

2015-P00054B

COMMONWEALTH OF PUERTO RIO
PUERTO RICO ELECTRIC POWER AUTHORITY

SECOND AMENDMENT
PROFESSIONAL SERVICES AGREEMENT

APPEAR

AS FIRST PARTY: THE PUERTO RICO ELECTRIC POWER AUTHORITY, a public corporation and government instrumentality of the Commonwealth of Puerto Rico, created by Act of May 2, 1941, No. 83, as amended, represented in this act by its Executive Director, Javier Antonio Quintana Méndez, of legal age, married and resident of Guaynabo, Puerto Rico (hereinafter referred to as "PREPA").-----

AS SECOND PARTY: CLEARY GOTTLIEB STEEN & HAMILTON LLP a limited liability partnership incorporated and existing under the laws of the State of New York, United States of America, with a place of business at One Liberty Plaza, New York, New York 10006, herein represented by Richard J. Cooper, Member, of legal age, married, and resident of New York, New York USA, whose authority of representation is evidenced by that certain Certificate of Registration of Cleary Gottlieb Steen & Hamilton LLP dated December 16, 2004 filed with the New York Department State Department of State Division of Corporations, State Records & UCC (hereinafter referred to as "Cleary").-----

Both, PREPA and Cleary, will jointly be referred to as "the Parties".-----

WITNESSETH

WHEREAS, PREPA and Cleary executed a Professional Services Agreement on December 11, 2014 under which Cleary provides PREPA specialized legal services with

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respect to the evaluation and implementation of restructuring alternatives and related matters (the "Agreement").-----

WHEREAS, the Agreement provides that it shall be in effect for a period of one (1) year from the date of its execution (the "Agreement Period").-----

WHEREAS, as established in the THIRD clause of the Agreement as compensation for the services rendered, PREPA agreed and Cleary accepted that the total amount to be paid under the Agreement shall not exceed five million dollars (\$5,000,000) (the "Agreement Amount"). Notwithstanding this, as also set forth in the THIRD clause, nothing therein shall preclude the Parties from agreeing to increase said amount.-----

WHEREAS, the Parties executed the First Amendment to the Agreement on August 11, 2015. Through said amendment, the Parties increased the Agreement Amount by five million dollars (\$5,000,000), to a total Agreement Amount of ten million dollars (\$10,000,000).-----

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WHEREAS, given the scope and amount of work which Cleary have undertaken on behalf of PREPA, the Agreement Amount is nearly to be reached and may be insufficient to cover the payment for the services to be rendered by Cleary up to the expiration of the Agreement Period.

WHEREAS, unless extended, the Agreement Period expires on December 10, 2015.-----

WHEREAS, the Parties have agreed to amend the THIRD clause of the Agreement to increase the Agreement Amount by an additional six million five hundred thousand dollars (\$6,500,000), to a total Agreement Amount of sixteen million five hundred thousand dollars (\$16,500,000), and to extend the term of Agreement (the "Agreement Period") to June 30, 2016.-----

NOW, THEREFORE, PREPA and Cleary enter into this Second Amendment to the Agreement under the following:-----

TERMS AND CONDITIONS

ONE: Unless otherwise specified, all acronyms or capitalized words referenced in this Second Amendment shall have the meaning set forth in the Agreement executed on December 11, 2014, as amended on August 11, 2015.-----

TWO: The Parties agree to amend the first sentence of the SECOND clause of the Agreement to provide that the Agreement Period shall expire on June 30, 2106.-----

THREE: The Parties agree to amend the THIRD clause of the Agreement to read as follows:-----

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As compensation for services rendered under this Agreement, PREPA agrees and Cleary accepts that the total amount to be paid under this Agreement shall not exceed sixteen million five hundred thousand dollars (\$16,500,000) (the "Agreement Amount"). However, nothing herein shall preclude the parties from agreeing to increase said amount. PREPA will only pay for services that are evidenced by a properly submitted invoice for services rendered. Notwithstanding the foregoing, any increase to the Agreement Amount shall be evidenced in writing and signed by both Cleary and PREPA. PREPA will not be required to make advance payments for any service to be rendered by Cleary under this Agreement. Cleary shall immediately notify PREPA when the billing under the present Agreement amounts to seventy five percent (75%) of the Agreement Amount.

Appendix A attached hereto provides a schedule of the attorneys assigned to this matter. Should Cleary assign another person not included in Appendix A hereto to attend to PREPA's matters pursuant to this Agreement, Cleary shall promptly send PREPA an amended schedule to include such person's name and/or position, and request approval from PREPA for such amended schedule.

The parties agree that for work performed outside of Puerto Rico, and after taking into account the reduced rates set forth in Appendix A, the maximum hourly rate to be charged by Cleary for said services shall not exceed \$1,050.

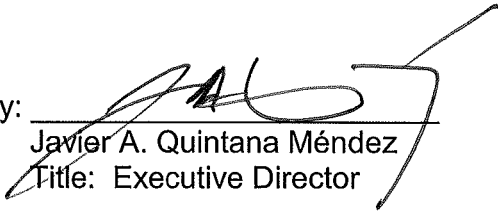
FOUR: All other terms and conditions of the Agreement executed on December 11, 2014, as amended on August 11, 2015, not inconsistent with this Second Amendment shall remain in full force and effect. This Second Amendment does not constitute a novation of the Agreement.-----

IN WITNESS THEREOF, the Parties hereto execute this Second Amendment to the Professional Services Agreement, this 9 day of December, 2015.-----

PUERTO RICO ELECTRIC
POWER AUTHORITY

CLEARY GOTTLIB STEEN &
HAMILTON LLP

By: _____


Javier A. Quintana Méndez
Title: Executive Director

Tax ID: 66-0433747

By: _____


Richard J. Cooper
Title: Member

Tax ID: 13-5599083