AMENDMENT NO. 5 TO THE FORBEARANCE AGREEMENT

This Amendment No. 5, dated as of June 18, 2015 ("***Amendment No. 5***"), to the Forbearance and Amendment Agreement, dated as of August 14, 2014, as amended on March 30, 2015, April 15, 2015, April 30, 2015 and June 4, 2015 (as it may be further amended, supplemented or otherwise modified from time to time, including by this Amendment No. 5, the "***Agreement***"), is entered into by and among PREPA, SCOTIABANK DE PUERTO RICO, as agent for the Lenders, and the LENDERS signatory hereto (the "***Forbearing Creditors***").

WHEREAS, the Parties desire to amend the Agreement to extend the term of the Agreement;

WHEREAS, as a condition to the Parties' entry into this Amendment No. 5, senior officials of the government of Puerto Rico, of the Forbearing Creditors and of the Forbearing Bonds will agree to meet in order to consider and discuss in good faith the alternative recovery plan(s) (or treatment therein) proposed by the Forbearing Creditors and the Forbearing Bonds;

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.

2. Conditions to Effectiveness. This Amendment No. 5 shall become effective as of the date (the "***Amendment No. 5 Effective Date***") that each of the following shall have occurred:

(a) All Parties shall have duly executed a counterpart of this Amendment No. 5;

(b) PREPA shall have executed amendments to the Citibank Forbearance Agreement and the Bonds Forbearance Agreement, in each case in form and substance acceptable to the Agent on behalf of the Lenders;

(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 the Agent on behalf of the Lenders of all approvals required to enter into and perform the Agreement, as amended by this Amendment No. 5, including, without limitation, submission to the Agent on behalf of the Lenders 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. 5.

3. Forbearance Termination Date. 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 June 30, 2015 (the "***Forbearance Termination Date***"), unless terminated earlier in accordance with the terms of this Agreement."

4. Binding Effect. Notwithstanding anything to the contrary in the Agreement, the Agreement, as amended by this Amendment No. 5, shall continue to constitute a binding agreement among the Parties executing this Amendment No. 5.

5. Effectiveness. On or after the Amendment No. 5 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. 5. Except as amended by this Amendment No. 5, the provisions of the Agreement are and shall remain in full force and effect. Except as provided in this Amendment No. 5, nothing in this Amendment No. 5 shall constitute a waiver of the rights or obligations of any of the Parties under the Agreement.

6. Governing Law. This Amendment No. 5 shall be governed and construed and enforced in accordance with the laws of the State of New York.

7. Counterparts. This Amendment No. 5 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. 5 by signing any such counterpart. Delivery of an executed signature page of this Amendment No. 5 by facsimile or email transmission shall be effective as delivery of a manually executed counterpart hereof.

8. Entire Agreement. This Amendment No. 5 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. 5 has been duly executed as of the date first written above.

PUERTO RICO ELECTRIC POWER AUTHORITY

By: _____

Name: Jum F. Alicea

Title: Executive Director

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: _____

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: Juan Pablo Torres

Title: Assistant Vice President

ORIENTAL BANK, as Lender

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: Patrick J. Haggarty

Name: Patrick J. Haggarty

Title: Executive Vice President

By: _____

Name: Tomás Torres

Title: Senior Vice President - Chief Credit Officer

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: _____

FIRSTBANK PUERTO RICO, as Lender

By: _____

Name: MICHAEL MCDONALD

Title: EVP - BUSINESS GROUP