

AMENDMENT NO. 6 TO THE FORBEARANCE AGREEMENT

This Amendment No. 6, dated as of June 30, 2015 (“**Amendment No. 6**”), to the Forbearance Agreement, dated as of August 14, 2014 (as it may be amended, supplemented or otherwise modified from time to time, including by Amendment No. 1, dated March 30, 2015, Amendment No. 2, dated April 15, 2015, Amendment No. 3, dated April 30, 2015, Amendment No. 4, dated June 4, 2015, Amendment No. 5, dated June 18, 2015, and this Amendment No. 6, the “**Agreement**”), is entered into by and among PREPA, National, Assured, Syncora, and the undersigned members of the Ad Hoc Group identified on Annex A (the “**Ad Hoc Group**” and, together with PREPA, National, Assured and Syncora, the “**Parties**”).

RECITALS

WHEREAS, the Parties desire to amend the Agreement to (i) extend the term of the Agreement, (ii) modify the terms of certain termination rights in accordance with the terms of this Amendment No. 6, and (iii) modify certain covenants of the Parties in accordance with the terms of this Amendment No. 6.

WHEREAS, PREPA has requested, and the Forbearing Creditors have agreed, subject to the terms and conditions of this Amendment No. 6 to consent to an amendment of the Trust Agreement in the form and substance attached hereto as Annex B (the “**June 2015 Supplemental Agreement**,” and together with the Amendment, the “**Amendments**”).

WHEREAS, the Bond Insurance Agreements provide the Insurers the sole right in lieu of the beneficial owners of the applicable Insured Bonds to consent to the June 2015 Supplemental Agreement, for so long as the Insurers are not in default under the Bond Insurance Agreements.

WHEREAS, as of the date hereof \$8,322,405,000 in principal amount of the Bonds is outstanding.

WHEREAS, as of the date hereof, the total outstanding principal amount of Bonds insured by National under the Bond Insurance Agreements is \$1,397,520,000.

WHEREAS, as of the date hereof, the total outstanding principal amount of Bonds insured by Assured under the Bond Insurance Agreements is \$940,260,000.

WHEREAS, as of the date hereof, the total outstanding principal amount of Bonds insured by Syncora under the Bond Insurance Agreements is \$212,855,000.

WHEREAS, as of the date hereof, the total outstanding principal amount of Bonds that are not Insured Bonds that are beneficially owned by each Holder is listed on each respective Holder’s signature page to this Agreement.

WHEREAS, National, Assured, Syncora and the Ad Hoc Group (the “**Forbearing Creditors**”) collectively hold or insure more than 60% of the total outstanding principal amount of the Bonds for purposes of consenting to the June 2015 Supplemental Agreement.

WHEREAS, in connection with this Amendment No. 6, the Insurers have entered into a bond purchase agreement with PREPA and the Trustee (the “**Bond Purchase Agreement**”) for the purchase by the Insurers of certain short-term bridge bonds pursuant to the terms thereunder (such bonds, the “**Bridge Bonds**”).

WHEREAS, the Forbearing Creditors agree to this Amendment No. 6 in exchange for the below terms and conditions.

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:

1. Definitions. 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. From and after the Amendment No. 6 Effective Date (as defined below), (i) the terms “Parties,” “Ad Hoc Group,” and “Forbearing Creditors,” as used in the Agreement, shall have the meanings assigned to such terms in this Amendment No. 6; and (ii) the phrase “the Bonds outstanding subject to this Agreement,” as used in the Agreement, shall be interpreted by reference to the Agreement as amended by this Amendment No. 6.

2. June 2015 Supplemental Agreement.

(a) Each of the Forbearing Creditors (i) consents to the execution and delivery by PREPA and the Trustee of the June 2015 Supplemental Agreement and (ii) shall take all reasonably necessary actions to effectuate the June 2015 Supplemental Agreement, including, without limitation, transmitting its consent to its Depository Trust Company participants, and any other person whose action is required to effectuate the June 2015 Supplemental Agreement (but without any obligation to indemnify the Trustee).

(b) PREPA shall execute the June 2015 Supplemental Agreement and take all reasonably necessary actions to effectuate the June 2015 Supplemental Agreement in the event that the requisite percentage of beneficial owners or insurers of the Bonds delivers written consent to the June 2015 Supplemental Agreement.

3. Conditions to Effectiveness. This Amendment No. 6 shall become effective as of the date (the “**Amendment No. 6 Effective Date**”) that each of the following shall have occurred:

(a) All Parties shall have duly executed a counterpart of this Amendment No. 6;

(b) PREPA shall have executed amendments to the Citibank/Scotiabank Forbearance Agreements in form and substance acceptable to the Forbearing Creditors;

(c) No proceeding pursuant to the Recovery Act or any other action or proceeding that seeks to adjust the claims of its creditors pursuant to any federal, state, or Puerto Rico statute, now or hereinafter enacted, has been instituted by or on behalf of PREPA; and

(d) PREPA shall have received and provided written confirmation to all Forbearing Creditors of all approvals required to enter into and perform the Agreement, as amended by this Amendment No. 6, including, without limitation, submission to the Forbearing Creditors of (i) 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. 6 and (ii) an opinion of counsel that PREPA has the legal right, power and authority to enter into the June 2015 Supplemental Agreement.

4. Representations.

(a) Representations of the Insurers. Each of the Insurers hereby represents and warrants (which is a continuing representation and warranty, and shall be true throughout the Forbearance Period) that each of the representations in the Recitals set forth above as to such Insurer is true and accurate as of the date hereof.

(b) Representations of the Holders. Each of the Holders hereby represents and warrants (which is a continuing representation and warranty, and shall, subject to the provisions of the Agreement relating to Transfer, be true throughout the Forbearance Period) that:

(i) it owns or has investment management responsibility for accounts that own Bonds that are not Insured Bonds in the principal amounts set forth on its respective signature page hereto or Forbearing Creditor Joinder (as applicable), and that it has not sold, assigned, transferred, participated or otherwise pledged such Bonds, or any voting consent or direction rights related to such Bonds, to any other person or entity, in each case, except as permitted by Section 7 of the Agreement; and

(ii) each of the representations in the Recitals set forth above as to the Holders is true and accurate as of the date hereof.

5. Incorporation of June 2015 Supplemental Agreement. The defined term “Amendment” shall be replaced with the defined term “Amendments” in the following Sections of the Agreement: 1(e), 3(b), 6(b), 13, 15 and 21.

6. Covenants by PREPA. Section 4 of the Agreement shall be amended to delete the word “and” immediately after clause (s), to add the word “and” immediately after clause (t), and to add (immediately following clause (t) and immediately prior to Section 5), the following:

“(u) Not later than the first (1st) business day of each month after the date on which the June 2015 Supplemental Agreement becomes effective pursuant to its terms, counsel for any Forbearing Creditor shall, by written notice to all Parties, subject to the confidentiality provisions in Section 6(b), advise PREPA of any changes in the aggregate principal amount of Bonds insured or beneficially owned by its clients that are Forbearing Creditors. On or before the fifteenth (15th) day of each month after the June 2015 Supplemental Agreement becomes effective pursuant to its terms, PREPA shall pay an amendment fee to each Forbearing Creditor that is a Forbearing Creditor at such time (or such Forbearing Creditor’s designee) equal to its pro rata share (based on the

aggregate principal amount of Bonds insured or beneficially owned subject to the Agreement at such time) of the sum of \$1,000,000, which shall be creditable against any obligation of PREPA to pay any fees and expenses of such Forbearing Creditor.”

7. Termination.

(a) Section 5(a) of the Agreement is hereby amended and restated in its entirety as follows:

“This Agreement shall terminate at 11:59 p.m. (prevailing Eastern Time) on September 15, 2015, unless terminated earlier in accordance with the terms of this Agreement (in each such case, the “*Forbearance Termination Date*”).”

(b) Section 5(b) of the Agreement shall be amended to delete the word “or” immediately after clause (i), and add (immediately following clause (ii) and immediately prior to Section 5(c)), the following:

“(iii) The June 2015 Supplemental Agreement is not effective on or before twenty (20) business days after the Amendment No. 6 Effective Date; or

(iv) An agreement to support a comprehensive recovery plan (the “*Restructuring Support Agreement*”) is not executed by PREPA, GDB and the Forbearing Creditors holding or controlling at least 60% of the outstanding Bonds on or before September 1, 2015.

(c) Section 5(c) of the Agreement shall be amended to delete the word “and” immediately after clause (ii), add the word “and” immediately after clause (iii), and add (immediately following clause (iii) and immediately prior to the final sentence of Section 5(c)) the following:

“(iv) The Insurers fail to purchase the aggregate amount of Bridge Bonds required by the Bond Purchase Agreement.”

(d) Section 5(d) of the Agreement is hereby amended and restated in its entirety as follows:

“In addition, if PREPA fails to satisfy its payment obligations under the Assured Swaps on July 1, 2015, Assured shall have the right in each case, upon written notice to PREPA, Solus Alternative Asset Management L.P., Scotiabank, GDB and the advisors to the other Forbearing Creditors, in each case, solely to the notice addresses listed for such advisors in Section 14 hereof, to withdraw from this Agreement, in which case Assured shall no longer be considered a Forbearing Creditor as of the date of delivery of such written notice.”

(e) Section 5(f) of the Agreement is hereby amended and restated in its entirety as follows:

“In addition, if PREPA fails to satisfy its payment or deposit obligations under the Bridge Bonds, any Insurer holding such Bridge Bonds shall have the right, upon written notice to PREPA, Solus Alternative Asset Management L.P., Scotiabank, GDB and the advisors to the other Forbearing Creditors, in each case, solely to the notice addresses listed for such advisors in Section 14 hereof, to terminate this Agreement. The Forbearance Termination Date shall be deemed to have occurred as of the date and time when any such Insurer delivers such written notice.”

8. Disclosure of Information. Section 6(b) of the Agreement shall be amended to replace the word “or” immediately after the word “attorneys” with “;”, and to add (immediately after the word “advisors” and immediately before the parenthetical), the following: “or exchange agent”.

9. Notice. Section 14 of the Agreement shall be amended to add (immediately prior to Section 15 of the Agreement) the following:

If to Solus Alternative Asset Management L.P.:

Steve Fuhrman, Esq.
Simpson Thacher & Bartlett LLP
425 Lexington Avenue
New York, NY 10017
sfuhrman@stblaw.com

10. Binding Effect. Notwithstanding anything to the contrary in the Agreement, the Agreement, as amended by this Amendment No. 6, shall continue to constitute a binding agreement among the Parties executing this Amendment No. 6. For the avoidance of doubt, the Parties acknowledge and agree that, any term set forth in this Agreement to the contrary notwithstanding, the terms and conditions of Amendment No. 6 are not binding upon, nor do they inure to the benefit of, any of the following: (i) any party to either (u) the original Agreement dated as of August 14, 2014, (v) Amendment No. 1, (w) Amendment No. 2, (x) Amendment No. 3, (y) Amendment No. 4, or (z) Amendment No. 5 that is not a party to this Amendment No. 6 or (ii) any person or entity not otherwise a party to this Amendment No. 6 who has entered into a valid and binding agreement prior to the Amendment No. 6 Effective Date to purchase Bonds from a Forbearing Creditor.

11. Effectiveness. On or after the Amendment No. 6 Effective Date, each reference in the Agreement to “this Agreement,” “Forbearance 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. 6. Except as amended by this Amendment No. 6, the provisions of the Agreement are and shall remain in full force and effect. Except as provided in this Amendment No. 6, nothing in this Amendment No. 6 shall constitute a waiver of the rights or obligations of any of the Parties under the Agreement.

12. Governing Law. This Amendment No. 6 shall be governed and construed and enforced in accordance with the laws of the State of New York.

13. Counterparts. This Amendment No. 6 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. 6 by signing any such counterpart. Delivery of an executed signature page of this Amendment No. 6 by facsimile or email transmission shall be effective as delivery of a manually executed counterpart hereof.

14. Entire Agreement. This Amendment No. 6 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.

[Signature Pages Follow]

IN WITNESS WHEREOF, this Amendment No. 6 has been duly executed as of the date first written above.

PUERTO RICO ELECTRIC POWER
AUTHORITY

By:  June 30, 2015

Name: Carlos J. Castro-Montalvo

Title: Acting Executive Director

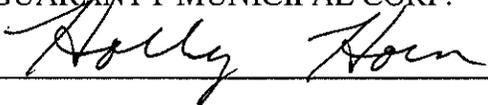
NATIONAL PUBLIC FINANCE GUARANTEE
CORPORATION

By: Matthew Cohn

Name: Matthew Cohn

Title: Director

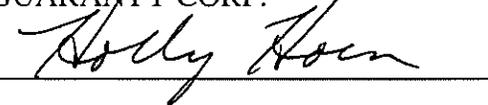
ASSURED GUARANTY MUNICIPAL CORP.

By: 

Name: HOLLY HORN
CHIEF SURVEILLANCE OFFICER
PUBLIC FINANCE

Title: _____

ASSURED GUARANTY CORP.

By: 

Name: HOLLY HORN
CHIEF SURVEILLANCE OFFICER
PUBLIC FINANCE

Title: _____

SYNCORA GUARANTEE INC.

By:



Name:

Susan Comarato

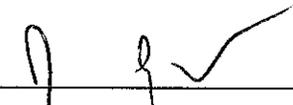
Title:

Chief Executive Officer

SOLA LTD

BY: SOLUS ALTERNATIVE ASSET MANAGEMENT LP

ITS INVESTMENT ADVISOR

By:  _____

Name: Joshua Sack

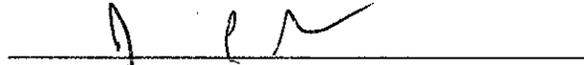
Title: Managing Director

Redacted

ULTRA MASTER LTD

BY: SOLUS ALTERNATIVE ASSET MANAGEMENT LP

ITS INVESTMENT ADVISOR

By: 

Name: Joshua Sork

Title: Managing Director

Redacted

AG MM, L.P.

By: Angelo, Gordon & Co., L.P., its manager or
advisor

By:  _____

Name: D. Forest Wolfe

Title: General Counsel

REDACTED

AG CAPITAL RECOVERY PARTNERS VIII,
L.P.

By: Angelo, Gordon & Co., L.P., its manager or
advisor

By:  _____

Name: D. Forest Wolfe

Title: General Counsel

REDACTED

AG ELEVEN PARTNERS, L.P.

By: Angelo, Gordon & Co., L.P., its manager or
advisor

By: 

Name: D. Forest Wolfe

Title: General Counsel

REDACTED

AG SUPER FUND INTERNATIONAL
PARTNERS, L.P.

By: Angelo, Gordon & Co., L.P., its manager or
advisor

By:  _____

Name: D. Forest Wolfe

Title: General Counsel

REDACTED

NUTMEG PARTNERS, L.P.

By: Angelo, Gordon & Co., L.P., its manager or
advisor

By:  _____

Name: D. Forest Wolfe

Title: General Counsel

REDACTED

AG CENTRE STREET PARTNERSHIP, L.P.

By: Angelo, Gordon & Co., L.P., its manager or
advisor

By:  _____

Name: D. Forest Wolfe

Title: General Counsel

REDACTED

AG PRINCESS, LP

By: Angelo, Gordon & Co., L.P., its manager or
advisor

By:  _____

Name: D. Forest Wolfe

Title: General Counsel

REDACTED

AG SUPER FUND, L.P.

By: Angelo, Gordon & Co., L.P., its manager or
advisor

By:  _____

Name: D. Forest Wolfe

Title: General Counsel

REDACTED

BLUEMOUNTAIN GUADALUPE PEAK FUND
L.P.

BLUEMOUNTAIN LONG/SHORT CREDIT
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

By: BlueMountain Capital Management, LLC, its
investment manager

By:  _____

Name: David M. O'Mara
Assistant GC/VP

Title: _____

REDACTED

FRANKLIN ADVISERS, INC. on behalf of the following funds:

CALIFORNIA INTERMEDIATE TERM TAX FREE INCOME FUND

CALIFORNIA HIGH YIELD MUNICIPAL BOND FUN

TENNEESEEE 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

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: Sheila Amoroso

Name: Sheila Amoroso

Title: SVP

REDACTED

GOLDMAN SACHS DYNAMIC MUNICIPAL
INCOME FUND, A SERIES OF THE GOLDMAN
SACHS TRUST

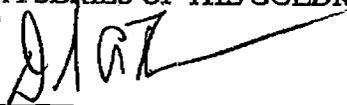
By: 

Name: DAVE Fishman

Title: Assistant Secretary

REDACTED

GOLDMAN SACHS HIGH YIELD MUNICIPAL
FUND, A SERIES OF THE GOLDMAN SACHS
TRUST

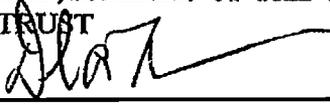
By: 

Name: DAVE FISHMAN

Title: Assistant Secretary

REDACTED

GOLDMAN SACHS SHORT DURATION TAX-FREE FUND, A SERIES OF THE GOLDMAN SACHS TRUST

By:  _____

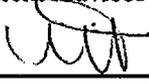
Name: DAVE FISHMAN

Title: Assistant Secretary

REDACTED

KNIGHTHEAD ANNUITY & LIFE ASSURANCE
COMPANY

By: Knighthead Capital Management, LLC, its
Investment Advisor

By:  _____

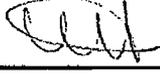
Name: Laura Torrado
General Counsel

Title: _____

REDACTED

KNIGHTHEAD MASTER FUND, L.P.

By: Knighthead Capital Management, LLC, its
Investment Manager

By:  _____

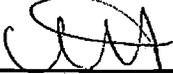
Name: Laura Torrado
General Counsel

Title: _____

REDACTED

LMA SPC FOR AND ON BEHALF OF THE
MAP84 SEGREGATED PORTFOLIO

By: Knighthead Capital Management, LLC, its
Investment Advisor

By:  _____

Name: Laura Torrado
General Counsel

Title: _____

REDACTED

By: Marathon Asset Management, LP solely in its capacity
as Investment Advisor to the Fund(s)/Accounts(s) named in
Schedule A of this Agreement

Name: P. L. Flynn

Title: AUTHORIZED SIGNATORY

REDACTED

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)

OPPENHEIMER ROCHESTER LIMITED
TERM NEW YORK MUNICIPAL FUND (A
SERIES OF ROCHESTER PORTFOLIO SERIES)

OPPENHEIMER ROCHESTER NEW JERSEY
MUNICIPAL FUND (A SERIES OF
OPPENHEIMER MULTI-STATE MUNICIPAL
TRUST)

OPPENHEIMER ROCHESTER
PENNSYLVANIA MUNICIPAL FUND (A
SERIES OF OPPENHEIMER MULTI-STATE
MUNICIPAL TRUST)

OPPENHEIMER ROCHESTER HIGH YIELD
MUNICIPAL FUND (A SERIES OF
OPPENHEIMER MULTI-STATE MUNICIPAL
TRUST)

OPPENHEIMER ROCHESTER
FUND MUNICIPALS

OPPENHEIMER ROCHESTER OHIO
MUNICIPAL FUND

OPPENHEIMER ROCHESTER MICHIGAN
MUNICIPAL FUND

OPPENHEIMER ROCHESTER
MASSACHUSETTS MUNICIPAL FUND

OPPENHEIMER ROCHESTER VIRGINIA
MUNICIPAL FUND

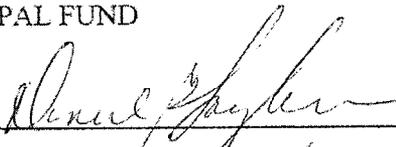
OPPENHEIMER ROCHESTER ARIZONA
MUNICIPAL FUND

OPPENHEIMER ROCHESTER MARYLAND
MUNICIPAL FUND

OPPENHEIMER ROCHESTER NORTH
CAROLINA MUNICIPAL FUND

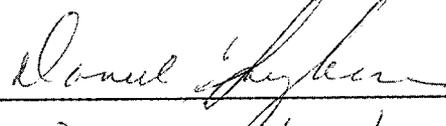
OPPENHEIMER ROCHESTER MINNESOTA
MUNICIPAL FUND

OPPENHEIMER ROCHESTER SHORT TERM
MUNICIPAL FUND

By: 
Name: Daniel G. Loughran
Title: Vice President

OPPENHEIMERFUNDS, INC., as investment
adviser for the following investment accounts:

MassMutual International Holding MSC and
MassMutual Unified Traditional Separate Account:

By: 
Name: Daniel G. Loughran
Title: Senior Vice President

REDACTED

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, LP

AG SUPER FUND, L.P.

BLUEMOUNTAIN GUADALUPE PEAK FUND L.P.

BLUEMOUNTAIN LONG/SHORT CREDIT 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

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

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.

MV CREDIT OPPORTUNITY FUND, L.P.

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

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)

OPPENHEIMER ROCHESTER LIMITED TERM NEW YORK MUNICIPAL FUND (A
SERIES OF ROCHESTER PORTFOLIO SERIES)

OPPENHEIMER ROCHESTER NEW JERSEY MUNICIPAL FUND (A SERIES OF
OPPENHEIMER MULTI-STATE MUNICIPAL TRUST)

OPPENHEIMER ROCHESTER PENNSYLVANIA MUNICIPAL FUND (A SERIES OF
OPPENHEIMER MULTI-STATE MUNICIPAL TRUST)

OPPENHEIMER ROCHESTER HIGH YIELD MUNICIPAL FUND (A SERIES OF
OPPENHEIMER MULTI-STATE MUNICIPAL TRUST)

OPPENHEIMER ROCHESTER FUND MUNICIPALS

OPPENHEIMER ROCHESTER OHIO MUNICIPAL FUND

OPPENHEIMER ROCHESTER MICHIGAN MUNICIPAL FUND

OPPENHEIMER ROCHESTER MASSACHUSETTS MUNICIPAL FUND

OPPENHEIMER ROCHESTER VIRGINIA MUNICIPAL FUND

OPPENHEIMER ROCHESTER ARIZONA MUNICIPAL FUND

OPPENHEIMER ROCHESTER MARYLAND MUNICIPAL FUND

OPPENHEIMER ROCHESTER NORTH CAROLINA MUNICIPAL FUND

OPPENHEIMER ROCHESTER MINNESOTA MUNICIPAL FUND

OPPENHEIMER ROCHESTER SHORT TERM MUNICIPAL FUND

MASSMUTUAL INTERNATIONAL HOLDING MSC

MASSMUTUAL UNIFIED TRADITIONAL SEPARATE ACCOUNT

Annex B – June 2015 Supplemental Agreement

SEVENTEENTH SUPPLEMENTAL AGREEMENT

THIS SEVENTEENTH SUPPLEMENTAL AGREEMENT, dated for convenience of reference as of the 1st day of July, 2015, by and between

PUERTO RICO ELECTRIC POWER AUTHORITY,

a government instrumentality of the Commonwealth of Puerto Rico (formerly Puerto Rico Water Resources Authority), and

U.S. BANK NATIONAL ASSOCIATION,

a national banking association existing under the laws of the United States of America and having an office in the Borough of Manhattan, City and State of New York, which is authorized under such laws to exercise corporate trust powers and is subject to examination by federal authority, successor Trustee under the Agreement hereinafter referred to (hereinafter sometimes called the "Trustee"),

W I T N E S S E T H:

WHEREAS, Puerto Rico Electric Power Authority (hereinafter sometimes called the "Authority") and the Trustee have heretofore caused to be executed and delivered a Trust Agreement, dated as of January 1, 1974, as amended (the "Agreement"), for the purpose of fixing and declaring the terms and conditions upon which revenue bonds are to be issued, authenticated, delivered, secured and accepted by all persons who shall from time to time be or become owners thereof, and in order to secure the payment of all the bonds at any time issued and outstanding thereunder, and the interest thereon, according to their tenor, purport and effect; and

WHEREAS, Section 1102 of the Agreement provides that the Authority and the Trustee may, from time to time, enter into such agreements supplemental thereto as shall be deemed necessary or desirable by the Authority for the purpose of modifying, altering, amending, adding to, repealing or rescinding, in any particular, any of the terms and conditions contained in the Agreement or in any supplemental agreement, with certain exceptions not here applicable, upon receipt of the written consent of the holders of not less than sixty percent (60%) in aggregate principal amount of the bonds then outstanding; and

WHEREAS, the Authority has determined that it is desirable to supplement the Agreement so as to make provision for certain actions to be undertaken consistent with Amendment No. 6 to the Forbearance Agreement, dated June 30, 2015 ("Amendment No. 6" and the Forbearance Agreement, dated as of August 14, 2014, as amended, supplemented or otherwise modified from time to time, including by Amendment No. 1, dated March 30, 2015, Amendment No. 2, dated April 15, 2015, Amendment No. 3, dated April 30, 2015, Amendment No. 4, dated June 4, 2015, Amendment No. 5, dated June 18, 2015 and Amendment No. 6, by and among the Authority and the Forbearing Creditors defined therein, the "Forbearance Agreement"), by and among the Authority and the Forbearing Creditors; and

WHEREAS, the Trustee has received an opinion of counsel that (a) the Authority has the right, power and authority to enter into this Seventeenth Supplemental Agreement, (b) this Seventeenth Supplemental Agreement is duly authorized, executed and delivered by the Authority, and is enforceable against the Authority in accordance with its terms, (c) this Seventeenth Supplemental Agreement complies with the provisions of the Agreement, and that it is proper for the Trustee to join in the execution hereof under the provisions of Article XI of the Agreement with the written consent of the holders of at least sixty percent (60%) in aggregate principal amount of the outstanding bonds, and (d) all of the conditions precedent to the execution and delivery by the Trustee of this Seventeenth Supplemental Agreement have been satisfied; and

WHEREAS, the execution and delivery of this Seventeenth Supplemental Agreement have been duly authorized by the resolution of the Governing Board of the Authority, and the Authority has requested the Trustee to join with it in the execution of this Seventeenth Supplemental Agreement; and

WHEREAS, the notice and publication requirements of Section 1102 of the Agreement for this Seventeenth Supplemental Agreement have been satisfied; and

WHEREAS, the Trustee has received written evidence of the consent of the holders or (without duplication) insurers of at least sixty percent (60%) in aggregate principal amount of the outstanding bonds in a form acceptable to the Trustee under Section 1001 of the Agreement; and

WHEREAS, all other acts, conditions and things required by the Puerto Rican Federal Relations Act and the Constitution and laws of the Commonwealth of Puerto Rico and by the rules and regulations of the Authority to happen, exist and be performed precedent to and in the execution and delivery of this Seventeenth Supplemental Agreement have happened, exist and have been performed as required and the Authority has delivered to the Trustee a certificate dated the date of this Seventeenth Supplemental Agreement, representing the same; and

WHEREAS, the Trustee in reliance on the foregoing has accepted the trusts created by this Seventeenth Supplemental Agreement and in evidence thereof has joined in the execution hereof;

NOW, THEREFORE, THIS SEVENTEENTH SUPPLEMENTAL AGREEMENT WITNESSETH, that in consideration of the premises and of the existing rights and duties of the parties under the Agreement, it is mutually agreed and covenanted by and between the parties hereto, as follows:

1. The Agreement is hereby amended and supplemented in the following respects:

A. Section 101 is hereby amended or modified by the addition of and changes to the following definitions in appropriate alphabetical order in said Section (and all capitalized terms that are used but not defined herein shall have the same meanings as given in the Agreement):

The term “Ad Hoc Group” shall mean such term as defined in the Forbearance Agreement.

The term “Amending Creditors” shall mean Assured Guaranty Corp., Assured Guaranty Municipal Corp., National Public Finance Guarantee Corporation, Syncora Guarantee Inc., and the Ad Hoc Group, including successors and assigns thereof. For the purposes of this Agreement, the Trustee shall be entitled to rely on a certification of an Amending Creditor that it is an Amending Creditor.

The term “Amending Creditor Bonds” shall mean, with respect to any date, all outstanding bonds that are beneficially owned or (without duplication) insured by the Amending Creditors as of such date (which outstanding bonds that are beneficially owned by the Amending Creditors shall only include such bonds of which the other Amending Creditors have received written notice, which notice will be effective one (1) business day after receipt). For purposes of this Agreement, the Trustee shall be entitled to rely on a certification by an Amending Creditor that it beneficially owns or (without duplication) insures certain principal amount of outstanding bonds.

The term “Amendment” shall refer to the Seventeenth Supplemental Agreement, dated as of July 1, 2015, by and among the Authority and the Trustee.

The term “Amendment Effective Date” shall mean _____, 2015, being the effective date of the Amendment.

The term “Amendment Period” shall mean the period from the Amendment Effective Date until the Amendment Termination Date.

The term “Amendment Termination Date” shall mean the earliest of (a) the Scheduled Amendment Termination Date, (b) the filing of a proceeding by or on behalf of the Authority pursuant to the Puerto Rico Public Corporation Debt Enforcement and Recovery Act or any other action or proceeding that seeks to adjust or challenge the claims of its creditors pursuant to any federal, state, or Puerto Rico statute, now in effect or enacted after the Amendment Effective Date, and (c) date on which (i) the “Forbearance Period” (as defined in the Forbearance Agreement) has expired or terminated, and (ii) the Trustee has received written notice from the Authority or any Forbearing Creditor (as defined in the Forbearance Agreement) confirming the same.

The term “Citibank/Scotiabank Forbearance Agreements” shall mean the forbearance agreements, dated August 14, 2014, by and among the Citibank/Scotiabank Lenders and the Authority, as the same may be amended from time to time as therein permitted.

The term “Citibank/Scotiabank Lenders” shall mean Citibank, N.A. or its transferees, as applicable, and the Lenders (as defined in the Scotiabank Credit Agreement).

The term “Citibank/Scotiabank Lines of Credit” shall mean that certain Trade Finance Facility Agreement, dated as of July 20, 2012, between the Authority and Citibank, N.A. or its transferees, as applicable, as amended or otherwise modified from time to time, and the Scotiabank Credit Agreement.

The term “Forbearance Agreement” shall have the meaning set forth in the third recital of the Seventeenth Supplemental Agreement.

The term “Potential Default” shall mean each of the events specified on Schedule 1, the occurrence of which would give rise to a default under this Agreement.

The term “Scheduled Amendment Termination Date” shall mean 11:59 p.m. (prevailing Eastern Time) on September 15, 2015.

The term “Scotiabank Credit Agreement” shall mean that certain Credit Agreement, dated as of May 4, 2012, between the Authority, as borrower, the lenders party thereto, and Scotiabank de Puerto Rico, as administrative agent, as amended or otherwise modified from time to time.

The term “Series 2015A Bonds” shall mean the Authority’s Power Revenue Bonds, Series 2015A, issued pursuant to Resolution _____, adopted by the Authority on June __, 2015.

The term “Series 2015A Bonds Period” shall mean the period from the date the Series 2015A Bonds are issued until such date as the Series 2015A Bonds have been paid in full or provision has been made for their payment in full in accordance with their terms and the terms of this Agreement.”

B. The following sentence shall be added at the end of the definition of “Current Expenses” in Section 101:

“Notwithstanding the foregoing or anything herein to the contrary, none of the holders, the Trustee, and the Authority shall contest whether an expense, claim, liability, or amount shall be construed as a Current Expense under this Agreement based solely on (x) the Citibank/Scotiabank Lenders’ actions on the Amendment Effective Date or during the Amendment Period, including (i) forbearing, delaying or failing to exercise remedies, (ii) agreeing to a postponement or delay in payment of interest or principal, (iii) granting an extension of any maturity date, or (iv) not requiring the repayment or reborrowing of any loans or not requiring any loans to be revolving loans, or (y) the inclusion in this Agreement as a Potential Default, and the inclusion in the Forbearance Agreement as a “Potential Default” (as defined in the Forbearance Agreement) of the Authority’s use of moneys from the General Fund to service its debts under the Citibank/Scotiabank Lines of Credit.”

C. Section 209 is hereby supplemented (1) by the addition of the following words in the fifth paragraph of said Section 209 immediately after the words “with the Trustee the following” and prior to the colon the following the words “; provided, however, that the certificate referred to in clause (c) below shall not be required to be delivered in connection with the issuance of the Series 2015A Bonds” and (2) by the addition in the third to last full paragraph immediately after the words “one hundred and twenty per centum (120%)” the words “, provided, however, that such requirement shall not apply in connection with the issuance of the Series 2015A Bonds.”

D. Section 502 is hereby amended by the addition of the following language in the fourth paragraph immediately before the period:

“, provided that during the Amendment Period, the Trustee may institute and prosecute such suit, action or proceeding only upon the written request of the holders of not less than a majority in the aggregate principal amount of bonds then outstanding”

E. Section 506 is hereby amended by deleting the first word of the second sentence of said Section and replacing it with “Other than during the Amendment Period, after”.

F. The last paragraph of Section 507 is hereby amended by the addition of the following language in the first sentence after the second use of the word “Authority” immediately before the comma:

“(except that during the Series 2015A Bonds Period the moneys in the Self-insurance Fund shall be held by the Trustee in trust)”

G. Section 512A is hereby amended by adding the following after the last paragraph thereof:

“Notwithstanding the foregoing, during the Series 2015A Bonds Period, if the Authority has failed to make a deposit to the Series 2015A Bonds Special Redemption Fund in the amount, and during the period provided in that certain Bond Purchase Agreement, dated as of June 30, 2015, by and among the Authority, the Trustee and the purchasers party thereto (the “Bond Purchase Agreement”), the Trustee shall withdraw from the Self-insurance Fund and deposit to the credit of the Series 2015A Bonds Special Redemption Fund, upon the instruction of the Authority, an amount sufficient to make up such deficiency.”

H. A new Section 518 shall be added as follows:

“Section 518. Series 2015A Bonds Special Redemption Fund. A special fund is hereby created and designated the “Puerto Rico Electric Power Authority Series 2015A Bonds Special Redemption Fund” (herein sometimes called the “Series 2015A Bonds Special Redemption Fund”) to be held by the Trustee solely for the benefit of the holders of the Series 2015A Bonds separate and apart from all other funds and accounts held under this Agreement. Moneys in the Series 2015A Bonds Special Redemption Fund shall be used solely to (i) pay interest on the Series 2015A Bonds, (ii) at the option of the Authority redeem the Series 2015A Bonds in part on the first business day of August, September, October, November or December, 2015 or in whole on December 15, 2015 in the manner specified in the Series 2015A Bonds, and (ii) be applied to the maturity of the Series 2015A Bonds in whole on January 1, 2016. Any amounts remaining in the Series 2015A Bonds Special Redemption Fund after the Series 2015A Bonds are paid or deemed paid in full shall be transferred by the Trustee at the direction of the Authority in its discretion.”

I. The second paragraph of Section 602 is hereby amended in its entirety to read as follows:

“Moneys held for the credit of the Construction Fund and the Reserve Maintenance Fund shall, as nearly as may be practicable, be continuously invested and reinvested by the Authority in Investment Obligations, and moneys held for the credit of the Self-insurance Fund shall, as nearly as may be practicable, be continuously invested and reinvested during the Series 2015A Bonds Period by the Trustee pursuant to the investment requirements set forth in the last sentence of this paragraph (and thereafter by the Authority) in Investment Obligations, and moneys held for the credit of the Revenue Fund shall, as nearly as may be practicable, be continuously invested and reinvested by the Authority in Government Obligations, which Investment Obligations and Government Obligations shall mature, or shall be subject to redemption by the holder thereof at the option of such holder, not later than the respective dates when moneys held for the credit of said Funds will be required for the purposes intended, or in Time Deposits; provided, however, that each such Time Deposit shall permit the moneys so placed to be available for use at the times provided above. With respect to the Trustee’s investment of monies in the Self-insurance Fund during the Series 2015A Bonds Period, the Trustee shall liquidate the current investments held therein and reinvest all such amounts (a) in Government Obligations, or (b) in such Investment Obligations and in such amounts as the Trustee may be instructed from time to time pursuant to a mutual written direction signed by the Authority and the majority of the Forbearing Creditors; and the Trustee shall not in any manner be liable or responsible for any investment losses or expenses occurring as a result of its compliance with the foregoing investment requirements.”

J. The fifth paragraph of Section 602 is hereby amended by deleting the word “Authority” each time it appears in said paragraph or sentence, as the case may be, and inserting in lieu thereof the words “Trustee in its sole discretion during the Series 2015A Bonds Period (and thereafter the Authority)”.

K. The first sentence of the sixth paragraph and seventh paragraph of Section 602 is hereby amended by deleting the first word “Prior” and inserting in lieu thereof “After the Series 2015A Bonds Period, prior”.

L. The penultimate paragraph of Section 602 is hereby amended by deleting the first word “The” and inserting in lieu thereof “After the Series 2015A Bonds Period, the”.

M. Section 802(h) is hereby amended by the addition of the following language immediately prior to the semi-colon:

“provided, however, that during the Amendment Period, the Trustee may give such notice only upon the written request of the holders of a majority in the aggregate principal amount of the bonds then outstanding”

N. The first paragraph of Section 804 is hereby amended by the addition of the following language in the last sentence immediately before the period:

“, provided, further, that during the Amendment Period, the Trustee may proceed to take action pursuant to this paragraph only upon the written request of the holders of not less than a majority in the aggregate principal amount of bonds then outstanding”

2. The modifications to the Agreement contained in this Seventeenth Supplemental Agreement shall remain in effect only during the Amendment Period or the Series 2015A Bonds Period, as applicable, and shall terminate automatically on the Amendment Termination Date, except (i) Sections 1.B and 1.C, and any related definitions, which will continue in effect until all series of bonds outstanding under the Agreement have been paid or deemed paid in full in accordance with the Agreement and (ii) Sections 1.F, G, H, I, J, K and L, and any related definitions, which will continue in effect during the Series 2015A Bonds Period. The Authority shall, and the Trustee shall be authorized to, notify all holders of bonds of the Amendment Termination Date and the basis therefor.

3. The recitals, statements and representations contained herein shall be taken and construed as made by and on the part of the Authority and not by the Trustee, and the Trustee assumes and shall be under no responsibility for the correctness of the same.

4. This Seventeenth Supplemental Agreement may be amended and supplemented in accordance with the provisions of Article XI of the Agreement.

5. Except to the extent expressly modified herein, all terms and provisions of the Agreement shall remain in full force and effect.

IN WITNESS WHEREOF, Puerto Rico Electric Power Authority has caused this Seventeenth Supplemental Agreement to be executed by its Executive Director and its corporate seal to be impressed hereon and attested by its Secretary or an Assistant Secretary, and U.S. Bank National Association, has caused this Seventeenth Supplemental Agreement to be executed in its behalf by one of its Assistant Vice Presidents and its corporate seal to be impressed hereon and attested by one of its Trust Officers, all as of the day and year first above written.

PUERTO RICO ELECTRIC POWER AUTHORITY

(SEAL)

By: _____
Executive Director

Attest:

Secretary

U.S.BANK NATIONAL ASSOCIATION,
as successor Trustee

By: _____
Vice President

Attest:

Trust Officer

Schedule 1

1. Any default or event of default under section 802(h) of the Trust Agreement as a result of PREPA's failure to comply with or perform its obligations under section 501 of the Trust Agreement insofar as such noncompliance or failure is a result of PREPA's failure to establish and enforce reasonable regulations in relation to the collection of bills for services and facilities provided by PREPA.

2. Any default or event of default under section 802(h) of the Trust Agreement as a result of PREPA's failure to comply with or perform its obligations under section 502 of the Trust Agreement insofar as such noncompliance or failure is a result of PREPA's failure to revise the rates and charges for the services and facilities furnished by PREPA, or the result of PREPA's failure to revise its regulations in relation to the collection of bills for such services and facilities.

3. Any default or event of default under section 802(h) of the Trust Agreement as a result of PREPA's failure to comply with or perform its obligations under section 503 or section 505 of the Trust Agreement, insofar as such noncompliance or failure is a result of PREPA's use of monies from the General Fund to service its debt under the Citibank/Scotiabank Lines of Credit.

4. Any default or event of default under section 802(h) of the Trust Agreement as a result of PREPA's failure to comply with or perform its obligations under section 504 of the Trust Agreement, insofar as such noncompliance or failure is a result of PREPA's failure to adopt and file a budget that is consistent with the procedural and/or substantive requirements of section 504.

5. Any default or event of default under section 802(h) of the Trust Agreement as a result of PREPA's failure to comply with or perform its obligations under section 506 of the Trust Agreement, insofar as such noncompliance or failure is a result of PREPA's failure to transfer monies from the General Fund to the Revenue Fund in a manner consistent with section 506.

6. Any default or event of default under section 802(h) of the Trust Agreement as a result of PREPA's failure to comply with or perform its obligations under section 507 of the Trust Agreement, insofar as such noncompliance or failure is a result of PREPA's failure to transfer monies from the Revenue Fund to the Sinking Fund in a manner consistent with section 507.

7. Any default or event of default under section 802(h) of the Trust Agreement as a result of PREPA's failure to comply with or perform its obligations under section 702 of the Trust Agreement, insofar as such noncompliance or failure is a result of PREPA's failure to operate in an efficient and economical manner, maintain the system in good repair and sound operating condition (including by making all necessary repairs, renewals and replacements), or as a result of PREPA's employment of more persons than are necessary and compliance with all valid and applicable rules, regulations, and orders.

8. Any default or event of default under section 802(h) of the Trust Agreement as a result of PREPA's failure to keep accurate records or complete and file its audited financial statements within the time periods specified in section 710 of the Trust Agreement.