

**GOBIERNO DE PUERTO RICO
JUNTA REGLAMENTADORA DEL SERVICIO PÚBLICO
NEGOCIADO DE ENERGÍA DE PUERTO RICO**

~~NEPR~~
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Sep 24, 2020
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IN RE: TARIFA PERMANENTE DE LA
AUTORIDAD DE ENERGÍA ELÉCTRICA
DE PUERTO RICO

CASO NÚM.:
NEPR-MI-2020-0001

ASUNTO:
Reconciliación de junio, julio y agosto de
2020 y Factores para Cláusulas FCA y PPCA
para el periodo de Octubre a Diciembre de
2020

**MOCIÓN EN CUMPLIMIENTO DE ORDEN DICTADA
EN SALA DURANTE EL DIA DE AYER**

AL NEGOCIADO DE ENERGÍA:

COMPARECE la Autoridad de Energía Eléctrica de Puerto Rico, a través de su representación legal y respetuosamente expone y solicita:

Durante la tarde del día de ayer la Autoridad de Energía Eléctrica de Puerto Rico (la “Autoridad”) compareció a una Vista Técnica ante el Negociado de Energía de la Junta Reglamentadora del Servicio Público de Puerto Rico (el “Negociado de Energía”). En la misma se solicitó que se presentaran todos los contratos de combustible en los cuales la Autoridad es parte, la proyección de consumo con sus fórmulas intactas, entre otras cosas que la Autoridad ya cumplió (la “Orden”).

I. CONTRATOS DE COMBUSTIBLE

En cumplimiento con la Orden, se adjunta a esta moción los contratos de suministro de combustible entre la Autoridad y PUMA Energy Caribe, LLC y Freepoint Commodities LLC. Exhibits A y B, respectivamente.

Para cumplir con el Negociado de Energía y su instrucción de que las radicaciones sean de manera clara y expliquen la documentación solicitada de manera que los consumidores reciban la información de manera efectiva, se informa que, en cumplimiento con las leyes y reglamentos de Puerto Rico, **todos los contratos de la Autoridad son públicos**. Los contratos están accesibles y disponibles para cualquier ciudadano particular o entidad. Los mismos están publicados en la Oficina el Contralor del Estado Libre Asociado de Puerto Rico para ser evaluados personalmente o mediante su portal en internet el cual es <https://consultacontratos.ocpr.gov.pr/>. Véase a continuación una ilustración que muestra como los consumidores y este Honorable Negociado pueden encontrar cada contrato. La primera imagen pertenece al contrato entre la Autoridad y PUMA Energy Caribe, LLC y la segunda para el contrato entre la Autoridad y Freepoint Commodities LLC.

Consulta del Registro de Contratos

Criterios de Búsqueda

Entidad Governamental	Núm. de Contrato	Contratista
<input type="text" value="Seleccionar Entidad"/>	<input type="text"/>	<input type="text" value="puma"/>
Categoría de Servicio	Tipo de Servicio	Cuantía
<input type="text" value="Seleccionar Categoría de Servicio"/>	<input type="text" value="Seleccionar Tipo de Servicio"/>	\$ <input type="text"/> \$ <input type="text"/>
Fecha de Otorgamiento	Fecha de Vigencia	
Desde <input type="text"/> - Hasta <input type="text"/>	Desde <input type="text"/> - Hasta <input type="text"/>	

Búsquedas Frecuentes - Todas las Entidades

Resultados

Mostrar registros



	Núm. Contrato	Contratistas	Otorgado en	Vigencia Desde	Vigencia Hasta	Cuantía	Documento
-	2020-P00054	PUMA ENERGY CARIBE, LLC	21/nov./2019	21/nov./2019	20/nov./2020	\$272,135,135.30	
Tipo de Servicio COMBUSTIBLES							
Entidad Autoridad de Energía Eléctrica de Puerto Rico							
Cancelado No							
+	2020-001690	Puma Energy Caribe, LLC	30/ene./2020	01/feb./2020	15/feb./2022	\$25,000.00	
+	2020-000503	PUMA ENERGY CARIBE, LLC	20/nov./2019	20/nov./2019	20/may./2020	\$0.00	
+	2018-P00006	PUMA ENERGY CARIBE, LLC	21/jul./2017	21/jul./2017	20/jul./2019	\$299,768,376.00	
+	2018-AFA013	PUMA ENERGY CARIBE LLC	18/abr./2018	18/abr./2018	30/sep./2018	\$100,000.00	
+	2017-000238	PUMA ENERGY CARIBE LLC	14/sep./2016	15/sep./2016	14/sep./2021	\$68,400.00	
+	2016-001478	CORREDOR DEL YAGUAZO PUMA ENERGY CARIBE, LLC	18/mar./2016	18/mar./2016	18/mar./2021	\$30,000.00	
+	2015-P00101	PUMA ENERGY CARIBE, LLC	23/jun./2015	22/jun./2015	21/jun./2016	\$196,440,300.00	
+	2015-P00003	PUMA ENERGY CARIBE, LLC	21/jul./2014	21/jul./2014	20/jul./2015	\$296,673,360.00	
+	2015-000112	SUPER STATION 2 (PUMA)	25/mar./2015	25/mar./2015	06/may./2015	\$965.70	

Mostrando registros del 1 al 10 de un total de 22 registros

Anterior Siguiente

Consulta del Registro de Contratos

Criterios de Búsqueda

Entidad Governamental Seleccionar Entidad	Núm. de Contrato <input type="text"/>	Contratista freepoint
Categoría de Servicio Seleccionar Categoría de Servicio	Tipo de Servicio Seleccionar Tipo de Servicio	Cuantía \$ <input type="text"/> \$ <input type="text"/>
Fecha de Otorgamiento Desde - Hasta	Fecha de Vigencia Desde - Hasta	

Búsquedas Frecuentes - Todas las Entidades

Resultados

Mostrar 10 registros



Núm. Contrato	Contratistas	Otorgado en	Vigencia Desde	Vigencia Hasta	Documento
+ 2016-P00009 -	FREEPOINT COMMODITIES LLC	31/jul/2015	01/oct./2015	30/sep./2016	
Núm. Contrato	Otorgado en	Vigencia Desde	Vigencia Hasta	Cuantía	Documento
2016-P00009-A	02/jun./2016	02/jun./2016	31/oct./2016	72,467,656.00	
2016-P00009-B	01/jul./2016	01/jul./2016	31/oct./2017	700,000,000.00	
2016-P00009-C	10/abr./2017	10/abr./2017	31/oct./2018	0.00	
2016-P00009-D	01/ago./2019	01/ago./2019	31/oct./2020	0.00	

Mostrando registros del 1 al 1 de un total de 1 registros

Anterior 1 Siguiente

II. PROYECCIÓN DE DEMANDA

El Negociado de Energía solicitó a la Autoridad que presentara la proyección de consumo y demanda en su versión original con las fórmulas intactas. Sin embargo, estos archivos ya se habían presentado al Negociado el 18 de septiembre de 2020.¹

POR TODO LO CUAL, se solicita respetuosamente al Negociado de Energía anote el cumplimiento de la Autoridad con la Orden.

RESPETUOSAMENTE SOMETIDO.

En San Juan, Puerto Rico a 24 de septiembre de 2020.

/s Katuska Bolaños Lugo
Katuska Bolaños Lugo
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TSPR 18,888

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Tel. (787) 395-7133
Fax. (787) 497-9664

¹ Ver *Solicitud de Aprobación de (i) Reconciliación del Periodo de Julio y Agosto de 2020 y (ii) Factores para las Cláusulas FCA y PPCA para el Periodo de Octubre a Diciembre de 2020, Exhibit A, Revisión de estimado de consumo generación y Dmax Q2 FY2021.*

Exhibit A

PUMA Energy Caribe, LLC

FUEL PURCHASE CONTRACT
SAN JUAN, PALO SECO, AGUIRRE, MAYAGÜEZ, CAMBALACHE,
AND GAS TURBINES GENERATING STATIONS

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, 1941, as amended, (Act 83-1941) represented in this act by its Chief Executive Officer/Executive Director, José F. Ortiz Vázquez, of legal age, married and resident of San Juan, Puerto Rico.

AS SECOND PARTY: Puma Energy Caribe, LLC ("Seller"), a limited liability company organized and existing under the laws of the Commonwealth of Puerto Rico, with offices at Carr #28 Km. 2.0 Luchetti Industrial Park Bayamon, PR, 00961, herein represented by its, General Manager, Mario Ricardo Sierra Varela, of legal age, married, engineer and a resident of Guaynabo, duly authorized to appear in representation of the Seller by Resolution dated April 25, 2019.

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

WITNESSETH

WHEREAS, PREPA, by virtue of Act 83-1941, has the authority to engage those professional, technical, and consulting services necessary and convenient to the activities, programs, and operations of PREPA;



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WHEREAS, PREPA issued a Request for Proposal No. 94074 (RFP) for the supply of light distillate No. 2 fuel oil at San Juan, Palo Seco, Aguirre, Mayagüez, Cambalache, and Gas Turbines Generating Stations.

WHEREAS, in response to the referred RFP, Seller made an offer to supply said fuel at San Juan, Palo Seco, Aguirre, Mayagüez, Cambalache, and Gas Turbines Generating Stations as requested.

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

ARTICLE I. TYPE OF CONTRACT

A. Scope and Term of Contract

1. Seller agrees to sell and deliver to PREPA, a light distillate No. 2 fuel oil in compliance with the specifications in Exhibit A for the San Juan, Palo Seco, Aguirre, Mayagüez, Cambalache, and Gas Turbines Generating Stations. The weekly rate of delivery for each station shall be the amount requested by PREPA each week.
2. PREPA reserves its right to purchase approximately up to twenty-five percent (25%) of the plant requirements on the open market if the price in the open market is lower than that of the Contract price at the time of purchase.
3. Emergency inventory-build up: PUMA shall provide an additional 60,000 bbls vessel, at PREPA request, subject to the following: at least 15 days advance



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notice, the commitment of at least 60,000 bbls with total volume to be mutually agreed between both parties, express acceptance of PREPA for the berthing and operation of PUMA's vessel in PREPA's terminal, and subject to vessel availability in the market to comply with PREPA's terminal requirements at the moment of delivery.

B. Additional Provisions

1. Any and all changes and/or modifications to the scope of the Contract shall be in writing and must be signed by both Parties.
2. The Seller 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.
3. The Seller 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 Chief Executive Officer of PREPA or any of his or her authorized representatives. Such consent to subcontract shall not relieve the Seller 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 the Seller's request for executing a contract with its chosen subcontractor (hereinafter a "Subcontractor").



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The Seller shall be responsible for all services performed by the Subcontractor and all such services shall conform to the provisions of this Contract.

ARTICLE II. TERM OF CONTRACT; TERMINATION

A. Term

This Contract will become effective on the date of its signing by the Parties, and will be in effect for a period of one (1) year. This Contract will be subject to one (1) renewal of one (1) year, subject to the availability of PREPA funds and unless either Party indicate its intention that said automatic renewal does not occur by providing the other Party with written notice at least one hundred twenty (120) days before the expiration of the original Contract term. The Contract may be extended on a monthly basis upon mutual agreement on the same terms and conditions after the end of the contracted term or its renewal, provided that, said extension shall not exceed four (4) consecutive months, except when an emergency is declared by PREPA's Governing Board.

B. Termination for Convenience

PREPA shall have the right to terminate this Contract for convenience, at any moment, by providing the Seller thirty (30) days written notice by registered mail, return receipt requested, or overnight express mail. If notice is given, this Contract shall terminate upon the expiration of thirty (30) days and PREPA shall be obligated to pay all fees and expenses incurred up to the day of effective



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

C. Termination for Cause

PREPA shall have the right to terminate this Contract immediately in the event of negligence, dereliction of duty, noncompliance, or material breach by the Seller, as determined in the sole discretion of PREPA, or for any other reason described elsewhere in this Contract as a basis for termination. In the event the Contract is terminated by PREPA for cause, PREPA shall be obligated to pay all fees and expenses incurred up to the day of effective termination, in accordance with the terms of this Contract. Seller shall have no further right to compensation except for what has been accrued for services rendered under this Contract until said date of effective termination.

D. Termination for Insolvency

If Seller enters into bankruptcy proceedings, or if Seller becomes bankrupt or insolvent, or if a petition in bankruptcy is filed against Seller, or if a receiver is appointed for Seller, PREPA shall have the right to terminate the Contract upon written notice to Seller, without prejudice to any claim or any other right of PREPA



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under the Contract at the time of such termination. Notice of termination under this provision shall not create any liability to PREPA, except that PREPA shall still be responsible for the payment of amounts due and owing to Seller not subject to claims by PREPA.

E. 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 No. 120-2018, otherwise known as Puerto Rico Electric System Transformation Act, as amended), PREPA may sell, assign, convey, transfer, pledge, mortgage, sublease, delegate, hypothecate, or otherwise dispose (each, a "Transfer") any of its rights, title, or interest (by novation or other instrument) in this Agreement as permitted by applicable law and at any time, and without Contractor'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 Contractor no later than thirty (30) days before the effective date of any such Transfer.



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The Contractor acknowledges that all his responsibilities and obligations under the Contract, such as work to be performed and services to be provided, etc., will continue in full force and effect until the expiration of the thirty (30) day period.

F. Independent Contractor

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

G. In the event that PREPA fails to comply with any of its material obligations under this Contract, Seller may declare an immediate Contract termination, cancellation or rescission with ten (10) days prior notice to PREPA and an opportunity cure. The exercise of its right to terminate, cancel or rescind the Contract shall not be understood as a waiver by Seller to any other remedy it may have under this Contract or under the law for delays or breach incurred by PREPA in the performance of its obligations under the Contract.

ARTICLE III. DELIVERY AND TITLE

A. Delivery of the fuel, as specified in Exhibit A, Fuel Specifications, will be by seagoing vessel, barge, tank to tank transfer, or tank truck at San Juan, Palo Seco,



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Aguirre, Mayagüez, Cambalache, and Gas Turbines Generating Stations as requested by PREPA. The price shall be established on the day the fuel commences transfer into PREPA's facilities.

B. PREPA shall submit Seller a weekly estimate of its requirements and propose dates for delivery of fuel during the following fifteen (15) days. Seller shall promptly acknowledge receipt of such estimate and shall, within two (2) days of such receipt, confirm or propose new delivery dates for the following fifteen (15) days. Said delivery schedule, if accepted by PREPA, shall be final unless operational needs from PREPA changes such schedule. Delivery dates shall consist of delivery windows of two (2) to four (4) days each for actual delivery to occur.

C. Title of product delivered shall pass to PREPA after the fuel passes the pipeline flange. Seller is responsible for cleaning, removing, and disposing of any spill of his product, which might occur before the pipeline interconnection during delivery; and shall be responsible for securing all materials, permits, and personnel required for handling the transfer of fuel.

D. Deliveries via barge for San Juan / Palo Seco Steam Plants, Aguirre Steam Plant, Mayagüez, and Cambalache are limited by a dredged channel with a draft of 26, 21.5, 22, and 18 feet, respectively.



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Seller shall conduct its own investigation relative to navigational information or any natural changes that might occur at the San Juan bay, Jobos bay, Mayagüez bay and Arecibo bay, as PREPA does not assume any responsibility for the same.

E. Maximum temperature of oil entering PREPA's pipeline shall not exceed one hundred degrees Fahrenheit (100°F), and at the pressure of not more than one hundred fifty (150) psig., nor less than one hundred twenty-five (125) psig., measured at PREPA's intake flange.

F. If Seller, for any reason, except as provided for in Article XVI, Force Majeure, of this Contract, fails to deliver the fuel required, as provided for in this Contract, PREPA may procure the product from any other supplier. In such event, PREPA may deduct from the Seller any pending invoices or the Seller shall reimburse PREPA for any difference which PREPA may have paid in excess of the contracted price. It shall be understood that PREPA is not waiving any rights available to it under the law, including rights to any claims or actions for damages caused by noncompliance by the Seller with the terms of this Contract.

G. The Seller will be responsible for any and all damages to the dock or to any other property caused by the vessel during delivery. All fuel oil deliveries and transfers should be in compliance with Homeland Security Regulations including, but not limited to, 33 CFR 104 & 105. Also, all fuel oil operations should be in compliance with 33 CFR 154, 155 & 156.



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H. Should PREPA need fuel of the same type and quality of the fuel herein contracted for, at any of its other plants, PREPA, at its option, may request deliveries and Seller shall deliver to such other plant up to a maximum of Seller's contractual commitment or inventory capabilities, if any. The fuel oil to be delivered under this condition by the Seller shall be at the same delivered price, or lower, and under the same payment conditions as for other plants, adjusted to reflect any increased or decreased transportation costs resulting from delivery to such other plants.

I. The Seller is responsible under a predicted force majeure event to take immediate action and employ emergency plans to avoid human hazards and protect public and private properties.

J. The Seller agrees to indemnify PREPA for all expenses and costs of any nature arising out of any claim due to an environmental non-compliance violation caused by Seller, its agents, employees, subcontractors, or assignees during the performance, or nonperformance of its obligations under the Contract.

K. Every vessel shall be coastal tanker and capable of acceptance by the terminal(s), and the Seller shall bear the risk of any failure to obtain acceptance.

L. It is the Seller's responsibility to familiarize themselves with all the locations in which it provides services under the Contract. The Seller will be required to have the proper personnel and equipment to service the locations they were awarded.



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M. Fuel may be delivered to Cambalache, Mayagüez, and Gas Turbines Generating Stations, by tank truck, only upon request by PREPA. Delivery to any of these stations shall be deemed completed and title and risk shall pass to PREPA when the fuel passes the flange connection, adjacent to PREPA storage tanks at said station. All transportation charges by tank trucks needed during the contract will be itemized and included on invoice to PREPA by the Seller.

1. Seller shall comply with all applicable local and federal environmental regulations.
2. The fuel shall be supplied by the Seller and shall be delivered and pumped into PREPA storage tanks. The Seller shall have the capability to effect deliveries of the product as requested by PREPA including deliveries on Saturdays, Sundays, and holidays, if necessary, in order to fulfill PREPA operational requirements.
3. PREPA working hours are Monday thru Friday from 7:30 to 11:30 AM and from 12:30 to 4:00 PM. The Seller shall take all the necessary actions in order to supply the required daily volume during PREPA working hours. Deliveries not made during PREPA normal working hours may be rejected without penalty to PREPA. PREPA reserves the right to modify its working hours schedule in order to accommodate fuel requirements in excess of sixty thousand (60,000) gallons per day for each site.



4. PREPA assumes no responsibility or liability for demurrage incurred by the tank trucks delivering fuel pursuant to this Contract, unless such demurrage is attributable to the fault or negligence of PREPA.
5. The Seller shall furnish all appropriate documentation and available evidence to support of any demurrage claim, which may be brought against PREPA.

ARTICLE IV. SPECIFICATIONS

A. Fuel to be supplied shall be in accordance with the latest corresponding specifications, as specified in Exhibit A, Fuel Specifications. The Quality Certificate must include the latest revision to the test method used for each parameter. PREPA requires a fuel with homogeneous hydrocarbons, free of inorganic acids and microorganisms, and free of glycerin, water, solid, or fibrous foreign matter, which will yield the lowest cost per kW hour produced. Any product offered will be analyzed and evaluated in terms of the ultimate cost. Seller is responsible for the fuel compliance with all applicable Code of Federal Regulations.

B. Gravity and sulfur analysis of upper, middle, and lower samples shall be the appropriate means of establishing tank or vessel homogeneity. It is Seller's responsibility to provide PREPA with a Quality Certificate that ensures, among others, that the fuel intended for delivery complies with the contracted specifications and is homogeneous.



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A tank or vessel shall be considered to be homogeneous if the maximum difference in tested gravities between any two (2) samples from different strata is not greater than 0.3 degrees API, and the maximum difference in tested sulfur content between any two (2) samples from different strata is not greater than 0.02 weight percent, further provided that all tested samples shall be within the contracted specifications. For fuel received via barge into PREPA's facilities, which was loaded from a certified tank, a full certification of the barge composite sample is required.

C. In determining compliance with the Specifications, the Seller is required to make a laboratory analysis, as per specified method, to the fuel being supplied to assure that such fuel meets the specifications of this Contract, and shall submit a copy of the analysis results to the respective Power Plant Manager representative or to PREPA's agent or representative before unloading each delivery. Copies shall also be sent to PREPA's Fuels Office attached to all invoices. The analysis should be certified by an authorized chemist licensed in Puerto Rico and approved by PREPA, and shall include items as per Specifications contained in Exhibit A.

D. If PREPA encounters difficulties in the efficient handling and burning of the fuel, special analysis from the independent inspector's retained sample shall be requested by PREPA and made by an authorized chemist licensed in Puerto Rico to determine if the characteristics of the fuel being delivered compare to the



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specifications. If it is determined that the difficulties are due to the fuel not complying with the Specifications, Seller will take such immediate measures as necessary to correct the deviation and to prevent further difficulties. PREPA's acceptance of, or agreement to, remedial or preventive measures shall not be interpreted or considered as a waiver of any rights available to it under the law, including, but not limited to, rights of actions or claims for damages caused by Seller's noncompliance with the fuel Specifications or with any other provision of this Contract.

E. If during any delivery Seller fails to meet the Specifications as awarded, PREPA reserves the right to evaluate the deviation and deduct a monetary equivalent from any amounts due to Seller, establish a claim for nonperformance, or terminate the contractual relationship with Seller. PREPA reserves the right to refuse receiving of materials which fail to comply with specifications.

F. Seller will be held responsible for any fines, penalties, damages, expenses, costs, or claims, actions, and causes of actions, which may arise due to the fact that any of the fuel provided by Seller has deviations or variations from the contracted specification. Therefore, if such circumstance takes place, Seller will hold and save harmless, and will defend PREPA, its officers, agents, and employees from any claims, actions, causes of actions, damages, costs, fines, penalties, and expenses due to the above.



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G. The Seller shall be responsible, at its own cost, for certifying that fuel meets the quality specifications required under these terms. The Seller shall provide to PREPA a Certificate of Quality.

H. PREPA might take periodic samples of the fuel oil delivered to its locations from the ship vessel in which delivery is made. PREPA reserves the right to cancel the Contract at Seller's expense for inferior deliveries, or if the fuel is found to contain dirt or sediment, or if it is of a structure that will cause clogging of burners, pipelines, burner nozzles, or prevents proper operation.

ARTICLE V. TYPE OF FUEL TO BE SUPPLIED

A. PREPA requires a fuel appropriate for burning without requiring extraordinary maintenance to the gas turbines and their associated equipment, or extraordinary problems in the plant operations and which will yield the lowest cost per kW hour produced. All fuel delivered shall be analyzed and evaluated in terms of its ultimate cost and consistency with PREPA's applicable environmental regulations.

B. In the event that, during the term of this Contract, Federal or Commonwealth of Puerto Rico laws or regulations are modified, requiring the burning of a fuel of different specifications than the fuel contracted for, or in the event that PREPA obtains permission to burn a fuel with different specifications than the fuel contracted for, and if these changes require an adjustment in the price of the fuel contracted for; then the Parties shall meet within five (5) days from the enactment



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of any such law or regulations to discuss the matter for the purpose of establishing new price terms satisfactory to both Parties. If an agreement cannot be reached by the parties prior to the enforcement date of the regulations because Seller fuel is not competitive or, for any reason, cannot provide a fuel according to the new specifications, then PREPA shall have the right to terminate the Contract.

C. In the event that, during the term of this Contract, PREPA requests a fuel of different specifications than the fuel contracted for, Seller and PREPA shall meet to establish new price terms for said different fuel oil specifications satisfactory to both parties. If the parties are unable to agree on new price terms, or Seller for any reason, cannot provide the fuel according to the new specifications, PREPA may exercise the option to continue to purchase fuel oil contracted or to terminate the Contract.

D. In the event, that during the term of this Contract, any of the contracted price postings cease to exist, Seller and PREPA shall meet to establish an alternative mean to determine the contracted price satisfactory to both parties. If the parties are unable to agree on an alternative mean to determine the contracted price within forty-five (45) days after any of the contracted price postings ceases to exist, then the Contract is terminated.



ARTICLE VI. LAY TIME AND DEMURRAGE

A. PREPA assumes no responsibility or liability for demurrage incurred by the vessel(s) delivering fuel pursuant to this Contract, unless such demurrage is attributable to the fault or negligence of PREPA. Lay time shall commence six (6) hours: a) after Seller notifies PREPA that the vessel is ready to discharge cargo; or b) upon arrival at berth and cleared by Customs, whichever occurs last.

B. Notice shall be given to PREPA seventy-two (72), forty-eight (48), and twenty-four (24) hours before the vessel's arrival by the vessel's master or its agent. In the event the vessel is delayed in getting into berth after giving notice, for any reason over which PREPA has no control or due to docking restrictions, if any, such delay shall not count as used lay time.

Notices to be given under this Contract shall be deemed properly served on each other when delivered in writing personally by certified mail, by fax machine, or by electronic mail.

C. Lay time shall commence within the meaning of this Article, whether the vessel arrives during or outside normal business hours. Lay time shall not be increased, nor PREPA held accountable for, any delay in berthing the vessel attributable to the failure of the Seller to give the notices set forth in this Article.



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D. Allowed lay time shall be thirty-six (36) hours for each and every delivery of No. 2 light distillate fuel oil under this Contract. PREPA and Seller agree, however, that the allowed lay time of thirty-six (36) hours depends upon:

1. Seller's vessel being capable of pumping its entire cargo within thirty (30) hours.
2. Seller's personnel or agents promptly performing the connection and disconnection of discharging hoses.
3. An unloading temperature and pressure as specified in Article IV, Specifications, of this Contract.

E. Allowed lay time shall be increased by the time a vessel is prevented or delayed from arriving, or departing, or discharging cargo due to, but not limited to, the following:

1. Tide conditions, heavy seas, wind, or bad weather of any nature.
2. Vessel's condition, vessel's facilities, or vessel's failure to comply with U.S. Coast Guard or other governmental agency regulations, which do not permit connection, discharging cargo, or disconnecting in the allowed lay time.
3. The failure of the No. 2 light distillate fuel oil to meet the quantity or specifications by any of the determinations set forth in this Contract, or if the No. 2 light distillate fuel oil is otherwise unfit for PREPA's intended use.
4. Regulations of port authorities, vessel's owners, or vessel's master, which prohibit discharging of the cargo at night.



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5. Seller's cargo volume exceeds the established maximum cargo volume.

F. If the vessel is delayed at any discharging berth for ship purposes or reasons beyond the control of PREPA, lay time shall cease when discharging is completed, even though hoses are not disconnected. If regulations of port authorities or vessel's owner prohibit discharging of the cargo at night, time so lost shall increase the allowed lay time. If PREPA prohibits discharging at night, time lost shall count as lay time. In all other cases, lay time shall continue to run until cargo hoses or loading arms, as the case may be, have been disconnected.

G. PREPA shall pay demurrage per running hours, and pro rata for a part thereof, for all time that exceeds the allowed lay time at the rate stated in the Voyage Charter Agreement for the vessel.

H. If discharging has ceased because it is completed, or if the discharging rate has decreased to a rate, which will not permit discharge of the entire cargo within thirty-six (36) hours or due to any other problem with the vessel, PREPA may order to move off the vessel from the dock at no cost to PREPA. If practical, the vessel shall be allowed to return later and complete discharging. In the event that the discharging rate has decreased to a rate which will not permit discharge of the entire cargo within thirty-six (36) hours, PREPA may delay ordering to move the vessel from the dock and allow pumping to continue. Provided however, the Seller pays the per hour dock fee rate and any other associated cost.



I. The Seller shall furnish all appropriate documentation and available evidence in support of any demurrage claim, which may be brought against PREPA.

ARTICLE VII. GENERAL LIABILITIES

A. The Seller agrees to make, use, provide, and take all proper, necessary precautions, safeguards, and protection against the occurrence or happening of injuries, death, and/or damages to any person or property during the delivery process. It also agrees to be responsible for, and indemnify, and save PREPA harmless from public liability, costs, and expenses resulting there from, or damages that may happen or occur solely through the fault, or negligent acts, or omissions of the Seller, its employees, agents, and subcontractor, during the performance of the supply, or while carrying out any act or action directly or indirectly related, or in connection with the performance of this Contract, and from loss, liability, and fines incurred for, or by reason of violation by the Seller of any federal, state or municipal ordinance or regulation of law, while said delivery is in progress.

B. The Seller will be held responsible for any fines, penalties, damages, expenses, costs or claims, actions, and causes of actions, which may arise due to the fact that any of the fuel provided by the Seller has deviations or variations from the contracted and guaranteed specifications for the same. Therefore, should such circumstances take place, Seller will hold and save harmless and will defend



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PREPA, its officers, agents, and employees from any claims, actions, causes of actions, damages, costs, fines, penalties, and expenses due or attributable to variations or deviations from fuel specifications as contracted and guaranteed by the Seller.

C. 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.

D. The Seller 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) the Seller delivers 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 Seller's rights under the subcontract, in the event that PREPA declares the Seller in breach or default of any of the Contract terms and conditions; (3) the subcontract includes, as a condition for its validity and enforceability, a provision establishing for the subcontractor the obligation to comply with all Seller's obligations under the Contract (mirror image clause),



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except for such obligations, term, and conditions which exclusively relate to works or services not included under the subcontract.

E. Seller shall be responsible for the performance of all deliveries and work under this Contract.

F. Seller shall be responsible to PREPA for the acts and omissions of its employees, agents, or subcontractors.

G. The successful seller will maintain adequate insurance coverage for the duration of the contract to cover cost of replacement or repair of any breakage caused by carelessness, negligence, or lack of skill, etc. on the part of the vendor's employees in the performance of required deliveries. This will include bodily and property damage and any such other items.

ARTICLE VIII. Price

A. Price contracted for fuel delivered shall be per barrel of 42 U.S. gallons, volume corrected to a temperature of sixty degrees (60°F) Fahrenheit.

B. For each barrel of delivered fuel, the price to be paid will consist of an escalator plus a fixed price differential with a sixty (60) day credit term.

C. The unit price in dollars per barrel (\$/bbl.) has to be computed using a fixed price differential plus an escalator factor, taking as reference the delivery date. The fixed price differential is \$10.00 per barrel for purchases up to 1,200,000 barrels during the calendar year. For delivered volume from 1,200,001 up to



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3,600,000 barrels, the fixed differential is \$9.50 per barrel, and for delivered volume from 3,600,001 barrels the fixed differential is \$9.00 per barrel. The escalator will be calculated using the Platt's Oilgram Price Report and Argus US Products, corresponding to the effective date of the posting at the time the fuel delivery commences, the day before, and the day after the fuel delivery, each one of these evaluated utilizing the following formula:

Fifty percent (50%) of ULSD fuel from the average of quotations for the "New York/Boston" (Barge) and "US Gulf Coast (Waterborne)" as published by the Platt's Oilgram Price Report; rounded to four (4) decimal places.

Plus fifty percent (50%) of ULS Diesel from the average of quotations for the "New York Waterborne" and "US Gulf Coast Waterborne" as published by the Argus US Products rounded to four (4) decimal places; said result must be then multiplied by 0.42 to convert from cents per gallon to dollars per barrel.

Final number is to be rounded to four (4) decimal places. The price for a fuel delivery shall be based on:

1. The day the vessel commences the discharge, if the fuel is delivered via barge or vessel; or
2. The day when the delivery commences, if the fuel is delivered by tank to tank transfer.

In any of the two cases, should delivery date, the day before, or the day after take place on Saturday, Sunday or on a Holiday, the effective prices appearing in the last editions of Platt's Oilgram Price Report and Argus U.S. Products, published before any of these dates will be utilized to readjust the prices.



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PREPA has provided a sample calculation of the escalation factor, which appears as Exhibit C, Sample Calculation Escalation Factor, of this Contract.

D. Excise tax and municipality patent payment are to be presented as separate line items and the same are in addition to the contracted price. PREPA will reimburse Seller the amount corresponding to the payment of the municipality patent, once the Seller presents PREPA evidence, issued by the Municipality, with respect to the percentage established as a basis for the calculation of the amount to be paid as such patent. If, during the term of the Contract, the agreed percent changes, Seller shall immediately present PREPA the corresponding evidence, issued by the Municipality and reflect it in the invoice.

E. Seller shall invoice each delivery with corresponding PREPA's assigned shipment number. Copies of the inspector's certificates of quantity and quality shall be included with the invoices. Such invoices shall be paid by PREPA in U.S. currency sixty (60) days after completion of delivery of fuel, having in mind that PREPA will pay on the basis of received quality and quantity.

F. The risk and title will be borne by the Seller until fuel oil passes PREPA's intake flange at the respective generating stations.

G. Subject to any payment default by PREPA under any contract with Seller, Seller shall provide PREPA with a credit cap of forty-five (45) million dollars (\$45,000,000) ("Credit Cap"). PREPA will have sixty (60) days to pay after



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completion of deliveries of product and after the receipt of the invoice and all the necessary documents for making payments by PREPA's Fuels Office (including without limitation the documents as required by Articles XII(C) and (E)), provided that PREPA may not owe Seller, at any time, any amount(s) in excess of the Credit Cap (includes invoices not paid by their due date) and provided further that upon any payment default by PREPA under any contract with the Seller, all amounts owed to Seller shall become immediately due and payable. If, at any time, there is a payment default by PREPA under any contract with the Seller and/or the Credit Cap will be exceeded by a scheduled future delivery whether under this or any other prior contract with the Seller, deliveries might be suspended at Seller's discretion until (i) payment is received by Seller for the amount of the default and/or (ii) payment is received by Seller for the amount in excess of the Credit Cap. The performance bond required under this Contract shall incorporate these terms. Upon a payment default under this or any prior contract Seller may terminate this Contract as provided in Article II(G). Neither Party shall unilaterally add or debit any amount related to the daily cap without previous written approval and agreement between the Parties. Upon the receiving Party's receipt of the aggrieved Party's written notice of protest, the receiving Party shall answer the protest within ten (10) business days after receipt of the written notice. Within ten (10) days after the answer of the protest the authorized representatives of the



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Parties shall meet and attempt to resolve the dispute. In the event that the authorized representative of the Parties do not reach agreement within five (days) of the meeting either Party may pursue its remedy at law or equity.

H. Past due balances as per contractual terms will accrue interest at the lower of (i) the daily "Prime Rate" as quoted by the Wall Street Journal plus three (3) percent or (ii) the maximum rate of interest allowed by law.

I. The obligations to Seller shall be entitled to administrative expense status and priority in PREPA's Title III case, and shall not be dischargeable under any plan in PREPA's Title III case. Neither PREPA nor any of its representatives shall assert, nor assist or facilitate any other party in asserting, directly, or indirectly (including through the prosecution or support of any plan), that the obligations to Seller are not entitled to such status and priority or are dischargeable in the Title III case. For the avoidance of doubt, PREPA agrees that this stipulation shall be admissible in PREPA's Title III case. Moreover, and without prejudice to the foregoing, in no event shall the obligations to Seller under this Contract be treated any less favorably than any other post-petition fuel supplier under a plan in PREPA's Title III case.

J. All Payments under this Contract will be charged to: 1-2321-23215-000-000.

ARTICLE IX. PRICE PROTECTION

The parties will have the right to price protection of the fuel being delivered, except as provided for in the Article XIV, Force Majeure, of this Contract. Price protection



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is to be applied to those deliveries not made within the agreed delivery window, as mentioned in Article III, Delivery and Title, of this Contract. Price protection is hereby defined for Seller as the highest price between the price for the last day of the delivery window or actual delivery date as calculated in Article VIII, Price, of this Contract. Conversely, price protection for PREPA will be the lowest price between the price for the last day of the delivery window or actual delivery date as calculated in Article VIII, Price, of this Contract.

ARTICLE X. DUTIES AND TAXES

The contracted price shall include all taxes, fees or established import tariffs for foreign material with the exception of Puerto Rico's excise tax and municipality patent payment, which are to be presented as separate line items and the same are in addition to the contracted price. In the event that any new or increased taxes, fees, or tariffs, applicable to the product being supplied hereby are levied by Federal and/or Commonwealth of Puerto Rico Government, and as long as these taxes, fees, or tariffs do not discriminate whether the product is domestic or foreign, these will be passed on in their entirety to PREPA; any changes up or down in these taxes, fees, or tariffs, should they be imposed, will be reflected in the price in its entirety and Seller will adjust the price accordingly. However, should said new or increased taxes, fees, or tariffs discriminate whether the product is domestic or foreign and said new or increased taxes, fees, or tariffs result in a



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lower price for domestic fuel, the Seller must supply fuel which results in the lowest cost to PREPA. Should domestic fuel be unavailable, the parties shall meet within five (5) days from Seller's notification to PREPA that the lowest priced fuel is unavailable, or at PREPA's request, to discuss fuel availability from other sources and negotiate the financial aspect of any taxes, fees, or tariffs applicable to the product. If an agreement cannot be reached, PREPA shall have the right to terminate the Contract.

ARTICLE XI. GUARANTEED CALORIFIC VALUE

A. The Seller guarantees that the minimum calorific values of the fuel supplied hereunder shall be as specified herein, or as quoted by the Seller, whichever is the higher. However, PREPA will not pay any premium for calorific values in excess of the minimum established in Exhibit A, Fuel Specifications.

B. During any delivery by the Seller, in which the fuel fails to meet such guarantee, the deficiency shall be determined in barrels, calculated on the basis of the example attached as Exhibit B, Sample Calculation BTU Deficiency Adjustment, of this Contract. The deficiency, thus calculated, shall serve as a credit deficiency occurred for an equivalent number of barrels before computing the fuel billings for such invoice.



ARTICLLE XII. MEASUREMENTS AND PAYMENT

A. The quantity of fuel oil delivered to PREPA shall be computed by measurements in PREPA's on-shore tanks, and such measurements, unless otherwise mutually agreed, are to be conducted by an independent inspector accredited by US Customs and Border Protection as per Title 19 CFR 151.13 and qualified by PREPA. The inspection cost shall be borne equally between PREPA and the Seller. All measurements shall be corrected to sixty degrees (60°F) Fahrenheit, using ASTM Petroleum measurements Table 6-B. Quantities certified by the independent inspector's report will be binding for both parties.

B. Seller must provide to PREPA's Fuel Office the invoices within five (5) days after completion of delivery of fuel. All invoices submitted by the Seller shall be paid by PREPA in U.S. currency within sixty (60) days after, completion of delivery of fuels. Payment shall be made against presentation of the invoice and all the necessary documents for making payments by PREPA's Fuels Office. Considering that the truck deliveries involve considerably more paperwork, said invoices will be hand delivered to PREPA offices within ten (10) days after completion of delivery of fuel.

C. Invoices must also include a written and signed certification stating that no officer or employee of PREPA, and their respective subsidiaries or affiliates, will personally derive or obtain any benefit or profit of any kind from this Contract, with



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the acknowledgment that invoices that do not include this certification will not be paid. This certification must read as follows:

We certify under penalty of absolute nullity that no public servant of PREPA is a party or has any interest in the benefit or profit product of the Contract which is the basis of this invoice. If such benefit or profit exists, the required waiver has been obtained prior to entering into the Contract. 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 PREPA. The total amount shown on this invoice is true and correct. The Services have been rendered, and no payment has been received.

Seller's Signature

D. All the billings and requests for payment shall be mailed to:

Puerto Rico Electric Power Authority
Attention: Fuels Office
PO Box 364267
San Juan, Puerto Rico 00936-4267

E. For tank truck deliveries, fuel shall be measured at the Seller facilities using calibrated meters and corrected to sixty degrees Fahrenheit (60°F) from the average loading temperature obtained from the appropriate measuring devices and using the factors provided by the ASTM (American Society for Testing Materials) Table 6B. Each tank truck delivery will be accompanied by; i) Order confirmation, ii) Bill of Lading (BOL), iii) Seal's report from an independent inspector, iv) Certificate of Analysis (COA). Each invoice for a tank truck delivery



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shall be accompanied by a copy of the delivery ticket or BOL properly signed by PREPA's duly authorized representative. For the purpose of determining the quantity delivered, the BOL figures at sixty degrees Fahrenheit (60°F) will be used. All the tank trucks shall have all hatches and outlet valves properly locked with metallic seals at the time the delivery is to commence. Otherwise the product will not be accepted by PREPA.

ARTICLE XIII. SALES TO OTHERS

If the Seller sells or offers for sale to others in Puerto Rico burnable fuel of a quality comparable or superior to that of fuel to be supplied hereunder for delivery in Puerto Rico or elsewhere, at F.O.B. supplier terminal prices per BTU lower than those payable for fuel hereunder, Seller shall so notify PREPA immediately and extend to PREPA such lower price as from the date of such sale or offer for sale. The lower price shall apply to a quantity of fuel sold by Seller to PREPA hereunder equivalent to the number of barrels of fuel sold or offered by Seller at such lower price, but in no case shall this lower price be applicable to a quantity less than the average quantity received during a two-week (2) period.

ARTICLE XIV. FORCE MAJEURE

The parties hereto shall be excused from performing hereunder, and shall not be liable in damages or otherwise, if and only to the extent that they shall be unable to perform, or are prevented from performing by a force majeure event. For the



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purpose 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, 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, 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 party claiming the force majeure shall continue the performance of its obligations hereunder immediately after the conclusion of the force majeure. In the event that the force majeure extends for a period of more than sixty (60) consecutive days, the party not claiming the force majeure may terminate this Contract without further obligation. The burden of proof as to whether a force majeure has occurred shall be on the party claiming the force majeure. Notice of termination under this provision shall create no liability to the parties, except that the parties shall still be



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responsible for the payments of amounts due and owing to the other party not subject to claims.

ARTICLE XV. PREFERRED CLIENT

Seller recognizes that PREPA provides an essential service for the Commonwealth of Puerto Rico. Should any force majeure event cause the Seller to suspend or reduce deliveries, the Seller shall give PREPA first priority for supply.

ARTICLE XVI. PERFORMANCE BOND AND INSURANCE

A. Upon execution of the Contract, Seller will furnish a Performance Bond payable to the order of PREPA issued by a qualified surety company, authorized to do business in Puerto Rico and acceptable to PREPA, in an amount of \$13,606,757.00, equivalent to five percent (5%) of the estimated Contract value.

PREPA will accept a Letter of Credit for the same amount in lieu of a Performance Bond, provided that the Letter of Credit shall incorporate the following conditions to be acceptable to PREPA:

- a. To be issued or notified and confirmed by a local bank in Puerto Rico,
- b. To be unconditional and irrevocable,
- c. Payments to be made by issuing bank on a business day by wire transfer, immediately after PREPA's instructions,
- d. To be governed by and construed in accordance with the laws of the Commonwealth of Puerto Rico, applicable to contracts entered and performed



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solely within Puerto Rico, without giving effect to any conflicts or choice of law principles which otherwise might be applicable, except to the extent such laws are inconsistent with the uniform customs and practices for documentary credits,

e. Final draft of the Letter of Credit shall be subject to approval by PREPA's Treasurer.

B. Seller 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:

Seller shall provide Workmen's Compensation Insurance as required by the Workmen's Compensation Act 45-1935 of the Commonwealth of Puerto Rico.

Seller shall also be responsible for compliance with said Workmen's Compensation Act by all its subcontractors, agents, and invitees, if any.

Seller 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.

2. Employer's Liability Insurance:

Seller shall provide Employer's Liability Insurance with 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 Seller as result of bodily injury, by



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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:

Seller 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:

Seller shall provide a Commercial Automobile Liability Insurance with limits of \$1,000,000 combined single limit covering all owned or scheduled autos, non-owned autos, and hired autos. Under this insurance, the MCS-90 (Motor Carrier Endorsement), must be included.

5. Pollution Liability Insurance:

Seller shall provide a Pollution Liability Insurance with limits of \$10,000,000 per claim and \$10,000,000 per 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, PR 00936-4267



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

ARTICLE XVII. TERMINATION BY THE CHIEF OF STAFF

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 Seller a notice of termination specifying the extent to which the



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performance of the work under this Contract is terminated, and the effective date of termination. Upon the effective date of termination, the Seller 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.

ARTICLE XVIII. INTERAGENCY SERVICES

Both parties acknowledge and agree that the Services may be provided to another entity of the Executive Branch which enters into an interagency agreement with PREPA or by direct disposition of the Office of the Chief of Staff. Such work will be performed under the same terms and conditions in terms of hours of work and compensation set forth in this Contract. For the purpose of this clause, the term "entity of the Executive Branch" includes all agencies of the Government of Puerto Rico, as well as all instrumentalities and public corporations.

ARTICLE XIX. CONTINGENT FEES

A. Seller warrants that it has not employed any person to solicit or secure the Contract upon any agreement for a commission, percentage, brokerage, or contingent fee. Breach of this warranty will give PREPA the right to immediately terminate the Contract and/or to deduct from any payment the amount of such



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commission, percentage, brokerage, or contingent fee or to claim said amount by whatever means available under the law.

B. No officer, employee, or agent of PREPA or of the Commonwealth of Puerto Rico or Municipal Governments shall be admitted to any share or part of this Contract or to any benefit that may arise therefrom.

C. Seller represents and warrants that it is authorized to enter into, and to perform its obligations under this Contract and that it is not prohibited from doing business in Puerto Rico or barred from contracting with agencies or instrumentalities of the Commonwealth of Puerto Rico.

ARTICLE XX. COMPLIANCE WITH THE COMMONWEALTH OF PUERTO RICO
CONTRACTING REQUIREMENTS

The Seller will comply will all applicable Law, Regulations, or Executive Orders that regulate the contracting process and requirements of the Commonwealth of Puerto Rico. Also, the Seller shall provide, within seven (7) days after the execution of this Contract the following documents and certifications, except the sworn statement in accordance with the Anti-Corruption Code, which shall be provided by the Seller at the execution of the Contract:

A. Filing of Puerto Rico Income Tax Returns

In compliance with Executive Order Number OE-1991-24 of June 18, 1991, the Seller hereby certifies that it has filed all the necessary and required income tax returns to the Government of Puerto Rico for the last five (5) years. As evidence



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thereof, Seller has delivered to PREPA an Income Tax Return Filing Certificate, issued by the Treasury Department of Puerto Rico assuring that Seller has filed his Income Tax Return for the last five (5) tax years (Form SC 6088). The Seller accepts and acknowledges its responsibility for requiring and obtaining a similar warranty and certification from each and every Seller and Subcontractor whose service the Seller 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.

B. Payment of Puerto Rico Income Taxes

In compliance with Executive Order Number OE-1991-24 of June 18, 1991, the Seller, hereby certifies that it has complied and is current with the payment of all income taxes that are, or were due, to the Government of Puerto Rico. As evidence thereof, Seller has delivered to PREPA a certification issued by the Treasury Department of Puerto Rico indicating that Seller 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 (Form SC 6096). During the term of this Contract, the Seller agrees to pay and/or to remain current with any repayment plan agreed to by the Seller with the Government of Puerto Rico. The Seller accepts and acknowledges its responsibility for requiring and obtaining a similar warranty and certification from each Subcontractor whose service the Seller has secured in



FUEL PURCHASE CONTRACT
SAN JUAN, PALO SECO, AGUIRRE, MAYAGÜEZ, CAMBALACHE,
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connection with the services to be rendered under this Contract and shall forward evidence to PREPA as to its compliance with this requirement.

C. Compliance with Requirements of the Department of Labor and Human Resources of the Commonwealth of Puerto Rico.

Pursuant to Executive Order Number 1992-52, dated August 28, 1992 amending OE-1991-24, the Seller certifies and warrants 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. As evidence thereof, Seller has delivered to PREPA:

1. A certification issued by the Bureau of Employment Security (*Negociado de Seguridad de Empleo*) of the Puerto Rico Department of Labor and Human Resources certifying that Seller does not owe taxes regarding Unemployment or Disability Insurance.
2. A certification issued by the Program for Social Security for Chauffeurs and Other Employees of the Puerto Rico Department of Labor and Human Resources certifying that Seller has no debt with respect to such program n Income Tax Return Filing Certificate, issued by the Treasury Department of Puerto Rico assuring that Seller has filed his Income Tax Return for the last five (5) tax years (Form SC 6088).



FUEL PURCHASE CONTRACT
SAN JUAN, PALO SECO, AGUIRRE, MAYAGÜEZ, CAMBALACHE,
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D. Real and Personal Property Taxes

Seller hereby certifies and guarantees that it does not have any current debt regarding property taxes that may be registered with the Government of Puerto Rico's Municipal Tax Collection Center (*Centro de Recaudación de Ingresos Municipales* ("CRIM")). The Seller further certifies to be current with the payment of any and all property taxes that are or were due to the Government of Puerto Rico.

The Seller shall provide:

1. A certification issued by the Municipal Revenues Collection Center ("MRCC"), assuring that Seller does not owe any tax accruing during the last five (5) years to such governmental agency with respect to personal property; or negative Debt certification issued by the MRCC with respect to personal property taxes and a sworn statement executed by Seller 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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2. All Concepts Debt Certification issued by the MRCC assuring that Seller does not owe any taxes to such governmental agency with respect to real and personal property; or Negative certification issued by the MRCC with respect to real property taxes.

E. Sales and Use Taxes

The Seller has delivered to PREPA:

1. A Certification issued by the Puerto Rico Treasury Department indicating that Seller 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.
2. A Puerto Rico Sales and Use Tax Filing Certificate, issued by the Treasury Department of Puerto Rico assuring that Seller has filed his Puerto Rico Sales and Use Tax for the last sixty (60) contributory periods.
3. A copy of Seller's Certificate of Merchant's Registration issued by the Treasury Department of Puerto Rico.

F. Puerto Rico Child Support Administration (*ASUME*)

Seller hereby certifies that it is not duty bound to pay child support, or if so, that Seller is up to date or has a payment plan to such effects. As evidence thereof, the Seller has delivered to PREPA a certification issued by the Puerto Rico Child Support Administration (*Administración Para El Sustento de Menores (ASUME)*)



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certifying that the Seller have any debt, outstanding debt, or legal procedures to collect child support payments that may be registered with ASUME.

G. Organization Documents

The Seller shall provide:

1. A Good Standing Certificate issued by the Department of State of Puerto Rico.
2. A Certification of Incorporation, or Certification of Organization or Certificate of Authorization to do business in Puerto Rico issued by the Department of State of Puerto Rico.

H. Compliance with Act 1 of Governmental Ethics

The Seller 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 or her immediate family (spouse, dependent children, or other members of his or 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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I. Law 168-2000: Law for the Strengthening of the Family Support and Livelihood of Elderly People

The Seller 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.

J. Law 127 - 2004: Contract Registration in the Comptroller's Office of Puerto Rico Act

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

K. 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.



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SAN JUAN, PALO SECO, AGUIRRE, MAYAGÜEZ, CAMBALACHE,
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- L. 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.

- M. 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.

- N. 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.



FUEL PURCHASE CONTRACT
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- O. 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.

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

- R. Anti-Corruption Code for a New Puerto Rico

1. Seller agrees to comply with the provisions of Act 2-2018, as the same may be amended from time to time, which establishes the Anti-Corruption Code for a New Puerto Rico.
2. The Seller hereby certifies that it does not represent particular interests in cases or matters that imply a conflict of interest, or of public policy, between the executive agency and the particular interests it represents.



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3. Seller shall furnish a sworn statement to the effect that neither Seller 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 Seller 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.
4. Seller 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.
5. PREPA shall have the right to terminate the Contract in the event Seller is convicted in Puerto Rico or United States Federal court for under



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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.

S. Provisions Required under Act 14-2004:

Seller 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.

T. Consequences of Non-Compliance

The Seller expressly agrees that the conditions outlined throughout this Article 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 PREPA to render this Contract null and void, and the Seller shall reimburse PREPA all



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moneys received under this Contract. If any of the certifications listed in items A through F of this Article shows a debt, and Seller has requested a review or adjustment of this debt, Seller hereby certifies 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, Seller will provide, immediately, to PREPA a proof of payment of this debt; otherwise, Seller accepts that the owed amount be offset by PREPA and retained at the origin, deducted from the corresponding payments. The Seller accepts and acknowledges its responsibility for requiring and obtaining a similar warranty and certification from each and every Contractor and Subcontractor whose service the Seller 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.

ARTICLE XXI. SAVE AND HOLD HARMLESS

Seller agrees to save and hold harmless and to indemnify PREPA for all expenses and costs of any nature (including attorneys' fees) incurred by PREPA arising out damages, caused by Seller, by act or omission, in the performance or nonperformance of its obligations under the Contract.



ARTICLE XXII. CONTRACT ASSIGNMENT

A. This Contract, as well as any of the rights, duties, liabilities, and obligations under it, cannot be assigned, transferred, subcontracted, hypothecated, or otherwise disposed of by the Seller without the previous written consent of PREPA.

B. PREPA does not favor requests for assignment, transfers, hypothecation, or other type of disposal of the Contract, and/or duties and obligations under it, and will be reluctant to approve any request to that effect, unless, in the judgment of PREPA, the particular circumstances of the request warrant its approval and the assignment, transfer, hypothecation, or disposal does not operate against PREPA's best interests.

ARTICLE XXIII. TRANSFER OF FUNDS

If Seller decides to assign or transfer an amount, due or payable, to which it is entitled for services rendered or goods provided during the term of this Contract, Seller shall notify PREPA of such transfer of funds, in accordance to the provisions of Act 21-2012, as amended. 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.



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

Seller'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 XXIV. NOTICES

- A. Any notice to be given hereunder shall be in writing and will be sufficiently served when delivered in person or properly mailed to the following addresses:

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



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To Seller: Puma Energy Caribe, LLC
Attention: Mario Ricardo Sierra Varela
PO Box 11961
San Juan, Puerto Rico 00922

- B. Either Seller or PREPA, upon any change of its address as set forth above, shall notify the other party in writing and from and after giving of such notice, the address therein specified shall be deemed the address of such party for the giving of notices.

ARTICLE XXV. MODIFICATIONS AND NOVATION

No modification, change, renewal, extension, discharge, or waiver of this Contract, or any of the provisions herein contained, shall be valid and binding except by a written, mutual agreement of the Parties executed by a duly authorized officer of each party.

PREPA and Seller expressly agree that no amendment or change order which could be made to Contract, during its term, shall be understood as a contractual novation, unless both Parties agree to it, specifically and in writing. The previous provision shall be equally applicable in such other cases where PREPA gives the Seller 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.

ARTICLE XXVI. CHOICE OF LAW AND VENUE

This Contract shall be governed by and construed in accordance with the laws of the Commonwealth of Puerto Rico. Also, other than matters relating to PREPA's



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Title III case, which shall be heard by the District Court, the contracting parties expressly agree that only the commonwealth courts of Puerto Rico will 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 XXVII. 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 XXVIII. COURT APPROVAL

PREPA shall not be required to obtain approval of this Contract by the District Court in PREPA's Title III case, and represents and warrants that no such approval is required, provided, however, that (x) if PREPA (or the Oversight Board on its behalf) seeks Court-approval for any other post-petition contract with a fuel supplier, PREPA shall also do so for this Contract, nunc pro tunc to the Contract's effective date, and (y) the fact that District Court approval may occur does not reflect either party's or the Oversight Board's belief that such court approval is necessary to obtain administrative expense and priority, or any of the other provisions contained in this Contract.



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ARTICLE XXIX. ENTIRE CONTRACT

This Contract constitutes the entire agreement of the parties as to the subject matter; however, should there be any difficulty or differences in understanding, interpreting, or applying its terms, the parties shall look for guidance and directives within the terms and conditions of the corresponding Request for Proposal, Specifications, Seller's Proposal, and Letter of Award.

IN WITNESSES WHEREOF, the Parties here to have caused this Contract to be duly executed as of November 21, 2019, at San Juan, Puerto Rico.

PUERTO RICO ELECTRIC

POWER AUTHORITY



José F. Ortiz Vázquez
Chief Executive Officer
EIN: 660-43-3747

PUMA ENERGY CARIBE, LLC



Mario Ricardo Sierra Varela
General Manager
EIN: 660-75-9525

FUEL SPECIFICATIONS
SAN JUAN, PALO SECO, AGUIRRE, MAYAGÜEZ, CAMBALACHE, AND
GAS TURBINES GENERATING STATIONS

PARAMETER	ASTM METHOD	MINIMUM	MAXIMUM
Sampling	D-4057	-	-
Gravity, API Degree at 60°	D-287	30.0	42.0
Viscosity, Kinematic CTS at 100° F	D-445 D-2161	2.3	5.8
Water plus Sediment, % volume and % weight	D-2709; D-473		0.1
Water Content, % weight	D-95-13e1		1.0
Flash Point, Degree F, PMCT	D-93	125	
Sulfur, % weight ^{1, 2}	D-4294		0.050
Ash, % weight	D-482		0.005
Pour Point, Degree F	D-97		15
Sodium plus Potassium, PPM ³	D-1318		0.5
Vanadium, PPM	D-1548; D-5863		0.5
Calcium, PPM	D-1548; IP-288; D-5863		2.0
Heating Value, BTU/lb. (Net) at 60° F	D-240	18,600	
Distillation Temp. 90% Point degree F	D-86		650
Carbon Residue WT. % (10% Bottoms)	D-524		1.0
Filterable Dirt (Particulates) Mg./100 ml.	D-2276		4
Color		Dyed	
Cetane Number	D-4737; D-613	40	56
Lead PPM	A.A.; D-5863	0.01	1.0
Fuel Bound Nitrogen Wt. %	4629-91		0.015
Total Glycerin	D-6584	None detected	

¹ Reproducibility and repeatability must be taken into consideration in order to comply with the maximum sulfur percent weight specification.

² If fuel is used on emergency generators maximum sulfur content is 0.0015% per weight.

³ Latest published ASTM methods shall be used for all tests.



SAMPLE CALCULATION BTU DEFICIENCY ADJUSTMENT

Example of calculation to determine credit due to PREPA if Seller supplies fuel of lower heat content than the guaranteed Btu value. The contracted value is 18,600 Btus per pound of fuel measured at 60 degrees F.

Assume Seller delivers 50,000 barrels of fuel measured at 60 degrees F.

Assume the quality certificate of the fuel indicates a heat content of 18,500 Btu per pound.

Therefore:

To calculate the equivalent barrels deficiency divide the difference of Btus per pound received by the guaranteed minimum and multiply this fraction by the delivered volume.

Example:

$$(50,000 \text{ barrels}) \times ((18,600 - 18,500) / 18,600) = 268.82 \text{ bbl. (deficiency)}$$



**SAMPLE CALCULATION
ESCALATION FACTOR**

Indexes for Ultra Low Sulfur Diesel

	Platts NY		Platts USGC		Argus NY		Argus USGC	
	Low	High	Low	High	Low	High	Low	High
01/02/17	170.52	170.62	168.92	169.02	169.53	170.13	168.17	168.57
01/03/17	164.57	164.67	163.22	163.32	164.67	165.17	162.17	163.17
01/04/17	166.40	166.50	164.10	164.20	166.15	166.65	163.15	164.25

First step: Average

$$\text{Platts New York} = (170.52+170.62+164.57+164.67+166.4+166.5)/6 = 167.2133$$

$$\text{Platts US Gulf Coast} = (168.92+169.02+163.22+163.32+164.1+164.2)/6 = 165.4633$$

$$\text{Argus New York} = (169.53+170.13+164.67+165.17+166.15+166.65)/6 = 167.05$$

$$\text{Argus USGC} = (168.17+168.57+162.17+163.17+163.15+164.25)/6 = 164.9133$$

Second step: Interpolation

$$\text{Platt's ULSD} = (167.2133+165.4633)/2 = 166.3383$$

$$\text{Argus ULSD} = (167.05+164.9133)/2 = 165.9817$$

Third step: Final calculation

Escalation Factor for a delivery commencing on January 3, 2017

$$= [\frac{1}{2}(\text{Platts ULSD}) + \frac{1}{2}(\text{Argus ULSD})] * 0.42$$

$$= \frac{1}{2}(166.3383) + \frac{1}{2}(165.9817) \times 0.42$$

$$= (83.1692 + 82.9908) \times 0.42 = 69.7872$$



DEPARTMENT OF STATE
GOVERNMENT OF PUERTO RICO

19 NOV 20 AM 8:55

Government of Puerto Rico

CERTIFICATE OF GOOD STANDING

I, **MARÍA A. MARCANO DE LEÓN**, Under Secretary of State of the Government of Puerto Rico,

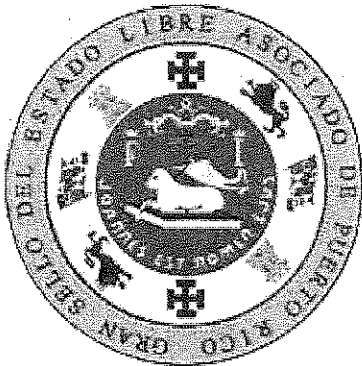
CERTIFY: That, pursuant to Puerto Rico's General Law of Corporations, **PUMA ENERGY CARIBE LLC**, register number **2942**, a for profit domestic Limited Liability Company organized under the laws of Puerto Rico on **January 20, 2011**, has complied with the payment of its Annual Fees.

CERTIFICO QUE ES COPIA FIEL Y EXACTA DEL ORIGINAL

Roberto Obispo
SUPERVISOR REGISTRO DE PROVEEDORES

11-20-19

FECHA



IN WITNESS WHEREOF, the undersigned by virtue of the authority vested by law, hereby issues this certificate and affixes the Great Seal of the Government of Puerto Rico, in the City of San Juan, Puerto Rico, today, **September 18, 2019**.

Maria A. Marcano de Leon

MARÍA A. MARCANO DE LEÓN
Under Secretary of State

To validate this certificate go to: <http://estado.pr.gov/>

This certificate can be validated an unlimited number of times before its expiration date of 17-Sep-2020.

Certificate Validation Number: 313501-13150525



16 APR 29 PM 2:23

DECLARACIÓN JURADA LEY 2-2018 CODIGO ANTICORRUPCION
PARA EL NUEVO PUERTO RICO

Comparece Puma Energy Caribe, LLC, una LLC organizada y
(nombre de la compañía) (corporación, sociedad o individuo)
existente bajo las leyes de ELA de PR, Seguro Social patronal número 66-0759525,

representado en este acto por Mario Ricardo Sierra Varela, mayor de edad, casado y vecino de
(Estado civil)

San Juan, Puerto Rico, declara bajo juramento:
(domicilio) (País)

1. Que mis circunstancias personales son las antes descritas.
2. Que ocupo el cargo de Gerente General en la compañía antes mencionada.
(título)
3. Que ni Puma Energy Caribe, LLC, ni ninguna de sus afiliadas, subsidiarias,
(individuo/nombre de la compañía)
compañía matriz o áter ego, ha sido convicto o se ha declarado culpable, o está bajo investigación judicial, legislativa o administrativa en Puerto Rico, en los Estados Unidos de América o cualquier otro país por cualesquiera de los delitos enumerados en la sección 6.8 de la Ley Núm.8-2017 según enmendada, conocida como "ley para la administración y transformación de los recursos humanos en el gobierno de Puerto Rico" o por cualquiera de los delitos contenidos en este o cualquiera de los delitos incluidos en la Ley 2-2018.
4. Esta Declaración Jurada se hace en cumplimiento con la Ley Núm. 2-2018, del código anticorrupción para el nuevo Puerto Rico.
5. Que ni Puma Energy Caribe, LLC, ni ninguna de sus afiliadas, subsidiarias,
(individuo/nombre de la compañía)

No ha sido convicto en Puerto Rico o en los Estados Unidos por infracción a los artículos 4.2, 4.3 o 5.7 de la ley 1-2012, según enmendada, conocida como la ley orgánica de la oficina de ética gubernamental de Puerto Rico, cualquier de los delitos enumerados en los artículos 250 a 266 de la ley 146-2012, según enmendada, conocida como el código penal de Puerto Rico, cualquiera de los delitos tipificados en la ley 2-2018, según enmendada, conocida como el código anticorrupción para el nuevo Puerto Rico o cualquier otro delito que implique el mas uso de los fondos o propiedad pública, incluyendo, pero sin limitarse, a los delitos mencionados en la sección 6.8 de la ley 8-2017, según enmendada, conocida como la ley de administración y transformación de recursos humanos del gobierno de Puerto Rico.

Para que así conste, firmo la presente Declaración Jurada.

Mario Ricardo Sierra Varela
(Nombre completo con los dos apellidos)

CERTIFICO QUE ES COPIA FIEL Y EXACTA DEL ORIGINAL.
Rafael Oliviera AS
SUPERVISOR REGISTRO DE PROVEEDORES
11-10-19
FECHA





DECLARACIÓN JURADA LEY 2-2018 CODIGO ANTICORRUPCION
PARA EL NUEVO PUERTO RICO

Affidavit Núm. -1390-

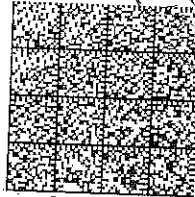
Jurado y suscrito ante mí, por Mario Ricardo Sierra Varela, mayor de edad, casado, y vecino de San Juan, PR, a quien conozco personalmente/a quien identifiqué mediante N/A
Licencia de Conducir número N/A, En Bayamón, Puerto Rico, a 29 de abril de 2019.

Notario Público

Alejandro J. García Acaba



Sello



9397
01/15/2019
\$5.00

Sello de Asistencia Legal
80004-2019-0115-09629286

CERTIFICO QUE ES COPIA FIEL Y EXACTA DEL ORIGINAL.

Rafael Quijano
SUPERVISOR REGISTRO DE PROVEEDORES

4-20-19
FECHA

MODELO
SC 6088A
9 DIC 09

GOBIERNO DE PUERTO RICO
DEPARTAMENTO DE HACIENDA
AREA DE RENTAS INTERNAS

FECHA: 04-03-2019
DE 05 DE HORAS 11:00
RECIBO DE PAGAR DE 1
CANTIDAD

CERTIFICACION DE RADICACION DE PLANILLAS DE
CONTRIBUCION SOBRE INGRESOS
VIA ELECTRONICA

19 APR 12 AM 10:46

NUM. CUENTA: XX-XXX9525 PUMA ENERGY CARIBE LLC
CENTRO INTER MERCADEO
100 CARR 165 STE 408
GUAYNABO PR 00968-8050

PERIODO ! INFORMACION SEGUN SISTEMA
CONTRIBUTIVO !

2017 ! RINDIO PLANILLA

2016 ! RINDIO PLANILLA

2015 ! RINDIO PLANILLA

2014 ! RINDIO PLANILLA

2013 ! RINDIO PLANILLA

INFORMACION AL CONTRIBUYENTE

DE NO ESTAR DE ACUERDO CON LA INFORMACION CONTENIDA EN ESTA CERTIFICACION DEBERA PRESENTAR SU RECLAMACION CON LA EVIDENCIA DE RADICACION EN CUALQUIERA DE LOS CENTROS DE SERVICIOS AL CONTRIBUYENTE.

DE NO ESTAR OBLIGADO POR LEY A RENDIR UNA PLANILLA (APLICA SOLO A INDIVIDUOS) DEBERA LLENAR EL MODELO SC 2781, CERTIFICACION DE RAZONES POR LAS CUALES EL CONTRIBUYENTE NO ESTA OBLIGADO POR LEY A RENDIR UNA PLANILLA DE CONTRIBUCION SOBRE INGRESOS DE INDIVIDUOS, EN CUALQUIERA DE LOS CENTROS DE SERVICIO AL CONTRIBUYENTE (CENTROS) Y PRESENTAR LA EVIDENCIA SOLICITADA.

PARA LA UBICACION DE LOS CENTROS, PUEDE COMUNICARSE A LOS SIGUIENTES TELEFONOS:

SAN JUAN (787) 723-5556 / 1-877-684-3422. CAGUAS (787) 258-5272 / (787) 745-0666
PONCE (787) 844-8800 MAYAGUEZ (787) 265-5200
BAYAMON (787) 778-4949 / (787) 778-4973 / (787) 778-4974

CODIGO: C1906360136287

SI NECESITA VALIDAR LA INFORMACION CONTENIDA EN ESTE DOCUMENTO,
FAVOR DE ACCEDER A [HTTP://WWW.PR.GOV](http://www.pr.gov)

CERTIFICO QUE ES COPIA FIEL Y
EXACTA DEL ORIGINAL.

Rafael Oliviero
SUPERVISOR REGISTRO DE PROVEEDORES

11-20-19
FECHA



19 APR 29 PM 2:23

**DECLARACIÓN JURADA
NO CONFLICTO DE INTERESES
(Renovación Anual)**

Comparece PUMA ENERGY CARIBE, LLC una LLC
(nombre de la compañía) (corporación, sociedad o individuo)

organizada, existente y autorizada para hacer negocios bajo las leyes de Puerto Rico, con Seguro Social
66-0759525, representada en este acto por Mario Ricardo Sierra Varela
(patronal o individuo) (nombre del representante)

mayor de edad, casado y vecino de San Juan, PR, bajo el más formal
(estado civil) (domicilio)
juramento declaro lo siguiente:

1. Que mi nombre y demás circunstancias personales son las antes indicadas.
2. Que ocupo la posición de Gerente General en la compañía arriba indicada.
(título)
3. Que PUMA ENERGY CARIBE, LLC ha presentado o presentará una oferta de
(nombre de la compañía)
subasta ante la Autoridad de Energía Eléctrica de Puerto Rico (AEE) para proveer lo siguiente: No 2 Fuel oil, Low Sulphur Diesel
4. Los directores y oficiales de PUMA ENERGY CARIBE, LLC tienen la intención
(nombre de la compañía)
de participar en una invitación a subasta. Estos informan que no existe conflicto de intereses por motivo de relaciones de familia, relaciones comerciales o económicas, o por cualquier otra razón entre ellos y la AEE, sus oficiales, empleados y agentes.
5. Se incluye una certificación firmada por el Secretario indicando el nombre, dirección de los directores y oficiales de la corporación.
6. Se presenta esta declaración jurada con el propósito de certificar que la compañía, sus directores y oficiales no están en posición de tener conflicto de intereses de clase alguna en caso que se otorgue a esta corporación la invitación a una subasta.
7. Se presenta esta declaración jurada, además, con el propósito de certificar y garantizar que PUMA ENERGY CARIBE, LLC ha rendido planilla contributiva durante los últimos cinco
(nombre de la compañía)
(5) años, no adeuda contribuciones y ha pagado las contribuciones de seguro por desempleo, de incapacidad y de seguro social para choferes (la que aplique), al Estado Libre Asociado de Puerto Rico, o que PUMA ENERGY CARIBE, LLC se encuentra acogida a un plan de pago, con cuyos
(nombre de la compañía)
términos y condiciones está cumpliendo. Expresamente se reconoce que ésta es una condición esencial de cualquier contrato que PUMA ENERGY CARIBE, LLC firme con la AEE, y de no ser
(nombre de la compañía)
correcto en todo o en parte la anterior certificación, eso será causa suficiente para que la parte contratante (AEE), pueda dejar sin efecto el mismo y la parte contratada PUMA ENERGY CARIBE, LLC
(nombre de la compañía)
cuyo representante es el firmante de esta declaración jurada, tendrá que reintegrar a la parte contratante (AEE) toda suma de dinero recibida bajo contrato. Esta disposición será extensiva a todo subcontratista de PUMA ENERGY CARIBE, LLC considerándose como tales, además, los
(nombre de la compañía)

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Rafael Quijano
SUPERVISOR REGISTRO DE PROVEEDORES
11-20-16
FECHA

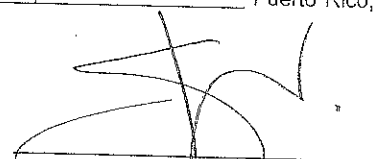
profesionales o técnicos que sean utilizados por PUMA ENERGY CARIBE, LLC para cumplir con sus obligaciones contractuales con la parte contratante (AEE). Será responsabilidad de PUMA ENERGY CARIBE, LLC proveer las certificaciones de sus subcontratistas a tales efectos.

(nombre de la compañía)

(nombre de la compañía)

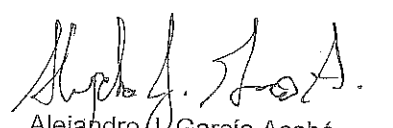
- 8. Se somete esta declaración jurada para la consideración de la AEE, durante el período de 1 enero 2019 al 31 diciembre 2019. Es nuestra obligación informar a la AEE de cualquier cambio de status que pudiese afectar nuestra declaración sobre conflicto de interés.
(un año a partir de la fecha de notización)
- 9. Que suscriba esta declaración en cumplimiento con la Ley Núm. 458 de 29 de diciembre de 2000, según enmendada.

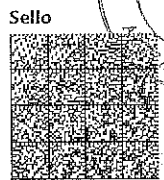
PARA QUE ASÍ CONSTE, juro y suscribo la presente en Bayamón, Puerto Rico, hoy 29 de abril de 20 19.


Firma de Declarante

Affidávit Núm. -1387-

Jurado y suscrito ante mí por MARIO RICARDO SIERRA VARELA, de las circunstancias personales antes indicadas y a quien conozco personalmente, o he identificado mediante N/A, en Bayamón, Puerto Rico, hoy 29 de abril de 20 19.


Alejandro J. García Acabá
Notario Público



9397
01/19/2019
\$5.00
Sello de Asistencia Local
80004-2019-0115-09628255

CERTIFICADO QUE ES COPIA FIEL Y EXACTA DEL ORIGINAL
Rafael Oliviero
SUPERVISOR REGISTRO DE PROVEEDORES
6-20-19
PESMA

Exhibit B

Freepoint Commodities LLC

2016--P00009

**FUEL OIL PURCHASE CONTRACT
AGUIRRE, COSTA SUR, SAN JUAN AND PALO SECO STEAM PLANTS
CONTRACT NUMBER 902-02-15**

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 Acting Executive Director, Carlos Javier Castro Montalvo, of legal age, married, professional engineer, and resident of Guaynabo, Puerto Rico.

AS SECOND PARTY: Freepoint Commodities LLC, hereinafter referred to as "FREEPOINT", a limited liability company organized and existing under the laws of Delaware, authorized to do business in Puerto Rico, duly registered as a supplier to PREPA, represented in this act by its Director, Brandon Diket of legal age, married, and resident of Riverside, Connecticut, duly authorized to sign this Contract by virtue of the Certificate of Incumbency and authorization dated as of February 2nd, 2015.

WITNESSETH

WHEREAS, PREPA issued a Request for Proposal (RFP) 47658 for the supply of residual No. 6 fuel oil at the Aguirre and Costa Sur steam plants and a Request for Proposal (RFP) 47709 for the supply of residual No. 6 Fuel Oil at the San Juan and Palo Seco steam plants.

WHEREAS, in response to the referred RFPs, FREEPOINT made an offer for the supply of No. 6 Fuel Oil at the Aguirre and Costa Sur steam plants and an offer for the supply of No. 6 Fuel Oil at the San Juan and Palo Seco steam plants.




THEREFORE, after a negotiation process between the parties and in consideration of the mutual covenants herein stated, PREPA and FREEPOINT agree themselves, their representatives, successors and assignees as follows:

ARTICLE I: Scope and Term of Contract

- A. FREEPOINT agrees to sell and deliver to PREPA, and PREPA agrees to purchase from FREEPOINT, No. 6 Fuel Oil in compliance with the specifications detailed in Exhibit A, Fuel Oil Specifications No. 6 for the Aguirre, Costa Sur, San Juan and Palo Seco steam plants. The monthly rate of delivery for each calendar month of this Contract shall be the amount as requested by PREPA, as long as it does not exceed a limit of one million six hundred fifty thousand (1,650,000) barrels per month for the Aguirre, Costa Sur, San Juan and Palo Seco steam plants combined.
- B. On a quantity of product equal to 25 percent of the volume of this Contract, PREPA may present FREEPOINT with opportunities to purchase product that conforms in all ways with the contractual specifications contained herein and that is, on a delivered basis, available for a price lower than the purchase price under this Contract. FREEPOINT will review any such potential transaction, and where reasonably practicable, shall purchase product referenced in PREPA's proposal. FREEPOINT may elect, in its sole discretion, to pass any amount of savings realized due to such purchase through to PREPA. For the avoidance of doubt, the purchase prices specified in this Contract are based on assumptions with respect total volume delivered during the term and certain fixed costs associated with this Contract. Therefore, any comparison of the purchase price under this Contract to any spot



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purchase transaction presented by PREPA in accordance with this section shall take those fixed costs into account and shall be adjusted as necessary to achieve accurate comparison. Such opportunities shall be presented to FREEPOINT by PREPA no later than thirty (30) days in advance of delivery and shall contain full details as to quantity, quality, and precise delivery time.

- C. This Contract will become effective on the date of its signature, and will be in effect for a period of one (1) year, starting from the commencement date as notified by PREPA (the "Initial Term"). This Contract is subject to one (1) automatic extension of one (1) year unless either party indicates its intention that said automatic extension does not occur by providing the other party with written notice at least one hundred and twenty (120) days before the expiration of the Initial Term (a "Non-Extension Notice").
- D. This Contract may be extended on a monthly basis upon mutual agreement after the end of the contracted term or its renewal; provided, however, that said extensions shall not exceed four (4) consecutive months, except when an emergency is declared by PREPA's Governing Board.

ARTICLE II: Termination or Insolvency

- A. Prior to its normal expiration date, this Contract may be terminated immediately by written notice upon the happening of any of the following events of termination: (i) by FREEPOINT, if any invoice remains unpaid by PREPA two (2) calendar days after its due date or (ii) by PREPA, with ten (10) days' advance notice, if FREEPOINT fails to deliver the fuel ten (10) days after its committed delivery date

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without PREPA's consent, except when failure to deliver is a consequence of Force Majeure, PREPA's nonpayment of due invoices, or noncompliance with the Credit Limit by PREPA.

- B. Prior to its normal expiration date, except where provided elsewhere in this Contract, if either party breaches: (i) any obligation under this Contract or (ii) any representation or warranty pursuant to Article XII.F., G., I., K., L., M., O. and Q. under this Contract, and such failure continues for a period of seven (7) days following notice of such failure from the performing party, the performing party may terminate this Contract.
- C. The exercise of its right to terminate this Contract shall not be understood as a waiver by the party to any other remedy it may have under this Contract or under the law for delays or breach incurred by the other party in the performance of its obligations under this Contract.
- D. If (i) either party commences any debt adjustment proceeding, bankruptcy proceeding, insolvency proceeding, dissolution or wind-up proceeding, proceeding under the Public Corporation Debt Enforcement and Recovery Act, Act No. 71, of June 28, 2014 ("Recovery Act"), or any similar proceedings, or (ii) a petition in bankruptcy or insolvency is filed against either party and the relevant proceeding or case shall continue undismissed, unstayed or not sufficiently bonded for a period of 90 or more days, or (iii) a Moratorium Event occurs for PREPA, other than a Moratorium Event referred to in Article XII.M.b (ii) that is solely due to nonpayment of one or more creditors under the Fuel Lines, or (iv) a receiver is appointed for



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either party without such party's consent, the other party shall have the right to terminate this Contract upon written notice to the insolvent party, without prejudice to any claim or any other right of the terminating party under this Contract at the time of such termination. Notice of termination under this provision shall not create any liability to the terminating party, except that it shall still be responsible for the payment of amounts due and owing to the breaching party not subject to claims.

- E. If either party terminates this Contract pursuant to this Article II, FREEPOINT shall release the barge delivering under this Contract and use commercially reasonable efforts to not impede PREPA in obtaining the use of the barge.

ARTICLE III: Independent Contractor

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

ARTICLE IV: Delivery and Title

- A. Delivery shall be, via barge or other vessel, for fuel as specified in Exhibit A or for fuel components to be blended at CORCO to obtain final product as specified in Exhibit A, delivered by FREEPOINT at Aguirre, Costa Sur, San Juan and Palo Seco. The pricing period is comprised of three (3) calendar days around the deemed commencement of discharge, considering the deemed date mutually



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agreed between the parties, and it shall not be modified, except with the parties' mutual agreement.

- B. All costs relating to the use of the tank at CORCO and to the handling of vessel or barge in CORCO's dock (rent, dockage, line handling, hoses connection, loading, unloading, etc.) shall be for FREEPOINT's account, and shall be as specified in Exhibit D, the fuel oil Terminal Services Agreement, of this Contract. PREPA's failure to provide the terminal facilities and related services as provided in the fuel oil Terminal Services Agreement shall constitute a default under this Contract. Any outstanding amounts of principal or late payment interest arising out of due and unpaid invoices by PREPA can be offset by FREEPOINT (in its discretion) from amounts owed by FREEPOINT under this clause and the fuel oil Terminal Services Agreement.

The following Articles of this Contract shall apply to the fuel oil Terminal Services Agreement (Exhibit D):

- XII F
- XIII (Force Majeure)
- XVII (Contract Assignment)
- XX (Choice of Law and Venue)
- XXI (Code of Ethics)
- XXII (Modification and Novation)
- XXIV (Separability)



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- C. PREPA shall submit to FREEPOINT, no later than the fifteenth (15th) calendar day of each month, an estimate of its requirements and proposed dates for delivery of fuel for the following month. FREEPOINT shall promptly acknowledge receipt of such estimate and shall, within five (5) days of such receipt, confirm or propose new delivery dates for such following month. PREPA shall accept or make a counter-proposal with respect to such delivery schedule within one (1) business day. Said delivery schedule, if accepted by PREPA, shall be final. Delivery dates shall consist of delivery windows of three (3) days each for actual delivery to occur. If estimates are not submitted within the aforementioned timeframes, delivery will be delayed for as long as required for FREEPOINT to obtain availability of the fuel.
- D. Title of product delivered shall pass to PREPA after the fuel passes the pipeline flange at the Aguirre, Costa Sur, San Juan or Palo Seco steam plants. FREEPOINT is responsible for cleaning, removing, and disposing of any spill of its product, which might occur before the pipeline interconnection during delivery; and shall be responsible for securing all materials, permits, and personnel required for handling the transfer of fuel.
- E. Deliveries via barge or vessel to the San Juan and Palo Seco Steam Plants through the San Juan Dock A/B, at present, are limited to an arrival draft of 26 feet. Deliveries via barge or vessel to the Aguirre Steam Plant are limited by a dredged channel with maximum draft of 21.5 feet. Deliveries through the CORCO dock, at present, are limited as follows:



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DWT	82,000 tons
LOA	840 feet
BCM	425 feet
DRAFT	42 feet sw

FREEPOINT shall conduct its own investigation relative to navigational information or any natural changes that might occur at the San Juan Dock A/B, Jobos bay or Guayanilla bay, since PREPA does not assume any responsibility for the same. However, if any change to the port restrictions occurs, FREEPOINT will have the right to charge PREPA for any and all costs related to the more restricted port conditions.

- F. Considering that a single barge is available at Puerto Rico to transport the product from the CORCO dock to Aguirre, any problem related to the barge that prevents delivery of the product, and is not as a consequence of FREEPOINT's fault or negligence, will be treated as a Force Majeure event.
- G. Maximum temperature of oil entering PREPA's pipeline shall not exceed one hundred and eighty-five degrees Fahrenheit (185° F), nor shall it be less than one hundred and twenty-five degrees Fahrenheit (125° F), and at the pressure of not more than one hundred and fifty (150) psig. nor less than one hundred and twenty-five (125) psig., measured at PREPA's intake flange.
- H. If FREEPOINT, for any reason, solely as a consequence of its own fault and except as provided for in Article XIII (Force Majeure), of this Contract, fails to deliver the



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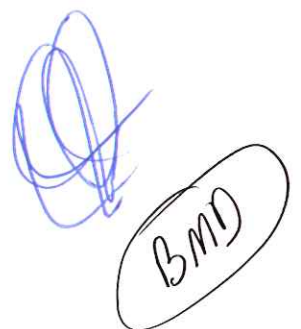
fuel required as provided for in this Contract, PREPA may procure the product from any other supplier. In such event, PREPA shall notify FREEPOINT of the chosen supplier and applicable price. FREEPOINT shall reimburse PREPA, for any difference which PREPA may have paid in excess of contracted price in the same due date of corresponding payment to the other supplier provided that PREPA submits evidence of such payment. In no circumstance will this clause apply if FREEPOINT ceased deliveries due to delay or nonpayment by PREPA of invoices already due or to the Credit Limit being exceeded, as set forth in Article IX. Other than as set forth in Article XII F, it shall be understood that PREPA is not waiving any rights available to it under the law, including rights to any claims or actions for damages caused by noncompliance by FREEPOINT with the terms of this Contract.

- I. FREEPOINT will be responsible for any and all damages to the dock or to any other property caused by the vessel during delivery to the extent cause by FREEPOINT's negligence. All fuel oil deliveries and transfers should be in compliance with Homeland Security Regulations including, but not limited to, 33 CFR 104 & 105. Also, all fuel oil operations should be in compliance with 33 CFR 154, 155 & 156.
- J. Should PREPA need fuel of the same type and quality as the fuel herein contracted for at any of its other plants, PREPA may request such deliveries as per the rules outlined in paragraph C of this Article, and FREEPOINT shall endeavor within its best efforts to deliver this order to such other plant, up to a maximum of FREEPOINT's Contractual Commitment under this Contract. Said requested fuel oil to be delivered by FREEPOINT shall be at the same delivered price and under

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the same payment conditions as for the Aguirre, Costa Sur, San Juan and Palo Seco steam plants under this Contract, adjusted to reflect any increased or decreased transportation costs resulting from delivery to such other plant.

- K. FREEPOINT is responsible under a predicted Force Majeure event to execute reasonable plans to avoid human hazards or damages to public or private property that may be caused by FREEPOINT's operation and performance under this Contract.
- L. To the extent caused by FREEPOINT's negligence, FREEPOINT agrees to indemnify PREPA for all expenses and costs of any nature arising out of any claim due to an environmental violation, caused by its agents, employees, subcontractors or assignees during performance or nonperformance of its obligation under this Contract.
- M. To the extent caused by PREPA's negligence, PREPA agrees to indemnify FREEPOINT for all expenses and costs of any nature arising out of any claim due to an environmental violation, caused by its agents, employees, subcontractors or assignees during performance or nonperformance of its obligation under this Contract.
- N. Neither party shall be liable to the other pursuant to this Contract, for any punitive, consequential, or exemplary damages.
- O. Every vessel shall be capable of acceptance by the terminal(s), and FREEPOINT shall bear the risk of any failure to obtain such acceptance.

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- P. It is FREEPOINT's responsibility to familiarize itself with all the locations referred to in this Contract. FREEPOINT will be required to have the proper personnel and equipment to service the locations as specified in this Contract. In case of environmental or safety risks on CORCO operations, FREEPOINT, at its sole discretion, will have the option to cancel the Terminal and Services Agreement (Exhibit D) and return the tanks.
- Q. If FREEPOINT needs to lease tanks in another facility due to CORCO not being operational, PREPA shall reimburse FREEPOINT for any additional costs and expenses related thereto; and PREPA shall pay any such amounts on the due date of the relevant invoice delivered by FREEPOINT detailing such costs.

ARTICLE V: Type of Fuel to be Supplied

- A. PREPA requires a fuel appropriate for burning without requiring extraordinary maintenance at each plant's boilers and its associated equipment, or causing extraordinary problems in the plant operations, and which will yield the lowest cost per kW hour produced. All fuel shall be analyzed and evaluated in terms of its ultimate cost and consistency with PREPA's applicable environmental regulations.
- B. FREEPOINT warrants that the fuel supplied meets the contracted specifications and is free of any components that have been derived from petrochemical processes such as ethylene cracker residues, olefin cracker residues, resins, styrene's, acetates, and hazardous wastes including chlorinated hydrocarbons. FREEPOINT further warrants that fuel oil shall be homogeneously stable and will not separate,



BMD

stratify or form undesirable compounds by chemical reaction during shipping, storage, handling and heating.

- C. In the event that during the term of this Contract, either Federal or Commonwealth of Puerto Rico laws or regulations are modified, requiring the burning of a fuel with different specifications than the fuel contracted for, and if these changes require an adjustment in the price of the fuel to be supplied, then the parties shall meet within five (5) days from the enactment of any such law or regulation to discuss the matter for the purpose of establishing new price terms satisfactory to both parties. If an agreement cannot be reached prior to the effective date of any such law or the enforcement date of any such regulations then PREPA shall have the right to terminate this Contract.
- D. In the event that, during the term of this Contract, PREPA requests a fuel of different specifications than the fuel contracted for, FREEPOINT and PREPA shall meet to negotiate in good faith new price terms (lower or higher than the contracted price) for said different fuel oil specifications satisfactory to both parties. If an agreement cannot be reached, the contracted fuel specification shall prevail.

ARTICLE VI: Specifications

- A. All fuel delivered under this Contract shall be in accordance with the latest corresponding specifications, as specified in Exhibit A. PREPA requires a fuel with homogeneous hydrocarbons, free of inorganic acids and microorganisms, with no water, solid or fibrous foreign matter, and which will yield the lowest cost per kW hour produced.

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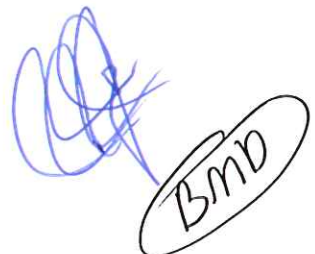
- B. The fuel required by PREPA shall be appropriate for burning successfully without requiring extraordinary maintenance to the boiler, associated equipment, or causing other extraordinary problems in the operation of the steam plant, and shall conform to all prevailing Federal or local environmental rules and regulations.
- C. The fuel supplied shall comply with the contracted specifications and shall be homogeneous. A fuel shipment shall be considered to be homogeneous and within specifications when the maximum difference between any two (2) samples for different strata or compartments is not greater than 0.3 degrees for tested API and 0.02 weight percent in tested sulfur without exceeding the maximum allowable limits in all tests.
- D. To assure fuel compliance with specifications, before discharge of each delivery, the parties will contract a mutually agreed Independent Laboratory Company accredited by US Customs and Border Protection as per Title 19 CFR 151.12 to perform laboratory analyses as per specified methods of the fuel actually being supplied. A laboratory certificate including all the parameters contained in Exhibit A and signed by an authorized chemist in Puerto Rico will be produced and its results shall be considered final and binding for both parties. Acceptance criteria will be based on these laboratory results. The sampling process shall allow for a large enough representative split of the volumetric composite sample such that PREPA can receive a 1 (one) liter sample for its own use. The sample shall be provided to PREPA by the mutually agreed Independent Laboratory Company within the next



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twenty-four (24) hours after completion of fuel discharge or transfer. The cost of such additional sampling shall be borne by PREPA.

- E. Should PREPA encounter difficulties in the efficient handling and burning of the fuel, special analysis of the retained independent inspector's sample shall be requested by PREPA and made by an authorized laboratory licensed in Puerto Rico, so as to determine whether such difficulties are attributable to the fuel delivered not being in compliance with the Specifications and FREEPOINT's warranties.
- F. If it is determined that the difficulties are attributable to the fuel not being in compliance with the Specifications or FREEPOINT's warranties, FREEPOINT will take such immediate measures as necessary to correct the deviation and to prevent further difficulties. PREPA's acceptance of, or agreement to, remedial or preventive measures shall not be interpreted or considered as a waiver of any rights available to it under the law, including, but not limited to, rights of actions or claims for damages caused by FREEPOINT's noncompliance with the fuel specifications or with any other provision of this Contract.
- G. If during any delivery FREEPOINT fails to meet the specifications and warranties as contracted, PREPA reserves the right: (i) to immediately reject the shipment, (ii) evaluate the deviation, (iii) and/or establish a claim for nonperformance. PREPA shall notify FREEPOINT of any specification non-compliance that will result in product being rejected or discounts to be applied before discharge commences, and discharge will be suspended until FREEPOINT and PREPA can reach an agreement.



- H. General provisions in this Article VI regarding compliance with specifications, discrepancies and laboratory analyses shall apply to Article XI (Guaranteed Calorific Value), whenever required.
- I. FREEPOINT will be held responsible for any fines, penalties, direct damages, expenses, costs or claims, actions and causes of actions, which may arise due to the fact that any of the fuel provided by FREEPOINT has deviations or variations from the contracted Specifications and warranties for the same. Therefore, should such circumstances take place, FREEPOINT will hold and save harmless and will defend PREPA, its officers, agents, and employees, from any claims, actions, causes of actions, damages, costs, fines, penalties and expenses due or attributable to variations or deviations from fuel specifications as contracted and guaranteed by FREEPOINT.

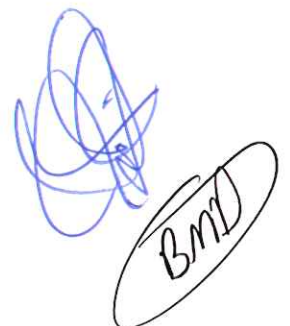
ARTICLE VII: Laytime and Demurrage

- A. PREPA assumes no responsibility or liability for demurrage incurred by the vessel(s) delivering fuel pursuant to this Contract, unless such demurrage is attributed to the fault or negligence of PREPA, and except in the situation defined in Article IX (Price), paragraph C. Laytime shall commence six (6) hours: a) after FREEPOINT notifies PREPA that the vessel is ready to discharge cargo, or b) upon arrival at berth and cleared by Customs, whichever occurs last.
- B. Notice shall be given to PREPA seventy-two (72), forty-eight (48), and twenty-four (24) hours before the vessel's arrival by the vessel's master or its agent. In the event the vessel is delayed in getting into berth after giving notice, for any reason

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over which PREPA has no control or due to docking restrictions, if any, such delay shall not count as used laytime.

- C. It is understood and agreed that it is the practice of CORCO/Proterm to load and unload vessels at the docks in order of their arrival to the CORCO/Proterm buoy, subject to the availability of the docks. PREPA shall not be responsible for demurrages attributable to dock unavailability, unless said unavailability is caused by PREPA's intervention to change CORCO's practice.
- D. Laytime shall commence within the meaning of this Article, whether the vessel arrives during or outside normal business hours. Laytime shall not be increased, nor shall PREPA be held accountable for, any delay in berthing the vessel attributable to the failure of FREEPOINT to give the notices set forth in this Article.
- E. Allowed laytime shall be forty-two (42) hours for each and every delivery of No. 6 residual fuel oil under this Contract. PREPA and FREEPOINT agree, however, that the allowed laytime of forty-two (42) hours depends upon:
1. FREEPOINT's vessel being capable of pumping its entire cargo within thirty (30) hours.
 2. FREEPOINT's personnel or agents promptly performing the connection and disconnection of discharging hoses.
 3. Unloading temperature and pressure as specified in Article IV (Delivery and Title) of this Contract.
 4. FREEPOINT's maximum cargo volume of 350,000 barrels.



- F. Allowed laytime shall be increased by the time a vessel is prevented or delayed from arriving, departing, or discharging cargo due to:
1. Vessel's condition, vessel's facilities, or vessel's failure to comply with US Coast Guard or other governmental agency regulations, which do not permit connection, discharging cargo or disconnecting in the allowed laytime.
 2. The failure of the No. 6 residual fuel oil to meet the quantity or specifications by any of the determinations set forth in this Contract.
 3. Regulations of port authorities, vessel's owners or vessel's master, which prohibit discharging of the cargo at night.
 4. FREEPOINT's cargo volume exceeding the established maximum volume.
 5. Tide conditions, heavy seas, wind or bad weather of any nature.
- G. If the vessel is delayed at any discharging berth for ships purposes or reasons beyond the control of PREPA, laytime shall cease when discharging is completed even though hoses are not disconnected. If regulations of port authorities or vessel's owner prohibit discharging of the cargo at night, time so lost shall increase the allowed laytime. If PREPA prohibits discharging at night, time lost shall count as laytime. In all other cases laytime shall continue to run until cargo hoses or loading arms, as the case may be, have been disconnected.
- H. Subject to FREEPOINT'S full compliance with this Article, PREPA shall pay demurrage per running hours, and pro-rata for a part thereof, for all time that exceeds the allowed laytime at the rate stated in the Voyage Charter Agreement for the vessel if such vessel is contracted under VCP. For TCP vessels or barges,



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parties shall use current TC3 value plus Wordscale 10 points with minimum flat rate of US\$ 5.50 per metric ton. All demurrage claims must be presented in writing along with substantiation thereof within ninety (90) days after fuel delivery date, after which PREPA will no longer be liable for any demurrage charges for said delivery.

- I. If discharging has ceased because it is completed or if the discharging rate has decreased to a rate, which will not permit discharge of the entire cargo within forty-two (42) hours, or due to any other problem with the vessel, PREPA may order the vessel off the dock at no cost to PREPA. If practical, the vessel shall be allowed to return later and complete discharging. In the event that the discharging rate has decreased to a rate which will not permit discharge of the entire cargo within forty-two (42) hours, PREPA may delay ordering the vessel off the dock and allow pumping to continue, provided FREEPOINT pays the dock per hour fee rate and any other associated cost.
- J. FREEPOINT shall furnish all appropriate documentation and available evidence in support of any demurrage claim which may be brought against PREPA.

ARTICLE VIII: General Liabilities

The parties agree to make, use, provide, and take all proper, necessary precautions, safeguards, and protection against the occurrence or happening of injuries, death, and/or damages to any person or property during the delivery process. The parties also agree to be responsible for, and indemnify, and save each other harmless from public liability, costs and expenses resulting therefrom, or

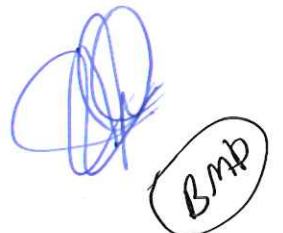


damages that may happen or occur through the negligence or willful misconduct of the breaching party, its employees, agents, and subcontractors, during the performance of this Contract, or while carrying out any act or action directly or indirectly related to, or in connection with the performance of this Contract, and from loss, liability, and fines incurred for, or by reason of violation by the breaching party of any federal, state, or municipal ordinance, or regulation of law, while said delivery is in progress.

ARTICLE IX: Price

- A. The price for the fuel to be supplied under this Contract includes all taxes, fees or established import tariffs, and will be subject to on the Initial Term ultimately chosen from the options outlined in Article I (Scope and Term of Contract), paragraph B. Such price is to be determined as follows:

The price to be paid for each barrel of fuel delivered throughout the entire duration of the Initial Term will consist of an escalator plus a price differential, with seventy (70) day credit term. Subject to Article IX (K), the fixed price differential shall be, in US dollars per barrel for all deliveries under this Contract, (i) discounted to \$5.71 for San Juan and Palo Seco Plants and \$7.78 for Aguirre and Costa Sur Plants (the "Discount Differential") if the invoice is paid early on or before the sixty-second (62nd) day following issuance thereof (the "Early Payment Discount Period"), or (ii) \$17.71 for San Juan and Palo Seco and \$19.78 for Aguirre and Costa Sur Plants (the "Full Differential") if the invoice is paid before, on, or after the seventy-second (72nd) day following issuance thereof (the "Full Payment Period").



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Price differentials will be added to the escalator to obtain the final fuel price.

At any time PREPA has made the representation in Article XII (M) (ii), Freepoint shall have the right to reduce the seventy (70) day credit term, the Early Payment Discount Period, and the Full Payment Period after first meeting and conferring with PREPA. If a Non-Extension Notice has been delivered, or on and after one hundred and twenty (120) days prior to the expiration of the Agreement if an automatic extension of one (1) year has occurred pursuant to Article I(C), Freepoint shall have the right to reduce the seventy (70) day credit term, the Early Payment Discount Period, the Full Payment Period and the Credit Limit after first meeting and conferring with PREPA.

- B. FREEPOINT shall provide PREPA with a Credit Limit of \$250,000,000. Whenever the Credit Limit is reached, PREPA shall anticipate payments of invoices in chronological order as much as necessary in order to comply with the Credit Limit.
- C. Should PREPA fail to pay any invoice by the end of the Early Payment Discount Period, FREEPOINT may, at its own discretion, suspend any and all deliveries to PREPA. Where FREEPOINT suspends deliveries pursuant to this Section (C), if PREPA pays such invoice within two (2) calendar days following the due date thereof, FREEPOINT shall resume deliveries to PREPA. Any costs including but not limited to demurrage due to this suspension of delivery shall be borne by PREPA.
- D. Should PREPA fail to pay any invoice within two (2) calendar days following such invoice's due date (i.e., subject to Article IX (A) and Article XII (M) (ii), the seventy-second (72nd) day following issuance thereof), or if the Credit Limit is exceeded,

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FREEPOINT may, at its own discretion, terminate this Contract as provided in Article II (Termination or Insolvency), paragraph A(i).

- E. The escalator that is mentioned in paragraph A of this Article IX shall be increased or decreased according to Platt's Oilgram Price Report, "Estimated New York Spot – (Cargo)" corresponding to the effective date of the posting at the deemed date the fuel delivery commences, the day before, and the day after the deemed fuel delivery, each one of these evaluated utilizing the following formula:

Fifty percent (50%) of the zero point three percent (0.3%) sulfur fuel high pour, as published on Platt's Oilgram Price Report, New York/Boston No. 6 Fuel Oil Cargo Columns, rounded to four (4) decimal places; plus fifty percent (50%) of the zero point seven percent (0.7%) sulfur fuel, as published on Platt's Oilgram Price Report, New York/Boston No. 6 Fuel Oil Cargo columns, rounded to four (4) decimal places.

A sample calculation of the escalation factor is shown on Exhibit C, Sample Calculation - Escalation Factor, of this Contract.

Municipal taxes are to be presented as a separate line item on the invoice.

- F. The pricing period is defined as three (3) calendar days around the deemed commencement of discharge date, as agreed by the parties. Pricing will be established considering the deemed date agreed between the parties, and this pricing shall not be modified, except by mutual agreement. Should the deemed delivery take place on a Saturday, Sunday or on a Holiday, the effective prices in the last editions of Platt's Oilgram Price Report published before that date will be utilized to readjust the prices.

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- G. The date published prices are made effective will govern, holding the price firm until the next publication date. Should the format used by the publishers for the postings be changed, both parties will meet within five (5) days of the occurrence to determine how to interpret the same.
- H. FREEPOINT assumes the responsibility of the transportation of the product and all other related responsibilities up to PREPA's flange connecting FREEPOINT's vessel with the PREPA's pipeline at the dock.
- I. Should PREPA require volumes of the same type and quality of the fuel herein contracted in excess of FREEPOINT's contractual commitment, PREPA may request it from FREEPOINT. If FREEPOINT has such fuel available, then FREEPOINT may, at its option, supply it under the same terms and conditions agreed hereupon. Any fuel delivered pursuant to this clause shall be deemed to be fuel delivered pursuant to this Contract. FREEPOINT's consent to supply the requested fuel shall not be unreasonably withheld.
- J. Should the due date of an invoice fall on a non-business day that is either Sunday or Monday, payment shall be made the following business day. However, if due date falls on a non-business day which not Sunday or Monday, then payment shall be made on the preceding business day. Business days shall be days in which banks are open for business in Puerto Rico.
- K. For late payments (i.e., subject to Article IX (A) and Article XII (M) (ii), after 72 days), interest on unpaid amount shall be calculated at monthly rate of one-percent (1%).



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- L. This entire Article IX is applicable to all past and future invoices due by PREPA under this Contract.

ARTICLE X: Duties and Taxes

- A. The contracted price includes all Federal and local taxes, fees and established import tariffs for the fuel being supplied. Municipal taxes shall be fully reimbursed by PREPA and are to be presented as a separate line item on the invoice.
- B. Any changes, whether up or down, in these taxes, fees, or tariffs, should they be imposed, will be reflected in the price in its entirety and FREEPOINT will adjust the price accordingly. Upon PREPA's request, FREEPOINT shall apply for any applicable waivers on taxes, fees or tariffs, and any costs associated with the application to such waivers will be passed in their entirety to PREPA.
- C. PREPA commits to work with FREEPOINT, the government of the Commonwealth of Puerto Rico, and any applicable third parties to mitigate any tax and operational issues that may arise under this Contract, including but not limited to making commercially reasonable best efforts to put in place an oil delivery structure that eliminates FREEPOINT's tax exposure to Puerto Rico.

ARTICLE XI: Guaranteed Calorific Value

- A. PREPA will not pay any premium for calorific values in excess of the minimum established in Exhibit A.
- B. Any delivery by FREEPOINT, in which the fuel fails to meet such guarantee, the deficiency shall be determined in barrels, calculated on the basis of the example attached as Exhibit B of this Contract. The deficiency thus calculated shall serve as



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a credit deficiency for an equivalent number of barrels, before computing the fuel billings for such invoice.

- C. General provisions in Article VI, Specifications, regarding compliance with specifications and laboratory analyses shall apply to this Article XI whenever required.

ARTICLE XII: Measurement and Payment

- A. The quantity of fuel delivered to PREPA shall be computed by measurements in PREPA's shore tanks, to be conducted by a mutually agreed Independent Inspector accredited by US Customs and Border Protection as per Title 19 CFR 151.13. Inspection cost shall be borne equally between PREPA and FREEPOINT. All measurements shall be corrected to sixty degrees Fahrenheit (60° F) using the ASTM Petroleum Measurements Table 6-B. Quantities certified on the independent inspector's report will be binding for both parties absent fraud or manifest error.
- B. Notwithstanding anything herein to the contrary, PREPA reserves the right to exclusively select and contract inspection services to conduct measurements and produce certifications of quantity at any time during the term of this Contract. If PREPA exercises this right, then this inspection cost shall be borne fully by PREPA, and FREEPOINT, at its own expense, may send its own inspector to verify these measurements.



- C. FREEPOINT shall invoice PREPA regularly and promptly after fuel is delivered. For payment purposes, invoices shall be sent from FREEPOINT to PREPA via e-mail and shall be deemed received on the same day. Copies of the inspector's certificates of quantity shall be included with invoices. Such invoices shall be paid by PREPA in immediately available US dollars, as provided for on Article IX (Price), paragraph A.
- D. All invoices submitted by FREEPOINT shall include the following Certification in order to proceed with payment. This is an essential requirement, and those invoices without this Certification will not be processed for payment:

No Interest Certification:

Under penalty of absolute nullity, I hereby certify that no employee, official or director of PREPA is a party or has any interest in the profits or benefits to be obtained under this Contract, or if any employee, official or director or PREPA has any interest in the profits or benefits under this Contract, a waiver has been previously obtained. I also certify that the only consideration to deliver the fuel under this Contract is the payment agreed with PREPA's authorized representative. The total amount of this invoice is fair and correct. The fuel has been delivered and no payment has been received previously for said delivery.

*FREEPOINT's **Authorized Representative** signature*

- E. A paper copy of all invoices will be sent by regular mail to:

Puerto Rico Electric Power Authority
Attention: Fuels Office
PO Box 364267
San Juan, Puerto Rico 00936-4267

- F. Notwithstanding anything herein or otherwise to the contrary, PREPA covenants and, as of the date hereof and on the date of each delivery, represents and

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warrants all invoices submitted by FREEPOINT shall be paid without reduction, offset or counterclaim of any sort.

- G. PREPA will include in both the Annual Budget (as defined in such Trust Agreement) and PREPA's internal annual budget (together with the Annual Budget, the "Budgets") the payment in full of all amounts expected to be due under this Contract as "Current Expenses". Without limiting Article XII.I, to the extent PREPA chooses to reflect such amounts in the Budgets at the Discount Differential (as opposed to the Full Differential), PREPA will include in the Budgets, the following footnote: "This amount reflects PREPA obtaining a contractual early payment discount by paying all fuel invoices within 62 days."
- H. Subject to Article XII F, nothing herein shall be interpreted under any circumstances or theory as a waiver from PREPA of any right, claim or counterclaim it may have against Freepoint.
- I. As of date hereof and on the date of each delivery, PREPA represents and warrants (i) all amounts payable by PREPA pursuant to the term of this Contract constitute and qualify as a "Current Expense", under that certain Trust Agreement between PREPA and U.S. Bank National Association as Successor Trustee, dated as January 1, 1974, as amended and supplemented (the "Trust Agreement"), which amounts are reasonable and necessary with other expenses of PREPA to operate the System (as defined in the Trust Agreement), and constitute expenses that are permitted by standard practices for public utility systems and generally accepted accounting principles, and are reasonable for operating the System in an efficient

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and economical manner; (ii) the Trust Agreement has not been modified or amended in any way that affects the definition or priority of “Current Expense”, including without limitation, that to the extent provided by the Trust Agreement all Revenues (as defined in the Trust Agreement), other than income from investments made under the provisions of the Trust Agreement, will be deposited to the credit of the General Fund (as defined in the Trust Agreement) and applied in accordance with Article V of the Trust Agreement; and (iii) PREPA has complied with Article XII.G.

J. **[RESERVED]**

K. As of the date hereof, and at the time of any delivery hereunder, PREPA represents and warrants (i) it is paying all “Current Expenses” (as defined in the Trust Agreement) as they become due, other than any amounts due under (1) that certain credit agreement dated as of May 4, 2012 between PREPA, Scotiabank De Puerto Rico and the lenders signatory thereto (as amended, restated, extended, supplemented or otherwise modified and in effect from time to time), (2) that certain trade finance facility agreement dated as of July 20, 2012 between PREPA and Solus Alternative Asset Management LP (as amended, restated, extended, supplemented or otherwise modified and in effect from time to time) (such agreements referred to in clauses (1) and (2), the “Fuel Lines”), and (3) certain pension obligations that PREPA may have under applicable law or contract, (ii) that it expects and intends to pay all outstanding invoices under this Contract by their respective due dates, and (iii) it has reasonably concluded that no event has

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occurred that will have any adverse impact or delay on PREPA's performance of or compliance with its obligations under this Agreement.

- L. As of the date hereof, and at the time of any delivery hereunder, PREPA represents and warrants (a) to its knowledge, that a PREPA Event, as defined below, has not occurred, and (b) PREPA does not have current intentions to cause a PREPA Event within the next 72 days.

A "PREPA Event" shall be (a) any act by PREPA, Government Development Bank for Puerto Rico ("GDB") or the Commonwealth of Puerto Rico (the "Commonwealth") to (i) avoid or impair or cause to be past due all or any portion of this Contract or the payment of any invoice, or (ii) challenge this Contract or any invoice's validity or enforceability, including challenging the status of any invoice as a "Current Expense" (as defined in the Trust Agreement); or (b) any adverse determination by a court of competent jurisdiction concerning (i) or (ii) above.

- M. As of the date hereof, and at the time of any delivery hereunder, PREPA represents and warrants to one of the following: (i) it does not have current intentions to cause, or has no actual knowledge that a third party will cause, a PREPA Insolvency Event within 72 days, or (ii) it does not have current intentions to cause, or has no actual knowledge that a third party will cause, a PREPA Insolvency Event within 72 days unless (x) such PREPA Insolvency Event is a Qualified PREPA Insolvency Event and (y) it believes in good faith that any such PREPA Insolvency Event will constitute a Qualified PREPA Insolvency Event.



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A "PREPA Insolvency Event" shall be any of the following events:

- a. The commencement of any debt adjustment proceeding, bankruptcy proceeding, insolvency proceeding, dissolution or wind-up proceeding, proceeding under Recovery Act, or any similar proceeding (including the occurrence of a general assignment, arrangement or composition with or for the benefit of PREPA's creditors or the appointment of a receiver, administrator or similar officer for some or all of PREPA's assets).
- b. (i) The announcement, declaration or implementation of a moratorium with respect to PREPA or any portion of its debts, unless such debts are the subject of a consensual forbearance that is in effect and continuing, (ii) PREPA is generally not paying its debts as they become due, it being understood that the phrase "generally not paying" shall include any failure by PREPA to make a principal or interest payment on its power revenue bond debt, a credit agreement or trade finance facility agreement (including the Fuel Lines), and one or more creditors have taken acts (x) to enforce their rights or remedies, including, without limitation, acts taken against PREPA resulting from a default or an event of default under the Trust Agreement, a credit agreement or trade finance facility agreement; provided, however, that the delivery of a notice of default or notice of an event of default shall not constitute an action by a creditor to enforce its rights or remedies for purposes of this clause, or (y) that seek to adversely impact or delay PREPA's performance of or compliance with its

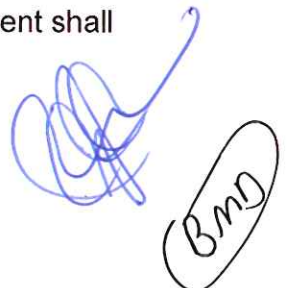


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obligations under this Agreement, or (iii) PREPA is unable by virtue of legislation, rule, policy, stay, moratorium, injunction or any other similar act to pay its debts as they become due (clauses (i), (ii), and (iii), each a "Moratorium Event").

c. Any resolution, authorization or steps to implement any of the foregoing by PREPA, the GDB or the Commonwealth.

A "Qualified PREPA Insolvency Event" shall mean a PREPA Insolvency Event that will not have any impact or delay on PREPA's performance of its obligations under this Agreement and PREPA's obligations under this Agreement, whether because (A) Freepoint is designated a critical vendor in connection with a PREPA Insolvency Event that is a case under chapter 9 of the United States Bankruptcy Code, (B) Freepoint is designated as an unaffected creditor in connection with a PREPA Insolvency Event that is in a case commenced under Recovery Act, (C) the obligations under this Agreement are specifically designated to be paid pursuant to an order of a court of competent jurisdiction in connection with a PREPA Insolvency Event that is the appointment of a receiver (under the Trust Agreement, Act No. 83 of 1941, as amended, or otherwise), or (D) Freepoint and the obligations under this Agreement are otherwise designated pursuant to legislation, court order, or in another binding manner (reasonably satisfactory to Freepoint), to be unaffected in the same manner as if Freepoint were designated as a critical vendor under the United States Bankruptcy Code or unaffected debt under Recovery Act; provided, however, that a PREPA Insolvency Event caused solely by a Moratorium Event shall

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constitute a Qualified PREPA Insolvency Event so long as PREPA has reasonably concluded that there will not be any adverse impact or delay on PREPA's performance of or compliance with its obligations under this Agreement as a result of or in connection with such Moratorium Event.

N. PREPA agrees not to take any action in furtherance of commencing a PREPA Insolvency Event that it does not believe in good faith will be a Qualified PREPA Insolvency Event.

O. As of the date hereof, and at the time of any delivery hereunder, PREPA acknowledges that the invoices generated under this Contract may be sold and/or assigned, and PREPA will pay any amounts owing in respect of such invoices including without limitation amounts due under Section IX.K., without reduction, offset or counterclaim of any kind, to an entity designated by FREEPOINT.

P. If FREEPOINT decides to assign or transfer an amount, due or payable, to which it is entitled for services rendered or goods provided during the term of this Contract, FREEPOINT shall notify PREPA of such transfer, in accordance with the provisions of Act 21-2012. Said notice shall clearly indicate the rights granted, including reasonable proof that the assignment has been 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. Delivery to PREPA of a notice of assignment substantially in the form of Exhibit F shall satisfy the requirements of this paragraph.



FREEPOINT's aforementioned notice of assignment 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.

- Q. As of the date hereof, and at the time of any delivery hereunder, PREPA represents and warrants that (i) the creation of the receivables shall not conflict with any applicable law, (ii) the sale or assignment of such receivables shall not conflict with any law applicable to PREPA, and (iii) no further consents from PREPA or the Commonwealth of Puerto Rico (including any officer or agent thereof) are necessary for the sale or assignment of such receivables by Freepoint in accordance with this Contract.
- R. Any representation and warranty made by PREPA pursuant to this Contract shall inure to the benefit of the assignee of any invoice under this Contract.
- S. As a condition precedent to any fuel delivery, the representations and warranties in Article XII F., G., I., K. L., M., O. and Q. shall be true and correct and shall be made with certification by an authorized signatory of PREPA prior to the commencement of any fuel delivery, and such certification shall provide that such representations and warranties are true and correct as of the date of such certification through and including the date on which such fuel delivery is completed, unless and until PREPA provides a notice to the contrary. For the avoidance of doubt, PREPA shall specify in each such certification whether the representation in Article XII (M) is made under (i) or (ii).




T. In the event any of the representations or warranties contained herein shall at any time become untrue or incorrect, PREPA shall immediately provide FREEPOINT with notice of such condition.

ARTICLE XIII: Force Majeure

The parties hereto shall be excused from performing hereunder (except for any obligation to pay any money provided in this Contract, which shall not be excusable pursuant to this Article XIII under any circumstance) and shall not be liable in damages or otherwise, if and only to the extent that they shall be unable to perform or are prevented from performing by a Force Majeure event. For the purpose 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, whether foreseeable or not. 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 Force Majeure, and/or its effects, whether foreseeable or not, are beyond the reasonable control and without the fault or negligence of the party claiming Force Majeure, and that such party, within ten (10) days of the occurrence of the alleged Force Majeure event, gives the other party written notice describing the particulars of the occurrence and, to the extent possible, its estimated duration. In the event that the Force Majeure claim extends

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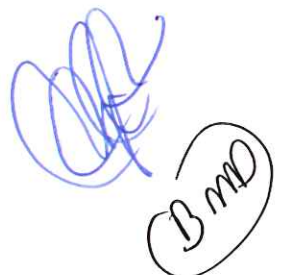
for a period of more than sixty (60) consecutive days, either party shall have the right to terminate this Contract without further obligation, except that either party shall still be responsible for the payment of amounts due and owing under this Contract, on their due date. The burden of proof as to whether a Force Majeure event has occurred shall be on the party claiming Force Majeure. Upon cessation of the Force Majeure event, the party declaring Force Majeure shall notify the other party of the termination of the Force Majeure claim. Performance shall be resumed, but the excuse from performing due to a Force Majeure event shall not operate to extend the term of this Contract nor obligate either party to make up deliveries or receipts, as the case may be.

Operational issues related to the barge or Puerto Rico port and terminals, not as a consequence of FREEPOINT's fault or negligence, shall be considered Force Majeure events.

ARTICLE XIV: Performance Bond

Upon execution of the Contract, FREEPOINT will furnish a Performance Bond payable to the order of PREPA issued by a qualified surety company, authorized to do business in Puerto Rico and reasonably acceptable to PREPA's Risk Manager, in the amount of \$43,480,594, equivalent to five percent (5.0%) of the estimated Contract value.

PREPA will accept a Letter of Credit for the same amount in lieu of a Performance Bond, provided that the Letter of Credit shall incorporate the following conditions to be acceptable to PREPA:



1. to be issued or notified and confirmed by a local bank in Puerto Rico,
2. to be unconditional and irrevocable,
3. payments to be made by issuing bank on a business day by wire transfer, immediately after PREPA's instructions,
4. to be governed by and construed in accordance with the laws of the Commonwealth of Puerto Rico, applicable to contracts being made and performed solely within Puerto Rico, without giving effect to any conflicts or choice of law principles which otherwise might be applicable, except to the extent such laws are inconsistent with the uniform customs and practices for documentary credits,
5. final draft of the Letter of Credit shall be subject to approval by PREPA's Treasurer acting in a commercially reasonable manner.

ARTICLE XV: Notices

Any notice to be given hereunder shall be in writing and will be sufficiently served when delivered in person or properly mailed to the following addresses:

To PREPA: Puerto Rico Electric Power Authority
PO Box 364267
San Juan, Puerto Rico 00936-4267
Attention: Eng. Edwin Rodriguez

To FREEPOINT: Freepoint Commodities LLC
58 Commerce Road
Stamford, CT 06902
Attention: Mr. Brandon Dicket

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Notices can also be sent through e-mail and shall be deemed valid if the notified party provides the notifying party with confirmation of receipt, provided notices are sent to the following e-mail addresses:

To PREPA: erodriguez@PREPA.com (Eng. Edwin Rodriguez)

To FREEPOINT: goztemel@freepoint.com (Mr. Glenn Oztemel)

Should a party's address(es) change from those set forth above, that party shall notify the other party in writing, and after such notification the address therein specified shall be deemed the correct address of such party for all future notices.

ARTICLE XVI: Certifications Required by law

A. Prior to the execution of this Contract, FREEPOINT will have to submit the following documents and certifications:

1. A sworn statement which indicates the reason why the Firm does not have to submit income tax returns for the five (5) previous years, and that it does not owe taxes to the Commonwealth of Puerto Rico.
2. Certification issued by the Municipal Revenues Collection Center (MRCC), assuring that the Firm does not owe any tax to such governmental agency. To request such Certification, the Firm will use the form issued by the MRCC.
3. Certification, issued by the Child Support Administration, assuring that the Firm is in compliance with the withholdings required by law as an employer.




4. Certificate, issued by the Department of Labor and Human Resources of Puerto Rico, assuring that the Firm has paid to the Department of Labor and Human Resources of Puerto Rico its employees' contributions, 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. To request such Certification, the Firm will use the form issued by the Department of Labor and Human Resources of Puerto Rico.
 5. An Income Tax Return Filing Certificate, issued by the Treasury Department of Puerto Rico, Area of Internal Revenues, assuring that FREEPOINT has filed its Income Tax Return for the last four (4) years.
 6. A statement which indicates that FREEPOINT, to the extent it has been required to do so, has filed its Income Tax Returns during the four (4) previous years and that it does not owe back taxes to the Commonwealth of Puerto Rico, or that it is paying such taxes by an installment plan and in full compliance with its terms.
 7. A certification issued by the Municipal Revenues Collection Center (MRCC), assuring that FREEPOINT does not owe any tax to such governmental agency.
- B. It shall also be FREEPOINT's responsibility to require all subcontracted third parties to comply will all the above Certifications outlined in paragraph A, and FREEPOINT agrees to notify PREPA of such compliance within ten (10) working days of subcontracting such third parties.



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- C. If any of the previously required Certifications shows a debt, and FREEPOINT has requested a review or adjustment of this debt, FREEPOINT will certify that it has made such request at the time of this Contract execution. If the requested review or adjustment is denied and such determination is final, FREEPOINT will immediately provide to PREPA a proof of payment of this debt; otherwise, FREEPOINT accepts that the owed amount will be offset by PREPA and retained at the origin, deducted from the corresponding payments. For the avoidance of doubt, such offset will not be against any fuel oil invoice created under this Contract in accordance with Article XII F.
- D. FREEPOINT recognizes that submittal of the aforementioned certifications and documents is an essential condition of this Contract, and failure to comply shall constitute a default under this Contract.

ARTICLE XVII: Contract Assignment

This contract, as well as any other of the rights, duties, liabilities, and obligations under it, cannot be assigned, transferred, subcontracted, hypothecated or otherwise disposed of by either party without the prior written consent of the other party, and such consent shall not be unreasonably withheld. Notwithstanding, FREEPOINT may assign this Contract or any rights or obligations arising out of it, without previous consent of PREPA, to one of its affiliates, provided that such affiliate is a U.S. incorporated, substantially capitalized trading entity, and fully owned, directly or indirectly, by FREEPOINT. Prior to assignment, FREEPOINT shall provide PREPA with all the documentation that certifies that the assignee is a U.S.



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incorporated, substantially capitalized trading entity, and fully owned, directly or indirectly, by FREEPOINT. Notwithstanding anything herein or otherwise to the contrary, FREEPOINT may also assign invoices created under this Contract and any rights related to such invoices, without previous consent of PREPA, to Freepoint's receivable assignee.

ARTICLE XVIII: Financial Reporting

Subject to a non-disclosure agreement on terms similar to those required from all other creditors of PREPA receiving PREPA financial information satisfactory to PREPA, PREPA shall keep Freepoint reasonably apprised of material developments with respect to its restructuring process and, for as long as the Forbearance Agreements are in place, PREPA shall deliver to FREEPOINT the same financial information reporting provided to Forbearing Creditors under Sections 4(a)(ii) and (vi) of the Bondholder Forbearance Agreement. For purposes of this Article XVIII, "Forbearance Agreements" means certain Forbearance Agreements, each dated August 14, 2014 (as subsequently amended), among PREPA and inter alia: (i) ScotiaBank de Puerto Rico, Banco Popular de Puerto Rico, Oriental Bank, and FirstBank Puerto Rico; (ii) National Public Finance Guarantee Corporation, Assured Guaranty Corp., Assured Guaranty Municipal Corp., Syncora Guarantee Inc. and members of the Ad Hoc Group of PREPA Bondholders (the "Bondholder Forbearance Agreement"); (iii) Citibank, N.A. (or its successors and assigns); and (iv) Government Development Bank for Puerto Rico (collectively, the "Forbearing Creditors").

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ARTICLE XIX: Contingent Fees

- A. FREEPOINT warrants that it has not employed any person to solicit or secure this Contract upon any agreement for a commission, percentage, brokerage or contingent fee. Breach of this warranty will give PREPA the right to immediately terminate this Contract and/or to deduct from payments the amount of such commission, percentage, brokerage, or contingent fee, or to claim said amount by whatever means available under the law. For the avoidance of doubt, such offset will not be against any fuel oil invoice created under this Contract in accordance with Article XII F.
- B. No officer, employee or agent of PREPA or of the Commonwealth of Puerto Rico, or of any Municipal Government shall be admitted to any share or part of this Contract or to any benefit that may arise therefrom, but this provision shall not be construed to extend to this Contract if made with a well-known oil corporation for its general benefit, although said corporation employs a relative, by reasons of consanguinity or affinity, of a PREPA employee.
- C. FREEPOINT represents and warrants that it is authorized to enter into and to perform its obligations under this Contract, and that it is not prohibited from doing business in Puerto Rico or barred from contracting with agencies or instrumentalities of the Commonwealth of Puerto Rico.



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ARTICLE XX: Choice of Law and Venue

This Contract shall be governed, construed, and enforced in accordance with the laws of the Commonwealth of Puerto Rico, without regard to its conflict of laws rules. All actions and proceedings arising out of or relating to this Contract will be heard and determined in the United States District Court for the District of Puerto Rico ("USDCPR"), and the parties hereby irrevocably submit to the jurisdiction of such court in any such action or proceeding and irrevocably waive the defense of an inconvenient forum to the maintenance of any such action or proceeding. In the event that the USDCPR does not have jurisdiction over any action or proceeding, the parties agree that such action or proceeding will be heard and determined in the courts of the Commonwealth of Puerto Rico with jurisdiction.

THE PARTIES HEREBY IRREVOCABLY WAIVE ALL RIGHT TO TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM (WHETHER BASED IN CONTRACT, TORT OR OTHERWISE) ARISING OUT OF OR RELATING TO THIS CONTRACT OR THE ACTIONS OF ANY PARTY OR THEIR RESPECTIVE REPRESENTATIVES IN THE NEGOTIATION OF PERFORMANCE HEREOF.

ARTICLE XXI: Code of Ethics

FREEPOINT agrees to comply with the provisions of Act 84, of the 18th of June 2002, which establishes a Code of Ethics for contractors, suppliers and economic incentive applicants of the executive agencies of the Commonwealth of Puerto Rico.




ARTICLE XXII: Modification and Novation

No modification, change, renewal, extension, discharge, or waiver of this Contract, or any of the provisions herein contained, shall be valid and binding except by a written, mutual agreement of the parties signed by a duly authorized officer of each party.

PREPA and FREEPOINT expressly agree that no amendment which could be made to this Contract, during its term, shall be understood as a contractual novation, unless both parties agree to the contrary specifically and in writing. The previous provision shall be equally applicable in such other cases where PREPA gives FREEPOINT 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 this Contract.

ARTICLE XXIII: Sworn Statement

Prior to the execution of this Contract, FREEPOINT shall submit to PREPA a sworn statement, as provided in Exhibit E of this Contract, to the effect that, as of the effective date, neither FREEPOINT nor any of its subsidiaries or any entity that constitutes the alter ego, or any president, vice president, executive director, board of directors' member, board of officers' member, or any person performing equivalent functions for any of those entities, has been convicted of, nor has pled guilty to, any crime as enumerated in Article 3 of Act 458, of the 29th of December 2000, as amended. In accordance with Article 6 of Act 458, of the 29th of December 2000, as amended, FREEPOINT acknowledges that the conviction or guilty plea of

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any of those persons or entities for any of the crimes as enumerated in Article 3 of such Act 458 shall entail, in addition to any other applicable penalty, the automatic rescission of this Contract. In addition, but only to the extent required by Act 458, of the 29th of December 2000, PREPA shall have the right to demand the reimbursement of payments made pursuant to this Contract that directly result from the committed crime.

ARTICLE XXIV: Separability

If a court of competent jurisdiction declares any of this Contract's provisions as null 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 by the judicial declaration.

ARTICLE XXV: Entire Contract

This Contract constitutes the entire agreement of the parties as to the subject matter, and supersedes any and all prior agreements between Puerto Rico Electric Power Authority and Freepoint Commodities LLC.

IN WITNESS WHEREOF, the parties hereto have caused this Contract to be duly executed as of July 31, 2015, in San Juan, Puerto Rico.

FREEPOINT COMMODITIES LLC



Brandon Diket
Director

PUERTO RICO ELECTRIC
POWER AUTHORITY



Carlos Javier Castro Montalvo
Acting Executive Director

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FUEL OIL SPECIFICATIONS NO. 6

PARAMETER	ASTM METHOD	MINIMUM	MAXIMUM
Sampling	D-4057	3 levels composite	(UML)
Gravity, API Degree at 60° F	D-1298	10.5	18
Viscosity, SFS at 122° F	D-445 D-88	90	350
Water plus Sediment, % vol.	D-95 + D-473		1.0
Flash Point, Degrees F, PMCT	D-93	150	
Sulfur, % weight ¹	D-4294		0.50
Ash, % weight	D-482		0.1
Asphaltenes, % weight	D-3279		8.0
Pour Point, Degrees F	D-97		60
Sodium plus Potassium, PPMW ²	D-1318		35
Vanadium, PPMW	D-1548-92-e1 D-5708 D-5863-A		150
Calcium, PPMW	D-5863-B		75
Heating Value, BTU/gal. (gross) at 60° F	D-240	150,000	

Latest published ASTM methods shall be used for all tests where test year is omitted.

¹ Reproducibility and repeatability must be taken into consideration in order to comply with the maximum sulfur percent weight specification. Additional Top, Middle, and Bottom analysis shall be performed to insure cargo is homogeneous.

² Method D-1318-83 for sodium analysis, however, sodium as well as potassium can be analyzed by other acceptable atomic absorption or spectrometric analysis.

**SAMPLE CALCULATION
BTU DEFICIENCY ADJUSTMENT**

Example of calculation to determine credit due to PREPA if FREEPOINT supplies fuel of lower than the guaranteed Btus per gallon value.

The guaranteed value is 150,000 Btus per gallon of fuel measured at 60° F.

Assume FREEPOINT delivers 5,000 barrels of fuel measured at 60° F.

Assume the inspector's certificate of the fuel delivered indicates an API degree of 15.8 measured at 60° F which is equivalent to 8.0 lbs. Per gallon and assume a heating value of 17,500 Btus per pound, or a fuel that measures 140,000 Btus per gallon measured at 60° F, (8.00 lbs./gallon) (17,500 Btus/lbs.) = 140,000 Btus/gallon.

Therefore:

For each U.S: gallon the guaranteed value is of 150,000 Btus/gallon.

Actual Btus delivered were 140,000 Btus/gallon. Total barrels delivered were 5,000 barrels. To calculate the equivalent barrels deficiency divide the difference of Btus/gallon received by the guaranteed minimum and multiply this fraction by the delivered volume.

Example:

$$(5,000 \text{ barrels}) \times ((150,000 - 140,000) / 150,000) = 333.33 \text{ bbl. (deficiency)}$$



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**SAMPLE CALCULATION
ESCALATION FACTOR**

	Platt's Oilgram Price Report	
	0.3% S HiPr	0.7% S
Jan 12, 2015	53.66 – 53.68	44.06 – 44.08
Jan 13, 2015	53.11 – 53.13	43.86 – 43.88
Jan 14, 2015	54.11 – 54.13	45.11 – 45.13

FIRST STEP: AVERAGE

$$\text{Platt's 0.3\% S HiPr Average } \frac{(53.66 + 53.68 + 53.11 + 53.13 + 54.11 + 54.13)}{6} = 53.6367$$

$$\text{Platt's 0.7\% S Average } \frac{(44.06 + 44.08 + 43.86 + 43.88 + 45.11 + 45.13)}{6} = 44.3533$$

SECOND STEP: INTERPOLATION AND FINAL CALCULATION

$$\begin{aligned} \text{Platt's 0.5\% S Interpolation} &= 0.5 (0.3\% \text{ S HiPr Average}) + 0.5 (0.7\% \text{ S Average}) \\ &= 0.5 (53.6367) + 0.5 (44.3533) \end{aligned}$$

$$\begin{aligned} \text{Escalation Factor for a delivery} \\ \text{Commencing on Jan 13, 2015} &= 26.81833 + 22.17667 = 48.9950 (\$/bbl) \end{aligned}$$

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TERMINAL SERVICES AGREEMENT

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 Acting Executive Director, Carlos Javier Castro Montalvo, of legal age, married, professional engineer, and resident of Guaynabo, Puerto Rico.

AS SECOND PARTY: Freepoint Commodities LLC, hereinafter referred to as "FREEPOINT", a limited liability company organized and existing under the laws of Delaware, authorized to do business in Puerto Rico, duly registered as a supplier to PREPA, represented in this act by its Director, Brandon Diket of legal age, married, and resident of Riverside, Connecticut, duly authorized to sign this Contract by virtue of the Certificate of Incumbency and authorization dated as of February 2nd, 2015.

WITNESSETH

WHEREAS, in consideration of the mutual desire of the parties to enter into an Agreement whereby PREPA will provide FREEPOINT the use of its Terminal Services Agreement with CORCO for the duration of the Fuel Oil Purchase Contract between the parties.



WHEREAS, PREPA hereby recognizes that all CORCO's responsibilities as described in this Terminal Services Agreement shall be considered PREPA's responsibilities, as it is the party in this Agreement.

WHEREAS, PREPA's failure to provide these terminal facilities and related services shall constitute a default as specified in Article IV (Delivery and Title), Paragraph A, of the Fuel Oil Purchase Contract.

The use of these facilities will be as follows:

ARTICLE I: Facilities Designated for Service

A. The tanks designated by CORCO for service to PREPA and the ancillary equipment that comprise the petroleum products storage system are suitable for the safe storage and handling of products. CORCO shall assume all costs arising from, or related to, the ownership or operation of all tanks, pipelines/piping and ancillary equipment that are part of the facilities.

The designated tanks and shell capacity of the same are as follows:

Tank 901: 268,000 barrels

Tank 903: 268,000 barrels

Tank 1007: 350,000 barrels

B. CORCO may designate alternate above-ground storage facilities of comparable size in the event CORCO requires the utilization of the tanks that have been designated for service to PREPA. CORCO may temporarily retire one or more

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tanks designated for service to PREPA if such tank or tanks require repairs or normal maintenance. In such an event, CORCO will notify PREPA and PREPA will notify FREEPOINT at least two (2) weeks in advance of the tank or tanks retirement, except that in case of emergency, and/or a Force Majeure event, such two (2) weeks advance notice will be waived. In either case, CORCO will return the tank or tanks for immediate use as soon as the normal maintenance or repairs has been successfully accomplished.

In case CORCO retires one or more tanks designated for service to FREEPOINT, CORCO shall designate alternate above-ground storage of comparable size at the same terminal; and PREPA shall reimburse FREEPOINT for any damage to its product as a result of any movements to alternate tanks. Otherwise, if FREEPOINT needs to lease tanks in another facility to comply with the Fuel Oil Purchase Contract, PREPA shall reimburse FREEPOINT for any additional costs, including costs related to tank bottoms, and expenses related thereto.

ARTICLE II: Fees and Expenses

- A. Storage Fee: FREEPOINT agrees to pay PREPA a storage fee of 0.479651 US dollars per shell barrel per month (\$/bbl/month), based on the shell capacity of the tanks.
- B. Unloading fee: FREEPOINT agrees to pay PREPA an unloading fee of 0.053601 US dollars per barrel (\$/bbl) for receiving the product from FREEPOINT's designated tanker/vessel/barge into CORCO's tanks, or 0.078343 US dollars per barrel (\$/bbl) if delivered directly into PREPA's tanks at its Costa Sur steam plant.

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- C. Loading fee: FREEPOINT agrees to pay PREPA a loading fee of 0.053601 US dollars per barrel (\$/bbl) for loading FREEPOINT's product or products onto a tanker/vessel/barge.
- D. Blending fee: FREEPOINT agrees to pay PREPA a blending fee of 0.002151 US dollars per shell capacity in barrels per hour (\$/shell bbl/hour) when CORCO provides tank blending services at its facilities at FREEPOINT's request.
- E. Tank-to-tank transfer fee: FREEPOINT agrees to pay PREPA a tank-to-tank transfer fee of 0.024745 US dollars per barrel (\$/bbl) for the product or products transferred from FREEPOINT's designated tank or tanks to any other tank or tanks located inside CORCO's facilities, except to the extent such transfer is conducted in accordance with Section 1(B) above.
- F. Wharfage and dock maintenance fees: FREEPOINT agrees to pay PREPA wharfage and dock maintenance fees of 0.020619 US dollars per barrel for every barrel of product loaded or discharged at the CORCO docks.
- G. Dockage fee: FREEPOINT agrees to pay PREPA a dockage fee of 0.107689 US dollars per gross register ton per twenty four (24) hours (\$/ton/24hour), or fraction thereof, when FREEPOINT's designated tankers/vessels/barges are docked at CORCO's facilities.
- H. All of these fees shall automatically increase each year on the 1st of February, beginning on the 1st of February 2016, by the same percentage increase of the All Items category of the Consumer Price Index for all urban consumers (seasonally adjusted), as published by the Bureau of Labor Statistics of the U. S. Department of Labor (the "CPI") for the period ended on the immediately preceding 31st of



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December, over the CPI for the period ended the 31st of December for the prior year; provided, however, that the annual increase in such fees shall be no less than 3% and no greater than 4%. If the CPI is not calculated in either such months, then the fees shall be increased by 3.5% for any such year.

ARTICLE III: Payment Terms

PREPA agrees to invoice the storage fee to FREEPOINT in advance, on or before the first (1st) business day of each calendar month, and to invoice the handling fees (all the fees other than the storage fee) on or before the tenth (10th) calendar day of each month.

FREEPOINT agrees to pay the storage and handling fees outlined in this Agreement by the fifth (5th) working day after receipt of invoice. All payments will be made by telegraphic transfer in immediately available US dollars, to the following account:

PUERTO RICO ELECTRIC POWER AUTHORITY
CITIBANK, NY - ABA NO. (ROUTING) 021-000089
CITIBANK, PR ACCOUNT NUMBER 0-400015-015

FREEPOINT shall at the time of this telegraphic transfer notify PREPA Fuels Office and subsequently send a copy of this telegraphic transfer within five (5) working days of payment to PREPA Fuels Office, in each case, by e-mail to erodriguez@PREPA.com, k-melendez@PREPA.com and ce-torres@PREPA.com.


PREPA acknowledges and agrees that consistent with the Contract, PREPA will not reduce, offset or counterclaim in any manner any amounts owed by FREEPOINT hereunder from any invoice created under the Contract.




ARTICLE IV: Services

In consideration of the above fees, CORCO shall provide the following services:

1. Receipt of FREEPOINT's nominated tankers/vessels/barges at CORCO's Guayanilla dock and the delivery of the product or products to PREPA's designated tank or tanks and/or other vessels.
2. Transfer of the product or products via pipeline, tanker/vessel/barge, or to PREPA's day tank or final tank facilities located at PREPA's South Coast ("Costa Sur") Plant.
3. Daily inventory and throughput figures handled in the system per calendar month.
4. CORCO will provide the services of an independent inspector, for product quality and quantity determination at the facilities, whose findings shall be binding on both parties and the cost shall be borne by CORCO. FREEPOINT shall have the right to appoint an independent inspector to witness any inspection services provided by CORCO.
5. Subject to the terms of this Agreement, CORCO shall use commercially reasonable efforts to maintain the tanks and all handling and delivery facilities in a satisfactory condition and working order, so as to be able to promptly load, discharge and/or transfer the products. Each tank shall be capable to be filled to at least ninety percent (90%) of its shell capacity. In those cases where a tank cannot be filled to ninety percent (90%) of its shell capacity, then the shell capacity of said tank shall be reduced by the equivalent volume deficiency for payment purposes of the storage fee.
6. FREEPOINT, CORCO and PREPA shall each by itself be responsible for all reporting to, and compliance with, all the various governmental agencies that the



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law and/or other applicable regulations may require from either FREEPOINT, CORCO or PREPA. Reporting to the proper authorities of entries and withdrawals involving the Foreign Trade Zone, along with reporting any oil spill within the facilities, shall be CORCO's sole responsibility.

Additional facility requirements: if any additional services or equipment not then available at the facility are required in order to continue providing services to PREPA or expand FREEPOINT's business operations at the facility (including, without limitation, services or equipment required by governmental agencies) under this Agreement, CORCO will notify FREEPOINT and PREPA of whether CORCO will provide such additional services or equipment within thirty (30) days after the earlier of: (i) the request from FREEPOINT to provide such services or equipment, or (ii) the receipt by CORCO of notice that additional services or equipment are required by a governmental agency. Failure to notify the parties within this thirty (30) day period will constitute CORCO's election not to provide such additional services or equipment. In the event that CORCO determines not to provide such services or equipment, FREEPOINT will have the right to install or construct additional equipment (at FREEPOINT's sole cost) and obtain or provide such additional services (at FREEPOINT's sole cost) at the terminal for FREEPOINT's use, provided that such services or equipment do not unreasonably interfere with CORCO's operations with respect to CORCO's other customers. In the event that FREEPOINT installs or constructs any additional equipment, FREEPOINT will have an exclusive property right over the additional equipment, and CORCO will have a non-exclusive right, for a mutually agreed upon fee, to use such equipment for itself

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and its customers, but only to the extent that such use does not interfere with FREEPOINT's use of such equipment for its own operations. In the event that neither CORCO nor FREEPOINT provide such services or equipment, and CORCO's ability to provide the affected services to FREEPOINT under this Agreement would therefore be materially impaired, performance by CORCO of the affected services shall be suspended immediately, without any liability to FREEPOINT, CORCO or PREPA.

ARTICLE V: Dock Regulations and Restrictions

Deliveries through the CORCO dock, at present, are limited as follows:

DWT	82,000 tons
LOA	840 feet
BCM	425 feet
DRAFT	42 feet sw

ARTICLE VI: Marine Provisions

A ship berth at CORCO shall be provided to FREEPOINT's vessel. However, all port charges, including but not limited to, pilot fees, line handlers, cargo hose connections, taxes, duties, or other expenses related to the vessel shall be for the account of the vessel or of FREEPOINT through their designated agencies. In order for CORCO to provide services under this Agreement, all vessels (ships and barges) handling products under this Agreement shall always be in compliance with all US Coast Guard Regulations. CORCO, at its cost, shall supply a US Coast Guard certified "person in charge" and all other necessary persons for the safe receipt of the product.



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PREPA warrants that it shall provide, or cause CORCO to provide, a safe berth where FREEPOINT's vessel may at all times, lie safely afloat.

ARTICLE VII: Notices

FREEPOINT shall give CORCO notice of seventy two (72) hours, forty eight (48) hours, and twenty four (24) hours before it nominates vessels arriving at CORCO's Guayanilla dock. Said notices shall be sent via fax and be directed to the CORCO's facility.

It is understood and agreed that it is the practice of CORCO to load and unload vessels at the docks in order of their arrival to the CORCO sea-buoy, subject to the availability of the docks. Notices to be given under this Agreement shall be deemed properly served on each other when delivered in writing personally, by certified mail, by fax machine, or by e-mail.

ARTICLE VIII: Title

Title to the product stored and handled at CORCO shall remain with FREEPOINT. CORCO shall be deemed to have custody of the product from the time it passes the flange connection between the vessel's delivery line and CORCO's receiving line and until it passes the flange connection between CORCO's delivery line and FREEPOINT's nominated vessel, barge or pipeline.

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ARTICLE IX – FORCE MAJEURE

The parties hereto shall be excused from performing hereunder and shall not be liable for damages or otherwise, if and only to the extent that they shall be unable to perform, or are prevented from performing by a Force Majeure event, provided, however, that neither party shall be excused by reason of Force Majeure from the obligation to make any payment due to the other party for more than ten (10) days after said payment is due. For purposes of this Agreement, Force Majeure means any cause without the fault or negligence, and beyond the reasonable control of, the party claiming the occurrence Force Majeure event. Force Majeure may include, but not be limited to, the following: Acts of God, strikes not related or provoked by any action taken by CORCO, industrial disturbances, acts of the public enemy, war, blockages, boycotts, riots, insurrections, epidemics, earthquakes, storms, floods, civil disturbances, lockouts, fires, explosions, interruption of services due to acts or failures to act of any governmental authority. Interference by, or restrictions or onerous regulations imposed by civil or military act or some constitution, decree, law, or otherwise, condemnation, failure of any subcontractor or supplier to perform, provided that these events or any other claimed as Force Majeure, and/or its effects, are beyond the reasonable control of the party claiming the Force Majeure. The burden of proof as to whether a Force Majeure has occurred shall be on the party claiming the Force Majeure.

If either party is rendered wholly or partly unable to perform its obligations under this Agreement because of Force Majeure, that party shall be excused from whatever performance is affected by the Force Majeure to the extent so affected, provided that:

(i) the non-performing party, within ten (10) days after the occurrence of the Force



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Majeure, gives the other party written notice describing the particulars of the occurrence and its estimated duration; (ii) the suspension of performance be of no greater scope and of no longer duration that is required by the Force Majeure; (iii) no obligations of either party which arose prior to the Force Majeure be excused as a result of the Force Majeure; and (iv) the Force Majeure party use its best efforts to remedy its inability to perform and resume in full its performance under this Agreement, provided that this obligation shall not require the settlement of any strike, walkout, lockout or other labor dispute on terms which, in the sole judgment of the party involved in the dispute, are contrary to its interest.

ARTICLE X - ENTIRE AGREEMENT

The terms and conditions set forth in this Agreement comprise the entire Agreement between the parties, and changes or modifications to the same must be approved in writing by both parties.

ARTICLE XI - GOVERNING LAWS

This Agreement shall be governed and construed according to the laws of the Commonwealth of Puerto Rico and applicable U.S. Federal Law. Also the parties expressly agree that only the state courts of Puerto Rico will 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 Agreement.




ARTICLE XII - LIABILITY

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

ARTICLE XIII - ASSIGNMENT

This Agreement shall be binding upon, and inure to the benefit of, the successors and assigns of each of the parties hereto.



This Agreement shall not be assigned, in whole or in part, by either party without the prior written consent of the other party, which consent shall not be unreasonably withheld, except that either party may assign to it an affiliate or a subsidiary corporation.

No such assignment shall relieve the assigning party of any of its obligations under this Agreement.

ARTICLE XIV - CONFIDENTIALITY

The terms of this Agreement shall not be disclosed to any third parties, except as required by law or regulation, without the prior consent of the other party.

Notwithstanding anything herein to the contrary, this Article shall in no way restrict communication or the provision of this agreement or information to Freepoint's receivable assignee.

ARTICLE XV - SEPARABILITY

Any article or provision declared or rendered unlawful by a court of law or regulatory agency with jurisdiction over the parties or deemed unlawful because of a statutory change will not otherwise affect the lawful obligations that arise under this Agreement.

ARTICLE XVI - OTHER

FREEPOINT and PREPA expressly agree that no amendment or change order which could be made to this Agreement, during its term, shall be understood as a contractual novation, unless both parties agree to the contrary, specifically and in writing.

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

IN WITNESS WHEREOF, the parties hereto have caused this Contract to be duly executed as of July 31, 2015, in San Juan, Puerto Rico.

FREEPOINT COMMODITIES LLC



Brandon Diket
Director

PUERTO RICO ELECTRIC
POWER AUTHORITY



Carlos Javier Castro Montalvo
Acting Executive Director

TORO, COLÓN, MULLET,
RIVERA & SIFRE, P.S.C.

ATTORNEYS AND COUNSELORS AT LAW

UNION PLAZA, SUITE 311
416 PONCE DE LEÓN AVENUE
SAN JUAN, PUERTO RICO 00918-3430

TELEPHONE: (787) 751-8999
TELECOPIER: (787) 763-7760
www.tcmrslaw.com

July 31, 2015

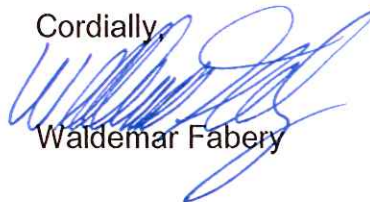
VIA FEDEX

Brandon Diket, Esq.
Associate General Counsel
Freepoint Commodities LLC
58 Commerce Rd
Stamford, CT 06902

Dear Brando:

Attached please find the original certificates issued by several Puerto Rico governmental agencies in connection with PREPA's contract.

Cordially,



Waldemar Fabery

Enclosures

SWORN STATEMENT

Comes now, Freepoint Commodities LLC, ("FREEPOINT") organized and existing under the laws of Delaware, with employer's social security number 35-2437780, represented in this act by Brandon Diket, of legal age, married, and resident of Riverside, CT, and under the most Solemn oath declares the following:

1. That my name and other personal circumstances are the aforementioned.
2. That I hold the position of Director in the aforementioned company.
3. Check one of the following:

X FREEPOINT states that, the company, its directors and officials have not been convicted, nor have they pled guilty of any felony or misdemeanor involving fraud, misuse or illegal appropriation of public funds as enumerated in Act No. 458 of the 29th of December 2000, as amended, 3 L.P.R.A. . §928-928i. FREEPOINT has no knowledge of being under judicial, legislative or administrative investigation in Puerto Rico, the United States of America or in any other country.

_____ FREEPOINT or (name of subsidiary, parent company, affiliate, branch, or alter ego), which is or was FREEPOINT'S subsidiary, parent company, affiliate, branch or alter ego has pled guilty to, been convicted of, or is under judicial, legislative, or administrative investigation in Puerto Rico, the United States of America, or any other country for one or more of the crimes enumerated in Act No. 458 of the 29th of December 2000, as amended, 3


(Bmb)

L.P.R.A. . §928-928i, or its equivalent for purposes of this Act 458. FREEPOINT or (name of subsidiary, parent company, affiliate, branch, or alter ego) pled guilty to, was convicted of, or is under judicial, legislative, or administrative investigation for (crime) in (country/jurisdiction) before (organism or court). The conviction or guilty plea was on (date of conviction or guilty plea, whichever is earlier).

4. That this statement is subscribed in compliance with Act No. 458 of the 29th of December 2000, as amended, 3 L.P.R.A. . §928-928i.

[SIGNATURE PAGE TO FOLLOW]



(BMD)

SWORN STATEMENT

The undersigned, Brandon Diket, of legal age married, executive and resident of Connecticut, USA, in my capacity as Director of Freepoint Commodities LLC (hereinafter referred to as "Freepoint"), hereby state and solemnly swear that:

1. I, Brandon Diket, am an authorized representative of Freepoint and my personal circumstances are the above-stated.
2. Freepoint is a limited liability company organized and existing under the laws of the State of Delaware.
3. Freepoint offices are located at 58 Commerce Road, Stamford, Ct. 06902.
4. Freepoint has not engaged in a trade or business in Puerto Rico since its organization in 2011. In addition, Freepoint has not derived any income from Puerto Rico and has not owned any real or personal property situated in Puerto Rico.
5. Freepoint has not had any employee who is a resident of Puerto Rico.
6. In light of the foregoing circumstances, Freepoint has not been required to file any income, property, unemployment, disability, chauffer's social security returns and declarations pursuant to the laws of Commonwealth of Puerto Rico. Furthermore, Freepoint does not owe any income, withholding, real or personal property, unemployment, disability, social chauffer's social security taxes or contributions to the Commonwealth of Puerto Rico.

[SIGNATURE PAGE TO FOLLOW]




IN WITNESS WHEREOF, the undersigned swears and executes this Sworn Statement, this 31st day of July, 2015.

Freepoint Commodities LLC

By: [Signature]
Name:
Title:

STATE OF Connecticut
COUNTY OF Fairfield

Sworn and subscribed before me by Brand Diket, [personally known to me or identified by], of legal age, married, executive and resident of Riverside, CT, in his/her capacity of Director of Freepoint Commodities LLC, in Stamford, CT, this 31st day of July 2015.

[Signature]
Notary Public



My commission expires: _____

[COUNTY CLERK CERTIFICATE OR EQUIVALENT DOCUMENT MUST BE ATTACHED]

[Signature]
BMD

State of Connecticut
Office of the Secretary of the State
Certificate of Appointment as a Notary Public

Pursuant to the authority vested in me, be it known that

NAN F SWAN

has been duly appointed as a Notary Public within and for the State of Connecticut, with full authority to perform and exercise the duties incident to said office for a period commencing on the date hereof and terminating on the expiration date of this certificate, unless said appointment is sooner revoked.

My Testimony Hereof I have caused this certificate to be issued under the seal of the Secretary of the State, at Hartford, Connecticut.

Dennis W. Merrill

Secretary of the State

Nan F. Swan

Notary Public

Secretary of the State

Notary Public of the State

I do solemnly swear that I will support the Constitution of the United States and the Constitution of the State of Connecticut; and that I will faithfully discharge, according to law, the duties of the office of Notary Public to the best of my ability. So help me God.

Nan F. Swan

Signature of NAN F SWAN

Subscribed and sworn to before me this 25th day of September 2012.

Jacqueline B. Mosco, Town Clerk

Signature and Title of Officer

Recorded in the Notary Public
Records of the Town of Tolland
on the 25th day of September 2012.

Date Appointed: 10/01/2012 Expiration Date: 09/30/2017

Account Number: 116516 Fee Paid: \$60.00 Reissue Date: RN

[Handwritten initials]

[Handwritten initials]

Town Clerk



CERTIFICACIÓN PATRONAL DE CUMPLIMIENTO
EMPLOYER COMPLIANCE CERTIFICATE

Fecha de emisión: 7/1/2015
Issue date:

Nombre del patrono: FREEPOINT COMMODITIES LLC
Company name:

Dirección: 58 COMMERCE ROAD
Address:

STAMFORD, CT - 06902-0000

Número patronal federal: 352437780
FEIN:

Número de participante: 0002278623
Participant number:

Se ha efectuado una búsqueda en nuestro sistema de manejo de casos y nuestro registro de pagos refleja que el cumplimiento de la persona jurídica que antecede es:

A search in our case management system and payment registry reflects that the above named legal entity compliance status is:

Está cumpliendo con la(s) orden(es) de retención de ingreso según establecida(s) en todos los casos.
It is complying with all the income withholding orders as established in all cases.

Al presente, NO existe ninguna orden de retención de ingresos activa que lo obligue como patrono.
There is no active income withholding order to comply with, at present.

Este documento resume la información contenida en el sistema mecanizado (PRACSES) de la Administración para el Sustento de Menores. De la búsqueda en nuestro registro de pagos recibidos se desprende que la información que antecede es correcta. La información de este documento es válida por treinta (30) días, a partir de la fecha de su emisión.

This document summarizes the information contained in the Administration for Child Support Enforcement automated system (PRACSES). A search in our received payments registry shows that the information above is correct. The information contained in this document is valid for thirty (30) days from its issue date.

NOTA DE CONFIDENCIALIDAD: La información contenida en este documento y cualquier anejo del mismo es confidencial y privilegiada y tiene el propósito de que sólo sea utilizado por la persona identificada en el mismo.

CONFIDENTIALITY NOTE: The information contained in this document and any attachment is confidential and privileged and has the purpose of being used only by the person identified in it.

2015070120150 731132974

BMP



Hon. Vance Thomas
SECRETARIO

CERTIFICACIÓN

Yo, LUZ V. ROMAN GARCIA, Operador(a) de Equipo de Entrada de Información del Programa de Seguro Social para Choferes y Otros Empleados del Departamento del Trabajo CERTIFICO:

Que se ha realizado una búsqueda en los archivos de expedientes de la Sección de Determinación de Patronos y Cobros de Cuentas Atrasadas y de la misma surge que el patrono:

FREEPOINT COMMODITIES LLC no aparece registrado en este Programa. El Patrono alega que no tiene empleados que le aplique la LEY 428 de 15 de mayo de 1950, según enmendada.

En testimonio de lo cual expido la presente CERTIFICACIÓN bajo mi firma y sello del Departamento del Trabajo, en Hato Rey, Puerto Rico a los 29 días de junio del 2015.


LUZ V. ROMAN GARCIA

Operador(a) de Equipo de Entrada de Información



BMP





ESTADO LIBRE ASOCIADO DE
PUERTO RICO

Departamento del Trabajo
y Recursos Humanos

Hon. Vance Thomas Rider
Secretario

Fecha: 29 de junio de 2015

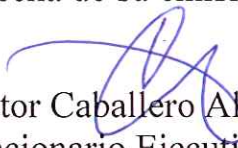
Nombre del solicitante: **FREEPOINT COMMODITIES LLC**

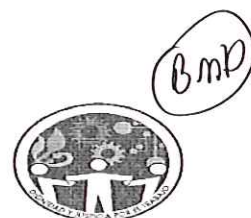
Seguro Social: **35-2437780**

**CERTIFICACIÓN NEGATIVA DE DEUDA DE CONTRIBUCIONES
DE SEGURO POR DESEMPLEO Y SEGURO POR INCAPACIDAD NO
OCUPACIONAL TEMPORAL**

Certifico que he efectuado una búsqueda en nuestros archivos de patronos y de la misma se desprende que a la fecha de esta certificación el solicitante de referencia no aparece registrado como patrono, por lo que no adeuda contribuciones a los Seguros por Desempleo e Incapacidad.

La información incluida en este documento es válida por (90) noventa días a partir de la fecha de su emisión.


Víctor Caballero Almodóvar
Funcionario Ejecutivo III
Unidad de Determinación de Patronos





PARA USO OFICIAL
09-I-2015-743
Núm. Certificación

CERTIFICACION NEGATIVA

Hacemos constar que **FREEPOINT COMMODITIES LLC.** con el número de seguro social personal o patronal **275-01-7798** no figura radicando planillas de propiedad mueble y no posee propiedad inmueble en nuestro sistema contributivo computadorizado.

Sin embargo, la información suministrada puede ser afectada por cualquier investigación o intervención de cuenta que se haya iniciado o esté por iniciarse a este contribuyente.

Esta certificación no será oficial sin el importe de \$2.00 en estampillas emitidas por el CRIM.

Emitida hoy 07 de julio de 2015

Preparada por:

HAILAND M ROSARIO
Firma

OFICINISTA 1
Titulo

Aprobada por:

Director (a) Ejecutivo (a) o su
REPRESENTANTE AUTORIZADO



CANCELADO CRIM

BMD

MODELO
SC 6096
17 MAY 10

ESTADO LIBRE ASOCIADO DE PUERTO RICO
DEPARTAMENTO DE HACIENDA
AREA DE RENTAS INTERNAS

FECHA: 02-07-2015
HORA : 16:15
RRN8332

CERTIFICACION DE DEUDA

NUM. CUENTA: 001 275-01-7798/000 FREEPOINT COMMODITIES LLC

58 COMMERCE RD
STAMFORD PR 06902 *COMPUTOS HASTA: 02-07-2015

CERTIFICO QUE EL CONTRIBUYENTE ARRIBA DESCRITO
NO TIENE DEUDAS TASADAS POR CONCEPTO DE
CONTRIBUCION SOBRE INGRESOS, PATRONAL Y
ARBITRIOS AL DIA DE 02-07-2015 EN NUESTRO
SISTEMA PRITAS.

ESTA CERTIFICACION NO INCLUYE DEUDAS PENDIENTES POR TASAR O EN PROCESO DE
INVESTIGACION POR EL NEGOCIADO IMPOSITIVO A LA FECHA DE ESTA CERTIFICACION.

A D V E R T E N C I A :

FAVOR DE REVISAR ESTE DOCUMENTO EN DETALLE. SI USTED NO ESTA DE
ACUERDO CON ALGUNA DE LA INFORMACION AQUI PROVISTA DEBERA PRESENTAR
SU RECLAMACION JUNTO CON LOS DOCUMENTOS QUE EVIDENCIAN LA MISMA A
LAS DIRECCIONES QUE SE INDICAN EN LA HOJA ADJUNTA.

ESTA CERTIFICACION NO ES VALIDA SIN LA FIRMA AUTORIZADA Y EL SELLO
OFICIAL EN ORIGINAL DEL DEPARTAMENTO DE HACIENDA



SECRETARIO AUXILIAR DE RENTAS INTERNAS
O SU REPRESENTANTE AUTORIZADO

FECHA

SELLO OFICIAL

014



MODELO SC 6088
REV.15 OCT 04
OA 04-18

ESTADO LIBRE ASOCIADO DE PUERTO RICO
DEPARTAMENTO DE HACIENDA
AREA DE RENTAS INTERNAS

CERTIFICACION DE RADICACION DE PLANILLAS DE
CONTRIBUCION SOBRE INGRESOS

NUM.CUENTA : 275-01-7798 VQ3ZZWXN FREEPOINT COMMODITIES LLC

58 COMMERCE RD
STANFORD PR 06902

PERIODO CONTRIBUTIVO	INFORMACION SEGUN SISTEMA
2013	NO RINDIO PLANILLA
2012	NO RINDIO PLANILLA
2011	NO RINDIO PLANILLA
2010	NO RINDIO PLANILLA
2009	NO RINDIO PLANILLA

INFORMACION AL CONTRIBUYENTE

DE NO ESTAR DE ACUERDO CON LA INFORMACION CONTENIDA EN ESTA CERTIFICACION DEBERA PRESENTAR SU RECLAMACION CON LA EVIDENCIA DE RADICACION EN CUALQUIERA DE LOS CENTROS DE SERVICIOS AL CONTRIBUYENTE.

DE NO ESTAR OBLIGADO POR LA LEY A RENDIR UNA PLANILLA (APLICA SOLO A INDIVIDUOS) DEBERA LLENAR EL MODELO SC 2781, CERTIFICACION DE RAZONES POR LAS CUALES EL CONTRIBUYENTE NO ESTA OBLIGADO POR LEY A RENDIR UNA PLANILLA DE CONTRIBUCION SOBRE INGRESOS DE INDIVIDUOS, EN CUALQUIERA DE LOS CENTROS DE SERVICIO AL CONTRIBUYENTE (CENTROS) Y PRESENTAR LA EVIDENCIA SOLICITADA.

PARA LA UBICACION DE LOS CENTROS, PUEDE COMUNICARSE A LOS SIGUIENTES TELEFONOS:

SAN JUAN (787) 723-5556 / 1-877-684-3422 - CAGUAS (787) 258-5272 / (787) 745-0666
PONCE (787) 844-8800 - MAYAGUEZ (787) 265-5200
BAYAMON (787) 778-4949 / (787) 778-4973 / (787) 778-4974

RICARDO RIVERA NATER - (RRN8332)

SECRETARIO AUXILIAR DE RENTAS INTERNAS
O SU REPRESENTANTE AUTORIZADO

02-Jul-2015 04:14 PM

FECHA Y HORA DE
EMISION

SELLO DE RENTAS INTERNAS Y
SELLO OFICIAL



ADVERTENCIA

ESTA CERTIFICACION ES VALIDA, SI CONTIENE EL SELLO DE RENTAS INTERNAS, EL SELLO OFICIAL DEL DEPARTAMENTO Y LA FIRMA AUTORIZADA.

BMD

2016-P00009A
FIRST AMENDMENT TO
FUEL PURCHASE CONTRACT 902-02-15

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 Executive Director, Javier Antonio Quintana Méndez, of legal age, married, professional engineer, and resident of Guaynabo, Puerto Rico.

AS SECOND PARTY: Freepoint Commodities LLC, hereinafter referred to as "FREEPOINT", a limited liability company organized and existing under the laws of Delaware, authorized to do business in Puerto Rico, duly registered as a supplier to PREPA, represented in this act by its Director, Brandon Diket of legal age, married, and resident of Riverside, Connecticut, duly authorized to sign this Contract by virtue of the Certificate of Incumbency and authorization dated as of February 2, 2015.

WITNESSETH

WHEREAS: The appearing parties executed the Contract No. 902-02-15, hereinafter referred to as the "Contract", on July 31, 2015 for the supply of residual No. 6 Fuel Oil at San Juan, Palo Seco, Aguirre and Costa Sur steam plants.

WHEREAS: Article I (Scope and Term of Contract) states that the Contract will become effective on the date of its signature, and will be in effect for a period of one (1) year starting from the commencement date as notified by PREPA (the "Initial Term"). On September 3, 2015, PREPA notified FREEPOINT that the commencement date of the Contract was October 1, 2015. Therefore, the Contract's Initial Term expires on September 30, 2016.

WHEREAS: As per Article I, Section C, the Contract is subject to one (1) automatic extension of one (1) year unless either party indicates its intention that said automatic extension does not

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occur by providing the other party with written notice at least one hundred and twenty (120) days before the expiration of the Initial Term (a "Non-Extension Notice").

WHEREAS: Article XXII (Modifications and Novation) of the Contract states that no modification, change, renewal, extension, discharge, or waiver of the Contract, or any of the provisions herein contained, shall be valid and binding except by a written, mutual agreement of the parties signed by a duly authorized officer of each party. PREPA and FREEPOINT expressly agreed that no amendment 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. The previous provision shall be equally applicable in such other cases where PREPA gives FREEPOINT 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.

WHEREAS: The parties are currently undergoing a negotiation process to renew the Contract for one (1) additional year in accordance with Article 1, Section C. While the parties continue to discuss and resolve certain issues in connection with such renewal of the Contract, the parties have agreed to extend the expiration of the Initial Term until October 31, 2016. Accordingly, the deadline for the parties to provide a Non-Extension Notice is extended until July 3, 2016.

NOW, THEREFORE, in consideration of the foregoing and of the mutual covenants herein stated, the receipt and sufficiency of which are hereby acknowledged, PREPA and FREEPOINT hereby agree to amend the Contract pursuant to this First Amendment to the Contract (this "First Amendment") as follows:

Unless otherwise defined herein or amended hereby, capitalized terms used herein which are defined in the Contract shall have the meanings ascribed to them in the Contract.

Section 1. This First Amendment amends the Contract as follows:

[NEWYORK 3213794_5]



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(a) The parties hereby agree to extend the expiration of the Initial Term until October 31, 2016. Accordingly, the deadline for the parties to provide a Non-Extension Notice is extended until July 3, 2016.


Section 2. The Contract, as amended by this First Amendment, constitutes the entire agreement between the appearing parties regarding the subject matter hereof and supersedes any prior agreements, including any deemed agreements, among the parties regarding the subject matter hereof. Except as expressly amended by this First Amendment, the provisions of the Contract are and shall remain in full force and effect without modification, and are hereby ratified.

[Signature Page follows]



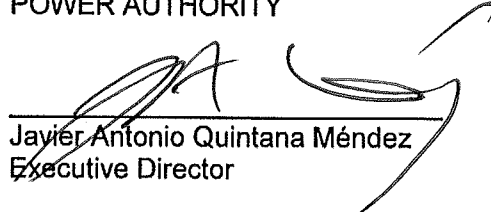

IN WITNESS THEREOF, the parties hereto have caused this First Amendment to be
duly executed as of 2 June, 2016.

Freepoint Commodities LLC



Brandon Diket
Director

PUERTO RICO ELECTRIC
POWER AUTHORITY



Javier Antonio Quintana Méndez
Executive Director



RENEWAL AND SECOND AMENDMENT OF
FUEL PURCHASE CONTRACT 902-02-15

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 Executive Director, Javier Antonio Quintana Méndez, of legal age, married, professional engineer, and resident of Guaynabo, Puerto Rico.

AS SECOND PARTY: Freepoint Commodities LLC, hereinafter referred to as "FREEPOINT", a limited liability company organized and existing under the laws of Delaware, authorized to do business in Puerto Rico, duly registered as a supplier to PREPA, represented in this act by its Director, Brandon Diket of legal age, married, and resident of Riverside, Connecticut, duly authorized to sign this Contract by virtue of the Certificate of Incumbency and authorization dated as of February 2nd, 2015.

WITNESSETH

WHEREAS: The appearing parties executed the Contract No. 902-02-15, hereinafter referred to as "the Contract", on July 31, 2015 for the supply of residual No. 6 Fuel Oil at San Juan, Palo Seco, Aguirre and Costa Sur steam plants.

WHEREAS: Article I, Scope and Term of Contract, states that it will become effective on the date of its signature, and will be in effect for a period of one (1) year after the commencement date as notified by PREPA. The commencement date, as notified by PREPA was October 1, 2015.

WHEREAS: On June 2nd, 2016, the parties executed an amendment to the Contract to extend the expiration of the Initial Term until October 31, 2016.

WHEREAS: As per Article I, Section C, the Contract it is subject to one (1) automatic extension of one (1) year unless either party indicates its intention that said automatic extension does not

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occur by providing the other party with written notice at least one hundred and twenty (120) days before the expiration of the Initial Term (a "Non-Extension Notice").

WHEREAS: As per Article I, Section C, of the Contract, The parties agree to allow the automatic renewal to occur. Therefore, the Contract will be renewed and will be in effect until October 31, 2017.

WHEREAS: Article XXII, Modifications and Novation, of the Contract states that No modification, change, renewal, extension, discharge, or waiver of this Contract, or any of the provisions herein contained, shall be valid and binding except by a written, mutual agreement of the parties signed by a duly authorized officer of each party. PREPA and FREEPOINT expressly agree that no amendment which could be made to this Contract, during its term, shall be understood as a contractual novation, unless both parties agree to the contrary specifically and in writing. The previous provision shall be equally applicable in such other cases where PREPA gives FREEPOINT 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 this Contract.

THEREFORE, the appearing parties agree to amend Contract No. 902-02-15 as per the following:

TERMS AND CONDITIONS

FIRST: The parties agree to amend Article II, Section D. iii to read in its entirety as follows:

(iii) Triggering Event, or

SECOND: The parties agree to amend the Article IX, Section A to read in its entirety as follows:

The price for the fuel to be supplied under this Contract includes all taxes, fees or established import tariffs, and will be subject to on the Initial Term ultimately chosen from

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the options outlined in Article I (Scope and Term of Contract), paragraph B. Such price is to be determined as follows:

The price to be paid for each barrel of fuel delivered throughout the entire duration of the Initial Term will consist of an escalator plus a price differential, with a credit term of forty-two (42) days (the "Credit Term"); provided that if and only if PREPA has delivered the Temporary Term Increase Certificate (attached as Exhibit A) in connection with any invoice and made the representation in Article XII(M)(i), the Credit Term shall be extended, for that invoice only, to seventy-two (72) days following issuance of the invoice thereof.

Subject to Article IX(K), the fixed price differential shall be, in US dollars per barrel for all deliveries under this Contract, (i) discounted to \$5.71 for San Juan and Palo Seco Plants and \$7.78 for Aguirre and Costa Sur Plants (the "Discount Differential") if the invoice is paid early on or before the date which is ten (10) days prior to the Credit Term following issuance thereof (the "Early Payment Discount Period"), or (ii) \$17.71 for San Juan and Palo Seco and \$19.78 for Aguirre and Costa Sur Plants (the "Full Differential") if the invoice is paid at any time before, on, or after the date which is the last day of the Credit Term (the "Full Payment Period").

Price differentials will be added to the escalator to obtain the final fuel price.

On and after one hundred and twenty (120) days prior to the expiration of the Agreement Freepoint shall have the right to reduce the Credit Term, the Early Payment Discount Period, the Full Payment Period and the Credit Limit after first meeting and conferring with PREPA.

On the condition that PREPA has timely performed all of its obligations under the Contract, including payment in full in cash through wire transfers or other fund transfers

(Bms)

of all invoices (excluding the final two invoices) by within the Credit Term, PREPA shall receive a credit against the final two invoices as applicable in an amount equal to the product of \$0.27 and the number of barrels delivered to PREPA on and after September 1st, 2016.

THIRD: The parties agree to amend Article XII Section G to read in its entirety as follows:

PREPA will include in both the Annual Budget (as defined in such Trust Agreement) and PREPA's internal annual budget (together with the Annual Budget, the "Budgets") the payment in full of all amounts expected to be due under this Contract as "Current Expenses". Without limiting Article XII.I, to the extent PREPA chooses to reflect such amounts in the Budgets at the Discount Differential (as opposed to the Full Differential), PREPA will include in the Budgets, the following footnote: "This amount reflects PREPA obtaining a contractual early payment discount by paying all fuel invoices within ten (10) days prior to the credit term."

FOURTH: The parties agree to amend Article XII, Section M to read in its entirety as follows:

As of the date hereof, and at the time of any delivery hereunder, PREPA represents and warrants to one of the following: (i) a Specified Event has not occurred, and PREPA does not have current intentions to cause a Specified Event within 72 days, and PREPA has no actual knowledge that a Specified Event will occur within 72 days, or (ii) a Specified Event has not occurred and PREPA does not have current intentions to cause a Specified Event within 72 days, and PREPA has no actual knowledge that a Specified Event will occur within 72 days unless (x) such Specified Event is a Qualified Specified Event and (y) it believes in good faith that any such Specified Event will constitute a Qualified Specified Event.

A. "Specified Event" shall be any of the following events:

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(AMD)

- a. *The commencement of any debt adjustment proceeding, reorganization proceeding, bankruptcy proceeding, proceeding under Title III of Puerto Rico Oversight, Management, and Economic Stability Act (as reflected in HR 5278 or any subsequent version or similar law or legislation) ("PROMESA"), insolvency proceeding, dissolution or wind-up proceeding, proceeding under the Recovery Act, or any similar proceeding (including the occurrence of a general assignment, arrangement or composition with or for the benefit of PREPA's creditors or the appointment of a receiver, administrator or similar officer for some or all of PREPA's assets).*
- b. (i) *The announcement, declaration or implementation of a moratorium or stay with respect to PREPA or the payment of any portion of PREPA's debts, unless (x) such debts are the subject of a consensual forbearance that is in effect and continuing or (y) such moratorium or stay (or solely with respect to a moratorium under the Puerto Rico Emergency Moratorium and Rehabilitation Act, provided such act has not been amended from the date hereof to expressly exclude any other debt or obligations of PREPA, any irrevocable executive order issued by the office of the sitting Governor in respect thereof) expressly provides it covers or effects only indebtedness for borrowed money or does not cover or effect any obligations under this Agreement or any fuel supply contract (other than with respect to the enforcement of "ipso facto" provisions); (ii) PREPA is generally not paying its non-borrowed money debts as they come due; (iii) creditors of PREPA have taken acts (x) to enforce their rights or remedies, including, without limitation, acts taken against PREPA resulting from a default or an event of default under the Trust Agreement, a*

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(BMD)

credit agreement or trade finance facility agreement; provided, however, that the delivery of a notice of default or notice of an event of default or participation in an action to adjust PREPA's electricity rates shall not constitute an action by a creditor to enforce its rights or remedies for purposes of this clause, or (y) that seek to adversely impact or delay PREPA's performance of or compliance with its obligations under this Agreement; (iv) PREPA is unable by virtue of legislation, rule, policy, stay, moratorium, injunction or any other similar act to pay its debts as they become due; or (v) the termination of the Restructuring Support Agreement, dated as of January 27, 2016 (as it may be amended) by and among PREPA and certain of its creditors, unless and until such agreement is reinstated or a similar forbearance agreement is executed (clauses (i), (ii), (iii), (iv), and (v) each a "Trigger Event").

- c. *Any resolution, authorization or steps to implement any of the foregoing by the United States (other than the enactment of PROMESA), PREPA, the GDB or the Commonwealth, or any duly appointed oversight board.*

A "Qualified Specified Event" shall mean a Specified Event that will not have any impact or delay on PREPA's performance of its obligations under this Agreement and PREPA's obligations hereunder, whether because (A) the Agreement is assumed pursuant to an order of a court of competent jurisdiction under the United States Bankruptcy Court and all obligations due hereunder have been paid in full in cash through wire transfers or other fund transfers in accordance with their terms; (B) Freepoint is designated a critical vendor in connection with a Specified Event that is a case under chapter 9 of the United States Bankruptcy Code or Title III of PROMESA, (C) Freepoint is designated as an unaffected creditor in connection with a Specified Event that is in a case commenced

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under Recovery Act, (D) the obligations under this Agreement are specifically designated to be paid pursuant to an order of a court of competent jurisdiction in connection with a Specified Event that is the appointment of a receiver (under the Trust Agreement, Act No. 83 of 1941, as amended, or otherwise), or (E) Freepoint and the obligations under this Agreement are otherwise designated pursuant to legislation, court order, or in another binding manner (reasonably satisfactory to Freepoint), to be unaffected in the same manner as if Freepoint were designated as a critical vendor in a case under chapter 9 of the United States Bankruptcy Code or unaffected debt under Recovery Act; provided, however, that a Specified Event caused solely by a Trigger Event shall constitute a Qualified Specified Event so long as PREPA has reasonably concluded that there will not be any adverse impact or delay on PREPA's performance of or compliance with its obligations under this Agreement as a result of or in connection with such Trigger Event; provided, further, that any event described in this Article XII(M) shall no longer constitute a Specified Event or a Qualified Specified Event in the event that this Agreement and all obligations hereunder (including, for the avoidance of doubt, all outstanding fuel payables) have been expressly assumed by PREPA pursuant to an order of a court of competent jurisdiction (which order shall not be stayed, vacated or revoked) and all obligations due hereunder have been paid in full in cash through wire transfers or other fund transfers in accordance with their terms.

FIFTH: The parties agree to amend Article IX, Section C to read in its entirety as follows:

Should PREPA fail to pay any invoice by the end of the Early Payment Discount Period, FREEPOINT may, at its own discretion, suspend any and all deliveries to PREPA. Where FREEPOINT suspends deliveries pursuant to this Section (C), if PREPA pays such invoice by the Credit Term, FREEPOINT shall resume deliveries to PREPA. Any

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costs including but not limited to demurrage due to this suspension of delivery shall be borne by PREPA.

SIXTH: The parties agree to amend Article IX, Section D to read in its entirety as follows:

Should PREPA fail to pay any invoice within two (2) calendar days following the applicable Credit Term, or if the Credit Limit is exceeded, FREEPOINT may, at its own discretion, terminate this Contract as provided in Article II (Termination or Insolvency), paragraph A(i).

SEVENTH: The parties agree to amend Article IX, Section K to read in its entirety as follows:

For late payments, interest on unpaid amount shall be calculated at monthly rate of one percent (1%).

EIGHTH: The parties agree to amend Article IV, Section A to read in its entirety as follows:

Delivery shall be, via barge, other vessel or tank to tank transfer for fuel as specified in Exhibit A or for fuel components to be blended at CORCO to obtain final product as specified in Exhibit A, delivered by FREEPOINT at Aguirre, Costa Sur, San Juan and Palo Seco. The pricing period is comprised of three (3) calendar days around the deemed commencement of discharge, considering the deemed date mutually agreed between the parties, and it shall not be modified, except with the parties' mutual agreement.

NINETH: The parties agree to amend Article IV, Section D to read in its entirety as follows:

Title of product delivered shall pass to PREPA after the fuel passes the pipeline flange at the Aguirre, Costa Sur, San Juan or Palo Seco steam plants or the pipeline interconnection between PREPA and CORCO or any other terminal for deliveries made from FREEPOINT's tanks. FREEPOINT is responsible for cleaning, removing, and

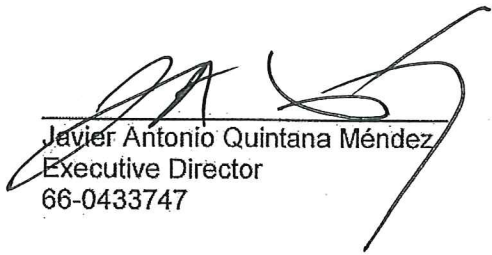
disposing of any spill of its product, which might occur before the pipeline interconnection during delivery; and shall be responsible for securing all materials, permits, and personnel required for handling the transfer of fuel.

TENTH: The parties agree to make effective the amendments to Article IV, Sections A and D, as of June 1, 2016.

THEREFORE: This is the Agreement between the appearing parties under this First Amendment to the Contract and so is hereby ratified. All the other terms and conditions, specifications, stipulations, and requirements established in the Contract executed on July 31, 2015 remain unaltered and fully enforceable.

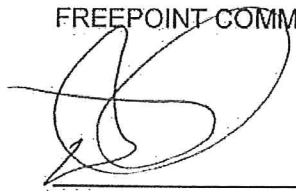
IN WITNESS THEREOF, the parties hereto have agreed to execute this First Amendment, on this day of July 1, 2016.

PUERTO RICO ELECTRIC
POWER AUTHORITY



Javier Antonio Quintana Méndez
Executive Director
66-0433747

FREEPOINT COMMODITIES, LLC



Brandon Diket
Director
35-2437780

(BMP)

EXHIBIT A

Temporary Credit Extension Certificate

PREPA represents and warrants a Specified Event has not occurred and PREPA does not have current intentions to cause a Specified Event within 72 days, and PREPA has no actual knowledge that a Specified Event will occur within 72 days.

PREPA hereby covenants that if notwithstanding the representation above, a Specified Event does occur, PREPA will use its best efforts to ensure that such Specified Event becomes a Qualified Specified Event as promptly as practicable.

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COMMONWEALTH OF PUERTO RICO
PUERTO RICO ELECTRIC POWER AUTHORITY

SAN JUAN, PUERTO RICO



www.prepa.com

GPO BOX 364267
SAN JUAN, PR 00936-4267

July 1st, 2016

Mr. Brandon Diket
Associate General Counsel
Freepoint Commodities LLC
58 Commerce Road
Stamford, CT 06902

Dear Mr. Dicket:

Reference is made to that certain side letter between Puerto Rico Electric Power Authority ("PREPA") and Freepoint Commodities LLC ("Freepoint") dated as of July 31, 2015 (the "Side Letter") in connection with Contract 902-02-15, dated July 31, 2015 (the "Agreement"). In light of the Agreement's extension on July 1, 2016, PREPA and Freepoint have agreed to make the following changes to the Side Letter.

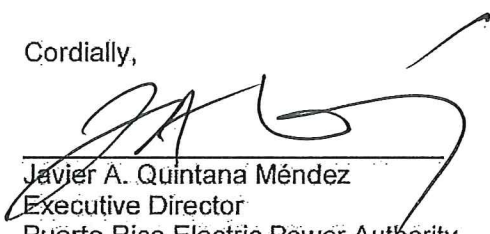
- A. Delete paragraphs three (3) and four (4) in their entirety.
- B. Revise paragraph five (5) in its entirety to read as follows:

5) If an automatic extension of one (1) year has occurred pursuant to Article I(C) of the Agreement, and if PREPA has not substantially consummated a restructuring of its borrowed money debt on the date that is one hundred and twenty (120) days before the expiration of the Agreement, Freepoint shall have the right to reduce the Credit Term, the Early Payment Discount Period, the Full Payment Period and the Credit Limit in a manner to ensure that no more than \$60,000,000 owing under the agreement remains outstanding by the expiration of the Agreement.

Capitalized terms not otherwise defined herein shall have the meaning set forth in the Agreement.

If you have any questions, please contact Edwin Rodriguez, Fuels Office Manager at (787) 521-4005.

Cordially,

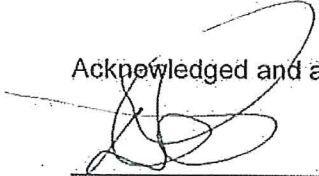


Javier A. Quintana Méndez
Executive Director
Puerto Rico Electric Power Authority

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Contract 902-02-15 – Side Letter
Page 2

Acknowledged and agreed:



Brandon Diket
Associate General Counsel
Freepoint Commodities LLC



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**RENEWAL AND THIRD AMENDMENT OF
FUEL PURCHASE CONTRACT 902-02-15**

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 Executive Director, Ricardo Luis Ramos Rodríguez, of legal age, married, professional engineer, and resident of Caguas, Puerto Rico.

AS SECOND PARTY: Freepoint Commodities LLC, hereinafter referred to as "FREEPOINT", a limited liability company organized and existing under the laws of Delaware, authorized to do business in Puerto Rico, duly registered as a supplier to PREPA, represented in this act by its Director, Brandon Diket of legal age, married, and resident of Riverside, Connecticut, United States of America, duly authorized to sign this Contract by virtue of the Certificate of Incumbency and authorization dated as of February 2nd, 2015.

WITNESSETH

WHEREAS: The appearing parties executed the Contract No. 902-02-15, hereinafter referred to as "the Contract", on July 31, 2015 for the supply of residual No. 6 Fuel Oil at San Juan, Palo Seco, Aguirre and Costa Sur steam plants.

WHEREAS: Article I, Scope and Term of Contract, states that it will become effective on the date of its signature, and will be in effect for a period of one (1) year after the commencement date as notified by PREPA. The commencement date, as notified by PREPA was October 1, 2015.

WHEREAS: On June 2nd, 2016, the parties executed an amendment to the Contract to extend the expiration of the Initial Term until October 31, 2016.

WHEREAS: As per Article I, Section C, the Contract it is subject to one (1) automatic extension of one (1) year unless either party indicates its intention that said automatic extension does not occur by providing the other party with written notice at least one hundred and twenty (120) days before the expiration of the Initial Term (a "Non-Extension Notice").

WHEREAS: As per Article I, Section C, of the Contract, The parties agreed to allow the automatic renewal to occur. Therefore, on July 1, 2016, parties executed a renewal and second amendment to the Contract to extend the term of the Contract until October 31, 2017, and to make certain other modifications.

WHEREAS: Article XXII, Modifications and Novation, of the Contract states that No modification, change, renewal, extension, discharge, or waiver of this Contract, or any of the provisions herein contained, shall be valid and binding except by a written, mutual agreement of the parties signed by a duly authorized officer of each party. PREPA and FREEPOINT expressly agree that no amendment which could be made to this Contract, during its term, shall be understood as a contractual novation, unless both parties agree to the contrary specifically and in writing. The previous provision shall be equally applicable in such other cases where PREPA gives FREEPOINT 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 this Contract.

THEREFORE, the appearing parties agree to amend Contract No. 902-02-15 as per the following:

TERMS AND CONDITIONS

FIRST: The parties agree to amend Article I, Section C. to read in its entirety as follows:

This Contract shall be in effect until October 31, 2018 (the "Initial Term"). The Contract is subject to one (1) automatic extension of one (1) year from that date unless either party indicates its intention that said automatic extension does not occur by providing the other party with written notice at least one hundred and twenty (120) days before the expiration of the Initial Term (a "Non-Extension Notice").

SECOND: The parties agree to add the following at the end of Article II, Section D:

Notwithstanding the foregoing, if PREPA becomes subject to a proceeding under Title III of PROMESA, FREEPOINT shall have the right, subject to the following proviso, to terminate this Contract upon written notice to PREPA, without prejudice to any claim or any other right of FREEPOINT under this Contract at the time of such termination; provided, however, on and after the date that PREPA becomes subject to a proceeding under Title III of PROMESA and before the entry of an Assumption Order (as defined in Article XII(J)), FREEPOINT shall forbear from exercising its right to terminate this Contract because of the commencement of a proceeding under Title III of PROMESA so long as PREPA is timely complying with its obligations under Article XII(J); provided, further, upon entry of an Assumption Order, FREEPOINT's right to terminate this Contract

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because of the commencement of a proceeding under Title III under this Article II.D. shall expire.

THIRD: The parties agree to add the following at the end of Article IX, Section A:

If PREPA fails to deliver a Temporary Term Increase Certificate and fails to make the representation in Article XII(M)(i), in each case, solely due to (a) the commencement of a proceeding under Title III or Title VI of PROMESA, (b) PREPA's current intention to cause the commencement of a proceeding under Title III or Title VI of PROMESA within 72 days, or (c) PREPA's actual knowledge that a proceeding under Title III or Title VI of PROMESA will occur within 72 days, then, the Credit Term shall be extended, for that invoice only, to seventy-two (72) days following issuance of the invoice thereof, provided PREPA has delivered the Alternative Temporary Term Increase Certificate (attached as Exhibit B), in connection with such invoice and made the representation in Article XII(M)(ii).

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FOURTH: The parties agree to amend Article XII, Section M to read in its entirety as follows:

As of the date hereof, and at the time of any delivery hereunder, PREPA represents and warrants to one of the following: (i) a Specified Event has not occurred, and PREPA does not have current intentions to cause a Specified Event within 72 days, and PREPA has no actual knowledge that a Specified Event will occur within 72 days, or (ii) a Specified Event has not occurred and PREPA does not have current intentions to cause a Specified Event within 72 days, and PREPA has no actual knowledge that a Specified Event will occur

within 72 days unless (x) such Specified Event is a Qualified Specified Event or (y) it believes in good faith that any such Specified Event will constitute a Qualified Specified Event.

A. *"Specified Event" shall be any of the following events:*

a. *The commencement of any debt adjustment proceeding (including a consensual restructuring under Title VI of PROMESA, as defined below), reorganization proceeding, bankruptcy proceeding, proceeding under Title III of Puerto Rico Oversight, Management, and Economic Stability Act (as reflected in HR 5278 or any subsequent version or similar law or legislation) ("PROMESA"), insolvency proceeding, dissolution or wind-up proceeding, proceeding under the Recovery Act, or any similar proceeding (including the occurrence of a general assignment, arrangement or composition with or for the benefit of PREPA's creditors or the appointment of a receiver, administrator or similar officer for some or all of PREPA's assets).*

b. (i) *The announcement, declaration or implementation of a moratorium or stay with respect to PREPA or the payment of any portion of PREPA's debts, unless such moratorium or stay (or solely with respect to a moratorium under the Puerto Rico Financial Emergency and Fiscal Responsibility Law, provided such act has not been amended from the date hereof to expressly exclude any other debt or obligations of PREPA, any irrevocable executive order issued by the office of the sitting Governor in respect thereof) expressly provides it covers or effects only*

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indebtedness for borrowed money or does not cover or effect any obligations under this Agreement or any fuel supply contract (other than with respect to the enforcement of "ipso facto" provisions); (ii) PREPA is generally not paying its non-borrowed money debts as they come due; (iii) creditors of PREPA have taken acts that seek to adversely impact or delay PREPA's performance of or compliance with its obligations under this Agreement; or (iv) PREPA is unable by virtue of legislation, rule, policy, stay, moratorium, injunction or any other similar act to pay its debts as they become due (clauses (i), (ii), (iii), and (iv) each a "Trigger Event").

c. Any resolution, authorization or steps to implement any of the foregoing by the United States (other than the enactment of PROMESA), PREPA, the GDB or the Commonwealth, or any duly appointed oversight board.

A "Qualified Specified Event" shall mean a Specified Event that will not have any impact or delay on PREPA's performance of its obligations under this Agreement and PREPA's obligations hereunder, whether because (A) the obligations under this Agreement are specifically designated to be paid pursuant to an order of a court of competent jurisdiction in connection with a Specified Event that is the appointment of a receiver (under the Trust Agreement, Act No. 83 of 1941, as amended, or otherwise), (B) Freepoint and the obligations under this Agreement are otherwise designated pursuant to legislation, court order, or in another binding manner (reasonably satisfactory to Freepoint), to be unaffected in the same manner as if Freepoint were designated as a critical vendor or provided similar relief in a case under chapter 9 of the United States Bankruptcy Code, (C)

PREPA shall have otherwise provided assurances acceptable to Freepoint in Freepoint's sole discretion that Freepoint will be paid as provided in this Agreement, or (D) the Specified Event is a consensual restructuring under Title VI of PROMESA in which the obligations under this Agreement are unaffected; provided, however, that a Specified Event caused solely by a Trigger Event shall constitute a Qualified Specified Event so long as PREPA has reasonably concluded that there will not be any adverse impact or delay on PREPA's performance of or compliance with its obligations under this Agreement as a result of or in connection with such Trigger Event, and PREPA is engaging in good faith efforts to ensure that it becomes a Qualified Specified Event; provided, further, that a Specified Event caused solely by the commencement of a proceeding under Title III of PROMESA shall constitute a Qualified Specified Event only and so long as all requirements of Article XII.J. are timely satisfied; provided, further, that any event described in this Article XII(M) shall no longer constitute a Specified Event or a Qualified Specified Event in the event that (A) all requirements of Article XII(J) have been satisfied and (B) this Agreement and all obligations hereunder (including, for the avoidance of doubt, all outstanding fuel payables) have been expressly assumed by PREPA pursuant to an order of a court of competent jurisdiction (which order shall not be stayed, vacated or revoked) and all obligations due hereunder have been paid in full in cash through wire transfers or other fund transfers in accordance with their terms.

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FIFTH: The parties agree to amend Article XII, Section N to read in its entirety as follows:

PREPA agrees not to take any action in furtherance of commencing a Specified Event that it does not believe in good faith will be a Qualified Specified Event.

SIXTH: The parties agree to amend Article XII, Section J to read in its entirety as follows:

If PREPA becomes subject to a proceeding under Title III of PROMESA, PREPA shall (a) file a motion, in form and substance reasonably satisfactory to FREEPOINT, to assume this Agreement (the "Assumption Motion") pursuant to section 365 of the Bankruptcy Code on the first day that PREPA becomes subject to the proceeding under Title III of PROMESA, (b) use best efforts to obtain entry of a final and non-appealable order, in form and substance reasonably satisfactory to FREEPOINT, granting the Assumption Motion (an "Assumption Order"), (c) pending entry of the Assumption Order, continue to comply with the terms of this Agreement to fullest extent permitted by law, and (d) obtain entry of the Assumption Order within 40 days of the commencement of the proceeding under Title III of PROMESA. For the avoidance of doubt, the denial of the Assumption Motion shall constitute a default of and a failure to satisfy and comply with the requirements of this Article XII(J). References made to PREPA herein shall be deemed to include the terms "debtor" and "trustee" as defined in Title III of PROMESA.


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SEVENTH: Each of Freepoint and PREPA represent and warrant to the other that it has authority to enter into this amendment and any and all consents, approvals, or similar actions necessary to enter into this amendment have been obtained.

THEREFORE: This is the Agreement between the appearing parties under this Third Amendment to the Contract and so is hereby ratified. All the other terms and conditions, specifications, stipulations, and requirements established in the Contract executed on July 31, 2015, as thereafter amended on June 2nd, 2016 and July 1, 2016, remain unaltered and fully enforceable.

IN WITNESS THEREOF, the parties hereto have agreed to execute this Third Amendment, on this day of April 10, 2017.



PUERTO RICO ELECTRIC POWER
AUTHORITY

Ricardo Luis Ramos Rodríguez
Executive Director
66-0433747

FREEPOINT COMMODITIES, LLC

Brandon Diket
Director
35-2437780

EXHIBIT B

Alternative Temporary Term Increase Certificate

PREPA represents and warrants that a Specified Event has not occurred and PREPA does not have current intentions to cause a Specified Event within 72 days, and PREPA has no actual knowledge that a Specified Event will occur within 72 days, other than the potential commencement of a proceeding under Title III and/or Title VI of PROMESA.

PREPA further represents and warrants that PREPA has reasonably concluded that the commencement of a proceeding under Title III and/or Title VI of PROMESA will constitute a Qualified Specified Event and there will not be any adverse impact or delay on PREPA's performance of or compliance with its obligations under this Agreement as a result of or in connection with such proceeding under Title III and/or Title VI of PROMESA.

PREPA hereby covenants that (a) if notwithstanding the representation above, a Specified Event (other than the commencement of a proceeding under Title III and/or Title VI of PROMESA) does occur, PREPA will use its best efforts to ensure that such Specified Event becomes a Qualified Specified Event as promptly as practicable, and (b) it will use its best efforts to ensure that the commencement of a proceeding under Title III and/or Title VI of PROMESA becomes a Qualified Specified Event as promptly as practicable.



**RENEWAL AND FOURTH AMENDMENT OF
FUEL PURCHASE CONTRACT 902-02-15**

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, and resident of San Juan, Puerto Rico.

AS SECOND PARTY: Freepoint Commodities LLC, hereinafter referred to as "Freepoint", a limited liability company organized and existing under the laws of Delaware, authorized to do business in Puerto Rico, duly registered as a supplier to PREPA, represented in this act by its Director, Brandon Diket of legal age, married, and resident of Riverside, Connecticut, duly authorized to sign this Contract by virtue of the Certificate of Incumbency and authorization dated as of 2nd July, 2018.

Both PREPA and the Freepoint which are hereinafter referred to individually as a "Party" and, jointly as "Parties".

WITNESSETH

WHEREAS: On July 31, 2015, the appearing Parties executed the Contract 902-02-15, hereinafter referred to as "the Contract", for the supply of residual No. 6 Fuel Oil for San Juan, Palo Seco, Aguirre and Costa Sur steam plants.

WHEREAS: Article I, Scope and Term of Contract, states that the Contract will become effective on the date of its signature, and it will be in effect for a period of one (1) year

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after the commencement date as notified by PREPA. The commencement date, as notified by PREPA was October 1, 2015.

WHEREAS: On June 2, 2016 the Parties executed the First Amendment to the Contract to extend its term until October 31, 2016.

WHEREAS: As per Article I, Section C, the Contract is subject to one (1) automatic extension of one (1) year unless either Party indicates its intention that said automatic extension does not occur by providing the other Party with written notice at least one hundred and twenty (120) days before the expiration of the initial term (a "Non-Extension Notice").

WHEREAS: As per Article I, Section C, of the Contract, the parties agreed to allow the automatic renewal to occur. Therefore, on July 1, 2016, parties executed a renewal and second amendment to the Contract to extend the term of the Contract until October 31, 2017, and to make certain other modifications.

WHEREAS: On April 10, 2017, the Parties executed the Third Amendment to the Contract to extend its term until October 31, 2018, with an automatic extension of one (1) year from that date unless either Party indicates its intention that said automatic extension does not occur by providing the other Party at least one hundred and twenty days before the expiration of the initial term.

WHEREAS: As per Article I, Section C, of the Contract, the Parties agreed, in the Third Amendment to the Contract, to allow the automatic renewal to occur with the Contract being extended until October 31, 2019.

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WHEREAS: The Parties wish to further amend the Contract to provide for amendments to the Purchase Price and the Term of the Contract.

WHEREAS: On March 27, 2019, PREPA's Governing Board, through Resolution 4694, authorized PREPA to enter into an agreement with Freepoint to extend the Contract for a term of two (2) years, beginning from its expiration date, October 31, 2019.

WHEREAS: On June 10, 2019, the Financial Oversight and Management Board for Puerto Rico (FOMB) reviewed the proposed amendment to the Contract and approved it with observations. As approved by the FOMB, the Contract will be effective until October 30, 2020, with an automatic extension until October 30, 2021. Also, the FOMB authorized to sign this Fourth Amendment, which would lock in adders of \$4.28/bbl for San Juan and Palo Seco and of \$6.28 for Aguirre and Costa Sur steam Plants.

THEREFORE, the appearing Parties agree to amend Contract 902-02-15 as per the following:

TERMS AND CONDITIONS

FIRST: The parties agree that the terms and conditions of this RENEWAL AND FOURTH AMENDMENT shall be immediately effective upon execution by both parties. Upon (a) PREPA's failure to obtain entry of an Amendment Approval Order by October 31, 2019, or (b) the rejection of, refusal to grant (for any reason including lack of authority or jurisdiction), or failure to rule on, the Amendment Approval Order by the United States District Court presiding over PREPA's proceedings under Title III of PROMESA, then, unless otherwise waived by Freepoint in writing, this RENEWAL AND FOURTH

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AMENDMENT shall immediately terminate, and the Contract prior to the RENEWAL AND FOURTH AMENDMENT shall govern the parties' rights and obligations on and after the date of termination of this RENEWAL AND FOURTH AMENDMENT. An "Amendment Approval Order" shall mean a final order by the United States District Court presiding over PREPA's proceedings under Title III of PROMESA that approves this RENEWAL AND FOURTH AMENDMENT, which order is in form and substance reasonably acceptable to Freepoint.

SECOND: The parties agree to amend Article I, Section C. to read in its entirety as follows:

This Contract shall be in effect until October 31, 2020 (the "Initial Term"). The Contract is subject to one (1) automatic extension of one (1) year from that date unless either party indicates its intention that said automatic extension does not occur by providing the other party with written notice at least one hundred and twenty (120) days before the expiration of the Initial Term (a "Non-Extension Notice").

THIRD: The parties agree to delete the third paragraph of Article IX, Section A and replace it with the following:

Subject to Article IX(K), the fixed price differential shall be, in US dollars per barrel for all deliveries under this Contract, (i) discounted to \$4.28 for San Juan and Palo Seco Plants and \$6.28 for Aguirre and Costa Sur Plants (the "Discount

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Differential") if the invoice is paid early on or before the date which is ten (10) days prior to the Credit Term following issuance thereof (the "Early Payment Discount Period"), or (ii) \$17.71 for San Juan and Palo Seco and \$19.78 for Aguirre and Costa Sur Plants (the "Full Differential") if the invoice is paid at any time before, on, or after the date which is two days after the Credit Term following issuance thereof (the "Full Payment Period"). In the event a Jones Act Waiver is granted to Puerto Rico during the Term, and where such waiver is, or is forecasted to be, in place for more than ninety (90) days, the fixed differential referenced herein shall be reduced by \$0.75 beginning on the thirty-first (31st) day following notice of such waiver being delivered to Freepoint by PREPA. In the event the Jones Act waiver is rescinded, or ceases to be in effect for a period of ninety (90) days, PREPA shall reimburse Freepoint for the \$0.75 discount applied to the fixed differential up to the date such Jones Act Waiver ceases to be in effect.

FOURTH: The parties agree to delete Article IX, Section B and replace it with the following:

Freepoint shall provide PREPA with a Credit Limit of \$200,000,000. Whenever the Credit Limit is reached, PREPA shall anticipate payments of invoices in chronological order as much as necessary in order to comply with the Credit Limit

FIFTH: The Parties agree to amend Article IV by adding a new Section R, as follows:

In the event of any change, whether directly or indirectly, in the ownership, operatorship, management, and or any similar action relating to any of the

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Plants, occurs with respect to any of the Palo Seco, San Juan, Costa Sur, or Aguirre Plants, PREPA shall ensure that any such change in ownership, operatorship, management, or any similar action relating to any of the Plants shall be expressly subject to any such new owner, operator, manager, or party acting in a similar capacity, agreeing to be bound by the terms of the Fuel Oil Purchase Contract until the expiration thereof. Notwithstanding the forgoing, in the event of any change, whether directly or indirectly, in the ownership, operatorship, management, and/or any similar action, occurs with respect to any of the Palo Seco, San Juan, Costa Sur, or Aguirre Plants, such new owner, operator, or manager may terminate this Contract with respect to the relevant Plant with one hundred and eighty (180) days' notice to Freepoint. In the event of such termination, the Contract shall remain in full force and effect with respect to any Plant not affected by such change in ownership, operatorship, or management. In the event PREPA fails to perform its obligations pursuant to this Section R, and such failure continues for a period of seven (7) days following notice from Freepoint of such failure, Freepoint shall be entitled to terminate this Contract in accordance with the Article II hereunder.

SIXTH: As for the original Contract, Freepoint will continue to comply with all applicable State Law, Regulations or Executive Orders that regulate the contracting process and



requirements of the Commonwealth of Puerto Rico. Freepoint shall submit to PREPA the certificates, which are enumerated below. Freepoint hereby recognizes and agrees that no payment for services under the Contract shall be done by PREPA until all the required certifications and sworn statement have been provided:

1. Filing of Puerto Rico Income Tax Returns

In compliance with Executive Order Number OE-1991-24 of June 18, 1991, Freepoint hereby certifies that it has filed all the necessary and required income tax returns to the Government of Puerto Rico for the last five (5) years. As evidence thereof, Freepoint has delivered to PREPA an Income Tax Return Filing Certificate, issued by the Treasury Department of Puerto Rico assuring that Freepoint has filed his Income Tax Return for the last five (5) tax years. Freepoint accepts and acknowledges its responsibility for requiring and obtaining a similar warranty and certification from each and every contractor and subcontractor whose service Freepoint 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.

2. Payment of Puerto Rico Income Taxes

In compliance with Executive Order Number OE-1991-24 of June 18, 1991, Freepoint, hereby certifies that it has complied and is current with the payment of all income taxes that are, or were due, to the Government of Puerto Rico. As evidence thereof, Freepoint has delivered to PREPA a certification issued by the Treasury Department



of Puerto Rico indicating that Freepoint 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. During the term of this Contract, Freepoint agrees to pay and/or to remain current with any repayment plan agreed to by Freepoint with the Government of Puerto Rico. Freepoint accepts and acknowledges its responsibility for requiring and obtaining a similar warranty and certification from each subcontractor whose service Freepoint 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.

3. Compliance with Requirements of the Department of Labor and Human Resources of the Commonwealth of Puerto Rico.

Pursuant to Executive Order Number 1992-52, dated August 28, 1992 amending OE-1991-24, Freepoint certifies and warrants 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. As evidence thereof, Freepoint has delivered to PREPA:

- a. A certification issued by the Bureau of Employment Security (Negociado de Seguridad de Empleo) of the Puerto Rico Department of Labor and Human Resources certifying that Freepoint does not owe taxes regarding Unemployment or Disability Insurance.

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- b. A certification issued by the Program for Social Security for Chauffeurs and Other Employees of the Puerto Rico Department of Labor and Human Resources certifying that Freepoint has no debt with respect to such program.

4. Real and Personal Property Taxes

Freepoint hereby certifies and guarantees that it does not have any current debt regarding property taxes that may be registered with the Government of Puerto Rico's Municipal Tax Collection Center (Centro de Recaudación de Ingresos Municipales ("CRIM")). Freepoint further certifies to be current with the payment of any and all property taxes that are or were due to the Government of Puerto Rico.

Freepoint shall provide:

- a. A certification issued by the Municipal Revenues Collection Center ("MRCC"), assuring that Freepoint does not owe any tax accruing during the last five (5) years to such governmental agency with respect to personal property; or negative Debt certification issued by the MRCC with respect to personal property taxes and a sworn statement executed by Freepoint indicating that (i) its revenues are derived from selling commodities in Puerto Rico, (ii) during the last 5 years (or the time in which it has been selling commodities in Puerto Rico) 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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- b. All Concepts Debt Certification issued by the MRCC assuring that Freepoint does not owe any taxes to such governmental agency with respect to real and personal property; or Negative certification issued by the MRCC with respect to real property taxes.

5. Sales and Use Taxes

Freepoint has delivered to PREPA:

- a. Certification issued by the Puerto Rico Treasury Department indicating that Freepoint 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.
- b. Puerto Rico Sales and Use Tax Filing Certificate, issued by the Treasury Department of Puerto Rico assuring that Freepoint has filed his Puerto Rico Sales and Use Tax for the last sixty (60) contributory periods.
- c. A copy of Freepoint's Certificate of Merchant's Registration issued by the Treasury Department of Puerto Rico.

6. Puerto Rico Child Support Administration (ASUME)

Freepoint hereby certifies that it is not duty bound to pay child support, or if so, that Freepoint is up to date or has a payment plan to such effects. As evidence thereof, Freepoint has delivered to PREPA a certification issued by the Puerto Rico Child Support Administration (Administración Para El Sustento de Menores (ASUME)

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certifying that Freepoint have any debt, outstanding debt, or legal procedures to collect child support payments that may be registered with ASUME.

7. Organization Documents

Freepoint shall provide:

- a. a Good Standing Certificate issued by the Department of State of Puerto Rico.
- b. a Certification of Incorporation, or Certification of Organization or Certificate of Authorization to do business in Puerto Rico issued by the Department of State of Puerto Rico.

8. Dispensation

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

9. Rules of Professional Ethics

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

10. Provisions Required under Act 14-2004

Freepoint 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.

11. Law Num. 127, May 31, 2004: Contract Registration in the Comptroller's Office of Puerto Rico Act. Payment for services object of this Contract will not be made until

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this Contract is properly registered in the Office of the Comptroller of the Government of Puerto Rico pursuant to Law Number 18 of October 30, 1975, as amended.

12. Anti-Corruption Code for a New Puerto Rico

1. Freepoint agrees to comply with the provisions of Act 2-2018, as the same may be amended from time to time, which establishes the Anti-Corruption Code for a New Puerto Rico.
2. Freepoint hereby certifies that it does not represent particular interests in cases or matters that imply a conflict of interest, or of public policy, between the executive agency and the particular interests it represents.
3. Freepoint shall furnish a sworn statement to the effect that neither Freepoint 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 Freepoint 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.
4. Freepoint 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

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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.

5. PREPA shall have the right to terminate the Contract in the event Freepoint 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.
13. 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.

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14. 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.

15. 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.

16. 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.

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

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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.

Consequences of Non-Compliance

Freepoint 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, and should such non-compliance not be cured within thirty (30) days, there shall be sufficient cause for PREPA to terminate this Contract. If any of the certifications listed in this Section shows a debt, and Freepoint has requested a review or adjustment of this debt, Freepoint hereby certifies 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, Freepoint will provide, immediately, to PREPA a proof of payment of this debt; otherwise, Freepoint accepts that the owed amount be offset by PREPA and retained at the origin, deducted from the corresponding payments. Freepoint accepts and acknowledges its responsibility for requiring and obtaining a similar warranty and certification from each and every contractor and subcontractor whose service Freepoint 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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Freepoint understands and agrees that PREPA is prohibited to process any payment under the Contract until the enumerated certifications and sworn statements are submitted to PREPA.

SEVENTH: Both Parties represent and warrant to the other that it has authority to enter into this amendment and that any and all consents, approvals, or similar actions necessary to enter into this Fourth Amendment have been obtained.

EIGHT: This is the agreement between the appearing Parties under this Fourth Amendment to the Contract and so is hereby ratified. All the other terms and conditions, specifications, stipulations, and requirements established in the Contract executed on July 31, 2015, as thereafter amended on June 2, 2016, July 1, 2016 and April 10, 2017 remain unaltered and fully enforceable.

IN WITNESS THEREOF, the Parties hereto have agreed to execute this Fourth Amendment, on this 1st day of August 2019.

Puerto Rico Electric Power Authority

Freepoint Commodities, LLC



José F. Ortiz Vázquez
Chief Executive Officer
66-0433747



Brandon Diket
Director
35-2437780

