

GOVERNMENT OF PUERTO RICO
PUERTO RICO ELECTRIC POWER AUTHORITY

FIRST AMENDMENT
PROFESSIONAL SERVICES CONTRACT
2019-P00124 A

APPEAR

AS FIRST PARTY: The Puerto Rico Electric Power Authority (PREPA), a public corporation and government instrumentality of the Commonwealth of Puerto Rico, created by Act No. 83 of May 2, 1941, as amended (Act. 83), represented in this act by its Chief Executive Officer/Executive Director, José F. Ortiz Vázquez, of legal age, married, and resident of San Juan, Puerto Rico. -----

AS SECOND PARTY: Hogan Lovells US, LLP (Consultant) a limited liability partnership organized and existing under the laws of District of Columbia herein represented by Adam M. Kushner, its Partner, of legal age, and resident of the State of Maryland, United States of America, whose authority of representation is evidenced by Power of Attorney dated June 21, 2019.-----

WITNESSETH

WHEREAS, PREPA, by virtue of its Enabling Act, No. 83 of May 2, 1941, as amended, has the authority to engage the professional, technical and consulting services necessary and convenient to the activities, programs, and operations of PREPA;-----

WHEREAS, PREPA and the Consultant executed the Professional Services Contract 2019-P00124 on June 30, 2019 (the "Contract") to provide PREPA legal support, advise and representation for all compliance activities required, as PREPA works to reconfigure its fleet of oil-fired power units and charts a course for its future, among



other services. The Contract is in effect until June 30, 2020 for a maximum amount of two million five thousand dollars (\$2,500,000), including reimbursable expenses (the “Contract Amount”). -----

WHEREAS: The Contract in its Article 26, required the Consultant provide, among others, a Workmen’s Compensation Insurance as required by the Workmen’s Compensation of the Commonwealth of Puerto Rico, Act 45-1935 .-----

WHEREAS: Due to the nature of this Contract, PREPA’s Risk Management Office recommended, on May 14, 2019, an insurance requirement that did not include the Workmen’s Compensation Insurance. -----

WHEREFORE: In order to proceed with PREPA’s Risk Management Office recommendation both Parties hereby agree, to enter into this First Amendment under the following:-----

Full

TERMS AND CONDITIONS

FIRST: The Parties agree to amend Article 26 of the Contract, to supersede its language with the following:-----

Article 26. Insurance

The Consultant shall secure and maintain in full force and effect, during the term of this Agreement as provided herein policies of insurance covering all operations engaged in under this Agreement as follows:

- a) The Consultant shall provide a Commercial General Liability Insurance with limits of \$1,000,000 per occurrence and \$1,000,000 aggregate. -----

- b) The Consultant shall provide a Professional Liability Insurance with limits of \$1,000,000 per claim and \$1,000,000 aggregate. -----

The Commercial General Liability Insurance required under this Agreement, shall be endorsed to include:

- a) As additional Insured:
Puerto Rico Electric Power Authority
PO Box 364267
San Juan, PR 00936-4267

- b) A thirty (30) day cancellation or nonrenewable notice to be sent to the above address by the Consultant's insurance policy expressly provides coverage in respect of any claim made anywhere in the world against the insureds. -----

The Consultant insurance policy expressly provides coverage in respect of any claim made anywhere in the world against the insureds. The Consultant shall furnish a certificate of insurance signed by an authorized representative of the insurer.-----



SECOND: As for the original Contract, the Consultant will continue to comply with all applicable State Law, Regulations and/or Executive Orders that regulate the contracting process and with the requirements of the Commonwealth of Puerto Rico. Particularly: *Law 237-2004*, as amended, which establishes uniform contracting requirements for professional and consultant services for the agencies and governmental entities of the Commonwealth of Puerto Rico. 3 L.P.R.A. § 8611 et seq., and the Puerto Rico Department of Treasury Circular Letter Number 1300- 16-16. -----

A. The Consultant should provide:

- 1) A sworn statement in compliance with the requirements established in Circular Letter No. 1300-16-16 of Puerto Rico Treasury Department certifying that, under penalty of perjury, Consultant does not have tax liability in Puerto Rico and the execution of the Contract will not result in Consultant being engage in trade or business in Puerto Rico. -----
- 2) A sworn statement to the effect that neither Consultant nor any president, vice president, executive director or any member of a board of officials or board of directors, or any person performing equivalent functions for Consultant has been convicted of or has pled guilty to any of the crimes listed in Article 6.8 of Act 8-2017, as amended, known as the Act for the Administration and Transformation of Human Resources in the Government of Puerto Rico or any of the crimes included in Act 2-2018.-----
- 3) The Consultant shall present, the Certification issued by the Puerto Rico Child Support Administration (known in Spanish as the *Administración Para El Sustento de Menores (ASUME)*), which indicates that the Consultant nor any of its owners, affiliates of subsidiaries, if applicable, is in compliance with the withholdings required by law as an employer, to collect child support payments that may be registered with ASUME. If this Certification shows a debt, and Consultant has requested a review or adjustment of this debt, Consultant will certify that



it has made such request at the time of the Contract execution. If the requested review or adjustment is denied and such determination is final, Consultant will provide, immediately, to PREPA a proof of payment of this debt; otherwise, Consultant accepts that the owed amount be offset by PREPA and retained at the origin, deducted from the corresponding payments. -----

4) The Consultant shall provide Certificate of Incorporation or Certificate of Organization or Certificate of Authorization; and Good Standing Certificate.-----

B. In compliance with Executive Order 1991 OE- 24; and C.F.R. Part 404 et. seq., the Consultant will be responsible for rendering and paying the Federal Social Security and Income Tax Contributions for any amount owed as a result of the income, from this Contract.-----



C. PREPA shall deduct and withhold ten percent (10%) of any and all payments to residents of the Commonwealth of Puerto Rico as required by the Internal Revenue Code of Puerto Rico. In case of U.S. citizens and non-U.S. citizens, which are nonresidents of the Commonwealth of Puerto Rico, the Consultant will retain twenty percent (20%) and twenty-nine percent (29%) respectively. PREPA will remit such withholdings to the Government of Puerto Rico's Treasury Department (*Departamento de Hacienda de Puerto Rico*). The Consultant will request PREPA not to make such withholdings if, to the satisfaction of PREPA, the Consultant timely provides a release from such obligation by the Government

of Puerto Rico's Treasury Department. 3 L.P.R.A. § 1062 et seq., 2011 L.P.R.A. 232; 232-2011.-----

D. As required by Act 48-2013, as amended, PREPA will withhold a special contribution of one point five percent (1.5%) of the gross amounts paid under this Contract.-----


E. The Consultant will certify compliance with Act 1-2012, as amended, known as the Ethics Act of the Government of Puerto Rico, which stipulates that no employee or executive of PREPA nor any member of his or her immediate family (spouse, dependent children, or other members of his or her household or any individual whose financial affairs are under the control of the employee) shall have any direct or indirect pecuniary interest in the services to be rendered under this Contract, except as may be expressly authorized by the Governor of Puerto Rico in consultation with the Secretary of Treasury and the Secretary of Justice of the Government. 3 L.P.R.A. § 8611 et seq.-----



F. Consultant agrees to comply with the provisions of Act 2-2018, as the same may be amended from time to time, which establishes the Anti-Corruption Code for a New Puerto Rico. The Consultant hereby certifies that it does not represent particular interests in cases or matters that imply a conflict of interest, or of public policy, between the executive agency and the particular interests it represents.----

G. Consultant hereby certifies that it has not been convicted in Puerto Rico or United States Federal court for under Articles 4.2, 4.3 or 5.7 of Act 1-2012, as amended, known as the Organic Act of the Office of Government Ethics of

Puerto Rico, any of the crimes listed in Articles 250 through 266 of Act 146-2012, as amended, known as the Puerto Rico Penal Code, any of the crimes typified in Act 2-2018, as amended, known as the Anti-Corruption Code for a New Puerto Rico or any other felony that involves misuse of public funds or property, including but not limited to the crimes mentioned in Article 6.8 of Act 8-2017, as amended, known as the Act for the Administration and Transformation of Human Resources in the Government of Puerto Rico.-----

- 
- H. PREPA shall have the right to terminate the Contract in the event Consultant is convicted in Puerto Rico or United States Federal court for under Articles 4.2, 4.3 or 5.7 of Act 1-2012, as amended, known as the Organic Act of the Office of Government Ethics of Puerto Rico, any of the crimes listed in Articles 250 through 266 of Act 146-2012, as amended, known as the Puerto Rico Penal Code, any of the crimes typified in Act 2-2018, as amended, known as the Anti-Corruption Code for a New Puerto Rico or any other felony that involves misuse of public funds or property, including but not limited to the crimes mentioned in Article 6.8 of Act 8-2017, as amended, known as the Act for the Administration and Transformation of Human Resources in the Government of Puerto Rico.-----
- I. The Consultant expressly agrees that the conditions outlined throughout this Article are essential requirements of this Contract. Consequently, should any one of these representations, warranties or certifications be incorrect, inaccurate or misleading, in whole or in part, there shall be sufficient cause for the PREPA to

render this Contract null and void, and the Consultant shall reimburse the PREPA all moneys received under this Contract.-----

THIRD: The Consultant will certify that if there is any Judicial or Administrative Order demanding payment or any economic support regarding Act 168-2000, as amended, the same is current and in all aspects in compliance. Act 168-2000 “*Law for the Strengthening of the Family Support and Livelihood of Elderly People*” in Spanish: “*Ley para el Fortalecimiento del Apoyo Familiar y Sustento de Personas de Edad Avanzada*”.

FOURTH: Any and all necessary dispensations have been obtained from any government entity and that said dispensations shall become part of the contracting record.-----

FIFTH: The Consultant acknowledges and accepts that it is knowledgeable of the rules of ethics of his/her profession and assumes responsibility for his/her own actions.-----


SIXTH: The Payment for services object of this First Amendment will not be made until the Amendment is properly registered in the Office of the Comptroller of the Government of Puerto Rico.-----

SEVENTH: No public officer or employee authorized to contract on behalf of the executive agency for which he/she works may execute a contract between the agency for which he/she works and an entity or business in which he/she or any member of his/her family unit has or has had direct or indirect economic interest during the last four (4) years prior to his/her holding office.-----

EIGHT: No executive agency may execute a contract in which any of its officers or employees or any member of their family units has or has had direct or indirect

economic interest during the last four (4) years prior to their holding office, unless the Governor gives authorization thereto with the previous recommendation of the Secretary of the Treasury and the Secretary of Justice.-----

NINETH: No public officer or employee may be a party to or have any interest in any profits or benefits produced by a contract with any other executive agency or government dependency unless the Governor gives express authorization thereto with previous recommendation from the Secretary of the Treasury and the Secretary of Justice.-----

 **TENTH:** No public officer or employee who has the power to approve or authorize contracts shall evaluate, consider, approve or authorize any contract between an executive agency and an entity or business in which he/she or any member of his/her family unit has or has had direct or indirect economic interest during the last four (4) years prior to his/her holding office.-----

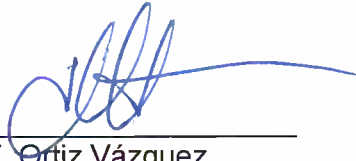
ELEVENTH: No executive agency shall execute contracts with or for the benefit of persons who have been public officers or employees of said executive agency until after two (2) years have elapsed from the time said person has ceased working as such.

TWELFTH: All other terms and conditions of the Contract, not affected by this First Amendment, shall remain in full force and effect. -----

This is the agreement between the appearing Parties under this First Amendment and so is hereby ratified. -----

IN WITNESS THEREOF, the Parties sign this First Amendment as of the 23 day
of December, 2019.-----

PUERTO RICO ELECTRIC POWER
AUTHORITY



José F. Ortiz Vázquez
Chief Executive Officer
Tax ID-66-0433747

HOGAN LOVELLS US, LLP



Adam M. Kushner
Partner
Tax ID: 53-0084704