

COMMONWEALTH OF PUERTO RICO
PUERTO RICO ELECTRIC POWER AUTHORITY
PROFESSIONAL SERVICES CONTRACT

-----**APPEAR**-----

AS FIRST PARTY: The Puerto Rico Electric Power Authority, hereinafter referred to as "PREPA", a public corporation and government instrumentality of the Commonwealth of Puerto Rico, created by Act of May 2, 1941, No. 83, as amended, represented in this act by its Chief Executive Officer/Executive Director, José F. Ortiz Vázquez, of legal age, married, professional engineer and resident of San Juan, Puerto Rico. -----

AS SECOND PARTY: Key Integrated Solutions, Inc. (the Agency), a corporation organized and existent under the laws of the Government of Puerto Rico, authorized to do business in Puerto Rico, represented in this act by its President Francisco de la Cruz Napoli, of legal age, married, and resident in San Juan, Puerto Rico duly authorized by virtue of Certificate of Corporate Resolution dated July 31, 2018.-----

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

-----**WITNESSETH**-----

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IN CONSIDERATION of the mutual covenants and agreements contained in this Contract, and other good and valuable consideration, the Parties agree into this Contract under the following: -----

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

Article 1. Scope of Services The Agency agree to provide PREPA with advisory services in the areas of marketing, traditional and digital advertising, management of social networks and communications, as well as to manage the production and publication of advertisements in the media.-----

Article 2. Services Coordination

All the services of the Agency in relation to the terms and conditions of this Contract will be coordinated through the Administrator of Communications Corporate Office of PREPA or the person delegated by him.-----

The Agency will provide the following services: -----

- 1) Plan publicity campaigns and make recommendations to PREPA about their adoption.-----

- 2) Create, conceive, design and prepare advertising for use in advertising media. Obtain all the material and services necessary for the final production of commercial advertisements. -----
- 3) Hire, reserve and pay space and commercial time as an agent of PREPA in all types of media to transmit the advertising of PREPA and send the advertising material to the advertising media with the proper instructions. -----
- 4) Produce, supervise or purchase programs and commercials for television, radio, press, magazines, Internet, social media, commercial billboards and all kinds of outdoor advertising or any element thereof (e.g. Broadcast productions and campaign launch activities). -----
- 5) Render investigation services according to what PREPA approves in writing, for the pre-evaluation of the commercial message and for the selection of the most suitable advertising medium with the market strategy. -----
- 6) The Agency will establish direct, indirect and interactive communication or marketing programs, linked to that specific segment of the previously determined public and using strategies that include, but are not limited to, pamphlets or printed forms and information centers. Likewise, act as an agent of PREPA to subcontract The Agency and related services to telemarketing, promotional data entry, Internet services, database administration and marketing, customer service programs (CRM), storage, content production for social networks and distribution of advertising material among other integrated marketing communications services. -----
- 7) Act as agent of PREPA to subcontract contractors or specialized services, for the development of those projects that require the knowledge of a specialist, with prior written authorization. -----
- 8) Assist PREPA in the placement of information or public service material provided by PREPA. -----
- 9) Prepare copies, layouts or final announcements for print media. -----

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- 10) Prepare copies, storyboards, tapes, finished films, and / or recordings for the transmitted media. -----
- 11) Buy art, engravings, films, recordings and any other mechanical or collateral material. -----
- 12) Production and coordination of exhibitions and special events, printed material and any other marketing collateral material. -----
- 13) Hire third parties such as models, artists, researchers, endorsements, etc., with prior approval. In all contracts with third-party suppliers of goods and services, the Agency will use its best efforts to obtain the lowest possible costs within the required quality requirements and obtain at least three quotes (if there are at least three suppliers) for the goods or services required for the execution of this Contract. -----
- 14) Investigate, recommend or contract for the use of conventional and non-conventional means and transmissions with the approval of PREPA.-----
- 15) Send promotional material with proper itinerary instructions for the media in accordance with the dates and instructions of PREPA. -----
- 16) Check transmission affidavits or tear sheets and inserts to avoid omissions, interruptions, wrong samples or designs, or wrong guidelines. -----
- 17) Audit and pay invoices submitted by the media and other parties for materials and services supplied.-----
- 18) Conduct, direct and interpret special investigations at the request of PREPA, which may include, among others, research on consumers copy testing and other research on related topics and of creative interest. -----
- 19) Study, analyze and prepare reports for PREPA, as agreed between the parties, on competitive promotion, expenses and marketing practices. -----
- 20) Make recommendations on promotion, orientation and education plans. -----
- 21) Make recommendations on designs and names of products or services. -----
- 22) To have available for the benefit of PREPA all the investigations that the Agency continuously carries out for the benefit of all its clients. -----

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- 23) Ensure and credit for the benefit of PREPA all discounts, refunds, rebates, and other benefits offered in the media and by suppliers based on the volume of business of the Government of Puerto Rico or PREPA. In case of additional commissions, rebates, refunds or discounts for prompt payment that are granted between the media and the suppliers in relation to the total volume of the Agency, these will be retained by the Agency. -----
- 24) Assume responsibility for saving, handling and returning disbursements of funds or other property delivered to or retained by the Agency in accordance with this Agreement. -----
- 25) When it is appropriate to make withholdings on tax payments in accordance with state or federal legal requirements, the Agency will make such withholdings and the penalties imposed for failing this responsibility will be the exclusive account of the Agency. -----
- 26) Carry out all those special tasks assigned within the framework of the Contract as agreed by the parties in writing from time to time. -----
- 27) Buy space on television, radio and place commercial or portions thereof. The Agency shall carry out the studies, investigations and inspections entrusted to it, render the reports and draft the documents that are necessary and pertinent for the proper performance of its functions under the provisions of this Contract. -----
- 28) Hire the necessary suppliers to complete those works or services agreed in this Contract that require it. For the concept of professional services provided by the Agency, related to subcontracting, or services as intermediaries with production media, or any other supplier of advertising goods or services, whose services are contracted in a net manner and which they do not recognize in their invoices a commission to the Agency, it will receive a maximum commission of fifteen percent (15%) of the gross invoiced cost. In these cases, the Agency will add to the net cost of the invoice of the supplier seventeen-point sixty-five percent (17.65%) of commission, which is the

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equivalent to fifteen percent (15%) of the gross total invoiced. This computation of commission will be clearly described, detailed and justified in the invoices of PREPA. Any other administrative or operational expenses incurred by the Agency while deciding related to this Contract may be billed to PREPA only for the net cost thereof, provided prior authorization from PREPA to incur the expenses. The aforementioned applies to all net invoicing of the Agency. In the case of media that bill gross (gross), the Authority will recognize, at the moment of paying for the services rendered, the commission that granted the media to the Agency. -----

Article 3. Rates

PREPA will pay the Agency according to the following rates: -----

Account Services:

Strategic Planner ----- \$ 125.00 per hour

Creative Services - Staff Rates:

Creative Director ----- \$ 200.00 per hour

Associate Creative Director----- \$ 175.00 per hour

Editor - Senior ----- \$ 150.00 per hour

Editor ----- \$ 125.00 per hour

Editor - Junior ----- \$ 80.00 per hour

Graphic Artist - Senior ----- \$ 150.00 per hour

Graphic Artist ----- \$ 100.00 per hour

Graphic Artist - Junior ----- \$ 80.00 per hour

Production Director ----- \$ 150.00 per hour

Producer ----- \$ 125.00 per hour

Production Assistant ----- \$ 80.00 per hour

Service Rates - Art Services:

Photogravure Full Page ----- \$ 125.00 per ad

Photogravure - other size ----- \$ 100.00 per ad

Color prints ----- \$ 30.00 each

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Prints b / w -----\$ 20.00 each

Zip / DVD / CD / PDF ----- \$ 40.00 each

Rush Fee According to estimate of costs submitted per ad

Contingency 10% additional of the total of the approved estimate each one

Production Services:

Audio Recording & Mixing:

Audio Recording (Radio) ----- \$ 125.00 each

Audio Recording (Sync to picture) \$ 225.00 each

Lay Back (0 - 60 ss) -----\$ 100.00 each

Lay Back (Over 1 min.) -----\$ 250.00 each

Video Editing:

Editing ----- \$ 250.00 each

2D Graphics Animation ----- \$ 250.00 each

Graphics Animation 3D ----- \$ 250.00 each

Video Print ----- \$ 15.00 each

Back Up (Video Elements) ----- \$ 85.00 each

Audio Section Materials:

Back Up (Elements Audio) ----- \$ 85.00 each

Sound Effects ----- \$ 15.00 each

Stock Music ----- \$ 250.00 each

(Stock Music charges guarantee the Agency clients the exclusivity of the chosen music track for one year in the Agency library and licensing clearance with the provider, although the Agency have no control if the same music track is available for licensing in another facility).

Video Copies:

VHS - 30 Minutes ----- \$ 35.00 each

VHS - 60 Minutes ----- \$ 55.00 each

VHS - 2 hours ----- \$ 110.00 each

Betacam - 5 Minutes ----- \$ 70.00 each

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Betacam - 30 Minutes ----- \$ 85.00 each

Betacam - 60 Minutes ----- \$ 95.00 each

DVD - up to 1 Minute ----- \$ 70.00 each

(Additional video copy cuts will be charged at \$ 10)

Audio Copies:

CD Air - Radio ----- \$ 19.00 each

DAT - 15 Minutes ----- \$ 20.00 each

DAT - 60 Minutes ----- \$ 30.00 each

DAT - 120 Minutes ----- \$ 40.00 each

Mini-Disk ----- \$ 19.00 each

(Additional audio copy cuts will be charged at \$ 10)

Dubbing Time:

Video ----- \$ 75.00 each

Audio ----- \$ 45.00 each

(Dubbing time sold by the hour)

Media Delivery:

MP3 Files / WAV. - up to 1 Min .----- \$ 25.00 each

MPEG 2 - up to 1 Minute ----- \$ 50.00 each

Quicktime - up to 1 Minute ----- \$ 50.00 each

Upload to FTP

From to

0MB ----- 1MG ----- \$ 35.00 each

2MB ----- 9MG ----- \$ 40.00 each

10MB ----- 29MG ----- \$ 55.00 each

30MB ----- 59MG ----- \$ 70.00 each

60MB ----- 100MG ----- \$ 85.00 each

Traffic and Coordination Rates:

Services:

Traffic Director ----- \$ 100.00 per hour

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Traffic Coordinator ----- \$ 80.00 per hour

Traffic Coordinator ----- \$ 55.00 per hour

Public Relations Fees:

Director ----- \$ 150.00 per hour

Executive - Senior ----- \$ 135.00 per hour

Executive Public Relations ----- \$ 125.00 per hour

Public Relations Coordinator ----- \$ 75.00 per hour

Public Relations Assistant ----- \$ 35.00 per hour

Rates of Events & Promotions:

Director of Promotions ----- \$ 150.00 per hour

Promotions Executive ----- \$ 135.00 per hour

Promotions Executive ----- \$ 125.00 per hour

Promotions Coordinator ----- \$ 75.00 per hour

Promotions Assistant ----- \$ 35.00 per hour

Internet, Web & Digital Services Rates:

Director ----- \$ 175.00 per hour

Project Manager ----- \$ 150.00 per hour

Interactive Services Executive --- \$ 125.00 per hour

Web Administrator ----- \$ 100.00 per hour

Database Manager ----- \$ 125.00 per hour

Programmer - Senior ----- \$ 125.00 per hour

Programmer ----- \$ 100.00 per hour

Interactive Editor ----- \$ 100.00 per hour

Multimedia Programmer ----- \$ 150.00 per hour

Multimedia Programmer ----- \$ 125.00 per hour

Interactive Animator ----- \$ 110.00 per hour

WEB Developer - Senior ----- \$ 130.00 per hour

WEB Developer ----- \$ 110.00 per hour

Director of Services

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Digital Media ----- \$ 175.00 per hour

Services Specialist

of Digital Media (SEO) ----- \$ 130.00 per hour

Assistant Services

Digital Media ----- \$ 75.00 per hour

Audiovisual Services Rates:

Audio-Visual Projects

(Animation, Edition, Jingles,

Interactive and Photos) - According to estimated costs submitted by project Special Projects Sub-Contracted.

(Research, CRM, Events, Promotions, Advice, Planning and

Communications) - according to estimated costs submitted by project

Materials for Presentation, - according to estimated costs submitted by project.

Premiums (the commission that applies is cost plus 15% commission of the total gross invoiced) - according to estimated costs submitted by project.

Competitive Analysis (internal) - No charge per project

Competitive analysis (external) - according to estimated costs submitted by project.

Other projects:

Marketing Consulting Projects \$ 125.00 per hour per project.

Media purchases

The Agency commission as granted by the media. In the media that do not grant commission the Agency will be invoiced 15% of the gross total billed each.

Purchases of production suppliers, Out of Pockets and others not related to media.

Price

The Agency commission as granted by the media. In the media that do not grant the Agency commission will be invoiced 15% of the gross total invoiced each.

Glossary:

Gross:

It consists of the total amount billed to the client, which includes the sum of the net cost plus the Agency commission granted by the advertising medium or supplier. In cases where the advertising medium or supplier does not grant an Agency commission, the Agency fee will be computed from the net cost plus a mark-up of 17.65% of the net cost equivalent to a gross margin of 15% of the gross total invoiced. -----

Agency commission:

Agency commission granted by the advertising medium. In cases where the advertising medium or supplier does not grant an Agency commission, the Agency fee will be computed from the net cost plus a mark-up of 17.65% of the net cost equivalent to a gross margin of 15% of the gross total invoiced. -----

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Net:

Net cost to pay to the supplier after discounting the Agency commission. -----

Hourly Fees:

Fixed cost per hour established for the payment of internal and external services by professionals such as Public Relations and Agencies among others. -----

Hourly Rates:

Fixed price list established for the payment of internal works or equipment not related to fees services. -----

Note:

These rates only apply to the Puerto Rico market, services for other markets will be quoted as required by the client. -----

Article 4 Payment

4.1 In accordance with the terms and conditions contained herein, PREPA agrees and the Agency accepts that the Contract Price shall not exceed a cumulative amount of three hundred thousand dollars (\$300,000) (the "Contract Amount")¹. All payments to be made under this Contract will be charged to account number 01-4019-93001-556-626. PREPA will only pay for Services already rendered before the submitted invoice date. PREPA will not be required to make advance payments for any future service to be rendered by the Agency under the Contract. -----

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

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Article 5. Invoices

5.1 The Agency shall submit its invoices on a monthly basis for the work already performed during the preceding month. The Agency will provide to PREPA an itemized invoice for each billing period. The invoice will be detailed and specific and will be substantiated with a description in detail of the Services rendered and the number of hours spent on each matter by each member of the team group working on the Projects. The invoice for professional services shall be itemized and must be duly certified by an authorized representative of the Agency.

5.2 PREPA will review the invoices within thirty (30) days of receipt, and if they are in compliance with the requirements set forth in this Contract, it will proceed with payment. Payment is due within 60 days of receipt. PREPA reserves the right to conduct the audits it deems necessary, and it will not be subject to finance charges regarding invoice payments subject to an audit. -----

¹Pursuant to Article 18 of Act 3-2017, all agreements for professional or acquired services in excess of \$10,000.00 must be approved in writing by the Governor or the person to whom he delegates such authority. Any agreements executed in contravention of these requirements shall be null.

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

No Interest Certification:

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

Agency's Signature

This is an essential requirement and those invoices without this Certification will not be processed for payment. In order to comply with the certification requirements set forth above, the Agency shall require that subcontractors providing Services also make the certification set forth above in any invoices submitted in connection with the Services.--

Article 6. Contract Term

6.1 This Contract shall be in effect from the date of its signature until June 30, 2019 (The Contract Period)². The Contract may be extended, at the exclusive option of PREPA, for additional annual fiscal periods subject to the availability of funds and previous authorization of the Secretary of the Executive Branch. -----

Article 7. Contract Termination

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

Article 8. Transfer of Funds

8.1 If the Agency 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

² Pursuant to Article 3(f) of Act 237-2004, government entities may not grant contracts that cover more than a fiscal year so as not to encumber future budgets. A contract may cover two (2) fiscal years, but it shall be limited to twelve (12) months and include a clause specifying that it shall terminate with the close of the year and that it shall be extended for twelve (12) calendar months, provided the parties agree and that there are funds available in the appropriate budgetary item. As an exception, multi-annual government contracts shall be allowed when the service can be obtained more efficiently and economically and when they are essential to guarantee the public service.

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Contract, the Agency 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.-----

The Agency acknowledges and agrees that PREPA may deduct any amount, due or payable under this Contract, that the Agency owes; PREPA may retain any said amount if the Agency 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. The Agency 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 the Agency is entitled to under this Contract. -----

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

Article 9. Compliance with the Commonwealth of Puerto Rico Contracting Requirements

The Agency will comply with all applicable State Law, Regulations or Executive Orders that regulate the contracting process and requirements of the Commonwealth of Puerto Rico, including but not limited to:

- A. Executive Order Num. OE-1991-24 of June 18, 1991 to require certification of compliance with the Internal Revenue Services of the Commonwealth of Puerto Rico: Pursuant to Executive Order Number OE-1991-24 of June 18, 1991, the Agency will certify and guarantee that it has filed all the necessary and required income tax returns to the Government of Puerto Rico for the last five (5) years. The Agency, further will certify that it has complied

and is current with the payment of any and all income taxes that are, or were due, to the Government of Puerto Rico. The Agency shall provide, to the satisfaction of PREPA, and whenever requested by PREPA during the term of this Contract, the necessary documentation to support its compliance with this clause. The Agency will be given a specific amount of time to produce said documents. During the term of this Contract, the Agency agrees to pay and/or to remain current with any repayment plan agreed to by the Agency with the Government of Puerto Rico.-----

B. Executive Order Num. OE-1992-52 of August 28, 1992 to require certification of compliance with the Department of Labor of the Commonwealth of Puerto Rico. Pursuant to Executive Order Number 1992-52, dated August 28, 1992 amending OE-1991-24, the Agency 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 Agency accepts and acknowledges its responsibility for requiring and obtaining a similar warranty and certification from each and every Contractor and Sub Contractor whose service the Agency 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.-----

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C. Government of Puerto Rico Municipal Tax Collection Center: The Agency will certify and guarantee that it does not have any current debt with regards to property taxes that may be registered with the Government of Puerto Rico's Municipal Tax Collection Center (known in Spanish as *Centro de Recaudación de Ingresos Municipales* ("CRIM")). The Agency further will certify to be current with the payment of any and all property taxes that are or were due to the Government of Puerto Rico. The Agency shall provide, to the satisfaction of PREPA and whenever requested by PREPA during the term of

this Contract, Certification issued by the Municipal Revenues Collection Center (MRCC), assuring that the Agency does not owe any tax accruing to such governmental agency. To request such Certification, the Agency will use the form issued by the MRCC (called "*CRIM-Certificados, Radicación, Estado de Cuenta y Todos los Conceptos*" in the website). The Agency will deliver upon request any documentation requested by PREPA. During the Term of this Contract, the Agency agrees to pay and/or to remain current with any repayment plan agreed to by the Agency with the Government of Puerto Rico with regards to its property taxes.-----

The Agency shall provide a Personal Property Tax Filing Certification, issued by the MRCC which indicates that the Agency has filed its Personal Property Tax Return for the last five (5) contributory terms or Negative Debt certification issued by the MRCC with respect to real and property taxes and a sworn statement executed by the Agency indicating that (i) its revenues are derived from the rendering of professional services, (ii) during the last five (5) years (or the time in which it has been providing professional services) it has had no taxable business or personal property on the 1st of January of each year, (iii) that for such reasons it has not been required to file personal property tax returns, as required under Article 6.03 of Act 83-1991, as amended and (iv) that for such reason it does not have an electronic tax file in the MRCC's electronic system.-----

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- D. The Agency shall furnish a Certification issued by the Treasury Department of Puerto Rico which indicates that the Agency 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.-----
- E. The Agency shall provide a Puerto Rico Sales and Use Tax Filing Certificate, issued by the Treasury Department of Puerto Rico assuring that the Agency has filed his Puerto Rico Sales and Use Tax for the last sixty (60) contributory periods.-----

- F. The Agency shall provide a copy of Agency's Certificate of Merchant's Registration issued by the Treasury Department of Puerto Rico.-----
- G. Puerto Rico Child Support Administration (*ASUME*): The Agency shall present, to the satisfaction of PREPA, the necessary documentation certifying that the Agency 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)*). The Agency will be given a specific amount of time to deliver said documents. 3 L.P.R.A. § 8611 et seq.;-----
- H. The Agency shall provide a Good Standing Certificate issued by the Department of State of Puerto Rico.-----
- I. The Agency shall provide a Certification of Incorporation, or Certificate of Authorization to do business in Puerto Rico issued by the Department of State of Puerto Rico.-----
- J. FNU Special Contribution for Professional and Consulting Services: 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.-----
- K. Social Security and Income Tax Retentions: In compliance with Executive Order 1991 OE- 24; and C.F.R. Part 404 et. Seq., the Agency 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.-----
- L. Income Tax Retention Law: 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 the Agency will retain 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*). The Agency will request PREPA not to make such withholdings if, to the satisfaction of PREPA, the Agency 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.-----

M. Compliance with Act No. 1 of Governmental Ethics: The Agency 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.;-----

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N. Law 168-2000: Law for the Strengthening of the Family Support and Livelihood of Elderly People: The Agency 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.-----

O. Law. 127-2004: Contract Registration in the Comptroller's Office of Puerto Rico Act: 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 18 of October 30, 1975, as amended.-----

- P. Dispensation: Any and all necessary dispensations have been obtained from any government entity and that said dispensations shall become part of the contracting record.-----
- Q. Rules of Professional Ethics: The Agency acknowledges and accepts that it is knowledgeable of the rules of ethics of his/her profession and assumes responsibility for his/her own actions.-----
- R. Anti-Corruption Code for a New Puerto Rico: The Agency agrees to comply with the provisions of Act No. 2-2018, as the same may be amended from time to time, which establishes the Anti-Corruption Code for a New Puerto Rico. The Agency 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.-----

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The Agency shall furnish a sworn statement to the effect that neither the Agency nor any president, vice president, executive director or any member of a board of officials or board of directors, or any person performing equivalent functions for the Agency 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.-----

The Agency 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 the Agency 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.-----

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If any of the previously required Certifications shows a debt, and the Agency has requested a review or adjustment of this debt, the Agency will certify that it has made such request at the time of the Contract execution. If the requested review or adjustment is denied and such determination is final, the Agency will provide, immediately, to PREPA a proof of payment of this debt; otherwise, the Agency accepts that the owed amount be offset by PREPA and retained at the origin, deducted from the corresponding payments.-----

- S. Termination by the Chief of Staff of the Governor of Puerto Rico and Interagency agreements:-----

Pursuant to Memorandum No. 2017-001, Circular Letter 141-17, of the Office of the Chief of Staff of the Governor of Puerto Rico (*Secretaría de la Gobernación*) and the Office of Management and Budget (*Oficina de Gerencia y Presupuesto – OGP*), the Chief of Staff shall have the authority to terminate this Contract at any time. If so directed by the Chief of Staff,

PREPA will terminate this Contract by delivering to the Contractor a notice of termination specifying the extent to which the performance of the work under this Contract is terminated, and the effective date of termination. Upon the effective date of termination, the Contractor shall immediately discontinue all services affected and deliver to PREPA all information, studies and other materials property of PREPA. In the event of a termination by notice, PREPA shall be liable only for payment of services rendered up to and including the effective date of termination.-----

Both contracting parties acknowledge and accept that the contracted services may be rendered to any entity of the Executive Branch with the contracting entity enters into an interagency agreement with or as determine 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 the purposes of this clause, the term "entity of the Executive Branch" includes all agency of the Government of Puerto Rico, as well as public instrumentalities and public corporations and the Office of the Governor.-----

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Consequences of Non-Compliance: The Agency expressly agrees that the conditions outlined throughout this Section are essential requirements of this Contract. Consequently, should any one of these representations, warranties or certifications be incorrect, inaccurate or misleading, in whole or in part, there shall be sufficient cause for the PREPA to render this Contract null and void, and the Agency shall reimburse the PREPA all moneys received under this Contract.-----

T. 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.

U. 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 the Secretary of Justice.-----

V. 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 profits or benefits produced by a contract with any other executive agency or government dependency unless the Governor gives express authorization thereto with previous recommendation from the Secretary of the Treasury and the Secretary of Justice.-----

FNC

W. 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.-----

X. 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.-----

Y. No Compensation for Appointments: (3 L.P.R.A. 8615(o))

The Contractor acknowledges and accepts that he or she receives no payments or compensation for regular services rendered under a designation from any other public entity, except those authorized by law.-----

Z. 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. This provision only applies to service contracts.-----

Article 10. Legal and Regulatory Compliance

10.1 The Agency shall comply with all laws and regulatory requirements applicable to the Services it provides under this Contract. In particular, the Agency shall comply with those laws and regulatory requirements that apply to the Agency as a company authorized to conduct their relevant business.-----

FNIC

10.2 The Parties agree to indemnify and hold harmless the other Party to the Contract for those damages and claims, up to an amount not exceeding the fees paid to the Agency in this engagement, which may arise from gross negligence or willful misconduct and results in the failure of its obligations to perform and comply with this Contract, or breaches any applicable laws and regulatory requirements.-----

Article 11. Governmental Approval

11.1 PREPA shall cooperate with the Agency in all actions to obtain and maintain all authorizations, consents, and approvals of any governmental or other regulatory body or authority and such other authorities as are deemed necessary to enable The Agency to provide the Services on the terms set out herein and such other terms as may be agreed between the Parties and to engage in the transactions and carry on the activities in respect of which Agency's Services are provided.

PREPA and the Agency shall comply with the terms of any such authorizations, consents, approvals, and authorities.-----

Article 12. Information and Material Facts

12.1 PREPA shall promptly provide to the Agency all information under the control of PREPA and necessary for the Agency to perform the Services under this Contract and those material facts that the Agency may reasonably require in order to provide its Services to PREPA. PREPA will ensure, to the best of its knowledge and belief, that the documents, data, and other information and material facts provided to the Agency, which are under its control, are true and complete, and does not constitute misleading or inaccurate information and the Agency shall be entitled to rely on the accuracy and completeness of the documents, data, and other information and material facts.-----

12.2 PREPA will advise in writing the Agency of any developments of which PREPA becomes aware, and which PREPA considers may have a material effect with respect to the information and/or facts provided to the Agency.-----

FDCC 12.3 PREPA will also ensure, to the best of its knowledge and belief, that the statements contained in any document or announcement issued or to be issued in connection with any matter in respect of which the Agency is advising and which are based on information produced by or under the direct control of PREPA, (whether or not issued or approved by the Agency) are to the best of its knowledge and belief true and not misleading and all expressions of opinion, intention or expectation expressed therein are made on reasonable grounds and there are no facts known the omission of which would make any of such statements or expressions misleading.-----

Article 13. Liability

13.1 Except as to matters relating to the organization and structure of the Agency and individual liability of its partners, the Parties agree that the Puerto Rico Civil Code and its case law, as dictated by the Supreme Court of Puerto Rico, will govern their responsibilities for damages under this Contract. -----

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

13.3 Each party agrees to release, indemnify, defend, save and hold harmless the other from and against any and all claims, damages, injuries, losses, expenses (including reasonable attorney's fees and legal costs) and other liabilities of any kind, up to an amount not exceeding the fees paid to the Agency in this engagement, and arising in any manner out of gross negligence or willful misconduct, related to this Contract or the performance, non-performance of the Services, to the extent that such claims, damages, injuries, losses, expenses (including reasonable attorney's fees and legal costs) and other liabilities are in excess of or outside the scope of the limitations or exclusions of liability to which the Agency is entitled under this Contract.-----

FDC

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

13.5 Notwithstanding the liabilities limits established herein, the Agency shall save and hold harmless and to indemnify PREPA for all reasonable expenses and costs of any nature (including reasonable attorney's fees) incurred by PREPA and arising out of or from its fault, negligence or willful misconduct and thereby results in a claim made by any third person for physical injuries, including death, or for property damage, due to the fault or negligence of the Agency, in the

performance of its obligations under the Contract.-----

Article 14. Other Services

14.1 PREPA will be responsible for engaging the services of such other advisers as those may be required in connection with matters in which the Agency is advising, including, but not limited to legal advisers, stockbrokers, solicitors, accountants, taxation advisers, and public relations contractors, and the Agency shall not be responsible for the actions, errors or omissions of such advisers or any of their respective employees, contractors, subcontractors or agents or any claims, damages, injuries, losses or other liabilities resulting there from.-----

Article 15. Independent Contractor

15.1 The Agency shall be considered as an independent contractor, for all material purposes under this Contract, and all persons engaged or contracted by the Agency for the performance of its obligations herein, shall be considered as its employees or agents, and not as employees or agents of PREPA.-----

FNIC

15.2 As an independent contractor, the Agency shall not be entitled to any fringe benefits, such as, but not limited to vacation, sick leave, and to which PREPA's employees are entitled.-----

Article 16. Warranty

16.1 The Agency warrants that it shall perform the Services in accordance with the applicable standards of care and diligence at the time of performance of the Services, and which are normally practiced and recognized in performing services of a similar nature (the "Standard"). Should any of the Services provided by the Agency not fulfill the above established Standard, the Agency shall take all necessary corrective measures to rectify such deficient Services, at its own and exclusive cost, whenever such course of action is possible or desirable. The rectification of deficient Services by the Agency shall not be understood as a waiver by PREPA to any other remedy it may have under this Contract or under the law or equity for any damages that the Agency may have caused to it by rendering such deficient Services.-----

16.2 No other warranty, express or implied, is made or intended by this Contract, by furnishing oral or written reports of findings made, or by any other act of the Agency. -----

Article 17. Information Disclosure and Confidentiality

17.1 The Parties shall take all reasonable steps to keep confidential and use only for the purposes contemplated by the terms of the Contract the information provided by PREPA and/or Agency, and take all reasonable steps to ensure that such information is not disclosed or distributed by its employees or agents in violation of the terms of this Contract.-----

17.2 The Parties also agree that, except as agreed to in writing by both Parties, they will not, at any time after termination of this Contract, disclose any confidential information to any person whatsoever, or permit any person whatsoever to examine and/or make copies of any reports prepared by the Agency or under its control by reason of its consulting services, and that upon termination of this Contract each party will turn over to the other all documents, papers, and other matters in its possession or under its control that relate to the other party. The Agency may retain one file copy for its records.-----

FMG

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

- (i) is or becomes public other than through a breach of this Contract;

- (ii) is known to the receiving party prior to the date of this Contract and with respect to which the receiving party does not have any obligation of confidentiality; or
- (iii) is independently developed by the receiving party without use of, or reference to, confidential information.

17.4 The Parties acknowledge that disclosure of any confidential information by either party will give rise to irreparable harm to the injured party inadequately compensable in damages. Accordingly, either party may seek and obtain injunctive relief against the breach or threatened breach of the foregoing undertakings, in addition to any other legal remedies, which may be available.----

17.5 If this Contract terminates for any reason, the Agency shall maintain in strictest confidence both; during the term of this Contract and subsequent to termination of this Contract, and shall not during the term of this Contract or thereafter disclose or divulge to any person, firm, or corporation, or use directly or indirectly, for its own benefit or the benefit of others, any information which in good faith and good conscience ought to be treated as confidential information including, without limitation, information relating to PREPA's operations or trade secrets relating to the business or affairs of PREPA which the Agency may acquire or develop in connection with or as a result of the performance of the Services hereunder. In the event of an actual or threatened breach by the Agency of the provisions of this paragraph, PREPA shall be entitled to injunctive relief for such breach. Nothing herein shall be construed as prohibiting PREPA from pursuing any other legal remedies available, including the recovery of damages from the Agency.-----

PREPA

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

expeditiously notify and submit to PREPA a copy of any court order or subpoena and to the extent possible provide any assistance to PREPA (in the form of documents) regarding the submission of such information.-----

17.7 With respect to this Contract and any information supplied in connection with this Contract and designated by the disclosing party as confidential, the recipient agrees to: (i) protect the confidential information in a reasonable and appropriate manner and in accordance with applicable professional standards; (ii) use confidential information only to perform its obligations under this Contract; and (iii) reproduce confidential information only as required to perform its obligations under this Contract.-----

Article 18. Rights and Titles

FNCC

18.1 All rights, titles and interest in any reports, documents, analyses, investigations and any other by-product conceived or developed by the Agency exclusively for PREPA as a result of performing its obligations under this Contract shall be the exclusive property of PREPA. The Agency shall retain all right, title, and interest in and to proprietary works of authorship, pre-existing or otherwise, that have not been created specifically for PREPA under this Contract. With the exception of items marked as "CONFIDENTIAL" by the Agency, PREPA shall retain the right to use, refer, share, or provide to any third party, as PREPA may determine, the results of any reports, documents, analyses, investigations or any other by-product of the Services performed by the Agency under this Contract.-----

18.2 The Agency shall retain all right, title, and interest in and to proprietary works of authorship, pre-existing or otherwise, that have not been created specifically for PREPA under this Contract.-----

18.3 PREPA shall retain the right to use, refer, share, or provide to any third party, as PREPA may determine, the results of any study, report, investigation or any other by-product of the Services performed by the Agency under this Contract provided that such use, reference or sharing with third Parties will be done at the sole risk of PREPA and without any liability to the Agency. PREPA shall also

retain the right to coordinate the performance of said studies, reports or investigations in those situations where the performance of said studies, reports or investigations may be required by any other of PREPA's contractors and may include the same objective or scope.-----

18.4 PREPA shall retain the right to use, refer, share, or provide to any third party, as PREPA may determine under the same right and title restrictions imposed on the Agency by a third party, including any restriction of use, term of use, communications media, or right to make derivative works.-----

Article 19. Employees not to Benefit

19.1 No officer, employee or agent of PREPA, nor of the Government of the Commonwealth of Puerto Rico or its Municipal Governments shall be admitted to any share or part of this Contract or to any benefit that may arise therefrom.-----

Article 20. Conflict of Interest

20.1 The Agency certifies that none of its representatives under this Contract receive payment or compensation of any nature, for the services regularly rendered through an appointment in another government agency, body, public corporation or municipality of Puerto Rico. The Agency also certifies that it may have other consulting services contracts with other governmental agencies or bodies, but such condition does not constitute a conflict of interest for the Agency.-----

PAUC

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

20.3 The Parties understand and agree that a conflict of interest exists when the Agency must advocate a position or outcome on behalf of any existing or future client that is contrary to PREPA's interests. Also, any conduct defined in the Rules of Professional Conduct regarding conflict of interests shall apply to the Agency and its personnel. -----

20.4 In the event that any of the partners, directors, agents or employees of the Agency engaged in providing services under this Contract should incur in the conduct described herein, said conduct shall constitute a violation of the prohibitions provided herein. -----

20.5 Agency's partners, directors, agents or employees and personnel shall avoid even the appearance of the existence of conflicting interests. -----

20.6 The Agency acknowledges that the Executive Director of PREPA shall have the power to intervene with the acts of the Agency and/or its agents, employees, and subcontractors regarding the enforcement of the prohibitions contained herein. In the event that the existence of adverse interests is discovered, the Executive Director shall inform the Agency in writing of PREPA's intention to terminate this Contract within a thirty (30) day period. During said period, the Agency may request a hearing with the Executive Director to present its arguments regarding the alleged conflict of interests. In the event that the Agency does not request such hearing during the specified thirty (30) day period or the controversy is not satisfactory settled during the hearing, this Contract shall be canceled. -----

PAK

Article 21. Notices

21.1 All notices and other communications hereunder shall be in writing and shall be deemed given when delivered personally or sent by telecopy, or postage prepaid, by registered, certified or express mail (return receipt requested) or reputable overnight courier service and shall be deemed given when so delivered by hand, or telecopied, or if mailed, three days after mailing (one business day in the case of express mail or overnight courier service) to the Parties to the following addresses:-----

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

Attention: José F. Ortiz Vázquez
Chief Executive Officer/Executive Director

To the Agency: Key Integrated Solutions, Inc. (KIS)
PO Box 11885
San Juan, PR 00922-1885

Attention Francisco de la Cruz Napoli
President

Article 22. Governing Law

22.1 This Contract shall be governed by and construed in accordance with the laws of the Commonwealth of Puerto Rico and any federal law and/or regulation if applicable. -----

Article 23. Change in Law

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

FNCC

Article 24. Force Majeure

24.1 The Parties shall be excused from performing their respective responsibilities and obligations under this Contract and shall not be liable in damages or otherwise, if and only to the extent that they are unable to perform, or are prevented from performing by a force majeure event.-----

24.2 For purposes of this Contract, force majeure means any cause without the fault or negligence, and beyond the reasonable control of, the party claiming the occurrence of a force majeure event.-----

24.3 Force majeure may include, but not be limited to, the following: Acts of God, industrial disturbances, acts of the public enemy, war, blockages, boycotts, riots, insurrections, epidemics, earthquakes, storms, floods, civil disturbances, lockouts, fires, explosions, interruptions of services due to the acts or failure to act of any governmental authority; provided that these events, or any other

claimed as a force majeure event, and/or its effects, are beyond the reasonable control and without the fault or negligence of the party claiming the force majeure event, and that such party, within ten (10) days after the occurrence of the alleged force majeure, gives the other party written notice describing the particulars of the occurrence and its estimated duration. The burden of proof as to whether a force majeure event has occurred shall be on the party claiming the force majeure.-----

Article 25. Novation

25.1 The Parties expressly agree that no amendment or change order, which could be made to the Contract during its term, shall be understood as a contractual novation, unless both Parties agree to the contrary, specifically and in writing.-----

25.2 The previous provision shall be equally applicable in such other cases where PREPA gives the Agency a time extension for the compliance of any of its obligations under this Contract, or where PREPA dispenses the claim or demand of any of its credits or rights under the Contract.-----

AMC

Article 26. Contract Assignment

26.1 The Agency shall not assign nor subcontract its rights and obligations under this Contract, except in the event PREPA give written authorization for such actions. Provided, that no subcontract shall be considered for PREPA's approval, except when the following requirements are met: (1) the Agency delivers to PREPA a copy of the subcontract, not less than thirty (30) days prior to the effective date of the proposed subcontract; (2) the subcontract includes, as a condition for its legal validity and enforceability, a provision whereby PREPA has the right to substitute, subrogate or assume Agency's rights under the subcontract, in the event that PREPA declares the Agency 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 Agency's obligations under the Contract (*mirror image clause*), except for such obligations, terms and

conditions which exclusively related with works or services not included under the subcontract. A request to subcontract shall specify the issues or matters that will be referred to the subcontractor. These services shall be paid as part of the maximum total amount to be paid under this Contract.-----

Article 27. Severability

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

Article 28. Insurance

The Agency 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:-----

1. Commonwealth of Puerto Rico Workmen’s Compensation Insurance:

FMC
The Agency shall provide Workmen’s Compensation Insurance as required by the Workmen’s Compensation Act 45-1935 of the Commonwealth of Puerto Rico. The Agency shall also be responsible for compliance with said Workmen’s Compensation Act by all its subcontractors, agents, and invitees, if any.-----

The Agency shall furnish a certificate from the Puerto Rico State Insurance Fund showing that all personnel employed in the work are covered by the Workmen’s Compensation Insurance, in accordance with this Contract.-----

2. Employer’s Liability Insurance:

The Agency shall provide Employer’s Liability Insurance with a minimum bodily injury limits of \$1,000,000 for each employee and \$1,000,000 for each accident covering against the liability imposed by Law upon the Agency 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.-----

3. Commercial General Liability Insurance:

The Agency shall provide a Commercial General Liability Insurance with limits of \$1,000,000 per occurrence and \$ 1,000,000 aggregate.-----

4. Commercial Automobile Liability Insurance:

The Agency shall provide a Commercial Automobile Liability Insurance with limits of \$ 1,000,000 combined single limit covering all owned, non-owned, and hired automobiles.-----

5. Professional Liability Insurance:

The Agency shall provide a Professional Liability Insurance with limits of \$ 1,000,000 per claim and \$ 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:

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

b. A 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.--

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

Article 29. Copyright

29.1 The Agency and PREPA shall jointly defend any suit or action brought against either party based on a claim that any document, report, study, analysis, copyrighted composition, article or any by-product of those, either used in the performance of the Services by the Agency or provided to PREPA by the Agency as part of its Services, or used in the performance of this Contract, including their use by PREPA, constitutes an infringement of any patents or copyrights of the United States. The Party of this Contract subject to the claim or that becomes aware of a potential claim shall promptly notify in writing the other Party of this Contract, and give the authority, information, and assistance reasonable and necessary for the defense of such claim. In the event a court of competent jurisdiction finds any of the Parties have infringed a copyrighted or patented material used in the performance of this Contract, the infringing Party shall pay damages and costs awarded therein against the other non-infringing Party up to a maximum amount of \$500,000 that arise solely due to errors or omissions by the infringing Party.-----

PNLC

29.2 If, in such suit, the document, report, study, analysis, copyrighted composition, article or any by-product of those or any part thereof is held to constitute infringement and its use is enjoined, the infringing Party, shall rectify the part of the Services affected by such determination. -----

Article 30. Miscellaneous

In case of discrepancy or in the event of conflict among the Terms and Conditions of this Contract and any other document, the Terms and Conditions of this Contract shall take precedence. -----

Article 31. Entire Contract

The terms and conditions contained herein constitute the entire Contract between PREPA and the Agency with respect to the subject matter of this Contract, and supersede all communications, negotiations, and agreements of the Parties, whether written or oral, other than these, made prior to the signing of this Contract.-----

IN WITNESS THEREOF, the Parties hereto sign this Contract in San Juan, Puerto Rico this 20 day of August of 2018.-----

Puerto Rico Electric Power Authority

Key Integrated Solutions

José F. Ortiz Vazquez
Chief Executive Officer/Executive Director
S.S.

Francisco de la Cruz Napoli
President
Social Security Number