

PROFESSIONAL SERVICES AGREEMENT

**By and Between
Autoridad del Puerto de Ponce
and
Cedrela CG, LLC.**

APP Contract No. 2021-000001

APPEAR

AS PARTIES OF THE FIRST PART: The **AUTORIDAD DEL PUERTO DE PONCE** (hereinafter, “**Autoridad del Puerto de Ponce**” or the “**PARTY**”), a public corporation of the Government of Puerto Rico, duly organized and existing pursuant to, and authorized to enter into this Agreement by Act 240-2011, as amended, represented herein by its Executive Director, Héctor L. Agosto Rivera, of legal age, single, executive and resident of Ponce, Puerto Rico.

AS PARTY OF THE SECOND PART: CEDRELA CG, LLC. (hereinafter, the “**CONSULTANT**” or the “**PARTY**”), a private corporation organized and existing under the laws of the Government of Puerto Rico, represented herein by its Director, Jorge Sánchez Rosa, of legal age, single, executive and resident of San Juan, Puerto Rico, with the requisite authority to appear herein. *(See attached copy of Corporate Resolution).*

The **PARTIES** attest to having the legal authority and faculty and sufficient capacity to make the hereinafter representations and have the binding power for the obligations in this Agreement, and under that faculty, free and willingly:

WITNESSETH

WHEREAS: The **Autoridad del Puerto de Ponce**, in the exercise of its duties and obligations, requires the professional services of the Consultant in the areas of finance and accounting. Specifically, counseling, consulting services and technical assistance necessary for the performance of Accounting Services for the fiscal years ending June 30, 2018, June 30, 2019 and June 30, 2020; Booking – transaction identification and recording for the period from July 1, 2017 to June 30, 2020; Identify and propose journal entries for the completion of a general ledger trial balance for management and External Auditors for the years ended June 30, 2018, June 30, 2019 and June 30, 2020; Bank reconciliations – preparation of bank reconciliation for the years ended June 30, 2018, June 30, 2019 and June 30, 2020; Subsidiaries of A/R and A/P – Update information about Accounts Payable, Accounts Receivable, Transfers In and Out and Due to and Due From with other entities; Fixed Assets Ledger – Update Fixed Asset Ledger at years ended June 30, 2018, June 30, 2019 and June 30, 2020; Provide support and any required information to External Auditors for the annual financial statement audit for Fiscal Years 2018 and 2019; Transfer knowledge to both **Autoridad del Puerto de Ponce** and Department of Economic Development and Commerce’s employees; and other related tasks that may be requested by the **Autoridad del Puerto de Ponce** or its authorized representative, among others.



WHEREAS: The **CONSULTANT** has evidenced, to **Autoridad del Puerto de Ponce's** satisfaction, that it possesses the resources, the specialized knowledge, and experience in accounting and financial services, knowledge and experience necessary to render the professional services object of this Agreement.

WHEREAS: As per Act 240-2011, as amended, the **Autoridad del Puerto de Ponce** has the authority to enter into this Agreement.

WHEREAS: Due to the amount of this Agreement, the **Autoridad del Puerto de Ponce** does not needs the authorization of the Governor's Chief of Staff Office nor the Management and Budget Office, in accordance with the Executive Order No. 2017-001, the Governor's Chief of Staff Office's Memorandum No. 2017-001 and the Management and Budget Office's Circular Letter No. 141-17, respectively, to enter into this Agreement.

NOW, THEREFORE, the **PARTIES** execute the following Agreement subject to the following:

TERMS AND CONDITIONS

1. PROFESSIONAL SERVICES AND OBLIGATIONS

CONSULTANT shall provide its professional services according to the submitted Proposal and Scope of Work; if any discrepancies between the Agreement and the Proposal arise, the Agreement shall prevail. (*See Exhibit A – Proposal and Scope of Work*).

2. CONSULTANTS PROFESSIONAL RESPONSABILITIES:

2.1 **CONSULTANT** shall provide the professional services object of this Agreement to the satisfaction of the **Autoridad del Puerto de Ponce**, and as described in Clause 1 and 2, and shall include any other related services that the **Autoridad del Puerto de Ponce** may request from the **CONSULTANT** during the enforceability of this Agreement.

2.2 **CONSULTANT** shall immediately notify to the **Autoridad del Puerto de Ponce** the development of all matters under its consideration. **CONSULTANT** shall submit all necessary reports and any other report requested by the **Autoridad del Puerto de Ponce** and shall consult with **Autoridad del Puerto de Ponce** any decision related with such developments.

2.3 **CONSULTANT** shall render professional services in a professional, diligent and competent manner, in accordance to the standards, norms and practices generally accepted in the industry. **CONSULTANT** shall also comply with the ethical norms applicable to the industry, and all the local and federal laws and regulations applicable to **CONSULTANT's** in the Government of Puerto Rico, including the Anticorruption Code for the New Puerto Rico, Act 2-2018, Act 1-2012 as amended, copy which is serviced at the execution of this Agreement. All terms and obligations of this Agreement are extended to the necessary personnel and

required by **CONSULTANT** to comply with its obligations under this agreement; these shall also be duly licensed if required by the Puerto Rico Laws, including credentials, certifications and ethics norms of the industry. Likewise, be member of any mandatory association related to the profession required to render the services object of the Agreement.

2.4 The **Autoridad del Puerto de Ponce** and **CONSULTANT** agree to be available to consider all matters that the **Autoridad del Puerto de Ponce** refers to **CONSULTANT** in order to ensure that matters are worked diligently and in a timely manner. The **PARTIES** shall cooperate and shall provide each other with all the necessary, known and available information to perform the obligations object of this Agreement.

2.5 **CONSULTANT** shall render its professional services as requested by the **Autoridad del Puerto de Ponce** in or outside of the **Autoridad del Puerto de Ponce's** infrastructure, and at any time during the enforceability of this Agreement, without additional compensation for its services except the strictly agreed upon in this Agreement.

3. EFFECTIVENESS AND TERMINATION:

3.1 This Agreement shall be in effect from the date of its execution until **December 31, 2020**. The **CONSULTANT** shall have no further rights to compensation except for which has been accrued for services rendered under this Agreement until said date. However, the expiration date may be extended by amendment to this Agreement executed in writing by both parties prior to December 31, 2020.

3.2 Either party shall have the right to terminate this Agreement by providing the other party a thirty (30) days' notice by registered mail, return receipt requested, or overnight express mail. If notice is given, this Agreement shall terminate upon the expiration of the thirty (30) days (such expiration date hereinafter referred to as the "day of effective termination") and the fees and expenses payable by the **Autoridad del Puerto de Ponce** shall be prorated up to the day of effective termination (based on hours worked), in accordance with the terms of this Agreement.

3.3 In the event that the day of effective termination falls on a date other than the end of a monthly billing cycle under this Agreement, the fees payable to the **CONSULTANT** shall be prorated (based on hours worked) to cover such portion of the last monthly billing cycle as shall have transpired through the day of effective termination.

3.4 The rights, duties and responsibilities of the **Autoridad del Puerto de Ponce** and the **CONSULTANT** shall continue in full force and effect during the thirty (30) day notice period. The **CONSULTANT** shall have no further right to compensation except for what has been accrued for services rendered under this Agreement until said day

of effective termination, and the **Autoridad del Puerto de Ponce** shall remain responsible for any commitments authorized by the **Autoridad del Puerto de Ponce** prior to the effective date of termination that cannot be canceled or mitigated.

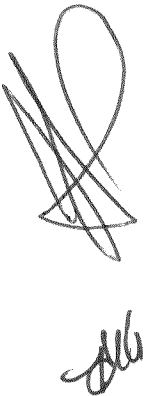
3.5 The Office of the Chief of Staff of the Governor of Puerto Rico has the legal authority to terminate any Agreement at any time.

4. COMPENSATION AND MAXIMUM AMOUNT

4.1 As compensation for the services rendered under this Agreement, the **Autoridad del Puerto de Ponce** shall pay the **CONSULTANT** the **Maximum Amount** of **NINE THOUSAND FIVE HUNDRED DOLLARS (\$9,500.00)** (hereinafter, the "Maximum Amount"). In no event shall the total payment to the **CONSULTANT** during the term of this Agreement shall exceed the **Maximum Amount**.

Payment schedule shall be as described in the following table:

Phase I	Deliverable	Deliverable schedule	Amount to be paid
		Counseling, consulting services and technical assistance necessary for the performance of Accounting Services for the fiscal years ending June 30, 2018, June 30, 2019 and June 30, 2020; Booking – transaction identification and recording for the period from July 1, 2017 to June 30, 2020; Identify and propose journal entries for the completion of a general ledger trial balance for management and External Auditors for the years ended June 30, 2018, June 30, 2019 and June 30, 2020. ; Bank reconciliations – preparation of bank reconciliation for the years ended June 30, 2018, June 30, 2019 and June 30, 2020; Subsidiaries of A/R and A/P – Update information about Accounts Payable, Accounts Receivable, Transfers In and Out and Due to and Due From with other entities; Fixed Assets Ledger – Update Fixed Asset Ledger at years ended June 30, 2018, June 30, 2019 and June 30, 2020; Provide support and any required	\$9,500.00



		information to External Auditors for the annual financial statement audit for Fiscal Years 2018 and 2019; Transfer knowledge to both Autoridad del Puerto de Ponce and Department of Economic Development and Commerce's employees; and other related tasks that may be requested by the Autoridad del Puerto de Ponce or its authorized representative, among others	
Total			\$9,500.00

4.2 The **PARTIES** agree that the abovementioned costs and fees are in the reasonable parameters for the referred profession and deliverables.

4.3 All disbursements or payments for the services provided in this Agreement shall be made from account number **0002-002-2021-002-7205-Fond-Est-155-690**. The **CONSULTANT** has submitted the following account transfer data to the **Autoridad del Puerto de Ponce** in order to facilitate contract payments by means of electronic transfers: Oriental Bank, Routing No. 221571415, Account No. 7948852207, Account Bearer Cedrela CG, LLC.

4.4 The **Autoridad del Puerto de Ponce** has corroborated and obtained a Funds Availability Certificate to pay for the services and deliverables aforementioned. Certificate of Funds Availability was obtained for the Maximum Amount of this Agreement.

5. INVOICING:

5.1 **CONSULTANT** shall submit to the **Autoridad del Puerto de Ponce** an invoice according to the schedule agreed upon in Clause 5. Invoices shall include a detailed description of the services rendered. Each invoice for professional services shall be:

5.5.1 Itemized and must be duly certified by an authorized representative of the **CONSULTANT** as provided below.

5.5.2 Must include a detail of each task or management, and hours or fractions of time devoted to each task or management, and for which Deliverable the task were performed.

5.5.3 Tasks or steps described should be grouped and classified according to the matter to which he belongs.

5.5.4 Invoice must be certified as correct and pending payment by the officer in charge of the account or the person with authority to do this.

5.2 Each invoice must include a written certification stating that no officer or employee of the **Autoridad del Puerto de Ponce** shall derive or obtain any benefit or profit of any kind from this Agreement, with the acknowledgment that invoices without this certification shall not be paid. This certification must read as follows:

“We certify under penalty of nullity that to the best of our knowledge no public servant of the Autoridad del Puerto de Ponce will derive or obtain any monetary benefit or profit of any kind from the contractual relationship which is the basis of this invoice. If such benefit or profit exists, the required waiver has been obtained prior to entering into the Agreement. The only consideration to be received in exchange for the delivery of goods or for services provided is the agreed-upon price that has been negotiated with an authorized representative of the Autoridad del Puerto de Ponce. The total amount shown on this invoice is true and correct. The services have been rendered, and no payment has been received.”

5.3 The **Autoridad del Puerto de Ponce** shall honor invoices submitted after invoice review and Deliverables are accepted as complete and satisfactory to the **Autoridad del Puerto de Ponce**.

5.4 The **Autoridad del Puerto de Ponce** shall review **CONSULTANT’S** invoices carefully to ascertain their accuracy and, if adequate, shall proceed with payment. The **Autoridad del Puerto de Ponce** reserves the right to review the invoices and conduct the audits it deems necessary.

5.5 Under no circumstances shall the **Autoridad del Puerto de Ponce** make any payment to **CONSULTANT** in excess of the **MAXIMUM AMOUNT** payable as set forth above in the Fifth Clause of this Agreement. If by the matters referred to **CONSULTANT**, invoice for professional services may possibly exceed the **MAXIMUM AMOUNT**, **CONSULTANT** shall give written notice to the **Autoridad del Puerto de Ponce** when Agreement reaches 75% of the **MAXIMUM AMOUNT** explaining the reasons and circumstances that caused invoicing to possibly exceed the **MAXIMUM AMOUNT**. The **Autoridad del Puerto de Ponce** shall evaluate the notice and at its sole discretion determine if an amendment to the Agreement is necessary to increase the **MAXIMUM AMOUNT** for the rendered services and authorize any other additional service required by the **Autoridad del Puerto de Ponce**.

5.6 If any of the services rendered by **CONSULTANT** are not according to the stated in this Agreement, the **Autoridad del Puerto de Ponce** may request **CONSULTANT** to render services in conformity to the Agreement without an increase in the Agreements **MAXIMUM AMOUNT**. If deficiencies persist, the **Autoridad del Puerto de Ponce** may:

- i. Require **CONSULTANT** to take the necessary actions to secure execution as stated in the Agreement and the Deliverable in question.
- ii. Reduce any outstanding compensation arising from the Agreement to reflect the proportional value of services satisfactorily rendered.

5.7 If funds specified in the Fifth Clause, above, are reduced or cancelled for reasons beyond **Autoridad del Puerto de Ponce's** control, **Autoridad del Puerto de Ponce** may terminate the Agreement, effective the day on which such funds are reduced or cancelled. The services provided by the **CONSULTANT**, until the day in which such funds are reduced or cancelled, shall be paid pursuant to the contract. If the **Autoridad del Puerto de Ponce** terminates the contract by a reduction in funds, the **PARTIES** shall have the option, but not the obligation, to negotiate a new contract subject to imposed guidelines or instructions issued by the relevant authorities and to the availability of funds.

5.8 Invoice shall include the available balance of the **Maximum Amount**, to the extent that applies. The **Autoridad del Puerto de Ponce** shall not pay invoices that do not meet this requirement.

5.9 **CONSULTANT** certifies that it is not a corporation registered in Puerto Rico, which does business in Puerto Rico, and that does not employ people in Puerto Rico to the signing of the present contract by which has no tax liability or is required to yield returns in Puerto Rico.

6. RETENTIONS

6.1 The **Autoridad del Puerto de Ponce** shall (i) inform the Treasury Department of Puerto Rico all payments and refunds made under this agreement; (ii) make withholdings and discounts of their compensation under the laws and applicable regulations, unless the **CONSULTANT** delivers the corresponding "Certificate of Release Retention" issued by the Treasury Department; and (iii) shall retain their compensation amount corresponding to any tax debt that **CONSULTANT** has with the Government of Puerto Rico or any of its dependencies to pay or repay such tax debt.

6.2 In addition to any other tax obligations applicable to the services object of this contract and/or the **CONSULTANT** services or operations, **CONSULTANT** recognizes and expressly accepts that the **Autoridad del Puerto de Ponce** shall retain from all payment for services provided under contracts whose aggregate procurement amount exceed \$50,000.00 dollars annually, a one point five per cent (1.5%) of the total amount of each disbursement of professional services, in accordance with Article 1 of Act 48-2013, as amended by Act 117-2013, which establishes a special contribution for all professional services contract awarded by any agency or instrumentality of the Government of Puerto Rico.

6.3 The services object of this contract and/or operations of **CONSULTANTS** services, shall be subject to withholding at the source of 29 per cent (29%) of payments made according to provisions of section 1062.08 of the Puerto Rico Internal Revenue Code.

7. REPRESENTATIONS, WARRANTIES AND GOVERNMENT CERTIFICATIONS

7.1 As required by the Treasury Department Circular Letter No. 1300-16-16 of January 19, 2016, **CONSULTANT** certifies, agrees and guarantees, if applicable, that:

- i) During the five (5) years prior to the year of execution of this Agreement, **CONSULTANT** filed all its income taxes and do not owe contributions or sum of money to the Department of Treasury of the Government of Puerto Rico. If not applicable, **CONSULTANT** has submitted a sworn statement stating it has no obligation to file tax return in Puerto Rico and has no outstanding debts with the Puerto Rico Treasury Department.
- ii) During the five (5) years prior to this Agreement, **CONSULTANT** submitted its personal property income tax and does not owe taxes or sum of money to the Municipal Revenue Collection Center or municipal licenses.
- iii) **CONSULTANT** does not owe any payments for the Unemployment Insurance, Disability Insurance and Driver's Social Security to the Puerto Rico Department of Labor and Human Resources.
- iv) **CONSULTANT** does not owe payments to the Puerto Rico Department of Family/Administration for the Child Support, by concept of pension for child support or concept of pension under the program for the livelihood of people of advanced age in accordance with Act 168-2000, as amended.
- v) **CONSULTANT** certifies that neither it, nor any of its directors, executives, officers or employees, offered or paid, directly or indirectly, any commissions, referrals, contracts, or any other consideration having an economic value, to a third party as a condition for the **Autoridad del Puerto de Ponce** to issue this Agreement or to influence in any way the **Autoridad del Puerto de Ponce** assenting to its execution. In addition, **CONSULTANT** certifies that it shall not pay any commissions, make any referrals, execute any contracts, or provide any other consideration having an economic value, to a third party for the services to be rendered under this Agreement, except for any subcontracts authorized by the **Autoridad del Puerto de Ponce** accordance with the provisions established herein.
- vi) **CONSULTANT** certifies that none of its directors, executives, or officers receives a salary or any kind of compensation for the delivery of regular services by appointment in any agency, instrumentality,



public corporation or municipality of the Government of Puerto Rico, besides the compensation object of this Agreement.

- vii) No public server or director, officer or employee of the **Autoridad del Puerto de Ponce** or member of his household (as that term is defined in the Ethics in Government Act, Act. 1-2012), has pecuniary interest direct or indirectly in this Agreement, or any other interest that adversely affects the **Autoridad del Puerto de Ponce**.
- viii) None of **CONSULTANT'S** members, shareholders, directors, officers or employees are relatives within the terms degree of consanguinity or second degree of any director, officer or employee of the **Autoridad del Puerto de Ponce** with the power to influence or participate in its institutional decisions or participated in the process by which **Autoridad del Puerto de Ponce** was authorized to grant this Agreement.
- ix) **CONSULTANT** certifies and guarantees that at the execution of this Agreement, neither it nor any of its directors, executives or officers has been convicted, and that it has no knowledge of any of the foregoing 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 Agreement. If the certification is not correct in its entirety or in any of its parts, it shall constitute sufficient cause for the **Autoridad del Puerto de Ponce** to terminate this Agreement immediately, without prior notice, and the **CONSULTANT** shall have to reimburse to the **Autoridad del Puerto de Ponce** any amount of money received under this Agreement.
- x) During ten (10) years prior to the year of this Agreement, neither **CONSULTANT** nor its parent company or subsidiaries, if any, nor any of its partners, shareholders, directors, officers or employees have committed offences against the public Treasury, the faith or the public function, against the Government exercise or involving funds or public property of the Government of Puerto Rico or in any jurisdiction of the United States of America.
- xi) None of its shareholders, directors, officers or employees was government employee who had a relationship with the services or work covered by this Agreement during the two (2) years prior to the signing of this Agreement and, having had relationships with the



services or work covered by this contract, has met the waiver required by law.

- xii) **CONSULTANT** has no conflicts of interest, professional or personal, with the **Autoridad del Puerto de Ponce**, nor shall it be in any professional or personal relation that generates a conflict of interest with the **Autoridad del Puerto de Ponce**. For purposes of this Agreement, 'conflict of interest' means having or representing interests of any nature that is adverse to the **Autoridad del Puerto de Ponce**, or those conflicts of interest recognized by the industry or by the laws and regulations of the Government of Puerto Rico. **CONSULTANT** shall report to the **Autoridad del Puerto de Ponce** about any situation of conflict of interest or the appearance of such a conflict.
- xiii) **CONSULTANT** does not maintain claims, judicial or administrative procedure, against the Government of Puerto Rico or any of its agencies or public corporations.
- xiv) **CONSULTANT** shall be guided by the provisions of the Government Ethics' Act 1-2012.
- xv) **CONSULTANT** does not have the legal obligation to obtain any waiver or authorization in accordance with the Government Ethics Act and its Regulations prior to the award of this Agreement, or, if such obligation exists, it has obtained the waiver or authorization and it is current and continues current during the term of the contract. In addition, certifies that none of the provisions of the aforementioned laws prohibits the granting of this Agreement.
- xvi) **CONSULTANT** is not in violation of Act No. 168-2000, as amended, "Law for the strengthening of the support family livelihood of people of elderly".
- xvii) **CONSULTANT** acknowledges and agrees that each and every one of these representations, warranties or certifications are essential conditions of this agreement, and if being wrong or unfulfilled in all or part, the **Autoridad del Puerto de Ponce** may cancel, rescind or resolve this Agreement without prior notification, and the **CONSULTANT** must return to the **Autoridad del Puerto de Ponce** all received as payment for services under this Agreement.
- xviii) **CONSULTANT** acknowledges and agrees that its partners, shareholders, directors and officers shall comply with all the provisions of this clause.

8. REQUIRED DOCUMENTS

8.1 **CONSULTANT** acknowledges and agrees that the **Autoridad del Puerto de Ponce** may request any document which it deems appropriate to prove its tax situation, or any of the certifications contained in this contract, or its capacity or authority to do business in Puerto Rico or grant this Agreement.

8.2 The **CONSULTANT** shall submit the following documents to the **Autoridad del Puerto de Ponce**:

- i. Certificate of the Existence of the Corporation.
- ii. Corporate Resolution authorizing **CONSULTANT's** representative to represent, link and sign this Agreement.
- iii. Sworn Statement establishing that they do not do business and do not have office in Puerto Rico, for which they are not obliged to file tax return in Puerto Rico, that they do not have real estate or property in Puerto Rico, that they do not employ people in Puerto Rico to the signing of this Agreement and that neither the legal entity or employee, President, Vice-President, Executive or Board has been convicted or been convicted for any of the offences enumerated in the Act No. 2-2018, Article 3.



9. CANCELLATION OR TERMINATION FOR NON-COMPLIANCE OR NEGLIGENCE

9.1 If the **CONSULTANT** (i) fails to comply with any obligation, condition, term, agreement or material clause under this agreement; (ii) failure to comply with any representation, warranty or certification made under this contract; (iii) is negligent in the performance of its obligations and duties under this agreement; or (iv) violates any law or any governmental requirement or acts improperly in the fulfilment of its obligations and duties as described in the contract, the **Autoridad del Puerto de Ponce** shall be able to terminate this Agreement immediately, without prior notice to the **CONSULTANT**.

9.2 The Governor's Office of the Chief of Staff shall have the right to terminate this Agreement at any time.

10. CONSEQUENCES OF AGREEMENT RESOLUTION, RESCISION, CANCELATION O TERMINATION

10.1 If this Agreement is resolved, terminated or cancelled, the **Autoridad del Puerto de Ponce** shall pay to **CONSULTANT** for services rendered and billed up to the date of the resolution, termination or cancellation.

10.2 **CONSULTANT** must return to the **Autoridad del Puerto de Ponce** all the files in its possession that are product of the Agreement, provided that no legal impediment exists, and any confidential information, including originals and copies.

10.3 If requested, at the conclusion of the services by cancellation, resolution, rescission or termination of the contract, **CONSULTANT** shall submit to **Autoridad del Puerto de Ponce** a final report that shall include (i) a summary of the services provided during the term of the Agreement; (ii) a detail of the services that were not completed, in which specific stage they are; and (iii) final recommendations.

11. CONFIDENCIALITY

11.1 The **Autoridad del Puerto de Ponce** shall provide **CONSULTANT** all documents, reports or materials that **CONSULTANT** may need necessary to render the services object of this Agreement, except those in **CONSULTANT** possession due to its profession.

11.2 All the work produced as part of the contracted services, completed in writing or any other method of conservation by the **CONSULTANT** shall be privileged and confidential, and may not be reported or revealed to any third party unless previous written consent is released by the **Autoridad del Puerto de Ponce**; neither said work or information must be included as part of the **CONSULTANT'S** credentials, unless previous written consent is given by the **Autoridad del Puerto de Ponce**.

11.3 All documents, reports or materials that the **Autoridad del Puerto de Ponce** delivers or information given to **CONSULTANT** is strictly confidential, except for documents, reports, materials or information that: (a) is of public domain, or that the **Autoridad del Puerto de Ponce** has authorized its publication or disclosure in writing; (b) were in legitimate possession of **CONSULTANT** before the **Autoridad del Puerto de Ponce** disclosed the same and which has no restriction of disclosure (c) be legitimately reported to the **CONSULTANT** by a third party, and does not have any restriction on its disclosure; (d) be obtained independently by the **CONSULTANT**, and do not have any restriction on its disclosure; and (e) have to be reported upon request of law, order, or other legal requirements issued by competent authority.

11.4 The **CONSULTANT** may not disclose confidential information to third parties and shall only discuss it with **Autoridad del Puerto de Ponce's** directors, officers, employees or authorized agents. The services provided under this Agreement are provided so that the **Autoridad del Puerto de Ponce** will exercise the functions and powers assigned to it by its enabling legislation as part of the Executive Branch and, accordingly, management and work by the **CONSULTANT** under this Agreement, are granted the same privileges, protections and immunities that cover **Autoridad del Puerto de Ponce** efforts, including, and without limitation, the

Executive Privilege, the Privilege of Deliberative Process, and the Attorney-Client Privilege, as they are applicable.

12. DUTY TO RETAIN INFORMATION AND DOCUMENTS

12.1 The **CONSULTANT** acknowledges and accepts the power of the Comptroller of the Government of Puerto Rico to intervene or examine any report, invoice, material or document related to the services provided under this agreement, and It shall preserve these for a period of six (6) years from the date of resolution, cancellation, termination or termination of this agreement.

13. SUBCONTRACTING; ASSIGMENTS OF RIGHTS

13.1 The **CONSULTANT** may not subcontract the services object of this Agreement without **Autoridad del Puerto de Ponce's** written consent. All subcontractors authorized by the **Autoridad del Puerto de Ponce** shall comply with the same requirements as this Agreement requires the **CONSULTANT**, and the fees accrued shall be deducted from the Maximum Amount.

13.2 **CONSULTANT** may not assign its rights or obligations under this Agreement without **Autoridad del Puerto de Ponce's** previous notification and consent.

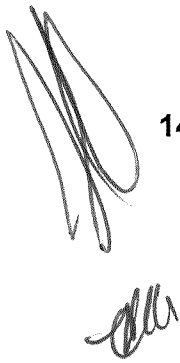
14. INDEPENDENT CONSULTANT

14.1 The **PARTIES** recognize and agree that the relationship between **CONSULTANT** and the **Autoridad del Puerto de Ponce** is one of independent contractor. This agreement does not create or establish a relationship of agency, partnership, or employment between the **PARTIES**, or between any of the **PARTIES** employees, agents or subcontractors. Neither the **CONSULTANT** nor its employees, agents or authorized subcontractors shall make representations to third parties otherwise.

14.2 **CONSULTANT** shall be considered the employer of each and every one of the employees that render services under this Agreement and shall have the obligation to comply with all the requirements of local and federal labor laws.

14.3 **CONSULTANT** shall be responsible for (i) paying its employees, agents or authorized subcontractors, their salaries, wages, commissions, or any compensation; (ii) paying any insurance required by law for its employees or agents; and (iii) retaining the amount corresponding to contributions from wages, salaries, commissions or any other compensation of its employees, agents or authorized subcontractors and refer them to the appropriate authorities.

14.4 The **CONSULTANT**, authorized employees, agents or authorized subcontractors shall comply with all laws and regulations that are applicable to the services to be provided under this agreement, including any federal or local law or



regulation. The **CONSULTANT** shall be responsible of obtaining all professional permits and licenses necessary to deliver services under this Agreement.

15. RELEASE OF LIABILITY, INDEMNITY, INSURANCE

15.1 The **CONSULTANT** shall relieve the **Autoridad del Puerto de Ponce** and other agencies and public corporations ascribed, if applicable, and directors, officers, employees, agents, representatives, assignees and the Government of Puerto Rico, from any responsibility and for all losses, causes of action, claims, damages, liabilities and expenses (including attorney's fees) arising as a consequence of, or related to negligent actions or fault of the **CONSULTANT** in the performance of its obligations under this Agreement.

15.2 Staff hired by the **CONSULTANT** to carry out its obligations under this Agreement shall be under the jurisdiction and legal responsibility of the **CONSULTANT**, who shall assume all of the risks, costs and responsibilities for their actions, supervision, compensation and discounts required by law. If any acts or situations of harm to third parties arise, **CONSULTANT** expressly relieves the **Autoridad del Puerto de Ponce** from any claim, lawsuit, suit, or proceedings that arises or may arise in relation thereto.

16. NOTIFICATIONS

16.1 Any notice or communication required or permitted under this Agreement shall be in writing, and shall be delivered by hand, by courier, sent by facsimile, by electronic mail or by certified mail with return receipt to the address listed at the end of the contract.

16.1 A notification or communication shall be deemed delivered (i) on the date of delivery, when delivered by messenger; (ii) on the date of sending by facsimile or electronic mail, when there is document that confirms the facsimile or electronic mail was duly transmitted; or (iii) on the date of signing the acknowledgement of receipt, delivery is rejected or the postal service authorities indicate that they may not complete delivery, depending on the case, when sending mail.

16.2 The **PARTIES** may notify a change of address by sending a written notification with fifteen (15) days prior to the effective date of the change of address.

17. WAIVER OF RIGHTS

17.1 Rights and remedies under this Agreement are not exclusive to any right or remedy provided by law, and the exercise of any right or remedy shall not be understood as a waiver of the exercise of any other right or remedy granted under the provisions of this agreement or by law.

17.2 Express or implied waiver of rights or remedies under a specific provision of this Agreement, shall not be construed as a waiver of rights or remedies under this provision at any other time or under any other provision of this Agreement, or of

those rights or remedies provided by law. The lack of action regarding non-compliance with obligations, conditions, terms, agreements, representations, warranties or certifications of this Agreement shall not be construed as a waiver of the right to take action of such non-compliance or any subsequent breach.

17.3 By no means any payments made by the **Autoridad del Puerto de Ponce** for services rendered under this contract, shall be interpreted as a waiver to the exercise of any right or remedy provided under this Agreement or by law, and the **CONSULTANT** shall remain liable to the **Autoridad del Puerto de Ponce** for any damages suffered by the **Autoridad del Puerto de Ponce** as a result of **CONSULTANT'S** failure or breach of any term, clause or agreement contained in this Agreement.

18. **ACCESS TO INFORMATION**

18.1 The **CONSULTANT** shall provide access to the Office of the Governor, to the General Comptroller of the United States, to the Comptroller of Puerto Rico and the Department of Justice of Puerto Rico, to books, documents, records, files and papers (including those stored in computer), directly related to this Agreement and the Agreement, in order to audit them, examining them, summarize them, transcribe them and photocopy them. This right includes reasonable access and availability of **CONSULTANT'S** staff time for purposes of interview and discussion associated with this right of control.

19. **COMPLIANCE WITH THE LAW**

19.1 **CONSULTANT** undertakes to comply with all the provisions, regulations and norms of law and applicable state and federal regulations, including any guideline issued by the **Autoridad del Puerto de Ponce**.

20. **CONSULTANT WARRANTIES**

20.1 The **Autoridad del Puerto de Ponce** agrees that those matters that are not expressly prohibited or regulated by law, remain within the scope of jurisdiction of the Executive Branch to be interpreted and governed in accordance with the intent of the law. Matters in which the public policy is not clear or explicit, shall not be subject to the interpretation of the **CONSULTANT**. In such event, **CONSULTANT** should consult the **Autoridad del Puerto de Ponce** to obtain an interpretation.

20.2 **CONSULTANT** ensures it relieves the **Autoridad del Puerto de Ponce** of damages in respect to all and any claims arising as a result of the terms and conditions of the services under this Agreement.

20.3 **CONSULTANT** ensures that it shall not discriminate against any individual, applicant, participant, provider and/or **Autoridad del Puerto de Ponce's** staff on the basis of race, color, physical or mental impairment, national origin, sex, age, religion, political affiliation, belief or nationality.

21. **INDEPENDENCE OF CLAUSE**

21.1 If any clause of this Agreement is declared unlawful, void, or unenforceable, in its origin or in its application to any person or circumstance, it shall not affect the validity or enforceability of the rest, which shall remain in force and effect. However, if a clause that is declared unlawful, void, or unenforceable is essential to this Agreement, and the invalidity, illegality or unenforceability of such provision precludes compliance with the other terms of the contract, then the **PARTIES** may negotiate in good faith, new provisions satisfactory to both, or by determination of the competent authority, the contract may be resolved.

22. **LICENCE OF USE**

23.1 In accordance with applicable Federal and State legislation, **CONSULTANT** authorizes a free use license in favor of the **Autoridad del Puerto de Ponce**, as an agency of the Government of Puerto Rico, which shall constitute a license or non-exclusive authorization of use of the work, writing, research or developed intellectual property through this Agreement, for purposes of reproducing it or in any way use or authorize others to use it free from any encumbrances and/or responsibilities, provided that such use is for a public purpose by the Government of Puerto Rico. **CONSULTANT** shall remain the owner or holder of the authorship of the rights of his work or intellectual property, except that a permanent and irrevocable permission is granted to the Government of Puerto Rico to use and/or reproduce their work for public purposes. In addition, **CONSULTANT** recognizes that it authorizes the **Autoridad del Puerto de Ponce** to modify the product obtained from the aforementioned fee license. However, all material developed during the term of this Agreement with respect to business relationships separate from the services of this Agreement, shall be exempt from the obligation to grant the described license.



23. **PUBLIC SCREENING**

24.1 **CONSULTANT** acknowledges and agrees that, as a provider of professional services under this Agreement, it shall be prevented from organizing activities or events of public transmission on behalf of the **Autoridad del Puerto de Ponce**, use the **Autoridad del Puerto de Ponce** logo or on behalf or as a subcontractor or dealer of the **Autoridad del Puerto de Ponce**, without prior coordination with the concerned Management Area, **Autoridad del Puerto de Ponce's** Office of Communications and the required authorization of the Secretary of Economic Development and Commerce. In this sense, the **CONSULTANT** shall not disclose to third parties information related to the development, performance or results of the services hereto, or **Autoridad del Puerto de Ponce's** guidelines or management efforts without the described prior authorization from the **Autoridad del Puerto de Ponce's** Executive Director.

23.2 The **CONSULTANT** shall have the obligation to present to the **Autoridad del Puerto de Ponce**, for approval and authorization, all material information related to services provided under this Agreement and/or nature, prior to its dissemination in the media and/or distribution thereof, to the extent applicable.

23.3 Non-compliance of the above agreed shall be sufficient cause to declare breach of this Agreement.

24. ADVERSE INTERESTS

24.1 In accordance with the provisions of the Executive Order No. OE-1994-11 of March 7, 1994, **CONSULTANT** recognizes that in the defense of their professional role it has the duty of complete loyalty to then **Autoridad del Puerto de Ponce**, which includes having no adverse interests to the Government of Puerto Rico. These adverse interests include the representation of any clients who have, or could have, adverse interests with the **Autoridad del Puerto de Ponce** or the Government of Puerto Rico.

24.2 This duty includes the ongoing obligation to disclose to the **Autoridad del Puerto de Ponce** all circumstances of its relationships with customers and third parties and any interest that could influence the **Autoridad del Puerto de Ponce** at the time of granting this Agreement or during its term.

24.3 **CONSULTANT** represents conflicting interests when, on behalf of a client is his duty to promote that which must it oppose in compliance with its obligations to the **Autoridad del Puerto de Ponce**. It represents conflict of interests when its behavior is described as such in the recognized ethical standards to their profession or in the laws and regulations of the Government of Puerto Rico.


24.4 In agreements with companies or firms, it shall constitute a violation of this prohibition if the conduct described here is incurred by any of its directors, associates or employees. **CONSULTANT** shall avoid even the appearance of the existence of conflicting interests.

25. JURISDICTION

25.1 This Agreement and the rights of the **PARTIES** under it, shall be governed by the laws of the Government of Puerto Rico; San Juan's Judicial Region shall have exclusive jurisdiction to resolve any disputes related to this Agreement.

26. SOLE AGREEMENT; AMENDMENTS

26.1 This Agreement constitutes the entire agreement between the **PARTIES** and leave without effect any negotiations or previous pact concerning the services covered by this Agreement. The **PARTIES** may amend this agreement at any time



during its term, but no amendment shall be valid unless it is in written document signed by all the **PARTIES**.

27. **SUSTAINABILITY ACT**

27.1 **CONSULTANT** acknowledges and agrees that this Agreement and the rights and obligations arising from it shall be subject to the applicable provisions of the Special Law for Fiscal Sustainability and Operation of the Government of Puerto Rico, Act No. 66-2014 and the Law to Address the Economic Fiscal and Budgetary Crisis to Ensure the Operation of the Government of Puerto Rico, Act No. 3-2017.

28. **INTERAGENCY SERVICES CLAUSE AND ACT 147-1980**

28.1 Both contracting **PARTIES** recognize and have agreed that the contracted services shall be provided to any entity of the Government of Puerto Rico's Executive Branch with which the **Autoridad del Puerto de Ponce** shall perform an interagency agreement or by direct provision of the Governor's Chief of Staff Office. These services shall be carried under the same terms and conditions, and compensation as contained in this Agreement. For purposes of this clause, the term "entity of the executive branch" includes all agencies of the Government of Puerto Rico, as well as the instrumentalities and public corporations and the Governor's Office.

28.2 Election Year. Act 147-1980 states that in the period between July 1st of any general elections year and the sworn in date of the newly elected officials, it shall be illegal to incur in expenditures and obligations amounting more than fifty percent (50%) of the assigned budgetary allocation for the item (the Agreement). As per the aforementioned, **CEDRELA CG, LLC** recognizes and accepts that during the first six (6) months of fiscal year 2020-2021, the **CONSULTANT** can only invoice and be compensated for the services rendered up to fifty percent (50%) of the total budget assigned for this Agreement. The referred fixed six (6) months period is from July 1st, 2020 to December 31st, 2020. In addition, the **CONSULTANT** acknowledges and accepts that in the eventuality that no funds continued to be committed from January 1st, 2021 to June 30, 2021, **Autoridad del Puerto de Ponce** may terminate this Agreement.

29. **COMPLIANCE WITH THE COMPTROLLERS REGISTRY**

30.1 No provision or consideration under this Agreement may be required until the Agreement is filed for record in the Office of the Comptroller of Puerto Rico, in accordance with the provisions of the Act No. 18 of October 30, 1975, as amended, and its regulations. Under such an arrangement, the **Autoridad del Puerto de Ponce** undertakes to register the contract with the Office of the Controller within the term prescribed for this purpose.

Handwritten scribbles and initials in the left margin, consisting of several overlapping loops and a signature-like mark.

ACCEPTANCE AND SIGNATURE

The contracting **PARTIES** show their acceptance to this Agreement by stamping their signatures at the end of the document and initializing each and every one of the pages within.

IN WITNESS THEREOF, the parties hereto sign this Agreement, in San Juan, Puerto Rico, on the 20th day of August, 2020.

AUTORIDAD DEL PUERTO DE PONCE

CEDRELA CG, LLC



HÉCTOR L. AGOSTO RIVERA
Executive Director
EIN: 66-0819474
PO Box 362350
San Juan, Puerto Rico 00936-2350
Telephone: (787) 765-2900
hector.agosto@ponce.pr.gov

JORGE SÁNCHEZ ROSA
Director
EIN: 66-0843491
PO BOX 361837
San Juan, Puerto Rico 00936-1837
Telephone: (787) 200-2780
jorge.sanchez@cedrelacg.com



RESOLUCIÓN CORPORATIVA

Yo, David D. Lugo Hernandez, [REDACTED] mayor de edad, casado, vecino de Guaynabo, Puerto Rico y como persona autorizada y director de CEDRELA CG LLC, debidamente organizada y existente bajo las leyes del Estado Libre Asociado de Puerto Rico bajo el número 355884, con oficina principal en Guaynabo, Puerto Rico.

CERTIFICO

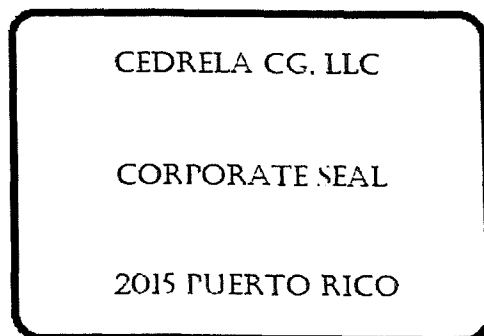
Que David D. Lugo Hernandez y Jorge Sanchez Rosa, directores de CEDRELA CG LLC son personas autorizadas para que a nombre y en representación de la compañía de responsabilidad limitada puedan firmar, autorizar, someter todo tipo de propuesta, contrato, negociar y convenir acuerdos con entidades privadas y gubernamentales conforme a la Ley.

En mi carácter de director de la compañía de responsabilidad limitada, CERTIFICO, ADEMÁS, que la Resolución arriba transcrita no ha sido revocada, anulada, alterada o enmendada en forma alguna y que se mantiene vigente con toda su fuerza y vigor y que la misma fue adoptada en conformidad con las disposiciones del Certificado de Organización y de la Ley.

Y PARA QUE ASI CONSTE, firmo la presente y estampo el sello de la Corporación. En Guaynabo, Puerto Rico, al 30 de junio de 2020.

David D. Lugo Hernández, CPA
Director y Persona Autorizada
CEDRELA CG LLC

Jorge Luis Sánchez Rosa, CPA
Director y Persona Autorizada
CEDRELA CG, LLC





Proposal for Accounting Services

Prepared for

Autoridad del Puerto de Ponce

August 2020 | San Juan, Puerto Rico

FY 2020 – 2021

(period July 1, 2020 to December 31, 2020)

Prepared by:

Jorge Sanchez, CPA

Director – Cedrela Consulting Group

O: 787-200-2780 M: 787-479-7551

email: jorge.sanchez@cedrelacg.com

Table of Contents

1	TRANSMITTAL LETTER	3
2	SERVICES.....	3
	2.1 Objectives.....	4
	2.2 Engagement Scope and Approach.....	4
3	ENGAGEMENT TIMELINE AND DELIVERABLES	5
4	ENGAGEMENT TEAM.....	6
5	SCHEDULE OF FEES	7
6	ACCEPTANCE.....	8

1 Transmittal Letter

August 14, 2020

Yolanda Diaz Rivera, Esq.
Autoridad del Puerto de Ponce
Edif. Fomento, Ave. F.D. Roosevelt, 4th Floor
Hato Rey, Puerto Rico

Dear Ms. Diaz:

We appreciate this opportunity to propose our services as consultants for the Autoridad del Puerto de Ponce ("the Authority").

We believe our culture, our values, our knowledge of the Public Sector and our specialized expertise will help us contribute to the Authority's success.

Our unique boutique structure of former CFOs, Controllers, Auditors and Risk Analysts with strong knowledge and experience in Governmental Regulatory Compliance will add significant value to the Authority's financial, operational and compliance processes. We are committed to:

- performing the work within a timeframe mutually agreed upon between the Authority and Cedrela.
- a strategic, organized approach to engagement management.
- a job done efficiently - with minimal disruption to your staff and/or office procedures.
- take our role as advisors seriously and offer our experience and vision to examine your current situation and suggest approaches to help you achieve long-term goals.

We look forward to continuing collaborating with you and your team.

Best Regards,

/s/ Jorge Sanchez
Jorge Sanchez
Director
Cedrela Consulting Group

2 Services

2.1 Objectives

The objective of the proposed services is to provide counseling, consulting services and technical assistance on such tasks and matters necessary for the performance of Accounting Services. Cedrela will ascertain that our procedures cover the end-to-end process, including all matters necessary for the completion of the financial information needed for the performance of the Financial Statement's audit for outstanding fiscal years.

2.2 Engagement Scope and Approach

- I. Provide counseling, consulting services and technical assistance on such tasks and matters necessary for the performance of Accounting Services for outstanding open fiscal years.
 - ✓ Bookkeeping – transaction identification and preparation of trial balance for management and external auditors with corresponding support.
 - ✓ Bank reconciliations – preparation of bank reconciliations
 - ✓ Subsidiaries of A/R and A/P – Update information about Accounts Payable, Accounts Receivable, Transfers In and Out and Due to and Due from with other entities.
 - ✓ Fixed assets ledger – Update Fixed Asset Ledger.
 - ✓ Provide support and any required information to External Auditors for the annual financial statement audit in progress.
- II. Transfer of knowledge to the Department staff
- III. Other related tasks that may be requested by the Authority or its authorized representative

If required, to facilitate required documentation of any process we will use a SIPOC approach. A SIPOC is a high- level view of a process and it stands for Supplier, Input, Process, Output and Customer. In any process, it includes all the suppliers of information necessary for the process on hand, the data sources and inputs necessary for the process, how the process is performed and reconciled, which reports are generated and how the data reported is used for internal and external stakeholders. The process documentation also summarizes key control points of the process and if any gaps exist that should be address as part of action plan.

3 Engagement Timeline and Deliverables

We will provide technical assistance in complying with the deadlines established by the Authority's management in relation to any of the tasks described above. In tasks where the deliverable is related to provide documentation about any internal process, we will perform the following steps:

1. Data gathering and understanding: Obtain all available documentation and data available from management and external auditors.
2. Create draft documentation and perform required calculations.
3. Draft discussions and final documentation delivery: Discuss drafts with management, assess recommendations and deliver final reports after management sign-off.

Important note – our timelines and deliverables assume that the information is readily available, and management will be able to actively support our process. We will communicate with management if issues arise that would not allow the engagement team to complete the tasks on the determined tasks due to lack of data availability or client's resource constraints.

4 Engagement Team

People make the difference. Cedrela's proposed client service team consists of professionals with proven leadership skills, in-depth governmental, financial services and public company experience, technical competence, and strong interpersonal skills. As the individual profiles depict, the team has extensive experience in the tasks related to this project. Other team members with similar skills and backgrounds could also be used in the engagement.

LISSETE PEREZ | Senior Consultant - Process, Controls and Financials

Executive with over 18 years of progressive experience in managing financial and operational processes including controllership, financial planning and regulatory compliance. Strong Senior Financial Analyst with project implementation experience. Hand on experience with the end-to-end federal funds processes and compliance with regulations. Well versed in designing and implementing from scratch operational procedures for compliance processes through data driven methods. Ms. Perez was trained at PricewaterhouseCoopers LLC and Ernst & Young LLP. and has a BBA in Accounting from Interamerican University.

BETSAIDA RIVERA | Senior Consultant - Process, Controls and Financials

Executive with over 18 years of progressive experience in managing financial and operational processes including controllership and portfolio accounting and reporting. Formerly held positions as Analyst, Accounting Supervisor, Accounting Manager and Director of Loss Sharing Agreement for an international commercial bank established in Puerto Rico. Well versed in designing and implementing from scratch operational procedures for financial processes through data driven methods. Ms. Rivera has a BBA in Accounting from UPR Bayamon.

RICARDO RODRIGUEZ CPA | Manager – Process, Controls and Financials

Process, Controls and Financials CPA with over 17 years of experience as finance manager and performing external audit functions for financial services companies and government agencies. Has assisted in the negotiated indirect cost proposal process for a large government institution. Significant experience in government fund accounting and financial reporting. Has formerly held a position in Puerto Rico Banking Institutions as Financial Reporting Officer and in Manufacturing Companies as Finance Manager and Controller. As consultant and external auditor, he has assisted the following clients: First Bank, BBVA of PR, Oriental Group, Puerto Rico's Retirement System, BBO International Private Bank, Sartorius of PR, J Walter Thompson, Abbott, Microsoft Operation PR, Covidien and Unilever Puerto Rico, among others. In addition, he has actively been involved in governmental financial statement audits. Mr. Rodriguez is a Certified Public Accountant trained at Deloitte, LLC and PricewaterhouseCoopers, LLP

5 Schedule of Fees

We are suggesting a time and materials engagement following the proposed fee schedules:

- **\$65 per hour blended discounted rate**
- **150 estimated hours for an extended amount of \$9,750 USD**
- **Covering from July 1, 2020 to December 31, 2020 of FY 2020-2021.**

Interim billings will be submitted as the work progresses, and a final bill will be submitted following the agreed deliverables submission and acceptance. Billings are payable upon receipt.


Important note – our fees assume that the information is readily available, and management will be able to actively support our process. We will communicate with management if budget issues arise that would not allow the engagement team to complete the tasks on the determined timeframe due to lack of data availability or client's resource constraints that would require additional Cedrela's efforts to complete the tasks or identify non available information.

6 Acceptance

Upon receipt of a signed version of this acceptance, we will promptly work with management to complete any pending vendor management processes, execute a service agreement and establish the game plan for timeline and deliverables.

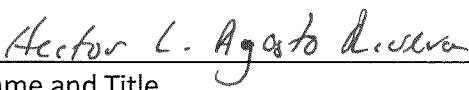
Accepted by:

Autoridad de Ponce (formerly known as Puerto de Las Americas)



Signature

Date



Name and Title