

### **BACKGROUND**

1. On May 3, 2017, the Financial Oversight and Management Board for Puerto Rico (the "Oversight Board") filed a voluntary petition for relief pursuant to PROMESA section 304(a) (the "Title III Case"). Following this, the Oversight Board filed Title III cases for various entities, including the Puerto Rico Electric Power Authority ("PREPA") on July 2, 2017.

2. On September 26, 2017, after Puerto Rico was struck by two hurricanes, which severely damaged its electric grid, PREPA entered into a contract with WEH for the repair of the electrical system's "backbone" of approximately 200 miles of transmission lines and towers, many of which were located in the mountains of Puerto Rico's rugged interior (the "WEH Contract"). PREPA understood, that the WEH team had the necessary experience to repair the 230kV transmission lines in remote areas with no access roads.

3. WEH arrived on the Island on October 2, 2017. By October 7, 2017, WEH had 80 employees and subcontractors on the Island, performing repairs.

4. The WEH Contract, as amended, had a ceiling value of \$300 million. WEH was only paid for work PREPA asked it to perform and work actually performed on a time-and-materials basis.

5. On October 31, 2017, PREPA terminated the WEH Contract, with a termination effective date of November 30, 2017. Such termination was unrelated to WEH's performance under the WEH Contract.

6. Prior to the November 30, 2017 termination date, WEH completed all of the work that was requested by PREPA including, *inter alia*, the repair of the five (5) transmission line