

**COMMONWEALTH OF PUERTO RICO
PUERTO RICO ELECTRIC POWER AUTHORITY**

PROFESSIONAL SERVICE CONTRACT

**2020-P00044 C
THIRD AMENDMENT**

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 83 of May 2, 1941, as amended (Act 83), represented in this act by its Executive Director, Efran Paredes Maisonet, of legal age, married, engineer and resident of Bayamón, Puerto Rico. -----

AS SECOND PARTY: FPV & Galíndez, LLC (Consultant), a corporation organized and registered to do business in Puerto Rico, Registry Number 4832, represented in this act by its Partner, Rafael Nieves Pérez, of legal age, married, and resident of Toa Alta, Puerto Rico, authorized to represent the Consultant by virtue of Corporate Resolution dated May 4, 2021.-----

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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 Contract, hereinafter stated, the Parties agree themselves, their personal representatives, and successors as follows: -----

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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-P00044 on October 15, 2019 to provide professional services and support in the preparation and analysis of PREPA's financial statements and supporting documents. The Contract had a maximum amount of four hundred ninety thousand dollars (\$490,000) (Contract Amount) through June 30, 2020.-----

WHEREAS: On February 13, 2020 the Parties executed the First Amendment to the Contract to recognize the correct Tax ID of the Consultant.-----

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WHEREAS: On June 28, 2020, the Parties executed the Second Amendment, which extends the term of the Contract for Fiscal Year 2020-2021, for an amount of four hundred ninety thousand dollars (\$490,000) until June 30, 2021.-----

WHEREAS: On March 24, 2021, PREPA's Governing Board, through Resolution 4878, authorize to increase the Contract amount, for Fiscal Year 2020-2021, by one million sixty-eight thousand dollars (\$1,068,000) until June 30, 2021. Considering the original Contract amount, the amount for Fiscal Year 2020-2021 and the amount authorized by Resolution 4878, the Contract amount shall increase, from nine hundred eighty thousand dollars (\$980,000) to two million forty-eight thousand dollars (\$2,048,000). -----

WHEREAS: On May 27, 2021, Financial Oversight and Management Board for Puerto Rico authorized the Third Amendment of the Contract 2020-P00044.-----

NOW 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: The Parties agree to amend Article 6, Payment, to increase the Contract Amount by one million sixty-eight thousand dollars (\$1,068,000), from four hundred ninety thousand dollars (\$490,000) to one million five hundred fifty-eight thousand dollars (\$1,558,000) until June 30, 2021. Considering the original Contract amount for Fiscal Year 2019-2020 (\$490,000), the amount for Fiscal Year 2020-2021 (\$490,000) and the amount authorized by Resolution 4878 (\$1,068,000), the Contract amount shall increase to two million forty-eight thousand dollars (\$2,048,000). The payments to be made under this Contract for Fiscal Year 2020-2021, will be charged to account 01-4019-92303-556-614. -----

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The remaining sentences and paragraphs of the Article 6 of the Contract, not affected by this amendment shall remain unaltered and fully enforceable. -----

SECOND: The 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 Number 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 his Income Tax Return for the last five (5) tax years. -----

2. Payment of Puerto Rico Income Taxes

In compliance with Executive Order Number 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. -----

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

Pursuant to Executive Order Number 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.-----

4. Real and Personal Property Taxes

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- . 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 Revenue 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. 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))

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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. -----

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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. Act 168-2000: Law for the Strengthening of the Family Support and Livelihood of Elderly People: 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. -----

11. 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. -----

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

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 (Act 8-2017) or any of the crimes included in Act 2-2018.-----

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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 (Act 1-2012), any of the crimes listed in Articles 250 through 266 of Act 146-2012, as amended, known as the Puerto Rico Penal Code (Act 146-2012), any of the crimes typified in Act 2-2018, 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.-----

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, any of the crimes listed in Articles 250 through 266 of Act 146-2012, any of the crimes typified in Act 2-2018, 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.-----

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 sufficient cause for the 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 warranty and certification from each and every Consultant and subcontractor whose service Consultant has secured in connection with the services to

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be rendered under this Contract and shall forward evidence to PREPA as to its compliance with this requirement. -----

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

THIRD: The Parties acknowledge that PREPA is undergoing a transformation process, and therefore, both Parties agree that after the front-end transition period of a Partnership Contract, Sale Contract, or any other PREPA Transaction (as these terms are defined in Act 120-2018), PREPA may sell, assign, convey, transfer, pledge, mortgage, sublease, delegate, hypothecate, or otherwise dispose (each, a "Transfer") any of its rights, title, or interest in this Agreement as permitted by applicable law and at any time, without Consultant's consent, and without cost, expense, or incremental liability to PREPA, to any future operator of Puerto Rico's electric power transmission and distribution system or any of its affiliates, or to any governmental agency, body, public corporation or municipality of Puerto Rico; provided, that PREPA shall notify Consultant no later than thirty (30) days before the effective date of any such Transfer.-----

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FOURTH: The Parties acknowledge that the Consultant has submitted the certification titled "Contractor Certification Requirement" required in accordance with the Contract Review Policy of the Financial Oversight and Management Board for Puerto Rico, effective as of November 6, 2017 and amended on October 30, 2020, signed by the

Consultant's Executive Director (or another official with an equivalent position or authority to issue such certifications). A signed copy of the "Contractor Certification Requirement" is included as an annex to this Third Amendment.-----

FIFTH: The Consultant represents and warrants that the information included in the Contractor Certification Requirement is complete, accurate and correct, and that any misrepresentation, inaccuracy or falseness in such Certification will render the Contract null and void and the Consultant will have the obligation to reimburse immediately to the Commonwealth any amounts, payments or benefits received from the Commonwealth under the Contract. -----

SIXTH: In matters of this Contract, the transfer of skills and technical knowledge required by the Certified Fiscal Plan is applicable to those consulting services in which the Consultant supports PREPA's management during the audit of the financial statements, which may be performed by appropriately trained government staff. -----

However, in matters of the highly technical support that provides the Consultant, specifically related to the industry of accounting in audit practices (i.e. GASB and GAS), it is inapplicable the transfer of skills and technical knowledge given the specialized nature of these services.-----

SEVENTH: The Parties agree that all other terms and conditions, established in the Contract shall remain unaltered and fully enforceable. -----

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In WITNESS WHEREOF, the Parties hereto have agreed to execute this Third Amendment of the Contract in San Juan, Puerto Rico, on this 28 day of

May, 2021 _____



Efran Paredes Maisonet
Executive Director
Puerto Rico Electric Power Authority
Tax ID: 660-43-3747



Rafael Nieves Pérez
Partner
FPV & Galíndez, LLC
Tax ID: 660-70-3468