

**COMMONWEALTH OF PUERTO RICO
PUERTO RICO ELECTRIC POWER AUTHORITY**

FIRST AMENDMENT

PROFESSIONAL SERVICES CONTRACT

2024-P00024A

APPEAR

AS FIRST PARTY: The Puerto Rico Electric Power Authority (PREPA), a public corporation and government instrumentality of the Commonwealth of Puerto Rico, created by Act 83 of May 2, 1941, as amended (Act 83), represented in this act by its Executive Director, Josué A. Colón Ortiz, of legal age, married, engineer and resident of Caguas, Puerto Rico. -----

AS SECOND PARTY: Regulatory Compliance Services, Corp. (Contractor), a corporation organized and existing under the laws of Puerto Rico, represented in this act by its President, Osvaldo Carlo Linares, of legal age, married, and resident of San Juan, Puerto Rico, authorized by virtue of Resolution dated September 2, 2022.-----

PREPA and Contractor are herein individually referred to as a "Party" and collectively referred to as the "Parties". -----

WITNESSETH

In consideration of the mutual covenants and agreements contained in this Amendment, hereinafter stated, the Parties agree themselves, their personal representatives, and successors as follows: -----

STATE

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

WHEREAS: Pursuant Section 205 (2) (d) of Act No. 83 competitive bidding shall "not be necessary when professional or expert services or work are required and PREPA deems it in the best interests of good administration for such works or services to be contracted without such announcements.-----

WHEREAS: The appearing Parties executed Contract 2024-P00024 on August 24, 2023, and effective until June 30, 2024 (the "Contract"), with a not to exceed amount of two hundred thousand dollars (\$200,000, the "Contract Amount"). Through this Contract, the Contractor provides PREPA's Governing Board and its Executive Director with oversight of the use of the federal funds allocated for disaster relief or any other federal allocation, in connection with PREPA's generation and hydro plants, assets and projects. The Contractor provides PREPA with the service of top professionals nationally recognized in the field of federal regulatory law. Services include, but are not limited to, the following: a) Comprehensive financial oversight as per the limitations set forth in Section 1.1 of the Contract. b) Document review and management, as per the limitations set forth in Section 1.1 of the Contract. c) Compliance counsel. d) Policy and federal government relations services. e) Forensic audits, as per the limitations set forth in Section 1.1 of the Contract. f) Response to federal audits and investigations. g) Regulatory interactions, h) Non-Title III services such as audits of PREPA's Governinig

Board and any other area of PREPA as the Board or the Executive Director may request, i) assistance in responses to Requests for Information (RFI's) from agencies such as the Puerto Rico Comptroller's Office or the Office of the Inspector General, and j) legal guidance in cases regarding criminal acts perpetrated against PREPA or by PREPA employees or contractors.

WHEREAS: In order to maintain the continuance of services, PREPA requests the approval of a First Amendment to increase its Contract Amount by three hundred thousand dollars (\$300,000), that is, from two hundred thousand dollars (\$200,000) to five hundred thousand dollars (\$500,000).-----

THEREFORE: The appearing Parties hereby agree to enter into this First Amendment under the following:-----

TERMS AND CONDITIONS

FIRST: The Parties agree to amend Article 6, Payment, of the Contract, to increase its Contract Amount by three hundred thousand dollars (\$300,000) from two hundred thousand dollars (\$200,000) to five hundred thousand dollars (\$500,000).-----

All payments to be made under this Contract will be charged to account _____ which account shall not exceed a cumulative amount of two hundred thousand dollars (\$200,000) and 01-4019-92311-556-615 which account shall not exceed a cumulative amount of one hundred thousand dollars (\$100,000).-----

The remaining sentences and paragraphs of Article 6 of the Contract, not affected by this amendment, shall remain unaltered and fully enforceable. -----

SECOND: The Contractor will comply with all applicable laws, regulations and executive orders that regulate the contracting process and requirements of the Government of Puerto Rico, including Act 73-2019, as amended, known as the "2019 General Services Administration Act for the Centralization of Purchases of the Government of Puerto Rico" (Act 73-2019). In compliance with the provisions of Act 73-2019, the Contractor has provided PREPA the Certification of Eligibility of the Unique Registry of Professional Services Providers (known in Spanish as "*Certificado de Elegibilidad del Registro Único de Proveedores de Servicios Profesionales*", and hereinafter referred to as the "RUP Certification"), issued by the General Services Administration. It is hereby acknowledged that pursuant to the provisions of Article 42 of Act 73-2019, a valid RUP Certification serves as evidence of compliance with the documentation requirements necessary for contracting professional services with the Government of Puerto Rico, particularly those applicable under Act 237-2004, as amended, which establishes uniform contracting requirements for professional and consultant services for the agencies and governmental entities of the Commonwealth of Puerto Rico (3 L.P.R.A. § 8611 et seq.), the Puerto Rico Department of Treasury Circular Letter Number 1300-16-16 issued on January 22, 2016, as amended, and the sworn statement before notary public required pursuant to Article 3.3 of Act 2-2018.-----

Further, the Contractor hereby certifies, guarantees, acknowledges and agrees to the following:-----

The Contractor hereby certifies that as of the execution of this Contract, it has filed income, sales and use ("IVU" for its Spanish acronym), and property taxes returns, in

Puerto Rico for the past five (5) years. The Contractor also certifies that it does not have any outstanding debt or other debts with the Government of Puerto Rico for income, IVU taxes (collected by the Department of the Treasury), real or chattel property taxes (collected by the "*Centro de Recaudación de Ingresos Municipales*" ("CRIM")), unemployment insurance premiums, workers' compensation payments, Social Security for chauffeurs from the Department of Labor and Human Resources, nor have debts with the Puerto Rico Child Support Administration (known in Spanish as the *Administración Para El Sustento de Menores* (ASUME). In the event that the Contractor owes taxes or premiums to said government agencies, it agrees that PREPA may withhold any monies due to the Contractor under this Contract to be applied to the payment and cancellation of said debt. The Contractor also certifies that it is in corporate "Good Standing" at the Department of State of Puerto Rico. The Contractor hereby represents and certifies that it is duly authorized to do business under the laws of Puerto Rico by the Department of State and the execution, delivery and performance of all the services under this Contract are within the Contractor authorized powers and are not in contravention of law. The Contractor also certifies that it is in compliance with the Merchant's Registration. Accordingly, the Contractor has submitted to PREPA its RUP Certification from the General Services Administration. The Contractor shall maintain its certificate valid for the duration of this Contract.-----

Consequences of Non-Compliance-----

The Contractor expressly agrees that the conditions outlined throughout this Section are essential requirements of this Contract. Consequently, should any one of these

representations, warranties or certifications be incorrect, inaccurate or misleading, in whole or in part, there shall be enough cause for PREPA to render this Contract null and void. If any of the certifications listed in this Section shows a debt, and the Contractor has requested a review or adjustment of this debt, the Contractor 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, the Contractor will provide, immediately, to PREPA a proof of payment of this debt; otherwise, the Contractor accepts that the owed amount be offset by PREPA and retained at the origin, deducted from the corresponding payments. The Contractor accepts and acknowledges its responsibility for requiring and obtaining a similar warranties and certifications from each and every contractor and subcontractor, if any, previously approved by PREPA, whose service the Contractor has secured in relation with the Services to be rendered under this Contract and shall deliver evidence to PREPA of compliance with this requirement. -----

THIRD: The Parties acknowledge that the Contractor has submitted the certification titled "Contractor Certification Requirement" required in accordance with the Contract Review Policy of the Financial Oversight and Management Board for Puerto Rico, effective as of November 6, 2017, as amended, signed by the Contractor's Executive Director (or another official with an equivalent position or authority to issue such certifications). A signed copy of the "Contractor Certification Requirement" is included as an annex to this Amendment of the Contract. -----

FOURTH: The Contractor represents and warrants that the information included in the Contractor Certification Requirement is complete, accurate and correct, and that any

misrepresentation, inaccuracy or falseness in such Certification will render the Contract null and void and the Contractor will have the obligation to reimburse immediately to the Commonwealth any amounts, payments or benefits received from the Commonwealth under the Contract.-----

FIFTH: For this Contract, the transfer of skills and technical knowledge required by the Certified Fiscal Plan is inapplicable given the non-recurring or specialized nature of the contracted services.-----

SIXTH: The Contractor certifies that at the time of execution of this Contract it has no other contracts with other agencies, public corporations, municipalities, and/or instrumentalities of the Government of Puerto Rico. The Contractor acknowledges and accepts that the failure to list any current contractual relationship with any governmental entity may result in the termination of this Contract if required by PREPA.-----

SEVENTH: The Parties hereby acknowledge the requirements and procedures set forth in Administrative Bulletin No. OE-2021-029 issued by the Governor of Puerto Rico, Hon. Pedro R. Pierluisi, on April 27, 2021 (“OE-2021-29”) and Circular Letter No. 013-2021 issued on June 7, 2021, by the Office of Management and Budget (“CC 013-2021”), applicable to professional services agreements with a maximum amount of \$250,000 or more per fiscal year. However, in accordance with the exceptions authorized in the Contracting Measures, PREPA filed a petition with the Office of Management and Budget seeking to be exempted from the Contracting Measures which was thereafter approved. Consequently, in accordance with the exceptions authorized in OE-2021-29 and CC 013-2021, the execution of this Contract is exempt from the requirements and procedures

established in the abovementioned provisions.-----

EIGHTH: The Contractor certifies that at the time of the execution of this Contract, it is not a public company with shares that are traded on a regulated stock exchange. The Contractor certifies that prior to the execution of this Contract, it has submitted to PREPA a Certification of Legal Entity (known in Spanish as "*Certificación sobre Personas Jurídicas*").-----

NINETH: All other terms and conditions, specifications, stipulations, insurances, and requirements established in the Contract and not affected by this amendment, shall remain unaltered and fully enforceable. -----

In WITNESS WHEREOF, the Parties hereto have agreed to execute this First Amendment in San Juan, Puerto Rico, on this ____ day of _____, 2024.-----

Josué A. Colón Ortiz
Executive Director
Puerto Rico Electric Power Authority
Tax ID: 660-43-3747

Oswaldo Carlo Linares
President
Regulatory Compliance Services, Corp.
Tax ID: 660-62-6120
Email: ocarlo@carlolaw.com