mczapata23@outlook.com

From: Landon Gallagher <lgallagher@powerexpectations.com>
Sent: Wednesday, August 12, 2026 3:58 PM
To: Mary C Zapata-Acosta; Jorge L Cotto-Perez; Alexis G. Rivera-Medina; Felix A Hernandez-Caban
Subject: Obligee Acceptance and Exhibit C Clarification — Construction-Phase Performance Bond (Contract No. 2026-P00107)
Attachments: OBLIGEE ACCEPTANCE AND EXHIBIT C CLARIFICATION.pdf

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Dear Mrs. Zapata Acosta and PREPA Team,

Please find attached the **Obligee Acceptance and Exhibit C Clarification** for the construction-phase Performance Bond under the Power Purchase and Operating Agreement (RFP 3PPO-0314-20-TPG2 / Contract No. 2026-P00107).

This clarification confirms PREPA's acceptance of the bond form and the key commercial terms required for underwriting to proceed, including:

- Construction-phase penal sum of **US $236,000,000**
- Coverage limited to completion of the Bonded Work through Commercial Operation Date (COD)
- Release of the construction-phase bond at COD, with post-COD O&M security to be provided under a separate instrument
- Confirmation that the Surety has no obligation to provide project or construction financing

We respectfully request that PREPA review and execute the attached form at its earliest convenience so that the performance security process can be finalized without further delay.

Thank you for your attention to this matter.

OBLIGEE ACCEPTANCE AND EXHIBIT C CLARIFICATION

Construction-Phase Performance Bond — Form, Amount, and Scope

Agreement: Power Purchase and Operating Agreement, RFP 3PPO-0314-20-TPG2, effective **June 10, 2026** (Contract No. 2026-P00107)

Proposed Bond: Construction Completion Performance Bond in the aggregate penal sum of **US $236,000,000.00**, representing the total construction-completion risk

Puerto Rico Electric Power Authority ("PREPA"), as Buyer and Obligee, acknowledges and agrees that the Construction Completion Performance Bond presented with this Clarification is accepted as the form of construction-phase performance bond contemplated by Section C.6 of Exhibit C to the Agreement.

Notwithstanding anything inconsistent in the Agreement or Exhibit C, PREPA expressly acknowledges and agrees that:

1. The Bond is a conditional surety bond and is not an irrevocable standby letter of credit, on-demand instrument, or demand guaranty.

2. The Bond covers only completion of the defined Bonded Work through achievement and written acceptance of Commercial Operation Date ("COD").

3. The US $236,000,000.00 penal sum represents the full construction-completion exposure. Upon COD, a separate performance bond covering operations and maintenance (O&M) / post-COD obligations shall be established independently at 20% of the projected annual contract value ($117,734,400 under the current contract language). Post-COD O&M coverage follows its own formula in accordance with the Agreement.

4. The Surety is not obligated to provide project financing, construction financing, bridge or mobilization financing, working capital, equity, loans, advances, deposits, collateral, equipment financing, fuel financing, refinancing, debt service, or liquidity.

5. The Bond does not guarantee post-COD operations, maintenance, dispatch, power output, Continuous Operating Power, Power Availability, capacity or availability factor, energy shortfall, fuel supply or reimbursement, Actual Diesel Costs, replacement power, revenues, payment obligations, regulatory performance, service abandonment after COD, or any other ongoing operational or commercial obligation.

6. The Bond is non-reinstating. Every payment or completion cost incurred by the Surety reduces the remaining penal sum dollar-for-dollar, and Section C.5 of Exhibit C does not apply to the Surety.

7. The Bond expires in accordance with its terms upon COD or an earlier stated termination event. Any post-COD security contemplated by Section C.1 of Exhibit C must be provided, if at all, under a separate instrument and separate underwriting approval.

8. A demand, certificate, determination, or declaration by PREPA does not by itself establish Surety liability. Liability is subject to the Bond's notice, cure, complete-claim, investigation, coverage, and Surety-election provisions.

9. If the Agreement or Exhibit C conflicts with the Bond concerning the Surety's liability, triggers, procedures, term, remedies, replenishment, damages, defenses, or scope of covered obligations, the Bond controls as to the Surety.

PREPA's acceptance of this Clarification does not amend the obligations between Buyer and Seller except to the extent necessary to define, condition, and limit the issuing Surety's obligations under the accepted Bond.

FOR THE PUERTO RICO ELECTRIC POWER AUTHORITY (PREPA)

By: _____ Date: _____

Name: _____ Title: _____

APPROVED AS TO BOND FORM

Signature: _____ Date: _____

Name / Title: _____

mczapata23@outlook.com

From: Eddie Echevarria <eechevarria@powerexpectations.com>
Sent: Monday, August 10, 2026 10:55 PM
To: Magda Brito-Rivera; Mary C Zapata-Acosta; Colón Ortiz, Josué A. (AAPP); lionel.santa@p3.pr.gov; Landon Gallagher; Carlos.AndreuCollazo@gtlaw.com
Subject: Re:Notice of Seller Event Default-Acknowledgment of Receipt

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Dear Mrs Brito,

I confirm receipt of your email and the attached letter from Mary C. Zapata Acosta, Chief Executive Officer of the Puerto Rico Electric Power Authority, regarding Notice of Seller Event Default.

This acknowledgment is limited to confirmation of receipt only.

Cordially,

Eddie Echevarria

CEO

Power Expectations LLC