

Cuántia: \$325,000.00

Núm. Cuenta: 01-4019-92320-556-673

2015-P00057

COMMONWEALTH OF PUERTO RICO
PUERTO RICO ELECTRIC POWER AUTHORITY



PROFESSIONAL SERVICES AGREEMENT

APPEAR

AS FIRST PARTY: The Puerto Rico Electric Power Authority, 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 Executive Director, Mr. Juan Alicea Flores, of legal age, married, professional engineer, and resident of Caguas, Puerto Rico, (hereinafter referred to as "PREPA").

AS SECOND PARTY: FTI Capital Advisors, LLC, a limited liability company organized and existing under the laws of the State of Maryland, United States of America, with a place of business at 1101 K Street, NW B100, Washington, DC 20005, herein represented by John C. Crittenden, III, Managing Director, of legal age, married, and a resident of the Commonwealth of Virginia ("FTICAP" with its affiliates, FTI Consulting, Inc. ("FTI"), and FTI Consulting Technology LLC ("FTI TECH"), hereinafter referred to collectively as "FTICA") whose authority of representation is evidenced by corporate resolution..



WHEREAS, PREPA, has the authority to engage the professional, technical and consulting services necessary and convenient to the activities, programs, and operations of PREPA;

WHEREAS, FTICA has extensive experience as a financial advisor, business consultant, and technical support firm to the public and private sector; and

NOW, THEREFORE, being each party empowered to enter into this Agreement and perform their obligations hereunder in consideration of the premises and the mutual covenants contained herein, PREPA and FTICA agree to enter into this Agreement under the following:

TERMS AND CONDITIONS

FIRST: PREPA engages FTICA to provide specialized electronic document and information collection services for compliance with certain information requirements PREPA has the obligation to fulfill, as described in Appendix A (the "Services").

SECOND: This Agreement shall be in effect for a period of one (1) year from the date of its execution (the "Agreement Period"). Either party shall have the right to terminate this Agreement by providing the other party thirty (30) days notice by registered mail, return receipt requested, or overnight express mail. If notice is given, this Agreement shall terminate upon the expiration of thirty (30) days and PREPA shall be obligated to pay all fees and expenses incurred up to the day of effective termination, in accordance with the terms of this Agreement.

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

THIRD: As compensation for services rendered under this Agreement, PREPA and FTICA agree that the total amount to be paid under this Agreement shall not exceed three hundred twenty five thousand dollars (\$325,000.00) (the "Agreement Amount"). However, nothing herein shall preclude the parties from agreeing to increase the Agreement Amount. PREPA will only pay for services already rendered before the submitted invoice date.

If the parties decide to extend this Agreement past the Agreement Period, compensation for the extended period shall be as agreed to by the parties. Notwithstanding the foregoing, increase to the Agreement Amount or extension of this Agreement past the Agreement Period shall be evidenced in writing and signed by both FTICA and PREPA.

Appendix B attached hereto provides a schedule of the employees assigned to this matter and their respective rates. Should FTICA assign another person not included in Appendix B hereto to attend to PREPA's matters pursuant to this Agreement, FTICA shall promptly send PREPA an amended schedule to include such person's name and/or position, rate and request approval from PREPA for such amended schedule.

FOURTH: PREPA will reimburse FTICA for out of pocket expenses incurred in providing the Services, subject to terms of this Agreement. As established in Appendix F, Reimbursable Expenses will be reimbursed by PREPA through the presentation of acceptable evidence for such expenses. Reimbursement for air travel expenses is restricted to economy class fares, including restricted fares. In the event of a scheduled trip has to be cancelled, PREPA will assume the cost of the penalty fee.

PREPA shall not pay for travel time, except for work related to the services being provided under this Agreement. Payment for travel time shall be made only if the invoice details the services rendered and the time billed on each matter as required in this Agreement.

Any travel and lodging expense for which a reimbursement is requested shall be reasonable and necessary, and any extraordinary travel and lodging expenses shall be authorized in writing and in advance by PREPA. PREPA will not reimburse expenses which do not comply with this provision. Under no circumstances will expenses for alcoholic beverages be reimbursed.

FIFTH: FTICA shall submit monthly invoices within the first thirty (30) days following the period invoiced which will include a description of the services rendered and the number of hours spent by each person. Each invoice for professional services shall be itemized and must be duly certified by an authorized representative of FTICA. FTICA shall allocate fees between activities undertaken outside of Puerto Rico and constituting gross income from sources outside of Puerto Rico, and those relating to activities undertaken within Puerto Rico and constituting gross income from sources within Puerto Rico.

PREPA will review the invoices and if they are in compliance with the requirements set forth in this Agreement, it will proceed with payment. Payment is due upon receipt of a valid invoice. PREPA reserves the right to conduct the audits it deems necessary, and it will not be subject to finance charges regarding invoice payments.

Invoices must also include a written and signed certification stating that no officer or employee of PREPA, and their respective subsidiaries or affiliates, will personally derive or obtain any benefit or profit of any kind from this 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 Electric Power Authority, their respective subsidiaries or affiliates, 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 Electric Power Authority. The total amount shown on this invoice is true and correct. The services have been rendered, and no payment has been received.”

FTICA agrees to submit a checking account transfer data to PREPA in order to facilitate payment by means of electronic transfer.

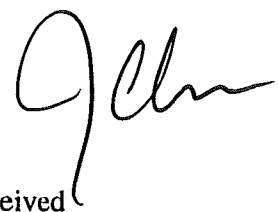
SIXTH: PREPA will provide such access to its facilities and information, and such other cooperation in working with FTICA, as FTICA may from time to time reasonably determine to be necessary for FTICA to render any services requested; provided that such access and cooperation shall not interfere with PREPA's continuing conduct of its operations.

SEVENTH: FTICA shall not subcontract the services to be provided under this Agreement, or contract Firms or other services without the prior written authorization of the Executive Director of PREPA or any of its authorized representatives, provided that, while services may be performed by employees of FTICAP, FTI and FTI TECH, all matters pertaining to rules governed by FINRA and MSRB related to this agreement will be under the authority and direction of FTICAP as required by applicable law. A request to subcontract, or to contract experts or other Firms, shall specify the issues or matters that will be referred to the supplier. The professional fees earned by these suppliers will be deducted from the total maximum amount that FTICA may receive under the terms of this Agreement.

EIGHTH: FTICA shall not request any payment for services rendered under the terms of this Agreement until it has been registered by PREPA at the Office of the Comptroller of Puerto Rico as established in Act 18-1975, as amended. PREPA undertakes to register this Agreement pursuant to such Act as soon as practicable after the execution of this Agreement.

NINTH: FTICA will submit any reports required by PREPA regarding services performed under this Agreement. If required by PREPA, at the completion of the assigned tasks, FTICA will submit a final written report describing the work it has performed. This requirement shall not be interpreted as a waiver by PREPA of FTICA's ethical obligation and responsibility of keeping PREPA informed of the progress of the assigned matters.

Except as otherwise set forth in the paragraph immediately below, all rights, titles and



interest in any reports, documents, analyses, investigations and any other by-product conceived or developed by FTICA exclusively for PREPA as a result of performing its obligations under this Agreement shall be the exclusive property of PREPA. FTICA 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 Agreement. 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 FTICA under this Agreement.



With respect to all services provided hereunder by FTI TECH, subject to the terms and conditions of this Agreement and payment of the applicable fees as set forth herein, FTI TECH grants to PREPA the non-exclusive and limited right and license in the United States (a) to use copies of the work product and deliverables created or first reduced to practice in the performance of services under this agreement for PREPA (collectively, the "Work"), but only for the internal, in-house use by PREPA. Except as expressly set forth herein, all rights and licenses granted to PREPA are non-transferable and non-assignable. PREPA may make a reasonable number of back-up copies of the Work in accordance with its normal backup procedures so long as all copyright and other proprietary rights notices are included on all copies. FTI TECH reserves all rights not expressly granted herein. PREPA acknowledges and agrees FTI TECH shall be the sole and exclusive owner and copyright proprietor of all rights and title in and to the results of the services and Work hereunder in whatever stage of completion. Except as otherwise agreed to by FTI TECH, no express or implied license or right of any kind is granted to PREPA regarding the Work including, but not limited to, any right to know, use, produce, receive, reproduce, copy, market, sell, distribute, transfer, modify, or adapt the Work or create derivative

John

works based on the Work or any portions thereof, or obtain possession of any source code or other technical material relating to the Work. Further, PREPA shall not decompile, reverse assemble, or otherwise reverse engineer the Work. PREPA acknowledges and agrees that, except for PREPA's license described in this Agreement, PREPA has no right, title and interest in the Work, in any form, or in any copies thereof, including all intellectual property rights therein. In connection therewith, PREPA agrees at all time hereafter to keep the Work free of all security interests, liens, encumbrances, mortgages and claims whatsoever, and PREPA agrees that neither it nor anyone at its direction shall file a financing statement, mortgage, notice of lien, deed of trust, security agreement or any other agreement or instrument creating or giving notice of an encumbrance or charge against the Work. During the term of and following this engagement, the PREPA authorizes FTI TECH to use PREPA data for the internal FTI TECH purposes of applied research, product development and testing.

gms

Depending on certain state and/or municipality regulations, FTI TECH may be required to collect sales and use tax on certain of FTI's products and services. Alternatively, PREPA shall provide documentation of direct pay certification or exemption from such taxes. For your information and use, FTI's Taxpayer Identification Number is 52-1261113.

In connection with the provision of services hereunder, and to provide PREPA with 24 hour support, FTI TECH may utilize the services of FTI TECH personnel outside of the United States.

TENTH: PREPA will provide all the documentation necessary for the adequate fulfillment of FTICA's obligations under this Agreement.

ELEVENTH: FTICA acknowledges the proprietary and confidential nature of all internal, non-public, information systems, financial, and business information relating to PREPA

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

FTICA and its employees, affiliates and authorized sub-contractors shall keep in strict confidence all Confidential Information, and [1] shall not make public or disclose any of said materials without the previous written consent of PREPA, [2] shall use the Confidential Information only to perform FTICA's obligations under this Agreement; and [3] will reproduce the Confidential Information only as required to perform FTICA's obligations under this Agreement.

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

- (a) is generally known to the public at the time of disclosure to FTICA or becomes generally known through no wrongful act on the part of FTICA;
- (b) is in FTICA's possession at the time of disclosure otherwise than as a result of FTICA's breach of any legal obligation;
- (c) becomes known to FTICA through disclosure by sources other than FTICA having the legal right to disclose such information; or
- (d) is independently developed by FTICA without reference to or reliance upon the confidential information.

In addition, these provisions shall not prohibit FTICA from making any disclosure pursuant to any subpoena or order of a court or a Governmental or Administrative tribunal which may assert jurisdiction over FTICA; provided that, to the extent legally permissible, FTICA shall

promptly notify PREPA of any such disclosure obligations and reasonably cooperate with PREPA's efforts to lawfully avoid and/or minimize the extent of such disclosure.

FTICA will not make public, without the prior written approval of PREPA, that PREPA is a client of FTICA, nor will FTICA disclose any confidential information relating to the work that FTICA performs under this Agreement.

FTICA may divulge Confidential Information to its employees who need to know such information to fulfill the purposes of this engagement provided that such persons (i) shall have been advised of the confidential nature of such information and FTICA shall direct them, and they shall agree, to treat such information as confidential and to return all materials to FTICA upon request but for one copy for record purposes only; and (ii) in each case, such person is bound by obligations of confidentiality and non-use consistent with and at least as stringent as those set forth in this Agreement.

In connection with the services rendered under this Agreement, FTICA will furnish PREPA any necessary reports, analyses or other such materials that exist as of the date requested, as PREPA may reasonably request. FTICA shall not invoice the time spent to gather and deliver such information. PREPA, however, acknowledges that FTICA may develop for itself, or for others, problem solving approaches, frameworks or other tools and processes developed in performing the services and any additional services provided hereunder, and nothing contained herein precludes FTICA from developing or disclosing such materials and information provided that the same do not contain or reflect Confidential Information.

FTICA shall return all Confidential Information, as well as any other document that may relate to its work under this Agreement, to PREPA within thirty (30) days after date of the expiration or earlier termination of this Agreement or destroy such information, certifying that all

the information has been returned to PREPA or destroyed, but for electronic information held in archive and/or backup files to the extent such files cannot be deleted without unreasonable effort or expense and created in the ordinary course pursuant to established data backup/archive procedures; provided, however, FTICA may retain its own work products as long as it maintains the confidentiality of such PREPA's Confidential Information as otherwise provided in this Agreement. During this thirty (30) day period, these documents shall be available for inspection by the Office of the Comptroller of Puerto Rico.

Except as required by law, no reference may be made to FTICA in any materials prepared for public distribution without the written consent of the Executive Director of PREPA or any of its authorized representatives.

This section ELEVENTH shall survive the termination, expiration or completion of this Agreement.

TWELFTH: FTICA's material negligent discharge continuing after receipt of written warning or abandonment of the duties assigned hereunder or the breach of the confidentiality clause hereinabove shall constitute a breach of this Agreement by FTICA and PREPA will be entitled to terminate this Agreement forthwith, without having to comply with the requirements of notice set forth above, without limitations of any other rights and remedies under law, and will release and discharge PREPA from any further obligations and liabilities hereunder.

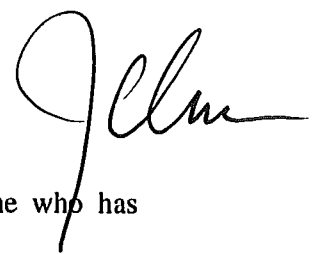
THIRTEENTH: FTICA acknowledges that in executing its services pursuant to this Agreement, it has an obligation of complete loyalty towards PREPA, including having no adverse interests. "Adverse interests" means representing clients who have or may have interests that are contrary to PREPA, but does not include rendering services that are unrelated to this engagement. This duty includes the continued obligation to disclose to PREPA all circumstances

of its relations with clients and third parties which would result in an adverse interest, and any adverse interest which would influence FTICA when executing the Agreement or while it is in effect. PREPA acknowledges FTICA is a large global firm having multiple financial institutions and investors as clients, and with or without FTICA's knowledge, any of such clients may from time to time acquire, hold or trade interests adverse to PREPA or its affiliates. FTICA's representations of those clients in unrelated matters shall not be deemed conflicts or influences on FTICA within the meaning of this Agreement.

This conduct by one of FTICA's partners, members, directors, executives, officers, associates, clerks or employees shall be imputed to FTICA for purposes of this prohibition. FTICA shall endeavor to avoid even the appearance of the existence of a conflict of interest that has not otherwise been waived.

FTICA acknowledges the power of the Executive Director of PREPA to oversee the enforcement of the prohibitions established herein. If the Executive Director of PREPA determines the existence or the emergence of adverse interest with FTICA, he shall inform such findings in writing and his intentions to terminate the Agreement within a fifteen (15) day term. Within such term, FTICA can request a meeting with the Executive Director of PREPA to present its arguments regarding the alleged conflict of interest. This meeting shall be granted in every case. If such meeting is not requested within the specified term, or if the controversy is not settled satisfactorily during the meeting, this Agreement shall be terminated at the end of said fifteen (15) day period.

FTICA certifies that at the time of the execution of this Agreement, it does not have adverse interests that are in conflict with PREPA. If such conflicting interests arise after the execution of this Agreement, FTICA shall, to the extent consistent with its obligations to other



clients, notify PREPA immediately. If FTICA determines it does represent anyone who has adverse interests that are in conflict with PREPA, FTICA shall notify PREPA and take all necessary and sufficient measures to safeguard PREPA's interests and ensure its information remains confidential. Any employee of FTICA representing anyone with adverse interests to PREPA shall be restricted access to any and all information regarding PREPA and FTICA shall take all necessary measures to ensure the proper procedures are in place to protect PREPA's interests.

FOURTEENTH: FTICA and PREPA shall jointly defend any suit or action brought against either party based on 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 FTICA or provided to PREPA by FTICA as part of, or used in the performance of this Agreement, including their use by PREPA, constitutes an infringement of any patents or copyrights of the United States, if notified promptly in writing by PREPA, and given the authority, information, and assistance for the defense of the same, and FTICA shall pay damages and costs awarded therein against PREPA.



FIFTEENTH: PREPA and FTICA agree that FTICA's status hereunder, and the status of any agents, employees and subcontractors engaged by FTICA, shall be that of an independent subcontractor only and not that of an employee or agent of PREPA. FTICA recognizes that it shall not be entitled to employment benefits such as vacations, sick leave, retirement benefits and others because of its condition as an independent contractor. FTICA shall not have any power or right to enter into contracts on behalf of PREPA.



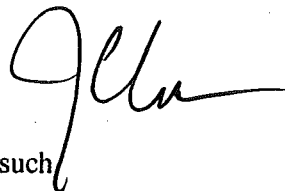
SIXTEENTH: FTICA certifies that, at the time of execution of this Agreement, it has no other contracts with agencies, public corporations, municipalities, or instrumentalities of the Commonwealth of Puerto Rico other than those matters identified on Appendix C.

SEVENTEENTH: FTICA shall submit a sworn statement to certify and guarantee that at the execution of this Agreement, neither FTICA, nor any of its, directors, employees or agents, have been convicted, and that it has no knowledge that any of them is or are the subject of any investigation in either a civil or a criminal procedure in a state or federal court, for charges related to the public treasury, the public trust, a public function, or a fault that involves public funds or property. 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 PREPA to terminate this Agreement immediately, without prior notice, and FTICA will have to reimburse PREPA any amount of money received under this Agreement, as required by Article 3 of Act 458 of December 29, 2000, as amended.



If the status of FTICA with regards to the charges previously mentioned should change at any time during the term of the Agreement, it shall notify PREPA promptly after FTICA's managing partner acquires knowledge thereof. The failure to comply with this responsibility constitutes a violation of this section, and shall result in the remedies mentioned previously.

EIGHTEENTH: FTICA certifies that it has received copies of (a) Act No. 84, enacted on June 18, 2002, as amended, which establishes the Code of Ethics for Contractors, Suppliers and Applicants for Economic Incentives of the Executive Agencies of the Government of the Commonwealth of Puerto Rico and (b) the Government Ethics Law, Act No. 1, enacted on January 3, 2012, as amended from time to time, and its implementing regulations. FTICA agrees



that it, as well as all personnel providing services under this Agreement, will comply with such acts.

NINETEENTH: The parties hereby declare that, to the best of their knowledge, no public officer or employee of the Commonwealth of Puerto Rico, 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.

TWENTIETH: FTICA certifies that neither it nor any of its partners, directors, executives, officers, and employees receives salary or any kind of compensation for the delivery of regular services by appointment in any agency, instrumentality, public corporation, or municipality of the Commonwealth of Puerto Rico.

TWENTY-FIRST: FTICA shall secure and maintain in full force and effect, during the life of this Agreement as provided herein policies of insurance covering all operations engaged in under this Agreement as follows: (1) FTICA shall provide Workmen's Compensation Insurance as required by the Workmen's Compensation Act of the Commonwealth of Puerto Rico. FTICA shall also be responsible for compliance with said Workmen's Compensation Act by all its subcontractors, agents and invitees, if any. FTICA shall furnish to PREPA a certificate from the Puerto Rico's State Insurance Fund showing that all personnel employed in the work are covered by the Workmen's Compensation Insurance, in accordance with this Agreement. (2) FTICA shall provide a Commercial General Liability Insurance with limits of \$1,000,000 per occurrence and \$1,000,000 aggregate. (3) FTICA shall provide a Professional Liability Insurance with limits of \$1,000,000 per claim and \$1,000,000 aggregate.



The Commercial General Liability Insurance required under this Agreement, shall be endorsed to include: (a) As additional Insured: Puerto Rico Electric Power Authority, PO Box



364267, San Juan, PR 00936-4267; (b) A thirty (30) day cancellation or nonrenewable notice to be sent to the above address.

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. FTICA shall furnish a certificate of insurance in original signed by an authorized representative of the insurer in Puerto Rico, describing the acquired coverage.

TWENTY-FIRST: PREPA shall indemnify hold harmless and defend FTICA from and against all claims, liabilities, losses, expenses and damages arising out of or in connection with this Agreement; except that PREPA shall not have to indemnify, hold harmless or defend

FTICA if

the claims, liabilities, losses, expenses and damages arise out of the gross negligence or willful misconduct of FTICA, in which case, if found in a final determination that the claims, liabilities, losses, expenses and damages did arise out of the gross negligence or willful misconduct of FTICA, FTICA will indemnify and hold PREPA harmless from and against such claims, liabilities, losses, expenses and damages.



FTICA shall not be liable for incidental or consequential damages under any circumstances. FTICA's aggregate liability, whether in tort, contract or otherwise, is limited to the amount of fees paid to FTICA under this Agreement (the "Liability Cap"). The Liability Cap is the total amount of FTICA's aggregate liability for any and all claims or demands from anyone pursuant to this Agreement, including liability to PREPA, any other party hereto, or any others making claims pursuant to this Agreement. Any such claimants shall allocate amounts payable amounts payable by FTICA among themselves as appropriate, but if they cannot agree on the

allocation, it will not affect enforceability of the Liability Cap. Under no circumstances shall the aggregate of all such allocations or other claims against FTICA pursuant to this Agreement, exceed the Liability Cap. This provision shall survive the expiration or termination of this Agreement.

TWENTY-SECOND: FTICA certifies that at the execution of this Agreement it does not have, and has not had, to submit income tax returns, or Sales and Use tax returns, in Puerto Rico during the past five (5) years, and that it has no outstanding debts with the Commonwealth of Puerto Rico for income taxes, real or chattel property taxes.

FTICA also certifies it does not have outstanding debts regarding its treatment of unemployment insurance premiums, workers' compensation payments, Social Security for chauffeurs in Puerto Rico or the Administration for the Sustenance of Minors (known by its Spanish acronym as *ASUME*).


Accordingly, all Government issued certificates that confirm the aforementioned information are appended hereto and made to form part of this Agreement as Appendix D, including, but not limited to those certifications issued by the Treasury Department, the Municipal Revenues Collection Center, the State Department, the Administration for the Sustenance of Minors and the Department of Labor and Human Resources of Puerto Rico.

It is expressly acknowledged that the certifications provided by FTICA, pursuant to this TWENTY-SECOND clause, are essential conditions of this Agreement, and if these certifications are incorrect, PREPA shall have sufficient cause to terminate this Agreement immediately.

TWENTY-THIRD: For purposes of this Agreement, tax debt shall mean any debt that FTICA, or any of its partners or other parties which PREPA authorizes FTICA to subcontract, may

have with the Commonwealth of Puerto Rico for income taxes, excise 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 interests, dividends and income to individuals, corporations and non-resident partnerships, for payment of interests, dividends and other earnings shares to residents, unemployment insurance premiums, workers' compensation payments, and Social security to chauffeurs.

TWENTY-FOURTH: Except as set forth in the next paragraph, no withholding or deductions shall be made from payments to FTICA for income tax purposes. FTICA shall be responsible for paying: (i) all applicable income taxes in accordance with any and all applicable income tax laws, and (ii) any corresponding contributions to the Social Security Administration. Payments due to FTICA shall be paid into a bank account in the United States designated to FTICA.

 Income tax withholding – Section 1062.11 of the Puerto Rico Internal Revenue Code of 2011, as amended (the “PR Code”), provides for a 29% income tax withholding on payments of income generated in Puerto Rico by a corporation or partnership that is not engaged in a trade or business in Puerto Rico. By its terms, said withholding does not apply to corporations and partnerships that are engaged in a trade or business in Puerto Rico. Regulations 5901 issued by the Puerto Rico Treasury Department on December 31, 1998 (the “Regulations”) provide further guidance with regards to this withholding. In particular, it provides under article 1150-2 that a withholding agent will not be required to withhold when the taxpayer can provide written notification that it is not subject to this withholding, with an explanation of why the withholding does not apply and the address of the taxpayer’s office or place of business in Puerto Rico signed by an officer of the corporation or by the managing partner of the partnership. The Regulations

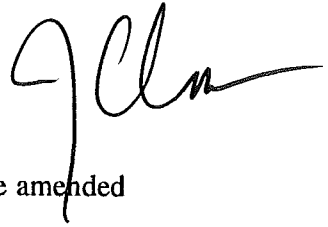
referred to in this paragraph are in full force and effect under the provisions of section 6091.01 of the PR Code. Based on Section 1062.11 of the PR Code and Regulation 1150-2, FTICA has provided the certification attached hereto as Appendix E. Accordingly, no withholding at 29% will be made regarding the fees to be paid under this Agreement.

Notwithstanding the foregoing, PREPA shall deduct and withhold one point five percent (1.5%) of the gross amounts paid under this Agreement, in accordance with Article 1 of Act No. 48 of June 30, 2013. PREPA shall forward such amounts to the Department of Treasury of Puerto Rico and, within thirty (30) days after paying any amount to the Department of Treasury of Puerto Rico, PREPA shall deliver evidence satisfactory to FTICA of such payments.

TWENTY-FIFTH: This Agreement shall be governed by the laws of the Commonwealth of Puerto Rico.

TWENTY-SIXTH: The court and authorities of the Commonwealth of Puerto Rico and the federal courts of the United States shall have jurisdiction over all controversies that may arise with respect to this Agreement. The parties hereby waive any other venue to which they might be entitled by the virtue of domicile or otherwise. Should either party initiate or bring suit or action before any other court, it is agreed that upon application, any such suit or action shall be dismissed, without prejudice, and may be filed in accordance with this provision. The party bringing the suit or action before a court not agreed to herein shall pay to the other party all the costs of seeking dismissal including reasonable attorney's fees. Should any clause or conditions of this Agreement be declared null and void by a competent court of law, the remaining parts of this Agreement shall remain in full force and effect.

TWENTY-SEVENTH: 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. This Agreement may not be changed orally, but may be amended in writing, by mutual agreement of the parties. The Parties expressly agree that no amendment, which could be made to the Agreement during its term, shall be understood as a contractual novation, unless both parties agree to the contrary, specifically and in writing.

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

TWENTY-NINTH: During the term of this Agreement, any change in law, including, but not limited to, changes in applicable tax law, which causes an increase in FTICA's costs when providing the services, shall be FTICA's responsibility.

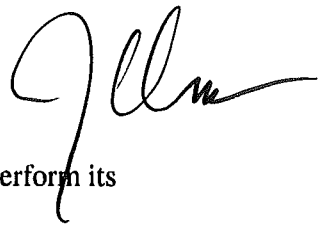


THIRTIETH: FTICA agrees that it will not discriminate against any employee or applicant for employment on account of race, color, religion, sex, sexual orientation, disability or national origin.

THIRTY-FIRST: Neither party shall be liable to the other for any delay or failure to perform any of the services or obligations set forth in this Agreement due to a cause beyond its reasonable control. Performance times shall be considered extended for the period required to make up the work lost because of such cause.

THIRTY-SECOND: This Agreement may not be assigned or otherwise transferred without the prior express written consent of the other party.

THIRTY-THIRD: Each of the parties represents to the other that:




(1) it has the legal power and authority to enter into this Agreement and to perform its obligations hereunder, and neither the execution of this Agreement nor the performance of its obligations hereunder will violate any agreement or obligation from that party to others; and

(2) the officer or representative who has executed and delivered this Agreement on its behalf is authorized to do so.

THIRTY-FOURTH: All notices and other communications hereunder shall be in writing and shall be deemed given when delivered personally or sent by telecopy, or sent, 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 at the following addresses:

(i) If to FTICA:



John C. Crittenden, III
FTI Capital Advisors, LLC
1101 K Street, NW, B100
c/o Mary Embrey Washington, DC 20005

(ii) If to PREPA:

Juan F. Alicea Flores
Executive Director
Puerto Rico Electric Power Authority
PO Box 364267
San Juan, Puerto Rico 00936-4267

THIRTY-FIFTH: The parties hereto will attempt in good faith to promptly resolve any controversy or claim arising out of or relating to this Agreement through negotiations between them in the normal course of business, before resorting to other remedies available to them pursuant to this Agreement. For any dispute whatsoever which has not been resolved

through negotiation as set forth above, the parties may seek resolution of the matter utilizing any remedies available at law or in equity.

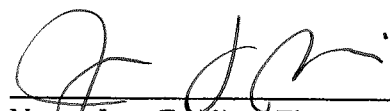
THIRTY-SIXTH: This Agreement may be executed in multiple counterparts, each of which shall be deemed to be an original instrument, but all of which taken together shall constitute one instrument.

IN WITNESS THEREOF, the parties hereto sign this 11th day of DEC., 2014.

**PUERTO RICO ELECTRIC
POWER AUTHORITY**

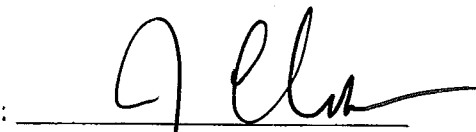
FTI CAPITAL ADVISORS, LLC

By: _____


Name: Juan F. Alicea Flores
Title: Executive Director

Tax ID:

By: _____


Name: John C. Crittenden, III
Title: Managing Director

Tax ID:

APPENDIX A
FTI Captial Advisors, LLC
Services to Support Responses to SEC Requests
Prepared for Sidley Austin LLP and Puerto Rico Electric Power Authority (PREPA)

See attached document

gjh