


COMMONWEALTH OF PUERTO RICO
PUERTO RICO ELECTRIC POWER AUTHORITY

THIRD AMENDMENT

PROFESSIONAL SERVICES CONTRACT

2020-P00019 C

APPEAR

 AS FIRST PARTY: The Puerto Rico Electric Power Authority (hereinafter referred to as "PREPA"), a public corporation and government instrumentality of the Commonwealth of Puerto Rico, created by Act 83 of May 2, 1941, as amended, 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: Díaz & Vázquez Law Firm, P.S.C. (Consultant), a professional services corporation organized and existing under the laws of Commonwealth of Puerto Rico, with offices in San Juan, herein represented by its Founding Partner, Arturo Díaz Angueira, of legal age, married, lawyer and resident of San Juan, Puerto Rico, duly authorized to appear in representation of the Consultant by Resolution dated January 2, 2020.-----

Both PREPA and Consultant are herein individually referred to as a Party and collectively referred to as the Parties.-----

WITNESSETH

In consideration of the mutual covenants and agreements contained in this Amendment, hereinafter stated, the Parties agree themselves, their personal representatives, and successors as follows: -----

STATE

WHEREAS: PREPA, by virtue of Act 83, has the authority to engage those professional, technical and consulting services necessary and convenient to the activities, programs, and operations of PREPA. -----

WHEREAS: The appearing Parties executed Contract 2020-P00019 on August 1, 2019 and effective until June 30, 2020, with a not to exceed amount of four hundred seventy-five thousand dollars (\$475,000, the "Contract Amount") (the "Contract").



Through this Contract, the Consultant provides PREPA legal services related to the bankruptcy procedure of PREPA filed under the Title III and pursuant to the Puerto Rico Oversight, Management and Economic Stability Act (PROMESA). The Consultant will also provide to PREPA legal representation in cases filed at the local or federal judicial and administrative forums, related to, labor and employment claims, including claims for discrimination, dismissal, salaries, breach of labor contracts, and legal opinions, among other matters. In addition, the Consultant will provide necessary legal assistance in any other matters referred by PREPA for the defense of its interest, including but not limited to PREPA's representation in the Puerto Rico Energy Bureau. --

WHEREAS: On September 30, 2019, the Parties executed the First Amendment to increase the Contract amount by two million five hundred ninety-seven thousand dollars (\$2,597,000), from four hundred seventy-five thousand dollars (\$475,000) to three million seventy-two thousand dollars (\$3,072,000). This Amendment was previously authorized by PREPA's Governing Board, through Resolution 4735.-----

WHEREAS: On April 14, 2020, the Parties executed the Second Amendment to increase the Contract Amount by eight hundred fifty thousand dollars (\$850,000), from three million seventy-two thousand dollars (\$3,072,000) to three million nine hundred twenty-two thousand dollars (\$3,922,000), until June 30, 2020. This Amendment was previously authorized by PREPA's Governing Board through Resolution 4772.-----

WHEREAS: In accordance with Article 4 of the Contract, Contract Term, it may be extended for an additional period of one fiscal year, subject to availability of funds and at PREPA's sole discretion.-----

WHEREAS: On March 25, 2020, PREPA's Governing Board, through Resolution 4772, authorized the extension of the Contract for Fiscal Year 2020-2021, for a maximum amount of four million seven hundred forty thousand dollars (\$4,740,000).-----

THEREFORE: In order to continue receiving the Consultant's services, the appearing Parties hereby agree to enter into this Third Amendment under the following:-----

TERMS AND CONDITIONS

FIRST: In accordance with the Article 4 of the Contract, Contract Term, the Parties agree an extension to its term from July 1st, 2020 through June 30, 2021 (Fiscal Year 2020-2021). The remaining sentences and paragraphs of Article 4, not affected by this amendment shall remain unaltered and fully enforceable.-----

SECOND: The Contract Amount for Fiscal Year 2020-2021 is four million seven hundred forty thousand dollars (\$4,740,000) and the payments to be made under this Third Amendment, will be charged to account 01-4019-92319-556-673.-----

THIRD: As for the original Contract, the Consultant will comply with all applicable State Law, Regulations or Executive Orders that regulate the contracting process and requirements of the Commonwealth of Puerto Rico. Particularly: Act 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.-----

A. Consultant shall provide, before the execution of this Third Amendment, the following:-

1. Filing of Puerto Rico Income Tax Returns

In compliance with Executive Order No. OE-1991-24 of June 18, 1991, Consultant hereby certifies that it has filed all the necessary and required income tax returns to the Government of Puerto Rico for the last five (5) years. As evidence thereof, Consultant has delivered to PREPA an Income Tax Return Filing Certificate, issued by the Treasury Department of Puerto Rico assuring that Consultant has filed its Income Tax Return for the last five (5) tax years. -----

2. Payment of Puerto Rico Income Taxes

In compliance with Executive Order No. OE-1991-24 of June 18, 1991, Consultant, hereby certifies that it has complied and is current with the payment of all income taxes that are, or were due, to the Government of Puerto Rico. As evidence thereof, Consultant has delivered to PREPA a certification issued by the Treasury Department of Puerto Rico indicating that Consultant does not owe taxes, for all the concepts, to the Commonwealth of Puerto Rico; or is paying such taxes by an installment plan in full compliance with its terms. During the term of this Contract, Consultant agrees to

pay and/or to remain current with any repayment plan agreed to by the Consultant with the Government of Puerto Rico. -----

3. Compliance with Requirements of the Department of Labor and Human Resources of the Commonwealth of Puerto Rico. -----

Pursuant to Executive Order No. 1992-52, dated August 28, 1992 amending OE-1991-24, Consultant certifies and warrants that it has made all payments required for unemployment benefits, workmen's compensation and social security for chauffeurs, whichever is applicable, or that in lieu thereof, has subscribed a payment plan in connection with any such unpaid items and is in full compliance with the terms thereof. As evidence thereof, Consultant has delivered to PREPA: -----

a. A certification issued by the Bureau of Employment Security (*Negociado de Seguridad de Empleo*) of the Puerto Rico Department of Labor and Human Resources certifying that Consultant does not owe taxes regarding Unemployment or Disability Insurance. -----

b. A certification issued by the Program for Social Security for Chauffeurs and Other Employees of the Puerto Rico Department of Labor and Human Resources certifying that Consultant has no debt with respect to such program and an Income Tax Return Filing Certificate, issued by the Treasury Department of Puerto Rico assuring that Consultant has filed its Income Tax Return for the last five (5) tax years. -----

4. Real and Personal Property Taxes

Consultant hereby certifies and guarantees that it does not have any current debt regarding property taxes that may be registered with the Government of Puerto Rico's Municipal Tax Collection Center (*MRCC*). Consultant further certifies to be current with the payment of any and all property taxes that are or were due to the Government of Puerto Rico. Consultant shall provide: -----

a. A certification issued by the MRCC, assuring that Consultant does not owe any tax accruing during the last five (5) years to such governmental agency with respect to personal property; or negative Debt certification issued by the MRCC with respect to personal property taxes and a sworn statement executed by Consultant indicating that: (i) its revenues are derived from the rendering of professional services, (ii) during the last 5 years (or the time in which it has been providing professional services) it has had no taxable business or personal property on the 1st of January of each year, (iii) that for such reasons it has not been required to file personal property tax returns, as required under Article 6.03 of Act 83-1991, as amended and (iv) that for such reason it does not have an electronic tax file in the MRCC's electronic system. -----

b. All Concepts Debt Certification issued by the MRCC assuring that Consultant does not owe any taxes to such governmental agency with respect to real and personal property; or Negative certification issued by the MRCC with respect to real property taxes. -----

5. Sales and Use Taxes

Consultant has delivered to PREPA: -----

- a. Puerto Rico Sales and Use Tax Filing Certificate, issued by the Treasury Department of Puerto Rico assuring that Consultant has filed his Puerto Rico Sales and Use Tax for the last sixty (60) contributory periods. -----
- b. Consultant's Certificate of Merchant's Registration issued by the Treasury Department of Puerto Rico. -----

6. Puerto Rico Child Support Administration (ASUME)

Consultant hereby certifies that it is not duty bound to pay child support, or if so, that Consultant is up to date or has a payment plan to such effects. As evidence thereof, Consultant has delivered to PREPA a certification issued by the Puerto Rico Child Support Administration (*Administración para el Sustento de Menores (ASUME)*) certifying that Consultant does not have any debt, outstanding debt, or legal procedures to collect child support payments that may be registered with ASUME. ---

7. Organization Documents

Consultant shall provide: -----

- a. a Good Standing Certificate issued by the Department of State of Puerto Rico. ---
- b. a Certification of Incorporation, or Certification of Organization or Certificate of Authorization to do business in Puerto Rico issued by the Department of State of Puerto Rico. -----

8. Dispensation

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

9. Rules of Professional Ethics

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

10. Provisions Required under Act 14-2004

If applicable to the services provided under the Contract, Consultant agrees that articles extracted, produced, assembled, packaged or distributed in Puerto Rico by enterprises with operations in Puerto Rico, or distributed by agents established in Puerto Rico shall be used when the service is rendered, provided that they are available. -----

11. Consultant hereby agrees to comply with the provisions of Act 2-2018, known as the Anti-Corruption Code for the New Puerto Rico. -----

Consultant shall furnish 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.-----



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.-----

PREPA shall have the right to terminate this 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.-----

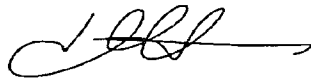
Consequences of Non-Compliance

Consultant expressly agrees that the conditions outlined throughout this Section 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 enough cause for PREPA to render this Contract null and void. If any of the certifications listed in this Section shows a debt, and Consultant has requested a review or adjustment of this debt, Consultant hereby certifies 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. Consultant accepts and acknowledges its responsibility for requiring and obtaining a similar warranties and certifications from each and every contractor and subcontractor, if any previously approved by PREPA, whose service Consultant has secured in relation with the Services to be rendered under this Contract and shall deliver evidence to PREPA as to comply with this requirement. -----

Consultant understands and agrees that PREPA is prohibited to process any payment under the Contract until the enumerated certifications and sworn statement are submitted to PREPA. -----

FOURTH: All other terms and conditions, specifications, stipulations, insurances, and requirements established in the Contract, as amended, shall remain unaltered and fully enforceable.-----

In WITNESS WHEREOF, the Parties hereto have agreed to execute this Third Amendment in San Juan, Puerto Rico, on this 19 day of June, 2020.-----



José F. Ortiz Vázquez
Chief Executive Officer
Puerto Rico Electric Power Authority



Arturo Díaz Angueira
Founding Partner
Díaz & Vázquez Law Firm, P.S.C.