

COMMONWEALTH OF PUERTO RICO
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 of May 2, 1941, No. 83, as amended, represented in this act by its Chief Executive Officer/Executive Director, Walter M. Higgins, of legal age, married, professional engineer, and resident of San Juan, Puerto Rico. -----

AS SECOND PARTY: Elliott Greenleaf, hereinafter referred to as "Consultant", a Professional Corporation organized and existing under the laws of the Commonwealth of Pennsylvania, represented in this act by Rafael X. Zahraiddin-Aravena, of legal age, married, lawyer, and resident of the State of Delaware, USA, by virtue of the authority given by Corporate Resolution, dated September 12, 2017.-----

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

Now, Therefore, in consideration of the mutual covenants and agreement contained in this Agreement, and other good and valuable consideration, both PREPA and the Consultant herein convene and agree to this Contract under the following:-----

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

Article 1. Scope of Services

- 1.1 In accordance with the terms and conditions set forth herein, Consultant shall provide to PREPA legal representation in connection with claims by or against PREPA in bankruptcy cases in the United States. (Services) -----
- 1.2 PREPA will provide Consultant all necessary information to perform the Services and will ensure that the required information is made available to Consultant in a timely manner.

Article 2. Payment

2.1 In accordance with the terms and conditions contained herein, PREPA agrees and Consultant accepts that the maximum amount to be paid under this Contract shall not exceed a cumulative amount of fifty thousand dollars \$50,000 (Contract Price). PREPA certifies that the funds for the payment of Services rendered under this Contract come from budgetary allocations. All disbursements for such payments shall be made from account 01-4019-92311-556-615. 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. -----

2.2 In accordance with the terms and conditions contained herein, PREPA agrees to pay Consultant for the Services described in the Contract, as set forth in Section 2.3, plus reimbursable expenses as set forth in Article 4 of this Contract.-----

2.3 PREPA shall pay the Consultant as per the following rates:

Elliott Greenleaf Rates	
Rafael X. Zahralddin-Aravena, Esq.	\$625.00 per hour
Shelley A. Kinsella, Esq.	\$465.00 per hour
Eric M. Sully, Esq.	\$465.00 per hour
Jonathan M. Stemerman, Esq.	\$385.00 per hour
Kathryn H. Harmon, Esq.	\$310.00 per hour
Michele Flynn-Paralegal	\$225.00 per hour
Sandra I. Roberts-Paralegal	\$225.00 per hour
Ashley J. Brown-Paralegal	\$210.00 per hour
Alice C. Barone-Paralegal	\$180.00 per hour

2.4 Should the Consultant assign another person not included in this Contract it shall promptly send PREPA an amended schedule to include such person and request approval from PREPA. Such approval shall not be unreasonable withheld. -----

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

Article 3. Reimbursable Expenses

3.1 Consultant shall be reimbursed for all expenses, including travel expenses, incurred on PREPA's behalf, in accordance with Appendix A, Reimbursable Expenses. Travel expenses are defined as the expenses incurred by Consultant when traveling to and from PREPA's offices or other locations necessary to fulfill Consultant's obligations under this Contract. These travel expenses will be subject to PREPA's prior written approval. Such approval shall be obtained by Consultant in writing and prior to being incurred. When travel is urgently required, PREPA will approve or reject the proposed trip within seven (7) calendar days, following email notification of the necessity and business purpose of the travel. PREPA shall not pay for travel time, except for travel time spent on work related to the Services. Payment for travel time shall be made only if the invoice details the Services and the time billed on each matter. Each invoice shall be duly certified by an authorized representative of the Consultant. Consultant's reimbursable expenses shall not exceed eight percent (8%) of the Contract Price. -----

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Article 4. Invoices

4.1 Consultant shall submit its invoices on a monthly basis for the work already performed and the reimbursable expenses incurred during the preceding month, together with any documents or receipts which evidences the expenses incurred. Consultant will provide to PREPA itemized invoices for each billing period. Each invoice will include a description of the professional services rendered and will be detailed and specific and will be substantiated with a description in detail of the services rendered and the number of hours spent on each matter by each member of the team group providing services to PREPA. PREPA will pay such services invoices within sixty (60) calendar days of its approval by PREPA. -----

4.2 Each invoice will also include reimbursable expenses. -----

4.3 All invoices submitted by Consultant shall include the following Certification in order to proceed with its payment: -----

"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 Agreement. The only consideration to be received in exchange for the delivery of goods or for 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

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 providing Services also make the certification set forth above in any invoices submitted in connection with the Services. ---

Article 5. Puerto Rico Treasury Department Withholding

5.1 The Contractor is an independent contractor and as such shall be responsible for the payment of all of its income taxes, its subcontractors and its individual and employers' withholdings under the applicable tax laws of Puerto Rico or the U.S. Internal Revenue Code. PREPA will deduct and withhold at the source to the Contractor the equivalent of seven percent (7%) from payment for services rendered under this Agreement in Puerto Rico, in compliance with the New Puerto Rico Internal Revenue Code, Law 1-2011, Section 1062.03, as amended. Notwithstanding the aforementioned, the withholding to be done by PREPA as herein stated could be increased to twenty percent (20%) in the event that the Contractor is a non-resident individual, which is a U.S. citizen, as provided by the New Puerto Rico Internal Revenue Code, section 1062.08; or twenty-nine percent (29%) in the event that the Contractor is a non-resident and non U.S. citizen individual; or a foreign corporation or partnership which is not dedicated to industry or business in Puerto Rico, as provided by the New Puerto Rico Internal Revenue Code, section 1062.08. PREPA shall provide a certificate stating that such tax withholding was collected. -----

If a Release Letter has been issued to the Contractor by the Treasury Department, the Contractor shall be responsible to submit a copy of said Release Letter to PREPA for every calendar year; otherwise, payments under the Agreement shall remain subject to withholding at source. All invoices shall be segregated by concepts (services, materials, equipment, etc.), to identify the amounts subject to withholding and avoid undue deductions. -----

5.2 PREPA will deduct and withhold a Special Contribution to Consultant the equivalent of one point five percent (1.5%) from payment for Services under this Contract, in compliance with Article 1, Law 48-2013. PREPA shall forward such amounts to the Department Treasury of Puerto Rico and, within thirty (30) days after paying any amount to the Department of Treasure of Puerto Rico, PREPA shall deliver evidence satisfactory to the Consultant of such payments.-----

Article 6. Contract Term

Subject to Article 7, Contract Termination, this Contract shall be in effect beginning on the date on which all parties have signed the Contract until June 30, 2018. -----

Article 7. Contract Termination

7.1 PREPA shall have the right to terminate this Agreement with thirty (30) days prior written notice to the Consultant. Moreover, PREPA shall have the right to terminate this Agreement immediately in the event of negligence, dereliction of duties or noncompliance by the Consultant-----

7.2 PREPA shall not pay any fees and expenses when the termination was caused by the Consultant's negligence, dereliction of duties or noncompliance with the terms and conditions of the Contract.-----

7.3 PREPA's right to terminate, cancel or rescind the Contract shall not be understood as a waiver to any other remedy it may have under this Contract or under the law for delays or breach incurred by the Consultant in the performance of its obligations or compliance with its requirements under the Contract.-----

Article 8. Certifications or documents required by law

- 8.1 In accordance to Circular Letter No. 1300-16-16 of the Puerto Rico Treasury Department, the Consultant shall provide a copy of its Articles of Incorporation. Also, it shall provide a sworn statement in which states its tax identification number, certifying that the Consultant does not have any tax responsibility in the Commonwealth of Puerto Rico and that the compliance with the terms and conditions of the Contract does not make Consultant an entity doing business in Puerto Rico. The Consultant recognizes that this sworn statement will be subject to the penalty of perjury as typified in Puerto Rico's Penal Code. Notwithstanding, the Consultant shall submit a Certification, issued by the Puerto Rico Administration for Child Support Administration, assuring that Consultant is in compliance with the withholdings required by law as an employer.-----
- 8.2 The Consultant hereby certifies that if there is any Judicial or Administrative Order demanding payment or any economic support under Act. No. 168-2000, as amended, the same is current and in all aspects in compliance. -----
- 8.3 The Consultant hereby agrees to comply with the provisions of Act No. 2-2018, known as the Anti-Corruption Code for the New Puerto Rico. The Consultant hereby certifies that it does not represent particular interest in cases or matters that imply a conflict of interest, or of public policy, between the executive agency and the particular interests it represents.-----
- 8.4 Consultant shall furnish a sworn statement to the effect that neither Consultant nor any president, vice president, executive director or any member of a board of officials or board of directors, or any person performing equivalent functions for Consultant has been convicted of or has pled guilty to any of the crimes listed in Article 6.8 of



Act 8-2017, as amended, known as the Act for the Administration and transformation of Human Resources in the Government of Puerto Rico or any of the crimes included in Act 2-2018.-----

8.5 Consultant hereby certifies that it has not been convicted in Puerto Rico or United States Federal court for under Articles 4.2, 4.3 or 5.7 of Act 1-2012, as amended, known as the Organic Act of the Office of Government Ethics of Puerto Rico, any of the crimes listed in Articles 250 through 266 of Act 146-2012, as amended, known as the Puerto Rico Penal Code, any of the crimes typified in Act 2-2018, as amended, known as the Anti-Corruption Code for a New Puerto Rico or any other felony that involves misuse of public funds or property, including but not limited to the crimes mentioned in Article 6.8 of Act 8-2017, as amended, known as the Act for the Administration and Transformation of Human Resources in the Government of Puerto Rico.-----

8.6 PREPA shall have the right to terminate the agreement in the event Consultant is convicted in Puerto Rico or United States Federal court for under Articles 4.2, 4.3 or 5.7 of Act 1-2012, as amended, known as the Organic Act of the Office of Government Ethics of Puerto Rico, any of the crimes listed in Articles 250 through 266 of Act 146-2012, as amended, known as the Puerto Rico Penal Code, any of the crimes typified in Act 2-2018, as amended, known as the Anti-Corruption Code for a New Puerto Rico or any other felony that involves misuse of public funds or property, including but not limited to the crimes mentioned in Article 6.8 of Act 8-2017, as amended, known as the Act for the Administration and Transformation of Human Resources in the Government of Puerto Rico.-----



Article 9. Legal and Regulatory Compliance

- 9.1 Consultant shall comply with all laws and regulatory requirements applicable to the Services it provides under this Contract. In particular, Consultant shall comply with those laws and regulatory requirements that apply to Consultant as a company authorized to conduct their relevant business in the United States. -----
- 9.2 PREPA, its officers, agents and employees shall comply with all laws and regulatory requirements to which it is subject. -----
- 9.3 The Parties agree to indemnify and hold harmless the other Party to the Contract for those damages and claims, up to an amount not exceeding the fees paid to Consultant in this engagement, which may arise from gross negligence or willful misconduct and results in the failure of its obligations to perform and comply with this Contract, or breaches any applicable laws and regulatory requirements. -----

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. -----

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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. Liability

11.1 Matters relating to the organization and structure of the Consultant and individual liability of its partners are governed by the law of State of Delaware, where Consultant is organized. To the extent appropriate, the Delaware Rules of Professional Conduct shall also be applied. -----

11.2 To the fullest extent permitted by law, neither party nor its subsidiaries or affiliates shall be liable to the other party or its clients, customers, agents, contractors or subcontractors, or their shareholders, officers, directors, employees, affiliates and subsidiaries for any loss of profit or revenue, loss of use, loss of opportunity, loss of goodwill, cost of capital, or any special, indirect, consequential, incidental, exemplary, or punitive damages arising out of or in connection with this Contract. In no event will the liability of either party, or their shareholders, officers, directors, employees, affiliates and subsidiaries, exceed the amount of fees paid or payable under this Contract. -----

11.3 Each party agrees to release, indemnify, defend, save and hold harmless the other from and against any and all claims, damages, injuries, losses, expenses (including reasonable attorney's fees and legal costs) and other liabilities of any kind, up to an amount not exceeding the fees to be paid to Consultant in this engagement, and arising in any manner out of gross negligence or willful misconduct, related to this Contract or the performance, non-performance of the Services, to the extent that such claims, damages, injuries, losses, expenses (including reasonable attorney's fees and legal costs) and other

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liabilities are in excess of or outside the scope of the limitations or exclusions of liability to which each party is entitled under this Contract.-----

11.4 Consultant acknowledges that it is liable for damages caused by its negligent acts or omissions and that it carries sufficient professional liability insurance. -----

11.5 Consultant shall make, use, provide, and take all proper, reasonably necessary and sufficient precautions, safeguards, and protection against the occurrence or happenings of injuries, death and/or damages to any person or property during the progress of the work.-----

Article 12. Other Services

PREPA will be responsible for engaging the services of such other advisers as those may be required in connection with matters in which Consultant is advising, and Consultant shall not be responsible for the actions, errors or omissions of such advisers or any of their respective employees, contractors, subcontractors or agents or any claims, damages, injuries, losses or other liabilities resulting there from. -----

Article 13. Independent Contractor

13.1 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. -----

13.2 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 14. Warranty

14.1 Consultant warrants that it 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 Consultant not fulfill the above established Standard, Consultant 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 Consultant 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 Consultant's may have caused to it by rendering such deficient Services.-----

14.2 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 Consultant. ----

Article 15. Information Disclosure and Confidentiality

15.1 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 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. -----

15.2 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 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. -----

15.3 The term “confidential information” shall include, but not be limited to, all information provided to Consultant by PREPA or at PREPA’s direction regarding its facilities or operations and any and all information gathered or developed by Consultant regarding the same. The Parties further agree that proprietary records and documents related to Consultant’s business operations are confidential to Consultant, and will not be disclosed to PREPA or other Parties, except as ordered by the court. 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.

15.4 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.-----

15.5 If this Contract terminates for any reason, Consultant shall maintain in strictest confidence both; during the term of this Contract and subsequent to termination of this



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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 Consultant 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 Consultant 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 Consultant. -----

15.6 The above provisions do not apply with respect to information, which Consultant is requested to disclose under applicable law and regulations, court order, subpoena or governmental directives, in which case Consultant shall provide PREPA prompt notice of such request in order to procure for PREPA a reasonable opportunity to oppose such disclosure. Consultant 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.-----

15.7 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 16. Rights and Titles

16.1 If applicable all rights, titles and interest in any reports, documents, analyses, investigations and any other by-product conceived or developed by the Consultant exclusively for PREPA as a result of performing its obligations under this Contract shall be the exclusive property of PREPA. The 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 the 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 the Consultant under this Contract.-----

16.2 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. -----

16.3 If applicable, PREPA shall retain the right to use, refer, share, or provide to any third party, as PREPA may determine, the results of any study, report, investigation or any other by-product of the Services performed by Consultant under this Contract provided that such use, reference or sharing with third Parties will be done at the sole risk of PREPA and without any liability to Consultant. PREPA shall also retain the right to coordinate the performance of said studies, reports or investigations in those situations where the performance of said studies, reports or investigations may be required by any other of PREPA's contractors and may include the same objective or scope.-----

Article 17. 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 18. Conflict of Interest

18.1 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. -----

18.2 Consultant acknowledges that in executing the consulting services pursuant to this Contract it has a duty of complete loyalty towards PREPA which includes not having adverse interests to those of PREPA related to the Services. Those adverse interests include representation of clients which have or may have opposed interests to those of PREPA in relation to the Services. Also, Consultant shall have the continuous obligation to disclose to PREPA all information and circumstances of its relations with clients and third persons and any interest which could reasonably influence PREPA when executing this Contract or during its term. -----

18.3 Any conduct defined in the Delaware Rules of Professional Conduct regarding conflict of interests shall apply to Consultant and its personnel. -----

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18.4 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.-----

18.5 PREPA acknowledges that Consultant frequently appears in bankruptcy cases pending in various jurisdictions and normally represents multiple parties within the same bankruptcy proceedings. PREPA consents to Consultant's representation of other parties in the main bankruptcy cases, adversary actions, and in other cases and transactions regardless of whether PREPA is involved in such cases, provided that any other party represented or to be represented by Consultant is of the same class of creditor as PREPA, and that no actual conflict exists that would impair Consultant's ability to represent PREPA. Consultant agrees to confer with PREPA to determine if any potential conflict exists as part of the Consultant's conflict check procedures for any new client of the Consultant which would implicate the Delaware Lawyers' Rules of Professional Conduct.-----

As part of this conflict review, PREPA would be consulted and a waiver in writing would be required for each individual new client, including a written waiver of PREPA, which meets this standard and PREPA agrees to not withhold such waiver commercially unreasonably. This waiver in writing by PREPA allows for the client to take advantage of any economies of scale or other cost saving opportunities that would present themselves with the representation of similarly situated clients in a large bankruptcy case. The Consultant often actively seeks to represent multiple parties in a bankruptcy matter in order to share common costs across clients. While some costs will solely involve individual transactions pertinent to PREPA, to the extent the court holds omnibus

hearings (common practice in bankruptcy court) and there are common issues and tasks related to filing an answer, responding to discovery, engaging an expert, etc. the clients will be able to take advantage of the collective effort by Consultant on behalf of multiple clients. If PREPA engages Consultant in a timely manner, research and preliminary analysis common to a defense in a case can also be apportioned between multiple clients. -----

18.6 Consultant acknowledges that the Executive Director of PREPA 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 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.-----

Article 19. 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: Walter M. Higgins
Chief Executive Officer/Executive Director

To Consultant: 1105 North Market Street, Suite 1700
Wilmington, DE 19801

Attention: Elliott Greenleaf
c/o Rafael X. Zahraiddin-Aravena, Esq.

Article 20. Governing Law

This Contract shall be governed by and construed in accordance with the laws of the Commonwealth of Puerto Rico and any federal law and/or regulation if applicable. To the extent appropriate, the Delaware Rules of Professional Conduct shall be applied. Also, the Parties expressly agree that the United District Court for the District of Puerto Rico will be the court 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 21. Change in Law

During the Original Term of this Contract, any change in law, including, but not limited to, changes in applicable tax law, which causes an increase in Consultant's costs when providing the Services to be acquired by PREPA, shall be Consultant's responsibility, and PREPA shall not be obliged to increase the Contract Price.-----

Article 22. Force Majeure

22.1 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. -----

22.2 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.-----

22.3 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 23. Novation

23.1 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.-----

23.2 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. -----

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Article 24. Contract Assignment

The 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) the 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 Consultants' rights under the subcontract, in the event that PREPA declares the 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 Consultants' 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. These services shall be paid as part of the maximum total amount to be paid under this Contract, as stated in Article 2.1. -----

Article 25. 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 26. Insurance

The Consultant shall secure and maintain at its sole expense, in full force and effect during the life of this Contract as provided herein, policies of insurance covering all operations engaged in by the Consultant, as follows:-----

A. Professional Liability Insurance

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

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. -----

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

Article 27. Copyright

27.1 Consultant shall 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. PREPA shall promptly notify in writing Consultant of any claim or potential claim and give Consultant the authority, information, and assistance reasonable and necessary for the defense of such claim. In the event a court of competent jurisdiction finds that Consultant have infringed a copyrighted or patented material used in the performance of this Contract, Consultant shall pay damages and



costs awarded therein against the other non-infringing Party that arise solely due to errors or omissions by Consultant.-----

27.2 If, in such suit, the document, report, study, analysis, copyrighted composition, article or any by-product of those or any part thereof is held to constitute infringement and its use is enjoined, Consultant, shall rectify the part of the Services affected by such determination, as provided in Article 15 of this Contract. -----

Article 28. Transfer of Funds

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

Consultant acknowledges and agrees that PREPA may deduct any amount, due or payable under this Contract that Consultant owes; Consultant also acknowledges and agrees that PREPA's payment obligation under any assignment of funds will cease upon payment of the outstanding amounts under this Contract. PREPA shall not be required to make payments or transfer any funds under this Contract. -----

Consultant shall include with its notice of assignment of funds a cashier's check or money order for two hundred dollars (\$200), payable to "Puerto Rico Electric Power Authority", to cover administrative costs in processing such assignment.-----

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Article 29. Miscellaneous

The demand to comply with the obligations of either party under this Contract will be subject to the filing of the Contract by PREPA at the Office of the Comptroller of the Commonwealth of Puerto Rico, in compliance with Act No. 18 of October 30, 1975, as amended. Consultant shall not request any payment for the Services under this Contract until the Contract has been registered by PREPA at the Office of the Comptroller of Puerto Rico as established in Act 18-1975, as amended. PREPA shall cause a copy of this Contract to be filed with the Office of the Comptroller of the Commonwealth of Puerto Rico within the applicable time period following the execution hereof, in compliance with the provisions of Act No. 18 of October 30, 1975, as amended. 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 Commonwealth of Puerto Rico. -----



Article 30. Dispensation

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

Article 31. Rules of Professional Ethics

The 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. -----

Article 32. Interagency Services Clause

Both contracting parties acknowledge and accept that the contracted services may be rendered to any entity of the Executive Branch with which the contracting entity enters into an interagency agreement with or as determined by the office of the Chief of Staff. These services shall be rendered under the same terms and conditions with respect to work hours and compensation,



as set forth in this agreement. For purposes of this provision, the term "entity of the Executive Branch" includes all agencies of the Government of Puerto Rico as well as all instrumentalities and public corporations and the Office of the Governor.-----

Article 33. Termination Clause Required under Section XI of Joint Memorandum 2017-001 of the Governor's Chief of Staff and the Office of Management and Budget

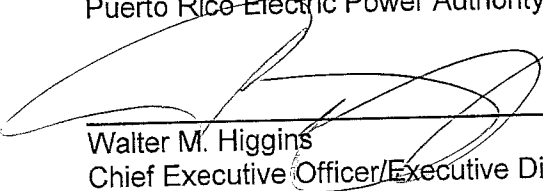
The office of the Chief of Staff shall have the authority to terminate this agreement at any time.

IN WITNESS THEREOF, the Parties hereto sign this Contract in San Juan, Puerto Rico this

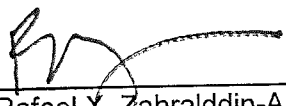
31 date of May of 2018. -----

Puerto Rico Electric Power Authority

Consultant



Walter M. Higgins
Chief Executive Officer/Executive Director



Rafael X. Zahralddin-Aravena, Esq.
Elliott Greenleaf, P.C.
Director

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APPENDIX A

Reimbursable Expenses

- Travel expenses - any travel and lodging costs related to the Services rendered under this Agreement require prior approval by PREPA in writing. Travel expenses reimbursement applies for the personnel providing the Services described in the Agreement; travel expenses for family members or guests are not chargeable to PREPA or reimbursable.
 - The cost of air travel will be reimbursable up to an amount that is no more than the advance purchase of the lowest available economy airfare (including applicable taxes). The Consultant shall submit a copy of the original airline ticket or paid travel agency invoice. Airfare may only be invoiced following completion of travel. In the event of a scheduled trip that has to be cancelled, PREPA will assume the cost of the penalty fee.
 - Baggage fees will be reimbursed. Evidence of incurred costs shall be submitted by the Consultant. However, PREPA will not reimburse costs attributable to excess baggage fees.
 - Lodging (standard non-smoking room): PREPA will reimburse the Consultant up to the amount of \$160 per person for a travel period of twelve nights or less. Lodging costs will be reimbursed by PREPA upon presentation of acceptable evidence for such expenses.
 - For travel periods longer than twelve (12) nights, long term rental for lodging and/or transportation should be considered by Consultant and if more cost effective, shall be coordinated and evidence shall be provided. Rental expenses shall not exceed \$1,300 per month.
- Third-Party Vendors and/or Out of Pocket Expenses: PREPA shall reimburse Consultant for costs that may be invoiced to Consultant by third party vendors for goods or services (related, for example, to tele-communication services, research, print materials, court reporters, messengers or media space) necessary to support the Services and provided exclusively for the benefit of PREPA.

The maximum per diem rates are as follows:

- Meals: PREPA will reimburse the Consultant, \$50 per person (team member) for each day in Puerto Rico.
- Incidental expenses: PREPA will refund the Consultant, \$12 per person (team member) for each day in Puerto Rico. (Examples: laundry, dry cleaning and pressing; gratuities)

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and tips paid to porters, waiters, bellboy, and hotel maids inside the lodging facility; any charges, fees, or other associated costs related to the making of reservations or other accommodations for travel).

- Transportation: Taxi or similar transportation fares to and from airports, PREPA and hotels, and other necessary ground transportation costs will be reimbursed for transportation in the San Juan metropolitan area at a per diem rate of \$20 per person.
- The cost for and economy car rental will be reimbursed at a maximum daily rate of \$40 (party of three) to cover expenses for car and parking fees. Prior approval from PREPA shall be required.
- Personal or rented car mileage will be reimbursed at \$0.60 per mile to cover expenses for fuel and tolls. Other than approved mileage, no other proof of payment of these expenses will be required.

Non Reimbursable Expenses

Examples of expenses that will not be reimbursed include the following:

- alcoholic beverages, entertainment;
- travel insurance;
- parking fines;
- charges incurred because of indirect travel for personal reasons;
- family expenses