

**AMENDMENT NO. 1 TO THE AMENDED AND RESTATED
RESTRUCTURING SUPPORT AGREEMENT**

This Amendment No. 1, dated as of March 23, 2016 (“*Amendment No. 1*”), to the Amended and Restated Restructuring Support Agreement, dated as of March 14, 2016 (as it may be amended, supplemented or otherwise modified from time to time, the “*Agreement*”), is entered into by and among Puerto Rico Electric Power Authority (“*PREPA*”), Puerto Rico Electric Power Authority Revitalization Corporation (the “*Securitization SPV*”), National Public Finance Guarantee Corporation (“*National*”), Assured Guaranty Corp., Assured Guaranty Municipal Corp. (together with Assured Guaranty Corp., “*Assured*”), Syncora Guarantee Inc. (“*Syncora*”), the undersigned members of the Ad Hoc Group of PREPA Bondholders identified on Annex A (the “*Ad Hoc Group*”), Scotiabank de Puerto Rico (in its capacity as administrative agent for the Scotiabank Lenders, “*Scotiabank*”), the lenders (the “*Scotiabank Lenders*”) under that certain Scotiabank Credit Agreement, Solus Opportunities Fund 5 LP, SOLA LTD and Ultra Master LTD (collectively, “*Solus*”), and Government Development Bank for Puerto Rico (“*GDB*”). National and Assured will be referred to herein collectively as the “*Insurers*,” and the Ad Hoc Group, together with persons who beneficially own or control Uninsured Bonds and are party to this Agreement (including, for the avoidance of doubt, Solus) or execute a joinder to this Agreement pursuant to section 18(a) of the Agreement in the form of Annex B-1, will be referred to herein collectively as the “*Holder*,” and the Insurers, the Holders, Scotiabank, the Scotiabank Lenders, Solus and GDB will be referred to herein collectively as the “*Supporting Creditors*.” The Supporting Creditors, together with PREPA and Syncora, will be referred to herein collectively as the “*Parties*.”

RECITALS

WHEREAS, the Parties desire to amend the Agreement to extend certain deadlines, including, among other things, for PREPA to initiate a rate approval process, and for the Securitization SPV to file the SPV Petition with the Energy Commission;

NOW, THEREFORE, in consideration of the mutual promises set forth herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereby agree as follows:

Unless otherwise defined herein or amended hereby, capitalized terms used herein which are defined in the Agreement shall have the meanings ascribed to them in the Agreement.

1. Conditions to Effectiveness. This Amendment No. 1 shall become effective as of the date (the “*Amendment No. 1 Effective Date*”) that each of the following shall have occurred:

(a) Each Party (including, for the avoidance of doubt, members of the Ad Hoc Group beneficially owning or controlling, in the aggregate, not less than 35% of the Bond Principal Amount) shall have duly delivered and executed a counterpart of this Agreement;

(b) No proceeding pursuant to the Recovery Act or any other action or proceeding that seeks to adjust the claims of the Supporting Creditors pursuant to any federal, state, or Puerto Rico statute, now or hereinafter enacted into law, shall have been instituted by or on behalf of PREPA; and

(c) PREPA shall have received and provided written confirmation to all Supporting Creditors of all approvals required to enter into and perform the Agreement, as amended by this Amendment No. 1, including, without limitation, submission to the Supporting Creditors of resolution(s) duly adopted by the board of directors of PREPA authorizing PREPA to enter into and perform the Agreement, as amended by this Amendment No. 1.

2. Amendment. This Amendment No. 1 amends the Agreement as follows:

(a) Sections **9(q)** and **13(h)** are amended to replace the words “March 18, 2016” with “April 15, 2016”.

(b) Section **13(b)(ii)** is amended to replace the words “April 22, 2016” with “April 29, 2016”.

(c) Section **13(b)(iii)** is amended to replace the words “March 23, 2016” with the following words:

“March 30, 2016; provided, that failure to include a Proposed Restructuring Order in the SPV Petition shall not give rise to an automatic termination under this section 13(b)(iii)”

(d) Section **13(b)(xvi)** is amended to replace the words “April 18, 2016” with “April 25, 2016”.

(e) Section **13(b)(xvi)** is further amended to delete the word “or” at the very end of such paragraph and to add (immediately following the phrase “PREPA of such failure to fund” and immediately before the period) the following words:

“; *provided* further, that if the proposed form of Restructuring Order (the “**Proposed Restructuring Order**”) is not submitted to the Energy Commission as part of the SPV Petition on or prior to March 30, 2016, then the reference to “April 25, 2016” in clause (y)(ii) of this Section 13(b)(xvi) shall be replaced with “May 3, 2016”;

(f) Section **13(b)(xvii)** is amended to replace the period appearing at the very end of such section with the text “; or”.

(g) Section **13(b)** is further amended to add (immediately following subsection (xvii)) the following new subsection (xviii):

The SPV Petition filed with the Energy Commission does not include a Proposed Restructuring Order and the Securitization SPV does not submit a Proposed Restructuring Order to the Energy Commission on or before April 8, 2016.

(h) Section **13(e)(xxiii)** is amended to add (at the very end of that such section immediately prior to the words “or”) the following words:

“; *provided* further, that if a Holder or Insurer (or the Majority Holders or Applicable Insurers on its behalf) fails to deliver a notice of termination under this section 13(e)(xxiii) with respect to the Proposed Restructuring Order within the

aforementioned fifteen (15) day period following receipt of the applicable notice required by this section 13(e)(xxiii), the Proposed Restructuring Order shall be deemed to be reasonably acceptable as to such Holder or Insurer for purposes of this section 13(e)(xxiii) and the condition precedent set forth in Section 4(2)(q) of the New January Bond Purchase Agreement;”

(i) Section **11(c)** is amended to replace the words “March 24, 2016” with “April 1, 2016”.

3. Effectiveness. On or after the Amendment No. 1 Effective Date, each reference in the Agreement to “RSA,” “this Agreement,” “Restructuring Support Agreement,” “Amended and Restated Restructuring Support Agreement,” “hereunder,” “hereof,” “herein,” or words of like import referring to the Agreement shall mean and be a reference to the Agreement, as amended by this Amendment No. 1. Except as expressly amended by this Amendment No. 1, the provisions of the Agreement, including, without limitation, all other dates and deadlines provided for in the Agreement, are and shall remain in full force and effect without modification. Unless otherwise indicated, section references herein are to the Agreement, as incorporated into and amended by this Amendment No. 1.

4. Governing Law. This Amendment No. 1 shall be governed and construed and enforced in accordance with the laws of the State of New York.

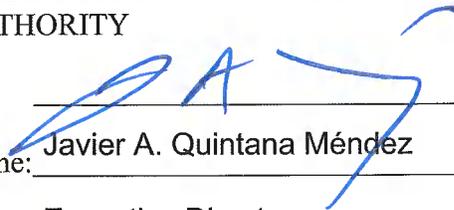
5. Counterparts. This Amendment No. 1 may be executed in any number of counterparts, all of which taken together shall constitute one and the same instrument, and any of the Parties hereto may execute this Amendment No. 1 by signing any such counterpart. Delivery of an executed signature page of this Amendment No. 1 by facsimile or email transmission shall be effective as delivery of a manually executed counterpart hereof.

6. Entire Agreement. The Agreement, as amended by this Amendment No. 1, constitutes the entire agreement among the Parties regarding the subject matter hereof and supersedes any prior agreements, including any deemed agreements, among the Parties regarding the subject matter hereof other than the New January Bond Purchase Agreement.

[Signature Pages Follow]

IN WITNESS WHEREOF, this Amendment No. 1 has been duly executed as of the date first written above.

PUERTO RICO ELECTRIC POWER
AUTHORITY

By:  _____

Name: Javier A. Quintana Méndez

Title: Executive Director

PUERTO RICO ELECTRIC POWER
AUTHORITY REVITALIZATION
CORPORATION

By: 

Name: Melba Acosta

Title: Chairperson of the Board

NATIONAL PUBLIC FINANCE GUARANTEE
CORPORATION

By:  _____

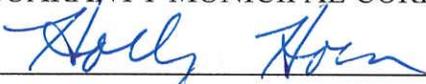
Name: John Jordan

Title: Managing Director

REDACTED

ASSURED GUARANTY CORP.,

ASSURED GUARANTY MUNICIPAL CORP.

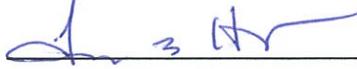
By: 

Name: **HOLLY HORN**
CHIEF SURVEILLANCE OFFICER
PUBLIC FINANCE

Title: _____

REDACTED

SYNCORA GUARANTEE INC.

By:  _____

Name: FREDERICK B. HNAT _____

Title: MANAGING DIRECTOR & SR COUNSEL

REDACTED

AG MM, L.P.
AG CAPITAL RECOVERY PARTNERS VIII, L.P.
AG ELEVEN PARTNERS, L.P.
AG SUPER FUND INTERNATIONAL
PARTNERS, L.P.
NUTMEG PARTNERS, L.P.
AG CENTRE STREET PARTNERSHIP, L.P.
AG PRINCESS, LP
AG SUPER FUND, L.P.

By: Angelo, Gordon & Co., L.P., its manager or
advisor

By:  _____

Name: Gavin Baiera _____

Title: Authorized Signatory _____

REDACTED

BLUEMOUNTAIN GUADALUPE PEAK FUND
L.P.
BLUEMOUNTAIN FOINAVEN MASTER FUND
L.P.
BLUEMOUNTAIN CREDIT OPPORTUNITIES
MASTER FUND I L.P.
BLUEMOUNTAIN KICKING HORSE FUND L.P.
BLUEMOUNTAIN STRATEGIC CREDIT
MASTER FUND L.P.
BLUEMOUNTAIN DISTRESSED MASTER
FUND L.P.
BLUEMOUNTAIN TIMBERLINE LTD.
BLUEMOUNTAIN CREDIT ALTERNATIVES
MASTER FUND L.P.
BLUEMOUNTAIN MONTENVERS MASTER
FUND SCA SICAV-SIF
BLUEMOUNTAIN LOGAN OPPORTUNITIES
MASTER FUND L.P.

By: BLUEMOUNTAIN CAPITAL
MANAGEMENT, LLC, ITS INVESTMENT
MANAGER

By: 

Name: DAVID O'MARA
Deputy General Counsel

Title: _____

REDACTED --- ---

FRANKLIN ADVISERS, INC. on behalf of the following funds:

CALIFORNIA INTERMEDIATE TERM TAX FREE INCOME FUND

CALIFORNIA HIGH YIELD MUNICIPAL BOND FUND

TENNESEE MUNICIPAL BOND FUND

CALIFORNIA TAX FREE INCOME FUND

NEW YORK TAX FREE INCOME FUND

FEDERAL TAX FREE INCOME FUND

DOUBLE TAX FREE INCOME FUND

COLORADO TAX FREE INCOME FUND

GEORGIA TAX FREE INCOME FUND

PENNSYLVANIA TAX FREE INCOME FUND

HIGH YIELD TAX FREE INCOME FUND

MISSOURI TAX FREE INCOME FUND

OREGON TAX FREE INCOME FUND

VIRGINIA TAX FREE INCOME FUND

FLORIDA TAX FREE INCOME FUND

LOUISIANA TAX FREE INCOME FUND

MARYLAND TAX FREE INCOME FUND

NORTH CAROLINA TAX FREE INCOME FUND

NEW JERSEY TAX FREE INCOME FUND

FRANKLIN STRATEGIC INCOME FUND – UNITED STATES

FIST-FRANKLIN TOTAL RETURN FUND

FRANKLIN STRATEGIC INCOME FUND –
CANADA

FTIF – FRANKLIN US TOTAL RETURN FUND

FTVIP – FRANKLIN STRATEGIC INCOME VIP
FUND

FDP SERIES FT TOTAL RETURN FDP FUND

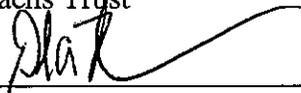
FTIF – FRANKLIN STRATEGIC INCOME
FUND

FT OPPORTUNISTIC DISTRESSED FUND,
LTD.

By: 
Name: Rafael R Costas Jr.
Title: Vice President

REDACTED

Goldman Sachs High Yield Municipal Fund, A Series of the Goldman Sachs Trust; Goldman Sachs Short Duration Tax-Free Fund, A Series of the Goldman Sachs Trust; and Goldman Sachs Dynamic Municipal Income Fund, A Series of the Goldman Sachs Trust

By:  _____

Name: David Fishman

Title: Assistant Secretary

REDACTED

KNIGHTHEAD ANNUITY & LIFE
ASSURANCE COMPANY

BY: Knighthead Capital Management, LLC, its
Investment Advisor

By:  _____

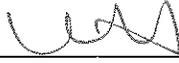
Name: Laura Torrado
Authorized Signatory

Title: _____

REDACTED

KNIGHTHEAD (NY) FUND, L.P.

BY: Knighthead Capital Management, LLC, its
Investment Advisor

By:  _____

Name: _____

Title: Laura Torrado
Authorized Signatory

REDACTED

KNIGHTHEAD MASTER FUND, L.P.

BY: Knighthead Capital Management, LLC, its
Investment Manager

By:  _____

Name: Laura Torrado
Authorized Signatory

Title: _____

REDACTED

By Marathon Asset Management, LP solely in its capacity as Investment Advisor to the Fund(s)/Account(s) named in Schedule A of this Agreement

By: 

Name: Peter Copp

Title: Authorized Signatory

REDACTED

OPPENHEIMERFUNDS, INC.

By: Scott Cottler

Name: Scott Cottler

Title: VP/PM

REDACTED

SCOTIABANK DE PUERTO RICO, as Agent and
as Lender

By: Roy Purcell

Name: Roy Purcell

Title: VICE PRESIDENT

BANCO POPULAR DE PUERTO RICO, as
Lender

By: _____

Name: _____

Title: _____

ORIENTAL BANK, as Lender

By: _____

Name: _____

Title: _____

By: _____

Name: _____

Title: _____

FIRSTBANK PUERTO RICO, as Lender

By: _____

Name: _____

Title: _____

SCOTIABANK DE PUERTO RICO, as Agent and
as Lender

By: _____

Name: _____

Title: _____

BANCO POPULAR DE PUERTO RICO, as
Lender

By: Juan Pablo Torres

Name: Juan Pablo Torres

Title: Vice President

ORIENTAL BANK, as Lender

By: _____

Name: _____

Title: _____

By: _____

Name: _____

Title: _____

FIRSTBANK PUERTO RICO, as Lender

By: _____

Name: _____

Title: _____

[Amendment No. 1 to A&R RSA]

SCOTIABANK DE PUERTO RICO, as Agent and
as Lender

By: _____

Name: _____

Title: _____

BANCO POPULAR DE PUERTO RICO, as
Lender

By: _____

Name: _____

Title: _____

ORIENTAL BANK, as Lender

By: Patrick J. Haggarty

Name: Patrick J. Haggarty

Title: Executive Vice President

By: Carmen

Name: Carmen Maribel Inizary

Title: Vice President

FIRSTBANK PUERTO RICO, as Lender

By: _____

Name: _____

Title: _____

SCOTIABANK DE PUERTO RICO, as Agent and
as Lender

By: _____

Name: _____

Title: _____

BANCO POPULAR DE PUERTO RICO, as
Lender

By: _____

Name: _____

Title: _____

ORIENTAL BANK, as Lender

By: _____

Name: _____

Title: _____

By: _____

Name: _____

Title: _____

FIRSTBANK PUERTO RICO, as Lender

By: Lawrence Ouel

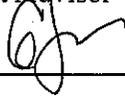
Name: LAWRENCE OUEL

Title: EVP, General Counsel

[Amendment No. 1 to A&R RSA]

SOLA LTD, as Lender and Holder

By: Solus Alternative Asset Management LP
Its Investment Advisor

Name:  _____

Title: _____

Solus Opportunities Fund 5 LP, as Lender and Holder

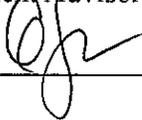
By: Solus Alternative Asset Management LP
Its Investment Advisor

Name:  _____

Title: _____

Ultra Master LTD, as Lender and Holder

By: Solus Alternative Asset Management LP
Its Investment Advisor

Name:  _____

Title: _____

GOVERNMENT DEVELOPMENT BANK FOR
PUERTO RICO

By: Melba Acosta

Name: Melba Acosta

Title: President

Annex A – Ad Hoc Group

AG MM, L.P.

AG CAPITAL RECOVERY PARTNERS VIII, L.P.

AG ELEVEN PARTNERS, L.P.

AG SUPER FUND INTERNATIONAL PARTNERS, L.P.

NUTMEG PARTNERS, L.P.

AG CENTRE STREET PARTNERSHIP, L.P.

AG PRINCESS, LP

AG SUPER FUND, L.P.

BLUEMOUNTAIN GUADALUPE PEAK FUND L.P.

BLUEMOUNTAIN FOINAVEN MASTER FUND L.P.

BLUEMOUNTAIN CREDIT OPPORTUNITIES MASTER FUND I L.P.

BLUEMOUNTAIN KICKING HORSE FUND L.P.

BLUEMOUNTAIN STRATEGIC CREDIT MASTER FUND L.P.

BLUEMOUNTAIN DISTRESSED MASTER FUND L.P.

BLUEMOUNTAIN TIMBERLINE LTD.

BLUEMOUNTAIN CREDIT ALTERNATIVES MASTER FUND L.P.

BLUEMOUNTAIN MONTENVERS MASTER FUND SCA SICAV-SIF

BLUEMOUNTAIN CAPITAL MANAGEMENT, LLC

BLUEMOUNTAIN LOGAN OPPORTUNITIES MASTER FUND L.P.

CALIFORNIA INTERMEDIATE TERM TAX FREE INCOME FUND

CALIFORNIA HIGH YIELD MUNICIPAL BOND FUND

TENNESEE MUNICIPAL BOND FUND

CALIFORNIA TAX FREE INCOME FUND

NEW YORK TAX FREE INCOME FUND

FEDERAL TAX FREE INCOME FUND

DOUBLE TAX FREE INCOME FUND

COLORADO TAX FREE INCOME FUND

GEORGIA TAX FREE INCOME FUND

PENNSYLVANIA TAX FREE INCOME FUND

HIGH YIELD TAX FREE INCOME FUND

MISSOURI TAX FREE INCOME FUND

OREGON TAX FREE INCOME FUND

VIRGINIA TAX FREE INCOME FUND

FLORIDA TAX FREE INCOME FUND

LOUISIANA TAX FREE INCOME FUND

MARYLAND TAX FREE INCOME FUND

NORTH CAROLINA TAX FREE INCOME FUND

NEW JERSEY TAX FREE INCOME FUND

FRANKLIN STRATEGIC INCOME FUND UNITED STATES

FIST -FRANKLIN TOTAL RETURN FUND

FRANKLIN STRATEGIC INCOME FUND CANADA

FTIF- FRANKLIN US TOTAL RETURN FUND

FTVIP- FRANKLIN STRATEGIC INCOME VIP FUND

FDP SERIES FT TOTAL RETURN FDP FUND

FTIF- FRANKLIN STRATEGIC INCOME FUND

FT OPPORTUNISTIC DISTRESSED FUND, LTD.

GOLDMAN SACHS HIGH YIELD MUNICIPAL FUND, A SERIES OF THE GOLDMAN SACHS TRUST

GOLDMAN SACHS DYNAMIC MUNICIPAL INCOME FUND, A SERIES OF THE GOLDMAN SACHS TRUST

GOLDMAN SACHS SHORT DURATION TAX-FREE FUND, A SERIES OF THE GOLDMAN SACHS TRUST

KNIGHTHEAD MASTER FUND, L.P.

KNIGHTHEAD ANNUITY & LIFE ASSURANCE COMPANY

LMA SPC FOR AND ON BEHALF OF THE MAP 84 SEGREGATED PORTFOLIO

KNIGHTHEAD (NY) FUND, L.P.

MARATHON CREDIT DISLOCATION FUND, LP

MARATHON STRATEGIC OPPORTUNITIES PROGRAM, LP

MARATHON COURT SQUARE, LP

MARATHON CENTRE STREET PARTNERSHIP, L.P.

KTRS CREDIT FUND, LP

MARATHON CURRITUCK FUND, LP – SERIES C

BALDR MASON FUND INC.

MARATHON CREDIT OPPORTUNITY MASTER FUND, LTD.

MARATHON SPECIAL OPPORTUNITY MASTER FUND, LTD

MARATHON LES GRANDES JORASSES MASTER FUND

PENTELI MASTER FUND, LTD

MASTER SIF SICAV SIF

MARATHON LIQUID CREDIT LONG SHORT FUND

MARATHON BLUE GRASS CREDIT FUND LP

OPPENHEIMER ROCHESTER AMT –FREE MUNICIPAL FUND

OPPENHEIMER ROCHESTER AMT –FREE NEW YORK MUNICIPAL FUND

OPPENHEIMER ROCHESTER CALIFORNIA MUNICIPAL FUND

OPPENHEIMER ROCHESTER LIMITED TERM CALIFORNIA MUNICIPAL FUND

OPPENHEIMER ROCHESTER LIMITED TERM MUNICIPAL FUND (A SERIES OF OPPENHEIMER MUNICIPAL FUND)

OPPENHEIMER ROCHESTER LIMITED TERM NEW YORK MUNICIPAL FUND (A SERIES OF ROCHESTER PORTFOLIO SERIES)

OPPENHEIMER ROCHESTER NEW JERSEY MUNICIPAL FUND (A SERIES OF OPPENHEIMER MULTI-STATE MUNICIPAL TRUST)

OPPENHEIMER ROCHESTER PENNSYLVANIA MUNICIPAL FUND (A SERIES OF OPPENHEIMER MULTI-STATE MUNICIPAL TRUST)

OPPENHEIMER ROCHESTER HIGH YIELD MUNICIPAL FUND (A SERIES OF OPPENHEIMER MULTI-STATE MUNICIPAL TRUST)

OPPENHEIMER ROCHESTER FUND MUNICIPALS

OPPENHEIMER ROCHESTER OHIO MUNICIPAL FUND

OPPENHEIMER ROCHESTER MICHIGAN MUNICIPAL FUND

OPPENHEIMER ROCHESTER MASSACHUSETTS MUNICIPAL FUND

OPPENHEIMER ROCHESTER VIRGINIA MUNICIPAL FUND

OPPENHEIMER ROCHESTER ARIZONA MUNICIPAL FUND

OPPENHEIMER ROCHESTER MARYLAND MUNICIPAL FUND

OPPENHEIMER ROCHESTER NORTH CAROLINA MUNICIPAL FUND

OPPENHEIMER ROCHESTER MINNESOTA MUNICIPAL FUND

MASSMUTUAL INTERNATIONAL HOLDING MSC

MASSMUTUAL UNIFIED TRADITIONAL SEPARATE ACCOUNT