

FUEL PURCHASE CONTRACT
SAN JUAN, PALO SECO, AGUIRRE, MAYAGÜEZ, CAMBALACHE,
AND GAS TURBINES GENERATING STATIONS

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 83-1941) 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: Puma Energy Caribe, LLC ("Seller"), a limited liability company organized and existing under the laws of the Commonwealth of Puerto Rico, with offices at Carr #28 Km. 2.0 Luchetti Industrial Park Bayamon, PR, 00961, herein represented by its, General Manager, Mario Ricardo Sierra Varela, of legal age, married, engineer and a resident of Guaynabo, duly authorized to appear in representation of the Seller by Resolution dated April 25, 2019.

Both PREPA and Seller are herein individuals referred to as a "Party" and collectively referred to as the "Parties".

WITNESSETH

WHEREAS, PREPA, by virtue of Act 83-1941, has the authority to engage those professional, technical, and consulting services necessary and convenient to the activities, programs, and operations of PREPA;



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WHEREAS, PREPA issued a Request for Proposal No. 94074 (RFP) for the supply of light distillate No. 2 fuel oil at San Juan, Palo Seco, Aguirre, Mayagüez, Cambalache, and Gas Turbines Generating Stations.

WHEREAS, in response to the referred RFP, Seller made an offer to supply said fuel at San Juan, Palo Seco, Aguirre, Mayagüez, Cambalache, and Gas Turbines Generating Stations as requested.

In consideration of the mutual covenants herein stated, the Parties agree themselves, their personal representatives, successors, and assignees, as follows:

ARTICLE I. TYPE OF CONTRACT

A. Scope and Term of Contract

1. Seller agrees to sell and deliver to PREPA, a light distillate No. 2 fuel oil in compliance with the specifications in Exhibit A for the San Juan, Palo Seco, Aguirre, Mayagüez, Cambalache, and Gas Turbines Generating Stations. The weekly rate of delivery for each station shall be the amount requested by PREPA each week.
2. PREPA reserves its right to purchase approximately up to twenty-five percent (25%) of the plant requirements on the open market if the price in the open market is lower than that of the Contract price at the time of purchase.
3. Emergency inventory-build up: PUMA shall provide an additional 60,000 bbls vessel, at PREPA request, subject to the following: at least 15 days advance



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notice, the commitment of at least 60,000 bbls with total volume to be mutually agreed between both parties, express acceptance of PREPA for the berthing and operation of PUMA's vessel in PREPA's terminal, and subject to vessel availability in the market to comply with PREPA's terminal requirements at the moment of delivery.

B. Additional Provisions

1. Any and all changes and/or modifications to the scope of the Contract shall be in writing and must be signed by both Parties.
2. The Seller represents that it has or shall obtain, or cause to be obtained, all personnel necessary to undertake and provide the Services in a manner satisfactory to PREPA.
3. The Seller may not subcontract any of the Services that it has committed to perform or provide pursuant to this Contract without the prior written approval of the Chief Executive Officer of PREPA or any of his or her authorized representatives. Such consent to subcontract shall not relieve the Seller of its full responsibilities under this Contract. Consent to the subcontracting of any part of the services shall not be construed to be an approval of said subcontract or of any of its terms, but shall operate only as an approval of the Seller's request for executing a contract with its chosen subcontractor (hereinafter a "Subcontractor").



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The Seller shall be responsible for all services performed by the Subcontractor and all such services shall conform to the provisions of this Contract.

ARTICLE II. TERM OF CONTRACT; TERMINATION

A. Term

This Contract will become effective on the date of its signing by the Parties, and will be in effect for a period of one (1) year. This Contract will be subject to one (1) renewal of one (1) year, subject to the availability of PREPA funds and unless either Party indicate its intention that said automatic renewal does not occur by providing the other Party with written notice at least one hundred twenty (120) days before the expiration of the original Contract term. The Contract may be extended on a monthly basis upon mutual agreement on the same terms and conditions after the end of the contracted term or its renewal, provided that, said extension shall not exceed four (4) consecutive months, except when an emergency is declared by PREPA's Governing Board.

B. Termination for Convenience

PREPA shall have the right to terminate this Contract for convenience, at any moment, by providing the Seller thirty (30) days written notice by registered mail, return receipt requested, or overnight express mail. If notice is given, this Contract shall terminate upon the expiration of thirty (30) days and PREPA shall be obligated to pay all fees and expenses incurred up to the day of effective



termination, in accordance with the terms of this Contract. The rights, duties, and responsibilities of the Parties shall continue in full force and effect during the thirty (30) day notice period. Seller shall have no further right to compensation except for what has been accrued for services rendered under this Contract until said date of effective termination.

C. Termination for Cause

PREPA shall have the right to terminate this Contract immediately in the event of negligence, dereliction of duty, noncompliance, or material breach by the Seller, as determined in the sole discretion of PREPA, or for any other reason described elsewhere in this Contract as a basis for termination. In the event the Contract is terminated by PREPA for cause, PREPA shall be obligated to pay all fees and expenses incurred up to the day of effective termination, in accordance with the terms of this Contract. Seller shall have no further right to compensation except for what has been accrued for services rendered under this Contract until said date of effective termination.

D. Termination for Insolvency

If Seller enters into bankruptcy proceedings, or if Seller becomes bankrupt or insolvent, or if a petition in bankruptcy is filed against Seller, or if a receiver is appointed for Seller, PREPA shall have the right to terminate the Contract upon written notice to Seller, without prejudice to any claim or any other right of PREPA



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under the Contract at the time of such termination. Notice of termination under this provision shall not create any liability to PREPA, except that PREPA shall still be responsible for the payment of amounts due and owing to Seller not subject to claims by PREPA.

E. The Parties acknowledge that PREPA is undergoing a transformation process, and therefore, both Parties agree that in the eventuality of the execution of a Partnership Contract, Sale Contract or any other PREPA Transaction (as these terms are defined in Act No. 120-2018, otherwise known as Puerto Rico Electric System Transformation Act, as amended), PREPA may sell, assign, convey, transfer, pledge, mortgage, sublease, delegate, hypothecate, or otherwise dispose (each, a "Transfer") any of its rights, title, or interest (by novation or other instrument) in this Agreement as permitted by applicable law and at any time, and without Contractor's consent or 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 Contractor no later than thirty (30) days before the effective date of any such Transfer.



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The Contractor acknowledges that all his responsibilities and obligations under the Contract, such as work to be performed and services to be provided, etc., will continue in full force and effect until the expiration of the thirty (30) day period.

F. Independent Contractor

Seller shall be considered as an independent contractor, for all the material purposes under this Contract, and all persons engaged or contracted by the Seller for the performance of its obligations herein, shall be considered as its employees or agents or those of its subcontractors, and not as employees or agents of PREPA. In consequence, Seller is not entitled to any fringe benefits, such as, but not limited to vacations, sick leave, and other.

G. In the event that PREPA fails to comply with any of its material obligations under this Contract, Seller may declare an immediate Contract termination, cancellation or rescission with ten (10) days prior notice to PREPA and an opportunity cure. The exercise of its right to terminate, cancel or rescind the Contract shall not be understood as a waiver by Seller to any other remedy it may have under this Contract or under the law for delays or breach incurred by PREPA in the performance of its obligations under the Contract.

ARTICLE III. DELIVERY AND TITLE

A. Delivery of the fuel, as specified in Exhibit A, Fuel Specifications, will be by seagoing vessel, barge, tank to tank transfer, or tank truck at San Juan, Palo Seco,



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Aguirre, Mayagüez, Cambalache, and Gas Turbines Generating Stations as requested by PREPA. The price shall be established on the day the fuel commences transfer into PREPA's facilities.

B. PREPA shall submit Seller a weekly estimate of its requirements and propose dates for delivery of fuel during the following fifteen (15) days. Seller shall promptly acknowledge receipt of such estimate and shall, within two (2) days of such receipt, confirm or propose new delivery dates for the following fifteen (15) days. Said delivery schedule, if accepted by PREPA, shall be final unless operational needs from PREPA changes such schedule. Delivery dates shall consist of delivery windows of two (2) to four (4) days each for actual delivery to occur.

C. Title of product delivered shall pass to PREPA after the fuel passes the pipeline flange. Seller is responsible for cleaning, removing, and disposing of any spill of his product, which might occur before the pipeline interconnection during delivery; and shall be responsible for securing all materials, permits, and personnel required for handling the transfer of fuel.

D. Deliveries via barge for San Juan / Palo Seco Steam Plants, Aguirre Steam Plant, Mayagüez, and Cambalache are limited by a dredged channel with a draft of 26, 21.5, 22, and 18 feet, respectively.



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Seller shall conduct its own investigation relative to navigational information or any natural changes that might occur at the San Juan bay, Jobos bay, Mayagüez bay and Arecibo bay, as PREPA does not assume any responsibility for the same.

E. Maximum temperature of oil entering PREPA's pipeline shall not exceed one hundred degrees Fahrenheit (100°F), and at the pressure of not more than one hundred fifty (150) psig., nor less than one hundred twenty-five (125) psig., measured at PREPA's intake flange.

F. If Seller, for any reason, except as provided for in Article XVI, Force Majeure, of this Contract, fails to deliver the fuel required, as provided for in this Contract, PREPA may procure the product from any other supplier. In such event, PREPA may deduct from the Seller any pending invoices or the Seller shall reimburse PREPA for any difference which PREPA may have paid in excess of the contracted price. It shall be understood that PREPA is not waiving any rights available to it under the law, including rights to any claims or actions for damages caused by noncompliance by the Seller with the terms of this Contract.

G. The Seller will be responsible for any and all damages to the dock or to any other property caused by the vessel during delivery. All fuel oil deliveries and transfers should be in compliance with Homeland Security Regulations including, but not limited to, 33 CFR 104 & 105. Also, all fuel oil operations should be in compliance with 33 CFR 154, 155 & 156.



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H. Should PREPA need fuel of the same type and quality of the fuel herein contracted for, at any of its other plants, PREPA, at its option, may request deliveries and Seller shall deliver to such other plant up to a maximum of Seller's contractual commitment or inventory capabilities, if any. The fuel oil to be delivered under this condition by the Seller shall be at the same delivered price, or lower, and under the same payment conditions as for other plants, adjusted to reflect any increased or decreased transportation costs resulting from delivery to such other plants.

I. The Seller is responsible under a predicted force majeure event to take immediate action and employ emergency plans to avoid human hazards and protect public and private properties.

J. The Seller agrees to indemnify PREPA for all expenses and costs of any nature arising out of any claim due to an environmental non-compliance violation caused by Seller, its agents, employees, subcontractors, or assignees during the performance, or nonperformance of its obligations under the Contract.

K. Every vessel shall be coastal tanker and capable of acceptance by the terminal(s), and the Seller shall bear the risk of any failure to obtain acceptance.

L. It is the Seller's responsibility to familiarize themselves with all the locations in which it provides services under the Contract. The Seller will be required to have the proper personnel and equipment to service the locations they were awarded.



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M. Fuel may be delivered to Cambalache, Mayagüez, and Gas Turbines Generating Stations, by tank truck, only upon request by PREPA. Delivery to any of these stations shall be deemed completed and title and risk shall pass to PREPA when the fuel passes the flange connection, adjacent to PREPA storage tanks at said station. All transportation charges by tank trucks needed during the contract will be itemized and included on invoice to PREPA by the Seller.

1. Seller shall comply with all applicable local and federal environmental regulations.
2. The fuel shall be supplied by the Seller and shall be delivered and pumped into PREPA storage tanks. The Seller shall have the capability to effect deliveries of the product as requested by PREPA including deliveries on Saturdays, Sundays, and holidays, if necessary, in order to fulfill PREPA operational requirements.
3. PREPA working hours are Monday thru Friday from 7:30 to 11:30 AM and from 12:30 to 4:00 PM. The Seller shall take all the necessary actions in order to supply the required daily volume during PREPA working hours. Deliveries not made during PREPA normal working hours may be rejected without penalty to PREPA. PREPA reserves the right to modify its working hours schedule in order to accommodate fuel requirements in excess of sixty thousand (60,000) gallons per day for each site.



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4. PREPA assumes no responsibility or liability for demurrage incurred by the tank trucks delivering fuel pursuant to this Contract, unless such demurrage is attributable to the fault or negligence of PREPA.

5. The Seller shall furnish all appropriate documentation and available evidence to support of any demurrage claim, which may be brought against PREPA.

ARTICLE IV. SPECIFICATIONS

A. Fuel to be supplied shall be in accordance with the latest corresponding specifications, as specified in Exhibit A, Fuel Specifications. The Quality Certificate must include the latest revision to the test method used for each parameter. PREPA requires a fuel with homogeneous hydrocarbons, free of inorganic acids and microorganisms, and free of glycerin, water, solid, or fibrous foreign matter, which will yield the lowest cost per kW hour produced. Any product offered will be analyzed and evaluated in terms of the ultimate cost. Seller is responsible for the fuel compliance with all applicable Code of Federal Regulations.

B. Gravity and sulfur analysis of upper, middle, and lower samples shall be the appropriate means of establishing tank or vessel homogeneity. It is Seller's responsibility to provide PREPA with a Quality Certificate that ensures, among others, that the fuel intended for delivery complies with the contracted specifications and is homogeneous.



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A tank or vessel shall be considered to be homogeneous if the maximum difference in tested gravities between any two (2) samples from different strata is not greater than 0.3 degrees API, and the maximum difference in tested sulfur content between any two (2) samples from different strata is not greater than 0.02 weight percent, further provided that all tested samples shall be within the contracted specifications. For fuel received via barge into PREPA's facilities, which was loaded from a certified tank, a full certification of the barge composite sample is required.

C. In determining compliance with the Specifications, the Seller is required to make a laboratory analysis, as per specified method, to the fuel being supplied to assure that such fuel meets the specifications of this Contract, and shall submit a copy of the analysis results to the respective Power Plant Manager representative or to PREPA's agent or representative before unloading each delivery. Copies shall also be sent to PREPA's Fuels Office attached to all invoices. The analysis should be certified by an authorized chemist licensed in Puerto Rico and approved by PREPA, and shall include items as per Specifications contained in Exhibit A.

D. If PREPA encounters difficulties in the efficient handling and burning of the fuel, special analysis from the independent inspector's retained sample shall be requested by PREPA and made by an authorized chemist licensed in Puerto Rico to determine if the characteristics of the fuel being delivered compare to the

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specifications. If it is determined that the difficulties are due to the fuel not complying with the Specifications, Seller will take such immediate measures as necessary to correct the deviation and to prevent further difficulties. PREPA's acceptance of, or agreement to, remedial or preventive measures shall not be interpreted or considered as a waiver of any rights available to it under the law, including, but not limited to, rights of actions or claims for damages caused by Seller's noncompliance with the fuel Specifications or with any other provision of this Contract.

E. If during any delivery Seller fails to meet the Specifications as awarded, PREPA reserves the right to evaluate the deviation and deduct a monetary equivalent from any amounts due to Seller, establish a claim for nonperformance, or terminate the contractual relationship with Seller. PREPA reserves the right to refuse receiving of materials which fail to comply with specifications.

F. Seller will be held responsible for any fines, penalties, damages, expenses, costs, or claims, actions, and causes of actions, which may arise due to the fact that any of the fuel provided by Seller has deviations or variations from the contracted specification. Therefore, if such circumstance takes place, Seller will hold and save harmless, and will defend PREPA, its officers, agents, and employees from any claims, actions, causes of actions, damages, costs, fines, penalties, and expenses due to the above.



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G. The Seller shall be responsible, at its own cost, for certifying that fuel meets the quality specifications required under these terms. The Seller shall provide to PREPA a Certificate of Quality.

H. PREPA might take periodic samples of the fuel oil delivered to its locations from the ship vessel in which delivery is made. PREPA reserves the right to cancel the Contract at Seller's expense for inferior deliveries, or if the fuel is found to contain dirt or sediment, or if it is of a structure that will cause clogging of burners, pipelines, burner nozzles, or prevents proper operation.

ARTICLE V. TYPE OF FUEL TO BE SUPPLIED

A. PREPA requires a fuel appropriate for burning without requiring extraordinary maintenance to the gas turbines and their associated equipment, or extraordinary problems in the plant operations and which will yield the lowest cost per kW hour produced. All fuel delivered shall be analyzed and evaluated in terms of its ultimate cost and consistency with PREPA's applicable environmental regulations.

B. In the event that, during the term of this Contract, Federal or Commonwealth of Puerto Rico laws or regulations are modified, requiring the burning of a fuel of different specifications than the fuel contracted for, or in the event that PREPA obtains permission to burn a fuel with different specifications than the fuel contracted for, and if these changes require an adjustment in the price of the fuel contracted for; then the Parties shall meet within five (5) days from the enactment



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of any such law or regulations to discuss the matter for the purpose of establishing new price terms satisfactory to both Parties. If an agreement cannot be reached by the parties prior to the enforcement date of the regulations because Seller fuel is not competitive or, for any reason, cannot provide a fuel according to the new specifications, then PREPA shall have the right to terminate the Contract.

C. In the event that, during the term of this Contract, PREPA requests a fuel of different specifications than the fuel contracted for, Seller and PREPA shall meet to establish new price terms for said different fuel oil specifications satisfactory to both parties. If the parties are unable to agree on new price terms, or Seller for any reason, cannot provide the fuel according to the new specifications, PREPA may exercise the option to continue to purchase fuel oil contracted or to terminate the Contract.

D. In the event, that during the term of this Contract, any of the contracted price postings cease to exist, Seller and PREPA shall meet to establish an alternative mean to determine the contracted price satisfactory to both parties. If the parties are unable to agree on an alternative mean to determine the contracted price within forty-five (45) days after any of the contracted price postings ceases to exist, then the Contract is terminated.



ARTICLE VI. LAY TIME AND DEMURRAGE

A. PREPA assumes no responsibility or liability for demurrage incurred by the vessel(s) delivering fuel pursuant to this Contract, unless such demurrage is attributable to the fault or negligence of PREPA. Lay time shall commence six (6) hours: a) after Seller notifies PREPA that the vessel is ready to discharge cargo; or b) upon arrival at berth and cleared by Customs, whichever occurs last.

B. Notice shall be given to PREPA seventy-two (72), forty-eight (48), and twenty-four (24) hours before the vessel's arrival by the vessel's master or its agent. In the event the vessel is delayed in getting into berth after giving notice, for any reason over which PREPA has no control or due to docking restrictions, if any, such delay shall not count as used lay time.

Notices to be given under this Contract shall be deemed properly served on each other when delivered in writing personally by certified mail, by fax machine, or by electronic mail.

C. Lay time shall commence within the meaning of this Article, whether the vessel arrives during or outside normal business hours. Lay time shall not be increased, nor PREPA held accountable for, any delay in berthing the vessel attributable to the failure of the Seller to give the notices set forth in this Article.

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D. Allowed lay time shall be thirty-six (36) hours for each and every delivery of No. 2 light distillate fuel oil under this Contract. PREPA and Seller agree, however, that the allowed lay time of thirty-six (36) hours depends upon:

1. Seller's vessel being capable of pumping its entire cargo within thirty (30) hours.
2. Seller's personnel or agents promptly performing the connection and disconnection of discharging hoses.
3. An unloading temperature and pressure as specified in Article IV, Specifications, of this Contract.

E. Allowed lay time shall be increased by the time a vessel is prevented or delayed from arriving, or departing, or discharging cargo due to, but not limited to, the following:

1. Tide conditions, heavy seas, wind, or bad weather of any nature.
2. Vessel's condition, vessel's facilities, or vessel's failure to comply with U.S. Coast Guard or other governmental agency regulations, which do not permit connection, discharging cargo, or disconnecting in the allowed lay time.
3. The failure of the No. 2 light distillate fuel oil to meet the quantity or specifications by any of the determinations set forth in this Contract, or if the No. 2 light distillate fuel oil is otherwise unfit for PREPA's intended use.
4. Regulations of port authorities, vessel's owners, or vessel's master, which prohibit discharging of the cargo at night.



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5. Seller's cargo volume exceeds the established maximum cargo volume.

F. If the vessel is delayed at any discharging berth for ship purposes or reasons beyond the control of PREPA, lay time shall cease when discharging is completed, even though hoses are not disconnected. If regulations of port authorities or vessel's owner prohibit discharging of the cargo at night, time so lost shall increase the allowed lay time. If PREPA prohibits discharging at night, time lost shall count as lay time. In all other cases, lay time shall continue to run until cargo hoses or loading arms, as the case may be, have been disconnected.

G. PREPA shall pay demurrage per running hours, and pro rata for a part thereof, for all time that exceeds the allowed lay time at the rate stated in the Voyage Charter Agreement for the vessel.

H. If discharging has ceased because it is completed, or if the discharging rate has decreased to a rate, which will not permit discharge of the entire cargo within thirty-six (36) hours or due to any other problem with the vessel, PREPA may order to move off the vessel from the dock at no cost to PREPA. If practical, the vessel shall be allowed to return later and complete discharging. In the event that the discharging rate has decreased to a rate which will not permit discharge of the entire cargo within thirty-six (36) hours, PREPA may delay ordering to move the vessel from the dock and allow pumping to continue. Provided however, the Seller pays the per hour dock fee rate and any other associated cost.



I. The Seller shall furnish all appropriate documentation and available evidence in support of any demurrage claim, which may be brought against PREPA.

ARTICLE VII. GENERAL LIABILITIES

A. The Seller agrees to make, use, provide, and take all proper, necessary precautions, safeguards, and protection against the occurrence or happening of injuries, death, and/or damages to any person or property during the delivery process. It also agrees to be responsible for, and indemnify, and save PREPA harmless from public liability, costs, and expenses resulting there from, or damages that may happen or occur solely through the fault, or negligent acts, or omissions of the Seller, its employees, agents, and subcontractor, during the performance of the supply, or while carrying out any act or action directly or indirectly related, or in connection with the performance of this Contract, and from loss, liability, and fines incurred for, or by reason of violation by the Seller of any federal, state or municipal ordinance or regulation of law, while said delivery is in progress.

B. The Seller will be held responsible for any fines, penalties, damages, expenses, costs or claims, actions, and causes of actions, which may arise due to the fact that any of the fuel provided by the Seller has deviations or variations from the contracted and guaranteed specifications for the same. Therefore, should such circumstances take place, Seller will hold and save harmless and will defend



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PREPA, its officers, agents, and employees from any claims, actions, causes of actions, damages, costs, fines, penalties, and expenses due or attributable to variations or deviations from fuel specifications as contracted and guaranteed by the Seller.

C. The appearing parties agree that their responsibilities for damages under this Contract will be governed by the Puerto Rico Civil Code and its case law, as dictated by the Supreme Court of Puerto Rico.

D. The Seller shall not assign nor subcontract its rights and obligations under this Contract, except in the event PREPA gives written authorization for such actions. Provided that, no subcontract shall be considered for PREPA's approval, except when the following requirements are met: (1) the Seller delivers PREPA a copy of the subcontract, not less than thirty (30) days prior to the effective date of the proposed subcontract; (2) the subcontract includes, as a condition for its legal validity and enforceability, a provision whereby PREPA has the right to substitute, subrogate, or assume Seller's rights under the subcontract, in the event that PREPA declares the Seller in breach or default of any of the Contract terms and conditions; (3) the subcontract includes, as a condition for its validity and enforceability, a provision establishing for the subcontractor the obligation to comply with all Seller's obligations under the Contract (mirror image clause),



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except for such obligations, term, and conditions which exclusively relate to works or services not included under the subcontract.

E. Seller shall be responsible for the performance of all deliveries and work under this Contract.

F. Seller shall be responsible to PREPA for the acts and omissions of its employees, agents, or subcontractors.

G. The successful seller will maintain adequate insurance coverage for the duration of the contract to cover cost of replacement or repair of any breakage caused by carelessness, negligence, or lack of skill, etc. on the part of the vendor's employees in the performance of required deliveries. This will include bodily and property damage and any such other items.

ARTICLE VIII. Price

A. Price contracted for fuel delivered shall be per barrel of 42 U.S. gallons, volume corrected to a temperature of sixty degrees (60°F) Fahrenheit.

B. For each barrel of delivered fuel, the price to be paid will consist of an escalator plus a fixed price differential with a sixty (60) day credit term.

C. The unit price in dollars per barrel (\$/bbl.) has to be computed using a fixed price differential plus an escalator factor, taking as reference the delivery date. The fixed price differential is \$10.00 per barrel for purchases up to 1,200,000 barrels during the calendar year. For delivered volume from 1,200,001 up to



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3,600,000 barrels, the fixed differential is \$9.50 per barrel, and for delivered volume from 3,600,001 barrels the fixed differential is \$9.00 per barrel. The escalator will be calculated using the Platt's Oilgram Price Report and Argus US Products, corresponding to the effective date of the posting at the time the fuel delivery commences, the day before, and the day after the fuel delivery, each one of these evaluated utilizing the following formula:

Fifty percent (50%) of ULSD fuel from the average of quotations for the "New York/Boston" (Barge) and "US Gulf Coast (Waterborne)" as published by the Platt's Oilgram Price Report; rounded to four (4) decimal places.

Plus fifty percent (50%) of ULS Diesel from the average of quotations for the "New York Waterborne" and "US Gulf Coast Waterborne" as published by the Argus US Products rounded to four (4) decimal places; said result must be then multiplied by 0.42 to convert from cents per gallon to dollars per barrel.

Final number is to be rounded to four (4) decimal places. The price for a fuel delivery shall be based on:

1. The day the vessel commences the discharge, if the fuel is delivered via barge or vessel; or
2. The day when the delivery commences, if the fuel is delivered by tank to tank transfer.

In any of the two cases, should delivery date, the day before, or the day after take place on Saturday, Sunday or on a Holiday, the effective prices appearing in the last editions of Platt's Oilgram Price Report and Argus U.S. Products, published before any of these dates will be utilized to readjust the prices.



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PREPA has provided a sample calculation of the escalation factor, which appears as Exhibit C, Sample Calculation Escalation Factor, of this Contract.

D. Excise tax and municipality patent payment are to be presented as separate line items and the same are in addition to the contracted price. PREPA will reimburse Seller the amount corresponding to the payment of the municipality patent, once the Seller presents PREPA evidence, issued by the Municipality, with respect to the percentage established as a basis for the calculation of the amount to be paid as such patent. If, during the term of the Contract, the agreed percent changes, Seller shall immediately present PREPA the corresponding evidence, issued by the Municipality and reflect it in the invoice.

E. Seller shall invoice each delivery with corresponding PREPA's assigned shipment number. Copies of the inspector's certificates of quantity and quality shall be included with the invoices. Such invoices shall be paid by PREPA in U.S. currency sixty (60) days after completion of delivery of fuel, having in mind that PREPA will pay on the basis of received quality and quantity.

F. The risk and title will be borne by the Seller until fuel oil passes PREPA's intake flange at the respective generating stations.

G. Subject to any payment default by PREPA under any contract with Seller, Seller shall provide PREPA with a credit cap of forty-five (45) million dollars (\$45,000,000) ("Credit Cap"). PREPA will have sixty (60) days to pay after



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completion of deliveries of product and after the receipt of the invoice and all the necessary documents for making payments by PREPA's Fuels Office (including without limitation the documents as required by Articles XII(C) and (E)), provided that PREPA may not owe Seller, at any time, any amount(s) in excess of the Credit Cap (includes invoices not paid by their due date) and provided further that upon any payment default by PREPA under any contract with the Seller, all amounts owed to Seller shall become immediately due and payable. If, at any time, there is a payment default by PREPA under any contract with the Seller and/or the Credit Cap will be exceeded by a scheduled future delivery whether under this or any other prior contract with the Seller, deliveries might be suspended at Seller's discretion until (i) payment is received by Seller for the amount of the default and/or (ii) payment is received by Seller for the amount in excess of the Credit Cap. The performance bond required under this Contract shall incorporate these terms. Upon a payment default under this or any prior contract Seller may terminate this Contract as provided in Article II(G). Neither Party shall unilaterally add or debit any amount related to the daily cap without previous written approval and agreement between the Parties. Upon the receiving Party's receipt of the aggrieved Party's written notice of protest, the receiving Party shall answer the protest within ten (10) business days after receipt of the written notice. Within ten (10) days after the answer of the protest the authorized representatives of the



Parties shall meet and attempt to resolve the dispute. In the event that the authorized representative of the Parties do not reach agreement within five (days) of the meeting either Party may pursue its remedy at law or equity.

H. Past due balances as per contractual terms will accrue interest at the lower of (i) the daily "Prime Rate" as quoted by the Wall Street Journal plus three (3) percent or (ii) the maximum rate of interest allowed by law.

I. The obligations to Seller shall be entitled to administrative expense status and priority in PREPA's Title III case, and shall not be dischargeable under any plan in PREPA's Title III case. Neither PREPA nor any of its representatives shall assert, nor assist or facilitate any other party in asserting, directly, or indirectly (including through the prosecution or support of any plan), that the obligations to Seller are not entitled to such status and priority or are dischargeable in the Title III case. For the avoidance of doubt, PREPA agrees that this stipulation shall be admissible in PREPA's Title III case. Moreover, and without prejudice to the foregoing, in no event shall the obligations to Seller under this Contract be treated any less favorably than any other post-petition fuel supplier under a plan in PREPA's Title III case.

J. All Payments under this Contract will be charged to: 1-2321-23215-000-000.

ARTICLE IX. PRICE PROTECTION

The parties will have the right to price protection of the fuel being delivered, except as provided for in the Article XIV, Force Majeure, of this Contract. Price protection



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is to be applied to those deliveries not made within the agreed delivery window, as mentioned in Article III, Delivery and Title, of this Contract. Price protection is hereby defined for Seller as the highest price between the price for the last day of the delivery window or actual delivery date as calculated in Article VIII, Price, of this Contract. Conversely, price protection for PREPA will be the lowest price between the price for the last day of the delivery window or actual delivery date as calculated in Article VIII, Price, of this Contract.

ARTICLE X. DUTIES AND TAXES

The contracted price shall include all taxes, fees or established import tariffs for foreign material with the exception of Puerto Rico's excise tax and municipality patent payment, which are to be presented as separate line items and the same are in addition to the contracted price. In the event that any new or increased taxes, fees, or tariffs, applicable to the product being supplied hereby are levied by Federal and/or Commonwealth of Puerto Rico Government, and as long as these taxes, fees, or tariffs do not discriminate whether the product is domestic or foreign, these will be passed on in their entirety to PREPA; any changes up or down in these taxes, fees, or tariffs, should they be imposed, will be reflected in the price in its entirety and Seller will adjust the price accordingly. However, should said new or increased taxes, fees, or tariffs discriminate whether the product is domestic or foreign and said new or increased taxes, fees, or tariffs result in a



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lower price for domestic fuel, the Seller must supply fuel which results in the lowest cost to PREPA. Should domestic fuel be unavailable, the parties shall meet within five (5) days from Seller's notification to PREPA that the lowest priced fuel is unavailable, or at PREPA's request, to discuss fuel availability from other sources and negotiate the financial aspect of any taxes, fees, or tariffs applicable to the product. If an agreement cannot be reached, PREPA shall have the right to terminate the Contract.

ARTICLE XI. GUARANTEED CALORIFIC VALUE

A. The Seller guarantees that the minimum calorific values of the fuel supplied hereunder shall be as specified herein, or as quoted by the Seller, whichever is the higher. However, PREPA will not pay any premium for calorific values in excess of the minimum established in Exhibit A, Fuel Specifications.

B. During any delivery by the Seller, in which the fuel fails to meet such guarantee, the deficiency shall be determined in barrels, calculated on the basis of the example attached as Exhibit B, Sample Calculation BTU Deficiency Adjustment, of this Contract. The deficiency, thus calculated, shall serve as a credit deficiency occurred for an equivalent number of barrels before computing the fuel billings for such invoice.



ARTICLE XII. MEASUREMENTS AND PAYMENT

A. The quantity of fuel oil delivered to PREPA shall be computed by measurements in PREPA's on-shore tanks, and such measurements, unless otherwise mutually agreed, are to be conducted by an independent inspector accredited by US Customs and Border Protection as per Title 19 CFR 151.13 and qualified by PREPA. The inspection cost shall be borne equally between PREPA and the Seller. All measurements shall be corrected to sixty degrees (60°F) Fahrenheit, using ASTM Petroleum measurements Table 6-B. Quantities certified by the independent inspector's report will be binding for both parties.

B. Seller must provide to PREPA's Fuel Office the invoices within five (5) days after completion of delivery of fuel. All invoices submitted by the Seller shall be paid by PREPA in U.S. currency within sixty (60) days after, completion of delivery of fuels. Payment shall be made against presentation of the invoice and all the necessary documents for making payments by PREPA's Fuels Office. Considering that the truck deliveries involve considerably more paperwork, said invoices will be hand delivered to PREPA offices within ten (10) days after completion of delivery of fuel.

C. Invoices must also include a written and signed certification stating that no officer or employee of PREPA, and their respective subsidiaries or affiliates, will personally derive or obtain any benefit or profit of any kind from this Contract, with



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the acknowledgment that invoices that do not include this certification will not be paid. This certification must read as follows:

We certify under penalty of absolute nullity that no public servant of PREPA is a party or has any interest in the benefit or profit product of the Contract which is the basis of this invoice. If such benefit or profit exists, the required waiver has been obtained prior to entering into the Contract. The only consideration to be received in exchange for the delivery of Services provided is the agreed-upon price that has been negotiated with an authorized representative of PREPA. The total amount shown on this invoice is true and correct. The Services have been rendered, and no payment has been received.

Seller's Signature

D. All the billings and requests for payment shall be mailed to:

Puerto Rico Electric Power Authority
Attention: Fuels Office
PO Box 364267
San Juan, Puerto Rico 00936-4267

E. For tank truck deliveries, fuel shall be measured at the Seller facilities using calibrated meters and corrected to sixty degrees Fahrenheit (60°F) from the average loading temperature obtained from the appropriate measuring devices and using the factors provided by the ASTM (American Society for Testing Materials) Table 6B. Each tank truck delivery will be accompanied by; i) Order confirmation, ii) Bill of Lading (BOL), iii) Seal's report from an independent inspector, iv) Certificate of Analysis (COA). Each invoice for a tank truck delivery



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shall be accompanied by a copy of the delivery ticket or BOL properly signed by PREPA's duly authorized representative. For the purpose of determining the quantity delivered, the BOL figures at sixty degrees Fahrenheit (60°F) will be used. All the tank trucks shall have all hatches and outlet valves properly locked with metallic seals at the time the delivery is to commence. Otherwise the product will not be accepted by PREPA.

ARTICLE XIII. SALES TO OTHERS

If the Seller sells or offers for sale to others in Puerto Rico burnable fuel of a quality comparable or superior to that of fuel to be supplied hereunder for delivery in Puerto Rico or elsewhere, at F.O.B. supplier terminal prices per BTU lower than those payable for fuel hereunder, Seller shall so notify PREPA immediately and extend to PREPA such lower price as from the date of such sale or offer for sale. The lower price shall apply to a quantity of fuel sold by Seller to PREPA hereunder equivalent to the number of barrels of fuel sold or offered by Seller at such lower price, but in no case shall this lower price be applicable to a quantity less than the average quantity received during a two-week (2) period.

ARTICLE XIV. FORCE MAJEURE

The parties hereto shall be excused from performing hereunder, and shall not be liable in damages or otherwise, if and only to the extent that they shall be unable to perform, or are prevented from performing by a force majeure event. For the



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purpose of this Contract, force majeure means any cause without the fault or negligence, and beyond the reasonable control of, the party claiming the occurrence of a force majeure event. Force majeure may include, but not be limited to, the following: acts of God, industrial disturbances, acts of the public enemy, war, blockages, boycotts, riots, insurrections, epidemics, earthquakes, storms, floods, civil disturbances, lockouts, fires, explosions, interruptions of services due to the acts or failure to act of any governmental authority, provided that these events, or any other claimed as a force majeure event, and/or its effects, are beyond the reasonable control and without the fault or negligence of the party claiming the force majeure, and that such party, within ten (10) days after the occurrence of the alleged force majeure, gives the other party written notice describing the particulars of the occurrence and its estimated duration. The party claiming the force majeure shall continue the performance of its obligations hereunder immediately after the conclusion of the force majeure. In the event that the force majeure extends for a period of more than sixty (60) consecutive days, the party not claiming the force majeure may terminate this Contract without further obligation. The burden of proof as to whether a force majeure has occurred shall be on the party claiming the force majeure. Notice of termination under this provision shall create no liability to the parties, except that the parties shall still be



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responsible for the payments of amounts due and owing to the other party not subject to claims.

ARTICLE XV. PREFERRED CLIENT

Seller recognizes that PREPA provides an essential service for the Commonwealth of Puerto Rico. Should any force majeure event cause the Seller to suspend or reduce deliveries, the Seller shall give PREPA first priority for supply.

ARTICLE XVI. PERFORMANCE BOND AND INSURANCE

A. Upon execution of the Contract, Seller will furnish a Performance Bond payable to the order of PREPA issued by a qualified surety company, authorized to do business in Puerto Rico and acceptable to PREPA, in an amount of \$13,606,757.00, equivalent to five percent (5%) of the estimated Contract value.

PREPA will accept a Letter of Credit for the same amount in lieu of a Performance Bond, provided that the Letter of Credit shall incorporate the following conditions to be acceptable to PREPA:

- a. To be issued or notified and confirmed by a local bank in Puerto Rico,
- b. To be unconditional and irrevocable,
- c. Payments to be made by issuing bank on a business day by wire transfer, immediately after PREPA's instructions,
- d. To be governed by and construed in accordance with the laws of the Commonwealth of Puerto Rico, applicable to contracts entered and performed



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solely within Puerto Rico, without giving effect to any conflicts or choice of law principles which otherwise might be applicable, except to the extent such laws are inconsistent with the uniform customs and practices for documentary credits,

e. Final draft of the Letter of Credit shall be subject to approval by PREPA's Treasurer.

B. Seller shall secure and maintain in full force and effect during the life of this Contract as provided herein, policies of insurance covering all operations engaged in by the Contract as follows:

1. Commonwealth of Puerto Rico Workmen's Compensation Insurance:

Seller shall provide Workmen's Compensation Insurance as required by the Workmen's Compensation Act 45-1935 of the Commonwealth of Puerto Rico.

Seller shall also be responsible for compliance with said Workmen's Compensation Act by all its subcontractors, agents, and invitees, if any.

Seller shall furnish a certificate from the Puerto Rico's State Insurance Fund showing that all personnel employed in the work are covered by the Workmen's Compensation Insurance, in accordance with this Contract.

2. Employer's Liability Insurance:

Seller shall provide Employer's Liability Insurance with minimum bodily injury limits of \$1,000,000 for each employee and \$1,000,000 for each accident covering against the liability imposed by Law upon the Seller as result of bodily injury, by



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accident, or disease, including death arising out of and in the course of employment, and outside of and distinct from any claim under the Workmen's Compensation Act of the Commonwealth of Puerto Rico.

3. Commercial General Liability Insurance:

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

4. Commercial Automobile Liability Insurance:

Seller shall provide a Commercial Automobile Liability Insurance with limits of \$1,000,000 combined single limit covering all owned or scheduled autos, non-owned autos, and hired autos. Under this insurance, the MCS-90 (Motor Carrier Endorsement), must be included.

5. Pollution Liability Insurance:

Seller shall provide a Pollution Liability Insurance with limits of \$10,000,000 per claim and \$10,000,000 per aggregate.

Requirements Under the Policies:

The Commercial General Liability and Commercial Automobile Liability Insurance required under this Contract shall be endorsed to include:

a. As Additional Insured:

Puerto Rico Electric Power Authority (PREPA)
Risk Management Office
PO Box 364267
San Juan, PR 00936-4267



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- b. A thirty (30) day cancellation or nonrenewable notice to be sent to the above address.
- c. An endorsement including this Contract under contractual liability coverage and identifying it by number, date, and parties to the contract.
- d. Waiver of Subrogation in favor of Puerto Rico Electric Power Authority (PREPA).
- e. Breach of Warranties or Conditions:

"The Breach of any of the Warranties or Conditions in this policy by the Insured shall not prejudice PREPA's rights under this policy."

Furnishing of Policies:

All required policies of insurance shall be in a form acceptable to PREPA and shall be issued only by insurance companies authorized to do business in Puerto Rico. Seller shall furnish a certificate of insurance in original signed by an authorized representative of the insurer in Puerto Rico, describing the coverage afforded.

ARTICLE XVII. TERMINATION BY THE CHIEF OF STAFF

Pursuant to Memorandum No. 2017-001, Circular Letter 141-17, of the Office of the Chief of Staff of the Governor of Puerto Rico (*Secretaría de la Gobernación*) and the Office of Management and Budget (*Oficina de Gerencia y Presupuesto – OGP*), the Chief of Staff shall have the authority to terminate this Contract at any time. If so directed by the Chief of Staff, PREPA will terminate this Contract by delivering to the Seller a notice of termination specifying the extent to which the



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performance of the work under this Contract is terminated, and the effective date of termination. Upon the effective date of termination, the Seller shall immediately discontinue all services affected and deliver to PREPA all information, studies, and other materials property of PREPA. In the event of a termination by notice, PREPA shall be liable only for payment of services rendered up to and including the effective date of termination.

ARTICLE XVIII. INTERAGENCY SERVICES

Both parties acknowledge and agree that the Services may be provided to another entity of the Executive Branch which enters into an interagency agreement with PREPA or by direct disposition of the Office of the Chief of Staff. Such work will be performed under the same terms and conditions in terms of hours of work and compensation set forth in this Contract. For the purpose of this clause, the term "entity of the Executive Branch" includes all agencies of the Government of Puerto Rico, as well as all instrumentalities and public corporations.

ARTICLE XIX. CONTINGENT FEES

A. Seller warrants that it has not employed any person to solicit or secure the Contract upon any agreement for a commission, percentage, brokerage, or contingent fee. Breach of this warranty will give PREPA the right to immediately terminate the Contract and/or to deduct from any payment the amount of such



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commission, percentage, brokerage, or contingent fee or to claim said amount by whatever means available under the law.

B. No officer, employee, or agent of PREPA or of the Commonwealth of Puerto Rico or Municipal Governments shall be admitted to any share or part of this Contract or to any benefit that may arise therefrom.

C. Seller represents and warrants that it is authorized to enter into, and to perform its obligations under this Contract and that it is not prohibited from doing business in Puerto Rico or barred from contracting with agencies or instrumentalities of the Commonwealth of Puerto Rico.

ARTICLE XX. COMPLIANCE WITH THE COMMONWEALTH OF PUERTO RICO
CONTRACTING REQUIREMENTS

The Seller will comply will all applicable Law, Regulations, or Executive Orders that regulate the contracting process and requirements of the Commonwealth of Puerto Rico. Also, the Seller shall provide, within seven (7) days after the execution of this Contract the following documents and certifications, except the sworn statement in accordance with the Anti-Corruption Code, which shall be provided by the Seller at the execution of the Contract:

A. Filing of Puerto Rico Income Tax Returns

In compliance with Executive Order Number OE-1991-24 of June 18, 1991, the Seller 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



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thereof, Seller has delivered to PREPA an Income Tax Return Filing Certificate, issued by the Treasury Department of Puerto Rico assuring that Seller has filed his Income Tax Return for the last five (5) tax years (Form SC 6088). The Seller accepts and acknowledges its responsibility for requiring and obtaining a similar warranty and certification from each and every Seller and Subcontractor whose service the Seller has secured in connection with the services to be rendered under this Contract and shall forward evidence to PREPA as to its compliance with this requirement.

B. Payment of Puerto Rico Income Taxes

In compliance with Executive Order Number OE-1991-24 of June 18, 1991, the Seller, 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, Seller has delivered to PREPA a certification issued by the Treasury Department of Puerto Rico indicating that Seller does not owe taxes to the Commonwealth of Puerto Rico; or is paying such taxes by an installment plan in full compliance with its terms (Form SC 6096). During the term of this Contract, the Seller agrees to pay and/or to remain current with any repayment plan agreed to by the Seller with the Government of Puerto Rico. The Seller accepts and acknowledges its responsibility for requiring and obtaining a similar warranty and certification from each Subcontractor whose service the Seller has secured in



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

C. 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, the Seller 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, Seller has delivered to PREPA:

1. 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 Seller does not owe taxes regarding Unemployment or Disability Insurance.
2. 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 Seller has no debt with respect to such program n Income Tax Return Filing Certificate, issued by the Treasury Department of Puerto Rico assuring that Seller has filed his Income Tax Return for the last five (5) tax years (Form SC 6088).



D. Real and Personal Property Taxes

Seller 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 (*Centro de Recaudación de Ingresos Municipales* ("CRIM")). The Seller 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.

The Seller shall provide:

1. A certification issued by the Municipal Revenues Collection Center ("MRCC"), assuring that Seller 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 Seller indicating that (i) its revenues are derived from the rendering of professional services, (ii) during the last five (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.



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2. All Concepts Debt Certification issued by the MRCC assuring that Seller 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.

E. Sales and Use Taxes

The Seller has delivered to PREPA:

1. A Certification issued by the Puerto Rico Treasury Department indicating that Seller does not owe Puerto Rico Sales and Use taxes to the Commonwealth of Puerto Rico; or is paying such taxes by an installment plan and is in full compliance with its terms.
2. A Puerto Rico Sales and Use Tax Filing Certificate, issued by the Treasury Department of Puerto Rico assuring that Seller has filed his Puerto Rico Sales and Use Tax for the last sixty (60) contributory periods.
3. A copy of Seller's Certificate of Merchant's Registration issued by the Treasury Department of Puerto Rico.

F. Puerto Rico Child Support Administration (*ASUME*)

Seller hereby certifies that it is not duty bound to pay child support, or if so, that Seller is up to date or has a payment plan to such effects. As evidence thereof, the Seller 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 the Seller have any debt, outstanding debt, or legal procedures to collect child support payments that may be registered with ASUME.

G. Organization Documents

The Seller shall provide:

1. A Good Standing Certificate issued by the Department of State of Puerto Rico.
2. 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.

H. Compliance with Act 1 of Governmental Ethics

The Seller 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.



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

The Seller 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*", 3 L.P.R.A. §8611 et seq.

J. Law 127 - 2004: Contract Registration in the Comptroller's Office of Puerto Rico Act

Payment for Services under this Contract will not be made until this Contract is properly registered in the Office of the Comptroller of the Government of Puerto Rico pursuant to Law Number 18 of October 30, 1975, as amended.

K. Prohibition with respect to execution by public officers: (3 L.P.R.A. 8615(c))

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.



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- L. Prohibition with respect to contracting with officers or employees:
(3 L.P.R.A. 8615(d))

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.

- M. Prohibition with respect to contracts with officers and employees of other Government entities: (3 L.P.R.A. 8615(e))

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.

- N. Prohibition with respect to evaluation and approval by public officers:
(3 L.P.R.A. 8615(f))

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.



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O. Prohibition with respect to execution by public officers contracts with former public officers: (3 L.P.R.A. 8615(h))

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.

P. Dispensation

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

Q. Rules of Professional Ethics

The Seller 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.

R. Anti-Corruption Code for a New Puerto Rico

1. Seller 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.
2. The Seller 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.



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3. Seller shall furnish a sworn statement to the effect that neither Seller 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 Seller 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.
4. Seller 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.
5. PREPA shall have the right to terminate the Contract in the event Seller 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.

S. Provisions Required under Act 14-2004:

Seller 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.

T. Consequences of Non-Compliance

The Seller 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 PREPA to render this Contract null and void, and the Seller shall reimburse PREPA all



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moneys received under this Contract. If any of the certifications listed in items A through F of this Article shows a debt, and Seller has requested a review or adjustment of this debt, Seller 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, Seller will provide, immediately, to PREPA a proof of payment of this debt; otherwise, Seller accepts that the owed amount be offset by PREPA and retained at the origin, deducted from the corresponding payments. The Seller accepts and acknowledges its responsibility for requiring and obtaining a similar warranty and certification from each and every Contractor and Subcontractor whose service the Seller has secured in connection with the services to be rendered under this Contract and shall forward evidence to PREPA as to its compliance with this requirement.

ARTICLE XXI. SAVE AND HOLD HARMLESS

Seller agrees to save and hold harmless and to indemnify PREPA for all expenses and costs of any nature (including attorneys' fees) incurred by PREPA arising out damages, caused by Seller, by act or omission, in the performance or nonperformance of its obligations under the Contract.



ARTICLE XXII. CONTRACT ASSIGNMENT

A. This Contract, as well as any of the rights, duties, liabilities, and obligations under it, cannot be assigned, transferred, subcontracted, hypothecated, or otherwise disposed of by the Seller without the previous written consent of PREPA.

B. PREPA does not favor requests for assignment, transfers, hypothecation, or other type of disposal of the Contract, and/or duties and obligations under it, and will be reluctant to approve any request to that effect, unless, in the judgment of PREPA, the particular circumstances of the request warrant its approval and the assignment, transfer, hypothecation, or disposal does not operate against PREPA's best interests.

ARTICLE XXIII. TRANSFER OF FUNDS

If Seller decides to assign or transfer an amount, due or payable, to which it is entitled for services rendered or goods provided during the term of this Contract, Seller shall notify PREPA of such transfer of funds, in accordance to the provisions of Act 21-2012, as amended. Said notice shall clearly indicate the rights granted, including a copy of the contract under which the assignment or transfer of funds is made, the exact amount of funds to be assigned or transferred, and specific identification information regarding the assignee (full name of the person or company), address, and any other contact information.



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Seller acknowledges and agrees that PREPA may deduct any amount, due or payable under this Contract, that Seller owes; PREPA may retain any said amount if Seller fails to fulfill its obligations and responsibilities under this Contract, or a claim arises for warranty or defects regarding the services rendered or goods provided under this Contract. Seller also acknowledges and agrees that PREPA's payment obligation under any assignment of funds will cease upon payment of the outstanding amounts under this Contract. PREPA shall not be required to make payments or transfer any funds for an amount that exceeds the payment to which Seller is entitled to under this Contract.

Seller's aforementioned notice of assignment of funds shall be accompanied by a cashier's check or money order payment of two hundred dollars (\$200), payable to "Puerto Rico Electric Power Authority", for administrative costs for processing said assignment.

ARTICLE XXIV. NOTICES

- A. Any notice to be given hereunder shall be in writing and will be sufficiently served when delivered in person or properly mailed to the following addresses:

To PREPA: Puerto Rico Electric Power Authority
Attention: Fuels Office Manager
PO Box 364267
San Juan, Puerto Rico 00936-4267



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To Seller: Puma Energy Caribe, LLC
Attention: Mario Ricardo Sierra Varela
PO Box 11961
San Juan, Puerto Rico 00922

- B. Either Seller or PREPA, upon any change of its address as set forth above, shall notify the other party in writing and from and after giving of such notice, the address therein specified shall be deemed the address of such party for the giving of notices.

ARTICLE XXV. MODIFICATIONS AND NOVATION

No modification, change, renewal, extension, discharge, or waiver of this Contract, or any of the provisions herein contained, shall be valid and binding except by a written, mutual agreement of the Parties executed by a duly authorized officer of each party.

PREPA and Seller expressly agree that no amendment or change order which could be made to Contract, during its term, shall be understood as a contractual novation, unless both Parties agree to it, specifically and in writing. The previous provision shall be equally applicable in such other cases where PREPA gives the Seller a time extension for the compliance of any of its obligations under this Contract, or where PREPA dispenses the claim or demand of any of its credits or rights under the Contract.

ARTICLE XXVI. CHOICE OF LAW AND VENUE

This Contract shall be governed by and construed in accordance with the laws of the Commonwealth of Puerto Rico. Also, other than matters relating to PREPA's



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Title III case, which shall be heard by the District Court, the contracting parties expressly agree that only the commonwealth courts of Puerto Rico will be the courts of competent and exclusive jurisdiction to decide over the judicial controversies that the appearing parties may have among them regarding the terms and conditions of this Contract.

ARTICLE XXVII. SEPARABILITY

If a court of competent jurisdiction declares any of the Contract provisions as null or invalid, such holding will not affect the validity and effectiveness of the remaining provisions of the Contract and the Parties agree to comply with their respective obligations under such provisions not included by the judicial declaration.

ARTICLE XXVIII. COURT APPROVAL

PREPA shall not be required to obtain approval of this Contract by the District Court in PREPA's Title III case, and represents and warrants that no such approval is required, provided, however, that (x) if PREPA (or the Oversight Board on its behalf) seeks Court-approval for any other post-petition contract with a fuel supplier, PREPA shall also do so for this Contract, nunc pro tunc to the Contract's effective date, and (y) the fact that District Court approval may occur does not reflect either party's or the Oversight Board's belief that such court approval is necessary to obtain administrative expense and priority, or any of the other provisions contained in this Contract.



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ARTICLE XXIX. ENTIRE CONTRACT

This Contract constitutes the entire agreement of the parties as to the subject matter; however, should there be any difficulty or differences in understanding, interpreting, or applying its terms, the parties shall look for guidance and directives within the terms and conditions of the corresponding Request for Proposal, Specifications, Seller's Proposal, and Letter of Award.

IN WITNESSES WHEREOF, the Parties here to have caused this Contract to be duly executed as of November 21, 2019, at San Juan, Puerto Rico.

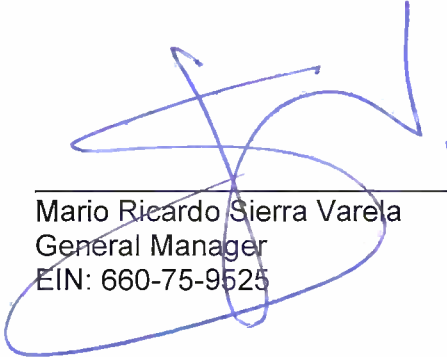
PUERTO RICO ELECTRIC

POWER AUTHORITY



José F. Ortiz Vázquez
Chief Executive Officer
EIN: 660-43-3747

PUMA ENERGY CARIBE, LLC



Mario Ricardo Sierra Varela
General Manager
EIN: 660-75-9525

FUEL SPECIFICATIONS
SAN JUAN, PALO SECO, AGUIRRE, MAYAGÜEZ, CAMBALACHE, AND
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PARAMETER	ASTM METHOD	MINIMUM	MAXIMUM
Sampling	D-4057	-	-
Gravity, API Degree at 60°	D-287	30.0	42.0
Viscosity, Kinematic CTS at 100° F	D-445 D-2161	2.3	5.8
Water plus Sediment, % volume and % weight	D-2709; D-473		0.1
Water Content, % weight	D-95-13e1		1.0
Flash Point, Degree F, PMCT	D-93	125	
Sulfur, % weight ^{1, 2}	D-4294		0.050
Ash, % weight	D-482		0.005
Pour Point, Degree F	D-97		15
Sodium plus Potassium, PPM ³	D-1318		0.5
Vanadium, PPM	D-1548; D-5863		0.5
Calcium, PPM	D-1548; IP-288; D-5863		2.0
Heating Value, BTU/lb. (Net) at 60° F	D-240	18,600	
Distillation Temp. 90% Point degree F	D-86		650
Carbon Residue WT. % (10% Bottoms)	D-524		1.0
Filterable Dirt (Particulates) Mg./100 ml.	D-2276		4
Color		Dyed	
Cetane Number	D-4737; D-613	40	56
Lead PPM	A.A.; D-5863	0.01	1.0
Fuel Bound Nitrogen Wt. %	4629-91		0.015
Total Glycerin	D-6584	None detected	

¹ Reproducibility and repeatability must be taken into consideration in order to comply with the maximum sulfur percent weight specification.

² If fuel is used on emergency generators maximum sulfur content is 0.0015% per weight.

³ Latest published ASTM methods shall be used for all tests.

SAMPLE CALCULATION BTU DEFICIENCY ADJUSTMENT

Example of calculation to determine credit due to PREPA if Seller supplies fuel of lower heat content than the guaranteed Btu value. The contracted value is 18,600 Btus per pound of fuel measured at 60 degrees F.

Assume Seller delivers 50,000 barrels of fuel measured at 60 degrees F.

Assume the quality certificate of the fuel indicates a heat content of 18,500 Btu per pound.

Therefore:

To calculate the equivalent barrels deficiency divide the difference of Btus per pound received by the guaranteed minimum and multiply this fraction by the delivered volume.

Example:

$$(50,000 \text{ barrels}) \times ((18,600 - 18,500) / 18,600) = 268.82 \text{ bbl. (deficiency)}$$



**SAMPLE CALCULATION
ESCALATION FACTOR**

Indexes for Ultra Low Sulfur Diesel

	Platts NY		Platts USGC		Argus NY		Argus USGC	
	Low	High	Low	High	Low	High	Low	High
01/02/17	170.52	170.62	168.92	169.02	169.53	170.13	168.17	168.57
01/03/17	164.57	164.67	163.22	163.32	164.67	165.17	162.17	163.17
01/04/17	166.40	166.50	164.10	164.20	166.15	166.65	163.15	164.25

First step: Average

$$\text{Platts New York} = (170.52+170.62+164.57+164.67+166.4+166.5)/6 = 167.2133$$

$$\text{Platts US Gulf Coast} = (168.92+169.02+163.22+163.32+164.1+164.2)/6 = 165.4633$$

$$\text{Argus New York} = (169.53+170.13+164.67+165.17+166.15+166.65)/6 = 167.05$$

$$\text{Argus USGC} = (168.17+168.57+162.17+163.17+163.15+164.25)/6 = 164.9133$$

Second step: Interpolation

$$\text{Platt's ULSD} = (167.2133+165.4633)/2 = 166.3383$$

$$\text{Argus ULSD} = (167.05+164.9133)/2 = 165.9817$$

Third step: Final calculation

Escalation Factor for a delivery commencing on January 3, 2017

$$= [\frac{1}{2}(\text{Platts ULSD}) + \frac{1}{2}(\text{Argus ULSD})] \times 0.42$$

$$= \frac{1}{2}(166.3383) + \frac{1}{2}(165.9817) \times 0.42$$

$$= (83.1692 + 82.9908) \times 0.42 = 69.7872$$