



**MADAME LUCHETTI SCHOOL
SEALED BID PROCESS
BID DEADLINE: FRIDAY, AUGUST 27TH, 2021**



I. Description

This Sealed Bid Process, as described herein is for a parcel comprising approximately 3,346.696 square meters or 0.8515 cuerdas, identified as “Madame Luchetti School”, owned by the Puerto Rico Department of Transportation and Public Works (hereinafter, the “DTOP”), specifically located along the main entrance to Condado having frontage to Baldorioty de Castro Boulevard and Luchetti Street to its south, to Condado Avenue to its west, and to private parcels to its north and east, within the Condado Sector of the Santurce Ward in San Juan, Puerto Rico (hereinafter, the “Property”). The Property comprises a three (3) building public school facility with a gross area of 15,308 square feet, 3,546 square feet of halls, and a 575 square feet gazebo, for a gross construction area of 19,429 square feet.

a. Location

Madame Luchetti School is a government owned property in the Condado Sector, an oceanfront urban tourist neighborhood with adequate urban infrastructure. The Property enjoys a prime location at one of the main vehicular entrance to Condado, which maximizes its exposure and possible uses.

b. Site Coordinates

Latitude 18°45'36.77"N

Longitude 66° 7'29.60"W

c. Zoning

According to the Land Classification Map of the Autonomous Municipality of San Juan (*Mapa de Calificación de Suelo Municipio Autónomo de San Juan*) ratified by the Puerto Rico Planning Board with effective date set on March 13, 2003, the Property has been classified as a **CR-H District**, which had the effect of recognizing the historical and architectural value of the

Property. Please be warned that under Section 4.03 of the Special Zoning Regulation of the Condado Sector (*Reglamento de Calificación Especial del Condado*), Regulation 8989 dated as of July 21, 2017, the Puerto Rico Planning Board recognized the historical value of the Property and recommended that it be preserved for its emblematic architectural qualities particular of the period during which the structure was constructed. In response to an Application of Emergency Declaration for the Preservation of an Historical Site filed at the Puerto Rico Planning Board by *Comité de Rescate de la Escuela Madame Luchetti*, the Puerto Rico Planning Board issued on November 13, 2020, Resolution No. 2020-18-01-JP-SH under the purview of Chapter 10.1 of Title X of the Joint Regulation (*Reglamento Conjunto de Permisos para la Evaluación y Expedición de Permisos Relacionados al Desarrollo, Usos de Terrenos y Operación de Negocios*) effective on June 7, 2019. Under the aforesaid Resolution, the Puerto Rico Planning Board imposed a six (6) month standstill period in which the Property cannot be intervened, thus allowing time to the *Comité de Rescate de la Escuela Madame Luchetti* to file a formal Petition for Designation of Historical Site in reference to the Madame Lucchetti School, extended for an additional twenty days, as approved by Resolution adopted by the Puerto Rico Planning Board dated May 12, 2021. Eventually, Puerto Rico Fiscal Agency and Financial Advisory Authority (hereinafter, “AAFAF”, for its Spanish acronym) was notified by the Puerto Rico Planning Board that *El Comité de Rescate de la Escuela Madame Luchetti* filed the aforesaid Request for the Designation of Historical Site. The Puerto Rico Planning Board will review such request under applicable parameters and requirements as set forth in law or any applicable regulation. This Petition or any permit application for the conduct of any construction or restoration works at the Property will necessarily require the comments and endorsements of The Heritage Historical Structures Program of the Puerto Rico Institute of Culture (*Programa de Patrimonio Histórico Edificado del Instituto de Cultura Puertorriqueña*). Please be advised that The Heritage Historical Structures Program of the Puerto Rico Institute of Culture has indicated on record that the reinforced concrete “1908 V Shaped Structure” cannot be demolished. However, it has stated that any restoration works that respect and ennoble its iconic architectural features would be entertained.

d. Liens and Encumbrances.

The Property is free and clear of liens and encumbrances.

e. Property Tax Id. (parcel no. at CRIM¹ “Catastro Digital”)

040-049-027-21

II. SEALED BID PROCESS

The sealed bid process is being conducted by the Real Property Evaluation and Disposal Committee, created pursuant to Chapter 5 of Act No. 26-2017, known as “Fiscal Plan Compliance Act” (hereinafter, the “Committee”). The aforesaid Act empowers the Committee to take action, as

¹ The spanish acronym of Puerto Rico Municipal Revenues Collection Center.

necessary to dispose of unneeded and underutilized real property, in an effort to promote the Island economy and the public welfare. In accordance with the requirements of Act 26-2017, the Committee established the rules and regulations regarding the disposal of real property, as set forth in the Regulation No. 9133 for the Evaluation & Disposition of Real Property from the Executive Branch, approved on December 9, 2019 (hereinafter, the "Regulation"). The Committee shall dispose the Property in a sealed bid process governed by Article 8 of the Regulation. Please refer to the AAFAF website for a copy of the Regulation, in its Spanish version, and to access the RFP. The information contained in this RFP are intended to assist the proponents (hereinafter, "Interested Parties" or "Proponents") in preparing their Proposals and will establish certain terms and conditions upon which their Proposals must be submitted and received by the Committee. All Interested Parties must carefully read all the sections contained in this RFP and all applicable Sections of the Regulation.

- a. Term. The Proponents are requested to submit sealed offers to the Committee no later than 5:00 p.m. on Friday, August 27TH, 2021("Proposals Submission Date") at the address specified below:**

If personally delivered to:

Real Property Evaluation and Disposal Committee
Puerto Rico Fiscal Agency and Financial Advisory Authority
100 De Diego Avenue
Roberto Sánchez Vilella (Minillas) Government Center
San Juan, PR 00907
787.722.2525

If via certified mail to:

Attn. Real Property Evaluation and Disposal Committee
Puerto Rico Fiscal Agency and Financial Advisory Authority
PO Box 42001
San Juan, PR 00940-2001

b. Guidelines.

The following guidelines shall rule and guide the content of the submittal of your proposal as you may add other points in making your proposal (hereinafter, the "Proposal"):

- | | |
|--|---|
| 1. PRICE: | YOUR BEST OFFER² WHICH CANNOT BE LESS THAN ONE MILLION SIXTY THOUSAND DOLLARS (\$1,070,000.00) |
| 2. PROOF OF FUNDS: | MUST ACCOMPANY THE OFFER |
| 3. TERMS: | PLEASE INCORPORATE |
| 4. DEVELOPMENT RESTRICTIONS, CONCEPTUAL PLAN TIMELINE FOR SUBSTANTIAL COMPLETION, & PROPOSED USE: | THE 1908 REINFORCED CONCRETE 'V' SHAPED BUILDING CONSTRUCTED ON THE PROPERTY <u>CANNOT BE DEMOLISHED</u>. A CONCEPTUAL PLAN FOR THE PROPERTY THAT INCLUDES THE RESTORATION AND REFURBISHMENT OF THE AFORESAID STRUCTURE IS A REQUIREMENT FOR THE SUBMISSION, ALONG WITH THE TIMELINE TO ATTAIN SUBSTANTIAL COMPLETION OF THE PROJECT, GRAPHICALLY ILLUSTRATED ON THE CONCEPTUAL PLAN. THE PROPOSED USE MUST BE DETAILED. |
| 5. FILING FEES: | \$500.00 (NON-REFUNDABLE) |
| 6. DEPOSIT: | 10% OF THE OFFERED PRICE MUST ACCOMPANY THE OFFER³ ("DEPOSIT") |
| 7. CONDITION OF THE PROPERTY AT ITS CONVEYANCE: | "AS IS / WHERE IS / WITH ALL FAULTS" |
| 8. SALES CONTRACT/OPTION/ DEED OF SALE: | TO BE PREPARED BY SELLER |
| 9. CLOSING DATE: | MUST OCCUR 60 DAYS FROM NOTICE OF AWARD |

This guideline may be subject to change at the Committee's sole discretion, provided that any modification shall be announced in AAFAF webpage.

The Committee reserves the right to either accept or reject any and all Proposals. Once all Proposals have been reviewed by Committee, following the public session on which the Proposals shall be opened, all Proponents will be notified of the selected Proposal, if any, by certified mail with return receipt requested within a thirty (30) day term after the award and/or by email. Rejected Proposals and earnest money checks (or deposits) will be returned via certified mail within fifteen (15) business days after the Committee notifies the award.

² A conditional offer shall be rejected by the Committee.

³ The Deposit, however, shall not to exceed \$300,000.00, which shall be payable by means of a bank check or money order, provided that \$10,000.00 from the Deposit corresponding to the awarded Proposal are non-reimbursable and shall not be credited to the Purchase Price at the time of execution of the corresponding Deed vesting title of the Property on the Proponent which won the award. The aforesaid sum in the amount of \$10,000.00 shall be applied to defray administrative costs of the Committee related to this RFP.

C. SEALED BID PROCESS TIMELINE

| TARGET DATE | EVENT |
|--|---|
| JUNE 30 TH , 2021 | PUBLICATION OR ISSUANCE OF THE RFP |
| TUESDAY, JULY 6 TH , 2021 TO THURSDAY, JULY 8 TH , 2021 | SITE VISIT AND WALK-THROUGH |
| THURSDAY, JULY 8 TH , 2021 THRU FRIDAY, JULY 16 TH , 2021 | PERIOD FOR QUESTIONS |
| UNTIL FRIDAY, JULY 30 TH , 2021 | PERIOD FOR ANSWERS |
| FRIDAY, AUGUST 27 TH , 2021 | PROPOSALS SUBMISSION DATE NO LATER THAN 5:00PM |
| MONDAY, AUGUST 30 TH , 2021 | PROPOSAL OPENING – 2:00PM |
| TUESDAY, SEPTEMBER 7 TH , 2021 TO THURSDAY, SEPTEMBER 9 TH , 2021 | INTERVIEWS (IF NECESSARY) |
| THURSDAY, SEPTEMBER 30 TH , 2021 | TARGET DATE FOR SELECTION |

D. SITE VISITS

In the event that any Interested Party desires to visit the Property, the Committee will permit such ocular inspections on **Tuesday, July 6th from 1:00 p.m. thru 3:00 p.m.; Wednesday, July 7th from 10:00 a.m. thru 12:00 p.m. and Thursday, July 8th, 2021 from 1:00 p.m. thru 3:00 p.m.** An employee or authorized officer of DTOP and/or the Committee will be at the Property on said date and will register the name of the attendee of each Interested Party, as required by the Regulation, affording access to the Property. Each Proponent is responsible to visit the Property as part of its Proposal submission, as stated in the Regulation.

III. REQUIREMENTS TO BE AN ELIGIBLE PROPONENT

- a. Each **entity** who participates in the sealed bid process to acquire the Property from the Government of Puerto Rico, shall include in its Proposal, at a minimum, the following documents:
 1. Registration Certificate or Certificate to do business in Puerto Rico, as applicable, and also a Certificate of Good Standing, issued by the Department of State;
 2. Articles of incorporation and the corporate by-laws, partnership deed or contract or organizational document governing the enterprise, as applicable;

3. If a non-profit entity, must be necessary to provide the tax exemption certificate validated by Puerto Rico Treasury Department or a determination letter recognizing an organization as tax-exempt under 501(c)(3) issued by the Internal Revenue Service.
 4. Resolution of its Board of Directors or governing entity, as the case may be, authorizing its participation in the process to buy the Property;
 5. Certificate from the Treasury Department of income tax return filing for the last five (5) years;
 6. Certificate of Tax Debt from the Treasury Department. Should there be any debt, it must show an authorized payment plan and a certification stating that the entity is in compliance with said plan;
 7. Certificate from the Municipal Revenue Collection Center in connection with personal property tax return filing for the last five (5) years;
 8. Certificate of Debt from the Municipal Revenues Collection Center for taxes on personal and real property (Certification of Debt for All Concepts). Should there be any debt, it must show that an authorized payment plan has been established and a certification stating that the entity is in compliance with said plan; and
 9. Negative Certificate of Debt for Unemployment Insurance and Temporary Non-Occupational Disability Insurance Taxes, and Negative Certificate of Debt for the Chauffeur's Insurance from the Department of Labor and Human Resources. Should there be any debt, it must show an authorized payment plan and a certification stating that the entity is in compliance with said plan.
 10. Certificate from the Child Support Administration stating that the entity is in compliance or it has no outstanding debt.
 11. Certificate of Corporate Resolution duly acknowledged by a Notary Public evidencing the power and authority of the named representative to act on behalf and in representation of the proponent entity in the sealed bid process.
- b. If an **individual** who participates in the sealed bid process to acquire the Property from the Government of Puerto Rico, he or she shall present the following documents:
1. Certificate from the Treasury Department of income tax return filing for the last five (5) years;
 2. Certificate of Tax Debt from the Treasury Department. Should there be any debt, it must show that an authorized payment plan has been established and a certification stating that the Proponent is in compliance with said plan;
 3. Certificate from the Municipal Revenues Collection Center in connection with personal property tax return filing for the last five (5) years;
 4. Certificate of Debt from the Municipal Revenues Collection Center for taxes on personal and real property (Certification of Debt for All Concepts). Should there be any debt, it must show that an authorized payment plan has been established and a certification stating that the proponent is in compliance with said plan;
 5. Negative Certificate of Debt for Unemployment Insurance and Temporary Non-Occupational Disability Insurance Taxes, and Negative Certificate of Debt for the

- Chauffeur's Insurance from the Department of Labor and Human Resources. Should there be any debt, it must show that an authorized payment plan has been established and a certification stating that the Proponent is in compliance with said plan; and
6. Certificate from the Child Support Administration stating that the Proponent has no outstanding child support debt.

Proponents must certify in a sworn statement that it, she or he, as the case may be, is in compliance with Act No. 2 of January 4, 2018, known as the Anticorruption Code for a New Puerto Rico, that neither it nor its subsidiaries and affiliates and its respective members, directors, shareholders, officers or agents have been convicted for the crimes set forth in the aforesaid Act.

IV. QUESTIONS

Any questions regarding this sealed bid process or the evaluation of Proposals must be submitted on or before **FRIDAY, JULY 16TH, 2021 no later than 4:00 p.m.** (AST) in writing via electronic mail to the following address: cedbi@aafaf.pr.gov. The Committee will not be responsible for, and Interested Parties may not rely upon or use as the basis of a claim against the Committee or a consultant of the Committee, any information, explanation or interpretation of the RFP rendered in any fashion except as herein provided. Answers will be issued by close of business on **FRIDAY, JULY 30TH, 2021**, provided such term will be extended, if shall be necessary, in the sole and absolute discretion of the Committee.

V. FILING FEES AND DEPOSIT

All Proposal must be accompanied by:

- i. A non-refundable filing fee of \$500.00, and
- ii. The Deposit equivalent to ten percentage (10%) of the economic offer or payment to be credit to the price, but not to exceed \$300,000, provided that \$10,000 from the Deposit corresponding to the awarded Proposal are non-reimbursable and shall not be credited to the Purchase Price at the time of execution of the corresponding Deed vesting title of the Property on the Proponent which won the award. The aforesaid sum in the amount of \$10,000.00 shall be applied to defray administrative costs of the Committee related to this RFP.

Both the filing fee and the Deposit shall be payable to the AAFAF in bank check or money order.

VI. PROPOSAL FORMAT

Interested Parties are solely responsible for delivery of their Proposals and must fulfill the requirements set forth in this section and Article 8 of the Regulation. Proposals must be received on or before the Proposals Submission Date.

Proposals shall be delivered in paper format, one signed-executed original, two (2) copies and a digital copy in a PDF format downloaded to CD-ROM Disc, in a sealed envelope and must be duly marked with “**Bid for Madame Luchetti School**”. Also, the presentation letter shall include the name, mailing address, electronic address and telephone number of the Proponent and the name of its authorized representative for purpose of any notification. The presentation letter or envelope must not contain any information related to the economic offer, otherwise it shall be rejected and disqualified.

Proponents shall provide a certification that the information submitted and the Proposal are true and accurate, and that the person signing the Proposal is authorized to submit the Proposal (**See Appendix 1**). The submission of a Proposal shall constitute a representation by the Interested Party that it understands every guideline, requirement, term and condition of this RFP and Article 8 of the Regulation.

As set forth in Section 6 of Article 8 of the Regulation, if an Interested Party submits more than one Proposal, neither one shall be valid nor considered by the Committee. Also, a conditional offer or Proposal shall be rejected by the Committee, as set forth in the aforesaid Section. All Proposals must comply with the RFP and the Regulation.

VII. OPENING OF PROPOSALS

In response to the social distancing measures that have been recommended or imposed to contain the spread on the COVID-19 Pandemic, all Interested Parties that have timely submitted their proposal in accordance to this RFP and have satisfied the conditions and requirements of the Regulation will participate in real time through a virtual meeting of the bid opening where Proposals shall be opened by the Committee in a public session to be seen and heard by all attendees and to be celebrated on **MONDAY, AUGUST 30TH, 2021 at 2:00 p.m.** Details for access to the remote virtual real time meeting shall be opportunely notified on AAFAF’s webpage. All Proposals will be opened and read aloud. The order used to open the Proposals shall be the order in which the Committee received each of the Proposals. The envelope must contain all required documentation to be considered. Any Proposal received at the place designated after the exact time specified for receipt will not be considered and will be returned to the Proponent.

VIII. EVALUATION AND SELECTION CRITERIA

- a. The Committee will use one or more of the following criteria to evaluate, consider, rank, determine and select the Proposal to be awarded. In its evaluation, the Committee may consider all information contained in the Interested Parties’ Proposals and any other information obtained by the Committee. The Evaluation and Selection Criteria herein are not necessarily listed in order of importance. The Committee reserves the right to reject any and all Proposals at its sole and absolute discretion.

- i. Payment or Economic Offer, which represents the purchase price for the Property to be paid at the time of execution of the Deed of Sale. Such Economic Offer shall include the following (but not limited to):
 - An official commitment for any financing arrangement must be provided in the Interested Party's Proposal submission if it intends to finance a portion of the purchase price.
 - Verifiable documentation evidencing that the Interested Party has the available funds to pay-off the Economic Offer to the titleholder of the Property, or an official commitment letter from a reputable financial institution or eligible investor.
 - Interested Party's audited financial statements (last two years, if available).
 - ii. The proposed time to close the transaction. Committee expects that closing will occur with full payment no more than sixty (60) days following the notice of award, unless it is extended by the Committee at its sole and absolute discretion.
 - iii. The appraisal value of the Property.
 - iv. The use or development plans for the Property which shall be guided by the criteria of best and highest use.
 - v. The economic and social impact of the proposed project on Puerto Rico.
 - vi. The promptness in the execution of the development plans and construction in the Property to prevent land banking and speculation.
 - vii. Integration of the 1908 reinforced concrete V shape structure located in the Property with the new building components to be developed, constructed and operated on the Property, as shown in the Conceptual Plan to be part of each Proponent's submission, provided such structure shall not be demolished and any restoration works shall demonstrate to respect and ennoble its iconic architectural features.
 - viii. The proposed use of the Property and its integration with the urban and economic development plans of the central and municipal governments.
 - ix. The economic, social, urbanistic, or aesthetic impact of the Project on the Condado Sector.
 - x. Any other factor that Committee, at its sole discretion, deems necessary and convenient or relevant.
- b. Notice of Award. Based on the evaluation of the Proposals and the Evaluation and Selection Criteria, as set forth herein, the Committee will determine the awarded Proposal. The Committee will notify the result, by certified mail with return receipt requested within a thirty (30) day term after the award and/or by e-mail, to all Proponents who submitted Proposals and to the government titleholder. The award shall also be published at the website of AAFAF.
- c. Approvals. In all cases, the selection of the awarded Proposal and the execution of the Deed of Sale, or if necessary, a Purchase Agreement, shall require the approval of the Committee and/or any other mandatory approval, as may be required in order to execute the sale or that is necessary prior to the execution of the Deed of Sale, including but not limited, to any legal requirement imposed on DTOP, as titleholder of the Property. Furthermore, the Committee and/or DTOP may define other specific clauses which shall be included in the Deed of Sale, or also adopt additional terms and conditions, or contractual clauses, including but not limited to, clear

development and construction covenants, prohibition to sell during the development and construction period, right of first refusal and right of repurchase, if the Property is not developed in an agreed upon timeframe geared to prevent a land banking or speculation, among others, all of which must be considered or incorporated in the Deed of Sale to be executed by the parties before the execution of the Deed of Sale.

d. Protests and Reconsiderations. Any Interested Party adversely affected by a notified decision made by the Committee may, within twenty (20) days of the postmark date of the notice of the award, present a motion for reconsideration before the Committee, as provided in Article 29 of the Regulation. Motion for Reconsideration shall be filed at the following address: Real Property Evaluation and Disposal Committee, P.O. Box 42001, San Juan, Puerto Rico 00940-2001, pursuant to Section 3.15 of the Act No. 38 of June 30, 2017, as amended, 3 L.P.R.A. §9655 (2017), known as the New Uniform Administrative Procedure Act of the Government of Puerto Rico (NUAPA). Any judicial review must be filed in accordance with Section 4.2 of NUAPA and applicable rules of the Rules of Procedure of the Puerto Rico Court of Appeals.

A request for reconsideration, and any other protest, shall be in writing, and state the name and address of the requesting party, shall contain a detailed and accurate statement of the legal and factual ground for the request, including copies of relevant documents, and shall specify the relief requested. **A request for reconsideration shall not stay the further action of the Committee related to the procurement process.**

A request for reconsideration or other protest that fails to comply with the time limits or procedures stated above or provided in the applicable laws or regulations may be dismissed or denied without reconsideration. Judicial review of the determinations made by the Committee will be governed by the laws of Puerto Rico.

The Committee shall require from the requesting party the posting of a bond, guaranty or other security to cover any expense or damage that might be suffered by Committee as a consequence of the undue staying of the proposal selection process caused by the request for reconsideration and/or judicial review. The guaranty, bond or other security must be presented to the Committee within two (2) working days from the date of submission of the request for reconsideration or judicial review. Should it be determined that the request for reconsideration or judicial review was frivolously filed, or was based on negligent or malicious allegations, the Committee may foreclose upon such security. The guaranty or bond to be required shall be issued by a surety or insurance company authorized to do business in Puerto Rico. Security may also be supplied in the form of a draft or certified check payable to the AAFAF. The amount of the security shall be no less than \$250,000.00.

IX. COMMITTEE'S RIGHTS AND DISCLAIMERS

The sale of the Property and its future development and/or use shall not be in contravention to the laws and/or regulations of the Government of Puerto Rico or Federal laws, rules and/or regulations.

Interested Party must be responsible to conduct its due diligence to verify the permitted uses and development restrictions and limitations applicable to the Property. Each Interested Party shall accept and agree to assume any and all cost associated to the due diligence activities of the Property. Each Interested Party accepts and agrees to assume any cost associated to any and all necessary studies as part of the Interested Party's due diligence activities.

The notarial tariff shall be borne by the Interested Party and the Notary may be selected by the Committee in accordance with Articles 25 and 27 of the Regulation, respectively. Also, the awarded Proponent shall bear the costs of any documentary stamp to be cancelled on the original of the Deed of Sale, and the costs of any documentary stamp to be cancelled on the first certified copy of such Deed of Sale, including its recording fees charged by the Registrar of Property.

The Committee assumes no liability regarding the measurements and surface area of the Property, its tax property status nor any easement and restrictions covenants established and affecting the Property. Each Interested Party shall be diligent and solely responsible for conducting their own evaluation to understand the restrictions or limitations that could affect the Property or any development of the Property and the availability or nonavailability of permits for the proposed construction and use of the Property.

The Committee and/or DTOP may, at their sole discretion, record restrictions on the Property prior to executing the Deed of Sale to prevent a land banking or speculation.

The Committee reserves its right, in its sole discretion to: (1) amend or withdraw this process at any time, (2) withdraw at any time from this process with no recourse afforded to any Interested Party, their respective entities, shareholders, and/or partners, and (3) choose a Proposal or reject any or all Proposals received in response to this process either on the basis of an evaluation of the factors listed in this document or for other reasons, including any reason that best serves the interests of the Committee, DTOP or the Government of Puerto Rico.

The Committee may enter into simultaneous or subsequent negotiations with Interested Parties that have submitted identical proposals to determine the final selection of the awardee. The Committee reserves the right to interview key personnel of the Interested Party before the award. Notwithstanding the above mentioned, in compliance with the Regulation, in all stages of the RFP, the Committee shall conduct the RFP in a fair and transparent manner to avoid any concern of undue influence, favoritism, preference or partiality in favor of any Interested Party. The Committee shall award the contract to the Interested Party that submits the most advantageous Proposal considered through a holistic approach.

The information contained in this sealed bid process and in any subsequent addenda or related documents is provided as general information only. **ALSO, THE PROPERTY SHALL BE SOLD ON "AS IS, WHERE IS, WITH ALL FAULTS" BASIS.** The Committee makes no representations, warranties, or guarantees that the information contained herein or further provided is accurate, complete, or timely, or that such information accurately represents the conditions that would be encountered at

the Property and its vicinity, now or in the future. The furnishing of information by the Committee shall not create or be deemed to create any obligation or liability upon it for any reasons whatsoever, and each recipient of the sealed bid process by submitting a Proposal to the Committee, expressly agrees that it has not relied upon the foregoing information, and that it shall not hold the Committee, or any other third party who prepared a report for the Committee, liable or responsible therefore in any manner whatsoever. **Furthermore, no warranty or representation, express or implied, is made by the Committee as to: (a) fitness of the Property for any particular purpose, (b) merchantability, (c) design, (d) quality, (e) condition, (f) operation, (g) compliance with specifications, (h) absence of latent defects, (i) condition or absence of hazardous or toxic substances, (j) absence of faults, (k) flooding, (l) wetlands, (m) utilities, (n) compliance with laws and regulations (including, without limitation, those relating to health, safety and the environment), (o) land area, (p) geometric configuration or topography, (q) quality and/or quantity of improvements, (r) access, (s) soil or subsoil, (t) groundwater level, (u) zoning, (v) structural damages, (w) construction or use permits and their availability, (x) any other permits, approvals or authorizations issued or to be issued by or needed from government agencies affecting, related to, or necessary for the sale or for the development of the Property, or (y) any other matter or thing affecting or related to the Property, its development, construction, operation or functionality.**

This sealed bid process has been prepared solely to solicit responses and it is not a contract offer and is not binding on the Committee. Neither the expression of any organization's interest, nor the submission of any organization's qualifications and documents or other information, nor the acceptance thereof, by the Committee, nor any correspondence, discussions, meetings, or other communication between any Interested Party and the Committee, shall impose any obligation on the Committee to include the Interested Party in any further procedures which the Committee may utilize prior to the final designation of the award, nor shall be deemed to impose any obligation whatsoever on the Committee to such Interested Party or offeror or impose an obligation to discuss any Proposals with any Interested Party, nor shall be deemed to impose an obligation on the Committee to enter into negotiations with any Interested Party, nor shall entitle any Interested Party to compensation or reimbursement for costs or expenses incurred by such Interested Party in connection with its Proposal's submission. No costs of responding to the sealed bid process or any addenda or amendment thereto, nor cost of attending any subsequent interviews or meetings in connection with this sale opportunity, shall be reimbursed by the Committee or by any department, agency or government instrumentality of the Government of Puerto Rico.

The Committee may consult references related to any of the Interested Parties regarding its prior operations and development or management projects, financial plan, past performance, experience and qualifications, or other matters, whether or not the specific individuals are identified in the Proposals. Submission of a Proposal in response to this process shall constitute permission for the Committee to make such inquiries, and authorization to third parties to respond thereto.

Any information given to the Committee in any Proposal or any correspondence, discussion, meeting, or other communication between any Interested Party and the Committee before, with or after the submission of the Proposal, either orally or in writing, will not be, or deemed to have been,

proprietary or confidential, although the Committee will use reasonable efforts not to disclose such information to persons who are not employees or consultants related to the Committee, except as may be required by laws or regulations of Puerto Rico. Use or disclosure of such information by the Committee may be made without obligation or compensation and without liability of the Committee of any kind whatsoever. The forgoing applies to any information, whether or not given at the invitation of the Committee. Any statement which is inconsistent with the foregoing provisions of this paragraph whether made as part of, or in connection with, any information received from any Interested Party or otherwise made at any time in any fashion and whether made orally or in writing, shall be deemed null and void and of no force or effect. The Committee's receipt or discussion of any information submitted in response to this sealed bid process, including information submitted during discussions after said submittal does not, and will not impose any obligations whatsoever on the Committee, or entitle any such Interested Party to any compensation. Any information submitted in the Proposal shall become the property of the Committee. Selection or rejection of a Proposal does not affect this provision.

Neither the Committee nor any individual member, employee, officer, agent or consultant thereof shall be charged personally by any Interested Party or held liable to it under any term or provision of this sealed bid process or any statements made in connection hereto.

Except for questions on or before the date indicated in the Timeline, communications with other representatives of the Committee, AAFAF, DTOP or the Government of Puerto Rico regarding any matter related to the contents of this process are prohibited during the submission and selection processes. Failure to comply with these communications restrictions will result in rejection of the Proposal.

The Committee reserves its unqualified right, in its sole discretion, to disqualify any team, firm or individual from any phase or component of the process or this purchase and sale opportunity, due to felonious or other criminal record in any jurisdiction (domestic or foreign).

By providing a Proposal in response to this RFP, each Interested Party and each person signing on behalf of any Interested Party certifies, and in case of a joint venture, each party thereto certifies, as to its own organization, that the terms of its Proposal have been arrived at independently without collusion, consultation, communication or agreement, for the purpose of restricting competition, as to any matter relating to such terms with any other Interested Party or with any competitor; the terms of its Proposals have not been and will not be knowingly disclosed, directly or indirectly, by the Interested Party prior to the official opening of such Proposals, to any other Interested Party or to any competitor; and no attempt has been made and none will be made by the Interested Party to induce any other person, partnership, or corporation to provide or not to provide a Proposal for the purpose of influencing competition.
