COMMONWEALTH OF PUERTO RICO
PUERTO RICO ELECTRIC POWER AUTHORITY

PROFESSIONAL SERVICE AGREEMENT
FIRST AMENDMENT

CONTRACT NO. 2018-P00012 A

APPEAR

AS FIRST PARTY: The Puerto Rico Electric Power Authority (PREPA), a public corporation and government instrumentality of the Commonwealth of Puerto Rico, created by Act 83 of May 2, 1941, as amended, represented in this act by its Chief Executive Officer/Executive Director, Walter M. Higgins, of legal age, married, engineer and resident of San Juan, Puerto Rico.

AS SECOND PARTY: King & Spalding, LLP, (King & Spalding) limited liability partnership formed and existing under the laws of the State of Georgia, United States of America, with a place of business at 1700 Pennsylvania Ave., NW, Washington, DC 20006, herein represented by Steven M. Kupka, who has authority to enter into this contract by virtue of his position as a King & Spalding partner.

WITNESSETH

In consideration of the mutual covenants hereinafter stated, the Parties agree themselves, their personal representatives, and successors as follows:

STATE

WHEREAS: The appearing parties executed the Professional Services Agreement number 2018-P00012 (Agreement) on August 4, 2017. According to the terms and conditions of the Agreement King & Spalding provides PREPA, at its request, legal representation, counseling and litigation services solely in connection with the Securities and Exchange Commission’s (SEC) non-public investigation of certain of PREPA’s Bond offerings, captioned In the matter of PREPA 2013 Power Revenue Bonds (B-20949).

WHEREAS: According to the original terms included in the THIRD clause of the Agreement the maximum amount to be paid during the term of the Agreement shall not exceed four hundred eighty six thousand dollars ($486,000). However, as therein established nothing precludes the parties from agreeing to increase this amount.

WHEREAS: The Financial Oversight Management Board (FOMB) announced that it had retained a law firm to perform an investigation to review Puerto Rico’s fiscal crisis and its contributors and examine Puerto Rico’s debt and its issuance, including disclosure and selling practices. The FOMB is also investigating the issuance of bonds by PREPA.
WHEREAS: Because King & Spalding is representing PREPA in connection with an investigation by the SEC about the issuance of its bonds, it is convenient for PREPA to assign King & Spalding the representation in the investigation by the FOMB.

WHEREAS: PREPA requested a proposal to King & Spalding for the above mentioned representation.

WHEREAS: In order to procure the availability of funds to pay for the additional services to be rendered by King & Spalding until the expiration of the Agreement Term it is necessary to amend the Third clause of the Agreement to increase its total amount by one million fourteen thousand dollars ($1,014,000), from four hundred eighty six thousand dollars ($486,000) to one million five hundred thousand dollars ($1,500,000).

WHEREAS: The Parties have agreed to amend the First and the Third Clause of the Agreement to include the representation services in the FOMB investigation of PREPA’s issuance of bonds and to increase the amount, respectively.

THEREFORE: The appearing Parties hereby agree, in accordance with PREPA’s Governing Board Resolution dated January 31, 2018 and the respective authorizations to enter into this First Amendment under the following:

TERMS AND CONDITIONS

FIRST: The Parties agree to amend the First Clause of the Agreement in order to include representation services for PREPA in relation to the investigation performed by the FOMB about the issuance of Bonds by PREPA and to provide professional Federal Governmental Affairs Services (GA) on behalf of PREPA’s Board of Directors, the Chief Executive Officer (CEO) and any other professional employed by PREPA and directed by said Board or CEO. The GA services will include providing support and contacts on Capitol Hill and within specified federal government agencies and arranging meetings and follow-up correspondence with both elected and government officials.

SECOND: The Parties agree to amend the THIRD Clause to increase the Agreement amount by one million fourteen thousand dollars ($1,014,000), from four hundred eighty six thousand dollars ($486,000) to one million five hundred thousand dollars ($1,500,000). Accordingly the first sentence of the first paragraph of the Third clause shall read as follows:

As compensation for services rendered under this Agreement, PREPA agrees and King & Spalding accepts that the total amount to be paid under this Agreement
shall not exceed one million five hundred thousand dollars ($1,500,000). (Agreement Amount).

The remaining sentences and paragraphs of the THIRD clause shall remain unaltered and fully enforceable.

THIRD: King & Spalding hereby agrees to comply with the provisions of Act No. 2-2018, known as the Anti-Corruption Code for the New Puerto Rico. King & Spalding hereby certifies that it does not represent particular interests in cases or matters that imply a conflicts of interest, or of public policy, between the executive agency and the particular interests it represents.

King & Spalding shall furnish a sworn statement to the effect that neither King & Spalding 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 King & Spalding 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.

King & Spalding 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.

PREPA shall have the right to terminate the agreement in the event King & Spalding 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.
FOURTH: The King & Spalding will comply with all applicable State Law, Regulations or Executive Orders that regulate the contracting process and requirements of the Commonwealth of Puerto Rico. Particularly: Law Num. 237-2004, as amended, which establishes uniform contracting requirements for professional and consultant services for the agencies and governmental entities of the Commonwealth of Puerto Rico, 3 L.P.R.A. § 8611 et seq., and the Puerto Rico Department of Treasury Circular Letter Number 1300-16-16. CC Num. 1300-16-16 (22/01/2016).

FIFTH: Pursuant to Executive Order Number 1992-52, dated August 28, 1992 amending OE-1991-24, the King & Spalding will certify and warrant that it has made all payments required for unemployment benefits, workmen’s compensation and social security for chauffeurs, whichever is applicable, or that in lieu thereof, has subscribed a payment plan in connection with any such unpaid items and is in full compliance with the terms thereof. The King & Spalding accepts and acknowledges its responsibility for requiring and obtaining a similar warranty and certification from each and every Contractor and Sub Contractor whose service King & Spalding has secured in connection with the services to be rendered under this Contract and shall forward evidence to PREPA as to its compliance with this requirement.

SIXTH: In compliance with Executive Order 1991 OE-24; and C.F.R. Part 404 et. Seq., King & Spalding will be responsible for rendering and paying the Federal Social Security and Income Tax Contributions for any amount owed as a result of the income, from this Contract.

SEVENTH: PREPA shall deduct and withhold seven percent (7%) of any and all payments to residents of the Commonwealth of Puerto Rico as required by the Internal Revenue Code of Puerto Rico. In case of US citizens and Non US citizens, which are nonresidents of the Commonwealth of Puerto Rico, King & Spalding will be retained twenty percent (20%) and twenty-nine percent (29%) respectively. PREPA will remit such withholdings to the Government of Puerto Rico’s Treasury Department (known in Spanish as Departamento de Hacienda de Puerto Rico). King & Spalding will request PREPA not to make such withholdings if, to the satisfaction of PREPA, King & Spalding timely provides a release from such obligation by the Government of Puerto Rico’s Treasury Department. 3 L.P.R.A. § 8611 et seq., 2011 L.P.R. 232; 232-2011.

EIGHTH: As required by Act No. 48-2013, as amended, PREPA will withhold a special contribution of one point five percent (1.5%) of the gross amounts paid under this Contract.
NINTH: King & Spalding shall present, to the satisfaction of PREPA, the necessary documentation certifying that King & Spalding nor any of its owners, affiliates of subsidiaries, if applicable, have any debt, outstanding debt, or legal procedures to collect child support payments that may be registered with the Puerto Rico Child Support Administration (known in Spanish as the Administración Para El Sustento de Menores (ASUME)). King & Spalding will be given a specific amount of time to deliver said documents. 3 L.P.R.A. § 8611 et seq.

TENTH: King & Spalding will certify compliance with Act No. 1 of January 3, 2012, as amended, known as the Ethics Act of the Government of Puerto Rico, which stipulates that no employee or executive of PREPA nor any member of his/he immediate family (spouse, dependent children or other members of his/her household or any individual whose financial affairs are under the control of the employee) shall have any direct or indirect pecuniary interest in the services to be rendered under this Contract, except as may be expressly authorized by the Governor of Puerto Rico in consultation with the Secretary of Treasury and the Secretary of Justice of the Government. 3 L.P.R.A. § 8611 et seq.

ELEVENTH: Also, the Parties agree to amend the Annex A of the Contract to include the services of one paralegal. Enclosed to this First Amendment is the Annex A of the Contract, as amended.

TWELFTH: King & Spalding will certify that if there is any Judicial or Administrative Order demanding payment or any economic support regarding Act No. 168-2000, as amended, the same is current and in all aspects in compliance. Act No. 168-2000 “Law for the Strengthening of the Family Support and Livelihood of Elderly People” in Spanish: “Ley para el Fortalecimiento del Apoyo Familiar y Sustento de Personas de Edad Avanzada”. 3 L.P.R.A. §8611 et seq.

THIRTEENTH: Payment for services object of this Contract will not be made until this Contract is properly registered in the Office of the Comptroller of the Government of Puerto Rico pursuant to Law Number 18 of October 30, 1975, as amended.

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

FIFTEENTH: King & Spalding acknowledges and accepts that it is knowledgeable of the rules of ethics of his/her profession and assumes responsibility for his/her own actions.
SIXTEENTH: PREPA shall have the right to terminate this Agreement with thirty (30) days prior written notice to King & Spalding. Moreover, PREPA shall have the right to terminate this Agreement immediately in the event of negligence, dereliction of duties or noncompliance by King & Spalding.

SEVENTEENTH: All other terms and conditions, specifications, stipulations, insurances, and requirements established in the Agreement, as amended, shall remain unaltered and fully enforceable.

In WITNESS WHEREOF, the parties hereto have agreed to execute this First Amendment in San Juan, Puerto Rico, on this 5 day of April, 2018.

Puerto Rico Electric Power Authority

King & Spalding, LLP.

Walter M. Higgins
Chief Executive Officer/Executive Director

Steven M. Kupka
Partner

Tax ID:

Tax ID:
### APPENDIX A

**Schedule of Assigned Attorneys/Paralegals**

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<thead>
<tr>
<th>Name</th>
<th>Title</th>
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<tr>
<td>Alexander Koch</td>
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<td>Steven Kupka</td>
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<td>Eric Hirsch</td>
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<td>Claudia Hrvatin</td>
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<td>Susie Sacks</td>
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<td>Kelli Steele</td>
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<td>Nelson Garcia</td>
<td>Project Attorney</td>
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