

**IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF PUERTO RICO**

In re:

THE FINANCIAL OVERSIGHT AND MANAGEMENT
BOARD FOR PUERTO RICO,

as representative of

THE COMMONWEALTH OF PUERTO RICO, *et al.*,

Debtors.¹

PROMESA
Title III

No. 17 BK-3283-LTS

(Jointly Administered)

In re:

THE FINANCIAL OVERSIGHT AND MANAGEMENT
BOARD FOR PUERTO RICO,

as representative of

PUERTO RICO ELECTRIC POWER AUTHORITY,

Debtor.

PROMESA
Title III

No. 17 BK-4780-LTS

(Jointly Administered)

**INFORMATIVE MOTION OF THE FINANCIAL
OVERSIGHT AND MANAGEMENT BOARD REGARDING SECOND
AMENDMENT TO FORWARD DELIVERY BOND PURCHASE AGREEMENT**

To the Honorable United States District Judge Laura Taylor Swain:

¹ The Debtors in these Title III Cases, along with each Debtor's respective Title III case number and the last four (4) digits of each Debtor's federal tax identification number, as applicable, are the (i) Commonwealth of Puerto Rico (Bankruptcy Case No. 17-BK-3283-LTS) (Last Four Digits of Federal Tax ID: 3481); (ii) Puerto Rico Sales Tax Financing Corporation ("COFINA") (Bankruptcy Case No. 17-BK-3284-LTS) (Last Four Digits of Federal Tax ID: 8474); (iii) Puerto Rico Highways and Transportation Authority ("HTA") (Bankruptcy Case No. 17-BK-3567-LTS) (Last Four Digits of Federal Tax ID: 3808); (iv) Employees Retirement System of the Government of the Commonwealth of Puerto Rico ("ERS") (Bankruptcy Case No. 17-BK-3566-LTS) (Last Four Digits of Federal Tax ID: 9686); (v) Puerto Rico Electric Power Authority ("PREPA") (Bankruptcy Case No. 17-BK-4780-LTS) (Last Four Digits of Federal Tax ID: 3747); and (vi) Puerto Rico Public Buildings Authority ("PBA") (Bankruptcy Case No. 19-BK-5523-LTS) (Last Four Digits of Federal Tax ID: 3801) (Title III case numbers are listed as Bankruptcy Case numbers due to software limitations).

The Financial Oversight and Management Board for Puerto Rico (the “Oversight Board”), as the Title III representative of the Puerto Rico Electric Power Authority (“PREPA” or the “Debtor”) pursuant to Section 315(b) of the *Puerto Rico Oversight, Management, and Economic Stability Act* (“PROMESA”),² respectfully states as follows:

1. On August 25, 2023, the Oversight Board, on behalf of PREPA, entered into the Forward Delivery Bond Purchase Agreement (the “Bond Purchase Agreement”) with certain holders of PREPA’s uninsured bonds (the “Purchasers”) to commit to purchase certain new bonds that will be issued pursuant to the *Modified Fourth Amended Title III Plan of Adjustment of the Puerto Rico Electric Power Authority* [Case No. 17-4780, ECF No. 4680] (as it may be amended, modified or supplemented, the “Plan”)³ to fund PREPA’s obligation under the Plan.

2. On January 12, 2024, the Oversight Board, on behalf of PREPA, entered into the First Amendment to Forward Delivery Bond Purchase Agreement with the Purchasers to commit to purchase additional Series B Bonds.

3. The Bond Purchase Agreement annexed, as Appendix II thereto, a table delineating certain material terms of the bonds to be purchased pursuant to the Bond Purchase Agreement. Appendix II assumed an Effective Date of July 1, 2024.

4. The Oversight Board, on behalf of PREPA, and the Purchasers recognize and acknowledge that the Effective Date did not occur by July 1, 2024. Accordingly, on August 12, 2024, the Oversight Board, on behalf of PREPA, entered into the Second Amendment to Forward Delivery Bond Purchase Agreement (the “Second Amendment”) with the Purchasers to revise Annex II to amend the anticipated closing date of the sale of the new bonds under the Bond

² PROMESA is codified at 48 U.S.C. §§ 2101–2241.

³ Capitalized terms not otherwise defined herein shall have the meanings given to such terms in the Plan or Bond Purchase Agreement, as applicable.

Purchase Agreement from July 1, 2024 to October 1, 2024, consistent with the outside date in the Second Bond Settlement Agreement, as amended, among the Oversight Board, the Purchasers, and various other bondholder parties.

5. Attached hereto as **Exhibit A** is the Second Amendment.

Dated: August 15, 2024
San Juan, Puerto Rico

Respectfully submitted,

/s/ Ehud Barak

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Ehud Barak
Paul V. Possinger
Daniel S. Desatnik
(Admitted *Pro Hac Vice*)
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*Attorneys for the Financial Oversight and
Management Board, as representative for
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/s/ Hermann D. Bauer

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*Co-Attorneys for the Financial
Oversight and Management Board, as
representative for PREPA*

CERTIFICATE OF SERVICE

I hereby certify that, on this same date, I electronically filed the foregoing with the Clerk of the Court using the CM/ECF system, which will send notifications of such filing to all CM/ECF participants in this case.

/s/ Hermann D. Bauer
Hermann D. Bauer

EXHIBIT A

Second Amendment

SECOND AMENDMENT TO FORWARD
DELIVERY BOND PURCHASE AGREEMENT

THIS Second Amendment (this “Second Amendment”) to the Purchase Agreement (as defined below) is made as of August 12, 2024 (the “Amendment Execution Date”) by and between BLACKROCK FINANCIAL MANAGEMENT, INC., on behalf of itself and as representative (the “Representative”) of the purchasers listed on Appendix I to the Purchase Agreement (together with the Representative, the “Purchasers”) with the Financial Oversight and Management Board for Puerto Rico (the “FOMB”), as representative of the Puerto Rico Electric Power Authority (the “Authority”), a body corporate and politic of the Commonwealth of Puerto Rico (the “Commonwealth”).

RECITALS:

WHEREAS, the Purchasers and the FOMB (together, the “Parties”) entered into that certain Forward Delivery Bond Purchase Agreement as of August 25, 2023 (as amended from time to time, the “Purchase Agreement”);

WHEREAS, the Parties entered into that certain First Amendment to Forward Delivery Bond Purchase Agreement as of January 12, 2024 (the “First Amendment”);

WHEREAS, the Purchase Agreement annexed, as Appendix II thereto, a table delineating certain material terms of the bonds to be purchased pursuant to the Purchase Agreement;

WHEREAS, Appendix II assumed a Plan of Adjustment effective date of July 1, 2024;

WHEREAS, the Parties recognize and acknowledge that the Plan of Adjustment effective date will not occur by July 1, 2024; and

WHEREAS, the Parties desire to amend the Purchase Agreement in order to reflect certain additional understandings reached between the Parties.

NOW, THEREFORE, in consideration of the mutual representations, warranties, covenants and agreements contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and subject to the terms and conditions hereof, the parties, intending to be legally bound, hereby agree as follows:

ARTICLE I

INTERPRETATION

1.1. Capitalized terms not otherwise defined herein shall have the meanings set forth in the Purchase Agreement.

ARTICLE II

AMENDMENTS TO AGREEMENT

2.1. Appendix II is hereby deleted and replaced in its entirety with the material terms summary attached hereto as **Exhibit 1**.

ARTICLE III

MISCELLANEOUS

3.1. Except to the extent specifically amended herein or supplemented hereby, the Purchase Agreement remains unchanged and in full force and effect, and this Amendment will be governed by and subject to the terms of the Purchase Agreement, as amended by the First Amendment and this Second Amendment. From and after the date of this Second Amendment, each reference in the Purchase Agreement to “this Purchase Agreement,” “hereof,” “hereunder” or words of like import, and all references to the Purchase Agreement in any and all agreements, instruments, documents, notes, certificates and other writings of every kind of nature (other than in this Second Amendment or as otherwise expressly provided) will be deemed to mean the Purchase Agreement, as amended by this Second Amendment, whether or not this Second Amendment is expressly referenced.

3.2. Except as amended hereby, the Purchase Agreement shall remain in full force and effect without amendment or modification.

[Signature Pages to Follow]

FINANCIAL OVERSIGHT MANAGEMENT BOARD
FOR THE COMMONWEALTH OF PUERTO RICO,
on behalf of the Puerto Rico Electric Power Authority

By:  _____

BlackRock Allocation Target Shares: Series E Portfolio

BlackRock California Municipal Opportunities Fund of BLK California Muni

BlackRock High Yield Municipal Fund

BlackRock New York Municipal Opportunities Fund of BLK Multi-State Muni

BlackRock Strategic Municipal Opportunities Fund of BlackRock Series Trust

BlackRock MuniAssets Fund, Inc.

By: **BLACKROCK FINANCIAL MANAGEMENT INC.**, as Investment Advisor or Manager

By: Ryan McDonald

Name: Ryan McDonald

Title: Managing Director

Fund/Account	Par of new PREPA Bonds
BlackRock Allocation Target Shares: Series E Portfolio	
BlackRock California Municipal Opportunities Fund of BLK California Muni	
BlackRock High Yield Municipal Fund	
BlackRock New York Municipal Opportunities Fund of BLK Multi-State Muni	
BlackRock Strategic Municipal Opportunities Fund of BlackRock Series Trust	
BlackRock MuniAssets Fund, Inc.	

Obsidian Master Fund - Trading Sleeve

Ford Motor Company Defined Benefit Master Trust

By: **BLACKROCK FINANCIAL MANAGEMENT INC.**, as Investment Advisor or Manager

By: Stuart Spodek

Name: Stuart Spodek

Title: Managing Director

Fund/Account	Par of new PREPA Bonds	
Obsidian Master Fund - Trading Sleeve		
Ford Motor Company Defined Benefit Master Trust		

BlackRock Strategic Income Opportunities Portfolio

Strategic Income Opportunities Bond Fund

By: **BLACKROCK ADVISORS, LLC.**, as Investment Advisor or Manager

By: Russell Brownback

Name: Russell Brownback

Title: Managing Director

Fund/Account	Par of new PREPA Bonds
BlackRock Strategic Income Opportunities Portfolio	
Strategic Income Opportunities Bond Fund	

Dated as of the date set forth above.

BLACKROCK FINANCIAL MANAGEMENT,
INC., as Representative and Purchaser

By: _____

Name:

Title:

NUVEEN ASSET MANAGEMENT, LLC, as
Purchaser

By:  _____

Name: Stuart J. Cohen

Title: MD & Head of Legal

FRANKLIN ADVISERS, INC., as Purchaser

By: _____

Name:

Title:

TACONIC CAPITAL ADVISORS L.P., as
Purchaser

By: _____

Name:

Title:

[Signature Page to Second Amendment to the Purchase Agreement]

Dated as of the date set forth above.

BLACKROCK FINANCIAL MANAGEMENT,
INC., as Representative and Purchaser

By: _____

Name:

Title:

NUVEEN ASSET MANAGEMENT, LLC, as
Purchaser

By: _____

Name:

Title:

FRANKLIN ADVISERS, INC., as Purchaser

By: _____

Name:

Title:

DocuSigned by:
Jennifer Johnston
6466E3DABC914B7...

Jennifer Johnston

Senior Vice President

TACONIC CAPITAL ADVISORS L.P., as
Purchaser

By: _____

Name:

Title:

[Signature Page to Second Amendment to Purchase Agreement]

Dated as of the date set forth above.

BLACKROCK FINANCIAL MANAGEMENT,
INC., as Representative and Purchaser

By: _____

Name:

Title:

NUVEEN ASSET MANAGEMENT, LLC, as
Purchaser

By: _____

Name:

Title:

FRANKLIN ADVISERS, INC., as Purchaser

By: _____

Name:

Title:

TACONIC CAPITAL ADVISORS L.P., as
Purchaser

DocuSigned by:

By: Erin Rota _____

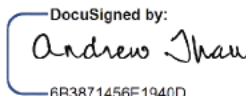
Name: Erin Rota

Title: Deputy General Counsel

[Signature Page to Second Amendment to Purchase Agreement]

Dated as of the date set forth above.

WHITEBOX ADVISORS, LLC, as Purchaser

By:  6B3871456E1940D...

Name: Andrew Thau
Title: Senior Legal Analyst

[Signature Page to Second Amendment to Purchase Agreement]

Dated as of the date set forth above.

Acknowledged:

BARCLAYS CAPITAL INC., as Settlement Agent

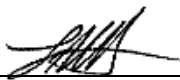
By: _____

EXHIBIT 1

Material Terms of the Bonds

\$1,632,433,097 Restructured Power Revenue Bonds, Series 2024B

	B1	B2
Series	B	B
Initial Principal Amount	\$278,736,088	\$1,353,697,009
Purchase Price/Yield	100%	100%
Interest Rate	6.000%	7.125%
Trade Date	[●], 2024	[●], 2024
Settlement Date	[●], 2024	[●], 2024
Weighted Average Maturity*	11 years	26 years
Year of Anticipated Repayment*	2037	2060
Month of Legal Final Maturity	January 1, 2042	January 1, 2060
First Interest Payment Date**	July 2025	July 2025
CUSIP Numbers	74526Q 2Y7	74526Q 2Z4
Call Protection	Non-callable.	Callable after 20 years (2044) at 105%, stepping down 1% each year until callable at par after 25 years (2049)
Tax Call	Callable after 10 years (2034) at 110% up and through such date as any permitted optional redemption occurs	Callable after 10 years (2034) at 110% up and through such date as any permitted optional redemption occurs

*Estimates based upon Legacy Charge Revenue projections in the certified 2023 PREPA Fiscal Plan, assuming a Plan of Adjustment effective date of October 1, 2024. If the Plan of Adjustment effective date is different and/or actual revenues differ from 2023 PREPA Fiscal Plan projections, the actual weighted average maturity and repayment date will vary from these estimates.

**Estimate based upon an assumed Plan of Adjustment effective date of October 1, 2024. If the Plan of Adjustment effective date is materially later than the assumed date, the first interest payment date will occur on the effective date.