

ESTADO LIBRE ASOCIADO DE PUERTO RICO
GOBIERNO MUNICIPAL AUTÓNOMO DE HUMACAO
LEGISLATURA MUNICIPAL
HUMACAO, PUERTO RICO

CERTIFICACIÓN

Yo, ANALIRIS CRUZ VELLÓN, Secretaria de la Legislatura Municipal de Humacao, Puerto Rico, por la presente **CERTIFICO:**

Que la que se acompaña es copia fiel y exacta de la **Resolución Núm. 31, Serie 2017-2018**, la cual fue aprobada por la Legislatura Municipal de Humacao, Puerto Rico, en Sesión Ordinaria celebrada el día 8 de febrero de 2018.

VOTACIÓN

VOTOS AFIRMATIVOS:

1. Honorable Julio C. Burgos Gutiérrez
2. Honorable Olga del Moral Sánchez
3. Honorable Roberto Díaz Díaz
4. Honorable Ricardo Díaz Maldonado
5. Honorable Joel I. Díaz Rivera
6. Honorable José Á. González Hernández
7. Honorable Alejandro Martínez Burgos
8. Honorable Grace Napolitano Matta
9. Honorable Miguel Rodríguez Vega
10. Honorable Narciso J. Rodríguez Velázquez
11. Honorable Daniel Santiago Rojas
12. Honorable Héctor E. Sepúlveda Ramos
13. Honorable Víctor M. Velázquez Casillas
14. Honorable Ángel G. Rodríguez Medina - Presidente

EN CONTRA

Ninguno

AUSENTE

15. Honorable Zayra E. Delgado Almodóvar (al momento de la votación)
16. Honorable Nydia M. Vega Cintrón

ABSTENIDO

Ninguno

CERTIFICO CORRECTO:


ANALIRIS CRUZ VELLÓN
SECRETARIA

Sello Oficial

ESTADO LIBRE ASOCIADO DE PUERTO RICO
GOBIERNO MUNICIPAL DE HUMACAO
LEGISLATURA MUNICIPAL
HUMACAO, PUERTO RICO

Proyecto Núm. 35
Resolución Núm. 31

Serie 2017-2018

De Administración, presentado por los honorables: Ángel G. Rodríguez Medina, Zayra E. Delgado Almodóvar, Narciso J. Rodríguez Velázquez, Miguel Rodríguez Vega, Grace Napolitano Matta, Víctor M. Velázquez Casillas, Daniel Santiago Rojas, José A. González Hernández, Julio C. Burgos Gutiérrez, Roberto Díaz Díaz, Olga del Moral Sánchez, Héctor E. Sepúlveda Ramos y Joel I. Díaz Rivera.

“PARA AUTORIZAR AL ALCALDE DEL MUNICIPIO AUTÓNOMO DE HUMACAO A REALIZAR LAS GESTIONES NECESARIAS PARA ENTRAR EN NEGOCIACIONES CON EL BANCO GUBERNAMENTAL DE FOMENTO PARA EL OTORGAMIENTO DE UN RESTRUCTURING SUPPORT AGREEMENT.”

POR CUANTO: El 18 de enero de 2017, el gobernador Ricardo Rosselló Nevares firmó la Ley Orgánica de la Autoridad de Asesoría Financiera y Agencia Fiscal (A.A.F.A.F.). La A.A.F.A.F. fue creada con el propósito de actuar como agente fiscal, asesor financiero y agente informativo de todos los entes del Gobierno de Puerto Rico y asistir a tales entidades en confrontar la grave crisis fiscal y emergencia económica por la que atraviesa Puerto Rico. La Autoridad es el ente gubernamental encargado de la colaboración, comunicación y cooperación entre el Gobierno de Puerto Rico y la Junta de Supervisión Fiscal, creada a tenor con la ley federal *Puerto Rico Oversight, Management, and Economic Stability Act*, conocida como *P.R.O.M.E.S.A.* (por sus siglas en inglés).

POR CUANTO: Algunos municipios del Estado Libre Asociado de Puerto Rico y otras entidades no gubernamentales han presentado reclamaciones contra el Banco Gubernamental de Fomento (en adelante “el Banco”), que constituyen reclamaciones de bonos de participación.

POR CUANTO: El Banco junto a la A.A.F.A.F., interesan otorgar un “*Restructuring Support Agreement*” con las diferentes entidades que han presentado reclamaciones, incluyendo al Municipio Autónomo de Humacao.

POR CUANTO: Conforme establece al borrador del documento titulado “*Restructuring Support Agreement*” sometido por el Banco, el Municipio Autónomo de Humacao tiene depósitos de fondos por la cantidad de trece millones ciento treinta y un mil setecientos noventa y tres dólares (\$13,131,793.00) y préstamos por la cantidad de dos

millones quinientos tres mil quinientos ochenta y cinco dólares (\$2,503,585.00).

POR CUANTO: Se solicita a esta Legislatura que autorice al Municipio a realizar las gestiones necesarias para entrar en este acuerdo con el Banco Gubernamental de Fomento.

POR TANTO: RESUÉLVASE POR LA LEGISLATURA MUNICIPAL DE HUMACAO, PUERTO RICO:

SECCIÓN 1: Se autoriza al alcalde del Municipio Autónomo de Humacao a realizar las gestiones necesarias para entrar en negociaciones con el Banco Gubernamental de Fomento para el otorgamiento de un "Restructuring Support Agreement".

SECCIÓN 2: El alcalde o la persona en quien éste delegue, estará autorizado a ejecutar y a entrar en contrato y/o acuerdos con el Banco Gubernamental de Fomento y a solicitar y desembolsar los fondos de acuerdo a lo establecido en los contratos y/o acuerdos.

SECCIÓN 3: Toda gestión realizada con este propósito deberá ser ratificada luego por la Legislatura Municipal.

SECCIÓN 4: Esta Resolución será efectiva y entrará en vigor inmediatamente sea firmada por el alcalde.

SECCIÓN 5: Copia de esta Resolución será enviada al Banco Gubernamental de Fomento, a la Oficina de Finanzas Municipales y a cualquier otra agencia con interés.

APROBADA POR LA LEGISLATURA MUNICIPAL DE HUMACAO, PUERTO RICO, EL 8 DE FEBRERO DE 2018.


Ángel G. Rodríguez Medina
Presidente


Analiris Cruz Vellón
Secretaria

PRESENTADA ANTE MI CONSIDERACIÓN, EL 9 DE FEBRERO DE 2018 Y FIRMADA POR MÍ, EL 12 DE FEBRERO DE 2018.


Marcelo Trujillo Panisse
Alcalde

ESTADO LIBRE ASOCIADO DE PUERTO RICO
GOBIERNO MUNICIPAL AUTÓNOMO DE HUMACAO
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“PARA AUTORIZAR AL ALCALDE DEL MUNICIPIO AUTÓNOMO DE HUMACAO A REALIZAR LAS GESTIONES NECESARIAS PARA ENTRAR EN NEGOCIACIONES CON EL BANCO GUBERNAMENTAL DE FOMENTO PARA EL OTORGAMIENTO DE UN RESTRUCTURING SUPPORT AGREEMENT.”

ÍNDICE AL APÉNDICE

- Restructuring Support Agreement

RESTRUCTURING SUPPORT AGREEMENT

THIS RESTRUCTURING SUPPORT AGREEMENT (including the annexes, exhibits and schedules attached hereto and as amended, supplemented or otherwise modified from time to time in accordance with the terms hereof, this “**Agreement**” or “**RSA**”), dated as of June 1, 2017, is entered into by and among the Government Development Bank for Puerto Rico (“**GDB**”), the Puerto Rico Fiscal Agency and Financial Advisory Authority (“**AAFAF**”), and the undersigned Deposit Claimants (as defined herein). The Deposit Claimants who are party to this Agreement or execute a joinder to this Agreement in the form of Exhibit B will be referred to herein collectively as the “**Supporting Deposit Claimants**.” The Supporting Deposit Claimants, together with GDB, AAFAF, and any subsequent person or entity that becomes a party hereto in accordance with the terms hereof, are referred to herein collectively as the “**Parties**” and each individually as a “**Party**.”

WHEREAS, certain municipalities within the Commonwealth of Puerto Rico and other non-public entities (the “**Deposit Claimants**”) hold claims against GDB, which constitute Participating Bond Claims (as defined in the Restructuring Term Sheet), on account of certain deposits made by such Deposit Claimants with GDB.

WHEREAS, on May 15, 2017, GDB, AAFAF, and certain holders of bonds issued and outstanding pursuant to that certain trust indenture, dated as of February 17, 2006 between GDB and Wilmington Trust, National Association, as successor trustee, entered into a Restructuring Support Agreement (the “**Bondholder RSA**”).

WHEREAS, the parties to the Bondholders RSA agreed to undertake a financial restructuring of GDB (the “**Restructuring**”), which is anticipated to be effected through a Qualifying Modification pursuant to Title VI of the Puerto Rico Oversight, Management, and Economic Stability Act, Pub. L. No. 114–187, 130 Stat. 549 (2016) (“**PROMESA**”) (including any schedules and exhibits attached thereto, the “**Plan**”) on terms and conditions set forth in the term sheet attached hereto as Exhibit A (including any schedules and exhibits attached thereto, the “**Restructuring Term Sheet**”).

WHEREAS, the Bondholder RSA contemplates that GDB and AAFAF may enter into additional restructuring support agreements to support the Restructuring with holders of additional Participating Bond Claims, such as the Deposit Claimants, on substantially similar terms to the Bondholder RSA (a “**Qualifying RSA**”).

WHEREAS, the Parties have agreed to undertake the Restructuring on the terms and conditions set forth in the Restructuring Term Sheet and intend for this RSA to be a Qualifying RSA.

NOW, THEREFORE, in consideration of the premises and the mutual covenants and agreements set forth herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties, intending to be legally bound, agree as follows:

I. Certain Definitions.

Capitalized terms used herein but not otherwise defined shall have the meaning set forth in the Restructuring Term Sheet. As used in this RSA, the following terms have the following meanings:

- (a) “**Claim**” has the meaning set forth in the definition of “Liability Claim” in section 405 of PROMESA.
- (b) “**Definitive Documents**” means the documents (including any related agreements, instruments, schedules, or exhibits) that are necessary or desirable to implement, or otherwise relate to, the Restructuring, including this RSA, the Plan (including any supplements thereto), any disclosure statement, any order approving such disclosure statement, any information materials required pursuant to section 601(f) of PROMESA, and the court order pursuant to section 601(m)(1)(D) of PROMESA approving the Qualifying Modification, in each case on terms and conditions consistent with the Restructuring Term Sheet and PROMESA.
- (c) “**District Court**” means the United States District Court for the District of Puerto Rico or any other federal district court of competent jurisdiction under PROMESA.
- (d) “**Effective Date**” means the date upon which all the conditions to the effectiveness of the Plan have been satisfied or waived in accordance with its terms.
- (e) “**Effective Voluntary Agreement**” means a Voluntary Agreement (defined below) certified by the Oversight Board in accordance with section 104(i)(1) of PROMESA to which the Majority Bondholders (defined below) are party.
- (f) “**Fiscal Plan**” means the Fiscal Plan for GDB certified by the Oversight Board on April 28, 2017.
- (g) “**Majority Bondholders**” means holders of at least a majority in amount of the Bond Claims (as defined in PROMESA) of GDB that are to be affected by the Voluntary Agreement (as defined below) providing for the Restructuring.
- (h) “**Outstanding**” has the meaning set forth in section 601(a)(10) of PROMESA.
- (i) “**Oversight Board**” means the Financial Oversight and Management Board for Puerto Rico established pursuant to PROMESA.
- (j) “**Qualifying Modification**” has the meaning set forth in section 601(a)(13) of PROMESA.
- (k) “**Qualifying Title III Plan**” has the meaning set forth in section 4(a) of this Agreement.

1. Certain Definitions.

Capitalized terms used herein but not otherwise defined shall have the meaning set forth in the Restructuring Term Sheet. As used in this RSA, the following terms have the following meanings:

- (a) “**Claim**” has the meaning set forth in the definition of “Liability Claim” in section 405 of PROMESA.
- (b) “**Definitive Documents**” means the documents (including any related agreements, instruments, schedules, or exhibits) that are necessary or desirable to implement, or otherwise relate to, the Restructuring, including this RSA, the Plan (including any supplements thereto), any disclosure statement, any order approving such disclosure statement, any information materials required pursuant to section 601(f) of PROMESA, and the court order pursuant to section 601(m)(1)(D) of PROMESA approving the Qualifying Modification, in each case on terms and conditions consistent with the Restructuring Term Sheet and PROMESA.
- (c) “**District Court**” means the United States District Court for the District of Puerto Rico or any other federal district court of competent jurisdiction under PROMESA.
- (d) “**Effective Date**” means the date upon which all the conditions to the effectiveness of the Plan have been satisfied or waived in accordance with its terms.
- (e) “**Effective Voluntary Agreement**” means a Voluntary Agreement (defined below) certified by the Oversight Board in accordance with section 104(i)(1) of PROMESA to which the Majority Bondholders (defined below) are party.
- (f) “**Fiscal Plan**” means the Fiscal Plan for GDB certified by the Oversight Board on April 28, 2017.
- (g) “**Majority Bondholders**” means holders of at least a majority in amount of the Bond Claims (as defined in PROMESA) of GDB that are to be affected by the Voluntary Agreement (as defined below) providing for the Restructuring.
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- (i) “**Oversight Board**” means the Financial Oversight and Management Board for Puerto Rico established pursuant to PROMESA.
- (j) “**Qualifying Modification**” has the meaning set forth in section 601(a)(13) of PROMESA.
- (k) “**Qualifying Title III Plan**” has the meaning set forth in section 4(a) of this Agreement.

(l) “**Solicitation**” means the solicitation of votes for the Plan pursuant to, and in compliance with, PROMESA or any applicable nonbankruptcy law, rule, or regulation governing the adequacy of disclosure in connection with such solicitation.

(m) “**Support Effective Date**” means May 17, 2017.

(n) “**Support Period**” means the period commencing on the Agreement Effective Date (as defined below) and ending on the earlier of the (i) date on which this RSA is terminated in accordance with Section 6 hereof and (ii) the Effective Date.

(o) “**Voluntary Agreement**” means an agreement certified by the Oversight Board as satisfying the requirements of section 104(i)(1) of PROMESA.

2. Restructuring Term Sheet. The material terms and conditions of the Restructuring are set forth in the Restructuring Term Sheet; provided that the Restructuring Term Sheet is supplemented by the terms and conditions of this RSA. In the event of any inconsistencies in the terms of the Restructuring between the Restructuring Term Sheet and this RSA, the terms of the Restructuring Term Sheet shall govern. For any other inconsistency between the Restructuring Term Sheet and this RSA, this RSA shall govern.

3. Mutual Obligations and Acknowledgments.

(a) During the Support Period, each Party shall work collaboratively and in good faith with the other Parties to, finalize, document and implement the Plan incorporating the terms and conditions described on the Restructuring Term Sheet and such other terms, conditions and documents necessary to implement and effectuate the Plan based on, and consistent with, the Restructuring Term Sheet and this Agreement, including without limitation the Definitive Documents, which Definitive Documents shall (i) contain economic terms consistent in all material respects with the terms set forth in the Restructuring Term Sheet, (ii) be consistent with this Agreement in all material respects and (iii) not contain any material additional terms, elements or transactions that adversely affect any Supporting Deposit Claimant in its capacity as a Deposit Claimant of GDB.

(b) During the Support Period, each Party shall refrain from (i) promoting or supporting any bill or legislation or (ii) directly or indirectly promoting, supporting or entering into any agreement, in each case that is inconsistent with the Restructuring or this RSA, that would materially and adversely affect the ability of GDB to comply with its obligations under this RSA or the Definitive Documents, or that would materially and adversely affect any Supporting Deposit Claimant in its capacity as a Deposit Claimant of GDB.

(c) During the Support Period, each Party shall use reasonable best efforts to consummate the Restructuring pursuant to Title VI of PROMESA. Notwithstanding the foregoing, if the Parties hereto mutually agree that it is necessary or desirable to consummate the Restructuring pursuant to Title III of PROMESA rather than Title VI of PROMESA, such Parties shall work collaboratively and in good faith to amend any milestones and other relevant provisions set forth in this Agreement and the Restructuring Term Sheet to reflect the different requirements and expectations of such a proceeding, which amendments shall be binding on all Parties.

(d) Each Party acknowledges and agrees that upon (i) certification of this RSA as a Voluntary Agreement by the Oversight Board and (ii) the execution and delivery of counterpart signature pages to this RSA, the Bondholder RSA, or any other Qualifying RSA from the Majority Bondholders, the Voluntary Agreement providing for the Restructuring shall become an Effective Voluntary Agreement pursuant to section 104(i)(2), which can be submitted to the Oversight Board as a Qualifying Modification pursuant to the Voluntary Agreement Process, as set forth and defined in section 601(g)(2) of PROMESA.

(e) Each Party acknowledges and agrees that solicitation of the Qualified Modification (as defined in PROMESA) will commence upon receipt of the certification by the Oversight Board required by section 601(g)(2) of PROMESA.

4. Agreements of the Supporting Deposit Claimants.

(a) Agreement to Vote. During the Support Period, subject to the terms and conditions hereof, each Supporting Deposit Claimant agrees that it shall, subject to the receipt by such Supporting Deposit Claimant of the disclosure statement and/or other solicitation materials in respect of the Plan:

(i) vote or cause to be voted its Participating Bond Claims to accept the Plan by delivering its duly executed and completed ballots accepting the Plan on a timely basis as soon as reasonably practicable after receiving the ballots; provided that such vote shall be immediately revoked by all Supporting Deposit Claimants and deemed void *ab initio* upon termination of this RSA before the consummation of the Plan pursuant to the terms hereof;

(ii) not change or withdraw (or cause to be changed or withdrawn) any such vote;

(iii) act in good faith and use commercially reasonable efforts to support the Solicitation in accordance with the terms of this RSA;

(iv) do all things reasonably necessary and appropriate in furtherance of confirming the Plan and consummating the Restructuring and the transactions contemplated thereby in accordance with, and within the time frames contemplated by, this RSA (including within the deadlines set forth in Section 6), including considering actions reasonably requested by GDB and AAFAP;

(v) not take any action directly or indirectly that is inconsistent with, or that would reasonably be expected to prevent, interfere with, delay or impede (A) the approval contemplated by section 601(f) of PROMESA, (B) the Solicitation of votes on the Plan and/or (C) the confirmation and consummation of the Plan and the Restructuring, including soliciting or causing or allowing any of its agents or representatives to solicit any agreements relating to any voluntary restructuring transaction pursuant to Title VI of PROMESA or any other restructuring transaction other than the Restructuring (an “**Alternative Transaction**”);

(vi) not, nor encourage any other person to, take any action which would, or would reasonably be expected to, breach or be inconsistent with this RSA or delay, impede, appeal, or take any other negative action, directly or indirectly, or encourage any other entity to interfere with the acceptance or implementation of the Restructuring;

(vii) for so long as the RSA has not been terminated, not (A) object to, delay, impede, or take any other action to interfere with acceptance or implementation of the Plan, (B) directly or indirectly solicit, encourage, propose, file, support, participate in the formulation of or vote for, any restructuring, sale of assets, merger, workout, or plan of reorganization for GDB other than the Plan, (C) otherwise take any action that would interfere with, delay, or postpone the consummation of the Restructuring, or (D) oppose a petition under Title III of PROMESA of GDB or any plan of adjustment under such Title III; provided that (i) such case has been filed in accordance with Section 3(c) above and (ii) the plan of adjustment filed with the petition or subsequently sought for approval incorporates all material terms of the Restructuring Term Sheet (a “**Qualifying Title III Plan**”); and

(viii) vote or cause to be voted its Participating Bond Claims to accept the Qualifying Title III Plan by delivering its duly executed and completed ballots accepting the Qualifying Title III Plan on a timely basis as soon as reasonably practicable after receiving the ballots; provided that such vote shall be immediately revoked by all Supporting Deposit Claimants and deemed void *ab initio* upon termination of this RSA before the consummation of the Qualifying Title III Plan pursuant to the terms hereof.

(b) Forbearance.

(i) During the period commencing on the date hereof and ending on the termination of this RSA in accordance with its terms, each Supporting Deposit Claimant hereby agrees to forbear from exercising, or consenting to the exercise of, or directing or otherwise directly or indirectly causing the exercise of any of the rights and remedies available to the Supporting Deposit Claimant (or any Deposit Claimant) including, without limitation, commencing, prosecuting, joining, interceding in, supporting, or otherwise participating, in each case, directly or indirectly, in any way in any legal proceedings against GDB, AAFAF, the Government of Puerto Rico or any other agency, instrumentality, or municipality thereof, or any current or former officer or director of such Puerto Rico governmental bodies, in respect of Participating Bond Claims held by the Deposit Claimants, including, without limitation, on account of deposits held at GDB by the Deposit Claimants (“**Remedial Action**”).

(ii) The foregoing forbearance shall not be construed to impair the ability of the Supporting Deposit Claimants to take any Remedial Action, without requirement for any notice, demand, or presentment of any kind, at any time after the Support Period, and, except as provided herein, nothing shall restrict, impair, or otherwise affect the exercise of the Supporting Deposit Claimants’ rights under this RSA.

(c) The Supporting Deposit Claimants agree to provide prompt written notice to the Notice Parties between the date hereof and the Effective Date of (i) receipt of any notice that is not publicly available of any judicial proceeding commenced, or, to the actual knowledge of any Supporting Deposit Claimant, threatened in writing against any Supporting Deposit Claimant, relating to or involving or otherwise affecting in any material respect the transactions contemplated by the Restructuring, and (ii) any failure of any Supporting Deposit Claimant to comply with or satisfy, in any material respect, any covenant, condition, or agreement hereunder.

(d) The agreements of the Supporting Deposit Claimants in this Section 4 shall be solely on such Supporting Deposit Claimants' own behalf and not on behalf of any other Supporting Deposit Claimants and shall be several and not joint.

(e) Notwithstanding anything in this Agreement, each Supporting Deposit Claimant is entitled to act to protect its interests as holders of other obligations issued by the Government of Puerto Rico or any of its instrumentalities (other than GDB).

(f) Subject to the express terms of this Agreement, including Section 13, the Supporting Deposit Claimant shall not be prohibited from taking any action that any such Supporting Deposit Claimant shall deem necessary or appropriate to preserve, protect or defend any of its rights under this Agreement, the Plan or the Definitive Documents.

(g) Except as expressly provided in this Agreement, including the Plan and any Definitive Document, each Supporting Deposit Claimant shall in no way be required as a result of this Agreement to expend any cash resources or assume any additional risk or liability in support of the Plan or this Agreement.

5. Agreements of GDB.

Prior to and during the Support Period, subject to the terms and conditions hereof, GDB agrees that it shall:

(a) (i) act in good faith and use commercially reasonable efforts to support and complete successfully the Solicitation in accordance with the terms of this RSA, (ii) do all things reasonably necessary and appropriate in furtherance of confirming the Plan and consummating the Restructuring and the transactions contemplated thereby in accordance with, and within the time frames contemplated by, this RSA (including within the deadlines set forth in Section 6); provided that GDB shall not be obligated to agree to any modification of any document that is inconsistent with the Restructuring Term Sheet, (iii) not take any action directly or indirectly that is inconsistent with, or that would reasonably be expected to prevent, interfere with, delay or impede (A) the approval contemplated by section 601(f) of PROMESA, (B) the Solicitation of votes on the Plan and (C) the confirmation and consummation of the Plan and the Restructuring, including, without limitation, soliciting or causing or allowing any of its agents or representatives to solicit an Alternative Transaction other than the Restructuring, or initiating any proceeding under any bankruptcy, insolvency or similar law or any other action or proceeding that seeks to adjust, extend or challenge the claims of the Supporting Deposit Claimants pursuant to any federal, state or Puerto Rico statute, now or

hereinafter enacted into law, except for any such proceeding to implement the Restructuring and (iv) not, nor encourage any other person to, take any action which would, or would reasonably be expected to, breach or be inconsistent with this RSA or delay, impede, appeal, or take any other negative action, directly or indirectly, or encourage any other entity to interfere with the acceptance or implementation of the Restructuring or delay the time frames contemplated by this RSA (including within the deadlines set forth in Section 6);

(b) operate its businesses without material change in such operations or disposition of material assets in accordance with its business judgment and the terms of the Fiscal Plan;

(c) use commercially reasonable efforts to preserve in accordance with the Fiscal Plan its business organization, keep available the services of its current officers and material employees (in each case, other than voluntary resignations, terminations for cause, or terminations consistent with applicable fiduciary duties and the Fiscal Plan), preserve in all material respects its relationships with depositors, vendors, representatives, government officials and others, in each case, having material business dealings with GDB (other than terminations for cause or consistent with applicable fiduciary duties and the Fiscal Plan); provided that nothing herein shall be construed to limit or cause GDB to operate in any manner that would violate the terms of the Fiscal Plan;

6. Termination of RSA.

(a) Automatic Termination. This RSA shall automatically terminate as to all Parties if the Bondholder RSA terminates in accordance with its terms.

(b) Effect of Termination. Subject to the provisions contained in Section 14, upon the termination of this RSA in accordance with this Section 6, this RSA shall become void and of no further force or effect and each Party shall, except as otherwise provided in this RSA, be immediately released from its respective liabilities, obligations, commitments, undertakings, and agreements under or related to this RSA, shall have no further rights, benefits, or privileges hereunder, and shall have all the rights and remedies that it would have had and shall be entitled to take all actions, whether with respect to the Restructuring or otherwise, that it would have been entitled to take had it not entered into this RSA and no such rights or remedies shall be deemed waived pursuant to a claim of laches or estoppel; provided that in no event shall any such termination relieve a Party from liability for its breach or non-performance of its obligations hereunder before the date of such termination.

7. Definitive Documents; Good Faith Cooperation; Further Assurances.

Each Party hereby covenants and agrees to cooperate with each other in good faith in connection with, and shall exercise commercially reasonable efforts with respect to, the pursuit, approval, implementation, and consummation of the Restructuring as well as the negotiation, drafting, execution, and delivery of the Definitive Documents. Upon written confirmation of an agreement (which confirmation may be by email) in accordance with the Bondholder RSA on, and finalization of, the Definitive Documents, this RSA shall automatically be deemed amended to replace the Restructuring Term Sheet with the Definitive Documents as **Exhibit A** hereto and all references in this Agreement to the Restructuring Term Sheet shall be deemed to be references to the Definitive Documents, as applicable. Furthermore, subject to the terms hereof, each of the Parties shall take such action as may be reasonably necessary or reasonably requested by the other Parties to carry out the purposes and intent of this RSA, and shall refrain from taking any action that would frustrate the purposes and intent of this RSA.

8. Representations and Warranties.

(a) Each Party, severally (and not jointly), represents and warrants to the other Parties that the following statements are true and correct as of the date hereof (or as of the date a Supporting Deposit Claimant becomes a party hereto):

(ii) The execution, delivery, and performance by such Party of this RSA does not and will not (A) violate any material provision of law, rule, or regulation applicable to it or its charter or bylaws (or other similar governing documents), or (B) conflict with, result in a breach of or constitute (with due notice or lapse of time or both) a default under any material contractual obligation to which it is a party, except, in the case of GDB, for the filing of a Qualifying Modification with the District Court pursuant to Title VI of PROMESA.

(iii) The execution, delivery, and performance by such Party of this RSA does not and will not require any material registration or filing with, consent or approval of, or notice to, or other action, with or by, any federal, state or governmental authority or regulatory body, except the filing of documents with the District Court as required by this RSA to effect the Restructuring and such filings as may be necessary or required by the SEC.

(iv) This RSA is the legally valid and binding obligation of such Party, enforceable against it in accordance with its terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium, or other similar laws relating to or limiting creditors' rights generally, concepts of reasonableness and general equitable principles.

(b) Each Supporting Deposit Claimant severally (and not jointly) represents and warrants to GDB that, as of the date hereof (or as of the date such Supporting Deposit Claimant becomes a party hereto), such Supporting Deposit Claimant (i) is the beneficial owner of the aggregate amount of the Participating Bond Claims set forth below its name on the signature page hereto (or below its name on the signature page of a Joinder Agreement for any Supporting Deposit Claimant that becomes a party hereto after the date hereof), (ii) has the

full power and authority to vote on and consent to matters concerning such Participating Bond Claims and to exchange, assign, and transfer such Participating Bond Claims, (iii) has such knowledge and experience in financial and business matters, and has had the opportunity to ask such questions and consult with its own advisors as it deems necessary or advisable, and that it is capable of evaluating the merits and risks of supporting the Plan and the Restructuring and prospective investment in the Issuer; (iv) is and will be acting for its own account and not for the account of any other person or entity and that upon receiving any new securities in exchange for its Claims, it will be acquiring such new securities for its own account and not for the account of any other person or entity and not with a view to a distribution; and (v) acknowledges that none of GDB, AAFAF or any other party has prepared or provided any offering memorandum, official statement or other comprehensive offering statement containing information that may be considered to be material, and that it has accessed and reviewed independently (in consultation with its own advisors as it deems necessary or advisable), such financial and other information regarding the Plan and the Restructuring and prospective investment in the Issuer as it deems appropriate in connection with its decision whether to sign the RSA and that it has not relied and shall not be relying, on GDB, AAFAF or any other party for any information concerning the foregoing.

9. Amendments and Modifications. To the extent that any provision of the Bondholder RSA (including the Restructuring Term Sheet and any exhibits or schedules hereto and thereto) is waived, modified, amended, or supplemented, such conforming modifications, amendments and supplements shall, to the extent applicable, be deemed automatically made to this RSA; provided that any waiver, change, modification, or amendment to this RSA, the Restructuring Term Sheet, or the Plan that materially and adversely affects the treatment of any Supporting Deposit Claimant compared to the treatment set forth in the Restructuring Term Sheet may not be made without the written consent of each such materially adversely affected Supporting Deposit Claimant. In the event that such an adversely affected Supporting Deposit (“**Non-Supporting Deposit Claimant**”) does not consent to a waiver, change, modification, or amendment to this RSA requiring its consent this RSA shall be deemed to have been terminated only as to such Non-Supporting Deposit Claimant, but this RSA shall continue in full force and effect in respect to all other Supporting Deposit Claimants, unless terminated pursuant to section 6(a) of this RSA. No Deposit Claimant shall have any liability to any other Deposit Claimant arising from or related to any waivers, modifications, amendments or supplements pursuant to the terms of this RSA.

10. Transfers. During the Support Period, the Deposit Claimants shall not transfer, sell, loan, pledge, assign or otherwise dispose of their Participating Bond Claims.

11. Effectiveness. This RSA shall become effective and binding upon each Supporting Deposit Claimant when a copy of the signature page executed by such Supporting Deposit Claimant is delivered to O’Melveny & Myers LLP (such date, the “**Agreement Effective Date**”).

12. Governing Law; Jurisdiction; Waiver of Jury Trial.

(a) This RSA shall be construed and enforced in accordance with, and the rights of the Parties shall be governed by, the laws of the State of New York and PROMESA,

without giving effect to the conflict of laws principles thereof; provided that any issues addressing the fiduciary or statutory duties of GDB or its governing board shall be governed by and construed in accordance with the laws of the Commonwealth of Puerto Rico. Each of the Parties irrevocably agrees that any legal action, suit, or proceeding arising out of or relating to this RSA (or the transactions contemplated hereby) brought by any Party or its successors or assigns shall be brought in any federal district court sitting in Puerto Rico and any appellate court from any thereof or, in the event such federal court does not have or accept jurisdiction, a Commonwealth court and any appellate court from any thereto (collectively, the “**Puerto Rico Courts**”), and each of the Parties hereby irrevocably submits to the exclusive jurisdiction of the Puerto Rico Courts for itself and with respect to its property, generally and unconditionally, with regard to any such proceeding arising out of or relating to this RSA and the Restructuring. Each of the Parties agrees not to commence any proceeding relating hereto or thereto except in any federal district court sitting in Puerto Rico, other than proceedings in any court of competent jurisdiction to enforce any judgment, decree or award rendered by any Puerto Rico Court. Each of the Parties further agrees that notice as provided in Section 23 shall constitute sufficient service of process and the Parties further waive any argument that such service is insufficient. Each of the Parties hereby irrevocably and unconditionally waives and agrees not to assert that (i) a proceeding in any federal court sitting in the Puerto Rico district is brought in an inconvenient forum, (ii) the venue of such proceeding is improper or (iii) that any federal district court sitting in Puerto Rico and any appellate court from any thereof lacks jurisdiction over such proceeding or any party thereto.

(b) Each Party hereby waives, to the fullest extent permitted by applicable law, any right it may have to a trial by jury in any legal proceeding directly or indirectly arising out of or relating to this RSA or the transactions contemplated hereby (whether based on contract, tort or any other theory).

13. Specific Performance/Remedies. The Parties understand and agree that money damages would be an insufficient remedy for any breach of this RSA by any Party, and each non-breaching Party shall be entitled to specific performance and injunctive or other equitable relief (including attorneys’ fees and costs) as a remedy of any such breach, without the necessity of proving the inadequacy of money damages as a remedy. Specific performance and the right to terminate this Agreement in accordance with Section 6 of this Agreement shall be the sole and exclusive remedies for any breach of this RSA by any Party. Each Party hereby waives any requirement for security or the posting of any bond in connection with such remedies.

14. Survival. Notwithstanding the termination of this RSA pursuant to Section 6, Sections 12-23 shall survive such termination and shall continue in full force and effect in accordance with the terms hereof; provided that any liability of a Party for failure to comply with the terms of this RSA prior to the date of such termination shall survive such termination.

15. Headings. The headings of the sections, paragraphs, and subsections of this RSA are inserted for convenience only and shall not affect the interpretation hereof or, for any purpose, be deemed a part of this RSA.

16. Successors and Assigns; Severability. This RSA is intended to bind and inure to the benefit of the Parties and their respective successors, permitted assigns, heirs, executors, administrators and representatives. If any provision of this RSA, or the application of any such provision to any person or entity or circumstance, shall be held invalid or unenforceable, in whole or in part, such invalidity or unenforceability shall attach only to such provision or part thereof and the remaining part of such provision hereof and this RSA shall continue in full force and effect. Upon any such determination of invalidity, the Parties shall negotiate in good faith to modify this RSA so as to effect the original intent of the Parties as closely as possible in a reasonably acceptable manner so that the transactions contemplated hereby are consummated as originally contemplated to the greatest extent possible.

17. Several, Not Joint, Obligations. The agreements, representations, warranties, and obligations of the Parties under this RSA are, in all respects, several and not joint.

18. Relationship Among Parties. Unless expressly stated herein, this RSA shall be solely for the benefit of the Parties, and no other person or entity shall be a third-party beneficiary hereof. No Party shall have any responsibility for any trading by any other entity by virtue of this RSA. No prior history, pattern, or practice of sharing confidences among or between the Parties shall in any way affect or negate this understanding and agreement. Except as expressly set forth herein or in the Restructuring Term Sheet, nothing in this RSA or the Restructuring Term Sheet shall be construed to affect any actual or potential claims arising from any obligation of the Government of Puerto Rico or any of its instrumentalities other than GDB. Nothing in this RSA or the Restructuring Term Sheet shall constitute or be construed as a waiver or release of any claims or causes of action against GDB or any of its affiliates prior to the Effective Date.

19. Collateral Preservation. All Parties to this RSA agree to use commercially reasonable efforts to take all actions reasonably necessary and reasonably within such Party's control to preserve the value of the New Bond Collateral (as defined in the Restructuring Term Sheet).

20. Preservation of Rights. Except as expressly provided in this Agreement with respect to a Qualifying Title III Plan, the Parties do not waive or relinquish any rights, defenses and remedies, contractual or otherwise, under Title III or any other provision of PROMESA or any other law or regulation. Upon termination of this RSA, (i) no Party shall be precluded, by virtue of having been a Party to this Agreement or otherwise having engaged in negotiations regarding the Restructuring, from exercising any and all rights, defenses and remedies, whether contractual or otherwise, in connection with any proceeding under Title III or under any other provision of PROMESA or any other law or regulation and (ii) no provision of this Agreement or other document related to the Restructuring, or statement made during the negotiations thereof, shall be used against any Party in any proceeding under Title III or any other provision of PROMESA or otherwise. Notwithstanding the generality of the foregoing and for the avoidance of doubt, no Party shall be placed in a worse position in a Title III proceeding that does not implement the Restructuring (by virtue of being a party hereto), and in particular no Party shall be precluded from asserting any claim, right or defense, and each Party shall preserve each of its rights and defenses and shall not be impeded by this Agreement from bringing before

EXHIBIT A

Restructuring Term Sheet

any applicable court any available averment, defenses and priority allegation, including the assertion of priority rights under Puerto Rico Law Num. 40 of 2016, or from challenging or contesting any such rights, defenses, averments, defenses, priority allegations, whether under such law or otherwise, on any grounds.

21. Prior Negotiations; Entire Agreement. This RSA, including the exhibits and schedules hereto (including the Restructuring Term Sheet), constitutes the entire agreement of the Parties, and supersedes all other prior negotiations, with respect to the subject matter hereof and thereof, except that the Parties acknowledge that any confidentiality agreements executed between GDB and each Supporting Deposit Claimant before the execution of this RSA shall continue in full force and effect.

22. Counterparts. This RSA may be executed in several counterparts, each of which shall be deemed to be an original, and all of which together shall be deemed to be one and the same agreement. Execution copies of this RSA delivered by PDF shall be deemed to be an original for the purposes of this paragraph.

23. Notices. All notices hereunder shall be deemed given if in writing and delivered, if contemporaneously sent by electronic mail, courier or by registered or certified mail (return receipt requested) to the following addresses:

(a) If to GDB or AAFAF, to:

O'Melveny & Myers LLP
Times Square Tower
7 Times Square
New York, NY 10036
Attention: John Rapisardi and Suzanne Uhland
E-mail: jrapisardi@omm.com; suhland@omm.com

(b) If to a Deposit Claimant: At the address listed on such Deposit Claimant's signature page.

Any notice given by delivery, mail, or courier shall be effective when received. Any notice given by electronic mail shall be effective upon oral, machine, or electronic mail (as applicable) confirmation of transmission.

24. Settlement Discussions. This RSA is part of a proposed settlement of matters that could otherwise be the subject of litigation among the Parties. Pursuant to Rule 408 of the Federal Rules of Evidence, any applicable state rules of evidence and any other applicable law, foreign or domestic, this RSA, the Restructuring Term Sheet and all negotiations relating thereto shall not be admissible into evidence in any proceeding other than a proceeding to enforce the RSA's terms.

25. No Solicitation; Adequate Information. This RSA is not and shall not be deemed to be a solicitation for consents to the Plan. The votes of the holders of Claims against GDB will not be solicited until such holders who are entitled to vote on the Plan have received the required solicitation from the Information Agent (as defined in PROMESA). In

addition, this RSA does not constitute an offer to issue or sell securities to any person or entity, or the solicitation of an offer to acquire or buy securities, in any jurisdiction where such offer or solicitation would be unlawful.

26. Interpretation; Rules of Construction; Representation by Counsel.

When a reference is made in this RSA to a Section, Exhibit, or Schedule, such reference shall be to a Section, Exhibit, or Schedule, respectively, of or attached to this RSA unless otherwise indicated. Unless the context of this RSA otherwise requires, (a) words using the singular or plural number also include the plural or singular number, respectively, (b) the terms “hereof,” “herein,” “hereby” and derivative or similar words refer to this entire RSA, (c) the words “include,” “includes” and “including” when used herein shall be deemed in each case to be followed by the words “without limitation,” and (d) the word “or” shall not be exclusive and shall be read to mean “and/or.” The Parties agree that they have been represented by legal counsel during the negotiation and execution of this RSA and, therefore, waive the application of any law, regulation, holding, or rule of construction providing that ambiguities in an agreement or other document shall be construed against the party drafting such agreement or document.

[*Signature pages follow.*]

**EXHIBIT A to
Restructuring Support Agreement**

Government Development Bank for Puerto Rico

OUTLINE OF TRANSACTION STRUCTURE FOR RESTRUCTURING OF GDB LIABILITIES

This term sheet (the “Term Sheet”) is a summary of indicative terms and conditions for a proposed financial restructuring of GDB through a Qualifying Modification (the “Restructuring” or the “Qualifying Modification”) pursuant to Title VI of the Puerto Rico Oversight, Management and Economic Stability Act (“PROMESA”), of certain financial obligations of the Government Development Bank for Puerto Rico (“GDB”), including (i) bonds issued and outstanding pursuant to that certain trust indenture dated as of February 17, 2006 between GDB and Wilmington Trust, National Association, as successor trustee (the “Existing GDB Public Bonds”), and (ii) certain deposits and other outstanding obligations of GDB identified below.

This Term Sheet is solely for the purposes set forth in the Restructuring Support Agreement (the “RSA”) dated May __, 2017 among GDB and certain holders of the Existing GDB Public Bonds, and acknowledged and agreed to by the Puerto Rico Fiscal Agency and Financial Advisory Authority (“AAFAF”), and, except to the extent provided in the RSA, does not constitute a commitment by any party, and in any event is subject to the terms and conditions hereof, including, without limitation, requisite approvals under Title VI of PROMESA and execution and delivery of definitive agreements (the “Definitive Documents”).

Issuer of New Bonds	<p><i>Special Purpose Entity.</i> The issuer of the New Bonds (as defined below) (the “<u>Issuer</u>”) will be a special purpose entity created by Puerto Rico statute as an instrumentality of Puerto Rico and structured in a manner similar to a conventional securitization vehicle. The form of the Issuer shall be acceptable to the Requisite Bondholders, as defined in the RSA (the “<u>RSA Requisite Bondholders</u>”).¹</p> <p><i>Trustee for New Bonds.</i> An indenture trustee will act for the benefit of holders of New Bonds and will be granted a lien on the New Bond Collateral (as defined below) for the benefit of the holders of New Bonds. The trustee (or, if necessary, a designated calculation agent or other service provider for certain tasks the trustee is unable or unwilling to perform) will perform administrative functions for the Issuer customary for transactions of this type.</p> <p><i>Asset Manager and Collateral Monitor.</i> The assets of the Issuer will be managed by a designated asset manager or servicer (the “<u>Asset Manager</u>”) pursuant to an asset management and servicing agreement with the Issuer (the “<u>Servicing Agreement</u>”). The identity of the initial Asset Manager and terms of the initial Servicing Agreement (including compensation) shall be acceptable to the RSA Requisite Bondholders.² A person satisfactory to the RSA Requisite</p>
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¹ The type of entity used, its equity ownership and other structural elements of the Issuer will be subject to tax, Investment Company Act, accounting and other considerations. In the event that the proposed securitization structure cannot be implemented in a form that is acceptable to the RSA Requisite Bondholders, the New Bonds will be issued by GDB and secured so as to create for the benefit of the holders of the New Bonds as nearly as possible the same economic interests and protections provided for in this term sheet.

² If the Asset Manager is provided with an incentive compensation arrangement based on asset recoveries, the position of incentive compensation arrangements in the distribution waterfall shall be acceptable to the RSA

SUPPORTING DEPOSIT CLAIMANTS

[SUPPORTING DEPOSIT CLAIMANT]

By: _____

Name: _____

Title: _____

[Principal Amount of Participating Bond Claims: \$ _____]

Notice Address:

Fax: _____

Attention: _____

Email: _____

	<p>Bondholders (the “<u>Collateral Monitor</u>”) will be engaged by the indenture trustee on terms acceptable to the RSA Requisite Bondholders to monitor the condition and performance of the New Bond Collateral and provide a certification report semiannually.³</p> <p>For more information regarding the structure of and governance of the Issuer and the Servicing Agreement, see <i>Structure and Governance of Issuer</i> below.</p>
<p>Participating Bond Claims</p>	<p>The holders (“<u>Holder</u>s”) of the following liabilities of GDB (the “<u>Participating Bond Claims</u>”), together with the Designated Depositor Claims (as defined below), will be subject to and bound by the Qualifying Modification pursuant to Title VI of PROMESA:</p> <ul style="list-style-type: none"> • All claims for principal and accrued interest in respect of Existing GDB Public Bonds; • The deposit claims against GDB identified in Schedule 1 hereto; • The claims in respect of the outstanding letters of credit issued by GDB set forth on Schedule 2; and • The claims in respect of the outstanding guarantees issued by GDB set forth on Schedule 3.⁴ <p>For the avoidance of doubt, liabilities of GDB that are not Participating Bond Claims (except for the Designated Depositor Claims) will not be the subject of the Qualifying Modification, but the Qualifying Modification shall be subject to and conditioned upon the treatment of such claims to the extent specified below.</p>
<p>Overview of Restructuring</p>	<p><i>Exchange of Participating Bond Claims for New Bonds</i></p> <p>GDB and the Holders of the Participating Bond Claims and the Holders of the</p>

Requisite Bondholders. GDB will act as initial Asset Manager for a period not to exceed twelve (12) months from the Closing Date (such period, the “Transition Period”). A designated back-up servicer (the “Back-Up Asset Manager”), which shall be a “qualified” and “independent” (as such terms are defined in the Definitive Documents) firm of recognized national standing with the requisite expertise and Spanish speaking capability, and which is acceptable to GDB, AAFAF and the RSA Requisite Bondholders, will be engaged not later than the Closing Date to assume the responsibilities of the Asset Manager as soon as practicable and in any event before the end of the Transition Period, on arms-length, market terms in form and substance satisfactory to GDB, AAFAF, and the RSA Requisite Bondholders. The Back-Up Asset Manager will be selected by a competitive RFP process prior to the solicitation of holders of Participating Bond Claims, and GDB shall use commercially reasonable efforts to effectuate the transition of its duties as Asset Manager to the Back-Up Asset Manager as soon as practicable.

³ The terms of engagement of the Collateral Monitor shall be in form and substance satisfactory to the RSA Requisite Bondholders, GDB, and AAFAF.

⁴ No New Bonds will be issued at closing in respect of L/Cs that are undrawn and guarantees as to which no claim has been made and that are Participating Bond Claims (as specified in Schedule 2 and Schedule 3, respectively), in each case prior to the Closing Date. If, subsequent to the Closing Date, valid claims are made on such L/Cs or Guarantees, Tranche C Bonds will be issued to such Holders at that time on account of such claims (subject to the Parties’ (as defined in the RSA) ongoing review of certain guarantees).

Transaction	Designated Depositor Claims will undertake a financial restructuring of the Participating Bond Claims and Designated Depositor Claims (as defined below) through a Qualifying Modification implemented under Title VI of PROMESA on the terms and conditions set forth herein. Pursuant to such Qualifying Modification, on the date on which the conditions described under "Conditions" below have all been satisfied or waived by the RSA Requisite Bondholders (the "Closing Date"):
	<p>i. all Holders of Participating Bond Claims will exchange their Participating Bond Claims for one or more of three tranches of new bonds issued by the Issuer, "<u>Tranche A Bonds</u>", "<u>Tranche B Bonds</u>", or "<u>Tranche C Bonds</u>", with terms as specified below (such bonds, the "<u>New Bonds</u>"); which New Bonds shall be book-entry only bonds held by DTC;⁵ and</p> <p>ii. GDB will transfer the New Bond Collateral to the Issuer in consideration for the Issuer's issuance of the New Bonds in connection with the exchange of the Participating Bond Claims as set forth above.</p> <p>Each Holder of Participating Bond Claims shall exchange such Holder's Participating Bond Claims into one or more tranches of New Bonds, as elected by each such Holder, in connection with the Qualifying Modification.</p> <p>If a Holder fails to submit a timely election to participate in a tranche of New Bonds, such Holder will be deemed to have elected to exchange such Holder's Participating Bond Claims into Tranche C Bonds.</p> <p>For each \$1,000 of Participating Bond Claims held by a Holder (which, for the avoidance of doubt, shall include principal plus accrued interest up to but not including the Closing Date in respect of Existing GDB Public Bonds), such Holder shall receive, pursuant to such Holder's election as set forth above:</p> <ul style="list-style-type: none"> • Tranche A Bonds (Taxable) having a face amount equal to \$550; • Tranche B Bonds (Taxable) having a face amount equal to \$600; or • Tranche C Bonds (Taxable) having a face amount equal to \$750. <p><i>Payments from Available Cash</i></p> <p>In the absence of acceleration of the New Bonds, payments of principal and interest to holders of New Bonds shall be made solely from Available Cash (as defined below) of the Issuer, as provided below.</p> <p><i>Security</i></p> <p>The Tranche A Bonds and Tranche B Bonds will be secured on a <i>pari passu</i></p>

⁵ Holders of Participating Bond Claims will retain the balance of their Participating Bond Claim until the New Bond Collateral has been applied in its entirety to repayment of the New Bonds. See "Residual Participating Bond Claim" below.

basis by a first priority lien on the New Bond Collateral (as defined below) and the Tranche C Bonds will be secured by a second priority lien on the New Bond Collateral.

Designated Depositor Settlement

It is a condition to closing of the Qualifying Modification that certain agencies, instrumentalities, and affiliates of the Commonwealth that are set forth in Schedule 7 (the "Designated Depositors") shall have entered into a Settlement Agreement with respect to such Designated Depositor's deposit claims against GDB (each a "Designated Depositor Settlement Agreement"), and that each Designated Depositor Settlement Agreement shall have become binding and effective. Pursuant to the Designated Depositor Settlement Agreements, each Designated Depositor shall release all of its claims (the "Designated Depositor Claims") against GDB, the Issuer, and their respective assets and stakeholders in exchange for (i) GDB's release of any claims GDB may have against such Designated Depositor and (ii) a *pro rata* share of the beneficial interests in a trust (the "Public Entity Trust") that will hold the assets currently owned by GDB and identified in Schedule 8 hereto (the "Public Entity Trust Assets"). The Public Entity Trust Assets shall be transferred by GDB to the Public Entity Trust on the Closing Date or as promptly thereafter as practicable. The trustee of the Public Entity Trust will enter into a management agreement with GDB pursuant to which GDB will manage the assets of the Public Entity Trust.⁶

Excess CAE Settlement

All municipalities for which excess CAE deposits have not been disbursed for fiscal year 2015, 2016, and 2017 (estimated at \$38 million in the aggregate) shall receive a 55 cents on the dollar recovery to be paid in cash by GDB on or after the Closing Date, *provided that* such Designated Depositors enter into a Settlement Agreement waiving the balance of any such claims and otherwise releasing GDB and the Issuer from any claims or causes of action related thereto.

Terms of Tranche A Bonds

Payment of Interest from Available Cash

7.500% annual coupon rate, payable semiannually⁷ in cash; *provided that*, if on any "Determination Date" (a date not more than 10 business days prior to the related interest payment date) in respect of the related interest payment date Available Cash is not sufficient to pay in full all interest then payable on all tranches of the New Bonds (including paid in kind interest coming due and payable at such time), accrued interest on all tranches of New Bonds shall be paid in cash *pro rata* to the extent of Available Cash and any unpaid balance thereof shall be paid in kind. All outstanding paid in kind interest (including any interest accrued thereon) shall be due and payable, together with other accrued interest on the New Bonds, on the immediately following

⁶ Allocation of residual value of Issuer and Public Entity Trust shall take into account relevant tax and other considerations.

⁷ Subject to confirmation of alignment with material cash flows.

	<p>interest payment date (subject to the above provisions if Available Cash is then insufficient to make such payments in cash).</p> <p><i>Amortization on Closing Date</i></p> <p>Any Available Cash of the Issuer as of the Closing Date shall be paid to the holders of, and used to reduce, on a <i>pro rata</i> basis, the principal balance of, the Tranche A Bonds and Tranche B Bonds on the Closing Date or as soon as practicable thereafter but in no event later than 5 business days following the Closing Date.</p> <p><i>Amortization from Excess Available Cash</i></p> <p>On each Determination Date in respect of the related interest payment date, if Available Cash of the Issuer exceeds the amount thereof to be used to pay interest on the New Bonds on such interest payment date, such excess amount of Available Cash (“<u>Excess Available Cash</u>” on such interest payment date) shall be used to amortize the unpaid principal of the Tranche A Bonds and Tranche B Bonds <i>pro rata</i>.</p> <p><i>Collateral Priority</i></p> <p>Tranche A Bonds will be secured by a first priority lien on the New Bond Collateral shared on a <i>pari passu</i> basis with Tranche B Bonds.</p> <p><i>Maturity</i></p> <p>July 1, 2040</p>
<p>Terms of Tranche B Bonds</p>	<p><i>Payment of Interest from Available Cash</i></p> <p>5.500% annual coupon rate, payable semiannually⁸ in cash; <i>provided that</i>, if on any Determination Date in respect of the related interest payment date Available Cash is not sufficient to pay in full all interest then payable on all tranches of the New Bonds (including paid in kind interest coming due and payable at such time), accrued interest on all tranches of New Bonds shall be paid in cash <i>pro rata</i> to the extent of Available Cash and any unpaid balance thereof shall be paid in kind. All outstanding paid in kind interest (including any interest accrued thereon) shall be due and payable, together with other accrued interest on the New Bonds, on the immediately following interest payment date (subject to the above provisions if Available Cash is then insufficient to make such payments in cash).</p> <p><i>Amortization on Closing Date</i></p> <p>Any Available Cash of the Issuer as of the Closing Date shall be paid to the holders of, and used to reduce, on a <i>pro rata</i> basis, the principal of the Tranche A Bonds and Tranche B Bonds on the Closing Date or as soon as practicable thereafter but in no event later than 5 business days following the</p>

⁸ Subject to confirmation of alignment with material cash flows.

	<p>Closing Date.</p> <p><i>Amortization from Excess Available Cash</i></p> <p>On each Determination Date in respect of the related interest payment date, all Excess Available Cash on such interest payment date shall be used to amortize the unpaid principal of the Tranche A Bonds and Tranche B Bonds <i>pro rata</i>.</p> <p><i>Collateral Priority</i></p> <p>Tranche B Bonds will be secured by a first priority lien on the New Bond Collateral shared on a <i>pari passu</i> basis with Tranche A Bonds.</p> <p><i>Maturity</i></p> <p>July 1, 2040</p>
<p>Terms of Tranche C Bonds</p>	<p><i>Payment of Interest from Available Cash</i></p> <p>3.500% annual coupon rate, payable semiannually⁹ in cash; <i>provided that</i>, if on any Determination Date in respect of the related interest payment date Available Cash is not sufficient to pay in full all interest then payable on all tranches of the New Bonds (including paid in kind interest coming due and payable at such time), accrued interest on all tranches of New Bonds shall be paid in cash <i>pro rata</i> to the extent of Available Cash and any unpaid balance thereof shall be paid in kind. All outstanding paid in kind interest (including any interest accrued thereon) shall be due and payable, together with other accrued interest on the New Bonds, on the immediately following interest payment date (subject to the above provisions if Available Cash is then insufficient to make such payments in cash).</p> <p><i>Amortization from Excess Available Cash</i></p> <p>On each Determination Date in respect of the related interest payment date, all Excess Available Cash on such interest payment date shall be used to amortize the unpaid principal of the Tranche C Bonds, <i>provided that</i> such principal amortization shall occur only from Excess Available Cash on or after the interest payment date upon which principal of the Tranche A Bonds and Tranche B Bonds has been paid in full.</p> <p><i>Collateral Priority</i></p> <p>Tranche C Bonds will be secured by a second priority lien on the New Bond Collateral.</p> <p><i>Maturity</i></p> <p>July 1, 2040</p>

⁹ Subject to confirmation of alignment with material cash flows.

New Bond Collateral

The “New Bond Collateral” shall include all assets held from time to time by the Issuer, including assets transferred by GDB to the Issuer on the Closing Date and thereafter pursuant to the Definitive Documents, and any future-acquired assets and any proceeds of the foregoing.

On the Closing Date, all assets of GDB (whether or not identified on the Closing Date), other than the Excluded Assets (as defined below) will be irrevocably assigned and transferred to the Issuer, including, without limitation, (i) the public sector and municipal loans, advances to the Municipal Fund Administration and Municipal Financing Corporation, and GDB properties identified in Schedule 4 and Schedule 5 hereto, and (ii) all unrestricted cash and cash equivalents of GDB in excess of the Specified Cash Assets (as defined below).

“Excluded Assets” means (i) the public entity loans listed on Schedule 6 held at GDB; *provided that* the right to receive the net proceeds, if any, from any such public entity loans shall be New Bond Collateral and GDB agrees that any such proceeds shall be transferred to the Issuer as soon as practicable but in no event later than 15 days after receipt thereof; (ii) cash to pay any transaction costs of the Restructuring, including professional fees and expenses of GDB, AAFAF, and the professionals to be paid pursuant to the RSA; (iii) causes of action, including contingent or unknown, held by GDB as of the Closing Date *provided that* the right to receive the net proceeds, if any, from any such causes of action or proceeds received by GDB in respect of other contingent or unknown assets, shall be New Bond Collateral and any such proceeds shall be transferred to the Issuer as soon as practicable but in no event later than 15 days after receipt thereof¹⁰; (iv) Public Entity Trust Assets, (v) loans and funds that are collateral for the Secured Deposit Account (as defined below) and (vi) certain Specified Cash Assets, to be retained by GDB.

The “Specified Cash Assets” shall equal the sum of (a) the Vendor Claim Reserve (as defined below), (b) restricted cash held by GDB¹¹ and (c) \$25 million minus fees payable to GDB as Asset Manager during the Transition Period or such other amount for operating cash requirements of GDB as may be acceptable to the RSA Requisite Bondholders; *provided that* the right of the Issuer to receive the Vendor Claim Reserve Residual shall constitute New Bond Collateral and, once identified, such Vendor Claim Reserve Residual shall be delivered to the Issuer as set forth below.

The “Vendor Claim Reserve Residual” shall be the amount equal to any cash or cash equivalents remaining in the account in respect of the Vendor Claim Reserve after the payment of all Unresolved Disputed Vendor Claims (as defined below) determined by GDB to be valid. Any cash or cash equivalents related

¹⁰ Except for the Excluded Assets, any unknown assets shall be part of the New Bond Collateral transferred to the Issuer on the Closing Date, and upon discovery of any such unknown assets, GDB shall take any necessary steps to complete the transfer thereof to the Issuer, pending which such assets shall be held in trust for the Issuer.

¹¹ Restricted cash includes cash held in a segregated account separate from Available Cash, in an aggregate amount of approximately \$27.5 million, for (i) the Employee’s Incentive, Retirement and Retraining Program established under Act 70-2010; (ii) employee benefits under the early retirement windows of 1994, 2000 and 2007; (iii) the Voluntary Pre-Retirement Program established under Act 211-2015; and (iv) the voluntary separation program included in GDB’s certified fiscal plan.

	<p>thereto shall be transferred to the Issuer after such determination as part of the New Bond Collateral.</p> <p>Any New Bond Collateral not transferred to the Issuer on the Closing Date, such as assets identified after the Closing Date, the Vendor Claim Reserve Residual, and the proceeds of settlement of any claims in existence on the Closing Date (net of the expenses associated with obtaining such settlement proceeds) shall be delivered to the Issuer within 15 days after it becomes known and identifiable.¹²</p> <p>All proceeds of New Bond Collateral, whenever received and including without limitation cash payable to the Issuer in respect of loans and advances included in the New Bond Collateral, will remain in the ownership and control of the Issuer, subject to a perfected security interest securing the New Bonds.¹³</p> <p>With respect to the public entity loans held at the Issuer listed on Schedule 5, if the Issuer is treated <i>pari passu</i> with other debt holders of the same legal priority, the Issuer and the Asset Manager shall not be permitted to pursue any collection or enforcement actions related to such loans, and the Asset Manager shall enforce any and all rights and remedies in a proceeding under Title III or Title VI of PROMESA of any such public entities only to the extent necessary and appropriate in order to ensure that the Issuer receives a distribution (if any) in such proceeding consistent with distributions to creditors holding claims with the same legal priority as the claims of the Issuer.</p>
<p>Events of Default / Acceleration</p>	<p>“<u>Events of Default</u>” in respect of the New Bonds shall include the following:</p> <ul style="list-style-type: none"> • Failure to make any required payment of principal or interest from Available Cash in respect of any of the New Bonds, on the dates on which the same are due; • Any insolvency, bankruptcy, reorganization, restructuring, receivership or any other form of debtor relief is sought by or against the Issuer, whether under federal or Puerto Rico law; • Any legislation is enacted, governmental¹⁴ action is taken, or party (other than an obligor under the New Bond Collateral) is determined by a final nonappealable order or admitted in writing by the Issuer to have rights that, in any such case, adversely affects (i) the receipt of current or future proceeds of New Bond Collateral to which the Issuer is entitled (other than by reason of the default by the obligor under such New Bond

¹² As noted above, the proceeds of retained public loans and the net proceeds of contingent causes of action will also be turned over to the Issuer upon receipt.

¹³ This presumably will be arranged through accounts maintained by the trustee. As noted above, proceeds of New Bond Collateral previously directed to GDB will have to be paid directly to the Issuer or the Servicing Agent pursuant to any necessary agreements or legislation.

¹⁴ Governmental action for these purposes shall include the government of Puerto Rico, its instrumentalities and any government-controlled or managed entities, including entities with directors or management controlled or appointed by the government of Puerto Rico.

	<p>Collateral) in respect of assets having an aggregate value on the Closing Date of \$25 million or more¹⁵ or (ii) the binding effect or enforcement in accordance with their respective terms of the Qualifying Modification, any Designated Depositor Settlement Agreement, the New Bonds or the liens on the New Bond Collateral;</p> <ul style="list-style-type: none"> • Entry of a judgment against the Issuer in the amount of \$10 million or more; and • Other customary events of default. <p>If an Event of Default occurs and is continuing, at the request of holders of at least 25% in aggregate principal amount of all New Bonds, subject to customary provisions related to rights of the trustee, the trustee shall, by notice to the Issuer and the Asset Manager, declare the outstanding principal amount of all the New Bonds to be immediately due and payable. Upon such a declaration, the outstanding principal amount of each tranche of the New Bonds shall be due and payable immediately.</p>
<p>Covenants</p>	<p>The indenture for the New Bonds (the “<u>Indenture</u>”) shall contain covenants in form and substance acceptable to the RSA Requisite Bondholders, including covenants regarding the Asset Manager, information, budgeting, collateral management, negative pledge, further assurances, permitted business activities, limitation on assets sales, limitation on investments and other customary covenants.</p> <p>Among other things, the covenants will provide that:</p> <ol style="list-style-type: none"> 1. The Issuer shall enter into a continuing disclosure agreement that requires, no less than annually, the Issuer to provide or cause to be provided audited annual reports to the holders of New Bonds¹⁶ regarding the assets, liabilities and cash flows of the Issuer, as well as other financial information, in each case in form and substance as specified in the continuing disclosure agreement. 2. The continuing disclosure agreement shall require the Issuer to provide or cause to be provided to the holders of New Bonds, not later than a specified date prior to the beginning of each fiscal year, a detailed annual operating budget indicating the Issuer’s good faith projection of monthly operating expenditures of the Issuer for the upcoming fiscal year. 3. In addition, the continuing disclosure agreement shall require the issuer to provide or cause to be provided to the holders of New Bonds, (1) a

¹⁵ The value of an asset for this purpose is the face amount of such asset (in the case of loans) or the book value of such asset (in the case of other assets).

¹⁶ The first audited reports of the Issuer shall be provided within 180 days after the end of the Issuer’s first fiscal year ending after the Closing Date. Reports to holders of New Bonds may be provided through appropriate web posting in a form to be agreed.

	<p>quarterly update of the year's operating budget to show actual expenditures for the quarter(s) then ended, and projected expenditures for the remainder of the fiscal year, reconciled to the previously posted budget for such periods and (ii) a semiannual report of the Collateral Monitor regarding the Compliance Test (as defined below) and regarding any material actions taken with regard to the New Bond Collateral or any actions taken with regard to non-performing loans.</p> <p>4. The continuing disclosure agreement will also require the Issuer to provide or cause to be provided any further disclosures, if any, required in connection with any required compliance with Rule 15c2-12 under the Securities Act as requested by the participating underwriter(s), if any.</p> <p>5. Issuer's expenditures other than for debt service during any four consecutive fiscal quarters shall not exceed certain agreed amounts plus the fees and expenses payable to the trustee and the Asset Manager pursuant to the Indenture and the Servicing Agreement.</p>
<p>Structure and Governance of Issuer</p>	<p><i>Approval by Requisite Bondholders.</i> The structure and governance of the Issuer, the form of indenture for the New Bonds and other related documents, and the identity and terms of employment of the Collateral Monitor and the Back-Up Asset Manager shall be acceptable to the RSA Requisite Bondholders.</p> <p><i>Cash Flow Tests for Compliance.</i> GDB has delivered a projection of municipal loan interest and amortization through 2040 (the "<u>Cash Forecast</u>") exhibited hereto as Schedule 9. The Asset Manager will provide a semiannual report to the Collateral Monitor with updated municipal loan interest collections and amortization collections to be used for testing purposes on a semiannual basis (the date of each such report, a "<u>Test Date</u>") for purposes of the Collateral Monitor's semiannual report of compliance with the Compliance Test, as provided above. New Bond Requisite Holders may request the replacement of the Asset Manager if the cumulative shortfall of the actual municipal loan portfolio cash flows as compared to the forecasted cash flows in the Cash Forecast from 7/1/17 through the Test Date is not less than 10.0% (the "<u>Compliance Test</u>") as of each applicable Test Date.</p> <p><i>Replacement of Asset Manager.</i> At the direction of the New Bond Requisite Holders, the Asset Manager may be removed and replaced by a "qualified" and "independent" (as such terms are defined in the Definitive Documents) successor Asset Manager of recognized national standing with the requisite expertise and Spanish speaking capability designated by the New Bond Requisite Holders on such terms as may be approved by such New Bond Requisite Holders (a) for cause (including if the Asset Manager enters into commercially unreasonable modifications, extensions or accommodations in respect of the New Bond Collateral) or (b) if (i) the Compliance Test is not met or (ii) information necessary to verify compliance with the Compliance Test as of any Test Date is not made available on a timely basis; <i>provided that</i> if GDB is replaced as Asset Manager, the Back-Up Asset Manager will be the replacement Asset Manager.</p> <p>In all events Issuer will be structured so as to allow the New Bonds to constitute exempt securities under Section 3(a)(2) of the 1933 Act or any other applicable</p>

	exemption.
Vendor Claim Reserve	The amount of cash equal to the aggregate amount of claims asserted against GDB by parties that provided goods and services to GDB in the ordinary course of business (such amount at any time, the “ <u>Vendor Claim Reserve</u> ”), which claims are disputed by GDB on the Closing Date (“ <u>Unresolved Disputed Vendor Claims</u> ”) shall remain at GDB in a separate account subject to a perfected security interest in favor of the Issuer. Any cash or cash equivalents constituting Vendor Claim Reserve Residual remaining in the account in respect of the Vendor Claim Reserve after the payment of all Unresolved Disputed Vendor Claims determined by GDB to be valid shall be required to be transferred to the Issuer.
Certain Definitions	<p>“<u>Available Cash</u>” of the Issuer on any Determination Date in respect of a related interest payment date means all cash and cash equivalents of the Issuer (whether arising from proceeds of New Bond Collateral or otherwise) at such time, other than the Issuer Expense Reserve (as defined below) at such time.</p> <p>“<u>Issuer Expense Reserve</u>” of the Issuer on any Determination Date in respect of a related interest payment date means the amount of cash reasonably expected to be required to pay the operating expenses of the Issuer through the next Determination Date based on a good-faith projection prepared by the Asset Manager.¹⁷</p> <p>“<u>pro rata</u>” means, with respect to any distribution to or vote of holders of New Bonds, a ratable distribution or vote based on the principal amount of the New Bonds outstanding at the time of such distribution or vote.</p> <p>“<u>New Bond Requisite Holders</u>” means (i) if no Event of Default has occurred and is continuing, holders of New Bonds collectively holding one-third of the Voting Claims (as defined below) or (ii) if an Event of Default has occurred and is continuing, holders of the New Bonds collectively holding 25% of the Voting Claims.</p> <p>“<u>Secured Deposit Account</u>” means an account in the name of Asociación de Empleados del ELA (Account Number B6347044) in an amount of approximately \$25.4 million.</p> <p>“<u>Voting Claims</u>” means the votes apportioned to New Bonds based on the aggregate original principal amount of all Participating Bond Claims exchanged for such New Bonds.</p>
Intercreditor Provisions	<p>The Definitive Documents shall provide for, among other things:</p> <ul style="list-style-type: none"> • Customary lien subordination and waterfall provisions binding on the holders of Tranche C Bonds in favor of the holders of Tranche A Bonds and Tranche B Bonds;

¹⁷ A budget shall be prepared subject to the terms of the Servicing Agreement to be agreed upon and acceptable to the RSA Requisite Bondholders.

	<ul style="list-style-type: none"> • Lien sharing among the holders of Tranche A Bonds and Tranche B Bonds, in respect of the realization of New Bond Collateral following any default, in proportion to the outstanding principal amount of such New Bonds; • Customary “silent second lien” provisions binding on the holders of Tranche C Bonds in favor of holders of Tranche A Bonds and Tranche B Bonds; and • Other terms and conditions and intercreditor provisions customary in transactions of this type or otherwise in transactions with a similar lien and priority structure. • Remedies with respect to the loan portfolio to be limited to replacement of the Asset Manager¹⁸ and the appointment of a receiver.
<p>Voting</p>	<p>Unless otherwise specified amendments, modifications and waivers of the governing documents of the New Bonds or other matters requiring the consent of the holders of the New Bonds shall generally require the consent of holders of not less than a majority in aggregate outstanding principal amount of each tranche of New Bonds; <i>provided that</i> amendments and modifications that customarily do not require bondholder consent shall be excluded from such consent requirement;¹⁹ <i>provided, further</i> that amendments, modifications or waivers affecting only some but not all tranches of bonds shall require the consent of holders of not less than a majority in aggregate outstanding principal amount of each affected tranche only; and <i>provided, further</i> that any amendments, modifications or waivers that would have the effect on any New Bond of reducing principal, extending maturity, reducing the interest rate payable, or adversely affecting lien priority or any other amendments, modifications or waivers customarily requiring the consent of each adversely affected holder shall require the consent of each holder of New Bonds adversely affected by such amendment, modification or waiver.</p>
<p>Certification Order</p>	<p>GDB shall submit an application to the United States District Court for the District of Puerto Rico (or any other court of competent jurisdiction pursuant to PROMESA) for an order pursuant to section 601(m)(1)(D) of PROMESA that the requirements of section 601 of PROMESA have been satisfied by the Qualifying Modification as set forth herein (the “<u>Certification Order</u>”), which order shall be in form and substance satisfactory to the RSA Requisite</p>

¹⁸ In connection with the exercise of remedies, New Bond Requisite Holders shall be entitled to remove and replace the Asset Manager by a “qualified” and “independent” (as such terms are defined in the Definitive Documents) successor Asset Manager of recognized national standing with the requisite expertise and Spanish speaking capability designated by the New Bond Requisite Holders on such terms as may be approved by such New Bond Requisite Holders; *provided that* if GDB is replaced as Asset Manager, the Back-Up Asset Manager will be the replacement Asset Manager.

¹⁹ Such as to cure ambiguities or any defective provision in the governing documents, to comply with regulations related to the registration of beneficial ownership interests, or to modify or amend the indenture to permit the qualification under the Trust Indenture Act, in the case of any of the foregoing, only to the extent that the amendment has no adverse effect, whether or not material, on holders of the New Bonds.

	<p>Bondholders, and shall provide, among other things, that:</p> <ul style="list-style-type: none"> the Qualifying Modification is valid and binding on any person or entity asserting claims or other rights, including a beneficial interest (directly or indirectly, as principal, agent, counterpart, subrogee, insurer or otherwise) in respect of Participating Bond Claims subject to the Qualifying Modification, any trustee, any collateral agent, any indenture trustee, any fiscal agent and any bank that receives or holds funds related to such Participating Bond Claims; the New Bond Collateral will vest free and clear of all claims of any other issuer pursuant to section 601(m)(2) of PROMESA; the Restructuring is full, final, complete, binding, and conclusive as to GDB, the Issuer, the Government of Puerto Rico (as defined in PROMESA), any other Territorial Instrumentality (as defined in PROMESA) of the Government of Puerto Rico and any creditors of such entities, and is not be subject to any collateral attack or other challenge by any such entities in any court or other forum; the release and exculpation by GDB of the Released Parties (as defined below) solely with respect to claims and causes of action in connection with, arising from or related to, the Restructuring is fully-enforceable and shall not be subject to attack or avoidance in any other proceeding under PROMESA or otherwise; and the Designated Depositor Settlement Agreements are fully-enforceable binding contracts that shall not be subject to attack or avoidance in any other proceeding under PROMESA or otherwise.
<p>Conditions</p>	<p>Conditions precedent to the Closing Date shall include, but not be limited to, the following:</p> <ul style="list-style-type: none"> Certification of the Restructuring as a Qualifying Modification pursuant to section 601(g)(1)(C) of PROMESA; Establishment of a Pool of Bond Claims (as defined in PROMESA) by the Financial Oversight and Management Board for Puerto Rico (the “<u>Oversight Board</u>”) consisting solely of the Participating Bond Claims; Distribution of the required disclosure documents and voting instructions to the Holders by the Information Agent (as defined in PROMESA) pursuant to section 601(f) and (k) of PROMESA; Satisfaction of the voting requirements set forth in section 601(j) of PROMESA with respect to the Qualifying Modification; Passage of any necessary legislation enabling the creation of the Issuer in form and substance satisfactory to the RSA Requisite Bondholders, including such provisions as may be required for consummation of the transactions contemplated by the Restructuring, including, without limitation, any provisions necessary for (i) the Issuer to be treated as a municipal issuer under applicable securities laws, (ii) cash flows arising

	<p>out of the New Bond Collateral to be paid directly (i.e., directly from CRIM or any other applicable collection entity)²⁰ to the Issuer from and after the Closing Date and (iii) permitting the bond documents to contain remedies for breach as set forth herein²¹;</p> <ul style="list-style-type: none"> • Certification pursuant to section 601(m) of PROMESA that (i) voting requirements have been satisfied, (ii) the Qualifying Modification complies with section 104(i)(1) of PROMESA, and (iii) any conditions on the effectiveness of the Qualifying Modification have been satisfied or waived; • Entry of the Certification Order; • The Designated Depositor Settlement Agreement, in form and substance satisfactory to GDB and RSA Requisite Bondholders, shall have been executed and delivered by GDB and each of the Designated Depositors, and shall have become binding and effective; • The Public Entity Trust, in form and substance satisfactory to GDB and the RSA Requisite Bondholders shall have been established and the Public Entity Trust Assets shall have been transferred to the trustee of the Public Entity Trust; • The Issuer shall have been created pursuant to governing documents in form and substance satisfactory to GDB and the RSA Requisite Bondholders; • The Trust Agreement and Servicing Agreement shall have been executed and delivered, in form and substance satisfactory to GDB and the RSA Requisite Bondholders, and shall be in full force and effect; • All other Definitive Documents shall have been executed and delivered in form and substance satisfactory to GDB and the RSA Requisite Bondholders, and shall be in full force and effect;²² • GDB shall have determined in a manner acceptable to RSA Requisite Bondholders and shall have notified all municipalities that are both depositors in and borrowers from GDB in respect of setoffs being applied to such depositors' deposits and loans (such application of setoff rights, the "Municipal Setoff" with respect to such depositor) and of the net amount of Residual Participating Bond Claim and loans outstanding after effectuating Municipal Setoff;
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²⁰ Subject to diligence regarding flows of payments and changes in municipal finance structure.

²¹ The legislation will confirm the ability of holders of New Bonds to have a receiver appointed in accordance with the remedies provisions set forth above.

²² The Definitive Documents shall include all documents relating to engagement of GDB as Asset Manager, as well as the Back-Up Asset Manager, specifying the compensation to which those parties will be entitled in such capacities, all in form and substance acceptable to GDB and the RSA Requisite Bondholders.

	<ul style="list-style-type: none"> • Customary legal opinions of counsel to GDB in form and substance acceptable to the RSA Requisite Bondholders shall have been delivered to the trustee or other applicable party regarding the Definitive Documents and the Restructuring, including, without limitation, opinions in respect of enforceability, no-registration, '40 Act, disclosure and tax opinions; and • All professional fees and expenses required to be paid under the RSA shall have been paid on the Closing Date.
Residual Participating Bond Claim	<p>Notwithstanding the Qualifying Modification and exchange and cancellation of the Participating Bond Claims in connection therewith, GDB will agree that, from and after the Closing Date, each Holder of a Participating Bond Claim on the Closing Date shall retain a claim (each a "<u>Residual Participating Bond Claim</u>") against GDB for the unsatisfied portion of such Holder's Participating Bond Claim until the proceeds of the New Bond Collateral have been applied to payments in respect of the New Bonds in accordance with the terms of the Definitive Documents, whereupon such Residual Participating Bond Claim shall be deemed forgiven and released in the event that, for any reason, the Qualifying Modification, the New Bonds or the rights and liens of the Issuer, the trustee and the New Bonds with respect to the New Bond Collateral are not enforced in accordance with their terms.²³</p>
Releases	<p>To the extent permitted by applicable law, the Qualifying Modification shall provide for customary releases from GDB, AAFAF and the Holders (solely in their capacity as creditors of GDB and not in their capacity as creditors of any other entity) for the benefit of each other and each of their respective current directors, managers, officers, affiliates, partners, subsidiaries, principals, employees, agents, managed funds, representatives, attorneys and advisors, together with their successors and assigns (collectively, the "<u>Released Parties</u>").</p>
Governing Law ; Remedies	<p>The New Bonds will be governed and construed in accordance with the laws of the State of New York.</p> <p>Remedies may not be exercised against GDB or Issuer in respect of a curable breach or violation of the Definitive Documents or the Qualifying Modification by such party unless 10 days written notice and a request for cure is given to such party, and such party fails to cure; <i>provided, however</i>, with respect to defaults that are not able to be cured, such notice and opportunity to cure need not be given.</p>

²³ The Residual Participating Bond Claim will be designed to take into account securities law, tax, true sale and other considerations.

Schedule 1**Issuer: Non-Public Entity Deposit Claims**

Entity	Balance post setoff (\$)
Deposits by municipalities⁽¹⁾	
Adjuntas	\$1,365,690
Aguada	3,160,883
Aguadilla	5,635,460
Aguas Buenas	1,652,565
Aibonito	3,506,136
Anasco	2,289,941
Arecibo	1,331,104
Arroyo	586,712
Barceloneta	1,256,978
Barranquitas	2,846,439
Bayamon	18,605,176
Cabo Rojo	2,389,732
Caguas	21,448,935
Camuy	1,038,493
Canovanas	86,726
Carolina	66,151,921
Catano	8,913,517
Cayey	7,902,535
Ceiba	948,454
Ciales	433,696
Cidra	4,883,682
Coamo	2,969,537
Comerio	1,073,256
Corozal	1,992,131
Culebra	1,587,080
Dorado	4,153,583
Fajardo	17,133,096
Florida	427,182
Guanica	782,813
Guayama	1,710,002
Guayanilla	502,431
Guaynabo	16,753,811
Gurabo	3,170,664
Hatillo	2,460,592
Hormigueros	1,587,437
Humacao	13,131,793
Isabela	2,384,189
Jayuya	555,348
Juana Díaz	1,443,115

Schedule 3

Issuer: Guarantees Issued by GDB

Entity

Guarantees issued by GDB

Sheraton Puerto Rico Hotel and Casino (Convention Center)

Aerostar Airport Holdings, LLC – Termination Guaranty

Autopistas Metropolitanas de Puerto Rico, LLC – Termination Guaranty

Schedule 4

Issuer: Collateral Detail - Municipal Loans

Entity	Balance post setoff (\$)
Loans to municipalities (\$)⁽¹⁾⁽²⁾	
Adjuntas	\$15,185,151
Aguada	5,596,552
Aguadilla	64,214,263
Aguas Buenas	5,833,716
Aibonito	7,453,213
Anasco	7,369,618
Arecibo	34,519,140
Arroyo	7,174,718
Barceloneta	35,371,711
Barranquitas	3,946,917
Bayamon	56,233,464
Cabo Rojo	24,932,530
Caguas	61,679,604
Camuy	8,312,214
Canovanas	15,436,138
Carolina	7,335,285
Catano	11,395,146
Cayey	29,194,630
Ceiba	3,662,947
Ciales	6,938,445
Cidra	17,133,540
Coamo	16,330,196
Comerio	4,592,941
Corozal	8,781,201
Culebra	2,057,079
Dorado	42,147,718
Florida	3,516,000
Guanica	8,436,923
Guayama	16,353,691
Guayanilla	10,413,120
Guaynabo	123,851,827
Gurabo	23,879,675
Hatillo	2,329,124
Hormigueros	3,190,361
Humacao	2,503,585
Isabela	8,447,176
Jayuya	9,033,720
Juana Díaz	13,156,925
Juncos	36,954,369
Lajas	8,525,266
Lares	1,494,000

Schedule 5

Issuer: Collateral Detail - Other Assets

Entity	Balance post setoff (\$)
Loans to public corporations and public agencies (\$)⁽¹⁾	
PR Highways and Transportation Authority (PRHTA)	\$1,703,471,814
PR Ports Authority (AP)	266,828,873
PR Public Buildings Authority (AEP)	141,226,309
Department of Treasury (General Obligation)	169,438,038
PR Convention Center District Authority (PRCC)	142,872,116
Municipal Finance Corporation (COFIM)	57,251,415
PR Industrial Development Company (PRIDCO)	53,526,055
PR Solid Waste Management Authority (SWMA)	50,240,827
PR Aqueduct and Sewer Authority (PRASA)	54,241,973
Comprehensive Fund for Agricultural Development of PR (FIDA)	27,674,024
Port Authority of Ponce	20,762,752
Port of the Americas	1,700,000
Act 71 of 2010 - Interagency Committee	995,449
Total	\$2,690,229,646
Other⁽¹⁾	
Port of the Americas Bonds (GO Guaranty)	\$225,533,700
HTA 1998 Series A Variable Rate Revenue Bonds	200,000,000
PR Housing Finance Authority Reverse Repo	21,074,801
Private loans	986,178
Cash	TBD
Total	\$447,594,680
Property	Appraisal value (\$)
Real estate owned assets	
Río Bayamón Norte Community	\$19,600,000
Former Sears	16,600,000
Parcel B Santurce Sur Ward	13,525,000
National Guard, Puerta de Tierra	7,000,000
Former Leprosarium	6,020,000
Property adjacent to San Lucas Hospital	5,090,000
Codremer	4,400,000
Josefa Farm Rural Property (Parcel A)	3,825,000
Ruiz Soler Hospital	2,470,000
Acuaexpreso (Parcel B) - Local Water Ferry Transport	2,400,000
Josefa Farm Rural Property (Parcel C-4)	1,500,000
Former Luchetti School	1,360,000
Parklane	700,000
Guayanés Ward	260,000
Former Golf Range (Golfito)	185,000
Total	\$84,935,000

Note

(1) Certain deposits and loans are subject to further diligence and recategorization

Schedule 6

Loans with Proceeds Assigned to Issuer

Entity	Balance post setoff (\$)
Loans⁽¹⁾	
Special Communities Perpetual Trust (SCPT)	\$244,101,838
Cantera Peninsula Integral Development Company	37,791,088
Center for Municipal Revenue Collection (CRIM)	26,860,126
Total	\$308,753,051

Note

(1) Certain deposits and loans are subject to further diligence and recategorization

Schedule 7

Public Entity Trust: Public Entity Deposit Claims

Entity	Balance post setoff (\$)
Public Entity Deposits⁽¹⁾	
Department of Treasury (General Obligation)	-
PR Infrastructure Financing Authority (PRIFA)	\$180,824,482
PR Tourism Development Fund (TDF)	158,092,063
PR Electric Power Authority (PREPA)	114,108,013
Special Communities Perpetual Trust	-
University of Puerto Rico (UPR)	15,702,856
Department of Labor and Human Resources	81,532,322
Special Fund for the Promotion of Health and Operational Safety	48,510,039
PR Highways and Transportation Authority (HTA) ⁽²⁾	-
Puerto Rico State Insurance Fund (SIF)	42,522,178
Public Building Authority (PBA)	-
Land Administration	38,491,359
PR Tourism Company (PRTC)	34,301,720
Government Employees Retirement System	32,909,266
Comprehensive Fund for Agricultural Development of PR (FIDA)	-
Puerto Rico Public Private Partnerships Authority ⁽³⁾	20,341,824
PR Sales Tax Financing Corporation (COFINA)	26,113,021
PR Industrial Development Company (PRIDCO)	-
PR Solid Waste Management Authority (SWMA)	-
PR Development Fund	19,771,325
PR Ports Authority (AP)	-
Public Finance Corporation (PFC)	18,221,726
The Children's Trust Fund (CTF)	16,603,031
Department of Agriculture	-
Department of Education	-
PR Land Authority	13,682,621
Institute of Puerto Rican Culture (IPRC)	8,515,422
9-1-1 Service Governing Board	11,312,586
PR Aqueduct and Sewer Authority (PRASA)	-
Department of Housing	-
Department of Health	-
Electronic Lottery	10,703,320
AFICA	9,493,214
PR Integrated Transit Authority	9,489,099
Family Socioeconomic Development Administration	6,325,525
PR Energy Commission	5,995,340
Office of Management and Budget	-
Office for the Improvement of Public Schools (OMEP)	5,071,300
Municipal Finance Authority (MFA)	4,796,689

Schedule 7

Public Entity Trust: Public Entity Deposit Claims

Entity	Balance post setoff (\$)
Public Entity Deposits (cont'd)⁽¹⁾	
Higher Education Council	4,390,073
PREPA Pension System	4,131,037
Trade and Export Company	3,085,482
Telecommunications Regulatory Board	2,898,608
Department of Environmental and Natural Resources	2,835,838
Environmental Quality Board	602,175
PR Convention Center District Authority (PRCC)	-
Puerto Rico Higher Education Assistance Corporation	2,394,595
Department of Economic Development and Commerce	1,933,888
National Parks Company of Puerto Rico (NPCPR)	-
Office of Court Administration	-
Office for the Liquidation of the Accounts of the CRUV	1,595,650
Puerto Rico Senate	1,572,533
PR Maritime Shipping Authority	1,242,664
Department of the Family	1,057,734
Puerto Rico Health Insurance Administration (ASES)	-
Corporation for the Development of Exports	897,405
Roosevelt Roads Local Development Authority	671,440
Telephones of Puerto Rico	633,558
Puerto Rico National Guard	460,064
Puerto Rico Education Council	446,196
Family and Children's Administration	438,151
Consumer Protection Independent Office	437,576
Public Policy State Office of Energy Matters	396,684
Department of Justice	-
Public Housing Administration	338,804
Economic Development Bank	-
Model Forrest Office of Puerto Rico	331,022
Vocational Rehabilitation Administration	231,820
Child Care and Development Administration	228,377
Metropolitan Bus Authority (MBA)	216,218
Superintendent of the Capitol	-
Northwest Consortium	178,362
Institutional Trust of Puerto Rico's National Guard	155,861
Jose M. Berrocal Institute	127,912
Port Authority of Ponce	-
Sugar Corporation of Puerto Rico	92,716
State Elections Commission	85,997
Bayamon Judicial Center	70,924
Public Corporation for the Supervision and Insurance of PR Cooperatives	66,177

Schedule 7

Public Entity Trust: Public Entity Deposit Claims

Entity	Balance post setoff (\$)
Public Entity Deposits (cont'd)⁽¹⁾	
Carolina Judicial Center	65,929
Corporation for the Musical Arts	59,467
High Court of Caguas	49,712
Judicial Center of San Juan	46,241
PR Health Services Facilities Management	40,185
Northwest Consortium	37,883
Utuado Court	28,014
Court of First Instance of San Juan	23,644
Ponce Judicial Center	22,231
Court of Aibonito	21,745
General Court of Mayaguez	20,184
South East Consortium	20,025
Secretary of the Department	18,873
General Court of Guayama	16,911
Hotel Development Corporation	15,017
Office of the Comptroller of Puerto Rico	14,019
High Court of Aguadilla	10,145
Administration for the Training of Future Entrepreneurs and Workers	9,956
Court of First Instance	9,748
North Manati Consortium	8,517
Arecibo Judicial Center	7,732
Supreme Court of Puerto Rico	7,238
Maritime Transport Authority	4,895
A.T/V.Suarez	3,018
Office of the Panel on the Independent Prosecutor	2,345
Institute of Statistics of Puerto Rico	1,814
PR Art Museum	1,340
Southwest Consortium	840
Mayaguez Consortium - Las Marias	481
Yo Si Puedo Inc.	336
Poultry Products of the Caribbean	275
Indulac	133
South Central Consortium - ASIFAL	106
Center for Municipal Revenue Collection (CRIM)	-
Consortium La Montana	50
Integral Fund for Development	-
Equipco LLC	3
School of Plastic Arts	2
Puerto Rico Police	-
Total	\$1,023,142,067

Schedule 7

Public Entity Trust: Public Entity Deposit Claims

Entity	Balance post setoff (\$)
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Public Entity Deposits (cont'd)⁽¹⁾

Notes

(1) Certain deposits and loans are subject to further diligence and recategorization

(2) Includes \$13m deposit in favor of Siemens pursuant to a guarantee from HTA

(3) Represents deposits held in escrow in connection with the Metropistas PR22/PR5 Public Private Partnership

Schedule 8
Public Entity Trust: Collateral Detail

Entity	Balance post setoff (\$)
Cash	
Total	\$50,000,000
Collateral - Public Entity Loans⁽¹⁾	
PR Administration of Medical Services	\$282,447,692
Office of Management and Budget	260,332,550
PR Treasury Department (Hacienda)	211,465,445
PR Health Insurance Administration (ASES)	182,197,247
PR Comprehensive Cancer Center	120,482,398
Center for Municipal Revenue Collection (CRIM)	111,832,989
Department of Education	91,580,469
Department of Transportation and Public Works	82,869,714
Department of Correction and Rehabilitation	82,488,844
Agricultural Enterprises Development Administration	61,797,848
Department of Agriculture	50,294,124
Department of Justice	49,493,959
Police of Puerto Rico ⁽²⁾	47,108,240
Office of Courts Administration	32,405,848
Department of Health	29,860,922
State Capitol Superintendence	27,299,047
University Medical Services	11,246,786
Department of Recreation and Sports	9,327,980
Economic Development Bank	7,499,798
National Parks Company of Puerto Rico	7,049,130
Department of Housing	6,080,003
Catastrophic Diseases Fund	3,274,708
Veteran's Attorney's Office	292,133
Total	\$1,768,727,875

Notes

(1) Certain deposits and loans are subject to further diligence and recategorization

(2) Includes adjustment for \$15.4m overdraft balance

Schedule 9
Municipal Loan Portfolio Forecast

Forecasted Proceeds			Balance (\$)
Date	New Interest	Amortization	Total
7/1/2017	\$40,430,357	\$106,214,440	\$146,644,797
1/1/2018	38,460,176	-	38,460,176
7/1/2018	38,460,176	98,184,680	136,644,856
1/1/2019	37,848,497	-	37,848,497
7/1/2019	37,848,497	91,450,474	129,298,971
1/1/2020	39,034,647	-	39,034,647
7/1/2020	39,034,647	89,828,260	128,862,907
1/1/2021	39,878,262	-	39,878,262
7/1/2021	39,878,262	92,740,792	132,619,054
1/1/2022	40,280,176	-	40,280,176
7/1/2022	40,280,176	94,699,545	134,979,721
1/1/2023	40,156,791	-	40,156,791
7/1/2023	40,156,791	99,233,921	139,390,711
1/1/2024	39,393,398	-	39,393,398
7/1/2024	39,393,398	99,166,886	138,560,284
1/1/2025	38,179,901	-	38,179,901
7/1/2025	38,179,901	101,049,386	139,229,287
1/1/2026	36,411,416	-	36,411,416
7/1/2026	36,411,416	102,259,525	138,670,941
1/1/2027	32,261,723	-	32,261,723
7/1/2027	32,261,723	98,309,753	130,571,476
1/1/2028	28,261,514	-	28,261,514
7/1/2028	28,261,514	100,493,693	128,755,208
1/1/2029	24,124,545	-	24,124,545
7/1/2029	24,124,545	92,156,545	116,281,090
1/1/2030	20,331,523	-	20,331,523
7/1/2030	20,331,523	91,760,588	112,092,111
1/1/2031	16,572,138	-	16,572,138
7/1/2031	16,572,138	88,730,748	105,302,885
1/1/2032	12,902,609	-	12,902,609
7/1/2032	12,902,609	79,593,318	92,495,927
1/1/2033	9,477,828	-	9,477,828
7/1/2033	9,477,828	60,965,577	70,443,405
1/1/2034	6,661,748	-	6,661,748
7/1/2034	6,661,748	51,369,836	58,031,585
1/1/2035	4,239,098	-	4,239,098
7/1/2035	4,239,098	37,511,484	41,750,582
1/1/2036	2,469,767	-	2,469,767
7/1/2036	2,469,767	25,445,904	27,915,671
1/1/2037	1,274,065	-	1,274,065

Schedule 9
Municipal Loan Portfolio Forecast

Forecasted Proceeds			Balance (\$)
Date	New Interest	Amortization	Total
7/1/2037	1,274,065	14,728,368	16,002,433
1/1/2038	575,717	-	575,717
7/1/2038	575,717	11,222,226	11,797,943
1/1/2039	44,036	-	44,036
7/1/2039	44,036	867,546	911,582
1/1/2040	4,265	-	4,265
7/1/2040	4,265	121,868	126,133

Schedule 4**Issuer: Collateral Detail - Municipal Loans**

Entity	Balance post setoff (\$)
Loans to municipalities (cont'd) ⁽¹⁾⁽²⁾	
Las Marias	5,729,372
Las Piedras	18,184,431
Loiza	6,822,900
Luquillo	9,162,373
Manati	40,761,702
Maricao	7,467,427
Maunabo	12,566,355
Mayaguez	39,826,029
Moca	10,059,694
Morovis	13,631,123
Naguabo	4,463,292
Naranjito	12,929,049
Orocovis	3,660,000
Patillas	9,607,453
Penuelas	15,056,177
Ponce	94,016,289
Quebradillas	7,187,828
Rincon	4,064,907
Rio Grande	23,219,811
Sabana Grande	4,419,420
Salinas	13,789,796
San German	16,372,224
San Juan	336,310,617
San Lorenzo	15,738,065
San Sebastian	18,250,572
Santa Isabel	21,454,124
Toa Alta	16,752,749
Toa Baja	75,777,619
Trujillo Alto	31,819,719
Utua	4,515,625
Vega Alta	10,590,132
Vega Baja	24,621,142
Vieques	8,580,145
Villalba	7,952,924
Yabucoa	15,344,659
Yauco	28,471,706
Total	\$1,764,091,287

Notes

(1) Certain deposits and loans are subject to further diligence and recategorization

(2) Arecibo, Cayey, Guaynabo, Manati, and Mayaguez balances reflect a total \$13.8m adjustment for loans that are collateral for the Commonwealth Employees Association (AEELA) deposit

EXHIBIT B

FORM OF JOINDER AGREEMENT FOR SUPPORTING BONDHOLDERS

This Joinder Agreement to the Restructuring Support Agreement, dated as of [____], 201[] (as amended, supplemented or otherwise modified from time to time, the “**Restructuring Support Agreement**”), between the Government Development Bank for Puerto Rico (“**GDB**”) and the holders of the principal amounts outstanding under the Trust Agreement (together with their respective successors and permitted assigns, the “**Supporting Bondholders**”) and each, a “**Supporting Bondholder**”) is executed and delivered by _____ (the “**Joining Party**”) as of _____, 201[] . Each capitalized term used herein but not otherwise defined shall have the meaning set forth in the Restructuring Support Agreement.

1. **Agreement to Be Bound.** The Joining Party hereby agrees to be bound by all of the terms of the Restructuring Support Agreement, a copy of which is attached to this Joinder Agreement as **Annex I** (as the same has been or may be hereafter amended, restated, or otherwise modified from time to time in accordance with the provisions hereof). The Joining Party shall hereafter be deemed to be a “Supporting Bondholder” and a “Party” for all purposes under the Restructuring Support Agreement and with respect to any and all Claims held by such Joining Party.
2. **Representations and Warranties.** With respect to the aggregate principal amount of GDB Bonds set forth below its name on the signature page hereto, the Joining Party hereby makes the representations and warranties of the Supporting Bondholders set forth in Section 8 of the Restructuring Support Agreement to each other Party to the Restructuring Support Agreement.
3. **Governing Law.** This Joinder Agreement shall be governed by and construed in accordance with the internal laws of the State of New York, without regard to any conflict of laws provisions which would require the application of the law of any other jurisdiction.

[Signature page follows.]

IN WITNESS WHEREOF, the Joining Party has caused this Joinder to be executed as of the date first written above.

[SUPPORTING BONDHOLDER]

By: _____
Name:
Title:

[Principal Amount of [Series] GDB Bonds: \$ _____]

Notice Address:

Fax: _____
Attention: _____
Email: _____

Acknowledged:

**GOVERNMENT DEVELOPMENT BANK
FOR PUERTO RICO**

By: _____
Name:
Title: