GOVERNMENT OF PUERTO RICO
PUERTO RICO MARITIME TRANSPORTATION AUTHORITY

MASTER TIME CHARTER AGREEMENT

Contract No. ATM 18-19-(5)-004

This Master Time Charter Agreement entered into on this nineteen (19) day of July 2018 (the “Effective Date”) between PUERTO RICO FAST FERRIES, LLC, a Limited Liability Company organized and existing under the laws of the Commonwealth of Puerto Rico, with offices located in Carolina, Puerto Rico ("OWNER" or "PRFF") and THE PUERTO RICO AND THE ISLANDS MUNICIPALITIES MARITIME TRANSPORT AUTHORITY ("CHARTERER" or "PRMTA" or "Authority")

WITNESSETH:

WHEREAS, CHARTERER, from time to time, desires to time charter Vessels from OWNER, pursuant to Resolution No. 2018-02; and

WHEREAS, OWNER is the Disponent Owner of various vessels which it, from time to time, desires to time charter to CHARTERER;

NOW, THEREFORE, in consideration of the premises and the covenants herein contained, the parties hereto mutually agree as follows:

THIS AGREEMENT CONTAINS INDEMNITY OBLIGATIONS WHICH ARE APPLICABLE AND ENFORCEABLE REGARDLESS OF ANY FAULT, NEGLIGENCE OR LEGAL LIABILITY OF ANY TYPE ON THE PART OF THE INDEMNITEE. THE TERMS OF THESE INDEMNITIES REPRESENT A SPECIFICALLY BARGAINED FOR CONSIDERATION BETWEEN THE PARTIES AND DOCUMENTED RISK ALLOCATION WHICH IS A MATERIAL INDUCEMENT TO THE PARTIES TO EXECUTE THIS AGREEMENT.

Article 1 - Definitions

Charter Hire: The rate set forth in the completed Notice of Hire - Boat Charter form ("Short Form") attached hereto as Exhibit "A", et seq.

Delivery: Shall mean the delivery of the Vessel by OWNER to CHARTERER at the Port or Place at which the CHARTERER’s liability for payment of Charter Hire begins, as set forth in the completed Notice of Hire – Boat Charter form attached hereto as Exhibit "A", et seq.
Mobilization/Demobilization Plan: Defines tasks and activities that must be accomplished before the Vessel is tendered by the OWNER to the CHARTERER and tasks that must be performed to return the Vessel to its registered owner at its Port of Redelivery at the expiration of a Short Form.

Operations Plan: Defines how the Vessel will be managed and operated.

Tender: Shall mean the tender of the Vessel by the OWNER to CHARTERER for ferry service operation. The steps that precede Tender are set forth in the Mobilization Plan attached hereto as Exhibit "F", which is incorporated by reference herein and is made an integral part hereof.

Authorized Use: Shall mean the use of the Vessel on the Intended Route as set forth in Article 5 of this Master Time Charter Agreement.

Redelivery: Shall mean the return of the Vessel to the control of OWNER in accordance with the redelivery provisions contained in Article 4 of this Master Time Charter Agreement.

Short Form: Shall refer to the Notice of Hire - Boat Charter for each chartered vessel attached hereto as Exhibit "A", et seq.

Vessel: Shall refer to the vessel or vessels identified in the Short Forms hereto as Exhibit "A", et seq.

Master: Shall refer to the Captain or Captains in command of OWNER’s Vessels.

Secretary: Shall refer to the Puerto Rico Secretary of Transportation and Public Works.

Article 2 - Contract Form, Duration and Maximum Amount

This Master Time Charter Agreement ("Agreement"), together with each Short Form Time Charter Agreement ("Short Form") in the form attached hereto as Exhibit "A" and the Supplementary Conditions set forth in the Addendum, shall control and govern the charter of any vessels by OWNER to CHARTERER. Should there be any conflict or inconsistency between the terms of this Agreement and the Short Form the latter shall prevail. The duration of this Master Time Charter Agreement shall be for an initial Term of one year from the Effective Date up to and including May 31, 2019, or the expiration of the Term of the last Short Form, whichever is later.

As required by Memorandum No. 2017-001, the Chief Executive Officer of the Government of Puerto Rico shall have the power to terminate this contract at any time, subject to all terms and conditions set forth in this Article 2.
Each party may cancel future charters under this Agreement and any unexpired Short Form by giving ninety (90) days prior written notice to the other pursuant to this Agreement. Notwithstanding such cancellation, any unexpired, non-cancelled, Short Form and existing charters under this Agreement shall continue in full force and effect, and shall remain subject to the terms and conditions hereof, until such charters are complete and CHARTERER has effectuated Redelivery and has otherwise fully complied with all other terms hereof. Provided that, if CHARTERER exercises such right to cancel prior to the expiration of any Charter Term and effectuates Redelivery, CHARTERER shall, within ten (10) days of the date of Redelivery, pay Owner the balance of all Charter Hire and any and all other amounts due hereunder, for the remainder of the Charter Term set forth in the applicable Short Form, or any remaining extension thereof, and under this Agreement. It is agreed that if paid timely, and if in connection with Redelivery, all terms of the Short Form and this Agreement have been fully complied with, then the payments described above shall constitute OWNER's sole compensation and agreed upon liquidated damages and remedy for any such cancellation prior to the end of a contracted for Charter Term. The parties agree that these stipulated damages will likely not fully compensate OWNER, in the event of a cancellation, but represent the parties best estimate of reasonable damages to the OWNER and OWNER and CHARTERER agree that the stipulated damages described herein do not constitute a penalty or forfeiture and that this damage limitation was added specifically at CHARTERER's request to create certainty of its financial obligations in the event of cancellation.

The maximum amount of this contract shall not exceed the sum of Fifteen Million Seven Hundred Fifty-Four Thousand and Four Hundred and Twenty ($15,754,420) Dollars, unless modified by a Short Form.

All payments charged to the Master Time Charter, Exhibits and Short Forms shall be made against PRMTA Account No.030043018 at Banco Popular (hereinafter referred to as the “Disbursement Account”), which shall be a segregated account.

**Article 3 - Charter**

This Agreement does not obligate OWNER to charter its vessels to CHARTERER, nor does it obligate CHARTERER to hire any vessel or vessels from OWNER, but it, together with any Short Form between OWNER and CHARTERER dated subsequent to the date hereof, shall govern the respective rights and duties of OWNER and CHARTERER. OWNER'S obligation to perform this Agreement and any future Short Form is expressly contingent upon receipt by OWNER of an exemption from The Department of Treasury of Puerto Rico waiving Sales and Use Taxes (also known as “IVU”) on the importation of Vessel(s) chartered by OWNER to CHARTERER and waiving the Business to Business Tax on payments made by CHARTERER to its suppliers, including the registered Vessel owners, arising out of the performance of this Agreement and any Short Forms, the term of such the exemption shall be for a period of twelve (12) months from the date of execution of the last Short Form. OWNER'S obligation to perform this Agreement and any future Short Form will be void if OWNER, who has been appointed as an authorized agent of PRMTA in this Article 3, is not certified for exemption under Section 4030.08 of the Puerto Rico Internal Revenue Code, from the application of the Sales and Use Tax on taxable
items and services acquired in all transactions related to this Agreement and any Short Forms by The Department of Treasury of Puerto Rico as described in the Regulation 8747 from May 9, 2016 - IVU Article 4030.08-1(a)(2)(i) and (ii):

(i) "Los agentes o personas operando o actuando en o a nombre del Gobierno, excluyendo sus funcionarios y empleados, deberán solicitar y obtener del Secretario una certificación que los identifique como tal. La persona que desee solicitar la certificación deberá proveer al Departamento evidencia de que la entidad fue creada exclusivamente para actuar en capacidad oficial del Gobierno como su agente. Además, deberá proveer una certificación emitida por la entidad del Gobierno a nombre de la cual actúa, en la que acredite lo anterior y provea un desglose de las partidas tributables que esta adquiere a nombre de la agencia del Gobierno. Toda solicitud y los documentos antes descritos deberán ser dirigidos al Secretario Auxiliar de Política Contributiva del Departamento."

(ii) "Una vez el Departamento le emita la certificación a las entidades que operen o actúen en o a nombre del Gobierno para identificarlas como tal, les aplicara la exención de la Sección 4030.08 del Código. Sin embargo, la referida exención del pago del IVU no es extensiva a entidades meramente por tener contratos con el Gobierno y que como parte de los mismos, tengan que adquirir partidas tributables sujetas al IVU."

Section 4010.01(p) of the Internal Revenue Code of Puerto Rico of 2011, as amended (Code), defines Government of Puerto Rico as the Departments, agencies, administrations, bureaus, boards, commissions, offices, public corporations, public instrumentalities and the municipalities of the Government of Puerto Rico, including the Legislative Branch and the Judicial Branch. The term Government of Puerto Rico also includes those persons operating or acting on behalf or in the name thereof.

Pursuant to Section 4030.0B(a) of the Code there shall be exempted from the payment of the sales and use tax any taxable item acquired for official use by agencies and instrumentalities of the Government of Puerto Rico. Section 4010.01 (nn)(2)(C) of the Code states that taxable services shall not include the services provided by the Government of Puerto Rico.

Therefore CHARTERER and OWNER hereby agree that based upon the nature and scope of this Agreement and any future Short Form OWNER will be performing a traditional and key governmental function of the PRMTA and OWNER shall be considered as an agent of the Commonwealth of Puerto Rico for purposes of Section 4010.01(p) of the Code and for purposes of the exemption described in Section 4030.08 of the Code, which provides that items and services acquired by government agencies are exempt from the Sales and Use Tax ("SUT"). This Article 3 shall supersede any other agreement, warranty or representation to the contrary contained in this Agreement or any Short Form for purposes of Section
4010.01(p) of the Code and for purposes of the exemption described in Section 4030.08 of the Code

Article 4 - Delivery, Redelivery, Substitution and Vessel Condition

OWNER shall deliver each Vessel to CHARTERER in a tight, staunch, strong and in all respects, seaworthy condition at the time and place specified in the applicable Short Form. OWNER shall exercise due diligence to see that the Vessel is delivered and maintained in good running order and in a seaworthy condition. The Vessel shall be delivered with valid documentation and certification as required by the United States Coast Guard (USCG), including a valid USCG Certificate of Inspection (COI) at the Port of Delivery.

It will be the sole responsibility of CHARTERER, and at its sole expense, with the assistance of OWNER, to obtain and maintain all necessary authorizations, approvals and certifications required or necessary to operate the Vessel on the Intended Route, as defined in Article 5 below, including but not limited to COI endorsement by the USCG OCMI, Sector Puerto Rico. The Vessel shall be manned in accordance with the issued COI (or amended COI) at all times while underway.

It will be the sole responsibility of OWNER, and at its sole expense, with the assistance of CHARTERER, to obtain and maintain all other necessary authorizations, approvals and certifications required or necessary to operate the Vessel on the Intended Route. It will also be the sole responsibility of OWNER to obtain USCG approval of all modifications to the Vessel, under the terms and conditions set forth in the Mobilization and Demobilization Plan attached hereto as Exhibit “F”, which is incorporated herein and made an integral part hereof.

At the time of delivery, the Vessel will have the ability to get underway and to operate under its own power. A full mechanical “on hire” survey will be performed at CHARTERER’s expense with Mobilization funds to determine the condition of the Vessel and its ability to get underway and operate reliably for the Charter Term and its suitability for the Authorized Use, and the execution of the Short Form by CHARTERER shall be conclusively deemed to be an absolute and unconditional acknowledgement by CHARTERER of: (a) the suitability of the Vessel and of the acceptability of the Vessel to CHARTERER at the time of Delivery and (b) full performance of all obligations of OWNER under this Agreement and the Short Form with respect to the proper condition of the Vessel at the time of Delivery and (c) the fact that, at the time of Delivery, the Vessel is strong, tight, staunch, sufficiently tackled, appareled and equipped and in every respect seaworthy and in good running order and condition, and (d) that CHARTERER, with no input or representation whatsoever of OWNER, has determined that the Vessel in its current state at the time of Delivery is suitable for Authorized Use, with CHARTERER fully accepting any and all risks in connection therewith.

At Tender of the Vessel for service and upon Redelivery, the fuel tanks of the Vessel shall be sounded to verify the amount of fuel on board. Lube oil and other lubricants shall be inventoried at the same time.
Redelivery, which shall be at the port or place specified in the applicable Short Form, may be postponed for the duration of any voyage or operation in progress at the expiration of the Charter Term and for any additional period reasonably necessary to affect Redelivery. CHARTERER shall continue to pay Charter Hire up to the date and time of Redelivery, except for any period of delay in Redelivery caused by OWNER. CHARTERER shall pay all costs, charges and expenses of any kind, type, nature, description or characterization associated with or attributable to Redelivery; provided that, if OWNER exercises its right to cancel under Article 2 hereof, Redelivery shall be at OWNER’S expense.

Unless otherwise agreed, CHARTERER, at Tender, and OWNER, at Redelivery, shall take over and pay the other party for all fuel and lubricants aboard the Vessel, using then current prices at the ports of delivery and Redelivery, respectively.

**Article 5 – Intended Route**

The Vessels shall operate solely between Fajardo and/or Ceiba, Puerto Rico and Culebra and/or Vieques, Puerto Rico, operated pursuant to this Agreement in the Atlantic Ocean and the Caribbean Sea as far north as Culebra, Puerto Rico, as far south as Vieques, Puerto Rico, as far east as Culebra, Puerto Rico, and as far west as Fajardo, Puerto Rico (the “Intended Route”). Provided, however, that in no event shall the Vessels be operated: (a) beyond the limits established in the applicable policies of insurance to be provided by OWNER pursuant to Article 14 of this Agreement, (b) in a manner not fully compliant with the requirements of all applicable governmental authorities, (c) in a manner deemed unsafe or imprudent by the Master or OWNER, and d) outside of the parameters described in the Operations Plan.

**Article 6 - Charter Hire, Other Expenses And Security**

OWNER shall bill CHARTERER monthly as set forth in the Payment Schedule in each Short Form for each vessel chartered by CHARTERER at the address shown in Section 18 of the Supplementary Conditions hereto, or at such other address as CHARTERER may from time to time designate in writing, such billing to occur at the end of each calendar month or upon the Redelivery of a vessel. CHARTERER shall pay OWNER within fifteen (15) days after the date of OWNER’s invoice. Payment shall be made in U.S. Dollars to OWNER, or its assigns, by the first business day of each month by wire transfer to OWNER’S account, or at such other place as OWNER may designate in writing. The first installment of Charter Hire payable pursuant to the Payment Schedule in each Short Form will be paid upon execution of each Short Form.

For Other Expenses, that are the responsibility of the CHARTERER, such as those set forth in Article 11, the OWNER shall bill CHARTERER monthly at the address shown in the Supplementary Conditions, such billing to occur at the end of each calendar month or upon the Redelivery of a vessel. CHARTERER shall pay OWNER within fifteen (15) days after the date of OWNER’s invoice. Payment shall be made in U.S. Dollars to OWNER, or its assigns, by wire transfer to OWNER’S account, or at such other place as OWNER may designate in writing.
There shall be no excuse for non-payment of Charter Hire and liability for payment of Charter Hire shall be indisputable.

In the event of any dispute regarding invoices for Other Expenses, the undisputed portion of said invoice shall be paid and only the disputed portion shall remain unpaid pending the resolution of the dispute. In the event that it is found by any court of competent jurisdiction that any amount contested by CHARTERER is in fact due and owing to OWNER, CHARTERER agrees that such amount shall bear legal interest at the rate established by the Commissioner of Financial Institutions from invoice date until paid and the CHARTERER shall pay all reasonable attorney fees and costs of OWNER in enforcing collection of such amount or in enforcing collection of any other amounts which may become owed under this Agreement. If any vessel is lost, payment shall be made up to and including the date of the loss. If the time of loss is uncertain, then Charter Hire shall be payable up to and including the day such vessel was last heard from.

CHARTERER shall issue to and on behalf OWNER a security deposit in the form of surety bonds in the amounts set forth in the Short Forms prior to signing of the Short Forms. The aforementioned security deposit shall be held by legal counsel designated by OWNER and shall secure: (a) damage to the Vessels and CHARTERER’s obligations under the Off-Hire Survey upon Redelivery; and (b) failure to pay Charter Hire for the passenger Vessel. The disbursement of amounts to OWNER from the security deposit shall be conclusively deemed to not constitute a cure of any default hereunder, except where they are sufficient to cover any unpaid Charter Hire or other required payments hereunder for the passenger Vessel, and any default and rights associated therewith shall continue unabated and shall be and remain fully enforceable unless timely cured, waived in writing by OWNER, or action taken by OWNER as a consequence of such default (including, but not limited to, immediate cancellation of this Agreement and any and all then-existing Short Forms).

**Article 7 - Use of Vessel and Authority of Master**

The OWNER shall operate the Vessels in a manner consistent with the needs of the CHARTERER as described in the written Operations Plan referred to in the Mobilization and Demobilization Plan attached hereto as Exhibit “F”. All direction regarding the operation of the Vessel shall be transmitted from the CHARTERER to the OWNER and then to the Master.

The Vessels shall be operated as vehicle and/or passenger ferry on the Route described in the Short Form. CHARTERER agrees to restrict the use of each chartered Vessel solely to the lawful movement of its passengers and their personal affects or passengers and vehicles as described in the Short Form. Only vehicles that meet legal highway load and size restrictions will be loaded on the vehicle Vessels. All vehicles or cargos must be accompanied by a passenger capable of loading and unloading it. OWNER’s sole responsibility shall be to determine that vehicles or cargos are loaded in a safe manner, suitable to and compatible with the Vessel’s deck space and stability. OWNER shall have no other responsibility for the loading or unloading of vehicles or cargo of CHARTERER’s passengers.
Unless otherwise provided for by a Special Provision attached to the Short Form, the Vessel shall be operated pursuant to the Operations Plan.

CHARTERER agrees to comply with all laws, regulations and the Vessels’ USCG Certificate of Inspection (COI) affecting the carriage of Flammable, Dangerous and Hazardous substances and discharge of Noxious Liquid Substances (NLS) in bulk. CHARTERER may not load or cause to be loaded on the Vessels any bulk NLS not authorized by the Vessels’ COI. Except and to the extent permitted by CHARTERER’s National Pollution Discharge Elimination System permit, no discharge of NLS residue into the sea is permitted; and CHARTERER agrees to indemnify, protect, defend and hold harmless OWNER, the Vessels, her registered owners, operators, Master and Crew, and their respective underwriters from and against the results of any breach by CHARTERER of the aforesaid discharge prohibition. CHARTERER shall not use the chartered Vessels’ tanks for the carriage of bulk and liquid material.

CHARTERER agrees to properly manifest all hazardous wastes and NLS wastes carried aboard the Vessels and to comply with all requirements imposed by law as a result of such carriage. Only lawfully permitted hazardous and/or explosive cargoes may be carried aboard the Vessels. CHARTERER agrees to notify the vessel’s Master and, to receive Master’s acknowledgment as to the nature of the cargo, marking and packing prior to loading hazardous and/or explosive cargoes, and CHARTERER further agrees to cause all hazardous and/or explosive deck cargoes to be marked, packed, loaded, secured, and unloaded in accordance with applicable laws, regulations and requirements. CHARTERER shall defend, protect and indemnify OWNER, its parent, affiliated and subsidiary companies, the vessel, her registered owner and operator and their respective underwriters from and against any loss, damage, claims, demands, causes of action, proceedings, suits and liabilities, including attorneys’ fees and court costs, arising from, incident to, or which is in any way caused by, or related, directly or indirectly to CHARTERER’s failing proper notification, marking, packing loading or discharge of such hazardous, and/or explosive cargoes, with the sole exception of such cargoes carried by CHARTERER’S passengers without the knowledge of CHARTERER.

The Master of each Vessel shall determine whether operations requested by CHARTERER can safely be undertaken and whether his vessel is capable of undertaking or being employed to carry out the directions and orders of CHARTERER. Regardless of whether the directions or orders are issued by OWNER or CHARTERER, the Master of the Vessel shall be the ultimate authority as to whether the directions and/or orders can safely be carried out. CHARTERER shall furnish the OWNER with all requisite instructions and sailing directions, which will in turn be provided to the Master who shall keep full and correct logs of the voyages, copies of which logs shall be made available to CHARTERER within a reasonable time upon request of the CHARTERER to the OWNER.

Notwithstanding anything to the contrary in this Agreement, it is agreed that if any operation, voyage, movement, activity, or inactivity on the part of OWNER and/or the Master is insisted upon by CHARTERER, its agent, employees, or representatives and undertaken by the Master of the Vessel under protest, which protest shall be written and entered into the Vessel’s log at the time of the protest and prior to the protested action being undertaken, on account of the
the opinion of the Master that said operation, voyage, movement, activity, or inactivity is hazardous
and likely to cause loss, damage or expense, or loss of life or personal injury, the responsibility for
any such loss, damage or expense, or loss of life or personal injury shall thereupon rest solely upon
CHARTERER. OWNER shall not, however, under any circumstances, permit its Vessels to
operate and navigate in waters where OWNER’s insurance would be inapplicable.

CHARTERER will not knowingly carry or permit the carriage of any illegal aliens on
board the Vessel or knowingly carry or permit the carriage on board the Vessel of property which
constitutes an illegal substance, hazardous substance, dangerous materials, contraband or property,
the carriage of which could result in any action whatsoever being taken against the Vessel, Master,
Crewmembers or OWNER. CHARTERER will take no action or permit any action or make any
claim that would impair title or registration rights to the Vessel or that would impair or impact the
ability of OWNER to assert a limitation of liability under 42 U.S.C. §30506, et seq. and will take
all action reasonably necessary to avail itself of limitation of damages to persons or their property
while on board the Vessel including, without limitation, obtaining releases and printing limitations
of liability on passage contracts and tickets.

Article 8 – Master, Crewmember and Non-crewmember Subsistence

Food, per diem and bunking facilities, if any, for Masters and Crewmembers shall be
provided by OWNER. OWNER shall have no obligation to provide food, per diem or bunking
facilities, if any, for any of CHARTERER’s personnel, Masters and Crewmembers.

Article 9 – Duties of Master and Crewmembers

OWNER shall provide and pay for the Master and Crewmembers of each Vessel. The
Vessel will be manned so that it can work twelve (12) hour days, seven (7) days per week, with a
portion of this time being used for Vessel start-up and shut down activities. The Master and
Crewmembers will demonstrate competency over selected routes to the satisfaction of the
USCG. The OWNER shall be responsible for maintaining the Vessel.

The Master shall prosecute the voyage with dispatch and shall render all reasonable
assistance with the Vessel’s crew and equipment. The duties of the Crewmembers provided by
OWNER shall be limited to the maintenance and navigation of the Vessel and the loading and
discharging of vehicle traffic laden aboard the Vessel in a safe manner, suitable to and compatible
with the Vessel’s deck space and stability. OWNER shall have no other responsibility for the
loading or unloading of vehicles or cargo of CHARTERER’s passengers. CHARTERER’s
personnel shall determine and designate which vehicles shall be loaded on a particular vessel on a
trip-by-trip basis and shall communicate that information to OWNER’s Master. OWNER shall
not be required under any circumstances to load or discharge equipment, supplies, vehicles,
associated cargo except as expressly hereinafore provided. The Master shall be the ultimate
authority as to the lawful and safe loading and operation of the Vessel. The Captains of the vehicle
Vessels shall load them in strict compliance with the Vessels’ USCG Stability Letter.

Article 10 – Additional Equipment
Article 11 - CHARTERER to Provide

Unless otherwise agreed in the Special Provision of the Short Form, CHARTERER agrees to and shall provide and/or pay for:

a. Necessary pier fendering (except the pier fendering to be provided by OWNER pursuant Exhibit “FT” to the Mobilization Demobilization Plan), fuel and disposal of waste oil; fresh water; cordage; and pumpout of sewage holding tanks; provided that OWNER, at its option, may procure any or all of the above, subject to reimbursement by CHARTERER for the costs thereof plus fifteen (15%) percent for handling and any applicable sales or other tax, unless CHARTERER provides OWNER with a sales and other tax exemption certificate;

b. All landside personnel, products or conditions required now or in the future or that are customary and/or reasonable in the industry to safely and responsibly carry and transport passengers or passengers and vehicles;

c. All permits, clearance expenses, custom fees and duties (import or otherwise), pilotage fees, wharfage, port charges, dockage, safe berths, watchmen, the loading and discharging of all vehicles and except as provided in Article 8 herein, waste oil disposal and all costs incident to any of the above, agency fees and commissions incurred in connection with the assessment, levy or payment of any of the above.

d. The Secretary and CHARTERER shall also provide a person to act as CHARTERER’S representative to interface with OWNER who shall have the authority to interpret this agreement and make decisions on CHARTERER’s behalf with regard to day-to-day operations.

Article 12 - Insurance

OWNER at its sole cost and expense shall procure and maintain in effect for the duration of this Agreement, with reputable insurers, the insurances set forth in EXHIBIT “D”. Policy limits shall not be less than those indicated. Deductibles shall be for the account of OWNER.

All of the policies set forth in Exhibit “D”, except Workmen’s Compensation and Employer’s Liability, shall name CHARTERER, its parent, affiliated and subsidiary companies, its co-lessees, joint venturers, contractors, sub-contractors, their officers, directors and each of their respective underwriters, in their capacity as charterers of the vessel or as intended third party beneficiaries of this Master Time Charter and the Short Forms, as additional assureds, and all of the policies set forth in Exhibit “D” shall waive subrogation against the CHARTERER, but such
naming and waiving shall only apply with respect to the indemnity obligations, liabilities, and risks assumed by OWNER under this Agreement. It is understood and agreed that OWNER’s liability insurance shall not provide coverage to CHARTERER, its parent, affiliated and subsidiary companies, its co-lessees, joint venturers, contractors, sub-contractors, their officers, directors and each of their respective underwriters for the indemnity obligations, liabilities and risks assumed by CHARTERER under this Agreement.

OWNER shall furnish CHARTERER with certificates of insurance which provide sufficient information to verify that OWNER has complied with the insurance requirements of this Agreement. Said insurance shall provide that, in the event of cancellation or material change, thirty (30) days (except ten (10) days for non-payment of premium) advance notice shall be provided to CHARTERER.

CHARTERER at its sole cost and expense shall procure and maintain in effect for the duration of this Agreement, with reputable insurers, the insurances set forth in EXHIBIT “E”. Policy limits shall not be less than those indicated. Deductibles shall be for the account of PRMTA. Policy limits shall not be less than those indicated. Deductibles shall be for the account of CHARTERER.

All of the policies set forth in Exhibit “E”, except Workmen’s Compensation and Employer’s Liability, shall name OWNER, its parent, affiliated and subsidiary companies, its co-lessees, joint venturers, contractors or sub-contractors, their officers, directors and each of their respective underwriters, in their capacity as Owners of the vessel, as additional assureds, and all of the policies set forth in Exhibit “E” shall waive subrogation against them, but such naming and waiving shall only apply with respect to the indemnity obligations, liabilities, and risks assumed by CHARTERER under this Agreement. It is understood and agreed that CHARTERER’s liability insurance shall not provide coverage to OWNER, its parent, affiliated and subsidiary companies, its co-lessees, joint venturers, contractors, sub-contractors, their officers, directors and each of their respective underwriters for the indemnity obligations, liabilities and risks assumed by OWNER under this Agreement.

CHARTERER shall furnish OWNER with certificates of insurance which provide sufficient information to verify that CHARTERER has complied with the insurance requirements of this Agreement. Said insurance shall provide that, in the event of cancellation or material change, thirty (30) days (except ten (10) days for non-payment of premium) advance notice shall be provided to OWNER.

**Article 13 - OWNER’s Indemnities**

Notwithstanding anything else contained in this Agreement to the contrary and subject to the liability provisions applicable to CHARTERER in Article 14 below, except as may otherwise be specifically provided in Article 6, CHARTERER, its parent, subsidiary and affiliated companies, its joint venturers, co-lessees, officers, directors, administrators, employees, the Government of Puerto Rico and each of their respective underwriters shall not be responsible for or have any liability for loss of or damage to the property of OWNER, its parent, subsidiary, and affiliated companies, or of its creditors, contractors or sub-
contractors, including the Vessel, or for personal injury to or death of the employees or invitees of OWNER, its parent, subsidiary, and affiliated companies, or of its creditors, contractors or sub-contractors; and OWNER agrees to defend, protect, indemnify and save CHARTERER, its parent, subsidiary and affiliated companies, its joint venturers, co-lessees, officers, directors, administrators, employees, the Government of Puerto Rico and each of their respective underwriters harmless from and against any and all claims, demands, causes of action, proceedings, suits and liabilities, damages, attorneys' fees and court costs, as a result of such loss of or damage to property or such personal injury or death, regardless of how such loss, damage, injury or death occurs, and regardless of whether such loss, damage, injury or death arises from or is caused in whole or in part, by the fault, strict liability, sole or concurrent negligence of CHARTERER or the un-seaworthiness of the Vessel, its parent, subsidiary, and affiliated companies, its joint venturers, co-lessees, contractors, subcontractors, officers and employees. Provided that OWNER shall defend and indemnify CHARTERER against any and all claims, costs and damages which are a direct and proximate result of the fault, strict liability, sole or concurrent negligence of OWNER, its Master, Crewmembers, or employees including, but not limited to such claims by CHARTERER's passengers. OWNER reserves all other rights it may have at law or in equity.

Article 14 - CHARTERER's Indemnities

CHARTERER agrees to defend, protect, indemnify and save OWNER, its parent, subsidiary and affiliated companies, their officers, directors, and employees, the Vessel, her registered owner, operator, broker, master and crew, and each of their respective underwriters harmless from and against any and all claims, demands, causes of action, proceedings, suits and liabilities, damages, attorneys' fees and court costs arising out of the representations and warranties of CHARTERER contained in Section 6. f. i. and ii. of the Addendum to this Agreement or any breach thereof.

Notwithstanding anything else contained in this Agreement to the contrary, and subject to the liability provisions applicable to OWNER in Article 13 above OWNER, its parent, subsidiary and affiliated companies, their officers, directors, and employees, the Vessel, her registered owner, operator, broker, master and crew, and each of their respective underwriters shall not be responsible for or have any liability for loss of or damage to the property of CHARTERER, its parent, subsidiary, and affiliated companies, its joint venturers, co-lessees, contractors, sub-contractors, which is hereby deemed to include, but not be limited to the Vessel, all cargo, equipment and/or supplies laden upon, carried and/or operated from the vessel, or for personal injury to or death of the employees, passengers, or other invitees of CHARTERER, its parent, subsidiary, and affiliated companies, its joint venturers, co-lessees, contractors or subcontractors; and CHARTERER agrees to defend, protect, indemnify and save OWNER, its parent, subsidiary and affiliated companies, their officers, directors, and employees, the Vessel, her registered owner, operator, broker, master and crew, and each of their respective underwriters harmless from and against any and all claims, demands, causes of action, proceedings, suits and liabilities, damages, attorneys' fees and court costs as a result of such loss or damage to property or such personal death or
injury, regardless of how such loss, damage, injury or death occurs, and regardless of whether such loss, damage, injury or death arises from or is caused in whole or in part by the fault, strict liability, sole or concurrent negligence of OWNER, its parent, subsidiary and affiliated companies, its joint venturers, co-lessees, contractors, sub-contractors, their officers or employees, the registered owner of the vessel, her operator, master and crew, or whether caused wholly or partially by the unseaworthiness of any vessels. Provided that CHARTERER shall defend and indemnify OWNER against any and all claims, costs and damages which are a direct and proximate result of the fault, strict liability, sole or concurrent negligence of CHARTERER, its Master, Crewmembers, or employees including, but not limited to such claims by CHARTERER’s passengers. CHARTERER reserves all other rights it may have at law or in equity.

Except as provided for in Article 7, OWNER shall assume all responsibility for, including control and removal of, and indemnify and hold CHARTERER harmless against and from all death, loss, costs, damage, penalties or fines arising from pollution which originates from spills or leaks of fuels, lubricants, motor oils, pipe dopes, paints, solvents, ballasts, bilge, garbage, sewerage and other material in the possession and control of OWNER, unless directly caused by the negligence or fault of CHARTERER, except however for damage to or claims with respect to the property of the CHARTERER, which is covered by the indemnity above.

Should CHARTERER require OWNER’s vessel to anchor or conduct any other underwater operations in the vicinity of any underwater facilities, installations or structures, CHARTERER shall assume all responsibility for, including control and removal of, and indemnify and hold OWNER harmless against and from any loss, costs or damage arising from pollution or contamination resulting from leakage or other uncontrolled flow of oil, gas or water from pipelines, including lines on or in submerged lands, whether or not ruptured or damaged by OWNER’s vessel, anchors, legs or other equipment, or by OWNER’s operations, except as caused by the fault or negligence of OWNER’s vessel or personnel and excepting any damage or claims with respect to the property of the OWNER, which is covered by the indemnity above. Without in any way limiting the obligations of OWNER under this Agreement as to management, navigation, operation, control or condition of the vessel, OWNER and CHARTERER hereby agree that CHARTERER shall provide surveys and plats to OWNER as to the port and berthing facilities to and from which the vessel shall be operated.

**Article 15 - Consequential Damages**

The OWNER and the CHARTERER shall not be liable to each other or to the parties’ respective parents, subsidiaries and affiliated companies, their joint venturers, co-lessees and underwriters for consequential damage, regardless of how such damages occur and the OWNER and CHARTERER agree to defend, protect, indemnify and save each other and their respective parents, subsidiaries and affiliated companies, their joint venturers, co-lessees, contractors, subcontractors and underwriters harmless from and against any and all such claims, demands, causes of action, proceedings and suits, including attorneys’ fees and court costs which seek consequential
damages, including but not limited to: loss of use, loss of profits, shut in costs or expenses, loss of production or the cost of insurance, regardless of whether such damages arise from or are caused in whole or in part by the fault, strict liability, sole or concurrent negligence of the respective parties or whether caused wholly or partially by the unseaworthiness of the Vessel.

Article 16 - Audit

CHARTERER shall have the right to audit and review, from time to time, OWNER’s accounts and financial records pertaining to this agreement, except for OWNER’s charter agreements with the registered owners of the vessels chartered under the Master Time Charter and Short Forms and the accounts and financial records pertaining thereto. Said audit and review to be made by representatives of CHARTERER to verify and determine the propriety of such charges. A review or audit may also encompass OWNER’s procedures and controls with respect to adjustments or billings and OWNER’s compliance with CHARTERER’s anti-kickback (or equivalent) policy, if any. OWNER shall maintain such accounts, books, records, and the like for a minimum period of six (6) years from the date of expiration of the last Short Form subject to audit.

CHARTERER may make written modifications to such accounts, books and financial records during the said six (6) year period.

Article 17 - Off-Hire, Duty to Repair and Maintain

Should the Vessel, for reasons not caused by CHARTERER, break down, become inoperative, unable to perform as required by CHARTERER, or unavailable to CHARTERER (which shall not be deemed to include periods where either the vessel is standing by awaiting instructions from CHARTERER, or where repairs and maintenance can be performed without interfering with the operating requirements of CHARTERER) for more than twelve (12) hours per month, then OWNER shall make the Vessel available to make up any lost scheduled trips between the time the Vessel was unable to perform and when the Vessel is again in a thoroughly efficient state to resume her service. OWNER shall make the Vessel available to make up any such lost scheduled trips even if it requires that the Vessel, her Master and Crewmembers work more than twelve (12) hours on the day on which the make-up trips are performed. OWNER is allowed twelve (12) hours per month for maintaining and repairs to the vessel, but shall coordinate such activity with CHARTERER to least interfere with the operations of CHARTERER. OWNER is also allowed one (1) additional planned major maintenance day every four (4) months with adequate notice to and coordination with CHARTERER. OWNER’s scheduled maintenance program shall be as set forth in the Operations Manual.

OWNER will be solely responsible for all repairs and maintenance of the Vessel, with assistance from CHARTERER as in its discretion may be required from time to time. All repairs and maintenance during the term of the charter shall be to the account of the OWNER. All such repairs and regular maintenance shall be in accordance with maintenance practices, operating manuals and planned maintenance systems as provided by OWNER.
OWNER’s liability to CHARTERER as a result of the Vessel breaking down or becoming inoperative shall be limited solely to the obligation to make the Vessel available to make up any lost scheduled trips, as set forth above in this Article 17.

**Article 18 - Liens**

CHARTERER shall not create, incur or permit any liens to be imposed upon any vessel chartered under this Agreement. OWNER agrees to indemnify and hold harmless CHARTERER of and from all liens created and imposed on the vessel (except such liens as might arise out of the obligations imposed herein on CHARTERER) as a result of the manning, operating, victualing, maintaining, supplying, navigating and managing of the vessel.

**Article 19 - Force Majeure**

Neither, OWNER, CHARTERER, the Vessels, or their registered owners, operators, managers, or agents shall be liable for any loss, damage, or delay of whatsoever nature resulting from an act of God, or Force Majeure, as further defined in Section 14 of the Supplementary Conditions hereto, or other causes beyond the control of the parties hereto. It is understood and agreed that unusual or inclement weather preventing the operation of the vessel, while the vessel is otherwise available for service, shall not interrupt the vessel’s charter hire nor shall any event of Force Majeure excuse CHARTERER from paying charter hire already (prior to the event of Force Majeure) earned by and payable to OWNER. In no instance shall the benefits of this provision of the Agreement be extended or used by CHARTERER with respect to defense of any obligation for payment of Charter Hire.

**Article 20 - Failure to Perform**

If, at any time after Delivery to CHARTERER, CHARTERER fails to perform any of its duties or obligations imposed under this Agreement and any Short Form, or if CHARTERER is dissolved or adjudged a bankrupt or has a petition in bankruptcy filed against it, or makes a general assignment for the benefit of creditors, or if a receiver is appointed for CHARTERER, OWNER may, in addition to the remedies defined in Section 13 of the Supplementary Conditions hereto, without prejudice to any other rights which it may have under this Agreement or any Short Form, withdraw and retake all Vessels, wherever the same may be found, without prior demand and without legal process, and for that purpose may enter upon any dock, pier, or other premises where any Vessel may be found and take possession thereof, at which time the charter of that Vessel shall automatically terminate, but the obligation to pay Charter Hire pursuant to the terms of the Short Form shall survive. The repossession of a Vessel shall not affect the rights and obligations of either CHARTERER or OWNER under any unexpired Short Forms.

In the event of CHARTERER’s failure to timely redeliver the Vessel, CHARTERER shall indemnify and hold OWNER harmless from and against any and all liability, cost, and expense incurred by the OWNER in retaking and obtaining possession of the Vessel.
CHARTERER’s remedies for OWNER’s failure to perform any covenants or conditions of this Master Time Charter and the Short Forms shall be as set forth in Article 17 above and in the Supplementary Conditions.

**Article 21 - Salvage**

All salvage and salvage towage shall, after payment of out-of-pocket expenses, awards to the Master and crew, and charter hire due OWNER during such salvage efforts, be divided fifty (50%) percent to CHARTERER and fifty (50%) percent to OWNER. OWNER, however, shall not be entitled to any salvage with respect to any of the property of CHARTERER or the property of any contractor or any party with whom CHARTERER may contract with respect to the use of the Vessel(s), which, at any time, may have been aboard the Vessel(s).

**Article 22 - Assignment**

Neither OWNER nor CHARTERER shall assign this Agreement to a third party without the prior written consent of the other party, which consent shall not be unreasonably withheld. However, no such assignment shall relieve the assigning party from any of its obligations hereunder. Assignment by CHARTERER to an affiliate, a subsidiary or parent company or to another government agency will not be considered a third party assignment. This agreement and all of the provisions hereof shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns.

OWNER and CHARTERER acknowledge and agree that the contracted services may be provided to any entity of the Executive Branch with which CHARTERER makes an interagency agreement or by direct provision of the Chief of Staff of the Governor of Puerto Rico. The Charter will be performed under all the same terms and conditions, including but not limited to terms of hours of work and compensation, set forth in this Agreement and all Short Forms. For purposes of this Article 22, the term "Executive Branch entity" includes all agencies of the Government of Puerto Rico, as well as public instrumentalities and corporations and the Office of the Governor.

**Article 23 - Nature of Charter**

Nothing herein contained shall be construed as creating a demise of the vessel to the CHARTERER.

**Article 24 - Notices**

The address of the OWNER and CHARTERER for sending notices under this Agreement is, until modified by written notice, as shown in the Section 18 of the Supplementary Conditions hereto. Any notices provided for herein shall be deemed to have been given at the time shown on the official post office receipt therefor when sent by certified mail to the recipient at the address shown on in the Supplementary Conditions.

**Article 25 – Applicable Law**
This Agreement shall be construed in accordance with the admiralty and maritime laws of the United States of America, where applicable, and in accordance with the laws of the Commonwealth of Puerto Rico, where applicable (without regard to Puerto Rico conflicts of law doctrines). Any dispute which arises from or is related to this Agreement or any provisions of a Short Form, shall be resolved by the Stepped Negotiation process defined in Section 17 of the Supplementary Conditions hereto. Should such negotiations prove unsuccessful, then and in that event, the dispute arising from the Agreement or Short Form will be resolved by litigation in the United States District Court for the District of Puerto Rico or the Courts of the Commonwealth of Puerto Rico, where applicable.

**Article 26 – Limitation of Liability and Time Bars for Claims and Suits**

a. CLAIMS FOR EMOTIONAL DISTRESS:

Pursuant to 46 USC §30509 (a) and (b), OWNER and CHARTERER hereby agree that they shall both limit their liability for claims by third parties for emotional distress as provided for in 46 USC §30509 (a) and (b) and shall do nothing to impair the rights of either party to limit their own liability as provided by law. Notwithstanding the above, this Article shall not be construed as limiting the liability of either OWNER or CHARTERER, or their Master’s, Crewmembers, agent or employees for claims of sexual harassment, sexual assault or rape, or other intentional tortious conduct.

b. TIME BARS FOR CLAIMS AND SUITS:

The time for giving notice of, or filing a claim for, personal injury or death by passengers of CHARTERER shall be as set forth in 46 USC §30508 (b).

c. LIMITATIONS AND BENEFITS AS TO CARGO:

(1) Any provision of this Master Time Charter to the contrary notwithstanding, OWNER shall have the benefit of all limitations of and exemptions from liability accorded to the owners or chartered owners of vessels by any statute or rule of law for the time being in force. Nothing in this Master Time Charter shall operate to limit or deprive OWNER of any such statutory exemption from or limitation of liability on the theory of personal contract or otherwise.

**Article 27- Headings**

The preceding headings are for identification purposes only and are not intended to delineate the obligations or rights of the parties to this Agreement.

**Article 28 - Severability**

The provisions of this Agreement are separable and severable. If any one or more provisions contained in this agreement shall, for any reason, be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or lack of enforceability shall not affect
any other provision of this agreement, and this agreement shall be construed as if such invalid, illegal, or unenforceable provision had never been contained herein.

**Article 29 - Waiver**

No waiver of any violation of this Agreement shall be deemed or construed to constitute a waiver of any of the other terms, provisions, and covenants contained herein nor a waiver of any other violation or breach of any of said terms, provisions and covenants contained herein, and the forbearance to enforce any of the remedies herein provided shall not be deemed or construed to constitute a waiver of any default or prevent either party from enforcing strict compliance with any and all of the terms, provisions and covenants herein contained.

**Article 30 - Entire Agreement**

This Agreement and its Supplementary Conditions, together with any applicable Short Form contains the entire agreement between the parties relating to the rights herein granted and the obligations herein assumed. No representation or modification concerning this instrument shall be of any force or effect unless such subsequent modification is reduced to writing and agreed, in writing, by both parties hereto. This Agreement, and the other documents and instruments executed in connection with it, embody the entire agreement and understanding of the parties hereto with respect to the subject matter contained herein. This Agreement supersedes all prior agreements and understandings between the parties with respect to such subject matter.

**Article 31 - Dangerous Zone**

The Vessel, unless the consent of the OWNER be first obtained, shall not be ordered to, nor continue in, any place which is, or becomes, dangerous as a result of any actual or threatened act of war, hostilities, warlike operations, revolutions, civil war or civil commotion, or any similar risks threatening this or any other Vessel and/or cargo thereon. Nor shall the Vessel be used to carry any goods which may, in any way, expose her to such risks. In event the Vessel is exposed to the dangerous conditions hereinbefore described as a result of the orders or instructions of CHARTERER, OWNER shall be entitled to insure its interests in the vessel against any of the risks encountered as a result of such orders or instructions on such terms as it sees fit. CHARTERER shall reimburse OWNER for the premium of such insurance.

**Article 32 - Safety, Health, Environment, and Substance Abuse Policy**

Both OWNER and CHARTERER shall observe and comply with all applicable laws, rules and regulations including, without limitation, all federal, state and local safety, occupational health, worker’s compensation, labor, environmental, and substance abuse laws and regulations, including, but not limited to, the laws, regulations, Executive Order and administrative orders of the Commonwealth of Puerto Rico, its agencies and political sub-divisions and the laws and regulations of the United States.

**Article 33 – No Sub-charter**
CHARTERER shall not have the right under this Agreement to sub-charter the Vessel to any third party on either a time charter, bareboat charter, voyage charter or other basis.

**Article 34 – Authority and Approval**

OWNER and CHARTERER each represent to one another that they have the authority to enter into this Agreement and shall provide one another with the necessary Resolutions to that effect. CHARTERER specifically represents to OWNER that this Agreement and its terms have received all necessary approvals from the federal Financial Oversight and Management Board of Puerto Rico, the Puerto Rico Office of Management and Budget, the Board of Directors of the Puerto Rico Maritime Transportation Authority, as well as any and all other governmental agencies and authorities. CHARTERER also represents that the Puerto Rico Office of Management and Budget has approved the necessary funds in Account No. 511071-803 for deposit in the PRMTA Account at Banco Popular referred to in Article 2 above for the payment of the Contract Amount.

**Article 35 – Counterparts**

This agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

**Article 36 – Registration with Office of Comptroller**

CHARTERER shall remit a copy of this Agreement to the Office of the Comptroller within fifteen (15) days following the date of the execution of this Agreement or any subsequent amendment of this Agreement. OWNER understands that “[n]o provision or consideration of services object of this contract may be demanded until the same has been filed for registration with the Office of the Comptroller pursuant to the provisions of Act No. 18 of October 30, 1975, as amended”.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their duly authorized representatives, in duplicate originals, as of the day and year first above written.

[INTENTINOALLY LEFT BLANK]
WITNESS:

Omar Vázquez Rivera

WITNESS:

Pedro De Jesús Román

OWNER:
Puerto Rico Fast Ferries, LLC

By: Fredrick Newman Volk
Title: Managing Partner
Date: July 19, 2018
EIN

CHARTERER:
Puerto Rico Maritime Transportation Authority

By: Luis Abreu Noble
Title: Executive Director
Date: July 19, 2018
EIN
This document is an exemplar only. Charter hire may vary according to market conditions existing at the time of execution hereof.

EXHIBIT “A”

NOTICE OF HIRE - BOAT CHARTER

TO: PUERTO RICO FAST FERRIES, LLC
    (hereinafter “OWNER”)

FROM: THE PUERTO RICO MARITIME TRANSPORTATION AUTHORITY
    (hereinafter “CHARTERER”)

VESSEL: MV _________________________, official number _________________________
        (Name and Official Number of Vessel)

In accordance with the terms and conditions of the Master Time Charter Agreement between CHARTERER and OWNER, dated __________________________, the premises and covenants of which the parties hereto are familiar with and incorporate herein by reference, CHARTERER takes under Charter the subject vessel.

<table>
<thead>
<tr>
<th>Type of Vessel:</th>
</tr>
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<tbody>
<tr>
<td>Charter Hire Rate: $__,.00 per year for the initial Charter Term, payable as set forth in the Special Instructions below</td>
</tr>
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<td>Port or Place of Delivery:</td>
</tr>
<tr>
<td>Port or Place of Redelivery:</td>
</tr>
<tr>
<td>Operating Area (waters):</td>
</tr>
<tr>
<td>Charter Term: 2018 through ____, 2019. Charterer shall have the exclusive option to extend the charter term beyond ____, 2019 for ___________ at agreed terms. Time &amp; date of delivery (years, months, days; weeks)</td>
</tr>
<tr>
<td>Security Deposit: Payable upon signing of this Short Form in the form of a $150,000 Surety Bond issued by a reputable North American surety company.</td>
</tr>
</tbody>
</table>
Effective Time and Date of Delivery: o’clock , or such other time as may be mutually agreed upon, unless this Notice of Hire be sooner cancelled or terminated.

Special Instructions:

1. At the time of delivery, the Vessel will have the ability to get underway and operate under its own power within specified performance requirements: ______ knots loaded service speed at 85% MCR. If a vehicle Vessel, Vessel shall have the capability to carry the types of passenger, commercial and government vehicles traditionally carried by PRMTA.

2. The vessel shall not go into service until tendered by PRFF and accepted by the Authority pursuant to the terms and conditions of and Exhibits to the Mobilization and Demobilization Plan; and the payment of Charter Hire shall begin at the Port or Place of Delivery and shall continue until the vessel is returned to the Port or Place of Redelivery set forth in this Short Form.

3. The Operations Plan referred to in Exhibit “FL” to the Mobilization and Demobilization Plan, is incorporated by reference herein and is made an integral part hereof and shall be delivered to CHARTERER upon signing of this Short Form.

4. Charter Hire shall be payable according the following Payment Schedule:

   a. $___,000.00, thirty (30) days after the Effective Date of this Short Form (which includes a $20,000.00 credit for the Option Payment made to secure the vessel for charter);
   b. $___,000.00, sixty (60) days after the Effective Date of this Short Form;
   c. $___,000.00, ninety (90) days after the Effective Date of this Short Form;
   d. $___,000.00, one hundred twenty (120) days after the Effective Date of this Short Form;
   e. $___,000.00, one hundred fifty (150) days after the Effective Date of this Short Form;
   f. $___,000.00, one hundred eighty (180) days after the Effective Date of this Short Form;
   g. $___,000.00, two hundred ten (210) days after the Effective Date of this Short Form;
   h. $___,000.00, two hundred forty (240) days after the Effective Date of this Short Form;
   i. $___,000.00, two hundred seventy (270) days after the Effective Date of this Short Form;
   j. $___,000.00, three hundred (300) days after the Effective Date of this Short Form;
   k. $___,000.00, three hundred (330) days after the Effective Date of this Short Form.
CHARTERER:
The Puerto Rico Maritime Transportation Authority

By: ________________________________
Title: ________________________________

OWNER:
Puerto Rico Fast Ferries, LLC

ACCEPTED AND AGREED to this __________ day of ____________________, 20____.

By: ________________________________
Title: ________________________________
TO: PUERTO RICO FAST FERRIES, LLC
(hereinafter “OWNER”)

FROM: THE PUERTO RICO MARITIME TRANSPORTATION AUTHORITY
(herinafter “CHARTERER”)

VESSEL: MV __________________________, official number ________________
(Name and Official Number of Vessel)

In accordance with the terms and conditions of the Master Time Charter Agreement between CHARTERER and OWNER, dated ________________, the premises and covenants of which the parties hereto are familiar with and incorporate herein by reference, CHARTERER takes under Charter the subject vessel.

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Effective Time and Date of Delivery: ______________ o’clock ______________, or such other time as may be mutually agreed upon, unless this Notice of Hire be sooner cancelled or terminated.

Special Instructions:

1. At the time of delivery, the Vessel will have the ability to get underway and operate under its own power within specified performance requirements: ____ knots loaded service speed at 85% MCR.

2. The vessel shall not go into service until tendered by PRFF and accepted by the Authority pursuant to the terms and conditions of and Exhibits to the Mobilization and Demobilization Plan; and the payment of Charter Hire shall begin at the Port or Place of Delivery and shall continue until the vessel is returned to the Port or Place of Redelivery set forth in this Short Form.

3. The Operations Plan referred to in Exhibit “FL” to the Mobilization and Demobilization Plan, is incorporated by reference herein and is made an integral part hereof.

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   j. $___,000.00, three hundred (300) days after the Effective Date of this Short Form;
   k. $___,000.00, three hundred (330) days after the Effective Date of this Short Form.
CHARTERER:

The Puerto Rico Maritime Transportation Authority

By: ______________________________

Title: ______________________________

OWNER:

Puerto Rico Fast Ferries, LLC

ACCEPTED AND AGREED to this ____________
day of ________________________ , 20___.

By: ______________________________

Title: ______________________________
EXHIBIT “C”

NOTICE OF HIRE - BOAT CHARTER

TO: PUERTO RICO FAST FERRIES, LLC
(hereinafter “OWNER”)

FROM: THE PUERTO RICO MARITIME TRANSPORTATION AUTHORITY
(hereinafter “CHARTERER”)

VESSEL: MV ____________________________, official number ______________________
(Name and Official Number of Vessel)

In accordance with the terms and conditions of the Master Time Charter Agreement between CHARTERER and OWNER, dated ______________________, the premises and covenants of which the parties hereto are familiar with and incorporate herein by reference, CHARTERER takes under Charter the subject vessel.

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| Security Deposit: | Payable upon signing of this Short Form in the form of a $500,000 Surety Bond issued by a reputable North American surety company. |

27
Effective Time and Date of Delivery: __________ o’clock ____________, or such other time as may be mutually agreed upon, unless this Notice of Hire be sooner cancelled or terminated.

Special Instructions:

1. At the time of delivery, the Vessel will have the ability to get underway and operate under its own power within specified performance requirements: ___ knots loaded service speed at 85% MCR.

2. The vessel shall not go into service until tendered by PRFF and accepted by the Authority pursuant to the terms and conditions of and Exhibits to the Mobilization and Demobilization Plan; and the payment of Charter Hire shall begin at the Port or Place of Delivery and shall continue until the vessel is returned to the Port or Place of Redelivery set forth in this Short Form.

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k. $____,000.00, three hundred (330) days after the Effective Date of this Short Form.
CHARTERER:

The Puerto Rico Maritime Transportation Authority

By: Luís Abreu Noble
Title: Executive Director

OWNER:

Puerto Rico Fast Ferries, LLC

ACCEPTED AND AGREED to this __________ day of ____________________, 20__.

By: ____________________________________________

Title: ____________________________________________
EXHIBIT “D”

OWNER’S INSURANCE

OWNER agrees to carry or will cause to be carried, with an insurance company or companies satisfactory to CHARTERER and authorized to do business in such states as CHARTERER may reasonably specify, insurance coverage at its expense with limits of not less than those set forth herein, such coverage to include a contractual coverage endorsement for contractual liability assumed under the indemnity and hold harmless provisions of Articles 12 and 13 this Master Time Charter Agreement. Prior to the commencement of any work to be performed hereunder, OWNER shall procure from the company or companies writing said insurance, a certificate or certificates that the said insurance is in full force and effect and that the endorsements described hereunder in the succeeding paragraphs hereof have been made parts of those policies; these certificates shall also reflect that the insurer’s policy shall not be cancelled, terminated, lapsed, or materially changed without thirty (30) days prior written notice to CHARTERER and, when requested by CHARTERER, shall furnish certified copies of all insurance policies. The insurance certificates so furnished shall not effect or limit the insurance obligations set forth in this Master Time Charter Agreement.

Notwithstanding the fact that CHARTERER is hereby to be named as Additional Insured under OWNER’s policies of insurance, the coverage of those policies will only extend insofar as CHARTERER may be found liable to pay in the first instance for loss or damage which is properly the responsibility of OWNER, and nothing herein contained shall be construed as extending coverage in respect of any amount which would not have been recoverable against OWNER had the claim in respect of such loss or damage been made or enforced against OWNER. Once the OWNER has performed its indemnification obligations under this agreement, it shall not be under any further liability and shall not make further payment to any person or company whatsoever, including CHARTERER, in respect of that loss or damage.

OWNER shall procure and continuously maintain in full force and effect during the term of this Master Time Charter Agreement, at its sole costs and expense, the following insurance:

(A.) Workers’ Compensation and Employers’ Liability Insurance complying with the Workers’ Compensation Acts of the states in which the work hereunder is to be performed, including, but not limited to, the laws and regulations of the Commonwealth of Puerto Rico, which require that such insurance be purchased from the Puerto Rico State Insurance Fund, covering all of OWNER’s employees and providing for coverage under the United States Longshore & Harbor Workers’ Compensation Act enforced for operations in the Outer Continental Shelf, and if not included in the Protection and Indemnity policies, such insurance shall be extended to include Admiralty and Jones Act coverage, coverage under the Death on the High Seas Act, General Maritime Law, and Voluntary compensation and
coverage for Captains and Members of a crew of any Vessel, including endorsements for transportation, maintenance, wages, and cure with limits of not less than $1,000,000.00.

The Workers' Compensation and Employers' Liability Insurance policy shall be endorsed: (i) to waive all rights of subrogation, whether by loan receipt, equitable assignment or otherwise against the following persons or entities: CHARTERER and any client and their co-lessees for whom CHARTERER is performing services, and its/their employees, officers, directors, agents, servants, rigs, vessels, and their insurers and underwriters; (ii) to provide for an "in rem" endorsement (to provide that claims "in rem" shall be treated as claims against OWNER); and (iii) to extend territorial limits to include the Commonwealth of Puerto Rico.

(B.) Comprehensive General Liability Insurance which shall include products, completed operations, and broad form contractual coverage; shall have the watercraft exclusion deleted to cover all vessels not insured under a protection and indemnity policy; and shall have limits of not less than $1,000,000 bodily injury and property damage, combined single limit.

The Comprehensive General Liability Insurance policy shall be endorsed: (i) to name as additional insureds with respect to the operations conducted hereunder, CHARTERER, any client and their co-lessees for whom CHARTERER is performing services, and its/their employees, officers, directors, agents, servants, rigs, vessels, and their insurers and underwriters; (ii) to waive all rights of subrogation, whether by loan receipt, equitable assignment, or otherwise, including any loss of or damage to OWNER's property and equipment employed in the performance of this Master Time Charter, against the following persons or entities: CHARTERER, any client and their co-lessees for whom CHARTERER is performing services, and its/their employees, officers, directors, agents, servants, rigs, vessels, and their insurers and underwriters; (iii) to provide for an "in rem" endorsement (to provide that claims "in rem" shall be treated as claims against the OWNER); (iv) to extend territorial limits to include the Commonwealth of Puerto Rico.

OWNER shall purchase an extended reporting provision if the policy is written on a claims made basis and is not renewed or cancelled. The extended reporting period shall not be less than thirty-six (36) months, and if an occurrence policy, shall contain no "sunset" clauses.

(C.) Automobile Liability and Property Damage Insurance specifically including coverage for all owned, non-owned, and hired automotive equipment used in connection with OWNER's operations hereunder with limits of not less than $1,000,000.00 Combined Single Limit. The Automobile and Property Damage Insurance policy shall be endorsed: (i) to name as additional insureds with respect to the operations conducted hereunder: CHARTERER, any client and their co-
lessees for whom CHARTERER is performing services, and its/their employees, officers, directors, agents, servants, rigs, vessels and their insurers and underwriters; (ii) to waive all rights of subrogation, whether by loan receipt, equitable assignment, or otherwise, including any loss of or damage to OWNER’s property and equipment employed in the performance of this Master Time Charter, against the following persons or entities: CHARTERER, any client and their co-lessees for whom CHARTERER is performing services, and its/their employees, officers, directors, agents, servants, rigs, vessels, and their insurers and underwriters; (iii) to extend territorial limits to include the Commonwealth of Puerto Rico.

(D.) **Protection and Indemnity Insurance** (Form SP23 or equivalent including contractual coverage) in an amount not less than the value of the vessel or $1,000,000.00, whichever is greater, providing adequate navigational limits to perform the work contracted hereunder, on all vessels and other watercraft owned, chartered, or operated by OWNER, OWNER may cover its obligations for loss of life or bodily injury to the crew of the vessel by extension of the Workers’ Compensation and Employers’ Liability policy. The Protection and Indemnity Insurance policy shall be endorsed: (i) to name as additional insured with respect to operations conducted hereunder: CHARTERER, any client and their co-lessees for whom CHARTERER is performing services, and its/their employees, officers, directors, agents, servants, rigs, vessels, and their insurers and underwriters; (ii) to waive all rights of subrogation, whether by loan receipt, equitable assignment, or otherwise, including any loss of or damage to OWNER’s property and equipment employed in the performance of this Master Time Charter, against the following persons or entities: CHARTERER, and its/their employees, officers, directors, agents, servants, rigs, vessels, and their insurers and underwriters; (iii) to provide that CHARTERER and the other additional insureds shall be covered irrespective of its relationship to the vessel, including a deletion of the phrase “as OWNER of the vessel” and all phrases purporting to limit the underwriter’s liability to the value of the vessel or to that of an OWNER, and to delete the “exclusionary other insurance” clause sometimes found in protection and indemnity policies; (iv) to extend territorial limits to include the Commonwealth of Puerto Rico. The policy shall include a deletion of “as OWNER of the vessel named herein” or any similar phrases purporting to limit the underwriter’s liability to that of a vessel OWNER. Such insurance shall also include Vessel Pollution Liability coverage to comply with the laws of the Commonwealth of Puerto Rico with a minimum limit of $10,000,000 per occurrence.

(E.) **Hull and Machinery Insurance**, including collision and liability equal to the full value of all vessels (American Institute Hull Clauses, June 2, 1977, or equivalent), and other watercraft owned, chartered or operated by OWNER, providing adequate navigational limits to perform the work contracted hereunder. The Hull and Machinery Insurance policy shall be endorsed: (i) to name as additional insured with respect to operations conducted hereunder: CHARTERER, any client and
their co-lessees for whom CHARTERER is performing services, its/their employees, officers, directors, agents, servants, rigs, vessels, and their insurers and underwriters; (ii) to waive all rights of subrogation, whether by loan receipt, equitable assignment, or otherwise, including any loss of or damage to OWNER’s property and equipment employed in the performance of this Master Time Charter, against the following persons or entities: CHARTERER, any client and their co-lessees for whom CHARTERER is performing services, and its/their employees, officers, directors, agents, servants, rigs, vessels, and their insurers and underwriters; (iii) to extend territorial limits to include the Commonwealth of Puerto Rico.

(F.) Umbrella Liability coverage with limits of not less than $25,000,000.00 in excess of the coverages outlined in paragraphs A, B, C and D.

(G.) Pollution Liability Vessel Pollution Liability coverage to comply with the laws of the Commonwealth of Puerto Rico and the United States of America with a minimum limit of $10,000,000 per occurrence.

There shall be included under the Protection and Indemnity Insurance or the Hull and Marine Machinery Insurance a separate limit of the value of the vessel of no less than $5,000,000.00, if CHARTERER determines that removal of a wreck is required by law or the wreck is interfering with the current operations or expected future operations of CHARTERER and/or berthing facility of CHARTER or lessor.

All policies shall be endorsed to provide that OWNER’s policy shall be primary insurance and CHARTERER’s policy shall be excess insurance.

OWNER will promptly, following the execution of this Master Time Charter, obtain from its insurer, the waiver of subrogation against CHARTERER as hereinabove provided and in all insurance carried by OWNER protecting against loss of or damage to its property and equipment employed in the performance of this Master Time Charter whether the same be set forth in this Exhibit “C” or not. In addition to agreeing to having its insurers waive subrogation as hereinabove provided, OWNER further agrees to waive all rights of subrogation for its deductible or for any other sum not covered by insurance.

It is expressly stipulated that the designation of limits on the amount of insurance required to be procured by OWNER does not limit the liability of OWNER to such policy limits for any liability or obligation assumed by or imposed upon OWNER by any provision of this Master Time Charter. If it is judicially determined that the monetary limits of insurance required under this Exhibit “C” or of the indemnities voluntarily assumed under Articles 11 and 12 which OWNER and CHARTERER hereby agree will be supported by available liability insurance, exceed limits permitted under applicable law, it is agreed that said insurance requirements or
indemnity shall automatically be amended to conform with the maximum monetary limits permitted under such law.

The Additional Insured and Waiver of Subrogation provisions specified hereinabove, pursuant to which CHARTERER becomes an Additional Insured under any policy of insurance purchased by OWNER and obtains the benefit of a Waiver of Subrogation under any policy of insurance purchased by OWNER shall not extend to any of the obligations assumed by CHARTERER in the Master Time Charter Indemnification section.

(H.) The PRMTA shall be named as Additional Insured under all policies of insurance of OWNER which name CHARTERER as Additional Insured.
CHARTERER agrees to carry or will cause to be carried, with an insurance company or companies satisfactory to CHARTERER and authorized to do business in such states as CHARTERER may reasonably specify, insurance coverage at its expense with limits of not less than those set forth herein, such coverage to include a contractual coverage endorsement for contractual liability assumed under the indemnity and hold harmless provisions of Article 12 and 14 of this Master Time Charter Agreement. Prior to the commencement of any work to be performed hereunder by CHARTERER shall procure from the company or companies writing said insurance, a certificate or certificates that the said insurance is in full force and effect and that the endorsements described hereunder in the succeeding paragraphs hereof have been made parts of those policies; these certificates shall also reflect that the insurer’s policy shall not be cancelled, terminated, lapsed, or materially changed without thirty (30) days prior written notice to OWNER and, when requested by OWNER, shall furnish certified copies of all insurance policies. The insurance certificates so furnished shall not affect or limit the insurance obligations set forth in this Master Time Charter Agreement.

Notwithstanding the fact that OWNER is hereby to be named as Additional Insured under CHARTERER’s policies of insurance, the coverage of those policies will only extend insofar as OWNER may be found liable to pay in the first instance for loss or damage which is properly the responsibility of CHARTERER, and nothing herein contained shall be construed as extending coverage in respect of any amount which would not have been recoverable against CHARTERER had the claim in respect of such loss or damage been made or enforced against CHARTERER. Once the CHARTERER has performed its indemnification obligations under this agreement, it shall not be under any further liability and shall not make further payment to any person or company whatsoever, including OWNER, in respect of that loss or damage.

CHARTERER shall procure and continuously maintain in full force and effect during the term of this Master Time Charter Agreement, at its sole costs and expense, the following insurance:

(A.) Workers’ Compensation and Employers’ Liability Insurance complying with the laws and regulations of the Commonwealth of Puerto Rico, which require that such insurance be purchased from the Puerto Rico State Insurance Fund, covering all of CHARTERER’s employees, and if not included in the Protection and Indemnity policies, such insurance shall be extended to include Admiralty coverage, coverage under the Death on the High Seas Act, General Maritime Law, and Voluntary compensation and coverage for Captains and Members of a crew of any Vessel, including endorsements for transportation, maintenance, wages, and cure with limits of not less than $1,000,000.00. The Workers’ Compensation and Employers’ Liability Insurance policy shall be endorsed: (i) to waive all rights of subrogation, whether by loan receipt, equitable assignment or otherwise against the following persons or entities: OWNER and
any client and their co-lessees for whom OWNER is performing services, and its/their employees, officers, directors, agents, servants, rigs, vessels, and their insurers and underwriters; (ii) to provide for an “in rem” endorsement (to provide that claims “in rem” shall be treated as claims against CHARTERER); and (iii) to extend territorial limits to include the Commonwealth of Puerto Rico.

(B.) Comprehensive General Liability Insurance which shall include products, completed operations, and broad form contractual coverage; shall have the watercraft exclusion deleted to cover all vessels not insured under a protection and indemnity policy; and shall have limits of not less than $1,000,000 bodily injury and property damage, combined single limit.

The Comprehensive General Liability Insurance policy shall be endorsed: (i) to name as additional insureds with respect to the operations conducted hereunder, OWNER, any client and their co-lessees for whom OWNER is performing services, and its/their employees, officers, directors, agents, servants, rigs, vessels, and their insurers and underwriters; (ii) to waive all rights of subrogation, whether by loan receipt, equitable assignment, or otherwise, including any loss of or damage to CHARTERER’s property and equipment employed in the performance of this Master Time Charter, against the following persons or entities: OWNER, any client and their co-lessees for whom OWNER is performing services, and its/or their employees, officers, directors, agents, servants, rigs, vessels, and their insurers and underwriters; (iii) to provide for an “in rem” endorsement (to provide that claims “in rem” shall be treated as claims against the CHARTERER); (iv) to extend territorial limits to include the Commonwealth of Puerto Rico.

CHARTERER shall purchase an extended reporting provision if the policy is written on a claims made basis and it not renewed or cancelled. The extended reporting period shall not be less than thirty-six (36) months, and if an occurrence policy, shall contain no “sunset” clauses.

(C.) Automobile Liability and Property Damage Insurance specifically including coverage for all owned, non-owned, and hired automotive equipment used in connection with CHARTERER’s operations hereunder with limits of not less than $1,000,000.00 Combined Single Limit. The Automobile and Property Damage Insurance policy shall be endorsed: (i) to name as additional insureds with respect to the operations conducted hereunder: OWNER, any client and their co-lessees for whom OWNER is performing services, and its/their employees, officers, directors, agents, servants, rigs, vessels, and their insurers and underwriters; (ii) to waive all rights of subrogation, whether by loan receipt, equitable assignment, or otherwise, including any loss of or damage to CHARTERER’s property and equipment employed in the performance of this Master Time Charter, against the following persons or entities: OWNER, any client and their co-lessees for whom OWNER is performing services, and its/or their employees, officers, directors,
agents, servants, rigs, vessels, and their insurers and underwriters; (iii) to extend territorial limits to include the Commonwealth of Puerto Rico.

(D.) **Protection and Indemnity Insurance** With respect to other vessels owned and or chartered by CHARTERER and working on the same route with a vessel of the Owner chartered hereunder, CHARTERER shall provide Protection and Indemnity Insurance (Form SP23 or equivalent including contractual coverage) in an amount not less than the value of the vessel or $1,000,000.00, whichever is greater, providing adequate navigation limits to perform the work contracted hereunder, on all vessels and other watercraft owned, chartered, or operated by CHARTERER. CHARTERER may cover its obligations for loss of life or bodily injury to the crew of the vessel by extension of the Workers’ Compensation and Employers’ Liability policy. The Protection and Indemnity Insurance policy shall be endorsed: (i) to name as additional insured with respect to operations conducted hereunder: OWNER, any client and their co-lessees for whom OWNER is performing services, and its/their employees, officers, directors, agents, servants, rigs, vessels, and their insurers and underwriters; (ii) to waive all rights of subrogation, whether by loan receipt, equitable assignment, or otherwise, including any loss of or damage to CHARTERER’s (or any of its contractors’ and sub-contractors’) property and equipment employed in the performance related to the project under which OWNER’s vessel is being chartered, against the following persons or entities: OWNER, any client and their co-lessees for whom OWNER is performing services, and its/their employees, officers, directors, agents, servants, rigs, vessels, and their insurers and underwriters; (iii) to provide that OWNER and the other additional insureds shall be covered irrespective of its relationship to the vessel, including a deletion of the phrase “as OWNER of the vessel” and all phrases purporting to limit the underwriter’s liability to the value of the vessel or to that of an owner, and to delete the “exclusionary other insurance” clause sometimes found in protection and indemnity policies; (iv) to extend territorial limits to include the Commonwealth of Puerto Rico. The policy shall include a deletion of “as owner of the vessel named herein” or any similar phrases purporting to limit the underwriter’s liability to that of a vessel owner. Such insurance shall also include Vessel Pollution Liability coverage to comply with the laws of the Commonwealth of Puerto Rico with a minimum limit of $10,000,000 per occurrence.

(E.) **Hull and Machinery Insurance** With respect to other vessels owned and/or chartered by CHARTERER and working on the same project with a vessel of the Owner chartered hereunder, CHARTERER shall provide Hull and Machinery Insurance, including collision and liability equal to the full value of all vessels (American Institute Hull Clauses, June 2, 1977, or equivalent), and such other watercraft owned, chartered or operated by CHARTERER, providing adequate navigational limits to perform the work the work of such other vessels or watercraft. The Hull and Machinery Insurance policy shall be endorsed: (i) to name as additional insured with respect to operations related to the project under which OWNER’s vessel is being chartered: conducted hereunder: OWNER, any client
and their co-lessees for whom OWNER is performing services, and its/their employees, officers, directors, agents, servants, rigs, vessels, and their insurers and underwriters; (ii) to waive all rights of subrogation, whether by loan receipt, equitable assignment, or otherwise, including any loss of or damage to CHARTERER’s property (or any of its contractors’ and sub-contractors’) property and equipment employed with respect to operations related to the project under which OWNER’s vessel is being chartered, against the following persons or entities: OWNER, any client and their co-lessees for whom OWNER is performing services, and its/or their employees, officers, directors, agents, servants, rigs, vessels, and their insurers and underwriters; (iii) to extend territorial limits to include the Commonwealth of Puerto Rico.

(F.) Umbrella Liability coverage with limits of not less than $3,000,000.00 in excess of the coverages outlined in paragraphs A, B, C and D.

(G.) Pollution Liability Vessel Pollution Liability coverage to comply with the laws of the Commonwealth of Puerto Rico and the United States of America with a minimum limit of $10,000,000 per occurrence.

There shall be included under the Protection and Indemnity Insurance or the Hull and Marine Machinery Insurance a separate limit of the value of the vessel of no less than $5,000,000.00 for, if OWNER determines that removal of a wreck is required by law or the wreck is interfering with the current operations or expected future operations of OWNER and/or berthing facility of OWNER or lessor.

All policies shall be endorsed to provide that CHARTERER’s policy shall be primary insurance and OWNER’s policy shall be excess insurance.

CHARTERER will promptly, following the execution of this Master Time Charter, obtain from its insurer, the waiver of subrogation against OWNER as hereinabove provided and in all insurance carried by CHARTERER protecting against loss of or damage to its property and equipment employed with respect to operations related to the project under which OWNER’s vessel is being chartered. All policies shall be further endorsed for insurer to agree not to cause execution or collection of any judgment obtained against any third party which might then be able to obtain judgment over, against or indemnification from any party against whom rights of subrogation are waived hereinabove. In addition to agreeing to having its insurers waive subrogation as hereinabove provided, CHARTERER further agrees to waive (and to have its contractors’ and its sub-contractors’ insurers waive) all rights of subrogation for its/their deductible(s) or for any other sum not covered by insurance.

It is expressly stipulated that the designation of limits on the amount of insurance required to be procured by CHARTERER and/or its contractors and sub-contractors does not limit the liability of CHARTERER to such policy limits for any liability.
or obligation assumed by or imposed upon CHARTERER by any provision of this Master Time Charter. If it is judicially determined that the monetary limits of insurance required under this Exhibit “D” or of the indemnities voluntarily assumed under Articles 11 and 12 which CHARTERER and OWNER hereby agree will be supported by available liability insurance, exceed limits permitted under applicable law, it is agreed that said insurance requirements or indemnity shall automatically be amended to conform with the maximum monetary limits permitted under such law.

The Additional Insured and Waiver of Subrogation provisions specified hereinabove, pursuant to which OWNER becomes an Additional Insured under any policy of insurance purchased by CHARTERER and obtains the benefit of a Waiver of Subrogation under any policy of insurance purchased by CHARTERER shall not extend to any of the obligations assumed by OWNER in the Master Time Charter Indemnification section.

(H.) OWNER shall be named as Additional Insured under all policies of insurance of PRMTA which are required under this Master Time Charter, its Short Forms and Exhibits.
EXHIBIT "F"

MOBILIZATION AND DEMOBILIZATION PLAN

FIRST: Mobilization and Demobilization services: PRFF shall provide Mobilization and Demobilization Services as part of the Master Time Charter Agreement of even date herewith and Short Forms entered into between PRFF and the AUTHORITY for the charter of two cargo vessels and one high speed passenger vessel (the “Vessels”). These services shall include, but are not limited to the following: marine surveys of the vessels; sea trials of the vessels; improvements and/or modifications to the vessels to conform them to the PRMTA’s pier facilities; the payment of costs related to transporting the vessels and to actually transport them to Puerto Rico from their homeports; and, likewise, when the Master Time Charter and Short Forms terminate, to prepare the chartered vessels for return to their homeports and to actually return them to their homeports (hereinafter collectively referred to as the Mobilization and Demobilization Services); all of which shall constitute the scope of this Plan and are detailed in The Scope of Work, Milestones and Payment Schedule attached hereto as Exhibit "F1", which is incorporated into this Plan as an integral part hereof (hereinafter referred to as the “Schedule”).

It shall be an express condition precedent to PRFF’s obligation to actually perform the Mobilization and Demobilization services that the AUTHORITY enter into a Master Time Charter and accompanying Short Forms for charter of each vessel identified by PRFF for charter; and, that the AUTHORITY fund the Disbursement Account referred to in Article 2 above with sufficient funds for performance of the Mobilization and Demobilization Services, in an amount at least equivalent to the costs projected in the Schedule set forth in Exhibit “F1”. It shall be an express condition precedent to PRFF’s obligation to actually deliver the chartered vessels to Puerto Rico that the AUTHORITY enter into the Short Forms for each vessel selected by the AUTHORITY for charter. Additional deposits to the Account shall be made as necessary to fund the actual incurred cost of performance of the Mobilization and Demobilization Services after a written Change Order amending the estimated Master Time Charter Contract Amount has been executed; and the Account shall be fully funded with the balance of the Contract Amount when all three Vessels have been tendered for service to PRMTA.

SECOND: The Short Forms shall contain the specific terms for the charter of each vessel, including: Charter Hire Rate; the Ports of Delivery and Redelivery; the Operating Area; the Charter Term and any Special Instructions for the operation of each vessel, in brief format.

THIRD: The Master Time Charter Contract Amount is the consideration for the performance of the Mobilization and Demobilization Services.

FOURTH: (a) The AUTHORITY will pay all actual expenses required for the performance of the Mobilization and Demobilization Services, including the payment of the expenses projected in the Schedule set forth in Exhibit “F1” from the Disbursement Account referred to in Article 2 above.
(b) The funding of Mobilization and Demobilization expenses by the AUTHORITY will be in an amount sufficient to cover all actual expenses referred to in the Schedule attached hereto as Exhibit “F1”; and all such expenses shall be subject to the true-up or down process referred to in Subsection (c) and Article FIFTH below. Mobilization will commence following establishment and funding of the Account referred to in Article 2 above and the signing of the Master Time Charter Agreement. Delivery of a chartered vessel will commence following signing of a corresponding Short Form for hiring that vessel and performance of any and all terminal modifications or improvements to accommodate the chartered vessel, and not before. Drawdown of funds by PRFF from the Account for Mobilization and Demobilization Services shall be in accordance with the Schedule set forth in Exhibit “F1”. Drawdown of funds from the Account for Mobilization and Demobilization Services shall be subject to the provisions of Article FIFTH below and such funds shall be paid to PRFF within three (3) business days of certification by the AUTHORITY of an Invoice. The AUTHORITY shall have two (2) business days to review and certify all Invoices. All payments to PRFF from the Account for Mobilization and Demobilization Services shall be wire transferred to PRFF’s bank account.

(c) If and when the actual costs of delivering the Mobilization and Demobilization Services referred to in the Schedule set forth in Exhibit “F1” equal seventy five (75%) percent of the projected cost of delivering the Services set forth in Exhibit “F1”, PRFF shall immediately notify the Authority of the deficiency and the parties shall negotiate a Change Order adjusting the Contract Amount to cover any deficiency.

FIFTH: PRFF will submit to the AUTHORITY Invoices for payment of Mobilization and Demobilization expenses with supporting backup information. Photocopies of supporting backup information shall be acceptable as an exception to the general rule that original documents are required, but only in the event that PRFF cannot obtain possession of original documents after due diligence. Provided that if PRFF does not have immediate possession of supporting backup for Invoices for Mobilization and Demobilization expenses, such backup shall be provided to the AUTHORITY no later than thirty (30) days after the expenses are incurred and the amount of the Invoice shall be true-up or down to account for the actual costs reflected in the backup. Invoices shall be specific and shall include a detailed description of the services rendered or expenses incurred by PRFF. Invoices shall also include any additional documentation that the AUTHORITY may reasonably require. Such invoices shall be itemized and must be duly certified as required hereinafter. PRFF shall include the following certification in all its invoices:

“Under penalty of absolute nullity, I hereby certify that none of the employees of the Puerto Rico Highway and Transportation Authority is part or has interest in the earnings or benefits product of the contract upon which this invoice is based. If part or any interest in the earnings or benefits product of this contract should come forth, then an official dispensation has been previously approved. The only consideration in the provision of the goods and services object of this contract is the payment agreed with the agency’s authorized representative; that the amount of this invoice is true and correct; and, that all the services have been rendered and have not been paid.”

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EXHIBIT F1

To the
VESSEL MOBILIZATION/DEMOBILIZATION PLAN
2 CARGO/PASSENGER; 1 HIGH SPEED 350+ PASSENGER FERRY; 1 HIGH SPEED 149-PASSENGER FERRY

A.

MOBILIZATION, SCOPE OF WORK, MILESTONES & PAYMENT SCHEDULE ALL VESSELS

First Phase - Mobilization Plan

<table>
<thead>
<tr>
<th>To be completed by PRFF</th>
<th>To be completed by the Authority</th>
</tr>
</thead>
<tbody>
<tr>
<td>Provide project management support.</td>
<td>N/A</td>
</tr>
<tr>
<td>Develop and provide a written Mobilization Gantt Chart for all four Vessels to the Authority.*</td>
<td></td>
</tr>
</tbody>
</table>

*PRFF will accelerate phases or perform them on parallel tracks, provided that all prior Authority performance items and funding have been tendered.

First Phase Payment: $50,000

Must be completed by the Authority prior to advancing to next Phase:

◆ Review and Accept the Mobilization Gantt Chart.

Second Phase – Terminal and Vessel Inspections and Approvals

<table>
<thead>
<tr>
<th>To be completed by PRFF</th>
<th>To be completed by the Authority</th>
</tr>
</thead>
<tbody>
<tr>
<td>Provide Project Management support.</td>
<td></td>
</tr>
<tr>
<td>Participate in joint terminal, including Ceiba, VQS (Isabel II &amp; Mosquito), Culebra (Dewey &amp; Ensenada Honda) inspections (all three sites) with representatives from PRHTA and ATM.</td>
<td>Participate in joint terminal inspections (all three sites) with representatives from PRFF and ATM.</td>
</tr>
<tr>
<td>Provide technical information to PRFF on all three sites:</td>
<td></td>
</tr>
<tr>
<td>- Dock structural</td>
<td></td>
</tr>
</tbody>
</table>
- Soundings
- Utilities
- Lighting
- ADA compliance to access all vessels.
- Basic fendering
- Provide construction drawings for cargo ramp at Recursos in Ensenada Honda Bay in Culebra
- Provide USCG approved Security Plan for all terminals, including Ensenada Honda, Ceiba, and Mosquito.
- Staging areas
- Security measures

<table>
<thead>
<tr>
<th>Arrange for and participate in joint inspections of Vehicle Vessels. This shall include sea-trials. To be performed by third party surveyor, at the option of DTOP/PRMTA.</th>
<th>Provide a representative for both PRHTA and ATM to attend the vessel inspections and sea-trials at the option of DTOP/PRMTA.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Arrange for on-hire surveys of Vehicle Vessels.</td>
<td>Provide security deposits (cash or bond) and pre-operations Charter Hire.</td>
</tr>
</tbody>
</table>

**Second Phase Payment: $620,135**

Must be completed by the Authority prior to advancing to next Phase:

- Approve that the Vehicle vessels are suitable for intended service.
- Sign Vehicle vessel charter Short-Forms.

**NOTE: TIME CHARTER WILL COMMENCE AT THIS TIME.**

**Third Phase – Vessel Preparation, Modifications and Delivery to PR**

<table>
<thead>
<tr>
<th>To be completed by PRFF</th>
<th>To be completed by the Authority</th>
</tr>
</thead>
<tbody>
<tr>
<td>Provide project management support.</td>
<td>N/A</td>
</tr>
<tr>
<td>Complete architectural design of vessel modifications.</td>
<td>PRMTA to insure Vessel access at all piers and terminals.</td>
</tr>
<tr>
<td>Submit modifications to USCG for Review</td>
<td></td>
</tr>
</tbody>
</table>

43
<table>
<thead>
<tr>
<th>Begin fabrication/execution of Modifications on cargo/passenger vessels as required.</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Perform required USCG dry-dockings and inspections of Mr Cade and/or Greater Scott.</td>
<td></td>
</tr>
<tr>
<td>Begin fabrication of modifications for Mr Cade and/or Greater Scott. One Vessel may not require ramps.</td>
<td></td>
</tr>
<tr>
<td>Enhance security camera systems on Vessels for security purposes.</td>
<td></td>
</tr>
<tr>
<td>Plan and prepare for delivery of cargo/passenger Vessels including fueling, spare parts, trip insurance, emergency equipment and communications modes.</td>
<td></td>
</tr>
<tr>
<td>Make Initial insurance payment, first month’s Charter Hire payment and pay Security Deposit for Cargo/Passenger Vessels.</td>
<td></td>
</tr>
</tbody>
</table>

**Third Phase Payment: $1,238,620**

**Fourth Phase – Plan and Prepare for Vessel Deliveries**

<table>
<thead>
<tr>
<th>To be completed by PRFF</th>
<th>To be completed by the Authority</th>
</tr>
</thead>
<tbody>
<tr>
<td>Complete planning and preparation for delivery of vessels and purchase fuel, spare parts, trip insurance, emergency equipment (including Buoyant Safety Apparatus) and communications equipment.</td>
<td></td>
</tr>
<tr>
<td>Clear delivery plans with USCG</td>
<td></td>
</tr>
<tr>
<td>Make Initial insurance payment, first month’s Charter Hire payment and pay Security Deposits as required.</td>
<td></td>
</tr>
</tbody>
</table>

**Fourth Phase Payment: $320,520**

**Fifth Phase – USCG New to Zone / Route Proving / Port Fit / Tendered for Service**
<table>
<thead>
<tr>
<th>To be completed by PRFF</th>
<th>To be completed by the Authority</th>
</tr>
</thead>
<tbody>
<tr>
<td>Provide project management support.</td>
<td>Provide copies of all USCG/MTSA Security Plans for all ports and terminals as required in Second Phase.</td>
</tr>
<tr>
<td>Complete Vehicle Vessels USCG / San Juan COI inspections.</td>
<td>Inspect Vessels as delivered.</td>
</tr>
<tr>
<td>Vessels delivered to Puerto Rico with completed modifications.</td>
<td>Provide the operating itinerary for each vessel and route, subject to subsequent adjustments and changes.</td>
</tr>
<tr>
<td>Complete Cargo/Passenger route proving.</td>
<td>PRMTA to provide written and personal presentations and orientation to its supervisors and management staff to insure a smooth integration of PRFF with PRMTA.</td>
</tr>
<tr>
<td>Complete port fit activities.</td>
<td>Interface with port fit activities.</td>
</tr>
<tr>
<td>Complete vehicle and loading exercises.</td>
<td>Assist with vehicle loading and unloading exercises. Provide specific logistics support.</td>
</tr>
<tr>
<td>Tender Cargo/Passenger Vessels to the Authority for service consistent with the written Operations Plan.</td>
<td>Certificate(s) of Insurance (for terminals / facilities) – naming and waiving PRFF (and its Members).</td>
</tr>
<tr>
<td>Review operating plans prepared by PRMTA.</td>
<td>Provide written acceptance of Cargo/Passenger Vessels for service.</td>
</tr>
</tbody>
</table>

**Fifth Phase Payment: $257,995**

**Sixth Phase – Vessels Engaged in Scheduled Operations**

<table>
<thead>
<tr>
<th>To be completed by PRFF</th>
<th>To be completed by the Authority</th>
</tr>
</thead>
<tbody>
<tr>
<td>Vessels operate on assigned routes as described in Operations Plan and in concert with DTOP/PRMTA designated point-of-contact.</td>
<td>Provide monthly Charter Hire.</td>
</tr>
<tr>
<td></td>
<td>Insure operating itineraries work properly to avoid schedule conflicts and passenger inconvenience. Alter itineraries as required to insure an efficient maritime operation.</td>
</tr>
</tbody>
</table>

_Ongoing Monthly Payments on Invoice as per MTCA & SHORT FORMS:_

VESSELS ENTER SERVICE AT THIS TIME.
DEMOBILIZATION: CARGO/PASSENGER VESSELS

Seventh Phase – Demobilization and Vessels Returned (following completion of service) of Cargo/Passenger Vessels

<table>
<thead>
<tr>
<th>To be completed by PRFF</th>
<th>To be completed by the Authority</th>
</tr>
</thead>
<tbody>
<tr>
<td>Vessels and Facilities demobilized and Vessels returned.</td>
<td>Fueling of vessels in preparation for return trip to home port. Release of Demob payment to avoid extended Charter Hire.</td>
</tr>
<tr>
<td>Final Activity Report per vessel.</td>
<td></td>
</tr>
</tbody>
</table>

Seventh Phase Payment DeMobilization Cargo/Passenger Vessels: $516,230

B. Scope of Work and Milestones – HIGH SPEED 350+ PASSENGER FERRY

First Phase – Terminal and Vessel Inspections and Approvals

<table>
<thead>
<tr>
<th>To be completed by PRFF</th>
<th>To be completed by the Authority</th>
</tr>
</thead>
<tbody>
<tr>
<td>Provide Project Management support.</td>
<td>Provide a representative for both PRHTA and ATM to attend the vessel inspection and sea-trial at the option of DTOP/PRMTA.</td>
</tr>
<tr>
<td>Arrange for and participate in joint inspections of all High Speed Passenger Vessel. This shall include sea-trial. To be performed by third party surveyor, at the option of DTOP/PRMTA.</td>
<td></td>
</tr>
<tr>
<td>Arrange for on-hire survey of High Speed Passenger Vessel.</td>
<td>Provide security deposit (cash or bond) and pre-operations Charter Hire.</td>
</tr>
</tbody>
</table>

Must be completed by the Authority prior to advancing to next Phase:

- Approve that the High Speed Passenger Vessel is suitable for intended service.
- Sign High Speed Passenger Vessel Charter Short-Forms.

* NOTE: TIME CHARTER WILL COMMENCE AT THIS TIME.
## Second Phase – Vessel Preparation, Modifications and Delivery

<table>
<thead>
<tr>
<th>To be completed by PRFF</th>
<th>To be completed by the Authority</th>
</tr>
</thead>
<tbody>
<tr>
<td>Provide project management support.</td>
<td>N/A</td>
</tr>
<tr>
<td>Complete architectural design of vessel modifications, if necessary.</td>
<td></td>
</tr>
<tr>
<td>Secure USCG approval of any modifications.</td>
<td></td>
</tr>
<tr>
<td>Fabrication and installation of modifications, if necessary.</td>
<td></td>
</tr>
<tr>
<td>Perform required USCG dry-docking inspections.</td>
<td></td>
</tr>
<tr>
<td>Delivery trip planning. Purchase fuel, provisions, moorage, special supplies, communications, for delivery. Provide Delivery trip insurance.</td>
<td></td>
</tr>
<tr>
<td>Make intial insurance payment and first month’s Charter Hire payment for HSV.</td>
<td></td>
</tr>
</tbody>
</table>

## Third Phase – USCG New to Zone / Route Proving / Port Fit / Tender for Service

<table>
<thead>
<tr>
<th>To be completed by PRFF</th>
<th>To be completed by the Authority</th>
</tr>
</thead>
<tbody>
<tr>
<td>Provide project management support.</td>
<td></td>
</tr>
<tr>
<td>Complete High Speed Passenger Vessel USCG / San Juan COI inspections.</td>
<td></td>
</tr>
<tr>
<td>Complete High Speed Passenger Vessel route proving.</td>
<td>Interface with port fit activities.</td>
</tr>
<tr>
<td>Complete port fit activities.</td>
<td></td>
</tr>
<tr>
<td>Complete vessel loading and unloading exercises.</td>
<td>Assist with vessel loading and unloading exercises.</td>
</tr>
<tr>
<td>Certificate(s) of Insurance (for terminals / facilities) – naming and waiving PRFF (and its Members).</td>
<td></td>
</tr>
<tr>
<td>Tender High Speed Passenger Vessel to the Authority for service consistent with the written Operations Plan.</td>
<td></td>
</tr>
</tbody>
</table>
Must be completed by the Authority prior to vessel being Tendered for Service:

- Deliver Certificates of Insurance.
- Provide written acceptance of High Speed Passenger Vessel for service.

Fourth Phase – Vessel Engaged in Scheduled Operations

<table>
<thead>
<tr>
<th>To be completed by PRFF</th>
<th>To be completed by the Authority</th>
</tr>
</thead>
<tbody>
<tr>
<td>Vessel to operate on assigned routes as described in Operations Plan and in concert with PRATM designated point-of-contact.</td>
<td>Provide monthly Charter Hire.</td>
</tr>
</tbody>
</table>

Ongoing Monthly Payments on Invoice as per MTCA & SHORT FORMS:

VESSEL ENTERS SERVICE AT THIS TIME.

B-1.

DEMOBILIZATION: HIGH SPEED 350+ PASSENGER FERRY

Fifth Phase – Demobilization and Vessel Returned (following completion of service)

<table>
<thead>
<tr>
<th>To be completed by PRFF</th>
<th>To be completed by the Authority</th>
</tr>
</thead>
<tbody>
<tr>
<td>Vessel and Facilities demobilized, and Vessels returned.</td>
<td>Fueling of Vessel in preparation for return trip to home port. Release of Demobe payment to avoid extended Charter Hire.</td>
</tr>
<tr>
<td>Final Activity Report</td>
<td></td>
</tr>
</tbody>
</table>

Fifth Phase Payment Demobilization 377 Passenger Ferry: $422,390

C.

Scope of Work and Milestones –HIGH SPEED 149 PASSENGER FERRY

First Phase – Terminal and Vessel Inspections and Approvals
To be completed by PRFF | To be completed by the Authority
---|---
Provide Project Management support. | Provide a representative for both PRHTA and ATM to attend the vessel inspection and sea-trial at the option of DTOP/PRMTA.
Arrange for and participate in joint inspections of all Medium Speed 149 Passenger Ferry Vessel. This shall include sea-trial. To be performed by third party surveyor, at the option of DTOP/PRMTA. | 
Arrange for on-hire survey of High Speed Passenger Vessel. | Provide security deposit (cash or bond) and pre-operations Charter Hire.

Must be completed by the Authority prior to advancing to next Phase:

- Approve that the High Speed Passenger Vessel is suitable for intended service.
- Sign High Speed Passenger Vessel Charter Short-Forms.

*NOTE: TIME CHARTER WILL COMMENCE AT THIS TIME.*

**Second Phase – Vessel Preparation, Modifications and Delivery**

| To be completed by PRFF | To be completed by the Authority |
---|---|
Provide project management support. | N/A |
Complete architectural design of vessel modifications, if necessary. | |
Secure USCG approval of any modifications. | |
Fabrication and installation of modifications, if necessary. | |
Perform required USCG dry-docking inspections. | |
Delivery trip planning. Purchase fuel, provisions, moorage, special supplies, communications, for delivery. Provide Delivery trip insurance. | |
Make initial insurance payment and first month’s Charter Hire payment for HSV. | |

[Signature]

49
**Third Phase – USCG New to Zone / Route Proving / Port Fit / Tender for Service**

<table>
<thead>
<tr>
<th>To be completed by PRFF</th>
<th>To be completed by the Authority</th>
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<tbody>
<tr>
<td>Provide project management support.</td>
<td></td>
</tr>
<tr>
<td>Complete High Speed Passenger Vessel USCG / San Juan COI inspections.</td>
<td></td>
</tr>
<tr>
<td>Complete High Speed Passenger Vessel route proving.</td>
<td></td>
</tr>
<tr>
<td>Complete port fit activities.</td>
<td>Interface with port fit activities.</td>
</tr>
<tr>
<td>Complete vessel loading and unloading exercises.</td>
<td>Assist with vessel loading and unloading exercises.</td>
</tr>
<tr>
<td></td>
<td>Certificate(s) of Insurance (for terminals / facilities) – naming and waiving PRFF (and its Members).</td>
</tr>
<tr>
<td>Tender High Speed Passenger Vessel to the Authority for service consistent with the written Operations Plan.</td>
<td></td>
</tr>
</tbody>
</table>

Must be completed by the Authority prior to vessel being **Tendered for Service**:

- Deliver Certificates of Insurance.
- Provide written acceptance of High Speed Passenger Vessel for service.

**Fourth Phase – Vessel Engaged in Scheduled Operations**

<table>
<thead>
<tr>
<th>To be completed by PRFF</th>
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</tr>
</thead>
<tbody>
<tr>
<td>Vessel to operate on assigned routes as described in Operations Plan and in concert with PRATM designated point-of-contact.</td>
<td>Provide monthly charter hire.</td>
</tr>
</tbody>
</table>

**Ongoing Monthly Payments on Invoice as per MTCA & SHORT FORMS:**

**VESSEL ENTERS SERVICE AT THIS TIME.**
DEMOBILIZATION: HIGH SPEED 149 PASSENGER FERRY

Fifth Phase – DEMOBILIZATION and Vessel Returned (following completion of service)

<table>
<thead>
<tr>
<th>To be completed by PRFF</th>
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</thead>
<tbody>
<tr>
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</tr>
<tr>
<td>Final Activity Report</td>
<td></td>
</tr>
</tbody>
</table>

Fifth Phase Payment Demobilization High Speed 149 Passenger Ferry: $363,730
ADDENDUM
TO MASTER TIME CHARTER OF VESSELS FROM
PUERTO RICO FAST FERRIES, LLC TO PRMTA

The following are Supplementary Conditions to the Master Time Charter agreement between THE PUERTO RICO AND THE ISLANDS MUNICIPALITIES MARITIME TRANSPORT AUTHORITY (hereinafter the “PRMTA”) and PUERTO RICO FAST FERRIES, LLC (hereinafter “PRFF”), Contract No. ATM 18-19-(5)-004, of even date herewith, and are incorporated into that Contract as an integral part thereof. IF ANY PROVISION OF THESE SUPPLEMENTARY CONDITIONS IS IN DIRECT AND IRRECONCILABLE CONFLICT WITH THE MASTER TIME CHARTER OR ITS SHORT FORMS, MASTER TIME CHARTER AND ITS SHORT FORMS SHALL PREVAIL.

1. Amendment/Written Change Orders

No change to this Contract or to the Exhibits shall be made unless the PRMTA gives prior written approval therefore. The Master Time Charter and Short Forms may be amended, modified, or supplemented only by written Change Order signed by the parties. Requests for Change Orders shall be processed in an expedited manner, in no case to exceed twenty (20) business days after receipt of the request by the Authority. PRFF understands that by law PRMTA must have funding in place before issuance of a Change Order to increase the Charter Hire.

The chartered vessels shall be available for service twelve hours per day, seven days a week and shall be available to operate pursuant to the Schedule referenced in the Operations Plan referred to in the Mobilization and Demobilization Plan, of even date herewith, which is incorporated by reference herein and is made an integral part hereof. The chartered vessels shall not be available for service for any period of time in excess of twelve hours per day without a written Change Order. The Master of each Vessel shall be the ultimate authority as to whether the operation of the Vessel can safely be carried out, regardless of whether a Change Order has been issued.

Notwithstanding anything to the contrary in these Supplementary Conditions, it is agreed that Change Orders for operations in excess twelve hours per day shall be executed by authorized representatives of PRFF and the PRMTA and may either be delivered by messenger, fax or electronic mail or may be executed at PRFF’s field offices.
2. **Termination**

a. The PRMTA may terminate the Master Time Charter and Short Forms for convenience pursuant to the notice and liquidated damages provisions of Article 2 of thereof.

b. The PRMTA reserves the right to terminate the Master Time Charter and Short Forms for cause, if PRFF willfully violates any of the covenants, components, or stipulations of those documents which violation continues for thirty (30) days after written notice of such noncompliance from PRMTA has been given without PRFF curing the cause for Default. Notice of Default of Contract shall be by giving PRFF the Notice of Default referred to in Subsection 13 below. Provided that for any event of default enumerated in Section 13 b., PRFF shall also first be given written notice of the alleged violation and shall be allowed at least thirty (30) calendar days to cure it, before such termination shall be effective, as long as the technical event of default does not render it impossible for PRFF to perform the Master Time Charter and Short Forms and as long as their performance is not materially interrupted during the cure period.

In the event of a breach of the Master Time Charter and Short Forms by PRFF, the PRMTA shall have the right, power and authority, in its sole discretion, without violating those agreements: to perform the Master Time Charter and Short Forms or any part thereof with its personnel and equipment; to charter other vessels upon such terms and conditions as the PRMTA shall deem appropriate; to employ any other methods that it may determine are required for completion of the Master Time Charter and Short Forms in a manner reasonably necessary to remedy the breach; and to withhold any sums due to PRFF under the those agreements without penalty or interest until the services to be provided by the chartered vessels are reestablished.

3. **Nature of Agreement**

The relationship between the PRMTA and PRFF shall be that of government contracting authority and independent contractor, respectively. Except as specifically set forth in Section 6 a. below, no principal-agent, employer-employee, assignor-assignee, predecessor-successor, joint venture, or other relationship shall arise out of the Master Time Charter or these Supplementary Conditions. The execution of Master Time Charter and these Supplementary Conditions shall not generate any rights for PRFF, its employees, officers, agents, successors or assigns to which the officers or employees of PRMTA, or the Commonwealth, or of any government agency, instrumentality or municipality may be entitled pursuant to law or regulation including, but not limited to, vacation and sick leave, workers’ compensation, or any other such benefits.
4. **Invoices, Payment Source, Schedule, Security**

   a. PRFF will submit to PRMTA a Monthly Invoice on the first day of each month, with supporting backup information. Photocopies of supporting backup information shall be acceptable as an exception, but only in the event that PRFF cannot obtain possession of original documents after due diligence. Invoices shall also include any additional documentation that the PRMTA may reasonably require, subject to the limitations of Section 10 b. hereof. Such requisitions shall be itemized and must be duly certified as required hereinafter.

   b. The PRMTA will review Invoices carefully to ascertain their accuracy and, if adequate, will proceed with payment. The PRMTA reserves the right to review Invoices and conduct the necessary audits. Provided, however, that no such audit shall unreasonably delay or impede the flow of funds necessary for PRFF to continue performing the Master Time Charter and Short Forms.

   c. The PRMTA shall pay PRFF for all Charter Hire due pursuant to the Short Forms, within fifteen (15) calendar days from the date of receipt of PRFF’s Invoices, subject to review and acceptance of the Invoice. The review and acceptance of the Invoice shall be performed within the period of fifteen (15) calendar days from receipt of Invoice. If the PRMTA disputes part of an Invoice, it shall notify PRFF in writing within ten (10) calendar days of receipt of the Invoice of such dispute and the reason and pay the undisputed part as provided herein, and shall work with PRFF to resolve the disputed portion as quickly as possible. **Invoices for Charter Hire shall not be subject to dispute.**

   d. Both parties hereby declare that no public officer or employee has any direct or indirect interest in the present Contract, or any other interest that may adversely affect this Contract. As a condition for payment, the Invoice must include the following certification:

   "**Under penalty of absolute nullity, I hereby certify that none of the employees of PRMTA is a party to or has an interest in the earnings or benefits produced by the contract upon which this invoice is based. If any employee of PRMTA is a party to or has any interest in the earnings or benefits produced by this contract, then an official exemption has been previously approved. The only consideration in the provision of the goods and services object of this contract is the payment agreed with the agency’s authorized representative. I also certify that the amount of this invoice is true and correct and that all services invoiced have been rendered and have not been previously paid.**"

   e. PRMTA shall deposit contract funds in the Disbursement Account referred to in Article 2 of the Master Time Charter for monthly disbursement to PRFF upon presentation of the
Invoices and reports described in this Section and Section 6 below. The Disbursement Account shall be funded in an amount equaling the aggregate sum of all Charter Hire payable by PRMTA pursuant to the Short Forms.

f. Payment of all Charter Hire will also be secured by set aside letter to be issued by the Government Development Bank, which shall be a PRMTA deliverable item at the execution of the Master Time Charter.

5. **Reports**

PRFF will provide daily, weekly, monthly and annual reports to PRMTA points-of-contact to include:

a. Ridership information (tabulated for trip, day, month and YTD), on-time performance and vessel reliability;

b. Operational issues, which will be reported daily on a spreadsheet;

c. All items in Subsections a. and b. of this Section will be analyzed in detail and summarized in a monthly management report, which shall be in the format required by PRMTA;

6. **General Terms and Conditions**

a. PRFF, pursuant to Article 4 of the Master Time Charter, will be responsible for obtaining all required permits, including federal government permits and approvals, such as United States Coast Guard certificates, licenses and documentation for operation of the chartered vessels which shall be effective as of the date upon which the vessels are tendered to PRMTA for service. PRFF will be responsible for obtaining all other required permits, including federal government permits and approvals for its operations in Puerto Rico. PRMTA and the Secretary will endeavor to assist PRFF as it may be feasible to them and necessary to PRFF, to ensure that all permits and approvals are issued in a timely manner, so as not to delay or interfere with the performance of the Master Time Charter and Short Forms and so that the permits are in place during their terms. Provided further that the Secretary shall provide PRFF with written confirmation that no approvals, authorizations or permits are required from the Puerto Rico Public Service Commission for performance of the Master Time Charter and Short Forms and such written confirmation shall be a PRMTA deliverable item at the execution of the Master Time Charter.

b. PRFF shall be entitled to use all Puerto Rico Maritime Transportation Agency (hereinafter referred to as “PRMTA”) and Puerto Rico Ports Authority (hereinafter referred to as “PRPA”) and Local Redevelopment Agency for Roosevelt Roads (hereinafter referred to as PRPA” and Local Redevelopment Agency for Roosevelt Roads (hereinafter referred to as
“LRA”) and Municipality of Vieques and Municipality of Culebra facilities, docks, piers, terminals and work areas (hereinafter referred to as “the Facilities”) that are under the control of PRMTA, necessary for performance of the Master Time Charter and Short Forms, including the right to seek safe harbor for its Vessels from storms, free and clear of any and all existing encumbrances, impediments, obligations, personnel, claims and contracts, including but not limited to any and all Collective Bargaining Agreements and inter-governmental agency or authority Memoranda of Understanding.

c. **Subcontract**

i. PRFF shall not subcontract the performance of the Master Time Charter and Short Forms without the prior written approval of PRMTA. PRMTA reserves the right to withhold approval of subcontracting such portions of the services, which PRMTA may deem are not in PRMTA’s best interests. Provided that PRMTA shall act promptly on PRFF’s request for approval of any subcontract and such approval may not be unreasonably withheld. PRFF’s judgment as to the reasonableness and necessity of a subcontract for a vessel charter shall prevail in the event of conflict between PRMTA and PRFF on such issues, however no payment on account of such subcontract shall be due until the subcontract is approved in writing by PRMTA and such approval shall not be unreasonably withheld. PRFF agrees that PRMTA will incur no duplication of costs as a result of any such subcontract.

ii. Each subcontract entered into shall provide that the applicable provisions of The Master Time Charter and Short Forms shall apply to the subcontractor and its officers, agents, and employees in all respects as if it and they were employees of PRFF. PRFF agrees to bind each subcontractor and each subcontractor shall agree to be bound by the terms of The Master Time Charter insofar as applicable to its services.

iii. PRFF agrees that no approval by PRMTA of any proposed subcontractor, nor any subcontractor, nor any of the covenants of the Master Time Charter, the Short Forms or these Supplementary Conditions shall create or be deemed to create any rights in favor of a subcontractor and against PRMTA, nor shall it be deemed or construed to impose upon PRMTA any obligation, liability or duty to a subcontractor, or to create any contractual relation whatsoever between a subcontractor and PRMTA. PRFF shall incorporate this section in any agreement with a subcontractor.
iv. PRFF shall be responsible for providing PRMTA with the certifications required under these Supplementary Conditions with respect to any professional or technical consultant subcontracted by PRFF and authorized by PRMTA. Any person engaged by PRFF, except PRFF employees, in accordance with the conditions established therein, who dedicates twenty-five percent (25%) or more of his or her time to providing services related to the Master Time Charter and Short Forms, shall be considered subcontractors for purposes of requiring the filing of tax certifications. All other certifications or documentation requirements, including execution of the sworn statement required by Act No. 428 of September 22, 2004, shall be required of all subcontractors.

d. **Representations and Warranties of PRFF**

i. PRFF certifies that none of its officers or employees, nor any principals, associates, officers, directors, shareholders, or employees of any of its subcontractors are public officials or employees within the meaning of 3 L.P.R.A. § 1823.

ii. PRFF represents that it has secured or will secure at its own expense all personnel required in performing the Master Time Charter and Short Forms. Such personnel shall not be employees or have any contractual relationship with PRMTA.

iii. PRFF duly hereby certifies that it is duly formed and authorized to do business under the laws of the Commonwealth and the execution, delivery, and performance of this Contract are within PRFF’s authorized powers and are not in contravention of law. PRFF certifies that it has submitted to PRMTA evidence of its formation and existence as a Puerto Rico Limited Liability Company and is authorized to do business in the Commonwealth, together with a Certificate of Good Standing of PRFF issued by the State Department of the Commonwealth, which are made part of the Master Time Charter. Failure to produce said documents or on before execution hereof, or to annually provide renewal certification of good standing, may be cause for the resolution of the Master Time Charter and Short Forms and PRMTA may withhold any payments due to the PRFF until full compliance with this section takes place.

It is expressly acknowledged that these certifications are essential conditions of the Master Time Charter and Short Forms, and if these certifications are incorrect, intentionally misleading, or the related certifications are altered or forged, PRMTA shall have just cause for immediately terminating those agreements, and PRFF will have to reimburse any sums of money received under this Contract.
iv. PRFF and its personnel involved in performing the Master Time Charter and Short Forms have the required licenses, authority, ability, skills, technical support, and capacity to perform all its obligations hereunder, and the PRFF has the financial solvency to fully perform those agreements, and each of its subcontractors are also duly licensed and competent to perform them. PRFF shall not knowingly use the services of any ineligible consultant or subcontractor for any purpose in the performance of the Master Time Charter or Short Forms.

v. The execution, delivery, and performance of the Master Time Charter and Short Forms has been duly authorized by all necessary corporate action of PRFF and constitutes a legal, valid and binding obligation of PRFF, enforceable against PRFF in accordance with its terms, subject to applicable laws of bankruptcy, insolvency, or other similar laws affecting creditors' rights from time to time in effect and by equitable principles of general application.

vi. PRFF represents and warrants that at the execution of the Master Time Charter and Short Forms, PRFF has not been convicted, has not admitted culpability, nor does it have knowledge of being the subject of any investigation in either a civil, administrative, or criminal proceeding in a Commonwealth, state, federal, or foreign court for criminal charges related to the public treasury, the public trust, a public function, or a tort or crime that involves public funds or property, including, but not limited to, misappropriation of public funds, as defined in the Puerto Rico Criminal Code. To that effect, PRFF will present at the time of signing the Master Time Charter and Short Forms a sworn statement as required by Act No. 428 of September 22, 2004, (hereinafter Act 428) which will be incorporated into those agreements as an integral part thereof as Exhibit 1 to this Addendum. In accordance with the Circular Letter number 2009-01 issued by the Department of Justice of the Commonwealth of Puerto Rico on March 9, 2009, PRFF:

(a) Certifies that it has not been convicted, nor has probable cause been found for its arrest for any crime set forth in Act 428, or whose constitutive elements are equivalent to those crimes set forth in Act 428, in any court of the Commonwealth, the United States or any State thereof.

(b) Certifies that neither PRFF nor any of the company's Members, owners, officials, managers, employees, subsidiaries or holding companies has been convicted, nor has probable cause been found for their arrest, for any crime set forth in Act 428, or whose constitutive elements are equivalent to those crimes set forth in Act 428, in any court of the Commonwealth, the United States or any State thereof. PRFF shall not be in violation
of this Subsection, if it has conducted a criminal background check on its employees prior to hiring them and such investigation has revealed no record of arrest for or conviction of the crimes mentioned above.

(c) PRFF shall inform PRMTA continuously, during the Term of the Master Time Charter and Short Forms, whenever it acquires knowledge that it is the target of any investigation for the commission of a crime set forth in Act 428, or whose constitutive elements are equivalent to those crimes set forth in Act 428, by any agency of government of the Commonwealth, the United States or any State thereof. This obligation shall be continuous during all the stages of the hiring and execution of the Master Time Charter and Short Forms.

(d) Certifies that during ten years previous to the formalization of Master Time Charter and Short Forms it has not committed any crime set forth in Act 428, or whose constitutive elements are equivalent to those crimes set forth in Act 428, in the Commonwealth, the United States or any State thereof.

(e) PRFF shall also inform PRMTA whenever it acquires knowledge that a charge has been filed against PRFF accusing it of having committed a crime set forth in Act 428, or whose constitutive elements are equivalent to those crimes set forth in Act 428, by any agency of government of the Commonwealth, the United States or any State thereof, regardless of whether such charge has resulted in a finding of probable cause for PRFF’s arrest and even if PRFF has not entered a plea of guilty to or been convicted of such a crime.

It is understood between the parties that the Master Time Charter and Short Forms will be terminated if PRFF pleads guilty to or is convicted of any crime set forth in Act 428, or whose constitutive elements are equivalent to those crimes set forth in Act 428 in any court the Commonwealth, the United States or any State thereof during the term of the Master Time Charter.

It is expressly acknowledged that this certification and sworn statement are an essential condition of the Master Time Charter and Short Forms. If the certification or sworn statement required under this Section is false in its entirety or in any of its parts, is false, intentionally misleading, or the related certifications are altered or forged, it shall constitute sufficient cause for PRMTA to terminate the Master Time Charter and Short Forms immediately, without prior notice, and PRFF shall reimburse PRMTA for any amount of money received hereunder.
If the status of PRFF or its subcontractors with regard to the charges previously mentioned in Subsections (a) through (e) of this Section changes at any time during the term of the Master Time Charter and Short Forms, PRFF or its subcontractors shall notify PRMTA immediately. In particular, PRMTA reserves the right to immediately terminate the Master Time Charter and Short Forms upon receipt of notice or upon becoming aware of any of the conditions mentioned in Subsections (a) through (e) of this Section, with respect to the crimes listed in Act No. 428. Such termination will have the same effect as a termination under Section 2 above. Failure to comply with the responsibility to report constitutes a violation of this Section and shall result in the remedies mentioned previously. Provided that the notice, opportunity to cure and compensation provisions of Sections 2 b. above shall apply, except in the event of convictions for crimes set forth in Act 428, or whose constitutive elements are equivalent to those crimes set forth in Act 428, in any court of the Commonwealth, the United States or any State thereof during the term of this Contract.

(f) No approval, authorization, order, consent, or declaration, of any governmental body is required for the valid execution, delivery, and performance of the Master Time Charter and Short Forms by PRFF except such as have been duly obtained or made. Notwithstanding the above, the obligations agreed upon under those agreements are not enforceable until the contract has been recorded at the Office of the Comptroller of the Commonwealth, as required by Act No. 18 of October 30, 1975, as amended.

(g) PRFF has knowledge in all material respects of the requirements and practices that must be followed in performing its obligations under the Master Time Charter and Short Forms and will strictly abide by them. PRFF has carefully examined and analyzed the provisions and requirements of the Master Time Charter and Short Forms and it understands the nature of its obligations thereunder. From its own analyses it has satisfied itself as to the nature of what is needed for the performance of the Master Time Charter and Short Forms; that those agreements are feasible of performance in accordance with all of their provisions and requirements; and PRFF represents and warrants that it can and will perform, or cause to be performed, those agreements in strict accordance with their provisions and requirements and Applicable Law, as described in Section 7 g. below. Nothing herein shall be construed as requiring PRFF to perform the Master Time Charter
or Short Forms if such performance is rendered impossible by circumstances outside the control of PRFF, or if PRMTA fails to perform its obligations under this Contract.

(h) Neither PRFF nor any of its affiliates are involved in any litigation, arbitration or claim against PRMTA.

(i) Neither PRFF nor any of its subcontractors has, either directly or indirectly, (1) in any way or manner unlawfully (in accordance with all Applicable Laws, including the Foreign Corrupt Practice Act of 1977, as amended) paid any sums, in the Commonwealth or elsewhere, or (2) unlawfully given or offered to give any gifts in the Commonwealth or elsewhere to (A) any person while knowing that all or a portion of such payment will be offered, given or promised to government officials or employees, political parties, political party officials or political candidates or (B) any government officials or employees, political parties, political party officials or political candidates, in each case in order to improperly obtain business or other rights in connection with this Contract.

f. **Representations and Warranties of PRMTA**

i. PRMTA represent that its executive director is authorized to enter into the Master Time Charter and Short Forms on behalf of PRMTA and that those agreements have been duly authorized by all necessary governmental action, and that they constitute legal, valid and binding obligations of PRMTA, enforceable against PRMTA in accordance with its terms, subject to applicable laws of bankruptcy, insolvency, or other similar laws affecting creditors’ rights from time to time in effect and by equitable principles of general application. **PRMTA and its Executive Director specifically represent that this Agreement and its terms have received all necessary approvals from the federal Puerto Rico Financial Oversight and Management Board, the Puerto Rico Office of Budget Management, the Board of Directors of the PRMTA, as well as any and all other governmental agencies and authorities. CHARTERER also represents that the Puerto Rico Office of Management and Budget has approved the necessary funds in Account No. 511071-803 for deposit into PRMTA Account No. 030043018 at Banco Popular for the payment of the Contract Amount referred to in Article 2 the Master Time Charter above. PRMTA and its Executive Director further specifically represent that the bankruptcy of the Puerto Rico Highways and Transportation Authority shall have no effect upon the validity or enforceability of the Master Time Charter and Short Forms.**
ii. PRMTA and its Executive Director represent that all necessary inter-governmental agency and authority Memoranda of Understanding have been entered into by them with any and all government agencies and authorities, including, but not limited to the PRPA, the LRA, the Municipality of Vieques and the Municipality of Culebra, for use of the piers, facilities, buildings and related infrastructure necessary for performance of the Master Time Charter Agreement and Short Forms and that PRFF shall not be responsible for payment of any rent, fee, charge or expense for use of such piers, facilities, buildings and related infrastructure.

iii. PRMTA and the Secretary represent that in furtherance of PRMTA’s Indemnification obligations set forth in Section 15 below, they have taken and will take steps and have implemented or will implement necessary measures to ensure that any labor disputes arising under any such Collective Bargaining Agreements do not interfere with the performance of the Master Time Charter and Short Forms.

iv. PRMTA and the Secretary represent that no litigation is pending which would interfere with the performance of the Master Time Charter and Short Forms.

v. PRMTA guarantees a safe port and berth for all Vessels owned and/or operated by PRFF in its performance of the Master Time Charter and Short Forms.

Compliance with Applicable Law

i. PRFF must observe and comply with all Applicable Law and shall cause all of its subcontractors to perform the Master Time Charter and Short Forms in accordance with applicable law, including:

(a) Observation and compliance with the provisions of all laws and regulations of the United States and the Commonwealth of Puerto Rico, and local ordinances applicable to those agreements. Accordingly, PRFF assumes full responsibility for its actions.

(b) Compliance with Act Number 84, enacted on June 18, 2002, as amended, which establishes a Code of Ethics for Contractors, Suppliers and Applicants for Economic Incentives of the Executive Agencies of the Commonwealth. In the same manner, PRFF agrees to obtain a copy and comply with the terms of the Act of Governmental Ethics of the Commonwealth, Act Number 12 enacted on July 24th, 1985, as amended.

(c) Compliance with Law No. 14 enacted on January 8, 2004, as amended, requiring that PRFF will use articles extracted, produced, assembled, packaged, bottled, or
distributed in the Commonwealth, by industries operating in the Commonwealth or distributed by agents established in the Commonwealth when performing those agreements, if such articles are then available and applicable to the services to be provided hereunder.

ii. Notwithstanding anything in the Master Time Charter and Short Forms to the contrary, references to statute or law are considered to be references to (a) the statute or law as it may be amended from time to time, (b) all regulations and rules pertaining to or promulgated pursuant to the statute or law, and (c) all future statutes, laws, regulations, rules, and executive orders pertain to the same or similar subject matter. However, the parties recognize that a significant change in applicable law may require additional services or change in the scope of services or their scheduled delivery, for which they will negotiate revised terms and conditions, including revised fees, to perform the services that may be affected by the change in law.

iii. In performing its services under the Master Time Charter and Short Forms, PRFF must comply with applicable law prohibiting discrimination against individuals and subcontractors.

iv. PRFF agrees that it will observe and comply with the following federal laws and regulations and shall cause all of its subcontractors to perform the Master Time Charter and Short Forms in accordance with them:

(a) EQUAL EMPLOYMENT AND NON-DISCRIMINATION

(1) PRFF undertakes to guide employees, supervisors and sub-consultants on the existing laws of equal employment opportunity and sexual harassment, and to comply with administrative policies adopted for this purpose. PRFF also agrees not to discriminate against any employee because of race, color, sex, age, religion, social status, national origin, political beliefs, veteran status or disability, during implementation and enforcement of this contract.

(2) PRFF undertakes not to discriminate in the provision of services based on political, religious, race, social status, age, sex, nationality, or physical or mental impairment.

(b) DISADVANTAGE BUSINESS ENTERPRISES ASSURANCES

This Contract is subject to the requirements of Title 49, Code of Federal Regulations, Part 26, participation by Disadvantaged Business Enterprises in Department of Transportation Financial Assistance Programs.
To the extent required by Federal law, PRFF agrees to facilitate participation by Disadvantaged Business Enterprises (DBE) in the Project and assures that each sub-recipient, lessee, and subcontractor at any tier of the Project will facilitate participation by DBEs in the Project to the extent applicable.

PRFF agrees and assures he shall not discriminate on the basis of race, color, national origin, or sex in the performance of this Contract, in the award and performance of this Contract, or of any subcontract, or sub agreement supported with Federal assistance derived from U.S. DOT and will comply with the requirements of 49 C.F.R. Part 26. PRFF shall carry out applicable requirements of 49 CFR Part 26 in the award and administration of this Contract. Failure by PRFF to carry out these requirements is a material breach of this Contract, which may result in the termination of this Contract or such other remedy as the PRMTA deems appropriate. Nothing herein shall be construed as a waiver by PRFF of the liquidated damages provisions in Article 2 of the Master Time Charter. Each subcontract PRFF signs with a sub-consultant must include the assurance in this paragraph (see 49 CFR 26.13(b)).

PRFF is required to pay its sub-consultants performing work related to this Contract for satisfactory performance of that work no later than fifteen (15) calendar days after PRFF’s receipt of payment for that work from the PRMTA. PRMTA will be required to submit documentation of all payments made to DBEs and non-DBEs irrespective of their tier in the event a DBE or non-DBE makes a claim of non-payment to PRMTA. In addition, PRFF may not hold retainage from its sub-consultants, is required to return any retainage payments to those sub-consultants within 30 calendar days after the sub-consultant’s work related to this Contract is satisfactorily completed and is required to return any retainage payments to those sub-consultants within thirty (30) calendar days after incremental acceptance of the sub-consultant’s work by the PRMTA and PRFF’s receipt of the partial retainage payment related to the sub-consultant’s work.

PRFF must promptly notify the PRMTA, whenever a DBE sub-consultant performing work related to this contract is terminated or fails to complete its work, and must make good faith efforts to engage another DBE sub-consultant to perform at least the same amount of work of equal or greater value. PRFF may not terminate any DBE sub-consultant and perform that work through its own forces or those of an affiliate without prior written consent of the PRMTA. PRFF agrees that the implementation of this DBE program is a legal obligation, and that failure to carry out the DBE program shall be treated as a violation of the Contract. PRFF shall carry out applicable requirements of 49 CFR part 26 in the award and administration of DOT-assisted contracts. Failure by PRFF to carry out these requirements is a material breach of this contract, which may result in the termination of this contract or such other remedy as the PRMTA deems appropriate, which may include, but is not limited to:

1. Withholding monthly progress payments;
2. Assessing sanctions;
3. Liquidated damages; and/or
4. Disqualifying the PRFF from future participation as non-responsible,
5. Other remedies the PRMTA deems appropriate
6. Termination

PRMTA may impose sanctions as provided for under 49 C.F.R. Part 26 and may, in appropriate cases, refer the matter for enforcement under 18 U.S.C. § 1001, and/or the Program Fraud Civil Remedies Act, 31 U.S.C. §§ 3801 et seq. Nothing herein shall be construed as a waiver by PRFF of the liquidated damages provisions in Article 2 of the Master Time Charter.

(c) LOBBYING CERTIFICATION (49 CFR PART 20)

PRFF certifies, to the best of its knowledge and belief, that:

(1) No Federal appropriated funds have been paid or will be paid, by or on behalf of PRFF, 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 making lobbying contacts to 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, PRFF shall complete and submit Standard Form--LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions [as amended by "Government wide Guidance for New Restrictions on Lobbying," 61 Fed. Reg. 1413 (1/19/96). Note: Language in paragraph (2) herein has been modified in accordance with Section 10 of the Lobbying Disclosure Act of 1995 (P.L. 104-65, to be codified at 2 U.S.C. 1601, et seq .)]

(3) PRFF 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.

(4) PRFF acknowledges that this certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into and that
submission of this certification is a prerequisite for making or entering into this transaction imposed by 31, U.S.C. § 1352 (as amended by the Lobbying Disclosure Act of 1995). Furthermore, PRFF acknowledges that if he fails to file the required certification it shall be subject to a civil penalty of not less than $10,000 and not more than $100,000 for each such failure.

(d) CIVIL RIGHTS-TITLE VI ASSURANCE

The following requirements apply to the underlying Contract:


(2) Equal Employment Opportunity - The following equal employment opportunity requirements apply to the underlying Contract:

(i) Race, Color, Creed, National Origin, Sex - In accordance with Title VII of the Civil Rights Act, as amended, 42 U.S.C. § 2000e, and Federal transit laws at 49 U.S.C. § 5332, PRFF agrees to comply with all applicable equal employment opportunity requirements of U.S. Department of Labor (U.S. DOL) regulations, "Office of Federal Contract Compliance Programs, Equal Employment Opportunity, Department of Labor," 41 C.F.R. Parts 60 et seq., (which implement Executive Order No. 11246, "Equal Employment Opportunity," as amended by Executive Order No. 11375, "Amending Executive Order 11246 Relating to Equal Employment Opportunity," 42 U.S.C. § 2000e note), and with any applicable Federal statutes, executive orders, regulations, and Federal policies that may in the future affect construction activities undertaken in the course of the Project. PRFF agrees to take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to their race, color, creed, national origin, sex, or age. 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. In addition, PRFF agrees to comply with any implementing requirements FHWA may issue.


(iv) PRFF also agrees to include these requirements in each subcontract financed in whole or in part with Federal assistance provided by FHWA, modified only if necessary to identify the affected parties.

(e) TITLE VI ASSURANCES AND NON-DISCRIMINATION PROVISIONS

During the performance of this contract, PRFF, for itself, its assignees, and successors in interest agrees as follows:

(1) Compliance with Regulations: PRFF will comply with the Acts and the Regulations relative to Non-Discrimination in Federally-assisted programs of the U.S. Department of Transportation; as they may be amended from time to time, which are herein incorporated by reference and made of this contract.

(2) Non-discrimination: PRFF, with regard to the work performed by it during the contract, will not discriminate on the grounds of race, color, or origin in the selection and retention of subconsultants, including procurements of materials and leases of equipment. PRFF will not participate directly or indirectly in the discrimination prohibited by the Acts and Regulations, including employment practices when the contract covers any activity, project, or program set forth in Appendix B of 49 CFR Part 21.

(3) Solicitations for Subcontracts, including Procurements of Materials and Equipment: In all solicitations, either by competitive bidding, or negotiation made by PRFF for work to be performed under a future subcontract, including procurements of materials, or leases of equipment, each potential subconsultant or supplier will be notified by PRFF of PRFF’s obligations under this contract and the Acts and the Regulations relative to Non-discrimination on the grounds of race, color, or national origin.

(4) Information and Reports: PRFF will provide all information and reports required by the Acts and the Regulations relative to Non-discrimination on the grounds of race,
color, or national origin, and directives issued pursuant thereto and will permit access to its books, records, accounts, other sources of information, and its facilities as may be determined by the PRMTA to be pertinent to ascertain compliance with such Acts, Regulations relative to Non-discrimination on the grounds of race, color, or national origin, and instructions. Where any such information required of PRFF is in the exclusive possession of another who fails or refuses to furnish the information, PRFF will also certify to the PRMTA, as appropriate, and will set forth what efforts it has made to obtain the information.

(5) Sanctions for Noncompliance: In the event of PRFF’s noncompliance with the Non-discrimination provisions of this contract, the PRMTA will impose such contract sanctions as it or may determine to be appropriate, including, but not limited to:

a. withholding payments to PRFF under the contract until PRFF complies; and or

b. cancelling, terminating, or suspending the contract, in whole or in part.

(6) Incorporation of Provisions: PRFF will include the provisions of paragraphs 1-5 of this clause in every future subcontract, including procurements of materials and leases of equipment, unless exempt by the Acts, the Regulations relative to Non-discrimination on the grounds of race, color, or national origin and directives issued pursuant thereto. PRFF will take action with respect to any future subcontract or procurement as the PRMTA may reasonably direct as a means of enforcing such provisions including sanctions for noncompliance. Provided, that if PRFF becomes involved in, or is threatened with litigation by a subcontractor, or supplier because of such direction of PRMTA, PRFF may request PRMTA to enter into any litigation to defend, protect the interests of PRFF and PRMTA and PRMTA shall defend, protect and indemnify PRFF against any such claims or litigation. In addition, PRFF may request the United States to enter into the litigation to protect the interests of the United States.

PRFF also certifies that it is not on the U.S. Comptroller General’s Consolidated List of Persons or Firms Currently Debarred for Violations of Various Public Contracts Incorporating Labor Standards Provisions. In the event that PRFF is on such List, this agreement shall be canceled, terminated or suspended by the PRMTA. PRFF shall comply with the non-procurement debarment and suspension certification requirements of 49 CFR Part 29, and shall submit evidence to the PRMTA by providing an eligibility affidavit, to be supplied to PRFF by PRMTA, upon the execution of this agreement.

If these Title VI certifications are deliberately not partially or completely correct, it will be reason enough for the DEPARTMENT or the PRMTA to terminate this contract immediately, without a previous notice and PRFF will have to reimburse the money received from PRMTA up to the date of such termination. This obligation is continuous during all the stages of the hiring.
(f) NON-COLLUSION STATEMENT. PRFF affirms that it is duly authorized to execute the Master Time Charter and Short Forms, that it has not prepared its bid in collusion with any other bidder, and that the contents of its bid as to prices, terms or conditions of said bid have not been communicated by the undersigned nor by any employee or agent to any other person engaged in this type of business prior to the official opening of its bid.

The prices in PRFF’s proposal were arrived at independently without any collusion, consultation, communication, or agreement with any other bidder or with any competitor for the purpose of restricting competition. No attempt has been made or will be made by PRFF or any member of its organization to induce any other person or organization to submit or not to submit a proposal for this bid, or otherwise taken any action in restraint of free competitive bidding.

7. Ownership of Documents and Copyright
   a. All property furnished by PRMTA to the PRFF during the performance of this Contract shall remain the sole property of PRMTA. Such property shall be used by PRFF only for purposes related to the Master Time Charter and Short Forms and shall be managed by PRFF pursuant to sound management practices. During performance of the Master Time Charter and Short Forms, PRFF is responsible for any loss or damage to the deliverables, data, findings, or information provided by PRMTA while in PRFF’s or any subcontractor’s possession. Upon the loss of or damage to PRMTA property, PRFF shall notify PRMTA and take all reasonable steps to prevent further loss or damage. Any such lost or damaged, data, findings, or information of PRMTA must be restored at the expense of PRFF. If not restorable, PRFF must bear the cost of replacement. PRFF shall surrender all PRMTA property to PRMTA upon request or at the conclusion of the Master Time Charter and Short Forms.

8. Confidentiality
   a. The parties acknowledge the proprietary, privileged, and confidential nature of all internal, non-public, as defined by law, financial, and business information relating to PRFF and PRMTA, the Commonwealth, its agencies, corporations or municipalities, now or hereinafter provided to PRFF or its subcontractors and to PRMTA, the Commonwealth, its agencies, corporations or municipalities, including work performed by PRFF under the Master Time Charter and Short Forms, whether or not it resulted in written form or any other method of conservation.
   b. PRFF and its subcontractors and PRMTA, the Commonwealth, its agencies, corporations or municipalities shall keep in strict confidence all documents, materials, data,
business plans, proposals and related documents and information which are not an integral part of the Master Time Charter and Short Forms as an Exhibit (collectively, “Confidential Information”) that PRMTA furnishes to PRFF or its subcontractors or that PRFF furnishes to PRMTA, the Commonwealth, its agencies, corporations or municipalities which has been duly identified as Confidential Information by PRMTA, PRFF or its subcontractors, or which is not previously known by PRFF and its subcontractors or PRMTA, the Commonwealth, its agencies, corporations or municipalities, nor in the public domain, nor accessible by any legal means, and PRFF and its subcontractors and PRMTA, the Commonwealth, its agencies, corporations or municipalities shall not make public or disclose any Confidential Information without the previous written consent of each other.

c. Either party may disclose Confidential Information to the persons who need to know such Confidential Information to fulfill the purposes of the Master Time Charter and Short Forms, provided that such persons shall have been advised of the confidential nature of such Confidential Information, and shall direct them and they shall agree to treat as confidential such Confidential Information and to return all Confidential Information to either party upon request.

d. Upon written request of either party, the other party will promptly deliver to the requesting party such Confidential Information without retaining any copy thereof, except as provided for in the section below.

9. **Conflict of Interest**

a. PRFF understands and accepts that in the discharge of its contractual duties, PRFF and its approved subcontractors have the obligation of complete loyalty towards PRMTA. This includes not having, and avoiding, any interests that are adverse to PRMTA. Furthermore, this obligation includes the continuing obligation to divulge to PRMTA all the circumstances of its relationships with third parties, as well as any interest that may have an effect on PRMTA at the time of executing this Contract or while it is in effect, except that PRFF shall have no obligation to disclose the financial details of its charter agreements with the actual owners of the vessels chartered under the Master Time Charter and Short Forms.

b. A conflict of interest exists when the conduct is defined as such in the ethics rules and standards recognized in the laws and regulations of Puerto Rico.

c. Prior to the execution of the Master Time Charter and Short Forms, PRFF shall fully disclose to PRMTA any commercial relationships, affiliations, or contracts between PRFF or
any of its partners, officers, directors, and any other firm, corporation, partnership or other entity that could represent a conflict of interest as previously defined. This obligation shall include the disclosure to PRMTA of any such relationship, affiliation, or contract when the partners, officers, or directors of PRFF become aware that the relationship, affiliation, or contract has the appearance of a conflict of interest. Also, PRFF shall disclose promptly to PRMTA any such relationship, affiliation, or contract arising or coming to its attention after the date of the Master Time Charter and Short Forms. PRMTA will acknowledge receipt of such disclosure and will indicate if it believes that there is a conflict of interest or the appearance of a conflict of interest within thirty (30) days of having received such disclosure. Unless PRMTA indicates otherwise, or after the 30-day period has expired, whichever comes later, it will be understood that PRFF can continue to provide services under Master Time Charter and Short Forms, provided that nothing in this regard will preclude PRMTA from indicating to PRFF that it believes that there is a possible conflict of interest if PRMTA so determines at a later date, based on new information or information not previously disclosed.

d. Regarding the prohibitions mentioned herein, PRFF shall ensure compliance with these prohibitions. If PRMTA believes that there is or has been a conflict of interest, or the appearance of a conflict of interest, it will notify PRFF of PRMTA’s findings. PRFF shall make full disclosure of all material facts and shall have a period of thirty (30) days after receipt of such notice to cure the conflict of interest or the appearance of a conflict of interest, including the right to request a meeting with the Executive Director of PRMTA and the Secretary to set forth or explain its positions. This meeting will always be granted when timely requested. If the conflict of interest or appearance of a conflict of interest is not cured to the satisfaction of PRMTA, or the controversy is not otherwise resolved prior to the expiration of such 30-day period, PRMTA may immediately terminate the services of the affected Party pursuant to this Contract provided that payments to be made in accordance with the Master Time Charter and Short Forms will not include payments to PRFF’s employees or subcontractors which caused any actual conflict of interest.

e. PRFF covenants that it does not presently have an interest, or shall acquire any interest, direct or indirect, which would conflict in any manner or degree with the performance of the Master Time Charter and Short Forms. PRFF further covenants that in the performance of those agreements no persons having any such interest shall be employed or subcontracted.
f. It will be a violation of the prohibitions described herein and of PRFF’s obligations under the Master Time Charter and Short Forms, if any of PRFF’s principals or employees, or any of its subcontractors or subcontractor’s officers, directors, principals, partners, associates or employees, knew or should have known of the consequences of engaging in the aforementioned conduct, with the consequences such violation entails. PRFF and their subcontractors will strive to avoid even the appearance of a conflict of interest.

g. No public official or public employee that is authorized to contract on behalf of PRMTA for which s/he works, shall execute a contract between PRMTA and any entity or business in which s/he or any member of his/her family has or has had within the four (4) years prior to the official or employee occupying the position, any direct or indirect pecuniary interest.

h. PRMTA shall not enter into a contract in which any of its officials or public employees or any member of their respective family units has or has had within the four (4) years prior to the official or employee occupying the position, a direct or indirect pecuniary interest, unless the Governor authorizes such contract and only if so recommended by the Secretary of Justice and the Secretary of the Treasury.

i. No public official or public employee may be a party with an interest in the earnings or benefits that are the object of any contract with PRMTA unless the Governor expressly authorizes it and only if so recommended by the Secretary of Justice and the Secretary of the Treasury. Such contracts as provided herein may only be executed without obtaining the Governor’s authorization under the following cases:

(i) Contracts with a total value of Three Thousand Dollars ($3,000.00) or less and only if they take place once during the fiscal year.

(ii) Lease agreements, barter agreements (“permuta”), purchase agreements, loan agreements, mortgage insurance or of any other nature regarding housing and/or a lot provided or to be financed or for which financing is insured or guaranteed by a government agency.

(iii) Programs for services, loans, guarantees, and incentives sponsored by government agencies.

(iv) In cases specified in Subsections (ii) and (iii) of this Section, the contracting agency will authorize the transactions if the following requirements are met:
1. If they are contracts, loans, insurances, guarantees, or transactions available to any citizen that qualifies for it.
2. The eligibility requirements are of general application.
3. The public official or employee meets all the eligibility requirements and is not given any direct or indirect preferential or distinct treatment other than that given to the public in general.

j. No public official or public employee may execute or authorize a contract with a private person or with the knowledge that said person in its turn is representing particular interests in cases and matters that involve conflict of interests or of public policy between PRMTA and the particular interests that said private person represents. To that effect, PRMTA shall require from the private person a certification that s/he is not subject to a conflict of interest or of public policy as described herein.

k. PRMTA shall not contract with or for the benefit of persons that have been its officials or public employees, unless two (2) years have elapsed since the date said person ceased its duties with the agency. The Governor may issue a waiver ("dispensa") in the application of this requirement, if such waiver is in the public interest. This prohibition shall not be applicable in the cases of contract for services ad honorem. If such waiver is required, it shall be obtained and shall be made part of the corresponding file.

l. PRFF represents to its knowledge that no member of the governing body of PRMTA, and no other official, director, or employee of PRMTA, or any person who exercises or has exercised any function or responsibility in the review or approval of the Master Time Charter and Short Forms or who has any function or responsibility in the review PRFF’s performance of those agreements has any personal or financial interest, direct or indirect, in either those agreements or in the proceeds thereof, or otherwise in PRFF or any of its affiliates performing services in connection with them.

10. Maintenance and Availability of Documents
   a. All documents and records pertaining to the Master Time Charter and Short Forms and PRFF’s performance hereunder shall be retained and properly maintained in hard copy or digital form as provided below.
   b. PRFF must furnish PRMTA with all information that may be reasonably requested in writing pertaining to the performance of the Master Time Charter and Short Forms, except for
PRFF’s charter agreements with the registered owners of the vessels chartered under the Master Time Charter and Short Forms. PRFF must keep books, documents, papers, records and accounts in connection with the Master Time Charter and Short Forms open to inspection, copying, abstracting and transcriptions and must make these records available to PRMTA and any other governmental agency with jurisdiction to audit, at reasonable times upon prior written request during the performance of its Service. In addition, PRFF must retain such records for six (6) years after the final payment in a safe place and make them available for audit by PRMTA or the Office of the Comptroller or any other body with jurisdiction. PRFF must also retain such records for inspection, copying, and abstracting for six (6) years after the final payment made in connection with this Contract.

c. PRMTA shall provide PRFF proper and timely access to the pertinent records and files of PRMTA that are necessary to performance of the Master Time Charter and Short Forms. PRFF will notify PRMTA in writing, in advance, of any additional information required to perform of the Master Time Charter and Short Forms. Such written notice shall include the date by which PRFF reasonably requires the additional information to be able to perform the Services.

11. **Bona Fide Sub-Consulting**

PRFF certifies that it will not and has not employed or retained any company or person, other than bona fide employees or sub-consultants working solely for PRFF, to solicit or secure the work to be performed under the Master Time Charter and Short Forms, and that they have not paid or agreed to pay any company or person, other than bona fide employees or sub-consultants working solely for PRFF, any fee, commission, percentage, brokerage fee, gifts or any other considerations, contingent upon or resulting from the award or execution of the Master Time Charter and Short Forms.

12. **Tax Responsibilities, Tax Withholdings, Tax Filings and Other Documentation Requirements**

a. PRFF hereby represents that as of the execution of the Master Time Charter it has filed income tax returns in the Commonwealth for the past five (5) years, or for as long as it has existed if less than five years and shall submit the corresponding certification issued by the Department of Treasury in such cases. PRFF represents that it does not have any outstanding debt with the Commonwealth in connection with income taxes (collected by the Department of the Treasury), real, or chattel property taxes (collected by the "Centro de Recaudación de Ingresos
Municipales" ("CRIM")), unemployment insurance premiums, workers’ compensation payments, or Social Security for chauffeurs (collected by the Department of Labor and Human Resources). PRFF also represents that it is in compliance with the requirements, if and as applicable, of the Administration for Children’s Support ("ASUME" for its acronym in Spanish). In the event that PRFF owes taxes or applicable fees to said government agencies as of the execution of Master Time Charter, it agrees that PRMTA may withhold any monies due to PRFF under the Master Time Charter and Short Forms to be applied to the payment and cancellation of said debt. Furthermore, PRFF covenants to continuously comply with its tax, insurance and other regulatory and legal obligations with the Commonwealth and its instrumentalities and keep current in all its debt with the Commonwealth for the duration of the Master Time Charter and Short Forms. It is expressly acknowledged that the certifications required hereunder as stated above constitute an essential condition of the Master Time Charter and Short Forms, and if found to be materially incorrect or intentionally misleading or the related certifications are altered or forged, PRMTA shall have the right to terminate those agreements immediately, and PRFF shall reimburse PRMTA any and all fees received under them.

b. PRFF shall be responsible for the retention, proper filing, and payment of all social security, income tax, worker’s compensation, unemployment insurance, disability insurance, and all other labor and tax legal requirements under the applicable tax laws of the Commonwealth or the U.S. Internal Revenue Code in its role as “Owner” under the Master Time Charter and Short Forms and employer of its staff assigned to work under them. PRFF agrees that it will comply with the Commonwealth laws, rules, and regulations pertaining to withholdings in accordance with the Commonwealth Internal Revenue Code of 1994.

c. PRMTA is exempted from all federal, Commonwealth and municipal taxes, and no such taxes shall be added to Charter Hire or any reimbursable expense. Furthermore, PRMTA shall have no responsibility whatsoever for the payment of any federal, Commonwealth or municipal taxes which become payable by PRFF, its subcontractors, officers, directors, agents, representatives or employees by reason of the Master Time Charter and Short Forms, including municipal “Patente” volume taxes on Charter Hire due under the Master Time Charter and Short Forms. PRMTA shall to the fullest extent possible assist PRFF in obtaining exemption certificates from the Puerto Rico Department of Treasury and CRIM for: any and all sales and use taxes on goods and materials used in the performance of the Master Time Charter and Short Forms; and
any and all municipal "Patente" volume taxes on the Charter Hire. If PRFF is unable to obtain such certificates and if any Puerto Rico taxing authority imposes or levies such taxes, a Change Order will be issued and they will be added to the Contract Amount.

d. PRFF represents that in providing its services hereunder it will be engaged in a trade or business in the Commonwealth for purposes of the Revenue Code. PRMTA will withhold, or will not withhold, applicable percentage of taxes from payments to PRFF for services rendered, in accordance with the Puerto Rico’s 1994 Internal Revenue Code, as amended.

e. PRFF will be responsible for filing its income tax returns and for making any necessary payments to the Department of the Treasury of the Commonwealth (the “Department”), the Social Security Administration, and the Internal Revenue Service of the United States of America, if applicable. Except as provided in Subsection d. above, PRMTA shall not make any withholdings or deductions for Social Security, income tax, or for any other purpose on behalf of PRFF, its Members, Managers, officers, agents, employees, successors, and assigns, but will inform the Income Tax Bureau of the Department of the amounts paid or reimbursed to PRFF pursuant hereto and may retain for the Department from the fees or compensation payable to PRFF under this Contract, any amounts owed to the Department.

f. PRFF has provided a valid Certification from the “Registro Único de Licitadores” of the General Services Administration of the Commonwealth evidencing such registry and eligibility to contract with the government, which constitutes sufficient evidence of compliance with certifications required above.

13. Default and Remedies

a. PRMTA will be in default under the Master Time Charter and Short Forms if any one or more of the following events (the "Event of Default") occurs:

i. PRTA fails to fund the Disbursement Account or pay any amount due PRFF when due;

ii. PRMTA materially fails to perform any of its other obligations under those agreements;

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iii. PRMTA becomes insolvent or bankrupt, takes the benefit of any legislation that may be in force for insolvent or bankrupt debtors, or if a receiver or trustee in bankruptcy is appointed for the affairs of PRMTA;

iv. Any facilities, docks, piers, terminals or work areas provided to PRFF by PRMTA, or PRPA (if any), or any part thereof, is completely or partially damaged by fire or other casualty which interferes with the performance of the Master Time Charter or Short Forms that is due to PRMTA's or PRPA's negligence or willful act, or the negligence or willful act of any employee or agent of PRMTA or PRPA;

v. Any facilities, docks, piers, terminals or work areas provided to PRFF by PRMTA, or PRPA (if any), or any part thereof, are abandoned by PRMTA or PRPA (if any), which interferes with the performance of the Master Time Charter or Short Forms;

vi. Any facilities, docks, piers, terminals or work areas provided to PRFF by PRMTA, or PRPA (if any), or any part thereof, are used by PRMTA or PRPA without lawfully issued permits or for any illegal purpose which interferes with the performance of the Master Time Charter or Short Forms;

vii. Any violation of law by PRMTA which makes performance by PRFF of its obligations under this agreement commercially impractical or impossible;

viii. PRFF shall give PRMTA written notice of any Event of Default and PRMTA or PRMTA shall have forty five (45) days from the mailing of such notice to cure any non-monetary event of default; provided that the payment of Charter Hire by PRMTA shall continue without interruption during any such cure period.

b. PRFF will be in default under the Master Time Charter and Short Forms if any one or more of the following events (the "Event of Default") occurs:

i. PRFF materially fails to perform any of its obligations under those agreements;

ii. PRFF becomes insolvent or bankrupt, takes the benefit of any legislation that may be in force for insolvent or bankrupt debtors, becomes involved in a voluntary or involuntary winding up, dissolution or liquidation proceeding, or if a receiver or trustee in bankruptcy is appointed for the affairs of PRFF;

iii. Any facilities, docks, piers, terminals or work areas provided to PRFF by PRMTA, or PRPA (if any), or any part thereof, is completely or partially damaged by fire or other casualty
that is due to PRFF's negligence or willful act, or the negligence or willful act of any employee or agent of PRFF;

iv. Any facilities, docks, piers, terminals or work areas provided to PRFF by PRMTA, or PRPA (if any), or any part thereof, are abandoned by PRFF;

v. Any facilities, docks, piers, terminals or work areas provided to PRFF by PRMTA or PRPA, or any part thereof, are used by PRFF without lawfully issued permits or for any illegal purpose;

vi. Any violation of law by PRFF which makes performance by PRMTA of their obligations under this agreement commercially impractical or impossible;

vii. In no event will PRFF be in default if a failure of PRMTA to perform its obligations under Section 4 above to fund this Contract results in a partial or complete interruption of the Services.

viii. PRMTA shall give PRFF written notice of any Event of Default and PRFF shall have thirty (30) days from the mailing of such notice to cure such default, except as otherwise provided in Subsection 2 b. above.

c. Remedies

Upon the occurrence of any Event of Default, after notice and opportunity to cure as set forth in this Section 13 has been given, the parties shall have any or all of the following remedies:

i. Termination of the Master Time Charter and Short Forms upon written notice.

ii. The non-defaulting party may, but is not obligated to, perform any obligation of the Master Time Charter and Short Forms which the defaulting party has failed to perform, on behalf of the defaulting party and seek redress from the defaulting party;

iii. PRMTA may re-enter any facilities, docks, piers, terminals or work areas provided to PRFF by PRMTA, or any part thereof, and in the name of the whole repossess and enjoy the same as of its former state and anything contained within those premises;

iv. The non-defaulting party may seek specific performance of any obligation under this agreement which the defaulting party has failed to perform;

v. Any other remedy available at law or in equity.

14. Force Majeure
a. Both parties will be free of all liability to the other where either is prevented from performing its obligations under the Master Time Charter and Short Forms in whole or in part due to Force Majeure.

b. PRFF, for the period during which a Force Majeure event is taking place and ongoing, shall not be liable for breach of the Master Time Charter and Short Forms, or for a failure to perform a material obligation, or other obligation that may constitute an instance subject to the indemnity provisions of the Master Time Charter or of Section 15 below, or an Event of Default if (i) such failure arises out of any of the acts, circumstances, events or conditions specified below and (ii) while any such event is ongoing, to the extent possible, or immediately thereafter, PRFF performs all mitigating actions reasonably necessary to expedite reverting to compliance with the Master Time Charter and Short Forms and (iii) reverts to compliance within a reasonable period granted by PRMTA according to the circumstances, after the acts, events, circumstances or conditions have ceased or the relevant government entity has declared a discontinuation of the event of emergency. Force Majeure is any act, event, circumstance, or condition that is beyond the reasonable control of PRFF and which was unforeseeable or which, if foreseeable, could not be avoided in whole or in part by the exercise of due diligence by PRFF, and that materially interferes with the performance of the obligations hereunder to the extent that such act, event, circumstance, or condition is not the result of the willful or negligent act, error or omission or breach of the Master Time Charter and Short Forms by PRFF. Subject to the requirements specified in the foregoing sentence, Force Majeure could include, without limitation (i) acts of God such as fire, flood, drought, earthquake, named windstorm, hurricane, tornado and tropical storm, unforeseen weather conditions that are more severe than are normally experienced for the area, (ii) civil disturbances, war, warlike activities, epidemic, quarantine, embargo, restraint of any government, rulers or people, acts of terror, riot, sabotage, PRMTA or PRMTA employee labor strikes or acts of any other Puerto Rico public employee unions, and acts of civil or military authority. It is specifically understood that none of the following acts, events, or circumstances shall constitute Force Majeure:

(i) any act, event or circumstance that would not have occurred if PRFF had complied with its obligations hereunder;
(ii) changes in interest rates, inflation rates, wage rates, insurance costs, commodity prices, currency values, exchange rates or other general economic or financial conditions;

(iii) changes in the financial condition of PRFF not caused by PRMTA;

(iv) union or labor work rules, requirements or demands from PRFF employees which have the effect of increasing costs to PRFF of performing under this Contract;

(v) strikes, boycotts, work stoppages, lockouts and other labor or employment difficulties by the employees of PRFF or their subcontractors.

(vi) any impact of prevailing wage or similar laws, customs, or practices on PRFF's costs;

c. Should an event of Force Majeure occur, PRFF shall give notice to PRMTA, as soon as possible within the circumstances, describing the event of Force Majeure and the specific effect of it in the continued performance by PRFF of its obligations under the Master Time Charter and Short Forms, the mitigating actions being taken and the efforts being made to resume performance of them. PRFF shall be entitled to an adjustment in schedule as provided in the paragraph above and/or an adjustment in compensation as may be reasonable and appropriate in such case.

d. PRMTA will not be considered in default for delayed payment during the period while the banking system in the Commonwealth is inoperable and/or PRMTA employees in charge of issuing payments cannot perform their duties due to any such event of Force Majeure.

15. **Indemnification and Insurance**

a. PRMTA shall defend and indemnify PRFF against any and all reasonable costs should PRMTA, its assigns, affiliates, sub-agencies, or any other government agency which may now or in the future benefit from or have responsibility over the Master Time Charter and Short Forms, decide to terminate them under Section 2b. above.

b. It is understood and agreed between the parties that PRFF is not assuming and will not be liable for any of the liabilities, debts or obligations of PRMTA or PRMTA, whether or not relating to the operation of the existing Island Service. PRMTA shall defend and indemnify PRFF against any and all claims, costs, damages, Losses and Expenses as defined in Subsection o. below, occurring during or arising from the operation of the existing Island Service prior to or after the date of the Master Time Charter and Short Forms, including but not limited to: third party tort and
contract claims; labor union strikes and claims; environmental damage and claims; or other governmental regulatory claims.

c. PRFF shall defend and indemnify PRMTA and PRMTA against any and all claims, costs, damages, and Losses and Expenses as defined in Subsection o. below, arising from its operations of the chartered vessels pursuant to the Master Time Charter and Short Forms, including but not limited to: third party tort and contract claims; PRFF labor union strikes and claims; environmental damage and claims; other governmental regulatory claims.

d. PRFF, on its behalf and on behalf of its subcontractors shall defend, indemnify, keep, and hold harmless PRMTA and PRMTA their officers, directors, administrators, representatives, elected and appointed officials, agents and employees (each a "PRMTA/PRMTA Indemnitee" and collectively, "PRMTA/PRMTA Indemnitees") in connection with PRFF'S performance of Master Time Charter and Short Forms, from and against any and all claims, costs, damages, and Losses and Expenses as defined in Subsection o. below related to:

(i) PRFF or PRFF subcontractors' breach of any of its obligations under the Master Time Charter and Short Forms, negligent acts, errors, omissions, recklessness, fraud, violation of law, or willful misconduct, including injury, death of or damage to any person or property caused by such acts, errors, omissions, recklessness, fraud, violation of law, or willful misconduct;

(ii) Injuries to or death of any employee of PRFF or any subcontractor of PRFF under any workers compensation statute;

(iii) PRFF's failure to perform or cause to be performed PRFF's covenants and obligations as and when required under the Master Time Charter and Short Forms;

(iv) PRFF's failure to perform its obligations towards any subcontractor;

(v) Any employee or labor liability of PRFF or its subcontractors;

(vi) Actions, causes of action, claims, losses, damages, penalties, fines, fees or other assessments made, brought, or imposed by third parties, including without limitation, governmental agencies, entities or officials, upon or against the PRMTA/PRMTA Indemnitees or PRFF, or any of them, on account of (i) PRFF's infringement of any patent or trademark, or violation of any copyright, proprietary right, right of privacy or any similar right, (including any patent, trademark, servicemark or copyright) protected by any law affecting intellectual property
arising out of, or relating to, the performance of the Master Time Charter and Short Forms or arising out of, or relating to, the use of products or other materials or property in connection with PRFF’s performance of the Master Time Charter and Short Forms or otherwise relating to PRFF’s obligations under the Master Time Charter and Short Forms; (ii) violations of Applicable Laws (including those governing the handling, generation, treatment, storage, disposal and transportation of Hazardous Materials) in connection with performance of the Master Time Charter and Short Forms by PRFF, any of its Subcontractors or others for whom PRFF is, or becomes, responsible or otherwise relating to PRFF’s obligations under the Master Time Charter and Short Forms; (iii) violations by PRFF, its Subcontractors, or others for whom PRFF is responsible of permits, approvals, restrictions, agreements or other requirements identified in the Master Time Charter and Short Forms and its Special Provisions, or as to which the PRFF has knowledge, affecting performance by PRFF of the Master Time Charter and Short Forms, or otherwise relating to the PRFF’s obligations under the Master Time Charter and Short Forms; (iv) any failure by PRFF or any of its Subcontractors, or others for whom PRFF is, or becomes, responsible to pay any applicable Puerto Rico or federal taxes based upon gross receipts, except any municipal “Patente” taxes on passenger, cargo and freight ticket sales and fares, purchases, rentals or sales, the use of any property, for unemployment insurance, disability coverage, old age insurance or any other social security or social benefit taxes applicable to all employees of PRFF, its Subcontractors, or others for whom PRFF is responsible, who are engaged in the performance of the Master Time Charter and Short Forms or any other taxes imposed in direct connection with the Master Time Charter and Short Forms; or (v) any acts or omissions of PRFF, its Subcontractors, or any other party for whose acts or omissions PRFF is or becomes responsible, arising out of, resulting from, or incidental to the performance of the Master Time Charter and Short Forms by PRFF;

(vii) Loss or damage to any property of PRFF, and loss or damage to any property of Subcontractors, their personnel and others performing the Services
under the Master Time Charter and Short Forms, unless caused by the negligence,
recklessness, or willful conduct of the PRMTA/PRMTA Indemnitees;

(viii) Claims by PRFF’s Subcontractors or others against PRFF, or the
PRMTA/PRMTA Indemnitees on account of amounts due or claimed to be due to
such Subcontractors or others in connection with the performance of PRFF’s
obligations under the Master Time Charter and Short Forms; and

(ix) Loss, injury or damage to persons employed by and property owned by the
PRMTA/PRMTA Indemnitees or third parties located on or about the Facilities
referred to in Section 6 b. of these Supplementary Conditions, as to which PRFF
has been given access, in whole or in part, arising out of, resulting from, or
incidental to the performance of PRFF’s obligations under the Master Time Charter
and Short Forms or any acts or omissions of PRFF, any of its Subcontractors,
anyone directly or indirectly employed by any of them, or any party for whose acts
or omissions PRFF is or becomes liable.

e. PRFF’s obligations under this Section to indemnify, keep, and hold harmless any
and all PRMTA/PRMTA Indemnitees from and against any and all damages excludes that portion
of the damages caused by any negligent or wrongful act, error or omission on the exclusive part
of any PRMTA/PRMTA Indemnitee.

f. The provisions of Subsection d. of this Section shall be for the benefit of each
PRMTA Indemnitee and only PRMTA shall have the right to bring a direct action against PRFF
to enforce this indemnity. PRFF shall not, however, be obligated to indemnify the Federal
Government to the extent that any Losses and Expenses arise out of the wrongful acts of employees
or agents of the Federal Government.

g. The indemnification obligations of PRFF under Subsection d. of this Section shall not be limited in any respect by legal limitations on the amounts or types of damages,
compensation or benefits payable by, or on behalf of, PRFF or any Subcontractor under workers’
compensation, disability benefit, employee benefit or other social benefit laws or insurance.

h. At the option of the PRMTA/PRMTA Indemnitees, exercisable only by PRMTA,
PRFF, on its behalf and on behalf of its subcontractors, subject to the provisions of this Section
above, must defend all suits brought upon all such claims, costs, damages, and Losses and
Expenses, as defined in Subsection o. below, and must pay all actual costs and expenses incidental
to them, including reasonable attorney’s fees, but PRMTA/PRMTA Indemnitees have the right, at their option and expense, to participate, in the defense of any suit, without relieving PRFF of any of its obligations under the Master Time Charter and Short Forms. Any settlement must be made only with the prior written consent of the PRMTA/PRMTA Indemnitees, as applicable, if the settlement requires any action on the part of the PRMTA/PRMTA Indemnitees. Provided that PRMTA shall reimburse PRFF for all such actual costs and expenses, including reasonable attorney’s fees incurred by PRFF up to the point in time that PRFF’s insurers notify PRFF that they will defend and indemnify PRFF for the claim giving rise to the cost, expense or attorney’s fees.

i. PRMTA’s approval of any subcontractor shall not relieve PRFF of any of its responsibilities, duties, and liabilities hereunder. PRFF shall be solely responsible to PRMTA/PRMTA Indemnitees for the acts or defaults of PRFF Subcontractors and each Subcontractor’s officers, agents, and employees, each of whom shall, for this purpose, be deemed to be an agent or employee of PRFF by nature of the Master Time Charter and Short Forms.

j. PRMTA on its behalf, on behalf of PRMTA, and on behalf of the Commonwealth, its agencies, and corporations, shall defend, indemnify, keep, and hold harmless PRFF, its Members, Managers, representatives, agents, employees (each a “PRFF” Indemnitee” and collectively, “PRFF Indemnitees”) in connection with the performance of the Master Time Charter and Short Forms, from and against any and all claims, costs, damages, and Losses and Expenses, as defined in Subsection o. below, related to:

(i) PRMTA’s or PRMTA’s contractors’ negligent acts, errors, omissions, recklessness, fraud, violation of law, or willful misconduct, including injury, death of or damage to any person or property caused by such acts, errors, omissions, recklessness, fraud, violation of law, or willful misconduct;
(ii) Injuries to or death of any employee of or any contractor of PRMTA or PRMTA, other than PRFF, under any workers compensation statute;
(iii) PRMTA’s failure to perform or cause to be performed PRMTA’s or PRMTA’s covenants and/or obligations as and when required under the Master Time Charter and Short Forms;
(iv) PRMTA’s or PRMTA’s failure to perform its obligations towards any contractor other than PRFF;
(v) Any employee or labor liability of PRMTA or PRMTA or its contractors; and
(vi) Any decision made by or instruction given by PRMTA or PRMTA to PRFF regarding the performance of the Master Time Charter and Short Forms.
(vii) Actions, causes of action, claims, losses, damages, penalties, fines, fees or other assessments made, brought, or imposed by third parties, including without limitation, governmental agencies, entities or officials, upon or against PRFF, or any of its Subcontractors, on account of PRMTA's or PRMTA's (i) infringement of any patent or trademark, or violation of any copyright, proprietary right, right of privacy or any similar right, (including any patent, trademark, servicemark or copyright) protected by any law affecting intellectual property arising out of, or relating to, the Master Time Charter and Short Forms or arising out of, or relating to, the use of products or other materials or property in connection with performance of the Master Time Charter and Short Forms or otherwise relating to the performance of its obligations under the Master Time Charter and Short Forms; (ii) violations of Applicable Laws (including those governing the handling, generation, treatment, storage, disposal and transportation of Hazardous Materials) in connection with performance of the Master Time Charter and Short Forms, any of its contractors other than PRFF, or others for whom PRMTA is, or becomes, responsible or otherwise relating to the Master Time Charter and Short Forms; (iii) violations by PRMTA or PRMTA, their contractors, other than PRFF, or others, for whom PRMTA or PRMTA is responsible of permits, approvals, restrictions, agreements or other requirements identified in the Master Time Charter and Short Forms and their Supplementary Conditions, or as to which PRMTA or PRMTA has knowledge, affecting performance by PRFF of the Master Time Charter and Short Forms, or otherwise relating to the Master Time Charter and Short Forms; (iv) any failure by PRMTA or any of its contractors other than PRFF, or others for whom PRMTA or PRMTA is, or becomes, responsible to pay any Puerto Rico or federal taxes based upon gross receipts, purchases, rentals or sales, the use of any property, for unemployment insurance, disability coverage, old age insurance or any other social security or social benefit taxes applicable to all employees of PRMTA or
PRMTA, their contractors, other than PRFF, or others for whom PRMTA or PRMTA is responsible who are engaged in the performance of the Master Time Charter and Short Forms or any other taxes imposed in connection with the Master Time Charter and Short Forms; or (v) any acts or omissions of PRMTA or PRMTA, their contractors, other than PRFF, or any other party for whose acts or omissions PRMTA or PRMTA is or becomes responsible arising out of, resulting from, or incidental to the performance of the Master Time Charter and Short Forms or otherwise relating to the Master Time Charter and Short Forms;

(viii) Loss or damage to any property of PRMTA or PRMTA, and loss or damage to any property of its contractors other than PRFF, their personnel and others performing the PRMTA’s or PRMTA’s obligations under Master Time Charter and Short Forms, unless caused by the negligence, recklessness, or willful conduct of PRFF;

(ix) Claims by PRMTA’s or PRMTA’s contractors, other than PRFF, or others, against PRFF, PRMTA or PRMTA on account of amounts due or claimed to be due to such contractors or others in connection with the performance of PRMTA’s or PRMTA’s obligations under Master Time Charter and Short Forms; and

(x) Loss, injury or damage to persons employed by and property owned by the PRMTA or PRMTA or third parties located on or about the Facilities referred to in Section 6 b. of this Contract, as to which PRFF has been given access, in whole or in part, arising out of, resulting from, or incidental to the performance of the PRMTA’s or PRMTA’s obligations under Master Time Charter and Short Forms, or any acts or omissions of PRMTA or PRMTA, any of their contractors, other than PRFF, or anyone directly or indirectly employed by any of them, or any party for whose acts or omissions PRMTA or PRMTA is or becomes liable.

k. PRMTA’s or PRMTA’s obligations under this Section to indemnify, keep, and hold harmless any and all PRFF Indemnitees from and against any and all damages excludes that portion of the damages caused by any negligent or wrongful act, error or omission on the exclusive part of any PRFF Indemnitee.

l. The provisions of Subsection j. of this Section shall be for the benefit of each PRFF Indemnitee and each PRFF Indemnitee shall have the right to bring a direct action against
PRMTA or PRMTA to enforce this indemnity. Neither PRMTA or PRMTA shall, however, be
obligated to indemnify the Federal, State, or Municipal Government to the extent that any Losses
and Expenses arise out of the wrongful acts of employees or agents of the Federal, State or
Municipal Government other than those of PRMTA or PRMTA.

m. The indemnification obligations of PRMTA and PRMTA under Subsection d. of
this Section shall not be limited in any respect by legal limitations on the amounts or types of
damages, compensation or benefits payable by, or on behalf of, PRMTA or PRMTA or any of its
Subcontractors under workers' compensation, disability benefit, employee benefit or other social
benefit laws or insurance.

n. At PRFF Indemnitees's option, PRMTA or PRMTA, on its behalf and on behalf of
the Commonwealth, its agencies, corporations and, subject to the provisions of this Section above,
must defend all suits brought upon all such claims, costs, damages, and Losses and Expenses, as
declared in Subsection o. below, and must pay all actual costs and expenses incidental to them,
including reasonable attorney's fees, but PRFF Indemnitees have the right, at their option and
expense, to participate, in the defense of any suit, without relieving PRMTA or PRMTA of any of
their obligations under the Master Time Charter and Short Forms. Any settlement must be made
only with the prior written consent of PRFF, as applicable, if the settlement requires any action on
the part of PRFF.

o. Losses and Expenses shall include all expenses incurred by either the PRMTA/
PRMTA Indemnitees or the PRFF Indemnitees in the negotiation, defense settlement or
satisfaction of any claims or proceedings brought thereon, regardless of the validity thereof,
including reasonable attorneys' fees and expenses. If so directed by any PRMTA/ PRMTA
Indemnitee or any PRFF Indemnitee, PRFF or PRMTA/PRMTA shall defend their respective
Indemnitees against any such matters upon such reasonable terms, conditions and reservations as
their Indemnitees may, from time to time, impose.

p. Notwithstanding the foregoing, PRFF shall not be required to indemnify the
PRMTA/PRMTA Indemnitees for any damages to the extent caused by Force Majeure, nor shall
either the PRMTA/PRMTA Indemnitees or PRFF be liable to each other for any special,
incidental, indirect, consequential, exemplary or punitive damages or losses which may be suffered
by them with respect to this Master Time Charter and Short Forms, including but not limited to,
loss of present or prospective profits, loss of income or revenue, expenditures, or loss of business or data.

q. The provisions of this Section are limited by the aggregate amount of the insurance provided by each party to the Master Time Charter and Short Forms and shall survive the Terms of those agreements.

r. **Insurance**

PRFF and PRMTA further certify that each has submitted evidence to the other of the existence of the insurance required by the provisions of the Master Time Charter and Short Forms, as well as this Section 15, which has been determined to be in compliance with those insurance requirements through the corresponding certification in the form of an original certificate of insurance duly countersigned by an authorized officer, agent, or branch manager in the Commonwealth; together with evidence that PRFF and PRMTA have been included as an additional insured in said policies, as required. After the execution of the Master Time Charter and Short Forms, PRFF shall also provide PRMTA with a State Insurance Fund insurance policy for the period covering PRFF’s employees for the operations contemplated by the Master Time Charter and Short Forms. PRFF and PRMTA shall have fifteen (15) days from the execution of the Short Forms to submit to one another said certifications and documents. Failure to produce the above stated documents within the prescribed periods may be cause for the termination of the Short Forms and PRMTA may withhold any payments due to PRFF until full compliance with this Section takes place. Notwithstanding the above, PRMTA reserves the rights to impose at any given time during the term of the Master Time Charter and Short Forms any additional requirements it deems necessary concerning the required insurance.

16. **Waiver**

Any failure of a party to comply with any obligation, covenant, agreement, or condition herein may be waived by the other party. Provided, however, that any such waiver may be made only by a written instrument signed by the party granting such waiver, but such waiver or failure to insist upon strict compliance with such obligation, covenant, agreement, or condition shall not operate as a waiver of, or estoppel with respect to any subsequent or other failure.

17. **Dispute Resolution**

\[signature\]
a. Undertaking and successfully performing the Master Time Charter and Short Forms, which is complex in scope, will require the development of effective working relationships among and between PRFF and its Subcontractors, the PRMTA, PRMTA and PRPA and its representatives, to promote cooperation and trust and to achieve common and individual objectives of each in a non-confrontational manner. To achieve these goals, the parties agree to use partnering techniques during the course of the Contract.

i. **Continuation of Work**

At all times during the dispute resolution process described in this Section or during any subsequent administrative or court proceeding, and at all times during the pendency of any dispute, PRFF shall proceed with the Master Time Charter and Short Forms diligently, without interruption, in accordance with their provisions and PRMTA shall continue to perform all of its obligations, including, but not limited to payment of Charter Hire. PRFF shall continue to comply with all provisions of the Master Time Charter and Short Forms and shall be entitled to timely payment by PRMTA, in accordance with Section 4 above, except where such payments are for Invoices for funds which have been properly disputed by PRMTA pursuant to Section 5 and that dispute has given rise to the dispute resolution process described in this Section.

ii. **Stepped Negotiations**

If a dispute arises between PRFF and PRMTA, the matter shall be placed on the agenda of the next scheduled meeting between the parties. Should the matter require prompt attention, a meeting to discuss the dispute shall be scheduled to take place no later than forty-eight (48) hours after the occurrence causing the dispute.

At the scheduled meeting(s) at which the dispute is considered, technical personnel of the parties, who are experienced in the discipline involved in the dispute, will endeavor diligently and in good faith, to identify the issues involved, consider impartially the countervailing positions, and to achieve a resolution of the dispute. If such technical personnel are unable to resolve the dispute within a reasonable period of time considering the nature and complexity of the dispute, which shall not to exceed ten (10) calendar days, the matter will then be submitted to the PRFF’s Project Manager and the PRMTA’s designated officer for resolution. If the PRFF’s Project Manager and the PRMTA’s designated officer are unable to resolve the matter within ten (10) calendar days the parties shall refer the dispute to the PRFF’s Project Executive and the Secretary of the Puerto Rico Department of Transportation and Public Works. These senior executives shall then meet within
ten (10) calendar days of such referral and shall endeavor to resolve the dispute. If PRFF's Project Executive and the Secretary of the Puerto Rico Department of Transportation and Public Works are unable to reach a resolution of the dispute within ten (10) calendar days of their first meeting, then the dispute resolution process will be deemed complete, unless the parties agree in writing to extend the negotiation period. The negotiation process shall conclude on the date agreed upon by the parties in such extension agreement.

Both PRFF and PRMTA shall be represented by persons at each level of the dispute resolution process who have full and complete authority to resolve the dispute. If at any time any representative of the parties lacks such authority, due to the nature and complexity of the dispute, it shall automatically proceed without delay to the next level of the dispute resolution process.

Participation in, and completion of, the dispute resolution process described in this Subsection is a condition precedent to commencement by either party of any civil action. The United States District Court for the District of Puerto Rico shall have exclusive jurisdiction over all actions arising out of this agreement, provided that the parties have first exhausted the alternative dispute resolution process described in Subsection b. of this Section.

18. **Notices**

All notices required or necessary to be given to the parties shall be forwarded in writing, via U.S. Mail, certified and with return receipt requested, to the following addresses:

To the PRMTA:

Eng. Luis Abreu Noble  
Executive Director  
Puerto Rico and the Islands Municipalities Maritime Transport Authority  
P.O. Box 42007  
San Juan, Puerto Rico 00940-2007

To PRFF:

Fredrick H. Newman  
Flagship Services Corporation  
8020 Tartak Street  
Carolina, PR 00979

With copies to:

Mark J. Hagopian  
60 South County Commons Way  
Suite G-5  
South Kingstown, RI 02879
In witness whereof, the parties execute this addendum,

WITNESS:

Omar Vázquez Rivera

WITNESS:

Pedro De Jesús Román

OWNER:
Puerto Rico Fast Ferries, LLC

By: Fredrick Newman Volk
Title: Managing Partner
Date: July 19, 2018
EIN

CHARTERER:
Puerto Rico and the Islands Municipalities
Maritime Transport Authority

By: Luis Abreu Noble
Title: Executive Director
Date: July 19, 2018
EIN