

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

**SERVICE CONTRACT  
FIRST AMENDMENT**

**CONTRACT NO. 2019-P00049 A**

**APPEAR**

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

AS SECOND PARTY: Master Link Corporation, Inc., hereinafter referred to as "Master Link", a corporation organized and registered to do business in Puerto Rico, represented in this act by its President, mister Carlos A. Morales Vazquez, of legal age, President, single; and resident of Bayamón, Puerto Rico, duly authorized to appear in representation of Master Link by Resolution dated June 24, 2019.

Both PREPA and Master Link 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 Contract, hereinafter stated, the Parties agree themselves, their personal representatives, and successors as follows:

**STATE**

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WHEREAS: The appearing Parties executed Services Contract number 2019-P00049 (Contract) on January 2, 2019, to provide PREPA all labor, supervision, tools, equipment and material necessary to performed the selective clearing, pruning and herbicide treatment of vegetation along the Puerto Rico Electric Power Authority electrical system. The Contract had a maximum amount of two million dollars (\$2,000,000) through June 30, 2019. This Contract was previously approved by Resolution 4517 of May 31, 2017.

WHEREAS: On August 10, 2017, the Governing Board approved Resolution 4544, authorizing an additional six month extension of the Contract and, after the first Contract year, authorized the extension of four additional periods of one year, subject to the availability of funds.-----

WHEREAS: Project Management Office (PMO) request an amendment to the Contract to extend its term for the next fiscal year, from July 1, 2019 through September 30, 2019.

THEREFORE: In order to continue receiving the Contractor's services the appearing Parties hereby agree to enter into this First Amendment under the following:-----

**TERMS AND CONDITIONS**

FIRST: The Parties agree to amend Article 4.3 of the Contract to read as follows:

**4.3 Contract Term**

This Contract shall be in effect from the date of its execution until June 30, 2019 (The Contract period). This contract may be extended for an additional period of six months. In addition, once this period of one year has elapsed, the Authority

may extend the term of this contract for four additional periods of one year each  
subject to the availability of funds.

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SECOND: The remaining sentences and paragraphs of the Article 4 of the Contract, not affected by this amendment, shall remain unaltered and fully enforceable.

THIRD: PREPA and Master Link agree to amend Article 4.3 of the Contract to extend its Term, from July 1, 2019 to September 30, 2019.

FOURTH: The Parties agree to amend Article 3 (Consideration) of the Contract, to establish that the total amount to be paid for the services under this First Amendment shall not exceed two million dollars (\$2,000,000). The payments to be made under this Contract for Fiscal Year 2019-2020, will be charged to the accounts 01-4024-67000-550-474 and 01-4025-69300-550-474.

FIFTH: Compliance with the Commonwealth of Puerto Rico Contracting Requirements: Master Link will comply with all applicable State Law, Regulations or Executive Orders that regulate the contracting process and requirements of the Commonwealth of Puerto Rico; particularly, Law 237-2004, as amended, which establishes uniform contracting requirements for professional and consultant services for the agencies and governmental entities of the Commonwealth of Puerto Rico. 3 L.P.R.A. § 8611 et seq., and Puerto Rico Department of Treasury Circular Letter Number 1300-16-16. CC No. 1300-16-16 (22/01/2016). Master Link shall submit the following documents or certifications:

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A. Executive Order No. OE-1991-24 of June 18, 1991, requires a certification of compliance with the Internal Revenue Services of the Commonwealth of Puerto Rico: Pursuant to Executive Order Number OE-1991-24 of June 18, 1991, Master Link will certify and guarantee that it has filed all the necessary and required income tax returns to the Government of Puerto Rico for the last five (5) years.-----

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

B. Executive Order No. OE-1992-52 of August 28, 1992 requires a certification of compliance with the Department of Labor of the Commonwealth of Puerto Rico. Pursuant to Executive Order Number 1992-52, dated August 28, 1992 amending OE-1991-24, Master Link will certify and warrant that it has made all payments required for unemployment benefits, workmen's compensation and social security for chauffeurs, whichever is applicable, or that in lieu thereof, has subscribed a payment plan in connection with any such unpaid items and is in full compliance with the terms thereof. Master Link accepts and acknowledges its responsibility for

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requiring and obtaining a similar warranty and certification from each and every contractor and Sub contractor whose service Master Link 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.-----

C. Government of Puerto Rico Municipal Tax Collection Center: Master Link will certify and guarantee that it does not have any current debt with regards to property taxes that may be registered with the Government of Puerto Rico's Municipal Tax Collection Center (known in Spanish as Centro de Recaudación de Ingresos Municipales) ("CRIM"). Master Link further will certify to be current with the payment of any and all property taxes that are or were due to the Government of Puerto Rico. Master Link shall provide, to the satisfaction of PREPA and whenever requested by PREPA during the term of this Contract, a Certification issued by the Municipal Revenues Collection Center (MRCC), assuring that Master Link does not owe any tax accruing to such governmental agency. To request such Certification, Master Link will use the form issued by the MRCC (called "CRIM-Certificados, Radicación, Estado de Cuenta y Todos los Conceptos" in the website). Master Link will deliver upon request any documentation requested by PREPA. During the Term of this Contract, Master Link agrees to pay and/or to remain current with any repayment plan agreed to by Master Link with the Government of Puerto Rico with regards to its property taxes.-----

Master Link shall provide a Personal Property Tax Filing Certification, issued by the MRCC which indicates that Master Link has filed its Personal Property Tax Return for

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the last five (5) contributory terms or Negative Debt certification issued by the MRCC with respect to real and property taxes and a sworn statement executed by Master Link 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.-----

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

E. Master Link shall provide a Puerto Rico Sales and Use Tax Filing Certificate, issued by the Treasury Department of Puerto Rico assuring that Master Link has filed his Puerto Rico Sales and Use Tax for the last sixty (60) contributory periods.-----

F. Master Link shall provide a copy of Certificate of Merchant's Registration issued by the Treasury Department of Puerto Rico.-----

G. Puerto Rico Child Support Administration (ASUME): Master Link shall present, to the satisfaction of PREPA, the necessary documentation certifying that Master Link nor

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any of its owners, affiliates or subsidiaries, if applicable, have any debt, outstanding debt, or legal procedures to collect child support payments that may be registered with the Puerto Rico Child Support Administration (known in Spanish as the Administración Para el Sustento de Menores) (ASUME). Master Link will be given a specific amount of time to deliver said documents. 3 L.P.R.A. § 8611 et seq.;-----

H. Master Link shall provide a Good Standing Certificate issued by the Department of State of Puerto Rico.-----

I. Master Link shall provide a Certification of Incorporation, or Certificate of Authorization to do business in Puerto Rico issued by the Department of State of Puerto Rico.-----

J. Special Contribution for Professional and Consulting Services: As required by Act 48-2013, as amended, PREPA will withhold a special contribution of one point five percent (1.5%) of the gross amounts paid under this Contract.-----

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

L. Income Tax Retention Law: PREPA shall deduct and withhold ten percent (10%) of any and all payments to residents of the Commonwealth of Puerto Rico as required by the Internal Revenue Code of Puerto Rico. In case of US citizens and Non-US citizens, which are nonresidents of the Commonwealth of Puerto Rico Master Link will

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be retained twenty percent (20%) and twenty-nine percent (29%) respectively. PREPA will remit such withholdings to the Government of Puerto Rico's Treasury Department (known in Spanish as Departamento de Hacienda de Puerto Rico). The Master Link will request PREPA not to make such withholdings if, to the satisfaction of PREPA, Master Link timely provides a release from such obligation by the Government of Puerto Rico's Treasury Department. 3 L.P.R.A. § 8611 et seq., 2011 L.P.R. 232; 232-2011.-----

M. Compliance with Act No. 1 of Governmental Ethics: Master Link 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/her immediate family (spouse, dependent children or other members of his/her household or any individual whose financial affairs are under the control of the employee) shall have any direct or indirect pecuniary interest in the services to be rendered under this Contract, except as may be expressly authorized by the Governor of Puerto Rico in consultation with the Secretary of Treasury and the Secretary of Justice of the Government. 3 L.P.R.A. § 8611 et seq.;-----

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



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Spanish: "Ley para el Fortalecimiento del Apoyo Familiar y Sustento de Personas de Edad Avanzada", 3 L.P.R.A. §8611 et seq.-----

O. Law 127-2004: Contract Registration in the Comptroller's Office of Puerto Rico Act: Payment for services object of this Contract will not be made until this Contract is properly registered in the Office of the Comptroller of the Government of Puerto Rico pursuant to Law Number 18 of October 30, 1975, as amended.-----

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

Q. 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.-----

R. Rules of Professional Ethics: Master Link acknowledges and accepts that it is knowledgeable of the rules of ethics of his/her profession and assumes responsibility for his/her own actions.-----

S. 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

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has or has had direct or indirect economic interest during the last four (4) years prior to his/her holding office.-----

T. 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.-----

U. 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.-----

V. 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.-----

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W. 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.-----

X. Anti-Corruption Code for a New Puerto Rico. Master Link agrees to comply with the provisions of Act No. 2-2018, as the same may be amended from time to time, which establishes the Anti-Corruption Code for a New Puerto Rico. Master Link hereby certifies that it does not represent particular interests in cases or matters that imply a conflicts of interest, or of public policy, between the executive agency and the particular interests it represents.-----

Master Link shall furnish a sworn statement to the effect that neither Master Link 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 Master Link 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.-----

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Master Link hereby certifies that it has not been convicted in Puerto Rico or United States Federal court 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, for any of the crimes typified in Act 2-2018, as amended, known as the Anti-Corruption Code for a New Puerto Rico or any other felony that involves misuse of public funds or property, including but not limited to the crimes mentioned in Article 6.8 of Act 8-2017, as amended, known as the Act for the Administration and Transformation of Human Resources in the Government of Puerto Rico.-----

PREPA shall have the right to terminate the agreement in the event Master Link is convicted in Puerto Rico or United States Federal court for under Articles 4.2, 4.3 or 5.7 of Act 1-2012, as amended, known as the Organic Act of the Office of Government Ethics of Puerto Rico, any of the crimes listed in Articles 250 through 266 of Act 146-2012, as amended, known as the Puerto Rico Penal Code, any of the crimes typified in Act 2-2018, as amended, known as the Anti-Corruption Code for a New Puerto Rico or any other felony that involves misuse of public funds or property, including but not limited to the crimes mentioned in Article 6.8 of Act 8-2017, as amended, known as the Act for the Administration and Transformation of Human Resources in the Government of Puerto Rico.-----

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

Pursuant to Memorandum No. 2017-001, Circular Letter 141-17, of the Office of the Chief of Staff of the Governor of Puerto Rico (Secretaría de la Gobernación) and the Office of Management and Budget (Oficina de Gerencia y Presupuesto – OGP), the Chief of Staff shall have the authority to terminate this Contract at any time. If so directed by the Chief of Staff, PREPA will terminate this Contract by delivering to Master Link a notice of termination specifying the extent to which the performance of the work under this Contract is terminated, and the effective date of termination. Upon the effective date of termination, Master Link shall immediately discontinue all services affected and deliver to PREPA all information, studies and other materials property of PREPA. In the event of a termination by notice, PREPA shall be liable only for payment of services rendered up to and including the effective date of termination.

Both Parties acknowledge and agree that the contracted services herein 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. These services will be performed under the same terms and conditions in terms of hours of work and compensation set forth in this Agreement. 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 public instrumentalities, and public corporations.-----

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

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

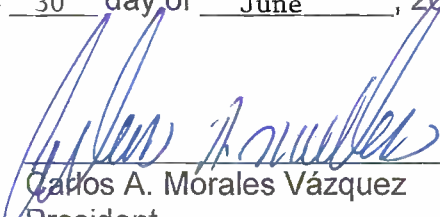
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The Consultant acknowledges that all his responsibilities and obligations under the Contract, such as work to be performed and services to be provided, etc., will continue in full force and effect until the expiration of the thirty (30) day period.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

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

In WITNESS WHEREOF, the Parties hereto have agreed to execute this First Amendment in San Juan, Puerto Rico, on this 30 day of June, 2019.

  
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José F. Ortiz Vázquez  
Chief Executive Officer  
Puerto Rico Electric Power Authority  
Tax ID: 660-43-3747

  
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Carlos A. Morales Vázquez  
President  
Master Link  
Tax ID: 660-62-9469