail criteria and two other criteria catalogued in grading sub-categories.

Each proposal would have to achieve a rating of "pass" on each of the following criteria to be deemed a compliant proposal: (i) Completeness of Proposal; (ii) Financial, Technical and Professional Reputation; and (iii) Financial Proposal Compliance.

The graded evaluation criteria included technical and financial elements. The Technical Proposal comprised 55% of the Qualified Respondent's total score. For the Technical Proposal, the RFP required each Qualified Respondent to provide detailed plans and proposals as follows:

- Business and marketing plan to (i) increase Homeport traffic, (ii) attract new cruise lines to locate their homeports in the San Juan Bay Cruise Terminals, (iii) increase port of calls operations, (iv) diversify customer base and attract new tenants, (v) integration of the open access plan, and (vi) increase non-passenger/ancillary revenues;
- Operating Plan to (i) manage federal funds such as FEMA or CDBG-DR, (ii) staffing and transition of existing PRPA staff, (iii) availability of shore power provision at piers 11-12, and (iv) operating under an Open Access Plan;

- Port Master Plan and Capital and Construction Plan to (i) assess the Masterplan, (ii) construct and a construction schedule, (iii) plan for architectural design, and (iv) incorporate local participants.

The Financial Proposal comprised 45% of the Qualified Respondent's total score. For the Financial Proposal, the RFP required each Qualified Respondent to provide detailed plans and proposals with respect to:

- Its proposed Upfront Fee;
- Its financing plan which should be robust and realistic; and
- Its plans to provide local participation in the equity or debt financing component.

5.1.2 Selection of Preferred Proponent

The Partnership Committee finalized its review of the Proposal in a meeting held on September 13, 2019, and individual evaluations and scoring were completed by the Partnership Committee thereafter and submitted to the P3 Authority. Proposal scores were averaged to obtain an average aggregate score (the "**Average Aggregate Score**"). Table 6 below breaks down the Proposal's Average Aggregate Score.

Table 6. Proposal's Average Aggregate Score

Component	Individual Score
Completeness of Proposal	Pass
Financial, Technical and Professional Reputation	Pass
Financial Proposal Compliance	Pass
Technical Proposal	39.6
Financial Proposal	43
Average Aggregate Score	**82.6**

As detailed in Section 5.1.1 hereof (*Evaluation Criteria*), the Proposal was evaluated on the basis of three elements: Compliance Considerations, Technical Considerations, and Financial Proposal discussed in more detail below. The three elements were designed to enable the Partnership Committee to select the respondent best suited to fulfill the Project's objectives. Based on its evaluation of the Proposal, the Partnership Committee determined that the GP Group clearly demonstrated its ability and commitment to transform the San Juan Bay Cruise Terminals into modern and reliable infrastructure for the people of Puerto Rico. Sections 5.1.3 (*Compliance Considerations*), 5.1.4 (*Technical Considerations*) and 5.1.5 (*Financial Considerations*) in this Report describe the key considerations for the Recommended Award and provide the rationale for the Partnership Committee's determination that the Project be awarded to the GP Group for the Concession Company to sign the PPP Agreement and implement it.

5.1.3 Compliance Considerations

The completeness evaluation required proposals to score a "pass" for the criteria detailed in Section 5.1.1 (*Evaluation Criteria*). Below is a brief description of the completeness of proposal:

- **Completeness of Proposal.**
  Though the Proposal was conditioned on the negotiation of certain terms of the PPP Agreement, upon evaluating these points raised by the GP Group, the Partnership Committee acknowledged that they would be better suited for resolution during negotiation of a PPP Agreement or prior to financial Closing:
  - Further technical studies of the piers to confirm existing site conditions
  - Term Extension and Compensation Events
  - Escrow Accounts
  - Period of time for certain government filings
  - Tax treatment
  - Contingency for a future PRPA bankruptcy and PROMESA Title III
  - Right of First Offer (ROFO) and Right of First Refusal (ROFR)
  - Dredging depth
- **Financial, Technical and Professional Reputation**.
  The Proposal effectively confirmed the GP Group was financially capable of undertaking the Project and had a sound professional reputation. In addition, it complied with requirements to provide evidence of no current or pending material claims, litigation or equivalent that would materially adversely affect their ability to undertake the Project. As of the date of this Report, the GP Group continues to be capable of financially supporting the performance of the Concession Company under the PPP Agreement.
- **Financial Proposal Compliance**.
  The Proposal included an upfront bid of $75 million, which was greater than the $72 million threshold required by the RFP; $3 million of this amount is allocated to an escrow account to be used for Compensation Events during construction of the IIP, if any, and then to be released to PRPA. Based on review of the updated financial statements provided, the Partnership Committee concluded there did not appear to be any Material Adverse Changes that had occurred since the GP Group submitted the SOQ or as of the date of the submitted Proposal.

5.1.4 Technical Considerations

The Evaluation Criteria includes a technical proposal evaluation section in which the maximum score attainable was 55, based on the following criteria: business marketing plan (maximum score of 10), operating plan (maximum score of 15), and port master plan and capital investments and construction plan (maximum score of 30). The GP Group's technical proposal is described in this section.

- **Business Marketing Plan**.
  The Proposal described the GP Group's strategy to increase home port activities. The text described a logical strategy to access new customers, primarily from Europe as this market does not yet have large home port operations in the Caribbean compared to U.S. cruise lines. The Partnership Committee determined

that the GP Group has a significant understanding of the European cruise market, giving credence to their strategy. As part of the strategy, the master plan allocates the new berths at Piers 11 and 12 to the development of the new home port facilities. The strategy largely relies on direct European air service increases at LMM Airport, which is outside the Concession Company's control. However, based on historical precedents, airlines will likely respond positively.

In other strategies, the port of call ("**PoC**") strategy primarily focuses on the use of Piers 1, 3 and 4 to continue PoC operations. The Proposal also provided a detailed and comprehensive berthing allocation management process which reflects the envisaged open access principles. Lastly, the revenue diversification strategy included some retail offerings and non-passenger revenue development.

- **Operating Plan**.
  - ***Government Contributions Funds Management***.
    The GP Group's incentive to maximize third party grants and to ensure compliance with all regulations and similar experience in other jurisdictions provides comfort of their expected capabilities.
  - ***PRPA Employment***.
    The Proposal stated that the Concession Company will aim to retain, to the extent possible, most of the existing PRPA employees, subject to the employees' interest in working with the Concession Company. Their Proposal further indicated that it is part of their corporate strategy to always prioritize working with local people in every destination they operate. The Partnership Committee believes it is fully in the Concession Company's interest to hire competent PRPA and other local staff that are based full-time in Puerto Rico to manage the operations, given the material investment they are making in San Juan and the travel distance from other Global Ports European operations.
  - ***Open Access Plan and Other Operating Plan Elements***.
    The Proposal presented a detailed transition plan in compliance with the Project's objectives, and the open access plan inclusiveness and non-discriminatory requirements. In general, the description of how to comply with the open access policy is included in the overall operations discussion and the document describes the sequence to allocate berthing with precise time frames. The Proposal provides a detailed description of the allocation mechanisms and how existing PBAs are integrated. The allocation is based on the "first come, first serve" principle, which does not appear to favor any particular customer.
- **Port Master Plan and Capital Investments and Construction Plan**.
  - The general concept behind the master plan idea, is to establish a Home Port District in Piers 11-14 (Puerta de Tierra) and Pan American Piers 1 and 2, and a Port of Call District in Piers 1-4 (Old San Juan). The proposed master plan contemplates implementing these capital improvements in two phases.

    In particular, the reconstruction of Piers 11-12 included a new terminal building and development of the "Uplands", certain building repairs at Piers 1, 4 and Pan American Piers 1 and 2, and enhancement of some areas of the walkways. In addition, the Proposal contemplates rebuilding the quay wall in front of the existing bulkhead at the Pan American Piers, which exceeded the requirements set out in the RFP. The construction of new terminals in Piers 13-14 is contemplated for phase 2.

The Proposal seemed to optimize the use of the uplands and at the same time safeguarding proper traffic circulation at the ground transportation area. Nonetheless, the master Plan initially did not contemplate a continuous connection from San Juan to Puerta de Tierra and Bahía Urbana development by means of an adequate street section compatible with the guidelines provided. This was addressed during the negotiation process.

The GP Group confirmed that it bears the complete design and build liability which includes any variations in budget estimates after announcement of Preferred Proponent.

Subsequent negotiations led to agreement by the GP Group to implement the capital improvements in modified order from the original plan, taking into account that the impact of the COVID-19 pandemic created a scenario of delayed industry growth. The adjustments in the schedule for completion of the repairs and improvements resulted in what is referred to in the PPP Agreement as the IIP, the EIP and the Phase Two Projects.

- ***Construction Plan / Completion Time.***
  The Proposal presented an aggressive, yet feasible construction plan to comply with estimated completion time.

- ***Architectural Design Criterion.***
  The Proposal provided conceptual and schematic design of the Terminal Building and Piers 11 and 12. Some of the key considerations in the design included the creation of public spaces at the east of Pier 14 and the west of Pier 11 and the extension of the street network, allowing for pedestrian circulation and a continuous connection with Puerta de Tierra and Old San Juan, following the requirements included in the RFP.

  In the case of the piers at the Old San Juan area (Piers 1, 3 & 4) from the meetings and RFIs, the GP Group indicated there will only be minor repairs to the buildings, other than the structural issues identified on Pier 4. In addition, they confirmed that the architectural designs will be sensible and respond to the architectural and cultural context of the area.

- ***Local Content.***
  The GP Group worked with local firms to submit their Proposal. For construction, the GP Group indicated its intention of partnering with Aireko and other local sub-contractors. Bellagio, Interlink, and Constructora Santiago are listed as potential sub-contractors. The GP Group expects to staff all positions of the Concession Company with local employees to perform day-to-day operations and maintenance services.

5.1.5 Financial Proposal

The Evaluation Criteria includes a financial proposal evaluation section in which the maximum score attainable is 45 and includes the following criterions: Upfront Fee criterion (maximum score of 40), robustness of financing plan criterion (maximum score of 3) and local financing criterion (maximum score of 2).

The GP Group's financial proposal is described in this section. It should also be noted that the Partnership Committee reviewed three financial models from the GP Group: (i) the July 2019 model included in the Proposal, (ii) the July 2020 Conservative Case Model updated to reflect lower patronage (due to the COVID-19) but without triggering the development of the EIPs and (iii) the July 2020 Upside Case Model which reflects a higher patronage and triggers the development of the EIPs. However, the analysis in

this Section 5 uses the July 2019 model as this was the model the GP Group formally submitted with its Proposal and on which financing and indicative ratings were based to select the GP Group as Preferred Proponent.

- **Upfront Fee Criterion**.
  The GP Group proposed an Upfront Fee of $72 million, which meets the minimum required in the RFP. In addition, the Proposal provided for a $3 million escrow deposit.

- **Robustness of Financing Plan Criterion**.

  - ***Assumptions and Cash Flows.***
    The GP Group's model assumed that home port and transit passengers will grow by 6.1% and 5.2% annually, respectively, over the course of the next thirty years with tariffs growing between 1.2% and 1.7% per annum. These assumptions result in a 30-year compounded annual growth rate of 6.5% in Total Revenue. Total expenses are assumed to grow at 3.3% annually over the next thirty years.

  - ***Practicality of Financing Plan.***
    Barclays' commitment letter will either be extended, if needed, or replaced by a bond purchase agreement.

  - ***Robustness of Financing Term and Evidence of Coherence with Market Conditions.***
    Clarification provided by the GP Group through a RFI showed that debt pricing assumptions are consistent with market conditions for comparable credits.

  - ***Equity Commitment Letters provided by Global Ports.***

  - ***Debt Commitment Letters (for a volume underwrite) provided by Barclays.***

- **Local Financing Criterion**.

  - The Proposal indicated that the GP Group has spoken with all local banks and investors in regard to potential financing and equity investment mechanisms. Furthermore, they held active discussions with FirstBank and Banco Popular de Puerto Rico regarding value-add Debt Service Reserve Account ("DSRA") facilities, working capital and operational lines of credit, merchant banking services and other commercial banking products.

  - The GP Group also highlighted that the subcontracting of several local contractors and entities for construction and development will result in either direct or indirect use of local capital.

  - Proposed financing solution is to use sponsor equity and a Private Activity Bonds ("**PABs**") issuance (issuance will be through a Puerto Rico bond issuing authority), which means that the ultimate equity investors will not be local, and the ultimate debt investors are not necessarily local (as the PABs can be sold to any investors).

5.1.6 Preferred Proponent

As detailed in Section 5.1.2 (*Selection of Preferred Proponent*), the Partnership Committee deemed the Proposal to be compliant with the Evaluation Criteria and with the Project's Objectives. Accordingly, on September 17, 2019, the Partnership Committee voted by referendum, pursuant to Act 29 and the Regulation (including Section 5.1 thereof), to designate the GP Group as the Preferred Proponent to engage in discussions and negotiations with the P3 Authority in connection with the Project. On September 20,

2019, the GP Group was notified in writing of its selection as the Preferred Proponent.

The September 20, 2019 notification letter to the Preferred Proponent included a condition that the Preferred Proponent submit a bid bond to the P3 Authority by October 10, 2019, issued by a surety or insurance company authorized to issue financial guaranty bonds in Puerto Rico in the amount of five million dollars. This condition was satisfied by the Preferred Proponent on October 21, 2019. The P3 Authority included in the notification letter certain other matters (in addition of the Proposal list of items for negotiations) that the P3 Authority and PRPA required to be discussed during negotiations of the final form of the PPP Agreement.

As a result of this evaluation process, the Partnership Committee concluded that the Project and the Proposal will generate significant economic and social benefits, which can be summarized in the following key social welfare and economic goals:

- Accelerate completion of important capital improvement works to enhance in the short term the performance and safety conditions of the San Juan Bay Cruise Terminals;
- Spur private infrastructure investment in Puerto Rico, which has a multiplier effect on the economy and leads to the creation of new jobs;
- Increase the number of cruise ships and tourists that visit Puerto Rico on an annual basis, which has a positive effect on the island's economy, especially in the nearby communities of Old San Juan, Puerta de Tierra, Cataño and Condado;
- Reduce PRPA's debt burden, which has been negatively affected by its financial performance and capital structure; and
- Provide a world class level of service to visitors of the San Juan Bay Cruise Terminals.

5.2 Negotiations and Approval

5.2.1 Key Negotiation Points Identified Before COVID-19

As required by the Partnership Committee, the P3 Authority entered into direct negotiations with the Preferred Proponent after selection in September 2019. Key issues were identified and further negotiated with the Preferred Proponent, including employee matters, competition with local service providers and integration with surrounding communities.

Regarding PRPA employees, the Concession Company agreed to the following: (i) the Concession Company will give preference to PRPA employees over other applicants with similar qualifications; (ii) the Concession Company commits to offer competitive and attractive benefits to PRPA employees who receive a job offer; and (iii) PRPA employees may elect to transfer the balance of their retirement account to the defined contribution individual retirement account program the Concession Company may establish at its discretion. As part of the negotiations, the Concession Company further agreed that PRPA employees hired shall be guaranteed a minimum of 2 years employment and may only be separated from their position based on "just cause" as defined under Act 80-1970, as amended.

The parties also agreed that the Concession Company could only provide Non-Exclusive Ancillary Services (as defined in the PPP Agreement) through its Affiliated Service Providers. Affiliated Service Providers were defined to mean affiliates of the Concession Company organized under the laws of the Commonwealth of Puerto Rico, in which the Concession Company shall never hold majority ownership and the remaining ownership will be held by local Puerto Rico shareholders or members. Local workers or local service providers would also have to be used by the Concession Company and the Affiliated Service Providers when providing Ancillary Services (as defined in the PPP Agreement). Further requirements and limitations were incorporated into the PPP Agreement prohibiting unfair competition or practices by the Concession Company against local competitors. In addition, the Concession Company may establish Administrative Charges in the form of entry fees to persons providing Non-Exclusive Ancillary Services, including stevedoring services based on the equipment used in providing such services.

The parties further included in the PPP Agreement, that Piers 1 through 4 walkways, the lateral areas from the terminal in Piers 11-12 toward Fernández Juncos Avenue, the paved sidewalks abutting the Pan American Piers and any areas described as "walkways" in the design for the Phase Two Projects, shall be open to the public, this with a view of integration of the piers with surrounding areas and Bahía Urban design. Furthermore, the contract provides that space shall be located in these areas, as well as in other locations on the San Juan Bay Cruise Terminals, for Puerto Rican bona fide artisans and Persons providing Guest and Transportation Services and Public Information Centers. Additional confirmation and design modifications were considered and agreed to ensure the compliance with guidelines for the development of the uplands and integration of the Cruise Port Facility to the surroundings, included in Schedule 13 of the PPP Agreement.

In addition to the issues above, the following matters were also discussed at length and resolved:

- **Structural Condition of the Piers**.
  It was agreed that: (i) an engineering report to be issued once additional site investigations are completed must confirm the assumption of the Concession Company regarding the "live loading capacity" of Pier 4 or the Concession Company's budget for the Pan American Piers; (ii) Pier 3 repairs required after the 2019 accident with the EPIC cruise ship shall be funded by PRPA insurance proceeds and the repairs then considered part of the concession and transferred

under the PPP Agreement; (iii) certain liabilities related to Piers 3, 4 and the Pan American Piers were deemed "**Excluded Liabilities**" (for which PRPA is responsible until the commencement of certain related repairs and construction projects) and it was agreed that PRPA must maintain insurance for such Excluded Liabilities; (iv) the Concession Company will rehabilitate the Pier 4 wharf involving the addition of mooring dolphins around Pier 4; and (v) a total reconstruction of Pier 4 may be performed in the future under certain funding availability.

- **Taxes**.
  Concession Company taxes has been limited to 20% income tax rate and other tax benefits provided in Act 29. The Government's Department of Treasury will issue an Administrative Determination on certain tax matters applicable to PPP concession agreements in general, which shall also apply to the Concession Company.

- **Limit on Term Extension for Compensation Events**.
  Compensation Events are a limited list of events that, if they occur, require PRPA to compensate the Concession Company. The draft of the PPP Agreement that was issued with the RFP allowed PRPA to provide this compensation by extending the term of the PPP Agreement. This has now been specified to be available to PRPA up to a certain dollar amount.

- **Escrow Account**.
  In addition to the $72 million to be paid as the Concession Fee to PRPA, $3 million is to be deposited by the Concession Company at the financial close in an escrow account to be used to pay Compensation Events that may occur before the Completion of the IIP. Any remainder of that amount will be released to PRPA.

- **Closing Delays**.
  The period for achieving Financial Closing was extended to 180 days after the Award Date (final approval and execution of the PPP Agreement), with an additional 90 days to allow for possible contingent Closing delays.

- **Technical Disputes.**
  A faster procedure was established for technical disputes identified in the PPP Agreement.

5.2.2 Key Negotiation Points After COVID-19

COVID-19 had an immediate devastating impact on the cruise line business in Puerto Rico. As with many projects and most businesses, further adjustments to the Project and the PPP Agreement were incorporated to move forward and for an agreement reasonably acceptable to both parties to be reached. These adjustments mostly relate to the stop in cruise pier traffic, the related loss of cruise pier revenue and the uncertainty of when and at what pace the demand will recover and the future revenues will flow-in again.

As such, from May 2020 through January 2022, the following key changes to the PPP Agreement were introduced:

- Financial Closing security details were established. A $10 million security in the form of a corporate guarantee will be delivered at the signing of the PPP Agreement, and shall be replaced by cash, surety bond or letter of credit within 90 days of signing. This was established to allow for COVID-19 related conditions impacting the insurance offerings available at reasonable costs.

- The Piers 11-12 Project, which includes a new cruise terminal and quay wall for Piers 11-12, was postponed because of reduced demand expected in the next few years and was made contingent on demand targets being met. As a result, the capital improvement projects and execution phases were modified to be the (i) IIP, (ii) EIP and (iii) Phase Two Projects, and certain terms and conditions were included to safeguard compliance by the Concession Company.

In 2021 PRPA and the P3 Authority learned that additional CDBG-DR and/or CDBG-MIT funds from HUD may be allocated to the Piers 11-12 Wharf Project and to quay wall improvements along Pier 13 and Pier 14 to prepare the entire wharf/quay wall to safely allow the docking of big vessels, including emergency providers such as floating hospitals and other first aid vessels. PRPA and the P3 Authority held discussions with the PRDOH about the likelihood of obtaining CDBG funding. As a result of these discussions, on October 8, 2021, PRPA submitted a letter to the Secretary of the PRDOH, requesting that the quay wall for Piers 11 through 14 be included in the Action Plan for funding by PRDOH through either the CDBG-DR or the CDBG-MIT programs. Based on these developments, the P3 Authority negotiated further revisions to the PPP Agreement related to CDBG funding for the Piers 11-12 Wharf Project. The PPP Agreement now provides that if PRPA receives Government Contributions authorizations for no less than $50 million for the Piers 11-12 Wharf Project, the Concession Company is obligated to use reasonable efforts to issue Concession Mortgage Debt and obtain permits for the implementation of the Piers 11-12 Project. Upon completion of the Piers 11-12 Wharf Project and the Piers 11-12 Project by the Concession Company, the Concession Company is obligated to pay the IARS, an additional share of the Gross Revenue of the Cruise Port Facility, subject to certain conditions. The IARS is paid annually as a percentage of Gross Revenue (see *PPP Agreement*).

5.2.3 Final Approval of the PPP Agreement

On February 9, 2022, the Partnership Committee reviewed and approved the PPP Agreement between PRPA and the Preferred Proponent. Subsequent to that approval, the PPP Agreement was presented to FOMB for review and approval. FOMB approved it subject to certain conditions; conditions which were accepted by the parties. The revised version of the PPP Agreement was approved by the Partnership Committee on July 5, 2022. After approving the PPP Agreement, the Partnership Committee authorized the P3 Authority to proceed with the remaining Required Approvals.



6. CONCLUSION

CONCLUSION

PRPA is one of the main government entities responsible for promoting Puerto Rico's economy, managing the main ports of entry and exit of passengers, goods, consumer products and raw materials in Puerto Rico. In the years leading up to the Hurricanes, a backlog of important maintenance and expansion projects built up for several reasons, including, among others, the ad hoc development and upgrades of the piers and debt obligations, which led to inadequate levels of infrastructure investment.

In light of these challenges, PRPA's objectives included reaching the Government's long-term goal of contributing to the revitalization of Puerto Rico's economy through upgrading the existing facilities and expanding berthing and terminal capacity. However, due to several factors, including but not limited to a lack of funds, PRPA was not in a position to achieve these goals on its own. After the receipt of the Unsolicited Proposal and the commissioning of the D&C Report, the P3 Authority and PRPA understood that the best path forward for the San Juan Bay Cruise Terminals was through a PPP and the assistance of and investment by a private partner. The P3 Authority commenced an RFQ and RFP procurement process to identify the private partner best suited to repair, design, build, finance, maintain, and operate the San Juan Bay Cruise Terminal. On July 31, 2019, the Partnership Committee received one (1) proposal from a Qualified Respondent.

Following an extensive review of the Proposal, the Partnership Committee determined that it represented the best alternative to achieve the Government's stated goal of upgrading the San Juan Bay Cruise Terminals and implementing diligent management of the same for the benefit of the people of Puerto Rico. On September 17, 2019, after nearly two months of review and evaluation of the Proposal based on the Evaluation Criteria, the Partnership Committee voted to designate the GP Group as the Preferred Proponent. The Proposal not only complied with the requirements of Act 29, the Regulation and the RFP, but also met the objectives of the Project.

Extensive negotiations were held with the GP Group and adjusted based on the impactful reality of the COVID-19 pandemic, concluding in a satisfactory agreement reflected in the PPP Agreement.

In conclusion, the procurement process for the Project was carried out over the course of more than 48 months, a total of 14 meetings were held, which involved (i) extensive due diligence of PRPA assets; (ii) multiple opportunities for comment and discussion of the proposed transaction structure and the PPP Agreement, both with private sector participants and with various government entities and other stakeholders; (iii) an extensive and in-depth assessment and analysis by the Partnership Committee and the Consultants of the GP Group Proposal; and (iv) the scoring of the GP Group Proposal by the Partnership Committee based on clearly-articulated Evaluation Criteria to achieve the Government's objectives for the Project.

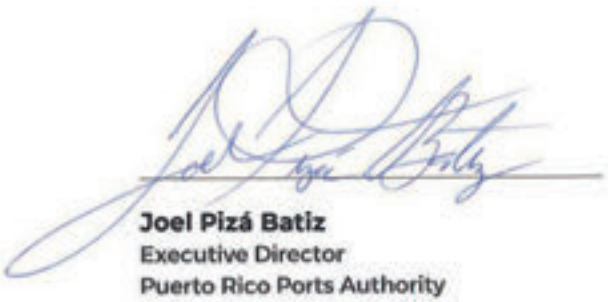
In addition, and as a result of the COVID-19, the definitive PPP Agreement was further negotiated by the Partnership Committee to address new and developing challenges to its satisfaction. As such, the Partnership Committee unanimously recommends that the GP Group be awarded the PPP Agreement for execution by the Concession Company.

The Partnership Committee, the P3 Authority and PRPA believe the Project is in the best interest of Puerto Rico. The Project will increase tourism to the Island by ensuring improved facilities, and efficient management and operation of the San Juan Bay Cruise Terminals in a manner PRPA cannot afford to provide. Furthermore, the San Juan Bay Cruise Terminals are currently in a state of such disrepair that current condition studies appear to project total demise of the cruise piers if intervention does not occur promptly. By transferring such tasks to a private partner with the financial resources and experience to implement the necessary improvements, these PRPA assets will not only be saved, but improved and expanded for the benefit of tourism and the Puerto Rico economy.

Approved and received by the Partnership Committee Members:



Luis Umpierre Ferrer
Chief Risk Officer
Financial Advisory Authority and Fiscal Agency of Puerto Rico



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Manuel Laboy Rivera
Executive Director
Central Office for Recovery, Reconstruction and Resiliency



Julian Bayne Hernández
Chief Legal Officer
Financial Advisory Authority and Fiscal Agency of Puerto Rico



EXHIBIT A: DEFINED TERMS

Defined Terms	Definition or Section Reference
AAFAF	Section 3.1.4
Act or Act 29	Section 1
Aerostar	Section 3.1.1
Annual Authority Revenue Share or AARS	Section 3.3.3
Average Aggregate Score	Section 5.1.2
Carnival	Section 3.1.2
CBNA	Civil & Building North America, Inc.
CDBG	Community Development Block Grants program administered by the United States Department of Housing and Urban Development with PRDOH
CDBG-DR	Section 3.1.3
CDBG-MIT	Section 3.1.3
CDC	Section 3.1.3
Closing Corporate Guaranty	Section 5.2.2
Closing Security	Section 5.2.2
Closing Security Delivery Date	Section 5.2.2
Concession Company	Section 1
Consultants	Section 2
COVID-19	Section 1
D&C Study	Section 3.1.4
Data Room	Section 4.6.2
Dredging Depths	Section 3.3.3
EIP	Section 3.3.1
Enka	Section 1
Evaluation Criteria	Section 5.1.1
Excluded Liabilities	Section 5.2.1
FAA	Section 2
FEMA	Section 3.1.3
FOMB	Section 2
Global Ports	Section 1
Government	Section 1
Government Contributions	Section 3.1.3
GP Group Section 1HUD	Section 3.1.3
Hurricanes	Section 1
IARS	Section 3.3.3
IIP	Section 3.3.1
Irma	Section 1
Key Documents	Section 4.6.6
Key Milestones in the RFP Process	Section 4.6.1
LMM Airport Agreement	Section 3.1.4
LMM Airport Project	Section 3.1.4
LUMA	Section 3.1.4

MARAD	Section 3.1.4
MARAD Report	Section 3.1.4
María	Section 1
Metropistas	Section 3.1.4
Moody's	Section 3.1.3
MTA	Section 3.1.4
MTA Project	Section 3.1.4
Norwegian	Section 3.1.2
O&M Agreement	Section 3.1.4
P3 Authority	Section 1
P3 Authority Board	Section 1
Partnership Committee	Section 1
PBAs	Section 3.1.3
PoC	Section 5.1.4
PortMiami	Section 3.1.2
PPP	Section 1
PPP Agreement	Section 1
PRCTP	Section 1
PRDOH	Section 3.1.3
Preferred Proponent	Section 2
PREPA	Section 3.1.4
PRHTA	Section 3.1.4
Procedures Following the Receipt of Proposals	Section 4.6.4
Project	Section 1
Proposal	Section 1
PRPA	Section 1
Qualification Memorandum	Section 4.5
Qualified Respondents	Section 4.5
RDBFMO	Section 1
Recommended Award	Section 2
Regional Airports	Section 3.1.1
Regulation	Section 1
Report	Section 2
Required Approvals	Section 2
Respondent	Section 1
RFC	Section 4.5
RFI	Section 4.6.4
RFP	Section 1
RFP Process	Section 1
RFP-RFC	Section 4.6.2
RFQ	Section 1
RFQ Process	Section 1
RFQ-RFC	Section 4.5
Royal Caribbean	Section 3.1.2
San Juan Bay Cruise Terminals	Section 1
SJ Cruise Port	Section 1
SJCTP	Section 1
SOQs	Section 1
Toll Roads Agreement	Section 3.1.4
Toll Roads Project	Section 3.1.4
Unsolicited Proposal	Section 1



EXHIBIT B: D&C STUDY

Desirability & Convenience Study: Puerto Rico Cruise Terminals

Prepared by the Puerto Rico Public-Private Partnerships Authority



GOVERNMENT OF PUERTO RICO
Puerto Rico Public-Private Partnerships Authority



15 June 2018

General Disclosure

This Desirability and Convenience Study (the **"Study"**) has been prepared pursuant to the requirements of the Public-Private Partnerships Act, Act 29-2009, as amended (the **"Act"**). This Study seeks to determine whether the establishment of the proposed public-private partnership (**"PPP"**) is advisable and meets the public policy goals established by the Act.

This Study was formulated according to the Act and the Regulation for the Procurement, Evaluation, Selection, Negotiation and Award of Participatory Public-Private Partnership Contracts under Act No. 29-2009, as amended, approved by the Puerto Rico Public-Private Partnerships Authority (the "Authority") on May 4, 2017.

This Study is based on estimates, assumptions and market information obtained from sources believed to be reliable. Actual results may vary from those anticipated in this Study. Changes in the cruise industry or shifts in the overall economic conditions may occur which can alter the assumptions and conclusions presented in this Study. Neither the Authority nor the Puerto Rico Ports Authority (**"PRPA"**) makes any representation or warranty whatsoever, including representations and warranties as to the accuracy or completeness of the information contained in this Study, including estimates, forecasts or extrapolations. The Authority and the PRPA expressly disclaim any liability for any representations or warranties, expressed or implied, contained herein or for any omissions from this Study or for any other matter related to this Study.

The Act and Authority's regulations, as well as all applicable Puerto Rico and federal laws and regulations, will govern the dissemination of this Study.

Only those representations and warranties that are made in a definitive written agreement relating to a PPP, if and when executed, and subject to any limitations and restrictions as may be specified in such definitive agreement, shall have any legal effect. Readers should make an independent assessment of the merits of pursuing a possible PPP and should consult their own professional advisors.

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EXECUTIVE SUMMARY

OVERVIEW

This Study for Desirability and Convenience (the "**Study**") has been prepared for the purposes of section 7(b) of the Public-Private Partnerships Act, Act No. 29-2009, as amended (the "**Act**") and the Regulation for the Procurement, Evaluation, Selection, Negotiation and Award of Participatory Public-Private Partnership Contracts (the **"PPP Regulation"**), and is prepared on behalf of and with the support of the Partnering Entity (as defined in the Act), the Puerto Rico Ports Authority (the **"PRPA"**), to determine whether establishing a public private partnership (**"PPP"**) for San Juan's cruise terminals is advisable.

The purpose of the Study is to:

i) Determine the cruise terminal Service Needs of the residents and tourists of Puerto Rico;

ii) Analyze various options for meeting those Service Needs; and

iii) Select the most efficient of those options.

The cruise terminal project contemplated in this study includes the repair, improvement, financing and operations & maintenance of Pier 1, Pier 3, and Pier 4, Piers 11 to 14, and the Pan-American Pier or some combination thereof under a PPP structure (the **"Project"**). Subject to market demand, the availability of funds and proposals received from entities bidding for the Project, the Project (1) may not include certain of the piers listed above, (2) may include other piers in and around the San Juan Bay and (3) may be developed in phases which include one or more piers in each phase. The Project under a PPP structure may include a lease of such piers and related property or another form of agreement for improving, operating and maintaining such piers and related property to the entity selected as the Private Partner for the PPP structure.

The Study is broken down into two separate parts.

Part A

Part A of the Study explores what needs to be done to improve utility of the existing cruise terminals in San Juan and the degree to which the cruise terminals need to be expanded to enhance economic development and job creation. This part of the Study includes:

1. Definition of the key objectives of the PRPA and the cruise terminal key Service Needs; and
2. The constraints on PRPA in achieving these key Service Needs.

PART A STUDY CONCLUSION: Cruise terminals are essential to Puerto Rico's economy. Enhanced cruise terminals are expected to improve economic conditions on the Island, increase tourism activities, and promote economic development and job creation. To accomplish these goals, capital needs to be invested in the terminals to bring them up to world class standards and to repair hurricane damage, and terminal operation should be optimized so as to be able to secure additional cruise line calls and increased homeporting of vessels. The specific service needs identified to be considered as part of a procurement are identified as:

- Support economic development and job creation through tourism
- Improve cruise terminal infrastructure
- Balance the needs of cruise terminals and cruise passengers with other users of the harbor
- Improve the financial position of the PRPA and access funding for projects
- Preserve Puerto Rico's unique natural environment

Part B

Part B of the Study analyzes potential options to meet these objectives detailed in Part A. Part B includes:

1. Analysis of procurement options;
2. A thorough identification of project risks, focusing on risk description and potential mitigation; and
3. Recommended path forward.

PART B STUDY CONCLUSION: Part B concludes that a "RDBFMO" (Repair, Design, Build, Finance, Maintain & Operate) PPP delivery model is the most effective way for the PRPA to meet its goals.

This form of PPP would include specific repairs required to bring the Piers up to good working order, design and construction of new infrastructure at the existing Piers, and would outsource the operations & maintenance risk to a Private Partner. The PPP would be 'revenue risk', such that the Private Partner would be entitled to the cruise line revenue and other Project revenue, and PRPA and any other applicable Government entity would grant their rights to and interest in cruise line revenue and other Project revenue to the Private Partner. It would be expected that the PPP would include some combination of an upfront payment from the Private Partner to the PRPA and/or ongoing payments from the Private Partner to the PRPA (eg. rent or revenue share). These proceeds could be used by PRPA to pay down debt (thereby improving PRPA's balance sheet position) or could be used to fund ongoing costs of PRPA (such as improvements at other PRPA controlled assets).

This approach to the Project allows PRPA to maximize immediate-term value, mitigate the need for additional PRPA debt and accelerates improvements at the cruise terminals, producing jobs and economic development for Puerto Rico.

STUDY OF DESIRABILITY AND CONVENIENCE PART A

OVERVIEW

This Study will, to the extent applicable to the studied potential Project, address the following matters discussed in Section 7(b) of the Act:

i. A definition of the essential characteristics of the Function, Facility or Service (as these terms are defined in the Act);

ii. A history, projections or both on the demand on use, the economic and social impact of the Function, Facility or Service in its area of influence, and the profitability of the PPP;

iii. As to new projects, their technical and functional feasibility and an assessment of the existing data and reports referring to territorial or urban planning;

iv. Social feasibility, including an analysis on the cost/benefit to the government and the social impact of the proposed project;

v. A justification of the PPP modality expected to be used for carrying out priority projects, as established in Section 3 of the Act, indicating the main benefits of the selected modality;

vi. Operational and technological risks involved in rendering the Service or discharging the Function or building and using the Facility;

vii. The cost of the investment to be made and the economic and financial feasibility of the project or operation;

viii. An evaluation of the cost/benefit and the convenience of using public or private financing to render the Service, discharge the Function or develop or build the Facility with a justification of the origin of such investment or financing, taking into account the possible loss of eligibility to receive Federal funding for the project;

ix. The preliminary preparation of an analysis or identification of the environmental effects of the project or operation that proponents shall consider when analyzing risks in presenting their proposals and participating in a PPP. This study is not equal to an environmental impact statement, nor is it required at this stage to prepare any particular document required under the Puerto Rico Environmental Public Policy Act, Act No. 416 of September 22, 2004, as amended. However, if the Authority should so deem pertinent, it may conduct such additional studies as it deems convenient and feasible to conclude, at this initial stage of the study, on the desirability of establishing a Partnership;

x. A comparative analysis of the cost/benefit represented in allowing a Government Entity assume the responsibility for carrying out or continuing operations or for carrying out the building, repair or improvement, as opposed to channeling the operation, building, repair or improvement through a PPP, including its effect on public finances;

xi. Feasibility for businesses with local capital, non-profit entities and cooperative unions to be able to participate in the procedures to forge a PPP intended for building, operating or maintaining a Facility or Service thereunder. The study shall identify areas with the greatest potential for local entities, the measures that government agencies shall take, the function to be discharged by nongovernmental organizations in fostering competitiveness of the entities grouped into this sector, and any other actions that may arise from this participation without impairing the laws or the norms that regulate and guarantee the free market; and

xii. Feasibility for local pension plans and other local funds to be able to participate as investors in PPP infrastructure projects based on their investment policies and risk profile. Proponent shall demonstrate that it has made efforts to obtain some type of investment from said pension plans and local funds as capital investors in the PPP.

Section 7(b) of the Act further requires, at some point during the study process, an evaluation of potential modifications to the proposed PPP as a result of citizen and local business participation. Said participation may be achieved in an informal manner and solely by written comments. The Authority shall publish a notice to such purposes, in English and in Spanish, in at least one newspaper of general circulation in Puerto Rico and on the Internet, containing (i) a summary or brief explanation of the proposed PPP, (ii) a reference to the legal provisions that authorize said action, (iii) the form, time, date, and place where the comments regarding the proposed PPP may be submitted in writing or via electronic mail, and (iv) the location and webpage where all documents deemed necessary for public comment regarding the proposed PPP shall be made available to the public. The Authority shall prepare a summary of said comments as provided above. Both the comments submitted by the public or local industry and the summary prepared by the Authority shall be included in the record of the proposed PPP. Citizen participation in this process shall not confer standing or allow an individual to become a party with the right to challenge a proposed Partnership, either judicially or administratively.

The Authority shall conduct such public and local industry participation and comments evaluation process in accordance with the Act and Section 5.2 of the PPP Regulation. **Part A** of this Study intends to summarize the discussion and analysis of the service delivery requirements which define the need for the asset / service being delivered. This section will include:

1. Definition of the key Service Needs of the Island of Puerto Rico with respect to cruise terminals;
2. Cost and benefit analysis surrounding the achievement of the Service Needs identified;
3. Financial constraints and overall social and technical feasibility of the PRPA achieving these Service Needs; and
4. The main objectives of the Project considered under the Study.

This information and analysis will be a key driver in the determination whether the proposed Project is a necessary and desirable one for Puerto Rico.

Part A will also be crucial to addressing some key requirements of the Act, more specifically the following sections of the Act:

- **Section 7(b)i:**. Part A will define the essential characteristics of the function, facility and services required by the Island and Government of Puerto Rico. This is achieved through the following:
  - Definition of the key Service Needs of the Island;
  - Description of the Project; and
  - The identification of the costs required to achieve the Island's Service Needs and projects through conventional procurement.
- **Section 7(b)iii and iv:** Part A of the Study will include a comprehensive cost-benefit analysis which will discuss in detail the technical, functional, and social feasibility of the proposed Project.

PROJECT OVERVIEW

The purpose of this study is to determine the cruise terminal needs of San Juan, analyze various options for meeting those needs, and select the most efficient of those options. These options include both conventional operations (i.e. government operated and maintained) and alternative procurement (i.e. public-private partnership). The cruise terminals contemplated in this study include the following existing piers (or potential combinations thereof) – collectively "the **Piers**". Subject to market demand, the availability of funds and proposals received from entities bidding for the Project (i) may not include certain of the piers listed below, or (ii) may include other piers in and around the San Juan Bay:

- Pier 1
- Pier 3
- Pier 4
- Piers 11 to 14
- Pan-American Piers

The Piers are currently owned and operated by the PRPA which is responsible for operating, maintaining, and developing the cargo and passenger port infrastructure in Puerto Rico.

Cruise Terminal Scope

Cruise terminal service offerings differ depending upon whether the terminal is being used for homeporting (additional requirements due to passengers registering, embarking and disembarking with their luggage) or for port-of-call visits (less requirements, as passengers are disembarking for sightseeing only). The key requirements for each type of call are set out below:

Homeport	Port of Call
Embarkation: • Arrival curbside and transport center • Curbside luggage collection • Luggage screening & sorting • Passenger screening • Security perimeter and check points • Check-in area and conflict resolution counters • Pre-embarkation photo and check-point • Ancillary retail and food and beverage	**Port of Call Requirements** • Arrivals meet and greet area • Tour operations area and curbside • Transport and parking areas • Security Perimeter and check points and potentially a land based security building • Tourism related offerings
Disembarkation • Luggage display area • US Customs and Border Protection (CBP) spaces	
Other Administration • Bathrooms, canopies and weather protections • Primary area • Secondary screening area • Back-of-house offices • Support spaces • Gangways • Dockside provisioning areas	**Other Administration** • Bathrooms, canopies and weather protections • Potentially a duty-free retail area • Gangways • Dockside provisioning areas
Service Provision • Potable water provision to cruise ships • Waste collection • Refueling (provided by barges)	**Service Provision** • Potable water provision to cruise ships • Waste collection • Refueling (provided by barges)

There is a significant difference in revenues generated by homeporting as opposed to port of call visits, due to the additional services provided directly to home ported vessels (eg. bunkering, restocking of food and supplies) and also indirect revenues flowing to the broader economy through additional hotel stays of tourists before and after their cruise and the economic impact of home-port based cruise line staff.

San Juan currently has sufficient infrastructure to accommodate larger ships as homeported ships while simultaneously handling up to three additional ships as port-of-call. Although there are days that an additional ship can be added, this does not happen without seriously degrading the overall level of service and experience to passengers.

History of the San Juan Cruise Terminal Development

For years, the PRPA's development strategy has been hampered by a lack of funds and development has been limited to a minimum level of investment. As a result, the San Juan cruise facilities today are undersized and fail to meet the needs of the modern cruise industry. The older, traditional piers along the San Juan waterfront, Piers 1 through 4 were built many years ago, for a different class of ship and for a mix of cargo and passengers. These piers have been continually augmented to increase their capacity and in the 1990's the PRPA invested in developing a new homeport terminal at Pier 4, which was subsequently redesigned to increase its capacity. Pier 4 can currently accommodate cruises up to 1,055 feet in length, but cannot accommodate today's larger ship classes. In general, each pier has different characteristics that limit the type and size of the ships that can dock there, thus an all-encompassing strategy is required to expand the facilities and extract their best possible use.

The Caribbean Cruise Market

The Caribbean cruise market has been one of the most successful in the industry, featuring unique destinations that are widely enjoyed by cruise passengers. This market is politically stable and in high demand, particularly because its proximity to the United States makes it accessible, as well as attractive for first time cruisers.

The Caribbean region is the number one cruise destination by passenger bed-days (a formula based upon lower cabin berths by cruise length by sailings) with the Mediterranean ranking second and Northern Europe third overall. Asia and Alaska round out the top 5 destinations for cruise passenger traffic.

It is important to note that the Caribbean region has been greatly impacted by Hurricanes Irma and Maria. In the short term, it is likely that traditional destinations in the region will be impacted as reconstruction work takes place across the islands. Nevertheless, it is expected that the medium and long-term projections for the cruise industry in the Caribbean will not be impacted, which provide an opportunity for investment in the San Juan cruise facilities both in the short term, to immediately welcome a larger market and retain such market share in the future, and in the long term, through strategic investments in infrastructure and cruise tourism development.

Anticipated San Juan Port Capacity Expansion

An initial assessment for a long-term vision of San Juan is that, in order to stay competitive within the Caribbean cruise market, capacity needs to be increased as follows:

- **Port-of-Call** – The capacity for transit calls at San Juan should increase to match at least the capacity of St. Maarten and the U.S. Virgin Islands, each capable of docking four large cruise ships. This matching will allow the up to fifteen ships that leave the ports of Miami, Port Everglades, and Canaveral to operate an efficient itinerary that will help increase traffic to the island.
- **Homeport** – With increased growth in the Caribbean market, homeport capacity should be increased from four terminals (6 berths) in the short term, and up to five terminals (8 berths) over the long-term. This would allow each major cruise line to operate their turn around operations with more flexibility.

Homeport terminals may be used for port-of-call when not being used for homeport operations, which would provide the San Juan cruise facilities with additional capacity and flexibility.

DEFINITION OF SERVICE NEEDS

The Piers represent all of the cruise terminals in San Juan, the continued operation of which are critical to ongoing tourism and economic development of Puerto Rico. As it is an island, substantially all of the goods consumed in Puerto Rico are imported via ports. This heightened reliance on port infrastructure (when compared to the US mainland) means that any proposed transaction involving the ports needs to be highly scrutinized to ensure that the ongoing viability of the island is not adversely affected. Accordingly, careful consideration must be given to how any PPP process is to be carried out with respect to the cruise terminals and ensuring that cargo terminals are not adversely impacted.

PRPA has developed the following list of Service Needs, drawing from the objectives identified in the 2040 Long Range Transportation Plan produced for Puerto Rico by the Department of Transportation and Public Works and also from the PRPA's own objectives, having regard to its role as the Government agency charged with ensuring the continued operation and expansion of Puerto Rico's ports and airports.

Service Need 1 - Tourism	Support economic development and job creation through tourism
Current Constraints	• Degraded infrastructure • Significant competition for cruise line calls, including from newer, cheaper and/or higher quality terminals
Objective 1.1	Maximize number of cruise ships & tourists calling Puerto Rico
Objective 1.2	Increase number of cruise lines using Puerto Rico as a 'home port'
Objective 1.3	Increase per passenger spend on the Island
Objective 1.4	Increase opportunities for local employment as part of the tourism industry
Service Need 2 – Infrastructure	**Improve Cruise Terminal infrastructure**
Current Constraints	• Limited berthing space, especially for the largest cruise ships • Degraded infrastructure & deferred maintenance • Lack of information on Pier capacity available for the cruise lines • Requirement of any repair / rehabilitation works to comply with updated building codes • Lack of borrowing capacity, and liquidity to finance repairs and expansions
Objective 2.1	Repair hurricane damage
Objective 2.2	Rehabilitate existing infrastructure & maintain in a good state of repair
Objective 2.3	Invest in new cruise terminal infrastructure
Objective 2.4	Optimize use of cruise terminal infrastructure
Objective 2.5	Job creation through infrastructure investment
Service Need 3 – Harbor Balance	**Balance the needs of cruise terminals and cruise passengers with other users of the harbor**
Current Constraints	• Lack of a master-plant for cruise terminal development • Piers 11 – 14 used for mix of cruise and general cargo in an inefficient manner • As an island, Ports are essential for Puerto Rico's viability
Objective 3.1	Optimize use of the harbor to more effectively use cruise terminals and other terminals
Objective 3.2	Preserve sufficient terminal space for cargo and other non-cruise liner use
Objective 3.3	Improve ability to support emergency activities

Service Need 4 - Financial	Improve the financial position of the PRPA and access funding for projects
Current Constraints	• Limited sources of funding available • PRPA's debt burden and weak financial position
Objective 4.1	Reduce PRPA's debt burden
Objective 4.2	Improve PRPA's net position
Objective 4.3	Carry out scheduled and desired projects without additional debt
Service Need 5 – Environment	**Preserve Puerto Rico's unique natural environment**
Current Constraints	• Unique environment of Puerto Rico requires protection
Objective 5.1	Minimize adverse impacts to natural and built environments.

KEY DRIVERS OF SERVICE NEEDS

Tourism Needs

The Caribbean is the most popular cruise destination in the world. The cruise industry has always been an integral part of tourism and of the economy of Puerto Rico and is a substantial source of revenues for the Puerto Rico economy. Throughout the years, the PRPA has developed and improved the San Juan cruise facilities to make Puerto Rico one of the leading cruise destinations in the Caribbean. While the Port of San Juan was once an integral part of every cruise itinerary in the region, cruise industry growth over the last decade has occurred more rapidly in the surrounding islands than in Puerto Rico due to the infrastructure limitations of the Port of San Juan – depriving Puerto Rico of the economic benefits from additional cruise visitors.

Master-planning

The Piers have been developed and upgraded in an ad-hoc fashion over the years, with individual cruise lines financing improvements to specific Piers in return for preferential berthing rights. While this approach has been necessary due to PRPA's limited financial resources, it means that the cruise terminal operation is not optimized. A single master plan for the cruise terminals, including a long range capital expenditure program, would enable the Piers to be managed more effectively and operated more efficiently.

Repairs & Improvements

Significant maintenance is needed to bring the Piers up to the PRPA's desired standards, and damage from the recent hurricanes has exacerbated this problem. Having recently lacked the necessary funding to carry out important maintenance and expansion projects, a backlog of work has built up.

The need, as mentioned above, to provide safe, efficient and well-maintained cruise terminals in San Juan is evident. With the existing Piers comprising essential infrastructure for Puerto Rico tourism, their upkeep is a prime concern for the PRPA. Therefore, the principal driver of the above Service Needs is the lack of funding available for PRPA to properly meet them on an ongoing basis through available cash flow and funds.

The firm Iglesias-Vazquez and Associates was hired by the PRPA after the recent hurricanes Irma & Maria to assess the condition of the Piers under consideration. The reports issued by the firm also include cost estimates for three categories: A – debris removal, B – emergency protective measures and C – other categories. The survey included a walk over inspection of the Piers and buildings as well as a visual inspection by boat of the fenders and underside of the Piers. A diving survey and detailed structural calculations were not part of the firm's scope of work. The below table summarizes the cost estimates from the reports; cost are shown in USD:

	Category A and B	Other categories	Total
Pier 1	2,476,210	949,440	3,425,650
Pier 3	674,550	161,000	835,550
Pier 4	2,857,620	1,330,960	4,188,580
Piers 11 to 14	2,123,024	2,410,780	4,533,804
Pan American Pier I	1,296,690	1,423,810	2,720,500
Pan American Pier II	1,531,330	1,630,570	3,161,900
Total	**10,959,424**	**7,906,560**	**18,865,984**

In response to the storms, the US Department of Transportation Maritime Administration (MARAD), under mission assignment by the Federal Emergency Management Agency (FEMA), engaged DCM Architecture & Engineering, LLC (DCM) to conduct a condition assessment of piers under consideration. The reports also include cost estimates for two categories: Repairs, and Resilience measures. The survey included a walk over inspection of the Piers and buildings as well as a diving inspection (including ultrasonic thickness (UT) measurements) and structural calculations. The survey report recommends amongst others that Piers 1 and 4 be rebuilt entirely. The below table summarizes the cost estimates from the reports; cost are shown in USD:

	Repairs	Resilience measures	Total
Pier 1	61,612,900	651,000	62,263,900
Pier 3	991,219	113,400	1,104,619
Pier 4	136,733,073	452,900	137,185,973
Piers 11 to 14	72,613,100	781,705	73,394,805
Pan American Piers I and II	28,924,700	20,451,644	49,376,344
Total	**300,874,992**	**22,450,649**	**323,325,641**

Clearly, the in-depth assessment performed by MARAD leads toward major renovations not previously envisioned in the IV&A report. Under a scenario were major resiliency renovations are needed, there will be a need to develop an extensive design, procurement and construction program to provide for safe and sound facilities. The traditional delivery of infrastructure in Puerto Rico entails the procurement of different firms for the design and construction of the facilities. This conventional procurement method typically called design-bid-build (DBB) is commonly used in the development of government construction and rehabilitation projects. It calls, among other characteristics, for multiple and separate contracts that are dependent and related to each other. This type of process usually results in longer development and execution periods, having the public agency to deal with consequences of delays, changes in cost, and unforeseen problems. The service needs demand the repairs to be done in a timely and efficient approach through a process that will best promote a stable and accountable method. A long and fragmented process will be subject of constant administrative changes that will debilitate the implementation of accountability mechanisms preventing the much needed repair and rehabilitation of the piers and terminal facilities.

There may be funding available from FEMA to support some of the repairs and rehabilitation considered as part of the project scope. It is premature to know the availability and the amount of such funding, and so this Desirability

& Convenience Study has been prepared on the assumption that this funding is not forthcoming. If FEMA funding becomes available, then the procurement will take into account such additional funding and the concession terms and conditions will have to be compatible with the provision of FEMA funding.

PRPA FUNDING CONSTRAINTS

The PRPA's three main sources of funding are maritime operations (~67%), airport operations (~26%), and government financial assistance (federal and from the Commonwealth of Puerto Rico - ~7%).

	(Dollars in Thousands)							
Revenues from:	2010	2011	2012	2013	2014	2015	2016	2017 (Unaudited)
Maritime Operations	73,250	61,565	75,585	85,945	74,534	75,355	75,995	71,992
Airport Operations	67,060	84,470	91,103	64,429[1]	26,057	28,419	27,633	28,510
Federal Financial Assistance	23,658	22,512	20,254	23,712	17,018	11,315	13,638	7,493
Less: Pass through	(8,105)	(12,852)	(8,413)	(3,568)	(4,168)	(5,260)	(2,912)	(610)
Commonwealth of Puerto Rico Appropriations	242	2,817	5,139	6,942	2,726	2,735	25	28
Total Revenues	**156,105**	**158,512**	**183,668**	**177,460**	**116,167**	**112,564**	**114,379**	**107,413**

Deterioration in the local and global economic environment has affected PRPA's funding capacity to the extent that PRPA's outstanding bonds have been severely downgraded and PRPA advises that the bond markets are effectively inaccessible to the agency. PRPA's bonds are currently rated C by Moody's and D by Standard & Poor's.

The same economic factors caused PRPA to suffer budgetary issues, which further curtailed the funding options available to Puerto Rico, and, as such, routine maintenance on the Piers was deferred.

Based upon current economic conditions in Puerto Rico and the PRPA's existing debt burden, PRPA does not foresee near term opportunities to access the debt markets to fund repairs and upgrades to the Piers.

CONCLUSIONS AND KEY OBJECTIVES OF THE PRPA

The Service Needs and Objectives set forth above are the key goals the Study intends to address. Part B of the Study will consider the various options available to meet these Service Needs and Objectives. These options include traditional delivery, as well as alternative forms of delivery such as a PPP.

[1] Luis Muñoz Marín International Airport ("LMM") PPP reached financial close in January 2013, so 2013 reflects ~7 months of full revenues and 2014 onwards reflects private ownership of LMM.

STUDY OF DESIRABILITY AND CONVENIENCE PART B

One of the key objectives of the Study is to provide support in thinking creatively and finding the most efficient ways to meet Puerto Rico's capital needs associated with meeting the Service Needs.

Part A identified the key Service Needs of the Project and the constraints the PRPA is experiencing in satisfying these needs. This part of the Study analyzes the various delivery options for the Project to ensure the Service Needs identified in Part A are delivered effectively and efficiently.

Part B will include a:

- Comprehensive identification of project risks and potential mitigation;
- Analysis of procurement options; and
- Qualitative assessment of the proposed Project compared to the status quo alternative.

We also reiterate the Authority's and PRPA's key objectives in undertaking the Study:

- The need to access additional funding sources to allow necessary capital expenditures to be made;
- The need to foster the creation of employment in Puerto Rico, either through employment by a Private Partner on improvements, upgrades and modernization of existing infrastructure and new construction, or in other job opportunities derived from additional cruise traffic and economic activity in general; and
- The need to improve the quality of Puerto Rico's cruise terminals.

In summary, this Part asks:

- By reference to the Detailed Review Criteria (as this term is defined below), which procurement option will best achieve Puerto Rico's objectives and most efficiently deliver the Service Needs?
- If private sector procurement is preferred, what risks are involved in the various procurement options and how do they affect procurement?
- From a value for money perspective, what risks should be retained by the public sector and what risks should be transferred to the private sector?
- Having regard to the above, what is the appropriate procurement option for the Project?
- How can there be local participation?

As discussed in Part A, a key purpose of the Study is to address several legislative requirements put forward by the Act. Part B addresses several of these requirements, more specifically the following sections of the Act:

- **Section 7(b) v**. Based on the objectives identified in Part A, Part B identifies a variety of service delivery options available to the PRPA in structuring a potential Project. This includes both traditional procurement, and a variety of alternative procurement options. Part B concludes with a justification of the PPP modality expected to be used for carrying out priority projects.
- **Section 7(b) vi**. A key component of Part B is a detailed risk analysis and allocations of all the risks present in the delivery of the functions, and service needs identified in Part A. Part B identifies these risks, allocates them, and determines the form of procurement that best allocates the risks identified to the party (public or private) best able to bear them.
- **Section 7(b) x**. Through its comprehensive analysis of the risks of the Projects, and the various service delivery options (traditional and alternative), Part B provides a comparative analysis of the cost/benefit represented in allowing the Government Entity, in this case the PRPA, assume the responsibility for carrying out or continuing operations or for carrying out the repair, or improvement, as opposed to channeling these obligations through a PPP.
- **Section 7(b) xi**. Part B will discuss how the participation of local entities will be utilized in the delivery of the selected service delivery options. It will also fulfill the following: identify areas with the greatest potential for local capital entities, non for profit entities and cooperatives (credit unions) to participate in the PPP to be

created for the Project and the viability of participation by such entities; the measures that Government entities shall take, the function to be discharged by nongovernmental organizations in fostering competitiveness of the entities grouped into the sector, and any other actions that may facilitate this participation without impairing the laws or the norms that regulate and guarantee the free market.

SPECTRUM OF SERVICE DELIVERY OPTIONS

The following are the range of options to achieve the Service Needs (**"Service Delivery Options"**) proposed for consideration.

- **Status Quo:**
  - Continued operation & maintenance of the Piers by PRPA
  - Capital expenditures deferred until PRPA has funds available
- **Contracting Model:**
  - PRPA continues to own the terminals (and receive terminal revenues) but outsources operations and maintenance to a third party contractor
  - Capital expenditures deferred until PRPA has funds available
- **Alternative Procurement (PPP):**
  - Award a concession to a Private Partner to repair, design, build, finance, operate, and maintain the terminals and to earn revenue from the cruise terminals
  - Private Partner is required to spend funds on capital expenditures as part of the Concession
  - PRPA receives an upfront payment and/or a revenue share in return for granting the Concession

Of these, only the Alternative Procurement is able to generate an upfront payment and/or a revenue share for PRPA to improve its financial position while achieving the identified Service Needs. Status quo would see no change to PRPA's financial position in the ordinary course, and if an extraordinary event such as a major hurricane occurs, then a negative change would be expected from the point of view of financial position and delay in achieving Service Needs. The Contracting Model may see an improvement to PRPA's financial position if the contracting party is able to operate and maintain the Piers more cheaply than PRPA. However, there would not be an upfront payment generated and it is uncertain if the improved operations under the Contracted Model would generate sufficient additional revenues to advance the identified Service Needs.

DETAILED REVIEW CRITERIA: ALTERNATIVE PROCUREMENT

Before we conduct any further analysis on the risk profile of different Procurement Options, we need to measure the Alternative Procurement against the review criteria identified below (the **"Detailed Review Criteria"**) to ensure that the Project is capable of alternative procurement.

Criteria	Explanation	Guidance
Financial viability	— The combined value of expected revenue must be sufficient to provide a commercial rate of return on private funds required to cover acquisition costs and costs of construction / operations / maintenance within a reasonable commercial term — Under a private concession, the Piers may or may not be eligible for federal grants or other type of funding	— The market is very comfortable valuing patronage risk transactions where there is a well-established patronage history and a strong story around growth — Any incoming investor would assess the financial viability of the Piers on a standalone basis without the assumption of federal funding being contributed at a later date — ***The Puerto Rico cruise terminals have sufficient operating history and the Caribbean cruise industry is sufficiently strong that bidders will be comfortable banking an established traffic story, without reliance on federal support***
Structuring	— In order to be financeable, the project must be capable of being structured so as to transfer only those risks that the private sector is capable of pricing	— Significant precedent brownfield PPPs exist for the market to have a good understanding of how to structure a transaction — ***Puerto Rico has successfully structured other transactions as brownfield PPPs, and the market will be comfortable using a similar structure***
Timeliness	— A key element of this PPP process is delivering the capital expenditure improvements as quickly as possible to improve the condition of the Piers and drive increased cruise line patronage into Puerto Rico	— For a PPP Project to be completed in a timely manner, sufficient information must be available to tender the asset with the bidders only being required to make standard assumptions regarding projections and measurable risks — ***In this case – sufficient information is able to be gathered quickly and efficiently on each of the Piers and the Puerto Rico cruise industry in general so as to facilitate a timely tender process*** — ***Bidders will likely conduct their own patronage surveys and due diligence, however these are customarily able to be completed in a matter of months and are not expected to delay a process***

Criteria	Explanation	Guidance
No Legal impediments	— Clear path to all environmental and regulatory approvals — Legislative requirements between procurement and closing of the transaction add significantly to failed procurement risk and are unlikely to be acceptable to PPP participants — There should be no legal impediments to entering into the Concession/PPP Agreement	— The Act lays out that construction, operation and/or maintenance of transportation related systems and infrastructure, including maritime transportation, are considered Priority Project that can be advanced and transacted in a PPP. Therefore, the contemplated framework of this Study is permitted. Furthermore, the legal framework created under the Act is very flexible as to the types of agreements that the Participating Entities are allowed to enter into as part of a PPP, provided the procedural requirements of the procurement process and certain minimum substantive content in the negotiated agreements are complied with, as prescribed in the Act. — In addition, any concession of the Piers will require proponents to undertake maintenance and modernization works to ensure that the Project continues to comply with all other statutory requirements, under the Act or otherwise. An example of those may include, but it is not limited to, the following: a) Compliance with Puerto Rico's Law no. 416 (Title 1, Article 4.B.3), Environmental Public Policy Act, with requires the preparation of an environmental document (Categorical Exclusion, Environmental Assessment or Environmental Impact Statement) b) If the project is federally funded, compliance with certain federal environmental legislation is also required c) Compliance with Planning Board Regulation No. 25 of planting, cutting and forestation for Puerto Rico d) Performance of archeological studies and submission to Puerto Rican Cultural Institute for acceptance. Special instruction to bidders may be requested as the result of the investigations. If the project is federally funded or requires the involvement of federal agencies such as USACE, the Puerto Rico State Preservation Office shall be also consulted. e) Performance of environmental assessments as deemed necessary. Structures shall be tested for presence of lead paint and asbestos for mitigation f) In coastal areas, consultation with US Coast Guard may be required for new bridge construction or modification of existing ones g) If the project impacts the maritime-terrestrial zone, a delimitation (survey) is required and a concession for the utilization of such zone shall be obtained ***Care will need to be taken to ensure that none of the above would require any degree of investigation beyond that required of a reasonably prudent cruise terminal operator and that the PRPA provides reasonable support as future partner of the PPP proponent***

Criteria	Explanation	Guidance
Track record in private sector	— The private sector should have a track record of undertaking similar projects or activities as PPPs in other jurisdictions — At least some of the key resources and expertise necessary to undertake the project should be already present in the private sector in Puerto Rico	— Globally, large numbers of port terminals, including cruise terminals, are privately owned and/or operated, so the concept is not novel in a global context. The USA itself has a long history of private port terminal management and lease construction. — There are numerous examples of privately managed cruise facilities globally: ○ **Caribbean:** (The Bahamas, Belize, Dominican Republic) ○ **Mediterranean:** a study by *Port Economics* reports that for 85 cruise terminals identified in the region, 55% are partially or fully managed by private operators or investors ○ **North America:** Ports America currently operates 9 cruise terminals in USA (Boston, Brooklyn, Manhattan, Norfolk, Port Everglades, Los Angeles, Seattle, Vancouver, WA) — Japan is currently finalizing a public-to-private PPP arrangement with Genting Hong Kong to remodel and upgrade the cruise terminal of Shizuoka; in exchange, the private partner in obtained priority access to the facility for 105 days per year over a 15 years period — Within Puerto Rico, the concept of a brownfield PPP is well understood, as the Teodoro Moscosco Bridge, PR-22 and PR-5 highways and Luis Muñoz Marín Intl Airport have all transacted under concession models — ***Not only have toll roads already been concessioned in Puerto Rico, but there are numerous precedents of concessioning of cruise terminals in the United States and internationally***
Necessity	— Projects should be necessary as evidenced by either or both of 1) a strong user pay revenue stream 2) a likely positive cost benefit analysis supporting the case for availability payments	— There is a necessity in monetizing some of the future benefits in these cruise terminals now to achieve the Service Needs identified by the PRPA in the near term. Moreover, the PRPA recognizes the funding benefit and risk allocation benefit of having a private party be responsible for the operation and maintenance of the Projects — ***As detailed in Part A, the Service Needs are clearly present for the concessioning of all of the Project*** — ***Moreover, the strong and recurrent revenue stream from cruise passengers demonstrates the necessity of a cruise terminal operation in San Juan***
Integration	— Projects need to be capable of standing alone without too many interfaces with other projects or activities	— Projects should be selected for PPP delivery where the private sector partner is able to control sufficient aspects of the scope of the Project to accept substantially all of the risks and responsibilities associated with delivery of the service — ***This will depend ultimately on the risk allocation structure to be granted to the concessionaire (discussed further below)*** — ***However, it is important to note that the cruise terminals already operate as a standalone business run by PRPA, so the degree of integration is not expected to be insurmountably high***

Criteria	Explanation	Guidance
Effective Risk Transfer	— Risks associated with a project should be capable of being identified — The public sector should be willing to transfer key project risks and the control levers associated with managing those risks — The private sector should be capable of accepting, managing or mitigating those risks	— Projects should be selected as PPPs where the risk transfer objectives can be clearly identified and all parties are willing to accept the risk transfer — ***We believe that a market standard risk allocation structure can be adopted that would be sufficient for all parties*** — ***There is sufficient precedent, both within Puerto Rico and within the global ports sector, to be able to develop a 'market' risk allocation relatively easily***
Innovation	— PPP delivery encourages innovation through development of performance – based "output" specifications based on service objectives rather than detailed highly specified design inputs	— Projects which have already been fully designed for conventional delivery may not provide sufficient scope for innovation — The private sector has shown itself thoroughly capable of bringing innovation to a project through: a) Revenue generating innovation (eg. marketing, accommodating cruise line requirements etc.) b) Service offering optimization c) O&M efficiencies d) Maintenance capex efficiencies & willingness to invest capex for an improved asset e) Insurance efficiencies — ***A transaction such as this, where the Private Partner will be applying their own business plan to the Project, has the highest scope for innovation***
Lifecycle Risk	— Under PPP delivery, the private sector partner is typically responsible for the design and construction, long term operations, maintenance and rehabilitation of the assets	— A project which does not transfer sufficient lifecycle risk may not be an appropriate candidate for PPP delivery — It is intended that in the case of the Proposed Project, full lifecycle risk is passed to the private sector — ***In this case the Project will pass as full lifecycle risk to the Private Partner***
Term	— Term of the deal effects value — Longer term provides private sector with greater opportunity to realize benefits of improved operations and capex spend, and spread risk of demand volatility through economic cycles — The term should match the duration for which revenues and costs can be accurately forecast	— Term of concession is an important criteria for selection as a PPP — Less than 20 years is unlikely to be attractive to the private sector, especially where a significant capital expenditure program is required, as it doesn't provide a sufficiently long time to amortize the costs of acquisition and upgrades — 20 - 50 years permits the private sector to make long-term lifecycle decisions and earn a return on investments over time — 50 years is the maximum permitted term under the Act without further legislative action — ***Provided that the concession is of an appropriate length, the Project passes this criteria. 30 years is considered an appropriate length for this analysis***

Criteria	Explanation	Guidance
Schedule and Cost Certainty	— One of the key benefits of PPP delivery is to achieve schedule and cost certainty — PPPs can also be beneficial in accelerating construction timeframes	— Projects where costs and schedule certainty is important should be strong candidates for PPP delivery — Projects where reducing the time to service implementation is important – this includes bringing forward capital expenditure that would be deferred under public ownership—are also good candidates for PPP delivery — ***In this case the Project will pass on both counts*** — ***By passing construction risk to the private sector, the private sector can deliver greater schedule and cost certainty, through the use of bonding, liquidated damages and fixed price contracts*** — ***By passing O&M risk to the private sector along with patronage risk, the private sector is incentivized to spend capital expenditure upfront to drive patronage through improved facilities***
Technical viability	— Technical requirements of project should depend on proven technologies and engineering practices	— PPP projects are ideally delivered with existing technology – as the fixed time fixed price nature of project financing does not include contingencies for proving new technologies — PPPs can be highly innovative while still working within the confines of proven technical solutions — ***The Project complies with this requirement because the proposed upgrades to existing marine terminals are not novel works***
Competition	— Effective PPP delivery depends upon the ability to attract a competitive range of proposals for the project or alternatively to create a benchmarking process which delivers competitive outcomes	— PPP projects are customarily run as a competition between 2 to 4 shortlisted parties. Shortlisting is based upon a review of credentials and proposed project solution — ***In this case there are numerous cruise terminal operators who would be expected to be interested in pursuing a PPP of the San Juan ports. This would include both cruise line operators who also own cruise terminals, and also independent terminal operators. Therefore, the Project would favorably pass this criteria.***

CONCLUSION:

The Project satisfies all of the Detailed Review Criteria, including the critical fatal flaw analysis points of Financial Viability, Timeliness, Legal Impediments and Private Sector Track Record. Therefore, under the discussed criteria, the Project is suitable to be delivered through a PPP.

We now look at the risks associated with the Project and how those risks are best allocated – either through transfer to the private sector or retention by Government.

RISK ASSESSMENT AND PROCUREMENT METHOD FOR PPP

This section provides an overview of the risk analysis process. Please note that risk analysis is performed throughout the Study and is iterative in nature. Although not exclusive to Part B, a large amount of risk analysis is performed at this stage in order to identify what service options effectively manage and transfer risk to the parties that can most effectively absorb them.

The key feature of a PPP approach is "risk transfer", which is achieved by making the private sector partner responsible for assuming risk and delivering services that would otherwise be assumed or provided by the public sector (or not provided at all). These risks can include construction, functionality of design, financing, receipt of patronage revenues, and the long-term performance of the asset through the optimal allocation of responsibility for operations, maintenance and rehabilitation.

Risk transfer is a key driver of value for money for governments in PPPs. The type, amount and effectiveness of possible risk transfer differs considerably based on the procurement method, contract structure selected and characteristics of a particular project.

PUBLIC-PRIVATE PARTNERSHIP (PPP): WHAT IS A PPP?

Broadly speaking, a PPP is a form of procurement that uses a long-term, performance based contract where appropriate risks associated with a project (including revenue risk) can be transferred cost effectively to a private sector partner.

Key benefits of a PPP approach include:

- **Risk Transfer:** Typically, well-structured PPP projects provide better value for money than the ones developed under traditional procurement, reflecting the whole life costing, design innovation, improved efficiency and risk transfer. Under the public-private partnerships model, the Government transfers key risks (construction, operation and financing) to the Proponent, who is better positioned to manage and control them – thereby (i) avoiding government incurring the associated expenditure and (ii) provide for greater certainty and predictability in relation to the quality and maintenance of infrastructure.
- **Better quality services:** The quality/standards of the services delivered under a PPP by an experienced operator are customarily higher than that achieved under traditional models, reflecting the benefits, service innovation, and customer focus of a commercial entity with an incentive to deliver a high quality user experience.
- **Accelerated project delivery:** The speed of project delivery under a PPP tends to be faster than that achieved under traditional procurement, as the private partner is incentivized to conclude the construction / repair phase as early as possible to start operations and commence earning revenues.
- **Private investment:** By relying upon private finance, a PPP project means that public funds can be used for other purposes. Public funds are also shielded from the performance of the asset.
- **Better asset utilization:** By allowing the private sector to innovate regarding provision of the services, PPPs can provide better utilization of existing infrastructure.

Based on experience with existing projects, risk transfer is the most important area in the determination of value for money in a PPP. The type, amount and effectiveness of possible risk transfer differs considerably based on the procurement method, contract structure chosen and characteristics of a particular project. Traditional procurement has typically involved construction management (CM) and design bid build (DBB), representing points along a continuum of possible procurement methods where there is very little or no transfer of project-related risk to a private partner.

Where Greenfield construction is involved (as opposed to pure modernization and rehabilitation capital expenditure), PPPs can vary greatly in the extent of risk transfer, depending usually on what is the better value for money outcome to the procuring authority. When a PPP is purely brownfield in nature (i.e. the government entity is concessioning off an already constructed piece of infrastructure) then the scope of the PPP is more limited.

The range of private sector partnership procurement options that are generally accepted to be PPP structures include:

Greenfield PPP Options	Brownfield PPP Options	Hybrid PPP Options
■ Design build (DB)	■ Finance maintain and operate (FMO)	■ Repair design build finance maintain and operate (RDBFMO)
■ Design build finance (DBF)	■ Operate & Maintain (O&M)	
■ Design build maintain operate (DBMO)		
■ Design build finance maintain and operate (DBFMO)		

The Project under consideration amounts to a hybrid of Greenfield and Brownfield. The Private Partner finances the "purchase" of the concession and, as part of that obligation, maintains and operates the asset (Brownfield FMO), but in addition the private partner is required to undertake certain design and construction works (effectively a Greenfield PPP).

This report now considers which potential procurement option is best for the Project, evaluating both through PPP procurement and also through traditional procurement.

EFFECTIVE RISK TRANSFER

The table below lays out the various procurement options for the Project and discusses in more detail the level of Risk Transfer achieved by each of these options.

For the Project under consideration, the key risks for the PRPA to transfer to the Private Partner are:

- **Revenue Risk:** The Private Partner will receive the rights to earn revenue from the cruise terminals. In return, the Private Partner will make an upfront payment to the PRPA. PRPA may share in revenue risk to a certain amount, by way of a revenue share.
- **Operating Risk:** The Private Partner will be responsible for operating the cruise terminals, under its own business plan and with its own staff and any proprietary technology and systems, operational costs being payable from the revenues generated from such operations by the Private Partner. This provides the Private Partner with the ability to truly innovate, as the Private Partner is incentivized to grow the client base, improve customer service and drive higher revenues.
- **Design & Construction:** Where major new capital expenditure is to be incurred, the Private Partner shall be responsible for its design and construction. This applies to both committed capital expansions that are agreed at the time of entry into the Concession Agreement, and also to expansion capital expenditures required in the future. The main risks that the Private Partner will be required to accept in respect of design and construction include:
    - **Design fitness for purpose:** Risk that the design meets the requirements of the Private Partner and also of the PRPA under the Concession Agreement
    - **Construction quality:** Risk that the works are completed to the required standards of quality
    - **Schedule certainty:** Risk that the works are completed on time. To the extent that the works are completed late, the Private Partner has no recourse to the PRPA (unless the PRPA caused a delay, or provides other relief under the Concession Agreement) and may be required to pay liquidated damages. As revenue risk has been transferred to the Private Partner, a delay in schedule is likely to lead to a delay in earning revenues.

- **Cost certainty:** Risk that the works are completed on or under budget. To the extent that the works are over budget, the Private Partner has no recourse to the PRPA (unless the PRPA caused additional costs, or provides other relief under the Concession Agreement).

- **Maintenance & Repair Risk:** The Private Partner will be required to undertake ongoing maintenance of the Piers, and also undertake certain repairs necessary to improve the conditions of the Piers.
- **Integration Risk:** The Private Partner will be responsible for all aspects of the design and construction, long-term operations, maintenance and rehabilitation of the asset, which creates opportunities and incentives to integrate these functions to optimize performance and maintenance spend over the entire Concession.
- **Finance:** The Private Partner will be required to raise all of the finance for the Concession – including for the upfront payment to PRPA, the initial repairs and capital expenditures, and to fund its own working capital. As expansions and major maintenance are required throughout the Concession, the Private Partner will be responsible for financing these also (either through raising new financings, or through retained earnings). The Private Partner will be responsible for servicing the financing through project revenues, and therefore needs to determine its optimal capital structure. Any financing will be without recourse to PRPA.

ALTERNATIVE PROCUREMENT OPTIONS: EFFECTIVENESS OF RISK TRANSFER

Procurement Option	Does Option Achieve Risk Transfer?	Effectiveness of Risk Transfer
Conventional Procurement	✗	— Conventional Procurement does not achieve any degree of risk transfer as all risks are retained by the Government
Design Build (DB)	✗	— Risks transferred to the Private Partner: — Design Scope Risk — Construction Risk — The Project and PRPA should have the following characteristics for this option to be viable: — Conceptual design completed — Operating and maintenance costs are low and are already performed effectively by the public sector agency — Significant construction and schedule risks that are better managed by the Private Partner — Limited financial and solvency risk (as the PRPA is required to make progress payments) **Conclusion:** This option does not meet the objectives of the PRPA. In particular, it does not achieve transfer of operations, maintenance, revenue risk and it requires PRPA to fund the works.

Procurement Option	Does Option Achieve Risk Transfer?	Effectiveness of Risk Transfer

Design Build Finance (DBF)	✘	— Risks transferred to the Private Partner:
		  — Design Scope Risk
		  — Construction Risk
		  — Financial and Sponsor Risks (but not for the long term)
		— The Project and PRPA should have the following characteristics for this option to be viable:
		  — Conceptual design completed
		  — Operating and maintenance costs are low and are already performed effectively by the public sector agency
		  — Significant construction and schedule risks that are better managed by the Private Partner
		  — Limited financial and solvency risk (as the PRPA is required to make a substantial completion payment to repay the financing)
		Conclusion: This option does not meet the objectives of the PRPA. In particular, it does not achieve transfer of operations, maintenance or revenue risk, and it requires PRPA to fund the works (through the substantial completion payment).

Operate and Maintain (O&M)	✘	— This procurement method is effective at transferring only the following risks to the Private Sector:
		  — Operating Cost Risk
		  — Long term maintenance risk
		— The Project and PRPA should have the following characteristics for this option to be viable:
		  — Clear scope of O&M to be outsourced
		  — Operating costs are able to be effectively managed by the Private Sector
		  — Limited degree of financial and solvency risk (as the PRPA is required to pay the contractor for performing the O&M scope)
		Conclusion: This option does not meet the objectives of the PRPA. In particular, it does not achieve transfer of revenue risk, and it requires PRPA to fund both the O&M costs and also any capital improvements. Furthermore, if key operation and maintenance tasks are not able to be effectively priced by the Private Partner then the O&M contract may need to be structured as a 'cost plus' arrangement, which is unlikely to deliver value for money. In other instances, depending upon the pricing and O&M control granted to the Private Partner, an O&M contract may be cheaper than the PRPA continuing to self-perform the O&M scope.

Procurement Option	Does Option Achieve Risk Transfer?	Effectiveness of Risk Transfer

Design Build Maintain Operate (DBMO)	✘	— Risks transferred to the Private Partner:
		  — Design Scope Risk
		  — Construction Risk
		  — Operating Cost Risk
		  — Long term maintenance risk
		— The Project and Authority should have the following characteristics for this option to be viable:
		  — Conceptual design completed
		  — Operating costs are able to be effectively managed by the Private Sector
		  — Long term capital expenditure costs can be accurately forecast and managed by the Private Partner
		  — Significant construction and schedule risks that are better managed by the Private Partner
		  — Limited degree of financial and solvency risk (as the PRPA is required to pay the contractor for performing the scope)
		Conclusion: This option does not meet the objectives of the PRPA. In particular, it does not achieve transfer of revenue risk, and it requires PRPA to fund the works through both the DB and OM phases.

Design build finance maintain and operate (DBFMO)	✓	— Risks transferred to the Private Partner:
		  — Design Scope Risk
		  — Construction Risk
		  — Financial and Sponsor Risks for the long term
		  — Operating Cost Risk
		  — Long term maintenance risk
		  — Revenue generation risk
		— The Project and PRPA should have the following characteristics for this option to be viable:
		  — Conceptual design completed
		  — Operating costs are able to be effectively managed by the Private Sector
		  — Long term capital expenditure costs can be accurately forecast and managed by the Private Partner
		  — Significant construction and schedule risks that are better managed by the Private Partner
		Conclusion: This option meets the objectives of the PRPA and could be structured to provide an upfront payment for PRPA as well as transferring revenue risk to the Private Partner. However, it should be noted that a DBFMO is customarily applied for Greenfield projects that involve new builds. While the Project can be delivered under this construct, a better solution is the RDBFMO (discussed below).

Procurement Option	Does Option Achieve Risk Transfer?	Effectiveness of Risk Transfer
Repair, design build finance maintain and operate (RDBFMO)	✓	— In addition to the risks transferred by the DBFMO procurement option above, the RDBFMO option also transfers the following risks to the Private Sector: — Specified repair obligations — The Project and Authority should have the following characteristics for this option to be viable: — Conceptual design completed — Clear list of repairs to be undertaken to existing infrastructure and timeframe for completion — Long term capital expenditure costs can be accurately forecast and managed by the Private Partner — Operating costs are able to be effectively managed by the Private Sector — Significant construction and schedule risks that are better managed by the Private Partner **Conclusion:** This is the option that best meets the objectives of the PRPA, as it accommodates both construction of new facilities and repair of existing facilities, all within the framework of a long-term concession that outsources operations, maintenance and lifecycle risk to the Private Partner while able to be structured to provide an upfront payment for PRPA as well as transferring revenue risk to the Private Partner.

Based on the detailed risk analysis presented in the previous section, this Study concludes that the best option for the procurement of the Project is the **Repair, Design, Build, Finance, Maintain and Operate (RDBFMO)** procurement option.

Given the PRPA's financial circumstances, the most feasible procurement method is one where a significant amount of risk (including the risk of raising finance) is transferred to the Private Partner. This gives the Private Partner the largest scope to operate the Project, and minimizes the likelihood that the Private Partner will need to seek any form of payment from the PRPA.

DOES THE PROCUREMENT METHOD MEET THE SERVICE NEEDS?

The Service Needs set out in Part A clearly demand the following objectives to be met by this process:

- Support economic development and job creation through tourism
- Improve cruise terminal infrastructure
- Balance the needs of cruise terminals and cruise passengers with other users of the harbor
- Improve the financial position of the PRPA and access funding for projects
- Preserve Puerto Rico's unique natural environment

These objectives can be met in a variety of ways and a variety of options will be evaluated by this section of the desirability study. These options primarily include:

- **Status Quo** – PRPA retains ownership, operations and maintenance of the Piers
- **O&M** – PRPA tenders an Operations & Maintenance contract to outsource maintenance and operations of the Piers, but otherwise retains ownership and terminal revenues
- **Alternative Procurement Option** – Repair, Design, Build, Finance, Maintain and Operate (RDBFMO) option

REVIEW OF SERVICE NEEDS

SERVICE NEED 1 – TOURISM

Service Need 1 requires that the Project support economic development and job creation through tourism.

Number of Calls, Number of Tourists, and Per Visitor Spend

The expected Project's outputs (increase in the number of passengers, total calls, high standards of operation/services, new investments), will produce a number of economic, social, commercial, and cultural impacts to the community/users, the government of Puerto Rico and others involved in the tourism industry. The benefits provided by cruise port projects can be categorized as follows:

- **Direct Impact** – Consists in the sum of the spending of the three principal agents involved in the cruise activity (passengers, crew and cruise lines)
    - **Passengers & Crew**: Trips and entertainment, accommodation, food and beverages, clothing, souvenirs, and city internal transport services, including the use of airport facilities
    - **Cruise Lines**: Restocking of food and beverages, fuel, technical support, services provided by shipping agencies, services provided by the port operator and other public entities, mooring, and nautical pilotage
- **Indirect Impact** - Revenue received by local businesses that supply goods and services to businesses benefiting from direct economic impact
- **Induced and Other Impact** - Effect derived from consumer spending of revenue generated employment (directly and indirectly) in cruise activities

The Direct Impact from passengers is a function of the number of passengers and their average expenditure. According to a report by Business Research & Economic Advisers[2] (**"BREA"**), in the 2014/2015 cruise year, 1,393,900 passengers visited Puerto Rico, with and average expenditure of US$88.95 on the Island. Under a PPP structure, the Private Partner is incentivized to maximize the number of passengers calling at the Port. And it could reasonably be expected that with higher quality port infrastructure (eg. better connectivity to road tours, upgraded concessions, and improved amenities) that the average spend per head could increase also. By way of

[2] BREA – *"Economic Contribution of Cruise Tourism to the Destination Economies: A Survey-based Analysis of the Impacts of Passenger, Crew & Cruise Line Spending"* – October 2015

comparison, average passenger expenditure in the same period was $119.29 per passenger in Jamaica and $115.60 in the Cayman Islands.

Homeporting

Improved San Juan cruise terminal facilities would be expected to induce more cruise ships to make San Juan its 'homeport'. A homeport terminal requires significant amount of land and logistics in order be able to move passengers, supplies (food & beverages etc.) and luggage, as well as have a large dedicated space for Customs and Border Protection stations and security & check in stations.

The benefit to Puerto Rico of additional homeporting is that the average expenditure per passenger is higher at the home port, as passengers are more likely to stay additional nights before and/or after the cruise and to fly in and out of the airport. As a reference, 2016 data from BREA shows that the average global spending per transit cruise passenger was $94.61 per person at ports of call, while the equivalent spend at home ports was US$356.10[3]. It can be appreciated that both of these numbers are significantly higher than the US$88.95 spent per passenger in Puerto Rico in 2014/15, demonstrating the significant additional revenue for the economy that could be captured by improving facilities and an increase in homeporting.

With its excellent air transport connectivity to the US mainland and strategic location between the north and south Caribbean, San Juan would be expected to be a key homeport for Caribbean cruising. However, San Juan currently has very low homeport utilization compared with the other main Caribbean homeports. A PPP procurement could be structured so that the Private Partner is required to spend capital to expand San Juan's ability to homeport cruise vessels, including the capacity to serve the largest class of cruise ships as a home port.

Increase employment opportunities in the Tourism Industry and Broader Economy

It is estimated that, in 2014/2015 cruise year, the cruise industry employed more than 5,000 people in Puerto Rico (including direct and indirect jobs).[4] Increased tourist numbers, especially through an increase in homeporting, would necessarily drive an increase in tourism related jobs in Puerto Rico – including hospitality, tours, and service industries that supply them. This creation of new, well-paying jobs would also expand the tax base for Puerto Rico.

Conclusion

A well-structured RDBFMO PPP could deliver benefits to the Commonwealth of Puerto Rico through the enhanced economic development and job creation that an improved cruise terminal could unlock, with the Island effectively benefitting from the commercial disciplines, expertise and capital provided by the Private Partner. In contrast, neither the status quo nor an O&M Contract would be expected to bring additional tourists to Puerto Rico on the same scale.

SERVICE NEED 2 – IMPROVE CRUISE TERMINAL INFRASTRUCTURE

Due to a lack of capital investment and limited maintenance of the San Juan cruise facilities, they are undersized, in poor condition, and unable to meet the needs of the global cruising industry. Puerto Rico's financial situation has meant that essential maintenance has been deferred repeatedly, to the point where the terminals are (with limited exceptions) in need of urgent repairs in order to maintain their utility. The recent passage of Hurricanes Irma and Maria through the Caribbean has exacerbated this issue.

Moreover, the cruise ship order book demonstrates a trend towards larger vessels – and with the Caribbean being the most popular cruise destination globally it is expected that these ever larger vessels will be deployed on the Caribbean routes (as has been the pattern over the past decades). Capital will need to be spend on San Juan's cruise terminal infrastructure to ensure that San Juan continues to be able to serve the largest cruise vessels.

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[3] BREA – "*The Global Economic Contribution of Cruise Tourism 2016*"

[4] BREA – "*Economic Contribution of Cruise Tourism to the Destination Economies: A Survey-based Analysis of the Impacts of Passenger, Crew & Cruise Line Spending*" – October 2015

Repair, Rehabilitate & Expand

Under the status quo, PRPA advises that there are insufficient funds available to carry out the necessary repair and rehabilitation works at the Piers or to expand the cruise terminals.

In contrast, a RDBFMO PPP could mandate that certain repair, rehabilitation and expansion works are carried out within a designated timeframe, and funded solely by the Private Partner. This has the dual benefit of bringing forward the works in time, and also not requiring PRPA to fund them.

Job Creation during Construction

Any significant infrastructure development at the port will require a significant skilled workforce. While the Private Partner may include global firms who will bring their own management, the nature of the works will require a significant local workforce to execute the works. This is likely to include local labor force and trades and local construction subcontractors. It is estimated that during the construction phase of a RDBFMO project more than 300 direct jobs would be created.

Neither the Status Quo nor the O&M Contract provide for large scale construction at the cruise terminals, and so the RDBFMO PPP is the only alternative that will deliver these construction jobs in the near term.

Optimize Use of Cruise Terminal Infrastructure

Due to funding constraints at PRPA, improvements to the cruise terminals have been made in a haphazard, piecemeal basis, relying upon financing from different cruise lines to cover improvements to their own specifications. This financing method, tied to individual cruise line's requirements, has prevented the PRPA from implementing a cohesive strategy and master-plan for the development of the San Juan cruise facilities. Establishing a RDBFMO PPP would transfer the responsibility for master-planning and strategy to the Private Partner, resulting in a holistic approach to the improvement, expansion and management of the cruise facilities. Both the Status Quo and the O&M Contract would result in no change to the master-planning for the facilities.

SERVICE NEED 3 – BALANCE THE NEEDS OF CRUISE TERMINALS AND CRUISE PASSENGERS WITH OTHER USERS OF THE HARBOR

As an island, Ports are essential for Puerto Rico's viability. This heightened reliance on port infrastructure (when compared to the US mainland) means that any proposed transaction involving the ports needs to be highly scrutinized to ensure that the ongoing viability of the island is not adversely affected.

Preserve sufficient terminal space for cargo and other non-cruise liner use

In particular, sufficient terminal and Pier space needs to be preserved for cargo and other non-cruise uses, and increased cruise traffic needs to be managed in such a way that it does not interfere with cargo uses. PRPA, as the government entity responsible for ports planning, would retain an oversight role to ensure that cargo and other uses are protected.

Optimize use of the harbor to more effectively use cruise terminals and other terminals

As well as optimizing the use of Cruise Terminal infrastructure (as discussed above), given the limited space available within the port of San Juan, a Service Need is to ensure that the port as a whole is optimized (i.e. cruise traffic, cargo, ferries and other uses).

Conclusion

Under any of the possible delivery mechanisms (RDBFMO PPP, Status Quo or O&M Contract), the PRPA would be expected to maintain overarching control over the uses in the harbor. Under the RDBFMO PPP, the Concession Agreement could clarify that the PRPA retains ultimate control over planning within the harbor, with a mechanism for the Private Partner to seek approval for proposed growth projects and based upon agreed triggers, criteria and performance indicators.

SERVICE NEED 4 - IMPROVE THE FINANCIAL POSITION OF THE PRPA AND ACCESS FUNDING FOR PROJECTS

The PRPA has limited sources of funding available, and a weak financial position that makes borrowing and investing in new capital expenditures not practicable. PRPA advises that the bond markets are effectively closed

to it for new borrowing. Hence Service Need 4 is the dual goal of (i) improving PRPA's financial position and (ii) securing funding for the necessary works that does not require a contribution from PRPA.

Reduce PRPA's debt burden and improve its net position

As of the fiscal year ended June 30, 2016, PRPA's debt burden was approximately $500m. The upfront payment paid as part of the RDBFMO PPP could be applied to reducing this debt amount. Any amounts not applied to debt reduction could be held as cash on PRPA's balance sheet to improve its net position. Neither the Status Quo nor the O&M Contract would provide an equivalent upfront payment.

Similarly, if there is a revenue sharing component as part of the RDBFMO PPP, this will create an ongoing revenue stream for Puerto Rico which can be used to reduce PRPA debt over time, defray expenses, or held as cash on the PRPA balance sheet.

Under both the RDBFMO PPP and the O&M Contract the maintenance and operations scope would be outsourced. However, the impact on net position differs. Under the RDBFMO PPP, PRPA will see a direct and immediate cost saving as it no longer needs to incur maintenance and operations spend on the cruise terminals. However this would be offset by a reduction in cruise revenues (which, under the RDBFMO PPP would accrue to the Private Partner).

Under the O&M Contract, the same maintenance and operations expenditure is avoided, however, as a new expense is created in making payments to the O&M Contractor. Depending upon the terms of the O&M Contract, the cost could be more or less than the cost of self-performing (therefore the net position of PRPA under an O&M Contract could be either worse or better, respectively, depending upon the contract price).

Carry out scheduled and desired projects without additional PRPA debt funding

Under the Status Quo and O&M Contract scenarios, capital expenditure can be funded from either PRPA's own balance sheet (which, as of the fiscal year ended June 30, 2016 had a net position deficit of $19m) or from PRPA's borrowings.

In contrast, the RDBFMO PPP provides a new funding source for capital expenditure, as the Private Partner could be required to undertake certain works as part of the Concession Agreement. The Private Partner could raise project finance against the expected cruise passenger revenues.

Broader Economic Impacts

As discussed above, the broader economic impacts of improved cruise terminal infrastructure include indirect impacts (like employment opportunities for people supplying organizations who directly serve cruise lines) and induced impacts (like the multiplier effect of consumer spending from cruise lines flowing on through increased spending across the broader economy). All of this activity improves Puerto Rico's economic position and expands the tax base.

A large foreign investment such as a RDBFMO PPP concession with an upfront payment signals to the market that Puerto Rico is 'open for business' as a safe and stable jurisdiction in which to invest. This could be expected to encourage other investors to explore investment opportunities within Puerto Rico that they may have otherwise passed over.

Conclusion

Only the RDBFMO procurement method is capable of achieving all of PRPA's financial objectives. Most importantly, a RDBFMO PPP procurement would provide a source of new, committed financing to carry out the near term repair and expansion works, resulting in increased certainty around the capital expenditure and bringing forward the works by potentially many years. In addition, the capital expenditure involved in an RDBFMO concession (and the resultant increase in tourist numbers) can be expected to have multiplier effect across the Puerto Rican economy.

SERVICE NEED 5 – PRESERVE PUERTO RICO'S UNIQUE NATURAL ENVIRONMENT

It is an objective of the Project to minimize adverse impacts to natural and built environments. While a detailed environmental study is beyond the scope of this report, it should be noted that the works proposed to form the basis of this Project amount to rehabilitation and expansion of existing Piers rather than construction of entirely new Piers, so the environmental impact is expected to be lessened.

The Status Quo and the O&M Contract could be expected to have the least environmental impact, but that is because under those two scenarios there is no funding available for any capital improvements. Conversely, the RDBFMO PPP scenario would be expected to have some environmental impact as capital improvements are a central tenet of the RDBFMO. With appropriate environmental studies undertaken, and customary protections for PRPA under the Concession Agreement, it is expected that the RDBFMO could successfully navigate the environmental requirements of Puerto Rico.

SERVICE NEEDS CONCLUSION

It can be seen from the above that the only procurement option that meets all of the Service Needs is the RDBFMO PPP procurement. The combination of upfront payment (or revenue share) and committed financing to repair and expand the cruise terminals is key to the RDBFMO PPP being able to meet the PRPA's key objectives.

STRUCTURING THE CONCESSION

Now that it has been determined that the optimum procurement option for the Project is the Repair, Design, Build, Finance, Maintain, and Operate (RDBFMO) option, the Study intends to utilize information gathered in the Detailed Review Criteria, and Risk Analysis matrix to determine the optimal concession structure.

The main issues that must be considered when structuring a concession are the following:

- **Scope of the Concession** – Which Piers are to be included in the Concession, and which are to remain under PRPA control?
- **Payment Mechanism** – Method in which the private sector pays the PRPA for the right to operate and maintain the Piers over the life of the concession
- **Concession Term** – Optimal concession term for the projects

The outcome of this analysis will be used to develop a potential structure for a PPP concession.

SCOPE OF THE CONCESSION

PIERS INCLUDED

A key benefit of using PPP procurement is to harness private sector ingenuity. While this report focuses primarily on Pier 1, Pier 3, Pier 4, Piers 11 to 14 and the Pan-American Pier, it may well be that a private sector respondent is able to deliver a more efficient potential solution for cruise terminals in San Juan that doesn't require use of all of those piers, or that requires use of additional piers. PRPA would be open to considering proposals from entities bidding for the Project that (i) do not include certain of the piers listed above and/or (ii) include other piers in and around the San Juan Bay and/or (iii) include the phased repair, improvement, operation and maintenance of piers.

Provided that the repair and expansion works on the included Piers is able to meet the Project objectives (with sufficient spare capacity for future expansion as required), the PRPA should encourage innovative solutions regarding piers for inclusion. This will allow proponents to place the highest value on piers where they can see the most upside, without having to burden their proposal with a budget to operate and maintain a Pier that is not desirable for their business.

Recommendation: To maximize private sector ingenuity, run a single procurement that can include all of the Piers or, at the proponent's election, a sub-set of them. PRPA would need to develop a framework to assess competing proposals that did not elect to use all of the Piers (eg. a proponent who bids a lower upfront payment but doesn't require use of one of the Piers) – however this can form part of the evaluation criteria. The Authority would welcome feedback from interested parties on how this issue should be addressed under the evaluation criteria.

PAYMENT MECHANISM

PAYMENTS TO PRPA

A number of different mechanisms are possible for payments from a private sector partner to the PRPA.

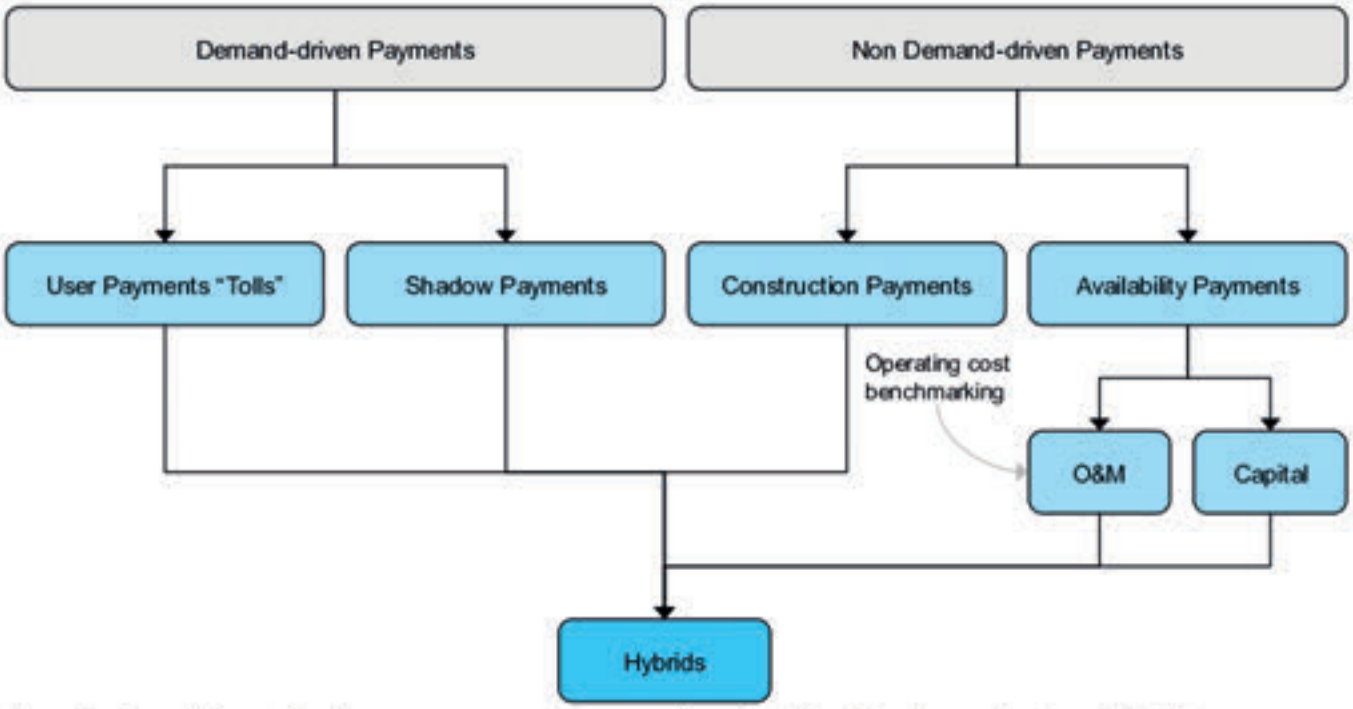
The major options are:

1. **Upfront:** Upfront Payment of a Concession Fee upon financial close. This is the simplest and lowest risk option from the PRPA perspective but may not lead to value maximization.
2. **Periodic:** Payment of Concession Fees on a periodic basis (for example annually) throughout the Concession term (ie. a lease structure)
3. **Sharing:** Profit or revenue sharing formulas under which the PRPA shares in the revenue risks of the Project, and benefits from upside if actual passenger numbers are higher than forecast.

These payment mechanisms have different risk transfer implications which are considered further below.

PAYMENTS TO PRIVATE SECTOR CONCESSIONAIRE

The chart below illustrates a variety of different payment mechanisms that are typically utilized in a PPP structure:



Given the long history of cruise passenger patronage and growth in the San Juan cruise terminals, the Concession is expected to be a 100% demand driven (i.e. "user pays") structure, under which the Private Partner earns revenues through passenger fees and other charges. A Concession structure that uses Non-Demand Driven Payments (i.e. Availability Payments or Construction Payments) does not meet the Authority's Objectives.

A Demand Driven payment structure will require the Private sector bidders conduct their own individual patronage forecasts and size their Concession Payments to the PRPA based on their view of patronage growth throughout the life of the concession.

Conclusion: A 100% demand risk structure best meets the needs of the PRPA.

CONCESSION TERM

A key risk transfer issue for consideration is the length of any private sector concession. The PPP Act allows for Concession Terms of up to 50 years.

The appropriate Concession Term is determined by:

- The ability of the Private Partner to accurately forecast revenues and costs out to the end of the Concession term
- The size of the capital investment and the period required to earn an appropriate rate of return on that investment
- The term of available debt finance for the Project
- The economic life of the assets and the timing of any significant refurbishments
- The NPV benefits to the PRPA in granting a longer or shorter concession (ie. larger upfront payment, longer stream of revenue share payments)
- Flexibility for future use of the facilities post-handback

Good practice is generally to ensure that the assets will remain in good condition for at least 10 years following the end of the Concession, so that the procuring authority does not need to make immediate capital expenditures upon handback.

Conclusion: It is recommended that a 30 year concession is considered as the base case. While a longer concession (up to 50 years) could be considered, the NPV difference in proceeds received by the PRPA would be minimal. Given the inherent uncertainty in forecasting costs and revenues over long periods of time in an industry as dynamic as the cruise industry, any Private Partner forecasts of patronage and revenue in the outer years will necessarily be conservative, and so any upfront payment made to the PRPA may not fully reflect the value of the longer dated concession.

With the ever evolving nature of the cruise industry and the demands for constant upgrades that this places on cruise terminals, 30 years is also considered an appropriate length of concession for PRPA in order to ensure that the cruise terminals and the obligations set out in the Concession Agreement are still relevant and appropriate for the cruise market at all times during the Concession term.

Upon the expiry of the Concession, PRPA could resume control of the improved Piers, or could re-tender a new Concession (with the ability to build in new capex or operational requirements as appropriate for the cruise industry at that time). Alternatively, PRPA could include option periods to extend the Concession if certain performance thresholds have been met.

Finally, a shorter concession has the added benefit of providing PRPA with flexibility to extend the Concession in the event of a compensation event (in lieu of making a cash payment). While longer concessions can also be extended, the value of an extension on a longer dated concession is less.

RECOMMENDED PROCUREMENT / SERVICE DELIVERY OPTION(S) AND BIDDING PACKAGES

Having carefully considered:

- the Detailed Review Criteria and how the various Service Delivery Options satisfy or fail to satisfy each Criterion;
- assuming a Service Delivery Option which involves a Private Partner acquiring a Concession of the Project, how each risk should be allocated to achieve the best value-for-money outcome for the PRPA;
- where a risk could be borne by either the private sector through a concession or by the public sector through conventional procurement, how that different assumption of risk affects the cost of providing the Service Need; and
- the opinion of the market of investors as to timing, risk, size and complexity of the packages,

we consider the Service Needs are best provided by a Service Delivery Option which involves a RDBFMO concession to a private party, based on the risk allocation and parameters contemplated above.

LOCAL PARTICIPATION

The local market participation spans three main sectors: i) construction contractors, ii) professional workforce, and iii) finance sector. These three local stakeholders have ample knowledge and experience in their respective disciplines in the local market and are ready and able to collaborate with international partners.

- **Construction Contractors:** Puerto Rico has one of the most sophisticated construction industries in the Caribbean with companies providing specialized technical services to the hospitality, health, infrastructure and pharmaceutical industries. However, given the recession, the construction industry in Puerto Rico has shrunk from $5.8 billion in 2007 to $2.8 billion in 2016[5], although more recently the influx of insurance and federal monies after Hurricanes Irma and Maria has provided additional revenues. Despite this

[5] Source: Puerto Rico Planning Board - http://jp.pr.gov/Portals/0/Economia/Comercio%20Exterior/Estadisticas%20Selecionadas%20de%20la%20Construcci%C3%B3n-%20F.pdf?ver=2017-07-13-061344-243)

shrinking of the industry, local general contractors and operations and maintenance (O&M) companies remain a potential asset to international developers given their local expertise with the local labor force and industry practices. In addition to general contractors, Puerto Rico has a wide range of competent specialized contractors in different areas of construction such as mechanical and electrical contractors, specialist crafts, and highly skilled engineers.

- **Professional Workforce:** Puerto Rico has a strong technical workforce product of mainland universities and internationally reputable local universities like the University of Puerto Rico at Mayagüez Campus. Which the American Society for Engineering Education in its 2016 Profiles of Engineering and Engineering Technology Colleges ranks the Mayaguez Campus as 2nd in awarding Bachelor's degrees to Hispanics and 27th in number of Bachelor's degrees to women in the U.S.
- **Local Banks:** The local banking institutions have actively participated in previous PPP transactions in Puerto Rico. Providing lending as part of international bank consortiums to: i) the PR-22 & PR-5 Concession Agreement between Autopistas Metropolitanas de Puerto Rico ("Metropistas") and Puerto Rico Highways and Transportation Authority and ii) the Luis Muñoz Marín International Airport Concession Agreement between Aerostar Airport Holdings and the Puerto Rico Ports Authority. The local financial sector is one of the most sophisticated in the region and local banks have shown interest in providing lending to well-structured infrastructure projects.
- **Local Pension Plans, Funds, and other Local Equity Investors:** While no local equity has been part of precedent PPPs in Puerto Rico, local pension plans and other local equity investors would be able to participate in a procurement process on the same terms as other participants. Such local investors may be attractive partners for bidding consortia as they would provide local knowledge and the best relationships with Puerto Rico based construction subcontractors and other specialists.

Clearly, Puerto Rico's local market provides several opportunities for international developers to utilize local expertise and financing. Expertise gained in previous PPP transactions allows these three sectors to make strong contributions to international consortia. The combination of local knowledge coupled with strong world-class best practices will provide the best value to the Government of Puerto Rico.

The Act requires consideration of the feasibility of businesses with local capital, non profit entities and unions to participate in the PPP. We consider that some degree of local participation can be introduced at various stages of the process for each of these classes of organization, as further detailed below.

PROCUREMENT STAGE

The procurement process involves a range of consultants to assist the PRPA with its analysis of the various submissions received from the private sector. We consider there is scope for a significant amount of local consultant involvement in each part of this process including:

- local legal counsel involvement
- local social advisor involvement (to assess the social costs and benefits)
- local technical advisor involvement
- local traffic & revenue adviser involvement (to develop patronage forecasts)
- local economic advisor involvement

A selection criterion similar to the below could be included in the RFP:

"The extent to which local Puerto Rico advisors, experts and professionals are integrated into the teams of proponents as sub-contractors and partners. This will be viewed very favorably by the Authority. To avoid doubt, this is referring to third party local partners/sub-contractors and not local representative offices of global proponents."

LOCAL PARTICIPATION THROUGHOUT THE CONCESSION

Throughout the term of the Concession, it is envisaged that there will be extensive local involvement in the PPP, both in the Design, Construction & Repair scope, and in the Operations & Maintenance scope.

Design, Construction & Repair

This work is likely to be concentrated in the early years of the concession. While the Private Partner may include global firms who will bring their own management, the nature of the works will require a significant local workforce to execute the works. This is likely to include:

- Local labor force and trades
- Construction and construction services companies
- Licensed engineers and architects used in the design, supervision of construction and repairs
- Supporting professionals (eg. lawyers, architects, financial services)

Operations & Maintenance

This work will continue throughout the entire concession, and includes both the day to day operations and also the major lifecycle replacement works. Again, while the Private Partner may include global firms with their own management, a significant local workforce will be required for the O&M scope. This is likely to include:

- Terminal operations staff
- Construction and construction services companies (for major maintenance)
- Engineers used in supervision of maintenance and for periodic surveying
- Supporting professionals (eg. lawyers, architects, financial services)

Financing

Local capital providers, pension plans, non-profit entities and cooperative unions should be able to participate in the PPP process on the same terms as non-Puerto Rican capital providers. As set out above, such local investors may be attractive partners for bidding consortia as they would provide local knowledge and the best relationships with Puerto Rico based businesses. As such, no special incentive needs to be provided to encourage Puerto Rico based financial organizations to participate as their locality already affords them an advantage.

Participation by local pension plans and other local funds would need to be subject to their investment policies and risk profile. However infrastructure investments such as the proposed RDBFMO PPP when structured appropriately (including that adequate security and rights to take over the operation of the project under certain circumstances are granted to the lenders), are generally considered relatively stable investments that are suitable for investment by pension plans and other investment funds. In fact some of the world's largest infrastructure investors are managers of pension funds that require low volatility, stable returns.

Provided that the local capital providers are able to meet the market on financing price and terms, they would be expected to be able to participate in any financing along with other non-Puerto Rican financiers.

Workforce

The Private Partner will be encouraged, but not required, to assume the employment of PRPA's current employees. The Private Partner, however, will be required to interview all PRPA's employees interested in applying for a position and, to the extent acceptable, extend an offer on the same terms it would provide its own employees at the same level. Any PRPA employee not assumed by the Private Partner will be re-deployed by the government of Puerto Rico in accordance with federal law and the laws of Puerto Rico.

ENVIRONMENTAL ASSESSMENT

According to section 7(b) ix of the Act, this study is required to "conduct a preliminary preparation of an analysis or identification of the environmental effects of the project or operation that Proponents shall consider when analyzing the risks presented by the Project." A detailed environmental study is outside the scope of this report, and the PRPA will comply with this requirement for further environmental effect analysis prior to a procurement.

The typical permitting process will need to comply with all applicable local, state and federal permits and approvals for project implementation prior to construction. The permits strategy shall be presented in three main phases: Planning Phase, Construction Phase and Inspection Certification for the Use and Operation Phase. Some of the local permits and endorsements to be filed during the Planning Phase include an Environmental Recommendation (REA for its acronym in Spanish). Input, recommendations and guidance will be received from environmental agencies such as the Puerto Rico Department of Natural and Environmental Resources (DNER) and the Puerto Rico Environmental Quality Board (EQB), among others. Further, as part of the evaluation of the Project, comments will be provided by other governmental entities on potential infrastructure improvements needed given the extension or improvements of the Project. Some of the agencies that could provide their input are: Puerto Rico Highway and Transportation Authority, Puerto Rico Aqueduct and Sewer Authority, Puerto Rico Electric Power Authority, and Puerto Rico Telecommunications Board. After comments are received, they shall be addressed in an Environmental Assessment (EA) or if deemed necessary, an Environmental Impact Statement (EIS).

The potential capital expenditures scope of work envisioned for the project comprises structural repairs, mechanical and electrical system upgrades, site improvements and utilities and potential future pier expansions or replacements. Given this scope of work, it is likely that the improvements needed will be developed in phases and will need to comply with the United States Environmental Protection Agency and all local regulations from the Puerto Rico Environmental Policy Act to fulfill all the applicable environmental compliance requirements prior to construction. Additionally, work affecting Jurisdictional Waters of the United States of America will be assessed by the United States Army Corps of Engineers (USACE). This federal agency is responsible for the permits evaluation and approval part of the *Nationwide Permit* or a *Joint Permit* application.

Additionally, the USACE is also involved in the dredging of the San Juan Bay, they perform this work every five (5) years in coordination with the PRPA, who is responsible for the preparation and compliance of the permitting process, including the required technical studies. Further, given the damages occurred in hurricanes Irma and Maria, the structural and pier reconstructions could be considered emergency work. Hence, these improvements could be evaluated through an expedited process. However, the full extent of required federal and local permits will be better understood once the PRPA has initiated the permitting process, which will be later transferred to the selected proponent of the project for all final applications.

QUANTITATIVE ASSESSMENT

As outlined above, PRPA advises that based upon its current financial state it does not foresee possibilities to access bond markets or generate sufficient cashflows from existing operations to repair and improve the Piers. This means that a full quantitative assessment comparing the status quo to the proposed RDBFMO is difficult to undertake.

The upfront payment provided to PRPA upon a RDBFMO concession will provide a positive cash injection and the ongoing revenue stream will provide PRPA with recurrent cashflows that grow in line with increased patronage. However the bigger impact on Puerto Rico is expected to be the island-wide economic benefits of improved cruise terminals – namely more tourist spending through additional cruise calls and increased homeporting.

CONCLUSION

Part A of this study examined the impact of cruise terminals on Puerto Rico's economy and concluded that enhanced cruise terminals are expected to improve economic conditions on the Island, increase tourism activities, and promote economic development and job creation. To better accomplish these goals, PRPA is required to invest capital in the terminals to bring them up to world class standards and to repair hurricane damage and to optimize the operation of the terminals so as to be able to secure additional cruise line calls and additional homeporting.

A reference Project was developed with the following Service Needs:

- Support economic development and job creation through tourism
- Improve cruise terminal infrastructure
- Balance the needs of cruise terminals and cruise passengers with other users of the harbor
- Improve the financial position of the PRPA and access funding for projects
- Preserve Puerto Rico's unique natural environment

And Part A concluded that a Project that addresses each of these Service Needs (and their specific objectives) would be appropriate for procurement as a PPP.

Part B of this study:

- Measured the Alternative Procurement (PPP) against the Detailed Review Criteria to ensure that the Project is capable of Alternative Procurement
- Analyzed the key risks for the PRPA to transfer to the Private Partner, and determined that a Repair, Design, Build, Finance, Maintain & Operate PPP provides the best contractual framework for transferring those risks
- Confirmed that the RDBFMO contractual framework is capable of meeting all of the Service Needs
- Considered the structure of a possible procurement and RDBFMO contractual framework

Part B concludes that a **"RDBFMO"** (Repair, Design, Build, Finance, Maintain & Operate) PPP delivery model is the most effective way for the PRPA to meet the Service Needs and use the redeveloped Piers to drive positive economic outcomes for the broader Puerto Rican economy.

APPENDIX A – HISTORY & CONDITION OF THE PIERS

HISTORY AND DESCRIPTION OF THE PIERS

TOTAL CRUISE TRAFFIC

The traffic data for the period 2013-2017 for passengers and ships' calls is presented in the following table

CRUISE OPERATIONS HISTORICAL USAGE – TOTAL SAN JUAN

Year	2013	2014	2015	2016	2017
Vessel Callings	**455**	**515**	**533**	**510**	**426**
- Home Port	175	176	188	201	185
- Transit	280	339	345	309	241
- *YoY %*	-	*+13.2%*	*+3.5%*	*-4.3%*	*-16.5%*
Passengers ('000s)	**1,038**	**1,213**	**1,509**	**1,342**	**1,469**
- Home Port	382	421	476	461	443
- Transit	656	792	1,033	881	1,026
- *YoY %*	-	*+16.9%*	*+24.4%*	*-11.1%*	*+9.5%*

PIER 1

Pier 1 is the Western most pier and the closest to Old San Juan. As such, this pier is ideal for a port of call facility as it facilitates passengers walking into Old San Juan. However, being one of the older piers it is also the smallest. Today, the pier has a small cruise terminal and a single floor lay-down area used for both embarkation and disembarkation. The upstairs of the building has been rented out as offices. The front of the building is used for vehicular access to the security at the front.

Pier 1 was constructed around 1970 and measures in total 950 ft. The structure consists of a reinforced concrete deck slab founded on reinforced steel piles. Pier 1E has a depth of 27' and has handled 1,500 passengers in one call. Pier 1W has a depth of 32' and has processed 2,500 passengers in one call.

Key Requirements

1. Extension / expansion to enable calling by larger vessels
2. Immediate capital expenditure to repair hurricane damage (discussed below)
3. Medium-term capital expenditure requirements to restore deteriorated condition.

PIER 1 CRUISE OPERATIONS HISTORICAL CALLS

Year	2013	2014	2015	2016	2017
Vessel Callings 1E					
- Home Port	4	8	11	12	5
- Transit	9	4	11	4	2
Vessel Callings 1W					
- Home Port	14	12	8	13	11
- Transit	22	29	26	14	5

HURRICANE DAMAGE AT PIER 1

Two condition survey reports were performed since the most recent hurricane event. In October 2017 a survey was executed by Iglesias-Vazquez and Associates. In March/ April 2018 DCM Architecture & Engineering LLC (DC) conducted a survey on behalf of MARAD/ FEMA.

Building

Overall, the Old San Juan Pier No. 1 Terminal was found in a poor condition. In terms of the impact of hurricanes the building exterior glass components and fascia elements were the most affected by the wind pressure and debris impact. Cost estimates for repair vary between USD 2.3M and 8.6M. The difference in cost estimates is mainly due to difference of opinion regarding; a) the condition of the building structure, and b) required contingencies, general conditions, insurance, taxes and profit.

Pier

The pier is in an advanced state of deterioration and was therefore classified to be in serious condition. The MARAD report recommends that the structure be demolished and replaced with a new structure. Cost estimates for repair vary between USD 160k and 53M. The very large difference in the estimates are due to the fact that the Iglesias-Vazquez and Associates survey did not include a diving survey nor detailed structural calculations. Hence, the study did not evaluate the condition of the pier foundation elements nor include cost estimates for its repair. In contrast the cost estimate as included in the MARAD report includes CAPEX for complete replacement of the pier.

PIER 3

Pier 3 is the new and improved port of call facility, which was just recently renovated by the PRPA. As such, Pier 3 is in excellent condition, and it is able to accept the largest cruise ships in operation today. The west side of the pier is still largely operational following the hurricanes.

The pier suffers from a lack of traffic management and parking areas for tour buses and when ships are in port, traffic is seriously congested along the frontage road.

Pier 3 was renovated in 2013 and is a wedge-shaped structure. Access is provided by means of two trestle structures originating from the narrow northern edge of the pier and heading one, northwest, and the other, northeast. Six mooring dolphins and one large mooring platform are present south of the wide portion of the wedge, connected to the main structure via platforms and catwalks. The total length of the trestles, pier, and dolphins is 1,484'.

The structure consists of a cast-in-place concrete deck supported by cast-in-place beams and pile bents. The pier and dolphins are supported by square concrete piles. Pier 3E has a depth of 34' and may handle 7,500 passengers in one call. Pier 3W has a depth of 36' and may handle 7,500 passengers in one call.

Key Requirements

1. Improved vehicular access
2. Duty Free Building

PIER 3 CRUISE OPERATIONS HISTORICAL CALLS

Year	2013	2014	2015	2016	2017
Vessel Callings 3E					
- Home Port	0	0	0	0	0
- Transit	55	19	57	62	60
Vessel Callings 3W					
- Home Port	0	0	0	0	0
- Transit	58	55	72	99	78

HURRICANE DAMAGE AT PIER 3

Overall, Pier 3 was observed to be in satisfactory condition. Two walkways and one fender need to be replaced. Cost estimates for repair vary between USD 260k and 990k.

PIER 4

Pier 4 is currently used by Carnival as a cruise ship terminal. It was initially built by the Ports Authority in two stages and subsequently its interior was modified by Carnival. Pier 4 can handle ships of approximately 2,000 to 3,000 passengers due to the building size. In addition, the length of the pier (877 feet) does not allow most new cruise vessels to berth on either side. As is, Pier 4 can operate as a single homeport terminal on the east side and a port of call facility in the west side, however, the two cannot operate simultaneously because of traffic congestion and security and customs provisions while the terminal is in operation.

Pier 4 was built around 1980 and has received a number of modifications since then. Pier 4 has a length of 1,146 ft. Pier 4E has a depth of 32' and has handled 4,500 passengers in one call. Pier 4W has a depth of 34' and has handled 4,500 passengers in one call.

Key Requirements

1. Immediate capital expenditure to repair hurricane damage (discussed below)
2. Medium-term capital expenditure requirements to restore deteriorated condition.

PIER 4 CRUISE OPERATIONS HISTORICAL CALLS

Year	2013	2014	2015	2016	2017
Vessel Callings 4E					
- Home Port	53	51	57	51	47
- Transit	80	127	62	46	48
Vessel Callings 4W					
- Home Port	1	2	4	14	17
- Transit	55	105	116	81	45

HURRICANE DAMAGE AT PIER 4

Building

Overall, the Old San Juan Pier No. 4 Terminal was found in a fair condition. In terms of the impact of hurricanes, the entrance of water at the interior of the building was the major concern. Cost estimates for repair vary between USD 2.6M and 5.4M. The difference in cost estimates is mainly due to difference of opinion regarding; the required contingencies, general conditions, insurance, taxes and profit.

Pier 4

Pier 4 was observed to be in serious condition with extensive spalling and delamination of the bent caps with excessive concrete cover cracks. Due to the extensive deterioration of the concrete caps which are the primary load carrying members and the complications that are involved in strengthening these members, it is recommended that the existing pier structure be demolished and replaced with a new structure. Cost estimates for repair vary between USD 310k and 131M. The very large difference in the estimates are due to the fact that the Iglesias-Vazquez and Associates survey did not include a diving survey nor detailed structural calculations. Hence that study did not evaluate the condition of the pier foundation elements. In contrast the cost estimate as included in the MARAD report includes CAPEX for complete replacement of the pier.

PIERS 11-14

Currently severely deteriorated, these piers are abandoned. The warehouse is currently used by the FEMA hurricane response team. The combined wharves have a total length of approximately 2,500 ft.

Pier 11 appears to be reconstructed around 1991 and measures 580 ft. The structure consists of a suspended deck supported on vertical and raked prestressed concrete piles. Additional sheet pile along the waterfront is slotted into the capping beam.

The wharf section of Pier 12 appears to be dating from around 1979. This section measures 33 ft in width, the area behind the wharf appears to be dated from 1950. The structure consists of a suspended deck supported on vertical concrete piles.

Key Requirements

1. Optimize use (rather than continue use as a 'catch all')
2. Immediate capital expenditure to repair hurricane damage (discussed below)
3. Medium-term capital expenditure requirements to restore deteriorated condition.

HURRICANE DAMAGE AT PIERS 11-14

Building

Overall, the FEMA warehouse building was found in a fair condition. Cost estimates for repair vary between USD 910k and 1.6M.

Piers 11 to 14

Piers 11 to 14 were observed to be in critical condition with widespread advanced deterioration of the reinforced concrete piles, pile caps, deck beams, and concrete deck. Due to the extensive deterioration MARAD has recommended that the existing pier structure be demolished and replaced with a new structure. Cost estimates for repair vary between USD 734k and 71M. The very large difference in the estimates are due to the fact that the Iglesias-Vazquez and Associates survey did not include a diving survey nor detailed structural calculations. Hence, that study did not evaluate the condition of the pier foundation elements. In contrast the cost estimate as included in the MARAD report includes CAPEX for complete replacement of the pier.

PAN-AMERICAN PIERS

These are the two most functional facilities in San Juan today from an operational point of view. However, the lack of maintenance has caused significant corrosion and structural failures can be seen throughout the facility. In addition, the length of the wharf is not sufficient to handle two large vessels simultaneously. The westernmost part of the terminal is currently being used by the ferry facility.

Pan America Pier is located to the south of Old San Juan and was built around 1980. The modern San Juan cruise ship terminal building at Pan America Pier is in Isla Grande.

Pan-American Pier I or East has a length of 1,200 feet and a depth of 32'. This pier has handled 2,500 passengers in one call. Pan-American Pier II or West has a length of 1,100 feet and a depth of 33'. This pier has handled 3,800 passengers in one call.

Key Requirements

1. Immediate capital expenditure to repair hurricane damage (discussed below)
2. Medium-term capital expenditure requirements to restore deteriorated condition.

PAN-AMERICAN PIERS CRUISE OPERATIONS HISTORICAL CALLS

Year	2013	2014	2015	2016	2017
Vessel Callings E					
- Home Port	28	33	27	42	31
- Transit	1	0	1	2	2
Vessel Callings W					
- Home Port	75	70	81	69	74
- Transit	0	0	0	1	1

HURRICANE DAMAGE AT PAN AMERICAN PIERS

Building

Overall the Pan American Main Terminal and Baggage Claim Buildings are in fair condition. In the other hand, the Cruise Passenger Bridge was observed in a very poor condition due to severely corroded and significant loss of section of main structural components. Cost estimates for repair vary between USD 1.2M and 7.1M. The difference in cost estimates is mainly due to difference of opinion regarding; a) the condition of the building structure, b) project management, and c) required contingencies, general conditions, insurance, taxes and profit.

Piers

Pan American Piers I and II are in poor condition. This is based primarily on the widespread advanced deterioration of the steel sheet pile bulkhead along the relieving platform portion of the docks. The sheet pile is considered a critical element in retaining fill material under the relieving platform and widespread failure has provided for loss of fill material and therefore increased the unbraced length of the steel H-piles supporting the platform (deck). Cost estimates for repair vary between USD 2.8M and 21.7M. The very large difference in the estimates are due to the fact that the Iglesias-Vazquez and Associates survey did not include a diving survey nor detailed structural calculations hence did not evaluate the condition of the pier foundation elements. Hence, that study hence did not evaluate the condition of the pier foundation elements. In contrast the cost estimate as included in the MARAD report includes CAPEX for repair of the two piers.



EXHIBIT C: RFQ

GOVERNMENT OF PUERTO RICO
Puerto Rico Public-Private Partnerships Authority

Request for Qualifications

San Juan Bay Cruise Terminals

Date of Issue: 5 September 2018

Responses Due: 17 October 2018 at 5:00 PM AST



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1. Overview of RFQ and PPP Process

1.1 Introduction

The Puerto Rico Public-Private Partnerships Authority (**"Authority"**), in collaboration with the Puerto Rico Ports Authority (the **"PRPA"**), wishes to request qualifications from companies, developers, contractors, teams or consortia interested in participating in a procurement process to repair, expand, finance, maintain and operate certain marine cruise terminals in the San Juan Bay (the **"Project"**). The piers in the San Juan Bay that are proposed to form part of the Concession are Pier 1, Pier 3, Pier 4, Piers 11 to 14, and the Pan American Piers, along with the quay wall and walkways between Pier 1, Pier 2, Pier 3 & Pier 4 (collectively the **"Piers"** or **"Cruise Terminals"**).

Respondents should note that the PRPA is considering a second phase for the Project which would include additional piers. The conditions and responsibilities for this second phase, if determined to be included, will be elaborated in the RFP. For purposes of responding to this RFQ, Respondents should assume the development of the Piers as described in this RFQ.



Figure 1: San Juan Cruise Ship Piers

The Authority and the PRPA wish to enter into a PPP Contract with a private sector operator or consortium (**"Private Partner"**) in order to achieve the following objectives for the San Juan bay Cruise Terminals:

- **Repair:** Over time, repairs to the San Juan Bay Cruise Terminals have been postponed. This, combined with damage from the recent hurricanes, requires an investment of capital by the Private Partner in order to restore the Cruise Terminals to world class standards.
- **Expand:** Cruise traffic in the Caribbean continues its strong growth, and San Juan Bay Cruise Terminals need to expand in order to continue to be able to serve the largest cruise ships. The Private Partner would be required to invest in certain defined expansion projects in order to improve the capacity and amenities at the Cruise Terminals.
- **Operate:** Through the Private Partners' own creativity and initiatives, it would be able to optimize operations and increase passenger volumes at the San Juan Bay Cruise Terminals
- **Finance:** Make a contribution to the PRPA, through either an upfront "Concession Fee," an ongoing revenue share arrangement, or some combination of both.

- **Maintain:** The Private Partner would be required to undertake routine and lifecycle maintenance of the Cruise Terminals throughout the PPP Contract term, so as to keep the Cruise Terminals operating at world class standards.

Prospective Respondents are encouraged to review the following documents, which are available for download on the Authority's website at http://www.p3.pr.gov:

- Desirability and Convenience Study for the Concession of San Juan Bay Cruise Terminals ("**Desirability & Convenience Study**").
- Public-Private Partnership Authority Act, Act No. 29 of June 8, 2009, as amended.
- Regulation for the Procurement, Evaluation, Selection, Negotiation, and Award of Participatory Public-Private Partnerships Contracts under Act No. 29-2009, as amended.

In addition, the Commonwealth of Puerto Rico's Financial Information and Operating Data Report is accessible at http://www.aafaf.pr.gov/.

1.2 Background to Puerto Rico's PPP Program

The Public-Private Partnership Authority Act, Act 29-2009 (the "**Act**"), as amended, was first enacted on June 8, 2009. The Act states that the public policy of the Government of Puerto Rico ("**Government**") is to favor and promote the establishment of public-private partnership ("**PPPs" or "P3s**") for the creation of certain Priority Projects (as such term is defined in the Act) and among other things, to further the development and maintenance of infrastructure facilities, share with the private sector the risks involved in the development, operation or maintenance of such projects, improve the services rendered and the functions of the Government, encourage job creation and promote Puerto Rico's socio-economic development and competitiveness.

The Act provides that the PPP public policy must maintain such controls as are necessary to protect the public interest and temper this need with the profit-making purpose of any private operation. The contractual relationship must thus be mutually beneficial, while ensuring the efficient, effective and affordable provision of public goods and services to all citizens.

The Authority was created pursuant to the Act as a public corporation of the Government, affiliated to the Puerto Rico Fiscal Agency and Financial Advisory Authority ("**FAFAA**"). The Authority is designated as the sole government entity authorized and responsible for implementing the Government's public policy on PPPs and for determining the functions, services or facilities for which PPPs are to be established.

The Authority must establish a PPP Committee for each proposed PPP project. The PPP Committee is responsible for: (1) the qualification, evaluation and selection processes of the proposed PPP; (2) establishing the terms and conditions of the PPP Contract; and (3) reporting on the procedures followed, among others.

Respondents should note that the PPP Committee has been vested with the authority to negotiate the terms of the PPP Contract. The Authority and, in this case, the PRPA, have been vested with the authority to approve the PPP Contract agreed by the PPP Committee with a Private Partner, subject to final approval by the Governor of Puerto Rico or his delegate.

1.3 Unsolicited Proposal

This RFQ is being issued in response to an unsolicited proposal submitted in respect of the Piers. The proposer group was seeking the exclusive right to repair, design, finance, build, operate, and maintain, as well as optimize the operations of the San Juan Bay Cruise Terminals, commercial activities, ancillary facilities, and adjacent / associated real estate development in Piers 1, 3, 4, Pan American, and 11 through 14, as well as the Navy Frontier Pier to the extent it is available for development and operation. In accordance with Puerto Rico's P3 legislation, the Project is being opened up to competitive procurement. Even though this was the original proposed scope, the scope for this procurement has been limited to the Cruise Terminals.

Pursuant to the Public-Private Partnership Authority Act, Act No. 29 of June 8, 2009, the party submitting an unsolicited proposal is required to receive an advantage in the procurement process. In satisfaction of this legislative requirement, the unsolicited proposer shall receive:

- **RFQ Phase:** An increase of 5% on its evaluation score for the RFQ.
- **RFP Phase (if applicable):** A stipend of a fixed amount (quantum TBD) paid out of the proceeds of the transaction either by the PRPA or the Preferred Proponent.

Note that the PRPA does not intend to pay a stipend to unsuccessful bidders other than in the special case above pursuant to the requirements of the Act.

1.4 Function of this RFQ; Definitions

1.4.1 Function of this RFQ

This document is a Request for Qualifications ("**RFQ**") issued under Section 5.4 of the Regulation for the Procurement, Evaluation, Selection, Negotiation and Award of Participatory Public-Private Partnership Contracts under Act No. 29 of June 8, 2009, as amended ("**Regulation**"). This RFQ may be amended at any time through the publication of addenda which shall be posted in the Authority's website at http://www.p3.pr.gov. Interested parties shall be responsible for verifying periodically the Authority's website for announcements and publication of relevant information concerning this process, including addenda.

Prospective Respondents should review carefully the Act and the Regulation (each of which is available for download on the Authority's website: http://www.p3.pr.gov) and should ensure that, in addition to the terms and conditions of this RFQ, they comply with all applicable provisions set out therein.

This RFQ provides each interested prospective Respondent with sufficient information to enable it to prepare and submit a Statement of Qualifications for consideration and evaluation by the Authority. This RFQ contains instructions to prospective Respondents and a Form of Respondent Certification, which must be completed in its entirety and submitted to the Authority for the prospective Respondent to be considered for qualification. The completed Form of Respondent Certification, together with all required attachments, shall constitute the prospective Respondent's SOQ. The Form of Respondent Certification is attached in **Appendix A**.

The Authority is issuing this RFQ because it has determined that:

- the Project meets the requirements of Article 3 of the Act; and
- it is advisable to pursue the establishment of a PPP in connection with the Project.

This RFQ is being issued, in anticipation of a Request for Proposals ("**RFP**") to be issued by the Authority for the Project, to identify those Respondents that meet the minimum requirements necessary to comply with the Act (as discussed in Section 4 of this RFQ), in particular:

- financial strength and ability to raise finance; and
- technical and professional ability and experience.

The objective of this RFQ is to enable the PPP Committee to shortlist the best qualified Respondents. Nevertheless, the PPP Committee, in evaluating Respondents, may disqualify a Respondent for any of the reasons stated in Sections 8.1 (Disqualifying Events) and 8.2 (Other Grounds for Disqualification) of the Regulation and if the Respondent:

- is ineligible to submit a proposal on one or more grounds specified in the Act or in the Regulation;
- fails to satisfy the standards established by the PPP Committee with respect to the Respondent's required financial condition, or technical or professional ability and experience (as discussed in Section 4 of this RFQ); or
- fails to comply with the requirements of Articles 9(a) (Applicable Requirements and Conditions for those who wish to be considered as Respondents) and/or 9(d) (Consortia) of the Act, as applicable.

Pursuant to Section 5.4 (Qualification of Proponents (RFQ)) of the Regulation, the PPP Committee reserves the right to limit in its absolute discretion the number of Respondents it considers to be the best qualified in order to arrive at a shortlist of Proponents to allow for an orderly procurement.

The Authority hereby notifies prospective Respondents that it intends to exercise its right to limit the number of Respondents who may be qualified.

Respondents shall not be entitled to an indemnity (including but not limited to reimbursement for costs and expenses) from the Authority or the PRPA if the Authority decides, in its discretion, to terminate the procurement of the Project.

1.4.2 Definitions

For the purposes of this RFQ, the following definitions will apply. Those terms not otherwise defined herein shall have the meaning ascribed to them in the Act or the Regulation.

"Advancing Firms" or "Shortlisted Respondents" means the Respondents that based on their SOQ are qualified pursuant to this RFQ to participate in the RFP process.

"Conflict of Interests" `shall have the meaning ascribed to the term in Section 4.8 of this RFQ.

"Contractor" or "Private Partner" means the Person, Company or Consortium that executes a PPP Contract with a Partnering Government Entity, this case the PRPA, or the successor thereof.

"Cruise Line" means a private company that actively operates cruise vessels in major Caribbean and international markets or is a member of the Cruise Lines International Association or similar association.

"Days" means calendar days, unless otherwise expressly stated.

"Desirability and Convenience Study" or **"Study"** means the study that seeks to determine whether the establishment of the proposed Public-Private Partnership ("PPP") described herein is advisable.

"Facilities" means for purposes of the Project each of the piers contemplated to be potentially included in the Project.

"FAFAA" means the Puerto Rico Fiscal Agency and Financial Advisory Authority, created by virtue of Act No. 2-2017.

"Federal Agency" means any of the departments of the Executive Branch of the Government of the United States of America, or any department, corporation, agency or instrumentality created or which may be created, designated or established by the United States of America.

"Financial Close" means the time when the PPP Contract and all financing and other agreements related to the Project have been executed and delivered and all conditions to the effectiveness of the PPP Contract and Project financing agreements have been satisfied.

"Government Entity" means any department, agency, board, commission, body, bureau, office, Municipal Entity, public corporation or instrumentality of the Executive Branch, as well as of the Judicial Branch and the Legislative Branch of the Government of Puerto Rico, whether existing or to be created in the future.

"Key Individual" means an individual who will play an important role in the Project on behalf of a Team Member.

"Key Subcontractor" means each person or legal entity which will be principally or partially and materially responsible for providing professional or technical services or support in connection with the design, construction, maintenance, improvement and life cycle work on the Project.

"Local Parties" means local general contractors, subcontractors, suppliers, manufacturers, professionals (including architects and consulting engineers) and relevant service providers who are based in or have a significant on-going business presence within Puerto Rico.

"Owners" or **"Project Owners"** refers to the PRPA, which constitutes the Partnering Government Entity and public sector owner of the Project.

"Partnership Committee" or **"PPP Committee"** means a Committee designated as provided in the Act to evaluate and select qualified persons and the proponents of a PPP and to establish and negotiate the terms and conditions it deems appropriate for the corresponding PPP Contract.

"PPP" means a public private partnership.

"PPP Contract" or "Project Agreement" means a concession agreement executed by the selected Proponent and the Partnering Government Entity to establish a PPP, which may include, but shall not be limited to, a contract to delegate a Function, administer or render one or more Services, or conduct the design, building, financing, maintenance, or operation of one or more Facilities. The PPP Contract may be, without it being understood as a limitation, any modality of the following kinds of contract: design / build, design / build / operate, design / build / finance / operate, design / build / transfer / operate, design / build / operate / transfer, turnkey contract, long-term lease contract, surface right contract, administrative concession contract, joint venture contract, long-term administration and operation contract, and any other kind of contract that separates or combines the design, building, financing, operation or maintenance phases. The obligations arising from the Project Agreement shall be binding insofar as these do not disrupt the law, morality, or public order.

"Project" means the San Juan Bay Cruise Terminal Project described in this RFQ solicitation.

"Proponent" means a Shortlisted Respondent that participates in the RFP Process.

"Preferred Proponent" means the Proponent selected by the Authority to negotiate a PPP to undertake the Project. A Preferred Proponent may or may not become a Contractor or Private Partner depending on the success of the negotiations.

"Public Interest" means any government action directed to protecting and benefiting citizens at large, whereby essential goods and services are provided for the welfare of the population.

"Puerto Rico Public-Private Partnerships Authority" or "Authority" means the Public Corporation of the Government of Puerto Rico created by virtue of Section 5 of the Act.

"Respondent" means a (i) natural person, (ii) legal person, (iii) joint venture, or (iv) partnership, or (v) consortium of individuals, and/or partnerships, and/or companies or other entities that submit an SOQ in response to this RFQ.

"RFC" means a "Request for Clarification" in respect of this RFQ

"RFP" means the Request for Proposals and addenda issued by the Authority in Stage 2 to obtain proposals for the Project from the Advancing Firms.

"RFQ" means this Stage 1 Request for Qualifications and all addenda.

"Scope of the Project" means the work and services to be provided by the Contractor in the design, permitting, financing, construction, and operation and maintenance of the Project, under the PPP Contract.

"SOQ" or "Statement of Qualifications" means a statement of qualifications to be submitted by Respondents pursuant to this RFQ. All references in this RFQ to "RFQ submissions", "RFQ submittals", "responses" and expressions of a like nature are deemed to refer to the SOQ.

"Team Member" means a member of a Respondent. Team Members should be identified in Respondents' RFQ submissions and not be changed without the consent of the PPP Committee. For the purpose of this Project, Team Members shall include, without limitation, each of the following with respect to a Respondent:

- each person, partnership, company or legal entity that is formally or informally reviewing the Project and intends to participate as a potential equity investor in the Proponent that will execute the PPP Contract for this Project. This will include (without limitation) the ultimate owner or holding company of any such investor or, in the case of a managed fund or pension plan, the manager of the fund or pension plan;
- design firm;
- construction firm;
- maintenance firm;
- operations firm; and

- each subcontractor performing services estimated to exceed $5 million (during the design and build phase) or $500,000 per year (during the operations phase) and any subcontractor that is providing proprietary technology or specialized skills that are important to the Project and cannot be readily acquired from another contractor.

1.5 Process and Schedule

The procurement of the Project is expected to take place in the following stages:

Stage 1 – RFQ Process (Qualification Stage)

The process, as described in this RFQ (the "**RFQ Process**"), precedes the RFP process described below (the "**RFP Process**") and is intended to identify the qualified Respondents that are eligible to participate in the RFP Process.

During this stage Respondents submit their statement of qualifications pursuant to this RFQ.

The RFQ Process is a standalone and independent stage that is completed once the Shortlisted Respondents are identified by the Authority and all Respondents have received final notification from the Owners as to the results of the RFQ Process.

Stage 2 – RFP Process (Binding Bid Stage)

The RFP Process is the competitive procurement process that follows the RFQ Process. The RFP Process is intended for Shortlisted Respondents only and is to result in the selection of a Preferred Proponent, as defined herein, for the Project.

Stage 3 – Implementation of the Project Agreement

Once the Preferred Proponent, the Authority and the Owners have completed the negotiations and executed the Project Agreement, as defined herein, the Project will proceed in accordance with the terms and conditions of the Project Agreement.

A summary schedule of the major activities associated with the procurement process is presented below. The dates and activities are subject to change and may be revised through the issuance of addenda to this RFQ.

The Authority expects to adhere to the following schedule for the qualification of prospective Respondents:

5 September 2018	-	Date of issuance and first publication of public notice of RFQ by the Authority.
12 September 2018	-	Pre-Submittal Conference Call.
17 September 2018	-	Date for End of Submittal by prospective Respondents of Requests for Clarifications (RFCs).
24 September 2018	-	Deadline for the Authority to release responses to RFCs.
17 October 2018	-	Due date for submission of SOQs no later than 5:00 pm AST.
1 November 2018	-	Estimated Date for Notification of Shortlisted Respondents (this date is subject to change).

In furtherance of the Authority's mission, the PPP Committee reserves the right to reject any and all SOQs, to waive technical defects, irregularities or any informality in SOQs, and to accept or reject any SOQs in its absolute discretion. The PPP Committee also reserves the right to postpone the date on which SOQs are

required to be submitted, or to take any other action it may deem in the best interests of the Authority and the PRPA.

After the PPP Committee reviews and evaluates all SOQs, it will make public the list of Shortlisted Respondents (but reserves all rights to manage the procurement process as deemed advisable in its absolute discretion).

Respondents that are shortlisted by the PPP Committee and decide to participate in the RFP process will have the opportunity to conduct a thorough due diligence, after signing the Confidentiality and Process Agreement, a form of which will be provided to Shortlisted Respondents.

Once a Shortlisted Respondent has executed the Confidentiality and Process Agreement, it will have the opportunity to conduct due diligence of the Project through:

- receipt and review of the RFP for the Project, which will include information about the Project and a draft of a Project Agreement. The Project Agreement will address, among other matters:
  - all of the rights and obligations of the Contractor during the term of the Project Agreement; and
  - detailed and comprehensive description of the Project including draft of operations and maintenance standards, and parameters and formulas for rates modifications, among other documentation.
- access to a data room – this data room will appear online and is intended to provide detailed information on the Project, which may include:
  - design guidelines for the new facilities;
  - operational and architectural program guidelines;
  - demand analysis;
  - site and environmental analysis;
  - historical data;
  - existing contracts; and
  - other relevant information and requirements.
- respondent one-on-one meetings;
- site visits; and
- a review of, and discussion relating to, the proposed Project Agreement and related documents.

A more detailed description of the RFP Process, together with a more detailed timetable, will be provided in the RFP.

1.6 Pre-Submittal Conference Call

The Authority intends to conduct a Pre-Submittal Conference call as part of this RFQ process. The Pre-Submittal Conference Call will allow Authority personnel to introduce the Project to interested parties and explain the RFQ requirements. Prospective proponents and other parties interested in participating in the Pre-Submittal Conference Call should register using the instructions below:

- Send registration email to: prcruiseterminals@p3.pr.gov
- In subject of email write the following: Registration for Pre-Submittal Conference Call.
- Provide your contact information and the number of participants to the call. If other participants will be in different locations those participants will also have to be registered in order to be granted access to the call.

1.7 Consortia

To the extent that any Respondent has formed or proposes to form a consortium to participate in the RFP for this Project, such Respondent should respond to this RFQ setting out the identity, role and capabilities individually of each Team Member, as defined herein, and jointly of the consortium. No member of a proposing

consortium may participate, whether directly or indirectly, in more than one consortium for the Project. Any violation of this provision will disqualify the consortium and/or its Team Members individually.

Please note the following with respect to Respondents:

- Except as specifically provided to the contrary in this RFQ, no Team Member may join or participate, directly or indirectly, as a Team Member in more than one Respondent for this Project. Each person or legal entity who participates as a Team Member is responsible for ensuring that no other person or legal entity which is "Related" to it joins or participates, directly or indirectly, as a Team Member in any other Respondent. Unless otherwise provided herein, any violation of this provision shall disqualify the Respondents and its Team Members.

A person or company is "Related" to another person or legal entity if:

- one may exercise Control over the other; or
- each is under the direct or indirect Control of the same ultimate person or legal entity.

For purposes of this RFQ, a person or legal entity exercises "Control" of another if it is the owner of any legal, beneficial or equitable interest in **50%** or more of the voting securities in a corporation, partnership, joint venture or other person or entity or if it has the capacity to control the composition of the majority of the board of directors of any such person or entity or to control the decisions made by or on behalf of any such person or entity or otherwise has the ability to direct or cause the direction of the management, actions or policies of any such person or entity (whether formally or informally); and the terms "Controlling" and Controlled" have corresponding meanings.

Each of the Team Members shall ensure compliance with all licensing and other requirements under applicable laws with respect to the services to be provided by such Team Member.

Subject to the requirements and entitlements of the Authority set forth below, submission of an SOQ will not limit a Respondent's ability to add to, substitute, or subtract from, its Team Members during the procurement process.

The Authority intends to issue the RFP only to Shortlisted Respondents. If for any reason, after the Submission Deadline and prior to the notification of Advancing Firms issuance of the RFP, a Respondent wishes or requires to: (i) change any Team Members listed in the Respondent's RFQ submission (either by adding new members, removing listed members or substituting new members for listed members), or (ii) materially change the ownership or Control of a Respondent or a Team Member, then, in each case, the Respondent must submit a written application (with such information as the PPP Committee may require) to the PPP Committee seeking its consent to the proposed change, which consent may be withheld or delayed in the absolute discretion of the PPP Committee. Without limiting the foregoing, the PPP Committee may refuse to consent to a change to a Respondent or its Team Members and/or may disqualify the Respondent from further participation in the procurement process if, in the sole opinion of the PPP Committee, the change would result in a weaker Respondent or Respondent team than that which is listed in the Respondent's SOQ or result in the Respondent or the Respondent team being materially different from the Respondent, or evaluating the application for a change would delay the qualification process, or for any other reason the PPP Committee may deem detrimental to the process, the Project, the PRPA or the Authority.

For clarity, the Authority's discretion to consent to changes to a Respondent's Team Membership includes discretion to approve changes to the legal relationship between the Respondent and/or its Team Members such as the creation of a new joint venture, partnership or legal entity that will take the place of the Respondent.

The Authority's consent may include such terms and conditions as the Authority may consider appropriate.

1.8 Restricted Parties

Restricted Parties (as defined below), their respective directors, officers, partners, employees and persons or legal entities Related to them (as defined in Section 1.7 above) are not eligible to participate as Team Members, or advise any Team Member, directly or indirectly, or participate in any way as an employee, advisor, or consultant or otherwise in connection with any Respondents. Each Respondent will ensure that each Team

Member does not use, consult, include or seek advice from any Restricted Party. The following Restricted Parties have been identified:

- Macquarie Capital (USA) Inc.
- DLA Piper
- CPM International
- IMG Rebel Advisory Inc.

Moreover, Respondents must comply at all times during the procurement process with the Authority's Guidelines for the Evaluation of Conflicts of Interest and Unfair Advantages in the Procurement of Public-Private Partnership Contracts (the "**Ethics Guidelines**"). Prospective Respondents should review the Ethics Guidelines, which are available for download on the Authority's website: http://www.p3.pr.gov.

Finally, Respondents should be aware that the list of Restricted Parties is not exhaustive and that a person that is not included as a Restricted Party may still be prohibited from participating in the Project pursuant to the provisions of the Ethics Guidelines. However, the fact that a person provides or has provided services to the Authority or an Owner in matters not related to the Project may not automatically ban such person from participating in the Project. Each Respondent is responsible for ensuring that all persons engaged to provide any type of assistance in connection with the Project are in compliance with the provisions of the Ethics Guidelines and, to the extent any question exists as to compliance with the Ethics Guidelines, the Respondent should consult with the Authority.

1.9 Deadline

Those interested in becoming Shortlisted Respondents must submit their responses to this RFQ no later than 17 October 2018 at 5:00 pm (AST) (the "Submission Deadline").

RFQ submissions must be received by the Authority no later than the Submission Deadline at the address and in the manner set out in Section 4.5 below (the "**Submission Address**"). The Authority will not accept RFQ submissions sent by facsimile, electronic mail, telex or other telegraphic means. The determination of whether an RFQ submission is submitted before the Submission Deadline will be based on the time and date stamp each Respondent must ensure it receives from the Authority at the Submission Address. It is the sole responsibility of each Respondent to ensure that its RFQ submission is delivered to the Submission Address no later than the Submission Deadline. RFQ submissions received after the Submission Deadline will be rejected and returned to Respondents unopened.

1.10 Clarifications and Communications Protocol

Note that a Respondent may submit a request for clarification ("**RFC**") to the Authority for explanation or interpretation of any matter contained in this RFQ ***no later than 5:00 p.m. (AST) on 17 September, 2018 (the "RFC Deadline")***. Any such RFC from a Respondent must be made in writing.

If the Authority provides any clarification as a result of an RFC, it will provide such clarification by means of a written document delivered to all ***Respondents no later than 24 September, 2018.*** Respondents should note the following regarding requests for clarification:

Respondents may make inquiries only by submitting questions or RFCs to the email address of the PPP Committee (the "**PPP Committee Contact**") at prcruiseterminals@p3.pr.gov no later than the RFC Deadline. Questions submitted to anyone other than through the PPP Partnership Contact by any means other than the provided e-mail will not be answered.

Any Respondent that has questions as to the meaning of any part of this RFQ or the Project, or who believes that the RFQ contains any error, inconsistency or omission, must submit its concern, in writing, to the PPP Committee Contact in accordance with this Section 1.10. The Authority may, in its absolute discretion, provide all submitted questions or RFCs, along with the Authority's answers thereto, to all Respondents without expressly

identifying the originator. The Authority will not respond to Respondents' questions or RFCs that are not submitted in accordance with this Section 1.10.

Any response provided by the Authority other than by way of an Addendum issued in accordance with this RFQ will not be binding on the Authority or the Owners, nor will it change, modify, amend or waive the requirements of this RFQ in any way. Respondents shall not rely on any response or information provided otherwise.

Respondents may also make inquiries regarding matters they consider to be commercially sensitive or confidential. Respondents must designate such inquiries as "commercially confidential". If the Authority determines, in its absolute discretion, that an inquiry designated as commercially confidential is of general application or would provide a significant clarification to the RFQ or any process or other matter outlined hereunder, the Authority may issue a clarification that deals with the same subject matter. If the Authority agrees with the Respondent's designation of an inquiry as commercially confidential, the Authority will provide a response only to the Respondent that submitted the commercially confidential inquiry.

1.11 No Collusion or Lobbying

The Authority and the Owners are committed to a fair, open and transparent selection process.

No Collusion

Respondents and Team Members will not discuss or communicate, directly or indirectly, with any other Respondent(s) or any director, officer, employee, consultant, advisor, agent, representative or Team Member of any other Respondent regarding the preparation, content or representation of their SOQs. SOQs will be submitted without any connection (i.e., arising through an equity interest (other than an equity interest that does not represent a Controlling interest in an entity, as determined by the Authority from time to time) in or of a Respondent or Respondent Team Member), knowledge, comparison of information, or arrangement, with any other prospective Respondent or any director, officer, employee, consultant, advisor, agent, representative or Team Member of any other prospective Respondent.

By submitting a response to this RFQ, a Respondent, on its own behalf and as authorized agent of each firm, corporation or individual Team Member of the Respondent, represents and confirms to the Authority, with the knowledge and intention that the Authority may rely on such representation and confirmation, that its response has been prepared without collusion or fraud, and in fair competition with responses from other Respondents.

No Lobbying

Respondents, and their Team Members and their respective directors, officers, employees, consultants, agents, advisors and representatives, will not, except as expressly contemplated by this RFQ, or as expressly directed or permitted by the Authority, attempt to communicate directly or indirectly with any representative of the Owners, Authority, the PPP Committee, except in the event of an RFC or other official communication following the communications protocol indicated in Section 1, the FAFAA or the Government in relation to the Project or the RFQ Process, at any stage of this RFQ Process, including during the evaluation process. The Authority reserves the right to disqualify a Respondent that contravenes this provision.

Respondents, and their Team Members and their respective directors, officers, employees, consultants, agents, advisors and representatives, must certify that they have complied with the requirements of Section 5.16 of the Regulation by completing the Form of Respondent Certification included as Appendix A to this RFQ.

Confirmation of Intention

Respondents that anticipate responding to this RFQ shall so indicate as soon as possible by providing contact information to the PPP Committee via e-mail at prcruiseterminals@p3.pr.gov. Also, all RFCs regarding this RFQ should be directed to the PPP Committee Representative via the same e-mail address. Please do not contact any officials or related parties of the Authority or the Owners (other than the PPP Committee Representative) via telephone or otherwise. Such contact may serve as grounds for disqualification.

2. Project Description

2.1 Puerto Rico

2.1.1 Overview

Puerto Rico is a self-governing territory of the United States located in the Caribbean approximately 1,030 miles southeast of Miami, FL. Puerto Rico has an area of approximately 3,500 square miles and a population estimated at 3.41 million by the United States Census Bureau as of July 1, 2016.

Puerto Rico has one of the largest and most dynamic economies in the Caribbean region. As a territory of the U.S. since 1898, Puerto Rico offers a stable legal and regulatory framework where major U.S. and foreign multi-national corporations have historically operated, benefiting from its favorable investment environment and tax advantages. Puerto Rico has a well-educated and bilingual workforce with a sophisticated financial system that historically has acted as a global center for manufacturing, including pharmaceutical, biotechnology, medical devices, agriculture, rum, aerospace, and electronics, complemented by strong consumer, retail and service sectors.

Generally, United States federal laws apply in Puerto Rico and Puerto Rico is subject to the jurisdiction of the U.S. regulatory authorities. As a U.S. Commonwealth, the U.S. Federal Deposit Insurance Corporation (FDIC) insures banks operating in Puerto Rico, which are subject to all federal controls applied to U.S.-based banks. The U.S. Securities and Exchange Commission (S.E.C.) regulates all publicly traded securities and commodities.

Key Puerto Rico Facts	
Population	3.41 million
Land Area	8,959 sq. km
Currency	US Dollar
Language	Spanish, English
GDP Per Capita (USD)	$19,350

* Data according to US Census 2016 and Puerto Rico Planning Board.

2.1.2 Finances

In June 2015, the Government created a working group tasked with analyzing the fiscal and economic situation of Puerto Rico. After a series of studies and analyses, this working group estimated Puerto Rico's consolidated budget and financing gap (including required pension payments and debt service on tax-supported debt) to be approximately $59 billion between fiscal years 2017 and 2026.

The Government's balance sheet deterioration, coupled with continued structural budget imbalances, and a lack of continuity and execution capacity in fiscal and economic plans led to the loss of capital markets access in 2015, limited the Government's ability to make necessary infrastructure maintenance and improvements investments, and meet scheduled debt service payments.

Recognizing the delicate fiscal condition of Puerto Rico, the U.S. Congress enacted the Puerto Rico Oversight, Management, and Economic Stability Act (**"PROMESA"**) which was signed into law on June 30, 2016. PROMESA provides a series of mechanisms to achieve fiscal and budgetary balance and capital market access to spur infrastructure revitalization in Puerto Rico. Importantly, PROMESA established a specific chapter (Title V) to identify and pursue critical infrastructure projects through an accelerated local permitting process and a

prioritized federal review procedure to ensure the prompt and effective revitalization of Puerto Rico's critical infrastructure, necessary to spur and support sustainable economic development.

Governor Ricardo A. Rosselló took office on January 2, 2017 and has since delivered a 10 year fiscal plan that as a central tenet seeks to advance PPPs as a way to revitalize infrastructure, attract private investment and spur economic development on the Island.

Demand risk PPPs such as the Project are particularly suitable for exploration as they customarily do not require ongoing payments by the Puerto Rican government to the private sector.

2.1.3 Hurricanes and Recovery Efforts

Puerto Rico recently was struck by two devastating hurricanes, Irma and Maria, which left much of the infrastructure in Puerto Rico damaged or unusable. The National Oceanic and Atmospheric Administration's Office for Coastal Management approximated that Hurricane Irma and Maria caused damages of roughly $50 billion to $90 billion dollars respectively.[1]

As Puerto Rico looks to the future, it sees the recovery effort as not just an opportunity to rebuild what was damaged, but to use recovery investments to help transform the Island by implementing solutions that:

- are cost-effective and forward-looking;
- are resilient and built pursuant to updated codes and standards;
- harness innovative thinking and best practices from around the world; and
- contribute to greater economic development, revitalization, and growth (in alignment with broader Government of Puerto Rico efforts to achieve fiscal and economic stability) as well as enhanced human capital.

Puerto Rico will move forward in its economic and disaster recovery by investing in infrastructure, people, and the environment. Federal funds from FEMA will go some of the way to achieving this vision. But in order to fully deliver upon all of the economic, infrastructure, and societal goals identified by Puerto Rico, private sector creativity and resources will need to be harnessed. Hence the PRPA and the Authority are exploring a P3 for the San Juan Bay Cruise Terminals as a means to achieve these goals sooner than would be possible with public financing and other sources of funds.

2.1.4 Prior P3 Experience

The Project is being procured under the framework of the Act and is managed by the Authority, on behalf of and in collaboration with the PRPA and within the detailed guidelines of the Regulation. The Act and the Authority's procurement process are well organized, transparent and clear; and proof of the robustness of the investment framework can be seen in the successful long-term concession of toll roads PR-22 and PR-5 (2013) and the long-term lease agreement for the Luis Muñoz Marin International Airport (2013).

2.2 The San Juan Bay Cruise Terminals

2.2.1 History of the Cruise Terminals

The Caribbean cruise market is the number one cruise destination globally, featuring unique destinations that are widely enjoyed by cruise passengers. This market is politically stable and in high demand, particularly because its proximity to the United States makes it accessible as well as attractive for first time cruisers.

The port of San Juan is one of the key itineraries on any Caribbean cruise. It has older, traditional piers along the waterfront of the famous Old San Juan district. Piers 1 through 4 were built many years ago, for an older class of ship and for a mix of cargo and passengers. These piers have been continually augmented to increase

[1] National Oceanic & Atmospheric Administration: https://coast.noaa.gov/states/fast-facts/hurricane-costs.html

their capacity and in the 1990's the PRPA invested in developing a new homeport terminal at Pier 4, which was subsequently redesigned to increase its capacity to meet market requirements at that time.

Since then, the development of the Piers has been ad-hoc; with PRPA endeavoring to support the evolving needs of the cruise industry within the limits of the finances available for development. Due to these funding constraints, the PRPA's development strategy has been hampered and development has been limited to a minimum level of investment needed to maintain the Piers. As a result, the San Juan cruise facilities today are undersized and fail to meet the needs of the modern cruise industry.

The PRPA makes every effort to welcome cruise lines to San Juan. At present, cruise vessels are given priority over all other vessel types on both arrival and departure from San Juan Harbor. The San Juan Bay pilots shift the arrival and departure times of non-cruise vessels to accommodate cruise vessels if needed.

2.2.2 Cruise Terminal Infrastructure

The waterside capacity of the existing infrastructure is difficult to assess due to the seasonality, daily fluctuations and size of ships, however it is known that the current waterside capacity is constrained in terms of number of berths and available berth length due to increasing vessel sizes. The table below summarizes current capacity and use of each pier.

		Average calls (2013 – 2017)		Approximate dimensions		
Piers	**Current use**	**Homeport**	**Port of Call**	**Length**	**Width**	**Vessel capacity**
Pier 1	Port of Call	20	25	550' + 400'	100'	1 x 900'
Pier 3	Port of Call	0	123	1,484'	65'	1 x 1,200' or 2 x 1,100
Pier 4	Homeport	59	153	870' + 250'	150'	1 x 1,100
Pan Am Piers	Homeport	106	2	1,518' + 779'	NA	1 x 1,200' + 1 x 900'

Table 1: Cruise Terminal Infrastructure

2.2.3 Cruise Terminal Patronage

Notwithstanding these infrastructure constraints, San Juan continues to be a popular destination for cruise lines, as can be seen from the strong five year growth in the traffic data for the period 2013-2017 for passengers and ships' calls (with the limited exceptions being due to the effects of hurricanes):

Year	2013	2014	2015	2016	2017
Vessel Callings	455	515	533	510	426
Homeport	175	176	188	201	185
Transit (Port of Call)	280	339	345	309	241
YoY %	-	+13.2%	+3.5%	-4.3%	-16.5%
Passengers ('000s)	1,038	1,213	1,509	1,342	1,469
Homeport	382	421	476	461	443
Transit (Port of Call)	656	792	1,033	881	1,026
YoY %	-	+16.9%	+24.4%	-11.1%	+9.5%

Table 2: Historical patronage of San Juan Cruise Terminals

One of the key objectives of the proposed transaction is for the PRPA to partner with an appropriately qualified Private Partner who can implement a plan to continue growing passenger volumes, for the benefit of both the Private Partner and Puerto Rico.

With over 400 weekly flights from U.S. cities, a high quality modern airport, and exemplary transportation linkages and accommodation facilities, Puerto Rico is one of the easiest destinations to get to in the Caribbean. This ease of access and bountiful amenities makes Puerto Rico an ideal location for homeporting, as cruise passengers are readily able to stay before and or after their cruise.

The additional services provided to homeported vessels (e.g. restocking of food and supplies) means significant opportunity for additional revenues by the Private Partner in serving Homeported vessels, such that improvements in the ratio of homeported vessels to port of call vessels will drive revenue growth at the Piers. As can be identified from Table 2, Homeport visits are materially less volatile than port of call visits due to the fact that home-porting involves additional long range planning and supporting infrastructure on the cruise lines behalf.

2.3 Project Description

The Authority and the PRPA are interested in delivering a Project that not only solves the aforementioned objectives associated with condition and capacity of the Piers, but more importantly one that supports and encourages continued tourism and economic growth in Puerto Rico.

The proposed Project consists of repairing, expanding, financing, operating and maintaining the cruise terminal infrastructure in San Juan over a defined concession period specified in the Project Agreement. The Contractor will assume a series of Project risks in exchange for the right to receive project revenues, which will include fees based on demand from users and also certain ancillary revenues to be described in the Project Agreement and generally related to the services to be provided by the Private Partner. The Authority and the PRPA are prepared to develop a productive relationship with the Contractor and to mutually align objectives to ensure the success of the Project for the benefit of Cruise Terminal users and the broader population of Puerto Rico.

The Project consists of the following main components:

2.3.1 Repairs to existing infrastructure

Significant maintenance is needed to bring the Piers up to the PRPA's desired standards with damage from the recent hurricanes exacerbating this problem. Since the PRPA has recently lacked the necessary funding to carry out maintenance projects, repairs have been deferred and a backlog of work has built up.

As mentioned above, the need to provide safe, efficient and well-maintained Cruise Terminals in San Juan is evident. With the existing Piers comprising essential infrastructure for Puerto Rico, their upkeep is a prime concern for the PRPA.

After the recent hurricanes Irma and Maria two separate surveys were initiated, one by the PRPA and the other by the US Department of Transportation Maritime Administration (MARAD), under mission assignment by the Federal Emergency Management Agency (FEMA).

It appears from both surveys that the older piers have been overloaded over time due to increasing vessel sizes. Overloading typically results in deterioration of the structure and a degradation of its structural capacity. In addition, lack of maintenance to most of the piers and buildings is causing further deterioration.

Pier 1

Based on the MARAD survey report, the pier structure has suffered from extensive deterioration, with complete section loss for a number of structural elements. It is therefore likely that the entire pier structure, including the building, needs to be demolished and be rebuilt.

Pier 3

The pier is in a satisfactory condition and minor refurbishment works are required to the walkways and fenders.

Pier 4

Similar to Pier 1, the pier structure has suffered from extensive deterioration with complete section loss for a number of structural elements. It is therefore deemed likely that the entire pier structure, including the building, needs to be demolished and be rebuilt.

Piers 11 to 14

Piers 11 to 14 are currently abandoned due to extreme deterioration. Therefore, these piers should likely be completely rebuilt to provide capacity when other piers are being rebuilt and for expansion needs.

Pan American Piers I and II

These piers comprise two structures, a relieving platform structure and a cantilevered bulkhead structure to the east of the piers. The MARAD survey report concludes that both structures are in a poor condition and require extensive repairs.



Figure 2: Piers & Walkways

Walkway 2

Walkway 2 is used primarily as a pedestrian walkway. It is also used to moor pleasure vessels up to 100' long. The walkway extends from the center of Pier 1 to the eastern edge of Pier 4. Based on the MARAD survey report the walkway was found to be in poor condition.

2.3.2 Expansion Works

In addition to the repair needs, certain expansions of the Piers are required in order to ensure that San Juan remains able to properly service growing passenger numbers and ever-increasing vessel sizes.

In general, each pier has different characteristics that limit the type and size of the vessels that they can serve, thus an all-encompassing strategy is required to expand the facilities and extract their best possible use.

In order to stay competitive within the Caribbean cruise market, capacity needs to be increased to match at least the capacity of St. Maarten and the U.S. Virgin Islands.

The proposed Project structure provides significant flexibility for the Private Partner to implement its own masterplan for the Cruise Terminals subject to meeting a number of minimum requirements which will be set out in the RFP.

An indicative scope for possible upgrades and expansion works is provided below.

As per Section 2.2 the current waterside capacity is constrained in terms of number of berths and available berth length due to increasing vessel sizes. In order to add capacity, Piers 11 – 14 may be developed into a new homeport facility. As per the MARAD survey reports Piers 1 and 4 are likely to be rebuilt to address the extensive deterioration. Construction works for these piers are expected to occur after adding additional homeport pier(s) at Piers 11 – 14 to ensure that there is no shortfall in capacity. The Pan American Piers I and II require extensive repairs and may potentially be extended to allow simultaneous berthing of two 1,200 ft vessels. Relatively small CAPEX is required to repair Pier 3 and Walkway 2. The Authority envisions that the Private Partner will be given flexibility on the sequence and timing of these construction works subject to an overall deadline and other performance measures. This will be clarified further in the RFP.

Depending on design requirements for each pier it is estimated that overall CAPEX for both the repairs and upgrades works may roughly vary between USD 360M and 560M. While these estimates cover the bulk of the works required to realize the Project, they do not represent the total capital requirement of the Private Party. Furthermore, these estimates are based on recent studies and experience, but do not benefit from detailed designs and studies and therefore should not be relied upon. During the RFP stage additional details will be provided to allow bidders to prepare their own assessments.

2.3.3 Cruise Terminal Operations

The Private Partner will be responsible for operating the Cruise Terminals, under its own business plan and with its own staff and any proprietary technology and systems, with operational costs being payable from the revenues generated from such operations by the Private Partner. This provides the Private Partner with the ability to truly innovate, as the Private Partner is incentivized to grow the client base, improve customer service and drive higher revenues.

This role will encompass all elements of Cruise Terminal operations, including interacting and contracting with cruise lines, scheduling cruise line calls, allocating capacity at the Piers, providing ancillary services (such as shore power, fresh water provision, parking services, and management of commercial facilities on the piers), collecting revenues, security of the piers, liaison with Harbor Master, and marketing the Piers to cruise lines. It is expected that the PRPA or another Government Entity will continue to be responsible for pilot boat services, port police and fire services (other than security for the piers), and customs. This allocation of responsibility will be set out in greater detail in the RFP.

2.3.4 Facilities Maintenance

The Project will involve the Private Partner providing facilities maintenance and rehabilitation services for the Piers and associated infrastructure over the term of the Concession.

Specifically, the Private Partner will be responsible for providing all facilities maintenance and rehabilitation services, which will include activities such as routine, preventive and scheduled maintenance and rehabilitation works, keeping specifications of structures and preventing failure and/or degradation. The Private Partner will also be responsible for improving / upgrading the infrastructure over time, in accordance with certain minimum service requirements (which will be set out in the Project Agreement) and its own plan to grow the business.

2.3.5 Financing

The Private Partner will be responsible for financing the Project and will be encouraged to utilize innovative financing solutions that meet the requirements of the RFP, including the use of local capital. PRPA does not plan to provide a subsidy to the Project at any time and thus financing the Project is a risk solely to be borne by the Private Partner without any recourse to the PRPA or the Authority.

The Private Partner will be required to make a contribution to the PRPA, through either an upfront "Concession Fee" or an ongoing revenue share arrangement, or some combination thereof, as further detailed in the RFP.

FEMA funds or other federal disaster recovery grant funding may become available to partially finance the repairs to the Cruise Terminals; however the timing and quantum of any FEMA or other federal disaster recovery grant proceeds is uncertain. Accordingly, the Private Partner should assume that it is required to raise all of the financing required for the Project itself and that the terms and conditions imposed on projects financed by FEMA or other federal disaster recovery grants would not apply to the Project. To the extent that FEMA or other federal disaster recovery grant funding does become available for the Cruise Terminals or any of the Piers, the PRPA may elect to make it available to the Private Partner, subject to compliance with the terms of the FEMA or other federal disaster recovery grant and with the terms of the financing implemented by the Private Partner for the Project. If FEMA or other federal disaster recovery grant funding is incorporated into the financing of the Project, the Private Partner would be required to comply with the terms and conditions of the applicable grants and sub-grants and the conditions required by PRPA in order not to jeopardize the availability of such funding.

2.4 Project Commercial Structure

The Owners are interested in effectively transferring a series of Project risks to the Private Partner while also granting the Private Partner the right to collect certain fees and commercially maximize the Project. It is anticipated that the PPP Contract for the Project will have a term between 20 and 30 years.

As stated in the Desirability & Convenience Study, a repair-design-build-finance-operate-maintain ("RDBFOM") delivery model is considered the most suitable option for the Project when evaluated against the procurement objectives and the affordability of the Project. The risk allocation table herein provides an indication of how the scope of functions and responsibilities may be allocated between the Owners and the Private Partner. This risk allocation is indicative and may be further modified as the RFP is developed.

Project Risks	Private Partner	Shared	PRPA
Land acquisition			X
Site condition		X	
Initial Site Repairs	X		
Design	X		
Construction	X		
Completion	X		
Operations	X		
Maintenance	X		
Rehabilitation	X		
Financing	X		
Demand / Revenue	X		
Force Majeure Event		X	
Change in Law		X	

The proposed Project structure provides significant flexibility for the Private Partner to implement its own masterplan for the Cruise Terminals (subject to meeting the requirements of the PRPA as set out in the Project Agreement) and to develop and execute its own business plan for the Cruise Terminals and drive revenue growth. This flexible Project structure provides the Private Partner with growth potential and the ability to implement its own creativity and proprietary processes to drive revenue and operational performance.

The following sections describe in more detail the commercial structure of the Project and certain contemplated key responsibilities of the Private Partner throughout the term of the Project.

2.4.1 Demand Risk & Revenue Share

The principal payment mechanism for the Private Partner will be fees derived from revenue streams of the Project. The Project is expected to be procured as a demand risk project where the payment mechanism is fully based on fees of users, free from any subsidy to be provided by PRPA or the Authority.

PRPA currently generates revenue at the Piers through the following fees and charges. Under the proposed PPP, the Private Partner would be entitled to collect and retain revenues, subject to revenue sharing with the PRPA.

2.4.1.1 Passenger Fees

PRPA currently collects Passenger Fees of $13.25 per manifested passenger from each cruise ship that calls in San Juan. There is no charge for cruise ship staff. The Private Partner would assume this right to collect Passenger Fees, with agreed parameters for modifying rates and a rate setting formula to be established as part of the RFP.

The Passenger Fees that have been collected by PRPA over the past four years are set out below:

Year	2014	2015	2016	2017
Passenger Fee	$13.25	$13.25	$13.25	$13.25
Passengers	1,213,219	1,509,473	1,340,661	1,470,969
Passenger Fee Revenue	$16,075,152	$20,000,517	$17,763,758	$19,490,339

Table 3: Passenger Fee Revenue by Year

2.4.1.2 Ancillary Revenues

In addition to the Passenger Fees, the PRPA also earns certain revenues from leasing out portions of the Cruise Terminal infrastructure for complementary uses, including duty free stores, and other ancillary revenues from servicing or administering certain third party services to cruise ships (e.g. water supply and shore power). The Private Partner would assume the right to collect these ancillary revenues and lease revenues (**Ancillary Revenues**). The Private Partner is expected to utilize spare space on and around the Piers to generate additional Ancillary Revenues.

2.4.1.3 Revenue Sharing

Under the Project Agreement, a certain portion of the Private Partner's gross revenues from Passenger Fees, and Ancillary Revenues shall be shared with the PRPA. The details of the expected arrangement will be set out in the RFP.

2.4.1.4 Tourism Rebate

The Puerto Rico Cruise Ship Industry Promotion and Development Act (Act 113-2011, as amended) established a series of incentives currently funded and administered by the Puerto Rico Tourism Company. These include, subject to certain conditions and restrictions, a rebate of $4.95 per passenger paid to the Cruise Lines, increasing to $7.45 per passenger after the Cruise Line exceeds 140,000 passengers in a fiscal year.

Additionally Homeport rebates are offered to Cruise Lines, consisting of:

- $1.00 per passenger
- $2.00 per passenger after the 21st departure
- $3.00 per passenger after the 53rd departure
- $0.50 per passenger for homeport ships sailing on weekdays
- $0.50 per passenger if the homeport ship includes any other Puerto Rico port during a weeklong itinerary
- $0.50 per passenger if the homeport ship embarks/disembarks from a Puerto Rico port more than once in one week
- $1.50 per passenger if the homeport ship sails before 4pm
- $1.00 per homeport passenger for a co-op marketing program to promote homeporting in Puerto Rico (requires separate agreement with the Puerto Rico Tourism Company)

A time-in-port incentive of up to $1.50 per passenger is also available for port of call visits for ships docking before 11am and for a minimum of 8 hours. Moreover, the incentives also include a 10% reimbursement of eligible purchase of supplies from local certified businesses and/or maintenance and repair services of the cruise ship in Puerto Rico, with an additional 5% available for the purchase of certain products manufactured or grown in Puerto Rico. Stacked incentives may not exceed $13.25 per passenger.

The incentives were originally set to expire on 2013-2014, but were extended until June 30, 2018 by Act 80-2013. On June 30, 2018, Act 124-2018 was signed into law, which further extended the incentives until fiscal year 2019-2020 for cruise ships that visit Puerto Rico until June 30, 2020. The incentives are currently not expected to be extended beyond fiscal year 2019-2020.

2.4.2 Rate Escalation

Each year, the Private Partner will be permitted to modify the Passenger Fees. The RFP will contain the overall rate setting mechanism for modifying the Passenger Fees (and, as appropriate, other Ancillary Revenues). The Private Partner will not have unfettered ability to raise Passenger Fees.

2.4.3 Preferential Berthing Agreements & Other Agreements

As of today, there exist several Preferential Berthing Agreements (**"PBAs"**) and other agreements with Cruise Lines and duty-free retail establishments, with certain key terms as set out below:

Contract	Key provisions
Preferential Berthing Agreement with Royal Caribbean Cruises Ltd. ("RCCL") for Pier 3 (February 10, 2003)	RCCL vessels must be scheduled at Berth 3A of Pier 3 in accordance with the 6-month schedules provided by RCCL to the PRPA at least a year in advance, twice a year. **RCCL has a 25 year term** (subject to suspensions and extensions as provided in the agreement) The PRPA may accept ships of other cruise lines at Berth 3A of Pier 3 as long as doing so does not conflict with RCCL's schedules

Preferential Berthing Agreement and Master Development Agreement with Carnival Corporation ("Carnival") for Pier 4 (June 7, 2001)	Carnival vessels must be scheduled at Pier 4 in accordance with the 12-month schedules provided by Carnival to the PRPA at least 6 months in advance, twice a year. **Carnival has a 20 year term** (subject to suspensions and extensions as provided in the agreement) The PRPA may accept ships of other cruise lines at Pier 4 as long as doing so does not conflict with Carnival's schedules
Preferential Berthing Agreement and Development Agreement with RCCL for Pan American Pier (Berths 1 and 2) (April 19, 2002 and October 27, 2017)	RCCL vessels must be scheduled at berths PA1 and PA2 of the Pan American Pier in accordance with the 6-month schedules provided by RCCL to the PRPA at least a year in advance, twice a year. **RCCL has a 35 year Term** (subject to suspensions and extensions as provided in the agreement) The PRPA may accept ships of other cruise lines at the Pan American Piers as long as doing so does not conflict with RCCL's schedules
Development and Lease Agreement with Duty Free Americas Puerto Rico, LLC ("DFA") for construction of improvements and lease of space for duty-free shops in Pier 3 (August 25, 2016).	30 year term (subject to suspensions and extensions as provided in the agreement)
Lease Agreement with SMT Puerto Rico, Inc. ("SMT") for lease of space for duty-free shops in Pier 1 (August 31, 1995).	Expires on August 31, 2025
Lease Agreement with SMT for lease of space for lease of space for duty-free shops in Pier 4 (August 31, 1995).	Expires on August 31, 2025

Table 4: Existing Agreements

It is anticipated that these agreements will survive the proposed transaction and that they will be integrated into the PPP and become part of the Private Partner's operating plan.

2.4.4 Capacity Allocation

One of the key requirements of the Private Partner will be to allocate capacity at the Piers to customers so as to drive revenue and passenger growth through the Cruise Terminals while maintaining fair and equitable treatment of and access to cruise lines who want to call at San Juan.

The Private Partner shall be required to assess requests for cruise calls at the Piers in good faith, and allocate capacity on an "open access" basis, such that all Cruise Lines shall be treated equally and fairly. The only exception to this shall be for the legacy Preferential Berthing Agreements as detailed above. If the Private Partner is affiliated with a particular Cruise Line, then that Cruise Line shall not receive any preferential treatment from the Private Partner based on the Private Partner's discretion.

These conditions of open access, fairness, equality, and maximization of capacity, visits and passengers to the San Juan Bay Cruise Terminals are essential to the Project and thus will constitute a significant criterion in evaluating SOQs and RFPs. Furthermore, the Owners and the Authority are developing a framework for an open access regime which will be included in the RFP and will form part of the PPP Contract. The Private Partner will be required to comply with such regime when allocating berthing capacity to cruise lines. Therefore, Respondents that are not willing to or cannot demonstrate they can comply and provide the best alternatives and value in connection with these conditions, should not participate.

2.4.5 Conclusion

The Authority believes that the proposed transaction represents an excellent investment opportunity for the private sector to assume control of a valuable piece of Puerto Rican infrastructure, share in Puerto Rico's burgeoning tourism trade, and use private sector creativity to unlock significant additional value and grow the Cruise Terminal business for the benefit of both the Private Partner, the Owners and the people of Puerto Rico.

Puerto Rico is one of the top destinations in the Caribbean. With its tropical colors, beloved colonial architecture, historic fortresses, ecological attractions, and endless festivals and cultural events, Puerto Rico is a touristic experience and must see on any Caribbean itinerary and a key destination for Caribbean cruise lines to call.

Tourism is a key contributor to Puerto Rico's economy (8.0% of GDP in 2016 and forecast to rise to 10.7% of GDP by 2027), reflecting the Government of Puerto Rico's continued investment in tourism marketing and other initiatives to drive tourism to the island. The Cruise Terminals are poised to benefit from this growth and marketing campaign.

3. Proponent Qualification Requirements and Evaluation Criteria

3.1 Introduction

This RFQ is available for prospective Respondents who desire to participate in the RFP for the Project. All SOQs will be reviewed based on the requirements set forth in this Section 3 of this RFQ.

In accordance with Section 5.4 of the Regulation, the PPP Committee reserves the right in its absolute discretion, to limit the number of Respondents it considers to be the best qualified in order to arrive at a shortlist of Respondents to allow for an orderly procurement.

The Authority hereby notifies prospective Respondents of its right to limit the number of Respondents who will be qualified.

3.2 Evaluation Criteria

In order to provide an objective and transparent evaluation method, the PPP Committee will evaluate SOQs by applying and weighting the criteria as outlined in the table below ("**Evaluation Criteria**"). Application of the Evaluation Criteria will assist the PPP Committee in identifying the Shortlisted Respondents.

The Act calls for Respondents to engage Local Parties as Team Members to the greatest extent possible. This will be part of the evaluation criteria of Respondents SOQs. When required by law, Team Members shall include Local Parties with the applicable licenses to perform the services, such as with respect to design and engineering work.

When referring to "Respondents" and/or "Team Members" in the criteria list below, the SOQ shall include the relevant information with respect to Respondent jointly and with respect to each Team Members, if any, as may be applicable, taking into consideration that when submitting as a consortia, the Act and the Regulation call for Respondent groups or Consortia to provide their qualifications jointly and with respect to each one of the Team Members.

	Evaluation Criteria	% Weight
Part 1	Compliance with Requirements of the Act	Pass or Fail (not weighted)
	Each SOQ submitted pursuant to this RFQ will be reviewed to determine whether it satisfies the Act's and the Regulation requirements in the following areas:	
1.1	Respondents that are corporations, partnerships, or any other legal entity, U.S. or Puerto Rico based, shall be properly registered or capable to be registered to do business in Puerto Rico and the U.S. at the time of the submission of their proposals, and comply with all applicable Puerto Rico or U.S. laws and/or requirements; and	

	Evaluation Criteria	% Weight
1.2	(a) Each Team Member and each Respondent, if the Respondent has been formed as of the date of a submission of a response to this RFQ, shall certify that neither it nor any of its directors, officers, shareholders, or subsidiaries, nor its parent company, nor in the case of a partnership, any of its partners, nor any person or entity that may be considered an alter ego or the passive economic agent of the Respondent (each a "Covered Party"), has been convicted in Puerto Rico or United States Federal court for any of the crimes referenced in Articles 4.2, 4.3 or 5.7 of Act No. 1-2012, as amended, known as the Organic Act of the Office of Government Ethics of Puerto Rico, any of the crimes typified in Articles 250 through 266 of Act No. 146-2012, as amended, known as the Puerto Rico Penal Code, or any of the crimes listed in Act No. 2-2018, as amended, known as the Anti-Corruption Code for a New Puerto Rico or for any other felony that involves misuse of public funds or property, including but not limited to the crimes mentioned in Article 6.8 of Act No. 8-2017, as amended, known as the Act for the Administration and Transformation of Human Resources in the Government of Puerto Rico, or under the Foreign Corrupt Practices Act; nor is any Covered Party under investigation in any legislative, judicial or administrative proceedings, in the Commonwealth of Puerto Rico, the United States or any other country. The Respondent is in compliance and will continue to comply at all times with all federal, state, local and foreign laws applicable to the Respondent that prohibit corruption or regulate crimes against public functions or public funds, including the Foreign Corrupt Practices Act; (b) Respondent and Team Members completed their SOQs without prior understanding, agreement, connection, discussion or collusion with any other person, firm or corporation submitting a separate SOQ or any officer, employee or agent of the Authority, Owners or the Government of Puerto Rico; and (c) Respondent and Team Members will not attempt to communicate in relation to the RFQ, directly or indirectly, with any representative of the Owner, the Partnership Committee or the Authority, including any Restricted Parties, or any director, officer, employee, agent, advisor, staff member, consultant or representative of any of the foregoing, as applicable, for any purpose whatsoever, including for purposes of: (i) commenting on or attempting to influence views on the merits of the Respondent's and Team Members' SOQ, or in relation to their SOQ; (ii) influencing, or attempting to influence, the outcome of the RFQ stage, or of the competitive selection process, including the review, evaluation, and ranking of SOQs or the selection of the Shortlisted Firms; (iii) promoting the Respondent and Team Members or their interests in the Project, including in preference to that of other Respondents or Team Members; (iv) commenting on or criticizing aspects of the RFQ, the competitive selection process, or the Project including in a manner which may give the Respondent or its Team Members a competitive or other advantage over other Respondents or Team Members; or (v) criticizing the SOQs of other Respondents ***These requirements 1.1 and 1.2 may be satisfied by completing the Form of Respondent Certification included as Appendix A to this RFQ.***	

Part 2	**Background & Team Information (15 pages maximum)**	**20%**
	Respondents are encouraged to provide enough supporting information and details to enable the evaluators to perform a thorough evaluation of the Team Members' strengths, roles and responsibilities.	
2.1	A description of the Respondent and all Team Members which identifies: • Their roles (include an organizational chart of Team Members) • Their respective percentage equity ownership interests • Identification and roles of Local Content Team Members • Anticipated legal relationships (e.g. joint ventures, partnerships) and % interest • Up to five key personnel and their roles (one of which must be "Cruise Terminal Operations Manager" or similar) • Where Team Members have worked together before (if relevant) • Evidence of experience of each Team Member in carrying out major infrastructure projects, including DBFOM or RDBFOM projects • Evidence of experience of Team Member(s) in marine terminal operations • Any experience in administering FEMA funding	
2.2	Resumes (indicating overall experience and any specific experience relevant to the nature and scope of the Project) for no more than three (3) Key Individuals representing the Respondent *(1 page per resume maximum – resumes do not count towards the overall page count for Part 2)*	
Part 3	**Financial Capabilities (10 pages maximum)**	**30%**
	The evaluation of financial capabilities will examine each SOQ in accordance with the criteria set out below, including, but not limited to, the extent to which the SOQ satisfies the anticipated financial capability requirements of the PPP Agreement with respect to the following:	
3.1	**Financial Capacity of Team:** Respondents must demonstrate their financial capacity to pay the expected equity portion of the up-front acquisition proceeds and to fulfil the terms of the PPP Contract. To demonstrate sufficient financial capacity, each Team Member must provide copies of audited financial statements for the past two years, together with any other relevant financial information. *(Audited financials & supporting information not included in page count)*	
3.2	**Ability to Raise Financing:** Respondents must provide specific evidence demonstrating their ability to raise financing for a project of this nature and scope. Specific factors that will be assessed include: a. Capability of raising debt and equity in the current capital markets; b. The number and size of past relevant transactions; c. Specific experiences on past relevant transactions; and d. Any local content financing (if relevant).	
3.3	Letters of support from up to three financing institutions indicating a willingness to provide debt financing for the project *(not included in page count)*	
3.4	Equity Funding Letter as set out in Part 6.6 *(not included in page count)*	

Part 4	Technical & Operational Capabilities (20 pages maximum)	50%
	The evaluation of technical capabilities will examine each SOQ in accordance with the criteria set out below:	
4.1	**Design & Construction Capabilities:** Respondents must provide specific evidence demonstrating their ability to undertake the design & construction elements for a project of this nature and complexity. Specific factors that will be assessed include: a. The number and size of past relevant transactions (in particular marine terminal transactions); b. Capacity to plan, construct, and commission a marine terminal development or similar projects; and c. Ability to incorporate elements of repair / refurbishment as well as new build components.	
4.2	**Cruise Terminal Operations:** Respondents must provide specific evidence demonstrating their ability to operate a cruise terminal (or other marine terminal). Specific factors that will be assessed include: a. The number and size of past or current cruise terminals (or marine terminals) under operation; b. Track record of successful operations c. Demonstrated ability to grow patronage of cruise terminals.	
4.3	**Open Access:** Respondents must set out their approach for ensuring that the terminals are operated in a fair and non-discriminatory fashion. Specific factors that will be assessed include: a. Approach for allocating capacity between competing Cruise Lines b. Approach for ensuring fair treatment of Cruise Lines when their interests conflict with interests of the Private Partner (or a Cruise Line affiliate of the Private Partner), if relevant c. Track record of successfully demonstrating fair and non-discriminatory operations at other terminals *(Open Access policies, preferred models and/or precedents used or recommended by Respondents to demonstrate their proposed approach and track record may be submitted as an Appendix and will not be included in page count)*	
4.4	**Facilities Maintenance & Rehabilitation:** Respondent must provide evidence of experience with facilities management and rehabilitation in a marine environment. Specific factors that will be assessed include: a. The number and size of past or current cruise terminals (or marine terminals) under operation; b. Track record of successful maintenance operations	
4.5	**Local Content:** The Authority is called under the Act to evaluate Respondents' use of local capital and other professionals and subcontractors to the greatest extent possible. As such, Respondents shall, as part of their SOQs, provide descriptions of their current and/or anticipated business arrangements with Local Parties and, in particular, Local Parties who are Team Members and/or Key Individuals for the Project. Respondents may provide relevant and credible information to support their response, including, signed copies of the relationship documentation and/or legal agreements(s) (e.g., letters of support, memoranda of understanding, partnership or joint venture agreements, etc.) supporting their response. *(Letters of support, memoranda of understanding, partnership or joint venture agreements, etc. will not count towards the page maximum.)*	

Part 5	Safety Performance (no page limit)	Pass or Fail (not weighted)
5.1	Respondent shall submit copies of the Occupational Safety and Health Administration (OSHA) 300 forms for the past three (3) years. If not applicable, a prospective Respondent shall present a document explaining the reasons for not submitting the form. *These may be included in an Appendix if the Respondents so desire.*	
Part 6	**Attachments (no page limit other than as specified)**	
6.1	**Comparable Projects:** Provide a list of comparable projects in which Team Members have participated in the last 10 years. Respondents should specify how these comparable projects relate to the Project. *(List should be 2 pages maximum)*	
6.2	**References:** Provide a list of up to three references with respect to each Team Member. These references should be able to describe the relevant qualifications and capabilities of Team Members looking to take a leading role in the operation and maintenance of the Project. If possible, these references should come from the procuring government agencies or lead sponsors in previous roles.	
6.3	**D&C Case Studies:** Up to three (3) project case studies showing the Respondent's design & construction capability relevant to the nature and scope of the Project within the last ten years *(2 pages per project maximum)*	
6.4	**Operational Case Studies:** Up to three (3) project case studies showing the Respondent's capability to operate cruise terminals, marine terminals, or another project similar to the Project as relevant to the nature and scope of the Project within the last ten years *(2 pages per project maximum)*	
6.5	**Financing Case Studies:** Up to three (3) project case studies showing the Respondent's financing capability relevant to the nature and scope of the Project within the last ten years *(1 page per project maximum)*	

Required minimum details for Case Studies:

1. *Name and location of project*
2. *Type of facility*
3. *Client (including name of client contact, telephone number and email address)*
4. *Description of the services provided by the Team Member and % interest*
5. *Contract Value for the Construction / maintenance / operations (as applicable)*
6. *Start date and completion date of the project*
7. *Maintenance and/or operations period – start, end and duration*
8. *Legal contractual status of the firm (main contractor, consortium, partner, subcontractor, operator)*
9. *Description of how the reference project was financed and the financing was structured (if applicable)*
10. *Description of how the reference project is similar or relevant to the San Juan Bay Cruise Terminals Project*

6.6 Each Equity Member shall provide an Equity Funding Letter which will be used as supporting evidence of the Equity Member's commitment to the funding of the Project.

If the Equity Member is an investment fund, then the Equity Funding Letter must be signed by the fund's authorized signatory, and at a minimum shall include the following items:

a. **Approval Process.** Provide an overview of the completed to-date and remaining approval process (along with an indicative schedule) required to commit to and fund the required equity commitment for the Project.
b. **Funding Vehicle.** Provide the name and ownership structure of the investment fund that will ultimately carry this investment.
c. **Investment Capacity.** Provide supplemental information to the financial statements (as necessary) of the investment fund to positively demonstrate existing and/or committed capital capacity for the Project, consistent with the likely equity investment and the Equity Member's responsibility to provide the share percentage.
d. **Investment Criteria.** Provide assurances that the Project meets all of the investment policy requirements of the investment fund cited in (b) above (e.g., is an approved project, does not contradict any capital allocation policy) and is consistent with its investment objectives.

If the Equity Member intends to fund its equity commitment through use of internal resources (e.g., a corporate entity supplying its own capital), the letter must be signed by the Chief Investment Officer, the Chief Financial Officer, or the Chief Executive Officer, and at a minimum shall include the following items:

a. **Approval Process.** Provide an overview of the approval process required to commit to and fund the required equity commitment. This section should include an identification and description of any required board, investment committee, or other formal approvals needed, as well as an indicative schedule for securing those approvals.
b. **Sourcing Commitment.** Identify where and how the equity commitment will be sourced and a narrative description of how competing allocation and capacity issues are considered between several project opportunities the Equity Member pursues simultaneously.
c. **Investment Criteria.** Provide assurances that the Project meets all corporate strategy and investment policy requirements.

If the Equity Member intends to fully or partially rely on third party investors or investment managers to fund the equity investment in the project and to meet the financial capacity requirements of this RFQ, the Equity Member must provide either from each investor or the manager of such funds:

a. The name of institutional partners;
b. The investment criteria and confirmation that the anticipated investment and amount are permitted under the criteria; and
c. The approval process for such investment.

4. SOQ Requirements & Procedure

4.1 SOQ Requirements

Overview of Requirements

Prospective Respondents that anticipate responding to this RFQ shall so indicate as soon as possible by providing contact information via e-mail to the PPP Committee Contact's e-mail address listed below. The SOQ should comply with the outline provided under "Required Information for RFQ Submission" below and all other conditions identified in this RFQ. Additional information not specifically related to the Project or this RFQ should not be included. All questions or requests for information regarding this RFQ should be directed to the PPP Committee Contact via e–mail. Please do not contact any officials or related parties of the Authority or the Owners in any other manner. Such contact may serve as grounds for disqualification.

Address questions, comments, RFCs to:

San Juan Bay Cruise Terminals PPP Partnership Committee

Request for Qualifications –

San Juan Bay Cruise Terminals Project

E-mail: prcruiseterminals@p3.pr.gov

No Liability for Costs

The Owners, the Authority and their advisors are not responsible for costs or damages incurred by Respondents, Team Members, subcontractors, or other interested parties in connection with the solicitation or procurement process, including but not limited to costs associated with preparing responses, qualifications, and proposals, and of participating in any conferences, oral presentations or negotiations, whether in connection with this RFQ and the RFP or otherwise. A Shortlisted Respondent will not be entitled to indemnity (including, but not limited to, reimbursement for costs and expenses) from the Authority or the Owners if the Authority or the Owners decide, in their discretion, to terminate the procurement process for this Project.

Modification and Termination Rights

The Owners and the Authority reserve the right to modify or terminate the RFQ and the RFP process for this Project at any stage if the Authority or the Owners determine such action to be in the best public interests. The receipt of responses or proposals or other documents at any stage of either the RFQ or the RFP process will in no way obligate the Owners or the Authority to enter into any contract of any kind with any party.

Authorization for Further Investigation

By submitting a response to this RFQ, each Respondent specifically authorizes the Owners, the Authority, the PPP Committee and their respective officers, employees and consultants to make any inquiry or investigation to verify the statements, documents, and information submitted in connection with this RFQ, and to seek clarification from the Respondent's officers, employees, advisors, accountants and clients regarding the same.

4.2 Required Information for RFQ Submission

Compliance with the RFQ

The SOQ must be prepared in English and follow the outlined below. Respondents can opt to submit responses in Word or Power Point templates. Responses should STRICTLY comply with the following format:

- Cover Page (to include identification of all Team Members)
- Cover Letter (2 pages maximum)
- Table of Contents
- Executive Summary (2 pages maximum)
- The specific requirements as set out in section 3.2 above:
  - **Part 1: Compliance with the Requirements of the Act (No page limit) - Pass or Fail**
    - An executed Respondent Certification from the Respondent **and each Team Member**. The form of this must strictly follow the form attached to this RFQ as Appendix A.
    - An executed Document Acknowledgement and Contact Information letter from the Respondent (executed by the Respondent's representative). The form of this must strictly follow the form attached to this RFQ as Appendix B.
  - **Part 2: Background & Team Information (15 pages maximum) - Weight 20%**

Respondents should address all areas referred to in the Evaluation Criteria set out in Section 3.2 of this RFQ, under the heading "Background & Team Information".

- **Part 3: Financial Capabilities (10 pages maximum) - Weight 30%**

Respondents should address all areas referred to in the Evaluation Criteria set out in Section 3.2 of this RFQ, under the heading "Financial Capabilities".

- **Part 4: Technical & Operational Capabilities (20 pages maximum) - Weight 50%**

Respondents should address all areas referred to in the Evaluation Criteria set out in Section 3.2 of this RFQ, with respect to "Technical Capabilities".

- **Part 5: Safety Performance (No page limit) - Pass or Fail**

Respondents shall submit copies of the documents required in Section 3.2 of the RFQ with respect to safety performance. If not applicable, a Respondent shall present a document explaining the reasons for not submitting the form. Respondents must demonstrate (a) their ability to address and resolve safety issues, and (b) knowledge of safety strategies and methodologies.

- **Part 6: Attachments (Page limits where indicated)**

Respondents should provide all attachments set out in Section 3.2 of this RFQ under the heading "Attachments". Such attachments shall be assessed under "Background & Team Information", "Financial Capabilities" and "Technical Capabilities" as relevant.

4.3 Pre-RFP Submission Confirmation

Prior to the issuance of the RFP documents, the Owners and the Authority may, in their discretion, request any Respondent to confirm that there have been no material changes to the information submitted with respect to the Respondent and/or any Team Member in response to the submission requirements set out in this RFQ. If there have been any material changes to the submitted information, the Respondent shall provide details of such changes in accordance with any requirements the Owners or the Authority may impose at that time. The Owners and the Authority shall evaluate the information submitted by the Respondents in accordance with the evaluation

criteria set out in Section 4.2 of this RFQ and may revise the Respondent's score and ranking to reflect the results of the evaluation. If a Respondent's revised score results in a change in its ranking, the Owners may, in their discretion, invite other Respondents based on their ranking in this RFQ process to be added to the list of Shortlisted Respondents and replace the Respondent whose score was re-evaluated under this Section 4.3, even if those replacement Respondents were not Shortlisted Respondents in the first instance.

4.4 Reporting of Material Adverse Change

At any time prior to the issuance of the RFP documents, a Shortlisted Respondent shall submit immediately to the Owners information pursuant to the submission requirements set out in this RFQ either (i) upon the occurrence of a material adverse change to the information previously submitted by the Respondent or any key Team Member in response to such submission requirements, or (ii) from time to time upon the Owners' or the Authority's request. The PPP Committee shall evaluate the information submitted by the Respondent in accordance with the evaluation criteria set out in Section 4.2 above, and may revise the Respondent's score and ranking to reflect the results of the evaluation. If a Shortlisted Respondent's revised score results in a change in its ranking, the Owners may, in their discretion, invite other Respondents based on their ranking in this RFQ process to be added to the list of Shortlisted Respondents and replace the Respondent whose score was re-evaluated under this Section 4.4, even if those replacement Respondents were not Shortlisted Respondents in the first instance.

4.5 RFQ Submission Instructions & Next Steps

The Respondent shall submit one (1) originally executed SOQ, with signatures in blue ink, and four (4) copies along with one copy in portable document format (PDF) on a CD. The SOQ containing original signatures shall be marked as "Originals". **The SOQ shall be delivered no later than the Submission Deadline.** Respondents should not submit promotional materials as part of their RFQ submissions and are strongly encouraged not to submit information that is not required by this RFQ. Respondents are strongly encouraged to be succinct in their prequalification submissions. If there are page limits set out in Section 4.2, a Respondent shall limit its prequalification submission, or each component of the RFQ submission, to the maximum number of pages indicated in Section 4.2. Respondents are cautioned that, if there are page limits set out in Section 4.2, the PPP Committee will not review or score pages submitted in excess of the maximum number of pages indicated for such item. The SOQ shall be labeled as follows:

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Puerto Rico Public-Private Partnerships Authority

San Juan Bay Cruise Terminal PPP

SOQ Submitted by (Respondent's name and Address)

The SOQ shall be delivered to:

San Juan Bay Cruise Terminal PPP

Puerto Rico Public-Private Partnerships Authority

cc: Laura Femenias, Esq. – Deputy Executive Director

Puerto Rico PPP Authority

Puerto Rico Fiscal Agency and Financial Advisory Authority Building

(former GDB Building), 3rd Floor Roberto Sánchez Vilella Government Center, De Diego Ave

San Juan, PR 00940-2001

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4.6 Confidentiality of RFQ Submission

All SOQs shall become the property of the Authority, except for documents or information submitted by Respondents which are trade secrets, proprietary information or privileged or confidential information of the Respondents. Respondents are advised to review the confidentiality and publication provisions contained in Articles 9(i) and 9(j) of the Act and Section 9.3 of the Regulation. In order to ensure that documents identified by Respondents as "confidential" or "proprietary" will not be subject to disclosure under the Act, Respondents must label such documents as "confidential" or "proprietary," provide a written explanation of why such labeled documents are "confidential" or "proprietary," including why the disclosure of the information would be commercially harmful, reference to any legal protection currently enjoyed by such information and why the disclosure of such information would not be necessary for the protection of the public interest, and request that the documents so labeled be treated as confidential by the PPP Committee according to the process described in the following paragraph.

If a Respondent has special concerns about confidential or proprietary information that it desires to make available to the PPP Committee prior to its RFQ submission, such Respondent may wish to:

- Make a written request to the PPP Committee for a meeting to specify and justify proposed confidential or proprietary documents.
- Make an oral presentation to the PPP Committee staff and legal counsel.
- Receive written notification from the PPP Committee accepting or rejecting confidentiality requests.

Failure to take such precautions prior to filing an RFQ submission may subject confidential or proprietary information to disclosure under Articles 9(i) and 9(j) of the Act and/or Section 12.3 of the Regulation.

The PPP Committee will evaluate all confidentiality requests according to the criteria indicated in the Act and the Regulation. The PPP Committee shall determine whether or not the requested materials are exempt from disclosure. Upon such determination, the Authority will endeavor to maintain the confidentiality of any information that a Respondent indicates to be proprietary or a trade secret, or that must otherwise be protected from publication according to law, except as required by law or by a court order. In the event that the PPP Committee elects to disclose the requested materials, it will provide the Respondent notice of its intent to disclose, in which case the Respondent may request the immediate return of such materials prior to disclosure by the PPP Committee and they will thereafter form no part of the Respondent's submission. In no event shall the Government of Puerto Rico, the Authority, the PPP Committee or the PRPA be liable to a Respondent for the disclosure required by law or a court order of all or a portion of an RFQ submission filed with the Authority.

Upon execution of the PPP Contract, the PPP Committee is required to make public its report regarding the procurement process, which shall contain information related to the qualification, procurement, selection and negotiation process, and the information contained in the RFQ submission, except information that qualifies as trade secrets, proprietary or privileged information of the Respondent or its Team Members clearly identified as such by the Respondent, or information that must otherwise be protected from publication according to law, as may have been determined by the PPP Committee, unless otherwise required by law or by a court order.

4.7 Use of Confidential Information

Each Respondent must declare and continue to be under an obligation to declare that it does not have knowledge of or the ability to avail itself of Confidential Information of the Government or the Authority relevant to the Project where the Government or the Authority have not specifically authorized such use. Such Confidential Information:

- shall remain the sole property of the Government, the Authority or the Owners, as applicable, and the Respondent shall treat it as confidential;

- may not be used by the Respondent for any other purpose other than submitting an SOQ, RFP submission or the performance of any subsequent agreement relating to the Project with the Government or the Owners, as applicable;
- may not be disclosed by the Respondent or any Team Member to any person who is not involved in the Respondent's preparation of its SOQ, RFP submission or the performance of any subsequent agreement relating to the Project with the Government or the Owners, as applicable, without prior written authorization from the party in respect of whom the Confidential Information relates;
- if requested by the Government or the Owners, will be returned to same no later than ten calendar days after such request; and
- may not be used in any way that is detrimental to the Government, the Authority or the Owners.

Each Respondent shall be responsible for any breach of the provisions of this Section 4.7 by any Person to whom it discloses the Confidential Information. Each Respondent acknowledges and agrees that a breach of the provisions of this Section 4.7 would cause the Owners, the Authority, the Government and/or their related entities to suffer loss which could not be adequately compensated by damages, and that the Owners, the Authority, the Government and/or any related entity may, in addition to any other remedy or relief, enforce any of the provisions of this Section 4.7 upon submission of the Respondent's SOQ to a court of competent jurisdiction for injunctive relief without proof of actual damage to the Owners, the Authority, the Government or any related entity.

The provisions in this Section 4.7 shall survive any cancellation of this RFQ or the RFP and the conclusion of the RFQ and RFP processes.

4.8 Conflict of Interest & Ineligible Persons

Each Respondent Representative, on behalf of the Team Members identified as meeting the experience requirements of this RFQ, must declare and continue to be under an obligation to declare all Conflicts of Interest or any situation that may be reasonably perceived as a Conflict of Interest that exists now or may exist in the future. "Conflict of Interest" includes any situation or circumstance where in relation to the Project, the Respondent of any Team Member identified as meeting the experience requirements contemplated in this RFQ have other commitments, relationships or financial interests that,

(a) could or could be seen to exercise an improper influence over the objective, unbiased and impartial exercise of the Owners' or the Authority's independent judgment; or

(b) could or could be seen to compromise, impair or be incompatible with the effective performance of its obligations under the Project Agreement.

In connection with its SOQ, each Respondent and each Team Member shall,

(a) avoid any Conflict of Interest in relation to the Project;

(b) disclose to the Owners and to the Authority without delay any actual or potential Conflict of Interest that arises during the RFQ process; and

(c) comply with any requirements prescribed by the Owners and the Authority to resolve any Conflict of Interest.

In addition to all contractual or other rights or rights available at law or in equity or legislation, the Owners and the Authority may immediately exclude a Respondent or any of its Team Members from further consideration or remove the Respondent or any Team Member from the RFQ process if,

(a) the Respondent fails to disclose an actual or potential Conflict of Interest;

(b) the Respondent or a Team Member identified as meeting the experience requirements of this RFQ fails to comply with any requirements prescribed by the Authority or Owners to resolve a Conflict of Interest; or

(c) the Respondent's Conflict of Interest issue cannot be resolved.

Pursuant to Section 8.1 of the Regulation, note that any Person by virtue of its participation in this RFQ process, authorizes the Authority to apply to the relevant competent governmental authority to obtain further information regarding the prospective Respondent and in particular, details of convictions of the offenses listed in Article 9(c)(ii) of the Act if the Partnership Committee considers it necessary for its selection or evaluation process.

4.9 RFQ Miscellaneous Instructions

Addenda to RFQ

The Authority reserves the right to amend this RFQ at any time. Any amendments to this RFQ shall be described in written Addenda. Copies of each Addendum shall be available at the Authority's website: http://www.p3.pr.gov. Respondents are encouraged to review the Authority's web page regularly. All Addenda will become part of this RFQ. In the event of any conflict in the wording or any issue of interpretation, Addenda, when issued, will take priority over the original wording in the RFQ and any wording in prior Addenda. Each Respondent shall, in its SOQ, acknowledge receipt of each Addendum. Each Respondent is solely responsible to ensure that it has received all communications issued by the Authority and the Owners. A failure to obtain any such communication is at the sole and absolute risk of the Respondent and the Authority and the Owners accept no responsibility for any Respondent that does not receive or obtain all RFQ information (including Addenda). Each response to this RFQ is deemed to be made on the basis of the complete RFQ issued prior to the Submission Deadline.

Withdrawal of SOQs

A Respondent may withdraw an SOQ by delivering to the Authority, prior to the Submission Deadline, at the address for delivery of SOQs set forth in Section 4.5, a written request for withdrawal of an SOQ. Any such withdrawal does not prejudice the right of a Respondent to submit another SOQ by the Submission Deadline.

4.10 Disclaimer

The information provided in this RFQ, or any other written or oral information provided by the Authority, the PRPA, the PPP Committee, the Government, or their respective officers, employees, advisors or consultants in connection with the Project or the selection process is provided for the convenience of the Respondents only. Respondents shall make their own conclusions as to such information. Oral explanations or instructions from officials, employees, advisors or consultants of the Authority, the PRPA, the PPP Committee, or any Puerto Rico public agency shall not be considered binding on the Authority, the PRPA, the PPP Committee, or the Government. The Authority, the PRPA, the PPP Committee, the Government, and their respective officers, employees, advisors and consultants make no representation as to such information, the accuracy and completeness of such information is not warranted by any of them and none of them shall have any liability in connection with such information or the selection process, all of which liability is expressly waived by the Respondents and each Team Member. This RFQ is not an offer to enter into any contract of any kind whatsoever.

4.11 Reservation of Rights

In connection with the proposed Project, the Authority and the PRPA reserve all rights (which rights shall be exercisable by the Authority and the PRPA in their absolute discretion) available to them under applicable laws and regulations, including, without limitation, with or without cause and with or without notice, the right to:

a) modify the procurement process to address applicable law and/or the best interests of the Authority, the PRPA and the Government;

b) develop the Project in any manner that they deem necessary and change the limits, scope and details of the Project;

c) if the Authority and the PRPA are unable to negotiate a PPP Contract to their satisfaction with a Preferred Proponent, they may negotiate with the next highest ranked Shortlisted Respondent, terminate the process and pursue other alternatives relating to the Project, or exercise such other rights as they deem appropriate;

d) cancel the procurement process, as applicable, in whole or in part, at any time prior to the execution by the PRPA of an agreement, without incurring any cost, obligations or liabilities whatsoever;

e) issue a new RFQ after withdrawal of this RFQ;

f) reject or disqualify any and all RFQ submissions and responses received at any time for any reason without any obligation, compensation or reimbursement to any Respondent or prospective Respondent or Team Member;

g) modify all dates, deadlines, process, schedule and other requirements set out, described or projected in this RFQ;

h) terminate evaluations of responses received at any time;

i) exclude any Respondent from submitting any response to the RFQ or bid, as the case may be, based on failure to comply with any requirements;

j) issue addenda, supplements and modifications to this RFQ;

k) require direct confirmation of information furnished by a Respondent, additional information from a Respondent concerning its response or additional evidence of qualifications to perform the work described in this RFQ;

l) consider, in the evaluation of any RFQ submission, any instances of poor performance by a Respondent, Team Member or key individual that any of the Authority, the PRPA or the Government may have experienced or experienced by a third party, be it one of the included references or otherwise;

m) seek or obtain data from any source that has the potential to improve the understanding and evaluation of the responses to this RFQ;

n) add or delete Respondent responsibilities from the information contained in this RFQ or any subsequent process instruments.

o) negotiate with any party without being bound by any provision in its response.

p) waive any deficiency, defect, irregularity, non-conformity or non-compliance in any response to the RFQ or permit clarifications or supplements to any response to the RFQ, and accept such response even if such deficiency, defect, irregularity, non-conformity or non-compliance would otherwise render the response null and void or inadmissible.

q) add or eliminate facility expansion to or from the Project.

r) incorporate the RFQ or any Respondent's response to the RFQ or portion thereto as part of the RFP or any formal agreement with a Private Partner.

s) not issue a notice to proceed after execution of any contract.

t) exercise any other right reserved or afforded to the Authority and the PRPA under the Act, the Regulation, this RFQ or applicable law.

This RFQ does not commit the PRPA to enter into a contract or proceed with the Project as described herein. The Authority, the PRPA, and the Government assume no obligations, responsibilities, or liabilities, fiscal or otherwise, to reimburse all or part of the costs incurred or alleged to have been incurred by parties considering a response to and/or responding to this RFQ, or in considering or making any submission. All of such costs shall be borne solely by each Respondent.

In no event shall the Authority or the PRPA be bound by, or liable for, any obligations with respect to the PPP Contract until such time (if at all) as a contract, in form and substance satisfactory to the Authority, the PRPA and the Governor, has been executed and authorized by the PRPA and, then, only to the extent set forth therein.

4.12 Limitation of Damages

Each Respondent, by submitting a response to this RFQ, agrees that in no event will the Authority, the PRPA, the PPP Committee, the Government, or any of their respective directors, officers, employees, advisors or representatives, be liable, under any circumstances, for any Claim, or to reimburse or compensate the Respondent in any manner whatsoever, including but not limited to costs of preparation of the response, loss of anticipated profits, loss of opportunity, or for any other matter. Without in any way limiting the above, each Respondent and Team Member specifically agrees that it will have absolutely no Claim against the Authority, the PRPA, the PPP Committee or the Government or any of their respective directors, officers, employees, advisors or representatives if any such party for any reason whatsoever:

- does not select a shortlist of prequalified Respondents;
- suspends, cancels, or in any way modifies the Project or the solicitation process (including modification of the scope of the Project or modification of the RFQ or both);
- accepts any compliant or non-compliant response or selects a shortlist of one or more prequalified Respondent(s);
- under the terms of the RFQ permits or does not permit a Restricted Party to advise, assist, or participate as part of a Respondent team; or,
- for any breach or fundamental breach of contract or legal duty of the Authority, the PRPA, the PPP Committee or the Government, whether express or implied, and each Respondent waives any and all Claims whatsoever, including Claims for loss of profits or loss of opportunity, if the Respondent is not shortlisted in the solicitation process for any other reason whatsoever.

For purposes of this Section 4.12, **"Claim"** means any claim, demand, liability, damage, loss, suit, action, or cause of action, whether arising in contract, tort or otherwise, and all costs and expenses relating thereto.

4.13 Judicial Review

Judicial review of the selection and award process for qualifications must be pursued in accordance with Section 20 – Judicial Review Procedures of the Act. Mechanisms for requesting reconsideration before the Authority or PRPA shall not apply and will not be available as part of this procedure. Only those Respondents who comply with the applicable requirements set forth in Section 20 of the Act may request judicial review of a final determination that the Respondent is not qualified.

Section 20 establishes the period to seek judicial review, the period for the Puerto Rico Court of Appeals to address the writ of review, and the period to seek a writ of certiorari before the Puerto Rico Supreme Court. Section 20 also prescribes the notification requirements and the consequences of seeking such judicial remedies, including that if either the Puerto Rico Court of Appeals or the Puerto Rico Supreme Court grant a writ of review or writ of certiorari, as applicable, the procedures for the qualification of proponents, or for the evaluation or selection of proposals or negotiation of the PPP Contract by the PPP Committee will not be stayed.

The qualification determinations of the PPP Committee and the approval of the PPP Contract by the Governor or the official onto whom he/she delegates, as provided under Section 9(g)(ii)-(v) of the Act shall only be overturned upon a finding of manifest error, fraud or arbitrariness. The non-prevailing party shall defray the expenses incurred by the other parties involved in judicial review proceedings under Section 20 of the Act. The Respondent that seeks judicial review may not, under any circumstance, as part of its remedies, claim the right to be redressed for indirect, special or foreseeable damages, including lost profits.

The above is only a succinct summary of Section 20 of the Act and Respondents should review and understand such judicial review provisions.

APPENDIX A: FORM OF RESPONDENT AND TEAM MEMBERS CERTIFICATION

[Letterhead of each Respondent or Team Member, as applicable]

Ms. Laura Femenías Jové, Esq.

Deputy Executive Director

Puerto Rico PPP Authority

Dear Ms. Femenías Jové,

Re: Puerto Rico Cruise Terminal PPP - Request for Qualifications

We have carefully reviewed the Request for Qualifications dated 5 September 2018 ("RFQ") issued by the Puerto Rico Public-Private Partnerships Authority and all other documents accompanying or made a part of the RFQ. Capitalized terms used in this certificate have the meanings given to them in the RFQ.

We acknowledge and agree to comply with all terms and conditions of the RFQ, the attached Statement of Qualifications (SOQ) and all enclosures thereto. Without limitation, we specifically acknowledge the disclaimer contained in Section 4.10 and the limitation of damages contained in Section 4.12 of the RFQ.

We certify that the information contained in the attached Statement of Qualifications is truthful. We further certify that the individual who has signed and delivered this certification is duly authorized to submit the attached Statement of Qualifications on behalf of the Respondent or Team Member, as applicable, as its acts and deed and that the Respondent or Team Member, as applicable, is ready, willing and able to participate in the RFP process and perform if awarded the PPP Contract.

We further certify that we are *[describe the type of entity or entities (corporation, partnership, LLC, etc.)]* organized in *[indicate the jurisdiction of organization]* and the entity contemplated by Respondent and Team Members to be the one that will execute the PPP Contract will have no impediment to, and will be authorized to do business in Puerto Rico and to enter into a contractual relationship with government entities in Puerto Rico, as well as to comply with any other applicable Puerto Rico or U.S. laws and/or requirements.

We further certify that neither we nor any of our directors, officers, shareholders, or subsidiaries, nor its parent company, nor in the case of a partnership, any of its partners, nor any person or entity that may be considered an alter ego of the Respondent or Team Member, as applicable (each a "Covered Party"), has been convicted, has entered a guilty plea or has been indicted, nor has probable cause been found for their arrest, in any criminal proceeding in the courts of the Government of Puerto Rico, the Federal courts of the United States, or the courts of any jurisdiction of the United States or a foreign country, of criminal charges related to acts of corruption or any of the crimes referenced in Articles 4.2, 4.3 or 5.7 of Act No. 1-2012, as amended, known as the Organic Act of the Office of Government Ethics of Puerto Rico, any of the crimes typified in Articles 250 through 266 of Act No. 146-2012, as amended, known as the Puerto Rico Penal Code, or any of the crimes listed in Act No. 2-2018, as amended, known as the Anti-Corruption Code for a New Puerto Rico or for any other felony that involves misuse of public funds or property, including but not limited to the crimes mentioned in Article 6.8 of Act No. 8-2017, as amended, known as the Act for the Administration and Transformation of Human Resources in the Government of Puerto Rico, or under the Foreign Corrupt Practices Act; nor is any Covered Party under investigation in any legislative, judicial or administrative proceedings, in the Commonwealth of Puerto Rico, the United States or any other country. The Respondent and Team Members are in compliance with all federal, state, local and foreign laws applicable to the Respondent or Team Member, as applicable that prohibit corruption or regulate crimes against public functions or public funds, including the Foreign Corrupt Practices Act.

We further certify that we shall continue to comply at all times with laws which prohibit corruption or regulate crimes against public functions or funds, as may apply to the Respondent, or Team Member, as applicable whether Federal, state or Government of Puerto Rico statutes, including the Foreign Corrupt Practices Act.

We further certify that no officer or employee of the Authority, the PRPA, the PPP Committee or any other public agency of Puerto Rico who participates in the selection process described in, or negotiations in connection with, the RFQ (nor any member of their families) has an economic interest in or is connected with the *[Respondent or Team Member, as applicable]*, and no officer or employees of the Authority, the PRPA, the PPP Committee or any other public agency of Puerto Rico (nor any member of their families) has directly or indirectly participated with the *[Respondent or Team Member, as applicable]* in the preparation of its RFQ submission.

We further certify that we are in compliance with the provisions of Act No. 2 of 2018, also known as the Anti-Corruption Act 2018.

We further certify that we are in compliance with the provisions of the Authority's Guidelines for the Evaluation of Conflicts of Interest and Unfair Advantages in the Procurement of Public-Private Partnership Contracts, a copy of which is available at the Authority's website: http://www.p3.pr.gov.

We further certify that this SOQ is made without prior understanding, agreement, connection, discussion or collusion with any other person, firm or corporation submitting a separate Statement of Qualifications or any officer, employee or agent of the Authority, the PRPA or the Government of Puerto Rico; and that the undersigned executed this Respondent's and Team Member Certificate with full knowledge and understanding of the matters herein contained and was duly authorized to do so.

We further certify that Respondent and Team Members will not attempt to communicate in relation to the RFQ, directly or indirectly, with any representative of the Owner, the Partnership Committee or the Authority, including any Restricted Parties, or any director, officer, employee, agent, advisor, staff member, consultant or representative of any of the foregoing, as applicable, for any purpose whatsoever, including for purposes of: (a) commenting on or attempting to influence views on the merits of the Respondent's and Team Members' SOQ, or in relation to their SOQ; (b) influencing, or attempting to influence, the outcome of the RFQ stage, or of the competitive selection process, including the review, evaluation, and ranking of SOQs or the selection of the Shortlisted Firms; (c) promoting the Respondent and Team Members or their interests in the Project, including in preference to that of other Respondents or Team Members; (d) commenting on or criticizing aspects of the RFQ, the competitive selection process, or the Project including in a manner which may give the Respondent or its Team Members a competitive or other advantage over other Respondents or Team Members; and (e) criticizing the SOQs of other Respondents.

The undersigned Respondent and Team Members acknowledge that any violation or misrepresentation with respect to the above prohibit their participation in any procurement process under the Act and other applicable laws of Puerto Rico and therefore will be disqualified from participating hereunder.

The attached Statement of Qualifications shall be governed by and construed in all respects according to the laws of Puerto Rico and the terms of the RFQ.

Our business address is:

[Insert business address]

Yours faithfully,

[Insert appropriate signature block for signature by a person duly authorized to bind the Respondent or Team Member]

APPENDIX B: FORM OF DOCUMENT ACKNOWLEDGEMENT & CONTACT INFORMATION

[Letterhead of the Respondent]

Ms. Laura Femenías Jové, Esq. – Deputy Executive Director

Puerto Rico Public-Private Partnerships Authority

Puerto Rico Fiscal Agency and Financial Advisory Authority Building, 3rd Floor

Roberto Sánchez Vilella Government Center, De Diego Avenue San Juan, PR 00940-2001 USA

Dear Ms. Femenías Jové,

I, *[Name of Respondent Representative]* in my capacity as *[Title]* of *[Name of the Respondent]*, acknowledge on behalf of the Respondent and each Team Member that the Respondent (for itself and each anticipated Team Member) was able to access the Puerto Rico Public-Private Partnerships Authority (the "Authority") web site and downloaded the following documents regarding the Request for Qualifications ("RFQ") for the San Juan Bay Cruise Terminals PPP Project (the "Project"), issued on 5 September 2018 by the Authority. Our contact information for further notifications included below. We accept the transmission of such additional notifications via electronic communications, but acknowledge and accept that we shall have the responsibility of periodically checking in the Public Private Partnership Authority website (at http://www.p3.pr.gov) for any and all official communications regarding the RFQ and other stages of the procurement process for the Project.

Document/File Title	Date Received/Downloaded

Respondent Representative Signature

Date

Contact Information: [Respondent Representative name, title, company, address, electronic mail, telephone number]

APPENDIX C: OVERVIEW OF THE PIERS

PIER 1

Pier 1 is the western most pier and the closest to Old San Juan. As such, this pier is ideal for a port of call facility as it facilitates passengers walking into Old San Juan. However, being one of the older piers it is also the smallest. Today, the pier has a small cruise terminal and a single floor lay-down area used for both embarkation and disembarkation. The upstairs of the building has been rented out as offices. Vehicle access is provided at the front side of the building for operations and vessel supply.

Pier 1 was constructed around 1970 and measures in total 950 ft. The structure consists of a reinforced concrete deck slab founded on reinforced steel piles. Pier 1E has a depth of 27' and has handled 1,500 passengers in one call. Pier 1W has a depth of 32' and has processed 2,500 passengers in one call.

The main structure is approximately 100 ft wide x 550 ft long and has been modified after its initial construction to support the cruise terminal building. Along the length of the main structure are a series of mooring dolphins and aprons which were added around the same time as the terminal building.







PIER 3

Pier 3 is the new and improved port of call facility, which was just recently renovated by the PRPA. As such, Pier 3 is in excellent condition, and it is able to accept the largest cruise ships in operation today. The west side of the pier is still largely operational following the hurricanes.

The pier suffers from a lack of traffic management and parking areas for tour buses and when ships are in port, traffic is seriously congested along the frontage road.

Pier 3 was renovated in 2013 and is a wedge-shaped structure. Access is provided by means of two trestle structures originating from the narrow northern edge of the pier and heading one, northwest, and the other, northeast. Six mooring dolphins and one large mooring platform are present south of the wide portion of the wedge, connected to the main structure via platforms and catwalks. The total length of the trestles, pier, and dolphins is 1,484'.

The structure consists of a cast-in-place concrete deck supported by cast-in-place beams and pile bents. The pier and dolphins are supported by square concrete piles. Pier 3E has a depth of 34' and may handle 7,500 passengers in one call. Pier 3W has a depth of 36' and may handle 7,500 passengers in one call.





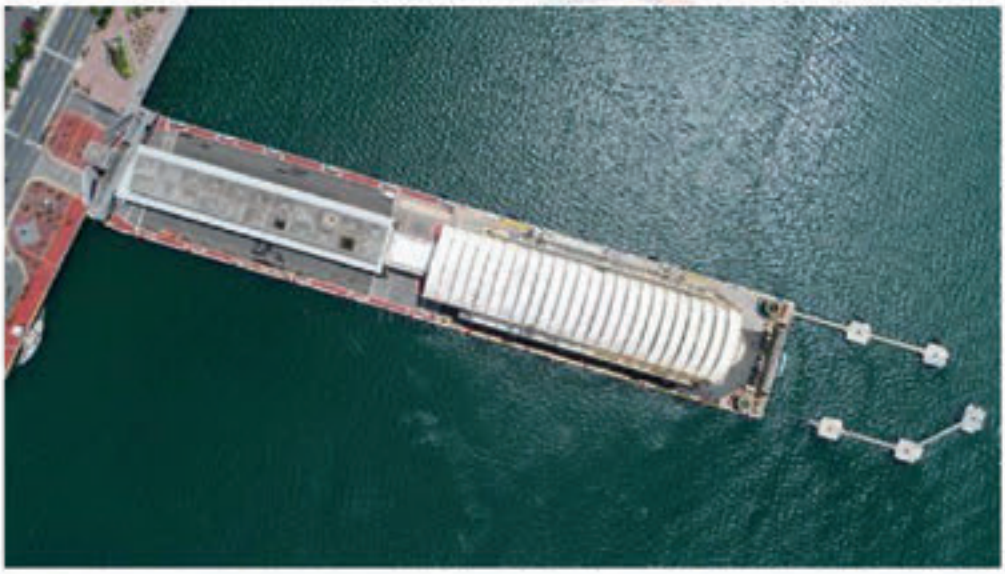


PIER 4

Pier 4 is currently used by Carnival as a homeport and port of call. It was initially built by the Ports Authority in two stages and subsequently its interior was modified by Carnival. Pier 4 can handle ships of approximately 2,000 to 3,000 passengers. In addition, the length of the pier (877 feet) does not allow most new cruise vessels to berth on either side. As a standalone terminal, Pier 4 can operate as a single homeport terminal on the east side and a port-of-call facility in the west side, however, the two cannot operate simultaneously because of traffic congestion and security and customs provisions while the terminal is in operation.

Pier 4 was built around 1980 and has received a number of modifications since then. Pier 4 has a length of 1,146 ft. Pier 4E has a depth of 32' and has handled 4,500 passengers in one call. Pier 4W has a depth of 34' and has handled 4,500 passengers in one call.

Pier 4 is a rectangular shaped structure that is approximately 150 ft wide x 870 ft long, with five additional mooring dolphins outboard of the pier extending an additional 250 ft in the channel. The pier structure consists of a reinforced concrete deck spanning between concrete bent caps. The bent caps were supported on six rows of pile clusters. The number of piles in each cluster varies from one to five throughout, and the piles are typically 18" square piles. Each of the five mooring dolphins consist of a rectangular concrete cap supported on 24 concrete piles, supporting a single mooring bollard and fender. Four of the dolphins are connected to the pier by walkways.





PIERS 11-14

Piers 11-14 piers are not used for vessels operations as they have deteriorated severely. The various warehouses located along the piers are currently used by the FEMA hurricane response team as a logistics base.

Piers 11 to 14 are reinforced concrete wharf structures located within San Juan Port and have a combined length of 2,100 ft. The structures are constructed with reinforced concrete piles, supporting reinforced concrete pile caps, deck beams, and a concrete deck. In total, there are 161 pile bents forming the wharf. Each bent typically contains between five and seven vertical piles and one to two battered piles positioned near the inshore side.



PAN-AMERICAN PIERS I & II

The Pan American Piers are located on the south of Old San Juan and were built around 1980. The modern San Juan cruise ship terminal building at the Pan American Piers is in Isla Grande. It measures in total around 1,518 ft with a depth of 36 ft.

Currently, these are the two most functional facilities in San Juan from an operational point of view. However, there is evidence of significant corrosion and structural failures, due to a lack of maintenance.

In addition, the length of the wharf is not sufficient to handle two large vessels simultaneously. Currently, ferry cruise lines such as Ferries del Caribe is using the westernmost part of the terminal.





EXHIBIT D: QUALIFICATIONS PROCESS MEMORANDUM

CONFIDENTIAL

Qualifications Process Memorandum

San Juan Bay Cruise Terminals Project

Qualifications Process Memorandum
San Juan Bay Cruise Terminals

MEMO FOR THE FILERE: San Juan Bay Cruise Terminals Project

On October 17, 2017, the Puerto Rico Public-Private Partnerships Authority ("**Authority**") and the Puerto Rico Ports Authority ("**PRPA**") received an unsolicited proposal for the exclusive right to repair, design, finance, build, operate and maintain certain cruise terminals in the San Juan Bay and the Navy Frontier Pier (the "**Unsolicited Proposal**"). The Authority evaluated the Unsolicited Proposal following the requirements set forth by the Public-Private Partnerships Act No. 29-2009, as amended ("**Act 29**") and the Regulation for the Procurement, Evaluation, Selection, Negotiation and Award of Participatory Public-Private Partnership Contracts Under Act No 29-2009, as amended ("**Regulation**"). After a thorough review of the Unsolicited Proposal, the Authority determined that the Unsolicited Proposal was beneficial to the public interest. Pursuant to Act 29 and the Regulation, the Authority completed the Desirability and Convenience Study ("**D&C Study**") in July 2018, resulting in a favorable conclusion about the Project. Consequently, the Project was opened to competitive procurement.[17]

On September 5, 2018, pursuant to the processes contemplated in Act 29 for the development of public-private partnerships ("**PPP**"), the Authority and PRPA, issued a Request for Qualifications (the "**RFQ**") to repair, expand, finance, maintain and operate certain cruise terminals in the San Juan Bay (the "**Project**"). Its issuance was announced in the Authority's website, in the Puerto Rico Fiscal Agency and Financial Advisory Authority ("**AAFAF**" for its Spanish acronym)'s website and in PRPA's website as well as published in El Vocero de Puerto Rico and in El Nuevo Día on September 5, 2018.

The Authority received statements of qualifications (the "**SOQs**") in response to the RFQ from five (5) prospective Proponents ("**Respondents**"). This Qualification Process Memorandum (the "**Memorandum**") describes the qualification process followed to evaluate the SOQs and determine if the Respondents are qualified to participate as potential proponents in the next stage of the Project ("**Qualified Respondent**"), which is the Request for Proposal ("**RFP**") stage. Moreover, the Memorandum presents the official list of the qualified Respondents for the RFP stage. The Memorandum consist of the following parts: (I) Project Background; (II) Description of Respondents; (III) Qualification Process Background; (IV) Qualification Process; (V) Outcome of SOQ Evaluation; and (V) Conclusions.

I. Project Background

The port of San Juan is one of the key itineraries on any Caribbean cruise. Piers 1 through 4 were built many years ago, for an older class of ship and for a mix of cargo and passengers. These piers have been continually improved to increase their capacity. In

[17] Capitalized terms used but not otherwise defined in this Report have the meaning ascribed to them in, as applicable, Act 29, the Regulation, and the RFQ.

the 1990's the PRPA invested in developing a new homeport terminal at Pier 4, which was subsequently redesigned to increase its capacity to meet market requirements at that time. Since then, the development of the piers have been ad-hoc, with PRPA endeavoring to support the evolving needs of the cruise industry within the limits of the financing available for development. Due to these funding constraints, the PRPA's development strategy has been hampered and development has been limited to a minimum level of investment needed to maintain the piers. In many cases, PRPA has relied on preferential berthing agreements ("**PBAs**") with certain cruise lines to finance improvements on various terminals. While this approach has allowed PRPA to finance capital improvements, these tie the terminals to a limited number of cruise lines and result in limited improvements. As a result, the San Juan cruise facilities today are undersized and fail to meet the needs of the modern cruise industry.

The Authority and PRPA are interested in delivering a Project that not only solves the aforementioned objectives associated with condition and capacity of the piers, but more importantly, one that supports and encourages continued tourism and economic growth in Puerto Rico. To that effect, the Authority and PRPA wish to enter into a Public-Private Partnership Contract ("**PPP Contract**") with a private sector party ("**Private Partner**") in order to achieve the following objectives for the San Juan Bay Cruise Terminals:

- **Repair:** Over time, repairs and replacements to the San Juan Bay Cruise Terminals have been postponed. This, combined with damage from the hurricanes Irma and María, requires an investment of capital by the Private Partner in order to restore the San Juan Bay Cruise Terminals to world class standards.

- **Expand:** Cruise traffic in the Caribbean continues its strong growth and the San Juan Bay Cruise Terminals need to expand and be upgraded in order to continue to be able to serve the largest cruise ships. The Private Partner would be required to invest in certain defined expansion projects in order to upgrade and improve the capacity and amenities.

- **Operate:** Through the Private Partners' own experience, creativity and initiatives, it is expected to optimize operations and increase passenger volumes at the San Juan Bay Cruise Terminals.

- **Finance:** Make a contribution to PRPA, through either an upfront "Concession Fee," an ongoing revenue share arrangement, or some combination of both.

- **Maintain:** The Private Partner would be required to undertake routine and lifecycle maintenance of the San Juan Bay Cruise Terminals throughout the PPP Contract term, so as to keep the terminals operating at world class standards.

The Private Partner is expected to assume a series of risks associated to the Project in exchange for the right to receive the Project's revenues, including the passenger fees and other fees related to terminal operations.

II. Description of Respondents

Below is a brief description of the Respondents, listed in alphabetical order. The descriptions provide a summary of each Respondent's principal characteristics and are provided merely for convenience and ease of reference. The full SOQs are on file and the Partnership Committee evaluated all such files. Respondents were evaluated strictly based upon the information provided in their SOQs. Other than the Respondents that are travel leisure companies/cruise lines, all other Respondents submitted their qualifications as consortiums. These consortiums comprised of more than one company contributing their respective experience and expertise, mainly available development. As per the RFQ, such Respondent needed to set forth the identity, role and capabilities of each Team Member individually.

1. Carnival

- Carnival is a travel leisure company with a combined fleet of over 100 vessels across nine (9) cruise line brands. It is a single entity incorporated in Panama with its principal offices in Miami. Through its Global Port & Destination Development Group, it has undertaken multimillionaire projects.
- Carnival has fully funded, managed, owned and maintained projects such as: Puerta Maya, Cozumel Mexico; Mahogany Bay, Honduras; Amber Cove, Dominican Republic, among others.
- This Respondent would perform the operating and maintenance aspects of the Project, but does not provide information as to their design, technical, contractors or subcontractors' teams qualifications for the project
- Currently, Carnival has a right to preferential berthing at Pier 4 subject to that certain Preferential Berthing Agreement and Master Development Agreement with Carnival Corporation dated June 7, 2001.

2. Global Ports

- Global Ports operates fourteen (14) ports in eight (8) countries and provides services to 7.8 million passengers annually, including ports such as Barcelona and Malaga, Spain; Venice and Catania, Italy and Lisbon, Portugal.
- As a Respondent for this Project, Global Ports was joined by the following companies as consortium or Team Members, with CBNA and GPH as available Equity Team Members:
    - **CBNA**, owned by Bouygues Construction Group, is a construction and development company that has developed projects such as Kai Tak Cruise

Terminal in Hong Kong, a design and build contract for about $560 million; the New Port of Pusan concession in South Korea for $250 million, and a concession for the extension of the Port of Calais in France for $736 million. CBNA was incorporated in the State of Florida in 2007 and commenced operations in 2009. This company is a heavy civil works contractor specializing in underground works civil engineering structures as well as road and port infrastructures.

- **Bermello, Ajamil and Partners, Inc ("B&A")** is a global interdisciplinary architecture and engineering firm established in 1939. B&A has designed various cruise terminals, including: the Port of San Francisco Terminal 27 & Northeast Wharf Plaza and Terminal A in Miami and Port Everglades Terminal 18. B&A would serve as the design lead partner. In Puerto Rico, they participated in the design of Pier 3 to allow the docking of larger vessels and the remodeling of Pier 4 for Carnival.
- **Integra Design Group ("Integra")** is a local full-service architecture and engineering consulting firm. Integra has experience in North and Latin America, offering specialized and integrated services in three categories: (i) Architecture/Engineering design and conceptualization, (ii) infrastructure, planning and design, and (iii) construction management and consulting. Integra has collaborated in different assignments with B&A in Puerto Rico.

- The Consortium confirmed the intention to engage in potential collaborations with local parties of various areas of expertise.

3. **Puerto Rico Cruise Terminal Partners ("PRCTP")**

- PRCTP is a consortium with the following Team Members:
  - **Ports America ("PA")** is a large terminal operator and stevedore with operations in major ports in the US and more than 90 years of experience (through predecessor companies). PA provides a full range of port services in over 40 ports, including: container, bulk, breakbulk and project cargo; cruise terminals; intermodal facilities and auto roll-on roll-off ("RoRo") operations. In 2017, PA handled approximately 2.1 million cruise ship passengers, 13.4 million Twenty-Foot Equivalent Units ("TEUs"), 2.5 million vehicles and 10.1 million breakbulk, bulk and military ("BBM") tons on an annual basis. PA has experience in U.S. marine terminal industry and in disaster recovery efforts and is a leader in public-private partnership in the US marine terminal industry.
  - **Acciona Concesiones S.L. ("Acciona")**, as a subsidiary of Acciona S.A., Acciona is a construction and development company with experience in more than 300 maritime projects and have delivered infrastructure projects

in Puerto Rico, including the Tren Urbano. Acciona is interested in participating in the project as: i) an Equity Team Member through Acciona Concesiones, and ii) as the Design Build contractor through Acciona Construcción and Acciona Ingeniería.

- **Jacobs' Engineering Group ("Jacobs")** is an engineering and architecture company that has provided services in Puerto Rico for many years. Jacobs' experience on the island includes engineering, environmental, and other consulting services to the industrial, manufacturing, chemical, and infrastructure sectors, including ports. In the last eight years, Jacobs has been involved including the extension of Pier 12 and the inspections of Piers 11 through 14. As part of the consortium, they will be providing master planning for the port facilities.
- **CSA Architects & Engineers LLP ("CSA")** is a local, full-service program management and project delivery company. CSA has accumulated over 60 years of consulting service-experience to a variety of government entities, municipalities, Non-Profit Organizations, various local offices of Federal Agencies, and numerous private sector entities.
- **Del Valle Group, S.P. ("DVG")** is a special Puerto Rico Partnership with over 29 years of experience in the construction industry. DVG is a recognized in heavy and civil engineering construction. DVG has the expertise to manage and execute high quality construction services on large projects including construction of boat ramps, channel excavation and construction, stone and scour protection, dredging, flood control structures, installation of drilled shaft, sheet piling, and regrading sites, amongst others.

- PA and Acciona would be available Equity Members.

4. Royal Caribbean

- Royal Caribbean is a cruise line company founded in Miami that owns and operates 60 cruise ships valued at approximately $30 billion with annual gross and revenues exceeding $7 billion.
- They operate cruises under the following brands: Royal Caribbean International, Celebrity Cruises and Azamara Club Cruises.
- Their local experience includes the development of Pan American Terminal Buildings I and II and their restoration following Hurricane María. Royal Caribbean also assisted in the dredging works to maintain and deepen the berthing area alongside the Pan American Piers and a section of the Canal de San Antonio. This assistance is part of the preferential berthing agreement between PRPA and Royal Caribbean at Pier 3 and the Pan American Pier I and II ((i) Preferential Berthing Agreement dated February 10, 2003, (ii) Preferential Berthing Agreement and Development Agreement dated April 19, 2002, and (iii) Preferential Berthing Agreement and Development Agreement dated October 27, 2017).

- This Respondent would perform the operating and maintenance aspects of the Project, but did not provide information as to their design, technical, contractor or subcontractor teams for the project.

5. San Juan Cruise Terminal Partners ("SJCTP")

- SJCTP is a consortium with the following Team Members:
    - **Sacyr Infrastructure USA, LLC ("Sacyr"),** is an infrastructure development company that has secured funds for large infrastructure projects such as Pedamontana-Veneta Highway in Italy. They would serve as the equity partner of the Project.
    - **Sacyr Construcción SA, Las Piedras Construction ("Las Piedras"), and Desarrollos Metropolitanos, LLC ("DM"),** these three (3) firms will form a joint venture and serve as the construction firm for the Project.
        - Sacyr is a leading construction company with over 30 years of experience and covering all types of construction work. They have a track record of more than 50 maritime projects around the world, including the Panama Canal Expansion Project.
        - Las Piedras has more than 50 years of experience in the heavy construction industry in Puerto Rico. Most of Las Piedras projects include public works, mainly construction of highways, bridges, earth movement, dredging, sheet piling installation, marine works, among other heavy civil works. Las Piedras has been involved in large infrastructure projects such as the New LO/LO Pier and Berth Dredging in Port of San Juan completed in 2017.
        - DM is one of the local leading general contractors with over 45 years of operations. DM has executed projects in the areas of commercial, tourism, and industrial development for public institutions as well as for the private sector.
    - **Johnson Bros. Corporation** will be serving as key subcontractor for heavy civil works. This company has 89 years of experience specializing in bridge, highway, infrastructure, marine, industrial and emergency construction.
    - **Stantec** will be the lead design team partnering with key design subconsultant **AECOM Caribe**. They are among the Top 10 design firms in the world for terminals, ports, and maritime infrastructure and will be supported by **Berenblum Busch Architects**, architectural designer of cruise terminal buildings such as Terminal F at Port of Miami. These three (3) companies would serve as the Project's design team.
        - Stantec has 62 years of experience and has developed all types of maritime facilities in US, Canada and the Caribbean.

- AECOM Caribe, affiliate of AECOM has been designing projects for Puerto Rico and the Caribbean since 1962. The design team indicated that it would rely on the technical capabilities of local subconsultants such as: Benitez, Ramos and Associates, CMA Architects and Engineers, SCF Arquitectos, Geo Cim and VAG Transportation Engineering Consultants.

- **SSA International ("SSA")** will lead the operation and maintenance activities together with Sacyr Infrastructure USA, LLC., as a joint venture for the operations and maintenance of the Project. SSA operates terminals in over 250 locations across five continents, with focus on: cruise terminals, container terminal and convention cargo operations, ancillary services, project development and consulting.

III. Qualification Process Background

Pursuant to Act 29 and the Regulation, the Board of Directors of the Authority established a Partnership Committee for the Project (the "**Partnership Committee**") through Resolution 2018-44, dated June 14, 2018. The Partnership Committee has the duty and responsibility to evaluate and select qualified proponents to participate as Respondents in the RFP stage and to establish and negotiate the terms and conditions it deems appropriate for the corresponding PPP Contract.

Section 3.1 of the Regulation grants the Partnership Committee ample discretion to delegate their functions into a group of advisors, by imposing to such Committee the duty to "contract, on behalf of the Authority, advisors, experts or consultants with the knowledge necessary to assist the Partnership Committee and the Authority in the adequate discharge of its functions". Likewise, Section 3.5 of the Regulation provides:

> "The Executive Director may appoint employees of the Authority and contract with consultants, advisors or agents to assist the Authority and the Partnership Committee in the review of the Proposals and the selection and negotiation process for a Partnership and provide any other assistance that is deemed necessary or appropriate in connection with an Award of a Partnership Contract, including participating as nonvoting members of the subcommittees of the Partnership Committee. The individuals or entities providing such assistance must satisfy the conflicts of interest or ethics guidelines adopted by the Authority from time to time and may participate in any evaluation and negotiation process conducted by the Partnership Committee as the Partnership Committee may deem necessary."

Accordingly, the following advisors were engaged to give assistance to the Partnership Committee throughout the Project's development and RFQ process: Macquarie Group Limited, DLA Piper, IMG Rebel and CPM PR, LLC.

Furthermore, the Regulation states that the Partnership Committee may qualify a limited number of Respondents in order to arrive at a shortlist for the Project. It further provides that the RFQ process shall identify prospective Proponents that satisfy minimum standards of financial condition and technical or professional ability and experience. Accordingly, Section 1.4 of the RFQ provides that "...The objective of th[e] RFQ is to enable the [Partnership] Committee to shortlist the best qualified Respondents."

It should be noted, however, that the Partnership Committee may determine in its sole discretion that all of the Respondents are qualified to participate as proponents in an RFP process. In other words, such right to shortlist a limited number of Respondents is not mandatory, but rather a discretionary right that the Partnership Committee may utilize when it determines that it serves the best interests of the process.

The RFQ also confers the Partnership Committee's ample discretion in evaluating SOQs. Specifically, Section 4.11 (f) of the RFQ provides for the Partnership Committee to "reject or disqualify any and all RFQ submissions and responses received at any time for any reason without any obligation, compensation or reimbursement to any Respondent or prospective Respondent or Team Member."

Lastly, and as indicated in the RFQ and in compliance with Act 29, the Partnership Committee determined that the party that submitted the Unsolicited Proposal, Global Ports, was to receive a predetermined benefit in the procurement process for the time, resources and expenses incurred in presenting the Project as an Unsolicited Proposal. Said benefit was defined and all participants were notified that it would be as follows:

- RFQ Phase: an increase of 5% on its evaluation score for the RFQ.
- RFP Phase (if qualified to move forward): if the Unsolicited Proposal proponent was not awarded the Project, a stipend of a fixed amount would be paid out to such proponent from the proceeds of the transaction payable by the winning bidder. No increase in the evaluation score was included for the RFP phase.

As part of the Market Sounding process, participants were asked about their views and recommended approach to granting, as Act 29 provides, a compensation or benefit to the party that submitted the Unsolicited Proposal. The above determination by the Partnership Committee was consistent with such recommendations, which rejected increasing the evaluation score in the RFP stage or proving the unsolicited proponent the right to match or improve the best offer by any other participant in the RFP stage, which are benefits used in other jurisdictions.

IV. Qualification Process

The RFQ required, among other things, that prospective Respondents submit completed SOQs by no later than 5:00 p.m. AST on October 17, 2018. The Authority received five (5) SOQs on or before the required date and time.

Respondents were evaluated pursuant to Article 8(b) of Act 29 and Section 3.1 of the Regulation, as well as the extent to which Respondents satisfied the evaluation criteria established in Section 3 of the RFQ, (the "**Evaluation Criteria**"). Specifically, Respondents were evaluated by reference of to the following Evaluation Criteria:

Part 1 – Act 29 Compliance Requirements

All SOQs were reviewed to determine whether it satisfied Act 29 and the Regulation's requirements. Section 3.2 of the RFQ established the Evaluation Criteria for Part 1, which included the following:

1.1 Respondents or Team Members that are corporations, partnerships or any other legal entity, U.S. or Puerto Rico based, shall at the time of submission of their proposals be properly registered or capable, if selected in the future, to be registered to do business in Puerto Rico and the U.S. and comply with all applicable Puerto Rico or U.S. laws and/or requirements; and

1.2

a) Each Team Member and each Respondent, if the Respondent has been formed as of the date of a submission of a response to this RFQ, shall certify that neither it nor any of its directors, officers, shareholders or subsidiaries, nor its parent company, nor in the case of a partnership, any of its partners, nor any person or entity that may be considered an alter ego or the passive economic agent of the Respondent (each a "Covered Party"), has been convicted in Puerto Rico or United States Federal court for any of the crimes referenced in Articles 4.2, 4.3 or 5.7 of Act No. 1-2012, as amended, known as the Organic Act of the Office of Government Ethics of Puerto Rico, any of the crimes typified in Articles 250 through 266 of Act No. 146-2012, as amended, known as the Puerto Rico Penal Code, or any of the crimes listed in Act No. 2-2018, as amended, known as the Anti-Corruption Code for a New Puerto Rico or for any other felony that involves misuse of public funds or property, including but not limited to the crimes mentioned in Article 6.8 of Act No. 8-2017, as amended, known as the Act for the Administration and Transformation of Human Resources in the Government of Puerto Rico, or under the Foreign Corrupt Practices Act; nor is any Covered Party under investigation in any legislative, judicial or administrative proceedings, in the Commonwealth of Puerto Rico, the United States or any other country. The Respondent is in compliance and will continue to comply at all times with all federal, state, local and foreign laws applicable to the Respondent that prohibit corruption or regulate crimes against public functions or public funds, including the Foreign Corrupt Practices Act;
b) Respondent and Team Members completed their SOQs without prior understanding, agreement, connection, discussion or collusion with any other person, firm or corporation submitting a separate SOQ or any officer, employee or agent of the Authority, Owners or the Government of Puerto Rico; and
c) Respondent and Team Members did not attempt to communicate in relation to the RFQ, directly or indirectly, with any representative of the Owner, the Partnership Committee or the Authority, including any Restricted Parties, or any director, officer,

employee, agent, advisor, staff member, consultant or representative of any of the foregoing, as applicable, for any purpose whatsoever, including for purposes of: (i) commenting on or attempting to influence views on the merits of the Respondent's and Team Members' SOQ, or in relation to their SOQ; (ii) influencing, or attempting to influence, the outcome of the RFQ stage, or of the competitive selection process, including the review, evaluation, and ranking of SOQs or the selection of the Shortlisted Firms; (iii) promoting the Respondent and Team Members or their interests in the Project, including in preference to that of other Respondents or Team Members; (iv) commenting on or criticizing aspects of the RFQ, the competitive selection process, or the Project including in a manner which may give the Respondent or its Team Members a competitive or other advantage over other Respondents or Team Members; or (v) criticizing the SOQs of other Respondents

All of these requirements could be satisfied by completing the Form of Respondent Certification included as Appendix A to the RFQ.

Part 2 – Background & Team Information

Respondents were encouraged to provide enough supporting information and details to enable the evaluators to perform a thorough evaluation of the Team Members' strengths, roles and responsibilities.

2.1 A description of the Respondent or Team Members, as applicable, identifying:

- Their roles (include an organizational chart of Team Members);
- Their respective percentage of contemplated or actual equity ownership interests, as applicable;
- Identification and roles of Local Content Team Members;
- Anticipated legal relationships (e.g. joint ventures, partnerships) and percentage interest;
- Up to five (5) key personnel and their roles (one of which must be "Cruise Terminal Operations Manager" or similar);
- Where Team Members have worked together before (if relevant);
- Evidence of experience of each Team Member in carrying out major infrastructure projects, including DBFOM or RDBFOM projects;
- Evidence of experience of Team Member(s) in marine terminal operations; and
- Any experience in administering FEMA funding.

2.2 Resumes (indicating overall experience and any specific experience relevant to the nature and scope of the Project) for no more than three (3) Key Individuals representing the Respondent

Part 3 – Financial Capabilities

The evaluation of financial capabilities examined each SOQ in accordance with the criteria set out below, including, but not limited to, the extent to which the SOQ satisfied the anticipated financial capability requirements of the PPP Contract with respect to the following:

3.1 **Financial Capacity of Team** – Respondents must demonstrate their financial capacity to pay the expected equity portion of the up-front proceeds and to fulfil the terms of the PPP Contract. To demonstrate sufficient financial capacity, each relevant Team Member must have provided copies of audited financial statements for the past two (2) years, together with any other relevant financial information.

3.2 **Ability to Raise Financing** – Respondents must have provided specific evidence demonstrating their ability to raise financing for a project of this nature and scope. Specific factors assessed include:

- Capability of raising debt and equity in the current capital markets;
- The number and size of past relevant transactions;
- Specific experiences on past relevant transactions; and
- Any local content financing (if relevant).

3.3 Letters of support from up to three (3) financing institutions indicating a willingness to provide debt financing for the project (not included in page count).

3.4 Equity Funding Letter as set out in Part 6.6.

Part 4 – Technical & Operational Capabilities

The evaluation of technical capabilities examined each SOQ in accordance with the following criteria:

4.1 **Design & Construction Capabilities –** Respondents must have provided specific evidence demonstrating their ability to undertake the design and construction elements for a project of this nature and complexity. Specific factors assessed included:

- The number and size of past relevant transactions (in particular marine terminal transactions);
- Capacity to plan, construct, and commission a marine terminal development or similar projects; and
- Ability to incorporate elements of repair / refurbishment as well as new build components.

4.2 **Cruise Terminal Operations –** Respondents must have provided specific evidence demonstrating their ability to operate a cruise terminal (or other marine terminal). Specific factors assessed included:

- The number and size of past or current cruise terminals (or marine terminals) under operation;
- Track record of successful operations; and
- Demonstrated ability to grow patronage of cruise terminals.

4.3 **Open Access –** Respondents must have set out their approach for ensuring that the terminals are operated in a fair and non-discriminatory fashion. Specific factors assessed included:

- Approach for allocating capacity between competing cruise lines;
- Approach for ensuring fair treatment of cruise lines when their interests conflict with interests of the Private Partner (or a cruise line affiliate of the Private Partner), if relevant; and
- Track record of successfully demonstrating fair and non-discriminatory operations at other terminals.

4.4 **Facilities Maintenance & Rehabilitation** – Respondent must have provided evidence of experience with facilities management and rehabilitation in a marine environment. Specific factors assessed included:

- The number and size of past or current cruise terminals (or marine terminals) under operation; and
- Track record of successful maintenance operations.

4.5 **Local Content –** The Authority is called under Act 29 to evaluate Respondents' use of local capital and other professionals and subcontractors to the greatest extent possible. As such, Respondents shall have provided as part of their SOQs descriptions of their current and/or anticipated business arrangements with local parties and, in particular, local parties who are Team Members and/or key individuals for the Project. Respondents were given the opportunity of providing relevant and credible information to support their response, including, signed copies of the relationship documentation and/or legal agreements(s) (e.g., letters of support, memoranda of understanding, partnership, or joint venture agreements, etc.) supporting their response.

Part 5 – Safety Performance

Respondent shall have submitted copies of the Occupational Safety and Health Administration ("OSHA") 300 forms for the past three (3) years. If not applicable, a prospective Respondent shall present a document explaining the reasons for not submitting the form.

Respondents were also required to submit the following information and documentation, described as attachments under the RFQ:

Part 6 – Attachments

6.1 **Comparable Projects** – Provide a list of comparable projects in which Team Members have participated in the last ten (10) years. Respondents should have specified how these comparable projects relate to the Project.

6.2 **References** – Provide a list of up to three references with respect to each Team Member. These references should have been able to describe the relevant qualifications and capabilities of Team Members looking to take a leading role in the operation and maintenance of the Project. If possible, these references should come from the procuring government agencies or lead sponsors in previous roles.

6.3 **Design & Construction Case Studies –** Up to three (3) project case studies showing the Respondent's design & construction capability relevant to the nature and scope of the Project within the last ten (10) years.

6.4 **Operational Case Studies –** Up to three (3) project case studies showing the Respondent's capability to operate cruise terminals, marine terminals or another project similar to the Project as relevant to the nature and scope of the Project within the last ten (10) years.

6.5 **Financing Case Studies** – Up to three (3) project case studies showing the Respondent's financing capability relevant to the nature and scope of the Project within the last ten (10) years.

6.6 Each Team Member available to become an Equity Member shall have provided an Equity Funding Letter which will be used as supporting evidence of the Equity Member's commitment to the funding of the Project. If the Equity Member is an investment fund, then the Equity Funding Letter must have been signed by the fund's authorized signatory, and at a minimum shall have included the following items:

a) **Approval Process**. An overview of the completed to-date and remaining approval process (along with an indicative schedule) required to commit to and fund the required equity commitment for the Project.

b) **Funding Vehicle**. The name and ownership structure of the investment fund that will ultimately carry this investment.

c) **Investment Capacity**. Supplemental information to the financial statements (as necessary) of the investment fund to positively demonstrate existing and/or committed capital capacity for the Project, consistent with the likely equity investment and the Equity Member's responsibility to provide the share percentage.

d) **Investment Criteria**. Assurances that the Project meets all of the investment policy requirements of the investment fund cited in (b) above (e.g., is an approved project, does not contradict any capital allocation policy) and is consistent with its investment objectives.

If the Equity Member intends to fund its equity commitment through use of internal resources (e.g., a corporate entity supplying its own capital), the letter must be signed

by the Chief Investment Officer, the Chief Financial Officer or the Chief Executive Officer, and at a minimum shall have included the following items:

a) **Approval Process**. An overview of the approval process required to commit to and fund the required equity commitment. This section should include an identification and description of any required board, investment committee or other formal approvals needed, as well as an indicative schedule for securing those approvals.

b) **Sourcing Commitment**. Where and how the equity commitment will be sourced and a narrative description of how competing allocation and capacity issues are considered between several project opportunities the Equity Member pursues simultaneously.

c) **Investment Criteria**. Assurances that the Project meets all corporate strategy and investment policy requirements.

If the Equity Member intends to fully or partially rely on third party investors or investment managers to fund the equity investment in the project and to meet the financial capacity requirements of this RFQ, the Equity Member must have provided either from each investor or the manager of such funds:

a) The name of institutional partners;

b) The investment criteria and confirmation that the anticipated investment and amount are permitted under the criteria; and

c) The approval process for such investment.

Qualitative Evaluation Scoring

The Partnership Committee evaluated each of the SOQs based on the Evaluation Criteria described above and applied a corresponding weighting for each part. Part 1 and Part 5 were evaluated as a Pass/Fail criteria and no weight was allocated to them. The remaining parts were weighted as follow:

- Part 2 – Background & Team Information (20% Weight)
- Part 3 – Financial Capabilities (30% Weight)
- Part 4 – Technical & Operational Capabilities (50% Weight)

V. Outcome of SOQ Evaluations

In accordance with the authority granted to the Partnership Committee's pursuant to Act 29 and the Regulation, the Authority and its advisors assisted the Partnership Committee in evaluating each of the SOQs. The Partnership Committee subsequently met with the Authority and its advisors to discuss the SOQs. In particular, the Authority and its advisors provided the Partnership Committee with an overview of each Respondent and its SOQ

and an analysis of their observations and recommended scoring pursuant to the Evaluation Criteria.

After the initial review and discussion of the observations, the Partnership Committee determined that, to provide the best possible opportunity to all Respondents, all SOQs would be evaluated in their merits even if some failed to comply with several required elements of the RFQ. The Partnership Committee also agreed that for this Project it would shortlist all Respondents who scored a total of 75% or higher. Furthermore, no less than three (3) of the five (5) Respondents would be qualified to maintain competition among the most qualified candidates during the RFP process. Therefore, the Partnership Committee determined that if the minimum number of three (3) Respondents was not reached, then the next highest scored Respondent would be considered in the shortlisting even if its total score was less than 75% until at least three Respondents were qualified.

Table 7 summarizes the scores for each Respondent. The Partnership Committee agreed with the observation and assessment presented by the advisors. Qualified Respondents with scores above 75% were invited to continue to the RFP Phase. The Partnership Committee believes that the three (3) shortlisted Respondents demonstrated significantly higher operational and/or financial capabilities to meet all the Project's objectives than the two (2) Respondents that were not shortlisted.

Table 7. SOQs Evaluation Scores Summary

Evaluation Criteria	Global Ports	PRCTP	SJCTP	Royal Caribbean	Carnival
Part 1	**Pass**	**Pass**	**Pass**	**Pass**	**Pass**
Part 2	**20%**	**19%**	**16%**	**11%**	**12%**
Part 3	**26%**	**28%**	**23%**	**20%**	**14%**
Part 4	**50%**	**50%**	**48%**	**33%**	**24%**
Part 5	**Pass**	**Pass**	**Pass**	**Pass**	**Pass**
Total Score	**101%***	**97%**	**87%**	**64%**	**50%**

* This >100% was caused by the additional 5% granted to this Respondent who presented the Unsolicited Proposal, as required under Act 29-2009 and as provided in Section 1.3 of the RFQ.

The Respondents that did not make the shortlisting presented an SOQ that reflected the lowest scores mainly in two of the criteria, these were: Part 2 – Background & Team Information and Part 4 – Technical & Operational Capabilities. With respect to Part 2, both respondents were not explicit on which partners or Team Members will undertake the Design & Construction and Operations & Maintenance of the facilities and no specific roles were described for the Team Members they did mention. Therefore, no proper assessment of their team's qualifications could be made. Of the personnel with relevant

experience presented, one Respondent did not have experience in terminal operations and the other did not have experience in construction management. As for Part 4, there was no discussion or very limited discussion on how to handle or develop a strategy for ensuring that terminals are operating in a fair, non-discriminatory fashion and they presented general and limited information to validate experience in the facilities management and rehabilitation in a maritime environment. Also, no local partners were listed to prove the Respondent's local commitment or intention to engage in the use of local capital and local professionals or subcontractors. No Design & Construction and Operational case studies nor evidence in the administration of federal funds (FEMA) were included.

In addition, with respect to Part 3 – Financial Capabilities the lowest scores were given to sections 3.2 Ability to Raise Financing, 3.3 Letters of support from financing institutions, 3.4 Equity funding Letter. Particularly, for factors described in section 3.2, they did not prove capability of raising debt and equity in the current capital markets, did not provide specific experiences on past relevant transaction nor any local content financing. In the case of Carnival, no letters of support and Equity Funding letter were provided as requested.

Based on the results above and in accordance with the authority granted to it in compliance with Act 29 and the Regulation, the Partnership Committee decided to shortlist the following three (3) Respondents to participate in the RFP Phase:

- Global Ports;
- PRCTP; and
- SJCTP

VI. Conclusion

The shortlisted Respondents will provide the RFP process with the necessary competitive bidding environment needed to achieve the objectives of the Authority and the Government for this procurement process and meet the public policy considerations set forth in Act 29.

Execution Version

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SAN JUAN BAY CRUISE TERMINALS

PUBLIC – PRIVATE PARTNERSHIP AGREEMENT

dated as of

August 15, 2022

by and between

THE PUERTO RICO PORTS AUTHORITY

and

SAN JUAN CRUISE PORT LLC

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SAN JUAN BAY CRUISE TERMINALS
PUBLIC – PRIVATE PARTNERSHIP AGREEMENT

This **SAN JUAN BAY CRUISE TERMINALS PUBLIC – PRIVATE PARTNERSHIP AGREEMENT** (this "Agreement") is made and entered into as of this 15th day of August, 2022 (the "Date of this Agreement"), by and between the Puerto Rico Ports Authority (the "Authority"), a public corporation and governmental instrumentality of the Commonwealth of Puerto Rico, created pursuant to Act No. 125 of the Legislative Assembly of Puerto Rico enacted on May 7, 1942, as amended, and San Juan Cruise Port LLC (the "Concession Company"), a limited liability company organized under the laws of the Commonwealth of Puerto Rico.

RECITALS

WHEREAS, the Authority owns and operates the Cruise Port Facility (as defined herein);

WHEREAS, pursuant to, and under the terms and conditions contained in Act No. 29-2009 (the "Act"), the Authority is authorized to execute and deliver this Agreement, perform its obligations hereunder and enter into the Transaction (as defined, along with other capitalized terms, herein);

WHEREAS, the Authority desires to grant a concession on an exclusive basis pursuant to this Agreement, which incorporates real property and personal property leases as described herein and which is also a Partnership Contract (*contrato de alianza*) pursuant to the Act, to the Concession Company for the primary purpose and essential consideration of repairing, improving, operating and maintaining certain public use cruise terminals and related facilities in a safe and secure manner; maintaining the safety and security of the Cruise Port Facility at the highest possible levels; promoting, facilitating, aiding and enhancing commerce, tourism and economic development for the Commonwealth, in recognition that the Cruise Port Facility is the primary point of cruise ship access in the Commonwealth and related economic activity and tourism and providing various other benefits to the Cruise Lines, the traveling public and the Authority;

WHEREAS, the Authority and the Concession Company have agreed upon the terms and conditions of the Open Access Regime and the other Operating Standards in order to assure the safe, secure, economical and effective operation of the Cruise Port Facility; and

WHEREAS, the Concession Company desires to receive the concession from the Authority to repair, improve, operate and maintain the Cruise Port Facility, as hereinafter provided;

NOW THEREFORE, for and in consideration of the mutual covenants, representations, warranties and agreements contained herein and other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties covenant and agree as follows:

ARTICLE 1
DEFINITIONS AND INTERPRETATION

Section 1.1 Definitions. Unless otherwise specified or the context otherwise requires, for the purposes of this Agreement the following terms have the following meanings:

"AA-Compensation" has the meaning ascribed thereto in Section 14.1(b).

"AA-Dispute Notice" has the meaning ascribed thereto in Section 14.1(c).

"AA-Termination Damages" has the meaning ascribed thereto in Section 14.2(a).

"AA-Notice" has the meaning ascribed thereto in Section 14.1(c).

"AA-Preliminary Notice" has the meaning ascribed thereto in Section 14.1(c).

"Acceptance Notice" has the meaning ascribed thereto in Section 3.19.

"Access Dispute" means a dispute between the Concession Company and the Authority or an Access Seeker regarding the Open Access Regime and the Concession Company's compliance with it, as provided in Schedule 3.

"Access Protocol Independent Expert" has the meaning ascribed thereto in Schedule 3.

"Account LC" means an unconditional and irrevocable Letter of Credit in favor of the Concession Company or any Concession Mortgagee issued by a financial institution whose long-term senior unsecured indebtedness has obtained a rating of "BBB+" or better by Standard & Poor's Ratings Services and an equivalent credit rating by another Rating Agency (or an equivalent credit rating from at least two nationally recognized Rating Agencies if the named Rating Agency ceases to publish ratings) and which Letter of Credit is not secured by the Concession Company Interest and does not impose on the Concession Company any obligation to reimburse draws in respect thereof.

"Act" has the meaning ascribed thereto in the Recitals.

"Act No. 2-2018 Crime" means any crime specified in Act No. 2-2018 of the Legislative Assembly of Puerto Rico, as may be amended from time to time, known as the Anti-Corruption Code for a New Puerto Rico.

"Actual Revenue Share Credit" has the meaning ascribed thereto in Section 15.1(c).

"AD-Termination Damages" has the meaning ascribed thereto in Section 16.2(c).

"Additional Coverages" has the meaning ascribed thereto in Section 13.2(l).

"Additional Cruise Port Facilities" means any land and all easements, licenses, privileges, rights and appurtenances related thereto, including all terminals, buildings, structures (above grade and below grade), Authority roadways, and all fixtures, and related facilities, situated on

such land, and any piers and wharves located adjacent to such land, for Cruise Line Vessels that may be Developed or as to which a Grant of Development Authority may be made, including any Additional Cruise Port Facilities Projects but excluding the Cruise Piers or any other portion of the Cruise Port Facility.

"Additional Cruise Port Facilities Project" has the meaning ascribed thereto in Section 3.19.

"Adjusted for Inflation" means, with respect to the amount to be "Adjusted for Inflation," to multiply such amount by the CPI Factor for the applicable adjustment period.

"Administrative Determination" means Administrative Determination No. 22-05 issued by the Department of the Treasury of the Commonwealth on August 2, 2022, as may be amended from time to time.

"Adverse Action" has the meaning ascribed thereto in Section 14.1(a).

"Affected Property" means any public or private property, including a highway, street, road, roadway, bridge, railroad, rail or other transit way, rights-of-way, bicycle or hiking path and any ancillary facilities related to any of the foregoing, under the jurisdiction and control of the Authority, that is located above, intersects with, crosses over or under or is adjacent to the Cruise Port Facility or any part thereof, as initially shown on Schedule 1.

"Affiliate", when used to indicate a relationship with a specified Person, means a Person that, directly or indirectly, through one or more intermediaries, has a 10% (or in the case of "majority-owned Affiliates," 50%) or more voting or economic interest in such specified Person or controls, is controlled by or is under common control with (which shall include, with respect to a managed fund or trust, the right to direct or cause the direction of the management and policies of such managed fund or trust as manager, advisor or trustee pursuant to relevant contractual arrangements) such specified Person, and a Person shall be deemed to be controlled by another Person, if controlled in any manner whatsoever that results in control in fact by that other Person (or that other Person and any Person or Persons with whom that other Person is acting jointly or in concert), whether directly or indirectly and whether through share ownership, a trust, a contract or otherwise (it being understood and agreed that for purposes of this definition, a managed fund or trust shall be deemed to be an Affiliate of the Person managing such fund or trust and a limited partner in a managed fund or trust shall be deemed to be an Affiliate of such fund or trust and of the Person managing such fund or trust). For the avoidance of doubt, with respect to the Concession Company, its Affiliates shall include Equity Participants and each Person controlled by the Equity Participants.

"Affiliated Service Providers" has the meaning ascribed thereto in Section 4(a) of Schedule 15.

"Aggregate Concession Compensation" has the meaning ascribed thereto in Section 15.1(c).

"Agreed Minimum Value" means seventy-two million dollars ($72,000,000).

"Agreed Modification" has the meaning ascribed thereto in Section 5.1(d).

"Agreement" has the meaning ascribed thereto in the preamble to this Agreement (including all schedules referred to herein), as amended from time to time in accordance with the terms hereof.

"Ancillary Services" has the meaning ascribed thereto in Schedule 3 and as described in Schedule 15.

"Annual Authority Revenue Share" has the meaning ascribed thereto in Section 2.1(c).

"Annual Dredging Payment" has the meaning ascribed thereto in Section 2.1(a).

"Approval", "Approved", "Approves", "Approved by the Authority", consent, determination and similar expressions mean approved or consented to by the Authority, which shall be made in accordance with the provisions of Section 1.17.

"Asset Management Plan" has the meaning ascribed thereto in Section 3.4.

"Assigned Port Facility Contracts" means the agreements that are set forth on Schedule 2 under the heading "Assigned Port Facility Contracts."

"Assumed Liabilities" has the meaning ascribed thereto in Section 3.2(c).

"Atlantic Standard Time" means time as measured in Puerto Rico by subtracting four hours from Greenwich Mean Time.

"Audit" and similar expressions mean, with respect to any matter or thing relating to the Cruise Port Facility, the Cruise Port Facility Operations or this Agreement, including compliance with the terms of this Agreement, the performance by or on behalf of the Authority of such reviews, investigations, inspections and audits relating to such matter or thing as the Authority may determine, in its reasonable discretion, to be advisable or necessary in the circumstances, conducted in each case in accordance with applicable United States audit practices customarily accepted in the shipping industry, if any, and the terms of this Agreement or as required by Law (including as may be required in connection with the receipt of Government Contributions).

"Authority" has the meaning ascribed thereto in the preamble to this Agreement.

"Authority Default" has the meaning ascribed thereto in Section 16.2(a).

"Authority Employee" means each person employed by the Authority with respect to the Cruise Port Facility as of the Date of this Agreement.

"Authority Related Entity" has the meaning ascribed thereto in Section 3.7(a).

"Authority's Option" has the meaning ascribed thereto in Section 18.8(a).

"Authorization" means any approval, certificate of approval, authorization, consent, grant, agreement, waiver, variance, exemption, concession, endorsement, declaratory order, exception, license, filing, registration, permit, special lease or other requirement of any Person that applies to all or any portion of the Cruise Port Facility, the Cruise Port Facility Operations or any Additional Cruise Port Facilities.

"Authorized Auditor" has the meaning ascribed thereto in Section 8.2(a).

"Bank Rate" means the prime rate of interest announced publicly by *The Wall Street Journal* (or its successors) as the so-called "prime rate."

"Bankruptcy Code" means the Bankruptcy Code of the United States of America, being Title 11 of the United States Code, as may be amended from time to time.

"Berthing Areas" has the meaning ascribed thereto in Section 3.2(j).

"Berthing Areas Adjusted Minimum Dredging Depth" has the meaning ascribed thereto in Section 3.2(j).

"Berthing Areas Minimum Dredging Depth" has the meaning ascribed thereto in Section 3.2(j).

"Bid Date" means July 31, 2019.

"Breakage Costs" means any breakage costs, financing fees, make-whole premium payments, termination payments or other prepayment amounts (including premiums) that are required to be paid by the Concession Company with respect to Concession Mortgage Debt or Qualified Debt as a result of the early repayment of such Concession Mortgage Debt or Qualified Debt prior to its scheduled maturity date, including the cost of early termination of interest rate hedging arrangements.

"Business Day" means any day that is neither a Saturday, a Sunday nor a day observed as a holiday by either the Commonwealth or the United States government.

"Capital Costs Reserve" has the meaning ascribed thereto in Section 16.3(h)(i).

"Capital Lease" means a lease under which the obligations of the Concession Company would, in accordance with GAAP, be included in determining total liabilities as shown on the liability side of a balance sheet of a Concession Company.

"Capital Project" means any purchase, Capital Lease, creation, improvement or renovation of a Fixed Asset.

"Cash Deposit" has the meaning ascribed thereto in Section 2.3(a).

"Casualty Cost" has the meaning ascribed thereto in Section 13.3(a).

"CE-Dispute Notice" has the meaning ascribed thereto in Section 15.1(a).

"CE-Notice" has the meaning ascribed thereto in Section 15.1(a).

"CE-Preliminary Notice" has the meaning ascribed thereto in Section 15.1(a).

"Change in Control" means, with respect to any Person, whether accomplished through a single transaction or a series of related transactions and whether accomplished directly or indirectly, (i) a change in ownership so that more than 50% of the direct or indirect voting or economic interests in such Person is transferred to another Person or group of Persons acting in concert, (ii) the power directly or indirectly to direct or cause the direction of management and policy of such Person, whether through ownership of voting securities, by contract, management agreement, or common directors, officers or trustees or otherwise, is transferred to another Person or group of Persons acting in concert that did not have such power immediately prior to such transaction or transactions or (iii) the merger, consolidation, amalgamation, business combination or sale of substantially all of the assets of such Person for the purpose of or with the effect contemplated in clauses (i) or (ii) above; *provided, however*, that notwithstanding anything to the contrary set forth in this definition, none of the following shall constitute a "Change in Control" for the purposes of this Agreement:

(A) transfers of direct or indirect ownership interests in the Concession Company between or among Persons that are Affiliates of each other or Persons who are under common control (a Person shall be deemed to be controlled by another Person if controlled in any manner whatsoever that results in control in fact by that other Person (or that other Person and any Person or Persons with whom that other Person is acting jointly or in concert)), whether directly or indirectly and whether through share ownership, a trust, a contract or otherwise (it being understood and agreed that for purposes of this definition, a fund or trust shall be deemed to be under common control with the Person managing or advising such fund or trust (with respect to each of the foregoing, notwithstanding the fact that an independent board or trustee makes final investment decisions with respect thereto) and a limited partner or equivalent in a fund or trust shall be deemed to be under common control with such fund or trust and the Person managing or advising such fund or trust);

(B) transfers of shares of the Concession Company or the direct or indirect shareholders of the Concession Company pursuant to *bona fide* open market transactions on the New York Stock Exchange, NASDAQ, London Stock Exchange or comparable United States or foreign securities exchange, including any such transactions involving an initial or "follow on" public offering;

(C) transfers of direct or indirect ownership interests in the Concession Company by any Equity Participant or its beneficial owner(s) to any Person not prohibited under Sanction Laws (including another Equity Participant) so long as the Equity Participants, collectively, or the Equity Participant as of the Date of this Agreement consisting of GPH Americas Ltd., a company organized under the laws of the Bahamas; or their respective beneficial owner(s) having ownership interests in the Concession Company (as of the later of (1) the Date of this Agreement or (2) the date on which the Authority most recently approved a Change in Control), together retain, or individually retains, in the aggregate, 50% or more of the direct or indirect voting or

economic interests in the Concession Company or the power directly or indirectly to direct or cause the direction of management and policy of the Concession Company, through ownership of voting securities or common directors, officers or trustees;

(D) transfers of direct or indirect ownership interests in the Concession Company by any Equity Participant or its direct or indirect beneficial owner(s) to any partners, members, shareholders, directors, officers, employees or investors who are distributees of investments held by such Equity Participant or beneficial owner(s) pursuant to any *bona fide* liquidation of such Equity Participant or beneficial owner(s) as a result of which securities held by such entity are distributed to such distributees;

(E) any change of ownership that is attributable to a lease, sublease, concession, management agreement, operating agreement or other similar arrangement that is subject and subordinate in all respects to the rights of the Authority under this Agreement so long as (1) no "Change in Control" occurs with respect to the Concession Company and (2) the Concession Company remains obligated under this Agreement;

(F) the creation of a trust or any other transaction or arrangement that is solely a transfer of all or part of the Concession Company's economic interest under this Agreement to another entity so long as (1) no "Change in Control" occurs with respect to the Concession Company and (2) the Concession Company remains obligated under this Agreement; and

(G) transfers of direct or indirect ownership interests in the Concession Company (1) between or among investment funds, including infrastructure funds, and investors therein; *provided* that following such Transfer, such direct or indirect ownership interests remain under common ownership, management or control or (2) from investment funds, including infrastructure funds, or investors therein, to any Person; *provided* that such direct or indirect ownership interests, following consummation of such Transfer, remain under common management or control, it being understood in each of (1) and (2) above that (x) ownership interests shall be deemed to be controlled by a Person if controlled in any manner whatsoever that results in control in fact, whether directly or indirectly, and whether through share ownership, a trust, a contract or otherwise and (y) ownership interests of an investment fund shall be deemed to be managed by a Person if such Person has the right to direct, recommend or propose all or substantially all of the investments of such investment fund (with respect to each of the foregoing, notwithstanding the fact that an independent board or trustee makes final investment decisions with respect thereto).

"Claim" means any demand, action, cause of action, suit, proceeding, arbitration, claim, judgment or settlement or compromise relating thereto which may give rise to a right to indemnification under Section 12.1 or Section 12.2.

"Closing" has the meaning ascribed thereto in Section 2.2(a).

"Closing Bond or Guaranty Determination" has the meaning ascribed thereto in Appendix 1 to Schedule 6.

"Closing Corporate Guaranty" has the meaning ascribed thereto in Section 2.3(a).

"Closing Date" has the meaning ascribed thereto in Section 2.2(a).

"Closing LOC" has the meaning ascribed thereto in Section 2.3(a).

"Closing Security Delivery Date" means the date on which the Cash Deposit, the Closing LOC or the Closing Surety Bond is delivered to the Authority as provided in Section 2.3(a).

"Closing Surety Bond" has the meaning ascribed thereto in Section 2.3(a).

"Code of Ethics" has the meaning ascribed thereto in Section 9.2(j).

"Commercially Reasonable Insurance Terms" has the meaning ascribed thereto in Section 13.2(a).

"Commonwealth" means the Commonwealth of Puerto Rico.

"Commonwealth Court" has the meaning ascribed thereto in Section 19.6.

"Commonwealth Registry of Property" means the 1st Section of the Municipality of San Juan of the Registry of Property of the Commonwealth and where this Agreement must be recorded.

"Comparable Cruise Port" means a marine port in any (i) State, including the Commonwealth, (ii) island constituting a part of the Greater Antilles or the Lesser Antilles or (to the extent not included therein) the West Indies (including the Bahamas and the Turks and Caicos Islands) or (iii) country bordering the Caribbean Sea or the Gulf of Mexico, in each case which is maintained and operated by a Person other than a Governmental Authority, regardless of whether a Governmental Authority owns all or a substantial part of such marine port or has an ownership interest in such Person so long as the Governmental Authority does not exercise day-to-day control over such maintenance and operations except through a lease, concession, operations or similar agreement with such Person, and which marine port is open to Cruise Line Vessels in connection with the conduct of a Cruise Line Business that is reasonably comparable to the Cruise Port Facility with respect to the matter to be determined.

"Compensation Date" has the meaning ascribed thereto in Section 15.1(b).

"Compensation Event" has the meaning ascribed thereto in the definition of "Concession Compensation" below.

"Completion" or "Complete" has the meaning ascribed thereto in Section 4.8.

"Completion Inspection" has the meaning ascribed thereto in Section 4.6.

"Concession" has the meaning ascribed thereto in Section 2.1.

"Concession Company" has the meaning ascribed thereto in the preamble to this Agreement.

"Concession Company Default" has the meaning ascribed thereto in Section 16.1(a).

"Concession Company Interest" means the interest of the Concession Company in the Concession over the Cruise Port Facility created by this Agreement and any other rights, benefits and obligations of the Concession Company under this Agreement (including the right to receive Concession Compensation and Termination Damages hereunder).

"Concession Compensation" means with respect to (i) any applicable entry into the Cruise Port Facility pursuant to Section 3.7(a)(v) through Section 3.7(a)(vii) (but, for the avoidance of doubt, excluding access to and use of Pier 4 for the Pier 4 Reconstruction, access to and use of Piers 11-12 for the Piers 11-12 Wharf Project, access to and use of Pier 13 and Pier 14 for the Piers 13-14 Wharf Project and access to and use of Pan American Pier 1 and Pan American Pier 2 for the Pan American Piers Wharf Structure Project and any Modifications of any of the foregoing to the extent such access and use is in connection with the development of such Cruise Pier Improvement Projects using Government Contributions and in accordance with Section 4.6(f) and Section 4.6(h)), (ii) the Concession Company's compliance with or the implementation of any Required Modification (but, for the avoidance of doubt, it is acknowledged and agreed that any development of the Design and Technical Specifications consistent with Approved 30% Design and Technical Specifications or Approved 60% Design and Technical Specifications shall not constitute a Modification and shall not be the basis for Concession Compensation) or any modified or changed Operating Standard (as contemplated by Section 6.2(c)), (iii) amounts payable as a remedy under Section 16.2(b)(i), (iv) the occurrence of an Adverse Action, (v) the circumstances described in items (vi), (vii), (viii) and (xiii) of the definition of Delay Event, (vi) any Delay Event described in Section 15.2(c) which entitles the Concession Company to a Delay Event Remedy, (vii) the circumstances described in item (ix) of the definition of Delay Event under circumstances in which the Authority possesses the authority under applicable Law to grant such access and provided that the applicable denial by the Authority of access to the Cruise Port Facility after the Closing Security Delivery Date is not the result of the exercise by the Authority of any of its rights under Section 3.7(a)(i) through (iv), (viii) the circumstances described in item (xv) of the definition of Delay Event, (ix) the circumstances described in item (iii) of the definition of Delay Event if (A) such circumstances constitute an Adverse Action, and (B) whether or not they result in a delay or interruption in the performance by the applicable performing Party of any obligation under this Agreement, and to the extent such circumstances occur between the Date of this Agreement and the Closing Date and are not the result of the negligence or intentional misconduct of the Party affected by such circumstances or such Party's Representatives, or Contractors to or agents of such Party or Representatives, or the result of any act or omission by the Party affected by such circumstances or its Representatives in breach of the provisions of this Agreement, and (x) any other event the occurrence of which under the terms of this Agreement requires the payment of Concession Compensation or is described as a Compensation Event under the relevant provision of this Agreement (each of the foregoing, a "Compensation Event"), compensation payable by the Authority to the Concession Company in order to restore the Concession Company to the after-Tax economic position which is no better and no worse than the after-Tax economic position the

Concession Company would have enjoyed if such Compensation Event had not occurred, which shall be calculated in accordance with Section 15.1(d) and (e).

"Concession Fee" has the meaning ascribed thereto in Section 2.1.

"Concession Mortgage" means any lease, indenture, pledge, mortgage, deed of trust or other security agreement or arrangement, including a securitization transaction with respect to revenues generated at the Cruise Port Facility, encumbering any or all of the Concession Company Interest, in each case that satisfies all of the conditions in Section 18.1.

"Concession Mortgage Debt" means any *bona fide* debt secured by a Concession Mortgage, including (i) principal (including accreted principal under interest rate hedges or bonds); (ii) accrued interest (including capitalized interest and interest pursuant to an original issue discount); (iii) customary fees, costs, premiums, expenses and reimbursement obligations with respect thereto owed to lenders, financial insurers, agents, trustees and similar service providers; (iv) all payment obligations under interest rate hedging agreements with respect thereto (including accreting interest rate hedging agreements); (v) reimbursement obligations with respect thereto to any financial insurer and (vi) an assignment in connection with a securitization transaction, in each case, pursuant to an agreement entered into prior to the delivery by the Concession Company to the Authority of an AA-Preliminary Notice or a notice under Section 16.2(b) stating that an Authority Default has occurred. For the purposes of determining Cruise Port Facility Concession Value, Concession Mortgage Debt shall not include: (A) debt from an Affiliate of the Concession Company or from any Equity Participant or its Affiliate, unless such debt is secured debt on terms consistent with terms that would reasonably be expected from a non-Affiliate lender acting in good faith and in accordance with market standards; *provided* that the Concession Company may request at any time during the Term that the Authority confirm in writing, and the Authority shall so confirm within a reasonable time following such request (but not exceeding ten (10) Business Days), whether any such debt is on terms consistent with terms that would reasonably be expected from a non-Affiliate lender acting in good faith and in accordance with market standards (and if such conditions are complied with confirmation that such debt constitutes Concession Mortgage Debt shall not be unreasonably denied); (B) any increase in debt to the extent such increase is the result of an agreement or other arrangement entered into after delivery by the Concession Company to the Authority, with a copy to the Concession Mortgagee, of an AA-Preliminary Notice or a notice under Section 16.2 stating that an Authority Default has occurred; or (C) any debt with respect to which the Concession Mortgagee Notice Requirements apply and the Concession Mortgagee does not provide the Authority with notice in all material respects in accordance with the Concession Mortgagee Notice Requirements. Notwithstanding anything herein to the contrary, except with respect to any such *bona fide* secured debt which was incurred or committed on or prior to the Closing Date or which is incurred or committed in connection with the funding of the Cruise Pier Improvement Projects Cost for the Expansion Investment Projects and satisfies clause (i) of the Expansion Investment Projects Requirements, all of which incurred or committed debt shall be deemed to be Concession Mortgage Debt (except to the extent excluded from Concession Mortgage Debt pursuant to clauses (A) or (B) above), Concession Mortgage Debt shall not include any new debt incurred or committed following the Closing Date except that which is incurred or committed in connection with the funding of the Cruise Pier Improvement Projects Cost for the Expansion Investment Projects and satisfies clause (i) of the Expansion Investment

Projects Requirements (it being understood and agreed by the Parties that any capitalization of interest or accretion of principal or other committed increases on any debt incurred or committed on or prior to the Closing Date or which is incurred or committed in connection with the funding of the Cruise Pier Improvement Projects Cost for the Expansion Investment Projects and satisfies clause (i) of the Expansion Investment Projects Requirements or any refinancing of any debt that has previously qualified as Concession Mortgage Debt up to the original principal amount thereof, plus any premium and customary fees, costs, expenses and reimbursement obligations with respect thereto, shall not constitute such new debt) that (together with the aggregate amount of Concession Mortgage Debt and any Qualified Debt after giving effect to the incurrence or commitment of any such new debt) *exceeds* 80% of the fair market value of the Concession Company Interest set forth in an appraisal; *provided* that, in order for such new debt to qualify as Concession Mortgage Debt, such appraisal shall (x) be prepared at the Concession Company's expense by an independent third party appraiser described under "Cruise Port Facility Concession Value" and delivered to the Authority prior to the incurrence or commitment of such new debt, (y) be a written appraisal of the fair market value of the Concession Company Interest as of the time of the incurrence or commitment of such new debt and (z) identify the extent to which such new debt (together with the aggregate amount of Concession Mortgage Debt and any Qualified Debt after giving effect to the incurrence or commitment of any such new debt) *exceeds* 80% of the fair market value of the Concession Company Interest set forth in such appraisal at the time of incurrence or commitment of such new debt; *provided* that any capitalization of interest or accretion of principal or other committed increases on any debt set forth in such appraisal shall constitute Concession Mortgage Debt to the extent such debt constitutes Concession Mortgage Debt on the date such appraisal is given; and *provided further* that the Parties agree that for the purposes of this definition and notwithstanding the requirements of the foregoing sub-clauses (x), (y) and (z), the amount of the Concession Fee paid at the Closing shall be deemed to constitute the fair market value of the Concession Company Interest for a period of 12 months after the Closing Date and, as such, no appraisal shall be required within such 12-month period. The appraisal requirement in the preceding sentence shall not apply to any protective advances made by any Concession Mortgagee or advances made by any Concession Mortgagee to cure Concession Company defaults under the Concession Mortgage (regardless of whether entered into on or after the Closing Date) or other financing documents of such Concession Mortgagee.

"Concession Mortgagee" means the holder or beneficiary of a Concession Mortgage, including a financial insurer, or an agent, trustee or other representative or designee of such a holder or beneficiary.

"Concession Mortgagee Notice Requirements" means the delivery, by a Concession Mortgagee (or the Concession Company on behalf of the Concession Mortgagee) to the Authority, after the execution and delivery of a Concession Mortgage by the Concession Company, of a true and complete copy of the executed original of such Concession Mortgage, together with a notice containing the name and post office address of the holder of such Concession Mortgage.

"Concession Mortgagee's Notice" has the meaning ascribed thereto in Section 18.8(a).

"Consent" means any approval, consent, ratification, waiver, exemption, franchise, license, permit, novation, certificate of occupancy or other authorization of any Person, including any consent issued, granted, given or otherwise made available by or under the authority of any Governmental Authority or pursuant to any applicable Law.

"Construction Contract" means any contract or other agreement made between the Concession Company and any Contractor or between one Contractor and another Contractor with respect to any one or more Cruise Pier Improvement Projects or Modifications. For the avoidance of doubt, the term "Construction Contract" is intended to include (i) more than one contract if the Concession Company enters into more than one contract for the design, engineering, procurement, construction, equipping and completion of any one or more Cruise Pier Improvement Projects or Modifications, (ii) any contract that relates to one or more of the categories of design, engineering, procurement, construction, equipping and completion, and, by way of example and not limitation, a design contract would constitute a Construction Contract and (iii) any contract or other agreement with respect to any one or more Cruise Pier Improvement Projects or Modifications that is entered into by a Person other than the Concession Company and that is assigned in whole or in part to the Concession Company (to the extent of such assignment), provided that this item (iii) shall only be included in the term "Construction Contract" for the purposes of provisions that remain applicable after its assignment to the Concession Company.

"Construction Milestone" means each milestone for the Initial Investment Projects and the Expansion Investment Projects set forth in Schedule 13 and each milestone for any other Cruise Pier Improvement Project set forth in any supplement to this Agreement or Agreed Modification as the case may be.

"Contractor" means, with respect to a Person, any Person with whom such Person contracts to perform any Cruise Port Facility Operations or any work related to any Cruise Pier Improvement Projects or Modifications or otherwise to perform any work or supply materials or labor in relation to the Cruise Port Facility, including any subcontractor of any tier, supplier or materialman directly or indirectly employed pursuant to a subcontract with any such Person, but excluding, for the avoidance of doubt, any financial advisor retained by the Equity Participants or the Concession Company to provide advice in relation to the financing of the Concession or any Capital Projects and any legal counsel retained by the Equity Participants or the Concession Company. Any Affiliate of the Concession Company performing any work or supplying any materials or labor in relation to the Cruise Port Facility as provided in this definition shall constitute a "Contractor".

"Contracts" means any contract or agreement entered into by the Concession Company related to the Cruise Port Facility (or subcontracts thereunder).

"Covered Party" has the meaning ascribed thereto in Section 9.2(k).

"COVID-19" means any epidemic or pandemic declared by the World Health Organization which results from the strain of virus known as coronavirus infectious disease 2019 (COVID-19) and/or causative virus known as severe acute respiratory syndrome coronavirus 2 (SARS CoV-2).

"COVID-19 Adverse Effect" has the meaning ascribed thereto in Section 2.5(d).

"CPI Factor" means (i) with respect to a one-year adjustment period (*e.g.* where the amount is to be Adjusted for Inflation annually), the amount equal to (A) CPI Value for the calendar year immediately prior to the date of such adjustment divided by (B) the CPI Value for the calendar year two years prior to the date of such adjustment (for illustrative purposes only, if an amount is to be Adjusted for Inflation on April 1, 2018, for the one-year period of April 1, 2017 through April 1, 2018, the CPI Value for such calculating adjustment is equal to 1.021, which is the CPI Value for calendar year 2018 (which is 257.025) divided by the CPI Value for calendar year 2017 (which is 251.642)) or (ii) with respect to a multiple-year adjustment period, the amount equal to (A) the CPI Value for the calendar year immediately prior to the date of such adjustment divided by (B) the CPI Value for the calendar year immediately prior to the date of the start of such adjustment period (for illustrative purposes only, if an amount is to be Adjusted for Inflation on the fifth anniversary of April 1, 2018, for the five-year period of April 1, 2014 through April 1, 2018, the CPI Value for such calculating adjustment is equal to 1.0781, which is the CPI Value for calendar year 2017 (which is 251.642) divided by the CPI Value for calendar year 2013 (which is 233.236)); *provided, however, that* in no case shall be the CPI Factor for any adjustment period be less than 1.000.

"CPI Value" means the "Annual Value" of that year obtained from "Consumer Price Index—All Urban Consumers—U.S. All Items Less Food and Energy (CUUR0000SA0L1E)" published by the Bureau of Labor Statistics of the United States Department of Labor (for illustrative purposes only, the CPI Value for the calendar year 2013 is 233.236); *provided, however,* that if such index is changed so that the base year thereof changes, such index shall be converted in accordance with the conversion factor published by the United States Department of Labor, Bureau of Labor Statistics; *provided further* that if such index is discontinued or revised during the Term, such other index or computation with which it is replaced shall be used in order to obtain substantially the same result as would be obtained if such index had not been discontinued or revised; *provided further* that any such revision shall not result in the retroactive adjustment of any amounts paid or payable pursuant to this Agreement prior to such revision.

"Cruise Line" means any Person actively engaged in a Cruise Line Business.

"Cruise Line Business" means the transportation on a Cruise Line Vessel of persons for compensation or hire who are traveling for leisure purposes, and including cruise tourism involving multiple ports of call, cruises that return to their originating port and cruises from one port to another port without a return to the originating port.

"Cruise Line Vessel" means a passenger vessel that meets all of the following criteria: used for pleasure voyages lasting more than 24 hours, of which some part is on the open ocean (and not a bay or inland waterway), that is designed for ocean travel, contains food, recreational and entertainment amenities for cruise touring, and is sufficiently large to accommodate 500 passengers or more (or, in the case of Pier 1, no less than 150 passengers), unless otherwise Approved by the Authority. For the avoidance of doubt, a Cruise Line Vessel does not include a Ferry, a vessel that carries cargo except cargo of the passengers or required to feed or entertain the passengers, or a containership, bulk cargo carrier or any similar commercial cargo vessel, a

yacht, regardless of size, or any other vessel that does not meet the criteria in the first sentence of this definition.

"Cruise Pier Buildings" means the existing buildings and other structures within the Cruise Port Facility as of the Date of this Agreement, any building or other structure designated as a Cruise Pier Building in any Cruise Pier Improvement Project or otherwise included in any Cruise Pier Improvement Project, and any building or other structure designated as a Cruise Pier Building in connection with any Modification or otherwise included in any Modification.

"Cruise Pier Improvement Projects" means, collectively, the Initial Investment Projects, the Expansion Investment Projects, the Pier 4 Reconstruction (if applicable), the Phase Two Projects, the Piers 11-12 Wharf Project, the Piers 13-14 Wharf Project (if applicable), and the Additional Cruise Port Facilities Projects, or any of the same as applicable.

"Cruise Pier Improvement Projects Cost" means the total cost of designing, engineering, procuring, constructing, equipping and completing the Cruise Pier Improvement Projects or Modifications, including financing costs (including interest and fees), Taxes, project management cost, mobilization and demobilization costs and all other cost and expense associated with designing, engineering, constructing, equipping and completing the Cruise Pier Improvement Projects or Modifications.

"Cruise Piers" means the piers and wharves designated and owned by the Authority as Pier 1, Pier 3, Pier 4, Piers 11-12, Pier 13, Pier 14, Pan American Pier 1, and Pan American Pier 2, each located in San Juan Bay. For the avoidance of doubt, "Pier 1", "Pier 3", "Pier 4", "Piers 11-12", "Pier 13", "Pier 14", "Pan American Pier 1" and "Pan American Pier 2" shall each mean the pier designated as such in Schedule 1, and references to "Cruise Piers" shall be deemed (i) to include Pier 14 only after Pier 14 constitutes part of the Cruise Port Facility and the Concession and (ii) not to include Pier 13, Pier 14 (if it has become part of the Cruise Port Facility and the Concession as provided in Section 2.1(a)) and Piers 11-12 if the applicable Cruise Pier no longer constitutes part of the Cruise Port Facility and the Concession as provided in Section 2.1(a), having been removed pursuant to Section 3.24 or Section 3.25, as applicable.

"Cruise Port Facility" means the Cruise Piers and related Authority land described in Schedule 1 (and by this reference made a part hereof) situated in the Municipality of San Juan, Commonwealth of Puerto Rico and all easements, licenses, privileges, rights and appurtenances related thereto, including all terminals, buildings, structures (above grade and below grade), roadways, and all fixtures, and related facilities, now situated on that Authority real property as the same may be enlarged, enhanced, improved, reconstructed, rebuilt, rehabilitated, developed or otherwise modified in accordance with this Agreement (and, for the avoidance of doubt, including the Cruise Pier Buildings). To the extent provided in any amendment to this Agreement, one or more Additional Cruise Port Facilities may constitute part of the Cruise Port Facility.

"Cruise Port Facility Assets" means each of the movable and immovable real property, personal property and equipment and intangible assets located at the Cruise Port Facility, which is to be inventoried by the Parties as part of the transition activities between the Date of this Agreement and the Time of Closing.

"Cruise Port Facility Concession Value" means, as of any date, the fair market value of the Concession Company Interest determined (without regard to the effect of the Adverse Action, Authority Default, Act No. 2-2018 Crime or Public Integrity Crime giving rise to such determination) as of the time of the occurrence of the relevant Adverse Action or Authority Default (or as of the time of the conviction or guilty plea relating to the relevant Act No. 2-2018 Crime or Public Integrity Crime, as the case may be) and taking into account the operations, traffic and revenues thereof, as determined pursuant to a written appraisal by an independent third party appraiser that is nationally recognized in appraising similar assets and that is reasonably acceptable to the Authority and the Concession Company; *provided, however*, that the Cruise Port Facility Concession Value shall in no event be less than the amount equal to the sum of (i) any Concession Mortgage Debt and any Qualified Debt and (ii) any related Breakage Costs, in each case as of the End Date and *provided further* that, solely in the case of a determination of the Cruise Port Facility Concession Value occasioned by (A) an Authority Default or an Adverse Action on or prior to the fifth anniversary of the Closing Date or (B) an Adverse Action or Authority Default after the fifth anniversary of the Closing Date due to the failure of the Authority to make one or more monetary payments owed to the Concession Company that, as of the time of such failure, in the aggregate exceed five times the amount of the immediately preceding payable Annual Dredging Payment or Annual Authority Revenue Share and Incremental Authority Revenue Share (without regard to any offsets taken against such amount), the Cruise Port Facility Concession Value shall in no event be less than the greater of (1) the amount equal to the sum of (I) any Concession Mortgage Debt and any Qualified Debt and (II) any related Breakage Costs, and (2) the amount equal to the sum of (I) the Concession Fee, (II) the Initial Dredging Payment and all Annual Dredging Payments actually paid by the Concession Company up to the date of such determination, and (III) the sum of the amounts of the reasonable, documented and unreimbursed expenditures made by the Concession Company for any Cruise Pier Improvement Projects or Modifications constituting capital improvement projects (w) contemplated by the initial business plan referred to in Section 3.2(e), (x) required to be completed in accordance with this Agreement (including the Operating Standards) and (y) undertaken by the Concession Company for which the consent of the Authority has been obtained, in each case as of the End Date. If the Parties fail to agree upon such a single appraiser within 30 days after a Party requests the appointment thereof, then the Authority and the Concession Company shall each appoint an independent third party appraiser and both such appraisers shall be instructed jointly to select a third independent third party appraiser to make the appraisal referred to above. If either Party fails to appoint such independent third party appraiser or if the independent third party appraisers appointed by the Parties fail to select a third independent third party appraiser, in each case, within 60 days after the request of the Authority or the Concession Company, then either the Authority or the Concession Company may request the appointment of an independent third party appraiser (which appraiser shall be appointed by a Person agreed to by the Concession Company and the Authority or if the Parties fail to agree on such Person within 30 days after a Party requests the appointment hereof, such appraiser shall be appointed by the American Arbitration Association) to make the appraisal referred to above. The Parties shall each pay 50% of the costs and expenses of any appraisal.

"Cruise Port Facility Contracts" means the agreements to which the Authority is a party relating to the operations of the Cruise Port Facility that are set forth on Schedule 2 under the headings "Assigned Port Facility Contracts" and "Preferential Berthing Agreements".

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"Cruise Port Facility Operations" means (i) the operation, management and maintenance of the Cruise Port Facility, in each case in accordance with this Agreement, and (ii) all other actions relating to the operation of the Cruise Port Facility or otherwise that are to be performed by or on behalf of the Concession Company pursuant to this Agreement (including the Operating Standards).

"Cruise Port Facility Operations Cash Reserve" has the meaning ascribed thereto in Section 3.8.

"Cruise Port Facility Security Program" means the security program and procedures described in Schedule 12.

"Cruise Port Facility Services" has the meaning ascribed thereto in Schedule 3.

"Cruise Port Purposes" means the use of the Cruise Port Facility to provide scheduling and allocation of Cruise Piers for Cruise Line Vessels, parking, fresh water and food provision, fueling and other services ancillary or complementary thereto, and for other purposes consistent with the purposes of services provided at Comparable Cruise Ports, including retail services at the Cruise Port Facility, leasing of space in Cruise Pier Buildings and any other services, purposes and uses permitted in Schedule 15.

"Cruise Port Revenues" means all fees, rents, tariffs, revenues and any other type of charge for use of or in connection with the Cruise Port Facility permitted to be established and collected by the Concession Company and any Affiliated Service Provider pursuant to Schedule 15 and not retained by the Authority, but (for the avoidance of doubt) excluding any Government Contributions, any Port Service Charges (as described in Schedule 15), established and collected by the Authority with respect to any Cruise Line Vessel or Other Shipping Lines as provided in Schedule 15, and any fee or charge established and collected by the Authority with respect to any area or activity outside of the Cruise Port Facility or outside the scope of the Concession. Without limiting the generality of the foregoing, Cruise Port Revenues shall include the proceeds of any business interruption insurance paid by any insurer with respect to any fees, rents, tariffs, revenues or other charges described above that are interrupted or lost as a result of direct physical damage and/or indirect damages (such as utilities interruption) to the Cruise Port Facility.

"Date of this Agreement" means the date that the Concession Company and the Authority sign this Agreement, following the Authority having obtained Authorization for such signing from the Board of Directors of the Authority and the Puerto Rico Public-Private Partnerships Authority, the Governor of the Commonwealth and any other applicable Governmental Authority pursuant to the Act.

"DBE" has the meaning ascribed thereto in Section 11.3.

"Defending Party" has the meaning ascribed thereto in Section 12.1(e).

"Deferral Notice" has the meaning ascribed thereto in Section 16.2(c).

"Delay Event" means any of the following events that results in or would result in a delay or interruption in the performance by the applicable performing Party of any obligation under this Agreement: (i) an event of Force Majeure, (ii) a failure to obtain, or delay in obtaining, any Authorization from a Governmental Authority, including (for the avoidance of doubt) an Authorization from a Governmental Authority permitting entry into, exit from or transit through San Juan Bay by the Concession Company or any Contractor (*provided* that such failure or delay could not have been reasonably prevented by technical and scheduling measures of the applicable performing Party in the ordinary course), (iii) the enactment of a new Law or the modification, amendment or change in enforcement or interpretation of a Law (including a change in the application or interpretation thereof by any Governmental Authority) after the Date of this Agreement, (iv) a delay caused by the performance of works (including the activities authorized by Section 3.7) carried out by a Governmental Authority or any utility (including the relocation of utilities) or a delay caused by the performance of works by any other Person not acting under the authority or direction of, or pursuant to a contract, sublease or any other agreement or arrangement with the Concession Company, (v) a failure by the other Party to perform or observe any of its covenants or obligations under this Agreement, (vi) the presence in, on, under or around the Cruise Port Facility of any Hazardous Substance or other contaminant that was present in the Cruise Port Facility at any time prior to the Time of Closing, which, in each case, results in or would result in a delay or interruption in the performance by the Concession Company of any obligation under this Agreement, (vii) the implementation of Engineering or Institutional Controls related to the Cruise Port Facility (but only if such failure or delay could not have been reasonably prevented by technical and scheduling measures of the Concession Company), (viii) a delay required by Law due to the discovery of protected plant or animal species, archaeological, paleontological or cultural resources at or about a site of a construction required or permitted to be undertaken pursuant to this Agreement, (ix) denial by the Authority after the Closing Security Delivery Date of access to the Cruise Port Facility and such denial by the Authority causes delay in achieving a Construction Milestone, (x) a delay in the performance by the Concession Company of any of the Cruise Pier Improvement Projects or Modification due to the postponement of such works by the Authority or (xi) interruption of electricity or water utility services to the Cruise Port Facility which continues for seven (7) continuous days, (xii) Named Windstorms, (xiii) the failure by the Authority to comply with its obligations under Section 3.2(j), (xiv) the failure of a Governmental Authority to maintain or increase the depth of the Shipping Channels in accordance with Section 3.2(j), (xv) the circumstances described in Section 4.14(g), (xvi) the circumstances described in Section 4.13(b) as giving rise to a Delay Event; (xvii) a delay in the performance of any obligation of the Concession Company under this Agreement or an interruption of the Cruise Port Facility Operations caused directly as a result of the requirement of a Governmental Authority related to COVID-19, but, with respect to the occurrence of the COVID -19 pandemic which was declared a pandemic by the World Health Organization on or about March 11, 2020 only to the extent provided in Section 16.7(f); or (xviii) a change of classification of the portion of the Cruise Port Facility comprising Piers 11-12 from Class D (as such classification is defined by Codes ASCE/SEI 7-16 of the American Society of Civil Engineers and was determined in the reports listed in Appendix M to Schedule 13) to Class E or higher (as such classifications are defined by Code ASCE/SEI 7-16 of the American Society of Civil Engineers), as found in the Piers 11-12 Geotechnical Report; *provided, however*, that in each case such delay or the cause thereof is neither otherwise specifically dealt with in this Agreement nor arises by reason of (A) the

negligence or intentional misconduct of the Party affected by the Delay Event or such Party's Representatives, or Contractors to or agents of such Party or its Representatives, (B) any act or omission by the Party affected by the Delay Event or its Representatives in breach of the provisions of this Agreement, (C) except in the case of funds contemplated to be provided by the Authority pursuant to Section 5.2, or in the case of the Government Contributions contemplated to be provided by the Authority in those circumstances described in Section 10.5, lack or insufficiency of funds or failure to make payment of monies or provide required security on the part of the Party affected by the Delay Event or its Representatives, or Contractors to or agents of such Party or its Representatives, (D) except to the extent such events constitute an event of Force Majeure, any strike, labor dispute or other labor protest involving any Person retained, employed or hired by the Party affected by the Delay Event or its Representatives, or Contractors to or agents of such Party or its Representatives to supply materials or services for or in connection with the Cruise Port Facility Operations or any strike, labor dispute or labor protest caused by or attributable to any act (including any pricing or other price or method of operation) or omission of such Party or its Representatives, (E) except to the extent such events constitute an event of Force Majeure or a Named Windstorm, any weather conditions or (F) except to the extent the Authority Develops Additional Cruise Port Facilities or makes a Grant of Development Authority in violation of its obligations under Section 3.18, the development, redevelopment, construction, maintenance, modification or change in the operation of any existing mode of transportation that results in the reduction of revenues generated at the Cruise Port Facility or in the number of users using the Cruise Port Facility.

"Delay Event Dispute Notice" has the meaning ascribed thereto in Section 15.2(d).

"Delay Event Notice" has the meaning ascribed thereto in Section 15.2(d).

"Delay Event Remedy" has the meaning ascribed thereto in Section 15.2(c).

"Depositary" means a savings bank, a savings and loan association or a commercial bank or trust company that would qualify as an Institutional Lender, designated by the Concession Company to serve as depositary pursuant to this Agreement and Approved by the Authority; *provided, however*, that so long as a Concession Mortgage is in effect, the Depositary contemplated under Section 13.3 shall be the institution acting as the collateral agent or depositary under the financing secured by such Concession Mortgage.

"Designated Person" means each representative of a Party who is designated as such for the purposes of Article 19.

"Design and Build Standards" has the meaning ascribed thereto in Schedule 13.

"Design and Technical Specifications" means the design and technical specifications for each Initial Investment Project, Expansion Investment Project and Phase Two Project that the Concession Company shall comply with when designing and constructing each Initial Investment Project, Expansion Investment Project and Phase Two Project, as set forth in Schedule 13 and any supplement to this Agreement. With respect to any Additional Cruise Port Facilities Project or Modification, Design and Technical Specifications means the design and technical specifications relating to the applicable Additional Cruise Port Facilities Project and the

applicable Modification reasonably required by good engineering practices as a basis for preparing detailed design documents and having approximately the same level of detail as set forth in Schedule 13.

"Design Workshop" has the meaning ascribed thereto in Section 4.5(b).

"Develop" or "Development" has the meaning ascribed thereto in Section 3.18.

"Development Offer Notice" has the meaning ascribed thereto in Section 3.20.

"DFA" means Duty-Free Americas Puerto Rico, LLC.

"Development Proposal" has the meaning ascribed thereto in Section 3.20.

"Dispute Resolution Procedure" has the meaning ascribed thereto in Section 19.1.

"Document" has the meaning ascribed thereto in Section 1.17(b).

"DOT" means the United States Department of Transportation created under 49 U.S.C. § 101, *et seq.*, or any successor agency or department thereto.

"Eligible Investments" means any one or more of the following obligations or securities: (i) direct obligations of, and obligations fully guaranteed by, the United States of America or any agency or instrumentality of the United States of America, the obligations of which are backed by the full faith and credit of the United States of America; (ii) demand or time deposits, federal funds or bankers' acceptances issued by any Institutional Lender (*provided* that the commercial paper or the short-term deposit rating or the long-term unsecured debt obligations or deposits of such Institutional Lender at the time of such investment or contractual commitment providing for such investment have been rated "A" or higher by a Rating Agency or any other demand or time deposit or certificate of deposit fully insured by the Federal Deposit Insurance Corporation); (iii) commercial paper (including both non-interest-bearing discount obligations and interest-bearing obligations payable on demand or on a specified date not more than one year after the date of issuance thereof) that has been rated "A" or higher by a Rating Agency at the time of such investment; (iv) any money market funds, the investments of which consist of cash and obligations fully guaranteed by the United States of America or any agency or instrumentality of the United States of America, the obligations of which are backed by the full faith and credit of the United States of America and that have been rated "A" or higher by a Rating Agency and (v) other investments then customarily accepted by the Authority in similar circumstances; *provided however*, that no instrument or security shall be an Eligible Investment if such instrument or security evidences a right to receive only interest payments with respect to the obligations underlying such instrument or if such security provides for payment of both principal and interest with a yield to maturity in excess of 120% of the yield to maturity at par.

"Encumbrance" means any mortgage, lien, judgment, execution, pledge, charge, security interest, restriction, easement, servitude, option, reservation, lease, claim, trust, deemed trust or encumbrance of any nature whatsoever, whether arising by operation of Law, judicial process, contract, agreement or otherwise created.

"End Date" means the date on which this Agreement expires or is terminated.

"Engineering or Institutional Controls" means those engineering, environmental or institutional controls required by a Governmental Authority (other than the Authority) in relation to the remediation or avoidance of a release of a Hazardous Substance.

"Environment" means soil, surface waters, groundwaters, land, stream sediments, surface or subsurface strata, ambient air, plants, animals, and other life forms, flora, fauna and humans.

"Environmental Laws" means all applicable Laws regulating or imposing liability or standards of conduct concerning or relating to the protection of human health, the Environment or the use, generation, disposal, discharge, Release, transportation, storage or management of Hazardous Substances.

"Equity Participant" means any Person who holds any shares of capital stock or securities of, or units, partnership interests, membership interests or other equity interests in, the Concession Company.

"Escrow Account" means the account as defined and referred to in the Escrow Agreement and consisting of sub-accounts as provided therein.

"Escrow Account – Capital Dredging Sub-Account" means the sub-account of the Escrow Account as defined and referred to in the Escrow Agreement.

"Escrow Account – Initial Investment Projects Sub-Account" means the sub-account of the Escrow Account as defined and referred to in the Escrow Agreement.

"Escrow Account – Maintenance Dredging Sub-Account" means the sub-account of the Escrow Account as defined and referred to in the Escrow Agreement.

"Escrow Agent" means the Person appointed by the Parties as Escrow Agent under the Escrow Agreement, which Person shall be a commercial bank or trust company located within the Commonwealth and reasonably acceptable to the Authority.

"Escrow Agreement" means the agreement to be entered into on or prior to Closing as a condition to Closing as provided in Section 2.4(c)(x) and Section 2.11, among the Authority, the Concession Company and the Escrow Agent.

"Escrow Amount" has the meaning ascribed thereto in Section 2.11.

"Estimated Revenue Share Credit" has the meaning ascribed thereto in Section 15.1(c).

"Excluded Liabilities" has the meaning ascribed thereto in Section 3.2(c).

"Exercise Period" has the meaning ascribed thereto in Section 3.20.

"Exon-Florio Act" has the meaning ascribed thereto in Section 2.4(c)(ii).

"Expansion Investment Projects" means the capital improvement projects set forth on Schedule 13 and identified as "Expansion Investment Projects". The Expansion Investment Projects consist of the Piers 11-12 Project and the conversion of Pier 4 to a Port of Call facility (Cruise Pier Building), as each such capital improvement project is described in Schedule 13.

"Expansion Investment Projects Demand Threshold Calculation" has the meaning ascribed thereto in the definition of Expansion Investment Projects Trigger Event in Schedule 13.

"Expansion Investment Projects Notice" has the meaning ascribed thereto in Section 3.25(b).

"Expansion Investment Projects Requirements" means the requirements for the implementation of the Expansion Investment Projects set forth in Section 4.13.

"Expansion Investment Projects Trigger Event" has the meaning ascribed thereto in Schedule 13 (but, for the avoidance of doubt, shall be deemed to occur only when the conditions for the Expansion Investment Projects Trigger Event have been satisfied and the Concession Company or the Authority notifies the other Party in writing that the conditions for the Expansion Investment Projects Trigger Event have been satisfied).

"Expert Technical Determination" has the meaning ascribed thereto in Section 19.4(a).

"FAA" means the Federal Aviation Administration established under 49 U.S.C. § 101 *et seq.*, or any successor agency thereto, and where the context otherwise requires, DOT.

"FEMA" means the Federal Emergency Management Agency, an agency of the United States of America Department of Homeland Security, or any successor agency thereto.

"Ferry" means a vessel that meets the following criteria: (i) is used for voyages which embark and disembark passengers and cargo only originating and/or ending in any port in Puerto Rico, including the island-municipalities of Vieques and Culebra; (ii) is used on a regular schedule to embark and disembark passengers and cargo in destinations that are less than 300 miles apart; (iii) makes voyages lasting 24 hours or less; and (iv) accommodates fewer than 500 passengers. For the avoidance of doubt, the vessels referred in the Ferry Development Agreement are Ferries for purposes of this Agreement.

"Ferry Development Agreement" means that certain Development Agreement dated November 4, 2019, by and between the Authority and America Cruise Ferries, Inc. and Priority Roro Services, Inc., as may be amended from time to time.

"Financing Costs" means any transaction costs and expenses (including legal fees), Taxes, and disbursements incurred by the Authority to finance, arrange for the financing of, or otherwise fund, the payment of any PIC-Termination Damages or any amount payable by the Authority pursuant to Section 16.6(e).

"First Offer Notice" has the meaning ascribed thereto in Section 3.19.

"Fixed Asset" means tangible property used in the Cruise Port Facility Operations, but not expected to be converted into cash in the ordinary course of events, such as plant, machinery and equipment, furniture and fixtures, buildings, land and improvements.

"FM – Termination Damages" has the meaning ascribed thereto in Section 16.7(d).

"FOMB" has the meaning ascribed thereto in Section 2.5(n).

"Force Majeure" means any event that is unforeseeable or otherwise beyond the reasonable control of the applicable performing Party that delays or interrupts the performance of such Party's obligations hereunder, including an intervening act of God or public enemy, war (whether or not declared), invasion, armed conflict, act of foreign enemy, blockade, revolution, act of terror, sabotage, civil commotions, interference by civil or military authorities, condemnation or confiscation of property or equipment by any Governmental Authority, Cruise Line Vessel crash, nuclear or other explosion, radioactive or chemical contamination or ionizing radiation, fire, tornado, waterspout, Named Strong Windstorm, flooding, tsunami, tidal wave, earthquake or other natural disaster, riot or other public disorder, epidemic, pandemic, quarantine restriction, strike, labor dispute or other labor protest, stop-work order or injunction issued by a Governmental Authority of competent jurisdiction, governmental embargo; *provided* that such event neither is otherwise specifically dealt with in this Agreement nor arises by reason of (i) the negligence or intentional misconduct of the applicable performing Party or its Representatives, (ii) any act or omission by the applicable performing Party or its Representatives in breach of the provisions of this Agreement, (iii) except in the case of funds contemplated to be provided by the Authority pursuant to Section 5.2, lack or insufficiency of funds or failure to make payment of monies or provide required security on the part of the applicable performing Party, (iv) any strike, labor dispute or other labor protest involving any Person employed by the applicable performing Party or its Representatives in connection with the Cruise Port Facility Operations or any strike, labor dispute or labor protest caused by or attributable to any act (including any pricing or other practice or method of operation) or omission of the applicable performing Party or its Representatives or (v) any weather conditions that are ordinarily or customarily encountered or experienced at or in the vicinity of the Cruise Port Facility, including any Ordinary Storm, but excluding any tornado, waterspout or Named Strong Windstorm.

"Force Majeure Termination" has the meaning ascribed thereto in Section 16.7(a).

"Force Majeure Termination Dispute Notice" has the meaning ascribed thereto in Section 16.7(b).

"Force Majeure Termination Notice" has the meaning ascribed thereto in Section 16.7(b).

"Foreign Corrupt Practices Act" means the Foreign Corrupt Practices Act of 1977, 15 U.S.C. §§ 78dd-1, *et seq.*, as amended.

"GAAP" means generally accepted accounting principles in the United States of America.

"Good Industry Practice" means those relevant practices, methods and acts generally engaged in, or approved, by a Person other than a Governmental Authority who, as applicable (i) maintains and operates international cruise port operations in the United States of America through a lease, concession, operations or similar agreement or (ii) designs, engineers, procures, equips and constructs international marine ports in the United States of America (regardless, in either case, of whether a Governmental Authority owns all or a substantial part of such cruise port or marine port or has an ownership interest in such Person so long as the Governmental Authority does not exercise day-to-day control over such maintenance and operations except through a concession, operations or similar agreement with such Person or such design, engineering, procurement, equipping and construction except through an engineering, procurement and construction contract or similar contract) that at that particular time, in the exercise of reasonable judgment in the light of the facts known or that reasonably should have been known at the time a decision is made, would be expected to accomplish the desired result in a manner consistent with Law.

"Government Agreement" has the meaning ascribed thereto in Section 3.13(a).

"Government Contributions" means those monies granted or loaned to the Authority or granted to the Concession Company, or otherwise granted with respect to the Cruise Port Facility, by the United States of America or any agency thereof (including FEMA and HUD grants), or the Commonwealth, or any political subdivision or agency thereof, to pay all or a portion of the cost of a Cruise Pier Improvement Project or Modification thereto at or related to the Cruise Port Facility, or any other cost or expense related to the Cruise Port Facility.

"Government Contributions Agreements" means any contract or other agreement (i) between the Authority and the applicable Governmental Authority or (ii) between the Concession Company and any Governmental Authority (including, for the avoidance of doubt, any such contract or other agreement assigned to the Concession Company) that relates to the funding of a Cruise Pier Improvement Project or Modification with Government Contributions, whether or not the Authority is a party to them, including any contract or other agreement that is paid in whole or in part with Government Contributions or that is required in connection with the provision of Government Contributions.

"Government Contributions Authorization" means the approval of Government Contributions by a Governmental Authority with respect to one or more Cruise Pier Improvement Projects or Modifications as documented by the execution or approval, as applicable, by the Governmental Authority and the Receiver of the Government Contributions of an agreement or other document describing the Cruise Pier Improvement Projects or Modifications and stating the amount of Government Contributions for such Cruise Pier Improvement Projects or Modifications and authorizing the disbursement of Government Contributions subject to satisfaction of conditions set forth in such agreement or other grant funding document. By way of example, under applicable Law as of the Date of this Agreement, with respect to HUD Community Disaster Block Grants, the Government Contributions Authorization would consist of a grant agreement executed by an authorized officer of the Puerto Rico Department of Housing and the applicable Receiver of Government Contributions, and with respect to FEMA's Hazard Mitigation Grant Program, the Government Contributions Authorization would consist of acceptance of award by the Authority following receipt of a

Notice of Award from the Puerto Rico Central Office for Recovery, Reconstruction and Resiliency (COR3).

"Governmental Authority" means the Commonwealth or any municipality, political subdivision, instrumentality, agency or public corporation of or in the Commonwealth and any federal, state, commonwealth, county, local (including all municipalities, municipal authorities and districts) or foreign government, department, court, commission, board, bureau, agency or instrumentality or other regulatory, judicial, administrative, governmental or quasi-governmental authority.

"Governor" means the Governor of the Commonwealth or another official of the Commonwealth acting under the direction and pursuant to the authority of the Governor.

"Grant of Development Authority" or "Grant Development Authority" shall have the meaning ascribed to these terms in Section 3.18.

"Hazardous Substance" means, but is not limited to, any solid, semi-solid, sludge, liquid, gas, odor, heat, sound, vibration, radiation or other substance or emission which is a contaminant, pollutant, dangerous substance, toxic or otherwise regulated substance, hazardous waste, subject waste, hazardous material or hazardous substance which is or becomes regulated by applicable Environmental Laws or which is classified as hazardous or toxic under applicable Environmental Laws (including lead-based paint, gasoline, diesel fuel or other petroleum hydrocarbons, polychlorinated biphenyls, asbestos and urea formaldehyde foam insulation).

"Holding Fee" has the meaning ascribed thereto in Schedule 13.

"HUD" means the United States Department of Housing and Urban Development, or any successor agency thereto.

"ICC" has the meaning ascribed thereto in Section 19.4(b).

"Incremental Authority Revenue Share" has the meaning ascribed thereto in Schedule 15.

"Indebtedness" of any Person means, without duplication, (a) all obligations of such Person for borrowed money and (b) all obligations of such Person evidenced by bonds, debentures, notes or similar instruments.

"Indemnified Party" means any Person entitled to indemnification under this Agreement.

"Indemnifier" means any Party obligated to provide indemnification under this Agreement.

"Indemnity Payment" has the meaning ascribed thereto in Section 12.3(b).

"Independent Engineer" means the international professional consulting engineering firm authorized to practice in the Commonwealth in accordance with applicable Law and appointed jointly by the Authority and the Concession Company for the purpose of this Agreement as provided in Section 2.4.

"Independent Expert" has the meaning ascribed thereto in Section 19.4(a).

"Information" means any and all information of the Concession Company relating to the Cruise Port Facility Operations, including (i) income statements, balance sheets, statements of cash flow and changes in financial position, details regarding revenues generated at the Cruise Port Facility (including information regarding the collection thereof), operating income, expenses, capital expenditures and budgeted operating results relating to the Cruise Port Facility Operations, (ii) all certificates, correspondence, data (including test data), documents, facts, files, information, investigations, materials, notices, plans, projections, records, reports, requests, samples, schedules, statements, studies, surveys, tests, test results, port and pier information and parking information (including volume counts, classification counts and vehicle jurisdiction data) analyzed, categorized, characterized, created, collected, generated, maintained, processed, produced, prepared, provided, recorded, stored or used by the Cruise Port Facility, the Concession Company or any of its Representatives in connection with the Cruise Port Facility or the Cruise Port Facility Operations, (iii) data, documents and information relating to the Concession Company's compliance with the Open Access Regime, including Access Disputes, and the provisions of Section 20.15, and (iv) books, records, accounts and documents of the Concession Company relating to the Cruise Port Facility Operations, including any Information that is stored electronically or on computer-related media; *provided, however,* that nothing in this Agreement shall require the disclosure by any Party of Information that the Party has a reasonable basis to believe is protected by attorney-client or other legal privilege.

"Initial Dredging Payment" has the meaning ascribed thereto in Section 2.1(a).

"Initial Investment Projects" means the capital improvement projects set forth on Schedule 13 and identified as the "Initial Investment Projects". The Initial Investment Projects consist of the "Pier 1 Project", the "Piers 1-4 Walkway Project", the "Pan American Pier 1 Project", the "Pan American Pier 2 Project", the "Pan American Piers Wharf Structure Project", the "Rehabilitation Pier 4 Wharf", and the "Pier 3 Project", as each such capital improvement project is described in Schedule 13.

"Initial Termination Notice" has the meaning ascribed thereto in Section 16.2(b)(ii).

"Institutional Lender" means (i) the United States of America, any state or commonwealth thereof or any agency or instrumentality of any of them, any municipal agency, public benefit corporation or public authority, advancing or insuring mortgage loans or making payments which, in any manner, assist in the financing, development, operation and maintenance of projects, (ii) any (A) savings bank, savings and loan association, commercial bank, trust company (whether acting individually or in a fiduciary capacity) or insurance company organized and existing under the laws of the United States of America or any state or commonwealth thereof, (B) foreign insurance company or commercial bank qualified to do business as an insurer or commercial bank as applicable under the laws of the United States of America (if such qualification is necessary in connection with the acquisition of Concession Mortgage Debt), (C) pension fund, foundation or university or college or other endowment fund or (D) real estate investment fund, infrastructure investment fund, investment bank, pension advisory firm, mutual fund, investment company or money management firm, (iii) any "qualified institutional buyer" under Rule 144(A) under the Securities Act or any other similar Law

hereinafter enacted that defines a similar category of investors by substantially similar terms, (iv) a Governmental Authority acting (directly or through a trust or other single purpose vehicle controlled by it) as a conduit for the purpose of issuing private activity bonds authorized by Law for the benefit of the Concession Company or (v) any other financial institution or entity designated by the Concession Company and Approved by the Authority; *provided, however, that* each such entity or combination of such entities if the Institutional Lender shall be a combination of such entities shall have individual or combined assets, as the case may be, of not less than $1,000,000,000.

"Insured Amount" means the insured amount required under Section 13.1(g), as such insured amount may be adjusted pursuant to Section 13.1(g) and Section 13.2(o) from time to time.

"Intellectual Property" means all intellectual property rights existing worldwide, including any patent, design, database rights, copyright and related rights, trademark, protected circuit layout (or similar right), trade secret, confidential information or other right (in each case, whether registered or not) which exists under any Law, at common law or in equity.

"Law" means any order, writ, injunction, decree, judgment, law, ordinance, decision, ruling, statute, code, rule or regulation of any Governmental Authority.

"Letter of Credit" means an irrevocable, unconditional, commercial letter of credit, in favor of the Authority as payee (without dual or multiple beneficiaries), in form and content reasonably acceptable to the Authority, payable immediately in United States dollars upon presentation of a sight draft and a certificate confirming that the Authority has the right to draw under such letter of credit in the amount of such sight draft, without presentation of any other document, statement or authorization (including the original letter of credit), which letter of credit (i) is issued by a commercial bank or trust company that is a member of the New York Clearing House Association and that has and maintains a current credit rating of "BBB+" or better by Standard & Poor's Ratings Services and an equivalent credit rating by another Rating Agency (or an equivalent credit rating from at least two nationally recognized Rating Agencies if the named Rating Agency ceases to publish ratings) (or by such other commercial bank, trust company or other issuer reasonably acceptable to the Authority prior to the submission of the letter of credit), (ii) is in form and content reasonably acceptable to the Authority prior to the submission of the letter of credit and (iii) provides for the continuance of such letter of credit for a period of at least one year or as otherwise provided in this Agreement. If the Letter of Credit expires or is terminated prior to the expiration of the period it is required to be maintained pursuant to this Agreement, prior to such expiration or termination the Concession Company shall provide or cause to be provided a substitute Letter of Credit in the amount and with the provisions provided herein and otherwise in this Agreement so that there is no gap in coverage. The office for presentment of sight drafts specified in the Letter of Credit shall be located at a specified street address within the Commonwealth or such other location within the continental United States as is reasonably acceptable to the Authority. For the avoidance of doubt, the obligations of the account party during the Term to reimburse the issuer for draws under the Letter of Credit may be secured by a Concession Mortgage.

"Loss" or "Losses" means, with respect to any Person, any loss, liability, damage, penalty, increased financing costs, charge or out-of-pocket and documented cost or expense actually suffered or incurred by such Person, including costs for cleanup, remediation or corrective action required under Environmental Laws, but excluding any punitive, special, indirect and consequential damages and any contingent liability until such liability becomes actual. For avoidance of doubt, (i) all actual payments reasonably made by any Person to third parties or reasonable out-of-pocket and documented costs or expenses actually suffered or incurred by any Person in respect of Claims made by third parties shall constitute Losses of such Person whether or not such payments or such costs and expenses relate to punitive, special, indirect and consequential damages or contingent liabilities of such third parties, and (ii) for purposes of Section 16.2(b)(iv), Losses shall include, as applicable, the reasonably required cost of removing (A) employees of the Concession Company and Contractors from the Cruise Port Facility, and (B) removing all equipment and other property owned by the Concession Company or Contractors from the Cruise Port Facility.

"Material Adverse Effect" means a material adverse effect on the business, condition (financial or otherwise) or results of operations of the Cruise Port Facility taken as a whole, the Concession Company or the rights of the Concession Company under this Agreement; *provided, however,* that no effect arising out of or in connection with or resulting from any of the following shall be deemed, either alone or in combination, to constitute or contribute to a Material Adverse Effect: (i) general economic conditions or changes therein; (ii) conditions affecting any or all of the real estate, financial services, construction or cruise line industries generally; (iii) any existing event, occurrence or circumstance of which the Concession Company has actual knowledge as of (A) the Bid Date for the purposes of Sections 9.1(g) and 9.1(o), and (B) the Date of this Agreement for the purposes of Sections 2.4(a)(i), 2.4(c)(xi), 3.2(j)(iii) and 5.2(a); (iv) any action, omission, change, effect, circumstance or condition contemplated by this Agreement or attributable to the execution, performance or announcement of this Agreement or the transactions contemplated hereby or (v) any negligence, intentional misconduct or bad faith of the Concession Company or its Representatives.

"Maximum Cruise Port Capacity" has the meaning ascribed thereto in Schedule 13.

"Mediation Rules" has the meaning ascribed thereto in Section 19.5.

"Milestone Inspection" has the meaning ascribed thereto in Section 4.7.

"Modification" means deleting, dispensing with or changing the dimensions, character, quantity, quality, description, location or position of any part of the Cruise Port Facility or making other changes to the Cruise Port Facility, including adding buildings or other structures, or making other improvements, to the Cruise Port Facility; *provided, however,* that no Modification may (i) change the boundaries of the Cruise Port Facility described in Schedule 1 or (ii) require the Concession Company to do or omit any act that could reasonably be expected to violate any applicable Law or cause the Concession Company to fail to be in compliance with this Agreement. For the avoidance of doubt, the Initial Investment Projects, the Expansion Investment Projects, the Pier 4 Reconstruction (if applicable) and the Phase Two Projects shall not constitute "Modifications" but any material change to the Design and Technical Specifications for any such Cruise Pier Improvement Project and any deleting, dispensing with

or changing the dimensions, character, quantity, quality, description, location or position of any part of the Cruise Port Facility other than the Initial Investment Projects, the Expansion Investment Projects, the Pier 4 Reconstruction (if applicable) or the Phase Two Projects shall constitute a "Modification".

"Named Strong Windstorm" is a storm or weather disturbance Category 1 or higher in the Saffir-Simpson scale that is named by the National Oceanic and Atmospheric Administration's National Hurricane Center or similar body until sustained wind speeds drop below the Category 1 storms.

"Named Windstorm" is any windstorm that is named by the National Oceanic and Atmospheric Administration's National Hurricane Centre or similar body.

"Negotiation Period" has the meaning ascribed thereto in Section 19.3(b).

"New Agreement" has the meaning ascribed thereto in Section 18.5(a).

"Notice of Dispute" has the meaning ascribed thereto in Section 19.2.

"Notice of Mediation" has the meaning ascribed thereto in Section 19.5.

"Notice Period" has the meaning ascribed thereto in Section 12.1(d).

"Notifying Party" has the meaning ascribed thereto in Section 3.14.

"Officer's Certificate" means a certificate duly executed by an officer of the Concession Company if required by the terms of this Agreement certifying to the relevant facts and circumstances as required hereunder.

"Offsets" has the meaning ascribed thereto in Section 12.5(a).

"Open Access Principles" means with respect to Additional Cruise Port Facilities at Piers 11-12, Pier 13 and Pier 14 if such Cruise Piers are not or are no longer part of the Concession and the Authority Develops Additional Cruise Port Facilities or Grants Development Authority at Piers 11-12, Pier 13 or Pier 14 as provided in Section 3.18, the principles of open non-discriminatory access for Cruise Line Vessels of all Cruise Lines, without discriminating against any Cruise Line in favor of any other Cruise Line and in particular any affiliated Cruise Line, in order to promote efficient operation and patronage of such Cruise Piers, increase touristic activities, and grant access to such Cruise Piers to Persons capable of providing services similar to the Reference Services and Ancillary Services to Cruise Line Vessels, which Open Access Principles shall be more specifically defined with respect to each such Development of Additional Cruise Port Facilities at Piers 11-12, Pier 13 and Pier 14, if and when such Developments occur.

"Open Access Regime" means those procedures and requirements for the Concession Company to allocate and reserve Cruise Piers for Cruise Line Vessels, as set forth in Schedule 3.

"Operating Agreement" means (i) any material agreement, contract or commitment to which the Concession Company is a party or between one Contractor and another Contractor relating to the Cruise Port Facility Operations as in force from time to time (including the Assigned Port Facility Contracts and any warranties or guaranties assigned), and (ii) the Preferential Berthing Agreements, but excluding any Concession Mortgage and financing documents related thereto.

"Operating Standards" means the standards, specifications, policies, procedures and processes that apply to the operation, maintenance, construction and rehabilitation of and capital improvements to the Cruise Port Facility, as set forth in Schedule 12. The Open Access Regime constitutes a part of the Operating Standards.

"Opex Reserve Requirement" has the meaning ascribed thereto in Section 3.8.

"Ordinary Storm" means a storm that is comparable to any storm in length or severity of its effect on the Cruise Port Facility that has occurred on or around the Cruise Port Facility within 10 years prior to the Bid Date; *provided* that in no event shall a Named Strong Windstorm tornado, or waterspout be deemed an Ordinary Storm.

"Other Shipping Lines" has the meaning ascribed thereto in Section 3.23.

"Outside Closing Date" has the meaning ascribed thereto in Section 2.2(a).

"Outside Closing Security Delivery Date" means the date occurring ninety (90) days after the Date of this Agreement, or such later date agreed in writing by the Concession Company and the Authority.

"Pan American Piers Condition Report" has the meaning ascribed thereto in Section 2.4(c)(ix).

"Pan American Piers Wharf Structure Project" means the capital improvement project set forth on Schedule 13 and described as the "Pan American Piers Wharf Structure Project".

"Pan American Piers Wharf Structure Budget" has the meaning ascribed thereto in Section 2.4(c)(ix).

"Party" means a party to this Agreement and "Parties" means all of the parties to this Agreement.

"Passenger Fee" means the passenger fee charged Cruise Lines on the basis of passengers on Cruise Line Vessels, as described in Schedule 15, as adjusted from time to time as provided therein.

"Passenger Movement" has the meaning ascribed thereto in Schedule 15.

"Permitted Authority Encumbrance" means, with respect to the Cruise Port Facility: (i) the rights and interests of the Authority under this Agreement; (ii) any Encumbrance that is being contested, or being caused to be contested, by the Authority in accordance with Section

3.5(b) (but only for so long as such contestation effectively postpones enforcement of any such Encumbrance); (iii) inchoate materialmen's, mechanics', workmen's, repairmen's, employees', carriers' or warehousemen's liens or other like Encumbrances arising in the ordinary course of business of the Authority's performance of any of its rights or obligations hereunder, and in respect of obligations that are either (A) not delinquent or (B) being contested, or being caused to be contested, by the Authority in accordance with Section 3.5(b) (but only for so long as such contestation effectively postpones enforcement of any such Encumbrance); (iv) any easement, covenant, condition, right-of-way, servitude or any zoning, building, environmental, health or safety Law (including any Engineering or Institutional Control implemented thereunder) relating to the development, use or operation of the Cruise Port Facility (or other similar reservation, right or restriction) or other defects and irregularities in the title to the Cruise Port Facility that do not materially (individually or in the aggregate) interfere with the Cruise Port Facility Operations (in whole or in part) or the rights and benefits of the Concession Company under this Agreement or materially impair the value of the Concession Company Interest; (v) any right reserved to or vested in any Governmental Authority (other than the Authority) by any statutory provision or under common law, or covenants, conditions, rights or obligations imposed or required by the Governmental Authority granting Government Contributions for the Cruise Port Facility, including in connection with FAA grants which may establish an Encumbrance on the Pan American Pier 1 and Pan American Pier 2 (it being understood and agreed that nothing in this clause (v) shall limit or otherwise affect the Authority's obligations or the Concession Company's rights hereunder, provided however that any Encumbrances on Pan American Pier 1 and Pan American Pier 2 resulting from Government Contributions to Isla Grande Airport may take precedence in rank, but shall continue to be a Permitted Authority Encumbrance); (vi) any Encumbrances created, incurred, assumed or suffered to exist by the Concession Company or any Person claiming through it; (vii) any rights reserved to or vested in the Authority by any statutory and/or regulatory provision or under common law (it being understood and agreed that nothing in this clause (vii) shall limit or otherwise affect the Authority's obligations or the Concession Company's rights hereunder); (viii) any amendment, extension, renewal or replacement of any of the foregoing Permitted Authority Encumbrances on substantially similar terms as such Permitted Authority Encumbrances; and (ix) any easement, covenant, condition, right-of-way or servitude existing as of the Date of this Agreement or reasonably required after the Date of this Agreement to provide ingress and egress to and from (A) Pier 2 of the Authority through the portion of the Walkways (described in Schedule 1) abutting such Pier 2 or otherwise reasonably required for the operation of any facilities located on such Pier 2 or (B) any lot or lots that are not part of the Cruise Port Facility and that reasonably require access to Fernandez Juncos Avenue by way of South Street. For the avoidance of doubt, "Permitted Authority Encumbrance" shall not include any pledge or mortgage by the Authority, or other grant of a security interest by the Authority, in all or any part of the Cruise Port Facility to secure any debt issued by the Authority, but excluding the Annual Authority Revenue Share, the Incremental Authority Revenue Share, the Annual Dredging Payment or any other amount to which the Authority is entitled pursuant to this Agreement.

"Permitted Concession Company Encumbrance" means, with respect to the Cruise Port Facility: (i) the rights and interests of the Concession Company under this Agreement; (ii) any Encumbrance that is being contested, or being caused to be contested by the Concession Company, in accordance with Section 3.5(a) (but only for so long as such contestation

effectively postpones enforcement of any such Encumbrance); (iii) any (A) lien or security interest for obligations not yet due and payable to a Contractor or other Person (including in respect of Taxes not yet due and payable), (B) statutory lien, deposit or other non-service lien or (C) lien, deposit or pledge to secure mandatory statutory obligations or performance of bids, tenders, contracts (other than for the repayment of borrowed money) or leases, or for purposes of like general nature, any of which are incurred in the ordinary course of business of the Cruise Port Facility Operations and in respect of obligations that are either (1) not delinquent or (2) being contested, or being caused to be contested, by the Concession Company in accordance with Section 3.5(a) (but only for so long as such contestation effectively postpones enforcement of any such Encumbrance); (iv) inchoate materialmen's, mechanics', workmen's, repairmen's, employees', carriers' or warehousemen's liens, or other like Encumbrances arising in the ordinary course of business of the Cruise Port Facility or the Concession Company's performance of any of its rights or obligations hereunder, and in respect of obligations that are either (A) not delinquent or (B) being contested, or being caused to be contested, by the Concession Company in accordance with Section 3.5(a) (but only for so long as such contestation effectively postpones enforcement of any such Encumbrance); (v) any right reserved to or vested in any Governmental Authority by any statutory and/or regulatory provision or under common law; (vi) any other Encumbrance permitted hereunder (including any Concession Mortgage (and financing statements relating thereto including purchase money liens) and any Encumbrance created in connection with any financing permitted hereunder); (vii) liens incurred in the ordinary course of business in connection with workers' compensation, unemployment insurance, social security and other governmental rules and that do not in the aggregate materially impair the use, value or operation of the Cruise Port Facility; (viii) covenants, conditions, rights or obligations imposed or required by the Governmental Authority granting Government Contributions for the Cruise Port Facility; (ix) any Encumbrances for Taxes not yet due and owing or being contested in good faith; (x) any Encumbrances created, incurred, assumed or suffered to exist by the Authority or any other Governmental Authority or any Person claiming through it except to the extent caused by an act or omission of the Concession Company; (xi) any (A) right to build, (B) surface rights or (C) lease, use, concession or similar rights or agreements granted by the Concession Company, in each case with Approval of the Authority, in connection with the Concession Company's conduct of Cruise Port Facility Operations and (xii) any amendment, extension, renewal or replacement of any of the foregoing. Notwithstanding anything to the contrary contained herein, no Permitted Concession Company Encumbrance or other Encumbrance shall be permitted to attach to the fee simple interest of the Authority in, or the title of Authority to, the Cruise Port Facility or the Cruise Port Facility Assets.

"Persistent Breach Month" has the meaning ascribed thereto in Section 16.1(a)(iv).

"Person" means any individual (including the heirs, beneficiaries, executors, legal representatives or administrators thereof), corporation, partnership, joint venture, trust, limited liability company, limited partnership, joint stock company, unincorporated association or other entity or a Governmental Authority.

"Phase Two Calculation Date" has the meaning ascribed thereto in the definition of Phase Two Trigger Event in Schedule 13.

"Phase Two Demand Threshold Calculation" has the meaning ascribed thereto in the definition of Phase Two Trigger Event in Schedule 13.

"Phase Two Projects" means the capital improvement projects set forth on Schedule 13 and identified as the "Phase Two Projects." The Phase Two Projects consist of the "Piers 13-14 Project", as such capital improvement project is described in Schedule 13; *provided, however*, that during any period in which Pier 14 does not constitute part of the Cruise Port Facility or the Concession, as provided in Section 2.1(a), the Concession Company shall have no obligation to complete the Phase Two Projects pursuant to Section 4.1.

"Phase Two Projects Notice" has the meaning ascribed thereto in Section 3.24(c).

"Phase Two Projects Requirements" means the requirements for the implementation of the Phase Two Projects set forth in Section 4.12.

"Phase Two Rate of Return Test" has the meaning ascribed thereto in Schedule 13.

"Phase Two Trigger Event" has the meaning ascribed thereto in Schedule 13 (but, for the avoidance of doubt, shall be deemed to occur only when the conditions for the Phase Two Trigger Event have been satisfied and the Concession Company or the Authority notifies the other Party in writing that the conditions for the Phase Two Trigger Event have been satisfied).

"PIC-Termination Damages" has the meaning ascribed thereto in Section 16.6(c).

"Piers 11-12 Project" means the capital improvement project set forth on Schedule 13 and identified as the "Piers 11-12 Project."

"Piers 11-12 Wharf Project" means the capital improvement project set forth on Schedule 13 and identified as the "Piers 11-12 – Wharf." For the avoidance of doubt, except where treated separately under the terms of this Agreement, the Piers 11-12 Wharf Project is a component part of the Piers 11-12 Project.

"Piers 11-12 Removal Notice" has the meaning ascribed thereto in Section 3.25(c).

"Piers 11-12 Geotechnical Report" has the meaning ascribed thereto in Section 4.13(a).

"Pier 15" means the pier in San Juan Bay designated as Pier 15 in the records of the Authority and marked in Schedule 1.

"Pier 4 Condition Report" has the meaning ascribed thereto in Section 2.4(c)(vii).

"Pier 4 Reconstruction" means the rehabilitation or reconstruction of Pier 4, such rehabilitation or reconstruction to include any reasonable scope of work approved by the applicable Governmental Authority providing Government Contributions for such rehabilitation or reconstruction, so long as the capacity of Pier 4 permits the simultaneous berthing of two (2) port of call Category 2 or larger (as described in Schedule 13) Cruise Line Vessels, to be funded by Government Contributions (subject to the use of Reasonable Efforts by the Concession

Company to provide the funding described in Section 4.12(c)), if such works are instructed by the Authority pursuant to Section 4.12(c).

"Pier 13 Removal Notice" has the meaning ascribed thereto in Section 3.24(c).

"Piers 13-14 Wharf Project" means the capital improvement project set forth on Schedule 13 and identified as the "Pier 13 and Pier 14 – Wharf." For the avoidance of doubt, except where treated separately under the terms of this Agreement, the Piers 13-14 Wharf Project is a component part of the Phase Two Projects.

"Pier 3 Duty Free America Agreement" means the Development and Lease Agreement AP-16-17-(4)-040, dated as of August 25, 2016, by and between the Authority and DFA to design, develop, construct and finance the Pier 3 Duty Free Building complex and structural improvements, as amended by the First Amendment to Development and Lease Agreement dated in December 2020.

"Pier 3 Duty Free Building" means the building described in Appendix I of Schedule 13.

"Pier 3 EPIC Repairs" means the capital improvement project described in Schedule 13 and to be included (in a customary expanded form) in the Pier 3 EPIC Repairs Contract.

"Pier 3 EPIC Repairs Contract" means any contract or other agreement made between the Authority and any contractor with respect to the Pier 3 EPIC Repairs.

"Pier 3 EPIC Repairs Design" has the meaning ascribed thereto in Section 4.14.

"Pier 3 EPIC Repairs Project Management Contract" means the contract between the Authority and Capital Improvements Program Management P.S.C. for the management of the Pier 3 EPIC Repairs.

"Plans" has the meaning ascribed thereto in Section 3.15.

"Port Emergency" means any event that results in a material danger to the safety or security of Cruise Port Facility Operations or a material impairment to the Cruise Port Facility or to the continuing use of the Cruise Port Facility for the Cruise Line Business.

"Preferential Berthing Agreements" means the agreements to which the Authority is a party with the Signatory Cruise Lines that are set forth in Schedule 2 under the heading "Preferential Berthing Agreements."

"P.R. Mortgage and Property Registry Law" means Act No. 210-2015, P.R. Laws Ann., tit. 30, § 6001 *et seq.*, as may be amended from time to time.

"P.R. Penal Code" means Act No. 146-2012, P.R. Laws Ann., tit. 33, § 5001 *et seq.*, as may be amended from time to time, known as the Penal Code of the Commonwealth of Puerto Rico.

"P.R. Revenue Code" means the Puerto Rico Internal Revenue Code of 2011, P.R. Laws Ann., tit. 13, § 30011 *et seq.*, as may be amended from time to time.

"President" means the President of the United States of America.

"Pre-Existing Hazardous Substance" has the meaning ascribed thereto in Section 3.2(c)(vii).

"Pricing Date" means the date on which the Concession Company signs the bond purchase agreement regarding the Concession Mortgage Debt relating to the tax-exempt and taxable bond instruments to be issued at Closing.

"Principal Contract" has the meaning ascribed thereto in Section 3.2(d) and, for the avoidance of doubt and notwithstanding the provisions of Section 3.2(d), shall include the Technical Services Agreement and the Construction Contract described in Section 2.4(b)(v).

"Proceeding" means as to any Person any case, action or proceeding before any court or other Governmental Authority relating to bankruptcy, reorganization, insolvency, liquidation, receivership, dissolution, winding-up or relief of debtors; undertaken under federal, State or Commonwealth Law, including, without limitation, PROMESA.

"PROMESA" means the Puerto Rico Oversight, Management, and Economic Stability Act, Pub. L. 114-187, 48 U.S.C. sec. 2121 *et seq.*

"Public Integrity Crime" means any crime described in Section 5(p) of the Code of Ethics, Section 5(fi) of Act No. 237-2004, P.R. Laws Ann., tit. 3, § 8611 *et seq.*, as may be amended from time to time, or in other sections of such Laws.

"Public-Private Partnerships Authority's Ethical Guidelines" means the "Public-Private Partnerships Authority's Guidelines for the Evaluation of Conflicts of Interest and Unfair Advantages in the Procurement of Public-Private Partnership Contracts", promulgated by the Public-Private Partnerships Authority and dated as of December 19, 2009.

"Qualified Debt" means any senior or subordinated *bona fide* debt not otherwise constituting Concession Mortgage Debt that is incurred at any time to finance or refinance, directly or indirectly, the Concession Fee payable hereunder or is otherwise expected to be paid exclusively from the revenues generated at the Cruise Port Facility, including: (i) principal (including accreted principal included in interest rate hedges or bonds); (ii) accrued interest (including capitalized interest and interest pursuant to an original issue discount); (iii) customary and reasonable lender or financial insurer, agent and trustee fees, costs, premiums, expenses and reimbursement obligations with respect thereto; (iv) all payment obligations under interest rate hedging agreements with respect thereto (including accreting interest rate hedging agreements); (v) reimbursement obligations with respect thereto to any financial insurer and (vi) an assignment in connection with a securitization transaction; *provided* that, in each case, the Concession Company, promptly after the incurrence of any such debt, notifies the Authority of such debt and the material terms thereof. For the purposes of determining Cruise Port Facility Concession Value, Qualified Debt shall not include (A) debt from any Equity Participant or its

Affiliate or from any Affiliate of the Concession Company or (B) debt the holders of which have the benefit of a guaranty or payment from an Affiliate of the Concession Company, unless, in each case, such debt is debt on terms consistent with terms that would reasonably be expected from a non-Affiliate lender acting in good faith and in accordance with market standards, *provided* that the Concession Company may request at any time during the Term that the Authority confirm in writing, and the Authority shall so confirm within a reasonable time following such request (but not exceeding ten (10) Business Days), whether any such debt is on terms consistent with terms that would reasonably be expected from a non-Affiliate lender acting in good faith and in accordance with market standards (and if such conditions are complied with confirmation that such debt constitutes Qualified Debt shall not be unreasonably denied). Notwithstanding anything herein to the contrary, except with respect to any such senior or subordinated *bona fide* debt incurred or committed on or prior to the Closing Date or which is incurred or committed in connection with the funding of the Cruise Pier Improvement Projects Cost for the Expansion Investment Projects and the Documents for committing and incurring such debt are Approved by the Authority, all of which incurred or committed debt shall be deemed to be Qualified Debt (except to the extent excluded from Qualified Debt pursuant to clauses (A) or (B) above), Qualified Debt shall not include any new debt incurred or committed following the Closing Date except that which is incurred or committed in connection with the funding of the Cruise Pier Improvement Projects Cost for the Expansion Investment Projects and the Documents for committing and incurring such debt are Approved by the Authority (it being understood and agreed by the Parties that any capitalization of interest or accretion of principal or other committed increases on any debt incurred or committed on or prior to the Closing Date or which is incurred or committed in connection with the funding of the Cruise Pier Improvement Projects Cost for the Expansion Investment Projects and the Documents for committing and incurring such debt are Approved by the Authority or any refinancing of any debt that has previously qualified as Qualified Debt up to the original principal amount thereof shall not constitute such new debt) that (together with the aggregate amount of Concession Mortgage Debt and any Qualified Debt after giving effect to the incurrence or commitment of any such new debt) *exceeds* 80% of the fair market value of the Concession Company Interest set forth in an appraisal; *provided* that, in order for such new debt to qualify as Qualified Debt, such appraisal shall (x) be prepared at the Concession Company's expense by an independent third party appraiser described under "Cruise Port Facility Concession Value" and delivered to the Authority prior to the incurrence or commitment of such new debt, (y) be a written appraisal of the fair market value of the Concession Company Interest as of the time of the incurrence or commitment of such new debt and (z) identify the extent to which such new debt (together with the aggregate amount of Concession Mortgage Debt and any Qualified Debt after giving effect to the incurrence or commitment of any such new debt) *exceeds* 80% of the fair market value of the Concession Company Interest set forth in such appraisal at the time of incurrence or commitment of such new debt; *provided* that any capitalization of interest or accretion of principal or other committed increases on any debt set forth in such appraisal shall constitute Qualified Debt to the extent such debt constitutes Qualified Debt on the date such appraisal is given; and *provided further* that the Parties agree that notwithstanding the requirements of the foregoing sub-clauses (x), (y) and (z), the amount of the Concession Fee paid at the Closing shall be deemed to constitute the fair market value of the Concession Company Interest for a period of 12 months after the Closing Date and, as such, no appraisal shall be required within such 12-month period. The appraisal requirement in the preceding sentence shall not apply to any protective advances

made by any provider of Qualified Debt or advances made by any provider of Qualified Debt to cure Concession Company defaults under the agreements evidencing such Qualified Debt (regardless of whether entered into on or after the Closing Date) or other financing documents of such Qualified Debt.

"Qualifying Account Instrument" means either (i) an Account LC or (ii) a revolving working capital or liquidity facility that is available for drawing by the Concession Company at any time, and from time to time, to pay operating expenses or debt service (as applicable) as it becomes due; *provided* that (A) the maturity of such revolving working capital or liquidity facility shall in no event be less than 12 months from the date of determination of the Opex Reserve Requirement, (B) such revolving working capital or liquidity facility shall have no conditions precedent to drawing other than (1) the non-occurrence of a payment default in respect of any Concession Mortgage Debt, (2) the non-acceleration of any Concession Mortgage Debt as a result of an event of default with respect thereto, (3) the nonoccurrence of any of the events set forth in Section 16.1(a)(v), (vi) or Section 16.1(a)(viii) of this Agreement with respect to the Concession Company or (4) other customary conditions precedent for a liquidity facility and (C) such revolving working capital or liquidity facility shall be provided by one or more financial institutions whose long-term senior unsecured indebtedness has obtained a rating of "BBB+" or better by Standard & Poor's Ratings Services and an equivalent credit rating by another Rating Agency (or an equivalent credit rating from at least two nationally recognized Rating Agencies if the named Rating Agency ceases to publish ratings).

"Rating Agency" means any of Standard & Poor's Rating Services, Moody's Investors Service, Inc. or Fitch Investors Service, Inc. or any similar entity or any of their respective successors.

"Reasonable Efforts" means the taking of those commercially reasonable steps in the power of the relevant Person that are capable of producing the desired result, being steps which a reasonable person desiring to achieve such result would take; *provided* that, subject to the relevant Person's other express obligations under this Agreement, the relevant Person shall not be required to expend any funds other than those funds (i) necessary to meet the reasonable costs reasonably incidental or ancillary to the steps to be taken by the relevant Person and (ii) the expenditure of which is not the obligation of another Person hereunder *and provided further that,* for purposes of Section 4.12(d) and Section 4.13(b), the Concession Company shall affirmatively demonstrate to the Authority its Reasonable Efforts to obtain Institutional Lenders' commitment, under reasonable conditions, to fund Cruise Pier Improvement Projects Cost following the Phase Two Trigger Event and the Expansion Investment Projects Trigger Event, respectively.

"Receiver of Government Contributions" means any Person that enters into a Government Contributions Agreement, directly receives Government Contributions from the applicable Governmental Authority and is directly responsible to the Governmental Authority providing the Government Contributions for the delivery of the applicable Cruise Pier Improvement Project or Modification funded by such Government Contributions.

"Receiver's Agent" means any Person who acts on behalf of a Receiver of Government Contributions in connection with the delivery of a Cruise Pier Improvement Project or Modification funded by Government Contributions and to whom Government Contributions are

disbursed by the Receiver of Government Contributions and who has effective control over such delivery pursuant to a written agreement between such Person and the Receiver of Government Contributions and, if the Authority is not the Receiver of Government Contributions, the Authority setting forth the terms and conditions for the delivery of the applicable Cruise Pier Improvement Project or Modification and the control of such Person over such delivery. The Concession Company shall only be the Receiver's Agent where such written agreement is on terms which grant the Concession Company effective control over the delivery of the applicable Cruise Pier Improvement Project or Modification as envisaged in the previous sentence.

"Recitals" means the recitals of this Agreement.

"Reference Services" has the meaning ascribed thereto in Schedule 3 and as described in Schedule 15.

"Rehabilitation Pier 4 Wharf" means the capital improvement project set forth on Schedule 13 and described as the "Rehabilitation Pier 4 Wharf."

"Release" means any unlawful spilling, leaking, emitting, discharging, disposing, depositing, leaching, escaping, dumping, pumping, emptying, injecting, pouring, or migration into or through the Environment.

"Relevant Return Condition Works" has the meaning ascribed thereto in Section 16.8.

"Replacement Letter of Credit" has the meaning ascribed thereto in Section 16.3(c).

"Reporting Year" means each calendar year during the Term, except that unless the Closing Date is the first day of January, the first Reporting Year shall be a partial year commencing on the Closing Date and ending on December 31 of such calendar year and the last Reporting Year shall be a partial Reporting Year commencing January 1 of such Reporting Year and ending on the End Date. The Reporting Year may be adjusted during the Term to an alternate twelve month period by written agreement between the Parties, not to be unreasonably withheld.

"Representative" means, with respect to any Person, any director, officer, employee, official, lender (or any agent or trustee acting on its behalf), partner, member, owner, agent, lawyer, accountant, auditor, professional advisor, consultant, engineer, Contractor, other Person for whom such Person is responsible at law or other representative of such Person and any professional advisor, consultant or engineer designated by such Person as its "Representative."

"Required Coverages" has the meaning ascribed thereto in Section 13.1.

"Required Modification" has the meaning ascribed thereto in Section 5.2(a).

"Reserved Section" has the meaning ascribed thereto in Section 3(a) of Schedule 2.

"Restoration", "Restore", or "Restoring" means, with respect to any casualty loss, destruction or damage of the Cruise Port Facility, to repair or rebuild the affected portions of the Cruise Port Facility in accordance with all Laws applicable at the time of the repair or rebuilding

to restore them to at least the same condition in which they were before the occurrence of such casualty loss, destruction or damage.

"Restoration Funds" has the meaning ascribed thereto in Section 13.3(a).

"Re-Tender Costs" means any costs, expenses (including legal fees), Taxes, fees, charges, disbursements and other Losses that are incurred by the Authority (or to the best of the Authority's knowledge after due inquiry, are expected to be paid or incurred by the Authority) in connection with any Re-Tender of the Cruise Port Facility.

"Re-Tender of the Cruise Port Facility" means (a) any process by which the Authority (i) requests tenders from any Person interested in entering into a concession, lease or other transaction in respect of the Cruise Port Facility, (ii) evaluates any response to such request from such Person or (iii) grants or enters into such concession, lease or other transaction with such Person, or (b) any financing, bonding or similar transaction undertaken by the Authority in respect of the Cruise Port Facility.

"Return Condition Works" has the meaning ascribed thereto in Section 16.8.

"Return Condition Works Completion Notice" has the meaning ascribed thereto in Section 16.8.

"Return Condition Works Cost" has the meaning ascribed thereto in Section 16.8.

"Return Condition Works Program" has the meaning ascribed thereto in Section 16.8.

"Revenue Share Credit" has the meaning ascribed thereto in Section 15.1(c).

"Reversion Date" means the day immediately following the End Date.

"ROFO Exclusivity Period" has the meaning ascribed thereto in Section 3.19.

"ROFR Exclusivity Period" has the meaning ascribed thereto in Section 3.20.

"San Juan Bay" means the area described in Figure 1 of Section 1 of Schedule 1 as the San Juan Bay Zoned Port Area, *provided* that, within such San Juan Bay Zoned Port Area, San Juan Bay is the area up to the high tide level.

"Sanction Laws" has the meaning ascribed thereto in Section 9.2(f).

"Scheduled Completion Date" has the meaning ascribed thereto in Section 4.1.

"Secretary" means the U.S. Secretary of Transportation.

"Securities Act" means the United States Securities Act of 1933, as amended.

"Shipping Channels" means the channels in San Juan Bay that provide access to the Cruise Piers and are marked on Schedule 1, excluding the areas marked on Schedule 1 as Berthing Areas that are immediately adjacent to the Cruise Piers.

"Shipping Channels Adjusted Minimum Dredging Depth" has the meaning ascribed thereto in Section 3.2(j).

"Shipping Channels Minimum Dredging Depth" has the meaning ascribed thereto in Section 3.2(j).

"Signatory Cruise Lines" means Carnival Corporation, a corporation organized and existing under the laws of Panama, Royal Caribbean Cruises Ltd., a corporation organized and existing under the laws of Liberia, and NCL (Bahamas) Ltd. d/b/a Norwegian Cruise Line, a corporation organized and existing under the laws of the Bahamas.

"60% Design and Technical Specifications" means, with respect to the Initial Investment Projects and the Expansion Investment Projects, or any other Cruise Pier Improvement Project or Modification, the design documentation and technical specifications for the applicable Cruise Pier Improvement Project or Modification that is developed to a level of detail and completeness of at least sixty percent (60%) of the level of detail and completeness required for final, one hundred percent (100%) complete, design documentation and technical specifications. Without limiting the generality of the foregoing, the 60% Design and Technical Specifications shall include the documents and information provided in clauses (i) through (iv) of the definition of 30% Design and Technical Specifications. For the avoidance of doubt, references in Schedule 13 to "60% Design" shall be deemed to be references to the "60% Design and Technical Specifications", and the 60% Design and Technical Specifications shall include all the information and design documentation required in Schedule 13 for "60% Design".

"State" means any state in the United States of America or any possession or territory thereof.

"Statement of Estimated Liabilities" means a statement by the Authority setting forth (i) the relevant Concession Company Default or other circumstances giving rise to its right to terminate this Agreement, (ii) all amounts that (A) are estimated to be due and payable by the Concession Company to the Authority under this Agreement as of the date of such statement or (B) to the best of the Authority's knowledge after due inquiry, are expected to become due and payable by the Concession Company under this Agreement on or prior to the date that is 30 days after the date of such statement, (iii) to the extent not included in clause (ii) above, all other obligations of the Concession Company under this Agreement known to the Authority that should have been, but have not been, performed as of the date of such statement and (iv) to the extent not included in clauses (ii) or (iii) above, all costs and expenses (including legal fees), Taxes, fees, charges and disbursements estimated to be paid or incurred by the Authority in connection with any Concession Company Default, the termination of this Agreement, the recovery of possession from the Concession Company, and the preparation, execution and delivery of the New Agreement and related agreements and the Statement of Estimated Liabilities that (A) are estimated to have been paid or incurred by the Authority as of the date of such statement or (B) to the best of the Authority's knowledge after due inquiry, are expected to be paid or incurred by the Authority on or prior to the date that is 90 days after the date of such statement.

"Surety Bond" means (i) with respect to the Surety Bond provided by the Concession Company pursuant to Section 16.3(h), a surety bond or other guarantee that is in form and content reasonably acceptable to the Authority prior to submission of such surety bond or other guarantee and (ii) with respect to the Closing Surety Bond delivered to the Authority pursuant to Section 2.3(a), a surety bond or other guarantee in the form for a surety bond set forth in Schedule 6 (or otherwise in form and content reasonably acceptable to the Authority prior to submission of the surety bond), and in the case of both (i) and (ii), the issuer shall be an insurance company or other surety that is Approved by the Authority.

"Sworn Statement" means the sworn statement required by Act No. 2-2018, as amended, known as the Anti-Corruption Code for the New Puerto Rico.

"Sworn Statement for Closing" means the sworn statement in the form of Schedule 8.

"Tax" means any federal, Commonwealth, State, municipal, local or foreign income, gross receipts, license, payroll, employment, excise, severance, stamp, occupation, premium, windfall profits, environmental, customs duties, permit fees, capital stock, franchise, profits, withholding, social security, unemployment, disability, real property, personal property, parking, sales, use, transfer, registration, value added, alternative or add-on minimum, estimated or other tax, levy, impost, duty, fee, withholding or similar imposition of any kind payable, levied, collected, withheld or assessed at any time, including any interest, surcharge, penalty or addition thereto, whether disputed or not.

"Technical Dispute" has the meaning ascribed thereto in Section 19.3.

"Technical Services Agreement" has the meaning ascribed thereto in Section 2.4(b)(v).

"Term" means the term of this Agreement referred to in Section 2.1.

"Term Year" means (i) if the Closing Date occurs on the first day of a calendar month, the 12-month period beginning on the Closing Date or (ii) if the Closing Date does not occur on the first day of a calendar month, the period from the Closing Date through the 12-month anniversary of the end of the calendar month in which the Closing Date occurred and, in either case of clause (i) or (ii), each succeeding 12-month period and in any case ending on the End Date.

"Termination Damages" means AA-Termination Damages, AD-Termination Damages or PIC-Termination Damages.

"Third Party Claim" means any Claim asserted against an Indemnified Party by any Person who is not a Party or an Affiliate of such a Party.

"30% Design and Technical Specifications" means, with respect to the Initial Investment Projects and the Expansion Investment Projects, or any other Cruise Pier Improvement Project or Modification, the design documentation and technical specifications for the applicable Cruise Pier Improvement Project or Modification that is developed to a level of detail and completeness of at least thirty percent (30%) of the level of detail and completeness required for final, one hundred percent (100%) complete, design documentation and technical specifications. Without

limiting the generality of the foregoing, the 30% Design and Technical Specifications shall (i) incorporate data obtained from completed geotechnical and subsurface utility investigations, soil and rock borings, (ii) include design and technical information about structural systems (wharf structure, footings, and other structural support requirements), mechanical and electrical systems and architectural design features (such as interior and exterior walls, windows and flooring and the HVAC system), including architectural design renderings, (iii) include the documents and information described in Section 8(b) (Review Guidelines) of Schedule 13, and (iv) be sufficient for submission to the USACE or other applicable Governmental Authority of applications for the construction of the applicable Cruise Pier Improvement Project or Modification. For the avoidance of doubt, references in Schedule 13 to "30% Design" shall be deemed to be references to the "30% Design and Technical Specifications", and the 30% Design and Technical Specifications shall include all the information and design documentation required in Schedule 13 for "30% Design".

"Time of Closing" means 10:00 a.m. (AST) on the Closing Date or such other time on such date as the Authority and the Concession Company may agree to in writing.

"Transaction" has the meaning ascribed thereto in Section 2.1.

"Transfer" means to sell, convey, assign, lease, sublease, mortgage, encumber, transfer or otherwise dispose of, directly or indirectly.

"Transferee" has the meaning ascribed thereto in Section 17.1(a).

"Unamortized Concession Fee" means, as of the End Date, the amount equal to:

(i) the product of (A) the Concession Fee, *multiplied* by (B) the difference of (1) one *less* (2) the quotient of (I) the number of days elapsed from the Closing Date through and including the End Date, *divided* by (II) 10,950 (plus such number of days as may be added to the Term in the event of an extension of the Term); *plus*

(ii) for each Annual Dredging Payment actually paid by the Concession Company, the product of (A) each such Annual Dredging Payment actually paid by the Concession Company, *multiplied* by (B) the difference of (1) one *less* (2) the quotient of (I) the number of days elapsed from the date that each such Annual Dredging Payment was paid by the Concession Company through and including the End Date, *divided* by (II) the difference of (x) 10,950 (plus such number of days as may be added to the Term in the event of an extension of the Term) *less (y)* the number of days that elapsed between the Closing Date through and including the date that each such Annual Dredging Payment was paid by the Concession Company.

"USACE" means the United States Army Corps of Engineers, or any successor agency or department thereto.

"U.S. Revenue Code" means the United States Internal Revenue Code of 1986, as amended.

"Utility Systems" means gas, electricity, light, heat, power, telephone, water and other utilities and services used in, or required for the use of, the Cruise Port Facility Operations or supplied to the Cruise Port Facility during the Term.

"Voluntary Notice of Transaction" has the meaning ascribed thereto in Section 2.4(c)(iii)(C).

Section 1.2 Number and Gender. In this Agreement, terms defined in the singular have the corresponding plural meaning when used in the plural and vice versa and words in one gender include all genders.

Section 1.3 Headings. The division of this Agreement into articles, sections and other subdivisions is for convenience of reference only and shall not affect the construction or interpretation of this Agreement. The headings in this Agreement are not intended to be full or precise descriptions of the text to which they refer and shall not be considered part of this Agreement.

Section 1.4 References to this Agreement. The words "herein", "hereby", "hereof", "hereto" and "hereunder" and words of similar import refer to this Agreement as a whole and not to any particular portion of it. The words "Article", "Section", "paragraph", "sentence", "clause" and "Schedule" mean and refer to the specified article, section, paragraph, sentence, clause or schedule of, or to, this Agreement.

Section 1.5 References to Agreements and Other Documents. Unless specified otherwise, a reference to an agreement or other document is considered to be a reference to such agreement or other document (including any schedules or exhibits thereto) as it may be amended, modified or supplemented from time to time.

Section 1.6 References to Any Person and to Good Faith Negotiations. A reference in this Agreement to any Person at any time refers to such Person's permitted successors and assigns. A reference in this Agreement to the Parties negotiating, discussing or resolving a matter in "good faith" shall not be construed to mean that there is an obligation of the Party or Parties to agree with respect thereto.

Section 1.7 Meaning of Including. In this Agreement, the words "include", "includes" or "including" mean "include without limitation", "includes without limitation", "including without limitation" and "including but not limited to", respectively, and the words following "include", "includes" or "including" shall not be considered to set forth an exhaustive list.

Section 1.8 Meaning of Discretion. In this Agreement, unless otherwise qualified or limited, the word "discretion" with respect to any Person means the sole and absolute discretion of such Person.

Section 1.9 Meaning of Notice. In this Agreement, the word "notice" means "written notice" unless specified otherwise.

Section 1.10 Meaning of Promptly. In this Agreement, the word "promptly" means as soon as reasonably practicable in light of then-prevailing circumstances.

Section 1.11 Consents and Approvals. Wherever the provisions of this Agreement require or provide for or permit an approval or consent by either Party, such approval or consent, and any request therefor, must be in writing (unless waived in writing by the other Party).

Section 1.12 Trade Meanings and References to Puerto Rico and the United States. Unless otherwise defined herein, (a) words or abbreviations that have well-known trade meanings are used herein in accordance with those meanings, and (b) the words "Puerto Rico" and "United States" mean the Commonwealth of Puerto Rico and the United States of America, or their respective geographic jurisdictions, as applicable. References to Global Ports Holding PLC means the company incorporated in England.

Section 1.13 Laws. Unless specified otherwise, a reference to a Law is considered to be a reference to (a) such Law as it may be amended, modified or supplemented from time to time, (b) all regulations and rules pertaining to or promulgated pursuant to such Law, (c) the successor to the Law resulting from recodification or similar reorganizing of Laws and (d) all future Laws pertaining to the same or similar subject matter. Nothing in this Agreement shall fetter or otherwise interfere with the right and authority of any Governmental Authority to enact, administer, apply and enforce any Law. Except for Adverse Actions or if compensation or other relief is otherwise available or provided for pursuant to applicable Law or this Agreement, the Concession Company shall not be entitled to claim or receive any compensation or other relief whatsoever as a result of the enactment, administration, application or enforcement of any Law by any Governmental Authority.

Section 1.14 Currency. Unless specified otherwise, all statements of or references to dollar amounts or money in this Agreement are to the lawful currency of the United States of America.

Section 1.15 Accounting Principles. All accounting and financial terms used herein, unless specifically provided to the contrary, shall be interpreted and applied in accordance with then generally accepted accounting principles in the United States of America, consistently applied.

Section 1.16 Time.

(a) *References to Specific Time.* Unless specified otherwise, all statements of or references to a specific time in this Agreement are to Atlantic Standard Time.

(b) *Period of Days.* For purposes of this Agreement, a period of days shall be deemed to begin on the first day after the event that began the period and to end at 5:00 p.m. on the last day of the period. If, however, the last day of the period does not fall on a Business Day, the period shall be deemed to end at 5:00 p.m. on the next Business Day.

Section 1.17 Approvals, Consents and Performance by the Authority.

(a) *Procedures.* Wherever the provisions of this Agreement require or provide for or permit an approval or consent by the Authority of or to any action, Person, Document or other matter contemplated by this Agreement, the following provisions shall apply, as applicable: (i) such request for approval or consent must (A) contain or be accompanied by any documentation or information required for such approval or consent in reasonably sufficient detail, (B) clearly set forth the matter in respect of which such approval or consent is being sought, (C) form the sole subject matter of the correspondence containing such request for approval or consent (provided, however, more than one approval or consent may be requested in a single correspondence if the subject matter of each approval or consent is related and each approval or consent is clearly separately set forth) and (D) state clearly that such approval or consent is being sought; (ii) such approval or consent shall not be unreasonably or arbitrarily withheld, conditioned or delayed (unless such provision provides that such approval or consent may be unreasonably or arbitrarily withheld, conditioned or delayed or that it may be given or provided at the discretion of the Authority); (iii) the Authority shall, within such time period set forth herein (or (A) if no time period is provided, within 45 days, subject to the Authority's right to extend such period once for an additional 15 days or (B) in the event of a Port Emergency, as promptly and reasonably practicable under the circumstances) after the giving of a notice by the Concession Company requesting an approval or consent, advise the Concession Company by notice either that it consents or approves or that it withholds its consent or approval, in which latter case it shall (unless such provision provides that such approval or consent may be unreasonably or arbitrarily withheld, conditioned or delayed or is subject to the discretion of the Authority) set forth, in reasonable detail, its reasons for withholding its consent or approval, which reasons may include the insufficiency, as determined by the Authority acting reasonably, of the information or documentation provided; (iv) if the responding notice mentioned in clause (iii) of this Section 1.17(a) indicates that the Authority does not approve or consent, the Concession Company may take whatever steps may be necessary to satisfy the objections of the Authority set out in the responding notice and, thereupon, may submit a revised request for approval or consent from time to time and the provisions of this Section 1.17 shall again apply until such time as the approval or consent of the Authority is finally obtained; (v) if the disapproval or withholding of consent mentioned in clause (iv) of this Section 1.17(a) is subsequently determined pursuant to Article 19 to have been improperly withheld, conditioned or delayed by the Authority, such approval or consent shall, unless otherwise determined pursuant to Article 19, be deemed to have been given on the date on which such approval or consent was originally required (and for the purpose of determining any period of delay the amount of time required to obtain such approval or consent shall be taken into consideration); and (vi) for the avoidance of doubt, any dispute as to whether or not a consent or approval has been unreasonably withheld, conditioned or delayed shall be resolved in accordance with the provisions of Article 19.

(b) *Approved Documents.* Subject to the other provisions hereof, wherever in this Agreement an approval or consent is required with respect to any document, proposal, certificate, plan, drawing, specification, contract, agreement, budget, schedule, report or other written instrument whatsoever (a "Document"), following such Approval such Document shall not be amended, supplemented, replaced, revised, modified, altered or changed in any material

respect without first obtaining a further Approval in accordance with the provisions of this Section 1.17.

ARTICLE 2
THE TRANSACTION; CLOSING; CONDITIONS PRECEDENT; COVENANTS

Section 2.1 Grant of Concession; Right to Lease; Intent of the Parties.

(a) Upon the terms and subject to the conditions of this Agreement, effective at the Time of Closing, (i) the Concession Company (A) shall pay the Authority the exact amount of $72,000,000.00, in cash (the "Concession Fee"), (B) shall pay into the Escrow Account – Capital Dredging Sub-Account $1,600,002 as the initial dredging payment ("Initial Dredging Payment"), (C) agrees to pay into the Escrow Account – Maintenance Dredging Sub-Account the Annual Dredging Payment described in Section 2.1(a), (D) agrees to pay the Annual Authority Revenue Share described in Section 2.1(c) and the Incremental Authority Revenue Share, and (E) shall pay into the Escrow Account – Initial Investment Projects Sub-Account the amount provided in Section 2.11(b)(i), in cash, and (ii) the Authority shall and does hereby (A) grant the Concession Company a concession free and clear of Encumbrances other than Permitted Authority Encumbrances, for and during the term commencing as of the Time of Closing and expiring at 11:59 p.m. on the 30th anniversary of the Closing Date, as such expiration date may be extended pursuant to Section 4.13(d) (the "Term"), unless terminated earlier or extended in accordance with the terms of this Agreement, to repair, operate, manage, maintain, improve, enhance, develop, rehabilitate, use, and enjoy the Cruise Port Facility for Cruise Port Purposes and otherwise in accordance with and pursuant to this Agreement and (B) grant the Concession Company the right to collect and retain all fees, charges and revenues set forth in Section 7.1 hereto in respect of the Cruise Port Facility, the Cruise Port Facility Assets and the Cruise Port Facility Contracts, but excluding Government Contributions (collectively, the "Concession"). For the avoidance of doubt, such fees, charges and revenues shall be the property of the Concession Company. As part of the Concession, the Authority hereby conveys to the Concession Company the right to use, and to the fullest extent permitted under applicable Law, leases, for Cruise Port Purposes each (and all) of the Cruise Port Facility Assets, transfers responsibility to the Concession Company for the Preferential Berthing Agreements as provided in Schedule 2 and assigns to the Concession Company the Assigned Port Facility Contracts (including any security deposits tendered to the Authority by the counterparties thereto), and the Concession Company shall accept the Concession and each related right, assignment and transfer (collectively, including the Concession, the "Transaction"). Pier 14 shall not constitute part of the Cruise Port Facility or the Concession until the Authority notifies the Concession Company in writing with ninety (90) days' prior notice that Pier 14 constitutes part of the Cruise Port Facility and the Concession, following which ninety (90) day period Pier 14 shall constitute part of the Cruise Port Facility and the Concession for all purposes of this Agreement, without any further action required by either Party. Pier 13, Pier 14 (if it has become part of the Cruise Port Facility and the Concession as provided above), Piers 11-12, including all terminals, buildings, structures (above grade and below grade), roadways, and all fixtures, and related facilities, situated as of the Closing Date on that Authority real property as the same may be enlarged, enhanced, improved, reconstructed, rebuilt, rehabilitated, developed or otherwise modified in accordance with this Agreement, shall not constitute part of the Cruise Port Facility and the Concession if removed pursuant to Section 3.24 and Section 3.25, as

applicable. Notwithstanding anything to the contrary herein, rights provided to the Concession Company under the Concession and Transaction under this Agreement are integrated and non-severable. To the maximum extent permitted by applicable Law, the Authority acknowledges that any rights relating to use of real property conveyed as part of the Concession are a real property lease. Except where otherwise provided in this Agreement, any proceeds received by the Authority after the Time of Closing for any claims made by the Authority before the Time of Closing under any insurance policy of, or for the benefit of, the Authority shall be the property of the Authority, and the Concession Company shall have no interest in or claim upon any such proceeds, such proceeds including proceeds related to claims made by the Authority with respect to the Pier 3 EPIC Repairs.

(b) On the first day of the fourth full Reporting Year and each succeeding Reporting Year, the Concession Company shall deposit in the Escrow Account – Maintenance Dredging Sub-Account, in cash, the exact amount of $310,000, as Adjusted for Inflation and as further provided in Section 3.2(j) (the "Annual Dredging Payment"). The payment of the Initial Dredging Payment and the Annual Dredging Payment shall be senior to the payment of any debt of the Concession Company and shall be for the benefit of the Authority for payment of its dredging obligations provided in Section 3.2(j).

(c) The Concession Company shall pay to the Authority, in cash, for each Reporting Year an amount (the "Annual Authority Revenue Share") equal to 5% of the gross Cruise Port Revenues of the Concession Company and each Affiliated Service Provider in each such Reporting Year, provided that, with respect to the gross Cruise Port Revenues of an Affiliated Service Provider, it shall include only the percentage of gross Cruise Port Revenues of the Affiliated Service Provider equal to the percent ownership of the Concession Company in such Affiliated Service Provider, as further adjusted and provided in Schedule 15. The Concession Company shall also pay to the Authority, in cash, for applicable Reporting Years provided in Schedule 15 the Incremental Authority Revenue Share as provided in Schedule 15. The Annual Authority Revenue Share for each Reporting Year is due and shall be paid by the Concession Company, together with any Incremental Authority Revenue Share due for such Reporting Year in accordance with Schedule 15, within 30 days after the delivery of the audited annual financial report for such Reporting Year as required by Section 8.1(c)(ii). Any Annual Authority Revenue Share and any Incremental Authority Revenue Share in respect of the final Reporting Year shall be due and shall be paid by the Concession Company within 90 days after the Reversion Date. The payment of the Annual Authority Revenue Share and the Incremental Authority Revenue Share shall be senior to the payment of any debt of the Concession Company (including Concession Mortgage Debt, Qualified Debt or other debt of the Concession Company), except with respect to the Incremental Authority Revenue Share as provided in Schedule 15.

(d) As part of the Concession, the Authority hereby grants the Concession Company the right to use and lease spaces in the Cruise Pier Buildings of the Cruise Port Facility for the purpose established in this Agreement and Schedule 15 and collect and retain all fees, charges, payments and revenues in respect of such facilities, *provided however* that all agreements entered into by the Concession Company with any Person with respect to the Cruise Pier Buildings shall (i) include the right of the Authority, in its discretion, to receive an assignment of such agreement at the end of the Term, or earlier if terminated for Concession

Company Default or otherwise, without any condition, cost or penalty to the Authority, (ii) provide for the exclusive liability of the Concession Company and shall release and hold the Authority harmless of any liability whatsoever arising in relation thereto, and (iii) shall expressly provide that the Person using or renting from the Concession Company shall not register such contract and rights thereunder in the Registry of Property. Pursuant to this right, the Authority, by the Time of Closing, shall cause all those Cruise Port Facility Contracts (and, for the avoidance of doubt, excluding the Preferential Berthing Agreements) to include the Concession Company as a party thereof or shall assign such Cruise Port Facility Contracts to the Concession Company in order for the Concession Company to have the right to collect and retain all fees, charges, payments and revenues in respect of such Cruise Port Facility Contracts. For the avoidance of doubt, such fees, charges and revenues shall be the property of the Concession Company.

(e) It is the intent of the Parties that the Concession Company shall have the right of enjoyment and use of ("goce y uso") the Cruise Port Facility and the Cruise Port Facility Assets as provided in this Agreement as set forth in Section 2.1(a), and that the Authority in no way is assigning, transferring or otherwise conveying title of the Cruise Port Facility or the Cruise Port Facility Assets to the Concession Company.

(f) For the avoidance of doubt, to the extent that an Assigned Port Facility Contract includes services to be provided to the Authority in connection with other facilities or assets of the Authority not being conveyed to the Concession Company as part of the Concession, the Authority may partially assign such Assigned Port Facility Contract to the Concession Company, and the Concession Company shall accept such partial assignment, in accordance with the foregoing.

(g) The Authority expressly acknowledges and agrees that the Concession is a "real property right" under Puerto Rico law and such right shall be considered, for purposes of Section 365(h) of the Bankruptcy Code, a "real property lease". Whether or not Section 365(h) of the Bankruptcy Code is applicable, the Authority expressly agrees that if this Agreement is rejected or disaffirmed, or if the Concession is otherwise rejected or disaffirmed, in whole or in part, the Concession Company may retain its rights under this Agreement (including rights such as those relating to the amount and timing of payments due to the Authority hereunder and other amounts payable by the Concession Company and any right of use, possession, quiet enjoyment, subletting, assignment, or hypothecation) that are in or appurtenant to the real property for the balance of the Term of this Agreement and for any renewal or extension of such rights to the extent that such rights are enforceable under applicable Law. If the Concession Company retains its rights under this Agreement and all rights hereunder, the Concession Company may offset against the payments otherwise due to the Authority for the balance of the Term after the date of the rejection or disaffirmance of this Agreement and for any renewal or extension of Term of this Agreement, the value of any damage caused by the nonperformance after the date of such rejection, of any obligation of the Authority under this Agreement, but the Concession Company shall not have any other right against the Authority on account of any damage occurring after such date caused by such nonperformance. The Concession Company shall provide an accounting of any offset taken by the Concession Company against the payments otherwise due to the Authority within ten (10) Business Days after any such offset, and the Concession Company shall disgorge any amounts offset by the Concession Company that are finally

determined by a court of competent jurisdiction to not have been damages caused by the Authority's nonperformance after the date of such rejection. Notwithstanding anything to the contrary in this Agreement, the rights granted to the Concession Company under this Agreement and the rights provided to the Concession Company in this Section 2.1(g) are integrated and non-severable.

Section 2.2 Closing.

(a) The closing of the Transaction (the "Closing") shall take place on a Business Day not later than 180 days after the Closing Security Delivery Date (unless otherwise agreed in writing by the Authority and the Concession Company) (the "Outside Closing Date") that is specified by the Concession Company in a notice to the Authority not less than 10 Business Days prior to such Business Day; *provided* that the Closing shall not take place prior to the later of (i) the first Business Day that is 120 days after the Closing Security Delivery Date and (ii) the date on which all Closing conditions shall have been satisfied or waived by the Party or Parties for the benefit of which such conditions are applicable (the "Closing Date"). The Closing shall be held at the Puerto Rico Convention Center District Authority or such other place agreed to in writing by the Authority and the Concession Company. At the Time of Closing, the Concession Company shall deliver or cause to be delivered to the Authority same-day funds by wire transfer in the amount of the Concession Fee (less the amount of any Cash Deposit and any interest thereon withdrawn by the Authority pursuant to Section 2.3(c)) and payment into the Escrow Account – Initial Investment Projects Sub-Account of the amount provided in Section 2.11(b)(i) and payment into the Escrow Account – Capital Dredging Sub-Account of the Initial Dredging Payment as provided in Section 2.11(b)(ii) in full payment for the Concession Company Interest, and upon receipt of such payment the Transaction shall be effective. Upon receipt of the funds described in the preceding sentence, the Authority shall immediately cancel and return the Closing LOC or the Closing Surety Bond, as applicable, in accordance with the Concession Company's instructions. The Outside Closing Date shall be subject to extension on a fair and reasonable basis for an additional period not to exceed 90 days upon request of the Concession Company or the Authority if (A) the satisfaction of any of the conditions is delayed by any action or omission of the Authority or the Commonwealth or any agency or instrumentality thereof or any Delay Event occurring prior to the Outside Closing Date (including the inability of the Authority to satisfy the condition specified in Section 2.4(a)(i) because it is unable to make the representations in Section 9.1(d)) or (B) one of the results specified in Section 2.4(c)(iii)(B) from the submission of a Voluntary Notice of Transaction has not been obtained or any of the Authorizations identified as required by the Closing Date in section B of Schedule 17 has not been issued (other than as a result of the negligence or lack of due diligence of the Concession Company) and the Institutional Lender requires any of such Authorizations for Closing or (C) the condition set forth in Section 2.4(c)(i)(B) has not been satisfied. If at the end of the not to exceed 90 day extension of the Outside Closing Date provided in the immediately preceding sentence the Concession Company has not obtained the Authorizations identified in paragraph 2 of section B of Schedule 17 (other than as a result of the negligence or lack of due diligence of the Concession Company) and the Institutional Lender requires such Authorizations for Closing, then such not to exceed 90 day extension of the Outside Closing Date shall be subject to an additional extension on a fair and reasonable basis for an additional period not to exceed 30 days upon request of the Concession Company. For the avoidance of doubt, notwithstanding anything in this Agreement to the contrary, (1) the Outside

Closing Date shall not be extended for any reason other than the reasons set forth in this Section 2.2(a), (2) if extended to the maximum period provided in this Section 2.2(a) the Outside Closing Date will be that date which is 300 days after the Closing Security Delivery Date (unless this maximum number of days is extended by agreement in writing of the Authority and the Concession Company) and (3) the Closing Security Delivery Date shall be no later than the Outside Closing Security Delivery Date, and the Outside Closing Security Delivery Date shall not be extended for any reason, unless agreed in writing by the Authority and the Concession Company.

(b) The Authority shall be entitled to all revenues with respect to the Cruise Port Facility (including Government Contributions) and shall be responsible for all charges, costs and expenses with respect to the Cruise Port Facility, including with respect to Assumed Liabilities, that shall have accrued as of 11:59 p.m. on the day immediately preceding the Closing Date. If the Authority and the Concession Company are unable to determine if any revenues or charges, costs and expenses with respect to the Assumed Liabilities actually accrued as of 11:59 p.m. on the day immediately preceding the Closing Date, such revenues, charges, costs and expenses shall be prorated between the Authority and the Concession Company as of 11:59 p.m. on the day immediately preceding the Closing Date based upon the actual number of days in the month and a 365-day year. Any amounts payable to or owed by the Authority pursuant to this Section 2.2(b) shall be added to or subtracted from the Concession Fee accordingly. If final amounts cannot be determined at the Closing for any items contemplated by this Section 2.2(b), then the Authority and the Concession Company shall allocate such items on a fair and equitable basis as soon as revenue statements, invoices or bills are available, with final adjustment to be made as soon as reasonably possible after the Closing Date. The Authority and the Concession Company shall have reasonable access to, and the right to inspect and audit, the other's books to confirm such final determinations, subject to the terms and conditions set forth in Article 8 and Article 19. Payment of any amount due under the final adjustment will be paid by the Concession Company to the Authority or by the Authority to the Concession Company (as applicable) within 30 days of agreement by the Authority and the Concession Company of the final adjustment. It is understood and agreed that the Authority shall, up to and including 11:59 p.m. on the day immediately preceding the Closing Date, be entitled to all of the cash or cash equivalents in or generated by the Cruise Port Facility (other than any security deposit under any Assigned Port Facility Contract).

Section 2.3 Security Deposit and Outside Closing Security Delivery Date.

(a) The Concession Company shall on the Date of this Agreement deliver to the Authority the Closing Corporate Guaranty in the form attached hereto in Schedule 6A with a term through the Outside Closing Date plus 30 days. The delivery of the Closing Corporate Guaranty to the Authority on the Date of this Agreement is a condition to the effectiveness of this Agreement, and (for the avoidance of doubt) this Agreement shall be of no force or effect in the event the Concession Company fails or refuses for any reason to deliver the Closing Corporate Guaranty to the Authority on the Date of this Agreement. The Concession Company shall, in addition, on or before the Outside Closing Security Delivery Date and unless one or more of the circumstances in Section 2.3(d) is in effect, deliver to the Authority cash (a "Cash Deposit") or either a Letter of Credit with a term of at least 180 days from the Closing Security Delivery Date (the "Closing LOC") or a Surety Bond in the form attached hereto in Schedule 6

with a term of at least 180 days from the Closing Security Delivery Date (the "Closing Surety Bond"), or a combination of the foregoing, in an aggregate amount equal to ten million dollars ($10,000,000), to be held by the Authority for the sole purpose described in Section 2.3(b). The Closing LOC and the Closing Surety Bond (as applicable) shall be effective as of the day following the Outside Closing Security Delivery Date or such later date agreed in writing between the Parties. The Authority shall deposit any Cash Deposit with a Depositary, which shall invest such amount in Eligible Investments pending Closing. The Concession Company may provide a combination of a Cash Deposit and either a Closing LOC or a Closing Surety Bond to comply with the requirements of this Section 2.3(a), in which case the relevant provisions of this Agreement related to a Cash Deposit and to a Closing LOC or a Closing Surety Bond, including the rights of the Parties related thereto, shall be construed to apply to both forms of security. Upon the delivery to the Authority of the Cash Deposit, the Closing LOC or the Closing Surety Bond, or a combination of the foregoing, as provided above, and the effective date of the Closing LOC or the Closing Surety Bond, or both, as applicable, having been reached, the Authority shall not be entitled to make any claim under the Closing Corporate Guaranty and shall promptly return to the Concession Company the Closing Corporate Guaranty marked "canceled".

(b) Unless this Agreement is earlier terminated pursuant to Section 2.4(d)(vii) as a result of the failure of the Concession Company to deliver the Cash Deposit, the Closing LOC or the Closing Surety Bond to the Authority by the Outside Closing Security Delivery Date, as provided in Section 2.3(a) and Section 2.3(d), if the Authority terminates this Agreement pursuant to Section 2.4(d)(iv) because a condition set forth in Section 2.4(b) remains unsatisfied (unless such Section 2.4(b) condition remains unsatisfied solely because a condition set forth in Section 2.4(a) or Section 2.4(c) remains unsatisfied or any such condition remains unsatisfied as a result of the occurrence of an event of Force Majeure), then, if the conditions set forth in Section 2.4(a) have been satisfied (other than any condition (i) the satisfaction of which depends upon an action of the Concession Company or the satisfaction of any condition set forth in Section 2.4(b) or Section 2.4(c) or (ii) which has not been satisfied as a result of the Concession Company's failure to comply with any provision of this Agreement) the Authority shall be entitled to (A) retain any Cash Deposit and all interest earned thereon and/or (B) draw immediately without notice to the Concession Company, the full amount of the Closing LOC upon presentation of a sight draft and a certificate confirming that the Authority has the right to draw under the Closing LOC in the amount of such sight draft or (C) make a call for the full amount of the Closing Surety Bond in accordance with its terms, or (D) if the Cash Deposit, the Closing LOC or the Closing Surety Bond has not been delivered to the Authority and the Closing Corporate Guaranty has not been returned to the Concession Company as provided in Section 2.3(a), make a claim under the Closing Corporate Guaranty up to the limit of liability provided therein, and the Authority shall be entitled to retain all of the proceeds of the Closing LOC or the Closing Surety Bond or a claim under the Closing Corporate Guaranty, in any case as the sole and exclusive remedy or right of the Authority against the Concession Company hereunder for any cause of action arising under or relating to this Agreement or any document executed in connection herewith; *provided, however*, that if the termination by the Authority provided in this sentence of this Section 2.3(b) occurs and the Concession Company has not delivered the Cash Deposit, the Closing LOC or the Closing Surety Bond to the Authority, as provided in Section 2.3(a), on or before the Outside Closing Security Delivery Date, then the Concession Company will compensate the Authority by payment to the Authority of the sum of $10,000,000, and (for

the avoidance of doubt) the Authority may make a claim under the Closing Corporate Guaranty for such amount. If this Agreement is terminated for any other reason, the Authority shall, within five days, return any Cash Deposit and all interest earned thereon and return the Closing LOC and Closing Surety Bond, if any, and the Closing Corporate Guaranty (if the Closing Corporate Guaranty has not been returned to the Concession Company as provided in Section 2.3(a)) to the Concession Company marked "canceled". The right of the Authority to retain any Cash Deposit and all interest earned thereon or to draw the Closing LOC or the Closing Surety Bond or to make a claim under the Closing Corporate Guaranty is intended to be, and shall constitute, liquidated damages and the exclusive remedy to compensate the Authority for the cost of forgoing alternative opportunities and for other costs incurred by the Authority in reliance on the Concession Company's agreement to enter into the transaction contemplated hereunder, and full retention of any Cash Deposit and all interest earned thereon and full payment of the entire draw on the Closing LOC or the Closing Surety Bond or full payment by the Concession Company of a claim under the Closing Corporate Guaranty to the Authority shall terminate all other rights and remedies of the Authority with respect to the Concession Company. The Parties acknowledge that the damages suffered by the Authority as a result of such termination would be impossible to ascertain and that the combined amount of any Cash Deposit and all interest earned thereon and the Closing LOC or the Closing Surety Bond or the Closing Corporate Guaranty is a reasonable estimate thereof and is not intended as a penalty.

(c) If the Outside Closing Date is extended as provided in Section 2.2(a), then as a condition to such extension the Concession Company shall replace the initial Closing LOC or Closing Surety Bond or Closing Corporate Guaranty (if the Closing Corporate Guaranty has not been returned to the Concession Company as provided in Section 2.3(a) and if such an extension is not provided in the initial Closing Corporate Guaranty) with a replacement Closing LOC or Closing Surety Bond or Closing Corporate Guaranty meeting the same requirements as the initial Closing LOC or Closing Surety Bond or Closing Corporate Guaranty but having an expiration date of at least 30 days after the extended Outside Closing Date. At Closing, upon satisfaction of the conditions set forth in Section 2.4(a), Section 2.4(b) and Section 2.4(c), the Authority shall withdraw the Cash Deposit and all interest earned thereon as a credit against the Concession Fee.

(d) The Concession Company shall be obligated to deliver the Cash Deposit, the Closing LOC or the Closing Surety Bond to the Authority, as provided in Section 2.3(a), on or before the Outside Closing Security Delivery Date; *provided, however,* that the Concession Company shall not be so obligated to deliver the Cash Deposit, the Closing LOC or the Closing Surety Bond to the Authority if any of the circumstances described in Section 2.3(d)(i) is in effect on the Outside Closing Security Delivery Date, and *provided, further*, that the Authority may waive in writing the obligation to so deliver the Cash Deposit, the Closing LOC or the Closing Surety Bond, and the Concession Company may waive in writing the occurrence of such circumstances and deliver the Cash Deposit, the Closing LOC or the Closing Surety Bond (and, for the avoidance of doubt, the Outside Closing Security Delivery Date shall not be extended as a result of the occurrence of any of the following circumstances or for any other reason and may only be extended by written agreement of the Authority and the Concession Company):

(i) there shall be, arising from COVID-19 which has occurred or is continuing: (A) an official travel advice or similar restrictions from a United States or

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Commonwealth Governmental Authority or cruise industry supply and demand issues which would be reasonably likely to have a material negative impact on the number of Cruise Line Vessels or passengers using the Cruise Port Facility in the twelve (12) months following the Closing Date or (B) a disruption of or condition in the financial, banking or capital markets which would be reasonably likely to cause the Concession Mortgage Debt issuance to be available only in an amount materially less than $150,000,000 or at pricing or structure materially less favorable than the pricing or structure otherwise reasonably expected to be available for the credit of the quality of the Concession Mortgage Debt had such COVID-19 not occurred.

Section 2.4 Closing Conditions Precedent; Termination.

(a) *Conditions for the Benefit of the Concession Company.* The Concession Company shall be obligated to consummate the Closing in accordance with the terms hereof only if each of the following conditions has been satisfied in full at or before the Time of Closing, unless waived in writing by the Concession Company:

(i) the representations and warranties of the Authority set forth in Section 9.1 shall be true and correct on and as of the Date of this Agreement and at and as of the Time of Closing with the same force and effect as if made at and as of such time and date except for (A) such representations and warranties made as of a specified date, in which case such representations and warranties shall be true and correct as of such specified date, and (B) failures of representations and warranties (other than the representation and warranty set forth in Section 9.1(o)) to be true or correct that, individually or in the aggregate, have not had and are not reasonably likely to have a Material Adverse Effect;

(ii) the Authority shall not be in material breach of any covenant on its part contained in this Agreement that is to be performed or complied with by the Authority at or prior to the Time of Closing *provided* that the Authority shall have been given prompt notice of such breach and given a reasonable opportunity to cure such breach prior to the Closing Date (it being understood that the opportunity to cure such breach prior to the Closing Date may not extend beyond the Outside Closing Date);

(iii) the Authority shall have arranged for the deposit of funds from the Concession Fee or from other sources sufficient to provide for the payment, in full or as shall have been agreed with the creditors, of the obligations of the Authority secured by the mortgage over a portion of the Cruise Port Facility and outstanding at the Time of Closing in such a manner that such obligations and mortgage shall be legally retired as of the Closing Date and no longer treated as outstanding under the documents under which such obligations were issued and are secured;

(iv) the Authority shall have delivered to the Concession Company, the underwriter, the bond issuer, the collateral agent and the trustee legal opinions of the Authority's General Counsel, each substantially in the form attached hereto as Schedule 9 (such opinion to the underwriter, the bond issuer, the collateral agent and the trustee being conformed with the identity of such addressees), together with all factual certificates delivered with respect thereto;

(v) the Authority shall have executed and delivered to the Concession Company the estoppel certificate contemplated by Section 10.2(b);

(vi) neither the Authority nor the Commonwealth nor any other Governmental Authority established under the Laws of the Commonwealth shall have enacted any legislation or ordinance or promulgated any rule or regulation or taken any action that would constitute an Adverse Action hereunder were such action to take place during the Term or that has resulted or (in the case of any pending review or proceeding, if adversely determined) could reasonably be expected to result in such Governmental Authority conditioning, restricting or prohibiting the consummation of the Transaction in a manner that would impose a material impairment on the Transaction or the rights of the Concession Company hereunder or make the consummation of the Transaction illegal;

(vii) the Authority shall have duly filed this Agreement with the Office of the Comptroller of the Commonwealth pursuant to Act No. 18 of the Legislative Assembly of Puerto Rico enacted on October 30, 1975, as amended;

(viii) the Authority shall have duly filed the Partnership Committee Report with respect to this Agreement pursuant to Article 9(g)(ii) and (iii) of the Act;

(ix) all necessary Authorizations pursuant to the Act and the enabling Law applicable to the Authority with respect to the execution, delivery and performance by the Authority of this Agreement or the consummation of the Transaction shall have been obtained from the Board of Directors of the Authority and the Puerto Rico Public-Private Partnerships Authority and the Governor of the Commonwealth, as necessary;

(x) the Authority shall have delivered to the Concession Company a certificate confirming that each of the conditions set forth in Section 2.4(a)(i) through (x) has been satisfied in full by the Authority (except for any such condition that has been waived in writing by the Concession Company) at or before the Time of Closing. The Authority shall share a copy of the certificate referred to in this Section 2.4(a)(x) with FOMB, but failing to do so shall not be considered by the Concession Company as a failure to satisfy the conditions to this Section 2.4(a);

(xi) the Authority shall have received Authorization from FOMB to enter into this Agreement; and

(xii) counsel to the Authority shall deliver a memo in form and substance reasonably satisfactory to the Concession Company to the effect that (i) if this Agreement is rejected or disaffirmed, or if the Concession is otherwise rejected or disaffirmed, in whole or in part, by the Authority in a Proceeding, the Concession Company shall nevertheless be entitled to remain in possession of its rights granted hereunder; (ii) whether or not Section 365(h) of the Bankruptcy Code is applicable, if this Agreement is rejected or disaffirmed, or if the Concession is otherwise rejected or disaffirmed, in whole or in part, in a Proceeding, the Concession Company may retain its rights under this Agreement (including rights such as those relating to the amount and timing of payments due to the Authority hereunder and other amounts payable by the Concession Company and any right of use, possession, quiet enjoyment,

subletting, assignment, or hypothecation) that are in or appurtenant to the real property for the balance of the Term and for any renewal or extension of such rights to the extent that such rights are enforceable under applicable Law; and (iii) if the Concession Company retains its rights under the Concession, the Concession Company may offset, subject to the accounting and disgorgement provisions set forth in Section 2.1(g) and Section 16.2(b)(vii) of this Agreement, the payments otherwise due to the Authority for the balance of the Term after the date of the rejection or disaffirmance of the Concession and for any renewal or extension of the Term of this Agreement.

(b) *Conditions for the Benefit of the Authority.* The Authority shall be obligated to consummate the Closing in accordance with the terms hereof only if each of the following conditions precedent has been satisfied in full at or before the Time of Closing, unless waived by the Authority:

(i) the representations and warranties of the Concession Company in Section 9.2 shall be true and correct on and as of the Date of this Agreement at and as of the Time of Closing with the same force and effect as if made at and as of such time and date except for (A) such representations and warranties made as of a specified date, in which case such representations and warranties shall be true and correct as of such specified date, and (B) failures of representations and warranties to be true or correct that, individually or in the aggregate, have not had and are not reasonably likely to have a material adverse effect on the ability of the Concession Company to consummate the transactions contemplated hereby or perform its obligations hereunder;

(ii) the Concession Company shall not be in material breach of any covenant on its part contained in this Agreement that is to be performed or complied with by the Concession Company at or prior to the Time of Closing; *provided* that the Concession Company shall have been given prompt notice of such breach and given a reasonable opportunity to cure such breach prior to the Closing Date (it being understood that the opportunity to cure such breach prior to the Closing Date may not extend beyond the Outside Closing Date);

(iii) the Concession Company shall have delivered to the Authority a legal opinion (A) of counsel to the Concession Company and Enka Construction and Development B.V. (or any successor Contractor Approved by the Authority) with respect to this Agreement, the Construction Contract described in Section 2.4(b)(v)(A), and the Technical Services Agreement described in Section 2.4(b)(v)(B), and (B) of counsel to Global Ports Holding PLC with respect to the Technical Services Agreement described in Section 2.4(b)(v)(B), in each case substantially in the respective forms of opinion attached hereto as Schedule 10 and Schedule 10-A;

(iv) the Concession Company shall have delivered to the Authority (A) the evidence of insurance policies (which may be in the form of certificates of insurance) required to be delivered by Section 13.2(a), (B) an Officer's Certificate certifying that the Concession Company has a capitalization as of the Closing Date that includes equity that is equal to at least 20% of the Concession Fee and (C) Sworn Statement for Closing (duly notarized as of the Closing Date);

(v) the Concession Company shall have executed and delivered to the Authority (A) the Construction Contract with Enka Construction and Development B.V., a company incorporated in the Netherlands (or any successor Contractor Approved by the Authority), for the design, engineering, procurement, construction and completion of the Initial Investment Projects (other than the Rehabilitation Pier 4 Wharf or the Pan American Piers Wharf Structure Project if the Authority has given the Concession Company the notice and election in accordance with Section 4.12(c) that it has received Government Contributions for the Pier 4 Reconstruction or the Pan American Piers Wharf Structure Project), Approved by the Authority and executed by such Contractor, (B) the Technical Services Agreement with Global Ports Holding PLC for the provision of operational and management services by such Contractor to the Concession Company in relation to the Cruise Port Facility Operations under this Agreement (the "Technical Services Agreement"), Approved by the Authority and executed by such Contractor, and (C) the Concession Mortgage and related Documents securing Concession Mortgage Debt in an amount sufficient to pay (together with equity of the Concession Company available to pay) (x) the contract price under the Construction Contract for the design, engineering, procurement, construction and completion of the Initial Investment Projects, including the Rehabilitation Pier 4 Wharf, (y) the Concession Fee, and (z) the amounts required to be deposited in the Escrow Account as provided in Section 2.11(b), Approved by the Authority and executed by the applicable Concession Mortgagee and any other applicable Person;

(vi) the Concession Company shall have delivered to the Authority the 30% Design and Technical Specifications for (A) the Pan American Piers Wharf Structure Project, (B) all other Cruise Pier Improvement Projects for the Initial Investment Projects, and (C) the Piers 11-12 Wharf Project and the portion of the Piers 11-12 Project identified in Schedule 13 as Piers 11-12 – Uplands, each Approved by the Authority, and the Concession Company shall have delivered to the Authority the Cruise Pier Improvement Port Master Plan (CPIMP) with respect to the Initial Investment Projects as provided in Section 8(b) of Schedule 13;

(vii) The Concession Company shall have submitted to the USACE or other applicable Governmental Authority applications for the following Authorizations: Pan American Piers Wharf Structure Project and Rehabilitation Pier 4 Wharf permit application, and the USACE or other applicable Governmental Authority shall have accepted such applications; and

(viii) the Concession Company shall have delivered to the Authority a certificate confirming that each of the conditions set forth in Section 2.4(b)(i) through (viii) has been satisfied in full by the Concession Company (except for any such condition that has been waived in writing by the Authority) at or before the Time of Closing.

(c) *Conditions for the Benefit of Each of the Parties*. The Authority and the Concession Company shall each be obligated to consummate the Closing in accordance with the terms hereof only if each of the following conditions precedent has been satisfied in full at or before the Time of Closing, unless waived in writing by each of the Authority and the Concession Company or, in the case of the condition precedent in Section 2.4(c)(i)(B) below, waived in writing by the Concession Company only:

(i) there shall be (A) no preliminary or permanent injunction or temporary restraining order or other order issued by a Governmental Authority of competent jurisdiction *(provided* that the Authority may not claim the benefit of this condition if such injunction or restraining order has been issued by the Authority) or other legal restraint or prohibition enjoining or preventing the Transaction or preventing Cruise Lines from serving the Cruise Port Facility; or (B) arising from the pandemic of COVID-19 which has occurred or is continuing, no disruption or condition in the financial, banking or capital markets which (i) causes the Concession Company to be unable to obtain a volume underwriting commitment for Concession Mortgage Debt ("Volume Commitment") or (ii) causes the Concession Mortgage Debt issuance pursuant to the terms of the Volume Commitment to be available only in an amount materially less than $150,000,000 or at pricing or structure materially less favorable than the pricing or structure otherwise reasonably expected to be available for a credit of the quality of the Concession Mortgage Debt had such COVID-19 not occurred;

(ii) there shall be no action taken (including the pendency of any review or proceeding), or any Law enacted, entered, enforced or deemed applicable to the Transaction by any Governmental Authority of competent jurisdiction *(provided* that the Authority may not claim the benefit of this condition if such injunction or restraining order has been issued by the Authority or any Governmental Authority under the direction of the Authority) that, in any such case, has resulted or (in the case of any pending review or proceeding, if adversely determined) could reasonably be expected to result in such Governmental Authority conditioning or restricting the consummation of the Transaction in a manner that would impose a material impairment on the Transaction or make the consummation of the Transaction illegal;

(iii) (A) the release by or authorization from the FAA provided in Section 2.5(l), provided that such release or authorization is subject only to such conditions as are acceptable to the Concession Company and the Authority, each acting reasonably, (B) if the Authority has determined that the Transaction may result in control of Cruise Port Facility by foreign interests, the Concession Company and the Authority shall have submitted a "Voluntary Notice of Transaction" under Section 721 of Title VII of the Defense Production Act of 1950, as amended (the "Exon-Florio Act") and such other process as may be required, including under the Foreign Investment and National Security Act of 2007 ("FINSA") and the Foreign Investment Risk Review Modernization Act of 2018, and any of the following (and any other as may be applicable) shall have occurred: (1) the Authority shall have received notice that a review has been completed and that either the Transaction is not a covered transaction under the Exon-Florio Act or there are no unresolved national security concerns; (2) the President or his designee shall have commenced an investigation and the Authority shall have received notice that such investigation has been completed and that either the Transaction is not a covered transaction under the Exon-Florio Act or there are no unresolved national security concerns; (3) the

President shall have announced a decision not to take any action to suspend, prohibit or place any limitations on the Transaction; or (4) the President or his designee shall have indicated that a mitigation agreement shall be required in order to resolve national security concerns and the Concession Company and the Authority, after good faith efforts (including as required by Section 2.5(a)), are able to reach agreement with the President or his designee on the terms of a mitigation agreement acceptable to the Concession Company and the Authority, and (C) the Concession Company has received from the relevant Governmental Authorities the Authorizations listed in section B of Schedule 17;

(iv) the prescription period specified in the Act for the commencement of any action challenging the validity of this Agreement shall have expired and no such action shall be pending;

(v) the Parties shall have executed such documents as are necessary to enable the Concession Company to record this Agreement in the Commonwealth Registry of Property;

(vi) those certain Preferential Berthing Agreements shall be in full force and effect as of the Closing Date between the Authority and Signatory Cruise Lines;

(vii) the Parties shall have agreed on the identity and terms of appointment of the Independent Engineer, and the Parties and the Independent Engineer shall have executed and delivered the agreement appointing the Independent Engineer pursuant to which, among other terms of appointment, the Concession Company shall pay the cost and expense of the Independent Engineer and the Authority shall have no liability for any such cost or expense;

(viii) The engineering report of Gvelop LLC (or any other Person Approved by the Authority) commissioned by the Concession Company (the "Pier 4 Condition Report") with respect to the overall condition of the structure of Pier 4 does not contradict, subject to any assumptions customary for similar reports, that the current live loading capacity (as referred to in the report prepared by Gvelop LLC (titled the "Structural Assessment Report: Pier 4")) that may be exerted on Pier 4 is at least 165 pounds per square foot;

(ix) The engineering report of Gvelop LLC (or any other Person Approved by the Authority) commissioned by the Concession Company pursuant to a letter dated January 2020 (the "Pan American Piers Condition Report") with respect to the overall condition of the structure of the Pan American Piers Wharf Structure Project confirms, subject to any assumptions customary for similar reports, that based on the condition of the Pan American Piers Wharf Structure Project determined to exist in the Pan American Piers Condition Report, (A) the initial technical solution on the basis of which the budget for the Pan American Piers Wharf Structure Project set forth in Schedule 13 (the "Pan American Piers Wharf Structure Budget") was established is feasible or (B) an alternative solution exists, the cost of design and construction of which will not exceed the amount of the Pan American Piers Wharf Structure Budget, in the aggregate, based on the condition of the Pan American Piers Wharf Structure determined to exist in the Pan American Piers Condition Report and provided that (1) amounts paid for materials, products, supplies and equipment incorporated into the Pan American Piers

Wharf Structure, and rental costs for machinery and equipment used for the construction of the Pan American Piers Wharf Structure, shall not exceed prevailing market rates available to an EPC contractor providing equivalent commitments and security package, and (2) only the budgetary line items for the Pan American Piers Wharf Structure shall be used for determining whether the cost of design and construction of the Pan American Piers Wharf Structure exceeds the Pan American Piers Wharf Structure Budget;

(x) the Parties shall have agreed on the identity and terms of appointment of the Escrow Agent, and the Parties and the Escrow Agent shall have executed and delivered the Escrow Agreement as provided in Section 2.11;

(xi) the Administrative Determination shall not have been withdrawn or amended by the Department of the Treasury of the Commonwealth in any manner that has a Material Adverse Effect;

(xii) the Authority shall have delivered an opinion to the Concession Company from the Secretary of Justice of Puerto Rico to the effect that, for recordation in the Registry of Property of Puerto Rico and other purposes under Puerto Rico law, the deed of concession to be executed at Closing pursuant to this Agreement may cover both public domain property (*bienes de dominio público*) and private property (*bienes patrimoniales*) of the Authority and shall be treated as a property right under Commonwealth law;

(xiii) the Concession Company has confirmed from the relevant Governmental Authority or legal counsel to the Concession Company that the zoning applicable to the Cruise Port Facility (excluding Piers 11-12, Pier 13 and Pier 14, as shown in Schedule 1) as of the Date of this Agreement is adequate for the implementation of the Initial Investment Projects; and

(xiv) the Concession Company and the Authority shall have delivered to each other a certificate confirming that each of the conditions set forth in (i) through (xiv) has been satisfied in full (except for any such condition that has been waived in writing by both the Concession Company and the Authority or, in the case of the condition precedent in Section 2.4(c)(i)(B), waived in writing by the Concession Company only) at or before the Time of Closing.

(d) *Termination.* This Agreement may be terminated at any time prior to the Closing, except that termination pursuant to Section 2.4(d)(vii) shall be made by the Authority by notice given within the period provided in such Section:

(i) by the consent of both the Authority and the Concession Company in a written instrument;

(ii) by either the Authority or the Concession Company, upon notice to the other Party, if (A) any Governmental Authority of competent jurisdiction (other than, with respect to the Authority, the Authority or any Governmental Authority under the direction of the Authority) shall have issued an order, decree or ruling or taken any other action permanently restraining, enjoining or otherwise prohibiting the Transaction or which would materially impair

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the Transaction or make the consummation of the Transaction illegal, and such order, decree, ruling or other action has become final and nonappealable; *provided, however*, that the right to terminate this Agreement under this Section 2.4(d)(ii)(A) shall not be available to any Party whose failure to comply with any provision of this Agreement has been the cause of, or resulted in, any order, decree, ruling or other action being imposed or becoming final and nonappealable, (B) any condition set forth in Section 2.4(c)(ii) remains unsatisfied as of the Time of Closing; *provided, however*, that the right to terminate this Agreement under this Section 2.4(d)(ii)(B) shall not be available to any Party whose failure to comply with any provision of this Agreement has been the cause of, or resulted in, the failure of such condition or conditions to be satisfied or (C) the Closing shall not have occurred as of 11:59 p.m. on the Outside Closing Date, unless such date is extended by mutual written agreement of the Concession Company and the Authority; *provided, however*, that the right to terminate this Agreement under this Section 2.4(d)(ii)(C) shall not be available to any Party whose actions or failure to act caused the Closing not to occur;

(iii) by the Concession Company, upon notice to the Authority, if any condition set forth in Section 2.4(a) or Section 2.4(c) remains unsatisfied as of the Outside Closing Date; *provided, however*, that the Concession Company shall not have the right to terminate this Agreement under this Section 2.4(d)(iii) (A) if the Concession Company's failure to comply with any provision of this Agreement has been the cause of, or resulted in, the failure of such condition or conditions to be satisfied, or (B) as provided in Section 2.4(g);

(iv) by the Authority, upon notice to the Concession Company, if any condition set forth in Section 2.4(b) or Section 2.4(c) remains unsatisfied as of the Outside Closing Date; *provided however*, that the Authority shall not have the right to terminate this Agreement under this Section 2.4(d)(iv) (A) if the Authority's failure to comply with any provision of this Agreement has been the cause of, or resulted in, the failure of such condition or conditions to be satisfied, or (B) as provided in Section 2.4(g);

(v) by the Authority, upon notice to the Concession Company, if any material casualty loss, destruction of or damage to any part of the Cruise Port Facility has occurred and such casualty loss, destruction or damage would permit the Concession Company, pursuant to Section 2.5(i)(ii)(B) but before giving effect to Section 2.5(i)(iii)(A), to reduce the Concession Fee to an amount that is less than the Agreed Minimum Value;

(vi) by the Concession Company or the Authority, upon notice to the Authority, as provided in the penultimate sentence of Section 2.5(i)(ii); or

(vii) by the Authority, upon notice to the Concession Company given during the period beginning on the day following the Outside Closing Security Delivery Date and ending 30 days after the Outside Closing Security Delivery Date, if the Concession Company has not delivered the Cash Deposit, the Closing LOC or the Closing Surety Bond to the Authority on or before the Outside Closing Security Delivery Date, as provided in Section 2.3(a).

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(e) *Effect of Termination.*

(i) In the event of termination of this Agreement by either the Authority or the Concession Company as provided in Section 2.4(d), this Agreement shall forthwith become void and there shall be no liability or obligation on the part of the Authority or the Concession Company or their respective representatives, except as set forth in Section 2.3(b), this Section 2.4(e) and Article 12 and subject to and in accordance with Article 19 and Article 200 and except that no Party shall be relieved or released from any liabilities or damages arising out of its breach of this Agreement (subject to Section 2.3(b) in connection with the Authority's termination of this Agreement pursuant to Section 2.4(d)(iv)).

(ii) In the event that the Concession Company terminates this Agreement pursuant to Section 2.4(d)(iii) because a condition set forth in Section 2.4(a) (other than the condition in Section 2.4(a)(i) with respect to the representations and warranties of the Authority set forth in Section 9.1(g), which shall be considered to be conditions under Section 2.4(c), and the failure of such representations and warranties to be true and correct shall impose no liability on the Authority) remains unsatisfied or in the event that the Authority terminates this Agreement pursuant to Section 2.4(d)(v), the Authority will (unless such Section 2.4(b) condition remains unsatisfied as a result of the occurrence of an event of Force Majeure) compensate the Concession Company by payment to the Concession Company of the sum of (A) $500,000 and (B) up to $500,000 of the actual documented and reasonable out-of-pocket costs and expenses incurred by the Concession Company in connection with the transactions contemplated by this Agreement after the Date of this Agreement but excluding the costs associated with the unwinding of any hedging arrangement entered into in connection with the prospective financing of the Concession Fee. In consideration of the payment made by the Authority to the Concession Company pursuant to this Section 2.4(e)(ii), the Concession Company shall, as a condition to such payment, (x) provide the Authority a physical and electronic copy of all design documentation and technical specifications related to the Cruise Pier Improvement Projects, whether or not previously provided to the Authority, and in whatever level of detail has been developed by the Concession Company or its Contractors to the date of such payment, in a format reasonably acceptable to the Authority, and (y) by an appropriate instrument reasonably acceptable to the Authority, give the Authority a perpetual, non-exclusive, royalty-free, transferable license to such design documentation and technical specifications for use in connection with the development of the operations of the Authority in San Juan Bay.

(iii) Any Cash Deposit and all interest earned thereon shall be retained or returned, and the Closing LOC or the Closing Surety Bond (if provided) shall be drawn upon or returned cancelled under the circumstances described in and in accordance with Section 2.3. In the event of termination other than by the Authority as described in Section 2.3, the Authority shall promptly return to the Concession Company any Closing LOC or Closing Surety Bond marked "canceled" and any Cash Deposit and any interest earned thereon.

(iv) In the event that the Authority terminates this Agreement pursuant to Section 2.4(d)(vii) and none of the conditions set forth in Section 2.3(d) is in effect on the Outside Closing Security Delivery Date and the Concession Company does not deliver the Cash Deposit, the Closing LOC or the Closing Surety Bond to the Authority on or before the Outside Closing Security Delivery Date, the Concession Company will compensate the Authority by

payment to the Authority of the sum of one million dollars ($1,000,000), and (for the avoidance of doubt) the Authority may make a claim under the Closing Corporate Guaranty for such amount.

(f) *Change in Interest Rate.* The amount of the Concession Fee shall not be reduced or increased based on any change in interest rates, credit spreads or other factors relating to the Concession Mortgage Debt to be issued at Closing.

(g) If (A) the conclusions provided in any of the Pier 4 Condition Report or the Pan American Piers Condition Report cause the condition set forth in Section 2.4(c)(vii) or Section 2.4(c)(ix), respectively, not to be satisfied (and the condition has not been waived), or (B) if any of the conditions set forth in Section 2.4(c)(iii) is not satisfied (and the condition has not been waived), or (C) if the condition included in Section 2.4(c)(i)(B) is not satisfied (and the condition has not been waived), then prior to the exercise by the Concession Company or the Authority of any right to terminate this Agreement pursuant to Section 2.4(d)(iii) or Section 2.4(d)(iv), respectively, the Parties shall meet promptly following the failure of the condition set forth in Section 2.4(c)(i)(B), Section 2.4(c)(iii), Section 2.4(c)(vii), or Section 2.4(c)(ix) to be satisfied and discuss in good faith an alternative technical and/or financial solution for the Rehabilitation Pier 4 Wharf or the Pan American Piers Wharf Structure Project, or an alternative approach to satisfying the conditions set forth in Section 2.4(c)(iii) or Section 2.4(c)(i)(B), as applicable, and the achievement of Closing. The Parties acknowledge that, as provided in Section 1.6, any such good faith discussion shall not be construed as an obligation of either Party to agree to any alternative technical and/or financial solution or to any such alternative approach.

Section 2.5 Covenants.

(a) *Cooperation.* The Parties shall cooperate with each other in good faith in order to permit the Closing to be consummated on the Closing Date, including as described in Section 2.4(g).

(b) *Reasonable Efforts.* Each Party shall use all Reasonable Efforts (i) to take, or cause to be taken, all actions necessary to comply promptly with all requirements of Law that may be imposed on such Party to consummate the Transaction promptly and (ii) to obtain or transfer (and to cooperate with the other Party to obtain or transfer) any Consent or Authorization of any Governmental Authority (including the release by or authorization from the FAA as provided in Section 2.5(l)) or any other public or private third-party that is required to be obtained or made by such Party in connection with the consummation of the Transaction (including the execution of all necessary approvals and exemptions for the Concession Company to receive all revenues generated at the Cruise Port Facility and charge fees as set forth in this Agreement and for the Authority's receipt and use for general Authority purposes of the Concession Fee, the Annual Dredging Payments, the Annual Authority Revenue Share and the Incremental Authority Revenue Share). The Parties shall promptly cooperate with and furnish information to the other Party at such other Party's reasonable request in connection with any such efforts by, or requirement imposed upon, any of them in connection with the foregoing.

(c) *Injunctions.* If any Governmental Authority of competent jurisdiction (other than the Authority) issues a preliminary or permanent injunction or temporary restraining

order or other order before the Time of Closing that would prohibit or materially restrict, hinder or adversely affect the Closing, each Party shall use all Reasonable Efforts (unless the Authority or the Concession Company terminates this Agreement pursuant to Section 2.4(d)(ii)) to have such injunction, decree or restraining order or other order dissolved or otherwise eliminated or to eliminate the condition that formed the basis for such injunction or order, in each case promptly and, in any event, prior to the Time of Closing. Subject to Section 2.4(e), any and all costs incurred by any Party pursuant to any action taken in accordance with this Section 2.5(c) shall be borne by the Party against whom such injunction, restraining order or other order has been entered or whose alleged action or inaction in violation of applicable Law is the basis for issuance of such injunction, restraining order or other order (except to the extent that such injunction or other order resulted from, in whole or in part, the actions, direction or instrument of the other Party, in which case such costs shall be borne by such other Party).

(d) *Operation of the Cruise Port Facility.* From the Date of this Agreement up to the Time of Closing, the Authority shall (i) cause the Cruise Port Facility to be operated in the ordinary course in a manner consistent with past practice, (ii) use all Reasonable Efforts to preserve the goodwill of the Cruise Port Facility and to maintain good business relationships with the Cruise Lines and others having business dealings with the Authority in connection with the Cruise Port Facility, (iii) perform (or cause to be performed) in all material respects all of the Authority's obligations under the Cruise Port Facility Contracts, (iv) not enter into any material contracts relating to the Cruise Port Facility or the Cruise Port Facility Operations unless such contracts are terminable by the Concession Company on the Closing Date (at no cost to the Concession Company) or are approved or consented to in writing by the Concession Company prior to the execution thereof, (v) not incur any Encumbrances on the Cruise Port Facility or the Cruise Port Facility Assets (other than Permitted Authority Encumbrances) that are not satisfied by the Closing Date or retained by the Authority as an Excluded Liability after the Closing Date and (vi) cause the Cruise Port Facility to be operated in all material respects in accordance with all applicable Laws (except to the extent any non-compliance is being contested in good faith by appropriate proceedings), all with the purpose that the Cruise Port Facility as a going concern shall be unimpaired and transferred pursuant to this Agreement to the Concession Company at the Closing in a condition substantially similar to the condition as of the Date of this Agreement; *provided, however*, that it is acknowledged by the Concession Company that the global outbreak of COVID-19 has caused the Cruise Piers to be temporarily closed and has otherwise had a material adverse effect on the operations of the Cruise Port Facility and their revenues, which effect may continue (the "COVID-19 Adverse Effect"), and accordingly the foregoing obligations of the Authority are qualified in their entirety by the COVID-19 Adverse Effect; *provided, further*, that the failure of the Authority to comply with its obligations under parts (i), (ii), (iii) and (vi) of this Section 2.5(d) as a result of any such COVID-19 Adverse Effect is not the result of the negligence or intentional misconduct of the Authority and that the Authority uses its Reasonable Efforts to minimize the effect and duration of the COVID-19 Adverse Effect. Without limiting the foregoing, the Authority shall not terminate, assign, amend, modify or agree to a waiver of the terms of any material Assigned Port Facility Contract or Preferential Berthing Agreement, or any material Authorization related to the Cruise Port Facility after the Date of this Agreement and before the Time of Closing (or in the case of any material Assigned Port Facility Contract that has not been assigned or transferred to the Concession Company as contemplated herein, before such assignment or transfer is completed) and shall not enter into any new

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contracts of a similar nature, in each case without the Concession Company's consent or unless such contracts are terminable by the Concession Company on or after the Closing Date (at no cost to the Concession Company).

(e) *Policies of Insurance.* The Authority shall cause all applicable policies of insurance maintained in respect of the Cruise Port Facility to be continued in full force and effect from the Date of this Agreement up to the Time of Closing. During the Term, the Concession Company shall be responsible for maintaining insurance for the Cruise Port Facility in accordance with the terms of this Agreement.

(f) *Disclosure of Changes.*

(i) From the Date of this Agreement up to the Time of Closing, each Party shall promptly disclose to the other Party any matter which becomes known to it which is inconsistent in any material respect with any of such Party's representations or warranties contained in Article 9. From the Date of this Agreement up to the Time of Closing, each Party shall use good faith efforts to promptly disclose to the other Party any matter which becomes known to it which is inconsistent in any material respect with the representations or warranties of the other Party contained in Article 9; *provided* that the failure of a Party to so notify the other Party shall not operate to foreclose any remedy otherwise available to the Party in accordance with this Agreement with respect to such inconsistency. No such disclosure shall be deemed to change any representation or warranty or cure any breach thereof or affect any inability to make such a representation or warranty for purposes of Section 2.4(a) or for any other purpose.

(g) *Access to Information.* From the Date of this Agreement up to the Time of Closing, the Authority shall (i) give the Concession Company and its Representatives reasonable access during normal business hours and on reasonable notice to (A) the Cruise Port Facility, subject to the Authority's policies and regulations regarding safety and security and any other reasonable conditions imposed by the Authority and (B) management personnel of the Cruise Port Facility (but not other employees of the Authority until the Closing Security Delivery Date), (ii) permit the Concession Company and its Representatives to make such inspections of the Cruise Port Facility and such related documents and information as they may reasonably request and (iii) furnish the Concession Company and its Representatives with such financial and operating data and other information that is available with respect to the Cruise Port Facility as they may from time to time reasonably request, except that with respect to any documents or information under clause (ii) or clause (iii), prior to the Closing Security Delivery Date, such documents and information shall only include documents and information reasonably required to prepare applications for and obtain Authorizations relating to the Initial Investment Projects. From the Closing Security Delivery Date up to the Time of Closing, the Authority shall give the Concession Company and its Representatives reasonable access during normal business hours and on reasonable notice to the employees of the Cruise Port Facility, including both management personnel and other employees. The Authority's obligations in the preceding sentences are subject to all confidentiality obligations binding on the Authority with respect to any Person. From the Date of this Agreement until the Closing Date, the Concession Company shall hold and will cause its Representatives to hold in strict confidence all documents and information concerning the Cruise Port Facility to the extent and in accordance with the terms and conditions of the confidentiality agreement entered into prior to the Date of this Agreement

governing the Authority and the Concession Company as if such terms and conditions were fully restated herein; *provided* that to the extent that the terms and conditions of such confidentiality agreement conflict with the terms of this Agreement, the terms of this Agreement shall prevail (with terms and conditions of such confidentiality agreement becoming null and void at any time following the Closing Date). From the Closing Date and until the End Date, the Authority shall hold and will cause its Representatives to hold in strict confidence all documents and information concerning the Cruise Port Facility to the extent and in accordance with Section 8.2(b). After the Closing Date, the Concession Company shall, at the request of the Authority, provide reasonable assistance with respect to claims or actions brought by third parties against the Authority or by the Authority against third parties based upon events or circumstances concerning the Cruise Port Facility and in that regard the Concession Company shall (A) provide reasonable assistance in the collection of information or documents and (B) make the Concession Company's employees available when reasonably requested by the Authority.

(h) *Transition.* From the Closing Security Delivery Date up to the Time of Closing, the Parties shall cooperate with each other and with the Cruise Lines to ensure the orderly transition of control, custody, operation, management, maintenance, improvement, enhancement, development and rehabilitation of the Cruise Port Facility at the Time of Closing. The Concession Company shall ensure an orderly transition of the Cruise Port Facility in accordance with the principles and actions set forth in Schedule 5 as such actions shall be further developed and specified in the transition plan required therein. The Parties shall also develop before the Time of Closing a transition plan that shall be applicable upon expiration of the Term or earlier termination of this Agreement.

(i) *Casualty Loss Prior to Closing.*

(i) *Restoration.* If, following the Date of this Agreement and prior to the Time of Closing, there has occurred any material casualty loss, destruction or damage to any part of the Cruise Port Facility and this Agreement has not been terminated under Section 2.4(d), then the Authority shall promptly and diligently Restore the affected portion of the Cruise Port Facility; *provided* that if the affected portion of the Cruise Port Facility cannot be Restored prior to the Closing Date, then the Authority shall make or cause to be made such Restoration as can reasonably be completed prior to the Closing Date (in a good and workmanlike manner, in accordance with any applicable Operating Standards and using Reasonable Efforts to minimize interference with the Cruise Port Facility Operations and further damage to the Cruise Port Facility) and assign all warranties and guarantees in respect of such Restoration to the Concession Company on the Closing Date and, at the option of the Authority, either (A) the Authority, prior to the Closing Date, shall provide to the Concession Company a plan for the completion of such Restoration efforts by the Authority or its agents following the Time of Closing at the Authority's sole expense and subject to the Concession Company's reasonable approval and shall then complete such Restoration in substantial accordance with such plan; or (B) the Concession Company shall Restore the remaining affected portion of the Cruise Port Facility in accordance with its own plan for the completion of such Restoration; *providing, however,* that notwithstanding whether the Authority elects to complete the Restoration or to require the Concession Company to complete the Restoration as contemplated above, the occurrence of such material casualty loss, destruction or damage to any part of the Cruise Port Facility shall constitute a Delay Event and the Authority shall provide Concession Compensation

to the Concession Company during the period from the Closing Date until the Restoration is complete, which Concession Compensation shall not include compensation for any cost or expense paid by the Authority pursuant to Section 2.5(i)(ii) or related to any Cruise Pier Improvement Project compensation for which is otherwise provided under this Agreement (which Concession Compensation, for the avoidance of doubt, may be provided by extending the Term in accordance with and subject to Section 15.1(c)). For the avoidance of doubt, the construction of the Pier 3 Duty Free Building shall not constitute a material casualty loss, destruction or damage to the Cruise Port Facility, but if other parts of the Cruise Port Facility (other than any alterations to Pier 3 that are contemplated by the construction of the Pier 3 Duty Free Building) are materially damaged prior to the Time of Closing as a consequence of the construction of the Pier 3 Duty Free Building, then such damage may constitute material loss, damage or destruction for purposes of this Section 2.5(i).

(ii) *Compensation.* If the Concession Company is required by the Authority to Restore the remaining affected portion of the Cruise Port Facility as described in Section 2.5(i)(i)(B), then (A) the Authority shall assign to the Concession Company all available insurance and other proceeds payable by third-party insurers or other third parties to the Authority in respect of such casualty loss, destruction or damage and enforce (with the cooperation of the Concession Company) all of its rights, remedies and privileges under any applicable insurance policies with third-party insurers any rights to recovery it may have against other third parties, whether at law, pursuant to contract or otherwise and (B) the Concession Company shall have the right to reduce the Concession Fee to be paid at Closing by any expected deficiency between the amount of such insurance and the cost to the Concession Company of Restoring the affected portion of the Cruise Port Facility, in each case as estimated by the Concession Company; *provided, however*, that if the Concession Company's estimated cost of Restoring the affected portion of the Cruise Port Facility pursuant to Section 2.5(i)(i)(B) is more than $5,000,000 greater than the net amount of insurance proceeds received by the Concession Company from the Authority thereof plus the amount deducted from the Concession Fee in accordance with Section 2.5(i)(ii)(B), the Concession Company shall not, without its prior written approval (at its discretion and without limiting its entitlements under the proviso following Section 2.5(i)(i)(B)) be obligated to Restore the affected portion of the Cruise Port Facility unless the Authority pays the excess to the Concession Company in advance of commencement of Restoration. The Authority shall contribute to the Restoration costs the amount of insurance proceeds the Authority receives for any applicable casualty loss, destruction or damage related to a Restoration prior to the expenditure of such $5,000,000 by the Concession Company. If the Concession Company is not obligated to, and does not elect to, Restore the affected portion, and the Authority does not elect to Restore the affected portion following the Time of Closing, in each case under Section 2.5(i)(i), the Concession Company or the Authority may terminate this Agreement in accordance with Section 2.4(d)(vi). In the event of any such termination, the Authority shall have no obligation to make any payment to the Concession Company, and the Authority shall have no liability to the Concession Company.

(iii) *Adjustments.*

(A) In no event shall the Concession Fee be reduced in accordance with Section 2.5(i)(ii)(B) to an amount that is less than seventy-two million dollars ($72,000,000).

(B) In the event that the actual cost of Restoring the affected portion of the Cruise Port Facility pursuant to Section 2.5(i)(i)(B) is greater than the net amount of insurance proceeds received by the Concession Company from the Authority therefor plus the amount deducted from the Concession Fee in accordance with Section 2.5(i)(ii)(B), such event shall be a Compensation Event, and the Authority shall pay Concession Compensation to the Concession Company in accordance with Section 15.1(b) with respect to any Restoration required to be undertaken pursuant to this Section 2.5(i).

(C) In the event that the actual cost of Restoring the affected portion of the Cruise Port Facility pursuant to Section 2.5(i)(i)(B) is less than the net amount of insurance proceeds received by the Concession Company from the Authority therefor plus the amount deducted from the Concession Fee in accordance with Section 2.5(i)(ii)(B), such excess shall be the property of the Authority and shall be paid by the Concession Company to the Authority upon the Restoration of the affected portion of the Cruise Port Facility.

(j) *Cruise Port Facility Security Program.* The Concession Company acknowledges and agrees that it is obligated under the Maritime Transportation Security Act of 2002, as amended, 46 U.S.C. Chapter 701 and 33 C.F.R. Parts 101-105, 126 to develop and have in effect a Facility Security Plan as part of the Cruise Port Facility Security Program as of the Closing Date, and/or a Terminal Security Plan under the Ports and Waterways Safety Act of 1972, as amended, 33 U.S.C. §§1221 et seq. and 33 C.F.R. Part 128. The Concession Company understands and agrees that the implementation, maintenance and operation of the Cruise Port Facility pursuant to the requirements of a Facility Security Plan and a Terminal Security Plan is essential to the operation of the Cruise Port Facility. The Authority shall cooperate with the Concession Company in connection with the preparation and approval process relating to the Cruise Port Facility Security Program.

(k) *Port Facility Employees.*

(i) Within 20 days after the Closing Security Delivery Date, the Authority shall provide the Concession Company with a list of the Authority Employees. After the Closing Security Delivery Date and prior to the Time of Closing, the Concession Company shall use its Reasonable Efforts to interview all Authority Employees who apply to the Concession Company for employment and, pursuant to the latter's operational needs, to offer, on terms and conditions designated by the Concession Company taking into account applicable Law, employment to commence following the Closing Date to such Authority Employees who, as determined by the Concession Company, meet the Concession Company's stated requirements for employment; *provided, however*, that the Concession Company shall have no obligation to offer employment to any such Authority Employee but will give preference to such Authority Employees over other applicants with otherwise similar qualifications. The Concession Company commits to offer competitive and attractive benefits to the Authority Employees who receive a job offer. On the Closing Date, the Concession Company shall deliver to the Authority a list of all Authority Employees hired by the Concession Company as of the Time of Closing.

(ii) With respect to any Authority Employee hired by the Concession Company the Authority Employee may elect, and the Concession Company shall not object to and will facilitate, the transfer of the balance of his or her retirement account (i.e. system benefit account and/or individual contributions account from the Commonwealth employee retirement system) as permitted under Act 106-2017, to the defined contribution individual retirement account program the Concession Company establishes in its discretion. The Concession Company does not assume any obligation in relation to the payment of the "Pay Go" charge in relation to any Authority Employees; *provided, however*, that the Concession Company acknowledges that the Concession Fee may be used by the Authority in part to make contributions to the Commonwealth for the employee retirement system (or successor structure) as provided in the Act.

(iii) The Concession Company agrees that the Authority Employees hired by it shall enjoy the following additional protections: (A) his or her job will be guaranteed for a minimum period of two (2) years, and (B) an Authority Employee may only be separated from the position during the aforesaid period of two (2) years if he or she engages in behavior that warrants dismissal or constitutes just cause under Act 80 of May 30, 1970, as amended.

(iv) As contemplated in the Act, the Concession Company and the Authority shall establish a program to retrain Authority Employees that are not hired by the Concession Company or otherwise transferred to another job position within a Governmental Authority of the Commonwealth. The Concession Company shall contribute to the creation of such program by covering a portion of the properly documented and directly incurred costs thereof up to a maximum amount of US$50,000.00 per annum for two (2) years from the Time of Closing. The Authority shall provide full substantiation of all such costs for the approval of the Concession Company with any request to the Concession Company for the aforesaid contribution.

(v) Failure of the Concession Company to comply with any of the covenants included in this Section 2.5(k) will constitute a material breach of this Agreement.

(l) *Isla Grande Airport Layout Plan.* The Authority shall use its Reasonable Efforts to obtain (i) a release of the land occupied by Pan American Pier 1 and Pan American Pier 2 from the layout plan designated by the FAA for the Isla Grande Airport located adjacent to the Cruise Port Facility, or (ii) authorization from the FAA for the use of such land as a maritime port consistent with this Agreement. Upon the Authority obtaining such release or such authorization from the FAA, as the case may be, the Concession Company shall comply with all requirements imposed by the FAA that affect the Cruise Port Facility or the Cruise Port Facility Operations, including any requirements related to construction, security, and environmental matters (but the Concession Company shall not be liable for any amounts payable to the FAA in connection with such release or authorization; *however,* the Concession Company acknowledges that a portion of the Concession Fee may be used by the Authority, for airports benefits, to comply with applicable grant assurance and regulatory requirements of the FAA). Such release by or authorization from the FAA shall be a condition to Closing pursuant to Section 2.4, and shall constitute a Delay Event to the extent that a failure to obtain such release or authorization results in a delay or interruption in the performance by the Concession Company of the Cruise Port Facility Operations or the Pan American Pier 1 Project or the Pan American Pier 2 Project,

except to the extent any such delay or interruption is the result of the negligence or intentional misconduct of the Concession Company or its Representatives or any act or omission by the Concession Company in breach of the provisions of this Agreement; *provided, however*, that the failure to obtain such release or authorization shall not constitute a Compensation Event.

(m) *Notices Required by the Act.* The Authority shall have sent all notices required under the Act in sufficient time to have allowed the prescription period specified in the Act for the commencement of any action challenging the validity of this Agreement to have expired by the Time of Closing.

(n) *Indebtedness.* The Authority shall not create or incur any Indebtedness at any time prior to the termination of its designation as a "Covered Entity" by the Financial Oversight and Management Board ("FOMB") established under PROMESA, except in accordance with the provisions of PROMESA, including Section 207 of PROMESA.

(o) *Access to Cruise Port Facility Prior to Closing Security Delivery Date.* Prior to the Closing Security Delivery Date, the Authority shall (i) grant the Concession Company access to the Cruise Port Facility under circumstances in which the Authority possesses the authority under applicable Law to grant such access and (ii) use Reasonable Efforts to obtain any Consent or Authorization from any Governmental Authority to grant the Concession Company access to the Cruise Port Facility, in each case for activities of the Concession Company or any Contractor reasonably required prior to the Closing Security Delivery Date in order to consummate the Transaction.

Section 2.6 Recordation of Agreement. At the Time of Closing, the Parties shall execute such documents as are necessary to enable the Concession Company to record this Agreement in the Commonwealth Registry of Property, free and clear of Encumbrances (other than a Permitted Authority Encumbrance). To the extent that changes are made to this Agreement with respect to any material matters, the Parties shall execute, deliver and record an amendment to the recorded Agreement reflecting such changes. The Parties shall mutually select the Notary Public who shall authorize the corresponding deed of ratification and conversion of this Agreement into a public document to be filed at the Commonwealth Registry of Property to cause its recordation, as well as any amendment or supplement thereto to reflect any changes to the recorded Agreement. The Concession Company shall be responsible for all the notarial fees and for all costs related to the execution and the recording of this Agreement or any amendment or supplement thereto in the Commonwealth Registry of Property, including without limitation all applicable documentary stamps and the filing and recording vouchers payable to the Commonwealth. Any and all deeds to effect a land assemblage to permit the recordation of this Agreement, including deeds of conveyance, deeds of segregation of parcels, deeds of consolidation of properties and any other required public instrument to create the realty that will be granted in concession pursuant to the terms and conditions of this Agreement shall be authorized by a Notary Public selected by the Authority. The Authority shall be responsible for all execution and recordation costs of any deed performing a required land assemblage operation to permit the recording of this Agreement at the Commonwealth Registry of Property and all required documentary stamps and filing and recording vouchers, and the Concession Company shall be responsible for the notarial fees charged by the Notary Public selected by the Authority. In the event that any Encumbrance has to be cancelled or released to cause the recordation of this

Agreement free and clear of such Encumbrance, the Authority shall be responsible for all execution and recording costs of any required deed to cause the foregoing, including all documentary stamps, filing and recording vouchers and the notary's fees charged by the acting Notary Public. The Parties shall mutually select the Notary Public who shall authorize the required deed of cancellation or release. Upon the expiration or termination of this Agreement, the Concession Company shall cancel the inscription of this Agreement in the books of the Commonwealth Registry of Property, bearing all execution and recording costs of the deed (including all documentary stamps, recording vouchers and the notarial tariff) that shall cause such cancellation, unless this Agreement is terminated by the Concession Company pursuant to Section 16.2, in which case the Authority shall bear such costs. The Parties shall mutually select the Notary Public who shall authorize the corresponding deed of cancellation.

Section 2.7 Closing Deliveries. At the Time of Closing, each Party shall execute and deliver all assets, agreements, bills of sale, assignments, endorsements, instruments, affidavits and documents as are reasonably necessary in the opinion of the other Party to effect the Transaction (and in form and substance that are reasonably satisfactory to such other Party).

Section 2.8 Intended Treatment for Commonwealth Income Tax Purposes.

(a) This Agreement is intended for Commonwealth income tax purposes to be considered an intangible asset to the extent provided in the Administrative Determination.

(b) The Concession Company shall be subject to and responsible for the fixed income tax rate of twenty percent (20%) over the net income derived from the operations provided under this Agreement, as currently provided for in the Act, and the Equity Participants shall not be subject to income tax on distributions of dividends or benefits from utilities and benefits arising from the net income derived from the operations provided under this Agreement, as currently stated in the Act.

Section 2.9 Intended Treatment for Commonwealth Sales and Use Tax Purposes; Private Rulings. The treatment for sales and use tax purposes of (i) fees and charges imposed by the Concession Company, and (ii) the Concession Company and its Contractors performing any of the works under this Agreement or any of the Construction Contracts, as the case may be, shall be governed by the Administrative Determination. The Concession Company may request determinations from the Secretary of the Treasury regarding tax considerations not specifically addressed in the Administrative Determination and request the issuance of a private ruling from the Secretary, as further instructed in the Administrative Determination.

Section 2.10 No Authority Compensation. The Authority shall have no liability to the Concession Company in the event that this Agreement or the Concession Company are treated by any Governmental Authority or any other Person in a manner different than intended as provided in Section 2.8(a) or Section 2.9. Without limiting the generality of the foregoing, no such treatment in a manner different than intended as provided in Section 2.8(a) or Section 2.9 (and, for the avoidance of doubt, no imposition by the Commonwealth or any other Governmental Authority of any sales and use tax with respect to any works referred to in Section 2.9 or in the Administrative Determination or otherwise) shall constitute a Compensation Event.

J.P.M

Section 2.11 Escrow Account.

(a) As a condition to Closing, the Parties shall negotiate and enter into an Escrow Agreement in a form to be negotiated in good faith following the Date of this Agreement and prior to Closing and, pursuant thereto, appoint the Escrow Agent and establish the Escrow Account, including the Escrow Account – Capital Dredging Sub-Account, the Escrow Account – Maintenance Dredging Sub-Account and the Escrow Account – Initial Investment Projects Sub-Account.

(b) At Closing, the Concession Company shall deposit (i) the lesser of (A) $3,000,000 and (B) the amount that is equal to $3,000,000 less the aggregate amount of any reductions in the Concession Fee pursuant to Section 2.5(i)(ii)(B) (the "Escrow Amount") into the Escrow Account – Initial Investment Projects Sub-Account, and (ii) $1,600,002 into the Escrow Account – Capital Dredging Sub-Account, each in satisfaction of the requirement to pay such amounts under Section 2.1.

(c) On the first day of the fourth full Reporting Year and each succeeding Reporting Year, the Concession Company shall deposit in the Escrow Account – Maintenance Dredging Sub-Account the Annual Dredging Payment. The amount in the Escrow Account – Capital Dredging Sub-Account shall be paid to the Authority at its request in order for the Authority to satisfy its dredging obligations under Section 3.2(j) with respect to the deepening of the Berthing Areas or the Shipping Channels or any other cost and expense provided in Section 3.2(j)(vi)(B). The amount in the Escrow Account – Maintenance Dredging Sub-Account shall be paid to the Authority in accordance with the provisions of the Escrow Agreement in order for the Authority to satisfy its dredging obligations under Section 3.2(j) with respect to the maintenance of the depth of the Berthing Areas or any other cost or expense provided in Section 3.2(j)(vi)(A), or to the Concession Company as provided in Section 3.2(j). Except as provided in Section 3.2(j), the Concession Company shall not be obligated to pay any amounts into the Escrow Account – Maintenance Dredging Sub-Account if (x) the balance of the Escrow Account – Maintenance Dredging Sub-Account is equal to or more than the Annual Dredging Payment next to be paid by the Concession Company pursuant to Section 2.1(a) and (y) the Authority certifies in writing to the Concession Company, upon the request of the Concession Company, that the amount in the Escrow Account – Maintenance Dredging Sub-Account that is in excess of the Annual Dredging Payment next to be paid by the Concession Company is not expected to be needed by the Authority to meet the obligations of the Authority provided in Section 3.2(j) with respect to the maintenance of the depth of the Berthing Areas, which certification (for the avoidance of doubt) shall be given by the Authority acting reasonably. For the avoidance of doubt, since dredging activities in San Juan Bay do not typically occur on an annual basis, it is expected that amounts in the Escrow Account – Maintenance Dredging Sub-Account will accumulate in anticipation of the obligations of the Authority with respect to the payment of dredging costs and that such accumulated amount will exceed the amount that is equal to the Annual Dredging Payment next to be paid by the Concession Company.

(d) The Escrow Amount shall be held as security for the payment to the Concession Company of (i) any Concession Compensation that becomes payable in respect of Compensation Events occurring prior to the Completion of the Initial Investment Projects and (ii) any Termination Damages or FM-Termination Damages payable in respect of termination of

this Agreement prior to the Completion of the Initial Investment Projects. If the Authority accepts an amount claimed by the Concession Company in a CE Notice or as Termination Damages or FM-Termination Damages, it shall notify the Escrow Agent and the relevant amount shall be paid to Concession Company from the Escrow Account – Initial Investment Projects Sub-Account. If the Authority does not so notify the Escrow Agent and has not otherwise paid any Concession Compensation, Termination Damages or FM-Termination Damages (as applicable) due to the Concession Company by the Compensation Date or such other date on which a portion or the whole of the Concession Compensation or Termination Damages or FM-Termination Damages (as applicable) becomes due and payable, the Concession Company may provide evidence of its entitlement to the Escrow Agent and apply for payment from the Escrow Account – Initial Investment Projects Sub-Account in accordance with the Escrow Agreement. The Concession Company shall not be entitled to make any withdrawals from the Escrow Account – Initial Investment Projects Sub-Account other than for the purpose of satisfying any Concession Compensation, Termination Damages and FM-Termination Damages as aforesaid (and in accordance with the Escrow Agreement) prior to the Completion of the Initial Investment Projects or as otherwise agreed between the Parties. The Authority shall not be entitled to make any withdrawals from the Escrow Account – Initial Investment Projects Sub-Account prior to the Completion of the Initial Investment Projects and, thereafter, shall only be entitled to make withdrawals in amounts which leave funds on deposit in the Escrow Account – Initial Investment Projects Sub-Account that are equal to the amount of any outstanding claims of the Concession Company for Concession Compensation relating to the period prior to the Completion of the Initial Investment Projects.

(e) All interest accruing on the amounts held from time to time in the Escrow Account – Initial Investment Projects Sub-Account shall be added to the Escrow Amount – Initial Investment Projects Sub-Account and ultimately paid to the Authority in accordance with Section 2.11(g) if not paid to the Concession Company pursuant to Section 2.11(d). All interest accruing on the amounts held from time to time in the Escrow Account – Maintenance Dredging Sub-Account or the Escrow Account – Capital Dredging Sub-Account shall be added to the Escrow Account – Maintenance Dredging Sub-Account or the Escrow Account – Capital Dredging Sub-Account, respectively, and paid to the Authority in accordance with Section 2.11(c).

(f) The costs of the Escrow Agreement shall be shared equally between the Authority and Concession Company.

(g) The Authority shall be entitled to apply for payment of any amounts remaining in the Escrow Account– Initial Investment Projects Sub-Account in accordance with the Escrow Agreement at any time following the Completion of the Initial Investment Projects, provided that the amount in the Escrow Account – Initial Investment Projects Sub-Account shall at no time be reduced to an amount less than the aggregate of any outstanding claims by the Concession Company for Concession Compensation which relate to the period prior to Completion of the Initial Investment Projects. The Authority shall provide evidence of such entitlement and the Concession Company shall have reasonable opportunity to provide evidence of claims for Concession Compensation not yet satisfied before the Escrow Agent pays any amount from the Escrow Account– Initial Investment Projects Sub-Account to the Authority.

ARTICLE 3
TERMS OF THE CONCESSION

Section 3.1 Right to Operate; Present Condition.

(a) *Right to Operate.* The Authority hereby grants to the Concession Company the rights set out in this Agreement and agrees that the Concession Company shall, at all times during the Term, be entitled to and shall have the exclusive right to possession of (including access over) and the right to use, develop, enjoy and operate the Cruise Port Facility for all Cruise Port Purposes and to conduct Cruise Port Facility Operations, subject to (i) the rights of the Authority set forth in Section 3.7(a), (ii) the other provisions contained in this Agreement, including Article 7 and Schedule 15, and (iii) Permitted Authority Encumbrances. The Authority shall deliver at its cost the use, enjoyment and possession of the Cruise Port Facility to the Concession Company as from the Closing Date, together with the right to use the Cruise Port Facility for all purposes of this Agreement and in accordance with the requirements of this Agreement, free from any third party rights or interference by the Authority or any Governmental Authority and shall maintain such rights in favor of the Concession Company throughout the Term; provided, however, that such rights of possession and use and from interference are subject to clauses (i), (ii) and (iii) above. Furthermore, and subject to clauses (i), (ii) and (iii) above, the Authority shall (x) not deny the Concession Company access and egress to and from the Cruise Port Facility and any part or parts thereof required for the purposes of carrying out its rights and obligations under this Agreement and (y) use Reasonable Efforts to ensure that the Concession Company shall have full rights of access and egress to and from the Cruise Port Facility and any part or parts thereof required for the purposes of carrying out its rights and obligations under this Agreement. Any failure by the Authority to comply with the foregoing shall constitute a Compensation Event and the Concession Company shall be entitled to Concession Compensation in respect thereof. The Authority and the Concession Company acknowledge that the Concession Company's rights to use and operate the Cruise Port Facility as a public cruise vessel port are subject to the right of the Authority, in accordance with the terms of this Agreement, to monitor compliance with this Agreement to ensure that the Cruise Port Facility is used and operated as required by this Agreement and Law. The Authority shall, at its sole cost and expense and at all times during the Term, defend its title to the Cruise Port Facility, Cruise Port Facility Assets, Cruise Pier Buildings, and the rights granted to the Concession Company hereunder, or any portion thereof, against any Person claiming any interest adverse to the Authority or the Concession Company in the Cruise Port Facility, or any portion thereof, except where such adverse interest arises as a result of the act, omission, negligence, willful misconduct or violation of Law of the Concession Company, its Affiliates or their respective Representatives.

(b) *Present Condition.* Subject to Section 2.5(i) and Section 3.2(c) and except as specifically set forth in Section 9.1, the Concession Company understands, agrees and acknowledges that the Concession Company (i) by the execution of this Agreement, agrees to accept the Cruise Port Facility, including the Cruise Port Facility Assets, "AS IS" at the Time of Closing (subject to the "Excluded Liabilities" and subject to the Authority's obligation for Restoration under Section 2.5(i)) and (ii) has inspected the Cruise Port Facility, including the Cruise Port Facility Assets, and is aware of its condition and acknowledges that the Authority neither has made nor is making any representation or warranty, express or implied, regarding the

condition of the Cruise Port Facility, including the Cruise Port Facility Assets (or any part thereof) or its or their suitability for the Concession Company's proposed use. For the avoidance of doubt, the Authority is not obligated to remove any structures or other property from the Cruise Port Facility prior to Closing and any removal and disposal of any structures or other property by the Concession Company after Closing shall not constitute a Compensation Event.

Section 3.2 Cruise Port Facility Operations.

(a) *Use.* The Concession Company and the Authority agree that a primary purpose and essential consideration of this Agreement is for the Authority to operate a public cruise vessel port in a safe and secure manner. Except as otherwise specifically provided herein, the Concession Company shall, at all times during the Term, (i) be responsible for all aspects of the Cruise Port Facility Operations and (ii) cause the Cruise Port Facility Operations to be performed in accordance with the provisions of this Agreement. The Cruise Port Facility Operations will not be interrupted in the event that the Concession Company or the Authority becomes insolvent or seeks or becomes subject to any Proceeding.

(b) *Costs and Expenses.* Except as otherwise specifically provided herein, the Concession Company shall, at all times during the Term, pay or cause to be paid all costs and expenses relating to the Cruise Port Facility Operations as and when the same are due and payable.

(c) *Assumed Liabilities.* The Concession Company agrees to assume and discharge or perform when due, all debts, liabilities and obligations whatsoever relating to the Cruise Port Facility or the Cruise Port Facility Operations to the extent arising out of or relating to, or based on actions occurring during the Term, but only to the extent such debts, liabilities or obligations do not arise from or relate to any breach by the Authority of any covenant, representation or warranty set forth in this Agreement (collectively, the "Assumed Liabilities"); *provided, however,* that the Assumed Liabilities shall not include, and the Authority shall perform or cause to be performed and discharge or cause to be discharged as and when due, any debts, liabilities and obligations, whether such debts, liabilities or obligations are initially charged to the Authority, the Concession Company or any other Person, and shall retain responsibility and liability:

(i) with respect to the Authority's obligations under this Agreement;

(ii) arising out of the satisfaction of the conditions precedent set forth in Section 2.4(a) of this Agreement;

(iii) arising out of Cruise Port Facility Operations prior to the Time of Closing or relating to the Cruise Port Facility and incurred or assumed prior to the Time of Closing, *provided, however,* that (for the avoidance of doubt) Assumed Liabilities shall include debts, liabilities or obligations provided in the Preferential Berthing Agreement (other than with respect to the Reserved Sections), the Pier 3 EPIC Repairs Contract, the Pier 3 EPIC Repairs Project Management Contract and the other Cruise Port Facility Contracts that are assigned to or otherwise assumed by the Concession Company as provided in Schedule 2 and Section 4.14;

(iv) arising out of (A) the Reserved Sections, as defined in Schedule 2, or (B) causes of action, suits or other legal proceedings arising, brought or initiated against the Authority prior to the Time of Closing under any of the Cruise Port Facility Contracts, *provided, however,* that (for the avoidance of doubt) none of the Cruise Port Facility Contracts shall be considered to be an Excluded Liability as a result of such Cruise Port Facility Contracts having been executed and delivered prior to the Time of Closing;

(v) with respect to the employment of any Authority Employee hired by the Concession Company if such debts, liabilities and obligations arise under employment or labor Law or under any contracts or arrangements with or regarding such Authority Employee and relate to, or were otherwise incurred or accrued during, the time period prior to or at the Time of Closing, including (A) obligations in respect of benefits that had accrued but had not vested in favor of such Authority Employee prior to the Time of Closing and (B) any unfunded compensation or other benefits or any unfunded pension or retirement fund liabilities at the Time of Closing;

(vi) with respect to any claim made by any Authority Employee not hired by the Concession Company arising under employment or labor Law, including any unfunded compensation or other benefits or any pension or retirement fund liabilities (except if such claim arises from the act or omission of the Concession Company);

(vii) under any Environmental Law arising out of or relating to (A) the ownership, operation or condition of the Cruise Port Facility (including the Cruise Port Facility Assets) at any time prior to the Time of Closing, including any noncompliance with Environmental Law that existed at or prior to the Time of Closing and continued after the Time of Closing, or (B) any Hazardous Substance or other contaminant that was present or Released on or migrated or escaped from or was Released from the Cruise Port Facility (including the Cruise Port Facility Assets) or otherwise existed at any time prior to the Time of Closing (a "Pre-Existing Hazardous Substance"), except to the extent the Release or condition is exacerbated as a result of the Concession Company's negligent, unlawful or willful acts or omissions, and, for the avoidance of doubt, the Assumed Liabilities shall not include the following, subject to the foregoing exception: (1) the full extent of any Release that began prior to the Time of Closing and continued after the Time of Closing, (2) any Release of a Pre-Existing Hazardous Substance that occurs after the Time of Closing as a result of any Capital Project undertaken by the Concession Company and (3) the proper disposal of any such Pre-Existing Hazardous Substances required as a result of any Capital Project undertaken by the Concession Company, and including any environmental conditions existing prior to the Time of Closing, whether or not the manifestation of which occurs at or following the Time of Closing, in each case whether or not known by the Authority or the Concession Company at the Time of Closing;

(viii) arising out of any Additional Cruise Port Facilities, until such time, if ever, as the applicable Additional Cruise Port Facilities is included in the Cruise Port Facility in accordance with Section 3.19;

(ix) arising out of the condition or operation of Pier 14, until 90 days after the Authority notifies the Concession Company in writing that Pier 14 constitutes part of

the Cruise Port Facility and the Concession, at which time Pier 14 will, without further action required by either Party, become an Assumed Liability;

(x) with respect to the structural condition of Pier 4 below the non-structural surface covering the deck of Pier 4, and related connecting bridges, until the commencement of the Rehabilitation Pier 4 Wharf or such other arrangement as may be agreed by the Concession Company and the Authority pursuant to Section 2.4(g); *provided, however,* that it is acknowledged and agreed by the Concession Company that (A) the Concession Company shall conduct Cruise Port Facility Operations with respect to Pier 4 beginning at the Time of Closing, and (B) the conduct of Cruise Port Facility Operations during the Term with respect to Pier 4, including all debts, liabilities and obligations related thereto, shall constitute an Assumed Liability, except for the structural condition of Pier 4 below the non-structural surface covering the deck of Pier 4 during the period set forth above (but, for the avoidance of doubt, excluding any debts, liabilities and obligations related to such structural condition of Pier 4 below the non-structural surface covering the deck of Pier 4 that result from the failure of the Concession Company to conduct Cruise Port Facility Operations in accordance with the Operating Standards and Good Industry Practice, which shall also constitute an Assumed Liability);

(xi) with respect to the structural condition below the non-structural surface covering Pan American Pier 1 pier and Pan American Pier 2 pier, until the commencement of the Pan American Piers Wharf Structure Project for Pan American Pier 1 and Pan American Pier 2, as applicable and considered separately, or such other arrangement as may be agreed by the Concession Company and the Authority pursuant to Section 2.4(g),; *provided, however,* that it is acknowledged and agreed by the Concession Company that (A) the Concession Company shall conduct Cruise Port Facility Operations with respect to Pan American Pier 1 and Pan American Pier 2 beginning at the Time of Closing, and (B) the conduct of Cruise Port Facility Operations during the Term with respect to Pan American Pier 1 and Pan American Pier 2, including all debts, liabilities and obligations related thereto, shall constitute an Assumed Liability, except for the structural condition of Pan American Pier 1 and Pan American Pier 2 below the non-structural surface covering Pan American Pier 1 pier and Pan American Pier 2 pier during the period set forth above (but, for the avoidance of doubt, excluding any debts, liabilities and obligations related to such structural condition of Pan American Pier 1 and Pan American Pier 2 below the non-structural surface covering Pan American Pier 1 pier and Pan American Pier 2 pier that result from the failure of the Concession Company to conduct Cruise Port Facility Operations in accordance with the Operating Standards and Good Industry Practice, which shall also constitute an Assumed Liability); and

(xii) with respect to the structural condition of the portion of Pier 3 that is affected by the Pier 3 EPIC Repairs (as described in Schedule 13), but (for the avoidance of doubt) excluding any portion of Pier 3 other than the portion of Pier 3 that is affected by the Pier 3 EPIC Repairs, until the completion of the Pier 3 EPIC Repairs (as described in Schedule 13) in accordance with the terms of the Pier 3 EPIC Repairs Contract; *provided, however*, that it is acknowledged and agreed by the Concession Company that (A) the Concession Company shall conduct Cruise Port Facility Operations with respect to Pier 3 beginning at the Time of Closing, and (B) the conduct of Cruise Port Facility Operations during the Term with respect to Pier 3, including all debts, liabilities and obligations related thereto, shall constitute an Assumed

Liability, except for the structural condition of the portion of Pier 3 that is affected by the Pier 3 EPIC Repairs (as described in Schedule 13) during the period set forth above (but, for the avoidance of doubt, excluding any debts, liabilities and obligations related to such structural condition of the portion of Pier 3 that is affected by the Pier 3 EPIC Repairs (as described in Schedule 13) that result from the failure of the Concession Company to conduct Cruise Port Facility Operations in accordance with the Operating Standards and Good Industry Practice, which shall also constitute an Assumed Liability) (clause (i) through clause (xii) above constituting, collectively, except as provided therein, the "Excluded Liabilities").

Notwithstanding the foregoing, the Assumed Liabilities shall include any liabilities and obligations arising due to the Concession Company's failure to comply with established Engineering or Institutional Controls or Good Industry Practice for any environmental conditions on the Cruise Port Facility. For the avoidance of doubt, the debts, liabilities, obligations and responsibility of the Authority for the Excluded Liabilities described in clause (x), clause (xi) and clause (xii) of the definition of Excluded Liabilities shall be limited to (1) the Casualty Cost for Restoring Pier 4, Pan American Pier 1, Pan American Pier 2 and the portion of Pier 3 that is affected by the Pier 3 EPIC Repairs, and (2) Losses of the Concession Company resulting from the casualty that resulted in such Casualty Cost, including lost Cruise Port Revenues; *provided, however*, that (x) the cost or expense to the Concession Company of the Rehabilitation Pier 4 Wharf, the Pan American Piers Wharf Structure Project or any other Cruise Pier Improvement Project, including any increased contract price of any Construction Contract related to any such Cruise Pier Improvement Projects as a result of any condition of Pier 4, Pan American Pier 1 or Pan American Pier 2, except to the extent comprising part of the Casualty Cost as aforesaid, shall be borne by the Concession Company (and, for the avoidance of doubt, shall not constitute a Delay Event or a Compensation Event), (y) any Losses of the Concession Company for which the Authority is responsible as provided above may be paid by the Authority as provided in Section 15.1(c) as if such Losses constitute Concession Compensation, and (z) with respect to the Excluded Liability described in clause (xii) of the definition of Excluded Liabilities shall be paid by the Authority only from the liquidated damages (if any) and the proceeds of other remedies of the Authority under the Pier 3 EPIC Repairs Contract.

(d) *Operating Agreements and Construction Contracts.* The Concession Company shall not, and shall not permit any Contractor to, enter into any Operating Agreement or Construction Contract that extends beyond the Term unless (i) such agreement is assignable to the Authority and subject to a right by the Authority to terminate such agreement without penalty within three Business Days' notice or (ii) the Authority consents to such Operating Agreement or Construction Contract. Before any Operating Agreement or Construction Contract is entered into by the Concession Company or any Contractor which provides for compensation to the Contractor equal to or greater than (i) $2,000,000 for Operating Agreements, or (ii) $15,000,000 for Construction Contracts (each, a "Principal Contract"), the Concession Company shall provide an Officer's Certificate to the Authority pursuant to Section 20.15. For purposes of determining whether such $2,000,000 or $15,000,000 amount (as applicable) has been reached or exceeded, (i) a series of contracts relating to substantially the same transaction, capital improvement project or other set of circumstances and including the same Contractor or any Affiliate of such Contractor shall constitute a single Operating Agreement or Construction Contract, as applicable, and (ii) all revenues reasonably expected to be paid under the applicable Operating Agreement or

Construction Contract over its term (including any extension or renewal period) shall be included.

(e) *Business Plan and Marketing*. The Concession Company shall endeavor in good faith to implement its initial business plan, a copy of which is attached hereto as Schedule 14, as such initial business plan is modified annually in subsequent business plans as provided in this Agreement, each such business plan subject to alterations thereto in light of changing conditions and the ongoing business judgment of the Concession Company. No later than 30 Business Days prior to the first day of each Reporting Year, the Concession Company shall provide the Authority a modified business plan for such year. Each modified business plan shall be based upon, and address the matters in, the initial business plan attached hereto as Schedule 14. The Authority may, within 20 Business Days of receipt by the Authority of a business plan, provide comments to the Concession Company on such business plan, and the Concession Company shall promptly answer questions of the Authority regarding such business plan and provide information reasonably requested by the Authority; provided, however, that (i) the Authority shall not have the right to Approve any business plan other than the initial business plan and (ii) no business plan shall be inconsistent with the terms and provisions of this Agreement. To the extent that the implementation of any part of the Concession Company's initial business plan or any subsequent business plan (including as modified to reflect the alterations contemplated above) constitutes a Modification, such Modification shall be subject to Section 5.1. The Concession Company shall use Reasonable Efforts to perform marketing and promotion activities for the Cruise Port Facility in accordance with the initial business plan attached hereto as Schedule 14 and each subsequent business plan referred to in this Section 3.2(d).

(f) *Safety and Security*. The Concession Company shall (i) maintain the safety of the Cruise Port Facility at a level and in a manner consistent with Good Industry Practice and the other requirements of this Agreement, including Schedule 12; (ii) maintain at the Cruise Port Facility all safety and security devices and safety and security practices required by applicable Law, the requirements of all insurance policies and Good Industry Practice; (iii) keep accurate records of any accident or other occurrence at the Cruise Port Facility that results in injury to persons or damage to property or that constitutes a Port Emergency, and provide to the Authority reasonable access to these records, from time to time as requested by the Authority; and (iv) maintain security of the Cruise Port Facility at a level and in a manner consistent with Good Industry Practice and the requirements of this Agreement, including Schedule 12.

(g) *Staffing and Personnel*. The Concession Company shall staff the Cruise Port Facility and perform its obligations under this Agreement with qualified personnel who meet the licensing and certification requirements of applicable Law, and at a level and in a manner consistent with Good Industry Practice and the other requirements of this Agreement. The Concession Company shall comply within staffing requirements provided in Schedule 12.

(h) *Key Performance Indicators*. The failure of the Concession Company to satisfy the key performance indicators set forth in Schedule 12 shall, with respect to each such failure, constitute a failure to comply with the Operating Standards for purposes of determining whether a Persistent Breach Month has occurred.

(i) *Obligation to Maximize Use of Cruise Port Facility.* The Concession Company shall, to the extent reasonably practicable, and subject always to the requirements and constraints arising in connection with the Preferential Berthing Agreements, maximize the use of the Cruise Port Facility by Cruise Lines, including (1) (without limiting the Operating Standards or the other requirements of this Agreement) providing a level of service for services provided by the Concession Company or an Affiliated Service Provider at the Cruise Port Facility that is no less than the level of service provided by the Concession Company, Global Ports Holding PLC, or any Affiliate of either of them, to Cruise Lines in any other cruise port operated or serviced by any of them in any State bordering the Caribbean Sea or the Gulf of Mexico or in any other location described in clauses (ii) or (iii) of the definition of Comparable Cruise Port, (2) that the Concession Company shall not, and shall cause its Affiliates and Global Ports Holding PLC and its Affiliates not to, unreasonably discriminate against the Cruise Port Facility to the Cruise Port Facility's competitive detriment in favor of any other cruise port described in clause (1) above, and (3) as further described in Schedule 14, (x) committing adequate and committed resources, including resources from Global Ports Holding PLC or an Affiliate, to promote and market the Cruise Port Facility to Cruise Lines and cruise passengers targeted to increase the number of calls and the passenger volume at the Cruise Port Facility and (y) maximizing business opportunities for local stakeholders, which shall be comparable to and not less than any other cruise port described in clause (1) above. In addition, in order to facilitate the conduct by Cruise Lines of their Cruise Line Business at the Cruise Port Facility, the Concession Company shall, subject to and in accordance with the Open Access Regime and the other Operating Standards, applicable Law and the terms of this Agreement, permit Cruise Lines to perform those operations and functions as are incidental or reasonably necessary to the conduct by the Cruise Lines of their Cruise Line Business at the Cruise Port Facility. Without limiting the generality of the foregoing, the Concession Company shall permit Cruise Lines: (i) to dock Cruise Line Vessels at the Cruise Piers (excluding Piers 11-12, Pier 13 and Pier 14 until the Expansion Investment Projects and Phase Two Projects (respectively) are completed, and excluding other Cruise Piers while Cruise Pier Improvement Projects are being undertaken at such Cruise Pier); (ii) to embark and disembark passengers, crew and other personnel, and load and unload cargo, baggage and property, utilizing gangways or other devices or means of conveyance provided by the Cruise Lines or the Concession Company, as agreed by the Cruise Lines and the Concession Company; (iii) to provide ingress to and egress from the Cruise Port Facility for passengers, guests, patrons and invitees of Cruise Lines and their equipment, vehicles, machinery and other property; (iv) to handle reservations, ticketing, billing and manifesting of passengers required to be handled at the Cruise Port Facility; (v) to lease or use space in Cruise Piers Buildings for administrative or operational purposes of the Cruise Lines related to their Cruise Line Business at the Cruise Port Facility; (vi) to provide handling services on the Cruise Piers for baggage and other property of passengers, crew and other personnel or to obtain any such handling services from the Concession Company or any other Person; (vii) to repair and maintain Cruise Line Vessels at the Cruise Piers for such reasonable period of time as does not interfere with the operations of the Cruise Port Facility or the rights of other Cruise Lines to use the Cruise Piers or, alternatively, to receive towing assistance to moorings or other locations for the performance of any such repairs or maintenance; (viii) to use, in common with others so authorized, any public address system serving the Cruise Piers or Cruise Pier Buildings; (ix) to use water and electric power, telephone and other Utility Systems provided by the Concession Company and any other Person; and (x) to have access for its employees,

customers or suppliers to reasonable numbers of parking spaces at the Cruise Port Facility for the conduct of the Cruise Line Business at the Cruise Port Facility, or to ground transportation provided by the Concession Company or any other Person to locations outside of the Cruise Port Facility that provide such parking spaces.

(j) *Dredging Activities in San Juan Bay.*

(i) *Berthing Areas.* The Authority shall maintain the areas marked on Schedule 1 that are immediately adjacent to the Cruise Piers (the "Berthing Areas") at their depth specified in Figure 2 in Schedule 1 as the Minimum Dredging Depth (the "Berthing Areas Minimum Dredging Depth"). In addition, the Authority shall use Reasonable Efforts to cause any applicable Governmental Authority to provide dredging services to increase the Berthing Areas Minimum Dredging Depth as reasonably required by the Concession Company to accommodate Cruise Line Vessels and Other Shipping Lines that require deeper water depth than the Berthing Areas Minimum Dredging Depth (any such increase in the Berthing Areas Minimum Dredging Depth, the "Berthing Areas Adjusted Minimum Dredging Depth"). The Authority shall maintain any Berthing Areas Adjusted Minimum Dredging Depth, subject to an increase in the Annual Dredging Payment to account for any additional cost of maintaining the Berthing Areas Adjusted Minimum Dredging Depth.

(ii) *Shipping Channels.* The Authority shall use Reasonable Efforts to cause the applicable Governmental Authority to provide dredging services to (A) maintain the Shipping Channels at their depth specified in Figure 2 in Schedule 1 as the Shipping Channels Minimum Dredging Depth (the "Shipping Channels Minimum Dredging Depth"), (B) increase the Shipping Channels Minimum Dredging Depth as reasonably required by the Concession Company to accommodate Cruise Line Vessels and Other Shipping Lines that require deeper water depth than the Shipping Channels Minimum Dredging Depth (any such increase in the Shipping Channels Minimum Dredging Depth, the "Shipping Channels Adjusted Minimum Dredging Depth"), and (C) maintain any Shipping Channels Adjusted Minimum Dredging Depth.

(iii) *Concession Company Notice.* The Concession Company shall notify the Authority no later than two years before any Cruise Line Vessel or Other Shipping Line requires an increase in the Berthing Areas Minimum Dredging Depth, the Shipping Channels Minimum Dredging Depth, Berthing Areas Adjusted Minimum Dredging Depth or the Shipping Channels Adjusted Minimum Dredging Depth. Such notice shall contain reasonably detailed information about the Cruise Line Vessels and Other Shipping Lines requiring such greater water depth, the location where such water depth is needed and the effect on the Cruise Port Facility Operations and Cruise Port Revenues if such greater water depth is not provided. For purposes of this Section 3.2(j) an increase in the Berthing Areas Minimum Dredging Depth, the Shipping Channels Minimum Dredging Depth, Berthing Areas Adjusted Minimum Dredging Depth or the Shipping Channels Adjusted Minimum Dredging Depth will be considered reasonably required if the failure to obtain such increase (as described in such notice from the Concession Company) shall impede access to the Cruise Port Facility by the Cruise Line Vessels and have a Material Adverse Effect on the Cruise Port Revenues.

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(iv) *Failure to Comply.* The failure of the Authority to comply with its obligations under the foregoing provisions of this Section 3.2(j) constitutes a Compensation Event. The failure of any Governmental Authority to (A) increase the Berthing Areas Minimum Dredging Depth or the Berthing Areas Adjusted Minimum Dredging Depth or (B) maintain or increase the Shipping Channels Minimum Dredging Depth or the Shipping Channels Adjusted Minimum Dredging Depth shall constitute a Delay Event but shall not constitute a Compensation Event or an Adverse Action. The Concession Company may, subject to receipt of any applicable Authorizations and upon no less than sixty (60) days prior written notice to the Authority, undertake any such dredging activities which the Authority or any such Governmental Authority fails to undertake, and such dredging activities shall be at the cost and expense of the Concession Company (but with respect to dredging activities which the Authority failed to undertake even though sufficient funds were available in the Escrow Account – Maintenance Dredging Sub-Account to maintain the Berthing Areas Minimum Dredging Depth or the Berthing Areas Adjusted Minimum Dredging Depth, such cost and expense of the Concession Company shall be recoverable by the Concession Company from any amounts in the Escrow Account – Maintenance Dredging Sub-Account as provided below). In addition to the payment of Concession Compensation as provided in Section 15.1(b) and Section 15.1(c), but without limiting the obligation of the Concession Company to provide funds for the Authority to maintain the Berthing Areas Minimum Dredging Depth or the Berthing Areas Adjusted Minimum Dredging Depth as provided in Section 2.1(a) and Section 3.2(j)(vi), in the event the Concession Company undertakes any dredging activities to maintain the Berthing Areas Minimum Dredging Depth or the Berthing Areas Adjusted Minimum Dredging Depth because the Authority fails to undertake such dredging activities, as provided in the immediately preceding sentence, the Concession Company will be reimbursed from the Escrow Account – Maintenance Dredging Sub-Account for its reasonable costs of undertaking such dredging activities.

(v) *Reasonable Efforts.* The taking of commercially reasonable steps by the Authority, jointly with the Concession Company, to obtain Authorizations from the applicable Governmental Authority and the incurrence of reasonable costs reasonably incidental or ancillary thereto shall constitute the use by the Authority of Reasonable Efforts to (A) increase the Berthing Areas Minimum Dredging Depth or the Berthing Areas Adjusted Minimum Dredging Depth or (B) maintain or increase the Shipping Channels Minimum Dredging Depth or the Shipping Channels Adjusted Minimum Dredging Depth (in each case, as reasonably required by the Concession Company to accommodate Cruise Line Vessels and Other Shipping Lines and following receipt of a duly documented request from the Concession Company).

(vi) *Payment of Costs.*

(A) In the event the cost and expense of the Authority to maintain the Berthing Areas Minimum Dredging Depth or the Berthing Areas Adjusted Minimum Dredging Depth exceeds the amount available for such purpose in the Escrow Account – Maintenance Dredging Sub-Account, the Authority shall notify the Concession Company of such shortfall. To the extent that the Concession Company has not deposited the Annual Dredging Payment in the Escrow Account – Maintenance Dredging Sub-Account as required by Section 2.1(a), the Concession Company shall promptly make such deposit. In addition, to the extent that (1) the Annual Dredging

Payment for the Reporting Year in which the Authority notifies the Concession Company of such shortfall is less than $410,000, Adjusted for Inflation, or (2) the Annual Dredging Payment for any of the seven (7) Reporting Years immediately preceding such Reporting Year is less than $410,000, Adjusted for Inflation (calculated as of each such Reporting Year), then the Concession Company shall promptly deposit in the Escrow Account – Maintenance Dredging Sub-Account (calculated for each such Reporting Year) the difference between (x) the amount of the Annual Dredging Payment deposited in the Escrow Account – Maintenance Dredging Sub-Account during each such Reporting Year and (y) $410,000, Adjusted for Inflation, up to the amount of such shortfall, and such deposit shall be considered a part of the Annual Dredging Payment. By way of example, if in a Reporting Year the cost and expense of the Authority to maintain the Berthing Areas Minimum Dredging Depth is $1,000,000, the amount available for such purpose in the Escrow Account – Maintenance Dredging Sub-Account is $500,000, and for such Reporting Year and each of the immediately preceding seven (7) Reporting Years the Concession Company deposited in the Escrow Account – Maintenance Dredging Sub-Account $310,000, then the Concession Company would be obligated to deposit in the Escrow Account – Maintenance Dredging Sub-Account up to $700,000 (assuming no inflation during those years), but only up to the $500,000 shortfall. The Authority shall not be required to pay any amount in excess of the amounts on deposit in the Escrow Account – Maintenance Dredging Sub-Account for the cost and expense of maintaining the Berthing Areas Minimum Dredging Depth or the Berthing Areas Adjusted Minimum Dredging Depth, and the Concession Company shall not be required to pay any amount in excess of the Annual Dredging Payment for the cost and expense of maintaining the Berthing Areas Minimum Dredging Depth or the Berthing Areas Adjusted Minimum Dredging Depth; *provided, however*, that if the amounts on deposit in the Escrow Account – Maintenance Dredging Sub-Account are less than required to pay the cost and expense of maintaining the Berthing Areas Minimum Dredging Depth or the Berthing Areas Adjusted Minimum Dredging Depth, the Parties shall meet promptly and discuss in good faith an alternative financial solution for the payment of such cost and expense (which may, by way of reference, include increased charges for Cruise Lines and/or passengers using the Cruise Port Facility). The Authority shall provide the Concession Company such information regarding such shortfall as the Concession Company reasonably requests.

(B) Except as provided in clause (A) of this Section 3.2(j)(vi), in the event the Concession Company requests or otherwise reasonably requires dredging services, or the Authority reasonably requires funds, to increase the Berthing Areas Minimum Dredging Depth or the Berthing Areas Adjusted Minimum Dredging Depth or to maintain or increase the Shipping Channels Minimum Dredging Depth or the Shipping Channels Adjusted Minimum Dredging Depth, the Concession Company shall pay the cost and expense of such dredging services, or provide the Authority with such funds, and the request or requirement for such dredging services or funds shall not constitute a Compensation Event or an Adverse Action. Without limiting the generality of the foregoing, the Concession Company shall pay or provide the Authority with funds to pay, as needed by the Authority, the cost and expense of (1) an increase in the Berthing Areas Minimum Dredging Depth, the Berthing Areas Adjusted Minimum Dredging Depth, the

Shipping Channels Minimum Dredging Depth or the Shipping Channels Adjusted Minimum Dredging Depth or any notice from the Concession Company as provided in clause (iii) of this Section 3.2(j) and/or (2) an increase in the Authority's share of the cost of (x) increasing the Berthing Areas Minimum Dredging Depth or the Berthing Areas Adjusted Minimum Dredging Depth or (y) increasing or maintaining the Shipping Channels Minimum Dredging Depth or the Shipping Channels Adjusted Minimum Dredging Depth (including a change in the proportion of the cost to be borne by the Authority as compared to any other applicable Governmental Authority). Such funds paid to the Authority shall be deposited by the Authority in the Escrow Account – Maintenance Dredging Sub-Account or the Escrow Account – Capital Dredging Sub-Account, as applicable.

(C) The Authority's obligation to expend funds to maintain the Berthing Areas Minimum Dredging Depth or the Berthing Areas Adjusted Minimum Dredging Depth, to increase the Berthing Areas Minimum Dredging Depth or the Berthing Areas Adjusted Minimum Dredging Depth, or to pay its share of the cost as compared to any other applicable Governmental Authority to maintain or increase the Shipping Channels Minimum Dredging Depth or the Shipping Channels Adjusted Minimum Dredging Depth shall be limited to amounts on deposit in the Escrow Account – Maintenance Dredging Sub-Account or the Escrow Account – Capital Dredging Sub-Account, as applicable, and the Authority shall not be obligated to expend funds for such purposes if amounts on deposit in the Escrow Account – Maintenance Dredging Sub-Account or the Escrow Account – Capital Dredging Sub-Account, as applicable, are insufficient for such purposes.

(k) *Isla Grande Airport.* The Concession Company shall not operate the Cruise Port Facility in a manner that adversely affects the operations of the Isla Grande Airport located near the Cruise Port Facility. The Concession Company shall obtain any Authorizations that may be required to effect any construction or other activities therein and comply with any conditions imposed by the FAA in relation thereto.

Section 3.3 Concession Company Responsibility. The Concession Company shall, at all times during the Term, be responsible for the Cruise Port Facility Operations in a manner consistent with the Operating Standards and all applicable requirements of Law. The Concession Company may, consistent with the operations plan under the Operating Standards, enter into contracts or agreements with other parties (which may include Affiliates of the Concession Company) to provide services in connection with the Cruise Port Facility Operations; *provided however*, that those Ancillary Services which the Concession Company is not authorized to provide exclusively, as provided in Schedule 15, shall only be provided by the Concession Company through Affiliated Service Providers and otherwise as provided in Schedule 15. No contract or agreement of any kind between the Concession Company and any other Person shall relieve the Concession Company of its responsibility and liability for the performance of all of its obligations under this Agreement. The Concession Company shall require Cruise Lines and other third parties with whom it contracts in connection with the Cruise Port Facility Operations to comply with all applicable requirements of the Law. Further, no agreement or contract of any kind between the Concession Company and any other Person shall affect the right of the Authority to exercise any remedies provided hereunder, including any right of access to the

Cruise Port Facility in connection therewith, for the failure by the Concession Company to carry out any of its obligations under this Agreement.

Section 3.4 Asset Management Plan and Government Contributions Agreements.

(a) *Asset Management Plan.* The Concession Company shall provide the Authority a draft asset management plan (the "Asset Management Plan") no later than two (2) months following the Closing Date. The Asset Management Plan shall be consistent with the terms and provisions of this Agreement, contain a detailed description of the means and methods of properly maintaining, repairing and replacing the Cruise Port Facility, and shall otherwise document procedures, practices and schedules set forth in Schedule 12. The Concession Company shall review and discuss in good faith with the Authority any aspect of the draft Asset Management Plan and will provide the Authority a final Asset Management Plan no later than four (4) months following the Closing Date. Neither the review of or comment upon, nor the failure of the Authority to comment upon, the Asset Management Plan shall relieve the Concession Company of any of its responsibilities under this Agreement, be deemed to constitute a representation by the Authority that maintaining, repairing and replacing the Cruise Port Facility pursuant to the Asset Management Plan will cause the Cruise Port Facility to be in compliance with this Agreement or applicable Law, or impose any liability upon the Authority. The Concession Company shall bear all costs and expenses of preparing the Asset Management Plan. The Concession Company shall update the Asset Management Plan to take into account the following: (i) each Cruise Pier Improvement Project, in each case after its Completion; (ii) Modifications that consist of capital improvements projects; (iii) changes in relevant standards and legal requirements; (iv) improvements in best practice and technology; and (vi) other relevant matters, and shall supply the Authority with any updates, supplements, revisions or other changes thereto promptly after they are made, and in any event within 60 days prior to the end of (A) the third Reporting Year and (B) each three (3) year period of the Term thereafter. Upon expiration of the Term or the earlier termination of this Agreement, the Concession Company shall promptly deliver to the Authority the current Asset Management Plan.

(b) *Emergency Response Manual.* The Concession Company shall prepare and deliver to the Authority, concurrently with the preparation and delivery of the Asset Management Plan, and regularly update, an emergency response manual for the Cruise Port Facility relating to fire, weather, environmental, health, safety, and other potential emergency conditions, including any Port Emergency. The emergency response manual shall set out appropriate notifications to be made to all Governmental Authorities having jurisdiction with respect to the emergency, and appropriate actions to be taken to effectively handle any such emergency.

(c) *Government Contributions Agreements.* The Concession Company hereby confirms its acceptance of all Government Contributions Agreements that may be executed between the Authority and the applicable Governmental Authority for projects related to the Cruise Port Facility, including the assurances contained therein. The Concession Company shall, for and on behalf of the Authority, at the written direction of the Authority (but without any further action required), perform all the obligations of the Authority under such Government Contributions Agreements; *provided, however*, that the Authority agrees that it will carry out the

terms of all Government Contributions Agreements relating to property or activities that are not part of the Cruise Port Facility or that involve inherently governmental functions (such as oversight, policy development and internal auditing). If the Cruise Pier Improvement Projects Cost for any Cruise Pier Improvement Project or Modification constituting a capital improvement project is paid with Government Contributions (which, for the avoidance of doubt, would not include the Initial Investment Projects other than, if applicable, the Pan American Piers Wharf Structure Project), the Concession Company shall comply with all obligations under the applicable Government Contributions Agreement relevant to it as the Receiver of Government Contributions, the Receiver's Agent or the construction manager for the applicable Cruise Pier Improvement Project or Modification constituting a capital improvement project, or if the Concession Company is acting in none of the foregoing capacities then in the capacity of the Concession Company under this Agreement.

(d) *Authorizations*. The Concession Company shall obtain, comply with, promptly renew and maintain in good standing all Authorizations necessary to perform its obligations hereunder; *provided, however, that if* (i) the Concession Company is, at any time during the Term, required to obtain any Authorization from a Governmental Authority that the Authority was not required to obtain in connection with its operation of the Cruise Port Facility prior to the Time of Closing or (ii) any such Authorization can be obtained only by the Authority or some other Governmental Authority, then the Authority shall (x) use its Reasonable Efforts to assist the Concession Company in obtaining such Authorization and (y) subject to Law, promptly deliver to the Concession Company a copy of any notice, summons, letter or other communication in respect of any Authorization obtained, renewed or maintained in the Authority's name following the Authority's receipt thereof. Nothing in this Agreement, including Section 2.1, shall be deemed to waive or modify any Authorization required to be obtained by the Concession Company or any other Person in connection with the Cruise Port Facility, the Cruise Port Facility Operations or any activities generating revenues at the Cruise Port Facility.

(e) *Prohibition Against Exclusive or Preferential Rights*. Subject to the Preferential Berthing Agreements, and except to the extent permitted in Schedule 3, nothing in this Agreement shall be construed to authorize the Concession Company to grant a Cruise Line the exclusive or preferential right to conduct a Cruise Line Business, and the Concession Company shall, in accordance with the Open Access Regime, grant to Cruise Lines other than the Signatory Cruise Lines pursuant to the Preferential Berthing Agreements the privileges and right of conducting any or all activities relating to a Cruise Line Business. For the avoidance of doubt, compliance by the Concession Company with the Open Access Regime shall not constitute the granting by the Concession Company of any preferential right. The Concession Company may not enter into any Operating Agreement with any Cruise Line that provides the Cruise Line with any preferential rights to berth at the Cruise Piers or is in any manner inconsistent with the Open Access Regime, unless the Authority approves such Operating Agreement in its discretion, except to the extent permitted in Schedule 3.

(f) *Subordination*. The Parties covenant and agree that this Agreement and any Concession Mortgage shall be subordinated to the provisions of any existing or future agreement or assurances between the Authority or the Concession Company and the United States federal government or other Governmental Authority, or between or among any

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Governmental Authorities, that in whole or in part relates to the Cruise Port Facility (including any Government Contributions Agreement), the execution or acknowledgement of which by the Authority or the Concession Company has been or will be required as a condition precedent to the granting of any Government Contributions. The Authority further agrees that it shall not cause the Concession Company to violate any assurances made by the Concession Company to the United States federal government or any other Governmental Authority in connection with the granting of such Government Contributions or approvals.

(g) *Qualifications.* The Concession Company shall, at all times during the Term, maintain in full force and effect its existence and all qualifications necessary to carry on its business pertaining to the Cruise Port Facility, the Cruise Port Facility Operations or any activities generating revenues at the Cruise Port Facility, including all rights, franchises, licenses, privileges and qualifications required in connection with the Cruise Port Facility Operations.

Section 3.5 **No Encumbrances.**

(a) *By the Concession Company.* The Concession Company shall not do any act or thing that will create any Encumbrance (other than a Permitted Concession Company Encumbrance) against the Cruise Port Facility and shall promptly remove any such Encumbrance (other than a Permitted Concession Company Encumbrance) against the Cruise Port Facility unless any such Encumbrance comes into existence as a result of an act or omission by the Authority, any other Governmental Authority or any Person claiming through the Authority or any other Governmental Authority, which in turn was not caused by an act or omission of the Concession Company. The Concession Company shall not be deemed to be in default hereunder if the Concession Company continuously, diligently and in good faith contests any such Encumbrance, or the validity thereof (or causes such contest), by appropriate legal proceedings that shall operate to prevent the foreclosure of any such Encumbrance; *provided* that the Concession Company (i) has given advance notification to the Authority that it is the intent of the Concession Company to contest the validity or collection thereof or cause such contest and (ii) has given a reasonably satisfactory indemnity to the Authority.

(b) *By the Authority.* Neither the Authority nor any Governmental Authority of or in the Commonwealth shall do any act or thing that will create or permit to exist any Encumbrance (other than a Permitted Authority Encumbrance) against the Cruise Port Facility and shall promptly remove any Encumbrance (other than a Permitted Authority Encumbrance) against the Cruise Port Facility that came into existence as a result of an act of or omission by the Authority or a Person claiming through the Authority. The Authority shall not be deemed to be in default hereunder if the Authority continuously, diligently and in good faith contests any such Encumbrance, or the validity thereof (or causes such contest), by appropriate legal proceedings that shall operate to prevent the foreclosure of any such Encumbrance; *provided* that the Authority (i) has given advance notification to the Concession Company that it is the intent of the Authority to contest the validity or collection thereof or cause such contest and (ii) has given a reasonably satisfactory indemnity to the Concession Company or has deposited with the Concession Company a Letter of Credit, Surety Bond, cash or Eligible Investment reasonably satisfactory to the Concession Company in an amount equal to the amount of the claim or Encumbrance, plus such interest and penalties, court costs or other charges as the Concession Company may reasonably estimate to be payable by the Authority at the conclusion of such

contest or as is required to provide insurance over any potential Encumbrance; *provided, however,* that in the event such Letter of Credit, Surety Bond, cash or Eligible Investment shall be so deposited, the same shall be held until such claim or other Encumbrance shall have been released and discharged and shall thereupon be returned to the Authority, less any amounts expended by the Concession Company, if any, to procure such release or discharge, or any loss, cost, damage, reasonable attorneys' fees or expense incurred by the Concession Company, if any, by virtue of the contest of such Encumbrance.

(c) *Removal.* Each Party, at the reasonable request of the other Party, shall use its Reasonable Efforts to assist such other Party in attempting to remove any Encumbrance that has come into existence as a result of an act of or omission by such other Party (excluding Encumbrances permitted by Section 3.5(a) or (b)); *provided* that nothing herein shall obligate the Authority to waive, modify or otherwise limit or affect the enforcement by the Authority of any applicable Law with respect to the Cruise Port Facility or any activities generating revenues at the Cruise Port Facility and *provided further* that the costs and expenses incurred by any Party in connection with such efforts shall be borne by the Party whose act or omission has given rise to such Encumbrance.

Section 3.6 Single Purpose Covenants. The Concession Company shall, at all times during the Term, (a) be formed and organized solely for the purpose of owning the Concession Company Interest and using, possessing, leasing, operating and otherwise dealing with the Cruise Port Facility (and carrying out any activities permitted pursuant to this Agreement (and any activities reasonably incidental thereto, including the financing thereof and of the Transaction), (b) not engage in any business unrelated to clause (a) above, (c) not have any assets other than those related to its activities in accordance with clauses (a) and (b) above, (d) maintain its own separate books and records and its own accounts, in each case that are separate and apart from the books and records and accounts of any other Person; *provided, however,* that the Concession Company's assets may be included in a consolidated financial statement of a direct or indirect shareholder or other owner of a beneficial interest of the Concession Company if inclusion on such consolidated financial statement is required to comply with the requirement of generally accepted accounting principles of the relevant jurisdiction, but only if (i) such consolidated financial statement shall be appropriately footnoted to the effect that the Concession Company's assets are owned by the Concession Company and that they are being included on the consolidated financial statement of such shareholder or other owner of a beneficial interest only to comply with the requirements of generally accepted accounting principles of the relevant jurisdiction and (ii) such assets shall be listed on the Concession Company's own separate balance sheet, (e) hold itself out as being a Person, separate and apart from any other Person, (f) not commingle its funds or assets with those of any other Person, (g) conduct its own business in its own name independently and through its own authorized officers and agents, (h) except as noted in clause (d) above, maintain separate financial statements and file its own Tax returns (to the extent required by applicable Law), (i) pay its own debts and liabilities when they become due out of its own funds, (j) observe all corporate, limited partnership or limited liability company, as applicable, formalities and do all things necessary to preserve its existence, (k) have sufficient officers and personnel to run its business operations and to supervise its Contractors pursuant to one or more contractual arrangements, (l) pay the salaries of its own employees, if any, and maintain a sufficient number of employees in light of its contemplated business operations, (m) not guarantee or otherwise obligate itself with respect to the debts or obligations

of any other Person, or hold out its credit as being available to satisfy the debts or obligations of any other Person, (n) not acquire obligations of or securities issued by its shareholders, partners or members, as applicable, (o) use separate stationery, invoices and checks bearing its own name, (p) except as expressly permitted hereby or by any Concession Mortgage or in connection with the ordinary course of business of the Cruise Port Facility, not pledge its assets for the benefit of any other Person or make any loans or advances to any other Person, (q) correct any known misunderstanding regarding its separate identity, (r) maintain adequate capital in light of its contemplated business operations, (s) observe all customary organizational and operational formalities, including taking and maintaining of complete minutes of all member, manager, shareholder, board or similar meetings, (t) maintain an arm's length relationship with its Affiliates and enter into transactions with Affiliates only on a commercially reasonable basis and pursuant to enforceable agreements and (u) have organizational documents which do not conflict with the requirements set forth in this Section 3.6.

Section 3.7 Rights of the Authority to **Access and Perform Work at the Cruise Port Facility**.

(a) *Reservation of Rights*. The Authority (for itself and any of its Representatives and any other Governmental Authority of competent jurisdiction, as well as grantees, tenants, mortgagees, licensees and others claiming or acting by, through or under the Authority (each, an "Authority Related Entity")) reserves the right and shall, at all times during the Term, have the right to enter the Cruise Port Facility and each and every part thereof in response to any event, circumstance or purpose described in this Section 3.7(a), subject to applicable Law and the Cruise Port Facility Security Program:

(i) to inspect the Cruise Port Facility or determine whether or not the Concession Company is in compliance with its obligations under this Agreement pursuant to Section 8.3;

(ii) if a Concession Company Default then exists, subject to the cure rights of the Concession Mortgagee provided in Section 18.3, to make any necessary repairs to the Cruise Port Facility and perform any work therein and take any reasonable actions in connection therewith pursuant to Section 16.1(b)(v);

(iii) in the event of an actual or reported emergency, danger, threat, circumstance or event that is reasonably believed by the Authority or its designee (including relevant police, fire, emergency services, armed forces and any other security or emergency personnel in accordance with Section 3.17(b)) to have caused (or to present the imminent potential to cause) injury to individuals, damage to property, or harm to the Environment or to public safety or health (including with respect to the COVID-19 Adverse Effect or other Force Majeure), to take, at such times as the Authority determines necessary in its discretion (or as directed by any Governmental Authority) and with notice to the Concession Company if practicable under the circumstances, such actions as the Authority or such designee reasonably determines necessary (or as directed by any Governmental Authority) to respond to or to rectify such emergency, danger, threat, circumstance or event, including granting or denying permission to any vessel, whether or not owned by a Governmental Authority, to berth at or otherwise use

the Cruise Piers during the occurrence of any such emergency, danger, threat, circumstance or event;

(iv) in the event of any circumstance or event that is reasonably believed by the Authority to have caused a material impairment to the continuous operation of the Cruise Port Facility as a public cruise vessel port (and the Authority shall provide written notice to the Concession Company of such event or circumstance as soon as is reasonably practicable after first becoming aware of such event or circumstance), and if the Authority in its discretion (or as directed by any Governmental Authority) reasonably determines that the Concession Company is not then taking all necessary steps to respond to or to rectify such circumstance or event, to take, at such times as the Authority determines necessary in its discretion (or as directed by any Governmental Authority) and with notice to the Concession Company if practicable under the circumstances, such actions as the Authority determines may be reasonably necessary (or as directed by any other Governmental Authority) to respond to or to rectify such circumstance or event or to restore the operation of the Cruise Port Facility;

(v) at its own cost and expense, to design, construct, operate, service, manage, maintain, repair, rehabilitate or replace any Affected Property;

(vi) at its own cost and expense, to (A) install, design, manage, maintain, inspect, repair and rehabilitate any existing or future utilities or similar services or safety measures related to such utilities or services (whether provided by the Authority or third parties) in, on, under, across, over or through the Cruise Port Facility (including water and sewer lines, power transmission lines, fiber optic cable, surveillance equipment and other communications and other equipment) *(provided* that the Authority shall not be required to compensate the Concession Company with respect to the use of the Cruise Port Facility for such utilities, services or measures unless they materially impair the Concession Company's use of the Cruise Port Facility for the Cruise Port Facility Operations and such impairment results in Losses or reduced revenues), (B) grant easements and rights on, over, under or within the Cruise Port Facility for the benefit of suppliers or owners of any such utilities, services or measures and (C) use the Cruise Port Facility in connection with any such installation, design, management, maintenance, repair or rehabilitation (*provided* that notwithstanding the foregoing clauses (A), (B) and (C), the Concession Company shall have the right, but not the obligation, at all times during the Term, and subject to applicable Law, to install, design, manage, maintain, repair and rehabilitate utilities or other services for its own account (and for resale or service to third parties, including Cruise Lines and their passengers, and tenants of the Cruise Port Facility) to the extent that the said utilities or services are necessary or desirable for the Cruise Port Facility Operations);

(vii) at its own cost and expense (except as otherwise expressly set out in this Agreement) and solely in accordance with the terms hereof, to do any other act or thing that the Authority or any Authority Related Entity may be obligated to do or have a right to do under applicable Law that is in addition to the rights of the Authority under this Agreement and that is not inconsistent with the rights granted to the Concession Company in this Agreement; and

(viii) as provided in Section 4.6(f) and Section 4.6(h).

In connection with any entry made pursuant to (v) Section 3.7(a)(i) and (ii), such right to be exercised at all reasonable times upon reasonable prior notice to the Concession Company; (w) Section 3.7(a)(iii) and (iv), such right to be exercised at all reasonable time with notice to be provided as set forth in such subclauses (iii) and (iv) respectively; (x) Section 3.7(a)(v) through (vi), such right to be exercised at all reasonable times with the Authority to request, with reasonable prior written notice, the Concession Company's consent to the exercise of such right; (y) Section 3.7(a)(vii) , such right to be exercised at all reasonable times without prior notice to the Concession Company; and (z) Section 3.7(a)(viii), such right to be exercised as provided in Section 4.6(f) and Section 4.6(h).

In connection with any entry made pursuant to this Section 3.7(a), (aa) such right to enter the Cruise Port Facility shall not include any of the private business offices of the Concession Company that may be located at the Cruise Port Facility; (bb) notwithstanding Section 3.7(a)(i) through (viii), any cost or expense related to any exercise by the Authority of its rights under Section 3.7(a)(ii) shall be borne by the Parties according to Section 16.1(b)(v); (cc) the Authority (A) shall conduct all activities in connection therewith consistent with the Cruise Port Facility Security Program and shall use its Reasonable Efforts to cause any Authority Related Entity effecting such entry or action to use Reasonable Efforts to minimize interference with the Cruise Port Facility Operations (including security) and damage to the Cruise Port Facility in connection with any entry on the Cruise Port Facility and (B) shall pay to the Concession Company the Concession Compensation, upon demand by the Concession Company, resulting from any entry or action on the Cruise Port Facility that qualifies as a Compensation Event pursuant to the definition thereof or as a result of any liability or obligation of or to the Concession Company under any Environmental Law directly caused by an entry or action with respect to the Cruise Port Facility or Cruise Port Facility Operations pursuant to this Section 3.7(a).

(b) *Access Rights Regarding Work.* The Authority, its Representatives and any Governmental Authority of or in the Commonwealth, during the progress of any work referred to in this Section 3.7, at no additional cost to the Authority, its Representatives or any Governmental Authority of or in the Commonwealth, shall have all necessary or appropriate access rights and may keep and store at the Cruise Port Facility all necessary or appropriate materials, tools, supplies, equipment, shed, mobile trailers and other vehicles, in a reasonably neat and orderly fashion, in material compliance with all Laws (including Environmental Laws) and the Operating Standards; *provided* that such access and storage shall not unreasonably interfere with the Concession Company's conduct of the Cruise Port Facility Operations. The Concession Company shall not have any liability for theft of or damage to such material and other items or with respect to any acts or omissions of the Authority, its Representatives or any Governmental Authority of or in the Commonwealth or any Person acting on behalf of any of them. To the extent that the Authority or any Governmental Authority of or in the Commonwealth or any other Person on the Authority's behalf undertakes works or repairs under this Section 3.7 or any other provision of this Agreement, such work or repairs shall be commenced and diligently completed in a good and workmanlike manner, in accordance with any applicable Operating Standards and in such a manner as not to materially interfere with the Concession Company's conduct of business in or use of such space to the extent reasonably practicable without incurring any additional cost.

(c) *Effect of Reservation.* Any exercise or reservation of a right by the Authority and any of its Representatives to enter the Cruise Port Facility and to make or perform any repairs, alterations, Restoration or other work in, to or about the Cruise Port Facility that is the Concession Company's obligation pursuant to this Agreement, shall not be deemed to (i) impose any obligation on the Authority to do so, (ii) render the Authority liable to the Concession Company or any other Person for the failure to do so or (iii) relieve the Concession Company from any obligation to indemnify the Authority as otherwise provided in this Agreement. Nothing in this Agreement shall impose any duty upon the part of the Authority to do any work required to be performed by the Concession Company hereunder and performance of any such work by the Authority and any of its Representatives shall not constitute a waiver of the Concession Company's default in failing to perform the same.

Section 3.8 Cruise Port Facility Operations Cash Reserve. In accordance with and subject to any Concession Mortgage, the Concession Company shall (subject to the penultimate sentence of this Section 3.8) at all times during the Term maintain reserves in an amount equal to at least (on any date of determination) 25% of the projected operating expenses for the Cruise Port Facility (excluding, for the avoidance of doubt, Annual Authority Revenue Share and Incremental Authority Revenue Share accruals and payments) for the then-current Term Year, as determined as of the commencement of such current Term Year (the "Opex Reserve Requirement"); *provided* that, if, at any time during the Term Year, changes to the Concession Company's projected operating expenses result in the Concession Company maintaining an Opex Reserve Requirement that is 10% more than the amount of the Opex Reserve Requirement that would be required taking into account such changes, then the Concession Company may adjust (the "Interim Adjustment") the amount in reserve to conform to the Concession Company's then-current forecast; *provided, further, that* in no event will the Concession Company be entitled to make more than two Interim Adjustments during any Term Year. The Opex Reserve Requirement may be satisfied by cash (or cash equivalents or Eligible Investments) held by the Concession Company for such purpose or by the undrawn available amount of any Qualifying Account Instrument. The Concession Company shall be entitled to use funds on deposit or available in respect of the cash reserves contemplated in this Section 3.8 for the purpose of funding any shortfalls in operating expenses or debt service, as applicable. Following the use of any such funds in the cash reserve for operating expenses, the Concession Company shall be obligated to replenish the amount so utilized by the later of (i) the date on which it is required to deliver the compliance certificate noted in the immediately succeeding sentence and (ii) 60 days following any such utilization. To the extent that the Concession Mortgagee requires account reserves substantially similar to the Opex Reserve Requirement, such that the Opex Reserve Requirement is satisfied in all material respects by compliance with such Concession Mortgagee account reserve requirements, the Concession Company shall be in compliance with the requirements of this Section 3.8 for so long as the Concession Company continues to satisfy such Concession Mortgagee account reserve requirements. For the avoidance of doubt, it is the intent of the Parties that the Concession Company not be required to maintain two substantially similar cash reserves and that only one cash reserve which complies in all material respects with the requirements of this Section 3.8 shall be maintained by the Concession Company. The Concession Company shall deliver to the Authority on the first Business Day of each quarter of each Term Year (or at such times as may be required by the Concession Mortgagee; *provided* that such Concession Mortgagee's requirement is a quarterly

requirement), and as otherwise requested by the Authority from time to time, an Officer's Certificate in which the Concession Company represents and warrants that it is in compliance with the requirements contemplated in this Section 3.8.

Section 3.9 Coordination.

(a) *Utility Coordination.* Subject to Section 3.7(a)(vi) and without limiting the obligations of the Concession Company under Section 3.12, the Concession Company shall be responsible for coordinating or ensuring the coordination of all Cruise Port Facility Operations with utilities and Persons having service lines, pipelines, transmission lines and other equipment, cables, systems and other apparatus in, on, under, over or adjacent to the Cruise Port Facility. The Concession Company shall cause provision to be made for the removal or temporary or permanent relocation and restoration of utilities and other services and any lines, equipment, cables, systems and other apparatus that intersect, interfere with, interface with or otherwise affect the Cruise Port Facility Operations and shall arrange for temporary rights of entry and access to utilities and other services to be made available that are necessary in connection with the Cruise Port Facility Operations or as may exist under this Agreement or applicable Law, in each case at the sole cost and expense of such utilities or other Persons or the Concession Company. The Authority shall use its Reasonable Efforts to cooperate with the Concession Company with respect to its obligations under this Section 3.9. All reasonable out-of-pocket costs and expenses incurred by the Authority in connection with or related to such coordination shall be borne by the Concession Company.

(b) *Affected Property Coordination.* The Concession Company shall be responsible for coordinating or ensuring the coordination of all Cruise Port Facility Operations with Affected Property, but shall have no responsibility for such Affected Property. The Authority shall use its Reasonable Efforts to cooperate with the Concession Company with respect to its obligations under this Section 3.9(b). All reasonable out-of-pocket costs and expenses incurred by the Authority in connection with or related to such coordination shall be borne by the Concession Company.

Section 3.10 No Entry on Authority Property. Except in the case of an emergency (and then only to the extent necessary to avoid injury or death to individuals or damage to property) and except for limited access necessary for the Concession Company's performance of its obligations hereunder or its compliance with applicable Laws that does not interfere with the Authority's use or operation of such other properties in any material respect or otherwise, except to the extent available for public use, the Concession Company shall not enter upon any property of the Authority adjacent to, above, under or within the boundaries of the Cruise Port Facility, in connection with the Cruise Port Facility Operations without the prior Approval of the Authority.

Section 3.11 Taxes.

(a) *Payment of Taxes.* Except as otherwise provided herein, the Concession Company shall pay when due all Taxes that are or become payable by the Concession Company or that are required to be collected by the Concession Company from other Persons in respect of periods during the Term in respect of the operations at, occupancy of or conduct of business, in each case of (or by) the Concession Company, in or from the Cruise Port Facility and fixtures or

personal property included in the Cruise Port Facility, other than as set forth below. The Authority reserves the right, without being obligated to do so, following reasonable prior written notice to the Concession Company and subject to the last sentence of this Section 3.11(a), to pay the amount of any such Taxes not timely paid by the Concession Company, and the amount so paid by the Authority shall be due and payable by the Concession Company promptly upon demand by the Authority; *provided, however*, that such Taxes are final and non-appealable or their non-payment will involve a reasonable possibility of forfeiture or sale of the Cruise Port Facility and the Authority has given prior notice to the Concession Company of the amount of any such Taxes the Authority will pay. The Concession Company shall have the right to contest in good faith the validity or amount of any Taxes which it is responsible to pay under this Section 3.11; *provided* that (i) the Concession Company has given prior notice to the Authority of each such contest, (ii) no contest by the Concession Company may involve a reasonable possibility of forfeiture or sale of the Cruise Port Facility and (iii) upon the final determination of any contest by the Concession Company, if the Concession Company has not already done so, the Concession Company shall pay the amount found to be due, if any, together with any costs, penalties and interest applicable thereto (if any). If the Concession Company is contesting in good faith the validity or amount of any Taxes in accordance with the immediately preceding sentence, the Authority shall not have the right to pay the amount of such Taxes until there is a final determination of such contest.

(b) *Exemption from taxes.* It is the intention of the Parties that during the Term the Concession Company shall not be responsible for, and the Concession Company and the Cruise Port Facility shall not be subject to, (i) any real property Tax imposed on or measured by the value of the Cruise Port Facility that is imposed by the Authority or any other Governmental Authority of the Commonwealth, and (ii) any personal property Tax on personal property owned by the Authority and used by the Concession Company exclusively in the Cruise Port Facility or in the Cruise Port Facility Operations that is imposed by the Authority or any Governmental Authority under Law of the Commonwealth.

(c) *Income Tax.* It is the intention of the Parties that the Concession Company and the Equity Participants, as applicable, shall be treated for income tax purposes as provided in Section 2.8(b) of this Agreement.

(d) *Authority Compensation.* The Authority shall provide Concession Compensation to the Concession Company as an Adverse Action (i) to the extent that the Concession Company becomes responsible for or subject to any income tax in excess of the fixed income tax rate of twenty percent (20%) over the net income derived from the operations provided under this Agreement as currently provided for in the Act in lieu of any other income tax, if any, provided by the P.R. Revenue Code or by any other applicable Law of the Commonwealth, including, but not limited to the alternative minimum tax and the tax on dividend equivalent amount imposed under the P.R. Revenue Code and (ii) to the extent that the Equity Participants become subject to income tax on distributions of dividends or benefits from utilities and benefits arising from the net income derived from the operations provided in this Agreement.

Section 3.12 Utilities. The Concession Company shall (i) provide, or cause the provision of, all Utility Systems and (ii) pay, or cause to be paid, when due all charges (including

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all applicable Taxes and fees) for the Utility Systems. Upon the reasonable request of the Authority, the Concession Company shall forward to the Authority, within 30 days following the respective due dates, official receipts, photocopies thereof, or other evidence satisfactory to the Authority, acting reasonably, of the payment required to be made by the Concession Company in accordance with this Section 3.12. The Authority does not warrant that any utility services will be free from interruptions caused by war, insurrection, civil commotion, riots, acts of God, government action, terrorism, repairs, renewals, improvements, alterations, strikes, lockouts, picketing, whether legal or illegal, accidents, inability to obtain fuel or supplies or any other causes, and any such interruption of utility services shall never be deemed an Adverse Action or an eviction or disturbance of the Concession Company's use and possession of the Cruise Port Facility or any part thereof unless in such case caused by the Authority, or render the Authority liable to the Concession Company for damages or, unless the same constitutes a Delay Event, relieve the Concession Company from performance of the Concession Company's obligations under this Agreement. The Authority shall maintain and preserve, for the length of the Term, all legal rights and easements in its possession related to utility services to the extent necessary for the Concession Company to operate the Cruise Port Facility.

Section 3.13 Negotiations with Governmental Authorities.

(a) Prior to entering into any agreement with any Governmental Authority in connection with the Cruise Port Facility Operations (a "Government Agreement"), the Concession Company shall submit such Government Agreement for Approval by the Authority, which Approval may be withheld, delayed or otherwise conditioned in the discretion of the Authority in the case of Government Agreements that extend or could extend beyond the Term (unless such agreement is assignable and subject to a right by the Authority to terminate such agreement without penalty upon three Business Days' notice or less, effective upon such extension) or pursuant to which the Authority may incur any liability whatsoever. Notwithstanding the foregoing, if the absence of such Government Agreement may cause the Concession Company or Cruise Port Facility Operations to fail to be in compliance with applicable Law or the terms of this Agreement, the Concession Company may enter into such Government Agreement upon notice to the Authority. If the Concession Company wishes the Authority to be a party to a Government Agreement, in the place and stead of, or in addition to, the Concession Company, then the Concession Company must provide notice of the proposed terms of such Government Agreement to the Authority for the Authority's Approval, which Approval will be in the Authority's discretion, and all costs and expenses incurred by the Authority in connection with or related to such Government Agreement shall be borne by the Concession Company except where the Government Agreement provides otherwise. For the avoidance of doubt, the Concession Company may not enter into any binding agreement on behalf of the Authority.

(b) The Authority shall use its Reasonable Efforts to cooperate with the Concession Company in any negotiations with any Governmental Authority regarding any Government Agreements. All reasonable out-of-pocket costs and expenses incurred by the Authority in connection with or related to such negotiations shall be borne by the Concession Company.

Section 3.14 Notices of Defaults and Claims. The Concession Company or the Authority (the "Notifying Party") shall promptly give notice to the other Party (a) if the Notifying Party becomes aware that it is in default of its obligations under this Agreement (including the Operating Standards), any material Assigned Port Facility Contract or any Principal Contract and (b) of all material claims, proceedings, disputes (including labor disputes) or litigation pertaining to the Cruise Port Facility, the Cruise Port Facility Operations or the Notifying Party (whether or not such claim, proceeding or litigation is covered by insurance) of which the Notifying Party has actual knowledge. The Notifying Party's notice shall provide all reasonable information requested by the Authority or the Concession Company, as applicable, from time to time concerning the status of such default, claims, proceedings or litigation. A copy of the notices provided pursuant to this Section 3.14 shall be given to the Concession Mortgagee.

Section 3.15 Assignment of Operating Agreements, Construction Contracts and Plans.

At the request of the Authority, the Concession Company shall collaterally assign, to the extent reasonably practicable, to the Authority, in form and substance satisfactory to the Authority, acting reasonably, all of the right, title and interest of the Concession Company in, to and under all or any of the Principal Contracts and all present and future specifications, plans, software (including source code) to the extent that such software is subject to a non-exclusive license permitting collateral assignment, drawings, information and documentation in relation to the Cruise Port Facility Operations or Cruise Pier Improvement Projects or Modifications, except to the extent that any of the foregoing involve proprietary information (the "Plans") as collateral security to the Authority for the observance and performance by the Concession Company of its covenants and obligations under this Agreement, to the extent so requested by the Authority and subject to the rights of the Concession Mortgagee. The Concession Company covenants that it shall use all Reasonable Efforts to cause all of the right, title and interest of the Concession Company in, to and under all Principal Contracts, and the Plans entered into or created after the Time of Closing to be collaterally assignable to the Authority for the purposes of this Section 3.15. The Authority acknowledges that the Operating Agreements, the Construction Contracts and the Plans may also be assigned as security to a Concession Mortgagee and that each of the Authority and such Concession Mortgagee shall be entitled to use the Operating Agreements, the Construction Contracts, or the Plans in enforcing their respective security as hereinafter provided. The Authority agrees that it shall exercise any amendments or take any other actions necessary for the Concession Company to exercise all of the Authority's rights under the Principal Contracts, and the Authority shall transfer to the Concession Company all security under any such Principal Contracts. Without limiting the generality of the foregoing, but subject to the Authority's assumption of liabilities under the Principal Contracts accruing after such time as the Authority exercises its rights under this Section 3.15 and subject to Article 18, the Authority shall be entitled to use such Operating Agreements, the Construction Contracts and the Plans in each of the following events: (a) if the Authority terminates this Agreement without a concession or lease agreement being granted to the Concession Mortgagee or nominee thereof pursuant to the provisions of Article 18 and (b) if the Authority elects to use such Operating Agreements and Construction Contracts or the Plans to remedy a Concession Company Default under this Agreement. Notwithstanding the foregoing, in the event that the Concession Mortgagee has entered into possession or is diligently enforcing and continues to diligently enforce its security, whether by way of exercising the Concession Company's rights under this

Agreement, the appointment of a receiver or receiver and manager, foreclosure or power of sale in accordance with Article 18, or otherwise, and is using or reasonably expects to be using the Operating Agreements and Construction Contracts or the Plans in respect of the Cruise Port Facility Operations, the Authority shall not be entitled to use such Operating Agreements and Construction Contracts or the Plans in enforcing its security, it being acknowledged that any assignment of such Operating Agreements and Construction Contracts or the Plans to a Concession Mortgagee shall have priority over any assignment of such Operating Agreements and Construction Contracts or the Plans to the Authority and the Authority shall cooperate with the Concession Company and the Concession Mortgagee in connection with ensuring such priority, including that the Authority shall execute and deliver to the Concession Mortgagee an intercreditor and subordination agreement in form and substance satisfactory to such Concession Mortgagee, acting reasonably, acknowledging such priority. The Concession Company shall promptly deliver to the Authority, at the sole cost and expense of the Concession Company, forthwith after completion or execution and delivery, a copy of each item of the Principal Contracts (provided that the Concession Company may redact any contract price and liquidated damages details except in (i) those Principal Contracts to be provided to the Authority pursuant to Section 2.4(b)(v), (ii) any Operating Agreement or Construction Contract for a capital improvement project to be funded with Government Contributions, and (iii) any Principal Contract entered into during the last 5 years of the Term and the term of which extends beyond the end of the Term) and the Plans.

Section 3.16 Name; Intellectual Property.

(a) *The name designated for the Cruise Port Facility is "San Juan Bay Cruise Terminals."* The Concession Company shall not have the right to (i) sell or lease any naming rights for the Cruise Port Facility, or any portion of the Cruise Port Facility, to any third-party or (ii) change the name of the Cruise Port Facility or to sell or lease naming rights for the Cruise Port Facility or any portion thereof without the prior Approval of the Authority, which Approval may be withheld, delayed or otherwise conditioned in the discretion of the Authority.

(b) The Authority, in its discretion, shall have the right to change the name of the Cruise Port Facility, or any portion of the Cruise Port Facility (and to cause the Concession Company to change, at the Authority's expense, any signage on or at the Cruise Port Facility in connection therewith), at any time during the Term upon 90 days' prior notice to the Concession Company and with the consent of the Concession Company, such consent not to be unreasonably withheld, conditioned or delayed (and if the Concession Company, acting reasonably, does not consent to a new name the Concession Company may continue to use the previous name designated for the Cruise Port Facility as referred to in Section 3.16(a) or as consented to by the Concession Company); *provided, however*, that the Authority shall grant a license of the name together with all related logos and marks to the Concession Company upon terms substantially similar to those contained in Section 3.16(c); *provided further* that any change in the name of the Cruise Port Facility by the Authority in accordance with this Section 3.16 shall not result in a name of the Cruise Port Facility, or any portion of the Cruise Port Facility, being odious or offensive or otherwise likely to result in a negative association by the public. The exercise of such right by the Authority shall not constitute an Adverse Action. The Authority shall have the right to all proceeds and other consideration received in connection with any such name change and shall reimburse the Concession Company for all out-of-pocket and documented costs and

expenses reasonably incurred by the Concession Company in connection with any such name change.

(c) The Authority grants to the Concession Company a non-exclusive, non-transferable (except pursuant to a Transfer permitted under Section 17.1), royalty-free license during the Term to use the name "San Juan Bay Cruise Terminals" together with all existing and future developed logos and marks (not including the Authority seal) used in connection with the Cruise Port Facility Operations, solely in connection with the performance of the Concession Company's obligations and exercise of rights under this Agreement. The Concession Company may grant sublicenses of the same to Contractors.

(d) With regard to Intellectual Property:

(i) The Concession Company warrants to the Authority that: (A) the Concession Company either owns or is licensed by third parties to use and sublicense to the Authority on the terms of this Agreement all Intellectual Property rights used by the Concession Company and necessary for performance of the Concession Company's obligations under this Agreement; (B) the performance of the Concession Company's obligations under this Agreement will not infringe the Intellectual Property rights of any third party; and (C) use by the Authority of any Intellectual Property right granted pursuant to Section 3.16(d)(v) will not infringe the Intellectual Property rights of any third party or the Concession Company.

(ii) This warranty survives the Term.

(iii) If either the Authority or the Concession Company (or both) are in any way prevented from performing their obligations or exercising their rights under this Agreement as a direct or indirect consequence of any Claim for the alleged breach of any Intellectual Property right, the Party against which the Claim is asserted shall: (A) inform the other Party of any alleged breach as soon as reasonably practicable; and (B) at its sole cost take all steps necessary to defend the Claim or provide all assistance required by the other Party if a Claim is brought against it and secure the right for it or the other Party, as the case may be, to perform their obligations or exercise their rights in the manner intended.

(iv) If either the Authority or the Concession Company are unsuccessful in the proceedings referred to in Section 3.16(d)(iii) or the Party against which the Claim is asserted is otherwise unable to secure the right for it or the other Party to perform their obligations or exercise their rights under this Agreement within the time required by the other Party, the Party against which the Claim is asserted will take such steps or carry out such modifications, at no cost to the other Party and to the full satisfaction of the other Party, to ensure that either the other Party or the Party against which the Claim is asserted can perform its obligations and exercise its rights under this Agreement.

(v) The Concession Company grants to the Authority a royalty free, non-transferable, perpetual, irrevocable, non-exclusive license to use, modify and adapt the Intellectual Property of the Concession Company to the extent such Intellectual Property is developed in whole by the Concession Company solely for use in connection with the Cruise Port Facility. In addition, during any period pursuant to Section 3.7 that the Authority is

managing or operating the Cruise Port Facility, and for a reasonable period of time but not less than six (6) months following the End Date, the Concession Company shall grant or otherwise make available to the Authority a royalty free, non-transferable, perpetual, irrevocable, non-exclusive license to use, modify and adapt all Intellectual Property used by the Concession Company in connection with the Cruise Port Facility Operations, and shall otherwise reasonably cooperate with the Authority in the Authority's management and operation of the Cruise Port Facility.

Section 3.17 **Police, Fire and Emergency Services; Access Rights for Security Personnel.**

(a) At all times during the Term, the Concession Company shall cause the Cruise Port Facility to be serviced by adequate police, perimeter security and firefighting, including law enforcement officer (LEO) support as required by applicable Law. Notwithstanding any other provision of this Agreement, and subject to all applicable Governmental Authority requirements, the Concession Company shall have the right to contract with the Commonwealth Police Department and private security and emergency service providers for enhanced levels of service.

(b) Notwithstanding any other provision of this Agreement, at all times during the Term and without notice or compensation to the Concession Company (i) any police, perimeter security and fire and any other security or emergency personnel retained by or on behalf of the Authority (including the Commonwealth Police Department and Authority's fire/rescue personnel) shall have access, as required by such services or personnel, to the Cruise Port Facility for the performance of their duties; (ii) the Authority shall have access to the Cruise Port Facility as necessary for the protection of public safety; and (iii) any Governmental Authority (including the armed forces) with jurisdiction over the Cruise Port Facility shall have access to the Cruise Port Facility as necessary for emergency management and homeland security purposes, including the prevention of, practice drills for, or response to, a public safety emergency. The Concession Company shall cooperate with police, fire and emergency services and any other security or emergency personnel, including the armed forces, in respect of such emergency management and homeland security purposes.

(c) Consistent with its responsibility to satisfy the Cruise Port Facility Security Program, the Concession Company shall, at all times during the Term, on a 24-hour basis at the Cruise Port Facility maintain sufficient personnel who shall be qualified to respond to emergencies. If, at any time during the Term, the Authority, in its discretion, determines that the Concession Company is not satisfying its obligations under this Section 3.17, then the Authority may, at the cost of the Concession Company, provide sufficient personnel at the Cruise Port Facility to respond to emergencies. The Concession Company shall be responsible for, and shall pay the costs of, any additional security measures implemented at the Cruise Port Facility at the request of any Governmental Authority pursuant to any adopted rule, regulation, standard, recommended practice or procedure.

Section 3.18 Development of Additional Cruise Port Facilities Outside the Cruise Port Facility.

(a) Without limiting the rights of the Concession Company, including the Concession Company's exclusive rights to conduct Cruise Port Facility Operations at the Cruise Port Facility as provided in Section 3.1(a) and otherwise in this Agreement, the Authority may (i) design, build, operate, maintain, repair, improve, replace and finance any Additional Cruise Port Facilities, either within or outside San Juan Bay (but, for the avoidance of doubt, outside the Cruise Port Facility), utilizing design/build, design/build/operate, design/build/finance/operate, design/build/operate/transfer or any other type of project delivery approach, including a long-term lease, a concession, a joint venture or any other contract structure, with any Person and under the Act or any other applicable Law (any of the foregoing constituting "Development" or to "Develop"), and (ii) grant any Person a certificate, permit or other official approval to Develop any Additional Cruise Port Facilities or to provide berthing slots or other berthing or mooring services, or embarkation or disembarkation services, to Cruise Line Vessels of the types of services specified to be provided exclusively by the Concession Company in Schedule 15, in either case either within or outside San Juan Bay (but, for the avoidance of doubt, outside the Cruise Port Facility, as to which the Concession Company has the rights granted in Section 3.1(a)) (any of the foregoing constituting the "Grant of Development Authority" or to "Grant Development Authority"), and no such Development of Additional Cruise Port Facilities or Grant of Development Authority shall constitute a breach by the Authority of this Agreement or entitle the Concession Company to Concession Compensation; *provided, however*, that (A) the Authority shall not Develop Additional Cruise Port Facilities or Grant Development Authority, in either case within San Juan Bay, unless and until (x) Maximum Cruise Port Capacity has been reached and (y) the Authority has held the discussions provided in Section 3.18(a) with the Concession Company and (B) the Concession Company shall have the right of first offer and the right of first refusal set forth in Section 3.19 and Section 3.20, respectively, with respect to Additional Cruise Port Facilities within San Juan Bay either owned by the Authority or with respect to which the Authority has Development rights under applicable Law that do not require Authorizations from any other Person, including such Additional Cruise Port Facilities that may be Developed or as to which a Grant of Development Authority may be given on the piers and wharves shown on Figure 14 of Schedule 1 (which piers and wharves are shown there for illustration and reference purposes only, with the actual locations, and ownership or exclusive control, shown in the records of the Authority), and (C) any such Additional Cruise Port Facilities within San Juan Bay described in clause (B) above and located at Piers 11-12, Pier 13 or Pier 14 only, shall be subject to the Open Access Principles. For the avoidance of doubt, (1) the Development of Additional Cruise Port Facilities or the Grant of Development Authority by the Authority outside of San Juan Bay, even if a Cruise Line Vessel utilizes the Cruise Piers, shall not be considered a violation of this Section 3.18(a) or the exclusivity rights granted under Section 3.1(a), (2) with respect to the Development of Additional Cruise Port Facilities within San Juan Bay by any Person other than the Authority which are not owned by the Authority or with respect to which the Authority does not have Development rights under applicable Law that do not require Authorization from any other Person (such as the Development of Additional Cruise Port Facilities by another Governmental Authority in San Juan Bay), the Authority will, to the maximum extent of its authority under applicable Law, not Grant Development Authority to Develop such Additional Cruise Port Facilities, unless at such time Maximum Cruise Port

Capacity has been reached and the Authority has held the discussions provided in Section 3.18(a) with the Concession Company, but the Concession Company shall not have the right of first offer and the right of first refusal set forth in Section 3.19 and Section 3.20, respectively, with respect to such Additional Cruise Port Facilities, and (3) with respect to Additional Cruise Port Facilities within San Juan Bay with respect to which the Authority has Development rights under applicable Law that require Authorizations from any other Person, the Authority will use its Reasonable Efforts to cause the Authorization to be granted or issued by such other Person so that the Concession Company shall have the right of first offer and the right of first refusal set forth in Section 3.19 and Section 3.20, respectively, with respect to applicable Additional Cruise Port Facilities within San Juan Bay. Further, the Authority may, to the extent required by the conditions for Government Contributions or otherwise by applicable Law, Develop Additional Cruise Port Facilities or Grant Development Authority within San Juan Bay consisting of the construction or the design and construction (or a similar project delivery approach, but, for the avoidance of doubt, excluding operation and maintenance, leasing or otherwise dealing with Cruise Port Facility Operations) of any portion of the Pan American Piers Wharf Structure Project, Pier 4 Reconstruction, an Expansion Investment Project, a Phase Two Project or Additional Cruise Port Facilities Project, or any Modification constituting a capital improvement project which is funded in whole or part by Government Contributions through a competitive procurement process (including a competitive procurement process implemented by the Concession Company to the extent provided in Section 4.6(a)), and such competitive procurement shall not be considered a Compensation Event or a violation of this Section 3.18(a) or the exclusivity rights granted under Section 3.1(a).

(b) At any time after the Cruise Port Facility has reached the Maximum Cruise Port Capacity, and before the Authority Develops Additional Cruise Port Facilities or Grants Development Authority within San Juan Bay, the Authority and the Concession Company shall, at the written request of either of them, in good faith discuss possible options for expanding the capacity of the Cruise Port Facility to accommodate more visits from Cruise Line Vessels, including any Modifications that may be necessary or desirable to accomplish the expansion of such capacity. The Authority shall use Reasonable Efforts to assist the Concession Company in implementing appropriate options identified by the Concession Company for expanding such capacity. Notwithstanding anything to the contrary provided in Section 3.18(a) or this Section 3.18(a), and without limiting the rights of the Concession Company under Section 3.19 and Section 3.20, (i) the Authority shall have no obligation to discuss, or assist the Concession Company in implementing, any such expansion of the Cruise Port Facility and (ii) the Authority may at any time terminate the discussions with the Concession Company provided in this Section 3.18(a).

(c) Without limiting the obligations of the Authority under clauses (A) and (C) of Section 3.18(a) or the rights of the Concession Company under clause (B) of Section 3.18(a), the Authority shall be required to provide Concession Compensation to the Concession Company in accordance with Section 15.1 to the extent that the Authority either Develops Additional Cruise Port Facilities within San Juan Bay or makes a Grant of Development Authority within San Juan Bay during the Term, in either case if the Maximum Cruise Port Capacity has not been reached (except as provided in Section 3.18(d)) and/or the Authority has not complied with its obligations under Section 3.18(a) and Section 3.18(a); *provided, however*, that the Authority shall not be required to provide Concession Compensation to the Concession

Company for the Development of Additional Cruise Port Facilities in San Juan Bay or the Grant of Development Authority within San Juan Bay if the Maximum Cruise Port Capacity has been reached and the Authority has complied with its obligations under Section 3.18(a) and Section 3.18(a). Any such Concession Compensation shall be provided only to the extent that the Concession Company reasonably demonstrates a decrease in net income as a result of such Development of Additional Cruise Port Facilities or Grant of Development Authority, in each case within San Juan Bay. The Concession Company's entitlements under this Section 3.18 shall not prejudice its other rights under this Agreement, including its right to terminate this Agreement for material breach by the Authority as provided in Article 16.

(d) Notwithstanding anything in this Agreement to the contrary, if the Pier 13 Removal Notice is issued to remove Pier 13 and Pier 14 from the Concession as provided in Section 3.24 or if the Piers 11-12 Removal Notice is issued to remove Piers 11-12, Pier 13 and Pier 14, from the Concession as provided in Section 3.25, then, with respect to Piers 11-12, Pier 13 or Pier 14, as applicable, (i) the Authority may Develop Additional Cruise Port Facilities or Grant Development Authority if (A) the Maximum Cruise Port Capacity has been reached or (B) with respect to the Piers 11-12 Wharf Project and the Piers 13-14 Wharf Project, Government Contributions are in an amount sufficient to pay one hundred percent (100%) of the Cruise Pier Improvement Projects Cost of the Piers 11-12 Wharf Project or the Piers 13-14 Wharf Project, as applicable, but the Concession Company shall have the right of first offer and the right of first refusal set forth in Section 3.19 and Section 3.20, respectively, and (ii) Piers 11-12, Pier 13 and Pier 14, as applicable, may be used by Cruise Line Vessels for the Reference Services, as defined in Schedule 3, or the Ancillary Services which are specified to be provided exclusively by the Concession Company or Affiliated Service Providers in Schedule 15, or for other services; *provided, however,* that any Additional Cruise Port Facilities or provision of Reference Services or Ancillary Services, in either case at Piers 11-12, Pier 13 or Pier 14 only, shall be subject to the Open Access Principles.

Section 3.19 Right of First Offer.

(a) If, at any time after the Date of this Agreement and prior to that date which is ninety (90) months before the expiration of the Term, the Authority (without limiting its obligations under Section 3.18(a)(A)) desires to Develop Additional Cruise Port Facilities or Grant Development Authority with respect to Additional Cruise Port Facilities within San Juan Bay either owned by the Authority (including Piers 11-12, Pier 13 or Pier 14, as applicable, if the Pier 13 Removal Notice is issued to remove Pier 13 and Pier 14 from the Concession as provided in Section 3.24 or if the Piers 11-12 Removal Notice is issued to remove Piers 11-12, Pier 13 and Pier 14, from the Concession as provided in Section 3.25) or with respect to which the Authority has Development rights under applicable Law that do not require Authorizations from any other Person, it shall give a written notice to the Concession Company no less than nine (9) months before the intended date of such Development of Additional Cruise Port Facilities or Grant of Development Authority within San Juan Bay (the "First Offer Notice"); *provided, however*, that the Authority shall not be required to give a First Offer Notice to the Concession Company when a competitive procurement process is being utilized under the circumstances described in the last sentence of Section 3.18(a), but the Authority shall give the Concession Company written notice of the utilization of such competitive procurement process prior to the issuance of a request for proposals or similar procurement document to potential bidders (and

such notice, for the avoidance of doubt, shall not constitute a First Offer Notice) and the Authority shall invite the Concession Company to participate as a bidder in such competitive procurement process except to the extent prohibited by the relevant Governmental Authority providing the Government Contributions. The First Offer Notice shall specify the material terms and conditions of the proposed Development of Additional Cruise Port Facilities or Grant of Development Authority within San Juan Bay, including a description of any capital improvement projects related to such Development of the Additional Cruise Port Facilities or Grant of Development Authority (the "Additional Cruise Port Facilities Projects"), technical conditions supported by appropriate surveys and/or reports, and any amendments to this Agreement or any other agreements required by the Authority in connection with such Development of Additional Cruise Port Facilities or Grant of Development Authority (including the proposed extension to the Term). The First Offer Notice shall not be given to any other Person and shall constitute an irrevocable offer by the Authority to the Concession Company to Develop the Additional Cruise Port Facilities or accept the Grant of Development Authority upon the material terms and conditions set forth in the First Offer Notice. The Concession Company, if it desires to accept such offer or to negotiate terms with the Authority for such Development of Additional Cruise Port Facilities or Grant of Development Authority, shall, within ninety (90) days after receipt of the First Offer Notice, provide the Authority written notice to such effect (the "Acceptance Notice"). The Concession Company shall thereafter have the exclusive right for a period of one hundred twenty (120) days from the receipt by the Authority of the Acceptance Notice (the "ROFO Exclusivity Period") to negotiate terms with the Authority with respect to the Development of the Additional Cruise Port Facilities or Grant of Development Authority within San Juan Bay and to agree any amendments to this Agreement or other agreements in respect thereof. The Parties shall discuss with one another in good faith during the ROFO Exclusivity Period with respect to mutually acceptable terms for the Concession Company to Develop such Additional Cruise Port Facilities or accept such Grant of Development Authority. If the Concession Company fails to give the Acceptance Notice within such ninety (90) day period or the Parties fail to agree mutually acceptable terms for the Concession Company to Develop such Additional Cruise Port Facilities or to accept such Grant of Development Authority during the ROFO Exclusivity Period, the Concession Company shall be deemed to have consented to the proposed Development of Additional Cruise Port Facilities or Grant of Development Authority Develop, as the case may be, and the Authority may Develop the Additional Cruise Port Facilities or make the Grant of Development Authority upon the material terms and conditions set forth in the First Offer Notice at any time within twelve (12) months of the expiration of the later of such ninety (90) day period for the giving of the Acceptance Notice or the ROFO Exclusivity Period; *provided, however*, that the Authority may only, during such twelve (12) month period, Develop the Additional Cruise Port Facilities or make the Grant of Development Authority within San Juan Bay on terms and conditions no more favorable in any material respect to any Person other than the Concession Company than the terms and conditions included in the First Offer Notice. In the event that (i) the Concession Company fails to give the Acceptance Notice within such ninety (90) day period or the Parties fail to agree mutually acceptable terms for the Concession Company to Develop such Additional Cruise Port Facilities or to accept such Grant of Development Authority during the ROFO Exclusivity Period and, in either case, the Authority does not Develop the Additional Cruise Port Facilities or make a Grant of Development Authority within the San Juan Bay within twelve (12) months of the expiration of the later of such ninety (90) day period for the giving of the Acceptance Notice or the ROFO

Exclusivity Period to a Person other than the Concession Company or (ii) during such twelve (12) month period, the Authority makes any material term or condition for the Development of the Additional Cruise Port Facilities or Grant of Development Authority within San Juan Bay more favorable to any Person other than the Concession Company than the terms contained in the First Offer Notice, then (x) in the case of the circumstance described in clause (i) above, the Authority shall not Develop Additional Cruise Port Facilities or make a Grant of Development Authority within San Juan Bay to such other Person and shall give the Concession Company another First Offer Notice and the ninety (90) day period for the Concession Company to give an Acceptance Notice (and subsequent ROFO Exclusivity Period, if the Concession Company gives an Acceptance Notice) as set forth in this Section 3.19(a) shall be repeated and (y) in the case of the circumstance described in clause (ii) above, the Authority shall give another First Offer Notice to the Concession Company containing the modified material terms and conditions of the proposed Development of the Additional Cruise Port Facilities or Grant of Development Authority within San Juan Bay and the ninety (90) day period for the Concession Company to give an Acceptance Notice (and subsequent ROFO Exclusivity Period, if the Concession Company gives an Acceptance Notice) as set forth in this Section 3.19(a) shall be repeated.

(b) The Concession Company may at any time after sixty (60) months following Completion of the Initial Investment Projects submit a Development Proposal to the Authority. The Development Proposal shall include (i) whether an upfront fee will be paid to the Authority and, if so, its amount, (ii) a description of any capital improvement projects to be undertaken by the Concession Company and (iii) any other material matters related to the Development Proposal. At the request of the Authority, the Concession Company shall discuss such Development Proposal with the Authority and provide any information reasonably requested by the Authority. If the Authority desires to Develop Additional Cruise Port Facilities or Grant Development Authority with respect to Additional Cruise Port Facilities within San Juan Bay either owned by the Authority or with respect to which the Authority has Development rights under applicable Law that do not require Authorizations from any other Person, as described in the Development Proposal, the Authority shall give to the Concession Company a First Offer Notice and the procedures in Section 3.19(a) shall apply. For the avoidance of doubt, the Authority shall have no obligation to give such First Offer Notice to the Concession Company and may do so in its discretion.

Section 3.20 Right of First Refusal.

(a) If, at any time after the Date of this Agreement and prior to that date which is ninety (90) months before the expiration of the Term, and so long as the Authority has not given the Concession Company a First Offer Notice under Section 3.19, the Authority receives or obtains, through whatever means or procedure, a letter, proposal or proposed agreement, whether oral or written, from any Person (other than the Concession Company) outlining or containing terms for the Development of Additional Cruise Port Facilities by, or the Grant of Development Authority to, any Person identified in any such letter, proposal or proposed agreement with respect to Additional Cruise Port Facilities within San Juan Bay either owned by the Authority (including Piers 11-12, Pier 13 or Pier 14, as applicable, if the Pier 13 Removal Notice is issued to remove Pier 13 and Pier 14 from the Concession as provided in Section 3.24 or if the Piers 11-12 Removal Notice is issued to remove Piers 11-12, Pier 13 and Pier 14, from the Concession as provided in Section 3.25) or with respect to which the Authority

has Development rights under applicable Law that do not require Authorizations from any other Person (the "Development Proposal") and the Authority intends to utilize this Section 3.20 in connection with the Development of Additional Cruise Port Facilities or the Grant of Development Authority within San Juan Bay, the Authority shall (without limiting its obligations under Section 3.18(a)(A)) first send written notice to the Concession Company of such intention, which notice shall set forth the name and address of the proposed Person and the material terms and conditions of such proposed Development of Additional Cruise Port Facilities or Grant of Development Authority, including a description of any Additional Cruise Port Facilities Projects (the "Development Offer Notice"); *provided, however*, that the Authority shall not be required to give a Development Offer Notice to the Concession Company when a competitive procurement process is being utilized under the circumstances described in the last sentence of Section 3.18(a), but the Authority shall give the Concession Company written notice of the utilization of such competitive procurement process prior to the issuance of a request for proposals or similar procurement document to potential bidders (and such notice, for the avoidance of doubt, shall not constitute a Development Offer Notice) and the Authority shall invite the Concession Company to participate as a bidder in such competitive procurement process except to the extent prohibited by the Governmental Authority providing the Government Contributions. The Development Offer Notice shall constitute an irrevocable offer by the Authority to Develop the Additional Cruise Port Facilities or Grant Development Authority upon the material terms and conditions set forth in the Development Offer Notice. The Concession Company shall have the option to accept the Development of Additional Cruise Port Facilities or Grant of Development Authority on the terms set forth in the Development Offer Notice for a period of ninety (90) days following its receipt of the Development Offer Notice (the "Exercise Period"), which option the Concession Company may exercise by written notice to the Authority at any time during the Exercise Period, and such written notice shall constitute a commitment of the Concession Company to accept the terms of the Development Offer Notice, subject to the Parties entering into mutually acceptable amendments to this Agreement or other agreements related thereto within one hundred twenty (120) days from the Concession Company's acceptance of the Development Offer Notice (the "ROFR Exclusivity Period"). The Parties shall discuss with one another in good faith during the ROFR Exclusivity Period with respect to mutually acceptable terms. The Authority shall not enter into any agreement or other commitment of any kind with respect to any Development of Additional Cruise Port Facilities or Grant of Development Authority or Development Proposal, in each case within San Juan Bay without first sending the Development Offer Notice to the Concession Company and providing the Concession Company the Exercise Period to exercise the option provided in this Section 3.20 and the ROFR Exclusivity Period. If the Concession Company exercises such option, the closing of such Development of Additional Cruise Port Facilities or Grant of Development Authority shall occur at such time and place as agreed by the Parties but no later than the end of the ROFR Exclusivity Period, provided that such closing may be extended as required to obtain any necessary third party consents or Governmental Approvals. If the Concession Company does not timely exercise its option pursuant to this Section 3.20 or the Parties do not agree on amendments to this Agreement and other agreements related thereto within the ROFR Exclusivity Period, the Authority may Develop the Additional Cruise Port Facilities or Grant of Development Authority at any time within twelve (12) months after the later of the expiration of the Exercise Period or (if applicable) the ROFR Exclusivity Period to the proposed Person described in the Development Offer Notice on terms and conditions that are not more favorable to such Person

than those set forth in the Development Offer Notice. In the event that (i) the Concession Company fails to exercise its option within the Exercise Period or the Parties do not agree on amendments to this Agreement and other agreements related thereto within the ROFR Exclusivity Period and the Authority does not Develop the Additional Cruise Port Facilities or Grant Development Authority within twelve (12) months of the later of the expiration of the Exercise Period or (if applicable) the ROFR Exclusivity Period to a Person other than the Concession Company or (ii) during such twelve (12) month period, the Authority changes any material term or condition for the Development of Additional Cruise Port Facilities or Grant of Development Authority to be more favorable to the Person than the terms contained in the Development Offer Notice, then (x) in the case of the circumstance described in clause (i) above, the Authority shall not Develop the Additional Cruise Port Facilities or Grant of Development Authority to such other Person and shall give the Concession Company another Development Offer Notice and the Exercise Period for the Concession Company to exercise its option as set forth in this Section 3.20 (and if applicable the ROFR Exclusivity Period) shall be repeated and (y) in the case of the circumstance described in clause (ii) above, the Authority shall give another Development Offer Notice to the Concession Company containing the changed material terms and conditions of the proposed Development of Additional Cruise Port Facilities or Grant of Development Authority within San Juan Bay and the Exercise Period for the Concession Company to exercise its option as set forth in this Section 3.20 (and if applicable the ROFR Exclusivity Period) shall be repeated.

Section 3.21 **Closing of Right of First Offer and Right of First Refusal; Loss of Rights.**

(a) In the event that the Concession Company gives the Authority an Acceptance Notice or exercises its option to accept the Development Offer Notice and the Parties agree on amendments to this Agreement and other agreements related thereto within the ROFO Exclusivity Period or the ROFR Exclusivity Period under Section 3.19 and Section 3.20, respectively, then, on such Business Day as the Parties agree, which shall be not later than the end of the ROFO Exclusivity Period or the ROFR Exclusivity Period, as the case may be, provided that such closing may be extended as required to obtain any Authorization from any Governmental Authority, the Authority and the Concession Company shall enter into any amendments to this Agreement or any other agreements related thereto in connection with such Development of Additional Cruise Port Facilities or Grant of Development Authority within San Juan Bay that are included in the First Offer Notice or the Development Offer Notice, as the case may be, and the Concession Company shall pay the Authority any amount identified in the First Offer Notice or the Development Offer Notice, or agreed during the ROFO Exclusivity Period or the ROFR Exclusivity Period, and comply with any other terms and conditions of the First Offer Notice and the Development Offer Notice or agreed during the ROFO Exclusivity Period or the ROFR Exclusivity Period.

(b) In the event that, with respect to any Additional Cruise Port Facilities within San Juan Bay, the Concession Company does not give the Authority an Acceptance Notice or does not exercise its option to accept the Development Offer Notice, or the Parties do not agree on amendments to this Agreement and other agreements related thereto within the ROFO Exclusivity Period or the ROFR Exclusivity Period, under Section 3.19 and Section 3.20, respectively, and the Authority Develops such Additional Cruise Port Facilities or makes the

Grant of Development Authority to another Person on terms and conditions no more favorable in any material respect than the terms and conditions included in the First Offer Notice or the Development Offer Notice, as the case may be, then thereafter, from the date on which the Authority and such other Person enter into agreements for the Development of the Additional Cruise Port Facilities or the Grant of Development Authority, any such agreement between the Authority and any such Person shall provide that such Person shall be subject to the Open Access Principles (but, for the avoidance of doubt, only with respect to Additional Cruise Port Facilities at Piers 11-12, Pier 13 or Pier 14) and shall not with respect to the applicable Additional Cruise Port Facilities within San Juan Bay impose passenger fees, dockage rates or service charges in respect of services equivalent to the services under Schedule 15 that are lower to any material degree than the level of passenger fees, dockage rates and service charges imposed by the Concession Company or an Affiliated Service Provider at the Cruise Port Facility.

(c) If at any time the Authority (i) desires to Develop Additional Cruise Port Facilities or Grant Development Authority with respect to Additional Cruise Port Facilities within San Juan Bay either owned by the Authority or with respect to which the Authority has Development rights under applicable Law that do not require Authorizations from any other Person as provided in Section 3.19 or (ii) receives or obtains a Development Proposal as provided in Section 3.20 and intends to utilize Section 3.20 and there is a Concession Company Default as to which the Authority has given the Concession Company and the Concession Mortgagee a notice of default as provided in Section 16.1(b), the Concession Company shall not have the right of first offer or the right of first refusal under Section 3.19 and Section 3.20, respectively, and the Authority shall not be obligated to send the Concession Company the First Offer Notice or the Development Offer Notice, as the case may be, unless at such time as the Authority would be required to send such First Offer Notice or Development Offer Notice, as the case may be, the Concession Company has cured any such Concession Company Default. In such case, the Open Access Principles shall apply with respect to the Additional Cruise Port Facilities at Piers 11-12, Pier 13 and Pier 14.

(d) In the event that, with respect to any Additional Cruise Port Facilities within San Juan Bay, the Concession Company does not give the Authority an Acceptance Notice or does not exercise its option to accept the Development Offer Notice, or the Parties do not agree on amendments to this Agreement and other agreements related thereto within the ROFO Exclusivity Period or the ROFR Exclusivity Period, under Section 3.19 and Section 3.20, respectively, and the Authority Develops such Additional Cruise Port Facilities or makes the Grant of Development Authority based on a public procurement process involving an invitation to submit proposals or a similar process, the Concession Company shall have no right to participate in such process; *provided, however,* that the Authority may determine, in its discretion, to include the Concession Company, and the Concession Company shall have the rights set forth in Section 3.19 and Section 3.20 to the extent applicable; *and provided, further*, that the Authority may not accept terms and conditions pursuant to such public procurement process that are materially more favorable to a Person than those set forth in the First Offer Notice or the Development Offer Notice, as applicable, as the Authority shall reasonably determine in its discretion *and provided, further*, that (i) the Concession Company shall have the right to participate in such public procurement process with respect to Additional Cruise Port Facilities at Piers 11-12, Pier 13 and Pier 14 and (ii) the Open Access Principles shall apply with respect to the Additional Cruise Port Facilities at Piers 11-12, Pier 13 and Pier 14. For the

avoidance of doubt, with respect to any Additional Cruise Port Facilities, if the Concession Company does not give the Authority an Acceptance Notice under Section 3.19 or the Parties do not agree on amendments to this Agreement and other agreements related thereto within the ROFO Exclusivity Period, and the Authority Develops such Additional Cruise Port Facilities or makes the Grant of Development Authority based on a public procurement process involving an invitation to submit proposals or a similar process, the Concession Company shall have no right of first refusal under Section 3.20 with respect to the successful proposal selected by the Authority, and the Authority shall have no obligation to send a Development Offer Notice to the Concession Company. In the event that the Authority Develops any Additional Cruise Port Facilities or makes the Grant of Development Authority based on a public procurement process involving an invitation to submit proposals or a similar process after the date which is ninety (90) months before the expiration of the Term, the Authority acknowledges and agrees that the Concession Company shall have the right to participate in such public procurement process (it being acknowledged by the Concession Company that at such time the Concession Company shall have no rights under either Section 3.19 or Section 3.20).

(e) If at the time the Authority determines to Develop Additional Cruise Port Facilities or Grant Development Authority, in either case within San Juan Bay, the Maximum Cruise Port Capacity has been reached and thereafter circumstances change so that Maximum Cruise Port Capacity would no longer be considered to be reached, such changed circumstances shall not constitute a Compensation Event or in any other manner affect the obligations of the Concession Company under this Agreement or provide an excuse for non-performance of the Concession Company hereunder or be the basis for any additional compensation to the Concession Company. For the avoidance of doubt, the Development of Additional Cruise Port Facilities or the Grant of Development Authority as provided in Section 3.18(d) shall not constitute a Compensation Event. In addition, if at any time the Expansion Investment Projects Trigger Event or the Phase Two Trigger Event has been reached and thereafter circumstances change so that the Expansion Investment Projects Trigger Event or the Phase Two Trigger Event would no longer be considered to be reached, such changed circumstances shall not affect the rights or obligations of the Authority or the Concession Company that accrued or were imposed as a result of the initial occurrence of the Expansion Investment Projects Trigger Event or the Phase Two Trigger Event, as applicable. Any such changed circumstances shall not constitute a Compensation Event or in any other manner affect the rights or obligations of the Authority or the Concession Company under this Agreement or provide an excuse for non-performance of the Concession Company hereunder or be the basis for any additional compensation to the Concession Company.

Section 3.22 Other Actions by Governmental Authorities. In the event that any Governmental Authority (other than the Authority or the Commonwealth (or any subdivision or agency of any of the foregoing)) proposes to take any action at any time after the Date of this Agreement through the End Date (including or enacting any Law) and the effect of such action is reasonably expected (i) to be principally borne by the Concession Company or private operators of Comparable Cruise Ports and (ii) to have a material adverse effect on the fair market value of the Concession Company Interest, except where such action is in response to any act or omission on the part of the Concession Company that is illegal (other than an act or omission rendered illegal by virtue of an Adverse Action or such action by any such other Governmental Authority), then at the request of the Concession Company, the Authority shall use its

Reasonable Efforts (i) to oppose and challenge such action by any such other Governmental Authority or (ii) to advocate such other measures that would eliminate or reduce such material adverse effect; *provided, however,* that all reasonable out-of-pocket costs and expenses incurred by the Authority in connection with such opposition or challenge shall be borne by the Concession Company and *provided further* that, except as expressly provided in Article 14, the Authority shall have no liability to the Concession Company on account of the taking of any action by a Governmental Authority described in this Section 3.22.

Section 3.23 Preferential Berthing Agreements and Assigned Port Facility Contracts; Use of the Cruise Piers Only for Cruise Line Purposes.

(a) The Concession Company shall enforce the rights, perform the obligations and assume the liabilities of the Authority under the Preferential Berthing Agreements, as provided in Schedule 2. Effective upon Closing, all such obligations and liabilities under the Preferential Berthing Agreements shall constitute Assumed Liabilities.

(b) Effective upon Closing, the Authority hereby assigns, sells, conveys, transfers and sets over to the Concession Company, and the Concession Company hereby assumes and accepts, for its use, benefit and behalf, all of the Authority's right, title, benefit, privileges and interest in and to the Assigned Port Facility Contracts, and the Authority delegates to the Concession Company all of the Authority's duties, obligations, covenants and liabilities (of any kind and whether known or unknown, accrued or unaccrued or otherwise) under the Assigned Port Facility Contracts. The Concession Company hereby (i) represents and warrants that it has the power and authority to accept the assignment, novation and transfer of the Assigned Port Facility Contracts and (ii) agrees to be bound by the terms of the Assigned Port Facility Contracts and to perform all of its obligations thereunder incurred on and after the Closing as if the Concession Company had been entered into originally between the Concession Company and each Person who is a party to the applicable Assigned Port Facility Contract. Effective upon Closing, the Assigned Port Facility Contracts shall constitute Assumed Liabilities.

(c) The Concession Company acknowledges that its indemnity obligations under Section 12.1(a) shall extend to all Claims for payment or damages by any Person who is a party to the applicable Assigned Port Facility Contract or Preferential Berthing Agreement to the extent any such Claim arises out of or relates to, or is based on, actions, events or circumstances occurring during the Term, except to the extent any such Claim arises from or relates to (i) any Excluded Liabilities, (ii) any breach by the Authority of any covenant, representation or warranty set forth in this Agreement, (iii) any breach of the Preferential Berthing Agreements by the Authority or the Concession Company that is caused by the Authority, or (iv) any Reserved Section under Schedule 2.

(d) The Concession Company shall use the Cruise Port Facility and any Additional Cruise Port Facilities (including the Cruise Piers) only for Cruise Port Purposes; *provided*, that the Authority may Approve, in its discretion, the use of the Cruise Port Facility to provide berthing, fresh water and food provision, fueling and other services comparable to the services provided to the Cruise Lines at the Cruise Port Facility to vessels which on a regularly scheduled basis transport persons for compensation or hire, other than Cruise Line Vessels

("Other Shipping Lines"); and, *provided, further*, that (i) the right of the Concession Company to provide to Other Shipping Lines services comparable to the services provided to the Cruise Lines at the Cruise Port Facility shall be a non-exclusive right and such right may also be exercised by any other Person at piers and other facilities that are not a part of the Cruise Port Facility (and such rights may be granted by the Authority), (ii) Cruise Line Vessels shall at all times have priority over Other Shipping Lines in obtaining berthing slots and other services at the Cruise Port Facility, and the provision of such services to Other Shipping Lines shall in no manner interfere with the use of the Cruise Port Facility for Cruise Port Purposes, and (iii) No Other Shipping Line may be required to utilize the Cruise Port Facility and such utilization shall be at the request of the Other Shipping Line. For the avoidance of doubt, the Operating Standards and other requirements of this Agreement applicable to Cruise Line Vessels shall also apply to Other Shipping Lines, except that the Open Access Regime shall not apply to Other Shipping Lines. As of the Date of this Agreement, the Authority has Approved the following as an Other Shipping Line: a Ferry; *provided, however*, that in the event the Authority or any other Governmental Authority has granted prior to the Date of this Agreement or grants after the Date of this Agreement to any Person other than the Concession Company the exclusive right to provide berthing services to any Ferry in San Juan Bay (other than at the Cruise Port Facility), then any such Ferry shall not be considered an Other Shipping Line and the Authority shall be deemed not to have Approved any such Ferry as an Other Shipping Line. For the avoidance of doubt, the granting of any such exclusivity right to any Person before or after the Date of this Agreement shall not constitute a violation of the rights granted to the Concession Company under this Agreement or a Compensation Event. The Concession Company acknowledges that as of the Date of this Agreement there are certain operations related to Ferries which take place in the Cruise Piers which will be relocated by the Authority to other piers in the San Juan Bay but shall not be subject to the Concession and that such relocation of Ferry operations or the performance of any operations related to the Ferries does not constitute a conflict in any way with the Concession Company's rights under this Agreement, including under Section 2.1. Notwithstanding the foregoing and for the avoidance of doubt, the Authority undertakes and agrees that the activities contemplated under the Ferry Development Agreement to be performed at Pier 15 do not entail and shall not be interpreted to entail providing from Pier 15 services equivalent to the services to Cruise Lines which are to be provided under this Agreement by the Concession Company.

Section 3.24 Pier 13 and Pier 14 Use, Phase Two Projects and Conditions for Removal from Concession.

(a) Without limiting the requirements of the Operating Standards to the Cruise Port Facility during the Term, the Concession Company shall at all times (i) keep Pier 13 in a neat and orderly condition, including (A) clearing the site of debris, unused equipment and derelict structures, (B) constructing and maintaining perimeter fencing around the site, (C) paving the site, (D) providing landscape maintenance (including replacement of all dead and dying plants, weeding and a thorough spring and fall cleanup), and (E) maintaining adequate drainage to prevent water accumulation in order to reduce insect and vermin breeding, and (ii) remove and properly dispose of all trash and debris on Pier 13. The provisions of this Section 3.24(a) shall apply to Pier 14 once it has become part of the Cruise Port Facility and the Concession as provided in Section 2.1(a).

(b) Following completion of the Expansion Investment Projects and the occurrence of the Phase Two Trigger Event, the Concession Company shall promptly implement the Phase Two Projects as provided in, but subject to the conditions (including the Phase Two Projects Requirements) specified in Section 4.12.

(c) On each Phase Two Calculation Date after the completion of the Expansion Investment Projects the Concession Company shall make the Phase Two Demand Threshold Calculation and determine, acting reasonably, whether or not the Phase Two Trigger Event has occurred. The Concession Company shall notify the Authority of such determination, including in such notice the Phase Two Demand Threshold Calculation in reasonable detail. If the Phase Two Trigger Event has not occurred, then the Concession Company shall have no obligation to implement the Phase Two Projects.

(d) Not later than twenty (20) Business Days following the occurrence of either the Phase Two Trigger Event described in clause (ii) of the definition of such term or receipt by the Concession Company of the notice from the Authority pursuant to Section 4.12(d) that the Authority has received a Government Contributions Authorization for the Cruise Pier Improvement Projects Cost of the Phase Two Projects which are eligible for receipt of Government Contributions and intends to utilize Government Contributions for payment of such Cruise Pier Improvement Projects Cost, the Concession Company shall determine, acting reasonably, whether or not the implementation of the Phase Two Projects will cause the Concession Company to be unable to satisfy the Phase Two Rate of Return Test and shall notify the Authority of such determination (the "Phase Two Projects Notice"). The Phase Two Projects Notice shall state one of the following: (i) the Phase Two Rate of Return Test is able to be satisfied, (ii) the Phase Two Rate of Return Test is unable to be satisfied and the Concession Company has determined on such basis not to implement the Phase Two Projects or (iii) the Phase Two Rate of Return Test is unable to be satisfied but the Concession Company has nevertheless determined to implement the Phase Two Projects. If the Phase Two Rate of Return Test is unable to be satisfied and the Concession Company has determined on such basis not to implement the Phase Two Projects, then the Concession Company shall have no obligation to implement the Phase Two Projects. The Concession Company may at any time following completion of the Expansion Investment Projects issue a Phase Two Projects Notice confirming that it has determined to implement the Phase Two Projects notwithstanding that the Phase Two Trigger Event has not occurred and/or that the Phase Two Rate of Return Test is unable to be satisfied.

(e) The Phase Two Projects Notice shall contain the calculation to determine whether the Phase Two Rate of Return Test is able to be satisfied in reasonable detail. In connection with such calculation, the Concession Company shall utilize and assume Cruise Pier Improvement Projects Cost, Cruise Port Revenues and other relevant factors based upon two scenarios, one involving the berthing at Piers 11-12, Pier 13 and Pier 14 of one (1) Category 2 and one (1) Category 3 (each as described in Schedule 13) Cruise Line Vessel and the other involving the berthing at Piers 11-12, Pier 13 and Pier 14 of two (2) Category 3 (as described in Schedule 13) Cruise Line Vessels. The calculation for each scenario shall utilize both Concession Mortgage Debt and Government Contributions. If the Authority notifies the Concession Company in writing that Authorization for locating a mooring dolphin at the west end of Piers 11-12 will be issued and answers questions of the Concession Company about such

Authorization to the reasonable satisfaction of the Concession Company, then the Concession Company shall assume the issuance of such Authorization in connection with the calculation of the Phase Two Rate of Return Test. The Concession Company may also assume that it will be able to obtain all required Authorizations to enable it to implement the applicable scenario.

(f) If (i) the Phase Two Trigger Event occurs or the Phase Two Trigger Event does not occur but the Concession Company has nevertheless determined to implement the Phase Two Projects as provided in Section 3.24(c) or (ii) the Phase Two Rate of Return Test is able to be satisfied or the Phase Two Rate of Return Test is unable to be satisfied but the Concession Company has nevertheless determined to implement the Phase Two Projects as provided in Section 3.24(d), the Concession Company shall promptly implement the Phase Two Projects as provided in, but subject to the conditions (including the Phase Two Projects Requirements) specified in, Section 4.12. The occurrence of the Phase Two Trigger Event or the satisfaction of the Phase Two Rate of Return Test shall not apply to the implementation of the Piers 13-14 Wharf Project as provided in Section 4.12(d) and Section 4.12(e) upon receipt by the Authority of a Government Contributions Authorization; *provided, however*, that (A) if the Government Contributions Authorization is in an amount less than one-hundred percent (100%) of the applicable Cruise Pier Improvement Projects Cost, the Concession Company, at the request of the Authority, shall, using Reasonable Efforts, subject to the requirements of Section 10.1, proceed with the issuance of such Concession Mortgage Debt for the payment of all Cruise Pier Improvement Projects Cost which are not eligible for receipt of Government Contributions or with respect to which Government Contributions are delayed or denied (including, for the avoidance of doubt, any cost sharing amount for which the Authority would be responsible), (B) if such Concession Mortgage Debt which the Authority requests the Concession Company to issue exceeds ten percent (10%) of the Cruise Pier Improvement Projects Cost for the Piers 13-14 Wharf Project, the Concession Company may condition the issuance of such Concession Mortgage Debt on the satisfaction of the Phase Two Rate of Return Test and (C) if the Concession Company using Reasonable Efforts, subject to the requirements of Section 10.1, is unsuccessful in issuing such Concession Mortgage Debt, the Concession Company shall meet with the Authority to discuss in good faith alternative options for implementing the Piers 13-14 Wharf Project, including finding other ways to cover any shortfall in Government Contributions and implement the Piers 13-14 Wharf Project in its entirety; and the Parties agree that they shall utilize the Government Contributions obtained, even if such contributions cover less than one-hundred percent (100%) of the Cruise Pier Improvement Projects Cost for the Piers 13-14 Wharf Project, provided that such utilization does not require the Concession Company to fund the shortfall (except as otherwise required under foregoing clauses (A), (B) or (C)).

(g) If by that date (i) which is twenty (20) Business Days after the Phase Two Trigger Event described in clause (i) of the definition of such term the Phase Two Trigger Event described in clause (ii) of the definition of such term has not occurred and the Concession Company has not notified the Authority in a Phase Two Projects Notice that it has determined to implement the Phase Two Projects as provided in Section 3.24(c) or (ii) after the twelfth anniversary of the Closing Date on which the Concession Company notifies the Authority that the Phase Two Rate of Return Test is unable to be satisfied and the Concession Company has determined on such basis not to implement the Phase Two Projects as provided in Section 3.24(d), then not later than one hundred eighty (180) days following each such date the Authority may notify the Concession Company (the "Pier 13 Removal Notice") that Pier 13 and Pier 14 (if

Pier 14 has become part of the Cruise Port Facility and the Concession) shall no longer constitute part of the Cruise Port Facility and the Concession, and on that date which is thirty (30) days following the date of the Pier 13 Removal Notice by the Authority to the Concession Company Pier 13 and Pier 14 (if applicable), without further action required by either Party, shall no longer constitute part of the Cruise Port Facility or the Concession and shall become Excluded Liabilities. The Authority may notify any Governmental Authorities of such occurrence and file any necessary document with any Governmental Authority to confirm such occurrence. If the Authority does not issue the Pier 13 Removal Notice within the one hundred eighty (180) day period provided in this Section 3.24(g), then the Concession Company shall continue to perform its obligations with respect to Pier 13 and Pier 14 (if applicable) under this Agreement but in such case the Concession Company shall have no obligation to perform the Phase Two Projects.

(h) At any time following receipt by the Authority of a Phase Two Projects Notice the Authority may, and promptly following the date of the Pier 13 Removal Notice the Authority shall, meet with the Concession Company to discuss in good faith possible options for use of Pier 13 and Pier 14 (if applicable) by the Concession Company; *provided, however*, that the decision of the Authority that Pier 13 and Pier 14 (if applicable) shall no longer constitute part of the Cruise Port Facility and the Concession may be made by the Authority during the one hundred and eighty (180) day period provided in Section 3.24(g) (and, for the avoidance of doubt, if the Authority does not issue a Pier 13 Removal Notice during such period or if the Authority determines in its discretion that Pier 13 and Pier 14 (if applicable) shall remain part of the Cruise Port Facility and the Concession and so notified the Concession Company during such period, Pier 13 and Pier 14 (if applicable) shall remain part of the Cruise Port Facility and the Concession and the Concession Company shall continue to perform its obligations with respect to Pier 13 and Pier 14 (if applicable) under this Agreement but in such case the Concession Company shall have no obligation to perform the Phase Two Projects and the Authority shall not be entitled to issue a Pier 13 Removal Notice); and, *provided, further*, that the Authority shall not with respect to Pier 13 or Pier 14 Develop Additional Cruise Port Facilities or Grant Development Authority unless the Authority complies with Section 3.18. For the avoidance of doubt, if the Pier 13 Removal Notice is issued to remove Piers 13 and 14 from the Concession as aforesaid, then the Authority agrees that Piers 13 and 14 shall not be used by Cruise Line Vessels for (i) the Reference Services, as defined in Schedule 3, or (ii) the Ancillary Services which are specified to be provided exclusively by the Concession Company in Schedule 15, or for substantially the same services, except in compliance with Section 3.18.

(i) If the Phase Two Projects are to be implemented as provided in Section 3.24(f) (excluding where the Phase Two Trigger Event has not occurred but the Concession Company has nevertheless determined to implement the Phase Two Projects) but the Phase Two Projects Requirements are not satisfied by that date which is one hundred eighty (180) days (as such period may be extended by agreement of the Parties) following the applicable date provided in Section 3.24(f), then the Authority may (unless the Authority's failure to comply with any provision of this Agreement has been the cause of, or resulted in, the failure of any such Phase Two Projects Requirements to be satisfied) deliver the Pier 13 Removal Notice to the Concession Company, which shall have the effect provided in Section 3.24(g). If the Phase Two Projects are to be implemented as provided in Section 3.24(f) and the Phase Two Projects Requirements are satisfied, but the Concession Company fails or refuses promptly to implement the Phase Two Projects, such failure or refusal shall at the Authority's option either constitute the failure to

comply with, perform or observe a material obligation as provided in Section 16.1(a)(i)(A) or entitle the Authority to deliver the Pier 13 Removal Notice to the Concession Company, which shall have the effect provided in Section 3.24(g).

(j) If Piers 11-12 are removed from the Cruise Port Facility and the Concession as provided in Section 3.25(e), then, as provided in Section 3.25(e), Pier 13 and Pier 14 (if applicable) shall at the same time no longer constitute part of the Cruise Port Facility and the Concession, without further action required by either Party.

(k) In connection with the removal of Pier 13 and Pier 14 (if applicable) from the Cruise Port Facility and the Concession pursuant to a Pier 13 Removal Notice as provided in this Section 3.24, (i) the Authority (A) shall have no obligation to pay the Concession Company any amount and (B) shall not assume any obligation with respect to any Concession Mortgage Debt or any other debt or liability of the Concession Company and (ii) the Concession Company shall (A) promptly transfer Pier 13 and Pier 14 (if applicable) to the Authority in a neat and orderly condition and otherwise in compliance with the obligations of the Concession Company under Section 3.24(a) and free and clear of any liens or claims of any Concession Mortgage Debt, Concession Mortgagee or other Person and (B) reasonably cooperate with the Authority in effecting such transfer of Pier 13 and Pier 14 (if applicable) to the Authority, including signing any document reasonably required to effect such transfer.

Section 3.25 Piers 11-12 Use, Expansion Investment Projects and Conditions for Removal from Concession.

(a) Without limiting the requirements of the Operating Standards to the Cruise Port Facility during the Term, the Concession Company shall at all times (i) keep Piers 11-12 in a neat and orderly condition, including (A) clearing the site of debris, unused equipment and derelict structures, (B) constructing and maintaining perimeter fencing around the site, (C) paving the site, (D) providing landscape maintenance (including replacement of all dead and dying plants, weeding and a thorough spring and fall cleanup), and (E) maintaining adequate drainage to prevent water accumulation in order to reduce insect and vermin breeding, and (ii) remove and properly dispose of all trash and debris on Piers 11-12.

(b) Following the occurrence of an Expansion Investment Projects Trigger Event, the Concession Company shall promptly implement the Expansion Investment Projects as provided in, but subject to the conditions (including the Expansion Investment Projects Requirements) specified in, Section 4.13. For the avoidance of doubt, as used in this Agreement, except where otherwise specifically provided, the Expansion Investment Projects Trigger Event refers to and includes the occurrence of cumulative Passenger Movements in a twelve (12) month period equal to or greater than 1,800,000 or equal to or greater than 2,000,000, as provided in the definition of Expansion Investment Projects Trigger Event, with the effect that when Passenger Movements are equal to or greater than 1,800,000 the Concession Company shall promptly implement the Expansion Investment Projects as provided in, but subject to the conditions (including the Expansion Investment Projects Requirements) specified in, Section 4.13. Passenger Movements regarding passengers embarking and disembarking at the Cruise Port Facility for any trip which begins and ends at the Cruise Port Facility (that is, a "round trip") shall be counted only once (for the disembarkation Passenger Movement only).

(c) The Concession Company shall on a monthly basis make the Expansion Investment Projects Demand Threshold Calculation and notify the Authority of the Passenger Movements in the prior twelve (12) month period and the other details of the Expansion Investment Projects Demand Threshold Calculation. Such notice shall state if the Expansion Investment Projects Trigger Event has occurred or that, even though the Expansion Investment Projects Trigger Event has not occurred, the Concession Company has nevertheless determined to implement the Expansion Investment Projects (either such notice of confirmation being the "Expansion Investment Projects Notice"). Such monthly notice shall be given by the Concession Company to the Authority until the first to occur of (i) the occurrence of an Expansion Investment Projects Trigger Event, (ii) the delivery by the Concession Company to the Authority of an Expansion Investment Projects Notice stating that, even though the Expansion Investment Projects Trigger Event has not occurred, the Concession Company has nevertheless determined to implement the Expansion Investment Projects, (iii) the delivery by the Authority to the Concession Company of the Piers 11-12 Removal Notice and (iv) the later of the fifth anniversary of the Closing Date or, as applicable, the conclusion of the last 12-month period for which the Concession Company has paid the Holding Fee; *provided, however,* that if with respect to clauses (i) and (ii) the Expansion Investment Projects are not implemented then, at the direction of the Authority, the Concession Company shall continue making the Expansion Investment Projects Demand Threshold Calculation and notifying the Authority as provided in this Section 3.25(c) until the circumstances described in clauses (iii) or (iv) above occur.

(d) Upon delivery of the Expansion Investment Projects Notice stating that the Expansion Investment Projects Trigger Event has occurred or that, even though the Expansion Investment Projects Trigger Event has not occurred, the Concession Company has nevertheless determined to implement the Expansion Investment Projects, the Concession Company shall promptly implement the Expansion Investment Projects as provided in, but subject to the conditions (including the Expansion Investment Projects Requirements) specified in, Section 4.13; *provided, however*, that the Concession Company shall not be required to make Reasonable Efforts to satisfy the Expansion Investment Projects Requirements more than once in any twelve (12) month period.

(e) If by that date which is twenty (20) Business Days after the fifth, sixth, seventh, eighth, and ninth anniversary of the Closing Date the Expansion Investment Projects Trigger Event has not occurred (and, for the avoidance of doubt, the Expansion Investment Projects Trigger Event includes the occurrence of cumulative Passenger Movements equal to or greater than 1,800,000) and the Concession Company has not notified the Authority in an Expansion Investment Projects Notice that it has determined to implement the Expansion Investment Projects and the Expansion Investment Projects are not being implemented following the notice and election of the Authority pursuant to Section 3.25(i) using Government Contributions as provided in such notice and election, then in the period beginning on each such date and ending one hundred eighty (180) days following each such date, the Authority may notify the Concession Company (the "Piers 11-12 Removal Notice") that Piers 11-12, Pier 13 and Pier 14 (if applicable) shall no longer constitute part of the Cruise Port Facility and the Concession, and on that date which is thirty (30) days following the date of the Piers 11-12 Removal Notice by the Authority to the Concession Company Piers 11-12, Pier 13 and Pier 14 (if applicable), without further action required by either Party, shall no longer constitute part of the Cruise Port Facility or the Concession and shall become Excluded Liabilities; *provided,*

however, that the Authority shall not issue the Piers 11-12 Removal Notice during each such period if the Concession Company pays the Authority the Holding Fee by that date which is twenty (20) Business Days after the fifth, sixth, seventh, eighth, and ninth anniversary of the Closing Date. By way of example, if by that date which is twenty (20) Business Days after the fifth anniversary of the Closing Date the Expansion Investment Projects Trigger Event has not occurred and the Concession Company has not notified the Authority in an Expansion Investment Projects Notice that it has determined to implement the Expansion Investment Projects and the Expansion Investment Projects are not being implemented following the notice and election of the Authority pursuant to Section 3.25(i) using Government Contributions as provided in such notice and election, unless the Concession Company pays the Holding Fee by that date, the Authority may issue the Piers 11-12 Removal Notice any time during the following 180 day period; *however*, if by that date which is twenty (20) Business Days after the sixth anniversary of the Closing Date the Expansion Investment Projects Trigger Event has still not occurred and the Concession Company has not notified the Authority in an Expansion Investment Projects Notice that it has determined to implement the Expansion Investment Projects and the Expansion Investment Projects are not being implemented following the notice and election of the Authority pursuant to Section 3.25(i) using Government Contributions as provided in such notice and election, unless the Concession Company again pays the Holding Fee by that date, the Authority may again issue the Piers 11-12 Removal Notice any time during the following 180 day period, and the same would apply each year to the ninth anniversary of the Closing Date, with (for the avoidance of doubt) the Concession Company having the obligation (subject to the conditions, including the Expansion Investment Projects Requirements, specified in Section 4.13) to implement the Expansion Investment Projects at any time that the Expansion Investment Projects Trigger Event occurs and having the right to pay the Holding Fee and prevent the Authority from issuing the Piers 11-12 Removal Notice after the applicable anniversary of the Closing Date. The Authority may notify any Governmental Authorities of the occurrence of Piers 11-12, Pier 13 and Pier 14 (if applicable) no longer constituting part of the Cruise Port Facility and the Concession and file any necessary document with any Governmental Authority to confirm such occurrence. If the Authority does not issue the Piers 11-12 Removal Notice within the one hundred eighty (180) day period provided in this Section 3.25(e), then the Concession Company shall continue to perform its obligations with respect to Piers 11-12, Pier 13 and Pier 14 (if applicable) under this Agreement but in such case the Concession Company shall have no obligation to perform the Expansion Investment Projects or the Phase Two Projects after the later of the fifth anniversary of the Closing Date or, as applicable, the conclusion of the last 12-month period for which the Concession Company has paid the Holding Fee. Notwithstanding anything in this Agreement to the contrary, and without limiting the rights of the Authority otherwise to deliver the Piers 11-12 Removal Notice to the Concession Company under this Agreement or the obligation of the Concession Company to construct the Expansion Investment Projects, if by that date which is the tenth anniversary of the Closing Date the Concession Company has not entered into a Construction Contract or Construction Contracts for the construction of the Expansion Investment Projects, issued Concession Mortgage Debt or provided other funds to pay the Cruise Pier Improvement Projects Cost of the Expansion Investment Projects, each with terms and conditions Approved by the Authority, and provided the Authority with evidence acceptable to the Authority, acting reasonably, that substantial construction with respect to the Expansion Investment Projects will begin promptly and Completion will occur within 31 months thereafter, then the Authority may deliver the Piers 11-

12 Removal Notice to the Concession Company and Piers 11-12, Pier 13 and Pier 14 (if applicable) shall no longer constitute part of the Cruise Port Facility or the Concession on that date which is 30 days following the date of the Piers 11-12 Removal Notice, notwithstanding any Delay Event or other circumstance.

(f) Promptly following the date of the Piers 11-12 Removal Notice the Authority shall meet with the Concession Company to discuss in good faith possible options for use of Piers 11-12, Pier 13 and Pier 14 by the Concession Company; *provided, however*, that the decision of the Authority that Piers 11-12, Pier 13 and Pier 14 (if applicable) shall no longer constitute part of the Cruise Port Facility and the Concession may be made by the Authority during the applicable one hundred eighty (180) day period provided in Section 3.25(e) (and, for the avoidance of doubt, if the Authority does not issue a Piers 11-12 Removal Notice during such period or if the Authority determines in its discretion that Piers 11-12, Pier 13 and Pier 14 (if applicable) shall remain part of the Cruise Port Facility and the Concession and so notifies the Concession Company during such period, Piers 11-12, Pier 13 and Pier 14 (if applicable) shall remain part of the Cruise Port Facility and the Concession and the Concession Company shall continue to perform its obligations with respect to Piers 11-12, Pier 13 and Pier 14 (if applicable) under this Agreement but in such case the Concession Company shall have no obligation to perform the Expansion Investment Projects or the Phase Two Projects and the Authority shall not be entitled to issue a Piers 11-12 Removal Notice); and, *provided, further*, that the Authority shall not with respect to Piers 11-12, Pier 13 and Pier 14 Develop Additional Cruise Port Facilities or Grant Development Authority unless the Authority complies with Section 3.18. For the avoidance of doubt, if a Piers 11-12 Removal Notice is issued to remove Piers 11-12, Pier 13 and Pier 14 from the Concession as aforesaid, the Authority agrees that Piers 11-12, Pier 13 and Pier 14 shall not be used by Cruise Line Vessels for (i) the Reference Services, as defined in Schedule 3, or (ii) the Ancillary Services which are specified to be provided exclusively by the Concession Company in Schedule 15, or for substantially the same services, except in compliance with Section 3.18.

(g) If the Expansion Investment Projects are to be implemented as provided in Section 3.25(d) but the Expansion Investment Projects Requirements are not satisfied by that date which is one hundred eighty (180) days (as such period may be adjusted by agreement of the Parties) following the Expansion Investment Projects Notice, then the Authority may (unless the Authority's failure to comply with any provision of this Agreement has been the cause of, or resulted in, the failure of any such Expansion Investment Projects Requirements to be satisfied) deliver the Piers 11-12 Removal Notice to the Concession Company within a further one hundred eighty (180) days following the expiry of the aforesaid period of one hundred eighty (180) days (as may be adjusted as aforesaid) from the Expansion Investment Projects Notice, which shall have the effect provided in Section 3.25(e); *provided, however,* that the Authority shall not be entitled to issue a Piers 11-12 Removal Notice under this Section 3.25(g) if (i) the Expansion Investment Projects Notice referred to in Section 3.25(d) stating that the Expansion Investment Projects Trigger Event has occurred is based on cumulative Passenger Movements equal to or greater than 1,800,000 but less than 2,000,000 and the Concession Company used Reasonable Efforts to satisfy the Expansion Investment Projects Requirements or (ii) the Expansion Investment Projects Trigger Event has not occurred but the Concession Company has nevertheless determined to implement the Expansion Investment Projects; and *provided, further,* that under the circumstances described in clauses (i) and (ii) above the Concession Company

shall (if it elects to do so under Section 3.25(e)) pay the Holding Fee to the Authority by that date which is twenty (20) Business Days after the fifth, sixth, seventh, eighth, and ninth anniversary of the Closing Date notwithstanding that the 1,800,000 Passenger Movements Expansion Investment Projects Trigger Event has occurred or the Concession Company has determined to implement the Expansion Investment Projects notwithstanding that the Expansion Investment Projects Trigger Event has not occurred, and if the Concession Company does not so pay the Holding Fee then the Authority may deliver the Piers 11-12 Removal Notice to the Concession Company in the same manner and with the same effect as provided in Section 3.25(e). If the Authority does not deliver the Piers 11- 12 Removal Notice within such further one hundred eighty (180) days following the expiry of the aforesaid period of one hundred and eighty (180) days (as may be adjusted as aforesaid) from the Expansion Investment Projects Notice, the Concession Company shall continue to perform its obligations with respect to Piers 11-12, Pier 13 and Pier 14 (if applicable) under this Agreement but in such case the Concession Company shall have no obligation to perform the Expansion Investment Projects or the Phase Two Projects after the later of the fifth anniversary of the Closing Date or, as applicable, the conclusion of the last 12-month period for which the Concession Company has paid the Holding Fee. For the avoidance of doubt, up to the later of the fifth anniversary of the Closing Date or, as applicable, the conclusion of the last 12-month period for which the Concession Company has paid the Holding Fee, even if the Authority does not deliver the Piers 11- 12 Removal Notice within such further one hundred eighty (180) days following the expiry of the aforesaid period of one hundred and eighty (180) days (as may be adjusted as aforesaid) from the Expansion Investment Projects Notice, the Concession Company shall continue to have an obligation to perform the Expansion Investment Projects following the occurrence of the Expansion Investment Projects Trigger Event, based either on cumulative Passenger Movements equal to or greater than 1,800,000 or equal to or greater than 2,000,000, subject to the conditions (including the Expansion Investment Projects Requirements) specified in Section 4.13. If the Expansion Investment Projects are to be implemented as provided in Section 3.25(d) and the Expansion Investment Projects Requirements are satisfied, but the Concession Company fails or refuses promptly to implement the Expansion Investment Projects, such failure or refusal shall at Authority's option either constitute the failure to comply with, perform or observe a material obligation as provided in Section 16.1(a)(i)(A) or entitle Authority to deliver the Piers 11-12 Removal Notice to the Concession Company, which shall have the effect provided in Section 3.25(e).

(h) In connection with the removal of Piers 11-12, Pier 13 and Pier 14 from the Cruise Port Facility and the Concession pursuant to a Piers 11-12 Removal Notice as provided in this Section 3.25, (i) the Authority (A) shall have no obligation to pay the Concession Company any amount and (B) shall not assume any obligation with respect to any Concession Mortgage Debt or any other debt or liability of the Concession Company and (ii) the Concession Company shall (A) promptly transfer Piers 11-12, Pier 13 and Pier 14 to the Authority in a neat and orderly condition and otherwise in compliance with the obligations of the Concession Company under Section 3.25(a) and free and clear of any liens or claims of any Concession Mortgage Debt, Concession Mortgagee or other Person and (B) reasonably cooperate with the Authority in effecting such transfer of Piers 11-12, Pier 13 and Pier 14 to the Authority, including signing any document reasonably required to effect such transfer.

(i) The Authority and the Concession Company shall use Reasonable Efforts to obtain the Government Contributions necessary to pay the Cruise Pier Improvement Projects Cost for all or part of the Piers 11-12 Wharf Project which are eligible for receipt of Government Contributions. Accordingly, at the cost and expense of the Concession Company, the Concession Company shall, using Reasonable Efforts, provide the Authority the Piers 11-12 Geotechnical Report no later than sixty (60) days after the Date of this Agreement and the Concession Company and the Authority shall, using Reasonable Efforts, complete the 30% Design and Technical Specifications for the Piers 11-12 Wharf Project no later than ninety (90) days after the Date of this Agreement. Moreover, in addition to the obligation of the Concession Company to implement the Expansion Investment Projects as otherwise provided in this Section 3.25 and Section 4.13, at any time following receipt by the Authority of a Government Contributions Authorization with respect to the Expansion Investment Projects for Government Contributions in an amount sufficient to pay the applicable Cruise Pier Improvement Projects Cost which are eligible for receipt of Government Contributions for all or a part of the Expansion Investment Projects (including all or part of the Piers 11-12 Wharf Project), the Authority may elect to require the Concession Company to design, engineer, procure, construct, equip and complete (i) the Expansion Investment Projects funded by such Government Contributions (or, if required by the terms and conditions of the applicable Government Contributions Authorization or by applicable Law, the Authority shall undertake a competitive procurement for the construction of the portion of the Expansion Investment Projects funded by Government Contributions and the Concession Company has one of the roles provided in Section 4.6(e)) and (ii) the remaining portion of the Expansion Investment Projects that are not funded by such Government Contributions, by giving notice to the Concession Company of such election. Such notice shall (A) identify the Government Contributions Authorization, including the amount of the Government Contributions, and (B) direct the Concession Company to commence the design, engineering, procurement, construction, equipping and completion of the Expansion Investment Projects (recognizing that the Authority may be required pursuant to the requirements for Government Contributions or applicable Law to undertake a competitive procurement for the construction of the part of the Expansion Investment Projects funded by Government Contributions and that the Concession Company will have one of the roles provided in Section 4.6(e)). Promptly following receipt by the Concession Company of such notice from the Authority, the Concession Company shall, provided the Government Contributions (whether pursuant to one Government Contributions Authorization or multiple Government Contributions Authorizations) are in an amount sufficient to pay at least fifty million dollars ($50,000,000) of the Cruise Pier Improvement Projects Cost of the Piers 11-12 Wharf Project, and subject to the satisfaction of the Expansion Investment Projects Requirements, implement the Expansion Investment Projects or part thereof, as provided in this Section 3.25(i) and Section 4.1 through Section 4.11 (recognizing that the Authority may be required pursuant to the requirements for Government Contributions or applicable Law to undertake a competitive procurement for the construction of the part of the Expansion Investment Projects funded by Government Contributions and that the Concession Company will have one of the roles provided in Section 4.6(e)). If Government Contributions are insufficient to pay a portion of the Cruise Pier Improvement Projects Cost of the Expansion Investment Projects or are delayed or reduced, then the Concession Company, at the request of the Authority, shall, using Reasonable Efforts, pursuant to Section 10.1, proceed with the issuance of Concession Mortgage Debt for the payment of all Cruise Pier Improvement Projects Cost which are not eligible for the receipt of

Government Contributions or with respect to which Government Contributions are delayed or reduced. For the avoidance of doubt, amounts not eligible for receipt of Government Contributions shall include any part of the Expansion Investment Projects that are not included in the Government Contributions Authorization (such as, for example, as applicable, the parts of the Expansion Investment Projects identified in Schedule 13 as the "Piers 11-12 – Cruise Pier Building", the "Piers 11-12 – Uplands" or the "Conversion of Pier 4 into a Port of Call facility"), and any cost sharing amount for which the Authority would be responsible but for which the Concession Company, at request of the Authority, would include in the amount of Concession Mortgage Debt. If (1) the Authority so notifies the Concession Company and makes such election but such fifty million dollars ($50,000,000) condition is not satisfied; or (2) the Concession Company using Reasonable Efforts, pursuant to Section 10.1, is unsuccessful in issuing Concession Mortgage Debt for the payment of all Cruise Pier Improvement Projects Cost of the Expansion Investment Projects which are not eligible for the receipt of Government Contributions or with respect to which Government Contributions are delayed or reduced, then the Concession Company shall not be required to implement the portion of the Expansion Investment Projects that are not funded by such Government Contributions, but shall, at the Authority's election by notice: (x) implement the portion of the Expansion Investment Projects that are one hundred percent (100%) funded by such Government Contributions, subject to the satisfaction of the Expansion Investment Projects Requirements; and (y) meet with the Authority to discuss in good faith alternative options for implementing any portion of the Expansion Investment Projects that is partially funded or not funded by such Government Contributions, including any adjustment to the Annual Authority Revenue Share in accordance with Section 12(b) of Schedule 15. If the Expansion Investment Projects are not fully implemented pursuant to this Section 3.25(i), the Concession Company shall implement any portion of the Expansion Investment Projects that is not funded by such Government Contributions (which, for the avoidance of doubt, may include the whole of the Expansion Investment Projects, depending on the receipt of Government Contributions) in accordance with Section 3.25(b), subject to the occurrence of the Expansion Investment Projects Trigger Event and subject to the satisfaction of the Expansion Investment Projects Requirements.

Section 3.26 Piers 11-12 Wharf Project and Piers 13-14 Wharf Project Coordinated Implementation. For the avoidance of doubt, it is further clarified that it is the intention of the Parties, upon the request of the Authority and to the maximum extent permitted by applicable Law, that the application for Government Contributions for the Piers 11-12 Wharf Project and the Piers 13-14 Wharf Project be presented jointly and the implementation of the Piers 11-12 Wharf Project and the Piers 13-14 Wharf Project proceed simultaneously upon receipt of the Government Contributions Authorization and that the Parties find ways to implement both the Piers 11-12 Wharf Project and the Piers 13-14 Wharf Project in their entirety and to utilize the Government Contributions obtained for these projects.

ARTICLE 4
CAPITAL PROJECTS

Section 4.1 Concession Company Responsibility for Capital Projects. In addition to the Additional Cruise Port Facilities Projects (where applicable), the Concession Company's capital improvement obligations shall comprise the capital improvement projects set forth on Schedule 13 and identified as Initial Investment Projects, Expansion Investment Projects, and

Phase Two Projects, such capital improvement projects required to be completed by the Concession Company during the Term in accordance with the terms of this Agreement (including the Operating Standards) and subject to Section 10.1 with respect to Concession Company responsibility for obtaining financing for any Cruise Pier Improvement Project or Modification. The Concession Company, with reasonable diligence, and at its sole cost and expense (except to the extent otherwise specifically stated in this Agreement), shall complete or cause the completion of all Cruise Pier Improvement Projects and each Modification constituting a capital improvement project in a good and workmanlike manner in accordance with the terms of this Agreement. Each Cruise Pier Improvement Project set forth on Schedule 13 and each Modification constituting a capital improvement project shall be Completed by the Concession Company on or before the deadline for Completion set forth on Schedule 13 or on any supplement to this Agreement, as the case may be, including in the case of any Modification in any written agreement related to an Agreed Modification as provided in Section 5.1(d) (as applicable, the "Scheduled Completion Date"). The Authority at its option may, in its discretion, cancel or postpone the commencement of any Cruise Pier Improvement Project by giving prior notice to the Concession Company; *provided that* to the extent that any notice of cancellation or postponement shall have been provided to the Concession Company following the date on which the Concession Company shall have incurred any liabilities or commitments with respect to such project, the Authority shall be required to provide Concession Compensation to the Concession Company upon demand (but, for the avoidance of doubt, subject to Section 15.1(c) the calculation of which shall, for the avoidance of doubt, take into account the Concession Company's out-of-pocket costs in connection therewith and any cost savings to the Concession Company as a result of the cancellation of such project). The Authority shall consult with the Concession Company prior to the postponement of any such projects concerning revised timing and scheduling for implementation and shall use its Reasonable Efforts to ensure that the revised schedule does not unduly interfere with the Cruise Port Facility Operations. The Concession Company shall not be in breach of this Section 4.1 for failure to Complete any Cruise Pier Improvement Project or any Modification constituting a capital improvement project by the deadline for completion thereof as set forth on Schedule 13, or by the deadline set forth in any supplement to this Agreement, including in the case of any Modification in any written agreement related to an Agreed Modification as provided in Section 5.1(d), to the extent that such failure is caused by (i) the postponement or cancellation of such project by the Authority in accordance with this Section 4.1 (unless such postponement, cancellation or failure is the result of a Concession Company Default), (ii) the discovery of protected plant or animal species, human remains, archaeological, paleontological or cultural resources at or about the site of the lands required by any Cruise Pier Improvement Project, (iii) any action or omission of the Authority or the Commonwealth or any agency or instrumentality thereof, (iv) any applicable entry by Authority or Authority Related Entities into the Cruise Port Facility pursuant to Section 3.7(a)(v) through Section 3.7(a)(vii), (v) the Concession Company's compliance with or the implementation of any Required Modification or any modified or changed Operating Standard (as contemplated by Section 6.2(c)), (vi) the occurrence of an Adverse Action, or (vii) any Delay Event. In such event, the Scheduled Completion Date or other deadline for completion shall be subject to a fair and reasonable extension which shall be agreed by the Parties or, failing agreement within fourteen (14) days of notice of any such event being given by either Party to the other, may be referred by either Party for resolution in accordance with Article 19.

Section 4.2 Authorizations Related to Capital Projects. The Concession Company's obligation to perform the Cruise Pier Improvement Projects and all Modifications constituting capital improvement projects, shall be subject to the terms and conditions of this Agreement and the timely issuance by the Authority or any other applicable Governmental Authority of any and all Authorizations with respect thereto without extraordinary expenses or conditions, and the Authority agrees not to withhold, condition or delay unreasonably the issuance of any such Authorizations issued by the Authority. The Authority shall use its Reasonable Efforts to assist the Concession Company in obtaining Authorizations from other applicable Governmental Authorities.

Section 4.3 Authority Responsibility for Affected Property. The Authority shall use Reasonable Efforts, subject to the availability of Authority funds for such purpose in the applicable year, to maintain, repair and rehabilitate any existing or future roads, streets, sidewalks or bridges constituting any Affected Property under the jurisdiction of the Authority that provide direct access to or from the Cruise Port Facility in such a manner as to maintain reasonable public access to and from the Cruise Port Facility, in each case in a good and workmanlike manner, in accordance with any applicable Operating Standards and in such a manner as could not reasonably be expected to interfere with the Cruise Port Facility Operations.

Section 4.4 Condition of the Cruise Port Facility During Work. The Authority acknowledges that the Concession Company shall not be in default under the terms of this Agreement, including for failure to comply with the Operating Standards, in relation to the condition of portions of the Cruise Port Facility that are subject to any Cruise Pier Improvement Project or any Modification constituting a capital improvement project required to be completed by the Concession Company in accordance with the terms of this Agreement, at any time during which work on any such project and the planning for such project is being undertaken by the Concession Company; *provided* that (a) with respect to the Cruise Pier Improvement Projects, and all Modifications constituting capital improvement projects, the Concession Company shall comply with the requirements of Schedule 13, (b) with respect to the Cruise Pier Improvement Projects and all Modifications constituting capital improvement projects, the Concession Company shall comply with all obligations under the Operating Standards related to such projects, including the scope of work and construction documents Approved by the Authority for such projects and (c) the Concession Company shall comply with all other terms of this Agreement, including the Concession Company's general maintenance obligations under the Operating Standards, related to the portions of the Cruise Port Facility subject to the Cruise Pier Improvement Projects, or any Modification constituting a capital improvement project prior to the commencement of work on any such portion of the Cruise Port Facility.

Section 4.5 Design and Construction Standards and Procedures.

(a) Without limiting Section 4.1, the Concession Company shall design, engineer, procure, construct, equip and complete or cause the design, engineering, procurement, construction, equipping and completion of each Cruise Pier Improvement Project and each Modification constituting a capital improvement project (i) so that the design, materials, equipment and performance comply with the applicable Design and Technical Specifications, (ii) in accordance with Good Industry Practices, (iii) in accordance with all relevant Laws and Authorizations and (iv) otherwise in accordance with the terms of this Agreement.

(b) The Concession Company shall prepare and submit simultaneously to the Authority and the Independent Engineer the design documents for each Cruise Pier Improvement Project and each Modification constituting a capital improvement project for review and comment in sufficient time before they are needed for applying for Authorizations, construction or equipping of the applicable Cruise Pier Improvement Project and each Modification constituting a capital improvement project, or any other purpose contemplated by this Agreement. The Concession Company shall prepare and submit simultaneously to the Authority and the Independent Engineer the 30% Design and Technical Specifications for the Piers 13-14 Wharf Project not later than 270 days after the Date of this Agreement. Review of the Authority and the Independent Engineer shall consist of verifying that the design documents submitted by the Concession Company are consistent and otherwise compliant with (to the extent previously Approved) the 30% Design and Technical Specifications or the 60% Design and Technical Specifications, or both (as applicable depending on the stage of design development), the Design and Build Standards and the other requirements of Schedule 13, and it is agreed that compliance of the design documents with Good Industry Practices shall be reviewed only for the 30% Design and Technical Specifications Approval. Ten (10) Business Days after receipt of any design document, the Concession Company shall meet with the Authority and the Independent Engineer at the offices of the Authority, or at such other location agreed by the Concession Company, the Authority and the Independent Engineer (the "Design Workshop"), at which Design Workshop the Concession Company shall make a presentation explaining the design document, including an explanation regarding how the design document is consistent and otherwise compliant with the 30% Design and Technical Specifications or 60% Design and Technical Specifications, or both (as applicable depending on the stage of design development), the Design and Build Standards and the other requirements of Schedule 13. The Authority or the Independent Engineer may, after receipt of any design document and before the Design Workshop, by notice to the Concession Company, require the Concession Company to provide such further supporting information as the Authority or the Independent Engineer may reasonably consider necessary, and the Concession Company shall provide such supporting information at the Design Workshop and answer any questions of the Authority or the Independent Engineer. The Design Workshop shall last two (2) Business Days, unless the Concession Company, the Authority and the Independent Engineer agree to conclude the Design Workshop before the end of such two (2) Business Day period, and shall include the preparation of written minutes by the Independent Engineer prior to the end of the Design Workshop which include a summary of any changes to the design documents discussed during the Design Workshop. Within three (3) Business Days following the conclusion of the Design Workshop, if the Authority reasonably concludes that a design document is not consistent or otherwise compliant with the 30% Design and Technical Specifications or 60% Design and Technical Specifications, or both (as applicable depending on the stage of design development), or the Design and Build Standards or the other requirements of Schedule 13, it shall submit its comments for review by the Independent Engineer (which comments may relate to matters contained in the Design Workshop minutes prepared by the Independent Engineer). If, following review by the Independent Engineer within two (2) Business Days following receipt by the Independent Engineer of such comments of the Authority, the Independent Engineer concludes, either based on such comments of the Authority or the Independent Engineer's separate review of the design documents and such other information provided by the Concession Company, that a design document (including any matters contained in Design Workshop minutes) is not

consistent or otherwise compliant with the 30% Design and Technical Specifications or 60% Design and Technical Specifications, or both (as applicable depending on the stage of design development), or the Design and Build Standards or the other requirements of Schedule 13, the Independent Engineer shall notify the Concession Company of such lack of consistency and require the Concession Company at its sole cost and expense to modify the design documents to ensure that the same are in compliance with the 30% Design and Technical Specifications or 60% Design and Technical Specifications, or both (as applicable depending on the stage of design development), Design and Build Standards and other requirements of Schedule 13; *provided, however*, that upon one (1) days' notice, the Concession Company may request a meeting with the Authority, whose attendance shall be required only if available, and the Independent Engineer, to be held not later than two (2) Business Days following receipt of a notification of the Independent Engineer, in order to review the requirements of the Independent Engineer to modify the design documents (the "Comments Review Meeting"). During the Comments Review Meeting the Independent Engineer shall explain its required modifications to the design documents and answer questions of the Concession Company and the Authority. Not later than two (2) Business Days following the Comments Review Meeting the Independent Engineer shall notify the Concession Company and the Authority (i) confirming its required modifications to the design documents, (ii) modifying its required modifications to the design documents or (iii) withdrawing its required modifications to the design documents and stating that no modifications are required. If such notice from the Independent Engineer either confirms or modifies its required modifications to the design documents, the Concession Company shall modify the design documents to take into account the required modifications of the Independent Engineer (which may include comments from the Authority to the extent deemed relevant by the Independent Engineer) hereunder, and shall resubmit the design document to the Authority and the Independent Engineer within ten (10) Business Days of receipt of such notice from the Independent Engineer following the Comments Review Meeting (or within ten (10) Business Days of receipt of such notice from the Independent Engineer following the Design Workshop if the Concession Company and the Independent Engineer agree not to request a Comments Review Meeting) as evidence that the same have been modified so as to be in compliance with the 30% Design and Technical Specifications or 60% Design and Technical Specifications, or both (as applicable depending on the stage of design development), the Design and Build Standards and the other requirements of Schedule 13; *provided, however,* that if within five (5) Business Days of receipt by the Authority and the Independent Engineer of such resubmitted design documents the Independent Engineer notifies the Concession Company that a resubmitted design document is not consistent or otherwise compliant with the 30% Design and Technical Specifications or 60% Design and Technical Specifications, or both (as applicable depending on the stage of design development), or the Design and Build Standards or the other requirements of Schedule 13, then the Concession Company shall at its sole cost and expense modify the design documents to ensure that the same are in compliance with the 30% Design and Technical Specifications or 60% Design and Technical Specifications, or both (as applicable depending on the stage of design development), the Design and Build Standards and the other requirements of Schedule 13; *provided, however*, that the Concession Company may request another Comments Review Meeting (within the same time limit and notice period set forth above for the Comments Review Meeting), in which case the process for required modifications to design documents occurring following the Comments Review Meeting set forth above shall be repeated until the

Independent Engineer notifies the Concession Company that no further modifications to the design documents are required.

(c) If following the Design Workshop the Authority does not respond to a design document submission by approving the same or by submitting its comments to the Independent Engineer within three (3) Business Days following the conclusion of the Design Workshop and/or if the Independent Engineer does not notify the Concession Company of any non-compliance and required modifications within two (2) Business Days following receipt by the Independent Engineer of comments of the Authority and/or if the Independent Engineer does not notify the Concession Company of any non-compliance and required modifications within five (5) Business Days following receipt by the Independent Engineer of resubmitted design documents from the Concession Company, and/or if the Independent Engineer does not notify the Concession Company of any non-compliance and required modifications within two (2) Business Days following a Comments Review Meeting, the relevant design document shall be deemed to be Approved by the Authority. For the avoidance of doubt, (i) the only right of the Authority with respect to design documents for each Cruise Pier Improvement Project and each Modification constituting a capital improvement project shall be to review such design documents and to determine whether it reasonably believes that a design document is not consistent or otherwise compliant with the 30% Design and Technical Specifications or 60% Design and Technical Specifications, or both (as applicable depending on the stage of design development), or the Design and Build Standards or the other requirements of Schedule 13 and to require modifications to design documents if the Independent Engineer concurs regarding such lack of compliance and (ii) if the Independent Engineer concludes that a design document is not consistent or otherwise compliant with the 30% Design and Technical Specifications or 60% Design and Technical Specifications, or both (as applicable depending on the stage of design development), or the Design and Build Standards or the other requirements of Schedule 13, a modification to such design document required by the Independent Engineer to cause such design document to be compliant with the 30% Design and Technical Specifications or 60% Design and Technical Specifications, or both (as applicable depending on the stage of design development), or the Design and Build Standards or the other requirements of Schedule 13 shall not constitute a Modification or a Delay Event, and the Concession Company shall make or cause to be made such modification at its sole cost and expense.

(d) The Concession Company is responsible for any discrepancies, errors or omissions in the design documents, irrespective of whether the design documents have been reviewed by the Authority or any comment or direction by the Authority. The Authority does not owe any duty to the Concession Company to review the design documents submitted by the Concession Company for discrepancies, errors or omissions. No review of or comments on, failure to review or comment on, or rejection of any design documents will relieve the Concession Company of its responsibilities under this Agreement or prejudice the Authority's rights against the Concession Company.

(e) The Concession Company's responsibilities, obligations and warranties under this Agreement will remain, and the Authority's rights against the Concession Company are not prejudiced, notwithstanding: (i) any receipt or review or approval of, or comment or direction on, or failure to review or comment on, or rejection of, the design documents by the Authority; (ii) any information supplied by the Authority or any changes made to the design

documentation by the Concession Company following the Authority's review, comment or direction; or (iii) any attendance of the Authority or any Representative of the Authority at the Completion Inspection or any other inspection at any time.

(f) The Authority shall be deemed to have Approved the 30% Design and Technical Specifications for the following Cruise Pier Improvement Projects, as of the Date of this Agreement: the portion of the Piers 11-12 Project identified in Schedule 13 as Piers 11-12 – Cruise Pier Building (but not the portion of the Piers 11-12 Project identified in Schedule 13 as Piers 11-12 – Wharf or Piers 11-12 – Uplands). Accordingly, for such Cruise Pier Improvement Projects for which the Authority has Approved 30% Design and Technical Specifications, the rights of the Authority and the Independent Engineer for review and Approval of design documents shall be limited as provided in Section 4.5(b) and Section 4.5(c), except to the extent modifications are made to the portions of the Piers 11-12 Project identified in Schedule 13 as Piers 11-12 – Cruise Pier Building as provided in Section 4.13(a).

Section 4.6 Competitive Procurement; Payment of Excess Costs.

(a) The Concession Company shall, to the extent required by any Government Contributions Agreement (including, for the avoidance of doubt, any Government Contributions Agreement to which the Concession Company is not a party but in connection with which the Concession Company is assisting in the procurement of the applicable Cruise Pier Improvement Project or Modification as Receiver's Agent or otherwise), conduct a competitive process for the services of any Contractor to be engaged and funded in full or in part with Government Contributions in connection with the Pan American Piers Wharf Structure Project, Pier 4 Reconstruction, an Expansion Investment Project, a Phase Two Project or Additional Cruise Port Facilities Project, or any Modification constituting a capital improvement project, in compliance with all the laws, regulations, terms and conditions related to such Government Contributions, including the required provisions set forth in Schedule 7 (to the extent required by the relevant Governmental Authority providing the Government Contributions) and any other FEMA, HUD or other applicable Governmental Authority procurement requirements. For the avoidance of doubt, any Contractor to be engaged in connection with an Initial Investment Project, Expansion Investment Project, Phase Two Project or Additional Cruise Port Facilities Project, or any Modification constituting a capital improvement project that will not be funded with Government Contributions may be selected by the Concession Company in its discretion, unless otherwise required by applicable Law and subject to Section 20.15(a).

(b) With regard to the Pan American Piers Wharf Structure Project, the Expansion Investment Projects, the Pier 4 Reconstruction, the Phase Two Projects, any Additional Cruise Port Facilities Project or any Modification constituting a capital improvement project that will be funded in whole or part with Government Contributions, if the Concession Company is the Receiver of Government Contributions or the Receiver's Agent for any such Cruise Pier Improvement Project or Modification, before any Construction Contract or Government Contributions Agreement is entered into by the Concession Company, the Authority shall have the right to review and Approve the form of any Government Contributions Agreement or Construction Contract that is a Principal Contract or that is required to be submitted to any Governmental Authority for the applicable Pan American Piers Wharf Structure Project, Pier 4 Reconstruction, Expansion Investment Project, Phase Two Project, Additional

Cruise Port Facilities Project or Modification constituting a capital improvement project. Each such Construction Contract shall contain the provisions required by applicable Law in connection with the receipt of Government Contributions, including the provisions set forth in Schedule 7 (to the extent required by the relevant Governmental Authority providing the Government Contributions). Notwithstanding anything to the contrary provided in this Agreement, the Concession Company shall not use cost plus percentage of cost contracting in any Construction Contract funded with Government Contributions unless permitted by applicable Law and authorized by the Authority. For the avoidance of doubt, in respect of any Contractor to be engaged in connection with the Pan American Piers Wharf Structure Project or a Phase Two Project, Expansion Investment Project, Additional Cruise Port Facilities Project or Modification constituting a capital improvement project that will not be funded with Government Contributions, the form of Construction Contract shall not be subject to review and Approval by the Authority; *provided, however*, that each Construction Contract shall contain the provisions referred to in Section 20.15 (which provisions may be incorporated by reference with appropriate adjustments to make them applicable to the Contractor) and the Concession Company shall comply with the provisions of Section 20.15 with regard to Contractors. As soon as practicable after the Authority has Approved the design documents in accordance with Section 4.5 and the Construction Contract (if applicable) or Government Contributions Agreement (if applicable) in accordance with this Section 4.6, the Concession Company shall provide the Authority with: (i) a draft supplement to this Agreement setting out the Design and Technical Specifications, Scheduled Completion Date and other relevant matters relating to the applicable Pan American Piers Wharf Structure Project, Pier 4 Reconstruction, Phase Two Project, Expansion Investment Project, Additional Cruise Port Facilities Project or Modification constituting a capital improvement project and (ii) where the Pan American Piers Wharf Structure Project, Pier 4 Reconstruction, Expansion Investment Project, Phase Two Project, Additional Cruise Port Facilities Project or Modification constituting a capital improvement project will be funded with Government Contributions, the final Government Contributions Agreement or Construction Contract that is a Principal Contract or that is required to be submitted to any Governmental Authority. Simultaneously with the execution of the Construction Contract or Government Contributions Agreement with respect to the applicable Pier 4 Reconstruction, Phase Two Project, Expansion Investment Project, Additional Cruise Port Facilities Project or Modification constituting a capital improvement project, the Concession Company and the Authority will execute such supplement to this Agreement and the Concession Company shall enter into any other relevant agreements necessary to be entered into by the Concession Company to enable it to undertake the Pan American Piers Wharf Structure Project, Pier 4 Reconstruction, Phase Two Projects, Expansion Investment Project or Additional Cruise Port Facilities Projects or Modification constituting a capital improvement project and to otherwise exercise its rights and fulfil its obligations under this Agreement. The Concession Company shall provide the Authority with certified copies of these agreements as soon as practicable after their execution, and obtain all Authorizations necessary for it to undertake the Pan American Piers Wharf Structure Project, Pier 4 Reconstruction, Phase Two Projects, Expansion Investment Project or Additional Cruise Port Facilities Projects or Modification constituting a capital improvement project and to otherwise exercise its rights and perform its obligations under this Agreement. For the avoidance of doubt, if Government Contributions are utilized to pay the Cruise Pier Improvement Projects Cost with respect to any Cruise Pier Improvement Project (which, for the avoidance of doubt, would not include the Initial Investment Projects other than, if applicable,

the Pan American Piers Wharf Structure Project) or Modification constituting a capital improvement project, to the extent there is any conflict between the procedures contained in this Section 4.6 for procuring design and construction of the applicable Cruise Pier Improvement Project and the procedures required as a condition of or requirement for Government Contributions, the Government Contributions procedures shall supersede the procedures contained in this Section 4.6 and the Parties shall comply with them.

(c) Subject to the provisions of Section 10.1 in respect of any financing to be obtained by the Concession Company, with regard to any Cruise Pier Improvement Project for which a Government Contributions Authorization has been issued (which, for the avoidance of doubt, would not include the Initial Investment Projects other than, if applicable, the Pan American Piers Wharf Structure Project) and which the Authority has elected to utilize for the applicable Cruise Pier Improvement Project, the Concession Company shall, provided it is the Receiver of Government Contributions or the Receiver's Agent, be responsible for the payment of any Cruise Pier Improvement Projects Cost in excess of the amount of Government Contributions received by the Concession Company, including any cost sharing amount that the Authority would be responsible for contributing as part of the conditions of the Government Contributions received (to the extent such cost sharing amount is not paid by other Government Contributions), except to the extent such excess Cruise Pier Improvement Projects Cost is caused by a Compensation Event. Accordingly, by way of example and not limitation, (A) if the Government Contribution is a maximum fixed amount and the Cruise Pier Improvement Projects Cost is an amount greater than such maximum fixed amount, then the Concession Company would be responsible for paying the excess of the Cruise Pier Improvement Projects Cost over such maximum fixed amount of the Government Contribution, or (B) if the Government Contribution does not cover a specific portion of the Cruise Pier Improvement Projects Cost (such as, for example, 10%), or does not cover a specific category of Cruise Pier Improvement Projects Cost (such as, for example, any work that does not fit into the category of rehabilitation) then the Concession Company shall be responsible for the payment of such Cruise Pier Improvement Projects Cost, subject to the provisions of Section 10.1 in respect of any financing to be obtained by the Concession Company.

(d) Subject to the provisions of Section 10.1 in respect of any financing to be obtained by the Concession Company, to the extent any Cruise Pier Improvement Projects Cost is required to be paid to the Contractor under the applicable Construction Contract before Government Contributions are available for the payment of such Cruise Pier Improvement Project Cost (which, for the avoidance of doubt, would not include the Initial Investment Projects other than, if applicable, the Pan American Piers Wharf Structure Project), the Concession Company, provided it is the Receiver of Government Contributions or the Receiver's Agent, shall pay, or cause the Contractor to pay, such Cruise Pier Improvement Projects Costs and be reimbursed upon receipt of Government Contributions and in accordance with the applicable Government Contributions Agreement. Accordingly, by way of example and not limitation, if a Construction Contract provides for payment of Contractor invoices no later than 45 days following their submission and FEMA, HUD or other Governmental Authority providing the Government Contribution provides reimbursement for the applicable Cruise Pier Improvement Projects Cost seventy (70) days after the submission of the Contractor invoice, the Concession Company, provided it is the Receiver of Government Contributions or the Receiver's Agent, shall be responsible for paying the Contractor no later than 45 days following the submission of

the Contractor invoice. The Government Contribution will, when received, be used to reimburse the Concession Company for the amount it paid the Contractor, but without any interest accruing on or other fee payable with respect to the amount the Concession Company paid the Contractor, and in accordance with the applicable Government Contributions Agreement.

(e) If the Cruise Pier Improvement Projects Cost for any Cruise Pier Improvement Project or Modification constituting a capital improvement project is paid with Government Contributions (which, for the avoidance of doubt, would not include the Initial Investment Projects other than, if applicable, the Pan American Piers Wharf Structure Project), (i) the Authority shall use its Reasonable Efforts to cause the Concession Company to act as the Receiver of Government Contributions, *provided* that if acting in such capacity is prohibited by the Government Contributions Authorization or applicable Law or otherwise cannot be effected, then (ii) the Authority shall use its Reasonable Efforts to cause the Concession Company to act as the Receiver's Agent, *provided* that if acting in such capacity is prohibited by the Government Contributions Authorization or applicable Law or otherwise cannot be effected, then (iii) the Authority shall use its Reasonable Efforts to cause the Concession Company to act as the construction manager as provided in Section 4.6(f) and Schedule 13, *provided* that if acting in such capacity is prohibited by the Government Contributions Authorization or applicable Law or otherwise cannot be effected, then (iv) the Concession Company shall act in the capacity provided in Section 4.6(h), in each case for the applicable Cruise Pier Improvement Project or Modification constituting a capital improvement project; *provided, however*, that this Section 4.6(e) shall not apply to Additional Cruise Port Facilities Projects outside the Cruise Port Facility, including at any Cruise Pier that is not a part of, or that has been removed from, the Cruise Port Facility and the Concession pursuant to this Agreement.

(f) If the Concession Company is acting as the construction manager for any Cruise Pier Improvement Project or Modification constituting a capital improvement project paid with Government Contributions in accordance with Section 4.6(e), then (i) the Concession Company shall comply with its obligations as construction manager as provided in Schedule 13; (ii) the Concession Company, at its cost and expense, shall, using Reasonable Efforts, cooperate with the Authority, any Receiver of Government Contributions (if other than the Authority), any Receiver's Agent and any Governmental Authority with audit or oversight authority to ensure that the applicable Cruise Pier Improvement Project or Modification is designed, engineered, procured, constructed, equipped and completed as contemplated under this Agreement and as provided in Schedule 13 and the applicable design, engineering, construction or equipping contract, including providing input, suggestions, support and feedback and calling to the attention of the Authority any objection, anticipated problem or suggestion necessary to the successful integration of the Cruise Pier Improvement Projects or Modification into the Cruise Port Facility (provided Concession Company shall not be responsible for the applicable Cruise Pier Improvement Project save as provided in clause (viii) below except to the extent arising out of the Concession Company's failure to discharge its obligations as construction manager as set out in this Agreement); (iii) the Concession Company shall allow the Authority, any Receiver of Government Contributions (if other than the Authority) or any Receiver's Agent for the applicable Cruise Pier Improvement Project or Modification, and any Person acting for any of them as Contractor or otherwise, access to and use of the applicable Cruise Pier to the extent any such Person considers necessary or desirable to design, engineer, procure, construct, equip and complete the applicable Cruise Pier Improvement Project or Modification, subject to the

conditions provided in Section 3.7 (and, for the avoidance of doubt, such access to and use of the applicable Cruise Pier shall not require the consent of the Concession Company and shall include all construction work necessary or desirable to be performed in order to design, engineer, procure, construct, equip and complete the applicable Cruise Pier Improvement Project or Modification), and such access to and use of the applicable Cruise Pier shall not constitute a Compensation Event except to the extent such access and use unreasonably disregards Concession Company's reasonable requests as to how such Cruise Pier Improvement Project or Modification may be undertaken so as to minimize disruption to Cruise Port Facility Operations or any Cruise Pier Improvement Projects or Modifications being implemented by the Concession Company and unreasonably interferes with Cruise Port Facility Operations or any Cruise Pier Improvement Projects or Modifications being implemented by the Concession Company (and the Concession Company shall, at the request of the Authority, consult with the Authority and any other such Person to agree reasonable terms of access and use); (iv) the applicable Cruise Pier Improvement Project shall be implemented in accordance with the Design and Technical Specifications for such Cruise Pier Improvement Project or Modification and only material changes to such Design and Technical Specifications shall constitute a Modification to which the procedures in Article 5 shall apply; (v) with respect to the Piers 11-12 Wharf Project, the Concession Company shall use its Reasonable Efforts to complete the 30% Design and Technical Specifications for the Piers 11-12 Wharf Project no later than ninety (90) days following the Date of this Agreement and, in any case, the 30% Design and Technical Specifications for the Piers 11-12 Wharf Project are a condition to Closing as provided in Section 2.4 and shall be considered to be attached to this Agreement as part of Schedule 13, and more detailed design and technical specifications for the Piers 11-12 Wharf Project shall be considered a Modification only if such more detailed design and technical specifications are not consistent or compliant with the 30% Design and Technical Specifications for the Piers 11-12 Wharf Project in a material manner; (vi) with respect to the Piers 13-14 Wharf Project, the 30% Design and Technical Specifications for the Piers 13-14 Wharf Project are subject to Approval by the Authority in accordance with Section 4.5(b) and, subject to such Approval, shall be considered to be attached to this Agreement as part of Schedule 13, and more detailed design and technical specifications for the Piers 13-14 Wharf Project shall be considered a Modification only if such more detailed design and technical specifications are not consistent or compliant with such Approved 30% Design and Technical Specifications for the Piers 13-14 Wharf Project in a material manner; (vii) the Authority shall, or shall use its Reasonable Efforts to ensure that any Person acting as the Receiver of Government Contributions for the applicable Cruise Pier Improvement Project or Modification shall, cooperate with the Concession Company as construction manager to avoid or limit interference with the Cruise Port Facility Operations or any Cruise Pier Improvement Projects or Modifications being implemented by Concession Company; and (viii) upon completion of the applicable Cruise Pier Improvement Project or Modification in accordance with the terms of the applicable construction contract, such Cruise Pier Improvement Project or Modification shall become an Assumed Liability, *provided, however,* that the Concession Company, acting reasonably, shall have the right to confirm that completion of the applicable Cruise Pier Improvement Project or Modification has occurred in accordance with the terms of the applicable construction contract(s) for such Cruise Pier Improvement Project or Modification within no more than thirty (30) days following notice from the Authority that such completion has occurred, and *provided, further,* that the Authority shall, or shall ensure that any Person acting as the Receiver of Government Contributions for the

applicable Cruise Pier Improvement Project or Modification shall, assign to the Concession Company the benefit of all warranties and guarantees provided under the applicable design, engineering, procurement, construction and equipment contracts entered into for such Cruise Pier Improvement Project or Modification, each of which shall be in a form reasonably satisfactory to Concession Company. Until such assignment, the Authority shall use Reasonable Efforts to ensure that the applicable Cruise Pier Improvement Project (including any Modification thereto) to be paid with Government Contributions is performed in a good and workmanlike manner, in cooperation with the Concession Company to avoid or limit interference with the Cruise Port Facility Operations or Cruise Pier Improvement Projects or Modifications being undertaken by Concession Company, and without damage to the Cruise Port Facility (provided that Authority shall not be in breach thereof to the extent Concession Company fails to perform its obligations as construction manager). The Authority shall, and shall use its Reasonable Efforts to ensure such other Person acting as Receiver of Government Contributions for the applicable Cruise Pier Improvement Project or Modification shall, enforce the terms of contracts entered into for such Cruise Pier Improvement Projects and not, without the approval of the Concession Company, amend, vary or waive compliance with any warranties and guarantees or otherwise vary or instruct a change order under any contract which may have a material effect on Cruise Port Facility Operations or any Cruise Pier Improvement Project (including any Modification thereto). The failure of the Authority to comply with clause (iii) or clause (vii) of this Section 4.6(f) shall constitute a Delay Event and a Compensation Event, except to the extent the impact of such breach would have been avoided had the Concession Company complied with its obligations as construction manager in accordance with this Agreement.

(g) The Annual Authority Revenue Share shall be adjusted as provided in Section 10.6 and Schedule 15.

(h) If the Cruise Pier Improvement Projects Cost for any Cruise Pier Improvement Project or Modification constituting a capital improvement project is paid with Government Contributions (which, for the avoidance of doubt, would not include the Initial Investment Projects other than, if applicable, the Pan American Piers Wharf Structure Project) and the Concession Company does not act as the Receiver of Government Contributions, the Receiver's Agent or the construction manager for the applicable Cruise Pier Improvement Project or Modification constituting a capital improvement project, then (i) the Concession Company, at its cost and expense, shall, using Reasonable Efforts, cooperate with the Authority and any Person acting as the construction manager or Receiver of Government Contributions for the applicable Cruise Pier Improvement Project or Modification to ensure that the applicable Cruise Pier Improvement Project or Modification is designed, engineered, procured, constructed, equipped and completed as contemplated under this Agreement and as provided in Schedule 13 and the applicable design, engineering, construction or equipping contract, including providing input, suggestions, support and feedback and calling to the attention of the Authority any objection, anticipated problem or suggestion necessary to the successful integration of the Cruise Pier Improvement Projects or Modification into the Cruise Port Facility (provided the Concession Company shall not be responsible for the applicable Cruise Pier Improvement Project save as provided in clause (vii) below); (ii) the Concession Company shall allow the Authority, any Person acting as the construction manager or the Receiver of Government Contributions for the applicable Cruise Pier Improvement Project or Modification, and any Person acting for any of them as Contractor or otherwise, access to and use of the applicable

Cruise Pier to the extent any such Person considers necessary or desirable to design, engineer, procure, construct, equip and complete the applicable Cruise Pier Improvement Project or Modification, subject to the conditions provided in Section 3.7 (and, for the avoidance of doubt, such access to and use of the applicable Cruise Pier shall not require the consent of the Concession Company and shall include all construction work necessary or desirable to be performed in order to design, engineer, procure, construct, equip and complete the applicable Cruise Pier Improvement Project or Modification), and such access and use shall not constitute a Compensation Event except to the extent such access and use unreasonably disregards Concession Company's reasonable requests as to how such Cruise Pier Improvement Project or Modification may be undertaken so as to minimize disruption to Cruise Port Facility Operations or any Cruise Pier Improvement Projects or Modifications being implemented by the Concession Company and unreasonably interferes with Cruise Port Facility Operations or any Cruise Pier Improvement Projects or Modifications being implemented by the Concession Company (and the Concession Company shall, at the request of the Authority, consult with the Authority and any other such Person to agree reasonable terms of access and use); (iii) the applicable Cruise Pier Improvement Project shall be implemented in accordance with the Design and Technical Specifications for such Cruise Pier Improvement Project or Modification and only material changes to such Design and Technical Specifications shall constitute a Modification to which the procedures in Article 5 shall apply; (iv) with respect to the Piers 11-12 Wharf Project, the Concession Company shall use its Reasonable Efforts to complete the 30% Design and Technical Specifications for the Piers 11-12 Wharf Project no later than ninety (90) days following the Date of this Agreement and, in any case, the 30% Design and Technical Specifications for the Piers 11-12 Wharf are a condition to Closing as provided in Section 2.4 and shall be considered to be attached to this Agreement as part of Schedule 13, and more detailed design and technical specifications for the Piers 11-12 Wharf Project shall be considered a Modification only if such more detailed design and technical specifications are not consistent or compliant with the 30% Design and Technical Specifications for the Piers 11-12 Wharf Project in a material manner; (v) with respect to the Piers 13-14 Wharf Project, the 30% Design and Technical Specifications for the Piers 13-14 Wharf Project are subject to Approval by the Authority in accordance with Section 4.5(b) and, subject to such Approval, shall be considered to be attached to this Agreement as part of Schedule 13, and more detailed design and technical specifications for the Piers 13-14 Wharf Project shall be considered a Modification only if such more detailed design and technical specifications are not consistent or compliant with such Approved 30% Design and Technical Specifications for the Piers 13-14 Wharf Project in a material manner; (vi) the Authority shall, or shall use its Reasonable Efforts to ensure that any Person acting as the construction manager or Receiver of Government Contributions for the applicable Cruise Pier Improvement Project or Modification shall, cooperate with the Concession Company to avoid or limit interference with the Cruise Port Facility Operations or any Cruise Pier Improvement Projects or Modifications being implemented by Concession Company; and (vii) upon completion of the applicable Cruise Pier Improvement Project or Modification) such Cruise Pier Improvement Project shall become an Assumed Liability, *provided, however,* that the Concession Company, acting reasonably, shall have the right to confirm that completion of the applicable Cruise Pier Improvement Project or Modification has occurred in accordance with the terms of the applicable construction contract for such Cruise Pier Improvement Project or Modification within no more than thirty (30) days following notice from the Authority that such completion has occurred, and *provided, further*, that (i) the Authority shall assign to the

Concession Company the benefit of all warranties and guarantees provided under the applicable design, engineering, procurement, construction and equipment contracts entered into for such Cruise Pier Improvement Project, each of which shall be in a form reasonably satisfactory to Concession Company. Until such assignment, the Authority shall use Reasonable Efforts to ensure that the applicable Cruise Pier Improvement Project (including any Modification thereto) to be paid with Government Contributions is performed in a good and workmanlike manner, in cooperation with the Concession Company to avoid or limit interference with the Cruise Port Facility Operations or any Cruise Pier Improvement Projects or Modifications being implemented by Concession Company, and without damage to the Cruise Port Facility. The Authority shall, and shall use its Reasonable Efforts to ensure such other Person acting as the construction manager or Receiver of Government Contributions for the applicable Cruise Pier Improvement Project or Modification shall, enforce the terms of contracts entered into for such Cruise Pier Improvement Projects and shall not, without the approval of the Concession Company, amend, vary or waive compliance with any warranties and guarantees or otherwise vary or instruct a change order under any contract which may have a material effect on Cruise Port Facility Operations or any Cruise Pier Improvement Project (including any Modification thereto). The failure of the Authority to comply with clause (ii) or clause (vi) of this Section 4.6(h) shall constitute a Delay Event and a Compensation Event.

Section 4.7 Milestone Inspection and Completion Inspection; Title.

(a) The Concession Company is responsible for the development and implementation of inspection procedures for each Cruise Pier Improvement Project and Modification in accordance with the Design and Technical Specifications for each Construction Milestone (the "Milestone Inspection") and completion of the applicable Cruise Pier Improvement Project or Modification in accordance with the terms of the applicable construction contract(s) for such Cruise Pier Improvement Project or Modification (the "Completion Inspection"). The Concession Company shall give the Authority and the Independent Engineer at least 30 days prior written notice of the commencement of each Milestone Inspection and the Completion Inspection. A Representative or Representatives nominated by the Authority is entitled to attend the Completion Inspection. The Concession Company shall, at its sole cost and expense, undertake each Milestone Inspection and the Completion Inspection.

(b) Title to all repairs, replacements and any other improvements of or relating to the Cruise Port Facility, including any Cruise Pier Improvement Project or Modification, shall pass to the Authority immediately upon completion thereof, irrespective of who pays for such repairs, replacement or other improvements and without any additional action required by either Party or any other Person. The passage of title to such repairs, replacements or improvements of or relating to the Cruise Port Facility shall not release the Concession Company from its responsibility to meet its obligations under this Agreement.

Section 4.8 Milestone Certificate and Completion Certificate.

(a) The Concession Company (and, at the request of the Concession Company, the Authority) shall ensure that the Independent Engineer attends and participates in each Milestone Inspection and the Completion Inspection.

(b) Within 5 days following each Milestone Inspection and 10 days following completion of the Completion Inspection and the review and analysis of the relevant data and other information, the Independent Engineer shall issue a certificate to the Authority and the Concession Company which shall state either that:

(i) the Milestone Inspection or Completion Inspection, as applicable, has been passed and in the opinion of the Independent Engineer (A) the Cruise Pier Improvement Project or Modification, as applicable, has achieved the Construction Milestone or is complete in all respects in accordance with this Agreement, as applicable, other than minor items that in the reasonable opinion of the Independent Engineer will not prejudice (either by not being completed or as a result of the work needed to complete them) the ability of the Concession Company to continue to the next succeeding Construction Milestone or to conduct operation of the Cruise Pier Improvement Project or Modification, as applicable, legally, safely, reliably, efficiently and otherwise in accordance with this Agreement and (B) in the case of the Completion Certificate (in addition), all Authorizations required for Completion to occur and the Cruise Pier Improvement Project or Modification, as applicable, to be operated in accordance with this Agreement have been issued to the Concession Company; or

(ii) the Milestone Inspection or the Completion Inspection, as applicable, has not been passed and the Cruise Pier Improvement Project or Modification, as applicable, is not satisfactory to the Independent Engineer or all Authorizations have not been issued to the Concession Company or are not in full force and effect, or both, and which identifies the specific items of non-compliance.

(c) If the Independent Engineer issues a certificate in accordance with Section 4.8(b)(ii), the Concession Company shall rectify or cause to be rectified the Cruise Pier Improvement Project or Modification, as applicable, as set out in the certificate and the procedures in Section 4.8(a) and (b) will re-commence.

(d) The Concession Company is not entitled to additional costs related to the issuance of a certificate by the Independent Engineer pursuant to Section 4.8(b), including the obligation of the Concession Company to rectify or cause to be rectified the Cruise Pier Improvement Project or Modification, as applicable, in accordance with Section 4.8(c), and no circumstance related to Section 4.8(b) or Section 4.8(c) shall constitute a Delay Event.

(e) The Concession Company shall provide to the Authority all documents and Authorizations required to be provided under this Agreement in order to achieve Completion and shall confirm in an Officer's Certificate that: (i) all such Authorizations for the Cruise Pier Improvement Project or Modification, as applicable, have been issued to the Concession Company and have been provided to the Authority; (ii) copies of all the documents and drawings referred to in Section 4.8(b) have been provided to the Authority; and (iii) all documents (including all handover and operation and maintenance manuals) and other information required under this Agreement with respect to the Cruise Pier Improvement Project or Modification, as applicable, including those documents described as part of the Close Out Submittals in Section 8(d)(i) of Schedule 13, have been supplied to the Authority, excluding, for the avoidance of doubt, those documents identified in Section 8(d)(ii) and Section 8(d)(iii) of Schedule 13 to be

provided within one hundred and twenty (120) days or one hundred and eighty (180) days (as specified in Section 8(d) of Schedule 13) after the Completion Inspection.

(f) With respect to the Milestone Inspections, upon receipt by the Authority of the certificate of the Independent Engineer in Section 4.8(b)(i), completion of the applicable Construction Milestone for the Cruise Pier Improvement Project or Modification, as applicable, shall be deemed to have occurred.

(g) With respect to the Completion Inspection, upon receipt by the Authority of the certificate of the Independent Engineer under Section 4.8(b)(i), the certificate of the Concession Company under Section 4.8(e) and all Authorizations and other documents to be provided by the Concession Company as required by Section 4.8(e), completion of the applicable Cruise Pier Improvement Project or Modification, as applicable, shall be deemed to have occurred ("Completion").

(h) If either Party disputes a decision or determination of the Independent Engineer, it may submit such dispute for resolution in accordance with Article 19.

Section 4.9 The Authority to be Kept Informed.

(a) The Authority is entitled to inspect any part of any Cruise Pier Improvement Project or Modification, as applicable, during the design, engineering, construction, equipping and completion of it and where applicable the Concession Company will be given reasonable prior notice of such inspection.

(b) The Concession Company shall: (i) promptly inform the Authority of any likely material deviations from any Scheduled Completion Date; and (ii) provide to the Authority monthly written reports setting out the current progress of the design, engineering, construction, equipping of each Cruise Pier Improvement Project or Modification, as applicable, against the Scheduled Completion Date.

Section 4.10 Protection of Persons and Property and Interference.

(a) The Concession Company shall, when performing its obligations under this Agreement: (i) take measures necessary to protect people and property; (ii) avoid unnecessary interference with the passage of persons and vehicles on Affected Property or otherwise; (iii) prevent nuisance and unreasonable noise and disturbance when performing its obligations under this Agreement; and (iv) ensure that emissions, discharges and debris from the Concession Company's activities comply with all Laws.

(b) The Concession Company shall: (i) ensure that when performing its obligations under this Agreement it does not interfere with or disrupt any of the Authority's operations or any activity on Affected Property, except at the times and in the manner approved in writing by the Authority; and (ii) immediately notify the Authority if in performing its obligations under this Agreement it is likely to interfere with or disrupt any of the Authority's operations or any activity on Affected Property.

Section 4.11 Documentation. From the date of Completion of each Cruise Pier Improvement Project or Modification, as applicable, and throughout the Term, the Concession Company shall retain at the Cruise Port Facility and provide the Authority: (a) copies of the specifications and operation manuals for all items of equipment incorporated into the Cruise Pier Improvement Project or Modification, as applicable; (b) the as-built drawings for each Cruise Pier Improvement Project or Modification, as applicable; and (c) all detailed technical documents related to the engineering, procurement, construction, equipping and completion of each Cruise Pier Improvement Project or Modification, as applicable, to the extent that such items are normally retained in accordance with Good Industry Practices or are otherwise required to be retained under this Agreement.

Section 4.12 Implementation of the Pier 4 Reconstruction and the Phase Two Projects; Use of Government Contributions for the Pan American Piers Wharf Structure Project.

(a) The Concession Company shall design, engineer, procure, construct, equip and complete the Rehabilitation Pier 4 Wharf as part of the Initial Investment Projects unless the Authority elects pursuant to Section 4.12(c) that the Pier 4 Reconstruction shall be carried out by the Concession Company (acting in one of the capacities provided in Section 4.6(e)) on the basis that Government Contributions in an amount sufficient to pay the Cruise Pier Improvement Projects Cost for the Pier 4 Reconstruction which are eligible for receipt of Government Contributions have been approved as described below (in which case the Concession Company shall be released from its obligations to carry out the Rehabilitation Pier 4 Wharf hereunder, currently comprising part of the Initial Investment Projects, and the conversion of Pier 4 into a Port of Call, currently comprising part of the Expansion Investment Projects); *provided, however*, that (for the avoidance of doubt) the obligations of the Concession Company pursuant to Section 4.6(b) and Section 4.6(c) with respect to the Pier 4 Reconstruction to the extent the Government Contributions are insufficient to any Cruise Pier Improvement Projects Cost under the circumstances described in Section 4.6(b) and Section 4.6(c) shall be applicable to the Pier 4 Reconstruction.

(b) The Concession Company shall design, engineer, procure, construct, equip and complete the Phase Two Projects upon the occurrence of the Phase Two Trigger Event and satisfaction of the Phase Two Projects Requirements. Following the occurrence of the Phase Two Trigger Event and subject to the provisions of Section 3.24, the Concession Company shall promptly obtain the following, which shall constitute the Phase Two Projects Requirements: (i) the issuance by the Concession Company, using Reasonable Efforts, pursuant to Section 10.1, of Concession Mortgage Debt, on the terms set forth in Schedule 13, in an amount sufficient to pay the Cruise Pier Improvement Projects Cost with respect to the Phase Two Projects (unless the Authority notifies the Concession Company as to the receipt by the Authority of the Government Contributions Authorization with respect to the Phase Two Projects as provided in Section 4.12(d)), (ii) the Phase Two Rate of Return Test is able to be satisfied (except as provided in the last sentence of Section 3.24(f) with respect to the Piers 13-14 Wharf Project) or the Concession Company has otherwise determined as provided in Section 3.24(d) to implement the Phase Two Projects or and (iii) the issuance by the applicable Governmental Authorities of the Authorizations for the construction of the Phase Two Projects; and subject, further, to the provisions of Section 3.24.

(c) Following receipt by the Authority of the Government Contributions Authorization with respect to the Pan American Piers Wharf Structure Project or the Pier 4 Reconstruction approving Government Contributions in an amount sufficient to pay the Cruise Pier Improvement Projects Cost in respect thereof which are eligible for receipt of Government Contributions, the Authority may notify the Concession Company that it has received Government Contributions Authorization for the applicable Cruise Pier Improvement Projects Cost which are eligible for receipt of Government Contributions and elects to carry out the Pan American Piers Wharf Structure Project or the Pier 4 Reconstruction in place of the Rehabilitation Pier 4 Wharf and the conversion of Pier 4 into a Port of Call, *provided* that such notice may not be given any later than thirty (30) days prior to the Closing Date. Promptly following receipt of such notice by the Concession Company, the Authority and the Concession Company shall use Reasonable Efforts to obtain the Government Contributions necessary to pay the Cruise Pier Improvement Projects Cost which are eligible for receipt of Government Contributions. If Government Contributions are insufficient to pay a portion of the Cruise Pier Improvement Projects Cost or are delayed or denied, then the Concession Company, at the request of the Authority, shall, using Reasonable Efforts, pursuant to Section 10.1, proceed with the issuance of Concession Mortgage Debt for the payment of all Cruise Pier Improvement Projects Cost which are not eligible for the receipt of Government Contributions or respect to which Government Contributions are delayed or denied, *provided* that the issuance of Concession Mortgage Debt for the Pan American Piers Wharf Structure Project shall not be limited to the use of Reasonable Efforts. For the avoidance of doubt, amounts not eligible for receipt of Government Contributions shall include any cost sharing amount for which the Authority would be responsible but for which the Concession Company, at request of the Authority, would include in the amount of Concession Mortgage Debt. If the Authority does not so notify the Concession Company and make such election no later than thirty (30) days prior to the Closing Date, as aforesaid, then the Concession Company shall not be required to implement the Pan American Piers Wharf Structure Project or the Pier 4 Reconstruction and shall implement the Pan American Piers Wharf Structure Project or the Rehabilitation Pier 4 Wharf, as applicable, as part of the Initial Investment Projects (including, for the avoidance of doubt, providing financing for the Pan American Piers Wharf Structure Project or the Rehabilitation Pier 4 Wharf, as applicable, without being limited to use of Reasonable Efforts, as provided in Section 10.1) and, subject to the occurrence of the Expansion Investment Projects Trigger Event and satisfaction of the Expansion Investment Projects Requirements, the conversion of Pier 4 into a Port of Call.

(d) Following the occurrence of the Phase Two Trigger Event, and subject to the provisions of Section 10.1, the Concession Company shall use Reasonable Efforts to obtain a binding commitment from Institutional Lenders for the issuance of Concession Mortgage Debt on the terms set forth in Schedule 13 and in an amount sufficient to pay the Cruise Pier Improvement Projects Cost with respect to the Phase Two Projects. In the event the Concession Company obtains such binding commitment from such Institutional Lenders and the other Phase Two Projects Requirements have been satisfied, the Concession Company shall promptly (i) prepare bid documents for prospective Contractors and implement the Phase Two Projects, as provided in Section 4.1 through Section 4.11, as applicable, and (ii) proceed with the issuance of such Concession Mortgage Debt; *provided, however*, that the Concession Company shall not proceed with the issuance of such Concession Mortgage Debt if the Authority has notified the

Concession Company that it has received a Government Contributions Authorization for the applicable Cruise Pier Improvement Projects Cost which are eligible for receipt of Government Contributions and intends to utilize Government Contributions for payment of the Cruise Pier Improvement Projects Cost which are eligible for receipt of Government Contributions. Such notice from the Authority shall direct the Concession Company to commence the design, engineering, procurement, construction, equipping and completion of the Phase Two Projects, and shall state that the Authority intends to utilize Government Contributions to pay the Cruise Pier Improvement Projects Cost which are eligible for receipt of Government Contributions (recognizing that the Authority may be required pursuant to the requirements for Government Contributions or applicable Law to undertake a competitive procurement for the construction of the part of the Phase Two Projects funded by Government Contributions and that the Concession Company will have one of the roles provided in Section 4.6(e)). If the Authority states in such notice that the Authority intends to utilize Government Contributions to pay the Cruise Pier Improvement Projects Cost which are eligible for receipt of Government Contributions, then the Authority and the Concession Company shall use Reasonable Efforts to obtain the Government Contributions necessary to pay the Cruise Pier Improvement Projects Cost which are eligible for receipt of Government Contributions. If the Government Contributions are insufficient to pay a portion of the Cruise Pier Improvement Projects Cost or are delayed or denied, then the Concession Company, at the request of the Authority, shall, subject to the requirements of Section 10.1, proceed with the issuance of such Concession Mortgage Debt for the payment of all Cruise Pier Improvement Projects Cost which are not eligible for receipt of Government Contributions or with respect to which Government Contributions are delayed or denied. For the avoidance of doubt, amounts not eligible for receipt of Government Contributions shall include any cost sharing amount for which the Authority would be responsible but which the Concession Company, at the request of the Authority, would include in the amount of Concession Mortgage Debt.

(e) At any time following receipt by the Authority of a Government Contributions Authorization with respect to the Pan American Piers Wharf Structure Project, the Pier 4 Reconstruction or the Phase Two Projects (or any portion of the Phase Two Projects, including the Piers 13-14 Wharf Project), as applicable, for Government Contributions in an amount sufficient to pay the applicable Cruise Pier Improvement Projects Cost which are eligible for receipt of Government Contributions, the Authority may elect to require the Concession Company to design, engineer, procure, construct, equip and complete the Pan American Piers Wharf Structure Project, the Pier 4 Reconstruction or the Phase Two Projects (or portion thereof, including the Piers 13-14 Wharf Project), as applicable, by giving notice to the Concession Company of such election; *provided, however*, that with respect to the Phase Two Projects other than that portion of the Phase Two Projects consisting of the Piers 13-14 Wharf Project, one of the conditions set forth in Section 3.24(f) for the implementation of the Phase Two Projects has been satisfied and with respect to the Pan American Piers Wharf Structure Project or the Pier 4 Reconstruction such notice shall have been given by the Authority within the period provided in Section 4.12(c); and *provided, further*, that with respect to the portion of the Phase Two Projects consisting of the Piers 13-14 Wharf Project the provisions of the last sentence of Section 3.24(f) shall apply. Such notice shall (i) identify the Government Contributions Authorization, including the amount of the Government Contributions, and (ii) direct the Concession Company to commence the design, engineering, procurement, construction, equipping and completion of the

Pan American Piers Wharf Structure Project, the Pier 4 Reconstruction and the Phase Two Projects (or applicable portion thereof), as applicable. Promptly following receipt by the Concession Company of the notice provided in this Section 4.12(e), the Concession Company shall implement the Pan American Piers Wharf Structure Project, the Pier 4 Reconstruction or the Phase Two Projects (or applicable portion thereof), as applicable, as provided in Section 4.1 through Section 4.11.

(f) The Annual Authority Revenue Share shall be adjusted as provided in Section 10.6 and section 12 of Schedule 15.

Section 4.13 Implementation of the Expansion Investment Projects and Extension of Term.

(a) The Concession Company shall design, engineer, procure, construct, equip and complete the Expansion Investment Projects upon (x) the occurrence of the Expansion Investment Projects Trigger Event or the determination by the Concession Company to implement the Expansion Investment Projects pursuant to Section 3.25(c) even though the Expansion Investment Projects Trigger Event has not occurred and (y) satisfaction of the Expansion Investment Projects Requirements. In addition, the Expansion Investment Projects shall be implemented as provided in Section 3.25(i). Following the occurrence of the Expansion Investment Projects Trigger Event, and subject to the provisions of Section 3.25, the Concession Company shall promptly obtain the following, which shall constitute the Expansion Investment Projects Requirements: (i) the issuance by the Concession Company, using Reasonable Efforts, pursuant to Section 10.1, of Concession Mortgage Debt, on the terms set forth in Schedule 13 and pursuant to a Concession Mortgage and related Documents Approved by the Authority, in an amount sufficient to pay the Cruise Pier Improvement Projects Cost with respect to the Expansion Investment Projects (other than such portion of such Cruise Pier Improvement Projects Cost that is paid from Government Contributions), (ii) the Authorizations for the implementation of the Expansion Investment Projects described in Section C of Schedule 17 and (iii) confirmation by GeoConsult LLC, San Juan, Puerto Rico (or any other Person Approved by the Authority, and the fees and expenses of GeoConsult LLC or such other Person to be paid by the Concession Company and not with Government Contributions) in a geotechnical investigation report commissioned by the Concession Company with respect to the analysis of the physical properties and characteristics of the subsurface material at Piers 11-12 (the "Piers 11-12 Geotechnical Report") that the classification of such subsurface material at Piers 11-12 is Class D (as such classification is defined by Codes ASCE/SEI 7-16 of the American Society of Civil Engineers and was determined in the reports listed in Appendix M to Schedule 13). In the event the 30% Design and Technical Specifications for the Piers 11-12 Project require modifications in connection with the issuance of the Authorizations for the Piers 11-12 Project or otherwise to comply with applicable Law, (A) such modifications shall be subject to the Approval of the Authority before any application for an Authorization is submitted to the applicable Governmental Authority or, in the event no such Authorization is required, before any construction work is commenced, and (B) the cost and expense of making such modifications and any cost and expense of implementing the Piers 11-12 Project as a result of such modifications shall be paid by the Concession Company and shall not constitute a Compensation Event. If the Piers 11- 12 Geotechnical Report does not confirm that the classification of the subsurface material at Piers 11-12 is Class D (as such classification is defined by Codes

ASCE/SEI 7-16 of the American Society of Civil Engineers and was determined in the reports listed in Appendix M to Schedule 13), the Parties shall meet promptly following the issuance of the Piers 11-12 Geotechnical Report and (1) if a Government Contributions Authorization with respect to the Expansion Investment Projects for Government Contributions in an amount sufficient to pay the applicable Cruise Pier Improvement Projects Cost which are eligible for receipt of Government Contributions for all or a part of the Expansion Investment Projects (including all or part of the Piers 11-12 Wharf Project) has been received by the Authority or is expected to be received by the Authority, the Authority and the Concession Company shall confirm the effect of the subsurface material classification on the 30% Design and Technical Specifications and that there are sufficient Government Contributions, together with Concession Mortgage Debt, to implement the Expansion Investment Projects or the applicable portion thereof expected to be implemented, and, subject to such confirmation, the Expansion Investment Projects Requirement shall be deemed to be satisfied, or (2) if a Government Contributions Authorization with respect to the Expansion Investment Projects for Government Contributions in an amount sufficient to pay the applicable Cruise Pier Improvement Projects Cost which are eligible for receipt of Government Contributions for all or a part of the Expansion Investment Projects (including all or part of the Piers 11-12 Wharf Project) has not been received by the Authority and is not expected to be received by the Authority, or if the confirmation provided in item (1) above is not made by the Authority and the Concession Company, then such Expansion Investment Projects Requirement shall be deemed not to be satisfied and the Parties shall discuss in good faith an alternative technical and/or financial solution for the Expansion Investment Projects. The Concession Company acknowledges that, as provided in Section 1.6, any such good faith discussion shall not be construed as an obligation of the Authority to agree to any alternative technical and/or financial solution for the Expansion Investment Projects.

(b) The Concession Company shall use Reasonable Efforts to obtain the Authorization described in Section C of Schedule 17 from the Office of Management of Permits of the Commonwealth or the Puerto Rico Planning Board, as necessary, provided that the Authority shall use its Reasonable Efforts to assist the Concession Company in obtaining such Authorization, including without limitation executing any necessary approval or consent for the Concession Company to obtain such Authorization. The Concession Company shall be entitled to a Delay Event to the extent the Concession Company complied with its Reasonable Efforts obligation but such Authorization is not timely obtained, *provided* that any delay in obtaining or failure to obtain such Authorization shall not constitute a Compensation Event or an Adverse Action.

(c) Following the occurrence of the Expansion Investment Projects Trigger Event or the Concession Company otherwise determining to implement the Expansion Investment Projects pursuant to Section 3.25(c) even though the Expansion Investment Projects Trigger Event has not occurred, or following the election of the Authority provided in Section 3.25(i), subject to the provisions of Section 10.1, the Concession Company shall use Reasonable Efforts to obtain a binding commitment from Institutional Lenders for the issuance of Concession Mortgage Debt on the terms set forth in Schedule 13 and in an amount sufficient to pay the Cruise Pier Improvement Projects Cost with respect to the Expansion Investment Projects (or a portion thereof in the case of the implementation of the Expansion Investment Projects pursuant to Section 3.25(i)). In the event the Concession Company obtains such binding commitment from such Institutional Lenders and the other Expansion Investment Projects

Requirements are achieved, the Concession Company shall promptly (i) implement the Expansion Investment Projects, as provided in Section 4.1 through Section 4.11, as applicable, and (ii) proceed with the issuance of such Concession Mortgage Debt.

(d) Upon the satisfaction, or waiver by the Authority, of the following conditions, following the occurrence of the Expansion Investment Projects Trigger Event (or the Concession Company otherwise determining to implement the Expansion Investment Projects pursuant to Section 3.25(c) even though the Expansion Investment Projects Trigger Event has not occurred), or following the election of the Authority provided in Section 3.25(i) but excluding the situation provided in Section 3.25(i) in which a portion of the Expansion Investment Projects has been fully funded by Government Contributions but the balance of the Expansion Investment Projects has not been implemented, and issuance of the Authorizations referred to in item (ii) of Section 4.13(a) and subject to the provisions of Section 3.25, the Term shall be extended to expire thirty (30) years from the satisfaction of the following conditions without any further approval required by any Person: (i) issuance of the Concession Mortgage Debt in an amount sufficient to pay the Cruise Piers Improvement Projects Cost with respect to the Expansion Investment Projects, on the terms set forth in Schedule 13, and (ii) the Concession Mortgage pursuant to which the Concession Mortgage Debt is issued having no material conditions to the use of such Concession Mortgage Debt to pay such Cruise Piers Improvement Projects Cost (as determined by the Authority, acting reasonably); *provided, however*, that any extension of the Term effected by this Section 4.13(d) or any other provision of this Agreement (other than an election by the Authority to provide Concession Compensation by extending the Term pursuant to Section 15.1(c)(i)(B)) shall not result in the Term expiring after 11:59 p.m. on the 35th anniversary of the Closing Date. For the avoidance of doubt, if (A) the Expansion Investment Projects Trigger Event pursuant to which the Expansion Investment Projects are implemented occurs after the fifth (5th) anniversary of the Closing Date or the Concession Company otherwise determines after the fifth (5th) anniversary of the Closing Date to implement the Expansion Investment Projects pursuant to Section 3.25(c) even though the Expansion Investment Projects Trigger Event has not occurred, or other circumstances occur, and (B) an extension of the Term as calculated in accordance with this Section 4.13(d) would result in the expiration of the Term after 11:59 p.m. on the 35th anniversary of the Closing Date, then the Authority would have no obligation to extend the Term beyond 11:59 p.m. on the 35th anniversary of the Closing Date, but, at the request of the Concession Company, the Parties shall discuss in good faith an extension of the Term beyond 11:59 p.m. on the 35th anniversary of the Closing Date in order to facilitate the implementation of the Expansion Investment Projects. Such discussion shall include discussion of the consideration for such extension, which consideration may include payment by the Concession Company to the Authority of a fee to be agreed by the Parties. The Concession Company acknowledges that, as provided in Section 1.6, any such good faith discussion shall not be construed as an obligation of the Authority to agree to any such extension of the Term.

Section 4.14 Pier 3 EPIC Repairs.

(a) The Concession Company acknowledges that it: (i) has reviewed information regarding the bids from potential Contractors in respect of the Pier 3 EPIC Repairs and the documents and other material listed in Appendix H of Schedule 13 (the "Pier 3 EPIC Repairs Design") and (ii) is intended that as of or after the Date of this Agreement the Pier 3

EPIC Repairs Contract and the Pier 3 EPIC Repairs Project Management Contract have been or will be executed by the Authority.

(b) The Authority shall provide the Concession Company with any materially more detailed design documents regarding the Pier 3 EPIC Repairs Design promptly following their receipt by the Authority from the Contractor for the Pier 3 EPIC Repairs. The Concession Company may, no later than 10 days following receipt of such design documents, provide the Authority with its comments on such design documents; *provided, however*, that such comments shall be limited to those aspects of the design documents which, in the reasonable judgment of the Concession Company, are materially inconsistent with the Pier 3 EPIC Repairs Design. The Authority shall use its Reasonable Efforts to make modifications to the Pier 3 EPIC Repairs Design based upon such comments of the Concession Company; *provided, however*, that any decision regarding modifications to the Pier 3 EPIC Repairs Design may be made by the Authority in its discretion. The Authority shall provide the Concession Company a copy of the Pier 3 EPIC Repairs Design as the same may be modified form time to time.

(c) No later than ten (10) days following the Closing Date the Authority shall notify the Concession Company regarding the status of the Pier 3 EPIC Repairs, including whether the Pier 3 EPIC Repairs are completed, and shall meet with the Concession Company in order to respond to any questions of the Concession Company. The Authority shall provide the Concession Company with such information regarding the Pier 3 EPIC Repairs as the Concession Company reasonably requests. No later than twenty (20) days following the Closing Date the Concession Company shall notify the Authority in writing either that the Concession Company will or will not accept the assignment of the Pier 3 EPIC Repairs Contract and the Pier 3 EPIC Repairs Project Management Contract. If the Concession Company notifies the Authority that the Concession Company will accept the assignment of the Pier 3 EPIC Repairs Contract and the Pier 3 EPIC Repairs Project Management Contract, then the Authority and the Concession Company shall promptly execute an assignment of the Pier 3 EPIC Repairs Contract and the Pier 3 EPIC Repairs Project Management Contract and the Pier 3 EPIC Repairs Contract and the Pier 3 EPIC Repairs Project Management Contract shall constitute Assigned Port Facility Contracts and the relevant part of Pier 3 constructed as the Pier 3 EPIC Repairs shall become part of the Cruise Port Facility and an Assumed Liability. The assignment of the Pier 3 EPIC Repairs Contract and the Pier 3 EPIC Repairs Project Management Contract shall not require payment by the Authority of any amount to the Concession Company and shall contain a provision that the Concession Company waives any claim against the Authority for loss of Cruise Port Revenues or for other damages or negative impact on Cruise Port Facility Operations caused by or related to the Pier 3 EPIC Repairs.

(d) If the Pier 3 EPIC Repairs Contract and the Pier 3 EPIC Repairs Project Management Contract are not assigned to the Concession Company as provided in Section 4.14(c), the Authority shall continue to administer the implementation of the Pier 3 EPIC Repairs under the Pier 3 EPIC Repairs Contract and the Pier 3 EPIC Repairs Project Management Contract. Upon completion of the Pier 3 EPIC Repairs, and as a condition to the relevant part of Pier 3 constructed as the Pier 3 EPIC Repairs becoming part of the Cruise Port Facility and an Assumed Liability, (i) the Authority shall assign to the Concession Company the benefit of all warranties and guarantees provided under the Pier 3 EPIC Repairs Contract which are permitted to be assigned pursuant to the Pier 3 EPIC Repairs Contract and the Pier 3 EPIC Repairs Project

Management Contract and (ii) the Concession Company shall waive any claim against the Authority for loss of Cruise Port Revenues or for other damages or negative impact on Cruise Port Facility Operations caused by or related to such completed Pier 3 EPIC Repairs.

(e) Between the Date of this Agreement and the Closing Date or subsequent assignment of the Pier 3 EPIC Repairs Contract and the Pier 3 EPIC Repairs Project Management Contract to the Concession Company, the Authority shall use Reasonable Efforts to ensure that the Pier 3 EPIC Repairs are performed in a good and workmanlike manner, in accordance with the Pier 3 EPIC Repairs Contract and using Reasonable Efforts to minimize interference with the Cruise Port Facility Operations and further damage to the Cruise Port Facility. The Authority and the Concession Company shall meet as reasonably requested by either Party prior to the Closing Date to discuss the status of the Pier 3 EPIC Repairs.

(f) As from the assignment of the Pier 3 EPIC Repairs Contract and the Pier 3 EPIC Repairs Project Management Contract pursuant to Section 4.14(c), the Concession Company shall use Reasonable Efforts to ensure that the Pier 3 EPIC Repairs are performed in a good and workmanlike manner, in accordance with the Pier 3 EPIC Repairs Contract and using Reasonable Efforts to minimize interference with the Cruise Port Facility Operations and further damage to the Cruise Port Facility.

(g) The failure of the Contractor to achieve substantial completion of the Pier 3 EPIC Repairs in all material respects by the date specified in the Pier 3 EPIC Repairs Contract as the substantial completion date for the Pier 3 EPIC Repairs shall constitute a Delay Event and a Compensation Event; *provided, however*, that the Concession Compensation, notwithstanding anything to the contrary in Article 15, and without limiting the remedies of the Concession Company under the Pier 3 EPIC Repairs Contract and the Pier 3 EPIC Repairs Project Management Contract or any warranties or guarantees assigned to the Concession Company with respect to the Pier 3 EPIC Repairs Contract, shall be limited to liquidated damages (if any) and the proceeds of other remedies of the Authority under the Pier 3 EPIC Repairs Contract and the Pier 3 EPIC Repairs Project Management Contract.

Section 4.15 Duty Free Building.

(a) The Authority has provided the Concession Company, on or prior to the Date of this Agreement, copies of the Pier 3 Duty Free America Agreement and any design or technical information and submissions prepared in connection with the same and received by the Authority from DFA for the Concession Company's review and comment. The Authority shall provide the Concession Company with copies of any further design or technical information and submissions received by the Authority from DFA prepared in connection with the Pier 3 Duty Free America Agreement after the Date of this Agreement for the Concession Company's review and comment. Any such shared design or technical information or submissions shall be treated confidentially by the Concession Company and not be used for any purpose other than reviewing and providing comments to the Authority.

(b) The Concession Company may, no later than 10 days following receipt of each of the Pier 3 Duty Free America Agreement and any design or technical information and submissions, provide the Authority with its comments and suggested modifications to the design

or other technical requirements under the Pier 3 Duty Free America Agreement. Such comments and suggested modifications to such design or other technical requirements shall be limited to provisions of the same which, in the reasonable judgment of the Concession Company, (i) are materially inconsistent with the scope of the duty free works described in Schedule 13 or (ii) would otherwise materially adversely impact the Cruise Port Facility Operations, including in respect of design, safety or operational considerations. If the Authority agrees, acting reasonably, that the comments and suggested modifications of the Concession Company are limited to items (i) or (ii), and correct the scope of the duty free works or alleviate the material adverse impact, as the case may be, then the Authority shall use its Reasonable Efforts, in consultation with the Concession Company, to cause the DFA to agree to modify the applicable design or technical requirements as proposed by the Concession Company as aforesaid and shall permit the Concession Company to participate in discussions with DFA in respect of the same.

(c) Except as provided in Section 4.14(b), the Authority may only make modifications to the scope of the Pier 3 Duty Free America Agreement or design or other technical requirements thereunder in accordance with the terms of the Pier 3 Duty Free America Agreement, subject to the approval of the Concession Company, acting reasonably. Furthermore, the Authority shall not terminate, assign, amend, modify or agree to a waiver of the terms of the Pier 3 Duty Free America Agreement on the Date of this Agreement and before the Closing Date or before the assignment is completed at Closing, without the approval of the Concession Company, acting reasonably.

ARTICLE 5
MODIFICATIONS

Section 5.1 Agreed Modifications.

(a) Either the Authority or the Concession Company may propose a Modification. Promptly after any proposal of a Modification by the Authority or the Concession Company, the Concession Company shall prepare and deliver to the Authority a written statement setting forth (i) a description of the Modification and any services, obligations, rights or work related to the Modification, (ii) if applicable, a schedule for the implementation of the Modification, (iii) if applicable, a firm price for implementing the Modification and (iv) the impact the Modification would have on (A) Cruise Port Facility Operations, (B) related changes to the Operating Standards, if any, and increases or decreases to the forecasted cost of operation and maintenance of the Cruise Port Facility following completion of the Modification and (C) any other obligations of either Party under this Agreement related to the proposed Modification. The costs of preparing such written statement shall be borne by the Party proposing the Modification.

(b) If the Concession Company proposes a Modification (i) for which the Concession Company will bear the cost, (ii) that does not require (A) any Government Contributions or other contribution from the Authority or any other Governmental Authority or (B) any related changes to the Authority's obligations under this Agreement, (iii) that does not produce revenue not otherwise permitted under applicable Law or the terms of this Agreement as of the Date of this Agreement and (iv) that does not reduce the obligations of the Concession Company, or prejudice the rights of the Authority, under this Agreement, then, upon receipt by

the Authority of the Concession Company's written statement of the Modification, the Concession Company shall be entitled to implement the Modification, subject to any rights of any Cruise Line under the Preferential Berthing Agreements.

(c) For all Modifications proposed by the Concession Company not subject to Section 5.1(b), upon receipt by the Authority of the Concession Company's written statement of the Modification, and for all Modifications proposed by the Authority, the Authority and the Concession Company will negotiate in good faith to determine the following: (i) the final scope of the Modification and any work related to the Modification, (ii) if applicable, the contribution to the cost of implementing the Modification to be made by each of the Authority and the Concession Company including the availability of any Government Contribution, (iii) if applicable, the schedule for implementing the Modification and the Scheduled Completion Date for the Modification, (iv) if applicable with respect to Modifications proposed by the Authority, the compensation for any decrease in fees, charges or revenues from the Cruise Port Facility projected to be incurred during the implementation of the Modification to be paid to the Concession Company by the Authority, (v) any additional consideration or share of additional revenues (to the extent the Modification relates to revenues not otherwise permitted under applicable Law as of the Date of this Agreement) to be paid to the Authority following implementation of the Modification, (vi) related changes to the Operating Standards, if any, and (vii) any other related changes in the Parties' obligations under this Agreement (including any obligation to pay monies with respect to such Modification or any of the matters contemplated in this Section 5.1).

(d) If the Parties agree on the terms of the Modification in accordance with Section 5.1(c), they shall memorialize their agreements in a written document (an "Agreed Modification") that shall take effect when executed by the Parties or as otherwise agreed to by the Parties. Unless otherwise agreed by the Parties, all Modifications shall be implemented as provided in Section 4.1 through Section 4.11. To the extent applicable, an Agreed Modification shall provide for the receipt of all necessary Authorizations by the Concession Company as a condition precedent to the commencement of any such Modification.

Section 5.2 Required Modifications.

(a) If the Authority and the Concession Company cannot agree on the terms of a Modification proposed pursuant to Section 5.1, then the Authority shall have the right to require the Concession Company to implement the Modification under terms set forth by the Authority, and the Authority shall provide the Concession Company with Concession Compensation related thereto pursuant to Section 15.1(b) (a "Required Modification"); provided that the Concession Company shall not be required to commence any work related to the Required Modification, (i) if such Required Modification would have a Material Adverse Effect on the Concession Company Interest, the Cruise Port Facility, the Cruise Port Facility Operations or the Cruise Port Revenues and which would not be reasonably remedied through Concession Compensation or (ii) until (A) the Authority has provided to the Concession Company evidence reasonably satisfactory to the Concession Company of the Authority's ability to finance such Required Modification and, if the Concession Company has requested the Authority to advance funds necessary to implement the Required Modification, the Concession Company has received such funds from the Authority (provided that, for the avoidance of doubt, this obligation to

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advance funds shall not apply to any Required Modification to be funded with Government Contributions), (B) the Concession Company (acting as the construction manager for the Authority for any Required Modification funded with Government Contributions) has obtained all Authorizations required to begin work on the Required Modification and the Concession Company (or the Authority in the case of any Required Modification funded with Government Contributions) has no reason to believe that other required Authorizations that cannot be obtained until a later date will not be obtained when needed and (C) the Concession Company and the Authority have agreed to the terms of the Required Modification (including, as applicable, the amount of Concession Compensation payable pursuant to this Section 5.2(a) and any additional consideration or share of additional revenues to be paid to the Authority following implementation of such Required Modification), or if not, the terms of the Required Modification and the amount of such Concession Compensation payable pursuant to this Section 5.2(a) (or additional Concession Fee, Annual Authority Revenue Share or other share of additional revenues to be paid to the Authority) have been resolved pursuant to Article 19. Any Concession Compensation provided pursuant to this Section 5.2 shall include any costs incurred by the Concession Company in connection with the preparation of the written statement described in Section 5.1 and shall be payable pursuant to Section 15.1(b). The Concession Compensation in respect of any Required Modification shall be in the form of monetary compensation or a Revenue Share Credit pursuant to Section 15.1(b) or Section 15.1(c), but shall not be compensated through the extension of the Term unless agreed by the Concession Company.

(b) If a Compensation Event necessitates a Modification, the Parties shall first proceed under this Article 5 to attempt in good faith to negotiate an Agreed Modification that resolves the effects of the Compensation Event. If the Parties are unable to agree on an Agreed Modification within 60 days (or such longer period of time as the Parties may agree), the Concession Company shall be entitled to complete the necessary Modification and receive Concession Compensation and shall not be required to pay additional consideration or to provide any other compensation related thereto. For the avoidance of doubt, a Modification implemented as provided in this Section 5.2(b) shall not constitute a Required Modification.

(c) If a Modification is reasonably required as a result of (i) the enactment of a new law or the modification, amendment or change in enforcement or interpretation of a law (including a change in the application by any Governmental Authority) after the Bid Date that does not constitute an Adverse Action, or (ii) any other event or circumstance that does not constitute a Compensation Event, including a Modification reasonably required in order for the Concession Company to perform its obligations under this Agreement (including the Operating Standards), the Parties shall first proceed under this Article 5 to attempt in good faith to negotiate an Agreed Modification that resolves the event or circumstance necessitating the Modification. If the Parties are unable to agree on an Agreed Modification within 60 days (or such longer period of time as the Parties may agree), the Concession Company shall, at its sole cost and expense, complete the Modification, and no change in the Annual Authority Revenue Share, the Incremental Authority Revenue Share, extension of the Term or increase in the Passenger Fee or any other fee or charge provided in Schedule 15 shall be made. For the avoidance of doubt, a Modification implemented as provided in this Section 5.2(c) shall not constitute a Required Modification.

Section 5.3 Implementation of Modifications. The Concession Company shall (a) ensure that any work or construction performed in connection with a Modification is performed in a good and workmanlike manner, (b) ensure the terms of an Agreed Modification or a Required Modification are diligently complied with and implemented in such manner that the costs and delays relating to a Modification are minimized and (c) with respect to any Required Modification, as directed by the Authority, and, with respect to Modifications to be funded with Government Contributions, as required by applicable Law, conduct a competitive process for the services of any Contractor to be engaged in connection with a Modification based on commercially reasonable criteria for contract award (including such Contractor's technical qualifications, bid price and relevant experience). Without limiting the generality of the foregoing, the Concession Company shall comply with applicable Law, Good Industry Practice and, to the extent not superseded by the terms of the relevant Agreed Modification or Required Modification, the provisions of the Operating Standards with respect to the manner in which Modifications are implemented.

Section 5.4 Certain Government Contributions Modifications. Notwithstanding anything in this Agreement to the contrary, without limiting Modifications that the Authority may propose pursuant to Section 5.1 or require pursuant to Section 5.2, or the election of the Authority following receipt of any Government Contributions Authorization as provided in Section 3.25(i) or Section 4.12(e), and regardless of whether the Expansion Investment Projects Trigger Event or the Phase Two Trigger Event, as applicable, has occurred, it is agreed that, subject to the applicable Government Contributions Authorization and to approval of applicable design documents by the Parties, which approval shall not be unreasonably withheld, conditioned or delayed, (a) the Authority may at any time propose pursuant to Section 5.1 or require pursuant to Section 5.2, as applicable (i) the demolition of buildings and other structures on Pier 1, Pier 13 and Pier 14, (ii) the installation of water, sewer and other utility lines on Pier 13 and Pier 14, (iii) the preparation of the site of Pier 13 and Pier 14 preliminary to the implementation of the Phase Two Projects and (iv) any other change to Pier 1, Pier 13 or Pier 14 which is consistent with Cruise Port Purposes, (b) no such change shall require Concession Compensation or any other compensation to the Concession Company, and any such change is hereby deemed not to have a Material Adverse Effect on the Concession Company Interest, the Cruise Port Facility, the Cruise Port Facility Operations or the Cruise Port Revenues, (c) the Concession Company shall reasonably cooperate with the Authority, including providing access to Pier 1, Pier 13 and Pier 14 (if applicable) and a construction laydown area on Pier 13 for construction work, at no cost to the Authority, and (d) the Authority and the Concession Company shall negotiate an adjustment to the Annual Authority Revenue Share pursuant to Section 12 of Schedule 15 in consideration of the funding of any such Modification with Government Contributions. For purposes of this Section 5.4 and the adjustment to the Annual Authority Revenue Share pursuant to Section 12 of Schedule 15, any change referred to in this Section 5.4 with respect to Pier 14 shall, at the election of the Authority made by the Authority giving written notice of such election to the Concession Company, be deemed to constitute a Modification, regardless of whether at the time of such election Pier 14 constitutes part of the Cruise Port Facility and the Concession.

ARTICLE 6
OPEN ACCESS REGIME AND OTHER OPERATING STANDARDS

Section 6.1 Compliance with Operating Standards. The Concession Company shall, and shall cause the Cruise Port Facility Operations to, comply with and implement the Operating Standards in all material respects at all times during the Term, including the Open Access Regime and any changes or modifications to the Open Access Regime or other Operating Standards made pursuant to the terms of this Agreement; *provided* that the Concession Company shall have a reasonable period of time (a) following the Closing Date to carry out changes to the operations of the Cruise Port Facility in order to cause the Cruise Port Facility to comply with the Operating Standards in effect as of the Closing Date, to the extent the Cruise Port Facility is not in compliance therewith as of the Closing Date (which period of time shall not exceed 180 days; *provided* that such 180-day period will be extended for a reasonable period of time for the Concession Company to cure such noncompliance (i) if such noncompliance cannot be cured within 180 days, (ii) if such noncompliance is susceptible to a cure and (iii) for long as the Concession Company is proceeding with diligence and in good faith to cure such noncompliance), and (b) from time to time to comply with the introduction of changes or modifications to the Operating Standards that are made in accordance with the terms of this Agreement (which period of time shall not exceed 90 days, except as otherwise may be provided in the revised Operating Standards; *provided* that such 90-day period will be extended for a reasonable period of time for the Concession Company to cure such noncompliance (i) if such noncompliance cannot be cured within 90 days, (ii) if such noncompliance is susceptible to a cure and (iii) for long as the Concession Company is proceeding with diligence and in good faith to cure such noncompliance). The Authority and the Concession Company acknowledge and agree that the Operating Standards shall be construed flexibly in light of their objectives. The Concession Company shall have in place procedures that are reasonably designed to achieve compliance with the Operating Standards. The Operating Standards shall not be deemed to be violated by occasional, isolated acts or omissions, including any occasional, isolated failure to comply with specific requirements set forth therein; *provided*, *however*, that any non-compliance by the Concession Company with any obligations of the Open Access Regime or other Operating Standards shall have the consequence set forth in Schedule 3 and Schedule 12, respectively. Without limiting the generality of the foregoing, except with regard to non-compliance by the Concession Company with any such obligation, any non-recurring failure to meet specific time limits, durations or frequencies set forth in the Operating Standards shall not constitute a violation; *provided* that the Concession Company is not deliberately violating or failing to comply with such requirements; and *provided* further that any such violation or failure is not inconsistent with procedures and immediate affirmative corrective steps that are reasonably designed to achieve, through the Concession Company's best efforts, compliance with the requirements set forth in the Operating Standards. Except as specifically set forth in this Agreement (including the Operating Standards), the Concession Company shall perform all work required to comply with and implement the Operating Standards as part of the Cruise Port Facility Operations and at its sole cost and expense. To the extent that any term or provision of the Operating Standards conflicts with any term or provision otherwise specified in this Agreement, then such term or provision of this Agreement shall govern and shall supersede any such conflicting term or provision in the Operating Standards.

Section 6.2 Modified Operating Standards.

(a) The Authority shall have the right, at any time during the Term, to modify or change the Operating Standards upon reasonable notice to the Concession Company to

comply with any Law issued, promulgated or otherwise enacted during the Term applicable to the Cruise Port Facility. In the event that the Authority modifies or changes the Operating Standards in accordance with the immediately preceding sentence, the Concession Company, at its cost and expense (subject to Article 14 in relation to Adverse Actions, where applicable), shall perform all work required to implement such modification or changes and shall comply with all such modifications or changes and in no event shall the Concession Company be excused from compliance with any such modification or change. For the avoidance of doubt, the Concession Company will have the right to challenge any modified Operating Standard pursuant to Article 19 on the basis that it does not meet the requirement set forth above.

(b) The Authority shall have the right, at any time during the Term, to propose a change to the Operating Standards upon reasonable notice to the Concession Company to conform the Operating Standards to standards or practices generally adopted at Comparable Cruise Ports. Promptly upon receipt of such proposed change, the Concession Company shall in good faith engage the Authority to determine whether such proposed change is necessary to satisfy the requirement set forth above in this Section 6.2(b). If the Concession Company does not agree that such proposed change is necessary to satisfy the requirement set forth above in this Section 6.2(b), the Concession Company shall provide prompt written notice of such disagreement to the Authority. Following the receipt by the Authority of such notice from the Concession Company, the Parties shall work together in good faith to resolve such disagreement, including by discussing alternative changes to the Operating Standards and examining the standards or practices generally adopted at Comparable Cruise Ports. If the Concession Company and the Authority are unable to resolve such disagreement, the matter may be submitted to dispute resolution under the provisions of Article 19.

(c) If, during the Term, the Authority is of the opinion that a modification or change to the Operating Standards is necessary or desirable but such modification or change is not subject to Section 6.2(a) or Section 6.2(b), the Authority may upon reasonable notice to the Concession Company modify or change the Operating Standards; *provided, however*, that the Authority shall pay the Concession Compensation, if any, to the Concession Company with respect thereto at the time such modification or change is implemented. The Concession Company shall perform all work required to implement and shall comply with all such modifications and changes, and in no event shall the Concession Company be excused from compliance with any such modification or change.

(d) If the Concession Company, at its cost and expense, wishes to modify the Operating Standards, the Concession Company must obtain the Approval of the Authority in accordance with the following:

(i) The Concession Company shall submit the proposed modifications to the Authority for Approval, together with an explanation of the Concession Company's rationale for making its proposal and all relevant supporting information, certificates, reports, studies, investigations and other materials as are necessary to demonstrate that the Concession Company's proposed modifications are reasonably designed to achieve the objectives of the applicable Operating Standards. The Authority may request any additional supporting information, certificates, reports, studies, investigations and other materials as are reasonably

required to determine if the Concession Company's proposed modifications are reasonably designed to achieve the objectives of the applicable Operating Standards.

(ii) Approval of the Concession Company's proposed modifications may be withheld, delayed or conditioned only if there is a reasonable basis to determine that the Concession Company's proposed operating standards are not reasonably designed to achieve the objectives of the applicable Operating Standards. Until the modifications are Approved by the Authority, the Concession Company shall not implement the proposed modifications. The Concession Company's proposed modifications shall be deemed incorporated into the Operating Standards upon Approval by the Authority in accordance with the terms hereof. If the Authority refuses to Approve any proposed modifications and the Concession Company disagrees with such refusal, the Concession Company may submit the matter to dispute resolution under the provisions of Article 19.

(iii) Notwithstanding anything to the contrary, the Authority may not withhold, delay or condition the Approval of any proposed modification to the Operating Standards if the modification proposed by the Concession Company is necessary (A) to comply with any new Law or Governmental Authority directive or requirement applicable to the Cruise Port Facility or (B) in the event the proposed modification to the Operating Standards is required directly as a result of COVID-19, to comply with procedures that are considered Good Industry Practice under the circumstances (provided that such procedures comply with applicable Law and are implemented for such appropriate period of time as the Authority and the Concession Company jointly determine, acting reasonably); *provided* that the Authority reserves the right to contest any such proposed modification to the extent that the Authority reasonably believes that such proposed modification is not reasonably designed to achieve the objective of compliance with any such new Law or Governmental Authority directive or requirement or COVID-19 circumstance applicable to the Cruise Port Facility. Any such contest shall be asserted by the Authority by giving the Concession Company prompt notice thereof. Following the receipt by the Concession Company of such notice, the Concession Company and the Authority shall work together in good faith to resolve such contest. If the Concession Company and the Authority are unable to resolve such contest, the matter may be submitted to dispute resolution under the provisions of Article 19. The Concession Company may not implement (or continue to implement) any proposed modification to the Operating Standards while it works in good faith with the Authority to resolve any contest regarding the implementation of such modification.

ARTICLE 7
CRUISE PORT FEES AND REVENUES

Section 7.1 Generally. The Concession Company shall, at all times during the Term, have the right to establish, collect, retain and enforce payment of all Cruise Port Revenues for use of or in connection with the Cruise Port Facility and Cruise Pier Buildings as set forth in Schedule 15 and to the fullest extent permitted by Section 10(c) of the Act, subject to and in accordance with all applicable requirements of Law and the terms and conditions of Schedule 15 and any applicable Assigned Port Facility Contract or Preferential Berthing Agreement.

ARTICLE 8
REPORTING; AUDITS; INSPECTIONS

Section 8.1 Reports.

(a) *Incident Management and Notifications*. The Concession Company shall promptly notify the Authority of all material emergencies upon receiving knowledge thereof, promptly notify the Authority of all material accidents and incidents occurring on or at the Cruise Port Facility within 24 hours of receiving knowledge of the occurrence of such material accident or incident and promptly notify the Authority of all material claims made by or against the Concession Company of which the Concession Company has knowledge, or potential material claims that the Concession Company reasonably expects to make against, or to be made against it by, third parties.

(b) *Environmental Incident Management and Notifications*. Upon receiving knowledge thereof, the Concession Company shall promptly report to the Authority, on a per occurrence basis, the discharge, dumping, spilling (accidental or otherwise) of any reportable quantity, as defined under applicable Environmental Law, of Hazardous Substances and the location at which the incident has occurred, the time, the agencies involved, the damage that has occurred and the remedial action taken or to be taken. Notice of any such incident, if initially delivered orally, shall be delivered in writing promptly following the Concession Company's knowledge of such incident. This reporting obligation shall be in addition to any other reporting obligation under Environmental Laws.

(c) *Financial Reports*. Until the End Date, the Concession Company, at its sole cost and expense, shall deliver to the Authority (i) within 60 days after the end of each six-month period following the first day of each Reporting Year, a copy of the unaudited balance sheets of the Concession Company at the end of each such six-month period and the related unaudited statements of income, changes in equity and cash flows for such six-month period, in a manner and containing information consistent with the Concession Company's current practices and (ii) within 120 days after the end of each Reporting Year a copy of the audited balance sheets of the Concession Company at the end of each such Reporting Year, and the related audited statements of income, changes in equity and cash flows for such Reporting Year, including in each case all Cruise Port Revenues and the notes to all such statements and sheets, in each case prepared in accordance with generally accepted accounting principles consistently applied in the United States and certified by the Concession Company's chief financial officer that such financial statements fairly present, in all material respects, the financial condition and the results of operations, changes in equity and cash flows of the Concession Company as at the respective dates of and for the periods referred to in such financial statements, all in accordance with generally accepted accounting principles in the United States consistently applied; *provided* that any interim financial statements shall be subject to year-end adjustments. Such financial statements shall reflect the consistent application of such accounting principles throughout the periods involved, except as disclosed in the notes to such financial statements. In addition to the foregoing, together with the financial statements identified in clause (ii) of this Section 8.1(c), the Concession Company shall provide an opinion thereon of an independent public accountant of national stature in the United States of America engaged by the Concession Company.

Section 8.2 Information.

(a) *Information; Inspection.* At the request of the Authority or any other Governmental Authority of competent jurisdiction (each, an "Authorized Auditor"), the Concession Company shall (at the sole cost and expense of the Concession Company and at all reasonable times during the Term) (i) make available or cause to be made available (and, if requested by such Authorized Auditor, furnish or cause to be furnished) to such Authorized Auditor all Information related to this Agreement or the Cruise Port Facility as may be specified in such request and as shall be in the possession or control of the Concession Company or its Representatives, (ii) permit such Authorized Auditor, after having provided 10 Business Days' prior notice to the Concession Company (which notice shall identify the persons such Authorized Auditor requests to be present for an interview and describe with reasonable specificity the subject matter to be raised in the interview; *provided, however,* that in the case of investigations of possible criminal conduct or violations of regulations promulgated by the Authority or another Governmental Authority no prior notice shall be required by such Authorized Auditor), to discuss the obligations of the Concession Company under this Agreement with any of the directors, chief executive officer and chief financial officer of the Concession Company and its Representatives, for the purpose of enabling such Authorized Auditor to determine whether the Concession Company is in compliance with this Agreement and applicable Law, and (iii) cooperate with the Authority, the Puerto Rico Public-Private Partnerships Authority and any Authorized Auditor in connection with the preparation and submittal of annual reports with respect to this Agreement to the Governor, the Legislative Assembly of Puerto Rico, and the Comptroller of Puerto Rico in compliance with Act No. 136-2003, as amended.

(b) *Confidentiality.* Unless disclosure is required by applicable Law, the Authority shall keep confidential any Information obtained from the Concession Company or its Representatives that (i) constitutes trade secrets or commercial or financial information (A) where the trade secret or commercial or financial information are proprietary, privileged or confidential or (B) where the disclosure of the trade secrets or commercial or financial information may cause competitive harm and (ii) is designated as confidential by the Concession Company in writing to the Authority. In the event that the Concession Company requests the Authority to defend an action seeking the disclosure of Information that the Authority determines to be confidential pursuant to this Section 8.2(b), the Concession Company shall reimburse the Authority for the reasonable costs and expenses incurred by the Authority in defending such action. This Section 8.2(b) shall not apply to any Information that (w) is already in the possession of the Authority; *provided* that such information is not known by the Authority to be subject to another confidentiality agreement with or other obligation of secrecy to the Concession Company or another party; (x) becomes generally available to the public other than as a result of a disclosure by the Authority or their Representatives in violation of the terms of this Section 8.2(b); (y) becomes available to the Authority on a non-confidential basis from a source other than the Concession Company or its advisors, *provided* that such source is not known by the Authority to be bound by a confidentiality agreement with or other obligation of secrecy to the Concession Company or another party or (z) is independently developed by the Authority or its Representatives.

Section 8.3 Inspection, Audit and Review Rights of the Authority.

(a) *Audit Right.* In addition to the rights set out in Section 8.1, any Authorized Auditor may, at all reasonable times, upon 48 hours' prior notice, or may cause a Representative designated by it to, carry out subject to Section 8.2(b) (i) an Audit of the Information required to be maintained or delivered by the Concession Company under this Agreement in connection with the performance of the Cruise Port Facility Operations for the purpose of verifying the information contained therein; and (ii) any Audit required by the Act. The Concession Company, at the cost and expense of the Concession Company, shall, at reasonable times, make available or cause to be made available to such Authorized Auditor or its designated Representative such reasonable information and material as may reasonably be required by such Authorized Auditor or its designated Representative for purposes of such Audit and otherwise provide such cooperation as may reasonably be required by such Authorized Auditor in connection with the same. Such Authorized Auditor shall be entitled to make copies of the Information related to the conduct of such Audit and to take extracts therefrom at such Authorized Auditor's expense, subject to the terms of Section 8.2(b) regarding confidentiality of Information.

(b) *Inspection Right.* Each Authorized Auditor and its Representatives shall, at all times, have access to the Cruise Port Facility and every part thereof and the Concession Company, at the reasonable cost and expense of the Concession Company, shall, and shall cause its Representatives to, furnish each Authorized Auditor with every reasonable assistance for inspecting the Cruise Port Facility and the Cruise Port Facility Operations for the purpose of Auditing the Information or ascertaining compliance with this Agreement.

(c) *Tests.* Any Authorized Auditor and its Representatives shall, with the prior consent of the Concession Company be entitled, at the sole cost and expense of such Authorized Auditor, and at any time and from time to time, to perform or cause to be performed any test, study or investigation in connection with the Cruise Port Facility or the Cruise Port Facility Operations as such Authorized Auditor may determine to be reasonably necessary in the circumstances; and the Concession Company, at the cost and expense of the Concession Company, shall, and shall cause its Representatives to, furnish such Authorized Auditor or its Representatives with every reasonable assistance in connection with the carrying out of such tests, procedures, studies and investigations. In connection with the foregoing, such Authorized Auditor and its Representatives shall, with the prior consent of the Concession Company, be entitled to install machines, equipment, systems, monitors, counters and other devices in, on, under, over or adjacent to the Cruise Port Facility to permit and facilitate any test, study, monitor, review or investigation of or relating to the Cruise Port Facility Operations to the extent that the same does not materially interfere with the Cruise Port Facility Operations or damage the Cruise Port Facility.

(d) *No Waiver.* Failure by any Authorized Auditor or any of its Representatives to inspect, review or Audit the Concession Company's responsibilities under this Agreement or any part thereof or the Information, shall not constitute a waiver of any of the rights of any Authorized Auditor hereunder or any of the obligations or liabilities of the Concession Company hereunder. Inspection, review or Audit not followed by a notice of Concession Company Default shall not constitute a waiver of any Concession Company Default

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or constitute an acknowledgement that there has been or will be compliance with this Agreement and applicable Law.

(e) *No Undue Interference.* In the course of performing its inspections, reviews and Audits hereunder, each Authorized Auditor shall use its Reasonable Efforts, except as necessary in the case of the Authority when performing investigations of possible criminal conduct, to avoid (and to cause any auditor appointed pursuant to Section 8.2(a) or Section 8.3(a) to avoid) any disruption to the Cruise Port Facility Operations or the Concession Company's rights or responsibilities under this Agreement, having regard to the nature of the inspections, reviews and Audits being performed.

Section 8.4 Audits, Assistance, Inspections and Approvals. Wherever in this Agreement reference is made to any Authorized Auditor or its Representatives providing assistance, services, Approvals or Consents to or on behalf of the Concession Company or its Representatives or to any Authorized Auditor or its Representatives performing an Audit or inspecting, reviewing or examining the Cruise Port Facility, the Cruise Port Facility Operations or any part thereof or the books, records, documents, budgets, proposals, requests, procedures, certificates, plans, drawings, specifications, contracts, agreements, schedules, reports, lists or other instruments of the Concession Company or its Representatives, such undertaking by such Authorized Auditor or its Representatives shall not relieve or exempt the Concession Company from, or represent a waiver of, any requirement, liability, Concession Company Default, covenant, agreement or obligation under this Agreement or at law or in equity and shall not create or impose any requirement, liability, covenant, agreement or obligation (including an obligation to provide other assistance, services or Approvals) on any Authorized Auditor or its Representatives not otherwise created or imposed pursuant to the express provisions of this Agreement.

Section 8.5 Reimbursement of Costs. Except as otherwise provided herein, the Concession Company shall reimburse each Authorized Auditor for all documented costs and expenses reasonably incurred by such Authorized Auditor during the Term (including employment costs and related overhead expenses allocable thereto, as reasonably determined by such Authorized Auditor based on the time expensed by the employees who tender such services to the Authorized Auditor) in monitoring the Cruise Port Facility Operations and the Concession Company's compliance with its obligations and duties hereunder (including any Audits, tests, reviews or exams of the Cruise Port Facility, the Cruise Port Facility Operations (or any part thereof), any information or the proposals, requests, procedures, certificates, plans, drawings, specifications, contracts, agreements, schedules, reports, lists or other instruments of the Concession Company or its Representatives required or permitted to be provided or undertaken hereunder); *provided, however,* that the aggregate amount payable by the Concession Company pursuant to this Section 8.5, and any other provision set forth in this Agreement that requires the Concession Company to reimburse such Authorized Auditor for costs and expenses incurred in connection with the matters set forth in this Agreement (including Section 8.3(b), but excluding payments described in Section 3.7(a)(ii) and (iii), Section 3.16(d)(v), and Section 8.2(b)) shall not exceed $250,000 per calendar year, Adjusted for Inflation (and, for the avoidance of doubt, shall not include the obligations of the Concession Company under Article 12).

ARTICLE 9
REPRESENTATIONS AND WARRANTIES

Section 9.1 Representations and Warranties of the Authority. The Authority makes the following representations and warranties to the Concession Company, and the Authority acknowledges that the Concession Company and its Representatives are relying upon such representations and warranties in entering into this Agreement:

(a) *Organization.* The Authority is an instrumentality of the Commonwealth.

(b) *Power and Authority.* The Authority has the power and authority to enter into this Agreement and to do all acts and things and execute and deliver all other documents as are required hereunder to be done, observed or performed by it in accordance with the terms hereof.

(c) *Enforceability.* This Agreement has been duly authorized, executed and delivered by the Authority and constitutes a valid and legally binding obligation of the Authority, enforceable against the Authority in accordance with the terms hereof, subject only to (i) the effect of a Proceeding, or other similar requirements of Law and judicial decisions now or hereafter in effect generally affecting the enforcement of creditors' rights and remedies and (ii) the effect of requirements of Law governing equitable remedies and defenses and the discretion of any court of competent jurisdiction in awarding equitable remedies.

(d) *Title.* As of the Time of Closing, the Authority has good and sufficient title to and/or sufficient rights to grant to the Concession Company the rights described in Section 2.1 with respect to the Cruise Port Facility and the Cruise Port Facility Assets, subject only to Permitted Authority Encumbrances, Permitted Concession Company Encumbrances created, incurred, assumed or suffered to exist by the Concession Company or any Person claiming through it (other than the Permitted Concession Company Encumbrances specified in clause (ix) of the definition of the term "Permitted Concession Company Encumbrances") and any recorded or unrecorded restrictions, exceptions, easements, rights-of-way, reservations, limitations and interests that do not have a material adverse effect on the Concession Company's ability to operate the Cruise Port Facility. Subject to any and all Permitted Authority Encumbrances, Permitted Concession Company Encumbrances created, incurred, assumed or suffered to exist by the Concession Company or any Person claiming through it (other than the Permitted Concession Company Encumbrances specified in clause (ix) of the definition of the term "Permitted Concession Company Encumbrances") and any recorded or unrecorded restrictions, exceptions, easements, rights-of-way, reservations, limitations and interests that do not have a material adverse effect on the Concession Company's ability to operate the Cruise Port Facility, at the Time of Closing there is no recorded or unrecorded agreement, contract, option, commitment, right, privilege or other right of another binding upon, or which at any time in the future may become binding upon, the Authority to sell, transfer, convey, subject to lien, charge, grant a security interest in, or in any other way dispose of or materially encumber the Cruise Port Facility or the Cruise Port Facility Assets or any material portion thereof. The recorded or unrecorded restrictions, exceptions, easements, rights-of-way, reservations, limitations, interests and other matters that affect title to the Cruise Port Facility or the Cruise Port Facility Assets (or any portion thereof) do not materially adversely affect the Concession

Company's ability to operate the Cruise Port Facility in accordance with the terms hereof. Following the Authority's satisfaction of the condition set forth in Section 2.4(a)(iii), no obligation of the Authority or other Governmental Authority of the Commonwealth will be secured by any interest in the Cruise Port Facility (or any revenues generated therefrom) or the Cruise Port Facility Assets and no Person will have any claim or right to, or interest in, any income, profits, grants, rents or revenue derived from or generated with respect to the Cruise Port Facility (other than the Concession Company under this Agreement and any claims, rights or interests granted by or otherwise relating to the Concession Company).

(e) *No Conflicts.* The execution and delivery of this Agreement by the Authority, the consummation of the transactions contemplated hereby (including the operation of the Cruise Port Facility in accordance with the terms of this Agreement) and the performance by the Authority of the terms, conditions and provisions hereof do not and/or will not contravene or violate or result in a breach of (with or without the giving of notice or lapse of time, or both) or acceleration of any material obligations of the Authority or give rise to a right of termination, cancellation or augmentation of any obligation or loss of a material benefit under or result in the creation of any material Encumbrance (other than a Permitted Authority Encumbrance) under (i) any applicable Law or (ii) any agreement, instrument or document to which the Authority is a party or by which the Authority is bound.

(f) *Consents.* Except for (i) the prescription period notice required to be delivered pursuant to Section 2.5(m), (ii) the filing required pursuant to Section 2.4(a)(vii), (iii) the Authorization of FOMB required pursuant to Section 2.4(a)(xi), (iv) the release or authorization of the FAA required pursuant to Section 2.4(c)(iii)(A) and (v) if applicable, the satisfaction of one of the occurrences required pursuant to Section 2.4(c)(iii)(B), each of which shall be received or satisfied by the Time of Closing, no Consent is required to be obtained by the Authority from, and no notice or filing is required to be given by the Authority to or made by the Authority with, any Person (including any Governmental Authority) in connection with the execution, delivery and performance by the Authority of this Agreement or the consummation of the transactions contemplated hereby.

(g) *Compliance with Law; Litigation.* The Authority has operated and is operating the Cruise Port Facility in compliance, in all material respects, with all applicable Laws and the Authority is not in material breach of any applicable Law; *provided, however*, that the foregoing representations of the Authority are qualified in their entirety by the COVID-19 Adverse Effect. Except for those matters disclosed on Schedule 4, there is no action, suit or proceeding, at law or in equity, or before or by any Governmental Authority, pending nor, to the best of the Authority's knowledge, threatened against the Cruise Port Facility, the Cruise Port Facility Assets, or the Authority or any agency thereof in respect of the Cruise Port Facility prior to or at the Time of Closing, which (i) would reasonably be expected to have a Material Adverse Effect on the operations of the Cruise Port Facility or (ii) would affect the power of the Authority to enter into this Agreement or the validity or enforceability of this Agreement or the transactions contemplated hereby. The Authority has complied with all applicable Laws related to the negotiation, authorization and execution of this Agreement.

(h) *Environmental Matters.* The Authority has made available to the Concession Company the reports listed in Appendix O of Schedule 13, which are the reports

readily available in records of the Authority as of the Date of this Agreement relating to material Releases of Hazardous Substances originating from the Cruise Port Facility ("Environmental Reports"), and, to the best knowledge of the Executive Director after reasonable inquiry, except as disclosed in the Environmental Reports and during the period commencing on the start of the period covered in such Environmental Reports to the date on which this representation and warranty is given in accordance with Section 2.4(a)(i), there have been no material Releases of Hazardous Substances originating from the Cruise Port Facility, excluding (for the avoidance of doubt) Releases of Hazardous Substances from vessels of any size or type.

(i) *Cruise Port Facility Contracts.*

(i) Each Cruise Port Facility Contract has been made available for review by the Concession Company and, to the extent not constituting an Assigned Port Facility Contract or Preferential Berthing Agreement, has been terminated on or prior to the Closing Date; *provided, however,* that the Pier 3 EPIC Repairs Contract shall be dealt with as provided in Section 4.14. As of the Date of this Agreement, each Cruise Port Facility Contract is valid and is in full force and effect, and as of the Closing Date, each Assigned Port Facility Contract is valid and in full force and effect, any consent required to assign such Assigned Port Facility Contract has been obtained, neither party to any Assigned Port Facility Contract is in default or breach thereof, and the rights and obligations of the Authority under the Preferential Berthing Agreements shall be performed by the Concession Company as provided in Schedule 2. Other than the Pier 3 EPIC Repairs Contract as provided in Section 4.14, the Cruise Port Facility Contracts are all of the material contracts and agreements (A) to which the Authority is a party that relate to the Cruise Port Facility Operations, (B) that bind the Cruise Port Facility or (C) that are necessary for provision of utilities or other third-party services for the continued operation of the Cruise Port Facility by the Concession Company immediately following the Time of Closing, except that the Cruise Port Facility Contracts do not include those immaterial contracts and agreements which do not constitute Assumed Liabilities and to which the Authority is a party involving the provision of goods and services in the ordinary course of business that are used in connection with the Cruise Port Facility as well as by various other Authority departments, none of which will be applicable or binding on the Concession Company, and all of which will be terminated at or prior to the Closing Date (at least as they relate to the Cruise Port Facility).

(ii) The Authority has provided true and complete copies of each of the Cruise Port Facility Contracts listed on Section 1 of Schedule 2, each of which shall be an Assigned Port Facility Contract, and the Preferential Berthing Agreements. As of the Date of this Agreement, there are no contracts pursuant to which a counterparty to such contract is claiming exclusivity rights or preferential rights with respect to the Cruise Piers, except for those contracts set forth in Section 1 of Schedule 2 and the Preferential Berthing Agreements. From and after the Bid Date, unless otherwise agreed to or consented by the Concession Company, the Authority has not entered into any amendments, supplements, side agreements or other understandings with the counterparties to those Cruise Port Facility Contracts listed on Section 1 of Schedule 2 or the Preferential Berthing Agreements.

(j) *Insurance Policies.* All insurance policies in effect as of the Bid Date are in full force and effect and shall continue in full force and effect until the Time of Closing.

(k) *Brokers*. There is no investment banker, broker, finder or other intermediary which has been retained by or is authorized to act on behalf of the Authority who might be entitled to any fee or commission from the Authority in connection with the transactions contemplated by this Agreement.

(l) *Accuracy of Information*. To the knowledge of the Authority, the factual and past historical information regarding the Cruise Port Facility and the Cruise Port Facility Operations that the Authority provided to the Concession Company in the virtual data room for this transaction at https://www.imprimarooms.net was complete and accurate in all material respects at the time such information was provided. As of the Time of Closing, the Authority does not have actual knowledge of any material misstatement in respect of any such information as of the time such information was provided. The Authority makes no additional representation or warranty with respect to such information.

(m) *Operation of the Cruise Port Facility*. Since the Bid Date (unless another date is specified), the Authority (i) has caused the Cruise Port Facility to be operated in the ordinary course in a manner consistent with past practice, (ii) has used all Reasonable Efforts to preserve the goodwill of the Cruise Port Facility and to maintain good business relationships with the Cruise Lines and others having business dealings with the Authority in connection with the Cruise Port Facility, (iii) has performed (or caused to be performed) in all material respects all of the Authority's obligations under the Cruise Port Facility Contracts, (iv) other than the Pier 3 EPIC Repairs Contract and the Pier 3 EPIC Repairs Project Management Contract, has not entered into any material contracts relating to the Cruise Port Facility or the Cruise Port Facility Operations unless such contracts are terminable by the Concession Company on the Closing Date (at no cost to the Concession Company) or have been approved or consented to in writing by the Concession Company prior to the execution thereof, (v) has not terminated, assigned, amended, modified, or agreed to a waiver (which individually or in the aggregate has had a Material Adverse Effect) of, the terms of any material Assigned Port Facility Contract or Preferential Berthing Agreement after the Bid Date and before the Time of Closing (or in the case of any material Assigned Port Facility Contract that has not been assigned or transferred to the Concession Company as contemplated herein, before such assignment or transfer is completed) and (vi) has caused the Cruise Port Facility to be operated in all material respects in accordance with all applicable Laws (except to the extent any non-compliance is being contested in good faith by appropriate proceedings), all with the purpose that the Cruise Port Facility as a going concern shall be unimpaired at the Closing in a condition substantially similar to the condition as of the Bid Date; *provided, however*, that the foregoing representations of the Authority are qualified in their entirety by the COVID-19 Adverse Effect and *provided, further*, that such qualification excludes any negligence or intentional misconduct of the Authority and any failure of the Authority to use its Reasonable Efforts to minimize the effect and duration of the COVID-19 Adverse Effect.

(n) *Public Private Partnerships Act*. The Legislative Assembly of Puerto Rico has duly enacted into law the Act, which remains in full force and effect. As of the Date of this Agreement, the Act (i) authorizes the Authority to enter into this Agreement and grant the Concession, and (ii) provides that the Concession Company shall have the authority to establish charges and fees in connection with the Cruise Port Facility, pursuant to this Agreement. This

Agreement is a "Partnership Contract" under the Act and a Concession, and as such, is recordable under Title X of the P.R. Mortgage and Property Registry Law.

(o) *Material Adverse Effect.* Since the Bid Date, through and including the Closing Date, other than the COVID-19 Adverse Effect, no transaction or occurrence has taken place that has resulted or is reasonably likely to result in a Material Adverse Effect. For the avoidance of doubt, it is agreed by the Parties that the construction of the Pier 3 Duty Free Building, including any extension granted by the Authority to the beginning of the construction period for the Pier 3 Duty Free Building, does not result in a Material Adverse Effect.

(p) *Financial Statements.* The audited financial statements of the Authority, dated as of June 30, 2017, 2016 and 2015, fairly present in all material respects the financial position and results of operations of the Authority as of the date and for the periods stated in such financial statements in accordance with generally accepted accounting principles, as applied to governmental units. The Authority has not, since June 20, 2017, created or incurred, any Indebtedness, except in accordance with the provisions of PROMESA, including Section 207 of PROMESA.

Section 9.2 Representations and Warranties of the Concession Company. The Concession Company makes the following representations and warranties to the Authority, and the Concession Company acknowledges that the Authority and its Representatives are relying upon such representations and warranties in entering into this Agreement:

(a) *Organization.* The Concession Company is duly organized, validly existing and in good standing under the laws of the state of its organization and is duly qualified to conduct business in the Commonwealth. Except as disclosed in the written certification that the Concession Company delivered to the Authority on or prior to that date which is no less than ten (10) days prior to the Date of this Agreement, no Person owns, directly or indirectly, 10% or more of the capital stock, units, partnership or membership interests and other equity interests or securities of the Concession Company (including options, warrants and other rights to acquire any such equity interests).

(b) *Power and Authority.* The Concession Company has the power and authority to enter into this Agreement and to do all acts and things and execute and deliver all other documents as are required hereunder to be done, observed or performed by it in accordance with the terms hereof.

(c) *Enforceability.* This Agreement has been duly authorized, executed and delivered by the Concession Company and constitutes a valid and legally binding obligation of the Concession Company, enforceable against it in accordance with the terms hereof, subject only to (i) the effect of Proceeding or other similar requirements of Law and judicial decisions now or hereafter in effect generally affecting the enforcement of creditors' rights and remedies and (ii) the effect of requirements of Law governing equitable remedies and defenses and the discretion of any court of competent jurisdiction in awarding equitable remedies.

(d) *No Conflicts.* The execution and delivery of this Agreement by the Concession Company, the consummation of the transactions contemplated hereby and the

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performance by the Concession Company of the terms, conditions and provisions hereof has not and will not contravene or violate or result in a material breach of (with or without the giving of notice or lapse of time, or both) or acceleration of any material obligations of the Concession Company under (i) any applicable Law, (ii) any material agreement, instrument or document to which the Concession Company or any Equity Participant is a party or by which it is bound or (iii) the articles, bylaws or governing documents of the Concession Company and each of the Equity Participants.

(e) *Consents; Authorizations.* Except as set forth in Section 2.4(c), no Consent or Authorization is required to be obtained by the Concession Company or any Equity Participant from, and no notice or filing is required to be given by the Concession Company or any Equity Participant to or made by the Concession Company or any Equity Participant with, any Person (including any Governmental Authority) in connection with the execution and delivery by the Concession Company of this Agreement or the consummation of the transactions contemplated hereby, except for such consents that have been obtained and notices of filings that have been given as of the Date of this Agreement or such other Consents that are not required to be obtained as at the Date of this Agreement and are expected to be obtainable following the Date of this Agreement.

(f) *Compliance with Law; Litigation.* The Concession Company is not in breach of any applicable Law that could reasonably be expected to have a material adverse effect on the ability of the Concession Company to comply with its obligations under this Agreement. Neither the Concession Company nor any Affiliate of the Concession Company is listed on any of the following lists maintained by the Office of Foreign Assets Control of the United States Department of the Treasury, the Bureau of Industry and Security of the United States Department of Commerce or their successors: the Specially Designated Nationals List, the Denied Persons List, the Unverified List, the Entity List or the Debarred List, or any other list of Persons with which the Authority may not do business under applicable Law. Furthermore, the Concession Company, the Equity Participants and each Person controlled by the Equity Participants will not engage, or be deemed pursuant to Sanction Laws to engage, in any activity that would cause the Authority or the Concession Company or their respective personnel to be in violation of the Puerto Rico Executive Order No. 2022-018 or the United States sanctions and export control laws, regulations or orders, including those issued pursuant to Executive Order 14024 and 31 CFR Part 587, Russian Harmful Foreign Activities Sanctions Regulations (collectively, the "Sanction Laws"), based on any action or inaction of the Concession Company, the Equity Participants or any Person controlled by the Equity Participants. The Concession Company shall not, and will cause the Equity Participants and each Person controlled by the Equity Participants to not, engage in any transaction or dealing that would cause the Authority to be in violation of any such laws, regulations or orders. Neither the Concession Company nor the Equity Participants or any Person controlled by the Equity Participants is 50% or more owned, nor is it controlled, individually or in the aggregate, by an entity or individual that is on, or otherwise blocked pursuant to, the Specially Designated Nationals and Blocked Persons (SDN) List of the United States of America, or any equivalent list of sanctioned or blocked parties designation in any other jurisdiction, including in the European Union or the United Kingdom, nor will it be during the Term. There is no action, suit or proceeding, at law or in equity, or before or by any Governmental Authority, pending nor, to the best of the Concession Company's knowledge, threatened against the Concession Company or any Equity Participant that (i) would

reasonably be expected to have a material adverse effect on the transactions contemplated by this Agreement or the Concession Company's ability to operate the Cruise Port Facility or (ii) would affect the validity or enforceability of this Agreement.

(g) *Accuracy of Information.* To the knowledge of the Concession Company following due inquiry, all of the information relating to the Concession Company or any Equity Participant delivered by or on behalf of the Concession Company to the Authority in connection with the execution of this Agreement was true, accurate and correct in all material respects when delivered. At the Time of Closing, the Concession Company does not have actual knowledge of any material misstatement in respect of any such information. The Concession Company makes no additional representation or warranty with respect to such information.

(h) *Brokers.* Except for any broker or advisor whose fees will be paid by the Concession Company, any Equity Participant or any of their respective Affiliates, there is no investment banker, broker, finder or other intermediary which has been retained by or is authorized to act on behalf of the Concession Company, any Equity Participant or any of their respective Affiliates who might be entitled to any fee or commission in connection with the transactions contemplated by this Agreement.

(i) *Foreign Corrupt Practices Act.* To the Concession Company's knowledge, (i) no Governmental Authority in the United States has notified the Concession Company in writing of any actual or alleged violation or breach by the Concession Company of the Foreign Corrupt Practices Act, (ii) the Concession Company has not undergone nor is undergoing any audit, review, inspection, investigation, survey or examination of records relating to compliance with the Foreign Corrupt Practices Act, (iii) the Concession Company has not been and is not now under any administrative, civil or criminal investigation or indictment and is not party to any litigation involving alleged false statements, false claims or other improprieties relating to the Concession Company's compliance with the Foreign Corrupt Practices Act, nor is there any basis for such an investigation or indictment and (iv) there are no situations with respect to the business of the Concession Company that involved or involves (w) the illegal use of any corporate funds or unlawful contributions, gifts, entertainment or other unlawful expenses related to political activity, (x) the making of any direct or indirect unlawful payments to government officials or others from corporate funds or the establishment or maintenance of any unlawful unrecorded funds to be used for such purposes, (y) the violation of any of the provisions of the Foreign Corrupt Practices Act (or any rules or regulations promulgated thereunder) that apply to the Concession Company or (z) the receipt of any illegal discounts or rebates or any other violation of United States antitrust laws.

(j) *Code of Ethics.* The Concession Company acknowledges, represents and warrants that no official or employee of the Authority has a direct or indirect economic interest in the Concession Company's rights under this Agreement in accordance with the provisions of Title III of Act No. 2-2018, also known as the Code of Ethics for Contractors Suppliers and Applicants for Economic Incentives of the Government of Puerto Rico (the "Code of Ethics"), which Code of Ethics the Concession Company herein certifies it has received a copy of, read, understood and complied with at all times previous to the execution of this Agreement and will subsequently comply with it in its entirety.

J.P.M

(k) *Criminal Proceedings.*

(i) The Concession Company warrants and certifies that as of the Date of this Agreement and for the preceding 20 years, (i) neither it, nor any of its president, vice presidents, executive director, directors, members of its board of directors (or any person that holds a position with the Concession Company functionally equivalent to any of the foregoing), nor any of its subsidiaries (each a "Covered Party"), nor any of its Equity Participants, has been convicted, has entered a plea of guilty or *nolo contendere* or has been indicted in any criminal procedure in any State, Commonwealth or federal court or in any foreign country for criminal charges related to acts of corruption, the public treasury, the public trust, a public function, or charges involving public funds or property, or for the felonies or misdemeanors mentioned in Act No. 2-2018, as amended, and (ii) each Covered Party is complying and shall continue to comply at all times with laws that prohibit corruption and regulate criminal acts involving public functions or public funds applicable to the Concession Company under State, Commonwealth or federal Law, including the Foreign Corrupt Practices Act. If a Covered Party after the Date of this Agreement becomes indicted or convicted in a criminal procedure for any type of offense described in this Section 9.2(k), the Concession Company shall immediately notify the Authority thereof in writing as required by Act No. 2-2018, as amended.

(ii) Neither the Concession Company nor, to the knowledge of the Concession Company, any of its officers, directors or Equity Participants has been convicted of offenses against public integrity, as defined in the P.R. Penal Code, or of embezzlement of public funds, and neither the Concession Company nor any of its officers, directors or Equity Participants has been found guilty of any such type of offense in the Courts of the Commonwealth of Puerto Rico, the federal courts or any court of any jurisdiction of the United States of America.

(l) *Representation in FOMB Certification.* The information included in the Contractor Certification Requirement, as included in Appendix C of the FOMB's Contract Submission Questionnaire dated May 10, 2022 (the "Certification"), completed by the Concession Company, is complete, accurate and correct. Without limiting the foregoing in any respect, the Concession Company acknowledges and agrees that the Authority, in consultation with the FOMB, shall have the right to declare this Agreement null and void in the event of any misrepresentation, inaccuracy, or falseness with respect to a material fact in the Certification. In addition, the Authority, after disclosure to and consultation with the FOMB, may provide in its discretion an opportunity to the Concession Company to attempt to cure such misrepresentation, inaccuracy, or falseness and the Authority, after disclosure to and consultation with the FOMB, shall have the discretion to determine whether any such cure is acceptable. In the event that the Authority declares this Agreement null and void in accordance with the foregoing, the Concession Company shall have the obligation to reimburse immediately to the Authority or the Commonwealth, as applicable, any amounts, payments or benefits received from the Authority or the Commonwealth under this Agreement. The obligation to reimburse any amounts, payments, or benefits received from the Authority or the Commonwealth under this Agreement shall not include any amounts received by the Concession Company as Government Contributions which the Concession Company has proven were utilised in connection with the Cruise Pier Improvement Projects.

Section 9.3 Tax Filings.

(a) The Concession Company for itself and each of its Equity Participants (if the Concession Company is a partnership under the P.R. Revenue Code) represents that as of the Date of this Agreement (i) neither it nor any of its Equity Participants has any outstanding debts for unemployment insurance, temporary disability (workmen's compensation), chauffeur's social security with the Department of Labor and Human Resources of the Commonwealth, income taxes with the Department of Treasury of the Commonwealth or real or personal property taxes with the Municipal Revenues Collection Center or (ii) it or its Equity Participants have a payment plan in place with respect to any outstanding debt for the foregoing items and have complied therewith.

(b) The Concession Company acknowledges and agrees that it shall obtain and deliver to the Authority, in each case dated not earlier than 60 days prior to the Closing Date, the following:

(i) A certification of filing of income tax returns, issued by the Internal Revenue Division of the Department of Treasury of the Commonwealth or a certification by the Concession Company and each of its Equity Participants (if the Concession Company is a partnership under the P.R. Revenue Code) that as of the Date of this Agreement it does not have and has not had to submit income tax returns and pay taxes in the Commonwealth during the past five years.

(ii) A "no taxes debt due" certificate, or payment plan and compliance therewith, issued by the Internal Revenue Division of the Department of Treasury of the Commonwealth.

(iii) A certificate of no debt, or payment plan and compliance therewith, with respect to real and personal property taxes issued by the Municipal Revenues Collection Center.

(iv) A certificate of no debt, or payment plan and compliance therewith, for unemployment insurance, temporary disability (workmen's compensation) and chauffeur's social security issued by the Department of Labor and Human Resources of the Commonwealth.

Section 9.4 Non-Waiver. No investigations made by or on behalf of any Party at any time shall have the effect of waiving, diminishing the scope of or otherwise affecting any representation or warranty made by the other Party in this Agreement or pursuant to this Agreement. No waiver by a Party of any condition, in whole or in part, shall operate as a waiver of any other condition.

Section 9.5 Survival.

(a) *Authority's Representations and Warranties.* The representations and warranties of the Authority contained in Section 9.1 shall survive and continue in full force and effect for the benefit of the Concession Company as follows: (i) as to the representations and

warranties contained in Section 9.1(a) through Section 9.1(h), inclusive, and Section 9.1(n) without time limit and (ii) as to all other matters, for a period of 24 months following the Closing Date unless a bona fide notice of a Claim under Section 12.2 shall have been given, in writing in accordance with Section 20.1, prior to the expiry of such period, in which case the representation and warranty to which such notice applies shall survive in respect of that Claim until the final determination or settlement of that Claim; *provided* such determination or settlement is being pursued diligently and in good faith by the applicable Party.

(b) *Concession Company's Representations and Warranties.* The representations and warranties of the Concession Company contained in Section 9.2 shall survive and continue in full force and effect for the benefit of the Authority as follows: (i) as to the representations and warranties contained in Section 9.2(a) through Section 9.2(f), inclusive, and Section 9.2(l), without time limit and (ii) as to all other matters, but without limiting the express obligation included in the last sentence of Section 9.2(k)(i), for a period of 24 months following the Closing Date unless a bona fide notice of a Claim under Section 12.2 shall have been given, in writing in accordance with Section 20.1, prior to the expiry of such period, in which case the representation and warranty to which such notice applies shall survive in respect of that Claim until the final determination or settlement of that Claim; *provided* such determination or settlement is being pursued diligently and in good faith by the applicable Party. .

ARTICLE 10
FINANCE OBLIGATIONS

Section 10.1 Concession Company's Obligations. Except in those instances in which the Authority is required to provide the funding of costs and expenses under Section 2.5(i)(i) or related to Required Modifications as contemplated by Section 5.2, or unless the Authority first elects to utilize Government Contributions for (a) the Pier 4 Reconstruction, the Pan American Piers Wharf Structure Project, the Expansion Investment Projects or the Phase Two Projects under Section 4.12 or Section 4.13, as applicable, (b) the Additional Cruise Port Facilities Projects under Section 3.18 or (c) capital projects under Section 10.5, the Concession Company shall be responsible for obtaining any financing for the performance of its obligations under this Agreement, which financing shall comply with all requirements of this Agreement. With regard to any Cruise Pier Improvements Project or Modification constituting a capital improvement project the Concession Company's responsibility for obtaining financing shall consist of the Concession Company's use of Reasonable Efforts to obtain a binding commitment from Institutional Lenders for the issuance of Concession Mortgage Debt on the terms set forth in Schedule 13 and in an amount sufficient to pay the applicable Cruise Pier Improvement Projects Cost and to cause the issuance of such Concession Mortgage Debt; *provided, however*, that the Concession Company's obligation for providing financing for the Initial Investment Projects shall not be limited by its use of Reasonable Efforts. For the avoidance of doubt, the use of Reasonable Efforts by the Concession Company to obtain financing as provided above shall only apply to obtaining financing for the construction of any Cruise Pier Improvements Project or Modification constituting a capital improvement (other than the Initial Investment Projects), and shall not apply to obtaining financing for any other purpose under this Agreement, including the payment of costs relating to the operation, maintenance, repair and replacement of the Cruise Port Facility.

Section 10.2 Authority's Obligations.

(a) The Authority shall, to the extent consistent with applicable Law and at the sole cost and expense of the Concession Company, cooperate with the Concession Company with respect to documentation reasonably necessary to obtain, maintain, syndicate and replace financing (including refinancings) for the performance of the obligations of the Concession Company hereunder. The Authority's cooperation may include reviewing, approving and executing documents which substantiate the terms of this Agreement (including any consents and agreements necessary to confirm that the debt evidenced by the relevant financing constitutes Concession Mortgage Debt), assisting the Concession Company in obtaining consents required for any collateral assignment of the Concession Company's rights with respect to the Assigned Port Facility Contracts and the Preferential Berthing Agreements, and responding to reasonable requests for available information and material to furnish to any proposed Concession Mortgagee to facilitate financing to the extent permitted by applicable Law and contractual obligations with third-parties; *provided, however*, that (i) nothing herein shall obligate the Authority to consent to service of process, to become subject to any legal process in any jurisdiction other than in the Commonwealth, or to enter into any agreement not governed by the Laws of the Commonwealth and (ii) the Authority gives no assurance that the Concession Company will obtain consents required for any such collateral assignment of the Concession Company's rights. Any agreement entered into under this Section 10.2(a) shall be subject to review for form and legality by the General Counsel of the Authority. If requested to do so by the Concession Company, the Authority shall, at the sole cost and expense of the Concession Company, use its Reasonable Efforts to cause the Authority's independent public accountants to consent to the use and inclusion of certain financial information regarding the Cruise Port Facility in connection with the Concession Company's public or private offering of securities, as the case may be.

(b) The Authority shall, promptly upon the request of the Concession Company or any Concession Mortgagee, execute, acknowledge and deliver to the Concession Company, or any of the parties specified by the Concession Company, standard consents and estoppel certificates with respect to this Agreement (including consents with respect to Operating Agreements, Construction Contracts and Plans assigned to any Concession Mortgagee) that may be qualified to the best of the knowledge and belief of a designated representative of the Authority. Nothing herein shall require the Authority to incur any additional obligations or liabilities (unless the Authority shall have received indemnification, as determined in the Authority's discretion, with respect thereto) or to take any action, give any consent or enter into any document inconsistent with or in violation of any applicable Law or the provisions of this Agreement.

(c) The Authority, upon the request of the Concession Company, shall use Reasonable Efforts to cooperate in the Concession Company's efforts to obtain debt financing assistance through the issuance of bonds or from other financing programs for which the Concession Company may be eligible; *provided* that the Concession Company shall reimburse the Authority for all costs and expenses incurred by the Authority in connection therewith. Nothing in this Section 10.2(c) shall obligate the Authority (i) to advocate or recommend the enactment or adoption of any federal or Commonwealth legislation or regulations, (ii) to make or recommend an allocation of the Authority's private activity bond authorization under Section 146 of the U.S. Revenue Code or any similar provision, including authorizations related

to other forms of private activity bonds or of tax credit bonds or (iii) to cooperate with the Concession Company in connection with obtaining any such debt financing if the Authority (A) has, or reasonably expects to have, a competing application for such financing, (B) is required to commit to the expenditure or allocation of Authority funds in connection with such request or (C) such finance would have a material adverse effect on the credit rating of the Authority.

(d) The Authority, upon the request of the Concession Company, shall also use Reasonable Efforts to cooperate in any other respects in the Concession Company's efforts to obtain debt financing; provided that the Concession Company shall reimburse the Authority for all costs and expenses incurred by the Authority in connection therewith.

Section 10.3 Concession Company's Obligation for Estoppel Certificates. The Concession Company shall, promptly upon the request of the Authority, execute and deliver to the Authority, or any of the parties specified by the Authority, standard consents and estoppel certificates with respect to this Agreement which may be qualified to the best of the knowledge and belief of a designated representative of the Concession Company. Nothing herein shall require the Concession Company to incur any additional obligations or liabilities or to take any action, give any consent or enter into any document inconsistent with applicable Law and the provisions of this Agreement.

Section 10.4 Prohibited Tax Shelter Transactions. The Concession Company covenants and agrees that it shall not enter into any lease, sublease, concession, management agreement, operating agreement or other similar arrangement or other transaction that would cause the Authority to become a party to a "prohibited tax shelter transaction" within the meaning of section 4965 of the U.S. Revenue Code (it being agreed that, for purposes of this Section 10.4, the Authority shall not be treated as having become a party to such transaction solely by virtue of the execution of this Agreement or any future or ancillary agreements between the Authority and the Concession Company relating to this Agreement). A violation of this Section 10.4 by the Concession Company shall entitle the Authority to (a) recover from the Concession Company, to the extent permitted by applicable Law, the amount of any Tax liability to which the Authority and/or any Authority official is subject as a result of any agreement contemplated by this Section 10.4 and (b) require the Concession Company, at the Concession Company's expense, to prepare timely all statements and returns, and to maintain all lists and similar information that the Authority becomes obligated to disclose, file or maintain with any taxing authority or participant or otherwise as a result of such transaction.

Section 10.5 Government Contributions. Except in the case of the Initial Investment Projects (other than the Pan American Piers Wharf Structure Project, if applicable), if Government Contributions are authorized by the applicable Governmental Authority for the funding of capital projects related to the Cruise Port Facility, the Authority may, by notice to the Concession Company, elect to utilize such Government Contributions for payment of the costs of such capital projects or, if such capital projects are completed, for the payment of any debt (including Breakage Costs) incurred by the Concession Company to pay the costs of such capital projects if permitted by the terms and conditions of the applicable Government Contributions. Without limiting the generality of the foregoing, the Authority may elect to utilize Government Contributions for the Expansion Investment Projects under Section 3.25(i), for the Pier 4

Reconstruction, the Pan American Piers Wharf Structure Project and the Phase Two Projects under Section 4.12, for the Additional Cruise Port Facilities Projects under (and subject to) Section 3.18 and for Modifications under Article 5.

Section 10.6 Adjustments to Annual Authority Revenue Share.

(a) *Concession Company Financing and No Revenue Share Adjustment.* If the Concession Company provides financing (whether utilizing debt or equity) for any Cruise Pier Improvement Project, or otherwise pays any Cruise Pier Improvement Projects Cost, the Initial Dredging Payment, the Annual Dredging Payment and the Annual Authority Revenue Share shall not be adjusted; *provided, however*, that, in the case of the provision of financing by the Concession Company for any Cruise Pier Improvement Project as provided in Section 4.6(b) or Section 4.6(c), the Annual Authority Revenue Share shall be adjusted for partial financing as provided in Schedule 15.

(b) *Government Contributions Authorization but No Trigger Event.* If at the time the notice provided in Section 4.12(e) is given in respect of the Phase Two Projects the Phase Two Trigger Event described in clause (ii) of the definition of such term has not occurred, or if at the time the notice provided in Section 3.25(i) is given in respect of the Expansion Investment Projects the 2,000,000 Passenger Movements Expansion Investment Projects Trigger Event has not occurred, as the case may be, the Annual Authority Revenue Share shall not be adjusted under Schedule 15 to increase the share of the Authority, notwithstanding that Government Contributions pursuant to the Government Contributions Authorization are used to pay the applicable Cruise Pier Improvement Projects Cost which are eligible for receipt of Government Contributions; *provided, however*, that (i) if, following the time the notice provided in Section 4.12(e) is given the Phase Two Trigger Event described in clause (ii) of the definition of such term occurs, then, effective from the date of such occurrence the Annual Authority Revenue Share shall be adjusted as provided in Schedule 15 to increase the share of the Authority or (ii) if following the time the notice provided in Section 3.25(i) is given the 2,000,000 Passenger Movements Expansion Investment Projects Trigger Event occurs, then, either the Annual Authority Revenue Share shall be subject to adjustment or the Incremental Authority Revenue Share shall be paid, as provided in Section 12 of Schedule 15 or Section 13 of Schedule 15, as applicable. For the avoidance of doubt, if the Phase Two Projects are implemented pursuant to Section 4.12(e) before the occurrence of the Phase Two Trigger Event described in clause (ii) of the definition of such term, or if the Expansion Investment Projects are implemented pursuant to Section 3.25(i) before the occurrence of the 2,000,000 Passenger Movements Expansion Investment Projects Trigger Event, and the Concession Company pays a portion of the Cruise Pier Improvement Projects Cost before the occurrence of the Phase Two Trigger Event described in clause (ii) of the definition of such term or the 2,000,000 Passenger Movements Expansion Investment Projects Trigger Event, as the case may be, as a result of the Government Contributions provided pursuant to the Government Contributions Authorization being less than the Cruise Pier Improvement Projects Cost for the Phase Two Projects or the Expansion Investment Projects, respectively, or for any other reason, then the Annual Authority Revenue Share shall not be decreased for the amount of the Cruise Pier Improvement Projects Cost which is paid by the Concession Company. If the Authority first elects to use Government Contributions to fund any Cruise Pier Improvement Projects Cost as provided in this Section 10.6(b), the Authority may authorize the Concession Company to issue Concession Mortgage

Debt on the terms set forth in Schedule 13 and in the amount sufficient to complete the work, to be reimbursed by Government Contributions. In that event, the Annual Authority Revenue Share may be increased or the Incremental Authority Revenue Share may become payable as provided in Schedule 15, and the Government Contributions shall be paid to the Concession Company to pay the debt incurred by the Concession Company or for equity of the Concession Company that was used to pay the applicable Cruise Pier Improvement Projects Cost, as provided in Section 10.5.

(c) *No Extension of Term or Increase in Fees.* In those circumstances under this Agreement where the Concession Company pays any Cruise Pier Improvement Projects Cost and it is provided that the Annual Authority Revenue Share shall not be adjusted or shall be adjusted to increase the share of the Authority, the Term of this Agreement shall not be extended except as provided in Section 4.13(d) and the Concession Company shall not increase any fee or charge provided in Schedule 15 other than as provided in Schedule 15.

(d) *No Effect on Compensation Events.* This Section 10.6 shall in no manner affect the rights of the Concession Company with respect to Compensation Events.

ARTICLE 11
COMPLIANCE WITH LAWS

Section 11.1 Compliance with Laws. The Concession Company shall, at all times and at its own cost and expense, observe and comply with, in all material respects, and cause the Cruise Port Facility Operations to observe and comply with, in all material respects, all applicable Laws now existing or later in effect that are applicable to it or such Cruise Port Facility Operations, including those Laws expressly enumerated in this Article 11, and those that may in any manner apply with respect to the performance of the Concession Company's obligations under this Agreement; *provided* that nothing in this Article 11 shall be interpreted to limit the rights of the Concession Company under Article 14; and *provided, further,* that the Concession Company shall not be considered to be in breach of this covenant with respect to any failure of the Authority to comply in any material respect with any applicable Law on the Closing Date in connection with the Authority's operation of the Cruise Port Facility that continues after the Closing Date and is caused by the COVID-19 Adverse Effect. It is expressly acknowledged and agreed that the obligations of the Concession Company to comply with the provisions of this Article 11 shall be subject to applicable Law, for so long as such Law remains in effect and only to the extent required thereunder as the same may be amended from time to time. The Concession Company shall notify the Authority within seven days after receiving notice from a Governmental Authority that the Concession Company may have violated any of the above.

Section 11.2 Non-Discrimination Laws.

(a) The Concession Company shall comply with all applicable Commonwealth and federal Laws regarding non-discrimination, including: (i) the Civil Rights Act of 1964, 42 U.S.C. § 2000 *et seq.* (1981); (ii) the Civil Rights Act of 1991, P.L. 102-166; (iii) Executive Order Number 11246, 30 Fed. Reg. 12,319 (1965), reprinted in 42 U.S.C. § 2000(e) note, as amended by Executive Order Number 11375, 32 Fed. Reg. 14,303 (1967) and

by Executive Order Number 12086, 43 Fed. Reg. 46,501 (1978); (iv) the Age Discrimination Act, 42 U.S.C. §§ 6101-6106 (1981); (v) the Age Discrimination in Employment Act, 29 U.S.C. §§ 621-34 (1967); (vi) the Rehabilitation Act of 1973, 29 U.S.C. §§ 793-794 (1981); (vii) the Americans with Disabilities Act, 42 U.S.C. § 12101 *et seq.* (1990); (viii) Act No. 100 of the Legislative Assembly of Puerto Rico, enacted on June 30, 1959, 29 P.R. Laws Ann. § 146 *et seq.*, as amended; (ix) Act No. 17 of the Legislative Assembly of Puerto Rico, enacted on April 22, 1988, 29 P.R. Laws Ann. § 155 *et seq.*, as amended; and (x) Act No. 69 of the Legislative Assembly of Puerto Rico, enacted on June 6, 1985, 29 P.R. Laws Ann. § 1321 *et seq.*, as amended.

(b) Pursuant to federal regulations promulgated under the authority of The Americans With Disabilities Act, 28 C.F.R. § 35.101 *et seq.*, the Concession Company understands and agrees that it shall not cause any individual with a disability to be excluded from participation in this Agreement or from activities provided for under this Agreement on the basis of the disability. The Concession Company agrees to comply with the "General Prohibitions Against Discrimination," 28 C.F.R. § 35.130, and all other regulations promulgated under Title II of the Americans With Disabilities Act which are applicable to all benefits, services, programs, and activities provided by the Authority through contracts with outside contractors. The Concession Company shall be responsible for and agrees to indemnify and hold harmless the Authority from all losses, damages, expenses, claims, demands, suits, and actions brought by any party against the Authority as a result of the Concession Company's failure to comply with the provisions of this Section 11.2(b).

Section 11.3 Commonwealth Non-Discrimination/Sexual Harassment Clause. Pursuant to Act No. 100 of the Legislative Assembly of Puerto Rico, enacted on June 30, 1959, 29 P.R. Laws Ann. § 146 *et seq.*, as amended (Non-Discrimination Act), Act No. 17 of the Legislative Assembly of Puerto Rico, enacted on April 22, 1988, 29 P.R. Laws Ann. § 155 *et seq.*, as amended (Sexual Harassment Act), and Act No. 69 of the Legislative Assembly of Puerto Rico, enacted on June 6, 1985, 29 P.R. Laws Ann. § 1321 *et seq.*, as amended (Sexual Discrimination Act), the Concession Company agrees as follows during the Term:

(a) In the hiring of any employees for the manufacture of supplies, performance of work, or any other activity required under this Agreement or any subcontract, the Concession Company, any Contractor or any Person acting on behalf of the Concession Company or a Contractor shall not by reason of gender, race, creed, or color discriminate against any person who is qualified and available to perform the work to which the employment relates.

(b) Neither the Concession Company nor any Contractor nor any Person on their behalf shall in any manner discriminate against or intimidate any employee involved in the manufacture of supplies, the performance of work or any other activity required under this Agreement on account of gender, race, creed, or color.

(c) The Concession Company and all Contractors shall establish and maintain a written sexual harassment policy and shall inform their employees of the policy. The policy must contain a notice that sexual harassment will not be tolerated and employees who practice it will be disciplined.

(d) The Concession Company shall not discriminate by reason of gender, race, creed, or color against any Contractor or supplier who is qualified to perform the work to which the contract relates.

(e) The Concession Company shall include the provisions of this Section 11.3 in every subcontract so that such provisions will be binding upon each Contractor.

(f) In the event that any Concession Company Default results from a violation of the terms and conditions of this Section 11.3, the Authority may cancel or terminate this Agreement in accordance with Section 16.1(b)(iii) (for the avoidance of doubt, subject to the cure periods set forth in Section 16.1(a)(i) and Section 16.1(b)(iii)). In addition, the Authority may proceed with debarment or suspension and may place the Concession Company in any contractor responsibility file maintained by the Authority in accordance with the Authority's normal practice in matters of suspension and debarment.

Section 11.4 Non-Collusion and Acceptance. The Concession Company attests, subject to the penalties for perjury, that no Representative of the Concession Company, directly or indirectly, to the best of the Concession Company's knowledge, entered into or offered to enter into any combination, conspiracy, collusion or agreement to receive or pay any sum of money or other consideration for the execution of this Agreement other than that which is expressly set forth in this Agreement; provided, however, that the Concession Company may compensate any Person who provided legal, financial or strategic advice to the Concession Company in connection with the Transaction based upon the condition that Closing occurs, so long as any action of any such Person with regard to the Transaction complied with applicable Law.

Section 11.5 Local Goods and Services. As required by Article 10 of Act No. 14 of the Legislative Assembly of Puerto Rico, enacted on January 8, 2004, 3 P.R. Laws Ann. § 930 *et seq.*, the Concession Company shall use, to the extent available and applicable to the services provided hereunder, and to the extent permitted by applicable Law, goods extracted, produced, assembled, packaged, bottled or distributed in the Commonwealth by businesses operating in the Commonwealth or distributed by agents established in the Commonwealth; *provided, however*, that if Government Contributions are intended to fund the purchase of such goods, and the conditions for such Government Contributions so require, then the cost of such goods shall be considered by the Concession Company to be reasonable.

Section 11.6 Concession Company Integrity.

(a) The Concession Company shall maintain the highest standards of integrity in the performance of this Agreement and shall take no action in violation of Commonwealth or federal Laws, regulations, or other requirements that govern contracting with the Authority. The Concession Company certifies that it does not represent particular interests in cases or matters that would imply a conflict of interest or public policy between the Authority and the interests it represents.

(b) The Concession Company shall not disclose to others any confidential information gained by virtue of this Agreement in violation of the confidentiality agreement described in Section 2.5(g).

(c) The Concession Company shall not, in connection with this Agreement or any other agreement with the Authority, directly or indirectly, offer, confer or agree to confer any pecuniary benefit on anyone as consideration for the decision, opinion, recommendation, vote, other exercise of discretion or violation of a known legal duty by any officer or employee of the Authority.

(d) The Concession Company shall not, in connection with this Agreement or any other agreement with the Authority, directly or indirectly, offer, give or agree or promise to give to anyone any gratuity for the benefit of or at the direction or request of any officer or employee of the Authority.

(e) The Concession Company shall not accept or agree to accept from, or give or agree to give to, any Representative of the Authority, any gratuity from any person in connection with this Agreement that is intended by the provider thereof to be a material inducement to enter into this Agreement or any other agreement.

(f) The Concession Company, upon being informed that any violation of the provisions of this Section 11.6 has occurred or may occur, shall immediately notify the Authority in writing.

(g) The Concession Company, by execution of this Agreement and any request for compensation pursuant hereto, certifies and represents that it has not violated any of the provisions of this Section 11.6.

(h) The Concession Company, upon the inquiry or request of the Comptroller of the Commonwealth or any of that official's agents or representatives, shall provide, or if appropriate, make promptly available for inspection or copying, any information of any type or form deemed relevant by the Comptroller of the Commonwealth. Such information may include the Concession Company's business or financial records, documents or files of any type or form that refers to or concerns this Agreement. Such information shall be retained by the Concession Company for a period of five years unless otherwise provided by Law.

(i) In the event that any Concession Company Default results from a violation of any of the provisions of this Section 11.6, the Authority may terminate this Agreement in accordance with Section 16.1(b)(iii) (for avoidance of doubt, subject to the cure periods set forth in Section 16.1(a)(i) and Section 16.1(b)(iii)) and any other agreement with the Concession Company, and debar and suspend the Concession Company from doing business with the Authority. These rights and remedies are cumulative, and the use or nonuse of any one shall not preclude the use of all or any other. These rights and remedies are in addition to those the Authority may have under Law, statute, regulation, or otherwise.

(j) For purposes of this Section 11.6 only, the words "confidential information," "consent," "Concession Company" and "gratuity" shall have the following definitions:

(i) "confidential information" means information that is not public knowledge, or available to the public on request, disclosure of which would give an unfair, unethical, or illegal advantage to another desiring to contract with the Authority;

(ii) "consent" means written permission signed by a duly authorized officer or employee of the Authority; *provided* that where the material facts have been disclosed, in writing, by prequalification, bid, proposal or contractual terms, the Authority shall be deemed to have consented by virtue of execution of this Agreement;

(iii) "Concession Company" means the entity that has entered into this Agreement with the Authority; and

(iv) "gratuity" means any payment of more than nominal monetary value in the form of cash, travel, entertainment, gifts, meals, lodging, loans, subscriptions, advances, deposits of money, services, employment or contracts of any kind.

Section 11.7 Commonwealth Tax Liabilities. The Concession Company shall inform the Authority if, at any time during the Term, it becomes delinquent in the payment of Taxes imposed by any Governmental Authority of the Commonwealth.

Section 11.8 Contractor and Supplier Contracts. To the extent permitted by applicable Law, the Concession Company shall include the provisions of this Article 11 and Section 9.3 in every subcontract and supply contract so that they shall be binding on each Contractor.

Section 11.9 Practice of Engineering, Architecture and Other Professions in the Commonwealth. To the extent that performance of the Cruise Port Facility Operations involves performance of architectural, engineering, land surveying, and landscape architecture services governed by Act No. 173 of the Legislative Assembly of Puerto Rico, enacted on August 12, 1988, 20 P.R. Laws Ann. § 711 *et seq.,* as amended, then (a) the Concession Company shall comply (and shall require its subcontractors or agents, if any, to comply) with such Act No. 173 and (b) the Concession Company shall monitor compliance by its subcontractors and agents with such Act No. 173. Any reference in this Agreement to the provision of design or engineering by the Concession Company, Enka or any other party or Contractor, shall be understood to mean that such design and engineering shall be performed by a locally licensed firm, architect or engineer, as applicable, even if such contractual relationship with the locally licensed architect, engineer or firm shall be the responsibility of the Concession Company, Enka or the named party, as applicable. Under no circumstances such references shall be deemed to mean an offering or acceptance of engineering or architectural services by unauthorized entities or persons. As part of its Approvals, the Authority shall evaluate and enforce the appropriate compliance with Act No. 173.

Section 11.10 Governmental Contractor Code of Ethics. Concession Company shall comply with the requirements of the Code of Ethics.

Section 11.11 Certifications Required by Commonwealth Contractor Requirements. The Concession Company has (i) certified that it has complied and is in compliance with the provisions of the Public-Private Partnerships Authority's Ethical Guidelines and (ii) delivered the Sworn Statement herewith.

Section 11.12 Duty to Inform of Criminal Investigations. The Concession Company shall inform the Authority if, at any time during the Term, it becomes subject to investigation in connection with criminal charges related to acts of corruption, the public treasury, the public trust, a public function, or charges involving public funds or property.

Section 11.13 Disadvantaged Business Enterprise Program. To the extent the Concession Company receives federal financial assistance from the DOT with respect to the Cruise Port Facility pursuant to 49 U.S.C. § 47101 *et seq.,* the Concession Company shall establish a Disadvantaged Business Enterprise ("DBE") program in accordance with regulations of the DOT, 49 C.F.R. Part 26.

(a) *General Requirements.* The Concession Company shall provide for the participation of DBEs, as defined in 49 C.F.R. Part 26, in its Cruise Port Facility Operations. To this end, the Concession Company shall establish a policy for the utilization of DBEs, goals for the annual utilization of DBEs, and a reporting procedure agreeable to the Concession Company and the Authority.

(b) *Policy.* The following statement shall represent the Concession Company's policy regarding a DBE program: The Concession Company is committed to ensuring that DBEs, as defined in 49 C.F.R. Part 26, have an equal opportunity to receive and participate in DOT-assisted contracts.

(c) *Liaison.* To ensure compliance and the successful management of the Concession Company's DBE program, the Concession Company shall establish a DBE liaison for the Cruise Port Facility with the DOT.

ARTICLE 12
INDEMNIFICATION

Section 12.1 Indemnification with Regard to Third Party Claims.

(a) *Indemnification by the Concession Company.* To the fullest extent permitted by Law, the Concession Company shall indemnify and hold harmless the Authority and each of its Representatives from and against any Losses actually suffered or incurred by the Authority or any such Representative as a result of any Third Party Claims arising from (i) any Assumed Liabilities or (ii) any tax or mortgage recording charge attributable to any Transfer of the Concession Company Interest or any part thereof; *provided however,* that such Third Party Claims are made in writing within a period of three years from the expiration of the Term or

earlier termination of this Agreement or within such shorter period as may be prescribed by the applicable statute of limitations.

(b) *Indemnification by the Authority.* To the fullest extent permitted by Law, the Authority shall indemnify and hold harmless the Concession Company and each of its Representatives from and against any Losses actually suffered or incurred by the Concession Company or any such Representative as a result of any Third Party Claims arising from any Excluded Liabilities; *provided, however,* that such Third Party Claims are made in writing within a period of three years following the expiration of the Term or earlier termination of this Agreement or within such shorter period as may be prescribed by the applicable statute of limitations.

(c) *Notice of Third Party Claim.* If an Indemnified Party receives notice of the commencement or assertion of any Third Party Claim, the Indemnified Party shall give the Indemnifier reasonably prompt notice thereof, but in any event no later than 30 days after receipt of such notice of such Third Party Claim. Such notice to the Indemnifier shall describe the Third Party Claim in reasonable detail (and include a copy of any complaint or related documents) and shall indicate, if reasonably practicable, the estimated amount of the Loss that has been or may be sustained by the Indemnified Party.

(d) *Defense of Third Party Claim.* The Indemnifier may participate in or assume the defense of any Third Party Claim by giving notice to that effect to the Indemnified Party not later than 30 days after receiving notice of that Third Party Claim (the "Notice Period"); *provided, however,* that the Indemnifier shall not be permitted to assume the defense of such Third Party Claim to the extent such assumption would adversely impact any defense asserted by the Indemnified Party. The Indemnifier's right to do so shall be subject to the rights of any insurer or other Party who has potential responsibility with respect of that Third Party Claim. The Indemnifier agrees to pay all of its own expenses of participating in or assuming each defense. The Indemnified Party shall cooperate in good faith in the defense of each Third Party Claim, even if the defense has been assumed by the Indemnifier and may participate in such defense assisted by counsel of its own choice at its own expense. If the Indemnified Party has not received notice within the Notice Period that the Indemnifier has elected to assume the defense of such Third Party Claim, the Indemnified Party may assume such defense, assisted by counsel of its own choosing and the Indemnifier shall be responsible for all reasonable costs and expenses paid or incurred in connection therewith and any Loss suffered or incurred by the Indemnified Party with respect to such Third Party Claim.

(e) *Assistance for Third Party Claims.* The Indemnifier and the Indemnified Party will use all Reasonable Efforts to make available to the Party which is undertaking and controlling the defense of any Third Party Claim (the "Defending Party") (i) those employees whose assistance, testimony and presence is necessary to assist the Defending Party in evaluating and in defending any Third Party Claim and (ii) to the extent permitted by Law, all documents, records and other materials in the possession of such Party reasonably required by the Defending Party for its use in defending any Third Party Claim, and shall otherwise cooperate with the Defending Party. The Indemnifier shall be responsible for all reasonable expenses associated with making such documents, records and materials available and for all expenses of any

employees made available by the Indemnified Party to the Indemnifier hereunder, which expense shall not exceed the actual cost to the Indemnified Party associated with such employees.

(f) *Settlement of Third Party Claims.* If an Indemnifier elects to assume the defense of any Third Party Claim in accordance with Section 12.1(d), the Indemnifier shall not be responsible for any legal expenses subsequently incurred by the Indemnified Party in connection with the defense of such Third Party Claim. However, if the Indemnifier fails to take reasonable steps necessary to defend diligently such Third Party Claim within 30 days after receiving notice from the Indemnified Party that the Indemnified Party believes on reasonable grounds that the Indemnifier has failed to take such steps, the Indemnified Party may, at its option, elect to assume the defense of and to compromise or settle the Third Party Claim assisted by counsel of its own choosing and the Indemnifier shall be responsible for all reasonable costs and expenses paid or incurred in connection therewith. The Indemnified Party shall not settle or compromise any Third Party Claim without obtaining the prior written consent of the Indemnifier unless such settlement or compromise is made without any responsibility to, and does not require any action on the part of, the Indemnifier and does not in any way adversely affect the Indemnifier.

Section 12.2 Indemnification with Regard to Breaches of Covenants, Representations or Warranties.

(a) *Indemnification by the Concession Company.*

(i) The Concession Company shall indemnify and hold harmless the Authority and each of its Representatives from and against any Losses actually suffered or incurred by the Authority or any such Representative arising from (i) any failure by the Concession Company, its Affiliates or their respective Representatives to comply with, observe or perform any of the covenants, obligations, agreements, terms or conditions in this Agreement or (ii) any breach by the Concession Company of its representations or warranties set forth in Section 9.2; *provided, however,* that such representations and warranties continue to survive at such time as provided in Section 9.5(b) and a notice of a Claim shall have been given, in writing in accordance with Article 200, prior to the expiry of such survival period as provided in Section 9.5(b).

(ii) In addition to any other right of the Authority contemplated in this Section 12.2(a) and elsewhere in this Agreement, and without prejudice to (or diminishment of) any of the Authority's other rights and entitlements under this Agreement, the Concession Company shall indemnify and hold harmless the Authority and each of its Representatives from and against any Losses actually suffered or incurred by the Authority or any such Representative arising from failure of the Concession Company to comply with the laws, regulations, terms and conditions related to obtaining and administering any Government Contributions, including FEMA or HUD procurement requirements, or with any failure of the Concession Company to fulfill the obligations more fully described in Schedule 13 and related to the Government Contributions. For the avoidance of doubt, and without limitation, Losses under this Section 12.2(a) includes any amounts the Authority incurs as a result of a denial, reduction or de-obligation in the amount of Government Contributions as may have been previously provided to

the Concession Company for any Cruise Pier Improvement Project including pursuant to any subsequent change in the applicable Government Contributions Authorization.

(b) *Indemnification by the Authority.*

(i) The Authority shall indemnify and hold harmless the Concession Company and each of its Representatives from and against any Losses actually suffered or incurred by the Concession Company or any such Representative arising from (A) any failure by the Authority or its Representatives to comply with, observe or perform any of the covenants, obligations, agreements, terms or conditions in this Agreement or (B) any breach by the Authority of its representations or warranties set forth in Article 9; *provided, however,* that such representations and warranties continue to survive at such time as provided in Section 9.5(a) and a notice of a Claim shall have been given, in writing in accordance with Article 200, prior to the expiry of such survival period as provided in Section 9.5(a).

Section 12.3 Losses Net of Insurance; Reductions and Subrogation.

(a) For purposes of this Article 12, the amount of any Losses for which indemnification is provided hereunder shall be reduced by any amounts actually recovered by the Indemnified Party under insurance policies with respect to such Losses, it being understood that the obligations of the Indemnifier hereunder shall not be so reduced to the extent that any such recovery results in an increase in the Indemnified Party's insurance premiums, or results in any other additional cost or expense to any such Indemnified Party.

(b) If the amount of any Loss incurred by an Indemnified Party at any time subsequent to the making of a payment required under this Article 12 on account of such Losses (an "Indemnity Payment") is reduced by any subsequent recovery, settlement or otherwise under or pursuant to any insurance coverage, or pursuant to any claim, recovery, settlement or payment by or against any other Person, the amount of such reduction (less any costs, expenses (including Taxes) or premiums incurred or increased in connection therewith), together with interest thereon from the date of such recovery, settlement or reduction at the Bank Rate, shall promptly be repaid by the Indemnified Party to the Indemnifier.

(c) Upon making a full Indemnity Payment, the Indemnifier shall, to the extent of such Indemnity Payment, be subrogated to all rights of the Indemnified Party against any third party in respect of the Loss to which the Indemnity Payment relates. Until the Indemnified Party recovers full payment of its Loss, any and all claims of the Indemnifier against any such third party on account of such Indemnity Payment shall be postponed and subordinated in right of payment to the Indemnified Party's rights against such third party.

Section 12.4 Payment and Interest. All amounts to be paid by an Indemnifier hereunder shall bear interest at a rate per annum equal to the Bank Rate, calculated annually and payable monthly, both before and after judgment, from the date that the Indemnified Party disbursed funds, suffered damages or losses or incurred a loss or expense in respect of a Loss for which the Indemnifier is responsible to make payment pursuant to this Article 12, to the date of payment by the Indemnifier to the Indemnified Party.

Section 12.5 Offset Rights; Limitations on Certain Damages.

(a) Any other provision herein notwithstanding, each Party's obligations under this Agreement are subject to, and each Party shall have the benefit of, all defenses, counterclaims, rights of offset or recoupment or other claims and rights, including the right to deduct payments due to the other Party hereunder (collectively, "Offsets") which such Party may have at any time against such other Party (or any of their respective successors and assigns) or any transferee or assignee of any such other Party's rights hereunder (to the extent permitted hereunder) as against such Party or any part thereof or interest therein, whether the claim or right of such Party relied upon for such purpose is matured or unmatured, contingent or otherwise, and no transfer or assignment of this Agreement or any other obligation of such other Party, or of any rights in respect thereof, pursuant to any plan of reorganization or liquidation or otherwise shall affect or impair the availability to each Party of the Offsets; *provided that* in no event shall any Party's right to Offsets permit such Party to exercise such right in a manner that would reduce the Cruise Port Facility Concession Value to an amount that is less than the Concession Mortgage Debt.

(b) In no event shall either Party be responsible to the other Party under this Agreement for consequential, indirect, exemplary or punitive damages (except for claims by the Authority against the Concession Company for fraud or for intentional misrepresentation or intentional breach), nor shall a Party be obligated to indemnify the other Party or any other Person with respect to any Losses or damages caused by the fraud of such other Party or Person. The Parties agree that (i) payment for lost revenues generated at the Cruise Port Facility as part of Concession Compensation or the Cruise Port Facility Concession Value shall not constitute consequential, indirect, exemplary or punitive damages under the Act or otherwise and (ii) payments made by a Party to any third party shall always constitute indemnifiable losses hereunder notwithstanding whether such amounts represent consequential, indirect, exemplary or punitive damages for such third party.

(c) Except (i) in the event of a termination of this Agreement pursuant to Section 2.4(d), Section 14.2 or Section 16.2, (ii) in cases involving fraud or intentional misrepresentation subject to all of the terms and conditions hereof or (iii) with respect to any Compensation Event, the provisions of this Article 12 shall constitute the sole and exclusive right and remedy available to any Party hereto for any Third Party Claim or for any actual or threatened breach of any representation, warranty, covenant or agreement contained herein.

(d) This Section 12.5 shall remain in full force and effect in accordance with its terms and shall not be terminated by any breach (fundamental, negligent or otherwise) by any Party of its representations, warranties or covenants hereunder or by any termination or rescission of this Agreement by any Party.

Section 12.6 Agency for Representatives. Each of the Authority and the Concession Company agrees that it accepts each indemnity under the terms of this Agreement in favor of any of its Representatives, as applicable, as agent and trustee of such Representative, as applicable, and agrees that each of the Authority and the Concession Company may enforce any such indemnity in favor of its Representatives, as applicable, on behalf of such Representative.

ARTICLE 13
INSURANCE

Section 13.1 Insurance Coverage Required. The Concession Company shall provide and maintain at the Concession Company's own expense, or cause to be maintained, during the Term and during any time period following expiration during which the Concession Company is required to return and perform any additional work, the insurance coverages and requirements specified below, insuring the Cruise Port Facility and all Cruise Port Facility Operations (the "Required Coverages").

(a) *Employment Practices Liability.* The Concession Company shall maintain employment practices liability in a limit of not less than $5,000,000 per occurrence. Any retroactive date on the policy shall be on or before the Date of this Agreement. Policies written on a claims-made basis shall remain in force for at least three years beyond the date this Agreement terminates, through extended coverage, purchase of a tail or otherwise.

(b) *Workers' Compensation Insurance.* The Concession Company shall maintain the required workers' compensation insurance with the Corporación del Fondo del Seguro del Estado, and under the Longshore and Harbor Workers' Compensation Act, 33 U.S.C. 901 *et seq.*, if applicable.

(c) *Commercial Marine Liability (Primary and Excess).* The Concession Company shall provide commercial marine liability insurance or equivalent with limits of not less than $50,000,000 per occurrence and $100,000,000 aggregate for bodily injury (including death) and property damage liability. Coverage shall include the following: all premises and operations, products liability, host liquor liability, completed operations, explosion, collapse, underground, separation of insureds, defense, independent contractors, terrorism war liability, excess auto liability, pier and wharf liability, baggage liability, cargo liability, mobile equipment, contractual liability, personal injury and advertising injury with limits of not less than $1,000,000 per occurrence and aggregate, incidental medical malpractice with limits of not less than $1,000,000 per occurrence and aggregate and excess employers liability with limits of not less than $1,000,000 per occurrence and aggregate. The Authority is to be named as an additional insured on a primary, non-contributory basis for any liability arising directly or indirectly under or in connection with this Agreement.

(d) *Automobile Liability (Primary and Excess).* The Concession Company shall provide or cause to be provided automobile liability insurance with limits of not less than $1,000,000 per occurrence and $5,000,000 aggregate for bodily injury and property damage for any owned, non-owned or hired autos/motor vehicles. The Authority is to be named as an additional insured on a primary, non-contributory basis.

(e) *Builder's Risk.* When the Concession Company undertakes any construction, maintenance or repairs to the Cruise Port Facility, including improvements and betterments pursuant to this Agreement, the Concession Company shall provide or cause to be provided, all risk builder's risk insurance at replacement cost for materials, supplies, equipment, machinery and fixtures that are or will be part of the Cruise Port Facility. Customary sublimits and aggregated sublimits for perils including flood and earthquake are permitted in amounts

consistent with market practice at Comparable Cruise Ports. Coverage shall include the following: right to partial occupancy, boiler and machinery, earth movement, flood, water (including overflow), windstorm, leakage, sewer backup, utility services, debris removal, testing, mechanical-electrical breakdown, resulting damage arising out of faulty or defective workmanship or material, business income (where an exposure exists and where the Authority has an insurable interest in such exposure), valuable papers and other consequential loss, when applicable. The Authority is to be named as an additional insured and, subject to the claims of any Concession Mortgagee, as a loss payee with respect to the property proceeds.

(f) *Professional Liability*. When any architects, engineers, project managers, construction managers or other professional consultants perform work in connection with this Agreement, professional liability insurance covering acts, errors or omissions shall be maintained with limits of not less than $1,000,000 per occurrence and $2,000,000 aggregate. When policies are renewed or replaced, the policy retroactive date shall coincide with, or precede, start of work in connection with this Agreement. A claims-made policy that is not renewed or replaced shall have an extended reporting period of two years.

(g) *Property*. The Concession Company shall obtain all risk of direct physical loss real and personal of every kind and description property insurance coverage on a full replacement basis (no margin clause is to be included), covering all loss, damage or destruction to the Cruise Port Facility, including improvements and betterments, which amount shall not be less than eighty percent (80%) of the full replacement cost of the Cruise Port Facility; *provided, however*, that, for the avoidance of doubt, (x) such obligation shall not apply in respect of materials, supplies, equipment, machinery and fixtures that are or will be part of the Cruise Port Facility for which all builder's risk insurance shall be taken out in accordance with Section 13.1(e) and (y) in accordance with Section 13.1(g), the full replacement cost of the Cruise Port Facility shall not include Pan American Pier 1, Pan American Pier 2 and Pier 4 during the periods prior to the commencement of each of the Pan American Piers Wharf Structure Project and the Rehabilitation Pier 4 Wharf, respectively, which are to be insured by the Authority pursuant to Section 13.4. At the request of the Authority, the Concession Company shall, at is sole cost and expense, from time to time but not more frequently than once every five (5) years, utilize an independent third party appraiser reasonably acceptable to the Authority to determine the full replacement cost of the Cruise Port Facility. Such appraiser shall, no later than one hundred twenty (120) days following such request by the Authority, prepare and deliver to the Concession Company and the Authority a report, based on standard industry practice for appraisers, setting forth such full replacement cost of the Cruise Port Facility. Such full replacement cost shall be Adjusted for Inflation and the amount of insurance required under this Section 13.1(g) shall be adjusted accordingly, as required. Coverage shall include, but not be limited to, the following: (i) such risks as may now or in the future be included under an all risk policy form of real and personal property insurance (subject to standard policy terms, conditions and exclusions) as may now or in the future be prescribed by the Commonwealth as of the effective date of the policy under which such insurance is provided and (ii) fire, smoke, windstorm, cyclone, tornado, hail, explosion, riot, civil commotion, equipment breakdown, flood, earth movement, collapse, water including overflow, leakage, sewer backup or seepage, utility interruption, debris removal, business ordinance or law (coverages A, B and C) for increased cost of construction, business income (including contingent) extra expense, berth blockage, boiler and machinery, valuable papers ingress and egress, civil and military authority

and, if available, terrorism. Customary sublimits and aggregated sublimits for perils including flood and earthquake may be permitted in amounts consistent with market practice at Comparable Cruise Ports, except to the extent that any Government Contributions are provided for the Cruise Port Facility, or for any Cruise Pier or Cruise Pier Improvement Project, in which case the minimum sublimit for any property covered by such Government Contributions is equal to the type and extent of insurance that is reasonably available, adequate, necessary and required to protect against future loss to the property as confirmed by the Governmental Authority issuing or administering the subject Government Contributions and associated Government Contributions Agreements. The Concession Company acknowledges that the type and extent of coverage required as a condition to receipt of any Government Contributions is generally equal to the actual eligible costs of the work as submitted on the associated Government Contributions Agreements, prior to any reductions and including both the Federal and non-Federal cost share, if applicable; *however*, the Concession Company is responsible for confirming the type and extent of coverage required including whether the total property insurance coverage including any applicable sublimits or aggregate sublimits is adequate to cover all such requirements. Coverage shall also include blanket business income coverage. In addition, the Concession Company shall, during the Term, procure at its own expense comprehensive fire, theft and property damage all risk insurance for, and keep insured to the extent of the full replacement value thereof (if replaceable; otherwise, the value thereof), all personal property of the Authority in the care, custody and control of the Concession Company, including materials, fixtures/contents, equipment, tools, supplies and art work. The Concession Company shall be responsible for all loss or damage to personal property (including materials, fixtures/contents, equipment, tools, supplies and art work) of the Concession Company unless caused by the Authority or its Representatives. The Authority is to be named as an additional insured on all property insurance policies. Subject to the claims of any Concession Mortgagee, the Authority and the Depositary are to be named as loss payees. Failure of the Concession Company to obtain and maintain the type and extent of insurance coverage as required by this Section 13.1, including specifically the coverage amounts required in connection with Government Contributions, will constitute a breach of this Agreement. The Concession Company will be responsible for all costs incurred by the Authority as a result of such breach, including the total amount required to restore any loss, damage or destruction to the Cruise Port Facility.

(h) *Pollution Legal Liability.* Pollution legal liability insurance shall be provided covering first party claims and third-party bodily injury, property damage and other losses caused by pollution occurrences during the Term with limits of not less than $5,000,000 per occurrence and $25,000,000 aggregate. Coverage shall include environmental cleanup, remediation, and transported cargo and non-owned disposal sites extensions. When policies are renewed or replaced, the policy retroactive date shall, if practicable, coincide with or precede, start of work in connection with this Agreement. A claims-made policy which is not renewed or replaced shall have an extended reporting period of two years. The Authority is to be named as an additional insured.

(i) *Business Interruption Insurance.* The Concession Company shall obtain business interruption insurance (including contingent, berth blockage, utility off premises interruption) against interruption or loss of projected Cruise Port Revenues for at least six months from the occurrence of the risk, resulting from direct physical damage and/or indirect damages (such as utilities interruption) to the Cruise Port Facility; *provided,* that the limits of

such coverage may be based on a maximum foreseeable loss analysis, subject to the Authority's approval of such maximum foreseeable loss analysis by an independent third party that is reasonably acceptable to the Authority, with such approval of the Authority not to be unreasonably withheld.

(j) *Owners' Contractors Protective Liability Insurance.* The Concession Company shall obtain owners' contractors protective liability insurance or equivalent coverage with a limit of not less than $2,000,000 per occurrence. Such insurance shall include coverage against any negligent acts or omissions of independent contractors or subcontractors of the Concession Company, whether resulting in bodily injury or injury to property of third parties. The Authority is to be named as an additional insured, on a primary non contributory basis.

(k) *Boiler & Machinery Insurance.* The Concession Company shall maintain comprehensive boiler and machinery coverage or equipment breakdown coverage for completed structures housing pressure vessels, machinery, equipment and electrical systems with a total replacement value of $25,000 or more. Such insurance shall (i) include a limit at least equal to the total replacement cost of the equipment, plus 10%; (ii) include business interruption insurance in an amount reasonably acceptable to the Authority; (iii) include the Authority as an insured and (iv) include law and ordinance coverage.

(l) *Fiduciary Liability.* The Concession Company shall maintain fiduciary liability in a limit of not less than $3,000,000 per occurrence. Any retroactive date on the policy shall be on or before the Date of this Agreement. Policies written on a claims-made basis shall remain in force for at least three years beyond the date this Agreement terminates, through extended coverage, purchase of a tail or otherwise.

(m) *Other.* With respect to the periods prior to commencement of each of the Pan American Piers Wharf Structure Project and the Rehabilitation Pier 4 Wharf, as further described in Schedule 13, the Concession Company shall request and provide the insurance coverages required in this Article other than those coverages to be provided by the Authority pursuant to Section 13.4).

Section 13.2 Additional Requirements.

(a) *Evidence of Insurance.* The Concession Company shall deliver or cause to be delivered to the Authority original certificates of insurance on the Authority's insurance certificate form copies of policies declaration pages, or equivalent evidencing the Required Coverages on or before the Closing Date, and shall provide or cause to be provided, renewal certificates of insurance, or such similar evidence, if such coverages have an expiration or renewal date occurring during the Term. The receipt of any certificate does not constitute agreement by the Authority that the insurance requirements in this Agreement have been fully met or that the insurance policies indicated on the certificate are in compliance with all requirements of this Agreement. The failure of the Authority to obtain certificates or other insurance evidence from the Concession Company shall not be deemed to be a waiver by the Authority. Non-conforming insurance shall not relieve the Concession Company of the obligation to provide insurance as specified herein. Except as otherwise expressly set forth herein, each Required Coverage may be reviewed by the Authority for compliance with the

terms of this Agreement. Each Required Coverage shall be signed by the insurer responsible for the risks insured against or by the insurer's authorized representative. All Required Coverages shall be placed with insurers that, at a minimum, have a rating of A-(VII) or better by A.M. Best Company or an equivalent rating by another Rating Agency (unless the Authority consents to waive this requirement, which consent shall be subject to Section 13.2(o)). All Required Coverages shall be placed with insurers properly authorized/licensed by the Puerto Rico Insurance Commissioner to conduct insurance business in Puerto Rico; *provided, however*, that to the extent Required Coverages cannot be placed with such insurers in Puerto Rico with terms and conditions that are commercially reasonable (including rates, insured limits, deductibles and exclusions) ("Commercially Reasonable Insurance Terms"), then the Concession Company may place such Required Coverages with insurers outside Puerto Rico (i) if such insurers (A) are properly authorized/licensed to conduct insurance business in their jurisdiction, (B) have a rating of A-(VII) or better with A.M. Best Company or an equivalent rating by another Rating Agency, (C) agree that the Required Coverages provided by such insurers shall be governed by and construed in accordance with the Law of the Commonwealth, and (D) agree to submit to the exclusive jurisdiction of the Commonwealth Court, and (ii) subject to compliance with the Insurance Code of the Commonwealth and related regulations applicable to non-authorized insurers.

(b) *Notice of Cancellation, Material Change or Violation.* All Required Coverages shall provide for 30 days' (or in the case of cancellation for non-payment of premiums, 10 days') prior notice to be given to the Authority by the insurer in the event coverage is substantially changed, canceled or non-renewed. The Authority shall be permitted (but not obligated) to pay any delinquent premiums before the cancellation date specified by the insurer in any notice of cancellation for non-payment of premium in order to maintain such coverage in full force and effect and the Concession Company shall reimburse the Authority for any delinquent premiums paid by the Authority on demand without any days of grace and without prejudice to any other rights and remedies of the Authority hereunder. The Concession Company shall not cancel, terminate, materially change to the detriment of the Authority or replace any Required Coverage.

(c) *Deductibles.* All Required Coverages may contain deductibles or self-insured retentions not to exceed amounts consistent with market practice at Comparable Cruise Ports. Any and all deductibles or self-insured retentions on Required Coverages shall be borne by the Concession Company or its Contractors.

(d) *Inflation Adjustment.* The amounts of coverage required by Section 13.1 shall be Adjusted for Inflation each succeeding fifth anniversary of the Closing Date.

(e) *Waiver of Subrogation by Insurers.* Each of the Required Coverages shall include a waiver by the insurer of its rights of subrogation against the Authority, its employees, elected officials, agents or representatives.

(f) *Authority's Right to Insure.* If the Concession Company fails to obtain and maintain or cause to be obtained and maintained the insurance required by this Article 13, the Authority shall have the right (without any obligation to do so), upon two Business Days' notice to the Concession Company in a non-emergency situation or forthwith in an emergency

situation and without assuming any obligation in connection therewith, to effect such insurance and all costs and expenses of the Authority in connection therewith shall be payable by the Concession Company to the Authority on demand without any days of grace and without prejudice to any other rights and remedies of the Authority hereunder. Such insurance taken out by the Authority shall not relieve the Concession Company of its obligations to insure hereunder and the Authority shall not be liable for any loss or damage suffered by the Concession Company in connection therewith.

(g) *No Limitation as to Concession Company Liabilities.* The Concession Company expressly understands and agrees that any coverages and limits furnished by the Concession Company shall in no way limit the Concession Company's liabilities and responsibilities specified within this Agreement or by Law.

(h) *No Contribution by Authority.* The Concession Company expressly understands and agrees that any insurance or self-insurance programs maintained by the Authority shall not contribute with insurance provided by the Concession Company under this Agreement.

(i) *Insurance Not Limited by Indemnification.* The required insurance shall not be limited by any limitations expressed in the indemnification language herein or any limitation placed on the indemnity therein given as a matter of Law.

(j) *Insurance Requirements of Contractors and Subtenants.* The Concession Company shall require in each contract with any Contractor or subtenant (where such Contractor or subtenant is not covered by the Required Coverages) that such Contractor or subtenant obtain coverages reasonably comparable to the Required Coverages that are reasonably appropriate in their limits and other terms and conditions to the nature of the contract with the Contractor or subtenant. Such coverages shall insure the interests of the Authority, its employees, elected officials, agents and representatives, the Concession Company and any other Contractors or subtenants in respect of the applicable work being performed and shall be subject to the same (or comparable) coverage and administrative requirements as are imposed on the Concession Company pursuant to this Agreement. When requested to do so by the Authority, the Concession Company shall provide or cause to be provided to the Authority certificates of insurance with respect to such insurance coverages or such other evidence of insurance, reasonably acceptable in form and content to the Authority.

(k) *Joint Venture and Limited Liability Company Policies.* If the Concession Company or any Contractor required to obtain an insurance policy hereunder is a joint venture or limited liability company, all insurance policies required to be obtained by the Concession Company or such Contractor shall specifically name the joint venture or limited liability company as a named insured.

(l) *Other Insurance Obtained by Concession Company.* If the Concession Company or its Contractors or subtenants desire coverages in addition to the Required Coverages, the Concession Company and each Contractor or subtenant shall be responsible for the acquisition and cost of such additional coverages. If the Concession Company or its Contractors or subtenants obtain any property, liability or other insurance coverages in addition

to the Required Coverages ("Additional Coverages"), then the Concession Company or its Contractors shall (i) notify the Authority as to such Additional Coverages, (ii) provide the Authority with any documentation relating to the Additional Coverages, including certificates of insurance, that the Authority reasonably requests and (iii) at the Authority's election, cause the Authority elected or appointed officials, agents and representatives to be named as additional insureds under such Additional Coverages.

(m) *Cooperation.* The Authority and the Concession Company shall do all acts, matters and things as may be reasonably necessary or required to expedite the adjustment of any loss or damage covered by insurance hereunder so as to expedite the release and dedication of proceeds of such insurance in the manner and for the purposes herein contemplated.

(n) *[Not Used]*

(o) *Commercial Availability.* Notwithstanding anything to the contrary herein, if any insurance (including the limits or deductibles thereof) required to be maintained under this Agreement shall not be available on Commercially Reasonable Insurance Terms, the Concession Company shall have the right to request that the Authority consent to waive such requirement. If consented to by the Authority, any such waiver shall be effective only so long as such insurance shall not be available on Commercially Reasonable Insurance Terms; *provided* that during the period of such waiver, the Concession Company maintains the maximum amount of such insurance otherwise available on Commercially Reasonable Insurance Terms. The Authority shall reasonably consider a request by the Concession Company for a waiver under this Section 13.2(o) if the request is supported by a determination by an internationally recognized independent insurance consultant (i) that such insurance is not available on Commercially Reasonable Insurance Terms and (ii) of the amount of such insurance, if any, which is available on Commercially Reasonable Insurance Terms. Such independent insurance consultant shall discuss such conclusions with the Authority and, at the request of the Authority, shall present the Concession Company and the Authority alternative insurance coverage options that are available on Commercially Reasonable Insurance Terms.

Section 13.3 Damage and Destruction.

(a) *Obligations of Concession Company.* If all or any part of the Cruise Port Facility shall be destroyed or damaged during the Term in whole or in part by fire or other casualty of any kind or nature (including any casualty for which insurance was not obtained or obtainable), ordinary or extraordinary, foreseen or unforeseen, the Concession Company shall: (i) give the Authority notice thereof promptly after the Concession Company receives actual notice of such casualty; (ii) at its sole cost and expense, whether or not insurance proceeds, if any, shall be equal to the estimated cost of repairs, alterations, restorations, replacement and rebuilding of the Cruise Port Facility (the "Casualty Cost"), proceed diligently to Restore the same and (iii) deposit all insurance proceeds received by the Concession Company in connection with any Restoration with a Depositary; *provided, however,* that if at any time the Casualty Cost exceeds the net insurance proceeds deposited with the Depositary or reasonably anticipated to be actually deposited with the Depositary, then the Concession Company shall also deposit with the Depositary such cash as is sufficient to cover the difference between the Casualty Cost and the net insurance proceeds (such net insurance proceeds and such additional cash, together with any

interest earned thereon, the "Restoration Funds"); *provided further* that the procedures of this clause (iii) of this Section 13.3(a) shall only apply to casualty events in which the cost of Restoration exceeds $5,000,000, as Adjusted for Inflation, and, *provided further*, that notwithstanding the foregoing, (A) until the commencement of the Rehabilitation Pier 4 Wharf or such other arrangement as may be agreed by the Concession Company and the Authority pursuant to Section 2.4(g), the Authority shall be responsible for the difference between the Casualty Cost for Restoring Pier 4 and any available net insurance proceeds from the property insurance coverage to be maintained by the Authority in accordance with Section 13.4 for any casualty loss, destruction or damage of Pier 4; *provided, however,* that it is acknowledged and agreed by the Concession Company that (w) the Concession Company shall conduct Cruise Port Facility Operations with respect to Pier 4 beginning at the Time of Closing, and (x) the conduct of Cruise Port Facility Operations during the Term with respect to Pier 4, including all debts, liabilities and obligations related thereto, shall constitute an Assumed Liability, except for the structural condition of Pier 4 below the non-structural surface covering the deck of Pier 4 during the period set forth above, and that, accordingly, the Concession Company shall be responsible for any Casualty Cost for Restoring Pier 4 that result from the failure of the Concession Company to conduct Cruise Port Facility Operations in accordance with the Operating Standards and Good Industry Practice, (B) until the commencement of the Pan American Piers Wharf Structure Project for Pan American Pier 1 and Pan American Pier 2, as applicable and considered separately (the boundary between Pan American Pier 1 and Pan American Pier 2 to be agreed by the Parties prior to the commencement of the works of the Pan American Piers Wharf Structure Project, and any survey required to determine such boundary to be at the cost and expense of the Concession Company), or such other arrangement as may be agreed by the Concession Company and the Authority pursuant to Section 2.4(g), the Authority shall be responsible for the difference between the Casualty Cost for Restoring Pan American Pier 1 and Pan American Pier 2, as applicable and considered separately, and any available net insurance proceeds from the property insurance coverage to be maintained by the Authority in accordance with Section 13.4 for any casualty loss, destruction or damage of Pan American Pier 1 and Pan American Pier 2, as applicable and considered separately; *provided, however,* that it is acknowledged and agreed by the Concession Company that (y) the Concession Company shall conduct Cruise Port Facility Operations with respect to Pan American Pier 1 and Pan American Pier 2 beginning at the Time of Closing, and (z) the conduct of Cruise Port Facility Operations during the Term with respect to Pan American Pier 1 and Pan American Pier 2, including all debts, liabilities and obligations related thereto, shall constitute an Assumed Liability, except for the structural condition of Pan American Pier 1 and Pan American Pier 2 below the non-structural surface covering Pan American Pier 1 pier and Pan American Pier 2 pier during the period set forth above, and that, accordingly, the Concession Company shall be responsible for any Casualty Cost for Restoring Pan American Pier 1 and Pan American Pier 2 that result from the failure of the Concession Company to conduct Cruise Port Facility Operations in accordance with the Operating Standards and Good Industry Practice, and (C) until the completion of the Pier 3 EPIC Repairs (as described in Schedule 13) in accordance with the terms of the Pier 3 EPIC Repairs Contract, the Authority shall be responsible for the difference between the Casualty Cost for restoring the portion of Pier 3 that is affected by the Pier 3 EPIC Repairs (but, for the avoidance of doubt, the Authority shall not be responsible for the Casualty Cost for Restoring any portion of Pier 3 that is not affected by the Pier 3 EPIC Repairs) and available net insurance proceeds for any casualty, loss, destruction or damage of Pier 3 arising from the Pier 3 EPIC Repairs; *provided however*,

that it is acknowledged and agreed by the Concession Company that (x) the Concession Company shall conduct Cruise Port Facility Operations with respect to Pier 3 beginning at the Time of Closing, (y) the conduct of Cruise Port Facility Operations during the Term with respect to Pier 3, including all debts, liabilities and obligations related thereto, shall constitute an Assumed Liability, except for the Pier 3 EPIC Repairs during the period set forth above, and that, accordingly, the Concession Company shall be responsible for any Casualty Cost for restoring Pier 3 that result from the failure of the Concession Company to conduct Cruise Port Facility Operations in accordance with the Operating Standards and Good Industry Practice, and *provided, further*, that the obligation of the Authority for the difference between the Casualty Cost for Restoring the portion of Pier 3 that is affected by the Pier 3 EPIC Repairs and available net insurance proceeds for any casualty, loss, destruction or damage of Pier 3 arising from the Pier 3 EPIC Repairs shall be limited to the liquidated damages (if any) and the proceeds of other remedies of the Authority under the Pier 3 EPIC Repairs Contract. To the extent the Concession Company or a company selected by the Concession Company is not allowed to directly perform the Restoration (as a result of a requirement of the insurance carrier or for some other reason), the Concession Company shall, at the request of the Authority, act as the construction manager (at the Authority's cost) for the Restoration and provide such design and construction services and comply with such procurement requirements as directed by the Authority. In the event of the occurrence of a Restoration exceeding the Insured Amount, Adjusted for Inflation, the financing of the Casualty Cost above such Insured Amount, Adjusted for Inflation, shall be discussed in good faith by the Parties to obtain financing for such Casualty Cost in excess of the Insured Amount, Adjusted for Inflation, at the lowest cost under then prevailing market conditions if Government Contributions are not approved for the payment of such Casualty Costs. For the avoidance of doubt, the provisions relative to Restoration Funds in this Section 13.3 shall not apply to those circumstances in which Casualty Costs are equal to or less than the Insured Amount, Adjusted for Inflation, and the obligation of the Concession Company to Restore shall not be reduced in any manner by the unavailability of insurance proceeds.

(b) *Rights of Authority.* If (i) the Concession Company shall fail or neglect to commence the diligent Restoration of the Cruise Port Facility or the portion thereof so damaged or destroyed, (ii) having so commenced such Restoration, the Concession Company shall fail to diligently complete the same in accordance with the terms of this Agreement or (iii) prior to the completion of any such Restoration by the Concession Company, this Agreement shall expire or be terminated in accordance with the terms of this Agreement, the Authority may, but shall not be required to, complete such Restoration at the Concession Company's expense and shall be entitled to be paid out of the Restoration Funds for the relevant Restoration costs incurred by the Authority (which shall be equal to the total costs incurred by the Authority for the relevant Restoration and in no event be less than the amount of the Casualty Cost). In any case where this Agreement shall expire or be terminated prior to the completion of the Restoration, the Concession Company shall (A) account to the Authority for all amounts spent in connection with any Restoration which was undertaken, (B) immediately pay over or cause the Depositary to pay over to the Authority the remainder, if any, of the Restoration Funds received by the Concession Company prior to such termination or cancellation and (C) pay over or cause the Depositary to pay over to the Authority, within 30 days after receipt thereof, any Restoration Funds received by the Concession Company or the Depositary subsequent to such termination or cancellation. The Concession Company's obligations under this Section 13.3(b) shall survive for a period of

three (3) years following the expiration or termination of this Agreement. To the extent the Authority is a loss payee with respect to any such insurance proceeds or otherwise receives insurance proceeds with respect to the destroyed or damaged portions of the Cruise Port Facility, the Authority shall deposit (or cause to be deposited) all such insurance proceeds with the Depositary for application pursuant to this Agreement.

(c) *Payment of Restoration Funds to Concession Company.* Subject to the satisfaction by the Concession Company of all of the terms and conditions of this Section 13.3 and the requirements of the Concession Mortgagee, the Depositary shall pay to the Concession Company from time to time any Restoration Funds, but not more than the amount actually collected by the Depositary upon the loss, together with any interest earned thereon, after reimbursing itself therefrom, as well as the Authority, to the extent, if any, of the reasonable expenses paid or incurred by the Depositary and the Authority in the collection of such monies, to be utilized by the Concession Company solely for the Restoration, such payments to be made as follows:

(i) prior to commencing any Restoration, the Concession Company shall furnish to the Authority for its Approval the estimated cost, estimated schedule and detailed plan for the completion of the Restoration, each prepared by an architect or engineer;

(ii) the Restoration Funds shall be paid to the Concession Company in installments as the Restoration progresses, subject to Section 13.3(c)(iii), based upon requisitions to be submitted by the Concession Company to the Depositary and the Authority in compliance with Section 13.3(d), showing the cost of labor and materials purchased for incorporation in the Restoration, or incorporated therein since the previous requisition, and due and payable or paid by the Concession Company; *provided, however,* that if any lien, other than any Permitted Concession Company Encumbrance, is filed against the Cruise Port Facility or any part thereof in connection with the Restoration, the Concession Company shall not be entitled to receive any further installment until such lien is satisfied or discharged (by bonding or otherwise); *provided further* that notwithstanding the foregoing, but subject to the provisions of Section 13.3(c)(iii), the existence of any such lien shall not preclude the Concession Company from receiving any installment of Restoration Funds so long as such lien will be discharged with funds from such installment and at the time the Concession Company receives such installment the Concession Company delivers to the Authority and the Depositary a release of such lien executed by the lienor and in recordable form;

(iii) the amount of each installment to be paid to the Concession Company shall be the aggregate amount of Casualty Costs thereto for incurred by the Concession Company minus the aggregate amount of Restoration Funds thereto for paid to the Concession Company in connection therewith, less 10% of such amount as a retainage (which 10% retainage shall be released to the Concession Company upon completion of the Restoration work), except that such retainage shall not include any amounts for architects' or engineers' fees or permitting or other governmental fees in connection with the Restoration or with respect to each Contractor upon the final completion of each such Contractor's respective work, *provided* that the unapplied portion of the funds held by the Depositary is sufficient to complete the Restoration; *provided, however,* that all disbursements to the Concession Company shall be made based upon an architect's or engineer's certificate for payment in accordance with industry standards, and

disbursements may be made for advance deposits for material and Contractors to the extent that such disbursements are customary in the industry and *provided* that the unapplied portion of the funds held by the Depositary is sufficient to complete the Restoration; and

(iv) except as provided in Section 13.3(b), upon completion of and payment for the Restoration by the Concession Company, subject to the rights of any Concession Mortgagee, the Depositary shall pay the balance of the Restoration Funds, if any, to the Concession Company; *provided, however,* that if the insurance proceeds are insufficient to pay for the Restoration (or if there shall be no insurance proceeds), the Concession Company shall nevertheless be required to make the Restoration and provide the deficiency in funds necessary to complete the Restoration as provided in Section 13.3(c)(iii).

(d) *Conditions of Payment.* The following shall be conditions precedent to each payment made to the Concession Company as provided in Section 13.3(c):

(i) the Concession Company shall have furnished the Authority with estimates of costs and schedule and a detailed plan for the completion of the Restoration, as provided for in Section 13.3(c)(i);

(ii) at the time of making such payment, no Concession Company Default exists;

(iii) the Restoration shall be carried out under the supervision of the relevant architect or engineer (which has been Approved by the Authority), and there shall be submitted to the Depositary and the Authority the certificate of such architect or engineer stating that (A) the materials and other items which are the subject of the requisition have been delivered to the Cruise Port Facility (except with respect to requisitions for advance deposits permitted under Section 13.3(c)(iii)), free and clear of all Encumbrances, other than Permitted Concession Company Encumbrances, and no unsatisfied or unbonded mechanic's or other liens have been claimed, except for any mechanic's lien for claims that will be discharged, by bonding or otherwise, with funds to be received pursuant to such requisition *(provided* that a release of such lien is delivered to the Depositary in accordance with Section 13.3(c)(ii), (B) the sum then requested to be withdrawn either has been paid by the Concession Company or is due and payable to Contractors, engineers, architects or other Persons (whose names and addresses shall be stated), who have rendered or furnished services or materials for the work and giving a brief description of such services and materials and the principal subdivisions or categories thereof and the several amounts so paid or due to each of such Persons in respect thereof, and stating in reasonable detail the progress of the work up to the date of such certificate, (C) no part of such expenditures has been made the basis, in any previous requisition (whether paid or pending), for the withdrawal of Restoration Funds or has been made out of the Restoration Funds received by the Concession Company, (D) the sum then requested does not exceed the value of the services and materials described in the certificate, (E) the work relating to such requisition has been performed in accordance with this Agreement, (F) the balance of the Restoration Funds held by the Depositary or available from other sources will be sufficient upon completion of the Restoration to pay for the same in full, and stating in reasonable detail an estimate of the cost of such completion and (G) in the case of the final payment to the Concession Company, the Restoration has been completed in accordance with this Agreement.

(e) *Payment and Performance Bonds.* If the Concession Company obtains payment or performance bonds related to a Restoration (which the Concession Company may or may not obtain in its discretion), the Concession Company shall name the Authority and the Concession Company and the Concession Mortgagee, as their interests may appear, as additional obligees, and shall deliver copies of any such bonds to the Authority promptly upon obtaining them.

(f) *Benefit of Authority.* The requirements of this Section 13.3 are for the benefit only of the Authority and the Concession Company, and no Contractor or other Person (other than the Concession Company, as applicable) shall have or acquire any direct claim against the Authority as a result of any failure of the Authority actually to undertake or complete any Restoration as provided in this Section 13.3 or to obtain the evidence, certifications and other documentation provided for herein.

(g) *Investment of Restoration Funds.* Restoration Funds deposited with a Depositary shall be invested and reinvested in Eligible Investments at the direction of the Concession Company, and all interest earned on such investments shall be added to the Restoration Funds.

(h) *Rights of Concession Mortgagee.* The provisions of Section 13.3 are subject to the rights of any Concession Mortgagee under the documents relating to any Concession Mortgage Debt. The Authority acknowledges and agrees that any Restoration Funds prior to the applicable to a Restoration or not applied to a Restoration as provided in this Section 13.3 shall be subject to the lien or liens of any Concession Mortgage and the rights and requirements of the Concession Mortgagee.

Section 13.4 Insurance Coverage Required by Authority. The Authority shall maintain at the Authority's sole cost and expense:

(a) general liability insurance for claims from third parties for bodily injury (including death) and property damage liability (whether such claims are made against the Authority or the Concession Company) arising out of or in connection with the premises and/or operations of Pier 4, Pan American Pier 1 and/or Pan American Pier 2, prior in each case to the commencement of the Rehabilitation Pier 4 Wharf and the Pan American Piers Wharf Structure Project for Pan American Pier 1 and Pan American Pier 2 (as applicable). Such coverage is to be maintained on the same terms as the Authority's general liability insurance for the period of June 30, 2019 to June 30, 2020, as provided to the Concession Company prior to the Date of this Agreement, except that the Concession Company is to be named as an additional insured on such insurance policy;

(b) property insurance coverage on a replacement basis (no margin clause is to be included but subject to applicable loss limits), covering loss, damage or destruction to (i) the Cruise Port Facility until Closing and (ii) Pier 4, Pan American Pier 1 and Pan American Pier 2, including improvements and betterments, prior in each case to the commencement of the Rehabilitation Pier 4 Wharf and the Pan American Piers Wharf Structure Project, as applicable, with the Concession Company named as an additional insured on such insurance policy; and

(c) failure of the Authority to maintain the insurance coverage required by this Section 13.4 will constitute a breach of this Agreement. The Authority shall deliver or cause to be delivered to the Concession Company original certificates of insurance evidencing such insurance coverage on or before the Closing Date, and shall provide or cause to be provided, renewal certificates of insurance, or such similar evidence, if such coverages have an expiration or renewal date occurring prior to the commencement of the Rehabilitation Pier 4 Wharf and the Pan American Piers Wharf Structure Project for Pan American Pier 1 and Pan American Pier 2. Such insurance coverage shall provide for 30 days' prior notice to be given to the Concession Company by the insurer in the event coverage is substantially changed, canceled or non-renewed. Any and all deductibles or self-insured retentions on such insurance coverage shall be borne by the Authority. The insurance coverages required by this Section 13.4 shall include a waiver by the insurer of its rights of subrogation against the Concession Company, its employees, officials, agents or representatives.

ARTICLE 14
ADVERSE ACTIONS

Section 14.1 Adverse Action.

(a) An "Adverse Action" shall occur if the Authority or any other Governmental Authority established under the Laws of the Commonwealth takes action or actions at any time during the Term (including enacting any Law) and the effect of such action or actions, individually or in the aggregate, is reasonably expected (i) to be (or is in fact) principally borne by the Concession Company in relation to other Persons (including, for the avoidance of doubt, an amendment of Article 12 of the Act relating to Taxes described in Section 2.8(b)), or to be (or is in fact) principally borne by cruise ports whose design, construction, financing and facilities management are procured by a contract similar to this Agreement (that is, on a public-private partnership model or an equivalent model) in relation to other similar cruise ports or to be (or is in fact) principally borne by Persons undertaking projects for design, construction, financing and facilities management that are procured by a contract similar to this Agreement in relation to other Persons undertaking similar projects procured on a different basis and (ii) to have a material adverse effect on the fair market value of the Concession Company Interest, except where (A) such action is in response to any act or omission on the part of the Concession Company that (1) is illegal (before taking into account the applicable government action) or (2) constitutes nonperformance by the Concession Company or (B) such action is otherwise permitted under this Agreement (including under Section 3.7(a)(iii)); *provided, however*, that none of the following shall be an Adverse Action: (x) the exercise of law enforcement, subpoena or investigatory powers of the Authority or any Governmental Authority as permitted under this Agreement or applicable Law; (y) the imposition of a Tax or an increase in Taxes of general application, including Taxes of general application imposed as part of their general application on Cruise Lines with regard to passengers on cruise vessels utilizing the Cruise Port Facility or (z) the development, redevelopment, construction, maintenance, modification or change in the operation of any port in the Commonwealth outside of San Juan Bay that results in the reduction of any revenues generated at the Cruise Port Facility or in the number of users using the Cruise Port Facility. For the avoidance of doubt, no enactment of a new Law or modification, amendment or change in enforcement or interpretation of a Law (including a change in the application or interpretation thereof by any Governmental Authority) after the Bid Date shall

constitute an Adverse Action except to the extent the conditions set forth in clauses (i) and (ii) of this Section 14.1(a) are satisfied and the exceptions to an Adverse Action provided in clauses (A) or (B) of this Section 14.1(a) do not apply.

(b) If an Adverse Action occurs, the Concession Company shall have the right to receive Concession Compensation from the Authority with respect thereto (such Concession Compensation, the "AA-Compensation"); *provided, however*, that if the Adverse Action constitutes an expropriation, sequestration or requisition of all or a material part of the Cruise Port Facility, the Cruise Port Facility Assets, and the Concession Company Interest (or any of them), or materially impedes, substantially frustrates or renders impossible the Concession Company's ability to perform its obligations hereunder continuously for 90 days, then the Concession Company shall have the right either (i) to be paid the AA-Compensation with respect thereto or (ii) to terminate this Agreement and be paid by the Authority any AA-Termination Damages, in each case by giving notice in the manner described in Section 14.1(c).

(c) Within 90 days following the date on which the Concession Company first became aware of the Adverse Action, the Concession Company shall give notice (the "AA-Preliminary Notice") to the Authority stating that an Adverse Action has occurred. Within 180 days following the date of delivery of the AA-Preliminary Notice, the Concession Company shall give the Authority another notice (the "AA-Notice") setting forth (i) details of such Adverse Action, (ii) details of the material adverse effect of such Adverse Action on the fair market value of the Concession Company Interest, (iii) a statement as to which right referred to in Section 14.1(b) the Concession Company elects to exercise, and (iv) if the Concession Company elects to exercise the right to Concession Compensation under Section 14.1(b), the amount claimed as AA-Compensation and details of the calculation thereof. The Authority shall, after receipt of the AA-Notice, be entitled by notice to require the Concession Company to provide such further supporting particulars as the Authority may reasonably consider necessary. If the Authority wishes to dispute the occurrence of an Adverse Action or the amount of AA-Compensation, if any, claimed in the AA-Notice, it shall give notice of dispute (the "AA-Dispute Notice") to the Concession Company within 30 days following the date of receipt by it of the AA-Notice stating in reasonable detail the grounds for such dispute. If neither the AA-Notice nor the AA-Dispute Notice has been withdrawn within 30 days following the date of receipt of the AA-Dispute Notice by the Concession Company, the matter shall be submitted to the dispute resolution procedure in Article 19.

(d) If the Concession Company has elected to exercise its right to AA-Compensation, the Authority shall pay the amount of Concession Compensation claimed by the Concession Company within 60 days following the date of receipt of the AA-Notice, or if a AA-Dispute Notice has been given, then not later than 60 days following the date of determination of the AA-Compensation (together with interest at the rate set forth in Section 20.9 from the date of receipt of the AA-Dispute Notice to the date on which payment is made); provided that the Authority shall provide the AA-Compensation in accordance with Section 15.1(b) as if the related AA-Notice were a CE-Notice and the Authority may elect to pay the amount owed as Concession Compensation in accordance with Section 15.1(c) and provided further that, subject to the right of the Concession Company to receive interest at the rate set forth in Section 20.9 on the payment owed by the Authority from the date of receipt of the AA-Dispute Notice to the date on which payment is made, the Authority may defer any such payment for an additional 120

days if the Authority determines, in its discretion, that such additional period is necessary in order to obtain financing or otherwise to obtain the necessary funds to make such a payment.

Section 14.2 Termination.

(a) If the Concession Company has the right to terminate this Agreement in connection with an Adverse Action pursuant to Section 14.1, and the Concession Company has exercised such right, this Agreement, subject to Section 14.3, shall terminate 120 days following the date of receipt of the AA-Notice by the Authority, and on the Reversion Date the Authority shall pay an amount (which amount shall be paid from all funds of the Authority available for such payment under applicable Law, including general Authority funds and Cruise Port Facility revenues) equal to the aggregate, without duplication, of (i) the Cruise Port Facility Concession Value as of the date of termination (which shall be determined as if no Adverse Action has occurred), plus (ii) the reasonable out-of-pocket and documented costs and expenses incurred by the Concession Company as a direct result of such termination, plus (iii) the Concession Compensation calculated for the period between the date of the Adverse Action and the Reversion Date, less (iv) any insurance or condemnation proceeds payable to the Concession Company (or that should have been payable to the Concession Company but for (x) the insurer's inability to pay, (y) the breach by the Concession Company of an obligation to take out or maintain insurance under this Agreement or (z) the invalidity or breach of any insurance policy caused by the Concession Company under which such policy proceeds would have been paid) with respect to all or any portion of the Cruise Port Facility as a result of the occurrence of such Adverse Action (collectively, the "AA-Termination Damages") to the Concession Company on the Reversion Date or, if the AA-Termination Damages are determined on a date subsequent to the Reversion Date, then not later than 60 days following the date of determination of the AA-Termination Damages (together with interest at the rate set forth in Section 20.9 from the Reversion Date to the date on which payment is made); provided that, subject to the right of the Concession Company to receive interest at the rate set forth in Section 20.9 on the payment owed by the Authority from the Reversion Date to the date on which payment is made, the Authority may defer any such payment for an additional 120 days if the Authority reasonably determines that such additional period is necessary to obtain financing or required approvals to make such a payment; *provided, however*, that any amounts received by the Concession Company or any Concession Mortgagee from any insurance policies payable as a result of damage or destruction to the Cruise Port Facility that has not been remedied prior to the Reversion Date, shall, to the extent not used to remedy such effects, be deducted from the amount payable by the Authority to the Concession Company so long as the Authority has not received any such amounts pursuant to Article 13.

(b) Any dispute arising out of the determination of the AA-Termination Damages shall be submitted to the dispute resolution procedure in Article 19.

(c) No AA-Notice given by the Concession Company to the Authority in which the Concession Company states that it elects to exercise its right of termination of this Agreement shall be valid for any purpose unless, if any Concession Mortgage Debt remains outstanding and if and to the extent required by the terms of any Concession Mortgage, the Concession Company has first obtained and delivered to the Authority the written consent of the Concession Mortgagee to such AA-Notice.

(d) Payment of the entire sum of AA-Termination Damages or the AA-Compensation, as the case may be, by the Authority to the Concession Company, shall constitute full and final satisfaction of all amounts that may be claimed by the Concession Company for and with respect to the occurrence of the Adverse Action and, upon such payment, the Authority shall be released and forever discharged by the Concession Company from any and all liability with respect to such Adverse Action.

Section 14.3 Right of Authority to Remedy an Adverse Action. If the Authority wishes to remedy the occurrence of an Adverse Action, the Authority shall give notice thereof to the Concession Company within 30 days following the date of receipt of the AA-Notice. If the Authority gives such notice, it must remedy the Adverse Action within 180 days following the date of receipt of the AA-Notice or, if a AA-Dispute Notice has been given, within 180 days following the final award pursuant to Article 19 to the effect that an Adverse Action occurred or, in either case, within such longer period as may be agreed to by the Concession Company. If the Authority remedies the occurrence of an Adverse Action within the applicable period of time, the right of the Concession Company shall be limited to a claim for AA-Compensation with respect to such Adverse Action.

ARTICLE 15
CONCESSION COMPENSATION; DELAY EVENTS

Section 15.1 Payment of Concession Compensation.

(a) *Notice.* Except as otherwise provided herein, if a Compensation Event occurs, the Concession Company shall give notice (the "CE-Preliminary Notice") to the Authority within 90 days following the date on which the Concession Company first became aware of the Compensation Event stating that a Compensation Event has occurred. Within 30 days following the date of delivery of the CE-Preliminary Notice, the Concession Company shall give the Authority a further notice (the "CE-Notice") setting forth (i) details of the Compensation Event, including a specific explanation of the reasons that the event constitutes a Compensation Event under the terms of this Agreement and (ii) the amount claimed as Concession Compensation and details of the calculation thereof. If the Authority wishes to dispute the occurrence of a Compensation Event or the amount of the Concession Compensation claimed in the CE-Notice, it shall give notice of dispute (the "CE-Dispute Notice") to the Concession Company within 60 days following the date of receipt by it of the CE-Notice stating the grounds for such dispute. If neither the CE-Notice nor the CE-Dispute Notice has been withdrawn within 30 days following the date of receipt of the CE-Dispute Notice by the Concession Company, the matter shall be submitted to the dispute resolution procedure in Article 19.

(b) *Payment.* Within 60 days following the date of receipt of a CE-Notice, or if a CE-Dispute Notice has been given as provided in Section 15.1(a) and not withdrawn (and the CE-Notice is not otherwise withdrawn by the Concession Company), then not later than 60 days following the date of determination of the related Concession Compensation (the later of such dates being referred to herein as a "Compensation Date"), the Authority (except to the extent the Authority elects to provide the related Concession Compensation in accordance with Section 15.1(c)), shall pay the related Concession Compensation in cash, which Concession Compensation shall be then due and payable to the Concession Company (except as otherwise

provided in Section 15.1(e) and together with interest at the rate set forth in Section 20.9 from the date of receipt of the CE-Dispute Notice to the date on which payment is made); *provided* that, subject to the right of the Concession Company to receive interest at the rate set forth in Section 20.9 on the Concession Compensation owed by the Authority from the date of receipt of the CE-Dispute Notice to the date on which payment is made, the Authority may defer the provision of any such Concession Compensation for an additional 120 days if the Authority reasonably determines that such additional period is necessary to obtain financing or required approvals to provide such Concession Compensation to the Concession Company. Notwithstanding the foregoing and except as provided in Section 15.1(e), in the event of a dispute regarding the amount of Concession Compensation, the Authority shall pay to the Concession Company any undisputed portion of such Concession Compensation and any portion of such Concession Compensation that is subsequently agreed between the Parties, in each case not later than 60 days following the date that the Parties have agreed to such portion (together with interest at the rate set forth in Section 20.9 from the date of receipt of the CE-Dispute Notice to the date on which payment is made) (even if a dispute regarding a portion of the amount claimed by the Concession Company is still pending); *provided that* the Authority shall have the right to defer providing such Concession Compensation for an additional 120 days under the terms set forth in the preceding sentence; *provided further* that the Authority may elect to provide the undisputed portion of such Concession Compensation in accordance with Section 15.1(c).

(c) *Revenue Share Credit and Term Options.*

(i) Notwithstanding anything to the contrary in this Agreement, and to the extent such Concession Compensation is not payable as part of Termination Damages and is not otherwise paid pursuant to Section 15.1(b), the Authority may (except where there are available funds in the Escrow Account – Initial Investment Projects Sub-Account to pay the Concession Compensation due to the Concession Company) elect to provide any Concession Compensation due to the Concession Company hereunder by (A) permitting the Concession Company to retain for the Concession Company's own benefit, and not to pay the Authority, the relevant amount from the Annual Authority Revenue Share or the Incremental Authority Revenue Share that would otherwise be payable to the Authority pursuant to Section 2.1(c) (the "Revenue Share Credit") or (B) except when stated to the contrary in this Agreement, extending the Term for a period of time that would be sufficient to restore the Concession Company to the same economic position in which it would have been had such Compensation Event not occurred (subject to the prior receipt of any approval or Authorization necessary to extend the Term under the Act and otherwise in compliance with applicable Law). Any Concession Compensation which the Authority elects to provide to the Concession Company under clauses (A) or (B) of this Section 15.1(c) but which is not so provided to the Concession Company due to limitations on the amount of Concession Compensation that can be recovered by the Concession Company under clauses (A) or (B) of this Section 15.1(c) shall be paid by the Authority in cash in accordance with Section 15.1(b).

(ii) To the extent any Concession Compensation is not otherwise paid pursuant to Section 15.1(b), the Authority shall first elect to permit the Revenue Share Credit pursuant to Section 15.1(c)(i)(A); *provided, however*, that (A) if at the time of such election the Concession Compensation in the aggregate for each Compensation Event for which the

Authority elected to permit the Revenue Share Credit (including the Compensation Event under consideration at the time of such election) and which was not otherwise paid pursuant to Section 15.1(b) (the "Aggregate Concession Compensation") is greater than the amount of the Annual Authority Revenue Share and the Incremental Authority Revenue Share reasonably estimated by the Authority to be payable by the Concession Company to the Authority pursuant to Section 2.1(c) during the remainder of the Term (the "Estimated Revenue Share Credit"), then with respect to the excess of the Aggregate Concession Compensation over the Estimated Revenue Share Credit, the Authority may elect to extend the Term pursuant to Section 15.1(c)(i)(B), except where stated to the contrary in this Agreement; and (B) notwithstanding Section 15.1(c)(i)(B), the Authority may not provide Concession Compensation pursuant to Section 15.1(c)(i)(B) in an amount that (1) cumulatively with all other amounts of Concession Compensation previously provided pursuant to Section 15.1(c)(i)(B), would exceed $25,000,000 during the Term, (2) cumulatively with all other amounts of Concession Compensation previously provided pursuant to Section 15.1(c)(i)(B), would exceed $10,000,000 prior to the fifth anniversary of the Closing, or (3) in any year after the fifth anniversary of the Closing, cumulatively with all other amounts of Concession Compensation previously provided in such year pursuant to Section 15.1(c)(i)(B), would exceed $1,000,000 in such year and each of the foregoing dollar amounts shall be Adjusted for Inflation on each anniversary of the Closing during the Term and may be adjusted further by written agreement between the Authority and the Concession Company. The proviso in this Section 15.1(c)(ii)(B) and its limitations in this Section 15.1(c)(ii)(B) do not apply to Concession Compensation due pursuant to a Delay Event Remedy.

(iii) The Authority shall make such election by notice delivered to the Concession Company not later than the related Compensation Date, which notice shall specify (A) the Estimated Revenue Share Credit and, if the Estimated Revenue Share Credit is greater than the Aggregate Concession Compensation, the election of the Authority to permit the Revenue Share Credit for the Concession Compensation with respect to the applicable Compensation Event not otherwise paid pursuant to Section 15.1(b), up to the amount of the Estimated Revenue Share Credit in excess of the Aggregate Concession Compensation and (B) the amount of the Concession Compensation with respect to the applicable Compensation Event to be provided pursuant to Section 15.1(c)(i)(B). Such notice shall include the basis for the Estimated Revenue Share Credit and the Aggregate Concession Compensation in reasonable detail. In the event the Authority elects in such notice to pay any portion of Concession Compensation pursuant to Section 15.1(c)(i)(B), then not later than 20 Business Days following receipt of such notice by the Concession Company the Concession Company shall provide the Authority in reasonable detail a calculation of the period of time required to extend the Term that would be sufficient to restore the Concession Company to the same economic position in which it would have been had the applicable Compensation Event not occurred. The Concession Company shall promptly provide the Authority such additional information the Authority reasonably requests with respect to such calculation. Not later than 20 days following the receipt by the Authority of such calculation (or, if the Authority has requested additional information, not later than 20 days following receipt of such additional information), the Authority shall notify the Concession Company that the Authority either accepts such calculation or disputes it. Any dispute regarding the Estimated Revenue Share Credit or the Aggregate Concession

Compensation, or the extension of the Term, shall be submitted to the dispute resolution procedure in Article 19.

(iv) In each Reporting Year to which the Revenue Share Credit is applicable, the Concession Company may retain the Annual Authority Revenue Share and the Incremental Authority Revenue Share that would otherwise be payable to the Authority pursuant to Section 2.1(c) until the Reporting Year in which Aggregate Concession Compensation for which the Authority elected to permit the Revenue Share Credit is paid, at which time the Concession Company shall resume payment of the Annual Authority Revenue Share and the Incremental Authority Revenue Share pursuant to Section 2.1(c). During each Reporting Year to which the Revenue Share Credit is applicable, the Concession Company shall include in the audited annual financial report prepared as required by Section 8.1(c)(ii) for each such Reporting Year (A) the Aggregate Concession Compensation and (B) the Estimated Revenue Share Credit, including the amount of the Annual Authority Revenue Share and the Incremental Authority Revenue Share that would have been payable to the Authority but for the Authority's election of the Revenue Share Credit, the amount of such Annual Authority Revenue Share or Incremental Authority Revenue Share retained by the Concession Company as the Revenue Share Credit, and the amount of Aggregate Concession Compensation remaining during the Term to be paid by the Revenue Share Credit.

(v) In the audited annual financial report prepared as required by Section 8.1(c)(ii) for the Reporting Year immediately preceding the last Reporting Year of the Term, the Concession Company shall include (A) the Estimated Revenue Share Credit used in determining the extension of the Term elected by the Authority pursuant to Section 15.1(c)(i)(B) with respect to each Compensation Event for which such election was made and (B) the actual amount of the Annual Authority Revenue Share or the Incremental Authority Revenue Share retained by Concession Company as the Revenue Share Credit (the "Actual Revenue Share Credit"). If (x) such Estimated Revenue Share Credit is greater than the Actual Revenue Share Credit, then the Term shall be extended for a period of time that would be sufficient to restore the Concession Company to the same economic position in which it would have been had such Estimated Revenue Share Credit been equal to the Actual Revenue Share Credit (subject to the prior receipt of any approval or Authorization necessary to extend the Term under the Act and otherwise in compliance with applicable Law) and (y) such Estimated Revenue Share Credit is less than the Actual Revenue Share Credit, then the extension of the Term for which the Authority made an election pursuant to Section 15.1(c)(i)(B) shall be reduced to that period of time that would be sufficient to restore the Concession Company to the same economic position in which it would have been had such Estimated Revenue Share Credit been equal to the Actual Revenue Share Credit. Any dispute regarding the Estimated Revenue Share Credit or the Actual Revenue Share Credit, or the extension or reduction of the Term, shall be submitted to the dispute resolution procedure in Article 19.

(vi) Notwithstanding Section 15.1(c)(i)(B) the Authority may not provide Concession Compensation pursuant to Section 15.1(c)(i)(B) in respect of the Compensation Events contemplated by Section 5.2(a).

(vii) The terms and conditions of this Agreement shall remain in full force and effect, and shall continue to apply to the Parties, during any extension of the Term as

provided in this Section 15.1(c), and (for the avoidance of doubt) the Annual Authority Revenue Share and the Incremental Authority Revenue Share (if applicable) shall be payable to the Authority during any extension of the Term, and the Concession Company shall not have the right to retain any of such Annual Authority Revenue Share or Incremental Authority Revenue Share , except with regard to any Compensation Event which occurs during the last year of the Term or during any extension of the Term which is not otherwise paid pursuant to Section 15.1(b) and as to which the Authority makes an election to permit the Revenue Share Credit pursuant to Section 15.1(c)(i)(A).

(d) *Calculation.* Concession Compensation shall be sufficient to compensate the Concession Company for (i) all documented Losses (including increased operating, financing and capital and maintenance costs, but excluding any costs and expenses that the Concession Company would otherwise expend or incur in order to comply with this Agreement or in the ordinary course of the performance of the Cruise Port Facility Operations or the carrying on of business in the ordinary course) that are reasonably attributable to such Compensation Event and (ii) any documented Losses of the Concession Company's present and future revenues generated at the Cruise Port Facility that are reasonably attributable to such Compensation Event, after taking into account any insurance proceeds payable to the Concession Company (or that should have been payable but for (A) the insurer's inability to pay, (B) the breach of an obligation by the Concession Company to take out or maintain insurance under this Agreement or (C) the invalidity or breach of any insurance policy caused by the Concession Company under which policy such proceeds would have been paid) in connection with the Compensation Event, if applicable; *provided, however,* that unless otherwise specified in this Agreement, notice of any claim for Concession Compensation shall be made in writing to the Authority within 120 days of the date that the Concession Company first became aware of such Compensation Event. If the Concession Company is required to expend its own funds (whether from operating cash flows or the proceeds of any debt or equity financing or otherwise) with respect to any Compensation Event prior to receipt or financing of the corresponding Concession Compensation or if the payment of Concession Compensation is deferred under Section 15.1(b), then the determination of Concession Compensation shall, in addition to the components described above, include such additional amounts as may be necessary to permit the Concession Company to maintain the after-Tax economic position which is no better and no worse than the after-Tax economic position the Concession Company would have enjoyed if such Compensation Event had not occurred.

(e) *Future Losses.* Any Concession Compensation payable pursuant to Section 15.1(b) with respect to Losses or lost revenues generated at the Cruise Port Facility or documented Losses (including increased operation, financing and capital and maintenance costs) that will not occur until the future shall be due solely when such losses would otherwise become due or are actually incurred or suffered or promptly thereafter. If the Authority elects, notwithstanding the foregoing, to pay Concession Compensation with respect to Losses or lost revenues generated at the Cruise Port Facility that will occur in the future as a lump sum payment, the amount of such lump sum payment shall be based on a determination of the net present value of the impact of such Compensation Event over the remainder of the Term utilizing a discount factor that is reasonably determined by the Concession Company (subject to the confirmation as to its reasonableness by the Authority).

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(f) *Minimum Claim.* Notwithstanding the foregoing provisions of this Section 15.1, the Concession Company may not make a claim for Concession Compensation unless the amount of such claim exceeds $25,000, Adjusted for Inflation.

Section 15.2 Delay Events.

(a) *Notice.* If a Party is affected by a Delay Event, it shall give notice as soon as practicable and in no event later than 10 Business Days following the date on which it first obtains knowledge of such Delay Event to the other Party *(provided that* in the case of the same Delay Event being a continuing cause of delay, only one notice shall be necessary), which notice shall include (i) a statement of which Delay Event the claim is based upon, (ii) details of the circumstances from which the delay arises and (iii) an estimate of the delay in the performance of obligations under this Agreement attributable to such Delay Event and information in support thereof, if known at that time. The Party receiving notice of a Delay Event shall, after receipt of such notice, be entitled by notice to require the Party affected by the Delay Event to provide such further supporting information or details as the Party receiving notice of the Delay Event may reasonably consider necessary. The Party affected by the Delay Event shall notify the other Party as soon as practicable and in no event later than 10 Business Days following the date on which the Party affected by the Delay Event first became aware that a Delay Event has ceased.

(b) *Excused.* Subject to the Party affected by the Delay Event giving the notice required in Section 15.2(a), a Delay Event shall excuse the Party affected by the Delay Event from whatever performance is prevented by the Delay Event referred to in such notice for such appropriate number of days as the Authority and the Concession Company jointly determine, each acting reasonably. If the Authority and the Concession Company cannot agree upon the period of delay or upon the occurrence of the Delay Event, then either Party shall be entitled to refer the matter to the dispute resolution procedure in Article 19. This Section 15.2(b) shall neither (i) excuse the Concession Company from the performance and observance under this Agreement of any obligations and covenants not affected by the Delay Event nor (ii) prevent any of the Authority or its Representatives (or their respective designee) from exercising its rights under Section 3.7. Notwithstanding the occurrence of a Delay Event, the Party affected by the Delay Event shall continue its performance and observance under this Agreement of all of its obligations and covenants to the extent that it is reasonably able to do so and shall use its Reasonable Efforts to minimize the effect and duration of the Delay Event. Except as contemplated in the definition of Delay Event, nothing herein shall permit or excuse noncompliance with a change to applicable Laws.

(c) *Compensation.* If a Delay Event occurs that has the effect of causing physical damage or destruction to the Cruise Port Facility that results in the Cruise Port Facility being substantially unavailable for Cruise Port Purposes and such effect continues for a period in excess of 120 consecutive days and has a material adverse effect on the fair market value of the Concession Company Interest, and insurance proceeds payable or condemnation or other similar proceeds are insufficient to restore the Concession Company to the same economic position as it would have been in the absence of such event, then the Delay Event shall be a Compensation Event for which the Concession Company (without in any way limiting its obligations pursuant to Section 13.3) shall be entitled to Concession Compensation (a "Delay Event Remedy") and the Authority may elect to provide Concession Compensation pursuant to Section 15.1(c)(i)

without regard to the limitations in Section 15.1(c)(ii)(B). Payment of the entire sum of the Delay Event Remedy by the Authority to the Concession Company shall constitute full and final satisfaction of all amounts that may be claimed by the Concession Company for and with respect to the occurrence of the Delay Event and, upon such payment, the Authority shall be released and forever discharged by the Concession Company from any and all liability with respect to such Delay Event. This provision shall not limit the Concession Company's entitlement to Concession Compensation for any Delay Events which also qualify as Compensation Events nor shall it limit any remedy available to the Concession Company under Section 16.7; *provided, however*, that there shall be no double recovery of Concession Compensation with respect to a Delay Event that entitles the Concession Company to a Delay Event Remedy and which also separately qualifies as a Compensation Event.

(d) *Delay Event Notice.* If the Concession Company elects to exercise the right to the Delay Event Remedy, the Concession Company shall give notice ("Delay Event Notice") to the Authority within 30 days following the date on which the Concession Company first became aware of its right to the Delay Event Remedy, setting forth (i) the details of the Delay Event and its effect on either causing physical damage or destruction to the Cruise Port Facility that results in the Cruise Port Facility being substantially unavailable for Cruise Port Purposes and (ii) the amount claimed as compensation to restore the Concession Company to the same economic position in which it would have been had such Delay Event not occurred (including the details of the calculation thereof). The Authority shall, after receipt of the Delay Event Notice, be entitled by notice to require the Concession Company to provide such further supporting information as the Authority may reasonably consider necessary. If the Authority wishes to dispute the occurrence of a Delay Event or the Delay Event Remedy claimed in the Delay Event Notice, the Authority shall give notice of dispute (the "Delay Event Dispute Notice") to the Concession Company within 30 days following the date of receipt of the Delay Event Notice stating the grounds for such dispute, and if neither the Delay Event Notice nor the Delay Event Dispute Notice has been withdrawn within 30 days following the date of receipt of the Delay Event Dispute Notice by the Concession Company, the matter shall be submitted to the dispute resolution procedure in Article 19.

ARTICLE 16
DEFAULTS; LETTERS OF CREDIT

Section 16.1 Default by the Concession Company.

(a) *Events of Default.* The occurrence of any one or more of the following events during the Term shall constitute a "Concession Company Default" under this Agreement:

(i) other than as described in Section 16.1(a)(ii), (iii), (iv) or (v), if the Concession Company fails to comply with, perform or observe (A) any material obligation, covenant, agreement, term or condition in this Agreement (including, for the avoidance of doubt, the Operating Standards) or (B) the requirements or directives of a final award in a matter submitted to dispute resolution in accordance with Article 19, and such failure continues unremedied for a period of 90 days following notice thereof (giving particulars of the failure in reasonable detail) from the Authority to the Concession Company; *provided, however,* that such failure shall not constitute a Concession Company Default if (x) the Concession Company within

90 days following such initial notice, has demonstrated to the satisfaction of the Authority, acting reasonably, that (1) the Concession Company is proceeding, and will proceed, with all due diligence to cure or cause to be cured such failure and (2) the Concession Company's actions can be reasonably expected to cure or cause to be cured such failure within a reasonable period of time acceptable to the Authority, acting reasonably, and (y) such failure is in fact cured by the Concession Company within such period of time;

(ii) if the Concession Company fails to comply with, perform or observe any material obligation, covenant, agreement, term or condition in this Agreement (including, for the avoidance of doubt, the Operating Standards or the requirements or directives of a final award in a matter submitted to dispute resolution in accordance with Article 19), which failure creates a material danger to the safety of Cruise Port Facility Operations or a material impairment to the Cruise Port Facility or to the continuing use of the Cruise Port Facility for Cruise Port Purposes, or fails to pay amounts owed to the Authority when due (including the Annual Dredging Payment, the Annual Authority Revenue Share or the Incremental Authority Revenue Share) and, in either case, such failure remains unremedied for a period of 10 Business Days following initial notice thereof (giving particulars of the failure in reasonable detail) from the Authority to the Concession Company;

(iii) if the Concession Company fails either (A) to comply in any material respect with a work plan approved by the Authority in accordance with Section 16.1(b)(iii) or (B) to achieve Completion of any Cruise Pier Improvement Project or Modification by no later than 270 days following the applicable Scheduled Completion Date;

(iv) if (A) the Concession Company fails to comply with any specified performance requirements set forth in the Operating Standards three or more times within any calendar month, (B) notwithstanding the cure periods provided in Section 16.1(a)(i), any three such failures continue unremedied for a period of 30 days (or such longer period as may be reasonably necessary to cure such failure to the extent that the Concession Company is diligently pursuing such cure) following notice thereof (giving particulars of the failure in reasonable detail) from the Authority to the Concession Company and the Concession Company has not provided to the Authority a remediation plan therefor reasonably acceptable to the Authority (each calendar month during which such three failures shall have continued unremedied or unaddressed by a remediation plan, as aforesaid, a "Persistent Breach Month"), and (C) 12 Persistent Breach Months shall have occurred during any period of 24 calendar months; *provided* that no Persistent Breach Month shall result from the failure by the Concession Company to comply with such specified performance requirements if such failure occurs prior to the first anniversary of the Closing and *provided further* that, for the avoidance of doubt, any cure of any Concession Company Default under this Section 16.1(a)(iv) shall require the cure of each failure that has occurred during any Persistent Breach Month;

(v) if this Agreement or all or any portion of the Concession Company Interest or any interest (direct or indirect) in Global Ports Holding PLC is Transferred in contravention of Article 17;

(vi) if the Concession Company files, acquiesces in the filing of, or otherwise becomes the subject of, a Proceeding (other than as described in Section 16.1(a)(vii)), or takes any action for the purpose of effecting a Proceeding;

(vii) if within 90 days after the commencement of any involuntary Proceeding against the Concession Company such involuntary Proceeding continues undismissed with respect to the appointment of any trustee, receiver, custodian, assignee, sequestrator, liquidator or other similar official such appointment is not vacated within 90 days after such appointment;

(viii) if the Concession Company admits in writing its inability to, or publicly declares its intention not to, pay its debts as they become due;

(ix) if a levy under execution or attachment has been made against all or any material portion of the Cruise Port Facility or any material interest therein as a result of any Encumbrance (other than a Permitted Concession Company Encumbrance) created, incurred, assumed or suffered to exist by the Concession Company or any Person claiming through it, and such execution or attachment has not been vacated, removed or stayed by court order, bonding or otherwise within 60 days after the Concession Company becomes aware of such levy or attachment, unless such levy or attachment resulted from actions or omissions of the Authority, its Representatives or any Governmental Authority established under the Laws of the Commonwealth; or

(x) if any of the events described in Section 3(f) of Appendix D to Schedule 3 as triggering a Concession Company Default occurs, subject to Section 3(g) of Appendix D to Schedule 3.

(b) *Remedies of the Authority Upon Concession Company Default.* Upon the occurrence of and during the continuance of a Concession Company Default, the Authority may, by notice to the Concession Company and the Concession Mortgagee in accordance with the terms hereof, declare the Concession Company to be in default and may, subject to the rights of the Concession Mortgagee pursuant to Section 18.3, Section 18.4 and Section 18.5 and the provisions set forth in Article 18, Article 19 and Article 200, do any or all of the following as the Authority, in its discretion, shall determine:

(i) upon the occurrence of a Concession Company Default described in Section 16.1(a)(ii), the Authority is entitled to terminate this Agreement (without the need for any other action on behalf of the Authority) upon notice to the Concession Company, which may be given immediately upon the expiration of the 10-Business-Day period described in Section 16.1(a)(ii) (for the avoidance of doubt, the entitlement of the Concession Company to cure such Concession Company Default by the delivery of an approved work plan, as described in Section 16.1(b)(iii), shall not apply thereto);

(ii) upon the occurrence of a Concession Company Default described in Section 16.1(a)(iii), the Authority is entitled to terminate this Agreement (without the need for any other action on behalf of the Authority) by giving 90 days' prior notice to the Concession Company (for the avoidance of doubt, the entitlement of the Concession Company to cure such

Concession Company Default by the delivery of an approved work plan, as described in Section 16.1(b)(iii), shall not apply thereto);

(iii) upon the occurrence of a Concession Company Default other than one described in Section 16.1(a)(ii) or Section 16.1(a)(iii), the Authority is entitled to terminate this Agreement (without the need for any other action on behalf of the Authority) by giving 90 days' prior notice to the Concession Company; *provided, however,* that the Concession Company shall be entitled to cure such a curable Concession Company Default by providing the Authority with a written work plan within such 90-day period, which work plan shall be Approved by the Authority, outlining the actions by which the Concession Company will ensure future compliance with either the obligation, covenant, agreement, term or condition in this Agreement or the requirements or directives of the issued final award in accordance with Article 19 that the Concession Company failed to perform or observe; *provided further* that the Authority shall not exercise the remedy provided in this Section 16.1(b)(iii) if the Concession Company Default consists solely of a violation of any of the provisions of Article 11 unless such violation is systematic or persistent or the exercise of such remedy is required by Law (but any violation of such Article 11 shall nonetheless subject the Concession Company to such fines or penalties otherwise applicable to such violation as they be imposed by the appropriate Governmental Authority or to the imposition of a requirement on the Concession Company to demonstrate to the Authority that the Concession Company has or will implement all actions considered necessary by the Authority (which may include a remedial plan) to ensure that such violations do not become systematic or persistent); *provided further* that the remedies for rescission or termination of this Agreement required by Act No. 2 of the Legislative Assembly of Puerto Rico enacted on January 4, 2018, as amended, and Act No. 237 of the Legislative Assembly of Puerto Rico enacted on August 31, 2004, as amended, shall be exclusively as provided in Section 16.6;

(iv) if the Concession Company Default is by reason of the failure to pay any monies, the Authority is entitled to (without obligation to do so) make payment on behalf of the Concession Company of such monies, and any amount so paid by the Authority shall be payable by the Concession Company to the Authority within three Business Days after written demand therefor;

(v) subject to the cure rights of the Concession Mortgagee set forth in Section 18.3, the Authority is entitled to cure the Concession Company Default (but this shall not obligate the Authority to cure or attempt to cure a Concession Company Default or, after having commenced to cure or attempted to cure a Concession Company Default, to continue to do so), and all costs and expenses reasonably incurred by the Authority in curing or attempting to cure the Concession Company Default, together with an administrative fee equal to 15% of such costs and expenses, shall be payable by the Concession Company to the Authority within three Business Days following written demand therefor; *provided, however,* that (A) the Authority shall not incur any liability to the Concession Company for any act or omission of the Authority or any other Person in the course of remedying or attempting to remedy any Concession Company Default (other than as a result of gross negligence or willful misconduct) and (B) the Authority's cure of any Concession Company Default shall not affect the Authority's rights against the Concession Company by reason of the Concession Company Default;

(vi) the Authority is entitled to seek specific performance, injunction or other equitable remedies, it being acknowledged that damages are an inadequate remedy for a Concession Company Default;

(vii) the Authority is entitled to seek to recover its Losses arising from such Concession Company Default and any amounts due and payable under this Agreement and, in connection therewith, exercise any recourse available to any Person who is owed damages or a debt under applicable Law;

(viii) the Authority is entitled to, subject to applicable Law, distrain against any of the Concession Company's goods situated at the Cruise Port Facility and the Concession Company waives any statutory protections and exemptions in connection therewith;

(ix) the Concession Company may be debarred or suspended for 10 years in accordance with Section 10(a)(xv)(C) of the Act;

(x) in the case of a Concession Company Default described in Section 16.1(a)(iii) with respect to violations of Sanction Laws, the Authority is entitled to terminate this Agreement immediately (without the need for any other action on behalf of the Authority and, for the avoidance of doubt, Concession Company right to cure such Concession Company Default shall not apply thereto); and

(xi) the Authority is entitled to exercise any of its other rights and remedies provided for hereunder or at law or in equity.

Section 16.2 Defaults by the Authority.

(a) *Events of Default.* The occurrence of any one or more of the following events during the Term shall constitute a "Authority Default" under this Agreement:

(i) other than as described in Section 16.2(a)(ii) or (iv), if the Authority fails to comply with, perform or observe any material obligation, covenant, agreement, term or condition in this Agreement (other than an Adverse Action) or the requirements or directives of a final award in a matter submitted to dispute resolution in accordance with Article 19, and such failure or breach continues unremedied for a period of 90 days following notice thereof (giving particulars of the failure in reasonable detail) from the Concession Company to the Authority; *provided, however,* that such failure shall not constitute an Authority Default if (A) the Authority within 90 days following such initial notice, has demonstrated to the satisfaction of the Concession Company, acting reasonably, that (1) the Authority is proceeding, and will proceed, with all due diligence to cure or cause to be cured such failure and (2) the Authority's actions can be reasonably expected to cure or cause to be cured such failure within a reasonable period of time acceptable to the Concession Company, acting reasonably, and (B) such failure is in fact cured by the Authority within such period of time;

(ii) if the Authority fails to comply in any material respect with a work plan approved by the Concession Company in accordance with Section 16.2(b)(iii);

(iii) if a levy under execution or attachment has been made against all or any material portion of the Cruise Port Facility or the Concession Company Interest as a result of any Encumbrance (other than a Permitted Authority Encumbrance) created, incurred, assumed or suffered to exist by the Authority or any Person claiming through it, and such execution or attachment has not been vacated, removed or stayed by court order, bonding or otherwise within 60 days after the Authority becomes aware of such levy or attachment, unless such levy or attachment resulted from actions or omissions of the Concession Company or its Representatives or if all or any material portion of the Cruise Port Facility shall be subject to a condemnation or similar taking by the Authority or any Governmental Authority;

(iv) the Authority Transfers any or all of its interest in the Cruise Port Facility or this Agreement other than in compliance with Section 17.4;

(v) if the Authority files, acquiesces in the filing of, or otherwise becomes the subject of, a Proceeding, or takes any action for the purposes of effecting a Proceeding, the Authority seeks to reject or disaffirm the Concession or the court determines that the Concession Company is not entitled to remain in possession of its rights as provided in this Agreement;

(vi) if the Authority admits in writing its inability to, or publicly declares its intention not to, pay its debts as they become due (provided that nothing in any financial reporting required under PROMESA shall be considered such an admission or declaration); or

(vii) If the Authority seeks to reject or disaffirm the Concession, whether in a Proceeding or otherwise.

(b) *Remedies of Concession Company Upon Authority Default.* Upon the occurrence and during the continuance of an Authority Default, the Concession Company may, by notice to the Authority in accordance with the terms hereof, declare the Authority to be in default and may, subject to the provisions of Article 19, do any or all of the following as the Concession Company, in its discretion, shall determine:

(i) the Concession Company is entitled to be paid by the Authority the Concession Compensation with respect thereto;

(ii) upon the occurrence of an Authority Default described in Section 16.2(a)(ii), the Concession Company is entitled to terminate this Agreement (without the need for any other action on behalf of the Concession Company) by giving 90 days' prior notice to the Authority (the "Initial Termination Notice") (for the avoidance of doubt, the entitlement of the Authority to cure such Authority Default by the delivery of an approved work plan, as described in Section 16.2(b)(iii), shall not apply thereto); and upon such termination the Authority shall be obligated to pay to the Concession Company an amount (which amount shall be paid from general Authority funds and not from Cruise Port Facility revenues) calculated in accordance with Section 16.2(c);

(iii) upon the occurrence of an Authority Default other than one described in Section 16.2(a)(ii), the Concession Company is entitled to terminate this Agreement (without the need for any other action on behalf of the Concession Company) by giving 90 days' prior notice to the Authority (like the notice described in Section 16.2(b)(iii), also the "Initial Termination Notice"); *provided, however,* that the Authority shall be entitled to cure an Authority Default pursuant to Section 16.2(a)(i) by providing the Concession Company with a written work plan within such 90-day period, which work plan shall be approved by the Concession Company (which approval shall not be unreasonably withheld, delayed or conditioned), outlining the actions by which the Authority will ensure future compliance with either the obligation, covenant, agreement, term or condition in this Agreement or the requirement or directive of the final award in accordance with Article 19 that the Authority failed to perform or observe; and upon such termination the Authority shall be obligated to pay to the Concession Company an amount (which amount shall be paid from general Authority funds and not from Cruise Port Facility revenues) calculated in accordance with Section 16.2(c);

(iv) the Concession Company is entitled to seek to recover its Losses arising from such Authority Default and any amounts due and payable under this Agreement and, in connection therewith, exercise any recourse available to any Person who is owed damages or a debt under applicable Law;

(v) the Concession Company is entitled to seek specific performance, injunction or other equitable remedies, it being acknowledged that damages are an inadequate remedy for an Authority Default;

(vi) the Concession Company is entitled to exercise any of its other rights and remedies provided for hereunder or at law or in equity; and

(vii) if this Agreement is rejected or disaffirmed, or if the Concession is otherwise rejected or disaffirmed, in whole or in part, in a Proceeding, the Concession Company may retain its rights under such Concession (including rights such as those relating to the amount and timing of payment and other amounts payable by the Concession Company and any rights of use, possession, quiet enjoyment, subletting, assignment, or hypothecation) that are in or appurtenant to the Concession for the balance of the Term of this Agreement and for any renewal or extension of such rights to the extent provided for herein and to the extent permitted under applicable Law. If the Concession Company elects to retain its rights to the Concession, the Concession Company may offset against the payments otherwise due to the Authority for the balance of the term after the date of the rejection or disaffirmance of the Concession and for any renewal or extension of the Term of this Agreement, the value of any damage caused by the nonperformance after the date of such rejection, of any obligation of the Authority under this Agreement, but the Concession Company shall not have any other right against the Authority on account of any damage occurring after such date caused by such nonperformance. The Concession Company shall provide an accounting of any offset taken by the Concession Company against the payments otherwise due to the Authority, and the Concession Company shall disgorge any amounts offset by the Concession Company that are finally determined by a court of competent jurisdiction to not have been damages caused by the Authority's nonperformance after the date of such rejection. Notwithstanding anything to the contrary in this

Agreement, the rights granted to the Concession Company under this Agreement and the rights provided to the Concession Company in this paragraph are integrated and non-severable.

(c) *Calculation of Termination Damages.* Upon termination in accordance with Section 16.2(b)(ii) or Section 16.2(b)(iii), the Authority shall be obligated to pay on the Reversion Date to the Concession Company an amount (which amount shall be paid from general Authority funds and not from Cruise Port Facility revenues) equal to the aggregate, without duplication, of (i) the Cruise Port Facility Concession Value as of the date of termination, plus (ii) the reasonable out-of-pocket and documented costs and expenses incurred by the Concession Company as a direct result of such termination, plus (iii) the Concession Compensation calculated for the period between the date of the Authority Default and the date of termination, less (iv) any insurance or condemnation proceeds payable to the Concession Company (or that should have been payable to the Concession Company but for (x) the insurer's inability to pay, (y) the breach by the Concession Company of an obligation to take out or maintain insurance under this Agreement or (z) the invalidity or breach of any insurance policy caused by the Concession Company under which such policy proceeds would have been paid) with respect to all or any portion of the Cruise Port Facility as a result of the occurrence of such Authority Default (collectively, the "AD-Termination Damages") to the Concession Company or, if the AD-Termination Damages are determined on a date subsequent to the Reversion Date, then not later than 60 days following the date of determination (which determination shall not be unreasonably delayed) of the AD-Termination Damages (together with interest at the rate set forth in Section 20.9 from the Reversion Date to the date on which payment is made); *provided* that, subject to the right of the Concession Company to receive interest at the rate set forth in Section 20.9 on the payment owed by the Authority from the Reversion Date to the date on which payment is made, the Authority may defer any such payment for an additional 120 days if the Authority reasonably determines that such additional period is necessary to obtain financing to make such a payment; *provided further* that, subject to (A) the right of the Concession Company to receive interest at the rate set forth in Section 20.9 on the payment owed by the Authority from the Reversion Date (or, if earlier, the 60th day after the giving of the Initial Termination Notice) to the date on which payment is made and (B) the Authority providing written notice of such deferral (a "Deferral Notice") to the Concession Company no later than 30 days after the date on which the Concession Company gives the Initial Termination Notice, the Authority may defer any such payment for an additional 120 days if the Authority reasonably determines (which determination shall be certified to in the Deferral Notice) that such additional period is necessary to obtain financing to make such a payment (it being agreed by the Authority and the Concession Company that if the Authority gives a Deferral Notice, then the Concession Company shall have the option (by giving written notice thereof to the Authority) to postpone the termination of this Agreement from the date of termination set forth in the Initial Termination Notice to any date that is on or prior to the expiration of such additional 120-day period and such postponement shall not further defer the date on which any such payment is required to be made by the Authority); *provided, however, that* any amounts received by the Concession Company or any Concession Mortgagee from any insurance policies payable as a result of damage or destruction to the Cruise Port Facility that has not been remedied prior to the Reversion Date, shall, to the extent not used to remedy such effects, be deducted from the amount payable by the Authority to the Concession Company so long as the Authority has not received any such amounts pursuant to Article 13.

(d) Any dispute arising out of the determination of the AD-Termination Damages shall be submitted to the dispute resolution procedure in Article 19.

(e) No notice given by the Concession Company to the Authority in which the Concession Company states that it elects to exercise its right of termination of this Agreement shall be valid for any purpose unless, if any Concession Mortgage Debt remains outstanding and if and to the extent required by the terms of any Concession Mortgage, the Concession Company has first obtained and delivered to the Authority the written consent of the Concession Mortgagee to such notice.

Section 16.3 Letters of Credit; Capital Costs Reserve.

(a) The Concession Company shall deliver no later than the first day of the Term Year that is five years prior to the final Term Year of the Term, a Letter of Credit in the amount that the Independent Engineer reasonably determines is appropriate to cover all costs of capital improvements for the remainder of the Term as set forth in the capital improvement requirements included in the Operating Standards.

(b) Subject to Section 16.3(c), such Letter of Credit shall be replaced on every anniversary of such Term Year until the date that is three years after the later of (i) the expiration of the Term and (ii) such time as there is no unresolved dispute with respect to the Concession Company's compliance with or performance or observation of any obligation, covenant, agreement, term or condition in this Agreement with a Replacement Letter of Credit in the amount of the undrawn balance of such Letter of Credit plus the amount of interest that would have been earned on such balance if invested for the next 12-month period at the Bank Rate. The required amount of any Letter of Credit may be adjusted from time to time (at intervals that may be shorter than one Term Year) by the amount that the Independent Engineer reasonably determines is appropriate (taking into account progress by the Concession Company made toward the completion of capital improvements and changes in costs of remaining capital improvements) such that the amount of the Letter of Credit after such adjustment remains sufficient to cover all costs of capital improvements for the remainder of the Term as required by the Operating Standards. Upon the occurrence and continuance of a Concession Company Default (or if there is a dispute as to the occurrence of a Concession Company Default, upon a final decision pursuant to Article 19 that a Concession Company Default has occurred), the Authority shall have the right (in addition to all other rights and remedies provided in this Agreement, but with the understanding that any other monetary damages that the Authority may recover will be reduced by the amount so drawn, and without the Authority's exercise of such right being deemed a waiver or a cure of the Concession Company's failure to perform and whether or not this Agreement is thereby terminated), with three Business Days' prior notice to the Concession Company, to draw against such Letter of Credit or any replacement thereof, upon presentation of a sight draft and a certificate confirming that the Authority has the right to draw under such Letter of Credit in the amount of such sight draft, up to the amount due to the Authority with respect to such Concession Company Default.

(c) The Concession Company shall replace each Letter of Credit with a replacement Letter of Credit (the "Replacement Letter of Credit") at least 60 days prior to the expiry date of a Letter of Credit which is expiring. If the Concession Company does not deliver

to the Authority a Replacement Letter of Credit within such time period, the Authority shall have the right (in addition to all other rights and remedies provided in this Agreement and without the Authority's exercise of such right being deemed a waiver or a cure of the Concession Company's failure to perform and whether or not this Agreement is thereby terminated) to draw immediately the full amount of the Letter of Credit upon presentation of a sight draft and a certificate confirming that the Authority has the right to draw under such Letter of Credit in the amount of such sight draft; provided that any drawings under such Letter of Credit must be used by the Authority solely for the purposes of covering the cost of capital improvements for the remainder of the Term as required by the Operating Standards. After the Concession Company delivers to the Authority a Replacement Letter of Credit complying with the provisions of this Agreement, the Authority shall deliver in accordance with the Concession Company's reasonable instructions the Letter of Credit being replaced (provided that at such time no sight draft under such Letter of Credit is outstanding and unpaid) and, if applicable, shall return to the Concession Company any proceeds of any drawings under such Letter of Credit pursuant to the preceding sentence. Any Replacement Letter of Credit shall be upon the same terms and conditions as the Letter of Credit replaced and satisfy the requirements for a Letter of Credit, but in any event (i) the amount of each Replacement Letter of Credit, except as provided in Section 16.3(b), shall equal or exceed the amount of the Letter of Credit being replaced at the time of replacement and (ii) the date of the Replacement Letter of Credit shall be its date of issuance. The expiry date of the Replacement Letter of Credit, as referred to in the opening paragraph of such Replacement Letter of Credit, shall be not earlier than one year later than the expiry date of the Letter of Credit being replaced or such other shorter period acceptable to the Authority as required hereunder.

(d) If this Agreement is terminated by the Authority prior to the expiration of the Term as a result of a Concession Company Default in accordance with the terms hereof, the Authority shall have the right, but without duplication to Section 16.3(b) (in addition to all other rights and remedies provided in this Agreement, but with the understanding that any other monetary damages recoverable by the Authority may be reduced by the amount so drawn, and without the Authority's exercise of such right being deemed a waiver or a cure of the Concession Company's failure to perform), with three Business Days' prior notice to the Concession Company, to draw against any Letter of Credit, upon presentation of a sight draft and a certificate confirming that the Authority has the right to draw under such Letter of Credit in the amount of such sight draft, up to the amount due to the Authority pursuant to the terms of this Agreement with respect to such Concession Company Default, including the amount of the Return Condition Works Cost.

(e) The Authority will accept the Letters of Credit to be delivered pursuant to this Section 16.3 (and pursuant to Section 2.3) as security for the Concession Company's obligations under this Agreement, in place of a cash deposit in the same amount. The Concession Company's sole remedy in connection with the improper presentment or payment of sight drafts drawn under the Letter of Credit shall be the right to obtain from the Authority a refund of the amount of any sight draft the proceeds of which were drawn inappropriately or misapplied and the reasonable costs incurred by the Concession Company as a result of such draw or misapplication (including, for the avoidance of doubt, interest thereupon); provided, however, that at the time of such refund, the Concession Company increases the amount of the Letter of Credit to the amount (if any) then required under the applicable provisions of this Agreement. The Concession Company acknowledges that the presentment of sight drafts drawn

under the Letter of Credit could not under any circumstances cause the Concession Company injury that could not be remedied by an award of money damages, and that the recovery of money damages would be an adequate remedy therefor. The Concession Company shall not request or instruct the issuer of the Letter of Credit to refrain from paying any sight draft drawn under a Letter of Credit.

(f) If the Authority desires to assign its rights and obligations in accordance with Section 17.4 of this Agreement, the Concession Company shall cooperate so that concurrently with the effectiveness of such assignment, either Replacement Letters of Credit as described in Section 16.3(c) for, or appropriate amendments to, the Letters of Credit then held by the Authority, in either case identifying as beneficiary the appropriate party after the assignment becomes effective, shall be delivered to the Authority, at no cost to the Concession Company.

(g) The Concession Company shall obtain and furnish all Letters of Credit and Replacement Letters of Credit at its sole cost and expense (except as noted above) and shall pay all charges imposed in connection with the Authority's presentation of appropriate sight drafts and drawing against the Letters of Credit or Replacement Letters of Credit.

(h) In lieu of any Letter of Credit to be provided by the Concession Company pursuant to the terms of this Section 16.3, whether in whole or in part, the Concession Company shall, at the Concession Company's discretion, have the option:

(i) to provide a Surety Bond or to deposit with a Depositary for the benefit of the Authority, as collateral security, cash or Eligible Investments in an amount equal to the amount of such Letter of Credit, or relevant part thereof, at the time of such deposit, or

(ii) to create and maintain a reserve account (the "Capital Costs Reserve") in such amount as may be required by, and under the control of, the Concession Mortgagee for the purpose of providing for the payment, whether in whole or in part, of the costs of the Return Condition Works and other capital improvements required by the Operating Standards (including the Return Condition Works Program) for the remainder of the Term; *provided* that the terms under which such Capital Costs Reserve is established and maintained under the applicable financing agreements will ensure its availability to the Authority in the case of a Concession Company Default or failure to implement the Return Condition Works Program, subject only to the rights of the Concession Mortgagee. In the event the Concession Company opts to establish a deposit pursuant to Section 16.3(h)(i), the Depositary shall invest and reinvest such amounts in Eligible Investments at the direction of the Concession Company and any earnings thereon shall be paid to the Concession Company. If, at any time during the Term, the Authority would have the right to draw any amount on a Letter of Credit for which the Concession Company has substituted cash or Eligible Investments or the Capital Costs Reserve pursuant to this Section 16.3(h), the Concession Company shall cause the Depositary to pay such amount to the Authority from such cash deposit or Eligible Investments or the Concession Company shall cause the Concession Mortgagee to pay such amount to the Authority from the Capital Costs Reserve, as the case may be, in accordance with the terms of this Section 16.3, and all rights and remedies of the Authority and the Concession Company with respect to such cash deposits or Eligible Investments, if any, and Capital Costs Reserve (subject to the rights of the Concession Mortgagee in the Capital Costs Reserve) shall be the same as those provided in this

Section 16.3 with respect to any Letter of Credit; *provided, however,* that the certification that would have been provided by the Authority with the sight draft had cash or Eligible Investments not been so substituted shall be made to the Depositary and delivered to the Depositary together with the Authority's written demand for payment.

(i) If Letters of Credit shall not in the future be available at commercially reasonable terms and rates or shall not be a commercially reasonable form of security in similar transactions, the Concession Company shall furnish the Authority with comparable security instruments or Eligible Investments that then are commonly used in similar transactions and which are Approved by the Authority; and if no such security instruments shall be available, the Concession Company shall deposit with the Authority cash as security.

(j) In the event that the issuer of a Letter of Credit, a Replacement Letter of Credit or a Surety Bond no longer meets the credit rating requirements for such issuer set forth in this Agreement, then the Concession Company shall have the obligation to replace such Letter of Credit, Replacement Letter of Credit or Surety Bond with an instrument that meets the requirements set forth in this Agreement. If the Concession Company shall not have replaced such Letter of Credit, Replacement Letter of Credit or Surety Bond with an instrument that meets the requirements set forth in this Agreement within 30 days, the Authority shall have the right (in addition to all other rights and remedies provided for in this Agreement, without the Authority's exercise of such right to be deemed a waiver or cure of the Concession Company's failure to perform and whether or not this Agreement is thereby terminated), with two Business Days' prior notice to the Concession Company, to draw against such Letter of Credit, Replacement Letter of Credit or Surety Bond in accordance with its terms in the full amount available thereunder, but with the understanding that any other monetary damages that the Authority may recover will be reduced by the amount so drawn.

(k) Any Letter of Credit, Replacement Letter of Credit or Surety Bond shall provide that the Authority may draw on such Letter of Credit, Replacement Letter of Credit or Surety Bond in accordance with its terms in the circumstances set forth in Section 16.3(j).

Section 16.4 Consequences of Termination or Reversion.

Upon the expiration of the Term or the earlier termination of this Agreement and, in the event of termination pursuant to Section 14.1, Section 16.2(b)(ii), Section 16.2(b)(iii), Section 16.5, Section 16.6, or Section 16.7, concurrently with the payment to the Concession Company of all Termination Damages due as a result of such termination (notwithstanding any claims the Parties may have against each other and subject to Section 16.2(b)(iv) and Article 18), the following provisions shall apply:

(a) the Concession Company shall, without any action whatsoever being necessary on the part of the Authority, well and truly surrender and deliver to the Authority the Cruise Port Facility (including all improvements to the Cruise Port Facility), the Cruise Port Facility Assets and all tangible and intangible personal property (including inventories) located at the Cruise Port Facility or used in connection with the Cruise Port Facility Operations (except in the case of a termination in the circumstances contemplated by Section 13.3(b)) in good order, condition and repair (reasonable wear and tear excepted), determined reasonably in accordance with the then applicable Operating Standards, free and clear of all Encumbrances created,

incurred, assumed or suffered to exist by the Concession Company or any Person claiming through it other than (i) Permitted Concession Company Encumbrances set forth in clause (v), clause (viii) and clause (ix) as it pertains to clauses (v), (viii) and clause (ix) of the definition of that term, (ii) Permitted Authority Encumbrances, (iii) those created by or suffered to exist or consented to by the Authority or any Person claiming through it and (iv) with respect to any property added to the Cruise Port Facility after the Time of Closing, title defects affecting such property in existence on the date such property is added to the Cruise Port Facility;

(b) the Concession Company hereby waives any notice now or hereafter required by Law with respect to vacating the Cruise Port Facility on the Reversion Date;

(c) the Authority shall, as of the Reversion Date, assume full responsibility for the Cruise Port Facility Operations; *provided that* the Authority shall not be obligated to assume all or any portion of any Operating Agreement or Construction Contract that is entered into after the Closing Date which does not comply with Section 3.2(d) or Section 20.15(a) and (e), and as of the Reversion Date, the Concession Company shall have no liability or responsibility for Cruise Port Facility Operations occurring after such date and the Authority shall be responsible for satisfying all applicable Governmental Authority requirements;

(d) the Concession Company shall be liable for all costs, expenses and other amounts for which it is expressly liable or responsible hereunder incurred up to but not including the Reversion Date, and the Authority shall be liable for all costs, expenses and amounts incurred in connection with the Cruise Port Facility Operations on and after the Reversion Date;

(e) the Authority shall have the option by providing notice to the Concession Company of requiring that the Concession Company assign, without warranty or recourse to the Concession Company, all of its right, title and interest in, to and under all or any of the Operating Agreements and Construction Contracts then in effect and all Authorizations to the Authority or its nominee for the remainder of their respective terms (and the Concession Company during the Term shall require and ensure that all Principal Contracts contain appropriate assignment provisions that will allow the Concession Company and the other party thereto to effectuate the foregoing); provided, however, that if the Authority exercises such option, the right, title and interest of the Concession Company in, to and under such Operating Agreements, Construction Contracts and Authorizations shall be assigned to the Authority or its designee as of the Reversion Date and the Concession Company shall surrender the Cruise Port Facility to the Authority and shall cause all Persons claiming under or through the Concession Company to do likewise, and the Authority shall assume in writing, pursuant to an assumption agreement reasonably satisfactory to the Concession Company, the Concession Company's obligations under the Operating Agreements and Construction Contracts that arise in respect of, or relate to, any period of time falling on and after the Reversion Date; provided further that if the Authority does not exercise such option, the Concession Company shall, unless the Authority has granted to a Concession Mortgagee or its nominee a new concession or public-private partnership agreement containing the same provisions as are contained in this Agreement, take such steps as are necessary to terminate the Operating Agreements and the Construction Contracts;

(f) all plans, drawings, specifications and models prepared in connection with construction at the Cruise Port Facility and in the Concession Company's possession and all "as-

built" drawings shall become the sole and absolute property of the Authority, and the Concession Company shall promptly deliver to the Authority all such plans, drawings, specifications and models and all such as-built drawings (but may keep copies of those plans, drawings, specifications and models that were developed by the Concession Company or its Representatives);

(g) the Concession Company, at its sole cost and expense, shall promptly deliver to the Authority copies of all records and other documents relating to the revenues generated at the Cruise Port Facility that are in the possession of the Concession Company or its Representatives and all other than existing records and information relating to the Cruise Port Facility as the Authority, acting reasonably, may request;

(h) the Concession Company shall execute and deliver to the Authority a release or other instrument reasonably required by the Authority to evidence such expiration or termination;

(i) the Concession Company shall assist the Authority in such manner as the Authority may reasonably require to ensure the orderly transition of control, operation, management, improvement, enhancements, development, maintenance and rehabilitation of the Cruise Port Facility, and shall, if appropriate and if requested by the Authority, take all steps as may be necessary to enforce the provisions of the Operating Agreements and Construction Contracts pertaining to the surrender of the Cruise Port Facility;

(j) the Authority and the Concession Company shall make appropriate adjustments, including adjustments relating to any Operating Agreements and Construction Contracts assigned to the Authority, fees and other similar charges collected on and after the Reversion Date that are incurred prior to the Reversion Date, and utilities, and any adjustments and payment therefor shall be made by the appropriate Party on the Reversion Date, but shall be subject to readjustment if necessary because of error in matters such as information, calculation, payments and omissions that are identified within the period of 180 days following the Reversion Date; *provided, however,* that the Authority and the Concession Company acknowledge that certain adjustments or readjustments may have to be made when a third-party provides to the Authority or the Concession Company a final adjustment amount in respect of a matter, and for such matters the adjustment and readjustment date shall each be correspondingly extended;

(k) in the event that, at the time of expiration of the Term (but not the earlier termination in accordance with the terms of this Agreement), the Concession Company had constructed, or commenced construction on, any Modifications constituting capital improvement projects required to be completed in accordance with the terms of this Agreement (including in respect of the Operating Standards, but, for the avoidance of doubt, excluding the Cruise Pier Improvement Projects), for which reimbursement was anticipated by the Concession Company pursuant to Section 5.2(a), or pursuant to any written document with respect to an Agreed Modification, but for which the Concession Company had not received, as of the date of such expiration of the Term, such anticipated reimbursement for the amounts incurred by the Concession Company on such Modifications constituting capital improvement projects, the Authority shall provide reimbursement to the Concession Company on the Reversion Date in an amount equal to the amount of the anticipated reimbursements not yet received by the

Concession Company as of the Reversion Date; *provided* that, with respect to any project that is commenced after the last day of the Term Year that is ten years prior to the final Term Year of the Term, this provision shall be applicable only to the extent that (i) such project is a Required Modification; and *provided further* that, subject to the right of the Concession Company to receive interest at the rate set forth in Section 20.9 on the payment owed by the Authority from the Reversion Date to the date on which payment is made, the Authority may defer any such payment for an additional 120 days if the Authority reasonably determines that such additional period is necessary to obtain financing to make such a payment; and *provided further, however*, that, the Concession Company shall use its Reasonable Efforts to cooperate with the Authority with respect to transferring (to the extent practicable) any Concession Company financing in respect of such Modifications constituting capital improvement projects secured by or payable from Passenger Fees, Government Contributions or other revenues of the Cruise Port Facility or otherwise effectuating substitute financing for such Concession Company financing secured by or payable from such Passenger Fees, Government Contributions or other revenues;

(l) if this Agreement is terminated as a result of an Adverse Action, the payment by the Authority to the Concession Company of the amounts required under Article 14 or Article 19 shall constitute full and final settlement of any and all Claims the Concession Company may have against the Authority for and in respect of the termination of this Agreement and upon such payment, the Concession Company shall execute and deliver all such releases and discharges as the Authority may reasonably require to give effect to the foregoing; *provided, however*, that any liability of either Party to the other that arose prior to such termination (but not from the termination itself or the events leading to such termination), to the extent such liability has not already been set-off or paid or taken into account in the termination payment, shall not be discharged by such termination;

(m) the Authority hereby covenants and agrees that in the event of any termination of this Agreement and reversion of the Cruise Port Facility to the Authority, or in the event the Concession Company should abandon and cease to perform its obligations at any time prior to such termination, the Authority will take all reasonable actions, subject to all necessary Governmental Authority approvals, to assume responsibility for the management of the Cruise Port Facility in order to permit its continued operation without interruption in accordance with the Operating Standards and all applicable Law; and

(n) the Concession Company shall make any final payment of any outstanding Annual Dredging Payment, Annual Authority Revenue Share or Incremental Authority Revenue Share required in accordance with Section 2.1.

This Section 16.4 shall survive the expiration or any earlier termination of this Agreement.

Section 16.5 Termination Other Than Pursuant to Agreement. If this Agreement is terminated by the Authority other than pursuant to Article 16 or is canceled, rescinded or voided by the Authority during the Term for any reason over the objection and without action by the Concession Company, any Concession Mortgagee or their respective Affiliates (other than by reason of the application of Section 16.6), the Authority shall pay to the Concession Company the AD-Termination Damages as of the date of termination in accordance with Section 16.2.

The Authority hereby acknowledges and agrees that it may only terminate this Agreement in accordance with the express terms hereof and shall not, in any event, have the right to terminate this Agreement for convenience.

Section 16.6 Termination Required by Act No. 2-2018 and Public Integrity Crimes.

(a) *This Agreement shall automatically be rescinded by operation of Act No. 2* of the Legislative Assembly of Puerto Rico, enacted on January 4, 2018, as amended, if the Concession Company or any subsidiary or alter ego thereof is convicted or enters a plea of guilty in respect of any Act No. 2-2018 Crime, or if any other Covered Party, while in the employ of the Concession Company, is convicted or enters a plea of guilty in respect of any Act No. 2-2018 Crime.

(b) *This Agreement shall terminate as required by Act No.* 237 of the Legislative Assembly of Puerto Rico, enacted on August 31, 2004, as amended, or the Code of Ethics, if the Concession Company is convicted of a Public Integrity Crime that is not an Act No. 2-2018 Crime.

(c) If this Agreement is rescinded or terminated during the Term pursuant to Section 16.6(a) and, in the case of a rescission caused by the conviction or the entering of a plea of guilty for an Act No. 2-2018 Crime, such crime was not committed in connection with the procurement of this Agreement, then the Authority shall be obligated to pay to the Concession Company an amount equal to the lesser of (i) the Cruise Port Facility Concession Value and (ii) the Unamortized Concession Fee, in each case calculated as of the End Date (the "PIC-Termination Damages"); provided that, (x) subject to the right of the Concession Company to receive interest at the rate set forth in Section 20.9 on the payment owed by the Authority from the End Date to the date on which payment is made, the Authority may defer any such payment for an additional 120 days if the Authority reasonably determines that such additional period is necessary to obtain financing or required approvals to make such payment and (y) if the amount of the PIC-Termination Damages is less than or equal to the sum of the Concession Mortgage Debt and any related Breakage Costs as of the End Date, then the Authority shall enter into a New Agreement with the Concession Mortgagee, or its designee or nominee, subject to and in accordance with Section 18.5 (and subject to clause (e) of this Section 16.6), and the Authority shall be released from any obligation to pay PIC-Termination Damages or any other compensation to the Concession Company in connection with such rescission or termination.

(d) If this Agreement is rescinded during the Term pursuant to Section 16.6(a) as a result of an Act No. 2-2018 Crime committed in connection with the procurement of this Agreement, then the Authority shall enter into a New Agreement with the Concession Mortgagee, or its designee or nominee, subject to and in accordance with Section 18.5 (and subject to Section 16.6(e)), and the Concession Company shall not be entitled to receive any PIC-Termination Damages or other compensation of any form or amount from the Authority in connection with such rescission.

(e) Notwithstanding anything to the contrary herein, in the event the Authority is required to enter into any New Agreement pursuant to Section 16.6(c) or (d), the Authority may elect, in its sole option by notice to the Concession Company at any time prior to

the execution and delivery of such New Agreement, to pay to the Concession Company a sum equal to the Concession Mortgage Debt and any related Breakage Costs, and upon such notice the Authority shall be (i) released from the obligation to enter into such New Agreement and (ii) obligated to pay such sum to the Concession Company in cash; provided that, subject to the right of the Concession Company to receive interest at the rate set forth in Section 20.9 on the payment owed by the Authority from the End Date to the date on which payment is made, the Authority may defer any such payment for an additional 120 days if the Authority reasonably determines that such additional period is necessary to obtain financing or required approvals to make such payment.

(f) If this Agreement is rescinded or terminated during the Term pursuant to this Section 16.6, then the Authority shall recover from the Concession Company all of the Authority's reasonable out-of-pocket expenses and Financing Costs, if any, arising in connection with such rescission or termination, together with any reasonable Re-Tender Costs relating to any Re-Tender of the Cruise Port Facility following such rescission or termination.

(g) Without limiting the obligation of the Concession Company to make any payment in accordance with Section 16.6(f) or any other payment then expressly due under any other provision of this Agreement, the Authority and the Concession Company acknowledge and agree that if this Agreement is rescinded or terminated pursuant to this Section 16.6, the Concession Company shall not be liable as a result of such rescission or termination to return any revenues generated at the Cruise Port Facility or other amounts received by it in accordance with this Agreement during the Term. The provisions of this Section 16.6 shall survive the termination of this Agreement and shall continue in full force and effect thereafter to the same extent as if this Section 16.6 were a separate and independent contract made by the Authority with each of the Concession Mortgagee and the Concession Company.

Section 16.7 Force Majeure Termination.

(a) If a Force Majeure occurs that results in the Cruise Port Facility being substantially unavailable for Cruise Port Purposes (whether or not such Force Majeure caused physical damage or destruction to the Cruise Port Facility) and such effect continues for a period in excess of 360 consecutive days and has a material adverse effect on the fair market value of the Concession Company Interest, and insurance proceeds payable (or that should have been payable but for the breach of an obligation to take out and maintain such insurance policy by the Concession Company) are insufficient to restore the Concession Company to the same economic position as it would have had in the absence of such event, the Concession Company shall have the right to terminate this Agreement (such termination, the "Force Majeure Termination") by giving notice in the manner described in Section 16.7(b).

(b) If the Concession Company elects to exercise the right to the Force Majeure Termination, the Concession Company shall give notice ("Force Majeure Termination Notice") to the Authority within 30 days following the date on which the Concession Company first became aware of its right to the Force Majeure Termination, setting forth the details of the Force Majeure and its effect on the Cruise Port Facility that results in (i) the Cruise Port Facility being substantially unavailable for Cruise Port Purposes for a period in excess of 360 continuous days and (ii) a material adverse effect on the fair market value of the Concession Company

Interest as to which insurance proceeds are insufficient to effect restoration of the Concession Company's economic position. The Authority shall, after receipt of the Force Majeure Termination Notice, be entitled by notice to require the Concession Company to provide such further supporting information as the Authority may reasonably consider necessary. If the Authority wishes to dispute the occurrence of a Force Majeure or the Force Majeure Termination claimed in the Force Majeure Termination Notice, the Authority shall give notice of dispute (the "Force Majeure Termination Dispute Notice") to the Concession Company within 30 days following the date of receipt of the Force Majeure Termination Notice stating the grounds for such dispute, and if neither the Force Majeure Termination Notice nor the Force Majeure Termination Dispute Notice has been withdrawn within 30 days following the date of receipt of the Force Majeure Termination Dispute Notice by the Concession Company, the matter shall be submitted to the dispute resolution procedure in Article 19.

(c) If the Concession Company has the right to terminate this Agreement in connection with a Force Majeure pursuant to this Section 16.7, and the Concession Company has exercised such right, this Agreement shall terminate 120 days following the date of receipt of the Force Majeure Termination Notice by the Authority.

(d) Upon termination in accordance with Section 16.7(a), the Authority shall be obligated to pay on the Reversion Date to the Concession Company an amount equal to the aggregate, without duplication, of (i) the Concession Mortgage Debt and the Qualified Debt as of the date of termination, plus (ii) the Concession Compensation for any Delay Event Remedy calculated for the period applicable to such Delay Event Remedy to the date of termination which has not already been paid, less (iii) any insurance proceeds payable to the Concession Company (or that should have been payable to the Concession Company but for (x) the insurer's inability to pay, (y) the breach by the Concession Company of an obligation to take out or maintain insurance under this Agreement or (z) the invalidity or breach of any insurance policy caused by the Concession Company under which such policy proceeds would have been paid) with respect to all or any portion of the Cruise Port Facility as a result of the occurrence of the applicable Force Majeure (but, for the avoidance of doubt, excluding (1) any out-of-pocket costs and expenses incurred by the Concession Company as a result of such termination, including costs and expenses of terminating Contracts or any other de-mobilization costs and expenses and (2) any other loss, cost or expense of the Concession Company) (collectively, the "FM – Termination Damages") (together with interest at the rate set forth in Section 20.9 from the Reversion Date to the date on which payment is made); *provided* that, subject to the right of the Concession Company to receive interest at the rate set forth in Section 20.9 on the payment owed by the Authority from the Reversion Date to the date on which payment is made, the Authority may defer any such payment for an additional 120 days if the Authority reasonably determines that such additional period is necessary to obtain financing to make such a payment; *provided*, however, that any amounts received by the Concession Company or any Concession Mortgagee from any insurance policies payable as a result of damage or destruction to the Cruise Port Facility that has not been remedied prior to the Reversion Date, shall, to the extent not used to remedy such effects, be deducted from the amount payable by the Authority to the Concession Company so long as the Authority has not received any such amounts pursuant to Article 13.

(e) Upon a Force Majeure Termination, (i) all Claims which the Concession Company may have against the Authority for and in respect of such Force Majeure Termination

shall be deemed to be fully and finally settled, and (ii) the Authority shall be released and forever discharged by the Concession Company from any and all liability with respect to such Force Majeure Termination.

(f) It is acknowledged by the Concession Company that as a result of COVID-19 the originally considered Outside Closing Date was extended to the Outside Closing Date now provided in this Agreement and other accommodations were made to the Concession Company by the Authority and, accordingly, notwithstanding anything in this Agreement to the contrary, the occurrence of the COVID -19 pandemic which was a declared a pandemic by the World Health Organization on or about March 11, 2020, shall not (i) be considered a Delay Event or Force Majeure, except as provided below, or a Compensation Event, (ii) be the basis for a Delay Event Remedy, or (iii) be the basis for an extension of the Outside Closing Security Delivery Date; *provided, however,* that (A) the Concession Company may be entitled to an extension to the Outside Closing Date in accordance with Section 2.2(a)(C) in respect of COVID-19, (B) the continuing effects of such COVID-19 pandemic after Closing may be considered a Delay Event to the extent the circumstances in clause (xvii) of such term, and the other requirements for a Delay Event, are satisfied, and (C) any material adverse change after the Date of this Agreement occurring in respect of the continuing effects of the COVID-19 pandemic, including in respect of any Laws or other requirements of any Governmental Authority after the Date of this Agreement, may constitute a Force Majeure for the purposes of this Agreement to the extent that the requirements for a Force Majeure are satisfied under this Agreement, but provided that (1) if the condition to Closing set forth in Section 2.4(c)(i)(B) has not been satisfied but has been waived by the Concession Company, any such Force Majeure arising from such a material adverse change after the Date of this Agreement occurring in respect of the continuing effects of the COVID-19 pandemic occurring prior to the second anniversary of the Closing Date shall be excluded for purposes of the period of Force Majeure referred to in Section 16.7(a), and the period after which the Concession Company has the right of Force Majeure Termination shall begin to be counted no earlier than the day following the second anniversary of the Closing Date and (2) if the condition to Closing set forth in Section 2.4(c)(i)(B) has been satisfied, any such Force Majeure arising from such a material adverse change after the Date of this Agreement occurring in respect of the continuing effects of the COVID-19 pandemic occurring prior to the Closing Date shall be excluded for the purposes of the period of Force Majeure referred to in Section 16.7(a) and the period after which the Concession Company has the right of Force Majeure Termination shall begin to be counted no earlier than the day following the Closing Date.

Section 16.8 Return of Cruise Port Facility.

(a) In furtherance of the obligations of the Concession Company in Section 16.4(a), not less than three (3) Term Years and not more than five (5) Term Years before the expiry of the Term, an Independent Engineer shall carry out an inspection of the Cruise Port Facility to determine: (i) what works ("Return Condition Works") need to be undertaken in order to bring the Cruise Port Facility to a condition which is consistent with the proper performance by the Concession Company of its maintenance obligations under this Agreement, and to ensure that, at the expiry of the Term, the condition of the Cruise Port Facility complies with and meets the requirements contained in this Agreement, including Schedule 12, (ii) a reasonable program for carrying out the Return Condition Works ("Return Condition Works

Program"), and (iii) the likely cost of carrying out the Return Condition Works in accordance with the Return Condition Works Program plus a contingency of 10% of such cost ("Return Condition Works Cost"). The Concession Company shall cooperate with the Authority and provide all access and other assistance required to enable the Independent Engineer to carry out such inspection. In addition, the Concession Company will provide copies of all records, reports and other information requested by the Authority for the purpose. If, within 30 days after the Authority requests access to the Cruise Port Facility for the purposes of an inspection under this Section 16.8(a), the Parties are unable to agree on any of the matters specified in this Section 16.8(a), the Authority may request that that matter be determined under Article 19.

(b) The Concession Company shall carry out the Return Condition Works in accordance with the Return Condition Works Program. The Concession Company shall obtain all necessary Authorizations in connection with the Return Condition Works, and must carry out the Return Condition Works in accordance with all applicable Laws and Authorizations, using Good Industry Practice, and so that, at the end of the Term, the condition of the Cruise Port Facility complies with and meets the requirements of this Agreement. Notwithstanding anything in this Agreement to the contrary, the Concession Company is required to ensure that, at the end of the Term, the condition of the Cruise Port Facility complies with and meets the requirements of this Agreement, and acknowledges and agrees that its obligations under this Agreement in that regard are not affected in any way by any approval or acceptance, on the part of the Authority, of the Return Condition Works, the Return Condition Works Program or the Return Condition Works Cost. The Authority shall have no liability with respect to the Return Condition Works and the Concession Company shall may make no claim against the Authority with regard to the Return Condition Works.

(c) Any Letter of Credit, Replacement Letter of Credit or Capital Costs Reserve provided in Section 16.3 may be drawn by the Authority to pay the Return Condition Works Cost.

(d) If the Concession Company is of the reasonable opinion that the Return Condition Works, or any of them ("Relevant Return Condition Works") have been performed in accordance with the requirements of Section 16.8(b) then the Concession Company may give a written notice to that effect to the Authority ("Return Condition Works Completion Notice"). Within 10 Business Days after receipt by the Authority of a Return Condition Works Completion Notice, the Authority shall inspect the Relevant Return Condition Works and issue to the Concession Company a notice stating: (i) whether or not the Authority is satisfied that the Relevant Return Condition Works have been completed in accordance with this Agreement, and (ii) if the Authority notifies it is not satisfied, the reasons for such opinion. If the Authority's notice issued under this Section 16.8(d) states it is not satisfied that the Relevant Return Condition Works have been completed, then, unless the Parties can resolve that dispute within 10 Business Days, either Party may refer that dispute for resolution in accordance with Article 19. If the determination under Article 19 is that the Relevant Return Condition Works have not been completed in accordance with this Agreement, the Concession Company shall continue with the performance of the Relevant Return Condition Works, having regard to the reasons provided in the notice under this Section 16.8(d)(ii) or the determination under Article 19, as applicable, and shall give such further notice required under this Section 16.8(d) as is necessary until the Authority notifies the Concession Company under Section 16.8(d)(i) that it is satisfied that the

Relevant Return Condition Works have been completed in accordance with this Agreement, or, if the matter is referred for resolution under Article 19, the determination is that the Relevant Return Condition Works have been completed in accordance with this Agreement.

ARTICLE 17
RESTRICTIONS ON TRANSFERS

Section 17.1 Transfers by the Concession Company.

(a) The Concession Company shall not Transfer, or otherwise permit the Transfer of, any or all of the Concession Company Interest to or in favor of any Person (a "Transferee"), unless (i) the Authority has Approved (based upon a determination in accordance with Section 17.1(b)) such proposed Transferee (unless it is the Concession Mortgagee or its designee or nominee permitted under Article 18) and (ii) the proposed Transferee (unless it is the Concession Mortgagee or its designee or nominee permitted under Article 18) enters into an agreement with the Authority in form and substance reasonably satisfactory to the Authority wherein the Transferee acquires the rights and assumes the obligations of the Concession Company and agrees to perform and observe all of the obligations and covenants of the Concession Company under this Agreement, including the obligations to (y) comply in all material respects with all applicable Laws (including Sanction Laws) with respect to the Cruise Port Facility and (z) maintain in full force and effect all qualifications necessary to carry on its business pertaining to the Cruise Port Facility. Any Transfer made in violation of the foregoing provision shall be null and void ab initio and of no force and effect; *provided* that, while any Concession Mortgage is outstanding, the Authority shall not agree to any Transfer of any or all of the Concession Company Interest to or in favor of any Person without the previous written confirmation from the Concession Mortgagee that such Transfer is permitted under all outstanding Concession Mortgages.

(b) The Approval of the Authority of a proposed Transferee may be withheld (i) for the period from the Date of this Agreement to that date on which Concession Mortgage Debt is issued in an amount sufficient to pay the Cruise Pier Improvement Projects Cost with respect to the Expansion Investment Projects as provided in Section 4.13, but in any event no later than the sixth anniversary of the Closing Date, in the discretion of the Authority and (ii) for the period from that date on which Concession Mortgage Debt is issued in an amount sufficient to pay the Cruise Pier Improvement Projects Cost with respect to the Expansion Investment Projects as provided in Section 4.13, but in any event no later than the sixth anniversary of the Closing Date, to the End Date, only if the Authority reasonably determines that (A) the proposed Transfer is prohibited by or would result in a violation of applicable Law (including applicable Sanction Laws) or (B) such proposed Transferee is not capable of performing the obligations and covenants of the Concession Company under this Agreement, which determination shall be based upon and take into account one or more of the following factors: (1) the financial strength and integrity of the proposed Transferee, its direct or indirect beneficial owners, any proposed managers or operating partners and each of their respective Affiliates; (2) the experience of the proposed Transferee or any proposed managers or operating partners to be engaged by the proposed Transferee in operating cruise vessel ports and performing other relevant projects; and (3) the background and reputation of the proposed Transferee, its direct or indirect beneficial owners, any proposed managers or operating partners, each of their respective officers, directors

and employees and each of their respective Affiliates (including the absence of criminal, civil or regulatory claims or actions against any such Person and the quality of any such Person's past or present performance on other projects).

(c) No Transfer of all or any of the Concession Company Interest (except a Transfer to a Concession Mortgagee or its nominee upon the Concession Mortgagee's exercise of remedies under its Concession Mortgage provided in Article 18 and any subsequent Transfer to the Transferee of the Concession Mortgagee or its nominee that has been Approved under Section 17.1(b)) shall be made or have any force or effect if, at the time of such Transfer there has occurred and is continuing a Concession Company Default that has not been remedied or an event that with the lapse of time, the giving of notice or otherwise would constitute a Concession Company Default.

Section 17.2 Transfers of Equity Holder Interests or Other Change in Control Transactions. Nothing contained in the foregoing shall be deemed to prohibit or limit, whether accomplished through a single transaction or a series of related or unrelated transactions and whether accomplished directly or indirectly, Transfers of direct or indirect ownership interests in the Concession Company by any Equity Participant or its beneficial owner(s) to any Person; *provided* that (i) for the period from the Date of this Agreement to that date on which Concession Mortgage Debt is issued in an amount sufficient to pay the Cruise Pier Improvement Projects Cost with respect to the Expansion Investment Projects as provided in Section 4.13 or a Government Contributions Authorization is received confirming Government Contributions in an amount sufficient to pay one hundred percent (100%) of the Cruise Pier Improvement Projects Cost of the Expansion Investment Projects, but in any event no later than the sixth anniversary of the Closing Date, the Approval of the Authority, in its discretion, shall be required for any such Transfer, and (ii) for the period from that date on which Concession Mortgage Debt is issued in an amount sufficient to pay the Cruise Pier Improvement Projects Cost with respect to the Expansion Investment Projects as provided in Section 4.13 or a Government Contributions Authorization is received confirming Government Contributions in an amount sufficient to pay one hundred percent (100%) of the Cruise Pier Improvement Projects Cost of the Expansion Investment Projects, but in any event no later than the sixth anniversary of the Closing Date, to the End Date, if any such Transfer results in a Change in Control of the Concession Company (other than a Change in Control occasioned by the exercise by any Concession Mortgagee of its remedies under any pledge of shares, limited liability company interests or partnership interests), the Approval of the Authority shall be required for any such Transfer in accordance with Section 17.1, including that the Transfer would not violate any Governmental Authority requirement. Any other transaction that results in a Change in Control of the Concession Company (other than a Change in Control occasioned by the exercise by any Concession Mortgagee of its remedies under any pledge of shares, limited liability company interests or partnership interests) shall also require the Approval of the Authority. For the avoidance of doubt, Global Ports Holding PLC shall be considered beneficial owners of Equity Participants in the Concession Company, and accordingly Global Ports Holding PLC may not Transfer such beneficial ownership of Equity Participants in the Concession Company for the period from the Date of this Agreement to that date on which Concession Mortgage Debt is issued in an amount sufficient to pay the Cruise Pier Improvement Projects Cost with respect to the Expansion Investment Projects as provided in Section 4.13, but in any event no later than the sixth anniversary of the Closing Date, without the Approval of the Authority, in its discretion. Notwithstanding the foregoing, as Global Ports

Holding PLC shall be considered beneficial owners of Equity Participants in the Concession Company as aforesaid, the Approval of the Authority shall not be required for any Transfer of any interest in Global Ports Holding PLC and any such Transfer of any interest in Global Ports Holding PLC shall be deemed not to result in a Change in Control of the Concession Company for the purposes of this Agreement; *provided, however*, that no Transfer of any interest (direct or indirect) in Global Ports Holding PLC shall be made which violates any Sanction Laws, and any such Transfer shall constitute a Concession Company Default pursuant to Section 16.1(a)(v), provided that the prior *proviso* shall not apply to any Transfer of shares of Global Ports Holding PLC or the direct or indirect shareholders of Global Ports Holding PLC pursuant to open market transactions on the London Stock Exchange, the New York Stock Exchange, NASDAQ, or other comparable foreign securities exchange to the extent Global Ports Holding PLC or the direct or indirect shareholders of Global Ports Holding PLC are neither controlling nor promoting such Transfer of shares.

Section 17.3 Other Corporate Actions.

(a) Nothing contained in the foregoing shall be deemed to prohibit or limit the Concession Company from changing its organizational form or status (including a change from a limited liability company to a corporation or limited partnership); provided that such change in organizational form or status does not result in a Change in Control of the Concession Company.

(b) Neither (i) a change of ownership that is attributable to a lease, sublease, concession, management agreement, operating agreement or other similar arrangement that is subject and subordinate in all respects to the rights of the Authority under this Agreement, nor (ii) the creation of a trust or any other transaction or arrangement that is solely a transfer of all or part of the Concession Company's economic interest under this Agreement to another entity shall be deemed to be a Transfer of the Concession Company Interest for purposes of Section 17.1(a).

Section 17.4 Assignment by the Authority. During the Term, the Authority shall have the right to Transfer any or all of the Authority's interest in the Cruise Port Facility and this Agreement; *provided* that (a) it shall be jointly and severally obligated with the Transferee (unless the Transferee is the Authority's successor) for the performance and observance of the obligations and covenants of the Authority under this Agreement and any agreement entered into by the Authority under this Agreement (including agreeing directly with any Concession Mortgagee to be bound by the agreement entered into in accordance with Section 18.5), (b) any such Transfer by the Authority shall not materially limit or reduce any of the Concession Company's other rights, benefits, remedies or privileges under this Agreement or negatively affect the fair market value of the Concession Company Interest, and (c) any such Transfer is in compliance with applicable Law, and the Authority has obtained all necessary consents, including from any Governmental Authorities. Without limiting the generality of the foregoing, the Concession Company acknowledges and agrees that any action that may be taken under this Agreement by the Authority may be taken by the Authority or any other department, instrumentality or agency of the Commonwealth and that any action taken by the Authority or any other department, instrumentality or agency of the Commonwealth shall be deemed to have been taken by the Authority for purposes of this Agreement; *provided* that the Authority or any

such other department, instrumentality or agency shall comply with the obligations of the Authority as set forth in this Agreement and under applicable Law.

ARTICLE 18
LENDER'S RIGHTS AND REMEDIES

Section 18.1 Concession Mortgages. The Concession Company shall have the right, at its sole cost and expense, to grant one or more (subject to Section 18.7) Concession Mortgages, if at the time any such Concession Mortgage is executed and delivered to the Concession Mortgagee, no Concession Company Default exists unless any such Concession Company Default will be cured pursuant to Section 18.3 in connection with entering into such Concession Mortgage, and upon and subject to the following terms and conditions:

(a) the Concession Company shall have provided the form of the Concession Mortgage to the Authority and the Authority shall have determined that each such Concession Mortgage is in compliance with this Section 18.1;

(b) a Concession Mortgage may not cover any property of, or secure any debt issued or guaranteed by, any Person other than the Concession Company (or a financial institution providing a financial guaranty or similar credit enhancement in respect of any debt of the Concession Company); provided that it may cover shares or equity interests in the capital of the Concession Company and any cash reserves or deposits held in the name of the Concession Company;

(c) no Person other than an Institutional Lender shall be entitled to the benefits and protections accorded to a Concession Mortgagee in this Agreement; *provided, however*, that lessors and lenders to the Concession Company, including any financial insurers, shall be entitled to the benefits and protections accorded to a Concession Mortgagee in this Agreement so long as any Concession Mortgage securing the relevant debt or financial insurance provided by such Persons is held by an Institutional Lender acting as collateral agent or trustee with the customary powers given collateral agents or trustees in similar commercial financing transactions;

(d) no Concession Mortgage or other instrument purporting to mortgage, pledge, encumber or create a lien, charge or security interest on or against any or all of the Concession Company Interest shall extend to or affect the fee simple interest in the Cruise Port Facility, the Authority's interest hereunder or its reversionary interest and estate in and to the Cruise Port Facility or any part thereof (other than a Permitted Concession Company Encumbrance);

(e) the Authority shall have no liability whatsoever for payment of the principal sum secured by any Concession Mortgage, or any interest accrued thereon or any other sum secured thereby or accruing thereunder, and, except for violation by the Authority of the express obligations to the Concession Mortgagee set forth in this Article 18 and for any remedies of the Concession Mortgagee provided by Law, the Concession Mortgagee shall not be entitled to seek any damages or other amounts against the Authority for any or all of the same;

(f) the Authority shall have no obligation to any Concession Mortgagee in the enforcement of the Authority's rights and remedies herein and by Law provided, except as expressly set forth in this Agreement and unless such Concession Mortgagee has provided the Authority with notice of its Concession Mortgage in accordance with the Concession Mortgagee Notice Requirements;

(g) each Concession Mortgage shall provide that if an event of default under the Concession Mortgage has occurred and is continuing and the Concession Mortgagee gives notice of such event of default to the Concession Company, then the Concession Mortgagee shall give notice of such default to the Authority;

(h) subject to the terms of this Agreement and except as specified herein, all rights acquired by a Concession Mortgagee under any Concession Mortgage shall be subject and subordinate to all of the provisions of this Agreement and to all of the rights of the Authority hereunder and to all of the rights of the Signatory Cruise Lines under the Preferential Berthing Agreements;

(i) while any Concession Mortgage is outstanding, the Authority shall not agree to any amendment to or modification of this Agreement that could reasonably be expected to have a material adverse effect on the rights or interests of the Concession Mortgagee or agree to a voluntary surrender or termination of this Agreement by the Concession Company without the consent of the Concession Mortgagee, which consent shall not be unreasonably withheld, delayed or conditioned;

(j) notwithstanding any enforcement of the security of any Concession Mortgage, the Concession Company shall remain liable to the Authority for the payment of all sums owing to the Authority under this Agreement and the performance and observance of all of the Concession Company's covenants and obligations under this Agreement, unless otherwise satisfied;

(k) a Concession Mortgagee shall not, by virtue of its Concession Mortgage, acquire any greater rights or interest in the Cruise Port Facility than the Concession Company has at any applicable time under this Agreement, other than such rights or interest as may be granted or acquired in accordance with Section 18.2, Section 18.3, Section 18.4 or Section 18.5; and

(l) each Concession Mortgagee, the Authority and the Concession Company shall enter into a consent agreement in a form acceptable to all parties whereby all parties consent to the assignment of this Agreement to an agent in connection with the financing of the Concession Mortgage; provided that such consent agreement shall be in a customary form and shall include only the rights and protections provided to the Concession Mortgagee in this Agreement (including those provided in Section 16.6 and this Article 18). Nothing herein shall obligate the Authority to consent to service of process, become subject to any legal process in any jurisdiction other than in the Commonwealth, or enter into any agreement not governed by the Laws of the Commonwealth.

Section 18.2 Notices and Payments to Concession Mortgagees. Whenever a Concession Mortgage exists as to which the Authority has been provided notice by the holder thereof in accordance with the Concession Mortgagee Notice Requirements, the Authority shall, simultaneously with providing the Concession Company any required notice under this Agreement, provide a copy of such notice to such Concession Mortgagee, and no such notice to the Concession Company shall be effective against the Concession Mortgagee until a copy thereof is duly provided to such Concession Mortgagee at its address specified in its notice given to the Authority in accordance with the Concession Mortgagee Notice Requirements (or any subsequent change of address notice given to the Authority pursuant to the requirements of Section 20.1). With respect to a Concession Mortgage regarding which the Authority has been provided notice in accordance with the Concession Mortgagee Notice Requirements, unless the Concession Mortgagee recognized by the Authority pursuant to Section 18.7 has otherwise advised the Authority in writing, and solely to the extent so required pursuant to the terms of the financing secured by such Concession Mortgage, all payments to the Concession Company to be made by the Authority under this Agreement shall be made to the Concession Mortgagee or to the institution acting as the collateral agent or depositary under the financing provided by such Concession Mortgagee.

Section 18.3 Concession Mortgagee's Right to Cure. The Concession Mortgagee shall have a period of 270 days with respect to any Concession Company Default beyond any cure period expressly provided to the Concession Company herein, in which to cure or cause to be cured any such Concession Company Default; *provided, however,* that such 270-day period shall be extended if the Concession Company Default is nonmonetary, is not a Concession Company Default described in Section 16.1(a)(v), Section 16.1(a)(vi), or Section 16.1(a)(viii), and may be cured but cannot reasonably be cured within such period of 270 days, and the Concession Mortgagee begins to cure such default within such 270-day period (or if possession is necessary in order to effect such cure, the Concession Mortgagee, within such 270-day period, files the appropriate legal action to commence foreclosure on the liens of the Concession Mortgage) and thereafter proceeds with all due diligence to cure such Concession Company Default (including by proceeding with all due diligence to effect such foreclosure and during such foreclosure action (to the extent practicable) and thereafter to effect such a cure) within a reasonable period of time acceptable to the Authority, acting reasonably; *provided, further,* that if any Concession Mortgagee is prohibited from curing any Concession Company Default by any process, stay or injunction issued by any Governmental Authority or pursuant to any Proceeding involving the Concession Company, then the time periods specified in this Section 18.3 for curing such Concession Company Default shall be extended for the period of such prohibition; and *provided, further*, that if upon a Concession Company Default under Section 16.1(a)(v), any Concession Mortgagee is prohibited under Sanction Laws from curing such Concession Company Default, the Concession Mortgagee and the Authority shall in good faith discuss and determine if there are other lawful alternatives for the Concession Mortagee to (i) acquire the Concession Company Interest or (iii) in any lawful way take possession of and manage the Cruise Port Facility. If a Concession Mortgagee is acting to cure a Concession Company Default in accordance with this Section 18.3 then the Authority shall not exercise its right to terminate this Agreement by reason of such Concession Company Default; *provided, however,* that the Authority may exercise any of its other rights and remedies provided for hereunder at law or in equity so long as the exercise of such rights does not interfere with the Concession Mortgagee's

rights hereunder. In furtherance of the foregoing, the Authority shall permit the Concession Mortgagee and its Representatives the same access to the Cruise Port Facility as is permitted to the Concession Company hereunder and permit the Concession Mortgagee or its Representatives to take all actions and exercise all rights of the Concession Company under this Agreement (all at the Concession Company's sole cost and expense); *provided* that any actions taken by a Concession Mortgagee or its Representatives pursuant to this Section 18.3 shall be undertaken in accordance with the provisions of this Agreement that would be applicable to the Concession Company were it taking such actions. The Authority shall accept any such performance by a Concession Mortgagee or its nominee as though the same had been done or performed by the Concession Company. Any payment to be made or action to be taken by a Concession Mortgagee hereunder as a prerequisite to keeping this Agreement in effect shall be deemed properly to have been made or taken by the Concession Mortgagee if such payment is made or action is taken by a nominee, agent or assignee of the rights of such Concession Mortgagee. Any exercise of the Concession Mortgagee's rights to cure hereunder shall not result in the assumption by such Concession Mortgagee of the Concession Company's obligations hereunder.

Section 18.4 Rights of the Concession Mortgagee.

(a) Subject to the provisions of this Agreement (including all necessary approvals and exemptions in accordance with Section 17.1(a)(i) and (ii)), a Concession Mortgagee may (i) enforce any Concession Mortgage in any lawful way, (ii) acquire the Concession Company Interest in any lawful way or (iii) take possession of in any lawful way and manage the Cruise Port Facility. Upon foreclosure of the Concession Mortgage (or without foreclosure upon exercise of any contractual or statutory power of sale under such Concession Mortgage or an assignment in lieu) and subject to the provisions of Article 17 (applied to the Concession Mortgagee as if it were the Concession Company), a Concession Mortgagee may Transfer the Concession Company Interest; provided, however, that no Transfer by a Concession Mortgagee shall be effective unless the Transfer is made in accordance with Article 17. Any Person to whom the Concession Mortgagee Transfers the Concession Company Interest (including such Concession Mortgagee) shall take the Concession Company Interest subject to any of the Concession Company's obligations under this Agreement (including the obligations to (y) comply in all material respects with all applicable Laws with respect to the Cruise Port Facility and/or (z) maintain in full force and effect all qualifications necessary to carry on its business pertaining to the Cruise Port Facility). The Concession Mortgagee is not permitted in connection with its enforcement of its lien to do anything that would materially and adversely affect the Cruise Port Facility, the Cruise Port Facility Operations or the rights of the Signatory Cruise Lines under the Preferential Berthing Agreements, in each case that is inconsistent or otherwise not permitted by this Agreement. Moreover, in the event that the Concession Mortgagee forecloses on the Concession Mortgage or otherwise exercises any rights in connection with any lien encumbering the Cruise Port Facility, the Cruise Port Facility Operations or the rights of the Signatory Cruise Lines under the Preferential Berthing Agreements, the Concession Mortgagee acknowledges and agrees that the Preferential Berthing Agreements with respect to each Signatory Cruise Line will remain in full force and effect and will be fully enforceable against the Concession Mortgagee in accordance with its respective terms. The Authority agrees that if requested by a Concession Mortgagee that is exercising its rights under this Section 18.4, the Authority will, subject to the receipt of any necessary approvals from any Governmental Authority, assume the obligation to manage and operate the

Cruise Port Facility by agreement with such Concession Mortgagee or with any Person to whom such Concession Mortgage may Transfer the Concession Company Interest hereunder; *provided* that such agreement provides for the payment to the Authority of its reasonable costs of performing such obligation, including a reasonable administrative charge and *provided further* that, except with the consent of the Authority, the Concession Mortgagee shall use its best efforts to retain a qualified third-party to assume such obligation, and obtain any necessary approvals for such assumption, as soon as reasonably practicable.

(b) Except as provided in Section 18.3, unless and until a Concession Mortgagee (i) forecloses or has otherwise taken ownership of the Concession Company Interest or (ii) has taken possession or control of the Concession Company Interest, whether directly or by an agent as a mortgagee in possession or a receiver or receiver and manager has taken possession or control of the Concession Company Interest by reference to the Concession Mortgage, the Concession Mortgagee shall not be liable for any of the Concession Company's obligations under this Agreement or be entitled to any of the Concession Company's rights and benefits contained in this Agreement, except by way of security. During any period in which the Concession Mortgagee itself or by an agent or a receiver or a receiver and manager is the owner, or is in control or possession, of the Concession Company Interest, it shall be bound by all liabilities and obligations of the Concession Company accruing under this Agreement during such period. Once the Concession Mortgagee goes out of possession or control of the Concession Company Interest or Transfers the Concession Company Interest to another Person in accordance with the provisions of this Agreement, the Concession Mortgagee shall cease to be liable for any of the Concession Company's obligations under this Agreement accruing thereafter, and to the extent assumed by any Transferee or any other Person acceptable to the Authority in accordance with this Agreement, for any of the Concession Company's obligations under this Agreement accrued during the period in which the Concession Mortgagee itself or by an agent or a receiver and manager was the owner, or was in control or possession, of the Concession Company Interest, and shall cease to be entitled to any of the Concession Company's rights and benefits contained in this Agreement, except, if the Concession Mortgage remains outstanding, by way of security.

Section 18.5 Authority's Termination of this Agreement; New Agreement.

(a) Without prejudice to the rights of a Concession Mortgagee under Section 18.3, if this Agreement is (i) terminated prior to the expiration of the Term due to a Concession Company Default (in which case the Authority shall notify the Concession Mortgagee of such termination and deliver to the Concession Mortgagee, together with such notice, a Statement of Estimated Liabilities), (ii) rejected or disaffirmed pursuant to any bankruptcy Law or Proceeding or other similar Law or proceeding affecting creditors' rights generally with respect to a bankruptcy proceeding relating to the Concession Company or otherwise or (iii) is rescinded or terminated pursuant to Section 16.6 as a result of a Public Integrity Crime or an Act No. 2-2018 Crime in circumstances where the provisions of Section 16.6(c) or Section 16.6(d) are applicable, then the Authority agrees, if there are outstanding obligations to a Concession Mortgagee (subject to the receipt of all necessary approvals and exemptions in accordance with Section 17.1(a)(i) and (ii) and, in the case of circumstances described in Section 18.5(a)(iii), subject to Section 16.6(e)), upon the written request of the Concession Mortgagee, to enter into a new lease agreement of the Cruise Port Facility (the "New Agreement") with the Concession

Mortgagee (or its designee or nominee) and any ancillary documents or agreements as may be necessary or desirable to give full effect to the New Agreement; provided that such designee or nominee either is controlled by the Concession Mortgagee (or is Approved by the Authority as Transferee under Section 17.1) for the remainder of the Term upon all of the covenants, agreements, terms, provisions and limitations of this Agreement, effective as of the date of such termination.

(b) The Authority's obligation to enter into a New Agreement pursuant to Section 18.5(a) is subject to the satisfaction of all of the following requirements and conditions: (i) such Concession Mortgagee commits in writing to the Authority, in a notice delivered to the Authority, within 60 days after the Authority delivers the termination notice and Statement of Estimated Liabilities to the Concession Mortgagee (or, if later, upon the termination of any cure period granted to the Concession Mortgagee pursuant to Section 18.3) or within 10 Business Days after the effective date of such rejection or disaffirmance (referred to in Section 18.5(a)(ii)) or such rescission or termination (referred to in Section 18.5(a)(iii)), as the case may be, that the Concession Mortgagee (or its designee or nominee) will enter into the New Agreement, which notice is accompanied by a copy of such New Agreement, duly executed and acknowledged by the Concession Mortgagee (or its designee or nominee); (ii) reasonably in advance of the execution of any New Agreement pursuant to Section 18.5(a)(i), the Concession Mortgagee (or its designee or nominee) pays or causes to be paid to the Authority, at the time of the execution and delivery of such New Agreement, (A) all amounts set forth in the Statement of Estimated Liabilities which, at the time of the execution and delivery thereof, would have been past-due or due and payable in accordance with the provisions of this Agreement but for such termination and (B) all reasonable costs and expenses (including legal fees), Taxes, fees, charges and disbursements set forth in the Statement of Estimated Liabilities paid or incurred by the Authority in connection with such defaults and termination, the recovery of possession from the Concession Company, and the preparation, execution and delivery of the New Agreement and related agreements; and (iii) in the case of any New Agreement pursuant to Section 18.5(a)(i), such Concession Mortgagee (or its designee or nominee), at the time of such written request, cures all Concession Company Defaults under this Agreement (curable by the payment of money) of which the Concession Mortgagee has been notified by the Authority in writing that are existing immediately prior to the termination of this Agreement set forth in the Statement of Estimated Liabilities, or, if such defaults cannot be cured by the payment of money, such Concession Mortgagee (or its designee or nominee) commits to the Authority in the New Agreement to proceed both promptly and diligently, upon the execution of the New Agreement, to cure all such other Concession Company Defaults (to the extent curable) set forth in the Statement of Estimated Liabilities and, if possession is necessary in order to cure such other Concession Company Defaults, to proceed both promptly and diligently to obtain the possession required to cure any such other defaults to the extent curable (and such cure shall be a covenant of the Concession Mortgagee in the New Agreement). The omission from a Statement of Estimated Liabilities of (x) any amounts payable to the Authority under this Agreement, (y) any unperformed obligations of the Concession Company hereunder or (z) any other costs of the Authority shall not excuse the payment of such amounts or costs or the performance of such unperformed obligations.

(c) Nothing contained in this Section 18.5 shall be deemed to limit or affect the Authority's interest in and to such Cruise Port Facility upon the expiration of the Term of the

New Agreement. The provisions of this Section 18.5 shall survive the termination of this Agreement and shall continue in full force and effect thereafter to the same extent as if this Section 18.5 were a separate and independent contract made by the Authority, the Concession Company and the Concession Mortgagee and, if the Concession Mortgagee satisfies the conditions to a New Agreement from the effective date of such termination of this Agreement to the date of execution and delivery of the New Agreement, the Concession Mortgagee may use and enjoy the Concession created by this Agreement (and all other rights and benefits provided to the Concession Company hereunder) without hindrance by the Authority, but only on and subject to the terms and provisions of this Agreement.

Section 18.6 Right to Dispute Resolution. In each case specified in this Agreement in which resort to dispute resolution is authorized, the Concession Mortgagee shall have the right and privilege if an event of default under the Concession Mortgage then exists and notice has been given to the Authority as contemplated by Section 18.1(f), in the Concession Company's name, place and stead, to obtain and participate in such dispute resolution upon notice to the Authority in accordance with Article 19; *provided* that the Concession Mortgagee agrees to be bound by the outcome of the dispute resolution process.

Section 18.7 Recognition by the Authority of Concession Mortgagee. Notwithstanding anything in this Agreement to the contrary, if there is more than one Concession Mortgagee, only that Concession Mortgagee, to the exclusion of all other Concession Mortgagees, whose notice was earliest received by the Authority pursuant to the Concession Mortgagee Notice Requirements, shall have the rights as a Concession Mortgagee under this Article 18, or otherwise under this Agreement, unless such Concession Mortgagee has designated in writing another Concession Mortgagee to exercise such rights; *provided, however,* that such notice may name more than one Concession Mortgagee and the rights referred to in this Section 18.7 may extend to all Concession Mortgagees named therein if such notice is submitted by a representative of all such Concession Mortgagees (which representative may itself be a Concession Mortgagee). Any references in this Agreement to the "Concession Mortgagee" shall be references to the Concession Mortgagee or representative of more than one Concession Mortgagee, acting on behalf of such Concession Mortgagees, whose notice was earliest received by the Authority pursuant to the Concession Mortgagee Notice Requirements unless the context otherwise requires.

Section 18.8 Authority's Right to Purchase Concession Mortgage.

(a) If (i) any event of default by the Concession Company has occurred under a Concession Mortgage and is continuing and (ii) the Concession Mortgagee recognized by the Authority pursuant to Section 18.7 is entitled, pursuant to the intercreditor arrangements then in force and effect, to declare all or part of the indebtedness secured by a Concession Mortgage to be immediately due and payable (or, in the case of a Concession Mortgage that is a lease, to terminate the lease), then, for 30 days commencing on the date that is 10 days after the date on which such Concession Mortgagee shall serve notice upon the Authority with a copy to all other Concession Mortgagees (the "Concession Mortgagee's Notice") that such Concession Mortgagee intends and is entitled to, pursuant to the intercreditor arrangements then in force and effect, to commence proceedings to foreclose the Concession Mortgage (stating the calculation of the purchase price pursuant to Section 18.8(c)) during such 30-day period, the Authority shall have

the right and option (the "Authority's Option") to purchase from all Concession Mortgagees their Concession Mortgages, upon the terms and subject to the conditions contained in this Section 18.8.

(b) The Authority's Option shall be exercised by written notice served upon the Concession Company and all Concession Mortgagees within such 30-day period. Time shall be of the essence as to the exercise of the Authority's Option. If the Authority's Option is duly and timely exercised, the Authority shall purchase all Concession Mortgages and all Concession Mortgagees shall assign their Concession Mortgages to the Authority (or its designee) on the date which is 60 days after the date on which a Concession Mortgagee's Notice is served upon the Authority. The closing shall take place at a mutually convenient time and place.

(c) The purchase price payable by the Authority shall be 100% of the aggregate amounts secured by or due under such Concession Mortgages (including principal, interest, fees, premiums, Breakage Costs, termination value and other costs and expenses (including attorneys' fees) and any other amounts secured thereby or due thereunder) as of the closing date of the purchase. The purchase price shall be paid in full in cash at closing by wire transfer or other immediately available funds. The purchase price shall be paid by the Authority to each respective Concession Mortgagee, to be applied by the Concession Mortgagee to the amounts secured by the Concession Mortgage owed to such Concession Mortgagee, subject to the priorities of lien of such Concession Mortgages.

(d) At the closing and upon payment in full of the purchase price each Concession Mortgagee shall assign its Concession Mortgage to the Authority, together with any security interest held by it in the Concession Company's Concession interest in the Cruise Port Facility, without recourse, representations, covenants or warranties of any kind, provided that such Concession Mortgages and security interests shall be deemed modified to secure the amount of the aggregate purchase price paid by the Authority to all Concession Mortgagees (rather than the indebtedness theretofore secured thereby) payable on demand, with interest and upon the other items referred to in this Section 18.8(d). Each such assignment shall be in form for recordation or filing, as the case may be. The Authority shall be responsible for paying any Taxes payable to any Governmental Authority upon such assignment.

(e) Any Concession Mortgage shall contain an agreement of the Concession Mortgagee to be bound by the provisions of this Section 18.8.

(f) The Authority shall have the right to receive (and each Concession Mortgage shall contain an agreement of the Concession Mortgagee to deliver) all notices of default under any Concession Mortgage contemporaneously with the delivery of such notices to the Concession Company, but the Authority shall not have the right to cure any default under any Concession Mortgage, except to the extent provided in this Section 18.8.

ARTICLE 19
DISPUTE RESOLUTION

Section 19.1 Scope. Except as otherwise expressly provided in this Agreement, any dispute among the Parties arising out of, relating to or in connection with this Agreement or the

existence, interpretation, breach, termination or validity thereof shall be resolved in accordance with the procedures set forth in this Article 19, which shall constitute the sole and exclusive procedures for the resolution of such disputes (the "Dispute Resolution Procedure"), including as to the validity of any termination or effective date of any termination. The Concession Company acknowledges and agrees that the Authority (or any Designated Person appointed by the Authority) shall be authorized to participate in or act for and on behalf of the Authority in any Dispute Resolution Procedure contemplated by this Article 19; *provided, however*, that mediation shall not apply to Access Disputes and the Access Protocol Independent Expert shall resolve all Access Disputes as provided in Schedule 3.

Section 19.2 Commencement of the Dispute Resolution Procedure.

(a) *Notice.* If a dispute arises, any Party may initiate the Dispute Resolution Procedure by giving a written notice of the dispute to the other Party (the "Notice of Dispute"). The Notice of Dispute shall contain a brief statement of the nature of the dispute, set out the relief requested and request that the Dispute Resolution Procedure of this Article 19 be commenced.

(b) *Tolling.* Any limitation period imposed by this Agreement or by applicable Law in respect of a dispute shall be tolled upon the delivery of a Notice of Dispute pursuant to this Article 19 for the duration of any Dispute Resolution Procedure pursuant to this Article 19. For the avoidance of doubt, any notice period required by this Agreement, including any written notice to terminate, shall not be tolled.

Section 19.3 Negotiation.

(a) *Generally.* Upon receipt of a Notice of Dispute from a Party, the Parties will refer the dispute to the Designated Person of each Party. The Designated Persons shall negotiate in good faith and attempt to resolve the dispute within thirty (30) days after the date on which the Notice of Dispute was issued or such longer period as the Designated Persons may otherwise agree. All communications, negotiations and discussions pursuant to this Section 19 shall be (i) confidential, (ii) without prejudice privileged, (iii) treated as compromise settlement discussions and negotiations and (iv) not used, offered or admissible as evidence in any subsequent proceeding without the mutual consent of the Parties.

(b) *Negotiation Period.*

(i) If the dispute remains unresolved thirty (30) days after the Notice of Dispute is issued (or such longer period as the Concession Company and the Authority may mutually agree in writing) (the "Negotiation Period"), then any disputes arising pursuant to Section 1.17(b) (*Approved Documents*), Section 2.3(d) (*Closing Security Delivery Date*), Section 4.5 (*Design and Construction Standards and Procedures*), Sections 4.6(f) and (h) (*Government Contributions and Role of Concession Company*); Section 4.7 (*Milestone Inspection and Completion Inspection; Title*), Section 4.8 (*Milestone Certificate and Completion Certificate*), Section 6.2 (*Modified Operating Standards*), Section 14.1 (*Adverse Action*), Article 15 (*Concession Compensation; Delay Events*), Section 16.7 (*Force Majeure Termination*), Section 16.8 (*Return of Cruise Port Facilities*), Section 2(d) of Schedule 15 regarding any proposed

change of the pricing methodology in the Passenger Fee for round-trips, Section 3.18 of Appendix 1 to Schedule 6 for any Closing Bond or Guaranty Determination, or which concern whether or not the Expansion Investment Projects Trigger Event or the Phase Two Trigger Event has occurred or whether the Expansion Investment Projects Requirements or the Phase Two Projects Requirements have been satisfied (each a "Technical Dispute"), or any engineering or technical dispute the Concession Company and the Authority mutually agree in writing is a Technical Dispute, shall be referred to the Expert Technical Determination procedure set forth in Section 19.4 for a final and binding determination. In addition, it is acknowledged and agreed that a Closing Bond or Guaranty Determination will be considered initially by the Closing Bond Expert (as defined in Appendix 1 to Schedule 6), as provided in Schedule 6.

(ii) If the dispute, other than a Technical Dispute, remains unresolved after the end of the Negotiation Period, then the dispute shall proceed to mediation pursuant to Section 19.5, and if necessary, litigation pursuant to Section 19.6 for a final and binding determination.

Section 19.4 Expert Technical Determination Procedure for Technical Disputes.

(a) *Generally.* Any Technical Disputes unresolved within the Negotiation Period shall be referred to a panel of three (3) independent experts (a "Panel") or, by agreement of the Parties in accordance with Section 19.4(b), to a single independent expert (each an "Independent Expert") for a final and binding determination ("Expert Technical Determination"). The Parties hereby agree to submit to the Expert Technical Determination procedure and this submission will have the same effect as an arbitration submission agreement, including enforceability and irrevocability. It is agreed and acknowledged that an Expert Technical Determination procedure shall constitute an arbitration in accordance with the Puerto Rico Arbitration Act, Act No. 376 of May 8, 1951, 32 L.P.R.A. §3201 *et seq.*

(b) *Procedures.*

(i) For the purposes of this Section 19.4, each Independent Expert shall be a reputable Person or Persons possessing expert knowledge and experience for the Expert Technical Determination of the Technical Dispute in question and shall be independent of and impartial as among the Parties. Unless the Parties agree that a particular Technical Dispute should be referred to a single Independent Expert, each of the Concession Company and the Authority shall nominate within ten (10) Business Days of the expiry of the Negotiation Period, a person as Independent Expert, and those Independent Experts shall jointly nominate the third Independent Expert to form the Panel for the Expert Technical Determination, such third Independent Expert to act as chairperson of the Panel. If the Parties agree that a particular Technical Dispute should be referred to a single Independent Expert, the Concession Company and the Authority shall, in the first instance, attempt to agree on an Independent Expert through their respective Designated Persons. If (A) the Concession Company and the Authority cannot so agree on the Independent Expert, in the case of a Expert Technical Determination by a single Independent Expert, within ten (10) Business Days after the end of the Negotiation Period, or (B) in the case of a three (3) person expert Panel for the Expert Technical Determination, the nominated Independent Experts fail to nominate the third Independent Expert to form the Panel for the Expert Technical Determination within ten (10) Business Days of the nomination of the

Independent Experts by the Parties, then the Parties shall promptly (and in any event within five (5) Business Days) apply to the ICC International Centre for ADR (the "ICC") for the appointment of an Independent Expert in accordance with the ICC Rules for the Appointment of Experts and Neutrals.

(ii) Once selected by the Concession Company and the Authority, neither Party shall communicate independently with the Independent Experts, and all communications the Parties make with the Independent Experts, or the Independent Expert(s) make with the Parties, must be simultaneously copied to all other Parties.

(iii) The Independent Expert(s) shall, in consultation with the Parties, determine the procedure to be undertaken in the Expert Technical Determination, provided that, if the Independent Expert(s) in consultation with the Parties do not agree on specific procedures for the relevant Expert Technical Determination within ten (10) Business Days of the appointment of the Independent Expert(s), the procedures set out in Schedule 11 shall apply to such Expert Technical Determination. The Independent Expert(s) shall determine the Technical Dispute within sixty (60) days after the appointment of the Panel or single Independent Expert, as applicable, or as otherwise agreed by the Parties. This sixty (60) day time period may be extended by the Independent Expert(s) for reasonable cause, after consultation with the Parties, or by the agreement of the Parties. A failure to determine the matter within sixty (60) days shall not be a ground to challenge any award or determination by the Independent Expert(s).

(iv) The determination by the Independent Expert(s) on any Technical Dispute shall be final and binding on the Parties hereto, and shall constitute an arbitration award, and will be enforceable without the need of judicial confirmation. Notwithstanding any other provisions of this Article 19, enforcement of any determination of the Independent Expert(s) may be sought by either of the Parties before any court of competent jurisdiction. However, the Parties may not request the review of the merits or substantive aspects of the Expert Technical Determination. To the extent permitted by Law, any rights to appeal from or cause a review of any such determination by any Independent Expert(s) are hereby waived by the Parties. The Parties may only challenge the enforceability of the Expert Technical Determination, within ninety (90) days from issuance of the Expert Technical Determination, before the Commonwealth Court (as defined in Section 19.6) on the basis established in Article 22(a) to (d) of the Puerto Rico Arbitration Act, Act No. 376 of May 8, 1951, 32 L.P.R.A. §3222. If the Expert Technical Determination is revoked on such grounds, the court may order to submit the Technical Dispute to another Independent Expert, selected under the provisions of this Article 19.

(v) The costs of the Independent Experts shall be borne by the Concession Company, to the extent that the Independent Experts resolve any dispute in the Authority's favor, and by the Authority, to the extent that the Independent Experts resolve any dispute in the Concession Company's favor, or as determined by the Independent Experts if the dispute is not resolved entirely in favor of the Concession Company or the Authority.

(vi) If the Independent Experts find in favor of the Concession Company in an Expert Technical Determination, any compensation or damages payable by the Authority to the Concession Company in respect of such Expert Technical Determination shall,

if the Concession Company so elects in writing to the Authority, be payable as Concession Compensation pursuant to this Agreement or, if the Concession Company does not so elect, shall be payable by the Authority as a debt due to the Concession Company.

(c) *Confidentiality.* The Parties agree that any Expert Technical Determination carried out pursuant to this Section 19.4 shall be kept private and confidential and that the existence of the Expert Technical Determination and any element of it (including the identity of the Parties, the identity of all witnesses and experts who may be called upon in the Expert Technical Determination, all materials created for the purposes of the Expert Technical Determination, all testimony or other oral submissions in the Expert Technical Determination, and all documents produced by a Party in connection with an Expert Technical Determination that were not already in the possession of the other Party) shall be kept confidential, except (i) with the consent of the Parties, (ii) to the extent disclosure may be lawfully required in *bona fide* judicial proceedings relating to the Expert Technical Determination, (iii) where disclosure is lawfully required by a legal duty, and (iv) where such information is already in the public domain other than as a result of a breach of this clause. The Parties also agree not to use any information disclosed to them during the Technical Dispute for any purpose other than in connection with the Expert Technical Determination.

Section 19.5 Mediation.

(a) *Generally.* If a dispute, other than a Technical Dispute or one relating to the Open Access Regime or one resolved pursuant to a Closing Bond or Guaranty Determination, remains unresolved after the Negotiation Period, either the Concession Company or the Authority may refer the dispute to mediation through a written notice of mediation (the "Notice of Mediation"). Each Party to this Agreement agrees that it may not initiate a civil action as provided in Section 19.6 (other than provisional relief sought on an expedited basis) unless (i) the matter in question has first been submitted to mediation in accordance with the provisions of this Section 19.5(a) or (ii) such Party would be barred from asserting its claim in a civil action if it were required to submit to mediation pursuant to Section 19.3.

(b) *Procedures.*

(i) The Parties shall, in the first instance, attempt to agree on a mediator through their respective Designated Persons. If the Parties cannot so agree within thirty (30) days after the Notice of Mediation is sent, either of the Parties may promptly apply to the ICC for appointment of a single mediator in accordance with the Mediation Rules of the International Chamber of Commerce (the "Mediation Rules"). Absent any written agreement to the contrary by the Parties, the mediator shall be an attorney or mediator authorized to practice law in the United States or in the Commonwealth. The mediator shall be paid for the mediation services, and shall be reimbursed for all reasonable and documented out-of-pocket costs incurred in carrying out the mediation duties hereunder, including the costs of consultants. All fees and costs of the mediation (including payment for the services of the mediator and reimbursement of all out-of-pocket costs, including costs of consultants, of the mediator) shall be shared equally by the Parties. The Parties shall request that the mediator schedule the mediation within thirty (30) days of the mediator's appointment, and shall comply with all procedures the mediator establishes for the conduct of the mediation. Absent any written agreement to the contrary by

the Parties, if the dispute is not resolved within ninety (90) days of the Notice of Mediation, the mediation shall be terminated.

(ii) For the avoidance of doubt, absent the written agreement of the Parties, the Mediation Rules shall not apply to any mediation carried out pursuant to this Section 19.5(b). Rather, the reference to the ICC and the Mediation Rules above should be understood as referring solely to the designation of the ICC as an appointing authority to appoint a mediator pursuant to the procedures set forth in the Mediation Rules in the event the Parties are unable to agree on a mediator within the timeframe specified.

(c) *Confidentiality.*

The Parties agree that any mediation carried out pursuant to this Section 19.5 shall be kept private and confidential, and that the existence of the mediation and any element of it (including the identity of the Parties, the identity of all witnesses and experts who may be called upon at the mediation, all materials created for the purposes of the mediation, all testimony or other oral submissions at the mediation, and all documents produced by a Party in connection with a mediation that were not already in the possession of the other Party) shall be kept confidential, except (i) with the consent of the Parties, (ii) to the extent disclosure may be lawfully required in *bona fide* judicial proceedings relating to the mediation, (iii) where disclosure is lawfully required by a legal duty and (iv) where such information is already in the public domain other than as a result of a breach of this clause. The Parties also agree not to use any information disclosed to them during the mediation for any purpose other than in connection with the mediation.

Section 19.6 Litigation as a Final Resort.

(a) *Civil Action.* In the event that the Parties fail to resolve any dispute, other than a Technical Dispute or one relating to the Open Access Regime or one resolved pursuant to a Closing Bond or Guaranty Determination, within ninety (90) days after the date the mediator is selected pursuant to the procedures set forth in Section 19.5(b) (or such longer period as the Parties may mutually agree), either Party may initiate a civil action in the Commonwealth Court and in accordance with all applicable rules of civil procedure. The Parties acknowledge and understand that, to resolve any and all claims arising out of this Agreement (other than any Technical Dispute), they may file a civil action, including actions in equity, in the Commonwealth Court of First Instance, San Juan Part or (as determined by the Party initiating the action and subject to such court having jurisdiction) the United States District Court for the District of Puerto Rico (as applicable, the "Commonwealth Court"). The Concession Company and the Authority each irrevocably consents to the exclusive jurisdiction of such courts in any such actions or proceedings. The Parties acknowledge and agree that the terms and conditions of this Agreement have been freely, fairly and thoroughly negotiated.

(b) *Costs and Expenses.* Except as required by Concession Company's indemnity obligations under Article 12, each Party shall bear its own costs and expenses in any legal proceeding where it is the named defendant or in any legal proceeding among the Parties. Notwithstanding the foregoing, each Party retains its rights to bring any legal proceeding or to implead the other Party as to any matter arising hereunder.

Section 19.7 Waiver of Jury Trial. EACH PARTY HEREBY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY PROCEEDING BROUGHT UNDER THIS AGREEMENT. Each Party (a) certifies that no representative of any other Party has represented, expressly or otherwise, that such other Party would not, in the event of litigation, seek to enforce the foregoing waiver, and (b) acknowledges that it and each other Party has been induced to enter into this Agreement by, among other things, the mutual waivers and certifications in this Agreement.

Section 19.8 Provisional Relief. Notwithstanding any other provision in this Agreement, no Party shall be precluded from initiating a proceeding in the Commonwealth Court for the purpose of obtaining any emergency or provisional remedy to protect its rights that may be necessary and that is not otherwise available under this Agreement, including temporary and preliminary injunctive relief, restraining orders and other remedies to avoid imminent irreparable harm, provide uninterrupted electrical and other services, or preserve the status quo pending the conclusion of such negotiation, mediation or litigation. The commencement of or participation in an action for provisional relief with regard to Technical Disputes shall not constitute a waiver of the requirements or procedures of Section 19.5.

Section 19.9 Continuing Obligations. The Parties agree that during the resolution of a dispute pursuant to the Dispute Resolution Procedure, the Parties shall continue to perform their obligations under this Agreement, provided that such performance shall (i) be without prejudice to the rights and remedies of any of the Parties and (ii) not be read or construed as a waiver of a Party's right to claim for recovery of any loss, costs, expenses or damages suffered as a result of the continued performance of this Agreement.

Section 19.10 Request for Documents; Subpoena Duces Tecum. If the Concession Company is presented with a request for documents by an administrative agency or with a subpoena *duces tecum* regarding any documents that may be in its possession by reason of this Agreement, the Concession Company shall, to the extent permitted by Law, give prompt notice to the Authority at the addresses specified for the Authority in Article 200. The Authority may contest such process by any means available to it before such records or documents are submitted to a court or other third party; *provided, however*, that the Concession Company shall not be obligated to withhold such delivery beyond that time as may be ordered by the court or administrative agency or required by Law, unless the subpoena or request is quashed or the time to produce is otherwise extended.

ARTICLE 20
MISCELLANEOUS

Section 20.1 Notice. All notices, requests for approvals, approvals and other communications and approvals required or permitted by this Agreement shall be in English and in writing and shall be delivered, sent by certified or registered mail (return receipt requested and postage prepaid), addressed as follows:

(a) *in the case of the Authority*:

Puerto Rico Ports Authority
P.O. Box 362829
San Juan, Puerto Rico 00936-2829
Attention: Executive Director
Telephone: (787) 729-8715 ext. 2281
Facsimile: (787) 722-7867

with copies to:

Puerto Rico Ports Authority
P.O. Box 362829
San Juan, Puerto Rico 00936-2829
Attention: General Counsel
Telephone: (787) 729-8552
Facsimile: (787) 729-8835

and:

Puerto Rico Public-Private Partnerships Authority
Puerto Rico Fiscal Agency and Financial Advisory Authority Building
(former GDB Building)
3rd Floor Roberto Sanchez Vilella Government Center
De Diego Avenue, Stop 22
San Juan, Puerto Rico 00940-2001
Attention: Executive Director
Telephone: (787) 722-2525
Telecopy: (787) 728-0963
E-mail: prcruiseterminals@p3.pr.gov

(b) *in the case of the Concession Company*:

San Juan Cruise Port LLC
270 Avenida Munoz Rivera, Suite 1100
San Juan, Puerto Rico 00918
Attention: President
Telephone:
Telecopy:
E-mail:

with copies to:

Global Ports Holding PLC
34 Brook Street, 3rd Floor
London W1K 5DN
United Kingdom
Attention: Dr. Ece Gursoy, CLO
Telephone: +44 203 911 2315
Email: legal@globalportsholding.com

or such other persons or addresses as either Party may from time to time designate by notice to the other. A notice, other communication or approval shall be deemed to have been sent and received (i) on the day it is delivered, or if such day is not a Business Day or if the notice is received after ordinary office hours, the notice, other communication or approval shall be deemed to have been sent and received on the next Business Day, or (ii) on the fourth Business Day after mailing if sent by United States registered or certified mail.

Section 20.2 Entire Agreement. This Agreement, including all schedules and other documents executed herewith, constitutes the entire agreement between the Parties pertaining to the subject matter hereof and supersedes all prior agreements, negotiations, discussions and understandings, written or oral, between the Parties. There are no representations, warranties, conditions or other agreements, whether direct or collateral, or express or implied, that form part of or affect this Agreement, or that induced any Party to enter into this Agreement or on which reliance is placed by any Party, except as specifically set forth in this Agreement. The Parties acknowledge and agree that (i) each has substantial business experience and is fully acquainted with the provisions of this Agreement, (ii) the provisions and language of this Agreement have been fully negotiated and (iii) no provision of this Agreement shall be construed in favor of any Party or against any Party by reason of such provision of this Agreement having been drafted on behalf of one Party rather than the other.

Section 20.3 Amendment. This Agreement may be amended, changed or supplemented only by a written agreement signed by the Concession Company and the Authority.

Section 20.4 Waiver of Rights. Any waiver of, or consent to depart from, the requirements of any provision of this Agreement shall be effective only if it is in writing and

signed by the Party giving it, and only in the specific instance and for the specific purpose for which it has been given. No failure on the part of any Party to exercise, and no delay in exercising, any right under this Agreement shall operate as a waiver of such right. No single or partial exercise of any such right shall preclude any other or further exercise of such right or the exercise of any other right.

Section 20.5 Severability. Each provision of this Agreement shall be valid and enforceable to the fullest extent permitted by applicable Law. The invalidity of any one or more phrases, sentences, clauses or sections contained in this Agreement shall not affect the remaining portions of this Agreement or any part thereof. If any provision of this Agreement or the application thereof to any Person or circumstances is held or deemed to be or determined to be invalid, inoperative or unenforceable in any particular case in any particular jurisdiction or jurisdictions because it conflicts with any other provision or provisions hereof or of any applicable Law, or public policy, or for any other reason, (i) such circumstances shall not have the effect of rendering the provision in question inoperative or unenforceable in any other case or circumstances, or rendering any other provision or provisions herein contained invalid, inoperative or unenforceable to any extent whatever, and (ii) the Parties shall negotiate in good faith to amend this Agreement to implement the provisions set forth herein. If the Parties cannot agree on an appropriate amendment, either Party may refer the matter for determination pursuant to the dispute resolution procedure in Article 19. If, by means of the dispute resolution procedure, the Parties are unable, as a result of applicable Law, to resolve the matter in a manner that effectively entitles the Authority to have the same rights after the aforesaid determination of invalidity or unenforceability as before, the Authority shall have the right to enact, and cause to come into force, any Law to provide for the same or substantially the same rights as were determined to be invalid or unenforceable; *provided* that the rights of the Concession Company or any Concession Mortgagee shall in no event be diminished by any such Law.

Section 20.6 Governing Law. This Agreement shall be governed by, and interpreted and enforced in accordance with, the laws in force in the Commonwealth (excluding any conflict of laws rule or principle which might refer such interpretation to the laws of another jurisdiction), except where the Federal Supremacy Clause requires otherwise.

Section 20.7 Further Acts. The Parties shall do or cause to be done all such further acts and things as may be reasonably necessary or desirable to give full effect to this Agreement, including submission of this Agreement for filing with the Office of the Comptroller of the Commonwealth, pursuant to the provisions of Act. No. 18 of the Legislative Assembly of Puerto Rico, approved October 30, 1975, as amended. The obligations pursuant to this Agreement shall not be enforceable until it shall have been submitted for filing with the Office of the Comptroller of the Commonwealth as provided by such Act No. 18. Without limiting the foregoing, each Party will, at any time and from time to time, execute and deliver or cause to be executed and delivered such further instruments and take such further actions as may be reasonably requested by the other Party in order to cure any defect in the execution or delivery of this Agreement.

Section 20.8 Costs. Except as otherwise provided in this Agreement, each Party shall be responsible for its own costs and expenses incurred in connection with performing and observing its obligations and covenants under this Agreement.

Section 20.9 Interest. Any amount payable under this Agreement and not paid when due under this Agreement shall bear interest before and after judgment at the legal rate of interest provided for under Regulation No. 78-1 (Puerto Rico Regulation No. 3702 of October 25, 1988) of the Office of the Commissioner of Financial Institutions of the Commonwealth, from the date such payment is due until payment.

Section 20.10 Inurement and Binding Effect. This Agreement shall inure to the benefit of the Parties and their respective permitted successors and assigns and be binding upon the Parties and their respective successors and assigns.

Section 20.11 No Partnership or Third-Party Beneficiaries. Nothing contained in this Agreement shall constitute or be deemed to create a partnership, joint venture or principal and agent relationship between the Authority and the Concession Company. Except as expressly provided herein to the contrary (including with respect to such rights as are expressly granted to each Concession Mortgagee or any Indemnified Party pursuant to this Agreement), no term or provision hereof shall be construed in any way to grant, convey or create any rights or interests to or in any Person not a Party to this Agreement.

Section 20.12 Cumulative Remedies. The rights, remedies, powers and privileges herein provided are cumulative and not exclusive of any rights, remedies, powers and privileges provided by Law.

Section 20.13 Counterparts; Facsimile Execution. This Agreement may be executed in any number of counterparts which, taken together, shall constitute one and the same agreement. This Agreement shall be effective when it has been executed by each Party and delivered to all Parties. To evidence the fact that it has executed this Agreement, a Party may send a copy of its executed counterpart to the other Party by facsimile transmission. Such Party shall be deemed to have executed and delivered this Agreement on the date it sent such facsimile transmission. In such event, such Party shall forthwith deliver to the other Party an original counterpart of this Agreement executed by such Party.

Section 20.14 Waiver of Sovereign Immunity. The Authority acknowledges that under its enabling act, it is not entitled to raise the defense of sovereign immunity with respect to claims arising out of this Agreement. Under its enabling act, the Authority does not have sovereign immunity (and any defense based thereon) as to it and its property in respect of the enforcement and execution of any award or other relief (pecuniary or otherwise) rendered against it in accordance with the provisions of this Agreement.

Section 20.15 Contractors.

(a) The Concession Company shall not enter into, and shall cause any Contractor not to enter into, any Operating Agreement or Construction Contract with any Person who, to the best of the Concession Company's knowledge after due inquiry, under applicable Law (i) has any record of felony criminal convictions or pending felony criminal investigations, (ii) has any final judicial or administrative finding or adjudication of illegal employment discrimination (iii) has any unpaid Commonwealth or other Taxes, (iv) has any final judicial or administrative findings or adjudication of non-performance in contracts with the Authority or the

Commonwealth or (v) is debarred, suspended or disqualified from Commonwealth contracting for any services within the scope of the applicable Construction Contract or Operating Agreement.

(b) The Concession Company shall furnish the Authority written notice of its or its Contractors intention to enter into any Principal Contract no less than thirty (30) days prior to entering into any such Principal Contract, and such notice shall include an Officer's Certificate certifying that, to the best of the Concession Company's knowledge after due inquiry, any such Principal Contract and each Contractor under any such Principal Contract complies with the requirements of Section 20.15(e) and Section 20.15(a), respectively. In addition, the Concession Company shall no later than 10 days after the end of each Reporting Year deliver an Officer's Certificate to the Authority certifying that each Principal Contract in effect during the immediately preceding Reporting Year and each Contractor under any such Principal Contract complies with the requirements of Section 20.15(e) and Section 20.15(a), respectively.

(c) The Concession Company shall pay or cause to be paid all Contractors all undisputed amounts due in accordance with their respective Construction Contract or Operating Agreement. No Contractor shall have any right or Claim against the Authority under or by virtue of this Agreement for labor, services, materials or equipment furnished in connection with this Agreement, including under any Construction Contract or Operating Agreement. The Concession Company acknowledges that its indemnity obligations under Section 12.1(a) shall extend to all Claims for payment or damages by any Contractor who furnishes or claims to have furnished any labor, services, materials or equipment in connection with this Agreement, including under any Construction Contract or Operating Agreement.

(d) The Concession Company shall notify the Authority promptly of any material breach or event of default occurring under any Principal Contract and the probable effect on the obligations of the Concession Company under this Agreement. The Concession Company shall keep the Authority apprised of the course of the dispute and shall notify the Authority of its ultimate resolution.

(e) No Operating Agreement or Construction Contract shall relieve the Concession Company from the performance of any obligation under this Agreement, including any obligation to be performed by any Contractor. Each Operating Agreement and Construction Contract shall (i) contain or specifically reference the provisions of this Agreement to be performed by the applicable Contractor, (ii) acknowledge and agree that the Contractor shall have no right or Claim against the Authority under or by virtue of this Agreement or the applicable Operating Agreement or Construction Contract, (iii) contain a representation and warranty of the applicable Contractor as to the items in Section 20.15(a), (iv) with respect to any Principal Contract, contain an agreement by the applicable Contractor to the collateral assignment by the Concession Company to the Authority and use by the Authority pursuant to Section 3.15 of the applicable Principal Contract, (v) with respect to any Operating Agreement or Construction Contract that does not constitute a Principal Contract contain an agreement by the applicable Contractor that such Operating Agreement or Construction Contract is terminable by the Authority upon three (3) Business Days' notice to such Contractor from the Authority at any time following termination of this Agreement, without any liability of the Authority for such termination, (vi) acknowledge and agree to the rights of the Authority under this Agreement,

including the Authority's rights under Section 3.7, and (vii) except to the extent prohibited by applicable Law, include the provisions of Article 11 and Section 9.3.

Section 20.16 Commonwealth Obligations. THE OBLIGATIONS OF THE AUTHORITY UNDER THIS AGREEMENT SHALL NOT BE DEEMED OBLIGATIONS OF THE COMMONWEALTH OR ANY INSTRUMENTALITY OF THE COMMONWEALTH OTHER THAN THE AUTHORITY.

[*Signature Page Follows*]

IN WITNESS WHEREOF, the Authority and the Concession Company each has caused this Agreement to be duly executed as of the day and year first above written.

PUERTO RICO PORTS AUTHORITY

By: _____
Name: Joel A. Pizá Batiz
Title: Executive Director

SAN JUAN CRUISE PORT LLC

By: _____
Name: Jan Fomferra
Title: Manager

Affidavit Number: 500

Sworn and subscribed before me by (i) Joel Alexis Pizá Batiz, of legal age, married, attorney and resident of San Juan, Puerto Rico, in his capacity as Executive Director of the Puerto Rico Ports Authority, and (ii) Jan Karl Heinz Fomferra, of legal age, married, executve and resident of Berlin, Germany, in his capacity as Manager of San Juan Cruise Port, LLC, a Puerto Rico limited liability company, personally known to me, in San Juan, Puerto Rico this 15th day of August, 2022.

_____
Notary



SCHEDULE 1

LEGAL DESCRIPTION OF CRUISE PORT FACILITY

Contents

Section 1. Legal Demarcation of the San Juan Bay Zoned Port Area
Section 2. San Juan Bay Shipping Channels
Section 3. Cruise Port Facility
Section 4. Affected Property
Section 5. Legal Description of Piers:
A. Pier 1
B. Pier 3
C. Pier 4
D. Pier 11 - 12
E. Pier 13
F. Pier 14
G. Pan American Pier 1 and Pan American Pier 2

Section 6. Description of Dredging Zones and Maximum Dredged Depth.
Section 7. Pier 15 Perimeter
Section 8. San Juan Bay Piers and Wharves

Section 1. Legal Demarcation of the San Juan Bay Zoned Port Area.

The demarcation of the San Juan Bay Zoned Port Area is shown in the map attached hereto as its first Annex and made a part hereof titled in the Spanish language "Mapa de Delimitación Zona Portuaria de la Bahia de San Juan" (*Demarcation of the Port Zone of the Bay of San Juan)*, as approved by Puerto Rico Planning Board pursuant to its Resolution issued on the twenty-third (23rd) day of October, 2015, Case Number JP-2015-ZPSJ and by the Governor of the Commonwealth of Puerto Rico on the twenty-sixth (26th) day of January, 2016, Administrative Bulletin OE-2016-002 **(Figure 1)**. In addition to the aforesaid official map, please refer to the map that follows, as its second Annex, titled "SAN JUAN BAY DEMARCATION & DREDGING DESIGNATED RESPONSIBILITY AREAS FOR PIERS 1, 3, 4, 11, 12, 13, 14, & PAN AMERICAN PIERLOCATED AT SAN JUAN HARBOR, MUNICIPALITY OF SAN JUAN, PUERTO RICO" dated September 30, 2020 prepared by Javier E. Bidot Associates, PSC, signed and sealed by Surveyor Javier E. Bidot Cruz, license number 12972, which shows the boundaries of the Port Zone of the Bay of San Juan and illustrates the Shipping Channels and the Authority's dredging responsibility areas adjacent to the Cruise Piers within the Port Zone of the Bay of San Juan **(Figure 2)**.

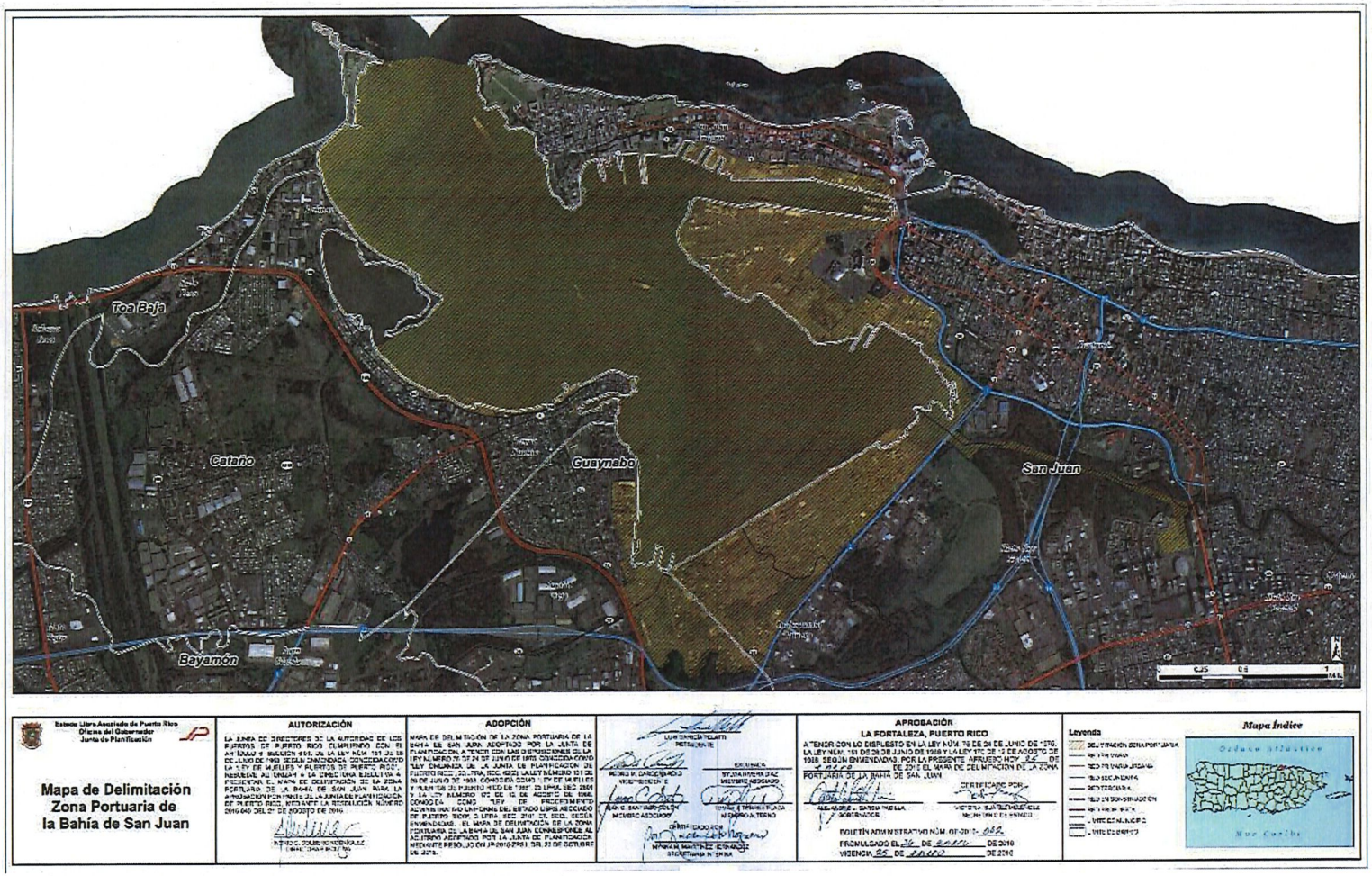

Figure 1: Mapa de Delimitación Zona Portuaria de la Bahía de San Juan (2016)

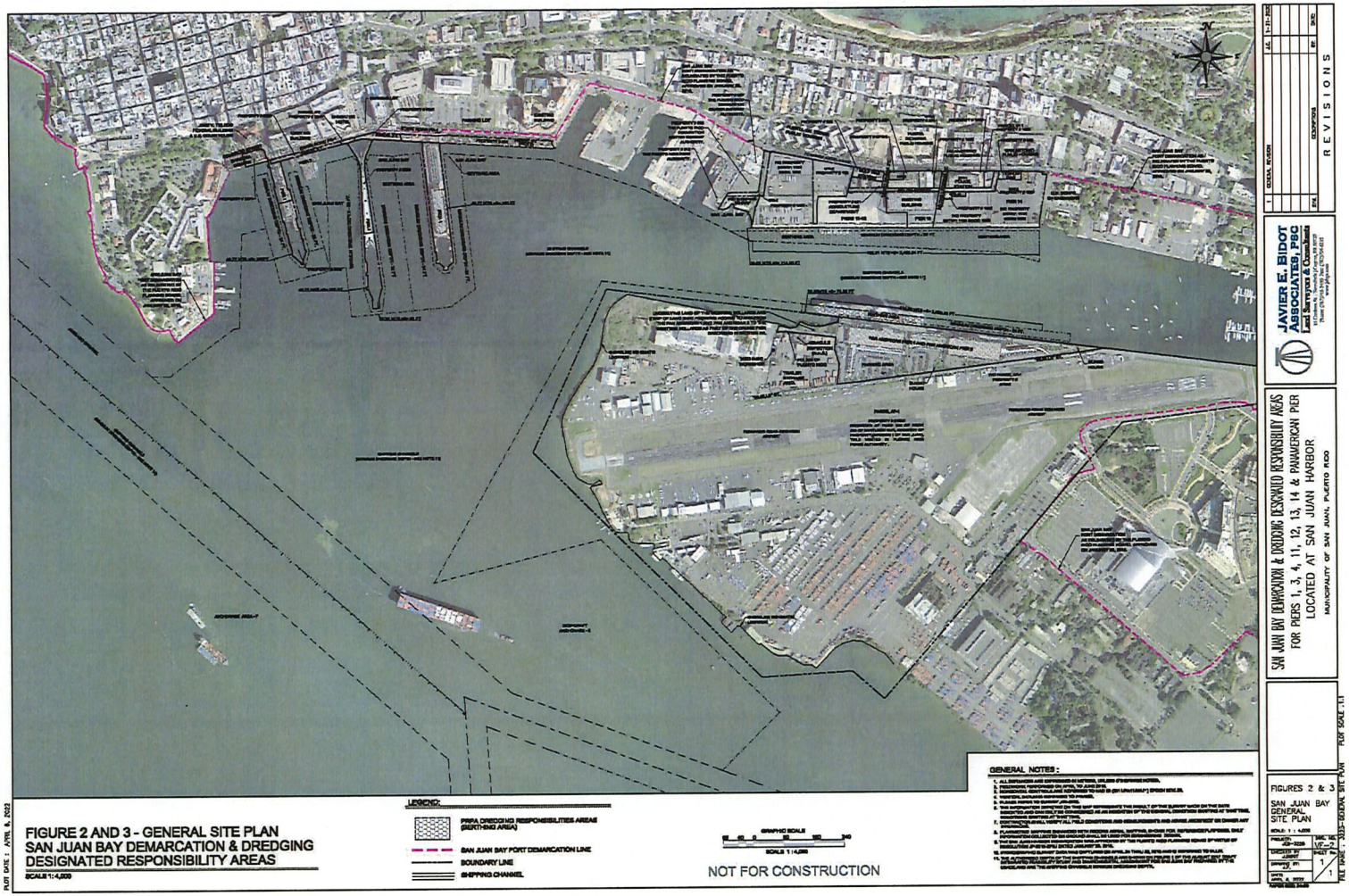

Figure 2: San Juan Bay General Site Plan

Section 2. San Juan Bay Shipping Channels

The Shipping Channels are illustrated in the drawing attached hereto and made a part hereof entitled "SAN JUAN BAY DEMARCATION & DREDGING DESIGNATED RESPONSIBILITY AREAS FOR PIERS 1, 3, 4, 11, 12, 13, 14, & PAN AMERCIAN PIER LOCATED AT SAN JUAN HARBOR, MUNICIPALITY OF SAN JUAN, PUERTO RICO" (Figure 3) dated September 30, 2020 prepared by Javier E. Bidot Associates, PSC, signed and sealed by Surveyor Javier E. Bidot Cruz, license number 12972 (the "Shipping Channel Demarcation Map") **(Figure 3)**.

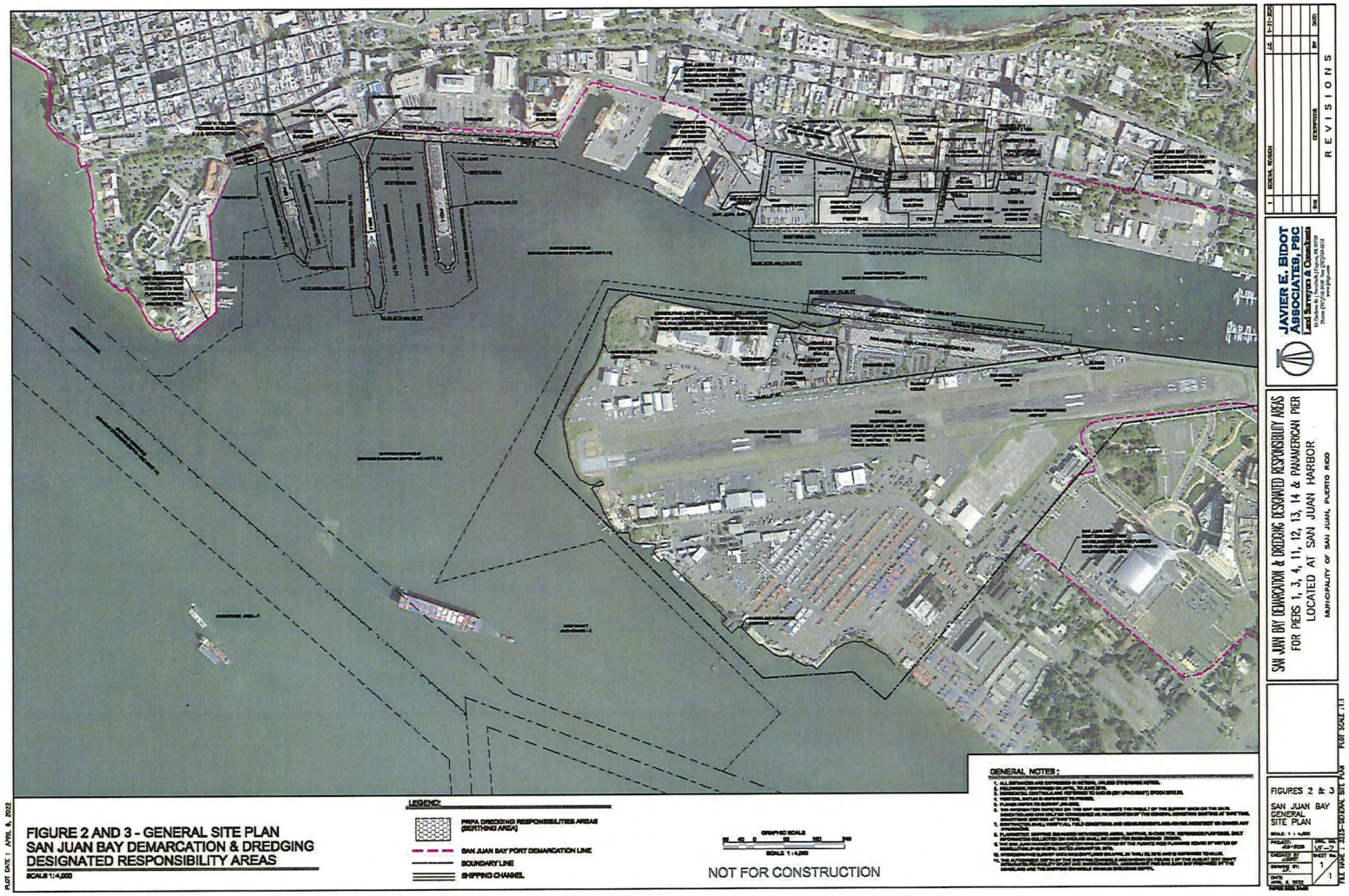

Figure 3: San Juan Bay General Site Plan

Section 3. Cruise Port Facility

The Cruise Port Facility means the piers and wharves designated as (i) Pier 1, Pier 3 and Pier 4 as shown in that certain survey entitled " CONCESSION PLAN FOR PIERS 1, 3 & 4, LOCATED AT SAN JUAN HARBOR MUNICIPALITY OF SAN JUAN, PUERTO RICO" dated September 30, 2020 prepared by Javier E. Bidot Associates, PSC, signed and sealed by Surveyor Javier E. Bidot Cruz, license number 12,972 **(Figures 4 & 5)**; (ii) subject to the provisions of this Agreement regarding removal or addition of the same, Pier 11, Pier 12, Pier 13 and Pier 14 illustrated in that certain survey entitled "CONCESSION PARCEL AREA DETERMINATION SURVEY, FOR PIERS 11, 12, 13 & 14 LOCATED AT SAN JUAN HARBOR MUNICIPALITY OF SAN JUAN, PUERTO RICO" dated September 30, 2020 prepared by Javier E. Bidot Associates, PSC, signed and sealed by Surveyor Javier E. Bidot Cruz, license number 12,972 **(Figures 6, 6-A, 7& 7-A)**; and (iii) the Pan American Pier 1 and Pan American Pier 2 shown in that certain survey entitled "CONCESSION PLAN FOR THE PAN AMERICAN PIERS LOCATED AT SAN JUAN HARBOR" dated on the eight (8th) day of April, two thousand twenty-two (2022) prepared by Javier E. Bidot Associates, PSC, signed and sealed by Surveyor Javier E. Bidot Cruz, license number 12,972 **(Figure 8)**.

The Cruise Port Facility includes each of the named piers and wharves and the related upland and submerged lands depicted in each of the aforesaid plans, a copy of which is attached hereto and made a part hereof, including all terminals, buildings and structures (above and below grade) constructed thereon.

The Cruise Port Facility under Concession has several components that are defined in Schedule 15 as the "Walkways" and that are within the public realm.

The Walkways consist of (1) the public walkways along the waterfront and adjacent taxi lanes from Pier 1 through Pier 4, as shown in the attached plans; (2) the lateral areas from the terminal in Piers 11-12 toward the Fernández Juncos Avenue abutting the San Andrés Street as shown in the 30% Design, (3) the sidewalks and pedestrian entranceways of Pan American Pier 1 and Pan American Pier 2, as shown in the attached plans, and (4) the public walkways and entrance ways of the Phase Two Projects on locations to be proposed by the Concession Company and approved by the Authority. The Walkways shall be open to the public and shall, to the extent allowed under applicable Law and consistent with reasonable security and operational considerations, provide space to bona fide Puerto Rican culture artisans, Persons providing Guest and Transportation Services, and Persons utilizing or seeking access to Exclusive Information Centers and Public Information Centers, including passengers and crew of Cruise Line Vessels and Other Shipping Lines. The Walkways shall not have a fence or other barrier or obstruction that separates any Walkway from a public road, sidewalk or other pathway that abuts the Walkway and shall be accessible to all pedestrians and other visitors, even if such pedestrians and other visitors are not Cruise Line or Other Shipping Lines passengers or crew. The portion of the Walkways abutting Pier 2, and the rights of the Concession Company to such portion, are subject to easements, rights of way and other servitudes of any Person using Pier 2 that are required for access to Pier 2 and the conduct of any operations located at Pier 2.

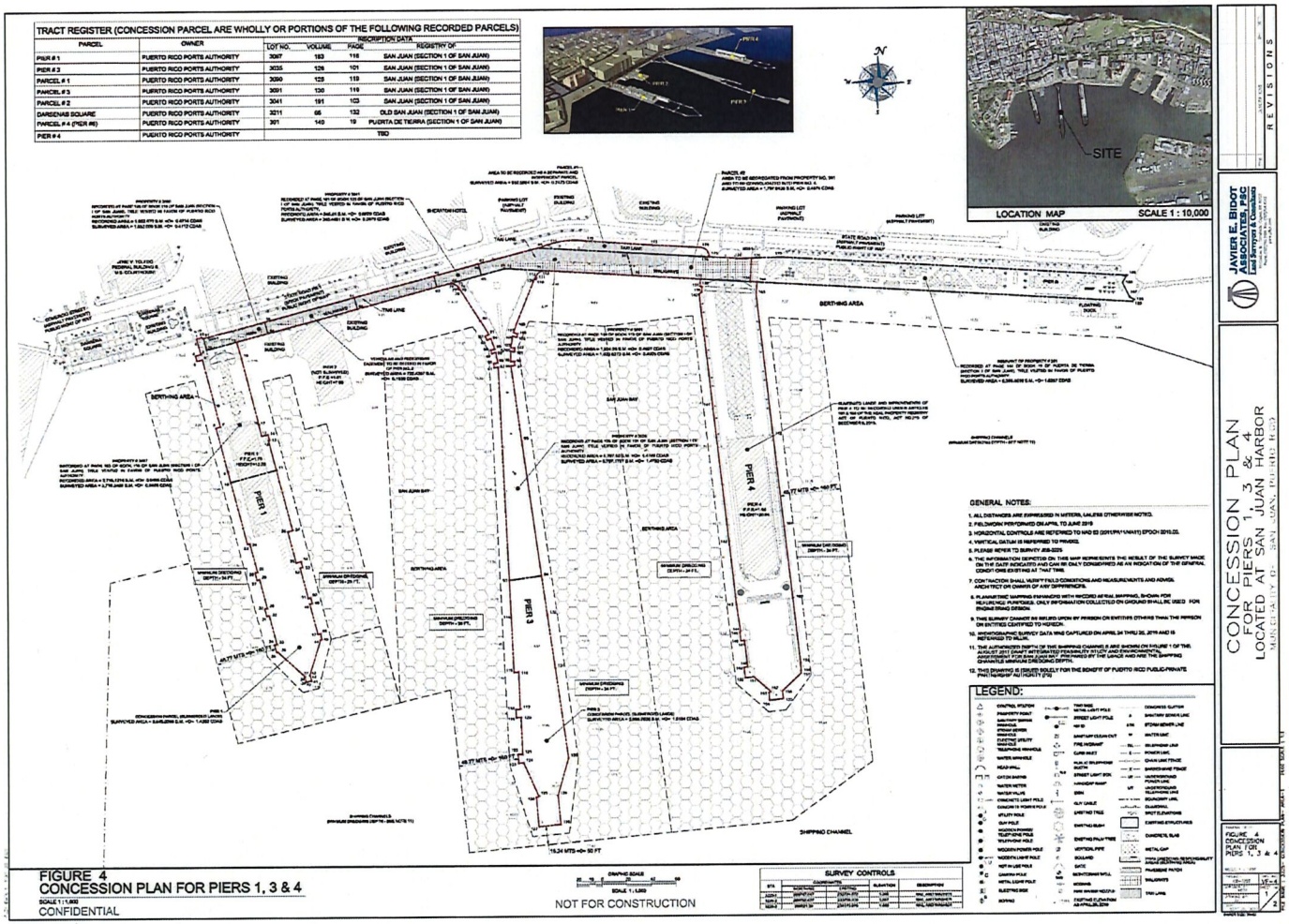

Figure 4: Concession Plan for Piers 1, 3 & 4

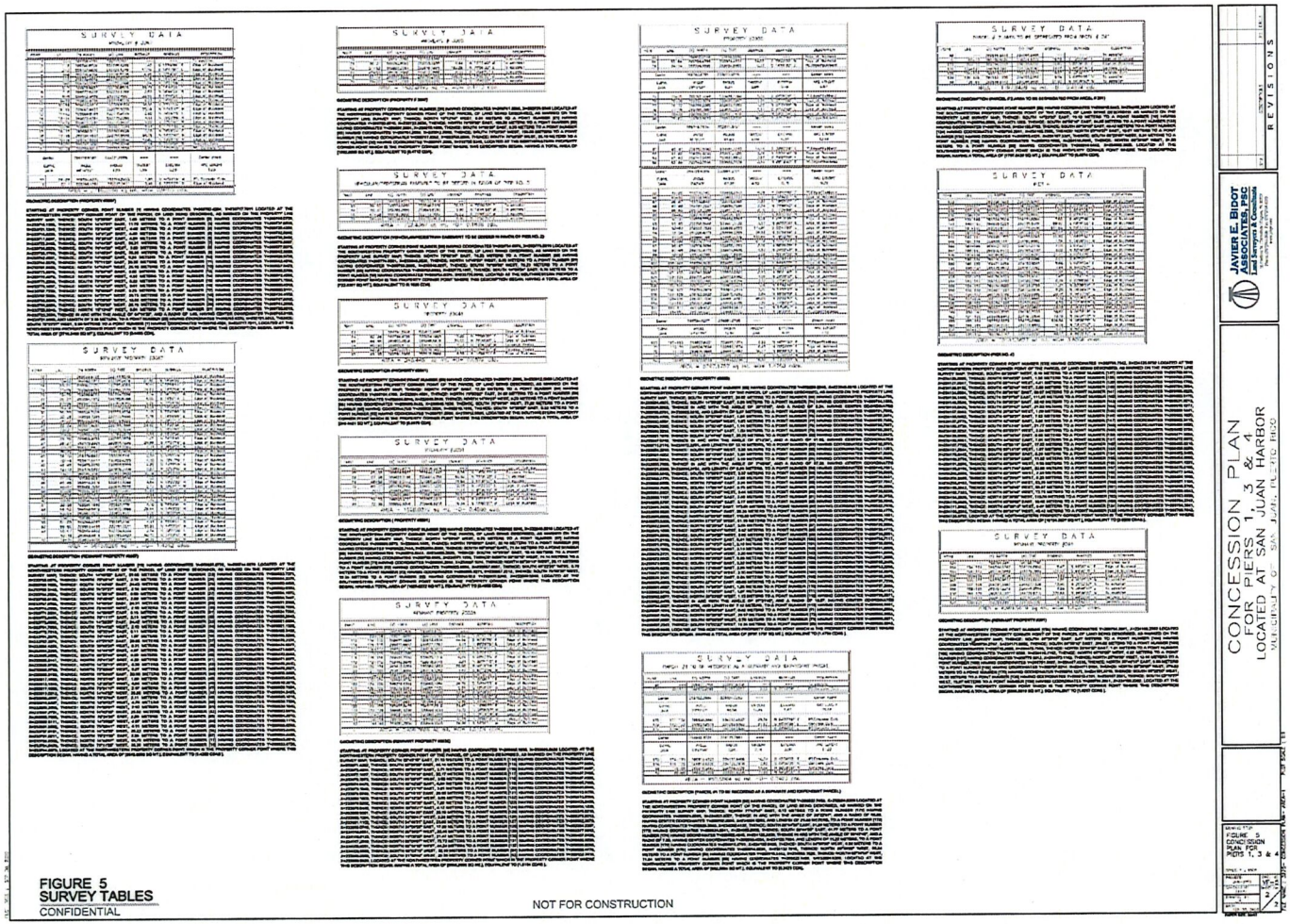

Figure 5: Concession Plan for Piers 1, 3 & 4 / Survey Tables

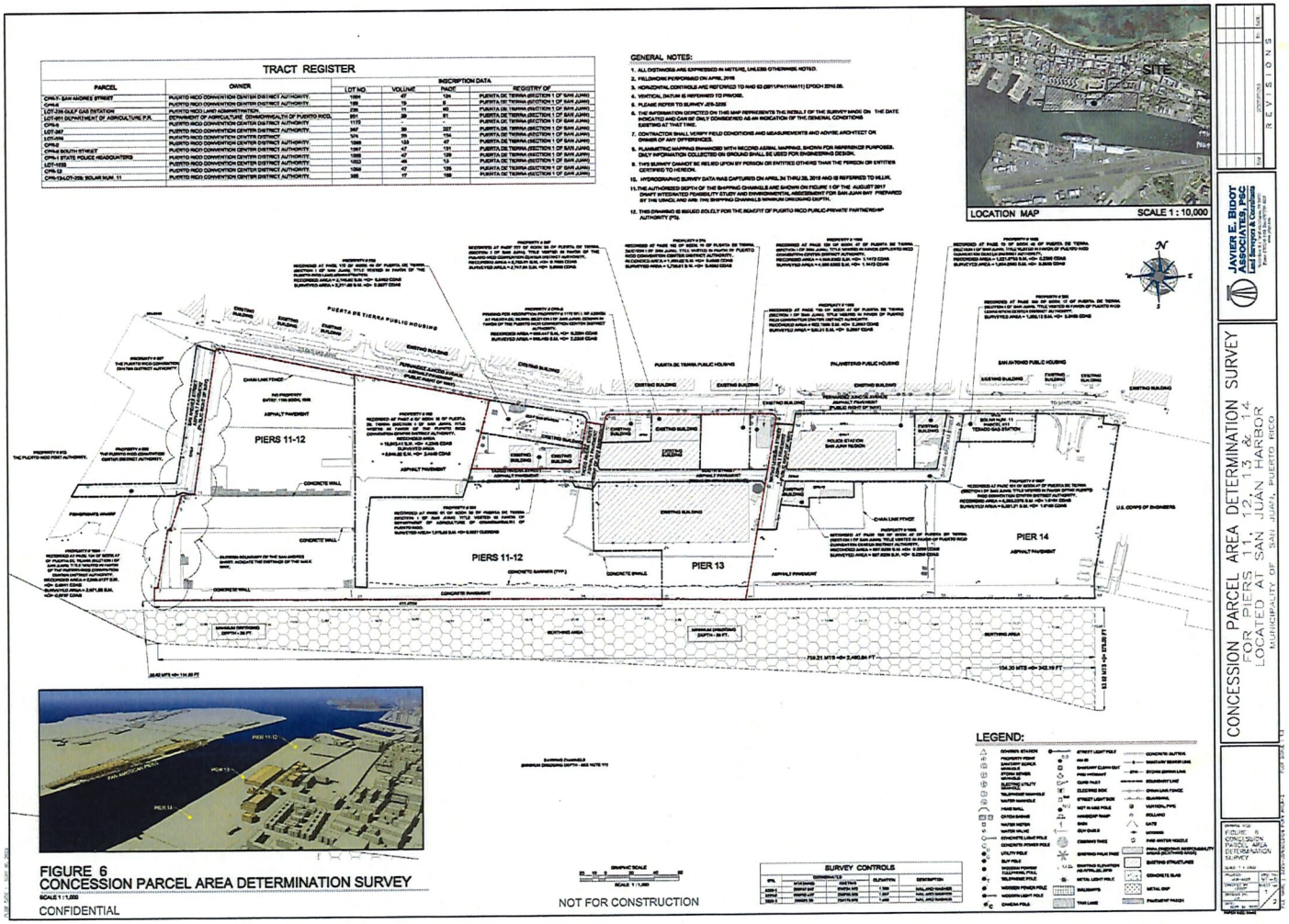

Figure 6: Concession Parcel Area Determination Survey

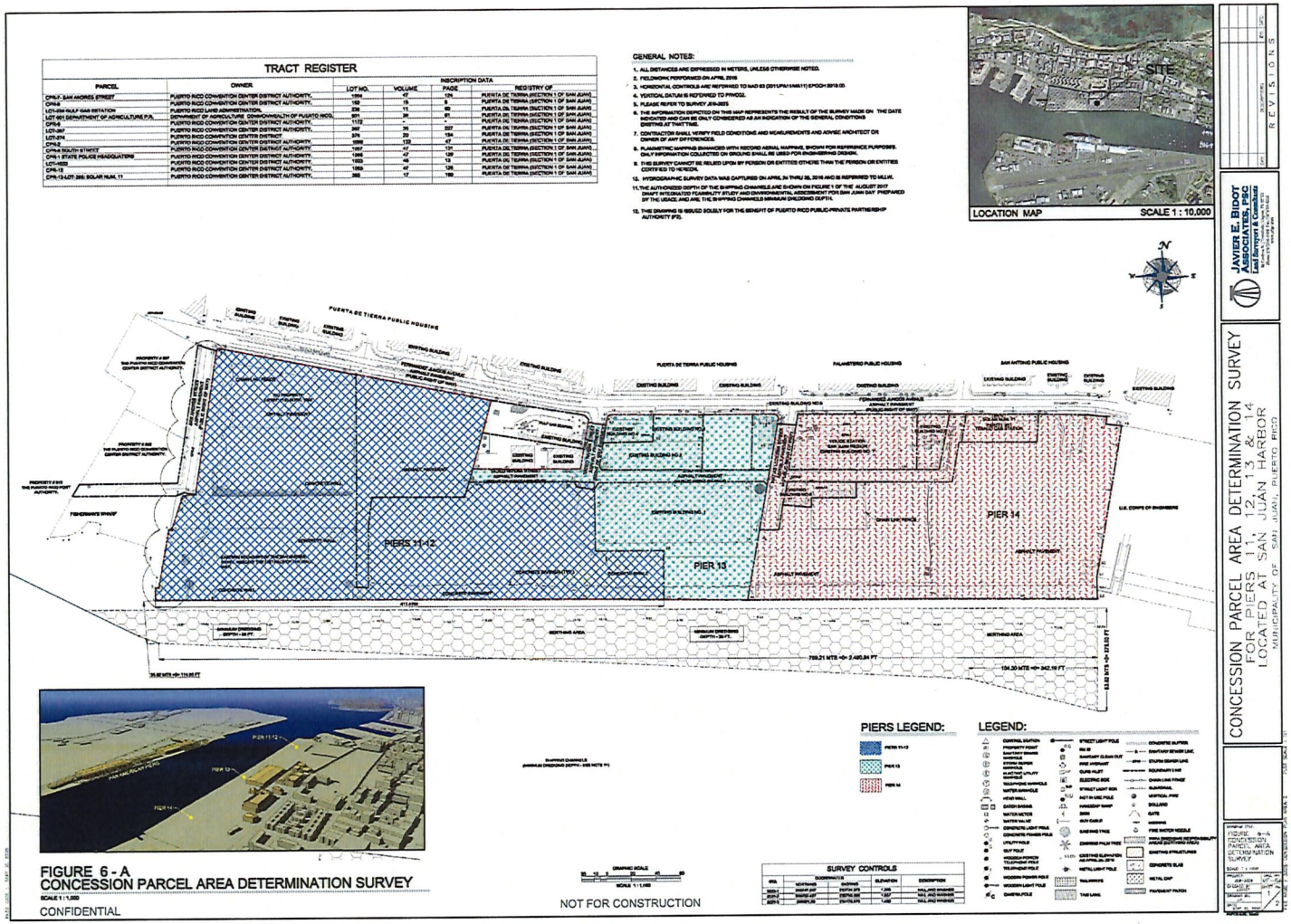

Figure 6A: Concession Parcel Area Determination Survey

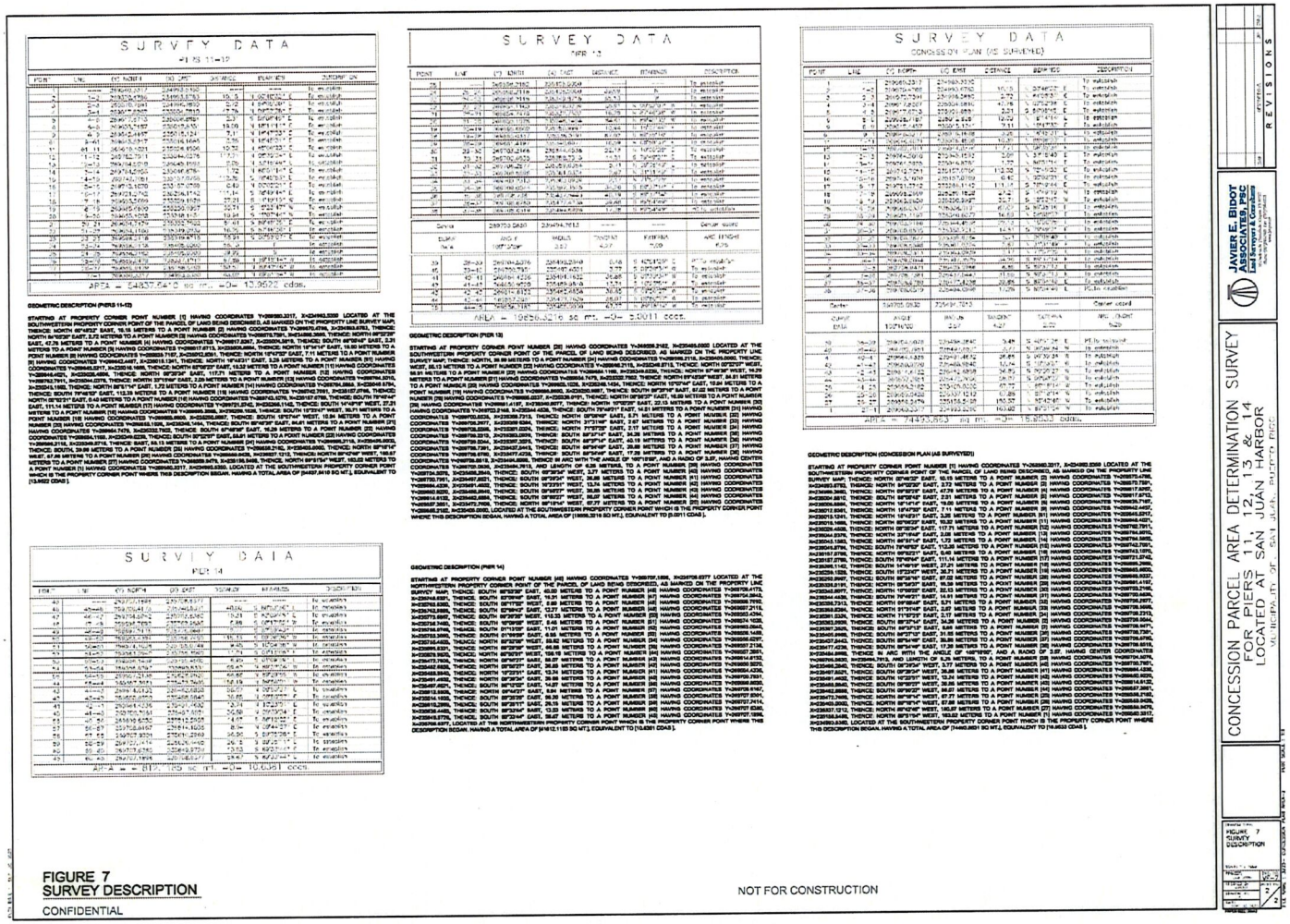

Figure 7: Concession Parcel Area Determination Survey / Survey Description

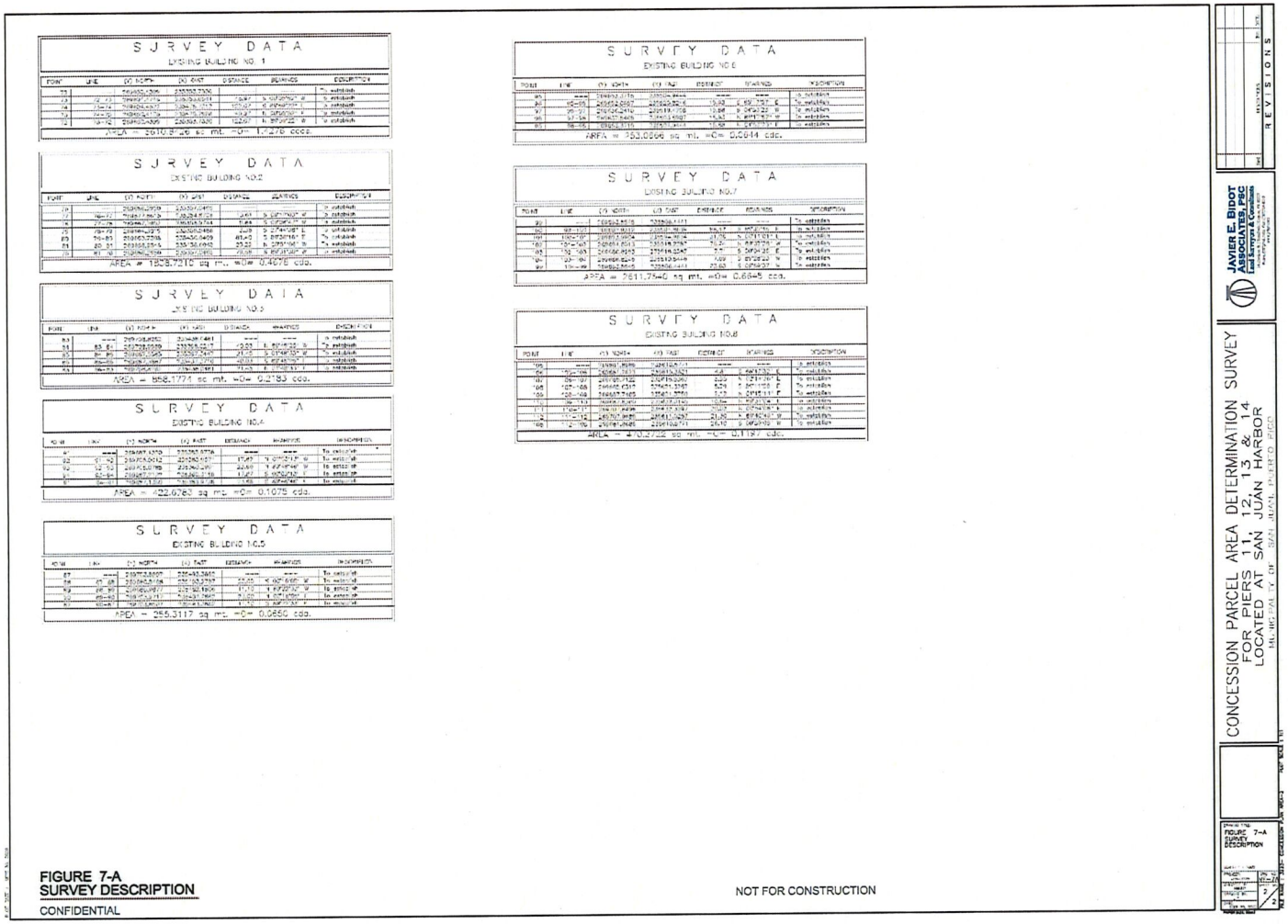

Figure 7-A: Concession Parcel Area Determination Survey / Survey Description

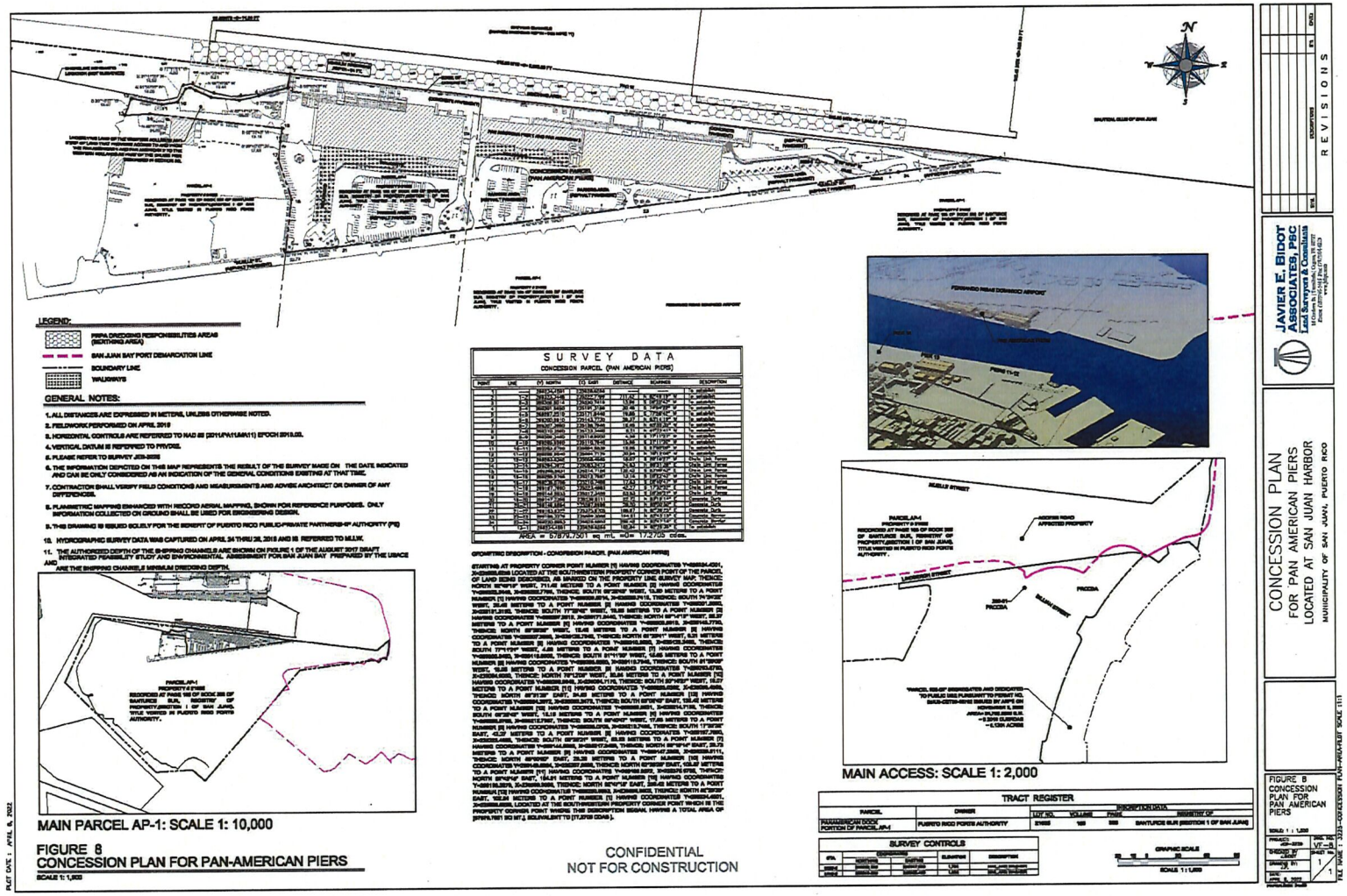

Figure 8: Concession Plan for Pan American Piers

Section 4. Affected Property

The Affected Property is and only is the paved vehicular street known as "Muelle Street" as illustrated in that certain survey titled "SURVEY OF THE AFFECTED PROPERTY FOR PAN AMERICAN PIERS LOCATED AT SAN JUAN HARBOR MUNICIPALITY OF SAN JUAN, PUERTO RICO" dated September 30, 2020 prepared by Javier E. Bidot Associates PSC, signed and sealed by Surveyor Javier E. Bidot Cruz, license number 13,972 (a copy of which is attached hereto) **(Figure 9)**, which abuts to the Pan American Pier 1 and Pan American Pier 2 and runs east parallel to the San Antonio Channel and then south connecting to the Billian Street. The underlying land of the Muelle Street is within the boundaries of the AP-1 Parcel owned in fee by the Authority, which is recorded in the Commonwealth Registry of Property at page 185 of volume 368 of Santurce Sur, property number 21,635.

The legal description of the Affected Property is as follows:

URBAN: Parcel of land of irregular shape located at the Isla Grande Sector of the Municipality of San Juan, Puerto Rico, identified as "Affected Property" in the Inscription Plan titled "SURVEY OF THE AFFECTED PROPERTY FOR PANAMERICAN PIERS LOCATED AT SAN JUAN HARBOR MUNICIPALITY OF SAN JUAN, PUERTO RICO," dated on the thirtieth (30th) day of September, two thousand twenty (2020), prepared by Javier E. Bidot Associates, PSC, Land Surveyors & Consultants, and certified by Surveyor Javier E. Bidot Cruz, License Number Twelve Thousand Nine Hundred Seventy-two (12,972), with a superficial area of Fifteen Thousand Three Hundred Forty-eight Point Six Thousand Three Hundred Forty-eight Square Meters (15,348.6348 sq. mts.), equivalent to Three Point Nine Thousand Fifty-one *Cuerdas* (3.9051 cdas.), bounding on the **North**, (i) in seven (7) continuous linear segments with a total distance of one thousand eighty-three point thirty-six meters (1,083.36 m.), in part with Parcel A P Hyphen One (AP-1) and in another part with the Pan American Cruise Ship Terminal; bounding on the **Northeast**, (i) in an arc with a distance of forty-five point ninety-four meters (45.94 m.), with Parcel A P Hyphen One (AP-1); bounding on the **East**, (i) in an arc with a distance of twelve point ninety-seven meters (12.97 m.), with Parcel A P Hyphen One (AP-1), and (ii) in two (2) continuous linear segments with a total distance of fifty-two point thirty-one meters (52.31 m.) with Parcel A P Hyphen One (AP-1); bounding on the **Southeast,** (i) in a linear segment with a total distance of four point ninety-five meters (4.95 m.) with Parcel A P Hyphen One (AP-1); bounding on the **South**, (i) in four (4) continuous linear segments with a total distance of one thousand sixty-nine point sixty-nine meters (1,069.69 m.), with the Fernando Ribas Dominicci Airport, and (ii) in a linear segment with a distance of fourteen point eighty-four meters (14.84 m.), with the Billián Street; bounding on the **Southwest**, (i) in an arc with a distance of twenty-five point seventy-eight meters (25.78 m.) with the Fernando Ribas Dominicci Airport; bounding on the **West**, (i) in a linear segment with a distance of twelve point twenty-six meters (12.26 m.), with the Muelle Street; (ii) in a linear segment with a distance of fifty-four point thirty-seven meters (54.37 m.), with the Fernando Ribas Dominicci Airport, and (iii) in another linear segment with a distance of fifteen point seventy-one meters (15.71 m.) with the Billián Street; and bounding in the **Northwest**, (i) in an arc with a distance of eleven point twenty-four meters (11.24 m.), with the Fernando Ribas Dominicci Airport

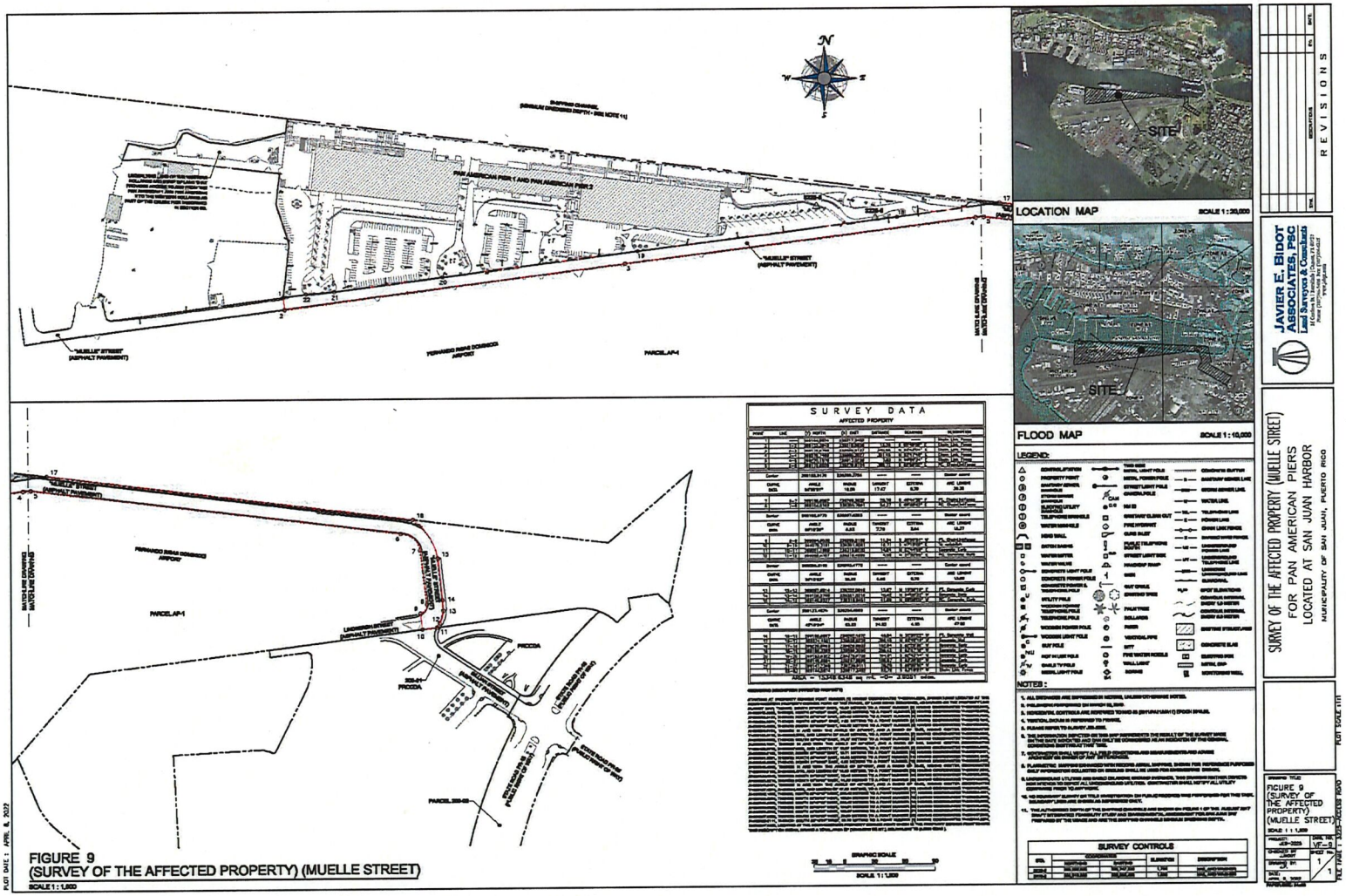

Figure 9: Survey of the Affected Property (Muelle Street)

Section 5. Legal Description of Cruise Piers

A. PIER 1

Pier 1 is comprised of the following two (2) recorded properties:

A. Property Number 3087 recorded at page 183 of volume 118 of San Juan, Registry of Property of Puerto Rico, First Section of San Juan

Described in the Registry of Property of Puerto Rico in the Spanish language as follows:

"URBANA: Muelle y embarcadero, conocido como Muelle Número Uno (1), en la costa Norte de la Bahía de San Juan, al final de Calle Tanca, con un área de Cuarenta Mil Pies Cuadrados (40,000 p.c.), con armadura de acero, paredes de hierro corrugado y techo en parte de asbesto cemento y parte de madera, cubierta con cartón de techar. Tiene piso de concreto reforzado, de siete (7) pulgadas de ancho sobre vigas de acero, reforzado en concreto, descansando parte en cilindros de hierro, rellenos de concreto reforzado y en parte en pilotes de concreto. El muelle en sus lados Norte, Sur, esto es su ancho, mide sesentinueve pies siete pulgadas y cuatrocientos cuarenta y ocho pies en los lados Este y Oeste, esto es a su largo y en su lado Norte, esto es donde descansa la orilla Norte de la bahía, tiene dos (2) pisos, ambos usados para oficina. El resto del edificio es usado como espacio para carga."

B. Property Number 3090 recorded at page 126 of volume 119 of San Juan, Registry of Property of Puerto Rico, First Section of San Juan.

Described in the Registry of Property of Puerto Rico in the Spanish language as follows:

"URBANA: Parcela de terreno radicada en el Barrio Marina del Municipio de San Juan, colindando por el Norte, con la Calle Marginal; por el Sur, con la Bahía de San Juan, Muelle Número Uno (1) propiedad de la New York and Porto Rico Steamship Company y Muelle Número Dos (2) propiedad de la Insular Dock Company; por el Este, con más terrenos de la Junta de Puerto de San Juan; y por el Oeste, con la darsina de los botes. Tiene una cabida de Mil Ochocientos Cincuenta y Dos Punto Seiscientos Setenta Metros Cuadrados (1,852.670 m.c.), equivalentes a dieciocho (18) áreas, cincuenta y dos (52) centiareas y diecisiete (17) centesimas de otra, equivalente a Cero Punto Cuatro Mil Setecientas Catorce Cuerdas (0.4714 cds.)".

B. PIER 3

Pier 3 is comprised of the following two (2) recorded properties:

A. Property Number 3,035, recorded at page 126 of volume 101 of San Juan, Registry of Property of Puerto Rico, First Section of San Juan

"Parcela de terreno sumergido en las aguas de la Bahía de San Juan, radicada en el sitio La Carbonera, del Barrio La Marina de este término municipal. Mide ciento veinte (120) pies de ancho por quinientos veinte (520) pies de largo y su área es de sesenta y dos mil cuatrocientos (62,400) pies cuadrados equivalentes a cinco mil setecientos noventa y siete puntos diez (5,797.10) metros cuadrados, siendo sus colindancias, por el Norte, con la línea de muelles Bulkhead Line establecida por el Departamento de Guerra; y por el Este, Sur y Oeste, con unos terrenos sumergidos de la Bahía de San Juan.

Sobre dicha parcela se ha construido un sistema de muelle con todos sus accesorios y dependencias, conocido como Muelle #3 de dos (2) pisos, edificado sobre esta finca y otra finca (3041 al folio 191 tomo 103) constituyendo una sola propiedad, con dicha finca 3041 donde se constituye acceso a dicho muelle. Se describe el Muelle de la siguiente forma:

Pier three (3) is a territory pier. It measures three hundred seventy-seven and one half feet, equivalent to one hundred fifteen and one tenth meters on the West side, three hundred and ninety feet equivalents to one hundred twenty-one meters on the East and one hundred twenty-feet equivalent to thirty-six and fifty-eight hundredths meters in width, making a total of forty-six thousand four hundred and forty square feet equivalents to four thousand three hundred and thirty five square meters of floor area, of which twenty-nine thousand three hundred seventy feet equivalents to two thousand three hundred seven hundred thirty square meters are covered, the balance seventeen thousand seventy square feet equivalents to one thousand six hundred five square meters uncovered. This uncovered area is used as unloading platforms, one on each side fifteen- and one-half feet, equivalents to four and seventy-two hundredth meters, in width each with a railroad track running along its whole lengths, connecting to the tracks of the American Railroad Company. The floor consists of a seven-inch reinforced concrete slave and reinforced concrete beams resting in reinforced concrete piles, driven to hand ground. Five hundred and twelve concrete piles spaced at seven- and one-half feet in North South direction and fifteen feet in opposite direction support the structure and live load. These piles are eighteen inches at top, fourteen inches at the end and vary in lengths from forty feet at the North to seventy-five feet in the South end. The walls enclosing the covered area on the main floor is of reinforced concrete with sliding doors of steel and galvanized iron. A reinforce concrete column twenty-four inches by fifteen inches every twenty feet with ribs intermediate and panels four inches thick from the walls about mentioned. The distance out to out walls is eighty-nine feet and clear height to underneath of the second story floor is twenty feet on each side and at twenty-four feet from the wall runs a row of steel columns, twenty feet apart serving as support for the upset deck and roof of second story. A railroad track in the center of this covered area connected to the line of the American Railroad Company has been installed. The second story or upper desk measure three hundred twenty-three feet equivalents to ninety-eight and forty-seven hundredth meters on the

West side, three hundred and thirty-seven feet equivalents to one hundred two and seventy-four hundredth meters on the East and eighty nine feet equivalents to twenty-seven and thirteen hundredths meters in width making a total of twenty-nine thousand three hundred seventy square feet equivalents to two thousand seven hundred thirty square meters on floor are of width fifteen thousand one hundred ten square feet equivalents to one thousand four hundred four square meters are covered, the balance fourteen thousand two hundred sixty square feet equivalents to one thousand three hundred twenty-six square meters uncovered. The floor of the uncovered portion or walk is built of reinforced concrete on steel beams and resting on girders spaced every twenty feet. The girders and twenty inches fifty-six pounds per foot and twenty-four feet long and the beams or joists are eight inches seventeen and one-half pounds per foot and twenty feet long laid thirty inches on centers a two inches galvanized pipes railing surrounds this walk. The floor on the covered portion consists of a one inch and half tongue and grooved wooden floor mailed to a wooden piece 3x3 attached to the beams by bolts. This beams or joist rest on steel girders twenty- eight inches one hundred twelve pounds per foot and forty feet long spaced twenty feet center. The joists are seven inches fifteen and three tenth pounds per foot twenty feet long laid thirty inches on center. The siding of this covered portion or shed is of galvanized iron with seven doors of galvanized iron, also on each side. The roof consists of parabolic steel trusses spaced twenty feet on centers, there is a sheathing of one-inch tongue and grooved pitch pine and over this sheathing four ply roofing paper gutters of galvanized iron on each side to take care of drainage. *Según consta de la Escritura #32 otorgada el 8 de agosto de 1930 ante la Notario Público Julio Suárez Garriga.*

B. Property Number 3041, recorded at page 191 of volume 103 of San Juan, Registry of Property, First Section of San Juan.

Described in the Registry of Property of Puerto Rico in the Spanish language as follows:

"URBANA: Porción de malecón que radica en el sitio de la Carbonera, Barrio de la Marina, San Juan compuesto de ciento veinte (120) pies de largo por treinta y tres (33) pies tres (3) pulgadas de fondo o sea todo lo ancho del malecón de que se segrega. Colinda por el Norte, con finca del Pueblo de Puerto Rico; por el Sur y Este, con la Bahía; y por el Oeste, con el muelle de la New York and Puerto Rico Steamship Company, con una cabida de trescientos cuarenta y cinco metros y sesenta y un centímetros cuadrados (345.61 m.c.).

Se ha construido un sistema de muelles con todos sus accesiones y dependencias, conocido muelle número 3, de dos (2) pisos, edificado sobre esta finca y otra finca (finca 3035, Tomo 101, San Juan, Folio 132) constituyendo una sola propiedad con dicha finca número 3035, donde está el cuerpo principal del muelle y esta finca constituye acceso a dicho muelle, valorado en Doscientos Veinticinco Mil Dólares ($225,000.00)."

C. PIER 4

Submerged lands and improvements of Pier 4 to be recorded under Articles 193 & 194 of the Real Property Registry Act of Puerto Rico, Act No. 210 of December 8, 2015.

D. PIERS 11-12

URBAN: Parcel of land of irregular shape located in the Puerta de Tierra Sector in the Municipality of San Juan, identified as Piers Eleven Hyphen Twelve (11-12) in the inscription plan titled "CONCESSION PARCEL AREA DETERMINATION SURVEY FOR PIERS ELEVEN (11), TWELVE (12), THIRTEEN (13) & FOURTEEN (14) LOCATED AT SAN JUAN HARBOR MUNICIPALITY OF SAN JUAN, PUERTO RICO" dated on the thirtieth (30th) day of September, two thousand twenty (2020), prepared by Javier E. Bidot Associates, PSC, Land Surveyors & Consultants, and certified by Surveyor Javier E. Bidot, license number Twelve Thousand Nine Hundred Seventy-two (12,972), with a superficial area of Fifty-four Thousand Eight Hundred Thirty-seven Point Five Thousand Four Hundred Ten Square Meters (54,837.5410 sq. mts.), equivalent to Thirteen Point Nine Thousand Five Hundred Twenty-two *Cuerdas* (13.9522 cdas.), bounding on the **North**, (i) in a linear segment with a distance of two point seventy-two meters (2.72 m.), with the Fisherman's Wharf; (ii) in a linear segment with a distance of two point thirty-one meters (2.31 m.), with the Fisherman's Wharf; (iii) i in a linear segment with a distance of ten point thirty-two meters (10.329.58 m.), with the San Andrés Street, also known as Parcel C P R Hyphen Seven (CPR-7); (iv) in three (3) continuous linear segments with a total distance of one hundred fourteen point four seven meters (114.47 m.), with the Fernández Juncos Avenue; (v) in a linear segment with a distance of one hundred eleven point fourteen meters (111.14 m.), with the Fernández Juncos Avenue; (vi) in two (2) continuous linear segments with a total distance of one hundred point nine meters (100.9 m.), with the South Street; and (vii) in a linear segment with a distance of fifty-five point thirteen meters (55.13 m.), with Pier Thirteen (13); bounding on the **East**, (i) in three (3) continuous linear segments with a total distance of sixty-eight point eighty-six (68.86 m.), with Property Number 238, Property Number 901 and with the South Street; (ii) in a linear segment with a distance of fifty-five point ninety-one meters (55.91 m.), with Pier Thirteen (13); and (iii) in a linear segment with a distance of thirty-nine point ninety-nine meters (39.99 m.), with Pier Thirteen (13); bounding on the **South**, (i) in three (3) continuous linear segments with a total distance of four hundred eleven point forty-seven meters (411.47 m.) with the San Antonio Channel and the San Juan Bay; bounding on the **West**, (i) in a linear segment with a distance of ten point fifteen meters (10.15 m.), with the San Juan Bay; (ii) in a linear segment with a distance of forty-seven point seventy-eight meters (47.78 m.), with the Fisherman's Wharf; (iii) in a linear segment with a distance of nineteen point zero meters (19.0 m.), with the Fisherman's Wharf; (iv) in a linear segment with a distance of seven point eleven meters (7.11 m.), with the Fisherman's Wharf; (v) in a linear segment with a distance of three point twenty-five Meters (3.25 m.), with the Fisherman's Wharf; (vi) in a linear segment with a distance of one hundred seventeen point seventy-one meters (117.71 m.), with the San Andrés Street, also known as Parcel C P R Hyphen Seven (CPR-7) and (vii) in another linear segment with a distance of two point zero five meters (2.05 m.).

E. PIER 13

URBAN: Parcel of land of irregular shape located in the Puerta de Tierra Sector in the Municipality of San Juan, identified as Pier Thirteen (13) in the inscription plan titled "CONCESSION PARCEL AREA DETERMINATION SURVEY FOR PIERS ELEVEN (11), TWELVE (12), THIRTEEN (13) & FOURTEEN (14) LOCATED AT SAN JUAN HARBOR

MUNICIPALITY OF SAN JUAN, PUERTO RICO" dated on the thirtieth (30th) day of September, two thousand twenty (2020), prepared by Javier E. Bidot Associates, PSC, Land Surveyors & Consultants, and certified by Surveyor Javier E. Bidot Cruz, license number Twelve Thousand Nine Hundred Seventy-two (12,972), with a superficial area of Nineteen Thousand Six Hundred Fifty-six Point Three Thousand Two Hundred Sixteen Square Meters (19,656.3216 sq. mts.), equivalent to Five Point Zero Zero Eleven *Cuerdas* (5.0011 cdas.), bounding on the **North**, (i) in a linear segment with a distance of Eighty-seven Point Zero Two Meters (87.02 m.), with Property Number Nine Hundred One (901); (ii) in a linear segment with a distance of fourteen point fifty-one meters (14.51 m.), with the Tadeo Rivera Street; and (iii) in five (5) continuous linear segments with a total distance of one hundred thirty-three point seventy-eight meters (133.78 m.), with the Fernández Juncos Avenue; bounding on the **East**, (i) in five (5) continuous linear segments with a total distance of one hundred forty-nine point thirty-one meters (149.31 m.), with Pier Fourteen (14); bounding on the **South**, (i) in a linear segment with a distance of fifty-five point thirteen meters (55.13 m.), with Piers Eleven (11) and Twelve (12); (ii) in two (2) continuous linear segment with a total distance of one hundred point nine meters (100.9 m.) with Piers Eleven (11) and Twelve (12); and (iii) in a linear segment with a distance of sixty-seven point seventy-seven meters (67.77 m.), with the San Antonio Channel; bounding on the **West**, (i) in a linear segment with a distance of thirty-nine point ninety-nine meters (39.99 m.), with Piers Eleven (11) and Twelve (12); (ii) in a linear segment with a distance of fifty-five point ninety-one meters (55.91 m.), with Piers Eleven (11) and Twelve (12); (iii) in a linear segment with a distance of ten point ninety-four meters (10.94 m.), with Piers Eleven (11) and Twelve (12); (iv) in two (2) continuous linear segments with a total distance of thirty-eight point seventy-two meters (38.72 m.), with Property Number Nine Hundred One (901) and Property Number Two Hundred Thirty-eight (238); and (v) in a linear segment with a distance of five point seventy-one meters (5.71 m.) with the Tadeo Rivera Street; and bounding in the **Northwest**, (i) in a linear segment with a distance of two point sixty-seven meters (2.67 m.), with the intersection of the Tadeo Rivera Street and the Fernández Juncos Avenue.

Pier 13 shall be encumbered to create a right of way easement to prevent a land lock of Property Number 901, recorded in the Commonwealth Registry of Property at page 61 of volume 39 of Puerta de Tierra, affecting an easement area that shall cover the entire portion of the Tadeo Street located South of the Fernández Juncos Avenue and thence, West to the South Street which portion of the South Street abuts with the South boundary of Property Number 901. This easement shall afford the vehicular and pedestrian ingress and egress from Property Number 901 to the Fernández Juncos Avenue.

F. PIER 14

URBAN: Parcel of land of irregular shape located in the Puerta de Tierra Sector in the Municipality of San Juan, identified as Pier Fourteen (14) Parcel in the inscription plan titled "CONCESSION PARCEL AREA DETERMINATION SURVEY FOR PIERS ELEVEN (11), TWELVE (12), THIRTEEN (13) & FOURTEEN (14) LOCATED AT SAN JUAN HARBOR MUNICIPALITY OF SAN JUAN, PUERTO RICO" dated on the thirtieth (30th) day of September, two thousand

twenty (2020), prepared by Javier E. Bidot Associates, PSC, Land Surveyors & Consultants, and certified by Surveyor Javier E. Bidot, license number Twelve Thousand Nine Hundred Seventy-two (12,972), with a superficial area of Forty-one Thousand Eight Hundred Twelve Point One Thousand One Hundred Eighty-five Square Meters (41,812.1185 sq. mts.), equivalent to Ten Point Six Thousand Three Hundred Eighty-one *Cuerdas* (10.6381 cdas.), bounding on the **North**, (i) in six (6) continuous linear segments with a total distance of two hundred forty-nine point eighty-six meter (249.86 m.), all with the Fernández Juncos Avenue; (ii) in a linear segment with a distance of twelve point seventy-seven meters (12.77), with the Fernández Juncos Avenue; and (iii) in a linear segment with a distance of fourteen point ninety-seven (14.97), with the Matías Ledesma Street; bounding on the **East**, (i) in a linear segment with a distance of five point eighty-nine meters (5.89 m.), with the Fernández Junco Avenue; and in (ii) four (4) continuous linear segments with a total distance of one hundred forty-two point seventy-seven meters (142.77 m.), in part with the US Corp. of Engineers and in another part with the San Juan Bay; bounding on the **South**, (i) in three (3) continuous linear segments with a total distance of two hundred eighty-two point sixty-nine meters (282.69 m.), with the San Juan Bay; and bounding on the **West**, (i) in four (4) continuous linear segments with a total distance of one hundred forty-five point fifty-four meters (145.54 m.), with Pier Thirteen (13); and (ii) in a linear segment with a distance of eight point ninety-four meters (8.94 m.), with the Matías Ledesma Street.

G. Pan American Pier 1 and Pan American Pier 2

URBAN: Parcel of land of irregular shape located in the Isla Grande Sector of the Municipality of San Juan, identified as the Pan American Pier 1 and Pan American Pier 2 and the Underlying Land of the Western Bollards in the inscription plan titled "CONCESSION PLAN FOR THE PAN AMERICAN PIERS LOCATED AT SAN JUAN HARBOR" dated on the eighth (8th) day of April, two thousand twenty-two (2022), prepared by Javier E. Bidot Associates, PSC, Land Surveyors & Consultants, and certified by Surveyor Javier E. Bidot, license number Twelve Thousand Nine Hundred Seventy-two (12,972), with a superficial area of Sixty Seven Thousand Eight Hundred Seventy-nine Point Seven Thousand Five Hundred One Square Meters (67,879.7501 sq. mts.), equivalent to Seventeen Point Two Thousand Seven Hundred Five Cuerdas (17.2705 cdas.), bounding on the **North,** in one (1) continuous linear segment with a total distance of seven hundred eleven point forty-two meters (711.42 m.) with the San Antonio Channel and eight (8) discontinuous linear segments with a total distance of one hundred fifty-two point eighty-one meters (152.81 m.) ; bounding on the **West**, in four (4) continuous linear segments with a total distance of one hundred eighty-one point ninety-three meters (181.93 m.) with Property Number 21,635, commonly known as Parcel AP-1; and on the **South**, in six (6) continuous linear segments with a total distance of seven hundred sixteen point ninety-six meters (716.96 m.), all with the Muelle Street.

Pan American Pier 1 and Pan American Pier 2 area shall include the underlying land of the western bollards and the strip of land that provides access to and from the Pan American Pier 1 and Pan American Pier 2, as part of the Concession.

Section 6. Description of Dredging Zones and Maximum and Minimum Dredged Depth.

The Dredging Zones of the San Juan Bay are comprised of the following two (2) areas: (i) The Shipping Channels; and (ii) The PRPA Dredging Responsibilities Areas Subject to the Approval of the USACE (Berthing Area). The Shipping Channels extend from the navigation maritime channels of the Bay of San Juan (The Anegado Channel, The Cruise Ship Basin, The San Antonio Approach Channel and The San Antonio Channel) to the PRPA Dredging Responsibilities Areas Subject to the Approval of the USACE (Berthing Area), which abut the corresponding Cruise Piers (**Figures 10, 11 & 12**).

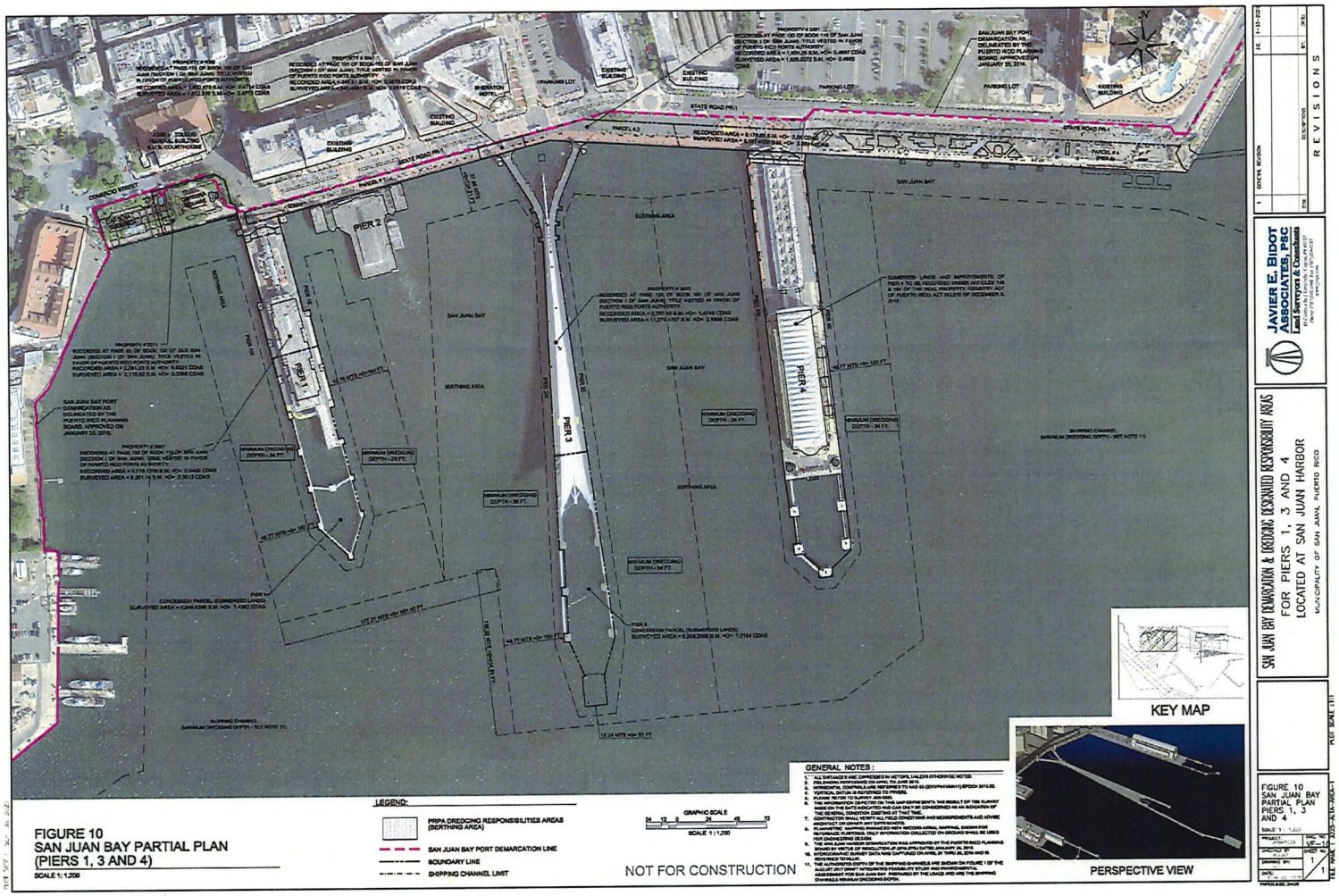

Figure 10: San Juan Bay Partial Plan (Piers 1, 3 and 4)

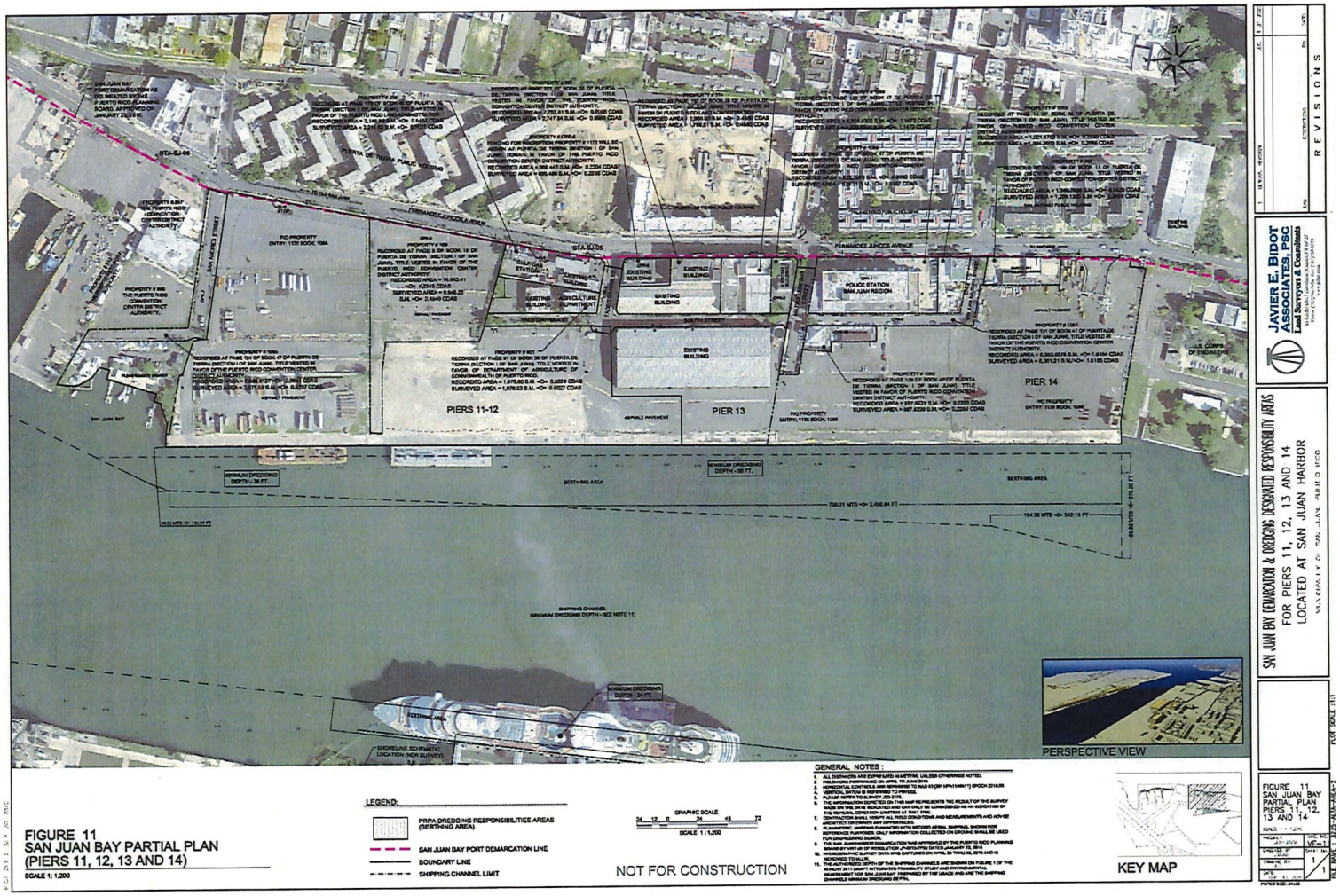

Figure 11: San Juan Bay Partial Plan (Piers 11, 12, 13 and 14)

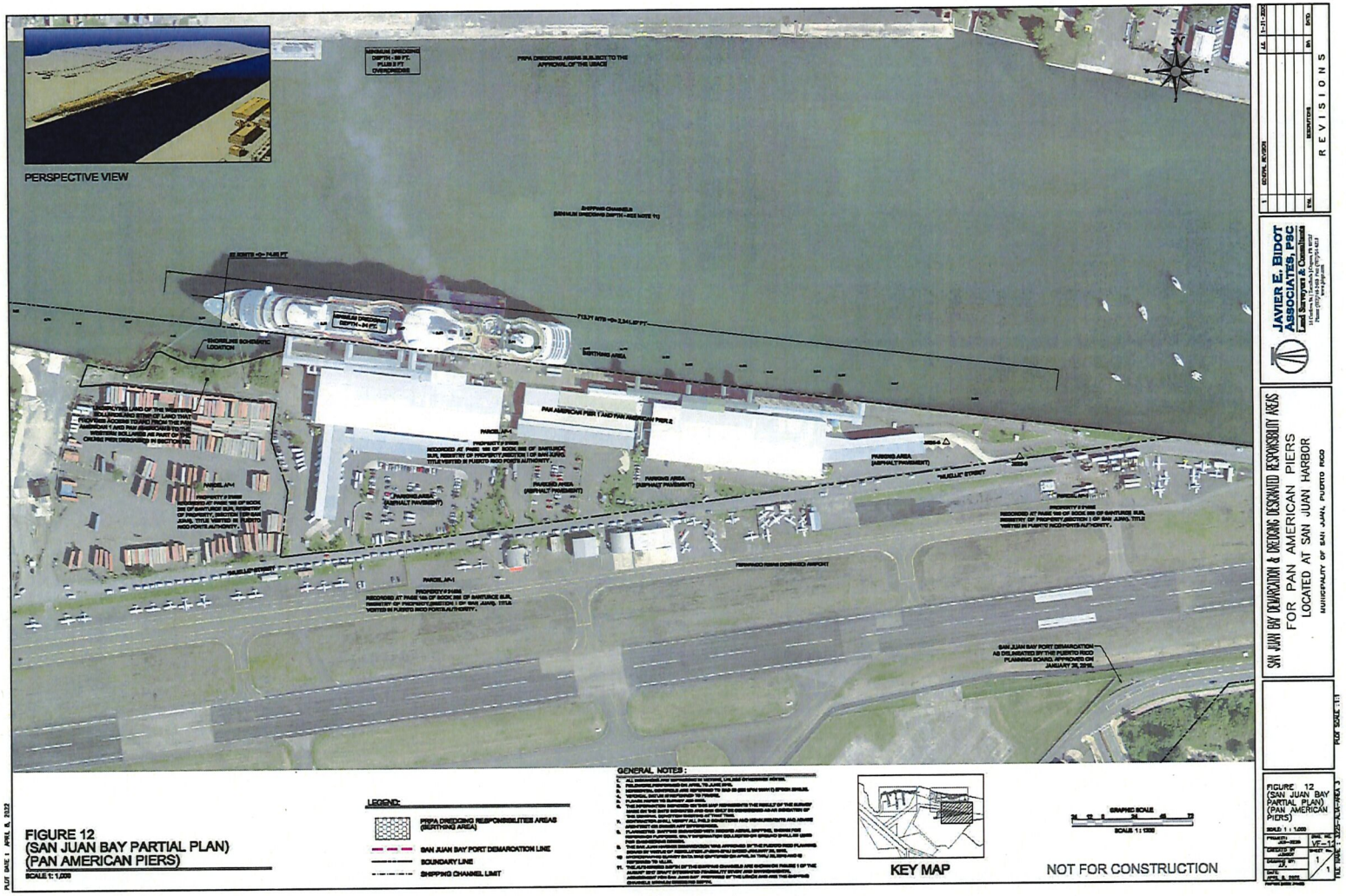

Figure 12: San Juan Bay Partial Plan (Pan American Piers)

Section 7. Pier 15 Perimeter

Figure 13 represents the perimeter for Pier 15. The red lines represent the areas where vessels are allowed to dock on Pier 15. This figure is meant for illustration purposes only and to serve as a general reference to show the location of Pier 15.

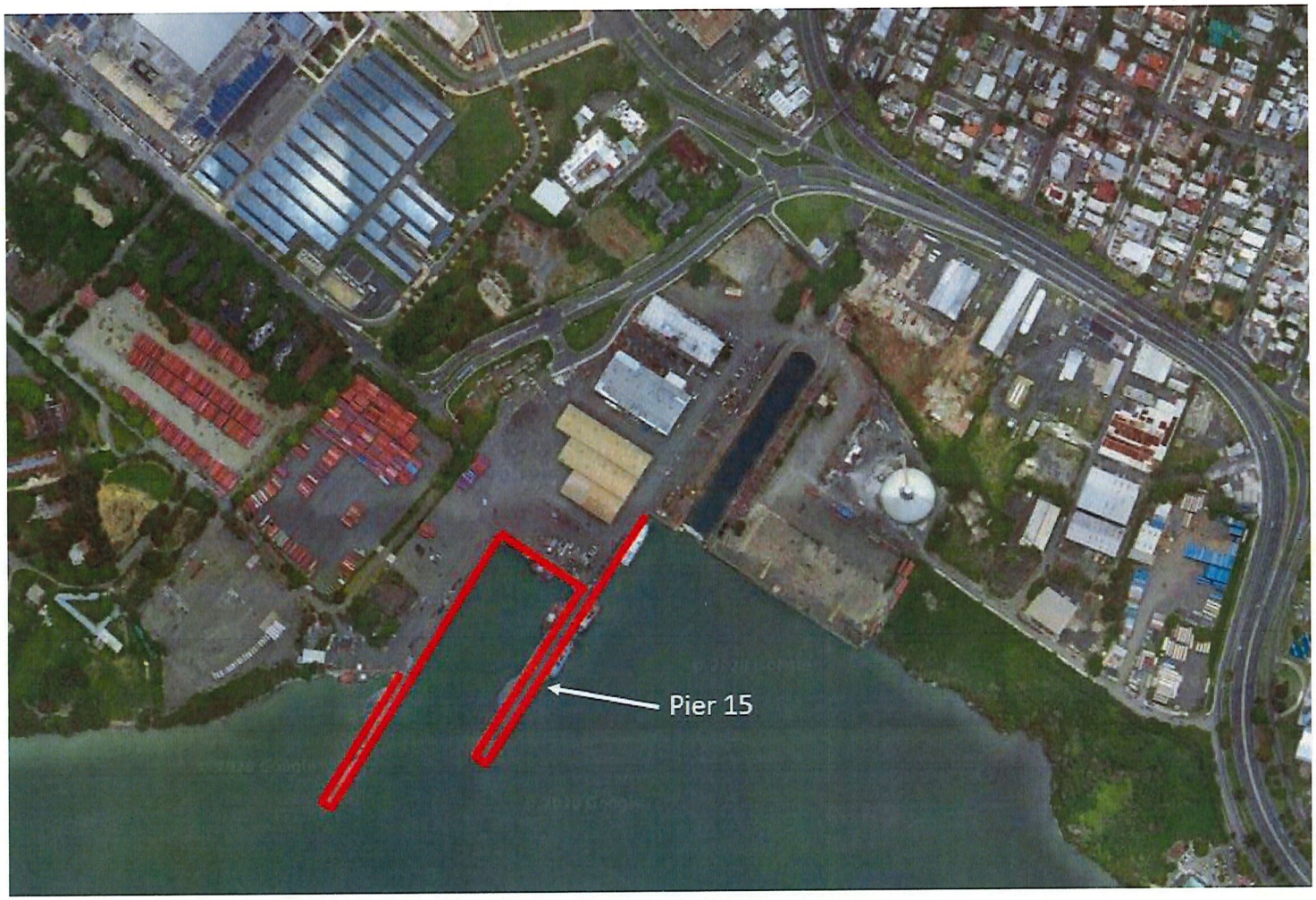

Figure 13: Pier 15 Reference

Section 8. San Juan Bay Piers and Wharves

Figure 14 illustrates the Piers and Wharves in the San Juan Bay that are either owned by the Authority or under its exclusive control. This figure is meant for illustration purposes only and to serve as a general reference to show the location of each pier in the San Juan Bay.

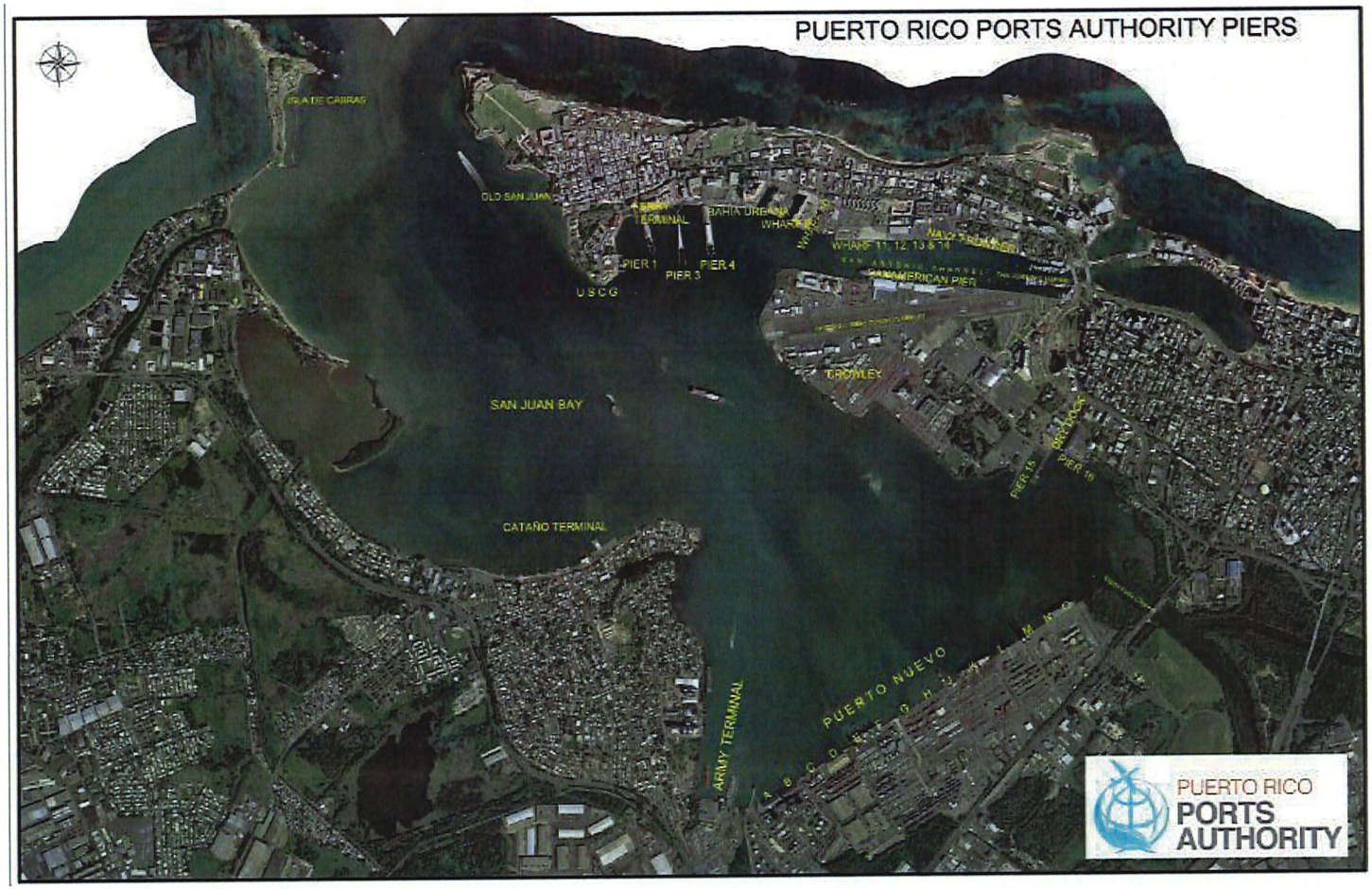

Figure 14: Authority's Piers and Wharves in the San Juan Bay

SCHEDULE 2

CONTRACTS

Section 1. Assigned Port Facility Contracts. Each of the following is an "Assigned Port Facility Contract."

Development and Lease Agreement AP-16-17-(4)-040, dated as of August 25, 2016, by and between the Authority and Duty Free Americas Puerto Rico, LLC, as amended by the First Amendment to Development and Lease Agreement dated in December 2020.

Lease Agreement AP-95-96-(4)-052, dated as of August 31, 1995, as amended by AP-95-96-(4)-052 A-1 on November 12, 1998, as further amended by AP-95-96-(4)-052 A-2 on May 3, 1999, as further amended by AP-95-96-(4)-052 A-3 on April 10, 2008, and as further amended by AP-95-96-(4)-052 A-4 on October 18, 2013, by and between the Authority and SMT (Puerto Rico), Inc.

Lease Agreement AP-95-96-(4)-055, dated as of August 31, 1995, as amended by AP-95-96-(4)-055 A-1 on November 13, 1998, as further amended by AP-95-96-(4)-055 A-2 on May 3, 1999, as further amended by AP-95-96-(4)-055 A-3 on May 22, 2000, as further amended by AP-95-96-(4)-055 A-4 on November 13, 2003, as further amended by AP-95-96-(4)-055 A-5 on April 10, 2008, and as further amended by AP-95-96-(4)-055 A-6 on October 18, 2013 by and between the Authority and SMT (Puerto Rico), Inc.

Lease Agreement AP-14-15-(4)-062, dated as of December 29, 2014 by and between the Authority and SMT (Puerto Rico), Inc.

Lease Agreement AP-95-96-(4)-054, dated as of August 31, 1995 by and between the Authority and SMT (Puerto Rico), Inc.

Lease Agreement AP-98-99-4-007, dated as of July 1, 1996, as amended by AP-98-99-4-007 A-1 on November 13, 1998, as further amended by AP-98-99-4-007 A-2 on May 3, 1999, and as further amended by AP-98-99-4-007 (E-3) by and between the Authority and SMT (Puerto Rico), Inc.

The Pier 3 EPIC Repairs Contract and the Pier 3 EPIC Repairs Project Management Contract shall become Assigned Port Facility Contracts upon their assignment to the Concession Company as provided in Section 4.14 of this Agreement.

Section 2. Preferential Berthing Agreements. Each of the following is a "Preferential Berthing Agreement." The Preferential Berthing Agreements listed in this Schedule 2 are not contemplated to be assigned to the Concession Company. The Concession Company shall act as the designee of the Authority with respect to such Preferential Berthing Agreements as provided in Section 3 of this Schedule 2, unless a different agreement is reached with the Signatory Cruise Lines and the Authority approves such alternative agreement or assignment.

Pier Usage Agreement AP-02-03-(4)-109, dated as of February 10, 2003, as amended by AP-02-03-(4)-109 A-1 on July 1, 2011, by and between the Authority and Royal Caribbean Cruises Ltd.

Pier and Terminal Usage Agreement AP-00-01-(4)-081, dated as of June 7, 2001, as amended by AP-00-01-(4)-081-A-1 on July 13, 2004, and as further amended by AP-00-01-(4)-081-A-2 on November 24, 2009, by and between the Authority and Carnival Corporation.

Master Development Agreement AP-00-01-(5)-080, dated as of June 7, 2001, as amended by AP-00-01-(5)-080 (E-1), dated as of June 7, 2004, and as further amended by AP-00-01-(5)-080 (E-2), dated May 8, 2019, by and between the Authority and Carnival Corporation.

Pier and Terminal Usage Agreement AP-01-02-(4)-097, dated as of April 19, 2002, as amended by the First Amendment to Pier and Terminal Usage Agreement on October 26, 2017, by and between the Authority and Royal Caribbean Cruises Ltd.

Development Agreement, dated as of October 26, 2017, by and between the Authority and Royal Caribbean Cruises Ltd.

Pier and Terminal Usage Agreement AP-00-01-(4)-057, dated as of December 29, 2000, by and between the Authority and Royal Caribbean Cruises Ltd.

Pier 3 Purchase and Sale Agreement AP-02-03-(5)-108, dated as of February 5, 2003, as amended by AP-02-03-(5)-108A on April 21, 2003, as further amended by AP-02-03(5)108E-2 on January 9, 2004, as further amended by AP-02-03-(5)-108-E3 on March 19, 2007, and as further amended by AP-02-03-(5)-108-E-4 on June 21, 2007 by and between the Authority and Royal Caribbean Cruises Ltd.*

Pier 3 Purchase and Sale Agreement AP-11-012-(5)-008, dated as of July 1, 2011, by and between the Authority and Royal Caribbean Cruises Ltd.

Memorandum of Understanding dated as of November 6, 2018, by and between the Authority and NCL (Bahamas) Ltd. d/b/a Norwegian Cruise Line, as amended by Supplementary Agreement No. AP-19-20-0-062-A1, dated December 19, 2009.

Section 3. Appointment of Concession Company as Designee for Preferential Berthing Agreements.

(a) In order to facilitate the performance by the Concession Company of its obligations, and the exercise by the Concession Company of its rights, under this Agreement, including benefiting from the commitments of the Signatory Cruise Lines under the Preferential Berthing Agreements, the Authority hereby appoints the Concession Company as the Authority's designee, with full and exclusive right, power and authority, in the name, on behalf and in the place and stead of the Authority, to perform all of the obligations of the Authority under the Preferential Berthing Agreements and to exercise, enjoy and enforce all such rights, remedies,

powers, privileges, elections and other benefits as the Authority may have or to which it may be entitled under the Preferential Berthing Agreements; provided, however, that the Authority has not so designated the Concession Company with respect to any section of each Preferential Berthing Agreement listed below in this Schedule 2 and designated as a "Reserved Section" (the "Reserved Sections"), and the Authority shall perform its obligations thereunder and may exercise, enjoy and enforce all its rights, remedies, powers, privileges, elections and other benefits as the Authority may have or to which it may be entitled under the Preferential Berthing Agreements with respect to the Reserved Sections, notwithstanding such designation of the Company. The Authority shall not take any action after the Time of Closing which causes any breach of the Preferential Berthing Agreements by the Authority or the Concession Company.

(b) The Concession Company hereby accepts such appointment and agrees, except with respect to the Reserved Sections, (i) to render performance of all of the obligations of the Authority under the Preferential Berthing Agreements directly to the Signatory Cruise Lines in accordance with the terms thereof, (ii) that the Concession Company shall be entitled, in the name of the Authority, to enforce all of the representations, warranties, covenants and obligations of the Authority thereunder, and (iii) that it shall deliver directly to the Signatory Cruise Lines (with a copy to the Authority) any notice, advice, direction, consent or other communication delivered or given by it thereunder.

(c) The Concession Company shall promptly notify the Authority in writing of the non-performance by Signatory Cruise Lines of any of the Signatory Cruise Lines' obligations under the Preferential Berthing Agreements. The Concession Company shall use its best efforts to cause Signatory Cruise Lines to perform such obligations under the Preferential Berthing Agreements, and, if such non-performance constitutes an event of default under the Preferential Berthing Agreements, shall take all actions reasonably necessary to enforce the Authority's rights under the Preferential Berthing Agreements. The Authority shall have no obligation to reimburse the Concession Company for the Concession Company's expenditures paid or incurred in the exercise of the Authority's rights, remedies, powers or privileges under the Preferential Berthing Agreements, including any expenses incurred by the Concession Company to compel the punctual performance of the provisions of the Preferential Berthing Agreements, provided however that the Authority shall be responsible for taking at its cost any enforcement action concerning the Reserved Sections. The Authority shall not be obligated to pay the Concession Company any amounts owing to the Concession Company as a result of a default by any Signatory Cruise Line in the performance of the Signatory Cruise Line's obligations under the Preferential Berthing Agreements.

(d) The liabilities and obligations of the Concession Company under the Preferential Berthing Agreements as the designee of the Authority as provided in this Schedule 2 (other than the Reserved Sections) shall constitute Assumed Liabilities under this Agreement.

(e) If the Concession Company determines that an amendment of any Preferential Berthing Agreement would have a materially beneficial effect on the Cruise Port Facility, Cruise Port Facility Operations or Cruise Port Facility Revenues, the Concession Company shall promptly notify the Authority and provide the Authority such information regarding such amendment as the Authority reasonably requests. The Concession Company and the Authority shall in good faith discuss and consider such amendment, and at the request of the Authority the

Concession Company shall conduct negotiations with the applicable Signatory Cruise Line; *provided, however*, that no Preferential Berthing Agreement shall be amended or terminated by the Concession Company, and no material provision of any Preferential Berthing Agreement shall be waived by the Concession Company, without the prior Approval of the Authority, which shall not be unreasonably withheld. The Authority shall not amend any terms of the Preferential Berthing Agreements to the economic or legal detriment of the Concession Company or which is in contravention of the terms and conditions of this Agreement, and shall not extend the duration of any of the Preferential Berthing Agreements. Moreover, in the event of any default by a Signatory Cruise Line under any such Preferential Berthing Agreements, the Authority will not waive non-compliance with the applicable contractual term or condition without the consent of the Concession Company (not to be unreasonably withheld), and the Authority will (unless the default is waived) with due diligence pursue and authorize the exercise of any and all applicable termination rights provided to it under the Preferential Berthing Agreements.

(f) Without limiting the generality of the foregoing:

(i) with respect to the Pier Usage Agreement dated 10 February 2003 (the "RC Pier 3 Original Agreement") between the Authority and Royal Caribbean Cruises, Ltd.("RCCL"), as amended by a First Amendment to Pier Usage Agreement dated 1 July 2011 ("RC Pier 3 First Amendment"),

(A) the Authority has not received any notice of *force majeure* or any other circumstances that would suspend or extend the Term (as defined in the RC Pier 3 Original Agreement).

(B) the Pier 3 Loan (as defined in the RC Pier 3 First Amendment) and all Outstanding Debt (as defined in the RC Pier 3 First Amendment) has been fully paid and is no longer outstanding.

(C) the Concession Company shall act as the collection agent for the Authority under the RC Pier 3 Original Agreement and the RC Pier 3 First Amendment and will handle all invoicing and collection, preparing and delivering invoices to RCCL in accordance with Section 5 of the RC Pier 3 First Amendment and Section 2(a) of the RC Pier 3 Original Agreement, as amended by Section 6(i) through Section 6(v) of the RC Pier 3 First Amendment.

(D) the Concession Company shall administer and provide the preferential berthing rights of RCCL under Section 1 of the RC Pier 3 Original Agreement and perform the Authority's service obligations under Section 5 of the RC Pier 3 Original Agreement.

(E) the Concession Company shall comply with Section 2(f) of the RC Pier 3 Original Agreement, and in no event shall charge or require that RCCL pay any Berthing Tariff (as defined in the RC Pier 3 Original Agreement), or any other wharfage, dockage, or other fee, tariff, charge or tax, which exceeds, as measured on a call-for-call basis, the Berthing Tariff or other comparable fee, tariff, charge or tax paid by any other cruise line or operator making calls at the San Juan Bay.

(F) the rights of RCCL with respect to first refusal provided in Section 7 of the RC Pier 3 First Amendment shall constitute a Reserved Section and shall be administered by the Authority. The Authority shall notify the Concession Company if it intends to implement a Pier 3 Build Out (as defined in the RC Pier 3 First Amendment). This Agreement shall not be deemed to constitute a Proposal (as defined in the RC Pier 3 First Amendment) to implement the Pier 3 Build Out or a New Agreement (as defined in the RC Pier 3 First Amendment) for a Pier 3 Build Out.

(G) the Concession Company shall indemnify, protect and hold harmless the Indemnified Parties (as defined in the RC Pier 3 Original Agreement) as provided in Section 14 of the RC Pier 3 Original Agreement and shall perform the obligations of the Authority and enforce the obligations of RCCL provided in Section 17 of the RC Pier 3 Original Agreement.

(H) the Concession Company shall provide RCCL with paved road access to Pier 3 and a conveniently located staging area for buses and taxis, as provided in Section 21 of the RC Pier 3 Original Agreement. The rights of RCCL to a minimum of ten (10) parking spaces conveniently located near Pier 3 under Section 21 of the RC Pier 3 Original Agreement shall constitute a Reserved Section and shall be administered by the Authority.

(I) the Authority's obligation and liability to make payments or deductions in connection with the Incentives Program (as defined in the RC Pier 3 First Amendment, the "Incentives Program", for purposes of this paragraph (I) of Section 3(f)(i)) shall constitute a Reserved Section. In the event that the Incentives Program is reduced or eliminated while the RC Pier 3 Original Agreement is still in effect, the Authority shall retain the obligation to honor or compensate RCCL with respect to such incentives as and to the same extent provided in the RC Pier 3 Original Agreement; and provided, further, and for the avoidance of doubt, that any financial impact in connection with the Preferential Berthing Agreements or otherwise, on the Concession Company or otherwise resulting from any reduction in or elimination of the Incentives Program or any subsequent similar program that may be approved and implemented in Puerto Rico as successor of the Incentives Program, shall not constitute a Compensation Event and the Authority shall have no liability to the Concession Company for any such reduction in or elimination of the Incentives Program.

(ii) with respect to the Pier and Terminal Usage Agreement dated 19 April 2002 (the "RC PanAm Pier Original Agreement") between the Authority and RCCL, as amended by a First Amendment to Pier and Terminal Usage Agreement dated 26 October 2017 ("RC PanAm Pier First Amendment"),

(A) the Authority has not received any notice of *force majeure* or any other circumstances that would suspend or extend the Term (as defined in the RC PanAm Pier Original Agreement and as amended by the RC PanAm Pier First Amendment).

(B) the Concession Company shall act as the collection agent for the Authority under the RC PanAm Pier Original Agreement and the RC PanAm Pier First Amendment and will handle all invoicing and collection, including preparing and delivering invoices to RCCL in accordance with Section 4 of the RC PanAm Pier Original Agreement.

(C) the Concession Company shall administer and provide the preferential berthing rights of RCCL under Section 1 of the RC PanAm Pier Original Agreement, perform the Authority's service obligations under Section 5 of the RC PanAm Pier Original Agreement and correct any Triggering Condition (as defined in the RC PanAm Pier Original Agreement) as provided in Section 6 of the RC PanAm Pier Original Agreement.

(D) the Concession Company shall comply with Section 2(f) of the RC PanAm Pier Original Agreement, and in no event shall charge or require that RCCL pay any Berthing Tariff (as defined in the RC PanAm Pier Original Agreement), or any other wharfage, dockage, or other fee, tariff, charge or tax, which exceeds, as measured on a call-for-call basis, the Berthing Tariff or other comparable fee, tariff, charge or tax paid by any other cruise line or operator making calls at the San Juan Bay.

(E) the rights of RCCL with respect to first offer provided in Section 3(vii) of the RC PanAm Pier First Amendment and to potential concession provided in Section 3(viii) of the RC PanAm Pier First Amendment shall constitute Reserved Sections and shall be administered by the Authority.

(F) the Concession Company shall indemnify, protect and hold harmless the Indemnified Parties (as defined in the RC PanAm Pier Original Agreement) as provided in Section 14 of the RC PanAm Pier Original Agreement and shall perform the obligations of the Authority and enforce the obligations of RCCL provided in Section 17 of the RC PanAm Pier Original Agreement.

(G) the Concession Company shall provide RCCL with paved road access to the PanAm Piers 1 and 2 and a conveniently located staging area for buses and taxis, as provided in Section 21 of the RC PanAm Pier Original Agreement. The rights of RCCL to a minimum of two hundred fifty two (252) parking spaces conveniently located near the PanAm Piers 1 and 2 under Section 21 of the RC PanAm Pier Original Agreement shall constitute a Reserved Section and shall be administered by the Authority.

(iii) with respect to the Pier and Terminal Usage Agreement dated 7 June 2001 (the "Carnival Pier 4 Original Agreement") between the Authority and Carnival Corporation ("Carnival"), as amended by a Supplementary Agreement dated 13 July 2004 (the "Carnival Supplementary Agreement") and the Amendment No. 2 to Pier Usage and Terminal Agreement dated 24 November 2009 ("Carnival Second Amendment"),

(A) the Authority has not received any notice of *force majeure* or any other circumstances that would suspend or extend the Term (as defined in the Carnival Pier 4 Original Agreement).

(B) the Concession Company shall act as the collection agent for the Authority under the Carnival Pier 4 Original Agreement, the Carnival Supplementary Agreement and the Carnival Second Amendment and will handle all invoicing and collection, including collecting the Berthing Tariff (as defined in the Carnival Pier 4 Original Agreement), collecting rent under the Carnival Supplementary Agreement, and collecting the Agreed Fee (as defined in the Carnival Second Agreement).

(C) the Concession Company shall administer and provide the preferential berthing rights of Carnival under Section 1 of the Carnival Pier 4 Original Agreement, perform the Authority's service obligations under Section 5 of the Carnival Pier 4 Original Agreement, provide the road access and staging area under Section 21 of the Carnival Pier 4 Original Agreement and correct any Triggering Condition (as defined in the Carnival Pier 4 Original Agreement) as provided in Section 6 of the Carnival Pier 4 Original Agreement. The rights of Carnival to parking under Section 21 of the Carnival Pier 4 Original Agreement shall constitute a Reserved Section and shall be administered by the Authority

(D) the Concession Company shall comply with Section 2(f) of the Carnival Pier 4 Original Agreement, and in no event shall charge or require that RCCL pay any Berthing Tariff (as defined in the Carnival Pier 4 Original Agreement), or any other wharfage, dockage, or other fee, tariff, charge or tax, that is higher than similar fees paid by any other cruise line making calls at the San Juan Bay.

(E) the Concession Company shall indemnify, protect and hold harmless the Indemnified Parties (as defined in the Carnival Pier 4 Original Agreement) as provided in Section 14 of the Carnival Pier 4 Original Agreement and shall perform the obligations of the Authority and enforce the obligations of Carnival provided in Section 17 of the Carnival Pier 4 Original Agreement.

(F) the Concession Company shall provide Carnival with paved road access to Pier 4 and a conveniently located staging area for buses and taxis, as provided in Section 21 of the Carnival Pier 4 Original Agreement. The rights of Carnival to a minimum of three hundred (300) parking spaces conveniently located near Pier 4 under Section 21 of the Carnival Pier 4 Original Agreement shall constitute a Reserved Section and shall be administered by the Authority.

(G) the Authority's obligation and liability to make payments or deductions in connection with the Incentives (as defined in the Carnival Second Amendment, the "Incentives" for purposes of this paragraph (G) of Section 3(f)(iii)) shall constitute a Reserved Section. In the event that the Incentives is reduced or eliminated, the Authority shall retain the obligation to honor or compensate Carnival with respect to such incentives as and to the same extent provided in the Carnival Pier 4 Original Agreement (as amended by the Carnival Second Amendment); and provided, further, and for the avoidance of doubt, that any financial impact in connection with the Preferential Berthing Agreements or otherwise, on the Concession Company or otherwise resulting from any reduction in or elimination of the Incentives or any subsequent similar program that may be approved and implemented in Puerto Rico as successor of the Incentives, shall not constitute a Compensation Event and the Authority shall have no liability to the Concession Company for any such reduction in or elimination of the Incentives.

(iv) with respect to the Master Development Agreement dated 7 June 2001 (the "Carnival Pier 4 Development Agreement") between the Authority and Carnival, as amended by a Supplementary Agreement dated 7 June 2004 ("First Carnival Pier 4 Supplementary Agreement") and a Supplementary Agreement dated 8 May 2019 ("Second Carnival Pier 4 Supplementary Agreement"),

(A) Carnival has performed all of its construction obligations under the Carnival Pier 4 Development Agreement (as supplemented by the First Carnival Pier 4 Supplementary Agreement and the Second Carnival Pier 4 Supplementary Agreement).

(B) As of June 30, 2021, $5,776,000 of Financed Costs (as such term is defined in the Carnival Pier 4 Development Agreement), which amount includes the Additional Loan (as defined below), plus accrued interest (also as of June 30, 2021) for a total amount of $6,295,154.48, remains outstanding and pending reimbursement to Carnival in the form of deductions to the fees paid by Carnival vessels for berthing at the Port of San Juan. Accordingly, based on the estimated Additional Loan (as such term is defined in the Second Carnival Pier 4 Supplementary Agreement) of $1,573,075 (as the same may be adjusted for the actual costs of completing the contemplated improvements), the Concession Company shall deduct a monthly amount of $166,162.10 (as the same may be adjusted for the actual costs of completing the contemplated improvements and as provided in the Second Carnival Pier 4 Supplementary Agreement), from all port charges or fees paid by Carnival vessels for berthing at the Port of San Juan until all Financed Costs under the Carnival Pier 4 Development Agreement (as supplemented by the First Carnival Pier 4 Supplementary Agreement and the Second Carnival Pier 4 Supplementary Agreement) plus accrued interest have been reimbursed to Carnival. For the avoidance of doubt, the Authority is liable for the deduction or payment of such monthly amounts until the Time of Closing; *provided, however,* that if in any month prior to the Time of Closing such port charges or fees paid by Carnival vessels are less than $166,162.10 (or other amount after any applicable adjustment) and as a result such monthly deduction has not occurred (and such Financed Costs have not been reduced) the Authority shall not be liable to the Concession Company for the payment of any unpaid portion of such monthly amount and such inability to make such monthly deduction shall not constitute a Compensation Event. The Concession Company shall pay the Financed Costs (including such Additional Loan) plus all accrued interest thereon by April 30, 2024, as provided in Section 1 of the Second Carnival Pier 4 Supplementary Agreement.

(C) the Concession Company shall indemnify, protect and hold harmless the Authority and Carnival as provided in Section 14 of the Carnival Pier 4 Development Agreement.

(v) with respect to the Development Agreement, dated 26 October 2017 (the "RCCL Pan Am Development Agreement"), between the Authority and RCCL,

(A) RCCL has performed all of its construction obligations under the RCCL Pan Am Development Agreement.

(B) the payments made by RCCL to the Project Escrow Account pursuant to Section 3.8 of the RCCL Pan Am Development Agreement have been fully used and no further payments or credits are required to be made by RCCL to the Project Escrow Account or by the Authority to RCCL.

(vi) with respect to the Pier 3 Purchase and Sale Agreement dated 5 February 2003, between the Authority and RCCL ("2003 RCCL Pier 3 Purchase and Sale Agreement"), as amended by a First Amendment to Purchase and Sale Agreement dated 21 April 2003 (the "2003

RCCL Pier 3 Purchase and Sale First Amendment"), a Second Amendment to the Pier 3 Purchase and Sale Agreement dated 9 January 2004 ("2003 RCCL Pier 3 Purchase and Sale Second Amendment"), an Amended and Restated Third Amendment to the Pier 3 Purchase and Sale Agreement dated 19 March 2007 ("2003 RCCL Pier 3 Purchase and Sale Third Amendment"), and a Fourth Amendment to the Pier 3 Purchase and Sale Agreement ("2003 RCCL Pier 3 Purchase and Sale Fourth Amendment"),

(A) the 2003 RCCL Pier 3 Purchase and Sale Agreement has expired, and the obligations of the Authority and RCCL are of no further force or effect.

(vii) with respect to the Pier 3 Purchase and Sale Agreement dated 1 July 2011 ("2011 Pier 3 Purchase and Sale Agreement"), by and between the Authority and Royal Caribbean Cruises Ltd.

(A) RCCL has performed all of its construction obligations under the RCCL Pan Am Development Agreement.

(B) the 2011 RCCL Pier 3 Purchase and Sale Agreement has been fully performed and the obligations of the Authority and RCCL are of no further force or effect, including the Pier 3 Loan (as defined in the 2011 Pier 3 Purchase and Sale Agreement).

(viii) with respect to the Memorandum of Understanding dated 8 November 2018, by and between the Authority and NCL (Bahamas) Ltd. d/b/a Norwegian Cruise Line ("NCL") ("2018 NCL MOU"),

(A) NCL has performed all of its construction obligations under the 2018 NCL MOU.

(B) The Concession Company shall recognize and honor as a credit note a "Volume Incentive" (as defined in the 2018 NCL MOU) in the amount of $5.00 per passenger applicable to every call at the East Pan American Pier (Pan American Pier 2) on each invoice submitted to NCL for the payment of the applicable per Passenger Fee *provided* that NCL complies with its passenger guarantee as defined in the 2018 NCL MOU. In the event that NCL does not comply with the passenger guarantee, NCL will not be entitled to the Volume Incentive.

SCHEDULE 3
OPEN ACCESS REGIME

Introduction

This Schedule 3 consists of (a) the principles for open and non-discriminatory access to the Cruise Piers, which includes Section 1 through Section 12 immediately below (referred in this Schedule 3 as the "Open Access Regime"); (b) definitions of terms in Section 13 immediately below; (c) Appendix A to this Schedule 3, the "Access Protocol Framework"; (d) Appendix B to this Schedule 3, the "Capacity Allocation Protocol"; (e) Appendix C to this Schedule 3, the "Operating Utilization Framework" ; and (f) Appendix D to this Schedule 3, the "Open Access Reporting and Compliance Regime", which includes Attachment 1, the "Table of Demerit Points", Attachment 2, the "Administrative Obligations" and Attachment 3, the "Reporting Obligations".

1 Purpose of this document

1.1 The purpose of the Open Access Regime

(a) The purpose of the Open Access Regime is to provide a framework that facilitates the following policy objectives:

(i) providing all Cruise Lines, including Third Party Cruise Lines, open and non-discriminatory access to the Cruise Piers in accordance with the open and non-discriminatory access obligations of the Concession Company under this Agreement; and

(ii) allowing the Concession Company to operate the Cruise Port Facility in accordance with its commercial and operational judgment so as to promote efficiency, productivity and patronage through the Cruise Piers.

(b) The Authority and the Concession Company acknowledge and agree that:

(i) the Cruise Port Facility faces competition from other cruise ports, and the Cruise Piers and their operation are not intended to be subject to monopoly asset regulation;

(ii) the Concession Company will operate the Cruise Port Facility, including setting Passenger Fees and Dockage Rates and the terms and conditions of access, in accordance with its commercial and operational judgment subject to the open and non-discriminatory access obligations and the pricing restrictions set out in this Agreement;

(iii) where this Open Access Regime imposes obligations on, or confers rights, benefits or privileges on, Concession Company, those obligations will be performed and the interpretation and definition of the provisions of this Open Access Regime shall apply consistently;

1 Purpose of this document

(iv) the Cruise Piers and Cruise Pier Buildings are intended by the Parties to be an open access facility and the terms of the Open Access Regime reflect the aims of the Authority and the Concession Company to:

(A) promote increased touristic visits to the Commonwealth; and

(B) ensure the Cruise Piers are available to all Cruise Lines, including Third Party Cruise Lines, on non-discriminatory terms;

(v) The Open Access Regime is designed to ensure that the Concession Company does not discriminate against Third Party Cruise Lines in favor of an Affiliated Cruise Line, or against one Cruise Line in favor of another Cruise Line, in providing Reference Services (as described in Section 3 of this Open Access Regime, "Reference Services") or Ancillary Services (as described in Section 3 of this Open Access Regime, "Ancillary Services");

(vi) The Open Access Regime is also designed to ensure that the Concession Company does not discriminate against any Person that is not an Affiliated Service Provider (the "Non-Affiliated Service Providers") in favor of Affiliated Service Providers with respect to the Ancillary Services that the Concession Company is not authorized pursuant to Schedule 15 to provide exclusively (the "Non-Exclusive Ancillary Services");

(vii) the Authority's role in relation to the Open Access Regime is as set out under this Open Access Regime; and

(viii) enforceability and consequences of non-compliance in relation to the Open Access Regime are to be determined in accordance with the terms of this Open Access Regime and the Open Access Reporting and Compliance Regime and the other provisions of this Agreement.

(c) All Sections in this Open Access Regime are to be interpreted in accordance with Section 1.1 of this Open Access Regime.

1.2 Part of the Agreement between the Concession Company and the Authority

(a) This Open Access Regime applies to the Cruise Port Facility, including the Cruise Piers and Cruise Pier Buildings.

(b) The Concession Company will either directly or through an Approved Operator (as defined in Section 13 of this Open Access Regime), comply with all aspects of this Open Access Regime. All references in this Schedule 3 to the Concession Company are intended to include and refer to the Approved Operator in the event one is appointed by the Concession Company and Approved by the Authority. The Concession Company shall cause the Approved Operator to comply with all aspects of this Open Access Regime. With respect to Reference Services and Ancillary Services

that are provided by an Affiliated Service Provider, the Concession Company shall cause such Affiliated Service Provider to comply with all applicable aspects of this Open Access Regime.

1.3 Preferential Berthing Agreements

(a) This Open Access Regime is subject to the Preferential Berthing Agreements.

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2 Open and non-discriminatory access obligations

2.1 Open and non-discriminatory access

(a) The Concession Company will provide open and non-discriminatory access to the Cruise Piers and Cruise Pier Buildings for all Cruise Lines in accordance with this Open Access Regime.

(b) Open and non-discriminatory access applies to all services provided by the Concession Company under this Agreement, including Reference Services and Ancillary Services.

(c) Providing open and non-discriminatory access means that, subject to the terms of this Open Access Regime, the Concession Company shall:

(i) permit access at the Cruise Piers and Cruise Pier Buildings for all Cruise Lines where such access is, or would be, otherwise in accordance with relevant Cruise Pier access and operating arrangements and access is available having regard to the capacity of the Cruise Piers;

(ii) not unreasonably discriminate against any Cruise Lines to their competitive detriment in favor of an Affiliated Cruise Line or any other Cruise Line in providing Reference Services or Ancillary Services, or discriminate against any Non-Affiliated Service Provider in favor of any Affiliated Service Provider in connection with the provision of Non-Exclusive Ancillary Services, other than as permitted under this Agreement; and

(iii) offer to provide access in relation to Reference Services, provided access is available having regard to the capacity of the Cruise Port Facility, on transparent and published terms and conditions and in accordance with published Reference Prices or otherwise as permitted in accordance with this Open Access Regime and relevant Cruise Piers and Cruise Pier Buildings access and operational arrangements.

2.2 Prohibition on hindering access

(a) The Concession Company will not engage in conduct for the purpose of hindering or preventing access at the Cruise Port Facility by a Cruise Line in

the exercise of access rights to which it would otherwise be permitted under the Open Access Regime and relevant Cruise Pier or Cruise Pier Building access and operating arrangements. The Concession Company also will not engage in conduct for the purpose of hindering or preventing the provision of Ancillary Services by any Person other than the Concession Company or an Affiliate, or a Contractor of either, as provided in Schedule 15.

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3 Services

3.1 Reference Services and Ancillary Services

(a) Cruise Port Facility Services are services provided by the Concession Company (either directly or through an Approved Operator) to a Cruise Line within the Cruise Port Facility for the purposes of servicing Cruise Vessels at the Cruise Piers and Cruise Pier Buildings and consists of Reference Services and Ancillary Services. The Concession Company shall provide the Reference Services and the Ancillary Services to all Cruise Line Vessels and Other Shipping Lines in accordance with this Agreement.

3.2 Reference Services

(a) The following are Reference Services:

(i) port of call access service;

(ii) home-port access service; and

(iii) demurrage.

(b) The Concession Company may nominate other Reference Services, which may be provided by the Concession Company subject to the Approval of the Authority.

(c) The prices charged for Reference Services shall be only the Passenger Fee and the Dockage Rates, as adjusted pursuant to Schedule 15, and the demurrage fee (as provided in Schedule 15), and the Concession Company shall not set or collect from any Cruise Line or other Person any other fee or charge for Reference Services.

3.3 Ancillary Services

(a) All other services under this Agreement are Ancillary Services. These are described in Schedule 15.

(b) Where the Concession Company provides an Ancillary Service within the Cruise Piers, the Concession Company:

(i) is required to make that service available to all Cruise Lines (whether or not Affiliates of the Concession Company), on an equal basis where doing so is, or would be, otherwise in accordance with relevant Cruise

4 Information to be published

Pier access and operational arrangements, having regard to the Capacity of the Cruise Port Facility; and

(ii) shall not unreasonably discriminate against any Cruise Line to their competitive detriment in favor of an Affiliated Cruise Line or any other Cruise Line in the provision of that Ancillary Service.

(c) The prices charged for Ancillary Services shall be set in accordance with Schedule 15 of this Agreement and Section 6 of this Open Access Regime, and shall be applied as an equal basis to all Cruise Lines without discrimination in favor of any Cruise Line.

(d) In connection with the provision of the Non-Exclusive Ancillary Services the Concession Company shall not discriminate against any Non-Affiliated Service Providers in favor of any Affiliated Service Providers.

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4 Information to be published

4.1 Information published for the Cruise Port Facility

(a) the Concession Company will make publicly available, including through internet access, for the Cruise Port Facility:

(i) the Reference Prices and the prices for Ancillary Services (with respect to Ancillary Services, to the extent provided in Schedule 15);

(ii) a list of the Ancillary Services available at the Cruise Port Facility, including a list of the Non-Exclusive Ancillary Services;

(iii) the Contract which is the standard form of Contract used by the Concession Company for Cruise Lines utilizing the Cruise Port Facility ("Cruise Line Contract");

(iv) the Access Protocol; and

(v) the Cruise Port Facility Utilization Procedure.

4.2 Cruise Line Contract

(a) the Concession Company shall make publicly available, including through internet access, for the Cruise Port Facility the Cruise Line Contract containing the standard terms and conditions for Reference Services and Ancillary Services (including applicable prices). For the avoidance of doubt, the Cruise Line Contract shall not apply to the provision by Non-Affiliated Service Providers of Non-Exclusive Ancillary Services.

(b) The Cruise Line Contract shall:

(i) specify the minimum service standards to be delivered at the Cruise Piers and Cruise Pier Buildings;

4 Information to be published

(ii) provide for the Cruise Line to pay charges for the Reference Services;

(iii) be of reasonable duration and in line with normal commercial practice, having regard to the Concession Company's investment in the Cruise Port Facility;

(iv) provide for the removal of entitlements to contracted Capacity in the event of non-use (**use it or lose it regime**);

(v) provide a mechanism for contracted Capacity to be relinquished by the Customer if it is not required and reallocated by the Concession Company for a specified time period;

(vi) make it clear that only the Concession Company can vary, allocate and reallocate Capacity and that Cruise Lines cannot reallocate Capacity allocated to them to someone else directly;

(vii) contain confidentiality obligations regarding information provided by Customers;

(viii) incorporate and be subject to the Access Protocol and the Cruise Piers Utilization Procedures (**PUP**);

(ix) include financial consequences for the non-compliance of each party with the Cruise Line Contract provided that the Cruise Line Contract can still be terminated where the non-compliance amounts to a termination event as defined in the Cruise Line Contract;

(x) include a dispute resolution mechanism to deal with Cruise Line disputes consistent with Section 10 of this Open Access Regime.

(xi) be consistent with the principle of open and non-discriminatory access and, if it is not, the Authority may trigger a dispute in accordance with Section 10 of this Open Access Regime.

(c) the Concession Company is only obligated to provide access to Reference Services at the applicable price provided in this Agreement and on standard terms and conditions, subject to available Capacity.

(d) the Concession Company can negotiate variations to the Cruise Line Contract with Access Seekers and Customers, provided variations are consistent with the open and non-discriminatory access obligations.

(e) the Concession Company may, in its discretion, provide Reference Services:

(i) at non-standard Reference Prices provided that such prices do not discriminate against any Cruise Line to their competitive detriment in favor of any other Cruise Line for that particular business;

(ii) on non-standard terms and conditions provided that such terms and conditions do not discriminate against any Third Party Cruise Line to its competitive detriment in favor of an Affiliated Cruise Line or any other Cruise Line for that particular business; and

(iii) based on a methodology for non-standard Reference Prices and terms and conditions Approved by the Authority, in its discretion. Examples of non-standard Reference Prices include volume discounts, provided that such discounts are available equally to all Cruise Lines.

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5 Access Protocol

5.1 Access in accordance with the published Access Protocol

(a) The Concession Company will provide access in accordance with the Access Protocol which it will make publicly available, including through internet access, for the Cruise Port Facility within 10 Business Days of being Approved by the Authority.

(b) The published Access Protocol will be developed in accordance with the framework set out in the Appendix A to this Schedule 3 and will contain:

(i) a list of the Reference Services to which Access Seekers may seek access;

(ii) the procedure for making, assessing, negotiating and finalising access applications by Access Seekers;

(iii) the Capacity Allocation Protocol;

(iv) the Concession Company's commitment to ring-fence confidential Access Seeker information from customers, including any other Cruise Line;

(v) the process for resolving disputes with Access Seekers; and

(vi) the process for resolution of disputes by Cruise Lines (whether as Access Seekers or Customers) in relation to non-discriminatory access to Ancillary Services.

5.2 The Authority to approve Access Protocol

(a) The Concession Company will provide the initial Access Protocol to the Authority no later than 3 months after the Closing Date.

(b) The Authority will have 6 weeks to Approve the initial Access Protocol. The Authority may make its Approval of the initial Access Protocol subject to the Concession Company making specified amendments. The Authority will not unreasonably request amendments or withhold its Approval. The Authority will explain and provide reasons to the

Concession Company for any requested amendments and the Concession Company will provide reasonable co-operation (including promptly considering any amendments proposed by the Authority and providing reasons if it does not agree to implement those amendments).

(c) If after 6 weeks the Authority has not Approved the initial Access Protocol, the matter may be referred for dispute resolution.

(d) Once the initial Access Protocol has been Approved, the Authority will consult for 6 weeks with Access Seekers on the initial Access Protocol and allow Access Seekers to make submissions.

(e) Following consultation, the Authority and the Concession Company will meet to discuss relevant submissions made in the consultation process and negotiate in good faith with respect to whether any changes should be made to the initial Access Protocol. If the Authority and the Concession Company cannot agree on whether changes should be made and the content of those changes within 6 weeks, the matter may be referred for dispute resolution provided that the Concession Company may implement the initial Access Protocol Approved by the Authority subject to and pending the outcome of the dispute resolution.

5.3 The Access Protocol is to be periodically reviewed

(a) The Concession Company will initiate a review of the Access Protocol in accordance with the consultation mechanisms in Section 11 of this Open Access Regime and including the Authority:

(i) 2 years after the Closing Date (**the first review**); and

(ii) every 2 years after the completion of the first review.

(b) The Authority or the Concession Company may propose amendments to the Access Protocol in accordance with Sections 5.4 and 5.5 of this Open Access Regime, and any dispute between the Authority and the Concession Company shall be resolved as provided in Section 5.5(e) of this Open Access Regime.

5.4 The Concession Company may initiate a review of the Access Protocol

(a) In addition to the periodic reviews described above, the Concession Company may propose changes to the Access Protocol at any time if it has material concerns with its practical operation.

5.5 Changes to the Access Protocol

(a) The Authority can require amendments to the Access Protocol and can make its Approval of changes to the Access Protocol proposed by the Concession Company subject to the Concession Company making certain

amendments provided that the Authority explains and provides reasons for the amendments.

(b) The Concession Company must consult with the Authority, Customers, and Access Seekers when reviewing the Access Protocol in accordance with Section 11 of this Open Access Regime.

(c) The Authority will have 10 weeks to Approve the changes to the Access Protocol proposed by the Concession Company.

(d) The Authority will not unreasonably request amendments or withhold its Approval of Access Protocol changes and the Concession Company will provide reasonable co-operation (including promptly considering any amendments proposed by the Authority and providing reasons if it does not agree to implement those amendments).

(e) If after 10 weeks the Authority has not Approved the changes to the Access Protocol proposed by the Concession Company or if the Concession Company disagrees with an amendment to the Access Protocol required by the Authority, the Concession Company can refer the matter for dispute resolution in accordance with Section 10 of this Open Access Regime.

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6 Pricing and revenues

6.1 Reference Service pricing principles

For Reference Services, Cruise Lines shall only be charged the Passenger Fee and the Dockage Rates, as adjusted from time to time as provided in Schedule 15, and the demurrage fee (as provided in Schedule 15).

6.2 Ancillary Service pricing principles

(a) The Concession Company will prepare a pricing protocol which includes the methodology for establishing Ancillary Service prices consistent with the following principles set forth in Section 8 of Schedule 15 and that otherwise complies with Schedule 15. For the avoidance of doubt, such pricing protocol and resulting Ancillary Service prices shall not be applicable to the prices that Non-Affiliated Service Providers charge for Non-Exclusive Ancillary Services.

(b) The Concession Company will make publicly available, including through internet access, the pricing principles listed in Section 6.2 of this Open Access Regime for the Cruise Port Facility.

(c) The Concession Company can review Ancillary Services prices at any time but may not review Ancillary Services prices more than once a year; provided, however, that at all times the prices for Ancillary Services will comply with Schedule 15. The Concession Company will notify the

Authority of any variation to the Ancillary Services prices 10 Business Days before such changes take effect.

6.3 Non-standard pricing principles for Reference Services and Ancillary Services

(a) Notwithstanding the provisions of Section 6.1 and Section 6.2, the Concession Company shall comply with the provisions of the Preferential Berthing Agreements regarding pricing and may set other prices that do not comply with the provisions of Section 6.1 and Section 6.2 of this Open Access Regime with the Approval of the Authority.

6.4 Lease of Cruise Pier Buildings

(a) The Concession Company may lease any portion of the Cruise Port Facility (including the Cruise Pier Buildings) in its commercial discretion and at applicable market rates; provided, however, that any such lease shall only be for Cruise Port Purposes and not discriminate against any Cruise Line in favor of any other Cruise Line or against any Non-Affiliated Service Provider in favor of any Affiliated Service Provider.

(b) The Concession Company will provide the Authority with a copy of each such lease of any portion of the Cruise Port Facility promptly following its execution by the parties thereto.

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7 Capacity Allocation

7.1 Cruise Piers capacity allocation

(a) Cruise Piers Capacity will be allocated in accordance with the Capacity Allocation Protocol which the Concession Company will make publicly available, including through internet access. The Capacity Allocation Protocol shall be consistent with the Capacity Allocation Protocol framework in Appendix B to this Schedule 3.

(b) The Capacity Allocation Protocol will include arrangements for:

(i) allocating and reallocating Capacity;

(ii) dealing with mutually exclusive requests for Capacity;

(iii) dealing with access requests when there is insufficient uncommitted Capacity to satisfy the request/s;

(iv) varying Capacity allocation;

(v) reallocating Capacity which has not been used within a defined period from allocation;

(vi) planning Capacity allocation in the short, medium and long-term, in consultation with relevant stakeholders to maximize the efficient use of the Cruise Piers and the Cruise Pier Buildings; and

(vii) distinguishing between Cruise Vessel sizes/configurations and consequential impacts on Capacity.

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8 Cruise Piers Utilization Procedure (PUP)

8.1 Requirement to develop and publish a PUP

(a) The Concession Company will develop and make publicly available, including through internet access, a PUP consistent with the PUP framework in Appendix C to this Schedule 3.

8.2 The Authority to approve initial PUP

(a) The Concession Company will provide the initial PUP to the Authority no later than 3 months after the Closing Date.

(b) The Authority will have 6 weeks to Approve the initial PUP. The Authority may make its Approval of the initial PUP subject to the Concession Company making certain amendments. The Authority will not unreasonably request amendments or withhold its Approval. The Authority will explain and provide reasons to the Concession Company for any requested amendments and the Concession Company will provide reasonable co-operation (including promptly considering any amendments proposed by the Authority and providing reasons if it does not agree to implement those amendments).

(c) If after 6 weeks, the Authority has not Approved the initial PUP, the matter may be referred for dispute resolution.

(d) Once the initial PUP has been Approved, the Authority will consult for 6 weeks with Access Seekers on the initial PUP and allow Access Seekers to make submissions.

(e) Following consultation, the Authority and the Concession Company will meet to discuss relevant submissions made in the consultation process and negotiate in good faith with respect to whether any changes should be made to the initial PUP. If the Authority and the Concession Company cannot agree on whether changes should be made and the content of those changes within 6 weeks, the matter may be referred for dispute resolution provided that the initial PUP Approved by the Authority may be implemented subject to and pending the outcome of the dispute resolution.

8.3 The Authority may request a review of the PUP

(a) The Authority can request that the Concession Company review the PUP where, following three relevant findings of Non-Compliance under the Open Access Reporting and Compliance Regime schedule, the Authority reasonably considers that the PUP's operation is inconsistent with the open and non-discriminatory access obligations.

(b) Following a review conducted in accordance with Sections 8.3(a) of this Open Access Regime, the Authority will not request the Concession Company to conduct another review of the PUP unless there are an additional three relevant findings of Non-Compliance under the Open Access Reporting and Compliance Regime provided in Appendix D to this Schedule 3. In any event, the Concession Company will not be required to review the PUP more than once per year.

8.4 The Concession Company may initiate a review of the PUP

(a) The Concession Company may propose revisions to the PUP at any time.

8.5 Changes to the PUP

(a) The Concession Company cannot be required by the Authority to amend the PUP except as provided in Section 8.3 of this Open Access Regime.

(b) The Concession Company can make changes to the PUP that are not inconsistent with the open and non-discriminatory access obligations.

(c) The Concession Company will notify the Authority of proposed changes.

(d) If the Authority considers that a proposed change is not consistent with the open and non-discriminatory access obligations, the Authority can refer the matter for dispute resolution provided that the revised PUP may be implemented subject to and pending the outcome of the dispute resolution.

8.6 The Concession Company consultation when reviewing the PUP

(a) The Concession Company will consult with the Authority, Access Seekers, potential Access Seekers and Customers when reviewing the PUP in accordance with Section 11 of this Open Access Regime.

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9 Confidential Information

9.1 Isolation of confidential information

(a) The Concession Company will keep confidential any confidential information provided to the Concession Company by any Cruise Line and only allow authorized persons to access that confidential information for the purpose of:

(i) providing Cruise Port Facility Services to an Access Seeker;

(ii) resolving an Access Dispute; or

(iii) as otherwise expressly consented in writing by that Access Seeker.

(b) The standard Cruise Line Contract will contain standard terms regarding the protection and use of confidential information.

9.2 Permitted disclosure of confidential information

(a) The Concession Company is permitted to disclose confidential information:

(i) to the extent necessary for the provision of advice from legal advisers, financiers, accountants or other consultants or professional advisers, provided they are under a legal obligation not to disclose the confidential information to any third party;

(ii) to any expert, mediator or arbitrator appointed for the purposes of resolving a particular dispute or to any independent expert appointed under Section 1.3(b) of the Open Access Reporting and Compliance Regime, provided they are under a legal obligation not to disclose the confidential information publicly or to any third party;

(iii) to the Authority, or an independent external investigator appointed by the Authority, for the purpose of the Authority monitoring compliance with its reporting and compliance obligations or investigating a complaint under the Open Access Regime, subject to the Authority (and/or the independent external investigator, as applicable) agreeing to be bound by the same obligations not to disclose the confidential information to any third party as the Concession Company; and

(iv) to the extent required by Law, provided that, where it lawfully can, it first consults with the party that provided the confidential information in relation to the manner and timing of that disclosure.

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10 Complaints and dispute resolution

(a) Without limiting the procedures for Non-Compliance or alleged Non-Compliance provided in Appendix D to this Schedule 3, the Concession Company will establish a complaints system for handling Cruise Line complaints in relation to the Access Protocol, including compliance with the open and non-discriminatory access obligations in Section 2 of this Open Access Regime or any other matter in relation to access to the Cruise Piers and the Cruise Pier Buildings, provided that the Concession Company may determine its own processes to avoid vexatious complaints.

(b) An Access Seeker may make a complaint to the Authority in relation to compliance with the Access Protocol, including in relation to compliance with the obligation to provide open and non-discriminatory access to

Reference Services and Ancillary Services or any other matter in relation to access to the Cruise Piers and the Cruise Pier Buildings, provided that the Authority may determine its own processes to avoid vexatious complaints.

(c) Customers of the Concession Company can raise disputes in accordance with the dispute mechanism provided for in the Cruise Line Contract, provided however, that all Access Disputes under any Cruise Line Contract are to be resolved by negotiation and, where not so resolved, are to be resolved by the Access Protocol Independent Expert.

(d) Without limiting the right of Access Seekers to make a complaint to the Authority, as provided in Section 10(b) of this Open Access Regime, disputes between Access Seekers and the Concession Company which are not subject to a Cruise Line Contract, are to be resolved by negotiation, and where not resolved may be referred for binding independent expert determination by an Access Protocol Independent Expert, where the Access Protocol Independent Expert has the power to make directions in relation to compliance with non-discriminatory access and Access Protocol requirements in accordance with the published procedure in the Access Protocol.

(e) The Concession Company will publish in the Access Protocol:

(i) a procedure for Cruise Lines, including Third Party Cruise Lines, to raise an Access Dispute with the Concession Company;

(ii) a procedure for attempting to resolve the Access Dispute by negotiation between the parties; and

(iii) a procedure for final resolution of the Access Dispute by the Access Protocol Independent Expert.

(f) Subject to complying with the open and non-discriminatory access obligations, the Concession Company is only obligated to provide access to Reference Services at the Reference Price and on standard terms and conditions contained in the standard Cruise Line Contract ("Standard Terms and Conditions"). Accordingly, there can be no dispute where the Concession Company complies with the open and non-discriminatory access obligations and;

(i) offers to provide an Access Seeker with access to Reference Services at the Reference Price and on Standard Terms and Conditions; or

(ii) subject to Section 4.2(e) and Section 6.3(a), as applicable, of this Open Access Regime, agrees with an Access Seeker to provide Reference Services at non-Reference Prices or non-Standard Terms and Conditions.

10 Complaints and dispute resolution

(g) Cruise Lines may refer complaints in relation to compliance with the non-discrimination principle in respect of prices for Reference Services and Ancillary Services to the Authority under Section 10(b) of this Open Access Regime, subject to Section 10(f) of this Open Access Regime.

(h) Disputes regarding the Open Access Regime, including the Access Protocol and all Appendices and Attachments to this Schedule 3, and the Concession Company's compliance with it ("Access Disputes") between the Authority and the Concession Company are to be resolved by negotiation by the Designated Person of each Party as provided in Section 19.2 of this Agreement followed by binding determination by an Access Protocol Independent Expert as provided in this Schedule 3, subject to Section 3(g) of Appendix D to this Schedule 3 with respect to Major Non-Compliance Notices and the Concession Company Default, which may be resolved under Article 19 of this Agreement.

(i) Any Access Dispute between the Concession Company and an Access Seeker, which cannot be resolved by negotiation, shall be referred to the Access Dispute Resolution Board (comprised of the Designated Person of the Authority and the Designated Person of Concession Company, the "Access Dispute Resolution Board"), which will appoint an agreed independent expert with the relevant technical expertise (the "Access Protocol Independent Expert").

(j) The Access Dispute Resolution Board is responsible for:

(i) maintaining a panel of Access Protocol Independent Experts for resolution of Access Disputes, which the parties can select from by agreement in relation to a particular Access Dispute;

(ii) the standard terms of reference for the appointment of an Access Protocol Independent Experts; and

(iii) the standard procedures for the Access Dispute resolution process.

(k) The Access Dispute Resolution Board must unanimously agree the matters in Sections 10(j)(i) to 10(j)(iii) of this Open Access Regime no later than 3 months after the Closing Date.

(l) Any of the procedures adopted under Sections 10(j)(i) to 10(j)(iii) of this Open Access Regime can be amended at any time with the unanimous approval of the Access Dispute Resolution Board.

(m) If the parties fail to select an Access Protocol Independent Expert from the Access Dispute Resolution Board panel by agreement, an Access Protocol Independent Expert will be appointed from the panel by the Access Dispute Resolution Board. If the Access Dispute Resolution Board cannot agree on the Access Protocol Independent Expert it will select a third party to appoint an Access Protocol Independent Expert from the Access Dispute Resolution Board panel.

(n) Any Access Protocol Independent Expert may, at any time during its consideration of an Access Dispute, refer any suspected Non-Compliance to the Authority in accordance with Section 1.1(g)(3)(D) of the Open Access Reporting and Compliance Regime schedule, Appendix D to this Schedule 3.

(o) The Concession Company will be responsible for the costs of the Access Dispute Resolution Board in relation to a particular Access Dispute, provided that a reasonable application fee will apply to notify an Access Dispute which reflects a reasonable allowance for anticipated costs of the Access Protocol Independent Expert and any costs in addition to the application fee will be recoverable through prices for Reference Services.

(p) The Concession Company, Access Seekers and Customers will each be required to bear their own costs.

(q) The Concession Company will be responsible for the costs of establishing and maintaining the Access Dispute Resolution Board.

11 Consultation with Access Seekers

(a) Where the Concession Company is required to undertake consultation with Customers and Access Seekers in accordance with this Open Access Regime, it shall adopt a consultation process which is practically effective, and shall contain:

(i) advising relevant parties of the proposed consultation by email; and

(ii) providing details of the proposed consultation in a publicly available manner, including through internet access.

(b) Details of the proposed consultation will contain:

(i) details of the subject matter of the consultation (i.e. the proposed amendments to the Access Protocol or PUP, as applicable); and

(ii) the time for providing submissions.

(c) The Concession Company will provide:

(i) a reasonable period of time for submissions;

(ii) notice to the Authority of any consultation;

(iii) the Authority with copies of all submissions received; and

(iv) the Authority with a report setting out the Concession Company's conclusions and proposed actions.

12 The Authority monitoring of compliance

(a) The Authority will monitor compliance with this Open Access Regime, including but not limited to, the Concession Company's open and non-discriminatory access obligations and the Access Protocol requirements.

(b) The Authority can investigate non-compliance with the open and non-discriminatory access obligations and the Access Protocol requirements at any time and can request information from the Concession Company to be used only for the specific purpose of that investigation (including non-compliance with the obligation not to discriminate against any Non-Affiliated Service Provider in favor of any Affiliated Service Provider in connection with the provision of Non-Exclusive Ancillary Services). The Concession Company will provide the requested information to the Authority as soon as practicable and, subject to the Authority entering into appropriate confidentiality arrangements, the information will include details about the terms and conditions on which the Concession Company provides access to Affiliated Cruise Lines or other Cruise Lines.

(c) The Concession Company will provide the Authority with an annual compliance report in relation to the Concession Company's open and non-discriminatory access obligations and Access Protocol requirements covering the previous calendar year including:

(i) details of any deviations from the standard Cruise Line Contract;

(ii) details and an explanation for any deviations from the Reference Prices, other than in accordance with the non-standard reference pricing methodology, or for any deviation from the Ancillary Service pricing principals set forth in Section 6.2(a) of the Open Access Regime;

(iii) KPIs that demonstrate performance in providing Reference Services; and

(iv) information on any Cruise Line complaints or disputes.

(d) Information relating to the Open Access Regime will be subject to audit by the Authority and an Authorized Auditor as provided in Article 8 of this Agreement.

(e) The Authorized Auditor may, at any time during its review, refer any suspected Non-Compliance to the Authority in accordance with Section 1.1(g)(3)(C) of the Open Access Reporting and Compliance Regime schedule, Appendix D to this Schedule 3.

(f) The Concession Company will make publicly available, including through internet access, a summary of the conclusions of each Audit after any confidential commercial information has been removed.

(g) A demerit point system for established non-compliance will be agreed upon with consequences once demerit points pass agreed thresholds and will be consistent with the agreed principles for the compliance and reporting regime set out in a schedule to this Open Access Regime

(h) Where there is a breach in respect of the open and non-discriminatory access obligations, it will be dealt with in accordance with the Open Access Reporting and Compliance Regime schedule, Appendix D to this Schedule 3.

(i) The consequences for non-compliance with or breach of this Open Access Regime are as set out in the Open Access Reporting and Compliance Regime, Appendix D to this Schedule 3.

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13 Definitions and interpretation

13.1 Definitions

Unless otherwise specified or the context otherwise requires for the purposes of this Agreement, the following terms have the following meanings. Capitalized terms used in this Schedule 3 and not defined in this Section 13.1 have the respective meanings provided in Section 1.1 of this Agreement.

Access	The use of Reference Services or Ancillary Services.
Access Dispute	A dispute for determination by an Access Protocol Independent Expert as is expressly provided for under this Schedule 3, as further described in Section 10(h) of the Open Access Regime.
Access Protocol Independent Expert	Has the meaning ascribed thereto in Section 10(i) of the Open Access Regime.
Access Seeker	Cruise Lines seeking access to Reference Services or Ancillary Services. For the avoidance of doubt, a Cruise Line that has entered into a Cruise Line Contract shall constitute an "Access Seeker".
Ancillary Service	A non-Reference Services performed within the Cruise Port Facility provided by Concession Party to a Cruise Line, as described in Schedule 15.

13 Definitions and interpretation

Affiliated Cruise Line	A Cruise Line that is an Affiliate of the Concession Company or a Contractor to, or an Affiliate of a Contractor to, the Concession Company.
Approved Operator	A Contractor Approved by the Authority which has entered into a Contract with the Concession Company for the operation, maintenance and management of the Cruise Port Facility or the provision of Cruise Port Facility Services.
Capacity	The operational capacity for the Cruise Piers and Cruise Pier Buildings, as applicable, under existing configuration and operating procedures to accommodate Reference Services at a given point in time.
Complainant	Has the meaning ascribed thereto in Section 1.4 of Appendix D to this Schedule 3.
Cruise Line Contract	Has the meaning ascribed thereto in Section 4.1(a) of the Open Access Regime.
Cruise Port Facility Access Document	An operational document required to be prepared by the Concession Company in relation to the provision of Access under this Open Access Regime and including the Access Protocol, non-standard reference pricing methodology, Cruise Port Facility Utilization Procedure, Capacity Allocation Protocol, standard Cruise Line Contract and cost allocation methodology.
Cruise Port Facility Services	Services provided by the Concession Company to a Cruise Line within the Cruise Port Facility for the purposes of conducting Cruise Port Facility Operations through the Cruise Port Facility and consisting of Reference Services and Ancillary Services.

13 Definitions and interpretation

Customer	A Cruise Line that has entered into a Cruise Line Contract.
Non-standard reference pricing methodology	The methodology formulated in accordance with Section 6.3(a) of the Open Access Regime.
Open and non-discriminatory access obligations	The obligations in Section 2 of this Open Access Regime.
PUP	The Pier Utilization Procedure provided for in Section 8 of this Open Access Regime.
Reference Prices	The prices published for Reference Services.
Reference Pricing Principles	The principles contained in Section 6.1 of this Open Access Regime.
Reference Services	The following terminal services: • Port of call cruise calls • Home-port cruise calls
Remedy Plan	Has the meaning ascribed thereto in Section 2.2 of Appendix D to this Schedule 3.
Standard Terms and Conditions	Has the meaning ascribed thereto in Section 10(f) of the Open Access Regime.
Third Party Cruise Lines	Cruise Lines that are not Affiliated Cruise Lines.

APPENDIX A TO SCHEDULE 3
Access Protocol Framework

1 Introduction

The Access Protocol will incorporate and be consistent with the elements of this Appendix A to Schedule 3 to the Open Access Regime.

(a) The Access Protocol is to provide for open and non-discriminatory access to the Cruise Piers and the Cruise Pier Buildings by setting out:

- the Reference Services and Ancillary Services to which Access Seekers may seek Access;
- the procedures for making, assessing, negotiating and finalising Access applications;
- the process for allocating Capacity to Access Seekers;
- the Concession Company's commitment to ring-fence Confidential Information from Cruise Lines; and
- the process for resolving Access Disputes.

(b) The Access Protocol will be reviewed:

(1) 2 years after the Closing Date and every 2 years thereafter; or

(2) by the Concession Company at any time if it has material concerns with its practical operation.

(c) All revisions require Approval by the Authority.

(d) The Concession Company will consult with Access Seekers, Customers and the Authority when reviewing the Access Protocol.

2 Services and prices

(a) The Access Protocol will set out that the following services are Reference Services:

(1) Port of call cruise line calls; and

(2) Home-port cruise line calls

(b) On the successful request for a Reference Service by an Access Seeker in accordance with Section 3 of this Open Access Regime, the Concession Company will offer to provide the requested Reference Services to the Access Seeker:

- at the Reference Prices which are publicly available, including through internet access; and

- on the terms in the standard Cruise Line Contract made publicly available, including through internet access.

(c) The Concession Company is only obligated to provide Access to successful requests for Reference Services at the Reference Price and on Standard Terms and Conditions contained in the Cruise Line Contract.

(d) The Concession Company may, with the Approval of the Authority, provide Reference Services:

(1) at non-standard Reference Prices provided that such prices do not discriminate against a Cruise Line in favor of any other Cruise Line for that particular business;

(2) on non-Standard Terms and Conditions provided that such terms and conditions do not discriminate against a Cruise Line in favor of any other Cruise Line for that particular business.

(e) The Concession Company may provide Cruise Port Facility Services other than those listed in this Schedule 3 with the Approval of the Authority and provided that they are consistent with Cruise Port Purposes.

(f) The Concession Company will review Reference Prices as provided in Schedule 15.

(g) All other Cruise Port Facility Services, other than the Reference Services, performed within the Cruise Piers and Cruise Pier Buildings and provided to a Cruise Line will be "Ancillary Services". Where the Concession Company provides Ancillary Services to a Cruise Line, it will publish the availability of Ancillary Services, not discriminate against any Cruise Line in favor of any other Cruise Line in the provision of Ancillary Services, and not discriminate against any Non-Affiliated Service Provider in favor of any Affiliated Service Provider in connection with the provision of Non-Exclusive Ancillary Services.

(h) The Concession Company will make publicly available, including through internet access, a list of all services offered at the Cruise Port Facility and will update the list as soon as reasonably practicable if there is any change in the services that are offered.

(i) The obligation not to discriminate against any Cruise Line, including against any Third Party Cruise Line in favor of an Affiliated Cruise Line, applies to the provision of Reference Services and Ancillary Services.

(j) The Concession Company shall comply with the requirements of Schedule 15 for the provision of Ancillary Services by any Person other than the Concession Company or an Affiliate, or a Contractor to either, and will permit any such Person to provide Ancillary Services as provided in Schedule 15.

3 Process for negotiating access

The Access Protocol will make provision for the following:

(a) The procedure for making applications for Access to the Reference Services and Ancillary Services in respect of the Cruise Port Facility, which must include:

(1) a form for making an application for access and any additional information which must be provided by an Access Seeker in support of an application Er Access (including all technical specifications required in accordance with the Cruise Piers Utilization Procedures);

(2) details of the information that will be provided in response to a request for Access; and

(3) a guideline of the time frames for each step in the process by which the Concession Company will assess and respond to an Access application.

(b) The negotiation guidelines which will apply to any request for access to the Cruise Port Facility.

(c) The procedure that will be followed by the Concession Company when assessing and determining requests for Access.

(d) The procedure and method for concluding a Cruise Line Contract for Access.

(e) A requirement for the Concession Company to act reasonably and in good faith in negotiating for Access.

4 Capacity allocation

The Access Protocol will provide that the Concession Company will allocate Capacity to Access Seekers in accordance with the Capacity Allocation Protocol set out in Appendix B to this Schedule 3.

5 Confidential information and ring-fencing obligations

The Access Protocol will make provision for the following:

(a) The Concession Company must keep confidential any confidential information provided to the Concession Company by an Access Seeker and only allow an officer, employee, agent or contractor who works for the Concession Company or exercises management oversight over or responsibility for the Concession Company (**authorized persons**) to access that confidential information for the purpose of:

(1) providing Cruise Port Facility services to that Access Seeker

(2) resolving an Access Dispute; or

(3) as otherwise expressly consented in writing by that Access Seeker

(b) The standard Cruise Line Contract will contain standard terms regarding the protection and use of confidential information.

(c) The Concession Company is permitted to disclose confidential information:

(1) to the extent necessary for the provision of advice from legal advisers, financiers, accountants or other consultants or professional advisers, provided they are under a legal obligation not to disclose the confidential information to any third party;

(2) to any expert, mediator or arbitrator appointed for the purposes of resolving a particular dispute provided they are under a legal obligation not to disclose the confidential information publicly or to any third party;

(3) to the Authority, or an independent external investigator appointed by the Authority, for the purpose of the Authority monitoring the Concession Company's compliance with its reporting and compliance obligations or investigating a complaint under the Open Access Regime, subject to the Authority, (and/or the independent external investigator, as applicable) agreeing to be bound by the same obligations not to disclose the confidential information to any third party as the Concession Company; and

(4) if, and to the extent required by Law provided that it first consults with the party that provided the confidential information in relation to the manner and timing of that disclosure.

6 Dispute resolution

The Access Protocol will make provision for the following:

(a) a mechanism for the raising and resolution of Access Disputes between the Concession Company and Access Seekers in relation to the operation of the Access Protocol.

(b) Disputes between Access Seekers and the Concession Company will be resolved by negotiation, followed by binding Access Protocol independent Expert determination, where the expert has the power to make directions or determinations in relation to whether the Concession Company has complied with the Concession Company's open and non-discriminatory access obligations and the Access Protocol requirements.

(c) The Access Protocol will note that the Concession Company is only obligated to provide access to Reference Services at the Reference Price and to Ancillary Services at prices consistent with the pricing principles

in Section 6.2 of the Open Access Regime, and on Standard Terms and Conditions contained in the standard Cruise Line Contract. Accordingly, there can be no dispute where the Concession Company or the Approved Operator (if applicable):

(1) offers to provide Access to Reference Services at the Reference Price and on Standard Terms and Conditions; or

(2) subject to Section 4.2(e) and Section 6.3(a), as applicable, of the Open Access Regime, agrees to provide Reference Services at non-standard reference prices or non-standard terms and conditions.

However, an Access Seeker or Customer has the right to notify a complaint to the Authority in relation to compliance with the Access Protocol, including in relation to compliance with the obligation to provide open and non-discriminatory access to Reference Services and Ancillary Services in accordance with the Open Access Regime.

7 Compliance

7.1 The Authority investigation

The Access Protocol will make provision for the following:

(a) Customers and Access Seekers may complain to the Authority if they have any concerns about the Concession Company's compliance with the Access Protocol and the Concession Company's open and non-discriminatory access obligations.

(b) The Authority can investigate, or appoint an independent expert to investigate, any potential non-compliance with the Access Protocol and the Concession Company's open and non-discriminatory access obligations at any time. The Concession Company will provide all necessary materials and assistance to be used for the sole purpose of that investigation.

7.2 Reporting requirements

The Concession Company is required to make publicly available, including through internet access, agreed public reporting requirements in accordance with the compliance regime.

APPENDIX B TO SCHEDULE 3
Capacity Allocation Protocol

1 Introduction

(a) The Capacity Allocation Protocol will incorporate and be consistent with the elements of the Open Access Regime.

(b) The objective of the Capacity Allocation Protocol is to provide for the transparent and efficient allocation of Capacity at the Cruise Port Facility in accordance with the Concession Company's open and non-discriminatory access obligations.

2 Capacity allocation

2.1 Procedure for allocation of Cruise Pier capacity

(a) The Capacity Allocation Protocol is to make provision for the following in relation to the process of allocating Capacity:

(1) Capacity allocation is the provision of scheduled Cruise Line berthing windows at the Cruise Piers. The Concession Company may determine and adjust the scheduling of Cruise Pier berthing windows to optimize the use of the Cruise Piers including for operational efficiency and safety reasons or as otherwise agreed between the Concession Company and the Cruise Lines who are to be or have been allocated the relevant Capacity.

(2) On receipt of an Access application in accordance with the Access Protocol, the Concession Company will make an assessment as to whether there is sufficient available Capacity at the Cruise Piers to meet the Access Seeker's request.

(b) Available Cruise Pier Capacity is determined by the availability of Cruise Line windows and the capability of providing the requested Reference Services at the Cruise Piers after taking into account requirements to accommodate existing Cruise Line calls and existing Cruise Line Contract commitments, and any requirements to reserve Capacity for the prudent operation of the Cruise Piers in accordance with all applicable standards and Good Industry Practice.

(c) In respect of Access Seekers:

(1) Access Seekers will be able to request access to available Capacity not already allocated to existing Customers subject to the availability of relevant Cruise Vessel berthing windows, their acceptance of the terms of the PUP and Concession

Company's ability to adjust the scheduling of Cruise Vessel berthing windows to optimize the use of the Cruise Piers.

(2) If the Concession Company, in its reasonable opinion, determines that there is insufficient available Capacity to satisfy an Access Seeker's request it will:

(A) make an assessment of whether part of the Access Seeker's request can be satisfied by the available Capacity;

(B) provide a written explanation to the Access Seeker as to why the application cannot be satisfied in full.

2.2 Mutually exclusive requests for Capacity

(a) The Capacity Allocation Protocol will provide that available Capacity will be allocated to the request that is most consistent with the principle of maximising the efficient and most valuable use of the Cruise Piers.

(b) When determining the priority of Capacity allocation for mutually exclusive requests, the Concession Company may have regard to:

(1) Volume of service;

(2) Operational efficiency;

(3) Safety;

(4) Security and duration of commitment;

(5) Promotion of utilization of the Cruise Piers or Cruise Pier Buildings;

(6) Promotion of the longer term utilization and development of the Cruise Piers or Cruise Pier Buildings; and

(7) the present value of future returns to the Concession Company and Cruise Port Facility operations after considering all risks associated with each Access request.

(c) After making a determination of priority of Capacity allocation for mutually exclusive requests, the Concession Company is required to explain in writing to the unsuccessful Access Seekers reasons for making its determination unless alternative arrangements are made with the unsuccessful Access Seeker.

(d) If additional Capacity subsequently becomes available due to the availability of new Capacity at the Cruise Port Facility, the Concession Company will notify each unsuccessful Access Seeker that was unsuccessful due to the unavailability of Capacity from the previous 6 months of the available Capacity generated from the expansion in accordance with Section 2.2 of this Appendix B to Schedule 3.

2.3 Varying Cruise Pier capacity

(a) The Capacity Allocation Protocol will provide that the Concession Company will provide access to Capacity on a 'use it or lose it' basis and

any Cruise Line will not be permitted to bank Access berthing windows to prevent use by other Access Seekers.

(b) The Capacity Allocation Protocol will provide for a mechanism allowing:

(1) the removal of entitlements to contracted Capacity in the event of non-use (a use it or lose it regime); and

(2) the Concession Company the ability to, in its discretion, reallocate some or all of any contracted service capacity voluntarily relinquished by the customer if it is not required,

subject to the Concession Company complying with the open and non-discriminatory access obligations.

(c) The Capacity Allocation Protocol is to provide that Cruise Line Customers may offer to voluntarily relinquish to the Concession Company any Capacity which the Customer has contracted pursuant to its Cruise Line Contract in excess of its requirements for a specified period of time for reallocation by the Concession Company in accordance with the following principles (a "Voluntary Reduction"):

(1) the Concession Company may in its sole discretion determine whether to reallocate any part or all of the amount of the Voluntary Reduction; and

(2) if any or all of the Voluntary Reduction is reallocated by the Concession Company to other Access Seekers, the Concession Company will reduce the Customer's Capacity under its Cruise Line Contract for the period of time for which the Capacity is reallocated.

(d) The Concession Company can vary Capacity:

(1) To repair, maintain, upgrade, extend, construct or make alterations to the Cruise Piers or Cruise Pier Buildings, in accordance with the minimum performance levels set out in Schedule 12 to this Agreement;

(2) for reasons of safety or for the prevention of injury or damage to the Cruise Piers or Cruise Pier Buildings or to other persons or property;

(3) as necessitated to comply with requirements of Governmental Authorities to address emergency public health situations, such as COVID-19; and

(4) following a request in writing from a Customer.

2.4 Reallocating Cruise Pier capacity

(a) The Capacity Allocation Protocol will make provision for the following in relation to the reallocation of Capacity:

(1) Only the Concession Company has the right to allocate or reallocate Capacity.

(2) The Concession Company can adjust the scheduling of Cruise Vessel berthing windows to optimize the use of the Cruise Piers and Cruise Pier Buildings and can reallocate capacity in accordance with the PUP or in accordance with the standard Cruise Line Contract or as otherwise agreed with a Customer.

(3) In order to encourage the optimum, safe and efficient use of the Cruise Piers and Cruise Pier Buildings and subject to complying with open and non-discriminatory access obligations, the Concession Company can, subject to Section 2.4(b) of this Appendix B to Schedule 3, withdraw Capacity allocated to a Cruise Line and reallocate that Capacity where:

(A) subject to the Concession Company allowing the Customer a reasonable opportunity to demonstrate its ability to fully utilize its Capacity about the minimum threshold for the remainder of its Cruise Line Contract;

(B) there are repeated breaches of safety requirements of the Customer's Cruise Line Contract, relevant legislation, or a standard specified in the Cruise Port Facility Operating Procedure by the Customer;

(C) necessitated to comply with requirements of Governmental Authorities to address emergency public health situations, such as COVID-19; or

(D) a temporary variation is needed to accommodate maintenance, in accordance with the minimum performance levels set out in Schedule 12 to this Agreement.

(b) In respect of Sections (a)(3)(A) and (B) above the Concession Company will provide the Customer with no less than 14 days to show cause why its allocation should not be reduced. The Concession Company will only reduce Customer's allocation in accordance with this Section if it is not satisfied, acting reasonably, with the Customer's show cause response and must provide reasons for its decision.

3 Insufficient Cruise Pier Capacity

(a) Where the ultimate Capacity limit of the Cruise Piers has been reached, all Access Seekers will be notified once Capacity becomes available.

(b) Capacity will be allocated to the request that is most consistent with the principle of maximizing the efficient and valuable use of the Cruise Piers and in accordance with open and non-discriminatory access.

(c) When determining the priority of Capacity allocation for mutually exclusive requests, the Concession Company may have regard to:

(1) volume of service;

(2) operational efficiency;

(3) security and duration of commitment;

(4) promotion of utilization of the Cruise Port Facility;

(5) promotion of the longer term utilization and development of the Cruise Port Facility area.

4 Reporting and Compliance

In relation to reporting and compliance, the Capacity Allocation Protocol will provide that:

(a) Customers, Access Seekers and potential Access Seekers can complain to the Authority about compliance with the Capacity Allocation Protocol at any time.

(b) The Authority can investigate non-compliance with the Capacity Allocation Protocol requirements for the purpose of investigating the Concession Company's compliance with its open and non-discriminatory access obligations at any time and the Concession Company will provide all necessary materials and assistance to be used for the sole purpose of that investigation.

5 Planning capacity allocation

(a) The Capacity Allocation Protocol will provide details for planning capacity allocation in the short, medium and long term in consultation with stakeholders to maximize the efficient use of the Cruise Piers and the Cruise Pier Buildings.

(b) The Concession Company will make publicly available, including through internet access, the capacity expansion profile, capacity expansion objective and capacity expansion principles, including any revisions from time to time.

APPENDIX C TO SCHEDULE 3
Operating Utilization Framework

1 Introduction

The Cruise Pier Utilization Procedure will incorporate and be consistent with the elements of this schedule to the Open Access Regime.

(a) The objective of the Cruise Pier Utilization Procedure is to provide for the safe, transparent and efficient management of the Cruise Piers and the Cruise Pier Buildings in accordance with the principle of open and non-discriminatory access.

(b) The Authority can require a review of the Cruise Pier Utilization Procedure, no more than once per year, if it reasonably considers the specifications or the operation of the Cruise Pier Utilization Procedure is inconsistent with non-discriminatory access.

(c) The Concession Company can review the Cruise Pier Utilization Procedure at any time. Following review, the Cruise Pier Utilization Procedure will remain consistent with principle of non-discriminatory access.

(d) The Concession Company must consult with Customers and the Authority when reviewing the Cruise Pier Utilization Procedure.

2 General

The Cruise Pier Utilization Procedure is to make provision for items with respect to general issues relating to access to the Cruise Piers and the Cruise Pier Buildings and contain:

(a) Accreditation and compliance with the safety management system.

(b) Cruise Line accreditation.

(c) Information required by the Concession Company from Access Seekers.

(d) IT or other capability requirements.

(e) Cruise Vessel berthing procedures.

3 General Operations

The Cruise Pier Utilization Procedure is to make provision for the following items in relation to managing vessel handling at the Cruise Piers:

(a) Protocols for loading and unloading passengers.

(b) Protocols for connecting to shore power.

(c) Protocols for bunkering and restocking of supplies.

(d) Protocols for removal of waste and collection of wastewater.

(e) Protocols for managing late running Cruise Vessels and procedures for handling and rescheduling cancelled Cruise Line calls.

4 Maintenance

The Cruise Pier Utilization Procedure is to make provision for the following items in relation to maintenance at the Cruise Piers:

(a) Scheduled Cruise Pier and Cruise Pier Buildings maintenance and loss of capacity for the next 24 months.

(b) Unscheduled maintenance and outages at the Cruise Piers.

(c) Arrangements for planning capacity allocation in the short, medium and long-term, in consultation with relevant stakeholders, to maximize efficient use of the Cruise Piers.

5 Safety

The Cruise Pier Utilization Procedure shall comply with the Safety and Safety Management Systems Plan as described in Schedule 12 to this Agreement.

6 Administration

The Cruise Pier Utilization Procedure is to make provision for items in relation to administrative procedures and contain the:

(a) establishment of a contact person and procedure for all Access Seeker complaints; and

(b) establishment of a communication protocol including a requirement for Access Seekers to establish and maintain a radio communications link with the Concession Company at all times with the operating details of the radio link to be specified by the Concession Company.

APPENDIX D TO SCHEDULE 3
Open Access Reporting
and Compliance Regime

1. Non-Compliance

1.1 Identifying Non-Compliance

(a) The Concession Company will either operate the Cruise Port Facility directly or ensure that an Approved Operator is engaged to operate the Cruise Port Facility and ensure that the Approved Operator complies with all aspects of this Schedule 3.

(b) Failure to comply with the obligations set out in the Open Access Regime, as referred to in Attachment 1, Attachment 2 and Attachment 3 of this Appendix D to Schedule 3 is a **Non-Compliance**. Non-Compliance will lead to the consequences set out in this Appendix D to Schedule 3 and no other consequences.

(c) Non-Compliances with the obligations referred to in the table 1 of Attachment 1 of this Appendix D to Schedule 3 under "Open Access Regime Obligations" are each a **Minor Non-Compliance**, unless the relevant Non-Compliance is a Major Non-Compliance under Section 1.1(e)(1) of this Appendix D to Schedule 3.

(d) Non-Compliance with the obligations referred to in Attachment 2 of this Appendix D to Schedule 3 under "Administrative Obligations" is an **Administrative Non-Compliance**.

(e) **Major Non-Compliance** is:

(1) Non-Compliance with the open and non-discriminatory access obligations in Sections 2.1(c) and 2.2 of the Open Access Regime being:

(A) not permitting access at the Cruise Piers or the Cruise Pier Buildings for any Cruise Line, where such access is, or would be, otherwise in accordance with relevant Cruise Pier or Cruise Pier Building access and operating arrangements and access is available having regard to the capacity of the Cruise Piers and the Cruise Pier Buildings;

(B) unreasonably discriminating against a Cruise Line to their competitive detriment in favor of any other Cruise Line in providing Reference Services or Ancillary Services, or other services under this Agreement, or discriminating against any Non-Affiliated Service Provider in favor of any Affiliated Service Provider in connection with the provision of Non-

Exclusive Ancillary Services, other than as permitted under this Agreement;

(C) not offering to provide access to Reference Services, provided access is available having regard to the Capacity of the Cruise Port Facility, on transparent and published terms and conditions and in accordance with published Reference Prices, or otherwise as permitted in accordance with this Open Access Regime, and under relevant Cruise Port Facility access and operating arrangements;

(D) engaging in conduct for the purpose of hindering or preventing access at the Cruise Piers or Cruise Pier Buildings by any other Cruise Line in the exercise of access rights to which it would otherwise be permitted under the Open Access Regime and relevant Cruise Port Facility access and operating arrangements, or engaging in conduct for the purpose of hindering or preventing the provision of Ancillary Services by any Person other than the Concession Company or an Affiliate, or a Contractor of either, as any such Person is permitted to provide Ancillary Services as provided in Schedule 15; and

(2) Non-Compliance within a two year period by the Concession Company with:

(A) 2 separate Approved Remedy Plans; or

(B) 1 Approved Remedy Plan on 2 separate occasions,

(3) but only where such Non-Compliance:

(A) is material having regard to the policy objectives in Section 1.1(a) of the Open Access Regime, including that any Non-Compliance with the open and non-discriminatory access obligations in Sections 2.1(c) and 2.2 of the Open Access Regime is unreasonable and materially detrimental to competition;

(B) was not materially contributed to or caused by the non-compliance of the Complainant with relevant Cruise Pier access and operating arrangements; and

(C) was not due to events or circumstances outside of the reasonable control of the Concession Company provided that the Concession Company has taken all reasonable actions that a prudent Cruise Pier operator would take to minimize the occurrence and effects of that Non-Compliance.

(f) The Authority and the Concession Company acknowledge and agree that this Appendix D to Schedule 3 deals with all matters relating to Non-Compliance and that unless expressly stated no matter arising under this Schedule 3 can be referred to dispute resolution under Section 10 of the Open Access Regime.

(g) Non-Compliance with the Open Access Regime can only be identified in the following ways:

(1) by the Concession Company in the Compliance and Performance Report provided under Section 4.2 of this Appendix D to Schedule 3;

(2) by written notice from the Concession Company to the Authority at any time;

(3) subject to Sections 1.2 and 1.3(a) of this Appendix D to Schedule 3, a finding of Non-Compliance identified by the Authority as a result of:

(A) the Authority's general compliance monitoring activities under Section 12(a) of the Open Access Regime;

(B) an investigation by the Authority, or an independent external investigator appointed by the Authority, following a written complaint from a Customer or Access Seeker under Section 10(b) of the Open Access Regime;

(C) a referral to the Authority of a suspected Non-Compliance by an appointed external Auditor, as part of the external auditor audit functions under Section 12(d) of the Open Access Regime; or

(D) a referral to the Authority of a suspected Non-Compliance by an Access Protocol Independent Expert appointed to resolve a dispute between the Concession Company and either the Authority or an Access Seeker under Section 10 of the Open Access Regime; or

(4) a determination by the Access Protocol Independent Expert, with the Open Access Regime between the Concession Company and either the Authority or an Access Seeker under Section 10 of the Open Access Regime containing a finding of Non-Compliance, provided that:

(A) the Concession Company has been afforded an opportunity to respond to the alleged Non-Compliance within the Access Protocol Independent Expert or determination procedure; and

(B) the Access Protocol Independent Expert complies with Sections 1.3(d), 1.3(e) and 1.3(f) of this Appendix D to Schedule 3.

1.2 Non-Compliance Notice

(a) Where the Authority becomes aware of a suspected Non-Compliance with the obligations referred to in table 1 of Attachment 1 under Section 1.1(g)(3) of this Appendix D to Schedule 3, it will provide written notice to the Concession Company within 5 Business Days, providing details of the suspected Non-Compliance. In such notice, the Authority may, in its discretion, either (1) designate the Access Dispute Independent Expert to investigate such suspected Non-Compliance and make a finding as provided in Section 1.1(g)(4) or Section 1.3 of this Appendix D to Schedule 3 or (2) retain jurisdiction over the suspected Non-Compliance. In the event the Authority retains jurisdiction over the suspected Non-Compliance, the Authority will provide the Concession Company with a reasonable opportunity to respond and will consider Concession Company's response before making a finding on Non-Compliance under Section 1.2(b) of this Appendix D to Schedule 3.

(b) Where the Authority finds that there has been a material Non-Compliance with the obligations referred to in table 1 of Attachment 1 identified under Section 1.1(g)(3) of this Appendix D to Schedule 3, it will provide written notice to the Concession Company within 5 Business Days of making such a finding, providing details of the Non-Compliance including: whether such Non-Compliance is Major Non-Compliance or Minor Non-Compliance and the Authority's reasons (**Non-Compliance Notice**).

(c) A Non-Compliance Notice shall not be issued by the Authority where the Authority considers (acting reasonably) that the Concession Company has resolved the complaint or issue in respect of the Non-Compliance, prior to a finding of Non-Compliance.

(d) A Non-Compliance Notice issued by the Authority shall be of no effect where an Access Protocol Independent Expert appointed under Section 1.3 of this Appendix D to Schedule 3 considers (acting reasonably) that the Concession Company has resolved the complaint or issue in respect of the Non-Compliance prior to a finding of Non-Compliance.

1.3 Review by Access Protocol Independent Expert

(a) Where a Non-Compliance with the obligations referred to in table 1 of Attachment 1 is identified under Section 1.1(g)(3) of this Appendix D to Schedule 3, the Concession Company can by written notice to the Authority, within 10 Business Days of receipt of a Non-Compliance Notice, refer the finding of Non-Compliance to be reviewed by the Access Protocol Independent Expert. In addition, where the Authority becomes aware of a suspected Non-Compliance and designates the Access Dispute Independent Expert to investigate and make a finding regarding it, as provided in Section 1.2 of this Appendix D to Schedule 3, the Access Protocol Independent Expert shall investigate the suspected Non-Compliance and make a finding regarding it as provided in this Section 1.3 of Appendix D to Schedule 3.

(b) The Access Protocol Independent Expert will be appointed as provided in Section 10(i) of the Open Access Regime.

(c) The Concession Company and the Authority will provide the Access Protocol Independent Expert with all necessary relevant materials and assistance to be used for the sole purpose of that review.

(d) The Access Protocol Independent Expert shall not make a finding of Non-Compliance unless the Access Protocol Independent Expert finds on the available evidence and having regard to those matters specified in Section 1.3(e) of this Appendix D to Schedule 3, that a material Minor Non-Compliance or Major Non-Compliance with a specific obligation or obligations listed in table 1 of Attachment 1 or Section 1.1(e) of this Appendix D to Schedule 3 has occurred.

(e) Before the Access Protocol Independent Expert can make a finding of Non-Compliance the Access Protocol Independent Expert shall have regard to:

(1) the full terms of the Open Access Regime in respect of an alleged Non-Compliance;

(2) relevant Cruise Piers access and operating arrangements (which for the purpose of this Schedule 3 shall include the provision of access and the operation of the Cruise Piers in accordance with the Open Access Regime, the Cruise Line Contract, Capacity Allocation Protocol, Access Protocol and the Cruise Piers Utilization Procedures) and availability of access having regard to the capacity of the Cruise Piers;

(3) whether the Non-Compliance was materially contributed to or caused by the failure of the complainant to comply with Cruise Piers access and operating arrangements under the Open Access Regime. If the Non-Compliance was materially contributed to or caused by such a failure no finding of Non-Compliance will be made;

(4) whether the Non-Compliance was due to events or circumstances outside of the reasonable control of the Concession Company provided that the Concession Company has taken all reasonable actions that a prudent cruise pier operator would take to minimize the occurrence and effects of that Non-Compliance; and

(5) whether in relation to a Major Non-Compliance, the Access Protocol Independent Expert at its discretion (acting reasonably) considers it should not make a finding of Major Non-Compliance, because the Non-Compliance is being or has been resolved by the Concession Company in a timely manner.

(f) The Access Protocol Independent Expert shall provide a written report setting out its reasons for determining whether Non-Compliance has occurred, within a

period determined by the Access Dispute Resolution Board. Where the Access Protocol Independent Expert finds Non-Compliance, the report shall specify and provide relevant particulars as to the Non-Compliance (including whether such Non-Compliance is Major Non-Compliance or Minor Non-Compliance).

(g) Any finding by the Access Protocol Independent Expert shall be final and binding; provided, however, that any finding regarding a Major Non-Compliance or resulting in a Concession Company Default may be referred by the Concession Company for dispute resolution under Article 19 of this Agreement, as provided in Section 3(g) of this Appendix D to Schedule 3. For the avoidance of doubt, (1) Demerit Points will accrue based on findings by the Access Protocol Independent Expert of Non-Compliance, as applicable, and (2) upon designation of the Access Protocol Independent Expert as provided in Section 1.2(a) of this Appendix D to Schedule 3, the Access Protocol Independent Expert may exercise the rights of the Authority under Section 1.2, Section 2.2 and Section 3 of this Appendix D to Schedule 3, including issuing a Non-Compliance Notice and a Major Non-Compliance Notice and determining that a finding by the Access Protocol Independent Expert of material Minor Non-Compliance may include a requirement for a Remedy Plan, as provided in Section 2.2 of this Schedule D to Appendix 3, with the Approval of the Designated Person of the Authority.

(h) The Concession Company will be responsible to pay all costs of the Access Protocol Independent Expert.

1.4 Managing Complaints

(a) The Authority will, when determining, in its discretion, whether to investigate a complaint (whether under Section 10(b) of the Open Access Regime, Section 12(a) of the Open Access Regime or any other provision of the Open Access Regime, or in any other circumstance, including referring suspected Non-Compliance to the Access Dispute Independent Expert) in relation to alleged Non-Compliance with the Open Access Regime, take into account whether the Person making the complaint (**Complainant**) has made other complaints within the last 2 years and the outcome of those complaints.

(b) In addition to Section 1.4(a) of this Appendix D to Schedule 3, the Authority will not investigate a complaint, or refer a complaint to the Access Protocol Independent Expert for investigation, unless the Authority determines (acting reasonably) that the Complainant has:

(1) complied, or otherwise demonstrated it is capable of complying, and has agreed to comply, with applicable Cruise Port Facility access and operating arrangements in accordance with the Open Access Regime, including the Cruise Line Contract, Capacity Allocation Protocol, Access Protocol and the Cruise Piers Utilization Procedures; and

(2) first notified the Concession Company of its complaint, provided all reasonable assistance and cooperation to the Concession Company in seeking to resolve its complaint and allowed a sufficient and reasonable period for the Concession Company to resolve the complaint.

(c) The Authority will require a Complainant to set out its complaint in writing and will provide a copy of any accepted complaint to Concession Company, subject to the Authority removing any information reasonably claimed by the Complainant to be confidential or commercially sensitive.

(d) The Authority will levy an administration fee on the Complainant in order to recover the reasonably incurred costs of the Authority (including any costs of the Access Protocol Independent Expert) in considering a complaint it receives in relation to alleged Non-Compliance with the Open Access Regime. the Authority may, in its discretion, return part, or all, of this administration fee to the Complainant if, after following the procedures set out in the Open Access Regime and this Schedule 3, there is a finding of Non-Compliance in respect of the complaint.

(e) In all cases, the Authority will assess, or request the Access Protocol Independent Expert to assess, any complaint as to alleged Non-Compliance for materiality before initiating any review or requesting any response to the complaint.

2. Minor Non-compliance

2.1 Demerit Points

(a) If Non-Compliance is identified under Section 1.1(g) of this Appendix D to Schedule 3 (and in respect of Non-Compliance under Section 1.1(g)(3) of this Appendix D to Schedule 3 the review period under Section 1.3(a) of this Appendix D to Schedule 3 has expired), the Concession Company will accrue points to the value listed for the relevant Non-Compliance in Attachment 1 (**Demerit Points**), provided that:

(1) where the relevant Non-Compliance is dealt with as a Major Non-Compliance, no Demerit Points shall accrue, except as provided in Table 1 to this Appendix D to Schedule 3;

(2) where a single course of conduct leads to a finding of multiple Non-Compliances, Demerit Points for that conduct will only accrue for the Non-Compliance that incurs the highest Demerit Points;

(3) a finding of Non-Compliance will not accrue any Demerit Points if the Authority or the Access Protocol Independent Expert (as applicable) considers that:

(A) the Concession Company has resolved the complaint in respect of the Non-Compliance, to the satisfaction of the Authority or the Access Protocol Independent Expert (as applicable), prior to a finding of Non-Compliance by the Authority under Section 1.1(g)(3) of this Appendix D to Schedule 3 or an Access Protocol Independent Expert under Section 1.1(g)(4) of this Appendix D to Schedule 3;

(B) the Non-Compliance was materially contributed to or caused by the Non-Compliance of the Complainant with Cruise Piers access and operating procedures under the Open Access Regime; or

(C) the Non-Compliance was due to events or circumstances outside of the reasonable control of the Concession Company and the Concession Company has taken all reasonable actions that a prudent Cruise Piers operator would take to minimize the occurrence and effects of that Non-Compliance.

(b) Where Minor Non-Compliance is reviewed under Section 1.3 of this Appendix D to Schedule 3, Demerit Points will only accrue if the Access Protocol Independent Expert makes a finding that there has been Minor Non-Compliance and the conditions in Section 2.1(a)(1) of this Appendix D to Schedule 3 and Section 2.1(a)(3) of this Appendix D to Schedule 3 have not been satisfied. Where the review involves multiple Non-Compliances that have occurred from a single course of conduct Section 2.1(a)(2) of this Appendix D to Schedule 3 applies.

(c) Demerit Points accrued count towards the totals in Section 2.3(a) of this Appendix D to Schedule 3 from the date the relevant Minor Non-Compliance occurred. Demerit Points will reduce in value by one-third each year, and will expire 3 years, after the date the relevant Minor Non-Compliance occurred.

(d) Where the Concession Company reports Non-Compliance under Sections 1.1(g)(1) or 1.1(g)(2) of this Appendix D to Schedule 3 the Concession Company will accrue Demerit Points listed in the 'Self reporting' column in Attachment 1, provided that:

(1) in respect of Minor Non-Compliance which would otherwise have been identified under Section 1.1(g)(3)(C) of this Appendix D to Schedule 3, it is reported before the commencement of the relevant external audit;

(2) in respect of Minor Non-Compliance which would otherwise have been identified under Section 1.1(g)(3)(D) of this Appendix D to Schedule 3 or Section 1.1(g)(4) of this Appendix D to Schedule 3 it is reported before the independent expert or arbitrator is appointed; and

(3) for all other Non-Compliances, it is reported by the Concession Company or the Approved Operator to the Authority before the Authority issues a notice of suspected Non-Compliance in accordance with Section 1.2(a) of this Appendix D to Schedule 3.

(e) Where Minor Non-Compliance is identified by the Authority or notified to the Authority by a party other than the Concession Company in accordance with Sections 1.1(g)(3) and 1.1(g)(4) of this Appendix D to Schedule 3 the Concession Company will accrue the Demerit Points listed in the 'Identified externally' column of Attachment 1.

(f) The total number of accrued Demerit Points (regardless of whether these relate to Major Non-Compliance, Minor Non-Compliance or Administrative Non-compliance) may be reset to zero if the Concession Company engages an Approved Operator or a current Approved Operator is replaced with another Approved Operator, and if such reset is Approved by the Authority.

(g) Following each review of the Cruise Piers Utilization Procedures or Access Protocol under the Open Access Regime, the Concession Company and the Authority will meet in good faith to determine whether any changes are necessary to the categories of Minor Non-Compliance and the number of Demerit Points that apply to each category. The objectives which must be considered during this negotiation are whether:

(1) the list of Minor Non-Compliance obligations is accurate, complete and appropriate;

(2) the number of Demerit Points for each type of Minor Non-Compliance is appropriate to the severity of the Minor Non-Compliance and consequences; and

(3) the number of Demerit Points for each type of Minor Non-Compliance, and the duration for which Demerit Points remain active is appropriate.

If the Authority and the Concession Company cannot agree in writing, following a review, regarding the necessary changes to the categories of Minor Non-Compliance and the number of Demerit Points that apply to each category, the categories and Demerit Points that were in effect prior to that review commencing will remain in force.

2.2 Remedy Plan

(a) The Authority may issue the Concession Company with a written notice in respect of any finding of material Minor Non-Compliance determined in accordance with Sections 1.1(g) and 1.3 of this Appendix D to Schedule 3 **(Remedy Plan Trigger Notice)**.

(b) A Remedy Plan Trigger Notice must identify the Minor Non-Compliance for which it has been issued.

(c) Unless a finding of Non-Compliance and a recommendation to the Authority for a Remedy Plan is made by the Access Protocol Independent Expert, the Concession Company can include the decision to issue a Remedy Plan Trigger Notice for dispute resolution, as part of a review of the Non-Compliance Notice (described in Section 1.2 of this Appendix D to Schedule 3), and the issuing of all components of that notice shall be dealt with in the one dispute resolution process.

(d) Where there have been at least 3 Remedy Plan Trigger Notices issued within 2 years in respect of material contraventions within the same category of Minor Non-Compliance in table 1 of Attachment 1, the Authority may, at its discretion, include a requirement in the third Remedy Plan Trigger Notice in that category that a plan is provided:

(1) to remedy the Minor Non-Compliances and to prevent future Minor Non-Compliances in that category; or

(2) in the case of Minor Non-Compliance which is not capable of being remedied, to prevent future Minor Non-Compliance in that category,

(each a **Remedy Plan**).

(e) A draft Remedy Plan must be developed within 15 Business Days of receipt of a Remedy Plan Trigger Notice requiring a Remedy Plan. The Remedy Plan must contain:

(1) the steps which the Concession Company will take to rectify the Minor Non-Compliance (if applicable) and prevent future Minor Non-Compliance with the Open Access Regime;

(2) the timeframes for carrying out each step in Section 2.2(e)(1) of this Appendix D to Schedule 3;

(3) the procedure and timeframes for the Concession Company to report to the Authority on its compliance with the Remedy Plan; and

(4) any other information reasonably specified by the Authority in its Remedy Plan Trigger Notice.

(f) If a Non-Compliance requiring a Remedy Plan is reviewed under Section 1.3 of this Appendix D to Schedule 3, the time limit in Section 2.2(e) of this Appendix D to Schedule 3 will be suspended until this review has been completed.

(g) The Authority shall, within 10 Business Days of receipt of a draft Remedy Plan, notify the Concession Company whether it Approves the draft Remedy Plan or whether it requires amendments to be made before Approval is given subject to those amendments being reasonable, consistent with the Open

Access Regime and only as required and necessary to achieve the objectives in Section 1.1 of the Open Access Regime and to achieve compliance with the relevant non-compliance. The Concession Company shall make the amendments requested by the Authority within 10 Business Days of being notified.

(h) The timeframes in Sections 2.2(e) and 2.2(g) of this Appendix D to Schedule 3 may be extended by written agreement between the Authority and Concession Company.

(i) Once the Authority Approves a Remedy Plan, it must be implemented by the Concession Company in accordance with its terms.

(j) The Authority may, in its discretion, by written notice waive any requirement of the Concession Company in an Approved Remedy Plan.

2.3 Consequences of Demerit Points

(a) If the Concession Company accrues the following total numbers of Demerit Points, the relevant consequence will apply:

(1) 40 Demerit Points, the Concession Company will be required to submit Compliance and Performance Reports quarterly for two years from the date the Demerit Point threshold is reached (or until the next Demerit Points threshold is reached);

(2) 80 Demerit Points, the Concession Company will be required to submit its Compliance and Performance Reports quarterly and undertake half-yearly external audits of its compliance under Section 12(d) of the Open Access Regime for two years from the date the Demerit Point threshold is reached (or until the next Demerit Points threshold is reached);

(3) 100 Demerit Points, the Concession Company will be required to submit its Compliance and Performance reports monthly and undertake quarterly external audits of its compliance under Section 12(d) of the Open Access Regime for two years from the date the Demerit Point threshold is reached (or until the next Demerit Points threshold is reached).

3. Major Non-Compliance

(a) The Authority may issue a **Major Non-Compliance Notice** in relation to a Major Non-Compliance.

(b) The Authority may choose at its discretion (acting reasonably) not to issue a Major Non-Compliance Notice if the relevant Major Non Compliance is resolved by the Concession Company in a timely manner.

(c) Where the Authority chooses not to issue a Major Non-Compliance Notice, the Non-Compliance will be a Minor Non-Compliance. The relevant Demerit Points in table 1 of Attachment 1 will accrue in accordance with Section 2.1 of this Appendix D to Schedule 3 and the Authority may choose to issue a Remedy Plan Trigger Notice under Section 2.2(a) of this Appendix D to Schedule 3.

(d) Before a Major Non-Compliance Notice is issued, a draft of the Notice shall be provided to the Concession Company and the Concession Company shall be provided with a reasonable opportunity to make submissions to the Authority as to why the Major Non-Compliance Notice should not be issued.

(e) A Major Non-Compliance Notice shall contain:

(1) a statement specifying, and providing particulars of, the Major Non-Compliance; and

(2) the Authority's reasons in respect of the matters set out in Sections 1.1(e), 1.2(c) and 3(b) of this Appendix D to Schedule 3.

(f) The occurrence of any of the following will trigger a Concession Company Default for the purpose of Section 16.1(a) of this Agreement:

(1) within a period of 1 year, 3 Major Non-Compliance Notices have been issued; or

(2) if when assessed over a period of 2 years, 5 Major Non-Compliance Notices have been issued,

and having regard to the overall compliance of the Concession Company with the open and non-discriminatory access obligations in Sections 2.1(c) and 2.2 of the Open Access Regime and the performance of the Concession Company in meeting the policy objectives in Section 1.1(a) of the Open Access Regime, the Authority determines (acting reasonably) that the Concession Company is persistently not complying with those obligations and satisfying those objectives.

(g) Notwithstanding that a finding by the Authority of Non-Compliance has already been reviewed by an Access Protocol Independent Expert under Section 1.3(a) of this Appendix D to Schedule 3 and that review considered and determined the question of whether the Non-Compliance is major, or an Access Protocol Independent Expert has considered and determined the question of whether the Non-Compliance is major under Section 1.1(g)(4) of this Appendix D to Schedule 3, the Concession Company may refer for dispute resolution under Article 19 of this Agreement (1) the issuance of a Major Non-Compliance Notice and (2) whether a Concession Company Default for the purpose of Section 16.1(a) of this Agreement has been triggered. Concession

Company Default will not be triggered until, in the event of such a dispute, a binding determination to that effect is made in accordance with Article 19 of this Agreement.

4. Administrative Non-compliance

4.1 Administrative non-compliance notice

(a) Where the Authority becomes aware of a suspected Administrative Non-Compliance under Section 1.1(g)(3) of this Appendix D to Schedule 3, it will provide written notice to the Concession Company within 5 Business Days, providing details of the suspected Administrative Non-Compliance. The Authority will provide the Concession Company with a reasonable opportunity to respond and will consider the Concession Company's response.

(b) If after 10 Business Days of receipt of the notice, the Authority, acting reasonably, considers that the Concession Company has not rectified or dealt with the Administrative Non-Compliance, the Authority may seek an Access Protocol Independent Expert direction for the Concession Company to comply with the administrative obligations referred to in Attachment 2.

(c) The Access Protocol Independent Expert may issue a direction to comply with the relevant administrative obligation where it is satisfied, acting reasonably, that the Concession Company has not complied or otherwise rectified or dealt with the Administrative Non-Compliance referred to it under Section 4.1(b) of this Appendix D to Schedule 3.

(d) Non-compliance with an Access Protocol Independent Expert direction to comply will result in the consequences set out in table 2 of Attachment 1.

Reporting requirements

4.2 Compliance and Performance report

(a) The Concession Company will provide the Authority, as part of its annual reporting obligations provided in Schedule 12, a report detailing compliance with the obligations of the Open Access Regime in accordance Section 12(c) of the Open Access Regime no less than 2 months following the end of each Reporting Year (**Compliance and Performance Report**).

(b) The Concession Company will be responsible for paying all the costs of preparing the Compliance and Performance Report.

(c) The Compliance and Performance Report must contain the following information:

(1) details of any deviations from the standard Cruise Line Contract during the relevant period (including identity of the customer, the nature of the changes made to the contract and reasons for those changes);

(2) details and an explanation for any deviations from the Reference Prices or Ancillary Prices made during that year other than in accordance with the non-standard reference pricing methodology;

(3) the information required in the 'Reporting requirement' column in Attachment 3 of this Appendix D to Schedule 3; and

(4) information on any Customer or Access Seeker disputes or complaints recorded in the complaints management system required under Section 10(a) of the Open Access Regime and how each complaint was resolved.

4.3 Publishing obligations

(a) Upon providing the Authority with the Compliance and Performance Report under Section 4.2 of this Appendix D to Schedule 3, the Concession Company will ensure that the information in Attachment 3 for the relevant year which is listed for public reporting is made publicly available, including through internet access.

(b) The Concession Company will ensure that all information which has been made publicly available, including through internet access, under Section 4.3(a) of this Appendix D to Schedule 3 in previous years continues to be publicly available, including through internet access, but such information can be corrected if it is inaccurate.

(c) If the Concession Company believes that certain information required to be published is commercially sensitive, the Concession Company can seek written notice from the Authority waiving the requirements to publish that information under Section 4.3(a) of this Appendix D to Schedule 3.

Attachment 1
TO APPENDIX D TO SCHEDULE 3

Table of Demerit Points

This Attachment contains a summary of the Open Access Regime obligations only and reference must be made to the terms of the Open Access Regime itself in interpreting this Attachment.

Table 1 – Open Access Regime Obligations

Open Access Regime Obligations	Demerit points for Non-Compliance		
	Self reporting	Identified externally	Note
Category – Provision of open and non-discriminatory access, in accordance with the Open Access Regime[1].			
1. Section 2.1(c)(i) of the Open Access Regime: Permit access at the Cruise Piers and the Cruise Pier Buildings, where such access is, or would be, otherwise in accordance with the Open Access Regime.	10	20	
2. Section 2.1(c)(ii) of the Open Access Regime: Not unreasonably discriminate, against any Cruise Line, including Third Party Cruise Lines, to their competitive detriment in favor of an Affiliated Cruise Line or any other Cruise Line in relation to Reference Services and Ancillary Services, or discriminate against any Non-Affiliated Service Provider in favor of any Affiliated Service Provider in connection with the provision of Non-Exclusive Ancillary Services, otherwise than in accordance with the Open Access Regime.	10	20	
3. Section 2.1(c)(iii) of the Open Access Regime: Offer to provide access to Reference Services on published terms, conditions and prices, where such access is, or would be, otherwise in accordance with the Open Access Regime.	10	20	
4. Section 2.2(a) of the Open Access Regime: Not engage in conduct for the purpose of hindering or preventing access by any Cruise Line, where such access is, or would be, otherwise in accordance with the Open Access Regime, and not engage in conduct for the purpose of hindering or preventing the provision of Ancillary Services by any Person other than the Concession Company or an Affiliate, or a Contractor of either, as any such Person is permitted	10	20	

[1]Provision of access in accordance with the Open Access Regime includes access in accordance with the Cruise Line Contract, Capacity Allocation Protocol, Access Protocol, the Cruise Pier Utilization Procedure and provided access is available having regard to the capacity of the Cruise Piers.

Open Access Regime Obligations	Demerit points for Non-Compliance		
	Self reporting	Identified externally	Note
to provide Ancillary Services as provided in Schedule 15.			
Category – Provision of Ancillary Services			
5. Section 3.3(b) and Section 3.3(c) of the Open Access Regime: Make Ancillary Services and prices charged for Ancillary Services available to all Cruise Lines on an equal basis.	5	10	
Category - Access Protocol			
6. Section 5.1(a) of the Open Access Regime: Providing access in accordance with the published Access Protocol.	5	10	
Category – Capacity Allocation			
7. Section 7.1(a) of the Open Access Regime: Allocating Cruise Pier Capacity in accordance with the published Capacity Allocation Protocol.	5	10	
Category – Publication of required documents			
8. Section 4.1(a) of the Open Access Regime: Publishing: a. the Reference Prices; b. a list of the Ancillary Services available at the Cruise Port Facility; c. the standard Cruise Line Contract; d. the Access Protocol; and e. the PUP.	1	2	Per item for each week of Non-Compliance. After every 5 weeks an additional 5 demerit points will be incurred.
9. Sections 6.1 and 6.2 of the Open Access Regime: Making publicly available, including through internet access, the pricing for Reference Services and the pricing principles for Ancillary Services.	1	2	For each week of Non-Compliance. After every 5 weeks an additional 5 demerit points will be incurred.
10. Section 7.1(a) of the Open Access Regime: Publishing the Capacity Allocation Protocol.	1	2	For each week of Non-Compliance. After every 5 weeks an additional 5 demerit points will be incurred.
Category – Protection of Confidential Information			
11. Section 9.1(a) of the Open Access Regime: Keeping confidential any confidential information provided by an Access Seeker in accordance with Section 9 of the Open Access Regime.	10	20	
Category – Complaint and dispute systems			
12. Section 10(a) of the Open Access Regime: Establishing a complaint handling system.	1	2	For each week of Non-Compliance. After every 5 weeks an additional 5 demerit points will be incurred.

Open Access Regime Obligations	Demerit points for Non-Compliance		
	Self reporting	Identified externally	Note
13. Section 10(e): Publishing a dispute resolution procedure for Third Party Operator and Access Seeker disputes.	1	2	For each week of Non-Compliance. After every 5 weeks an additional 5 demerit points will be incurred.
Category – Access Seeker and Third Party Operator Consultation			
14. Section 5.5(b) of the Open Access Regime: Consulting with Customers and Access Seekers when reviewing the Access Protocol.	5	10	
15. Section 8.6(a) of the Open Access Regime: Consulting with Access Seekers when undertaking a review of the PUP in accordance with the procedures in Section 11 of the Open Access Regime.	5	10	
16. Section 12(a) of the Open Access Regime: Adopting the required consultation process.	5	10	

Table 2 – Administrative Obligations

Administrative Obligations	Demerit points for Non-Compliance	
	Points	Note
1. Compliance with an Access Protocol Independent Expert direction to comply with the administrative obligations referred to in Attachment 2 to this Appendix D to Schedule 3.	5	

Attachment 2
TO APPENDIX D TO SCHEDULE 3

Administrative obligations

This Attachment 2 contains a summary of the administrative obligations in the Open Access Regime only and reference must be made to the terms of the Open Access Regime itself in interpreting this Attachment 2.

No.	Administrative obligation
1.	Section 5.3(a) of the Open Access Regime: Reviewing the Access Protocol 2 years after commencement of operation of the terminal and then every 2 years after the completion of the first review.
2.	Section 5.5(b) of the Open Access Regime: Consulting with the Authority when reviewing the Access Protocol.
3.	Section 6.2(a) of the Open Access Regime: Prepare a pricing protocol including a methodology for calculating Ancillary Prices.
4.	Section 6.3 of the Open Access Regime: Obtain the Authority Approval for deviations from Reference Prices.
5.	Section 12(c) of the Open Access Regime: Provide the Authority with an annual compliance report in relation to its open and non-discriminatory access obligations and Access Protocol requirements.
6.	Section 12(f) of the Open Access Regime: Publishing a summary of the annual audit report's conclusions on the Concession Company's website after any confidential information has been removed.

Attachment 3
TO APPENDIX D TO SCHEDULE 3

Reporting obligations

Open Access Regime element	Reporting requirement	Public reporting
Access application process	Applications for contracted berthing windows received and applications satisfied, by number of windows and passengers per annum.	Yes
Cruise Piers utilization	Total Cruise Piers capacity in calls and passengers per annum.	Yes
	Total Cruise Piers throughput in calls and passengers per annum	No
	Percentage Cruise Piers capacity utilization (throughput/capacity)	No
	Total Cruise Piers access provided to Affiliated Cruise Lines by calls and passengers per annum.	No
	Total Cruise Piers access provided to Third Party Cruise Lines by calls and passengers per annum.	No
Pricing	Average price per relevant unit of service actually charged to Affiliated Cruise Lines and each of the other largest 10 (by Cruise Piers volume used) Third Party Cruise Lines for each of the Reference Services.	No
Ancillary Services	List of Ancillary Services provided to Affiliated Cruise Lines and to Third Party Cruise Lines within the reporting period.	Yes

Open Access Regime element	Reporting requirement	Public reporting
Berthing window allocation	Total number of berthing windows requested by Customers and the number allocated per annum.	Yes
	Total number of berthing windows requested by Affiliated Cruise Lines and the number allocated per annum.	No
	Total number of berthing windows requested by Third Party Cruise Lines and the number allocated per annum.	No
Cruise ship access	Total number of Cruise Vessels arriving on time received and departed at the Cruise Piers within the allocated berthing window per annum.	Yes
	Total number of Affiliated Cruise Lines Cruise Vessels arriving on time received and departed at the Cruise Piers within the allocated berthing window per annum.	No
	Total number of Third Party Cruise Lines Cruise Vessels arriving on time received and departed at the Cruise Piers within the allocated berthing window per annum.	No
Disputes	Number of Access Seeker Access Disputes referred to the Access Protocol Independent Expert and proportion determined in the applicant's favor. Number of Customer Access Disputes referred to the Access Protocol Independent Expert and proportion determined in the Customer's favor.	No

SCHEDULE 4

SECTION 9.1 (g) DISCLOSURES REGARDING LITIGATION

None.

SCHEDULE 5

TRANSITION PLAN

SECTION 1. PURPOSE OF THE TRANSITION PLAN

The purpose of this Schedule 5 is to provide the baseline requirements for the transition of the cruise operations from the Authority to the Concession Company.

SECTION 2. TRANSITION PLAN SCHEDULE

The mobilization/transition phase includes the period between the Closing Security Delivery Date and Time of Closing ("Transition Period"). Several of the mobilization and transition period activities will continue throughout the first twelve months of the Term of this Agreement.

The transition plan shall be refined by the Concession Company and the Authority, during the Transition Period, to track progress and reflect additional activities required. Within fourteen (14) days after the Closing Security Delivery Date, the Concession Company shall update the transition plan schedule to reflect the requirements of the specific action plans, listed herein and otherwise necessary to ensure a smooth and adequate transition and completion of action items before Closing.

Within seven (7) days after the Closing Security Delivery Date, the Concession Company shall identify the key transition team leaders, and their responsibilities and contact information (*i.e.*, e-mail address, telephone number, facsimile number, cell phone number, mailing address, etc.). The Concession Company shall establish a transition office within seven (7) days after the Closing Security Delivery Date.

SECTION 3. ACTIONS PLANS FOR TRANSITION PERIOD

For each of the major transition plan activities the Concession Company shall develop a detailed action plan. The requirements may be grouped or consolidated within the appropriate action plans. Such detailed action plans shall address the following activities, as necessary:

A. Employees

- The approach for finalizing the list of all the Authority employees on the payroll which have expressed an interest to be transferred. The plan shall also identify the procedures for transferring the Authority payroll responsibilities to the Concession Company, including the setup of a separate bank account for making all payroll and benefits payments.
    - Define and discuss organization structure, including job descriptions based on Authority's list of employees including position, age, start date; and current approach of providing medical insurance and other benefits

- Authority and the Concession Company to discuss current approach to interaction between cruise port management and Authority senior management: what is done centrally / what is done within current cruise port management?

- The Concession Company shall provide to Authority the identity and resume of the person that shall become Director of Operations or as soon as identified by the Concession Company but no later than ninety (90) days following the Closing Security Delivery Date.

- The Concession Company shall provide to Authority the identity and resumes of the persons that shall hold key management positions as soon as identified by the Concession Company but no later than ninety (90) days following the Closing Security Delivery Date.

- Plan for filling all other positions before and after the Closing Date. The Concession Company shall provide to Authority an updated staffing plan which sets forth its full organizational chart for Concession Company personnel, no later than ninety (90) days following the Closing Security Delivery Date.

- The Concession Company shall update, as necessary, its full organizational chart and submit it to Authority no later than the last day of the Transition Period. The updated organizational chart shall identify the names of the staff hired to occupy those positions as of Time of Closing. The Concession Company shall also provide Authority with the resumes of the Concession Company's staff.

B. Cruise Port Operations

- Elements of operations to be discussed and established, including, without limitations:

    - Key KPIs in addition to passengers and calls including KPIs for service provisions (for example: water consumption, waste collection, use of machinery)

    - Current operating systems and software

    - All existing and required plans (emergency plans, security plan, etc.)

- Transfer of records and information from the Authority and policies for maintaining and sharing records, for audits and otherwise recommended or required.

- Coordination and transition of operation, maintenance, management, repair and replacement of the Cruise Port Facility from the Authority.

- Third party service providers to cruise lines and approvals of Administrative Charges.

- Current access protocol and process of granting access to third-party service providers

- Services rendered to the Cruise Port Facility.
  - Concession Company current outsourcing vs. insourcing strategy
  - Key service providers for main areas (facility management, security, etc.) and
  - Key contract terms
  - Insurance
  - Process and management of provisioning of water, electricity and phone / internet connection and other utilities, and handover of the same
  - Approach to and management of maintenance

- Plan for identifying and executing contracts for services rendered pursuant to expired or cancelled contracts between the Authority and service provider.

- Plan for developing inventories of all assets to be transferred.

- Preparation and delivery of the proposed software systems.

C. Marketing, as well as Media, stakeholder and community engagement

- Plan for public outreach, outreach to Cruise Lines, current service providers in the Cruise Port Facility, handling media inquiries and coordination with Governmental Authorities with respect to the Concession Company plans for the Cruise Port Facility and commencement of its operations as the new concessionaire.

- Approach and key actions regarding public relations and sponsorship

- Overview of other key stakeholder engagement activities (including whether these are managed centrally at Authority or within current cruise port management)

- Coordination with steering committees for (cruise) tourism in Puerto Rico or San Juan, and role of the Authority and action plans for launching engagement with Steering Committee and stakeholder working groups (contemplated in Schedule 15) immediately after the Closing Security Delivery Date, and for medium (first six month) and longer term

- Approach and management of relationship with key governmental agencies

D. Revenue Generation

- Cruise Line interaction / Invoicing
    - Berthing policy
    - Management and monitoring of existing PBAs
    - Role of agents and other Ancillary Services third party providers (handling of berthing requests and invoicing), including Affiliated Service Providers
    - Process of receiving reservations / bookings, current berthing allocation and confirmation (timeline, parties involved, documentation)
    - Invoicing and revenue collection process, provide sample invoices
    - Latest call schedules for 2022 and 2023
- Retail facilities at the cruise port
    - Inventory of existing retail and office rental contracts and key terms as provided in the data room, assignment or amendments to include the Concession Company as party.
    - Invoicing and revenue collection process, sample invoices
    - Approach regarding general charges, electricity and other utilities

E. Accounting/finance. The Authority shall provide:

- Process for handover of records and books relevant for cruise operations
- Accounting and ERP software used, discuss process of taking over or transferring existing records into new Concession Company software systems

F. Regulatory

- Plan to ensure continuous compliance with all regulatory requirements
- Process of management and compliance with regulations
- Documentation regarding compliance with applicable regulation and handover of the same
- Key licenses and certificates, and compliance thereof (for example ISPS compliance certificate)

G. Construction contracts

- Plan for (i) the handing over of the Pier 3 EPIC Repairs Contract and Pier 3 Epic Repairs Project Management Contract and related works; and (ii) coordinating and

handling construction works in connection with the Pier 3 Duty Free Building pursuant to the Development and Lease Agreement AP 16 17 (4) 040 dated as of August 25, 2016, to be assumed by the Concession Company.

H. Others

- Services which continue to be provided by Authority and other Governmental Agencies for an interim period after closing / on an ongoing basis
- Movable assets to be handed over at closing (including inventories) / assets to be removed from Cruise Port Facility before closing
- Interaction with federal agencies and split of responsibilities
- Surveys that are recently completed
- The Concession Company will prepare in joint coordination with the Authority a Return Condition Works Program
- Other plans that the Authority and the Concession Company agree are appropriate.

SECTION 4. FEMA IMPROVEMENTS

The Concession Company acknowledges that (a) the Authority has applied to FEMA for Government Contributions from FEMA's Hazard Mitigation Assistance Program (HMGP) with respect to limited mitigation activities at the Pier 1 Wharf, the Pier 1 Cruise Pier building, Piers 1-4 Walkway, Pan American Pier Buildings, Pan American Piers Wharf, Pier 4 Wharf, the Pier 4 building, and repairs to the parking areas and roads for the Piers 11-12 and 13-14 Uplands, and provided the Concession Company with a list of such improvements (the "FEMA Improvements") and (b) the FEMA Improvements are subject to disapproval or alteration by FEMA. The Parties shall use Reasonable Efforts to obtain and maintain such Government Contributions. During the Transition Period (and beyond, as required), the Parties shall reasonably cooperate to coordinate the implementation of the Initial Investment Projects and the FEMA Improvements with the intention of finding ways to fully implement the FEMA Improvements and fully utilize such Government Contributions, including the Concession Company providing reasonable access to the Authority and its Contractors to the Cruise Piers for construction work. No FEMA Improvement shall require Concession Compensation or any other compensation to the Concession Company, and the Authority and the Concession Company shall negotiate before the end of the Transition Period an adjustment to (i) the Annual Authority Revenue Share pursuant to Section 12 of Schedule 15 and (ii) the Scheduled Completion Dates set forth in Section 7 of Schedule 13 in consideration of the funding and execution of the FEMA Improvements with Government Contributions.

SECTION 5. HUD IMPROVEMENTS

The Concession Company acknowledges that (a) the Authority has begun the application process with the Puerto Rico Department of Housing (PRDOH) for Government Contributions from the U.S. Department of Housing and Urban Development's (HUD) Community Disaster Block Grant – Mitigation (CDBG-MIT) program with respect to improvements to the Piers 11-14 Wharves, which details will be provided to the Concession Company with a list of such improvements (the "HUD Improvements") and (b) the HUD Improvements are subject to disapproval or alteration by PRDOH and HUD. The Parties shall use Reasonable Efforts to obtain such Government Contributions. During the Transition Period (and beyond, as required), the Parties shall reasonably cooperate to coordinate the implementation of the Expansion Investment Projects and the HUD Improvements with the intention of finding ways to fully implement the HUD Improvements and fully utilize such Government Contributions, including the Concession Company providing reasonable access to the Authority and its Contractors to the Cruise Piers for construction work. No HUD Improvement shall require Concession Compensation or any other compensation to the Concession Company.

APPENDIX 1 TO SCHEDULE 6

CLOSING BOND OR GUARANTY DETERMINATION PROCEDURE

1. **Closing Bond Determination Procedure**

1.1 This Appendix 1 to Schedule 6 comprises procedures and requirements to apply to the determination to be made by an expert (the "Closing Bond Expert") prior to any draw on the Closing LOC or the Closing Surety Bond or the Closing Corporate Guaranty, the purpose of which is to determine whether a Closing Bond Default or a Closing Corporate Guaranty Default has occurred (the "Closing Bond or Guaranty Determination").

1.2 The Concession Company shall only be considered to be in default, and a draw:

1.2.1 on the Closing LOC or the Closing Surety Bond be allowed as a result (the "Closing Bond Default"), when:

(i) prior to the earliest of (A) Closing, (B) the Outside Closing Date (as it may be amended pursuant to the terms of the Agreement), and (C) termination of the Agreement under Section 2.4(d)(i) to Section 2.4(d)(vi) of the Agreement, the Concession Company or Surety has withdrawn or attempted to withdraw, or altered or attempted to alter, any part or all of the Closing LOC or the Closing Surety Bond; or

(ii) the Authority has terminated the Agreement pursuant to Section 2.4(d)(iv) because a condition set forth in Section 2.4(b) of the Agreement remains unsatisfied as of the Outside Closing Date (as it may be amended pursuant to the terms of the Agreement) (unless such Section 2.4(b) condition remains unsatisfied solely because a condition set forth in Section 2.4(a) or (c) remains unsatisfied or such condition remains unsatisfied as a result of the occurrence of an event of Force Majeure) and provided that the conditions set forth in Section 2.4(a) of the Agreement have been satisfied (other than any condition (x) the satisfaction of which depends on an action of the Concession Company or the satisfaction of any condition set forth in Section 2.4(b) or Section 2.4(c) of the Agreement; or (y) which has not been satisfied as a result of the Concession Company's failure to comply with the provisions of the Agreement);

1.2.2 on the Closing Corporate Guaranty be allowed as a result (the "Closing Corporate Guaranty Default"), when:

(i) prior to the earliest of (A) Closing, (B) the Outside Closing Date (as it may be amended pursuant to the terms of the Agreement), (C) termination of the Agreement under Section 2.4(d)(i) to Section 2.4(d)(vi) of the Agreement and (D) expiry of this Guaranty under clause 10 therein, the Concession Company or the Guarantor has withdrawn or attempted to withdraw, or altered or attempted to alter, any part or all of the Closing Corporate Guaranty; or

(ii) the Authority has terminated the Agreement pursuant to Section 2.4(d)(iv) thereof because a condition set forth in Section 2.4(b) thereof remains unsatisfied as of the Outside Closing Date (as it may be amended pursuant to the terms of the Agreement) (unless such Section 2.4(b) condition remains unsatisfied solely because a condition set forth in Section 2.4(a) or (c) remains unsatisfied or any such condition remains unsatisfied as a result of the occurrence of an event of Force Majeure) and provided that the conditions in Section 2.4(a) have been satisfied (other than any condition (x) the satisfaction of which depends on an action of the Concession Company or the satisfaction of any condition set forth in Section 2.4(b) or Section 2.4(c); or (y) which has not been satisfied as a result of the Concession Company's failure to comply with the provisions of the Agreement); or

(iii) the Authority has terminated the Agreement pursuant to Section 2.4(d)(vii) thereof and none of the conditions set forth in Section 2.3(d) thereof is in effect on the Outside Closing Security Delivery Date and the Concession Company has not delivered the Cash Deposit, the Closing LOC or the Closing Surety Bond to the Authority on or before the Outside Closing Security Delivery Date.

2. Closing Bond Expert Appointment

2.1 The Parties have agreed that [*Name of the First Closing Bond and Guaranty Expert to be determined by mutual agreement of the Parties sixty (60) days before the Outside Closing Security Delivery Date but not earlier than thirty (30) days after signing of the Agreement*] (the "First Closing Bond and Guaranty Expert") shall act as the Closing Bond Expert.

2.2 If the First Closing Bond and Guaranty Expert dies, retires or is unable for any other reason to continue to act while a Closing Bond or Guaranty Determination is being considered, the Parties have agreed that [*Name of the Second Closing Bond and Guaranty Expert to be determined by mutual agreement of the Parties sixty (60) days before the Outside Closing Security Delivery Date but not earlier than thirty (30) days after signing of the Agreement*] (the "Second Closing Bond

and Guaranty Expert") shall replace him or her as Closing Bond Expert.

2.3 If [*Name of the Second Closing Bond and Guaranty Expert*] dies, retires or is unable for any other reason to continue to act while a Closing Bond or Guaranty Determination is being considered, the Parties have agreed that [*Name of the Third Closing Bond and Guaranty Expert to be determined by mutual agreement of the Parties sixty (60) days before the Outside Closing Security Delivery Date but not earlier than thirty (30) days after signing of the Agreement*] (the "Third Closing Bond and Guaranty Expert") shall replace him or her as Closing Bond Expert.

2.4 No person who has been appointed to act as Closing Bond Expert shall act as adviser to, or become an employee, agent, officer, or member of, or receive any compensation or benefit in any capacity from, either Party or an Affiliate of either Party following such appointment, or take any other part in any proceedings between the Parties arising from or in connection with the Agreement, including as counsel to any such Party.

2.5 No Closing Bond Expert may be a past or present employee or agent of, or consultant or counsel to, or in any other capacity receive any compensation or benefit from either Party or any Affiliate of either Party or have any interest, personal or financial, in any matter relating to the Closing Bond or Guaranty Determination or the Parties themselves.

2.6 Any Closing Bond Expert may be removed and replaced by agreement of both of the Parties.

3. Closing Bond or Guaranty Determination Procedure

3.1 When the Authority considers that a Closing Bond Default or a Closing Corporate Guaranty Default has occurred and wishes as a result to draw on the Closing LOC, the Closing Surety Bond, or the Closing Corporate Guaranty, as applicable, it shall serve a notice through a certified mail (with return receipt) on the Concession Company and the First Closing Bond and Guaranty Expert in accordance with the notification requirements of the Closing Bond and the Closing Corporate Guaranty, as applicable (the "Closing Bond or Guaranty Draw Notice").

3.2 Immediately following receipt of the Closing Bond or Guaranty Draw Notice, the First Closing Bond and Guaranty Expert shall notify its availability or unavailability to the Parties through a certified letter (with return receipt). If the First Closing Bond and Guaranty Expert is unavailable, the Parties shall immediately refer the Closing Bond or Guaranty Draw Notice to the Second Closing Bond and Guaranty Expert. The aforementioned procedure shall apply *mutatis mutandis* in the event the Second Closing Bond and Guaranty Expert would be

unavailable. If the Closing Bond Expert confirms its availability (the "Closing Bond Expert Availability Confirmation"), he/she shall immediately start working on the Closing Bond or Guaranty Determination.

3.3 The Closing Bond or Guaranty Draw Notice shall state the grounds on the basis of which the Authority considers that a Closing Bond Default or a Closing Corporate Guaranty Default has occurred. The Closing Bond Expert shall make the Closing Bond or Guaranty Determination on the basis of the grounds the Authority is claiming a Closing Bond Default or Closing Corporate Guaranty Default has occurred.

3.4 The Parties may appoint counsel or other professional advisers to advise and represent them in relation to the Closing Bond or Guaranty Determination.

3.5 The Closing Bond Expert shall be responsible for the proper and expeditious conduct of the Closing Bond or Guaranty Determination procedure.

3.6 The Closing Bond Expert shall act impartially.

3.7 The Closing Bond Expert shall proceed within as short a time as possible to establish the facts required by all appropriate means. To establish the facts, the Closing Bond Expert shall have all power to obtain any evidence he or she may deem necessary. To that extent, the Closing Bond Expert may in particular:

(i) order any Party to make any documents, goods, samples, property, site or thing under its control available for inspection by the Closing Bond Expert, any other Party, or any expert to such Party;

(ii) order any Party to produce to the Closing Bond Expert and to other parties documents or copies of documents in their possession, custody or power which the Closing Bond Expert decides to be relevant;

(iii) decide to hear any of the Party, witnesses, experts or any other person, in the presence of the Parties, or in their absence provided they have been duly summoned; or

(iv) decide whether or not to apply any strict rules of evidence (or any other rules) as to the admissibility, relevance or weight of any material tendered by a Party on any issue of fact or expert opinion and to decide the time, manner and form in which such material should be exchanged between the Parties and presented to the Closing Bond Expert.

3.8 The Closing Bond Expert shall have the power to open up, review and revise any opinion, certificate, instruction, determination or decision of whatever nature given or made under the Agreement.

3.9 The Closing Bond Expert may hear the Parties or decide the case solely on the documents submitted by the Parties.

3.10 In the event a hearing is to be held, such hearing shall take place no later than twenty (20) days following the date of the Closing Bond Expert Availability Confirmation. The Closing Bond Expert, giving reasonable notice, shall summon the Parties to appear for the hearing on the day and at the place fixed by it. The hearing shall not last more than five (5) Business Days.

3.11 The place of any hearings for the Closing Bond or Guaranty Determination shall be San Juan, Puerto Rico.

3.12 Each Party shall be allowed to submit written representations and/or evidence to the Closing Bond Expert, with copies to the other Party, but in any event such representations and/or evidence shall be submitted by the Parties no later than seven (7) Business Days prior to the date fixed for the Closing Bond or Guaranty Determination (as per paragraph 3.13 of this Appendix 1 to Schedule 6) or, as the case may be, the hearing (as per paragraph 3.10 of this Appendix 1 to Schedule 6). In the case of responding to any request of the Closing Bond Expert, the Parties shall submit written representations and/or evidence within such time period for response specified by the Closing Bond Expert in such request.

3.13 Within five (5) Business Days from the end of the hearing or, at the latest within thirty (30) days from the date of the Closing Bond Expert Availability Confirmation, the Closing Bond Expert shall deliver to both Parties its Closing Bond or Guaranty Determination. This time period may be extended by the Closing Bond Expert for reasonable cause, after consultation with the Parties, or by the agreement of the Parties.

3.14 In the event the Closing Bond Expert considers that a Closing Bond Default or Closing Corporate Guaranty Default has occurred, the Closing Bond or Guaranty Determination shall explicitly state as a minimum:

3.14.1 In the case of a Closing Bond Default:

(i) in the event of a Closing Bond Default under paragraph 1.2.1(i) of this Appendix 1 to Schedule 6, that prior to the earliest of (A) Closing, (B) the Outside Closing Date (as it may be amended pursuant to the terms of the Agreement) or (C) termination of the Agreement under Section 2.4(d)(i) to Section 2.4(d)(vi) of the Agreement, the Concession Company or the Surety has either:

(a) withdrawn any part or all of the Closing LOC or the Closing Surety Bond; or

(b) attempted to withdraw any part or all of the Closing LOC or the Closing Surety Bond; or

(c) altered any part or all of the Closing LOC or the Closing Surety Bond; or

(d) attempted to alter any part or all of the Closing LOC or the Closing Surety Bond; or

(ii) in the event of a Closing Bond Default under paragraph 1.2.1(ii) of this Appendix 1 to Schedule 6:

(a) that a condition set forth in Section 2.4(b) of the Agreement remained unsatisfied as of the Outside Closing Date (as it may be amended pursuant to the terms of the Agreement);

(b) that such condition set forth in Section 2.4(b) did not remain unsatisfied solely because a condition set forth in Section 2.4(a) or (c) remained unsatisfied or that such condition did not remain unsatisfied as a result of the occurrence of an event of Force Majeure; and

(c) that the conditions set forth in Section 2.4(a) had been satisfied (other than any condition (x) the satisfaction of which depended on an action of the Concession Company or the satisfaction of any condition set forth in Section 2.4(b) or Section 2.4(c) of the Agreement, or (y) which had not been satisfied as a result of the Concession Company's failure to comply with the provisions of the Agreement).

3.14.2 In the case of a Closing Corporate Guaranty Default:

(i) in the event of a Closing Corporate Guaranty Default under paragraph 1.2.2(i) of this Appendix 1 to Schedule 6 that, prior to the earliest of (A) Closing, (B) the Outside Closing Date (as it may be amended pursuant to the terms of the Agreement) or (C) termination of the Agreement under Section 2.4(d)(i) to Section 2.4(d)(vi) of the Agreement and (D) expiry of this Guaranty under clause 10 thereof, the Concession Company or the Guarantor has either:

(a) withdrawn any part or all of this Closing Corporate Guaranty; or

(b) attempted to withdraw any part or all of this Closing Corporate Guaranty; or

(c) altered any part or all of of this Closing Corporate Guaranty; or

(d) attempted to alter any part or all of of this Closing Corporate Guaranty.

(ii) in the event of a Closing Corporate Guaranty Default under paragraph 1.2.2(ii) of this Appendix 1 to Schedule 6:

(a) that a condition set forth in Section 2.4(b) of the Agreement remained unsatisfied as of the Outside Closing Date (as it may be amended pursuant to the terms of the Agreement);

(b) that such condition set forth in Section 2.4(b) of the Agreement did not remain unsatisfied solely because a condition set forth in Section 2.4(a) or (c) remained unsatisfied or such condition did not remain unsatisfied as a result of the occurrence of an event of Force Majeure; and

(c) that the conditions set forth in Section 2.4(a) of the Agreement had been satisfied (other than any condition (x) the satisfaction of which depended on an action of the Concession Company or the satisfaction of any condition set forth in Section 2.4(b) or Section 2.4(c) of the Agreement; or (y) which had not been satisfied as a result of the Concession Company's failure to comply with the provisions of the Agreement).

(iii) in the event of a Closing Corporate Guaranty Default under paragraph 1.2.2(iii) of this Appendix 1 to Schedule 6, that none of the conditions set forth in Section 2.3(d) of the Agreement is in effect on the Outside Closing Security Delivery Date and the Concession Company has not delivered the Cash Deposit, the Closing LOC or the Closing Surety Bond to the Authority on or before the Outside Closing Security Delivery Date.

3.15 In the event the Closing Bond Expert considers that no Closing Bond Default or no Closing Corporate Guaranty Default, as applicable, has occurred, the Closing Bond or Guaranty Determination shall explicitly state that no Closing Bond Default or Closing Corporate Guaranty Default, as applicable, has occurred.

3.16 The Closing Bond Expert shall give in any event written reasons for its determination.

3.17 The Closing Bond or Guaranty Determination shall be binding on both Parties who shall forthwith give effect to the determination.

3.18 Any Party may challenge the Closing Bond or Guaranty Determination within fifteen (15) Business Days from issuance. Such

challenge shall be considered a Technical Dispute and shall be resolved in accordance with the procedure set forth under Section 19.4 of the Agreement.

3.19 The Closing Bond Expert shall not be liable for anything done or omitted in the discharge of his or her functions unless the act or omission is fraudulent or in bad faith.

3.20 The Closing Bond or Guaranty Determination and all proceedings, documentation and determinations in relation to that procedure are to be in English. However, if the Closing Bond Expert is fluent in English and Spanish, either language may be used as agreed by the Parties or as determined by the Closing Bond Expert. Under such circumstances, (i) if the Closing Bond or Guaranty Determination process is conducted in English, the Parties may rely on documents in Spanish without the need to provide an English language translation; and (ii) if a hearing is conducted, witnesses may testify in Spanish without the need to provide a simultaneous translation to English; provided that a Party may, at its own expense, provide for such simultaneous translation.

3.21 The reasonable costs of the Closing Bond or Guaranty Determination process shall be borne by the Concession Company, to the extent the Closing Bond Expert determines that a Closing Bond Default or Closing Corporate Guaranty Default has occurred, and by the Authority, to the extent that the Closing Bond Expert determines that no Closing Bond Default or Closing Corporate Guaranty Default has occurred. As the case may be, any retainer fee for the Closing Bond Experts shall be initially borne equally by the Parties but, at the end of the proceeding, borne by the Party that ultimately retains the obligation to pay the reasonable costs of the Closing Bond or Guaranty Determination, reimbursing such Party the retainer fee advanced by the other Party.

SCHEDULE 6

CLOSING BOND FORM

[ISSUING ENTITY LETTERHEAD]

As of [*date of effectiveness of Closing Bond*]

To: **Puerto Rico Ports Authority** (the "**Authority**")

Calle Lindbergh 64
Antigua Base Naval Miramar
San Juan, PR 00907
PUERTO RICO

Re: **San Juan Bay Cruise Terminals - PPP Contract - Closing Surety Bond**

Bond number [-] (the "**Bond**")

1. Whereas San Juan Cruise Port LLC, a limited liability company established under the laws of the Commonwealth of Puerto Rico (the "**Concession Company**") has entered into the San Juan Bay Cruise Terminals Public-Private Partnership Agreement with the Authority on [*date*] (the "**PPP Contract**") to repair, design, build, finance, operate and maintain the San Juan Bay Cruise Terminals in Puerto Rico (the "**Project**"). **Except where otherwise defined herein, capitalized terms used in this Bond shall have the meaning ascribed to such terms in the PPP Contract.**

2. We [Issuing Entity] (the "**Surety**") hereby irrevocably guarantee to the Authority the due and punctual performance by the Concession Company of the Concession Company's obligations arising through Closing under the relevant provisions of the PPP Contract and, in the event of a Default (as defined in Clause 3 below) in respect of the same, the Surety shall, subject to the provisions of this Guarantee, pay to the Authority the amount of **ten million US Dollars (US$ 10 million)** (the "**Guaranteed Amount**") upon written demand by the Authority stating that a Default (defined below) has occurred.

3. The Concession Company shall only be considered to be in default ("**Default**") if any of the following circumstances occurs:

   (i) Prior to the earliest of (A) Closing, (B) the Outside Closing Date (as it may be amended pursuant to the terms of the PPP Contract), and (C) termination of the PPP Contract under Section 2.4(d)(i) to Section 2.4(d)(vi) of the PPP Contract, the Concession Company or the Surety has withdrawn or attempted to withdraw, or altered or attempted to alter, any part or all of the Bond.

   (ii) The Authority has terminated the PPP Contract pursuant to Section 2.4(d)(iv) thereof because a condition set forth in Section 2.4(b) thereof remains unsatisfied as of the Outside Closing Date (as it may be amended pursuant to the terms of the PPP Contract) (unless such Section 2.4(b) condition remains unsatisfied solely because a condition set forth in Section 2.4(a) or (c) remains unsatisfied or any such condition remains unsatisfied as a

result of the occurrence of an event of Force Majeure) and provided that the conditions in Section 2.4(a) have been satisfied (other than any condition (x) the satisfaction of which depends on an action of the Concession Company or the satisfaction of any condition set forth in Section 2.4(b) or Section 2.4(c); or (y) which has not been satisfied as a result of the Concession Company's failure to comply with the provisions of the PPP Contract).

4. Any demand under this Bond must be served on the Surety in writing and shall be accompanied by:

(i) in the event of a Default under clause 3(i) above, the original decision issued by the expert appointed under the fast-track Closing Bond or Guaranty Determination Procedure set forth under Appendix 1 of Schedule 6 of the PPP Contract (the **"Expert"**) or a certified copy thereof by such Expert or by the Independent Expert or Technical Dispute Panel under a Technical Dispute, if the Expert's decision was challenged pursuant to Section 3.18 of the Closing Bond or Guaranty Determination Procedure and became final (the **"Decision"**), shall state as a minimum that, prior to the earliest of (A) Closing, (B) the Outside Closing Date (as it may be amended pursuant to the terms of the PPP Contract) or (C) termination of the PPP Contract under Section 2.4(d)(i) to Section 2.4(d)(vi) of the PPP Contract, the Concession Company or Surety has either:

(a) withdrawn any or all part of the Bond; or

(b) attempted to withdraw any or all part of the Bond; or

(c) altered any or all part of the Bond; or

(d) attempted to alter any or all part of the Bond;

(ii) in the event of a Default under 3(ii) above, the Decision, which shall state as minimum that:

(a) a condition set forth in Section 2.4(b) of the PPP Contract remains unsatisfied as of the Outside Closing Date (as it may be amended pursuant to the terms of the PPP Contract);

(b) such condition set forth in Section 2.4(b) of the PPP Contract does not remain unsatisfied solely because a condition set forth in Section 2.4(a) or (c) remains unsatisfied or such condition does not remain unsatisfied as a result of the occurrence of an event of Force Majeure; and

(c) the conditions set forth in Section 2.4(a) of the PPP Contract have been satisfied (other than any condition (x) the satisfaction of which depends on an action of the Concession Company or the satisfaction of any condition set forth in Section 2.4(b) or Section 2.4(c) of the PPP Contract; or (y) which has not been satisfied as a result of the Concession Company's failure to comply with the provisions of the PPP Contract);

and

(iii) a written notification from the Executive Director of the Authority or his/her delegate:

(a) stating that a Default has occurred and the PPP Contract has been terminated and the Authority is calling upon this Bond, and

(b) attaching an original or certified copy of the decision from the Expert sustaining the basis for the Authority's action.

5. Without prejudice to Clause 4 above:

   (a) the Authority shall not be obliged to pursue any means of recourse against the Concession Company before being entitled to enforce this Bond against the Surety; and

   (b) the Authority shall have the right to proceed first and directly against the Surety under this Bond and without proceedings against the Concession Company or exhausting any other remedies against the Concession Company which the Authority may have.

6. Any payments made upon the Authority's request shall be made net and free of and without any present or future deductions such as for the payment of any taxes, executions, duties, expenses, fees, deductions or retentions regardless of the nature thereof or the authority levying the same. Any payment shall be made in US dollars.

7. The undertakings under this Bond constitute direct and irrevocable undertakings on the Surety's part. The Surety shall not be discharged or released from any liability under this Bond by:

   (i) any alteration of the terms of the PPP Contract;

   (ii) any forbearance, forgiveness, concession, arrangement or other indulgence in respect of any matter or thing concerning the PPP Contract;

   (iii) any insolvency of the Concession Company; or

   (iv) any other act, event or omission which in the absence of this provision would or might have that effect except a discharge or amendment of this Bond expressly made or agreed by the Authority in writing;

   and no allowance of time by the Authority under or in respect of the PPP Contract requirements shall in any way release, reduce or affect the liability of the Surety under this Bond.

8. This Bond shall remain valid and binding on the Surety from the date hereof and shall automatically expire upon the occurrence of the earliest of the following:

   (i) the date on which the Guaranteed Amount has been paid under this Bond; or

   (ii) the date on which Closing has been achieved under the PPP Contract; or

   (iii) the date on which the PPP Contract is terminated pursuant to Section 2.4(d)(i) to Section 2.4(d)(vi) of the PPP Contract other than where such termination constitutes a Default under Clause 3 above; or

   (iv) in any case, on the 30th day after the Outside Closing Date (as it may be amended pursuant to the terms of the PPP Contract), unless within such thirty (30) day period the Authority mails a notice through certified mail (with return receipt) to the Concession Company and the Expert postmarked or received before such 30th day, with copy to the Surety, requesting the Expert to make a determination of Default pursuant to Clause 3 above upon which notice to the Expert and the Concession Company, with copy to the Surety, the expiration shall extend until a final and unappealable decision by the Expert, the Technical Dispute Panel or Independent Expert

(under Section 19.4 of the PPP Contract), or a Commonwealth Court (pursuant to 19.4(b)(iv)) is made and notified to the Concession Company, the Authority and the Surety, and payments are made to the Authority if the final and unappealable decision is favorable to the Authority, which payments shall be made no later than twenty (20) days from such final and unappealable decision.

9. Whether or not this Bond shall be returned to the Surety, the obligations of the Surety under this Bond shall be released and discharged absolutely upon expiry (as defined in Clause 8 above) save in respect of any Default which has been claimed by the Authority to have occurred and in respect of which a final and unappealable determination has not been made and notified to us.

10. This Bond and any dispute or claim arising out of, or in connection with, it or its subject matter or formation (including non-contractual disputes or claims) shall be governed by, and construed in accordance with the laws of the Commonwealth of Puerto Rico. The Commonwealth Courts shall have exclusive jurisdiction to settle any dispute arising from or connected with this Bond.

    This Clause 10 shall survive the expiration or termination of this Bond.

11. Other than notices given pursuant to Section 8(iv) above, which shall be governed by the specific terms thereof, all notices or communications to be delivered in connection with this Bond shall be deemed to have been properly delivered, given and received (i) on the date of delivery if delivered by hand during normal business hours of the recipient during a Business Day and, if not on a Business Day, then on the next following Business Day, or (ii) on the date of receipt by the addressee if sent by a nationally recognized overnight courier or by registered or certified mail, return receipt requested, if received on a Business Day and, if not on a Business Day then on the next following Business Day. Such notices or other communications must be sent to each respective Party at the address set forth below (or at such other address as shall be specified by a Party in a notice given in accordance with this clause 11):

    (a) In the case of Surety:

    Address: [•]

    Marked for the attention of: [•]

    (b) In the case of the Authority:

    Puerto Rico Ports Authority

    Calle Lindbergh 64
    Antigua Base Naval Miramar
    San Juan, PR 00907
    Marked to the attention of: Executive Director and General Counsel

    With copy to:
    Puerto Rico Public Private Partnership Authority
    PO Box 42001 San Juan, PR 00940-2001
    Marked for the attention of: Executive Director

[ISSUING ENTITY]
[Authorised Signatory]

SCHEDULE 6-A

CLOSING CORPORATE GUARANTY

[GPH, LETTERHEAD]

Date: [ ]

To: **Puerto Rico Ports Authority** (the "**Authority**")

Calle Lindbergh 64
Antigua Base Naval Miramar
San Juan, PR 00907

Re: San Juan Cruise Terminal Project Closing Corporate Guaranty ("**Guaranty**")

Global Ports Holding plc, a company incorporated under the laws of England and Wales with registered number 10629250, whose registered address is at 3rd Floor, 34 Brook Street, London W1K 5DN, United Kingdom (hereinafter referred to as "**Guarantor**");

1. Whereas San Juan Cruise Port LLC, a limited liability company established under the laws of the Commonwealth of Puerto Rico (the "**Concession Company**"), has entered into the San Juan Bay Cruise Terminals Public-Private Partnership Agreement with the Authority on the date hereof (the "**PPP Contract**") to repair, design, build, finance, operate and maintain the San Juan Bay Cruise Terminals in Puerto Rico (the "**Project**"). **Except where otherwise defined herein, capitalized terms used in this Guaranty shall have the meaning ascribed to such terms in the PPP Contract.**

2. Whereas pursuant to Section 2.3(a) of the PPP Contract, the Concession Company is required to provide this Guaranty from the Guarantor in favor of the Authority without which Guaranty the Authority will not enter into the PPP Contract.

3. Whereas, (i) the Guarantor indirectly owns 100% of the equity interests of the Concession Company; and (ii) to induce the execution and delivery of the PPP Contract and in consideration of the due and punctual performance by the Concession Company of the Concession Company's obligations under the relevant provisions of the PPP Contract, including the requirements of Section 2.4(b) of the PPP Contract regarding the obligations of the Concession Company to satisfy certain conditions precedent to Closing, the undersigned Guarantor, hereby irrevocably undertakes to pay to the Authority, in the event of a Default (as defined in clause 4 below) by the Concession Company, and subject to the provisions of this Guaranty, such amount as is specified in the PPP Contract in respect of such Default up to a maximum of **ten million US Dollars (US $10,000,000)** (the "**Guaranteed Amount**") upon written demand by the Authority, as liquidated damages for such Default pursuant to clause 4 below.

4. The Concession Company shall only be considered to be in default ("**Default**") if any of the following circumstances occurs:

   (i) Prior to the earliest of (A) Closing, (B) the Outside Closing Date (as it may be amended pursuant to the terms of the PPP Contract), (C) termination of the PPP Contract under Section 2.4(d)(i) to Section 2.4(d)(vi) of the PPP Contract and (D) expiry of this Guaranty under clause 10 below, the Concession Company or the Guarantor has withdrawn or attempted to withdraw, or altered or attempted to alter, any part or all of this Guaranty; or

   (ii) The Authority has terminated the PPP Contract pursuant to Section 2.4(d)(iv) thereof because a condition set forth in Section 2.4(b) thereof remains unsatisfied as of the Outside Closing Date (as it may be amended pursuant to the terms of the PPP Contract) (unless such Section 2.4(b) condition remains unsatisfied solely because a condition set forth in Section 2.4(a) or (c) remains unsatisfied or any such condition remains unsatisfied as a result of the occurrence of an event of Force Majeure) and provided that the conditions in Section 2.4(a) have been satisfied (other than any condition (x) the satisfaction of which depends on an action of the Concession Company or the satisfaction of any condition set forth in Section 2.4(b) or Section 2.4(c); or (y) which has not been satisfied as a result of the Concession Company's failure to comply with the provisions of the PPP Contract); or

   (iii) The Authority has terminated the PPP Contract pursuant to Section 2.4(d)(vii) thereof and none of the conditions set forth in Section 2.3(d) thereof is in effect on the Outside Closing Security Delivery Date and the Concession Company has not delivered the Cash Deposit, the Closing LOC or the Closing Surety Bond to the Authority on or before the Outside Closing Security Delivery Date.

5. Any demand under this Guaranty must be served on us in writing specifying the relevant amount and including:

   (i) in the event of a Default under clause 4(i) above, a written notification from the Executive Director of the Authority or his/her delegate stating that the PPP Contract has been terminated and the Authority is calling upon this Guaranty and the original decision issued by the expert appointed under the fast-track determination procedure set forth under Appendix 1 of Schedule 6-A of the PPP Contract (the "**Expert**") or a certified copy thereof by such Expert or by the Independent Expert or Technical Dispute Panel under a Technical Dispute, if the Expert's decision was challenged pursuant to Section 3.18 of the Closing Bond or Guaranty Determination Procedure and became final (the "**Decision**"), shall state as a minimum that, prior to the earliest of (A) Closing, (B) the Outside Closing Date (as it may be amended pursuant to the terms of the PPP Contract) or (C) termination of the PPP Contract under Section 2.4(d)(i) to Section 2.4(d)(vi) of the PPP Contract and (D) expiry of this Guaranty under clause 10 below, the Concession Company or the Guarantor has either:

      a. withdrawn any or all part of this Guaranty; or
      b. attempted to withdraw any or all part of this Guaranty; or
      c. altered any or all part of this Guaranty; or
      d. attempted to alter any or all part of this Guaranty;

(ii) in the event of a Default under clause 4(ii) above, a written notification from the Executive Director of the Authority or his/her delegate stating that the PPP Contract has been terminated and the Authority is calling upon this Guaranty and the Decision, which shall state as minimum that:

a. a condition set forth in Section 2.4(b) of the PPP Contract remains unsatisfied as of the Outside Closing Date (as it may be amended pursuant to the terms of the PPP Contract);
b. such condition set forth in Section 2.4(b) of the PPP Contract does not remain unsatisfied solely because a condition set forth in Section 2.4(a) or (c) remains unsatisfied or such condition does not remain unsatisfied as a result of the occurrence of an event of Force Majeure; and
c. the conditions set forth in Section 2.4(a) of the PPP Contract have been satisfied (other than any condition (x) the satisfaction of which depends on an action of the Concession Company or the satisfaction of any condition set forth in Section 2.4(b) or Section 2.4(c) of the PPP Contract; or (y) which has not been satisfied as a result of the Concession Company's failure to comply with the provisions of the PPP Contract).

(iii) in the case of a Default under clause 4(iii) above, a written notification from the Executive Director of the Authority or his/her delegate stating that the PPP Contract has been terminated and the Authority is calling upon this Guaranty, and the Decision which shall state that none of the conditions set forth in Section 2.3(d) of the PPP Contract is in effect on the Outside Closing Security Delivery Date and the Concession Company has not delivered the Cash Deposit, the Closing LOC or the Closing Surety Bond to the Authority on or before the Outside Closing Security Delivery Date.

6. Any payments made upon the Authority's request shall be made net and free of and without any present or future deductions such as for the payment of any taxes, executions, duties, expenses, fees, deductions or retentions regardless of the nature thereof or the authority levying the same, and if we are compelled by law to make any such deduction from any sum payable under this Guaranty, the sum so payable by us shall be increased so as to result in the receipt by you of a net amount equal to the full amount expressed to be payable under this Guaranty. Any payment shall be made in US dollars.

7. The undertakings under this Guaranty constitute the absolute, direct and irrevocable undertakings of the Guarantor. The obligations of the Guarantor hereunder shall not be subject to any counterclaim, set-off, deduction or defense (other than full and strict compliance with, or release, discharge or satisfaction of, such obligations) based on any claim that the Guarantor may have against Concession Company or any other person. Without limiting the foregoing, the obligations of the Guarantor shall not be discharged or released or in any way modified or conditioned by reason of any of the following (whether with or without notice to, knowledge by, or further consent of, the Guarantor):

(i) any alteration of the terms of the PPP Contract; any allowance of time or waiver by the Authority under or in respect of the PPP Contract;

(ii) the voluntary or involuntary liquidation, dissolution, sale or other disposition of all or substantially all the assets, marshaling of assets and liabilities, receivership, insolvency,

bankruptcy, assignment for the benefit of creditors, reorganization, moratorium, arrangement, composition with creditors or readjustment of, or other similar proceedings against or affecting the Concession Company or the Guarantor, or any of the property of either of them, or any allegation or contest of the validity of this Guaranty with respect to the Guarantor or the PPP Contract in any such proceeding (it being specifically understood, consented and agreed to, to the extent permitted by Law, that this Guaranty shall remain and continue in full force and effect and shall be enforceable against the Guarantor to the same extent and with the same force and effect as if any such proceeding had not been instituted and as if no rejection, stay, termination, assumption or modification has occurred as a result thereof, it being the intent and purpose of this Guaranty that the Guarantor shall and does hereby waive all rights and benefits which might accrue to it by reason of any such proceeding;

(iii) any sale or other transfer by the Guarantor or any of its Affiliates of any of the capital stock or other interest of the Guarantor or any Affiliate in the Concession Company now or hereafter owned, directly or indirectly, by the Guarantor or any Affiliate, or any change in composition of the interests in the Concession Company;

(iv) any failure on the part of Concession Company for any reason to perform or comply with any agreement or obligation with the Guarantor, including that the Guarantor shall subordinate its rights against the Concession Company hereunder or under the PPP Contract to the full performance and discharge by the Guarantor of its obligations hereunder;

(v) the failure on the part of Concession Company to provide any notice to the Guarantor which is not required to be given to the Guarantor pursuant to this Guaranty;

(vi) any legal disability or incapacity of the Concession Company with respect to the PPP Contract; or

(vii) the fact that entering into the PPP Contract by the Concession Company was invalid or in excess of the powers of such party.

8. Also, the Authority shall have the right to proceed first and directly against the Guarantor under this Guaranty and without proceeding against the Concession Company or exhausting any other remedies against the Concession Company. Without limiting the foregoing, the Guarantor agrees that it shall not be necessary, and that the Guarantor shall not be entitled to require, as a condition of enforcing the liability of the Guarantor hereunder, that the Authority do any of the following:

(i) file suit or proceed to obtain a personal judgment against the Concession Company or any other person that may be liable for the obligations of the Concession Company;

(ii) make any other effort to obtain payment or performance from the Concession Company; or

(iii) exercise any other right or remedy to which the Authority is or may be entitled in connection with the obligations of the Concession Company.

9. This Guaranty shall remain valid and binding on us from the date hereof to the expiry of the Guaranty under clause 10 below.

10. This Guaranty shall expire upon the earliest to occur of the following:

(i) the date on which the Cash Deposit, the Closing LOC or the Closing Surety Bond, or a combination of the foregoing, has been delivered to the Authority under Section 2.3(a) of the PPP Contract, and the effective date of the Closing LOC or the Closing Surety Bond, or both, as applicable, has been reached; or

(ii) the date on which the Guaranteed Amount has been paid under this Guaranty in respect of a Default described in clause 4(i) or (ii) above; or

(iii) the date on which the amount of one million US Dollars (US $1,000,000) has been paid pursuant to Section 2.4(e)(iv) of the PPP Contract in respect of the Default described in clause 4(iii) above; or

(iv) the date on which Closing has been achieved under the PPP Contract; or

(v) the date on which the PPP Contract is terminated pursuant to Section 2.4(d)(i) to Section 2.4(d)(vi) of the PPP Contract other than where such termination constitutes a Default under clause 4 above; or

in any case, no later than thirty (30) days after the Outside Closing Date (as it may be amended pursuant to the terms of the PPP Contract), unless within such thirty (30) day period the Authority delivers or mails a notice by certified mail (with return receipt) to the Guarantor, the Concession Company and the Expert which is postmarked or received before such 30th day requesting the Expert to make a determination of Default pursuant to clause 4(i) or 4(ii) above, upon which notice to the Guarantor, the Concession Company and the Expert, the expiration shall extend until a final and unappealable decision by the Expert, the Technical Dispute Panel or Independent Expert (under Section 19.4 of the PPP Contract), or a Commonwealth Court (pursuant to 19.4(b)(iv)), is made and notified to the Authority, the Concession Company and the Guarantor, and payments are made to the Authority if the final and unappealable decision is favorable to the Authority, which payments shall be made no later than twenty (20) days from such final and unappealable decision.

11. Whether or not this Guaranty shall be returned to us, our obligations under this Guaranty shall be released and discharged absolutely upon expiry (as set out and upon completion of the conditions set forth in clause 10 above).

12. The Authority and the Guarantor may not assign or transfer all or any part of their respective rights and obligations hereunder without the prior written consent of the Guarantor in the case of a transfer by the Authority, and of the Authority in the case of a transfer by the Guarantor.

13. This Guaranty and any dispute or claim arising out of, or in connection with, it or its subject matter or formation (including non-contractual disputes or claims) shall be governed by, and construed in accordance with, the laws of the Commonwealth of Puerto Rico. The Commonwealth Courts shall have exclusive jurisdiction to settle any dispute arising from or connected with this Guaranty.

This clause 13 shall survive the expiration or termination of this Guaranty.

14. Other than notices given pursuant to Section 10(v) above, which shall be governed by the specific terms thereof, all notices or communications to be delivered in connection with this Guaranty shall be deemed to have been properly delivered, given and received (i) on the date of delivery if delivered by hand during normal business hours of the recipient during a Business Day, and if not on a Business Day, then on the next following Business Day; or (ii) on the date of receipt by the addressee if sent by a nationally recognized overnight courier or by registered or certified mail, return receipt requested, if received on a Business Day, and if not on a Business Day, then on the next following Business Day. Such notices or other communications must be sent to each respective Party at the address set forth below (or at such other address as shall be specified by a Party in a notice given in accordance with this clause 14):

(i) *In the case of the Guarantor:*

- **GPH:**

  Address: 3rd Floor, 34 Brook Street London W1K 5DN, United Kingdom
  Marked for the attention of: Jan Fomferra

(ii) *In the case of the Authority:*

Puerto Rico Ports Authority
Calle Lindbergh 64
Antigua Base Naval Miramar
San Juan, PR 00907
Marked for the attention of: Executive Director and General Counsel
With copy to:
Puerto Rico Public Private Partnership Authority
PO Box 42001 San Juan, PR 00940-2001
Marked for the attention of: Executive Director

15. The Guarantor hereby represents and warrants that:

(i) the Guarantor is a company duly organized, validly existing and in good standing under the laws of England and Wales, has the required corporate power and authority to enter into this Guaranty, carry out its obligations hereunder and consummate the transactions contemplated hereby.

(ii) The execution and delivery by the Guarantor of this Guaranty, and the Guarantor's performance of its obligations hereunder and consummation of the transactions contemplated hereby have been duly and validly authorized and approved by the required corporate or other similar action on the part of the Guarantor. This Guaranty has been duly and validly executed and delivered by the Guarantor and this Guaranty constitutes a legal, valid and binding obligation of the Guarantor, enforceable against the Guarantor in accordance with its terms, except as such enforceability may be limited by bankruptcy, insolvency, moratorium or similar Law (as defined in the PPP Contract) affecting creditors' rights generally and by general equity principles.

(iii) Neither the execution, delivery or performance by the Guarantor of this Guaranty, nor the consummation of the transactions contemplated hereby will: (i) result in a material violation or breach of, or material default under, any provision of the organizational documents of the Guarantor; (ii) result in a violation of, or give any Governmental Body the right to challenge any of the transactions contemplated hereby under, any Law applicable to the Guarantor.

(iv) No consent, declaration or filing with, or notice to, any Governmental Authority is required by or with respect to the Guarantor in connection with (i) the execution and delivery of this Guarantee or (ii) the performance by the Guarantor of its payment or other obligations hereunder, except such as have been duly obtained or made by the Guarantor.

(v) There is no action, suit or other proceeding, at law or in equity, before or by any court or Governmental Authority pending against the Guarantor or, to the Guarantor's knowledge, threatened against the Guarantor, which if determined adversely against the Guarantor would reasonably be expected to materially and adversely affect (i) the validity or enforceability of this Guaranty or (ii) the performance by the Guarantor of its obligations hereunder.

(vi) There is no Law (as defined in the PPP Contract) in effect on the date hereof that would prohibit the execution, delivery or performance by the Guarantor of this Guaranty and the transactions contemplated hereby.

(vii) The Guarantor is fully aware of the terms and conditions of the PPP Contract.

(viii) The Guaranty is made in furtherance of the purposes for which the Guarantor has been organized, and the assumption by the Guarantor of its obligations hereunder will result in a material benefit to the Guarantor.

16. The Guarantor hereby unconditionally and irrevocably waives:

(i) to the fullest extent lawfully possible, all notices that may be required by statute, rule of law or otherwise to preserve intact any rights against the Guarantor, except any notice to the Concession Company required pursuant to the PPP Contract or Law (as defined in the PPP Contract) or any notice required pursuant to this Guaranty including as referred to in clause 10(v));

(ii) any right to require a proceeding first against the Concession Company;

(iii) any requirement that the Guarantor be joined as a party to any proceeding for the enforcement of any term of the PPP Contract; and

(iv) all demands upon Concession Company or any other person and all other formalities the omission of any of which, or delay in performance of which, might, but for the provisions of this clause 16, by rule of law or otherwise, constitute grounds for relieving or discharging the Guarantor in whole or in part from its absolute, present, irrevocable, unconditional and continuing obligations hereunder.

17. Costs, fees and expenses incurred by the Parties in connection with enforcing this Guaranty shall be governed by the provisions of the Closing Bond or Guaranty Determination Procedure set forth under Appendix 1 of Schedule 6-A of the PPP Contract.

18. This Guaranty may be executed in any number of counterparts, and this has the same effect as if the signatures (and seals, if any) on the counterparts were on a single copy of this Guaranty.

SIGNATURE PAGE FOLLOWS

By signature of authorised person(s):

Executed on the date specified on page 1,] on behalf of GLOBAL PORTS HOLDING PLC, a company incorporated in England, by [◆**FULL NAME(S) OF PERSON(S) SIGNING**], being [a] person[s] who, in accordance with the laws of that territory, [is][are] acting under the authority of the company:))))))))

Signature _____
Authorized signatory

[Signature _____
Authorized signatory]

Accepted and agreed to by:

PUERTO RICO PORTS AUTHORITY

Signature: _____

Name: _____

Title: _____

Date : _____

SCHEDULE 7

GOVERNMENT CONTRIBUTIONS FLOW-DOWN REQUIREMENTS

The following provisions are required by the regulations at 2 C.F.R. Part 200 and/or by HUD or FEMA guidance to be included, as applicable, in all Construction Contracts funded in whole or in part with Government Contributions. Accordingly, any Construction Contract with respect to which a Cruise Pier Improvement Projects Cost will be paid with Government Contributions, at any level, shall contain the following provisions (or equivalent provisions, e.g. with 'Concession Company' replaced with 'Contractor'), as indicated in this Schedule 7. In other words, these provisions apply to the Concession Company and any Contractor and the Construction Contracts any of them enters into that is funded in whole or in part with Government Contributions. With respect to the expenditure of Government Contributions, the Concession Company agrees to these provisions and shall require and cause any such Construction Contracts to include these provisions. References to the "Concession Company" in this Schedule 7 shall be deemed to include any Contractor, as applicable, that is paid with Government Contributions. For the avoidance of doubt, any Contract for Cruise Port Facility Operations or any Contract (including Construction Contract) for Cruise Pier Improvement Projects that is paid with funds not originating from Government Contributions is not required to contain any of the following provisions.

Section 1. Equal Employment Opportunity.

During the performance of this contract, the Concession Company agrees as follows:

1. The Concession Company will not discriminate against any employee or applicant for employment because of race, color, religion, sex, sexual orientation, gender identity, or national origin. The Concession Company will take affirmative action to ensure that applicants are employed, and that employees are treated during employment without regard to their race, color, religion, sex, sexual orientation, gender identity, or national origin. Such action shall include, but not be limited to the following: Employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The Concession Company agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided setting forth the provisions of this nondiscrimination clause.

2. The Concession Company will, in all solicitations or advertisements for employees placed by or on behalf of the contractor, state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex, sexual orientation, gender identity, or national origin.

3. The Concession Company will not discharge or in any other manner discriminate against any employee or applicant for employment because such employee or applicant has inquired about, discussed, or disclosed the compensation of the employee or applicant or another employee or applicant. This provision shall not apply to instances in which an employee who has access to the compensation information of other employees or applicants as

a part of such employee's essential job functions discloses the compensation of such other employees or applicants to individuals who do not otherwise have access to such information, unless such disclosure is in response to a formal complaint or charge, in furtherance of an investigation, proceeding, hearing, or action, including an investigation conducted by the employer, or is consistent with the Concession Company's legal duty to furnish information.

4. The Concession Company will send to each labor union or representative of workers with which he has a collective bargaining agreement or other contract or understanding, a notice to be provided advising the said labor union or workers' representatives of the contractor's commitments under this section, and shall post copies of the notice in conspicuous places available to employees and applicants for employment.

5. The Concession Company will comply with all provisions of Executive Order 11246 of September 24, 1965, and of the rules, regulations, and relevant orders of the Secretary of Labor.

6. The Concession Company will furnish all information and reports required by Executive Order 11246 of September 24, 1965, and by rules, regulations, and orders of the Secretary of Labor, or pursuant thereto, and will permit access to his books, records, and accounts by the administering agency and the Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations, and orders.

7. In the event of the Concession Company's noncompliance with the nondiscrimination clauses of this contract or with any of the said rules, regulations, or orders, this contract may be canceled, terminated, or suspended in whole or in part and the Concession Company may be declared ineligible for further Government contracts or federally assisted construction contracts in accordance with procedures authorized in Executive Order 11246 of September 24, 1965, and such other sanctions may be imposed and remedies invoked as provided in Executive Order 11246 of September 24, 1965, or by rule, regulation, or order of the Secretary of Labor, or as otherwise provided by law.

8. The Concession Company will include the portion of the sentence immediately preceding paragraph (1) and the provisions of paragraphs (1) through (8) in every subcontract or purchase order unless exempted by rules, regulations, or orders of the Secretary of Labor issued pursuant to section 204 of Executive Order 11246 of September 24, 1965, so that such provisions will be binding upon each subcontractor or vendor. The Concession Company will take such action with respect to any subcontract or purchase order as the administering agency may direct as a means of enforcing such provisions, including sanctions for noncompliance:

Provided, however, that in the event a contractor becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction by the administering agency, the Concession Company may request the United States to enter into such litigation to protect the interests of the United States.

The Authority further agrees that it will be bound by the above equal opportunity clause with respect to its own employment practices when it participates in federally assisted construction work.

The Authority agrees that it will assist and cooperate actively with the administering agency and the Secretary of Labor in obtaining the compliance of contractors and subcontractors with the equal opportunity clause and the rules, regulations, and relevant orders of the Secretary of Labor, that it will furnish the administering agency and the Secretary of Labor such information as they may require for the supervision of such compliance, and that it will otherwise assist the administering agency in the discharge of the agency's primary responsibility for securing compliance.

The Authority further agrees that it will refrain from entering into any contract or contract modification subject to Executive Order 11246 of September 24, 1965, with a contractor debarred from, or who has not demonstrated eligibility for, Government contracts and federally assisted construction contracts pursuant to the Executive Order and will carry out such sanctions and penalties for violation of the equal opportunity clause as may be imposed upon contractors and subcontractors by the administering agency or the Secretary of Labor pursuant to Part II, Subpart D of the Executive Order. In addition, the applicant agrees that if it fails or refuses to comply with these undertakings, the administering agency may take any or all of the following actions: Cancel, terminate, or suspend in whole or in part this grant (contract, loan, insurance, guarantee); refrain from extending any further assistance to the applicant under the program with respect to which the failure or refund occurred until satisfactory assurance of future compliance has been received from such applicant; and refer the case to the Department of Justice for appropriate legal proceedings.

Section 2. Compliance with the Contract Work Hours and Safety Standards Act.

1. Overtime requirements. No contractor or subcontractor contracting for any part of the contract work which may require or involve the employment of laborers or mechanics shall require or permit any such laborer or mechanic in any workweek in which he or she is employed on such work to work in excess of forty hours in such workweek unless such laborer or mechanic receives compensation at a rate not less than one and one-half times the basic rate of pay for all hours worked in excess of forty hours in such workweek.

2. Violation; liability for unpaid wages; liquidated damages. In the event of any violation of the clause set forth in paragraph (1) of this section the contractor and any subcontractor responsible therefor shall be liable for the unpaid wages. In addition, such contractor and subcontractor shall be liable to the United States (in the case of work done under contract for the District of Columbia or a territory, to such District or to such territory), for liquidated damages. Such liquidated damages shall be computed with respect to each individual laborer or mechanic, including watchmen and guards, employed in violation of the clause set forth in paragraph (1) of this section, in the sum of $27 for each calendar day on which such individual was required or permitted to work in excess of the standard workweek of forty hours without payment of the overtime wages required by the clause set forth in paragraph (1) of this section.

3. Withholding for unpaid wages and liquidated damages. The Authority shall upon its own action or upon written request of an authorized representative of the Department of Labor withhold or cause to be withheld, from any moneys payable on account of work performed by the contractor or subcontractor under any such contract or any other Federal contract with the same prime contractor, or any other federally-assisted contract subject to the Contract Work Hours and Safety Standards Act, which is held by the same prime contractor, such sums as may be determined to be necessary to satisfy any liabilities of such contractor or subcontractor for unpaid

wages and liquidated damages as provided in the clause set forth in paragraph (2) of this section.

4. Subcontracts. The contractor or subcontractor shall insert in any subcontracts the clauses set forth in paragraphs (1) through (4) of this section and also a clause requiring the subcontractors to include these clauses in any lower tier subcontracts. The prime contractor shall be responsible for compliance by any subcontractor or lower tier subcontractor with the clauses set forth in paragraphs (1) through (4) of this section.

Section 3. Clean Air Act and the Federal Water Pollution Control Act.

Clean Air Act

(a) The contractor agrees to comply with all applicable standards, orders or regulations issued pursuant to the Clean Air Act, as amended, 42 U.S.C. § 7401 et seq.

The Concession Company agrees to report each violation to the Authority and understands and agrees that the Authority will, in turn, report each violation as required to assure notification to the federal Government Contributions issuing agency, and the appropriate Environmental Protection Agency Regional Office.

The Concession Company agrees to include these requirements in each subcontract exceeding $150,000 financed in whole or in part with Government Contributions.

Federal Water Pollution Control Act

(a) The Concession Company agrees to comply with all applicable standards, orders or regulations issued pursuant to the Federal Water Pollution Control Act, as amended, 33 U.S.C. 1251 et seq.

(b) The Concession Company agrees to report each violation to the Authority and understands and agrees that Authority will, in turn, report each violation as required to assure notification to the Governmental Authority that approved the Government Contributions Authorization, and the appropriate Environmental Protection Agency Regional Office.

The Concession Company agrees to include these requirements in each subcontract exceeding $150,000 financed in whole or in part with federal assistance provided by the federal Government Contributions agencies.

Section 4. Suspension & Debarment.

Federal regulations restrict the Authority from contracting with parties that are debarred, suspended, or otherwise excluded from or ineligible for participation in Federal assistance programs and activities, where the contract is funded in whole or in part with federal funds. Accordingly, a contract or subcontract must not be made with any parties listed on the SAM Exclusions list. SAM Exclusions is the list maintained by the General Services Administration that contains the name of parties debarred, suspended, or otherwise excluded by agencies, as well as parties declared ineligible under certain statutory or regulatory authority. The Concession

Company can verify its status and the status of its principals, affiliates, and subcontractors at www.SAM.gov.

(a) This Contract is a covered transaction for purposes of 2 C.F.R. pt. 180 and 2 C.F.R. pt. 3000. As such the Concession Company is required to verify that none of the Concession Company, its principals (defined at 2 C.F.R. § 180.995), or its affiliates (defined at 2 C.F.R. § 180.905) are excluded (defined at 2 C.F.R. § 180.940) or disqualified (defined at 2 C.F.R. § 180.935).

(b) The Concession Company must comply with 2 C.F.R. pt. 180, subpart C and 2 C.F.R. pt. 3000, subpart C and must include a requirement to comply with these regulations in any lower tier covered transaction it enters into.

This certification is a material representation of fact relied upon by the Authority. If it is later determined that the Concession Company did not comply with 2 C.F.R. pt. 180, subpart C and 2 C.F.R. pt. 3000, subpart C, in addition to remedies available to the Puerto Rico Central Office for Recovery, Reconstruction and Resiliency, the Puerto Rico Department of Housing, and/or the Authority, as appropriate, the Federal Government may pursue available remedies, including but not limited to suspension and/or debarment.

Section 5. Byrd Anti-Lobbying Amendment.

Contractors who apply or bid for an award of $100,000 or more shall file the required certification found at APPENDIX A, 44 C.F.R. PART 18. Each tier certifies to the tier above that it will not and has not used Federal appropriated funds to pay any person or organization for influencing or attempting to influence an officer or employee of any agency, a member of Congress, officer or employee of Congress, or an employee of a member of Congress in connection with obtaining any Federal contract, grant, or any other award covered by 31 U.S.C. § 1352. Each tier shall also disclose any lobbying with non-Federal funds that takes place in connection with obtaining any Federal award. Such disclosures are forwarded from tier to tier up to the recipient.

Certification for Contracts, Grants, Loans, and Cooperative Agreements

(to be submitted with each bid or offer exceeding $100,000)

The undersigned certifies, to the best of his or her knowledge and belief, that:

(1) No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of an agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.

(2) If any funds other than Federal appropriated funds have been paid or will be paid to

any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.

(3) The undersigned shall require that the language of this certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by section 1352, title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than $10,000 and not more than $100,000 for each such failure.

_____

Name of Contractor

RFP or ITB No.

_____

Signature

Printed Name

_____

Title

Date

Section 6. Procurement of Recovered Materials

In the performance of this Contract, the Concession Company shall make maximum use of products containing recovered materials that are EPA-designated items unless the product cannot be acquired:

Competitively within a timeframe providing for compliance with the Contract performance schedule;

Meeting Contract performance requirements; or

At a reasonable price.

Information about this requirement is available at EPA's Comprehensive Procurement Guidelines web site, http://www.epa.gov/cpg/. The list of EPA-designated items is available at http://www.epa.gov/cpg/products.htm.

Section 7. Access to Records.

The following access to records requirements apply to this Contract:

(a) The Concession Company agrees to provide the Authority, the federal Government Contributions agency, the Comptroller General of the United States, or any of their authorized representatives, access to any books, documents, papers, and records of the Concession Company which are directly pertinent to this Contract for the purposes of making audits, examinations, excerpts, and transcriptions. The Concession Company agrees to permit any of the foregoing parties to reproduce by any means whatsoever or to copy excerpts and transcriptions as reasonably needed

(b) The Concession Company agrees to provide the federal Government Contributions agency or its authorized representatives access to construction or other work sites pertaining to the work being completed under the Contract.

Section 8. Compliance with Federal law, regulations, and Executive Orders.

This is an acknowledgement that Federal financial assistance may be used to fund the Contract in whole or in part. The Concession Company will comply with all applicable federal laws, regulations, executive orders, and federal Government Contributions agency policies, procedures, and directives.

Section 9. No Obligation by Federal Government.

The Federal Government is not a party to this Contract and is not subject to any obligations or liabilities to the Authority, the Concession Company, or any other party pertaining to any matter resulting from the Contract.

Section 10. Contracting with Small and Minority Business, Women's Business Enterprises, and Labor Surplus Area Firms.

If the Concession Company intends to subcontract any portion of the work covered by this Contract, the Concession Company must take all necessary affirmative steps to assure that small and minority businesses, women's business enterprises and labor surplus area firms are solicited and used when possible. Affirmative steps must include:

(a) Placing qualified small and minority businesses and women's business enterprises on solicitation lists;

(b) Assuring that small and minority businesses, and women's business enterprises are solicited whenever they are potential sources;

(c) Dividing total requirements, when economically feasible, into smaller tasks or quantities to permit maximum participation by small and minority businesses, and women's business enterprises;

(d) Establishing delivery schedules, where the requirement permits, which encourage participation by small and minority businesses, and women's business enterprises; and

(e) Using the services and assistance, as appropriate, of such organizations as the Small Business Administration and the Minority Business Development Agency of the Department of Commerce.

Section 11. Seals, Logos and flags.

The Concession Company shall not use the DHS or HUD seal(s), logos, crests, or reproductions of flags or likenesses of DHS or HUD agency officials without specific FEMA or HUD pre-approval.

Section 12. Program Fraud and False or Fraudulent Statements or Related Acts.

The Concession Company acknowledges that 31 U.S.C. Chap. 38 (Administrative Remedies for False Claims and Statements) applies to the Contractor's actions pertaining to this contract.

Section 13. Compliance with HUD CDBG Labor Standards Requirements (applicable to HUD CDBG funds, but not FEMA Public Assistance or Hazard Mitigation Grant funds).

If work under a contract is funded in whole or in part with HUD CDBG funds, the terms of HUD form 4010 "Federal Labor Standards Provisions" apply and shall be deemed included herein. The terms in HUD Form 4010 include but are not limited to provisions requiring compliance with the following:

(a) The Davis-Bacon Act (40 U.S.C. 3141-3144, and 3146-3148) and the requirements of 29 C.F.R. pt. 5 as may be applicable. The Concession Company shall comply with 40 U.S.C. 3141-3144, and 3146-3148 and the requirements of 29 C.F.R. pt. 5 as applicable.

(b) The Copeland "Anti-Kickback" Act (18 U.S.C. § 874, 40 U.S.C. § 3145) and the requirements of 29 C.F.R. pt. 3 as may be applicable, which are incorporated by reference into this contract.

(c) Subcontracts. The Concession Company or subcontractor shall insert in any subcontracts the clauses contained in subparagraphs (1) through (11) of paragraph (a) of HUD form 4010 and such other clauses as HUD may by appropriate instructions require, and also a clause requiring the subcontractors to include these clauses in any lower tier subcontracts. The prime contractor shall be responsible for the compliance by any subcontractor or lower tier subcontractor with all of these contract clauses.

(d) Breach. A breach of the contract clauses above may be grounds for termination of the contract, and for debarment as a contractor and subcontractor as provided in 29 C.F.R. § 5.12.

Section 14. HUD Section 3 Clause.

If work to be performed under a contract will be funded in whole or in part with a HUD CDBG funds (including, but not limited to CDBG-MIT), the work is subject to the requirements of section 3 of the Housing and Urban Development Act of 1968, as amended, 12 U.S.C. 1701u (Section 3). The purpose of section 3 is to ensure that employment and other economic opportunities generated by HUD assistance or HUD-assisted projects covered by Section 3, shall, to the greatest extent feasible, be directed to low and very low-income persons, particularly persons who are recipients of HUD assistance for housing. If Section 3 applies, the Parties agree to comply with HUD's regulations in 24 C.F.R. part 75 that implement Section 3, including but not limited to inclusion of a HUD Section 3 clause in every subcontract subject to compliance with n 24 C.F.R. part 75, and taking appropriate action upon finding that a subcontractor is in violation of the requirements in 24 C.F.R. part 75.

Section 15. Prohibition on Contracting for Covered Telecommunications Equipment or Services.

(a) Definitions. As used in this clause, the terms backhaul; covered foreign country; covered telecommunications equipment or services; interconnection arrangements; roaming; substantial or essential component; and telecommunications equipment or services have the meaning as defined in FEMA Policy 405-143-1, Prohibitions on Expending FEMA Award Funds for Covered Telecommunications Equipment or Services (Interim), as used in this clause—

(b) Prohibitions.

(1) Section 889(b) of the John S. McCain National Defense Authorization Act for Fiscal Year 2019, Pub. L. No. 115-232, and 2 C.F.R. § 200.216 prohibit the head of an executive agency on or after Aug.13, 2020, from obligating or expending grant, cooperative agreement, loan, or loan guarantee funds on certain telecommunications products or from certain entities for national security reasons.

(2) Unless an exception in paragraph (c) of this clause applies, the contractor and its subcontractors may not use grant, cooperative agreement, loan, or loan guarantee funds from Government Contributions to:

(i) Procure or obtain any equipment, system, or service that uses covered telecommunications equipment or services as a substantial or essential component of any system, or as critical technology of any system;

(ii) Enter into, extend, or renew a contract to procure or obtain any equipment, system, or service that uses covered telecommunications equipment or services as a substantial or essential component of any system, or as critical technology of any system;

( ) Enter into, extend, or renew contracts with entities that use covered telecommunications equipment or services as a substantial or essential component of any system, or as critical technology as part of any system; or

(iv) Provide, as part of its performance of this contract, subcontract, or other contractual instrument, any equipment, system, or service that uses covered telecommunications equipment or services as a substantial or essential component of any system, or as critical technology as part of any system.

(c) Exceptions.

(1) This clause does not prohibit contractors from providing—

(i) A service that connects to the facilities of a third-party, such as backhaul, roaming, or interconnection arrangements; or

(ii) Telecommunications equipment that cannot route or redirect user data traffic or permit visibility into any user data or packets that such equipment transmits or otherwise handles.

(2) By necessary implication and regulation, the prohibitions also do not apply to:

(i) Covered telecommunications equipment or services that: i. Are not used as a substantial or essential component of any system; and ii. Are not used as critical technology of any system.

(ii) Other telecommunications equipment or services that are not considered covered telecommunications equipment or services.

(d) Reporting requirement.

(1) In the event the contractor identifies covered telecommunications equipment or services used as a substantial or essential component of any system, or as critical technology as part of any system, during contract performance, or the contractor is notified of such by a subcontractor at any tier or by any other source, the contractor shall report the information in paragraph (d)(2) of this clause to the Receiver of Government Contributions, unless elsewhere in this contract are established procedures for reporting the information.

(2) The Contractor shall report the following information pursuant to paragraph (d)(1) of this clause:

(i) Within one business day from the date of such identification or notification: The contract number; the order number(s), if applicable; supplier name; supplier unique entity identifier (if known); supplier Commercial and Government Entity (CAGE) code (if known); brand; model number (original equipment manufacturer number, manufacturer part number, or wholesaler number); item description; and any readily available information about mitigation actions undertaken or recommended.

(ii) Within 10 business days of submitting the information in paragraph (d)(2)(i) of this clause: Any further available information about mitigation actions undertaken or recommended. In addition, the contractor shall describe the efforts it undertook to prevent use or submission of covered telecommunications equipment or services, and any additional efforts that

will be incorporated to prevent future use or submission of covered telecommunications equipment or services.

(e) Subcontracts. The Contractor shall insert the substance of this clause, including this paragraph (e), in all subcontracts and other contractual instruments.

Section 16. Domestic Preferences for Procurements.

As appropriate, and to the extent consistent with law, the contractor should, to the greatest extent practicable, provide a preference for the purchase, acquisition, or use of goods, products, or materials produced in the United States. This includes, but is not limited to iron, aluminum, steel, cement, and other manufactured products.

For purposes of this clause:

Produced in the United States means, for iron and steel products, that all manufacturing processes, from the initial melting stage through the application of coatings, occurred in the United States.

Manufactured products mean items and construction materials composed in whole or in part of non-ferrous metals such as aluminum; plastics and polymer-based products such as polyvinyl chloride pipe; aggregates such as concrete; glass, including optical fiber; and lumber."

Section 17. Provisions Required by Law Deemed Inserted.

Each and every provision required by law, regulation, executive order, policy procedure, directive, grant award or agreement, or cooperative agreement with any Government agency to be inserted in this Agreement shall be deemed to be inserted herein and this Agreement shall be read and enforced as though it were included herein. If any provision is not inserted, or is not correctly inserted, then upon the application of either Party this Agreement shall be amended to make such insertion or correction.

Section 18. Agreement to Execute Other Required Documents.

By entering into this Agreement the Parties understand and agree that funding provided under Government Contributions programs is bound by specific contracting requirements. To the extent any such requirement is applicable to this Agreement and not otherwise set forth herein, the Parties agree to execute such amendments or further agreements as may be necessary to ensure that the Cruise Pier Improvement Project complies with the Government Contributions requirement.

SCHEDULE 8

SWORN STATEMENT FOR CLOSING

UNITED STATES OF AMERICA)
STATE OF _____) SS
CITY OF _____)

[Name of Representative], of legal age, married (or single), and a resident of _____, _____, in his (her) capacity as _____ of San Juan Cruise Port LLC (the "Concession Company"), Employer Identification Number _____, being duly sworn, deposes and certifies that, as of the date of this Sworn Statement: [1]

1. The principal office of the Concession Company is located at _____.

2. The Concession Company [has filed all] [has not had to file any] income tax returns with the Department of the Treasury of the Government of Puerto Rico during the past five years.

3. The Concession Company does not have any Tax Debts with the Government, nor any of its instrumentalities or political subdivisions. The term "Tax Debt" means any debt for (i) income taxes, (ii) sales and use taxes, (iii) excise taxes, (iv) real or personal property taxes, (v) municipal license taxes ("*patente*"), (vi) special taxes levied, (vii) license rights, (viii) tax withholdings for payment of salaries, professional service fees, interests, dividends, rents or profits, (ix) unemployment or disability insurance premiums, (x) workers compensation payments, or (xi) premiums for social security for chauffeurs.

4. Neither the Concession Company nor any of its directors, officers, shareholders, or subsidiaries, nor its parent company, nor in the case of a partnership, any of its partners, nor any person or entity that may be considered an alter ego of the Concession Company (each a "Covered Party"), has been convicted, has entered a guilty plea or has been indicted, nor has probable cause been found for their arrest, in any criminal proceeding in the courts of the Government of Puerto Rico, the Federal courts of the United States, or the courts of any jurisdiction of the United States or a foreign country, of criminal charges related to acts of corruption or any of the crimes referenced in Articles 4.2, 4.3 or 5.7 of Act No. 1-2012, as amended, known as the Organic Act of the Office of Government Ethics of Puerto Rico, any of the crimes typified in Articles 250 through 266 of Act No. 146-2012, as amended, known as the Puerto Rico Penal Code, or any of the crimes listed in Act No. 2-2018, as amended, known as the Anti-Corruption Code for a New Puerto Rico or for any other felony that involves misuse of public funds or property, including but not limited to the crimes mentioned in Article 6.8 of Act No. 8-2017, as amended, known as the Act for the

[1] All capitalized terms in this Sworn Statement that are not defined herein are used as defined in the Request for Proposals issued to Proponents on November 29, 2018, as supplemented and amended, in relation to the award of a PPP Contract to repair, design, build, finance, maintain and operate the San Juan Bay Cruise Terminals.

Administration and Transformation of Human Resources in the Government of Puerto Rico, or under the Foreign Corrupt Practices Act; nor is any Covered Party under investigation in any legislative, judicial or administrative proceedings, in the Commonwealth of Puerto Rico, the United States or any other country.

5. The Concession Company is in compliance and will continue to comply at all times with all federal, state, local and foreign laws applicable to the Concession Company that prohibit corruption or regulate crimes against public functions or public funds, including the Foreign Corrupt Practices Act.

6. That the Concession Company is in compliance with the provisions of Act No. 2 of 2018, also known as the Anti-Corruption Act 2018.

7. The Concession Company is in compliance with the provisions of the Authority's Guidelines for the Evaluation of Conflicts of Interest and Unfair Advantages in the Procurement of Public-Private Partnership Contracts, a copy of which is available at the Authority's website: http://www.p3.gov.pr.

In _____, _____, this _____ day of _____, 2021.

SAN JUAN CRUISE PORT LLC

By: _____
Name:
Title:

Affidavit Number ____

Sworn and subscribed to before me by _____ _____, of the above stated personal circumstances, in his (her) capacity as _____ of San Juan Cruise Port LLC, who is personally known to me.

In _____, _____, this _____ day of _____, 2021.

_____
NOTARY PUBLIC

SCHEDULE 9

LEGAL OPINION OF THE AUTHORITY

FORM OF LEGAL OPINION OF THE GENERAL LEGAL COUNSEL OF THE PUERTO RICO PORTS AUTHORITY

_____ [•][1]

San Juan Cruise Port LLC
_____
_____
_____

Ladies and Gentlemen:

I am the General Legal Counsel to the Puerto Rico Ports Authority (the "Authority") and I am rendering this opinion in connection with the execution of the San Juan Bay Cruise Terminals Public-Private Partnership Agreement, dated as of [•], 2020 (the "Agreement"), by and between the Authority and you as Concessionaire (the "Concessionaire"). This opinion is being delivered to you pursuant to Section 2.4(a)(iv) of the Agreement. Capitalized terms used and not otherwise defined herein shall have their respective meanings set forth in the Agreement.

In rendering my opinion, I have examined originals or copies, certified or otherwise identified to my satisfaction, of the following documents: (i) the Agreement; (ii) the Authority Board of Directors meeting minutes approving the Agreement; (iii) approval by the Board of Directors of the Public-Private Partnerships Authority of Puerto Rico and the Governor (or her designee) of the Agreement as required by Article 9(g) of the Act; and (iv) approval by the Financial Oversight & Management Board for Puerto Rico.

In rendering my opinion, I also have examined such certificates of public officials, documents and records and other certificates and instruments as I have deemed necessary for the purposes of the opinion herein expressed and, with your permission, have relied upon and assumed the accuracy of such certificates, documents, records and instruments. I have also made an examination of the laws of the Commonwealth, including, without limitation, Act No. 29-2009 of the Legislature of Puerto Rico (the "Act"), and, in connection with the opinion set forth in paragraph II(d) below, the federal laws of the United States of America that I deemed relevant for purposes of this opinion, but I have not made a review of, and express no opinion concerning, the federal laws of the United States of America (except as set forth in paragraph II(d) below) or the laws of any jurisdiction other than the Commonwealth.

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1 **Note:** An opinion will need to be issued to Concession Company prior to the date of financial close. In connection with the financing, an opinion will also need to be issued on the date of financial close that is addressed to the underwriter, the bond issuer, the collateral agent and the trustee.

I have relied upon and assumed the truth and accuracy of the representations, certifications and warranties made in the Agreement or delivered at Closing and have not made any independent investigation or verification of any factual matters stated or represented therein. Whenever my opinion or confirmation herein with respect to the existence or absence of facts is indicated to be based upon my knowledge or belief, it is intended to signify that no information has come to my attention that would give me actual knowledge of the existence or absence of such facts. Except to the extent expressly set forth herein, I have not undertaken any independent investigation to determine the existence or absence of such facts or circumstances or the assumed facts set forth herein, I accept no responsibility to make any such investigation, and no inference as to my knowledge of the existence or absence of such facts or circumstances or of my having made any independent review thereof should be drawn from my representation of the Authority.

I. Additional Assumptions

In rendering this opinion letter to you, I have assumed with your permission:

1. The genuineness of all signatures (other than those of the representatives of the Authority, as to which I can attest their genuineness), the legal capacity of natural persons executing the Agreement, whether on behalf of themselves or other persons or entities, the authenticity of all documents submitted to me as originals, the conformity to original documents of all documents submitted to me as certified, conformed or photostatic copies, and the authenticity of the originals of such copies and the completeness of all records of corporate proceedings provided to me.

2. All official public records (including their proper indexing and filing) furnished to or obtained by me, electronically or otherwise, to render this opinion, are accurate, complete and authentic.

3. The documents that have been or will be executed and delivered in consummation of the transactions contemplated by the Agreement are or will be identical in all material and relevant respects with the copies of the documents I have examined and on which this opinion is based.

4. The Concessionaire (i) has been organized, is validly existing, and is in good standing under the laws of the Commonwealth, and (ii) has full power and authority to enter into, execute, deliver, receive and perform the Agreement.

5. The entry into, execution, delivery, receipt, and performance of the Agreement by the Concessionaire has been duly authorized by all requisite action on the part of the Concessionaire.

6. The Agreement will be duly entered into, executed, received and delivered by the Concessionaire, and upon such execution and delivery constitutes the legal, valid and binding obligation of the Concessionaire, so that the Agreement has mutuality of binding effect on the parties thereto.

7. The respective factual representations, statements and warranties of each of the parties (other than the Authority) made in the Agreement, and in the other documents that I have reviewed, and upon which I have relied, are accurate, complete and truthful.

8. The execution and delivery of the Agreement by each of the parties thereto will be free of intentional or unintentional mistake, misrepresentation, concealment, fraud, undue influence, duress or criminal activity.

9. The Agreement has not been amended or modified by oral or written agreement or by conduct of the parties thereto.

10. Each party to the Agreement will at all times exercise its rights and remedies under the Agreement in good faith and in a manner that is commercially reasonable.

II. Opinions

Based on and subject to the foregoing and the qualifications, exceptions and limitations referred to below, I am of the opinion that, on the date hereof:

(a) The Authority has been duly created and is a validly existing body corporate and politic under and by virtue of the laws of the Commonwealth.

(b) The Authority has duly authorized and approved (i) its execution and delivery of the Agreement, and (ii) the performance by the Authority of its obligations contained in the Agreement, and the Agreement constitutes a valid and legally binding obligation of the Authority, enforceable against the Authority in accordance with the terms thereof.

(c) The Authority has the corporate power and corporate authority under Commonwealth law to enter into the Agreement and to do all acts and things and execute and deliver all other documents as are required under the Agreement to be done, observed or performed by the Authority in accordance with the terms thereof.

(d) All consents, approvals or authorizations of, or notices to or filings with, any Governmental Authority of the Commonwealth, including without limitation, the Financial Oversight & Management Board for Puerto Rico, required to permit the Authority to execute and deliver and to perform its obligations under the Agreement have been obtained or waived.

(e) The execution and delivery by the Authority of the Agreement and the performance by the Authority of its obligations thereunder do not and will not violate or contravene (i) any provisions of the enabling act of the Authority, (ii) any applicable law of the Commonwealth, or (iii) any material agreement, judgement, decree or instrument, in each case, to which the Authority is a party or by which it or the Cruise Piers are expressly bound.

(f) The Cruise Piers, as property of the Authority, are not currently subject to any real property taxes and therefore the Authority does not owe any taxes in connection thereto.

III. Qualifications, Exceptions and Limitations

Each of the opinions set forth above is limited by its terms and subject to the assumptions hereinabove stated and is further subject to the following qualifications, exceptions and limitations, none of which shall limit the generality of any other assumption, qualification, exception or limitation.

1. The legality, validity and enforceability of the Agreement and the opinions expressed above may be limited or otherwise affected by:

a. bankruptcy, insolvency, reorganization, liquidation, readjustment of debt, receivership, moratorium, fraudulent conveyance, equitable subordination, equity of redemption, recharacterization or other similar legal principles now or hereafter in effect governing or affecting the rights and remedies of debtors and creditors generally, or general principles of equity, regardless of whether considered in a proceeding at law or in equity;

b. applicable laws or judicial decisions of the Commonwealth which may render certain of the rights, remedies, waivers, and attorney-in-fact appointments contained therein unenforceable or ineffective, but the inclusion of which do not render the Agreement invalid as a whole or make the remedies generally afforded thereunder inadequate for the practical realization of the principal benefits intended to be provided by those documents; and/or

c. the concepts of good faith and fair dealing, materiality and reasonableness, regardless of whether considered in a proceeding at law or in equity.

Notwithstanding the foregoing and without limiting the generality of the foregoing exceptions, I express no opinion with respect to (a) the availability of the remedies of specific performance or injunctive relief, (b) the availability of ex parte remedies and other self-help or non-judicial relief, or (c) the legality, validity, binding effect, or enforceability of provisions that provide for an event of default or availability of remedies predicated solely upon commencement of bankruptcy, reorganization or similar proceedings with respect to the Authority.

1. Without limiting the generality of any other exception, limitation or qualification, I express no opinion in this letter with respect to (i) the enforceability of a set-off right, (ii) the application of any law, statute, rule or regulation relating to the environment, health or safety, (iii) any law, statute, rule, or regulation that may apply to any party as a result of its activities in the Commonwealth that are not directly related to the transactions contemplated by the Agreement, (iv) the enforceability of any provision of the Agreement pertaining to consent to jurisdiction in so far as it relates to federal courts or agreements stating that failure to exercise or delay in exercising rights will not operate as a waiver of the right or remedy, (v) the enforceability of any provisions of the Agreement to the extent that any recovery of attorneys' fees is not limited to reasonable attorneys' fees, and (vi) the validity or enforceability of any purported waiver or purported consent relating to any other rights of any party, or duties owed to any of them, existing as a matter of law, including without limitation the purported waiver of any party's right to a jury trial.

2. I have not considered and do not express an opinion with respect to (i) any federal or state (including the Commonwealth) securities or antitrust laws and regulations, (ii) the power

and authority of the Concessionaire to enter into the Agreement or to carry out the transactions contemplated thereby, or (iii) the possible application of or compliance with various building codes, zoning ordinances, permit requirements, environmental, health or safety laws and other similar statutes, laws, ordinances, codes and regulations affecting the construction, condition and/or use of the Cruise Piers. My opinions set forth in this letter are expressly subject to the effect of the application of all federal and state (including the Commonwealth) antitrust laws and regulations.

3. Except as set forth in paragraph II(d), I express no opinion as to the United States Bankruptcy Code or the Puerto Rico Oversight, Management, and Economic Stability Act of 2016 ("PROMESA") and the opinions expressed herein are limited by and subject to the application of those statutes.

4. I express no opinion with respect to the law of fiduciary obligations, pension and employee benefit law, environmental law, patent, copyright, trademark or other intellectual property law, racketeering law, health and safety law, labor law, law with respect to national or local emergency, security or terrorism, tax law, federal or state securities or blue sky laws, or antitrust or unfair competition law.

IV. Limitations and Reliance

The opinions expressed herein are matters of professional judgment, are not a guarantee of result and are effective only as of the date hereof. I do not undertake to advise you of any matter within the scope of this letter that comes to my attention after the date of this letter and disclaim any responsibility to advise you of any future changes in law or fact that may affect the opinions set forth herein. I express no opinion other than as hereinbefore expressly set forth. No expansion of the opinions expressed herein may or should be made by implication or otherwise.

I am informed that you are relying on this opinion letter in connection with the consummation of the actions and transactions contemplated by the Agreement. The foregoing opinion shall not be relied upon for any other purpose or by any party other than the addressees hereof. The use or reliance upon this opinion letter by any other person or entity without my prior written consent is strictly prohibited.

Very truly yours,

[General Legal Counsel of the Puerto Rico Ports Authority]

SCHEDULE 10
LEGAL OPINION OF THE CONCESSION COMPANY

[Letterhead of Counsel to the Concession Company]

[Closing Date]

Ladies and Gentlemen:

We have acted as special counsel to San Juan Cruise Port LLC, a limited liability company organized and existing under the laws of the Commonwealth of Puerto Rico (the "Concession Company") in connection with the execution of the San Juan Bay Cruise Terminals Public-Private Partnership Agreement, dated as of [•], 2020, by and between the Authority and the Concession Company (the "Agreement"), and the Construction Contract, dated as of [*] by and between the Concession Company and [*] (the "Contractor") (the "Construction Contract"), and the Technical Services Agreement, dated as of [*] by and between the Concession Company and [*] (the "Operator") (the "Technical Services Agreement") and _____ (collectively, the "Concession Company Documents"). This opinion is being delivered to you pursuant to Section 2.4(b) of the Agreement. Capitalized terms used and not otherwise defined herein shall have their respective meanings set forth in the Agreement.

We have examined originals or copies, certified or otherwise identified to our satisfaction, of (i) the Concession Company Documents and (ii) such other records and writings as we have deemed necessary as the basis of the opinions set forth herein.

In rendering this opinion, we also have examined such certificates of public officials, documents and records and other certificates and instruments as we have deemed necessary for the purposes of the opinion herein expressed and, with your permission, have relied upon and assumed the accuracy of such certificates, documents, records and instruments. We have made such examination of the laws of the Commonwealth as we deemed relevant for purposes of this opinion, but we have not made a review of, and express no opinion concerning, the federal laws of the United States or the laws of any jurisdiction other than the Commonwealth.

We have relied upon and assumed the truth and accuracy of the representations, certifications and warranties made in the Concession Company Documents, and have not made any independent investigation or verification of any factual matters stated or represented therein. Whenever our opinion or confirmation herein with respect to the existence or absence of facts is indicated to be based upon our knowledge or belief, it is intended to signify that no information has come to the attention of the members of our firm actively working on the Concession Company Documents that would give any of them actual knowledge of the existence or absence of such facts. Except to the extent expressly set forth herein, we have not undertaken any independent investigation to determine the existence or absence of such facts or circumstances or the assumed facts set forth herein, we accept no responsibility to make any such investigation, and no inference as to our knowledge of the existence or absence of such facts or circumstances or of our having made any independent review thereof should be drawn from our representation of the Concession Company.

I. Additional Assumptions

In rendering this opinion letter to you, we have assumed with your permission:

1. The genuineness of all signatures (other than those of the representatives of the Concession Company, the Contractor and the Operator, as to which we can attest their genuineness), the legal capacity of all natural persons, the authenticity of all documents submitted to us as originals, the conformity to authentic, original documents of all documents submitted to us via facsimile or otherwise as certified, conformed or photostatic copies, and the completeness of all records of corporate proceedings provided to us.

2. All official public records (including their proper indexing and filing) furnished to or obtained by us, electronically or otherwise, are accurate, complete and authentic.

3. The documents that have been or will be executed and delivered in consummation of the transactions contemplated by the Concession Company Documents are or will be identical in all material and relevant respects with the copies of the documents we have examined and on which this opinion is based.

4. The Authority has been duly created and is a validly existing body corporate and politic created under the laws of the Commonwealth.

5. The entry into, execution, delivery, receipt, and performance of the Agreement by the Authority has been duly authorized by all requisite action on the part of the Authority.

6. The Agreement will be duly entered into, executed, received and delivered by the Authority and upon such execution and delivery constitutes the legal, valid and binding obligation of the Authority, so that the Agreement has mutuality of binding effect on the parties thereto.

7. The respective factual representations, statements and warranties of each of the parties made in the Concession Company Documents, and in the other documents that we have reviewed, and upon which we have relied, are accurate, complete and truthful.

8. The execution and delivery of the Concession Company Documents by each of the parties thereto will be free of intentional or unintentional mistake, misrepresentation, concealment, fraud, undue influence, duress or criminal activity.

9. The Concession Company Documents have not been amended or modified by oral or written agreement or by conduct of the parties thereto.

10. Each party to the Concession Company Documents will at all times exercise its rights and remedies under the Concession Company Documents in good faith and in a manner that is commercially reasonable.

II. Opinions

Based on and subject to the foregoing and the qualifications referred to below, we are of the opinion that, on the date hereof:

(a) Each of the Concession Company and the Contractor is duly organized, validly existing and in good standing as a limited liability company, under the laws of the Commonwealth.

(b) Each of the Concession Company and the Contractor has the power and authority to enter into the Agreement and the Construction Contract, as applicable, and all other Concession Company Documents and to do all acts and things and execute and deliver all other documents as are required under the Concession Company Documents to be done, observed or performed by the Concession Company and the Contractor, in accordance with the terms thereof.

(c) Each of the Concession Company, the Contractor and the Operator has duly authorized, executed and delivered the Concession Company Documents, as applicable, and the Concession Company Documents constitute valid and legally binding obligations of the Concession Company, the Contractor and the Operator, as applicable, enforceable against each one of them in accordance with the terms thereof.

(d) The execution and delivery by the Concession Company and the Contractor of the Concession Company Documents and the performance by each of the Concession Company and the Contractor of its respective obligations thereunder do not and will not violate or contravene (i) any provisions of the constitutional documents, articles, bylaws or any other governing documents of the Concession Company or the Contractor, (ii) any applicable law of the Commonwealth, or (iii) any material agreement, judgement, decree or instrument, in each case, to which each of the Concession Company or the Contractor is a party or by which it is expressly bound.

III. Qualifications, Exceptions and Limitations

Each of the opinions set forth above is limited by its terms and subject to the assumptions hereinabove stated and is further subject to the following qualifications, exceptions and limitations, none of which shall limit the generality of any other assumption, qualification, exception or limitation.

1. The legality, validity and enforceability of the Concession Company Documents and the opinions expressed above may be limited or otherwise affected by:

a. bankruptcy, insolvency, reorganization, liquidation, readjustment of debt, receivership, moratorium, fraudulent conveyance, equitable subordination, equity of redemption, recharacterization or other similar legal principles now or hereafter in effect governing or affecting the rights and remedies of debtors and creditors generally, or general principles of equity, regardless of whether considered in a proceeding at law or in equity;

b. applicable laws or judicial decisions of the Commonwealth which may render certain of the rights, remedies, waivers, and attorney-in-fact appointments contained therein unenforceable or ineffective, but the inclusion of which do not render the Concession Company Documents invalid as a whole or make the remedies generally afforded thereunder inadequate for the practical realization of the principal benefits intended to be provided by those documents; and/or

c. the concepts of good faith and fair dealing, materiality and reasonableness, regardless of whether considered in a proceeding at law or in equity.

Notwithstanding the foregoing and without limiting the generality of the foregoing exceptions, we express no opinion with respect to (i) the availability of the remedies of specific performance or injunctive relief, (ii) the availability of *ex parte* remedies and other self-help or non-judicial relief, or (iii) the legality, validity, binding effect, or enforceability of provisions that provide for an event of default or availability of remedies predicated solely upon commencement of bankruptcy, reorganization or similar proceedings with respect to the Concession Company, the Contractor or the Operator.

2. Without limiting the generality of any other exception, limitation or qualification, we express no opinion with respect to (i) the enforceability of a set-off right, (ii) the application of any law, statute, rule or regulation relating to the environment, health or safety, (iii) any law, statute, rule, or regulation that may apply to any party as a result of its activities in the Commonwealth that are not directly related to the transactions contemplated by the Concession Company Documents, (iv) the enforceability of any provisions of the Concession Company Documents to the extent that any recovery of attorneys' fees is not limited to reasonable attorneys' fees, and (v) the validity or enforceability of any purported waiver or purported consent relating to any other rights of any party, or duties owed to any of them, existing as a matter of law, including without limitation the purported waiver of any party's right to a jury trial.

3. We have not considered and do not express an opinion with respect to (i) any Federal or state (including the Commonwealth) securities and antitrust laws and regulations or (ii) the power and authority of the Authority to enter into the Agreement or to carry out the transactions contemplated thereby.

4. We express no opinion with respect to the law of fiduciary obligations, pension and employee benefit law, environmental law, patent, copyright, trademark or other intellectual property law, racketeering law, health and safety law, labor law, law with respect to national or local emergency, security or terrorism, tax law, federal or state securities or blue sky laws, or antitrust or unfair competition law.

IV. Limitations and Reliance

The opinions expressed herein are matters of professional judgment, are not a guarantee of result and are effective only as of the date hereof. We do not undertake to advise you of any matter within the scope of this letter that comes to our attention after the date of this letter and disclaim any responsibility to advise you of any future changes in law or fact that may affect the opinions set forth herein. We express no opinion other than as hereinbefore expressly set forth. No expansion of the opinions expressed herein may or should be made by implication or otherwise.

[Continued on next page]

This opinion is rendered solely for your information in connection with the transaction described above and may not be relied upon by you in any other capacity or for any other purpose and may not be used or relied upon by any other Person for any purpose without our express prior written consent.

Very truly yours,

[Counsel to the Concession Company]

Schedule 10-A
Form of Legal Opinion (English Law)

Baker & McKenzie LLP

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[•] 2022

Puerto Rico Ports Authority
P.O. Box 362829
San Juan
Puerto Rico 00936-2829
Attn: Executive Director

Dear Sirs

Global Ports Holding PLC – Capacity Legal Opinion

1. Introduction

(a) In our capacity as English legal adviser to Global Ports Holding Plc we have been asked to give an opinion in connection with a technical services agreement (the "**Technical Services Agreement**") dated [•] and made between Global Ports Holding Plc with the following company number 10629250 (the "**Company**") and San Juan Cruise Port LLC a limited liability company organised and existing under the laws of the Commonwealth of Puerto Rico (the "Commonwealth").

(b) We have received instructions solely from and participated in discussions solely with San Juan Cruise Port LLC and its subsidiaries regarding the Technical Services Agreement.

(c) For this opinion:

(i) we have reviewed only the documents referred to in paragraph 3 (*Documents Reviewed*). In our view these are the only documents we need to review to give this opinion; and

(ii) we have completed only the searches and enquiries referred to in paragraph 4 (*Searches and Enquiries*). These are the only searches and enquiries which, in our view, are both relevant to this opinion and practical for us to make in this context.

2. English Law Opinion

(a) This opinion is limited to matters of English law as published and as applied by the English courts as at the date of this opinion. We have made no investigation of the laws of any jurisdiction other than those of England. We have no obligation to update this opinion or otherwise advise you as to any changes of law after the date of this opinion or facts discovered after the date of this opinion not previously known to us.

(b) We express no opinion on matters of fact, opinion or intention.

(c) Except for the opinion in paragraph **Error! Reference source not found.**6(e), we express no opinion on any taxation matters. For these purposes *"taxation"* includes stamp duties and value added tax.

(d) We have not investigated whether any filings, clearances, notifications or disclosures are required under laws relating to anti-trust, competition, public procurement or state aid.

(e) This opinion is given on condition that it will be construed in accordance with English law, and that the English courts will have exclusive jurisdiction to settle any dispute arising out of or in connection with it.

3. Documents Reviewed

For this opinion we have reviewed the following documents:

(a) a pdf copy of a signed original of the Technical Services Agreement;

(b) copies of the following documents, [in each case certified by a director of the Company as being true and correct copies of the originals] as at [•]:

(i) the certificate of incorporation of the Company dated [20 February 2017];

(ii) certificate issued under section 96 of the Companies Act of re-registration as a public company dated [26 April 2017];

(iii) the memorandum and articles of association of the Company; and

(iv) [the minutes of a meeting of the board of directors of the Company held on [•], signed by the chairman of the meeting]/[written resolutions of the directors of the Company approving the execution of the Technical Services Agreement].

Except for the documents listed above, we have not examined any contracts or other documents entered into by or affecting any party to the Technical Services Agreement nor any corporate records of the Company and (except for the enquires referred in paragraph 4 below) we have not made any other enquiries or searches concerning the Company.

4. Searches and Enquiries

We have carried out the following searches, either ourselves or through our agent, using the name of the Company as it appears in this opinion:

(a) At [TIME] on [•] we carried out an on-line search at Companies House [, and we updated that on-line search at [TIME] on [•].

(b) At [TIME] on [•] we carried out an enquiry of the Central Registry of Winding-up Petitions at the Companies Court in London.

(c) On [•] we carried out an on-line search of the Gazette relating to the Company which reveals any notices published up to [ONE BUSINESS DAY BEFORE THE SEARCH DATE]. We updated the search with an on-line search which we undertook on [•], and which reveals any notices published up to [ONE BUSINESS DAY BEFORE THE UPDATE SEARCH DATE].

5. Assumptions

We have assumed (without making any investigation) as follows:

(a) Each party to the Technical Services Agreement (excluding the Company):

(i) exists, and has power to enter into, execute and to exercise its rights and perform its obligations under the Technical Services Agreement; and

(ii) has taken all necessary action to authorise the execution of the Technical Services Agreement and to exercise its rights and perform its obligations under it and to perfect, protect and preserve any of the interests created by it.

(b) The Company has executed the Technical Services Agreement in accordance with the laws of the Commonwealth of Puerto Rico.

(c) All copy documents conform to the originals and all originals are genuine, complete and up-to-date and all signatories, stamps and seals on the documents are genuine.

(d) The Technical Services Agreement accurately records all terms agreed between the parties to it and has not been terminated, rescinded, amended, modified, superseded or varied and there has been no breach of any of its provisions by any of the parties thereto which would affect the opinions expressed in this opinion letter.

(e) The Technical Services Agreement has been dated with the date on which it was signed by each person referred to in paragraph (f).

(f) The Technical Services Agreement has been signed by or on behalf of each party to it by the person(s) authorised by the relevant party to sign it, and the signatures on the signature pages were made or done in a manner recognised by law as valid.

(g) There have been no amendments to the memorandum and articles of association of the Company since the date on which they were certified.

(h) The resolutions of the directors of the Company referred to in paragraph 3(b)(iv) (*Documents Reviewed*) were duly passed by duly appointed directors of the Company [at a meeting of the directors, properly convened and held, at which a quorum was present throughout]; due disclosure was made by each director of any interest he or she might have in the transactions contemplated by the Technical Services Agreement in accordance with sections 177 or 182 of the Companies Act 2006 (as the case may be) and the articles of association of the Company; and no director of the Company was in breach of his or her fiduciary duty in [voting for/signing] the resolutions concerned.

(i) In causing the Company to enter into the Technical Services Agreement the directors of the Company acted in the manner required by section 172 of the Companies Act 2006 (*Duty to promote the success of the Company*).

(j) The information disclosed in response to our searches and enquiries was accurate at the time of those searches and enquiries, and the responses did not fail to disclose any matters which they should have disclosed and which are relevant for the purposes of this opinion. Since the time of those enquiries there has been no alteration in the status of the Company, as revealed in those responses.

(k) The obligations of the parties, under the Technical Services Agreement are legally binding, valid and enforceable under the laws of the Commonwealth of Puerto Rico.

(l) The documents listed in paragraph 3 above contain all information which is relevant for the purposes of our opinion and there is no other agreement, undertaking, representation or warranty (oral or written) and no other arrangement (whether legally binding or not) between all or any of the parties or any other matter which renders

such information inaccurate, incomplete or misleading or which affects the conclusions stated in this opinion.

(m) None of the parties is or will be seeking to achieve any purpose not apparent from the Technical Services Agreement which might render the Technical Services Agreement illegal or void.

(n) There are no provisions of the laws of any jurisdiction outside England which would have any implication for the opinions we express.

(o) The Technical Services Agreement has the same meaning and effect as if it were governed by English law.

6. Opinions

Based upon and subject to the assumptions and qualifications set out in this opinion, we are of the opinion that:

(a) The Company is incorporated and exists as a company with limited liability under English law.

(b) The Company has corporate power to enter into, execute and perform its obligations under the Technical Services Agreement and such performance does not contravene any law of England of general application.

(c) The Company has taken all necessary corporate action to authorise the execution of the Technical Services Agreement and to perform its obligations under it.

(d) The execution by or on behalf of the Company of the Technical Services Agreement has been carried out in accordance with the requirements of the memorandum and articles of association of the Company and does not contravene any law of England of general application.

(e) No stamp duty, registration tax or similar documentary tax or charge is required to be paid in England in respect of the execution by the Company of the Technical Services Agreement.

(f) No authorisation, approval, consent, licence or exemption from any governmental, judicial or public body or authority in England, and no filing, registration or recording of the Technical Services Agreement, is required by any law applicable to companies generally:

(i) to enable the Technical Services Agreement to be executed by or on behalf of the Company; or

(ii) to enable the Company to perform its obligations under the Technical Services Agreement.

(g) [If either party to the Technical Services Agreement was to commence proceedings in the English courts in relation to any dispute arising out of the Technical Services Agreement the English courts would on an application by the other party likely stay such proceedings (save in respect of applications in support of arbitration including under sections 42 to 44 of the Arbitration Act 1996).][1]

[1] Paragraph (g) to be reviewed and amended as necessary once the TSA disputes mechanisms are known.

7. Qualifications

Our opinions are subject to the qualifications set out in paragraphs 7(a) to (f) below.

(a) The searches and enquiries referred to in paragraph 4 (*Searches and Enquiries*) are not conclusively capable of revealing whether insolvency or similar procedures, or steps towards them, have been started against the Company.

(b) We express no opinion on the effectiveness of any of the provisions of the Technical Services Agreement, since it is governed by the laws of the Commonwealth of Puerto Rico.

(c) Our opinions are subject to the effect of laws relating to bankruptcy, insolvency, liquidation, administration, arrangement, moratorium, re-organisation and other laws relating to or affecting the rights of creditors and (as the case may be) secured creditors.

(d) In any action brought in the English courts, English law as to matters of evidence (including foreign law) and procedure (including service of process) would be applied.

8. Disclosure and Reliance

(a) This opinion is given only by Baker & McKenzie LLP, an English limited liability partnership, and not by or on behalf of Baker & McKenzie International (a Swiss Verein) or any other of its member or associated firms. In this opinion the expressions "we", "us", "our" and like expressions should be construed accordingly.

(b) The addressee of this opinion may rely on this opinion in connection with the transaction contemplated by the Technical Services Agreement. The addressee of this opinion, acknowledges that our client is solely the Company and that we accept no liability to any addressee in circumstances where we would not be liable to our client.

(c) The contents of this opinion may be disclosed for information purposes only, but may be relied upon only by the addressee.

(d) No person who is permitted to rely on this opinion may assign it to, or hold the benefit of it on trust for, any other person.

Yours faithfully

BAKER & MCKENZIE LLP

SCHEDULE 11

TECHNICAL DISPUTE PROCEDURE

1. **Technical Disputes Procedure**

This Schedule 11 shall be read in conjunction with Section 19.4(b) of the Agreement and comprises certain additional procedures and requirements to apply to a Technical Dispute between the Parties which is unresolved after the Negotiation Period and is referred for Expert Technical Determination. This Schedule 11 shall apply except to the extent that the Parties and the Independent Expert(s) agree on alternative procedures for the relevant Expert Technical Determination.

2. **Expert Technical Determination Procedure**

2.1 A Party wishing to refer a Technical Dispute to Expert Technical Determination under Section 19.4(a) of the Agreement shall serve a notice on the other Party and the Parties (i) shall constitute the Panel of Independent Experts (the "Panel") or, (ii) by agreement of the Parties, may use one single Independent Expert (collectively referred herein as "Independent Expert(s)"), all in accordance with Section 19.4(b). This Schedule 11 applies equally to both instances (i) and (ii).

2.2 The procedure set forth in this Schedule 11 shall apply if the Parties have not agreed on a specific procedure to undertake the Expert Technical Determination within ten (10) Business Days from the appointment of the Independent Expert(s). In such event, within five (5) Business Days after the expiration of such ten (10) Business Days period, the Independent Expert(s) will fix and notify a date for hearing the representations of facts and/or law and/or the arguments of the Parties and any inspection, if necessary. This hearing and/or inspection shall be held within twenty (20) to thirty-five (35) Business Days from the date of the notification of the hearing.

2.3 In the case of a Panel, the chairperson, or otherwise the single Independent Expert shall be responsible for the proper and expeditious conduct of the Expert Technical Determination including securing the availability of members of the Panel to ensure that any Panel so constituted will discharge its duties. All communications from either of the Parties shall be addressed to the chairperson, in the case of a Panel, or otherwise to the single Independent Expert, copying all Parties in accordance with Section 19.4(b)(ii). In all instances, the Independent Expert(s) shall also copy all Parties.

2.4 Each Party must submit written briefs to the Independent Expert(s), with copies to the other Party, no later than seven (7) Business Days prior to the date fixed for the hearing, provided that, in the case of responding to any request of the Independent Expert(s), such time

period for response shall be as specified by the Independent Expert(s) in such request.

2.5 The hearing shall not last more than ten (10) Business Days, unless authorized and agreed by all Parties.

2.6 Within five (5) Business Days after the hearing, the Independent Expert(s) shall deliver to both Parties its determination on the Technical Dispute. The Independent Expert(s) shall also give written reasons for its determination (including making findings as to liability, quantum and costs in relation to the Technical Dispute), but these may be delivered up to ten (10) Business Days after the hearing. If requested by the Independent Expert(s) and subject to the agreement of the Parties, the time for delivery of the Independent Expert(s)' determination, as well as the written reasons for the determination, may be extended by up to fifteen (15) Business Days.

2.7 The Independent Expert(s)' determination shall be final and binding on both Parties who shall forthwith give effect to the determination, unless a challenge to enforceability is proper in accordance with Section 19.4(b)(iv). In the event the Independent Expert(s) render the determination and the reasons for the determination separately, any term to challenge the enforceability of the determination shall run from the date of the delivery of the latter.

2.8 After referral of the Technical Dispute to Expert Technical Determination, the Parties may agree to such longer periods for submitting written briefs or other statements of fact or law or arguments in writing, hearing the representations of the Parties and/ or for the delivery of the Independent Expert(s)' determination as they see fit.

2.9 The Independent Expert(s) shall act impartially and may take the initiative in ascertaining the facts and the Law. The Independent Expert(s) shall have the power, other than with respect to negotiation communications referred to in Section 19.3(a) of the Agreement (the "Negotiation Communications"), to open up, review and revise any opinion, certificate, instruction, determination or decision of whatever nature given or made under the Agreement.

2.10 The Independent Expert(s) shall proceed within as short a time as possible after the conclusion of the hearings or, if no hearings were held, after submittal of written briefs by the Parties, to establish the facts of the case.

2.11 The Independent Expert(s), after consultation with the Parties, may appoint one or more experts to report in writing to the Independent Expert(s) and the Parties on specific issues in the Expert Technical Determination, as identified by the Independent Expert(s). Any such expert shall be and remain impartial and independent of the Parties. The

Independent Expert(s) may require any Party at any time to give to such expert any relevant information or to provide access to any relevant documents, goods, samples, property, site or thing for inspection under that Party's control on such terms as the Independent Expert(s) think appropriate in the circumstances. If any Party so requests or the Independent Expert(s) consider it necessary, the Independent Expert(s) may order the expert, after delivery of the expert's written report, to participate in a hearing at which the Parties shall have a reasonable opportunity to question the expert on the report and to present witnesses in order to testify on relevant issues arising from the report. The fees and expenses of any expert appointed by the Independent Expert(s) shall form part of the Expert Technical Determination costs.

2.12 The Independent Expert(s) shall have the power, upon the request of any Party (or agreement of both Parties in the case of (viii) below), or upon its own initiative, but in either case only after consultation with the Parties and upon such terms (as to costs and otherwise) as the Independent Expert(s) may decide:

(i) to allow a Party to supplement, modify or amend any claim, defense, cross-claim, defense to cross-claim and reply or any other written statement, submitted by such Party;

(ii) to abridge or extend (even where the period of time has expired) any period of time prescribed under Section 19.4 of the Agreement or this Schedule 11 (notwithstanding any specific provision herein), or any order made by the Panel;

(iii) to order any Party to make any documents (other than Negotiation Communications), goods, samples, property, site or thing under its control available for inspection by the Independent Expert(s), any other Party, any expert to such Party and any expert to the Panel;

(iv) to hear witnesses or any other person, in the presence of the Parties, or in their absence provided they have been duly summoned;

(v) to order any Party to produce to the Independent Expert(s) and to other parties, documents or copies of documents in their possession, custody or power (other than Negotiation Communications) which the Independent Expert(s) decides to be relevant;

(vi) to decide whether or not to apply any strict rules of evidence (or any other rules) as to the admissibility, relevance or weight of any material tendered by a party on any issue of fact or expert opinion and to decide the time, manner and form in which such material should be exchanged between the Parties and presented to the Independent Expert(s);

(vii) to order compliance with any legal obligation, payment of compensation for breach of any legal obligation and specific performance of any agreement;

(viii) to allow one or more third persons to be joined in the Expert Technical Determination as a party provided any such third person and the Parties have consented to such joinder in writing, and thereafter to make a single final award, or separate awards, in respect of all parties so implicated in the Expert Technical Determination;

(ix) generally, decide any matter in relation to the procedures which would not be provided under this Schedule or Section 19.4 of the Agreement.

2.13 Independent Expert(s) shall not be liable for anything done or omitted in the discharge of his or her functions unless the act or omission is fraudulent or in bad faith.

2.14 The place of any hearings for the Expert Technical Determination shall be San Juan, Puerto Rico.

2.15 The Expert Technical Determination and all proceedings, documentation and determinations in relation to that procedure are to be in English; provided however that, if the Independent Expert(s) are fluent in English and Spanish, either language may be used as agreed by the Parties or as determined by the Independent Expert(s). Under such circumstances, (i) if the Expert Technical Determination is conducted in English, the Parties may rely on documents in Spanish without the need to provide an English language translation; and (ii) if a hearing is conducted, witnesses may testify in Spanish without the need to provide a simultaneous translation to English; provided that a Party may, at its own expense, provide for such simultaneous translation.

3. Additional requirements for Independent Experts and replacement of Independent Experts

3.1 No person who has been appointed to act as an Independent Expert for an Expert Technical Determination shall act as adviser to either Party following such appointment or take any other part in any proceedings between the Parties arising from or in connection with the Agreement, including as counsel to any such Party. The Parties may appoint counsel or other professional advisers to advise and represent them in relation to and at the Expert Technical Determination.

3.2 No Independent Expert may be a present or, within the past seven (7) years, an employee or agent of, or consultant or counsel to, either Party or any Affiliate of either Party or have any interest, personal or financial, in any matter relating to the Technical Dispute or the Parties themselves.

3.3 Any Independent Expert, including the chairperson of the Panel, may be removed by agreement of both Parties.

3.4 If an Independent Expert (other than the chairperson) dies, retires or is unable for any other reason to continue to act while a Technical Dispute is being considered by the Panel, a replacement Independent Expert shall be appointed by the Party who nominated the Independent Expert to be replaced not later than five (5) Business Days after the date of the death, the retirement or the date that such Independent Expert notifies the Parties that he or she is unable to continue to act (as applicable). If any replacement is made in accordance with this paragraph 3.4, then the Parties will be deemed to have agreed to extend for an additional period of ten (10) Business Days the remaining time limits for the relevant Technical Dispute to allow the replacement Independent Expert to study the docket and take over the duties of the replaced Independent Expert.

3.5 If the chairperson dies, retires or is unable for any other reason to continue to act while a Technical Dispute is being considered by the Panel, a replacement chairperson shall be appointed by application of either Party to the ICC International Centre for ADR (the "ICC") in accordance with the ICC Rules for the Appointment of Experts and Neutrals. If any replacement is made in accordance with this paragraph 3.5, the Parties will be deemed to have agreed to extend the remaining time limits for the relevant Technical Dispute to allow the replacement chairperson ten (10) Business Days to study the docket and take over the duties of the replaced chairperson.

SCHEDULE 12

OPERATING STANDARDS

[*See Attached*]

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1. INTRODUCTION AND BACKGROUND

This section of the Operating Standards describes the purpose of the Operating Standards, its approval mechanism, and an overview of the document's organizational structure.

1.1. PURPOSE OF THE OPERATING STANDARDS

The purpose of this document is to provide the minimum requirements the Concession Company shall meet for the benefit of the Commonwealth of Puerto Rico, the Puerto Rico Ports Authority (the Authority), the Cruise Lines and Other Shipping Lines in the operation and maintenance of the Cruise Port Facility, how the achievement of those minimum standards will be determined, and the process for remedying any deficiencies of performance.

1.2. OPERATING STANDARDS OVERVIEW

This document provides guidance as to the development of an Operations and Maintenance Plan that will ensure that minimum operating standards are met or exceeded, ensuring the safe and continuous operation of the Cruise Port Facility.

1.2.1. Objectives

The Cruise Port Facility must be operated and maintained such that it meets or exceeds certain minimum standards. The Concession Company shall comply with reasonable performance measures that are both quantitative and qualitative in nature, unless and except to the extent that acts or omissions of a Shipping Line, the Authority, a Governmental Authority or a Force Majeure Event impede or prevent the Concession Company from so complying. The Operating Standards shall be construed flexibly in light of their objectives. The quantitative measurements are based on operating statistics and physical inventories, while the qualitative measurements are based on user perceptions and expectations.

Quantitative measurements will be collected and assessed by tracking a variety of terminals operating and physical statistics.

Qualitative measurements will be collected through surveys of passengers, Cruise Lines and Other Shipping Lines, visual observations, and by reporting procedures established by the Authority and the Concession Company.

The performance measures identified in this report are separated into several categories intended to capture various aspects of the Cruise Port Facility's operating performance. They include trend data on passenger traffic demand and physical terminals and facilities, statistical performance metrics, quality of service measures, condition of the facilities, regulatory compliance, community relations, and others. The Concession Company is expected to collect all relevant data and to demonstrate compliance with all standards identified in this manual.

1.2.2. Organizational Structure of this Document

This document provides the Concession Company with the minimum operating standards for the development and implementation of an Operations and Maintenance Plan for the Cruise Port Facility.

The Operations and Maintenance Plan must include specifications for the operation of all Cruise Port facilities and systems, as well as reporting requirements for the same. The Operations and Maintenance Plan must address each of the following functional components of the Cruise Port Facility, as follows:

Cruise Port Facilities Operations Plan (Section 2)

Capital Asset Management Plan (Section 3)

Environmental Sustainability Plan (Section 4)

Safety Plan and Safety Management Systems Plan (Section 5)

Cruise Port Facility Security Program (Section 6)

Cruise Port Facility Emergency Plan (Section 7)

Customer Service Plan (Section 8)

This document also includes three appendices as follows:

Cruise Port Facility Emergency Plan—current version for revision by the Concession Company in accordance with this Schedule 12 (Appendix A)

Available Guidance and Standards (Appendix B)

Form of Operational Performance Metrics Report (Appendix C)

Each individual component of the Operations and Maintenance Plan must address the following set of requirements:

Objective of the plan - a straightforward statement of the objective of the plan

Essential staffing - minimum staffing levels required and identification of key personnel, roles and responsibilities

Stakeholder coordination - identification of the affected stakeholders and the Concession Company's coordination plan

Scope of plan - identification of the physical facilities or operating procedures that are covered by the plan and the efforts involved in executing the plan

Performance schedule - the frequency/schedule for which various tasks must be executed for the requisite operation or procedure

Reporting requirements - the scope of reporting and auditing that is required to ensure the plan requirements are being met or exceeded, as well as the specifications and methods for reporting.

Accordingly, this document provides an individual section including guidance as to the minimum requirements that must be addressed for each of these functional areas within the Operations and Maintenance Plan that the Concession Company must develop.

1.2.3. Coordination with Other Agencies

At a minimum, the Concession Company must coordinate as appropriate with the following entities:

Puerto Rico Ports Authority (the Authority)

The San Juan Harbor Master

US Coast Guard (USCG)

Customs and Border Protection (CBP)

Puerto Rico Fire Department (PRFD)

Municipality of San Juan

Puerto Rico Department of Natural and Environmental Resources (DNER)

Puerto Rico Solid Waste Authority (SWA)

Cruise Lines and Other Shipping Lines

San Juan Port other lessees and/or concessionaires

Other ancillary supporting third party companies

United States Environmental Protection Agency (USEPA)

United States Department of Agriculture (USDA)

Local law enforcement

US Fish & Wildlife Service (FWS)

National Marine Fisheries Service (NMFS)

United States Army Corps of Engineers (USACE)

1.2.4. Required Reports

This document requires a number of reports to be generated on a regular basis. A Concession Company Annual Report shall summarize the findings of each of the reports with the exception of the Security Assessment Report. The Concession Company Annual Report will summarize year over year patronage numbers, safety incidents, projects or other improvements undertaken or completed throughout the year, and the capital improvement program. The individual sections that comprise part of the Concession Company Annual Report include:

Operational Performance Report (see Section 2.4.9)

Facilities Conditions Assessment (see Section 3.4.6)

Vessel and Passenger Traffic Summary (see Section 3.4.7)

Capital Improvement Program (see Section 3.4.8)

Sustainability Report (see Section 4.3.6)

Safety & Security Assessment Report (see Sections 5.4.10 and 6.4.9)

Emergency Report, if applicable, (see Section 7.4.11)

Level of Service Report (see Section 8.4.5)

1.3. OPERATING STANDARDS SUBJECT TO CRUISE PORT FACILITY PPP AGREEMENT

The interpretation of these Operating Standards and the Concession Company's compliance with these Operating Standards (including any goals contained herein and any provisions where objective performance is described in absolute terms (i.e., "all", "every", "in all instances", "completely", etc.)) shall be subject to the applicable provisions set forth in this Agreement.

1.4. RELATIONSHIP TO DOCUMENTS REQUIRED BY LAW

To the extent the Concession Company's compliance with any provision of these Operating Standards can be demonstrated by reference to any other document required by Law to be maintained by the Concession Company, the Concession Company's compliance with the relevant provisions of these Operating Standards may be demonstrated by cross-referencing any other such documents and providing such documents to the Authority and provided further the Authority does not object to the process of cross-referencing and providing such documents to the Authority.

To the extent that any term or provision of these Operating Standards conflicts with any term or provision otherwise specified in the US Coast Guards Regulations or CBP Regulations, then such term or provision of the Operating Standards shall be construed flexibly in light of their objectives,

and US Coast Guards Regulations or CBP Regulations as applicable, shall govern and shall supersede any such conflicting term or provision of these Operating Standards.

The Concession Company's obligation to comply with the USCG's Regulations extends only to USCG Regulations or CBP Regulations for which the USCG has made compliance mandatory on port facilities operators. To the extent that any USCG's Regulations or CBP Regulations are not mandatory, the Concession Company is not obligated to comply with it (by virtue of such USCG's Regulation), but may do so in its discretion.

To the extent that these Operating Standards refer to any particular law, regulation, ordinance, order, directive, USCG's Regulation or CBP Regulations, the reference is to the then-current version of the same, as it may have been amended, revised, replaced or succeeded from time to time.

1.5. APPLICABLE LAW

The provisions of the Operating Standards and of the Operations and Maintenance Plan established under them shall comply with all applicable laws, rules, regulations, ordinances, orders and directives of any Governmental Authority. For convenience, these are referred to as "Legal Requirements" throughout this document.

1.6. PLAN SUBMISSION AND REVISIONS; COMPLIANCE WITH BEST INDUSTRY PRACTICES

The Operations and Maintenance Plan, each of its component sections and any modifications thereto must comply in all material aspects with best industry practices in effect at Comparable Cruise Ports and shall be developed by the Concession Company in consultation with the Authority. The Operations and Maintenance Plan and each of its component sections shall be revised at such times as described herein; provided however, that (i) the initial Capital Asset Management Plan shall be submitted by the Concession Company for approval to the Authority in accordance with Section 3.4 and (ii) revisions to the Capital Asset Management Plan shall be submitted by the Concession Company annually for approval to the Authority in accordance with Section 3.4.

Contemporaneously with the submission of the Concession Company Annual Report, the Concession Company shall submit any proposed modification to the Operating Standards to the Authority and the Cruise Lines and Other Shipping Lines. Any changes to the Operating Standards and these documents are subject to the requisite approvals (if any) required under this Agreement.

The Concession Company is responsible for becoming familiar with future standards and regulations that may be applicable during the term of the concession, including best practices that apply to the design, operation, upkeep, and maintenance of the Cruise Port Facility. The Operations and Maintenance Plan, each of its component sections and any modifications thereto must comply in all material aspects with best industry practices in effect at Comparable Cruise Ports.

1.7. GENERAL STAFFING REQUIREMENTS

The staff levels required shall be determined by the needs of the Concession Company to fulfill its maintenance, operation, and contractual obligations as well as statutory and regulatory requirements under this Agreement, applicable Law, the Operating Standards and the Operations and Maintenance Plan then in effect. The Concession Company must also comply with the staffing and training requirements set forth in the Legal Requirements.

The Cruise Port Facility is a 24-hours-per-day, 365-days-per-year operation. For this reason, the Concession Company shall recognize the need to have variable work shifts, employees, supervisors, and personnel so as to maintain constant operations consistent with the levels of operations at the Concession Company at such times (with the understanding that the Concession Company may make reasonable judgments as to when increased or decreased staffing levels are appropriate). The Concession Company shall create work shifts that ensure the continual operation of the Cruise Port Facility. Staff requirements shall be based upon the actual and anticipated needs of the Cruise Port Facility.

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2. CRUISE PORT FACILITY OPERATION PLAN

2.1. BACKGROUND

The Cruise Port Facility Operation Plan (CPFOP) shall provide assurance to the Authority that the Concession Company is executing appropriate and timely actions that maintain the safe and continuous operation of the Cruise Port Facility. The CPFOP shall be developed and executed by the Concession Company, and submitted to the Authority for approval.

2.2. REGULATORY COMPLIANCE

The CPFOP shall identify and comply with all Legal Requirements. The Concession Company must ensure that employees and representatives responsible for the operation of the Cruise Port Facility comply with the provisions of the CPFOP including all requirements of applicable laws, regulations and other documents listed in Appendix B to this Schedule 12, which shall be considered to be part of the Legal Requirements.

The Concession Company shall ensure that its employees and representatives conducting maintenance procedures on its behalf comply with the provisions of the CPFOP and all Legal Requirements.

Appendix B contains a list of standards and regulations with which the Concession Company must comply, at a minimum. The list is not intended to include all applicable standards and regulations - it is the responsibility of the Concession Company to identify and comply with all existing standards and regulations as well as future best practices applicable to marine terminals operations.

2.3. EXISTING PLANS

The Concession Company shall utilize any available existing plans and descriptions of Cruise Port Facility systems and facilities, and procedures provided to it in the development of the CPFOP. The Concession Company shall ensure that the FOP complies with the relevant standards within the CPFEP which, in addition to the requirements described herein, shall be considered minimum standards.

2.4. REQUIREMENTS OF THE PLAN

The CPFOP shall identify the plan's objectives, essential staffing, stakeholders, scope, performance schedule, and reporting requirements as described below.

2.4.1. Objectives of the CPFOP

The objective of the CPFOP section of the Operations and Maintenance Plan is to establish policies and procedures to ensure the organized, efficient, continuous, and safe operation of all Cruise Port Facility. The CPFOP shall also define the responsibilities, procedures, minimum requirements, and best practices for the maintenance of a major Cruise Port Facility. The maintenance section of the Operations and Maintenance Plan should also provide guidance regarding the training of essential staff responsible for the maintenance of critical facilities.

2.4.2. Essential Staffing

An organizational chart shall be included in the CPFOP which identifies the essential staff responsible for each of the facilities covered under the CPFOP. The organizational chart should identify the titles, roles, and duties for each of the individuals responsible for the operation and administration of the various facilities.

The organizational chart shall be supplemented by a summary of the levels of staffing that would be provided for each of the facilities operations. The levels of staffing shall be identified for each season of operation, as the requirements should vary throughout the year in accordance with the work effort.

Current contact information shall be included for each essential staff member.

2.4.3. Stakeholders

The CPFOP shall identify all stakeholders (both public and private) that may be affected by the performance of the CPFOP and define any necessary applicable coordination with individual stakeholders. Stakeholders would include, but not be limited to: USCG, CBP, PRFD, local law enforcement, Cruise Lines and Other Shipping Lines tenants, Cruise Port Facility tenants, and other entities that operate at the Cruise Port Facility.

2.4.4. Scope of Plan

The CPFOP shall identify and address the operation and maintenance of all current and planned Cruise Piers and Cruise Pier Buildings. This plan shall address all facilities besides those within the vessel movement area. The facilities that must be addressed within the CPFOP include the following primary Cruise Port Facility functional areas:

Waterside berthing and mooring structures (piers and wharves);

Passenger terminals;

Ground transport areas, including access roadway system, terminal curb front, public transport waiting areas, vehicle parking facilities and all Cruise Port Facility roadways serving the Cruise Port Facility;

Other Cruise Port Facility facilities (storage areas, maintenance buildings, other utilities, law enforcement facilities, and other Cruise Port Facility buildings) necessary to perform operations and maintenance of the Cruise Port Facility.

The CPFOP must address performance standards for operations, including quantitative and qualitative standards for performance and methods for remediation of sub-standard performance. The Concession Company shall, at minimum, include the relevant standards for performance and descriptions of facilities, systems and activities contained in Appendix C (Form of Operational Performance Metrics Report) as requirements under this section.

Given the Cruise Port Facility is operational on a 24-hour basis throughout the entire year, the Concession Company must define the management and operation of all major facilities such that planned and unforeseen interruption of normal operations is minimized to the maximum extent possible.

The CPFOP must also document:

The inventory of all major facilities and systems, including identification of the type of facility (e.g. office space, hangar, workshops, et cetera);

The staff (or third-party staff) dedicated to the operation of each major facility and system;

The staff (or third-party staff) dedicated to the maintenance of each major facility and system;

The routine maintenance program for all major facilities and systems, thereby ensuring the condition of said facilities will permit the continuous operation of the Cruise Port Facility;

The schedule for major maintenance as an input to the Capital Asset Management Plan.

2.4.5. Operation of the Facilities

The Concession Company shall provide descriptions of the procedures required for the operation of each functional component of the Cruise Port Facility, including the Cruise Piers, Cruise Pier Buildings and their respective systems. At a minimum, the CPFOP shall include the following for each facility:

An exhibit of the location and key functional components of the facility;

A brief narrative description of the facility (distinguishing Port of Call from Homeport berths and passenger terminals) and its components;

The immediate-, near-, and long-term needs of the facility in terms of its capital requirements;

The minimal and optimal resources required to operate the facility in terms of staffing and equipment;

The identification of the essential staff that is responsible for the supervision and organization of the facility;

The routine maintenance plan for the facility in accordance with manufacturers' preventive maintenance requirements, where applicable (e.g. passenger loading bridges).

For routine operation activities, the Concession Company may, from time to time, temporarily or permanently close roadways, doorways, and other areas at the Cruise Port Facility including within the Cruise Piers; provided that, if time permits, the affected Cruise Lines shall be informed of such closings in order to minimize the disruption of services being provided.

The following procedures and facilities shall also be addressed within the CPFOP. The performance standards included in Appendix C (Form of Operational Performance Metrics Report) shall be included in the development of the CPFOP.

Custodial procedures - define the duties of each type of staff member (or third-party entity), including the frequency of each duty and the areas for which each party is responsible.

Cruise Port Facility concessions - subject to existing contracts as of the Closing, develop, in consultation with the Authority, an appropriate concessions program that includes national and local brands and a diverse selection of products and services. The concessions program shall offer a variety of products and services and quality, and shall incorporate the periodical surveying of passengers for ongoing evaluation of the program. The concessions program shall also provide for an appropriate allocation of pre-security and post-security concessions based on available operational data, facility space and facility constraints.

General terminals operations - define the duties of Concession Company's personnel responsible for operation of the systems supporting the departure hold areas, public circulation areas, baggage claim, and restrooms. The delineation of duties of the Concession Company's staff versus tenants' staff should be clearly defined in tenant leases.

Cruise Piers Utilization - defines the scheduling procedures as described in the Operating Standards.

Ground transportation facility utilization - vehicles parking lots, taxi, bus, and rental car facilities.

General administration - the Concession Company shall provide an organizational chart of the staff responsible for administration and operation of the Cruise Port Facility. Further, the Concession Company should identify which, if any, Cruise Port Facility operations may be performed or handled by third party vendors, including but not limited to: detention, catering, cleaning and other general Cruise Port Facility support services.

2.4.6. Operation of Systems

The Concession Company shall provide descriptions of the various systems required for the operation of the Cruise Port Facility, including the Cruise Piers and the Cruise Pier Buildings. At a minimum, the CPFOP shall include a description of the following systems for each facility, as appropriate:

Mechanical, electrical and plumbing;

Communications and information technology;

Life safety systems (e.g. emergency communications, fire protection, security, backup systems);

Spillage prevention and mitigation systems;

Civil engineering systems, including pavement drainage, traffic signals, pavement maintenance standards;

Architectural systems (e.g. signage and way finding, structural);

Public and private utility corridors, including sewer and water systems;

Landscape systems (e.g. drainage, landscaping, and erosion control). The Concession Company shall require erosion control measures that will be used during construction to minimize sediment run-off from the site.

The maintenance plan for each of the systems shall also be addressed by this plan. Table 2-1 lists the basic functional areas that the maintenance plan must address. The maintenance plan shall address scheduled preventive maintenance.

Table 2-1
FACILITIES MAINTENANCE PLAN FUNCTIONAL AREAS

Functional Area	**Major Facilities and Systems**
Cruise Piers, including waterside berthing and mooring structures (piers and wharves)	Above water structures of piers and wharves including fendering, mooring dolphins and bollards
	Piers and wharves apron pavement and service lanes pavement, drainage and utilities
	Below water structures of piers and wharves
	Shore-to-ship power systems where available
	Water supply systems
	Waste collection systems
Cruise Pier Buildings, including passenger terminals	Architectural elements and systems
	Signage
	Flooring
	Roof and drainage / water collection systems
	Landscaping and trash removal
	Environmental systems
	Structural systems

Functional Area	Major Facilities and Systems
	Mechanical systems, including HVAC
	Electrical systems, including controls and other automated systems, emergency lighting and related electrical systems
	Plumbing systems
	Life safety, rue protection and other emergency systems
	Passenger conveyance systems (including transport carts, escalators and elevators)
	Passenger loading bridges
	Utility systems
	Communications systems
	Security systems
	Waste collection systems
Ground transport area within the Cruise Port Facility	Ground access elements and roadways
	Utility systems
	Stormwater sewer systems
	Cruise Port Facility pavement, roads, and parking lots
	Landscaping and trash removal
	Commercial vehicle staging areas
	Signage
	Communications systems
	Bridges and structures
	Roadway and parking lots lighting
	Public and employee parking lots, public and employee transportation waiting areas

Functional Area	Major Facilities and Systems
Other Cruise Port Facility facilities that are part of the Cruise Port Facility	Ground access elements
	Access gates
	Pavement
	Landscaping
	Architectural elements and systems
	Structural systems
	Mechanical systems
	Electrical systems, including controls and other automated systems
	Plumbing systems
	Life safety, fire protection and other emergency systems
	Passenger conveyance systems (including transport carts, escalators, and elevators)
	Utility systems
	Trash compactors
	Communications systems
	Security systems

2.4.7. Additional Detail on Critical Systems

The continuous operation of the Cruise Port Facility requires that certain critical systems must have detailed plans for their operational integrity. Chief among these systems are the life safety systems. Additional detail regarding the life safety systems standards is provided in this section.

With regard to life safety and security systems, the CPFOP must address at minimum the following individual components:

Emergency communications, including the emergency intercom, telephones, radios, and other mobile communication devices;

Fire protection and suppression, including: sprinkler systems, fire extinguishers, heat, smoke, and carbon dioxide detectors and fire alarms;

First response medical points, including: first aid supplies, personnel and automated external defibrillators;

Security systems (also addressed within the Security Plan section of the Operations and Maintenance Plan), including: Cruise Port Facility access control and fencing; passenger security screening; video surveillance, emergency personnel identification, and random security procedures.

For each of the above, the CPFOP shall indicate: the operational procedures and policies that would be routinely executed to ensure that these systems are capable of operating without interruption, tested regularly for functionality and proper performance; and upgraded or improved as necessary.

With regard to the energy distribution systems, the CPFOP must address the procedures and policies employed by the Concession Company to ensure that the energy distribution systems remain fully operational at all times.

The Plan must also address the Concession Company's plan for enhancing reliability, providing redundancy in depth, arranging for backup equipment, staff, power, and others and any other action required in order to safeguard continuous operations. The CPFOP must address the following individual components:

Electrical supply, including emergency lighting, backup generators.

Mechanical systems, including: (i) heating, ventilation, and air conditioning (HVAC) systems; and (ii) plumbing systems.

Computer systems necessary for routine operations, including appropriate redundancy, data back-up procedures, and power supply backups.

As with the life safety and systems, these systems should be routinely tested for functionality and proper performance, and upgraded or improved as necessary.

2.4.8. Performance Schedule

From time to time the CPFOP section of the Operations and Maintenance Plan shall be revised by the Concession Company to reflect a good faith effort to update the FOP as appropriate to maintain an accurate assessment of the current Cruise Port Facility's systems and facilities.

2.4.9. Reporting Requirements

The Concession Company shall report on the performance of various facilities on an annual basis in the form of an Operational Performance Report (OPR). The Concession Company shall report on the quantifiable performance measures contained in the Form of Operational Performance Metrics Report, attached as Appendix C.

Cruise Piers and Cruise Pier Buildings shall be evaluated in terms of:

Area per passenger for certain functions (embarkation and disembarkation areas, security queue);

Passenger wait times (security screening, baggage retrieval);

Passengers within the peak hour in the average day of the peak month (for Homeport facilities);

Target level of service and actual level of service.

The World Association for Waterborne Transport Infrastructure (PIANC) defines levels of service for marine cruise terminals facilities in their *Guidelines for Cruise Terminals Report n° 152 – 2016, MarCom WG 152* dated 8 July 2016. The levels of service for Homeports and Port of Calls are defined for:

Embarkation at Home Port terminals.

Disembarkation at Home Port terminals.

Embarkation & Disembarkation at Port of Call terminals.

For those areas where the level of service can be quantified, the Concession Company shall provide a level of service consistent with PIANC specified level of service or better. Some of the facilities or measures that can be quantified (in relation to the number of passengers per call) include: x-ray luggage scanners; security lanes amount and surface; number of security and auxiliary guards; ticketing and check-in; boarding corridors; passport control; visibility of signage; baggage lay down areas.

Ground Transportation Areas (GTA) will be evaluated in terms of:

Size of waiting areas;

Space required per transportation mode (distinguishing Home Port and Port of Call terminals);

Width of canopies.

The OPR shall also provide:

Comparison of past performance to current performance;

Comparison of current performance to minimum standards;

Recommendations on how to resolve deficiencies or service level concerns;

Documentation of operational or procedural changes made to improve performance of various facilities.

Recommendations as to those facilities that require capital improvements to expand, modernize or otherwise reconfigure the facility for improved efficiency.

The OPR will be used in concert with the Facilities Conditions Assessment (FCA) as described in Section 4 to develop the Capital Improvement Program. An outline for the OPR is provided in Appendix C.

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3. CAPITAL ASSET MANAGEMENT PLAN

3.1. BACKGROUND

The Capital Asset Management Plan (CAMP) section of the Operations and Maintenance Plan shall provide assurance to the Authority and the Cruise Lines and Other Shipping Lines that the Concession Company is planning and implementing appropriate and timely actions that demonstrate fiscal responsibility and maintain and preserve the Cruise Port Facility's assets while accommodating growth in vessel calls and passengers demand. The CAMP shall be developed and executed by the Concession Company and submitted to the Authority for approval.

3.2. REGULATORY COMPLIANCE

The CAMP shall comply with all Legal Requirements. The Concession Company must ensure that employees and representatives responsible for the operation of the Cruise Port Facility comply with the provisions of the CAMP and all Legal Requirements.

Appendix B contains a list of standards and regulations with which the Concession Company shall comply, at a minimum. The list is not intended to include all applicable standards and regulations - it is the responsibility of the Concession Company to identify and comply with all existing standards and regulations as well as future best practices applicable to marine terminals operations.

3.3. EXISTING PLANS

The Concession Company shall utilize any available existing plans and descriptions of the Cruise Port facilities, systems, and procedures provided to it in the development of the CAMP. The Concession Company must ensure that the CAMP complies with the relevant standards within the CPFEP which, in addition to the requirements described herein, shall be considered minimum standards.

3.4. REQUIREMENTS OF THE PLAN

The CAMP shall identify the plan's objectives, essential staffing, stakeholders, scope, performance schedule, and reporting requirements as described below.

3.4.1. Objectives of CAMP

The objective of the CAMP section of the Operations and Maintenance Plan is to preserve and provide for continuous improvement of all Cruise Port Facility's systems and facilities by evaluating their conditions and planning their maintenance, rehabilitation, replacement, and/or modernization. The CAMP shall also provide guidance as to the priority of capital improvement projects and maintenance, with the most critical assets receiving the greatest attention.

3.4.2. Essential Staffing

An organizational chart shall be included in the CAMP which identifies the essential staff responsible for each of the facilities covered under the CAMP. The organizational chart should

identify the titles, roles, and duties for each of the individuals responsible for the operation and administration of the various marine facilities.

The organizational chart shall be supplemented by a summary of the levels of staffing that would be provided for each of the facilities operation. The levels of staffing should be identified for each season of operation, as the requirements should vary throughout the year in accordance with the work effort.

Current contact information shall be included for each essential staff member.

3.4.3. Stakeholders

The CAMP shall identify all stakeholders (both public and private) that may be affected by the performance of the CAMP and define any necessary applicable coordination with individual stakeholders. Stakeholders would include, but not be limited to: USCG, CBP, Cruise Lines and Other Shipping Lines tenants, tenants on the Cruise Piers or within the Cruise Pier Buildings, and other entities that operate on the Cruise Port Facility.

3.4.4. Scope of Plan

The CAMP shall identify and address all major capital assets on the Cruise Port Facility. The Cruise Port Facility's assets shall be described for the following primary functional areas:

Waterside berthing and mooring structures (piers and wharves);

Passenger terminals;

Ground transport areas;

Other Cruise Port Facility facilities.

The CAMP shall outline asset management actions that are based on regularly scheduled conditions assessments, self-inspection routines, preventative and coordinated maintenance, capital improvements, expansion, modernization, and rehabilitation projects. The CAMP shall define the process for conducting regular condition assessments, reporting of results, and accounting for emerging trends at the Cruise Port Facility that could affect asset management.

3.4.5. Performance Schedule

The initial CAMP shall be submitted by the Concession Company for approval to the Authority in accordance with Section 3.4.6. Revisions to the CAMP shall be submitted by the Concession Company annually for approval to the Authority.

3.4.6. Reporting Requirements

The CAMP shall specify the following reports to be prepared on an annual basis as described below in greater detail: Facilities Conditions Assessment (FCA) and Capital Improvement

Program (CIP). In addition, as described below, the CAMP shall require the preparation of a Vessel and Passenger Traffic Summary (VPTS) on a monthly basis.

Facilities Conditions Assessment (FCA). The CAMP should outline the process for engaging a licensed professional engineering firm to prepare an annual FCA. All major facilities and systems shall be evaluated in the FCA. The FCA shall include, but not be limited to the following:

Review of the prior year's FCA findings;

Assessment of all Cruise Port Facility structure and buildings relative to current codes and regulations, including those leased to third parties, from a safety and operational perspective: all health and safety issues must be identified for resolution by the Concession Company as soon as possible;

Assessment of all major equipment assets;

Assessment of building mechanical, electrical, communication, and plumbing systems: this work should be carried out by a licensed engineering firm that specializes in building systems (see section 3.4.9 for further information regarding the details regarding the retention of the licensed engineering firm);

Field inspection of critical utilities, including storm sewer, sanitary sewer, electrical, water, and communication;

Field inspection of vehicle service and land access roads pavements;

Recommendations to the Concession Company in terms of capital improvements that should be carried out immediately due to safety concerns, including, where appropriate, a reference to the applicable regulation regarding such improvements;

Recommendations to the Concession Company in terms of near-, intermediate- and long-term capital improvements.

The FCA shall be governed by a manual to be developed by the Concession Company. The manual shall specify: the scope of the assessment, safety requirements for execution of the assessment, and the reporting standards for the deliverable. The findings of the FCA shall be communicated to the Authority.

The FCA shall classify the condition of the facilities assessed using the following categories:

Excellent - no operational deficiencies, minimum standards exceeded;

Good - minor operational deficiencies, minimum standards exceeded or met;

Fair - minor operational deficiencies, most minimum standards met, some capital improvements or corrective actions should be considered, intermediate-term improvements should be identified;

Poor - significant operational deficiencies, facility is failing to meet minimum standards, capital improvements or corrective actions must be taken in near-term;

Critical - major operational deficiencies, urgent corrective action must be undertaken, and/ or safety issues are present. This category may also include improvements mandated by new laws or regulations.

The Concession Company shall use Reasonable Efforts to maintain each facility or system in "Good" condition or better in the appropriate rating system used for inspection of that facility or system.

At a minimum, the inspection component of the FCA shall include the following categories of facilities and their respective major systems and elements as outlined in Table 4-1:

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Table 4-1
FUNCTIONAL AREAS FOR INSPECTION

Functional Area	Major Systems and Elements
Cruise Piers, including waterside berthing and mooring structures (piers and wharves)	Above water structures of piers and wharves including fendering, mooring dolphins & bollards, drainage
	Piers and wharves apron pavement and service lanes pavement, drainage and utilities
	Below water structures of piers and wharves
	Shore-to-ship power systems where available
	Water supply systems for vessels
	Waste collection systems
Cruise Pier Buildings, including passenger terminals	Architectural elements and systems
	Signage
	Flooring
	Roof and drainage / water collection systems
	Landscaping and trash removal
	Environmental systems
	Structural systems
	Mechanical systems
	Electrical systems, including controls and other automated systems, emergency lighting and related electrical systems
	Plumbing systems
	Life safety systems: fire protection and other emergency systems
	Passenger conveyance systems
	Utility systems
	Communications systems
	Security systems
	Waste collection systems
Ground transport area within the Cruise Port Facility	Ground access elements and roadways
	Utility systems
	Stormwater sewer systems

Functional Area	Major Systems and Elements
	Cruise Port Facility pavement, roads, and parking lots
	Landscaping and trash removal
	Commercial vehicle staging areas
	Signage
	Communications systems
	Bridges and structures
	Roadway and parking lots facility lighting
	Public and employee parking lots, public and employee transportation waiting areas
Other Cruise Port Facility facilities that are part of the Cruise Port Facility	Ground access elements
	Access gates
	Pavement
	Landscaping
	Architectural elements and systems
	Structural systems
	Mechanical systems
	Electrical systems, including controls and other automated systems
	Plumbing systems
	Life safety, fire protection and other emergency systems
	Passenger conveyance systems (including transport carts, escalators, and elevators)
	Utility systems
	Trash compactors
	Communications systems
	Security systems

3.4.7. Vessel and Passenger Traffic Summary (VPTS)

The Concession Company shall supply the engineering firm engaged to conduct the FCA with a summary of the current year's capital improvements, as well as the VPTS to inform the firm of emerging trends that could affect capital expenditures. The VPTS shall provide monthly details regarding passenger embarkation, passenger disembarkation, vessel calls (including tonnage) and call size. The VPTS shall make the distinction between Home Port and Port of Call volumes. The VPTS shall provide year-over-year and month-over-month comparisons for each of the data accounted therein.

3.4.8. Capital Improvement Program (CIP)

The FCA shall form the basis of the CIP. The CIP shall outline the near-, intermediate-, and long-term projects planned to address the findings of the FCA and any other planning studies (e.g. master plan) conducted by the Concession Company. The OP should prioritize the projects, identify projects that are eligible for Government Grants-in-Aid, and identify the environmental requirements necessary for project implementation. The CIP shall be submitted to the Authority on an annual basis for their approval.

Article 4 of this Agreement contain procedures and requirements for designing and constructing the Cruise Piers Improvement Projects, and such procedures and requirements shall form part of the CAMP.

For all facilities assessed within the FCA as fair, poor, or critical, a corrective action plan must be identified within the CIP. The improvements recommended as part of the action plan shall be prioritized, using the following categories:

Critical - capital improvements shall be executed immediately or as soon as practical;

High - capital improvements shall be executed in the near-term;

Low - capital improvements may be warranted in the near-term to realize operational efficiencies, but may be elective to some extent.

The CIP shall provide a brief description of the planned capital improvements for the near-term (0-5 years), including the project justification. It shall also include a probable cost estimate for each of the planned capital improvements for all projects for the near- and intermediate-terms (0-10 years); including identification of probable funding sources, including those deemed eligible for Government Grants-in-Aid. For the long-term, potential capital improvement projects (as they are identified) shall be listed along with order of magnitude cost estimates and ranked in terms of their priority.

The CIP shall include the following:

Executive summary;

Introduction and background;

Summary of the methodology used to prioritize the capital improvements and identification of the studies or work done to identify the capital improvements;

Recommendations for planned capital improvements for the next five years with the greatest detail regarding projects to be completed in the first year of the CIP.

3.4.9. Retention of Engineering Firm for the FCA

The Concession Company must retain an independent and Licensed Professional Consulting Engineering Firm (Engineering Firm), not associated, owned or partnered with the Concession Company, to perform the services associated with the conduct of the FCA. The Concession Company shall engage firms that have experience with the kinds of structures, systems, and conditions consistent with those of the Cruise Port Facility. The Engineering Firm retained by the Concession Company shall be registered and licensed with the Commonwealth of Puerto Rico, for Professional Engineering, Structural Engineering, and/or Architecture, appropriate for the Cruise Port Facility.

The Concession Company must submit the qualifications and experience of the Engineering Firm tasked to the Cruise Port Facility on an annual basis to the Authority. The Authority will retain the right to dismiss firms that do not meet the necessary requirements.

The same Engineering Firm can be retained for a maximum four-year duration at which time the Concession Company must conduct a competitive based selection process to identify the Engineering Firm to be retained for the following term. The purpose of these requirements is to develop a fair, impartial, independent, and objective assessment of the condition of the Cruise Port Facility.

The Concession Company and the Engineering Firm collectively shall be responsible for equipment, staffing, traffic control, outside testing services and supervision for all inspections associated with the conduct of the FCA. All inspection procedures and frequencies shall be in accordance with the policies of the Concession Company and coordinated with stakeholders so as to result in the least operational disruption as reasonably possible. The Concession Company and the Engineering Firm shall consistently inspect and regularly assess the current condition of all Cruise Port Facility structures and systems to ensure the continuous and uninterrupted operation of the Cruise Port Facility.

3.4.10. Additional Requirement of the Capital Asset Management Plan

Achieving performance quality at the Cruise Port Facility depends directly on the efficiency and effectiveness of the maintenance program. This Schedule describes in general terms the Concession Company's Asset Management Plan with respect to the Cruise Port Facility.

The objectives of the Concession Company's Asset Management Plan (the "Plan") are to:

- Preserve the warranty on all new equipment while ensuring that its 'as-installed' configuration is within specifications and consistent with the expected operating conditions.

- Perform predictive and preventive maintenance on all equipment and buildings in accordance with the recommendations of the manufacturer, Good Industry Practice and the other requirements of this agreement.
- Perform corrective maintenance in such a manner that the equipment operation is not impacted, and the performance standards and the other requirements of this agreement are not threatened.
- Generally, perform all maintenance, repair and replacement activities in accordance with Good Industry Practice and the other requirements of this agreement.

Proactive Maintenance

The Concession Company will concentrate on planning proactive work. The objective is to stay involved with the equipment to prevent decline or loss of performance. Planning and scheduling a sufficient amount of proactive work can reduce the number of emergency problems and breakdowns.

The Concession Company will use a written work order for all jobs except those of an emergency nature. The work order communicates information through all steps in the maintenance process where a detailed account of the repair work including all labor and cost items is required. Completed work orders provide a record of work done each day and are a continuous source of feedback to maintenance personnel who can use the information to develop job standards, improve productivity and quality control, and provide increased equipment reliability. The work order process establishes accountability at all levels in the maintenance unit and serves to document the equipment maintenance history.

The work order system uses a maintenance priority system. This system allows maintenance personnel to properly plan their work. The work order system is the basis for documenting equipment repairs. The equipment repair records include the equipment description and the manufacturer's nameplate information. Included is a chronological repair history showing parts, labor, tool and portable equipment costs, materials, time to repair, run time to repair, and other information required for management repair/replace decisions and cost accounting.

A spare parts inventory will be kept in accordance with Good Industry Practice. Extensive use is made of fault, cause, and action codes to record the initial observation, results of the fault investigation, and the corrective repair action taken. Use of these codes allows sorting of equipment or component problems by similar faults to pinpoint failure patterns. Machine run time is recorded if available. Written descriptions of the initial request, results of the investigation, and corrective action taken are recorded in detail. Work order review by supervisors before closure is encouraged.

The equipment repair histories are used in conjunction with an equipment renewal and replacement program. The repair history can be compared against the life cycle cost of a particular piece of equipment in order to determine when replacement is more cost effective than repair.

Preventive Maintenance

The Concession Company's preventive maintenance program provides for the periodic inspection and servicing of process equipment and is designed to prevent the catastrophic and simultaneous breakdown of machinery.

Protecting warranties on existing and new equipment will be a priority for the Concession Company. Warranty protection is a function of following the manufacturer's recommended maintenance. To ensure this, the Concession Company shall process manufacturer's warranty information as part of its ongoing preventive maintenance program. The preventive maintenance program keeps records, ensuring proper documentation for all warranty items.

Predictive Maintenance

Predictive maintenance provides a means by which the Company can attempt to:

- Identify potential failures of major pieces of equipment prior to occurrence
- Maximize equipment life
- Plan and schedule major equipment overhauls
- Increase mechanical and electrical reliability

The Concession Company's predictive maintenance program allows for the establishment of the baseline mechanical condition. To do this, a maintenance specialist prepares a status sheet for each major piece of equipment. This is a composite listing of all of the various inspections performed or a particular piece of equipment. This predictive maintenance program will help the Concession Company to maximize the long-term reliability of the Cruise Port Facility.

The Concession Company should undertake an annual review of the spare parts, equipment and systems inventory to consider feasible and compliant Best Available Technology options. The review should assess life cycle performance against cost and will form the basis of any proposed revision to the inventory.

Building and Grounds Maintenance

Good housekeeping is an integral part of the Concession Company's overall maintenance approach. As such, the Concession Company will produce, implement and maintain a basic environmental management system (EMS) containing a schedule of tasks and responsibilities to ensure that the operation and maintenance of the Project Facilities is compliant with regulatory requirements. All facilities' equipment and structures will be kept clean and orderly. Equipment oil and grease should be wiped clean after any repair work is completed. Buildings will be kept clean and neat in accordance with Good Industry Practice. A grounds maintenance program will be implemented, and facilities beautification will be given a priority.

Good housekeeping is very important for employee morale and safety. Employees are more efficient, productive and safe in an atmosphere that stresses good housekeeping and appearance.

Operations & Maintenance Reports

In order to provide the Authority with documentation that the Cruise Port Facility is being operated and maintained in accordance with this Agreement, the Concession Company will prepare and submit, for the Authority's review, all reports required under this Agreement. The reports will be prepared in an easy to read format so that the Authority may easily identify information of interest.

4. ENVIRONMENTAL SUSTAINABILITY PLAN

4.1. REGULATORY COMPLIANCE

The Environmental Sustainability Plan (ESP) shall identify all Legal Requirements relevant to sustainability planning. Further, the Concession Company will adopt the standards set forth by the United States Green Building Council (USGBC); Leadership in Energy and Environmental Design (LEED) as guiding criteria for achieving sustainable design in the development and remodeling of marine facilities. The Concession Company must ensure that employees and representatives responsible for the sustainability planning comply with the provisions of the FOP and all Legal Requirements.

Appendix B contains a list of standards and regulations with which the Concession Company shall comply, at a minimum. The list is not intended to include all applicable standards and regulations - it is the responsibility of the Concession Company to identify and comply with all existing standards and regulations as well as future best practices applicable to marine terminals operations.

4.2. EXISTING PLANS

The Concession Company shall utilize any available existing plans and descriptions of environmental sustainability standards in the development of the ESP section of the Operations and Maintenance Plan.

4.3. REQUIREMENTS OF THE PLAN

The ESP shall identify the plan's objectives, essential staffing, stakeholders, scope, performance timeframe, and reporting requirements as described below.

4.3.1. Objectives of ESP

The objective of the ESP section of the Operations and Maintenance Plan is to define responsibilities, procedures, and minimum requirements for the staff dedicated to sustainability, thereby reducing the Cruise Port Facility's environmental footprint. The ESP shall also provide guidance regarding staff training targeted at sustainability.

4.3.2. Essential Staffing

An organizational chart shall be included in the ESP which identifies the essential staff responsible for each of the facilities covered under the ESP. The organizational chart shall identify the titles, roles, and duties for each of the individuals responsible for the operation and administration of the various marine facilities.

The organizational chart shall be supplemented by a summary of the levels of staffing that would be provided for each of the facilities operations. The levels of staffing shall be identified for each season of operation, as the requirements could vary throughout the year in accordance with the work effort and seasonality of demand.

Current contact information shall be included for each essential staff member.

4.3.3. Stakeholders

The ESP shall identify all stakeholders (both public and private) that may be affected by the performance of the ESP and define any necessary applicable coordination with individual stakeholders. Stakeholders in the ESP, may include, but not be limited to the following:

Cruise Lines and Other Shipping Lines;

Tour Operators;

Other Cruise Port Facility tenants and third-party landlords;

Passengers;

Vendors;

Federal/ State/ Regional/ Local government representatives;

USCG, CPB, & U.S. Department of Transportation (USDOT);

United States Environmental Protection Agency (USEPA);

Puerto Rico Department of Natural and Environmental Resources;

United States Fish and Wildlife Service (FWS);

National Marine Fisheries Service ("NMFS");

Puerto Rico Fire Department;

San Juan Bay Estuary Program;

Puerto Rico Ports Authority;

Non-governmental/ public interest organizations;

Local businesses and community leaders.

4.3.4. Scope of Plan

The Cruise Port Facility's development and operations can become more sustainable by incorporating the following considerations into everyday practices: economic sustainability, operational efficiency, natural resource conservation, and social improvement.

Consistent with those considerations, the ESP will cover the following topics:

Goal definition;

Sustainability assessment;

Program evaluation;

Development / redevelopment;

Staff training;

Cruise Port Facility recycling plan.

Goal definition: This section of the ESP shall identify the Concession Company's sustainability policies, including goals and objectives associated with the ESP. Goals and objectives for the landside and airside operations may include (but are not limited to): reducing emissions and noise exposure, water conservation, sustainable land use planning, disposal of hazardous materials, minimizing vehicular traffic, sustainable construction practices, maximizing renewable energy, sustainable waste disposal, and encouraging public participation. The goals definition should be informed by a baseline assessment of the existing condition. Potential goals include:

"Net zero" waste management;

Facility and building related goals;

Use of green building materials and reuse and recycling of building materials;

Prevention of oil spillage;

Alternative energy and fuel sources;

Ground vehicles, and equipment related goals.

Sustainability assessment: This section of the ESP shall document current Cruise Port Facility operations, sustainability practices, and environmental practices related to waste, recycling, energy use and conservation, water recycling, and materials procurement. The assessment must document all Concession Company and tenant practices relevant to sustainability planning, including (but not limited to) vessel movements, ground vehicle movements, and maintenance activities.

Program evaluation: This section of the ESP shall define requirements for reviewing and evaluating all new Cruise Port Facility programs and projects. These requirements will ensure all four Sustainability Elements (EONS) are addressed in a balanced, holistic and measurable approach.

Development/redevelopment: The ESP shall identify criteria for reviewing tenant development/ redevelopment projects and methods for providing incentives to encourage sustainable design features. This section will also include standards for all new leases, agreements, and contracts that support the Cruise Port Facility's sustainability goals.

Staff training: This section of the ESP shall identify the training program for the employees responsible for sustainability management. The goal of the training is to establish a work

environment that supports innovation, productivity, pride, and a personal commitment to sustainability.

Recycling Plan: This section of the ESP shall provide the details of a recycling plan for waste disposal for the Cruise Port Facility. The plan should comply with the requirements of Act 70 of September 18, 1999, as amended, titled the Act for the Reduction of Solid Wastes in Puerto Rico and the Department of Natural and Environmental Resources' and the Solid Waste Authority's Regulation for the Reduction, Reuse and Recycling of Solid Wastes in Puerto Rico, Regulation 6825, as amended. At a minimum, the plan should provide for recycling of paper, plastic, glass, corrugated cardboard, and aluminum. The plan should include the placement of recycle bins for the collection of waste throughout the passenger terminal and transit areas. The plan may also provide for the recycling of construction waste (e.g. concrete, wood), wooden pallets, tires, and electronics. The recycling plan should also provide the goals of the program, and a system for the annual monitoring of its performance, including the quantification of the generation of waste. Finally, the plan may also identify goals with regard to the procurement of recycled-content products.

4.3.5. Performance Schedule

From time to time the ESP shall be revised by the Concession Company to reflect a good faith effort to make improvements in areas where sustainability goals have not been met to the standards of the Concession Company, as identified in the annual reporting described in the following section.

4.3.6. Reporting Requirements

Reporting on sustainability performance allows the Concession Company to measure and therefore manage terminals operations performance. Reporting on environmental, economic, and social sustainability performance annually demonstrates a commitment to accountability and ongoing improvement.

The Concession Company shall prepare a Sustainability Report as part of the overall Operations and Maintenance Report. This report shall document the Cruise Port Facility's environmental goals and achievements, and measure progress against environmental goals and historical performance.

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5. SAFETY AND SAFETY MANAGEMENT SYSTEMS PLAN

5.1. BACKGROUND

The Safety Plan section of the Operations and Maintenance Plan shall provide the Authority the assurance that the Concession Company will conduct all operations in a safe manner, protecting both employees and the general public. The Safety Plan should be developed and executed by the Concession Company and submitted to the Authority for its approval.

5.2. REGULATORY COMPLIANCE

The Safety Plan shall identify and comply with all Legal Requirements. The Concession Company must ensure that employees and representatives responsible for the operation of the Cruise Port Facility comply with the provisions of the Safety Plan and all Legal Requirements.

Appendix B contains a list of standards and regulations with which the Concession Company shall comply, at a minimum. The list is not intended to include all applicable standards and regulations - it is the responsibility of the Concession Company to identify and comply with all existing standards and regulations as well as future best practices applicable to safety within the Cruise Port Facility.

5.3. EXISTING PLANS

The Concession Company shall utilize any available existing plans and descriptions of the Cruise Port Facility buildings, systems, and procedures provided to it in the development of the Safety Plan. The Concession Company must ensure that the Safety Plan complies with the relevant standards within the CPFEP which, in addition to the requirements described herein, should be considered the minimum standard.

5.4. REQUIREMENTS OF THE PLAN

The Safety Plan shall identify the plan's objectives, essential staffing, stakeholders, scope, performance schedule, and reporting requirements as described below.

5.4.1. Objectives of the Safety Plan

The objective of the Safety Plan is to ensure that the Concession Company's practices prevent unsafe conditions for the general public and all port employees and to provide the framework for identifying and mitigating safety issues as they arise.

The Safety Plan shall be modified or revised by the Concession Company as appropriate to address specific issues, needs, or concerns related to the Cruise Port Facility that develop over time and as required by relevant authorities with jurisdiction.

5.4.2. Essential Staffing

An organizational chart shall be included in the Safety Plan which identifies the essential staff responsible for various components of its execution. The organizational chart shall identify the

titles, roles, and duties for each of the individuals responsible for the operation and administration of the Cruise Port Facility.

The organizational chart shall be supplemented by a summary of the levels of staffing that would be provided for each component of the Safety Plan. Current contact information shall be included for each essential staff member. In addition, the Safety Plan shall clearly designate the non-Concession Company personnel that will be coordinated with in execution of the plan.

5.4.3. Stakeholders

The Safety Plan shall identify all stakeholders (both public and private) that may be affected by the performance of the Safety Plan and define any necessary applicable coordination with individual stakeholders. Stakeholders would include, but not be limited to: the Concession Company's employees, USCG, CBP, PRFD, Cruise Lines and Other Shipping Lines, tenants of the Cruise Port Facility, general public, and other entities that operate on the Cruise Port Facility.

5.4.4. Scope of plan

At a minimum, the Safety Plan shall provide:

Guidance as to the necessary safety training that various Cruise Port Facility's employees shall receive, including first aid training;

A plan for implementation of a Safety Management System (SMS) addressing the safety of both the general public and Cruise Port Facility employees;

Best practices for Cruise Port Facility employees to increase awareness of potential safety issues before they arise;

Development and implementation of appropriate Letters of Agreement or other means of establishing appropriate safety practices and policies;

A policy manual for Cruise Port Facility construction zones and other potentially hazardous areas, including guidance as to the use of information signage, physical barriers, traffic control infrastructure and other equipment to maintain a safe environment for the general public;

A manual for self-inspection of facilities for safety issues in accordance with the applicable USCG Regulations.

The Safety Plan shall also provide a graphical depiction of the areas that will be subject to execution of the plan.

5.4.5. Staff Training and Education

The Concession Company shall conduct training to establish a safety culture and educate employees regarding safety issues. The training shall address the requirements and workplace standards of the OSHA.

The Safety Plan shall include the following at a minimum:

Training that incorporates findings from the execution of the SMS;

General training that covers OSHA standards and overall safety awareness for all Cruise Port Facility employees, including executives;

Training specific to the responsibilities of the employee, including identification of equipment required to execute specific tasks safely, safe driving of vehicles, and safe operation of equipment;

Provision of safety training for new employees and the provision of recurrent safety training for all employees along with a typical schedule for such training;

Provision of a lessons learned/case histories component; and

Establishment of procedures aimed at ensuring employees understand the safety policies and adhere to safe work practices.

The training shall also provide background regarding anticipated work activities and hazards, and the protocol that shall be followed should an incident occur.

5.4.6. Safety Management System

The Concession Company shall prepare a comprehensive SMS in accordance with the applicable USCG Regulations as the centerpiece of the Safety Plan. An SMS is critical to detect and correct safety problems before they happen.

In accordance the applicable USCG Regulations, the SMS shall be defined in the Safety Plan and include the following elements: (i) safety policy and objectives; (ii) safety risk management; (iii) safety assurance; and (iv) safety promotion. A brief synopsis of each is provided below.

Safety policy and objectives. The SMS shall include a formally expressed statement of the Concession Company's safety policy. It shall indicate the Concession Company management's commitment to the implementation of the SMS, continuous safety improvement, and the provision of the necessary resources. Further, the safety policy shall provide encouragement of employees to report safety issues without fear of reprisal. The safety policy and objectives shall be prepared in accordance with the applicable USCG Regulations.

Safety risk management. The safety risk management (SRM) process identifies the hazards, determines potential risks, and designs appropriate risk mitigation strategies. The Safety Plan shall define the Concession Company's plan to execute the SMS through the implementation of SRM principles. The SRM should be conducted in five phases: (i) describe the system being addressed; (ii) identify potential hazards; (iii) determine the risk; (iv) assess and analyze the risk; and (v) treat the risk through mitigation and tracking. The SRM shall be prepared in accordance with the applicable USCG Regulations.

Safety assurance. Safety assurance includes self-auditing, external auditing, and safety oversight. Safety auditing provides a system for assessment of the Concession Company's ability to meet its safety objectives. The safety audit shall be conducted to provide feedback to essential staff and managers regarding the safety of various operations conducted on the Cruise Port Facility. Further information regarding safety assurance can be found in the applicable USCG Regulations.

Safety promotion. Safety promotion includes safety training, safety communication, safety competency and continuous improvement. The Concession Company shall define, as part of it safety promotion initiatives, workplace best practices to increase awareness of safety issues. Further information regarding safety assurance can be found the applicable USCG Regulations.

5.4.7. Self-Inspection Program

The Concession Company shall describe the self-inspection program as part of the Safety Plan in accordance with the applicable USCG Regulations. The self-inspection program include at minimum:

Regularly – at minimum once per month – scheduled inspection of physical facilities which must be conducted at the Cruise Port Facility. If the Cruise Port Facility serves vessels after dark, there should also be regular nighttime inspection of lighting;

Continuous surveillance inspection of certain activities, such as vessel docking operations, passengers' embarkation and disembarkation, bunkering operations, construction;

Periodic condition inspection program for such things as surveying above water structures and underwater structure; and

Special condition inspections during unusual conditions or situations, such as changing weather or days with an unusually high number of vessels docking operations.

Each of these types of inspections and their scope is described in detail within the applicable USCG Regulations. The self-inspection program also shall indicate the procedure for reporting and correcting any deficiencies.

The Authority sets the minimum periodicity of self-inspections to a minimum of once per calendar month; the Concession Company can, however, increase such periodicity at its discretion but in no instance reduce it.

5.4.8. Additional Safety Plan Requirements

The Safety Plan shall address the following:

Personal safety procedures for all major tasks for which Concession Company's employees are responsible, including identification of the protective equipment (e.g. hard hats, reflective vest, hearing protection, respiratory protection, and protective clothing/footwear);

Work zone safety procedures, including identification of the minimum requirements for work zones (e.g. barricades to prevent incursion by public patrons). The procedures shall identify necessary safety equipment that should be available for work zones, such as traffic cones, barricades, and signage;

Medical treatment information, including identification of the location of medical treatment facilities at the Cruise Port Facility and procedures to follow in the event medical treatment is needed. Training in first aid shall also be required of all field Concession Company's employees;

Safety incident protocol, including the steps that The Concession Company employees should follow in the event of an incident. The protocol shall include: (i) emergency contact information for immediate response, (ii) forms for documenting incidents to provide a record of safety incidents to measure against and feedback for training purposes, and (iii) information as to the Concession Company's staff that should be responsible for collecting said documentation;

Hazardous or toxic materials protocols, including protocol for both spill prevention and spill cleanup. Further, the procedures and equipment necessary for the safe storage and handling of hazardous material should be specified. It shall also provide decontamination procedures for both Concession Company's employees and their equipment. The protocol should make reference to the Cruise Port Facility Emergency Plan as appropriate.

5.4.9. Performance Schedule

From time to time the Safety Plan shall be revised by the Concession Company to reflect a good faith effort to make improvements in any areas which have been subject to safety incidents throughout the applicable time frame. The revisions shall be made in an attempt to prevent the same type of incident from recurring.

5.4.10. Reporting Requirements

The Concession Company shall prepare a Safety Assessment Report on an annual basis for inclusion in the Operations and Maintenance Report. The reporting shalt indicate the rate of safety incidents relative to historical data as well as identify any deficiencies that need to be corrected and projects undertaken during the year to correct any safety issues. Finally, the reporting shall summarize the findings from the self-inspection program.

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6. CRUISE PORT FACILITY SECURITY PROGRAM

6.1. BACKGROUND

A Cruise Port Facility Security Program (CPFSP) identifies the roles and security responsibilities of the Concession Company, law enforcement participation, and other Cruise Port Facility's users in terms of what each must do, how they must do it, and what resources must be committed to security, including the qualifications of security and law enforcement personnel.

6.2. REGULATORY COMPLIANCE

The CPFSP shall identify and comply with all Legal Requirements. Specifically, the measures contained in the CPFSP must comply with applicable USCG Regulations and/or applicable CBP Regulations, as appropriate. The Concession Company must ensure that employees and representatives conducting security procedures on its behalf comply with the provisions of the CPFSP and all Legal Requirements.

As a condition of Closing under this Agreement, the USCG and CBP shall have reviewed, as appropriate, and approved the CPFSP of the Concession Company, which shall apply to the Cruise Port Facility as of the Time of Closing.

The Concession Company will maintain the Cruise Port Facility in compliance with the USCG and CBP-approved CPFSP and will prepare and comply with revisions as directed by the USCG or the CBP. The requirements included in the USCG and CBP-approved CPFSP are incorporated by reference. In the event of an inconsistency between the requirements within this document and the USCG and CBP-approved CPFSP or any applicable Legal Requirements, the USCG and CBP-approved CPFSP or such applicable Legal Requirements shall take precedence.

In the future, under this Agreement, the Concession Company may be required to revise the USCG and CBP-approved CPFSP and seek approval of such revisions from the USCG and/or the CBP. In order to meet the requirements of the USCG and CBP respectively in reviewing and approving the CPFSP, the CPFSP shall be maintained as a separate document.

Appendix B contains a list of standards and regulations with which the Concession Company shall comply, at a minimum. The list is not intended to include all applicable standards and regulations - it is the responsibility of the Concession Company to identify and comply with all existing standards and regulations as well as future best practices applicable to the marine terminals' operations.

6.3. EXISTING PLANS

The Concession Company must ensure that the CPFSP complies with the relevant standards within the CPFEP which, in addition the requirements described herein, should be considered the minimum standard.

6.4. REQUIREMENTS OF THE PLAN

The Concession Company shall establish a comprehensive CPFSP that provides for the security of persons and property on the Cruise Facility against acts of criminal violence, piracy, and the introduction of an unauthorized weapon, explosive, or incendiary onto the Cruise Port Facility.

6.4.1. Objectives of CPFSP

The objective of the CPFSP is to ensure that the Concession Company establishes minimum requirements to ensure public safety and security.

6.4.2. Essential Staffing

The Concession Company shall designate a responsible person for the coordination of all security procedures and communications and provide point-of-contact information to the Cruise Port Facility Security Coordinator (CPFSC) including the name of its primary and secondary contacts and a 24-hour telephone number for both individuals.

An organizational chart shall be included in the CPFSP which identifies the essential staff responsible for each of the facilities covered under the CPFSP. The organizational chart shall identify the titles, roles, and duties for each of the individuals responsible for the operation and administration of the various facilities.

The organizational chart shall be supplemented by a summary of the levels of staffing that would be provided for each of the facilities operation. The levels of staffing shall be identified for each season of operation, as the requirements should vary throughout the year in accordance with the work effort. Current contact information shall be included for each essential staff member.

6.4.3. Stakeholders

The CPFSP shall identify all stakeholders (both public and private) that may be affected by the performance of the CPFSP and define any necessary applicable coordination with individual stakeholders. Stakeholders on the CPFSP, will include, but not be limited to: CBP, USCG, PRFD, local law enforcement, and Cruise Lines and Other Shipping Lines.

6.4.4. Scope of Plan

In the formulation and operation of the CPFSP, the Concession Company must coordinate with the requirements developed under the other relevant sections of the Operations and Maintenance Plan, including the Safety Plan, Emergency Management Plan, and any other section of Operations and Maintenance Plan which addresses security considerations. The CPFSP shall be submitted to the USCG and the CBP for review and approval.

The items listed below are provided solely as a general overview and are not intended to be a complete listing of the applicable Federal requirements. The Concession Company will be required to review the existing approved CPFSP and make all applicable changes to the existing document reflecting anticipated changes to operating procedures based upon this Agreement and assumption

of responsibilities. All requested changes will require USCG, CBP or both agencies' review and approval prior to official inclusion in the revised CPFSP preceding formal implementation.

The Concession Company shall develop and maintain a security plan which shall include, at a minimum, the following elements:

Procedures for security facilities, vehicles, equipment, and vessels during hours of operation.

Employees background checks required by the CPFSP and security awareness training including procedures to report suspicious personnel or situations to the proper law enforcement agencies. The Concession Company is responsible for ensuring that similar background checks are performed for employees of tenants or subcontractors which are granted access to the Cruise Port Facility facilities.

Customer, visitor and baggage identification.

Procedures for preventing tampering with facilities, vehicles, equipment and vessels.

Procedures for handling threats by phone and in person.

Procedures for controlling access to Concession Company-controlled premises and ensuring that vehicles, equipment, and personnel allowed to access through Concession Company's access point(s) are authorized and properly identified or under escort or other approved method of control, as established by the CPFSC.

Procedures for securing unattended facilities, vehicles, equipment and vessels.

Procedures for prohibiting passengers or baggage from being left unattended in sensitive areas.

Procedures for transient crew members and passengers including.
- Ensuring proper escort or other method of control approved by the CPFSC.
- Crew member contact information and verification procedures.
- Verification issued photo IDs for vessels crew members.

Vendor procedures including:
- Positive identification of all vendors having access to Concession Company-controlled premises.
- Security check-in procedures for all vendors.
- Procedures for ensuring all vendors are aware of security requirements for the Concession Company-controlled premises.

The Concession Company shall maintain fencing, doors, gates, lighting and locks in good condition at all times. The Concession Company shall be required to keep an active log of keys, access cards, and other media issued that allows access to the Concession Company-controlled premises or identities of authorized persons. The log shall be made available to the CPFSC upon

request, and any lost or stolen access/identification media shall be reported to the CPFSC immediately.

6.4.5. Facilities

The CPFSP shall identify all the facilities covered by the CPFSP, including piers or wharves structures, passenger terminal and concourses, facilities access checkpoints, and other applicable areas. An exhibit(s) should be prepared that identifies the facilities and the location of operations that are to occur under the provisions of the CPFSP. Any facilities dedicated to the execution of security operations shall be described and inventoried.

The CPFSP shall outline the daily operational security functions and provide an overview of the approach to security operations. It shall further identify the roles of the various parties responsible for execution of the security operations. At a minimum, it shall contain information on the security policies and procedures set forth by the Concession Company and the standards for operations in each facility.

The CPFSP shall identify the following for maintaining security in each facility and areas of responsibility in the Cruise Port Facility:

Physical areas of the Cruise Port Facility to be secured and monitored;

The party with primary responsibility for the security of said areas;

Frequency of security monitoring and patrols;

The methods of securing an area using staff, checkpoints, guards, barriers, or other means;

Concession Company's staff responsible for supervision of security personnel;

Schedule for security coverage.

The Concession Company understands that each Cruise Line(s) and Other Shipping Line(s) shall continue to control its or their own security access points.

6.4.6. Equipment

The equipment required to execute the security operations shall be identified and described in the CPFSP. The following shall be provided for each significant type of equipment: its purpose and function, the party that owns and operates it, and the condition and quantity.

The equipment specified by the CPFSP shall include, but not be limited to: video camera and closed-circuit television (CCTV) surveillance systems, alarm systems, access control systems, security vehicles, and communication systems. Non-functioning or under-performing equipment should be identified and reported within the Security Assessment Report, as described in Section 6.4.9 below.

6.4.7. Prevention of Trespass

The Concession Company shall use Reasonable Efforts to prevent unauthorized persons from gaining access to restricted operational areas through its facilities. If required, the Concession Company shall provide proper fencing of size and quality acceptable to the Authority that shall deter trespassing upon the operational areas of the Cruise Port Facility.

6.4.8. Performance Schedule

From time to time the CPFSP shall be revised to reflect a good faith effort to update the CPFSP as appropriate to maintain an accurate assessment of Cruise Port Facility security.

6.4.9. Reporting Requirements

In addition to reporting required under the CPFEP, the Concession Company shall specify a system for documenting security incidents. The specifications of the system shall dictate:

The Concession Company personnel and other parties responsible for recording any security incidents;

The Concession Company personnel and other parties that would be privy to the review of the documentation;

Descriptions of the various types of security incidents, including their severity;

Documentation regarding the maintenance and inspection of the system and its components;

The particular data that is required for documentation for a given incident (e.g. response time, date, parties involved, et cetera);

Definitions of the different types of security incidents and their severity.

The Concession Company shall prepare a Security Assessment Report that will aggregate the security incidents for an appropriate time period to be conveyed to the Authority and other appropriate parties (e.g. USCG, CBP, local law enforcement). The Concession Company shall specify any proposed changes to the CPFSP to prevent or mitigate future incidents. The parties responsible for the approval of the CPFSP shall provide the Concession Company commentary regarding the proposed changes in addition to approval.

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7. CRUISE PORT FACILITY EMERGENCY PLAN

7.1. BACKGROUND

Natural disasters (e.g. hurricanes), manmade disasters, and terrorist attacks require marine facilities operators to focus on improving facilities' emergency management. The Cruise Port Facility Emergency Plan (CPFEP) shall address essential emergency response actions planned to ensure the safety of and emergency services for all stakeholders and employees.

7.2. REGULATORY COMPLIANCE

The CPFEP must meet the requirements outlined in 33 CFR, 46 CFR and all other applicable Legal Requirements. The Concession Company must ensure that employees and representatives responsible for the emergency management comply with the provisions of the Cruise Port Facility Emergency Plan and all Legal Requirements.

7.3. EXISTING PLANS

Finally, the CPFEP shall involve review of the following documents to ensure that the CPFEP is comprehensive:

Cruise Port Facility Security Plan;

Cruise Lines and Other Shipping Lines Emergency Plan(s);

Cruise Port Facility Tenant Emergency Plan(s);

Local/regional/federal Emergency Operations Plan(s);

Local/regional Emergency Services Plans;

Local Industry OSHA/EPA Compliance Plans;

Existing Mutual Aid Agreements/ Memoranda of Understanding;

Local emergency response agreements;

Private sector organization agreements;

Military installation agreements.

7.4. REQUIREMENTS OF THE PLAN

As part of the transition activities prior to Closing described in Section 2.5(h) of this Agreement, the Concession Company shall revise the existing CPFEP to ensure that it conforms to the latest version of the Emergency Plan of the PRPA and be compliant with applicable regulations, including but not limited to 33 CFR and 46 CFR. The CPFEP shall provide the Concession Company with the minimum standards relating to planning for emergencies.

7.4.1. Objectives of the CPFEP

The objective of the CPFEP is to ensure that the Concession Company has planned for potential manmade or natural disasters and to ensure that the Concession Company has established appropriate protocols, procedures, responsibilities, and minimum requirements to mitigate for, prepare for, respond to, and recover from an emergency event.

7.4.2. Essential Staffing

An organizational chart shall be included in the CPFEP which identifies the essential staff responsible for each of the facilities covered under the CPFEP. The organizational chart shall identify the titles, roles, and duties for each of the individuals responsible for the operation and administration of the various areas of Cruise Port Facility.

The organizational chart shall be supplemented by a summary of the levels of staffing that would be provided for each of the facilities operations. The levels of staffing shall be identified for each season of operation, as the requirements should vary throughout the year in accordance with the work effort.

Current contact information shall be included for each essential staff member listed in the CPFEP.

The Concession Company shall coordinate with the entities listed below, as appropriate, in preparing their CPFEP (or updating the existing CPFEP if applicable).

CPFEP Planning Team Members		
1 Cruise Lines and Other Shipping Lines	13 Government authorities (e.g. local community emergency planners, 7SA and FEMA, as appropriate)	24 Civil Air Patrol
2 San Juan Harbor Master		25 Local law enforcement
3 Vessel operators	14 EPA	26 Public Information/Media
4 The Authority and its employees	15 EOD	27 Public Works & Engineering
5 Cruise Port Facility tenants	16 HAZMAT Response Team	28 Public Utilities
6 Emergency Medical Services	17 Health & Medical	29 Red Cross
7 USCG	18 National Weather Service	30 Communications Services
8 PRPD	19 NTSB	31 Coroner
9 Hospitals	20 NISB	32 Emergency Management Agency
10 Mental Health Agencies	21 Resource Support	33 Morgue
11 Military/National Guard	22 Search & Rescue	34 Municipality of San Juan
12 Mutual Aid Agencies	23 FAA	35 Department of Natural and Environmental Resources

The Concession Company's Cruise Port Facility General Manager, PRPA Chair, or other appropriate executive(s) should also be a part of the team. Preparation for a disaster requires team leaders to understand the hazards analysis process and its associated results, and their respective roles during emergencies. Team leaders shall also review information describing past disasters similar to those which could occur on the Cruise Port Facility, as well as readiness assessments and exercise critiques, and potential liability issues.

7.4.3. Stakeholders

The CPFEP shall identify all stakeholders (both public and private) that may be affected by the performance of the CPFEP and define any necessary applicable coordination with individual stakeholders. Stakeholders in the CPFEP, will include, but not be limited to potential team members listed in Section 7.4.2.

7.4.4. Scope of Plan

The following is a high-level outline of the Concession Company's responsibilities that shall be included and addressed in the revised CPFEP. The outline is not all-inclusive and only identifies the minimum requirements for the CPFEP. The CPFEP must also include provisions for annual and periodic updates, training, and supervision of staff and adherence to all policies and procedures.

7.4.5. General Information

The CPFEP shall consist of the following four major components:

Basic plan - provides an overview of the Concession Company's emergency response organization and policies;

Functional annexes - individual plans organized around the performance of operations-oriented tasks;

Asset inventory - facilities, assets, equipment and supplies, including advance identification of certain supplies not readily available to support the mission or response to an emergency;

Hazard-specific sections - provides detailed information applicable to the performance of particular functions in support of a particular hazard;

Standard Operating Procedures (SOPs) and Checklists - provides detailed instructions for The Concession Company personnel to follow in their execution of responsibilities assigned in the CPFEP.

Additional information on each of these sections is provided in the following sections.

7.4.6. Basic Plan

The Basic Plan provides an overview of the Concession Company's approach to emergency operations, defines related policies, describes response organization, and assigns tasks. Its primary objective is to meet the informational needs for the Concession Company's executives.

The Basic Plan must include the following introductory information:

Promulgation document;

Signature page;

Dated title page;

Record of changes;

Record of distribution; and

Table of contents.

The Basic Plan must include the following information:

Purpose. A statement of the purpose of the CPFEP, with a brief synopsis of the entire document (including the functional annexes and hazard-specific sections);

Situation and assumptions. A section documenting the hazards the CPFEP addresses, the characteristics of the Cruise Port Facility that may affect response activities, and how they affect them; and the information used in the preparation of the CPFEP that should be treated as assumption rather than fact;

Operations. This section should describe the Cruise Port Facility's overall approach to an emergency situation (i.e. what should happen, when and at whose direction);

Organization and Assignment of Responsibilities. This section identifies all individuals and organizations that may be involved responding to an emergency incident;

Administration and Logistics. This section addresses the general support considerations, including the availability of services and support for all types of emergencies. It should also identify general policies for management of resources; references to mutual aid agreements; authorities for and policies regarding augmenting Concession Company staff; and general policies on financial record keeping, reporting, and tracking resources;

Plan Development and Maintenance. This section includes: identification of the schedule for review of each part of the CPFEP; identification of training, drills, and exercises; and identification of the personnel responsible for reviewing the CPFEP and planning the training.

7.4.7. Functional Annex Requirements

In preparation of the functional annex requirements, the Concession Company shall perform a hazards analysis. The findings of the assessment will, in part, dictate the level of planning for various emergencies. Functional annexes are plans organized around the performance of broad tasks, including: command and control, communications, health and medical, etc.

Since functional annexes are operations oriented, their target audiences are those who perform the tasks. They should not repeat general information contained in the Basic Plan. At a minimum, the CPFEP shall include a functional annex that addresses how each of the following functions shall performed:

Command and control;

Communications;

Alert notification and warning;

Emergency public information;

Protective actions;

Law enforcement/security;

Firefighting and rescue;

Health and medical services;

Resource management; and

operations and maintenance.

In addition, the following functions shall be addressed as required depending on the findings of the hazards analysis:

Initial and follow-on damage assessment

Search and rescue;

Incident mitigation and recovery;

Mass care; and

Chemical, biological, radiological, nuclear, and high yield explosive (CBRNE) protection.

Each functional annex shall:

Focus on the specific operations, including what the function is and who or what agency has the responsibility for the execution of the function;

Emphasize specific responsibilities, tasks, and operational actions pertaining to the function being performed;

Address the activities to be performed by individuals with responsibilities under the function and the schedule for such activities;

Identify the actions that will ensure effective response and aid in the event of an emergency;

Define and describe the policies, processes, roles and responsibilities inherent to the various functions for mitigation/preparedness prior to an emergency, response during an emergency, and recovery from an emergency;

Identify clear lines of authority, incident command structure, and appropriate communications.

7.4.8. Hazard Specific Annex Requirements

The need for a hazard-specific annex will be determined as a result of the hazards analysis conducted to inform the development of the functional annexes. Hazard-specific annexes must follow the same structure and similar content as the Basic Plan and the Functional Annexes. The following specific hazards shall be addressed within the CPFEP:

Vessel incidents and accidents;

Bomb incidents;

Structural fires;

Fires or other emergencies at fuel farms or fuel storage areas;

Natural disasters (e.g. hurricanes, heavy rains and flooding);

Hazardous materials/dangerous goods incidents;

Sabotage, hijack incidents or other unlawful interference with operations;

Failure of power for movement area lighting;

Water rescue situations.

The content of a hazard-specific section of the CPFEP shall focus on the special planning needs associated with the particular hazard being addressed.

7.4.9. SOPs and Checklists

SOPs and Checklists provide detailed instructions that an individual or organization needs to fulfill responsibilities and perform tasks assigned in the CPFEP. Most SOPs and Checklists are hazard-specific and are attached to each Section. For example, the local law enforcement agency may have a general SOP for Access Control or for Building Evacuation with supporting individual checklists for the Shift Supervisor, etc. Additionally, these documents shall provide enough detail

to cover the basic response and recovery functions necessary to get the job done, but shall be general enough to be flexible since no two emergencies are the same.

7.4.10. Performance Schedule

From time to time the CPFEP shall be revised by the Concession Company to reflect a good faith effort to update the CPFEP as appropriate to maintain an accurate assessment of emergency operations at the Cruise Port Facility.

7.4.11. Reporting Requirements

The Concession Company shall prepare a summary of emergency incidents, training, drills, and exercises performed on an annual basis for inclusion in the Concession Company's Annual Report. The reporting shall identify any deficiencies that need to be corrected and projects undertaken during the year to correct any issues that arise from training, drills or other activities.

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8. CUSTOMER SERVICE PLAN

8.1. BACKGROUND

The Customer Service Plan (CSP) section of the Operations and Maintenance Plan shall provide assurance to the Authority that the Concession Company is planning and implementing appropriate measures to ensure high levels of customer service. The CSP shall be developed and executed by the Concession Company, and submitted to the Authority for approval.

8.2. REGULATORY COMPLIANCE

The Operations and Maintenance Plan shall identify all Legal Requirements relevant to customer service. The Concession Company must ensure that employees and representatives responsible for customer service comply with the provisions of the CSP and all Legal Requirements.

Appendix B contains a list of standards and regulations with which the Concession Company shall comply, at a minimum. The list is not intended to include all applicable standards and regulations - it is the responsibility of the Concession Company to identify and comply with all existing standards and regulations as well as future best practices applicable to marine terminals operations.

8.3. COMMUNITY RELATIONS PROGRAMS

The Authority, on behalf of itself or another governmental entity, reserves the right to operate its own community relations programs in addition to any community relations program conducted by the Concession Company.

8.3.1. Tourism

The Concession Company shall, at all times during the Term, facilitate the activities of the Puerto Rico Department of Economic Development and Commerce, Tourism Office or Compañía de Turismo de Puerto Rico, at the Cruise Port Facility. Facilitation includes the provision of reasonable space in passenger terminals, at no charge, for the Puerto Rico Department of Economic Development and Commerce, Tourism Office or Compañía de Turismo de Puerto Rico, to install information displays and distribute printed material (including but not limited to flyers, brochures, information booths, etc.).

In its preparation of Customer Service Plan, the Concession Company shall use its Reasonable Efforts to coordinate with the Puerto Rico Department of Economic Development and Commerce, Tourism Office or Compañía de Turismo de Puerto Rico, in integrating its recommendations and representation.

8.4. REQUIREMENTS OF THE PLAN

The CSP shall identify the plan's objectives, essential staffing, stakeholders, scope, performance schedule, and reporting requirements as described below.

8.4.1. Objectives of CSP

The objective of the CSP section of the Operations and Maintenance Plan is to define the responsibilities, procedures, and minimum requirements for the staff dedicated to customer service; and shall also provide guidance regarding staff training relating to customer service. Further, the customer service section of the Operations and Maintenance Plan shall define a system for: (i) identifying customer concerns; (ii) documenting and tracking concerns; and (iii) establishing the action plan to mitigate and correct concerns.

8.4.2. Essential Staffing

An organizational chart shall be included in the CSP which identifies the essential staff responsible for each of the facilities covered under the CSP. The organizational chart shall identify the tides, roles, and duties for each of the individuals responsible for the operation and administration of the Cruise Port Facility.

The organizational chart shall be supplemented by a summary of the levels of staffing that would be provided for each of the facilities operations. The levels of staffing shall be identified for each season of operation, as the requirements should vary throughout the year in accordance with the work effort.

Current contact information shall be included for each essential staff member.

8.4.3. Stakeholders

The CSP shall identify all stakeholders (both public and private) that may be affected by the performance of the CSP and define any necessary applicable coordination with individual stakeholders. Stakeholders on the CSP will include, but not be limited to, the following: Cruise Lines and Other Shipping Lines customer service representatives, tour operators' customer service personnel, passengers, and other members of the general public.

8.4.4. Scope of Plan

The CSP shall address the following topics:

Staff training and recurrent training;

Customer concern system;

Passenger assistance protocols;

Information services;

Minimum standards;

Level of Service Report.

Staff training. This CSP section of the Operations and Maintenance Plan shall identify the training program for the employees responsible for customer service. The goal of the training shall

be to ensure that all employees that interact with Cruise Port Facility patrons will provide courteous, efficient, and helpful service. This training will provide a protocol for interactions with customers to guide customer service representatives to ensure high levels of customer satisfaction.

Customer concern system. This CSP section of the Operations and Maintenance Plan shall identify the system used to identify, track, mitigate, and resolve customer concerns. The system shall be capable of identifying the priority of the concerns and the timeframe for their resolution. The system shall also identify the procedure for follow-up communication to the customer in the event a formal complaint or concern arises. If the customer concern resolution involves physical improvements or procedural modifications, these shall be documented in revisions to the Operations and Maintenance Plan. Physical improvements recommended shall be addressed in the Capital Asset Management Plan; procedural modifications shall be folded in the Facilities Standards Plan.

Passenger assistance protocols. This CSP section of the Operations and Maintenance Plan shall identify the protocol for provision of passenger assistance. This assistance includes provisions for: (i) the transportation for the elderly and disabled patrons to and from vessels, as necessary; (ii) lost and found.

Information services. This CSP section of the Operations and Maintenance Plan shall identify the minimum requirements for the provision of information to Cruise Port Facility patrons. Information services include: provision on-site information kiosks or offices. On-site information kiosks shall provide information regarding: (i) regional transportation options; (ii) local and regional lodging; (iii) maps of the facilities and surrounding region. To the extent possible, multilingual information shall be provided.

Minimum standards. For each function of the Cruise Port Facility, the Concession Company shall define the minimum level of service that must be met for compliance with the Operations and Maintenance Plan. The level of service shall be consistent with the appropriate World Association for Waterborne Transport Infrastructure (PIANC) defined levels of service for marine Cruise Port facilities in their *Guidelines for Cruise Terminals Report n° 152* definitions.

8.4.5. Level of Service Report

A Level of Service Report shall be prepared annually as described in the reporting requirements section below. The findings of the level of service report shall be folded into the Capital Asset Management Plan to ensure that facilities that are operating below a minimum level of service as defined by the Concession Company are earmarked for improvements.

8.4.6. Performance Schedule

From time to time the CSP section of the Operations and Maintenance Plan should be revised by the Concession Company to reflect a good faith effort to make improvements in areas where customer service has not met the standards of the Concession Company, as identified in the annual reporting described in the following section.

8.4.7. Reporting Requirements

The Concession Company shall prepare a Level of Service Report on an annual basis. This report shall document the findings of an annual survey of passengers regarding: land access, vehicles parking, terminal curb front, passenger check-in, passenger security screening, terminal concessions, departure hold areas, baggage lay-down areas. The Level of Service Report shall indicate whether the function is providing excellent, good, fair, or poor levels of service. The Level of Service Report shall report the percentage of responses for each of the categories. Functions that receive a grade of poor from 20% or more respondents must be addressed. The goal of the Concession Company shall be to receive excellent or good feedback on each facility from at least 80% of respondents.

The Authority and the Concession Company may agree to modify the Level of Service Report goals of excellent or good feedback on each facility from at least 80% of respondents to take into account periods of Cruise Port Facility construction and other events that may affect users of the Cruise Port Facility. It is acknowledged that the Level of Service Report goals are intended to be a target and that, in the event that target is not reached in a given year, it will not provide an independent basis for declaring Concession Company Default under this Agreement but, rather, the Concession Company's compliance shall be subject to the provisions set forth in Section 6.1 of this Agreement.

For each of the areas surveyed, the Concession Company shall establish a history of customer feedback by reporting the historical results adjacent to the current year's results. The survey must also capture feedback regarding passenger comfort level, convenience, quality of service, and overall traveling experience at the Cruise Port Facility. For those areas with reported poor levels of service, the Concession Company shall develop an action plan to address the concerns, either through a combination of training for staff, physical improvements, procedural changes, or further study.

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APPENDIX A

CRUISE PORT FACILITY EMERGENCY PLAN

To be provided by the Concession Company prior to Closing for the Authority's approval, at which time it shall be included in this Appendix A of Schedule 12.

APPENDIX B

AVAILABLE GUIDANCE AND STANDARDS

SCHEDULE 12 CRUISE PORT FACILITY - O & M GUIDANCE DOCUMENTS*		
#	**Number**	**Title**
General Reference: Local Guidance and Regulations		
1.	Act No. 14-2004, as amended	known as the "Puerto Rican Industry Investment Act"
2.	Act No. 42-2018, as amended	known as "Local Construction Contractors and Suppliers Preference Act"
3.	Act No. 62-2014, as amended	known as the "Act to Support Microbusinesses and Small and Medium-Size Businesses"
4.	Act No. 109 of July 12, 1985, as amended	known as the "Construction Materials Manufactured in Puerto Rico Act"
5.	Act 161-2009, as amended	known as "Puerto Rico Permit Process Reform Act
6.	Act No. 173 of August 12, 1988, as amended	known as "Board of Examiners of Engineers, Architects, Surveyors and Landscape Architects of Puerto Rico Act"
7.	Act 416-2004, as amended	known as the "Puerto Rico Environmental Public Policy Act"
8.	*Act 70 of September 18, 1999, as amended	known as the "Act for the Reduction of Solid Wastes in Puerto Rico"
9.	*Act 241 of August 15, 1999, as amended	known as the "New Wildlife Act of Puerto Rico"
10.	Act 10 of August 7, 1987, as amended	known as the "Act for the Protection, Conservation and Study of Subaquatic Archaeological Sites and Resources"
11.	Act 112 of June 20, 1988, as amended	known as the "Act to Create the Council for the Protection of the Terrestrial Archaeological Patrimony"
12.	Act 267 of September 11, 1998, as amended	known as the "Excavation and Demolition Center Act of Puerto Rico"
13.	Act No. 125 of May 7, 1942, as amended	known as the "Puerto Rico Ports Authority Act"
14.	Act No. 151 of June 28, 1968, as amended	known as the "Dock and Harbor Act of Puerto Rico of 1968"
15.	Regulation 9081 or Regulation 7951 (whichever is in effect)	Puerto Rico Planning Board's ("PRPB") Joint Regulation for the Evaluation and Issuance of Permits Related to Development, Land Use and Business Operations dated May 8, 2019 or Joint Regulation for Permits for Construction

SCHEDULE 12 CRUISE PORT FACILITY - O & M GUIDANCE DOCUMENTS*		
#	Number	Title
		Works and Land Use, dated November 29, 2010, as may be in effect.
16.		Municipality of San Juan Territorial Ordainment Plan and Territorial Ordainment Regulation, adopted by the PRPRPB by Resolution Number JP-PT-18-1 of October 9, 2002 and approved by the Governor by Executive Order OE-2003-16 on March 13, 2003, as amended
17.	Regulation 7797, as amended	Special Flood Hazard Areas Regulation, Planning Regulation No. 13. (PRPB)
18.	Regulation 7245, as amended	Regulation for the Creation and Functioning of the Center for Coordination of Excavations and Demolitions (Puerto Rico Public Service Commission)
19.	Regulation 5300, as amended	Regulation for the Control of Atmospheric Pollution (Puerto Rico Environmental Quality Board ("EQB", now Department of Natural and Environmental Resources ("DNER"))
20.	Regulation 5717, as amended	Non-Hazardous Solid Waste Management Regulation (EQB, now DNER)
21.	Regulation 2863, as amended	Regulation for the Control of Hazardous Solid Wastes (EQB, now DNER)
22.	Regulation 6765, as amended	Regulation Governing the Conservation and Management of Wildlife, Exotic Species and Hunting (DNER)
23.	Regulation 6825, as amended	Regulation for the Reduction, Reuse and Recycling of Solid Wastes in Puerto Rico (DNER and Solid Waste Authority)
24.	Regulation7364, as amended	Puerto Rico Code for Human Safety and Protection against Fires (Puerto Rico Fire Department)
25.	*Regulation 8732, as amended	Puerto Rico Water Quality Standards Regulation (EQB, now DNER)
26.	Regulation 9035, as amended	Underground Storage Tank Control Regulation (EQB, now DNER)
27.	Regulation 7982, as amended	Regulation of General Terms and Conditions for the Supply of Electric Power (Puerto Rico Electric Power Authority)
28.	Resolution JP-211	Resolution JP-211
29.	Regulation 8901, as amended	Regulation for the Use of Aqueduct and Sanitary Sewer Services (Puerto Rico Aqueduct and Sewer Authority "PRASA")
30.	Regulation 6685, as amended	Regulation for Aqueduct and Sewer Services (PRASA)

SCHEDULE 12 CRUISE PORT FACILITY - O & M GUIDANCE DOCUMENTS*		
#	**Number**	**Title**
31.	Regulation 7655, as amended	General Regulation for Environmental Health (Puerto Rico Department of Health)
32.	Regulation 8892, as amended	Regulation for the Administration, Control and Imposition of Charges in the Port Zone of the San Juan Bay (Puerto Rico Ports Authority)
33.	Regulation 8858, as amended	Regulation for the Evaluation and Processing of Environmental Documents (EQB, now DNER)
34.	Regulation 3149, as amended	Rules and Regulations for the Design Standards Puerto Rico (PRASA)
35.	Regulation 5754, as amended	Regulation for the Control of Erosion and Prevention of Sedimentation (EQB, now DNER)
36.	Regulation 6594, as amended	Regulation for the Control of Lead-Based Paint Mitigation Activities (EQB, now DNER)
37.	Regulation 8019, as amended	Regulation for the Control of Noise Pollution (EQB, now DNER)
38.	Regulation 8786, as amended	Regulation for the Control and Prevention of Light Pollution (EQB, now DNER)
39.	**Regulation 9048, as amended**	**Puerto Rico Building Code 2018, which includes the following codes:** **Puerto Rico Building Code 2018, as amended from the 2018 International Building Code®;** **Puerto Rico Residential Code 2018, as amended from the 2018 International Residential Code®;** **Puerto Rico Mechanical Code 2018, as amended from the 2018 International Mechanical Code®;** **Puerto Rico Plumbing Code 2018, as amended from the 2018 International Plumbing Code®;** **Puerto Rico Fire Code 2018, as amended from the 2018 International Fire Code®;** **Puerto Rico Fuel and Gas Code 2018, as amended from the 2018 International Fuel and Gas Code®;** **Puerto Rico Energy Conservation Code 2018, as amended from the 2018 International Energy Conservation Code®;** **Puerto Rico Existing Building Code 2018, as amended from the 2018 International Existing Building Code®;**

SCHEDULE 12 CRUISE PORT FACILITY - O & M GUIDANCE DOCUMENTS*		
#	Number	Title
		Puerto Rico Private Sewage Disposal Code 2018, as amended from the 2018 International Private Sewage Disposal Code®; and **Puerto Rico Swimming Pool and Spa Code 2018, as amended from the 2018 International Swimming Pool and Spa Code®.**
40.	17 OSH	Regulation for Elevators and Related Equipment
41.	18 OSH	Regulation for Boilers and Other Pressure Equipment
Additional Reference Documents		
42.	World Association for Waterborne Transport Infrastructure (PIANC) Report no 152: Guidelines for Cruise Terminals (2016), MarCom WG 152 dated 8 July 2016	
43.	World Association for Waterborne Transport Infrastructure (PIANC) Report no 158: Masterplans for the Development of Existing Ports (2014), MarCom WG 158 dated 8 September 2014	
44.	LEED - Leadership in Energy and Environmental Design	
Federal Regulations and Orders		
45.	14 Code of Federal Regulations ("CFR") Part 77.9, FAA- Notice of Proposed Construction or Alteration	
46.	29 CFR Part 1917, Marine Terminals (OSHA)	
47.	46 CFR 44.01-13, Heavy weather plan and USCG Sector San Juan Heavy Weather Plan	
48.	33 CFR Part 6, Protection of Security of Vessels, Harbors and Waterfront Facilities	
49.	33 U.S.C. §83; 33 CFR Part 64, Marking of Structures, Sunken Vessels and other Obstructions	
50.	33 CFR Part 101, USCG Area Maritime Security Committee, Ships, Facilities	
51.	33 CFR Part 105, Maritime Security: Facilities	
52.	33 CFR Part 126, Handling of Dangerous Cargo at Waterfront Facilities	
53.	33 CFR Part 128, Security of Passenger Terminals	
54.	33 CFR P165.758 Security Zone; San Juan, Puerto Rico	
55.	Marine Protection, Research and Sanctuaries Act of 1972, Section 103, as amended, 33 U.S.C. §1413; 33 CFR Part 324, Permits for Ocean Dumping of Dredged Material	
56.	Williams Steiger Occupational Safety and Health Act of 1970, 29 U.S.C. §§651 *et seq.*	
57.	29 CFR Part 1926 (Originally CFR Part 1518) Safety and Health Regulations for Construction	
58.	29 CFR Part 1910, Occupational Health and Safety Standards	

SCHEDULE 12 CRUISE PORT FACILITY - O & M GUIDANCE DOCUMENTS*		
#	Number	Title
59.	Clean Water Act, Section 402, as amended, 33 U.S.C. §1342; 40 CFR Part 122, EPA Administered Programs, National Pollutant Discharge Elimination System	
60.	2017 NPDES General Permit for Discharges from Construction Activities, as may be superseded or amended	
61.	2015 NPDES Multi-Sector General Permit, as may be amended or superseded	
62.	Clean Water Act, Section 404, as amended, 33 U.S.C. §1344; 40 CFR Part 323, Permits for Discharges of Dredged or Fill Material into Waters of the United States	
63.	Clean Air Act, Section 112, 42 U.S.C. §7412; 40 CFR Part 61, National Emission Standards for Hazardous Air Pollutants (NESHAP), including but not limited to 40 CFR Part 61, Subpart M, NESHAP for Asbestos	
64.	Clean Water Act, Section 401, 33 U.S.C. §1341, 40 CFR Part 131; *see also* Puerto Rico Water Quality Standards Regulations	
65.	Section 10 of the Rivers and Harbors Act of 1899, as amended, 33 U.S.C. §403; 33 C.F.R. Part 322	
66.	Section 307 of Coastal Zone Management Act of 1972, as amended, 16 U.S.C. §1456; Puerto Rico Coastal Zone Management Program	
67.	40 CFR Part 280, Technical Standards and Corrective Action Requirements for Owners and Operators of Underground Storage Tanks (USTs)	
68.	Buy America Act, 41 USC §§8301-8305,	
69.	49 US.C Section 44718, Structures interfering with air commerce or national security	
70.	Magnuson-Stevens Fisheries Conservation and Management Act, Section 305, as amended, 16 U.S.C. §1855; 40 CFR Part 600, Magnuson-Stevens Act Provisions	
71.	Americans with Disabilities Act of 1990, 42 U.S.C. Chapter 126	
72.	Hazardous Material Transportation Act, 49 US.C. 1801 *et seq.*; 49 CFR Chapter I, Subchapter C , Hazardous Materials Regulation	
73.	Maritime Transport Security Act of 2002, as amended, 46 U.S.C. Chapter 701	
74.	Ports and Waterways Safety Act of 1972, as amended, 46 U.S.C. §§1221 *et seq.*	
75.	Comprehensive Environmental Response and Compensation and Liability Act,42 U.S.C. §§9601 *et seq.* and implementing regulations, including but not limited to 40 CFR Parts 300 to 312	
76.	Clean Air Act, Section 176, as amended, 42 U.S.C. §7506; 40 C.F.R. Part 93, Determining Conformity of Federal Actions to State or Federal Implementation Plans	
77.	Emergency Planning and Community Right-to-Know Act,42 U.S.C. §§11001 et seq.; 40 CFR Part 350-372	
78.	40 CFR Part 262, Standards applicable to Generator of Hazardous Wastes	
79.	Oil Pollution Act of 1990, 33 U.S.C. §§2701-2761	

SCHEDULE 12 CRUISE PORT FACILITY - O & M GUIDANCE DOCUMENTS*		
#	Number	Title
80.	40 CFR Part 300, National Oil and Hazardous Substances Pollution Contingency Plan	
81.	40 CFR Part 112, Oil Pollution Prevention	
82.	National Environmental Policy Act, 42 U.S.C. §§ 4321 et seq; 40 CFR Parts 1500 to 1508	
83.	Sections 106 and 110 of the National Historic Preservation Act of 1966, 16 U.S.C. 470 and 470h2; 36 CFR Part 800, Historic Preservation	
84.	Endangered Species Act of 1973, as amended, 16 U.S.C. §§1531 et seq.	
85.	Executive Order No. 12898, "Federal Actions to Address Environmental Justice in Minority Populations and Low-Income Populations," 59 Fed. Reg. 7629, Feb. 16, 1994	
86.	Federal Insecticide Fungicide and Rodenticide Act,7 U.S.C. §§136, *et seq*.	
87.	Federal requirements for the use of ULSD fuel for both on-road (2007) and off-road (2010) vehicles	
88.	Federal Trade Commission's "Guide for the Use of Environmental Marketing Claims," 16 CFR 260.7(e)	
89.	Federal Transit Act 40 C.F.R. Part 51, Subpart T	
90.	National Fire Protection Administration Code for Passenger Terminal	
91.	Resource Conservation and Recovery Act of 1976,42 US.C. §§ 6901 *et seq*.	
92.	Safe Drinking Water Act,42 U.S.C. §§300f et seq.; 40 CFR Part 141, National Primary Drinking Water Standards, and Part 142, National Primary Drinking Water Standards Implementation	
93.	Toxic Substances Control Act of 1976,15 U.S C. §§2601 et seq.	
94.	Worker's Compensation Act	
95.	49 U.S.C. §§470101 *et seq*.; 14 C.F.R. Parts 77 and 139; and associated FAA orders, with respect to the preparation of Construction Safety and Phasing Plan	
	14 C.F.R. Part 139, Certification of Airports (with respect to any required amendments to airport certification manual)	
96.	49 U.S.C. §§470101*et seq*., with respect to FAA approval of changes to Airport Improvement Program funding and/or Airport Layout Plan	

***Note**: Several of the guidance and standard documents contained on this list are applicable to the design and construction (D&C) phase of the project and are included in the D&C Schedule 13 list.

APPENDIX C

FORM OF OPERATIONAL PERFORMANCE METRICS REPORT: SAN JUAN CRUISE PORT FACILITY

This appendix provides outlines for the various reports required by these Operating Standards. The reports may include material beyond that listed, but they should at a minimum address the items listed in the following tables.

Operational Performance Report		
Category	**Metric**	**Standard**
Cruise Piers, including waterside berthing and mooring structures (piers and wharves)		
Berthing operations	Visual inspections	At each call
	Bunkering inspections	Observation during bunkering operations
	Incursions by vehicles or pedestrians	Zero incursions
	Shore-to-ship power failure (when available, for installations within the perimeter of the Cruise Port Facility)	Response time: [24] hours; Repair [5] days.
	Unscheduled pier / wharf closures	Less than the historical mean for the last five years
Above water structures of piers and wharves including fendering, mooring dolphins & bollards	Visual inspections	Every [6] months
Drainage and utilities	Failure or downtime	Response time: [24] hours; Repair [5] days.
Piers/ wharves apron pavement	Visual inspection	Every [1] year.
Below water structures of piers and wharves	Diving inspection	Every [5] years.
Cruise Pier Buildings including passenger terminals		
Home Port Terminals – Embarkation	Number of X-rays	PIANC Report no 152: Guidelines for Cruise Terminals (2016), subject to minimum requirements of CBP and/or USCG being met
	Surface of inspection lines for security checks	PIANC Report no 152: Guidelines for Cruise Terminals

Operational Performance Report		
Category	**Metric**	**Standard**
		(2016), subject to minimum requirements of CBP and/or USCG being met
	Amount of inspection lines for security checks	PIANC Report no 152: Guidelines for Cruise Terminals (2016), subject to minimum requirements of CBP and/or USCG being met
	Security guards and Auxiliary guards	PIANC Report no 152: Guidelines for Cruise Terminals (2016), subject to minimum requirements of CBP and/or USCG being met
	Ticketing	PIANC Report no 152: Guidelines for Cruise Terminals (2016)
	Waiting Area / embarkation lobby	PIANC Report no 152: Guidelines for Cruise Terminals (2016)
	VIP area	Provision of separate security inspection line and ticketing counter, on request from Cruise Line(s)
Passport control	Area per passenger	CBP
Home Port Terminals – Disembarkation	Baggage lay-down area per passenger	PIANC Report no 152: Guidelines for Cruise Terminals (2016)
Public restrooms	Cleanliness - average number of cleanings per day per restroom	3 to 5 cleanings per day and one attendant for both men and women bathrooms.
	Supervisor inspections of restrooms per 8-hour shift	Supervisor must inspect each restroom at least 3 times / shift.
Loading bridges	Overall functionality	Response time: 2 hours; Repair: 72 hours, unless repairs extend beyond 72 hours due to unavailability of required parts within this time period.
	Pre-conditioned air	Response time: 30 minutes; Repair: 48 hours.

Operational Performance Report		
Category	**Metric**	**Standard**
Passenger conveyance systems	Elevators/escalators/ moving walkways	Response time: 2 hours; Repair: 5 days
Terminal building mobile data connection	Availability of Free WiFi	A Wi-Fi connection of a minimum of 50 Mbps for all passenger areas
	Downtime Free WiFi	Response time: 2 hours; Repair: 72 hours
Terminal building climate	Temperature between 70 and 74 degrees Fahrenheit	Response time: 30 minutes; Repair: 48 hours
Terminal building power	Emergency generators	Monthly inspection
Terminal building janitorial	Clean floors of public walkways, departure hold areas, passenger loading bridges, and all public areas	Daily; respond to spill incidents as required
Terminal building waste removal	Empty waste receptacles; replace liners	As needed, on a daily basis

Operational Performance Report		
Category	**Metric**	**Standard**
Ground Transportation Areas within the Cruise Port Facility		
Roadways pavement and markings	Visual inspection	Every 6 months.
Parking pavement and markings	Visual inspection	Every 6 months.
Access and waiting time in Ground transportation areas	Private vehicles : maximum wait time (minutes)	15
	Taxicabs: maximum wait time (minutes)	15
	Shuttle bus / buses: maximum wait time (minutes)	30

Facilities Condition Assessment
Assessed facilities should be classified using the following categories: ***Excellent*** - no operational deficiencies, minimum standards exceeded; ***Good*** - minor operational deficiencies, minimum standards exceeded or met;

Fair - minor operational deficiencies, most minimum standards met, some capital improvements or corrective actions should be considered, intermediate-term improvements should be identified; ***Poor*** - significant operational deficiencies, facility is failing to meet minimum standards, capital improvements or corrective actions must be taken in near-term; ***Critical*** - major operational deficiencies, urgent corrective action must be undertaken, and/ or safety issues are present. This category may also include improvements mandated by new laws or regulations.	
Berthing structures	Field inspection of fenders, mooring dolphins and piers and wharves (above and below water).
Pier / wharf pavements	Field inspection of pier / wharf pavements, drainage and utilities, for aprons and vehicle service roads.
Buildings	Inspect all Cruise Port Facility buildings from a safety and operational perspective: all safety issues must be identified for resolution by the Concession Company as soon as possible.
Building systems	Inspect all Cruise Port Facility building systems from a safety and operational perspective. Building systems include mechanical, electrical, communication, and plumbing systems. This work should be carried out by a licensed engineering firm that specializes in building systems (see Section 3.4.9 for further information regarding the details regarding the retention of the licensed engineering firm).
Equipment	Inspect all Cruise Port Facility equipment (e.g. maintenance equipment) from a safety and operational perspective: all safety issues must be identified for resolution by the Concession Company as soon as possible.
Utilities	Inspect critical Cruise Port Facility related utilities, including storm sewer, sanitary sewer, electrical, water, and communication.
Capital improvement recommendations (immediate)	Recommendations to the Concession Company in terms of capital improvements that should be carried out immediately due to safety concerns.
Capital improvement recommendations (future)	Recommendations to the Concession Company in terms of near-, intermediate- and long-term capital improvements.

Vessel and Passenger Traffic Summary	
The Vessel and Passenger Traffic Summary (VPTS) would provide monthly breakdown and month-over-month / year-over- year comparisons for each of the data listed below.	
Vessel Operations	
Annual Operations	All cruise operations (distinguishing Homeport and Port of Calls)
	All non-cruise commercial operations (e.g. ferries)
	All other operations (e.g. military, non-commercial, etc.)
Peak Month Operations	All cruise operations (distinguishing Homeport and Port of Calls)
Peak Month Average Day Ops (Peak Month/31 days)	All cruise operations (distinguishing Homeport and Port of Calls)
Peak Day Operations	All cruise operations (distinguishing Homeport and Port of Calls)
Commercial Fleet Mix	CAT 1 cruise vessels (%)
	CAT 2 cruise vessels (%)
	CAT 3 cruise vessels (%)
	Other commercial vessels (non-cruise) (%)
Commercial Activity	
Average call size	The average amount of passengers per individual cruise vessel calls, distinguishing Homeport and Port of Calls cruise activities and other scheduled services as applicable (e.g. ferry), on a monthly basis
Annual Passengers	Homeport cruise passengers
	Port of Call cruise passengers
	Ferry passengers
	Other revenue passengers
	Non-revenue passengers
	Total passengers
Annual vessel calls	Homeport cruise vessels
	Port of Call cruise vessels
	Ferry vessels
	Other vessels
	Total vessels
Peak Month Passengers	Homeport cruise passengers
	Port of Call cruise passengers

	Ferry passengers
	Other passengers
	Total passengers
Peak Month Average Day Passengers	Homeport cruise passengers
	Port of Call cruise passengers
	Ferry passengers
	Other (non-commercial passengers)
	Total passengers
Peak Day Passengers	Homeport cruise passengers
	Port of Call cruise passengers
	Ferry passengers
	Other passengers
	Total passengers
Cruise Port Facility Users	
Cruise Lines and Other Shipping Lines	Cruise lines
	Other Shipping Lines
	Other users

Capital Improvement Program	
The Capital Improvement Program (CIP) should outline the near-, intermediate-, and long-term projects planned to address the findings of the Facilities Condition Assessment (FCA) and any other planning studies (e.g. master plan) conducted by the Concession Company, and should be submitted to the Authority on an annual basis for their approval.	
Executive summary, introduction, and background	Description and summary of CIP contents.
Methodology	Summary of the methodology used to prioritize the capital improvements and identification of the studies or work done to identify the capital improvements.
Corrective action plan	For all facilities assessed within the FCA as fair, poor, or critical, a corrective action plan must be identified within the OP. The improvements recommended as part of the action plan should be prioritized, using the following categories:

	Critical - capital improvements should be executed immediately or as soon as practical; High - capital improvements should be executed in the near-term; Low - capital improvements may be warranted in the near-term to realize operational efficiencies, but may be elective to some extent
Near-term capital improvement project descriptions	Recommendations for planned capital improvements for the next five years with the greatest detail regarding projects to be completed in the first year of the CIP.
Cost estimates	Probable cost estimate for each of the planned capital improvements for all projects for the near- and intermediate-terms (0-10 years); including identification of probable funding sources. For the long-term, potential capital improvement projects (as they are identified) should be listed along with order of magnitude cost estimates.

Sustainability Report	
The Sustainability Report* shall document the Cruise Port Facility's environmental goals and achievements, and measure progress against environmental goals and historical performance.	
Introduction	This section should describe the Cruise Port Facility's sustainability policy and sustainability program.
Sustainability goals and achievements	Descriptions of the Cruise Port Facility goals and achievements, which may include, but are not limited to, the following categories:
Climate change	Goals and achievements related to reducing contributions to climate change.
Energy conservation	Goals and achievements related to reducing energy use - including use of renewable resources.
Water conservation	Goals and achievements related to reducing consumption of water resources.
Natural resources management	Goals and achievements related to the protection of natural habitats and midlife populations.
Solid waste reduction / recycling	Goals and achievements related to minimizing solid waste and recycling collected waste products.

Air quality	Goals and achievements related to the efforts to minimize emissions.
Hazardous materials	Goals and achievements related to the reduction of hazardous materials use by the Concession Company and tenants.
Historical performance	Comparison of current and historical sustainability achievements.
*The Sustainability Report may be included as a subsection of an Annual Report prepared by the Concession Company.	

Safety Report	
The Safety Report* shall document the Cruise Port Facility's safety performance on an annual basis.	
Introduction	Description of the Cruise Port Facility safety policy and historical performance.
Safety incidents	Identification of safety incidents relative to historical data.
Safety risks	Safety deficiencies to be corrected in the upcoming period.
Self-inspection summary	Results of self-inspection program conducted at minimum on a monthly basis.
*The Safety Report may be included as a subsection of an Annual Report prepared by the Concession Company.	

Security Assessment Report	
The Security Assessment Report* shall document the Cruise Port Facility's security performance on an annual basis.	
Introduction	Summary of the Cruise Port Facility Security Plan.
Security incidents	Summary of all security incidents occurring during the reporting period.
Proposed program changes	Identification of potential changes to the Cruise Port Facility Security Program to prevent or mitigate future incidents.
*The Security Assessment Report may be included as a subsection of an Annual Report prepared by the Concession Company.	

Emergency Report	
The Emergency Report* shall document the Cruise Port Facility's actual and simulated emergency response performance on an annual basis.	
Introduction	Summary of the Cruise Port Facility's Emergency Plan. This section should also include significant historical emergency incidents.
Emergency incidents	Emergency incidents occurring during the reporting period.
Training	Summary of emergency incidents, training, drills, and exercises performed during the reporting period.
Deficiencies	Deficiencies noted during emergency incidents, training, drills, and exercises.
Corrective measures	Correction of deficiencies noted, and emergency related projects to be undertaken during the next reporting period.
*The Emergency Report may be included as a subsection of an Annual Report prepared by the Concession Company.	

Level of Service Report	
A Level of Service Report* should be prepared annually and address the following functional areas and summarize the results of the customer service surveys and Cruise Lines and Other Shipping Lines surveys.	
Cruise Piers, including waterside berthing and mooring structures (piers and wharves)	**Component**
	Operational downtime
	Unscheduled pier / wharf closures
Cruise Pier Buildings including passenger terminals	**Component**
Cruise Port Facility access	Signage and way finding
	Ground transport alternatives availability
	Waiting time for taxis
	Terminal curb front congestion
Passenger ticketing and check-in	General appearance and cleanliness
	Customer service from terminals employees
	Wait times and congestion
	Overall ticketing lobby experience

	Signage and way finding
Passenger security screening	Customer service from security personnel
	Wait time and congestion
Embarkation area / hall	General appearance and cleanliness
	Visibility of boarding information
	Availability of seating
	Space available and passenger circulation
	Availability of concessions
Terminal concessions	General appearance and cleanliness
	Adequacy of food and beverage options
	Adequacy of retail options
	Adequacy of news and gift options
	Customer service by The Concession Company employees
Terminal restrooms	General appearance and cleanliness
	Adequacy pre-security and post-security
	Walking distance to restrooms (accessibility)
Disembarkation area / hall Baggage lay-down area	General appearance and cleanliness
	Information regarding baggage delivery
	Wait time for retrieval of baggage
	Space available and passenger circulation
	Way finding from gate to baggage lay-down area
	Way finding from baggage claim area to ground transportation
	Availability of concessions
*Report may be included as a subsection of an Annual Report prepared by the Concession Company.	

[End of this Schedule]

SCHEDULE 13

CRUISE PIER IMPROVEMENT PROJECTS

AND

DESIGN AND BUILD STANDARDS

[*See Attached*]

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INTRODUCTION AND BACKGROUND

This Schedule 13 to this Agreement describes the purpose of the design and build standards for all Cruise Pier Improvement Projects and Modifications (the "Design and Build Standards"), the Design and Technical Specifications and their approval mechanism.

For the purposes of this Schedule 13, where Approval from the Authority is required, such Approval shall be limited to and shall follow the procedures set forth in Section 1.17, Section 4.5 and Section 4.8 of this Agreement, as applicable.

DEFINITIONS

The definitions related to this Schedule 13 are in Appendix N. Capitalized terms not defined in Appendix N are defined in Section 1.1 of this Agreement.

SECTION 1. PURPOSE OF THE DESIGN AND BUILD STANDARDS

The purpose of this Schedule 13 is to provide the minimum standards and requirements the Concession Company shall meet in the design and construction of the Cruise Pier Improvement Projects and Modifications pursuant to this Agreement, and the process for remedying any deficiencies of performance under this Agreement.

SECTION 2. DESIGN AND BUILD STANDARDS OVERVIEW

(a) Objectives

This Schedule 13 provides guidance as to the development of a design and build plan that will ensure that the minimum Design and Build Standards are met or exceeded (the "Design and Build Plan"), ensuring that the Cruise Pier Improvement Projects and Modifications are of the quality level required under this Agreement.

(b) Organizational Structure

This Schedule 13 provides the Concession Company with the minimum Design and Build Standards for the development and implementation of the Design and Build Plan for each of the Cruise Pier Improvement Projects and Modifications undertaken at the Cruise Port Facility.

The Design and Build Plan must include specifications for all facilities and systems affected by the Cruise Pier Improvement Projects and Modifications, as well as reporting requirements for the same, as follows:

(i) Cruise Pier Improvement Projects and Modifications (Section 7)

(ii) Authority's Review Process and Closeout Requirements (Section 8)
(iii) Minimum Performance Standards (Section 9)
(iv) Specifications for the Cruise Pier Improvement
(v) Design Criteria for Design and Build (Section 10)
(vi) Testing (Section 11)
(vii) Construction Management (Section 12)
(viii) Holding Fee (Section 13)

This document also includes 15 appendices as follows:

A. Available Guidance and Standards
B. Scheduled Completion Dates and Milestones of Initial Investment Projects and Expansion Investment Projects
C. Expansion Investment Projects Trigger Event, Phase Two Trigger Event and Maximum Cruise Port Capacity
D. Return Condition Works and RC Works Program
E. General List of Authorizations and Related Governmental Authority Requirements
F. Guidelines for Integrating Cruise Port Facility with San Juan
G. Pan American Piers Wharf Structure Budget
H. Pier 3 EPIC Repairs
I. Pier 3 Duty Free Building
J. Expansion Investment Projects, Phase Two Projects, Additional Cruise Port Facilities and Modifications Concession Mortgage Debt Criteria
K. Design Criteria
L. 30% Design and Technical Specifications
M. Liquefaction
N. Definitions
O. Environmental Reports

(c) Coordination with Other Agencies

At a minimum, the Concession Company shall coordinate as appropriate with the Authority and the following entities:

United States Coast Guard (USCG)

Customs and Border Protection (CBP)

Puerto Rico Fire Department (PRFD)

Municipality of San Juan

Puerto Rico Department of Natural and Environmental Resources (DNER)

Persons operating in San Juan Bay whose operations affect the Cruise Port Facility

United States Environmental Protection Agency (USEPA)

United States Army Corps of Engineers (USACE)

Puerto Rico Planning Board

Puerto Rico Permit Management Office (or OGPe by its Spanish acronym)

Puerto Rico Central Office of Recovery, Reconstruction and Resiliency (COR3)

Federal Emergency Management Agency (FEMA)

United States Department of Housing and Urban Development (HUD)

United States Department of Homeland Security – Office of the Inspector General (DHS-OIG)

United States Department of Housing and Urban Development - Office of the Inspector General (HUD-OIG)

Puerto Rico Department of Housing (PRDOH)

The Authority shall use its Reasonable Efforts to assist the Concession Company in coordinating with the aforementioned entities and obtaining the cooperation of such entities.

(d) Required Reports

This Schedule 13 requires a number of reports to be generated in connection with the Cruise Pier Improvement Projects and Modifications. The Concession Company Design and Build Plan will be consistent with the Asset Management Plan provided to the Authority pursuant to Section 3.4 of this Agreement and Schedule 12 to this Agreement.

SECTION 3. DESIGN AND BUILD STANDARDS SUBJECT TO THE AGREEMENT

The interpretation of the Design and Build Standards and the Concession Company's compliance with the Design and Build Standards shall be subject to the provisions set forth in Section 4 of this Schedule 13 and this Agreement.

SECTION 4. RELATIONSHIP TO DOCUMENTS REQUIRED BY LAW

To the extent the Concession Company's compliance with any provision of the Design and Build Standards can be demonstrated by reference to any other document required by Law to be maintained by the Concession Company, the Concession Company's compliance with the relevant provisions of the Design and Build Standards may be demonstrated by cross-referencing any other such documents and providing such documents to the Authority.

To the extent that any term or provision of the Design and Build Standards conflicts with any term or provision otherwise specified in applicable Law then such specific term or provision of the Design and Build Standards shall be revised by construing it flexibly in light of their objectives while also ensuring that it complies with applicable Law and as so revised shall govern and shall supersede any such conflicting term or provision of the Design and Build Standards.

The Concession Company's obligation to comply with the USCG and USACE's guidance or regulations extends only to USCG and USACE guidance and regulations for which the USCG and the USACE has made compliance mandatory on port facilities operators. To the extent that any USCG guidance or regulations are not mandatory, the Concession Company is not obligated to comply (by virtue of such USCG and USACE's guidance or regulation),but may do so in its discretion.

To the extent that the Design and Build Standards refer to any particular law, regulation, ordinance, order, directive, USCG or USACE guidance or regulation, the reference is to the then-current version of the same, as it may have been amended, revised, replaced or succeeded from time to time.

SECTION 5. LEGAL REQUIREMENTS

The provisions of the Design and Build Standards and of the Design and Build Plan and the Design and Technical Specifications established under them shall comply with all applicable Law. For convenience, applicable Law, including the standards, guidance, Authorizations and requirements set forth in Appendix A and Appendix E to this Schedule 13 are referred to as "Legal Requirements" throughout this Schedule 13.

SECTION 6. PLAN SUBMISSION AND REVISIONS; COMPLIANCE WITH BEST INDUSTRY PRACTICES

The Design and Build Plan, each of its component sections and any modifications thereto shall be designed to comply in all material aspects with Good Industry Practice and shall be developed by the Concession Company, and the Concession Company may in its discretion consult with the Authority with respect thereto.

The Design and Build Plan and each of its component sections shall be prepared separately for the Initial Investment Projects, the Expansion Investment Projects after the Expansion Investment Projects Trigger Event and the Phase Two Projects after the Phase Two Trigger Event.

Simultaneously with the submission of the Concession Company Annual Report required pursuant to Schedule 12 of this Agreement, the Concession Company shall submit any proposed modification to the Design and Build Standards to the Authority. Any changes to the Design and Build Standards or this Schedule 13 are subject to the requisite approvals required under this Agreement.

The Concession Company is responsible for becoming familiar with and complying with future standards and Legal Requirements that may be applicable during the Term, including Good Industry Practice, that apply to the design, operation, upkeep, and maintenance of the Cruise Port Facility, subject to the provisions of this Agreement.

Any Cruise Pier Improvement Projects or Modifications that may be funded in whole or in part through Government Contributions (which, for the avoidance of doubt, would not include the Initial Investment Projects, except for the Pan American Piers Wharf Structure Project, if applicable) shall be designed to comply in all material aspects with Good Industry Practice and the applicable Legal Requirements for such Government Contributions. For the purposes of submitting work for funding in whole or in part through Government Contributions, the Concession Company will work with the Authority and the Independent Engineer to ensure that the Design and Build Plan for such works conforms to the requirements applicable to projects funded in whole or in part through Government Contributions, including ensuring that the Design and Build Plan is prepared in conformity with the applicable Legal Requirements for hazard-resistant designs for the purposes of protecting the health, safety, and general welfare of the Cruise Port Facility's users against disasters (including floodplain management and hazard mitigation criteria required under the Coastal Barrier Resources Act (16 U.S.C. 3501 et seq.), and to meet the definition of resilient as may be developed by FEMA.

SECTION 7. CRUISE PIER IMPROVEMENT PROJECTS AND MODIFICATIONS

The Initial Investment Projects, Expansion Investment Projects and Phase Two Projects are as follows and as described in more detail in Appendix L to this Schedule 13 and in the 30% Design and Technical Specifications:

- **INITIAL INVESTMENT PROJECTS**

  Each to be carried out in accordance with the 30% Design and Technical Specifications Approved by the Authority as a condition to Closing prior to the Closing Date.

  - **Pier 1 Project**
    - Pier 1 – Wharf
      - Limited operational repairs to Pier 1 deck that include, but are not limited to:
        - Concrete resurfacing and painting
    - Pier 1 – Cruise Pier Building
      - Repairs or replacement, including but not limited to:
        - Fire protection system in the Cruise Pier Building on Pier 1

- Escalator and one elevator in the Cruise Pier Building on Pier 1
- Floor, wall and ceiling finishes in the public areas of the Cruise Pier Building.

The scope of repairs will be finalized between the Parties prior to Closing.

- **Pier 3 Project**

  - Pier 3 EPIC Repairs.

    – Replace missing fender on Pier 3

    The Pier 3 EPIC Repairs will be performed by the Authority, subject to Section 4.14 of this Agreement.

- **Piers 1-4 Walkway Project**

  - Repairs or improvements to the Piers 1-4 Walkway including:

    – Repairs to Piers 1-4 Walkway surface and balustrade along the edge of the Piers 1-4 Walkway from Pier 1 to Pier 4
    – Providing a new canopy (without lighting) between Pier 3 and Pier 4;
    – Providing new low-level landscaping between Pier 3 and Pier 4.

    For the avoidance of doubt, if the construction of the Pier 3 Duty Free Building is underway at the time of Closing and/or within the deadline for this project as per Table 7-1 the construction by the Concession Company of the portion of walkway in front of Pier 3 will be deferred until after completion of the Duty Free Building construction.

- **Pan American Pier 1 Project**

  - Repairs or replacement to Cruise Pier Building on Pan American Pier 1, including but not limited to:

    – Floor, wall and ceiling finishes in the public areas of the Cruise Pier Building on Pan American Pier 1
    – Toilets and sewer systems in the Cruise Pier Building on Pan American Pier 1

    The Scope of repairs will be finalized between the Parties prior to Closing.

- **Pan American Pier 2 Project**

  - Repairs or replacement to Cruise Pier Building on Pan American Pier,

including but not limited to:

- Floor, wall and ceiling finishes in the public areas of the Cruise Pier 2 Building
- Toilets and sewer systems in the Cruise Pier Building Pier 2 Building

The scope of repairs will be finalized between the Parties prior to Closing.

- **Pan American Piers Wharf Structure Project**
  - Subject to satisfaction of conditions to Closing as provided in Section 2.4(c)(ix) of this Agreement,
    - New sheet pile wall measuring 1,518 ft (Pan American Pier 1 and Pan American Pier 2 combined) with 110 injected tie rods along the new sheet pile wall for the length of the such Cruise Piers
    - New bulkhead and bollards along the length of the such Cruise Piers
    - Berth surface repairs maintaining existing platform height of such Cruise Piers
- **Rehabilitation Pier 4 Wharf**
  - Subject to satisfaction of the conditions to Closing regarding Pier 4 provided in Section 2.4(c)(viii) of this Agreement, improvements will include repairs or replacement as required,
    - To maintain the live load of 165 psf (see paragraph (f) of Appendix K).
    - To maintain the berthing of Category 2 vessels in Section 9(b) of this Schedule 13 by the construction of either mooring dolphins or an optimized technical solution according to result of the on-going survey and studies.

- **EXPANSION INVESTMENT PROJECTS**
  - **Piers 11 – 12 Project**
    - The Expansion Investment Projects are subject to and to be implemented in accordance with Section 3.25 and Section 4.13 of this Agreement.
    - Piers 11-12 – Wharf
      - Construction of new bulkhead along such Cruise Piers in front of existing wall measuring approximately 1,350 ft in accordance with the 30% Design and Technical Specifications Approved by the Authority as a condition to Closing prior to the Closing Date.
    - Piers 11-12 – Cruise Pier Building

- Construction of a cruise terminal for Home Port operations in accordance with the 30% Design and Technical Specifications Approved by the Authority prior to the Date of this Agreement.

▪ Piers 11-12 – Uplands

- Constructing a ground transport area, and commercial, tourism and related services and offerings (including Public Information Centers), including but not limited to:

  • The provision of car parking and expanded ground transport staging and traffic flow areas for the cruise terminal facility in Pier 13 as marked in Schedule 1 Figure 6A in accordance with the 30% Design and Technical Specifications Approved by the Authority as a condition to Closing prior to the Closing Date.

o **Conversion of Pier 4 into a Port of Call facility**

▪ Repairs and replacement as required to convert the Pier 4 operations to Port of Call including but not limited to:

- Floor, wall and ceiling finishes in the public areas of the terminal building when required.
- Changing of passenger flow to suit Port of Call operations.

• **PHASE TWO PROJECTS**

o **Piers 13-14 Project**

▪ Pier 13 and Pier 14 - Wharf

- Subject to and in accordance with the provisions of Section 3.24 and Section 4.12 of this Agreement, improvements will include repairs or replacement as required, including but not limited to:

  • Construction of new seawall and bulkhead at the Pier 13 and Pier 14 in front of existing wall measuring approximately 1,115 ft.
  • Construction of a new mooring dolphin on the west of the Piers 11-12 to allow a total berthing length for two 1,375 ft long (Cat 3) berths in sequence (totaling of 2,750 ft) for Cruise Piers 11 to 14.
  • The length of berth available will be reviewed at the time of the Phase Two Trigger Event or at the time the Piers 13-14 Wharf Project is implemented as provided in Section 4.12(e), if earlier.

▪ Pier 13 and Pier 14 – Cruise Pier Building

- To be implemented by the Concession Company in accordance with Section 3.24 and Section 4.12 of this Agreement.

- Pier 13 and Pier 14 – Uplands

  - To be implemented by the Concession Company in accordance with Section 4.12 of this Agreement.

The funding responsibility and Scheduled Completion Date for the Cruise Pier Improvement Projects consisting of the Initial Investment Projects, the Expansion Investment Projects and the Phase Two Projects are summarized in the table below. For the avoidance of doubt, funding responsibility of the Concession Company for the Expansion Investment Projects and the Phase Two Projects is subject to the conditions set forth in Section 10.1 of this Agreement.

Table 7-1

Phase	Cruise Pier Improvement Project	Scheduled Completion Date (Funding or Financing Responsibility with Concession Company)	Scheduled Completion Date (Funding or Financing Responsibility with Government Contributions)
Pier 4 Reconstruction	Pier 4 Reconstruction	N/A	To be negotiated in good faith between the Parties following receipt of the notice from the Authority (pursuant to Section 4.12(c)) that the Government Contributions Authorization has been received or, if the Government Contributions are insufficient to pay a portion of the Cruise Pier Improvement Projects Cost or are delayed or denied, following issuance of Concession Mortgage Debt for the shortfall pursuant to Section 4.12(c).
Initial	Rehabilitation Pier 4 Wharf	9 months from Closing	N/A

Investment Projects	Pan American Pier 1 Project	12 months from completion of Rehabilitation Pier 4 Wharf.	NA
	Pan American Pier 2 Project	12 months from completion of Rehabilitation Pier 4 Wharf.	NA
	Pan American Piers Wharf Structure Project	12 months from completion of Rehabilitation Pier 4 Wharf	12 months from receipt of the notice from the Authority (pursuant to Section 4.12(c)) that the Government Contributions Authorization has been received plus 180 days, unless the Government Contributions are insufficient to pay a portion of the Cruise Pier Improvement Projects Cost or are delayed or denied, in which case the Scheduled Completion Date shall be 12 months from issuance (if applicable) of Concession Mortgage Debt for the shortfall pursuant to Section 4.12(c).
	Pier 1 Project	6 months from Closing	NA
	Pier 3 Project	To be completed no earlier than 12 months from Closing and no later than 6 months from the completion of the Pier 3 EPIC Repairs.	NA
	Piers 1-4 Walkway Project	12 months from Closing	NA
Expansion Investment Projects	Piers 11-12 Project	31 months from the Expansion Investment Projects Trigger Event (provided the Expansion Investment Projects Requirements are satisfied) plus 180 days (as may be adjusted pursuant to Section 3.25(g) of this Agreement)	31 months from receipt of the notice from the Authority (pursuant to Section 3.25(i)) that the Government Contributions Authorization has been received plus 180 days t, unless the Government Contributions are insufficient to pay a portion of the Cruise Pier Improvement Projects Cost or are delayed or denied, in which case the Scheduled Completion Date shall be 31 months from issuance (if applicable) of Concession Mortgage Debt for the shortfall pursuant to Section 3.25(i)
	Conversion of Pier 4 into a Port of Call facility (if applicable)	12 months from the Piers 11–12 Project Completion	12 months from the Piers 11–12 Project Completion, subject to the Government Contributions and Concession Mortgage Debt issued in accordance with Section 3.25(i) being sufficient to pay the Cruise Pier Improvement Projects Cost
Phase Two Projects	Piers 13-14 Project (subject to Pier 14 constituting part of the Cruise Port Facility and the Concession as provided in Section 2.1(a) of this Agreement and to the conditions set forth in Section 3.24 of this Agreement)	31 months from the Phase Two Trigger Event plus 180 days (as may be adjusted pursuant to Section 3.24 (i) of this Agreement)	For the Piers 13-14 Wharf Project, 31 months from receipt of the notice from the Authority (pursuant to Section 4.12(d) or Section 4.12(e)) that the Government Contributions Authorization has been received plus 180 days, unless the Government Contributions are insufficient to pay a portion of the Cruise Pier Improvement Projects Cost or are delayed or denied, in which case the Scheduled Completion Date shall be 31 months from issuance (if applicable) of Concession Mortgage Debt for the

shortfall pursuant to Section 4.12(d) (and subject to Section 3.24(d), provided that the Phase Two Trigger Event and the Phase Two Rate of Return Test shall not apply with respect to the construction of the Piers 13-14 Wharf Project if the Piers 13-14 Wharf Project is constructed using 100% Government Contributions, as provided in Section 4.12 and Section 3.24(f)).

SECTION 8. AUTHORITY'S REVIEW PROCESS AND CLOSEOUT REQUIREMENTS

(a) General

The Authority and the Concession Company shall designate the following parties

- The Authority shall designate the Designated Person or other Representative to act as a single point of contact related to the Cruise Pier Improvement Projects and each Modification. If the Designated Person or other Representative materially breaches its obligations under this Agreement, the Concession Company, acting reasonably, shall have the right to require replacement of the Designated Person or Representative. The appointed Designated Person or Representative shall have full authority to represent, bind and act for the Authority with respect to matters arising under this Agreement, and to execute the orders or directions on behalf of the Authority without causing a delay to the Concession Company and its Contractors and shall be present at or within a reasonable distance from the Cruise Port Facility at all times during the periods while Cruise Pier Improvement Projects and Modifications are in progress.

- The Authority and the Concession Company will prior to Closing jointly appoint the Independent Engineer in accordance with the terms of this Agreement. The Independent Engineer shall be an international firm of consulting engineers with substantial experience in the business of port construction and equipment verification, similar in size and scope to the Cruise Pier Improvement Projects, and able to deploy suitably qualified and experienced personnel, with appropriate civil, mechanical and electrical engineering qualifications and specific experience in the commissioning of port installations. The Parties shall comply with their respective duties arising from the Independent Engineer terms of appointment. Neither Party shall without the other Party's consent terminate, cancel or vary the terms of the Independent Engineer terms of appointment. In the event the Independent Engineer terms of appointment terminates otherwise than for full performance, the Parties shall liaise and cooperate with each other to appoint a replacement consultant to act as Independent Engineer as soon as reasonably practical.

- The Concession Company shall designate a Representative as the project manager for the Cruise Pier Improvement Projects and each Modification ("Project Manager"). All of the programming, design and construction activities shall be under the direction of the Project Manager, who shall be the principal contact between the Concession Company, the Authority and the Independent Engineer.

- The Authority may order internal review processes as deemed necessary with the Independent Engineer or other third-party experts or personnel with the knowledge of systems and facilities.

The Authority shall have the right to require replacement of the key members of the management and technical staff supporting the Project Manager, if the Authority determines, acting reasonably, that such person is in material breach of the Concession Company's obligations under this Agreement. The Project Manager shall have full authority to represent, bind and act for the Concession Company with respect to matters arising under this Agreement, and to execute the orders or directions of the Authority without delay. The Project Manager or his or her authorized representative shall be present at the Cruise Port Facility at all times while Cruise Pier Improvement Projects and Modifications are in progress. Arrangements for responsible supervision, acceptable to the Authority, shall be made for periods when the Project Manager cannot be present at the Cruise Port Facility.

Besides the Milestone Inspection performed by the Independent Engineer, the Authority may carry out, at its own cost and discretion, an independent review of the Concession Company's design documents by a separate architect, engineer, and contractor or cost estimator under contract or employed by the Authority. Such independent review shall be performed in a timely manner in accordance with Section 4.5(b) of this Agreement, or such other schedule agreed between the Authority and the Concession Company, and shall not delay the orderly progress of the Cruise Pier Improvement Projects and Modifications. Any failure of the Authority (including any such separate architect, engineer, contractor or cost estimator) to respond to any design document within the period provided in Section 4.5(b) of this Agreement shall constitute Authority approval of the relevant design document provided in Section 4.5 (c) of this Agreement.

The scope of services listed below is intended to convey the Authority's requirements for the design and construction of the Cruise Pier Improvement Projects and any Modifications. Conditions may arise which will necessitate revisions in the types of services required. While the Authority has attempted in this Schedule 13 to define its expectations for the Cruise Pier Improvement Projects and any Modifications, the scope of services listed below is not intended to be all inclusive of the work to be performed. The Concession Company's experience should allow it to amplify on the scope as provided below.

Cruise Pier Improvement Projects and Modifications performed under this Agreement shall include the following items:

- Architecture
- Civil engineering
- Structural engineering
- Landscape architecture
- Traffic engineering
- Mechanical and electrical engineering
- Plumbing engineering
- Fire protection engineering
- Electronic and information technology systems engineering, excluding operational information technology and communications systems of the cruise lines

- Security access control and closed-circuit television (CCTV) design, excluding operational information technology and communications systems of the cruise lines
- Telecommunications and public address system design, excluding operational information technology and communications systems of the cruise lines
- Baggage claim device design (if any)
- Surveying
- Geotechnical investigation
- Permitting
- Materials testing (as per required by building codes applying to the construction).
- Scheduling
- Environmental impact and Pollution Controls/Mitigation for the construction of the works
- Health and safety for the construction of the works
- Quality assurance and quality control for the construction of the works
- Construction
- Construction inspection and special inspection (as necessary)

All other planning, design, coordination, construction activities and services as required to complete the applicable Cruise Pier Improvement Project or Modification shall be compatible with the long-term development of the Cruise Port Facility, including the Operating Standards, which will be provided by the Concession Company as a part of the Design and Build Plan.

(b) Review Guidelines

Prior to any planning and execution of Cruise Pier Improvement Projects and Modifications, various project documents shall be submitted to the Authority, at pre-agreed milestones (which milestones shall be no less than those provided in Section 8(c)(i), (ii) and (iii) of this Schedule 13), for review and Approval, as part of the Design and Build Plan to the extent Approval is required under this Agreement. The review will include submissions for compliance with design intent, systems specifications, materials, standard of performance, and other criteria identified in this Schedule 13. This review is a requirement that is intended for the benefit of the execution of the Cruise Pier Improvement Projects and Modifications and does not eliminate or reduce the Concession Company's responsibility to review the documents for compliance with all applicable Legal Requirements.

Written review comments will be returned to the Concession Company for each review effort. The designated Project Manager and the Representative will agree in the final agreement to a schedule of submission due dates and designated review periods based upon the Concession Company's proposed schedule and the Authority's schedule objectives.

The Project Manager is responsible for documenting minutes of all the review meetings if any, while the Representative will supply specific comments. The Representative shall provide timely,

detailed and coordinated responses to all submitted design and construction submittals.

The Authority's review and Approval with respect to each Cruise Pier Improvement Project and Modification includes the following:

(i) Cruise Pier Improvement Port Master Plan (CPIMP)
(ii) Architectural Building Design Concept
(iii) Design Criteria Document
(iv) Design Documents and Specifications, including Design Drawings and Calculations
(v) Overall Project Schedule

(i) Cruise Pier Improvement Port Master Plan (CPIMP)

The objective of the CPIMP is to provide the Authority and other relevant stakeholders with an overview of the proposed Cruise Pier Improvements for the Initial Investment Projects prior to the Closing Date and for the Expansion Investment Projects after the Expansion Investment Projects Trigger Event that will be implemented and how it forms part of the overall CPIMP; including the projected uses or changes in the organization, phasing and use of the Cruise Pier(s) included in a specific Cruise Pier Improvement Project. The CPIMP shall provide the basis for its implementation, in particular how for the Initial Investment Projects and for the Expansion Investment Projects after the Expansion Investment Projects Trigger Event the proposed Cruise Pier Improvement Projects and Modifications contribute to maintain the Operating Standards and will ensure continuity in the level of service to the Cruise Lines and Other Shipping Lines. The CPIMP shall incorporate layers showing improvements to be completed by other such as USACE San Juan Harbor Improvement, and Bahia Urbana (PRCDA) when (in the case of Bahia Urbana) provided by the Authority.

The Concession Company shall prepare the CPIMP:

(i) with respect to the Initial Investment Projects prior to the Closing Date in connection with the satisfaction of the condition to Closing provided in Section 2.4(b)(vi) of this Agreement;

(ii) with respect to the Expansion Investment Projects no later than one-hundred and twenty (120) days after the Expansion Investment Projects Trigger Event or one-hundred and twenty (120) days after the receipt of notification from the Authority that the Government Contributions Authorization has been achieved for Government Contributions in an amount sufficient to pay at least fifty million dollars ($50,000,000) of the Cruise Pier Improvement Projects Cost of the Piers 11-12 Wharf Project, based on the original Port Master Plan referred to in Appendix L to this Schedule 13, for Approval by the Authority;

(iii) with respect the Phase Two Projects, no later than one hundred and eighty (180) days after the Phase Two Trigger Event or one hundred and eighty (180) days after the receipt of notification from the Authority that the Government Contributions

Authorization has been received for Government Contributions to pay the Cruise Pier Improvement Projects Cost of the Piers 13-14 Wharf Project (subject to Section 3.24(d), as qualified by the last sentence of Section 3.24(f)), based on its original Port Master Plan referred to in Appendix L to this Schedule 13, for Approval by the Authority.

Any changes in the CPIMP shall be submitted to the Authority for Approval.

The CPIMP shall as a minimum include:

- A narrative description of the proposed CPIMP (Initial Investment Projects, Expansion Investment Projects, Phase Two Projects and other Cruise Pier Improvement Projects) explaining the concept and how their plan/design addresses the items mentioned in Section 8(a) of this Schedule 13 and:
    - How the proposed Initial Investment Projects, Expansion Investment Projects, Phase Two Projects and other Cruise Pier Improvement Projects enhances the relation of the waterfront, piers and terminals to the direct urban context (Old San Juan, Puerta de Tierra, and Convention Center District / other nearby properties.), consistent with the guidelines set forth in Appendix F of this Schedule 13.
    - How the Initial Investment Projects, Expansion Investment Projects, Phase Two Projects and other Cruise Pier Improvement Projects will manage the traffic and circulation of vehicles, shuttles, taxis, parking, etc., and improve the connectivity with the public transportation system and potentially integrate a multimodal transportation system.
    - How the Initial Investment Projects, Expansion Investment Projects, Phase Two Projects and other Cruise Pier Improvement Projects promotes the incorporation of other activities (commercial, recreational, cultural, etc.), and amenities related to the visitors/passenger experience and services.
    - How the Initial Investment Projects, Expansion Investment Projects, Phase Two Projects and other Cruise Pier Improvement Projects provides for additional benefits in the development, growth, maintenance and sustainability of San Juan Bay cruise terminals and piers.
- Proposed site plans (to scale and in clearly legible format) with main dimensions showing the premises of the Cruise Pier Improvement Projects.

(ii) Architectural Building Design Concept

The Concession Company shall prepare a narrative description of the architectural concept, materials and design with focus on innovation and compliance with LEED Silver level of certification (it being understood that no certification is required).

- Design embarkation/disembarkation Passenger capacity (in mean and peak numbers / hr) and areas provided (ft^2)
- General Arrangement drawing (to scale and in clearly legible format)
- Views of each side of the building
- High level 3D perspective images (minimum 3 images)
- Embarkation/Disembarkation passenger flow

(iii) Design Criteria Document

The Concession Company shall prepare a design criteria document which includes the basis of design/design criteria for each Cruise Pier Improvement Project and Modification (the "Design Criteria Document") and shall request the Authority's Approval of the Design Criteria Document before commencing preliminary design activities. The Concession Company shall further expand the Design Criteria Document and maintain the same during the execution of the Cruise Pier Improvement Projects and Modifications. The Concession Company will request the Authority's Approval of the Design Criteria Document at agreed development stages, including, as provided above, prior to Closing.

The design criteria in Appendix K to this Schedule 13 constitute the initial Design Criteria Document relating to the Cruise Pier Improvement Projects and any Modifications, except to the extent the paragraphs of Appendix K specifically refer to the Piers 11-12 Project or the Rehabilitation Pier 4 Wharf (these specific paragraphs constituting design criteria relating only to the Piers 11-12 Project or the Rehabilitation Pier 4 Wharf). If the 30% Design and Technical Specifications for one or more of the Initial Investment Projects and the Expansion Investment Projects are not included in Appendix L to this Schedule 13 as of the Date of this Agreement, then in connection with the Approval of the 30% Design and Technical Specifications for the Initial Investment Projects and the Expansion Investment Projects, the Concession Company shall amend if need be the Design Criteria Document consisting of Appendix K for such Cruise Pier Improvement Projects for Approval of the Authority before preparing the 30% Design and Technical Specifications for such Initial Investment Projects and Expansion Investment Projects. A similar amendment or expansion of the Design Criteria Document shall be made by the Concession Company for Authority Approval for other Cruise Pier Improvement Projects and any Modifications before the Concession Company begins preliminary design activities.

(iv) Design Documents and Specifications including Design Drawings and Calculations

The Concession Company shall prepare Design Documents and Specifications covering as a minimum the items mentioned above and repeated below;

- Architecture
- Civil engineering
- Structural engineering
- Landscape architecture
- Traffic engineering
- Mechanical and electrical engineering

- Plumbing engineering
- Fire protection engineering
- Electronic and information technology systems engineering, excluding operational information technology and communications systems of the cruise lines
- Security access control and closed-circuit television (CCTV) design, excluding operational information technology and communications systems of the cruise lines
- Telecommunications and public address system design, excluding operational information technology and communications systems of the cruise lines
- Baggage claim device design (if any)
- Surveying
- Geotechnical investigation
- Permitting
- Materials testing (as per required by building codes applying to the construction).
- Scheduling
- Environmental impact and Pollution Controls/Mitigation for the construction of the works
- Health and safety for the construction of the works
- Quality assurance and quality control for the construction of the works
- Construction
- Construction inspection and special inspection (as necessary)

(v) Overall Project Schedule

The Concession Company shall prepare an overall project schedule for all construction works including a breakdown of these works for each structure (pier/wharf or building) as follows:

- Survey, design, procurement and permitting works
- Total time period of structure being out of service for existing operational piers/ wharfs or buildings
- Demolition works (not part of the refurbishment/ building works below)
- Refurbishment/ building works

(c) Design Submittal

The Concession Company shall provide comprehensive, multi-discipline design packages that include design documentation for project elements, fully developed to the design stage indicated. The stages that will require the Authority's review and Approval are below.

(i) 30% preliminary design development ("30% Design") – to be provided by the Concession Company, Approved by the Authority:

- before Closing for the Initial Investment Projects and as provided in Section

2.4(b) of this Agreement;

- as of the Date of this Agreement for the portion of the Piers 11-12 Project identified in this Schedule 13 as Piers 11-12 – Cruise Pier Building (but not for the portion of the Piers 11-12 Project identified in this Schedule 13 as Piers 11-12 – Wharf or Piers 11-12 – Uplands);

- to be provided by Concession Company no later than the Closing Date (and the Concession Company to use Reasonable Efforts to provide and to facilitate Authority Approval no later than ninety (90) days after the Date of this Agreement) for the portion of the Piers 11-12 Project identified in this Schedule 13 as Piers 11-12 – Wharf and Piers 11-12 - Uplands;

- to be provided by Concession Company (and Parties to use Reasonable Efforts to facilitate Authority Approval) no later than one-hundred and eighty (180) days after the Expansion Investment Projects Trigger Event for the Expansion Investment Projects (other than the portion of the Piers 11-12 Project identified in this Schedule 13 as Piers 11-12 – Cruise Pier Building, which was Approved by the Authority as of the Date of this Agreement;

- to be provided by Concession Company (and Parties to use Reasonable Efforts to facilitate Authority Approval) not later than 270 days after the Closing Date for the Piers 13-14 Wharf Project;

- to be provided by Concession Company (and Parties to use Reasonable Efforts to facilitate Authority Approval) within one-hundred and eighty (180) days from the date of the Phase Two Trigger Event for the Phase Two Projects (other than the portion of the Piers 13-14 Project identified in this Schedule 13 as Pier 13 and Pier14 – Wharf).

(ii) 60% design development ("60% Design")

(iii) 100% final design ("100% Design")

For the avoidance of doubt the 30% Design constitutes the 30% Design and Technical Specifications and the 100% Design constitutes the Design and Technical Specifications, as the terms 30% Design and Technical Specifications and Design and Technical Specifications are used in this Agreement.

The 30% Design will be Approved by the Authority or agreed by the Authority and the Concession Company, as the case may be, as provided in paragraphs (A), (B), (C), (D) and (E) below.

The development and incorporation into this Agreement of the 60% Design and the 100% Design shall be reviewed by the Authority and the Independent Engineer as provided in Section 4.5 of this Agreement. In connection with the development by the Concession Company of the 60% Design

and the 100% Design, the Concession Company may submit to the Authority and the Independent Engineers for their review pursuant to Section 4.5 of this Agreement design document packages that represent a discrete part of the applicable Cruise Pier Improvement Project or Modification, and each such design document package shall be reviewed pursuant to, and subject to the provisions of, Section 4.5 of this Agreement. For the avoidance of doubt, each discrete design document package shall include the items listed in Section 8(b)(i) to (v) of this Schedule 13 that are applicable to such design document package. Promptly following the Approval by the Authority of the 30% Design, the Authority and the Concession Company, acting reasonably, shall agree on discrete parts of the 60% Design of the applicable Cruise Pier Improvement Project or Modification for which design document packages may be submitted separately to the Authority and the Independent Engineer for review pursuant to Section 4.5 of this Agreement. Promptly following the Approval by the Authority of the 60% Design, the Authority and the Concession Company, acting reasonably, shall agree on discrete parts of the 100% Design of the applicable Cruise Pier Improvement Project or Modification for which design document packages may be submitted separately to the Authority and the Independent Engineer for review pursuant to Section 4.5 of this Agreement.

30% Design for each Cruise Pier Improvement Project and Modification shall include the items listed in Section 8(b)(i) to (v) of this Schedule 13, which for the avoidance of doubt, are the CPIMP; Architectural Building Design Concept; Design Criteria Document; Design Documents and Specifications including Design Drawings and Calculations; and Overall Project Schedule.

(A) The 30% Design for the Initial Investment Projects, and their Approval by the Authority, are conditions precedent to Closing, as provided in Section 2.4(b)(vi) of this Agreement, and upon Approval by the Authority shall become part of this Agreement as though set forth herein and shall be attached hereto or incorporated herein as part of Appendix L.

(B) The 30% Design for the Piers 11-12 Project identified in this Schedule 13 as Piers 11-12 – Cruise Pier Building (but not the portion of the Piers 11-12 Project identified in this Schedule 13 as Piers 11-12 – Wharf or Piers 11-12 – Uplands) have been provided to and Approved by the Authority as of the Date of this Agreement, and are part of this Agreement as though set forth herein and shall be attached hereto or incorporated herein as part of Appendix L.

(C) The 30% Design for Piers 11-12 Project identified in this Schedule 13 as Piers 11-12 – Wharf and the Piers 11-12 – Uplands of the Expansion Investment Projects shall be prepared by the Concession Company, using Reasonable Efforts, for Authority Approval not later than ninety (90) days after the Date of this Agreement and, in any case, are required to be prepared by the Concession Company and Approved by the Authority in connection with the satisfaction by the Concession Company of Section 2.4(b)(vi) of this Agreement, and upon Approval by the Authority shall become part of this Agreement as though set forth herein and shall be attached hereto or incorporated herein as part of Appendix L.

(D) The 30% Design for the Phase Two Projects identified in this Schedule 13 as the Pier 13 and Pier 14 – Wharf (but not the portion of the Piers 13-14 Project identified in this Schedule 13 as the Pier 13 and Pier 14 - Cruise Pier Building or the Pier 13 and Pier14 - Uplands) shall be prepared by the Concession Company for Authority Approval no later than 270 days after the Date of this Agreement.

(E) The 30% Design for the Phase Two Projects identified in this Schedule 13 as the Pier 13 and Pier 14 - Cruise Pier Building and the Pier 13 and Pier 14 - Uplands shall be prepared by the Concession Company for Authority Approval no later than one hundred and eighty (180) days following the Phase Two Trigger Event.

(F) The 30% Design for each Modification shall be agreed by the Authority and the Concession Company in the negotiations with respect to the Modification provided in Section 5.1 of this Agreement.

(d) Close Out Submittals

(i) After requesting the Completion Inspection, the Concession Company shall prepare and submit digital files and 10 hard copies of the complete closeout packages. Not less than 7 Business Days before any Milestone Inspection and the Completion Inspection for the applicable Cruise Pier Improvement Project or Modification the Concession Company will notify the Independent Engineer and the Authority of the date for the Milestone Inspection or Completion Inspection, as the case may be, and will provide them with such documents and information as they reasonably request in connection with such Milestone Inspection or Completion Inspection. At a minimum, the following items are to be included in the Close Out Submittals package no later than sixty (60) days after the Completion Inspection for the applicable Cruise Port Improvement Project or Modification:

(A) Project record documents: AutoCAD 2019 drawings, submit hard copies and electronic format.
(B) Operating and maintenance data and instruction for all equipment and all finishes.
(C) Warranties and bonds.
(D) Spare parts and maintenance material.
(E) Evidence of undisputed payment and releases of liens, including payments to subcontractors and employees.
(F) Certification of generator test, HVAC test, elevator and escalator certificate, fire sprinkler and fire alarm system.
(G) Commissioning report.
(H) Material inventory and final color list.
(I) Temporary Certificate of Occupancy.
(J) Pollution Control Plans such as Spill Prevention, Control and Countermeasure Plans (SWPPP) and Storm Water Pollution Prevention Plans (SWPPP-Operation)

(K) Payment of all permit fees and cost

Completion Inspection will follow the procedures set forth in Sections 4.7 and 4.8 of this Agreement.

All the Authorizations and documents listed above in this paragraph (i) of Section 8(d) of this Schedule 13, shall be delivered with the Officer's Certificate to the Authority prior to the occurrence of Completion pursuant to Section 4.8(e) of this Agreement together with other Authorizations and documents required with such Officers Certificate.

(ii) The following shall be provided to the Authority within one hundred twenty (120) days following the completion of the Completion Inspection:

(A) Project record documents
(B) HVAC balancing reports
(C) Final Punch List

(iii) The following shall be provided to the Authority within one hundred and eighty (180) days following the completion of the Completion Inspection:

(A) Evidence of compliance with requirements of Governmental Authorities and construction documents
(B) Final Certificate of Occupancy
(C) Evidence of releases of Encumbrances other than Permitted Concession Company Encumbrances.

For the avoidance of doubt, the documents above to be provided to the Authority within one hundred twenty (120) and one hundred and eighty (180) days following the Completion Inspection, as set forth in paragraphs (ii) and (iii) above, shall not be considered as a required document or Authorization under Section 4.8(e) of this Agreement for the purpose of achieving Completion under this Agreement.

SECTION 9. MINIMUM PERFORMANCE STANDARDS

(a) Design-vessels categories

The Cruise Pier Improvement Projects and Modifications are defined by the following design-vessel categories:

- Category 1 (CAT 1) under 2,000 passengers and less than 900 ft. length overall (LOA)
- Category 2 (CAT 2) from 2,000 passengers to 6,000 passengers, equal to or less than 1,100 ft. length overall (LOA)
- Category 3 (CAT 3) over 6,000 passengers with 1,200 ft. length overall (LOA)

(b) Cruise Piers Usage

The table below summarizes current and future use of each Cruise Pier.

	Current Capacity		Planned Capacity		
Cruise Piers	**Use**	**Current Capacity**	**Use**	**Design Capacity**	**Design Vessel**
Pier 1 (E and W)	PoC/HP	1 HP: CAT 1 or 2 PoC: CAT 1	PoC/HP	1 HP: CAT 1or 2 PoC: CAT 1	CAT 1
Pier 3 (E and W)	PoC	1 PoC: CAT 3 and 1 PoC: CAT 1 or 2 PoC: CAT 2	PoC	1 PoC: CAT 3 and 1 PoC: CAT 1 or 2 PoC: CAT 2	CAT 3
Pier 4 (E and W)	PoC/HP	1 HP: CAT 2 or 2 PoC: CAT 2	PoC	2 PoC: CAT 2	CAT 2
Piers 11 - 12	NA	NA	HP	CAT 3	CAT 3
Piers 13 - 14	NA	NA	HP	CAT 3	CAT 3
Pan American Pier 1	HP	CAT 1	HP	CAT 1	CAT 1
Pan American Pier 2	HP	CAT 3	HP	CAT 3	CAT 3

Key
- PoC = Port of Call
- HP = Home Port
- NA = (currently) Not Available for operations

*Design vessel for Piers 13-14 may be downgraded in case the overall berthing length of Piers 11-14 is insufficient for two CAT 3 vessels.

(c) Cruise Piers Design Vessels

For design of Cruise Pier Improvement Projects and Modifications related to the Cruise Piers, the following design-vessel specifications shall be used:

- Pier 1 (E and W): Cat 1 (as is)
- Pier 3 (E and W): Cat 3 (as is)
- Pier 4 (E and W): Cat 2 (as is)
- Pan American Pier 1: Cat 1
- Pan American Pier 2: Cat 3
- Piers 11 – 12: Cat 3
- Piers 13 – 14: Cat 3 (the Design vessel for Piers 13-14 may be downgraded in case the overall berthing length of Piers 11-14 is insufficient for two CAT 3 vessels)

When Cruise Piers are to be used for Port of Call operations, the pier or wharf structure shall be designed to handle minimum passenger throughput as per the means of egress requirements included in the International Building Code ("IBC") and the 2018 Puerto Rico Building Code

standards.

The Piers 11-12 Project, the Piers 13-14 Project and any other Cruise Pier Improvement Project (excluding, for the avoidance of doubt, the Pan American Piers Wharf Structure Project) or Modification that consists of or includes a new pier/wharf structure will be designed to allow for future provisioning of shore power facilities.

The Pier 1-4 Walkway described or shown on Schedule 1 to this Agreement shall not have a fence or other barrier that separates such walkway from the public road or pathway abutting such walkway.

(d) Cruise Pier Buildings

Any new Cruise Pier Building to be constructed for the Home Port operations shall be designed with the minimum following peak-passengers throughput levels:

- CAT 1 — 500 passengers per berth per hour
- CAT 2 — 1,500 passengers per berth per hour
- CAT 3 — 2,000 passengers per berth per hour

Design and Technical Specifications of the new Cruise Pier Building to be constructed at Piers 11-12, Pier 13 and Pier 14 and any other new Cruise Pier Building shall comply with the following guidelines:

- The design should comply with all applicable zoning and land use Legal Requirements, including but not limited to the Municipality of San Juan Territorial Ordainment Plan (Plan de Ordenamiento Territorial), Municipality of San Juan's Zoning Maps, the Joint Regulation for the Evaluation and Issuance of Permits related to Development, Land Use and Business Operations of the Puerto Rico Planning Board, Regulation 9081 dated May 8, 2019, as these may be amended or superseded.
- The design shall respond to the urban, architectural and cultural condition of the Old San Juan and Puerta De Tierra area.
- The new construction should not obstruct or hinder the view from Cataño (or south of the bay) to the Old San Juan, and vice versa.
- New construction buildings at Old San Juan should be kept within the existing historic buildings height. Particularly considering the U.S. Customs building, adjacent to Pier 1.
- No metal buildings using exterior wall construction material similar to that used on the Cruise Pier Buildings on Pan American Pier 1 and 2 (steel structure is accepted)

The design of any new Cruise Pier Building that is part of any Cruise Pier Improvement Project which includes a terminal building must include the following minimum number of covered path(s) from each terminal building to the Cruise Line Vessel:

- CAT 1 — minimum one movable covered pathway

- CAT 2 minimum two movable covered pathways
- CAT 3 minimum two movable covered pathways

(e) Customer Services and Amenities

The Concession Company shall provide the following services and amenities integrated in the design of relevant Cruise Port Facility functional components:

- WiFi with a minimum download speed of 50 Mbps
- USB charging stations for cell phones
- Drink water fountains

(f) Security

- The Concession Company shall comply with the requirements set out by the USCG and the CBP.
- The Concession Company shall cause the Cruise Port Facility to be serviced by adequate law enforcement, perimeter security and firefighting, including law enforcement officers support as may be required by applicable Law.
- The Concession Company may coordinate with the Puerto Rico Police Department and other Governmental Authorities and shall to the extent reasonably required engage Contractors for private security and emergency service in order to meet its security requirements.
- The Concession Company will build its own security surveillance room. The Concession Company will ensure connectivity with the Authority's control security facilities, located within the PRPA's main office, at the Authority's request.

SECTION 10. DESIGN CRITERIA FOR DESIGN AND BUILD

An initial set of design criteria is included in Appendix K to this Schedule 13 for the design and build of the Cruise Pier Improvement Projects and any Modifications (the "Design Criteria"). The purpose of the Design Criteria is to establish standards (including aesthetic objectives) that will ensure the new and existing structures meet the quality level set by the Authority and that new codes and other Legal Requirements require, while allowing the Concession Company to make its own choices in designing and building the Cruise Pier Improvement Projects and Modifications, that those meet these requirements in the most cost-effective way.

The Concession Company will update and expand the Design Criteria as the 30% Design are developed between the Date of this Agreement and Closing, and, following Approval by the Authority, at Closing the Design Criteria in Appendix K to this Schedule 13 will be replaced by the Design Criteria Approved by the Authority that are consistent with the 30% Design.

The Concession Company shall ensure at all times that during the design and construction of the Cruise Pier Improvement Projects or Modifications (i) all Cruise Line Vessels and Other Shipping

Lines will continue to be accommodated at the Cruise Port Facility without interruption in Cruise Port Facility Operations and (ii) the Cruise Pier Improvement Projects and Modifications will limit interference to the maximum extent reasonably practicable with ongoing, normal Cruise Port Facility Operations.

It is the Concession Company's responsibility to follow, interpret and expand the Design Criteria in order to conform and comply with all Governmental Authorities having jurisdiction, updated codes of construction and other Legal Requirements. The Cruise Pier Improvement Projects and Modifications performed by the Concession Company will be subjected to evaluation by the Authority.

The Design Criteria and the Design and Technical Specifications for the Cruise Pier Improvement Projects and Modifications shall:

- Meet schedule, budget, and quality goals while projecting an image befitting San Juan as cruise leader of the region and a major tourist destination.
- Be compatible with the surrounding architectural style and context of the areas where the Cruise Port Facility is located without being obtrusive or overly ostentatious.
- Incorporate traditional, low maintenance, sustainable materials and use diversity of massing, material, texture, colour and scale to create a sequence of experiences.
- Reflect creative and innovative design and construction techniques, tempered by specific maintenance and life-cycle cost considerations.
- Function in an efficient manner, providing the appropriate levels of differentiation of space and support required for pedestrian and vehicle flows, as well as operational and security functions.
- Promote the efficient and effective implementation of access control and accountability measures for vehicles, personnel, passenger luggage, and vessel stores commensurate with the operational security requirements at each maritime security level.
- Have built-in flexibility to accommodate different types and sizes of cruise vessels, as well as future changes in organizational and departmental work processes.
- Comply with all applicable Legal Requirements.

SECTION 11. TESTING

During construction, the Concession Company shall use the testing services of an independent testing company approved by the Authority to perform tests for concrete and soil density tests. The Concession Company will employ Contractors and pay for these testing services. Failed tests shall be retested at the Concession Company's expense. All test reports shall be submitted to the Authority and Independent Engineer for review and record retention.

Special inspections, if required by the Legal Requirements, shall be performed by an independent inspection company approved by the Authority for conducting these inspections. The Concession Company will employ Contractors and pay for these inspection services. Re- inspections shall be at the Concession Company's expense. All inspection reports shall be submitted to the Authority

and Independent Engineer for review and record retention.

SECTION 12. CONSTRUCTION MANAGEMENT

In those circumstances where this Agreement provides that the Concession Company will act as a construction manager for the Authority, the Concession Company shall, in performing its functions as a construction manager for the Authority, act in accordance with Good Industry Practice in performing the function of construction manager and shall furnish efficient construction, administration, management services and supervision; furnish at all times an adequate supply of workers and materials; and perform its obligations in an expeditious and economical manner consistent with the Authority's interests and the standards set forth in this Agreement. The relationship of the Concession Company, acting as the construction manager, to the Authority shall be that of an independent contractor. Nothing contained in this Agreement shall be deemed or construed to (a) make the construction manager, the agent, servant, representative or employee of the Authority, or (b) create any partnership, joint venture, or other association between the construction manager and the Authority. Without limiting the generality of the foregoing, the Concession Company, acting as the construction manager, shall perform the following functions as construction manager:

(i) The Concession Company, acting as the construction manager, shall (A) advise the Authority on proposed site use and improvements, selection of materials, and building systems and equipment; and (B) provide recommendations consistent with the project requirements to the Authority on constructability, availability of materials and labor, time requirements for procurement, installation and construction; and factors related to construction cost including but not limited to, costs of alternative designs or materials, preliminary budgets, life cycle data, and possible cost reductions.

(ii) The Concession Company, acting as the construction manager, shall prepare and periodically update a project schedule for the Authority's acceptance.

(iii) The Concession Company, acting as the construction manager, shall provide recommendations with regard to accelerated or fast track scheduling, procurement, or phased construction.

(iv) The Concession Company, acting as the construction manager, shall prepare preliminary and periodically updated estimates of the cost of the work or the cost of program requirements using area, volume or similar conceptual estimating techniques for the Authority's approval.

(v) The Concession Company, acting as the construction manager, shall develop bidders' interest in the project.

(vi) The Concession Company, acting as the construction manager, shall prepare bid documents (including Design and Technical Specifications and a form of construction contract Approved by the Authority) obtain from qualified bidders no

less than three (3) construction price proposals for the Authority's review and acceptance and, at the request of the Authority, recommend a preferred bidder.

(vii) The Concession Company, acting as the construction manager, shall record the progress of the project. On a monthly basis, or otherwise as agreed to by the Authority, the Concession Company shall submit written progress reports to the Authority, showing percentages of completion and other information required by the Authority.

(viii) The construction price is subject to additions and deductions as provided in the construction contract and the Scheduled Completion Date shall be subject to adjustment as provided in the construction contract.

(ix) The Concession Company's fee for acting as construction manager shall be Approved by the Authority, and shall be consistent with construction management fees for similar or comparable projects and services, and in no event shall be greater than 12% of the construction price under the construction contract. In no event where Government Contributions are used to pay for the costs of any Cruise Pier Improvement Project or Modification shall the fee for acting as construction manager exceed the amount allowed by applicable Legal Requirements, including the conditions or requirements for the Government Contributions.

(x) The Concession Company, acting as construction manager, shall not amend any terms of any construction contract, including consenting to any changes in the scope of work under any construction contract, or waive any default under any construction contract, in each case without the prior written approval of the Authority.

(xi) If any non-performance by a Contractor under any construction contract constitutes a default under the construction contract, the Concession Company shall, at the request of the Authority, take all actions reasonably necessary to enforce the Authority's rights under the construction contract; provided, however, that the Concession Company shall not be obligated to exercise and enforce rights and remedies under any construction contract through arbitration or other dispute resolution provided in the construction contract, as applicable; provided, further, that the Concession Company shall provide assistance and support to the Authority as the Authority reasonably requires in order to exercise and enforce its rights and remedies under any construction contract.

SECTION 13. HOLDING FEE

As provided in Section 3.25(e) of this Agreement if the Concession Company elects to exercise the extension rights contained therein it shall, as a condition precedent for such exercise, pay the fee determined in accordance with this Section 13 of Schedule 13 to the Authority ("Holding Fee"). The Holding Fee will be determined separately for each extension option by appraisal of

the fair market value of a one-year option to purchase the land lots occupied by Piers 11-12, subject to the following terms and conditions:

1. The amount of the Holding Fee shall be determined by a fair market value appraisal (the "Holding Fee Appraisal") by any of the following appraisers selected by the Parties by mutual agreement: (A) McKloskey & Bonin Valuation Group, P.S.C./Vallejo & Vallejo; (B) Pedro A. Pons, P.S.C.; (C) ODV Appraisal Group P.S.C.; and (D) any other independent third party appraiser. Any appraiser designated or selected in accordance with this subsection 1 must have an MAI designation, be duly licensed in the Commonwealth and meet the requirements of FIRREA.

2. The Holding Fee Appraisal shall be prepared in accordance with the requirements of FIRREA and shall consist of the fair market value of a one-year option to purchase the land lots occupied by Piers 11-12 using a comparison approach coupled with a highest and best use analysis, and discounted to take into account the temporary nature of the extended Term granted to the Concession Company with respect to Piers 11-12 if the Concession Company elects to exercise its extension right pursuant to Section 3.25(e) of this Agreement as opposed to acquiring fee simple title thereto.
3. Not later than ninety (90) days before each date on which the Concession Company may exercise the extension right set forth in Section 3.25(e) of this Agreement, the Parties shall engage the appraiser selected in accordance with subsection 1 of this Section 13 (the "First Appraiser"). The Holding Fee Appraisal shall be rendered by the First Appraiser no later than 60 days prior to the date the Concession Company may exercise the extension right set forth in Section 3.25(e) of this Agreement, and shall be final and binding on the Parties, unless either Party objects to such Holding Fee Appraisal by written notice to the other Party within ten (10) days from the date the objecting Party receives such Holding Fee Appraisal, in which case the Parties shall negotiate in good faith to agree a Holding Fee. If an objection is raised and the Parties cannot agree the amount of the Holding Fee within ten (10) days of such objection, the objecting Party may require a second Holding Fee Appraisal, in which case the Parties shall by mutual agreement, within a further five (5) days, appoint another appraiser in accordance with subsection 1 of this Section 13 to conduct a second Holding Fee Appraisal. If the objecting Party does not require a second Holding Fee Appraisal (and the Parties are unable to agree the amount of the Holding Fee through the aforementioned good faith negotiations), the Holding Fee determined by the First Appraiser shall be the final and binding Holding Fee to be paid by the Concession Company to the Authority if the Concession Company elects to exercise its extension right pursuant to Section 3.25(e) of this Agreement. If a second Holding Fee Appraisal is conducted, then once the second Holding Fee Appraisal is rendered (to be not less than ten (10) days prior to the date the Concession Company may exercise the extension right set forth in Section 3.25(e) of this Agreement), the amounts of the first and second Holding Fee Appraisals shall be added together and their total divided by 2; the resulting amount shall be the final and binding Holding Fee to be paid by the Concession Company to the Authority if the Concession Company elects to exercise its extension right pursuant to Section 3.25(e) of this Agreement.

4. The cost of the first Holding Fee Appraisal shall be paid by the Concession Company and the cost of the second Holding Fee Appraisal, if applicable, shall be paid by the objecting Party referred to in subsection 3 of this Section 13.

APPENDIX A: AVAILABLE GUIDANCE AND STANDARDS

The following is a list of standards and guidance which constitute a part of the Legal Requirements and with which the Concession Company must comply at a minimum, as applicable. This list is not intended to be all-inclusive. The Concession Company will be responsible for identifying and meeting all applicable Legal Requirements, guidance and standards.

SCHEDULE 13 CRUISE PORT FACILITY - D&B GUIDANCE DOCUMENTS		
#	Number	Title
General Reference: Local Guidance and Regulations		
1.	Act No. 42-2018	as amended, known as the "Local Construction Contractors and Suppliers Preference Act"
2.	Act 70 of September 18, 1999	as amended (titled "Act for the Reduction of Solid Wastes in Puerto Rico")
3.	Act No. 109 of July 12, 1985	as amended, known as the "Construction Materials Manufactured in Puerto Rico Act"
4.	Act 161-2009	as amended, known as the Act for the Reform of the Permits Process
5.	Act No 173 of August 12, 1988	as amended, known as the "Board of Examiners of Engineers, Architects, Surveyors and Landscape Architects Act of Puerto Rico"
6.	Act 241 of August 15, 1999	as amended (titled "New Wildlife Act of Puerto Rico")
7.	Act 267 of September 11, 1998	To create the Center for the Coordination of Excavation and Demolitions
8.	Public Law No. 107–295)(46 U.S. Code Chapter 701)	Maritime Transportation Security Act of 2002
9.	Planning Board Regulation No. 13	Special Flood Hazard Areas Regulation, 2010
10.	Regulation 9081or Regulation 7951 (whichever is in effect)	Puerto Rico Planning Board's ("PRPB") Joint Regulation for the Evaluation and Issuance of Permits Related to Development, Land Use and Business Operations or Joint Regulation for Permits for Construction Works and Land Use, dated November 29, 2010, as may be in effect. (All applicable provisions of this regulation should be met, including but not limited to the tree cutting, pruning and reforestation requirements and requirements for development of or in historical buildings and zones, among others.)
11.	Regulation 5300	EQB's (now DNER) Regulation for the Control of Atmospheric Pollution, as amended

SCHEDULE 13 CRUISE PORT FACILITY - D&B GUIDANCE DOCUMENTS		
#	Number	Title
12	Regulation 5717	EQB's (now DNER) Non-Hazardous Solid Waste Management Regulation, as amended
13	Regulation 6765	DNER Regulation Governing the Conservation and Management of Wildlife, Exotic Species and Hunting, as amended
14	Regulation 6825	DNER's and Puerto Rico Solid Waste Authority's ("SWA") Regulation for the Reduction, Reuse and Recycling of Solid Wastes in Puerto Rico, as amended
15	Regulation 7245	Puerto Rico Public Service Commission's ("PSC") Regulation for the Creation and Functioning of the Center for Coordination of Excavations and Demolitions, as amended
16	Regulation Number 7364	Puerto Rico Fire Department's Puerto Rico Code for Human Safety and Protection against Fires, as amended
17	Regulation Number 8732	EQB's (now DNER) Puerto Rico Water Quality Standards Regulation, as amended
18	Regulation 8695	OGPe's , Planning Regulation No. 34, "Reglamento de Lotificación y Urbanización" dated February 26, 2016, if in effect.
19	Regulation 9035	EQB's (now DNER) Underground Storage Tank Control Regulation, as amended
20		Plan de Ordenación Territorial del Municipio de San Juan", March 13, 2003
21		Puerto Rico Building Code 2018
22		Rules and Regulations for the Design Standards Puerto Rico Aqueducts and Sewer Authority (PRASA), 1984
23		Codes of the Puerto Rico Electric and Power Authority (PREPA)
Additional Reference Documents		
24	World Association for Waterborne Transport Infrastructure (PIANC) Report no 33: Guidelines for the Design of Fender Systems (2002-2004), MarCom WG 33 dated 22 November 2002	
25	World Association for Waterborne Transport Infrastructure (PIANC) Report no 152: Guidelines for Cruise Terminals (2016), MarCom WG 152 dated 8 July 2016	
26	World Association for Waterborne Transport Infrastructure (PIANC) Report no 158: Masterplans for the Development of Existing Ports (2014), MarCom WG 158 dated 8 September 2014	
27	LEED - Leadership in Energy and Environmental Design	

SCHEDULE 13 CRUISE PORT FACILITY - D&B GUIDANCE DOCUMENTS		
#	Number	Title
Federal Regulations and Orders		
28	29 CFR Part 1917 OSHA Labor on Marine Terminals	
29	46 CFR 44.01-13, Heavy weather plan and USCG Sector San Juan Heavy Weather Plan	
30	19 CFR Chapter I, Custom and Border Patrol	
31	14 CFR Part 77.9 FAA- Notice of Proposed Construction or Alteration	
32	15 CFR Part 390, Coastal Zone Management Act of 1972, Section 307, as amended, 16 U.S.C. §1456	
33	23 CFR Part 772, Procedures for Abatement of Highway Traffic Noise and Construction Noise	
34	29 CFR Part 1926 (Originally CFR Part 1518) Safety and Health Regulations for Construction of the Williams Steiger Occupational Safety and Health Act of 1970 (Federal, OSHA)	
35	29 Code of Federal Regulations (CFR) Parts 1910	
36	29 CFR Part 1926, Construction Safety and Health Regulations	
37	29 CFR 1926.62, Lead Exposure in Construction	
38	33 CFR Part 6 Protection of Security of Vessels, Harbors and Waterfront Facilities	
39	33 CFR Part 101 is a regulation that generally establishes the rules for all maritime operations. (USCG Area Maritime Security Committee, Ships, Facilities, etc.)	
40	33 CFR Part 105 [Maritime Security: Facilities] (establishes the standards, specifically concerning safety at maritime facilities. It establishes that it is necessary to designate areas and procedures for the inspection of: people (facility staff, passengers, crew and visitors), the different types of luggage, vehicles, delivery trucks for supplies (stores), cargo, etc)	
41	33 CFR Part 126, Handling of Dangerous Cargo at Waterfront Facilities	
42	33 CFR Part 320, Rivers and Harbors Act of 1899, Section 10, as amended, 33 U.S.C. §403	
43	Clean Water Act, Section 401, as amended, 33 U.S.C. §1342 National Pollutant Discharge Elimination System	
44	33 CFR Part 323, Clean Water Act, Section 404, as amended, 33 U.S.C. §1344	
45	33 CFR Part 324, Marine Protection, Research and Sanctuaries Act of 1972, Section 103, as amended, 33 U.S.C. §1413	
46	33 CFR §165.758 Security Zone; San Juan, Puerto Rico	
47	36 CFR Part 800, NHPA of 1966, Section 106, as amended	
48	40 CFR Part 61 Subpart M, National Emission Standards for Hazardous Air Pollutants for Asbestos	
49	40 CFR Part 122 Clean Water Act, Section 402, 33 U.S.C. §1342	
50	40 CFR Part 280, Technical Standards and Corrective Action Requirements for Owners and	

SCHEDULE 13 CRUISE PORT FACILITY - D&B GUIDANCE DOCUMENTS		
#	Number	Title
	Operators of Underground Storage Tanks (USTs)	
51	40 CFR 763 Asbestos	
52	40 CFR Part 1500 to 1508 National Environmental Policy Act of 1969, as amended, 42 U.S.C. §§ 4321 et seq	
53	41 USC secs. 8301-8305, Buy American Act, as applied according to the Federal Acquisition Regulations in their version applicable at the date the PPPA is signed.	
54	42 USC Section 112, Clean Air Act National on Emission Standards for Hazardous Air Pollutants (NESHAP)	
55	49 US.C Section 44718 Structures interfering with air commerce or national security	
56	50 CFR Part 402, ESA, Section 7, as amended, 16 U.S.C. §1536	
57	50 CFR Part 600, Magnuson-Stevens Act, Section 305, as amended, 16 U.S.C. §1855	
58	Americans with Disabilities Act of 1990	
59	Comprehensive Environmental Response and Compensation and Liability Act (42 US.C. '9601 et seq.)	
60	Council of Environmental Quality regulations on compliance with the National Environmental Policy Act of 1969, as amended	
61	Emergency Planning and Community Right-to-Know Act (42 U.S.C. §11001 et seq.)	
62	Executive Order No. 12898, "Federal Actions to Address Environmental Justice in Minority Populations and Low-Income Populations," 59 Fed. Reg. 7629, Feb. 16, 1994	
63	Federal Insecticide Fungicide and Rodenticide Act (7 U.S.C. Sec 136, et seq.)	
64	Occupational Safety and Health Act of 1970 (29 U.S.C § 651 et seq.)	
65	OSHA's lead-in-construction rule, (29 CFR 1926.62)	
66	National Fire Protection Administration Code for Passenger Terminal	
67	National Electrical Code (NFPA 70)	
68	Resource Conservation and Recovery Act of 1976 (42 US.C. § 6901 et seq.)	
69	Safe Drinking Water Act (42 U.S.C §300f)	
70	Toxic Substances Control Act of 1976 (15 U.S C. § 2601 et seq.) 8261	
71	US. DOT regulations, "Environmental Impact and Related Procedures," 23 C.F.R. Part 771 and 49 C.F.R. Part 622	
72	US. DOT statutory requirements on environmental matters at 49 U.S.C § 5324(b)	
73	U.S. EPA regulations, Conformity to State or Federal Implementation Plans of Transportation Plans, Programs, and Projects Developed, Funded or Approved Under Title 23 US.0	
74	Worker's Compensation Act	

SCHEDULE 13 CRUISE PORT FACILITY - D&B GUIDANCE DOCUMENTS		
#	Number	Title
75	Asbestos Hazard Emergence Response Act, 15 US.C. §82641	

Note: Several of the guidance and standard documents contained on this list are applicable to the operation and maintenance (O&M) phase of the project and are included in Schedule 12 to this Agreement.

APPENDIX B: SCHEDULED COMPLETION DATES AND MILESTONES OF INITIAL INVESTMENT PROJECTS AND EXPANSION INVESTMENT PROJECTS

The Concession Company shall maintain a project schedule for each Cruise Pier Improvement Project in the critical path method (CPM), including monthly progress reports and schedule updates. The schedule shall identify project milestones incorporated into the base line schedule.

The Concession Company will be required to conduct weekly progress meetings with the Authority addressing progress to date, critical path activities and problems that require immediate action.

Since the Cruise Pier Improvement Projects are located on an active marine terminal, the Concession Company shall coordinate construction with existing operations to minimize disruptions or down time to adjacent passenger and cargo operations. The Concession Company shall identify on the construction schedule each factor which constitutes a potential interruption to operations.

The completion dates and milestones set forth in Section 7 of this Schedule 13 shall be incorporated into the base line schedule.

The dates for the Milestone Inspections for the Initial Investment Projects will be agreed by the Concession Company and the Authority in connection with the approval by the Authority prior to closing of the Construction Contract for such Cruise Pier Improvement Projects. With respect to the Expansion Investment Projects, the dates for the Milestone Inspection shall be agreed with the Concession Company and Authority no later than one hundred and eighty (180) days (as may be adjusted pursuant to Section 3.25 (g) of this Agreement) following the occurrence of the Expansion Investment Projects Trigger Event (except that if the Piers 11-12 Wharf Project is implemented using Government Contributions then the Milestone Inspections will be agreed during the process of negotiating the construction contract for the Piers 11-12 Wharf Project). With respect to the Phase Two Projects, Additional Cruise Port Facilities and any Modifications, the dates for Milestone Inspections will be agreed by the Concession Company and the Authority in connection with the development of the applicable 30% Design and Technical Specifications.

APPENDIX C: EXPANSION INVESTMENT PROJECTS TRIGGER EVENT, PHASE TWO TRIGGER EVENT AND MAXIMUM CRUISE PORT CAPACITY

For purposes of this Agreement, the following terms have the following meanings:

"Expansion Investment Projects Trigger Event" means (i) the date during the period starting from the Closing Date when the cumulative Passenger Movements, as defined in Schedule 15, for the prior twelve (12) month period is equal to or greater than 1,800,000 and (ii) the date during the period starting from the Closing Date when the cumulative Passenger Movements, as defined in Schedule 15, for the prior twelve (12) month period is equal to or greater than 2,000,000. For the purposes of this definition, Passenger Movements regarding passengers embarking and disembarking at the Cruise Port Facility for any trip which begins and ends at the Cruise Port Facility (that is, a "round-trip") shall be counted only once (for the disembarkation Passenger Movement only). The Concession Company shall on the first anniversary of the Closing Date and on each month thereafter (each, a "Expansion Investment Projects Trigger Event Date") determine the number of Passenger Movements for the preceding twelve (12) months period at the Cruise Port Facility (each such calculation being a "Expansion Investment Projects Demand Threshold Calculation"). If on one Expansion Investment Projects Demand Threshold Calculation the Passenger Movements are (i) equal or greater than 1,800,000 or equal to or greater than 2,000,000 then, in each case, the Expansion Investment Projects Trigger Event shall have occurred. The Expansion Investment Projects Demand Threshold Calculation shall be based upon the Passenger Manifest for Cruise Line Vessels and Other Shipping Lines berthing at the Cruise Port Facility during the applicable twelve-month period before each Expansion Investment Projects Demand Threshold Calculation. As provided in Schedule 15 of this Agreement, the Concession Company shall provide the Authority each Passenger Manifest for each Cruise Line Vessel and Other Shipping Line immediately upon the arrival of each Cruise Line Vessel and Other Shipping Line at the Cruise Port Facility. The Concession Company shall provide the Authority with such additional information as the Authority reasonably requests and, at the request of the Authority, shall meet with the Authority to discuss each Expansion Investment Projects Demand Threshold Calculation. The Expansion Investment Projects Trigger Event shall with respect to the Expansion Investment Projects be applied in conjunction of the provisions of Section 3.25 of this Agreement. For the avoidance of doubt, the Expansion Investment Projects Trigger Event consists of cumulative Passenger Movements equal to or greater than 1,800,000 or equal to or greater than 2,000,000 and, accordingly, reaching either of those numbers will constitute the occurrence of the Expansion Investment Projects Trigger Event.

"Phase Two Trigger Event" means the earlier of (i) the twelfth anniversary of the Closing Date or (ii) the occurrence of two (2) consecutive Phase Two Demand Threshold Calculations where the number of Cruise Calls over six (6) months cumulatively is equal to or greater than 725. For the purposes of this definition, a "Cruise Call" is each use within one calendar day of the Cruise Port Facility by each Cruise Line Vessel or Other Shipping Line , and, for the avoidance of doubt, for any trip which begins and ends at the Cruise Port Facility (that is, a "round-trip") the use of the Cruise Port Facility at the start and the end of the round trip shall each count separately as a Cruise Call. The Concession Company shall on May 1st which follows the second anniversary of the

Closing Date and on each May 1st thereafter (each, a "Phase Two Calculation Date") determine the number of Cruise Calls for the preceding six (6) months period (beginning of November until end of April) (each such calculation being a "Phase Two Demand Threshold Calculation"). If on two consecutive Phase Two Calculation Dates the Phase Two Demand Threshold Calculation is equal or greater than 725 Cruise Calls then the Phase Two Trigger Event described in clause (ii) above shall have occurred. The Phase Two Demand Threshold Calculation shall be based upon the Passenger Manifest for Cruise Line Vessels and other Shipping Lines berthing at the Cruise Port Facility during the applicable six-month period before each Phase Two Calculation Date. As provided in Schedule 15 of this Agreement, the Concession Company shall provide the Authority each Passenger Manifest for each Cruise Line Vessel and Other Shipping Line immediately upon the arrival of each Cruise Line Vessel and Other Shipping Line at the Cruise Port Facility. The Concession Company shall provide the Authority with such additional information as the Authority reasonably requests and, at the request of the Authority, shall meet with the Authority to discuss each Phase Two Demand Threshold Calculation. The Phase Two Trigger Event shall with respect to the Phase Two Projects be applied in conjunction of the provisions of Section 3.24 of this Agreement.

"Maximum Cruise Port Capacity" means

(a) before the Completion of the Expansion Investment Projects, the occurrence of the 2,000,000 Passenger Movements Expansion Investment Projects Trigger Event, and
(b) after the Completion of the Expansion Investment Projects and before the Completion of the Phase Two Projects, the occurrence of the demand trigger part of the Phase Two Trigger Event set forth in clause (ii) of the definition of Phase Two Trigger Event, and
(c) after Completion of the Phase Two Projects, the Concession Company shall on the May 1st immediately following the Completion of the Phase Two Projects and on May 1st of each year thereafter (each, a "Calculation Date") determine the number of Cruise Calls for the preceding six (6) month period (beginning of November until end of April) by Cruise Line Vessels or Other Shipping Lines at the Cruise Port Facility (each such calculation being a "Demand Threshold Calculation"). The occurrence of two (2) consecutive Calculation Dates for which the Demand Threshold Calculations show Cruise Calls by Cruise Line Vessels or Other Shipping Lines using the Cruise Port Facility which are equal to or greater than 820 during the six-month period from November through April preceding each such Demand Threshold Calculation shall constitute the Maximum Cruise Port Capacity for this clause (c).

APPENDIX D: RETURN CONDITION WORKS PROGRAM

No later than the first anniversary of the Closing Date, the Concession Company shall prepare and deliver to the Authority a plan in reasonable detail to be implemented upon the expiration of the Term (as part of the Return Condition Works Program) or the earlier termination of this Agreement. The Concession Company plan shall include all major transition activities to be performed and the anticipated schedule for each such activities, the key transition team leaders and contact information, plan for the transfer of contracts or cancellation thereof and related records (which contracts shall be assumed or cancelled by the Authority in its absolute discretion without cost or penalty to the Authority and the contracts shall provide so), plan for transition of ongoing capital projects and maintenance activities, plan for public outreach and coordination with government entities with respect to the operation and management of the Cruise Port Facility, plan for completing inventory of assets to be handed back, and all other activities typically included in a handback plan pursuant to best practices. Such plan shall be updated by the Concession Company every three (3) years during the Term so that it contains current information as of each such date, and each such updated plan shall be promptly provided to the Authority. The initial plan and each updated plan shall be Approved by the Authority.

APPENDIX E: GENERAL LIST OF AUTHORIZATIONS AND RELATED GOVERNMENTAL AUTHORITY REQUIREMENTS

The following is a list of Authorizations and related Governmental Authority requirements with which the Concession Company must comply at a minimum, as applicable, each of which is a part of the Legal Requirements. This list is not intended to be all-inclusive. Except as otherwise specifically provided in Schedule 17, the Concession Company will be responsible for identifying, securing and complying with all applicable Authorizations and meeting all related Governmental Authority requirements.

PRE-CONSTRUCTION / ZONING	
	Pre-Consulta de Edificabilidad / Buildable Pre-Consultation
	Consulta de Construction / Construction Consultation
	Environmental Document – Environmental Assessment (EA) for Environmental Recommendation and Determination (REA and DEA) – Compliance with Article 4 (B)3 of the Puerto Rico Public Environmental Policy Act (Law #413)
	SRI – Infrastructure (PREPA, PRASA, PRTB, DNER, PRHTA/DTOP) Recommendations
	SRS – Fire Department & Department of Health Recommendations
	SRM- Environmental Recommendations
	SRA- Archaelogical and Historical Resources Recommendations
	Habitat Certification
	USACE Nationwide or Section 404 Single Permit (and related agency consultations)
	PRPB Federal Coastal Zone Consistency Certification (through JPA)
	Water Quality Certificate (through JPA)
	Strategic Project status, or Municipality Endorsement
CONSTRUCTION	
	Construction Permits
	Demolition Permit
	Single Incidental Operational Permit (Permiso Unico Incidental Operacional (PUI)) or Consolidated General Permit, Incidental Activity Permit, and Authorization to Cut, Prune, Transplant and Plant Trees, depending on regulation in effect
	Compliance with EPA 2017 CGP-NPDES Program
	DTOP / Municipality Road Construction Permit
	Management of Traffic Plan / Access Control Office Endorsement
	Recycling Plan for Construction
	• Asbestos and Lead Mitigation Plan
	Underground Injection Permit for Septic Tanks (UIC)

	Underground Storage Tank (UST) Construction Permit
OPERATIONS	
	Single Permit (or Occupancy Permit, Fire Department Certification and Health Department Sanitary License, depending on the regulation in effect)
	Emergency Generator General Permit
	UIC Operation Permit
	UST Operation Permit
	Spill Prevention Control and Countermeasure Plan
	Compliance with EPA 2015 MSGP-NPDES Program
	Emergency and Contigency Plans
	USCG Endorsements/ Permits

APPENDIX F: GUIDELINES FOR INTEGRATING CRUISE PORT FACILITY WITH SAN JUAN

1. GENERAL

The Port Master Plan and the development and execution of a construction plan shall respond to the opportunities and challenges of the Cruise Port Facilities location at Old San Juan as a historical and tourism landmark as well as the commercial activity and residential growth characteristic of the "Puerta de Tierra" and the Puerto Rico Convention Center District areas.

The Port Master Plan and construction plan should address:

1.1 Issues related to the pedestrian and vehicular circulation, vessels embarking and disembarking, vehicular traffic and security constraints involving the tourist charter vehicles, taxis, shuttle buses and public or private transportation during construction and operation of the Cruise Port Facilities.

1.2 Enhancement of the relation of the waterfront, piers and terminals to the direct urban context and other Authority's properties.

1.3 Implementation of adequate signage and mapping (wayfinding) for visitors in the disembarking areas which effectively inform visitors of, and promotes the relation of the terminals with local touristic, cultural and commercial offerings of the businesses in Old San Juan and all other areas surrounding the Cruise Terminals, including Condado, Puerta de Tierra, Cataño, the Convention Center District and Miramar.

1.4 Management of traffic and circulation of vehicles, shuttles, taxis, etc., and improvement to connectivity with the public transportation system and potential integration of a multimodal system. Identify staging areas for these purposes.

1.5 Incorporation of other activities (commercial, recreational, cultural, etc.), amenities related to the visitors/passenger experience and services.

1.6 Additional benefits to the development, growth, maintenance and sustainability of San Juan Bay cruise terminals and piers.

1.7 Plan for the collaboration and integration of local businesses (culinary, cultural, retail, etc.) for services and touristic offerings at the Cruise Port Facility for the cruise lines, shipping agents and passengers. This plan shall be developed by the Concession Company after the Date of this Agreement for the Approval of the Authority before the Closing Date. After Closing, this plan shall be updated from time to time taking into account the feedback from the Steering Committee and stakeholder working groups to be established as provided in Schedule 15.

2. GUIDELINES FOR THE DEVELOPMENT OF PIERS 11 – 14 UPLANDS

Project design and architecture shall be consistent with the Bahia Urbana architectural guidelines provided to the Concession Company and which were originally contained in the Data Room for the procurement of the Concession Company, in order to ensure cohesive aesthetics and integration of key elements of the wider master plan for the area.

2.1 The Concession Company shall follow the "Guidelines for the Development of Piers 11-14 Uplands" – June 20, 2019, included as *Attachment 1* to this Appendix F to the extent compatible with the 30% Design for the Piers 11-12 Project identified in this Schedule 13 as Piers 11-12 – Cruise Pier Building (but not the portion of the Piers 11-12 Project identified in this Schedule 13 as Piers 11-12 – Wharf or Piers 11-12 – Uplands) as Approved by the Authority prior to the Date of this Agreement.

3. PROPOSAL

3.1 The Concession Company shall follow the holistic approach illustrated in the '*Port Master Plan'* and '*Presentation of the new Homeport Terminal At Piers 11-12'* , included as *Attachment 2* to this Appendix F.

ATTACHMENTS 1 – 2 TO APPENDIX F

(Attachment 1 – Guidelines for the Development of Piers 11-14 Uplands contains 17 pages & Attachment 2 - Port Master Plan and Presentation of the new Homeport Terminal at Piers 11-12 contains 44 pages)

Attachment 1 to Appendix F

Guidelines for the Development of Piers 11 – 14 Uplands

December 2020

GUIDELINES FOR THE DEVELOPMENT OF PIERS 11 – 14 UPLANDS

The Concession Company has developed a high-level Port Master Plan, as further described in this Schedule 13, including Attachment 2 to this Appendix F. This high level Port Master Plan generally meets the minimum required parameters as included below and will be used as a basis for the development of the CPIMP for the Initial Investment Projects prior to Closing and for the Expansion Investment Projects and the Phase Two Projects prior to implementation. The Port Master Plan/CPIMP, including each update of it, shall ensure that it: (1) strengthens the connection of the waterfront, piers and terminals with the urban context (Old San Juan, Puerta de Tierra, and Convention Center District / other Authority's properties "Surrounding Communities"), (2) promotes the incorporation of other activities, services and amenities in the Surrounding Communities (commercial, recreational, cultural, etc.) for the passengers/visitors to have a comprehensive "Puerto Rico Experience"; (3) provides for additional benefits in the development, growth, maintenance and sustainability of San Juan Bay cruise terminals and piers and, (4) facilitates easy and safe access of passengers/visitors to the surrounding communities with pedestrian and vehicle circulation connecting the new piers and terminals to the East towards the Bahía Urbana development and to the West towards Old San Juan.

The Puerto Rico Convention Center District Authority (PRCCDA) has provided the Authority with the Bahía Urbana urban design guidelines (See attachment Bahía Urbana Urban Design Guidelines – June 17, 2019). These shall be considered in the development of the required Port Master Plan. The goal is to promote a coordinated design and development of these projects and future initiatives in a way that they integrate aesthetically with the context and visitors and residents can maximize their interaction, use and enjoyment of the facilities.

1. MINIMUM REQUIRED PARAMETERS

1.1. Fernández Juncos Avenue shall be enhanced for pedestrian circulation providing for a continuous linear path "Paseo" between Old San Juan, Puerta de Tierra and Bahía Urbana. Proponent must follow the typical street section provided in Bahía Urbana Urban Design Guidelines, for the Fernández Juncos Avenue.

1.2. Create public spaces adjacent to the waterfront. These public spaces shall be located at the west side of pier 11, aligned with San Andrés street extension and at the east side of pier 14, aligned with Martin Fernández street extension.

1.3. Any proposed street network shall follow the existing Puerta de Tierra street network. Refer to the Typical Street Sections described in the Bahía Urbana Urban Design Guidelines, for each street type design, dimensions and character.

1.4. To the extent possible, provide pedestrian-public access to all site areas. Even if the site security perimeter does not allow access to visitors, it shall allow the visibility of the cruise terminal building, facilities and surrounding areas.

1.5. If any building is to be developed facing the Fernández Juncos Avenue, it shall respond to the urban context (scale, height, etc.) and incorporate the use of arcades at the street level to provide for a covered pedestrian pathway. Refer to Bahía Urbana Urban Design Guidelines.

1.6. Building use must be compatible with the existing zoning. Commercial activity shall be located facing a public street and access.

1.7. Design shall consider the potential impacts of sea level rise and extreme weather events.

END OF DOCUMENT

Exhibit

BAHIA URBANA
URBAN DESIGN GUIDELINES
JUNE 17, 2019

PRCCDA
San Juan, PR

Excerpt

N

PROJECT
COORDINATED BY P3 AUTHORITY

PROJECT
COORDINATED BY PRCCDA

Master Plan

BAHIA URBANA | URBAN DESIGN GUIDELINES

G001

N

FERNANDEZ JUNCOS AVE.
MARKET/PARK STREET
WATERFRONT BOARDWALK

Master Plan | East-West Connections

BAHIA URBANA | URBAN DESIGN GUIDELINES

G002

N

GREEN STREET

TYPICAL STREET

Master Plan | North-South Connections

BAHIA URBANA | URBAN DESIGN GUIDELINES

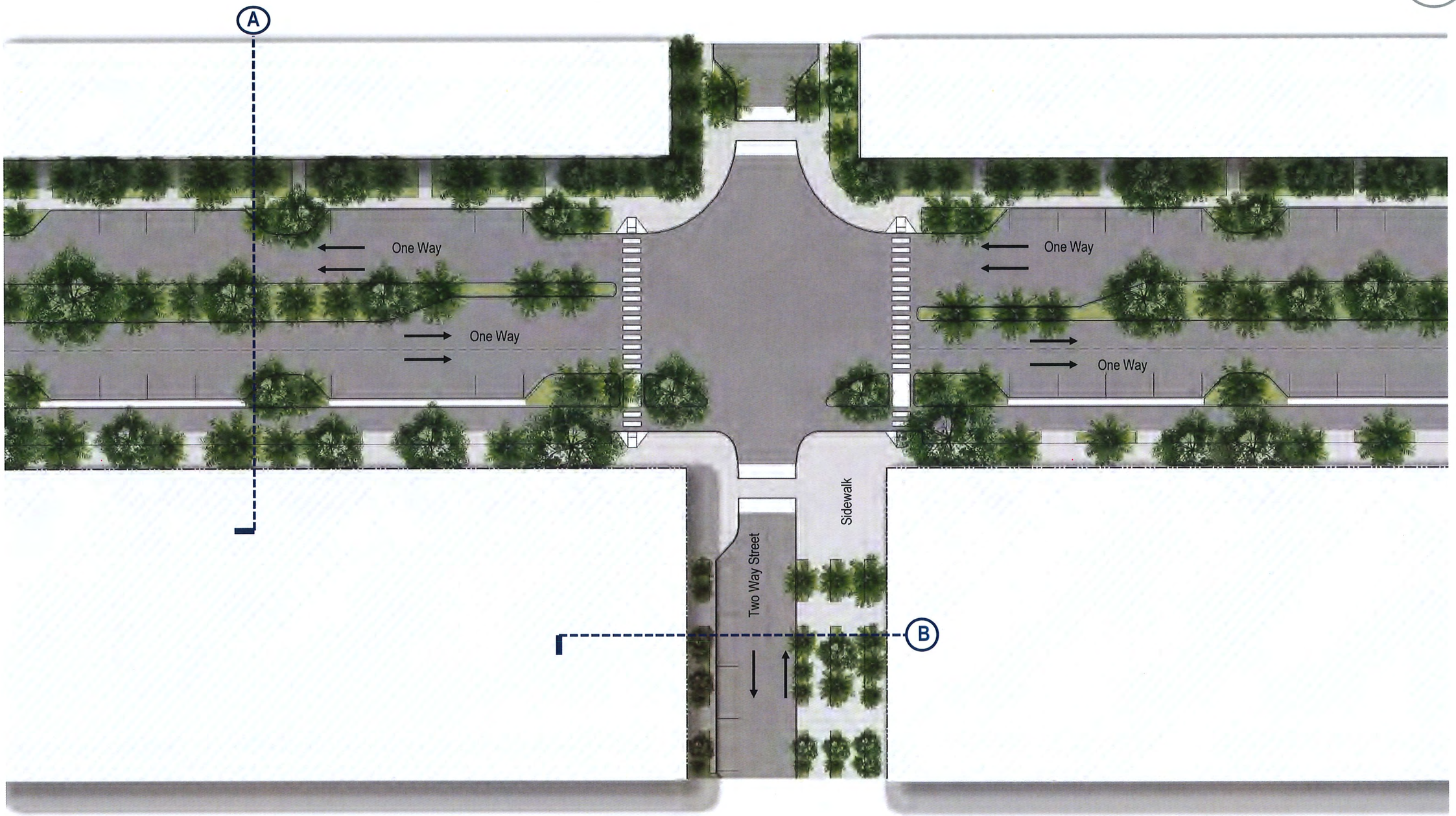
G002



Master Plan | Typical Sections

BAHIA URBANA | URBAN DESIGN GUIDELINES

G003



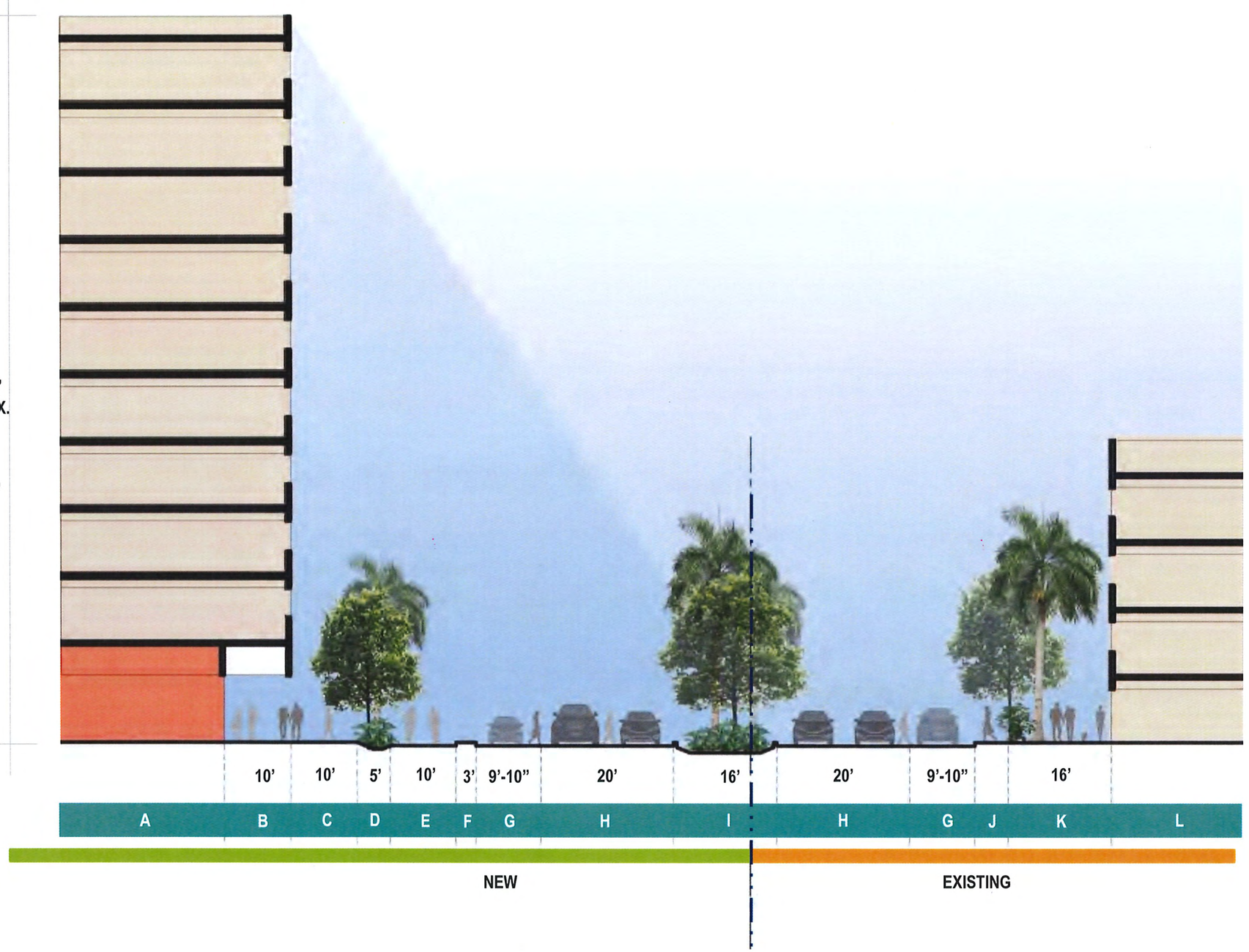
Conceptual Plan | Fernandez Juncos Ave.

BAHIA URBANA | URBAN DESIGN GUIDELINES

A001

LEGEND

- **A** New Building
- **B** Gallery | 10’-0”
- **C** Sidewalk | 10’-0”
- **D** Planting Area (Bioswale) | 5’-0”
- **E** Two-Way Bike Lane | 10’-0”
- **F** Buffer | 3’-0”
- **G** Parallel Parking | 9’-10”
- **H** Double Lane One-Way Street | 20’-0”
- **I** Planting Area (Bioswale) | 16’-0”
- **J** Existing Sidewalk
- **K** Existing Planting Area
- **L** Existing Buildings



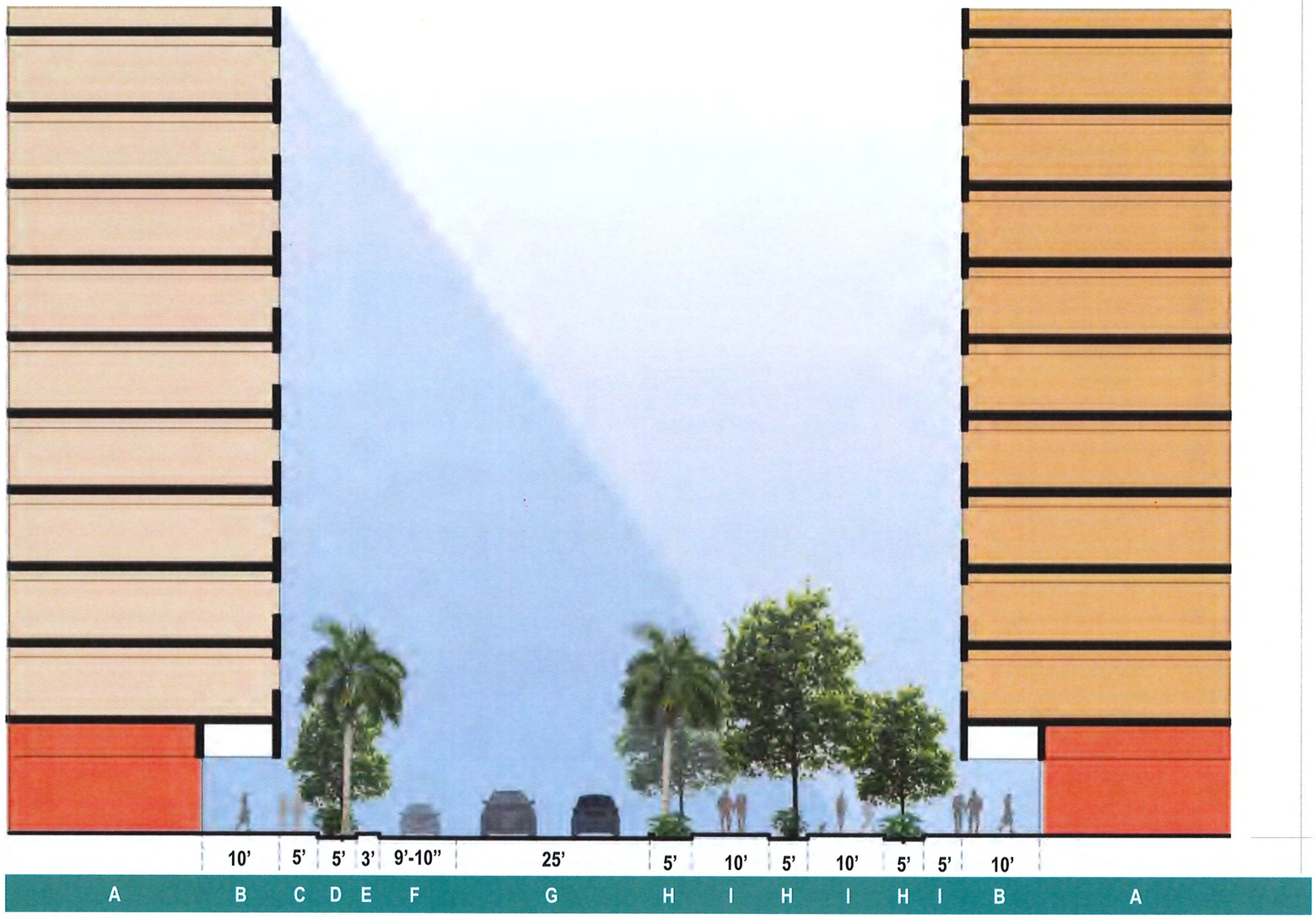
Fernández Juncos Ave. | Section A

BAHIA URBANA | URBAN DESIGN GUIDELINES

S001

LEGEND

- **A** New Buildings
- **B** Gallery | 10’-0”
- **C** Sidewalk | 5’-0”
- **D** Planting Area (Bioswale) | 5’-0”
- **E** Buffer | 3’-0”
- **F** Parallel Parking | 9’-10”
- **G** Two-Way Street | 25’-0
- **H** Planting Area (Bioswale) | 5’-0”
- **I** Sidewalk | 10’-0



North-South Connection Green Street | Section B

BAHIA URBANA | URBAN DESIGN GUIDELINES

S002

N

D

C

Sidewalk

Sidewalk

One Way Street

One Way Street

Linear Park

Linear Park

151'

One Way Street

Sidewalk

Sidewalk

One Way Street

Conceptual Plan | Market / Park Street

BAHIA URBANA | URBAN DESIGN GUIDELINES

A002

LEGEND

A New Buildings

B Gallery | 10’-0”

C Sidewalk | 10’-0”

D Planting Area (Bioswale) | 5’-0”

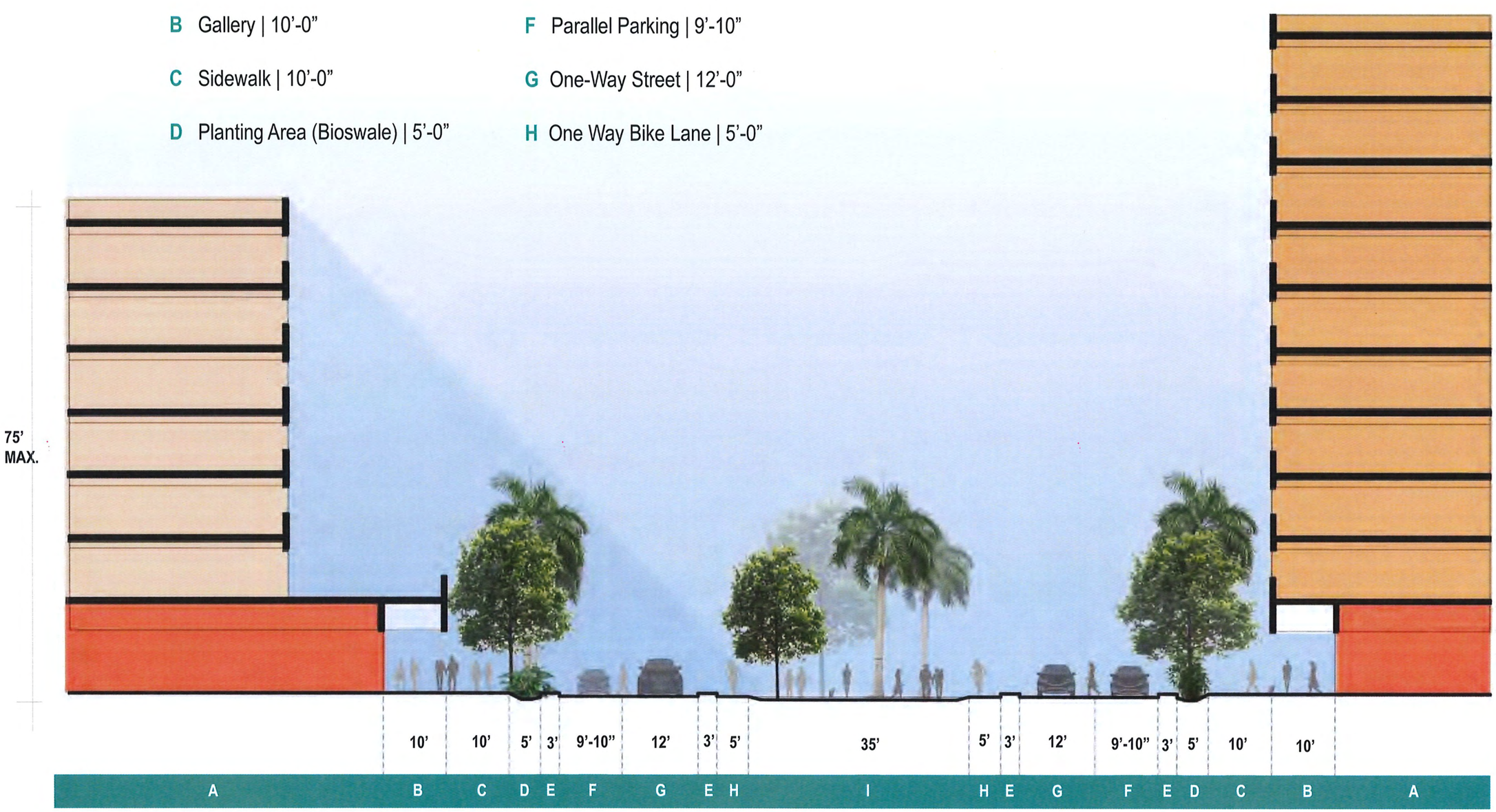
E Buffer | 3’-0”

F Parallel Parking | 9’-10”

G One-Way Street | 12’-0”

H One Way Bike Lane | 5’-0”

I Linear Park | 35’-0”



Market / Park Street | Section C

BAHIA URBANA | URBAN DESIGN GUIDELINES

S003

LEGEND

A New Buildings

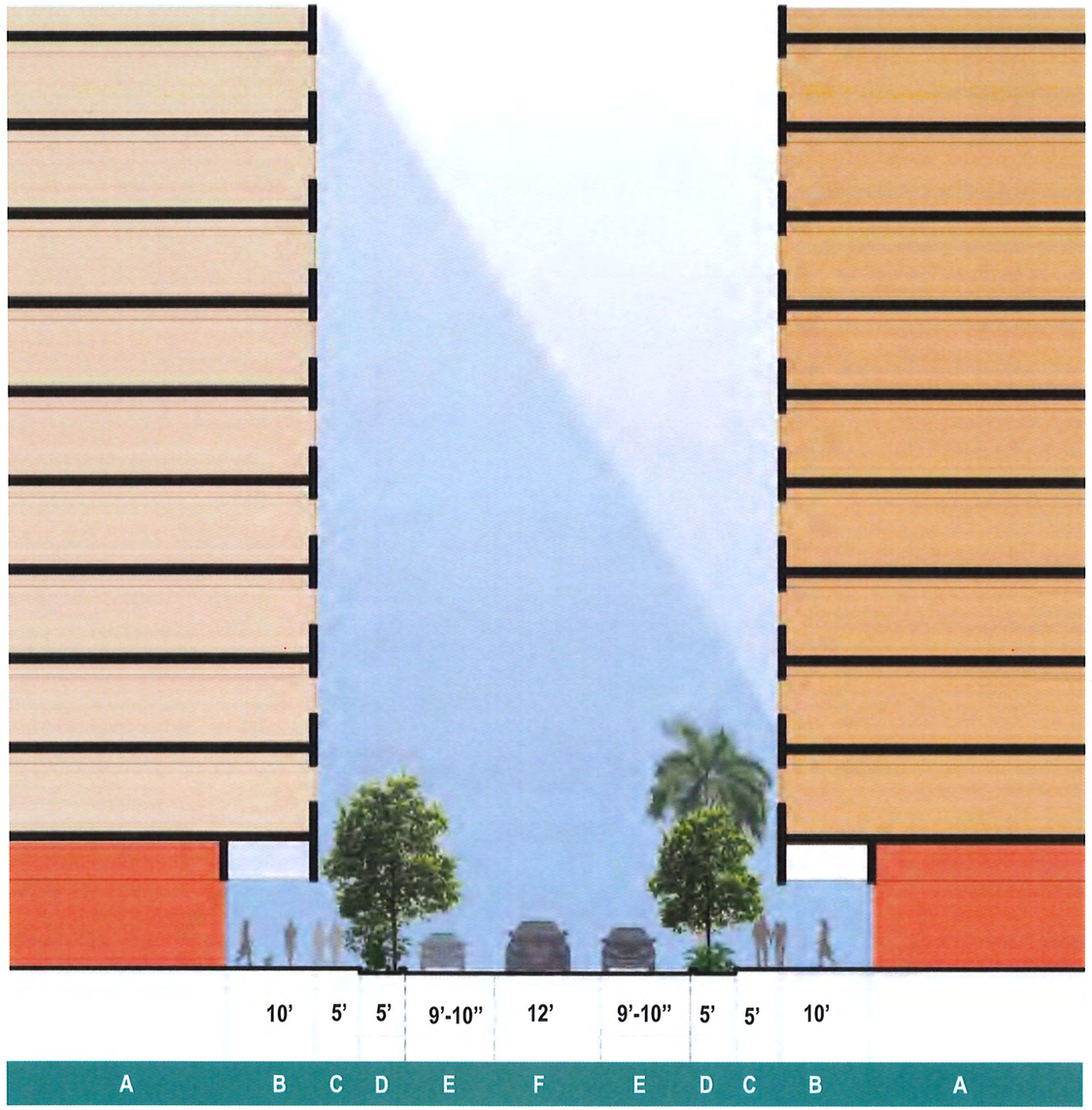
B Gallery | 10'-0"

C Sidewalk | 5'-0"

D Planting Area (Bioswale) | 5'-0"

E Parallel Parking | 9'-10"

F One-Way Street | 12'-0



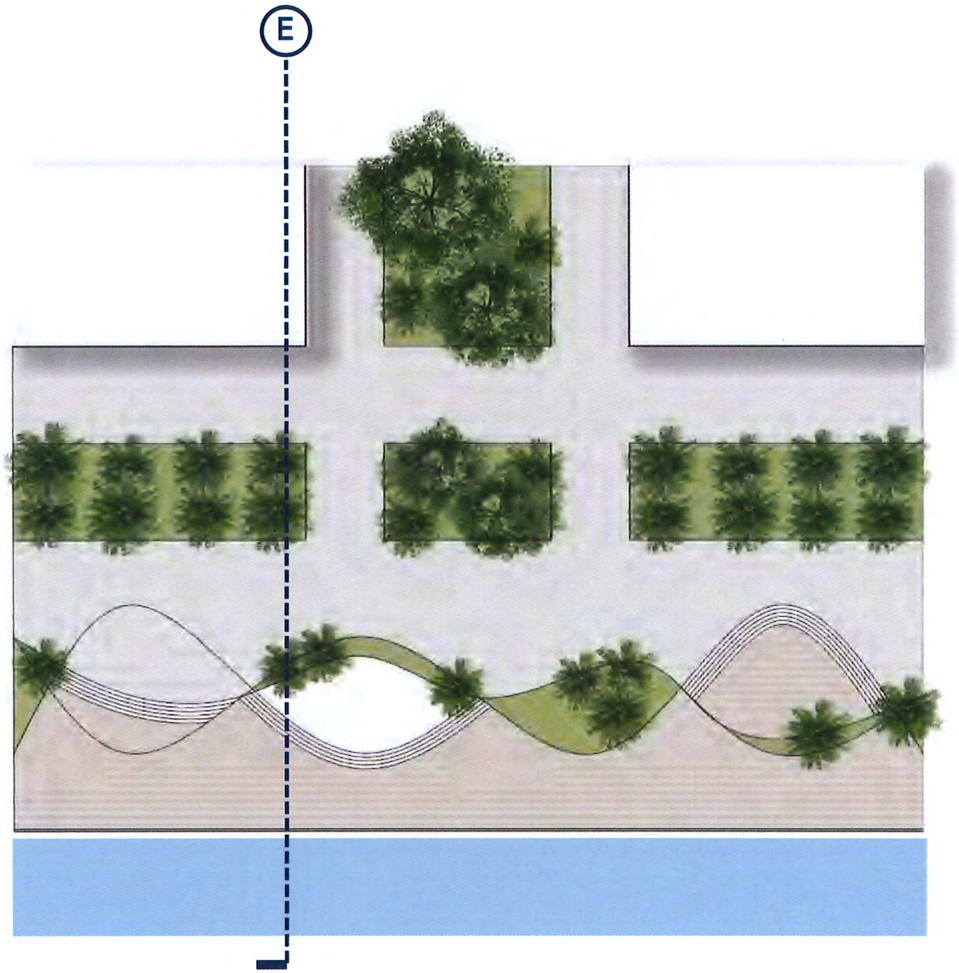
North / South Connection Typical Street | Section D

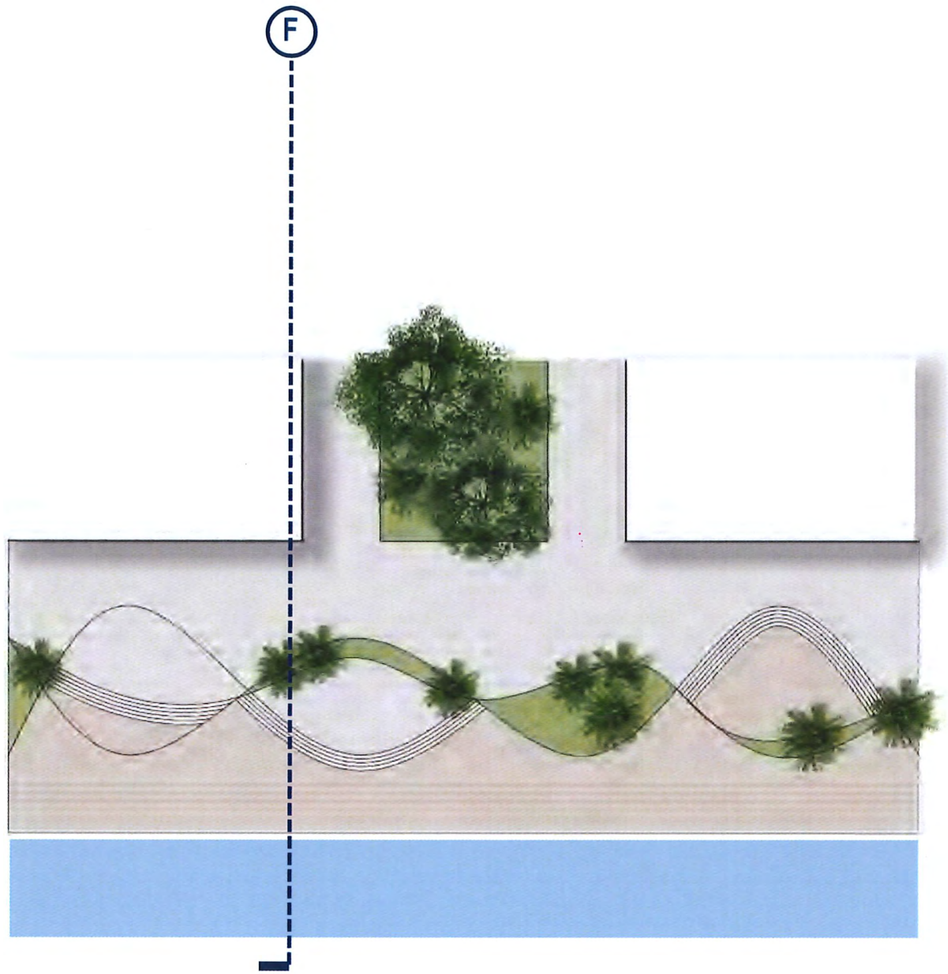
BAHIA URBANA | URBAN DESIGN GUIDELINES

S004

Excerpt

N





Conceptual Plan | Waterfront Boardwalk

BAHIA URBANA | URBAN DESIGN GUIDELINES

A003

Exhibit

LEGEND

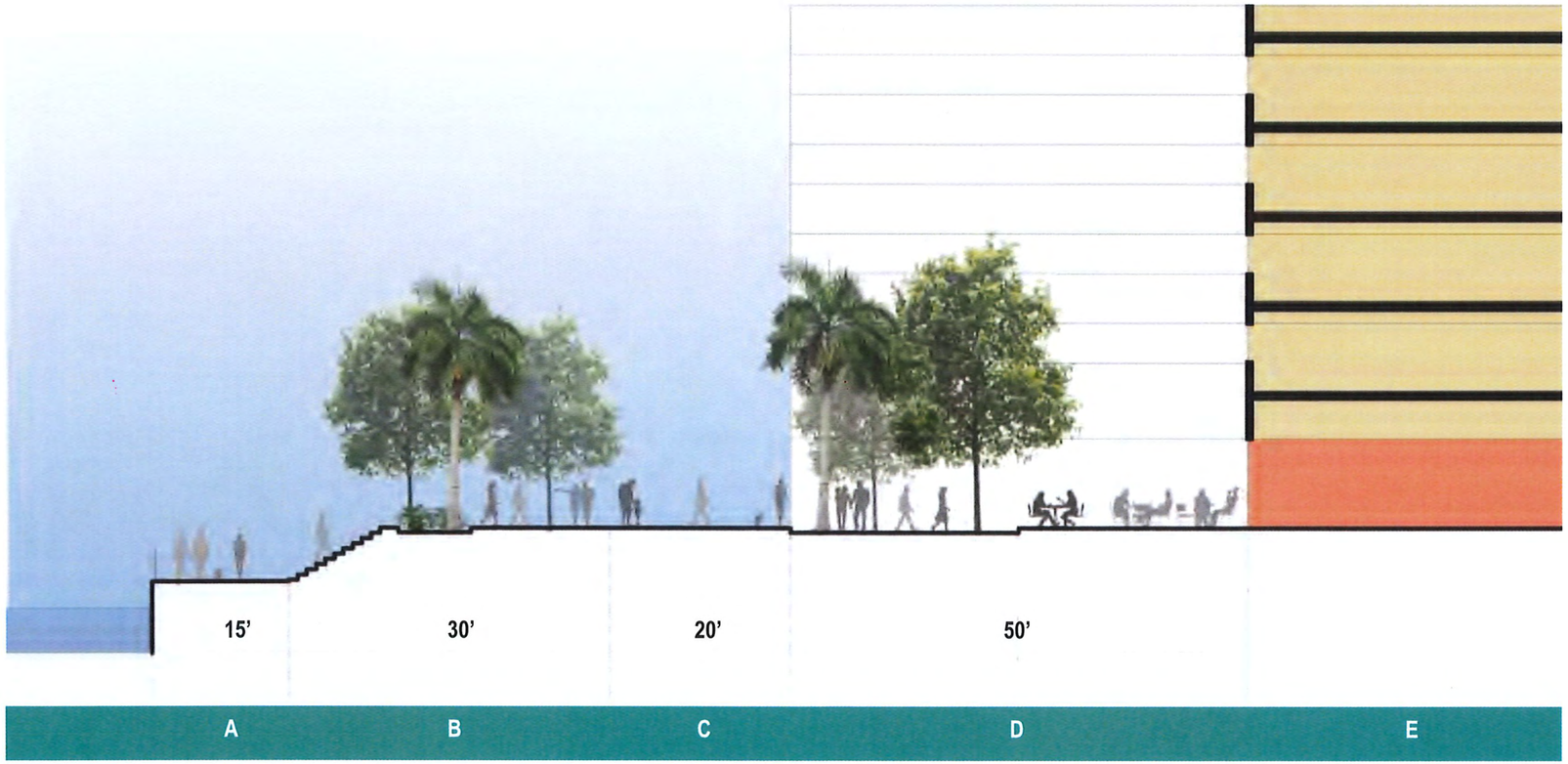
A Boardwalk | 15’-0”

B Planting Areas & Level Transitions | 30’-0”

C Boardwalk | 20’-0”

D Plaza | 50’-0”

E New Building



Waterfront Boardwalk + Plaza | Section E

BAHIA URBANA | URBAN DESIGN GUIDELINES

S005

Executi

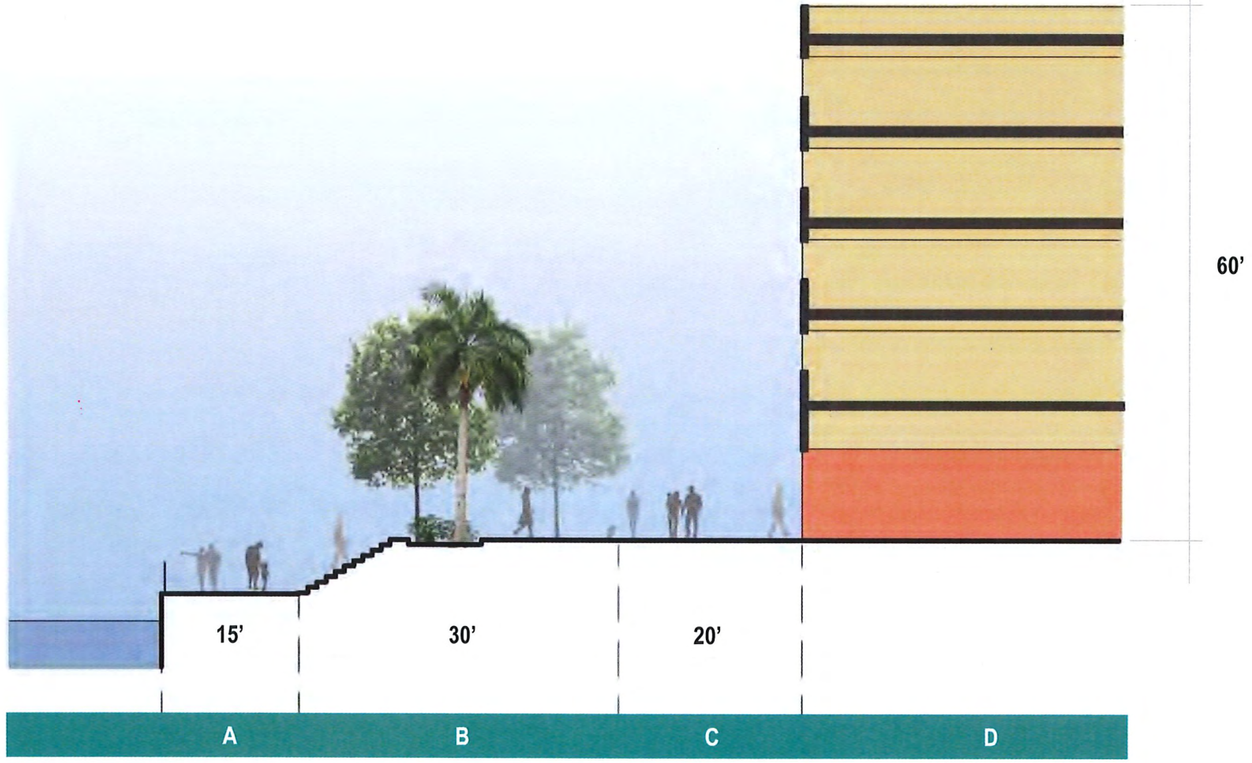
LEGEND

A Boardwalk | 15’-0”

B Planting Areas & Level Transitions | 30’-0”

C Boardwalk | 20’-0”

D New Building



Waterfront Boardwalk | Section F

BAHIA URBANA | URBAN DESIGN GUIDELINES

S006

Execute

BAHIA URBANA | PRCCDA

San Juan, PR



San Juan Cruise Project

GLOBAL PORTS HOLDING

- Port Master Plan
- Presentation of the new Homeport Terminal At Piers 11-12
- Compliance with Appendix F Schedule 13

09 December 2020

CONFIDENTIAL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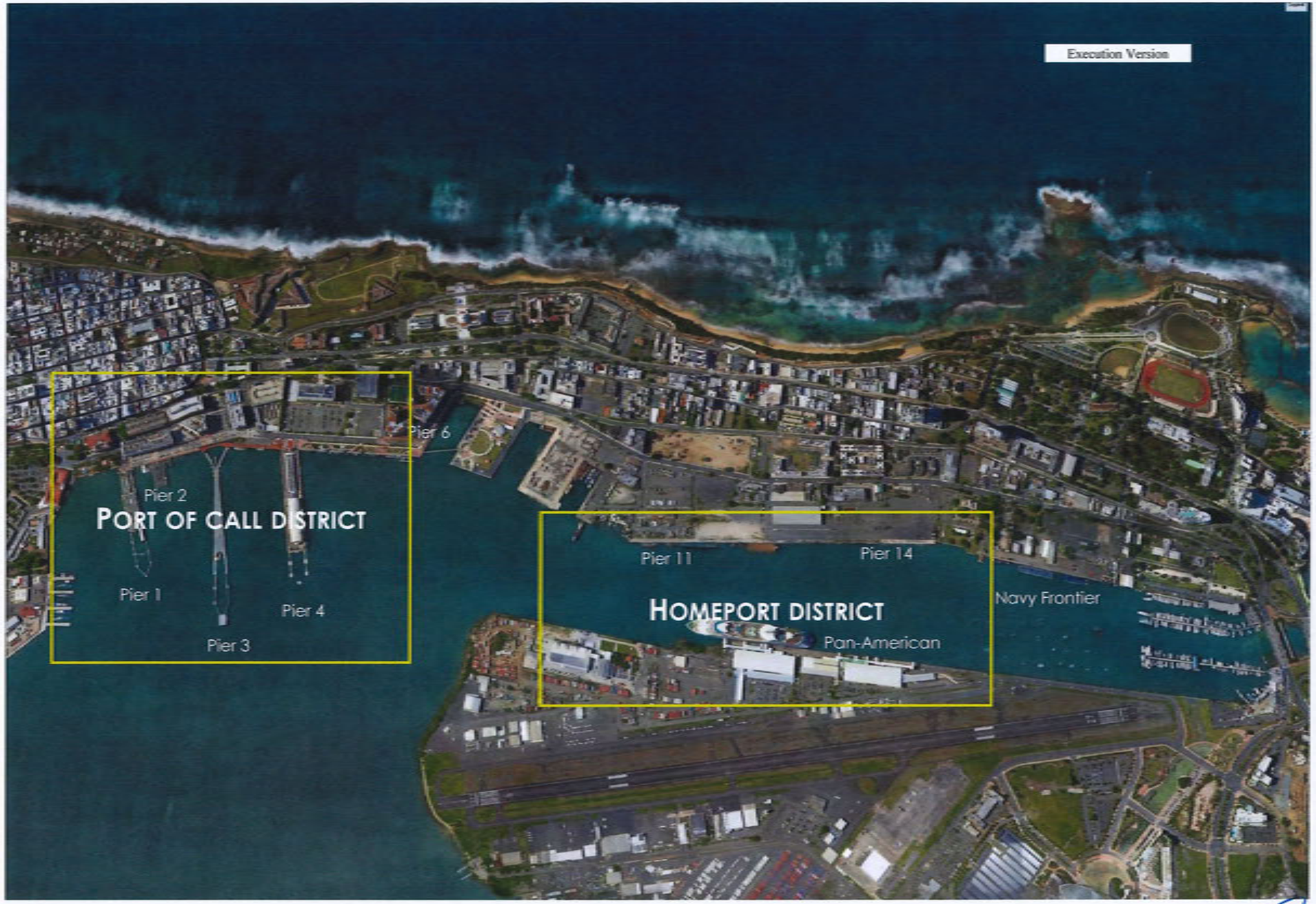
HOLDING
San Juan vision

Attachment 2 to Appendix F

Port Master Plan Long Term Vision



Execution Version

NARRATIVE DESCRIPTION OF THE PROPOSED PORT PLAN – MASTER PLAN OVERVIEW

The Consortium appreciates that the development plan of the San Juan Cruise Port that is, the Cruise Port Facility referred to in this Agreement must address the following issues mentioned by Authority:

- Current condition of the existing facilities.
- Increase of the San Juan Cruise Port capacity in relation to the foreseen increase of traffic.
- Expand capacity of the San Juan Cruise Port for homeporting.
- Improving the connection and relation between the key areas the Old San Juan, the "Puerta de Tierra" and the Convention Center District.



The key element of the proposed port master plan for the San Juan Cruise Port is the re-development of the Piers 11-14 providing additional berthing and homeporting capacities.

The creation of pleasant public spaces along the Avenue Fernandez Juncos will bring improved means of connection and will initiate a dynamic of development, redeveloped urban areas for the Old San Juan, the Puerta de Tierra and the Convention Center District. The proposed master plan for the San Juan Cruise Port comprises also improved/retrofitted marine infrastructure.

These benefits outlined herein are achieved in several detailed phases. Each of the phases will result in a large growth of tourism through local touristic cultural and commercial offerings bringing higher employment, an increase in total generated revenue, optimized transportation, and an urban regeneration in the city of San Juan.

With this upgraded marine infrastructure, the San Juan Cruise Port will be fully utilized and the Consortium will be able to drive the growth and increase cruise capacity in San Juan. These marine improvements will also assist in further enhancing the connection between the existing districts of Old San Juan, Puerta De Tierra, and the Convention Centre District.

The proposed plan/project achieves the following; each of which is described in greater detail below.

- Regenerated Urban Context
- Enhanced Connectivity
- Positive Economic Impact
- Improved Visitors' Experience
- Enhanced Traffic Management
- Incorporation of Other Activities

Regenerated Urban Context

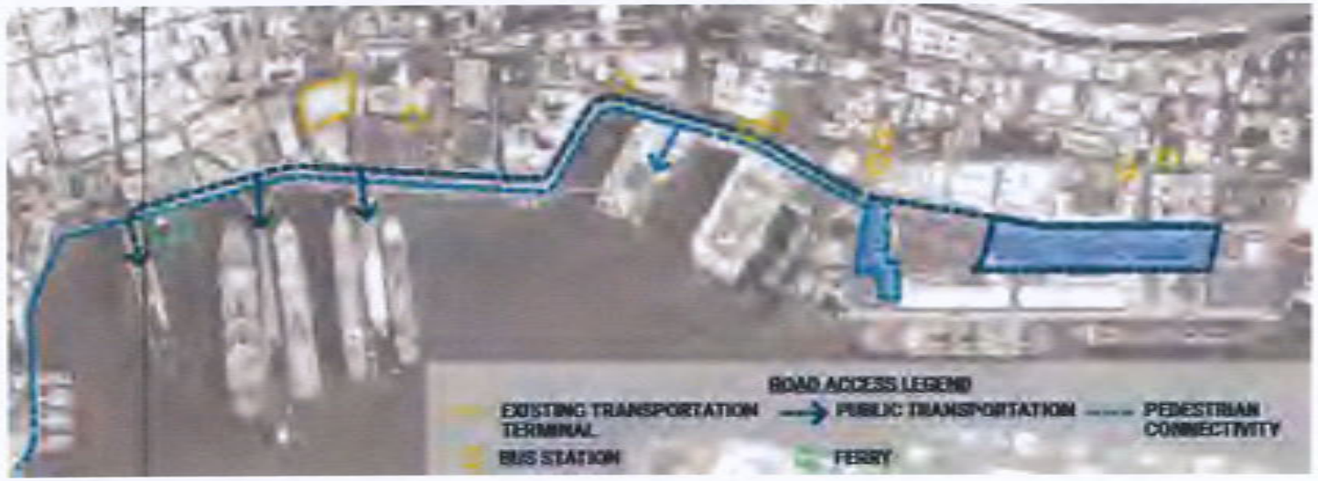
The proposed re-development of Piers 11-14 will serve as a catalyst for urban regeneration in San Juan, providing jobs and an attractive environment for developers. The proposed location of the new terminal building and pier (highlighted in Blue below) will help regenerate the connectivity between the waterfront and piers along the San Antonio Channel to the further Bahai Urbana Master Plan.



Enhanced Connectivity

To preserve the frontage along Piers 11-14, the Consortium proposes to re-develop this frontage within the spirit of Bahia Urbana . Re-development will include the extension of linear parks and attractive commercial uses that can be absorbed as the market returns to San Juan. These linear parks create pedestrian connectivity from the piers along the waterfront and into Old San Juan.

The ground transportation facilities developed at Piers 11-14 will enhance bus and taxi traffic management not only for the new terminal at Piers 11-14 but also at Piers 1 to 4. The bus and staging area created at Piers 11-14 will reduce drastically traffic congestion in the Old San Juan area without impact on the traffic on the Puerta de Tierra area.



Positive Economic Impact

It is anticipated that during the construction period, the project will create more than 400 local jobs. The growth in cruise passenger demand will also mean a large economic impact on the existing land uses and on employment in various sectors of the economy such as: commercial services, tourism, hotels, transportation, etc.

The improvement of the traffic, connectivity and quality of the spaces along Piers 11-14 will increase the attractiveness of the surrounding areas.



Improved Visitors' Experience

A well-defined network of linear parks and landscaped areas improve the pedestrian experience along the waterfront between Old San Juan, connecting to Piers 11-14. These new features will create a clearly identifiable corridor for the visitors to move from one part of the San Juan Cruise Port to another.

In addition to this, the Consortium will develop a communication strategy targeting the visitors by developing information kiosks at each of the piers to promote activities and tourist experiences on the island.



Enhanced Traffic Management

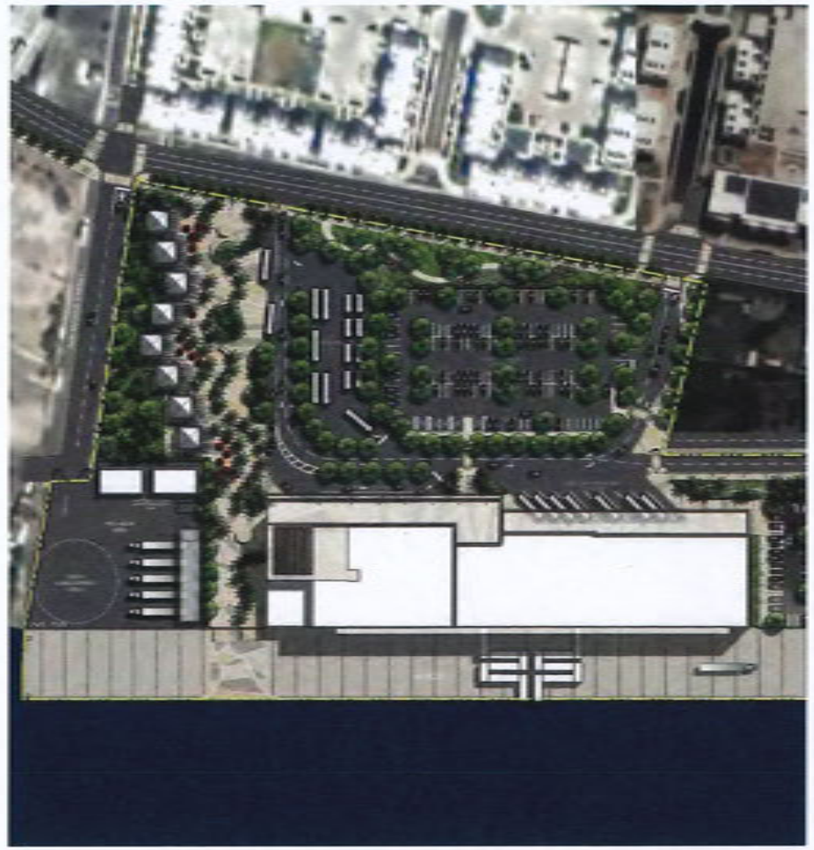
The Consortium will implement a traffic management plan during Pier 11-12 (Phase 1) improvements, in order to reduce existing congestion in Old San Juan and manage the traffic generated by bus, shuttles and taxis related to the Cruise business.
First and foremost, the provision of ample carpark, bus staging and taxi stand-by areas on the Piers 11-14 re-development will allow the operation of the new cruise terminals without any impact of the local traffic. All the traffic and vehicle staging will be within the Concession Area and not on the public network.

Second, the Consortium will implement a proactive traffic management system and operations using the staging areas provided at the Piers 11-14. It will utilize the current 400 dedicated parking spaces in Old San Juan for Cruises, which will minimise the traffic impact in the area by containing those vehicles that do not require access to Old San Juan. The ground transportation hub at Piers 11-14 manages and curtails the amount of bus traffic movement and congestion in the Old San Juan area.

In addition to the new surface parking areas, staging areas, and curb side pick-up/drop-off areas, the new ground transportation hub will also include a rental car area for the tourist's convenience. The new curb side areas directly adjacent to the homeport terminal and port of call terminal will alleviate street side traffic from Old San Juan Pier's 1 to 4 as well as allow for a larger capacity and organized differentiation between taxis, personal vehicles, and ride-share vehicles (Uber, Lyft). These transportation improvements will make the passenger and tourist experience much more efficient and enjoyable and are the foundation for the possibility of a future multi-modal center that could be several levels high to facilitate a much greater traffic capacity.

Incorporation of Other Activities

The master plan may include the development of a small commercial village adjacent to Piers 11-12, opened to both the local community and the visitors. This commercial village may house commercial, recreational and cultural activities. To accommodate these activities, the Consortium intends to provide ground infrastructure (power, data, plumbing, drainage) only, should the commercial village be included.



Execution Version

New Homeport Terminal At Piers 11-12

GOAL

- PROVIDE A WORLD CLASS HOMEPORT TERMINAL CAPABLE OF HANDLING THE WORLD'S LARGEST SHIPS
- PROVIDE AN EXCEPTIONAL OPERATIONAL AND GUEST EXPERIENCE

DESIGNED TO ENHANCE THE IMAGE OF SAN JUAN, ARCHITECTURAL, ENVIRONMENTAL, SOCIAL

- INTEGRATE INTO THE TOURISM INFRASTRUCTURE OF SAN JUAN
- PROMOTE PEDESTRIAN MOVEMENT TO AND FROM OLD SAN JUAN
- BE COMPATIBLE WITH THE APPROPRIATE ELEMENTS LEFT OVER FROM "BAHIA URBANA" INCLUDING
  - STREET DESIGN
  - CONNECTIVITY TO WATER
  - ALLOW PUBLIC ACCESS TO WATERFRONT (WHEN SHIPS ARE NOT IN)
  - PROVIDE FOR FUTURE EXPANSION



Attachment 2 to Appendix F

Pier 11-12

The Plan



Attachment 2 to Appendix F

Pier 11-12 and Pier 13-14




Attachment 2 to Appendix F
New Terminal
Pier 11-12
Design site frontage to accommodate "Bahia Urbana" street cross section
Landscaped public space along frontage
Execution Version
Limit of work
By others
Provide for the continuation of the sidewalk to Old San Juan (by others)
Public access – north south park with potential for local vendors (future)
Execution Version
Gate system to allow public access to waterfront when no ships are in

Execution Version

Execution Version

Connection to the waterfront

PUBLIC PLAZA / PARK

FUTURE RETAIL AREA IN THE PUBLIC PLAZA FOR FUTURE LOCAL VENDORS TO SHOWCASE SAN JUAN

ARRIVAL PLAZA / GARDEN

GATE SYSTEM TO ALLOW PUBLIC ACCESS TO WATERFRONT WHEN NO SHIPS ARE IN



7

Use of compatible gates in San Francisco 27

Execution Version

Attachment 2 to Appendix F

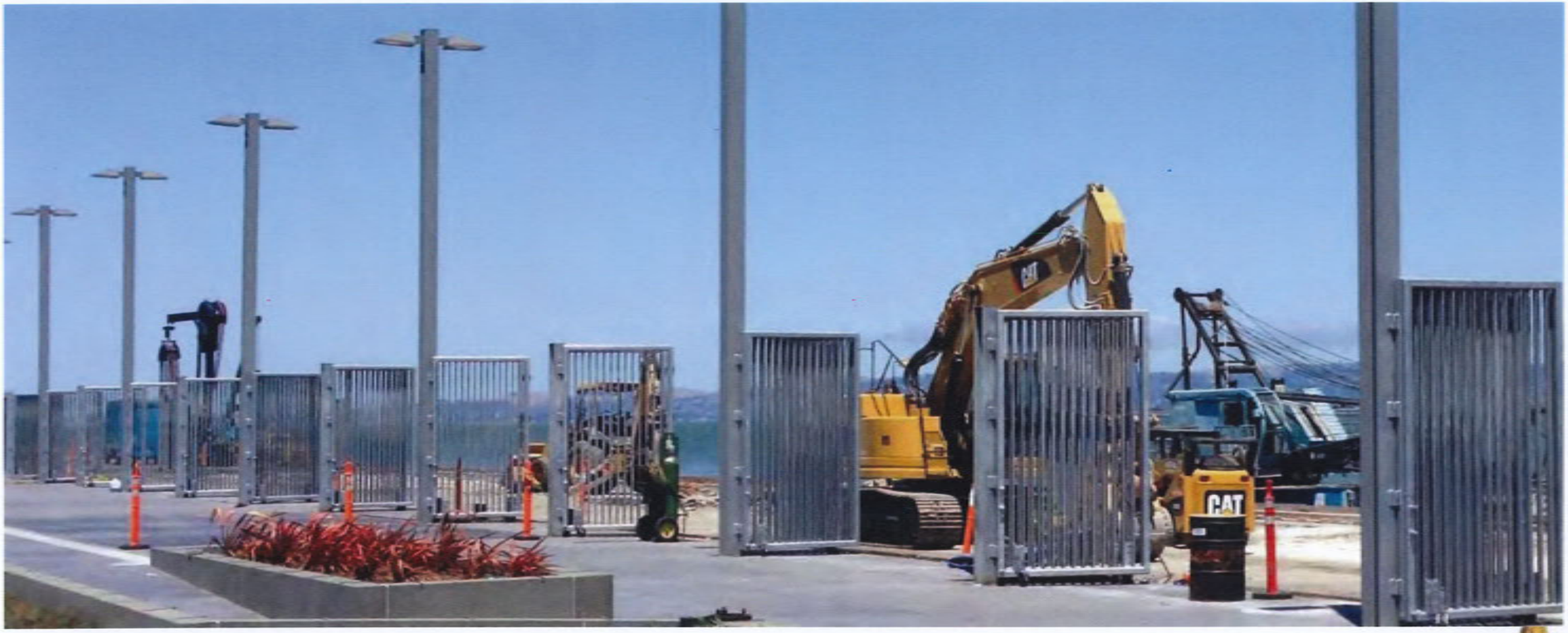
GATES OPEN WHEN WHIPS ARE NOT IN

PUBLIC PARK AND PLAZA AT ALL TIMES



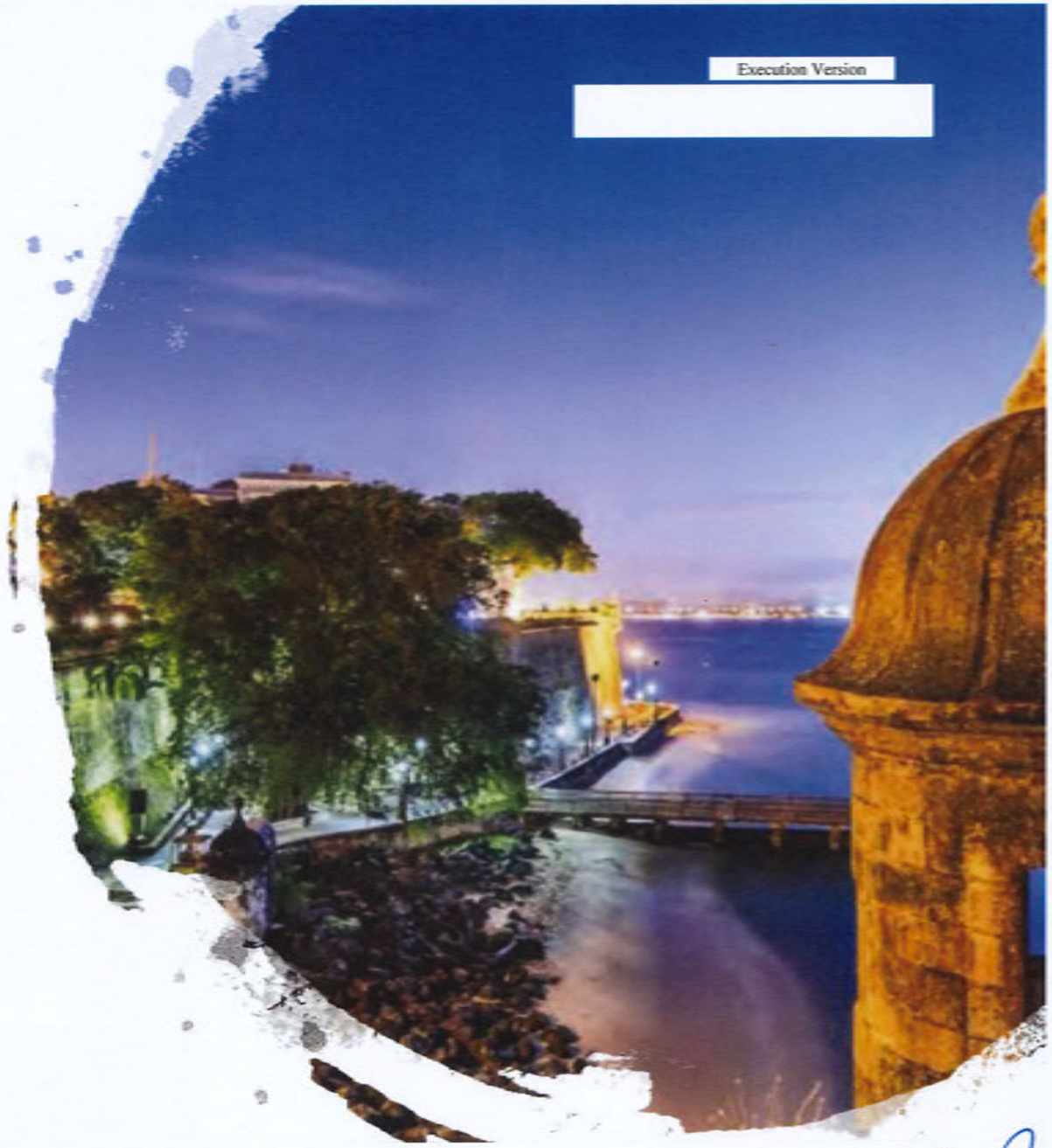
7

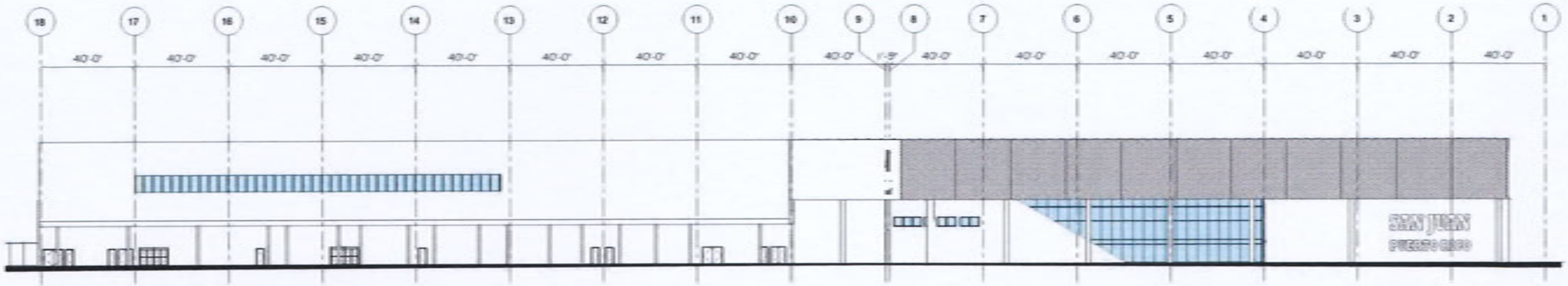
Disappearing fence option



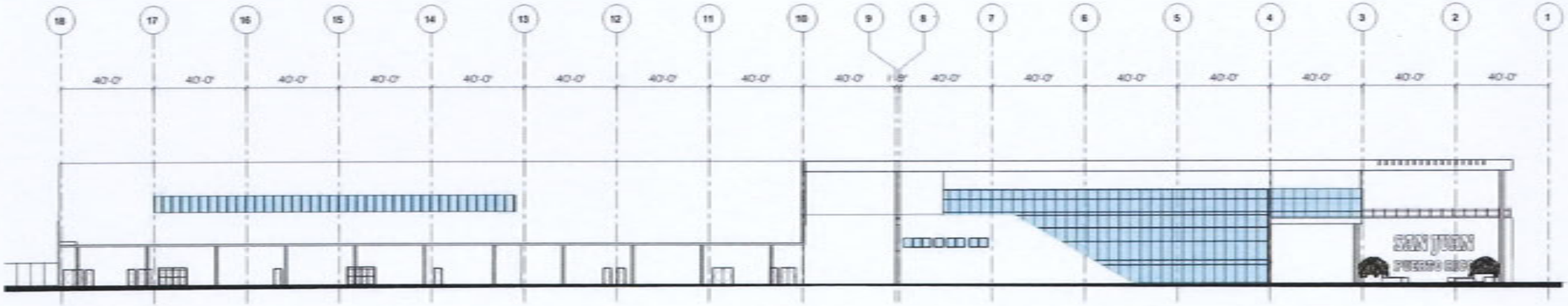
THE TERMINAL

- DESIGN REFLECTIVE OF SAN JUAN
- EMBRACES THE TROPICAL WEATHER AND ATMOSPHERE
- WARM AND FUN DESIGN INDICATIVE OF THE START AND END OF A VACATION
- INTUITIVE FLOWS
- FLEXIBLE RETAIL AREA WITHIN THE TERMINAL BUILDING FOR LOCAL VENDORS (500 SQ.M)
- EFFICIENT
- WORLD CLASS OPERATION CREATING A WORLD CLASS DESTINATION





NORTH ELEVATION - CANOPY VIEW



NORTH ELEVATION

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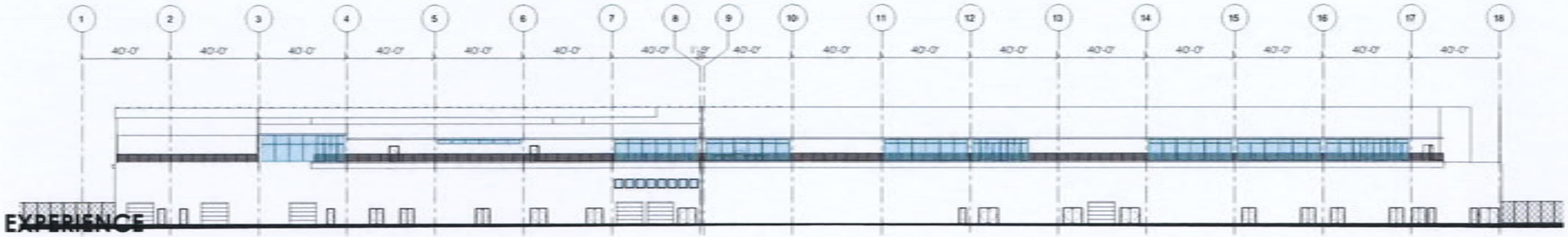
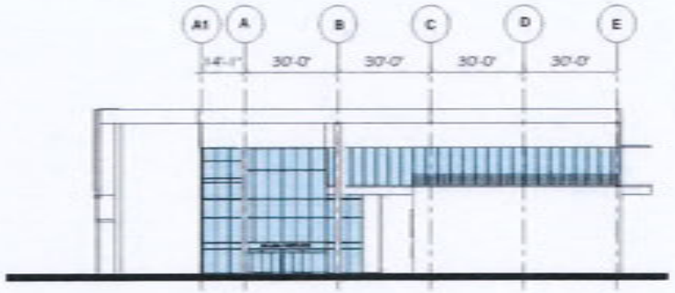


EXPERIENCE

SOUTH ELEVATION



WEST ELEVATION

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Attachment 2 to Appendix F

Plans

Execution Version



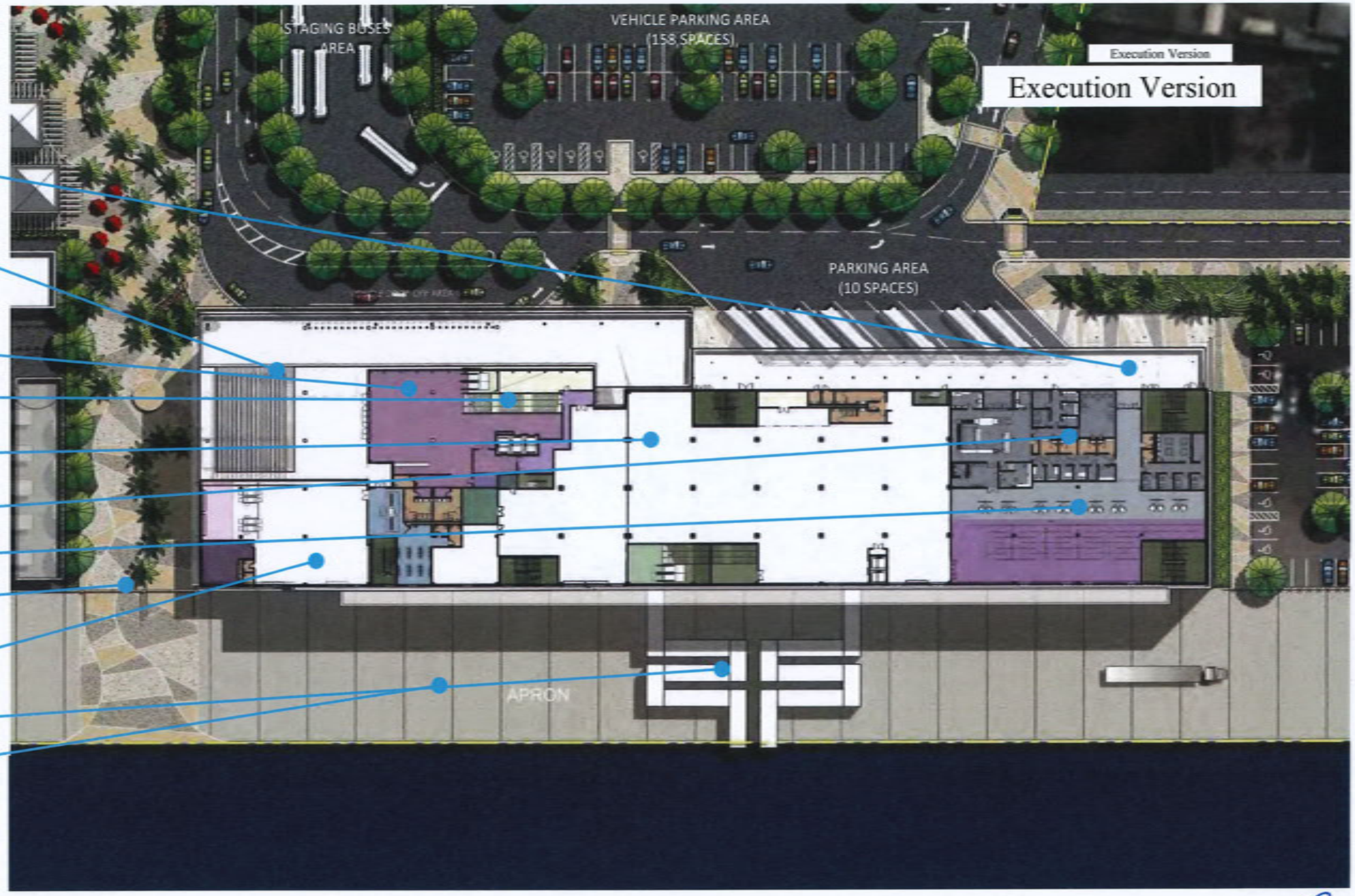
Attachment 2 to Appendix F

Pier 11-12
Site plan



Attachment 2 to Appendix F

Ground Level



Attachment 2 to Appendix F

Upper level



Execution Version

GLOBAL PORTS HOLDING

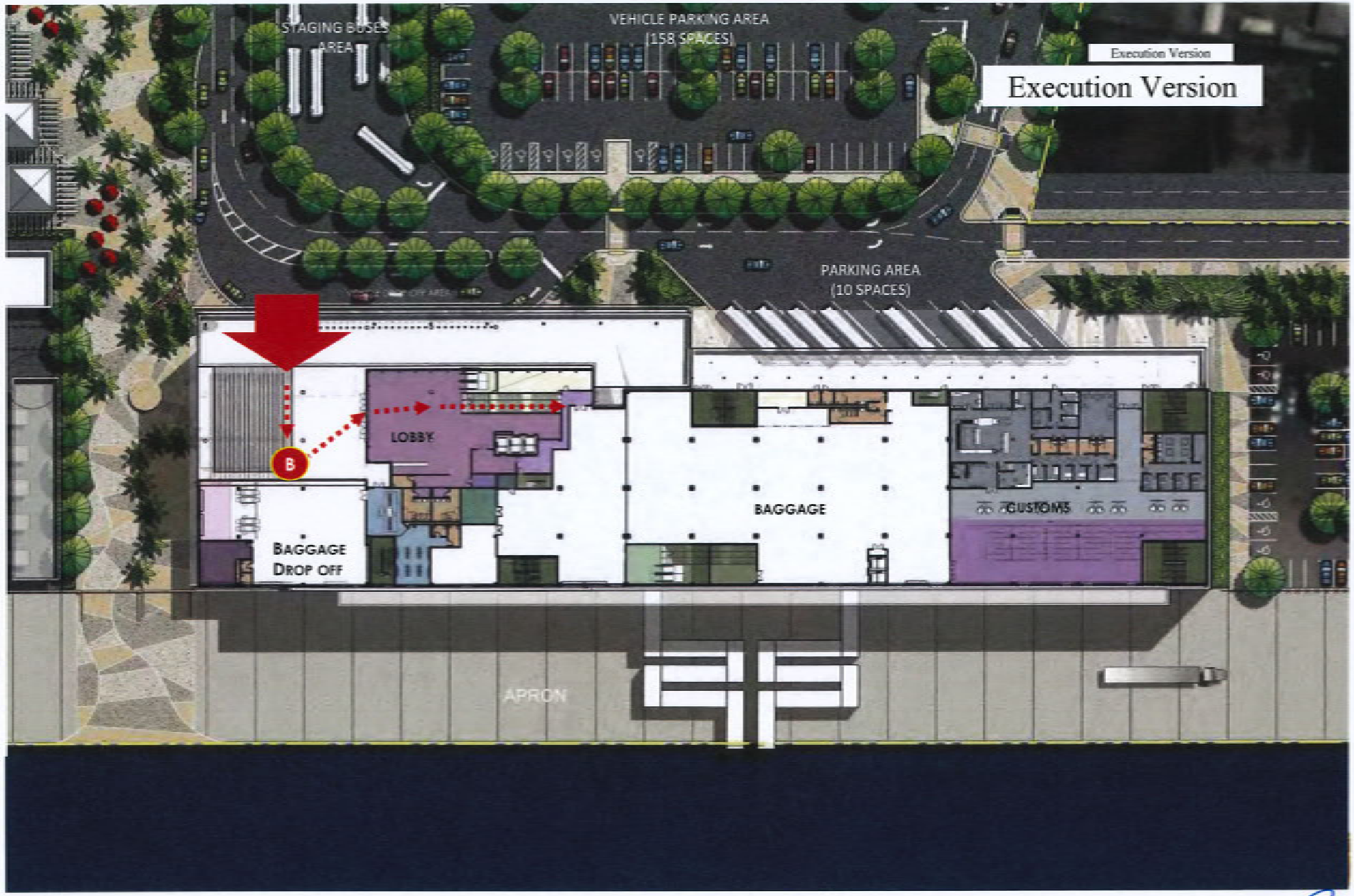
Execution Version



Passenger flows

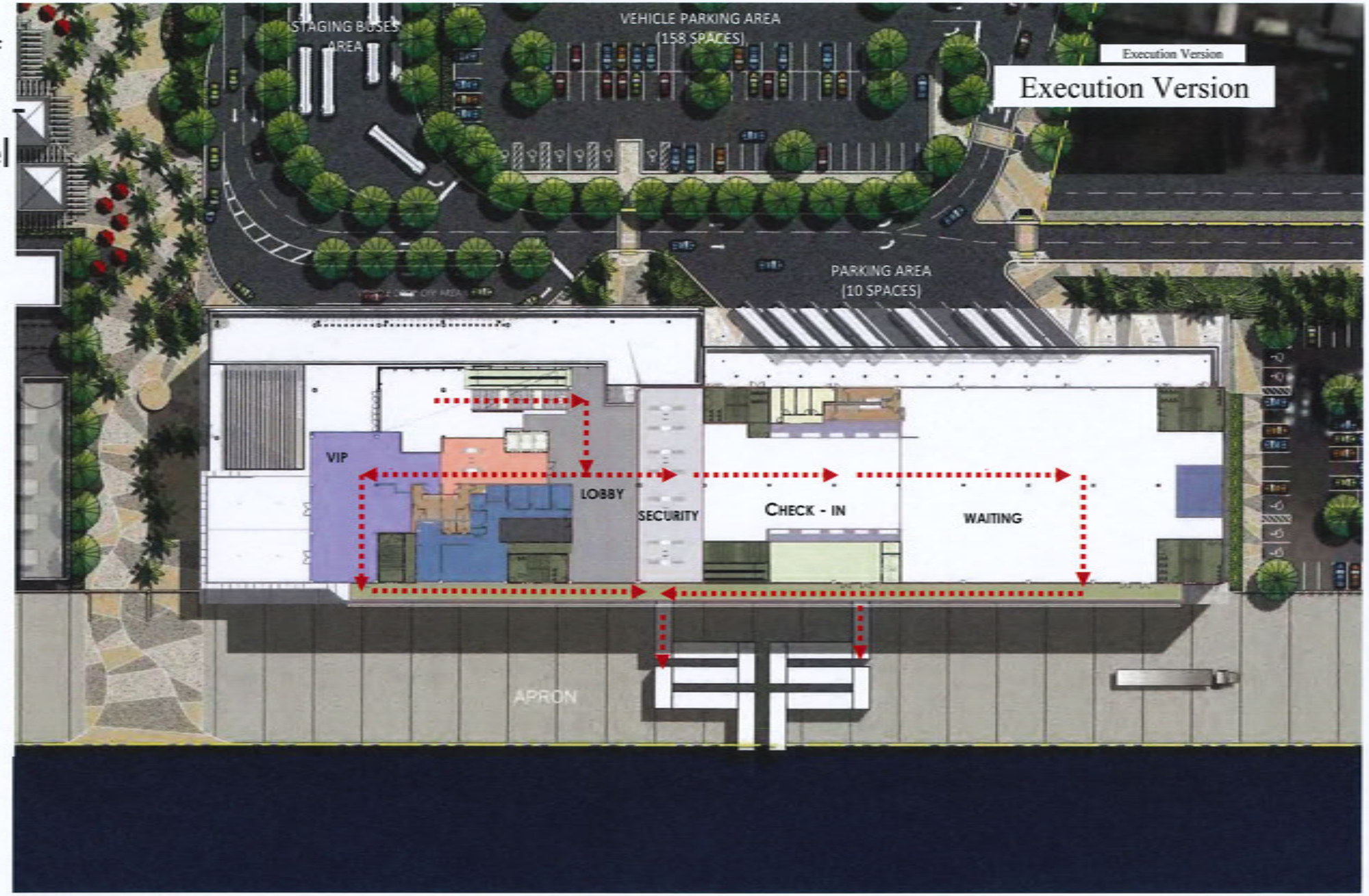
Attachment 2 to Appendix F

Embarking-Ground Level



Attachment 2 to Appendix F

Embarking - Upper level



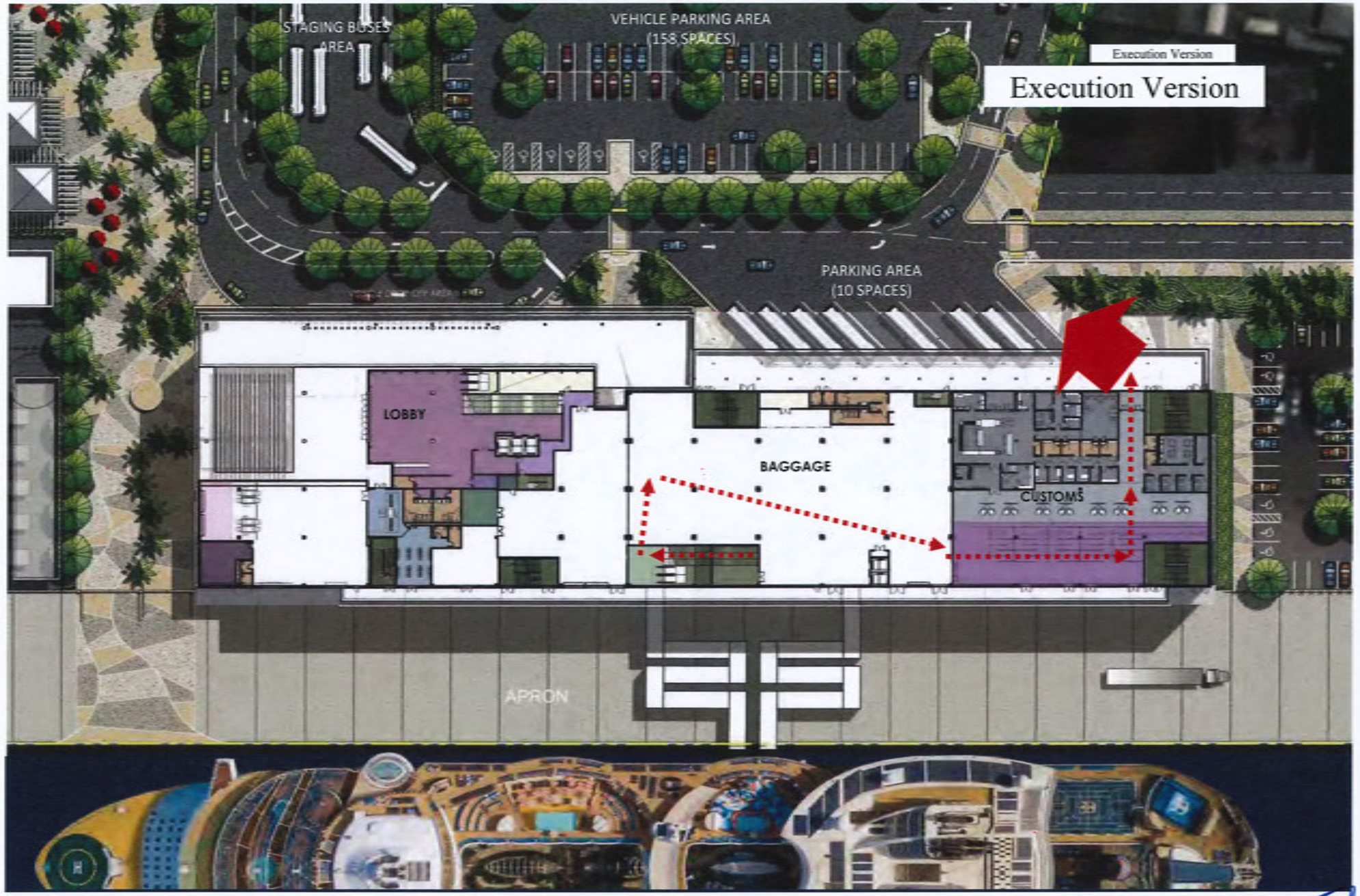
Attachment 2 to Appendix F

Disembark- Upper level



Attachment 2 to Appendix F

Disembark Ground Level



Strategies to achieve public and economic integration

- **Creation of Steering Cruise Committee and Working Groups**
- **Transforming Cruise Terminals into a promotion platform for local businesses**
  - Guest Information Center
  - Space for local artists to show their works
  - Theme days Customized packages/offer
  - Consignee area for luggage
  - Advertising spaces
  - Retail areas in the Terminal and Public Plaza showcasing local vendors and products
  - Friendly signage showing distances to each neighborhood
  - Promotion of local supplies
- **Transport**
  - Shuttle bus to the different neighborhoods which are far away from the terminal
  - Transfer service to the airport
  - Alternative transport modes: bikes, tourist carts, segways,..with a map to discover the destination
  - Water taxi to Cataño
- **Communication with the local community**
- **Transforming the cruise area into a new space for locals**
  - Charity events
  - Exhibitions
  - Visits for schools/universities to show them how a cruise terminal works.
  - Street markets
  - Organize open days for the general public
  - Corporate events





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Execution Version

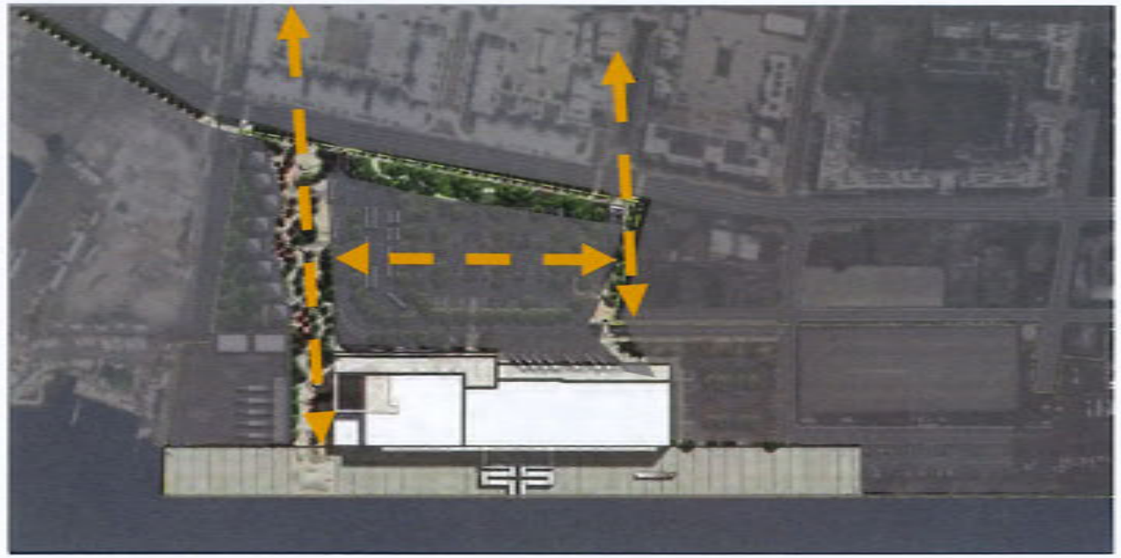
Appendix F – Schedule 13

Guidelines Development of Pier 11-14 Uplands

The Concessionaire shall develop a Master Plan that :

(1) Strengthens the connection of the waterfront, piers and terminals with the urban context (Old San Juan, Puerta de Tierra, and Convention Center District / other Authority's properties "Surrounding Communities")

- The planning of new berth and terminal building and ground transport areas engages and reinforces local urban context and connectivity providing safe and direct route and access to the waterfront and landscaped open space at the Park Plaza for the local community during non-cruise times.
- Connectivity to Old San Juan, Puerta de Terra, Convention Centre District and the Authorities properties is fully integrated in the planning and design of the new berth and terminal building and ground transport areas at the perimeter boundary access points of the Phase One-A project to ensure that there is a seamless integration.



Execution Version

Appendix F – Schedule 13

Guidelines Development of Pier 11-14 Uplands

The Concessionaire shall develop a Master Plan that :

(2) Promotes the incorporation of other activities, services and amenities in the Surrounding Communities (commercial, recreational, cultural, etc.) for the passengers/visitors to have a comprehensive "Puerto Rico Experience"

Creation of Steering Cruise Committee and Working Groups - Transforming Cruise Terminals into a promotion platform for local businesses

Guest Information Center
Space for local artists to show their works
Theme days Customized packages/offer
Consignee area for luggage
Advertising spaces
Retail area with local products
Friendly signage showing distances to each neighborhood
Promotion of local supplies

Transport

Shuttle bus to the different neighborhoods which are far away from the terminal
Transfer service to the airport
Alternative transport modes: bikes, tourist carts, segways,..with a map to discover the destination
Water taxi to Cataño

Communication with the local community - Transforming the cruise area into a new space for locals

Charity events
Exhibitions
Visits for schools/universities to show them how a cruise terminal works.
Street markets
Organize open days for the general public
Corporate events

Appendix F – Schedule 13

Execution Version

Guidelines Development of Pier 11-14 Uplands

The Concessionaire shall develop a Master Plan that :

(3) Provides for additional benefits in the development, growth, maintenance and sustainability of San Juan Bay cruise terminals and piers

- Development and Growth: The repairs of the existing facilities and the addition of a new state-of-the art Cruise terminal in pier 11-14 will allow San Juan to receive more Ships in one day and give service to the the biggest ships, both in transit and Turnaournd operations.

- Maintenance: the concessionaire is committed to keep the Cruise piers and facilities in good conditions and, thanks to its knowledge of the industry, to improve the facilities, infrastructure and operations constantly to adapt them to the needs of the Cruise lines.

- Sustainability: the Project contemplates two separate areas. Piers located in Old San Juan will be dedicated mainly to transit calls and luxury brands (pier 1). Piers Panamerican and 11-14, with more space for logistics, will be for Ships in homeport operations.
The open Access regime will allow to diversify the clientele, give opportunities to other type of guests and benefit the local community

Execution Version

Appendix F – Schedule 13

Guidelines Development of Pier 11-14 Uplands

The Concessionaire shall develop a Master Plan that :

(1) Facilitates easy and safe access of passengers/visitors to the surrounding communities with pedestrian and vehicle circulation connecting the new piers and terminals to the East towards the Bahía Urbana development and to the West towards Old San Juan

- The design of new berth and terminal building and ground transport areas provides safe and direct route and access to the waterfront and ample landscaped open space for the local community during non-cruise times and for cruise passengers during berthing.
- Pedestrian connectivity to Old San Juan, Puerta de Terra, Convention Centre District and the Authorities properties is fully integrated in the planning and design of the new berth and terminal building and ground transport areas at the perimeter boundary access points of the Phase One-A project to ensure that there is a seamless integration.
- Ample area has been provided within the ground transport area to facilitate safe, smooth and seamless vehicle circulation with connections to Old San Juan, Convention Centre District, Luis Muñoz Marín Airport and important culturally interesting and visitor destinations in San Juan.



Execution Version

Appendix F – Schedule 13

Guidelines Development of Pier 11-14 Uplands

1.1. Fernández Juncos Avenue shall be enhanced for pedestrian circulation providing for a continuous
linear path "Paseo" between Old San Juan, Puerta de Tierra and Bahía Urbana. Proponent must follow the typical street section provided in Bahía Urbana Urban Design Guidelines, for the Fernández Juncos Avenue *at the interface boundary within the Concession Site Area.*

→ Fernandez Juncos Avenue by others

1.2. Create public spaces adjacent to the waterfront. These public spaces shall be located at the west
side of pier 11, aligned with San Andrés street extension and at the east side of pier 14, aligned with Martin Fernández street extension.

→ The Park + Plaza => provided



1.3. Any proposed street network shall follow the existing Puerta de Tierra street network. Refer to the Typical Street Sections described in the Bahía Urbana Urban Design Guidelines, for each street type design, dimensions and character *at the interface boundary within the Concession Site Area.*

→ No street network
But Hardscape in same spirit

1.4. To the extent possible, provide pedestrian-public access to all site areas. Even if the site security
perimeter does not allow access to visitors, it shall allow the visibility of the cruise terminal building, facilities and surrounding areas.

→ Full Access Granted
(during non-berthing)

→ Building lower than 60 ft
(except @ Roof stair acccess)

1.5. If any building is to be developed facing the Fernández Juncos Avenue, it shall respond to the urban context (scale, height, etc.) and incorporate the use of arcades at the street level to provide for a covered pedestrian pathway. Refer to Bahía Urbana Urban Design Guidelines.

→ Compliant with Zoning
(on December 2019)

1.6. Building use must be compatible with the existing zoning. Commercial activity shall be located facing a public street and access.

→ Taken into Account
(Bldg at 7,5Ft above Sea Level)

1.7. Design shall consider the potential impacts of sea level rise and extreme weather events.

[Presentation of the new Homeport Terminal at Piers 11-12 on File – Initialed Copies too large to scan. Identical Execution copies to follow]

The following artistic renderings show the concept design for the purpose of illustration only – the renderings will be updated to conform to the 30% Design Drawings in Schedule 13 Attachment 2 of Appendix L - for complete detailed design reference please refer to the 30% Design Drawings in Schedule 13 Attachment 2 of Appendix L.

’This artistic rendering shows the concept design for the purpose of illustration only – it will be updated to conform to the 30% Design Drawings in Schedule 13 Attachment 2 of Appendix L.

Execution Version



Attachment 2 to Appendix F



'This artistic rendering shows the concept design for the purpose of illustration only – it will be updated to conform to the 30% Design Drawings in Schedule 13 Attachment 2 of Appendix L.

Execution Version

Attachment 2 to Appendix F

’This artistic rendering shows the concept design for the purpose of illustration only – it will be updated to conform to the 30% Design Drawings in Schedule 13 Attachment 2 of Appendix L.

Execution Version



Attachment 2 to Appendix F

Execution Version

’This artistic rendering shows the concept design for the purpose of illustration only – it will be updated to conform to the 30% Design Drawings in Schedule 13, Attachment 2 of Appendix L.

Execution Version

Execution Version



Attachment 2 to Appendix F

Execution Version



’This artistic rendering shows the concept design for the purpose of illustration only – it will be updated to conform to the 30% Design Drawings in Schedule 13 Attachment 2 of Appendix L.

[1]This artistic rendering shows the concept design for the purpose of illustration only – it will be updated to conform to the 30% Design Drawings in Schedule 13 Attachment 2 of Appendix L.



’This artistic rendering shows the concept design for the purpose of illustration only – it will be updated to conform to the 30% Design Drawings in Schedule 13 Attachment 2 of Appendix L.

Execution Version



Attachment 2 to Appendix F

Execution Version

’This artistic rendering shows the concept design for the purpose of illustration only – it will be updated to conform to the 30% Design Drawings in Schedule 13 Attachment 2 of Appendix L.



Attachment 2 to Appendix F

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APPENDIX G: PAN AMERICAN PIERS WHARF STRUCTURE BUDGET

(USD)	Quantity	Cost breakdown
Fixed costs (Engineering, single mob demob, equipments...)	LS	5 609 103
Security, office and admin costs, installations, other costs...	LS	3 496 148
Demolition	LS	1 908 927
Sheet pile wall	1556 T	9 715 896
Injected Tie backs	110 Units	7 138 327
New bulkhead and bollards	2600 CY	5 952 345
Surfacing (slab repairs, pavement...)	LS	328 469
Pier Fill	2500CY	1 135 643
Seabed rock fill	1500 CY	1 541 230
Total		**36 822 089**
Municipal fee		184 110
Construction exercise tax		1 841 104
Business to Business tax (from CBNA to 3PV)		515 509
Grand Total		**39 362 812**

Note: Any determination of the cost of the Pan American Piers Wharf Structure Project for purposes of determining whether the condition to Closing set forth in Section 2.4(c)(ix) of this Agreement is satisfied will not include any cost of financing or any Taxes, except for the Tax line items set forth above, and all indirect costs will be reasonably allocated and not exceed the allocation, if any, set forth in the Pan American Piers Wharf Structure Budget.

APPENDIX H: PIER 3 EPIC REPAIRS

Reconstruction of two collapsed mooring dolphins at the east side of Pier 3 through the installation of 20 new steel pipe piles (10 piles per dolphin) of 30 inches in diameter and 120 feet in length on former dolphin footprints and 2 new reinforced concrete pile caps (7' H X 17' W X 21' L) (1 concrete pile cap per dolphin). Pile installation is expected to be at a rate of 1 pile per day; re-installation of 2 new steel bollards and 2 fender systems. Re-installation of 3 aluminium catwalks of approximately 5" H X 4'-5" W X 98'-103' L. Removal from maritime bottom of collapsed structures (such as: breasting dolphins, concrete piles, steel boards, fenders and aluminium catwalks), and pile cutting at approximately 12" above seabed.

For purposes of the Excluded Liabilities of the Authority relating to the Pier 3 EPIC Repairs and described in clause (xii) of Section 3.2(c) of this Agreement, the portion of Pier 3 that is affected by the Pier 3 EPIC Repairs is that space adjacent to the east side of Pier 3 where the two collapsed mooring dolphins were located, which is now open water with submerged mooring dolphin structures.

The Concession Company acknowledges receipt of the design drawings and documents prepared by the Authority described herein.

a. Nationwide Permit Application letter dated October 23, 2019 with attachments

b. Response Letter from the USACE – Joint Permit Application (JPA-1678), dated November 20, 2019

c. Emergency Repairs to Pier 3 design drawings prepared by Integra Design Group, Date Issued – October 22, 2019

d. Construction Cost Estimate by CIMP, dated February 18, 2019

e. Design-Build Services for the Emergency Repairs of Pier 3, San Juan Puerto Rico / Bid Number 10-90/published 01-22-2020

f. Repairs for Pier No. 3, Bay of San Juan / Information Documents Feb 12 – May 15, 2019 (Original Assessment Report and Documents) by CIPM

g. Bid Book: Contract Documents and Technical Specifications Design – Build Services Emergency Repairs of Pier 3, Bid No. 10-90/2020

    (i) Puerto Rico Ports Authority – Underwater Debris Removal and Disposal and Emergency Repairs to Pier 3, San Juan Bay, Puerto Rico

    (ii) Emergency Repairs to Pier 3 design drawings prepared by Integra Design Group, date Issued Bid Set – October 22, 2019

    (iii) Addendum No. 1 – February 18, 2020

(iv) Addendum No. 2 – March 3, 2020

(v) Addendum No. 3 – March 5, 2020

(vi) Addendum No. 4 - March 6. 2020

(vii) Addendum No. 5 – March 12, 2020

(viii) Addendum No. 6 – March 16, 2020

(ix) Addendum No. 7 – June 3, 2020

(x) Proposal Design Build Services Emergency Repairs of Pier 3 – Del Valle Group, S.P. – June 18, 2020

(xi) Notice of the Award to Del Valle Group, S.P. – July 2020

h. Pier 3 EPIC Repairs Contract

100% Design drawings

APPENDIX I: PIER 3 DUTY FREE BUILDING

Pursuant to the Pier 3 Duty Free America Agreement between the Authority and DFA to design, develop, construct, finance a building complex and structural improvements, the Pier 3 Duty Free Building consists of the following:

(1) *A Passenger Building Complex defined as the construction of a 2-floor building complex at the entrance of Pier 3 which will house a main check point and security processing facility; DFA's duty free/duty pay store and public restroom facilities at the first floor, among others. The second floor will provide an approximate 17,000 square feet of leasable space.*

The main gates at the first floor of the building will be the exclusive entrance and exit ways for passengers, crewmembers, cruise ship personnel embarking and disembarking the cruise ships docked at Pier 3, including the Authority's personnel.

(2) *The Structural Improvements entail the installation of two (2) new bollards at the Pier 3 facility pursuant to the OASIS positioning and mooring evaluation for the west berth at Pier 3 and an OASIS mooring Plan prepared by Sandra D. Rice, PE and approved by the Authority and Royal Caribbean Cruises Ltd. Structural improvements cannot limit the use of Pier 3 to ships presently using the facility.*

The Concession Company acknowledges receipt of the design drawings and documents prepared by the Authority described herein. The further obligations of the Authority and the Concession Company in relation to the design and documents related to such Pier 3 Duty Free Building are set out in Section 4.15 of this Agreement.

(a) *40% Preliminary Drawing – Improvements to Pier No. 3, dated March 31, 2016 by Iglesias Vazquez and Associates*

(b) *Technical Specifications – Improvements to Pier No. 3, by Iglesias Vazquez and Associates*

(c) *Improvements to Pier No. 3 by Iglesias Vazquez and Associates / Full Set 100%*

(d) *USACE Permit (to be shared once provided by PRPA)*

APPENDIX J: EXPANSION INVESTMENT PROJECTS, PHASE TWO PROJECTS AND ADDITIONAL CRUISE PORT FACILITIES AND MODIFICATIONS CONCESSION MORTGAGE DEBT CRITERIA

A. General.

As provided in Section 10.1 of this Agreement, the Concession Company shall be responsible for obtaining financing for the performance of its obligations under this Agreement, except to the extent provided in such Section 10.1. With regard to any Cruise Pier Improvement Project or Modification constituting a capital improvement project, the Concession Company responsibility for obtaining financing shall consist of the Concession Company's use of Reasonable Efforts to obtain a binding commitment from Institutional Lenders for the issuance of Concession Mortgage Debt subject to the terms set forth below and in an amount sufficient to pay the applicable Cruise Pier Improvement Projects Cost ("New Debt"), and to cause the issuance of such Concession Mortgage Debt (provided that the Concession Company's obligation for providing financing for the Initial Investment Projects shall not be limited by its use of Reasonable Efforts and shall be an unqualified obligation of the Concession Company notwithstanding anything else in this Agreement to the contrary).

In connection with the issuance of New Debt, the Concession Company shall not be required to take any action that would cause the Concession Company to violate the terms of the Concession Mortgage Debt.

B. Additional Limitations on the Requirement to Issue Concession Mortgage Debt for the Expansion Investment Projects.

The Concession Company shall only be required to issue Concession Mortgage Debt for the Expansion Investment Projects upon the occurrence of the Expansion Investment Projects Trigger Event; provided, however, that the Concession Company shall issue Concession Mortgage Debt for the Expansion Investment Projects as provided in and subject to Section 3.25(i). The additional test with respect to the internal rate of return as a requirement to issue Concession Mortgage Debt for the Phase Two Projects and Modifications set forth below shall not apply to the issuance of New Debt for the Expansion Investment Projects.

C. Additional Limitations on the Requirement to Issue Concession Mortgage Debt for the Phase Two Projects and Modifications.

In respect of the Phase Two Projects and Modifications only, the Concession Company shall be required to provide financing for any Cruise Pier Improvement Project or Modification (except to the extent provided in Section 10.1 of this Agreement), only if the Concession Company is able to raise New Debt such that the addition of the New Debt, when considered with (i) any additional equity contribution of any Equity Participant or other Person, (ii) the incremental Cruise Port Revenues forecast to be generated by the applicable Cruise Pier Improvement Project or Modifications, (iii) the inclusion of any Government Contributions funding, (iv) the change in the cost and expense of Cruise Port Facility Operations associated with the applicable Cruise Pier Improvement Project or Modification, and (v) the extension of the Term, if applicable, results in

an internal rate of return at least equal to the internal rate of return in the Concession Company's bid model provided to the Authority in July 2019 ("Bid Model").

In respect of Phase Two Projects this test shall be known as the "Phase Two Rate of Return Test" and shall be applied even if no New Debt is required for the Phase Two Projects (that is, even if Government Contributions are sufficient to cover the project costs), provided that the Phase Two Trigger Event and the Phase Two Rate of Return Test shall not apply with respect to the construction of the Piers 13-14 Wharf Project if the Piers 13-14 Wharf Project is constructed using Government Contributions, as provided in Section 4.12(e) and the last sentence of Section 3.24(f), except that the Phase Two Rate of Return Test may apply as provided in clause (B) of the last sentence of Section 3.24(f).

For the avoidance of doubt:

- The internal rate of return shall be assessed as at the same date (31 March, 2020) as in the Bid Model.
- The New Debt, any additional equity contribution, the incremental Cruise Port Revenues, and the change in the cost and expense of Cruise Port Facility Operations associated with the applicable Cruise Pier Improvement Project or Modification shall be the only changes permitted to the Bid Model for the purpose of this calculation.
- The Bid Model shall not be updated for actual performance of the Concession Company or the Cruise Port Facility Operations.

APPENDIX K: DESIGN CRITERIA

(a) General Criteria for new constructions

1.1.1. Water Levels

The tidal range throughout San Juan Bay is uniform and microtidal. Tidal data computed from NOAA Tide Station 9755371 and referenced to Mean Sea Level (MSL) and Puerto Rico Vertical Datum 2002 (PRVD02) indicate the mean tide range is 1.11 ft and the spring tide range is 1.57 ft.

The San Juan Bay feasibility study and environmental assessment states an expected 0.34 ft rise in sea level during a 50-year period for a low sea level rise scenario.

1.1.2. Geotechnical

Reference is made to the U.S. Geological Survey (USGS) survey map of the San Juan Quadrangle, 1977, Map 1-1010, and the below Geotechnical Survey reports;

- Kaderabek & Barreiro Consultants, INC. - Report of Geotechnical Engineering Expansion of Cruise Terminal Nos. 3 & 4, July 1998
- GeoCim – Luis O. Garcia & Associates - Preliminary Report on Foundation Recommendations for the Proposed Improvements to Pier 3 Terminal, February 22, 2013
- Soil Tech Consulting Engineers - Geotechnical Investigation Job No. 87143 Subsoil Investigation for Pier No. 4, San Juan, Puerto Rico, March 8, 1988
- Jaca & Sierra Testing Laboratories - Report of Geotechnical Exploration proposed reconstruction and improvements Pier 11, January 4, 1989
- Geo Engineering Consulting Engineers - Geotechnical Evaluation for Warehouse Building at Pier No. 13, May 3, 2002
- GeoConsult - Geotechnical Report Reconstruction of Wharves Along Piers 11 to 14, December 10, 2003
- GeoConsult - Geotechnical Report Reconstruction of Wharves Along Piers 11 to 14 – Addendum 1, January 30, 2004
- GeoConsult - Geotechnical Report Reconstruction of Wharves Along Piers 11 to 14 – Addendum 2, June 18, 2004
- GeoConsult - Geotechnical Report Reconstruction of Wharves Along Piers 11 to 14 – Addendum 3, April 29, 2005

- Carlos A. Ortiz Suares - Subsoil Exploration Report Job No. 1492 Extension of P.R. 14 San Juan Dock Area, June 23, 1987
- GeoConsult - Recomendaciones de Cimentación Para la Reconstrucción de los Muelles 12, 13 y 14 San Juan, Puerto Rico, November 28, 1992
- AMEC E&E Caribe, LLP - Preliminary Geotechnical Report, October 31, 2007
- AMEC E&E Caribe, LLP - Preliminary Dredge Materials Assessments Report, December 20, 2008
- GEO Engineering - Geotechnical Evaluation for Proposed Pan American Terminal at Isla Grande dated July 24, 2000
- GEO Engineering - Geotechnical Evaluation for Proposed Pan American Terminal II at Isla Grande dated March 11, 2002
- Vazquez Agrait, Vazquez Castillo & Assoc. - Report Subsoil Exploration Isla Grand Wharf, June, 1987
- US Army Corps of Engineers - San Juan Harbor Maintenance Dredging, 30 foot Project, and Mitigation Project, July 8, 2016
- US Army Corps of Engineers - Existing Geotechnical Investigations for San Juan Harbor (Borings), April 2017

1.1.3. Seismic

Compliance with the International Building Code/Puerto Rico Building Code 2018.

1.1.4. Design Life

Design life for the various aspects of the Cruise Pier Improvement Projects and Modifications are provided in the relevant sections below.

1.1.5. Design Codes

The standards and codes that apply or may apply to the Cruise Pier Improvement Projects and Modifications are included in Appendix A of this Schedule 13.

(b) Terminal Planning for new constructions

1.1.1. General

The guidelines as included in Section 5 of the PIANC REPORT N° 152 – Guidelines for Cruise Port Facility, 2016 shall be used in designing the ground transportation areas. The ground transportation areas will also allow sufficient space to manoeuvre a forklift to

provision a cruise vessel.

(c) Pier/Wharf (General) for new constructions

1.1.1. General

The minimum design life of new pier and wharf structures is 50 years.

1.1.2. Loads

The new pier/wharf structures at Piers 11-12 Project should be designed for each of the following load conditions, at a minimum, in order to meet the service requirements of typical vessel loading:

- Uniform loading — 250 psf
- Truck loads — for provisioning of the cruise vessels truck access should be considered in the design
- Point loads from cranes:
  - All Piers — the design should allow for the T 340-1 and / or T 340-1 XL crane 100 tons

When designing new pier and wharf structures of Piers 11-12 Project, and any Modification that requires major repairs of the pilings of any of the piers, the following maximum design wind conditions shall be considered:

- Vessel shall leave the berth when a tropical storm system is coming. Tropical storm wind speeds are greater than > 39 miles per hour

1.1.3. Other

The Concession Company will design a utility network (potable water, sewage, electricity, communication, storm water drainage) which will connect to the existing utility network. The Concession Company will connect to the existing road and walkway paths of the existing network.

(d) Piers 11-12

1.1.1. Design Depth

The design depth is 36 feet.

(e) New Cruise Pier Buildings

1.1.1. General

The design life of the new Cruise Pier Buildings is minimum 50 years.

1.1.2. Other

- Cruise Pier Building design will comply with U.S. Customs and Border Patrol regulations.
- Consider climate change forecast.

(f) Rehabilitation Pier 4 Wharf repairs

The repairs to pier/wharf structures at Pier 4 should be designed for each of the following load conditions, at a minimum, in order to meet the service requirements of typical vessel loading:

- Rehabilitation of Pier 4 Wharf 165psf in accordance with Section 2.4(c)(viii) of this Agreement.

(g) Existing buildings

Repairs in accordance with the Puerto Rico Building Code 2018.

APPENDIX L: 30% DESIGN AND TECHNICAL SPECIFICATIONS

Except as provided in Section 4.5(f) of this Agreement, the 30% Design and Technical Specifications of the Initial Investment Projects and the Expansion Investment Projects will be developed after the Date of this Agreement and prior to Closing (other than the Piers 11-12 Project – Cruise Pier Building 30% Design and Technical Specifications, which have been Approved by the Authority as of the Date of this Agreement), and, upon their Approval by the Authority prior to Closing, will be included in this Appendix L at Closing to supplement the information on each Cruise Pier Improvement Project constituting a part of Initial Investment Projects.

Basis of Design - Building Terminal 11-12: Included in this Schedule as *Attachment 1* to this Appendix L.

Design Drawings – Building Terminal 11-12: These are included in this Schedule as *Attachment 2* to this Appendix L.

As of the Date of this Agreement, the design drawings for the portion of the Piers 11-12 Project identified in this Schedule 13 as Piers 11-12 – Cruise Pier Building (but not the portion of the Piers 11-12 Project identified in this Schedule 13 as Piers 11-12 – Wharf or Piers 11-12 – Uplands) have been provided to and Approved by the Authority. The portion of the Piers 11-12 Project identified in this Schedule 13 as Piers 11-12 – Wharf and Piers 11-12 – Uplands) will be developed by the Concession Company and provided to the Authority in sufficient time so that the Authority can Approve them no later than the Closing Date.

ATTACHMENTS 1: BASIS OF DESIGN – BUILDING TERMINAL 11-12

This Attachment 1 includes the Basis of Design for the Piers 11-12 Project – Cruise Pier Building referred to in Section 7 of this Schedule 13. This basis of design and related material are dated March 27 2020 and issued on April 2020.

ATTACHMENT 2: DESIGN DRAWINGS – BUILDING TERMINAL 11-12

This Attachment 2 includes the design drawings and related material for the Piers 11-12 Project – Cruise Pier Building referred to in Section 7 of this Schedule 13. These design drawings and related material are dated March 27 2020.

SAN JUAN CRUISE TERMINAL

GLOBAL PORTS HOLDING



ORIGINATOR

GPH

TITLE

Basis of Design - Building Terminal 11-12

	Name	Date
PREPARED	**BA INTEGRA**	Apr-1, 20
ENDORSED	**GPH**	Apr-1, 20
APPROVED	**GPH**	Apr-1, 20

N/A	For Approval
SCALE & FORMAT	PROPOSED STATUS
April 2020	SJCT - Basis Of Design - 30%
DATE OF 1ST ISSUE	FILE NAME

30%	GPH	BOD	T	NA	GN	00001	0
STAGE	ISSUER	TYPE	AREA	FLOOR	TRADE	SEQUENCE INDEX	REV.

Basis of Design Narrative
30% Design Submittal
March 27, 2020

1. Architectural outline

1.1. Scope of work.

The design build team has been tasked with the redevelopment of various piers in the San Juan Port, Located in Puerta de Tierra Ward in the Municipality of San Juan, as part of the Expansion Investment Project (EIP) of the redevelopment, a new home port terminal will be built which shall accommodate a Category 3 (CAT 3) vessel, which has a capacity of over 6,000 passengers with 1,350 ft. length overall (LOA), and the operations shall be designed with the minimum peak-passengers throughput of 2,000 passengers per berth per hour.

The Piers are currently abandoned berth and adjacent land that has been previously used for general cargo in San Juan. The proposed Home Port will use berth Pier 11-12 outlined in green as shown on (Image 2: Location of Piers 11-14)

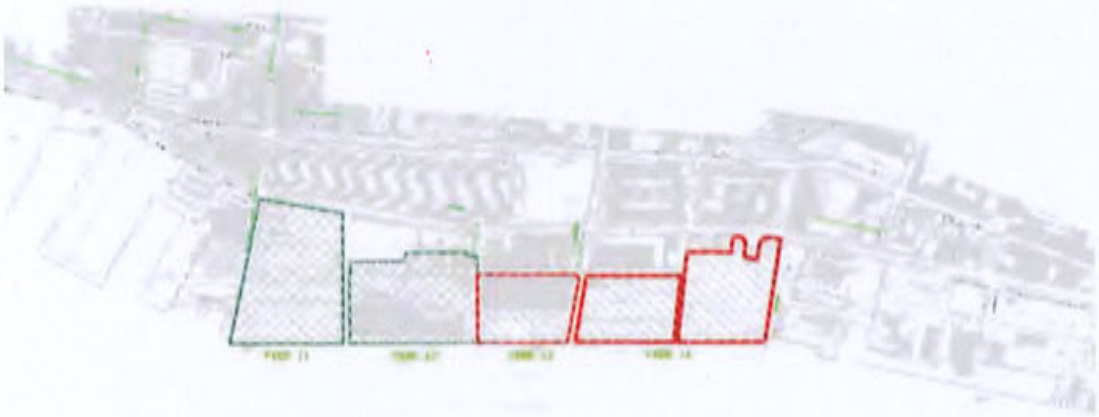
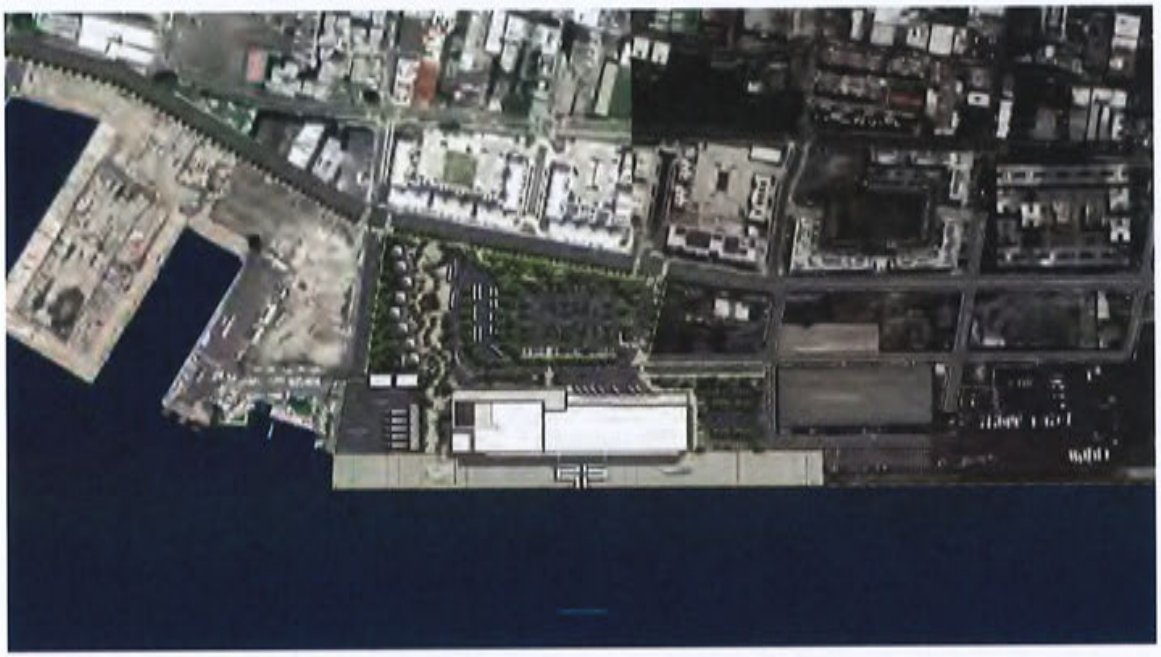


Image 2: Location of Piers 11-14

The home port will provide a strong connection to the local community and enhance the overall port experience by tying into the Bahia Urbana master plan initiative.



2. Codes

2.1 Applicable Codes

Building Code

- IBC: International Building Code, 2018 Edition
- PRBC: Puerto Rico Building Code, 2018 Edition

Fire Prevention/Life Safety Code

- IFC: International Fire Code, 2018 Edition
- NFPA 101: The Life Safety Code, 2018 Edition

Electrical Code

- NFPA 70: National Electrical Code® (NEC), 2017 Edition

Mechanical Code

- IMC: International Mechanical Code, 2018 Edition

Plumbing Code

- IPC: International Plumbing Code, 2018 Edition

Major NFPA Standards

- NFPA 10: Standard for Portable Fire Extinguishers, 2018 Edition
- NFPA 13: Standard for the Installation of Sprinkler Systems, 2016 Edition

- NFPA 14: Standard for the Installation of Standpipe and Hose Systems, 2016 Edition
- NFPA 20: Standard for Installation of Stationary Fire Pumps for Fire Protection, 2013
- Edition.
- NFPA 72: National Fire Alarm and Signaling Code®, 2016 Edition
- NFPA 110: Standard for Emergency and Standby Power Systems, 2016 Edition

2.2 Local Agencies

- Puerto Rico Ports Authority (the Authority)
- US Coast Guard (USCG)
- Customs and Border Protection (CBP)
- Puerto Rico Fire Department (PRFD)
- Municipality of San Juan
- Puerto Rico Department of Natural and Environmental Resources (DNER)
- San Juan Port other Lessees and/or concessionaires
- United States Environmental Protection Agency (USEPA)
- United States Army Corps of Engineers (USACE)
- Puerto Rico Planning Board
- Permit Management Office (or OGPe by its Spanish acronym)
- Puerto Rico Central Office of Recovery, Reconstruction and Resiliency (COR3)
- Federal Emergency Management Agency (FEMA)
- United States Department of Housing and Urban Development (HUD)
- United States Department of Homeland Security – Office of the Inspector General (DHS-OIG)
- United States Department of Housing and Urban Development - Office of the Inspector General (HUD-OIG)
- Puerto Rico Department of Housing (PRDOH)

3. Architectural Narrative:

Besides providing a world class homeport terminal capable of handling the world's largest cruise ships with a strong connection to the local community and enhanced traveler experience, the terminal has to respond to the demands of performing in a Caribbean hurricane zone. The terminal will also be designed to meet the sustainable goal of achieving LEED Silver level as a minimum through LEED BD BD+C V4.1 certification. The selection of systems, materials and operations described in the following narratives follow these stated goals.

3.1 Metals:

3.1.a - Metal Railing – galvanized steel at exterior locations, aluminum at interior locations

- Type 1 : Means of egress stairs - guard railing
- Type 2: Means of egress stairs - Hand rail
- Type 3 : Hand rail of Feature stair in main lobby
- Type 4 : Guard rail on concourse with integrated swinging gates

- Type 5 : Guard rail on VIP Terrace

3.1.b - Decorative Formed Metal
- Escalator Enclosure
- Column Covers in main lobby and covered patio
- Perforated Aluminum Metal Screen – at main entrance

3.1.c – Metal Pan Stairs
- All Stairs

3.1.d – Metal Roof Deck
- Bus drop off canopy
- Concourse canopy
- At provisioning area

3.2 Wood, Plastics and Composites

3.2 a - Interior Architectural Woodwork
- Main Lobby – information desk
- CBP Area – various locations – as required by CBP

3.3 Thermal and Moisture Protection

3.3a-Cold Fluid-applied Waterproofing

3.3c-Thermal insulation
- Polyisocyanurate _ exterior walls - R=11
- Polyisocyanurate _Roof - R=20 min
- Tapered insulation Polyisocyanurate _Roof - R=20

3.3d-Vapor Retarders

3.3e-TPO Roofing - single ply
- Thickness: 60 mils (1.5 mm), nominal.
- Exposed Face Color: White.

3.3f - Sheet Metal Flashing and Trim
- Applicable for entire roof surfaces and parapets.

3.3g - Roof Specialties
- Applicable for entire Roof : Copings, Roof-edge, Roof-edge drainage systems, Reglets and counterflashings.
- Anchor points and life lines.

3.3h - Applied Fireproofing

- Sprayed Fire-resistive materials on structure.
- No applied fire proofing for roof structure higher than 20' above finish floor level.

3.3i - Penetration Firestopping

3.3j - Joint Firestopping

3.3k - Joint Sealants

3.3l - Acoustical Joint Sealants

3.3m - Interior Expansion Joint cover assemblies

3.3n - Exterior Expansion Joint cover assemblies

3.4 Openings

3.4 a - Hollow Metal Doors and Frames

Hollow Metal Doors:

- 1-3/4 inch doors of design indicated, not less than thickness indicated; fabricated with smooth surfaces, without visible joints or seams on exposed faces unless otherwise indicated. Comply with ANSI/SDI A250.8 and ANSI/NAAMM HMMA 867
- Exterior Doors: Face sheets fabricated of commercial quality hot-dipped zinc coated steel that complies with ASTM A 653/A 653M, Coating Designation A60.
- Interior Doors: Face sheets fabricated of commercial quality cold rolled steel that complies with ASTM A 1008/A 1008M.
- Hollow Metal Frames –comply with ANSI A250.8/SDI 100.
- Exterior Frames: Fabricated of hot-dipped zinc coated steel that complies with ASTM A 653/A 653M, Coating Designation A60.
- Interior Frames: Fabricated from cold-rolled steel sheet that complies with ASTM A 1008/A 1008M.
- Fire rated frames: Fabricate frames in accordance with NFPA 80, listed and labeled by a qualified testing agency, for fire-protection ratings indicated.
- Metal Louvers: Door manufacturer's standard metal louvers

3.4 c - Access Door and frames

- Wall and ceiling units

3.4 d - Overhead Coiling Doors

- Doors in Galvanized steel 12'-00" x 10'-00"(H) – non insulated 22 ga.

3.4 e - Detention Doors and Frames

- Doors of the hold rooms CBP

3.4 f - Aluminum-framed entrances and storefront

- Main Lobby - glazed sliding doors + means of egress

- Exit doors at CBP
- Second floor : access to the concourse - glazed sliding doors
- Ground floor : Sliding doors to CBP Primary

3.4 g - Glazed aluminum curtain walls
- Main Lobby -north and west façade

3.4 h - Aluminum windows
- Windows on Intermediate Floor and Second Floor

3.4 i - Door Hardware
- All interior and exterior doors, except detention Door hardware

3.4 j - Detention Door Hardware
- Door hardware for holdrooms and interview rooms Secondary CBP

3.4 k - Mirrors
- Bathrooms
- Hold rooms and restrooms CBP secondary

3.4 l - Security Glazing
- CBP primary and secondary

3.5 Finishes

3.5 a - Gypsum Board Shaft Wall Assemblies
- Fire-resistance-rated vertical shaft and horizontal enclosures, including metal framing.

3.5 b - Non-Structural Metal Framing
- Steel framing for gypsum board and plaster partitions.
- Steel framing for gypsum board and plaster ceilings

3.5 c - Gypsum Plastering
- Gypsum plaster on expanded metal-lath, unit masonry, and concrete

3.5 d - Cement Plastering
- Portland Cement plaster (Stucco) on metal-lath, unit masonry, and concrete; exterior

3.5 e - Gypsum Board
- Interior Gypsum Board, exterior gypsum board for ceilings and soffits, and tile backing boards.

3.5 f - Ceramic Tiling
- Ceramic Tiles – sizes vary
  - Checking and waiting area
  - Floors in restrooms

- Walls in restrooms

3.5 g - Acoustical Tile Ceilings

- Mineral-base tile with concealed suspension systems.
  - all offices and CBP secondary.

3.5 i - Resilient Base and Accessories

- Resilient base and molding accessories - height 6"" - Style - Cove / Outside and inside Corners: Preformed. Provide in areas in all locations without ceramic tiles and stone tiles and except CBP.
- CBP AREA: extended cove bases, 8" high; rubber round cap strip and rubber fillet strip with a minimum radius of ¼" at the perimeter and fixed vertical interruptions to the flooring. Provide inside and outside corner protectors of plastic approved by the flooring manufacturer.

3.5 j - Resilient Tile Flooring

- Vinyl composition floor tile : in offices, CBP offices
- Static-Control Resilient Flooring
- Static-Dissipative, Solid Vinyl Floor Tile in CBP Area – Data Room: ASTM F1700, Class I (monolithic), Type A (smooth surface).

3.5 m - Exterior Painting

- All areas

3.5 n - Interior Painting

- All areas

3.5 o - Elastomeric Coatings

- Pigmented, water-based, elastomeric coating for use over concrete, masonry and Stucco.

3.6 Specialties

3.6 a - Wayfinding / Signage

- Wayfinding inside the terminal.
- Wayfinding at the exterior side of the terminal.
- Wayfinding on the site: bus parking, staging, drop-off zone, parking lot, provisioning area,...

3.6 b - Room-identification Panel Signage

- Panel signs and sign systems used specifically for room identification; sometimes called 'ADA signs'.
- Rooms CBP primary and secondary
- Rooms in offices GPH
- Rooms in operations offices
- Technical rooms, restrooms, stairs, elevators, level-indications,...
- Means of egress panel signage

3.6 c - Phenolic Core Toilet Compartments

- Phenolic-core toilet enclosures - all restrooms
- Phenolic-core urinal screens - all restrooms

3.6 d - Wire Mesh Partitions

- Standard and heavy duty partitions, ceilings railing insert panels, and equipment barriers - CBP secondary.

3.6 e - Wall and door protection

- Wall and column corners - 4'-00""high

3.6 g - Toilet, Bath, and Laundry Accessories

- Standard commercial units.
- Detention Toilet Accessories

3.6 h - Fire protection

- Fire-protection cabinets
- Recessed fire-protection cabinets in gypsum walls.
- Security fire-protection cabinets
- Portable fire extinguishers.

3.6 i - Metal lockers

- CBP : standard double stack (36"h x 12"w x 18"d)
- Cylinder locks.
- Locker Benches.
- CBP : changing bench(es)

3.7 Equipment

3.7 a - Parking Control Equipment

- Power and data provision for 3 access control to be provided by Operator.

3.7 b - Detention Gun Lockers

- Secure compartment for fire arms. - CBP Secondary.

3.7 c - Unit kitchens

- Standard wood types and plastic-laminate.
- Kitchen unit CBP ; with lockable cabinets
- Kitchen unit offices GPH
- Kitchen unit Operations offices

3.7 d - Detention Gun Lockers

- Rifle-rated Clearing Barrel Weapon cleaning room CBP

3.8 Furnishings

3.8 a - Manufactured wood-veneer-faced Casework

- Information desk in main lobby

3.8 b - Manufactured Plastic-Laminate-Clad Casework

- 40 Check-in counters on second floor
- CBP primary : 16 counters
- CBP secondary : podium
- Small kitchens
- Agriculture lab CBP

3.8 c - Entrance Floor Mats and frames

- Main entrance lobby
- Debarkation entrance
- Embarkation doors to the concourse
- Main entrance CBP
- Exit secondary CBP
- Exit Primary CBP

3.8 d - Audience seating

- Waiting area

3.9 Conveying Equipment

3.9 a - Machine Room-Less Electric Traction Passengers Elevators

- Main Lobby 3 elevators 5.000 lb (1 elevator with higher ceiling)
- Debarkation 2 elevators 5.000 lb

3.9 b - Escalators

- Main Lobby: 2 escalators 40" wide
- Debarkation: 2 escalators 40" wide

1 Structural Work Narrative

1.1 Applicable Codes

- 2018 International Building Code (IBC 2018)
- 2018 Puerto Rico Building Code (PRBC 2018)
- ASCE 7-16: Minimum Design Loads and Associated Criteria for Buildings and other Structures, 2016
- ANSI/AISC 360-16: Specification for Structural Steel Buildings
- ACI 318-14: Building Code Requirements for Structural Concrete

1.2 Wind Loading Criteria

- Risk Category: III
- Basic Wind Speed: 180 MPH (Per PRBC 2018)
- Wind Exposure Category: D
- Methods of Analysis:

  - Main Wind Force Resisting System (MWFRS): *Directional Procedure for building, building appurtenances and parapets.*

  - Components and Claddings: *Directional Procedure*

1.3 Seismic Design Criteria

- Seismic Design Category: D
- Occupancy Category: III
- Seismic Importance Factor: 1.25
- Site Class: E (Building Period Limited to 0.5 s)
- 0.2 Second Spectral Response Coef. S_S 1.0 g (Risk Targeted Max Considered Earthquake, MCE_R)
- 1.0 Second Spectral Response Coef, S_1 0.397
- Site Coefficient, short period, F_a 1.3
- Site Coefficient, long period, F_v[1] 2.4
- 0.2 Second Design Spectral Acceleration, S_{DS} 0.86
- 1.0 Second Design Spectral Acceleration, S_{D1}[1] 0.64

- Lateral Force Resisting System[2]:

- Special Reinforced Concrete Shear Walls
- Shear Walls to be designed to take 100% of the seismic Load
- Moment Frames to be designed for Deflection Compatibility and detailed as Intermediate Moment Frames for additional ductility and Redundancy.
- Building Period Limited to 0.5 sec.

- Response Parameters[2]:
  - Response Modification: R = 5.0
  - Overstrength Factor (Omega) $\Omega = 2.5$
  - Deflection Amplification Factor $C_d = 5.0$
- Method of Analysis
  - Linear Static Equivalent Force Procedure
  - Linear Dynamic Response Spectrum Analysis.
- Precast Panels
  - Designed for deflection compatibilities as non-structural elements.
- Methods of Analysis
  - Linear Static (Equivalent Load Procedure)
  - Linear Dynamic (Modal Response Spectrum Analysis)

1.4 Material Definition:

1.4.1 Structural Steel

- WF Shapes (Columns and Beams): $F_y = 50$ ksi, $F_u = 65$ ksi (ASTM A992)
- Rectangular HSS: $F_y = 46$ ksi, $F_u = 58$ ksi (ASTM A500, Gr B)
- Round HSS: $F_y = 42$ ksi, $F_u = 58$ ksi (ASTM A500, Gr B)
- Other Steel Shapes, (unless noted otherwise): $F_y = 36$ ksi, $F_u = 58$ ksi (ASTM A36)

1.4.2 Concrete

- Normal Weight Concrete
- Compressive Strength of Concrete:

  - Exterior Walks and Curbs: $F'_c = 3$ ksi
  - Grade Slabs $F'_c = 4$ ksi
  - Pre-Cast Piles $F'_c = 5$ ksi
  - Pile Caps and Grade Beams $F'_c = 4$ ksi
  - Mezzanine and Second Floor Slabs $F'_c = 4$ ksi

1.4.3 Reinforcing Steel

- Specified Yielding Stress: F_y = 60 ksi

1.4.4 Foundations

- 12" Round Precast Concrete Piles[3]
- Allowable Axial Compressive Service Capacity: 80 Tons[2]
- Allowable Axial Tension Service Capacity: 25 Tons[3]
- Applicable Load Tests: ASTM D1143
  ASTM D3689
  ASTM D3966
  Pile Driver Analyzer (PDA)

1.4.5 Loading Criteria

- Roof
  - Roof Live Load: 30 PSF (Minimum as per PRBC 2018)
  - Roofing: 5 PSF
  - Superimposed Dead load: 15 PSF (Ceilings, MEP piping…)

- Second Floor Dead Loads
  - Partition dead Load: 40 PSF
    (Considers full height Gypsum partition walls and Floor Finish. To be included in seismic mass)
  - Superimposed Dead Load: 15 PSF
    (Ceiling, MEP piping, Lighting…)

- Second Floor Live Loads
  - VIP Area (Assembly): 100 PSF
  - VIP Terrace: 100 PSF
  - Check in and Waiting Areas: 100 PSF
  - Lobbies and Corridors: 100 PSF

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[2] Based on recommendations by Geotechnical Engineer.

- Mezzanine Floor
  - Office Spaces: 50 PSF
  - Corridors: 100 PSF
  - MEP Room: 80 PSF
    (Includes Air Handling Units, Chillers and heavy equipment are on utility room on the exterior of the building)

- Ground Floor
  - Lobbies and Corridors: 100 PSF
  - Offices: 50 PSF
  - Bag Processing, laydown, staging and other assembly areas: 100 PSF
  - CBP areas: 100 PSF

- Seismic Weight:
  - Elements' self-weight, precast walls weight, superimposed dead and partition loads to be included in seismic weight.

1.4.6 Structural System description

1.4.6.1 Roof

Roof is composed of a composite deck resting on open web steel joist system. Composite deck is made of a Type B, gage 20 steel deck with 2 layers of 2-1/2" rigid insulation board and a single ply membrane roofing system. Live loads on roof will be reduced based on prescription contained in ASCE 7-16 and IBC 2018 standards.

1.4.6.1.1 Roof Components & Claddings Design for Wind Uplift

Deck, Open Web Joists, and beams will be designed for design wind pressures as component and claddings and specific fastening patterns will be specified for the different wind pressure roof zones.

1.4.6.1.2 Roof Diaphragm Design

Roof deck structure will be designed as a flexible diaphragm using fasteners/spot welds as the main shear transfer mechanism along with horizonal braces within the plane of the diaphragm as chords and collectors. Design of diaphragm will be performed using amplified seismic loads per code.

1.4.6.2 Second Floor

Second Floor system is composed of a composite deck resting on an Open Web Joist system which in turn rest on steel wide flange shaped girders. Deck is composed of a 5-1/2" normal weight concrete slab and Type B gage 20 corrugated metal deck. Additional bridging will be provided using angle shaped steel members.

1.4.6.3 Slab on Grade & Foundation System

Slab on grade will be an elevated reinforced concrete floor system composed of a uniform grid of grade beams connecting all the pile caps on both orthogonal axes. Grade beams and slab will be designed to act together.

Foundations are made of multiple pile groups under each column. Deep foundation design will be based on final recommendations from the geotechnical engineer. Driven Piles or drilled piles could be used. Both alternatives will be evaluated in coordination with the geotechnical engineer and the most cost-effective and functional alternative will be chosen.

1 Civil (Site External) Work Narrative

1.1 EARTHWORK

1.1.1 Clearing and grubbing

The removal of all loose debris and vegetation within 6 inches (0.15m) below the existing grade is contemplated. Grubbing will include the excavation and complete removal of trees stumps and all other plant life including root structures. All removed organic material will be disposed off-site.

1.1.2 General Earthwork

The grading for the development will be according to proposed elevations. Topographic survey and Proposed Grading drawings will be used as basis for the natural terrain elevation and for grading development.

1.1.3 Excavation cut and fill

Earth excavation will include new fill material where required and compacted as recommended on geotechnical report. All topsoil and earth cut material will not be used as backfill. The removed material can be temporarily stockpiled on-site on designated areas and then disposed off-site.

Earth excavation will include the removal and transportation of all excavated materials other than blasted or ripped rock, whether wet or dry, from the point of excavation to designated areas of disposal. Earth excavation is further classified as common excavation, trench excavation, and foundation excavation for structures as described in the following paragraphs.

- Common excavation is general site excavation and grading to the appropriate lines, grades and dimensions, including the removal of any unsuitable surface soil and contained plant life root structures at specified work areas, and the disposal of all unsuitable and surplus materials at prescribed locations.
- Trenching for underground piping, drain lines, duct banks, culverts and their appurtenant structures will conform to the following:
    - Excavations for trenches will conform to the depths and requirements specified on the drawings.
    - Underground piping, culverts and their appurtenant structures will be installed in open cut trenches.
    - Trench width will be sufficient to provide free working space for bedding and jointing operation and allow a thorough tamping of the bedding and backfill materials under and around the pipe or conduit.

- Trench width, at the bottom, will not be greater than the pipe's outside diameter plus 24 inches (0.60m).
- Sheeting, bracing and shoring or excavations with minimum sloped sides at (1.5:1) (horizontal: vertical) will be used for personnel safety and for the protection of the work in trenches where the depth exceeds 5 feet (1.52 m) in order to ensure stability of the excavation. Excavation operations must comply with the Occupational Safety and Health Administration's (OSHA) Excavation standards, 29 Code of Federal Regulations (CFR) Part 1926, Subpart P.
- Surplus and unsuitable materials will be transported to designated spoil areas.
- Foundation excavations will be kept free of water until either a seal slab or the foundation is placed, and the excavation backfilled.

1.1.4 Fill

Fill material will only be acceptable from outside sources. Restrictions in the use of specific types of fill are as follows:

- Only cohesionless material will be used where deposition is in water.
- Fill material shall be classified as AASHTO A-1-a, A-2-4 or better, as recommended by geotechnical engineer.
- Fill material will be free from roots or other organic material.
- Fill material will not contain rocks over 2 inches (0.06m) diameter in size when within 12 inches (0.30m) of culverts, underground piping or electrical ducts.

1.1.5 Fill Material Sources

Fill material will be obtained from suitable borrow sources from off-site borrow sources. The fill material will be screened, blended, or otherwise processed as necessary to conform to the gradation requirements of the desired material classification.

Placement of fill to the specified lines, grades and dimensions will be as follows:

- All fill will be placed in loose lifts not to exceed the maximum allowable thickness, 12 inches (0.30m) and compacted, or as indicated by the geotechnical engineer.
- Fill will not be placed against walls until the mortar or concrete has attained sufficient strength to support the load.
- Sufficient fill will be placed to allow for settlement where a lesser degree of applied compaction is required to avoid damage to buried piping or structures.

1.1.6 Backfill

Backfill is placement of fill adjacent to walls, structures or foundations, or over piping or other underground facilities, to the appropriate grades, generally the same grade as that of the surrounding area.

Two classifications of backfill apply to trenches, as follows:

- Initial backfill, which includes the placing of suitable soil, free of stones and foreign materials, in uniform compacted layers until a 12-inch (0.30-m) cover is obtained over the top of the pipe.
- Final backfill, which includes the placing of fill in uniform compacted layers to completely fill the excavation.

Bedding material will be placed to provide uniform bearing and support for each section of the pipe or conduit along its length except where it is necessary to excavate for bell-holes and the proper sealing of joints. Bell-holes and depressions will be dug after the bedding has been placed.

Pipes and conduits will be placed on compacted bedding material. For pipe or conduit over 6 inches (0.15m) nominal diameter, the bedding surface will be shaped to fit the lower quadrant of the pipe or conduit.

1.1.7 Material Placement and Compaction

Fill will be placed in 12 inches (0.30m) maximum lifts (loose thickness) and compacted to 95-percent maximum modified density or as indicated by geotechnical engineer.

Bedding material will be placed in 12 inches (0.30m) maximum (loose thickness) lifts and compacted to 80-percent Proctor density or as indicated by geotechnical engineer.

For all materials compacted, the moisture content will be controlled between 3 percentage points below and 2 percentage points above the laboratory optimum water content during compaction.

1.1.8 Testing

Tests will be performed for every 250 cubic meters (327 cubic yards (c.y.)) of the material compacted in-situ.

The in-place density of the compacted soils will be as specified above. Each lift will be tested in a 40-meter (131 feet) by 40-meter (131 feet) grid system. At least one test will be made for each lift and whenever there is suspicion of a change in the quality of moisture control or the effectiveness of compaction.

Records in-place density tests results will be done prior to placing the next lift. Records will be detailed enough to identify lift and locate test point within 2-meters (6.5 feet). Areas not meeting compaction requirement according to the in-place density tests will be recompacted and retested.

1.2 DRAINAGE & STORM SEWER

1.2.1 Definitions

Storm Sewer System - that collects surface runoff and discharges it to either to an off-site storm sewer system or discharge at open sea after passing through a grease and sediment separator complying with EPA regulations.

Manholes - Inspection chambers - used in sewer mains at junction points to provide access for maintenance and inspection.

Catch Basins – Inlet- collection structure designed to catch excess rain and ground water from paved streets, parking lots, sidewalks, and roofs.

Grease and sediment separator – collection structure before each outfall which separates grease and sediment from the water, in order to comply with EPA regulations for discharge at the San Juan Bay.

1.2.2 Design Codes and Regulations

The sewer design shall comply with State and Federal regulations regarding the discharge of runoff into water bodies. Quantity and quality of runoff must be addressed. The following requirements, standards and regulations shall apply:

- LEED Certification Requirements: Rainwater management with Best Management Practices (BMP's) such as retention ponds, bio swales and rainwater catchment for reuse. The bio-retention facilities incorporated into the site design are soil- and plant-based filtration systems that receive runoff from the developed site areas.
- Section 402 of the Clean Water Act: National Pollutant Discharge Elimination System (EPA-NPDES).
- PR Planning Board- Storm Sewer Design Standards (Junta de Planificación-Normas de Diseño para Sistemas de Alcantarillado Pluvial): Since the Project is less than 150 acres and considering the land use, the average rain frequency recurrence interval to be used is 25 years.

1.2.3 Pipes

Sewer piping material will be corrugated High Density Polyethylene (HDPE) Plastic Pipe with smooth interior and bell and spigot rubber gasket joint.

Selection criteria for pipe strength will be as follows:

- Minimum earth cover will be not less than 2 feet (0.60m) below finished grade.
- Superimposed wheel loads will include an allowance for impact. (Exceed AASHTO LRFD structural design requirements for earth and live loads.)

- Load factor, converting crushing strength of pipe to field supporting strength will be determined by the type of bedding selected.
- Pipe crushing strength will be determined by the three-edge-bearing method.
- A factor of safety of 1.5 will be used to establish safe supporting strength (design load) of pipe.

1.2.4 Manholes

Manholes will be located per the following:

- At Junctions
- At change in direction and/or slope.
- Manhole locations will not exceed intervals of 278 feet (85 m).

Materials for manholes and other drainage facilities will be:

- Construction shall be prefabricated concrete
- Covers and Frames: Cast Iron

Manholes will be sized for cleaning with a minimum inside diameter of 4 feet (1.22m) and a minimum height of 3 feet (0.91m).

1.2.5 Catch Basins

Catch basins will be located per the following:

- At low points

At runoff collection points

- At change in direction and/or slope.
- Materials for catch basins will be:
  - Construction shall be prefabricated concrete
  - Grates and Frames: Galvanized cast Iron

Catch basins will be sized for cleaning with a minimum inside length and width of 4 feet (1.22m) and a minimum height of 3 feet (0.91m).

1.2.6 1.2.5 Best Management Practices (BMP's)

To comply with stormwater quality and quantity control, the following measures shall be implemented:

- Infiltration: Measures can include infiltration trenches, basins and dry wells that allow water to percolate from the surface into the soil below.
- Vegetated Swells and Natural Depressions: Vegetation, usually grass, lines the swell and removes sediments from runoff, allowing it to better infiltrate into subsurface soil.

- Modified catch basins to include a sump to collect sediments and an outlet hood to collect floating debris.
- Modified catch basins to include interior oil/grit/water separator baffles

1.2.7 Backflow prevention

The storm drainage systems will discharge thru openings on the apron wall into the San Juan Bay. In order to prevent backflow at outlets, check valves must be installed. It is recommended to install rubber or neoprene in-line check valves such as Red Valve Tideflex Series 37G or similar.

1.2.8 Sewer testing and inspection

As required by the Puerto Rico Aqueducts and Sewers Authority (PRASA), sewer lines and appurtenances will be hydro-tested. The sewer lines may be tested by a dedicated CCTV inspection as an option, if required by the PRASA or Concession Company. System tests will be performed after completion and before backfilling of the sewer and appurtenances. Fill the line with water and establish a head above the top of the pipe equal to the level of the top of the lowest manhole or catch basin in the system. Allow suitable time for water absorption and then refill to the required test head and measure leakage loss over a timed test period.

1.3 SANITARY SEWER

1.3.1 Definitions

Sanitary Sewer System - that collects wastewater from its source to a point of treatment and disposal. The wastewater may be domestic sewage or industrial sewage. For his project the goal is to develop a gravity sewer system that will discharge into a public trunk sewer on State Road PR-1, (Muñoz Rivera Avenue). No sewage pumping/force line is expected unless required for a special purpose within the facilities below the proposed building floor elevations.

Manholes - Inspection chambers - used in sewer mains at junction points to provide access for maintenance and inspection.

1.3.2 Design Codes and Regulations

The potable water system shall be designed in accordance with:

- PR Aqueduct and Sewer Authority Design Regulations ("Normas de Diseño")
- 2018 PR Building Code
- 2018 International Plumbing Code

1.3.3 Pipes

Gravity Sewer piping material will be PVC SDR-35 (ASTM D3034) Plastic Pipe with smooth interior and bell and spigot rubber gasket joint.

Selection criteria for pipe strength will be as follows:

- Minimum earth cover will be not less than 2 feet (0.60m) below finished grade.
- Superimposed wheel loads will include an allowance for impact. (Exceed AASHTO LRFD structural design requirements for earth and live loads.)
- Load factor, converting crushing strength of pipe to field supporting strength will be determined by the type of bedding selected.
- Pipe crushing strength will be determined by the three-edge-bearing method.
- A factor of safety of 1.5 will be used to establish safe supporting strength (design load) of pipe.

1.3.4 Manholes

Manholes will be located per the following:

- At Junctions
- At change in direction and/or slope.
- Manhole locations will not exceed intervals of 278 feet (85 m).

Materials for manholes and other drainage facilities will be:

- Construction shall be prefabricated concrete
- Covers and Frames: Cast Iron

Manholes will be sized for cleaning with a minimum inside diameter of 4 feet (1.22m) and a minimum height of 3 feet (0.91m).

1.3.5 Sewer testing and inspection

Sewer lines and appurtenances will be hydro-tested. System tests will be performed after completion and before backfilling of the sewer and appurtenances. Fill the line with water and establish a head above the top of the pipe equal to the level of the top of the lowest manhole or catch basin in the system. Allow suitable time for water absorption and then refill to the required test head and measure leakage loss over a timed test period.

1.4 WATER DISTRIBUTION

1.4.1 Definitions

- Potable Water supply lines from public street main connection to storage tank and facilities. For this project the goal is to develop a water network that will be served from a new dedicated line with metering to be connected to an existing public main line on State Road PR-1, (Muñoz Rivera Avenue).
- Potable water supply connection with metering for cruise ships located on the apron.

1.4.2 Design Codes and Regulations

The potable water system shall be designed in accordance with:

- PR Aqueduct and Sewer Authority Design Regulations ("Normas de Diseño")
- 2018 PR Building Code
- 2018 International Plumbing Code

1.4.3 Pipes

Pressure water piping material will be PVC DR 14 (AWWA C900), Pressure Class 305 psi, Plastic Pipe with smooth interior and bell and spigot rubber gasket joint.

Selection criteria for pipe strength will be as follows:

- Minimum earth cover will be not less than 2 feet (0.60 m) below finished grade.
- Superimposed wheel loads will include an allowance for impact. (Exceed AASHTO LRFD structural design requirements for earth and live loads.)

1.4.4 Valves

All water main valve shall be Gate valves type. Valves shall be epoxy coated iron-body, resilient wedge non-rising stem gate valves. The wedge shall be cast iron completely encapsulated in an elastomer covering with polymer guide bearing caps on each side.

The valves shall have a full diameter waterway with no grooves or recesses at the valve seat location. Flanges, where required, shall be 125 pound, full faced, drilled per ANSI B 16 .1.

Valves shall be tested and certified by the manufacturer for shut-off at a working pressure of 200 psi and a minimum test pressure of 300 psi.

In-ground valves will be located in a valve box accessible to the operator for operation and maintenance.

1.4.5 Mechanical Joint (MJ) Fittings

All fittings shall be mechanical joint (MJ) type. All tees, crosses, elbows, reducers, adapters, combinations thereof, and other miscellaneous fittings 4-inches through 24-inches in diameter shall be ductile iron compact fittings in conformance with A WW A C153. The minimum working pressure for all MJ cast iron or ductile iron fittings 4-inches through 24-inch in diameter shall be 350 psi.

1.4.6 Fire Hydrants

All fire hydrants shall conform to the following:

- All fire hydrants shall be improved, dry barrel, 5114-inch compression Puerto Rico type valve, traffic model, painted yellow.
- Fire hydrants shall be equipped with two 2Y2-inch hose ports (NST), one 4Y2-inch pumper port (NST) with Storz adapter as specified, 112-inch pentagon nut, and barrel drains.

1.4.7 Storage Tanks

•Potable Water supply regulations from the PR Aqueduct and Sewer Authority requires the storage of ½ of the daily average demand for the facility. An above ground storage tank with a pump system shall be provided.

•Firefighting lines for the building require a dedicated storage tank and pumping system.

1.4.8 Installation and Testing

Pipe will be kept clean during laying operations by plugging or other approved method. Pipe will not be laid when it is raining or when trench is muddy, soft, or contains standing water.

Water pipe will not be laid closer than 3 meters (10 ft.) horizontally from sanitary sewer in parallel installations. Joints will not be located at cross-over closer to sanitary sewer than 3 meters (10 ft.) from cross-over point. In either case, water pipe will be above the elevation of adjacent sewer.

Newly laid piping or valved section will be subjected to inspected pressure test.

Exposed pipe, joints, fittings, and/or valves will be carefully examined during pressure test. Joints showing visible leakage will be tightened or remaked. Cracked or defective pipe, fittings and valves will be replaced and retested.

1.4.9 Disinfection

System disinfection will be performed as follows: After testing, entire distribution system will be disinfected with 50mg/l chlorine solution. Isolate a maximum length

of 300 meters (or 1000 ft.) of piping from the rest of the system for disinfection. Thoroughly flush lines before introducing chlorine solution.

After a contact period of not less than 24 hours, flush system with clean water until residual chlorine content is not greater than 1 mg/l. Open and close all valves in lines being sterilized several times during contact period.

Samples for bacteriological analysis will be collected to check efficiency of disinfection procedures. Take minimum on one sample for each 300 meters (or 1000 ft.) of completed water main. Repeat disinfection process and sample collection if tests show that contamination persists.

1.5 ROADWAYS, PARKING LOTS. PATHWAYS AND OTHER PAVEMENTS

1.5.1 Roadway geometry codes and regulations

Roadway geometry including accesses, lanes and parking areas dimensions and layout shall comply with current regulations including:

- AASHTO Geometric Design of Highways and Streets (2018 Green Book)
- PR Highway and Transportation Authority Design Manual
- Regulation for the Public Roads Access Controls (PR Dept. of Public Works)
- American with Disabilities Act (ADA)

1.5.2 Pavement Structures

Roadway and parking lot structures will consist of:

- Asphalt pavement designed in accordance with the current AASHTO Guide for the Design of Pavement Structures (AASHTO Design Guide)

Loading areas will consist of:

- Rigid cement concrete pavement designed in accordance with the current AASHTO Guide for the Design of Pavement Structures (AASHTO Design Guide)

1.5.2.1 Asphalt Pavement (flexible)

The minimum requirements for asphalt pavements will be:

- Performance Criteria:
  - Initial Serviceability Index (P_o)=4.2 (flexible pavement)
  - Terminal Serviceability Index (P_t)=2.25 (commercial streets)
- Analysis Period: 20 yrs.
- Design Traffic: Equivalent Single Axle Loads (ESAL's) to be determined by traffic study or analysis
- Reliability (R): 80% (local streets)
- Overall Standard Deviation (S_o): 0.45 (flexible pavement)

- Soil Strength: Resilient Modulus (M_R) or CBR to be provided by geotechnical engineer
- Layer Coefficients:
  - Surface=0.44 (hot mix asphalt)
  - Base course=0.44 (hot mix asphalt)
  - Sub-base course=0.05 (soil-aggregate)
- Asphalt Surface course – 2" (0.05m) minimum surface course hot mix asphalt concrete, (subject to design)
- Asphalt Base course - 4" (0.10m) minimum base course hot mix asphalt concrete, (subject to design)
- Aggregate base course: 6" (0.15m) minimum, crushed stone, (subject to design)
- Sub-base course: subject to geotechnical recommendations

1.5.2.2 Cement Concrete Pavement (rigid)

The minimum requirements for concrete pavements will be:

- Performance Criteria:
  - Initial Serviceability Index (P_o)=4.5 (rigid pavement)
  - Terminal Serviceability Index (P_t)=2.25 (commercial streets)
- Analysis Period: 20 yrs.
- Design Traffic: Equivalent Single Axle Loads (ESAL's) to be determined by traffic study or analysis
- Reliability (R): 80% (local streets)
- Overall Standard Deviation (S_o): 0.35 (rigid pavement)
- Soil Strength: Resilient Modulus (M_R) or CBR to be provided by geotechnical engineer
- Rigid pavement – 8" (0.20m) minimum thickness, (subject to design)
- Aggregate base course: 6" (0.15m) minimum, crushed stone, (subject to design)

1.5.3 Roadway grading

Grading of the roadway and related work will include the removal and/or satisfactory placement of all materials necessary for the construction and preparation of embankment, slopes, drainage works and connections to the required alignment, grade and cross-section shown on the drawings.

Embankment, when necessary, will be constructed by depositing, shaping and compacting acceptable excavated materials in accordance with established lines and grades.

Subgrade preparation will be performed if the subgrade deteriorates due to weather, traffic, etc. between the completion of grading and start of surfacing.

The subgrade surface will be compacted to an average of 98% density with no test result less than 95% of Maximum Modified Proctor Dry Density (MMPDD) or according to recommendations by geotechnical engineer.

Sub-base course will consist of imported aggregate (conform to the standard) placed in layers upon a prepared surface, compacted and finished.

Asphalt concrete pavement will consist of crushed aggregates, blend sand material and asphalt cement, combined in a hot mix plant, placed and compacted on a prepared surface. The equipment utilized will produce an end product complying with the requirements of this narrative. The mixing plant will be calibrated to produce a uniform mixture in accordance with the job mix formula.

Aggregate and asphalt will be combined to produce a uniform mixture of specified gradation at an asphalt content in accordance with the approved job mix formula and in which all particles of aggregate are uniformly coated. The maximum mixing temperature for all grades of asphalt will be 155 °C (310 °F). Rollers will be reversible and self-propelled with compaction capability to match plant production rates. Asphalt mix will be placed only on dry surfaces in a single lift when the design compacted total thickness is 50 mm. All asphalt mix will be thoroughly compacted, and after final rolling, the finished surface of the mat will be free from segregation, waves, hairline cracks, and other obvious defects. Compaction will be completed within 24 hours of placement. After final rolling is complete, the finished mat will be cooled for a minimum period of 2 hours before opening the section to traffic.

The interlocking concrete blocks will be laid on a fine sand layer 30mm thick. Pre-cast or cast in place concrete curbs (150 x 250 x 1000 mm) will be installed for roads edging.

1.5.4 Pathway structures (sidewalks and pedestrian walkways)

Pathways structures will consist of:

- Portland cement concrete sidewalks
  - Ready mix concrete with a strength of 3,500 psi
  - Broom finish surface
  - Transverse dummy joints shall be constructed at a longitudinal spacing equal to the width of the walk but not over 5 feet apart; or to match adjoining walk.
  - Wire mesh reinforcing shall be placed4 inches below the required finished grade
  - Minimum thickness:
    - 4 inches (0.10 m)- where there will be no vehicle loading
    - 5 inches (0.13 m)- where vehicle loading (such as maintenance vehicles) are expected
  - Aggregate base: 5 inches (0.13 m) minimum thickness

1.5.5 Pavement Marking and stripping

Pavement marking and stripping will be applied on all vehicular traffic areas

- All parking stalls will be lot markings will be a strip of white traffic paint 4 inches (0.10 m) width.
- All handicapped parking areas will be marked with blue traffic paint 4 inches (0.10 m) width complying with ADA requirements.
- All other markings such as direction arrows, lane lines and other markings as required will be painted according to the current Manual on Uniform Traffic Devices (FHWA-MUTCD) regulations (yellow or white traffic paint)
- Emergency fire lane (red traffic paint)

1.5.6 Signage

Roadway regulatory signs will be installed on all roadway and parking areas. Signs shall be in accordance with the current Manual on Uniform Traffic Devices (FHWA-MUTCD) regulations and the PR Department of Transportation and Public Works Standards.

Standard dimensions, sizes, symbols and colors will be used.

All signs will be made of aluminum sheets with reflectorizing film and attached to galvanized steel U-channel posts with theft deterrent bolts.

The steel posts will be secured in a concrete base.

1.5.7 Wheel Stops

All parking stalls will include the installation of a plastic or recycled rubber wheel stops 6 feet (1.83m) long.

1.5.8 Fences and Gates

All new perimeter fence will be provided on the apron. The perimeter fence will consist of a Perimeter fencing should also enclose the areas around cargo handling and storage facilities.

The fence shall have the following characteristics:

Chain link fence height: 7'-0" with barbed wire (3 wires)

Chain link fabric: 6 Gauge galvanized x 2" mesh

Posts: Galvanized HF40 tubing

Terminal Posts (End Corner): Gate' Posts - 3" OD (2-7/8" actual) for 7' and 8' High

Line Posts (Intermediate): 2-1/2" OD (2-3/8" Actual) for 7' and 8' High

Top/Bottom Rail: 1-5/8" OD (1-5/8" Actual)

All vehicular access gates shall be also chain link fence type manual operated sliding gates.

1 Electrical Work Narrative

1.1 Applicable Codes and Standards

- NFPA 70 National Electrical Code 2020
- NFPA 70E Standard for Electcial Safety in the Workplace 2019
- NFPA 101 Life Safety Code 2018
- NFPA 307 Standard for the Construction and Fire Protection of the Marine Terminals, Piers, and Wharves 2021
- NFPA 780 Standard for the Installation of Lightning Protection System 2020
- International Building Code 2018
- Puerto Rico Building Code 2018
- Puerto Rico Electrical Power Authority (P.R.E.P.A.) Norms and Standards
- ASHRAE 90.1-2016
- Illuminating Engineering Society of North America (IESNA), The Lighting Handbook 10th Edition

1.2 Scope of work

The scope of work will include the design of the following system

- P.R.E.P.A. point of connection electrical requirements.
- Offsite underground primary feeders to point of connection.
- Transformer's substation, primary GIS switch and protection.
- 400 KW Stand-By Emergency generation WITH 800 Amps ATS to serve critical loads
  - The critical loads will include, around 20% of general lighting exit and emergency lights, UPS's for IT and Data Rooms, A/C Units for IT and CPB data rooms, Fire alarm systems, video surveillance and intrusion system, xray machines (7 each) , one escalator, two elevators and the Fire jockey pump.
  - Diesel tank with capacity for 48 hrs operation at 75% of load.
- Main distribution switchboards for normal and emergency loads.
- Distribution panelboards
- Receptacles and lighting panelboards.
- Power and Lighting Distribution
- Lightning Protection system
- Secondary electrical Feeders to Panelboard.
- Electrical feeders to mechanical equipment.
- Grounding Systems
- Power for general and dedicated receptacles and for lighting.
- Telecommunication site facilities
- Lighting control

- Fire alarm system
- CCTV system
- Intrusion Detection System
- Paging and Sound System
- Access control
- Data, video and telephone distribution

1.3 *Primary Off Site requirements*

Off Site electrical point of connection and requirements shall be determined by P.R.E.P.A. For this stage of the design criteria, it is considered FOUR sets of 3 – 1C-800 KCMIL 46KV primary feeders in 8" PVC schedule 40 conduits from the substation area to a PREPA facilities located at the north of the terminal facilities and two 8" spare conduits.

1.4 *HV and LV General Requirements*

A detached electrical room will be provided at a location outside of the terminal for the protection of the transformer and the secondary main distribution systems.

The electrical room is divided in two separate spaces.

- Transformer's Room for the 38 KV transformer described below:
  - Primary Voltage – 38KV delta
  - Secondary Voltage- 480/277V wye
  - Windings: aluminum
  - Capacity : 3000 KVA ONAN/ONAF
  - Oil Type: FR3

- Primary GIS breaker and Secondary Distribution Room for the following equipment:
  - Gas Insulated Indoor Switchgear 42 KV, 2000 KVBIL consisting of a three section with: 42 KV, 200KV BIL, SF6 Gas Insulated Switchgear with 36 KV with a 1250 A. , 40KA, 42 KV Vacuum Circuit Breaker with 36K lighting arresters and protection relays.
  - Battery bank for GIS operation.
  - GIS control panel
  - Main distribution Switchboard 4000 Amps.
  - Main Distribution Panel MDP-1
  - Main Distribution Panel MDP-2
  - MCC for Chiller and mechanical pumps, AHU's, supply and exhaust fans and pumping stations at the electrical and mechanical yard area.
  - Emergency Main Distribution Panel EMDP

- Inside the cruise terminal 480/277V and 120/208V panel boards and dry type transformers are located across the building and the mechanical rooms for the connections of AHU's, supply and exhaust fans, ceiling fans, FCU's Split Units and any other mechanical equipment required for the facilities.

PRELIMINARY LOAD ANALISYS

1.5 Load schedule

DESIGN LOAD CALCULATION				
AREA	QTY	SQFT	W/SQFT	LOAD KVA
TERMINAL	1	161000	25	4025
PARKING	1			5
CONCESSIONARIES	10	100	40	40
TOTAL LOAD CONNECTED				4070
DESIGN DEMAND FACTOR	75%			3053
DESIGN DIVERSITY FACTOR	1.15			2654
TOTAL LOAD WITH DEMAND AND DIVERSITY FACTOR				**2654**
TRANSFORMER CAPACITY				**3000**

- T

The facilities transformer's Load calculation to be finalized at Design Development stage is based on a load of 25 W/SQFT for lighting/power

1.6 *Main distribution*

1.6.1 *Metering*

One common primary side meter shall be provided for the Terminal Building Facilities to be located at the main electrical room.

1.6.2 *Voltage*

Lighting will be connected at 277V.

Large Motors will be connected at 480V.

Receptacles will be connected at 120V.

1.6.3 *Cables*

Primary cables shall be 46KV TRXLP.

Secondary cables shall be thermoplastic heat and water resistant nylon, 90°.

1.6.4 Feeders

Feeders will be copper cables.

Underground raceways shall be PVC schedule 40.

Exterior conduits shall be Rigid Galvanized steel.

Interior exposed conduit will be Rigid Galvanized steel conduit in accordance to NEC or as indicated.

Interior concealed conduit shall be EMT unless otherwise indicated.

1.6.5 Branch Circuit

The minimum size of conduit will be ¾" diameter.

Branching distribution shall be done by means of Electric Metallic Conduit (EMT) unless otherwise indicated.

Conduits in floor slab in contact with earth shall be PVC schedule 40. Conduits inside concrete walls shall be PVC schedule 40.

Rigid Galvanized Conduits shall be installed bellow 8' from ceiling in areas subject to physical damage.

1.7 Outlets

All receptacles outlets shall be 20 A-125 V duplex type Ivory Color with stainless steel plates.

Duplex ground fault receptacles to be provided in bathrooms, kitchen counters and at the building exterior.

Lighting switches will be 20 A - 277 V, single pole, 3 and 4 ways with stainless steel cover.

1.8 Lighting

For the interior of the Building the following illumination levels will applied:

Area	Minimum illumination levels (lux)	Area	Minimum illumination levels (lux)
First Floor		**Second Floor**	
Embarkation & Disembarkation		Check in queuing area, security screening area and check in zone	200
Lobby and circulation	200	Check in counters	250 + task Light
Elevators Lobby	200	Waiting areas	200
Offices	250 +task lighting	Duty Free and Food and Beverage Area	400
Baggage Laydown Area	200	Terrace	200
BOH Storage	150	Cruiselines rooms	150
Rest rooms	100	Corridor	150
Janitors	150	Debark Lobby	200
Customs and Inmigration		Security Operations	250 + task Light
Inmigration screening	200	Office Work stations	250 + task Light
Inmigration inspectors desks	200	Corridor	150
Corridors	150	Copy room	250
Secondary exam Podium	200	Storage	150
Referal passenger waiting area	200	Breakroom	200
agricultural lab	250 + task Light	Restrooms	100
cashier Station	250 + task Light	Communication room	150
Public rest rooms	150	Janitor	150
Command center	250 + task Light	Entrance Stair and Disembark Stair	200
Detainee baggage storage	150	All other stairs	150
Hold, interview and search rooms	400	Escape Corridor	150
Weapons cleaning	250 + task Light		
Secured Storage and file storage	200		
CPB Corridor, supply storage and storage	150		
Officer's operational support work area	250 + task Light		
Staff Offices	250 + task Light		
Breakroom	200		
Staff Rest Rooms	100		
Building Mechanical systems			
Recycling & refuse room, MEP room, Communication, LAN/telecom and elevator computer room	150		

Vertical Circulation			
Staircases	150		

All luminaires shall be considered with integral light emitting diode (LED) lamps at 4000° K color. Illumination level for the parking area will be a minimum of 50 lux, Canopy and entrance area will be illuminated with a minimum of 10 fc.

The following lighting fixtures are considered in the project unless otherwise required by the Architects and/or owner:

PARTIAL LIGHTING SCHEDULE			
DESIGNATION	**DESCRIPTION**	**MODEL**	**SERIES**
L-1	4' UTILITY LED WRAPAROUND	WNLED	METALUX
L-2	2'x2' CRUZE - TROFFER LED MODULE	22CZ	METALUX
L-3	2'x4' CRUZE - TROFFER LED MODULE	24CZ	METALUX
L-4	6" LED RECESSED NARROW, MEDIUM, OR WIDE BEAM DOWNLIGHT	LD6B	PORTFOLIO
L-4A	6" LED RECESSED NARROW, MEDIUM, OR WIDE BEAM DOWNLIGHT	LD6B	PORTFOLIO
L-5	2'x4' CRUZE - TROFFER LED MODULE	24CZ2	METALUX
L-6	2'x4' FLUORESCENT CONFINEMENT OR CORRECTIONAL LAMP	FSR24	FAIL SAFE
L-7	18"X14" LED LINEAR HIGH BAY LUMINARY	VHB LED	METALUX
L-8	18"X14" LED LINEAR HIGH BAY LUMINAIRE	VHB LED	METALUX
L-9	8' LINEAR WAVESTREAM LED	WSL LED	METALUX
L-10	18" TT TOP TIER SOLID STATE LED	TT TOP TIER LED	MC GRAW-EDISON
L-11	4' SURFACE & LED	SWLED	METALUX
L-12D	DOUBLE LIGHT GLEON 1-10 LIGHT SQUARE SOLID STATE LED IN 40' POLE	GLEON-AF-10	MC GRAW-EDISON
L-13	SINGLE LIGHT GLEON 1-08 LIGHT SQUARE SOLID STATE LED IN 40' POLE	GLEON-AF-08	MC GRAW-EDISON
L-13D	DOUBLE LIGHT GLEON 1-08 LIGHT SQUARE SOLID STATE LED IN 40' POLE	GLEON-AF-08	MC GRAW-EDISON
L-14	LXS LUXESCAPE COLLECTION	LXS LUXESCAPE	INVUE
L-15	18" TT TOP TIER SOLID STATE LED	TT TOP TIER LED	MC GRAW-EDISON
L-17	4' INDUSTRIAL LED	VAPORTITE LED	METALUX
L-18.1	1-10 Light Squares - LED	GLEON-1A	MC GRAW-EDISON
L-19.3	8' INDUSTRIAL LED"	VAPORTITE LED	METALUX
L-21	9"X5" HORIZONTAL EYELID LED	B95 LD4 LED	FAIL SAFE

1.9 Panelboard

Panelboards for 480/277V, dry type transformers and 208/120V panelboards for normal and emergency distribution will be provided at the first, mezzanine and second floor.

1.10 UPS

THREE UPSs (estimated) are considered for the project.

- Terminal operation UPS with a capacity of 30 KVA (estimated)for:
  - IT Server rooms
  - Security and access control
  - Communication room
  - CCTV
  - Fire alarm panel
- Custom and Border Patrol UPS with a capacity of 15 KVA
  - Lan/ Telecomm(CBP IT Room)

It is assumed that individual computers will be provided with their own UPS

1.11 Lightning Protection

Lightning protection will be provided with copper wires and lightning tips on roof in accordance to codes and standards and will be connected to the building grounding system. Master label will be required.

1.12 Grounding

A ground system will be provided in accordance to standards around each structure (main building, mechanical and electrical room). The system includes bare copper cables around the structures with grounding rods every 20'. The steel columns will be connected to the grounding mat. Ground bars shall be provided at the electrical rooms. The overall resistant shall be 5 ohms or less.

1.13 Emergency lighting

Emergency lights with emergency backup will be provided to comply with the means of egress. Exit lights shall be provided at each exit door and shall be provided with battery backup.

1.14 Data,Video and Telecommunication

Data and voice outlets shall be provided at the service counters and office spaces per Workstation list. A Cat 6 cables shall be installed for each telephone and data cable. Voice outlets will be provided for emergency and courtesy phones. Video outlets shall be provided to each monitor location. Fiber optics cables may be used upon required depending the maximum distances from the servers areas and telephone facilities to the outlets.

Patch panels for Cat 6 similar to Panduit DP-6 PLUS with spare capacity for future expansion will be provided as part of the facilities. Conduits shall run in EMT conduit and wire mesh type cable trays.

Site telecommunications design will include underground facilities for telephone and cable TV as per NETPR requirements going from the telecommunication

1.15 Access control

The access control will be designed with intercom, proximity readers or keypads, emergency push bottom for egress and magnetic locks. All wiring shall be protected in EMT conduit unless otherwise indicated.

1.16 Sound and Paging system

A digital sound and paging speaker system shall be provided with amplifiers to provide the facilities (A total of 40 speakers and one microphone). Wire will be installed in EMT conduits for protection.

1.17 CCTV

An IP camera system will be provided for closed caption to the server room. Led type monitors and video storage will be provided at the security area.

1.18 Intrusion detection System

An intrusion detection system for the protection of the building shall be included. The system will include access, exit doors and roll up doors sensors, glass sensors, key and/or magnetic pads.

1.19 Fire Alarm System

Document included in Fire Detection BOD.

1 Fire Detection

1.1 Codes

Applicable codes and Standards to which the fire Alarm system must comply

The equipment and installation shall comply with the current provisions of the following codes and standards:

- Authority having jurisdiction (AHJ)
- NFPA 70 – National Electric Code 2020
- NFPA 72 – National Fire Alarm and Signaling Code 2019
- NFPA 90A – Standard for the installation of Air Conditioning Systems and ventilation 2018
- NFPA 101 – Life Safety Code 2018
- UL 268 – smoke detectors for fire protective signaling systems
- UL 521 heat protection for Fire protective Signaling Systems
- UL 464 Audible Signaling Appliances
- UL 38 Manually Actuated Signaling Boxes for Use with fire-Protective Signaling Systems
- UL 1971 – Signaling Devises for Hearing-Impaired
- UL 1981 – Power Supplies for Fire Protective Signaling Systems

1.2 Fire Detection System description

The functional addressable fire alarm system consists of a non-coded, UL Listed intelligent analog addressable fire alarm system with multiplexed signal transmission and utilizes independently addressed, input/output modules, and power supply(s). The system programing, as well as quantity and location of fire and notification of the building occupants even in this smoke free environment.

The system shall comply in respects with all the pertinent codes, rules, regulations and laws of the local Jurisdiction Having Authority (AJH). The System shall also comply in all respects with the requirements of the specification, manufacturer's recommendations and Underwriters Laboratories (UL) Listings

The system Shall Consist of:

- Fire Alarm Control Panel and annunciators located as shown in the drawings
- Manual Pull Stations located as shown in the drawings

- Area smoke detectors located as shown in the drawings
- Area heat detectors located as shown in the drawings
- Audible notification appliances located as shown in the drawings
- Synchronized visual notification appliances located as shown in the drawings
- Smoke beam detectors for high bay areas
- Duct smoke detectors
- Fire Risers Tamper and flow switches

1.2.1 Sequence of operations

On the alarm activation of any area smoke detector, heat detector, manual pull station, duct detector or flow switch the following functions shall automatically occur:

1.2.1.1.1 The internal audible device shall sound at the control panel and remote annunciator.

1.2.1.1.2 The LCD display shall indicate all applicable information associated with the alarm conditions including device type, device location and time/date.

1.2.1.1.3 All system activity/ events shall be documented in system history

1.2.1.1.4 Any remote or local annunciator LCD/LED's associated with the alarm shall be illuminated.

1.2.1.1.5 Activation of notification audible appliances.

1.2.1.1.6 Activation of visual strobes notification appliances.

1.2.1.1.7 Notification via telephone call or email to relevant personnel. In the event of a trouble, supervisory or alarm condition, these signals will be transmitted via Ethernet connection of DACT to an offsite central location, as determined by client.

1.2.1.1.8 Elevators recall

1.2.1.1.9 AHUs stop command

1.2.2 Computer components

The fire alarm control panel shall include the following features:

- Ability to download or upload site applications and system diagnostics remotely through an Ethernet connection, or DATC.
- Provide electronic addressing of analog/addressable devises. Rotary and dip switch addressing shall not be equal.
- Provide an operator interface display that shall include functions required to annunciate, command and control system functions.
- Provide and internal audible signal with deferent programable patterns to distinguish between alarm, supervisory

- Provide system reports that provide detailed description of the status of the system parameters for corrective actions or for preventive maintenance programs. Reports shall be displayed by the operator interface of capable of being printed on a printer.
- Provide an authorized operator with the ability to operate or modify system functions like system time, date passwords, restart the system and clear control panel event history file.
- Provide an authorized operator to perform test functions withing the installed system.

The circuit requirements are the following:

- Signaling line circuits for intelligent Analog Addressable loop
  - Class B (style 4) Class A (style 7)
- Notification Appliance Circuits:
  - Class B (style Y) Class A (style Z)
  - Maximum Circuit loading to 2.5 amps for notification appliances circuits
- Activation of alarm notification appliances, elevator recall, and other functions shall occur within 3 seconds after the activation of an initiating device

Power as follows:

- Primary power 24 v dc obtained from 120-v service and power supply module. Initiating devices, notifications devices, signaling lines, trouble signals, shall be powered by nominal 24-v dc source.
- Secondary Power: the system comes standard with secondary power supply, which provides24 hour supervisory and 5 minutes of alarm with batteries automatic battery charger and automatic transfer switch.
- Alarm current draw of entire fire-alarm system shall not exceed 80 percent of the power-supply module rating.

1.2.3 Initiating devises components

Manual pull station will comply with UL38. Boxes shall be finished in red with molded, raised-letter operating instructions in contrasting color, shall show visible indication of operation; and shall be mounted on a recessed outlet box. If indicated as surface mounted. Provide manufacturers surface back box.

Double action mechanism requiring two action to initiate the alarm, pull-lever type, with integral addressable module arranged to communicate manual station status (normal, alarm or trouble) to fire-alarm control unit.

The manual pull station will have an intelligent module integral of the unit

Station reset key operated switch shall match the control panel key.

Manual pull Stations that initiated an alarm condition by opening unit are not acceptable.

Manual pull station will be located withing 60 inches from the exit doorways from the building, with no two adjacent manual pull stations being further than 200 ft from each other, measured horizontally along the floor

Manual pull stations located in detention rooms will have a vandal proof covers installed.

Provide analog/addressable ionization smoke detectors at any locations shown in the drawings. The system shall have the ability to uniquely set the sensibility and alarm verification values of each detector of the circuit.

Non-volatile memory: permanently stores serial number, and type device. Automatically updates historic information including operation hours, last maintenance date, number of alarms, and troubles, time of last alarm and analog signal patterns for each sensing element just before last alarm.

Digital filters remove signal patterns that are not typical of fires

The system shall have an environmental compensation algorithm. The detector's sensing element reference point shall automatically adjust, compensating background environmental conditions such as dust, temperature and pressure.

Vandal proof smoke detectors will be installed in detention rooms.

Provide fixed temperature heat detectors at the locations shown in the drawings. They shall continually monitor the temperature of the air in its surroundings to minimize thermal lag to the time requited to process the alarm.

The integral processor shall determine if an alarm condition exists and initiate and alarm based on the analysis of the data.

Systems using central intelligence for alarm decisions shall not be acceptable

The heat detector shall have a nominal alarm point rate of 135oF (57oF)

All appliances shall be of the same manufacturer as the Fire alarm Control Panel specified to ensure absolute compatibility between the appliances and the control panels, and to ensure that the application of the appliances is done in accordance with the single manufacturer's instructions.

Written proof of their compatibility for the purpose intended. Such proof shall be in the form of the documentation from all manufacturers which clearly states that their equipment (as Submitted) are 100% compatible with each other for the purposes intended. All Appliances shall be UL Listed Fire Protective Service and shall be UL 1971

1.2.4 Signal Devises Components

Provide low wall mount horn/strobes at the locations shown in the drawings

The horn/strobe shall provide and audible output of 95 dBA at 10 ft when measured in reverberation room per UL-64

Strobes shall provide synchronized flash outputs. The strobe output shall be determined as required by its specific location and application from a family 15cd, 30cd, 60dc and 110cd devices.

The horn shall have a selectable steady or synchronized temporal output. In and out screw terminals shall be provided wiring.

Vandal proof smoke horn/strobe appliances will be installed in detention rooms.

1.2.5 System Installation

Comply with NFPA72 for installation fire alarm equipment

- Smoke detector Spacing:
  - Comply with NFPA72" Smoke-Sensing Fire Detectors" Section in the Initiating Devices" Chapter, for smoke detector spacing.
  - Comply with NFPA72" Heat-Sensing Fire Detectors" Section in the Initiating Devices" Chapter, for heat detector spacing.
  - Smooth Ceiling spacing shall not exceed 30 ft.
  - Spacing detector for irregular areas, irregular ceiling construction, and for high ceiling areas shall be determined according to Appendix A (or Appendix B) in NFPA 72.
  - Lighting Fixtures: locate detectors not closer than 12 inches from any part of a light fixture
- Notification Appliance Devices: Install between 80 to 96 inches on the wall.
- Fire-Alarm control unit: surfaces mounted, with tops of cabinets not more that 72 inches above the finished floor.

All devices shall be installed with flush finished on the wall and ceiling surfaces.

1.2.6 System commissioning

Upon Completion of installation of the system, the system shall be tested and commissioned by factory certify contractor with customer representative and AHJ.

Training of the Operator and maintenance personnel to adjust, operate, and maintain fire-alarm system shall be performed by contractor's factory certified technician.

1 Air Conditioning and Ventilation Narrative

1.1.1 Applicable Codes and Standards

- Puerto Rico Building Code 2018
- International Building Code – 2018 edition, as amended by the Commonwealth of Puerto Rico
- NFPA Standard No. 101 -2018 – Life Safety/Code
- International Mechanical Code – 2018 edition, promulgated by the International Code Council, Inc. and as amended by the Commonwealth of Puerto Rico.
- International Plumbing Code – 2018 edition, promulgated by the International Code Council, Inc. and as amended by the Commonwealth of Puerto Rico.
- ANSI/ASHRAE 62.1- 2019 Ventilation for Acceptable Indoor Air Quality
- ANSI/ASHRAE 90.1-2019 Energy Standard for Buildings Except Low-Rise Residential buildings
- NFPA Standard No. 90A- 2018 – Installation of Air Conditioning and Ventilation Systems
- SMACNA – HVAC Duct Construction Standards – Metal and Flexible – 2006.

1.1.2 Design Criteria

1.1.2.1 Outdoor Design Conditions

The outdoor conditions shall be based on ASHRAE Handbook Fundamentals - 2013 – (Climatic Design Conditions)

Outdoor Conditions:

Dry Bulb (DB) Temperature = 91°F

Wet Bulb (WB) Temperature = 77.7 °F

1.1.2.2 Indoor Design Conditions

The HVAC system for the project will be designed in accordance with the standards and guidelines. The guidelines will be followed at a minimum and additional conditions will be followed to meet code requirements.

The room design parameters are as follows:

<u>Entrance – Lobby – Offices – Primary/Custom Processing – Hold Rm's areas</u>:

1	Dry bulb temperature	72.5°F to 78.0°F
2	Relative humidity	40% to 60%
3	People Sensible/Latent Heat	230/120 Btu/Hr

Secondary Exam Podium – Referral Passenger Waiting areas

1	Dry bulb temperature	71.5°F to 77°F
2	Relative humidity	40% to 60%
4	People Sensible/Latent Heat	230/120 Btu/Hr

Mechanical -Electrical - Communication areas

1	Dry bulb temperature	82.0°F to 88.0°F

1.1.2.3 SYSTEMS DESCRIPTION

AHU-100, 200 (17,000 CFM Nominal Capacity) Serves the 2nd Floor Embark Waiting Areas

AHU-300, 400 (20,850 CFM Nominal Capacity) Serves the 2nd Floor Embark Areas (Queuing Area, Security Screen Zone & Check-In Zone)

AHU-500 (15,100 CFM Nominal Capacity) Serves the 1st Custom Border Protection (CBP Primary)

AHU-600 (8,500 CFM Nominal Capacity) Serves the Global Port Holdings @ Mezzanine

AHU-700 (4,700 CFM Nominal Capacity) Serves the 2nd Floor Security Port Operation

AHU-800 (9,000 CFM Nominal Capacity) Serves the 1st Custom Border Protection (CBP Secondary)

AHU-900 (3,000 CFM Nominal Capacity) Serves the 1st Floor Crew Area

AHU-1000 (17,400 CFM Nominal Capacity) Serves the 1st Floor Lobby Area

AHU-1100 (18,500 CFM Nominal Capacity) Serves the 2nd Floor Star Class Lobby/Waiting Area

The Bag Laydown Areas will be forced ventilated with exhaust fans discharging at the south wall, fresh air intake will be provided by means of intake louvers at the terminal north wall, air recirculation will be provided by roof fans.

The units will have the following components and controls:

- Mixing box section with return and outside air connections.
- Pre-filters section with MERV 8 (ASHRAE 25-30% eff.) filters and secondary filter bank section with MERV 11 (ASHRAE 60-65% eff.) filters.
- Chilled water cooling and dehumidification coil with two-way modulating control valve.

- Supply fan with variable frequency drive to constantly deliver the required airflow quantity.
- Supply and return duct smoke detectors to de-energize the AHU supply fan motors, alarm the BAS, and alert the fire alarm system upon detection of smoke in the air stream.
- Supply and return air flow measuring stations to monitor the main supply and return air streams.

The AHU-100 thru 1,100 sequence of operation is as follow:

- The control panel will receive the signal of an electronic temperature transmitter located in the unit cooling coil discharge to position the coil chilled water pneumatic control valve to maintain a constant leaving temperature. An additional electronic temperature transmitter located in the upstream side of the cooling coil will monitor the condition.
- Differential pressure gages/switch will indicate each filter bank air pressure drop at the unit local panel door face. The control panel will receive the signal from the switch to alarm when setting is reached.
- Smoke detectors located on the air handling unit supply and return ducts will be interlocked with the unit supply fan in order to stop the fan operation if smoke is sensed. The smoke detector will send a digital signal to the DDC panel and to the fire alarm system.
- The unit supply fan will be under the control of the system time scheduling program. Digital and analog signals from the unit variable frequency drives will be sent to the control panel to monitor the fans status.
- A static pressure transmitter located on the air handling unit main supply duct will monitor the pressure to adjust the unit supply fan variable frequency drive to maintain a constant supply pressure.
- Door interlock switches located on the air handling unit supply fan doors will be interlocked with the unit fan in order to stop the fan operation if door is opened.
- The DDC panel will receive the signal of electronic flow transmitters sensing the signal of the airflow measuring stations located on the air handling unit supply and return ducts to monitor the air flow.
- Whenever the temperature or humidity are below or above the set limits alarm signals in the DDC panel will indicate alarm conditions.

It is estimated that the new units load will be about 360 tons of refrigeration. All the air handling units will be housed in a mechanical equipment mezzanine to be built between column lines 5-7, B-C and between column lines 14-16, A-B. The units will be factory assembled, double wall, custom type with coil section; fan section(s); the appropriate filter(s) and access sections.

All Non-Air Conditioned areas such as toilets, bathrooms, washrooms, janitor, storage room will be provided with mechanical air extraction including: ductwork / air side equipment like grilles, dampers, fire dampers / extract fans. The air compensation is through door gaps or opened windows.

All ducts and plenums shall be constructed of galvanized sheet metal of gauges and reinforced as per SMACNA requirements of the SMACNA "HVAC Duct Construction Standards - metal and flexible - 2006" and ductmate proprietary duct connection systems; those constructed using ductmate shall be in accordance with manufacturer guidelines. Ducts construction shall be using G-60 or better galvanized steel (ASTM A653) LFQ (Lock Forming Quality) with chemical treatment. longitudinal seams shall be pittsburgh lock l-1 sealed with duct sealant 3m #800 or approved equal. Transverse joints shall be as per SMACNA standards gauges and reinforcement shall be for the operating pressures or for 2" w.g. neg. or pos. whichever is higher. Cross break all rectangular ducts larger than 12" in. larger dimension, for stiffening access doors shall be provided for service of dampers or other equipment.

Air distribution ductwork concealed above ceilings will be insulated galvanized steel construction with aluminum or stainless steel air devices. Exposed ceiling at public areas will be with fabric ductwork with the applicable suspension system.

2 Chilled Water Narrative

2.1.1 Applicable Codes and Standards

- Puerto Rico Building Code 2018
- International Building Code – 2018 edition, as amended by the Commonwealth of Puerto Rico
- International Mechanical Code – 2018 edition, promulgated by the International Code Council, Inc. and as amended by the Commonwealth of Puerto Rico.
- ASME Code for Building Services B31.9

2.1.2 SYSTEMS DESCRIPTION

The chilled water for the building will supplied from a new centralized chilled water plant with a dedicated set of primary pumps that will circulate the chilled water across the chiller units. A dedicated set of secondary chilled water pumps that take suction from the primary loop will be provided to serve the loads of the Air Handling Units (AHUs) located in the building.
The entire chilled water production equipment including chiller, pumps, auxiliary equipment such as compression tank and air separator will be enclosed in a separated building, the required air cooled cooling towers will be located at the roof of this building.

2.1.2.1 Chiller 1 & 2 (CH-1 and CH-2) - Trane model RTHD, 266 Tons nominal capacity, equipped with Variable Frequency Drive (VFD, Voltage @ 460, 3 Phase, 60 Hz.

2.1.2.1.1 Evaporator Conditions :

- Evaporator Flow = 530 Gpm (450 Gpm minimum)
- Evaporator Fluid Entering Temperature = 55°F
- Evaporator Fluid Leaving Temperature = 43°F
- Evaporator Delta T = 12°F

2.1.2.1.2 Primary Chilled Water Pumps – three primary pumps for recirculation at the chiller primary loop, 2 (ea) for normal operation + 1 (ea) for spare will be provided, these will be connected at the available Voltage @ 460, 3 Phase, 60 Hz. The design flow capacity will be 530 Gpm, and the expected Horsepower capacity is 7.5 Hp. The final selection and capacity will be refined during the Design Development phase.

2.1.2.1.3 Secondary Chilled Water Pumps – three secondary pumps for recirculation at the Air Handling Units (AHUs), 2 (ea) for normal operation + 1 (ea) for spare will be provided, these will be connected at the available Voltage @ 460, 3 Phase, 60 Hz. The design flow capacity will be 530 Gpm, and the expected Horsepower capacity is 7.5 Hp. The final selection and capacity will be refined during the Design Development phase.

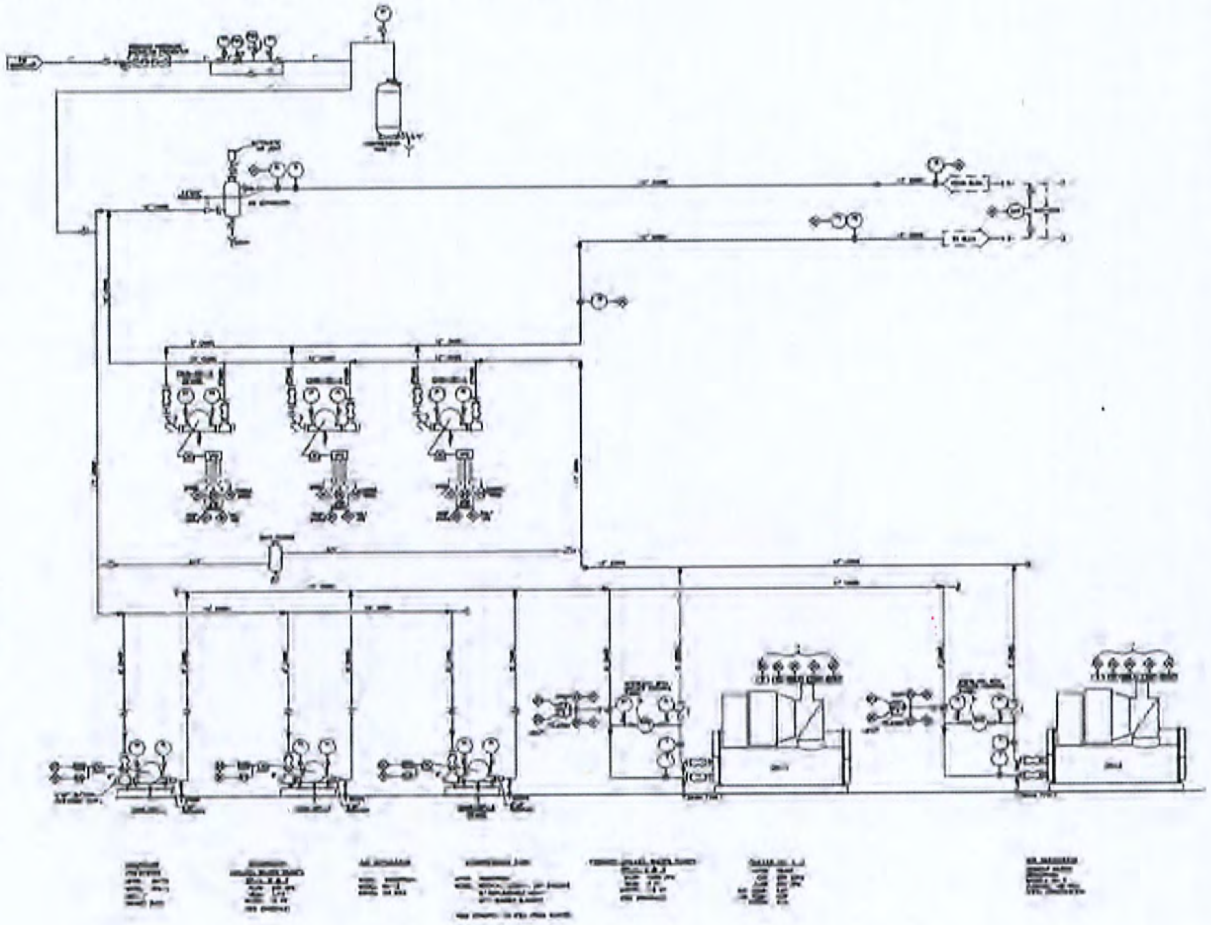
2.1.2.1.4 Chilled Water Piping - New chilled water piping distribution will be provided from the proposed new chiller building to the Air Handling Units (AHUs) located at the mechanical mezzanines. A temperature rise of 12 deg. across the cooling coils based on the system's average supply temperature of 43°F and return temperature of 55°F will be the basis of air handling unit performance selection. The piping will run underground from the mechanical utilities room to the terminal building; from that point on, it will run hanged from the structure up to both AHU mechanical spaces.

Chilled Water Piping Outline Specifications:

Piping Materials of Construction:	Carbon steel Sch. 40 ERW
Pipe Joint Construction	2" and smaller threaded; larger butt welded
Valves	2" and smaller ball type, bronze 3-piece, full port, threaded 150#; 3" and larger butterfly type, cast iron

	body, aluminum disc, 200#
Insulation	Polyisocyanurate (Polyurethane)

A schematic of the proposed system is shown below



A building management system (BMS) will be provided to support the new HVAC and mechanical systems. It will be electronic DDC type controls, with electrical control at terminal devices. It will control and monitor the systems, provide alarm, status, and start/stop.

3 Cooling Tower Water Narrative

3.1.1 Applicable Codes and Standards

- Puerto Rico Building Code 2018

- International Building Code – 2018 edition, as amended by the Commonwealth of Puerto Rico
- International Mechanical Code – 2018 edition, promulgated by the International Code Council, Inc. and as amended by the Commonwealth of Puerto Rico.
- ASME Code for Building Services B31.9

3.1.2 SYSTEMS DESCRIPTION

The cooling towers will provide the condenser side water for the centralized chilled water plant with two (2) dedicated sets of pumps that will circulate the condenser water across the chiller units. Also a corrosion-biocide injection system along with a recirculating filtration system for the basin of the towers will be provided

3.1.3 Cooling Towers 1 & 2 (CT-1 and CT-2) –Ryowo Induced Draft Cross Flow Vertical Discharge Type , 250 Tons nominal capacity (ea)

3.1.3.1.1 Condenser Conditions:

- Condenser Flow = 750 Gpm (375 Gpm minimum)
- Condenser Fluid Entering Temperature = 95°F
- Condenser Fluid Leaving Temperature = 85°F
- Ambient Wet Bulb Temperature = 81°F
- Evaporator Delta T = 10°F

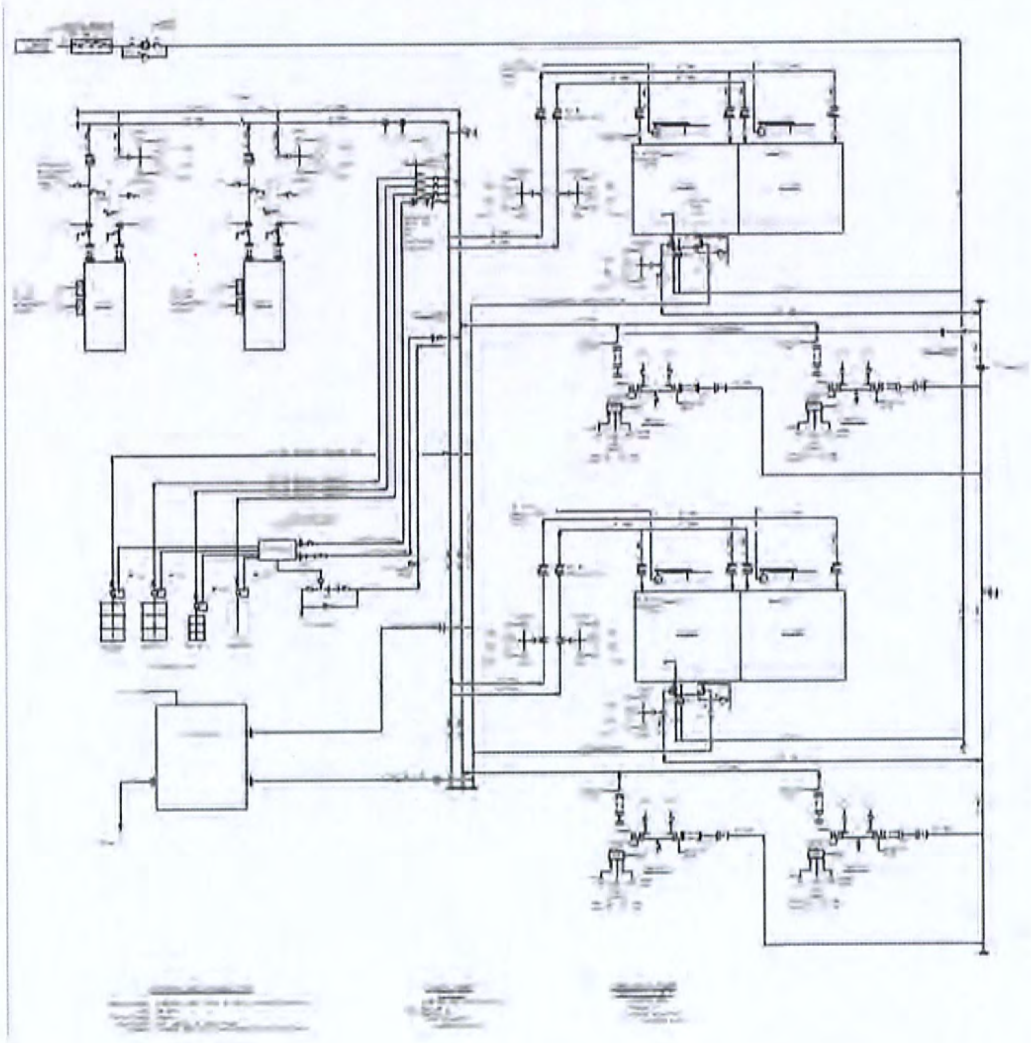
3.1.3.1.2 Condenser Water Pumps – four (4) in total (two 2 (ea) for each tower) pumps for recirculation at the condenser loop, for normal operation will be provided; these will be connected at the available Voltage @ 460, 3 Phase, 60 Hz. The design flow capacity will be 750 Gpm, and the expected Horsepower capacity is 15 Hp. The final selection and capacity will be refined during the Design Development phase.

3.1.3.1.3 Cooling Tower Water Piping - New piping distribution will be provided from the proposed new chiller building to the Cooling Tower (CT's) located at the roof of the mechanical equipment room A temperature rise of 10 deg. across the cooling tower based on the system's average supply temperature of 95°F and return temperature of 85°F will be the basis of towers unit performance selection.

Cooling Tower Water Piping Outline Specifications:

Piping Materials of Construction:	Carbon steel Sch. 40 ERW
Pipe Joint Construction	2" and smaller threaded; larger butt welded
Valves	2" and smaller ball type, bronze 3-piece, full port, threaded 150#; 3" and larger butterfly type, cast iron body, aluminum disc, 200#
Insulation	Polyisocyanurate (Polyurethane)

A schematic of the proposed system is shown below



4 Plumbing Narrative

4.1.1 Applicable Codes and Standards

- Puerto Rico Building Code 2018
- International Building Code – 2018 edition, as amended by the Commonwealth of Puerto Rico
- International Mechanical Code – 2018 edition, promulgated by the International Code Council, Inc. and as amended by the Commonwealth of Puerto Rico.
- International Plumbing Code – 2018 edition, promulgated by the International Code Council, Inc. and as amended by the Commonwealth of Puerto Rico.

4.1.2 Domestic Water

The extent of the works required due to the project implementation is to provide the required plumbing utilities for the proposed bathroom, janitor rooms, kitchenettes and hose stations; no additional process related usages have been defined so far.

New tie-ins, are required to the existing public potable water line at the road at the front of the project. The size of this tie-in is yet to be determined but it is estimated to be not less that 6 (six) inches in diameter. This new tie-in will also serve the fire protection water reservoir tank and if required new water meters for future concessionaries at the project site. Both connection, for the fire and domestic service will have independent water meters. Hose bibs with a lockable access doors will be located along the exterior walls separated at approximately 50-75 ft. for maintenance purposes, also hose bibs will be provided at the toilet rooms. The shower rooms will be provided with in-line water heaters

Also, potable water service will be provided for make-up/pressurization of the new chilled water system and hose bibs for air handling units cleanup; these to be provided at the mechanical equipment area. Back flow prevention devices will be used to protect from cross contamination as required by code.

Potable Water Piping Outline Specifications:

Piping Materials of Construction:	Seamless copper tubing type L hard temper
Pipe Joint Construction	Wrought copper, solder type
Valves	2" and smaller ball type, bronze 3-piece, full port, threaded 150#; 3" and 4" ball type, carbon steel, flanged ends, Class 150

4.1.3 Sanitary Water

The extent of the works required due to the project implementation is to provide the required sanitary utilities for the proposed bathroom, janitor rooms, kitchenettes, hose stations and Air Handling Units (AHUs) condensate disposal; no additional process related usages have been defined so far.

New sinks drains and floor drains, to collect AHU's condensate drip at the mechanical equipment area (1 per AHU), will be provided; these will be connected to the existing drainage lines within the building. Cleanouts will be located at the beginning of each line, each 50 ft of linear run, at each change of direction and at each waste stack. The sanitary vents will be extended up to the roof of the building.

The required potable water supply for the vessel has been estimated at 1,000 tons (265,000 gals) to be served in 11 hours, for this it will be required to make a consult to PRASA (Puerto Rico Aqueduct & Sewage Authority) to get their recommendations, determination and eventually approval if there is availability of that water volume and pressure requirements to serve the vessel.

The final sanitary discharge connection point will be as determined by the Puerto Rico Aqueduct & Sewer Authority (PRASA) but it is mostly to be at the existing sewer trunk at the front of the project. It is understood that the discharge will be by gravity, but this will be based on the final building elevation, site grading, and pipe slope and connection point existing elevation. If the existing connection point existing elevation doesn't suffice the design intent, then a lift station will be required.

4.1.4 Piping

a. Drainage and ventilation piping will be PVC with DWV type fittings
b. Potable Cold and Hot Water piping will be copper type "L".

4.1.5 Fixtures

a. General common areas fixtures will be wall mounted ceramic type
b. Holding rooms plumbing fixtures will be vandal proof, stainless steel fabrication institutional type fixtures.
c. Level operating fixtures such as lavatories will be single level, shower room level will be of single valve thermostatic type

5 Fire Protection Narrative

5.1.1 Applicable Codes and Standards

- Puerto Rico Building Code 2018
- International Building Code – 2018 edition, as amended by the Commonwealth of Puerto Rico
- International Mechanical Code – 2018 edition, promulgated by the International Code Council, Inc. and as amended by the Commonwealth of Puerto Rico.
- International Fire Code – 2018 edition, promulgated by the International Code Council, Inc. and as amended by the Commonwealth of Puerto Rico.
- NFPA 13 Standard for the Installation of Sprinkler Systems
- NFPA Standard No. 101 -2018 – Life Safety/Code
- NFPA 307 – 2016 - Standard for the Construction and Fire Protection of Marine Terminals, Piers, and Wharves

A wet type overhead sprinkler system will be provided to serve the project areas; the new system will be fed from a new 6" fire main adjacent to the project at ground level.

The new wet type overhead sprinkler system will consist of mains, branch lines, sprinklers, pipe supports and earthquake bracing; it will be provided to serve all areas.

Upright type sprinklers will be provided for exposed roof structure areas and pendent type for areas with hung ceiling.

Fire hose stations consisting of 1½", 100 ft. long fire hose with associated rack and panel will also be provided connected to the new mains.

The new sprinkler systems will be hydraulically calculated and sized to deliver the required design density as per the following table:

5.1.2 Fire Protection Design Criteria:

Area	***Sprinkler Occupancy hazard Classification***	***Sprinkler Density***	***Sprinkler Type***	5.1.2.1 Fire Hose ***Allowance***	***Residual Pressure***	***Seismic Restraints***
Entire Area	Ordinary Hazard Group 2	0.20 gpm/ft² over 1,500 ft² (minimum)	Upright ½" orifice	500 gpm	7 psi minimum	Required

The new overhead sprinkler piping system will be carbon steel, black, seamless, ASTM A-53 or electric-resistance welded, ASTM A-135 as per NFPA. Pipes will be joined using malleable iron, split bolted mechanical clamps for pipe's groove ends. Automatic sprinklers shall be standard spray-type, UL listed upright or pendent, brass except below suspended ceiling that will be chrome.

The fire protection system will be serviced by a new 100,000 gallons fire water storage tank and one 1,500 GPM at 125PSI diesel engine driven fire pump.

The exterior underground fire main is in a loop type distribution configuration. Each building's fire riser is connected to the loop with provisions for isolation using post indicating valves or riser control valves. Post indicating valves are also along the loop for isolation purposes when system impairments occur.

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I. INTRODUCTION

SLS Consulting, Inc. (SLS) has prepared this Fire Protection/Life Safety Narrative report for the San Juan Cruise Terminal project that is, the Piers 11-12 Project - Cruise Pier Building referred to in Section 7 of this Schedule 13 (herein referred to as the "San Juan Cruise Terminal Project") located in San Juan, Puerto Rico. The Fire Protection/Life Safety Narrative report is intended to address the following major requirements as they relate to the proposed project:

Construction Type;

Means of Egress (e.g., occupant loading, number of exits, egress capacity, etc.);

Fire Protection Systems (e.g., sprinkler protection, fire alarm, smoke control, firefighter communication, etc.);

Means of Egress Lighting and Markings;

Emergency Power Requirements;

It is noted that this report is not intended to be "all inclusive" of fire protection/life safety requirements, but rather is intended to address major code compliance requirements. This *Fire Protection/Life Safety Narrative* report has been prepared based on the architectural drawings dated July 1, 2019 and discussions with the project team regarding fire protection/life safety systems. This Narrative is intended to serve as a design validation tool and will be updated as the project design progresses to final design.

A. Project Description

The proposed San Juan Cruise Terminal project will be a mixed-used building composed of 2 stories in addition to a mezzanine between the Ground and Second Floors. The building has a primary use of Assembly (Group A-3) along with secondary occupancies such as Business (Group B) and Low Hazard Storage (Group S-2). It contains queuing areas, bag screening, CBP Primary CBP Secondary Lobby, debark core, and bag processing/baggage claim on the Ground Floor. The Mezzanine is mostly used for offices and mechanical rooms. The Second Floor has a VIP lounge, VIP terrace, security operations, security queuing, check in, waiting area, cruise line support and debark lobby.

The building will be protected throughout by automatic sprinklers designed in accordance with NFPA 13, Standard for the Installation of Sprinklers and an emergency-voice alarm communication system designed in accordance with NFPA 72, National Fire Alarm Code and Signaling Code.



Figure 1: Conceptual Rendering

B. Applicable Codes

The major applicable codes for the project include, but are not limited to, the following:

Building Code

- IBC: International Building Code, 2018 Edition
- PRBC: Puerto Rico Building Code, 2018 Edition

Fire Prevention/Life Safety Code

- IFC: International Fire Code, 2018 Edition
- NFPA 101: The Life Safety Code, 2018 Edition

Electrical Code

- NFPA 70: National Electrical Code® (NEC), 2017 Edition

Mechanical Code

- IMC: International Mechanical Code, 2018 Edition

Plumbing Code

- IPC: International Plumbing Code, 2018 Edition

Major NFPA Standards

- NFPA 10: Standard for Portable Fire Extinguishers, 2018 Edition
- NFPA 13: Standard for the Installation of Sprinkler Systems, 2016 Edition
- NFPA 14: Standard for the Installation of Standpipe and Hose Systems, 2016 Edition
- NFPA 20: Standard for Installation of Stationary Fire Pumps for Fire Protection, 2013 Edition.
- NFPA 72: National Fire Alarm and Signaling Code®, 2016 Edition
- NFPA 110: Standard for Emergency and Standby Power Systems, 2016 Edition

II. FIRE PROTECTION AND LIFE SAFETY CONCEPTS

A. Occupancy Classifications

The San Juan Cruise Terminal Project is designed as a *mixed-use* facility. As such, there will be several *occupancies and uses* within the building, as summarized by the table below.

Table 1: Occupancy Classifications

Occupancy Group Classifications (IBC)	Occupancy Classifications (NFPA 101)	Specific Use / Location
Use Group A-3, *Assembly* occupancies (IBC §303.4)	*Assembly* (Chapter 12)	Waiting Areas, Baggage Claim, Queuing Areas, Terrace, CBP Primary, CPB Secondary, Lobby
Use Group B, *Business* occupancies (IBC §304.1)	*Business* (Chapter 38)	Offices
Use Group S-2, *Low Hazard Storage* occupancies (IBC §311.3)	*Storage* (Chapter 42)	General Storage and M/E/P, Data, IT, BOH

B. Building Classification Approach & Mixed-Use Approach

As stated above, the San Juan Cruise Terminal project will consist of multiple occupancies. The design approach is *Non-Separated Mixed-Use Occupancy* in accordance with IBC Section 508.3. Therefore, fire rated separation is not required between the occupancies.

C. Construction Type

i. Fire-Resistance Rating Based on Building Elements (IBC Table 601)

Due to the proposed occupancies classifications, building height, and number of stories in the San Juan Cruise Terminal project, the construction type for the building must be Type IB Construction in accordance with IBC Tables 504.3, 504.4 and 506.2. The fire resistance rating requirements shown below for Type IB Construction are obtained from Table 601 of IBC. This construction type also meets Type II(222) per NFPA 101 Table 12.1.6.

Table 2: Fire-Resistance Ratings of Building Elements (Hours)

Building Element	Type IB
Primary Structural Frame	2[1]
Bearing Walls	
Exterior[5,6]	2
Interior	2[1]
Nonbearing Walls and Partitions	
Exterior	(Table 602)
Interior[4]	0
Floor Construction and Secondary Members	2
Roof Construction and Secondary Members	1[2,3]

[1]Fire-resistance ratings of primary structural frame and bearing walls are permitted to be reduced by 1 hour where supporting a roof only.
[2]Except in Group F-1, H, M and S-1 occupancies, fire protection of primary structural members shall not be required, including protection of roof framing and decking where every part of the roof construction is 20 feet or more above any floor immediately below. Fire-retardant-treated wood members shall be allowed to be used for such unprotected members.
[3]In all occupancies, heavy timber shall be allowed where a 1-hour or less fire-resistance rating is required.
[4]Not less than the fire-resistance rating required by other sections of the IBC.
[5]Not less than required by Table 602 of the IBC based on the fire separation distances (FSDs).
[6]Not less than the rating as referenced in IBC Section 704.10

ii. Exterior Wall Ratings and Allowable Openings (IBC Table 602 and Table 705.8)

The fire separation distance (FSD) is the distance measured from the building face to the closest interior lot line; centerline of a street, an alley or public way; or to an imaginary line between two buildings on the lot. The distance shall be measured at right angles from the face of the wall.

Table 3, below, illustrates the exterior wall ratings and allowable openings based on the FSD and occupancy for Type IB construction.

Table 3: Type IB Exterior Wall[1,2] Ratings and Allowable Openings

Fire Separation Distance = X (feet)	Allowable Opening Area	Fire-Resistance Rating (Group A, B, S-2)
$X < 3$	Not Permitted	1 hour
$3 \leq X < 5$	15%	1 hour
$5 \leq X < 10$	25%	1 hour
$10 \leq X < 15$	45%	1 hour
$15 \leq X < 20$	75%	1 hour
$X \geq 20$	No Limit	0

[1]Where Table 705.8 permits nonbearing exterior walls with unlimited area of unprotected openings, the required fire-resistance rating for the exterior walls is 0 hours.
[2]Nonbearing.

Table 4: Exterior Wall Ratings & Openings Limitations (> 30 Feet)

Requirement	Allowed/Required Exterior Wall
Construction Classification	Type IB
Occupancy Classifications	A-3, B, S-2
Fire Separation Distance	> 30 Feet
Exterior Wall Fire Resistance Rating (IBC Table 602)	No Requirements
Exterior Wall Opening Protection (IBC Table 705.8)	No Limitations

Table 5: Exterior Wall Ratings & Opening Limitations (10 ≤ Feet X < 30 Feet)

Requirement	Allowed/Required North Exterior Wall
Construction Classification	Type IB
Occupancy Classifications	A-3, B, S-2
Fire Separation Distance	10 Feet ≤ X < 30 Feet
Exterior Wall Fire Resistance Rating (IBC Table 602)	1 hour
Exterior Wall Opening Protection (IBC Table 705.8)	10 Ft. to less than 15 Ft. = 45% Openings 15 Ft. to less than 20 Ft. = 75% Openings 20 Ft. to less than 30 Ft. = No limitations

Table 6: Exterior Wall Ratings & Opening Limitations (5 ≤ Feet X < 10 Feet)

Requirement	Allowed/Required North Exterior Wall
Construction Classification	Type IB
Occupancy Classifications	A-3, B, S-2
Fire Separation Distance	5 Feet ≤ X < 10 Feet
Exterior Wall Fire Resistance Rating (IBC Table 602)	1 hour
Exterior Wall Opening Protection (IBC Table 705.8)	5 Ft. to less than 10 Ft. = 25% Openings

Table 7: Exterior Wall Ratings & Opening Limitations (X < 5 Feet)

Requirement	Allowed/Required North Exterior Wall
Construction Classification	Type IB
Occupancy Classifications	A-3, B, S-2
Fire Separation Distance	X < 5 Feet
Exterior Wall Fire Resistance Rating (IBC Table 602)	1 hour
Exterior Wall Opening Protection (IBC Table 705.8)	Less than 3 Ft. = Not permitted 3 Ft. to less than 5 Ft. = 15% Openings

D. Fire Separation Requirements

The following table indicates the spaces within the San Juan Cruise Terminal project where fire resistance rated separations should be provided. This includes incidental accessory occupancies.

Table 8: Required Fire-Resistance Rated Spaces

Spaces	Required Rating[1]	Reference
Information technology equipment - Critical	1-hour *fire barriers*	NFPA 75 §5.1.3
Fire Alarm equipment	2-hour *fire barriers*	NFPA 72 Chapter 12
Electrical Rooms with dry-type Transformers > 112.5 kVa	2-hour *fire barriers(*)*	NFPA 70 §450.21
Transformer Vaults (oil-insulated)	3-hour *fire barriers*	NFPA 70 §450.42
Mechanical Shafts	2-hour fire/smoke *barriers*	IBC §713.4 & NFPA 101 §8.6.5
Stair Shafts[2,4]	2-hour fire/smoke *barriers*	IBC §1023.2 & NFPA 101 §7.1.3.2
Trash Collection Rooms	*Smoketight*	IBC T-509
Emergency Switchgear Room	2-hour *fire barriers*	NFPA 110 §7.2.1.1
Fire Pump Room	1-hour *fire barriers*	NFPA 20 §5.12.1.1 & IBC §913.2.1
Elevator Machine Rooms and Shafts [2,4]	2-hours *fire barriers*	IBC §713
Generator rooms (*inside bldgs.*)[3]	2-hours *fire barriers*	NFPA 110 §7.2.1.1

Note 1: Fire Barriers are rated walls that are continuous from floor slab to slab above. Fire partitions are rated walls that are continuous from floor to underside of the rated floor/ceiling assembly.
Note 2: All smoke control equipment (e.g., fans, VFDs, etc.) associated with stair and elevator pressurization is required to be enclosed in dedicated two (2) hour fire rated enclosures.
Note 3: Per NFPA 110, Section 7.11.4 Generators outside or on roof need lightning protection designed and installed in accordance with NFPA 780, Standard for the Installation of Lightning Protection Systems.
Note 4: In accordance with IBC 713.4, the shaft enclosure rating must not be less than the floor rating for the construction type.
(*) Code requires 1-hour, however 2-hours recommended by SLS to meet survivability requirements for cabling/equipment associated with FA or BDA systems.

For Assembly occupancies, NFPA 101 Section 12.3.2 states that rooms containing high-pressure boilers, large transformers, or other service equipment subject to explosion shall not be located directly under or abutting required exits.

i. Fire Separation Marking

Each new fire wall, fire barrier, fire partition, smoke barrier, smoke partition, or any other new wall required to have protected openings shall be permanently identified with signs or stenciling above any decorative ceiling and in concealed spaces with the wording, "FIRE AND/OR SMOKE BARRIER – PROTECT ALL OPENINGS". Such signs or stenciling shall be in 3-inch high letters, 3/8- inch stroke, and not more than 15 feet on

center. This requirement is mandated by both NFPA 101, Section 8.3.2.2.5 and IBC Section 703.7.

ii. Fire Barriers

Fire barriers shall extend from the top of the foundation or floor/ceiling assembly below to the underside of the floor or roof sheathing, slab or deck above and be securely attached. Shafts, interior exit stairways, and ramps that do not extend to the underside of the roof sheathing, deck or slab of the building shall be permitted to be enclosed at the top with construction of the same fire-resistance rating as the topmost floor penetrated by the shaft, but not less than the fire-resistance rating required for the shaft enclosure.

In accordance with IBC Section 707.5.1, the supporting construction for a fire barrier shall be rated at least as much as the fire barrier it is supporting.

Openings in a fire barrier shall be protected in accordance with IBC Section 716 of IBC and NFPA 101 Section 8.3. Openings shall be limited to a maximum aggregate width of 25% of the length of the wall, and the maximum area of any single opening shall not exceed 156 sq.ft.

- Single opening limit of 156 sq.ft. does not apply, where adjoining floors are protected by an automatic sprinkler system.
- Single opening limit of 156 sq.ft. does not apply, where the opening protective is a fire door serving exit stairs, exit ramps, exit access stairs, or exit access ramps.
- Single opening limit of 156 sq.ft. does not apply, where the opening protective has been tested in accordance with ASTM E 119 or UL 263. The fire resistance rating of the opening must be equal to or more than the fire resistance rating of the wall.
- The 25% limit of the fire barrier does not apply, where the opening protective is a fire door serving exit stairs, exit ramps, exit access stairs, or exit access ramps.
- The 25% limit of the fire barrier does not apply, where the opening protective has been tested in accordance with ASTM E 119 or UL 263.

iii. Fire Partitions

Fire partitions shall extend from the top of the foundation or floor/ceiling assembly below to the underside of the floor or roof sheathing, slab or deck above, or to the fire-resistance-rated floor/ceiling or roof/ceiling assembly above and must be securely attached.

iv. Horizontal Assemblies

In accordance with IBC Section 711.2.4, horizontal assemblies and supporting structures require 2-hour fire-resistance rating as the building is Type IB construction. The roof construction and supporting assemblies are required to be 1-hour fire-resistance rated.

v. Opening Protection

All openings and penetrations on fire/smoke rated walls described above must be protected in accordance with IBC Chapter 7, *Fire and Smoke Protection Features*, NFPA 101, Chapter 8, *Features of Fire Protection*.

vi. Penetrations

The following sections of this report are applicable to penetrations through fire barriers, fire partitions, and horizontal assemblies.

a. Through Penetrations

Penetrations shall be installed as tested in an approved fire-resistance-rated assembly, or in an approved penetration firestop system tested in accordance with ASTME 814 or UL 1479. Where the penetrating items are steel, ferrous or copper pipes, tubes or conduits, the annular space between the penetrating item and the fire-resistance-rated wall is permitted to be protected via the following two scenarios:

- Holes with a maximum 6 in. diameter and 144 in² area are permitted to be protected with grout or mortar.
- The material used to protect the opening must pass ASTM E 119 or UL 263 test conditions.

b. Membrane Penetrations in Fire-Resistance-Rated Walls

Membrane penetrations must comply with IBC Section 714.4.2. Where walls or partitions are required to have a fire-resistance rating, recessed fixtures shall be installed such that the required fire resistance will not be reduced.

c. Horizontal Assemblies

Penetrations of a fire-resistance-rated floor, ceiling assembly, or ceiling membrane must comply with IBC Sections 714.5.1. through 714.5.4

Through penetrations must be installed as tested in the approved fire-resistance-rated assembly, or they must be protected by an approved through-penetration firestop system installed and tested in accordance with ASTM E814 or UL 1479 with

an F rating/T rating of not less than 1 hour but not less than the required rating of the floor penetrated.

Penetrations of nonfire-resistance-rated floor or floor/ceiling assemblies or the ceiling membrane of a nonfire-resistance-rated roof/ceiling assembly shall meet the requirements of IBC Section 713 or shall comply with Section 714.6.1 or 714.6.2.

- Noncombustible penetrating items, connecting not more than five stories are permitted, provided that the annular space is filled to resist the free passage of flame and the products of combustion with an approved noncombustible material or with a fill, void or cavity material that is tested and classified for use in through-penetration firestop systems.
- Penetrating items that connect not more than two stories are permitted, provided that the annular space is filled with an approved material to resist the free passage of flame and the products of combustion.

E. Vertical Opening Code Compliance Approach

Several vertical openings anticipated within the San Juan Cruise Terminal project are protected by fire-resistance rated construction in accordance with NFPA 101 Section 8.6 and IBC Section 712.

i. Shafts

Shaft enclosures in the project must be designed in compliance with IBC Section 713. The shaft enclosures shall have a fire resistance rating of not less than 2 hours and not less than the floor assembly penetrated but need not exceed 2 hours. The construction shall be as fire barriers in accordance with IBC Section 707.

ii. Elevators

Per IBC Section 3006.2, elevator hoistway door openings must be protected where the elevator hoistway connects more than three stories, is required to be located in a shaft enclosure.

NOTE: The Terminal Building is less than three (3) stories, therefore, the lobbies are not required. However, elevators used as part of the accessible means of egress may still require the lobby as indicated in the Accessibility Section of this report.

iii. Escalators

There are two (2) escalator groups (1A/1B and 2A/2B) creating vertical openings in the building. These openings must be protected in accordance with IBC Section 712 and NFPA 101 Section 8.6.9.7.

Per IBC 712.1.3.1, the escalators shall be protected by a draft curtain and closely spaced sprinklers in accordance with NFPA 13 where the area of the vertical opening between stories does not exceed twice the horizontal projected area of the escalator. This is limited to openings that do not connect more than four stories in a Group A building. The sprinkler protection around the vertical opening must comply with NFPA 13. Draft stops (18-inch deep) shall be located immediately adjacent to the opening made of noncombustible material that will stay in place before and during sprinkler operation. In addition, sprinkler heads are spaced 6 feet apart and placed 6-12 inches from drafts top on side away from opening.

Another option is to protect the vertical opening by approved shutters at every penetrated floor shall be permitted. The shutters shall be of noncombustible construction and have a fire-resistance rating of not less than 1.5 hours. The shutter shall be so constructed as to close immediately upon the actuation of a smoke detector installed in accordance with IBC §907.3.1 and shall completely shut off the well opening. Escalators shall cease operation when the shutter begins to close. The shutter shall operate at a speed of not more than 30 feet per minute and shall be equipped with a sensitive leading edge to arrest its progress where in contact with any obstacle, and to continue its progress on release there from (IBC 712.1.3.2).

iv. Atrium

If there is an atrium, it must comply with IBC Section 404 and NFPA 101 Section 8.6.7.

- The atrium requirements in IBC and NFPA 101 are as follows:
- The atrium must be separated from the adjacent spaces by fire barriers with not less than a 1-hour fire resistance rating. Any number of levels shall be permitted to open directly to the atrium without enclosure based on a smoke control engineering analysis.
- Glass walls and inoperable windows shall be permitted in lieu of the fire barriers where all the following are met:
    - Automatic sprinklers are spaced on both sides of the glass wall at 6 ft intervals.
    - The sprinklers are located between 4 inches to 12 inches away from the glass.
    - The glass wall is of tempered, wired, or laminated glass held in place by a gasket framing system to deflect without breaking the glass before sprinklers operate.
    - The sprinkler heads are not required on the atrium side of the glass wall where there is no walkway or other floor area on the atrium side above

main floor level.

- Doors in the glass walls are of glass or other material that resists the passage of smoke.
- Doors in the glass walls are self-closing or automatic-closing upon detection of smoke.
- The glass is continuous vertically, without horizontal mullions, window treatments, or other obstructions that would interfere with the wetting of the entire glass surface.

- Access to exits is permitted to be within the atrium. Exit discharge is permitted to be within the atrium.
- The occupancy within the atrium meets the specification for classification as low or ordinary hazard contents.
- The entire building is protected by approved, supervised automatic sprinkler system.
- An engineering analysis is performed that demonstrates that the building is designed to keep the smoke layer 6 ft. above the highest floor level of exit access open to the atrium for a period of 20 minutes or 1.5 times the calculated egress time, whichever is greater.
- The smoke control system described above is activated by sprinkler system and manual controls accessible to the fire department.
- Smoke control system is required and shall be connected to standby power
- The interior finish of walls and ceiling of the atrium shall not be less than Class B with no reduction in class for sprinkler protection. (IBC)
- In floors above the lowest level, the portion of exit access travel distance within the atrium space shall be not greater than 200 feet. (IBC)

v. Convenience Openings

Convenience openings" in accordance with all criteria in NFPA 101 Section 8.6.9.1 and IBC 712.1.9 are provided in the following table.

Table 9: IBC and NFPA 101 Convenience Opening Requirements

IBC Section 712.1.9 Summary of Requirements/Analysis	NFPA 101 Section 8.6.9.1 Summary of Requirements/Analysis
(1) Does not connect more than two (2) stories.	(1) Such openings shall connect not more than two adjacent stories (one floor pierced only).
(2) Does not penetrate a horizontal assembly that separates fire areas or smoke barriers that separate smoke compartments.	(2) Such openings shall be separated from unprotected vertical openings serving other floors by a barrier complying with 8.6.5.
(3) Is not concealed within the construction of a wall or a floor/ceiling assembly.	(3) Such openings shall be separated from corridors.
(4) Is not open to a corridor in Group I and R occupancies.	(4) Such openings shall be separated from other fire or smoke compartments on the same floor.
(5) Is not open to a corridor on non-sprinklered floors.	(5) Convenience opening shall be separated from the corridor referenced in 8.6.9.1(3) by a *smoke partition*, unless Chapters 11 through 43 require the corridor to have a fire resistance rating.
(6) Is separated from floor openings and air transfer openings serving other floors by construction conforming to required shaft enclosures.	(6) Such opening shall not serve as a required means of egress.

A convenience stair is permitted in Assembly occupancies per NFPA 101 Section 12.3.1(4) if all the following are met (NFPA 101 Section 8.6.9.2):

(1) The convenience stair shall not serve as a means of egress.

(2) The building is protected throughout with an approved supervised automatic sprinkler system.

(3) The convenience stair openings are protected with the protection of vertical openings per NFPA 13.

(4) The floor opening shall not exceed twice the horizontal projected area of the stairway.

(5) Such openings shall not connect more than 4 contiguous stories.

F. Interior Finish Requirements

Interior finishes within the San Juan Cruise Terminal project are designed to comply with the requirements of the IBC and NFPA 101. The major interior finish requirements for the project are summarized in the table below (IBC Table 803.13 and NFPA 101 Table A.10.2.2). The sprinkler system reduction allowed by code has been applied.

Table 10: Interior Finish Requirements

Occupancy Classifications	Floor Finish Requirement	Interior Wall and Ceiling Finish Requirements (IBC and NFPA 101)
Assembly	Exits: **Class II** Corridors: **Class II** Spaces not separated from corridor: **Class II**	Exit Enclosure: **Class B** Corridors & Exit access stairs: **Class B** Rooms & Enclosed Spaces: **Class C** Lobbies: **Class C** Assembly Rooms: **Class C** Screens: **Class C** **See Note 1**
Business	Exits: **Class I or II**	Exit Enclosure: **Class B** Corridors & Exit access stairs: **Class C** Rooms & Enclosed Spaces: **Class C** Other Spaces: **Class C** **See Note 2**
Storage	Exit: **Class II**	Exit Enclosure: **Class C** Corridors & Exit access stairs: **Class C** Rooms & Enclosed Spaces: **Class C** Other Spaces: **Class C**

Note 1: The ratings shown are from IBC, which has the most stringent requirements
Note 2: The ratings shown are from NFPA 101, which has the most stringent requirements

- All combustible materials used as interior wall, ceiling, and floor finishes must have proper documentation indicating that the finishes comply with the requirements above.
- It is recommended that the design for unique or custom interior finishes (e.g., wood finishes, textile wall coverings, foam finishes, material applied to fire doors, etc.) within the project be identified early in the design/construction process. Interior finishes consisting of unique materials or assembly of different materials will have to be tested by a nationally recognized laboratory.

- Interior wall and ceiling trim and incidental finishes must be identified by the project team and must be included for assessment. Interior floor trim material used as wall base or decorative border would also be included and tested as a wall finish or floor finish.
- Interior wall and ceiling finishes are normally tested as a single layer on noncombustible substrate. If the material is installed in any other manner, then the assembly of all materials must be tested in accordance with the standards above.
- Wood interior finish (e.g., millwork, wood lockers, etc.) must be tested as an assembly of all the components exactly how it will be installed including the adhesives, lacquers, glazings, etc.
- It is noted that normally the authority having jurisdiction will not accept the application of a flame-retardant treatment or coating in order to achieve the proper rating for new interior finishes.
- Depending on the occupancy classification, the furnishings in common areas, such as upholstered furniture, must also be evaluated before the furniture is installed in the facility.
- The fire department may require a Third (3rd) Party Evaluation of the interior finishes to ascertain compliance with above rating.

G. General Means of Egress Requirements

i. Maximum Allowable Travel Distances:

As a building protected throughout by automatic sprinklers, the following maximum allowable travel distances are applicable to the San Juan Cruise Terminal project as required by IBC Table 1006.2.1, IBC Table 1017.2, IBC Section 1020.4, and NFPA 101 Table A.7.6.

Table 11: Travel Distance Requirements

Occupancy Group Classifications (IBC)	Occupancy Classifications (NFPA 101)	Distances
Use Group A, *Assembly* occupancies	*Assembly*	**Max Travel Distance:** 250 feet **Max Dead End Distance**: 20 feet **Max Common Path Distance**: 20/75 feet[1]
Use Group B, *Business* occupancies	*Business*	**Max Travel Distance**: 300 feet **Max Dead End Distance:** 50 feet **Max Common Path Distance:** 100 feet
Use Group S-2, *Low Hazard Storage* occupancies	*Storage - Low*	**Max Travel Distance** • *Storage:* 400 feet (IBC) **Max Dead End Distance** • *Storage:* 50 feet (IBC) **Max Common Path Distance** • *Storage:* 100 feet (IBC)

[1]Assembly use spaces with an occupant load of 50 or more, shall have its common path of travel distance limited at 20-feet. If the occupant load is less than 50, then the common path of travel distance shall be limited at 75-feet.

ii. Number of Required Exits Per Floor

Each floor of the building is provided with the following minimum number of exits as required by IBC Section 1006.2.1.1 and NFPA 101 Section 7.4.1.2.

Table 12: Number of Exits Requirements

Floor Occupant Load	Number of Exits Required
0-500 occupants	2 Exits
501-1,000 occupants	3 Exits
>1,000 occupants	4 Exits

iii. Electrical Room Exit:

Electrical rooms with equipment rated 1200 Amps or more, and 6 feet wide that contain overcurrent devices, switching devices or control devices shall have two (2) exit access doors (one at each end of the working space). The doors must swing in the direction of egress and must be equipped with panic hardware or fire exit hardware (IBC Section 1010.1.10).

Electrical rooms with equipment used in circuits over 600 volts with switchgear and control panels exceeding 6 feet in width shall have two (2) exit access doors (one at each end of the working space). The doors must swing in the direction of egress and must be equipped with panic hardware or fire exit hardware (NFPA 101 Section 7.4.2.2 and NFPA 70, Article 110.33(A)).

iv. Boiler Rooms or Furnace Rooms:

Two (2) exits are required in boiler rooms where the area is over 500 sq.ft. and any fuel-fired equipment exceeds 400,000 Btu. The two exit doors must be remotely separated by a distance equal to one-half the diagonal dimension of the room (IBC Section 1006.2.2.1).

v. Mechanical Equipment Rooms:

Mechanical equipment rooms including boiler rooms, furnace rooms, and similar spaces shall be arranged to limit common path of travel to a distance not exceeding 100 feet for building protected by sprinkler system. Stories used for mechanical equipment rooms (including the roof) shall be permitted to have a single means of egress where the travel distance to an exit on that story does not exceed the common path of travel (NFPA 101 Section 7.13).

vi. Exit Access Remoteness Requirements:

Where two (2) exit doors or exit access doors are required to be provided, the exits must be designed in order to be remote from one another in accordance with IBC §1007.1.1 *Exception* 2 and NFPA 101 §7.5.1.3.3. The exits must be separated by more than one-third of the maximum diagonal distance of the floor, space, or area served.

vii. Exit Discharge Configurations:

All the exits must discharge to the outside in accordance with NFPA 101 §7.7.1 and IBC Section 1028.1. The exit discharge must comply with remoteness requirements of one-third of the maximum diagonal distance of the building. However, the Codes allow for a maximum of 50% of the number and 50% of the capacity of exits to discharge through the interior of the building provided that the following criteria are met:

- *Exterior Exit Visibility:* The exit enclosure discharges to a free and unobstructed path of travel to an exterior exit door and such exit is readily visible and identifiable from the point of termination of the exit enclosure in accordance with IBC §1028.1 *Exception 1.1* and NFPA 101 §7.7.2.
- *Floor Separation:* The entire area of the level of exit discharge is separated from areas below by construction having a two (2) hour fire resistance rating per IBC §1028.1 *Exception 1.2* and NFPA 101 §7.7.2).
- *Sprinkler Protection:* The egress path is protected throughout by automatic sprinklers (IBC §1028.1 *Exception 1.3* and NFPA 101 §7.7.2).

NOTE: The exit discharge for this building must comply with the remoteness requirement (1/3 diagonal of the building) all along the discharge. Exit discharge cannot be to vehicular driveways without dedicated walkway. **Currently, there all stairs discharge directly to the exterior of the building except Stair 1 and Stair 9. Stair 1 is an exit access stair discharging on the Ground Floor Lobby. Stair 9 discharges to the exterior through a 2-hour fire rated exit passageway.**

viii. Stair Re-Entry:

Interior exit stairway doors must be designed to allow re-entry into the building at each floor in accordance with NFPA 101 §7.2.1.5.8. If the doors are normally locked to prevent access into the floors, then the doors must automatically unlock upon initiation of the fire alarm system in accordance with NFPA 101 §7.2.1.5.8.

ix. Door hardware requirements:

Panic hardware (*or fire exit hardware for fire doors*) must be installed in all doors serving rooms or spaces with an occupant load of 50 persons or more in a Group A occupancy per IBC Section 1010.1.10. NFPA 101 has a similar requirement for assembly occupancies where the occupancy load is 100 or more. Therefore, the IBC has the more stringent requirement and must be implemented. Panic hardware must be installed in electrical rooms as stated in other section of this report.

x. Occupant Load Factors:

The following occupant load factors have been used to calculate the occupant load of the spaces within the San Juan Cruise Terminal project as required by IBC Table 1004.5 and NFPA 101 Table 7.3.1.2.

Table 13: Occupant Load Factors

Use of Space	Occupant Load Factors [ft²/occupant]
Offices, CBP Secondary	100 gross
Assembly –Concentrated (Queuing, screening, Lobby, CBP Primary)	7 net
Assembly – Unconcentrated Tables & Chairs (Waiting areas, Conference rooms)	15 net
Locker Rooms	50 gross
Baggage Claim	20 gross
Baggage Handling/Sorting	100 gross
Storage Areas, BOH, Mechanical Spaces	300 gross

NOTE: Per life safety drawings, CPB Primary and Crew Area have been calculated with an occupant load factor of 100 gross sq.ft./occ. Confirm AHJ approval.

xi. Spaces with One Means of Egress Requirements:

Spaces with one (1) means of egress within the San Juan Cruise Terminal project shall comply with the following means of egress requirements as required by IBC T-1006.2.1 and NFPA 101 §7.4.1.1.

Table 14: One Means of Egress

Occupancy	Maximum Occupant Load	Maximum Exit Access/Common Path of Travel Distance (feet)
Assembly	49	75 feet
Business	49	100 feet
Storage and Mechanical	29	100 feet

The number of *accessible means of egress* from a space shall equal the number required for the means of egress or two (*whichever is less*), in accordance with NFPA 101 Section 7.5.4 and Chapter 11 of the IBC.

xii. Egress Capacity Factors:

The egress capacity for the means of egress must be designed using the capacity factors indicated in the table below. In addition, the minimum width of the means of egress components must also be considered in the design. The minimum width is specified for each occupancy classification as stated in NFPA 101 Table 7.3.3.1 and IBC §1005.3.

If the building is provided with an automatic sprinkler system and emergency/voice communication system, the following table applies.

Table 15: Egress Capacity

Occupancy	Egress Component	Egress Capacity Factor [inches/occupant]	
		NFPA 101	IBC
Assembly, Business, Storage	Stairways < 44 inches	0.3	0.2
	Stairways > 44 inches	Refer to Note 1	0.2
	Level Components	0.2	0.15

[1]For stairways in the referenced occupancies that are wider than 44 in., the capacity is permitted to be increased using the following equation:

$$C = 146.7 + \frac{Wn-44}{0.218}$$

Where:
C = capacity, in persons, rounded to the nearest integer
Wn = nominal width of the stair [inches]

NOTE: If smoke-protected assembly seating is provided, egress capacity factors may be reduced per IBC T-1029.6.2 and NFPA 101 T-12.4.2.3. A life safety evaluation study complying with NFPA 101 shall be provided.

xiii. Stair Width Requirements:

Stairs must have a minimum width of 44 inches. If the cumulative occupant load assigned to a stair is over 2,000 persons, the stair must have a minimum width of 56 inches per NFPA 101 Section 7.2.2.2.1.2.

xiv. Corridor Width:

The minimum clear width is 44 inches and must be increased to accommodate the occupant load (IBC T-1020.2).

xv. Assembly Seating Arrangement:

Furniture layout in meeting rooms and ballrooms must comply with aisle width and aisle accessway width requirements as stated in NFPA 101 Sections 12.2.5.7 and 12.2.5.8. Seating NOT at tables must comply with NFPA 101 Sections 12.2.5.5 and 12.2.5.6. Seating at tables must comply with NFPA 101 Section 12.2.5.7.

NFPA 101 Section 12.7.9.1 states that seats accommodating more than 200 persons shall be securely fastened to the floor, except where fastened together in groups of not less than three.

xvi. One Exit Unavailable Analysis:

The means of egress must be designed with adequate width and capacity such that the loss of one exit leaves the other exits available to handle at least 50% of the occupant load (IBC Section 1005.5 and NFPA 101 Section 7.3.1.1.2).

xvii. Exit Signage:

Exit signs are required at all exit doors and directional signs are required within the means of egress where the path of egress is not apparent. Exit sign placement shall be such that no point in the exit access corridor is more than 100 feet from the nearest exit sign (IBC Section 1013).

xviii. Means of Egress Lighting:

Normal lighting must be designed to provide a minimum of 1 ft-candle measured at the floor within exit access routes, exits, and the exit discharge routes. In the stairs, the minimum illumination shall be at least 10 ft-candle measured at the walking surface. The elevator code requires adequate lighting (10 ft-candle) at the landing sill of elevators measured with doors open/closed (IBC Section 1008, NFPA 101 Sections 7.8 and 7.9).

Additionally, lighting is required to be arranged such that the failure of a single lighting unit does not reduce illumination levels to less than 0.2 ft-candle as required by NFPA 101 Section 7.8.1.4.

Emergency lighting is required for this occupancy per NFPA 101 Section 12.2.9. The emergency lighting must provide an average of 1 ft-candle measured at the floor throughout the means of egress with a minimum of 0.1 ft-candle at any point. The illumination of 10 ft-candle for the elevator threshold is still required under emergency lighting conditions.

It is noted that the FDPT Fire Department and San Juan Building Department strictly enforce the reliability of emergency lighting and require that the system be arranged to provide the required illumination automatically in the event of interruption of normal lighting due to any of the following as required by NFPA 101 Section 7.9.2.3:

- Failure of a public utility or outside electrical power supply;

- Opening of a circuit breaker or a fuse;
- Manual acts including accidental opening of a switch controlling normal lighting

As per standard practice, it is recommended that the project team ensure that battery back-up lighting is provided in the following locations: emergency generator room, fire pump room, and the emergency responder radio coverage room (if provided).

Emergency lighting must be provided in mechanical rooms and electrical rooms as required in NFPA 70, Articles 110.26(D) and 700.16.

Emergency lighting is required on the egress side of delayed egress door and access control doors when provided in the building in accordance with NFPA 101 Section 7.2.1.6.

H. Major Life Safety Accessibility Requirements Overview

The San Juan Cruise Terminal Project must comply with all the applicable accessibility requirements mandated for each occupancy. The complete review of accessibility code compliance is outside the scope of this Narrative Report and outside the expertise of SLS Consulting, Inc. The items listed below are not all inclusive of the requirements in the IBC and NFPA 101. However, the list below provides a quick reference of some basic requirements related to fire and life safety that may be missed during the design.

i. Accessible Means of Egress

Two accessible means of egress must be provided whenever two exits are required from the space, floor, or building. If one means of egress is permitted by the Code, then only one accessible means of egress needs to be provided. Travel distance and common path of travel limits must be followed equal to the required means of egress. Each accessible means of egress shall be continuous from each accessible occupied space to a public way or area of refuge (NFPA 101 Section 7.2.12.2.2). Required portions of an area of refuge shall have access to a public way via *a) an exit or b) an elevator* without requiring return to the building spaces through which travel to the area of refuge occurred.

a) Exit stair must comply with clear width of landings and stair of 48 inches measured between handrails.

b) Elevators must comply with firefighters' emergency operations, power supply shall be protected against interruption, and must be in a smokeproof enclosure (NFPA 101 Section 7.2.12.2.4).

ii. Area of Refuge

An area of refuge as part of the accessible means of egress shall meet the requirements of NFPA 101 Section 7.2.12.3.

iii. Area of Refuge: Communication

Each story as mentioned above must comply with the following requirements for a two-way communication in accordance with NFPA 101 Section 7.2.12.1:

- Each elevator landing shall be provided with a two-way communication system to communicate between the elevator landing and a central point approved by the fire department.
- Directions for the use of the two-way communication system; instructions for summoning assistance; and written identification of the location shall be posted adjacent to the two-way communication system.
- The two-way communication system shall include both audible and visible signals.

iv. Exit Door Signage

Tactile signage shall be provided to meet all the following criteria in accordance with NFPA 101 Section 7.10.1.3: a) tactile signs shall be located at each exit door requiring an exit sign; b) tactile sign shall read EXIT; and c) tactile signs shall comply with ANSI A117.1, *American National Standard for Accessible and Usable Buildings and Facilities*.

I. Fire Protection and Life Safety Systems Overview

i. Equipment Locations / Flood Zone

All fire protection and life safety equipment are required to be located above the base flood elevation. Equipment cannot be located below flood level even if the story is protected with flood proofing systems (IBC Section 1612.3).

ii. Sprinkler Systems

Per IBC §903.2.1 and NFPA 101 §12.3.5, sprinkler protection designed in accordance with NFPA 13 shall be installed throughout the building. This building will have the protection system connected to the city water supply.

a. Sprinkler Supervision and Alarms

The following water supply control valves are required to be electrically supervised by a listed fire alarm control unit per IBC Section 903.4:

- Automatic sprinkler systems
- Pumps
- Tanks
- Water levels and temperatures
- Critical air pressures
- Water-flow switches on all sprinkler systems
- Exception: Jockey pump control valves sealed and locked in the open position, control valves to commercial kitchen hoods, valves controlling the fuel supply to fire pump engines that are sealed or locked in the open position

One exterior approved audible alarm located on the exterior of the building shall be connected to each sprinkler system. They should activate upon flow through the sprinkler system equivalent to the smallest orifice sprinkler head installed in the system being discharged.

b. Monitoring

Alarm supervisory and trouble signals shall be distinctly different and shall be automatically transmitted to an approved supervising station, or, where approved by the fire code official, shall sound an audible signal at a constantly attended location.

c. Site Water Supply Systems

The site water supply for fire protection systems shall be provided in accordance with the requirements of NFPA 13.

d. Standpipe Systems

Per IBC §905.3.1, a standpipe system is not required for the San Juan Cruise Terminal project since the building is less than 4 stories and the highest occupiable floor is located less than 30 feet above the lowest level of fire department access.

iii. Fire Pump:

This building may require a fire pump to supply the sprinkler and standpipe systems. The installation of the fire pump shall be designed and installed in accordance with NFPA 20, *Standard for the Installation of Stationary Pumps for Fire Protection*. The fire pump room must be accessed directly from the exterior. The fire pump room that is not directly accessible from the outside shall be accessible through an enclosed passageway from an enclosed stairway or exterior exit. The enclosed passageway shall have a fire-resistance rating not less than the fire-resistance rating of the fire pump room (2-hours) (NFPA 20 §4.12.2.1).

iv. Fire Department Connections:

Fire department connections shall be located so that fire apparatus and hose connected to supply system will not obstruct access to the buildings for other fire apparatus. The location must be approved by the fire code official (IBC Section 912.2). Fire department connections shall be located on the street side of buildings or facing approved fire apparatus access roads, fully visible and recognizable from the street, fire apparatus access road or nearest point of fire department vehicle access or as otherwise approved by the fire code official (IBC Section 912.2.1).

v. Fire Extinguishers:

Fire extinguishers must be provided throughout the building as required by the IFC and IBC Section 906. The fire extinguishers must be installed in accordance with NFPA 10, *Standard for Portable Fire Extinguishers.* The table below provides a brief overview of the installation requirements.

Table 16: Fire Extinguishers

Hazard Area	Minimum Size and Type	Maximum Travel Distance to Extinguisher [ft]	Maximum Floor Area per Unit of A [ft²]	Maximum Floor Area per Extinguisher [ft²]
Low Hazard (Assembly Areas, Office Spaces)	2A:10B:C Increase rating based on limits	75	3,000	11,250
Moderate Hazard (Storage)	2A:20B:C Increase rating based on limits	75	1,500	11,250

J. Fire Alarm & Emergency Responder Radio Systems

i. Fire Alarm Systems

In accordance with IBC §907.2.1.1 and NFPA 101 §12.3.4.3.3, an emergency / voice communication fire alarm system shall be provided. The fire alarm system must be designed and installed in accordance with NFPA 72. Audible and visual appliances must be installed in accordance with IBC and NFPA 101. Selective evacuation signal is permitted where general evacuation is impractical due to building configuration per NFPA 101 Section 9.6.3.6.2.

The fire alarm system must be designed to interface or monitor other life safety systems in the building such as automatic sprinkler system, fire pump, smoke control system, generator, etc.

ii. Remote Annunciator Panel

As per usual practice with the Fire Department, a remote fire alarm annunciator panel and remote generator annunciator panel should be provided at an approved location such as the main lobby.

iii. Fire Alarm Monitoring:

The fire alarm system of the San Juan Cruise Terminal shall be monitored by a central station in accordance with NFPA 101 Sections 12.3.4.2.2 and 12.3.4.3.7.

iv. Carbon Monoxide Alarms:

Carbon monoxide detection shall be provided in accordance with the requirements of the IBC Section 915 and NFPA 101 Section 12.3.4.4. Carbon monoxide detectors are required in buildings having fuel burning appliances, a fireplace, an attached garage, or other element that emits carbon monoxide as a byproduct of combustion. Carbon Monoxide detection shall be installed in accordance with NFPA 720, *Standard for the Installation of Carbon Monoxide (CO) Detection and Warning Equipment*.

v. Smoke Detection System:

IBC Section 903.2.1 Exception states that smoke detection shall be provided in the following spaces that are not protected by sprinkler system: mechanical equipment, electrical transformer, telephone equipment, or similar room. In addition, smoke detection must be provided in each elevator machine room.

K. Emergency and Standby Power Systems

i. Emergency Power Systems:

The emergency power systems shall be designed in accordance with the following (IBC §2702 and NFPA 101 §7.9):

- NFPA 70, National Electrical Code (NEC)
- NFPA 110, Standard for Emergency and Standby Power Systems
- NFPA 111, Standard on Stored Electrical Energy Emergency and Standby Power Systems.

The standby system shall have the capacity to supply the following:

- Elevators used as accessible means of egress elevators (IBC §2702.2.2);
- Electrical generator and main switchgear room lighting circuits (NFPA 110);
- Fire pump room lighting circuit (NFPA 20);
- Smoke control systems (IBC §2702.2.16);
- Horizontal sliding doors (IBC §2702.2.17);
- Elevators (IBC §3003.1)

The emergency system should have the capacity to supply the following:

- Exit Signs (IBC §2702.2.6);
- Means of Egress Lighting (IBC §2702.2.13);
- Emergency Voice/Alarm Communication System (IBC §2702.2.4)

Elevator machine room ventilation and/or air conditioning should be connected to the Building's standby power source. Where more than one (1) elevator is provided, all elevators should be provided with standby power and return to the designated level. After this point, one (1) elevator should remain operable from the standby power source (IBC §3003.1.3).

L. Smoke Control Systems Overview

Currently, it is not anticipated the building will have a smoke control system designed in accordance with IBC Section 909.

The plans reviewed do not show any unprotected vertical openings requiring smoke control system protection.

M. Hazardous Materials Approach

The quantities of hazardous materials will be below the exempt amounts / maximum allowable quantities (MAQ's) and no Use Group H, High Hazard occupancies are proposed. It is noted that the fuel located within vehicles are exempted by the IBC, NFPA 101, and NFPA 30. All rooms containing hazardous materials within the San Juan Cruise Terminal project (e.g. fuel storage room/emergency generator room, etc.) should be provided with an NFPA 704 Hazmat placard.

N. Fire Department Access

i. Site Access/Set-Up Sites:

The site must comply with IFC Chapter 5 for the minimum fire department site access requirements.

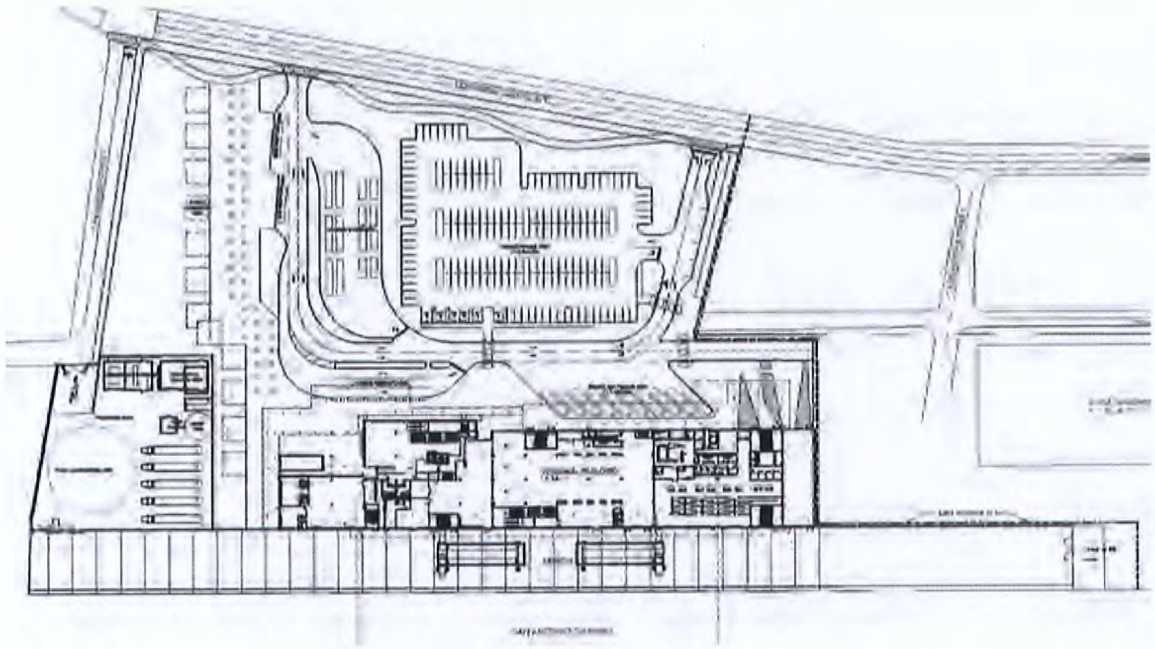

Figure 2: Site Access

O. Seismic Design Category

Each building and structure shall be assigned a risk category in accordance with IBC Table 1604.5 reproduced in Table 17, below. Where a building or structure is occupied by two or more occupancies not included in the same risk category, either the entire building shall be designed as a single unit and shall be assigned the highest risk category corresponding to the various occupancies, or it shall be structurally separated, and each portion shall be separately classified.

Where a separated portion of a building or structure provides required access to, required egress from or shares life safety components with another portion having a higher risk category, both portions shall be assigned to the higher risk category. Where the design team chooses to maintain separate risk categories in structurally separate structures, the lower risk category structure shall not provide required access to, required egress from or share life safety components with a higher risk category structure.

This project is classified as seismic risk category III.

Table 17: Seismic Risk Category

Risk Category	Nature of Occupancy
I	Represent a low hazard to human life in the event of failure: • Agricultural facilities. • Certain temporary facilities. • Minor storage facilities.
II	Buildings and other structures except those listed in Risk Categories I, III, and IV.
III	Represent a substantial hazard to human life in the event of failure: • Primary occupancy is public assembly with an occupant load greater than 300. • Group E occupancies with an occupant load greater than 250. • Containing educational occupancies for students above the 12th grade with an occupant load greater than 500. • Group I-2 occupancies with an occupant load of 50 or more resident care recipients but not having surgery or emergency treatment facilities. • Group I-3 occupancies. • Any other occupancy with an occupant load greater than 5,000[1]. • Power-generating stations, water treatment facilities for potable water, wastewater treatment facilities and other public utility facilities not included in Risk Category IV. • Buildings and other structures not included in Risk Category IV containing quantities of toxic or explosive materials that exceed maximum allowable quantities per control area as given in IBC Table 307.1(1) or 307.1(2) or per outdoor control area in accordance with NFPA 101 and are sufficient to pose a threat to the public if released[2].

[1]For the purposes of occupant load calculation, occupancies required by IBC Table 1004.1.2 to use gross floor area calculations shall be permitted to use net floor areas to determine the total occupant load.

[2]Where approved by the building official, the classification of buildings and other structures as Risk Category III or IV based on their quantities of toxic, highly toxic, or explosive materials is permitted to be reduced to Risk Category II, provided it can be demonstrated by a hazard assessment in accordance with Section 1.5.3 of ASCE 7 that a release of the toxic, highly toxic or explosive materials is not sufficient to pose a threat to the public.

III. SUMMARY AND CONCLUSION

As noted in this report, there are design features that need further clarification and analysis. SLS Consulting, Inc. is available to discuss items with the appropriate project team member. Additional documents may be necessary, such as alternative methods or equivalencies, and will be developed as the design progresses and code issues are resolved.

Submitted by:

SLS Consulting, Inc.



Michael Sheehan, P.E.
Principal/Fire Protection Engineer

[30% Design Drawings on File - Initialed Copies too large to scan. Identical Execution copies to follow]

Attachment 2 of Appendix L

Execution Version

Execution Version

SAN JUAN CRUISE TERMINAL 11-12

AVENIDA FERNANDEZ JUNCOS, PUERTA DE TIERRA, SAN JUAN, PUERTO RICO

PORT DRAWING NO. / FOLIO NO.

AUTORIDAD de los PUERTOS de PUERTO RICO

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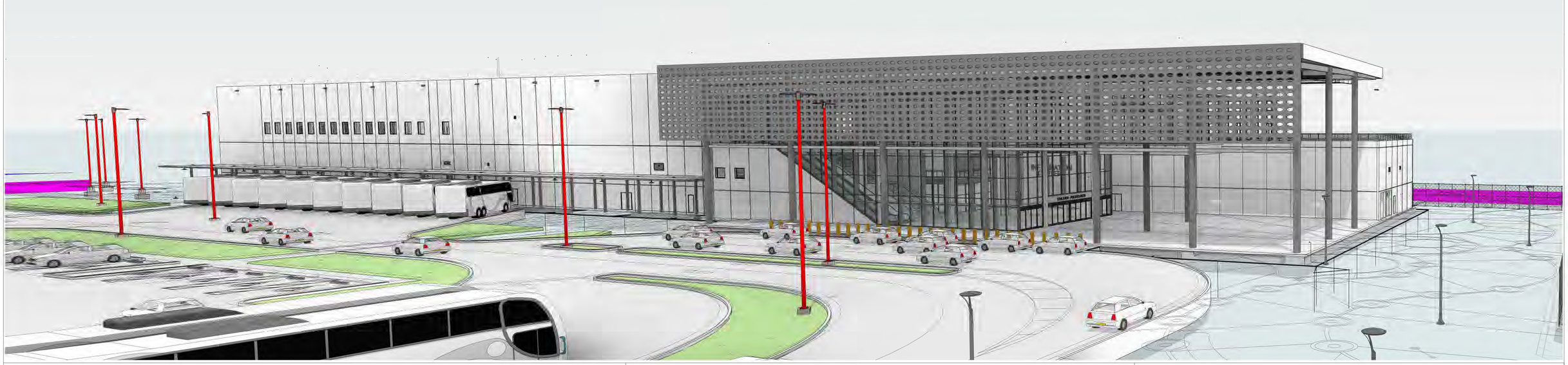
MARCH 27, 2020



OWNER	URBAN DESIGN AND PLANNING, ARCHITECTURE, INTERIOR DESIGN, LANDSCAPE ARCHITECTURE, CIVIL ENGINEERING, MARINE ENGINEERING	MEP-FP / STRUCTURAL / CIVIL ENGINEER
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Attachment 2 of Appendix L

Execution Version

OCCUPANCY CLASSIFICATIONS AND USE DESIGNATION

TERMINAL - IBC 2018 - CHAPTER 3 IBC SECTION 311.3 - GROUP S-2		
Classifications **Occupancy Group Classifications (IBC)**	**Table 1: Occupancy**	**Specific Use / Location**
Assembly Group A-3	(IBC)	All public (waiting) areas All accessory storage spaces ((IBC)
Assembly Group B, - Accessory Occupancy - Non Separated Occupancy	(IBC) (IBC) (IBC)	- Operations Offices - CBP Offices

CONSTRUCTION TYPE (IBC - CHAPTER 5)

Due to the proposed occupancies classifications, building height, and number of stories in the Terminal, the construction type for the Terminal Building is: TYPE IB

The Building will be sprinklered

Fire Resistance Rating Requierments For Building Elements IBC Table 601

Building Element	Fire Resistance Rating IB
All primary structural members (non)	**2 hours**
All primary and secondary structural members supporting a roof only	**1 hour**
All bearing walls exterior and interior	**2 hours**
All primary structural members or portion there of located 20 feet or more above floor level immediately below	**No Rating (Table 602)**
All secondary structural members associated with floor construction	**2 hours**
All secondary structural member associated with roof construction	**1 hour**

REQUIRED FIRE RESISTANCE RATED SPACES

The following table indicates the spaces within the Terminal A project where fire resistance rated separations should be provided. This includes incidental accessory occupancies.

Table 3: Fire Resistance Ratings

Summary of Required Fire Resistance Rated Spaces		
Spaces Required	**Rating**	**Reference**
Information technology equipment - Critical	1-hour fire barriers	IBC
Fire Alarm equipment	2-hour fire barriers	IBC
Electrical Rooms with dry-type Transformers > 112.5 kVa	2-hour fire barriers	IBC
Transformer Vaults (oil-insulated)	3-hour fire barriers	IBC
Mechanical Shafts Enclousures	2-hours	IBC §713 and NFPA 101 Section 8.6.5
Interior Rail Stairways	2- hour / fire barriers	IBC §1023 *Note 4
Trash Collection Rooms	Smoketight	IBC Table 509
Emergency Switchgear Room	2-hour fire barriers	IBC
Fire Pump Room	1-hour fire barriers	IBC Section 913.2.1 and NFPA 20 Section 5.12.1.1
Generator rooms (inside Bldg..)3	2-hours fire barriers	IBC
Note 1 Fire Barriers are rated walls that are continuous from floor slab to slab above. Fire partitions are rated walls that are continuous from floor to underside of the rated floor/ceiling assembly.		
Note 2 All smoke control equipment (e.g., fans, VFDs, etc.) associated with stair & elevator pressurization is required to be enclosed in dedicated (2) hr fire rated enclosures.		
Note 3 Per NFPA 110, Section 7.11.4 Generators outside or on roof need lightning protection designed and installed in accordance with NFPA 780, Standard for the Installation of Lightning Protection Systems.		
Note 4 In accordance with IBC 713.4, the shaft enclosure rating must not be less than the floor rating for the construction type.		

For Assembly occupancies, Section 12.3.2 of NFPA 101 states that rooms containing high-pressure boilers, large transformers, or other service equipment subject to explosion shall not be located directly under or abutting required exits. .

Each new fire wall, fire barrier, fire partition, smoke barrier, smoke partition, or any other new wall required to have protected openings shall be permanently identified with signs or stenciling above any decorative ceiling and in concealed spaces with the wording, "FIRE AND/OR SMOKE BARRIER – PROTECT ALL OPENINGS". Such signs or stenciling shall be in 4 inch high letters, ½ inch stroke, and not more than 15 feet on center. This requirement is mandated by both the IBC SECTION 703.7 and NFPA 101 SECTION 8.3.2.2.5

All openings and penetrations on fire/smoke rated walls described above must be protected in accordance with IBC, *Chapter 7, Fire and Smoke Protection Features*, FFPC, NFPA 1, Chapter 12, *Features of Fire Protection*, and FFPC, NFPA 101, Chapter 8, *Features of Fire Protection*.

LOT LINE ANALYSIS – EXTERIOR WALL RATINGS & ALLOWABLE OPENINGS

The fire separation distance is measured to the property line or to the centerline of the public street

Vertical Openings

The vertical openings anticipated within the Terminal project are listed below:

Per NFPA 101, Occupancy Classifications are Assembly (Chapter 12), Business (Chapter 38) and Storage (Chapter 42)

Two vertical openings are proposed on the Terminal building, each are a group of stairs and escalators located on the west and east of the building

Vertical openings shall be protected in accordance with IBC 712, NFPA 101 Section 12.3.1. (3). Assembly occupancies protected throughout by automatic sprinkler system installation shall be allowed to have unprotected vertical openings between any two floors, provided that such openings are separated from unprotected vertical openings serving other floors by barriers complying with 8.6.5.

Escalators

There are two (2) escalator groups creating vertical openings in the building. These openings must be protected in accordance with IBC, Section 712, NFPA 101, Section 8.6.9.7 (2).

The sprinkler protection around the vertical opening must comply with Section 8.15.4 of NFPA 13. Draft stops (18-inch deep) shall be located immediately adjacent to the opening made of noncombustible material that will stay in place before and during sprinkler operation. In addition, refer to narrative on escalator protection.

INTERIOR FINISH REQUIREMENTS

Interior finishes within the Terminal B project are designed to comply with the requirements of the IBC. The major interior finish requirements for the project are summarized in the table below (IBC Table 803.13 and NFPA 101 Table A.10.2.2)

Table 8: Interior Finish

Occupancy Classifications	Floor Finish Requirement	Interior Wall and Ceiling Finish Requirements (IBC)
Assembly (Sprinklered)	Exits: **Class II** Corridors: **Class II** Spaces not separated from corridor: **Class II** Exits: Class II	Exit Enclosure: **Class B** Corridors & Exit access stairs: **Class B** Rooms & Enclosed Spaces: **Class C** Lobbies: **Class C** Assembly Rooms: **Class C** Screens: **Class C** screening
Business	Exits: **Class II**	Exit Enclosure: **Class B** Corridors & Exit access stairs: **Class C** Rooms & Enclosed Spaces: **Class C** Other Spaces: **Class C**
Storage	**Class II**	Exit Enclosure: **Class C** Corridors & Exit Access Stairs: **Class C** Rooms & Enclosed Spaces : **Class C** Other Spaces: **Class C**
Atrium		

All combustible materials used as interior wall, ceiling, and floor finishes must have proper documentation indicating that the finishes comply with the requirements above.

It is recommended that the design for unique or custom interior finishes (e.g., wood finishes, textile wall coverings, foam finishes, material applied to fire doors, etc.) within the project be identified early in the design/construction process. Interior finishes consisting of unique materials or assembly of different materials will have to be tested by a nationally-recognized laboratory. The testing standard and passing criteria varies depending on the material.

Interior wall and ceiling trim and incidental finishes must be identified by the project team and must be included for assessment. Interior floor trim material used as wall base or decorative border would also be included and tested as a wall finish or floor finish.

Interior wall and ceiling finishes are normally tested as a single layer on noncombustible substrate. If the material is installed in any other manner, then the assembly of all materials must be tested in accordance with the standards above.

Wood interior finish (e.g., millwork, wood lockers, etc) must be tested as an assembly of all the components exactly how it will be installed including the adhesives, lacquers, glazing, etc.

It is noted that normally the authority having jurisdiction will not accept the application of a flame retardant treatment or coating in order to achieve the proper rating for new interior finishes

Depending on the occupancy classification, the furnishings in common areas, such as upholstered furniture, must also be evaluated before the furniture is installed in the facility.

The fire department may require a Third (3rd) Party Evaluation of the interior finishes to ascertain compliance with above ratings.

GENERAL MEANS OF EGRESS REQUIREMENTS

Maximum Allowable Travel Distances: As a building protected throughout by automatic sprinklers, the following maximum allowable travel distances are applicable to the Terminal B project as required by IBC Table 1006.2.1, Table 1017.2, Section 1020.4 NFPA 101 Table A.7.6

Table 9: Travel Distances

Occupancy Group Classifications (FBC)	Occupancy Classifications (FFPC)	Distances
Use Group A, *Assembly* occupancies	*Assembly*	**Max Travel Distance:** 250 feet **Max Dead End Distance:** 20 feet **Max Common Path Distance:** 20/75 feet[1]
Use Group B, Business occupancies	*Business*	**Max Travel Distance:** 300 feet **Max Dead End Distance:** 50 feet **Max Common Path Distance:** 100 feet
Use Group S-2, Low Hazard Storage	*Accessory Storage*	**Max Travel Distance:** 400 feet **Max Dead End Distance:** 50 feet **Max Common Path Distance:** 100 feet
Note 1: Assembly use spaces with an occupant load of 50 or more, shall have its common path of travel distance limited at 20-feet. If the occupant load is less than 50, then the common path of travel distance shall be limited at 75-feet.		

Number of Required Exits Per Floor: Each floor of the building is provided with the following minimum number of exits (as required by IBC 1006)

Table 10: Number of Exits

Floor Occupant Load	Number of Exits Required
0-500 occupants	2 Exits
501-1,000 occupants	3 Exits
>1,000 occupants	4 Exits

The number of exits designed for this project comply with the table above. There are several scissors stairs that are counted as one stair as mandated by code.

• Electrical Room Exit: Electrical rooms with equipment rated 1200 Amps or more, and 6 feet wide that contain overcurrent devices, switching devices or control devices shall have two (2) exit access doors (one at each end of the working space). The doors must swing in the direction of egress and must be equipped with panic hardware or fire exit hardware.

Electrical rooms with equipment rated 800 Amps or more that contain overcurrent devices,switching devices or control devices, and the exit door is less than 25 feet from the working
space, the door shall swing in the direction of egress and must be equipped with panic hardware or fire exit hardware. NFPA 101, Section 7.4.2 and NFPA 70, Article
110.26.(C)(2). IBC, Section 1007

Electrical rooms with equipment used in circuits over 600 volts with switchgear and control panels exceeding 6 feet in width shall have two (2) exit access doors (one at each end of
the working space). The doors must swing in the direction of egress and must be equipped with panic hardware or fire exit hardware. NFPA 101, Section 7.4.2 and NFPA 70,
Article 110.33(A).

• Exit Access Remoteness Requirements: Where two (2) exit doors or exit access doors are required to be provided, the exits must be designed in order to be remote from one
another in accordance with IBC§1007.1.1 The exits must be separated by more than one-third of the maximum diagonal distance of the floor,
space, or area served.
• Exit Discharge Configurations: All the exits must discharge to the outside in accordance with IBC Section 1028.1 and NFPA 101 Section 7.7.2 The exit discharge must comply with remoteness requirements of one-third of the maximum diagonal distance of the building. However, the Codes allow for a maximum of 50% of the number and 50% of the capacity of exits to discharge through the interior of the building provided that the following criteria are met
  - o Exterior Exit Visibility: The exit enclosure discharges to a free and unobstructed path of travel to an exterior exit door and such exit is readily visible and identifiable from the point of termination of the exit enclosure (in accordance with IBC Section 1028.1 and NFPA 101 Section 7.7.2)
  - o Floor Separation: The entire area of the level of exit discharge is separated from areas below by construction having a two (2) hour fire resistance rating (IBC Section 1028.1 and NFPA 101 Section 7.7.2)
  - o Sprinkler Protection: The egress path is protected throughout by automatic sprinklers (IBC Section 1028.1 and NFPA 101 Section 7.7.2)

• Stair Re-Entry: Interior exit stairway doors must be designed to allow re-entry into the building at each floor If the doors are normally locked to prevent access into the floors, then the doors must automatically unlock upon initiation of the fire alarm system (NFPA 101 Section 7.2.1.5.8)
• Door hardware requirements: Panic hardware (or fire exit hardware for fire doors) must be installed in all doors serving rooms or spaces with an occupant load of 50 persons or more in a Group A occupancy per IBC, Section 1010.1.10. Panic hardware must be installed in electrical rooms as stated in other section of this report.

Table 11: Occupant Load IBC and NFPA 101

Use of Space	Occupant Load Factors
Offices	100 gross ft^2 per occupant
Assembly –Concentrated	7 net ft^2 per occupant
Assembly –Standing space Unconcentrated (tables and chairs)	15 net ft^2 per occupant
Storage Areas	300 gross ft^2 per occupant (IBC)
Baggage Claim	20 gross ft2 per occupant (IBC)
Baggage Handling	100 gross ft2 per occupant (IBC)
Mechanical Spaces	300 gross ft2 per occupant (IBC)
Concourse waiting area	15 gross ft2 per occupant (IBC)

Spaces with One Means of Egress Requirements: Spaces with one (1) means of egress within the Terminal B project shall comply with the following means of egress requirements as required by IBC T-1006.2.1 and NFPA 101 Section 7.4.1.1

Table 12: One Means of Egress

Occupancy	Maximum Occupant Load	Maximum Exit Access/Common Path of Travel Distance (feet)
Assembly	49	75 feet
Business	49	100 feet
Storage	29	100 feet

Egress Capacity Factors: The egress capacity for the means of egress must be designed using the capacity factors indicated in the table below. In addition, the minimum width of the means of egress components must also be considered in the design. The minimum width is specified for each occupancy classification as stated in IBC Section 1005.3 and NFPA 101 T-7.3.3.1.

Table 13a: Egress Capacity NFPA 101

Occupancy	Stairways (in/occ)	Doors, Ramps & Other Horizontal Egress Components (in/occ)
Occupancies in this project	0.3 inches per occupant	0.2 inches per occupant
Stairways wider than 44 inches	Wn-44 / .218 + 146.7	

Table 13b: Egress Capacity IBC

Occupancy	Stairways (in/occ)	Doors, Ramps & Other Horizontal Egress Components (in/occ)
If Bldg is equipped with sprinkler system and voice evac fire alarm system	0.2 inches per occupant	0.15 inches per occupant
All other buildings	0.3 inches per occupant	0.2 inches per occupant

• Stair Width Requirements: Normally, the clear width is 44 inches, but if occupant load is over 2,000 persons cumulative assigned to one stair then increase width at that level to 56 inches NFPA 101, Section 7.2.2.

• Corridor Width: The minimum clear width is 44 inches and must be increased to accommodate the IBC T-1020.2 occupant load.

• Assembly Seating Arrangement: Furniture layout in meeting rooms and ballrooms must comply with aisle width and aisle access way width requirements as stated in Sections 12.2.5.7 and 12.2.5.8. Seating NOT at tables must comply with Sections 12.2.5.5 and 12.2.5.6. Seating at tables must comply with Section 12.2.5.7. NFPA 101, Section 12.7.9 states that seats accommodating more than 200 persons shall be securely fastened to the floor, except where fastened together in groups of not less than three.
• One Exit Unavailable Analysis:
The means of egress must be designed with adequate width and capacity such that the loss of one exit leaves the other exits available to handle at least 50% of the occupant load. Analysis and calculation must be shown on plans. IBC, Section 1005.5 and NFPA 101 Section 7.3.1.1.2
• Exit Signage: Exit signs are required at all exit doors and directional signs are required within the means of egress where the path of egress is not apparent. Exit sign placement shall be such that no point in the exit access corridor is more than 100 feet from the nearest exit sign. IBC Section 1013
• Means of Egress Lighting: Normal lighting must be designed to provide a minimum of ft-candle measured at the floor within exit access routes, exits, and the exit discharge routes. In the stairs, the minimum illumination shall be at least 10 ft-candle measured at the walking surface. The elevator code requires adequate lighting (10 ft-candle) at the landing sill of elevators measured with doors open/closed.
NFPA 101, Sections 7.8 and 7.9 and ASME A17.1, Section 2.11.10.2.

Additionally, lighting is required to be arranged such that the failure of a single lighting unit does not reduce illumination levels to less than 0.2 ft-candle as required by NFPA 101, Section 7.8.1.4 and IBC, Section 1008.2.1

Emergency lighting is required for this occupancy per NFPA 101, Sections 12.2.9 and 42.8.2.9. The emergency lighting must provide an average of 1 ft-candle measured at the floor throughout the means of egress with a minimum of 0.1 ft-candle at any point. The illumination of 10 ft-candle for the elevator threshold is still required under emergency lighting conditions.

It is noted that the Fire Department and Building Department strictly enforce the reliability of emergency lighting and require that the system be arranged to provide the required illumination automatically in the event of interruption of normal lighting due to any of the following as required by, NFPA 101, Section 7.9.2.3:
o Failure of a public utility or outside electrical power supply;
o Opening of a circuit breaker or a fuse;
o Manual acts including accidental opening of a switch controlling normal lighting

As per standard practice, it is recommended that the project team ensure that battery back-up lighting is provided in the following locations; emergency generator room, fire command centers, fire pump room, and the emergency responder radio coverage room (if provided).

Emergency lighting must be provided in mechanical rooms and electrical rooms as required in NFPA 70, Articles 110.26(D) and 700.16.

Emergency lighting is required on the egress side of delayed egress door and access control doors when provided in the building in accordance with NFPA 101, Section 7.2.1.6.

Execution Version

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30% DESIGN

MARCH 27, 2020

NOT FOR CONSTRUCTION

REVISIONS		
REV. #	REVISION DESCRIPTION	REV. DATE
0	1st Subm. 30% Design	2020-02-14
1	30% Design Subm. to PRPA	2020-03-27

AUTORIDAD DE PUERTOS de PUERTO RICO

Yo _____, __licencia__, certifico que soy el profesional que diseñó estos planos y las especificaciones complementarias. También certifico que entiendo que dichos planos y especificaciones cumplen con las disposiciones aplicables del Reglamento Conjunto y las disposiciones aplicables de los Reglamentos o Corporaciones Públicas con jurisdicción. Certifico, además, que en la preparación de estos planos y especificaciones se ha cumplido cabalmente con los dispuesto en la "Ley Núm.14 de 8 de enero de 2004, según enmendada, conocida como la "Ley para la Inversión por la Industria Puertorriqueña" y con la Ley Núm 319 de 15 de mayo de 1938, según enmendada; Ley Núm. 96 de 6 de julio de 1978, según enmendada. Reconozco que cualquier declaración falsa o falsificación de los hechos que se haya producido por desconocimiento o por negligencia ya sea por mí, mis agentes o empleados o por otras personas con mi conocimiento, me hacen responsable de cualquier acción judicial y disciplinaria por la OGPe.

DRAWINGS ARE PROPERTY OF BERMELLO AJAMIL & PARTNERS

PROJECT NAME:

SAN JUAN CRUISE TERMINAL 11-12

PROJECT ADDRESS:
AVENIDA FERNANDEZ JUNCOS, PUERTA DE TIERRA, SAN JUAN, PUERTO RICO

BA. PROJECT NUMBER:
19070

SHEET NAME

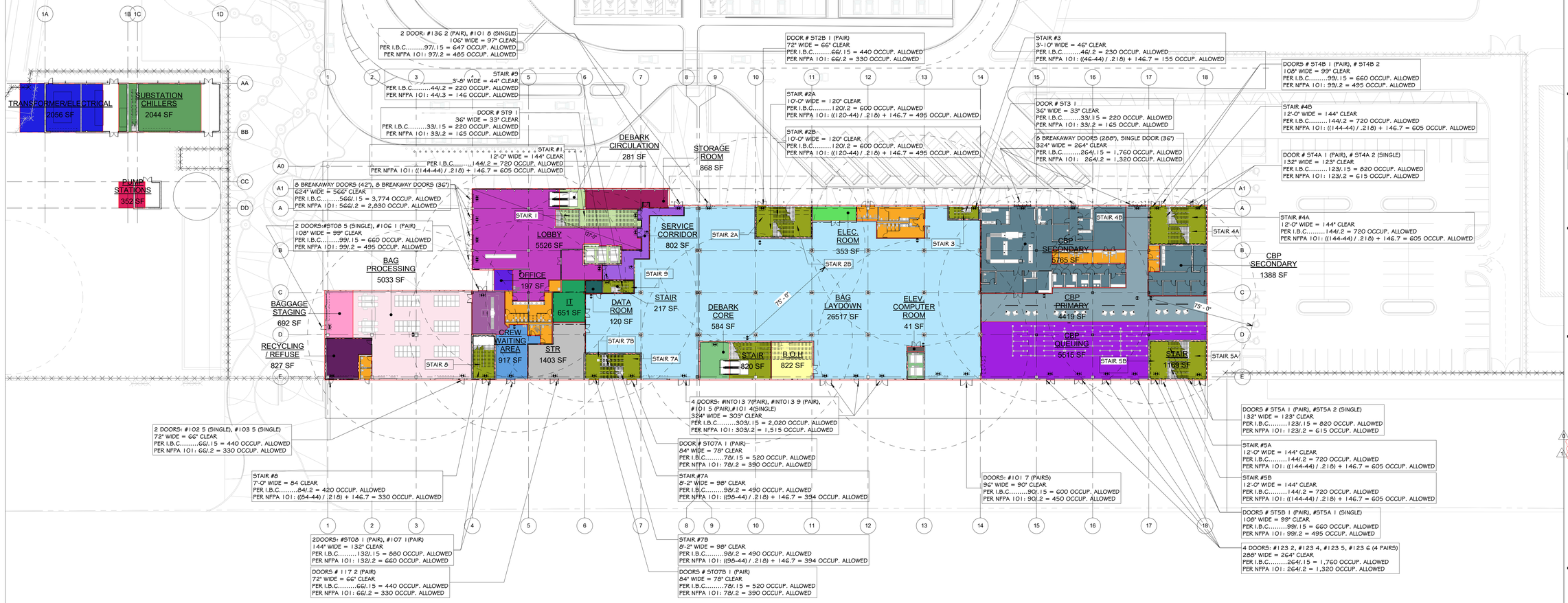
LIFE SAFETY AND FIRE PROTECTION

SHEET NO.

LS-000

Attachment 2 of Appendix L

Execution Version



1 LS-101 GROUND FLOOR PLAN LS

1" = 30'-0"

OCCUPANCY LOAD ANALYSIS

LEVEL	DESCRIPTION OF SPACES	ZONE	GROSS FLOOR AREA (S.Q. F.T.)	OCCUPANCY LOAD FACTOR (IBC 2017)	UNIT	OCCUPANCY LOAD (PERSONS)	AREAS PER NFPA 101 & IBC ANALYSIS REFER TO CHART ON LS-000
L1	CBP PRIMARY	ZONE 8	4,407	BUSINESS AREA (100 GROSS PER OCCUPANT)	100	45	ZONE 8 854 OCCUPANTS TOTAL
L1	CBP SECONDARY	ZONE 8	5,602	BUSINESS AREA (100 GROSS PER OCCUPANT)	100	57	
L1	CBP SECONDARY	ZONE 8	1,342	BUSINESS AREA (100 GROSS PER OCCUPANT)	100	14	
L1	CBP QUEUING	ZONE 8	5,375	ASSEMBLY W/O FIXED SEATING (7 NET PER OCCUPANT)	7	768	

TOTAL OCCUPANT LOAD ZONE 8

OCCUPANT LOAD	DOORS: 4 PAIRS OF DOORS USED AT CBP QUEUING, 8 BREAKAWAY DOORS, 1 SINGLE DOOR
	DOORS EGRESS CAPACITY PER I.B.C DOORS EGRESS CAPACITY PER NFPA 101
884	3,520 OCCUPANTS 2,640 OCCUPANTS

L1	BAG LAYDOWN	ZONE 9	26,121	TERMINAL BAGGAGE CLAIM (15 NET PER OCCUPANT)	20	1,307	ZONE 9 1,366 OCCUPANTS TOTAL
L1	DATA ROOM	ZONE 9	116	BUSINESS AREA (100 GROSS PER OCCUPANT)	100	2	
L1	IT ROOM	ZONE 9	651	BUSINESS AREA (100 GROSS PER OCCUPANT)	100	7	
L1	B.O.H	ZONE 9	822	ACCESSORY STORAGE/MECH ROOM (300 GROSS PER OCCUPANT)	300	3	
L1	STR	ZONE 9	1,321	ACCESSORY STORAGE (300 GROSS PER OCCUPANT)	300	5	
L1	DEBARK CORE	ZONE 9	584	TERMINAL BAGGAGLE CLAIM (15 NET PER OCCUPANT)	15	39	
L1	ELECTRICAL ROOM	ZONE 9	353	ACCESSORY STORAGE/ MECH ROOM (300 GROSS PER OCCUPANT)	300	2	
L1	ELEV. COMPUTER ROOM	ZONE 9	41	ACCESSORY STORAGE/ MECH ROOM (300 GROSS PER OCCUPANT)	300	1	

TOTAL OCCUPANT LOAD ZONE 9

OCCUPANT LOAD	DOORS: 2 SINGLE DOOR AND 4 PAIRS OF DOORS @ BAG LAYDOWN, 1 PAIR OF DOORS @ STORAGE ROOM
	DOORS EGRESS CAPACITY PER I.B.C DOORS EGRESS CAPACITY PER NFPA 101
1,366	3,267 OCCUPANTS 2,450 OCCUPANTS

L1	OFFICE	ZONE 10	197	BUSINESS AREA (100 GROSS PER OCCUPANT)	100	2	ZONE 10 1,433 OCCUPANTS TOTAL
L1	LOBBY	ZONE 10	5,526	ASSEMBLY W/O FIXED SEATING (7 NET PER OCCUPANT)	7	808	
L1	STORAGE ROOM	ZONE 10	868	STORAGE ROOMS (100 GROSS PER OCCUPANT)	100	9	
L1	SERVICE CORRIDOR	ZONE 10	802	BUSINESS AREA (100 GROSS PER OCCUPANT)	100	9	
L1	2ND FLOOR LOAD FROM STAIR 1	ZONE 10	-		-	605	

TOTAL OCCUPANT LOAD ZONE 10

OCCUPANT LOAD	DOORS: 16 BREAKAWAY DOORS AND 1 PAIR DOORS
	DOORS EGRESS CAPACITY PER I.B.C DOORS EGRESS CAPACITY PER NFPA 101
1,433	4,214 OCCUPANTS 3,160 OCCUPANTS

L1	CREW AREA	ZONE 11	1,625	BUSINESS AREA (100 GROSS PER OCCUPANT)	100	17	ZONE 11 76 OCCUPANTS TOTAL
L1	BAG PROCESSING	ZONE 11	4,859	BUSINESS AREA (100 GROSS PER OCCUPANT)	100	49	
L1	BAG STAGING	ZONE 11	637	BUSINESS AREA (100 GROSS PER OCCUPANT)	100	7	
L1	RECYCLING REFUSE	ZONE 11	765	ACCESSORY STORAGE (300 GSF / OCC)	300	3	

TOTAL OCCUPANT LOAD ZONE 11

OCCUPANT LOAD	DOORS: 2 PAIRS OF DOORS, 3 SINGLE DOORS
	DOORS EGRESS CAPACITY PER I.B.C DOORS EGRESS CAPACITY PER NFPA 101
76	1,540 OCCUPANTS 1,155 OCCUPANTS

LIFE SAFETY LEGEND

- 1 HR FIRE RATED
- 2 HR FIRE RATED
- 3 HR FIRE RATED
- SMOKE RATED

FE — FIRE EXTINGUISHER 2A 10BC
75' MAX DISTANCE / 75' MAX. DISTANCE LOW HAZARD
(PASSENGER WAITING AREAS, OFFICE SPACES)

- DEAD-END LIMIT FOR BUSINESS OCCUPANCY & PARKING GARAGE (MODERATE HAZARD) (SPRINKLERED) = 50'- 0"
- DEAD-END LIMIT FOR ASSEMBLY A3 OCCUPANCY (SPRINKLERED) = 20'- 0"
- 250'-0" MAX. TRAVEL DISTANCE (NFPA 101- 2018 TABLE A 7.6) WITH SPRINKLER SYSTEM FOR ASSEMBLY OCCUPANCY
- 300'-0" MAX. TRAVEL DISTANCE (NFPA 101- 2018 TABLE A 7.6) WITH SPRINKLER SYSTEM FOR BUSINESS OCCUPANCY

EXIT LIGHT - DIRECTIONAL ARROWS AS INDICATED

FIRE RESISTANCE RATING REQUIREMENTS FOR BUILDING ELEMENTS (HOURS)

IN ACCORDANCE WITH IBC 2018, TABLE 601

ALL PRIMARY STRUCTURAL MEMBERS (UON)	2 HOURS
ALL PRIMARY ¢ SECONDARY STRUCTURAL MEMBERS SUPPORTING A ROOF ONLY	1 HOUR
ALL PRIMARY STRUCTURAL MEMBERS OR PORTIONS THEREOF LOCATED 20 FEET OR MORE ABOVE FLOOR LEVEL IMMEDIATELY BELOW	NO RATING
ALL SECONDARY STRUCTURAL MEMBERS ASSOCIATED WITH FLOOR CONSTRUCTION	2 HOURS
ALL SECONDARY STRUCTURAL MEMBERS ASSOCIATED WITH ROOF CONSTRUCTION	1 HOUR
ALL SECONDARY STRUCTURAL MEMBERS OR PORTIONS THEREOF LOCATED 20 FEET OR MORE ABOVE FLOOR LEVEL IMMEDIATELY BELOW	NO RATING

PUERTO RICO BUILDING CODE 2018 & IBC 2018 - NFPA 101 (2018 EDITION)

A. OCCUPANCY CLASS: ASSEMBLY A3 PER I.B.C. / ASSEMBLY PER NFPA 101
CRUISE PASSENGER TERMINAL

B. OCCUPANCY LOAD BASED ON CHAPTER 10 - MEANS OF EGRESS SECTION 1004.(I.B.C.)
NUMBER OF OCCUPANTS DETERMINED BY USING TABLE 1004.1.2 -MAXIMUM FLOOR AREA ALLOWANCES PER OCCUPANT.
OCCUPANCY LOAD:

I. WAITING AREAS (UNCONCENTRATED) = 15 SQ. FT. / OCCUPANT
La WAITING AREAS (CONCENTRATED) = 7 SQ.FT. / OCCUPANT
II. BAGGAGE CLAIM = 20 SQ. FT. / OCCUPANT
III. BAGGAGE HANDLING = 300 SQ. FT. / OCCUPANT
IV. OFFICES = 100 SQ. FT. / OCCUPANT

C. OCCUPANCY LOAD BASED ON NFPA 101 CHAPTERS 12 AND 7

GENERAL NOTES

1. REFER TO SHEET LS-000 FOR LIFESAFETY AND FIRE PROTECTION GENERAL NOTES.

2. THIS BUILDING IS PROTECTED THROUGHOUT BY AN APPROVED, SUPERVISED AUTOMATIC SPRINKLER SYSTEM AND WITH AN EMERGENCY VOICE/ALARM COMMUNICATION SYSTEM PER I.B.C. 1005.3

3. THIS IS A BUILDING TYPE I-B IN ACCORDANCE WITH I.B.C. TABLE 503

4. AREAS OF REFUGE ARE PROVIDED WITHIN THE STAIR F.R. ENCLOSURES AND SHOULD MEET THE REQUIREMENTS OF NFPA 101., SECTION 7.2.12:

- ONE WHEELCHAIR SPACE (30"x48") PER 200 OCCUPANTS
- EACH AREA OF REFUGE SHOULD BE PROVIDED WITH A TWO-WAY COMMUNICATION SYSTEM TO COMMUNICATE BETWEEN THE AREA OF REFUGE AND THE FIRE COMMAND CENTER.
- DIRECTIONS FOR THE USE OF THE TWO-WAY COMMUNICATION SYSTEM; INSTRUCTIONS FOR SUMMONING ASSISTANCE; AND WRITTEN IDENTIFICATION OF THE LOCATION SHALL BE POSTED ADJACENT TO THE TWO-WAY COMMUNICATION SYSTEM.
- THE TWO-WAY COMMUNICATION SYSTEM SHALL INCLUDE BOTH AUDIBLE AND VISIBLE SIGNALS.

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MARCH 27, 2020

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REV. #	REVISION DESCRIPTION	REV. DATE
0	1st Subm. 30% Design	2020-02-14
1	30% Design Subm. to PRPA	2020-03-27

AUTORIDAD de PUERTOS de PUERTO RICO

Yo _____, __licencia__, certifico que soy el profesional que diseñó estos planos y las especificaciones complementarias. También certifico que entiendo que dichos planos y especificaciones cumplen con las disposiciones aplicables del Reglamento Conjunto y las disposiciones aplicables de los Reglamentos o Corporaciones Públicas con jurisdicción. Certifico, además, que en la preparación de estos planos y especificaciones se ha cumplido cabalmente con los dispuesto en la "Ley Núm.14 de 8 de enero de 2004, según enmendada, conocida como la "Ley para la Inversión por la Industria Puertorriqueña" y con la Ley Núm 319 de 15 de mayo de 1938, según enmendada; Ley Núm. 96 de 6 de julio de 1978, según enmendada. Reconozco que cualquier declaración falsa o falsificación de los hechos que se haya producido por desconocimiento o por negligencia ya sea por mi, mis agentes o empleados o por otras personas con mi conocimiento, me hacen responsable de cualquier acción judicial y disciplinaria por la OGPe.

DRAWINGS ARE PROPERTY OF BERMELLO AJAMIL & PARTNERS

PROJECT NAME:
SAN JUAN CRUISE TERMINAL 11-12

PROJECT ADDRESS:
AVENIDA FERNANDEZ JUNCOS, PUERTA DE TIERRA, SAN JUAN, PUERTO RICO

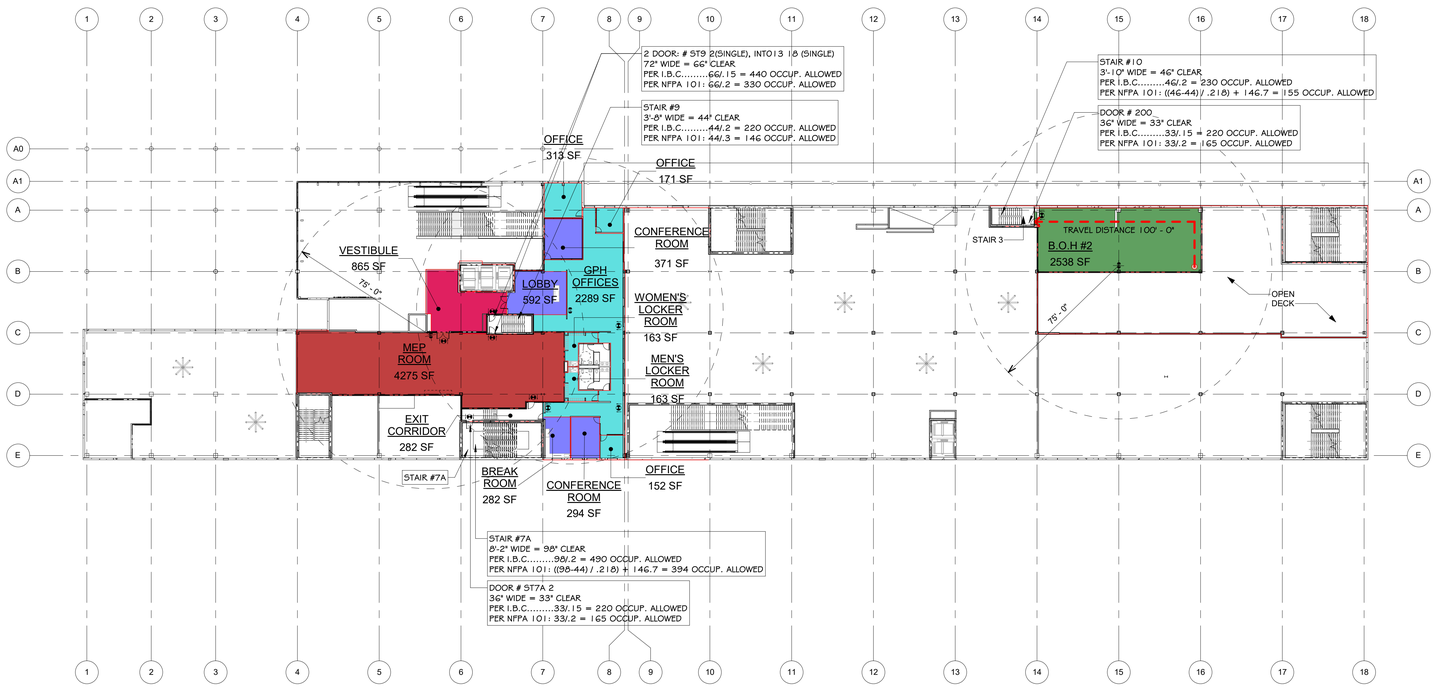
BA. PROJECT NUMBER:
19070

SHEET NAME
LIFE SAFETY GROUND FLOOR PLAN

SHEET NO.
LS-101

Attachment 2 of Appendix L

Execution Version



1 LS-150 MEZZANINE LIFE SAFETY PLAN

1" = 30'-0"

FIRE RESISTANCE RATING REQUIREMENTS FOR BUILDING ELEMENTS (HOURS)

IN ACCORDANCE WITH IBC 2018, TABLE 601

ALL PRIMARY STRUCTURAL MEMBERS (UON)	2 HOURS
ALL PRIMARY & SECONDARY STRUCTURAL MEMBERS SUPPORTING A ROOF ONLY	1 HOUR
ALL PRIMARY STRUCTURAL MEMBERS OR PORTIONS THEREOF LOCATED 20 FEET OR MORE ABOVE FLOOR LEVEL IMMEDIATELY BELOW	NO RATING
ALL SECONDARY STRUCTURAL MEMBERS ASSOCIATED WITH FLOOR CONSTRUCTION	2 HOURS
ALL SECONDARY STRUCTURAL MEMBERS ASSOCIATED WITH ROOF CONSTRUCTION	1 HOUR
ALL SECONDARY STRUCTURAL MEMBERS OR PORTIONS THEREOF LOCATED 20 FEET OR MORE ABOVE FLOOR LEVEL IMMEDIATELY BELOW	NO RATING

OCCUPANCY LOAD ANALYSIS

LEVEL	DESCRIPTION OF SPACES	ZONE	GROSS FLOOR AREA (S.Q. F.T.)	OCCUPANCY LOAD FACTOR (IBC 2018)	UNIT	OCCUPANCY LOAD (PERSONS)	AREAS PER NFPA 101 & IBC ANALYSIS REFER TO CHART ON LS-000
I	G.P.H OFFICES	ZONE 6	3,251	BUSINESS AREA (100 GROSS PER OCCUPANT)	100	33	ZONE 6 160 OCCUPANTS TOTAL
I	CONF. ROOM, BREAKROOM AND LOBBY	ZONE 6	1,538	BUSINESS AREA / ASSEMBLY (15 GROSS PER OCCUPANT)	15	103	
I	VESTIBULE	ZONE 6	865	BUSINESS AREA (100 GROSS PER OCCUPANT)	100	9	
I	MEP ROOM	ZONE 6	4,275	ACCESSORY STORAGE/ MECH ROOM (300 GROSS PER OCCUPANT)	300	15	

TOTAL OCCUPANT LOAD ZONE 6

OCCUPANT LOAD	STAIRS: 7A (UTILIZING 8% OF TOTAL CAPACITY, 9 (UTILIZING 100% CAPACITY)	
	DOORS EGRESS CAPACITY PER I.B.C	STAIRS EGRESS CAPACITY PER I.B.C
	DOORS EGRESS CAPACITY PER NFPA 101	STAIRS EGRESS CAPACITY PER NFPA 101
160	660 OCCUPANTS 495 OCCUPANTS	710 OCCUPANTS 559 OCCUPANTS

I	B.O.H # 2	ZONE 7	2,538	ACCESSORY STORAGE/ MECH ROOM (300 GROSS PER OCCUPANT)	300	9	ZONE 7 9 OCCUPANTS TOTAL

TOTAL OCCUPANT LOAD ZONE 7

OCCUPANT LOAD	STAIR: 10	
	DOORS EGRESS CAPACITY PER I.B.C	STAIRS EGRESS CAPACITY PER I.B.C
	DOORS EGRESS CAPACITY PER NFPA 101	STAIRS EGRESS CAPACITY PER NFPA 101
9	220 OCCUPANTS 165 OCCUPANTS	230 OCCUPANTS 155 OCCUPANTS

LIFE SAFETY LEGEND

- 1 HR FIRE RATED
- 2 HR FIRE RATED
- 3 HR FIRE RATED
- SMOKE RATED

FE — FIRE EXTINGUISHER 2A 10BC
75' MAX DISTANCE / 75' MAX. DISTANCE LOW HAZARD
(PASSENGER WAITING AREAS, OFFICE SPACES)

- DEAD-END LIMIT FOR BUSINESS OCCUPANCY & PARKING GARAGE (MODERATE HAZARD) (SPRINKLERED) = 50'- 0"
- DEAD-END LIMIT FOR ASSEMBLY A3 OCCUPANCY (SPRINKLERED) = 20'- 0"
- 250'-0" MAX. TRAVEL DISTANCE (NFPA 101- 2018 TABLE A 7.6) WITH SPRINKLER SYSTEM FOR ASSEMBLY OCCUPANCY
- 300'-0" MAX. TRAVEL DISTANCE (NFPA 101- 2018 TABLE A 7.6) WITH SPRINKLER SYSTEM FOR BUSINESS OCCUPANCY
- EXIT LIGHT - DIRECTIONAL ARROWS AS INDICATED

PUERTO RICO BUILDING CODE 2018 & IBC 2018 - NFPA 101 (2018 EDITION)

A. OCCUPANCY CLASS: ASSEMBLY A3 PER I.B.C. / ASSEMBLY PER NFPA 101
CRUISE PASSENGER TERMINAL

B. OCCUPANCY LOAD BASED ON CHAPTER 10 - MEANS OF EGRESS SECTION 1004 (I.B.C.)
NUMBER OF OCCUPANTS DETERMINED BY USING TABLE 1004.1.2 -MAXIMUM FLOOR AREA ALLOWANCES PER OCCUPANT.
OCCUPANCY LOAD:

I. WAITING AREAS (UNCONCENTRATED) = 15 SQ. FT. / OCCUPANT
I.a WAITING AREAS (CONCENTRATED) = 7 SQ.FT. / OCCUPANT
II. BAGGAGE CLAIM = 20 SQ. FT. / OCCUPANT
III. BAGGAGE HANDLING = 300 SQ. FT. / OCCUPANT
IV. OFFICES = 100 SQ. FT. / OCCUPANT

C. OCCUPANCY LOAD BASED ON NFPA 101 CHAPTERS 12 AND 7

GENERAL NOTES

1. REFER TO SHEET LS-000 FOR LIFESAFETY AND FIRE PROTECTION GENERAL NOTES.

2. THIS BUILDING IS PROTECTED THROUGHOUT BY AN APPROVED, SUPERVISED AUTOMATIC SPRINKLER SYSTEM AND WITH AN EMERGENCY VOICE/ALARM COMMUNICATION SYSTEM PER I.B.C. 1005.3

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- THE TWO-WAY COMMUNICATION SYSTEM SHALL INCLUDE BOTH AUDIBLE AND VISIBLE SIGNALS.

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PROJECT NAME:

SAN JUAN CRUISE TERMINAL 11-12

PROJECT ADDRESS:

AVENIDA FERNANDEZ JUNCOS, PUERTA DE TIERRA, SAN JUAN, PUERTO RICO

BA. PROJECT NUMBER:

19070

SHEET NAME

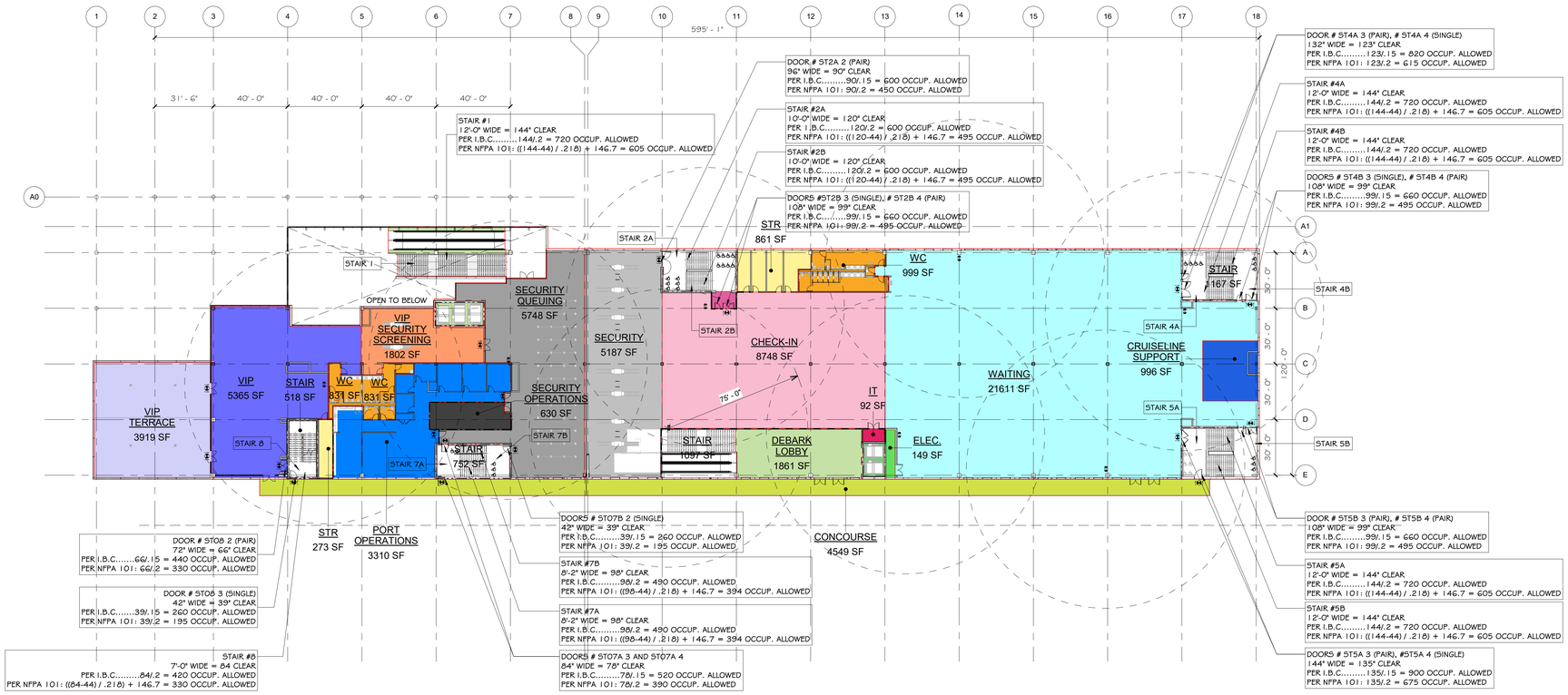
LIFE SAFETY INTERMEDIATE FLOOR PLAN

SHEET NO.

LS-150

Attachment 2 of Appendix L

Execution Version



1 SECOND LIFE SAFETY FLOOR PLAN

LS-200

1" = 30'-0"

OCCUPANCY LOAD ANALYSIS

LEVEL	DESCRIPTION OF SPACES	ZONE	GROSS FLOOR AREA (S.Q. F.T.)	OCCUPANCY LOAD FACTOR (IBC 2017)	UNIT	OCCUPANCY LOAD (PERSONS)	AREAS PER NFPA 101 & IBC ANALYSIS REFER TO CHART ON LS-000
L2	V.I.P.	ZONE 1	5,365	ASSEMBLY W/O FIXED SEATS (15 NET PER OCCUPANT)	15	358	ZONE 1 640 OCCUPANTS TOTAL
L2	V.I.P. TERRACE	ZONE 1	3,919	ASSEMBLY W/O FIXED SEATS (15 NET PER OCCUPANT)	15	262	
L2	V.I.P. SECURITY SCREENING	ZONE 1	1,802	BUSINESS AREA (100 GROSS PER OCCUPANT)	100	19	
L2	STORAGE ROOM	ZONE 1	273	STORAGE (300 GROSS PER OCCUPANT)	100	1	

TOTAL OCCUPANT LOAD ZONE 1

OCCUPANT LOAD	STAIRS: 29% OF STAIR 1, 22% OF STAIR 7A, 22% OF STAIR 7B, 100% OF STAIR 8	
	DOORS EGRESS CAPACITY PER I.B.C DOORS EGRESS CAPACITY PER NFPA 101	STAIRS EGRESS CAPACITY PER I.B.C STAIRS EGRESS CAPACITY PER NFPA 101
640	808 OCCUPANTS 670 OCCUPANTS (NOTE: STAIR #1 HAS NO DOORS)	845 OCCUPANTS 679 OCCUPANTS

L2	PORT OPERATIONS	ZONE 2	3,310	BUSINESS AREA (100 GROSS PER OCCUPANT)	100	34	ZONE 2 41 OCCUPANTS TOTAL
L2	SECURITY OPERATIONS	ZONE 2	630	BUSINESS AREA (100 GROSS PER OCCUPANT)	100	7	

TOTAL OCCUPANT LOAD ZONE 2

OCCUPANT LOAD	STAIR: 7A (UTILIZING 37% OF TOTAL CAPACITY)	
	DOORS EGRESS CAPACITY PER I.B.C DOORS EGRESS CAPACITY PER NFPA 101	STAIRS EGRESS CAPACITY PER I.B.C STAIRS EGRESS CAPACITY PER NFPA 101
41	260 OCCUPANTS 195 OCCUPANTS	182 OCCUPANTS 146 OCCUPANTS

L2	SECURITY QUEUING	ZONE 3	5,740	ASSEMBLY (7 NET PER OCCUPANT)	7	820	ZONE 3 872 OCCUPANTS TOTAL
L2	SECURITY	ZONE 3	5,187	BUSINESS TRANSACTION AREA (100 GROSS PER OCCUPANT)	100	52	

TOTAL OCCUPANT LOAD ZONE 3

OCCUPANT LOAD	STAIRS: 71% OF STAIR 1, 100% OF STAIR 2A, 33% OF STAIR 7A, 100% OF STAIR 7B	
	DOORS EGRESS CAPACITY PER I.B.C DOORS EGRESS CAPACITY PER NFPA 101	STAIRS EGRESS CAPACITY PER I.B.C STAIRS EGRESS CAPACITY PER NFPA 101
872	1,457 OCCUPANTS 1,139 OCCUPANTS (NOTE: STAIR #1 HAS NO DOORS)	1,763 OCCUPANTS 1,448 OCCUPANTS

L2	CRUISELINE SUPPORT	ZONE4	996	BUSINESS AREA (100 GROSS PER OCCUPANT)	100	10	ZONE 4 2,771 OCCUPANTS TOTAL
L2	WAITING	ZONE4	21,611	WAITING/ASSEMBLY (15 NET PER OCCUPANT)	15	1,441	
L2	CHECK-IN	ZONE4	8,748	ASSEMBLY (7 NET PER OCCUPANT)	7	1,250	
L2	DEBARK LOBBY	ZONE4	1,861	BUSINESS AREA (100 GROSS PER OCCUPANT)	100	19	
L2	STR	ZONE4	861	STORAGE (300 GROSS PER OCCUPANT)	300	3	
L2	ELECT. ROOM	ZONE4	149	ACCESSORY STORAGE/ MECH ROOM (300 GROSS PER OCCUPANT)	100	2	
L2	CONCOURSE	ZONE 5	4,549	TERMINAL CONCOURSE (100 GROSS PER OCCUPANT)	100	46	

TOTAL OCCUPANT LOAD ZONE 4

OCCUPANT LOAD	STAIRS: 2B, 4A, 4B, 5A, 5B	
	DOORS EGRESS CAPACITY PER I.B.C DOORS EGRESS CAPACITY PER NFPA 101	STAIRS EGRESS CAPACITY PER I.B.C STAIRS EGRESS CAPACITY PER NFPA 101
2,771	3,700 OCCUPANTS 2,775 OCCUPANTS	3,480 OCCUPANTS 2,915 OCCUPANTS

EXIT CAPACITY FROM LOBBY STAIR (#1) - 50% RULE (NFPA 101-12.3.6)

	EXITS	EXIT WIDTH	NFPA FACTOR	EGRESS CAPACITY	TOTAL ALLOWED OCCUPANCY LOAD BASED ON 2X LOBBY STAIR CAPACITY	TOTAL OCCUPANTS IN ZONE 3
1	STAIR #1	144"	NFPA 101 7.3.3.2	605	1,210	874

FIRE RESISTANCE RATING REQUIREMENTS FOR BUILDING ELEMENTS (HOURS)

IN ACCORDANCE WITH IBC 2018, TABLE 601

ALL PRIMARY STRUCTURAL MEMBERS (UON)	2 HOURS
ALL PRIMARY & SECONDARY STRUCTURAL MEMBERS SUPPORTING A ROOF ONLY	1 HOUR
ALL PRIMARY STRUCTURAL MEMBERS OR PORTIONS THEREOF LOCATED 20 FEET OR MORE ABOVE FLOOR LEVEL IMMEDIATELY BELOW	NO RATING
ALL SECONDARY STRUCTURAL MEMBERS ASSOCIATED WITH FLOOR CONSTRUCTION	2 HOURS
ALL SECONDARY STRUCTURAL MEMBERS ASSOCIATED WITH ROOF CONSTRUCTION	1 HOUR
ALL SECONDARY STRUCTURAL MEMBERS OR PORTIONS THEREOF LOCATED 20 FEET OR MORE ABOVE FLOOR LEVEL IMMEDIATELY BELOW	NO RATING

LIFE SAFETY LEGEND

- 1 HR FIRE RATED
- 2 HR FIRE RATED
- 3 HR FIRE RATED
- SMOKE RATED

FIRE EXTINGUISHER 2A 10BC
75' MAX DISTANCE / 75' MAX. DISTANCE LOW HAZARD
(PASSENGER WAITING AREAS, OFFICE SPACES)

- DEAD-END LIMIT FOR BUSINESS OCCUPANCY & PARKING GARAGE (MODERATE HAZARD) (SPRINKLERED) = 50'- 0"
- DEAD-END LIMIT FOR ASSEMBLY A3 OCCUPANCY (SPRINKLERED) = 20'- 0"
- 250'-0" MAX. TRAVEL DISTANCE (NFPA 101- 2018 TABLE A 7.6) WITH SPRINKLER SYSTEM FOR ASSEMBLY OCCUPANCY
- 300'-0" MAX. TRAVEL DISTANCE (NFPA 101- 2018 TABLE A 7.6) WITH SPRINKLER SYSTEM FOR BUSINESS OCCUPANCY

EXIT LIGHT - DIRECTIONAL ARROWS AS INDICATED

PUERTO RICO BUILDING CODE 2018 & IBC 2018 - NFPA 101 (2018 EDITION)

A. OCCUPANCY CLASS: ASSEMBLY A3 PER I.B.C. / ASSEMBLY PER NFPA 101
CRUISE PASSENGER TERMINAL

B. OCCUPANCY LOAD BASED ON CHAPTER 10 - MEANS OF EGRESS SECTION 1004.(I.B.C.)
NUMBER OF OCCUPANTS DETERMINED BY USING TABLE 1004.1.2 -MAXIMUM FLOOR AREA ALLOWANCES PER OCCUPANT.
OCCUPANCY LOAD:

I. WAITING AREAS (UNCONCENTRATED) = 15 SQ. FT. / OCCUPANT
I.a WAITING AREAS (CONCENTRATED) = 7 SQ.FT. / OCCUPANT
II. BAGGAGE CLAIM = 20 SQ. FT. / OCCUPANT
III. BAGGAGE HANDLING = 300 SQ. FT. / OCCUPANT
IV. OFFICES = 100 SQ. FT. / OCCUPANT

C. OCCUPANCY LOAD BASED ON NFPA 101 CHAPTERS 12 AND 7

GENERAL NOTES

1. REFER TO SHEET LS-000 FOR LIFESAFETY AND FIRE PROTECTION GENERAL NOTES.

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4. AREAS OF REFUGE ARE PROVIDED WITHIN THE STAIR F.R. ENCLOSURES AND SHOULD MEET THE REQUIREMENTS OF NFPA 101., SECTION 7.2.12:

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- EACH AREA OF REFUGE SHOULD BE PROVIDED WITH A TWO-WAY COMMUNICATION SYSTEM TO COMMUNICATE BETWEEN THE AREA OF REFUGE AND THE FIRE COMMAND CENTER.
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PROJECT NAME:
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PROJECT ADDRESS:
AVENIDA FERNANDEZ JUNCOS, PUERTA DE TIERRA, SAN JUAN, PUERTO RICO

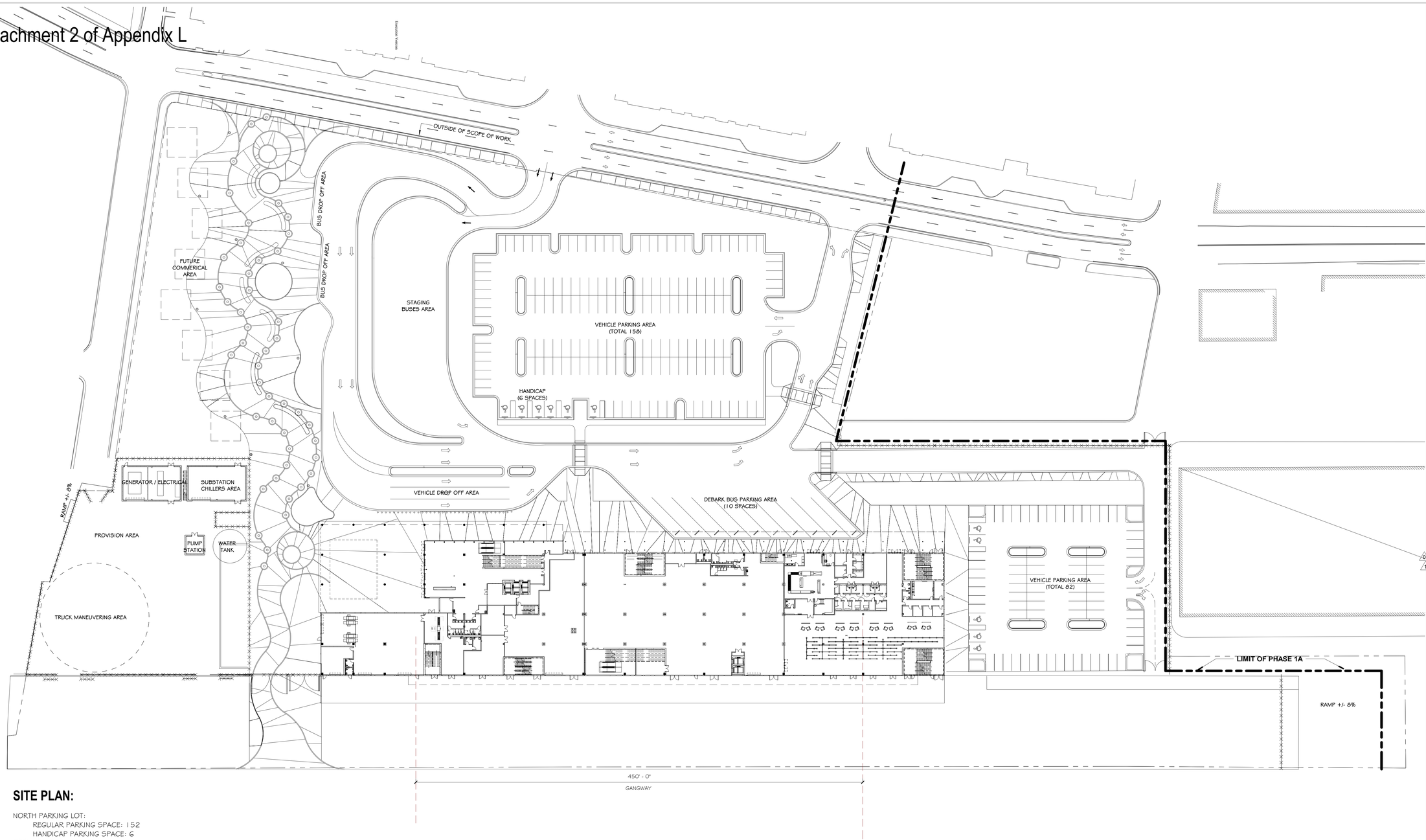
BA. PROJECT NUMBER:
19070

SHEET NAME
LIFE SAFETY SECOND FLOOR PLAN

SHEET NO.
LS-200

Attachment 2 of Appendix L

Execution Version



SITE PLAN:

NORTH PARKING LOT:
- REGULAR PARKING SPACE: 152
- HANDICAP PARKING SPACE: 6

TOTAL SPACE: 158

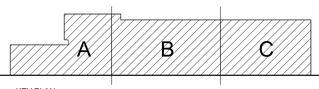
EAST PARKING LOT:
- REGULAR PARKING SPACE: 77
- HANDICAP PARKING SPACE: 5

TOTAL SPACE: 82

OVERALL PARKING SPACE: 240

1 AS-100 — 00_OVERALL_Site Plan
1" = 40'-0"

KEY PLAN



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1	30% Design Subm. to PRPA	2020-03-27

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PROJECT NAME:
SAN JUAN CRUISE TERMINAL 11-12

PROJECT ADDRESS:
AVENIDA FERNANDEZ JUNCOS, PUERTA DE TIERRA, SAN JUAN, PUERTO RICO

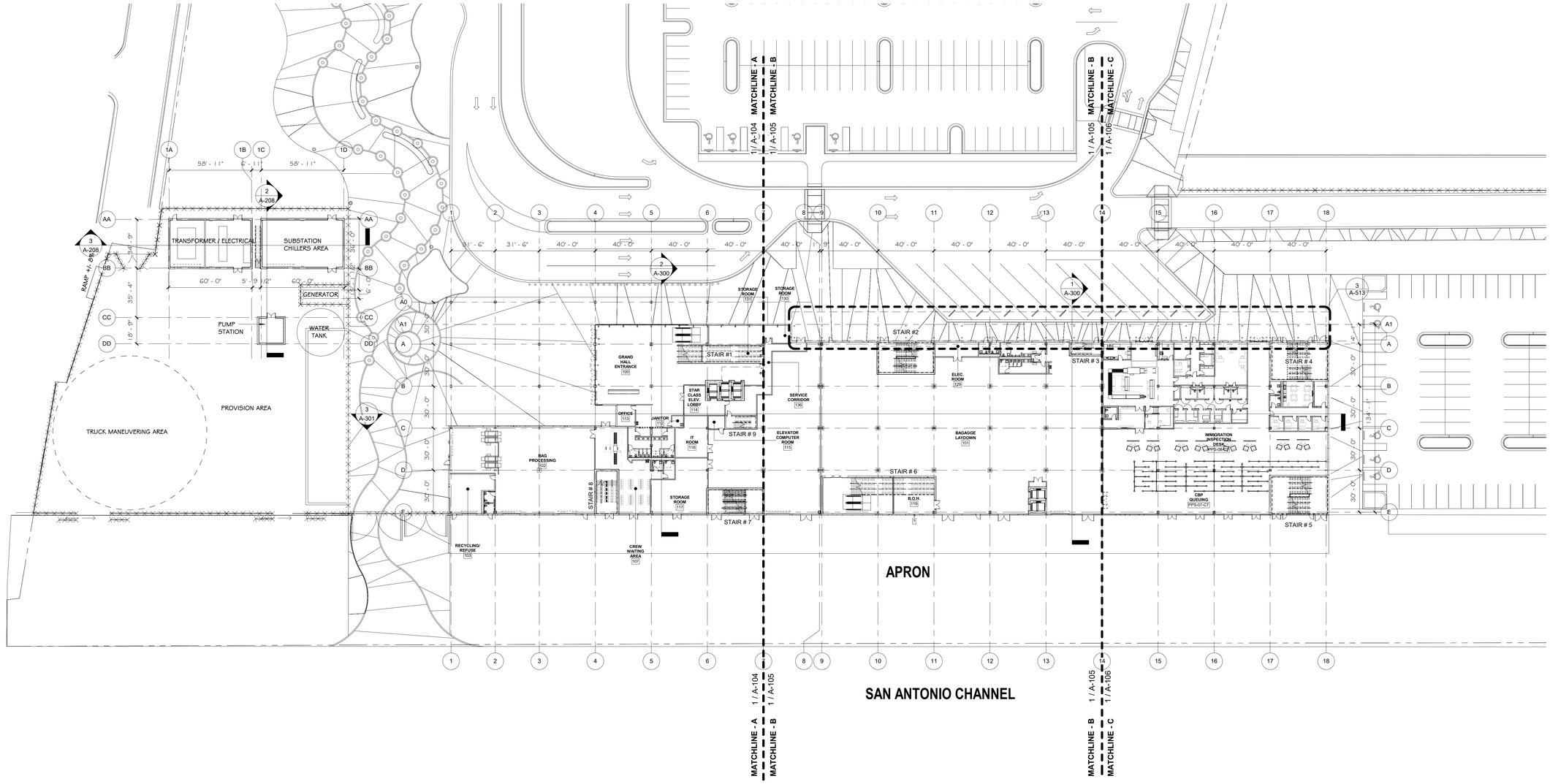
BA. PROJECT NUMBER:
19070

SHEET NAME
SITE PLAN

SHEET NO.
AS-100

Attachment 2 of Appendix L

Execution Version



1 A-100 — 00_OVERALL_Ground Floor Plan
1/32" = 1'-0"

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1	30% Design Subm. to PRPA	2020-03-27

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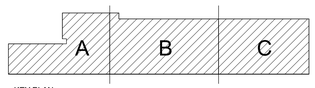
PROJECT NAME:
SAN JUAN CRUISE TERMINAL 11-12

PROJECT ADDRESS:
AVENIDA FERNANDEZ JUNCOS, PUERTA DE TIERRA, SAN JUAN, PUERTO RICO

BA. PROJECT NUMBER:
19070

SHEET NAME
OVERALL GROUND FLOOR PLAN

SHEET NO.
A-100



KEY PLAN

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Attachment 2 of Appendix L

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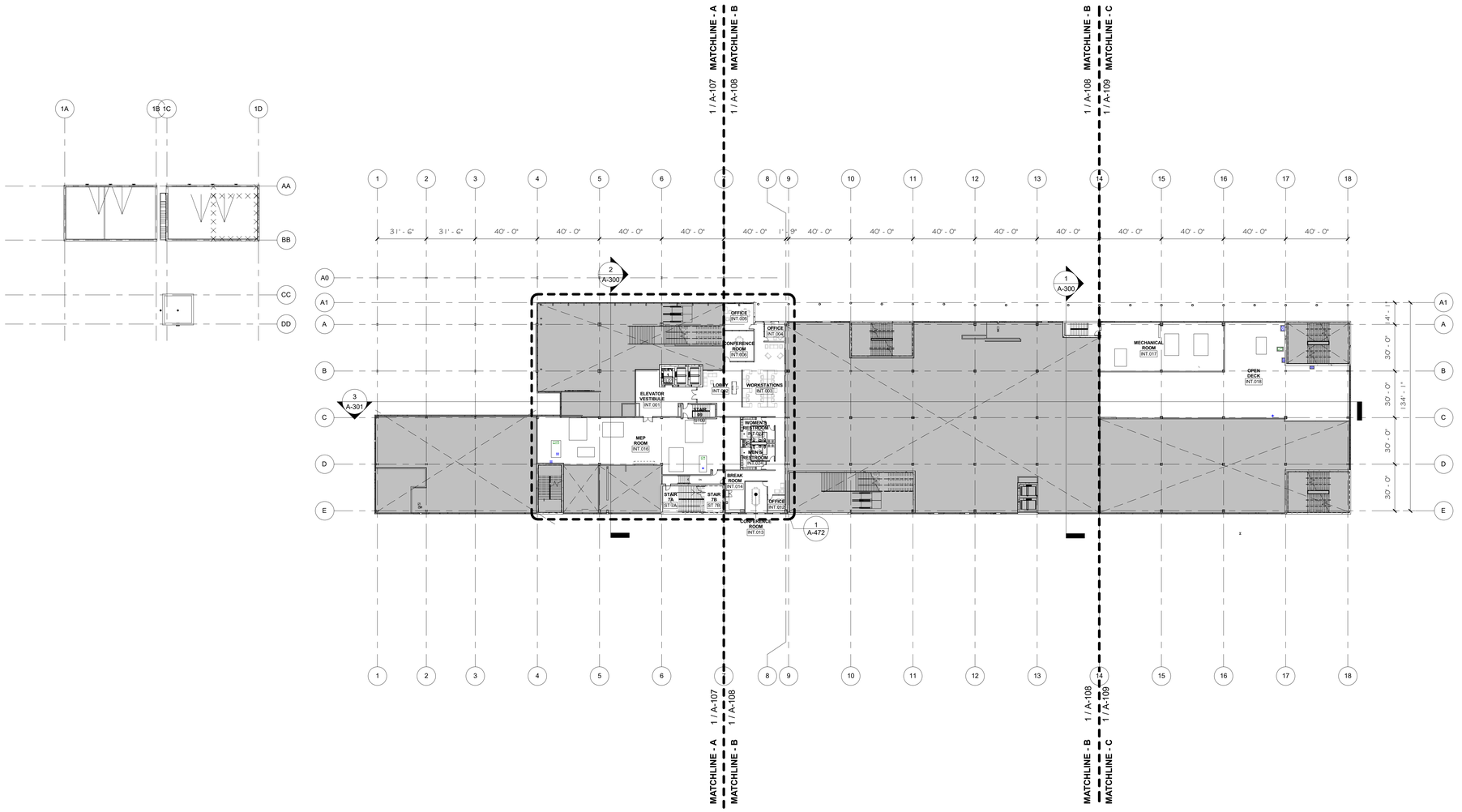
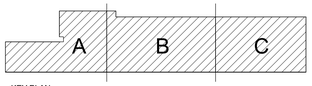


1 A-101 — 00_OVERALL_Intermediate Floor Plan
1/32" = 1'-0"



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REVISIONS		
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1	30% Design Subm. to PRPA	2020-03-27

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PROJECT NAME:

SAN JUAN CRUISE TERMINAL 11-12

PROJECT ADDRESS:
AVENIDA FERNANDEZ JUNCOS, PUERTA DE TIERRA, SAN JUAN, PUERTO RICO

BA. PROJECT NUMBER:
19070

SHEET NAME

OVERALL INTERMEDIATE FLOOR PLAN

SHEET NO.

A-101

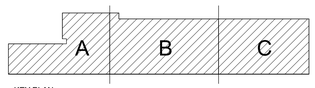
Attachment 2 of Appendix L

Execution Version



1 A-102 — 00_OVERALL_Second Floor Plan

1/32" = 1'-0"



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1	30% Design Subm. to PRPA	2020-03-27

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PROJECT NAME:

SAN JUAN CRUISE TERMINAL 11-12

PROJECT ADDRESS:

AVENIDA FERNANDEZ JUNCOS, PUERTA DE TIERRA, SAN JUAN, PUERTO RICO

BA. PROJECT NUMBER:

19070

SHEET NAME

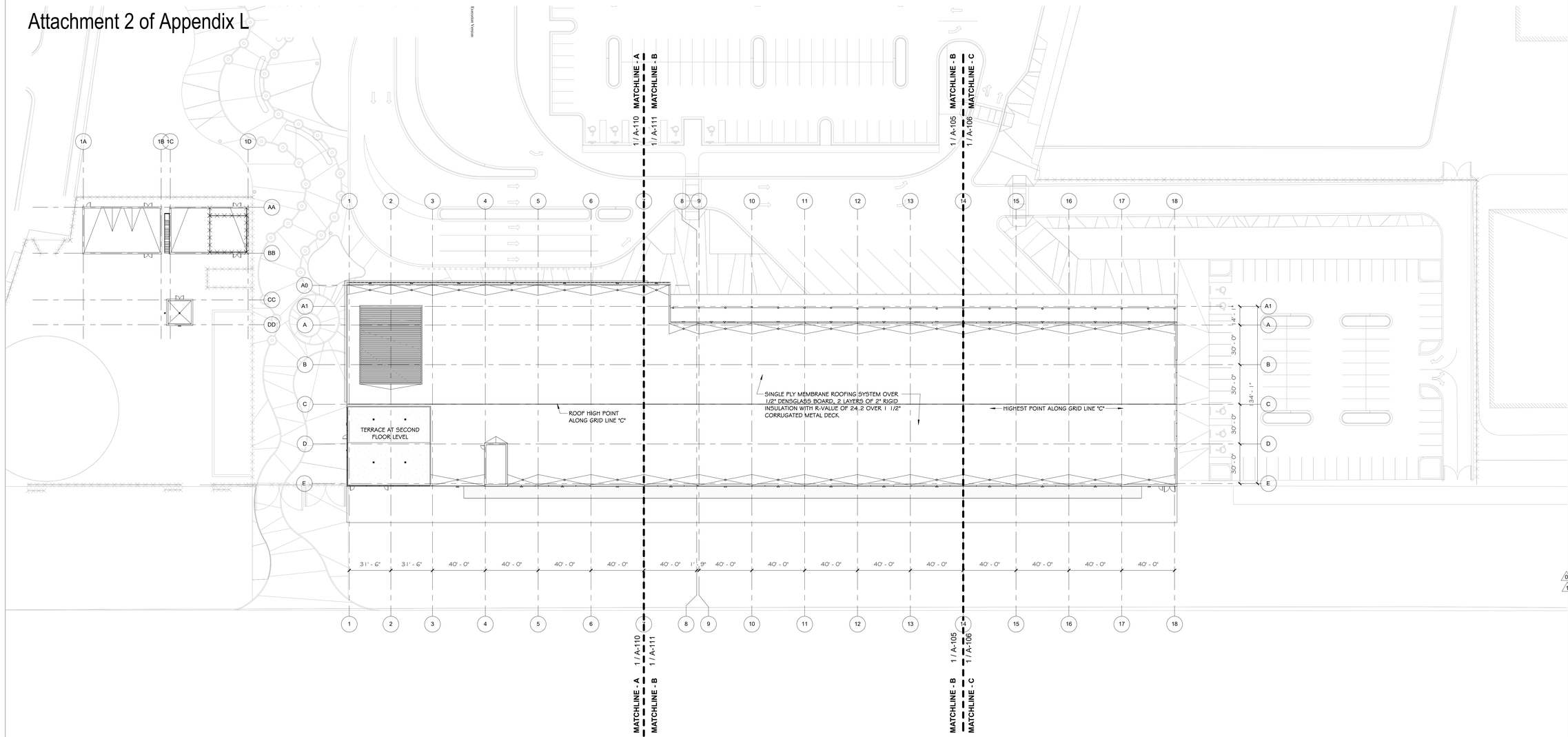
OVERALL SECOND FLOOR PLAN

SHEET NO.

A-102

Attachment 2 of Appendix L

Execution Version

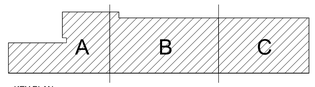


1 A-103 OVERALL_ Roof Plan
1/32" = 1'-0"

ROOFING SYSTEM GENERAL NOTES:

ROOF DRAINAGE / STORM DRAINS - 2018 I.P.C. / I.B.C. -2ND PRINTING / BUILDING & PLUMBING

- SECTION 1106.1 = 100 YEAR, 1 HOUR RAINFALL = 5 INCHES.
- SECTION 1106.4 = VERTICAL WALLS INCLUDING PARAPETS AT 50% OF AREA.
- TABLE 1106.2(1) = SIZE OF CIRCULAR VERTICAL CONDUCTORS
- OVERALL ROOF AREA HAS BEEN SUBDIVIDED INTO SMALLER QUADRANTS, WHICH ARE INDIVIDUALLY DRAINED BY 8" Ø ROOF DRAINS THAT ARE ALSO OVERSIZED FOR THE AREAS BEING DRAINED.
- PARAPET WALL SCUPPERS ARE USED FOR SECUNDARY (EMERGENCY OVERFLOW) ROOF DRAINAGE THE QUANTITY, SIZE, LOCATION AND INLET ELEVATION OF SCUPPERS SHALL BE CHOSEN TO PREVENT THE DEPTH OF PONDING WATER ON THE ROOF FROM EXCEEDING THE MAXIMUM WATER DEPTH THAT THE ROOF WAS DESIGNED FOR AS DETERMINED BY SECTION 1611.1 OF THE I.B.C.
- THE SECONDARY EMERGENCY OVERFLOW SCUPPERS ARE 8"H x16"L (168 SQ. IN. EACH) AND LOCATED ALONG THE PERIMETER PARAPET WALLS AND MEETING THE INTENT OF SECTION 1108 AND THE I.B.C. SECTION 1502.2
- DESIGN AND INSTALLATION OF ROOF DRAINAGE SYSTEMS SHALL COMPLY WITH SECTION 1502 & 1503 OF I.B.C. AND 1106 & 1108 OF I.P.C. 2018.
- ROOF DECKS AND ROOF COVERINGS SHALL BE DESIGNATED FOR WIND LOADS IN ACCORDANCE WITH CHAPTER 16 AND SECTIONS 1504.2, 1504.3 AND 1504.4 OF I.B.C. 2018



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PROJECT NAME:
SAN JUAN CRUISE TERMINAL 11-12

PROJECT ADDRESS:
AVENIDA FERNANDEZ JUNCOS, PUERTA DE TIERRA, SAN JUAN, PUERTO RICO

BA. PROJECT NUMBER:
19070

SHEET NAME
OVERALL ROOF PLAN

SHEET NO.
A-103

Attachment 2 of Appendix L

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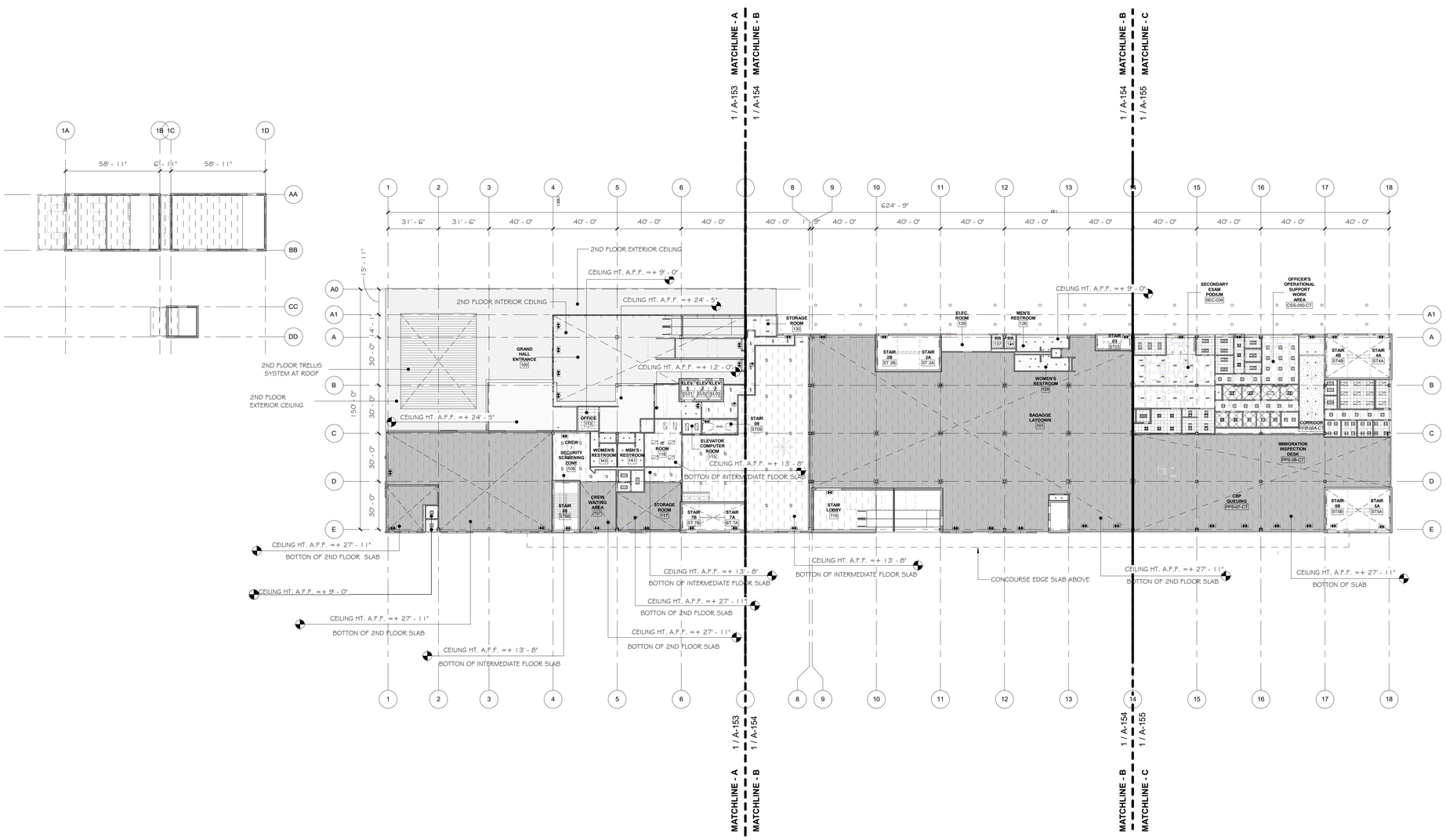


1 / A-150 — 01 OVERALL_RCP Ground Floor Plan

1" = 30'-0"

REFLECTED CEILING PLAN LEGEND

CEILING SYMBOLS

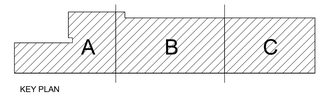
- CEILING MATERIAL
- C# 8'-6" — CEILING HEIGHT A.F.F.
- AIR SUPPLY DIFFUSER (REFER TO MECH DWGS)
- AIR RETURN DIFFUSER (REFER TO MECH DWGS)
- CEILING ACCESS PANEL
- CEILING ACCESS PANEL SECURITY. SAP-1
- EXIT LIGHT - DIRECTIONAL ARROWS AS INDICATED
- 2' x 4' RECESSED LED
- WALL MOUNTED INDUSTRIAL LAMP
- CEILING FAN
- RECESSED DOWNLIGHT
- SUSPENDED LIGHT
- LINEAR PENDANT

CEILING MATERIALS

	EXPOSED STRUCTURE	C2	2'X4' ACOUSTICAL CEILING PANELS, TYPE APC, SEE DETAILS FOR SUSPENDED GRID REQUIREMENTS
C1	SECURITY CBP- SEE " CEILING DETAILS ON DRAWINGS"	C3	2'X2' ACOUSTICAL CEILING PANELS, TYPE APC, SEE DETAILS FOR SUSPENDED GRID REQUIREMENTS
C6	GYPSUM BOARD CEILING		

CEILING NOTES

1. SEE MECHANICAL, ELECTRICAL FIRE PROTECTION AND FIRE ALARM FOR ADDITIONAL DEVICES AND FIXTURES NOT INDICATED.
2. CENTER CEILING GRID IN ROOMS U.O.N. CENTER LIGHT FIXTURES IN G.W.B. CEILINGS U.O.N.
3. NO CUT CEILING TILES LESS THAN 6" ALLOWED.
4. CENTER SMOKE DETECTORS, THERMAL DETECTORS, SPRINKLER HEADS, MECH. DIFFUSERS, LIGHT FIXTURES IN CEILING TILES.
5. ALL CEILING SUSPENSION SYSTEMS SHALL HAVE SEISMIC RESTRAINTS PER LOCAL BUILDING CODES AND ORDINANCES.
6. PROVIDE 2'-0"X2'-0" MIN. ACCESS PANELS IN G.W.B CEILINGS, AS REQUIRED TO PROVIDE ACCESS TO ALL MECH., ELEC., PLUMB. FIRE-PROTECTION UTILITIES. FRONT OF HOUSE/ PUBLIC AREAS TO RECEIVE BEST ACCESS DOORS BA-GRG ACCESS PANEL OR APPROVED EQUAL. CO-ORDINATE WITH MECH & ELEC, FIRE ALARM, INTERIOR DESIGN & FIRE PROTECTION.
7. DOUBLE HEIGHT SPACES, CEILING HEIGHT GIVEN IS FROM FINISH FLOOR OF PLAN ON WHICH IT IS DRAWN.
8. FOR FINISHES AND DETAILS REFER TO INTERIOR DESIGN PACKAGE FOR FINISH SCHEDULE AND MORE INFORMATION.



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0	1st Subm. 30% Design	2020-02-14
1	30% Design Subm. to PRPA	2020-03-27

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PROJECT NAME:
SAN JUAN CRUISE TERMINAL 11-12

PROJECT ADDRESS:
AVENIDA FERNANDEZ JUNCOS, PUERTA DE TIERRA, SAN JUAN, PUERTO RICO

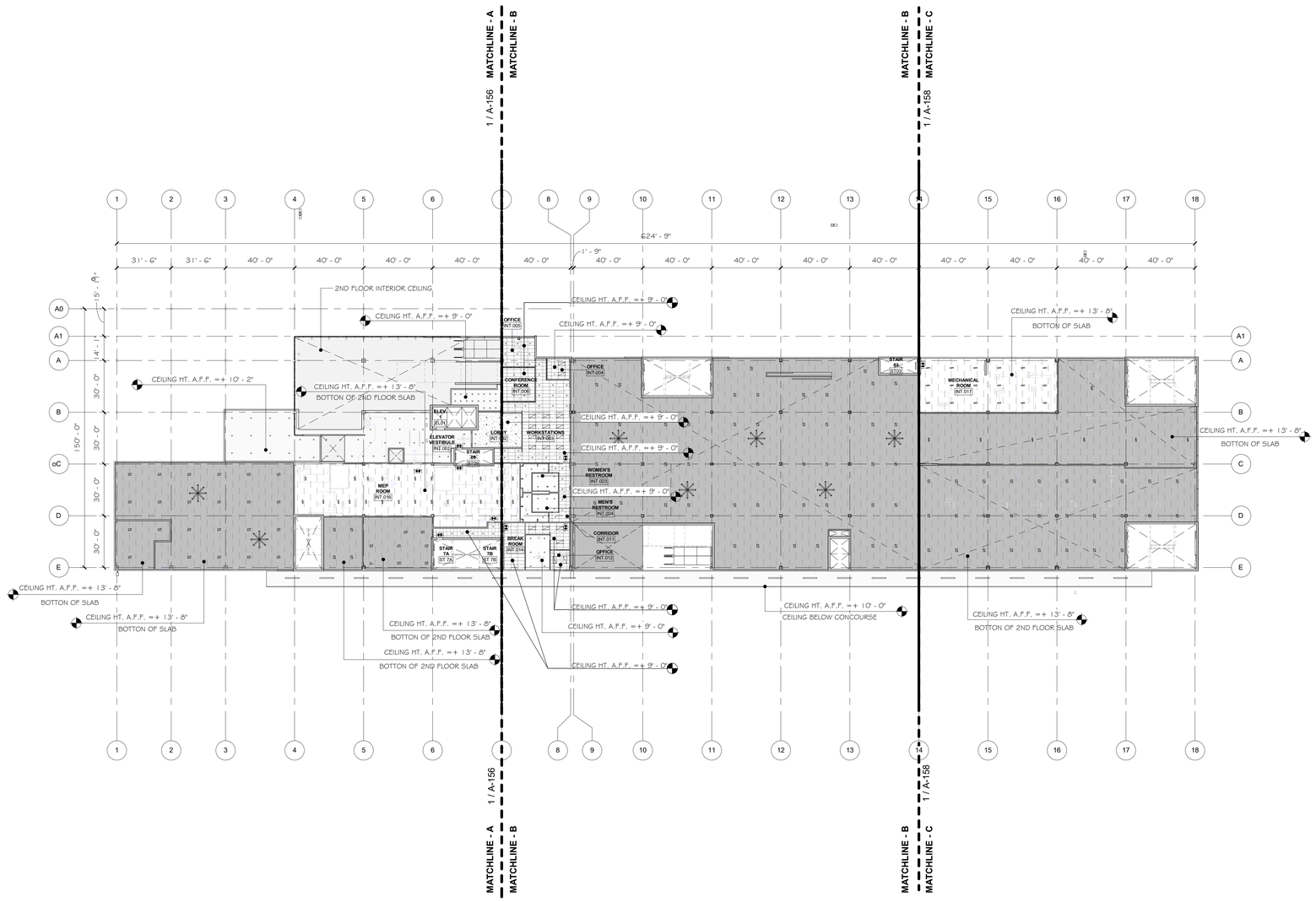
BA. PROJECT NUMBER:
19070

SHEET NAME
OVERALL GROUND REFLECTIVE CEILING PLAN

SHEET NO.
A-150

Attachment 2 of Appendix L

Execution Version



1 / A-151 — 02_OVERALL_ RCP Mezzanine Floor Plan

1" = 30'-0"

REFLECTED CEILING PLAN LEGEND

CEILING SYMBOLS

- CEILING MATERIAL
- C# 8'-6" — CEILING HEIGHT A.F.F.
- AIR SUPPLY DIFFUSER (REFER TO MECH DWGS)
- AIR RETURN DIFFUSER (REFER TO MECH DWGS)
- CEILING ACCESS PANEL
- CEILING ACCESS PANEL SECURITY. SAP- I
- EXIT LIGHT - DIRECTIONAL ARROWS AS INDICATED
- 2' x 4' RECESSED LED
- WALL MOUNTED INDUSTRIAL LAMP
- CEILING FAN
- RECESSED DOWNLIGHT
- SUSPENDED LIGHT
- LINEAR PENDANT

CEILING MATERIALS

- EXPOSED STRUCTURE
- C1 — SECURITY CBP- SEE " CEILING DETAILS ON DRAWINGS"
- C2 — 2'X4' ACOUSTICAL CEILING PANELS, TYPE APC, SEE DETAILS FOR SUSPENDED GRID REQUIREMENTS
- C3 — 2'X2' ACOUSTICAL CEILING PANELS, TYPE APC, SEE DETAILS FOR SUSPENDED GRID REQUIREMENTS
- C6 — GYPSUM BOARD CEILING

CEILING NOTES

1. SEE MECHANICAL, ELECTRICAL FIRE PROTECTION AND FIRE ALARM FOR ADDITIONAL DEVICES AND FIXTURES NOT INDICATED.
2. CENTER CEILING GRID IN ROOMS U.O.N. CENTER LIGHT FIXTURES IN G.W.B. CEILINGS U.O.N.
3. NO CUT CEILING TILES LESS THAN 6" ALLOWED.
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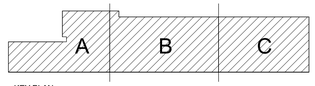

KEY PLAN

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REV. #	REVISION DESCRIPTION	REV. DATE
0	1st Subm. 30% Design	2020-02-14
1	30% Design Subm. to PRPA	2020-03-27

AUTORIDAD DE PUERTOS de PUERTO RICO

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PROJECT NAME:

SAN JUAN CRUISE TERMINAL 11-12

PROJECT ADDRESS:

AVENIDA FERNANDEZ JUNCOS, PUERTA DE TIERRA, SAN JUAN, PUERTO RICO

BA. PROJECT NUMBER:

19070

SHEET NAME

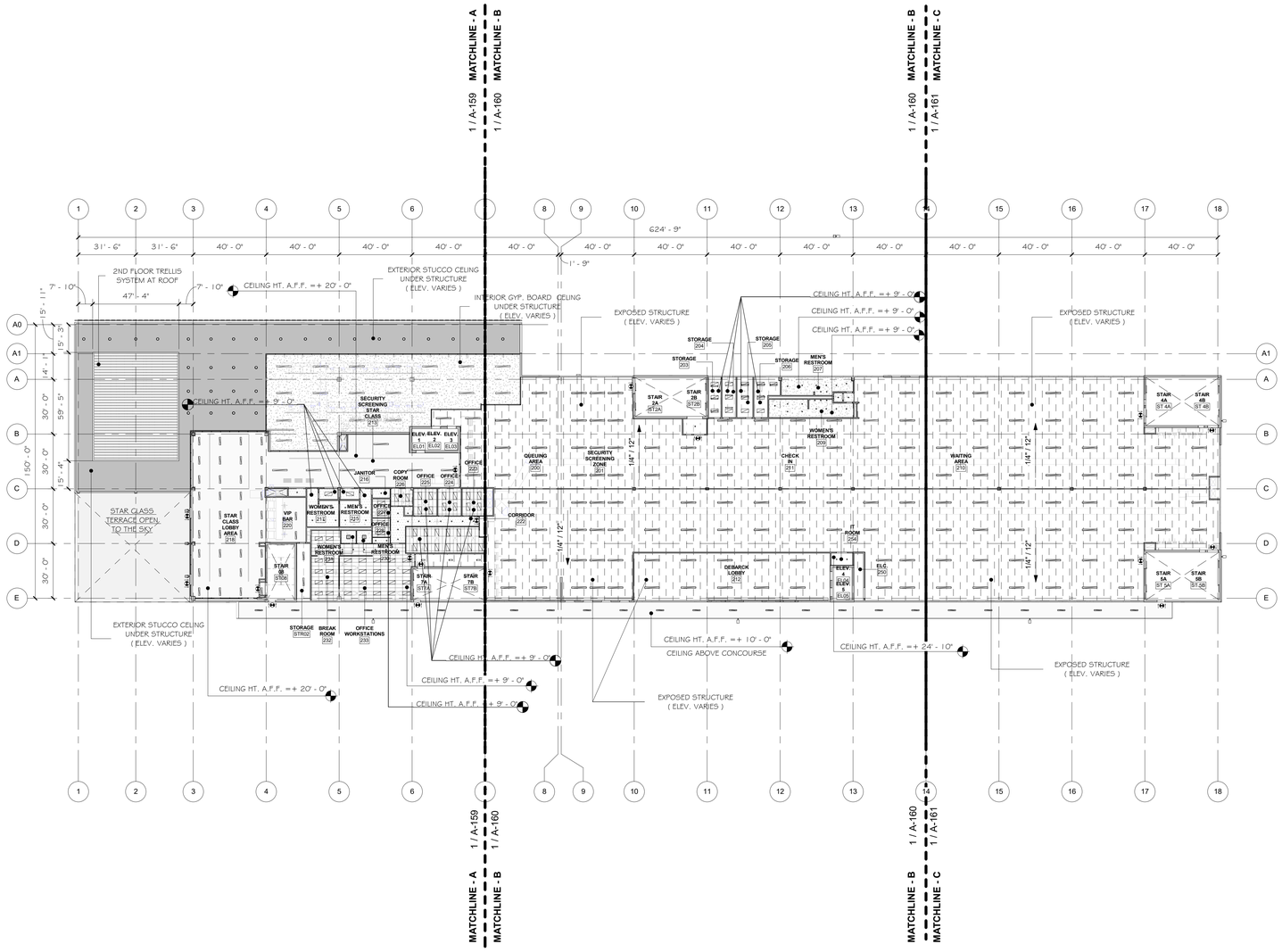
OVERALL INTERMEDIATE REFLECTED CEILING PLAN

SHEET NO.

A-151

Attachment 2 of Appendix L

Execution Version



1 / A-152 — 03_OVERALL_RCP Second Floor Plan

1" = 30'-0"

REFLECTED CEILING PLAN LEGEND

CEILING SYMBOLS

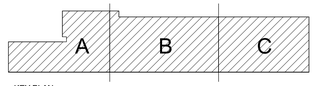
- CEILING MATERIAL
- C# 8'-0" — CEILING HEIGHT A.F.F.
- AIR SUPPLY DIFFUSER (REFER TO MECH DWGS)
- AIR RETURN DIFFUSER (REFER TO MECH DWGS)
- CEILING ACCESS PANEL
- CEILING ACCESS PANEL SECURITY. SAP-1
- EXIT LIGHT - DIRECTIONAL ARROWS AS INDICATED
- 2' x 4' RECESSED LED
- WALL MOUNTED INDUSTRIAL LAMP
- CEILING FAN
- RECESSED DOWNLIGHT
- SUSPENDED LIGHT
- LINEAR PENDANT

CEILING MATERIALS

- EXPOSED STRUCTURE
- C1 — SECURITY CBP. SEE * CEILING DETAILS ON DRAWINGS*
- C2 — 2'X4' ACOUSTICAL CEILING PANELS, TYPE APC. SEE DETAILS FOR SUSPENDED GRID REQUIREMENTS
- C3 — 2X2' ACOUSTICAL CEILING PANELS, TYPE APC. SEE DETAILS FOR SUSPENDED GRID REQUIREMENTS
- C6 — GYPSUM BOARD CEILING

CEILING NOTES

1. SEE MECHANICAL, ELECTRICAL FIRE PROTECTION AND FIRE ALARM FOR ADDITIONAL DEVICES AND FIXTURES NOT INDICATED.
2. CENTER CEILING GRID IN ROOMS U.O.N. CENTER LIGHT FIXTURES IN G.W.B. CEILINGS U.O.N.
3. NO CUT CEILING TILES LESS THAN 6" ALLOWED.
4. CENTER SMOKE DETECTORS, THERMAL DETECTORS, SPRINKLER HEADS, MECH. DIFFUSERS, LIGHT FIXTURES IN CEILING TILES.
5. ALL CEILING SUSPENSION SYSTEMS SHALL HAVE SEISMIC RESTRAINTS PER LOCAL BUILDING CODES AND ORDINANCES.
6. PROVIDE 2'-0"X2'-0" MIN. ACCESS PANELS IN G.W.B CEILINGS, AS REQUIRED TO PROVIDE ACCESS TO ALL MECH., ELEC., PLUMB. FIRE-PROTECTION UTILITIES. FRONT OF HOUSE/ PUBLIC AREAS TO RECEIVE BEST ACCESS DOORS BA-GRG ACCESS PANEL OR APPROVED EQUAL. CO-ORDINATE WITH MECH & ELEC, FIRE ALARM, INTERIOR DESIGN & FIRE PROTECTION.
7. DOUBLE HEIGHT SPACES, CEILING HEIGHT GIVEN IS FROM FINISH FLOOR OF PLAN ON WHICH IT IS DRAWN.
8. FOR FINISHES AND DETAILS REFER TO INTERIOR DESIGN PACKAGE FOR FINISH SCHEDULE AND MORE INFORMATION.



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BA. PROJECT NUMBER:

19070

SHEET NAME

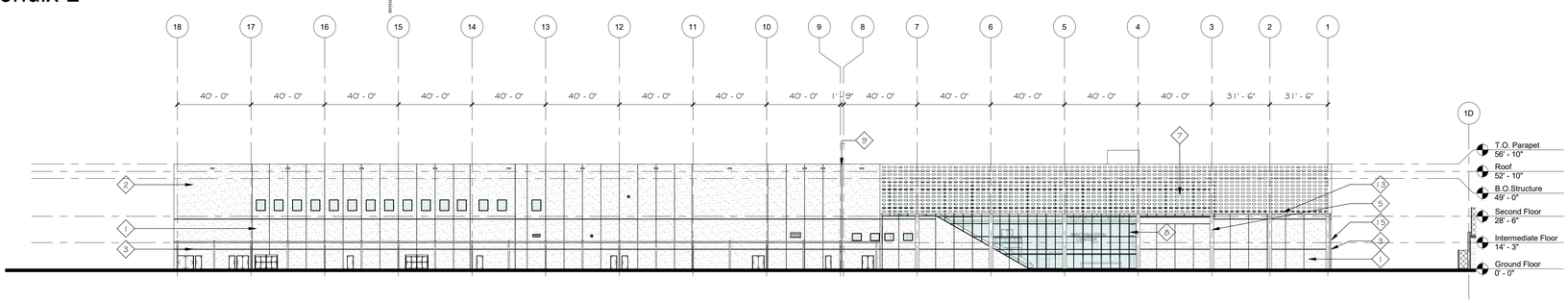
OVERALL SECOND FLOOR REFLECTED CEILING PLAN

SHEET NO.

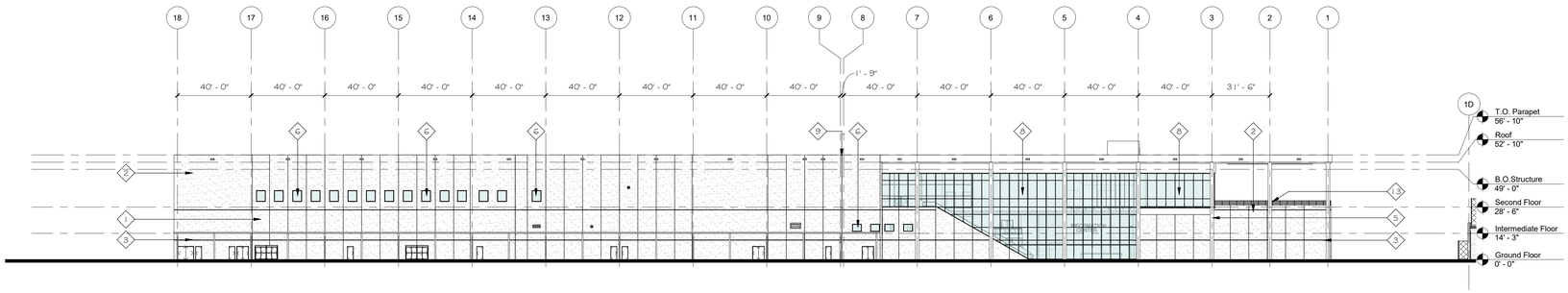
A-152

Attachment 2 of Appendix L

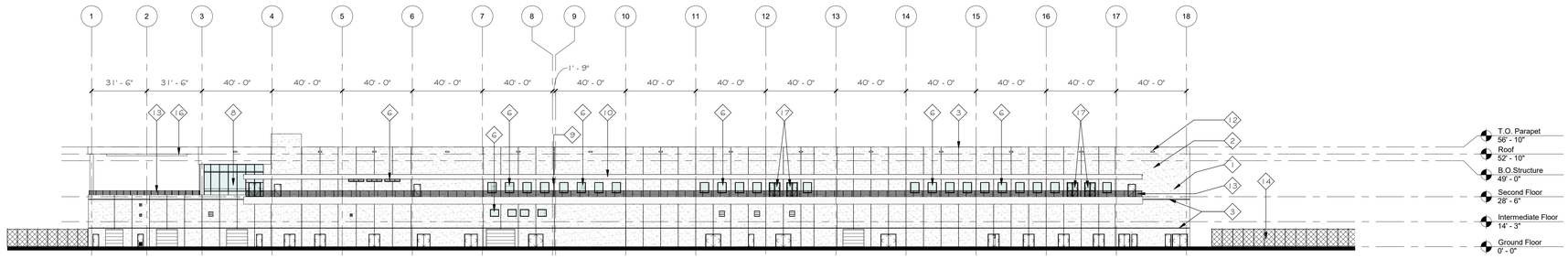
Execution Version



1 A-200 OVERALL NORTH ELEVATION
1/32" = 1'-0"



2 A-200 OVERALL NORTH ELEVATION GLASSING FACADE
1/32" = 1'-0"



3 A-200 OVERALL SOUTH ELEVATION
1/32" = 1'-0"

ELEVATION - KEY NOTES:

1. INSULATED PRECAST WALLS - SMOOTH FINISH - PAINTED
2. CAST IN PLACE WALLS - SMOOTH FINISH TO MATCH PRECAST WALLS - PAINTED
3. 3/4" WIDTH VERTICAL OR HORIZONTAL REVEALS
4. 5/8" THICK SMOOTH STUCCO FINISH OVER BONDING AGENT COMPOUND AROUND BEAMS - PROVIDE TYPICAL DRIP EDGE DETAIL - PAINTED
5. 2 COAT + FINAL SPRAY COAT, WELL CURED 5/8" TEXTURED STUCCO FINISHED OVER METAL LATH AND METAL STUD FRAMMING - AT COLUMNS - PAINTED
6. ALUMINUM FRAME SYSTEM WITH IMPACT-RESISTANT GLAZING
7. PERFORATED ALUMINUM PANEL ATTACHED TO AN ALUMINUM FRAME
8. ALUMINUM CURTAIN WALL FRAME SYSTEM WITH IMPACT-RESISTANT GLAZING
9. 2" EXPANSION / SEISMIC JOINT
10. METAL CANOPY SYSTEM
11. METAL GUTTER
12. METAL SCUPPERS
13. 42" HT. GUARDRAILING SYSTEM - GALVANIZED STEEL
14. HIGH SECURITY FENCE
15. TEXTURED PRECAST PANEL - PAINTED
16. METAL LOUVERS
17. ALUMINUM STOREFRONT SYSTEM WITH IMPACT RESISTANT GLASS DOORS

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PROJECT ADDRESS:
AVENIDA FERNANDEZ JUNCOS, PUERTA DE TIERRA, SAN JUAN, PUERTO RICO

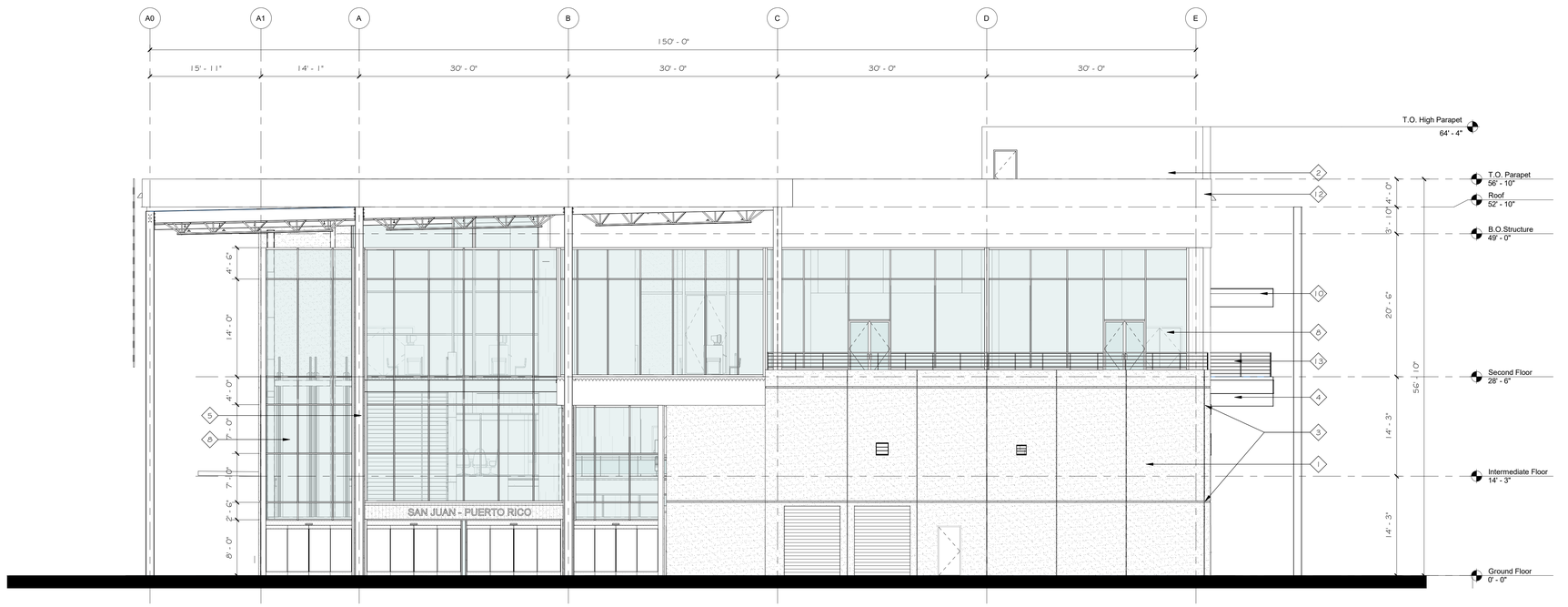
BA. PROJECT NUMBER:
19070

SHEET NAME
OVERALL NORTH & SOUTH ELEVATION

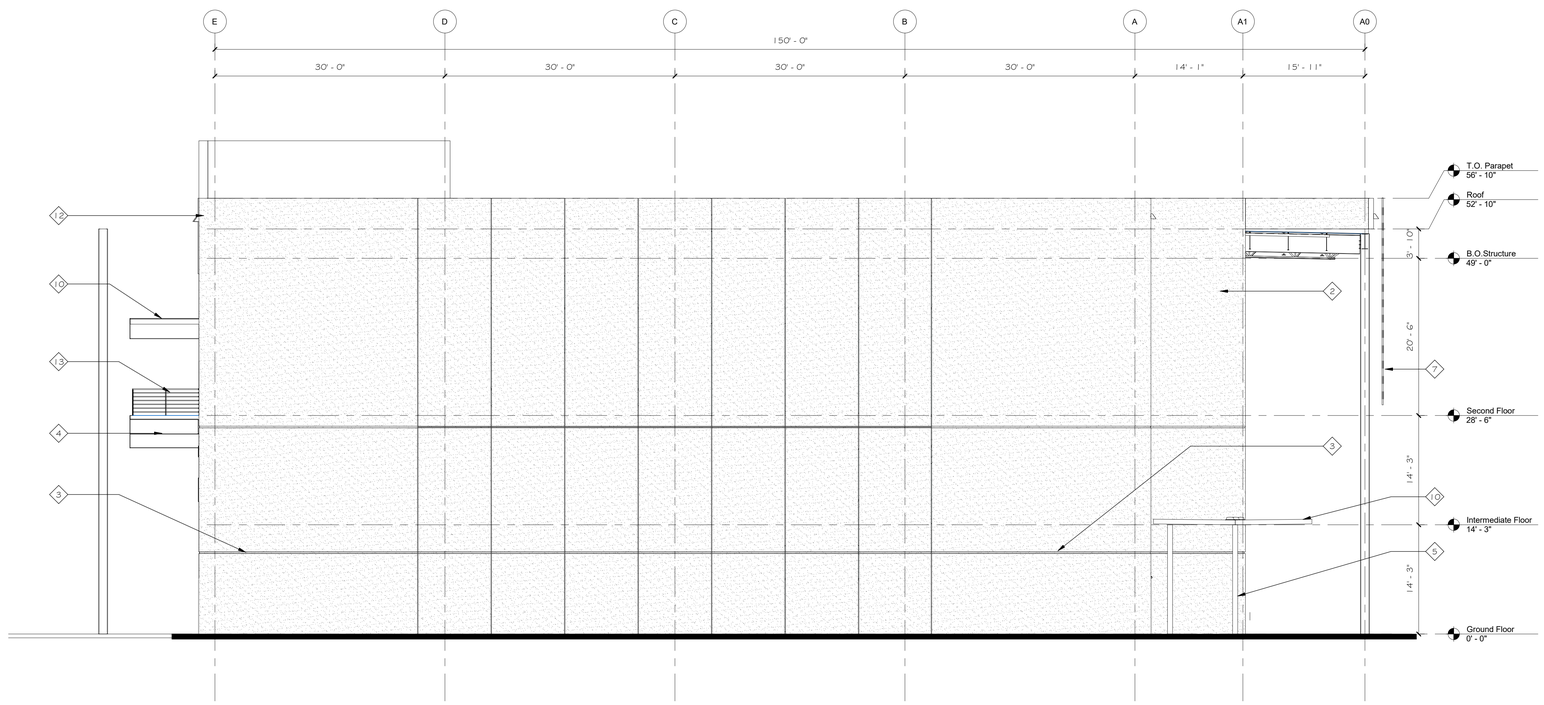
SHEET NO.
A-200

Attachment 2 of Appendix L

Execution Version



2 A-201 OVERALL WEST ELEVATION
1/8" = 1'-0"



1 A-201 EAST ELEVATION
1/8" = 1'-0"

ELEVATION - KEY NOTES:

1. INSULATED PRECAST WALLS - SMOOTH FINISH - PAINTED
2. CAST IN PLACE WALLS - SMOOTH FINISH TO MATCH PRECAST WALLS - PAINTED
3. 3/4" WIDTH VERTICAL OR HORIZONTAL REVEALS
4. 5/8" THICK SMOOTH STUCCO FINISH OVER BONDING AGENT COMPOUND AROUND BEAMS - PROVIDE TYPICAL DRIP EDGE DETAIL - PAINTED
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PROJECT ADDRESS:

AVENIDA FERNANDEZ JUNCOS, PUERTA DE TIERRA, SAN JUAN, PUERTO RICO

BA. PROJECT NUMBER:

19070

SHEET NAME

OVERALL EAST & WEST ELEVATION

SHEET NO.

A-201

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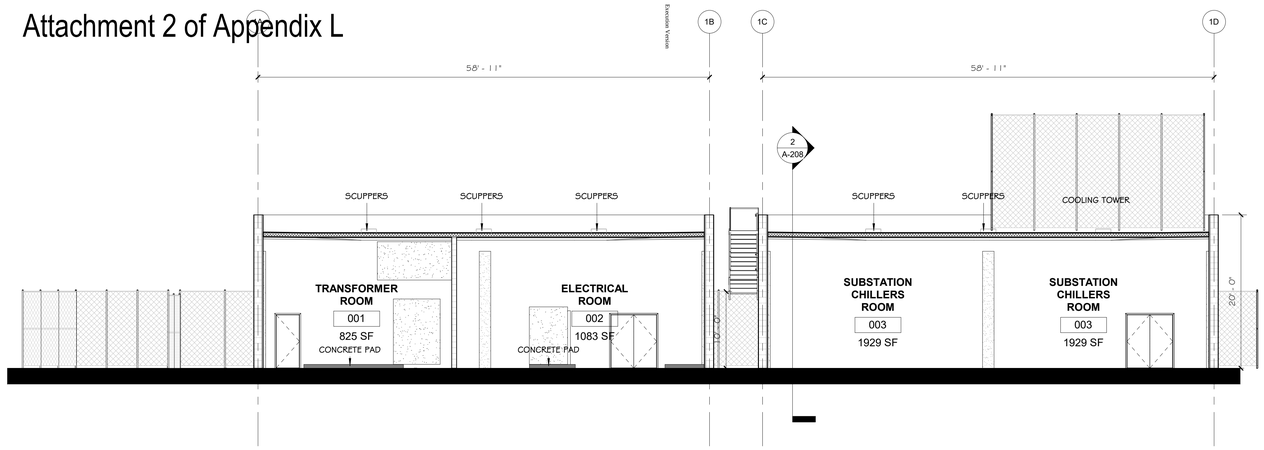
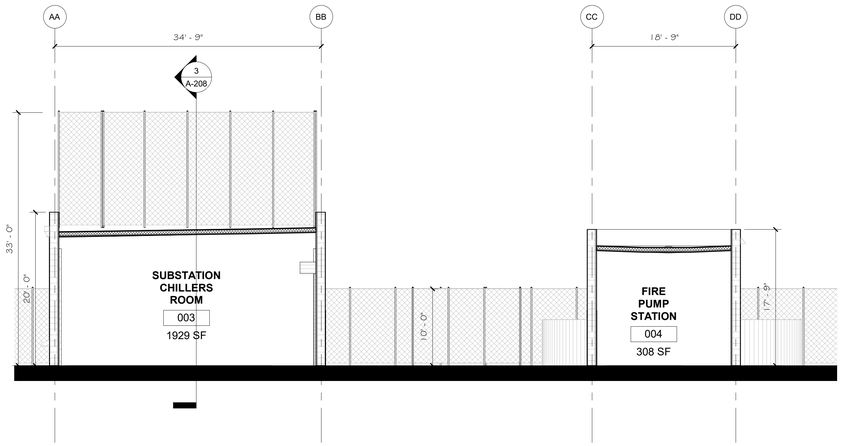
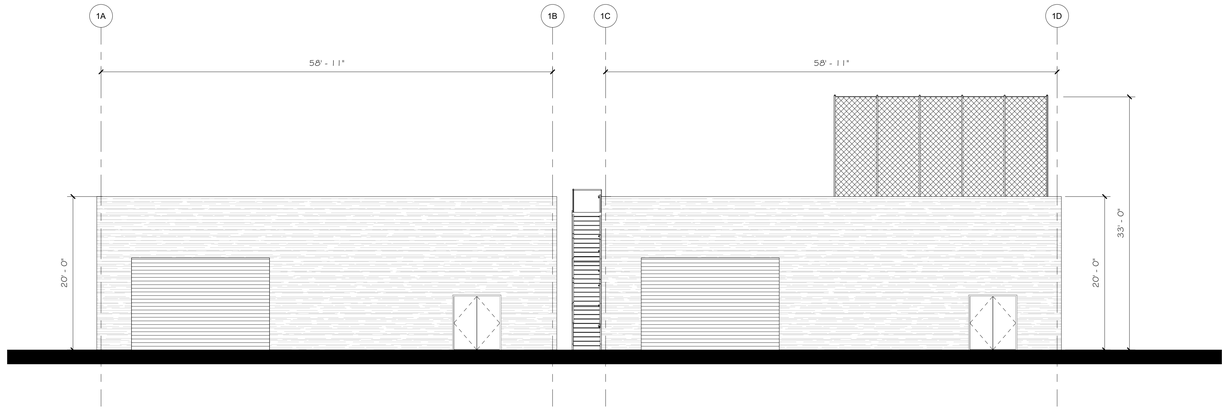


3 A-208 TRANSFORMER ROOM AND CHILLERS BUILDING SECTION
1/8" = 1'-0"



2 A-208 CHILLER ROOM AND FIRE PUMP STATION BUILDING SECTION
1/8" = 1'-0"



1 A-208 TRANSFORMER ROOM AND CHILLERS BUILDING ELEVATION
1/8" = 1'-0"

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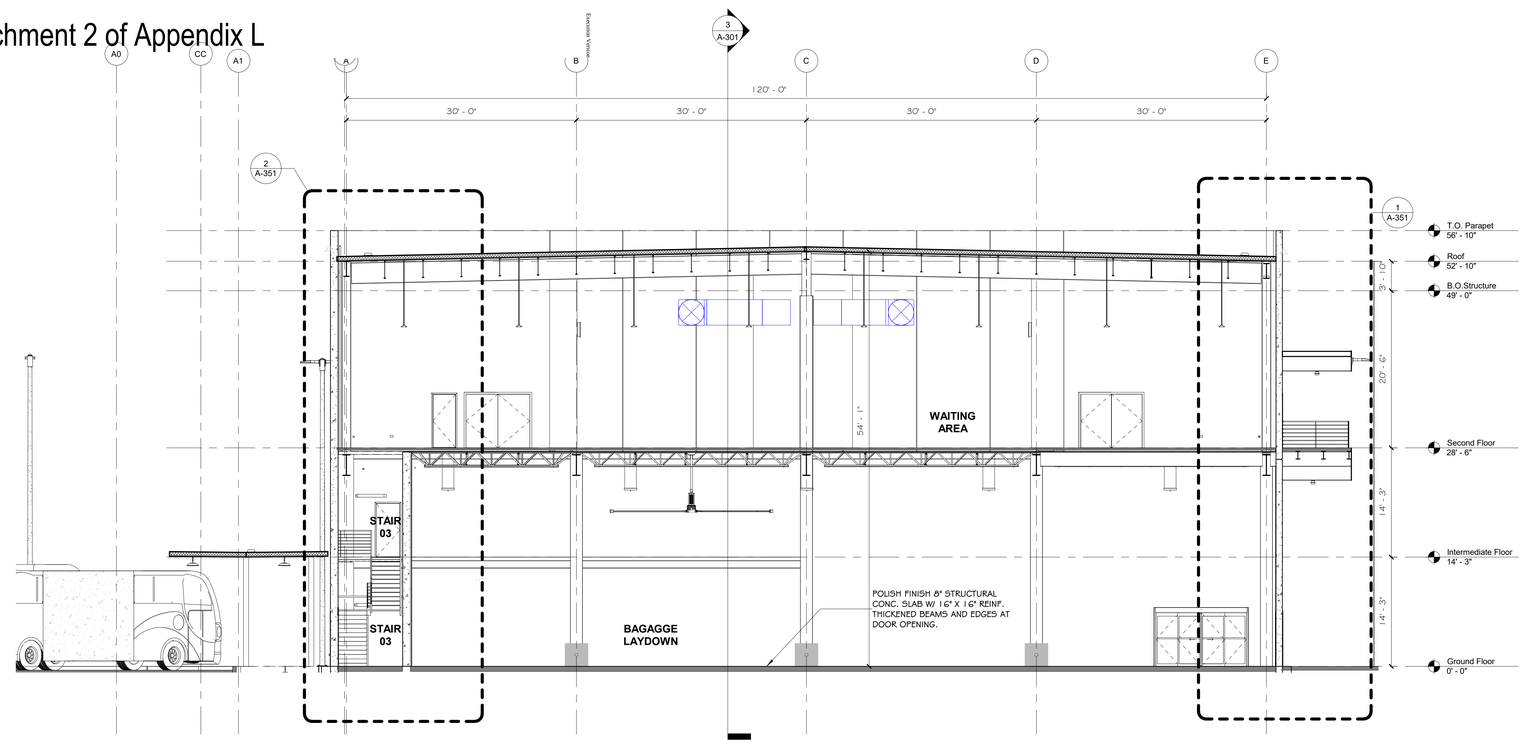
SHEET NAME

ENLARGED ANNEX BUILDINGS ELEVATIONS

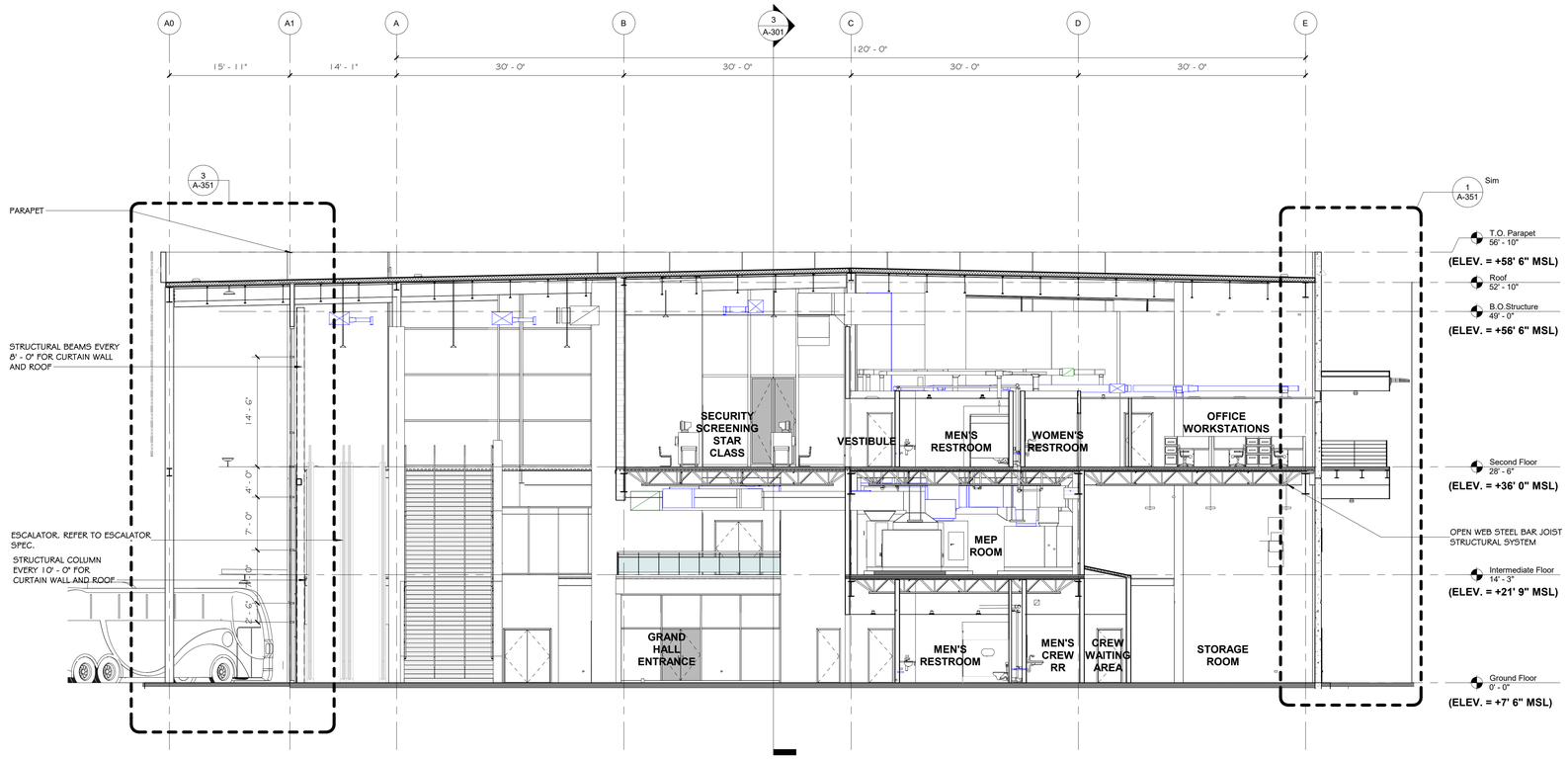
SHEET NO.

A-208

Attachment 2 of Appendix L



1 A-300 Terminal Section2
1/8" = 1'-0"



2 A-300 Terminal Section
1/8" = 1'-0"

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PROJECT ADDRESS:

AVENIDA FERNANDEZ JUNCOS, PUERTA DE TIERRA, SAN JUAN, PUERTO RICO

BA. PROJECT NUMBER:

19070

SHEET NAME

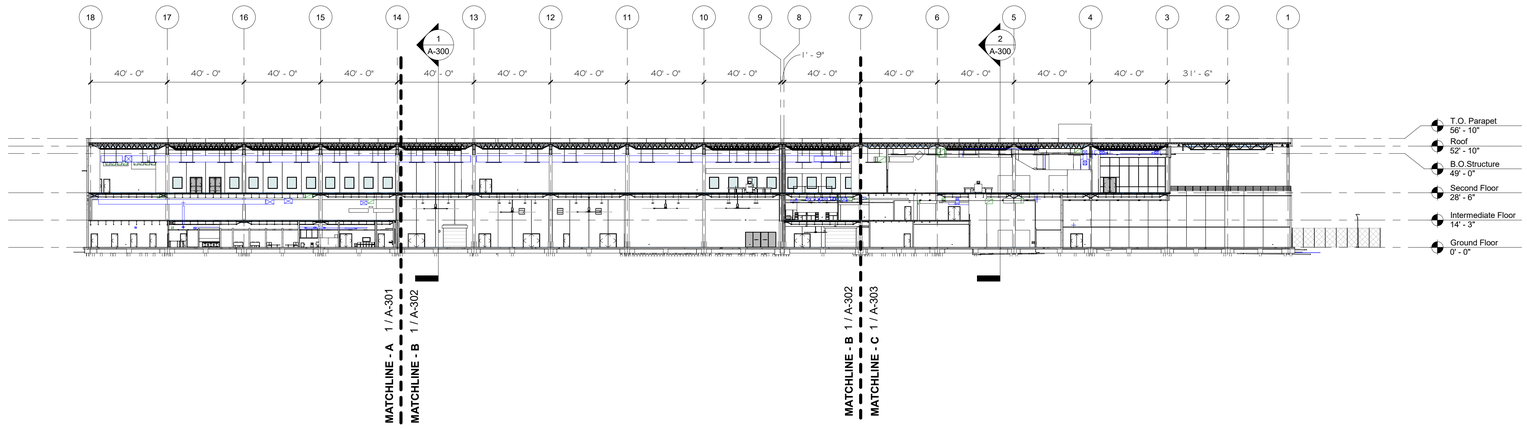
BUILDING SECTIONS

SHEET NO.

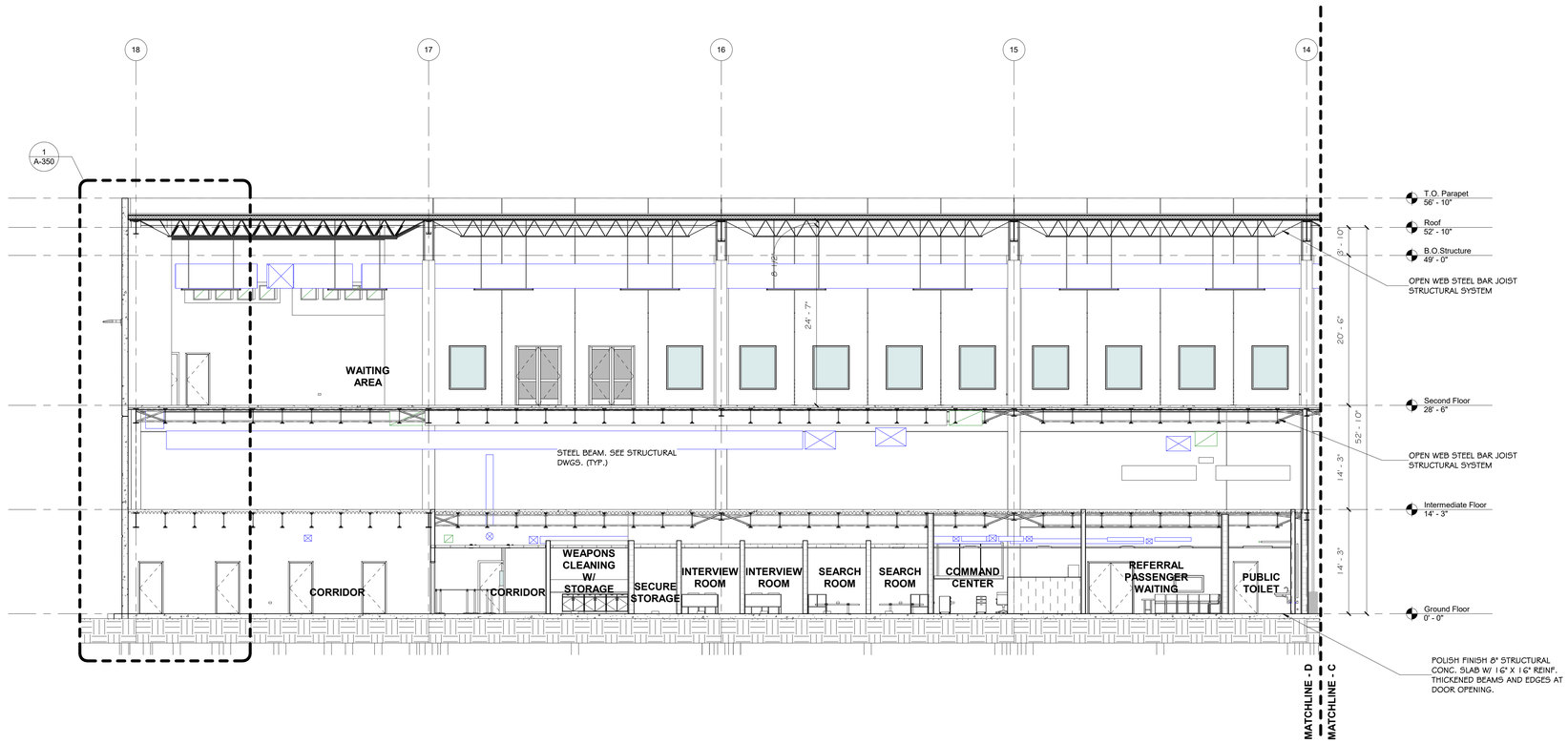
A-300

Attachment 2 of Appendix L

Execution Version



3 A-301 BUILDING SECTION 1 - OVERALL
1/32" = 1'-0"



1 A-301 BUILDING SECTION 1 - PARTIAL A
1/8" = 1'-0"

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File Location:BIM 360://19070.000 San Juan Terminal 11-13/SAN JUAN TERMINAL (V20).rvt

Execution Version

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San Juan, Puerto Rico, 00918
www.integrapr.com
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30% DESIGN

MARCH 27, 2020

NOT FOR CONSTRUCTION

REVISIONS		
REV. #	REVISION DESCRIPTION	REV. DATE
0	1st Subm. 30% Design	2020-02-14
1	30% Design Subm. to PRPA	2020-03-27

AUTORIDAD DE PUERTOS de PUERTO RICO

Yo _____, __licencia__, certifico que soy el profesional que diseñó estos planos y las especificaciones complementarias. También certifico que entiendo que dichos planos y especificaciones cumplen con las disposiciones aplicables del Reglamento Conjunto y las disposiciones aplicables de los Reglamentos o Corporaciones Públicas con jurisdicción. Certifico, además, que en la preparación de estos planos y especificaciones se ha cumplido cabalmente con los dispuesto en la "Ley Núm.14 de 8 de enero de 2004, según enmendada, conocida como la "Ley para la Inversión por la Industria Puertorriqueña" y con la Ley Núm 319 de 15 de mayo de 1938, según enmendada; Ley Núm. 96 de 6 de julio de 1978, según enmendada. Reconozco que cualquier declaración falsa o falsificación de los hechos que se haya producido por desconocimiento o por negligencia ya sea por mi, mis agentes o empleados o por otras personas con mi conocimiento, me hacen responsable de cualquier acción judicial y disciplinaria por la OGPe.

DRAWINGS ARE PROPERTY OF BERMELLO AJAMIL & PARTNERS

PROJECT NAME:

SAN JUAN CRUISE TERMINAL 11-12

PROJECT ADDRESS:
AVENIDA FERNANDEZ JUNCOS, PUERTA DE TIERRA, SAN JUAN, PUERTO RICO

BA. PROJECT NUMBER:
19070

SHEET NAME

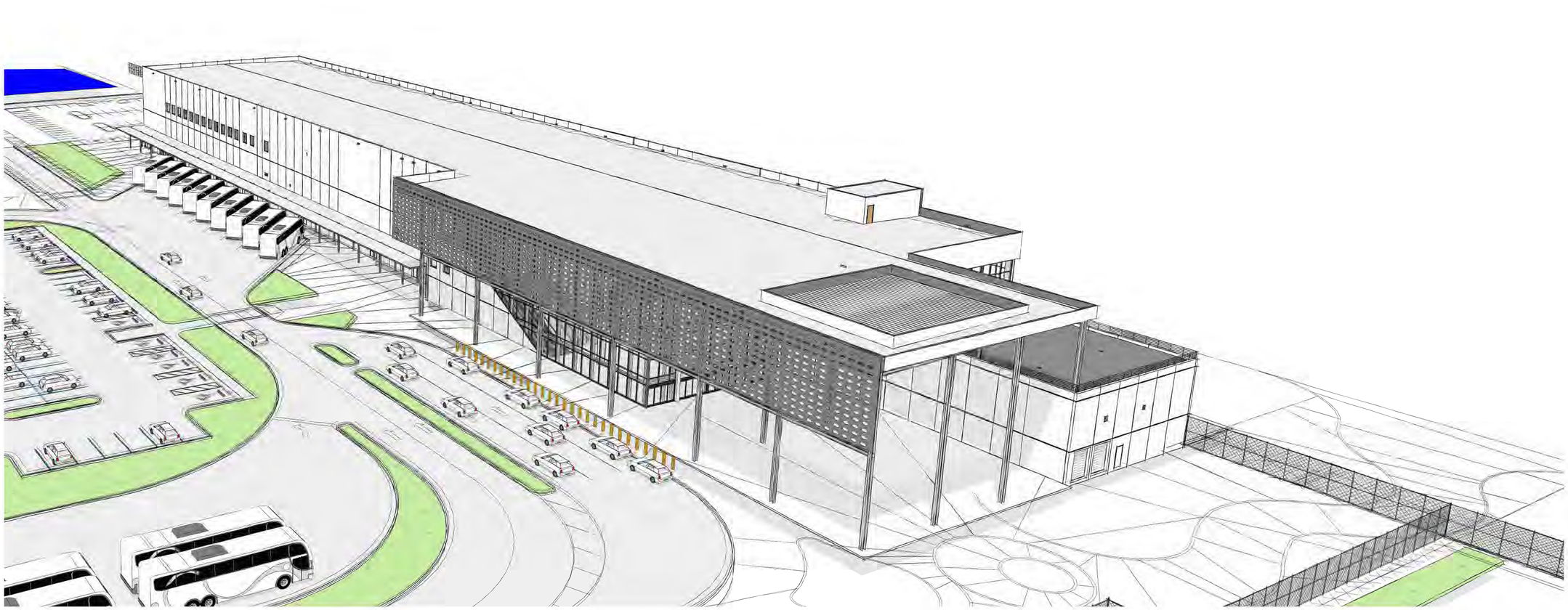
BUILDING SECTIONS

SHEET NO.

A-301

Attachment 2 of Appendix L

Execution Version



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19070

SHEET NAME

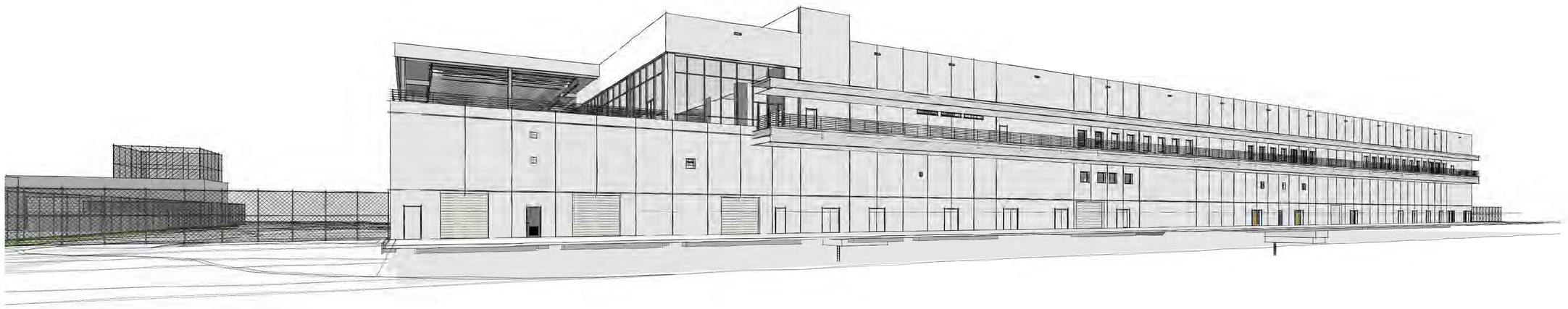
OVERALL 3D PERSPECTIVES

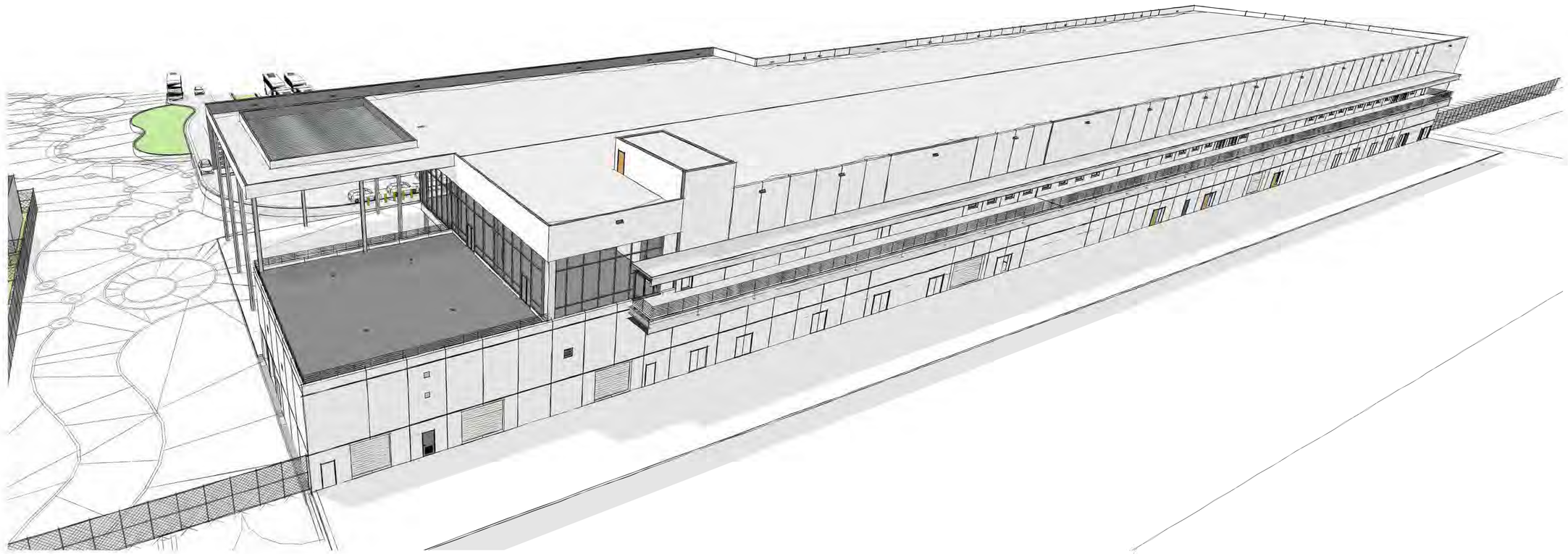
SHEET NO.

A-900

Attachment 2 of Appendix L

Execution Version





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BA. PROJECT NUMBER:

19070

SHEET NAME

OVERALL 3D PERSPECTIVES

SHEET NO.

A-901

Attachment 2 of Appendix L

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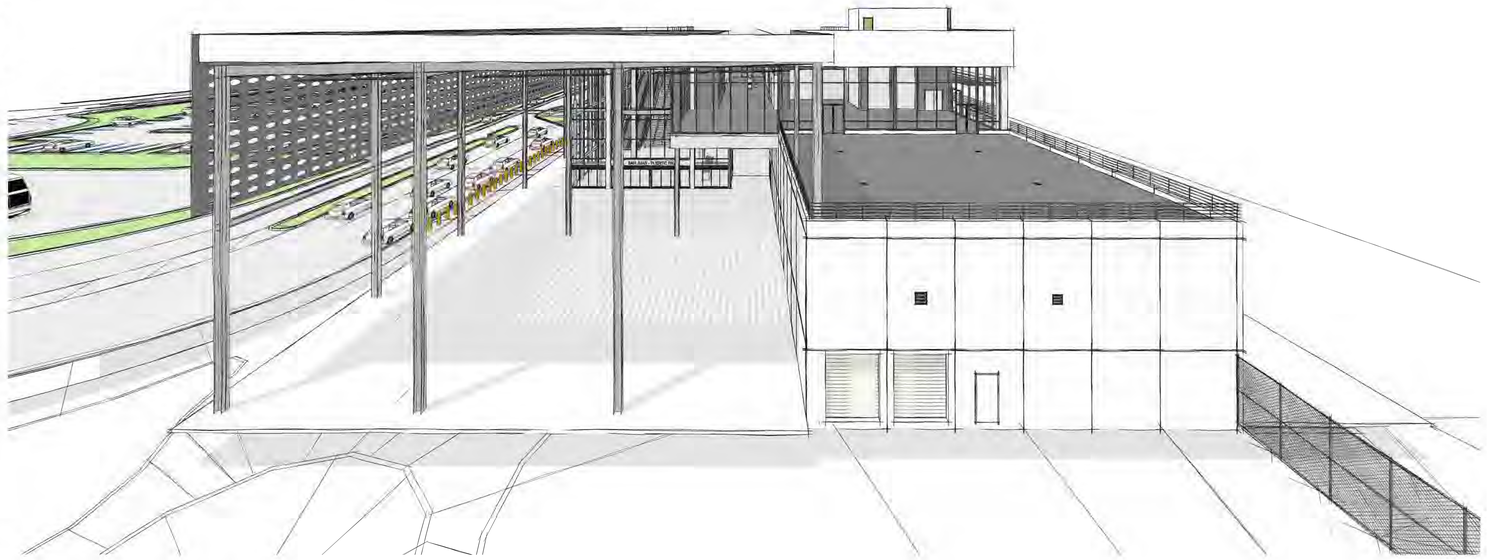

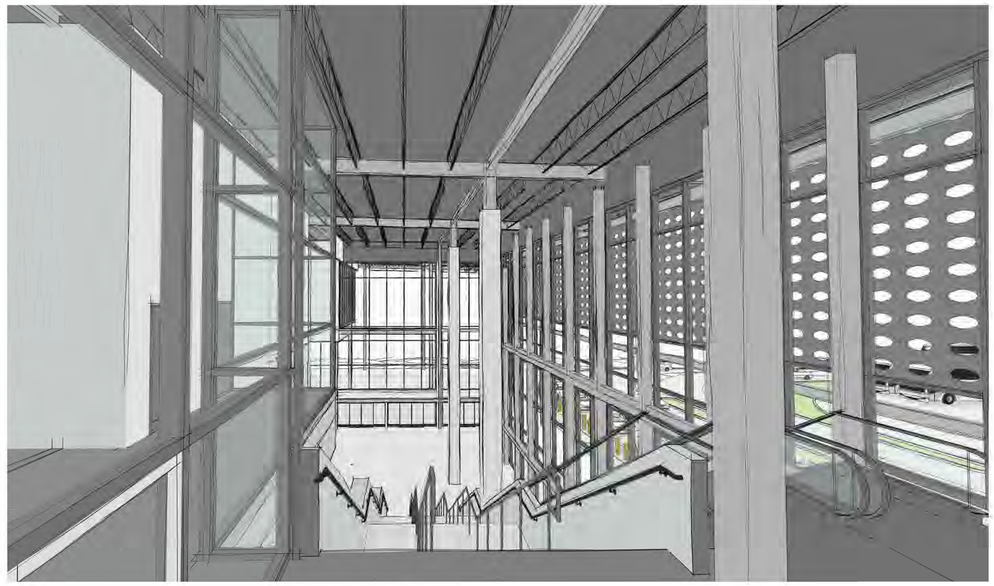



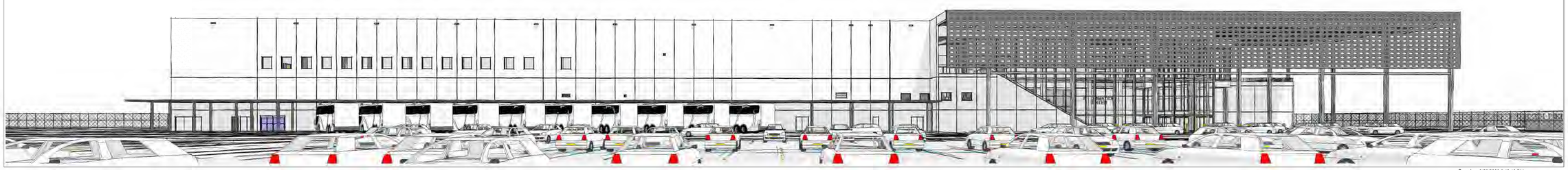

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PROJECT NAME:

SAN JUAN CRUISE TERMINAL 11-12

PROJECT ADDRESS:

AVENIDA FERNANDEZ JUNCOS, PUERTA DE TIERRA, SAN JUAN, PUERTO RICO

BA. PROJECT NUMBER:

19070

SHEET NAME

OVERALL 3D PERSPECTIVES

SHEET NO.

A-902

GENERAL NOTES:

1. THESE GENERAL NOTES SUPPLEMENT THE PROJECT SPECIFICATIONS. REFER TO THE PROJECT SPECIFICATIONS FOR ADDITIONAL REQUIREMENTS.

2. SPECIFICATIONS NOTED ON THESE DRAWINGS SHALL BE OF THE LATEST REVISION.

3. STRUCTURAL DRAWINGS ARE INTENDED TO BE USED WITH ARCHITECTURAL, ELECTRICAL AND MECHANICAL DRAWINGS. CONTRACTOR IS RESPONSIBLE FOR COORDINATING SUCH REQUIREMENTS INTO THEIR SHOP DRAWINGS AND WORK.

4. NO OPENINGS, OTHER THAN THOSE SHOWN ON THE STRUCTURAL DRAWINGS, SHALL BE MADE IN ANY STRUCTURAL MEMBER WITHOUT THE WRITTEN APPROVAL OF THE STRUCTURAL ENGINEER.

5. NO CHANGE IN SIZE OR DIMENSION OF STRUCTURAL MEMBERSHIP SHALL BE MADE WITHOUT THE WRITTEN APPROVAL OF THE ARCHITECT/ENGINEER.

6. OPENINGS 1'-4" AND LESS ON A SIDE ARE GENERALLY NOT SHOWN ON THE STRUCTURAL DRAWINGS. REFER TO ARCHITECTURAL AND MECHANICAL DRAWINGS FOR SUCH OPENINGS.

7. THE CONTRACTOR IS RESPONSIBLE FOR LIMITING THE AMOUNT OF CONSTRUCTION LOAD IMPOSED UPON STRUCTURAL FRAMING. CONSTRUCTION LOADS SHALL NOT EXCEED THE DESIGN CAPACITY OF THE FRAMING AT THE TIME THE LOADS ARE IMPOSED.

8. HORIZONTAL MOVEMENT OF ANY HEAVY EQUIPMENT OVER STRUCTURAL FLOORS OR ROOF AND ITS TEMPORARY AND/OR DEFINITE LOCATIONS MUST BE PREVIOUSLY APPROVED BY THE ENGINEER SO AS NOT TO OVERLOAD THE STRUCTURE OR IN ANY OTHER WAY IMPAIR THE STRUCTURE. SAME PRECAUTION SHALL BE TAKEN FOR THE PILING OF CONSTRUCTIONS MATERIALS.

9. THE STRUCTURE IS DESIGNED TO FUNCTION AS A UNIT UPON COMPLETION. THE CONTRACTOR IS RESPONSIBLE FOR FURNISHING ALL TEMPORARY BRACING AND/OR SUPPORT THAT MAY BE REQUIRED AS THE RESULT OF THE CONTRACTOR'S CONSTRUCTION METHODS AND/OR SEQUENCES. OBSERVATION VISITS TO THE SITE BY THE STRUCTURAL ENGINEER SHALL NOT INCLUDE INSPECTION OF THE ABOVE ITEMS.

10. ALL STRUCTURES HAVE BEEN DESIGNED ACCORDING TO FINAL BEHAVIOR AND CONDITIONS. HOWEVER, DURING ERECTION OF SAME, CERTAIN CONDITIONS CAN ARISE FOR WHICH THE BEHAVIOR OR THE STRUCTURE HAS NOT BEEN CONTEMPLATED. THEREFORE, THE CONTRACTOR SHOULD PROVIDE AT ALL TIME ADEQUATE SHORING AND RESTORING UNTIL THE DESIGN CONDITIONS HAVE BEEN MET. IF THERE IS ANY DOUBT DURING ANY PHASE OF THE CONSTRUCTION, PLEASE CONSULT AND/OR NOTIFY THE STRUCTURAL ENGINEER.

11. DIMENSIONS SHALL TAKE PRECEDENCE OVER SCALES SHOWN ON DRAWINGS. REFER TO ARCHITECTURAL DRAWINGS FOR DIMENSIONS NOT SHOWN ON STRUCTURAL DRAWINGS.

12. NOTES AND DETAILS ON DRAWINGS SHALL TAKE PRECEDENCE OVER GENERAL NOTES AND TYPICAL DETAILS.

13. CONTRACTOR'S CONSTRUCTION AND/OR ERECTION SEQUENCES SHALL RECOGNIZE AND CONSIDER THE EFFECTS OF THERMAL MOVEMENTS OF STRUCTURAL ELEMENTS DURING THE CONSTRUCTION PERIOD.

14. THE CONTRACTOR SHALL INFORM THE ARCHITECT/ENGINEER IN WRITING OF ANY DEVIATION FROM THE CONTRACT DOCUMENTS. THE CONTRACTOR SHALL NOT BE RELIEVED OF THE RESPONSIBILITY OF SUCH DEVIATION BY THE PROFESSIONAL OF RECORD REVIEW OF SHOP DRAWINGS, PRODUCT DATA, ETC., UNLESS THE CONTRACTOR HAS SPECIFICALLY INFORMED THE PROFESSIONAL OF RECORD OF SUCH DEVIATION AT THE TIME OF SUBMISSION, AND THE PROFESSIONAL OF RECORD HAS GIVEN WRITTEN APPROVAL TO THE SPECIFIC DEVIATION.

15. WHERE "OWNER" IS MENTIONED IN PLANS IT IS TO BE UNDERSTOOD EITHER OWNER OR HIS AUTHORIZED REPRESENTATIVE.

16. CONTRACTOR SHALL SUBMIT FOR OWNERS APPROVAL LOCATION AND DETAILS OF CONSTRUCTION JOINTS IN SLABS AND BEAMS, AND IN ANY OTHER STRUCTURAL MEMBERS.

17. CONTRACTOR MUST VERIFY ALL DIMENSIONS ON STRUCTURAL PLANS AGAINST THE DIMENSIONS ON ARCHITECTURAL PLANS BEFORE LAYING OUT THE WORK.

18. CONTRACTOR MUST VERIFY ALL DIMENSIONS AND EXISTING FIELD CONDITIONS PRIOR TO STARTING CONSTRUCTION. IF ANY DISCREPANCY ARISES IN THE STRUCTURAL AND ARCHITECTURAL PLANS. THE ARCHITECTS AND ENGINEERS SHALL BE NOTIFIED IMMEDIATELY.

19. CONTRACTOR MUST PROVIDE, SET AND VERIFY DIMENSIONS AND LOCATION OF ALL ANCHORS, INSERTS BOLTS, SLEEVES, CONDUITS, ETC., SHOWN OR NOTED IN ARCHITECTURAL AND/OR MECHANICAL AND PLUMBING PLANS BEFORE THE CONCRETE IS POURED.

20. PROVISIONS FOR DETAILS NOT SPECIFICALLY DRAWN SHALL BE MADE BY THE CONTRACTOR IN ACCORDANCE WITH THE LATEST VERSION OF THE ACI BUILDING CODE AND/OR AISC SPECIFICATIONS AND CLARIFIED WITH THE STRUCTURAL ENGINEER.

21. ALL DETAILS, SECTIONS AND NOTES SHOWN ON DRAWINGS AND INTENDED TO BY TYPICAL AND SHALL APPLY TO SIMILAR SITUATIONS ELSEWHERE UNLESS NOTED OTHERWISE.

22. IN CASE OF DOUBT IN THE INTERPRETATION OF ANY ASPECT OF THESE STRUCTURAL DRAWINGS AND/OR SPECIFICATIONS, THE STRUCTURAL ENGINEER SHALL BE CONSULTED.

23. NOTIFY THE STRUCTURAL ENGINEER IN ADVANCE OF CONDITIONS NOT SHOWN OR OMITTED ON THE DRAWINGS.

REFERENCES:

DESIGN, FABRICATION & CONSTRUCTION WORK SHALL COMPLY WITH THE REQUIREMENTS AND PROVISIONS OF THE FOLLOWING CODES AND SPECIFICATIONS THEIR COMMENTARIES AND THE STANDARDS REFERENCED THEREIN:

1. AMERICAN CONCRETE INSTITUTE, 2014 (ACI)
2. INTERNATIONAL BUILDING CODE, 2018 (IBC)
3. AMERICAN SOCIETY FOR TESTING AND MATERIALS (ASTM)
4. CONCRETE REINFORCING STEEL INSTITUTE (CRSI)
5. AMERICAN WELDING SOCIETY (AWS)
6. AMERICAN INSTITUTE OF STEEL CONSTRUCTION, 2016 (AISC)
7. STEEL DECK INSTITUTE (SDI)
8. STEEL JOIST INSTITUTE (SJI)
12. AMERICAN LUMBER STANDARDS COMMITTE (ALSC)
13. PUERTO RICO BUILDING CODE, 2018 (PRBC)
14. MINIMUM DESIGN LOADS AND ASSOCIATED CRITERIA FOR BUILDINGS AND OTHER STRUCTURES (ASCE/SEI 7-16)
15. NATIONAL ASSOCIATION OF CORROSION ENGINEERS (NACE)
16. SOCIETY FOR PROTECTIVE COATINGS (SSPC)

LOADING CRITERIA:

1. DEAD LOAD:
   CONCRETE SELF WEIGHT ..... 150 PCF
   PARTITION DEAD LOAD ..... 40 PSF
   ROOF SUPERIMPOSED DEAD LOAD ..... 10 PSF
   FLOOR FINISH DEAD LOAD ..... 15 PSF

2. LIVE LOAD:
   ASSEMBLY AREAS& CORRIDORS..... 100 PSF
   ROOF LIVE LOAD..... 30 PSF
   OFFICE SPACES..... 50 PSF
   MEP ROOMS..... 80 PSF

3. SEISMIC LOADS:
   PER ASCE 7-16 & PRBC 2018.
   SITE CLASS E
   S_s=1.0
   S_1=0.39
   SEISMIC DESIGN CATEGORY D
   OCCUPANCY CATEGORY: III
   IMPORTANCE FACTOR: 1.25
   LATERAL FORCE RESISTING SYSTEM: SPECIAL REINFORCED CONCRETE SHEAR WALLS
   RESPONSE MODIFICATION COEFFICIENT: R = 5.0
   OVERSTRENGTH FACTOR OMEGA = 2.5
   DEFLECTION AMPLIFICATION FACTOR: Cd = 5.0

4. WIND LOADS:
   PER ASCE 7-16
   V= 180 MPH
   EXPOSURE TYPE D
   RISK CATEGORY III

A) FOUNDATIONS 4,000 PSI
B) SLAB ON GRADE 4,000 PSI
C) STRUCTURAL SLAB 4,000 PSI
D) BEAMS 4,000 PSI
E) WALLS 4,000 PSI

PORTLAND CEMENT SHALL CONFORM TO ASTM C-150, TYPE II.

2.

3. WELDED WIRE FABRIC SHALL CONFORM TO ASTM A185.
   ALL REINFORCING BARS SHALL BE HIGH TENSILE DEFORMED
4. MEETING ASTM A-615 GRADE 60, UNLESS NOTED OTHERWISE ON

SPECS AND/OR DRAWINGS.
CONCRETE MASONRY UNITS SHALL BE NORMAL WEIGHT BLOCK
5. CONFORMING TO ASTM C-90, GRADE N, TYPE 1, AND SHALL

HAVE COMPRESSIVE STRENGTH OF 1900 PSI.

6. MORTAR SHALL CONFORM TO ASTM C-270.

7. MASONRY GROUT SHALL CONFORM TO ASTM C-476.

8. CONTINUOUS WIRE REINFORCING (JOINT REINFORCING) SHALL BE GALVANIZED TRUSS TYPE FABRICATED UNITS WITH A SINGLE PAIR OF 9 GAUGE SIDE RODS AND 9 GAUGE CONTINUOUS DIAGONAL CROSS RODS FABRICATED FROM COLD-DRAWN STEEL WIRE COMPLYING WITH ASTM A-82.

9. STEEL SHALL CONFORM TO THE FOLLOWING GRADES:

A) ROLLED STEEL SHAPES, PLATES AND BARS (UNO)	ASTM A-36
B) STRUCTURAL TUBE (Fy=46 Ksi)	ASTM A-500
C) STEEL PIPE (Fy=35 Ksi)	ASTM A-53
D) ANCHOR BOLTS AND UNFINISHED BOLTS	ASTM A-307
E) BOLTS, NUTS AND WASHERS	ASTM A-325
F) WELDING ELECTRODES (E333, CLASS E7018XX)	ASTM A-223
G) OUTRIGGERS (Fy = 50 ksi)	ASTM A-572

10. METAL STUDS SHALL CONFORM TO ASTM A-108.

11. WOOD MUST COMPLY WITH THE FOLLOWING MINIMUM ALLOWABLE DESIGN STRESSES:

    A) Fb =1,750 psi
    B) Ft =1,150 psi
    C) Fv = 90 psi
    D) Fc ⊥ 565 psi
    E) Fc ∥ 1,350 psi
    F) E =1,700,000 psi

SURFACED DRY. USED @ 19% MAX. MOISTURE CONTENT.

FOUNDATIONS:

1. THE FOUNDATION SYSTEM HAS BEEN USED FOR THE DESIGN OF THIS PROJECT IN ACCORDANCE WITH THE RECOMMENDATIONS MADE IN THE SUBSOIL EXPLORATION REPORT JOB. NO. ____ IN _____ PUERTO RICO, DATED _____ 20__ BY _____. CONTRACTOR SHALL REVIEW THE DOCUMENT AND IMPLEMENT ANY RECOMMENDATION REGARDING SOIL CAPACITY/IMPROVEMENT OR REHABILITATION. IF ADDITIONAL INFORMATION IS NEEDED, CONTRACTOR SHALL CONTACT THE GEOTECHNICAL ENGINEER OR THE STRUCTURAL ENGINEER.

2. FOOTINGS MAY BE POURED INTO AN EARTH-FORMED TRENCH IF SOIL CONDITIONS PERMIT.

3. ALL BEARING MATERIALS SHALL BE APPROVED BY THE ENGINEERING OR WITH THE APPROPRIATE SUBMITTAL AND SHALL BE INSPECTED BY THE ENGINEERING INSPECTION TEAM PRIOR TO CONCRETE PLACEMENT. THE INDEPENDENT INSPECTOR SHALL BE THE SOLE JUDGE AS TO THE SUITABILITY OF THE BY OF THE BEARING MATERIAL. FOOTING ELEVATIONS SHALL BE ADJUSTED AS PROVIDED OR REQUIRED IN CONSTRUCTION DRAWINGS. THE INSPECTOR SHALL BE THE OWNER'S REPRESENTATIVE AT THE PROJECT SITE, AND AS SUCH WILL BE RESPONSIBLE TO HIM.

4. FOUNDATION WALLS THAT RETAIN EARTH SHALL BE BRACED AGAINST BACKFILLING PRESSURES UNTIL FLOOR SLABS AT TOP AND BOTTOM ARE IN PLACE.

5. WHERE FOUNDATION WALLS ARE TO HAVE EARTH PLACED ON EACH SIDE, PLACE FILL SIMULTANEOUSLY SO AS TO MAINTAIN A COMMON ELEVATION ON EACH SIDE OF THE WALL.

6. FOUNDATION WORK SHALL BE SUBJECT TO QUALITY ASSURANCE TESTING AND INSPECTION, AS PER TECHNICAL SPECIFICATIONS FOR THE PROJECT.

7. ALL BACKFILL SHALL BE COMPACTED TO 95% OF MODIFIED PROCTOR DENSITY.

8. ALL EXCAVATIONS AND BACKFILLS SHALL BE INSPECTED FOR COMPLIANCE WITH THE SUBSOIL REPORT RECOMMENDATIONS.

9. CONTRACTOR SHALL PROVIDE FOR PROPER DEWATERING OF EXCAVATIONS FROM SURFACE WATER, GROUND WATER, SEEPAGE, ETC. SUCH ACTIVITIES SHALL NOT DAMAGE ADJACENT STRUCTURES.

10. CONTRACTOR SHALL PROVIDE FOR THE INSTALLATION AND DESIG OF ALL CRIBBING, SHEATHING AND SHORING REQUIRED TO SAFELY AND ADEQUATELY RETAIN EXCAVATIONS, EARTH BANKS ANY EXISTING STRUCTURES.

11. FOOTINGS SHALL BE PLACED ACCORDING TO DEPTH SHOWN IN THE STRUCTURAL DRAWINGS. ALL FOUNTATION BASES SHALL BE INSPECTED WHEN THE DEPTH INDICATED HAS BEEN ACHIEVED. THE GEOTECHNICAL ENGINEER WILL DETERMINE THE SUITABILITY OF THE SOIL AT THIS LEVEL FOR THE PROPOSED IMPOSED LOADS AND MAY INSTRUCT FURTHER EXCAVATION UNTIL A SUITABLE BEARING SURFACE IS ATTAINED. THE GEOTECHNICAL ENGINEER SHALL GIVE THE FINAL APPROVAL FOR ANY CHANGES IN FOOTING DEPTH, AND SHALL GIVE WRITTEN NOTIFICATION TO THE ARCHITECT AND ENGINEER. NO FOOTING SHALL BE CAST WITHOUT THE GEOTECHNICAL ENGINEER.

CAST IN PLACE REINFORCED CONCRETE:

1. CONTRACTOR SHALL SUBMIT, PRIOR TO INSTALLATION ALL REINFORCING STEEL SHOP DRAWINGS. SHOP DRAWINGS SHALL BE SEALED & SIGNED BY A PROFESSIONAL ENGINEER LICENSED IN PUERTO RICO.

2. CONCRETE ITEMS AND REINFORCEMENT SHALL BE ERECTED IN STRICT ACCORDANCE WITH OWNER APPROVED SHOP AND ERECTION DRAWINGS FOLLOWING THE DETAILS SHOWN ON PLANS.

3. THE CONTRACTOR SHALL TAKE PRECAUTIONS TO PRODUCE CORRECTLY ALIGNED CONCRETE CONSIDERING AMONG OTHER THINGS, THE ELASTIC DEFORMATION OF THE STRUCTURAL MEMBERS.

4. AT HORIZONTAL JOINTS IN WALLS AND COLUMNS, THE LOWER SURFACE SHALL BE THROUGHLY CLEARED AND ALL WEAR OR LOOSE CONCRETE REMOVED FROM THERE BEFORE POURING THE UPPER CONCRETE(SEE SPECS. FOR ADDITIONAL REQUIREMENTS). NO JOINT SHALL BE COVERED WITH PLASTER OR OTHERWISE WITHOUT A VISUAL EXAMINATION AND APPROVAL BY THE INSPECTOR.

5. NO DEFECTIVE CONCRETE SHALL BE CORRECTED OR COVERED WITH MORTAR, PLASTER ETC. WITHOUT THE INSPECTORS' APPROVAL.

6. SLUMP OF CONCRETE SHALL NOT EXCEED 4" UNLESS A HIGHRANGE WATER-REDUCING ADMIXTURE IS USED. THE SLUMP OF CONCRETE PRIOR TO ADDITION OF A HIGH RANGE WATER-REDUCING ADMIXTURE SHALL NOT EXCEED 4". THE SLUMP OF CONCRETE CONTAINING A HIGH RANGE WATER-REDUCING ADMIXTURE SHALL NOT EXCEED 10".

7. CONCRETE SHALL BE NON-AIR ENTRAINED. AIR CONTENT SHALL BE BETWEEN 0 AND 3.5 PERCENT.

8. THE NOMINAL MAXIMUM AGGREGATE SIZE SHALL BE OF 3/4".

9. CONTRACTOR SHALL SUBMIT CONCRETE MIX DESIGNS FOR REVIEW WELL IN ADVANCE OF CONCRETE PLACEMENT. CONCRETE MIX DESIGN SHALL INCLUDE ALL STRENGTH DATA NECESSARY TO SHOW COMPLIANCE WITH THE PROJECT SPECIFICATIONS FOR EITHER THE TRIAL BATCH OR FIELD EXPERIENCE METHOD AND SHALL BE CERTIFIED BY A REGISTERED LICENSED ENGINEER. PHYSICAL TESTS RESULTS FOR COARSE AND FINE AGGREGATES SHALL ALSO BE SUBMITTED CERTIFIED BY A REGISTERED ENGINEER.

10. MINIMUM CONCRETE COVER, UNLESS NOTED OTHERWISE:
    UNFORMED SURFACE IN CONTACT WITH THE GROUND 3 IN.

    FORMED SURFACES EXPOSED TO EARTH OR WEATHER:
    #6 BARS AND LARGER 2 IN.
    #5 BARS AND SMALLER 1-1/2 IN.

    FORMED SURFACES NOT EXPOSED TO EARTH OR WEATHER:
    BEAMS, GIRDERS, AND COLUMNS 1-1/2 IN.

    SLABS, WALLS AND JOISTS:
    #11 BARS AND SMALLER 3/4 IN.
    #14 AND #18 BARS 1-1/2 IN.

11. ALL REINFORCING SHALL BE DETAILED, FABRICATED AND PLACED, IN ACCORDANCE WITH ACI DETAILING MANUAL (SP-66) AND "THE MANUAL OF STANDARD PRACTICE FOR REINFORCED CONCRETE CONSTRUCTION" BY THE CRSI.

12. ALL REINFORCING SHALL BE SUPPORTED IN FORMS USING STEEL CHAIRS, SPACED WITH NECESSARY ACCESSORIES AND SHALL BE SECURELY WIRED TOGETHER, IN ACCORDANCE WITH CRSI "MANUAL OF STANDARD PRACTICE".

13. ALL SLAB AND CORRESPONDING BEAMS, CURBS, OR APRONS SHALL BE POURED MONOLITHICALLY.

14. BASE PLATES, ANCHOR BOLTS, SUPPORT ANGLES, ETC., BELOW GRADE SHALL BE COVERED WITH A MINIMUM OF 3" OF CONCRETE.

15. CONCRETE WORK SHALL BE SUBJECT TO QUALITY ASSURANCE TESTING AND INSPECTIONS. SEE QUALITY ASSURANCE GENERAL NOTES AND PROJECT SPECIFICATIONS.

16. ALL SYMBOLS AND STRESSES AS WELL AS CONCRETE WORK SHALL CONFORM TO THE STANDARD OF THE LATEST VERSION OF THE ACI BUILDING CODE.

17. ALL REINFORCING, SLEEVES, CONDUITS, INSERTS AND BOLTS SHALL BE WELL SECURED AND IN PLACE BEFORE CONCRETE IS POURED.

18. FOR CONSTRUCTION JOINTS IN STRUCTURAL MEMBERS A VERTICAL BULKHEAD AND KEY JOINT MUST BE PROVIDED.

19. LAP SPLICES SHALL BE IN ACCORDANCE WITH THE TABLE IN THIS SHEET.

20. ALL OPENINGS IN CONCRETE WALLS SHALL BE REINFORCED AROUND WITH 2 #5 BARS PLACED AT 2 INCHES FROM THE FACE AND EXTENDING 24 INCHES BEYOND CORNERS, UNLESS OTHERWISE SPECIFIED IN PLANS.

21. TEMPERATURE REINFORCEMENT SHALL BE PROVIDED IN ALL ONE WAY SLAB NORMAL TO THE PRINCIPAL REINFORCEMENT IN ACCORDANCE WITH LATEST VERSION OF THE ACI BUILDING CODE.

22. ALL ONE WAY SLAB TEMPERATURE REINFORCEMENT SHALL BE AS FOLLOWS: (UNLESS NOTED OTHERWISE)
    0.18% OF SECTIONAL AREA (INCLUDING INTEGRAL TOPPING).

23. MINIMUM LAP OF WELDED WIRE FABRIC SHALL BE 6 INCHES OR ONE FULL MESH, WHICHEVER IS GREATER.

24. SLAB ON GROUND, AS INDICATED ON DRAWINGS.

25. FOR CONCRETE FORMWORK, SURFACE FINISHING, BEVELED CORNERS AND DRIPS, SEE ARCHITECTURAL PLANS.

26. PLACEMENT OF CONCRETE SHALL CONFORM TO ACI STANDARD 304 AND PROJECT SPECIFICATIONS.

27. PROVIDE DOWELS IN PEDESTAL AND/OR WALL FOOTINGS EQUAL IN GRADE, SPACING, SIZE AND NUMBER TO VERTICAL REINFORCEMENT, EXTENDING A TENSION SPLICE LENGTH INTO THE PEDESTAL AND/OR WALL AND 40 BAR DIAMETER INTO FOOTING. (THE LATERAL EMBEDEMENT SHALL BE EXTENDED AS NECESSARY TO PROVIDE A MINIMUM HORIZONTAL LEG RESTING ON FOOTING REINFORCEMENT EQUAL TO THE CORRESPONDING "G" LENGTH FOR THE BAR SIZE.)

28. CONCRETE SHALL NOT BE DROPPED THROUGH REINFORCING STEEL SO AS TO CAUSE SEGREGATION OF AGGREGATES IN SUCH CASES, HOOPERS OR VERTICAL CHUTES OR TRUNKS SHALL BE USED. THE FREE UNCONFINED FALL OF CONCRETE SHALL NOT EXCEED THE ABOVE REQUIREMENTS.

29. THE SIZE OF NAILS AND SIMILAR FASTENERS DRIVEN INTO CONCRETE SHALL BE SUCH, AS NOT TO CRACK OR IMPAIR IT. NEVERTHELESS, IF THE CONCRETE IS DAMAGED, IT SHALL BE PROPERLY REPAIRED AFTER REMOVING THE DAMAGED PORTION AND SUITABLE JOINT SURFACE ARE PROVIDED.

30 ALL CAST IN PLACE REINFORCED CONCRETE STRUCTURAL MEMBERS SHALL BE PROPERLY CURED IN ACCORDANCE WITH THE LATEST VERSION OF THE ACI CODE, CHAPTER V AND ACI 308.

31. ALL LAPPING, BENDING AND PLACING OR REINFORCEMENT SHALL BE DONE IN ACCORDANCE WITH THE LATEST VERSION OF THE ACI BUILDING CODE.

32. ALL REINFORCING BAR BENDS SHALL BE MADE COLD.

33. ALL NEGATIVE REINFORCEMENT (TOP REINF.) AND POSITIVE REINFORCEMENT (BOTTOM REINF.) IN SLABS AND BEAMS SHALL BE EXTENDED BEYOND THE CENTER LINE OF THE END SUPPORTS IN ACCORDANCE WITH THE LATEST VERSION OF THE ACI BUILDING CODE, UNLESS OTHERWISE SPECIFIED.

34. WELDING OF REINFORCEMENT SHALL BE WITH LOW HYDROGEN ELECTRODES IN CONFORMANCE WITH "REINFORCING STEEL WELDING CODE" AND "RECOMMENDED PRACTICES FOR WELDING REINFORCING STEEL" BOTH BY THE AWS (AWS D12.1. & AWS D1.4 RESPECTIVELY).

35. ALL FORMWORK FOR FLEXURAL MEMBERS SHALL BE BUILT WITH A CAMBER CORRESPONDING TO ITS WON DEFORMATION PLUS THE STRUCTURE DEAD LOAD DEFORMATIONS. IN DETERMINING THE AMOUNT OF CAMBER, THE CONTRACTOR SHALL HAVE THE ASSISTANCE OF THE DESIGNER WHERE SO REQUESTED.

36. NO JOINT, OPENING, SLOT OR GROOVE OTHER THAN THAT SHOWN ON DRAWINGS SHALL BE PERMITTED WITHOUT PREVIOUS APPROVAL BY THE ENGINEER. ALL CONSTRUCTION JOINT SURFACES SHALL BE CLEANED AND ROUGHENED IMMEDIATELY BEFORE CONCRETING AND TREATED AS INSTRUCTED IN THE "ACI MANUAL OF CONCRETE PRACTICE".

37. CONDUIT OF PIPE SIZE (O.D.) SHALL NOT EXCEED 30 PERCENT OF TOTAL SLAB THICKNESS AND SHALL BE PLACED BETWEEN THE TOP & BOTTOM REINFORCEMENT, UNLESS SPECIFICALLY DETAILED OTHERWISE. CONCENTRATIONS OF CONDUITS OR PIPES SHALL BE AVOIDED EXCEPT WHERE DETAILED OPENINGS ARE PROVIDED.

38. PROVIDE SLEEVES FOR PLUMBING AND ELECTRICAL OPENINGS IN CONCRETE BEFORE PLACING. DO NOT CUT ANY REINFORCEMENT BAR WHICH MAY CONFLICT. CORING IN CONCRETE IS NOT PERMITTED U.N.O.

39. WATER-CEMENT RATIO REQUIREMENTS FOR DIFFERENT COMPRESSIVE STRENGHTS OF CONCRETE.

COMPRESSIVE STRENGHT AT 28 DAYS, psi	WATER-CEMENT RATIO BY WEIGHT	
	NON-AIR ENTRAINED CONCRETE	AIR ENTRAINED CONCRETE
7,000	0.33	--
6,000	0.41	0.32
5,000	0.48	0.40
4,500	0.50	0.42
4,000	0.55	0.45
3,500	0.58	0.50
3,000	0.62	0.56
2,500	0.72	0.66

REINFORCED MASONRY

1. REINFORCED CONCRETE MASONRY SHALL HAVE A MINIMUM DESIGN COMPRESSIVE STRENGTH, FM, OF 1500 PSI. VERIFICATION OF THE DESIGN STRENGTH SHALL BE BY THE UNIT TEST METHOD.

2. SEE ARCHITECTURAL DRAWINGS FOR LOCATIONS OF VERTICAL CONTROL JOINTS. HORIZONTAL BOND BEAM AND LINTEL REINFORCING SHALL BE CONTINUOUS ACROSS VERTICAL CONTROL JOINTS. JOINT REINFORCING SHALL BE STOPPED EITHER SIDE OF VERTICAL CONTROL JOINTS.

3. ALL REINFORCED CELLS, ALL CELLS BELOW GRADE AND ALL CELLS BELOW FINISH FLOOR SHALL BE GROUTED SOLID.

4. WHEN A FOUNDATION DOWEL DOES NOT LINE UP WITH A VERTICAL BLOCK CORE, IT SHALL NOT BE SLOPED MORE THAN ONE (1) HORIZONTAL IN SIX (6) VERTICAL. DOWELS MAY BE GROUTED INTO A CELL IN VERTICAL ALIGNMENT, EVEN THOUGH IT IS IN AN ADJACENT CELL TO THE VERTICAL WALL REINFORCING.

5. REINFORCING STEEL SHALL BE SECURED IN PLACE BEFORE GROUTING STARTS.

6. SPLICED REINFORCING SHALL BE LAPPED 48 BAR DIAMETERS OR 24 INCHES, WHICHEVER IS GREATER. SPLICED BARS SHALL BE WIRED TOGETHER.

7. VERTICAL BARS SHALL BE HELD IN POSITION AT TOP AND BOTTOM AND AT INTERVALS NOT EXCEEDING 192 DIAMETERS OF THE REINFORCING BAR, NOR 10 FEET.

8. VERTICAL REINFORCING BARS SHALL HAVE A MINIMUM CLEARANCE OF 3/4 OF AN INCH FROM THE MASONRY AND NOT LESS THAN ONE BAR DIAMETER BETWEEN BARS.

9. VERTICAL CELLS THAT WILL BE GROUTED SHALL HAVE A VERTICAL ALIGNMENT TO MAINTAIN A CONTINUOUS UNOBSTRUCTED CELL AREA NOT LESS THAN 2-1/2 x 3".

10. GROUTING SHALL BE STOPPED 1-1/2" BELOW THE TOP OF A COURSE SO AS TO FORM A KEY AT THE POUR JOINT.

11. GROUTING OF MASONRY BEAMS OVER OPENINGS SHALL BE DONE IN ONE CONTINUOUS OPERATION.

12. ALL BOLTS, ANCHORS, ETC., INSERTED IN THE WALLS, SHALL BE GROUTED SOLID INTO POSITION.

13. REINFORCED MASONRY HAS BEEN DESIGNED USING VALUES FOR CONSTRUCTION WITH SPECIAL INSPECTION.

14. REINFORCED MASONRY WORK SHALL BE SUBJECT TO QUALITY ASSURANCE TESTING AND INSPECTIONS. SEE QUALITY ASSURANCE GENERAL NOTES AND PROJECT SPECIFICATIONS.

15. CONCRETE MASONRY UNITS SHALL BE LAID WITH FULL MORTAR BEDDING.

16. CONCRETE MASONRY UNITS SHALL BE LAID IN A RUNNING BOND PATTERN.

17. ALL BLOCK WALLS SHALL BE ANCHORED TO THE FLOOR GROUND SLAB BY MEANS OF #3 BARS HOOKED A MINIMUM OF 6 INCHES INTO THE SLAB AND SPACED A MINIMUM OF 16 INCHES OR #4 BARS HOOKED A MINIMUM OF 8 INCHES INTO THE SLAB AND SPACED A MINIMUM OF 32 INCHES.

18. HORIZONTAL JOINT REINFORCEMENT SHALL BE INSTALLED IN THE TWO JOINTS IMMEDIATELY BELOW AND ABOVE WINDOW AND DOOR OPENING AND EVERY OTHER COURSE SPLICED 1' WITH CORRESPONDING DOWELS INTO THE STRUCTURE.

19. FOR STRUCTURAL OR ARCHITECTURAL CONCRETE ELEMENTS WHICH DIMENSIONS OR REINFORCEMENT ARE NOT SHOWN ON STRUCTURAL DRAWINGS, THE CONTRACTOR SHALL ASSUME THE DIMENSIONS SHOWN ON ARCHITECTURAL DRAWINGS FOR THOSE, AND UTILIZE THE MINIMUM REINFORCEMENT REQUIRED BY ACI-318 BUILDING CODE FOR THE TYPE OF ELEMENT CONSIDERED FOR ESTIMATING PURPOSE.

20. GROUT SHALL BE PLACED BY THE LOW LIFT METHOD; MAXIMUM HEIGHT OF LIFT WITHOUT CLEANING OUT SHALL BE 4 FEET.

21. JOINT REINFORCING SHALL BE SPACED AT 16" O.C. VERTICALLY IN ALL MASONRY WALLS.

22. PROVIDE A MINIMUM OF 1/2 IN. GROUT BETWEEN MAIN REINFORCEMENT AND MASONRY UNITS.

23. FLY ASH MAY BE USED IN CONCRETE MIXES. THE FLY ASH SHALL CONFORM TO ASTM C618, CLASS F AND SHALL NOT EXCEED 15% OF THE CEMENT WEIGHT.

STRUCTURAL STEEL

1. ALL STRUCTURAL STEEL SHALL BE DETAILED, FABRICATED AND ERECTED IN ACCORDANCE WITH THE LATEST VERSION OF THE AISC CODE OF STANDARD PRACTICE. EXCEPT AS MODIFIED IN THESE NOTES ANDTHE PROJECT SPECIFICATIONS AND/OR DRAWINGS.

2. THE STEEL STRUCTURE IS A PARTIAL-SELF-SUPPORTING STEEL FRAME AND IS DEPENDENT UPON DIAPHRAGM ACTION OF THE METAL ROUGH DECK AND ATTACHMENT TO THE EXISTING MASONRY AND CONCRETE WALLS FOR STABILITY AND FOR RESISTANCE TO WIND AND SEISMIC FORCES. PROVIDE ALL TEMPORARY SUPPORTS REQUIRED FOR STABILITY AND FOR RESISTANCE TO WIND AND SEISMIC FORCES UNTIL THESE ELEMENTS ARE COMPLETED AND ARE CAPABLE OF PROVIDING THIS SUPPORT.

3. THE FABRICATOR IS RESPONSIBLE FOR THE SHOP DRAWINGS OF ALL CONNECTIONS. CONNECTION DETAILS INDICATED ON THE DRAWINGS SHALL BE INCORPORATED INTO FABRICATOR'S CONNECTION SHOP DRAWING. ALL SHOP DRAWINGS SHALL BE SIGNED AND SEALED BY THE FABRICATOR'S ENGINEER WITH THE ENGINEER'S SEAL.

4. SPLICING OF STEEL MEMBERS, UNLESS SHOWN ON THE DRAWING,IS PROHIBITED WITHOUT WRITTEN APPROVAL OF THE ARCHITECT/ENGINEER.

5. UNLESS NOTED OTHERWISE, BEAMS SHALL BEAR 8" MINIMUM ON CONCRETE OR MASONRY. UNLESS NOTED OTHERWISE, ANCHOR BEAMS TO MASONRY WITH TWO (2) 3/4" DIAMETER ANCHOR BOLTS WITH 4" HOOK AND 1'-4" EMBEDMENT.

6. STRUCTURAL STEEL WORK SHALL BE SUBJECT TO QUALITY ASSURANCE TESTING AND INSPECTIONS. SEE QUALITY ASSURANCE GENERAL NOTES AND PROJECT SPECIFICATIONS. AISC, ASTM & AWS SPECIFICATIONS WILL GOVERN ALL STRUCTURAL STEEL WORKS.

7. DESIGN AND CONSTRUCTION SHALL CONFORM TO THE AMERICAN INSTITUTE OF STEEL CONSTRUCTION STANDARD PRACTICE.

8. STRUCTURAL STEEL WELDING SHALL BE PERFORMED BY A CERTIFIED WELDER AND IN ACCORDANCE WITH THE AMERICAN WELDING SOCIETY, (AWS), REQUIREMENTS.

9. ALL INSPECTION AND TESTING OF WELDING SHALL BE DONE IN ACCORDANCE TO SECTION 501 THRU 607 OF THE AWS CODE FOR WELDING IN BUILDING CONSTRUCTION.

10. ALL CONNECTIONS SHALL BE BEARING TYPE UNLESS OTHERWISE SPECIFIED ON PLANS.

11. VERTICAL BRACING CONNECTIONS SHALL DEVELOP THE TENSION CAPACITY OF THE CONNECTED MEMBER.

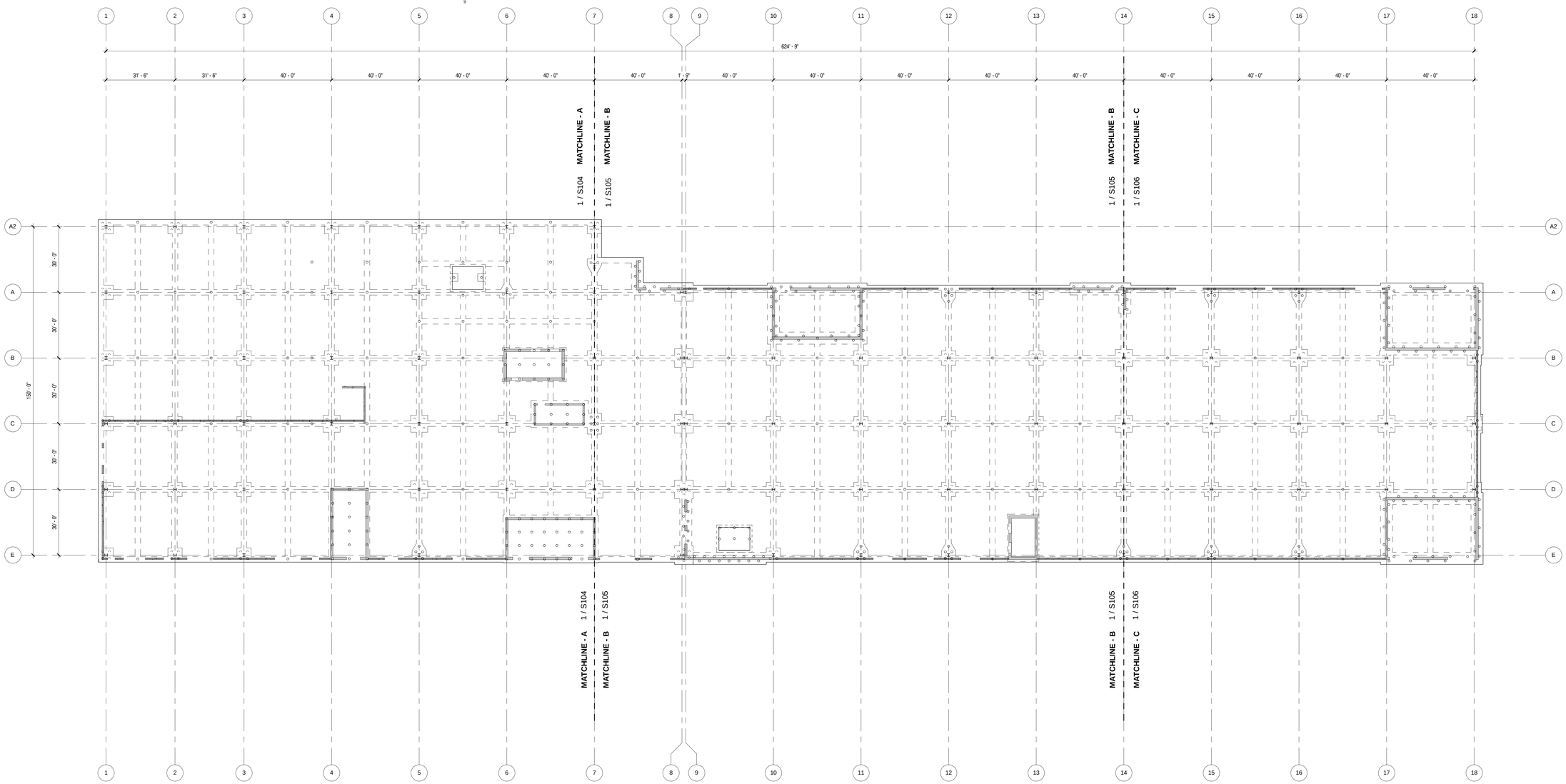
12. MOMENT CONNECTIONS SHALL BE DESIGNED TO DEVELOP THE PLASTIC MOMENT CAPACITY OF THE BEAM U.N.O.

13. SHOP DRAWINGS FOR ALL STRUCTURAL STEEL FABRICATION AND ERECTION SHALL BE SUBMITTED TO THE DESIGNER FOR APPROVAL WELL IN ADVANCE OF CONSTRUCTION.

14. INCORRECTLY FABRICATED, DAMAGED OR OTHERWISE MISFITTING OR NON-CONFORMING MATERIALS OR CONDITIONS SHALL BE REPORTED TO

Attachment 2 of Appendix L

Execution Version



1 / S100 OVERALL FOUNDATION PLAN

1" = 20'-0"

LEGEND:

	WALL OR COLUMN CONTINUOS
	WALL OR COLUMN BEGINS
	WALL OR COLUMN BELOW
	WALL PRECAST
	BOTTOM BARS
	TOP BARS
T=	SLAB THIKCNESS
(T & B)	TOP & BOTTOM
E.W.	EACH WAY
E.F.	EACH FACE
T.S.L.	TENSION SPLICE LENGTH

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30% DESIGN

MARCH 27, 2020

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REVISIONS		
REV. #	REVISION DESCRIPTION	REV. DATE
0	1st Subm. 30% Design	2020-02-14
1	30% Design Subm. to PRPA	2020-03-31

Yo _____, __licencia__, certifico que soy el profesional que diseño estos planos y las especificaciones complementarias. También certifico que entiendo que dichos planos y especificaciones cumplen con las disposiciones aplicables del Reglamento Conjunto y las disposiciones aplicables de los Reglamentos o Corporaciones Públicas con jurisdicción. Certifico, además, que en la preparación de estos planos y especificaciones se ha cumplido cabalmente con los dispuesto en la "Ley Núm.14 de 8 de enero de 2004, según enmendada, conocida como la "Ley para la Inversión por la Industria Puertorriqueña" y con la Ley Núm.319 de 15 de mayo de 1938, según enmendada; Ley Núm. 96 de 6 de julio de 1978, según enmendada. Reconozco que cualquier declaración falsa o falsificación de los hechos que se haya producido por desconocimiento o por negligencia ya sea por mí, mis agentes o empleados o por otras personas con mi conocimiento, me hacen responsable de cualquier acción judicial y disciplinaria por la OGPe.

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SAN JUAN TERMINAL

PROJECT ADDRESS:

BA. PROJECT NUMBER:
17029

SHEET NAME

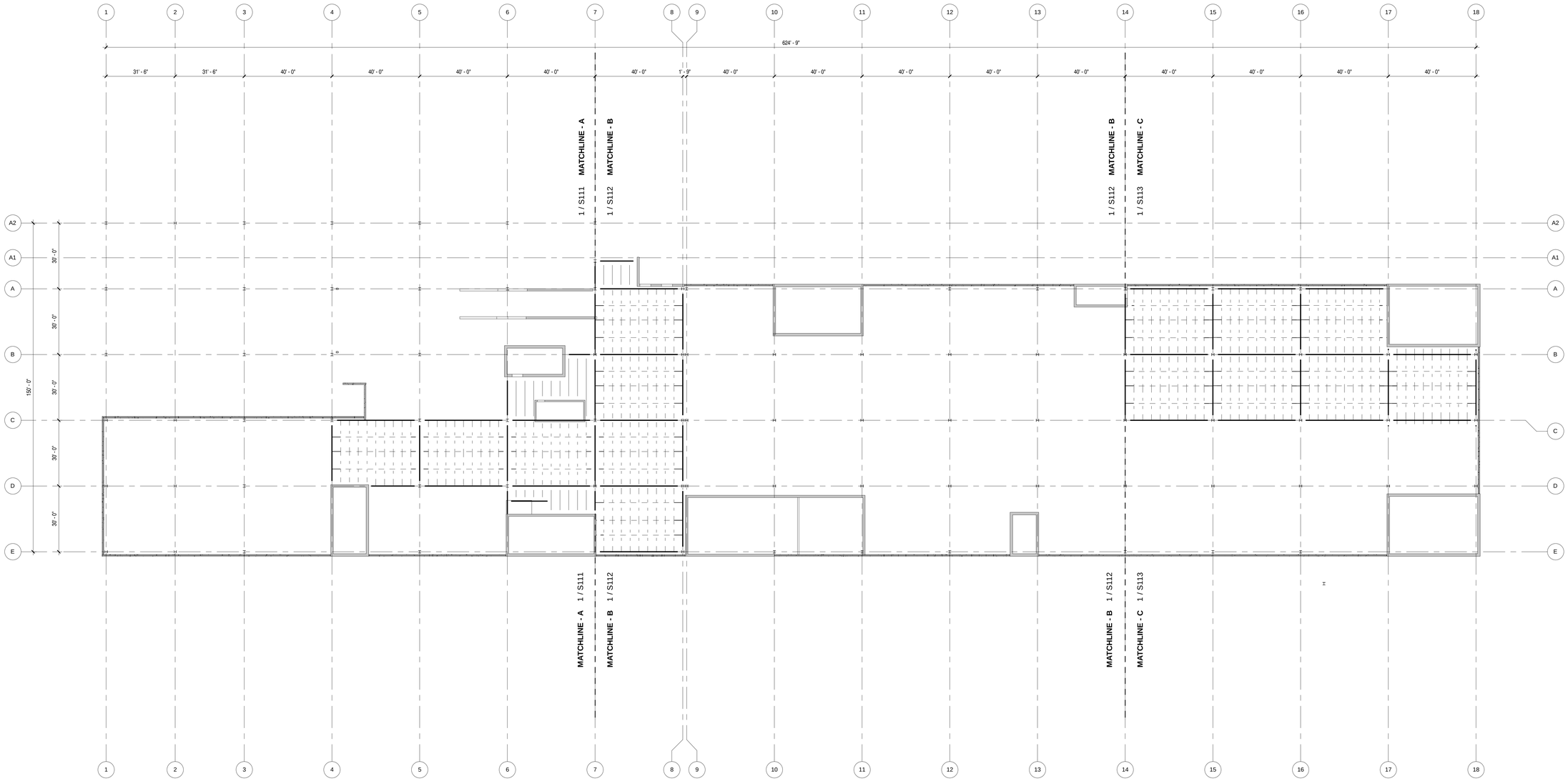
OVERALL FOUNDATION PLAN

SHEET NO.

S100

Attachment 2 of Appendix L

Execution Version



LEGEND:

	WALL OR COLUMN CONTINUOS
	WALL OR COLUMN BEGINS
	WALL OR COLUMN BELOW
	WALL PRECAST
	BOTTOM BARS
	TOP BARS
Ts	SLAB THIKCNESS
(T & B)	TOP & BOTTOM
E.W.	EACH WAY
E.F.	EACH FACE
T.S.L.	TENSION SPLICE LENGTH

1 / S101 OVERALL INTERMEDIATE FLOOR PLAN

1" = 20'-0"

Execution Version

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0	1st Subm. 30% Design	2020-02-14
1	30% Design Subm. to PRPA	2020-03-27

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BA. PROJECT NUMBER:

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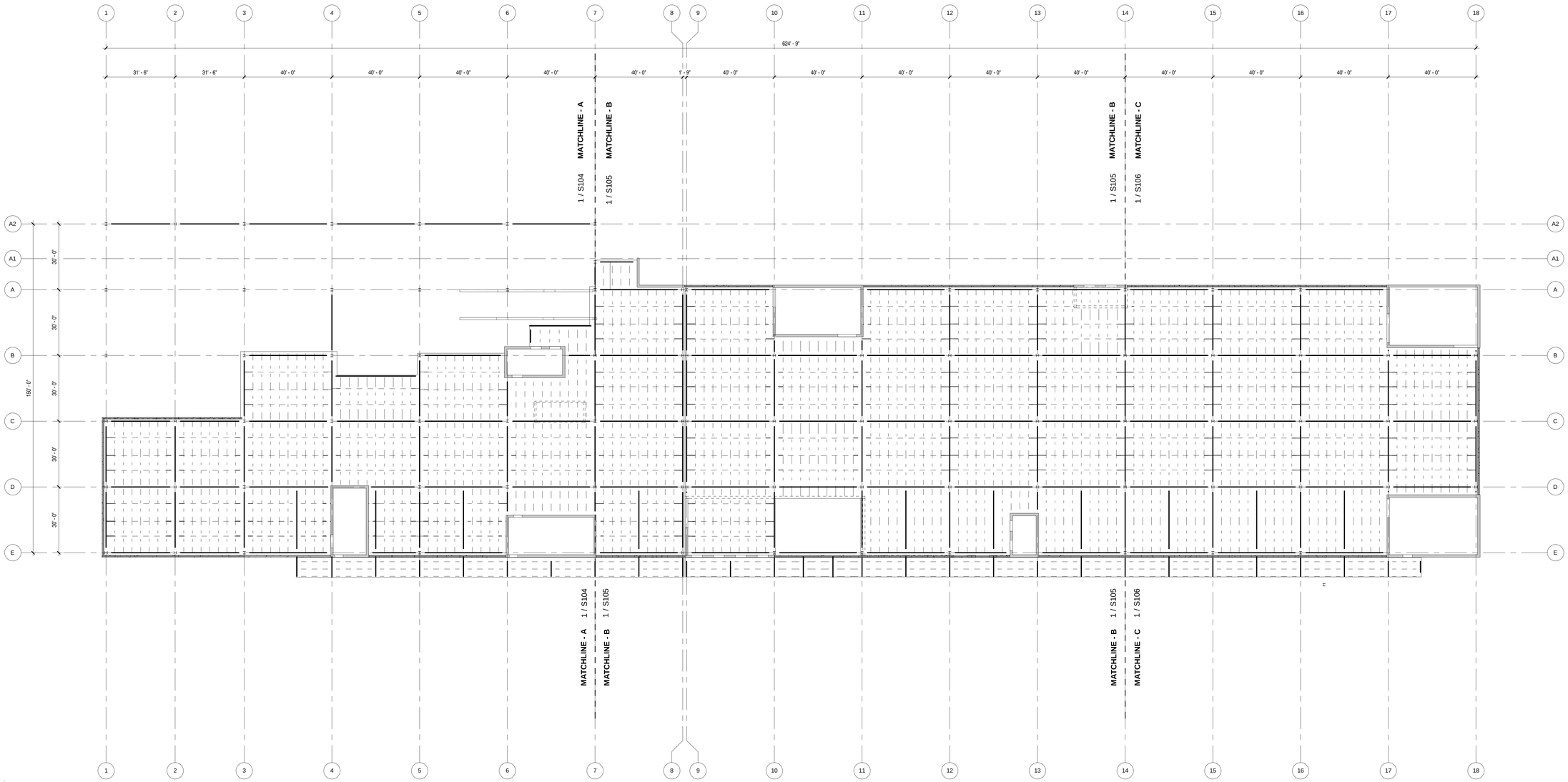
SHEET NAME

OVERALL INTERMEDIATE FLOOR FRAMING PLAN

SHEET NO.

S101



1 S102 OVERALL SECOND FLOOR FRAMING PLAN

1" = 20'-0"

LEGEND:	
	WALL OR COLUMN CONTINUOS
	WALL OR COLUMN BEGINS
	WALL OR COLUMN BELOW
	WALL PRECAST
	BOTTOM BARS
	TOP BARS
Ts	SLAB THIKCNESS
(T & B)	TOP & BOTTOM
E.W.	EACH WAY
E.F.	EACH FACE
T.S.L.	TENSION SPLICE LENGTH

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30% DESIGN

MARCH 27, 2020

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REVISIONS		
REV. #	REVISION DESCRIPTION	REV. DATE
0	1st Subm. 30% Design	2020-02-14
1	30% Design Subm. to PRPA	2020-03-27

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PROJECT ADDRESS:

BA. PROJECT NUMBER:
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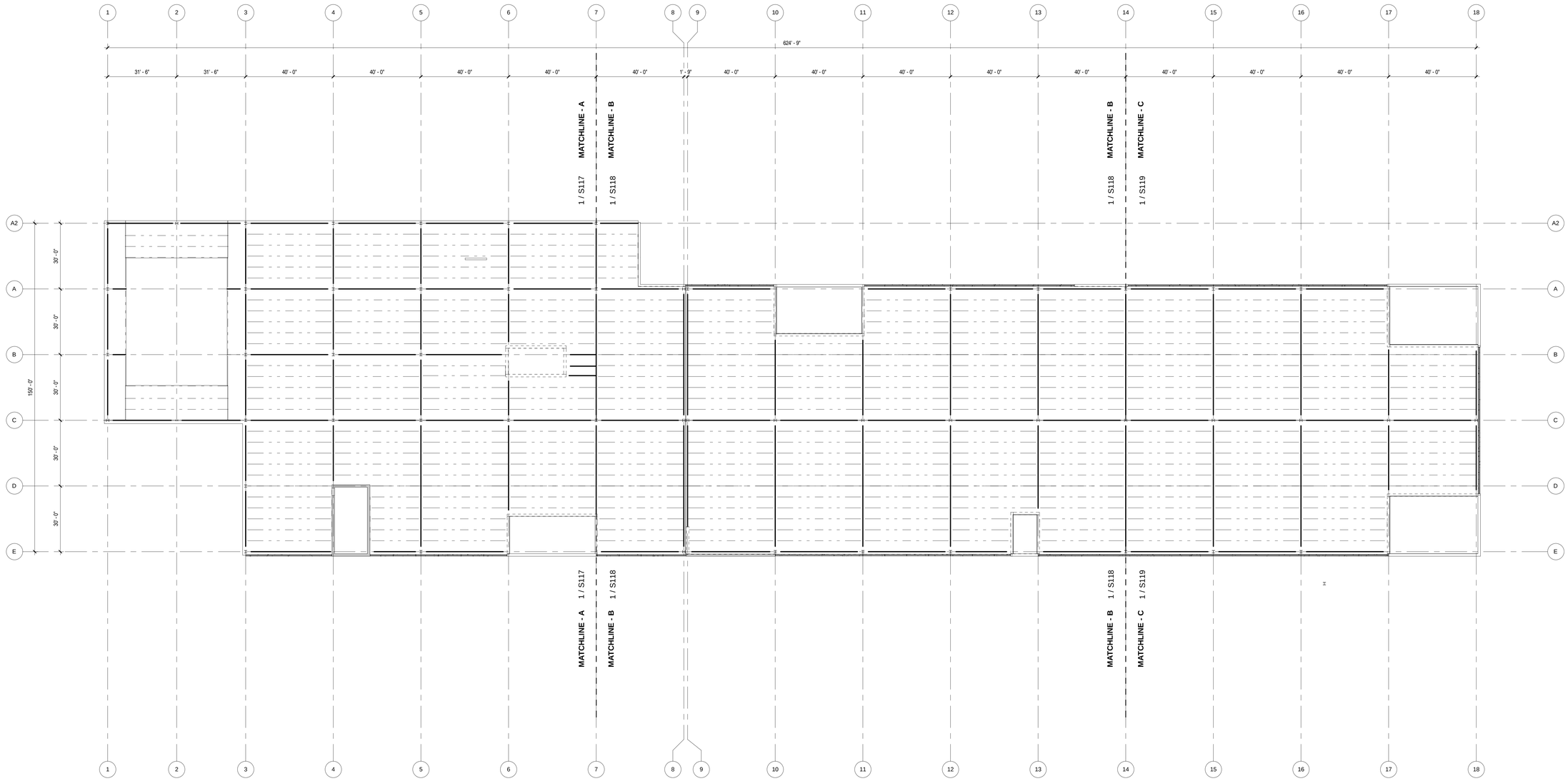
SHEET NAME

OVERALL SECOND FLOOR FRAMING PLAN

SHEET NO.

S102



1 / S103 OVERALL ROOF FRAMING PLAN

1" = 20'-0"

LEGEND:	
	WALL OR COLUMN CONTINUOS
	WALL OR COLUMN BEGINS
	WALL OR COLUMN BELOW
	WALL PRECAST
	BOTTOM BARS
	TOP BARS
T=	SLAB THIKCNESS
(T & B)	TOP & BOTTOM
E.W.	EACH WAY
E.F.	EACH FACE
T.S.L.	TENSION SPLICE LENGTH

Execution Version

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30% DESIGN

MARCH 27, 2020

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REVISIONS		
REV. #	REVISION DESCRIPTION	REV. DATE
0	1st Subm. 30% Design	2020-02-14
1	30% Design Subm. to PRPA	2020-03-27

AUTORIDAD DE PUERTOS de PUERTO RICO

Yo _____, _____ licencia ___, certifico que soy el profesional que diseñó estos planos y las especificaciones complementarias. También certifico que entiendo que dichos planos y especificaciones cumplen con las disposiciones aplicables del Reglamento Conjunto y las disposiciones aplicables de los Reglamentos o Corporaciones Públicas con jurisdicción. Certifico, además, que en la preparación de estos planos y especificaciones se ha cumplido cabalmente con los dispuesto en la "Ley Núm.14 de 8 de enero de 2004, según enmendada, conocida como la "Ley para la Inversión por la Industria Puertorriqueña" y con la Ley Núm 319 de 15 de mayo de 1938, según enmendada; Ley Núm. 96 de 6 de julio de 1978, según enmendada. Reconozco que cualquier declaración falsa o falsificación de los hechos que se haya producido por desconocimiento o por negligencia ya sea por mi, mis agentes o empleados o por otras personas con mi conocimiento, me hacen responsable de cualquier acción judicial y disciplinaria por la OGPe.

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PROJECT NAME:

SAN JUAN TERMINAL

PROJECT ADDRESS:

BA. PROJECT NUMBER:
17029

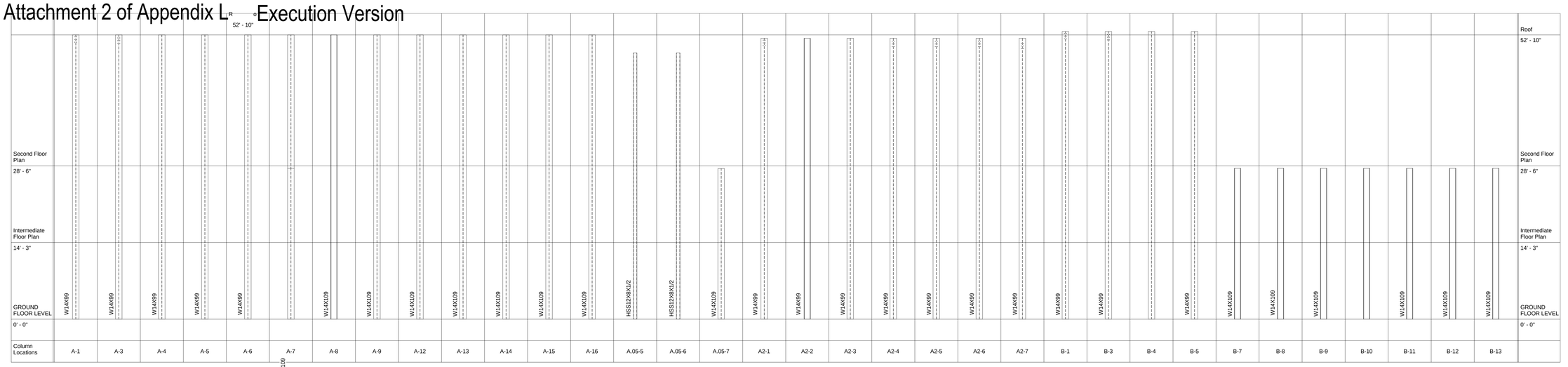
SHEET NAME

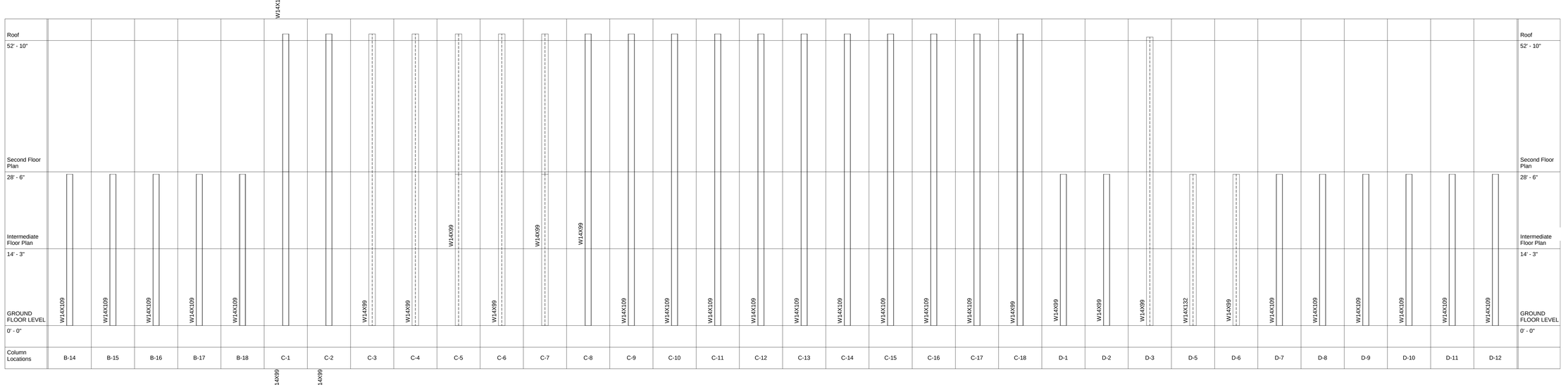
OVERALL ROOF FRAMING PLAN

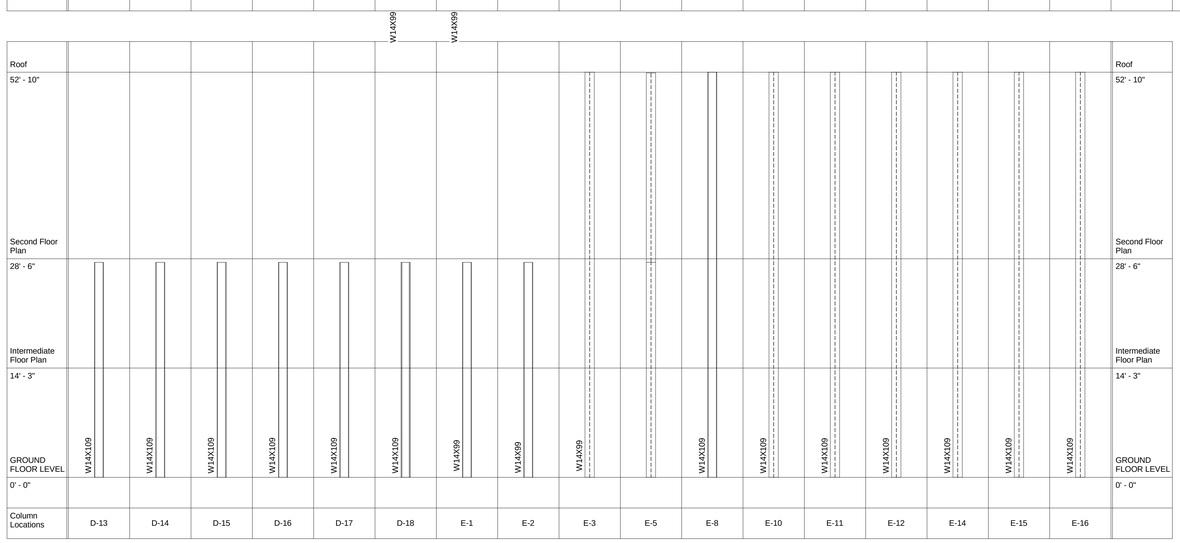
SHEET NO.

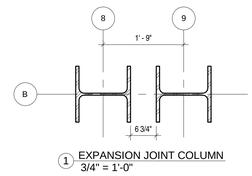
S103

Attachment 2 of Appendix L - Execution Version









1 EXPANSION JOINT COLUMN
3/4" = 1'-0"

Execution Version

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1	30% Design Subm. to PRPA	2020-03-27

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PROJECT NAME:

SAN JUAN TERMINAL

PROJECT ADDRESS:

BA. PROJECT NUMBER:
17029

SHEET NAME

COLUMN SCHEDULE

SHEET NO.

S600

File Location:BIM 360://19070.000 San Juan Terminal 11-13/SAN JUAN TERMINAL STR - CENTRAL v20.rvt

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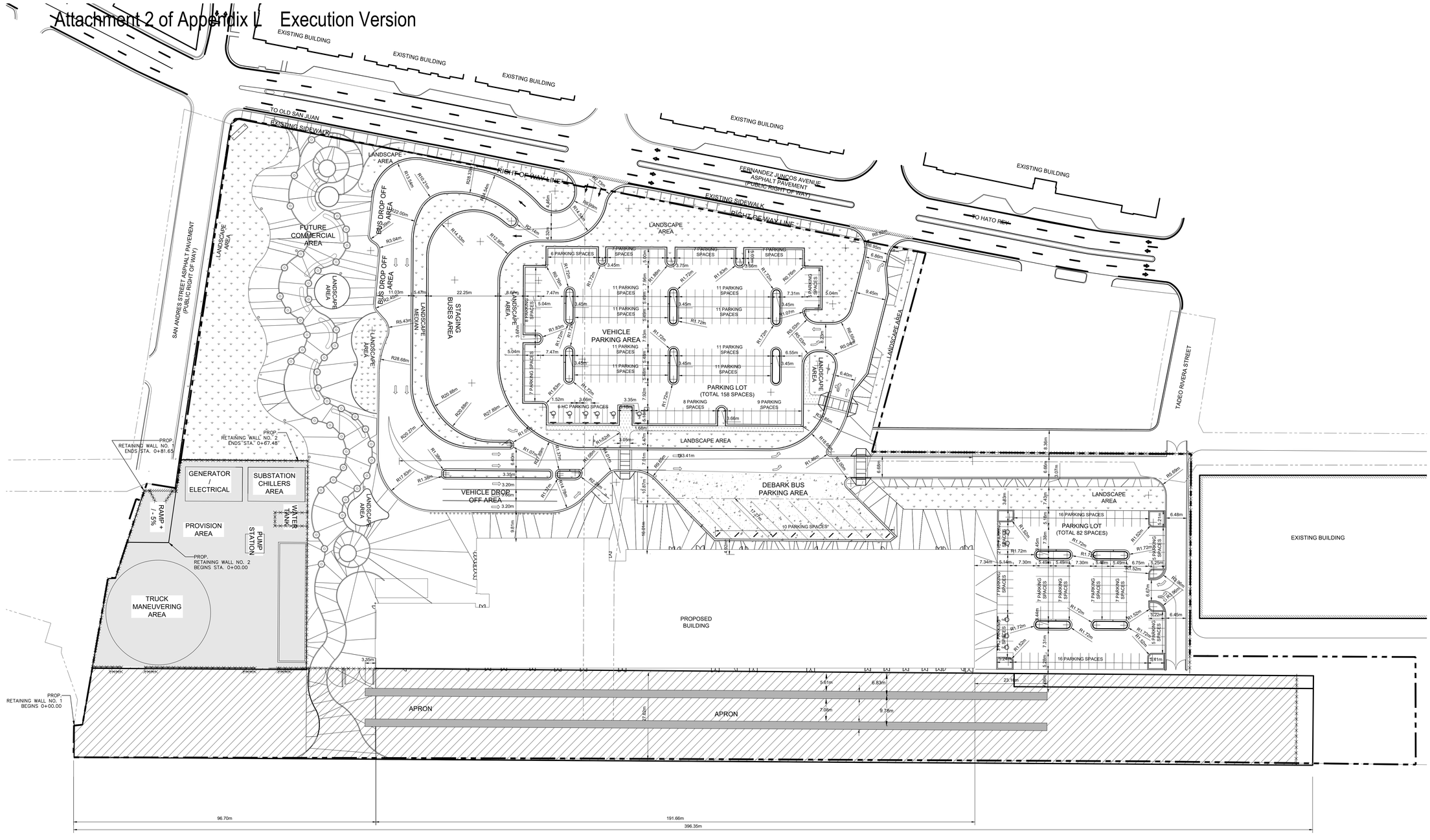

PAVEMENT LEGEND

- PROPOSED CONCRETE SIDEWALK
- PROPOSED HEAVY DUTY CONCRETE PAVEMENT
- PROPOSED LIGHT DUTY CONCRETE PAVEMENT
- PROPOSED LANDSCAPE AREA
- PROPOSED ASPHALT PAVEMENT
- PROPOSED APRON ASPHALT

SITE SYMBOLS LEGEND

- (S) PROPOSED STOP SIGN
- (1) PROPOSED PARKING SPACE
- (P) PROPOSED PEDESTRIAN SIGN

GRAPHIC SCALE = 1:500

0 5 10 20 30 40

GENERAL SITE PLAN AND GEOMETRIC LAYOUT

SCALE: 1:500

OWNER:

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PROJECT NAME:

SAN JUAN CRUISE TERMINAL 11-12

PROJECT ADDRESS:

AVENIDA FERNANDEZ JUNCOS, PUERTA DE TIERRA, SAN JUAN, PUERTO RICO

BA. PROJECT NUMBER:

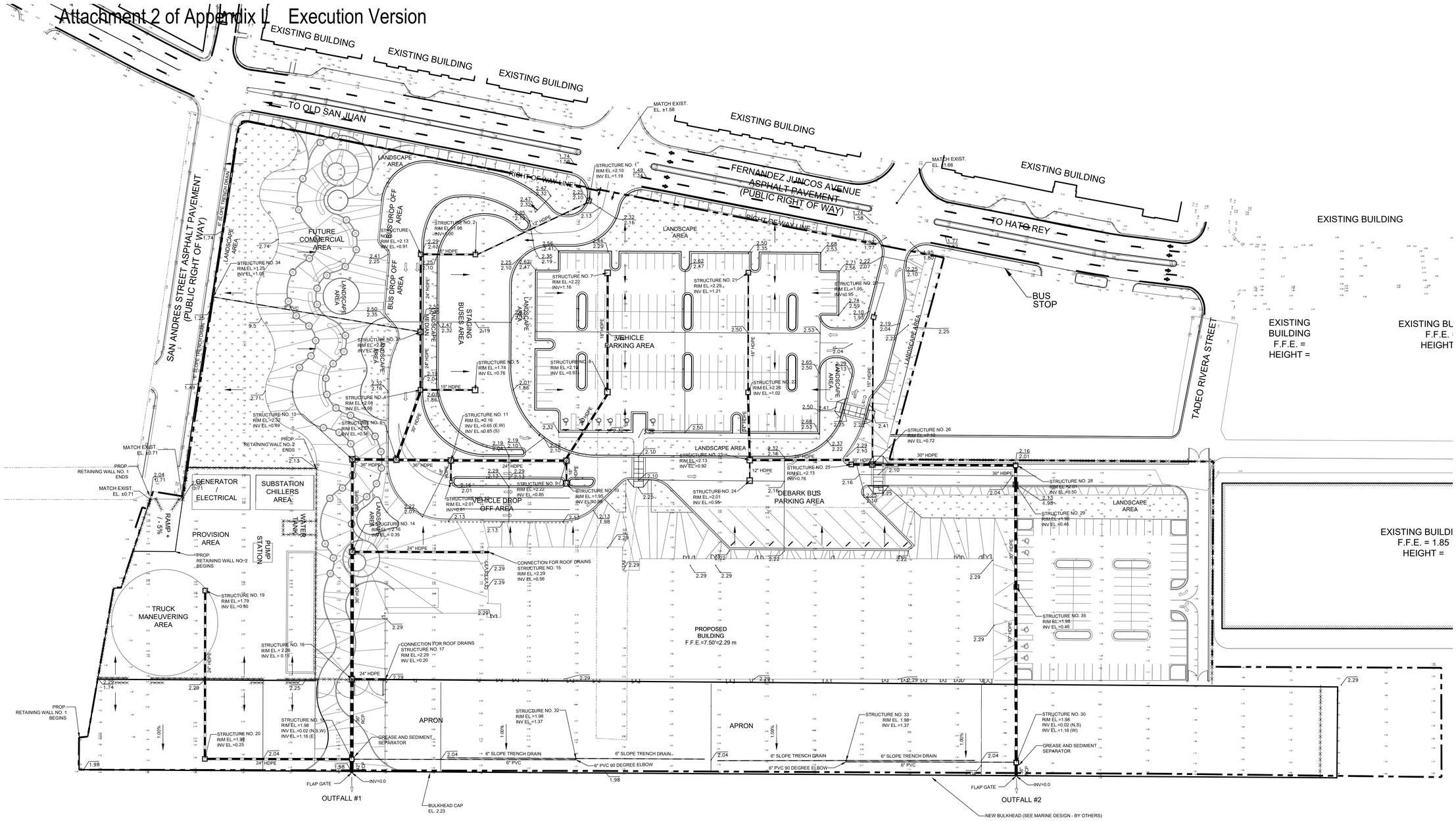
19070

SHEET NAME

GENERAL SITE PLAN AND GEOMETRIC LAYOUT

SHEET NO.

C300



PROPOSED STORM SEWER SYSTEMS NOTES

1. ALL DRAINAGE STRUCTURES, INCLUDING CLEAN-OUTS, SHALL BE INSTALLED WITH TRAFFIC BEARINGS GRATES, FRAMES, TOPS, RINGS AND COVERS, ETC, AS APPLICABLE.
2. ALL ELEVATIONS ARE EXPRESSED IN METERS, UNLESS OTHERWISE INDICATED.

PROPOSED EARTHWORK NOTES

1. CONTRACTOR SHALL FOLLOW EARTHWORK RECOMMENDATIONS ON GEOTECHNICAL PREPARED BY GEOCONSULT LLC.
2. STRUCTURES, FOUNDATIONS, UNDERGROUND UTILITIES REMOVAL AND CLEARING AND GRUBBING OPERATIONS SHOULD BE EXECUTED BEFORE ANY FURTHER WORK.
3. AFTER CLEARING AND GRUBBING PROCEDURES, THE EXPOSED GRADE SHALL BE COMPACTED AND PROOFED ROLLED.
4. THE FILL USED SHALL RESEMBLE THE CHARACTERISTIC OF AN A-2-4, OR BETTER TYPE OF SOIL AS AASHTO SOIL CLASSIFICATION SYSTEM.
5. THE FILL MATERIAL SHALL BE PLACED IN LAYERS NOT EXCEEDING TWELVE INCHES & COMPACTED TO 95% MAX DRY DENSITY.
6. CONTRACTOR SHALL PROVIDE CERTIFIED FILL COMPACTION TEST AND SOIL CLASSIFICATION TESTS.
7. A 12 INCHES LAYER OF FILL MATERIAL WITH CHARACTERISTICS OF AN A-2-4 OR BETTER TYPE OF SOIL AS AASHTO SOIL CLASSIFICATION SYSTEM WILL BE PLACED BELOW NEW BUILDINGS FLOOR SLAB.

SURVEY NOTES:

1. EXISTING ELEVATIONS SHOWN WERE OBTAINED DURING THE PERIOD OF DECEMBER 19, 2019 THROUGH FEBRUARY 1, 2020.

DRAINAGE SYMBOLS LEGEND

1.73	EXISTING ELEVATION (METERS)
INV EL.=4.5	PROPOSED ELEVATION (METERS)
→	PROP. FLOW DIRECTION
▬ ▬	PROP. STORM PIPE
□	PROP. CATCH BASIN
▬	PROP. RETAINING WALL

N

GRAPHIC SCALE = 1:500

0 5 10 20 30 40

GRADING AND STORM SEWER SYSTEM PLAN

SCALE: 1:500

OWNER:

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PROJECT NAME:

SAN JUAN CRUISE TERMINAL 11-12

PROJECT ADDRESS:

AVENIDA FERNANDEZ JUNCOS, PUERTA DE TIERRA, SAN JUAN, PUERTO RICO

BA. PROJECT NUMBER:

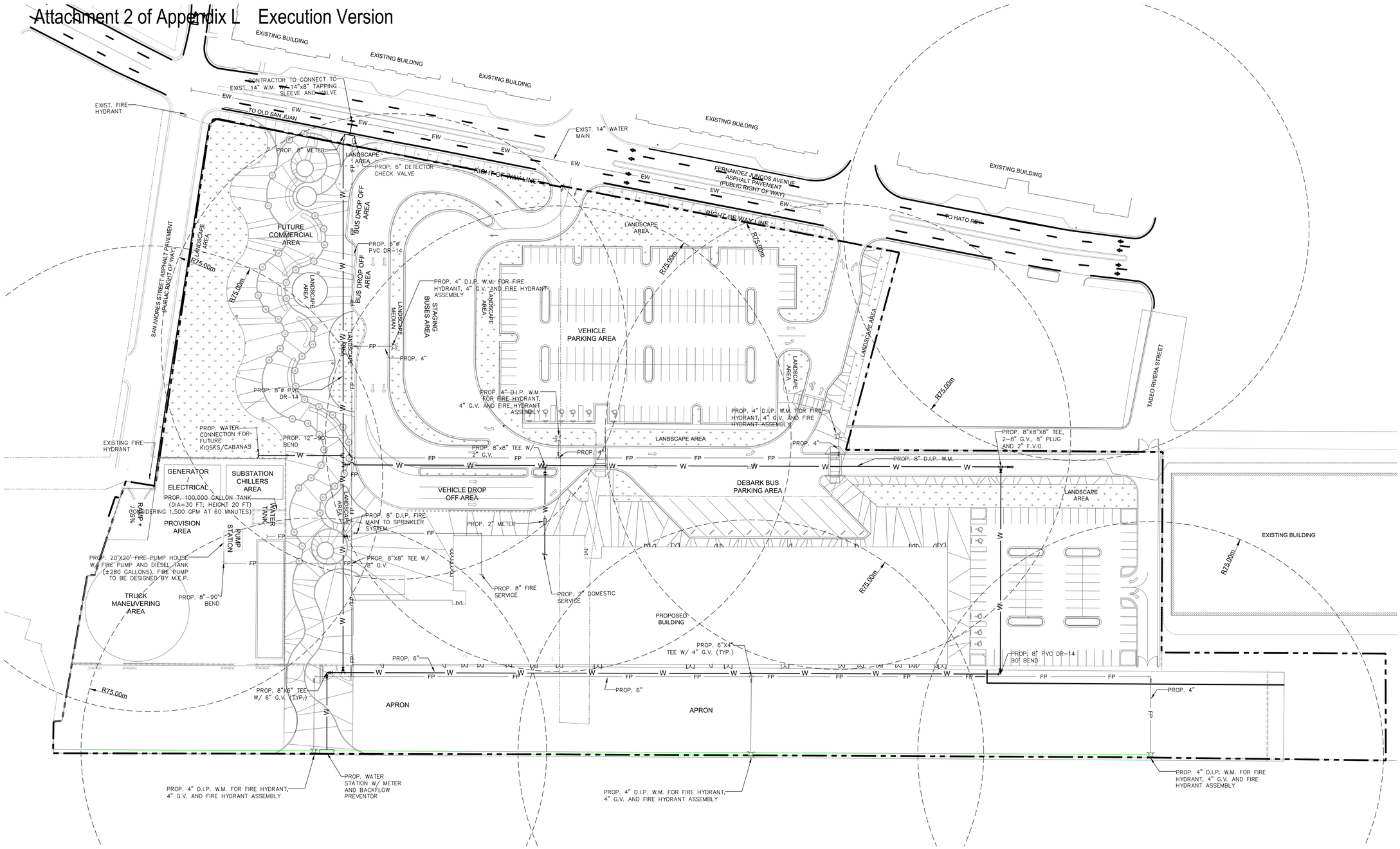
19070

SHEET NAME

GRADING AND STORM SEWER SYSTEM PLAN

SHEET NO.

C400



UTILITY SYMBOLS LEGEND

W	PROP. POTABLE WATER LINE
EW	EXIST. POTABLE WATER LINE (PVC DR-14)
FP	PROP. FIRE PROTECTION WATER LINE (PVC DR-14)
	PROP. FIRE HYDRANT
	PROP. VALVE
	FIRE HYDRANT COVERAGE RADIUS

NOTE A: WATER MAINS WILL BE CONTINUED ALONG APRON AND MAIN ACCESS ROADWAY FOR PHASE II TO PROVIDE A LOOP AROUND TERMINALS.
NOTE B: FOR HOSE BIBBS AROUND THE BUILDING, REFER TO DOMESTIC WATER DRAWINGS.

GRAPHIC SCALE = 1:500

0 5 10 20 30 40

WATER DISTRIBUTION SYSTEM PLAN

SCALE: 1:500

OWNER:

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PROJECT ADDRESS:

AVENIDA FERNANDEZ JUNCOS, PUERTA DE TIERRA, SAN JUAN, PUERTO RICO

BA. PROJECT NUMBER:

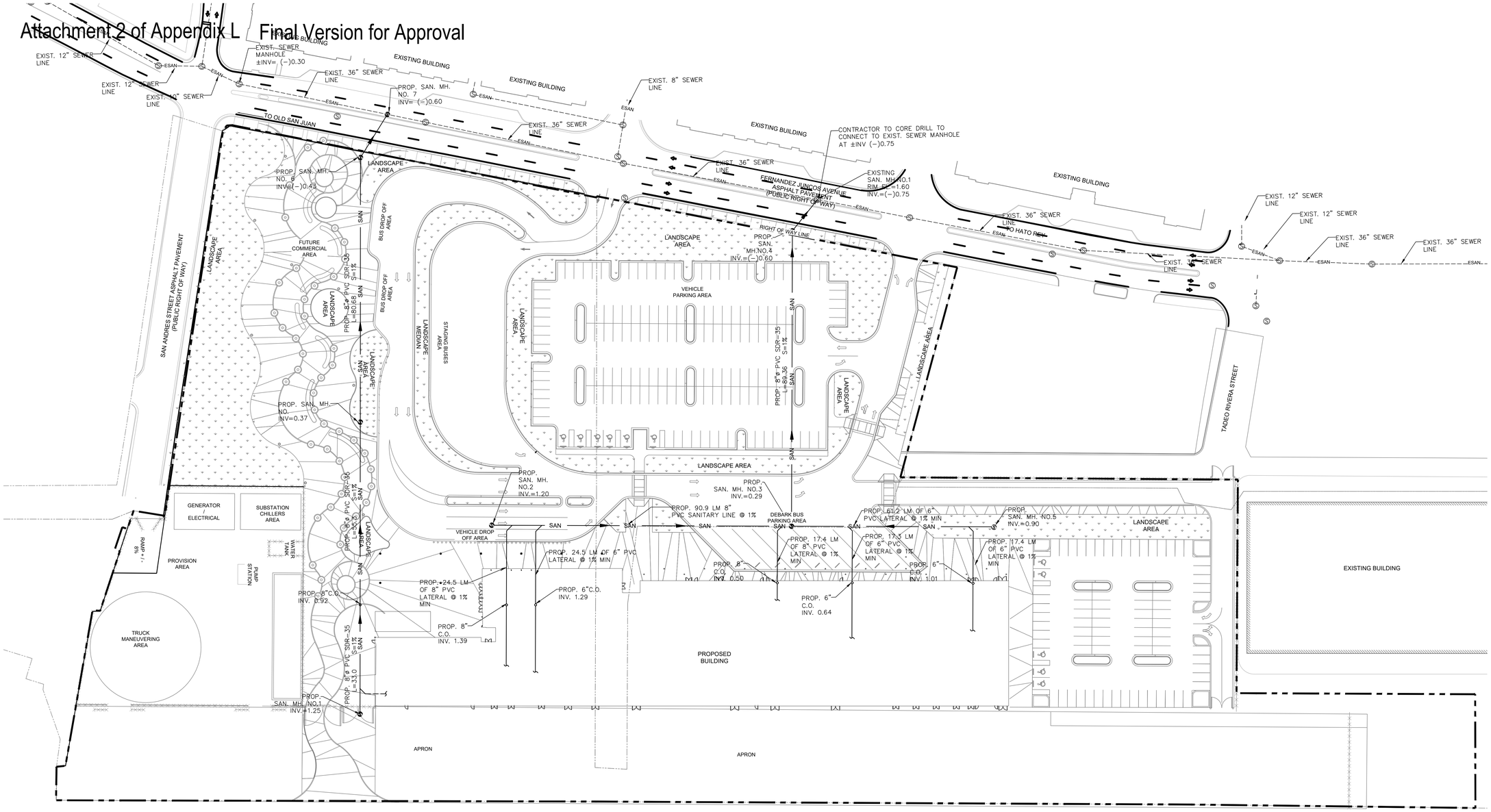
19070

SHEET NAME

WATER DISTRIBUTION SYSTEM PLAN

SHEET NO.

C500



PROPOSED STORM SEWER SYSTEMS NOTES

1. ALL ELEVATIONS ARE EXPRESSED IN METERS, UNLESS OTHERWISE INDICATED.

UTILITY SYMBOLS LEGEND

SAN	PROP. SANITARY SEWER LINE
E SAN	EXIST. SANITARY SEWER LINE
Ⓢ	PROP. SANITARY MANHOLE
Ⓢ	EXIST. SANITARY MANHOLE

GRAPHIC SCALE = 1:500

0 5 10 20 30 40

SANITARY SEWER SYSTEM PLAN

SCALE: 1:500

Saved on: 3/20/2020 4:23:52 PM

File Location:BIM 360://19070.000 San Juan Terminal 11-13/SAN JUAN TERMINAL (V20).rvt

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PROJECT NAME:

SAN JUAN CRUISE TERMINAL 11-12

PROJECT ADDRESS:

AVENIDA FERNANDEZ JUNCOS, PUERTA DE TIERRA, SAN JUAN, PUERTO RICO

BA. PROJECT NUMBER:

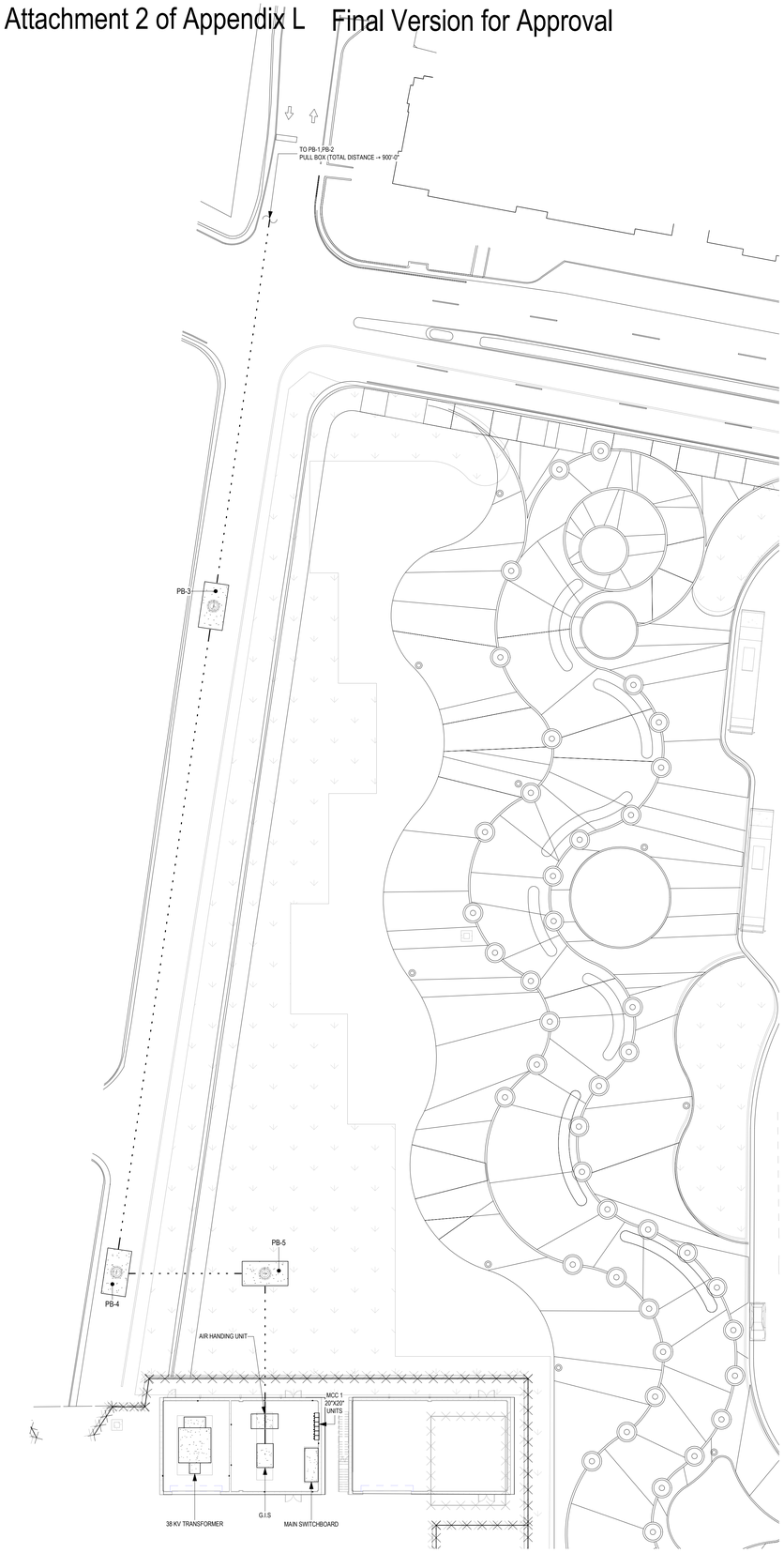
19070

SHEET NAME

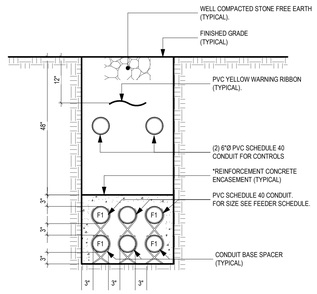
SANITARY SEWER SYSTEM PLAN

SHEET NO.

C600



1 ES-100 ELECTRICAL SITE POWER PLAN
3/64" = 1'-0"



2 ES-100 FEEDER DETAIL
3/4" = 1'-0"

NOTE:
CONCRETE ENCASEMENT TO BE USED ON ROAD OR STREET CROSSING AND ALSO ON OTHER UTILITIES CROSSING. OTHERWISE, USE WELL COMPACTED STONE FREE EARTH.

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PROJECT NAME:
SAN JUAN CRUISE TERMINAL 11-13

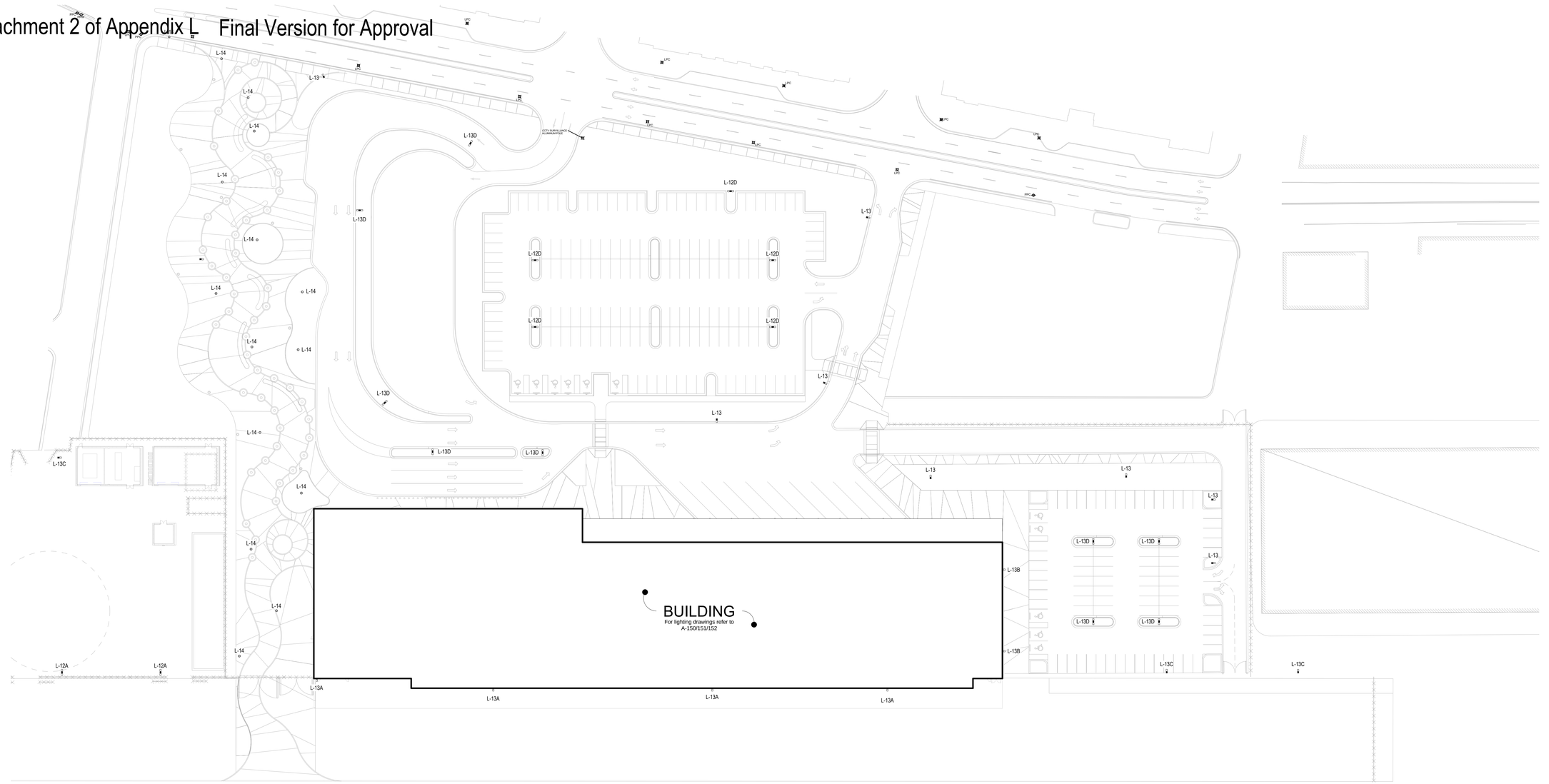
PROJECT ADDRESS:
AVENIDA FERNANDEZ JUNCOS, PUERTA DE TIERRA, SAN JUAN, PUERTO RICO

BA. PROJECT NUMBER:
17029

SHEET NAME
ELECTRICAL SITE POWER PLAN

SHEET NO.
ES-100

Attachment 2 of Appendix L Final Version for Approval

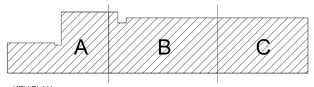


1 ES101 ELECTRICAL SITE LIGHTING PLAN

1" = 40'-0"

EXISTING POLE LEGEND	
LPC OR LPC	EXISTING LIGHTING POLE CONCRETE
LPW OR LPW	EXISTING LIGHTING POLE WOODEN
PPC OR PPC	EXISTING POWER POLE CONCRETE
PPW OR PPW	EXISTING POWER POLE WOODEN
TELPW OR TELPW	EXISTING COMMUNICATION POLE

KEY PLAN



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30% DESIGN

MARCH 27, 2020

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REVISIONS		
REV. #	REVISION DESCRIPTION	REV. DATE
0	1st Subm. 30% Design	2020-02-14
1	30% Design Subm. to PRPA	2020-03-27

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PROJECT NAME:

SAN JUAN CRUISE TERMINAL 11-13

PROJECT ADDRESS:

AVENIDA FERNANDEZ JUNCOS, PUERTA DE TIERRA, SAN JUAN, PUERTO RICO

BA. PROJECT NUMBER:

17029

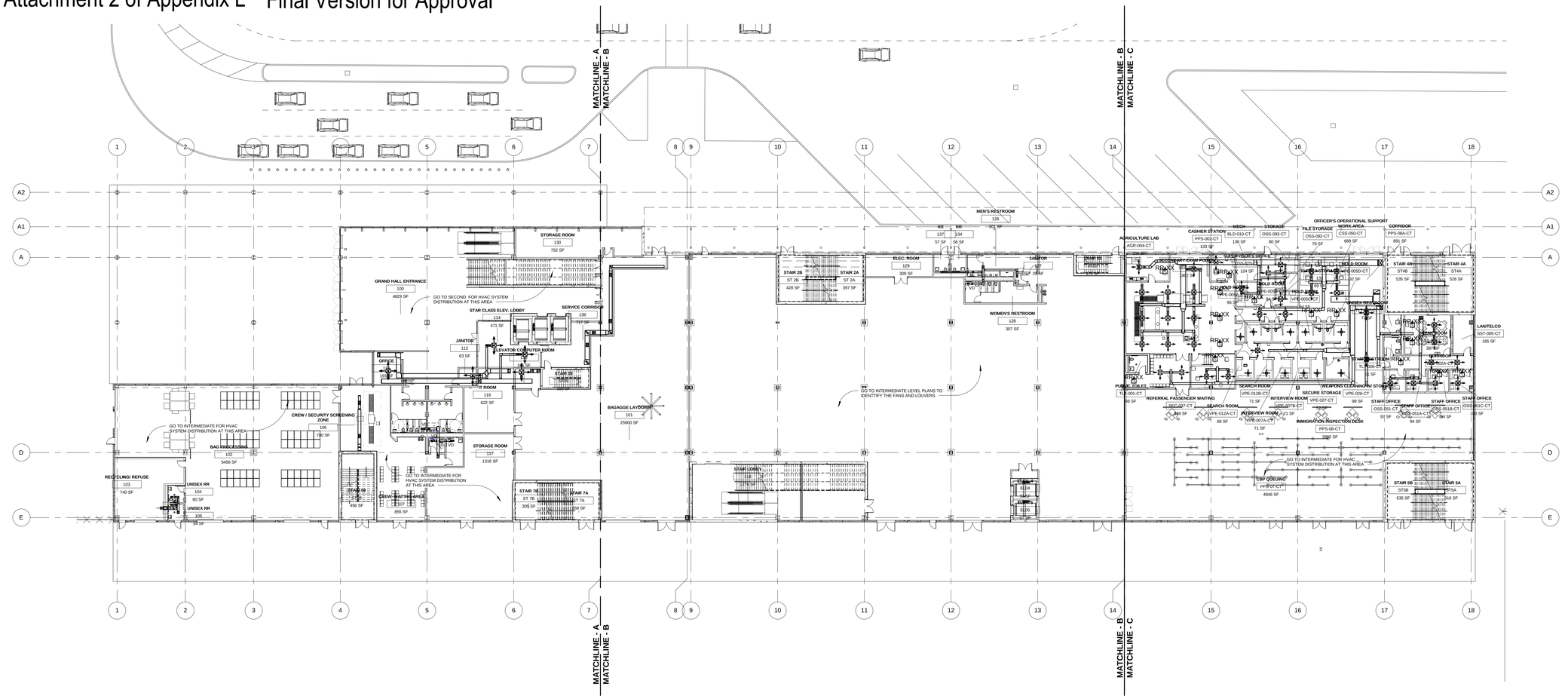
SHEET NAME

ELECTRICAL SITE PLAN
PUBLIC LIGHTING

SHEET NO.

ES101

Attachment 2 of Appendix L Final Version for Approval



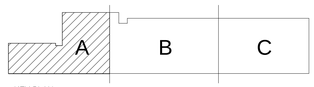
1 AC100 OVERALL HVAC GROUND FLOOR PLAN
3/64" = 1'-0"

MECHANICAL SYMBOLS - DUCTWORKS

SYMBOL	DESCRIPTION	SYMBOL	DESCRIPTION	SYMBOL	DESCRIPTION	SYMBOL	DESCRIPTION	SYMBOL	DESCRIPTION
	DIRECTION OF FLOW		CEILING SUPPLY DIFFUSER		VERTICAL SUPPLY DUCT		CENTRIFUGAL FAN	FD	FIRE DAMPER
	CONCENTRIC REDUCER		CEILING RETURN DIFFUSER		VERTICAL RETURN DUCT		NEW DUCT	PCD	PRESSURE CONTROL DAMPER
EF	EXHAUST FAN		CEILING EXHAUST DIFFUSER		VERTICAL EXHAUST DUCT	VD	VOLUME DAMPER		
	FLOW ARROW - AIR IN		LINEAR DIFFUSER		ROOF EXHAUST FAN	MD	MOTORIZED DAMPER	P	PRESSURE PROBE

ABBREVIATIONS -...

AC	AIR CONDITIONING
AHU	AIR HANDLING UNIT
BOD	BOTTOM OF DUCT
BTU	BRITISH THERMAL UNIT
CFM	CUBIC FEET PER MINUTE
EF	EXHAUST FAN
ER	EXHAUST REGISTER
FD	FIRE DAMPER
FRPM	FAN RPM
HVAC	HEATING, VENTILATION, AND AIR-CONDITIONING
IL	INTAKE LOUVER
MD	MOTORIZED DAMPER
SR	SUPPLY REGISTER
TEF	TOILET EXHAUST FAN
TG	AIR TRANFER GRILL



KEY PLAN

File Location:BIM 360://19070.000 San Juan Terminal 11-13/SAN JUAN TERMINAL MPF - CENTRAL v20 .rvt

Saved on:3/27/2020 1:07:29 PM

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0	30% Design Subm. to PRPA	2020-03-27

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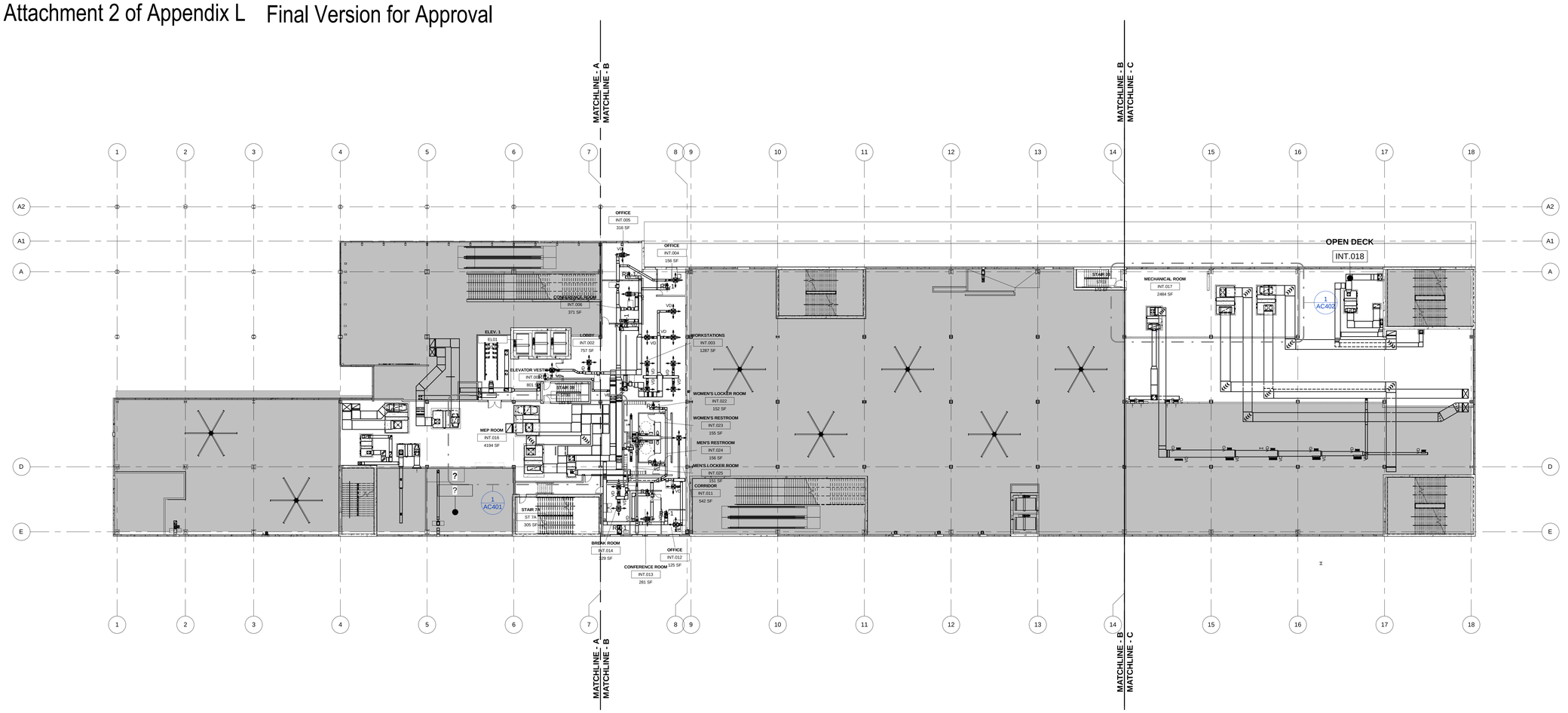
PROJECT ADDRESS:
AVENIDA FERNANDEZ JUNCOS, PUERTA DE TIERRA, SAN JUAN, PUERTO RICO

BA. PROJECT NUMBER:
17029

SHEET NAME
OVERALL HVAC GROUND FLOOR PLAN

SHEET NO.
AC100



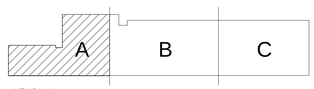
1 AC104 OVERALL HVAC INTERMEDIATE FLOOR PLAN
3/64" = 1'-0"

MECHANICAL SYMBOLS - DUCTWORKS

SYMBOL	DESCRIPTION	SYMBOL	DESCRIPTION	SYMBOL	DESCRIPTION	SYMBOL	DESCRIPTION	SYMBOL	DESCRIPTION
	DIRECTION OF FLOW		CEILING SUPPLY DIFFUSER		VERTICAL SUPPLY DUCT		CENTRIFUGAL FAN	FD	FIRE DAMPER
	CONCENTRIC REDUCER		CEILING RETURN DIFFUSER		VERTICAL RETURN DUCT		NEW DUCT	PCD	PRESSURE CONTROL DAMPER
E	EXHAUST FAN		CEILING EXHAUST DIFFUSER		VERTICAL EXHAUST DUCT	VD	VOLUME DAMPER		
	FLOW ARROW - AIR IN		LINEAR DIFFUSER		ROOF EXHAUST FAN	MD	MOTORIZED DAMPER	P	PRESSURE PROBE

ABBREVIATIONS -...

AC	AIR CONDITIONING
AHU	AIR HANDLING UNIT
BOD	BOTTOM OF DUCT
BTU	BRITISH THERMAL UNIT
CFM	CUBIC FEET PER MINUTE
EF	EXHAUST FAN
ER	EXHAUST REGISTER
FD	FIRE DAMPER
FRPM	FAN RPM
HVAC	HEATING, VENTILATION, AND AIR-CONDITIONING
IL	INTAKE LOUVER
MD	MOTORIZED DAMPER
SR	SUPPLY REGISTER
TEF	TOILET EXHAUST FAN
TG	AIR TRANFER GRILL



KEY PLAN

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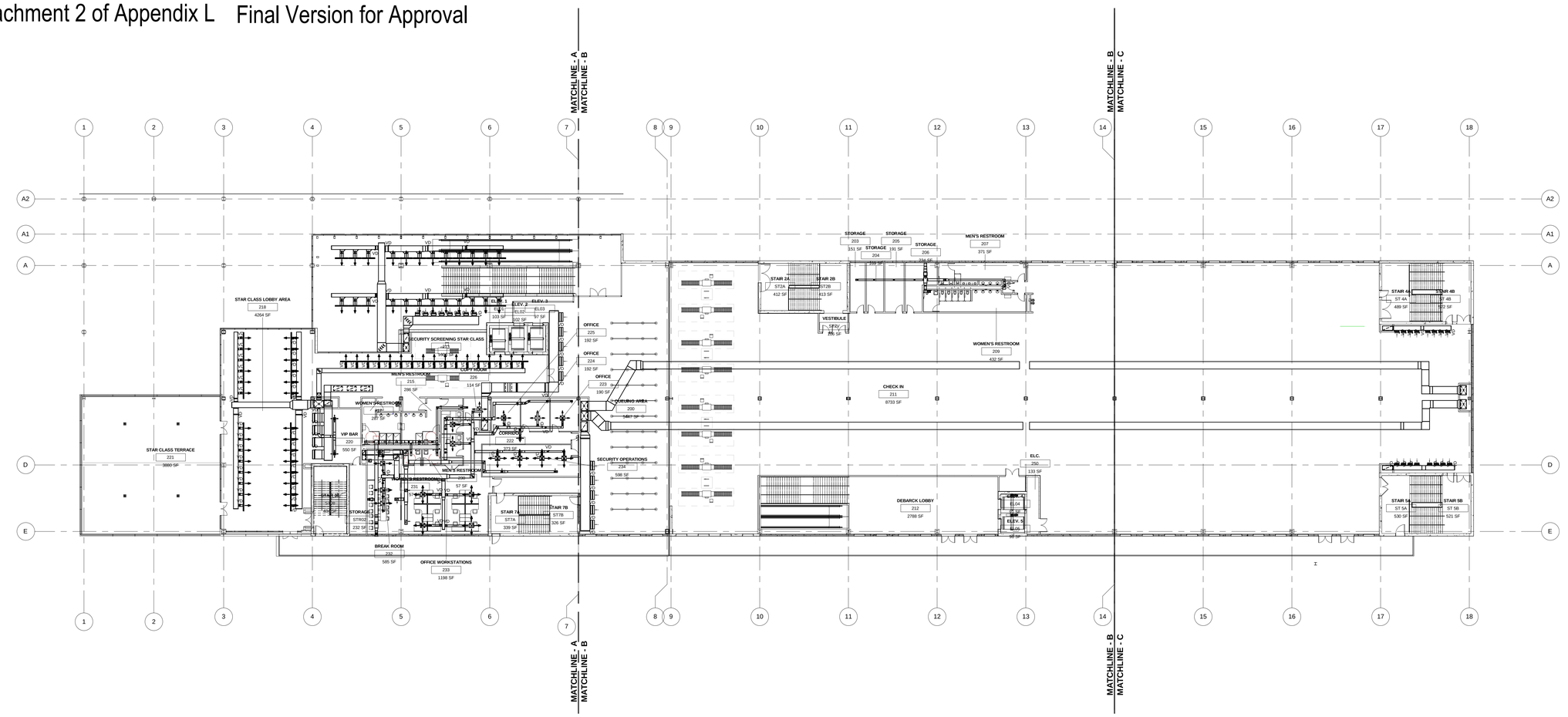
SAN JUAN CRUISE TERMINAL 11-13

PROJECT ADDRESS:
AVENIDA FERNANDEZ JUNCOS, PUERTA DE TIERRA, SAN JUAN, PUERTO RICO

BA. PROJECT NUMBER:
17029

SHEET NAME
OVERALL HVAC INTERMEDIATE FLOOR PLAN

SHEET NO.
AC104



1 AC108 OVERALL HVAC SECOND FLOOR PLAN
3/64" = 1'-0"

MECHANICAL SYMBOLS - DUCTWORKS

SYMBOL	DESCRIPTION	SYMBOL	DESCRIPTION	SYMBOL	DESCRIPTION	SYMBOL	DESCRIPTION	SYMBOL	DESCRIPTION
	DIRECTION OF FLOW		CEILING SUPPLY DIFFUSER		VERTICAL SUPPLY DUCT		CENTRIFUGAL FAN	FD	FIRE DAMPER
	CONCENTRIC REDUCER		CEILING RETURN DIFFUSER		VERTICAL RETURN DUCT		NEW DUCT	PCD	PRESSURE CONTROL DAMPER
	EXHAUST FAN		CEILING EXHAUST DIFFUSER		VERTICAL EXHAUST DUCT	VD	VOLUME DAMPER	P	PRESSURE PROBE
	FLOW ARROW - AIR IN		LINEAR DIFFUSER		ROOF EXHAUST FAN	MD	MOTORIZED DAMPER		

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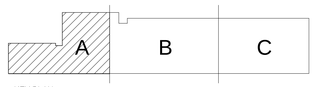
TG	AIR TRANFER GRILL



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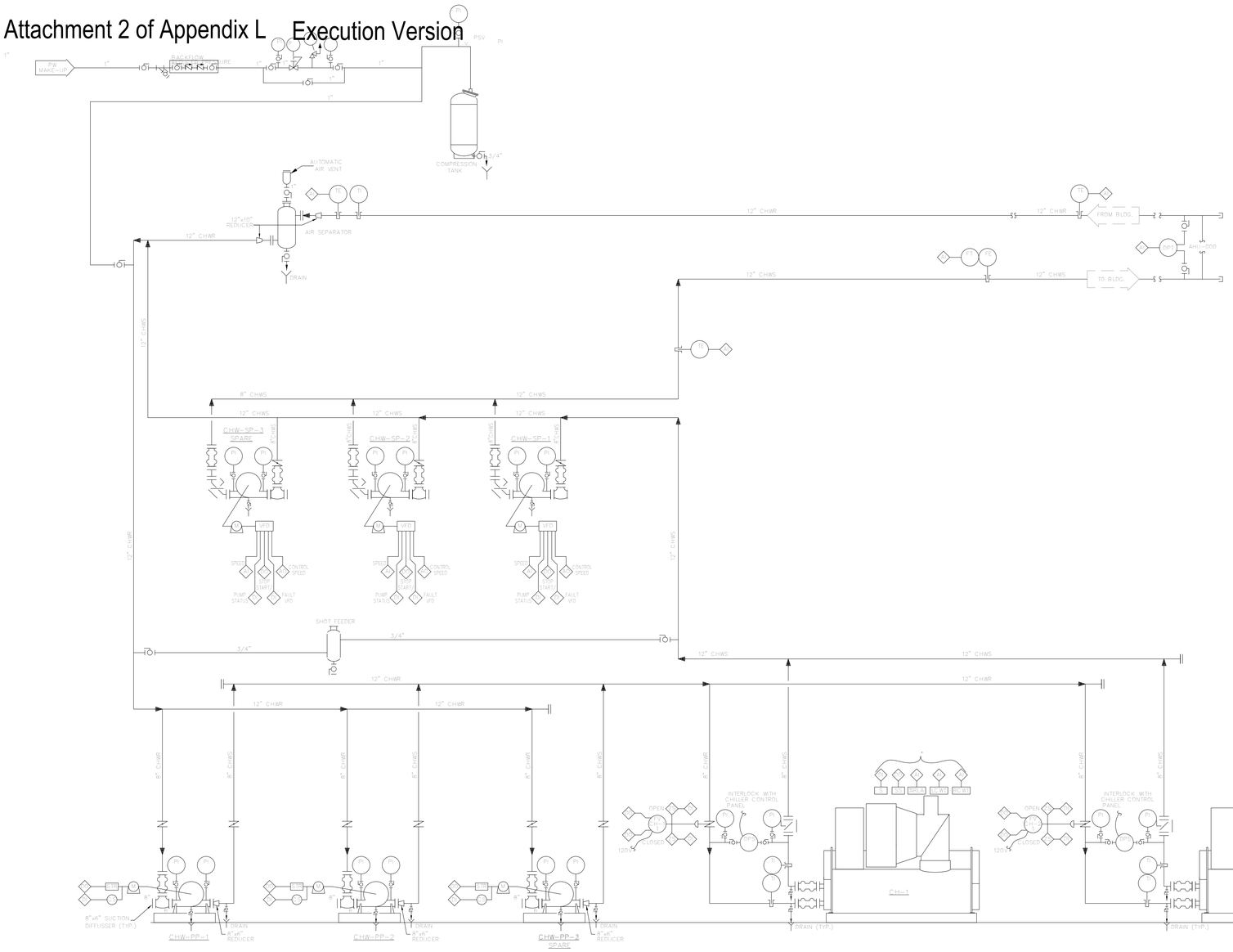
SAN JUAN CRUISE TERMINAL 11-13

PROJECT ADDRESS:
AVENIDA FERNANDEZ JUNCOS, PUERTA DE TIERRA, SAN JUAN, PUERTO RICO

BA. PROJECT NUMBER:
17029

SHEET NAME
OVERALL HVAC SECOND FLOOR PLAN

SHEET NO.
AC108



LEGEND:

- NEW PIPE
- BALL VALVE
- BUTTERFLY VALVE
- BALANCING VALVE
- CHECK VALVE
- FLEXIBLE CONN.
- PRESSURE GAUGE WITH COCK
- FLOW SHUT-OFF BUTTERFLY VALVE WITH
- TRIPLE DUTY VALVE
- SUCTION GUIDE STRAINER (LINE SIZE)
- SOLENOID VALVE
- FT FLOW TRANSMITTER
- CS CURRENT SENSOR (STATUS) HAWKEYE H908
- VS VIBRATION SWITCH SUPPLIED BY COOLING TOWER VENDOR & INSTALLED BY CONTRACTOR
- LS LOW LEVEL SWITCH GEMS ELS-1100
- DPT DIFFERENTIAL PRESS. TANSMITTER ROSEMOUNT MOD. 1151
- VFD VARIABLE FREQUENCY DRIVE
- MS MOTOR STARTER
- S STATUS SIGNAL
- SS START/STOP SIGNAL
- EPC.A PERCENT LOAD
- LCWT LEAVING CHILLED WATER TEMP.
- RCWT RETURN CHILLED WATER TEMP.
- LTWT LEAVING TOWER WATER TEMP.
- RTWT RETURN TOWER WATER TEMP.
- TE TEMPERATURE ELEMENT IN WELL
- TI TEMPERATURE INDICATOR (GAUGE) IN WELL
- M FLOW METER, DISPLACEMENT TYPE
- DPS DIFFERENTIAL PRESSURE SWITCH
- FE FLOW ELEMENT-ANNUBAR MODEL GMT FLO-TAP
- PRV PRESSURE REDUCING VALVE SHALL BE FISHER TYPE 95L- 3/4" DIA SET AT 30 PSIG.
- PSV PRESSURE RELIEF VALVE SHALL BE CONSOLIDATED FIG. 1479, 1 1/4" DIA.- SET AT 40 PSIG.
- DIGITAL OUTPUT FROM DDC PANEL
- DIGITAL INPUT TO DDC PANEL
- ANALOG OUTPUT FROM DDC PANEL
- ANALOG INPUT TO DDC PANEL
- LIMIT SWITCH
- CHWS CHILLED WATER SUPPLY
- CHWR CHILLED WATER RETURN
- TWS TOWER WATER SUPPLY
- TWR TOWER WATER RETURN
- RHWS REHEAT WATER SUPPLY
- RHWR REHEAT WATER RETURN
- C.W. POTABLE WATER
- N.O. NORMALLY OPEN
- N.C. NORMALLY CLOSED
- * SIGNALS TO BE TAKEN FROM UNIT CONTROL PANEL TO THE BUILDING MANAGEMENT SYSTEM.

NOTE:
APPROVED ALTERNATE FOR HYDRONIC SYSTEMS:
BELL & GOSSETT

BACKFLOW PREVENTER
MFGR: WATTS
MODEL: 909-S
SIZE: 1"
BRONZE BODY

SECONDARY CHILLED WATER PUMPS
SP-1, 2, & 3
FLOW:530 GPM
HEAD: X FT
MOTOR:15 HP
(SEE SCHEDULE)

AIR SEPARATOR
MODEL: ARMSTRONG
MODEL: VA-12
PRESS: 150 PSIG

COMPRESSION TANK
MFGR: ARMSTRONG
MODEL: VERTICAL, 1,000-L, 264 GALLONS
W/ REPLACEABLE HEAVY
DUTY RUBBER BLADDER

ASME STAMPED, 125 PSIG, PRIME POINTED

PRIMARY CHILLED WATER PUMPS
PP-1, 2 & 3
FLOW:5300 GPM
HEAD: X FT
MOTOR:7.5 HP
(SEE SCHEDULE)

CHILLER NO. 1, 2
MFGR: TRANE
CAP:266 TONS
FLOW:530 GPM
ENT. TEMP.: 53.7° F
LVG. TEMP.: 43° F
OPTION: N/A

AIR SEPARATOR
(REHEAT WATER)
ARMSTRONG
MODEL: VA-4
FLANGED, 150 PSIG
STEEL CONSTRUCTION

1 M-110 CHILLED WATER SYSTEM FLOW DIAGRAM
NONE

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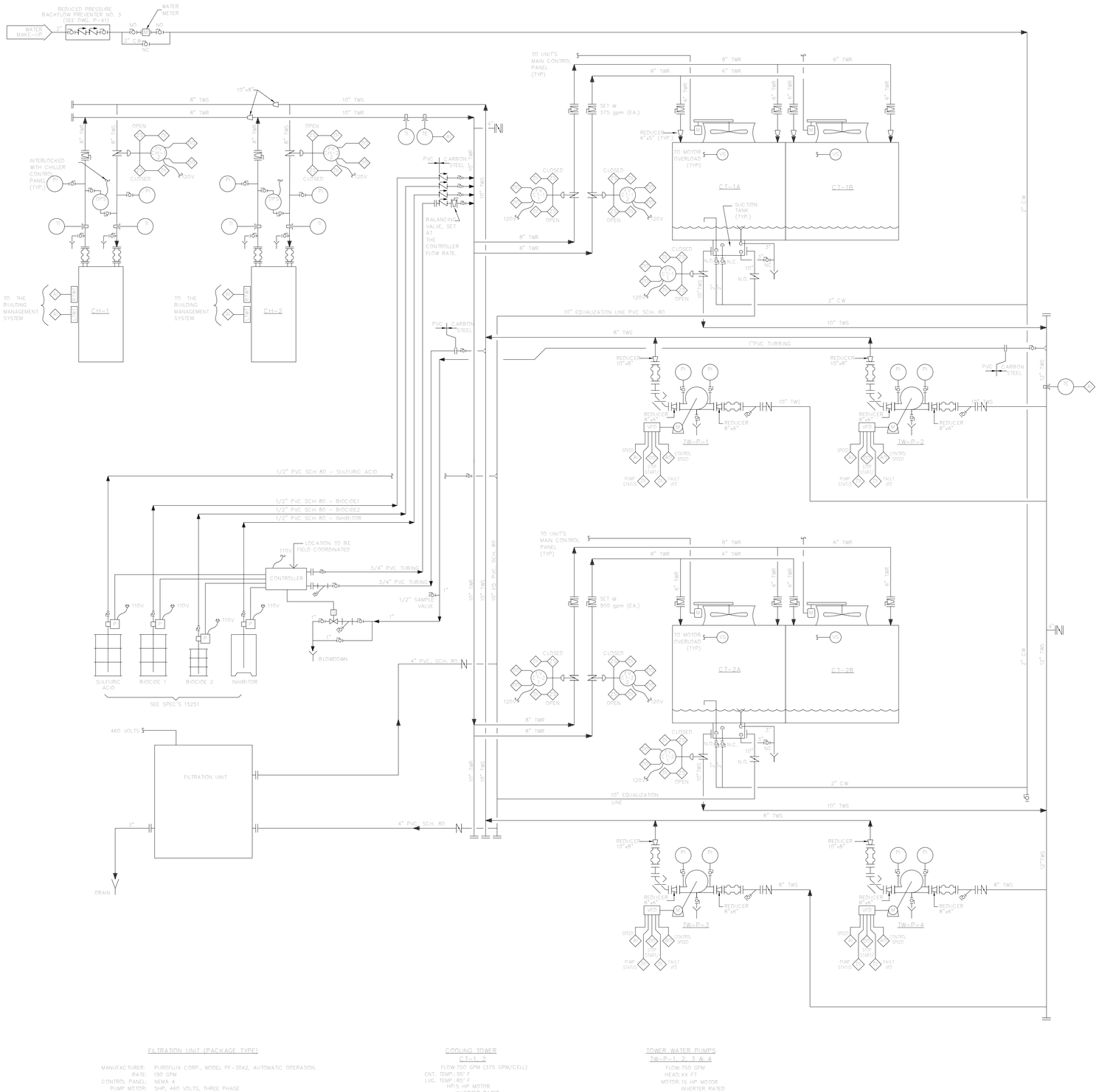
PROJECT ADDRESS:
AVENIDA FERNANDEZ JUNCOS, PUERTA DE TIERRA, SAN JUAN, PUERTO RICO

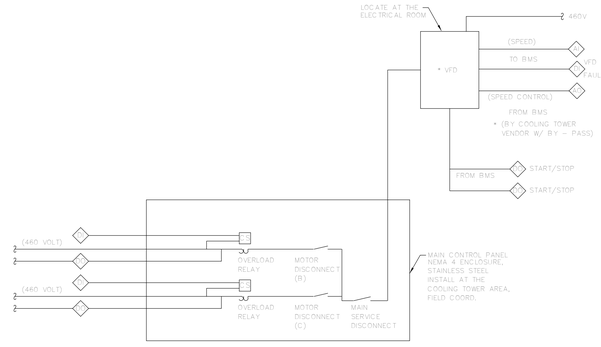
BA. PROJECT NUMBER:
17029

SHEET NAME
CHILLED WATER SYSTEM FLOW DIAGRAM

SHEET NO.
M110

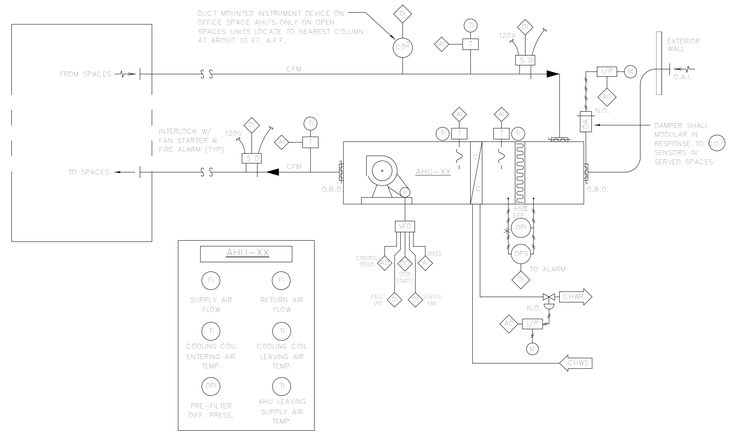
Attachment 2 of Appendix L Execution Version





COOLING TOWER MAIN CONTROL PANEL
(SEE NOTES BELOW)

NOTES:
1. ONE PER COOLING TOWER, BY VENDOR
2. CONTROL CONDUIT & WIRING BY CONTROL CONTRACTOR. LOCATION OF PANEL TO BE FIELD COORD. WITH OWNER.
3. VENDOR SHALL PROVIDE WIRING DIAGRAM & PANEL CONSTRUCTION DETAILS.



AHU LEGEND
CONTROL/MONITORING DEVICES

SYMBOL	DESCRIPTION	REMARKS
F	FLOW INDICATOR	BY CONTROL CONTRACTOR
T	TEMPERATURE INDICATOR	BY CONTROL CONTRACTOR
DPS	DIFFERENCIAL PRESSURE SWITCH	BY CONTROL CONTRACTOR
DPI	DIFFERENTIAL PRESSURE INDICATOR	BY CONTROL CONTRACTOR
VFD	VARIABLE FREQUENCY DRIVE	BY CONTROL CONTRACTOR
SD	SMOKE DETECTOR	BY CONTROL CONTRACTOR
T	TEMPERATURE SENSOR BENDABLE AVERAGING (AHU)	BY CONTROL CONTRACTOR

SYMBOL	DESCRIPTION	REMARKS
	DAMPER ACTUATOR WITH POSITIONING RELAY & MOUNTING KIT (AS REQUIRED)	BY CONTROL CONTRACTOR
I/P	CURRENT TO PRESSURE TRANSDUCER	BY CONTROL CONTRACTOR
OBD	OPPOSED BLADE DAMPER	
M	MAIN INSTRUMENT AIR	
	DIGITAL INPUT TO CONTROLLER	DDC CONTROLLER
	DIGITAL OUTPUT FROM CONTROLLER	
	ANALOG INPUT TO CONTROLLER	
	ANALOG OUTPUT FROM CONTROLLER	
N.O.	NORMALLY OPEN	
N.C.	NORMALLY CLOSED	

AHU'S CONTROL SCHEMATIC
TYPICAL FOR AHU 100 THRU 1000

FILTRATION UNIT (PACKAGE TYPE)

MANUFACTURER: PUROFLUX CORP., MODEL PF-3042, AUTOMATIC OPERATION.
RATE: 190 GPM
CONTROL PANEL: NEMA 4
PUMP MOTOR: 5HP, 440 VOLTS, THREE PHASE
REMARK: CARBON STEEL EPOXY LINED VESSEL, COATED STEEL BASE

COOLING TOWER
CT-1, 2
FLOW:750 GPM (375 GPM/CELL)
ENT. TEMP.: 95° F
LVG. TEMP.: 85° F
HP:5 HP MOTOR
INVERTER RATED

TOWER WATER PUMPS
TW-P-1, 2, 3 & 4
FLOW:750 GPM
HEAD:XX FT
MOTOR:15 HP MOTOR
INVERTER RATED

1 M-111 TOWER WATER SYSTEM FLOW DIAGRAM
NONE

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File Location:BIM 360://19070.000 San Juan Terminal 11-13/SAN JUAN TERMINAL MPF - CENTRAL v20 .rvt

Execution Version

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30% DESIGN

MARCH 27, 2020

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REV. #	REVISION DESCRIPTION	REV. DATE
0	30% Design Subm. to PRPA	2020-03-27

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DRAWINGS ARE PROPERTY OF BERMELLO AJAMIL & PARTNERS

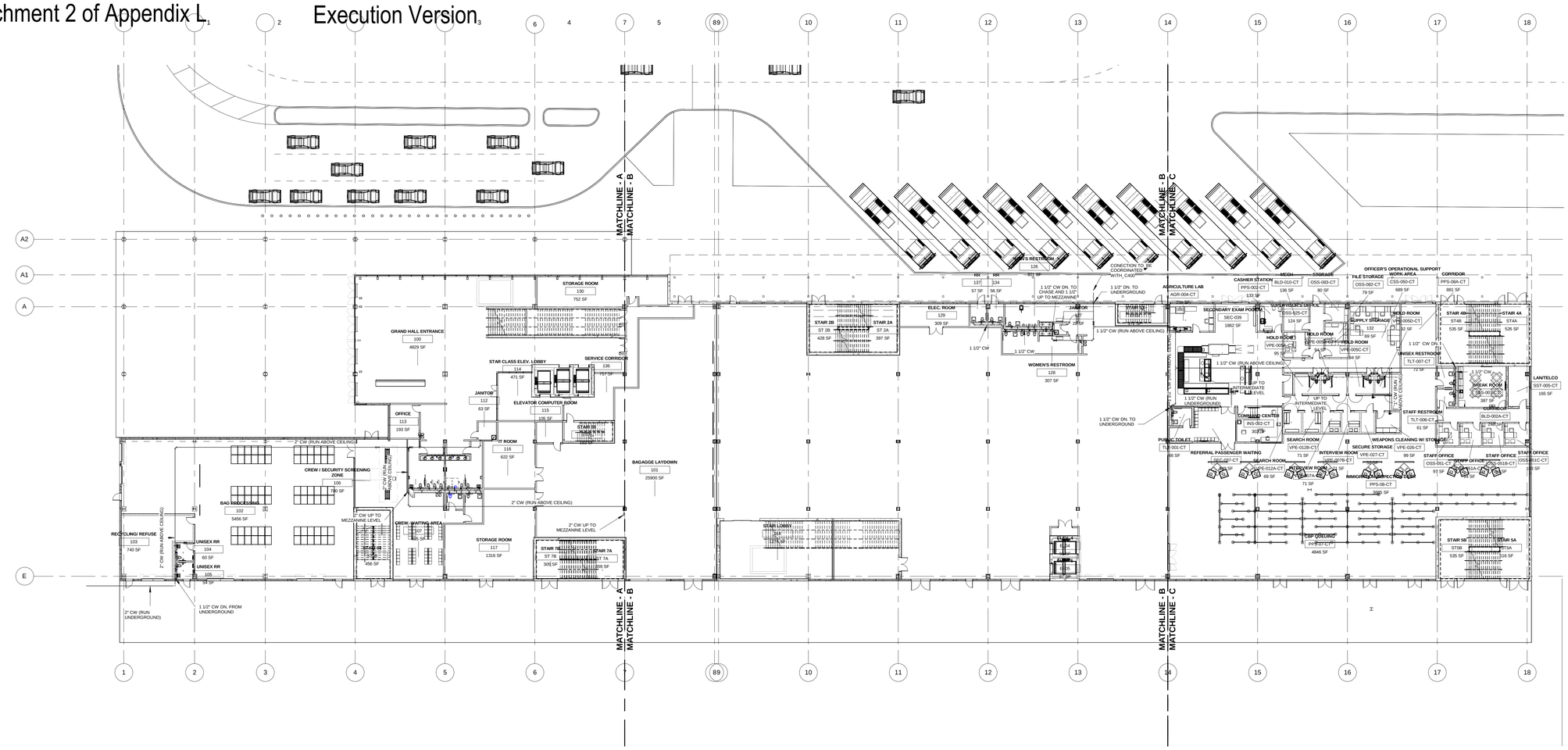
PROJECT NAME:
SAN JUAN CRUISE TERMINAL 11-13

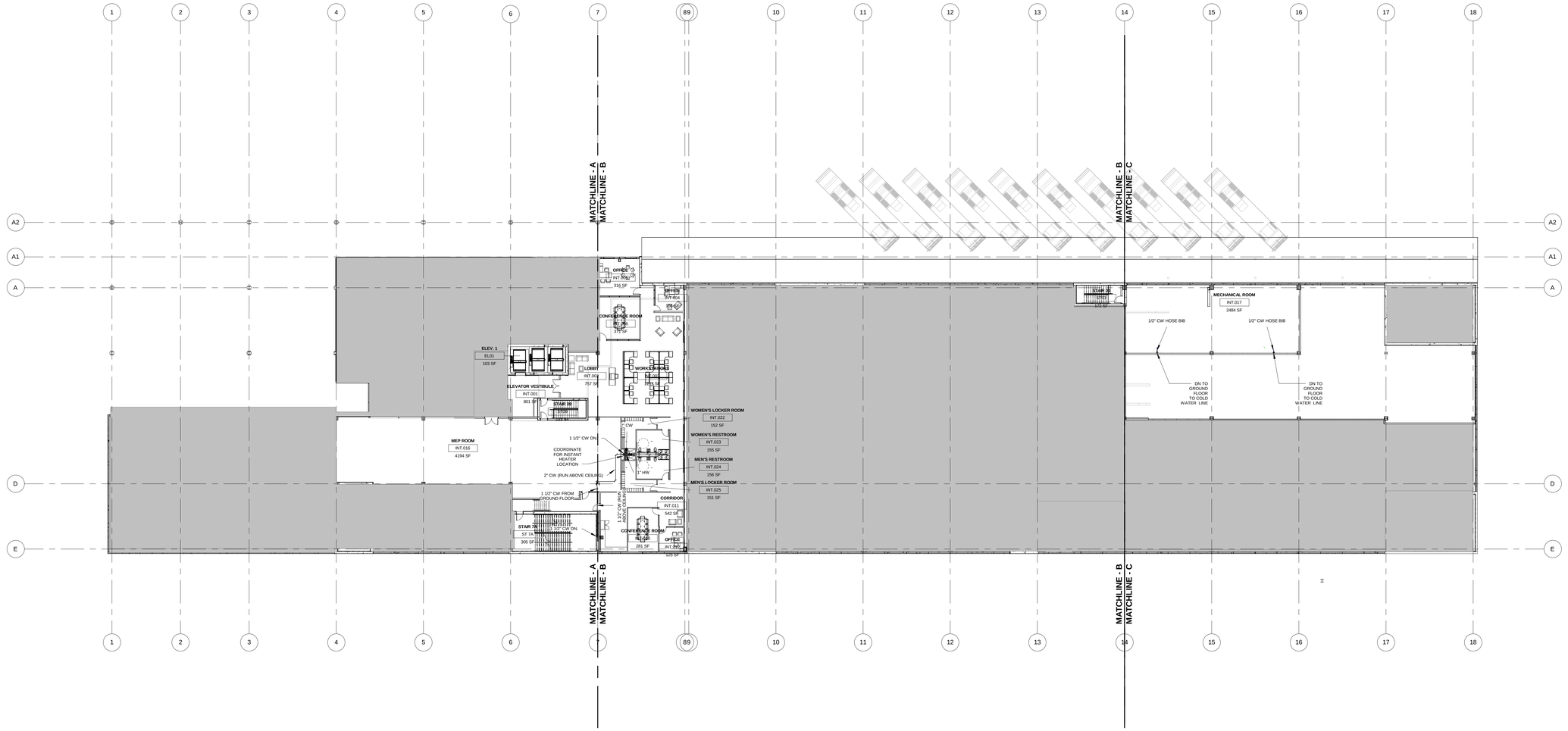
PROJECT ADDRESS:
AVENIDA FERNANDEZ JUNCOS, PUERTA DE TIERRA, SAN JUAN, PUERTO RICO

BA. PROJECT NUMBER:
17029

SHEET NAME
TOWER WATER SYSTEM FLOW DIAGRAM

SHEET NO.
M111


MATCHLINE - A
MATCHLINE - B
MATCHLINE - B
MATCHLINE - C
GRAND HALL ENTRANCE 100 4829 SF
STORAGE ROOM 130 752 SF
STAR CLASS ELEV. LOBBY 114 471 SF
SERVICE CORRIDOR 136 1777 SF
JANITOR 112 63 SF
ELEVATOR COMPUTER ROOM 115 105 SF
OFFICE 113 193 SF
IT ROOM 116 622 SF
STAIR 1B ST 1B 192 SF
BAGGAGE LAYDOWN 101 25900 SF
CREW / SECURITY SCREENING ZONE 106 780 SF
BAG SCREENING 102 5456 SF
RECYCLING/ REFUSE 103 740 SF
UNISEX RR 104 60 SF
UNISEX RR 105 58 SF
STAIR 1A ST 1A 456 SF
CREW WAITING AREA 107 455 SF
STORAGE ROOM 117 1316 SF
STAIR 7B ST 7B 505 SF
STAIR 7A ST 7A 509 SF
STAIR 2B ST 2B 428 SF
STAIR 2A ST 2A 397 SF
ELEC. ROOM 129 309 SF
WOMEN'S RESTROOM 126 901 SF
WOMEN'S RESTROOM 128 307 SF
JANITOR 127 285 SF
STAIR 3A ST 3A 1 1/2" CW
STAIR 3B ST 3B 1 1/2" CW
HR 137 57 SF
HR 134 56 SF
1 1/2" CW DN. TO CHASE AND 1 1/2" UP TO MEZZANINE
1 1/2" CW DN. TO UNDERGROUND
CONECTION TO BE COORDINATED WITH CASO
1 1/2" CW (RUN ABOVE CEILING)
AGRICULTURE LAB AGR-004-CT 238 SF
CASHIER STATION PPS-002-CT 133 SF
MECH BLD-010-CT 136 SF
STORAGE OSS-083-CT 80 SF
SUPERVISOR'S OFFICE OSS-025-CT 124 SF
SECONDARY EXAM POOL SEC-039 1862 SF
OFFICER'S OPERATIONAL SUPPORT
WORK AREA OSS-050-CT 689 SF
FILE STORAGE OSS-082-CT 79 SF
CORRIDOR PPS-08A-CT 881 SF
HOLD ROOM VPE-005D-CT 132 SF
SUPPLY STORAGE VPE-005E-CT 69 SF
HOLD ROOM VPE-005B-CT 94 SF
HOLD ROOM VPE-005C-CT 104 SF
STAIR 4B ST4B 535 SF
STAIR 4A ST4A 526 SF
UNISEX RESTROOM TLT-007-CT 72 SF
BREAK ROOM SEC-003-CT 397 SF
CORRIDOR 288 SF
LANTELCO SST-005-CT 165 SF
1 1/2" CW DN. TO UNDERGROUND
1 1/2" CW (RUN ABOVE CEILING)
INTERMEDIATE LEVEL
UP TO INTERMEDIATE LEVEL
COMMAND CENTER INS-002-CT 3029
STAFF RESTROOM TLT-006-CT 61 SF
RESTROOM BLD-002A-CT 288 SF
PUBLIC TOILET TLT-001-CT 66 SF
REFERRAL PASSENGER WAITING SEC-007-CT 1862 SF
SEARCH ROOM VPE-012A-CT 69 SF
SEARCH ROOM VPE-012B-CT 71 SF
INTERVIEW ROOM VPE-027B-CT 71 SF
INTERVIEW ROOM VPE-027-CT 71 SF
SECURE STORAGE VPE-026-CT 99 SF
WEAPONS CLEANING W/ STORAGE 93 SF
STAFF OFFICE OSS-051C-CT 93 SF
STAFF OFFICE OSS-051B-CT 93 SF
STAFF OFFICE OSS-051C-CT 103 SF
IMMIGRATION PRIMARY INSPECTION AREA PPS-08-CT 3985 SF
CBP QUEUING PPS-07-CT 4846 SF
STAIR 5B ST5B 535 SF
STAIR 5A ST5A 516 SF
2" CW (RUN ABOVE CEILING)
2" CW UP TO MEZZANINE LEVEL
2" CW (RUN UNDERGROUND)
1 1/2" CW DN. FROM UNDERGROUND
1 1/2" CW DN. TO UNDERGROUND
1 1/2" CW (RUN UNDERGROUND)
1 1/2" CW (RUN ABOVE CEILING)
1 1/2" CW DN. TO UNDERGROUND



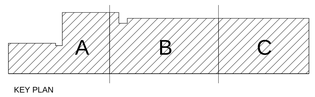
1 M105.1 ENLARGED INTERMEDIATE LEVEL DOMESCTIC WATER FLOOR PLAN
3/64" = 1'-0"

PLUMBING ABBREVIATIONS

(TYP.)	TYPICAL
CW	COLD WATER
EW	EYE WASH
HB	HOSE BIB
HW	HOT WATER
WH	WATER HEATER

PLUMBING LEGEND:

- SANITARY VENTILATION LINE
- COLD POTABLE WATER LINE
- HOT POTABLE WATER LINE
- SANITARY SEWER LINE
- **P-1** INDICATES PLUMBING FIXTURE DESIGNATION SEE SCHEDULE
- SS / X" ø — INDICATED SANITARY STACK DESIGNATION AND SIZE
- WS / X" ø — INDICATED WASTE STACK DESIGNATION AND SIZE
- VS / X" ø — INDICATED SANITARY VENTILATION STACK DESIGNATION AND SIZE



KEY PLAN

Execution Version

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PROJECT ADDRESS:
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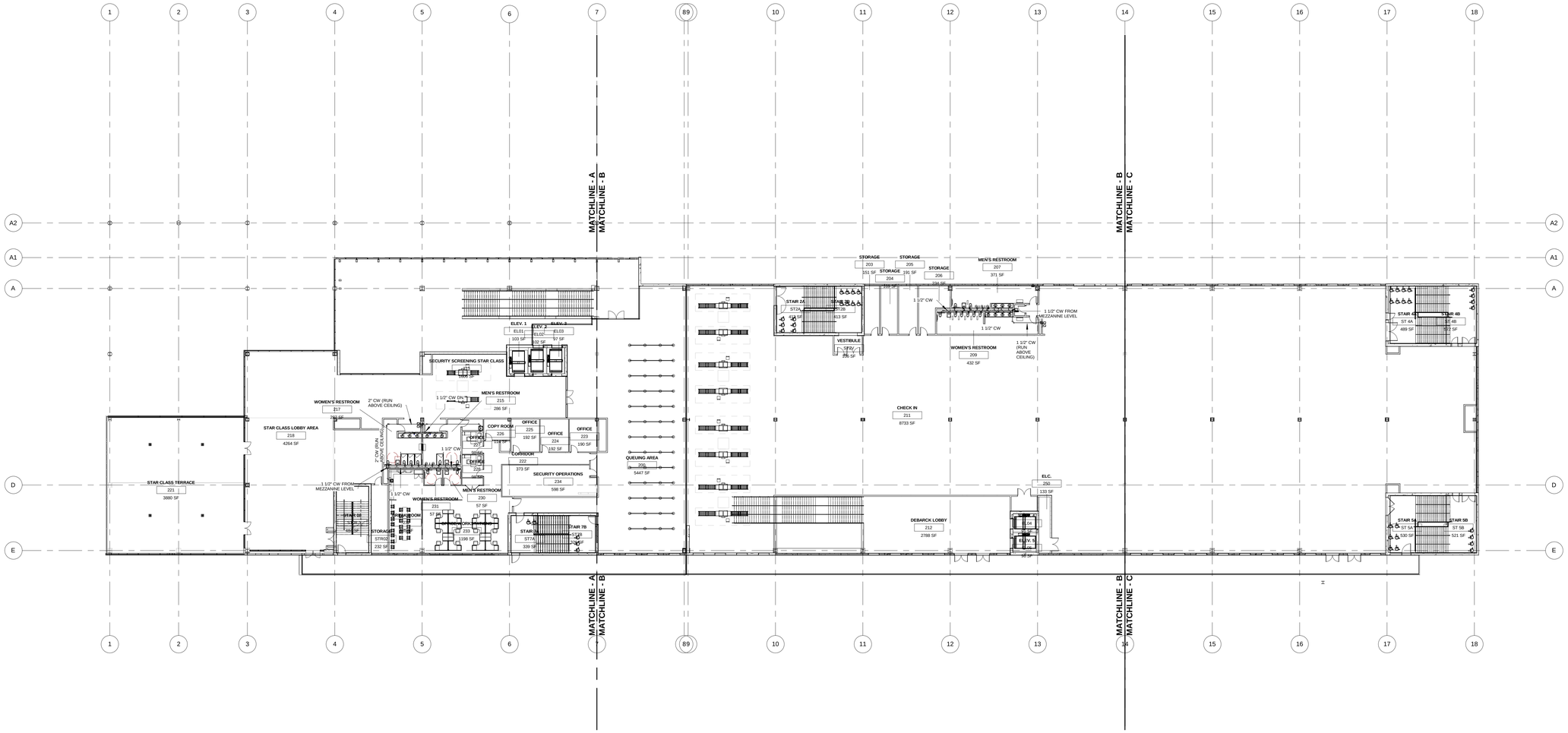
BA. PROJECT NUMBER:
17029

SHEET NAME
OVERALL INTERMEDIATE FLOOR DOMESCTIC WATER PLAN

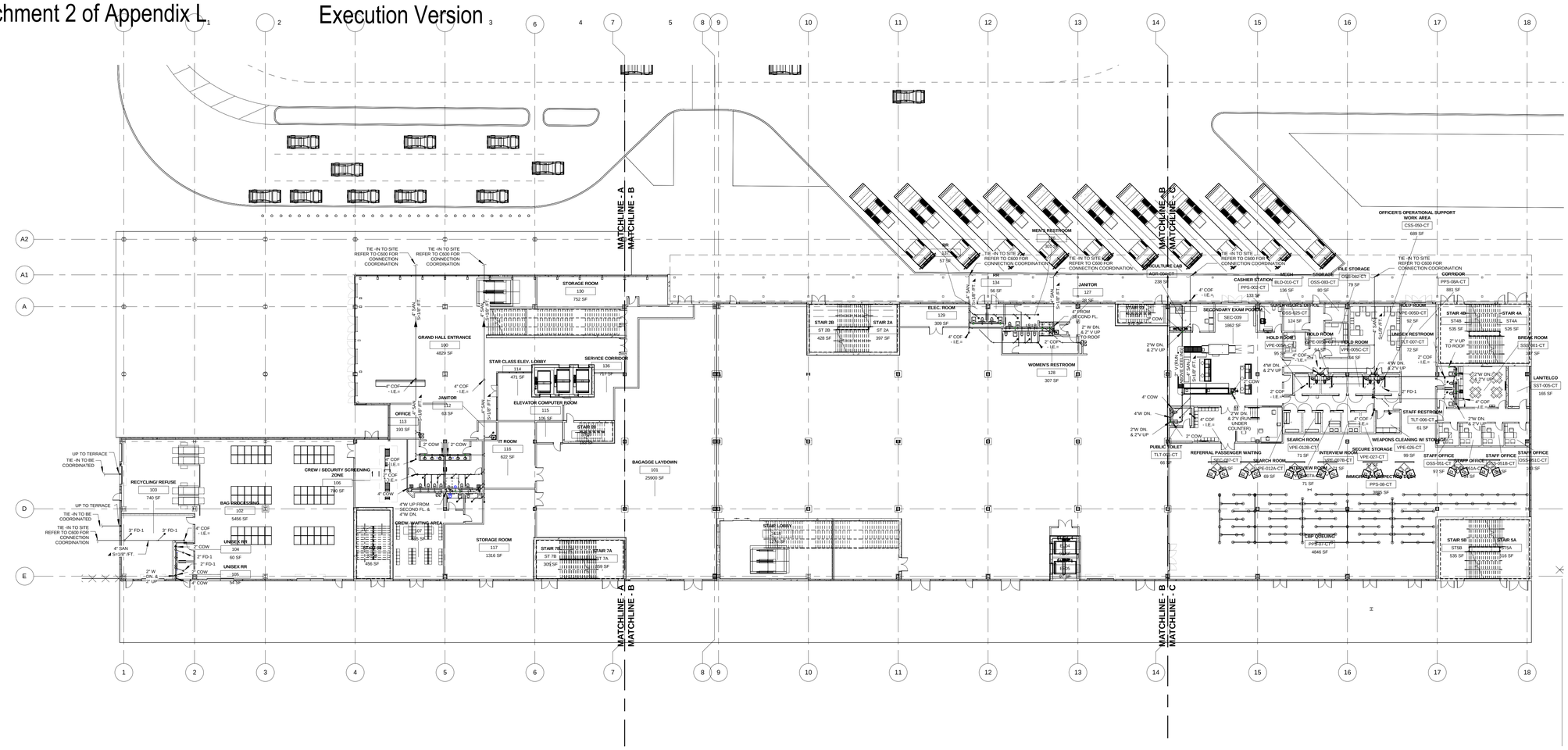
SHEET NO.
M105.1

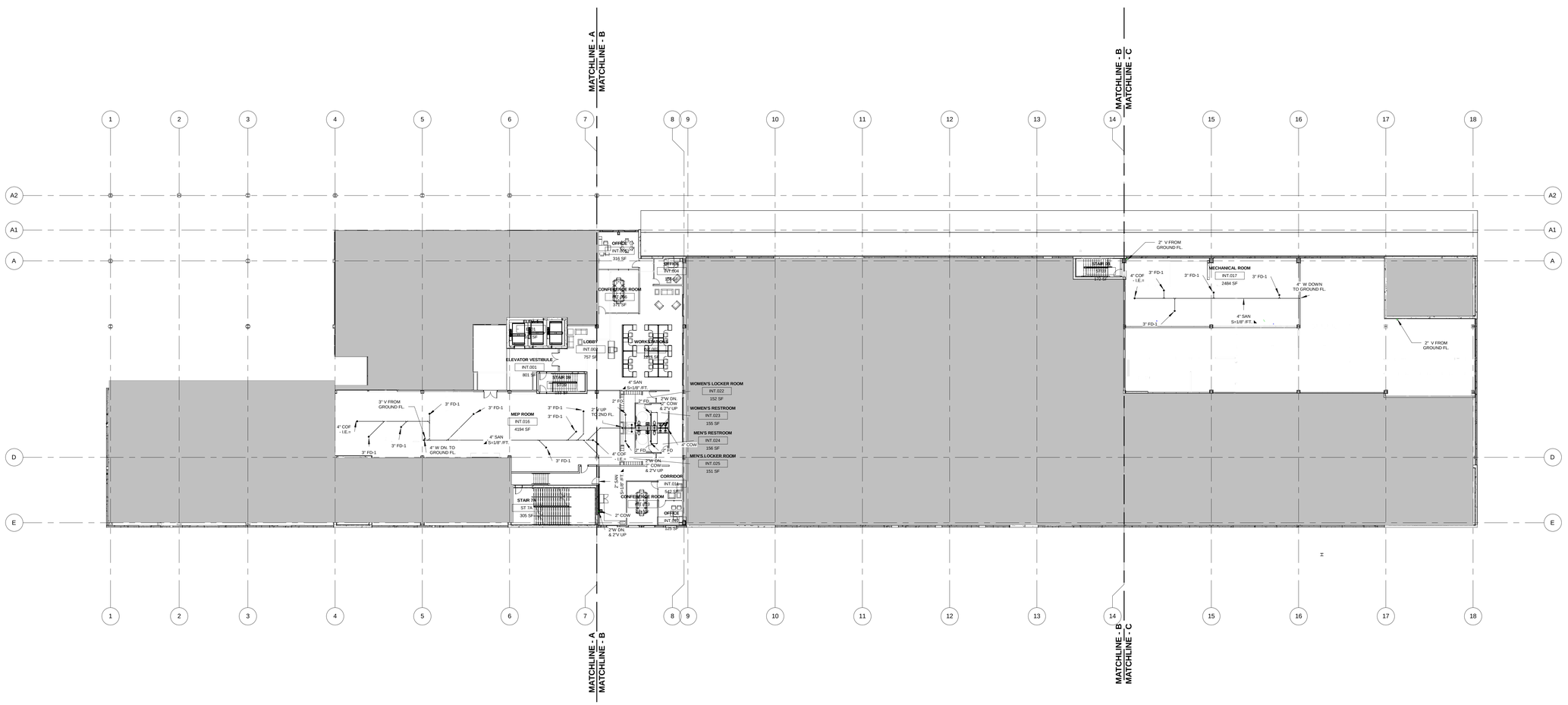
Attachment 2 of Appendix L Execution Version


MATCHLINE - A
MATCHLINE - B
MATCHLINE - B
MATCHLINE - C
STAR CLASS LOBBY AREA
218
4264 SF
STAR CLASS TERRACE
221
3880 SF
WOMEN'S RESTROOM
217
292 SF
SECURITY SCREENING STAR CLASS
216
1004 SF
MEN'S RESTROOM
215
286 SF
COPY ROOM
226
OFFICE
225
192 SF
OFFICE
224
192 SF
OFFICE
223
190 SF
OFFICE
227
CORRIDOR
222
373 SF
SECURITY OPERATIONS
234
598 SF
CENTRAL
228
QUEUING AREA
206
5447 SF
MEN'S RESTROOM
230
57 SF
WOMEN'S RESTROOM
231
57 SF
JANITOR
232
SECURITY OPERATIONS
233
598 SF
STORAGE
STR02
232 SF
STAIR 7A
ST7A
339 SF
STAIR 7B
ST7B
339 SF
ELEV. 1
EL01
103 SF
ELEV. 2
EL02
EL03
97 SF
STORAGE
203
151 SF
STORAGE
205
191 SF
STORAGE
204
STORAGE
206
234 SF
MEN'S RESTROOM
207
371 SF
STAIR 2A
ST2A
STAIR 2B
ST2B
313 SF
VESTIBULE
STRV
WOMEN'S RESTROOM
209
432 SF
CHECK IN
211
8733 SF
DEBARCK LOBBY
212
2788 SF
ELC.
250
133 SF
ELEV. 3
ELEV. 4
ELEV. 5
STAIR 4A
ST 4A
489 SF
STAIR 4B
ST 4B
522 SF
STAIR 5A
ST 5A
530 SF
STAIR 5B
ST 5B
521 SF
1 1/2" CW
1 1/2" CW FROM MEZZANINE LEVEL
1 1/2" CW (RUN ABOVE CEILING)
2" CW (RUN ABOVE CEILING)
1 1/2" CW DN
1 1/2" CW FROM MEZZANINE LEVEL
1 1/2" CW
1 1/2" CW
1 1/2" CW

Attachment 2 of Appendix L

Execution Version


MATCHLINE - A
MATCHLINE - B
MATCHLINE - B
MATCHLINE - C
GRAND HALL ENTRANCE
100
4829 SF
STORAGE ROOM
130
752 SF
STAR CLASS ELEV. LOBBY
114
471 SF
SERVICE CORRIDOR
135
ELEVATOR COMPUTER ROOM
115
105 SF
OFFICE
113
193 SF
JANITOR
112
63 SF
IT ROOM
116
622 SF
STORAGE ROOM
117
1316 SF
STAIR 7B
ST 7B
505 SF
STAIR 7A
ST 7A
509 SF
BAGAGGE LAYDOWN
101
25900 SF
CREW / SECURITY SCREENING ZONE
106
790 SF
CREW WAITING AREA
107
535 SF
STAIR 6B
ST 6B
456 SF
RECYCLING/ REFUSE
103
740 SF
BAG DISCLOSING
102
5456 SF
UNISEX RR
104
60 SF
UNISEX RR
105
54 SF
STAIR 2B
ST 2B
428 SF
STAIR 2A
ST 2A
397 SF
ELEC. ROOM
129
309 SF
MEN'S RESTROOM
133
57 SF
RR
134
56 SF
JANITOR
127
20 SF
WOMEN'S RESTROOM
128
307 SF
STAIR 1A
ST 1A
1 SF
AGRICULTURE LAB
AGR-004-CT
238 SF
OFFICER'S OPERATIONAL SUPPORT WORK AREA
CSS-050-CT
689 SF
CASHIER STATION
PPS-002-CT
133 SF
SUPERVISOR'S OFFICE
OSS-925-CT
124 SF
SECONDARY EXAM ROOM
SEC-039
1862 SF
MECH
BLD-010-CT
136 SF
STORAGE
OSS-083-CT
80 SF
FILE STORAGE
OSE-042-CT
79 SF
CORRIDOR
PPS-08A-CT
881 SF
HOLD ROOM
VPE-005D-CT
95 SF
HOLD ROOM
VPE-005B-CT
94 SF
HOLD ROOM
VPE-005C-CT
94 SF
UNISEX RESTROOM
TLT-007-CT
72 SF
HOLD ROOM
VPE-005D-CT
95 SF
STAIR 4B
ST4B
535 SF
STAIR 4A
ST4A
526 SF
BREAK ROOM
SS01-001-CT
187 SF
LANTELCO
SST-005-CT
165 SF
PUBLIC TOILET
TLT-002-CT
66 SF
REFERRAL PASSENGER WAITING
SEC-027-CT
1862 SF
SEARCH ROOM
VPE-012A-CT
69 SF
SEARCH ROOM
VPE-012B-CT
71 SF
INTERVIEW ROOM
VPE-027B-CT
71 SF
INTERVIEW ROOM
VPE-027-CT
71 SF
SECURE STORAGE
VPE-026-CT
99 SF
WEAPONS CLEANING W/ STORAGE
STAFF RESTROOM
TLT-006-CT
61 SF
STAFF OFFICE
OSS-091-CT
93 SF
STAFF OFFICE
OSS-092-CT
93 SF
STAFF OFFICE
OSS-093-CT
93 SF
STAFF OFFICE
OSS-051C-CT
103 SF
IMMIGRATION PROCESSING AREA
PPS-08-CT
3985 SF
CBP QUEUING
PPS-01-CT
4846 SF
STAIR 5B
ST5B
535 SF
STAIR 5A
ST5A
535 SF
UP TO TERRACE
TIE -IN TO BE COORDINATED
TIE -IN TO SITE REFER TO C600 FOR CONNECTION COORDINATION
TIE -IN TO SITE REFER TO C600 FOR CONNECTION COORDINATION
TIE -IN TO SITE REFER TO C600 FOR CONNECTION COORDINATION
TIE -IN TO SITE REFER TO C600 FOR CONNECTION COORDINATION
TIE -IN TO SITE REFER TO C600 FOR CONNECTION COORDINATION
TIE -IN TO SITE REFER TO C600 FOR CONNECTION COORDINATION
TIE -IN TO SITE REFER TO C600 FOR CONNECTION COORDINATION
TIE -IN TO SITE REFER TO C600 FOR CONNECTION COORDINATION
4" SAN
SHLF 8'T.
4" COF - I.E.=
2" COW
2" FD-1
3" FD-1
4" COW
4'W UP FROM SECOND FL. & 4'W DN.
2'W DN. & 2'V UP
2'W UP & 2' UP
4'W DN. & 2'V UP
2'W DN. & 2'V UP UNDER COUNTER
2'W DN. & 2'V UP
4'W DN.
2'W DN. & 2'V UP
2'W UP & 2' UP
2'W DN. & 2'V UP
4'W DN. & 2'V UP
2'W DN. & 2'V UP
2'W UP TO ROOF
2'W DN. & 2'V UP TO ROOF
4'W DN. & 2'V UP
2'W DN. & 2'V UP
4'W DN. & 2'V UP
2'W DN. & 2'V UP
2'W DN. & 2'V UP
2



1 / P104 ENLARGED INTERMEDIATE LEVEL PLUMBING FLOOR PLAN - A

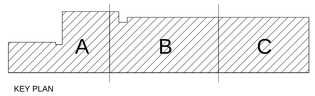
3/64" = 1'-0"

PLUMBING ABBREVIATIONS

(TYP.)	TYPICAL
CW	COLD WATER
EW	EYE WASH
HB	HOSE BIB
HW	HOT WATER
WH	WATER HEATER

PLUMBING LEGEND:

- SANITARY VENTILATION LINE
- COLD POTABLE WATER LINE
- HOT POTABLE WATER LINE
- SANITARY SEWER LINE
- **P-1** INDICATES PLUMBING FIXTURE DESIGNATION SEE SCHEDULE
- SS / X" ø — INDICATED SANITARY STACK DESIGNATION AND SIZE
- WS / X" ø — INDICATED WASTE STACK DESIGNATION AND SIZE
- WS / X" ø — INDICATED SANITARY VENTILATION STACK DESIGNATION AND SIZE



KEY PLAN

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30% DESIGN

MARCH 27, 2020

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AVENIDA FERNANDEZ JUNCOS, PUERTA DE TIERRA, SAN JUAN, PUERTO RICO

BA. PROJECT NUMBER:
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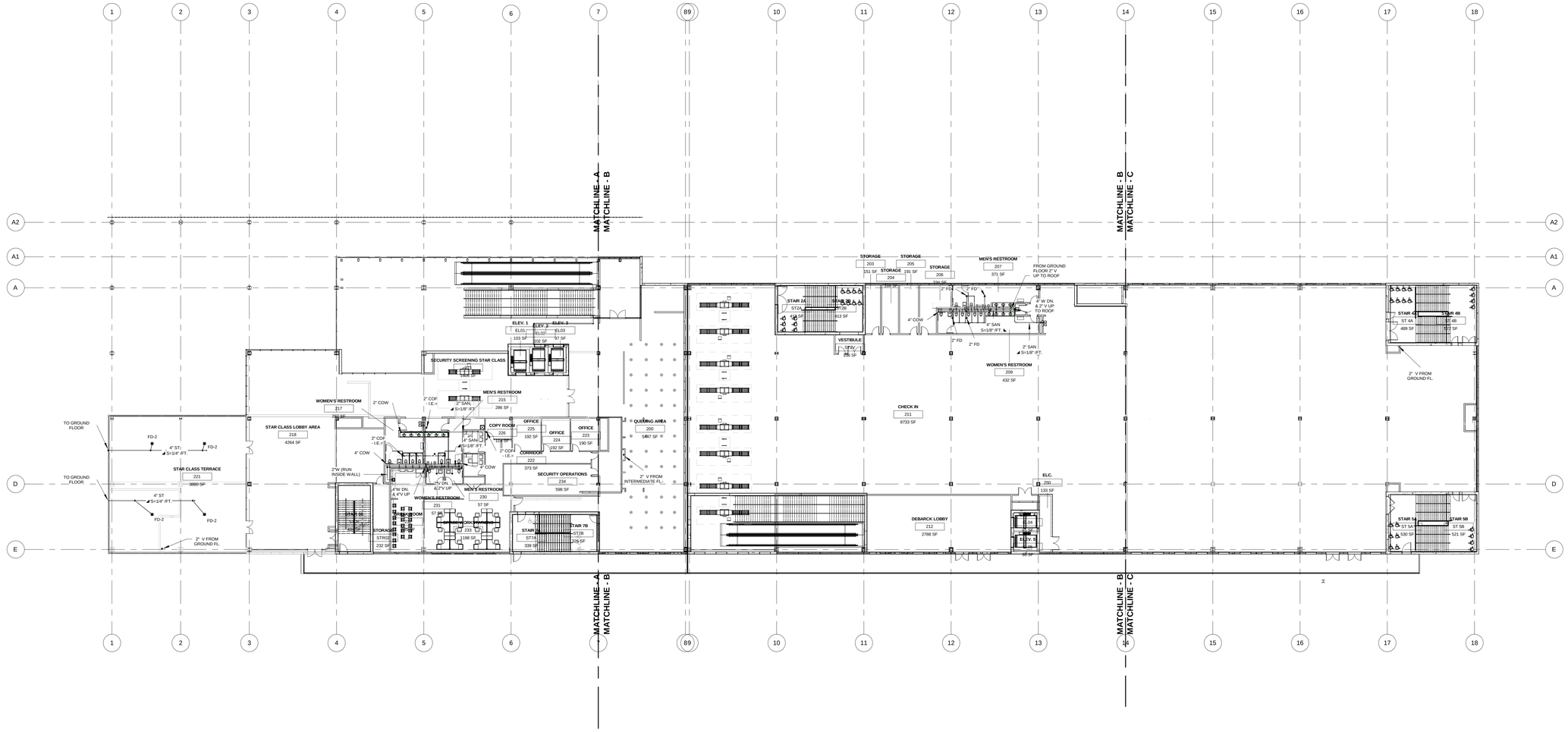
SHEET NAME
OVERALL INTERMEDIATE FLOOR PLUMBING PLAN

SHEET NO.
P104



1 / P108 OVERALL SECOND FLOOR PLUMBING PLAN

3/64" = 1'-0"

PLUMBING ABBREVIATIONS

(TYP.)	TYPICAL
CW	COLD WATER
EW	EYE WASH
HB	HOSE BIB
HW	HOT WATER
WH	WATER HEATER

PLUMBING LEGEND:

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- COLD POTABLE WATER LINE
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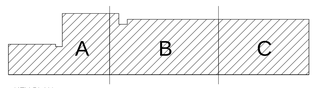

KEY PLAN

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OWNER:

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URBAN DESIGN AND PLANING
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30% DESIGN

MARCH 27, 2020

NOT FOR CONSTRUCTION

REVISIONS		
REV. #	REVISION DESCRIPTION	REV. DATE
0	30% Design Subm. to PRPA	2020-03-27

AUTORIDAD de PUERTOS de PUERTO RICO

Yo _____, _____ licencia _____, certifico que soy el profesional que diseñó estos planos y las especificaciones complementarias. También certifico que entiendo que dichos planos y especificaciones cumplen con las disposiciones aplicables del Reglamento Conjunto y las disposiciones aplicables de los Reglamentos o Corporaciones Públicas con jurisdicción. Certifico, además, que en la preparación de estos planos y especificaciones se ha cumplido cabalmente con los dispuesto en la "Ley Núm.14 de 8 de enero de 2004, según enmendada, conocida como la "Ley para la Inversión por la Industria Puertorriqueña" y con la Ley Núm 319 de 15 de mayo de 1938, según enmendada; Ley Núm. 96 de 6 de julio de 1978, según enmendada. Reconozco que cualquier declaración falsa o falsificación de los hechos que se haya producido por desconocimiento o por negligencia ya sea por mi, mis agentes o empleados o por otras personas con mi conocimiento, me hacen responsable de cualquier acción judicial y disciplinaria por la OGPe.

DRAWINGS ARE PROPERTY OF BERMELLO AJAMIL & PARTNERS

PROJECT NAME:

SAN JUAN CRUISE TERMINAL 11-13

PROJECT ADDRESS:

AVENIDA FERNANDEZ JUNCOS, PUERTA DE TIERRA, SAN JUAN, PUERTO RICO

BA. PROJECT NUMBER:

17029

SHEET NAME

OVERALL SECOND FLOOR PLUMBING PLAN

SHEET NO.

P108

APPENDIX M: LIQUEFACTION

As provided in Section 4.13(a) of this Agreement, it shall be an Expansion Investment Projects Requirement that:

The geotechnical investigation report of GeoConsult LLC, San Juan, Puerto Rico (or any other Person Approved by the Authority) commissioned by the Concession Company with respect to the analysis of the physical properties and characteristics of the subsurface material at Piers 11-12, (the "Piers 11-12 Geotechnical Report") concludes that the classification of such subsurface material at Piers 11-12 is Class D (as such classification is defined by Codes ASCE/SEI 7-16 of the American Society of Civil Engineers) as was determined in the following reports;

- Interim Geotechnical Report Number 1 - Liquefaction Port of San Juan Piers 11 – 12 – 13, GeoConsult LLC, January 2020
- MEM CWI P11 MR 0001, Definition of Seismic Parameters for San Juan Bay Cruise Terminals: Piers 11 – 12, COWI, 23 December 2019*
- Preliminary Geotechnical Report, AMEC E&E Caribe, LLP, dated 31 Oct 2007
- Geotechnical Report Reconstruction of Wharves along Piers 11 to 14, GeoConsult, Dec 2003
- Addendum 1 - Geotechnical Recommendations Report Reconstruction of Wharves along Piers 11 to 14, GeoConsult, Jan 2004
- Addendum 2 - Geotechnical Recommendations Report Reconstruction of Wharves along Piers 11 to 14 (Additional Borings at Wharves 11 and 14), GeoConsult, Jun 2004
- Addendum 3 - Geotechnical Recommendations Report Reconstruction of Wharves along Piers 11 to 14, GeoConsult, Apr 2005

If the Piers 11-12 Geotechnical Report concludes that the site at Piers 11-12 is Class E or higher (as such classifications are defined by Codes ASCE/SEI 7-16 of the American Society of Civil Engineers) then the Expansion Investment Projects Requirements provided in Section 4.13(a) of this Agreement shall not be satisfied (except if Government Contributions are available with respect to the Expansion Investment Projects, as provided in Section 4.13(a) of this Agreement).

As per Section 3.25(i) of this Agreement, the Piers 11-12 Geotechnical Report shall be provided no later than sixty (60) days after the Date of this Agreement.

With respect to any good faith discussions between the Parties if this Expansion Investments Projects Requirement is not satisfied, the following documents shall be reference documents for

such negotiations:

- San Juan Cruise Terminals: Pier 11-12 Design Basis Report – COWI, January 2020*
- Interim Geotechnical Report Number 1 - Liquefaction Port of San Juan Piers 11 – 12 – 13, GeoConsult LLC, January 2020
- MEM-CWI-P11-MR-0001-1, Definition of Seismic Parameters for San Juan Bay Cruise Terminals: Piers 11 – 12, COWI, 23 December 2019*
- Preliminary Geotechnical Report, AMEC E&E Caribe, LLP, dated 31 Oct 2007
- Geotechnical Report Reconstruction of Wharves along Piers 11 to 14, GeoConsult, Dec 2003
- Addendum 1 - Geotechnical Recommendations Report Reconstruction of Wharves along Piers 11 to 14, GeoConsult, Jan 2004
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- Addendum 3 - Geotechnical Recommendations Report Reconstruction of Wharves along Piers 11 to 14, GeoConsult, Apr 2005

*There will be no warranty of the Concession Company and no recourse against the Concession Company for the Authority to use these documents in developing a new cruise port facility in case Piers 11-12 no longer constitute part of the Cruise Port Facility and the Concession.

APPENDIX N: DEFINITIONS

"Bid Model" has the meaning ascribed thereto in Appendix J of this Schedule 13.

"CBP" means the Customs and Border Protection, or any successor agency or department thereto.

"CPIMP" has the meaning ascribed thereto in Section 8(b) of this Schedule 13.

"Design and Build Plan" has the meaning ascribed thereto in Section 2(a) of this Schedule 13.

"Design and Build Standards" has the meaning ascribed thereto in the Introduction paragraph of this Schedule 13.

"Design Criteria Document" has the meaning ascribed thereto in Section 8(b)(iii) of this Schedule 13.

"DNER" means the Puerto Rico Department of Natural and Environmental Resources, or any successor agency or department thereto.

"Legal Requirements" has the meaning ascribed thereto in Section 5 of this Schedule 13.

"New Debt" has the meaning ascribed thereto in Appendix J of this Schedule 13.

"100% Design" has the meaning ascribed thereto in Section 8(c) of this Schedule 13.

"PRCDA" has the meaning ascribed thereto in Section 8(b)(i) of this Schedule 13.

"Project Manager" has the meaning ascribed thereto in Section 8(a) of this Schedule 13.

"60% Design" has the meaning ascribed thereto in Section 8(c) of this Schedule 13.

"30% Design" has the meaning ascribed thereto in Section 8(c) of this Schedule 13.

"USCG" means the United States Coast Guard, or any successor agency or department thereto.

"USACE" means the United States Army Corps of Engineers, or any successor agency or department thereto.

APPENDIX O: ENVIRONMENTAL REPORTS

NAME OF THE DOCUMENT	AUTHOR	DOCUMENT DATE
PIER 3		
1. Lead Based Paint Inspection Report (Dolphin & Rung)	Zimmetry Environmental Management Corp.	July 2019
PIER 4		
2. Informe de Inspección en Pintura de Plomo – Rehabilitación Puente Abordaje	Zimmetry Environmental Management Corp.	March 2012
PIER 11-14		
3. Subsoil Exploration Report	Carlos A Ortiz Suarez	June 23, 1987
4. Asbestos and Lead Based Paint Results Piers 8 thru 14	Analytical Environmental Services International	February 17, 2000
5. Phase 1 Environmental Property Site Assessment	ERTEC	August 28, 2003
6. Phase I & II Environmental Property Site Assessment Piers 11 to 14	ERTEC	October 17, 2003
PAN AMERICAN I & II		
7. Industrial Hygiene Assessment for Mold & Moisture Report – Pan American Pier 2	Zimmetry Environmental Management Corp.	June 2019
GENERAL		
8. Technical Memorandum Preliminary Executive Summary: ASTM E1527 Phase I Environmental Site Assessment San Juan Bay Cruise Ship	AG Environmental PSC	June 25, 2019
9. PHASE I ENVIRONMENTAL SITE ASSESSMENT ASTM-1527-13 San Juan Cruise Ship Ports	AG Environmental PSC	October, 2019

SCHEDULE 14

INITIAL BUSINESS PLAN

The Initial Business Plan included in this Schedule contains certain forward-looking information which are statements, beliefs, opinions or projections that are not historical facts. By their nature, forward-looking statements involve a number of risks, uncertainties and assumptions that could cause actual results or events to differ materially from those expressed in such statements, beliefs and opinions depending on a variety of factors. Any forward-looking information contained in this Schedule has been prepared on the basis of a number of assumptions which may prove to be incorrect, and accordingly, actual results may vary from those projected as a result of, among other factors, changes in economic and market conditions, changes in the regulatory environment and other business and operational risks. The Concession Company and Global Ports Holding PLC ("GPH") do not undertake any obligation to update or revise any forward-looking statements, whether as a result of new information, future events, circumstances or otherwise or to reflect the occurrence or non-occurrence of any events and no guarantee is given in relation to the future results unless specified in the Agreement.

The Concession Company, in its sole discretion, reserves the right to amend or supplement this Schedule at any time, provided however that any such amendment or supplement shall be in compliance with the provisions of the Agreement. No other rights or obligations other than the ones described in Section 3.2 (e) of the Agreement are derived from this Schedule 14.

For the avoidance of doubt, the Intellectual Property in relation to this Schedule 14 belongs to the Concession Company.

Capitalized terms used in this Schedule 14 that are not otherwise defined will have the meaning given such terms in the Agreement.

0. Introduction

(a) **Cruise Port Facility and Global Ports Holding's Overall Strategy:** As the world's largest cruise port operator, Global Ports Holding PLC ("GPH") sees a unique strategic growth opportunity in the cruise port sector globally. Expansion of the cruise port network through acquisitions and participation in tenders is a key pillar of GPH's overall growth strategy. This growth strategy is global, but the Caribbean region as the world's largest cruise destination is a core region for GPH. Within each region GPH focuses on the marquee ports such as Cruise Port Facility.

The successful awards and completion of the cruise port concessions for Nassau Cruise Port and Antigua Cruise Port, both in 2019, are demonstrating GPH's commitment to the Caribbean region.

(b) **Network Benefits for San Juan Bay Cruise Port:** The integration of the Cruise Port Facility, through the Concession Company, in a GPH network of ports throughout the Caribbean region (and within the global network) will be beneficial for San Juan and Puerto Rico for the following reason:

- general improvement in the Caribbean cruise port infrastructure will increase traffic for all ports (from the newest, larger cruise ships and new market entrants), specifically the expansion and development of Southern Caribbean ports such as Antigua Cruise Port is expected to be beneficial for San Juan's homeport traffic,

- GPH introduces a new operating model of independent cruise port operations and is setting new standards for Caribbean cruise ports,

- Marketing and commercial synergies between Caribbean GPH ports promoting the entire region and each port within the network, and

- Sharing of knowledge between GPH ports of the region, not only about operations but also about ship deployments trends.

It is also worth highlighting that GPH has the experience of successfully managing a network of cruise ports in the Mediterranean where all ports of the network do benefit from the integration.

1. Revenue Generation Plans

(a) **Passenger Forecast.** The business plan is based on the forecasted passenger volumes for transit and homeport calls at the Cruise Port Facility.

The overall objective of the Concession Company's business plan and the Cruise Pier Improvement Projects as detailed in Schedule 13 is to expand the service offerings and their quality to the cruise lines and cruise passengers. Improving the port operations and maximizing the growth of the overall tourism economy in Puerto Rico is hence the Concession Company's primary goal. The positioning of the Cruise Port Facility as an attractive destination that differentiates itself from competing ports with unique features is of crucial importance to achieve this.

The Cruise Pier Improvement Projects implemented by the Concession Company as defined in Schedule 13 will create the necessary infrastructure to further increase the passenger traffic, in particular for homeport operations. The Concession Company's target is to increase the overall capture rate above 15% of the total Caribbean cruise traffic and increase the homeport operations to reach no less than 30% of overall traffic in San Juan.

Based on San Juan's historical traffic, cruise calls at the Cruise Port Facility which belong to Eastern Caribbean and Transatlantic itineraries are in transit (port of call), while all calls of Deep Southern itineraries are homeport. A mix is found in Southern (60% homeport vs 40% transit) and Southern & Deep Southern (73% homeport vs 27% transit) itineraries.

Medium and Long-term plan to increase port of calls

The increase of port of calls will be linked to the development of the Eastern Caribbean region and the deployments plans of cruise brands in this itinerary.

The Concession Company's business plan aims to increase transit calls with the following set of activities:

- Leveraging strong relationship of GPH with key existing customers assuring sufficient berthing space in San Juan and honouring key provisions of existing Preferential Berthing Agreements in line with Schedule 2.
- Supporting cruise brands in their growth plans in the Caribbean region.
- Use effective marketing channels to attract the new entrants in the San Juan market.
- Attracting luxury brands by dedicating specific infrastructure and services for such cruise lines.
- Attracting newer and larger vessels on the Eastern Caribbean itineraries sailing out from US homeports on a year-round basis.

Passenger satisfaction is among the most important criteria when cruise lines are choosing transit ports. To improve the rating of San Juan, the Concession Company plans to work closely with local businesses, and other touristic and cultural offerings to improve the integration of those with the cruise port operation. The Concession Company will encourage and support the development of new attractions and shopping opportunities on the whole island of Puerto Rico, and the organization of adequate excursions/activities adapted to each type of passenger. The Concession Company does not plan to operate and run those activities outside the cruise port, but to integrate and cooperate with local parties for mutual benefit. Where useful, partnerships with local businesses might be established.

The business plan of the Concession Company foresees that transit calls will be dedicated mainly to the piers close to Old San Juan. Pier is 1 planned to be dedicated to luxury ships, both in transit and homeport.

Medium and Long-term plan to increase homeport calls

Southern, Deep Southern and Southern & Deep Southern itineraries are the focus markets for homeport operations in San Juan.

The main external drivers for the business plan of the Concession Company are adequate port infrastructure, sufficient flight connections (including direct European flight connections) as well as adequate other tourism infrastructure such as hotels. While the cruise port's infrastructure needs will be addressed through the Cruise Pier Improvement Projects as defined in Schedule 13, the Concession Company plans to communicate and cooperate with other local stakeholders and leveraging GPH's international network to further develop the other drivers.

Additionally, thanks to the improvement of the infrastructure and facilities, the Cruise Port Facility will be able to accommodate larger ships for turnaround calls from existing and new clients.

Marketing Plan for the Cruise Port Facility

The Concession Company, supported by the sponsor GPH, will place great emphasis on the marketing of San Juan as a "must-see destination" in the Caribbean cruise market.

The Cruise Port Facility aims at positively repositioning San Juan both to consumers and the cruise lines. The strategic goal of the Concession Company is to strengthen San Juan's position as a highly desired cruise destination to visit in the Caribbean.

The Cruise Port Facility will have its own marketing budget, which will be adjusted every year according to the needs of the port. Marketing actions will be targeted mainly to cruise lines but specific source markets (USA, European) and the local community will also be considered. The promotional actions to cruise lines will include participation to tradeshows, organization of familiarization trips and trade visits for cruise line itinerary planners and executives, to the production of the promotional material specific for the Cruise Port Facility (brochures, video, website) and social media campaigns.

Source markets will be reached through travel agents, events and specialized magazines. The outreach to these target market will be discussed and coordinated with the Authority and the Puerto Rico Economic Development and Commerce Department. The Concession Company's marketing budget will include community support activities (social responsibility) and organization of events at the Cruise Port Facility.

In addition to its own marketing budget and actions the Cruise Port Facility will benefit from the general marketing activities of GPH, and it will be incorporated into the promotional and marketing actions immediately after signing the Agreement. It's worth mentioning that a big part of the value generation for the Cruise Port Facility being part of the GPH network is sharing knowledge and expertise with the other GPH ports and regions: insights from top-level meetings between cruise lines executives and GPH senior management, transferring best practices (including in the area of marketing) and defining industry standards. The Cruise Port Facility will be part of this network of 'learning ports' and be positioned and promoted as a leading and a must-visit cruise port of the region.

The marketing initiatives will be undertaken by the Concession Company, based not only on the knowledge of the industry and existing relationships with cruise lines but also on the conversations with local stakeholders. The Concession Company is a strong believer in the benefit that the cruise traffic brings to the local community, and the Concession Company's business plan is set up for the Cruise Port Facility to be a major contributor to economic development and benefit to the local population of Puerto Rico. Specifically, the Concession Company aims to collaborate with local parties regarding the promotion of the island's tourist attractions for the cruise passengers and the development of the entire destination. To this end, the Concession Company will work with the Old San Juan businesses and other retailers, and current tenants at the Cruise Port Facility, tour operators and other service provider to help them improve their offerings and partner with them for marketing initiatives in order to enhance passenger experience and increase their revenues.

Moreover, the service and product offering at the Cruise Port Facility is planned to be constantly enhanced taking into account periodic surveys, interviews, and feedback studies with passengers, cruise lines, agents and other cruise industry stakeholders.

Short-term recovery plan following Covid-19

The cruise industry has been experienced a significant negative impact from the outbreak of the Covid-19 pandemic since early 2020. For the first time in its history cruise activity has been suspended for a period of several months. As of the date of this Agreement the recovery of the cruise industry remains highly uncertain.

Consequently, the passenger forecast for the Cruise Port Facility is uncertain and will be subject to the development of effective medical treatments and vaccines to fight the negative health implications arising from Covid-19.

The Concession Company and GPH believe in the recovery of the cruise industry over the medium- to long-term. Thanks to the experience and know-how of GPH, the Concession Company will be able to support and facilitate a quicker recovery of the Cruise Port Facility by:

- Development of specific health and safety plans and procedures enabling safe and healthy cruise port operations based on readily available templates which will be adjusted to the local specifics in San Juan in close dialogue with local authorities.

- Know-how transfer from other ports and other regions, and transfer of best practices.

- Increase of trust in the robustness and rigorous application of safety and health protocols from an experienced and dedicated cruise port operator like GPH.

- Detailed exchange with all cruise lines and cruise brands, and in-depth knowledge about their requirements regarding the necessary adjustments related to Covid-19 from various discussions and practical implementation across various ports.

- As part of the GPH network, San Juan will also benefit from other global health certifications obtained by our group to increase the confidence from the cruise lines and passengers, such as, for example the "Safe Travels" certification by the World Travel & Tourism Council obtained in July 2020.

It is expected that the cruise traffic will recover to pre-Covid levels (2019) by 2023 subject to the global and regional development of the Covid-19 pandemic.

(b) **Passenger Fees and Dockage Rates.** Pursuant to the Schedule 15 the Concession Company is entitled to collect certain tariffs based on the transit and homeport passengers and Cruise Line Vessels arriving at the Cruise Port Facility.

It is expected that the Concession Company will be able to increase tariffs broadly following the US CPI and in line with the provisions of Schedule 15 regarding Maximum Passenger Fees and Maximum Dockage Rates. Such inflation increases may not occur every year but in regular 2- or 3-year intervals.

The Concession Company will continuously monitor the competitive dynamics and comparable pricing in the Caribbean cruise port market, and – if needed – adjust its tariffs in line with the principles of the Agreement in particular Schedule 15 to ensure that the capacity of the Cruise Port Facility is maximized.

In specific circumstances, temporary tariff discounts will be considered by the Concession Company to encourage incremental traffic, for example during the low season / low days or to attract new customers. Such discounts will be targeted, transparent, and limited in time with a pre-agreed phase-out plan. Any discounts or volume rebates will be structured within parameters of the Open Access Regime. The Concession Company's current business plan does not foresee the use of any discounts or volume rebates.

With regards to the Passenger Fees for homeport passengers, following the completion of the Initial Investment Projects, the Concession Company plans to gradually change the pricing methodology for homeport passengers moving from charging unique passengers to charging each passenger movement (embarkation and disembarkation) in line with global industry standards and within the parameters of Schedule 15. It is not planned that Passenger Fees will be introduced in full for each passenger movement following completion of the Initial Investment Projects, but a modest overall increase in the average fees for homeport passengers is considered in the Concession Company's business plan. The Concession Company will provide transparency and long-term visibility to the cruise lines regarding tariff structure and will ensure that the total Passenger Fee per homeport passengers for the cruise lines will not increase substantially in a short timeframe. The introduction is planned to be achieved through either one or a combination of the following measures expected after completion of the Initial Investment Projects and implemented over several years:

- Introducing full Passenger Fee on each homeport passenger movement for selected, highly desirable berthing slots and piers.

- Introducing Passenger Fee for each homeport passenger movement but introduce at the same time substantial discounts to the tariffs such that the overall cost per homeport passenger does not substantially increase year-over-year.

Following execution of the Agreement, immediately prior to Closing and on an ongoing basis after the handover, the Concession Company, supported by GPH, will engage with all cruise lines and cruise brands (current customers of San Juan and potential new customers) to provide transparency and visibility on its tariff strategy, and ensure a smooth transition process. Constructive feedback shall be taken into consideration when the final tariff decisions are made, and as provided in Schedule 15, prior Authority Approval where applicable.

Tariffs will be announced sufficiently in advance and prior to the date when call requests are made by cruise lines pursuant to the final berthing policy.

(c) **Ferry Operations.** Ferry services between San Juan and Dominican Republic, particularly Santo Domingo, have traditionally been carried out at the Cruise Port Facility. It is an important transportation link for the locals in both countries.

Pursuant to Schedule 15 the Concession Company will charge ferry ships calling at the Cruise Port Facility. It is acknowledged that there is the intention by the Authority to relocate the existing ferry operations to a new location based on the Ferry Development Agreement with a third party. Until the relocation is completed and in line with Schedule 15, certain ferry services will likely keep calling at Pan American piers. The Concession Company will ensure to minimize any disruption

potentially caused by the Cruise Pier Improvement Projects on these piers and ensure to deliver a high quality of services to ferry passengers as it promises to do the same for cruise passengers.

With regards to ferry traffic volumes, the Concession Company's business plan expects passenger and call numbers to be broadly in line with the historical averages. Tariffs are assumed to be constant and pursuant to the regulatory tariff applied by the Authority prior to the date of this Agreement.

Following the execution of the Agreement, the Concession Company will engage with ferry service providers to ensure a smooth transition period with no negative impact to their operations.

(d) **Retail Services and Information, Tour and Related Guest Services.** The Concession Company acknowledges the importance of providing exceptional services to cruise passengers during their stay in San Juan and Puerto Rico. If satisfactory guest services are delivered to cruise passengers when they first enter a new destination, rest of their trip would be more satisfying as well.

In line with its guest-oriented approach, GPH, as an award-winning cruise port operator, has developed a variety of guest services to satisfy needs of the cruise passengers and optimize their experiences. In line with this strategy, the Concession Company focuses on being a preferred operator for cruise lines in San Juan by creating the best customer experience for passengers. It has identified three (3) distinct areas of development for cruise port experience, namely, independence, connectivity and transportation. These form the basis for the Concession Company services and products for cruise passengers visiting the Cruise Port Facility.

With respect to Retail Services, the Concession Company will take over the existing retail lease agreements. The Concession Company plans to work and support the existing vendors and retail operators to reach better performance for them, and higher guest satisfaction which eventually is expected to translate into commercial benefits for the Concession Company and the Authority.

Based on the know-how of GPH of successfully developing immersive retail experiences in its other ports, the Concession Company aims to improve revenue generation for the retail operators. This will be achieved through transfer of knowledge and ensuring high quality of retail services - all in compliance with existing lease agreements and in partnership with the current retail operators in the port.

During the design and planning of the new or existing retail areas emphasis will be placed to best serve the needs of the cruise passengers and maximize benefits for the retail operators although encouraging passengers and providing adequate signage and transportation to exit the terminals and explore the Old San Juan area and vicinity.

As in the other GPH cruise ports, the Concession Company expects to mostly work with local vendors and retailers to lease out the retail space. The Concession Company does not intend to operate the retail shops itself. But the Concession Company will engage in an active dialogue with all its retail operators to advise and steer the retail offering. Based on GPH know-how, the Concession Company specific plans with respect to Retail Services are:

- Minimize overlap and avoid having the same offering across the shops within the Cruise Port Facility to maximize overall revenue and present a unique experience.

- Puerto Rican "touch and feel" with local products unique and special to Puerto Rico and San Juan. To further promote this objective the Concession Company will provide adequate space for bona fide artisans of Puerto Rico.

- Support redevelopments and investments with the retails partners to design and implement modern and immersive shopping experiences for cruise passengers.

In addition, the Concession Company will evaluate the opportunities for food & beverage (F&B) offerings at the Cruise Port Facility, mainly at Pier 11 and Pier 12 due to size restrictions elsewhere. Such F&B offering is planned to be open for residents and non-cruise tourists (to the extent there is no conflict with cruise ship operations and in compliance with the strict security protocol) in order to maximize opportunities for local businesses and integration of the cruise port within the local community.

The limited space at the Piers 1, 3 and 4 and the remote location of Pan American Piers means that the focus for additional F&B offerings will be the new terminal Piers 11-12 Project. The design of the new terminal will ensure accessibility and integration into the surrounding areas, such that additional F&B offerings could serve non-cruise passengers as well. This will not only generate additional revenue to the Concession Company and the Authority, but also improve acceptance of the new cruise facility by the local communities. The Concession Company does not expect that such offering will create conflicts with Old San Juan offerings due to its location.

We believe that retail and service offerings can be further enhanced in San Juan. The Concession Company will partner with local stakeholders, cruise lines and governmental agencies to introduce new offerings in form of Guest Information Centre ("GIC" , consisting of Exclusive Information Centers and Public Information Centers as defined in Schedule 15) to offer Guest and Transportation Services.

In order to provide the best possible experience to cruise passengers, it is critical to interact with them, understand and act upon their needs. The Concession Company aims to set-up GICs for this purpose. Services which are planned to be offered primarily provide guests with information regarding San Juan and Puerto Rico, provide assistance and gather feedback.

The GIC will further integrate the cruise port and its cruise passenger within the destination and provide additional opportunities for local businesses. Through the GIC cruise passengers can get information on attractions in San Juan and Puerto Rico, local businesses can market their products and services through the GIC, and additional services can be offered to cruise passengers, such as provision of transportation options. The GIC acts as tourist information point where local maps and information are given to guests and explanations of the local attractions and things to see and do in San Juan and Puerto Rico.

As such, the GIC creates opportunities for additional revenues for local businesses and for the Concession Company, and in turn, the Authority. The Concession Company is not planning to deliver the services offered at GICs itself but to operate the GIC as a platform and in partnership

for mainly local businesses (revenue share models). Trained and well-equipped personnel will be helping the cruise passengers in order to maximize the integration with the destination.

The selection of key attractions in Puerto Rico on sale in the GIC will be targeted to individual cruise guests who have not purchased any shore excursions onboard a Cruise Vessel to avoid overlap with the cruise lines' own shore excursion products or services. Details will be negotiated on a case by case basis, but typically, agreements will be put in place for revenue sharing with the major cruise lines, local tour operators and/or other tourism offerings.

In summary, GICs are a platform to market key attractions of San Juan and Puerto Rico in a professional and controlled environment cruise passengers can trust, and contribute to the positive overall passenger experience.

The Concession Company will pursue a holistic approach for the entire destination of San Juan and Puerto Rico. The Concession Company plans, especially during off cruise hours / low season, to create a vibrant environment with community events at the Cruise Port Facility. In this context, and in consultation with local stakeholders, the Concession Company plans to organize events and make available the facilities for such events so that both local community and non-cruise tourists would benefit.

As cruise ports are integral part of the destination, they need to be well connected, without interrupting the daily life. The organization and management of traffic flow inside and outside the Cruise Port Facility is an important task for the Concession Company. It will work closely with local stakeholders, including traffic police, taxi associations, bus operators and other transportation providers, to ensure high quality and security, seamless integration of travel arrangement, shore excursions and (airport) transfers, as well as minimal disruption and congestions for residents. Measures planned to be implemented as part of the Concession Company's business plan are traffic management systems with regulated traffic flow, pick-up and staging areas, and clear signage.

Better integration within the destination, ease of transportation and other service offerings are not expected to be major revenue contributors itself for the Concession Company. However, strong passenger growth is predicated upon further development of the upland tourism infrastructure. More offerings for cruise passenger and ease of access / transportation will generate higher guest satisfaction and higher ratio of shore excursion participation (as opposed to passengers not leaving the Cruise Vessel) – and hence long-term benefits for the entire cruise ecosystem including the Concession Company, the Authority and the local economy.

Specifically, and as detailed in Schedule 15, the Concession Company aims to set-up various working group and stakeholders committees to look at how more business can be driven to shops and restaurants in Old San Juan and elsewhere in Puerto Rico. This could be by introduction shopping programs, maps and flyers that could be given out at the GIC, offer advertising opportunities at the Cruise Port Facility, and design dedicated transportation offers. Ahead of the handover and on a continuous basis, the Concession Company will engage with local vendors and create committees for each sector having them engaged and buy-in to the overall project.

(e) **Ancillary Services (other than Retail Services, and Guest and Transportation Services).** Cruise passenger satisfaction and integration within the destination is expected to create immediate and long-term benefits for the cruise lines as well. In addition, the Concession Company aims to facilitate high quality of services offered directly to the cruise lines as the main customers of the Concession Company.

A major part of the Concession Company's business plan is to grow homeport traffic in San Juan. Ancillary Services related to Passenger Control and Screening Services, and Luggage Handling Services, as defined in Schedule 15, are crucial in this regard. The main objective of the Concession Company is to ensure highest safety and performance standards at the Cruise Port Facility.

To achieve this objective the Concession Company aims to implement best practices and make necessary investments. It is also necessary to work with local partners and governmental authorities to reduce the time for the embarkation & disembarkation process, customize the service to all guests and crew members, and raise the quality of the service.

The business plan of the Concession Company foresees that such services will be provided by third parties or an Affiliated Service Provider, as defined in Schedule 15, in fair and transparent competition. In case an Affiliated Service Provider provides the Ancillary Services, it is planned to outsource labour-intensive parts of such services to local service providers.

Another element of such Ancillary Services is the provision of utilities services such as water, electricity and waste disposal services. The approach of the Concession Company is to ensure a seamless process of the provision of such services by local suppliers. To this end the Concession Company, through close cooperation with the local service providers, will implement adequate protocols and management systems in compliance with the security and access protocols.

The main objective of the Concession Company is the safety and reliability of the utilities services minimizing the disruptions in cruise operations through seeing them all as a "whole" and offering a greater flexibility and speed of response in case of any unforeseen event.

In addition to utilities services, Stevedoring Services (including incidental cargo loading and unloading services) and Line Handling, as defined in Schedule 15, are other elements of the business plan of the Concession Company. Such services will be provided either by third parties or Affiliated Service Providers in fair and transparent competition. In case an Affiliated Service Provider provides these services, it is planned to outsource labour-intensive parts of such services to local service providers and procure underlying services and products locally to the extent available.

Cruise lines shall be free to contract Ancillary Services – unless Schedule 15 determines otherwise – with any party. In line with the provision of Schedule 15, certain Administrative Charges may apply to providers of Ancillary Services considering, among other things, the investment made by the Concession Company and the improvements, thanks to know-how brought in by GPH for efficient provision of such Ancillary Services.

The Concession Company will actively lead the service improvements through ongoing conversations with cruise lines representatives, to detect the needs from the different cruise ships and share this knowledge with all local stakeholders with the goal of improving the existing Ancillary Services. This also includes to follow latest technology trends and how those can help to improve the cruise port operations and minimize environmental impacts.

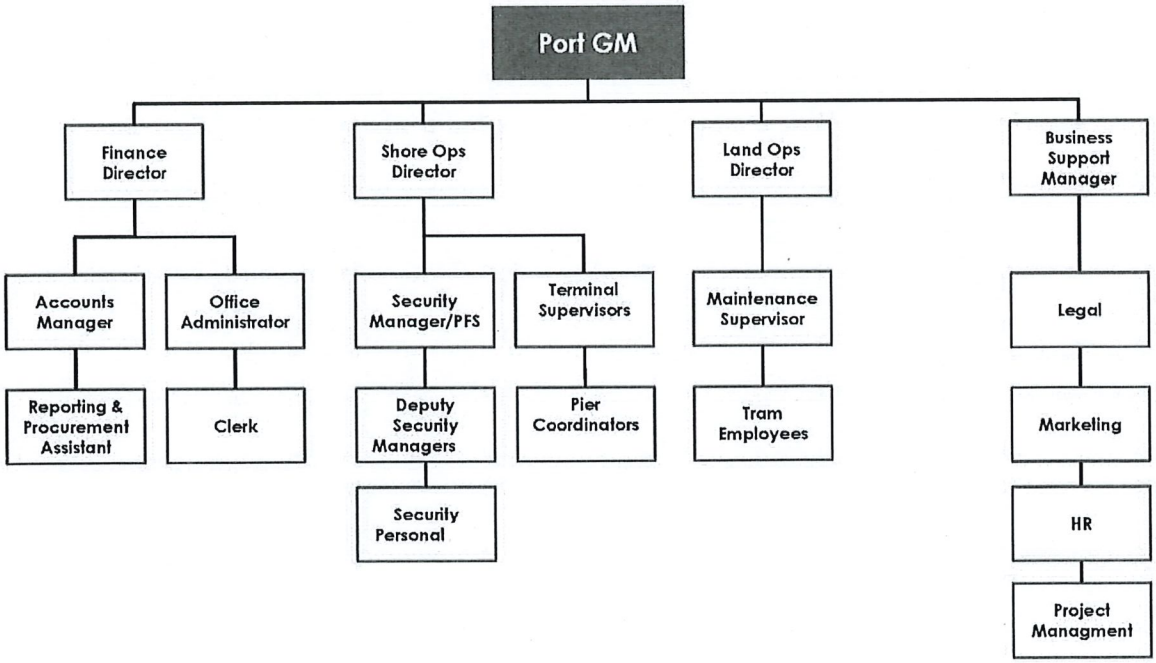
Based on this ongoing improvement process, the Concession Company expects that new Ancillary Services may become available and or will be developed over the Term of the Concession. Furthermore, the Concession Company will actively contribute and explore the opportunity for new Ancillary Services. The Concession Company aims to present those new services and discuss with the Authority adequate provision for such new services.

2. Organization and Staffing Plans

(a) **Organization Structure.** The Cruise Port Facility is among the most valuable assets of Puerto Rico. The Concession Company will ensure that management of the cruise facilities will be in the hands of highly skilled, primarily Puerto Rican employees with technical expertise under an efficient organizational structure.

The Concession Company recognizes that many of the necessary skill sets already reside in Puerto Rico. The intention is for the Concession Company to make best efforts to fill the required positions with locals or local permanent residents with the unrestricted right to work. Initially certain senior management positions, including Chief Financial Officer, may be hired and brought in from outside Puerto Rico to ensure know-how transfer.

Planned Organization Chart of the Concession Company



The Concession Company will be staffed to perform all essential functions on an independent and stand-alone basis. Based on the experience of GPH, the Concession Company has developed a detailed bottom-up plan for staffing of the Concession Company.

It is not planned that there will be any GPH transferees. All positions are to be recruited locally, except where certain qualifications are not available in Puerto Rico. In this case GPH would consider recruiting outside of Puerto Rico, but most likely Puerto Rico natives which currently work in the US mainland. The GPH know-how transfer will be established through a formalized and ongoing in-house training program led GPH executives who will make frequent trips to San Juan (more frequently in the start-up phase after Closing) to ensure that operations are smooth and efficient.

Expected, minimum staffing level on Day 1 after Closing (subject to refinement and adjustments during transition period): total of 32-35 full-time positions. The total employment initially, including third-party operators and Affiliated Service Providers, is estimated to be 215 employees at peak times.

Preliminary Staffing Plan

Professional Personnel	
Management & Admin.	4
Accounting / Finance**	4
Facility Security	3
Marketing	1

Support Personnel	
Clerical	1
Maintenance***	3
Terminal Operators	8
Terminal Security Personnel (in-house)	8
Outsourced Terminal Security	64*
Outsourced Luggage Handling	75*
Outsourced Linesman & Launch	24*
Outsourced Janitorial	20

* estimate at peak times including third party operators as the case may be

** excluding additional resources during construction to manage financial flows / invoices
*** certain maintenance jobs will be outsourced. Number of outsourcing jobs not possible to estimate

Certain functions might need external support for day-to-day operations. Any such services are planned to be procured through outsourcing to local service providers or provided by Affiliated Service Providers. As outlined in the previous section, for the provision of labour-intensive Ancillary Services the Concession Company or the Affiliated Service Provider plans to retain local outsourcing providers.

With respect to the maintenance of the Cruise Port Facility, the Concession Company plans to recruit local staff as well as – for specialized maintenance services - external service providers from Puerto Rico to the extent available.

As a matter of principle, the Concession Company and its permanent staff will monitor and supervise the service level agreements performance standards by subcontractors and outsourcing providers on a regular basis. Each service subcontractor will have the responsibility to reach certain KPIs agreed beforehand. Except as listed below all other functions are planned to be self-performed by the Concession Company's staff.

- Maintenance Services: Outsourced, with sufficient manpower to carry out routine maintenance, preventive works and corrective works, which will be done during non-cruise days ensuring minimum impact on the operations. This service will be also monitored by the Concession Company's maintenance staff,

- Security services: Mainly outsourced, with sufficient manpower to deal with volatile peak times to guarantee complete security both at the terminal and apron, led by Concession Company's Security Manager,

- Cleaning services: Outsourced, with sufficient manpower to comply with highest cleaning standards. Concession Company staff will carry out routine checks on the premises to ensure that the terminal is clean and sanitary condition, including disinfection, are satisfactory at all times, and

- Luggage Handling (if an Affiliated Service Provider is providing such service): outsourcing to porters, estimated an average of 25 porters per turnaround call, but the service will be supervised by Concession Company staff (shore ops/Terminal Supervisor). Similar approach to other non-exclusive Ancillary Services to maximize local labor participation.

In connection with the Closing the Concession Company will enter into the Technical Services Agreement with GPH, for certain services and assistance. The main purpose of the Technical Service Agreement is to ensure know-how transfer and support from GPH, but not any employee transfer to or "remote-management" of the Concession Company.

Such know-how transfer is made through trainings, (online) resources, direct exchanges and visits from GPH senior management - in particular during a standardized induction process.

(b) **Recruitment of Existing Authority Staff.** It is the intention of the Concession Company to recruit mainly from the existing Authority staff working at the Cruise Port Facility or dedicated to Cruise Port Facility functions prior to the handover. It is planned to conduct necessary interviews with the existing employees of the Authority during the transition period.

The Concession Company plans to implement the following transition process after signing of the Agreement and prior to Closing:

- In depth review of the current organization structure
- Review of the relevant HR data, including but not limited to individuals' roles, personal files, responsibilities, compensations and benefits.
- Detailed assessment and planning of the organization's needs in consideration with GPH's overall Human Resource policies
- Specify the required functions, roles and responsibilities and accordingly, prepare the list of vacancies to be filled
- Refining and finalizing the Concession Company's organizational structure and salary model for the new roles.
- Reach out to the existing Authority employees who perform those duties
- Start the interview process with those who are interested in joining the Concession Company
- Selection process in compliance with GPH's Human Resources Policies and the Agreement
- Submit the offers to those who have successfully completed the interview process
- Advertise the remaining open vacancies in the local market / alternatively work closely with local recruitment firms to address the needs of the organization for other open roles.
- Preparation of the employment contracts in compliance with the local labour code.

SCHEDULE 15

FEES AND CHARGES

1. General.

(a) Guiding Principles. The Concession Company respects, supports and collaborates with the local port community and local businesses. Local service providers have been key players in the development of the cruise industry, their know-how and insights of the business are highly valuable, and are an important part of the future of the Cruise Port Facility operations. This Agreement aims to increase business opportunities for all stakeholders and the destination by attracting more and bigger cruise ships. Therefore, the interaction between the Concession Company and local stakeholders in the operations of the Cruise Port Facility, in the provision of Ancillary Services and all services provided by the Concession Company and in the imposition of rates, fees and charges, including Administrative Charges, shall be guided by the above principle and the Concession Company's commitment to work jointly and collaboratively with local stakeholders and local service providers to align objectives, and agree on a strategy and tactics to achieve the joint objective of growing cruise traffic to the benefit of all stakeholders and the local economy. The Concession Company commits to promote fair competition for all services provided by third parties and not by the Concession Company on an exclusive basis.

(b) Stakeholders Involvement and Relationship with the Community. The Concession Company shall use Reasonable Efforts to work with the relevant stakeholders in the local community, including Governmental Authorities and local service providers, in order to integrate the Cruise Port Facility with the broader destination of the metropolitan area of San Juan for cruise line passengers, for the benefit of local business and the Puerto Rico economy. The Concession Company and the Authority shall establish a "Steering Committee" and relevant stakeholder working groups in order to implement this objective. The Steering Committee shall be comprised of representatives of the Concession Company, the Authority, other relevant Governmental Authorities and certain other key stakeholders, which shall include but not be limited, to the extent these parties are willing to participate, the Puerto Rico Tourism Company (or its successor) and representatives from the San Juan, Cataño and other relevant municipalities, the Luis Munoz Marin Airport concessionaire and the Ribas Dominicci (Isla Grande) Airport administrator or operator (if different from the Authority). The Steering Committee members shall consider if any additional participants are required to be added. The principal objective of the Steering Committee will be to align objectives amongst the Steering Committee members, develop a common strategy and set general guidelines, including further elaborating the implementation of this Schedule and propose to the Authority necessary amendments during the Term to adjust the realities as they may change in 30 years. The Steering Committee shall hold its first, constitutive, meeting no later than 90 days from Closing Date and meet at least twice a year. The Steering Committee shall be responsible for defining how its meetings shall be organized and the procedures in relation to the running of the meetings (such as notice procedures, scope and quorum etc.) and shall be responsible for reviewing and updating such procedures.

In addition, the Concession Company shall set up appropriate stakeholder working groups with various local stakeholders representing the cruise and tourism industries, including local Old San Juan, Cataño, Puerta de Tierra and Condado retail, restaurants, hotels and other local

businesses representatives. Each respective stakeholder working group will define the relevant group's key objectives and action points, monitor and review the results and feedback any necessary corrective measures. The stakeholder working groups shall be entitled to consider and make recommendations to the Steering Committee. Following the establishment of any such stakeholder working group, such group shall meet on a quarterly basis, as a minimum. The Concession Company shall also encourage and provide the opportunity for recommendations and feedback to be provided by the wider Puerto Rico community. This may include the introduction of suggestion boxes, customer satisfaction surveys, periodic meetings and social media platforms. Recommendations and feedback received from the local Puerto Rico community shall be considered at the applicable stakeholder working groups. The Concession Company will also work with medical and safety stakeholders to establish in Puerto Rico best health and safety practices at the Cruise Port Facility, including implementing protocols and procedures based on the COVID-19 experience with a view to responsibly protect not only visitors but also residents.

(c) Authority Regulations. The Concession Company shall not establish or collect any tariff, fee, penalty, fine, compensation, cost or expense (the "Charges"), except as provided in this Schedule 15 or otherwise Approved by the Authority from time to time. The Authority shall not establish or collect under Authority Regulation No. 8879 entitled Puerto Rico Ports Authority M-1-8 Regulation, approved December 22, 2016 (as amended or any successor regulations of the Authority, the "Authority Regulation") any Charges on Cruise Vessels or Other Shipping Lines Approved by the Authority for the use of the Cruise Port Facility, except as provided in this Schedule 15 or otherwise in this Agreement. With respect to servicing Other Shipping Lines Approved by the Authority as provided in Section 3.23(d) of this Agreement, the Concession Company may charge a fee or charge but such fee or charge shall be the same Charges as the Authority Regulation shall provide at the time, unless otherwise Approved by the Authority in its discretion.

(d) Fees in General. The Concession Company may establish and collect (i) the Passenger Fee, the Dockage Rates (as defined in Section 3 of this Schedule 15) and Demurrage (Section 6 of this Schedule 15) for the Reference Services (as defined in Schedule 3), and (ii) the fees and charges described in Section 4, 5 and 7 of this Schedule 15 for the Ancillary Services (as defined in Schedule 3), subject to the terms and conditions of this Schedule 15. Without limiting the obligation of the Concession Company to perform the Cruise Port Facility Operations, the Concession Company may not establish or collect for Cruise Port Facility Operations any fees or charges other than Charges set forth in this Schedule 15 and may not increase such Charges other than as provided in this Schedule 15, unless Approved by the Authority in its discretion. Reference Services and Water Services (Sections 4(a)(i) and (ii)), Electricity Services (Section 4(a)(iii), Retail Services (Section 4(a)(viii)) and Parking (Section 4(b)), shall be applied equally and no preference be given, unless any difference is based on volume discounts and other mechanisms permitted and published as part of the Open Access Regime. The fees and charges authorized in Section 4(a)(iv), Section 4(a)(vi)(3), Section 4(a)(ix) and Section 7 this Schedule 15 to Persons providing Ancillary Services (be it Entry Fees or Infrastructure Fees) shall not be imposed before July 1, 2024, unless otherwise Approved by the Authority, and may be Adjusted for Inflation beginning on January 1, 2025 and on January 1 of each Reporting Year thereafter through the Term.

(e) Definitions. Terms not otherwise defined in this Schedule 15 shall have the meaning ascribed to such term in this Agreement. For purposes of this Schedule, "Passenger Movement" means each movement of an individual passenger using the Cruise Port Facility, counted separately, for embarking on a Cruise Vessel or disembarking from a Cruise Vessel or each passenger of a Cruise Vessel using the Cruise Port Facility in transit. Passenger Movements shall be counted once for each calendar day based on the Passenger Manifest (as defined below) for each Cruise Vessel, and, for the avoidance of doubt, irrespective of the actual number of physical movements by passengers embarking or disembarking or in transit.

2. Passenger Fees.

(a) The maximum Passenger Fee which the Concession Company may establish and collect (the "Maximum Passenger Fee") shall be thirteen dollars and twenty-five cents ($13.25) for the period from the Closing Date through December 31 of the first Reporting Year after the year in which the Closing Date occurs; provided, however, that the Maximum Passenger Fee may be Adjusted for Inflation prior to that date as provided in the first sentence of Section 2(b) and may otherwise be adjusted as provided in Section 2(b). The Concession Company may establish and collect a Passenger Fee equal to or less than the Maximum Passenger Fee in effect from time to time and in accordance with Section 2(b) below ("Passenger Fee"). In establishing and collecting the Passenger Fee, the Concession Company shall comply with the Operating Standards, including the Open Access Regime, and provisions of the Preferential Berthing Agreements and the Memorandum of Understanding effective as of November 6, 2018 between NCL (Bahamas) Ltd. and the Authority, as amended (the "NCL MOU") still in effect; provided, however, that if the financial incentives provided by the Puerto Rico Tourism Company or any other Government Authority in the form of rebate or any other form pursuant to the Puerto Rico Cruise Ship Industry Promotion and Development Act (Act 113-2011, as amended, or any successor Law) (the "Tourism Incentives") are reduced or eliminated while the obligations under the Preferential Berthing Agreements with respect thereto remain in effect, the Authority shall retain the obligation to honor or compensate the Signatory Cruise Lines with respect to such incentives as and to the same extent provided in the Preferential Berthing Agreements; and provided, further, that any financial impact on the Concession Company or otherwise resulting from any reduction in or elimination of the Tourism Incentives shall not constitute a Compensation Event and the Authority shall have no liability for any such reduction in or elimination of the Tourism Incentives, be it with respect to the Preferential Berthing Agreements or otherwise.

(b) Beginning on January 1 of the first full Reporting Year following the Closing Date and thereafter on January 1 of each Reporting Year through the Term, the Maximum Passenger Fee shall be Adjusted for Inflation and thereafter considered as part of the Maximum Passenger Fee. On or around January 1 of the third, eighth, thirteenth, eighteenth and twenty-third Reporting Year, the Authority and the Concession Company shall meet to review the Maximum Passenger Fee and the Passenger Fee established by the Concession Company in the immediately preceding Reporting Year. The Authority and the Concession Company shall review passenger fees and related fees and charges of Comparable Cruise Ports in effect during such immediately preceding Reporting Year, and such other information as either Party considers relevant, in order to determine if the Maximum Passenger Fee and the Passenger Fee for the immediately preceding Reporting Year, and as Adjusted for Inflation for the current Reporting Year, are competitive with Comparable Cruise Ports and are at a level that will achieve the objectives of maximizing use of

the Cruise Port Facility by Cruise Lines. The Parties shall increase the Maximum Passenger Fee and the Passenger Fee in a manner which achieves such objectives and as agreed by the Parties, such agreement not to be unreasonably withheld. Adjustments for Inflation and any changes in the Maximum Passenger Fee will be notified to the Cruise Lines and published by the Concession Company immediately upon approval, provided however that changes in the Maximum Passenger Fee and Passenger Fees, other than an Adjustment for Inflation implemented on any Reporting Year, shall not become effective earlier than two (2) years after the changes agreed to by the Parties are notified to Cruise Lines and published, including in the Concession Company website.

(c) The Passenger Fee shall apply to, and may be collected by the Concession Company for, each Passenger Movement of passengers of each Cruise Line Vessel using the Cruise Port Facility, regardless of whether any such passenger is embarking, disembarking or in transit, as provided in clause 2(d) of this Schedule 15 and illustrated in the table below; provided, however, that (y) the number of passengers shall be based on the list of passengers and crew of each Cruise Line Vessel using the Cruise Port Facility, which list the Concession Company shall obtain from each Cruise Line Vessel before it arrives at the Cruise Port Facility (the "Passenger Manifest"), and (z) the Passenger Fee shall not be collected for (1) fifteen (15) crew of each Cruise Line Vessel shown on the Passenger Manifest, (2) the passengers and crew of any vessel operated by or on behalf of the harbor master for San Juan Bay, the Commonwealth or the United States of America, including the United States Coast Guard or the United States Army Corps of Engineers, (3) the passengers and crew of any tugboat servicing a Cruise Line Vessel at the Cruise Port Facility, (4) the passengers and crew of any vessel using the Cruise Piers during the occurrence of any emergency, danger, threat, circumstance or event provided in Section 3.7(a)(iii) of this Agreement, or (5) the passengers and crew of any vessel using the Cruise Piers during any voyage the primary purpose of which is research or the training of crew. With respect to Other Shipping Lines, unless otherwise Approved by the Authority at the time, passenger fees shall be collected following the same process, methodology and rates for calculating and charging such fees as determined in the Authority Regulation.

(d) Beginning on the Completion of the Initial Investment Projects but in any case not before July 1, 2023, the passengers of any Cruise Line Vessel (excluding any Person for whom the Passenger Fee shall not be collected pursuant to clause 2(c)(z) of this Schedule 15) may be counted separately for each Passenger Movement embarking and disembarking at the Cruise Port Facility for purposes of collecting the Passenger Fee for any trip which begins and ends at the Cruise Port Facility (that is, a "round-trip") and before such time, the Passenger Movements for such round-trip shall be counted only once (for the disembarkation Passenger Movement only) for the collection of the Passenger Fee. Such change in the pricing methodology for round-trips after the later of Completion of the Initial Investment Projects and July 1, 2023, to align it with global industry standard, will be introduced selectively, gradually and over several years such that the overall Passenger Fee per round-trip does not substantially increase year-over-year, and provided that the Concession Company shall inform the Authority of any such change of the pricing methodology in the Passenger Fee for round-trips in reasonable detail not less than 180 days before the planned introduction of such change, and provided further that whenever a new proposed increase for round-trips is presented to the Authority, the Concession Company shall provide the relevant information for the Authority to evaluate if there has been a material reduction in Passenger Movements for round-trips since the previous change in the pricing methodology for round-trips and if such reduction in Passenger Movements could reasonably have been the result

of the prior implementation of the round trip methodology or Passenger Fee increase. If the conclusion of the Authority, based on the information provided by the Concession Company or other information independently obtained, is in the affirmative, then the subsequent change of the pricing methodology or Passenger Fee shall not be implemented unless Approved by the Authority, acting reasonably. Any dispute in relation to any such proposed change of the pricing methodology in the Passenger Fee for round-trips hereunder shall comprise a Technical Dispute under Section 19.3(b) of this Agreement.

Illustrative Examples for the calculation of Passenger Movements:

	Cruise Passengers per Passenger Manifest (one calendar day)			Passengers Movement to calculate Passenger Fee		Passenger Movements for Passenger Control and Screening Services, and Luggage Handling Services	
	Dis-embark	Transit	Embark	After Closing	After the later of completion of the Initial Investment Projects or July 1, 2023	Equipment rental fee[1]	Infrastructure Fee (from July 2024
SHIP 1: Turnaround (Homeport)	A		B	A	A+B	A+B	A+B
SHIP 2: Turnaround with some Transit	A	C	B	A+C	A+B+C	A+B	A+B
SHIP 3: Transit (Port of Call)		C		C	C	Currently N/A[2]	Currently N/A[2]

1) Equipment rental fee applicable only if equipment is provided by the Concession Company.
2) Should cruise lines in the future request and retain a Person (incl. Affiliated Service Providers) to provide Passenger Control and Screening Services for transit passengers as well, Passenger Movements will be counted accordingly for transit passengers as well.
3) Letter A, B and C refer to number of passengers.

3. Dockage Rates.

(a) The Maximum Dockage Rate which the Concession Company may establish and collect (the "Maximum Dockage Rate") shall be seven and thirty-nine hundredths cents ($0.0739) for the period from the Closing Date through December 31 of the first Reporting Year after the year in which the Closing Date occurs; provided, however, that the Maximum Dockage Rate may be Adjusted for Inflation prior to that date as provided in the first sentence of Section 3(b) and may otherwise be adjusted as provided in Section 3(b). The Concession Company may establish and collect a rate (the "Dockage Rate") equal to or less than the Maximum Dockage Rate in effect from time to time and in accordance with Section 3(b) below; provided, however, that the Concession Company shall comply with the Operating Standards, including the Open Access

Regime, and the Preferential Berthing Agreements still in effect when establishing and collecting any Dockage Rate.

(b) Beginning on January 1 of the first full Reporting Year following the Closing Date and thereafter on January 1 of each Reporting Year through the Term, the Maximum Dockage Rate shall be Adjusted for Inflation. On or around January 1 of the third, eighth, thirteenth, eighteenth and twenty-third Reporting Year, the Authority and the Concession Company shall meet to review the Maximum Dockage Rate and the Dockage Rate established by the Concession Company in the immediately preceding Reporting Year. The Authority and the Concession Company shall review dockage rates and related fees and charges of Comparable Cruise Ports in effect during such immediately preceding Reporting Year, and such other information as either Party considers relevant, in order to determine if the Maximum Dockage Rate and the Dockage Rate for the immediately preceding Reporting Year, and as Adjusted for Inflation for the current Reporting Year, are competitive with Comparable Cruise Ports and are at a level that will achieve the objectives of maximizing use of the Cruise Port Facility by Cruise Lines. The Parties shall increase the Maximum Dockage Rate and the Dockage Rate in a manner which achieves such objectives and as agreed by the Parties, such agreement not to be unreasonably withheld. Adjustments for Inflation and any changes in the Maximum Dockage Rate will be notified to the Cruise Lines and published by the Concession Company immediately upon approval, provided however that changes in the Maximum Dockage Rate and Dockage Rate, other than an Adjustment for Inflation implemented on any Reporting Year, shall not become effective earlier than two (2) years after the changes agreed to by the Parties are notified to Cruise Lines and published, including in the Concession Company website.

(c) The Dockage Rate shall apply to, and may be collected by the Concession Company for, each ton of each Cruise Line Vessel using the Cruise Port Facility; provided, however, that the Dockage Rate shall not be collected for (1) each Cruise Line Vessel using the Cruise Port Facility for the first time, (2) any vessel operated by or on behalf of the harbor master for San Juan Bay, the Commonwealth or the United States of America, including the United States Coast Guard or the United States Army Corps of Engineers, (3) any tugboat servicing a Cruise Line Vessel at the Cruise Port Facility, (4) the supplies, not including fuel, and repair materials provided for the use of any Cruise Line Vessel or their passengers and crew, (5) ballast in bulk which is not manifested as cargo and has no commercial value, (6) the luggage of the passengers and crew which is carried on the same Cruise Line Vessel as the passengers and crew, and provided that the Cruise Line Vessel does not impose a separate and specific fee or charge for such luggage, (7) any vessel using the Cruise Piers during the occurrence of any emergency, danger, threat, circumstance or event provided in Section 3.7(a)(iii) of this Agreement, or (8) any vessel using the Cruise Piers during any voyage the primary purpose of which is research or the training of crew. With respect to Other Shipping Lines, unless otherwise Approved by the Authority at the time, dockage fees shall be assessed and collected following the same process, methodology and rates for calculating and charging these fees as determined in the Authority Regulation.

4. Services and Charges.

(a) General Services. The Concession Company may organize Ancillary Services and collect fees and charges as provided below and in Sections 4, 5 and 7 of this Schedule 15. Only when expressly permitted below, Ancillary Services may be provided through Affiliates of the

Concession Company that shall be organized under the laws of the Commonwealth and include local Puerto Rico shareholders or members. In such Affiliates, the Concession Company shall never hold majority ownership and the remaining ownership will be held by local Puerto Rico shareholder(s) or member(s) (the "Affiliated Service Providers"). Local workers or local service providers will be used by the Concession Company in providing its Services and by the Affiliated Service Providers when providing Ancillary Services. If the local Puerto Rico shareholders or members of the Affiliated Service Provider are not identified by Closing, they shall be identified no later than the first anniversary of Closing, until which time no Affiliated Service Providers may perform services otherwise authorized to be provided by Affiliated Service Providers. The Concession Company shall obtain agreement from the Affiliated Service Provider and its shareholders/members with respect to the duties of the Affiliated Service Provider and requirements under this Agreement before the Affiliated Service Provider can provide services. The Concession Company shall provide documentation to the Authority evidencing such agreements by the Affiliated Service Provider and its shareholders/members.

For the avoidance of doubt, (i) the Concession Company may not provide Non-Exclusive Ancillary Services (as defined in Schedule 3) directly but may only provide them through Affiliated Service Providers and (ii) the Concession Company shall provide Reference Services and Ancillary Services, other than Non-Exclusive Ancillary Services, directly and shall not provide them through Affiliates, unless Approved by the Authority. Services that can be provided by the Affiliated Service Providers or any other Person are also identified in this Schedule 15. If charges or fees are imposed on any Person providing Ancillary Services (be it Entry Fees or Infrastructure Fees), they shall be applied equally to all service providers and no preference shall be given to any particular Person, including the Affiliated Service Providers. The Concession Company shall provide the Authority a copy (with all information unredacted) of each agreement or document memorializing the arrangement pursuant to which another Person shall have access to the Cruise Port Facility to provide Ancillary Services for a fee or charge pursuant to this Schedule 15. A copy of each such agreement or document memorializing the arrangement shall be provided to the Authority not later than thirty (30) days after it is executed by the Concession Company and any such Person, including agreements with Affiliated Service Providers.

The following fees and charges may be modified during the Term of this Agreement only after an evaluation process and require Approval by the Authority. As further specified below, the Concession Company may impose an administrative charge in the form of (i) an entry fee ("Entry Fee"), (ii) an infrastructure fee ("Infrastructure Fee"), or (iii) in such other form of fee Approved by the Authority, in each (i), (ii) and (iii) as a share of amortization of the investment of the Concession Company in the Cruise Port Facility, to cover ongoing maintenance and operating expenses of the terminals, and, when applicable, for coordination and management of traffic flows (collectively, the "Administrative Charges"). The type of Administrative Charge and the specific amounts to be charged for each such Administrative Charge shall be as indicated below for each service.

(i) Water Served with Hoses. To the extent permitted by and in accordance with applicable Law, including rules and regulations of the Puerto Rico Aqueduct and Sewer Authority (or any successor thereto, the "Water Authority"), fresh water will be supplied by the Concession Company from Closing, on an exclusive basis, through hoses or pipes at the Cruise Port Facility to each Cruise Line Vessel or Other Shipping Line at

the Cruise Port Facility. Total water charges shall be comprised of the pass through cost of the water served as billed (per cubic meter --or such other billing unit that may be used at the time by the Water Authority-- plus fixed charges and any other charges imposed by the Water Authority attributable to the Cruise Line Vessel), plus an Administrative Charge (as defined in Section 8 of this Schedule 15) per connector not to exceed 10% of the water billed, or as otherwise permitted under applicable Law. The Administrative Charge payable to the Concession Company shall be invoiced by the Concession Company to Cruise Lines or to Cruise Lines agents, as instructed by the Cruise Lines. All water hoses shall be provided by each Cruise Line Vessel or Other Shipping Line free of leaks and will comply with applicable Law. For the avoidance of doubt, trucks delivering water in hoses billed as provided above will not be charged the Entry Fee described below for accessing the Cruise Port Facility.

(ii) Water in Drums. Any Cruise Line Vessel or Other Shipping Line not equipped to take water by hose or pipe at the Cruise Port Facility will be supplied with water in drums or other containers by the Concession Company from Closing, on an exclusive basis, to the extent permitted by and in accordance with applicable Law, including rules and regulations of the Water Authority as these may be applicable, (collectively the provision of water by hose, pipe, drum or other container, the "Water Services"). The drum or other container has to be provided by the Cruise Line Vessel or Other Shipping Line, unless otherwise agreed by the Concession Company. The total charge shall be based on the actual cost of the water by drum plus an Administrative Charge not to exceed 10% of the water billed, or as otherwise permitted under applicable Law. The Administrative Charge payable to the Concession Company shall be invoiced by the Concession Company to the Cruise Line or to Cruise Lines agents, as instructed by the Cruise Lines. The Concession Company may assign the collection of invoices for Water Services to a Contractor, including the Water Authority. For the avoidance of doubt, trucks delivering water in drums billed as provided above will not be charged the Entry Fee described below for accessing the Cruise Port Facility.

(iii) Electricity. To the extent permitted by and in accordance with applicable Law, including rules and regulations of the Puerto Rico Electric Power Authority (or any successor thereto) (the "Electricity Company"), shore power will be supplied by the Concession Company, on an exclusive basis, for each Cruise Line Vessel and Other Shipping Line at the Cruise Port Facility (collectively, the "Electricity Services"). Total charges for Electricity Services shall be comprised of the pass-through cost of the shore power electricity as billed (per kilowatt-hour--or such other billing unit that may be used at the time by the Electricity Company-- plus fixed charges and any other charges imposed by the Electricity Company), plus an Administrative Charge of the Electricity Services billed. The Administrative Charges for providing Electricity Services shall be evaluated and Approved by the Authority, and the Puerto Rico Energy Bureau (or any successor thereof) as it may be applicable to the Concession Company in connection with the resale of electricity, if and when the Concession Company builds a shore power system. The Electricity Services fee payable to the Concession Company shall be invoiced by the Concession Company to the Cruise Line or to Cruise Lines agents, as instructed by the Cruise Lines and in accordance with any applicable Law.

(iv) Supply of Other Provisions. Cruise Line Vessels and Other Shipping Lines in their discretion may procure any Person, including an Affiliated Service Provider, to provide services directly to the applicable Cruise Line Vessel or Other Shipping Line for the delivery of provisions or services other than Water Services and Electricity Services to Cruise Line Vessels and Other Shipping Lines (the "Provision Services"). The Concession Company may impose an Administrative Charge to allow access to the Cruise Port Facility for the Provision Services, which shall be as follows, unless otherwise Approved by the Authority:

(1) An Administrative Charge in the form of an Entry Fee may be charged to Persons supplying Provision Services. The Entry Fees for Provision Services shall be based on the following rates and shall not be imposed before July 1, 2024. They may be Adjusted for Inflation beginning on January 1, 2025 and on January 1 of each Reporting Year thereafter through the Term:

Vehicle Type	**2024U.S. Dollar ($)**
Car / Minivan	20
Light Truck (capacity up to 4,000 pounds)	120
Truck	180

The Entry Fees for Provision Services above are valid for a maximum period of twelve (12) hours (regardless of how many times the same vehicle enters within this 12-hours period), any day of the week and not subject to a surcharge on weekends or holidays.

(2) Port agents or any other applicable Person supplying Provision Services will be responsible to collect the vehicles plaque numbers and will send the Concession Company the information and coordinate their arrival in advance. The Entry Fees will be charged to any such Person supplying Provision Services or to Cruise Lines or to Cruise Lines port agents, as shall be determined in advance between Concession Company and the Person requesting access to the Cruise Port Facility to provide Provision Services or as otherwise instructed by the Cruise Lines.

(v) Waste Disposal.

Cruise Lines and Other Shipping Lines may procure any Person, including an Affiliated Service Provider, to provide services directly to the applicable Cruise Line Vessel or Other Shipping Line for waste disposal (the "Waste Disposal Services"). The Cruise Pier Facility shall only receive and handle regular cruise ship generated wastes classified as non-hazardous solid wastes under the Puerto Rico Non-Hazardous Solid Waste Management Regulation, Regulation Number 5717, as amended ("Non-hazardous Waste"), and any other applicable Law. The Concession Company shall establish rules

and procedures to ensure that the waste delivered in San Juan by the Cruise Lines Vessels and Other Shipping Lines is Non-hazardous Waste. The Concession Company shall also ensure that the waste received is handled and disposed of in compliance with applicable Environmental Laws and the Operating Standards to be developed as set forth in Schedule 12 and Approved by the Authority, and that duly licensed waste disposal companies are used for such handling and disposal. If due to an emergency or other extenuating circumstances it is necessary for Cruise Lines Vessels and Other Shipping Lines to dispose of waste other than Non-hazardous Waste, then the Concession Company shall use Reasonable Efforts to cause any Person handling and disposing of such waste to perform such services in accordance with applicable Law, notify the Authority of such circumstances and ensure that adequate measures are taken to protect the Cruise Port Facility and Persons in the vicinity. The Concession Company may charge an Administrative Charge as an Entry Fee to Persons providing Waste Disposal Services pursuant to the same rates as for Provision Services. Access to dispose of waste other than Non-hazardous Waste may entail an additional fee to be evaluated for Approval by the Authority based on the totality of the circumstances.

(vi) Passenger Control and Screening Services and Luggage Handling Services.

Cruise Line Vessels and Other Shipping Lines may procure any Person, including an Affiliated Service Provider, to provide services directly to the applicable Cruise Line Vessel or Other Shipping Line with regard to (1) the access control, screening and managing the flow of passengers and crew of the applicable Cruise Line Vessel or Other Shipping Line at the Cruise Piers in connection with embarkation and disembarkation activities or during calls at the Cruise Port Facility (the "Passenger Control and Screening Services") and (2) the screening or other inspection and loading and unloading of luggage of passengers and crew and any provisions and other cruise-related incidental cargo onto or from any Cruise Line Vessel or Other Shipping Line (the "Luggage Handling Services"). For avoidance of doubt, these services are not the same services as luggage handling services that involve bringing luggage from the airport, or hotel, or other location to the cruise terminal (or to those destinations). The Concession Company shall ensure that any Person providing Passenger Control and Screening Services or Luggage Handling Services for the Cruise Port Facility or any Cruise Line Vessel or Other Shipping Line, and all such Passenger Control and Screening Services and Luggage Handling Services, comply with the applicable Operating Standards to be developed as set forth in Schedule 12 and Approved by the Authority, including to ensure compliance with security and safety requirements, customer satisfaction, and any other security requirements of any relevant Governmental Authority under applicable Law; *provided, however*, that the Concession Company shall not include in any Safety Plan (as described in Schedule 12), Cruise Port Facility Security Program (as described in Schedule 12) or other Operating Standard any unreasonable restriction on or requirement for any Person providing Passenger Control and Screening Services or Luggage Handling Services or other Ancillary Services. The Authority shall have the absolute discretion to reject and prohibit the Concession Company from imposing any requirements on Persons providing Passenger Control and Screening Services or Luggage Handling Services that are unreasonable, contrary to this Schedule 15 or that otherwise hinder healthy competition and affect the local economy. The Concession

Company shall not directly provide Passenger Control and Screening Services or Luggage Handling Services, but Affiliated Service Providers may provide such services.

For the provision of Passenger Control and Screening Services and Luggage Handling Services:

(1) the Concession Company may provide to any Person providing Ancillary Services, equipment compliant with applicable operating and security requirements under applicable Law and this Agreement, in which case the Concession Company may impose and collect an Administrative Charge in the form of equipment rental fees to such Ancillary Service providers not exceeding $0.75 per Passenger Movement as Adjusted for Inflation, for Passenger Control and Screening Services and Luggage Handling Services combined ("Equipment Rental Fee").

(2) Persons providing Ancillary Service are free to bring and use their own security equipment if compliant with applicable operating and security requirements under applicable Law and this Agreement and, to the extent that space for storing such equipment is reasonably available, may store equipment used in connection with the provision of such Passenger Control and Screening Services or Luggage Handling Services at the Cruise Port Facility, for which storage the Concession Company may charge a reasonable fee, subject to evaluation and Approval by the Authority and based on the principles for establishing Administrative Charges set forth in Section 8 of this Schedule 15.

(3) Persons providing Passenger Control and Screening Services or Luggage Handling Services, including Affiliated Service Providers, may be charged an Administrative Charge in the form of an Infrastructure Fee (and specifically in this case, luggage handling and passenger screening areas) of up to: (i) $0.25 USD per Passenger Movement for which Passenger Control and Screening Services are provided by such Person, for the avoidance of doubt separately for embarkation and disembarkation of passengers; and (ii) $0.75 USD per Passenger Movement for which Luggage Handling Services are provided by such Person, for the avoidance of doubt separately for loading and unloading of luggage. If the Persons providing Passenger Control and Screening Services or Luggage Handling Services are using the Concession Company equipment, the Equipment Rental Fee shall apply in addition to the Infrastructure Fees specified in this item 4(a)(vi)(3).

(4) Any modification to these terms and conditions and any requirement that may be imposed on any Person to provide Passenger Control and Screening Services or Luggage Handling Services directly to the Cruise Line Vessels and Other Shipping Lines shall be subject to evaluation and Approval process by the Authority based on the principles for establishing the Administrative Charges set forth in Section 8 of this Schedule 15.

(5) The Infrastructure Fees described in (3) above shall not be imposed before July 1, 2024. These Infrastructure Fees may be Adjusted for Inflation beginning on

January 1, 2025 and on January 1 of each Reporting Year thereafter through the Term.

(vii) Information, Tour and Related Guest Services.

The Concession Company shall develop one or more areas within the Cruise Pier Buildings or at other locations on the Cruise Port Facility (each, an "Exclusive Information Center") where the Concession Company, any Affiliated Service Provider, or other Persons providing Ancillary Services and Approved by the Concession Company and the Authority, such approval by the Parties not to be unreasonably withheld, may provide information, tour and related guest services, and transportation services, and sell such services (the "Guest and Transportation Services"). The Puerto Rico Tourism Company, or its successor, shall have the right, in its discretion, upon reasonable notice to the Concession Company, to have a booth or other space at each Exclusive Information Center and station a representative there at any time to promote tourism, provide written information about Puerto Rico's offerings, and to promote other activities that are part of its corporate objectives in the Commonwealth. The Concession Company shall, in addition, develop one or more areas within the Cruise Pier Buildings or at other locations within the Cruise Port Facility Approved by the Authority and convenient to passengers and crew of Cruise Line Vessels and Other Shipping Lines and their invitees (each, a "Public Information Center") where one or more Persons, other than the Concession Company or an Affiliated Service Provider, may provide information about and sell Guest and Transportation Services. Subject to reasonable restrictions Approved by the Authority to maintain order and safety at the Cruise Port Facility, any Person providing Ancillary Services may utilize the Public Information Centers. The Concession Company may establish fees for leasing space at the Exclusive Information Centers and the Public Information Centers, to be subject to evaluation and Approval process by the Authority based on the principles for establishing prices set forth in Section 8 of this Schedule 15. The Exclusive Information Centers, the Public Information Centers, the Guest and Transportation Services, and their development and management, are further discussed in the Initial Business Plan. The overall number and the amount of square footage of the Exclusive Information Centers and the Public Information Centers should be roughly equivalent, subject to overall demand for the Public Information Centers. Distribution and handling of Exclusive Information Centers and Public Information Centers and the charges to be imposed on their users shall be a priority topic for discussion by the Concession Company with the stakeholders working groups and the Steering Committee before proposing for the Approval Process to the Authority.

(viii) Retail Services.

In addition to the exclusive right of the Concession Company to lease to third parties space in any Cruise Pier Building, the Concession Company may provide retail services in the Cruise Pier Buildings, including food and beverage services, as Approved by the Authority and authorized by applicable Law, including in accordance with zoning restrictions (the "Retail Services"). The Concession Company shall provide separate proper locations within the Cruise Pier Building and at other locations on the Cruise Port Facility for bona fide artisans of Puerto Rico to exhibit and sell art and crafts and cultural

goods made in Puerto Rico related to the Puerto Rican culture and may establish special nominal fees for leasing space to such artisans based on the principles for establishing prices set forth in Section 8 of this Schedule 15 or as otherwise set forth in Act 30-2014, as may be amended from time to time. The Concession Company acknowledges that it is knowledgeable of Act 30-2014 and agrees to comply therewith.

(ix) Fuel.

Cruise Line Vessels and Other Shipping Lines may procure any Person, including an Affiliated Service Provider, to provide fuel supply services (the "Fuel Supply Services"). If Fuel Supply Services are requested from Persons that can provide it, including Affiliated Service Providers, and are provided to the Cruise Line Vessels or the Other Shipping Lines from the Cruise Port Facility, and not from the water, the Concession Company may establish and collect an Administrative Charge in the form of an Entry Fee, as provided below. These Entry Fees for Fuel Supply Services shall not be imposed before July 1, 2024. It may be Adjusted for Inflation beginning on January 1, 2025 and on January 1 of each Reporting Year thereafter through the Term.

Vehicle Type	**2024 U.S. Dollar ($)**
Light Truck (capacity up to 4,000 pounds)	120
Truck	180

(b) Parking. The Concession Company, on an exclusive basis, shall provide adequate parking space at the Cruise Port Facility or in adjacent areas by way of agreements with third parties for (i) its employees and Contractors, (ii) employees, Contractors and passengers, and their invitees, of any Cruise Line or Other Shipping Line using the Cruise Port Facility, and (iii) employees and Contractors, and their invitees, of the Authority and any other Governmental Authority requiring access to the Cruise Port Facility. Parking fees shall be subject to evaluation and Approval process by the Authority and established based upon the principles set forth in Section 8 of this Schedule 15; provided, however, that use of parking space at the Cruise Port Facility for employees, Contractors and invitees of the Authority and any other Governmental Authority in connection with work related activities at the Cruise Port Facility shall be free of charge. These parking services do not include, and shall not be deemed to constitute, compliance by the Authority with the obligation to provide parking spaces under the Preferential Berthing Agreements, which obligation remains as an Excluded Liability as provided in Section 3.2 (c)(iv) of this Agreement.

(c) The Walkway. The Piers 1-4 Walkway, the lateral areas from the terminal in Piers 11-12 toward the Fernandez Juncos Avenue, (as described in the approved 30% Design as defined in Schedule 13), the paved sidewalks abutting the vehicle circulation area of Pan American Pier 1 and Pan American Pier 2, each enclosing a paved parking area facing each Cruise Pier (as all is described in Schedule 1), and the areas to be described as "walkways" in any future 30% Design in connection with Phase Two Projects with respect to Pier 13 and Pier 14 (the "Walkways"), shall be open to the public and shall, to the extent allowed under applicable Law and consistent with

security and operational considerations, provide space to bona fide Puerto Rican culture artisans, Persons providing Guest and Transportation Services and Public Information Centers for passengers and crew of Cruise Line Vessels and Other Shipping Lines. The distribution of these spaces for the purposes described in this Schedule 15 shall be subject to the Approval process by the Authority, which Approval shall not be unreasonably withheld. Other restrictions and restrictive covenants on the Concession Company in connection with the use of the Walkways are set forth in Schedule 1 and in the deed of Concession, including that access shall be granted through the Pier 1-4 Walkway to users of Pier 2 and a right of way shall be identified for such purposes, becoming Permitted Authority Encumbrance. Furthermore, the areas identified as "Taxi Lanes" in Schedule 1, although inside the Concession Parcel Area identified in Figure 6 of Schedule 1, shall also be available for transportation services for the benefit of Pier 2 users and of other Persons not related to the Cruise Pier Facility activities. For the avoidance of doubt and given its location within the airport layout plan of the Ribas Dominicci (Isla Grande) Airport, use of the Walkways and terminal(s), flow of traffic and persons, and other uses, access and security, all with respect to and around Pan American Pier 1 and Pan American Pier 2, shall remain subject to FAA regulatory requirements and grant assurances imposed on the Authority.

5. Cruise Pier Building Leases. The Concession Company may, on an exclusive basis, lease space in any Cruise Pier Buildings for Cruise Port Purposes and the leasing of space in any Cruise Pier Buildings shall be in accordance with the Open Access Regime and consistent with permitted activities under applicable Law. Lease charges and any related fees shall be established based upon the principles set forth in Section 8 of this Schedule 15. In connection with the leasing of space in any Cruise Pier Buildings, the Concession Company shall comply with its obligations under the Assigned Port Facility Contracts. The Concession Company shall provide the Authority a copy (with all information unredacted) of each agreement pursuant to which the Concession Company leases any space at the Cruise Port Facility to any Person or allows any Person to use space at the Cruise Port Facility for a fee or in consideration of a revenue sharing arrangement or otherwise. A copy of each such agreement shall be provided to the Authority not later than thirty (30) days after it is executed by the Concession Company and any such Person.

6. Demurrage. The Concession Company may establish and collect a fee for demurrage from Closing applicable to Cruise Lines and Other Shipping Lines using the Cruise Piers when the Cruise Line Vessel or Other Shipping Line unexpectedly extends its stay alongside the pier (overlay). The Concession Company will include in the pricing protocol for Ancillary Services provided in Section 6.2 of Schedule 3 the methodology for calculating the demurrage fee, which shall be based upon the principles set forth in Section 8 of this Schedule 15, to the extent they are applicable to demurrage. The provisions of Sections 6.2(b) and (c) of Schedule 3 shall apply to the demurrage fee to the same extent they apply to Ancillary Services.

7. Stevedoring, Incidental Cargo and Line Handling.

(a) Cruise Line Vessels and Other Shipping Lines may procure any Person, including Affiliated Service Providers, to provide directly to the applicable Cruise Line Vessel or Other Shipping Line stevedoring and incidental cargo loading and unloading services at the Cruise Port Facility from time to time, which is incidental to its Cruise Port Purposes and is in addition to normal provisions required for passengers and crew and the luggage of passengers and crew (the "Stevedoring Services"). The Concession Company, however, may establish and collect

Administrative Charges in the form of Entry Fees from Persons providing Stevedoring Services, including Affiliated Service Providers, based on the equipment used in providing the Stevedoring Services in order to avoid penalizing small loading and service operations, as follows:

Entry Fee for Cruise Related Cargo Operations	**2024 In Dollars (US$)**
Stevedore / Foreman / Forklift Driver	75
Forklift	100
Crane	180

These Entry Fees are not per stevedore or foreman or per forklift or crane, or driver of either, but will be charged by operation; that is, if in the same operation on the same day, more than one stevedore or foreman or forklift driver enters the Cruise Port Facility or more than one item of equipment is used, only one Entry Fee will be assessed for the operation. That Entry Fee shall be the highest applicable charge and imposed only once per that operation. These Entry Fees for Stevedoring Services include a share of amortization of the investment of the Concession Company in the Cruise Port Facility, ongoing maintenance and operating costs and coordination of the Concession Company's team to manage and segregate flows (passengers & merchandise) and guarantee the pier security (ISPS).

(b) Cruise Line Vessels and Other Shipping Lines may procure any Person, including Affiliated Service Providers, to provide line handling services at the Cruise Port Facility to Cruise Line Vessels and Other Shipping Lines from time to time ("Line Handling"). The Concession Company may establish and collect an Entry Fee for Line Handling from Persons that access the Cruise Line Vessels or Other Shipping Lines from the Cruise Port Facility and not from the water, to provide Line Handling services, including Affiliated Service Providers. The Entry Fee for Line Handling shall not exceed $75 per crew per operation.

(c) The criteria for giving access to the Persons providing Stevedoring Services or Line Handling services shall be those required by applicable Law, including the United States Department Homeland Security and United States Coast Guard regulations.

(d) Entry Fees for Stevedoring Services or Line Handling shall not be imposed before July 1, 2024. They may be Adjusted for Inflation beginning on January 1, 2025 and on January 1 of each Reporting Year thereafter through the Term.

(e) Any modification to the above Stevedoring Services and Line Handling Entry Fees and any requirement that may be imposed on any Person to provide Stevedoring Services or Line Handling directly to the Cruise Line Vessels and Other Shipping Lines shall be subject to evaluation and Approval process by the Authority based on the principles for establishing Administrative Charges set forth in Section 8 of this Schedule 15.

8. Ancillary Services Pricing Principles and Administrative Charges. It is the Concession Company's commitment to apply the guiding principles and stakeholders' involvement procedures and commitments established in Sections 1(a) and 1(b) of this Schedule 15. Based on this material

covenant of the Concession Company, the following general pricing principles will apply. Pricing for Ancillary Services, as is the case with other pricing and rates established in accordance with this Schedule 15, and their revisions from time to time, shall be subject to Authority Approval. For such Approval, in addition to the requirements of Section 1.17 of this Agreement, the Authority may request, and the Concession Company shall provide, any relevant information or documents, as the Authority may reasonably deem necessary, to ensure compliance by the Concession Company and any Affiliated Service Provider with this Schedule 15 and the following principles.

(a) The principles for establishing the prices for Ancillary Services and other fees or charges identified in this Schedule 15, are as follows:

(i) pricing for Ancillary Services and Administrative Charges (including Entry Fees and Infrastructure Fees) is a matter of reasonable commercial discretion subject to these pricing principles. Pricing for Reference Services is also subject to the open and non-discriminatory access obligations;

(ii) providers of Ancillary Services are entitled to generate a competitive and reasonable commercial rate of return having regard to business, commercial and regulatory risks, when applicable;

(iii) pricing should take into account all efficient input costs (including all costs incurred in implementing, administering and complying with the Open Access Regime and the applicable Operating Standards);

(iv) pricing should take into account an appropriate allocation of common costs and overhead costs;

(v) pricing should take into account expected and committed volumes;

(vi) pricing should take into account the level of capital invested in the Cruise Port Facility relevant for those Ancillary Services;

(vii) pricing should be competitive with pricing for the same or similar services at Comparable Cruise Ports and in Puerto Rico, as applicable, taking into consideration differences in labor, commodities and other similar costs;

(viii) pricing and Administrative Charges should take into account that the Concession Company revenue generating activities shall not hinder current Puerto Rico service providers, vendors and the tourism related local economy and shall never unfairly favor the Affiliated Service Provider in detriment of other providers; and

(ix) any Administrative Charge shall be non-discriminatory and reasonable and not impose onerous conditions that would hinder provision of the applicable Ancillary Services or displace local providers of Ancillary Services.

Any modification to Administrative Charges established in this Schedule 15 and any new Ancillary Services and related charges shall have to be Approved by the Authority before they can become effective.

(b) In addition to the obligation of sharing copies of agreements pursuant to Sections 4(a) and 5 above, the Concession Company shall report to the Authority on January 1 of each Reporting Year (i) the names of all Persons providing Ancillary Services on the Cruise Port Facility to Cruise Line Vessels or Other Shipping Lines; (ii) copies of the agreements or terms and conditions agreed by the Concession Company with such Persons; (iii) pricing set by the Affiliated Service Provider with Cruise Lines or port agents to provide permitted Ancillary Services; (iv) the names and agreements of all Persons leasing or using space in the Cruise Pier Buildings or at the Cruise Port Facility; and (v) the Administrative Charge imposed on, and any other charge agreed or otherwise paid by, each Person providing Ancillary Services to Cruise Line Vessels or Other Shipping Lines or otherwise.

9. Remedies for Non-Payment of Fees and Charges. The Concession Company may exercise any rights and remedies available to it under applicable Law in connection with the collection of any fees and charges owed to the Concession Company by any Person, including the Administrative Charges.

10. Authority Charges to Cruise Line Vessels and Other Shipping Lines. The Authority may continue to establish and collect (a) Port Service Charges (as described in the Authority Regulation) pursuant to the Authority Regulation and other applicable Law with respect to Cruise Line Vessels and Other Shipping Lines using the Cruise Port Facility and (b) other applicable Charges imposed on all Persons or vessels using San Juan Bay and related facilities; provided, however, that, without limiting the discretion of the Authority, the Authority shall consult the Concession Company regarding the potential impact that such Charges may have on Cruise Line Vessel traffic in the San Juan Bay area. The Authority may apply the proceeds of such Port Service Charges or other Charges as the Authority determines in its discretion.

11. Other Provisions relating to Ancillary Services

(a) Any Ancillary Services or other services provided (i) from San Juan Bay (from the water) and not from the Cruise Port Facility (inland) or (ii) on board a Cruise Line Vessel or Other Shipping Line, shall not be subject to exclusivity and control by the Concession Company and may be arranged and received by the Cruise Lines and Other Shipping Lines without interference from the Concession Company, and the Concession Company shall not establish or collect any fee or charge for any such Ancillary Services or other services other than as Approved by the Authority from time to time; provided, however, that the Concession Company may establish reasonable rules, subject to Authority Approval, for the provision of such Ancillary Services or other services from San Juan Bay in order to prevent damage to the Cruise Piers or unreasonable interference with Cruise Port Facility Operations, and the provision of any such Ancillary Services or other services shall comply with the Cruise Port Facility Security Program. Examples of Ancillary Services provided from San Juan Bay include bunkering, tugging services and pilotage services.

(b) The Concession Company shall allow, and not hinder in any way, Persons that provide Ancillary Services that are not exclusively to be provided by the Concession Company, as expressly indicated in this Schedule 15.

(c) The Concession Company shall provide access to the Cruise Piers as the applicable Cruise Line Vessels and Other Shipping Lines may reasonably require for any Person to provide

Ancillary Services to Cruise Line Vessels and Other Shipping Lines and their passengers and crew, and invitees of any of them, subject to compliance by any such Person with the Cruise Port Security Program (as described in Schedule 12) and Operating Standards Approved by the Authority, as such program and standards shall be applicable to the services to be provided and access necessary to be granted. Any agreements or document memorializing the arrangement pursuant to which another Person shall have access to the Cruise Port Facility to provide Ancillary Services shall include provisions requiring compliance with the applicable Operating Standards and may provide for any remedies to the Concession Company, and the Authority as beneficiary, for non-compliance by such Persons with these standards. Notwithstanding anything to the contrary in this Agreement, the Authority shall Approve the form of such agreements or written documents, and any material deviation from the Approved forms. In case a Person providing Ancillary Services does not comply with the applicable Operating Standards, and the non-compliance by such Person and the supervision and enforcement efforts by the Concession Company have been duly documented to the reasonable satisfaction of the Authority, the Concession Company may proceed with the enforcement of any contractual remedies under those Agreements and shall notify the Authority in advance of any such enforcement.

12. Annual Authority Revenue Share

The Annual Authority Revenue Share (being, prior to any adjustment pursuant to this Section 12, 5% of Gross Revenue, where "Gross Revenue" means the gross Cruise Port Revenues of the Concession Company and each Affiliated Service Provider in a relevant Reporting Year, provided that, with respect to the gross Cruise Port Revenues of an Affiliated Service Provider, it shall be adjusted to include only the percentage of such gross Cruise Port Revenues equal to the percent ownership of the Concession Company in the Affiliated Service Provider, as further explained in paragraph (d) of this Section 12) shall be adjusted as provided in this Agreement in the following amounts:

(a) With respect to Government Contributions scenarios:

(i) If the Phase Two Projects are fully financed with Government Contributions or other funds provided by the Authority, upon completion of the Phase Two Projects (whether or not Pier 4 Reconstruction is completed), the Annual Authority Revenue Share shall be increased by an additional 5% of Gross Revenue.

(ii) If the Pier 4 Reconstruction is fully financed with Government Contributions or other funds provided by the Authority, and such reconstruction:

(1) is expanded to increase the capacity of Pier 4 to two (2) port of call Category 3 Cruise Line Vessels ("Expanded Pier 4 Reconstruction"), upon completion of such Expanded Pier 4 Reconstruction, the Annual Authority Revenue Share shall be increased by an additional 2.5% of Gross Revenue; or

(2) maintains the capacity of Pier 4 to two (2) port of call Category 2 Cruise Line Vessels, upon completion of the Pier 4 Reconstruction, the Annual

Authority Revenue Share shall be increased by an additional 1% of Gross Revenue.

(b) In addition to the adjustments provided in Section 12(a) of this Schedule 15, and without in any manner limiting the provisions of Section 13 of this Schedule 15, if:

(i) fewer than all of the components of (1) the Pier 4 Reconstruction or (2) the Expanded Pier 4 Reconstruction, or (3) the Phase Two Projects, are financed with Government Contributions; or

(ii) the Pier 4 Reconstruction, the Expanded Pier 4 Reconstruction or the Phase Two Projects are partially financed with Government Contributions; or

(iii) any other Cruise Pier Improvement Project or Modification or part thereof is financed with Government Contributions; or

(iv) the Authority otherwise facilitates funding or other benefits to the Concession Company in connection with a Cruise Pier Improvement Project or Modification,

the Parties shall in good faith negotiate an appropriate adjustment to the Annual Authority Revenue Share taking into account the proportion of Government Contributions financing or other benefits and other factors considered relevant by the Parties. For the avoidance of doubt, if Section 13 of this Schedule 15 applies to the Piers 11-12 Project, then this Section 12(b) shall not apply with respect to the Piers 11-12 Project.

(c) In addition to the adjustments provided in Section 12(a) and Section 12(b) of this Schedule 15:

(i)

(1) beginning on the fifth anniversary of the Closing Date and until the tenth anniversary of the Closing Date, the Annual Authority Revenue Share shall be increased by an additional 2.5% of Gross Revenue during such period; and

(2) beginning on the tenth anniversary of the Closing Date, the Annual Authority Revenue Share shall be increased by an additional 4.0% of Gross Revenue.

(ii) The following exceptions apply to the Annual Authority Revenue Share increases provided in Section 12(c)(i):

(1) if the Annual Authority Revenue Share is increased as provided in Section 12(c)(i)(1) but the Piers 11-12 Project is Completed before the tenth anniversary of the Closing Date, then, as of the date of Completion of the Piers 11-12 Project, the Annual Authority Revenue Share shall decrease by the amount it has been increased

to such date pursuant to Section 12(c)(i)(1), but in no event shall the Annual Authority Revenue Share decrease to less than 5% of Gross Revenue;

(2) if, after the fifth anniversary of the Closing Date, the period beginning on the satisfaction of the Expansion Investment Projects Requirements following occurrence of the Expansion Investment Projects Trigger Event or the determination of the Concession Company to nevertheless implement the Expansion Investment Projects and ending 37 months later begins before the tenth anniversary of the Closing Date and extends beyond the tenth anniversary of the Closing Date (such period extending beyond the tenth anniversary of the Closing Date being the "Year 10 Adjustment Extension Period"), then during the Year 10 Adjustment Extension Period the Annual Authority Revenue Share shall remain at an additional 2.5% of Gross Revenue; *provided, however,* that (i) if Completion of the Piers 11-12 Project is not achieved during the Year 10 Adjustment Extension Period then beginning on the expiration of the Year 10 Adjustment Extension Period the Annual Authority Revenue Share shall be increased by an additional 4.0% of Gross Revenue as provided in Section 12(c)(i)(2) and (ii) if the Piers 11-12 Project is Completed then, as of the date of Completion of the Expansion Investment Projects, the Annual Authority Revenue Share shall decrease by the amount it has been increased to such date pursuant to this Section 12(c), but in no event shall the Annual Authority Revenue Share decrease to less than 5% of Gross Revenue; and

(3) if, before the fifth anniversary of the Closing Date, the period beginning on the satisfaction of the Expansion Investment Projects Requirements following occurrence of the Expansion Investment Projects Trigger Event or the determination of the Concession Company to nevertheless implement the Expansion Investment Projects and ending 37 months later extends beyond the fifth anniversary of the Closing Date (such period extending beyond the fifth anniversary of the Closing Date being the "Year 5 Adjustment Extension Period"), then during the Year 5 Adjustment Extension Period the Annual Authority Revenue Share shall not be increased as provided in Section 12(c)(i)(1); *provided, however,* that (i) if the Piers 11-12 Project is not Completed during the Year 5 Adjustment Extension Period then beginning on the expiration of the Year 5 Adjustment Extension Period and until the tenth anniversary of the Closing Date the Annual Authority Revenue Share shall be increased by an additional 2.5% of Gross Revenue as provided in Section 12(c)(i)(1) and (ii) if the Piers 11-12 Project is Completed then the Annual Authority Revenue Share shall decrease by the amount it has been increased to such date pursuant to this Section 12(c), but in no event shall the Annual Authority Revenue Share decrease to less than 5% of Gross Revenue.

(iii)

(1) For the avoidance of doubt, references in this Section 12 to increases or decreases or adjustments to the Annual Authority Revenue Share by a certain percent of Gross Revenue shall mean that the existing amount of the Annual Authority Revenue Share from time to time (being 5% of Gross Revenue plus any

additional percent of Gross Revenue previously added and not yet deducted under this Section 12) shall be aggregated with the relevant percent of Gross Revenue specified in this Section 12 to increase, decrease or otherwise adjust the Annual Authority Revenue Share. For example, (i) the provision in Section 12(a)(i) that the Annual Authority Revenue Share shall be increased by 5% of Gross Revenue shall mean that, if the Annual Authority Revenue Share in effect at the time is equal to 5% of Gross Revenue, then the adjusted Annual Authority Revenue Share shall be 10% of Gross Revenue and (ii) the provision in Section 12(c)(i)(2) that the Annual Authority Revenue Share shall be increased by 4% shall mean that, if the Annual Authority Revenue Share in effect at the time (disregarding any adjustment pursuant to Section 12(c)(i)(1)) is 5% of Gross Revenue, then the adjusted Annual Authority Revenue Share shall be 9% of Gross Revenue. In addition, for the avoidance of doubt, the Annual Authority Revenue Share shall be increased by the additional 4% of Gross Revenue referred to in Section 12(c)(i)(2) under the situation described in Section 12(c)(ii)(2) at the expiration of the Year 10 Adjustment Extension Period (if applicable) if the Piers 11-12 Project has not been Completed before the end of such Year 10 Adjustment Extension Period, but only until the Piers 11-12 Project is Completed, at which time the Annual Authority Revenue Share shall decrease by the amount it has been increased to such date pursuant to this Section 12(c), but in no event shall the Annual Authority Revenue Share decrease to less than 5% of Gross Revenue, and *provided, however*, that if the Piers 11-12 Project is completed as provided in Section 13 of this Schedule 15 then the Incremental Authority Revenue Share shall apply and shall not be reduced.

(2) Whether the Expansion Investment Projects Trigger Event has occurred and any determination by the Concession Company to implement the Expansion Investment Projects even though the Expansion Investment Projects Trigger Event has not occurred shall be included in an Expansion Investment Projects Notice to the Authority as provided in Section 3.25(c) of this Agreement.

(3) Any increase in the Annual Authority Revenue Share by an additional 4.0% of Gross Revenue as provided in this Section 12(c) of this Schedule 15 shall remain in effect throughout the Term except as the same may be further adjusted as provided herein (and, for the avoidance of doubt, any such increase shall cease to be effective, and the Annual Authority Revenue Share shall decrease by such 4.0% of Gross Revenue, upon Completion of the Piers 11-12 Project).

(4) The Year 10 Adjustment Extension Period and the Year 5 Adjustment Extension Period for achieving Completion of the Piers 11-12 Project as provided in Sections 12(c)(ii)(2) and (3) shall be extended in the event of a Delay Event, as provided in this Agreement and if the Concession Company otherwise satisfies the requirements which entitle it to an extension of time under this Agreement.

(5) All possible adjustments provided in this Section 12(c) shall be in addition to any separate adjustments (i) to the Annual Authority Revenue Share otherwise provided in Section 12(a) and Section 12(b), and (ii) to the Incremental Authority Revenue Share provided in Section 13 of this Schedule 15.

(6) The increase in the Annual Authority Revenue Share pursuant to Section 12(c)(i)(2) shall supersede and not be in addition to the 2.5% of Gross Revenue increase to the Annual Authority Revenue Share provided in Section 12(c)(i)(1) (which 2.5% of Gross Revenue increase to the Annual Authority Revenue Share shall only be applicable during the period referred to in Section 12(c)(i)(1) and any Year 10 Adjustment Extension Period under Section 12(c)(ii)(2)).

(d) when determining the Annual Authority Revenue Share payable from gross Cruise Port Revenues of the Affiliated Service Provider, the 5% (as it may be adjusted) of gross Cruise Port Revenues shall be calculated using the percentage of ownership of the Concession Company in the Affiliated Service Provider. For example,

- on a Reporting Year when the Annual Authority Revenue Share is at 5% (i.e., it has not been adjusted),
- and the ownership of the Concession Company in the Affiliated Service Provider is 40%,
- if the gross Cruise Port Revenues of the Affiliated Service Provider in such Reporting Year is $1,000,000.00, then the Annual Authority Revenue Share shall be calculated as follows:

  (i) 40% of $1,000,000 = $400,000.00, and
  (ii) 5% of $400,000 = $20,000.00

- The portion Annual Authority Revenue Share for that Reporting Year with respect to the gross Cruise Port Revenues of the Affiliated Service Provider shall be $20,000.00.

13. Incremental Authority Revenue Share

(a) In the event, as provided in Section 3.25(i), the Authority elects to require the Concession Company to implement the portion of the Piers 11-12 Project funded by Government Contributions (or, if required by the terms and conditions of the applicable Government Contributions Authorization or by applicable Law, the Authority undertakes a competitive procurement for the construction of the portion of the Piers 11-12 Project funded by Government Contributions and the Concession Company has one of the roles provided in Section 4.6(e)) and the Concession Company implements the portion of the Piers 11-12 Project funded other than by Government Contributions such that the Piers 11-12 Project is completed in full, then, beginning in the Reporting Year in which the Piers 11-12 Project is completed (with the Concession Company having the right, acting reasonably, to confirm such completion in accordance with the terms of the applicable construction contract) (the date on which the Piers 11-12 Project is so completed being the "Pier 11-12 Completion Date"), and in each Reporting Year thereafter in which any portion of the IARS Amount, the IARS Accrual and any IARS Accrual Installment or Modified IARS Accrual Installment, any Modified IARS Accrual Carryforward, DSCR Accrual or DSCR Accrual Carryforward (each as described in this Section 13 of Schedule 15 and, collectively, the "Incremental Authority Revenue Share") is unpaid, the Concession Company shall pay the Authority the Incremental Authority Revenue Share, subject to and in accordance

with this Section 13 of Schedule 15 and Section 15.1(c). For the avoidance of doubt, references in this Section 13 of Schedule 15 to the Piers 11-12 Project shall not include the conversion of Pier 4 into a port of call facility as described in Schedule 13.

(b) The Incremental Authority Revenue Share shall be (i) calculated for the Reporting Year in which the Pier 11-12 Completion Date occurs and for each Reporting Year thereafter until the end of the Term, (ii) due and payable in accordance with the remaining provisions of this Section 13 of Schedule 15, (iii) calculated in connection with the preparation of the audited annual financial report for the applicable Reporting Year as required by Section 8.1(c)(ii) and by the Person who prepares such audited report (including the Debt Service Coverage Ratio, defined below) and (iv) paid by the Concession Company within 30 days after the delivery of the audited annual financial report for the applicable Reporting Year as required by Section 8.1(c)(ii). For the Reporting Year in which the Pier 11-12 Completion Date occurs the IARS Amount shall be equal to the IARS Percentage (defined below) multiplied by the gross Cruise Port Revenues in such Reporting Year multiplied by a fraction the numerator of which is the number of days between the Pier 11-12 Completion Date and December 31 of such Reporting Year and the denominator of which is 365.

(c) "IARS Amount" means and shall be equal to the gross Cruise Port Revenues in each Reporting Year multiplied by the percent (the "IARS Percentage") determined by reference to the amount of the Government Contributions for the Piers 11-12 Project and the number of full months between the Closing Date and the Pier 11-12 Completion Date, as set forth in the table on the following page.

Unless the amount of the Government Contributions for the Piers 11-12 Project (rounded down to the nearest $1,000) and the number of full months between the Closing Date and the Pier 11-12 Completion Date is shown on the table on the following page (in which case that percentage will apply), the applicable IARS Percentage shall be determined by interpolation from the amounts and numbers shown in the table on the following page.

Pier 11-12 Completion Date from Closing Date in Months[1]	25	31	37	43	49	55	61	67	73	79	85	91	97
Government Contributions													
50,000	2.34%	2.36%	2.31%	2.28%	2.24%	2.20%	2.17%	2.14%	2.12%	2.08%	2.06%	2.02%	2.01%
75,000	3.51%	3.53%	3.47%	3.41%	3.36%	3.31%	3.25%	3.21%	3.18%	3.12%	3.09%	3.04%	3.01%
100,000	4.67%	4.71%	4.63%	4.55%	4.48%	4.41%	4.34%	4.28%	4.23%	4.16%	4.12%	4.05%	4.02%
125,000	5.84%	5.89%	5.79%	5.69%	5.59%	5.51%	5.42%	5.35%	5.29%	5.20%	5.15%	5.06%	5.02%
150,000	7.01%	7.07%	6.94%	6.83%	6.71%	6.61%	6.51%	6.42%	6.35%	6.24%	6.18%	6.07%	6.03%
175,000	8.18%	8.25%	8.10%	7.97%	7.83%	7.71%	7.59%	7.48%	7.41%	7.27%	7.21%	7.08%	7.03%
200,000	9.35%	9.42%	9.26%	9.11%	8.95%	8.82%	8.68%	8.55%	8.47%	8.31%	8.24%	8.10%	8.03%
225,000	10.52%	10.60%	10.41%	10.24%	10.07%	9.92%	9.76%	9.62%	9.53%	9.35%	9.27%	9.11%	9.04%
250,000	11.69%	11.78%	11.57%	11.38%	11.19%	11.02%	10.85%	10.69%	10.59%	10.39%	10.30%	10.12%	10.04%

1. For all scenarios shown in the above table, the assumed remaining concession term post-Pier 11-12 Completion Date is 27 years and 5 months except for the scenario that assumes Pier 11-12 Completion Date in 25 months, for which the assumed remaining concession term post-Pier 11-12 Completion Date is 27 years and 11 months.

(d) The IARS Amount shall accrue in each Reporting Year beginning in the Reporting Year in which the Pier 11-12 Completion Date occurs, but the Concession Company shall not be required to pay the accrued IARS Amount to the Authority unless and until the 2,000,000 Passenger Movements Expansion Investment Projects Trigger Event (described in clause (ii) of the definition of such term) occurs (the "IARS Payment Trigger Date"). In the event the Pier 11-12 Completion Date occurs before the IARS Payment Trigger Date, the IARS Amount that accrues but is not required to be paid because the IARS Payment Trigger Date has not occurred (the "IARS Accrual") shall be paid in ten installments (the "IARS Accrual Installments"), with the first IARS Accrual Installment to be paid by the Concession Company for the Reporting Year in which the IARS Payment Trigger Date occurs and the remaining nine IARS Accrual Installments being made for each of the following nine Reporting Years; *provided, however*, that the first IARS Accrual Installment shall be equal to one-tenth of the IARS Accrual multiplied by a fraction the numerator of which is the number of days between the IARS Payment Trigger Date and December 31 of such Reporting Year and the denominator of which is 365, and the difference between such one-tenth of the IARS Accrual and the amount resulting from multiplying such one-tenth of the IARS Accrual by such fraction shall be divided equally among and added to the remaining nine IARS Accrual Installments; and *provided, further*, that if the IARS Payment Trigger Date occurs in the ninth Reporting Year before the last Reporting Year of the Term, or in any later Reporting Year (closer to the end of the Term), then the IARS Accrual shall be paid in equal installments calculated by dividing the IARS Accrual by the number of Reporting Years remaining up to the end of the Term, including the Reporting Year in which the IARS Payment Trigger Date occurs (the "Modified IARS Accrual Installments"), but with the first Modified IARS Accrual Installment being calculated by multiplying it by a fraction the numerator of which is the number of days between the IARS Payment Trigger Date and December 31 of such Reporting Year and the denominator of which is 365, and the difference between such Modified IARS Accrual Installment and the amount resulting from multiplying such Modified IARS Accrual Installment by such fraction being divided equally among and added to the remaining Modified IARS Accrual Installments.

(e) Any Modified IARS Accrual Installment required to be paid for any Reporting Year shall not exceed fifty percent (50%) of the IARS Amount due and payable for such Reporting Year, with any amount of a Modified IARS Accrual Installment due to be paid in a Reporting Year but not paid because of such limitation (the "Modified IARS Accrual Carryforward") being added to the Modified IARS Accrual Installment for the next succeeding Reporting Year and required to be paid in the next succeeding Reporting Year (but subject to the same limitation and with any unpaid amount carried forward for payment to the next succeeding Reporting Year as Modified IARS Accrual Carryforward).

(f) The Concession Company shall not be required to pay the IARS Amount, an IARS Accrual Installment, a Modified IARS Accrual Installment or a Modified IARS Accrual Carryforward if the Debt Service Coverage Ratio is not met for the Reporting Year for which the IARS Amount, an IARS Accrual Installment, a Modified IARS Accrual Installment or a Modified IARS Accrual Carryforward is due to be paid. The term "Debt Service Coverage Ratio" means the ratio of (i) cash flow of the Concession Company available for the payment of Concession Mortgage Debt issued on the Closing Date for the payment of the Initial Investment Projects and the Concession Fee and other Concession Mortgage Debt issued for the payment of the cost and expense of the portion of the Piers 11-12 Project funded by the Concession Company other than

by Government Contributions pursuant to Section 3.25(i) (the "Initial/EIP Project Debt) to (ii) principal and interest payments on the Initial/EIP Project Debt in the applicable Reporting Year required to be met pursuant to the Concession Mortgage, and shall be calculated in accordance with the terms of the Concession Mortgage. Any portion of the IARS Amount, an IARS Accrual Installment, a Modified IARS Accrual Installment or a Modified IARS Accrual Carryforward that is due to be paid with respect to any Reporting Year but which is not required to be paid because the Debt Service Coverage Ratio is not met (the "DSCR Accrual") shall be paid in the immediately succeeding Reporting Year, subject to the Debt Service Coverage Ratio being met for such Reporting Year (the "DSCR Accrual Carryforward").

(g) No interest will accrue on the IARS Accrual and any IARS Accrual Installment or Modified IARS Accrual Installment, any Modified IARS Accrual Carryforward, DSCR Accrual or DSCR Accrual Carryforward up to the time that any such amount is required to be paid as provided in this Section 13 of Schedule 15; *provided, however*, that any IARS Amount, IARS Accrual Installment or Modified IARS Accrual Installment, any Modified IARS Accrual Carryforward, DSCR Accrual or DSCR Accrual Carryforward not paid when due shall bear interest at a rate per annum equal to the Bank Rate until paid.

(h) Subject to the Debt Service Coverage Ratio being met for the applicable Reporting Year, the payment of the Incremental Authority Revenue Share shall be senior to the payment of any debt of the Concession Company (including Concession Mortgage Debt, Qualified Debt or other debt of the Concession Company) and junior only to the payment of the Annual Authority Revenue Share.

(i) The Concession Company shall not, and shall not permit any Person to, pay any return of capital, return on capital, dividend or similar payment to any Equity Participant at any time during which any DSCR Accrual or DSCR Accrual Carryforward is outstanding and unpaid to the Authority.

SCHEDULE 17

AUTHORIZATIONS

A. Designation to be obtained by the Authority:

Although it shall not be considered an "Authorization", the Authority shall also use its Reasonable Efforts to obtain classification of the Concession as a "strategic project" from the Governor of the Commonwealth of Puerto Rico pursuant to articles 84 and 84A of the Act no. 19 of April 4, 2017 known as Act to Simplify and Transform the Permit Process. The timing to submit the request for strategic project designation will be mutually agreed upon by the Parties. For avoidance of doubt, obtaining the classification as "strategic project" in accordance with the above shall not be an obligation of the Authority to be completed at or prior to the Time of Closing pursuant to Section 2.4(a)(ix) of this Agreement or after Closing, and the failure of the Authority or the Concession Company to obtain such classification shall not constitute a Delay Event or a Compensation Event.

B. Authorizations to be obtained by the Concession Company at or prior to the Time of Closing:

1. Governmental Authority recommendations/comments necessary for the Initial Investment Projects, in the processes referred to as SRI (Infrastructure Recommendations), SRA (Archaeological/ Historical Recommendations, SRM (Environmental Recommendations) and SRS (Health & Safety Recommendations) as applicable or required by OGPe or other Governmental Authority with jurisdiction.

2. The Site Location Consultation ("Consulta de Ubicacion"), or Construction Consultation from the Office of Management of Permits ("OGPe" by its Spanish acronym) and/or Construction Permit, as applicable or required, necessary for the development of the Initial Investment Projects.

3. Compliance with Article 4(B)(3) of the Puerto Rico Public Environmental Policy Act, Act 416-2004, as amended (REA and DEA) necessary to secure the Authorizations for the Initial Investment Projects identified in paragraph 1 of this section B.

4. Any other Authorizations or Governmental Authority requirements necessary for the Concession Company to secure the Authorizations for the Initial Investment Projects described in the preceding paragraphs 1, 2 and 3 of this section B.

C. Authorizations to be submitted or obtained by the Concession Company as Expansion Investment Projects Requirements:

1. Applications for the issuance of the following Authorizations shall have been submitted to the USACE and other applicable Governmental Authority necessary to conduct any works in the maritime-terrestrial zone, submerged waters and/or waters of the United States for the Piers 11-12 Project: A permit under Section 10 of the Rivers and Harbors Act of 1899 and Section 404 of the Clean Water Act, and the USACE or other applicable Governmental Authority shall have accepted such applications.

2. The Authorization(s) from OGPe or the Puerto Rico Planning Board necessary for the Concession Company to avail itself of the zoning districts in the sites of the Piers 11-12 Project and the Phase Two Projects that appear in the Municipality of San Juan's Zoning Map, Leaf 2B, adopted by the Puerto Rico Planning Board on October 9, 2002 and effective March 13, 2003 (originally districts CT-3, now CT, and DA and DE, now D) (the "Underlying Zoning") or other zoning districts that would allow the same uses proposed by the Concession Company under such CT and D zoning districts. The foregoing may entail removing the sites of the Piers 11-12 Project and the Phase Two Projects from the scope of the Consulta de Ubicación of the Bahia Urbana Project by amending such Consulta de Ubicación or other action, mechanism or strategy that would allow the Concession Company to develop the mentioned sites pursuant to the Underlying Zoning or other zoning districts that would allow the same uses proposed by the Concession Company at these sites.

3. The Construction Consultation and/or the Construction Permit from OGPe, as applicable or required by OGPe or other Governmental Authority with jurisdiction, necessary to start upland construction for the Piers 11-12 Project.

For the avoidance of doubt, the Parties acknowledge that, in addition to Authorizations in sections B and C of this Schedule 17 and except for the Authorization(s) to be obtained (x) by the Authority as described in Section 2.4(a)(ix) and Section 2.4(a)(xi) of this Agreement and (y) by the Concession Company and the Authority as described in Section 2.4(c)(iii)(A) and (B), the Concession Company is also required to identify, secure and comply with all other Authorizations for the design, engineering, procurement, construction, equipping and operation of the Cruise Pier Improvement Projects (the "Additional Authorizations"). These Additional Authorizations are not required prior to Closing.