

**CONTRACT NO. 473-24-00004**  
**BETWEEN**  
**THE PUBLIC UTILITY COMMISSION OF TEXAS**  
**AND DREXEL HAMILTON, LLC**

This consulting services contract relates to the Electric Reliability Council of Texas ("ERCOT") securitization refinancing of the Winter Storm Uri default balance under Texas Utilities Code § 14.001 and Chapter 39, Subchapter M. The parties to this contract are the Public Utility Commission of Texas ("PUCT"), an agency of the State of Texas, with its offices located at 1701 N. Congress Ave., Austin, Texas 78701, and Drexel Hamilton, LLC, ("Contractor"), a limited liability corporation with offices at 110 E. 42nd St., Suite 1502, New York, NY 10017.

**Article 1. DEFINITIONS**

When used in this contract, the following terms have the following meanings:

- 1.1 **"Business day"** means a day the PUCT is open for business and is not observing a holiday.
- 1.2. **"Commission"** means the governing body of the PUCT.
- 1.3 **"Contractor"** means Drexel Hamilton, LLC, and includes any successors, heirs, and assigns.
- 1.4 **"ERCOT"** means the Electric Reliability Council of Texas.
- 1.5 **"May"** means "is authorized to."
- 1.6 **"Parties"** means PUCT and Contractor. **"Party"** means PUCT or Contractor.
- 1.7 **"PUCT"** means the Public Utility Commission of Texas, an agency of the state of Texas.
- 1.8 **"Services"** means any and all services performed and any and all goods and products delivered by Contractor as specified in Attachment A, Statement of Work ("SOW").
- 1.9 **"Statement of Work" or "SOW"** means the description of goods and services to be provided under this contract found in Attachment A to this contract.

**Article 2. COMPENSATION**

**2.1 Compensation.** Contractor agrees to provide all Services (including labor, expenses, and any other services) described in Attachment A, SOW, for a flat fee of \$50,000.00, to be paid after the completion of those Services, as described in Article 2.2 of this Contract. Contractor understands that the PUCT is not responsible for payment of any costs or expenses exceeding this amount.

If Contractor believes that changes in the scope of Services to be performed will require Contractor to increase its fee, it must request the PUCT's written authorization to increase its fee. Contractor must document the changes in the scope of Services and explain why those changes will require additional effort. The PUCT must approve the increase in fee by written amendment to this contract before Contractor performs any Services or may invoice the increased fee.

**2.2 Payment Process.** Contractor must submit an invoice to the PUCT contract administrator no later than the 15<sup>th</sup> business day after the month that the Services are completed. The invoice must contain the name of the person performing Services and a brief description of work performed. No payment will be made for administrative overhead, overtime, or other costs.



On the statement or invoice, Contractor must include a statement that the invoice accurately describes the Services performed and the Services were performed in compliance with the contract. The statement or invoice must include the vendor identification number issued by the Texas Comptroller or Contractor's federal taxpayer identification number, a description of the Services provided, and the name and division of the PUCT contract administrator.

Contractor must submit the invoice to the PUCT as follows:

By email to: Payables@puc.texas.gov

Or by mail to: Accounts Payable  
Public Utility Commission of Texas  
P.O. Box 13326  
Austin, TX 78711-3326

The PUCT contract administrator will review the invoice and any other relevant documentation to ensure the Services were performed in compliance with the contract. If the invoice does not contain required information or documentation, or if the PUCT disputes that the Services were performed in compliance with the contract, the PUCT will reject the invoice and give the contractor its reasons and the opportunity to submit a corrected invoice.

Upon approval of the invoice, the PUCT will direct payment of the invoice.

**2.3 Release of Claims.** Contractor's acceptance of payment releases the PUCT of all claims for compensation owed in connection with this contract.

**2.4 Refund.** Contractor will promptly refund or credit within thirty calendar days any funds erroneously paid by PUCT which are not expressly authorized under the contract.

**2.5 Payments Made to Subcontractors.** Contractor must pay a subcontractor, if any hereunder, the appropriate share of payments received not later than the 10th day after the date Contractor receives the payment. The subcontractor's payment is overdue on the 11th day after the date Contractor receives the payment. The PUCT must approve Contractor's use of any subcontractor before Contractor engages the subcontractor (see Section 5.1 of this contract).

**2.6 Records.** Contractor must maintain and retain all records relating to the performance of the contract, including supporting fiscal documents adequate to ensure that claims for contract funds are in accordance with applicable State of Texas requirements. These records will be maintained and retained by Contractor for a period of seven (7) years after the contract expiration date, termination of the contract, or until all audit, claim, and litigation matters are resolved, whichever is later. Records include but are not limited to: correspondence concerning the subject of this contract between Contractor and the PUCT; Contractor's internal correspondence; and correspondence between Contractor and any third party.

**2.7 Sole Compensation.** Payments under this Article are Contractor's sole compensation under this contract. Contractor must not incur expenses not contemplated under the Statement of Work with the expectation that the PUCT or the State of Texas will pay the expense.

### **Article 3. CONTRACT ADMINISTRATION**



**3.1 PUCT Contract Administration.** The PUCT designates **Darryl Tietjen** to serve as its primary point of contact and contract administrator throughout the term of this contract. Contractor acknowledges that the PUCT contract administrator does not have any authority to amend this contract on behalf of the PUCT, except as expressly provided herein. Contractor further acknowledges that such authority is exclusively held by the Commission exercising its authority through a vote in an open meeting, or the Executive Director of the PUCT as the Commission's authorized designee.

**3.2 Contractor Contract Administration.** Contractor designates its contract administrator as follows: **Jeremy Traska**, Managing Director of Debt Capital Markets and Advisory.

**3.3 Reporting.** Contractor must report directly to the PUCT contract administrator and must perform all activities in accordance with the reasonable instructions, directions, and requests conveyed to Contractor by the PUCT contract administrator.

**3.4 Cooperation.** The Parties' respective contract administrators must handle all communications between them in a timely and cooperative manner. The Parties must timely notify each other by email or other written communication of any change in designee or contact information.

**3.5 Inquiries and Prompt Referral.** Contractor will promptly refer all inquiries regarding this contract received from state legislators, other public officials, the media, or anyone else not a Party to this contract to the PUCT contract administrator. Contractor understands that the PUCT does not endorse any vendor, commodity, or service. Contractor, its employees, representatives, other agents, or subcontractors may not issue any media release, advertisement, publication, or public pronouncement which pertains to this contract or the Services or project to which this contract relates or which mentions the PUCT or use the PUCT's name, logo, or other likeness in any press release, marketing material, or other announcement without the PUCT's prior written consent, and then only in accordance with explicit written instructions from the PUCT.

#### **Article 4. REPORTS AND RECORDS**

**4.1 Written Reports.** Contractor must provide written reports to the PUCT in the form and with the frequency specified in Attachment A, SOW, or as otherwise agreed in writing between the Parties.

**4.2 Distribution of Consultant Reports.** Contractor agrees the PUCT has the right to distribute any consultant report associated with this contract, or to allow another Texas state agency or the Texas legislature to distribute it. The PUCT also has the right to post any consultant report associated with this contract to the PUCT's website or to the website of a standing committee of the legislature. This provision does not waive any right to confidentiality that the PUCT may assert for the report or any portion thereof.

#### **Article 5. SUBCONTRACTING PARTIES**

**5.1 Use of Subcontractors.** Contractor may not subcontract any or all of the work or obligations due under the contract without prior written approval of the PUCT. Subcontracts, if any, entered into by the Contractor shall be in writing and be subject to the requirements of this contract. Should Contractor subcontract any of the services required in the contract, Contractor expressly



understands and acknowledges that in entering into such subcontracts, the PUCT is in no manner liable to any subcontractors of Contractor. In no event shall this provision relieve Contractor of the responsibility for ensuring that the services performed under all subcontracts are rendered in compliance with this contract.

**5.2 Sole Responsibility.** Contractor is solely responsible for the quality and timeliness of the work produced by all subcontractors that Contractor may engage to provide Services hereunder and for the timely payment for all work produced by all subcontractors that the PUCT accepts and pays for in accordance with the terms of this contract.

**5.3 Prime Vendor Contract.** The Parties expressly agree that this Contract is intended to constitute a prime vendor contract, with Contractor serving as the prime vendor for delivery of the Services made the subject hereof. Contractor acknowledges and agrees that it is fully liable and responsible for the timely and complete delivery of the Services described in this contract, notwithstanding the engagement of any subcontractor to perform an obligation under this contract.

#### **Article 6. TERM AND TERMINATION**

**6.1 Term.** The term of this Contract will begin on the date signed by the last signatory to sign and will continue in effect until May 31, 2025, or until the complete delivery of the Services described in Attachment A, SOW, whichever comes sooner, unless terminated under Sections 6.2, 6.3, or 18.15 of this contract.

**6.2 Termination for Cause by the PUCT.** If Contractor fails to provide the Services described in Attachment A, SOW, or fails to comply with any terms or conditions of this contract, the PUCT may terminate this contract. Prior to termination and at the sole discretion of the PUCT, the PUCT may serve upon Contractor written notice requiring Contractor to cure such default. Unless within thirty (30) days after receipt of said notice by Contractor said default is corrected or arrangements satisfactory to the PUCT, as applicable, for correcting the default have been made by Contractor, the PUCT may terminate this contract for default and will have all rights and remedies provided by law and under this contract.

**6.3 Termination for the Convenience of the PUCT.** The PUCT reserves the right to terminate the contract at any time, in whole or in part, without cost or penalty, by providing thirty (30) calendar days' advance written notice, if the PUCT determines that such termination is in the best interest of the state. In the event of such a termination, Contractor must, unless otherwise mutually agreed upon in writing, cease all work immediately upon the effective date of termination. The PUCT shall be liable for payments limited only to the portion of work the PUCT authorized in writing and which Contractor has completed, delivered to the PUCT, and which has been accepted by the PUCT. All such work shall have been completed, in accordance with contract requirements, prior to the effective date of termination. The PUCT shall have no other liability, including no liability for any costs associated with the termination.

**6.4 Transfer of Duties.** In the event of termination, Contractor will provide reasonable cooperation to transfer its duties under the contract to another entity without disruption to the provision of Services.



**6.5 Remedies for Breach.** All remedies available to the PUCT for breach or anticipatory breach of this contract by Contractor are cumulative and may be exercised concurrently or separately, and the exercise of any one remedy will not be deemed an election of such remedy to the exclusion of other remedies. Actual damages, cost projections, and injunctive relief may also be invoked either separately or combined with any other remedy in accordance with applicable law.

**6.6 Survival.** Expiration or termination of the contract for any reason does not release Contractor from any liability or obligation set forth in the contract that is expressly stated to survive any such expiration or termination, that by its nature would be intended to be applicable following any such expiration or termination, or that is necessary to fulfill the essential purpose of the contract, including without limitation Articles 2.3 through 2.7, 3.5, 4.2, 6.4 through 6.6, 7.5, 9.2, 9.4 through 9.6, 10 through 12, 14 through 16, 17.2, 19.1 through 19.4, 19.9 through 19.12, 20 through 24, 27, and 29.

#### **Article 7. ASSIGNMENT, AMENDMENTS, AND MODIFICATIONS**

**7.1 Material Change Requests.** The PUCT may propose changes to Attachment A, SOW. Upon receipt of a written request from the PUCT for a change to Attachment A, SOW, Contractor must, within the deadline specified in the request, or if no deadline is specified, within a reasonable time after the request is received, submit to the PUCT a detailed written estimate of any proposed price and schedule adjustments to this contract. No changes to Attachment A, SOW, will occur without the Parties' written consent as provided in accordance with the terms stated in this contract.

**7.2 Changes in Law, Rules, or Rulings.** Contractor shall comply with all laws, regulations, requirements, and guidelines applicable to a vendor providing services and products required by the contract to the State of Texas, as these laws, regulations, requirements, and guidelines currently exist and as amended throughout the term of the contract. The PUCT reserves the right, in its sole discretion, to unilaterally amend the contract prior to award and throughout the term of the contract to incorporate any modifications necessary for the PUCT's compliance, as an agency of the State of Texas, with all applicable state and federal laws, regulations, requirements and guidelines.

**7.3 No Assignment of Duties.** Contractor shall not assign its rights under the contract or delegate the performance of its duties under the contract without prior written approval from the PUCT. Any attempted assignment in violation of this provision is void and without effect.

**7.4 Amendments and Modifications.** This contract may not be amended or modified in any manner except by written instrument executed by authorized representatives of the Parties in accordance with the terms of this contract.

**7.5 Binding on Successors.** The contract shall inure to the benefit of, and be binding upon, and be enforceable against, each Party and their respective permitted successors, assigns, transferees, and delegates.

#### **Article 8. REPRESENTATIONS, WARRANTIES AND COVENANTS**

**8.1 Warranty of Performance.** Contractor represents, warrants, and covenants that it will perform the Services outlined in Attachment A, SOW, in a professional and workmanlike manner, consistent with professional standards of practice in the professional industry.



**8.2 Warranty of Services.** Contractor warrants that the Services will be rendered by the qualified personnel named in Section 19.8 of this contract. If Services provided under this contract require a professional license, then Contractor represents, warrants, and covenants that the activity will be performed only by duly licensed personnel.

## **Article 9. RISK OF LOSS AND PROPERTY RIGHTS**

**9.1 Risk of Loss.** The risk of loss for all items to be furnished under this contract will remain with Contractor until the items are delivered to and accepted by the PUCT, at which time the risk of loss will pass to the PUCT.

### **9.2 Ownership.**

- A. Except for materials where any intellectual property rights are vested in a third party, such as software or hardware, in which case such rights remain the property of the third party, all finished materials, conceptions, or products created, purchased, or prepared for or on behalf of the PUCT and purchased by the PUCT, or on behalf of the PUCT that the PUCT has accepted as part of the performance of services under this contract, will be the PUCT's property exclusively and will be given to the PUCT either at the PUCT's request during the term of the contract or upon termination or expiration of the contract.
- B. Other than the materials identified in Section 9.2.A of this contract, all finished or unfinished work product, documents, data, databases, or reports Contractor creates or prepares in the performance of this contract or has created or prepared in the performance of this contract on behalf of the PUCT, are the property of the PUCT.
- C. Contractor must give all finished work product, documents, data, databases, or reports belonging to the PUCT to the PUCT either at the PUCT's request during the term of the contract or upon termination or expiration of the contract.
- D. Upon the expiration of the contract or its termination, Contractor must provide the PUCT with all complete or incomplete documents, data, or records created or prepared in the performance of this contract.
- E. Notwithstanding any other provisions in Article 9 of this contract, materials created, purchased, or prepared exclusively by or for the PUCT or on behalf of the PUCT are the PUCT's exclusive property regardless of whether delivery to the PUCT is effectuated during or upon termination or expiration of this contract.

**9.3 Licensed Software.** With PUCT's advanced written consent, Contractor may obtain software licenses as an agent of the PUCT for software that is used by Contractor solely for the purpose of providing Services under this contract. Contractor must provide the PUCT with a copy of any software license obtained by Contractor as an agent for the PUCT for the purpose of providing Services under this contract.

**9.4 Prior Works.** Except as otherwise provided herein, all previously owned materials, conceptions, or products belonging to Contractor that were in existence before the effective date of this contract will remain the property of Contractor and nothing contained in this contract will be construed to require Contractor to transfer ownership of such materials to the PUCT.

**9.5 Trademarks.** The Parties agree that no rights to any trademark or service mark belonging to another Party or to any non-Party are granted to any other Party by this contract, unless by separate written instrument. The PUCT acknowledges and agrees that use of any trademark associated with



any software provided by Contractor under this contract does not give the PUCT any rights of ownership in the trademark or the software.

**9.6 Program Information.** Program information, data, and details relating to Contractor's Services under this contract must be maintained separately from Contractor's other activities. Contractor must undertake all reasonable care and precaution in the handling and storing of this information.

**9.7 Provision to be Inserted in Subcontracts.** Contractor must insert an article containing Sections 9.2.A, 9.2.E, and 9.6 of this contract in all subcontracts hereunder except altered as necessary for proper identification of the contracting Parties and the PUCT under this contract.

#### **Article 10. PUBLIC INFORMATION**

**10.1 Texas Public Information Act (Texas Government Code Chapter 552).** The Parties acknowledge that notwithstanding any other provisions of this contract, the Texas Public Information Act ("PIA") governs the treatment of all information held by or under the control of the PUCT. Information, documentation, and other material in connection with this contract may be subject to public disclosure pursuant to the PIA. The PUCT will notify Contractor of requests for Contractor's information as required under the PIA.

**10.2 Contract Not Confidential.** The Parties acknowledge that not all terms of this contract may be confidential under the PIA, regardless of whether those terms are marked "Proprietary," "Trade Secret," or "Confidential." Contractor further acknowledges that in the event of a dispute over the release of a proposal or part of a proposal, the PUCT is bound by the decision made by the Office of the Attorney General of Texas.

**10.3 Contractor's Duty to Provide Public Information.** In accordance with Section 2252.907 of the Texas Government Code, Contractor is required to make any information created or exchanged with the State pursuant to the contract, and not otherwise excepted from disclosure under the PIA, available in a format that is accessible by the public at no additional charge to the State. For the purpose of this section, paper copies, Adobe Portable Document Format files (.pdf), Microsoft Excel spreadsheets (.xls), Microsoft Word documents (.docx), and Hypertext Markup Language (.html) files will be considered "accessible by the public," unless another format is specified by the PUCT, at the PUCT's sole discretion. If information created or exchanged with the state pursuant to this contract is excepted from disclosure under the PIA, Contractor will not be required to make the information available to the public but may be required to facilitate the PUCT's provision of the information to the Office of the Attorney General of Texas for a decision on the information's confidentiality. The PUCT has no duty or responsibility to argue a defense of confidentiality for Contractor's information or data; it will be Contractor's sole responsibility to do so. Additionally, the requirements of Subchapter J, Chapter 552, Government Code, may apply to this contract and the Contractor agrees that the contract can be terminated if the Contractor knowingly or intentionally fails to comply with a requirement of that subchapter.

#### **Article 11. CONFLICTS OF INTEREST AND EMPLOYMENT RESTRICTION**



**11.1 No Conflicting Relationships.** Contractor represents and warrants that the provision of goods and services or other performance under the contract will not constitute an actual or potential conflict of interest or reasonably create an appearance of impropriety.

**11.2 Prohibition on Transactions with Parties Adverse to the Commission.** Contractor agrees that during the term of this contract and any extensions or renewals thereof, it will neither provide contractual services nor enter into any agreement, oral or written, to provide services to a person or organization that is regulated or funded by the PUCT or that has interests that are directly or indirectly adverse to those of the PUCT. The PUCT may waive this provision in writing if, in the PUCT's sole judgment, such activities of the Contractor will not be adverse to the interests of the PUCT.

**11.3 Notice of Conflict.** Contractor agrees to promptly notify the PUCT of any circumstance that may create a real or perceived conflict of interest, whether arising prior to or during the term of the contract. Contractor agrees to use its best efforts to resolve any real or perceived conflict of interest to the satisfaction of the PUCT. If Contractor fails to do so, it will be grounds for termination of this contract for cause, pursuant to Section 6.2 of this contract.

**11.4 Prohibited Employment.** Contractor agrees that it will not hire any person whose employment with Contractor would violate any of the employment restrictions in Texas Government Code Chapter 572 or Texas Utilities Code Chapter 12.

#### **Article 12. INDEMNIFICATION**

CONTRACTOR SHALL DEFEND, INDEMNIFY AND HOLD HARMLESS THE STATE OF TEXAS AND THE PUCT, AND/OR THEIR OFFICERS, AGENTS, EMPLOYEES, REPRESENTATIVES, CONTRACTORS, ASSIGNEES, AND/OR DESIGNEES FROM ANY AND ALL LIABILITY, ACTIONS, CLAIMS, DEMANDS, OR SUITS, AND ALL RELATED COSTS, ATTORNEY FEES, AND EXPENSES ARISING OUT OF, OR RESULTING FROM ANY ACTS OR OMISSIONS OF CONTRACTOR OR ITS AGENTS, EMPLOYEES, SUBCONTRACTORS, ORDER FULFILLERS, OR SUPPLIERS OF SUBCONTRACTORS IN THE EXECUTION OR PERFORMANCE OF THE CONTRACT AND ANY PURCHASE ORDERS ISSUED UNDER THE CONTRACT. THE DEFENSE SHALL BE COORDINATED BY CONTRACTOR WITH THE OFFICE OF THE TEXAS ATTORNEY GENERAL WHEN TEXAS STATE AGENCIES ARE NAMED DEFENDANTS IN ANY LAWSUIT AND CONTRACTOR MAY NOT AGREE TO ANY SETTLEMENT WITHOUT FIRST OBTAINING THE CONCURRENCE FROM THE OFFICE OF THE TEXAS ATTORNEY GENERAL. CONTRACTOR AND THE PUCT AGREE TO FURNISH TIMELY WRITTEN NOTICE TO EACH OTHER OF ANY SUCH CLAIM.

**12.1. Intellectual Property.** If all or any part of the deliverables of this contract is the subject of any claim, suit, or proceeding for infringement or misappropriation of any intellectual property right, Contractor may, and in the event of any adjudication that the deliverables or any part thereof infringes or misappropriates any patent, trademark, copyright, or trade secret, or if the licensing or use of any of the deliverables or any part thereof is enjoined, Contractor must, at its expense do one of the following things: (i) procure for the PUCT the right under such patent, trademark, copyright or trade secret to fully use the deliverables or the affected part thereof; or (ii) replace the



deliverable or affected part thereof with another non-infringing deliverable; or (iii) suitably modify the deliverable or affected part thereof to make it non-infringing.

### **Article 13. INSURANCE**

**13.1 Contractor Responsibility.** Contractor agrees to comply with all state and federal laws applicable to the liability and payment of Contractor and Contractor's employees, including laws regarding wages, taxes, insurances, and workers' compensation. Neither the PUCT nor the State of Texas will be liable to the Contractor, its employees, agents, or others for the provision of unemployment insurance or workers' compensation or any benefit available to a state employee.

**13.2 Minimum Insurance.** Contractor must, at its sole cost and expense, secure and maintain as a minimum, from the effective date of this contract and thereafter during the term of this contract and any renewals or extensions thereof, for its own protection and the protection of the PUCT and the State of Texas:

- a) commercial liability insurance, covering, at a minimum, the following categories of liability within the following limits: (i) bodily injury and property damage - \$1,000,000 limit per occurrence, \$2,000,000 aggregate, (ii) medical expense - \$5,000 limit per person, (iii) personal injury and advertising liability - \$1,000,000 limit, (iv) products or completed operations - \$2,000,000 aggregate, (v) damage to premises rented - \$50,000 limit;
- b) automobile liability coverage for vehicles driven by Contractor's employees (\$500,000 per occurrence); and
- c) workers' compensation insurance in accordance with the statutory limits, as follows: (i) employer's liability - \$1,000,000 each incident, (ii) disease - \$1,000,000 each employee and \$1,000,000 policy limit.

The PUCT and the State of Texas must be named an additional insured on the commercial liability and automobile policies.

Insurance coverage must be from companies licensed by the State of Texas to provide insurance with an "A" rating from A.M. Best and authorized to provide the corresponding coverage.

**13.3 Certificates of Insurance.** Contractor must furnish to the PUCT certificates of insurance and any applicable endorsements, signed by authorized representatives of the surety or insurers, of all such bonds and insurance and confirming the amounts of such coverage within ten (10) days of the effective date of this contract, and upon request thereafter. Contractor must provide the PUCT contract administrator with timely renewal certificates as the coverage renews. Failure to maintain such insurance coverage specified herein, or to provide such certificates or endorsements promptly, will constitute a material breach of this contract. Contractor must provide thirty (30) days written notice of any notice for renewal or cancellation of insurance.

### **Article 14. DISPUTE RESOLUTION**

The dispute resolution process provided for in Chapter 2260 of the Texas Government Code must be used to attempt to resolve any dispute arising under the contract.

### **Article 15. SOVEREIGN IMMUNITY**



The Parties expressly agree that no provision of the contract is in any way intended to constitute a waiver by the PUCT or the State of Texas of any immunities from suit or from liability that the PUCT or the State of Texas may have by operation of law.

#### **Article 16. GOVERNING LAW**

The contract shall be governed by and construed in accordance with the laws of the State of Texas, without regard to the conflicts of law provisions. The venue of any suit arising under the contract is fixed in any court of competent jurisdiction of Travis County, Texas, unless the specific venue is otherwise identified in a statute which directly names or otherwise identifies its applicability to the PUCT.

#### **Article 17. COMPLIANCE WITH LAW**

**17.1 General.** Contractor must comply with all federal, state, and local laws, executive orders, regulations, and rules applicable at the time of performance. Contractor warrants that all Services sold hereunder will have been produced, sold, delivered, and furnished in strict compliance with all applicable laws and regulations to which they are subject. Contractor represents and warrants its compliance with all applicable duly enacted state and federal laws governing equal employment opportunities. All laws and regulations required in agreements of this character are hereby incorporated by this reference.

**17.2 Taxes.** Purchases made for State of Texas use are exempt from the State Sales Tax and Federal Excise Tax. The PUCT will furnish Tax Exemption Certificates upon request. Contractor represents and warrants that it shall pay all taxes or similar amounts resulting from the contract, including, but not limited to, any federal, State, or local income, sales or excise taxes of Contractor or its employees. The PUCT shall not be liable for any taxes resulting from the contract.

**17.3 Workers' Compensation.** Contractor agrees that it will be in compliance with applicable state workers' compensation laws throughout the term of this contract and any renewals or extensions thereof.

**17.4 Conflicts.** Contractor agrees to abide by the requirements of and policy directions provided by the Texas statutes and the rules and regulations of the PUCT. Contractor agrees to inform and consult with the PUCT when further interpretations or directions are needed in order to fully implement the rules and regulations of the PUCT. In the event that Contractor becomes aware of inconsistencies between this contract and a Texas statute or PUCT rule, Contractor will so advise the PUCT immediately and will cooperate fully to revise applicable provisions of this contract as necessary.

**17.5 Compliance with Deceptive Trade Practices Act.** Contractor represents and warrants that it has not been the subject of allegations of Deceptive Trade Practices violations under Chapter 17 of the Texas Business and Commerce Code, or allegations of any unfair business practice in any administrative hearing or court suit and that Contractor has not been found to be liable for such practices in such proceedings. Contractor certifies that it has no officers who have served as officers of other entities who have been the subject of allegations of Deceptive Trade Practices violations or allegations of any unfair business practices in an administrative hearing or court suit



and that such officers have not been found to be liable for such practices in such proceedings. Contractor must comply with Texas Business and Commerce Code Chapter 17.

**17.6 Compliance with Americans with Disabilities Act.** Contractor represents and warrants its compliance with the requirements of the Americans With Disabilities Act (ADA) and its implementing regulations, as each may be amended.

**17.7 Prohibited Use of Appropriated or Other Funds.** Contractor represents and warrants that the PUCT's payments to Contractor and Contractor's receipt of appropriated or other funds under the contract are not prohibited by Sections 556.005 or 556.0055 of the Texas Government Code.

**17.8 Certificate of Interested Parties Form.** At the time Contractor submits a signed contract to the PUCT, Contractor must submit a "Certificate of Interested Parties" form to the PUCT and file the form with the Texas Ethics Commission in accordance with Section 2252.908 of the Texas Government Code. The form and instructions for filing the form can be found at: <https://www.ethics.state.tx.us/filinginfo/1295/>. Contractor must not perform any work under the contract, nor receive any compensation prior to filing the form with the Texas Ethics Commission.

#### **Article 18. CONTRACTOR'S CERTIFICATION**

By accepting the terms of this contract, Contractor certifies that, to the extent applicable, it is in compliance with the following requirements and prohibitions of the Article. Contractor understands and agrees that a false certification may lead to termination of this contract for cause.

**18.1 Prohibitions on Gifts.** Contractor has not given, offered to give, nor intends to give at any time hereafter any economic opportunity, future employment, gift, loan, gratuity, special discount, trip, favor, or service to a public servant in connection with this contract.

**18.2 Delinquent Obligations.** Contractor is not currently delinquent in the payment of any franchise or sales tax owed to the State of Texas and is not delinquent in the payment of any child support obligations under applicable state law.

**18.3 Terrorist Financing.** Contractor certifies that it is not listed in the prohibited vendors list authorized by Executive Order No. 13224, "Blocking Property and Prohibiting Transactions with Persons Who Commit, Threaten to Commit, or Support Terrorism", published by the United States Department of the Treasury's Office of Foreign Assets Control (OFAC).

Contractor further represents and warrants that it is not engaged in business with Iran, Sudan, or a foreign terrorist organization as prohibited by Section 2252.152 of the Texas Government Code.

**18.4 Antitrust.** Contractor represents and warrants that, in accordance with Section 2155.005 of the Texas Government Code, neither Contractor nor the firm, corporation, partnership, or institution represented by Contractor, or anyone acting for such a firm, corporation, or institution has (1) violated any provision of the Texas Free Enterprise and Antitrust Act of 1983, Chapter 15 of the Texas Business and Commerce Code, or the federal antitrust laws; (2) or communicated directly or indirectly the contents of this contract to any competitor or other person engaged in the same line of business as Contractor.

**18.5 Child Support Obligation.** Under Section 231.006 of the Family Code, the Contractor certifies that it is not ineligible to receive the specified grant, loan, or payment and acknowledges



that this contract may be terminated and payment may be withheld if this certification is inaccurate in addition to other remedies set out in § 231.006(f).

**18.6 Prohibited Compensation.** Contractor has not received compensation from the PUCT, or any agent, employee, or person acting on the PUCT's behalf for participation in the preparation of this contract.

**18.7 Government Code.** Under Section 2155.004(b) of the Texas Government Code, Contractor certifies that the individual or business entity named in this contract is not ineligible to receive the specified contract and acknowledges that this contract may be terminated or payment withheld if this certification is inaccurate.

**18.8 Outstanding Obligations.** Contractor agrees that any payments due under the contract will be applied towards any debt or delinquency that is owed to the State of Texas.

**18.9 Contracting with Executive Head of State Agency.** Under Section 669.003 of the Texas Government Code, Contractor certifies that it does not employ, or has disclosed its employment of, any former executive head of the PUCT. Contractor must provide the following information in the disclosure: Name of Former Executive; Name of State Agency; Date of Separation from State Agency; Position with Contractor; and Date of Employment with Contractor.

**18.10 Buy Texas.** Contractor agrees to comply with Section 2155.4441 of the Texas Government Code, relating to use of service contracts and the purchase of products and materials produced in the State of Texas.

**18.11 Hurricane Recovery.** Under Sections 2155.006 and 2261.053 of the Texas Government Code, Contractor certifies that the individual or business entity named in this contract is not ineligible to receive the specified contract and acknowledges that this contract may be terminated and payment withheld if this certification is inaccurate.

**18.12 E-Verify.** Contractor certifies that it utilizes and will continue to utilize the U.S. Department of Homeland Security's E-Verify system to determine the eligibility of:

1. All persons hired to perform duties within Texas during the term of the contract; and
2. All persons (including subcontractors) hired by Contractor to perform work pursuant to the contract within the United States of America.

**18.13 Suspension and Debarment.** Contractor certifies that it and its principals are not suspended or debarred from doing business with the state or federal government as listed on the State of Texas Debarred Vendor List maintained by the Texas Comptroller of Public Accounts and the System for Award Management (SAM) maintained by the General Services Administration.

**18.14 Data Management and Security Controls.** In accordance with Section 2054.138 of the Texas Government Code, Contractor certifies that it will comply with the security controls required under this contract and will maintain records and make them available to the PUCT as evidence of Contractor's compliance with the required controls.

**18.15 False Statements.** Contractor represents and warrants that all statements and information prepared and submitted in this document are current, complete, true, and accurate. Submitting any



response with a false statement or material misrepresentations made during the performance of a contract is a material breach of contract and may void the submitted response and contract.

**18.16 Disclosure of Prior State Employment.** In accordance with Section 2254.033 of the Texas Government Code, relating to consulting services, Contractor certifies that it does not employ an individual who has been employed by the PUCT or another agency at any time during the two (2) years preceding the execution of this contract or, in the alternative, Contractor has disclosed the following: (i) the nature of the previous employment with the PUCT or the other agency, (ii) the date the employment was terminated; and (iii) the annual rate of compensation for the employment at the time of its termination.

**18.18 Human Trafficking Prohibition.** Under Section 2155.0061 of the Texas Government Code, the Contractor certifies that the individual or business entity named in this contract is not ineligible to receive the specified contract and acknowledges that this contract may be terminated and payment withheld if this certification is inaccurate.

**18.19 COVID-19 Vaccine Passport.** Under Section 161.0085 of the Texas Health and Safety Code, Contractor certifies that the individual or business entity named in this contract is not ineligible to receive the specified contract.

## **Article 19. GENERAL PROVISIONS**

**19.1 Relationship of Parties.** Contractor and Contractor's employees, representatives, agents, subcontractors, suppliers, and third-party service providers shall serve as independent contractors in providing the services under the contract. Neither Contractor nor the PUCT is an agent of the other and neither may make any commitments on the other party's behalf. Should Contractor subcontract any of the services required in the contract, Contractor expressly understands and acknowledges that in entering into such subcontract(s), the PUCT is in no manner liable to any subcontractor(s) of Contractor. In no event shall this provision relieve Contractor of the responsibility for ensuring that the services performed under all subcontracts are rendered in compliance with this contract. Contractor shall have no claim against the PUCT for vacation pay, sick leave, retirement benefits, social security, worker's compensation, health or disability benefits, unemployment insurance benefits, or employee benefits of any kind. The contract shall not create any joint venture, partnership, agency, or employment relationship between Contractor and the PUCT.

**19.2 Non-Exclusivity.** The contract is not exclusive to the Contractor. The PUCT may obtain products and related services from other sources during the term of the contract. The PUCT makes no express or implied warranties whatsoever that any particular quantity or dollar amount of products and related services will be procured through the contract.

**19.3 Statutory Withholdings.** Contractor acknowledges that it is not a PUCT employee but is an independent contractor. Accordingly, it is Contractor's sole obligation to report as income all compensation received by Contractor under the terms of this contract. Contractor is solely responsible for all taxes (federal, state, or local), withholdings, social security, unemployment, Medicare, Workers' Compensation insurance, and other similar statutory obligations (of any governmental entity of any country) arising from, relating to, or in connection with any payment



made to Contractor under this contract. Contractor must defend, indemnify and hold the PUCT harmless to the extent of any obligation imposed by law on the PUCT to pay any tax (federal, state, or local), withholding, social security, unemployment, Medicare, Workers' Compensation insurance, or other similar statutory obligation (of any governmental entity of any country) arising from, relating to, or in connection with any payment made to Contractor under this contract. Further, Contractor understands that neither it nor any of its individual employees is eligible for any PUCT employee benefit, including but not limited to holiday, vacation, sick pay, withholding taxes (federal, state, local), social security, Medicare, unemployment or disability insurance, Workers' Compensation, health and welfare benefits, profit sharing, 401(k) or any employee stock option or stock purchase plans. Contractor hereby waives any and all rights to any such PUCT employment benefit.

**19.4 Notice.** Except as otherwise stated in this contract, all notices provided for in this contract must be (a) in writing, (b) addressed to a Party at the address set forth below (or as expressly designated by such Party in a subsequent effective written notice referring specifically to this contract), (c) sent by a national carrier with tracking capability (e.g. FedEx or Certified U.S. Mail), with proper postage affixed, and (d) deemed effective upon the third business day after deposit of the notice in the U.S. Mail.

**IF TO THE PUCT:**

ATTENTION: Executive Director  
1701 N. Congress Ave., 7th Floor  
Austin, TX 78701

With copies to the PUCT contract administrator and Jay Stone, CTCD, CTCM, at the same address.

**IF TO CONTRACTOR:**

ATTENTION: Jeremy Traska, Managing Director  
Drexel Hamilton, LLC  
110 E. 42nd St., Suite 1502  
New York, NY 10017

**19.5 Headings.** Titles and headings of articles and sections within this contract are provided merely for convenience and must not be used or relied upon in construing this contract or the Parties' intentions with respect thereto.

**19.6 Export Laws.** Contractor represents, warrants, agrees and certifies that it (a) will comply with the United States Foreign Corrupt Practices Act (regarding, among other things, payments to government officials) and all export laws and rules and regulations of the United States Department of Commerce or other United States or foreign agency or authority and (b) will not knowingly permit any non-Party to directly or indirectly, import, export, re-export, or transship any intellectual property or any third Party materials accessed by Contractor during the course of this contract in violation of any such laws, rules or regulations.



**19.7 Preprinted Forms.** The use of preprinted forms, such as purchase orders or acknowledgments, in connection with this contract is for convenience only and all preprinted terms and conditions stated thereon are void and of no effect. The terms of this contract cannot be amended, modified, or altered by any conflicting terms, provisions, or conditions contained in a proposal or a preprinted form, such as purchase orders or acknowledgements. If any conflict exists between this Contract and any terms and conditions on a proposal, purchase order, acknowledgment, or other preprinted form, the terms and conditions of this Contract will govern.

**19.8 Specific Personnel.** Contractor has identified the personnel for this assignment ("Team"), as follows:

- Jeremy Traska, Managing Director of Debt Capital Markets and Advisory, and
- John Kerin, Managing Director of Debt Syndicate.

Contractor warrants that it will use its best efforts to avoid any changes to the Team throughout the term of this contract. Should personnel changes occur during the term of this contract or any extensions or renewals thereof, Contractor will recommend to the PUCT personnel with comparable experience and required qualifications and training. The PUCT must approve any change in personnel during the term of this contract in writing. At the PUCT's request, Contractor must replace an individual the PUCT finds unacceptable with an individual satisfactory to the PUCT as soon as practicable.

**19.9 No Felony Criminal Convictions.** Contractor represents that neither Contractor, nor any of its employees, agents, or representatives, including any subcontractors and employees, agents, or representative of such subcontractors, has been convicted of a felony criminal offense or that if such a conviction has occurred Contractor has fully advised the PUCT in writing of the facts and circumstances surrounding the convictions.

**19.10 No Third Party Beneficiaries.** The contract is made solely and specifically among and for the benefit of the parties named herein and their respective successors and assigns, and no other person shall have any right, interest, or claims hereunder or be entitled to any benefits pursuant to or on account of the contract as a third-party beneficiary or otherwise.

**19.11 Prompt Payment.** Payment shall be made in accordance with Chapter 2251 of the Texas Government Code, commonly known as the Texas Prompt Payment Act. Chapter 2251 of the Texas Government Code shall govern remittance of payment and remedies for late payment and non-payment.

#### **Article 20. NO IMPLIED WAIVER**

The failure of a Party to insist at any time upon the strict performance of any covenant or agreement or to exercise any option, right, power, or remedy contained in the contract shall not be construed as a waiver or a relinquishment thereof for the future.

#### **Article 21. ORDER OF PRECEDENCE**

In the event of conflicts or inconsistencies between the provisions of this contract and its attachment, the following are given preference in the order listed below:



- 1) The terms and conditions of this contract;
- 2) Attachment A, SOW, including any exhibits.

#### **Article 22. FORCE MAJEURE**

Neither Contractor nor the PUCT shall be liable to the other for any delay in, or failure of performance, of any requirement included in the contract caused by force majeure. The existence of such causes of delay or failure shall extend the period of performance until after the causes of delay or failure have been removed provided the non-performing party exercises all reasonable due diligence to perform. Force majeure is defined as acts of God, war, fires, explosions, hurricanes, floods, failure of transportation, or other causes that are beyond the reasonable control of either party and that by exercise of due foresight such party could not reasonably have been expected to avoid, and which, by the exercise of all reasonable due diligence, such party is unable to overcome. If the event of Force Majeure continues for a period of more than one hundred and eighty (180) days, either party thereafter may terminate this contract upon giving at least ten (10) days prior written notice to the other party.

#### **Article 23. SEVERABILITY**

If any provision of the contract is construed to be illegal or invalid, such construction will not affect the legality or validity of any of its other provisions. The illegal or invalid provision will be deemed severable and stricken from the contract as if it had never been incorporated herein, but all other provisions will continue in full force and effect.

#### **Article 24. FUNDING OUT CLAUSE**

This contract is subject to termination or cancellation, without penalty to the PUCT, either in whole or in part, subject to the availability of state funds. The PUCT is a state agency whose authority and appropriations are subject to actions of the Texas Legislature. If the PUCT becomes subject to a legislative change, revocation of statutory authority, or lack of appropriated funds that would render either the PUCT's or Contractor's delivery or performance under the contract impossible or unnecessary, the contract will be terminated or cancelled and be deemed null and void. In the event of a termination or cancellation under this Article, the PUCT will not be liable to Contractor for any damages, that are caused or associated with such termination, or cancellation, and the PUCT will not be required to give prior notice.

#### **Article 25. DRUG FREE WORKPLACE POLICY**

Contractor must maintain a drug-free work environment and a drug-free work environment policy. Contractor must enforce its drug-free work environment policy during the pendency of this contract. Contractor must provide the PUCT with a copy of its drug-free work environment policy upon request.

#### **Article 26. SUBSTITUTIONS**

Substitutions are not permitted without written approval of the PUCT.

#### **Article 27. RIGHT TO AUDIT**



Pursuant to Section 2262.154 of the Texas Government Code, the State Auditor may conduct an audit or investigation of any entity receiving funds from the state directly under the contract or indirectly through a subcontract under the contract. The acceptance of funds by Contractor or any other entity or person directly under the contract or indirectly through a subcontract under the contract acts as acceptance of the authority of the state auditor, under the direction of the legislative audit committee, to conduct an audit or investigation in connection with those funds. Under the direction of the legislative audit committee, Contractor or any other entity that is the subject of an audit or investigation by the state auditor must provide the state auditor with access to any information the state auditor considers relevant to the investigation or audit. Contractor will ensure that this clause concerning the authority to audit funds received indirectly by subcontractors through the contract and the requirement to cooperate is included in any subcontract awards.

**Article 28. SIGNATORIES**

The undersigned signatories represent and warrant that they have full authority to enter into this contract on behalf of the respective parties.

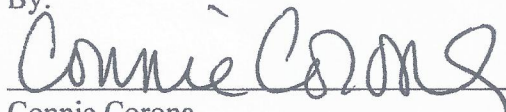
**Article 29. ENTIRE AGREEMENT**

This contract, including Attachment A, SOW, constitutes the entire agreement and understanding between the parties with regard to its subject matter and supersedes and merges all prior discussions, writings, negotiations, understandings, and agreements concerning the provision of these Services. Any terms and conditions attached to a solicitation will not be considered unless incorporated into this contract by specific reference.

In WITNESS WHEREOF both parties by their duly authorized representatives have executed this contract effective as of the date last signed.

**The Public Utility Commission of Texas**

By:



Connie Corona  
Executive Director

**Drexel Hamilton, LLC**

By:



Jeremy Traska  
Managing Director

Date Signed:

6/27/24

Date Signed:

6/27/24



## **ATTACHMENT A**

### **STATEMENT OF WORK (SOW)**

The contractor will serve as a consultant for the PUCT to provide transparency into and evaluation of the securitization financing process followed by ERCOT with regard to the securitization refinancing of the Winter Storm Uri default balance. The purpose of the consultant's work is to assist the PUCT in determining the facts that will form the basis for allowing ERCOT to go forward with the securitized financing as proposed or for stopping the transaction. As a consultant for the PUCT, the contractor must:

- As directed by the commission's designated representative, hold discussions with the transaction's book-running senior manager to fully understand the type of security that is to be sold.
- Hold discussions with the commission's designated representative to understand the commission's objectives and the pricing considerations consistent with those objectives.
- As directed by the commission's designated representative, participate in conference calls with ERCOT, underwriters, the commission's designated representative, and various counsel and consultants with regard to the structuring plans for the securities and the potential implications of evolving market conditions.
- At the beginning of the public marketing process, hold discussions with the transaction's book-running senior manager and the commission's designated representative regarding the market environment and the specific structuring of tranches, amortization, coupons and yields, and call features.
- Provide relevant feedback to the commission's designated representative regarding the information gathered through discussions with the transaction's book-running senior manager.
- During the order process, evaluate pricing of tranching structures based on the evaluation of investor preferences, analyze relative pricing of tranches against relevant benchmark securities, and assess market environment for other primary offerings as well as U.S. economic indicators that could affect the pricing and scheduled sale of the securities.
- As directed by the commission's designated representative, analyze alternatives (such as lowering yields) to reduce the amount of oversubscription and recommend whether the oversubscribed bonds are reasonably priced or should be re-priced.
- At the time of final pricing, provide feedback to the commission's designated representative on the securities' coupon rates, yield, tranching, and structuring in given market conditions.
- If requested by the commission's designated representative, attend pricing of securitized bonds at the offices of the transaction's book-running senior manager.
- If requested by the commission's designated representative, attend a commission public meeting and provide to the commission one or more oral briefings on the results of the transaction.



- Provide a written report on the pricing process as directed by the commission or its designated representative.

### **Deliverables**

Throughout the contract, the contractor must update the PUC's Contract Administrator and provide an assessment of relevant market conditions at least weekly, or more often if required by the Contract Administrator. These updates may be by phone unless the Contract Administrator directs the contractor to provide updates in writing. If the update is by phone, the contractor must submit the update in writing to the contract administrator within one business day after the call. If the update is done strictly in writing, the update must be submitted to the contract administrator by 8am CT each Monday while the contract is in place, or as otherwise directed by the contract administrator.

In conformity with Article 2.2 of this contract, Contractor must:

- Prepare a post-pricing book memorializing the pre-issuance and actual market for the securities.
- Provide a detailed invoice of the contract's general terms and conditions.