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 "Holders," 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
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:  [Signature]

Name:  [Handwritten Name]

Title:  [Handwritten Title]

[Amendment No. 1 to A&R RSA]
NATIONAL PUBLIC FINANCE GUARANTEE CORPORATION

By: [Signature]

Name: John Jordan

Title: Managing Director

REDACTED
ASSURED GUARANTY CORP.,

ASSURED GUARANTY MUNICIPAL CORP.

By: ____________________________

Name: ____________________________

Title: ____________________________

REDACTED
SYNCORA GUARANTEE INC.
By: [Signature]
Name: FREDERICK B. HNAT
Title: MANAGING DIRECTOR & SR COUNSEL

[Amendment No. 1 to A&R RSA]
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: [Signature]

Name: Gavin Baier

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

[Signature]

By: DAVID O'MARA

Name: Deputy General Counsel

Title: 

Amendment No. 1 to A&R RSA
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

Amendment No. 1 to A&R RSA
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: [Signature]

Name: Rafael R. Castas Jr.

Title: Vice President

REDACTED

Amendment No. 1 to A&R RSA

By: 

Name: David Fishman

Title: Assistant Secretary

REDACTED

Amendment No. 1 to A&R RSA
KNIGHTHEAD ANNUITY & LIFE
ASSURANCE COMPANY

BY: Knighthead Capital Management, LLC, its
Investment Advisor

By: [Signature]

Name: Laura Torrado
Authorized Signatory

Title: ________________________________

REDACTED

Amendment No. 1 to A&R RSA
KNIGHTHEAD (NY) FUND, L.P.

BY: Knighthead Capital Management, LLC, its Investment Advisor

By: ____________________________

Name: _______________________________________
Laura Torrado
Authorized Signatory

Title: _______________________________________

REDACTED
KNIGHTHEAD MASTER FUND, L.P.

BY: Knighthead Capital Management, LLC, its Investment Manager

By: ______________________

Name: Laura Torado

Title: Authorized Signatory

REDACTED
LMA SPC FOR AND ON BEHALF OF THE MAP84 SEGREGATED PORTFOLIO

BY: Knighthead Capital Management, LLC, its Investment Advisor

By: ________________________

Name: ________________________
   Laura Torrado
   Authorized Signatory

Title: ________________________

REDACTED

Amendment No. 1 to A&R RSA
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: [Signature]

Name: Peter Coppa

Title: Authorized Signatory

REDACTED
OPPENHEIMERFUNDS, INC.

By: [Signature]

Name: Scott Cottier

Title: [Redacted]
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: 

[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: Juan Pelayo Torres

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: ____________________________

Name: __________________________

Title: ____________________________

ORIENTAL BANK, as Lender

By: ____________________________

Name: __________________________

Title: ____________________________

FIRSTRBANK 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: ........................................
Title: ........................................

[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: [Signature]

Name: Melba Acosta

Title: President

[Amendment No. 1 to A&R RSA]
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, L.P.
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
VIRGINIATAX 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)