

**COMMONWEALTH OF PUERTO RICO
PUERTO RICO ELECTRIC POWER AUTHORITY
AMENDMENT NO. 5 TO PROFESSIONAL SERVICES AGREEMENT (2018-P00151)**

APPEAR

AS FIRST PARTY: The Puerto Rico Electric Power Authority, 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, engineer, and resident of San Juan, Puerto Rico, (hereinafter referred to as "PREPA").

AS SECOND PARTY: Sargent & Lundy, L.L.C., hereinafter referred to as "the Consultant", a limited liability company organized and existing under the laws of the State of Illinois, United States of America, authorized to do business in Puerto Rico, represented in this act by its Vice President, Matthew R. Thibodeau, of legal age, and resident of Illinois, USA, by virtue of the Power of Authority dated as of March 5, 2018.

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

STATE

WHEREAS: The appearing Parties executed the Agreement 2018-P00151 on March 20, 2018 to provide PREPA professional services and financial consulting services, including expert testimony services related to the electric system owned by PREPA (Services). The maximum amount of this engagement was for two hundred and fifty thousand dollars (\$250,000) plus eight percent (8%) for reimbursable expenses (Agreement Amount). On June 29, 2018 the Parties executed Amendment No. 1 to correctly appoint the hourly rates that will be paid for the Services performed in United States of America and Puerto Rico. On June 30, 2018 the Parties executed Amendment No. 2 to extend the term of the Agreement until July 31, 2018. On July 25, 2018 the Parties executed Amendment No.3 to incorporate all necessary work to perform a depreciation study, increase the Agreement Amount to four hundred twenty two thousand nine hundred forty dollars (\$422,940), and to extend its term until June 30, 2019. On October 3, 2018 the Parties executed the Amendment No. 4 for the purpose of correcting the period of the depreciation study.

WHEREAS: There are several issues that PREPA must address to continue its privatization and concessions goals, such as: environmental compliance assessments of assets, assistance in financial analysis and due diligence, reformation of PREPA's Fuel Office and market sounding efforts. The Consultant has provided a proposal for the following services: an Independent Engineering (IE) Condition Assessment Reports for each of the following PREPA power generation facilities: (a) San Juan, (b) Palo Seco, (c) Aguirre, (d) Costa Sur, and (e) Mayaguez. The Consultant will produce IE reports that will provide a summary level assessment for each of the T&D assets consistent with industry practice for IE reports used in the electric utility asset transactions and will include assets of high value/high MW usage, and also a cross section of assets sampled for each voltage class: 230kV, 115kV, 38kV and distribution level voltages.

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NOW, THEREFORE: In consideration of the premises and the mutual covenants contained herein, PREPA and the Consultant agree to enter into this Fifth Amendment under the following:

TERMS AND CONDITIONS

FIRST: Article 1, Scope of Services of the Agreement is hereby amended to include the following additional services:

Article 1. Scope of Services

The Consultant shall also perform: a Condition Assessment IE Reports (independent engineering condition assessment reports for the following power generation plants: San Juan, Palo Seco, Aguirre, Costa Sur and Mayagüez; and continue and complete overall condition assessments report), T&D Assessment, Market Sounding Support, General Financing Support, Fuel Contracting Support, and Natural Gas Feasibility Study, according to Consultant's proposals dated August 30, September 17, September 28, and October 4, 2018. The Consultant's proposals are made part of this Fifth Amendment as Annex. However, if there is any discrepancy between the terms of the Proposals and the Agreement, the terms of the Agreement, as amended will prevail.

SECOND: Article 3, Consideration of the Agreement is hereby amended to increase the Agreement Amount from four hundred twenty two thousand nine hundred forty dollars (\$422,940) to five million eight hundred ninety six thousand sixty four dollars (\$5,896,064).

THIRD: Also, the Parties agree to include on the Article 3 of the Agreement the following chart that provides the total budget cost per task for the additional services that are added to the scope of services by this Fifth Amendment of the Agreement. If there is any discrepancy between the rates below and the Proposals, the rates below will prevail.


Task	Time	Expenses	Total with Expenses
Condition Report (4a)	\$ 583,000	\$ 34,980	\$ 617,980
Condition Report (4b)	\$ 93,400	\$ 5,604	\$ 99,004
Financial	\$ 175,000	\$ 10,500	\$ 185,500
Expert Witness	\$ 94,000	\$ 5,640	\$ 99,640
T&D Assesment	\$1,752,000	\$390,000	\$2,142,000
Market Sounding	\$ 50,000	\$ 3,000	\$ 53,000
Fuel Contracting	\$ 812,000	\$ 86,000	\$ 898,000
Natural Gas Feasibility Study	\$1,300,000	\$ 78,000	\$1,378,000
Total	\$4,859,400	\$613,724	\$5,473,124

FOURTH: The Parties agree that all other terms, conditions and requirements specified in the Agreement and not herein amended shall remain unaltered and fully enforceable.

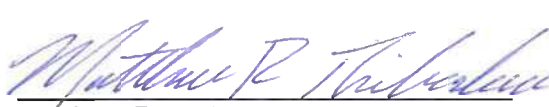
IN WITNESS WHEREOF, the Parties hereto have executed this Fifth Amendment this 14 day of November of 2018, in San Juan, Puerto Rico.

Puerto Rico Electric Power Authority

Consultant



José F. Ortiz Vázquez
Chief Executive Officer/Executive Director
Employer Social Security



Matthew R. Thibodeau
Vice President
Employer Social Security

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