

**FIRST AMENDMENT TO AGREEMENT
FOR PROFESSIONAL SERVICES**

This **FIRST AMENDMENT TO AGREEMENT FOR PROFESSIONAL SERVICES** (hereinafter, the "First Amendment") dated as of December 23, 2015, by and between:

AS PARTY OF THE FIRST PART: THE GOVERNMENT DEVELOPMENT BANK FOR PUERTO RICO, a public corporation of the Commonwealth of Puerto Rico, created by Act Number 17, enacted on September 23, 1948, as amended ("Act 17"), represented herein by its President, Melba Acosta Febo, of legal age, single, and a resident of San Juan, Puerto Rico, (hereinafter, the "Bank").

AS PARTY OF THE SECOND PART: MILLCO ADVISORS, LP, a limited partnership organized and existing under the laws of the State of Delaware, with offices located at 1717 Pennsylvania Ave., NW, Washington, DC 20006, hereby represented by its Chief Executive Officer, James E. Millstein, of legal age, married and a resident of the District of Columbia (hereinafter, "Millstein" or the "Consultant").

WITNESSETH

WHEREAS: On April 16, 2015, the Bank and the Consultant entered into the Agreement for Professional Services Number 2015-BGF140 (hereinafter, the "Agreement"), engaging the Consultant to continue providing services in relation to Puerto Rico Electric Power Authority ("PREPA").

WHEREAS: The Bank wishes to continue receiving the Consultant's services and, therefore, the parties have agreed to, among other things, amend the Agreement with the purpose of extending its term until December 31, 2016.

WHEREAS: The Bank and the Consultant entered into a Fifth Amendment to Agreement for Professional Services Number 2015-BGF138 and the Bank, the Consultant and the Department of the Treasury of the Commonwealth of Puerto Rico are entering into Agreement for Professional Services Number 2016-BGF095 (the "Liability Management Transaction Agreement").

NOW, THEREFORE, the Bank and the Consultant enter into this First Amendment to Agreement for Professional Services (the "First Amendment") under the following:

TERMS AND CONDITIONS

FIRST: The parties agree to extend the Term of the Agreement and, therefore, agree to amend the SECOND Clause of the Agreement so that it reads as follows:

"This Agreement shall be in effect from April 16, 2015 until December 31, 2016 (such time period, as it may be from time to time extended, the "Term"), unless extended by amendment executed in writing by the parties."

SECOND: The parties wish to clarify that the terms under which the Contract Amount may become payable. Therefore, the THIRD Clause of the Agreement is hereby amended to read as follows:

"Either party shall have the right to terminate Millstein's services as described in the First Clause under this Agreement at any time by providing the other party fifteen (15) days prior notice by registered mail, return receipt requested, or overnight express mail. If notice is given,

subject to the other provisions in this Third Clause, such services shall terminate upon the expiration of thirty (30) days. The rights, duties and responsibilities of the Bank and the Consultant shall continue in full force and effect during the thirty (30) day notice period. Notwithstanding any termination, except in the case of termination for cause (as described in the Eighteenth Clause), the Bank shall continue to be obligated to pay all fees that may be or may become payable in accordance with the Fourth Clause of this Agreement for any PREPA Transaction that occurs prior to December 31, 2016. The parties acknowledge and agree that this obligation survives the termination of this Agreement. The Consultant shall have no other right to compensation. For the avoidance of doubt, nothing herein affects the rights of the Consultant under the April Agreement or the PRIFA Financing Agreement or the Agreement for Professional Services Number 2016-BGF095 (the "Liability Management Transaction Agreement")."

THIRD: In connection with the Liability Management Transaction Agreement, the parties have agreed that certain amounts credited against the Transaction Fee payable under the Liability Management Transaction Agreement will not be creditable against the Contract Amount under the Agreement. Therefore, the second sentence of the FOURTH Clause of the Agreement is hereby amended to read as follows:

"The foregoing fee for the PREPA Restructuring will be reduced by an amount equal to (1) 50% of the aggregate monthly installments paid under (a) Contract 2015-BGF033 in respect of January 1, 2015 to April 15, 2015, (b) Contract 2015-BGF138 in respect of April 16, 2015 to the date of the occurrence of the PREPA Restructuring *less* (2) if one or more Liability Management Transaction(s) (as such term is defined in the Liability Management Transaction Agreement) is consummated prior to the PREPA Restructuring, any monthly installments paid pursuant to Contract 2015-BGF033 or Contract 2015-BGF138 that have been previously credited to any fee payable pursuant to the Liability Management Transaction Agreement."

FOURTH: In light of potential new laws and regulations, the parties agree to clarify that a PREPA Restructuring will include the substantial consummation of a plan of reorganization or liquidation for PREPA confirmed by a United States Bankruptcy

Court having jurisdiction over the case under Chapter 9 of the United States Bankruptcy Code (or a similar law enacted under the United States bankruptcy powers) and that PREPA's ability to compensate the Consultant may be subject to authorization from the United States Bankruptcy Court having jurisdiction over the Chapter 9 case. Therefore, the parties agree to: (1) amend the definition of PREPA Restructuring in the second paragraph of the FOURTH Clause of the Agreement; and (2) include an additional paragraph in the FOURTH Clause of the Agreement, to read as follows:

"A 'PREPA Restructuring' means (1) the substantial consummation of (which will include without limitation the occurrence of an effective date under) a consensual debt relief transaction under Chapter 2, or a confirmed plan under Chapter 3 of the Puerto Rico Public Corporations Debt Enforcement and Recovery Act, or the substantial consummation of other debt relief proceedings similar to the foregoing, in each case, for PREPA; (2) the substantial consummation of (which will include without limitation the occurrence of an effective date under) a plan of reorganization or liquidation, however styled, for PREPA, confirmed by a United States Bankruptcy Court having jurisdiction over the case under Chapter 9 of the United States Bankruptcy Code (or a similar approval for a similar process under the laws of the United States or the Commonwealth of Puerto Rico) for PREPA; (3) any other statutory, regulatory, administrative or judicial process or proceeding, whether at law or in equity or otherwise, which effects any of PREPA's bond and private bank indebtedness in a manner similar to the effect of any event or transaction described in any of the foregoing clauses; or (4) any other material modification, restructuring, recapitalization or elimination of all or a substantial portion of PREPA's bond and private bank indebtedness, whether effectuated by amendment, modification, consent solicitation, exchange offer or otherwise; provided, however, that a modification, restructuring or elimination of PREPA's private bank indebtedness, on its own, nor a Liability Management Transaction (as such term is defined under the Liability Management Transaction Agreement), shall not constitute a 'PREPA Restructuring'.

In the event PREPA becomes a debtor under Chapter 9 of the United States Bankruptcy Code (or a similar process under the laws of the United States or the Commonwealth of Puerto Rico), the Consultant acknowledges that PREPA's ability to compensate the Consultant during the Chapter 9 case (or similar proceeding) under this Agreement may be subject to authorization by

the United States Bankruptcy Court having jurisdiction over the Chapter 9 case (or comparable judicial body) and that obligations incurred prior to the filing may be impaired by the bankruptcy (or similar proceeding).”

FIFTH: All other terms and conditions of the Agreement, not inconsistent with this First Amendment, shall remain in full force and effect, and this First Amendment does not constitute a novation of the Agreement. For clarity, the Indemnity and Contribution Agreement, dated of as April 16, 2015, entered into in connection with the Agreement, remains in full force and effect as to the Agreement as amended by this First Amendment.

SIXTH: The Consultant acknowledges that no payment for the services rendered under the terms of this First Amendment may be made by the Bank, until it has been registered at the Office of the Comptroller of Puerto Rico pursuant to Act Number 18 of October 30, 1975, as amended.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS THEREOF, the parties hereto sign this First Amendment to Agreement for Professional Services, in San Juan, Puerto Rico, and in New York, New York, as of the date first written above.

**GOVERNMENT DEVELOPMENT
BANK FOR PUERTO RICO**



Melba Acosta Febo
President
Tax ID: 660-34-8572

MILLCO ADVISORS, LP



James E. Millstein
Chief Executive Officer
Tax ID: 80-078-4714