

AMENDMENT NO. 2 TO THE RESTRUCTURING SUPPORT AGREEMENT

This Amendment No. 2, dated as of November 20, 2015 (“**Amendment No. 2**”), to the Restructuring Support Agreement, dated as of November 5, 2015 (as it may be amended, supplemented or otherwise modified from time to time, including by Amendment No. 1, dated November 12, 2015, the “**Agreement**”), is entered into by and among PREPA, 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**”). The Ad Hoc Group, together with Scotiabank, the Scotiabank Lenders, Solus and GDB will be referred to herein collectively as the “**Supporting Creditors**.” The Supporting Creditors, together with PREPA, will be referred to herein collectively as the “**Parties**.”

RECITALS

WHEREAS, the Parties desire to amend the Agreement to extend the deadline for PREPA and the Insurers to reach an agreement reasonably acceptable to the Supporting Creditors with respect to the Insurers’ participation in the Recovery Plan, in accordance with the terms of the Agreement as amended by this Amendment No. 2.

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. 2 shall become effective as of the date (the “**Amendment No. 2 Effective Date**”) that each of the following shall have occurred:

(a) All Parties shall have duly executed a counterpart of this Amendment No. 2; and

(b) PREPA shall have received and provided written confirmation to all Forbearing Creditors of all approvals required to enter into and perform the Agreement, as amended by this Amendment No. 2, 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. 2.

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

(a) Sections **1(d)** and **13(b)(i)** are amended to replace the words “November 20, 2015” with “December 10, 2015”.

(b) Section **10(a)** is amended to replace the words “November 20, 2015” with “December 22, 2015”.

(c) Section **13(b)(iii)** is amended to replace the words “December 1, 2015” with “December 18, 2015”.

(d) Section **13(b)(iv)** is amended to replace the words “November 20, 2015” with “December 7, 2015”.

(e) Sections **13(c)(v)** and **13(e)(xxi)** are amended to replace the words “December 1, 2015” with “December 14, 2015”.

3. Effectiveness. On or after the Amendment No. 2 Effective Date, each reference in the Agreement to “this Agreement,” “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. 2. Except as expressly amended by this Amendment No. 2, the provisions of the Agreement are and shall remain in full force and effect.

4. Governing Law. This Amendment No. 2 shall be governed and construed and enforced in accordance with the laws of the State of New York.

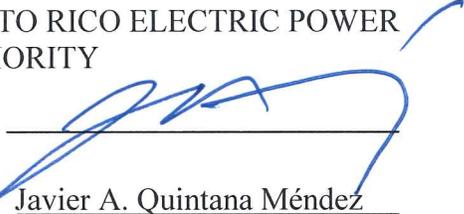
5. Counterparts. This Amendment No. 2 may be executed in any number of counterparts, all of which taken together shall constitute one and the same instrument, and any of the Parties hereto may execute this Amendment No. 2 by signing any such counterpart. Delivery of an executed signature page of this Amendment No. 2 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. 2, 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.

[Signature Pages Follow]

IN WITNESS WHEREOF, this Amendment No. 2 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

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

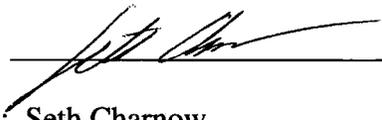
By:  _____

Name: DAVID O'MARA
Deputy General Counsel

Title: _____

REDACTED

D. E. SHAW GALVANIC PORTFOLIOS, L.L.C.

By:  _____

Name: Seth Charnow

Title: Authorized Signatory

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.

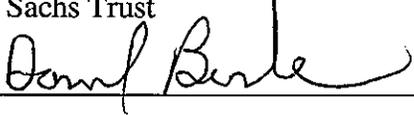
By: Sheila Amoroso

Name: Sheila Amoroso

Title: SVP

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: 

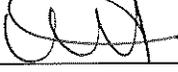
Name: Daniel Burke

Title: Assistant Secretary

REDACTED

KNIGHTHEAD MASTER FUND, L.P.

BY: Knighthead Capital Management, LLC, its
Investment Advisor

By: 

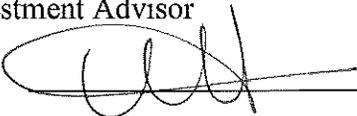
Name: Laura Torrado
Authorized Signatory

Title: _____

REDACTED

KNIGHTHEAD (NY) FUND, L.P.

BY: Knighthead Capital Management, LLC, its
Investment Advisor

By:  _____

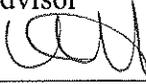
Name: Laura Torrado
Authorized Signatory

Title: _____

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KNIGHTHEAD ANNUITY & LIFE
ASSURANCE COMPANY

BY: Knighthead Capital Management, LLC, its
Investment Advisor

By:  _____

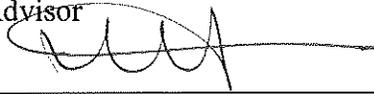
Name: Laura Torrado
Authorized Signatory

Title: _____

REDACTED

LMA SPC FOR AND ON BEHALF OF THE
MAP84 SEGREGATED PORTFOLIO

BY: Knighthood Capital Management, LLC, its
Investment Advisor

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: PL FL/r

Name: Peter F. Compt

Title: AUTHORIZED SIGNATORY

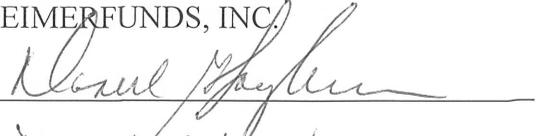
REDACTED

Schedule A:

MARATHON SPECIAL OPPORTUNITY FUND, LTD.
MARATHON CREDIT OPPORTUNITY FUND, LTD.
MARATHON CREDIT DISLOCATION FUND, LP
MARATHON LIQUID CREDIT LONG SHORT FUND
PENTELI MASTER FUND, LTD
MASTER SIF SICAV-SIF
MV CREDIT OPPORTUNITY FUND LP
KRTS CREDIT FUND LP
MARATHON CENTRE STREET PARTNERSHIP LP
BALDR MASON FUND, INC.
MARATHON LES GRANDES JORASSES MASTER FUND
MARATHON COURT SQUARE, LP
MARATHON STRATEGIC OPPORTUNIES PROGRAM, LP
MARATHON CURRITUCK FUND, LP – SERIES C

OPPENHEIMERFUNDS, INC.

By:



Name:

Daniel G Loughran

Title:

Senior Vice President

SCOTIABANK DE PUERTO RICO, as Agent and
as Lender

By: 

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: Liza M. Lugaro

Name: Liza M. Lugaro

Title: VP

ORIENTAL BANK, as Lender

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: _____

Name: _____

Title: _____

ORIENTAL BANK, as Lender

By: Patrick J. Haggarty

Name: Patrick J. Haggarty

Title: Executive Vice President

By: Cesar Ortiz

Name: Cesar Ortiz

Title: SVP & Chief Risk Officer

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: _____

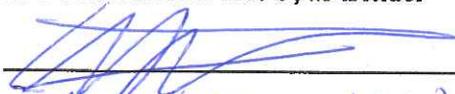
Title: _____

By: _____

Name: _____

Title: _____

FIRSTBANK PUERTO RICO, as Lender

By:  _____

Name: Michael McDonald

Title: VP - BUSINESS GROUP

SOLA LTD, as Lender and Holder

By: Solus Alternative Asset Management LP
Its Investment Advisor

Name: C.J. Lambtree

Title: _____

Solus Opportunities Fund 5 LP, as Lender and
Holder

By: Solus Alternative Asset Management LP
Its Investment Advisor

Name: C.J. Lambtree

Title: _____

Ultra Master LTD, as Lender and Holder

By: Solus Alternative Asset Management LP
Its Investment Advisor

Name: C.J. Lambtree

Title: _____

GOVERNMENT DEVELOPMENT BANK FOR
PUERTO RICO

By: 

Name: _____

Title: _____

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.

D.E. SHAW GALVANIC PORTFOLIOS, L.C.C.

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

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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.

MV CREDIT OPPORTUNITY FUND, L.P.

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

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