



2015 – P00056B
COMMONWEALTH OF PUERTO RICO
PUERTO RICO ELECTRIC POWER AUTHORITY

AMENDMENT NO. 2
TO PROFESSIONAL SERVICES AGREEMENT

APPEAR

AS FIRST PARTY: 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, Mr. Javier Antonio Quintana Méndez, of legal age, married, professional engineer, and resident of Guaynabo, Puerto Rico (hereinafter referred to as "PREPA").



AS SECOND PARTY: Sidley Austin LLP, a limited partnership incorporated and existing under the laws of the State of Delaware, United States of America, with a place of business at 787 Seventh Avenue, New York, New York 10019, herein represented by Lawrence A. Bauer, partner, of legal age, not married, resident of New York, New York, USA (hereinafter referred to as "Sidley", and Sidley and PREPA hereinafter referred to as the "Parties"), whose authority of representation is evidenced by that certain letter, dated March 2, 2016, to the Authority from William Conlon.

WHEREAS, on December 16, 2014, the parties hereto signed Professional Services Agreement No. 2015-P00056 (the "2015 Contract") under which agreement Sidley is to provide to PREPA certain legal representation in connection with any restructuring of the Authority's outstanding obligations to various stakeholders, including the negotiation, documentation and implementation of a recovery plan for the Authority, and any such other legal matters as may be requested by the Authority, its subsidiaries and affiliates, from time to time in return for the payment by PREPA of fees to Sidley in the amount not to exceed \$1,000,000 (the "cap"); and

WHEREAS, on December 14, 2015 the Parties executed the first Amendment to the 2015 Contract to include the services to be provided by Sidley in connection with the proposed construction, financing and operation of the Aguirre Offshore Gasport, and to increase the maximum amount of fees to be charged under the 2015 Contract from \$1,000,000 to \$3,500,000;

WHEREAS, as part of the restructuring, Corporation for the Revitalization of Puerto Rico Electric Power Authority ("PRC") is authorized by Act 4-2016, approved February 16, 2016, to issue securitization bonds to refinance all or a portion of the Authority's outstanding debt obligations; and

WHEREAS, in connection with the authorization and issuance of such securitization bonds, PRC will retain the services of various law firms and other advisors, including Sidley; and

WHEREAS, it is anticipated that PREPA and PRC will enter into a memorandum of understanding pursuant to which PREPA will advance payment for the services of such advisors,

including Sidley, pending receipt of a portion of the proceeds of such securitization bonds by PRC and its payment to PREPA in reimbursement of such advances by the Authority; and

WHEREAS, in connection with such memorandum of understanding and PREPA's agreement to advance such payment, at the request of PREPA, Sidley submitted information specifying the work to be undertaken and an estimate that the amount of services to be rendered to the PRC from the date of enactment of said Act 4-2016 through June 30, 2016 will be \$500,000; and

WHEREAS, PREPA has determined to increase the maximum amount of the 2015 Contract and to modify the scope of services under the 2015 Contract to take into account the performance by Sidley of legal services for PRC for which PREPA will be reimbursed in accordance with the above referenced memorandum of understanding;

NOW, THEREFORE, in consideration of the mutual covenants and agreement set forth in the 2015 Contract and in this amendment to professional services agreement, and other good and valuable consideration, the parties have agreed to amend the 2015 Contract under the following:

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TERMS AND CONDITIONS

FIRST: Paragraph FIRST of the 2015 Contract is hereby modified to read as follows: "Sidley shall provide to PREPA legal representation, including in connection with matters relating to PREPA's financing activities, matters related to any restructuring of PREPA's outstanding obligations to its various stakeholders, matters related to subpoenas received by PREPA from the United States Securities and Exchange Commission in 2014 and 2016, matters related to the financing of the Aguirre Offshore Gas Port, including any loan guarantees to be provided by the Government of the United States, and any such other legal matters as may be requested by PREPA, its subsidiaries or affiliates, from time to time, and as agreed to by Sidley."

"Sidley will also provide legal representation to Corporation for the Revitalization of Puerto Rico Electric Power Authority ("PRC") relating to its issuance from time to time of securitization bonds authorized by Act 4-2016, approved February 16, 2016 (as the same may be amended from time to time, the "Act"), the cost of which representation will be reimbursed to PREPA by PRC from a portion of the proceeds of such securitization bonds, including: (a) drafting and with PRC's advisors and other counsel negotiating one or more restructuring resolutions authorizing such bonds, a trust agreement or agreements securing such bonds, a servicing agreement or agreements, a calculation agent agreement or agreements, a depository agreement or agreements and the other documents relating to the issuance of the securitization bonds and giving the required legal opinions, (b) assisting Rooney Rippie & Ratnaswamy LLP and the other PRC advisors with the preparation of witnesses (including preparation of the applicable testimony and the Energy Commission order) relating to the approval by the Energy Commission of the Transition Charge and the Adjustment Mechanism (each as defined in the Act), (c) assisting the other PRC counsel with the judicial validation of the securitization bonds, including preparation or review of the various memoranda of law and other court submissions on behalf of the PRC and preparation of witnesses and their testimony, (d) assisting with preparation of and reviewing the documentation of the offer to be made to PREPA's bondholders

and other creditors to exchange all or a portion of the debt of PREPA they own, as well as the potential issuance in connection therewith of "new money" securitization bonds by PRC, and (e) assisting in the rating of the securitization bonds, including the drafting of applicable legal opinions required by the rating agencies customary for a utility securitization."

SECOND: Paragraph SECOND of the 2015 Contract is hereby modified by deleting the words "of one (1) year from the date of its execution" and inserting in their place the words "ending at 11:59 p.m., Atlantic time, on June 30, 2016".

THIRD: Paragraph THIRD of the 2015 Contract is hereby modified by deleting the words "three million five thousand dollars (\$3,500,000)" and inserting in their place the words "four million dollars (\$4,000,000)".

FOURTH: The Parties agree to include a new Appendix A with revised schedule of fees. Accordingly, the Appendix A originally included in the Agreement is hereby superseded and replaced by the new Appendix A included in this amendment to professional services agreement.

FIFTH: On or after the execution and delivery of this amendment to professional services agreement, each reference in the 2015 Contract to "this Agreement," "hereunder," "hereof," herein," or words of like import referring to the 2015 Contract shall mean and be a reference to 2015 Contract, as amended by this amendment to professional services agreement. Except as amended by this amendment to professional services agreement, the provisions of 2015 Contract are and shall remain in full force and effect.

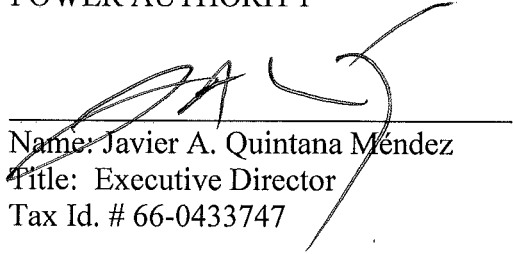
SIXTH: This amendment to professional services agreement may be executed in any number of counterparts, all of which taken together shall constitute one and the same instrument, and any of the Parties hereto may execute this amendment to professional services agreement by signing any such counterpart. Delivery of an executed signature page of this amendment to professional services agreement by facsimile or email transmission shall be effective as delivery of a manually executed counterpart hereof.

[Signature page follows]

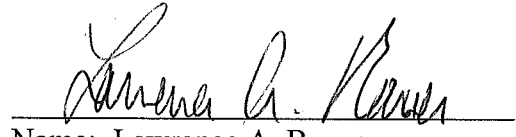
IN WITNESS WHEREOF, this amendment to professional services agreement has been duly executed by the parties hereto as of the 23 day of March, 2016.

PUERTO RICO ELECTRIC
POWER AUTHORITY

SIDLEY AUSTIN LLP



Name: Javier A. Quintana Méndez
Title: Executive Director
Tax Id. # 66-0433747



Name: Lawrence A. Bauer
Title: Partner
Tax Id. # 36-4474078