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AUTORIDAD de los PUERTOS de PUERTO RICO

RULES AND REGULATIONS

Puerto Rico Ports Authority Facilities Lease and Use Policy

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LAND AND AIRPORT FACILITIES LEASE POLICY

RULE 1. TITLE

A. The rules and regulations established herein shall be known as the "Puerto Rico Ports Authority Facilities Lease and Use Policy".

RULE 2. LEGAL BASIS

A. The legal basis of these regulations is (i) Public Law No. 125 of May 7, 1942, as amended, known as the Puerto Rico Ports Authority ("PRPA") Act, (ii) the provisions contained in Public Law No. 170 of August 12, 1988, known as the Commonwealth Of Puerto Rico Uniform Procedure Administrative Act; (iii)Regulations 4034, known as the Regulations to Regulate de Adjudication Procedures of the Puerto Rico Ports Authority of October 13, 1989; and (iv)Regulations 5281 of August 3, 1995,known as the Regulations for Filing and Publishing of Regulations at the Department of State and amended by Regulations 6337 of August 8, 2001.

B. The PRPA is responsible for safeguarding, to regulate and to comply with all guidelines and regulations imposed for the proficient operation of its facilities, including the Federal Aviation Administration (FAA), Federal Maritime Commission (FMC), Food and Drug Administration (FDA), Transportation Security Administration (TSA), US Department of Agriculture (USDA), US Customs & Borders Protection (USCBP), and the US Coast Guard (USCG).

RULE 3. INTRODUCTION

A. These regulations establish the parameters for the rights to use and/or lease of all real property belonging to the Puerto Rico Ports Authority including structures, facilities, estate land (above and under water), maritime piers, and airport facilities as well as the privilege of offering goods and services to maritime and airport users. The PRPA will safeguard and preserve compliance with federal obligations in all agreements and permits.

B. These Regulations outline the process to be used by the Puerto Rico Ports Authority to establish and adjust the rents, fees and other charges associated with the lease, occupation and/or use of the property, structures, facilities, infrastructure, legal estate and land within airports, maritime terminal and piers as well as adjoining territories owned by the PRPA.

C. The PRPA owns the below listed airport facilities and/or airports:

1. Luis Muñoz Marín International Airport in Isla Verde[1](SJU)
2. Rafael Hernández International Airport in Aguadilla (BQN)
3. Antonio (Nery) Juarbe Airport in Arecibo (ABO)
4. José Aponte de la Torre Airport, in Ceiba (RVR)
5. Benjamín Rivera Noriega Airport in Culebra (CPX)
6. Humacao Airport
7. Fernando L. Ribas Dominicci Airport in Isla Grande (SIG)
8. Eugenio María de Hostos Airport in Mayagüez (MAZ)
9. Fajardo Airport
10. Mercedita Airport in Ponce (PSE)
11. Antonio Rivera Rodríguez Airport in Vieques (VQS)
12. Patillas Airport
13. Santa Isabel Airport

The Airports listed in subsection "A" of Rule Number 2, include all real estate, structures, facilities, infrastructure, and grounds, identified in the "Airport Layout Plan" of each Airport.

D. The PRPA owns the below listed of maritime facilities, terminals, piers and/or docks:
   1. Piers 1, 3, 4, 9, 10, 11, 12, 13 and 14 in San Juan
   2. Navy Front Pier
   3. Panamerican Dock I and II in Isla Grande
   4. Arecibo Pier
   5. Guanica Pier
   6. Guayama Pier
   7. Guayanilla Pier
   8. Yabucoa Pier
   9. Piers 15 and 16 in Miramar
   10. Piers in Puerto Nuevo

E. The PRPA currently owns other facilities, structures, infrastructure and properties that may be available for lease and may acquire additional facilities and properties in the future that could also be made available for lease.

[1] The Luis Muñoz Marín International Airport (LMM) is participating in the FAA's Airport Privatization Pilot Program. The airport is owned by the PRPA but is being operated by a private entity through a Public-Private Partnership. Therefore, these rules and regulations only apply to the land and facilities that remain under the control of the PRPA.

RULE 4. PURPOSE AND APPLICATION

A. The PRPA may impose rules, regulations, fees and charges to ensure that its finances are as self-sustaining as possible. This Regulation is intended to establish standards, rights and privileges for the use and lease of the facilities described in Rule 2, clearly stating: lease rates of terminal, airfield, dockage, parking, land facilities, security deposits, and proposal submission and complying with the requirement of public accountability in cases where they are applicable.

B. As a general rule, rents, fees and charges, cannot be discriminatory. This regulation applies to all carriers, aircraft, passenger and cargo sea vessel owners, tenants, concessions, independent operators and any authorized user. Fuel suppliers, distributors and dispatchers will also refer to the PRPA's specific norms and procedures regarding fuel charge, distribution and storage.

C. No person or person or entity may occupy land, facilities or perform physical alterations there to unless the person or person or entity has an authorization or contract with the PRPA or such person or entity has a sublease agreement or contract approved by the PRPA with other person or entity authorized by the PRPA.

D. No person or person or entity may carry out commercial activities on PRPA premises unless the person or person or entity has a use agreement or contract with the PRPA to authorize it.

E. The PRPA reserves the right to designate specific areas of airport or maritime facilities, or any other facility, where commercial and noncommercial activities may or may not take place.

F. The right to use the airports, their land, infrastructure, structures, rights of way and/or improvements, besides those exclusively leased to an person or entity, is not exclusive.

RULE 5. DEFINITIONS

Air Carrier - According to 14 CFR 1.111, a person who undertakes directly by lease, or other arrangement, to engage in air transportation.

Aircraft - A device that is used or intended to be used for flight in the air such as, but not limited to, an airplane or helicopter.

Airline - Person or entity that is engaged in the transport of passengers, cargo, or animals using an airplane or fleet of airplanes.

Airport or Airport Facility - An area of land or water that is used or intended to be used, for aircraft takeoff and landing. It includes any areas used, or intended to be used, for airport buildings, commercial spaces, or other airport facilities, together with all airport adjoining buildings and facilities located thereon, which can be leased under the statutes of the Federal Aviation Administration (FAA), the PRPA and the Commonwealth of Puerto Rico.

Airport Layout Plan- also identified by its acronym "ALP" is an FAA-approved plan for a specific airport that depicts location of existing and proposed airport facilities and structures, boundaries and proposed additions to all areas owned or controlled by the PRPA for airport purposes as well as the location of existing and proposed non-aviation areas and improvements.

Airport Sponsor - a public agency with control of a public-use airport, in this case, the Puerto Rico Ports Authority.

Airport Sponsor Assurances[2] **-** shall be complied with in the performance of grant agreements for airport development, airport planning, and noise compatibility program grants for airport sponsors.

Air Operations Area- AOA/SIDA-also identified by its acronym "AOA" a portion of an airport, specified in the airport security program, in which security measures specified in Title 49 of the Code of Federal Regulations are carried out. This area includes aircraft movement areas, aircraft parking areas, loading ramps, and safety areas, for use by aircraft regulated under 49 CFR parts 1542, 1544, and 1546, and any adjacent areas (such as general aviation areas) that are not separated by adequate security systems, measures, or procedures. This area does not include the secured area. **SIDA** (*Security Identification Display Area)* means a portion of an airport, specified in the airport security program, in which security measures specified in Title 49 of the Code of Federal Regulations are carried out. This area includes the secured area and may include other areas of the airport.

Applicant – person interested in the lease of land and/or airport facility. For purpose of this Regulation, may also be named Proponent or Client.

Authorized User - person or entity authorized to operate, manage and administer their services or products using port assets of the PRPA without use agreement. This applies exclusively to special event participants, specialized services without contract and unscheduled aircraft operations.

Base Rent – an amount that is used as a minimum rent, providing for rent increases over the term of the lease agreement.

Bureau of Aviation – division within the PRPA that directly ensures regulatory compliance and operates the airports.

Bureau of Maritime Affairs - division within the PRPA that directly ensures regulatory compliance and operates the maritime terminals, seaports and piers property of the PRPA.

Commercial Activity – Any transfer of goods, operation, and/or service performed for financial benefit and gain, either direct or indirect which is conducted on or based at any PRPA facility, excepting those activities specifically designated herein as noncommercial activities.

Commercial Business or Concession- contract leasing or use whereby the PRPA gives companies or individuals right to provide commercial activity, sell, provide, manage, and administer their services or products using agreed assets of the PRPA and is willing and able to assume the PRPA's obligations rates, fees, rentals, rules, regulations and conditions.

Concession fee – amount paid to the PRPA by concessions determined by a percentage of the gross sales income after the applicable sales tax is deducted. The applicable sales tax includes but, is not limited to "IVU".

Director- means the Executive Director of the Ports Authority as established by Article 6 of the Ports Authority Act.

Federal Aviation Administration- also identified by its acronym "FAA" was established by the Federal Aviation Act of 1958 (49 U.S.C.A. § 106). Is responsible for regulating air commerce to promote its development and safety and to meet national defense requirements; controlling the use of navigable airspace in the United States and regulating both civil and military operations in that airspace in the interest of safety and efficiency; promoting and developing civil Aeronautics, which is the science of dealing with the operation of civil, or nonmilitary, aircraft; consolidating research and development with respect to air navigation facilities; installing and operating air navigation facilities; developing and operating a common system of air traffic control and navigation for civil and military aircraft and developing and implementing programs and regulations to control aircraft noise, sonic booms, and other environmental effects of civil aviation.

Federal Maritime Commission- also identified by its acronym "FMC" is the independent federal agency responsible for regulating the U.S. international ocean transportation system for the benefit of U.S. exporters, importers, and the U.S. consumer.

Fixed-Base Operator - also identified by its acronym "FBO" is a commercial business granted the right by the airport owner and/or administrator to operate on an airport and provide

aeronautical services such as fueling, ground handling, passenger services, hangaring, tie-down and parking, aircraft rental, aircraft maintenance, flight instruction, etc.

Food and Drug Administration- also identified by its acronym "FDA" is a federal agency of the United States Department of Health and Human Services, one of the United States federal executive departments. The FDA is responsible for protecting and promoting public health through the control and supervision of food safety, tobacco products, dietary supplements, prescription and over-the-counter pharmaceutical drugs (medications), vaccines, biopharmaceuticals, blood transfusions, medical devices, electromagnetic radiation emitting devices (ERED), cosmetics, animal foods & feed and veterinary products.

Force Majeure – means an event, act of nature or effect that cannot be reasonably anticipated or controlled or are not the fault of any party and that make it difficult or impossible to carry out normal business.

Lease agreement – a contract by which one party conveys land and/or property to another for a specified time, usually in return for a periodic payment. Lease agreements will also be administered by the applicable Maritime and Airport Tariff Regulations.

Lessee – business or person or entity who receives the right from the PRPA to lease airport or adjoining land property and is willing and able to assume the airport's obligations rates, fees, rentals, rules, regulations and conditions.

Nominal investment – applies to all portable or temporary type construction or improvements that require three (3) years or less to amortize in accordance with accepted IRS standards.

Noncommercial Activity – Any activity which does not involve the providing of goods or services for compensation. This includes the lawful use and maintenance of an aircraft by its registered owner(s).

Ocean Common Carrier Agent – a person or business authorized to act on an ocean common carrier's behalf

Ocean Common Carrier – a vessel-operating common carrier.

Passenger Ship Operator or Cruise Line - transport passengers from one point to another, rather than on round trips

Person- means any natural or artificial person of public or private nature which is not an agency.

Proposal – document that contains an offer from a current or potential lessee or user with all the necessary information necessary to evaluate the proposition.

Proposal Deposit – money that the PRPA requires a Proponent to pay, to be kept separately in a fund, that guarantees the terms and conditions of the proposal.

Puerto Rico Ports Authority – Public corporation as created by Act No. 125 of April 7, 1942, (23 L.P.R.A. 331-352), as amended; also identified as the "Authority" or by its acronym "PRPA".

Rate – a charge based upon a market value study and/or appraisal from which the PRPA will establish the fee for the use and lease agreement.

Recuperation or Residual Value – the estimated fair value of the leased asset at the end of the lease term.

Rent – rental amount stipulated in the lease agreement and PRPA Tariff Resolutions.

Transportation Security Administration- also identified by its acronym "TSA"

Security Deposit – money aside from the payment of rent that a lesser requires a lessee to pay to be kept separately in a fund for use should the lessee cause damage to the premises or otherwise violate terms of the lease.

Specialized Aviation Service Operations- also identified by its acronym "SASO", is a single-service providers or special FBO's performing less than full services. These types of companies differ from a full service FBO in that they typically offer only a specialized aeronautical service such as aircraft sales, flight training, aircraft maintenance, or avionics services for example.

United States Coast Guard - also identified by its acronym "USCG" means the branch of the Armed Forces of the United States in accordance with Title 14, Part II, and Section 701 of U.S.C.A.

US Customs & Borders Protection- also identified by its acronym "USCBP, is a federal law enforcement agency of the United States Department of Homeland Security. It is charged with regulating and facilitating international trade, collecting import duties, and enforcing U.S. regulations, including trade, customs, and immigration.

US Department of Agriculture- also identified by its acronym "USDA", is the U.S. federal executive department responsible for developing and executing federal laws related to farming, agriculture, forestry, and food.

RULE 6. GENERAL PROVISIONS, PRIVILEGES AND RIGHTS

A. Anyone interested in using or leasing any property as well as its adjoining land pertaining to the PRPA must submit a written communication to the PRPA as per Rule 9 and 10.

B. In addition to submitting a proposal, the Applicant or Client, must submit any relevant information as required by the PRPA to evaluate the proposal.

C. The terms and conditions of any contract will be negotiated by the PRPA in accordance with the provisions of these regulations.

D. The PRPA may reject any proposal that does not provide the PRPA with all the necessary information for a thorough evaluation of the costs and benefits of leasing of facilities and/or land. In addition, a proposal may be rejected based on reasonable criteria and/or regulation established by the PRPA.

E. At the discretion of the PRPA, rather than reject a proposal, the PRPA may request additional information from the Applicant or Client, and if this is provided, the proposal will continue to be analyzed.

F. If the PRPA and the applicant or client cannot reach agreement by negotiation, the PRPA is not required to rent the land facilities and/or improvements to the Applicant or Client.

G. The PRPA may, as its sole discretion, request proposals ("Request for proposals" - RFP) for competitive proposals from organizations interested in obtaining a lease on land or airport facilities in accordance with the regulations of the PRPA as per its Regulations #7496, Regulations for Bids and Proposal Requests, or any other that apply.

H. Any person or entity seeking to obtain a lease must demonstrate the immediate need to lease the entire lot or the entire facility or improvement that is being proposed and that will be used immediately.

I. The lessee leased areas shall be developed according to the periods, specifications, objectives and other conditions outlined in the lease (if agreed to make improvements to facilities).

J. The construction of the improvements, authorized by the PRPA, should begin within the first six (6) months of the contract and an occupancy permit must be obtained within the first twelve (12) months following the date on which the contract takes effect, unless the contract specifies otherwise. Before any construction work begins, the lessee shall request and coordinate approval from the USCG or an amendment to the Airport Layout Plan (ALP), if required, and submit scope of improvements, cost estimate, drawings or schematics, depending on the nature of the construction, construction permits, environmental assessment and an analysis of the effects in the operation tothe Division of Engineering and Planning of the PRPA. After the initial submittal and as deemed required by PRPA Division of Engineering and Planning additional information can be requested,

which may include pertinent federal agency request for endorsement and approval. It will be the responsibility of the lessee to obtain all the required permits for the improvements upon receiving PRPA Engineering and Planning approval and endorsement.

K. It will be the responsibility of the lessee to maintain up to date all permits that require renewal.

L. In the event that the PRPA and the lessee decide to deviate from the terms, provisions, specifications and other contract conditions, a revised contract must be signed by both parties.

M. The PRPA, in its discretion, may enter into a new agreement or renew an existing one for any improvements at any facility.

N. Rent and other charges set forth in any lease and use agreement will be charged based upon assessment or reassessment of any PRPA property value or the rates contained in the applicable resolutions/tariff, as promulgated from time to time in accordance with the Organic Law of the PRPA.

RULE 7. LAND AND FACILITIES LEASING PROCEDURE

A. General

1. The Authority has established tariff for airport and maritime facilities which have been approved by its Board of Directors and complied with local laws.
2. The PRPA may obtain a market value study for the land and/or facility of its property prepared by an independent licensed and/or authorized professional, contracted by the PRPA to that effect. The study will be used by the PRPA as a reference of the minimum acceptable rental price for the property.
3. The PRPA lease agreements will reflect a grant of either of the following three rights or privileges:
    a. The right for the lessee to use the airfield, public airport and pier facilities in common with others so authorized.
    b. The right to occupy as a lessee and to use certain designated premises exclusively.
    c. The commercial privilege to offer goods and services.
4. The PRPA will evaluate applications and proposals, in a confidential matter, and reserves the right to disapprove any proposal for reasons that include but are not limited to the following:
    a. Not Qualified

b. Safety Hazard

c. Availability of space

d. Noncompliance with Airport Layout Plan or Master Plan

e. History of violations of the PRPA, Commonwealth and federal regulations

f. Defaulted performance

g. Poor credit report

h. Lack of finances

i. Ecological considerations

B. Lessee Eligibility

1. An Applicant, Proponent or Client, will be eligible to lease real estate from the PRPA if:

   a. It has a valid certification and or registrations for the proposed operation.

   b. Possesses responsibility and financial capacity to meet the payment of the property rental fee. The responsibility and financial capacity will be verified beforehand by the PRPA with the decision made by the Credit and Collections Section.

2. Applicant must comply with the credit approval regulations including the Credit Committee evaluation.

   a. The Applicant, Proponent or Client is a corporation, duly incorporated, organized and authorized to do business in Puerto Rico, complying with all laws and regulations applicable to the type of person or entity.

   b. Certifies and ensures that, at the time of signing the contract, he/she has paid his/her tax return for the past five (5) years prior to the contract and does not owe taxes to the Commonwealth of Puerto Rico or the Center for Municipal Revenue Collection (CRIM), or instead, he/she has a payment plan.

   c. Certifies and ensures that at the time of signing the contract, he/she has paid contributions for unemployment insurance, temporary disability and/ or social insurance for Motor Vehicle Operators if applicable, or instead, he/she has a payment plan.

   d. The Applicant, Proponent or Client is not an officer or employee of the PRPA, nor an immediate family member or agent thereof.

   e. The Applicant, Proponent or Client complies with the 2011 Governmental Ethics Act, Act No. 1-2012, as amended.

f. The Applicant, Proponent, Client and/or any subsidiary has no past due debt with the PRPA.

g. The Applicant, Proponent or Client shall carry public liability insurance with insurance companies authorized to do business in Puerto Rico and acceptable to the PRPA and shall contain Fire Damage and Property Damage Legal Liability endorsements.

3. Meets any insurance or other requirement established by the PRPA or Commonwealth.

4. Intentionally omitting information or knowingly submitting false information on the Application or Proposal required by the PRPA will automatically result in the forfeit of any contracting process.

C. Sublease (Subletting)

1. A Lessee shall not sublet land or facilities to another person or entity.

a. In case of significant necessity, the Lessee must justify the need to the PRPA and sublease contracts must be approved in writing by the PRPA.

b. The sublets must undergo the same evaluation process as a new lessee, proponent or applicant and comply with all rules regulations as well as any applicable rates and tariffs.

c. Sublets operation must to be directly related to the use approved for the Lease Contract.

d. The terms and conditions of the contract between the PRPA and the lessee on any PRPA property and/or improvements also apply to sublets, unless the contract specifies otherwise.

e. The lessee (lessee) shall pay to the PRPA not less than 10% of the total amount billed to the sublet under the sublease. This payment shall be made together with the monthly rental payment by the lessee.

f. Any sublease that is not authorized, contrary or irregular to the requirements, procedures and specifications established in these regulations shall be annulled and penalized as per Rule 14.

D.Transfer of interest

1. A lessee cannot mortgage, pledge, assign as collateral or, in any way, transfer or dispose of land, airport or maritime facilities or improvements that are being leased by the lessee without prior written approval of the PRPA. However such approval from PRPA shall

not be unreasonably withheld as long as the transferee continues the same nature of business or operation of lessee.

E.Terms

1. All new and renewal contract terms for the use of any PRPA building, pier, terminal or hangar and which do not involve more than a nominal investment on the part of the lessee will be of a maximum of six (6) years, as established by the PRPA By-Laws.
2. Agreements shall be of sufficient length to permit lessee making a substantial capital investment to amortize the capital investment over the term of the agreement. In the cases where the amount of capital invested by the lessee on leased premises or business require the PRPA's Board of Directors consideration it shall not exceed twenty (20) years.
3. The Applicant, Proponent, Client, or lessee shall accept the Property as is.
4. A property lease under these Regulations shall be subject to the terms and conditions that the PRPA understands ensure the best use of the property and compliance with the goals and objectives established by the laws and regulations of the PRPA and the Commonwealth of Puerto Rico.
5. Any improvement of airport or maritime facilities must begin within a period of six (6) calendar months from the date on which the contract takes effect.
    a. From the date the agreement enters into effect, the lessee must pay all rent and fees to the PRPA.
    b. The monthly rental payment will be made within the first five (5) calendar days of the month.

F.Security Deposits or Lease Bonds

1. A Security Deposit or Lease Bond will be determined by the Credit Committee.
2. The lessee shall make payment at the contract signing date. The payment shall be provided by certified check or bond payable to the PRPA. No cash will be accepted. Failure to comply with the above requirement will result on the cancellation of the negotiation.
3. The security deposit is charged to the new lessee to ensure that the property is returned in good physical condition and that the lessee complies with the terms of the lease. This deposit is returned to the lessee at the end of the lease term or period provided leased properties are in the same condition as they were before the lease period. If there is any damage to the property, the PRPA will retain the entire deposit or part of it in order to repair the damage.

G. Structural Modifications and Improvements

1. The Lessee may not make structural alterations, additions, improvements and enhancements to the facilities leased, without the previous review and written approval of the PRPA.
2. All structural alterations, structures and improvements to the PRPA's facilities shall comply with all applicable local, federal, environmental, health and safety regulations, including any but not limited to building, fire, sign, construction, electrical, zoning and plumbing codes.
3. The lessee shall be responsible for all building use permits, fire, security and EPA.
4. After the expiration of the term, improvements to any facility, becomes the property of the PRPA. The legal title to all substantial or structural alterations, additions, improvements and enhancements made and installed by the Lessee, shall be retained by the Lessee but at the termination of the agreement for any cause, said legal title shall be vested on the PRPA without costs to the PRPA and free of any liens and encumbrances.
5. The PRPA at its sole discretion reserves the right to require the Lessee to remove or demolish within sixty (60) days from the termination of the agreement any or all such alterations, additions, improvements and enhancements and to restore the facilities to the same conditions as existed prior to their installation, except for reasonable wear and tear, over which the Lessee has no control, and "force majeure" However, Lessee shall not be obligated to remove any or all of the alterations, additions and/or improvements that are of a permanent nature, or that its removal will result in a mayor construction and/or demolition that will affect the property.

H. Relocation of Premises

1. The PRPA reserves the right during the term of the agreement to assign to the Lessee another location in the same contracted area, in any other area or facilities that are built, with approximately equal space to the rented area and similar conditions, under the condition that there are areas available, and if not any, the Ports Authority is not obliged and the Lessee must vacate the leased area. The relocation described here will be to address unexpected situations of high value for the economic development of Puerto Rico and the Ports Authority and prior authorization of the Board of Directors. It should also be part of an Economic Development Plan approved by the Board of Directors. The cost of such relocation will be paid by the Lessee. The Authority may not

be unreasonable, arbitrary or capricious when determining the need for relocation referred to in this clause.

2. PRPA shall give a ninety (90) days prior written notice to the Lessee prior to its effectiveness, except in the case of an emergency or natural disaster.

I. Advertisements

1. No signs, placards, posters, advertisements, handbills, circulars or other printed or written materials shall be affixed to the walls, floor or ceiling of the PRPA's property except in those areas designated by the PRPA for such purposes and upon payment of reasonable rental fees for use of such space as determined by the PRPA.
2. No person shall affix leaflets or other advertising materials to any sign, tree, grounds, or other PRPA property without the applicable payment and written permission of the PRPA.

J. Restricted Areas

1. Restricted Areas shall be entered only by:
   a. Persons assigned to duty, in specifically designated areas displaying a valid identification authorizing access into that specific area.
2. Other persons on PRPA business when escorted by an individual displaying a valid PRPA or federal issued identification authorizing escort into that specific area, except to the extent otherwise excluded under these Rules and Regulations,

K. Sanitation

1. Garbage, papers and refuse or other material shall be placed in metal or plastic receptacles provided for that purpose and stored in an orderly and accessible manner complying with the applicable Health Department's Regulations. It will be the responsibility of the Lessee to contract with a state approved company for the recollection of solid wastes.
2. There will be a fine of $100.00 per day for incompliance of the proper garbage disposal procedures.

L. Inspections

1. The PRPA shall have the right to examine and audit before the ending of the contract and the restitution of any bond, all records and books of accounts of businesses operated by the Lessee in the PRPA's facilities. The notice to examine and audit the

books of accounts will be in writing and served at least five business (5) days in advance of such audit. There is no limit to the years that will be audited.

2. The PRPA reserves the right to inspections on the properties and operations under this contract, to ensure that lessees comply with all provisions of the same. All persons, equipment and vehicles within the PRPA's facilities, and specially within sensitive and controlled access areas, including tenant leased areas, are subject to inspection by the PRPA's designated personnel and/or federal agencies personnel to determine the person, detect prohibited articles, **and** ensure compliance with the Lease and Use Agreement, as well as any applicable Rules and Regulations.
3. All inspections will be carried out in accordance with the PRPA's regulations. These inspections may be conducted by the PRPA's authorized representatives, agents and/or employees.
4. The PRPA shall leave a notice on the premises at the end of the inspection indicating the date and time of the inspection, the name of the inspector and any other personnel and the purpose of the inspection. However, the PRPA is not required to leave a notice if: (1) the purpose of the inspection is for Safety and Security or (2) the PRPA sent a notice by mail to the lessee prior to the inspection, with at least one week in advance with the date, time and purpose of the inspection.
6. Any deficiencies detected as a result of these inspections, the PRPA will notify the client in writing. The PRPA will assign a reasonable term of time in order for the Client to take corrective action. If the Client does not comply within the established timeframe, the PRPA may temporarily shut the operation or service down, or cancel the contract.

M. Disclaimer and exclusion of liability

1. The PRPA shall not be liable for injury or damage arising from accidents that may be experienced by people occupying the property by reason of the lease, or who attend it, nor for illegal appropriation or theft that may occur to the Lessee in their property or facilities.

RULE 8. LOCAL ARTS AND CRAFTS AND PRODUCTS MARKET

A. The PRPA will designate specific areas within its airports and cruise ship terminal properties dedicated to the exhibition and/or sale of products made in Puerto Rico and which represent the Puerto Rican culture in its different modalities.

B. All products and artisans must be endorsed by the Puerto Rican Culture Institute (ICP) and the Puerto Rico Industrial Development Corporation (PRIDCO) and must comply with all applicable requirements or regulations.

RULE 9. NEW AGREEMENTS AND CONTRACTS PROPOSALS

A. The PRPA may have available land and/or facilities available for lease. Any Proponent or applicant interested in leasing any PRPA property, excluding Request for Proposals under Regulations 7496, is required to send a business proposal to the PRPA which must include, but is not limited to:

B. Letter of Intent

1. Name of company and principal representative
2. Address
3. Telephone, fax, email
4. Executive summary of proposed business (1-2 paragraphs)

C. Business Proposal (does not apply to private/non-commercial rentals)

1. Nature of the company
2. Justification of the project and benefit provided.
3. Experience of business (date, description, volume, references)
4. Strategic objectives (financial and market)
5. Market Study and/or Analysis of Supply and Demand - existing and potential market
6. Definition of the target market
7. Description and list of offering, goods, product, and/or service - the listing must include quality, presentation and product variety
8. Human resources / job creation
9. Investment - include costs and expenses of the project
10. Sales projections as required by the Finance Department
11. Direct and indirect economic impact
12. Projected Balance Sheet as required by the Finance Department
13. System projected income statement
14. 5 year projected cash flow

D. Design and engineering:

1. Brief narrative of what is being proposed including infrastructure requirements (hangar, taxiway extension, installation of antennas, etc...).

2. Perspective: artistic three-dimensional drawing, generated by computer or manually and in color that expresses the proposed appearance and design of the proposed lease.
3. Schematic drawing and space requirements Proposed location within the Authorities property; the use of coordinates, latitudes and longitudes is preferable.

E. For any proposal for a term of ten (10) years or more, the proponent is required to provide a Proposal Deposit of 25% of the yearly estimated rent of proposed lease area within fifteen (15) days after the PRPA has accepted the Business Proposal in writing. The PRPA will advise the Applicant the amount due.

F. If the required deposit is not provided within the fifteen (15) day timeframe, the negotiation will be cancelled.

G. Once the agreement is signed this bond will be returned to the Applicant.

H. If after 6 months of negotiations, for reasons not attributed to the PRPA, the Applicant is no longer willing to sign an agreement, the PRPA will cancel the negotiation and retain the deposit. The Applicant has twenty (20) days after the PRPA accepts in writing his proposal to submit the documents required for Credit Committee Approval, federal agencies, if applicable, and Contract Petition. If required documents are not provided within this time frame, the negotiation will be cancelled.

I. Aeronautical and Maritime activities have priority at PRPA facilities and grounds. In the event that the facilities are required for an aeronautical or maritime/nautical activity or operation, an agreement or contract for non-aeronautical or non-maritime operation may be relocated or terminated.

RULE 10. RENOVATION OR AMENDMENT OF AGREEMENTS AND CONTRACTS

A. If the Lessee is interested in amending, extending, or renewing the contract, or in any way extending the term thereof, the Lessee must notify the PRPA at least ninety (90) days prior to the expiration of the contract.

B. The Lessee shall make reference to the valid Use and Lease Agreement as well as, the client number or applicable property number. Any change in the space or terms related to that property shall be notified.

C. The renewal intention or amendment application must include:

1. Letter of intent (required for all Applicants or Clients)
    a. Name
    b. Contact address telephone, Fax, electronic mail

c. Contract Number and Property Number of the contracted space

d. Executive summary explaining the proposed use of facilities and the nature of business if the lease is for commercial purposes (1-2 paragraphs)

2. Business Proposal (required for all commercial use)

a. Justification of the project and benefit provided to the airport community.

b. Operator valid Certificate

c. Definition of the target market Description and list of offering, goods, product, and/or service - the listing must include quality, presentation and product variety

d. Number of aircrafts or vessels, registration number and evidence of valid registration number (including DRNE).

e. Human resources / job creation (if expanding business)

f. Investment - include costs and expenses of the project

g. Sales projections, balance sheet, projected income and projected cash flow for the next five (5) years

3. Private use/non-commercial:

a. Number of aircrafts, registration number and evidence of valid registration number.

b. Number of vessels, registration number and DRNE evidence of valid registration number.

D. The Applicant or Client has thirty (30) days after the PRPA accepts the application to submit documents required for Credit Committee's approval and Contract Petition. If required documents are not provided within this time frame, Lessee shall leave the property at the termination of the existing contract and failure to do so will result in applicable financial and legal penalties.

E. Once the applicant or client provides all documentation requested, the PRPA shall have not more than ninety (90) days to produce an agreement for such amendment or renovation of the existing lease agreement.

RULE 11. GENERAL PRIVILEGES, RIGHTS AND RESPONSIBILITIES OF TENANTS, OPERATORS AND/OR APPLICANTS

A. In addition to any specific requirements contained in these regulations for a particular category of operation, the following requirements shall be common of all users, operators, permit holders and lessees of the PRPA.

1. The Lessee shall pay operational rates according to the current tariff resolution.

2. Each lessee will be granted to offer specific activities in their agreements. This permit or privilege may be subject to the particular activity regulations.
3. Each commercial concession is expected to operate his premises for the use and benefit of the public; furnishing service and charging prices on a fair and equal basis to all users.
4. In the operation and use of the Authorities facilities, no lessee shall discriminate or permit discrimination against any person or group of persons in any manner.
5. All agreements granting commercial privileges shall include hours of operation, type of operation, the extent of services to be offered, and the quality of performance required of the Lessee.

B. All tenants **must** pay for all services and/or utilities (i.e., electricity, water, telephone, janitorial, plumbing, sewage, etc.), insurance policies and any tax and/or charges stipulated by any municipal, state or federal agency. Notwithstanding the foregoing the leased premises shall be exempt from the payment of any applicable property taxes, pursuant to Article 18 of Public Law No. 125 of May 7, 1942, as amended, provided that the owner of the property is the PRPA.

C. The president, supervisor or manager of the leasing person or entity will assume full responsibility on behalf of their clients for any damages or claims arising from the use of facilities and release the PRPA of any such claim, unless specified by the Lessee.

D. All tenants, concessions, and lessees shall maintain at their own expense their leased property in working condition as to repair, cleanliness and general maintenance in a manner at least equal to the minimum standards required by the PRPA and their individual lease agreements.

E. Tenants, concessions, and lessees shall be fully responsible to repair at their own cost for all damages to buildings, equipment, real property and appurtenances in the ownership or custody of the PRPA caused by the acts or omissions of their employees, agents, customers, visitors, suppliers or persons with whom they do business.

F. Except as otherwise provided in any agreement with the PRPA any person or company who operates a private aircraft hangar at the Airport shall not provide or conduct any commercial aviation or non- aeronautical activity.

G. In addition to self-fueling, other self-service activities may be performed by the aircraft, vehicle or sea vessel owner with his or her own employees including activities such as maintaining, repairing, cleaning, and otherwise providing service to an aircraft, vehicle or vessel, provided the service is

performed by the owner or his/her employees with resources and applicable permits supplied by the owner. Prior written authorization of the PRPA is required.

H. Instruction for private, commercial specialized and instrument ratings and a continuing ability to meet FAA requirements for the flight training proposed.

I. Maintain all land and improvements of the leased premises, including all structural components, and the interior and exterior maintenance and repairs.

J. Return the facilities in clean and orderly condition as they were received. Otherwise, the PRPA will retain the total amount of the security deposit or a proportion of it to cover the costs incurred by the PRPA to return the premises to its original condition and repair all damages.

K. Any agency, organization or person using the facilities, at its own expense, shall provide the PRPA an insurance policy, by an insurer authorized to do business in Puerto Rico to cover the risk of physical damage claims that may arise as a result of the activity or activities to be carried out on the leased premises.

L. The minimum amount of coverage for liability waivers will be one million dollars ($1,000,000.00) for personal injury, injury or death, one million dollars ($1,000,000.00) per occurrence that affects more than one person, a minimum one million dollars for damage to property of others, and a cover for damage caused by fire for a minimum of fifty thousand dollars ($50,000.00). The PRPA shall be included as additional insured in all policies and Lessee shall provide a Hold Harmless Agreement and any other policies deemed necessary by the PRPA depending on the type of activity that will take place on the premises to be used.

RULE 12. ACTIVITY REPORTING FOR SPECIFIC OPERATIONS

A. Air Cargo Activity Reporting - Unless otherwise specifically provided pursuant to a written agreement with the PRPA, all freight businesses (freight forwarders, cargo carriers, airlines, FBOs, and other entities handling cargo) must report to the PRPA the following information for each activity:

1. Aircraft type
2. Amount and origin of cargo arriving by aircraft.
3. Amount and destination of cargo departing by aircraft.
4. Amount of cargo arriving or departing by over the road vehicles.
5. Times of arrival and departure

B. Commercial Passenger Aircraft Activity Reporting – Unless otherwise specifically provided pursuant to a written agreement with the PRPA, all commercial passenger and for profit aviation business (airlines, FBOs, charters, and other entities handling passenger air transportation) must report to the PRPA the following information for each activity:

1. Operator
2. Times of arrival and departure
3. Aircraft type
4. Origin or Destination
5. Arrival or departure weight
6. Inbound or outbound passenger number
7. Inbound or outbound crew number
8. Cargo amount/tonnage
9. Outbound weight

C. Concession Report - Unless otherwise specifically provided pursuant to a written agreement with the PRPA, all concessions or tenants authorized to sell, rent or offer products and/or services for profit (retail businesses, FBOs, MRO, schools, and other entities handling sales, rent and or services for profit) must report to the PRPA the following information for concession revenue activity:

1. Amount of total products or services sold and or rented.
2. Type of product or services sold or rented.
3. IVU deduction, if applicable.
4. Annual audited financial statement.

RULE 13. RENT, FEES, RATES AND APPLICABLE CHARGES

A. General

1. The PRPA shall maintain a structure of fair market value rents and fees that will result in self-sustaining operation given the existing circumstances.
   a. Any contract must adequately compensate the PRPA for the privileges granted to the Lessee. It is the policy of the PRPA to establish terms and conditions that are reasonable and non-discriminatory.
   b. Agreements shall be of sufficient length to permit a Lessee that is making a substantial capital investment to amortize the capital investment over the term of the agreement.

i. The PRPA will consider the depreciation amount according to the replacement value of the structure built by the Lessee. The PRPA will create a depreciation table to calculate the time frame in which the Lessee will depreciate the capital investment.

ii Unless otherwise specifically provided pursuant to a written agreement with the PRPA, the PRPA will apply land rent based on the applicable land rent for each year, considering the yearly increase of 1.5% to airport facilities, outside airport and outside cargo maritime facilities, and non-aeronautical or non-maritime concessions.

iii. Any adjustment on rent or rate discount to the prevailing rent criteria for the amortization of capital investment shall require the previous approval of the majority of the Board of Directors of the PRPA. Adjusted rent shall never be less than 25% of the applicable rent.

c. Although the user and/or Lessee of land and facilities should be subject to the same rates, rents and charges as other users and/or lessees who are using the same or a similar facility for the same or similar purpose, it is recognized that the use and attributes of the facilities and the terms and conditions of the contracts may vary. As a result, rates, fees and charges may vary.

B. Fair Market Value

1. The market rent for land, real property and facilities shall be determined under the discretion of the PRPA based on a market study, comparison of rents of similar airport properties, appraisal, negotiation and/or a competitive process.

a. Where there is disagreement between the PRPA and the Lessee's rent adjustment, it is the responsibility of the lessee to pay for adjusted rent.

C. Rent and fees establishment

1. The PRPA shall establish fees and charges to recover costs associated with planning, development, operation and management of its facilities. Expenses include, but are not limited to, all planning, engineering, design and development costs, operations, administration, maintenance, repair costs, services, among others.
2. The base rate for properties within an airport layout plan and within passenger and cargo piers will be based at the current rate and tariff resolution approved by the Board of Directors.

3. The rate to determine the lease of grounds and installations outside an airport or maritime designated area shall be equal to eight percent (8%) of assessed for such grounds and installations, based on square meter.
    a. In those cases in which the eight percent (8%) of the appraised value is less than the value of recovery, the current contract rate will remain in force.
    b. The rate for real estate such as space with a terminal, hangar or warehouse will be determined based on the eight percent (8%) of the assessed.
4. A negotiated rate different from the established tariff resolution could be established at certain premises as determined by the Executive Director, and with the approval of the Board of Directors, to best interest and benefit of PRPA
6. The rent and fee adjustment should be effective the first day of the fiscal year following the approval of the applicable rent or as ordered by the Board of Directors.

D. Other charges, Commission on Sales and Services

1. The PRPA has the right to charge a commission fee for monthly revenue generated by concept of sales and services as follow:

If the monthly gross income earned is $0.1 up to $15,000.00, the lessee will pay a concession fee of five percent (5%) of the monthly gross income earned; if the monthly gross revenue earned is from $15,000.01 to $30,000.00, the lessee will pay a concession fee of six percent (6%) of the monthly gross income earned; and if the monthly gross revenue earned is more than $30,000.01 , the lessee will pay a charge a concession fee of seven percent (7%) of the monthly gross income earned by non-aeronautical or non-cargo or non-cruise line sales (after IVU is deducted).

E. Utilities

1. All Lessees shall be responsible for the direct payment of utilities; water, electricity, security and maintenance of the leased premises.
2. The Lessee, when the infrastructure allows, has 90 days after signing the contract with the PRPA to install a meter for these services direct to the utilities companies.
3. During the time period the meters are being installed by the lessee and in those cases where utility services cannot be segregated, the PRPA will calculate the electric consumption based on the load and the lessee will pay the due amount to the PRPA on monthly basis. The minimum utilities charge is $25 per month.

4. All design and/ construction proposals shall indicate in the drawings where utilities meters will be located.
5. The penalty for not installing a meter by the due date, in addition to paying the monthly cost, is a fee of 25% of the utilities' consumption charged to the PRPA for leased premises or $500, whichever is greater. In addition to this penalty, the PRPA will interrupt any unauthorized utilities use and bill the lessee for this use.

F. Late fees and penalties

1. A monthly penalty of 9% of the total rent, fee and tariff due will be charged for any account payable after 10 days.

RULE 14. UNAUTHORIZED ACTIONS, REVOCATION OF LEASE OR PERMIT, AND PENALTIES

A. The PRPA shall have the right to terminate any lease, permit, license, or agreement covering a commercial or noncommercial operation and to revoke a lease on any land or facility for any cause or reason provided by these standards, by the lease, license, or agreement itself, or by law, or upon the happening of one or more of the following, but not limited to:

1. Abandonment or Discontinuance of Operations.
   a. The abandonment or discontinuance of any operation by the commercial operator or the failure to conduct any service, operation, or activity which the Lessee has agreed to provide under the terms of this contract. If this condition exists for a period of thirty (30) days without prior written consent of the PRPA, it will constitute an abandonment of the land or facilities and the lease license shall become null and void.
2. Controlled Substances
   b. Controlled drugs and substances and drug paraphernalia found anywhere on the PRPA's property shall be seized and turned in to state and/or federal authorities in conformity with state and federal law. Persons in possession of controlled substances and/or drug paraphernalia in violation of state or federal law shall be cited for violation of such laws.
3. Disabled/Abandoned Aircraft, Vehicle or Sea Vessel
   a. Aircraft or vessel owners, their agent, captain or pilot, shall be responsible for the disposal of disabled aircraft, vessels and parts thereof.
   b. No person shall park, dock or store any aircraft, vessel or vehicle in ineffective conditions or with an expired registration on PRPA property, including leased or

FBO or agent premises, for a period in excess of ninety (90) days, without a permit issued by the PRPA. All costs incurred by the PRPA in the removal of any aircraft, vessel or vehicle as set forth herein shall be recoverable against the aircraft, vessel or vehicle owner or operator thereof.

c. If the owner or operator is unknown or cannot be found, the PRPA shall conspicuously post and affix such notice to said aircraft, vessel or vehicle, requiring removal of said equipment within fifteen (15) days from date of posting. Upon the failure of the owner or operator to remove said equipment within the period provided, the PRPA shall cause the removal of such aircraft from the Airport or Pier. All costs incurred by the PRPA in the removal of any aircraft, vessel or vehicle as set forth herein shall be recoverable against the owner or operator thereof, and without liability for damage which may result in the course of or after such moving.

d. In the event that an aircraft is disabled on a runway or taxiway, said aircraft will be removed immediately through coordination between the owner/operator, the PRPA, and other State or Federal Agencies as required. Aircraft removal will be at the expense of the owner/operator. If owner/operator fails to remove aircraft after request, the PRPA may have the aircraft removed without liability for damages caused by this action and may recover all costs incurred in the removal of such aircraft.

4. Conduct

a. All users, lessees and concessionaires, as well as their employees, their agents or representatives will provide a professional and respectful treatment for officials or public employees.

b. If any person, lessee and/or lessee representative insults offends or threatens an PRPA official or employee, it may result in the termination of contract and/or privileges at PRPA's discretion.

c. In addition to the above and in accordance to Act 84-2002, any user, Lessee and/or its representative that breaches this code of conduct will be disabled to contract with any executive agency of the Commonwealth of Puerto Rico for a period of ten (10) years, counted from the date on which was issued the order or final resolution was issued.

5. Solicitation

a. No person shall solicit funds or unauthorized business from the tenants and/or general public on any PRPA property by means of a face-to-face request or promotion distribution for an immediate physical, in-person donation of money or anything of value.

b. Any person who conducts in unauthorized business procurement as described in previous paragraph (1) shall be deemed to be soliciting and will requested to leave the premises as well as be subject to pay the PRPA a fine of $200.00 per day or occurrence, in addition to any other applicable legal consequences.

6. Tariff

a. Only Lessees that engage in a service business such as a Fixed Based Operator or ship agent are authorized to collect applicable operational tariffs. It is prohibited to alter or include service fees to PRPA charges and tariffs in invoices to air carriers, private aircrafts, passenger and cargo vessels.

b. Any person who conducts in unauthorized fees and tariffs collection as well as adding a fee to it will pay to the PRPA 110% of all unauthorized charges.

7. Unauthorized Occupation and/or Trespass

a. At the date of termination of an Agreement and if the parties are not negotiating the execution of a new contract or extension thereof, the Lessee shall move out, return all PRPA ID's, remove his property and/or deliver to the PRPA the possession and/or the key of the demised premises on the day the agreements terminates. If the Lessee does not move out, return ID's, proceed with the removal as provided in agreement and/or deliver to the PRPA the possession and/or the key of the demised premises immediately, the Lessee shall pay the PRPA a monthly penalty equivalent to ten percent (10%) of the monthly base rent effective at the date of termination of the Agreement plus a quantity equivalent to the applicable rent under the terminated agreement.

b. In addition to paying the unauthorized occupation penalty, if the Lessee has not removed its possessions within sixty (60) days the Lessee shall be deemed to have abandoned to the PRPA all said property, and the PRPA shall have the right to dispose of same in any manner that it deems advisable or convenient at the expense of the Lessee; any access to the operational area will be restricted and utilities service will be discontinued.

c. If the Lessee or any person refuses to leave any PRPA property after being requested by the PRPA to do so shall be deemed to be trespassing and will be subject to pay the PRPA a fine of $150.00 per day or occurrence in addition to any other applicable legal consequences, and the aforementioned rental fees and penalties.

8. Unauthorized Use or Lease

a. The Lessee shall pay to the PRPA a penalty of 35% of the annual gross income of any commercial or for profit operation on the leased property that has not been authorized in the contract.

b. The Lessee shall pay to the PRPA a penalty of 35% of the annual rent in addition to the monthly rent charged to the unauthorized second party for any unauthorized subleases.

c. The Lessee shall pay to the PRPA a penalty of $25.00 per day for any activity or use that has not been authorized in the agreement or contract. This per day penalty will be added to the 35% sales and commercial service penalty.

d. The PRPA reserves the right to cancel any lease due to an unauthorized activity or use by the Lessee or its authorized representatives, in addition to any other penalty imposed.

RULE 15. ENVIRONMENTAL PROTECTION

A. All persons on the PRPA property, whether authorized users, tenants, lessees, sub lessee, contractors, vendors or otherwise, shall comply with, at all times, all federal, state and local laws, statutes, ordinances, rules, regulations, permits, agency orders and agreements, or other restrictions relating to environmental, health, safety, contamination, pollution, natural resources, threatened or endangered species, and historic resources matters.

B. All persons handling petroleum product, fuel, hazardous material, used oil, batteries, pesticide, solid waste, or hazardous waste at the Airport shall comply with all applicable PRPA and environmental laws.

C. Solid and hazardous wastes shall be transported off any PRPA property in a timely manner and must be disposed of or otherwise managed at permitted or authorized treatment, storage, or disposal facilities.

D. All persons generating or otherwise managing hazardous waste shall prepare and submit to the appropriate state and/or federal agencies a Notification of Hazardous Waste Activity for

such generation or other management and provide a copy of same and any amended versions thereof to the PRPA.

E. Copy of the required handling and emergency plan must be submitted to PRPA Environmental Division.

F. No person or entity shall damage, interfere with the operation of, or lessen the effectiveness of any storm water management facility or storm water best management practice.

G. All Airport tenants are hereby considered responsible parties with the PRPA under the Airport's storm water discharge permit issued pursuant to the National Pollution Discharge Elimination System ("NPDES"), administered by the U.S. Environmental Protection Agency. All Airport tenants must comply with NPDES and the PRPA requirements and guidelines.

H. All land disturbing activities shall comply with all applicable environmental laws, including local erosion and sediment control ordinances and guidance. No hazardous materials, solid or liquid wastes, hazardous wastes, pesticides, fuel, oil, used oil, paints, solvent, acids, bases, or other chemicals or solutions harmful to the environment shall be disposed of, released, discharged or dumped in drains, storm sewers, basins, open areas or ditches.

I. Persons responsible for the leak, spill, release or other unauthorized environmental discharge or emission of any petroleum product, fuel, used oil, battery, pesticide, or hazardous materials or waste occurring on property shall immediately notify the PRPA of same. Such notification in no way relieves or frees the notified from its reporting obligations under applicable environmental regulations or laws.

J. If a leak, spill, release or other unauthorized environmental discharge or emission occurs on an operational area, then the PRPA shall determine, in its sole discretion, the most appropriate remediation method.

K. All persons responding to such a leak, spill, release or other unauthorized environmental discharge or emission shall have received all required training and hazard communications and possess all required personal protective equipment for such remediation activities, and conduct such response actions in accordance with applicable laws and accepted industry standards.

L. No person shall impact or adversely affect wetlands on or adjacent to the PRPA's property unless so allowed or authorized by appropriate regulatory agencies and without the prior written consent of the PRPA.

M. No person shall impact or adversely affect threatened or endangered species unless so allowed or authorized under applicable environmental laws or by appropriate regulatory agencies and without the prior written consent of the PRPA.

N. No person shall impact or adversely affect historic areas and resources and any cemetery unless so allowed or authorized under applicable laws or by appropriate regulatory agencies and without the prior written consent of the PRPA. If in the course of excavation, grading, construction, renovation, or operational activities at PRPA property any person discovers what may reasonably be considered historic artifacts or structures, excluding common artifacts such as arrowheads, such person shall notify the PRPA immediately of such finding and cease such work until approval to proceed is granted.

RULE 16. PROVISIONS

A. Any matter not covered by these rules will be resolved by the Executive Director in accordance with the applicable laws, regulations, general memoranda, quoted resolutions, and any matters not provided herein shall be governed by the rules and principles of good governance.

RULE 17. GRANT ASSURANCE 22(B) ECONOMIC NONDISCRIMINATION CLAUSE

In compliance with FAA's requests, any agreement or contract of a client or aeronautical service provider that could be subject to Grant Assurance 22(b) Economic Nondiscrimination have to include a clause as follow:

The Lessee specifically agrees and promises to comply with the requirements of Grant Assurance 22(b) of the FAA, as it may be amended from time to time. To that end the Lessee specifically agrees that will:

a. Furnish the services set forth in this Agreement on a reasonable and not unjustly discriminatory basis to all user; and

b. It will charge reasonable and not unjustly discriminatory prices for each unit or service, provided that Lessee may be allowed to make reasonable and nondiscriminatory discounts, rebates, or other similar types of price reductions to volume purchasers.

RULE 18. SEPARABILITY

Should any provision, clause, paragraph or section of these Regulations be declared invalid or unconstitutional by a court having jurisdiction, such declaration shall not affect, impair or invalidate the remainder of these regulations. The effect of the declaration of invalidity or

unconstitutionality shall be limited to the provision, clause, paragraph or section that had been declared invalid or unconstitutional.

RULE 19. EFFECTIVENESS, DEROGATION AND APPROVAL

A. These Regulations will become effective thirty (30) days after being filed with the Department of State, and it will derogate any other existing provision on this matter that may be contrary to or inconsistent with the provisions herein.

Approved in San Juan, Puerto Rico, on December 28, 2016.

Ingrid C. Colberg Rodríguez
Executive Director