

NOTICE OF ENACTMENT OF PREPA REVITALIZATION ACT

On February 16, 2016, Act No. 4-2016 (the “Act”), became effective. NOTICE IS HEREBY GIVEN that any party interested may, not later than April 19, 2016, appear and contest in the Superior Court, San Juan Part, the legality or validity of Chapter IV of the Act or any matter related thereto. No court shall have jurisdiction over any purported action relating to the challenge or validity of Chapter IV of the aforementioned Act, if such purported action is filed after the specified date set forth in the preceding sentence. No contest except of any matter or subject matter related to the validation procedure under Chapter IV of the aforementioned Act shall be made other than within the time and the manner specified in this notice.

Any interested party, including any customer of the Puerto Rico Electric Power Authority (“PREPA”), may appear and contest before the Court, among other things, the following matters that the Puerto Rico Electric Power Authority Revitalization Corporation (the “Corporation”) seeks to validate:

- (A) the validity of Chapter IV of the Act;
- (B) that any provision of said Chapter, including the imposition of Transition Charges (as defined in said Chapter), does not result in the breach or impairment of any contract or covenant made by the Commonwealth of Puerto Rico (the “Commonwealth”) or PREPA to the bondholders or other creditors of PREPA, or in any taking of property by the Commonwealth without just compensation;
- (C) that the money from the related Transition Charges to be received by or on behalf of the Corporation or PREPA, in its capacity as Servicer of the Transition Charges is revenue and income of the Corporation and not of PREPA or any other Person and is not available resources of the Commonwealth nor does any Transition Charge constitute a tax and that the right of the Corporation to impose and collect Transition Charges may not be revoked or rescinded;
- (D) that the Transition Charge Revenues are not subject to any lien or charge of bondholders or other creditors of PREPA or any other Person other than the lien or charge of the applicable Trust Agreement to be entered into by the Corporation in connection with the issuance of the applicable Restructuring Bonds; and
- (E) any or all other matters relating to the foregoing, including any United States or Commonwealth Constitutional matters.

In accordance with the Act, all interested parties will be deemed to know or have reason to know of the passage of the Act and any alleged injury or claims related to the Act. If you are an interested party and you do not contest any of the matters described in this notice in the above-referenced proceeding, you may be precluded or estopped in the future from contesting such matters. In addition, if a final judgment is entered, it may enjoin interested parties from raising any issue that could have been raised in the above-referenced proceeding, and as to which the judgment is binding and conclusive.

PUERTO RICO ELECTRIC POWER AUTHORITY
REVITALIZATION CORPORATION

Notice approved by the State Electoral Commission, No. CEE-C-16-138.