

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

THE GOVERNMENT DEVELOPMENT BANK
FOR PUERTO RICO,

Applicant.

PROMESA
Title VI

Case No. 18-1561-LTS

**NATIONAL PUBLIC FINANCE GUARANTEE CORPORATION'S
NOTICE OF INTENTION TO RESERVE RIGHTS WITH RESPECT TO THE
QUALIFYING MODIFICATION FOR THE GOVERNMENT DEVELOPMENT BANK
FOR PUERTO RICO**

National Public Finance Guarantee Corporation (“**National**”) files this *Notice of Intention to Reserve Rights with Respect to the Qualifying Modification for the Government Development Bank for Puerto Rico* pursuant to this Court’s Order, dated August 10, 2018 (ECF No. 7).

National insures approximately \$1.15 billion,¹ and owns approximately \$139 million (exclusive of accrued and accreted interest), of revenue bonds issued by the Puerto Rico Electric Power Authority (“**PREPA**”). The GDB RSA² identifies PREPA as a Designated Depositor, holding an approximately \$114 million claim against GDB with respect to funds on deposit at GDB (after setting off PREPA’s deposits at GDB against loans owed by PREPA to GDB). The RSA contemplates that PREPA will receive distributions from the Public Entity Trust on account of its claim.

¹ This number excludes the amounts of principal and interest paid or other amounts incurred by National under its insurance policies.

² Capitalized terms not defined herein shall have the meaning ascribed to them in the *Application of the Government Development Bank for Puerto Rico and the Puerto Rico Fiscal Agency and Financial Advisory Authority, Pursuant to Section 601(m)(1)(d) of the Puerto Rico Oversight, Management, and Economic Stability Act, for Approval of the Qualifying Modification for GDB* (ECF No. 1).

Pursuant to the RSA, the closing of the Qualifying Modification is conditioned upon the execution and delivery of Definitive Documents (as defined in the RSA) and entry of the Certification Order. These documents, including any release provisions therein, may materially impact National's rights as insurer of bonds issued by PREPA. National, however, has not yet seen or had an opportunity to review these documents.

Accordingly, in the event that GDB does not make the Definitive Documents and the Certification Order available with ample time to review before objections to the Qualifying Modifications are due, National intends to reserve its rights to object to the Qualifying Modification to the extent that the Definitive Documents and/or the Certification Order alter, limit, or otherwise impair National's rights as insurer of bonds issued by PREPA.

RESPECTFULLY SUBMITTED, this 20th day of August, 2018.

CERTIFICATE OF SERVICE: We hereby certify that on this same date the foregoing notice was filed with the Clerk of the Court using the CM/ECF system, which will send notification of such filing to all CM/ECF participants, and served by hand delivery to GDB and AFFAF at Minillas Government Center, Avenida de Diego, Parada 22, San Juan, PR 00907; and to O'Melveny & Myers LLP, at Times Square Tower, Seven Times Square, New York, NY 10036.

**ADSUAR MUÑIZ GOYCO
SEDA & PÉREZ-OCHOA, PSC**
208 Ponce de León Avenue, Suite 1600
San Juan, PR 00936
Telephone: 787.756.9000
Facsimile: 787.756.9010
Email: epo@amgprlaw.com
loliver@amgprlaw.com
acasellas@amgprlaw.com
larroyo@amgprlaw.com

By: /s/ Eric Pérez-Ochoa
Eric Pérez-Ochoa
USDC-PR No. 206314

WEIL, GOTSHAL & MANGES LLP
Marcia Goldstein (*pro hac vice* forthcoming)
Jonathan Polkes (*pro hac vice* forthcoming)
Robert Berezin (*pro hac vice* forthcoming)
Gregory Silbert (*pro hac vice* forthcoming)
Kelly DiBlasi (*pro hac vice* forthcoming)
Jared R. Friedmann (*pro hac vice* forthcoming)
Gabriel A. Morgan (*pro hac vice* forthcoming)

767 Fifth Avenue
New York, New York 10153
Telephone: (212) 310-8000
Facsimile: (212) 310-8007
Email: marcia.goldstein@weil.com
jonathan.polkes@weil.com
robert.berezin@weil.com
gregory.silbert@weil.com
kelly.dibiasi@weil.com
jared.friedmann@weil.com
gabriel.morgan@weil.com