

PUERTO RICO ELECTRIC POWER AUTHORITY

PROFESSIONAL SERVICES CONTRACT

APPEAR

AS FIRST PARTY: The Puerto Rico Electric Power Authority, hereinafter referred to as "PREPA", a public corporation and government instrumentality of the Commonwealth of Puerto Rico, created by Act 83 of May 2, 1941, as amended (Act 83), represented in this act by its Executive Director, mister Efran Paredes Maisonet, of legal age, married, engineer, and resident of Bayamón, Puerto Rico. -----

AS SECOND PARTY: ARI-Group, L.L.C. (ARI-Group), a professional services corporation organized and existing under the laws of Puerto Rico, represented in this act by its President, miss Suzzette Díaz Buxó, of legal age, married, Certified Public Accountant and resident of San Juan, Puerto Rico, duly authorized to appear in representation of ARI-Group by Resolution dated May 10, 2021.-----

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

WITNESSETH

WHEREAS, this Contract (together with all attachments hereto, this "Contract") confirms the engagement by PREPA of ARI-Group to perform professional services in the compliance with the Federal Emergency Management Agency (FEMA) Public Assistance Program and/or Section 428 of the Stafford Act, FEMA Hazard Mitigation Grant Program (HMGP-404), and the Community Development Block Grant Program (CDBG) as described in this Contract ("Services").

WHEREAS, being each party empowered to enter into this Contract and perform their obligations hereunder in consideration of thy premises and the mutual covenants contained herein, PREPA and ARI-Group agree into this Contract under the following:

-----**TERMS AND CONDITIONS**-----

Article 1. Scope of Services

1.1 ARI-Group will provide to PREPA the following services: -----

A. Program and Grant Management activities related to disaster federal grants:

- 1) Overall grant initiation process and related project formulation activities----
- 2) Internal and external reporting as required by management and regulatory entities.-----
- 3) Represent and advise management with regulatory stakeholder on project specific matters and overall grant progress-----
- 4) Attend progress meeting with stakeholders (Recovery and Reconstruction Central Office (COR3), FEMA & Puerto Rico Housing Department (DOH))-
- 5) Project Cost Accounting Compliance Reviews. -----
- 6) Program Funding Request Documentation gathering. -----
- 7) Response to FEMA/Grantee request for information. -----
- 8) Preparation and supporting of Project Payment Requests. -----
- 9) Project Cost Reconciliations including assisting PREPA with assembling, transmitting and developing final actual costs for grant closure related to all

projects. -----

10) Perform all Project Close Out activities. -----

B. Accounting duties of Disaster Related project costs to ensure compliance with all federal grant management requirements.

1) Support PREPA's Finance Office to enable them to comply with 2 CFR 200.302 Financial Management including: -----

i. Identification, in its accounts, of all Federal awards received and expended and the Federal programs under which they were received.

Accurate, current, and complete disclosure of the financial results of each Project Worksheets (PW). -----


ii. Obtain records that identify adequately the source and application of funds for federally funded activities. -----

iii. Document effective control over, and accountability for funds, property, and other assets. -----

iv. Maintain comparison of expenditures with budget amounts for each Federal award. -----

C. Support in Managing the 428 Program through Accounting and Financial Monitoring of Cost and forecast for activity cost control.

1) Maintain project accounting system and cost accounts for projects and coordinate with PREPA's financial personnel to ensure compliance with 2 CFR 200 requirements. -----

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- 2) Maintain and report to PREPA status of control of project cash flows, schedule and budget updates. -----
 - 3) Develop and recommend fraud prevention procedures to PREPA related to permanent work projects. -----
 - 4) Assist PREPA with coordination and management of Site Visits Inspections and Identification of Damage, Description and Dimensions (DDD's). -----


1.2 At the direction of PREPA, ARI-Group may be required to work with other consulting, legal, investment, or other type of firms. The Parties agree to discuss such assignment in advance, so that all the Parties have a clear understanding as to their responsibilities. ARI-Group is not responsible for work performed by other firms. ---

Article 2. Services Coordination

All the Services of ARI-Group in relation to the terms and conditions of this Contract will be coordinated through PREPA's Executive Director, PREPA's Disaster Fund Management Office (DFMO) or the person designated by them. -----

Article 3. Contract Assignment or Subcontract

ARI-Group shall not assign nor subcontract its rights and obligations under this Contract, except in the event that 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) ARI-Group delivers to 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 ARI-Group' rights under the subcontract, in the event that PREPA declares the ARI-Group in breach or default of any of the Contract terms and conditions; and (3) the subcontract includes, as a condition for its validity and enforceability, a provision establishing for the subcontractor the obligation to comply with all of the ARI-Group' obligations under the Contract (*mirror image clause*), except for such obligations, terms and conditions which exclusively relate to works or services not included under the subcontract. A request to subcontract shall specify the issues or matters that will be referred to the subcontractor. These services shall be paid as part of the Contract Amount, as stated in Article 6, Payment. -----

Article 4. Contract Term

This Contract shall be in effect from the date of its execution, until June 30, 2021 (Contract Period). The Contract may be extended, for an additional annual fiscal period, at the exclusive option of PREPA and subject to the availability of funds, only by written amendment agreed upon by both Parties. -----

Article 5. Contract Termination

5.1 PREPA shall have the right to terminate this Contract, at any time, with thirty (30) days prior written notice by registered mail, return receipt requested, or overnight express mail to ARI-Group. If notice is given, the Contract shall terminate upon the expiration of the 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. ARI-Group shall have no further right to compensation except for what has been accrued for services rendered and expenses incurred under the Contract until said date of effective termination. -----

5.2 PREPA shall have the right to terminate this Contract immediately in the event of negligence, dereliction of duties or noncompliance by ARI-Group, without prior written notice. -----

5.3 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 Contract as permitted by applicable law and at any time, without ARI-Group'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 ARI-Group no later than thirty (30) days before the effective date of any such Transfer.-----

ARI-Group 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. -----

Article 6. Payment

6.1 In accordance with the terms and conditions contained herein, PREPA agrees and ARI-Group accepts, that the total amount to be paid under the Contract shall not exceed a cumulative amount of two hundred and forty-eight thousand dollars (\$248,000) ("Contract Amount"). PREPA will pay ARI-Group for his services, according the following hourly rates: -----



- a. Project Manager \$160-----
- b. Assistant Project Manager \$130-----
- c. Senior Consultant \$110-----
- d. Consultant \$85-----
- e. Administrative \$50-----

6.2 During this Contract, PREPA will issue to ARI-Group "Task Order" requesting and approving specific services and personnel, according to the established categories and rates mentioned on 6.1 above. Before the beginning of services under this Contract, ARI-Group shall present to PREPA the resume of all ARI-Group' employee or expected employee to be used to provide services to PREPA. After receive of those resumes, PREPA will have the right to reject any of such ARI-Group employee

or expected employee, without present, orally or written, any reason for such rejection. -----

6.3 All payments to be made under this Contract will be charged to account number 01-1747-17556-555-664. PREPA will only pay for Services already rendered before the submitted invoice date. PREPA will not be required to make advance payments for any future service to be rendered by ARI-Group under the Contract. -----

6.4 Nothing herein shall preclude the Parties from agreeing to increase said amount in writing and signed by both Parties. -----

6.5 ARI-Group shall immediately notify PREPA when the billing under the Contract amounts to seventy-five percent (75%) of the Contract Amount. Once this notification has been issued, ARI-Group, in coordination with PREPA, will ensure that no services will be rendered in excess of the Contract Amount, except that a written amendment is agreed upon by both Parties. In addition, ARI-Group shall present an itemized list of the remaining billable Services under the Contract. -----

Article 7. Invoices

7.1 ARI-Group shall submit its invoices on a monthly basis for the work already performed during the preceding month. ARI-Group will provide to PREPA an invoice for each billing period which will include a description of the services rendered and the number of hours spent in each task. The invoice for professional services shall be itemized and must be duly certified by ARI-Group. -----

7.2 PREPA will review the invoices upon receipt, and if they are in compliance with the requirements set forth in this Contract, it will proceed with payment. Payment is due sixty (60) days of receipt of the invoice. PREPA reserves the right to conduct the audits it deems necessary, and it will not be subject to finance charges regarding invoice payments subject to an audit. -----



7.3 All invoices submitted by ARI-Group shall include the following Certification in order to proceed with its payment:


No Interest Certification:

“We certify under penalty of nullity that no public servant of PREPA will derive or obtain any benefit or profit of any kind from the contractual relationship 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 performance of the Services provided is the agreed-upon price that has been negotiated with an authorized representative of the PREPA. The total amount shown on this invoice is true and correct. The Services have been rendered, and no payment has been received”.

ARI-Group's Signature

This is an essential requirement and those invoices without this Certification will not be processed for payment. In order to comply with the certification requirements set forth above, ARI-Group shall require that subcontractors, if any approved by PREPA, providing Services also make the certification set forth above in any invoices submitted in connection with the Services. -----

Article 8. Information and Material Facts



8.1 PREPA shall promptly provide to ARI-Group all information under the control of PREPA and necessary for ARI-Group to perform the Services under this Contract and those material facts that ARI-Group may reasonably require in order to provide its Services to PREPA. PREPA will ensure, to the best of its knowledge and belief, that the documents, data, and other information and material facts provided to ARI-Group, which are under its control, are true and complete, and do not constitute misleading or inaccurate information and ARI-Group shall be entitled to rely on the accuracy and completeness of the documents, data, and other information and material facts. -----

8.2 PREPA will advise ARI-Group in writing of any developments of which PREPA becomes aware, and which PREPA considers may have a material effect with respect to the information and/or facts provided to ARI-Group. -----

Article 9. Information Disclosure and Confidentiality

9.1 The Parties shall take all reasonable steps to keep confidential and use only for the purposes contemplated by the terms of the Contract the information provided by PREPA and/or ARI-Group, and take all reasonable steps to ensure that such information is not disclosed or distributed by its employees or agents in violation of the terms of this Contract. -----

9.2 The Parties also agree that, except as agreed to in writing by both Parties, they will not, at any time after termination of this Contract, disclose any confidential information to any person whatsoever, or permit any person whatsoever to

examine and/or make copies of any reports prepared by ARI-Group or under its control by reason of its consulting services, and that upon termination of this Contract each Party will turn over to the other all documents, papers, and other matters in its possession or under its control that relate to the other Party. ARI-Group may retain one file copy for its records. -----




9.3 The term “confidential information” shall include, but not be limited to, all information provided to ARI-Group by PREPA or at PREPA’s direction regarding its facilities or operations and any and all information gathered or developed by ARI-Group regarding the same. The Parties further agree that proprietary records and documents related to ARI-Group’s business operations are confidential to ARI-Group and will not be disclosed to PREPA or other Parties, except as ordered by the court. The Parties agree that PREPA will resist any attempt by opposing counsel or other Parties to obtain ARI-Group’s proprietary information. The term “confidential information”, however, will not include information that: -----

- (i) is or becomes public other than through a breach of this Contract; -----
- (ii) is known to the receiving Party prior to the date of this Contract and with respect to which the receiving Party does not have any obligation of confidentiality; or -----
- (iii) is independently developed by the receiving Party without use of, or reference to, confidential information. -----

9.4 The Parties acknowledge that disclosure of any confidential information by either Party will give rise to irreparable harm to the injured Party inadequately

compensable in damages. Accordingly, either Party may seek and obtain injunctive relief against the breach or threatened breach of the foregoing undertakings, in addition to any other legal remedies, which may be available. ----



9.5 If this Contract terminates for any reason, ARI-Group shall maintain in strictest confidence both; during the term of this Contract and subsequent to termination of this Contract, and shall not during the term of this Contract or thereafter disclose or divulge to any person, firm, or corporation, or use directly or indirectly, for its own benefit or the benefit of others, any information which in good faith and good conscience ought to be treated as confidential information including, without limitation, information relating to PREPA's operations or trade secrets relating to the business or affairs of PREPA which ARI-Group may acquire or develop in connection with or as a result of the performance of the Services hereunder. In the event of an actual or threatened breach by ARI-Group of the provisions of this paragraph, PREPA shall be entitled to injunctive relief for such breach. Nothing herein shall be construed as prohibiting PREPA from pursuing any other legal remedies available, including the recovery of damages from ARI-Group. -----

9.6 The above provisions do not apply with respect to information, which ARI-Group is requested to disclose under applicable law and regulations, court order, subpoena or governmental directives, in which case ARI-Group shall provide PREPA prompt notice of such request in order to procure for PREPA a reasonable opportunity to oppose such disclosure. ARI-Group agrees to expeditiously notify and submit to PREPA a copy of any court order or subpoena and to the extent possible provide

any assistance to PREPA (in the form of documents) regarding the submission of such information. -----

9.7 With respect to this Contract and any information supplied in connection with this Contract and designated by the disclosing Party as confidential, the recipient agrees to: (i) protect the confidential information in a reasonable and appropriate manner and in accordance with applicable professional standards; (ii) use confidential information only to perform its obligations under this Contract; and (iii) reproduce confidential information only as required to perform its obligations under this Contract. -----




Article 10. Rights and Titles

10.1 ARI-Group will submit any reports reasonably required by PREPA regarding the Services performed under this Contract. If required by PREPA, at the completion of any assigned task, the ARI-Group will submit a final written report describing the work it has performed. This requirement shall not be interpreted as a waiver by PREPA of ARI-Group’s ethical obligation and responsibility of keeping PREPA informed of the progress of the assigned matters. -----

10.2 All rights, titles and interest in any reports, documents, analysis, investigations and any other by-product conceived or developed by the ARI-Group exclusively for PREPA as a result of performing its obligations under this Contract shall be the exclusive property of PREPA. The ARI-Group shall retain all right, title, and interest in and to proprietary works of authorship, pre-existing or otherwise, that have not been created specifically for PREPA under this Contract. With the

exception of items marked as “CONFIDENTIAL” by the ARI-Group, PREPA shall retain the right to use, refer, share, or provide to any third party, as PREPA may determine, the results of any reports, documents, analyses, investigations or any other by-product of the Services performed by the ARI-Group under this Contract.

Article 11. Copyright



ARI-Group and PREPA shall jointly defend any suit or action brought against either party based on a claim that any document, report, study, analysis, copyrighted composition, article or any by-product of those, either used in the performance of the Services by ARI-Group or provided to PREPA by ARI-Group as part of its Services, or used in the performance of this Contract, including their use by PREPA, constitutes an infringement of any patents or copyrights of the United States. The Party of this Contract subject to the claim or that becomes aware of a potential claim shall promptly notify in writing the other Party of this Contract, and give the authority, information, and assistance reasonable and necessary for the defense of such claim. -----

Article 12. Warranty

12.1 ARI-Group warrants that he shall perform the Services in accordance with the applicable standards of care and diligence at the time of performance of the Services, and which are normally practiced and recognized in performing services of a similar nature (the “Standard”). Should any of the Services provided by ARI-Group not fulfill the above established Standard, ARI-Group shall take all necessary corrective measures to rectify such deficient Services, at its own and

exclusive cost, whenever such course of action is possible or desirable. The rectification of deficient Services by ARI-Group shall not be understood as a waiver by PREPA to any other remedy it may have under this Contract or under the law or equity for any damages that ARI-Group's may have caused to it by rendering such deficient Services. -----



12.2 No other warranty, express or implied, is made or intended by this Contract, by furnishing oral or written reports of findings made, or by any other act of ARI-Group.-----

Article 13. Responsibility for Damages

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. -----

Article 14. Independent Contractor

14.1 ARI-Group shall be considered as an independent contractor, for all material purposes under this Contract, and all persons engaged or contracted by ARI-Group for the performance of its obligations herein, shall be considered as its employees or agents, and not as employees or agents of PREPA. -----

14.2 As an independent contractor, ARI-Group shall not be entitled to any fringe benefits, such as, but not limited to vacation, sick leave, and to which PREPA's employees are entitled. -----

Article 15. Employees not to Benefit

No officer, employee or agent of PREPA, nor of the Government of the Commonwealth of Puerto Rico or its Municipal Governments shall be admitted to any share or part of this Contract or to any benefit that may arise therefrom. -----

Article 16. Conflict of Interest

16.1 ARI-Group certifies that none of its representatives under this Contract receive payment or compensation of any nature, for the services regularly rendered through an appointment in another government agency, body, public corporation or municipality of Puerto Rico. ARI-Group also certifies that it may have other consulting services contracts with other governmental agencies or bodies, but such condition does not constitute a conflict of interest for ARI-Group. -----

16.2 ARI-Group acknowledges that in executing its services pursuant to this Contract it has a duty of complete loyalty towards PREPA which includes not having conflict of interest. "Conflict of Interest" means representing clients who have or may have interests that are contrary to PREPA, but does not include rendering services that are unrelated to the services covered in this Contract. Also, ARI-Group shall have the continuous obligation to disclose to PREPA all information and circumstances of its relations with clients and third persons that would result in a conflict of interest which would influence the ARI-Group when performing its responsibilities under this Contract.-----



16.3 The Parties understand and agree that a conflict of interest exists when ARI-Group must advocate a position or outcome on behalf of any existing or future client that is contrary to PREPA's interests. Also, any conduct defined in the Rules of Professional Conduct regarding conflict of interests shall apply to ARI-Group and its personnel. -----

16.4 In the event that any of the partners, directors, agents or employees of ARI-Group engaged in providing services under this Contract should incur in the conduct described herein, said conduct shall constitute a violation of the prohibitions provided herein. -----

16.5 ARI-Group's partners, directors, agents or employees and personnel shall avoid even the appearance of the existence of conflicting interests. -----

16.6 ARI-Group acknowledges that PREPA's Executive Director shall have the power to intervene with the acts of ARI-Group and/or its agents, employees, and subcontractors regarding the enforcement of the prohibitions contained herein. In the event that the existence of adverse interests is discovered, the PREPA's Executive Director shall inform ARI-Group in writing of PREPA's intention to terminate this Contract within a thirty (30) day period. During said period, ARI-Group may request a hearing with the Executive Director to present its arguments regarding the alleged conflict of interests. In the event that ARI-Group does not request such hearing during the specified thirty (30) day period or the controversy is not satisfactory settled during the hearing, this Contract shall be canceled. -----



16.7 ARI-Group certifies that, at the time of the execution of this Contract, it does not have nor does it represents anyone who has Conflict of Interests with PREPA. If such Conflict of Interest arises after the execution of the Contract, ARI-Group shall notify PREPA immediately. -----

Article 17. Notices

All notices and other communications hereunder shall be in writing and shall be deemed given when delivered personally or sent by telecopy, or postage prepaid, by registered, certified or express mail (return receipt requested) or reputable overnight courier service and shall be deemed given when so delivered by hand, or tele copied, or if mailed, three days after mailing (one business day in the case of express mail or overnight courier service) to the Parties to the following addresses: -----

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

Attention: Efran Paredes Maisonet
Executive Director

To ARI-Group: ARI-Group, LLC
San Roberto #25
San Ignacio
San Juan, PR 00907

Attention: Suzzette Díaz Buxó
President

Article 18. Applicable Law and Venue

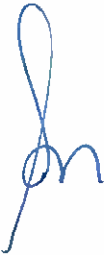
This Contract shall be governed by and construed in accordance with the laws of the Commonwealth of Puerto Rico. Also, the Parties expressly agree that only the state



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 19. Change in Law

During the term of this Contract, any change in law, including, but not limited to changes in applicable tax law, which cause an increase in ARI-Group’s costs when providing the services, shall be ARI-Group’s responsibility and PREPA shall not be obligated to increase the Contract Amount. -----



Article 20. Force Majeure

20.1 The Parties shall be excused from performing their respective responsibilities and obligations under this Contract and shall not be liable in damages or otherwise, if and only to the extent that they are unable to perform or are prevented from performing by a force majeure event. -----

20.2 For purposes 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. -----

20.3 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 event, 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 burden of proof as to whether a force majeure event has occurred shall be on the Party claiming the force majeure. -----



Article 21. Novation

21.1 The Parties expressly agree that no amendment or change order, which could be made to the Contract during its term, shall be understood as a contractual novation, unless both Parties agree to the contrary, specifically and in writing. ----

21.2 The previous provision shall be equally applicable in such other cases where PREPA gives ARI-Group 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 22. Severability

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

Article 23. Save and Hold Harmless

ARI-Group agrees to save and hold harmless and to indemnify PREPA for all expenses and costs of any nature (including reasonable attorneys' fees) incurred by PREPA arising out of any third party claim made by any person for bodily injuries, including death, or for property damage, to the extent directly caused by ARI-Group by the negligent act or omission, in the performance or nonperformance of its obligations under the Contract, but not to the point directly caused by negligence or tort of PREPA or a third party, which is not an employee or subcontractor of ARI-Group. -----

With respect to any indemnity set forth in this Contract, each indemnity shall give prompt notice of its receipt of any threat, indication or other notice of any claim, investigation or demand that might give rise to any losses required to be indemnified hereunder and shall reasonably cooperate in the defense of such claim. The indemnifying party shall have the right to conduct defense of such action at its sole expense. -----

Article 24. Insurance

ARI-Group 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: -----

- A. Commonwealth of Puerto Rico Workmen's Compensation Insurance – ARI-Group shall provide Workmen's Compensation Insurance as required by the Workmen's Compensation Act 45-1935, as amended, of the Commonwealth of Puerto Rico. ARI-Group shall also be responsible for compliance with said Workmen's Compensations Act by all its subcontractors, agents, and invitees, if any. -----

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

B. Employer's Liability Insurance – ARI-Group shall provide Employer's Liability Insurance with a minimum bodily injury limits of at least \$1,000,000 for each employee and at least \$1,000,000 for each accident covering against the liability imposed by law upon ARI-Group as result of bodily injury, by 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.

C. Commercial General Liability Insurance – ARI-Group shall provide a Commercial General Liability Insurance with limits of at least \$1,000,000 per occurrence and at least \$1,000,000 aggregate. -----

D. Commercial Automobile Liability Insurance – ARI-Group shall provide a Commercial Automobile Liability Insurance with limits of at least \$1,000,000 combined single limit covering all owned, or scheduled autos, non-owned and hired autos. -----

Requirements under the Policies

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

As Additional Insured:

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



A thirty (30) day cancellation or nonrenewable notice to be sent to the above address. --

An endorsement including this Contract under Contractual Liability Coverage and identifying it by number, date, and Parties to the Contract. -----

Waiver of subrogation in favor of Puerto Rico Electric Power Authority (PREPA). -----

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. -----

ARI-Group shall furnish a certificate of insurance in original signed by an authorized representative of the insurer in Puerto Rico, describing the coverage afforded. -----

Article 25. Compliance with the Commonwealth of Puerto Rico Contracting Requirements


ARI-Group will comply with all applicable State Law, Regulations and Executive Orders that regulate the contracting process and establish the requirements for governmental contracting in the Commonwealth of Puerto Rico, including but not limited to those mentioned in this Article. ARI-Group shall provide, within seven (7) days after the execution of this Contract the following documents and certifications, except Puerto Rico Child Support Administration (ASUME) Certification and the sworn statement in accordance with the Anti-Corruption Code, both shall be provided by ARI-Group at the execution of the Contract: -----



A. Executive Order Num. OE-1991-24 of June 18, 1991 to require certification of compliance with the Internal Revenue Services of the Commonwealth of Puerto Rico: Pursuant to Executive Order Number OE-1991-24 of June 18, 1991, ARI-Group will certify and guarantee that it has filed all the necessary and required income tax returns to the Government of Puerto Rico for the last five (5) years. ARI-Group further will certify that it has complied and is current with the payment of any and all income taxes that are, or were due, to the Government of Puerto Rico. ARI-Group shall provide, to the satisfaction of PREPA, and whenever requested by PREPA during the term of this Contract, the necessary documentation to support its compliance with this clause. ARI-Group will be given a specific amount of time to produce said documents. During the term of this Contract, ARI-Group agrees to pay and/or to remain current with any repayment plan agreed to by ARI-Group with the Government of Puerto Rico. -----

B. Executive Order No. OE-1992-52 of August 28, 1992 to require certification of compliance with the Department of Labor of the Commonwealth of Puerto Rico. Pursuant to Executive Order Number 1992-52, dated August 28, 1992 amending OE-1991-24, ARI-Group will certify and warrant 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. ARI-Group accepts and acknowledges its responsibility for requiring and obtaining a similar warranty and certification from each and every contractor and

subcontractor, if any, whose service ARI-Group 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. -----



C. Government of Puerto Rico Municipal Tax Collection Center: ARI-Group will certify and guarantee that it does not have any current debt with regards to property taxes that may be registered with the Government of Puerto Rico's Municipal Tax Collection Center (known in Spanish as *Centro de Recaudación de Ingresos Municipales* ("CRIM")). ARI-Group further will certify to be current with the payment of any and all property taxes that are or were due to the Government of Puerto Rico. ARI-Group shall provide, to the satisfaction of PREPA and whenever requested by PREPA during the term of this Contract, Certification issued by the Municipal Revenues Collection Center (MRCC), assuring that ARI-Group does not owe any tax accruing to such governmental agency. To request such Certification, ARI-Group will use the form issued by the MRCC (called "*CRIM-Certificados, Radicación, Estado de Cuenta y Todos los Conceptos*" in the website). ARI-Group will deliver upon request any documentation requested by PREPA. During the Term of this Contract, ARI-Group agrees to pay and/or to remain current with any repayment plan agreed to by ARI-Group with the Government of Puerto Rico with regards to its property taxes.-----

ARI-Group shall provide a Personal Property Tax Filing Certification, issued by the MRCC which indicates that ARI-Group has filed its Personal Property Tax Return for the last five (5) contributory terms or Negative Debt certification issued by the MRCC with respect to real and property taxes and a sworn statement executed by ARI-Group


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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- D. ARI-Group shall furnish a Certification issued by the Treasury Department of Puerto Rico which indicates that ARI-Group 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. -----
 - E. ARI-Group shall provide a Puerto Rico Sales and Use Tax Filing Certificate, issued by the Treasury Department of Puerto Rico assuring that ARI-Group has filed his Puerto Rico Sales and Use Tax for the last sixty (60) contributory periods. -----
 - F. ARI-Group shall provide a ARI-Group's Certificate of Merchant's Registration issued by the Treasury Department of Puerto Rico. -----
 - G. Puerto Rico Child Support Administration (*ASUME*): ARI-Group shall present, to the satisfaction of PREPA, the necessary documentation certifying that ARI-Group nor any of its owners, affiliates of subsidiaries, if applicable, have any debt, outstanding debt, or legal procedures to collect child support payments that may be registered with the Puerto Rico Child Support Administration (known in Spanish as the *Administración Para El Sustento de Menores (ASUME)*). ARI-Group will be given a specific amount of time to deliver said documents. 3 L.P.R.A. § 8611 et seq.; -----

- H. ARI-Group shall provide a Good Standing Certificate issued by the Department of State of Puerto Rico. -----
- I. ARI-Group shall provide a Certification of Incorporation, or Certificate of Authorization to do business in Puerto Rico issued by the Department of State of Puerto Rico. -----
- J. ARI-Group shall provide the certification, license and/or authorization, issued by the Government of Puerto Rico to practice its profession, with no more than 60 days of the date that was issued. -----
- K. Special Contribution for Professional and Consulting Services: As required by Act 48-2013, as amended, PREPA will withhold a special contribution of one point five percent (1.5%) of the gross amounts paid under this Contract. -----
- L. Social Security and Income Tax Retentions: In compliance with Executive Order 1991 OE- 24; and C.F.R. Part 404 et. Seq., ARI-Group will be responsible for rendering and paying the Federal Social Security and Income Tax Contributions for any amount owed as a result of the income, from this Contract. -----
- M. Income Tax Retention Law: PREPA shall deduct and withhold ten percent (10%) of any and all payments to residents of the Commonwealth of Puerto Rico as required by the Internal Revenue Code of Puerto Rico. In case of US citizens and Non-US citizens, which are nonresidents of the Commonwealth of Puerto Rico, PREPA will retain twenty percent (20%) and twenty-nine percent (29%) respectively. PREPA will remit such withholdings to the Government of Puerto Rico's Treasury Department (known in Spanish as *Departamento de Hacienda de Puerto Rico*). ARI-Group will request PREPA not to make such withholdings if, to the satisfaction of



PREPA, ARI-Group timely provides a release from such obligation by the Government of Puerto Rico's Treasury Department. Act 1-2011, section 1062.03. -----



N. Compliance with Governmental Ethics, Act 1-2012: ARI-Group will certify compliance with Act 1 of January 3, 2012, as amended (Act 1-2012), 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/he immediate family (spouse, dependent children or other members of his/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.; -----

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

P. Act 127-2004: Contract Registration in the Comptroller's Office of Puerto Rico Act: Payment for services object of 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 Act 18 of October 30, 1975, as amended. -----

Q. 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. -----

R. 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. -----

S. 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. -----

T. 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. -----

U. 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. -----

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

W. Rules of Professional Ethics: ARI-Group acknowledges and accepts that it is knowledgeable of the rules of ethics of his/her profession and assumes responsibility for his/her own actions. -----

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

Article 26. Anti-Corruption Code for a New Puerto Rico

ARI-Group 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 (Act 2-2018). ARI-Group 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. -----

ARI-Group shall furnish a sworn statement to the effect that neither ARI-Group 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 ARI-Group 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.-----

ARI-Group 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, 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 the Contract in the event ARI-Group 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: ARI-Group expressly agrees that the conditions outlined throughout this Article are essential requirements of this Contract. Consequently, should any one of these representations, warranties or certifications be incorrect, inaccurate or misleading, in whole or in part, there shall be sufficient cause for the PREPA to render this Contract null and void, and ARI-Group shall reimburse the PREPA all moneys received under this Contract. -----

Article 27. Contractor’s Certification

The Parties acknowledge that the ARI-Group 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 ARI-Group. A signed copy of the "Contractor Certification Requirement" is included as an annex to this Contract.-----

ARI-Group 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 ARI-Group will have the obligation to reimburse immediately to the Commonwealth any amounts, payments or benefits received from the Commonwealth under the Contract. -----

Article 28. Amendments

ARI-Group and PREPA expressly agree that no amendment or change order which may be made to the 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 ARI-Group a time extension for the compliance with any of its obligations under the Contract or where PREPA does not enforce any of its credits or rights under the Contract. -----

Article 29. Representations

29.1 PREPA represents and warrants to ARI-Group that (a) PREPA's execution and delivery of this Contract has been duly authorized, and (b) the person signing this Contract is expressly authorized to execute it on behalf of, and to bind, PREPA.--

29.2 Except for a claim limited solely to seeking non-monetary or equitable relief, any dispute or claim arising out of or relating to the Services, this Contract or any other services provided by or on behalf of ARI-Group or any of its subcontractors or agents to PREPA or at PREPA's request (including any matter involving any third party for whose benefit any such services are provided), shall be resolved by the state courts of Puerto Rico. -----

Article 30. Federal Contracting Provisions

Since the work under this Contract will be funded in whole or in part by grants through the Federal Emergency Management Agency (FEMA) Public Assistance program, Hazard Mitigation Grant Program (HMGP-404) and the U.S. Department of Housing and Urban Development (HUD) Community Development Block Grant Disaster Recovery program (CDBG-DR), the following provisions shall apply:-----





30.1 Remedies: Any violation or breach of terms of this Contract on the part of ARI-Group or a subcontractor may result in the suspension or termination of this Contract or such other action, including the recovery of damages, as may be necessary to enforce the rights of PREPA. The duties and obligations imposed by this Contract and the rights and remedies available hereunder shall be in addition to, and not a limitation of, any duties, obligations, rights, and remedies otherwise imposed or available by law. Upon a material breach by ARI-Group, PREPA may utilize any remedy available by law, including precluding ARI-Group from further work with PREPA in the future and recommending suspension and debarment.-----

30.2 Equal Employment Opportunity: For all services under the Contract consisting of “federally assisted construction work,” as defined at 41 C.F.R. § 60-1.3, ARI-Group agrees as follows:-----

1. ARI-Group shall not discriminate against any employee or applicant for employment because of race, color, religion, sex, sexual orientation, gender identity, or national origin. ARI-Group shall take affirmative action to ensure that applicants are employed, and that employees are treated during employment without regard to their race, color, religion, sex, sexual orientation, gender identity, or national origin. Such action shall include, but not be limited to the following: Employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. ARI-Group agrees to post in

conspicuous places, available to employees and applicants for employment, notices to be provided setting forth the provisions of this nondiscrimination clause.-

2. ARI-Group shall, in all solicitations or advertisements for employees placed by or on behalf of ARI-Group, state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex, sexual orientation, gender identity, or national origin.-----

3. ARI-Group shall not discharge or in any other manner discriminate against any employee or applicant for employment because such employee or applicant has inquired about, discussed, or disclosed the compensation of the employee or applicant or another employee or applicant. This provision shall not apply to instances in which an employee who has access to the compensation information of other employees or applicants as a part of such employee's essential job functions discloses the compensation of such other employees or applicants to individuals who do not otherwise have access to such information, unless such disclosure is in response to a formal complaint or charge, in furtherance of an investigation, proceeding, hearing, or action, including an investigation conducted by the employer, or is consistent with ARI-Group's legal duty to furnish information.-----





4. ARI-Group shall send to each labor union or representative of workers with which it has a collective bargaining agreement or other contract or understanding, a notice to be provided advising the said labor union or workers' representatives of ARI-Group's commitments under this section, and shall post copies of the notice in conspicuous places available to employees and applicants for employment. ----
5. ARI-Group shall comply with all provisions of Executive Order 11246 of September 24, 1965, and of the rules, regulations, and relevant orders of the Secretary of Labor. -----
6. ARI-Group shall furnish all information and reports required by Executive Order 11246 of September 24, 1965, and by rules, regulations, and orders of the Secretary of Labor, or pursuant thereto, and will permit access to his books, records, and accounts by the administering agency and the Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations, and orders. -----
7. In the event of ARI-Group's noncompliance with the nondiscrimination clauses of this Contract or with any of the said rules, regulations, or orders, this Contract may be canceled, terminated, or suspended in whole or in part and ARI-Group may be declared ineligible for further Government contracts or federally assisted construction contracts in accordance with procedures authorized in Executive Order 11246 of September 24, 1965, and such other sanctions may be imposed and remedies invoked as provided in Executive Order 11246 of September 24,

1965, or by rule, regulation, or order of the Secretary of Labor, or as otherwise provided by law.-----


8. ARI-Group shall include the portion of the sentence immediately preceding paragraph (1) and the provisions of paragraphs (1) through (8) in every subcontract or purchase order unless exempted by rules, regulations, or orders of the Secretary of Labor issued pursuant to section 204 of Executive Order 11246 of September 24, 1965, so that such provisions will be binding upon each subcontractor or vendor. ARI-Group shall take such action with respect to any subcontract or purchase order as the administering agency may direct as a means of enforcing such provisions, including sanctions for noncompliance: -----

9. Provided, however, that in the event ARI-Group becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction by the administering agency, ARI-Group may request the United States to enter into such litigation to protect the interests of the United States.-----

30.3 Employment Practices: PREPA further agrees that it will be bound by the above equal opportunity clause with respect to its own employment practices when it participates in federally assisted construction work, provided, that if PREPA is a State or local government, the above equal opportunity clause is not applicable to any agency, instrumentality or subdivision of such government which does not participate in work on or under this Contract.-----


30.4 Cooperation: PREPA agrees that it will assist and cooperate actively with the

administering agency and the Secretary of Labor in obtaining the compliance of contractors and subcontractors with the equal opportunity clause and the rules, regulations, and relevant orders of the Secretary of Labor, that it will furnish the administering agency and the Secretary of Labor such information as they may require for the supervision of such compliance, and that it will otherwise assist the administering agency in the discharge of the agency's primary responsibility for securing compliance.--



30.5 Contracting Prohibition: PREPA further agrees that it will refrain from entering into any contract or contract modification subject to Executive Order 11246 of September 24, 1965, with a contractor debarred from, or who has not demonstrated eligibility for, Government contracts and federally assisted construction contracts pursuant to the Executive Order and will carry out such sanctions and penalties for violation of the equal opportunity clause as may be imposed upon contractors and subcontractors by the administering agency or the Secretary of Labor pursuant to Part II, Subpart D of the Executive Order. In addition, PREPA agrees that if it fails or refuses to comply with these undertakings, the administering agency may take any or all of the following actions: Cancel, terminate, or suspend in whole or in part this grant (contract, loan, insurance, guarantee); refrain from extending any further assistance to PREPA under the program with respect to which the failure or refund occurred until satisfactory assurance of future compliance has been received from PREPA; and refer the case to the Department of Justice for appropriate legal proceedings.-----

30.6 Contract Work Hours and Safety Standards Act (40 U.S.C. §§ 3701–3708) To the extent this Contract involves the employment of mechanics or laborers, the following provisions apply:

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1. In accordance with 40 U.S. 3701 et. seq., no contractor or subcontractor contracting for any part of the contract work which may require or involve the employment of laborers or mechanics shall require or permit any such laborer or mechanic in any workweek in which he or she is employed on such work to work in excess of forty hours in such workweek unless such laborer or mechanic receives compensation at a rate not less than one and one-half times the basic rate of pay for all hours worked in excess of forty hours in such workweek.-----
 2. In the event of any violation of the clause set forth in paragraph (1) of this Section 30.6 ARI-Group and any subcontractor responsible therefor shall be liable for the unpaid wages. In addition, ARI-Group and subcontractor shall be liable to the United States (in the case of work done under contract for the District of Columbia or a territory, to such District or to such territory), for liquidated damages. Such liquidated damages shall be computed with respect to each individual laborer or mechanic, including watchmen and guards, employed in violation of the clause set forth in paragraph (1) of this Section 30.6, in the sum of \$27 for each calendar day on which such individual was required or permitted to work in excess of the standard workweek of forty hours without payment of the overtime wages required by the clause set forth in paragraph (1) of this Section 30.6. -----



3. PREPA shall upon its own action or upon written request of an authorized representative of the Department of Labor withhold or cause to be withheld, from any moneys payable on account of work performed by the ARI-Group or subcontractor under any such contract or any other Federal contract with the same ARI-Group, or any other federally-assisted contract subject to the Contract Work Hours and Safety Standards Act, which is held by the same ARI-Group, such sums as may be determined to be necessary to satisfy any liabilities of such ARI-Group or subcontractor for unpaid wages and liquidated damages as provided in the clause set forth in paragraph (2) of this Section 30.6. ARI-Group or subcontractor shall insert in any subcontracts the clauses set forth in this Section 30.6 and also a clause requiring the subcontractors to include these clauses in any lower tier subcontracts. ARI-Group shall be responsible for compliance by any subcontractor or lower tier subcontractor with the clauses set forth in set forth in this Section 30.6.-----

30.7 Clean Air and the Federal Water Pollution Control Act

1. Clean Air Act Clause:

- ARI-Group agrees to comply with all applicable standards, orders or regulations issued pursuant to the Clean Air Act, as amended, 42 U.S.C. § 7401 et seq.-----
- ARI-Group agrees to report each violation to PREPA and understands and agrees that PREPA will, in turn, report each violation as required to

assure notification to the Federal Emergency Management Agency, and the appropriate Environmental Protection Agency Regional Office. -----

- ARI-Group agrees to include these requirements in each subcontract exceeding \$150,000 financed in whole or in part with Federal assistance provided by FEMA.-----



2. Federal Water Pollution Control Act Clause:

- ARI-Group agrees to comply with all applicable standards, orders, or regulations issued pursuant to the Federal Water Pollution Control Act, as amended, 33 U.S.C. § 1251 et seq.-----
- ARI-Group agrees to report each violation to PREPA and understands and agrees that PREPA will, in turn, report each violation as required to assure notification to the Federal Emergency Management Agency, and the appropriate Environmental Protection Agency Regional Office.-----
- ARI-Group agrees to include these requirements in each subcontract exceeding \$150,000 financed in whole or in part with Federal assistance provided by FEMA.-----

30.8 Suspension and Debarment Clause

1. This Contract is a covered transaction for purposes of 2 C.F.R. pt. 180 and 2 C.F.R. pt. 3000. As such, ARI-Group is required to verify that none of the ARI-Group's

principals (defined at 2 C.F.R. § 180.995) or its affiliates (defined at 2 C.F.R. § 180.905) are excluded (defined at 2 C.F.R. § 180.940) or disqualified (defined at 2 C.F.R. § 180.935). -----

2. ARI-Group shall comply with 2 C.F.R. pt. 180, subpart C and 2 C.F.R. pt. 3000, subpart C, and must include a requirement to comply with these regulations in any lower tier covered transaction it enters into. -----

3. ARI-Group shall execute the certification attached hereto as an Annex (Certification Regarding Debarment, Suspension and Other Responsibility Matters). This certification is a material representation of fact relied upon by PREPA. If it is later determined that ARI-Group did not comply with 2 C.F.R. pt. 180, subpart C and 2 C.F.R. pt. 3000, subpart C, in addition to remedies available to PREPA, the Federal Government may pursue available remedies, including but not limited to suspension and/or debarment. -----

4. ARI-Group shall, and shall cause all subcontractors of every tier to, comply with the requirements of 2 C.F.R. pt. 180, subpart C and 2 C.F.R. pt. 3000, subpart C.-

30.9 Byrd Anti-Lobbying Amendment, 31 U.S.C. § 1352 (as amended)

1. Contractors that apply or bid for an award exceeding \$100,000 shall file the required certification. ARI-Group shall cause every subcontractor of every tier above that it will not and has not used Federal appropriated funds to pay any person or organization for influencing or attempting to influence an officer or






employee of any agency, a member of Congress, officer or employee of Congress, or an employee of a member of Congress in connection with obtaining any Federal contract, grant or any other award covered by 31 U.S.C. 1352. ARI-Group shall cause every subcontractor of every tier to disclose any lobbying with non-Federal funds that takes place in connection with obtaining any Federal award. Such disclosures are forwarded from tier to tier up to the recipient (PREPA). ARI-Group shall also submit to PREPA the required certification regarding lobbying at Appendix B, 44 C.F.R. Part 18 attached to this Contract as an Annex (Certification Regarding Lobbying for Contracts, Grants, Loans, and Cooperative Agreements).-

30.10 Procurement of Recovered Materials

1. In the performance of this Contract, ARI-Group shall make maximum use of products containing recovered materials that are Environmental Protection Agency (EPA) designated items unless the product cannot be acquired:


- Competitively within a timeframe providing for compliance with the Contract performance schedule;-----
- Meeting Contract performance requirements; or-----
- At a reasonable price.-----

2. Information about this requirement, along with the list of EPA-designated items, is available at EPA's Comprehensive Procurement Guidelines web site, <https://www.epa.gov/smm/comprehensive-procurement-guideline-cpg-program>.----
ARI-Group also agrees to comply with all other applicable requirements of Section 6002 of Solid Waste Disposal Act.-----



30.11 Changes: At any time, and only through a written change order instruction, PREPA may make changes in the Services or work to be performed within the general scope of this Contract. To the extent ARI-Group can demonstrate such changes cause an increase or decrease in ARI-Group's cost of, or time required for, performance of any services under this Contract, an equitable adjustment shall be made and this Contract shall be modified in writing accordingly, provided, however, that no changes shall be made to the scope of the Services that would render the costs incurred in the performance of this Contract ineligible for, unallowable or not allocable under, outside the scope of, or not reasonable for the completion of, Federal grant awards from FEMA or any other U.S. federal agency. -----

30.12 Sufficiency of Funds: ARI-Group recognizes and agrees that all or a portion of the funding for this Contract shall be derived from assistance awarded by Federal agencies of the United States of America to PREPA or the Government of Puerto Rico. As part of its obligations under this Contract, ARI-Group shall ensure that the work performed hereunder is eligible for funding by complying with all applicable Federal law, regulations, executive orders, Federal agency policy, procedures, directives and guidelines. If during



the term of this Contract, Federal or local funding is reduced, deobligated, or withdrawn, PREPA may reduce the scope of or terminate the Contract, without penalty, by providing written notice to ARI-Group of the changes in scope or termination. PREPA shall not be obligated to pay nor shall be held financially liable if any work performed by ARI-Group under this Contract is deemed ineligible by any Federal agency. If this occurs, the ARI-Group shall have the right to terminate this Contract, by providing PREPA an immediate notice by registered mail. The rights, duties and responsibilities of the Parties shall continue in full force and effect until the date of notification of the termination of the Contract. ARI-Group shall have the right to compensation for what has been accrued for services rendered under this Contract until said date of termination. The Federal Government is not a party to this Contract and is not subject to any obligations or liabilities to PREPA, ARI-Group, or any other party pertaining to any matter resulting from this Contract.-----

30.13 FEMA Disaster Assistance Survivor/Registrant Data:

1. If ARI-Group has access to Disaster Assistance Survivor/Registrant data or any other personally identifiable information, ARI-Group shall comply with the provisions of the Terms and Conditions for Sharing FEMA Disaster Assistance Survivor/Registrant Data with State Governments set forth in the FEMA-Government of Puerto Rico Contract for FEMA-4339-DR-PR.-----
2. ARI-Group shall indemnify, defend, and hold harmless PREPA and the Government of Puerto Rico for any and all costs associated with the defense of

that litigation, including costs and attorneys' fees, settlements, or adverse judgments arising from ARI-Group's failure to comply with the requirements under this Contract.-----

30.14 Costs: All costs incurred by ARI-Group in performance of this Contract must be in accord with the cost principles of 2 C.F.R. pt. 200, Subpart E. PREPA shall not be required to make payments to ARI-Group for costs which are found to be contrary to the cost principles 2 C.F.R. pt. 200, Subpart E.-----

30.15 Financial Management System: ARI-Group's financial management system shall provide for the following:

- Accurate, current and complete disclosure of the financial results of this Contract and any other contract, grant, program, or other activity administered by ARI-Group;-----
- Records adequately identifying the source and application of all ARI-Group funds and all funds administered by ARI-Group which shall contain information pertaining to all contract and grant awards and authorizations, obligations, unobligated balances, assets, liabilities, outlays and income, and shall be segregated by contract or on a contract-by-contract basis;-----
- Effective internal control structure over all funds, property and other assets, sufficient to allow ARI-Group to adequately safeguard all such assets and shall ensure that they are used solely for authorized purposes;-----

- Comparison of actual outlays with budgeted amounts for this Contract and for any other contract, grant, program or other activity administered by ARI-Group;-----
- Accounting records supported by source documentation;-----
- Procedures to minimize elapsed time between any advance payment issued and the disbursement of such advance funds by ARI-Group; and -----
- Procedures consistent with the provisions of any applicable policies of the Federal Government and the Government of Puerto Rico and procedures for determining the reasonableness, eligibility, allowability and allocability of costs under this Contract.-----



30.16 Penalties, Fines and Disallowed Costs: In the event that any U.S. Federal agency or the Government of Puerto Rico disallows or demands repayment for costs incurred in the performance of this Contract, or if any penalty is imposed due to an act or omission by ARI-Group, ARI-Group shall be solely responsible for such penalty, disallowed costs, or repayment demand, and shall reimburse PREPA in full within ten (10) days of receiving notice from PREPA of such penalty, disallowance, or repayment demand. Any monies paid by ARI-Group pursuant to this provision shall not relieve ARI-Group of liability to PREPA for damages sustained by PREPA by virtue of any other provision of this Contract.-----

30.17 Reporting Requirements: ARI-Group shall complete and submit all reports, in such form and according to such schedule, as may be required by PREPA.-----

30.18 Review of Laws: ARI-Group certifies that it will access online and read each law that is cited in the aforementioned clauses and that, in the event it cannot access the online version, it will notify PREPA in order to obtain printed copies of the laws. Not requiring a printed copy of the laws to PREPA will be evidence that ARI-Group was able to find it online and read it as required.-----

30.19 Notice of Federal Emergency Management Agency (FEMA) Reporting Requirements and Regulations

1. PREPA is using Federal grant funding awarded or administered by FEMA to the Government of Puerto Rico and/or PREPA to pay, in full, for the costs incurred under this Contract. As a condition of FEMA funding under major disaster declaration FEMA-4339-DR-PR, FEMA-4336-DR-PR, FEMA-4473-DR-PR and FEMA-4493-DR-PR; FEMA requires the Government of Puerto Rico PREPA to provide various financial and performance reporting. ARI-Group agrees to provide all information, documentation, and reports necessary to satisfy these reporting requirements. Failure by ARI-Group to provide information necessary to satisfy these reporting requirements may result in loss of Federal funding for this Contract, and such failure shall be a material breach of this Contract.-----

2. Applicable regulations, FEMA policy, and other sources setting forth these reporting requirements include, but are not limited to:-----
 - 2 C.F.R § 200.327 (Financial Reporting);-----

- 2 C.F.R. § 200.328 (Monitoring and Reporting Program Performance); and----
- Performance and financial reporting requirements set forth in 2 C.F.R. Part 206.-----

30.20 Access to Records

1. ARI-Group agrees to provide PREPA, the Government of Puerto Rico, the FEMA Administrator, the Secretary of HUD, the Comptroller General of the United States, or any of their authorized representatives access to any books, documents, papers, and records of ARI-Group which are directly pertinent to this Contract for the purposes of making audits, examinations, excerpts, and transcriptions.-----
2. ARI-Group agrees to permit any of the foregoing parties to reproduce by any means whatsoever or to copy excerpts and transcriptions as reasonably needed.
3. ARI-Group agrees to provide the FEMA Administrator, the Secretary of HUD, or their authorized representatives access to construction or other work sites pertaining to the work being completed under the Contract.-----
4. In compliance with the Disaster Recovery Act of 2018, PREPA and ARI-Group acknowledge and agree that no language in this Contract is intended to prohibit audits or internal review by the FEMA Administrator, the Secretary of HUD, or the Comptroller General of the United States.-----



30.21 Record Retention Requirements: ARI-Group agrees to maintain all books, records, accounts, and reports and all other records produced or collected in connection with this Contract for a period of not less than three (3) years after the date of final payment and closeout of all pending matters related to this Contract. If any litigation, claim, or audit is reasonably anticipated to arise or is started before the expiration of the 3-year period, the records must be retained until all litigation, claims, or audit findings involving the records have been resolved and final action taken.-----

30.22 Program Fraud and False or Fraudulent Statements or Related Acts: ARI-Group acknowledges that 31 U.S.C. Chap. 38 (Administrative Remedies for False Claims and Statements) applies to ARI-Group's actions pertaining to this Contract.-----

30.23 Energy Efficiency: ARI-Group agrees to comply with the requirements of 42 U.S.C. § 6201, which contain policies relating to energy efficiency that are defined in the Government of Puerto Rico's energy conservation plan issued in compliance with said statute.-----

30.24 Age Discrimination Act of 1975: ARI-Group shall comply with the provisions of the Age Discrimination Act of 1975. No person in the United States shall, on the basis of age, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under, any program or activity receiving federal financial assistance.-----

30.25 Americans with Disabilities Act: ARI-Group shall comply with the appropriate areas of the Americans with Disabilities Act of 1990, as enacted and from time to time amended,

and any other applicable federal regulation. A signed written certificate stating compliance with the Americans with Disabilities Act may be requested at any time during the term of this Contract.-----

30.26 Title VI of the Civil Rights Act of 1964: ARI-Group shall comply with the provisions of Title VI of the Civil Rights Act of 1964. No person shall, on the grounds of race, color, or national origin, be excluded from participation in, be denied the benefits of or be subjected to discrimination under any program or activity receiving federal financial assistance.-----



30.27 Section 504 of the Rehabilitation Act of 1973, as amended: ARI-Group agrees that no otherwise qualified individual with disabilities shall, solely by reason of his disability, be denied the benefits, or be subjected to discrimination including discrimination in employment, any program or activity that receives the benefits from the federal financial assistance.-----

30.28 Drug-Free Workplace: ARI-Group shall maintain a drug-free work environment in accordance with the Drug-Free Workplace Act of 1988 (41 U.S.C. § 8101 et seq.) and implementing regulations at 2 C.F.R Part 3001.-----

30.29 Compliance with Laws, Regulations, and Executive Orders: ARI-Group acknowledges that FEMA and HUD financial assistance will be used to fund this Contract. ARI-Group shall, as and when applicable shall comply will all applicable Federal and Government of Puerto Rico law, regulations, executive orders, policies, procedures, and

directives, including but not limited to all Federal Cost Principles set forth in 2 C.F.R. Part 200, and all applicable FEMA regulations in 44 C.F.R. Chapter I, and 2 C.F.R. Part 200.-----

30.30 Provisions Required by Law Deemed Inserted: Each and every provision required by law regulation, executive order, policy, procedure, directive, Federal grant award or agreement, or cooperative agreement with any Federal agency to be inserted in this Contract shall be deemed to be inserted herein and the Contract shall be read and enforced as though it were included herein. If, through mistake or otherwise, any provision is not inserted, or is not correctly inserted, then upon the application of either party the Contract shall be amended to make such insertion or correction.-----

30.31 Agreement to Execute Other Required Documents: ARI-Group and all subcontractors, by entering into the Contract, understand and agree that funding for the Services is provided under Federal programs with specific contracting requirements. To the extent any such requirement is not otherwise set forth herein, ARI-Group agrees to execute such amendments or further agreements as may be necessary to ensure that PREPA receive Federal funding for this Contract.-----

30.32 U.S. Department of Homeland Security Seal, Logo, and Flags DHS Seal, Logo and Flags: ARI-Group shall not use the U.S. Department of Homeland Security seal(s), logos, crests, or reproductions of flags or likenesses of DHS agency officials without specific FEMA pre-approval.-----



30.33 Davis-Bacon Act

1. All transactions regarding this Contract shall be done in compliance with the Davis-Bacon Act (40 U.S.C. 3141- 3144, and 3146-3148) and the requirements of 29 C.F.R. pt. 5 as may be applicable. ARI-Group shall comply with 40 U.S.C. 3141-3144, and 3146-3148 and the requirements of 29 C.F.R. pt. 5 as applicable.-----
2. ARI-Group shall pay wages to laborers and mechanics at a rate not less than the prevailing wages specified in a wage determination made by the Secretary of Labor.-----
3. Additionally, ARI-Group shall pay wages not less than once a week.-----


30.34 Copeland Anti-Kickback Act

1. ARI-Group shall comply with 18 U.S.C. § 874, 40 U.S.C. § 3145, and the requirements of 29 C.F.R. pt. 3 as may be applicable, which are incorporated by reference into this Contract.-----
2. ARI-Group or subcontractor shall insert in any subcontracts the clause above and such other clauses as FEMA may by appropriate instructions require, and also a clause requiring the subcontractors to include these clauses in any lower tier subcontracts. ARI-Group shall be responsible for the compliance by any subcontractor or lower tier subcontractor with all of these Contract clauses.-----



3. A breach of the Contract clauses above may be grounds for termination of the Contract, and for debarment as a consultant, contractor and subcontractor as provided in 29 C.F.R. § 5.12.-----

30.35 HUD Section 3 Clause

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1. The work to be performed under this Contract is subject to the requirements of section 3 of the Housing and Urban Development Act of 1968, as amended, 12 U.S.C. 1701u (section 3). The purpose of section 3 is to ensure that employment and other economic opportunities generated by HUD assistance or HUD-assisted projects covered by section 3, shall, to the greatest extent feasible, be directed to low and very low-income persons, particularly persons who are recipients of HUD assistance for housing.-----
 2. The parties to this Contract agree to comply with HUD's regulations in 24 C.F.R. part 135, which implement section 3. As evidenced by their execution of this Contract, the parties to this Contract certify that they are under no contractual or other impediment that would prevent them from complying with the part 135 regulations.-----
 3. ARI-Group agrees to send to each labor organization or representative of workers with which the ARI-Group has a collective bargaining agreement or other understanding, if any, a notice advising the labor organization or workers' representative of the ARI-Group's commitments under the section 3 clause, and

will post copies of the notice in conspicuous places at the work site where both employees and applicants for training and employment positions can see the notice. The notice shall describe the section 3 preference, shall set forth minimum number and job titles subject to hire, availability of apprenticeship and training positions, the qualifications for each, the name and location of the person(s) taking applications for each of the positions, and the anticipated date the work shall begin.-----



4. ARI-Group agrees to include the section 3 clause in every subcontract subject to compliance with regulations in 24 C.F.R. part 135, and agrees to take appropriate action, as provided in an applicable provision of the subcontract or in the section 3 clause, upon a finding that the subcontractor is in violation of the regulations in 24 C.F.R. part 135. ARI-Group will not subcontract with any subcontractor where ARI-Group has notice or knowledge that the subcontractor has been found in violation of the regulations in 24 C.F.R. part 135.-----
5. ARI-Group will certify that any vacant employment positions, including training positions, that are filled (1) after the ARI-Group is selected but before the Contract is executed, and (2) with persons other than those to whom the regulations of 24 C.F.R. part 135 require employment opportunities to be directed, were not filled to circumvent the ARI-Group's obligations under 24 C.F.R. part 135.-----

6. Noncompliance with HUD's regulations in 24 C.F.R. part 135 may result in sanctions, termination of this Contract for default, and debarment or suspension from future HUD assisted contracts.-----


7. With respect to work performed in connection with section 3 covered Indian housing assistance, section 7(b) of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450e) also applies to the work to be performed under this Contract. Section 7(b) requires that to the greatest extent feasible (i) preference and opportunities for training and employment shall be given to Indians, and (ii) preference in the award of contracts and subcontracts shall be given to Indian organizations and Indian-owned Economic Enterprises. Parties to this Contract that are subject to the provisions of section 3 and section 7(b) agree to comply with section 3 to the maximum extent feasible, but not in derogation of compliance with section 7(b).-----



30.36 Additional Fair Labor Standards Provisions (HUD Form 4010)


1. The project or program to which the construction work covered by this Contract pertains is being assisted by the United States of America and the following Federal Labor Standards Provisions are included in this Contract pursuant to the provisions applicable to such Federal assistance.-----

2. All laborers and mechanics employed or working upon the site of the work, will be paid unconditionally and not less often than once a week, and without subsequent



deduction or rebate on any account (except such payroll deductions as are permitted by regulations issued by the Secretary of Labor under the Copeland Act (29 C.F.R. Part 3)), the full amount of wages and bona fide fringe benefits (or cash equivalents thereof) due at time of payment computed at rates not less than those contained in a wage determination of the Secretary of Labor, regardless of any contractual relationship which may be alleged to exist between ARI-Group and such laborers and mechanics. Contributions made or costs reasonably anticipated for bona fide fringe benefits under Section I (b)(2) of the Davis-Bacon Act on behalf of laborers or mechanics are considered wages paid to such laborers or mechanics, subject to the provisions of 29 C.F.R. 5. 5(a)(1)(iv); also, regular contributions made or costs incurred for more than a weekly period (but not less often than quarterly) under plans, funds, or programs, which cover the particular weekly period, are deemed to be constructively made or incurred during such weekly period. Such laborers and mechanics shall be paid the appropriate wage rate and fringe benefits on the wage determination for the classification of work actually performed, without regard to skill, except as provided in 29 C.F.R. 5.5(a)(4). Laborers or mechanics performing work in more than one classification may be compensated at the rate specified for each classification for the time actually worked therein, provided, that the employer's payroll records accurately set forth the time spent in each classification in which work is performed. The wage determination (including any additional classification and wage rates conformed under 29 C.F.R. 5.5(a)(1)(ii) and the Davis-Bacon poster (WH-1321) shall be

posted at all times by ARI-Group and its subcontractors at the site of the work in a prominent and accessible place where it can be easily seen by the workers.-----




3. Any class of laborers or mechanics which is not listed in the wage determination and which is to be employed under the contract shall be classified in conformance with the wage determination. HUD shall approve an additional classification and wage rate and fringe benefits therefor only when the following criteria have been met:-----


- The work to be performed by the classification requested is not performed by a classification in the wage determination; and-----
- The classification is utilized in the area by the construction industry; and-----
- The proposed wage rate, including any bona fide fringe benefits, bears a reasonable relationship to the wage rates contained in the wage determination.-----

4. If ARI-Group and the laborers and mechanics to be employed in the classification (if known), or their representatives, and HUD or its designee agree on the classification and wage rate (including the amount designated for fringe benefits where appropriate), a report of the action taken shall be sent by HUD or its designee to the Administrator of the Wage and Hour Division, Employment Standards Administration, U. S. Department of Labor, Washington, D.C. 20210. The Administrator, or an authorized representative, will approve, modify, or

disapprove every additional classification action within 30 days of receipt and so advise HUD or its designee or will notify HUD or its designee within the 30-day period that additional time is necessary. (Approved by the Office of Management and Budget under OMB control number 1215- 0140.)-----


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5. In the event ARI-Group, the laborers or mechanics to be employed in the classification or their representatives, and HUD or its designee do not agree on the proposed classification and wage rate (including the amount designated for fringe benefits, where appropriate), HUD or its designee shall refer the questions, including the views of all interested parties and the recommendation of HUD or its designee, to the Administrator for determination. The Administrator, or an authorized representative, will issue a determination within 30 days of receipt and so advise HUD or its designee or will notify HUD or its designee within the 30-day period that additional time is necessary. (Approved by the Office of Management and Budget under OMB Control Number 1215-0140.)-----
 6. The wage rate (including fringe benefits where appropriate) determined pursuant to subparagraphs (B)(1)(b) or (c) of this paragraph, shall be paid to all workers performing work in the classification under this Contract from the first day on which work is performed in the classification.-----
 7. Whenever the minimum wage rate prescribed in this Contract for a class of laborer or mechanics includes a fringe benefit which is not expressed as an hourly rate,

ARI-Group shall either pay the benefit as stated in the wage determination or shall pay another bona fide fringe benefit or an hourly cash equivalent thereof.-----



8. If ARI-Group does not make payments to a trustee or other third person, ARI-Group may consider as part of the wages of any laborer or mechanic the amount of any costs reasonably anticipated in providing bona fide fringe benefits under a plan or program, provided that the Secretary of Labor has found, upon the written request of the ARI-Group, that the applicable standards of the Davis-Bacon Act have been met. The Secretary of Labor may require ARI-Group to set aside in a separate account assets for the meeting of obligations under the plan or program. (Approved by the Office of Management and Budget under OMB Control Number 1215-0140.).-----

9. HUD or its designee shall upon its own action or upon written request of an authorized representative of the Department of Labor withhold or cause to be withheld from ARI-Group under this Contract or any other Federal contract with the same ARI-Group, or any other Federally-assisted contract subject to Davis-Bacon prevailing wage requirements, which is held by the same ARI-Group so much of the accrued payments or advances as may be considered necessary to pay laborers and mechanics, including apprentices, trainees and helpers, employed by ARI-Group or any subcontractor the full amount of wages required by the applicable contract. In the event of failure to pay any laborer or mechanic, including any apprentice, trainee or helper, employed or working on the site of the



work, all or part of the wages required by the contract, HUD or its designee may, after written notice to ARI-Group, sponsor, applicant, or owner, take such action as may be necessary to cause the suspension of any further payment, advance, or guarantee of funds until such violations have ceased. HUD or its designee may, after written notice to ARI-Group, disburse such amounts withheld for and on account of ARI-Group or subcontractor to the respective employees to whom they are due. The Comptroller General shall make such disbursements in the case of direct Davis-Bacon Act contracts.-----

10. Payrolls and basic records relating thereto shall be maintained by ARI-Group during the course of the work preserved for a period of three years thereafter for all laborers and mechanics working at the site of the work. Such records shall contain the name, address, and social security number of each such worker, his or her correct classification, hourly rates of wages paid (including rates of contributions or costs anticipated for bona fide fringe benefits or cash equivalents thereof of the types described in Section I(b)(2)(B) of the Davis-Bacon Act), daily and weekly number of hours worked, deductions made and actual wages paid. Whenever the Secretary of Labor has found under 29 CFR 5.5 (a)(1)(iv) that the wages of any laborer or mechanic include the amount of any costs reasonably anticipated in providing benefits under a plan or program described in Section I(b)(2)(B) of the Davis-Bacon Act, ARI-Group shall maintain records which show that the commitment to provide such benefits is enforceable, that the plan or



program is financially responsible, and that the plan or program has been communicated in writing to the laborers or mechanics affected, and records which show the costs anticipated or the actual cost incurred in providing such benefits. Contractors employing apprentices or trainees under approved programs shall maintain written evidence of the registration of apprenticeship programs and certification of trainee programs, the registration of the apprentices and trainees, and the ratios and wage rates prescribed in the applicable programs. (Approved by the Office of Management and Budget under OMB Control Numbers 1215-0140 and 1215-0017.)-----

11. ARI-Group shall submit weekly for each week in which any contract work is performed a copy of all payrolls to HUD or its designee if the agency is a Party to the contract, but if the agency is not such a Party, ARI-Group will submit the payrolls to the applicant sponsor, or owner, as the case may be, for transmission to HUD or its designee. The payrolls submitted shall set out accurately and completely all of the information required to be maintained under 29 C.F.R. 5.5(a)(3)(i) except that full social security numbers and home addresses shall not be included on weekly transmittals. Instead the payrolls shall only need to include an individually identifying number for each employee (e. g., the last four digits of the employee's social security number). The required weekly payroll information may be submitted in any form desired. Optional Form WH-347 is available for this purpose from the Wage and Hour Division Website at



<http://www.dol.gov/esa/whd/forms/wh347instr.htm> or its successor site. ARI-Group is responsible for the submission of copies of payrolls by all subcontractors. Contractors and subcontractors shall maintain the full social security number and current address of each covered worker, and shall provide them upon request to HUD or its designee if the agency is a Party to the contract, but if the agency is not such a Party, ARI-Group will submit the payrolls to the applicant sponsor, or owner, as the case may be, for transmission to HUD or its designee, ARI-Group, or the Wage and Hour Division of the Department of Labor for purposes of an investigation or audit of compliance with prevailing wage requirements. It is not a violation of this subparagraph for ARI-Group to require a subcontractor to provide addresses and social security numbers to ARI-Group for its own records, without weekly submission to HUD or its designee. (Approved by the Office of Management and Budget under OMB Control Number 1215-0149).-

12. Each payroll submitted shall be accompanied by a "Statement of Compliance," signed by ARI-Group or subcontractor or his or her agent who pays or supervises the payment of the persons employed under the contract and shall certify the following:


- That the payroll for the payroll period contains the information required to be provided under 29 C.F.R. 5.5(a)(3)(ii), the appropriate information is being maintained under 29 C.F.R. 5.5(a)(3)(i), and that such information is correct and complete;-----




- That each laborer or mechanic (including each helper, apprentice, and trainee) employed on the contract during the payroll period has been paid the full weekly wages earned, without rebate, either directly or indirectly, and that no deductions have been made either directly or indirectly from the full wages earned, other than permissible deductions as set forth in 29 C.F.R. Part 3;-----
- The weekly submission of a properly executed certification set forth on the reverse side of Optional Form WH-347 shall satisfy the requirement for submission of the “Statement of Compliance” required by subparagraph A.3.(ii)(b);-----
- The falsification of any of the above certifications may subject ARI-Group or any subcontractor to civil or criminal prosecution under Section 1001 of Title 18 and Section 231 of Title 31 of the United States Code;-----
- ARI-Group or subcontractor shall make the records required under subparagraph A.3.(i) available for inspection, copying, or transcription by authorized representatives of HUD or its designee or the Department of Labor, and shall permit such representatives to interview employees during working hours on the job. If ARI-Group or subcontractor fails to submit the required records or to make them available, HUD or its designee may, after written notice to the ARI-Group, sponsor, applicant or owner, take such action as may be necessary to cause the suspension of any further payment, advance, or guarantee of funds. Furthermore, failure to submit the required records upon

request or to make such records available may be grounds for debarment
action pursuant to 29 C.F.R. 5.12.-----


30.37 Apprentices and Trainees:

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1. Apprentices will be permitted to work at less than the predetermined rate for the work they performed when they are employed pursuant to and individually registered in a bona fide apprenticeship program registered with the U.S. Department of Labor, Employment and Training Administration, Office of Apprenticeship Training, Employer and Labor Services, or with a State Apprenticeship Agency recognized by the Office, or if a person is employed in his or her first 90 days of probationary employment as an apprentice in such an apprenticeship program, who is not individually registered in the program, but who has been certified by the Office of Apprenticeship Training, Employer and Labor Services or a State Apprenticeship Agency (where appropriate) to be eligible for probationary employment as an apprentice. The allowable ratio of apprentices to journeymen on the job site in any craft classification shall not be greater than the ratio permitted to contractors to the entire work force under the registered program. Any worker listed on a payroll at an apprentice wage rate, who is not registered or otherwise employed as stated above, shall be paid not less than the applicable wage rate on the wage determination for the classification of work actually performed. In addition, any apprentice performing work on the job site in excess of the ratio permitted under the registered program shall be paid not less than the




applicable wage rate on the wage determination for the work actually performed. Where a contractor is performing construction on a project in a locality other than that in which its program is registered, the ratios and wage rates (expressed in percentages of the journeyman's hourly rate) specified in the ARI-Group's or subcontractor's registered program shall be observed. Every apprentice must be paid at not less than the rate specified in the registered program for the apprentice's level of progress, expressed as a percentage of the journeymen hourly rate specified in the applicable wage determination. Apprentices shall be paid fringe benefits in accordance with the provisions of the apprenticeship program. If the apprenticeship program does not specify fringe benefits, apprentices must be paid the full amount of fringe benefits listed on the wage determination for the applicable classification. If the Administrator determines that a different practice prevails for the applicable apprentice classification, fringes shall be paid in accordance with that determination. In the event the Office of Apprenticeship Training, Employer and Labor Services, or a State Apprenticeship Agency recognized by the Office, withdraws approval of an apprenticeship program, ARI-Group will no longer be permitted to utilize apprentices at less than the applicable predetermined rate for the work performed until an acceptable program is approved.-----

2. Except as provided in 29 C.F.R. 5.16, trainees will not be permitted to work at less than the predetermined rate for the work performed unless they are employed



pursuant to and individually registered in a program which has received prior approval, evidenced by formal certification by the U.S. Department of Labor, Employment and Training Administration. The ratio of trainees to journeymen on the job site shall not be greater than permitted under the plan approved by the Employment and Training Administration. Every trainee must be paid at not less than the rate specified in the approved program for the trainee's level of progress, expressed as a percentage of the journeyman hourly rate specified in the applicable wage determination. Trainees shall be paid fringe benefits in accordance with the provisions of the trainee program. If the trainee program does not mention fringe benefits, trainees shall be paid the full amount of fringe benefits listed on the wage determination unless the Administrator of the Wage and Hour Division determines that there is an apprenticeship program associated with the corresponding journeyman wage rate on the wage determination which provides for less than full fringe benefits for apprentices. Any employee listed on the payroll at a trainee rate who is not registered and participating in a training plan approved by the Employment and Training Administration shall be paid not less than the applicable wage rate on the wage determination for the work actually performed. In addition, any trainee performing work on the job site in excess of the ratio permitted under the registered program shall be paid not less than the applicable wage rate on the wage determination for the work actually performed. In the event the Employment and Training Administration withdraws approval of a training program, ARI-Group will no longer be permitted to utilize trainees at less than the

applicable predetermined rate for the work performed until an acceptable program is approved.-----


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3. The utilization of apprentices, trainees and journeymen under 29 C.F.R. Part 5 shall be in conformity with the equal employment opportunity requirements of Executive Order 11246, as amended, and 29 C.F.R. Part 30.-----

30.38 Compliance with Copeland Act: ARI-Group shall comply with the requirements of 29 C.F.R. Part 3 which are incorporated by reference in this Contract.-----

30.39 Subcontracts: ARI-Group or subcontractor will insert in any subcontracts the clauses contained in Section 30.36 (Additional Fair Labor Standards Provisions (HUD Form 4010)) to Section 1.44 (Complaints, Proceedings, or Testimony by Employees) and such other clauses as HUD or its designee may by appropriate instructions require, and a copy of the applicable prevailing wage decision, and also a clause requiring the subcontractors to include these clauses in any lower tier subcontracts. ARI-Group shall be responsible for the compliance by any subcontractor or lower tier subcontractor with all the contract clauses in this Section.-----

30.40 Contract Termination; Debarment: A breach of the contract clauses in 29 C.F.R. 5.5 may be grounds for termination of this Contract and for debarment as a consultant, contractor and a subcontractor as provided in 29 C.F.R. 5.12.-----


30.41 Compliance with Davis-Bacon and Related Act Requirements: All rulings and interpretations of the Davis-Bacon and Related Acts contained in 29 C.F.R. Parts 1, 3, and 5 are herein incorporated by reference in this Contract.-----



30.42 Disputes Concerning Labor Standards: Disputes arising out of the labor standards provisions of this Contract shall not be subject to the general dispute's clause of this Contract. Such disputes shall be resolved in accordance with the procedures of the Department of Labor set forth in 29 C.F.R. Parts 5, 6, and 7. Disputes within the meaning of this clause include disputes between ARI-Group (or any of its subcontractors) and HUD or its designee, the U.S. Department of Labor, or the employees or their representatives.-

30.43 Certification of Eligibility:


1. By entering into this Contract, ARI-Group certifies that neither it (nor he or she) nor any Person or firm who has an interest in the ARI-Group's firm is a person or firm ineligible to be awarded Government contracts by virtue of Section 3(a) of the Davis-Bacon Act or 29 C.F.R. 5.12(a)(1) or to be awarded HUD contracts or participate in HUD programs pursuant to 24 C.F.R. Part 24.-----
2. No part of this Contract shall be subcontracted to any person or firm ineligible for award of a Government contract by virtue of Section 3(a) of the Davis-Bacon Act or 29 C.F.R. 5.12(a)(1) or to be awarded HUD contracts or participate in HUD programs pursuant to 24 C.F.R. Part 24.-----

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3. The penalty for making false statements is prescribed in the U.S. Criminal Code, 18 U.S.C. 1001. Additionally, U.S. Criminal Code, Section 1010, Title 18, U.S.C., “Federal Housing Administration transactions”, provides in part: “Whoever, for the purpose of . . . influencing in any way the action of such Administration....makes, utters or publishes any statement knowing the same to be false....shall be fined not more than \$5,000 or imprisoned not more than two years, or both.”-----

30.44 Complaints, Proceedings, or Testimony by Employees: No laborer or mechanic to whom the wage, salary, or other labor standards provisions of this Contract are applicable shall be discharged or in any other manner discriminated against by ARI-Group or any subcontractor because such employee has filed any complaint or instituted or caused to be instituted any proceeding or has testified or is about to testify in any proceeding under or relating to the labor standards applicable under this Contract to his employer.-----

30.45 Health and Safety: The provisions of this paragraph are applicable where the amount of the prime contract exceeds \$100,000:

1. No laborer or mechanic shall be required to work in surroundings or under working conditions which are unsanitary, hazardous, or dangerous to his health and safety as determined under construction safety and health standards promulgated by the Secretary of Labor by regulation.-----

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2. ARI-Group shall comply with all regulations issued by the Secretary of Labor pursuant to Title 29 Part 1926 and failure to comply may result in imposition of sanctions pursuant to the Contract Work Hours and Safety Standards Act, (Public Law 91-54, 83 Stat 96). 40 USC 3701 et seq.-----
 3. ARI-Group shall include the provisions of this paragraph in every subcontract so that such provisions will be binding on each subcontractor. ARI-Group shall take such action with respect to any subcontractor as the Secretary of Housing and Urban Development or the Secretary of Labor shall direct as a means of enforcing such provisions.-----
 4. ARI-Group shall include all of the above-detailed provisions in any and all subcontract agreements and shall be responsible to PREPA for its compliance.---

30.46 No obligation by the Federal Government: The Federal Government is not a party to this Contract and is not subject to any obligation or liabilities to the non-Federal entity, ARI-Group, or any other party pertaining to any matter resulting from the Contract.-----

30.47 General: All contracts shall contain a clause identifying the type of contract and the mandatory clauses contained on the latest released HUD forms, as applicable to the Contract type. All contracts, except for general management consulting services, will include performance requirements and liquidated damages.-----

30.48 Puerto Rico Energy Conservation Plant: ARI-Group must act in compliance, when applicable, with the mandatory standards and policies relating to energy efficiency which are contained in the Commonwealth's energy conservation plan.-----

30.49 Patent Rights: All contracts are subject to the patent rights with respect to any discovery or invention which arises or is developed during or under such Contract in accordance with 37 C.F.R. Section 401.2(a) and 37 C.F.R. Part 401.-----

Article 31. Complete Agreement

The terms and conditions contained herein constitute the entire agreement between PREPA and ARI-Group with respect to the subject matter of this Contract, and supersede all communications, negotiations, and agreements of the Parties, whether written or oral, other than these, made prior to the signing of this Contract. -----

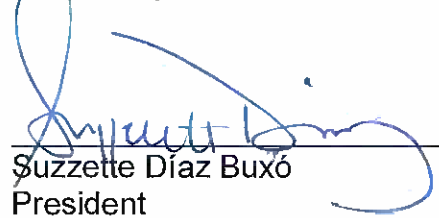
IN WITNESS THEREOF, the Parties hereto sign this Contract in San Juan, Puerto Rico this 17 day of May 2021.-----

**PUERTO RICO ELECTRIC POWER
AUTHORITY**



Efran Paredes Maisonet
Executive Director
Tax ID No. 660-43-3747

ARI-Group, L.L.C.



Suzzette Diaz Buxó
President
Tax ID No. 66-0895759

Puerto Rico Electric Power Authority

Contractor Certification Requirement

The following certification shall be provided to the Puerto Rico Electric Power Authority by the Chief Executive Officer (or equivalent highest rank officer) of each proposed contractor under contracts submitted for review:

1. The expected contractor's subcontractor(s) in connection with the proposed contract¹ is (are) the following:

N/A

2. Neither the contractor nor any of its owners,² partners, directors, officials or employees, has agreed to share or give a percentage of the contractor's compensation under the contract to, or otherwise compensate, any third party, whether directly or indirectly, in connection with the procurement, negotiation, execution or performance of the contract, except as follows:
3. To the best knowledge of the signatory (after due investigation), no person has unduly intervened in the procurement, negotiation or execution of the contract, for its own benefit or that of a third person, in contravention of applicable law.
4. To the best knowledge of the signatory (after due investigation), no person has: (i) offered, paid, or promised to pay money to; (ii) offered, given, or promised to give anything of value to; or (iii) otherwise influenced any public official or employee with the purpose of securing any advantages, privileges or favors for the benefit of such person in connection with the contract (such as the execution of a subcontract with contractor, beneficial treatment under the contract, or the written or unwritten promise of a gift, favor, or other monetary or non-monetary benefit).
5. Neither the contractor, nor any of its owners, partners, directors, officials or employees or, to the best of its knowledge (after due investigation), its representatives or subcontractors, has required, directly or indirectly, from third persons to take any action with the purpose of influencing any public official or employee in connection with the procurement, negotiation or execution of the contract, in contravention of applicable law.
6. Any incorrect, incomplete or false statement made by the contractor's representative as part of this certification shall cause the nullity of the proposed contract and the

¹As used herein, the term "contract" is inclusive of any amendments, modifications or extensions.

²For purposes of this certification, a contractor's "owner" shall mean any person or entity with more than a ten percent (10%) ownership interest in the contractor.

Contractor Certification Requirement
Page 2

contractor must reimburse immediately to the Puerto Rico Electric Power Authority any amounts, payments or benefits received from the Puerto Rico Electric Power Authority under the proposed contract.

The above certifications shall be signed under penalty of perjury by the Chief Executive Officer (or equivalent highest rank officer) in the following form:

"I hereby certify under penalty of perjury that the foregoing is complete, true and correct."

By: Suzzette Diaz

Date: 05/14/2021

Signature: _____

