

**SCHEDULES**

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**TOLL ROAD**

**CONCESSION AGREEMENT**

**dated as of**

**June 27, 2011**

**by and between**

**PUERTO RICO HIGHWAYS AND TRANSPORTATION AUTHORITY**

**and**

**AUTOPISTAS METROPOLITANAS DE PUERTO RICO, LLC**

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### SCHEDULE 1 NETWORK CONTRACTS

1. *Service Contract for Management of Toll Ramps and Plazas*, dated as of April 30, 2007, as amended, between Puerto Rico Highways and Transportation Authority and Genesis Security Services, Inc.
2. *Service Contract for Surveillance Services*, dated as of June 30, 2009, as amended, between Puerto Rico Highways and Transportation Authority and Genesis Security Services, Inc.
3. *Service Contract for the Operation, Use, Repair and Maintenance of Systems of Reversible Lanes*, dated as of June 30, 2010, between Puerto Rico Highways and Transportation Authority and JC Barrier Solutions, Corp.
4. *Rental Agreement for Trash Containers for Decentralized Offices and Toll Plazas*, dated as of October 22, 2008, between Puerto Rico Highways and Transportation Authority and Consolidated Waste Services, Corp.
5. *Rental Contract for Conventional Toll Collection Equipment*, dated as of July 1, 2010, between Puerto Rico Highways and Transportation Authority and Intrans del Caribe, Inc.
6. *Service Contract for Snack Vending Machines*, dated as of December 30, 2009, between Puerto Rico Highways and Transportation Authority and Pepsi Cola P.R. Distributing, LLC.
7. *Service Contract for the Cleaning and Emptying of Septic Tanks for all Puerto Rico Highway and Transportation Authority's Facilities (Liquid and Solid)*, dated as of September 3, 2010, between Puerto Rico Highways and Transportation Authority and Plumbing & Sewer Cleaning "R" Us Corp.

**SCHEDULE 2  
ESCROW AGREEMENT**

**THIS ESCROW AGREEMENT** (this “Escrow Agreement”), dated as of [●], 2011, by and among **PUERTO RICO HIGHWAYS AND TRANSPORTATION AUTHORITY**, a body corporate and politic constituting a public corporation and government instrumentality created pursuant to the provisions of Act No.74 of June 23, 1965, as amended (the “Authority”), the **CONCESSIONAIRES** of toll roads listed in Exhibit A to this Escrow Agreement, as such schedule may be amended from the time to time to add additional concessionaires of toll roads in Puerto Rico (collectively, the “Concessionaires” and each, a “Concessionaire”), pursuant to their respective concession agreements (the “Concession Agreements”), **BANCO POPULAR DE PUERTO RICO**, a Puerto Rico banking corporation (the “Bank”), and **BANCO POPULAR DE PUERTO RICO, FIDUCIARY SERVICES DIVISION**, a Puerto Rico banking corporation, as escrow agent (the “Escrow Agent”). The Authority and the Concessionaires are sometimes referred to herein collectively as the “Contracting Parties” or individually as a “Contracting Party.”

**RECITALS**

**WHEREAS**, the Authority is the owner and operator of the Puerto Rico toll road system (the “PR Toll Roads”); and

**WHEREAS**, pursuant to, and under the terms and conditions contained in Act No. 29 of the Legislative Assembly of Puerto Rico approved on June 8, 2009 (the “Act”), the Authority is authorized to enter into public-private partnerships with private entities, including entering into concession agreements for the operation and maintenance of any or all of the PR Toll Roads; and

**WHEREAS**, the Authority entered into a New Toll Collection System Acquisition & Installation, NTCS Maintenance and Customer Service Center Management & Operations (Contract No. AC-800197) (the “TransCore Contract”), dated as of March 14, 2003, with the Authority, TransCore Atlantic, Inc. (“TransCore”) and TransCore Holdings, Inc. (including, without limitation, the Master Agreement, the Contract Documents specified in Appendix II to the Master Agreement, the Special Provisions – Acquisition and Installation attached to the Master Agreement as Appendix III and the Special Provisions – System Maintenance and Customer Service Center Operation attached to the Master Agreement as Appendix IV), as amended pursuant to that certain Contract Amendment and Change Order Agreement, dated as of June 22, 2007, for the acquisition, installation, maintenance and operation of an electronic toll collection (“ETC”) system for the PR Toll Roads under the brand name “AutoExpreso,” which will expire no later than 2015; and

**WHEREAS**, as part of the ETC system developed by TransCore for the Authority, customers are required to (i) open an account, (ii) acquire a transponder that must be affixed to the customer’s motor vehicle, and (iii) prepay tolls with cash or through debit or credit card payments made at designated participating merchants,

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through the AutoExpreso website operated and maintained by TransCore, at the TransCore Customer Service Center at Metro Office Park, at toll plazas and at all the in-lane replenishment lanes installed throughout the PR Toll Roads network; and

**WHEREAS**, the Contracting Parties acknowledge that the Authority may designate a successor to TransCore to operate and maintain an ETC system for the PR Toll Roads (TransCore or such successor, as the case may be, the “ETC Service Provider”); and

**WHEREAS**, the Authority desires to establish an escrow account mechanism for the purpose of allocating among, and distributing to, the Authority and each Concessionaire all the prepaid tolls collected through the existing ETC system, such allocation to be based on the traffic passing through the toll plazas operated by the Authority and each Concessionaire, respectively, and the relevant toll rates all as hereinafter provided; and

**NOW THEREFORE**, for and in consideration of the premises, the mutual covenants, representations, warranties and agreements contained herein and other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Contracting Parties covenant and agree as follows:

**Section 1. Appointment of the Escrow Agent and Representatives**

(a) The Contracting Parties hereby designate and appoint the Escrow Agent to serve as escrow agent hereunder and the Escrow Agent hereby confirms its agreement to act as escrow agent upon the terms, conditions and provisions of this Escrow Agreement.

(b) The individuals listed in Exhibit B (as amended from time to time as provided in Section 1(c) below) hereto are hereby designated by the corresponding Contracting Party to act on their respective behalf (such persons, the “Authorized Representatives”) in connection with the transactions contemplated by this Escrow Agreement and shall be the only persons authorized to execute any notice to be provided by any of them to any person pursuant to the provisions of this Escrow Agreement, except to the extent this Escrow Agreement expressly provides that another person is entitled to provide such notice on its behalf.

(c) Any Contracting Party may substitute any of their respective Authorized Representatives by providing at least five (5) Business Days advanced written notice thereof in accordance with the notice provisions of this Escrow Agreement. Each Contracting Party shall provide the Escrow Agent with specimen signatures of their respective Authorized Representatives in such manner as the Escrow Agent shall reasonably require in accordance with its internal procedures, including corporate resolutions evidencing their authority.

**Section 2. Establishment of Escrow Accounts**

(a) The Contracting Parties hereby establish the following escrow accounts with the Escrow Agent:

(i) a sweep escrow account designated as account number 020010303, which will be dedicated to the operations of the Customer Service Center (“CSC”) and will receive all prepayments made into AutoExpreso accounts through automatic electronic funds replenishment transactions or individual automated clearing house (“ACH”), debit card (ATH) or credit card transactions originating at point of sale (“POS”) terminals at the CSC or at any of the external retailers, and certain minor cash replenishment transactions at the CSC and at any of the external retailers (the “CSC Escrow Account”),

(ii) a sweep escrow account designated as account [●]<sup>1</sup>, which will be dedicated exclusively to in-lane replenishment (“ILR”) operations and will receive all prepayments into AutoExpreso accounts through (a) cash debit card (ATH) and credit card transactions originating at the integrated POS terminals at each of the ILR lanes and (b) cash transactions for the replenishment of temporary prepaid cash cards to be used during the transition to full electronic tolling (the “ILR Escrow Account” and, together with the CSC Escrow Account, the “Sweep Escrow Accounts”), and

(iii) a consolidated escrow account designated as account number [●]<sup>2</sup> that, subject to the provisions of this Section 2, will receive a daily sweep of all amounts on deposit in the Sweep Escrow Accounts (the “Consolidated Escrow Account”).

(b) On the Effective Date (as defined in the Concession Agreement), account number 020010303, which is currently solely owned by the Authority, will become the CSC Escrow Account and the Authority will cease to be the sole owner of said account. The CSC Escrow Account and the ILR Escrow Account will be subject to the terms of this Escrow Agreement and the provisions of the applicable Merchant Agreement (as defined below).

(c) Each of the Sweep Escrow Accounts and the Consolidated Escrow Account (collectively, the “Escrow Accounts”) shall be jointly owned by, and is for the exclusive benefit of, the Contracting Parties. The CSC Escrow Account shall be governed by the provisions of this Escrow Agreement, the Commercial Deposit Accounts Agreement (the “CSC Deposit Account Agreement”) and the Merchants Contract for Card Services (the “CSC Merchant Agreement”) entered into by and between the Bank and the Authority in connection with account number 020010303. The ILR Escrow Account shall be governed by the provisions of this Escrow Agreement, the Commercial Deposit Accounts

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<sup>1</sup> **NOTE TO CONCESSIONAIRE:** The Authority will provide the account number prior to Closing.

<sup>2</sup> **NOTE TO CONCESSIONAIRE:** The Authority will provide the account number prior to Closing.

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Agreement (the “ILR Deposit Account Agreement”) and the Merchants Contract for Card Services (the “ILR Merchant Agreement” and, together with the CSC Merchant Agreement, the “Merchant Agreements”) entered into by and between the Bank and the Authority. The Consolidated Escrow Account shall be governed by the provisions of this Escrow Agreement and the Commercial Deposit Accounts Agreement (the “Consolidated Deposit Account Agreement” and, together with the CSC Deposit Account Agreement and the ILR Deposit Account Agreement, the “Deposit Account Agreements”) entered into by and between the Bank and the Authority. Any and all amounts on deposit in all the Escrow Accounts from time to time (as reduced by any automatic transfers as described hereinafter, disbursements and amounts withdrawn under Section 5) are referred to herein as the “Escrow Fund”.

(d) Any and all amounts on deposit in the Sweep Escrow Accounts will be swept daily into the Consolidated Escrow Account; provided, that the CSC Escrow Account and the ILR Escrow Account will each retain a balance of \$5,000 for reconciliation and electronic fund transfer adjustment to be made by the ETC Service Provider as the operator of the ETC system. The Consolidated Escrow Account will hold the funds received from the Sweep Escrow Accounts. The Consolidated Escrow Account will only receive electronic funds transfers from the Sweep Escrow Accounts. The Escrow Agent will distribute amounts on deposit in the Consolidated Escrow Account as provided in Section 5 of this Escrow Agreement.

(e) The Consolidated Escrow Account will be debited on a monthly basis directly by (i) the Bank for the fees related to the services provided under the Merchant Agreements and the Deposit Account Agreements, including any debit and credit card payments and cash (deposit) fees described in Exhibit C (the “Merchant Fees”), and (ii) the Escrow Agent fees provided in Section 7(h) of this Escrow Agreement (the “Escrow Agent Fees” and, together with the Merchant Fees, the “Fees”). Such debit shall be made concurrently with the deduction made for the weekly Transfer payment referred to in Section 5(g).

### **Section 3. No Investment of Funds**

The Escrow Fund shall not be invested except as otherwise instructed by the Authority and the Concessionaires pursuant to joint written instructions to the Escrow Agent detailing the manner and form in which such Escrow Fund shall be invested. The investment income, if any, shall be apportioned monthly between the Authority and the Concessionaires in the same proportion that the Earned Tolls (as defined below) are apportioned among the Contracting Parties for such month.

### **Section 4. Reports**

On or before the tenth (10<sup>th</sup>) day of each month, the Escrow Agent shall deliver to each Contracting Party a monthly report of (a) all amounts received by the Escrow Agent for deposit in each of the Sweep Escrow Accounts and the Consolidated Escrow Account

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Schedule 2 – Escrow Agreement  
Toll Road Concession Agreement

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during the preceding month, (b) all amounts disbursed in accordance with Section 5 below during the preceding month; (c) all amounts disbursed to the Bank to cover the Merchant Fees and to the Escrow Agent to cover the Escrow Agent Fees; and (d) the balance held in the Consolidated Escrow Account on the last day of the preceding month.

### Section 5. Disbursements

(a) Subject to the provisions of Section 5(g) below, each week during the term of this Escrow Agreement, within two (2) Business Days from the receipt by the Escrow Agent of the ETC Service Provider traffic report for the preceding week in the form attached hereto as Exhibit D (the "Traffic Report"), the Escrow Agent shall transfer (a "Transfer") to each Contracting Party, by crediting such Contracting Party's bank account listed in Exhibit A and, in the case of the Authority, account number [●] at [banking entity name]<sup>3</sup>, an amount equal to the value of the tolls due from vehicles passing through the ETC toll lanes at each toll plaza (without regard to whether such vehicles were violators or exempt vehicles) *less* the value of unpaid tolls (the "Unpaid Tolls") recorded at the ETC toll lanes (such resultant amount, the "Earned Tolls"). Earned Tolls shall be payable to each Contracting Party (based on the toll plazas operated by each such Contracting Party) according to the Traffic Report, such Transfer to be made from (and only to the extent of) the funds on deposit in the Consolidated Escrow Account. Upon making such Transfer, the Escrow Agent shall provide electronically a notice (a "Notice of Transfer") to each Contracting Party in the form attached as Exhibit E. The Escrow Agent shall Transfer to the Authority any Unpaid Tolls recovered and deposited in the CSC Escrow Account in the next weekly Transfer payment following the deposit of such Unpaid Tolls in the CSC Escrow Account. The Authority shall pay each Concessionaire its portion of the Unpaid Tolls as, when, and to the extent, payable in accordance with such Concessionaire's Concession Agreement.

(b) Upon receipt of a Notice of Transfer, each Contracting Party shall promptly send electronically a written acknowledgement of the same to the Escrow Agent and the Authority. If the Escrow Agent has not received an acknowledgment from each Contracting Party within two (2) Business Days after the Escrow Agent's delivery of the Notice of Transfer, the Escrow Agent shall send (by personal delivery) a copy of the same to the Contracting Party(ies) that has (have) failed to acknowledge the Notice of Transfer.

(c) If any Contracting Party gives notice to the Escrow Agent (with a copy delivered contemporaneously to each other Contracting Party) disputing the amounts of any Transfer (a "Counter Notice") within thirty (30) Business Days following the earlier of (i) receipt of electronic written acknowledgement or (ii) personal delivery, as applicable pursuant to Section 5(b) above, by the Escrow Agent of the Notice of Transfer regarding such Transfer, such dispute shall be

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<sup>3</sup> **NOTE TO CONCESSIONAIRE:** The Authority will provide this information prior to Closing.



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resolved as provided in Section 5(f) below. Any Counter Notice shall set forth in reasonable detail the basis for the objection to the Transfer.

(d) If no Counter Notice is received by the Escrow Agent within such 30-day period or if the Counter Notice applies only to a portion of the Notice of Transfer, then the dollar amount of Transfers set forth in the Notice of Transfer, to the extent undisputed, shall be deemed agreed to for purposes of this Escrow Agreement.

(e) On or before the tenth (10<sup>th</sup>) day of each month, the Authority shall cause the ETC Service Provider to deliver to each Contracting Party a reconciled monthly traffic report encompassing all the Traffic Reports of the preceding month with any and all adjustments. On or before the tenth (10<sup>th</sup>) day of each month, the Escrow Agent shall provide each Contracting Party with a copy of the Escrow Agent report required by Section 4 of this Escrow Agreement. Any debit or credit resulting from the information provided in the reports referred to in this Section 5(e) will be reconciled in the first weekly Transfer payment following the issuance of the reconciled monthly traffic report.

(f) Contracting Parties shall resolve the matters disputed on the Counter Notice according to the dispute resolution procedure set forth in Section 17. The Order issued in such procedure shall specify how the Escrow Agent shall apply Earned Tolls in the Escrow Fund or future Earned Tolls received to resolve the dispute. The Escrow Agent shall act in accordance with such Order without further instruction.

(g) Each Contracting Party will be responsible for that portion of the monthly Fees equal to the proportion that its Earned Tolls for such month bears to total Earned Tolls for such month. The Escrow Agent shall deduct each Contracting Party's share of the Fees for the preceding month from the first weekly Transfer payment following the issuance of the Escrow Agent report pursuant to Section 4 of this Escrow Agreement.

### **Section 6. Termination of Escrow**

This Agreement shall terminate when all the Contracting Parties have agreed to such termination by express written consent. Upon termination, any undisbursed Escrow Funds shall be distributed as directed by all the Contracting Parties in joint written instructions.

### **Section 7. Duties of the Escrow Agent**

(a) The Escrow Agent shall not be under any duty to give the Escrow Fund held by it hereunder any greater degree of care than it gives its own similar property and shall not be required to invest any funds held hereunder except as directed jointly in writing by the Contracting Parties.

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(b) The Escrow Agent shall not be liable for any loss or damage, except to the extent that such loss or damage is found in a final non-appealable judgment by a court of competent jurisdiction to have resulted from the bad faith, gross negligence or willful misconduct of the Escrow Agent. The Contracting Parties shall severally and not jointly indemnify and hold harmless the Escrow Agent (and any successor Escrow Agent) from and against any and all losses, liabilities, claims, actions, damages and expenses, including reasonable attorneys' fees and disbursements, arising out of and in connection with this Escrow Agreement, except to the extent that such loss or damage is found in a final non-appealable judgment by a court of competent jurisdiction to have resulted from the bad faith, gross negligence or willful misconduct of the Escrow Agent. Without limiting the foregoing, the Escrow Agent shall in no event be liable in connection with its investment or reinvestment of any cash held by it hereunder, in accordance with the Contracting Parties' written instructions. This Section 7(b) shall survive notwithstanding any termination of this Escrow Agreement or the resignation of the Escrow Agent.

(c) The Escrow Agent shall be entitled to rely upon any order, judgment, certification, demand, notice, instrument or other writing delivered to it hereunder without being required to determine the authenticity or the correctness of any fact stated therein or the propriety or validity of the service thereof. The Escrow Agent may act in reliance upon any instrument or signature of an Authorized Representative believed by it to be genuine and may assume that the person purporting to give receipt or advice or make any statement or execute any document in connection with the provisions hereof has been duly authorized to do so. The Escrow Agent may conclusively presume that the Authorized Representative of any Contracting Party has full power and authority to instruct the Escrow Agent on behalf of that Contracting Party unless written notice to the contrary is delivered to the Escrow Agent.

(d) THE ESCROW AGENT MAY CONSULT WITH COUNSEL OF ITS OWN CHOICE AND SHALL HAVE FULL AND COMPLETE AUTHORIZATION AND PROTECTION FOR ANY ACTION TAKEN OR SUFFERED BY IT HEREUNDER IN GOOD FAITH AND IN ACCORDANCE WITH THE OPINION OF SUCH COUNSEL, AND THE REASONABLE FEES AND EXPENSES OF ITS COUNSEL OR ANY ACCOUNTANT IT ENGAGES HEREUNDER SHALL BE PAID DIRECTLY BY THE CONTRACTING PARTIES IN EQUAL PROPORTIONS.

(e) The Escrow Agent does not have any interest in the Escrow Fund deposited hereunder but is serving as escrow holder only and having only possession thereof. Any payments of income from this Escrow Fund shall be subject to withholding regulations then in force with respect to United States and Commonwealth of Puerto Rico taxes. The Contracting Parties will provide the Escrow Agent with appropriate Internal Revenue Service and Puerto Rico Department of the Treasury forms for tax identification number certification, or

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non-resident alien certifications, and the Escrow Agent shall accept such form in the manner provided by the Contracting Parties.

(f) The Escrow Agent (and any successor Escrow Agent) may at any time resign as such by delivering the Escrow Fund to any successor Escrow Agent jointly designated by all the Contracting Parties in writing, or to any court of competent jurisdiction, whereupon the Escrow Agent shall be discharged of and from any and all further obligations arising in connection with this Escrow Agreement, except for claims arising from events occurring before the effective date of the Escrow Agent's resignation, which shall survive such resignation. The resignation of the Escrow Agent will take effect on the earlier of (a) the appointment of a successor (including a court of competent jurisdiction) or (b) the day which is thirty (30) days after the date of delivery of its written notice of resignation to the Contracting Parties. If at that time the Escrow Agent has not received a designation of a successor Escrow Agent, the Escrow Agent's sole responsibility after that time shall be to retain and safeguard the Escrow Fund until receipt of a designation of successor Escrow Agent or a joint written disposition instruction by all the Contracting Parties hereto or a final non-appealable Order.

(g) In the event of any disagreement between the Contracting Parties resulting in adverse claims or demands being made in connection with all or a portion of the Escrow Fund or in the event that the Escrow Agent is in doubt as to what action it should take hereunder, the Escrow Agent shall be entitled to retain such disputed portion of the Escrow Fund until the Escrow Agent shall have received (i) a final non-appealable Order directing delivery of the disputed portion of the Escrow Fund or (ii) a written agreement executed by all the Contracting Parties directing delivery of the disputed portion of the Escrow Fund, in which event the Escrow Agent shall disburse the disputed portion of the Escrow Fund in accordance with such Order or agreement. The Escrow Agent shall act on such Order without further question. THE ESCROW AGENT MAY, AT ITS SOLE DISCRETION, FILE AN ACTION IN INTERPLEADER TO RESOLVE ANY SUCH DISAGREEMENT. THE ESCROW AGENT SHALL BE INDEMNIFIED SEVERALLY AND NOT JOINTLY BY THE CONTRACTING PARTIES FOR ALL OF ITS REASONABLE CHARGES AND COSTS, INCLUDING REASONABLE ATTORNEY'S FEES IN CONNECTION WITH SUCH INTERPLEADER OR IN ANY MATTER BEING ARBITRATED.

(h) As full compensation for the services to be rendered by the Escrow Agent hereunder, the Contracting Parties agree to pay the Escrow Agent the Escrow Agent Fees described in Exhibit F attached hereto. After reasonable prior written notice to the Parties, the Escrow Agent may modify the Escrow Agent Fees described in Exhibit F on a yearly basis in order to reflect then current market rates for such services. The Escrow Agent Fee shall be divided among the Contracting Parties in the manner set forth in Section 5(g) above. In addition, each Contracting Party shall be responsible for the payment of the individual

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activity fees incurred by such Contracting Party. Any fees or expenses of the Escrow Agent or its counsel that are not paid directly by the responsible Contracting Party as provided for herein may be deducted from any Transfer payable to such Contracting Party out of the Consolidated Escrow Account. If the Escrow Agent is unable to obtain full reimbursement from the Transfers due to such Contracting Party out of the Consolidated Escrow Account, the responsible Contracting Party shall promptly reimburse the Escrow Agent directly.

**Section 8. Limited Responsibility**

This Agreement expressly sets forth all the duties of the Escrow Agent with respect to any and all matters pertinent hereto. No implied duties or obligations shall be read into this Escrow Agreement against the Escrow Agent. The Escrow Agent shall not be bound by the provisions of any agreement among the other parties hereto except this Escrow Agreement.

**Section 9. Ownership for Tax Purposes**

The Contracting Parties agree that, for purposes of federal, Commonwealth of Puerto Rico and, except as provided in Section 5(a) and (b), other taxes based on income, each Contracting Party will be treated as the owner of its respective portion of the Escrow Fund and each Contracting Party will report all income, if any, that is earned on, or derived from, its portion of the Escrow Fund as its income in the taxable year or years in which such income is properly includible and pay any taxes attributable thereto.

**Section 10. Notices**

All notices, consents, waivers and other communications under this Escrow Agreement must be in writing and shall be given personally or sent by internationally recognized overnight delivery service. Any such notice shall be deemed to have been given when received, if delivered in person or sent by such overnight delivery service, in any such case to the address set forth beside each Contracting Party's name on Exhibit A or as set forth below (or to such other address or addresses as a Contracting Party may have advised the other in the manner provided in this Section 10):

If to the Authority: Puerto Rico Highways and Transportation Authority  
Roberto Sánchez Vilella Government Center  
De Diego Avenue, Stop 22  
Santurce, Puerto Rico 00940  
Attention: General Counsel  
Telephone: (787) 721-8787  
Facsimile: (787) 727-5456

with a copy to: Government Development Bank for Puerto Rico  
Roberto Sánchez Vilella Government Center  
De Diego Avenue, Stop 22

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Santurce, Puerto Rico 00940  
Attention: President  
Telephone: (787) 722-8460  
Facsimile: (787) 721-1443

If to the Escrow Agent: Banco Popular de Puerto Rico  
Fiduciary Services Division  
153 Ponce de Leon Ave.  
8th Floor  
San Juan, PR 00918

**Section 11. Governing Law, Jurisdiction; Service of Process**

This Agreement shall be interpreted, construed, enforced and administered in accordance with the internal substantive laws (and not the choice of law rules) of the Commonwealth of Puerto Rico. Each of the parties hereto submits to the personal jurisdiction of the courts located in the Commonwealth of Puerto Rico and each agrees that, subject to the dispute resolution mechanism provided in Section 17, all proceedings relating hereto must be brought in a local Commonwealth of Puerto Rico court. To the extent that any party may be entitled to claim, for itself or its assets, immunity from suit (whether before or after judgment) or other legal process, each hereby irrevocably agrees not to claim, and hereby waives, such immunity.

**Section 12. Counterparts**

This Agreement may be executed in one or more counterparts, each of which will be deemed to be an original and all of which, when taken together, will be deemed to constitute one and the same.

**Section 13. Section Headings**

The headings of sections in this Escrow Agreement are provided for convenience only and will not affect its construction or interpretation.

**Section 14. Waiver**

The rights and remedies of the parties to this Escrow Agreement are cumulative and not alternative. Neither the failure nor any delay by any party in exercising any right, power, or privilege under this Escrow Agreement or the documents referred to in this Escrow Agreement will operate as a waiver of such right, power, or privilege, and no single or partial exercise of any such right, power, or privilege will preclude any other or further exercise of such right, power, or privilege or the exercise of any other right, power, or privilege. To the maximum extent permitted by applicable law, (a) no claim or right arising out of this Escrow Agreement or the documents referred to in this Escrow Agreement can be discharged by one party, in whole or in part, by a waiver or renunciation of the claim or right unless in writing signed by each other party; (b) no waiver that may be given by a party will be applicable except in the specific instance for

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which it is given; and (c) no notice to or demand on one party will be deemed to be a waiver of any obligation of such party or of the right of the party giving such notice or demand to take further action without notice or demand as provided in this Escrow Agreement or the documents referred to in this Escrow Agreement.

### **Section 15. Exclusive Agreement and Modification**

This Agreement supersedes all prior agreements among the parties with respect to its subject matter and constitutes (along with the documents referred to in this Escrow Agreement) a complete and exclusive statement of the terms of the agreement between the parties with respect to its subject matter. This Agreement may not be amended except by a written agreement executed by the Contracting Parties and the Escrow Agent; provided, that the Authority may include an additional Concessionaire as a Contracting Party to this Escrow Agreement by (a) having such Concessionaire execute a Joinder Agreement in the form of Exhibit G and (b) providing the Escrow Agent reasonable advance written notice thereof and (c) providing the information required to update Exhibits A and B with the new Concessionaire's information.

### **Section 16. Merger or Consolidation or Change of Name of the Bank**

Any corporation into which the Escrow Agent or any successor Escrow Agent may be merged or with which it may be consolidated, or any corporation resulting from any merger or consolidation to which the Escrow Agent or any successor Escrow Agent is a party, or any corporation succeeding to the trust business of the Escrow Agent, will be the successor to the Escrow Agent under this Escrow Agreement without the execution or filing of any paper or any further act by any of the parties hereto.

### **Section 17. Procedure to Resolve Disputes Arising in Connection with a Counter Notice**

If any Contracting Party shall dispute the amount of a Transfer by means of a Counter Notice as set forth in Section 5(c), the Contracting Parties shall first attempt to reconcile their differences, and any written resolution by them as to any disputed amounts shall be final, binding and conclusive on the Contracting Parties. During such period, the Authority shall provide any Contracting Party with reasonable access to all books and records regarding the applicable Traffic Report it may have in its possession. The Authority shall only be required to provide information or records regarding a Traffic Report to the extent such information or records are in the Authority's possession on the date the Counter Notice was issued; *provided that*, at such Concessionaire's sole expense, the Authority shall promptly acquire such information or records as is reasonably requested by the Concessionaire that the Authority is entitled to obtain from the ETC Service Provider pursuant to its contract for ETC services with such ETC Service Provider.

If the Contracting Parties are unable to reach a resolution with respect to all of the items specified in a Counter Notice within ten (10) Business Days after the date of receipt by the Contracting Parties of such notice, then any Contracting Party may submit the

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items remaining in dispute for resolution to a nationally or locally (must be among the top five (5) local accounting firms) recognized accounting firm that does not provide services to any of the Contracting Parties and that is mutually acceptable to the Contracting Parties (the “Independent Accountants”), which shall, within thirty (30) Business Days after such submission or such longer period as the Independent Accountants may require, determine and report to the Contracting Parties upon such remaining disputed items, and such determination shall be final, binding and conclusive on the Contracting Parties. The fees and disbursements of the Independent Accountants shall be borne by the Contracting Party(ies) that is (are) not favored by the Independent Accountants’ final determination. If more than one Contracting Party is not favored by such determination, such fees and disbursements shall be shared in the proportion that their shares of the adjustment to the Transfer bears to the total adjustment.

Any payments due as a result of the Independent Accountants’ final determination, if any, including fees and disbursements due to the Independent Accountants, shall be made by the Escrow Agent from the Consolidated Escrow Account by wire transfer or delivery of other immediately available funds to the account set forth in Exhibit A no later than three (3) Business Days after the date on which the Contracting Parties reach an agreement or, if applicable, the date on which the Independent Accountants’ report is delivered to the Contracting Parties. The amount paid shall be deducted from the next Transfer payment due to the Contracting Party which had wrongfully received the amounts of the Transfer being disputed.

**Section 18. Certain Defined Terms**

As used herein, “Business Day” means any day that is neither a Saturday, a Sunday nor a day observed as a holiday by either the Commonwealth or the United States government.

[SIGNATURE PAGE FOLLOWS]

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IN WITNESS WHEREOF, the parties have executed and delivered this Escrow Agreement as of the date first written above.

**PUERTO RICO HIGHWAYS AND  
TRANSPORTATION AUTHORITY**

By: \_\_\_\_\_  
Name:  
Title:

**[CONCESSIONAIRE]**

By: \_\_\_\_\_  
Name:  
Title:

**[BANCO POPULAR DE PUERTO RICO,  
FIDUCIARY SERVICES DIVISION], as  
Escrow Agent**

By: \_\_\_\_\_  
Name:  
Title:

**BANCO POPULAR DE PUERTO RICO**

By: \_\_\_\_\_  
Name:  
Title:



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**EXHIBIT A**

**CONCESSIONAIRES**

<u>Name</u>	<u>Account No.</u>	<u>Address for Notice</u>	<u>Electronic Address</u>
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The Contracting Parties shall be entitled to modify the account described in this Exhibit A upon prior written notice to the Bank; provided, that such modification of an account number shall be provided with at least two (2) Business Days prior written notice.

**EXHIBIT B**

**AUTHORIZED REPRESENTATIVES OF THE CONTRACTING PARTIES**

<b>Contracting Party</b>	<b>Representatives</b>	<b>Specimen Signatures</b>
The Authority	Any one of [●]	
[Concessionaire]	Any one of [●]	

**MERCHANT AGREEMENT FEES AND CHARGES**

The fees and charges are as follows:

- 1.15% of each (deposit) transaction with a debit card
- 2.50% of each (deposit) transaction with Visa or MasterCard
- 2.60% of each (deposit) transaction with AMEX
- 0.50% of each (deposit) transaction with certain specialty credit cards (such as AMEX black card)
- \$0.25 per Visa or MasterCard (deposit) transaction processed via the website (in addition to the 2.50% per transaction fee set forth above)
- \$0.20 per cash (deposit) transaction

After reasonable prior written notice to the Parties, the Bank is entitled to modify the Merchant Fees on a yearly basis in order to reflect then current market rates for such services.

**WEEKLY ETC TRAFFIC REPORT**

Starting Date: \_\_\_\_\_  
 Ending Date: \_\_\_\_\_  
 Week #: \_\_\_\_\_  
 Calendar Year: \_\_\_\_\_

**Earned Tolls**

Earned Tolls to Concessionaire of PR-22 & PR-5: \_\_\_\_\_  
 Earned Tolls to Concessionaire of PR-52: \_\_\_\_\_  
 Earned Tolls to Concessionaire of PR-20: \_\_\_\_\_  
 Earned Tolls to Concessionaire of PR-53: \_\_\_\_\_  
 Earned Tolls to Concessionaire of PR-66: \_\_\_\_\_  
 Earned Tolls to PRHTA: \_\_\_\_\_

**Recovered Unpaid Tolls**

Recovered Unpaid Tolls to the PRHTA: \_\_\_\_\_

**Transactions**

Toll Plaza	Transactions from Earned Tolls										Transactions from Unpaid Tolls										Toll Plaza Total	
	Class 1	Class 2	Class 3	Class 4	Class 5	Class 6	Class 7	Class 8	NonRev	Total	Class 1	Class 2	Class 3	Class 4	Class 5	Class 6	Class 7	Class 8	NonRev	Total		
<b>PR-22</b>																						
Buchanan																						
Toa Baja																						
Vega Alta																						
Manatí																						
Arecibo																						
Arecibo Ramp																						
Hatillo																						
DTL																						
Sub-Total																						
<b>PR-5</b>																						
Bayamón																						
Sub-Total																						
<b>PR-52</b>																						
Montehiedra																						
Caguas Norte																						
Caguas Sur																						
Salinas																						
Salinas Sur																						
Juana Diaz																						
Juana Diaz Norte																						
Juana Diaz Sur																						
Ponce																						
Sub-Total																						
<b>PR-20</b>																						
Guaynabo																						
Sub-Total																						
<b>PR-53</b>																						
Hucar																						
Guayama																						
Ceiba																						
Humacao Sur																						
Humacao Norte																						
Sub-Total																						
<b>PR-66</b>																						
Carolina																						
Carolina Norte																						
Carolina Sur																						
Sub-Total																						
<b>Total</b>																						

**Toll Rates**

<u>Toll Plaza</u>	<u>Class 1</u>	<u>Class 2</u>	<u>Class 3</u>	<u>Class 4</u>	<u>Class 5</u>	<u>Class 6</u>	<u>Class 7</u>	<u>Class 8</u>	<u>NonRev</u>
<u>PR-22</u> Buchanan Toa Baja Vega Alta Manatí Arecibo Hatillo DTL									
<u>PR-5</u> Bayamón									
<u>PR-52</u> Montehiedra Caguas Norte Caguas Sur Salinas Salinas Sur Juana Diaz Juana Diaz Norte Juana Diaz Sur Ponce									
<u>PR-20</u> Guaynabo									
<u>PR-53</u> Hucar Guayama Ceiba Humacao Sur Humacao Norte									
<u>PR-66</u> Carolina Carolina Norte Carolina Sur									

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**Revenue**

Toll Plaza	Revenues from Earned Tolls										Revenues from Unpaid Tolls										Toll Plaza Total	
	Class 1	Class 2	Class 3	Class 4	Class 5	Class 6	Class 7	Class 8	NonRev	Total	Class 1	Class 2	Class 3	Class 4	Class 5	Class 6	Class 7	Class 8	NonRev	Total		
<b>Toll Revenues to Concessionaire of PR-22 and PR-5</b>																						
<b>PR-22</b>																						
Buchanan																						
Toa Baja																						
Vega Alta																						
Manati																						
Arecibo																						
Hatillo																						
DTL																						
Sub-Total																						
<b>PR-5</b>																						
Bayamón																						
Sub-Total																						
<b>Total</b>																						
<b>Toll Revenues to Concessionaire of PR-52</b>																						
<b>PR-52</b>																						
Montehiedra																						
Caguas Norte																						
Caguas Sur																						
Salinas																						
Salinas Sur																						
Juana Diaz																						
Juana Diaz Norte																						
Juana Diaz Sur																						
Ponce																						
<b>Total</b>																						
<b>Toll Revenues to Concessionaire of PR-20</b>																						
<b>PR-20</b>																						
Guaynabo																						
<b>Total</b>																						
<b>Toll Revenues to Concessionaire of PR-53</b>																						
<b>PR-53</b>																						
Hucar																						
Guayama																						
Ceiba																						
Humacao Sur																						
Humacao Norte																						
<b>Total</b>																						
<b>Toll Revenues to Concessionaire of PR-66</b>																						
<b>PR-66</b>																						
Carolina																						
Carolina Norte																						
Carolina Sur																						
<b>Total</b>																						

**EXHIBIT E**

**FORM OF NOTICE OF TRANSFER**

In accordance with Section 5(a) of the Escrow Agreement dated as of [●], 2011 (the “Agreement”) among Puerto Rico Highways and Transportation Authority (the “Authority”), a public corporation of the Commonwealth of Puerto Rico, the Contracting Parties listed in Exhibit A to the Agreement (the “Concessionaires”), [**BANCO POPULAR DE PUERTO RICO, FIDUCIARY SERVICES DIVISION**] (the “Escrow Agent”), and Banco Popular de Puerto Rico (the “Bank”), a Puerto Rico banking corporation, the Escrow Agent hereby notifies the Contracting Parties that disbursements from the Escrow Fund (as defined in the Agreement) were made to the parties, on the dates and in the amounts set forth in the table below. Such delivery was made by wire transfer in immediately available funds by crediting the accounts specified in Exhibit A of the Agreement.

<u>Party</u>	<u>Amount</u>	<u>Date</u>
--------------	---------------	-------------

In accordance with Section 2(e) of the Agreement, the amount of Fees deducted from the Escrow Fund and the date of such deduction are set forth in the table below.

<u>Type of Fee</u>	<u>Amount</u>	<u>Date</u>
--------------------	---------------	-------------

Merchant Fees		
Escrow Agent Fees		

**[●], as Escrow Agent**

By: \_\_\_\_\_  
Name:  
Title:

**FEE SCHEDULE**

**Monthly Administration Fee** .....\$2,500

This fee is not subject to pro-ration and is payable upon execution of this Escrow Agreement and upon the first Business Day of each calendar month thereafter and includes:

- Monitoring of account
- Reporting
- Investment of Funds

**Activity Fees**

Investments / Receipts & Deliveries .....\$25.00 per transaction  
Wire Transfers ..... \$25.00 per wire  
Checks ..... \$12.00 per check  
Tax Forms 480 & 1099 (per form) .....\$10.00 per Tax Form  
Personal Delivery of Notice of Transfer.....\$25.00 per Notice



**FORM OF JOINDER AGREEMENT**

The undersigned hereby agrees, effective as of the date hereof, to become a party to that certain Escrow Agreement (the "Agreement") dated as of [●], 2011, by and among Puerto Rico Highways and Transportation Authority (the "Authority") and the parties named therein and for all purposes of the Agreement, the undersigned shall be included within the term "Contracting Party" in its capacity as a Concessionaire (each capitalized term as defined in the Agreement). The physical and electronic address and facsimile number to which notices may be sent to the undersigned is as follows:

Date: \_\_\_\_\_

\_\_\_\_\_  
Name (please print or type)

\_\_\_\_\_

\_\_\_\_\_  
Address

\_\_\_\_\_  
Facsimile No.

\_\_\_\_\_  
Signature

**SCHEDULE 3  
CLOSING AGREEMENT**

**CLOSING AGREEMENT PURSUANT TO THE PUERTO RICO INTERNAL  
REVENUE CODE OF 1994, AS AMENDED, AND THE PUERTO RICO  
INTERNAL REVENUE CODE FOR A NEW PUERTO RICO**

This Closing Agreement is made in duplicate under and pursuant to Section 6126 of the Puerto Rico Internal Revenue Code of 1994, as amended (the "PR Code"), and Section 6051.07 of the Puerto Rico Internal Revenue Code for a New Puerto Rico of 2011 (the "New PR Code").

**APPEAR**

**HONORABLE JESÚS F. MÉNDEZ**, in his capacity as Secretary of the Treasury of the Government of Puerto Rico (the "Secretary"), represented herein by Blanca A. Alvarez Ramirez, Esq., Undersecretary of the Treasury of the Government of Puerto Rico;

**PUERTO RICO HIGHWAYS AND TRANSPORTATION AUTHORITY** (the "Authority"), an instrumentality of the Government of Puerto Rico, represented herein by its Executive Director, ENG. RUBEN HERNANDEZ-GREGORAT, who has been duly designated by the Authority to act on its behalf and to represent it before the Department of the Treasury of the Government of Puerto Rico (the "Department"); and

\_\_\_\_\_, a company organized under the laws of \_\_\_\_\_ (the "Concessionaire"), represented herein by its \_\_\_\_\_, \_\_\_\_\_, who has been duly designated by the Concessionaire to act on its behalf.

**WITNESSETH**

The parties state that in accordance with the provisions of the PR Code and the New PR Code, they have full legal capacity to enter into this Agreement and they further state as follows:

**REPRESENTATIONS**

1. The Concessionaire has entered into a Concession Agreement (the "Concession Agreement") with the Authority, pursuant to Act No. 29 of June 8, 2009 (the "Public Private Partnership Act"), which grants the Concessionaire the right to collect tolls for a specified number of years for the operation, management, maintenance, rehabilitation and expansion of PR-22 and PR-5 (the "Toll Roads");
2. In exchange for the rights granted under the Concession Agreement, the Concessionaire will pay the Authority a lump-sum amount (the "Lump-Sum Payment") at the commencement of the term of the Concession Agreement;

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3. Section 2301(pp)(2)(C) of the PR Code and Section 4010.01(nn)(2)(C) of the New PR Code exclude from the definition of “taxable services”, for purposes of Puerto Rico’s sales and use tax (“IVU”), services rendered by the Government of Puerto Rico;
4. Section 2301(s) of the PR Code defines the term “Commonwealth of Puerto Rico” and Section 4010.01(p) of the New PR Code defines the term “Government of Puerto Rico” as departments, agencies, administrations, bureaus, boards, commissions, offices, public corporations, public instrumentalities and municipalities of the Commonwealth of Puerto Rico, including the legislative and judicial branches. The terms Commonwealth and Government of Puerto Rico also include those persons that operate or act on its behalf; and
5. At present, charges for the use of Toll Roads are not subject to IVU because use of Toll Roads is a service provided by the Puerto Rico Government, which makes it a non-taxable service under Section 2301(pp)(2)(C) of the PR Code and Section 4010.01(nn)(2)(C) of the New PR Code.

### **DETERMINATIONS AND AGREEMENTS**

A. Based on the foregoing facts and representations, which are considered material facts, the parties determine and agree that:

1. The IVU imposed by the Government of Puerto Rico shall not apply to the toll charges to be collected by the Concessionaire under the Concession Agreement.
2. Although the Concessionaire is empowered through the Concession Agreement to perform a key governmental function, the exemption for taxable items acquired by government agencies established in Section 2508 of the PR Code and Section 4030.08 of the New PR Code shall not be applicable to the Concessionaire.
3. The Lump Sum Payment is exempt from IVU.
4. If the Concessionaire does not elect special partnership treatment or any other flow-through regime, it will be subject to Puerto Rico income taxes at the rate of ten percent (10%) on its net income derived from the operations covered under the Concession Agreement regardless of the jurisdiction in which it is organized.
5. Under Section 12(a) of the Public-Private Partnership Act, if the Concessionaire does not elect pass through treatment:
  - (a) distributions out of earnings and profits derived by the Concessionaire from the operations covered by the Concession Agreement will be subject

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to Puerto Rico income taxes at the rate of ten percent (10%) regardless of whether its shareholders or partners are individuals, corporations or partnerships, or are residents or nonresidents of Puerto Rico;

- (b) the 10% income tax rate at the entity level and the 10% tax rate on distributions under such regime shall be the applicable income taxes in lieu of any other income tax imposed by the New PR Code on the income from the Concessionaire's operations; and
  - (c) subsequent distributions of the earnings derived from the Concession Agreement by the shareholders or partners of the Concessionaire shall not be subject to additional taxes under the New PR Code.
6. If the Concessionaire has pass-through treatment as a: (i) partnership subject to the provisions of Chapter 7 of Subtitle A of the New PR Code, or (ii) limited liability company electing partnership treatment pursuant to Section 1010.01(a)(3) of the New PR Code, shareholders or partners of the Concessionaire will be subject to the twenty percent (20%) income tax rate provided in Article 12(a) of the Public Private Partnership Act on their distributive share of the Concessionaire's net income derived from the operations covered by the Concession Agreement. The 20% income tax rate provided by Section 12(a) of the Public-Private Partnership Act shall be the applicable income tax in lieu of any other income tax imposed by the New PR Code on the income derived by the Concessionaire from the operations covered by the Concession Agreement. No further Puerto Rico income tax (including the branch profits tax) shall be imposed under the provisions of the New PR Code on subsequent distributions of such income.
7. For purposes of Section 1023(k) and 1118 of the PR Code and Sections 1033.07 and 1040.12 of the New PR Code, the portion of the Lump Sum Payment allocable to the Concession Agreement shall be amortizable as an intangible over 15 years, and the portion of the Lump Sum Payment allocable to the acquisition of personal property constituting Toll Road Assets (as defined in the Concession Agreement) shall be depreciable over the applicable lives of such property. All improvements made by the Concessionaire shall be depreciable over their applicable lives for these purposes.
8. Any Termination Damages (as defined in the Concession Agreement) received by the Concessionaire, to the extent that all or a portion of them are considered ordinary income, shall be treated as net income derived from the operations covered by the Concession Agreement. As such, they shall be subject to the applicable special income tax rate provided under Section 12(a) of the Public-Private Partnership Act.
9. The Concessionaire will be treated as the owner of its respective portion of the Escrow Fund (as defined in the below mentioned Escrow Agreement) established pursuant to the Escrow Agreement dated [●] between the

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Concessionaire, the Authority and the other parties thereto, and the relationship among the parties established thereunder shall not be considered a partnership or any other type of taxpayer for Puerto Rico tax purposes under the PR Code and the New PR Code.

B. The parties hereto mutually agree that the matters determined in this agreement will be final and conclusive, subject, however, to reopening in the event of fraud, malfeasance or misrepresentation of material fact, in accordance with Section 6126 of the PR Code and Section 6051.07 of the New PR Code.

**IN WITNESS WHEREOF**, the parties have subscribed and executed this closing agreement, at San Juan, Puerto Rico, this \_\_\_ day of \_\_\_\_\_, 2011.

**SECRETARY OF THE TREASURY**

**PUERTO RICO HIGHWAYS AND  
TRANSPORTATION AUTHORITY**

\_\_\_\_\_  
By: Blanca A. Álvarez Ramírez  
Undersecretary of the Treasury of the  
Commonwealth of Puerto Rico

\_\_\_\_\_  
By: \_\_\_\_\_  
Authorized Representative

**[CONCESSIONAIRE]**

\_\_\_\_\_  
By: \_\_\_\_\_  
Authorized Representative

**SCHEDULE 4A  
GDB GUARANTY**

This Payment Guaranty, dated as of [●], is made by Government Development Bank for Puerto Rico (the “Guarantor”), a public corporation and governmental instrumentality of the Commonwealth of Puerto Rico (the “Commonwealth”), created by virtue of Act No. 17 of the Legislature of Puerto Rico, approved September 23, 1948, as amended (the “Act”), to and for the benefit of [●], a [●] organized and existing under the laws of [●] (the “Concessionaire”). Capitalized terms not defined herein have the meanings provided in the Concession Agreement (as defined below).

**WITNESSETH:**

**WHEREAS**, pursuant to that certain Toll Road Concession Agreement, dated as of [●], made by and between the Concessionaire and the Puerto Rico Highways and Transportation Authority (and together with its successors and permitted assigns, the “Authority”) as amended from time to time (the “Concession Agreement”), the Authority has granted to the Concessionaire an administrative concession of the Toll Roads to provide the Toll Road Services in connection therewith; and

**WHEREAS**, as a condition precedent to the consummation of the Closing, and to induce the Concessionaire to enter into the Concession Agreement and pay the Concession Fee thereunder, the Guarantor is required to execute and deliver this Payment Guaranty; and

**WHEREAS**, the Guarantor is willing to act as a guarantor, as set forth herein, as of and effective from the Closing on the Closing Date, for any Termination Damages due and payable in cash by the Authority under the Concession Agreement, including, without limitation, the payment of any interest with respect to any and all such amounts as determined under the Concession Agreement (the “Guaranteed Obligations”).

**NOW THEREFORE**, in consideration of the premises and for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, as an inducement to the Concessionaire to enter into the Concession Agreement and pay the Concession Fee thereunder, the Guarantor agrees as follows:

**Section 1. Guaranteed Obligations.** Subject to the terms of this Payment Guaranty, the Guarantor hereby irrevocably guarantees to the Concessionaire the payment in full by the Authority of the Guaranteed Obligations. The Guarantor shall have no obligations to the Concessionaire or any other Person hereunder other than for the Guaranteed Obligations. The Guarantor shall be entitled to assert any and all legal or equitable rights or defenses against the Concessionaire which are available to the Authority under or arising out of the Concession Agreement. The Guarantor shall have no obligations (without regard to any bankruptcy, insolvency, moratorium or other similar laws of which the Authority might avail itself) which exceed those of the Authority under the Concession Agreement and shall have no obligations directly under

the Concession Agreement other than those that arise under or through this Payment Guaranty. The obligations of the Guarantor under this Section 1, to the fullest extent permitted by applicable Law, are absolute, irrevocable and unconditional, irrespective of the value, genuineness, validity, regularity or enforceability of the obligations of the Authority under the Concession Agreement or any Other Authority Agreement and irrespective of any other circumstance whatsoever that might otherwise constitute a legal or equitable discharge or defense of a surety or guarantor other than payment in full of the Guaranteed Obligations.

**Section 2. Nature of Obligation.**

**2.1. Payment Guaranty.**

(a) This Payment Guaranty is a guaranty of payment as set forth herein.

(b) Subject to Section 13, with respect to all Guaranteed Obligations, the Concessionaire shall first make a written demand for payment against the Authority in accordance with the procedures set forth in the Concession Agreement (a “Claim”) and shall within five (5) Business Days, provide a copy of such Claim to the Guarantor.

(c) In the event that a Claim is made and the Authority has neither (i) submitted such Claim to the dispute resolution procedure provided in Article 19 of the Concession Agreement nor (ii) paid such Claim in full in cash on or before the expiry of all applicable grace and cure periods provided for under the Concession Agreement (including any period provided to obtain financing or required approvals for such payment), the Concessionaire shall promptly notify the Guarantor of such failure in writing and thereupon the Guarantor, within twenty (20) Business Days of receipt of such notice and written demand by the Concessionaire for payment, shall satisfy such Claim in full in cash, including any interest accrued thereon from the date such payment was due from the Authority to the date of such payment by the Guarantor, at a rate per annum equal to the Bank Rate, calculated annually and payable monthly.

(d) If a Claim is submitted to the dispute resolution procedure provided in Article 19 of the Concession Agreement, and a final, non-appealable decision is issued pursuant to such procedure ordering payment by the Authority to the Concessionaire (a “Final Decision”), but the Authority does not make such payment on or before the expiry of all applicable grace and cure periods provided for such payment under the Concession Agreement (including such periods provided to obtain financing or required approvals for such payment), then within twenty (20) Business Days of receipt of evidence of such Final Decision, together with a written notice of the Authority’s failure to pay and written demand by the Concessionaire for payment, the Guarantor shall make such payment in full in cash to the Concessionaire, including any interest accrued thereon from the date such payment was due from the Authority to the date of such payment by the Guarantor, at a rate per annum equal to the Bank Rate, calculated annually and payable monthly. The Guarantor acknowledges that such Final Decision shall be final and binding on the Guarantor and that, notwithstanding Section 1, the

Guarantor shall have no defense that the amount adjudicated in the Final Decision is not due and owing (other than payment having been made in full), whether or not an available defense was raised in the dispute resolution procedure that resulted in the Final Decision.

2.2. Delivery of Notices.

(a) The Concessionaire shall, within five (5) Business Days of providing the Authority any required notice under the Concession Agreement, provide a copy of such notice to the Guarantor, and no such notice to the Authority shall be effective against the Guarantor until a copy thereof is duly provided to the Guarantor at its address specified in Section 12 (or any subsequent change of address notice given in writing to the Concessionaire).

(b) The Concessionaire shall provide to the Guarantor, within two (2) Business Days from the date of the Concessionaire's delivery thereof to the Authority, a copy of any notice or demand required to be delivered to the Authority in accordance with the terms and conditions of the Concession Agreement with respect to any Claim, including but not limited to any AA-Preliminary Notice, AA-Notice, CE-Preliminary Notice, CE-Notice, Delay Event Notice, and any notice contemplated by Section 16.2 of the Concession Agreement.

(c) Notwithstanding any provision to the contrary contained in the Concession Agreement, the Concessionaire shall not terminate the Concession Agreement as a result of any Authority Default or Adverse Action without first giving to the Guarantor a copy of any notices required to be given in connection with such termination pursuant to Article 14 or Article 16 of the Concession Agreement, such notices to be accompanied by a statement of the period available to the Guarantor to cure or remedy any such Authority Default or Adverse Action, as applicable, which period shall be of the same length as the cure period provided to the Authority under the Concession Agreement and shall run from the date that such notice is provided to the Guarantor. No termination of the Concession Agreement by the Concessionaire shall be of any effect without such notice provided to the Guarantor. Except as provided by the terms of this Payment Guaranty, the Guarantor may, but shall be under no obligation to, make any payment or to perform any act required of the Authority under the Concession Agreement with the same effect as if the payment or act had been made or performed by the Authority. If the Guarantor fails to cure or is unable or unwilling to cure or remedy an Authority Default or Adverse Action, as applicable, within the cure period provided herein, the Concessionaire shall have all of its rights and remedies with respect to such Authority Default or Adverse Action as set forth in the Concession Agreement.

2.3. Dispute Resolution. The parties hereto expressly acknowledge and agree that nothing contained in this Payment Guaranty or in the Concession Agreement shall obligate any party to initiate any dispute resolution procedure under the Concession Agreement with respect to any Claim. Each of the Concessionaire and the Authority acknowledges and agrees that the Guarantor (or any Designated Person appointed by it)



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shall be authorized to participate in or act for and on behalf of the Authority in any dispute resolution proceeding contemplated by Article 19 of the Concession Agreement from and after the Concessionaire's receipt of notice from (i) if the Guarantor participates in such proceeding, the Guarantor or (ii) if the Guarantor acts for and on behalf of the Authority in such proceeding, the Authority and the Guarantor, in each case confirming such participation or authority to act; *provided that* if the Guarantor participates in any proceeding pursuant to clause (i) above, in each case where Article 19 of the Concession Agreement provides for the selection of an arbitrator by the Authority, such arbitrator shall be mutually agreed upon by the Guarantor and the Authority (or if the Guarantor and the Authority cannot agree, such arbitrator shall be selected by the American Arbitration Association).

2.4. Reinstatement of Payment Guaranty. The payments made pursuant to this Payment Guaranty shall be deemed not to have been made, and the Guarantor's obligations hereunder in respect thereof shall continue and not be discharged, to the extent that any such payment by the Guarantor is recovered from or paid over by or for the account of the Concessionaire for any reason, including as a preference or fraudulent transfer or by virtue of any subordination (whether present or future or contractual or otherwise) of such payment, whether such recovery or payment over is affected by any judgment, decree or order of any court or governmental agency, by any plan of reorganization or by settlement or compromise by the Concessionaire (whether consented to by the Guarantor or any other guarantor) of any claim for any such recovery or payment over. The Guarantor hereby expressly waives the benefit of any applicable statute of limitations or prescriptive term and agrees that it shall be liable hereunder whenever such recovery or payment over occurs.

**Section 3.** Conditions and Waiver. Without limiting the generality of Section 1, this Payment Guaranty shall not be affected, modified, released or impaired by any of the following circumstances or conditions and the Guarantor hereby waives any rights which may arise with respect thereto, except as otherwise agreed upon in writing by the Guarantor and the Concessionaire at the time of occurrence of any such circumstance or condition, and the occurrence of one or more of the following shall not preclude the exercise by the Concessionaire of any right, remedy or power in respect of this Guaranty which, to the fullest extent permitted by applicable Law, shall remain absolute, irrevocable and unconditional:

(a) any other preconditions aside from the occurrence of a Closing and payment of the Concession Fee under the Concession Agreement;

(b) any term or provision of any instrument or agreement applicable to the Concessionaire other than the Concession Agreement ("Other Agreements"), or any assignment or transfer of any Other Agreement or the Concession Agreement, in accordance with the terms of the Concession Agreement;

(c) the occurrence of any Authority Default under the Concession Agreement;

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(d) any assignment of this Payment Guaranty by the Concessionaire in accordance with the terms hereof, including the assignment of this Payment Guaranty to a Concession Mortgagee;

(e) except as otherwise provided in Section 4, any amendment, restatement, extension of time, acceleration, waiver, consent, extension, indulgence, release or discharge or other action or inaction (including, without limitation, any lack of diligence or failure to mitigate damages or failure to seek recovery under other guarantees) under or in respect of the Concession Agreement or any Other Agreement;

(f) the voluntary or involuntary liquidation, dissolution, receivership, insolvency, bankruptcy, sale or other disposition of all or substantially all of the assets of, or marshaling of assets and liabilities, including any taking of possession of all or substantially all assets by a secured party or otherwise or other distress, execution, attachment, sequestration or other legal process levied, enforced or sued on or against all or substantially all assets, assignment, arrangement or composition with or for the benefit of creditors, reorganization, arrangement, composition or readjustment of, or admission in writing of inability generally to pay debts as they become due, other similar proceeding or any institution of a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditor's rights, or presentment of any petition for winding-up or bankruptcy, in each case provided in law or otherwise affecting the Authority, or any proceeding under applicable Laws of any jurisdiction that has an analogous effect to any of the foregoing events affecting the Authority, or any action taken by any trustee, receiver, custodian, administrator, provisional liquidator, conservator or similar official or by any court in any such proceeding, including the rejection of the Concession Agreement or any Other Agreement by a trustee, receiver, custodian, administrator, provisional liquidator, conservator or similar official for the Authority or for all or substantially all its assets in any such proceeding, or the disaffirmance, rejection or postponement in any such proceeding of any of the obligations or undertakings of the Authority set forth in any such instrument or agreement including the Concession Agreement or any Other Agreement (each of the foregoing, an "Insolvency Proceeding");

(g) any delay or failure of the Authority beyond any applicable grace and cure periods to pay the Guaranteed Obligations or perform any provision of the Concession Agreement or any Other Authority Agreement;

(h) any Transfer of any or all of the Authority's interests in the Toll Roads or the Concession Agreement to another Governmental Authority, including as contemplated by Section 17.2 of the Concession Agreement;

(i) any consolidation, amalgamation, arrangement or reorganization of the Authority with, any merger of the Authority with, or transfer of all or substantially all its assets to, another Person, any change in the legal or beneficial ownership of the Authority, or any other change whatsoever in the objects, capital structure, constitution or business of the Authority;

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(j) the failure or breach of any representation or warranty made by the Authority in the Concession Agreement or any Other Authority Agreement; or any event or circumstance constituting fraud in the inducement arising by any act or omission of the Authority;

(k) any action or failure to act by the Concessionaire (or any lender to the Concessionaire) that adversely affects the Guarantor's right of subrogation arising by reason of any performance by the Guarantor of this Payment Guaranty;

(l) any suit or other action brought by, or any judgment in favor of, any beneficiaries or creditors of, the Authority;

(m) any lack or limitation of status or of power, incapacity or disability of the Authority or any other guarantor or obligor in respect of any of the Guaranteed Obligations; or

(n) any change in Law of any jurisdiction, or any present or future action or order of any Governmental Authority, amending, varying or otherwise affecting any of the Guaranteed Obligations, including any thereof affecting the validity or enforceability of any of the Guaranteed Obligations or the obligations of any other guarantor or obligor in respect of any of the Guaranteed Obligations or the currency in which the Guaranteed Obligations are denominated or payable.

Except as otherwise provided in this Payment Guaranty, the Guarantor hereby expressly waives any requirement that the Concessionaire exhaust any right, power or remedy (including filing any proof of claim relating to the Guaranteed Obligations in any Insolvency Proceeding) or proceed against the Authority under the Concession Agreement or any Other Authority Agreement, or against any other Person under any other guarantee of, or security for, any of the Guaranteed Obligations, it being understood that this Guarantee is a guarantee of payment and not just collection.

**Section 4.** Certain Consent Rights of Guarantor. The Guarantor, the Concessionaire and the Authority hereby agree that, notwithstanding any provision to the contrary in this Payment Guaranty, the Guarantor's obligation to pay any Claim to the Concessionaire pursuant to Section 2.1 above shall be subject to compliance with the following conditions:

(a) The Authority may not modify, extend, amend, change, compromise, settle, release, terminate, waive or surrender any provision of the Concession Agreement without the Guarantor's prior written consent, such consent not to be unreasonably or arbitrarily withheld, delayed or conditioned;

(b) no amount shall be payable by the Guarantor hereunder for any Claim that results from any of the following Compensation Events unless the Guarantor shall have first approved in writing such Compensation Event: (i) any Required Modification and (ii) any change or modification of any Operating Standard with which the Concessionaire is required to comply under the Concession Agreement;

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(c) the following provisions shall govern the procedure for requesting the approval or consent by the Guarantor of or to any action, Person, Document or other matter contemplated in Sections 4(a), or (b) above: (1) such request for approval or consent must (A) contain or be accompanied by any documentation or information required for such approval or consent in reasonably sufficient detail, (B) clearly set forth the matter in respect of which such approval or consent is being sought, (C) form the sole subject matter of the correspondence containing such request for approval or consent, and (D) state clearly that such approval or consent is being sought; (2) such approval or consent shall not be unreasonably or arbitrarily withheld, conditioned or delayed; (3) the Guarantor shall, within fifteen (15) days (subject to the Guarantor's right to extend such period for an additional seven (7) days) after the later of (x) the receipt by the Guarantor of a written notice from the Concessionaire requesting an approval or consent and (y) the delivery by the Authority of its consent or approval to such matter, advise the Concessionaire by written notice either that it has no objection to such consent or approval or that it does object to such consent or approval, in which latter case it shall set forth, in reasonable detail, its reasons for such objection, which reasons may include the insufficiency, as determined by the Guarantor acting reasonably, of the information or documentation provided; (4) if the responding notice mentioned in clause (3) of this Section 4(c) indicates that the Guarantor has an objection to such consent or approval, the Concessionaire may take whatever steps may be necessary to satisfy the objections of Guarantor set out in the responding notice and, thereupon, may submit a revised request for approval or consent from time to time and the provisions of this Section 4(c) and Section 1.16(a) of the Concession Agreement shall again apply until such time, if ever, as the approval or consent of the Authority is finally obtained, if at all, with no objection from the Guarantor; (5) if the objection mentioned in clause (3) of this Section 4(c) is subsequently determined, pursuant to Article 19 of the Concession Agreement, to have been improperly withheld, conditioned or delayed by the Authority or the Guarantor, such approval or consent shall, unless otherwise determined pursuant to Article 19, be deemed to have been given on the date on which such approval or consent was originally required; and (6) any dispute as to whether or not a consent or approval has been unreasonably withheld, conditioned or delayed shall be resolved in accordance with the provisions of Article 19 of the Concession Agreement as provided in Section 2.3 herein.

**Section 5.** Obligations Absolute. Notwithstanding anything in Section 1 or Section 2 above, or elsewhere in this Payment Guaranty to the contrary, except as expressly set forth in Section 2.1 above, before making a demand against the Guarantor or enforcing the Guarantor's obligations hereunder, the Concessionaire need not exhaust its remedies against the Authority or take any other action against the Authority and there shall be no requirement that the assets of the Authority first be applied in satisfaction of the Concessionaire's demand for payment.

**Section 6.** No Third Party Beneficiaries. This Payment Guaranty is for the benefit of the Concessionaire and the Guarantor exclusively and shall not create any rights in favor of any other Person whatsoever, except as expressly provided herein to the contrary (including, without limitation, with respect to such rights as are expressly granted to each Concession Mortgagee pursuant to Section 20 of this Payment Guaranty).

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**Section 7.** Consent to Jurisdiction. Subject to Section 2.3, each of the Guarantor and the Concessionaire hereby irrevocably submits to the jurisdiction and venue of the Commonwealth Court of First Instance, San Juan Part over any suit, action or proceeding arising out of and relating to this Payment Guaranty, and irrevocably waives, to the fullest extent permitted by applicable Law, any objection it may now or hereafter have to the jurisdiction and venue of any such action or proceeding therein and any claim that any such action or proceeding brought therein has been brought in an inconvenient forum.

**Section 8.** Guarantor Claim Against the Authority. The Guarantor shall have the right of subrogation against the Authority for any payments to the Concessionaire that the Guarantor shall make hereunder, which right shall be subordinate to all claims made by the Concessionaire against the Authority under the Concession Agreement; *provided, however,* that each amount that the Guarantor is required to pay hereunder shall be paid without set-off, deduction or counterclaim (except for such set-off, deduction or counterclaim that the Authority had available or is required to be made by applicable Law) and no set-off, deduction or counterclaim to any obligation that the Guarantor may have against the Authority shall be available to the Guarantor against the Concessionaire to reduce its obligations to the Concessionaire under this Payment Guaranty. The Guarantor hereby agrees that until the payment and satisfaction in full of all Guaranteed Obligations and the expiration or termination of all obligations of the Authority to make any payment to the Concessionaire under the Concession Agreement it shall not exercise any right or remedy (including the filing of any proof of claim in any Insolvency Proceeding) against the Authority or any other guarantor or obligor in respect of any of the Guaranteed Obligations or any security therefor arising by reason of any performance by the Guarantor of this Payment Guaranty, whether by subrogation or otherwise.

**Section 9.** Guarantor's Representations and Warranties. The Guarantor represents and warrants to the Concessionaire as follows:

(a) Corporate Organization. The Guarantor is a public corporation and governmental instrumentality of the Commonwealth of Puerto Rico duly created and validly existing under the laws of the Commonwealth of Puerto Rico, and has full power, authority and legal right to execute and deliver this Payment Guaranty, to comply with the terms hereof and perform its obligations hereunder.

(b) Due Authorization. The execution, delivery and performance by the Guarantor of this Payment Guaranty have each been duly authorized by all necessary action on the part of the Guarantor and do not require any other approval or other action.

(c) Enforceability. This Payment Guaranty constitutes a valid and legally binding obligation of the Guarantor, enforceable against the Guarantor in accordance with the terms hereof, subject only to (i) the effect of bankruptcy, insolvency, reorganization, moratorium, or other similar requirements of Law and judicial decisions now or hereafter in effect affecting, generally, the enforcement of creditor's rights and remedies; (ii) the effect of requirements of Law governing equitable remedies and

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defenses, and the discretion of any court of competent jurisdiction in awarding equitable remedies; and (iii) the effect of requirements of Law governing enforcement and collection of damages against the Guarantor; *provided, however*, that the enforcement of any Claims presented in accordance with this Payment Guaranty shall be resolved as provided herein.

(d) No Conflicts. The execution and delivery of this Payment Guaranty by the Guarantor, the consummation of the transactions contemplated hereby and the performance by the Guarantor of the terms, conditions and provisions hereof has not and will not contravene or violate or result in a breach of (with or without the giving of notice or lapse of time, or both) or acceleration of any obligations of the Guarantor under (i) any applicable Law or (ii) any agreement, instrument or document to which the Guarantor is a party or by which the Guarantor is bound.

(e) Certain Consents; Notice. No Consent or authorization is required to be obtained by the Guarantor from, and no notice or filing is required to be given by the Guarantor to or made by the Guarantor with, any Person (including any Governmental Authority) in connection with the validity, enforceability, execution or delivery of or performance under this Payment Guaranty.

(f) Litigation. There is no action, suit, arbitration or other proceeding, at law or in equity, or before or by any Governmental Authority, pending nor, to the best of the Guarantor's knowledge, threatened against the Guarantor, which would (i) have a material adverse effect on the ability of Guarantor to perform its obligations hereunder or (ii) affect the validity or enforceability of this Payment Guaranty.

**Section 10.** Guarantor's Financing Obligations. Guarantor shall, to the extent consistent with applicable Law and at the sole cost and expense of the Concessionaire, cooperate with the Concessionaire with respect to documentation reasonably necessary for the Concessionaire to obtain, maintain and replace financing for the performance of the obligations of the Concessionaire under the Concession Agreement. Guarantor's cooperation shall include reviewing, approving and executing documents which substantiate the terms of this Payment Guaranty (including any consents and agreements necessary to confirm that the debt evidenced by the relevant financing constitutes Concession Mortgage Debt) and responding to reasonable requests for available information and material to furnish to any proposed Concession Mortgagee to facilitate financing to the extent permitted by applicable Law and contractual obligations with third parties and to the extent Guarantor considers reasonable under the circumstances; *provided, however*, that nothing herein shall obligate Guarantor to consent to service of process, to become subject to any legal process in any jurisdiction other than in the Commonwealth, or to enter into any agreement inconsistent with this Payment Guaranty or not governed by the Laws of the Commonwealth. Any agreement entered into under this Section 10 shall be subject to review for form and legality by the general counsel of Guarantor. In addition, Guarantor shall, promptly upon the request of the Concessionaire or any Concession Mortgagee, execute, acknowledge and deliver to the Concessionaire, or any of the parties specified by the Concessionaire, standard consents and estoppel

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certificates with respect to this Payment Guaranty which may be qualified to the best of the knowledge and belief of a designated representative of Guarantor. Nothing herein shall require Guarantor to incur any additional obligations or liabilities or to take any action, give any consent or enter into any document inconsistent with or in violation of any applicable Law or the provisions of this Payment Guaranty.

**Section 11.** Guarantor’s Right to Purchase Concession Mortgage. The parties hereby agree that Guarantor shall have the right to purchase the Concession Mortgage in the same circumstances and on the same terms as apply to such right of purchase in favor of the Authority under Section 18.8 of the Concession Agreement, as if each reference to the Authority in such Section 18.8 (other than with respect to the recognition of the Concession Mortgage under Section 18.7 of the Concession Agreement) were a reference to Guarantor, each reference therein to the Authority’s Option were a reference to the Guarantor’s Option, and each reference therein to the Guarantor were a reference to the Authority.

**Section 12.** Notices. All notices and other communications hereunder unless otherwise stated herein shall be in writing and shall be hand-delivered, or mailed by certified or registered mail, as follows:

If to the Guarantor or the Authority:

Government Development Bank for Puerto Rico  
Roberto Sánchez Vilella Government Center  
De Diego Avenue, Stop 22  
Santurce, Puerto Rico 00940  
Attention: President  
Telephone: (787) 722-8460  
Telecopy: (787) 721-1443

With a copy to:

Government Development Bank for Puerto Rico  
Roberto Sánchez Vilella Government Center  
De Diego Avenue, Stop 22, Fourth Floor  
Santurce, Puerto Rico 00940  
Attention: General Counsel  
Telephone: (787) 729-6438  
Telecopy: (787) 728-6646

If to the Concessionaire:

[ ● ]

With a copy to:

[ ● ]

and to:

[ ● ]

or at such other addresses as any party shall furnish to the other in writing. For the avoidance of doubt, a duplicate copy of all notices to the Guarantor under this Payment Guaranty shall be delivered to the Authority, and a duplicate copy of all notices to the Authority under the Concession Agreement shall be delivered to Guarantor. A notice, other communication or approval shall be deemed to have been sent and received (i) on the day it is delivered, or if such day is not a Business Day or if the notice is received after ordinary office hours (time of place of receipt), the notice, other communication or approval shall be deemed to have been sent and received on the next Business Day, or (ii) on the fourth Business Day after mailing if sent by United States registered or certified mail.

**Section 13.** Authority Dissolution. In the event of and notwithstanding:

(a) a final dissolution of the Authority, so that no Person is available to respond, defend or make any appearance to defend a Claim, or

(b) the Authority entering into an Insolvency Proceeding,

the Concessionaire may make any then unpaid and any subsequent Claims on account of the Guaranteed Obligations directly against the Guarantor under, and in accordance with, the provisions of the Concession Agreement and Guarantor shall stand in the place of the Authority under the Concession Agreement with respect to such Claims.

**Section 14.** No Waiver. No delay or omission in exercising any right, remedy, power or privilege accruing upon any default, omission or failure of performance hereunder shall impair any such right, remedy, power or privilege that may be exercised from time to time and as often as may be deemed expedient.

**Section 15.** Amendments. This Payment Guaranty may be amended, changed or supplemented only by a written agreement signed by each of the parties hereto.

**Section 16.** Counterparts. This Payment Guaranty may be executed simultaneously in several counterparts (including facsimile transmission), each of which shall be deemed an original, and all of which together shall constitute one and the same instrument.

**Section 17.** Governing Law. This Payment Guaranty shall be governed by the laws of the Commonwealth of Puerto Rico, without giving effect to any conflict-of-law provision.

**Section 18.** Term of Payment Guaranty. This Payment Guaranty shall become effective upon Closing on the Closing Date. This Payment Guaranty shall continue in



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full force and effect until the final payment and satisfaction in full of the Guaranteed Obligations. This Payment Guaranty shall continue to apply to bona fide specified Claims brought by the Concessionaire against the Guarantor prior to the Termination Date in accordance with the provisions hereof.

**Section 19.** Following Termination of this Payment Guaranty. Any rights of subrogation of the Guarantor against the Authority that shall remain or exist following the Termination Date shall be subordinate to any amounts due and payable from the Authority to the Concessionaire on account of Guaranteed Obligations.

**Section 20.** Amounts Received by Guarantor. In the event that, prior to the payment and satisfaction in full of all Guaranteed Obligations and the expiration or termination of all obligations of the Authority to make any payment to the Concessionaire under the Concession Agreement, any amount is received by the Guarantor from the Authority on account of the payment by the Guarantor of the Guaranteed Obligations under Section 1, whether by subrogation or otherwise, the Guarantor will promptly following receipt thereof pay such amount to the Concessionaire for application to any Guaranteed Obligations to the extent then owing and without any set-off, deduction or counterclaim to any obligation that Guarantor may have against the Authority.

**Section 21.** No Assignment by Either Party. Except as provided in Section 6 above, this Payment Guaranty shall not be assigned or assignable by any party without the prior written consent of the other parties hereto; *provided*, that the Concessionaire may assign this Payment Guaranty to any Transferee approved by the Authority and Guarantor in accordance with Section 17.1 of the Concession Agreement, and the Concessionaire shall have the right, at its sole cost and expense, to grant one or more Concession Mortgages, subject to and in accordance with Article 18 of the Concession Agreement; *provided further*, that each Concession Mortgage, Guarantor and the Concessionaire shall enter into a consent agreement in a form reasonably acceptable to all parties whereby all parties consent to the assignment by the Concessionaire of the benefits of this Payment Guaranty to an agent in connection with the financing of the Concession Mortgage; *provided that* such consent agreement shall be in a customary form and shall include the rights and protections provided to the Concession Mortgagee in the Concession Agreement. Nothing herein shall obligate Guarantor to consent to service of process, become subject to any legal process in any jurisdiction other than in the Commonwealth, or enter into any agreement inconsistent with the terms of this Payment Guaranty or not governed by the laws of the Commonwealth.

**Section 22.** Inurement and Binding Effect. This Payment Guaranty shall inure to the benefit of the parties and their respective permitted successor and assigns and be binding upon the parties and their respective successors and assigns.

**Section 23.** Continuing Guarantee; Liability in respect of Successor. The guarantee in Section 1 is a continuing guarantee, and shall apply to all Guaranteed Obligations whenever arising. If the Authority shall consolidate or amalgamate with, or

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merge with or into, or transfer all or substantially all its assets to, another Person, the Guarantor will continue to be obligated hereunder in respect of the Guaranteed Obligations, whether or not the Guaranteed Obligations are assumed by such Person, and each reference herein to the Authority shall thereafter instead be a reference to such Person.

**Section 24. Severability.** If any term, provision, covenant or condition of this Guarantee, or the application thereof to the Guarantor or the Concessionaire or any circumstance, is held to be unenforceable, invalid or illegal (in whole or in part) for any reason (in any relevant jurisdiction), the remaining terms, provisions, covenants and conditions of this Guarantee, modified by the deletion of the unenforceable, invalid or illegal portion (in any relevant jurisdiction), will continue in full force and effect, and such unenforceability, invalidity, or illegality will not otherwise affect the enforceability, validity or legality of the remaining terms, provisions, covenants and conditions of this Payment Guaranty.

*[Signatures appear on the next page]*

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**IN WITNESS WHEREOF**, the parties have caused this Payment Guaranty to be signed, sealed and delivered on the day and year first above written.

**GOVERNMENT DEVELOPMENT  
BANK FOR PUERTO RICO**

By: \_\_\_\_\_  
Name:  
Title:

ACKNOWLEDGED:

**PUERTO RICO HIGHWAYS AND TRANSPORTATION AUTHORITY**

By: \_\_\_\_\_  
Name:  
Title:

**[CONCESSIONAIRE]**

By: \_\_\_\_\_  
Name:  
Title:

**SCHEDULE 4B  
LEGAL OPINION OF THE GDB**

[●], 2011

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Ladies and Gentlemen:

I am the General Counsel of the Government Development Bank for Puerto Rico (“GDB”). Reference is made to the Toll Road Concession Agreement, dated as of [●], 2011 (the “Agreement”), by and between the Puerto Rico Highways and Transportation Authority (“PRHTA”) and you as Concessionaire (the “Concessionaire”). Pursuant to Section 2.4(a) of the Agreement, I am rendering this opinion in connection with the execution and delivery by GDB of the GDB Payment Guaranty. Capitalized terms used and not otherwise defined herein shall have their respective meanings set forth in the Agreement.

I have examined originals or copies, certified or otherwise identified to my satisfaction, of (i) the GDB Payment Guaranty, (ii) the Agreement, and (iii) Act No. 29 of the Legislature of Puerto Rico approved on June 8, 2009 (the “Act”). In rendering my opinion, I have also examined originals or copies, certified or otherwise identified to my satisfaction, of the following documents: (w) a certificate executed by the Executive Vice President of GDB of even date herewith as to certain factual matters; (x) a copy of the Act, certified by the Secretary of State of the Commonwealth; (y) minutes of the Board of Directors of GDB approving the GDB Payment Guaranty and (z) approval by the Board of Directors of PRHTA and the Puerto Rico Public Private Partnerships Authority and by the Governor (or his designee) of the Agreement and the Partnership Committee Report as required by Article 9(g) of the Act.

In rendering this opinion, I also have examined such certificates of public officials, documents and records and other certificates and instruments as I have deemed necessary for the purposes of the opinions herein expressed and, with your permission, have relied upon and assumed the accuracy of such certificates, documents, records and instruments. I have made such examination of the laws of the Commonwealth as I deemed relevant for purposes of this opinion, but I have not made a review of, and express no opinion concerning, the laws of any jurisdiction other than the Commonwealth.

I have relied upon and assumed the truth and accuracy of the representations, certifications and warranties made in the GDB Payment Guaranty, and have not made any independent investigation or verification of any factual matters stated or represented

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therein. Whenever my opinion or confirmation herein with respect to the existence or absence of facts is indicated to be based upon my knowledge or belief, it is intended to signify that no information has come to my attention that would give me actual knowledge of the existence or absence of such facts. Except to the extent expressly set forth herein, I have not undertaken any independent investigation to determine the existence or absence of such facts or circumstances or the assumed facts set forth herein, I accept no responsibility to make any such investigation, and no inference as to my knowledge of the existence or absence of such facts or circumstances or of my having made any independent review thereof should be drawn from my representation of GDB.

In rendering this opinion letter to you, I have assumed with your permission:

1. The genuineness of all signatures, the legal capacity of natural persons executing the GDB Payment Guaranty, whether on behalf of themselves or other persons or entities, the authenticity of all documents submitted to me as originals, the conformity to original documents of all documents submitted to me as certified, conformed or photostatic copies, and the authenticity of the originals of such copies and the completeness of all records of corporate proceedings provided to me.

2. All official public records (including their proper indexing and filing) furnished to or obtained by me, electronically or otherwise, are accurate, complete and authentic.

3. The documents that have been or will be executed and delivered in consummation of the transactions contemplated by the GDB Payment Guaranty are or will be identical in all material and relevant respects with the copies of the documents I have examined and on which this opinion is based.

4. The Concessionaire (i) has been organized, is validly existing, and where applicable is in good standing under its jurisdiction of incorporation or organization, as the case may be, (ii) has full power and authority to enter into, execute, deliver, receive and perform the GDB Payment Guaranty, and (iii) is qualified to do business in the Commonwealth.

5. PRHTA has been duly created and is a validly existing body corporate and politic under and by virtue of the laws of the Commonwealth.

6. The entry into, execution, delivery, receipt and performance of the GDB Payment Guaranty by each of the Concessionaire and PRHTA have been duly authorized by all requisite action on the part of the Concessionaire and PRHTA.

7. The GDB Payment Guaranty will be duly entered into, executed, received and delivered by each of the Concessionaire and PRHTA, and upon such execution and delivery constitutes the legal, valid and binding obligation of

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each of the Concessionaire and PRHTA, so that the GDB Payment Guaranty has mutuality of binding effect on the parties thereto.

8. The factual representations, statements and warranties of GDB in the GDB Payment Guaranty, and in the other documents that I have reviewed, and upon which I have relied, are accurate, complete and truthful.

9. The execution and delivery of the GDB Payment Guaranty by all parties thereto will be free of intentional or unintentional mistake, misrepresentation, concealment, fraud, undue influence, duress or criminal activity.

10. The GDB Payment Guaranty has not been amended or modified by oral or written agreement or by conduct of the parties thereto.

11. Each party to the GDB Payment Guaranty will at all times exercise its rights and remedies under the GDB Payment Guaranty in good faith and in a manner that is commercially reasonable.

Based on and subject to the foregoing and the qualifications, exceptions and limitations referred to below, I am of the opinion that, on the date hereof:

(a) GDB has been duly created and is a validly existing body corporate and politic under and by virtue of the laws of the Commonwealth.

(b) GDB has duly authorized and approved (i) its execution and delivery of the GDB Payment Guaranty, and (ii) the performance by GDB of its obligations contained in the GDB Payment Guaranty. GDB has the corporate power and corporate authority under the laws of the Commonwealth to enter into the GDB Payment Guaranty and to do all acts and things and execute and deliver all other documents as are required under the GDB Payment Guaranty to be done, observed or performed by GDB in accordance with the terms thereof.

(c) The GDB Guaranty has been duly authorized, executed and delivered by GDB and constitutes a valid and legally binding obligation of GDB, enforceable against GDB in accordance with the terms thereof.

Each of the opinions set forth above is limited by its terms and subject to the assumptions hereinabove stated and is further subject to the following qualifications, exceptions and limitations, none of which shall limit the generality of any other assumption, qualification, exception or limitation.

1. The legality, validity and enforceability of the GDB Payment Guaranty and the opinion expressed in paragraph (c) above may be limited or otherwise affected by:
  - a. bankruptcy, insolvency, reorganization, liquidation, readjustment of debt, receivership, moratorium, fraudulent conveyance, equitable

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subordination, equity of redemption, recharacterization or other similar legal principles now or hereafter in effect governing or affecting the rights and remedies of debtors and creditors generally, or general principles of equity, regardless of whether considered in a proceeding at law or in equity;

b. applicable laws or judicial decisions of the Commonwealth which may render certain of the rights, remedies, waivers, and attorney-in-fact appointments contained therein unenforceable or ineffective, but the inclusion of which do not render the GDB Payment Guaranty invalid as a whole or make the remedies generally afforded thereunder inadequate for the practical realization of the principal benefits intended to be provided by those documents; and/or

c. the concepts of good faith and fair dealing, materiality and reasonableness, regardless of whether considered in a proceeding at law or in equity.

Notwithstanding the foregoing and without limiting the generality of the foregoing exceptions, I express no opinion with respect to (a) the availability of the remedies of specific performance or injunctive relief, (b) the availability of *ex parte* remedies and other self-help or non-judicial relief, or (c) the legality, validity, binding effect, or enforceability of provisions that provide for an event of default or availability of remedies predicated solely upon commencement of bankruptcy, reorganization or similar proceedings with respect to GDB.

2. Without limiting the generality of any other exception, limitation or qualification, I express no opinion in this letter with respect to (i) the enforceability of a set-off right, (ii) the application of any law, statute, rule or regulation relating to the environment, health or safety, (iii) any law, statute, rule, or regulation that may apply to any party as a result of its activities in the Commonwealth that are not directly related to the transactions contemplated by the GDB Payment Guaranty, (iv) the enforceability of any provision of the GDB Payment Guaranty pertaining to consent to jurisdiction in so far as it relates to federal courts or agreements stating that failure to exercise or delay in exercising rights will not operate as a waiver of the right or remedy, (v) the enforceability of any provisions of the GDB Payment Guaranty to the extent that any recovery of attorneys' fees is not limited to reasonable attorneys' fees, and (vi) the validity or enforceability of any purported waiver or purported consent relating to any other rights of any party, or duties owed to any of them, existing as a matter of law, including without limitation the purported waiver of any party's right to a jury trial.
3. I have not considered and do not express an opinion with respect to (i) any federal or state (including the Commonwealth) securities or antitrust laws and regulations, or (ii) the power and authority of each party to the GDB Payment Guaranty (other than GDB) to enter into the GDB Payment Guaranty or to carry

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out the transactions contemplated thereby. My opinions set forth in this letter are expressly subject to the effect of the application of all federal and state (including the Commonwealth) antitrust laws and regulations.

4. I express no opinion as to the applicability to the transactions contemplated by the GDB Payment Guaranty of Section 548 of the United States Bankruptcy Code relating to fraudulent transfers or obligations, and the opinions expressed herein are limited by and subject to the application of those statutes.

The opinions expressed herein are matters of professional judgment, are not a guarantee of result and are effective only as of the date hereof. I do not undertake to advise you of any matter within the scope of this letter that comes to my attention after the date of this letter and disclaim any responsibility to advise you of any future changes in law or fact that may affect the opinions set forth herein. I express no opinion other than as hereinbefore expressly set forth. No expansion of the opinions expressed herein may or should be made by implication or otherwise.

I am informed that you are relying on this opinion letter in connection with the consummation of the actions and transactions contemplated by the GDB Payment Guaranty and the Agreement. The foregoing opinion shall not be relied upon for any other purpose or by any other party (other than [●], as administrative agent for a group of lenders, in connection with loans made to the Concessionaire by such lenders). The use or reliance upon this opinion letter by any other person or entity without my prior written consent is strictly prohibited.

Very truly yours,



SCHEDULE 5  
LEGAL OPINION OF THE AUTHORITY

FORM OF LEGAL OPINION OF THE GENERAL COUNSEL OF THE  
PUERTO RICO HIGHWAYS AND TRANSPORTATION AUTHORITY

[●], 2011

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Ladies and Gentlemen:

I am the General Counsel of the Puerto Rico Highways and Transportation Authority (“PRHTA”) and I am rendering this opinion in connection with the execution of the Toll Road Concession Agreement, dated as of [●], 2011 (the “Agreement”), by and between PRHTA and you as Concessionaire (the “Concessionaire”). This opinion is being delivered to you pursuant to Section 2.4(a) of the Agreement. Capitalized terms used and not otherwise defined herein shall have their respective meanings set forth in the Agreement.

I have examined originals or copies, certified or otherwise identified to my satisfaction, of (i) the Agreement and (ii) Act No. 29 of the Legislature of Puerto Rico approved on June 8, 2009 (the “Act”). In rendering my opinion, I have also examined originals or copies, certified or otherwise identified to my satisfaction, of the following documents: (w) a certificate executed by the Executive Director of PRHTA of even date herewith as to certain factual matters, (x) a copy of the Act, certified by the Secretary of State of the Commonwealth; (y) **[PRHTA board meeting minutes approving the Agreement]**; and (z) approval by the Board of Directors of the Public-Private Partnerships Authority of Puerto Rico and the Governor (or his designee) of the Concession Agreement as required by Article 9(g) of the Act.

In rendering this opinion, I also have examined such certificates of public officials, documents and records and other certificates and instruments as I have deemed necessary for the purposes of the opinion herein expressed and, with your permission, have relied upon and assumed the accuracy of such certificates, documents, records and instruments. I have made such examination of the laws of the Commonwealth as I deemed relevant for purposes of this opinion, but I have not made a review of, and express no opinion concerning, the laws of any jurisdiction other than the Commonwealth.

I have relied upon and assumed the truth and accuracy of the representations, certifications and warranties made in the Agreement, and have not made any independent investigation or verification of any factual matters stated or represented therein.

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Whenever my opinion or confirmation herein with respect to the existence or absence of facts is indicated to be based upon my knowledge or belief, it is intended to signify that no information has come to my attention that would give me actual knowledge of the existence or absence of such facts. Except to the extent expressly set forth herein, I have not undertaken any independent investigation to determine the existence or absence of such facts or circumstances or the assumed facts set forth herein, I accept no responsibility to make any such investigation, and no inference as to my knowledge of the existence or absence of such facts or circumstances or of my having made any independent review thereof should be drawn from my representation of PRHTA.

In rendering this opinion letter to you, I have assumed with your permission:

1. The genuineness of all signatures, the legal capacity of natural persons executing the Agreement, whether on behalf of themselves or other persons or entities, the authenticity of all documents submitted to me as originals, the conformity to original documents of all documents submitted to me as certified, conformed or photostatic copies, and the authenticity of the originals of such copies and the completeness of all records of corporate proceedings provided to me.

2. All official public records (including their proper indexing and filing) furnished to or obtained by me, electronically or otherwise, are accurate, complete and authentic.

3. The documents that have been or will be executed and delivered in consummation of the transactions contemplated by the Agreement are or will be identical in all material and relevant respects with the copies of the documents I have examined and on which this opinion is based.

4. The Concessionaire (i) has been organized, is validly existing, and where applicable is in good standing under its jurisdiction of incorporation or organization, as the case may be, (ii) has full power and authority to enter into, execute, deliver, receive and perform the Agreement, and (iii) is qualified to do business in the Commonwealth.

5. The entry into, execution, delivery, receipt, and performance of the Agreement by the Concessionaire has been duly authorized by all requisite action on the part of the Concessionaire.

6. The Agreement will be duly entered into, executed, received and delivered by the Concessionaire, and upon such execution and delivery constitutes the legal, valid and binding obligation of the Concessionaire, so that the Agreement has mutuality of binding effect on the parties thereto.

7. The respective factual representations, statements and warranties of PRHTA made in the Agreement, and in the other documents that I have reviewed, and upon which I have relied, are accurate, complete and truthful.

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8. The execution and delivery of the Agreement by each of the parties thereto will be free of intentional or unintentional mistake, misrepresentation, concealment, fraud, undue influence, duress or criminal activity.

9. The Agreement has not been amended or modified by oral or written agreement or by conduct of the parties thereto.

10. Each party to the Agreement will at all times exercise its rights and remedies under the Agreement in good faith and in a manner that is commercially reasonable.

Based on and subject to the foregoing and the qualifications, exceptions and limitations referred to below, I am of the opinion that, on the date hereof:

(a) PRHTA has been duly created and is a validly existing body corporate and politic under and by virtue of the laws of the Commonwealth.

(b) PRHTA has duly authorized and approved (i) its execution and delivery of the Agreement, and (ii) the performance by PRHTA of its obligations contained in the Agreement. PRHTA has the corporate power and corporate authority under Commonwealth law to enter into the Agreement and to do all acts and things and execute and deliver all other documents as are required under the Agreement to be done, observed or performed by PRHTA in accordance with the terms thereof.

(c) The Agreement has been duly authorized, executed and delivered by PRHTA and constitutes a valid and legally binding obligation of PRHTA, enforceable against PRHTA in accordance with the terms thereof.

(d) The Toll Roads are not subject to any real property taxes.

Each of the opinions set forth above is limited by its terms and subject to the assumptions hereinabove stated and is further subject to the following qualifications, exceptions and limitations, none of which shall limit the generality of any other assumption, qualification, exception or limitation.

1. The legality, validity and enforceability of the Agreement and the opinion expressed in paragraph (c) above may be limited or otherwise affected by:

a. bankruptcy, insolvency, reorganization, liquidation, readjustment of debt, receivership, moratorium, fraudulent conveyance, equitable subordination, equity of redemption, recharacterization or other similar legal principles now or hereafter in effect governing or affecting the rights and remedies of debtors and creditors generally, or general principles of equity, regardless of whether considered in a proceeding at law or in equity;

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b. applicable laws or judicial decisions of the Commonwealth which may render certain of the rights, remedies, waivers, and attorney-in-fact appointments contained therein unenforceable or ineffective, but the inclusion of which do not render the Agreement invalid as a whole or make the remedies generally afforded thereunder inadequate for the practical realization of the principal benefits intended to be provided by those documents; and/or

c. the concepts of good faith and fair dealing, materiality and reasonableness, regardless of whether considered in a proceeding at law or in equity.

Notwithstanding the foregoing and without limiting the generality of the foregoing exceptions, I express no opinion with respect to (a) the availability of the remedies of specific performance or injunctive relief, (b) the availability of ex parte remedies and other self-help or non-judicial relief, or (c) the legality, validity, binding effect, or enforceability of provisions that provide for an event of default or availability of remedies predicated solely upon commencement of bankruptcy, reorganization or similar proceedings with respect to PRHTA.

2. Without limiting the generality of any other exception, limitation or qualification, I express no opinion in this letter with respect to (i) the enforceability of a set-off right, (ii) the application of any law, statute, rule or regulation relating to the environment, health or safety, (iii) any law, statute, rule, or regulation that may apply to any party as a result of its activities in the Commonwealth that are not directly related to the transactions contemplated by the Agreement, (iv) the enforceability of any provision of the Agreement pertaining to consent to jurisdiction in so far as it relates to federal courts or agreements stating that failure to exercise or delay in exercising rights will not operate as a waiver of the right or remedy, (v) the enforceability of any provisions of the Agreement to the extent that any recovery of attorneys' fees is not limited to reasonable attorneys' fees, and (vi) the validity or enforceability of any purported waiver or purported consent relating to any other rights of any party, or duties owed to any of them, existing as a matter of law, including without limitation the purported waiver of any party's right to a jury trial.
3. I have not considered and do not express an opinion with respect to (i) any federal or state (including the Commonwealth) securities or antitrust laws and regulations, (ii) the power and authority of the Concessionaire to enter into the Agreement or to carry out the transactions contemplated thereby, or (iii) the possible application of or compliance with various building codes, zoning ordinances, permit requirements, environmental, health or safety laws and other similar statutes, laws, ordinances, codes and regulations affecting the construction, condition and/or use of the Toll Roads or any Expansion. My opinions set forth in this letter are expressly subject to the effect of the application

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of all federal and state (including the Commonwealth) antitrust laws and regulations.

4. I express no opinion as to the applicability to the transactions contemplated by the Agreement of Section 548 of the United States Bankruptcy Code relating to fraudulent transfers or obligations, and the opinions expressed herein are limited by and subject to the application of those statutes.

The opinions expressed herein are matters of professional judgment, are not a guarantee of result and are effective only as of the date hereof. I do not undertake to advise you of any matter within the scope of this letter that comes to my attention after the date of this letter and disclaim any responsibility to advise you of any future changes in law or fact that may affect the opinions set forth herein. I express no opinion other than as hereinbefore expressly set forth. No expansion of the opinions expressed herein may or should be made by implication or otherwise.

I am informed that you are relying on this opinion letter in connection with the consummation of the actions and transactions contemplated by the Agreement. The foregoing opinion shall not be relied upon for any other purpose or by any other party (other than [●], as administrative agent for a group of lenders, in connection with loans made to the Concessionaire by such lenders). The use or reliance upon this opinion letter by any other person or entity without my prior written consent is strictly prohibited.

Very truly yours,

**SCHEDULE 6  
LEGAL OPINION OF THE CONCESSIONAIRE**

[Letterhead of Counsel to the Concessionaire]

[Closing Date]

Ladies and Gentlemen:

We have acted as special counsel to [●], a [●] organized and existing under the laws of State [●] (the “Concessionaire”) in connection with the execution of the Toll Road Concession Agreement, dated as of [●], 2011 (the “Agreement”), by and between the Authority and the Concessionaire. This opinion is being delivered to you pursuant to Section 2.4(b) of the Agreement. Capitalized terms used and not otherwise defined herein shall have their respective meanings set forth in the Agreement.

We have examined originals or copies, certified or otherwise identified to our satisfaction, of (i) the Agreement and (ii) such other records and writings as we have deemed necessary as the basis of the opinions set forth herein.

In rendering this opinion, we also have examined such certificates of public officials, documents and records and other certificates and instruments as we have deemed necessary for the purposes of the opinion herein expressed and, with your permission, have relied upon and assumed the accuracy of such certificates, documents, records and instruments. We have made such examination of the laws of the Commonwealth as we deemed relevant for purposes of this opinion, but we have not made a review of, and express no opinion concerning, the laws of any jurisdiction other than the Commonwealth.

We have relied upon and assumed the truth and accuracy of the representations, certifications and warranties made in the Agreement, and have not made any independent investigation or verification of any factual matters stated or represented therein. Whenever our opinion or confirmation herein with respect to the existence or absence of facts is indicated to be based upon our knowledge or belief, it is intended to signify that no information has come to the attention of the members of our firm actively working on the Agreement that would give any of them actual knowledge of the existence or absence of such facts. Except to the extent expressly set forth herein, we have not undertaken any independent investigation to determine the existence or absence of such facts or circumstances or the assumed facts set forth herein, we accept no responsibility to make any such investigation, and no inference as to our knowledge of the existence or absence of such facts or circumstances or of our having made any independent review thereof should be drawn from our representation of the Concessionaire.

In rendering this opinion letter to you, we have assumed with your permission:

1. The genuineness of all signatures, the legal capacity of all natural persons, the authenticity of all documents submitted to us as originals, the

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conformity to authentic, original documents of all documents submitted to us via facsimile or otherwise as certified, conformed or photostatic copies, and the completeness of all records of corporate proceedings provided to us.

2. All official public records (including their proper indexing and filing) furnished to or obtained by us, electronically or otherwise, are accurate, complete and authentic.

3. The documents that have been or will be executed and delivered in consummation of the transactions contemplated by the Agreement are or will be identical in all material and relevant respects with the copies of the documents we have examined and on which this opinion is based.

4. The Authority has been duly created and is a validly existing body corporate and politic created under the laws of the Commonwealth.

5. The entry into, execution, delivery, receipt, and performance of the Agreement by the Authority has been duly authorized by all requisite action on the part of the Authority.

6. The Agreement will be duly entered into, executed, received and delivered by the Authority, and upon such execution and delivery constitutes the legal, valid and binding obligation of the Authority, so that the Agreement has mutuality of binding effect on the parties thereto.

7. The respective factual representations, statements and warranties of the Authority made in the Agreement, and in the other documents that we have reviewed, and upon which we have relied, are accurate, complete and truthful.

8. The execution and delivery of the Agreement by each of the parties thereto will be free of intentional or unintentional mistake, misrepresentation, concealment, fraud, undue influence, duress or criminal activity.

9. The Agreement has not been amended or modified by oral or written agreement or by conduct of the parties thereto.

10. Each party to the Agreement will at all times exercise its rights and remedies under the Agreement in good faith and in a manner that is commercially reasonable.

Based on and subject to the foregoing and the qualifications referred to below, we are of the opinion that, on the date hereof:

(a) The Concessionaire is duly organized, validly existing and in good standing as [●] under the laws of [●].

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(b) The Concessionaire has the power and authority to enter into the Agreement and to do all acts and things and execute and deliver all other documents as are required under the Agreement to be done, observed or performed by the Concessionaire in accordance with the terms thereof.

(c) The Concessionaire has duly authorized, executed and delivered the Agreement, and the Agreement constitutes a valid and legally binding obligation of the Concessionaire, enforceable against it in accordance with the terms hereof.

Each of the opinions set forth above is limited by its terms and subject to the assumptions hereinabove stated and is further subject to the following qualifications, exceptions and limitations, none of which shall limit the generality of any other assumption, qualification, exception or limitation.

1. The legality, validity and enforceability of the Agreement and the opinion expressed in paragraph (c) above may be limited or otherwise affected by:
  - a. bankruptcy, insolvency, reorganization, liquidation, readjustment of debt, receivership, moratorium, fraudulent conveyance, equitable subordination, equity of redemption, recharacterization or other similar legal principles now or hereafter in effect governing or affecting the rights and remedies of debtors and creditors generally, or general principles of equity, regardless of whether considered in a proceeding at law or in equity;
  - b. applicable laws or judicial decisions of the Commonwealth which may render certain of the rights, remedies, waivers, and attorney-in-fact appointments contained therein unenforceable or ineffective, but the inclusion of which do not render the Agreement invalid as a whole or make the remedies generally afforded thereunder inadequate for the practical realization of the principal benefits intended to be provided by those documents; and/or
  - c. the concepts of good faith and fair dealing, materiality and reasonableness, regardless of whether considered in a proceeding at law or in equity.

Notwithstanding the foregoing and without limiting the generality of the foregoing exceptions, we express no opinion with respect to (i) the availability of the remedies of specific performance or injunctive relief, (ii) the availability of *ex parte* remedies and other self-help or non-judicial relief, or (iii) the legality, validity, binding effect, or enforceability of provisions that provide for an event of default or availability of remedies predicated solely upon commencement of bankruptcy, reorganization or similar proceedings with respect to the Concessionaire.



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2. Without limiting the generality of any other exception, limitation or qualification, we express no opinion with respect to (i) the enforceability of a set-off right, (ii) the application of any law, statute, rule or regulation relating to the environment, health or safety, (iii) any law, statute, rule, or regulation that may apply to any party as a result of its activities in the Commonwealth that are not directly related to the transactions contemplated by the Agreement, (iv) the enforceability of any provisions of the Agreement to the extent that any recovery of attorneys' fees is not limited to reasonable attorneys' fees, and (v) the validity or enforceability of any purported waiver or purported consent relating to any other rights of any party, or duties owed to any of them, existing as a matter of law, including without limitation the purported waiver of any party's right to a jury trial.
3. We have not considered and do not express an opinion with respect to (i) any Federal or state (including the Commonwealth) securities and antitrust laws and regulations or (ii) the power and authority of the Authority to enter into the Agreement or to carry out the transactions contemplated thereby.

The opinions expressed herein are matters of professional judgment, are not a guarantee of result and are effective only as of the date hereof. We do not undertake to advise you of any matter within the scope of this letter that comes to our attention after the date of this letter and disclaim any responsibility to advise you of any future changes in law or fact that may affect the opinions set forth herein. We express no opinion other than as hereinbefore expressly set forth. No expansion of the opinions expressed herein may or should be made by implication or otherwise.

This opinion is rendered solely for your information in connection with the transaction described above and may not be relied upon by you in any other capacity or for any other purpose and may not be used or relied upon by any other Person for any purpose without our express prior written consent.

Very truly yours,

[Counsel to the Concessionaire]

**SCHEDULE 7A  
LEGAL OPINION OF BOND COUNSEL**

[Concerning Release of Liens under New York Law and Tax Matters]

[Letterhead of Bond Counsel]

[●], 2011

Puerto Rico Highways and  
Transportation Authority  
San Juan, Puerto Rico

Puerto Rico Public-Private  
Partnerships Authority  
San Juan, Puerto Rico

The Bank of New York Mellon  
New York, New York

[The Concessionaire]

Ladies and Gentlemen:

We have served as counsel to the Puerto Rico Highways and Transportation Authority (the “Authority”) in connection with the execution and delivery of the Toll Road Concession Agreement, dated as of [●], 2011 (the “Agreement”), by and between the Authority and [●].

In our capacity as counsel to the Authority, we have examined (i) the Agreement, (ii) Resolution No 68-18, adopted June 13, 1968 (the “1968 Resolution”), as amended and supplemented, (iii) Resolution No. 98-06, adopted February 26, 1998 (the “1998 Resolution” and, together with the 1968 Resolution, the “Resolutions”), as amended and supplemented, (iv) the Closing Agreement, by and between the Authority and the Internal Revenue Service, dated as of [●] (the “Closing Agreement”), (v) the verification report of [●], dated as of [●], 2011 (the “Verification Report”), (vi) the calculations provided by Morgan Stanley & Co. Incorporated, dated as of [●] (the “Calculations”), (vii) a certificate of the Executive Director of the Authority, dated [●] that the Authority is in compliance with Section 614 of the 1998 Resolution and Section 609 of the 1968 Resolution (the “Authority Certificate”), (viii) a tax certificate of the Executive Director of the Authority in which the Authority has made certain representations and covenants (the “Tax Certificate”), and (ix) the escrow agreements, dated as of [●], between the Authority and the Bank of New York Mellon, as escrow agent. Collectively the documents identified in clauses (i) through (ix) are referred to herein as the “Examined Documents”. We have also examined the originals or certified, photostatic or facsimile copies of such records and other documents as we have deemed relevant and necessary as the basis for the opinion set forth below. In such examination, we have assumed the legal

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capacity of all natural persons, the genuineness of all signatures, the authenticity of all documents submitted to us as originals, the conformity to original documents of all documents submitted to us as certified, photostatic or facsimile copies and the authenticity of the originals of such copies. Capitalized terms used in this opinion and not otherwise defined shall have the respective meanings ascribed thereto in the Agreement.

As to various questions of fact material to the opinion expressed herein, we have, with your consent, relied upon oral or written statements and the representations in the documents examined by us and upon certificates of public officers and officers of the Authority. We have not made or undertaken any independent investigation to establish or verify the accuracy or completeness of such factual matters, or as to any representation, warranty, data or other information, whether written or oral, that may have been provided by or on behalf of the Authority or any other person, and we assume, in rendering this opinion, that none of such information contains any untrue statement of a material fact or omits to state a material fact necessary to render the statements made, in light of the circumstances in which they were made, not misleading.

As to parties other than the Authority, we have assumed (i) the due execution and delivery, pursuant to due authorization, of the Agreement by each such party thereto, (ii) that each such party has the full power, authority and legal right to enter into and perform its obligations under the Agreement, (iii) that the Agreement constitutes the valid and legally binding obligations of each such party, enforceable against such party in accordance with its terms, and (iv) that all necessary consents, approvals, authorizations, registrations, declarations and filings (governmental or otherwise) and all other conditions precedent with respect to the legal and valid execution and delivery of, and performance under, the Agreement that we have examined by each party thereto have been made or satisfied or have occurred and are in full force and effect.

Based upon the foregoing and in reliance on the representations, covenants and other information contained in the Examined Documents, we are of the opinion that:

1. The Toll Roads, the Toll Road Assets and, to the extent assigned under the Agreement, the Network Contracts are not subject to the lien of, nor are they pledged under, the Resolutions. As a result of the payment and defeasance of the Bonds of the Authority identified in the Verification Report, the Toll Road Revenues are free and clear of any trust, lien, security interest, pledge or assignment under the Resolutions.

2. The execution and delivery by the Authority of the Agreement does not, and the performance by the Authority of its obligations thereunder will not, result in any violation of the covenants contained in the Resolutions.

3. Under existing law and assuming compliance by the Authority with the Closing Agreement and the representations and covenants contained in the Tax Certificate, the execution and delivery by the Authority of the Agreement does not, and the performance by the Authority of its obligations

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thereunder will not, cause interest on the Authority's Outstanding Bonds to be includable in the gross income of owners of such Outstanding Bonds for federal income tax purposes.

This opinion is limited to the matters expressly set forth herein, and no opinion is implied or may be inferred beyond the matters expressly so stated. This opinion is based upon the laws and factual circumstances existing on the date hereof. We will not have, and expressly disclaim, any obligation to update this opinion or to advise you of any changes in our opinion in the event of subsequent changes in applicable laws or facts or if additional newly discovered information is brought to our attention.

We do not express any opinion herein concerning any law other than the law of the State of New York and the federal law of the United States. For purposes of the opinions expressed herein to the extent that the Resolutions and the Agreement are governed by the laws of jurisdictions other than the State of New York, we have assumed that the laws of such other states are the same as the laws of the State of New York on these matters.

This letter and the opinion expressed in it are being provided by us to you solely in connection with the execution and delivery of the Agreement and on the condition that the opinion expressed herein may not be referred to or quoted to any other party without our specific written approval in each instance and the opinion expressed herein may not be used or relied upon by any other person or by you for any other purpose (other than, in each case, [●], as administrative agent for a group of lenders, in connection with loans made to the Concessionaire by such lenders).

Very truly yours,

**SCHEDULE 7B  
LEGAL OPINION OF BOND COUNSEL**

[Concerning Defeasance under New York Law]

[Letterhead of Bond Counsel]

[●], 2011

Puerto Rico Highways and Transportation Authority  
San Juan, Puerto Rico

Puerto Rico Public-Private  
Partnerships Authority  
San Juan, Puerto Rico

The Bank of New York Mellon  
New York, New York

[The Concessionaire]

Ladies and Gentlemen:

We have represented the Puerto Rico Highways and Transportation Authority (the “Authority”) in connection with providing for payment in accordance with (i) Section 901 of Resolution No. 68-18, adopted June 13, 1968, as amended and supplemented to the date hereof (as so amended and supplemented, the “1968 Resolution”) of the principal of and interest on the Highway Revenue Bonds previously issued under the 1968 Resolution and set forth on Schedule A-1 hereto (the “1968 Resolution Defeased Bonds”) and (ii) Section 1001 of Resolution No. 98-06, adopted February 26, 1998, as amended and supplemented to the date hereof (as so amended and supplemented, the “1998 Resolution” and together with the 1968 Resolution, the “Resolutions”) of the principal of and interest on the Transportation Revenue Bonds previously issued under the 1998 Resolution and set forth on Schedule A-2 hereto (the “1998 Resolution Defeased Bonds” and together with the 1968 Resolution Defeased Bonds, the “Defeased Bonds”). Capitalized terms used and not defined herein have the respective meanings assigned to them in the Resolutions unless the context requires otherwise.

The Authority has deposited or caused to be deposited with The Bank of New York Mellon, as escrow agent (the “Escrow Agent”), under the 1968 Resolution Escrow Deposit Agreement, dated the date hereof, by and between the Authority and the Escrow Agent (the “1968 Resolution Escrow Agreement”), Sufficient Government Obligations, the principal and interest on which, when due, will provide moneys, which, together with certain other moneys deposited with the Escrow Agent at the same time, will be sufficient to pay when due the principal of and interest on the 1968 Resolution Defeased Bonds on and prior to their respective maturity or redemption dates. The Authority has also deposited or caused to be deposited with the escrow agent, under the 1998 Resolution

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Escrow Deposit Agreement, dated the date hereof, by and between the Authority and the Escrow Agent (the “1998 Resolution Escrow Agreement”), Government Obligations, the principal and interest on which when due will provide moneys, which, together with certain other moneys deposited with the Escrow Agent at the same time, will be sufficient to pay when due the principal of and interest on the 1998 Resolution Defeased Bonds on and prior to their respective maturity or redemption dates. The Authority has given the Escrow Agent irrevocable instructions (i) to pay the interest to become due on the Defeased Bonds on and prior to their respective maturity or redemption dates, (ii) to pay the principal of the Defeased Bonds on their respective maturity or redemption dates, and (iii) to mail, as soon as practicable after the date hereof, a notice of redemption to the Owners of the Defeased Bonds in accordance with Section 901 of the 1968 Resolution or Section 1001 of the 1998 Resolution, as applicable.

Based upon the foregoing, we are of the opinion that:

1. The Authority has duly provided for the payment of the 1968 Resolution Defeased Bonds in accordance with Section 901 of the 1968 Resolution and of the 1998 Resolution Defeased Bonds in accordance with Section 1001 of the 1998 Resolution.
2. The pledge and lien created by the Resolutions for the benefit of the holders of the Defeased Bonds, and all other rights granted to the holders of the Defeased Bonds under the Resolutions are discharged and satisfied.
3. The 1968 Resolution Defeased Bonds are deemed to have been paid within the meaning of Section 901 of the 1968 Resolution and the 1998 Resolution Defeased Bonds are deemed to have been paid within the meaning of Section 1001 of the 1998 Resolution.

In rendering the foregoing opinion, we have assumed the adequacy of the Sufficient Government Obligations and the Government Obligations, respectively, and other moneys deposited with the Escrow Agent to pay, when due, the interest to become due on the Defeased Bonds on and prior to their respective maturity or redemption dates and the principal of the Defeased Bonds on their respective maturity or redemption dates. We understand that the Authority has received and relied upon the Verification Report dated [●], 2011 from [NAME OF VERIFICATION AGENT] confirming the adequacy of the arithmetical computations contained in certain tables which establish the adequacy for such purpose of the Sufficient Government Obligations and the Government Obligations, respectively, and other moneys deposited with the Escrow Agent.

We do not express any opinion herein concerning any law other than the law of the State of New York and the federal law of the United States. For purposes of the opinions expressed herein to the extent that the Resolutions are governed by the laws of jurisdictions other than the State of New York, we have assumed that the laws of such other states are the same as the laws of the State of New York on these matters.

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This opinion is furnished by us solely for your benefit and may not be relied upon by any other person (other than, [●]), as administrative agent for a group of lenders, in connection with loans made to the Concessionaire by such lenders).

Very truly yours,

**BINDING BID, EXECUTION COPY**

**Schedule A-1**

**1968 RESOLUTION DEFEASED BONDS**

<u>Series</u>	<u>Principal Amount to be Refunded</u>	<u>Interest Rate</u>	<u>Maturity Date July 1, [●]</u>	<u>Redemption Price (% of Par)</u>	<u>Redemption Date July 1, [●]</u>
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**Schedule A-2**

**1998 RESOLUTION DEFEASED BONDS**

<u>Series</u>	<u>Principal Amount to be Refunded</u>	<u>Interest Rate</u>	<u>Maturity Date July 1, [●]</u>	<u>Redemption Price (% of Par)</u>	<u>Redemption Date July 1, [●]</u>
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**SCHEDULE 7C  
LEGAL OPINION OF LOCAL BOND COUNSEL**

[Concerning Release of Liens under Puerto Rico Law and Tax Matters]

[Letterhead of Local Bond Counsel]

[●], 2011

Puerto Rico Highways and Transportation Authority  
San Juan, Puerto Rico

Puerto Rico Public-Private  
Partnerships Authority  
San Juan, Puerto Rico

The Bank of New York Mellon  
New York, New York

[The Concessionaire]

Ladies and Gentlemen:

In our capacity as special local bond counsel to the Puerto Rico Highways and Transportation Authority (the “Authority”), we are providing this opinion in connection with the execution and delivery of the Toll Road Concession Agreement, dated as of [●], 2011 (the “Agreement”), by and between the Authority and [●]. Capitalized terms used in this opinion and not otherwise defined shall have the respective meanings ascribed thereto in the Agreement.

In connection with this opinion, we have examined the following documents (collectively, the “Documents”):

1. the Agreement;
2. Resolution No 68-18, adopted June 13, 1968 (the “1968 Resolution”), as amended and supplemented;
3. Resolution No. 98-06, adopted February 26, 1998 (the “1998 Resolution” and, together with the 1968 Resolution, the “Resolutions”), as amended and supplemented;
4. the Closing Agreement, by and between the Authority and the United States Internal Revenue Service, dated as of [●], 2011;
5. the verification report of [●], dated as of [●], 2011 (the “Verification Report”);

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6. the calculations provided by Morgan Stanley & Co. Incorporated, dated as of [●], 2011;

7. a certificate of the Executive Director of the Authority, dated [●], 2011, stating that (a) the Authority is in compliance with Section 614 of the 1998 Resolution and Section 609 of the 1968 Resolution and (b) the Concession Fee is sufficient to reimburse the Authority for the cost of the Toll Roads paid from the proceeds of bonds issued under the Resolutions (the "Authority Certificate");

8. a tax certificate of the Executive Director of the Authority, dated [●], 2011, in which the Authority has made certain representations and covenants; and

9. the escrow agreements, dated as of [●], 2011, between the Authority and the Bank of New York Mellon, as escrow agent.

We have also made such investigation of law and examined the originals or certified, photostatic or facsimile copies of such records and other documents as we have deemed necessary and advisable for purposes of rendering this opinion. In all such examinations made by us in connection with this opinion, we have assumed the legal capacity of all natural persons, the genuineness of all signatures, the completeness and authenticity of all documents submitted to us as originals, the conformity to original documents of all documents submitted to us as certified, photostatic or facsimile copies thereof and the authenticity of the originals of such copies.

We have not undertaken an independent or comprehensive review of the records of the Authority and have, for purposes of this opinion, relied solely upon oral or written statements and the representations in the documents examined by us and upon certificates of public officers and officers of the Authority. As to various matters of fact material to the opinion expressed herein, we have relied upon the terms of the Documents and statements and certificates of public officers, officers and representatives of the Authority. We have not made or undertaken any independent investigation to verify the accuracy or completeness of the facts as to which we have relied for purposes of this opinion, or as to any representation, warranty, data or other information, whether written or oral, that may have been provided by or on behalf of the Authority or any other person, and we assume, in rendering this opinion, the correctness and accuracy of the Documents and facts set forth herein and therein and that none of such information contains any untrue statement of a material fact or omits to state a material fact necessary to render the statements made, in light of the circumstances in which they were made, not misleading. Our opinion is based solely on the terms of the Documents and the other facts described herein and therein, and may be affected by additional facts that have not been disclosed to us.

As to parties other than the Authority, we have assumed (i) the due execution and delivery, pursuant to due authorization, of the Agreement by each such party thereto, (ii) that each such party has the full power, authority and legal right to enter into and perform its obligations under the Agreement, (iii) that the Agreement constitutes the valid and legally binding obligations of each such party, enforceable against such party in

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accordance with its terms, and (iv) that all necessary consents, approvals, authorizations, registrations, declarations and filings (governmental or otherwise) and all other conditions precedent with respect to the legal and valid execution and delivery of, and performance under, the Agreement that we have examined by each party thereto have been made or satisfied or have occurred and are in full force and effect.

Based upon the foregoing facts and assumptions stated herein and such other matters as we have deemed appropriate, and in reliance on the representations, covenants and other information contained in the Documents, we are of the opinion that:

4. The Toll Roads, the Toll Road Assets and, to the extent assigned under the Agreement, the Network Contracts are not subject to the lien of, nor are they pledged under, the Resolutions. As a result of the receipt by the Authority of the Concession Fee and the payment and defeasance of the Bonds of the Authority identified in the Verification Report, the Toll Road Revenues are free and clear of any trust, lien, security interest, pledge or assignment under the Resolutions.

5. The execution and delivery by the Authority of the Agreement does not, and the performance by the Authority of its obligations thereunder will not, result in any violation of the covenants contained in the Resolutions.

This opinion has no binding effect on any government agency or court and, therefore, is not a guaranty, warranty or representation of a particular result. It represents our best judgment as to the proper legal conclusion that a court in Puerto Rico, exercising reasonable judgment in a properly presented and argued case, should reach as to the legal matters addressed in this opinion.

This opinion is limited to the matters expressly set forth herein, and no opinion is implied or may be inferred beyond the matters expressly so stated. This opinion is based upon the laws and factual circumstances existing on the date hereof. In that regard we note that we are not aware of any judicial precedent in Puerto Rico regarding the interpretation of rights afforded to bondholders pursuant to bond resolutions or indentures.

We will not have, and expressly disclaim, any obligation to update this opinion or to advise you of any changes in our opinion in the event of subsequent changes in applicable laws or facts or if additional newly discovered information is brought to our attention.

We are admitted to practice in the Commonwealth of Puerto Rico, and express no opinion whatsoever with respect to any laws other than the laws of the Commonwealth of Puerto Rico.

This letter and the opinion expressed in it are being provided by us to you solely in connection with the execution and delivery of the Agreement and on the condition that the opinion expressed herein may not be referred to or quoted to any other party without

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our specific written approval in each instance and the opinion expressed herein may not be used or relied upon by any other person or by you for any other purpose (other than, in each case, [●], as administrative agent for a group of lenders, in connection with loans made to the Concessionaire by such lenders).

Very truly yours,

**SCHEDULE 7D  
LEGAL OPINION OF LOCAL BOND COUNSEL**

[Concerning Defeasance under Puerto Rico Law]

[Letterhead of Local Bond Counsel]

[●], 2011

Puerto Rico Highways and Transportation Authority  
San Juan, Puerto Rico

Puerto Rico Public-Private  
Partnerships Authority  
San Juan, Puerto Rico

The Bank of New York Mellon  
New York, New York

[The Concessionaire]

Ladies and Gentlemen:

We have served as special local bond counsel to the Puerto Rico Highways and Transportation Authority (the “Authority”) in connection with providing for payment in accordance with (i) Section 901 of Resolution No. 68-18, adopted June 13, 1968, as amended and supplemented to the date hereof (as so amended and supplemented, the “1968 Resolution”) of the principal of and interest on the Highway Revenue Bonds previously issued under the 1968 Resolution and set forth on Schedule A-1 hereto (the “1968 Resolution Defeased Bonds”) and (ii) Section 1001 of Resolution No. 98-06, adopted February 26, 1998, as amended and supplemented to the date hereof (as so amended and supplemented, the “1998 Resolution” and together with the 1968 Resolution, the “Resolutions”) of the principal of and interest on the Transportation Revenue Bonds previously issued under the 1998 Resolution and set forth on Schedule A-2 hereto (the “1998 Resolution Defeased Bonds” and together with the 1968 Resolution Defeased Bonds, the “Defeased Bonds”). Capitalized terms used and not defined herein have the respective meanings assigned to them in the Resolutions unless the context requires otherwise.

The Authority has deposited or caused to be deposited with The Bank of New York Mellon, as escrow agent (the “Escrow Agent”), under the 1968 Resolution Escrow Deposit Agreement, dated the date hereof, by and between the Authority and the Escrow Agent (the “1968 Resolution Escrow Agreement”), Sufficient Government Obligations, the principal and interest on which, when due, will provide moneys, which, together with certain other moneys deposited with the Escrow Agent at the same time, will be sufficient to pay when due the principal of and interest on the 1968 Resolution Defeased Bonds on and prior to their respective maturity or redemption dates. The Authority has also

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deposited or caused to be deposited with the escrow agent, under the 1998 Resolution Escrow Deposit Agreement, dated the date hereof, by and between the Authority and the Escrow Agent (the “1998 Resolution Escrow Agreement”), Government Obligations, the principal and interest on which when due will provide moneys, which, together with certain other moneys deposited with the Escrow Agent at the same time, will be sufficient to pay when due the principal of and interest on the 1998 Resolution Defeased Bonds on and prior to their respective maturity or redemption dates. The Authority has given the Escrow Agent irrevocable instructions (i) to pay the interest to become due on the Defeased Bonds on and prior to their respective maturity or redemption dates, (ii) to pay the principal of the Defeased Bonds on their respective maturity or redemption dates, and (iii) to mail, as soon as practicable after the date hereof, a notice of redemption to the Owners of the Defeased Bonds in accordance with Section 901 of the 1968 Resolution or Section 1001 of the 1998 Resolution, as applicable.

Based upon the foregoing, we are of the opinion that:

4. The Authority has duly provided for the payment of the 1968 Resolution Defeased Bonds in accordance with Section 901 of the 1968 Resolution and of the 1998 Resolution Defeased Bonds in accordance with Section 1001 of the 1998 Resolution.

5. The pledge and lien created by the Resolutions for the benefit of the holders of the Defeased Bonds, and all other rights granted to the holders of the Defeased Bonds under the Resolutions are discharged and satisfied.

6. The 1968 Resolution Defeased Bonds are deemed to have been paid within the meaning of Section 901 of the 1968 Resolution and the 1998 Resolution Defeased Bonds are deemed to have been paid within the meaning of Section 1001 of the 1998 Resolution.

In rendering the foregoing opinion, we have assumed the adequacy of the Sufficient Government Obligations and the Government Obligations, respectively, and other moneys deposited with the Escrow Agent to pay, when due, the interest to become due on the Defeased Bonds on and prior to their respective maturity or redemption dates and the principal of the Defeased Bonds on their respective maturity or redemption dates. We understand that the Authority has received and relied upon the Verification Report dated [●], 2011 from [NAME OF VERIFICATION AGENT] confirming the adequacy of the arithmetical computations contained in certain tables which establish the adequacy for such purpose of the Sufficient Government Obligations and the Government Obligations, respectively, and other moneys deposited with the Escrow Agent.

We are admitted to practice in the Commonwealth of Puerto Rico, and express no opinion whatsoever with respect to any laws other than the laws of the Commonwealth of Puerto Rico.

This opinion is furnished by us solely for your benefit and may not be relied upon by any other person (other than, [●]), as administrative agent for a group of lenders, in connection with loans made to the Concessionaire by such lenders).

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Very truly yours,

**SCHEDULE 8  
AUTHORITY EMPLOYEES**

*[See Enclosed Binder for Schedule 8]*



**SCHEDULE 9A  
OPERATING STANDARDS (VOLUME I)**

*[See Enclosed Binder for Schedule 9A]*

**SCHEDULE 9B  
OPERATING STANDARDS (VOLUME II)**

*[See Enclosed Binder for Schedule 9B]*

**SCHEDULE 9C  
OPERATING STANDARDS (VOLUME III)**

*[See Enclosed Binder for Schedule 9C]*

**SCHEDULE 10  
TOLLING LIMITATIONS**

**Section 1. Right to Establish Tolls**

(a) *The Concessionaire's Right to Establish Tolls.* Subject to the provisions of this Schedule 10, the Concessionaire shall, at all times during the Term, have the right to establish, charge, collect and enforce payment of tolls with respect to the operation of any vehicle or class of vehicles on the Toll Roads in accordance with the provisions of this Agreement.

(b) *Vehicles Not Subject to the Concessionaire's Right to Establish Tolls.* The Concessionaire shall not have the right to establish, charge, collect or enforce payment of tolls with respect to the operation of any of the following vehicles using the Toll Roads:

- (i) vehicles used in fire fighting;
- (ii) vehicles used by the Commonwealth Police;
- (iii) vehicles used by the Municipal Police of the Municipality of Guaynabo;
- (iv) vehicles bearing diplomatic license plates;
- (v) ambulances;
- (vi) vehicles owned by any police, fire and emergency services and any other security or emergency personnel, including the armed forces, and by any Governmental Authority with jurisdiction over the Toll Roads when such vehicles are being used for emergency management and homeland security purposes, including for the prevention of, practice drills for or response to a public safety emergency;
- (vii) vehicles using the Toll Roads during a declared state of emergency as provided in Section 3.18 of this Agreement;
- (viii) vehicles owned or operated and designated as exempt from such tolls by (A) the Authority ("Authority Vehicles"), *provided that* the maximum number of Authority Vehicles so designed shall not exceed three hundred and eight (308); (B) TransCore ("TransCore Vehicles"), *provided that* the maximum number of TransCore Vehicles so designated shall not exceed seven (7); (C) the PR Department of State ("PR State Vehicles"), *provided that* the maximum number of PR State Vehicles so designated shall not exceed fourteen (14); (D) the Executive Office of the Governor of Puerto Rico ("Executive Vehicles"), *provided that* the maximum number of Executive Vehicles so designated shall not exceed thirty-seven (37); (E) Departamento de

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Transportación y Obras Públicas (“DTOP Vehicles”), *provided that* the maximum number of DTOP Vehicles so designated shall not exceed seven (7); and (F) the “Bebe del Corridor” who, for avoidance of doubt, is Krisia Olivero, a natural person entitled to lifetime exemption from tolls on any part of the Toll Roads under Law; and

(ix) in the case of the BRT/DTLs only, any Mass Transit Vehicle;

*provided, however,* that there shall be affixed to each vehicle identified in clauses (i) through (vi) (inclusive) and clauses (viii) and (ix) of this Section 1(b) of this Schedule 10 (each, an “Exempt Vehicle”) during such vehicle’s use of the Toll Roads a transponder designating such vehicle as an Exempt Vehicle.

**Section 2. Tolling Requirements**

**2.1 Main Line Tolling**

(a) *Maximum Toll Levels on the Main Line.* Unless modified pursuant to Article 5 and Article 15 of this Agreement, the maximum toll levels applicable to Main Line users for use of the Toll Roads in each direction of the Main Line and for each vehicle toll class shall be as follows:

(i) *Closing Date through December 31, 2013.* The maximum toll levels applicable to Main Line users for the use of the Main Line in each direction and for each vehicle toll class for the period commencing on the Closing Date and ending on and including December 31, 2013, shall be as follows (“Existing Tolls”):

**Schedule of All Existing Toll Rate Classes on PR-22**

<b>Toll Plaza</b>	<b>2 Axle</b>	<b>Double Axle</b>	<b>3 Axle</b>	<b>4 Axle</b>	<b>5 Axle</b>	<b>6 Axle</b>	<b>7 Axle</b>
Hatillo Ramp	\$1.00	\$2.00	\$2.50	\$3.00	\$3.50	\$4.00	\$4.50
Arecibo	\$0.75	\$1.50	\$1.75	\$2.00	\$2.25	\$2.50	\$2.75
Vega Alta	\$1.00	\$2.00	\$2.50	\$3.00	\$3.50	\$4.00	\$4.50
Buchanan	\$1.00	\$2.00	\$2.50	\$3.00	\$3.50	\$4.00	\$4.50
Toa Baja	\$1.00	\$2.00	\$2.50	\$3.00	\$3.50	\$4.00	\$4.50
Manatí	\$1.50	\$3.00	\$3.50	\$4.00	\$4.50	\$5.00	\$5.50
Arecibo Ramp	\$0.50	\$1.00	\$1.25	\$1.50	\$1.75	\$2.00	\$2.25

**Schedule of All Existing Toll Rate Classes on PR-5**

<b>Toll Plaza</b>	<b>2 Axle</b>	<b>Double Axle</b>	<b>3 Axle</b>	<b>4 Axle</b>	<b>5 Axle</b>	<b>6 Axle</b>	<b>7 Axle</b>
Bayamón	\$0.50	\$1.00	\$1.50	\$2.00	\$2.50	\$3.00	\$3.50

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*provided that*, notwithstanding Section 2.3(a) of this Schedule 10, no rounding of toll rates, toll levels or like amounts shall be permitted before January 1, 2014, in relation to the Existing Tolls.

(ii) *January 1, 2014, through December 31, 2014.* The Existing Tolls may be increased on January 1, 2014, for the period commencing on such day and ending on and including December 31, 2014, to a maximum toll level for use of the Main Line in each direction and for each vehicle toll class, determined as if the following had occurred:

(A) the Existing Tolls had been increased on the first day after the first anniversary of the Closing Date by a percentage equal to the sum of (y) the percentage increase, if any, in the Index during the period between the Closing Date and the first anniversary of the Closing Date and (z) one and one-half percent (1.5%) (the “First Anniversary Tolls”);

(B) the First Anniversary Tolls had been increased on the first day after the second anniversary of the Closing Date by a percentage equal to the sum of (y) the percentage increase, if any, in the Index during the period between the first anniversary of the Closing Date and the second anniversary of the Closing Date and (z) one and one-half percent (1.5%) (the “Second Anniversary Tolls”); and

(C) the Second Anniversary Tolls had been increased on January 1, 2014, by a percentage equal to product of (A) the sum of (y) the percentage increase, if any, in the Index during the immediately preceding calendar year and (z) one and one-half percent (1.5%), multiplied by (B) the quotient of (y) the number of days that comprise the period commencing on the first day after the second anniversary of the Closing Date and ending on and including December 31, 2013, divided by (z) three hundred sixty-five (365);

*provided that*, none of the increases described in this Section 2.1(a)(ii) may take effect, and in no event shall the Existing Tolls be increased, before January 1, 2014.

(iii) *January 1, 2015 through End Date.* The maximum toll level applicable to Main Line users for the use of the Main Line in each direction and for each vehicle toll class may be increased on January 1, 2015, and on each January 1 thereafter until the End Date, to the maximum toll level applicable to the immediately preceding one (1) calendar-year period increased by a percentage equal to the sum of (y) the percentage increase, if any, in the Index during the immediately preceding year and (z) one and one-half percent (1.5%).

(iv) *Maximum Toll Level Adjustments Cumulative.* For the avoidance of doubt, the maximum toll levels described in this Section 2.1(a) of

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this Schedule 10 may be increased for each calendar year (in each case following the second anniversary of the Closing Date pursuant to Section 2.1(a)(ii) of this Schedule 10) on a cumulative basis based on the methodology set forth in this Section 2.1(a) of this Schedule 10 regardless of whether or not the Concessionaire collected tolls at the applicable maximum toll levels during the preceding year.

(b) *Toll Level Requirements as Maximum Tolls.* Subject to Section 2.1(c) of this Schedule 10, the toll levels authorized pursuant to Section 2.1(a) of this Schedule 10 shall constitute maximum toll levels. The Concessionaire shall have the right to implement:

(i) tolls lower than the applicable maximum toll levels, including discount programs;

(ii) time-of-day variable rate tolling;

(iii) congestion-related tolling, including high-occupancy-vehicle-toll lanes; or

(iv) any other method of charging tolls, including a mix of trip-based or account-based tolling on all or part of the Main Line (including any part utilizing open road tolling) and discounts based on frequency of use (including products such as day passes);

*provided, however,* that, subject to Section 2.3(a) of this Schedule 10, the Concessionaire shall not charge a toll that exceeds the applicable maximum toll levels set forth in Section 2.1(a) of this Schedule 10, at any time at any toll plaza on the Main Line; and

*provided further,* that the Concessionaire shall provide a discount of five cents (5¢) per toll paid for electronically, until the later of:

(A) the last day of the first calendar month during which sixty-five percent (65%) of all toll transactions on the Toll Roads is accounted for by non-cash toll transactions based on the immediately preceding Monthly ETC Traffic Report; and

(B) the date that is the second anniversary of the Closing Date.

(c) *Notices.*

(i) *Notice of Pending Toll Changes on the Main Line.* If the Concessionaire desires to change any toll (including increases or decreases in any toll or different methods of charging tolls or permitted changes in vehicle toll classes) on the Main Line as permitted by this Schedule 10, then prior to implementing such change it shall give notice of such change (a “Pending Toll Change”) to (A) the Authority no later than ninety (90) days prior to the

implementation of such change and (B) the public in accordance with Section 2.1(c)(ii) of this Schedule 10.

(ii) *Notice to the Public.* The Concessionaire shall use commercially reasonable efforts to (A) provide notice to the public of all tolls for the use of the Main Line and (B) inform the public of a Pending Toll Change at least twenty (20) days prior to the implementation of such change. The Concessionaire shall maintain a website on the Internet that states all tolls, temporary discounts and Pending Toll Changes. The Concessionaire shall make known to the public and maintain a telephone number to enable any person to request a printed description of all tolls, temporary discounts and Pending Toll Changes. The Concessionaire may modify any of the aforesaid means of communication with the public consistent with any developments in common practice relating to means of comparable communication.

(iii) *Notice of Temporary Discounts.* Notwithstanding this Section 2.1(c) of this Schedule 10, if the Concessionaire desires to establish or terminate a temporary discount with respect to any toll, it shall give notice of the establishment or termination of such temporary discount to the Authority at least one (1) Business Day prior to the implementation or termination of such temporary discount.

## **2.2 BRT/DTL Tolling**

(a) The Concessionaire shall charge and collect tolls on the BRT/DTLs pursuant to a dynamic tolling protocol operated with a view to maintaining Free Flow Traffic Conditions on the BRT/DTLs, and there shall be no restrictions upon the toll rates the Concessionaire may charge and collect on the BRT/DTLs except as set forth in Article 7 and Sections 1(b), 2.2 and 2.3 of this Schedule 10. For the avoidance of doubt, the Concessionaire shall not charge or collect cash tolls on the BRT/DTLs.

(b) On each Business Day, the BRT/DTLs must be made accessible to incoming San Juan traffic heading in the eastbound direction from at least 5:00 a.m. Atlantic Standard Time to 10:00 a.m. Atlantic Standard Time. On each Business Day, the BRT/DTLs must be made accessible to outgoing San Juan traffic in the westbound direction from at least 2:00 p.m. Atlantic Standard Time to 7:00 p.m. Atlantic Standard Time.

(c) At all other times on Business Days and on each day that is not a Business Day, the Concessionaire may manage the direction of traffic on the BRT/DTLs in its discretion.

(d) Subject to Section 3.18 of this Agreement, the BRT/DTLs shall be accessible only by:

- (i) Class 1 Vehicles; and



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(ii) Mass Transit Vehicles.

(e) The Concessionaire shall situate Dynamic Message Signs not less than one-quarter (0.25) of a mile upstream of access points to the BRT/DTLs. The display of the Dynamic Message Signs shall be clearly visible from all lanes on the Main Line. The Concessionaire shall notify potential users by Dynamic Message Signs on the Main Line (including on the approaches to the BRT/DTLs) that only Class 1 Vehicles and Mass Transit Vehicles equipped with a transponder designating it as an Exempt Vehicle are allowed to enter the BRT/DTLs. In addition, the Dynamic Message Signs shall provide:

(i) the availability of the BRT/DTLs for the relevant direction;

(ii) the current toll; and

(iii) notification of any accident and other incident on the BRT/DTLs within ten (10) minutes of the occurrence of the accident or incident and until the roadway has been cleared.

(f) The minimum toll for the BRT/DTLs, through and until December 31st of the calendar year in which the BRT/DTLs open for service, shall be fifty cents (50¢), increased annually each January 1st thereafter by a percentage equal to the sum of (1) the percentage increase, if any, in the Index during the period between each such January 1st and (2) one and one-half percent (1.5%); *provided that*, such increases shall not take effect, and in no event shall the minimum toll for the BRT/DTLs be increased, before January 1, 2014.

(g) The Concessionaire shall adjust the toll amount for the BRT/DTLs from the minimum toll set out in clause (f) above with a view to maintaining Free Flow Traffic Conditions.

(h) Promptly after the Closing, the Authority and the Concessionaire shall consult to determine:

(i) the appropriate algorithm that adjusts the toll applicable to the BRT/DTLs to maintain Free Flow Traffic Conditions (“DTL Algorithm”); and

(ii) the appropriate speed-measuring locations or roadway sensors on the BRT/DTLs to best measure Free Flow Traffic Conditions (“Sensor Locations”).

The Authority and the Concessionaire, acting reasonably and in good faith, shall jointly determine the appropriate DTL Algorithm and the appropriate Sensor Locations to give best effect to the objective of maintaining Free Flow Traffic Conditions.

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(i) The Concessionaire may change tolls on BRT/DTLs as often as needed with a view to maintaining Free Flow Traffic Conditions, but not more frequently than once every five (5) minutes.

(j) Monthly reports shall be provided to the Authority on the performance of the BRT/DTLs by the Concessionaire. They shall include observed volumes and average speeds by ten (10) minute intervals as well as the toll level during that period.

### 2.3 Other Conditions

(a) *Rounding of Certain Maximum Toll Levels on the Toll Roads.* Notwithstanding anything to the contrary herein (other than the proviso in Section 2.1(a)(i) of this Schedule 10), to the extent a maximum toll level authorized on the Toll Roads pursuant to Section 2.1(a) of this Schedule 10 is not an amount equal to a tenth (0.1) of a dollar denomination, such maximum toll level shall be increased to an amount equal to the next greatest tenth (0.1) of a dollar denomination; *provided, however*, that any calculation made pursuant to Section 2.1 of this Schedule 10 shall be made as if any such increase had not occurred.

(b) *Tolls as Only Imposable Charges during the Term.* At all times during the Term, the only charges that the Concessionaire may impose on Toll Road users are the tolls authorized pursuant to Sections 2.1(a), 2.1(b), 2.1(c)(iii) and 2.2 of this Schedule 10 and the fees and charges to the extent permitted in Section 7.2(a) of this Agreement.

(c) *Like Conditions.* The toll rates shall be the same for persons using the Toll Roads under like conditions, and for this purpose “like conditions” may take into consideration the type, weight and occupancy of the vehicle, number of axles, time-of-day and/or day-of-week travel, time and location of entry to the Toll Roads, traffic congestion and other traffic conditions; *provided that* the Concessionaire may adopt and implement discount programs for different classes or groups of persons using the Toll Roads under like conditions.

(d) *Technology.*

(i) At all times during the Term, the Concessionaire shall be solely responsible for maintaining a toll collection system with respect to the Toll Roads that shall be fully interoperable with the AutoExpreso network, any successor to AutoExpreso or any other electronic toll collection system utilized on toll roads in the Commonwealth (including toll roads being operated by other private concessionaires) at any time; *provided that* the Concessionaire shall be deemed to comply with this subsection (i) for so long as the Concessionaire fully complies with the ETC Service Terms or any ETC Service Contract executed by it, the Authority and any ETC Service Provider in accordance with the ETC Service Terms; *provided further that*, for avoidance of doubt, in the event the Concessionaire elects not to receive the benefit of any Roadside Equipment to be

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otherwise provided by the Authority in accordance with the ETC Service Terms or any ETC Service Contract, the Roadside Equipment maintained by the Concessionaire shall fully comply with the requirements of Section 2.3(d) of this Schedule 10.

(ii) If at any time during the Term the Authority requires any change in interoperability, compatibility or other requirements or protocols for toll collection systems (including in relation to any Roadside Equipment maintained by the Concessionaire) pursuant to Section 6.3(a) or otherwise requires such change as an Open Standards Change, the Concessionaire, at its cost and expense, shall perform all work required to implement such change on the Toll Roads and in no event shall the Concessionaire be excused from compliance with such change; *provided that* in the event that any such change is required neither pursuant to Section 6.3(a) nor as an Open Standard Change, such change shall be deemed to be a Compensation Event for which the Authority shall provide the Concessionaire with Concession Compensation in accordance with Article 15.

**SCHEDULE 11  
ETC SERVICE TERMS**

For avoidance of doubt, all capitalized terms used in this Schedule 11 and not otherwise defined herein are used as defined in this Agreement.

**Section 1. Background**

1.1 As of the Effective Date, the Authority is a party to a New Toll Collection System Acquisition & Installation, NTCS Maintenance and Customer Service Center Management & Operations (Contract No. AC-800197) (the “TransCore Contract”), dated as of March 14, 2003, with the Transportation Authority, TransCore Atlantic, Inc. (“TransCore”) and TransCore Holdings, Inc. (including, without limitation, the Master Agreement, the Contract Documents specified in Appendix II to the Master Agreement, the Special Provisions – Acquisition and Installation attached to the Master Agreement as Appendix III and the Special Provisions – System Maintenance and Customer Service Center Operation attached to the Master Agreement as Appendix IV), as amended pursuant to that certain Contract Amendment and Change Order Agreement, dated as of June 22, 2007, for the acquisition, installation, maintenance and operation of an electronic toll collection (“ETC”) system for the PR Toll Roads under the brand name “AutoExpreso,” which will expire no later than 2015.

1.2 The TransCore Contract covers (a) the acquisition from, and maintenance by, TransCore of an electronic toll collection system known as “AutoExpreso”, and (b) the operation by TransCore of a customer service center as contemplated by the TransCore Contract, in each case for all of the Authority’s toll roads, including the Toll Roads.

1.3 “New ETC Service Contract” has the meaning set forth in Section 4.1 of this Schedule 11.

1.4 “ETC Service Provider” means TransCore, together with any successor to TransCore as provider of electronic toll collection services for all of the Authority’s toll roads, including the Toll Roads, under the TransCore Contract, the New ETC Service Contract or any replacement of the New ETC Service Contract.

1.5 “ETCS” means the electronic tolling system contemplated by the TransCore Contract, together with any system that is any successor thereto under the TransCore Contract, the New ETC Service Contract or any replacement of the New ETC Service Contract hereunder.

1.6 “CSC” means the customer service center contemplated by the TransCore Contract, together with any successor thereto under the TransCore Contract, the New ETC Service Contract or any replacement of the New ETC Service Contract hereunder.

1.7 “ETC Service Contract” means the TransCore Contract, together with the New ETC Service Contract and any replacement of the New ETC Service Contract hereunder.

**Section 2. Rights and Obligations with Respect to the Operation and Maintenance of the ETCS and CSC**

2.1 *Enforcement of Authority Rights.* The Authority agrees to (a) use commercially Reasonable Efforts to cause the ETC Service Provider to perform its duties and obligations in accordance with the ETC Service Contract, (b) enforce its rights and perform its obligations under the ETC Service Contract, all guaranty agreements, performance bonds, letters of credit and other security provided by or on behalf of the ETC Service Provider as such rights relate to the operation of the CSC and the operation and maintenance of the ETCS with respect to the Toll Roads, and (c) enforce its rights under all guaranty agreements, performance bonds, letters of credit and other security provided by or on behalf of the ETC Service Provider with respect to the Toll Roads.

2.2 *Notification of Service Contract Violation.* Upon the Authority’s receipt of:

(a) a written notice from the Concessionaire with a detailed explanation of an act or omission by the ETC Service Provider relating to the Toll Roads that may constitute a violation of the ETC Service Provider’s duties or obligations under the ETC Service Contract (a “Service Contract Violation”);

(b) supporting documentation or data of such alleged Service Contract Violation; and

(c) a written request from the Concessionaire that the Authority take a specific action that the Authority is permitted to take under the ETC Service Contract to enforce its rights thereunder,

the Authority shall (x) promptly notify the ETC Service Provider of such Service Contract Violation and request the ETC Service Provider to take all appropriate remedial actions to cure such Service Contract Violation and to take such other reasonable action as is requested by the Concessionaire pursuant to clause (c) above and (y) provide the Concessionaire with a copy of such notice no later than four (4) Business Days following the date upon which the Authority provided such notice to the ETC Service Provider. The Authority agrees to follow all reasonable instructions provided and decisions made by the Concessionaire with respect to the remediation of such Service Contract Violation, subject to the provisions of the preceding sentence. Any reasonable costs or expenditures incurred by the Authority in connection therewith shall be promptly reimbursed by the Concessionaire. The Authority shall provide the Concessionaire copies of any and all communications in connection with such Service Contract Violation, and upon request of the Concessionaire, shall permit the Concessionaire to participate in any and all discussions and negotiations with the ETC Service

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Provider in connection therewith, as provided in Section 2.3(b) of this Schedule 11.

### 2.3 *Disputes.*

(a) The Concessionaire or the Authority may submit any dispute with respect to the existence of any Service Contract Violation to dispute resolution in accordance with Article 19 of this Agreement.

(b) With respect to any negotiations or dispute resolution process between the Authority and the ETC Service Provider relating to the Toll Roads, the Authority agrees to:

(i) provide the Concessionaire with copies of all communications, documents and/or information relating thereto;

(ii) provide the Concessionaire an opportunity to participate in any such process; and

(iii) not conclude or resolve any such negotiations or dispute resolution process or reach any settlement with respect thereto without the prior written consent of the Concessionaire, which consent shall not be unreasonably withheld or denied.

2.4 *Amounts Recovered by the Authority.* The Authority agrees to pay to the Concessionaire all amounts recovered by the Authority from the ETC Service Provider related to a Service Contract Violation, reduced by any amounts not indemnified and paid pursuant to Section 2.7(c) of this Schedule 11.

2.5 *Limitations on Authority Liability for ETCS.* The Parties agree that the Authority's liability to the Concessionaire for any breach by the ETC Service Provider of ETC Service Contract with respect to the maintenance and operation of the ETCS and the operation of the CSC shall be limited to the amounts actually recovered by the Authority from the ETC Service Provider under the ETC Service Contract, to the extent such amounts relate to the Toll Roads.

2.6 *Instructions and Notices to TransCore.* The Authority agrees to provide the ETC Service Provider such notices and instructions as the Concessionaire reasonably requests in writing the Authority to provide; *provided that* such notices and instructions are permitted or required to be given by the Authority under the ETC Service Contract or under Section 2.2(c) of this Schedule 11.

### 2.7 *Obligations of the Concessionaire.*

(a) Acknowledgement. The Concessionaire hereby acknowledges the contractual relationship between the ETC Service Provider and the Authority and shall assist the aforementioned parties, to the extent commercially reasonable to

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the Concessionaire, in the fulfillment of, and in no manner shall the Concessionaire interfere with, the duties and obligations owed by the Authority and the ETC Service Provider to each other under the ETC Service Contract; *provided that*, in no case shall the Concessionaire's exercise of its rights under this Schedule 11 or under this Agreement constitute such interference.

(b) General. The Concessionaire agrees to cooperate fully with the Authority and provide reasonable assistance to the Authority in connection with any negotiations or dispute resolution process under the ETC Service Contract involving or affecting the Toll Roads.

(c) Indemnity Obligation of the Concessionaire. The Concessionaire agrees to indemnify the Authority in full for any Loss suffered by the Authority arising in connection with, or resulting from, any action taken by the Concessionaire (or by the Authority on the Concessionaire's behalf) pursuant to Sections 2.1 and 2.2(c) of this Schedule 11.

(d) Payments Relating to the ETCS and CSC Maintained by TransCore for the Toll Roads. The Authority shall remain responsible for all payments required to be made by the Authority to TransCore under the TransCore Contract. In consideration of the Authority performing the acts and assuming the obligations contemplated by this Schedule 11, the Concessionaire shall pay to the Authority each month in arrears (and *pro rata* for partial months), until the expiration or termination of the TransCore Contract, an amount equal to the product of: (i) the sum of (A) the number of tolls paid electronically on the Toll Roads, (B) the number of electronic toll violations on the Toll Roads, and (C) the number of Exempt Vehicles on the Toll Roads, in each case as recorded by the ETCS during such month, multiplied by (ii) (A) eighteen cents (18¢) during the period from Closing Date through December 31, 2011; (B) eighteen cents (18¢) during the period from January 1, 2012, through December 31, 2012; (C) eighteen cents (18¢) during the period from January 1, 2013, through December 31, 2013; and (D) eighteen cents (18¢) Adjusted for Inflation on the first day of each month during the period from January 1, 2014 through December 31, 2015; *provided that*, if pursuant to Section 2.9 of this Schedule 11 the Concessionaire consents to the execution by the Authority of the notice to proceed to TransCore in accordance with "Change Order 23" under the TransCore Contract, then after the later of (1) December 31, 2012 and (2) the date on which there has been substantial completion of the work on the Toll Roads pursuant to such notice to proceed (which work, for avoidance of doubt, shall include the conversion of the toll collection system for the Toll Roads to an "all electronic" toll collection system except for "ILR Lanes"), the amounts set forth in sub-clauses (ii)(A), (ii)(B), (ii)(C) and (ii)(D) of this Section 2.7(d) shall be reduced to fifteen cents (15¢) on such date.

2.8 ETCS Prepayment Account. The Authority agrees to require the ETC Service Provider to deliver to the Concessionaire on a weekly basis a copy of a report

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prepared by the ETC Service Provider indicating the number and class of vehicles that have driven through each toll plaza in the Toll Roads and, separately, the tolls registered by the ETCS, and such other information as the Concessionaire reasonably requests in cooperation with the Authority and the ETC Service Provider to the extent that information is available under the terms of the relevant ETC Service Contract.

2.9 *Authority's Notice, Consents and Approvals under the Contract.* The Authority may not provide any material consent, waiver, approval or notice (written or otherwise) (each, a "Material Approval") under any ETC Service Contract (including, without limitation, the TransCore Contract) to the extent such Material Approval relates directly and solely to the operations of the Toll Roads without the prior written consent of the Concessionaire, which consent shall not be unreasonably withheld, conditioned or delayed, including, without limitation:

- (a) any change order under any ETC Service Contract directly affecting the Toll Roads;
- (b) any notice to proceed in relation to any change order under any ETC Service Contract affecting the Toll Roads; and
- (c) any notice of termination of any ETC Service Contract;

*provided that*, to the extent any Material Approval relates to both (x) the Toll Roads and (y) the Island Network (or any toll road thereof other than the Toll Roads) or any general matters under the ETC Service Contract, such Material Approval shall not require the consent of the Concessionaire if such Material Approval would not result in a Material Adverse Effect and the Authority has consulted with the Concessionaire prior to providing such approval; *provided further*, that any Material Approval that does not relate to the Toll Roads shall require neither the consent of the Concessionaire nor any consultation by the Authority with the Concessionaire prior to the provision thereof or otherwise.

For avoidance of doubt, any amendment of any ETC Service Contract shall be governed by Section 3 of this Schedule 11 and shall not be deemed a Material Approval subject to this Section 2.9.

2.10 *Payments by ETC Service Provider.* In the event that, pursuant to any ETC Service Contract, the ETC Service Provider is obligated to pay the Authority liquidated damages, lost revenues or any other indemnification amounts resulting from a default or non-performance of any of the ETC Service Provider's obligations under such ETC Service Contract that directly relate to or have directly affected the Toll Roads, the Authority shall promptly remit to the Concessionaire such amounts as relate to the ETC Service Provider's default or non-performance with respect to the Toll Roads (and no amounts which relate to the ETC Service Provider's default or non-performance with respect to other toll roads in Puerto Rico); *provided that* the Authority's obligation to make any payment to the Concessionaire with respect to any default or non-performance pursuant to this Section 2.10 shall be limited to the amounts actually received by the



Authority from or on behalf of the ETC Service Provider with respect to any such default or non-performance; *and provided further* that the preceding proviso is solely for the benefit of the Authority and shall not in any way affect the liability of the ETC Service Provider to the Authority for any such default or non-performance pursuant to any ETC Service Contract.

**Section 3. Extension or Amendment of the ETC Service Contract**

3.1 *TransCore Contract.* The Authority agrees that it shall not (a) extend the terms of the TransCore Contract beyond June 30, 2015, (b) amend the TransCore Contract in any material respect in relation to the Toll Roads, (c) replace the TransCore Contract on or before June 30, 2015, or (d) assign or consent to the assignment or the TransCore Contract, in each case with respect to the maintenance and operation of the ETCS and the operation of the CSC as it relates to the Toll Roads, without the Concessionaire's prior written consent.

3.2 *Amendment of ETC Service Contract.* To the extent any amendment of any ETC Service Contract (including the TransCore Contract) relates to both (x) the Toll Roads and (y) the Island Network (or any toll road thereof other than the Toll Roads) or any general matters under the ETC Service Contract, such amendment shall not require the consent of the Concessionaire if such amendment would not have a Material Adverse Effect and the Authority has consulted with the Concessionaire prior to the Authority's execution thereof; *provided*, that any amendment that does not relate to the Toll Roads shall require neither the consent of the Concessionaire nor any consultation by the Authority with the Concessionaire prior to the execution thereof or otherwise.

**Section 4. New ETC Service Contract**

4.1 *Procurement.* Upon termination or expiration of the TransCore Contract, the Authority shall enter into a new contract (the "New ETC Service Contract") for the provision of electronic toll collection services on all of the toll roads in the Commonwealth, including the Toll Roads (collectively, the "Island Network"), subject to and in accordance with the following procedures, terms and conditions:

(a) the Authority shall procure the New ETC Service Contract by means of a competitive solicitation, commenced no later than six (6) months prior to expiration of the TransCore Contract (or promptly after any earlier termination thereof), based on commercially reasonable criteria for contract award (including, without limitation, technical qualifications, relevant experience and bid price) in accordance with applicable Law;

(b) the New ETC Service Contract shall (i) require for the Island Network the provision of electronic toll collection services, "back office" operations, data collection services and customer interface services of the type, scope and quality that are substantially similar to (or better than) the services provided under the TransCore Contract and (ii) be at least as protective of the Authority as the warranties and indemnities provided to the Authority in the

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TransCore Contract, in each case (x) as set at the time of such termination or expiration and (y) unless the Concessionaire agrees to a lesser requirement, warranty or indemnity (the “New Tolling Services”);

(c) the Authority may elect in its sole discretion to restrict the Concessionaire and its Affiliates from participating directly or indirectly as the potential provider of the ETCs and the CSC (including, without limitation, as a subcontractor to any such provider) in the procurement of the New ETC Service Contract;

(d) subject to applicable Law, the Authority shall, in respect of the procurement of the New ETC Service Contract, consult with the Concessionaire regarding the preparation of any requests for information, requests for qualifications and requests for proposals, the evaluation of any responses thereto and the designation of the preferred bidder for the award of the New ETC Service Contract, in each case to ensure that the Concessionaire’s reasonable requirements with respect to the Toll Roads are taken in account in such requests, evaluation or designation; and

(e) during any period of negotiations with the bidders for the New ETC Service Contract, the Authority shall (i) report regularly in writing to the Concessionaire on the progress of such negotiations, (ii) to the extent reasonable, allow the Concessionaire to participate in meetings regarding such negotiations, (iii) consult regularly with the Concessionaire regarding any terms or conditions proposed for the New ETC Service Contract that relate to the Toll Roads or generally to the type, quality and scope of services to be provided for the Island Network, and (iv) consider in good faith the Concessionaire’s reasonable requests for any modification or supplement of such terms or conditions (and, to the extent such requests directly affect the Toll Roads, make such requests of bidders); *provided that* the Concessionaire shall be entitled to request modifications or supplements during any such negotiations.

(f) For avoidance of doubt, the Authority shall retain the exclusive right to select the preferred bidder in the procurement of the New ETC Service Contract after consultation with the Concessionaire; *provided that* the Authority shall select as the preferred bidder in the procurement of the New ETC Service Contract that bidder, if any, whose proposal has been reasonably demonstrated by the Concessionaire to be materially better, in respect of either price, quality of service or other material terms and conditions, than any proposal made by other bidders in the procurement of the New ETC Service Contract.

**4.2 Elections by Concessionaire.**

(a) At least sixty (60) Business Days prior to its execution and delivery of the New ETC Service Contract, the Authority shall notify the Concessionaire in writing of its intention to deliver the New ETC Service Contract to the preferred bidder, and such notice shall include the time, date and

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location designated for the delivery thereof. Within ten (10) Business Days following its receipt of such notice, the Concessionaire by notice to the Authority shall elect either to:

(i) join and execute the New ETC Service Contract as a party thereto, at such time, date and place designated by the Authority in such notice; or

(ii) not execute the New ETC Service Contract and promptly execute any amendments to this Schedule 11 required to conform this Schedule 11 to the New ETC Service Contract, *provided that* such amendment shall not materially modify the rights and obligations of Parties provided under this Schedule 11 or otherwise, except that any such amendment may change the cost per electronic toll transaction set forth in Section 2.7(d) of this Schedule 11 on a fair and equitable basis, taking into account the extent to which the Toll Roads will require the services provided under the New ETC Service Contract; *provided that* any dispute concerning such amount shall be resolved by dispute resolution in accordance with Article 19.

(b) In addition to the election in Section 4.2(a) of this Schedule 11, the Concessionaire may elect not to receive the benefit of Roadside Equipment otherwise to be provided pursuant to this Schedule 11 or any New ETC Service Contract executed by the Concessionaire. If the Concessionaire so elects, (i) provision of any Roadside Equipment by the Authority shall not be required under this Schedule 11, the New ETC Service Contract or otherwise, and (ii) the Concessionaire shall, at its own expense, deploy and operate Roadside Equipment of like quality that is fully interoperable with the electronic toll collection systems used on the Island Network in accordance with Section 2.3(d) of Schedule 10 and otherwise in compliance with this Agreement.

4.3 *Procurement of Replacement of the New ETC Service Contract.* Unless otherwise agreed by the Parties, in connection with the termination, expiration, replacement or renewal of any ETC Service Contract, the Authority shall replace such contract in accordance with the terms of this Section 4. Any replacement contract procured in accordance herewith shall be deemed a “New ETC Service Contract” for all purposes under this Schedule 11 until such contract expires or is duly terminated or replaced.

4.4 *Transition/Joint Working Group.* In connection with the termination, expiration, replacement or renewal of any ETC Service Contract, the Authority and the Concessionaire shall establish a joint working group, not later than twelve (12) months prior to the planned expiration, termination, replacement or renewal of such ETC Service Contract, to confer regarding the terms and conditions of such contract.

### **Section 5. Early Termination**

In the event any ETC Service Contract is terminated before expiry date of such ETC Service Contract, the Authority or its designee shall provide to the Concessionaire

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with the New Tolling Services until the earlier of (a) the date on which the ETC Service Contract would have expired in accordance with its terms and (b) the date on which any replacement of the ETC Service Contract procured in accordance with this Schedule 11 takes effect; it being acknowledged and agreed that the Concessionaire shall have no right to approve, or participate in the appointment of, any party designated by the Authority to provide the New Tolling Services in accordance with this Section 5.

**Section 6. Supplementary Arrangements with ETC Service Provider**

During the term of any ETC Service Contract, the Concessionaire may enter into any supplementary arrangement directly with the ETC Service Provider, to clarify or add to any of the provisions of such ETC Service Contract, relating exclusively to the Toll Roads or to create new arrangements between the Concessionaire and the ETC Service Provider in relation to matters not currently provided for in such ETC Service Contract. The Concessionaire will provide written notice of these to the Authority and shall bear all costs related thereto.

**Section 7. Effective Date of this Schedule**

The provisions of this Schedule 11 shall become effective on the Closing Date.

**SCHEDULE 12  
AUTHORITY CAPITAL IMPROVEMENT PROJECTS**

**Section 1. Description of Retained Capital Improvement Projects.** The Authority shall fund and complete the following Retained Capital Improvement Projects related to the Toll Roads pursuant to and in accordance with Section 4.1(a) of this Agreement:

(a) *Construction of Noise Barrier on eastbound PR-22 between Kilometer 13.0 and Kilometer 14.0 along Rio Caguitas Street, Municipality of Bayamón (Project Number AC-220122).* This project consists of the construction of a noise barrier along the eastbound lanes of PR-22, between Kilometers 13.00 and 14.00, near the Rio Hondo community in the Municipality of Bayamón.

(b) *Construction of Noise Barrier on westbound PR-22 between Kilometer 13.00 and Kilometer 14.00 along Espiritu Santo Street and Rio Duey Street (Project Number AC-220121).* This project consists of the construction of a noise barrier along the westbound lanes of PR-22, between Kilometers 13.00 and 14.00, near the Rio Hondo community in the Municipality of Bayamón.

**Section 2. Description of BRT/DTL Project.** The Authority shall fund and substantially complete the following series of projects, that wholly combined, create the proposed BRT/DTL Project, pursuant to and in accordance with Section 4.1(b) of this Agreement:

(a) *UNIT 1A: Construction of a reversible BRT/DTL, Unit 1A, from Kilometer 20.00 to the Toa Baja Toll Plaza, along PR-22. Municipality of Toa Baja (Project Number AC-220187).* This project comprises the design and construction of reversible BRT/DTL lanes within the existing median of PR-22 and parallel to the westbound lanes, starting at an access point just east of the Toa Baja Toll Plaza at station 1+49.63 and ending at station 20+00.00 (Km. 20.00), within the Municipality of Toa Baja. At its western terminus near the Toa Baja Toll Plaza, the cross-section within the median will consist of one (1) 3.65-meter wide lane, with shoulders on both sides. The purpose of this lane at this location will be solely to facilitate ingress and egress from a Dynamic Toll Lane for Class One vehicles that desire to utilize the DTL. The DTL will be joined approximately at Station 9+28.29 by a Bus Rapid Transit (BRT) Lane (referred to and described within Section (b) of this Schedule 12, named Unit 1B), at which point the cross-section will expand such that there will be two (2) 3.65-meter-wide lanes with shoulders on both sides. Traffic on the BRT/DTL will be separated from the mainline westbound traffic on PR-22 by concrete barriers and from the mainline eastbound by the existing grass median within PR-22. Unit 1A will also include improvements to the impact attenuation systems at the Toa Baja Toll Plaza. Traffic entering and exiting the Dynamic Toll Lane at the western terminus will be required to pay the established fixed toll at the Toa Baja Toll Plaza (as contemplated in Schedule 10).

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(b) *UNIT 1B: Construction of a reversible BRT, Unit 1B, from a Bus Transfer Station and Parking Lot on the northeast quadrant of the intersection of PR-165 and PR-22 (Unit 5) to Kilometer 20.00 on PR-22. Municipality of Toa Baja (Project Number AC-220187).* This project comprises the design and construction of a reversible Bus Rapid Transit (BRT) lane starting at a new Bus Transfer Station and Parking Lot, to be constructed on the northeast quadrant of the intersection of PR-165 and PR-22, at Station 1+00.00. Unit 1B will run south parallel to PR-854 through a local access road to PR-165 at which point, it will turn east until approximately Station 9+40.00 Back/0+70.00 Forward (Station Equation). From this point, the BRT Only Lane will run generally in a southeasterly direction where it will include a BRT Only Lane fly-over bridge over PR-22 approximately at Station 4+60.00 and ending approximately at Station 9+28.29, where it joins Unit 1A of the Dynamic Toll Lane. The cross-section of Unit 1B of the BRT Lane generally consists of one (1) 3.65-meter-wide lane and shoulders on both sides. Access to Unit 1B will be restricted to mass transit busses until it joins Unit 1A, at which point, the cross-section will consist of two (2) 3.65-meter-wide lanes and shoulders on both sides.

(c) *UNIT 2: Construction of a reversible BRT/DTL, Unit 2, from Kilometer 15.00 to Kilometer 20.00, along PR-22. Municipality of Toa Baja (Project Number AC-221187).* This project comprises the design and construction of the BRT/DTL beginning at Station 20+00.00 (Km. 20.00) and ending at Station 59+41.90 (approximately Km. 15.00) at Bridge #1727 near PR-866. This unit of the BRT/DTL will be constructed within the PR-22 existing median and the cross-section will generally consist of two (2) 3.65-meter-wide travel lanes with shoulders on both sides. Traffic on the BRT/DTL will be separated from mainline traffic on PR-22 by concrete barriers, which will include emergency access points at various locations. Approximately at Station 25+00.00, PR-22 and the BRT/DTL run beneath Bridge #1722, at which point the lanes of the BRT/DTL will be separated as it bypasses the existing bridge pier, requiring minor widening on PR-22. This unit work will also include lighting improvements beneath Bridge #1722.

(d) *UNIT 3: Construction of a reversible BRT/DTL, Unit 3, from Kilometer 12.00 to Kilometer 15.00, along PR-22. Municipality of Cataño, Bayamon and Toa Baja (Project Number AC-222187).* This project comprises the design and construction of a BRT/DTL beginning at Station 59+41.90 (approximately Km. 15.00), at Bridge #1727 near PR-866 and ending approximately at Station 99+80.00, just west of the Bayamon River (approximately at Km. 12.00). Unit 3 of the BRT/DTL will be constructed within the PR-22 existing median and its cross-section will generally consist of two (2) 3.65-meter-wide travel lanes with shoulders on both sides. Traffic on the BRT/DTL will be separated from mainline traffic on PR-22 by concrete barriers, which will include an emergency access point approximately at Station 84+00.00. Approximately at Station 69+50.00, PR-22 and the BRT/DTL run beneath Bridge #1576, at which point both lanes of the BRT/DTL will be separated as it bypasses

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the existing bridge pier, requiring minor widening on PR-22. Minor widening along the westbound lanes of PR-22 is also required near the interchange with PR-167.

(e) *UNIT 4A: Construction of a reversible BRT/DTL, Unit 4A, from Kilometer 12.00 to the PR-22/PR-5 Interchange, along PR-22. Municipality of Bayamon and Cataño (Project Number 223187).* This project comprises the design and construction of a BRT/DTL beginning at Station 99+80.00, just west of the Bayamon River (approximately Km. 12.00) and ending with the construction of a fly-over ramp at the interchange of PR-22 and PR-5. Unit 4A of the BRT/DTL will be constructed within the PR-22 existing median and its cross-section will generally consist of two (2) 3.65-meter-wide travel lanes with shoulders on both sides. This cross-section will be maintained until both lanes running along the BRT/DTL become separated to facilitate the BRT to continue to PR-5, whereby one lane will turn into a DTL ingress/egress access point to the PR-22 mainline, while the second lane will be used exclusively by mass transit buses to access the BRT Only Lane to be constructed along the median of PR-5 (Unit 4B), accessed via a fly-over ramp. Access into the Dynamic Toll Lane by general traffic will be provided by movable barriers at a location just west of the fly-over ramp constructed for the exclusive use of the BRT. Traffic on the BRT/DTL travel way will be separated from mainline traffic on PR-22 by fixed concrete barriers that shall have emergency access points at various locations.

(f) *UNIT 4B: Construction of a reversible BRT Only Lane, Unit 4B, from the PR-22/PR-5 Interchange to the Tren Urbano Terminal, along PR-5. Municipality of Bayamon (Project Number 223187).* This project comprises the design and construction of a Bus Rapid Transit (BRT) exclusive lane along the median of PR-5, starting at the interchange with PR-22 and ending near the Tren Urbano Terminal in Bayamon. Only mass transit busses will be provided access to Unit 4B of the BRT Only Lane from a fly-over ramp to be constructed on the southwest quadrant of the interchange of PR-22 and PR-5. Unit 4B of the BRT will be constructed within the PR-5 median and its cross-section will generally consist of one (1) 3.65-meter lane with shoulders on both sides. The construction of Unit 4B will utilize the existing reversible BRT lane running within the median of PR-5.

(g) *UNIT 5: Construction of a Bus Transfer Station/Parking Lot, Unit 5, at the northeast quadrant of the intersection of PR-165 and PR-22.* This project comprises the construction of a Bus Transfer Station/Parking facility that will serve the users of the mass transit busses running on the BRT/DTL. The parking lot for this Park and Ride facility will be constructed to accommodate a capacity of 500 vehicles, and will possess the ability to increase the capacity to 2,000 vehicles in the future, if necessary, and dependent upon need and usage. The facility will provide exclusive access to mass transit busses using the BRT.

(h) *Additional BRT/DTL Project Improvements:* As part of the overall BRT/DTL Project, certain units will receive improvements to the existing Toll Road lighting system beneath existing bridges and at widening locations, as well as improvements to the existing drainage systems such that the BRT/DTL Lanes function as designed. Further, the work to specific Units will include, at defined locations, the installation of the BRT/DTL Toll Collection System, the installation of toll rate charge and information via Dynamic Variable Message Signs, the installation of Toll Rate Speed Monitoring Equipment, and other ancillary improvements stated within the contract drawings.

**Section 3. Operational Deliverables.**

(a) The BRT/DTL Project will include the provision by the Authority (or its Contractors) of the following systems solely for the purpose of operating the BRT/DTL Project as contemplated by this Agreement, including Schedule 10:

(i) an electronic toll collection system and tolling infrastructure for the BRT/DTLs;

(ii) a Speed Detection System;

(iii) Dynamic Message Signs capable of providing real time traffic and toll amount information; and

(iv) a fiber optic system, including pipes, manholes and other fiber optic infrastructure.

(b) The Parties agree that:

(i) any of the systems described in this Section 3 may be provided under an extension, modification or change order pursuant to the Tolling Services Agreement, a New ETC Service Contract or any separate agreement by and between the Authority and any of its Contractors;

(ii) the Authority make no representation or warranty as to merchantability or quality of such systems.



**SCHEDULE 13  
ACCELERATED SAFETY UPGRADES**

**Section 1. Accelerated Safety Upgrades.** Pursuant to Section 4.2(a) of this Agreement, the Concessionaire, in addition to and in accordance with all other requirements of this Agreement, shall fund and complete the following improvements and upgrades on PR-22 and PR-5 at its sole cost and expense:

(a) *Year 1 Works.* The Concessionaire shall commence work on the following improvements no later than three (3) months after the Closing Date, and in addition shall complete such improvements no later than twelve (12) months after the Closing Date:

(i) *Drainage upgrades and repairs.*

(A) The objective of drainage upgrades and repairs is to ensure the uninterrupted operation of all drainage structures for the prompt removal of any stormwater so as to avoid or eliminate ponding, flooding; and to prevent, correct or eliminate areas of scour and erosion; all of which shall eliminate potential safety hazards, ensure that all drainage elements are performing as intended, and to ensure that the safe and orderly movement of traffic along PR-22 and PR-5 is not prohibited; and

(B) The Concessionaire shall upgrade or replace any and all elements that pertain to the drainage system of PR-22 and PR-5, including but not limited to curbs, inlets, catch basins, manholes, sewers, scuppers, downspouts, ditches, outlet structures, stormwater management basins and erosion control features pursuant to the requirements noted in clause (A); and

(C) The Concessionaire shall also upgrade or replace any and all drainage elements, in part or in whole, that currently create, or in the future may cause, stormwater ponding or flooding of the ingress and egress ramps to PR-22 and PR-5, including but not limited to curbs, inlets, catch basins, manholes, sewers, scuppers, downspouts, ditches, outlet structures, stormwater management basins and erosion control features pursuant to the requirements noted in clause (A).

(ii) *Removal and replacement of existing signage.*

(A) The objective of removal and replacement of existing signage is to ensure that all regulatory, warning, guide, informational, advisory and work zone (construction and maintenance) signage and their components are in proper operating condition, with the proper reflectivity, to be clearly read and understood and to properly regulate and facilitate the safe and orderly movement of traffic along PR-22 and PR-5 with the proper advance warning to the users;

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(B) The Concessionaire shall remove and replace any and all signs that are faded, broken, obsolete, do not meet current reflectivity standards, or do not meet the criteria set forth in the Operating Standards; and

(C) The removal and replacement of existing signage work does not include the removal and replacement of the overhead signage trusses unless said trusses are in poor structural condition or represent a hazard to the safety of PR-22 and PR-5 users, in which case they shall be replaced immediately. For the purposes of clarity the signs mounted to the overhead truss structures shall be removed and replaced if not in accordance with the requirements of clause (A) and (B).

(iii) *Repair, upgrade and general rehabilitation of Toll System.*

(A) The objective of the repair, upgrade and general rehabilitation of the Toll System is to ensure that all elements, components and systems pertaining to the Toll System are in optimal operating condition, and such elements, components and systems include, but are not limited to, crash protection, canopies, booths, lighting, signage, restroom facilities, office space, and all related appurtenances;

(B) The Concessionaire shall repair, upgrade and rehabilitate those elements that pertain to the Toll System that are damaged or in poor condition or that do not meet the criteria set forth in the Operating Standards or typical industry practice;

(C) The repair, upgrade and rehabilitation of the Toll System during the first year does not include any structural elements of the canopies or buildings at each toll plaza location, unless said structural elements or facility buildings are damaged, in poor condition and represent a safety hazard, in which case these structures or buildings shall be repaired or replaced immediately and in accordance with the criteria set forth in the Operating Standards; and

(D) For the purposes of clarity, the Toll System shall include all office space, restrooms, garages, and working or habitable space, which shall be subjected to the requirements set forth in clauses (A) and (B).

(iv) *Replacement of deficient and deteriorated Concrete Barriers.*

(A) The objective of the replacement of the deficient and deteriorated Concrete Barriers is to ensure the safety of PR-22 and PR-5 users; and

(B) The Concessionaire shall remove all deficient and deteriorated Concrete Barriers within the length of PR-22 and PR-5 and

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replace said concrete barriers with new concrete barriers in accordance with the criteria set forth in the Operating Standards.

(v) *Guardrail Works.*

(A) The objective of the Guardrail Works is the repair of damaged or deteriorated Guardrail in accordance with the Operating Standards to ensure the safety of PR-22 and PR-5.

(B) The Concessionaire shall repair, or remove and replace where necessary, all damaged or deteriorated Guardrail within the length of PR-22 and PR-5, either in part or in whole, so that the Guardrail meets the requirements of clause (A).

(C) The Concessionaire shall remove all damaged or substandard Guardrail end treatments within the length of PR-22 and PR-5 and replace said Guardrail end treatments so that they meet the most current practices and standards adopted and utilized within the Commonwealth at the time the work is undertaken.

(vi) *Landscaping and Community Gateways.*

(A) The objective of the Landscape and Community Gateways work is to improve the appearance of PR-22 and PR-5 by creating Community Gateways at the limits of each municipality, that create aesthetically pleasing areas, including signage identifying each municipality, by the use of softscape and hardscape landscaping materials;

(B) The objective of the Landscaping work is to improve, enhance and generally beautify the appearance of PR-22 and PR-5 by conducting landscaping work that includes but is not limited to: elimination of dangerous and overhanging trees and vegetation; providing and installing erosion control elements; ensuring safe sight distance criteria; controlling invasive and noxious weeds and plant habitat; and creating new or improving existing landscaping areas; and

(C) The Concessionaire shall revamp all landscaping within the Obligation Limits in accordance with the criteria set forth in the Operating Standards, and good industry practice, so as to improve the aesthetic appearance of PR-22 and PR-5 and to minimize current or future potential safety issues caused by overgrown or unkempt vegetation.

(vii) *Upgrade, enhancement, repair and replacement of deficient and unsafe areas of roadway lighting.*

(A) The upgrade, enhancement, repair and replacement of deficient and unsafe areas of roadway lighting work in part or in whole

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shall be undertaken to ensure that all elements and components of existing Roadway Lighting are: in optimal condition; enhanced and added such that poorly lit areas are improved; and to improve the safety of the PR-22 and PR-5 users; and

(B) The Concessionaire shall remove and replace all elements or components of the lighting system that are damaged, deficient, or that otherwise do not meet current lighting standards as defined, identified or referenced in the Operating Standards.

(b) *Other Works.* The Concessionaire shall complete the following improvements no later than sixty (60) months after the Closing Date:

(i) *Improvement and upgrade of the existing pavement surfaces.* The improvement and upgrade of existing pavement surfaces work shall be undertaken to ensure that all pavements of the traveled way is brought to a level such that it will completely comply with the pavement IRI criteria set forth in the Operating Standards for both concrete and bituminous roadway wearing surfaces. This work shall ensure the safe and orderly movement of traffic by creating a safe, smooth, durable, able and stable wearing surface; and improve the user experience and enhance the aesthetic appearance and safety of PR-22 and PR-5.

(ii) *Replacement and upgrade of pavement delineation and markings.* The replacement and upgrade of pavement delineation and markings work shall be undertaken to ensure that all pavement delineation, markings and lane-striping are clearly visible, possess the proper reflectivity characteristics and conform to the requirements of the Operating Standards so as to facilitate the safe and orderly movement of traffic, and to enhance the aesthetic appearance and safety of PR-22 and PR-5, for the full and entire lengths of each roadway.

(iii) *Removal, replacement and installation of Pavement Reflectors and Pavement Markers.* The removal, replacement and installation of all Pavement Reflectors and Pavement Markers work shall be undertaken to ensure that all Pavement Reflectors and Pavement Markers are visible, meet the proper reflectivity requirements, and meet the requirements of the Operating Standards so as to facilitate the safe and orderly movement of traffic and to enhance the user experience and safety of PR-22 and PR-5, for the full and entire length of each roadway.

(iv) *Installation of Rumble Strips on the shoulders of the traveled way pavements.* The installation of Rumble Strips work shall be undertaken on the shoulders of the traveled way pavements along the full length of both PR-22 and PR-5 to provide driver warning and to assist enhancing the safety of PR-22 and PR-5 users, for the full and entire length of each roadway, in accordance with the criteria established by the FHWA for Interstate highways.

(v) *General rehabilitation and upgrade of the mainline bridge structures.* The general rehabilitation and upgrade of the mainline bridge structures work shall be undertaken to ensure the stability, safety, durability, strength and structural integrity of all bridges structures that carry the PR-22 and PR-5 roadway over particular features. The work shall be conducted such that the bridge structures meet or exceed the sufficiency and operating ratings, as defined by the Operating Standards, at the time that the work is undertaken; increase the useful and functional life of the bridge structures; and to ensure the safety of all PR-22 and PR-5 users. The Concessionaire shall also conduct a seismic analysis on each mainline bridge structure and implement the required seismic related upgrades in the rehabilitation plans for each mainline bridge structure.

(vi) *General rehabilitation and upgrade of the overpass bridge structures.* The general rehabilitation and upgrade of the overpass bridge structures work shall be undertaken to ensure the stability, safety, durability, strength and structural integrity of all bridges structures that carry features over the PR-22 and PR-5 roadway. The work shall be conducted such that the bridge structures meet or exceed the sufficiency and operating ratings, as defined by the Operating Standards, at the time that the work is undertaken; increase the useful and functional life of the bridge structures; and to ensure the safety of all PR-22 and PR-5 users. The Concessionaire shall also conduct a seismic analysis on each overpass bridge structure and implement the required seismic related upgrades in the rehabilitation plans for each overpass bridge structure.

**Section 2. Requirements Related to the Accelerated Safety Upgrades**

(a) *Compliance with Agreement.* All design, plan development and construction work related to the Accelerated Safety Upgrades set forth in Section 1 of this Schedule 13 shall comply with the requirements of this Agreement, including the applicable chapters of the Operating Standards and the codes, manuals and guidelines contained in the reference documents of each applicable chapter of the Operating Standards.

(b) *Submission of Scope of Work.* The Concessionaire shall submit a written and detailed scope of work, including sketches, drawings and other supporting documentation, to the Authority for review, conformance verification with the intended level of work and Approval prior to the start of preliminary and final development of plans and construction documents for each Accelerated Safety Upgrade.

(c) *Submission of Construction Documents.* The Concessionaire shall prepare and submit preliminary and final construction documents to the Authority for review and Approval, and subsequently obtain all applicable Authorizations prior to the start of construction of each Accelerated Safety Upgrade.

**Section 3. Liquidated Damages**

3.1 In accordance with Section 4.2(c) of this Agreement, Liquidated Damages shall be as follows:

(a) for failure to substantially complete the Works set forth in Section 1(a) of this Schedule 13 by the deadline provided therein, liquidated damages shall be \$500 per day until substantial completion thereof; and

(b) for failure to substantially complete the Works set forth in Section 1(b) of this Schedule 13 by the deadline provided therein, liquidated damages shall be \$700 per day until substantial completion thereof.

**SCHEDULE 14  
DESCRIPTION OF TOLL ROADS**

*[See Enclosed Binder for Schedule 14]*

**SCHEDULE 15  
PROJECT INTERFACE PLAN**

**Section 1. Retained Capital Improvement Projects.** The Authority shall comply and shall enforce compliance by its Contractors with provisions of the Retained Capital Improvement Contracts that specifically require (a) that work related to the Retained Capital Improvement Projects shall be conducted during the hours permitted by the Retained Capital Improvement Contracts and (b) that any new overpasses, utilities or other assets constructed as part of the Retained Capital Improvement Projects shall be designed with sufficient lateral and vertical clearance to allow expansion of the Toll Roads in the future, it being understood that (i) the Authority shall not be required to amend any of the Retained Capital Improvement Contracts to include such provisions or to incur any additional costs with respect to these obligations other than those costs incurred under the Retained Capital Improvement Contracts as of the Bid Date, and (ii) the Authority shall comply with any Retained Capital Improvement Contract entered into by the Authority after the Bid Date and shall enforce provisions therein that specifically contemplate the restrictions set forth in subclauses (a) and (b) of this Section 1 of this Schedule 15.

**Section 2. BRT/DTL Projects.** In addition to complying with the requirements of Section 4.1 of this Agreement, the Authority shall implement each Unit of the BRT/DTL Project as follows:

(a) *Cooperation of Parties.* The Authority shall keep the Concessionaire fully informed of the construction schedule for the BRT/DTL Project and each Unit thereof, and shall undertake all BRT/DTL Work in a reasonable manner consistent with the joint objectives of the Parties.

(i) If any construction activity is expected to disrupt traffic on the Toll Roads in a manner not contemplated by the BRT/DTL Project Contracts, the Authority shall give written notice thereof to the Concessionaire at least seven (7) days prior to such activity.

(ii) By notice to the other Party in writing and in accordance with the following terms, any Party may convene a meeting of the designated representatives of the Parties and their respective Contractors for the purpose of conferring or coordinating on matters related to the construction of the BRT/DTL Project (such meeting of representatives, the "Construction Committee"):

(A) The Construction Committee may consist of up to four (4) persons, with one person designated by the Authority as its representative (the "Authority's Interface Representative"), one (1) person designated by the Concessionaire as its representative (the "Concessionaire's Interface Representative"), one (1) person designated by the Authority as the representative of any of the Authority's Contractors responsible for BRT/DTL Work, and one (1) person designated by the Concessionaire as



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the representative of any of the Concessionaire's Contractors, including the Operator if the Operator is not the Concessionaire.

(B) The members of the Construction Committee may discuss any matters relevant to the BRT/DTL Work, including construction quality, quality of materials, project schedule, and maintenance of traffic relating thereto.

(C) No meeting of the Construction Committee shall be conducted without the Authority's Interface Representative and the Concessionaire's Interface Representative being present at such meeting.

(b) *Rights of Inspections during Construction.* The Concessionaire shall have the right to inspect, in part or in whole, the BRT/DTL Work at any reasonable time and place after providing the Authority with prior written notice of such time and place. If the Concessionaire reasonably finds that BRT/DTL Work does not comply with any BRT/DTL Project Contract for such work, the Concessionaire shall promptly give written notice thereof to the Authority.

(c) *Inspection of Materials.* The Concessionaire shall have the right to inspect all materials used for the construction of the BRT/DTL Project at any reasonable time and place after providing the Authority with prior written notice of such time and place. If the Concessionaire reasonably finds that quality of materials used in the BRT/DTL Work does not comply with any BRT/DTL Project Contract for such work, the Concessionaire shall promptly give written notice thereof to the Authority.

(d) *Quality of Workmanship.* The Authority shall, and shall cause its Contractors to, perform the BRT/DTL Work and substantially complete the BRT/DTL Project in accordance with the BRT/DTL Project Contracts and applicable guidelines for construction promulgated by the Puerto Rico Highways and Transportation Authority (PRHTA) Special Provisions and Standard Specifications.

(e) *Damage of Roadway Due to Construction.* The Concessionaire shall notify the Authority in writing immediately after any discovery by it (or by any of its Contractors) of any material damage to the Main Line directly resulting from the BRT/DTL Work, and the Authority shall (and shall cause its Contractors to) repair such damage to the standard required by the Operating Standards, in each case at the expense of the Authority (or such Contractors).

(f) *Maintenance of Traffic during the Construction of the BRT/DTL Project.* The Authority shall, and shall cause its Contractors to, conduct the BRT/DTL Work with respect to each Unit in accordance with the Maintenance of Traffic Plan set forth in the BRT/DTL Project Contract, or any addenda to the BRT/DTL Project Contract, for such Unit, and in accordance with the following restrictions:

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(i) No Main Line lane closures in the westbound direction are permitted between 9:00 a.m. to 8:00 p.m. during each Monday, Tuesday, Wednesday, Thursday and Friday that is a Business Day (such times of day during such Business Days, the “Peak Period”).

(ii) No Main Line lane closures in the eastbound direction are permitted between 5:00 a.m. to 3:00 p.m. during each Monday, Tuesday, Wednesday, Thursday and Friday that is a Business Day. Shoulder closures during these hours will be limited to those presented in the Maintenance of Traffic Plan (as defined in the BRT/DTL Project Contracts).

(iii) All work requiring the closure of any traffic lane shall be performed during times other than the Peak Period.

(iv) Shoulder closures, at any time, shall be in accordance and as prescribed in the BRT/DTL Project Contract for that particular Unit.

(v) Main Line travel lanes shall maintain a minimum width equal to or greater than 3.35 meters at all times.

(g) *Reasonable Change Orders and Deviations.* No fewer than ten (10) days before the Authority approves any Reasonable Change Order or Deviation pursuant to a BRT/DTL Project Contract, the Authority shall consult with the Concessionaire regarding such Reasonable Change Order or Deviation.

**SCHEDULE 16  
RETAINED CONTRACTS**

1. *Commercial General Liability Insurance (policy No. 88-CLP-000244096-9/000)*, dated as of October 23, 2009, provided by National Insurance Company and naming as insureds the Puerto Rico Highway & Transportation Authority, Tren Urbano, Commonwealth of Puerto Rico, Department of the Treasury c/o Bureau of Public Insurance and/or any subsidiary, associated, affiliated, newly acquired or control company and/or corporation as their respective interests may appear and for which no other specific insurance is provided.

2. *New Toll Collection System Acquisition & Installation, NTCS Maintenance and Customer Service Center Management & Operations (Contract No. AC-800197)*, dated as of March 14, 2003, among the Puerto Rico Highway and Transportation Authority, TransCore Atlantic, Inc. and TransCore Holdings, Inc. (including, without limitation, the Master Agreement, the Contract Documents specified in Appendix II to the Master Agreement, the Special Provisions – Acquisition and Installation attached to the Master Agreement as Appendix III and the Special Provisions – System Maintenance and Customer Service Center Operation attached to the Master Agreement as Appendix IV), as amended pursuant to that certain Contract Amendment and Change Order Agreement, dated as of June 22, 2007 among the Puerto Rico Highway and Transportation Authority, TransCore Atlantic, Inc. and TransCore Holdings, Inc.

3. Subject to Section 4.1(d)(iii) of this Agreement, any contract of the Authority that relates to any Authority Capital Improvement Project.

SCHEDULE 17  
FORM OF IRREVOCABLE STANDBY LETTER OF CREDIT

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ISSUER:  [*Must be Member of the New York Clearing House Association*]

PLACE FOR PRESENTATION OF DRAFT IN PROGRESS:  [*Name and Address of Bank/Branch—MUST be NEW YORK, NEW YORK Bank/Branch or SAN JUAN, PUERTO RICO Bank/Branch*]

APPLICANT:

BENEFICIARY: PUERTO RICO HIGHWAYS AND TRANSPORTATION AUTHORITY  
ROBERTO SÁNCHEZ VILELLA GOVERNMENT CENTER  
DE DIEGO AVENUE, STOP 22  
SANTURCE, PUERTO RICO 00940

LETTER OF CREDIT NUMBER:

PLACE AND DATE OF ISSUE:

AMOUNT:

EXPIRATION DATE:

Issuer hereby issues this Irrevocable Standby Letter of Credit (this "Letter of Credit") in favor of Beneficiary in the amount of [*words*] United States Dollars (US\$[*numbers*]) (the "Stated Amount"). Funds under this Letter of Credit are available to Beneficiary upon Beneficiary's presentation to Issuer of one or more sight drafts drawn on Issuer for a sum or sums in an aggregate amount not exceeding the Stated Amount. Any sight draft under this Letter of Credit shall identify this Letter of Credit by the name of Issuer and the Letter of Credit number, amount, and place and date of issue. Such sight draft shall be signed by [*an officer of Beneficiary*] or his designee and shall contain a statement that Beneficiary is entitled to make such draw or shall be accompanied by a signed statement of [*an officer of Beneficiary*] to the same effect.

This Letter of Credit shall be honored by Issuer if presented at [*NEW YORK, NEW YORK Bank/Branch or SAN JUAN, PUERTO RICO Bank/Branch—Name & Address*] on or before  (the "Expiration Date"). The obligations of Issuer hereunder are primary obligations to Beneficiary and shall not be affected by the performance or non-performance by [*Name of Applicant*] under any agreement with Beneficiary or by any

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bankruptcy, insolvency or other similar proceeding initiated by or against [*Name of Applicant*]. [*Name of Applicant*] is not the beneficiary under this Standby Letter of Credit and possesses no interest whatsoever in proceeds of any draw hereon. This Letter of Credit shall terminate on the earlier of (i) the close of business on the Expiration Date and (ii) the date on which Issuer has honored one or more draws in the full amount of the Stated Amount. This Letter of Credit may not be transferred by Beneficiary to any other person. Drawings by facsimile to facsimile number [●] are acceptable (each such drawing, a “Fax Drawing”), *provided, however*, that a Fax Drawing will not be effectively presented until Beneficiary confirms, by telephone, Issuer’s receipt of such Fax Drawing by calling Issuer at telephone number [●]. Issuer will acknowledge Beneficiary’s presentment by electronic mail to the electronic mail address provided to Issuer in the Fax Drawing.

[This Letter of Credit shall be automatically extended for successive periods of one year, without amendment, from the stated Expiration Date and each extended date of expiration unless Issuer sends Beneficiary written notice of its intent not to extend the credit; which notice must be sent at least thirty (30) days prior to the expiration of the original term hereof or any extended one year term, by registered or certified mail or overnight courier, to the Puerto Rico Highways and Transportation Authority at Roberto Sánchez Vilella Government Center, De Diego Avenue, Stop 22, Santurce, Puerto Rico, 00940 or any other address specified in writing to Issuer at the above address by the Puerto Rico Highways and Transportation Authority. Notice to the Puerto Rico Highways and Transportation Authority that this Letter of Credit will not be extended shall be deemed a default.]<sup>4</sup>

To the extent not inconsistent with the express provisions hereof, this Letter of Credit is subject to the rules of the *International Standby Practices ISP98* (“ISP98”), as interpreted under the laws of the State of New York, and shall, as to matters not governed by the ISP98, be governed and construed in accordance with the laws of the State of New York, without regard to principles of conflicts of law.<sup>5</sup>

With respect to any suit, action or proceedings relating to this Letter of Credit (“Proceedings”), Issuer irrevocably: (i) submits to the exclusive jurisdiction of the United States District Court for the Southern District of New York and (ii) waives any objection which it may have at any time to the laying of venue of any Proceedings brought in such court, waives any claim that such Proceedings have been brought in an inconvenient

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<sup>4</sup> **NOTE TO CONCESSIONAIRE:** For purposes of the Closing LOC contemplated by Section 2.3(a) of the Agreement, this paragraph (which appears intentionally in brackets) shall not be required; *provided, however*, that this paragraph shall appear in the Letter of Credit contemplated by Section 16.3 of the Agreement.

<sup>5</sup> **NOTE TO CONCESSIONAIRE:** If the Concessionaire sources this Letter of Credit from a bank incorporated in the Commonwealth of Puerto Rico, then the Concessionaire may replace this paragraph with the following: “To the extent not inconsistent with the express provisions hereof, (i) this Letter of Credit is subject to the rules of the *International Standby Practices ISP98* (“ISP98”), as interpreted under the laws of the Commonwealth of Puerto Rico and (ii) as to matters not governed by the ISP98, this Letter of Credit shall be governed and construed in accordance with the laws of the Commonwealth of Puerto Rico, without regard to principles of conflicts of law.”

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forum and further waives the right to object, with respect to such Proceedings, that such court does not have any jurisdiction over Issuer.<sup>6</sup>

Issuer:

By: \_\_\_\_\_

Name: [●]

Title: [●]

(Authorized Signatory of Issuer)

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<sup>6</sup> **NOTE TO CONCESSIONAIRE:** If the Concessionaire has elected pursuant to the immediately preceding footnote to include in this Letter of Credit the language set forth therein, then this paragraph shall be replaced by the following: "Issuer irrevocably: (i) submits to the exclusive jurisdiction of the Commonwealth Court of First Instance, San Juan Part, in the Commonwealth of Puerto Rico; and (ii) waives any objection which Issuer may have at any time to the laying of venue of any Proceedings brought in any such court, waives any claim that such Proceedings have been brought in an inconvenient forum and further waives the right to object, with respect to such Proceedings, that such court does not have any jurisdiction over Issuer."

**SCHEDULE 18  
TOLL ROAD ASSETS**

*[See Enclosed Binder for Schedule 18]*

**SCHEDULE 19  
FORM OF MONTHLY ETC TRAFFIC REPORT**

Starting Date: \_\_\_\_\_  
 Ending Date: \_\_\_\_\_  
 For the Month of: \_\_\_\_\_  
 Calendar Year: \_\_\_\_\_

**Traffic**

Toll Plaza	Successful ETC Transactions and ETC Transactions from Exempt Vehicles										Unpaid ETC Transactions										Toll Plaza Total
	Class 1	Class 2	Class 3	Class 4	Class 5	Class 6	Class 7	Class 8	NonRev	Total	Class 1	Class 2	Class 3	Class 4	Class 5	Class 6	Class 7	Class 8	NonRev	Total	
Buchanan																					
Toa Baja																					
Vega Alta																					
Manatí																					
Arecibo																					
Hatillo																					
Total																					

**Toll Rates**

Toll Plaza	Class 1	Class 2	Class 3	Class 4	Class 5	Class 6	Class 7	Class 8	NonRev
Buchanan									
Toa Baja									
Vega Alta									
Manatí									
Arecibo									
Hatillo									
Total									

**Revenue**

Toll Plaza	Successful ETC Transactions and ETC Transactions from Exempt Vehicles										Unpaid ETC Transactions										Toll Plaza Total
	Class 1	Class 2	Class 3	Class 4	Class 5	Class 6	Class 7	Class 8	NonRev	Total	Class 1	Class 2	Class 3	Class 4	Class 5	Class 6	Class 7	Class 8	NonRev	Total	
Buchanan																					
Toa Baja																					
Vega Alta																					
Manatí																					
Arecibo																					
Hatillo																					
Total																					

*This form to be accompanied by a statement setting out which Unpaid ETC Transactions are Delinquent Non-Cash Tolls for the purposes of Section 8.1 (a) of the Concession Agreement*



**SCHEDULE 20  
TRUSTEE'S CERTIFICATE**

The undersigned, **THE BANK OF NEW YORK MELLON, acting solely in its capacity** as fiscal agent for the holders of the (i) Puerto Rico Highways and Transportation Authority Highway Revenue Bonds, issued by the Puerto Rico Highways and Transportation Authority (the "Authority") under Resolution 68-18, adopted by the Authority on June 13, 1968, as amended (the "1968 Resolution") and (ii) Puerto Rico Highways and Transportation Authority Transportation Revenue Bonds, issued by the Authority under Resolution 98-06, adopted by the Authority on February 26, 1998, as amended (the "1998 Resolution" and, together with the 1968 Resolution, the "Resolutions"), **DOES HEREBY CERTIFY** as follows:

1. We have received copies of the following documents:

- (i) a confirmation from Moody's Investor's Service, Inc. ("Moody's") that solely as a result of the execution, delivery and performance of the Agreement by the Authority, the Moody's ratings on the Authority's Outstanding Bonds (as defined in the Resolutions) will not be downgraded or withdrawn;
- (ii) a confirmation from Standard & Poor's Rating Services ("S&P") that solely as a result of the execution, delivery and performance of the Agreement by the Authority, the S&P ratings on the Authority's Outstanding Bonds will not be downgraded or withdrawn,
- (iii) the [Closing Agreement], by and between the Authority and the Internal Revenue Service, dated as of [●] (the "Closing Agreement"),
- (iv) of the Toll Road Concession Agreement, dated as of [●], 2011 (the "Agreement"),
- (v) a certificate of the Executive Director of the Authority, dated [●] that the Authority is in compliance with Section 614 of the 1998 Resolution and Section 609 of the 1968 Resolution and as to the release of the Toll Road Revenues, the Toll Roads, the Toll Road Assets, the Toll System [and the Toll Road Contracts] as each such capitalized term is defined in the Agreement (collectively, the "Released Property") (the "Authority Certificate"), and
- (vi) the opinion of Nixon Peabody LLP dated [●] as to the release of the Released Property from any trust, lien, security interest, pledge or assignment under the Resolutions.

2. As of the date hereof, that all right, title and interest in and to the Released Property has been released from any trust, lien, security interest, pledge or assignment under the 1968 Resolutions.

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3. As of the date hereof, that all right, title and interest in and to the Released Property has been released from any trust, lien, security interest, pledge or assignment under the 1998 Resolutions.

4. In executing this certificate, we have relied upon the opinion of Nixon Peabody LLP, dated the date hereof, as to the release of the Released Property from any trust, lien, security interest, pledge or assignment under the Resolutions.

5. Capitalized terms used and not defined herein shall have the respective meanings given such terms in the Resolutions unless the context clearly indicates otherwise.

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**IN WITNESS WHEREOF**, I have hereunto set my hand this \_\_\_ day of \_\_\_\_\_, 2011.

**THE BANK OF NEW YORK MELLON, acting  
solely in its capacity** as Fiscal Agent

By: \_\_\_\_\_  
Authorized Officer

**CERTIFICATE OF THE BANK OF NEW YORK MELLON**

**AS TO**

**THE DEFEASANCE OF CERTAIN**

**PUERTO RICO HIGHWAYS AND TRANSPORTATION AUTHORITY**

**HIGHWAY REVENUE BONDS AND TRANSPORTATION REVENUE BONDS**

The undersigned, **THE BANK OF NEW YORK MELLON, acting solely in its capacity** as fiscal agent for the holders of the (i) Puerto Rico Highways and Transportation Authority Highway Revenue Bonds of the Series and maturing on the dates and in the principal amounts set forth in Exhibit A-1 hereto (the “Refunded 1968 Resolution Bonds”), issued by the Puerto Rico Highways and Transportation Authority (the “Authority”) under Resolution 68-18, adopted by the Authority on June 13, 1968, as amended (the “1968 Resolution”) and (ii) Puerto Rico Highways and Transportation Authority Transportation Revenue Bonds of the Series and maturing on the dates and in the principal amounts set forth in Exhibit A-2 hereto (the “Refunded 1998 Resolution Bonds”), issued by the Authority under Resolution 98-06, adopted by the Authority on February 26, 1998, as amended (the “1998 Resolution” and, together with the 1968 Resolution, the “Resolutions”), **DOES HEREBY CERTIFY** as follows:

1. We have received copies of the following documents:

- (i) the [Closing Agreement], by and between the Authority and the Internal Revenue Service, dated as of [●] (the “Closing Agreement”),
- (ii) the verification report of [●], dated as of [●], 2011 (the “Verification Report”),
- (iii) the escrow agreements (the “Escrow Agreements”), dated as of [●], between the Authority and The Bank of New York Mellon, as escrow agent relating to the defeasance of the Refunded 1968 Resolution Bonds and the defeasance of the Refunded 1998 Resolution Bonds, and
- (iv) the opinion of Nixon Peabody LLP, dated as of [●], as to the refunding and defeasance of the Refunded 1968 Resolution Bonds and the Refunded 1998 Resolution Bonds.

2. As described in the Escrow Agreements, and in reliance upon the Verification Report, the moneys deposited in the escrow accounts pursuant to the Escrow Agreements, together with the interest earnings thereon, are sufficient to pay the redemption price of the Refunded 1968 Resolution Bonds and the Refunded 1998 Resolution Bonds on their applicable maturity or redemption dates, together with accrued interest thereon to the applicable maturity or redemption dates.

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3. It has received such other resolutions, certificates, opinions and documents, including the Escrow Agreements, as are necessary so that the Refunded 1968 Resolution Bonds shall be deemed to have been paid within the meaning and with the effect expressed in Section 901 of the 1968 Resolution and no longer be secured by or entitled to the benefits of the 1968 Resolution. It has received irrevocable written instructions from the Authority to give notice in accordance with the 1968 Resolution to the holders of the Refunded 1968 Resolution Bonds that such bonds have been called for redemption or that the deposit of moneys or Sufficient Government Obligations as required by such Section 901 has been made, as appropriate.

4. The covenants, agreements and other obligations of the Authority to the holders of the Refunded 1968 Resolution Bonds under the 1968 Resolution, have been discharged and satisfied in accordance with and as provided in Section 901 of the 1968 Resolution.

5. It has received such other resolutions, certificates, opinions and documents, including the Escrow Agreements, as are necessary so that the Refunded 1998 Resolution Bonds shall be deemed to have been paid within the meaning and with the effect expressed in Section 1001 of the 1998 Resolution and no longer be secured by or entitled to the benefits of the 1998 Resolution. It has received irrevocable written instructions from the Authority to give notice in accordance with the 1998 Resolution to holders of the Refunded 1998 Resolution Bonds that such bonds have been called for redemption or that the deposit of moneys or Governmental Obligations as required by such Section 1001 has been made, as appropriate.

6. The covenants, agreements and other obligations of the Authority to the holders of the Refunded 1998 Bonds under the 1998 Resolution, have been discharged and satisfied in accordance with and as provided in Section 1001 of the 1998 Resolution.

7. In executing this certificate, we have relied upon the opinions of Nixon Peabody LLP, dated the date hereof, as to the refunding and defeasance of the Refunded 1968 Resolution Bonds and the Refunded 1998 Resolution Bonds.

8. Capitalized terms used and not defined herein shall have the respective meanings given such terms in the Resolutions unless the context clearly indicates otherwise.

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**IN WITNESS WHEREOF**, I have hereunto set my hand this \_\_\_ day of \_\_\_\_\_, 2011.

**THE BANK OF NEW YORK MELLON, acting  
solely in its capacity** as Fiscal Agent

By: \_\_\_\_\_  
Authorized Officer

SCHEDULE 21  
SWORN STATEMENT FOR CLOSING

UNITED STATES OF AMERICA )  
STATE OF ) SS  
CITY OF )

[Name of Representative], of legal age, married (or single), and a resident of \_\_\_\_\_, \_\_\_\_\_, in his (her) capacity as \_\_\_\_\_ of [Name of Concessionaire] (the “Concessionaire”), Employer Identification Number \_\_\_\_\_, being duly sworn, deposes and certifies that, as of the date of this Sworn Statement:<sup>7</sup>

1. The principal office of the Concessionaire is located at \_\_\_\_\_.

2. The Concessionaire [has filed all] [has not had to file any] income tax returns with the Department of the Treasury of the Commonwealth of Puerto Rico during the past five years.

3. The Concessionaire does not have any Tax Debts with the Commonwealth of Puerto Rico, nor any of its instrumentalities or political subdivisions. The term “Tax Debt” means any debt for (i) income taxes, (ii) sales and use taxes, (iii) excise taxes, (iv) real or personal property taxes, (v) municipal license taxes (“patente”), (vi) special taxes levied, (vii) license rights, (viii) tax withholdings for payment of salaries, professional service fees, interests, dividends, rents or profits, (ix) unemployment or disability insurance premiums, (x) workers compensation payments, or (xi) premiums for social security for chauffeurs.

4. The Concessionaire is familiar with the provisions of Act No. 84 of June 18, 2002, known as the Code of Ethics for Contractors, Suppliers and Applicants for Economic Incentives of the Executive Agencies of the Commonwealth of Puerto Rico (“Act 84”), a copy of which is available at the Authority’s website: <http://www.p3.gov.pr>.

5. Neither the Concessionaire nor any of its directors, officers, shareholders, or subsidiaries, nor its parent company, nor in the case of a partnership, any of its partners, nor any person or entity that may be considered an *alter ego* of the Concessionaire (each a “Covered Party”), has been convicted, has entered a guilty plea or has been indicted, nor has probable cause been found for their arrest, in any criminal proceeding in the courts of the Commonwealth of Puerto Rico, the Federal courts of the United States, or the courts of any jurisdiction of the United States or a foreign country, of criminal charges related to acts of corruption or to any of the following crimes: a crime against public integrity, as defined in the Commonwealth of Puerto Rico Penal Code, embezzlement of public funds, a crime against the public treasury, public trust, public function or involving the wrongful use of public funds or property, any of the crimes enumerated in Act No. 458 of December 29, 2000, as amended (“Act 458”), or under the Foreign

<sup>7</sup> All capitalized terms used in this Sworn Statement that are not defined herein are used as defined in the Request for Proposals issued to Proponents on November 19, 2010, as supplemented and amended, in relation to the Acquisition of a Concession to Finance, Operate, Maintain, Rehabilitate, Expand and Toll PR-22 and PR-5.

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Corrupt Practices Act; nor is any Covered Party under investigation in any legislative, judicial or administrative proceedings, in the Commonwealth of Puerto Rico, the United States or any other country.

6. The Concessionaire is in compliance and will continue to comply at all times with all federal, state, local and foreign laws applicable to the Concessionaire that prohibit corruption or regulate crimes against public functions or public funds, including the Foreign Corrupt Practices Act.

7. The Concessionaire is in compliance with the provisions of the Authority's Guidelines for the Evaluation of Conflicts of Interest and Unfair Advantages in the Procurement of Public-Private Partnership Contracts, a copy of which is available at the Authority's website: <http://www.p3.gov.pr>.

In \_\_\_\_\_, \_\_\_\_\_, this \_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

[CONCESSIONAIRE]

By: \_\_\_\_\_

Sworn and subscribed to before me by \_\_\_\_\_,  
of the above stated personal circumstances, in his (her) capacity as \_\_\_\_\_  
of \_\_\_\_\_, who is personally known to me.

In \_\_\_\_\_, \_\_\_\_\_, this \_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

\_\_\_\_\_



**SCHEDULE 22  
EPC SPECIFICATIONS**

*[See Enclosed Binder for Schedule 22]*