

GOVERNMENT OF PUERTO RICO
PUERTO RICO ELECTRIC POWER AUTHORITY
PROFESSIONAL SERVICES CONTRACT

-----APPEAR-----

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

AS SECOND PARTY: McGuireWoods, LLP (Consultant), a limited liability partnership formed and existing under the laws of the State of Virginia, United States of America, herein represented by Shelby Sanders Guilbert, Jr., Partner, married, and resident of Georgia who has authority to enter into this Contract by virtue of his position as a McGuireWoods, LLP partner. -----

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

-----WITNESSETH-----

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

WHEREAS, PREPA desires to enter into this Professional Services Contract (Contract) with Consultant for the performance of the Services. -----

WHEREAS, Consultant hereby certifies that it is ready, willing and able to provide the Services pursuant to the terms and conditions set forth herein. -----

NOW, THEREFORE, in consideration of the mutual covenants and Contracts contained in this Contract, hereinafter stated, the Parties agree themselves, their personal representatives, and successors to enter into this Contract under the following: -----

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

Article 1. Scope of Services

1.1 Consultant will advise and assist PREPA as its outside counsel in connection with the following matters: -----

- Management of all aspects of the Hurricane Maria and Earthquake insurance claims including developing the coverage strategy and advising on potential litigation strategy;-----
- Assisting consultants with the preparation of claim reports and loss packages; -----
- Responding to coverage letters from the insurers and their adjusters and attorneys; -----
- Drafting demand letters and advising on potential litigation strategy; -----
- Coordinating the pursuit of insurance recoveries with PREPA's Disaster Funding Management Office (DFMO) and Project Management, Restructuring and Fiscal Affairs Office (PMO) and the Federal Emergency Management Agency (FEMA) claim settlement process; -----

- Regularly updating Fiscal Oversight Management Board's (FOMB) counsel on the status of the claims; -----
- Preparing proofs of loss; -----
- Sending notice to PREPA's creditors of interim payments pursuant to the PROMESA Title III court process; -----
- Assisting with responses to Puerto Rico Energy Bureau (PREB) regarding the insurance claims; -----
- Handling communications with COR3 regarding the insurance claims. -----

1.2 At the direction of PREPA, Consultant 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. Consultant is not responsible for worked performed by others. -----

Article 2. Services Coordination

All the Services of Consultant in relation to the terms and conditions of this Contract will be coordinated through PREPA's Risk Office Administrator or the person delegated by him. -----

Article 3. Contract Assignment or Subcontract

Consultant shall not assign nor subcontract its rights and obligations under this Contract, except in the event PREPA give written authorization for such actions. Provided, that no subcontract shall be considered for PREPA's approval, except when the following requirements are met: (1) Consultant 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 Consultant's rights under the subcontract, in the event that PREPA declares Consultant 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 Consultant's obligations under the Contract (*mirror image clause*), except for such obligations, terms and conditions which exclusively related with 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. -----

Article 4. Contract Term

This Contract shall be in effect from the date of its execution until December 31, 2021 (The Contract Period). The Contract may be extended for one additional year subject to availability of funds and the required authorizations.-----

Article 5. Contract Termination

5.1 Either Party shall have the right to terminate this Contract, at any moment, by providing the other Party a thirty (30) days prior written notice by registered mail, return receipt requested, or overnight express mail to Consultant. 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. Consultant 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 Consultant, without prior written notice. -----

Article 6. Payment

6.1 In accordance with the terms and conditions contained herein, PREPA agrees and Consultant accepts that the total amount to be paid under the Contract shall not exceed a cumulative amount of five hundred thousand dollars (\$500,000), including reimbursable expenses (the "Contract Amount"). All payments to be made under this Contract will be charged to account 01-4019-92319-556-673. 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 Consultant under the Contract.-----

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

PREPA will pay Consultant for the Services according to the hourly rates established by the schedule as follows:-----

NAME	TITLE	RATE
Shelby Guilbert	Partner	\$925
Joseph Englert	Partner	\$810
Laughlin Allen	Associate	\$625
Amy Dehnel	Associate	\$625
John J. Feliciano-Acosta	Associate	\$425
Candy Guerrero	Paralegal	\$250

Should Consultant assign another person not included in the schedule listed above hereto to attend to PREPA's matters pursuant to this Contract, Consultant shall promptly send PREPA an amended schedule to include such person's name and/or position, and request approval from PREPA for such amended schedule and shall require an amendment to the Contract. -----

6.3 Consultant shall immediately notify PREPA when the billing under the Contract amounts seventy-five percent (75%) of the Contract Amount. Once this notification has been issued, Consultant, 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, Consultant shall present an itemized list of the remaining billable Services under the Contract.-----

Article 7. Fees, Expenses and Disbursements

7.1 PREPA should not be billed for (a) time spent in processing conflict searches, preparing billing statements, or in responding to PREPA inquiries concerning

Consultant's invoices; or (b) travel time during which Consultant is billing another client for work performed while traveling. Moreover, PREPA requires that only professional services be billed. Accordingly, PREPA should not be billed for the administrative tasks of creating, organizing, reviewing and/or updating files; routine or periodic status reports; receiving, reviewing, and/or distributing mail; faxing or copying documents; checking electronic mail or converting information to disk. -----

7.2 PREPA will reimburse Consultant for actual costs and expenses related to matters assigned to Consultant and for necessary and reasonable out-of-pocket disbursements, subject to the limitations and exceptions set forth below. Consultant is expected to have a system in place that ensures those who bill time and disbursements to PREPA matters do so promptly and accurately. -----

7.3 PREPA will not reimburse Consultant for: (a) costs included in a 'miscellaneous' or 'other' category of charges; (b) overhead costs and expenses-such as those relating to fees for time or overtime expended by support staff (secretaries, administrative/clerical personnel, internal messengers, and other similar services), word processing and/or proofreading, cost of supplies or equipment, and/or other similar costs of doing business; (f) time spent attending education seminars or training programs; or (h) mark-ups or surcharges on any cost or expense. In addition, if communications are sent to PREPA using more than one medium, PREPA does not expect to pay for the cost of both communications. For instance, if a piece of correspondence is sent to PREPA by email, we do not expect to pay for

the cost of that same correspondence if it is also sent via regular or expedited mail.-

7.4 PREPA will reimburse Consultant for separately itemized expenses and disbursements in the following categories. Consultant shall submit proof of payment: -----

7.4.1 Messenger/courier service – PREPA will reimburse actual charges billed to Consultant for deliveries (including overnight deliveries) where this level of service is required because of time constraints imposed by PREPA or because of the need for reliability given the nature of the items being transported. Appropriate summaries of messenger/courier expenses must reflect the date and cost of the service and the identity of the sender and the recipient or the points of transportation. -----

7.4.2 Travel – PREPA will reimburse actual charges for transportation and hotels reasonable and necessary for effective services to PREPA. PREPA will not pay for any first-class or business-class travel. Summaries of transportation expenses should reflect the identity of the user, the date and amount of each specific cost, and the points of travel. Summaries of lodging and meals expenses should include the identity of the person making the expenditure, the date and amount, and the nature of the expenditure. -----

Travel expenses reimbursement applies for personnel providing the services to PREPA, travel expenses for family members or guests are not chargeable to PREPA or reimbursable. -----

7.4.3 Air Travel- The cost of air travel will be reimbursed up to an amount of \$500 per person per round trip (including: seat assignment, applicable taxes, and other applicable fees); however, if the lowest priced nonrefundable, nonstop economy ticket that is available on a date when Consultant's services are requested exceeds \$500, PREPA will reimburse air travel at the lowest available economy rate as of that date. Consultant shall submit a copy of the airline ticket and paid invoice. Airfare may only be invoiced following completion of travel. -----

Airfare necessary to attend PREPA's official business will be paid by PREPA according to these guidelines. Consultant shall buy an economic class ticket or equivalent, then if desired, he/she may upgrade, but PREPA will only pay the amount corresponding to the economy class or equivalent airfare. Baggage fees will not be reimbursed. -----

Any travel and lodging expense for which a reimbursement is requested shall be reasonable and necessary, and any extraordinary travel and lodging expenses shall be authorized in writing and in advance by PREPA. -----

7.4.4 Maximum Per Diem Rates (no proof of payment will be required): -----

Meals: - \$57 per person for each traveling day for persons working "on-site" at PREPA. Under no circumstances PREPA will reimburse alcoholic beverages. -----

Lodging (standard not smoking room): - \$200 per person, per night. For

avoidance of doubt PREPA will reimburse all lodging applicable fees and taxes. Consultant shall submit hotel paid invoice. Consultant will use the most economical alternative of lodging, including temporary rentals of apartments or rooms (Airbnb like rentals). For travel period longer than five days, temporary rentals shall be coordinated when this temporary rental is less expensive than hotel accommodation, and evidence of said temporary rental shall be provided. -----

Ground Transportation: - \$20 per person, per working day. If a car is rented for the services to be provided, a fixed amount of \$25 per day will be reimbursed for parking expenses, upon presentation of evidence of the car rental (no proof of payment will be required). Taxi from airport to hotel or PREPA will be reimbursed at the regular posted rate. If consultant uses taxi then the daily \$20 per person, will not be allowed.-----

7.4.5 Reimbursable expenses shall not exceed six percent (6%) of the Contract Price in one year and will be reimbursed by PREPA through the presentation of acceptable evidence for such expenses. This limitation does not apply to expenses related to third-party services necessary for Consultant to render its Services under the Contract, given they are previously approved by PREPA. -----

7.4.6 Photocopying/printing – PREPA will reimburse actual charges for outside binding, and printing services and costs of outside photocopying services,

which are not to exceed the actual five (5) cents per page for black and white copies, and twenty-five (25) cents per page for color copies. Summaries of expenditures for copying should reflect both the number of copies made and the cost per copy. -----

7.4.7 Third-Party Services – The approval of PREPA must be obtained in writing prior to retaining any third-party services. Consultant shall be responsible for ensuring that there are no conflicts of interest between any third party and PREPA or between any third-party clients and PREPA. In addition, all arrangements with third-party vendors should include an appropriate undertaking of confidentiality and data privacy. Invoices from third-party vendors should be paid directly by Consultant, incorporated into its invoice to PREPA and should include appropriate detail. Copies of third-party invoices may be requested by PREPA and should be retained in accordance with PREPA's guidelines. -----

7.4.8 PREPA reserves the right to question the charges on any bill (even after payment) and to obtain a discount or refund of those charges that are disputed. At PREPA's request, copies of bills and records reflecting reimbursable expenses must be provided to PREPA. -----

Article 8. Invoices

8.1 Consultant shall submit monthly invoices within the first thirty (30) days following the period invoiced. Consultant 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 by each person. The invoice for professional services shall be itemized, which shall include a brief description of the work performed by each person, and must be duly certified by an authorized representative of Consultant.---

8.2 PREPA will review the invoices within thirty (30) days upon receipt, and if they are in compliance with the requirements set forth in this Contract, it will proceed with payment. Payment is due within thirty (30) days of receipt of the invoice. If any statement remains unpaid for more than sixty (60) days, PREPA agrees that Consultant may cease performing services or terminate the Contract unless arrangements satisfactory to both parties are made in good faith for payment of outstanding statements. 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. -----

8.3 All invoices submitted by Consultant 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".

Consultant's Representative 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, Consultant 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 10. Information and Material Facts

10.1 PREPA shall promptly provide to Consultant all information under the control of PREPA and necessary for Consultant to perform the Services under this Contract and those material facts that Consultant 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 Consultant, which are under its control, are true and complete, and does not constitute misleading or inaccurate information and Consultant shall be entitled to rely on the accuracy and completeness of the documents, data, and other information and material facts.-----

10.2 PREPA will advise in writing Consultant 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 Consultant. -----

Article 11. Information Disclosure and Confidentiality

11.1 Consultant acknowledges the proprietary and confidential nature of all internal, non-public, information systems, financial, and business information relating to

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PREPA and its personnel, its subsidiary corporations and affiliates and their personnel, the Commonwealth of Puerto Rico, its agencies, corporations and/or municipalities and their personnel, now or hereafter provided to Consultant or otherwise obtained by Consultant in the course of rendering services for PREPA (collectively, "Confidential Information"). -----

11.2 Consultant and its employees, affiliates and authorized subcontractors shall keep in strict confidence all Confidential Information, and: (i) shall not make public or disclose any of said materials without the previous written consent of PREPA, provided that Consultant shall be permitted to share financial and other information prepared or provided for purposes of PREPA's SEC Investigation, SEC or other government regulators, as may be required in the course of Consultant's representation of PREPA under this Contract; (ii) shall use the Confidential Information only to perform Consultant's obligations under this Contract; and (iii) will reproduce the Confidential Information only as required to perform Consultant's obligations under this Contract. -----

11.3 "Confidential Information" shall not apply to any information which: -----

- (a) is generally known to the public at the time of disclosure to Consultant or becomes generally known through no wrongful act on the part of Consultant ;-----
- (b) is in Consultant's possession at the time of disclosure otherwise than as a result of Consultant's breach of any legal obligation; -----

- (c) becomes known to Consultant through disclosure by sources other than

Consultant having the legal right to disclose such information; or -----
- (d) is independently developed by Consultant without reference to or reliance
upon the confidential information. -----

11.4 In addition, these provisions shall not prohibit Consultant from making any disclosure pursuant to any subpoena or order of a court or a Governmental or Administrative tribunal which may assert jurisdiction over Consultant; provided that, to the extent legally permissible, Consultant shall promptly notify PREPA of any such disclosure obligations and reasonably cooperate with PREPA's efforts to lawfully avoid and/or minimize the extent of such disclosure.-----

11.5 Consultant will not disclose any Confidential Information relating to the work that Consultant performs under this Contract except as provided herein or by applicable the Rules of Professional Conduct or law. -----

11.6 Consultant may divulge Confidential Information to its employees who need to know such information to fulfill the purposes of this engagement provided that such persons: (i) shall have been advised of the confidential nature of such information and Consultant shall direct them, and they shall agree, to treat such information as confidential and to return all materials to Consultant upon request, but for one copy for record purposes only; and (ii) in each case, such person shall be bound by the terms of this Contract. -----

11.7 Consultant shall return all Confidential Information, as well as any other document that may relate to its work under this Contract, to PREPA within thirty (30) days after date of the expiration or earlier termination of this Contract or destroy such information, certifying that all the information has been returned to PREPA or destroyed, but for electronic information held in archive and/or backup files to the extent such files cannot be deleted without unreasonable effort or expense and created in the ordinary course pursuant to established data backup/archive procedures; provided, however, Consultant may retain its own work product as long as it maintains the confidentiality of PREPA's Confidential Information as otherwise provided in this Contract and other Confidential Information for regulatory, professional liability, and recordkeeping purposes (provided it continues to maintain its confidentiality in accordance with this Contract). During this thirty (30) day period, and except to the extent making such documents available would result in the loss of legal privilege for PREPA, these documents shall be available for inspection by the Office of the Comptroller of Puerto Rico. Such inspection, if undertaken, shall not constitute a waiver of the attorney-client privilege or work product doctrine. -----

11.8 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 Consultant, 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. -----

11.9 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 Consultant 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. Consultant may retain one file copy for its records. -----

Article 12. Rights and Titles

12.1 Consultant will submit any reports reasonably required by PREPA regarding services performed under this Contract. If required by PREPA, at the completion of the assigned tasks, Consultant will submit a final written report describing the work it has performed. This requirement shall not be interpreted as a waiver by PREPA of Consultant's ethical obligation and responsibility of keeping PREPA informed of the progress of the assigned matters. This obligation includes Consultant's commitment to preparing and delivering to PREPA's external auditors, in a timely manner, the legal letters periodically requested in connection with pending or threatened litigation, claims and assessments or loss contingencies, as part of the financial statements audit process for PREPA, its

subsidiaries and affiliates, prepared in accordance with Consultant's policy. Consultant shall not invoice the time spent in preparing a reasonable number of customary letters to auditors, as it is understood that this is an administrative obligation complementary to the services rendered hereunder.-----

- 12.2 All rights, titles and interest in any reports, documents, analyses, investigations and any other by-product conceived or developed by Consultant exclusively for PREPA as a result of performing its obligations under this Contract shall be the exclusive property of Consultant provided, however, PREPA may use in any fashion it wishes any work product provided to PREPA orally and in writing without payment of any further fees and Consultant may maintain and use copies of such work product, including reports, documents, analyses, investigations and any other by-product provided by Consultant. 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 Consultant provided to PREPA under this Contract. ---
- 12.3 All rights, titles and interest in any reports, documents, analyses, investigations and any other by-product conceived or developed by Consultant exclusively for PREPA as a result of performing its obligations under this Contract shall be the exclusive property of PREPA. Consultant 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 Consultant, 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 Consultant under this Contract.-----

Article 13. Copyright

Consultant 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 Consultant or provided to PREPA by Consultant 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 14. 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 15. Independent Contractor

15.1 Consultant shall be considered as an independent contractor, for all material purposes under this Contract, and all persons engaged or contracted by

Consultant for the performance of its obligations herein, shall be considered as its employees or agents, and not as employees or agents of PREPA. -----

15.2 As an independent contractor, Consultant 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 16. 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 17. Conflict of Interest

17.1 Consultant 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. Consultant 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 Consultant. -----

17.2 Consultant 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,

Consultant 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 Consultant when performing its responsibilities under this Contract. -----

17.3 The Parties understand and agree that a conflict of interest exists when Consultant advocates a position or outcome on behalf of any existing or future client that it knows to be contrary to PREPA's interests. Also, any conduct defined in the Rules of Professional Conduct regarding conflict of interests shall apply to Consultant and its personnel. -----

17.4 In the event that any of the partners, directors, agents or employees of Consultant 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. -----

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

17.6 Consultant acknowledges that PREPA's Executive Director shall have the power to intervene with the acts of Consultant 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 Consultant in writing of PREPA's intention to terminate this Contract within a thirty (30) day period. During said period,

Consultant may request a hearing with the Executive Director to present its arguments regarding the alleged conflict of interests. In the event that Consultant 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. -----

17.7 Consultant 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, Consultant shall notify PREPA immediately. -----

Article 18. 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 telecopied, 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 Consultant: Shelby Sanders Guilbert, Jr.
Partner

McGuireWoods, LLP
1230 Peachtree Street, N.E.
Suite 2100
Atlanta, GA 30309-3534

Article 19. Applicable Law and Venue

This Contract shall be governed by and construed in accordance with the laws of the Commonwealth of Puerto Rico. The court and authorities of the Commonwealth of Puerto Rico and the federal courts of the United States shall have jurisdiction over all controversies that may arise with respect to this Contract. The Parties hereby waive any other venue to which they might be entitled by the virtue of domicile or otherwise. Should either party initiate or bring suit or action before any other court, it is agreed that upon application, any such suit or action shall be dismissed, without prejudice, and may be filed in accordance with this provision. -----

Article 20. 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 Consultant's costs when providing the services, shall be Consultant's responsibility and PREPA shall not be obligated to increase the Contract Amount. -----

Article 21. Force Majeure

21.1 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. -----

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21.2 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.-----

21.3 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 22. Novation

22.1 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.-----

22.2 The previous provision shall be equally applicable in such other cases where PREPA gives Consultant 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 23. 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 24. Save and Hold Harmless

Consultant 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 Consultant 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 Consultant.-----

With respect to any indemnity set forth in this Contract, each Party 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. -----

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Article 25. Insurance

Consultant shall secure and maintain in full force and effect during the life of this Contract as provided herein, a policy of insurance covering all operations engaged in by the Contract as follows:-----

a. Professional Liability Insurance:

The Consultant shall provide Professional Liability Insurance with limits of at least \$1,000,000 per claim and at least \$1,000,000 in the aggregate. -----

Furnishing of Policy: -----

The required policy 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. -----

Article 26. Compliance with the Commonwealth of Puerto Rico Contracting Requirements

Consultant 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. In case that Consultant can't provide the following documents by the execution of the Contract, then PREPA shall provide ten additional days to the Consultant to comply with the documents requirement, with the exception of the Anti-Corruption Code sworn statement which shall be provided at the date of the execution of the Contract. -----

A. Certificate of Existence or Certificate of Fact, issued by the country in which it is created. -----

B. A sworn statement in which Consultant will establish and certify: -----

- (i) Consultant's tax identification number, -----
- (ii) The country in which Consultant is incorporated or created, -----
- (iii) That Consultant does not have any tax responsibility in the Commonwealth of Puerto Rico, -----
- (iv) That the compliance with the terms and conditions of this Contract does not make Consultant an entity doing business in Puerto Rico, -----
- (v) That Consultant does not have a local office in the Commonwealth of Puerto Rico. -----

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

D. 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. -----

E. Social Security and Income Tax Retentions: In compliance with Executive Order 1991 OE- 24; and C.F.R. Part 404 et. Seq., Consultant will be responsible for

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rendering and paying the Federal Social Security and Income Tax Contributions for any amount owed as a result of the income, from this Contract. -----

F. Income Tax Retention Law: PREPA shall deduct and withhold twenty-nine percent (29%) of the gross amounts paid for services, in accordance with Section 1062.11 of the Puerto Rico Internal Revenue Code, Act 1-2011, as amended. Consultant will request PREPA not to make such withholdings if, to the satisfaction of PREPA, Consultant timely provides a release from such obligation by the Government of Puerto Rico's Treasury Department. 3 L.P.R.A. § 8611 et seq., 2011 L.P.R. 232; 232-2011. -----

G. Compliance with Act 1-2012 of Governmental Ethics: Consultant 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. -----

H. Act 168-2000: Law for the Strengthening of the Family Support and Livelihood of Elderly People: The Consultant will certify that if there is any Judicial or

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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.-----

- I. 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. -----
- J. 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. -----
- K. 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.-----

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

SSG

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

Q. Provisions Required under Act 14-2004: Consultant agrees that articles extracted, produced, assembled, packaged or distributed in Puerto Rico by enterprises with operations in Puerto Rico, or distributed by agents established in Puerto Rico shall be used when the service is rendered, provided that they are available. -----

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

Article 27. Anti-Corruption Code for a New Puerto Rico

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

SSG

Consultant shall furnish a sworn statement to the effect that neither Consultant nor any president, vice president, executive director or any member of a board of officials or board of directors, or any person performing equivalent functions for Consultant has been convicted of or has pled guilty to any of the crimes listed in Article 6.8 of Act 8-2017, as amended (Act 8-2017), known as the Act for the Administration and Transformation of Human Resources in the Government of Puerto Rico or any of the crimes included in Act 2-2018. -----

Consultant hereby certifies that it has not been convicted in Puerto Rico or United States Federal court for under Articles 4.2, 4.3 or 5.7 of Act 1-2012, any of the crimes listed in Articles 250 through 266 of Act 146-2012, as amended (Act 146-2012), known as the Puerto Rico Penal Code, 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 Consultant is convicted in Puerto Rico or United States Federal court for under Articles 4.2, 4.3 or 5.7 of Act 1-2012, any of the crimes listed in Articles 250 through 266 of Act 146-2012, as amended, known as the Puerto Rico Penal Code, any of the crimes typified in Act 2-2018, or any other felony that involves misuse of public funds or property, including but not limited to the crimes mentioned in Article 6.8 of Act 8-2017. -----

Consequences of Non-Compliance: Consultant expressly agrees that the conditions outlined throughout this Article are essential requirements of this Contract.

SSG

Consequently, should any one of these representations, warranties or certifications be incorrect, inaccurate or misleading, in whole or in part, there shall be sufficient cause for the PREPA to render this Contract null and void, and the Consultant shall reimburse the PREPA all moneys received under this Contract. -----

Article 28. Non-Discrimination

Consultant certifies that it will not discriminate against any employee or applicant for employment on account of race, color, gender, age, sex, national or social origin, social status, political ideas or affiliation, religion, for being or perceived to be a victim of domestic violence, sexual aggression or harassment, regardless of marital status, sexual orientation, gender identity or immigrant status, for physical or mental disability, for veteran status or genetic information.-----

Article 29. Representation

Each of the Parties represents to the other that: -----

- (1) it has the legal power and authority to enter into this Contract and to perform its obligations hereunder, and neither the execution of this Contract nor the performance of its obligations hereunder will violate any Contract or obligation from that party to others; and -----
- (2) the officer or representative who has executed and delivered this Contract on its behalf is authorized to do so. -----

Article 30. Contract Review Policy of the Financial Oversight and Management Board for Puerto Rico

The Parties acknowledge that the Consultant has submitted the certification titled "Contractor Certification Requirement" required in accordance with the Contract Review Policy of the Financial Oversight and Management Board for Puerto Rico, effective as of November 6, 2017 and amended on October 30, 2020, signed by the Consultant's Executive Director (or another official with an equivalent position or authority to issue such certifications). A signed copy of the "Contractor Certification Requirement" is included as an annex to this Contract.-----

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

Article 31. Transfer of skills and technical knowledge

For this Contract, the transfer of skills and technical knowledge required by the Certified Fiscal Plan is inapplicable given the non-recurring or specialized nature of the contracted services.-----

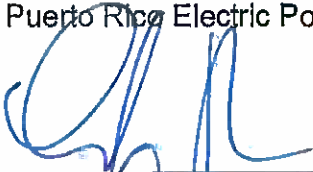
Article 32. Entire Contract

The terms and conditions contained herein constitute the entire Contract between PREPA and Consultant with respect to the subject matter of this Contract, and

supersede all communications, negotiations, and Contracts of the Parties, whether written or oral, other than these, made prior to the signing of this Contract.-----

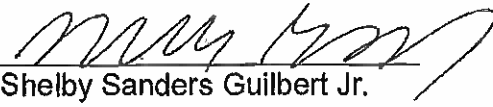
IN WITNESS THEREOF, the Parties hereto sign this Contract in San Juan, Puerto Rico this 22 day of July, 2021. -----

Puerto Rico Electric Power Authority



Efran Paredes Maisonet
Executive Director
Tax ID: 660-403747

McGuireWoods, LLP



Shelby Sanders Guilbert Jr.
Partner
Tax ID: 54-0505857