

COMMONWEALTH OF PUERTO RICO

PUERTO RICO INFRASTRUCTURE FINANCING AUTHORITY

AGREEMENT FOR PROFESSIONAL SERVICES

FOR

"WORK AND STUDY AGREEMENT"

BETWEEN

PUERTO RICO INFRASTRUCTURE FINANCING AUTHORITY

AND

UNIVERSITY OF PUERTO RICO, MAYAGÜEZ CAMPUS

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Contratista: UNIVERSIDAD DE PUERTO RICO, RECINTO DE MAYAGÜEZ
AGREEMENT FOR PROFESSIONAL SERVICES
AFI Contract No. 2000-000283

THIS AGREEMENT, made and entered into in San Juan, Puerto Rico, as of the 6 day of ~~May~~ ^{June} 2008, by and between the PUERTO RICO INFRASTRUCTURE FINANCING AUTHORITY, a public corporation of the Government of Puerto Rico (“AFI”), created by Law No. 44 of June 21, 1988, as amended, (the “Enabling Act”), represented herein by Dr. Guillermo M. Riera, its Executive Director, Rico, and University of Puerto Rico, Mayagüez Campus, represented in this act by its Chancellor, Dr. Jorge Iván Velez-Arocho, (the “Consultant”).

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WHEREAS, by virtue of the Enabling Act, AFI is authorized to provide assistance to public corporations, governmental instrumentalities, political subdivisions and municipalities that are responsible for providing, operating, maintaining and improving the infrastructure of Puerto Rico; and

WHEREAS, by virtue of the Enabling Act, AFI is further authorized to procure, finance, construct, rehabilitate, repair, preserve, replace and improve the infrastructure of Puerto Rico, including property functionally related, or appurtenant thereto; and

WHEREAS, in order to implement projects to meet the infrastructure needs of Puerto Rico, AFI requires qualified and experienced professional services to provide professional design, assessment and engineering studies, including the Services (as hereinafter defined) contemplated under this Agreement; and

WHEREAS, the Consultant is experienced with respect to the Services required hereunder, and has represented to AFI that it is qualified and able to provide such Services; and

WHEREAS, in accordance with the above objectives, AFI has selected the Consultant to perform the Services in accordance with the terms and provisions of this Agreement; and

WHEREAS, the Consultant is willing to perform the Services on the terms and conditions set forth herein; and

WHEREAS, AFI and the Consultant, respectively, are empowered to enter into this Agreement and perform their mutual obligations hereunder.

NOW, THEREFORE, in consideration of the premises and the mutual covenants contained herein, AFI and the Consultant hereby agree as follows:

Section 1. Engagement of Consultant

AFI hereby engages the Consultant to perform the Services, and the Consultant hereby agrees to perform the Services, in accordance with, and subject to, the provisions of this Agreement. No act or omission of AFI made or permitted under this Agreement shall relieve the Consultant of its responsibility for the performance of the Services hereunder.

Section 2. Consultant's General Responsibility.

Consultant shall provide the Professional Services for the Following:
"Work and Training in engineering fields of study."

Section 3. Effective Date.

The effective date of this Agreement is the date on which AFI executes this Agreement.

Section 4. Term

This Agreement shall remain in full force and effect until **December 31th, 2008**. The Consultant hereby acknowledges that the effective, timely and expeditious completion of the Services contemplated hereby is of the utmost importance, time being of the essence.

Section 5. Renewal

This Agreement may be renewed by mutual agreement as long as the Consultant is needed by AFI to provide the services required pursuant to this Agreement, subject to the approval of the pertinent authorities.

Section 6. Amendments, Modifications or Alterations

This Agreement (i) shall constitute the entire agreement and understanding between the parties and (ii) may be amended, modified or altered solely pursuant to a written amendment hereto, duly authorized, approved and executed by the parties.

Section 7. Scope of Services.

(a) The services (the "Services") to be performed by the Consultant hereunder are summarized in **Exhibit A "Scope of Services"**, attached hereto. The Consultant shall perform the Services and any inspections, evaluations, analyses, briefings and presentations that are, or may be, required by AFI in connection with the performance of such Services. All services shall be performed in a manner satisfactory to AFI and in accordance with all provisions of federal and Puerto Rico laws, regulations, permits and judicial decisions.

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(b) The Consultant will consult with AFI's representatives, who are serving as program and project managers to AFI ("AFI's Representative"), to obtain, clarify and understand the objectives and requirements of AFI with respect to the Project and the Services. AFI may, during the term of this Agreement, designate a substitute AFI Representative, and shall give written notice of any such substitution to the Consultant.

AFI's Representative shall examine the documents submitted by the Consultant and shall render decisions pertaining thereto promptly, to avoid unreasonable delay in the progress of the Consultant's Services.

Section 8. Changes in the Scope of Services

AFI may, in its sole discretion, increase, decrease or otherwise modify the Services, subject to execution of a written amendment to this Agreement pursuant to Section 6 hereof.

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Section 9. Actual and Consequential Damages

If the Consultant fails to perform any of the Services hereunder, then the Consultant shall pay AFI its actual and consequential damages as a result of any such failure, unless such failure of performance is expressly excused pursuant to the terms of this Agreement.

Section 10. Fines and Penalties

If, as a result of the performance of the Services by the Consultant, any penalties, fines or orders are assessed against, or imposed upon, AFI or the Consultant, which arise out of the Consultant's failure to comply with the laws of the United States of America ("Federal") or Puerto Rico, or any rules and regulations of any Federal or Puerto Rico governmental agency or authority promulgated thereunder, then the Consultant shall pay, in addition to any amounts which may otherwise be due pursuant to Section 9, the amount of said fines or penalties. Consultant shall further be obligated to comply with any binding order of Federal or Puerto Rico courts, any regulatory or administrative agencies having jurisdiction over AFI. AFI agrees to provide, at Consultant's cost and expense, all reasonably required cooperation requested by the Consultant in support of any appeal or review contesting or seeking to mitigate the imposition of any such penalties or fines.

Section 11. Representations and Warranties of the Consultant

(a) The Consultant hereby represents and warrants that:

- (1) The Consultant is a juridical person in good standing, duly organized, created, and validly and legally existing under the applicable laws of Puerto Rico, or of the jurisdiction in which it was created and organized; it is duly registered and authorized to do business in Puerto Rico or, if the Consultant is a natural person, that he is a person in good standing, of legal age, legally operating, and authorized to do business in Puerto Rico;
- (2) The Consultant has full power, authority and capacity to carry on its business, profession or craft, to enter into and execute this Agreement, and to perform the Services contemplated by this Agreement;
- (3) The Consultant represents and warrants that it has no juridical, judicial, legal, professional or ethical impediments to performing the Services;
- (4) The execution, delivery and performance of this Agreement has been duly authorized by all necessary and requisite corporate actions, and that such execution, delivery and performance shall not conflict with, nor constitute a default under, any agreement or instrument to which the Consultant is a party, or pursuant to which the Consultant may be bound or affected;
- (5) This Agreement constitutes a legal, valid and binding obligation of the Consultant, fully enforceable against the Consultant in accordance with its terms;
- (6) The Consultant has full power and authority to enter into this Agreement under applicable Federal and Puerto Rico laws, rules and regulations and has, to the best of its knowledge and belief, complied with such laws, rules and regulations as may be required to render the Services;

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(7) The Consultant, and each of its employees, agents and subcontractors or subconsultants, have all licenses, permits, authorizations, consents and approvals (collectively, the "Licenses") necessary to the performance of the Services, and that such Licenses are in full force and effect as of the date of execution of this Agreement, and that no defaults exist thereunder.

(8) The Consultant has the requisite professional education, know-how, training, knowledge, expertise and experience to perform the Services, and hereby warrants that it is experienced with respect to the best available technology applicable to the Services;

(9) The Consultant shall comply with the Puerto Rico Workers' Compensation Law, and shall provide AFI with a certificate of compliance and payment of the required Workers' Compensation Insurance premium with the State Insurance Fund Corporation, together with any other applicable insurance premiums, as of the commencement of the Services.

(10) The Consultant has freely and voluntarily entered into this Agreement, and it has not been coerced, forced or unduly influenced or induced to enter into this Agreement. The Consultant further warrants that the negotiations preceding execution of this Agreement were arms length negotiations and the Consultant expressly recognizes that this is not a contract of adhesion.

Section 12. Representations and Warranties of AFI

(a) AFI represents and warrants that:

(1) AFI is a public corporation and instrumentality of the Government of Puerto Rico; AFI has the requisite power, authority and capacity to own property, to carry out its business and to execute, deliver, enter into and perform the transactions contemplated by this Agreement;

(2) The execution, delivery and performance of this Agreement have been duly authorized by all necessary and requisite corporate actions, and does not conflict with applicable laws, rules and regulations, nor constitute a default under any resolution, agreement, or other instrument to which AFI is a party, or by which AFI may be bound or affected;

(3) This Agreement constitutes a legal, valid and binding obligation of AFI, enforceable against AFI in accordance with its terms; and

(4) All requisite consents, approvals, permits, clearances, endorsements, authorizations and orders of qualifications of any governmental or regulatory agencies or authorities which are the responsibility of AFI under this Agreement and which are necessary to commence the Services have been obtained.

Section 13. Permits and Licenses

(a) AFI's Obligation. N/A

(b) Permit Requirement. The Consultant shall be responsible for obtaining all required permits, approvals, endorsements and other governmental authorizations required to perform the Services, other than the AFI Permits, identified in Exhibit C, unless such

prerequisite is waived by AFI. AFI shall notify the Consultant, in writing, of the terms and conditions upon which any such waiver shall be granted.

Section 14. Licenses, Copyrights, Trade Marks and Patents

The Consultant is prohibited from the unauthorized use of, or infringement upon, any patent, copyright, trade mark, trade secret or proprietary information, however, constituted, in the performance of the Services and shall defend and indemnify AFI and each Indemnitee (as hereinafter defined in Section 24), from and against any claim arising out of or in connection with such unauthorized use or infringement.

Section 15. Reimbursable Expenses

N/A

Section 16. Duplication of Fees and Expenses

The Consultant shall not charge AFI more than once for any service, labor, effort, endeavor, item, expense, expenditure or cost in connection with the performance of the Services.

Section 17. Payment for Services

(a) Payments: AFI shall compensate the Consultant for the Services on an hourly rate of **FIFTEEN DOLLARS (\$15.00)** for 160 hours per month. The total amount of this contract shall not exceed **TWENTY EIGHT THOUSAND EIGHT HUNDRED DOLLARS (\$28,800.00)**.

(b) Each invoice for Services shall include a description of all professional services rendered

Section 18. Payment of Invoices

(a) Consultant's invoices for Services shall be delivered to the Executive Director of AFI, or the Executive Director's designee.

(b) The Executive Director, or the Executive Director's designee, shall review each invoice and issue a report containing recommendations of amounts for payment, together with exceptions and adjustments, if any, as is considered reasonably necessary or appropriate, within fifteen (15) working days of receipt of a complete invoice from the Consultant.

(c) Upon receipt of the report pursuant to paragraph (b) of Section 21, AFI shall verify the invoices and remit payment to the Consultant within thirty (30) working days of said approval, subject to such exceptions and adjustments as AFI may approve.

(d) Each invoice must include a written certification indicating that no officer or employee of AFI, its subsidiaries or affiliates, will derive or obtain any benefit or profit of any kind from this Agreement, with the acknowledgement that invoices which do not include this certification will not be paid. This certification must contain, verbatim, the language indicated in Attachment A and Attachment B.

Section 19. Confidentiality

All Services performed by the Consultant, whether or not reduced to writing or any other form or media, shall be privileged and confidential, and may not be divulged or disclosed to any third party, unless the Consultant has received AFI's prior express written authorization for any such disclosure.

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Section 20. Proprietary Rights

To the extent permitted by applicable law, all Services performed, whether or not reduced to writing or any other form of media, shall be the exclusive and sole property of AFI, and shall not be made available to any third party without the prior express written approval and consent of AFI.

Section 21. Reports

(a) The Consultant shall submit periodic status reports as directed by AFI to the Executive Director or the Executive Director's designee, commencing on the Effective Date.

(b) The information to be provided in the periodic reports required hereunder shall include all relevant and pertinent information related to the Services; including, but not limited to, the progress of all Services, the Consultant's findings and recommendations pertaining thereto, and any other information, data or reports provided in accordance with generally recognized good industry practices and procedures, or as requested by AFI.

(c) The Consultant shall submit to AFI all other reports related to the performance of the Services requested by the Executive Director, or the Executive Director's designee, in accordance with the requirements of paragraph 21 (b).

Section 22. Records

(a) The Consultant shall maintain copies of all supporting documents for Services rendered under the terms of this Agreement; including, but not limited to, time sheets, Reimbursable Expenses, receipts and any and all similar supporting documentation, for at least six (6) years after termination of this Agreement.

(b) The aforementioned documents shall be available, upon the reasonable request of AFI, for inspection and audit by representatives of AFI or any operational or fiscal auditor appointed by AFI or any other official entity of the Government of Puerto Rico. AFI may request, in writing, that any information necessary for the conduct of any audits related to the Services be delivered to AFI or its designated auditor. Consultant shall deliver all such requested information within thirty (30) days of the date of such request.

Section 23. Indemnity

(a) The Consultant, at its expense, shall defend and shall indemnify and hold harmless AFI, AFI's Representative, AFI's consultants, and its or their trustees, directors, members, officers and employees (each an "Indemnitee"), from and against all claims, causes of action, suits losses, damages, liabilities and expenses, including attorney's fees, to the extent the same arise out of or result from the performance of the Services by the Consultant, its subconsultants or sub-subconsultants. Such obligation shall not be construed to negate or abridge any other obligation of indemnification running to any Indemnitee which would otherwise exist. AFI shall give the Consultant timely notice of any claim threatened or made, or suit instituted against AFI or any other Indemnitee of which AFI has notice, which could result in a claim for indemnification hereunder; provided, however, that lack of or delay in such notice shall not be a waiver of the Consultant's indemnification of AFI or any such Indemnitee. The extent of the foregoing indemnification and hold harmless agreement shall not be limited by any provision of insurance required pursuant to this Agreement and shall survive the termination of this Agreement.

(b) The Consultant hereby specifically releases, indemnifies, defends, saves and holds harmless, AFI, and its directors, officers, employees, agents and representatives from any and all liabilities, obligations, lawsuits, judgments, claims, demands, causes of action, fines, penalties, damages, including legal and consultant's fees and expenses, losses, costs and expenses of any kind arising from any violation by the Consultant, its subconsultants or sub-subconsultants of any applicable laws or other governmental requirements that are related to the protection of the public and the employees' health and safety and the environment.

Section 24. Insurances

1.1 The Consultant hired by AFI will provide Insurances such as Commercial General Liability, Automobile Liability, Employer's Liability as described in Attachment B and Attachment B-I.

1.2 Furnishing of Policies

1.1.1. All required policies of insurance shall be in a form acceptable to AFI, and shall be issued only by insurance companies authorized to do business in Puerto Rico and duly licensed as applicable under the Insurance Code of Puerto Rico.

1.1.2. The Consultant shall provide evidence of Insurances that endorsed all students and professors working in the Project.

The Consultant shall furnish a complete copy of each policy required under this agreement, or a Certificate of Insurance signed by an authorized representative of the insurer in Puerto Rico, describing the coverages afforded. This certification shall be in an "Accord" form, in general use by the insurers.

Section 25. Termination

(a) This Agreement may be terminated by AFI, at its convenience and without cause, upon thirty (30) days prior written notice to the Consultant, in which event, AFI shall be obligated solely for amounts due and payable to the Consultant as of the effective date of such termination.

(b) In the event that, in AFI's sole judgment, the Consultant fails to comply with any provision of this Agreement, or if, in AFI's sole judgment, the progress or quality of the Services provided by the Consultant hereunder are unsatisfactory to AFI for any reason, AFI may terminate this Agreement effective upon ten (10) days written notification thereof to the Consultant.

(c) The Consultant, upon receipt of notice of termination pursuant to paragraph (b) of this Section 26, shall have five (5) calendar days to cure the events giving rise to such notice. If AFI does not agree in writing upon the earlier of (i) six (6) days after receipt by Consultant of the notice of termination, or (ii) twenty-four (24) hours after receipt by AFI of Consultant's response to the termination notice that the event(s) giving rise to the notice of termination have been cured, then this Agreement shall be deemed terminated pursuant to this paragraph.

(d) Upon termination of this Agreement pursuant to Sections 27(a), (b) or (c), the Consultant shall cease its performance of the Services and shall deliver to AFI, within ten (10) days of the effective date of such termination, all documents, drawings, reports and other materials prepared

by the Consultant pertaining to the Services, and AFI shall pay the Consultant all undisputed amounts owed to the Consultant as of the effective date of such termination.

(e) Within ten (10) days of the termination of this Agreement by AFI pursuant to this Section 27, the Consultant shall prepare and deliver to AFI a written partial completion report describing in detail the Services provided by the Consultant as of the date of termination, the result of said provided Services, the Services yet to be performed under the then-current work plan and any other information that AFI may require in order to complete the Services contemplated hereby.

(f) The Consultant shall have no claim for recovery of any loss of anticipated profits or any additional compensation in connection with termination of this Agreement.

(g) The Consultant may terminate this Agreement upon written notification to AFI in the event that AFI fails to make payments to the Consultant as required by this Agreement.

Section 26. Conflict of Interest

(a) The Consultant hereby acknowledges and warrants that in fulfillment of its obligations under this Agreement it owes complete loyalty to AFI which includes among others, not having adverse interests related to AFI. These adverse interests shall include but shall not be limited to litigation and/or claims against AFI, or offering services or be involved with any person or entity which might have adverse interest to AFI. This obligation also includes the duty of continuous disclosure to AFI of all circumstances related to the Consultant's relationship with clients and third parties and of any interest which might influence AFI when executing this Agreement or during the term of the same.

(b) The Consultant hereby warrants that none of its officers, employees, directors, associates, advisors or consultants nor any member of their family units has any conflict of interest related to the provisions and obligations arising from this Agreement.

(c) The Consultant acknowledges and agrees to the termination of this Agreement by AFI, as soon as a conflict of interest arises with AFI, or AFI becomes aware of it.

(d) The Consultant shall have the burden of proof that a conflict of interest does not exist with AFI.

Section 27. Force Majeure

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(a) If a force majeure event (as hereinafter defined) occurs which causes a delay, or is reasonably expected to cause a delay, in the performance of the Services, the Consultant shall, immediately upon the occurrence of such event, verbally notify AFI and shall, within forty-eight (48) hours thereafter, provide AFI with written notice of the event giving rise to such delay and the reasonably anticipated duration of such delay, the measures taken and to be taken by the Consultant to minimize the adverse impact of any such event, and the schedule pursuant to which the Consultant will implement corrective measures.

(b) A "force majeure event" shall include, but not be limited to, an act of God, earthquake, landslide, tidal wave, tornado, hurricane, flood, epidemic, act of the public enemy, sabotage, terrorism, war, blockade, insurrection, general unrest or civil disturbance, public riot, fire, explosion, or any other cause, whether specifically defined herein or otherwise, which is not within the reasonable control of a party to this Agreement.

(c) Force majeure events shall exclude any and all strikes, lock-outs, work slow-downs or other labor disputes, activities or demonstrations by the Consultant's personnel.

(d) The Consultant shall have the burden of proof that any force majeure event causing, or expected to cause, a delay in the Services to be provided hereunder is beyond the control of the Consultant.

A force majeure event which adversely impacts the timely performance by either party of its obligations shall excuse any such failure of performance, but only to the extent of the duration of any such event, or for the period necessary to rectify the adverse effect of the occurrence of any such force majeure event.

Section 28. Dispute Resolution

If any dispute or controversy arises between the Consultant and AFI with respect to the legal obligations and responsibilities of the parties hereunder, such disputes shall be resolved by submission by each party of a written description of the nature of such dispute and the provisions of this Agreement pertaining thereto to AFI's Executive Director, or his designated representative, for an administrative determination by the Executive Director with respect to such dispute. Any such determination by the Executive Director shall be in writing, and shall be provided within thirty (30) days of the date of receipt of the written submissions of the parties in accordance with this Agreement. In the event that Consultant disagrees with any such administrative determination, then the Consultant may pursue any available legal remedies arising out of such dispute in the General Court of Justice of Puerto Rico, Court of First Instance, San Juan Part.

Section 29. Change in Law

(a) For purposes of this Agreement, "Change in Law" shall mean the enactment, adoption, promulgation, modification or repeal by any legislative, regulatory, executive or administrative body of the Government of Puerto Rico or of the United States of America of any law, ordinance, code, rule or regulation, or any change or amendment to any law, ordinance, code, rule or regulation in force as of the date of this Agreement, or any change in the interpretation thereof which is not subject to administrative or judicial review, or, if subject to administrative or judicial review, the validity or interpretation of which has been sustained by final judgment, which adversely affects the performance of either party's obligations hereunder, including, but not limited to, design services, construction, procurement, capital expenditures, remediation, or corrective action.

(b) Upon the occurrence or threat of occurrence of a Change in Law, AFI and the Consultant shall cooperate to remove or reduce the adverse impact thereof by taking such judicial or other action which may be convenient, necessary or proper for such purpose. If, notwithstanding such cooperation, such Change in Law and the adverse effect thereof continues in full force and effect, then the parties shall negotiate diligently, reasonably and in good faith, as to the necessary amendment to the terms and conditions of this Agreement in order to mitigate such adverse effect. If the parties cannot agree to any such amendment, then either party may, by written notice to the other party, terminate this Agreement, effective thirty (30) days following the date of such notice of termination.

Section 30. Subconsultants

Any necessary subconsultant shall be submitted in writing to AFI for authorization.

Section 31. Miscellaneous Provisions

(a) Entire Agreement. This Agreement constitutes the entire understanding among the parties hereto with respect to the subject matter hereof and supersedes all prior and contemporaneous agreements, proposals, understandings, inducements, and conditions, express or implied, oral or written.

(b) Severability. If any part of this Agreement is found to be invalid or unenforceable by a court of competent jurisdiction, such finding shall not invalidate the remaining portions hereof, and such remaining provisions shall remain in full force and effect; provided, however, that the parties may renegotiate, reasonably and in good faith, the term(s) and provision(s) found to be invalid, as well as any other term(s) and provision(s) as are deemed reasonably necessary.

(c) Headings. The descriptive headings of the Sections of this Agreement are for convenience of reference only and do not constitute a part of this Agreement.

(d) Governing Law. This Agreement and the legal relations of the parties with respect to its validity, performance, interpretation and enforcement, shall be governed in all respects by, and shall be construed in accordance with, the laws of Puerto Rico (without regard to provisions thereof pertaining to conflicts of law). Performance of the Services by the Consultant shall be in compliance with all applicable laws pertaining thereto and the Consultant shall ensure that any subconsultant utilized in the performance of the Services shall comply with such applicable laws.

(e) Choice of Forum. All legal actions arising out of disputes under this Agreement shall be subject to the exclusive jurisdiction of the General Court of Justice of Puerto Rico, Court of First Instance, San Juan Part.

(f) Liability of Board Members, Officers and Employees. To the maximum extent permitted by applicable law, no board member of AFI or any officer or employee of AFI shall be charged personally, or held contractually liable, under any term or provision of this Agreement due to any such entity's or person's execution of this Agreement, or arising out of any breach or alleged breach of this Agreement.

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(g) Notices. All notices, requests, demands and other communications required or permitted under this Agreement shall be in writing, unless otherwise provided herein, and shall be deemed to have been received upon receipt if delivered personally or by private courier service, or three days after mailing, if sent by registered or certified United States mail, postage prepaid, return receipt requested, whether accepted or rejected, to the applicable address set forth below.

If to AFI, to:
Puerto Rico Infrastructure Financing Authority
Capital Center II
235 Arterial Hostos Ave., Suite 1601
San Juan, Puerto Rico 00918-1454
Attn: Executive Director

If to the Consultant, to:
University of Puerto Rico
Mayagüez Campus
P.O. Box 9000

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Mayagüez, PR 00681-9000
Attn: Chancellor

Any party may change the address to which notices, communications, or copies are to be sent by giving written notice of such change of address in conformity with the provisions of this Section for the giving of notice.

(h) Binding Nature of Agreement; No Assignment. This Agreement shall be binding upon, and inure to the benefit of, the parties hereto and their successors and assigns; provided, however, that no party may assign or transfer its rights or obligations under this Agreement without the prior express written consent of the other party.

(i) Nature of Relationship. This Agreement shall not be construed to create a contractual relationship of any kind (i) between AFI's designated representative and the Consultant, (ii) between AFI and any subconsultant, or (iii) between any persons or entities other than AFI and the Consultant. The Consultant shall act solely as an independent contractor in performing the Services under this Agreement, and nothing herein shall be construed to create an agency, partnership, or joint venture relationship between the Consultant and AFI, or between the members of the Consultant and AFI. All personnel of the Consultant, subconsultants involved in the performance of the Services shall be subject to the direction, supervision and control of the Consultant and not of AFI or AFI's designated representative.

(j) Waiver. The waiver of, or failure to enforce, any breach or failure of performance of the provisions of this Agreement by either party shall not constitute, or be construed as, a waiver of any subsequent breach or failure of performance of any provision of this Agreement.

(k) Public Communication. If a member of the "media" or press or any citizen or group makes an inquiry, related to the Services or any other matter related to this Agreement, the Consultant shall refer said inquiry to AFI. All said matters, data and/or information pertaining to the Services that shall be provided by the Consultant pursuant to this Agreement, is privileged and/or confidential for any and all purposes. It shall be AFI's sole responsibility to keep the "media" and press informed as to the nature of any Services that is being performed by the Consultant pursuant to the terms and obligations under this Agreement.

(l) Nondiscrimination. The Consultant shall ensure that all of its actions related to the performance of the Services are free from unlawful discrimination based on race, color, national origin, age, sex, disability, religion, or political affiliation and any other similar activities prohibited under applicable Federal or Puerto Rico law.

(m) Mutual Cooperation. AFI and the Consultant shall cooperate with each other, reasonably and in good faith, for the purpose of facilitating the performance of their respective obligations and undertakings hereunder and to preserve, protect, and avoid any impairment of their respective rights hereunder. In furtherance thereof, and without limiting the generality of the foregoing, but subject to applicable laws, rules and regulations, AFI and the Consultant, in the reasonable exercise of their respective rights, powers and duties hereunder, shall use their best efforts to avoid and/or minimize any interference with or interruption of the Services, or of any oversight investigation, audit, or any other activity relative thereto; provided, however, that when such interference or interruption is reasonably necessary or unavoidable, the parties shall take all reasonable measures to minimize such interference or interruption.

(n) Prevailing Text Between this Agreement and Exhibits. If there should be a difference between the text of this Agreement and the Exhibits attached hereto, then the text of this Agreement shall always prevail.

(o) Interpretation. Unless this Agreement clearly requires otherwise, words of masculine gender shall be construed to include the correlative words of feminine and neuter genders and vice versa, and words of singular number shall be construed to include correlative words of plural number and vice versa. Words importing persons include forms, associations and corporations and vice versa. The words "herein", "hereof" and "hereunder" and words of similar import refer to this Agreement as a whole. This Agreement and all the provisions hereof shall be liberally construed to effectuate the purposes set forth herein and to sustain the validity hereof.

Section 32. The Consultant agrees to notify AFI within five (5) working days after having reached three fourths (3/4) of the total amount of fees and expenses included in the contract for services rendered. The written notification shall include a detailed report of projected services for the duration of the Contract that entail a possible increase to the limit established and a request addressed to AFI's Executive Director to increase said amount. Consultant hereby agrees to comply with these responsibilities with respect to the notification requirements and the report to be submitted. Furthermore, Consultant understands and accepts that it may exceed the amount established in the Contract only with prior written approval from AFI's Executive Director. If Consultant does not comply with these requirements, it waives its rights to payment for these services rendered, even after they have been provided.

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Section 33. The Consultant certifies and guarantees that at the execution of this Contract, the Consultant, its partners, associates, officers, employees and agents have not been convicted, or that it has no knowledge of being the subject of any investigation in either a civil or a criminal procedure in a state or federal court for criminal charges related to the public treasury, the public trust, a public function, or a fault that involves public funds or property. It is expressly acknowledged that this certification is an essential condition of this Contract. If the certification is not correct in its entirety or in any of its parts, it shall constitute sufficient cause for AFI to terminate this Contract immediately, without prior notice, and the Consultant will have to reimburse AFI any amount of money received under this Contract. If the status of the Consultant with regards to the charges previously mentioned changes at any time during the term of the Contract, it shall notify AFI immediately. Failure to comply with this responsibility constitutes a violation of this clause, and shall result in the remedies mentioned in the previous paragraph.

Section 34. Law Number 84

The contractor shall duly comply with the dispositions of Law Number 84 of June 18, 2002, in which establishes the Code of Ethics for Contractors, Suppliers and Solicitor of Economic Incentives of the Executive Agencies of the Commonwealth of Puerto Rico.

Section 35. None of the services rendered under this Contract can be claimed until the same is presented to the Office of the Comptroller of Puerto Rico for registration, as required with Law Number 18 of the 30th of October of 1975, as amended.

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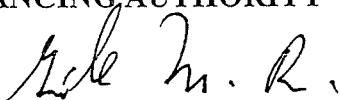
Section 37. The professional services rendered under this agreement are budgeted and will be paid from the proceeds of the 2006 AFI Bond Issue No. 250-0038-0.

Section 38. Delivery Delays

If the Consultant did not finish the proposed scope of work in the time stated in this Contract or its amendments for causes not adjudicable to AFI it shall constitute a non-compliance of this Contract by the Consultant, and it will be subject to a penalty equivalent to 0.2 percent of the total professional fees for each and everyone calendar day of delay.

IN WITNESS WHEREOF, the parties hereto execute this Agreement as of the date and at the place first above written.

**PUERTO RICO INFRASTRUCTURE
FINANCING AUTHORITY**



Dr. Guillermo M. Riera
Executive Director

**UNIVERSITY OF PUERTO RICO,
MAYAGÜEZ CAMPUS**



Jorge Iván Vélez-Arocho
Chancellor