

PROFESSIONAL SERVICES AGREEMENT

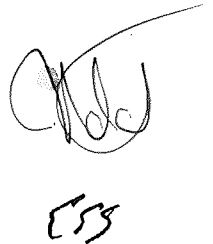
by and between

THE PUERTO RICO PUBLIC PRIVATE PARTNERSHIPS AUTHORITY

and

FTI CONSULTING, INC.

Dated as of September 4 , 2019

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PROFESSIONAL SERVICES AGREEMENT

This Professional Services Agreement (the "Agreement") for financial consulting and advisory services is made and entered into as of this 4th day of September, 2019, by and between **THE PUERTO RICO PUBLIC PRIVATE PARTNERSHIPS AUTHORITY**, a public corporation of the Government of Puerto Rico, established and authorized to enter into this Agreement by Act No. 29-2009, as amended, and represented herein by its Chief Operating Officer Nelson Pérez Méndez, of legal age, attorney, married, and resident of Trujillo Alto, Puerto Rico (the "Authority") and **FTI CONSULTING**, a corporation incorporated under the laws of the state of Maryland, USA with its executive headquarters in Washington DC, represented herein by its Senior Managing Director Ellen Smith, of legal age, married, consultant, and resident of Newburyport, MA, USA (the "Consultant"), and together with the Authority, the "Parties".

RECITALS

WHEREAS, the Authority, by virtue of the powers conferred to it under the Public-Private Partnerships Act, Act No. 29 of June 8, 2009, as amended ("Act 29"), is authorized to engage professional, technical and consulting services that are necessary and convenient to the activities, projects, and operations of the Authority.

WHEREAS, on July 24, 2019, the Consultant submitted to the Authority a proposal for financial advisory and consulting services in connection to certain Puerto Rico Electric Power Authority Public-Private Partnerships Projects (the "Puerto Rico Electric Power Authority Projects"), attached hereto as **Appendix A** and made a part of this Agreement (the "Proposal").

WHEREAS, after considering the Proposal, the Authority wishes to engage the Consultant to act as advisor to the Authority and the Government of Puerto Rico to provide financial advisory and consulting services in relation to the Puerto Rico Electric Power Authority Projects.

WHEREAS, the Consultant is willing to provide such services.

WHEREAS, the Authority is authorized to enter into this Agreement pursuant to Resolution 2019-34 of the Board of Directors of the Authority.

NOW, THEREFORE, the Authority and the Consultant agree to enter into this Agreement under the following:

TERMS AND CONDITIONS

ARTICLE I

PURPOSE OF AGREEMENT; TERM

Section 1.1 Purpose of Agreement. The Authority engages the Consultant to provide financial consulting and advisory services to the Authority in connection with the Puerto Rico Electric Power Authority Public-Private Partnerships Projects, as detailed in the Proposal. In the event that the Authority desires to engage the Consultant to advise the Authority in any other

matter that is not within the scope of the Proposal, the Parties shall negotiate in good faith a separate agreement or an amendment hereto with respect to such mandate.

Section 1.2. Term. This Agreement shall be in effect from the date of its execution until June 30, 2020 (the "Expiration Date"), provided that the Expiration Date may be extended by amendment executed in writing by both Parties.

ARTICLE II

SCOPE OF SERVICES; ADVICE AND RECOMMENDATIONS; SUBCONTRACTING

Section 2.1 Scope of Services. Subject to the terms and conditions of this Agreement, the Consultant's services shall be consistent with the provision of the deliverables, tasks and services described in the Proposal and such other tasks delegated to it by the Authority and within the capabilities of the Consultant.

Section 2.2. Advice and Recommendations. The services to be provided under this Agreement may include advice and recommendations for the benefit of the Authority and/or the Government of Puerto Rico, but the Consultant will not make any decisions on behalf of the Authority or the Government of Puerto Rico in connection with the implementation of such advice and recommendations.

Section 2.3 Subcontracting. Except as set forth in the Proposal (Appendix A), the Consultant shall not subcontract the services under this Agreement, or contract third-party experts or other persons to render the services under this Agreement, without prior written authorization from the Authority. The Authority has approved Arup as a subcontractor, as defined in the Proposal, specifically to provide technical engineering services. However, any work performed by Arup must be approved by the Authority in advance of the work actually being performed. A request to hire another service consultant shall specify the matters in which the sub-contracted consultant would take part.

ARTICLE III

COMPENSATION; INVOICES; OUT OF POCKET EXPENSES


Section 3.1 Professional Fees. The Authority shall compensate the Consultant for the actual time incurred in delivering the services and completing the tasks, assignments and deliverables set forth in **Appendix A**, at the applicable hourly rates listed in the Budget/Level of Effort Schedule provided in **Appendix A** of this Agreement.

The total amount to be paid by the Authority in relation to the services rendered under this Agreement shall not exceed TWO MILLION DOLLARS (\$2,000,000.00), including reimbursable expenses, unless otherwise agreed to by the Parties. The Consultant will submit monthly invoices to the Authority within thirty (30) days of performing the services being provided, which shall include a detailed description of the services rendered by the Consultant. Each invoice shall be itemized with entries for fractions of an hour based on quarter of an hour (.25) and must be duly certified by an authorized representative of the Consultant. The Authority will not honor invoices submitted after one hundred twenty (120) days of services having been rendered. The Consultant accepts and agrees to this requirement, and understands that if it does not comply accordingly, it waives its right to payment for rendered services covered by such invoices. The Authority reserves

the right to review the invoices and if they are in compliance with the requirements set forth in this Agreement, it will proceed with payment.

The Consultant agrees to notify the Authority within five (5) working days after having reached 75% of the maximum amount to be paid under this Agreement. The written notification shall include a detailed report of projected services for the duration of the Agreement that entail a possible increase to the limit established and a request addressed to the Executive Director to increase said amount. The Consultant hereby agrees to comply with these responsibilities with respect to the notification requirements and the report to be submitted. Furthermore, the Consultant understands and accepts that it may not exceed the amount established in the Agreement unless and until the Agreement is amended accordingly and the increase is authorized by the Authority. If the Consultant does not comply with these requirements, it waives its rights to payment for services rendered, even after they have been provided. The Authority acknowledges and understands that to the extent services are required of the Consultant beyond the "not-to-exceed" fee cap above, the Consultant cannot provide those additional services until the Authority agrees to pay additional compensation and expenses, and the Agreement is amended in writing accordingly.

Each invoice must include a written certification stating that no officer or employee of the Authority will derive or obtain any benefit or profit of any kind from this Agreement, with the acknowledgment that invoices which do not include this certification will not be paid. This certification must read as follows:



"We certify under penalty of nullity that no public servant of the Puerto Rico Public-Private Partnerships Authority 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 services provided is the agreed-upon price that has been negotiated with an authorized representative of the Puerto Rico Public-Private Partnerships Authority. The total amount shown on this invoice is true and correct. The services have been rendered, and no payment has been received in respect thereof."

All invoices shall be in portable document format (PDF), signed and transmitted by electronic mail transmission to the following electronic mail address: InvoiceP3@p3.pr.gov.

The Consultant agrees to submit checking account transfer data to the Authority in order to facilitate future payments by means of electronic transfers. In addition to any other remedies available at law, Consultant reserves the right to stop providing Services in event any invoice amounts are not paid within sixty (60) days of the invoice date.

Section 3.2 Travel and Out of Pocket Expenses


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(a) The Authority will reimburse the Consultant on a monthly basis for out of pocket expenses directly related to the services rendered under this Agreement, including, but not limited to, travel and lodging, filing fees, taxi fares, delivery expenses, and services such as overnight mail, courier and messenger charges.

(b) Any expense for which a reimbursement is requested shall be reasonable and necessary, and any expenses exceeding FIVE THOUSAND DOLLARS (\$5,000.00) individually shall be authorized in writing and in advance by the Authority. The Authority will not reimburse expenses which do not comply with this provision. Under no circumstances will expenses for alcoholic beverages be reimbursed.

(c) Any petition for reimbursement of expenses must be accompanied by the corresponding invoice or receipt and shall specify the relation of the expense to the services rendered. All reimbursements shall be for actual expenses incurred and shall be billed at cost.

ARTICLE IV INFORMATION; CONFIDENTIALITY

 **Section 4.1. Information Provided by the Consultant.** No information or advice provided or materials prepared by the Consultant as a result of its activities hereunder may be disclosed, in whole or in part, or summarized, excerpted from or otherwise referred to a third party outside of the Executive Branch (other than, on a confidential, non-reliance, need to know basis, to the Authority's employees, advisors, counsel and other representatives) without the Consultant's prior written consent, which shall be conditioned on the execution of a release letter in the form provided by Consultant unless compelled by law or court order. In addition, the Authority agrees that any reference to the Consultant in any press release or communication is subject to the Consultant's prior written approval, which may be given or withheld in its reasonable discretion, for each such reference. The Authority shall retain the right to use, refer, share, or provide to any third party, as the Authority may determine, the results of any: analyses, investigation summaries; and, written reports resulting from the Services performed by the Consultant that were specifically designated as a final deliverable that were provided to the Authority under this Agreement.

Section 4.2. Confidential Information.

(a) The Consultant acknowledges the proprietary and confidential nature of all internal, non-public, information systems, financial, and business information relating to the Authority, as well as to the Government of Puerto Rico, its agencies, corporations or municipalities, now or hereafter provided to the Consultant (the "Confidential Information").

(b) The Consultant and its Representatives (as defined below) shall keep in confidence in accordance with the terms of this Agreement all such Confidential Information and shall not, except as otherwise set forth herein, make public or disclose any of said information without the previous written consent of the Authority. The Consultant and its Representatives may use the Confidential Information in connection with providing the services contemplated by this Agreement. The term Confidential Information shall not include information which (i) is previously known to the Consultant and/or its Representatives, (ii) is available to the public prior

to the time of disclosure hereunder, (iii) subsequent to the time of disclosure hereunder, becomes available to the public other than as a result of a breach of this Agreement by the Consultant, (iv) subsequent to the time of disclosure hereunder becomes available to the Consultant or its Representatives by a third party who, to the knowledge of the Consultant, is under no obligation to keep the information confidential, (v) is independently developed by the Consultant without reference to the Confidential Information or (vi) is approved for disclosure or release by the Authority.

(c) Notwithstanding the above, the Consultant and/or its Representatives, as applicable, may disclose Confidential Information to (a) its affiliates and approved subcontractors and their respective directors, officers, employees, agents, consultants, advisors and/or representatives (such individuals receiving Confidential Information hereunder, collectively, the "Representatives") who need to know such Confidential Information to fulfill the purposes of this Agreement, provided that such persons shall have been advised of the confidential nature of such materials and information and the Consultant shall direct them to treat as confidential such information and to return all materials to the Consultant upon request; provided, that the Consultant shall be responsible for any breach of this Agreement by its Representatives and (b) pursuant to a request or requirement by law, regulation or governmental, regulatory or self-regulatory authority or legal process (including by oral questions, interrogatories, requests for information or documents, subpoena, civil investigative demand or other process) to provide such Confidential Information.

(d) The Consultant will promptly, upon the written request of the Authority, deliver to the Authority, or at the Authority's election, destroy all Confidential Information; provided, however, that the Consultant and its Representatives may retain copies of Confidential Information, subject to the confidentiality terms of this Agreement, in accordance with their respective internal record retention policies for legal, compliance or regulatory purposes or to establish the rights of the Consultant and its Representatives under this Agreement.

(e) This provision shall survive the termination or expiration of this Agreement for a period of two (2) years.

ARTICLE V BREACH; TERMINATION

Section 5.1 Breach of Contract Terms. Any violation or breach of terms of this Agreement on the part of the Consultant or the Consultant's subcontractors, if any, may result in the suspension or termination of this Agreement or such other action, including the recovery of damages (such damages to be limited as per Section 6.1(a) herein) that may be necessary to enforce the rights of the Authority. The duties and obligations imposed by the Agreement and the rights and remedies available thereunder shall be in addition to, and not a limitation of, any duties, obligations, rights and remedies otherwise imposed or available by law.

Section 5.2 Termination with or Without Cause. Notwithstanding any provision to the contrary in this Agreement, the Authority shall have the right to terminate this Agreement without cause by providing the Consultant thirty (30) days' notice by registered mail, return receipt requested, or overnight express mail. Any provisions of this Agreement which expressly or by

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implication are intended to survive its termination or expiration will survive and continue to bind the Parties. The Authority shall also have the right to terminate this Agreement immediately, without prior notice, if the Consultant incurs in negligence, abandonment of its obligations and/or breach of the terms of the Agreement. The Consultant may terminate this Agreement if it determines any part of the services rendered hereunder would be in conflict with law or professional standards.


Section 5.3 Termination by the Office of the Governor's Chief of Staff. The Office of the Governor of Puerto Rico's Chief of Staff has the authority to terminate this Agreement at any time on behalf of the Authority.

Section 5.4 Upon any termination or expiration of this Agreement, the Authority shall promptly pay the Consultant any accrued but unpaid fees hereunder, and shall reimburse the Consultant for any unreimbursed expenses that are reimbursable hereunder.

Section 5.5 Upon any termination or expiration of this Agreement, the rights and obligations of the Parties shall terminate, except for the rights and obligations that shall survive the termination or expiration of this Agreement.

ARTICLE VI INDEMNIFICATION; INSURANCE

Section 6.1. Indemnification and Liability.



(a) Insofar as such agreement is consistent with and does not invalidate, impair or limit the Consultant's professional liability insurance coverage, the Consultant agrees to defend, indemnify and hold the Authority, its officers, officials, and employees, harmless from any and all claims, injuries, damages, losses or suits including attorney fees ("Claims"), to the extent arising out of or resulting from the gross negligence or willful misconduct of the Consultant in the performance of its obligations under this Agreement (as determined by a final, non-appealable judgment by a court of competent jurisdiction). The Consultant, its subsidiaries and subcontractors, and their respective personnel shall not be liable to the Authority for any Claims relating to this engagement for an aggregate amount in excess of the fees paid by the Authority to the Consultant pursuant to this engagement, except to the extent resulting from the bad faith or intentional misconduct of the Consultant or its subcontractors. In no event shall the Consultant, its subsidiaries or subcontractors, or their respective personnel be liable to the Authority for any loss of use, data, goodwill, revenues or profits (whether or not deemed to constitute a direct Claim), or any consequential, special, indirect, incidental, punitive, or exemplary loss, damage, or expense relating to this engagement. The foregoing limitation of liability and disclaimer shall not apply to Claims for which a party is obligated to indemnify under this Agreement.


(b) Each Party shall indemnify, defend and hold harmless the other from and against any and all amounts payable under any judgment, verdict, court order or settlement for death or bodily injury or the damage to or loss or destruction of any real or tangible personal property, but only to the extent the foregoing arise out of the indemnitor's negligence or intentional misconduct in the performance of this Agreement. The Consultant shall indemnify, defend and hold harmless

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the Authority from all Claims arising from claims brought by any subcontractor of the Consultant hereunder against the Authority for payment or for other damages arising under the applicable subcontract agreement between the Consultant and such subcontractor except for those claims caused by the Authority. The Authority shall indemnify, defend and hold harmless the Consultant from all claims, injuries, damages, losses or suits including attorney fees arising out of the Authority's use and/or disclosure of any work product provided by Consultant hereunder. The Consultant hereby agrees to use reasonable efforts to mitigate any and all damages and other losses to the Authority and any entity of the Executive Branch. To the extent permitted by law, all claims and Losses relating to, directly or indirectly, or arising from this Agreement (including the Services), however caused, regardless of the form of action and on any theory of liability, including contract, strict liability, negligence or other tort, shall be brought under and shall be subject to the terms of this Agreement.

Section 6.2. Insurance.

(a) The Consultant represents that as of the date of execution of this Agreement, it maintains professional liability insurance to provide for errors, omissions and negligent acts that may arise from the services rendered under this Agreement in the minimum amount of FIVE MILLION DOLLARS (\$5,000,000).

 (b) The Consultant also represents that it maintains Commercial General Liability insurance in the minimum amount of ONE MILLION DOLLARS (\$1,000,000.00). It shall be the Consultant's obligation to submit to the Authority the corresponding certifications from its insurance company evidencing such coverages. The certifications provided must identify the Authority as Additional Insured.

(c) With respect to the Commercial General Liability insurance policy, the certification to be provided by the Consultant must identify the Authority as Additional Insured and include the following cancellation notice:


"CANCELLATION CLAUSE: It is understood and agreed that in the event of cancellation of this policy at the request of the insurance company, thirty (30) days written notice shall be given to the above mentioned additional insured, PUERTO RICO PUBLIC PRIVATE PARTNERSHIPS AUTHORITY. However, it is agreed that if cancellation is due to non-payment of premium, ten (10) days written notice will be given".

It shall be the Consultant's obligation to submit to the Authority the corresponding certifications from its insurance company evidencing the abovementioned insurance coverage. The insurance policies required herein must remain in effect during the term of this Agreement, including any amendments to extend said term.

ARTICLE VII APPLICABLE LAWS OF PUERTO RICO

Section 7.1. Interagency Service Clause. Both Parties acknowledge and agree that the contracted services may be provided to any entity of the Executive Branch with which the Authority subscribes an interagency agreement or by direct disposition of the Office of the Chief of Staff of the Governor of Puerto Rico. These services will be provided under the same terms and conditions regarding work hours and/or compensation as set forth in this Agreement. For purposes of this section, the term "entity of the Executive Branch" includes all agencies of the Government of Puerto Rico, as well as its instrumentalities, public corporations and the Governor's Office.

Section 7.2. Source of Funds. The Authority certifies that the funds for the payment related to the services rendered under this Agreement come from budgetary allocations. All disbursements for such payments shall be made from the Puerto Rico Public Partnerships Authority's account.

 **Section 7.3. Professional Ethics Rules.** The Consultant acknowledges and accepts that, to the extent applicable, it is knowledgeable regarding the rules of ethics of its profession and assume responsibility for its own actions. The Consultant also acknowledges that in executing its professional services pursuant to this Agreement it has the obligation to exhibit complete loyalty towards the Authority, including having no adverse interest to this government entity. Adverse interest includes representing clients relative to interests that are contrary to the Authority's. This duty includes the continued obligation to disclose to the Authority, when permitted under the applicable rules of professional conduct, all circumstances of its relationships with clients and third persons or any interests adverse to the Authority, which could influence the Consultant when executing the Agreement or while it is in effect. The Authority acknowledges that the Consultant is a large global consulting firm with numerous offices around the world. The Consultant is regularly engaged by new clients including financial institutions and investors and any such client may from time to time acquire, hold or trade interests adverse to The Authority or its affiliates. None of the Consultant's professionals involved in this matter will participate in providing any services which directly conflicts with its duties hereunder without the express written consent of the Authority. It is understood that the Consultant's representation of these clients in unrelated matters shall not be deemed conflicts or influences on the Consultant hereunder. If any one of the Consultant's professionals violate the above clause, such violation shall constitute a violation of this prohibition. The Consultant commits to take all reasonable precautions to attempt to avoid even the appearance of having a conflict of interest to The Authority that has not otherwise been waived.

Section 7.4. Anti-Corruption Provisions.

(a) The Consultant certifies that it has received a copy of and agrees to comply with Act No. 2-2018, known as the Anti-Corruption Code for the New Puerto Rico ("Act No. 2-2018"), and with the Puerto Rico Government Ethics Law of 2011, Act No. 1-2012, as amended ("Act No. 1-2012").

(b) The Consultant shall furnish a sworn statement to the effect that neither the

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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 the Consultant has been convicted of or has pled guilty to any of the crimes listed in Article 6.8 of Act No. 8-2017, as amended, known as the Act for the Administration and Transformation of Human Resources in the Government of Puerto Rico ("Act No. 8-2017"), or any of the crimes included in Act No. 2-2018.

(c) The Consultant hereby certifies that it has not been convicted in Puerto Rico or United States Federal Court under Articles 4.2, 4.3 or 5.7 of Act No. 1-2012, for any of the crimes listed in Articles 250 through 266 of Act No. 146-2012, as amended, known as the Puerto Rico Penal Code ("Act No. 146-2012"), any of the crimes typified in Act No. 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 No. 8-2017.

(d) The Authority shall have the right to terminate this Agreement in the event the Consultant is convicted in Puerto Rico or United States Federal Court under Articles 4.2, 4.3 or 5.7 of Act No. 1-2012, any of the crimes listed in Articles 250 through 266 of Act No. 146-2012, any of the crimes typified in Act No. 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 No. 8-2017.

(e) It is expressly acknowledged that this certification is an essential condition of this Agreement. If the certification is not correct in its entirety or in any of its parts, it shall constitute sufficient cause for the Authority to terminate this Agreement immediately, without prior notice, and the Consultant will have to reimburse the Authority any amount of money received under this Agreement.

(f) If the status of the Consultant or any of its shareholders, partners, associates, officers, directors, employees or agents with regards to the charges previously mentioned should change at any time during the term of the Agreement, the Consultant shall notify in writing to the Authority immediately. The failure to comply with this responsibility constitutes a violation of this Clause, and shall result in the remedies mentioned previously.

Section 7.5. Improvement of Family Assistance and Support for the Elderly. The Consultant also certifies and warrants that it is in compliance with Act No. 168-2000, as amended, known as the "Act for the Improvement of Family Assistance and for the Support of the Elderly." In the event the Consultant is under a court or administrative order directing it to provide financial support or to fulfill any obligation under the mentioned Act, the Consultant further certifies and warrants that it is in compliance with said obligations. It is expressly acknowledged that this certification is an essential condition of this Agreement. If the certification is not correct in its entirety or in any of its parts, it shall constitute sufficient cause for the Authority to terminate the Agreement immediately, without prior notice to the Consultant.

Section 7.6. Conflicts of Interests.

(a) Both Parties hereby declare that, to the best of their knowledge, as of the date


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hereof, no public officer or employee of the Government of Puerto Rico, or any of its agencies, instrumentalities, public corporations or municipalities or employee of the Legislative or Judicial branches of the Government has any direct or indirect interest in the present Agreement. The Consultant certifies that neither it, nor any of its directors, executives, officers or employees, offered or paid, directly or indirectly, any commissions, referrals, contracts, or any other consideration having an economic value, to a third party as a condition for obtaining this Agreement or to influence in any way its execution. In addition, the Consultant certifies that it shall not pay any commissions, make any referrals, execute any contracts, or provide any other consideration having an economic value, to a third party for the services to be rendered under this Agreement, except for any subcontracts authorized by the Authority in accordance with the provisions established herein.

(b) The Consultant certifies that none of its partners, directors, executives, officers and employees receives salary or any kind of compensation for the delivery of regular services by appointment (or otherwise) in any agency, instrumentality, public corporation, or municipality of the Government of Puerto Rico.

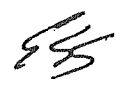
(c) The Consultant certifies that, at the time of the execution of this Agreement, it does not have nor, to its knowledge, does it represent anyone relative to interests that are in conflict with the Consultant's duties to the Authority under this Agreement. If such conflicting interests arise after the execution of this Agreement, the Consultant shall notify the Authority during a period of five (5) business day from the day the Consultant learned of such conflict of interest, to determine the actions needed to resolve such potential conflict, subject to obligations of privilege and confidentiality.

(d) The Consultant certifies that at the time of execution of this Agreement it has no other contracts with any agencies, public corporations, municipalities, or instrumentalities of the Government of Puerto Rico.



(e) The Consultant currently represents the Official Committee of Retired Employees of Puerto Rico (the 'Retiree Committee') in the Title III cases brought under the Puerto Rico Oversight, Management and Economic Stability Act ("PROMESA"). Consultant agrees that none of its professionals that are actively involved in the PROMESA-related matter will be involved in its work for the Authority and vice versa. Consultant will also establish an internal "Ethical Wall" to ensure that information received or reviewed, or work product created, in connection with Consultant's engagement on behalf of the Authority is not inadvertently shared with or made available to those who should not have access to it.

(f) The Consultant shall not hold any position or have a financial interest in the natural and juridical person selected as a counterparty to a Puerto Rico Electric Power Authority Projects on which the Consultant is providing advice and assistance to the Authority during the year following the one in which the Agreement expires or is otherwise terminated.



Section 7.7. Required Certifications.

(a) The Consultant represents that at the execution of this Agreement, it has submitted income tax returns in Puerto Rico (if required by applicable law) during the past five (5) years. The Consultant also represents that it does not have outstanding debts with the Government of Puerto Rico for income taxes, real or chattel property taxes, unemployment insurance premiums, workers' compensation payments or Social Security for chauffeurs in Puerto Rico and the Administration for the Sustenance of Minors (known by its Spanish acronym as "ASUME").

(b) The Consultant has provided the Authority with a certificate of incorporation, if required by the Authority. The Consultant also certifies that it is not required to register to do business in Puerto Rico because there are not more than 90 days in any year in which any of Consultant's employees are present on the island of Puerto Rico.

(c) It is expressly acknowledged that the certifications provided by the Consultant, pursuant to this Section 7.7, are essential conditions of this Agreement, and if these certifications are incorrect, the Authority shall have sufficient cause to terminate this Agreement immediately, without prior notice to the Consultant.

(d) For purposes of this Agreement, tax debt shall mean any debt that the Consultant, or other parties which the Authority authorizes the Consultant to subcontract, may have with the Government of Puerto Rico for income taxes, real or chattel property taxes, including any special taxes levied, license rights, tax withholdings for payment of salaries and professional services, taxes for payment of interest, dividends and income to individuals, corporations and non-resident accounting firms, for payment of interests, dividends and other earnings shares to residents, unemployment insurance premiums, workers' compensation payments, Social Security for chauffeurs and ASUME.

(e) The Consultant shall also be responsible for providing the Authority with the certifications required under this clause from any professional or technical consultant subcontracted by the Consultant and authorized by the Authority that dedicates twenty-five percent (25%) or more of his or her or its time to provide advisory services related to the Agreement. Such subcontractors shall be considered subcontractors for the purposes of this Clause. Notwithstanding anything herein to the contrary, the Consultant shall have the right to rely conclusively on the aforementioned certifications from government agencies in making the representations in this Clause.

Section 7.8. Withholdings. The Consultant agrees and acknowledges that it has sole responsibility and liability for any and all taxes, contributions, penalties, interest, licenses, fees or other sums payable in connection with the fees and/or expenses paid pursuant to this Agreement, including, without limitation, any Commonwealth, federal and local income taxes, tax withholdings, excise taxes, sales and use taxes, payroll taxes, municipal taxes and any other taxes applicable under the tax laws of Puerto Rico, the United States, or any other jurisdiction, as such laws may be amended from time to time. Notwithstanding the foregoing, unless Consultant provides to Authority a waiver or exemption certificate issued by the Puerto Rico Department of

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the Treasury (the "PR Treasury"), the parties hereby agree that the Authority shall withhold and submit to the PR Treasury all amounts required to be withheld pursuant to the Puerto Rico Internal Revenue Code of 2011, as amended from time to time (the "PR Code"), and any other taxes required to be withheld under any applicable laws, as amended from time to time.


Section 7.9. Registration at the Office of the Comptroller. The Consultant will not receive any payment for the services rendered under the terms of this Agreement until the Agreement has been registered at the Office of the Comptroller of Puerto Rico, as required by Act No. 18 of October 30, 1975, as amended.

Section 7.10. Dispensation. The Consultant certifies it is not required to obtain a dispensation or waiver in compliance with the applicable laws and regulations of the Government of Puerto Rico prior to or in connection with the execution of this Agreement. The Parties agree that the proven illegality of any of the provisions of this Agreement shall not invalidate it as a whole.

ARTICLE VIII GOVERNING LAW; DISPUTE RESOLUTION

Section 8.1. Governing Law. This Agreement and any dispute relating to the services hereunder shall be governed, construed, interpreted and enforced in accordance with the laws of the Government of Puerto Rico.

 **Section 8.2. Dispute Resolution.** The Parties agree that any dispute, claim or controversy directly or indirectly relating to or arising out of this Agreement, the termination or validity of this Agreement, any alleged breach of this Agreement, the engagement contemplated by this Agreement or the determination of the scope of applicability of this Agreement shall be brought only in the Courts of First Instance of the Commonwealth of Puerto Rico or in the United States District Court for the District of Puerto Rico. The Authority and the Consultant also agree that service of process may be effected through next-day delivery using a nationally-recognized overnight courier or personally delivered to the addresses set forth or referred to in this Agreement., or for service of process to the Authority, to PO Box 42001, San Juan PR 00940-2001. In any claim, all of the costs and the reasonable attorneys' fees of the prevailing party (as determined by the court in such claim) shall be borne by the party who did not prevail. The Authority and the Consultant further agree after all appeals that a final, non-appealable judgment in respect of any claim brought in any such court shall be binding and may be enforced in any other court having jurisdiction over the party against whom the judgment is sought to be enforced.




ARTICLE IX MISCELLANEOUS

Section 9.1. Independent Contractor. The Authority and the Consultant agree that the Consultant's status hereunder, and the status of any agents, employees and subcontractors engaged by the Consultant, shall be that of an independent contractor only and not that of an employee or agent of the Authority. The Consultant shall not have any power or right to enter into agreements on behalf of the Authority.

Section 9.2. Assignment. This Agreement may not be assigned by either party hereto without the prior written consent of the other, to be given in the sole discretion of the party from whom such consent is being requested. Any attempted assignment of this Agreement made without such consent shall be void and of no effect, at the option of the non-assigning party.

Section 9.3. Notice. Notice required to be given in writing pursuant to any of the provisions of this Agreement shall be mailed by next-day delivery using a nationally-recognized overnight courier or hand-delivered, if to the Consultant, at 1001 17th Street, suite 1001, Denver, Colorado, USA 80202, and if to the Authority:

POSTAL ADDRESS



PO Box 42001
San Juan, PR 00940-2001

PHYSICAL ADDRESS

De Diego Avenue No. 100
Roberto Sánchez Vilella Government Center
Central Building Floor 3
Santurce, PR 00907-2345

Section 9.4. Patriot Act. The Consultant hereby notifies the Authority that pursuant to the requirements of the USA PATRIOT Improvement and Reauthorization Act. Pub. L. N 109-177 (Mar. 9, 2006) (the "Patriot Act"), it is required to obtain, verify and record information that identifies the Authority in a manner that satisfies the requirements of the Patriot Act. This notice is given in accordance with the requirements of the Patriot Act.

Section 9.5. No Third Party Rights. It is understood that this Agreement is the sole agreement between the parties with regard to the services covered hereby and supersedes any prior agreements, written or verbal. The Agreement may not be changed orally, but may be amended in writing by mutual agreement of the parties. This Agreement is solely for the benefit of the Authority, the Consultant and, to the extent expressly set forth herein, the Indemnified Persons and no other party shall be a third party beneficiary to, or otherwise acquire or have any rights under or by virtue of, this Agreement.

Section 9.6. Drafting Responsibility. This Agreement has been reviewed by each of the signatories hereto and counsel. There shall be no construction of any provision against either Party because this Agreement was drafted by either Party, and the Parties waive any statute or rule of law to such effect.

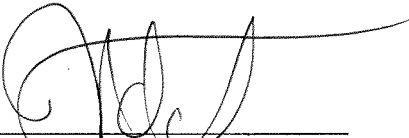
Section 9.7. Severability. If any provision hereof shall be held by a court of competent jurisdiction to be invalid, void or unenforceable in any respect, or against public policy, such determination shall not affect such provision in any other respect nor any other provision hereof.

Section 9.8. Counterparts. This Agreement may be executed in facsimile or other electronic counterparts, each of which will be deemed to be an original and all of which together will be deemed to be one and the same document.

These terms constitute the entire agreement between the Parties with respect to this engagement; supersede all other oral and written representations, understandings, or agreements relating to this engagement; and may not be amended except by a written agreement signed by both Parties.

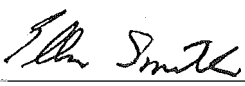
IN WITNESS WHEREOF, the Parties hereto have executed this Agreement on the aforementioned date.

**PUERTO RICO PUBLIC PRIVATE
PARTNERSHIPS AUTHORITY**



Nelson Pérez Méndez
Chief Operating Office
Tax Id No.


FTI CONSULTING, INC.



Ellen Smith
Senior Managing Director
Tax Id. No.

APPENDIX A

Work Stream 1: T&D Procurement Process

- **Task 1: Finalize RFP**
 - Work with the Authority and other legal and financial advisors to finalize the initial RFP and any subsequent addenda.
 - **Task 2: Proposal Evaluation**
 - Assist and advise the Authority in the procurement process through supporting the RFQ and RFP processes, evaluating proposals for technical & financial compliance and undertaking technical, operational and commercial due diligence, culminating in the recommendation for Preferred Partner and additional negotiation and analytical support through to license transfer.
 - **Task 3: Transaction Closing**
 - Assist the Authority in reaching financial close for the PPP projects including participating in negotiations, liaising with financial institutions, attorneys and other stakeholders and ensuring appropriate financial risk mitigation measures are executed.
 - **Task 4: Economic and Financial Support**
 - Ongoing economic and financial support to the Authority throughout the entire procurement process as needed. This analysis will comprise transaction support, financial and commercial due diligence, cost of capital analysis and restructuring support.
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APPENDIX A (CONT'D)

Work Stream 2: Peaker, Hydro and Other Generation Procurement Processes

- **Task 1: Site Inspection**
 - Field inspection of PREPA peaker and hydro sites will require reviewing operational and historical asset data, validating the technical specification at each site relative to the Respondents proposals.
- **Task 2: Technical Project Review**
 - Review data and design alternatives and assist in interpretation of all technical information within RFQ, RFP and associated documents discussed during the negotiation process, including defining objectives scope and desired outcomes, evaluating and analyzing information from field studies, estimating project schedules, assessing O&M innovation and reviewing technical and financial case studies.
- **Task 3: Engineering Support**
 - Provide engineering support services for special technical issues for due diligence process such as: structural, geotechnical, instrumentation, environmental compliance issues, permitting and others.
- **Task 4: Stakeholder Outreach**
 - Preparation of materials and participation in meetings with potential investors, sponsors, stakeholders, government agencies and other consultants to discuss proposals and project-related information and to finalize PPP structure details ahead of the evaluation process.
- **Task 5: Report Development**
 - Preparation and participation in presentations for the decision makers concerning the PPP; preparation of reports, recommendations, letters, memoranda and other documentation as required.
- **Task 6: Proposal Evaluation**
 - Assist and advise the Authority in the procurement process through supporting the RFQ and RFP processes, evaluating proposals for technical & financial compliance and undertaking technical, operational and commercial due diligence, culminating in the recommendation for Preferred Partner and additional negotiation and analytical support through to license transfer.
- **Task 7: Transaction Closing**
 - Assist the Authority in reaching financial close for the PPP projects including participating in negotiations, liaising with financial institutions, attorneys and other stakeholders and ensuring appropriate financial risk mitigation measures are executed.
- **Task 8: Economic and Financial Support**
 - Ongoing economic and financial support to the Authority throughout the entire procurement process as needed. This analysis will comprise transaction support, financial and commercial due diligence, cost of capital analysis and restructuring support.

APPENDIX A (CONT'D)

Employee	Rate (\$/hour)
FTI	
Senior Managing Director	\$945 - \$1,095
Managing Director	\$765 - \$880
Senior Director	\$650 - \$750
Director	\$550 - \$650
Consultant/Senior Consultant	\$350 - \$550
ARUP	
Project Director / Principal	\$716
Associate Principal	\$520
Associate	\$439
Senior Consultant / Engineer	\$338
Consultant / Engineer	\$270
Junior Consultant / Engineer	\$243



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