

**AGREEMENT FOR PROFESSIONAL SERVICES****APPEAR**

**AS A PARTY OF THE FIRST PART: GOVERNMENT DEVELOPMENT BANK FOR PUERTO RICO**, a public corporation of the Commonwealth of Puerto Rico, created by Act No. 17 enacted on September 23, 1948, as amended ("Act 17"), herein represented by its Executive Vice President and Fiscal Agent, Jorge A. Clivillés Díaz, of legal age, married and a resident of San Juan, Puerto Rico, hereinafter referred to as the "Bank".

**AS A PARTY OF THE SECOND PART: BONDHOLDER COMMUNICATIONS GROUP, LLC**, a New York limited liability company organized under the laws of the State of New York, with a place of business at 30 Broad Street, 46<sup>th</sup> Floor, New York, NY, 10004, herein represented by its Managing Member, Robert C. Apfel, of legal age, married, and a resident of St. Tomas, USVI, hereinafter referred to as "BondCom".

**WITNESSETH**

**WHEREAS**, the Bank, by virtue of the powers conferred to it under Act 17, has the authority to engage the professional, technical and consulting services necessary and convenient to the activities, programs and operations of the Bank.

**NOW, THEREFORE**, the Bank and BondCom enter into this Agreement for Professional Services ("Agreement") under the following:

## TERMS AND CONDITIONS

**FIRST:** The Bank engages BondCom for the preparation of an Investor Communications Database for use in one or more potential liability management operations of the GDB and certain of its subsidiaries and affiliates, and/or the Commonwealth of Puerto Rico, its agencies, corporations or municipalities (the "LM Database") as set forth in the Engagement Letter, attached hereto and made a part hereof as **Appendix A**. If any part of **Appendix A** is found to contradict or be inconsistent with any provision of the Terms and Conditions set forth herein, such Terms and Conditions shall take precedence over **Appendix A** and govern the matter in question.

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**SECOND:** As compensation for the services rendered under the terms of this Agreement, the Bank will pay BondCom a fixed fee of **TWENTY FIVE THOUSAND DOLLARS (\$25,000)** which shall be payable upon the Bank's receipt of the LM Database, and a maximum of **SEVENTY FIVE THOUSAND DOLLARS (\$75,000)** for reimbursable expenses. In no event shall the total payment to BondCom under this Agreement exceed **ONE HUNDRED THOUSAND DOLLARS (\$100,000)**, including reimbursable expenses.

Compensation for any additional services provided by BondCom shall be agreed in writing by the parties in an amendment or amendments to this Agreement.

The professional services rendered under this Agreement are budgeted and will be paid from the Bank's operational account.

BondCom agrees to notify the Bank within five (5) working days after having reached three-fourths (3/4) of the maximum amount to be paid under this Agreement. The written notification shall include a detailed report of projected services for the duration of the Agreement that entail a possible increase to the limit established and a request addressed to the President of the Bank, or his authorized representative for the management of the Agreement, to increase said amount. BondCom hereby agrees to comply with these responsibilities with respect to the notification requirements and the report to be submitted. Furthermore, BondCom understands and accepts that it may not exceed the amount established in the Agreement without the prior written amendment to this Agreement. If BondCom does not comply with these requirements, it waives its rights to payment for services rendered, even after they have been provided.

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**THIRD:** The Bank will reimburse BondCom for expenses directly related to the services rendered under this Agreement and not considered part of the usual overhead of a professional office, for items such as expenses collected by the Depository Trust Company and other third party custodial entities, travel and lodging, long distance telephone calls, fax and other telecommunication charges, filing fees, taxi fares, printing and delivery expenses, including services such as overnight mail, courier and messenger charges.

Any expense for which a reimbursement is requested, shall be reasonable and necessary, and any extraordinary expenses shall be authorized in writing and in advance by the Bank. The Bank will not reimburse expenses which do not comply with this provision. Under no circumstances will expenses for alcoholic beverages be

reimbursed.

Any petition for reimbursement of expenses must be accompanied by the corresponding invoice or receipt and shall specify the relation of the expense to the services rendered. All reimbursements shall be for actual expenses incurred and shall be billed at cost. The total amount invoiced as expenses during the term of this Agreement shall not exceed the maximum amount established in the SECOND Clause.

When traveling is required to provide services under this Agreement, only one representative from BondCom shall be authorized to travel, unless otherwise authorized by the President of the Bank or an authorized representative responsible for the management of this Agreement. In order for the Bank to reimburse travel and lodging costs, they shall be authorized in writing and in advance by the Bank. For travel to places other than Puerto Rico, the Bank will notify and reimburse BondCom the daily meals and lodging allowances applicable to the place of travel, which shall be those published by the U.S. General Services Administration and the Defense Travel Management Office of the Department of Defense. For travel to Puerto Rico, the Bank will reimburse a maximum of amount of \$195 per night for lodging expenses, and will pay a daily per diem amount of \$58 for meals (no receipt will be required for payment of this per diem). Reimbursement for air travel expenses is restricted to the lowest economy class or coach fares available to the place of travel. In the event a scheduled trip is cancelled for reasons not attributable to BondCom, the Bank will assume the cost of any penalty. The Bank shall not pay for travel time, except if specific services are rendered during travel time. Payment for travel time

shall be made only if the invoice details the services rendered and the time billed on each matter, as required in this Agreement.

**FOURTH:** BondCom shall send an invoice within one hundred twenty (120) days following the Bank's receipt of the LM Database which will include a general description of the services rendered. Such invoice must be duly certified by an authorized representative of BondCom as provided below. Copies of the receipts for all expenses for which BondCom seeks reimbursement must accompany the invoice. If receipts are not provided with the invoice, the Bank shall not honor the amounts presented, and shall not pay the same.

The Bank will not honor invoices submitted after one hundred twenty (120) days of the Bank's receipt of the LM Database. BondCom accepts and agrees to this requirement, and understands that if it does not comply accordingly, it waives its right to payment for services rendered.

Each invoice must include a written certification stating that no officer or employee of the Bank, its subsidiaries or affiliates, will derive or obtain any benefit or profit of any kind from this Agreement, with the acknowledgment that invoices which do not include this certification will not be paid. This certification must read as follows:

"We certify under penalty of nullity that no public servant of the Government Development Bank for Puerto Rico, its subsidiaries or affiliates, will derive or obtain any 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 Bank. The total amount shown on this invoice is true and correct. The services have been rendered, and no payment has been received."

The Bank will review BondCom's invoices carefully to ascertain their accuracy and, if adequate, will proceed with payment. All correctly formatted invoices are to be due and payable upon receipt by the Bank. The Bank will pay BondCom's invoices within forty-five (45) days of receipt. The Bank reserves the right to audit BondCom's invoices at any time.

BondCom agrees to submit checking account transfer data to the Bank in order to facilitate future contract payments by means of electronic transfers.

**FIFTH:** This Agreement shall be in effect from the date of its execution until the first to occur of (i) ten (10) business days following the date of receipt by BondCom of certain communications from GDB (each, a GDB Communication) which shall be delivered by BondCom to each clearing system, and to each financial intermediary in the chain of custody, requesting the provision of certain data or (ii) June 30, 2015, provided that the parties may extend the expiration date of this Agreement by amendment executed in writing. Nevertheless, this Agreement may be terminated by the Bank by providing BondCom a fifteen (15) day written notice by email and via registered mail, return receipt requested, and via overnight express mail. If notice of termination is given, this Agreement shall terminate upon the expiration of fifteen (15) days after the date of the notice and the Bank shall be obligated to pay all fees for services rendered by BondCom hereunder, and all third party disbursements incurred by BondCom up to the date of termination, in accordance with the terms of this Agreement. The rights, duties and responsibilities

of the parties shall continue in full force and effect until the fifteen (15) day notice period expires and this Agreement terminates; provided that the provisions contained in the NINTH Clause shall survive any termination of this Agreement. Following termination, BondCom shall have no further right to compensation except for what has been accrued for services rendered by BondCom under this Agreement, or third party reimbursable expenses accrued, until the termination date. In the event of a termination, BondCom will provide the Bank with any and all necessary information so that the services under this Agreement are not affected. Upon notice of termination, BondCom will provide a full detailed report disclosing a brief description of the scope of the services rendered hereunder, a summary of events, milestones reached, percentage of completion, recommendations, and any other information requested or deemed of importance by BondCom and the Bank. BondCom shall not invoice separately the time spent to prepare said report, as it is understood that this is an administrative obligation complementary to the services rendered hereunder.

**SIXTH:** The Bank will provide BondCom all information, letters of authorization, documents and data necessary for BondCom to perform the services under this Agreement.

**SEVENTH:** BondCom will submit in writing any reports required by the Bank regarding the services performed under this Agreement. If required by the Bank, at the completion of the assigned tasks, BondCom will submit a final written report regarding the work it has performed. BondCom shall not invoice separately the time

spent to prepare those reports, as it is understood that this is an administrative obligation complementary to the services rendered hereunder.

**EIGHTH:** BondCom's status hereunder, and the status of any agents, employees and subcontractors engaged by BondCom, shall be that of an independent contractor only and not that of an employee or agent of the Bank. BondCom recognizes that its employees, agents or subcontractors shall not be entitled to employment benefits from the Bank such as vacations, sick leave, retirement benefits and others because of their status as independent contractors. BondCom shall not have any power or right to enter into agreements on behalf of the Bank.

**NINTH:** BondCom acknowledges the proprietary and confidential nature of all internal, non-public, information systems, financial, and business information relating to the Bank, its subsidiary corporations and affiliates, as well as to the Commonwealth of Puerto Rico, its agencies, corporations or municipalities now or hereafter provided to BondCom.

BondCom shall keep in strict confidence all such information and shall not make public or disclose any of said information without the previous written consent of the Bank, provided such information is not previously known to BondCom, is not within the public domain, or is not furnished to BondCom by a third party who is under no obligation to keep the information confidential.

Notwithstanding the above, BondCom may divulge such materials and information to the persons who need to know such materials and information to fulfill the purposes of this Agreement, provided that such persons shall have been advised of the confidential nature of such materials and information and BondCom

shall direct them, and they shall agree, to treat as confidential such information and to return all materials to BondCom upon request.

BondCom will promptly, upon the written request of the Bank, deliver to the Bank the materials, and all work-product, working papers, reports, analyses and all documents related to the work conducted hereunder. BondCom shall not invoice the time spent to gather and deliver such information, as it is understood that this is an administrative obligation complementary to the services rendered hereunder.

This provision shall survive the termination or expiration of this Agreement.

**TENTH:** BondCom's failure to comply with its duties and responsibilities and to perform the services as set forth herein, or its negligent discharge or abandonment of the duties assigned to BondCom or the breach of the confidentiality clause hereinabove shall constitute a breach of this Agreement by BondCom and will entitle the Bank to terminate this Agreement forthwith without having to comply with the requirements of notice set forth in the FIFTH Clause, without limitations of any other rights and remedies under law, and will release and discharge the Bank from any other obligations or liabilities, except for its duty to pay BondCom for services rendered by BondCom pursuant to the terms of this Agreement until the date of its termination.

**ELEVENTH:** BondCom acknowledges that in providing services under this Agreement, it has the obligation of complete loyalty toward the Bank, including having no adverse interests to the Bank. Adverse interests include, representing clients whose interests are or may be contrary to the interests of the Bank, but do not include rendering unrelated services to such clients that would not create a conflict.

This duty includes the continued obligation to disclose to the Bank all circumstances of its relations with clients and third persons which would result in an adverse interest, and any adverse interest which could influence BondCom when executing the Agreement or while it is in effect.

BondCom represents conflicting interests when, on behalf of one client it must support that which it is its duty to oppose to comply with its obligations with another previous, present or potential client. BondCom also represents conflicting interests when its conduct is described as such in the standards of ethics applicable to its profession, or in Puerto Rico's laws and regulations. This conduct by one of BondCom's directors, executives, officers or employees shall constitute a violation of this prohibition. BondCom must avoid even the appearance of the existence of a conflict of interest.

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BondCom acknowledges the power of the President of the Bank to oversee the enforcement of the prohibitions herein established. If the President of the Bank determines the existence or the emergence of adverse interests with BondCom, he shall inform such findings in writing and his intentions to terminate the Agreement within a fifteen (15) day term. Within such term, BondCom can request a meeting with the President of the Bank to present its arguments regarding the alleged conflict of interest. This meeting shall be granted in every case. If such meeting is not requested within the specified term, or if the controversy is not settled satisfactorily during the meeting, this Agreement shall be rescinded at the end of said fifteen (15) day period; provided, however, that, at the Bank's discretion, the President may grant BondCom fifteen (15) days from the day of such meeting to remedy or correct

the alleged conflict of interest; provided, further, that if the alleged conflict of interest has not been remedied by the end of the fifteen (15) day term, this Agreement shall terminate immediately upon the completion of such term.

BondCom certifies that at the time of the execution of this Agreement, it does not have nor does it represent anyone who has interests that are in conflict with the interests of the Bank. If such conflicting interests arise after the execution of this Agreement, BondCom shall notify the Bank immediately.

**TWELFTH:** BondCom acknowledges that to the best of its knowledge no former or current public officer or employee of the Commonwealth of Puerto Rico, or any of its agencies or instrumentalities, or any former or current officer or employee of the Legislative or Judicial branches of the Commonwealth, has any direct or indirect interest in this Agreement.

**THIRTEENTH:** BondCom certifies that it does not have any other active contracts with the Commonwealth of Puerto Rico, its agencies, instrumentalities, corporations or municipalities.

**FOURTEENTH:** BondCom certifies that no authorization or dispensation of any kind is required prior to the execution of this Agreement, in compliance with the applicable laws and regulations of the Commonwealth of Puerto Rico.

**FIFTEENTH:** BondCom shall not subcontract any services, nor contract experts or other persons without the prior written authorization from the Bank. A request to hire or subcontract a consultant or an expert shall specify the issues or matters that would be referred to those persons. The professional fees earned by these

persons will be included in the total maximum amount that BondCom can receive under the terms of this Agreement as set forth in the SECOND Clause.

BondCom shall include the fees paid to any authorized subcontractor, consultant or expert with the invoices it submits to the Bank in accordance with the terms included in the FOURTH Clause of this Agreement.

**SIXTEENTH:** BondCom certifies that at the execution of this Agreement it does not have, and has not had, to submit income tax returns in Puerto Rico during the past five (5) years, and that it has no outstanding debts with the Government of the Commonwealth of Puerto Rico for income taxes, real or chattel property taxes.

BondCom also certifies it does not have outstanding debts regarding its treatment of unemployment insurance premiums, workers' compensation payments, Social Security for chauffeurs in Puerto Rico or the Administration for the Sustenance of Minors (known by its Spanish acronym as *ASUME*).

Accordingly, a sworn statement provided by BondCom, subscribed by its Managing Member, Robert C. Apfel, is appended hereto and made to form part of this Agreement as **Appendix B**.

It is expressly acknowledged that the certifications provided by BondCom, pursuant to this Clause, are essential conditions of this Agreement, and if these certifications are incorrect, the Bank shall have sufficient cause to terminate this Agreement immediately.

**SEVENTEENTH:** BondCom will be responsible for providing the Bank with the information required under the previous SIXTEENTH Clause from any professional or technical consultant subcontracted by BondCom and authorized by

the Bank. Any person engaged by BondCom in accordance with the conditions herein established, who dedicates twenty five percent (25%) or more of his or her time to provide advisory services related to the Agreement, shall be considered subcontractors for the purposes of this Clause.

**EIGHTEENTH:** For purposes of this Agreement, tax debt shall mean any debt that BondCom or other parties which the Bank authorizes BondCom to subcontract, may have with the Government of the Commonwealth of Puerto Rico for income taxes, excise taxes, real or chattel property taxes, including any special taxes levied, license rights, tax withholdings for payment of salaries and professional services, taxes for payment of interests, dividends and income to individuals, corporations and non-resident partnerships, for payment of interests, dividends and other earnings shares to residents, unemployment insurance premiums, workers' compensation payments, Social security to chauffeurs, and ASUME.

**NINETEENTH:** Except as set forth in the next paragraph, no withholding or deductions shall be made from payments to BondCom for income tax purposes. BondCom shall be responsible for paying: (i) all applicable income taxes in accordance with any and all applicable income tax laws, and (ii) any corresponding contributions to the Social Security Administration. Payments due to BondCom shall be paid into a bank account in the United States designated to BondCom.

When invoicing the Bank, BondCom shall allocate fees between those relating to activities undertaken outside of Puerto Rico and constituting gross income from sources outside of Puerto Rico, and those relating to activities undertaken within Puerto Rico and constituting gross income from sources within Puerto Rico. The

Bank shall deduct and withhold twenty nine percent (29%) of the gross amounts paid for services relating to activities undertaken within Puerto Rico, when any of the invoiced amounts constitute gross income from sources within Puerto Rico, in accordance with Section 1062.11 of the Puerto Rico Internal Revenue Code, Act 1-2011, as amended. The Bank shall also deduct and withhold one point five percent (1.5%) of the gross amounts paid under this Agreement, in accordance with Article 1 of Act No. 48-2013, as amended. The Bank shall forward such amounts to the Department of Treasury of Puerto Rico and, within thirty (30) days after paying any amount to the Department of Treasury of Puerto Rico.

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**TWENTIETH:** BondCom certifies and guarantees that at the execution of this Agreement, neither it nor any of its directors, executives, officers and employees have been convicted, or that it has no knowledge of being the subject of any investigation, in either a civil or a criminal procedure in a state or federal court for criminal charges related to the public treasury, the public trust, a public function, or a fault that involves public funds or property. It is expressly acknowledged that this certification is an essential condition of this Agreement. If the certification is not correct in its entirety or in any of its parts, it shall constitute sufficient cause for the Bank to terminate this Agreement immediately, without prior notice, and BondCom will have to reimburse to the Bank any amount of money received under this Agreement.

If the status of BondCom with regards to the aforementioned should change at any time during the term of the Agreement, it shall notify the Bank immediately. Failure to comply with this responsibility constitutes a violation of this Clause, and

shall result in the remedies mentioned previously.

**TWENTY-FIRST:** BondCom shall not request any payment for services rendered by BondCom under this Agreement until the Bank registers the Agreement at the Office of the Comptroller of Puerto Rico, in accordance with Act No. 18 enacted on October 30, 1975, as amended. The Bank undertakes to register this Agreement pursuant to such Act as soon as practicable after the execution of this Agreement.

**TWENTY- SECOND:** BondCom certifies that none of its directors, executives, officers and employees receives any salary or other compensation for the delivery of regular services by appointment (or otherwise) in any agency, instrumentality, public corporation or municipality of the Commonwealth of Puerto Rico.

**TWENTY- THIRD:** BondCom certifies that it has received a copy of and agrees to comply with Act No. 84-2002, as amended, which establishes the Code of Ethics for Contractors, Suppliers and Applicants for Economic Incentives of the Executive Agencies of the Government of the Commonwealth of Puerto Rico and the Puerto Rico Government Ethics Law of 2011, Act No. 1-2012, as amended.

BondCom also certifies and warrants that it is in compliance with Act No. 168-2000, as amended, known as the "Act for the Improvement of Family Assistance and for the Support of the Elderly." In the event BondCom is under a court or administrative order directing it to provide financial support or to fulfill any obligation under the mentioned Act, BondCom further certifies and warrants that it is in compliance with said obligations. 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 Bank to terminate the Agreement immediately, without prior notice to BondCom.

**TWENTY- FOURTH:** This Agreement and any dispute relating to the services will be governed by and construed, interpreted and enforced in accordance with the laws of the Commonwealth of Puerto Rico, without giving effect to any provisions relating to conflict of laws that would require the laws of another jurisdiction to apply.

**TWENTY-FIFTH:** If any term or provision of this Agreement is declared null and void by a court of competent jurisdiction, the remaining terms and provisions of this Agreement shall remain in full force and effect and shall not be modified or invalidated in any way.

**TWENTY-SIXTH:** It is understood that this Agreement is the sole agreement between the parties with regard to the services covered hereby and supersedes any prior agreements written or verbal. This Agreement may not be changed orally, but may be amended in writing, by mutual agreement of the parties.

**TWENTY-SEVENTH:** BondCom represents that it, or sister companies within its group, maintains a Commercial General Liability Insurance in an amount not less than a combined single limit of at least \$2,000,000 for each occurrence. BondCom has submitted to the Bank a certification from the insurance company confirming the existence of such insurance. Such certificate includes the following cancellation notice provision:

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

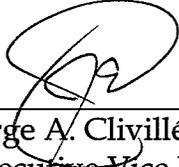
**TWENTY- EIGHTH:** This Agreement shall be binding and inure to the benefit of the Bank and BondCom and is not intended to confer rights upon any person or entity not a party hereto. This Agreement may not be assigned by BondCom, except with the written consent of the Bank. Any attempted assignment in violation of the provisions hereof shall be void and of no effect.

**TWENTY-NINTH:** It is understood that this Agreement is the sole agreement between the parties with regard to the services covered hereby and supersedes any prior agreements, written or verbal. The Agreement may not be changed orally, but may be amended in writing by mutual agreement of the parties.

**[SIGNATURE PAGE FOLLOWS]**

IN WITNESS THEREOF, the parties hereto sign this Agreement, in San Juan,  
Puerto Rico, and in St. Thomas, USVI, as of this 12<sup>th</sup> day of June, 2015.

**GOVERNMENT DEVELOPMENT  
BANK FOR PUERTO RICO**  
Tax Id. Number:  
By:



\_\_\_\_\_  
Jorge A. Clivillés Díaz  
Executive Vice President and  
Fiscal Agent

P.O. Box 42001  
San Juan, PR 00940-2001  
Tel. 787-722-2525

**BONDHOLDER  
COMMUNICATIONS GROUP,  
LLC**  
Tax Id. Number:  
By:



\_\_\_\_\_  
Robert C. Apfel  
Managing Member

30 Broad Street, 46<sup>th</sup> Floor  
New York, NY 10004  
Tel: 212-510-4365

**Agreement in Relation to  
The Preparation of an Investor Communications Database**

**Government Development Bank for Puerto Rico**

Attn: Guillermo Lavergne  
Advisor to the President  
Centro de Gobierno Minillas  
San Juan, Puerto Rico 00912

**Dear Sirs and Madams:**

This engagement letter (**Engagement**) is made on June 2, 2015 between the Government Development Bank for Puerto Rico (**GDB**) and Bondholder Communications Group, LLC, a New York limited liability company (**BondCom**) in relation to the preparation of an Investor Communications Database for use in one or more potential liability management operations of the GDB and certain of its subsidiaries and affiliates, and/or the Commonwealth of Puerto Rico, its agencies, corporations or municipalities (the **LM Database**).

**Composition, Design and Delivery of the LM Database**

The LM Database shall present holding data regarding a suite of bonds issued by, or related to, the GDB and the Puerto Rico Electric Power Authority and also potentially one or more other issuers located within the Commonwealth of Puerto Rico (the "Commonwealth") selected by the GDB and mutually agreed with BondCom.

The GDB believes that the suite of bonds to be studied will include substantially less than 1,300 underlying CUSIPs (the **1,300 CUSIPs**) and substantially less than 500 derivatives related to the 1,300 CUSIPs (collectively, all securities contained within the suite are referenced herein as the **Included CUSIPs**). The LM Database will show the aggregate holdings of the Included CUSIPs held by institutions and the aggregate amount of such bonds held by retail investors as of a date (the **Record Date**) to be mutually agreed by the GDB and BondCom. This Record Date shall be a date occurring several days after the date when (i) the list of target CUSIPs is agreed by the parties, and (ii) GDB authorizes for use by BondCom a brief message confirming BondCom's authorization to undertake the LM Database data gathering operation. [NOTE: BondCom must document to third party intermediaries that it is authorized to collect data on the behalf of the GDB.]

Before the Record Date, BondCom will confirm key data with respect to the Included CUSIPs, including the bonds' issue dates, amounts outstanding (including insured amounts), maturity

dates, coupons and CUSIP numbers. It will reconcile public disclosure records with those of the GDB and the trustee or paying agent of each instrument.

BondCom will also validate the Included CUSIPs against the records of DTC and other parties at the top of each custody chain. BondCom will confirm with these entities that they “hold” the aggregate amounts described in the information provided by the GDB and the trustees and paying agents. BondCom and GDB anticipate that there will be differences; and they will collaborate to remedy them.

BondCom shall also seek to identify the derivative bonds derived from the 1,300 CUSIPs, including pass-through trust receipts created using “slicing and dicing” or “secondary insurance”. BondCom will add to the list of 1,300 CUSIPs all of the appropriate derivative bonds, and will treat the underlying bonds as “mirrors” of the derivative bonds. Depending on the character of the derivative bonds, BondCom will either include or exclude the identity of the nominal holder of the underlying bonds, in the holder database.

BondCom will provide tabular “custodial maps” reporting the links between the 1,300 CUSIPs and the 500 derivative CUSIPs, including the identity of the financial intermediaries in the “chain of custody” for each CUSIP.

#### **Communications from the GDB to be directed to clearing systems and other financial intermediaries**

Upon the signing of this Engagement, the GDB will deliver to BondCom certain communications (each, a **GDB Communication**) which shall be delivered by BondCom to each clearing system, and to each financial intermediary in the chain of custody, requesting the provision of certain data.

#### **Timing**

BondCom shall undertake the preparation of the LM Database in accordance with the following schedule:

1. Date of signing of the formal Agreement for Professional Services with GDB = Signing Date (**SD**);
2. Record Date (**RD**) for the LM Database shall be June 8, 2015 and/or any such other date as may be agreed by BondCom and GDB.
3. Date of delivery of the GDB Communications (**CD**) = as soon as practicable after the SD.
4. Date of Delivery of the LM Database = CD + 10 Business Days.

For the purposes of this Engagement, a “**Business Day**” means a day (other than a Saturday or Sunday) on which banks are open for general business in New York, San Juan, St. Thomas, Brussels and Luxembourg.

### **Confidential Treatment of Data**

1. All data elements collected by BondCom in connection with this Engagement and the LM Data Base as at each Record Date (the **Collected Data**) shall be the property of the GDB, which shall have the right to use and to provide such Collected Data to third-parties for any purpose at its discretion, so long as such delivery of such data by the GDB does not contravene the laws or regulations of the Commonwealth or the United States of America.
2. BondCom shall handle the Collected Data in a way designed to assure that the data will not be made public in accordance with the provisions of this section, shall treat the Collected Data as strictly confidential, and shall not disclose the Collected Data to any party except the GDB or its designated agents.
3. BondCom agrees to keep strictly confidential at all times (i) all non-public, confidential or proprietary information and data provided by or on behalf of the GDB or its agents for BondCom's use in fulfilling its obligations hereunder, including without limitation any information regarding the process by which the Commonwealth's debt situation is being addressed, in whatever form, and including information given orally and any document, electronic file or any other way or representing or recording information which contains or is derived or copied from such information, (ii) any information developed by BondCom or based upon such non-public, confidential or proprietary information, and (iii) the Collected Data (collectively, **Confidential Information**).
4. BondCom hereby agrees:
  - a. to use the Confidential Information solely for the purpose of performing the LM Database services within the scope of this Engagement;
  - b. to not, without the prior written consent of the GDB, duplicate, distribute or disclose any Confidential Information to any person, except to the following persons (each of such persons to whom Confidential Information is disclosed, a **Permitted Representative**): (1) its directors, officers, employees or agents or (2) its affiliates and their directors, officers, employees or agents; provided in each case that (x) such disclosure is required in connection with the performance of the LM Database services in accordance with this Engagement, (y) it takes all necessary measures to ensure that each of its Permitted Representatives complies with the obligations set forth herein, and (z) it remains responsible to the GDB for any unauthorized disclosure or use of Confidential Information by each of its Permitted Representatives;
  - c. to inform the GDB immediately if it becomes aware or has reasonable grounds to believe that Confidential Information has been disclosed by one of its Permitted Representatives to an unauthorized person; and
  - d. to ensure that its Permitted Representatives are aware of the undertakings set out in this Engagement and comply with such undertakings as if they were parties hereto.
5. For purposes of this Engagement, no information disclosed by the GDB to BondCom shall be deemed Confidential Information hereunder if BondCom can establish that such information is or has become part of the public domain in accordance with law other than as a result of a

breach by BondCom or any other person with access to Confidential Information of the confidentiality provisions set forth in this Engagement, and unless the Commonwealth, GDB or any instrumentality of the Commonwealth have explicitly stated the confidential nature of the information.

In the event that BondCom or any of its respective Permitted Representatives is requested or required by any governmental authority (which shall for purposes of this Engagement include any securities exchange) to disclose any of the Confidential Information or its existence, BondCom shall provide, to the extent permitted by applicable law and regulation, the GDB with prompt written notice of any such request or requirement so that the GDB may seek a protective order or other appropriate remedy. If, in the absence of a protective order or other remedy or the receipt of a waiver, BondCom or any of its Permitted Representatives is nonetheless, in the written opinion of external counsel, legally compelled to disclose the Confidential Information to any governmental authority, BondCom or any of its respective Permitted Representatives (as the case may be) may, without liability hereunder, disclose to such government authority only that portion of the Confidential Information that such external counsel advises is legally required to be disclosed, provided, however, that BondCom or any of its Permitted Representatives (as the case may be) uses its best efforts to preserve the confidentiality of the Confidential Information, including, without limitation, by cooperating with the GDB in any efforts that it may undertake to obtain confidential treatment or an appropriate protective order or other reliable assurance that confidential treatment will be accorded to the Confidential Information by such governmental authority.

6. BondCom expressly acknowledges that some or all of the Confidential Information is or may be price-sensitive insider information and that the use of such information may be regulated or prohibited by any applicable legislation or regulations including securities law relating to insider dealing and market abuse and BondCom undertakes not to use any Confidential Information for any unlawful purpose.
7. At all times, BondCom maintains all client communications (of whatever nature) in a secure manner according to industry best practices and all relevant privacy acts including U.S. Government client data privacy protection laws and regulations.
8. As part of BondCom's services, BondCom may obtain or have access to "non-public personal information," as that term is defined in Title V of the Gramm-Leach-Bliley Financial Services Modernization Act of 2000 and the regulations issued thereunder, including without limitation Regulation P of the Board of Governors of the Federal Reserve. Bondholder Communications Group agrees that any such nonpublic personal information is Confidential Information. BondCom protects the confidentiality and integrity of its clients' confidential information using the same degree of care that it uses to protect its own similar information, and in no event less than reasonable care.
9. BondCom and each of its affiliates shall maintain secure electronic backup files of data accumulated through the LM Database services. BondCom has confirmed its participation in, and compliance with, the U.S.-European Union Safe Harbor Framework and the U.S.-Switzerland Safe Harbor Framework as set forth by the U.S. Department of Commerce regarding the transfer of personal information from European Union member countries and

Switzerland to the United States. The principles of Safe Harbor compliance are *notice, choice, onward transfer, security, data integrity, access, and enforcement*. Additional information about the Safe Harbor principles and certification process can be found at <http://www.export.gov/safeharbor/>.

10. The obligations set forth in this Engagement relating to confidentiality and intellectual property shall survive the termination of this Engagement. Following the termination of this Engagement, BondCom shall, following written request by the GDB, promptly return, destroy or delete (in the case of documents in electronic form) all Confidential Information.

#### **Fees and other costs**

Upon its receipt of the LM Database, the GDB will pay to BondCom a fee of \$25,000. The GDB will reimburse BondCom all DTC and other third party custodial entities the expenses which they are lawfully entitled to collect, in accordance with the rules of the SEC, but subject to a limitation of \$75,000.

Should GDB be interested in increasing the amount for reimbursable expenses related to DTC and other third party custodial entities, this Engagement shall be amended to reflect such increase and BondCom agrees not to charge GDB the \$25,000 fee.

#### **Termination**

The GDB shall have the right to terminate this Agreement at any time which shall be effective immediately upon the GDB's written notification to BondCom of such termination. In the event of such termination by the GDB, the GDB shall be liable for the payment of all compensation and reimbursements to BondCom for services rendered or expenses incurred through the date of termination. The following sections shall survive the termination of this Agreement: "Fees and other costs," "Governing Law / Dispute Settlement" and "Confidential Treatment of Data".

#### **Entire Agreement**

The foregoing constitutes the entire agreement between the parties with respect to the subject matter hereof and supersedes and cancels all prior representations, understandings and commitments (whether oral or written) made between the parties with respect thereto.

#### **Notices**

Notices hereunder shall be deemed validly given to a party if delivered by overnight courier, certified or registered mail (in each case, with return receipt requested) to the individual and addresses referred to below and also, with respect to BondCom, via email to [management@bondcom.com](mailto:management@bondcom.com). Such notices shall be deemed effective on their date of receipt.

Notices to the GDB: Government Development Bank for Puerto Rico  
Attention: President  
Roberto Sánchez Vilella Government Center  
De Diego Avenue, Stop 22  
Santurce, Puerto Rico 00940

PO Box 42001  
San Juan, Puerto Rico 00940-2001  
Tel: 787-722-2525

Notices to BondCom: Bondholder Communications Group, LLC  
Attention: Management  
30 Broad Street  
New York, New York 10004  
USA  
Attention: Management  
Tel: +1 212 422 1222

**No Amendment**

No provision of this Engagement may be amended, modified or waived, except in writing signed by the parties hereto.

**Governing Law / Dispute Settlement**

The validity, interpretation, and performance of this Engagement and the rights of the parties hereunder and any non-contractual rights or obligations arising out of or in connection with this Engagement shall be governed by and construed in accordance with the laws of the Commonwealth of Puerto Rico.

The courts of the Commonwealth of Puerto Rico shall have exclusive jurisdiction to settle any dispute arising out of or in connection with this Engagement (including a dispute relating to any non-contractual obligations arising out of or in connection with either this Engagement).

**Severability**

If any provision of this Engagement shall be held illegal, invalid or unenforceable by any court, this Engagement shall be construed and enforced as if such provision had not been contained herein and shall be deemed an agreement between us to the fullest extent permitted by applicable law.

This Engagement may be signed in any number of counterparts, all of which, taken together, shall constitute one and the same agreement and any party may enter into this Engagement by executing a counterpart.

**SIGNATURE**

This Engagement shall be binding on the date when executed by both parties:

**GOVERNMENT DEVELOPMENT BANK FOR PUERTO RICO**

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

**Richard Barrios**  
**Treasurer**

**BONDHOLDER COMMUNICATIONS GROUP, LLC**

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

**Robert C. Apfel, Manager**

APPENDIX B

**SWORN STATEMENT**

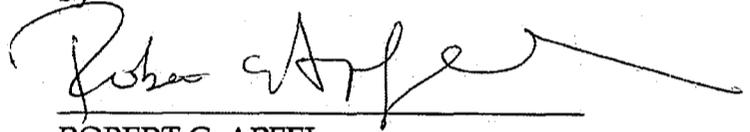
Robert C. Apfel, of legal age, married, and a resident of St. Thomas, USVI, in his capacity as Managing Member of Bondholder Communications Group, LLC ("BondCom"), being duly sworn deposes and says:

That BondCom has offices at 30 Broad Street, 46<sup>th</sup> Floor, New York, NY 10004 and Tax Id. Number . That BondCom has not submitted income tax returns in Puerto Rico during the past five years because it was not required by law to do so, and that it is not aware of any outstanding debts with the Government of the Commonwealth of Puerto Rico for income taxes, real or chattel property taxes. BondCom also certifies that it is not aware of any outstanding debts regarding its payment of unemployment insurance premiums, workers' compensation payments or Social Security for chauffeurs in Puerto Rico and the Administration for the Sustenance of Minors (known by its Spanish acronym, ASUME). BondCom also certifies that compliance with the terms of the Agreement will not result in it becoming an entity authorized to do business in Puerto Rico.

In St. Thomas, USVI, this 3rd day of June, 2015.

**BONDHOLDER COMMUNICATIONS  
GROUP, LLC**

by



ROBERT C. APFEL

Affidavit No. \_\_\_\_\_

Sworn and subscribed to before me Robert C. Apfel, in his capacity as Managing Member of Bondholder Communications Group, LLC, of the personal circumstances stated above.

In Charlotte Amalie, VI, this 3<sup>rd</sup> day of June, 2015.

My Commission expires: 3-19-19

