

SCHEDULE 5
TRANSITION PLAN

SECTION 1. PURPOSE OF THE TRANSITION PLAN

The purpose of this Schedule 5 is to provide the baseline requirements for the transition of the cruise operations from the Authority to the Concession Company.

SECTION 2. TRANSITION PLAN SCHEDULE

The mobilization/transition phase includes the period between the Closing Security Delivery Date and Time of Closing (“Transition Period”). Several of the mobilization and transition period activities will continue throughout the first twelve months of the Term of this Agreement.

The transition plan shall be refined by the Concession Company and the Authority, during the Transition Period, to track progress and reflect additional activities required. Within fourteen (14) days after the Closing Security Delivery Date, the Concession Company shall update the transition plan schedule to reflect the requirements of the specific action plans, listed herein and otherwise necessary to ensure a smooth and adequate transition and completion of action items before Closing.

Within seven (7) days after the Closing Security Delivery Date, the Concession Company shall identify the key transition team leaders, and their responsibilities and contact information (*i.e.*, e-mail address, telephone number, facsimile number, cell phone number, mailing address, etc.). The Concession Company shall establish a transition office within seven (7) days after the Closing Security Delivery Date.

SECTION 3. ACTIONS PLANS FOR TRANSITION PERIOD

For each of the major transition plan activities the Concession Company shall develop a detailed action plan. The requirements may be grouped or consolidated within the appropriate action plans. Such detailed action plans shall address the following activities, as necessary:

A. Employees

- The approach for finalizing the list of all the Authority employees on the payroll which have expressed an interest to be transferred. The plan shall also identify the procedures for transferring the Authority payroll responsibilities to the Concession Company, including the setup of a separate bank account for making all payroll and benefits payments.
 - Define and discuss organization structure, including job descriptions based on Authority’s list of employees including position, age, start date; and current approach of providing medical insurance and other benefits

- Authority and the Concession Company to discuss current approach to interaction between cruise port management and Authority senior management: what is done centrally / what is done within current cruise port management?
- The Concession Company shall provide to Authority the identity and resume of the person that shall become Director of Operations or as soon as identified by the Concession Company but no later than ninety (90) days following the Closing Security Delivery Date.
- The Concession Company shall provide to Authority the identity and resumes of the persons that shall hold key management positions as soon as identified by the Concession Company but no later than ninety (90) days following the Closing Security Delivery Date.
- Plan for filling all other positions before and after the Closing Date. The Concession Company shall provide to Authority an updated staffing plan which sets forth its full organizational chart for Concession Company personnel, no later than ninety (90) days following the Closing Security Delivery Date.
- The Concession Company shall update, as necessary, its full organizational chart and submit it to Authority no later than the last day of the Transition Period. The updated organizational chart shall identify the names of the staff hired to occupy those positions as of Time of Closing. The Concession Company shall also provide Authority with the resumes of the Concession Company's staff.

B. Cruise Port Operations

- Elements of operations to be discussed and established, including, without limitations:
 - Key KPIs in addition to passengers and calls including KPIs for service provisions (for example: water consumption, waste collection, use of machinery)
 - Current operating systems and software
 - All existing and required plans (emergency plans, security plan, etc.)
- Transfer of records and information from the Authority and policies for maintaining and sharing records, for audits and otherwise recommended or required.
- Coordination and transition of operation, maintenance, management, repair and replacement of the Cruise Port Facility from the Authority.
- Third party service providers to cruise lines and approvals of Administrative Charges.

- Current access protocol and process of granting access to third-party service providers
- Services rendered to the Cruise Port Facility.
 - Concession Company current outsourcing vs. insourcing strategy
 - Key service providers for main areas (facility management, security, etc.) and
 - Key contract terms
 - Insurance
 - Process and management of provisioning of water, electricity and phone / internet connection and other utilities, and handover of the same
 - Approach to and management of maintenance
- Plan for identifying and executing contracts for services rendered pursuant to expired or cancelled contracts between the Authority and service provider.
- Plan for developing inventories of all assets to be transferred.
- Preparation and delivery of the proposed software systems.

C. Marketing, as well as Media, stakeholder and community engagement

- Plan for public outreach, outreach to Cruise Lines, current service providers in the Cruise Port Facility, handling media inquiries and coordination with Governmental Authorities with respect to the Concession Company plans for the Cruise Port Facility and commencement of its operations as the new concessionaire.
- Approach and key actions regarding public relations and sponsorship
- Overview of other key stakeholder engagement activities (including whether these are managed centrally at Authority or within current cruise port management)
- Coordination with steering committees for (cruise) tourism in Puerto Rico or San Juan, and role of the Authority and action plans for launching engagement with Steering Committee and stakeholder working groups (contemplated in Schedule 15) immediately after the Closing Security Delivery Date, and for medium (first six month) and longer term
- Approach and management of relationship with key governmental agencies

D. Revenue Generation

- Cruise Line interaction / Invoicing
 - Berthing policy
 - Management and monitoring of existing PBAs
 - Role of agents and other Ancillary Services third party providers (handling of berthing requests and invoicing), including Affiliated Service Providers
 - Process of receiving reservations / bookings, current berthing allocation and confirmation (timeline, parties involved, documentation)
 - Invoicing and revenue collection process, provide sample invoices
 - Latest call schedules for 2022 and 2023
- Retail facilities at the cruise port
 - Inventory of existing retail and office rental contracts and key terms as provided in the data room, assignment or amendments to include the Concession Company as party.
 - Invoicing and revenue collection process, sample invoices
 - Approach regarding general charges, electricity and other utilities

E. Accounting/finance. The Authority shall provide:

- Process for handover of records and books relevant for cruise operations
- Accounting and ERP software used, discuss process of taking over or transferring existing records into new Concession Company software systems

F. Regulatory

- Plan to ensure continuous compliance with all regulatory requirements
- Process of management and compliance with regulations
- Documentation regarding compliance with applicable regulation and handover of the same
- Key licenses and certificates, and compliance thereof (for example ISPS compliance certificate)

G. Construction contracts

- Plan for (i) the handing over of the Pier 3 EPIC Repairs Contract and Pier 3 Epic Repairs Project Management Contract and related works; and (ii) coordinating and

handling construction works in connection with the Pier 3 Duty Free Building pursuant to the Development and Lease Agreement AP 16 17 (4) 040 dated as of August 25, 2016, to be assumed by the Concession Company.

H. Others

- Services which continue to be provided by Authority and other Governmental Agencies for an interim period after closing / on an ongoing basis
- Movable assets to be handed over at closing (including inventories) / assets to be removed from Cruise Port Facility before closing
- Interaction with federal agencies and split of responsibilities
- Surveys that are recently completed
- The Concession Company will prepare in joint coordination with the Authority a Return Condition Works Program
- Other plans that the Authority and the Concession Company agree are appropriate.

SECTION 4. FEMA IMPROVEMENTS

The Concession Company acknowledges that (a) the Authority has applied to FEMA for Government Contributions from FEMA's Hazard Mitigation Assistance Program (HMGP) with respect to limited mitigation activities at the Pier 1 Wharf, the Pier 1 Cruise Pier building, Piers 1-4 Walkway, Pan American Pier Buildings, Pan American Piers Wharf, Pier 4 Wharf, the Pier 4 building, and repairs to the parking areas and roads for the Piers 11-12 and 13-14 Uplands, and provided the Concession Company with a list of such improvements (the "FEMA Improvements") and (b) the FEMA Improvements are subject to disapproval or alteration by FEMA. The Parties shall use Reasonable Efforts to obtain and maintain such Government Contributions. During the Transition Period (and beyond, as required), the Parties shall reasonably cooperate to coordinate the implementation of the Initial Investment Projects and the FEMA Improvements with the intention of finding ways to fully implement the FEMA Improvements and fully utilize such Government Contributions, including the Concession Company providing reasonable access to the Authority and its Contractors to the Cruise Piers for construction work. No FEMA Improvement shall require Concession Compensation or any other compensation to the Concession Company, and the Authority and the Concession Company shall negotiate before the end of the Transition Period an adjustment to (i) the Annual Authority Revenue Share pursuant to Section 12 of Schedule 15 and (ii) the Scheduled Completion Dates set forth in Section 7 of Schedule 13 in consideration of the funding and execution of the FEMA Improvements with Government Contributions.

SECTION 5. HUD IMPROVEMENTS

The Concession Company acknowledges that (a) the Authority has begun the application process with the Puerto Rico Department of Housing (PRDOH) for Government Contributions from the U.S. Department of Housing and Urban Development's (HUD) Community Disaster Block Grant – Mitigation (CDBG-MIT) program with respect to improvements to the Piers 11-14 Wharves, which details will be provided to the Concession Company with a list of such improvements (the "HUD Improvements") and (b) the HUD Improvements are subject to disapproval or alteration by PRDOH and HUD. The Parties shall use Reasonable Efforts to obtain such Government Contributions. During the Transition Period (and beyond, as required), the Parties shall reasonably cooperate to coordinate the implementation of the Expansion Investment Projects and the HUD Improvements with the intention of finding ways to fully implement the HUD Improvements and fully utilize such Government Contributions, including the Concession Company providing reasonable access to the Authority and its Contractors to the Cruise Piers for construction work. No HUD Improvement shall require Concession Compensation or any other compensation to the Concession Company.