

**PUERTO RICO ELECTRIC POWER AUTHORITY
SAN JUAN, PUERTO RICO**

PROFESSIONAL SERVICES CONTRACT

APPEAR

AS FIRST PARTY: The Puerto Rico Electric Power Authority, (PREPA), a public corporation and government instrumentality of the Commonwealth of Puerto Rico, created by Act No. 83 of May 2, 1942, as amended, represented in this act by its Chief Executive Officer/Executive Director, José F. Ortiz Vázquez, of legal age, married, professional engineer, and resident of San Juan, Puerto Rico.-----

AS SECOND PARTY: Guzmán & Co. CPA'S, PSC. (GC), a corporation organized and registered to do business in Puerto Rico, represented in this act by its President, Carlos L. Guzmán Peña, of legal age ,single, and resident of Guaynabo, Puerto Rico, duly authorized to appear in representation of GC by Resolution dated 2nd day of August 2019.-----

Both PREPA and GC are herein individuals referred to as a "Party" and collectively referred to as the "Parties".-----

WITNESSETH

WHEREAS: PREPA, by virtue of its enabling act (Act 83), has the authority to engage those professional, technical, and consulting services necessary and convenient to the activities, programs and operations of PREPA. -----

WHEREAS: Pursuant Section 205(2)(d) of Act 83, competitive bidding shall not be necessary when professional or expert services or work are required and PREPA

deems it in the best interests of good administration for such works or services to be contracted without such announcements.-----

WHEREAS: PREPA desires to enter into this Contract with GC for the performance of the Services as described herein.-----

WHEREAS: This Contract confirms the engagement by PREPA of GC to perform Supporting Services in the Directorate of Finance as described in this Contract.-----

WHEREAS: Being each Party empowered to enter into this Contract and perform their obligations hereunder in consideration of the premises and the mutual covenants contained herein, PREPA and GC agree into this Contract under the following:-----



TERMS AND CONDITIONS

Article 1. Scope of Services

1.1 GC shall provide professional consulting services to support PREPA in its Accounting reconciliation processes, perform accounting duties for disaster related projects and analysis of all FEMA documentation for compliance with federal guidelines and provide support for audits, as well as expenses to be claimed to PREPA's insurance providers. GC scope of services will be: -----

1.1.1. Assist in the preparation of and accounting reconciliation that will be required by the Federal government as part of the Single Audit process. ---

1.1.2. Support and/or transfer of knowledge to PREPA Finance/Accounting personnel. -----

1.1.3. Verification of expenditures made by PREPA related to the disasters (Irma and María hurricanes) from an accounting perspective. Includes verification of reimbursements from FEMA and/or private insurers, mainly the recording of transactions to the emergency accounts. -----

1.1.4. Review disaster related expenditures that will not be reimbursed and verify the corresponding accounting accounts. -----

1.1.5. Review documents supporting insurance claims, from an accounting perspective. -----

1.1.6. Preparation of the necessary financial reports. -----

1.1.7. Participation, planning and/or attendance of meetings and/or teleconferences to discuss issues related to insurance or FEMA claims, from an accounting perspective. -----

1.1.8. Perform any task as assigned by management. -----

1.2 Any and all changes and/or modifications to the scope of the Services shall be in writing and must be signed by both Parties: -----

1.3 GC represents that it has or shall obtain, or cause to be obtained, all personnel necessary to undertake and provide the Services in a manner satisfactory to PREPA.-----

1.4 GC may not subcontract any of the Services that it has committed to perform or provide pursuant to this Contract without the prior written approval of the PREPA's Chief Executive Officer or any of his or her authorized representatives. Such consent to subcontract shall not relieve GC of its full responsibilities under

this contract. Consent to the subcontracting of any part of the services shall not be construed to be an approval of said subcontract or of any of its terms, but shall operate only as an approval of GC's request for the making of a subcontract between GC and its chose subcontractor (hereinafter a "Subcontractor"). GC shall be responsible for all services performed by the Subcontractor and all such services shall conform to provisions of this Contract.-----

Article 2. Term of the Contract


This Contract shall be in effect until June 30, 2020. GC expressly recognizes that in the event that there are no funds budgeted or provide for the payment of services contracted herein, PREPA shall have the right to terminate the Contract, and GC shall have no right to be paid except for the services already performed and rendered to PREPA.-----

Article 3. Termination

3.1 Notwithstanding anything to the contrary in this Contract regarding its term, PREPA may, at any moment and for any reason, terminate this Contract for its convenience after giving GC not less than thirty (30) consecutive days prior written notice. In the event of PREPA's termination for convenience as described above, GC shall recover from PREPA, as complete settlement for such termination, the payment for any work performed by GC prior to notice of termination by PREPA. GC shall provide all evidence to PREPA's approval of final invoice.-----

3.2 PREPA shall have the right to terminate this Contract immediately in the event of negligence, dereliction of duty, noncompliance, or material breach GC, as

determined in the sole discretion of PREPA, or for any other reason described elsewhere in this Contract as a basis for termination. The exercise of its right to terminate, cancel or rescind this Contract shall not be understood as a waiver by PREPA to any other remedy it may have under this Contract or under the law for delays or breach incurred by GC in the performance of its obligations under this Contract. GC shall have no further right to compensation except for what has been accrued for services rendered under the Contract until said effective termination. GC shall have no further right to compensation except for what has been accrued for services rendered under the Contract until said effective termination.-----



3.3 GC shall have a reciprocal right to terminate this Contract upon the same terms available to PREPA, as described herein, so long as such termination is consistent with the ethical obligations applicable to GC under the circumstances.-----

3.4 The exercise by either Party of its right to terminate hereunder shall not be interpreted or construed as a waiver or relinquishment by that Party of any other right or remedy it may have under this Contract or under the law.-----

Article 4. Payment Term and Invoices

4.1 GC shall submit monthly invoices for services performed and PREPA, upon review and approval by PREPA's Treasury Division, shall pay the full invoice amount within thirty (30) days of the PREPA's Treasury Division approval date. If PREPA, reasonably and in good faith, disputes charges set forth in an invoice, PREPA must notify GC in writing within fifteen (15) business days of receipt of such invoice setting for the specific basis for objection (the "Disputed Charges"). PREPA and

GC shall diligently pursue an expedited resolution of such Disputed Charges. PREPA shall pay all charges invoiced by GC, other than Disputed Charges, no later than thirty (30 days) after notification of Disputed Charges. Any portion of a Disputed Charge as to which the Parties resolve the dispute shall be paid within fifteen (15) business days after such resolution. If the Parties are unable to resolve any such dispute within sixty (60) days after receipt of invoice, the Parties may exercise the rights available under this Contract.-----

4.2 GC's maximum professional fees for the services shall not exceed one million two hundred fourteen thousand four hundred dollars (\$1,214,400). (Contract Amount)--

4.3 GC shall submit its invoices on a monthly basis itemized by work performed and by a rate per hour, according to Appendix B. Each invoice shall be duly certified, detailing the services performed and the time devoted to it.-----

4.4 GC shall notify promptly to PREPA when the billing under the Contract amounts seventy-five percent (75%) of the maximum amount under the Contract. Once this notification has been issued, GC in coordination with PREPA will ensure that no services will be rendered in excess of the Contract Amount. In addition, GC shall present an itemized list of the remaining billable works under the Contract.-----

4.5 Payments performed under this Contract related to Supporting Services will be charged to the account number 01-4026-93503-550-139. -----

4.6 All invoices submitted by GC shall include the following Certification in order to proceed with its payment. This is an essential requirement and those invoices submitted without this Certification, will not be processed for payment.-----

"We certify under penalty of nullity that no public servant of PREPA will derive or obtain any benefit or profit of any kind from the contractual relationship which is the basis of this invoice. If such benefit or profit exists, the required waiver has been obtained prior to entering into the Agreement. The only consideration to be received in exchange for the delivery of Services provided is the agreed-upon price that has been negotiated with an authorized representative of the PREPA. The total amount shown on this invoice is true and correct. The Services have been rendered, and no payment has been received."

Signature of GC's authorized representative

Article 5. Compliance with Act of October 30, 1975, No. 18, as amended

PREPA shall make any and all filings and certifications as may be required of PREPA by law or administrative regulation for this Contract to become effective and enforceable. The demand of the obligations of either Party under this Contract will be subject to the filing of the Contract at the Office of the Comptroller of the Commonwealth of Puerto Rico, in compliance with the Act of October 30, 1975, No. 18, as amended. All such filings and certifications shall be made within the time periods specified there for and PREPA shall notify GC as soon as such filings and certifications are made.-----

Article 6. Insurance

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

- A. Commonwealth of Puerto Rico Workmen's Compensation Insurance – GC shall provide Workmen's Compensation Insurance as required by Workmen's Compensation Act 45-1935 of the Commonwealth of Puerto Rico. GC shall also be

responsible for compliance with said Workmen's Compensations Act by all its subcontractors, agents, and invitees, if any.-----

GC shall furnish 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 Contract.-----

B. Employer's Liability Insurance – GC shall provide Employer's Liability Insurance with minimum bodily injury limits of at least \$1,000,000 for each employee and at least \$1,000,000 for each accident covering against the liability imposed by law upon GC as result of bodily injury, by accident or disease, including death arising out of and in the course of employment, and outside of and distinct from any claim under the Workmen's Compensation Act of the Commonwealth of Puerto Rico.-----

C. Commercial General Liability Insurance – GC shall provide a Commercial General Liability Insurance with limits of at least \$1,000,000 per occurrence and at least \$1,000,000 aggregate.-----

D. Commercial Automobile Liability Insurance – GC shall provide a Commercial Automobile Liability Insurance with limits of at least \$1,000,000 combined single limits covering all owned or scheduled autos, non-owned autos, and hired automobiles.-----

E. Professional Liability Insurance –GC shall provide a Professional Liability Insurance with limits of at least \$1,000,000 per claim and at least \$1,000,000 aggregate.-----

Requirements under the Policies

The Commercial General Liability and Commercial Automobile Liability Insurance required under this Contract shall be endorsed to include:-----

a. As "additional insured":

Puerto Rico Electric Power Authority (PREPA)
Risk Management Office
PO Box 364267
San Juan, Puerto Rico 00936-4267

b. A thirty (30) day cancellation or nonrenewable notice to be sent to the above address;-----

c. An endorsement including this Contract under contractual liability coverage and identifying it by number, date, and parties to the Contract;-----

d. Waiver of subrogation in favor of Puerto Rico Electric Power Authority (PREPA).-----

e. Breach of Warranties or Conditions: "The breach of any of the Warranties or Conditions in this policy by the Insured shall not prejudice PREPA's rights under this policy." -----

Furnishing of Policies:

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.-----

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

Article 6. Certifications or documents required by law

Previous to the signing of this Contract, GC will have to submit the following documents or certifications:-----

7.1. Certification issued by the Treasury Department of Puerto Rico which indicates that GC does not owe taxes to the Commonwealth of Puerto Rico; or is paying such taxes by an installment plan in full compliance with its terms.-----

7.2. An Income Tax Return Filing Certificate, issued by the Treasury Department of Puerto Rico assuring that GC has filed its Income Tax Return for the last five (5) tax years.-----



7.3 Certification issued by the Treasury Department of Puerto Rico which indicates that GC does not owe Puerto Rico Sales and Use Taxes to the Commonwealth of Puerto Rico; or is paying such taxes by an installment plan and is in full compliance with its terms.-----

7.4. A Puerto Rico Sales and Use Tax Filing Certificate, issued by the Treasury Department of Puerto Rico assuring that GC has filed his Puerto Rico Sales.-----

7.5 A copy of GC's Certificate of Merchant's Registration issued by the Treasury Department of Puerto Rico.-----

7.6 Certification issued by the Municipal Revenues Collection Center (MRCC), assuring that GC does not owe any tax accruing during the last five (5) years to such governmental agency.-----

7.7. A Personal Property Tax Filing Certification, issued by the MRCC which indicates that GC has filed its Personal Property Tax Return for the last five (5) contributory terms.-----

7.8. Certification, issued by the Child Support Administration, assuring that GC is in compliance with the withholdings required by law as an employer (called "Certificación de Cumplimiento de ASUME" or "Certificado ASUME patronal" in the website).-----


7.9 Certificate, issued by the Department of Labor and Human Resources of Puerto Rico, assuring that GC has paid to the Department of Labor and Human Resources of Puerto Rico its employees' contributions accruing during the last five (5) years, in accordance with the Puerto Rico Employment Security Act (unemployment, temporary disability or sickness or social security for drivers/chauffeurs), or is paying such contributions by an installment plan in full compliance with its terms.-----

7.10 Certificate of Incorporation, or Certificate of Organization or Certificate of Authorization to do business in Puerto Rico issued by the Puerto Rico Department of State.-----

7.11 Good Standing Certificate issued by the Puerto Rico Department of State.-----

7.12 Certification, license and/or authorization, issued by the Government of Puerto Rico to practices its profession, with no more than sixty days of the date that was issued.-----


7.13 GC hereby agrees to comply with the provisions of Act 2-2018, known as the Anti-Corruption Code for the New Puerto Rico GC shall furnish a sworn statement to the effect that neither GC 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 GC 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.-----



GC 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 GC 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.-----




It shall be GC's responsibility, also to require all subcontracted third parties, other than those providing incidental services such as messenger and photocopy services, to comply with all the previous Certifications and to notify PREPA of such compliance. If any of the previously required Certifications shows a debt, and GC has requested a review or adjustment of this debt, GC will certify that it has made such request at the time of signing the Contract. If the requested review or adjustment is denied and such determination is final, GC will provide, immediately, proof of payment of this debt to PREPA; otherwise, GC accepts that the owed amount will be offset by PREPA and retained at the origin, deducted from the corresponding payments. Specifically, GC recognizes that submittal of the aforementioned certifications and documents is an essential condition of this Contract; and even in the case that they are partially incorrect, there will be sufficient cause for PREPA, at its option, to terminate, cancel or rescind the Contract and to require GC to refund all payments received.-----

Article 8. Applicable Law and Jurisdiction

This Contract shall be governed by and construed in accordance with the laws of the Commonwealth of Puerto Rico. Also, the contracting Parties expressly agree that only the courts of Puerto Rico shall be the courts of competent and exclusive jurisdiction to decide over the judicial controversies that the appearing Parties may have among them regarding the terms and conditions of this Contract.-----

Article 9. Conflict of Interest

GC 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.-----



GC acknowledges that, while performing its professional obligations under this Contract, it has a duty of complete loyalty toward PREPA, in rendering its professional services, which includes not representing conflicting interests with respect to PREPA. GC represents conflicting interests when on behalf of a client it must contend for that which it is its duty to oppose to comply with its obligations with another previous or present client. Also, GC represents conflicting interests when its conduct is described as such in the canons of ethics applicable to GC and its personnel or in the laws or regulations of the Commonwealth of Puerto Rico. GC shall have the continuous obligation to disclose to PREPA all information and circumstances of its relations with clients and other third persons and any other factors that become known to GC that present a conflict of interest at the time of executing this Contract or during its term.-----

In contracts with partnerships or firms, in the event that any of the partners, directors or employees of GC should engage in the conduct described herein with respect to representation of PREPA, said conduct shall constitute a violation of the prohibitions stated herein.-----

GC shall avoid even the appearance of the existence of conflicting interests.-----

GC acknowledges that the Chief Executive Officer/Executive Director of PREPA shall have the power to intervene in the acts of GC and/or its agents, employees, and subcontractors regarding the enforcement of the prohibitions contained herein. In the event that PREPA should discover the existence of conflicting interests with GC, the Chief Executive Officer/Executive Director shall inform GC, in writing, of PREPA's intention to terminate this Contract within a fifteen (15) day period. During said period, GC may request a meeting with the Executive Director to present their arguments regarding the alleged conflict of interests, which meeting shall be granted by PREPA in every case of an alleged conflict of interests. In the event that GC does not request such a meeting during the specified fifteen (15) day period or the controversy is not satisfactorily settled during the meeting, this Contract shall be cancelled at the end of said fifteen (15) day period.-----

Article 10. No discrimination

GC certifies that it will not discriminate on the basis of race, color, national origin, sex, religion, age, disability, veteran status or in any way otherwise prohibited by law and will indemnify PREPA against any claims arising from such unlawful discrimination by GC.--


Article 11. Rules of Professional Ethics

GC acknowledges and accepts that it is knowledgeable of the rules of ethics of his/her profession and assumes responsibility for his/her own actions.-----

Article 12. Separability

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

Article 13. Income Tax Withholding



PREPA will deduct and withhold at source to GC the equivalent of ten percent (10%) from payment for services rendered under this Contract, in compliance with the Internal Revenue Code for a New Puerto Rico, Law 1-2011, section 1062.03, as amended. Notwithstanding, the withholding to be done by PREPA as herein stated could be increased to: twenty percent (20%) in the event that GC is a non-resident individual, which is a U.S. citizen, as provided by the Internal Revenue Code for the New Puerto Rico, section 1062.08; or twenty-nine percent (29%) in the event that GC is a non-resident and non U. S. citizen individual; or a foreign corporation or partnership which is not dedicated to industry or business in Puerto Rico, as provided by the Internal Revenue Code for the New Puerto Rico, section 1062.08.-----

If a Release Letter (Partial or Total Waiver Certificate) has been issued to GC by the Treasury Department, GC shall be responsible to submit a copy of said Release Letter to PREPA for every calendar year; otherwise, payments under the Contract shall remain

subject to withholding at source. All invoice shall be segregated by concepts (services, materials, equipment, etc., to identify the amounts subject to withholding, and avoid undue deductions. -----

Article 14. Special Contribution

PREPA will deduct and withhold a Special Contribution to GC the equivalent of one point five percent (1.5%) from payment for services under this Contract, in compliance with Article 1, Act 48-2013.-----

Article 15. Internal Revenue Services

Since GC is an independent contractor, at the present time there shall be no withholding or deduction from the fees for federal income tax purposes. GC shall be responsible for seeing to the filing and paying of income taxes to the Internal Revenue Service (IRS) or other appropriate Federal Government Agency. Nevertheless, PREPA shall notify the IRS or other appropriate Federal Government Agency of the payments and the disbursements made to GC, if applicable. -----


Article 16. Save and Hold Harmless

GC agrees to save and hold harmless and to indemnify PREPA for all expenses and costs of any nature (including reasonable attorneys' fees) incurred by PREPA arising out of any third party claim made by any person for bodily injuries, including death, or for property damage, to the extent directly caused by GC, by the negligent act or omission, in the performance or nonperformance of its obligations under the Contract, but not to the point directly caused by negligence or tort of PREPA or a third party, which is not an employee or subcontractor of GC.-----

With respect to any indemnity set forth in this Contract, each indemnity shall give prompt notice of its receipt of any threat, indication or other notice of any claim, investigation or demand that might give rise to any losses required to be indemnified hereunder and shall reasonably cooperate in the defense of such claim. The indemnifying party shall have the right to conduct defense of such action at its sole expense. -----

Article 17. Notices

Any notice and other communications hereunder shall be in writing and shall be deemed given when delivered personally or properly mailed to the parties at the following addresses:

 To PREPA: Puerto Rico Electric Power Authority
PO Box 364267
San Juan, Puerto Rico 00936-4267

Attention: José F. Ortiz Vázquez
Chief Executive Officer

To: Guzmán & Co., CPA's, PSC
La Electrónica Building #1608
Bori Street Suite 327
San Juan, Puerto Rico 00927

Attention: Carlos Guzmán Peña
President


Article 18. Change in Law

During the term of this Contract, any change in law, including, but not limited to changes in applicable tax law, which causes an increase in GC's costs when providing the

services, shall be GC's responsibility and PREPA shall not be obligated to make additional payments beyond the price originally agreed for those services.-----

Article 19. Force Majeure

The Parties hereto shall be excused from performing hereunder and shall not be liable in damages, if and only to the extent that they shall be unable to perform, or are prevented from performing by a force majeure event. For purposes of this Contract, force majeure means any cause without the fault or negligence and beyond the reasonable control of, the Party claiming the occurrence of a force majeure event.



Force majeure may include, but not be limited to, the following: Acts of God, industrial disturbances, acts of the public enemy, terrorism, war, blockades, boycotts, riots, insurrections, epidemics, earthquakes, storms, floods, civil disturbances, lockouts, fires, explosions, interruptions of services due to the acts or failure to act of any governmental authority; provided that these events, or any other claimed as a force majeure event, and/or its effects, are beyond the reasonable control and without the fault or negligence of the Party claiming the force majeure event, and that such Party, within ten (10) days after the occurrence of the alleged force majeure event, gives the other Party written notice describing the particulars of the occurrence and its estimated duration. The burden of proof as to whether a force majeure event has occurred shall be on the Party claiming the force majeure event. -----

Article 20. Amendments

GC and PREPA expressly agree that no amendment or change order which may be made to the Contract, during its term, shall be made, unless both Parties agree to it,

specifically and in writing. The previous provision shall be equally applicable in such other cases where PREPA gives GC a time extension for the compliance with any of its obligations under the Contract or where PREPA does not enforce any of its credits or rights under the Contract. -----

Article 21. Representations

21.1 PREPA represents and warrants to GC that (a) PREPA's execution and delivery of this Contract has been duly authorized, and (b) the person signing this Contract is expressly authorized to execute it on behalf of, and to bind, PREPA.--

21.2 Except for a claim limited solely to seeking non-monetary or equitable relief, any dispute or claim arising out of or relating to the Services, this Contract or any other services provided by or on behalf of GC or any of its subcontractors or agents to PREPA or at PREPA's request (including any matter involving any third party for whose benefit any such services are provided), shall be resolved by the state courts of Puerto Rico.-----

Article 22. Act 2-2018

GC agrees to comply with the provisions of Act 2-2018, known as the Anti-Corruption Code for the New Puerto Rico. -----

Article 23. Subcontract

GC shall not assign nor subcontract its rights and obligations under this Contract, except in the event PREPA gives written authorization for such actions; provided that no subcontract shall be considered for PREPA's approval, except when the following requirements are met: (1) GC delivers PREPA a copy of the subcontract, not less than

thirty (30) days prior to the effective date of proposed subcontract; (2) the subcontract includes, as a condition for its legal validity and enforceability, a provision whereby PREPA has the right to substitute, subrogate or assume GC's right under the subcontract, in the event that PREPA declares GC in breach or default of any of the Contract terms and conditions; and (3) the subcontract includes, as a condition for its validity and enforceability, a provision establishing for the subcontractor the obligation to comply with all GC's obligations under the Contract (mirror image clause), except for such obligations, terms, and conditions which exclusively related to works or services not included under the subcontract. -----

GC shall be responsible for any Services performed by any subcontractor as if such were performed by GC itself. -----



Article 24. Claims for Supporting Services

PREPA may not make a claim or bring proceedings relating to the supporting services under this Contract against GCs' subcontractors, members, shareholders, directors, officers, partners, principals or employee. PREPA shall make any claim or bring proceedings only against GC. -----

Article 25. Transfer of Funds

If GC decides to assign or transfer an amount, due or payable, to which he is entitled for services rendered or goods provided during the term of this Contract, GC shall notify PREPA of such transfer of funds, in accordance to the provisions of Act 21-2012. Said notice shall clearly indicate the rights granted, including a copy of the contract under which the assignment or transfer of funds is made, the exact amount of

funds to be assigned or transferred, and specific identification information regarding the assignee (full name of the person or company), address and any other contact information.-----

GC acknowledges and agrees that PREPA may deduct any amount, due or payable under this Contract, that GC owes; PREPA may retain any said amount if GC fails to fulfill its obligations and responsibilities under this Contract, or a claim arises for warranty or defects regarding the services rendered or goods provided under this Contract. GC also acknowledges and agrees that PREPA's payment obligation under any assignment of funds will cease upon payment of the outstanding amounts under this Contract. PREPA shall not be required to make payments or transfer any funds for an amount that exceeds the payment to which GC is entitled to under this Contract. GC's aforementioned notice of assignment of funds shall be accompanied by a cashier's check or money order payment of two hundred dollars (\$200), payable to "Puerto Rico Electric Power Authority", for administrative costs for processing said assignment.-----

Article 26. Independent Contractor

GC shall be considered as an independent contractor for all material purposes under this Contract, and all persons engaged or contracted by GC for the performance of its obligations herein, shall be considered as its partners, employees or agents or those of its subcontractors, and not as partners, employees or agents of PREPA. In consequence, GC is not entitled to any fringe benefits, such as, but not limited to vacation, sick leave, and other.-----

Article 27. Responsibility for Damages

The appearing Parties agree that their responsibilities for damages under this Contract will be governed by the Puerto Rico Civil Code and its case law, as dictated by the Supreme Court of Puerto Rico.-----

Article 28. Mandatory Clauses Pursuant Act 3-2017 and Circular Letter 141-17 dated January 30, 2017

28.1 Both contracting parties acknowledge and accept that the contracted services may be rendered to any entity of the Executive Branch with which the contracting entity enters into an interagency agreement with or as determined by the office of the Chief of Staff. These services shall be rendered under the same terms and conditions with respect to work hours and compensation, as set forth in this agreement. For purposes of this provision, the term "entity of the Executive Branch" includes all agencies of the Government of Puerto Rico as well as all instrumentalities and public corporations and the Office of the Governor.-----



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

Article 29. Compliance with Act 1-2012 of Governmental Ethics

GC will certify compliance with Act 1-2012, 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. -----

Article 30. Law 168-2000: Law for the Strengthening of the Family Support and Livelihood of Elderly People

GC will certify that if there is any Judicial or Administrative Order demanding payment or any economic support regarding Act 168-2000, as amended, the same is current and in all aspects in compliance. Act 168-2000 "*Law for the Strengthening of the Family Support and Livelihood of Elderly People*" in Spanish: "*Ley para el Fortalecimiento del Apoyo Familiar y Sustento de Personas de Edad Avanzada*", 3 L.P.R.A. §8611 et seq. -

Article 31. Prohibition with respect to execution by public officers: (3 L.P.R.A. 8615(c))

No public officer or employee authorized to contract on behalf of the executive agency for which he/she works may execute a contract between the agency for which he/she works and an entity or business in which he/she or any member of his/her family unit has or has had direct or indirect economic interest during the last four (4) years prior to his/her holding office.-----

Article 32. Prohibition with respect to contracting with officers or employees: (3 L.P.R.A. 8615(d))


No executive agency may execute a contract in which any of its officers or employees or any member of their family units has or has had direct or indirect economic interest during the last four (4) years prior to their holding office, unless the Governor gives

authorization thereto with the previous recommendation of the Secretary of the Treasury and Secretary of Justice.-----

Article 33. Prohibition with respect to contracts with officers and employees of other Government entities: (3 L.P.R.A. 8615(e))

No public officer or employee may be a party to or have any interest in any parties or benefits produced by a contract with any other executive agency or government dependency unless the Governor gives express authorization thereto with the previous recommendation of the Secretary of the Treasury and Secretary of Justice.-----

Article 34. Prohibition with respect to evaluation and approval by public officers: (3 L.P.R.A. 8615(f))



No public officer or employee who has the power to approve or authorize contracts shall evaluate, consider, approve or authorize any contract between an executive agency and an entity or business in which he/she or any member of his/her family unit has or has had direct or indirect economic interest during the last four (4) years prior to his/her holding office.-----

Article 35. Prohibition with respect to execution by public officers contracts with former public officers: (3 L.P.R.A. 8615(h))

No executive agency shall execute contracts with or for the benefit of persons who have been public officers or employees of said executive agency until after two (2) years have elapsed from the time said person has ceased working as such.-----

Article 36. Provisions Required under Act 14-2004

GC agrees that articles extracted, produced, assembled, packaged or distributed in Puerto Rico by enterprises with operations in Puerto Rico, or distributed by agents

established in Puerto Rico shall be used when the service is rendered, provided that they are available.-----

Article 37. Counterparts

This contract may be executed in any number of counterparts, each of which shall be deemed to be an original, but all of which together shall constitute one and the same instrument.-----

Article 38. Dispensation

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



Article 39. Transformation Process

The Parties acknowledge that PREPA is undergoing a transformation process, and therefore, both Parties agree that in the eventuality of the execution of a Partnership Contract, Sale Contract or any other PREPA Transaction (as these terms are defined in Act 120-2018), PREPA may sell, assign, convey, transfer, pledge, mortgage, sublease, delegate, hypothecate, or otherwise dispose (each, a "Transfer") any of its rights, title, or interest in this Contract as permitted by applicable law and at any time, and without Consultant's consent or cost, expense or incremental liability to PREPA, to any future operator of Puerto Rico's electric power transmission and distribution system or any of its affiliates, or to any governmental agency, body, public corporation or municipality of Puerto Rico; provided, that PREPA shall notify Consultant no later than thirty (30) days before the effective date of any such Transfer.-----


Article 40. Complete Contract

This Contract is the complete Contract between the Parties with respect to the subject matter hereof and fully supersedes any and all prior Contracts and understandings between the Parties hereto pertaining to the subject matter hereof. In case of discrepancy or in the event of conflict among the terms and conditions of the Contract and the Exhibits, the terms and conditions of the Contract shall prevail. -----

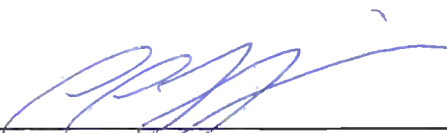
IN WITNESS WHEREOF, the parties hereto have executed this Contract as of August 15,----- 2019.-----

**PUERTO RICO ELECTRIC POWER
AUTHORITY**

Guzmán & Co., CPA's PSC



José F. Ortiz Vázquez
Chief Executive Officer



Carlos L. Guzmán Peña
President