

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

THE GOVERNMENT DEVELOPMENT BANK  
FOR PUERTO RICO,  
Applicant.

PROMESA  
Title VI  
Case No. 18-1561 (LTS)  
Re: ECF No. 1

**NOTICE OF FILING OF PROPOSED ORDER APPROVING  
THE QUALIFYING MODIFICATION FOR GDB**

PLEASE TAKE NOTICE that, on August 10, 2018, the Government Development Bank for Puerto Rico (“**GDB**”) and the Puerto Rico Fiscal Agency and Financial Advisory Authority (“**AAFAF**”) filed the *Application of the Government Development Bank for Puerto Rico and the Puerto Rico Fiscal Agency and Financial Advisory Authority, Pursuant to 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] (the “**Approval Application**”)<sup>1</sup> with the United States District Court for the District of Puerto Rico (the “**Court**”).

PLEASE TAKE FURTHER NOTICE that attached hereto as **Exhibit A** is the proposed order approving the Qualifying Modification for GDB (the “**Proposed Approval Order**”).

PLEASE TAKE FURTHER NOTICE that a hearing to consider the approval of the Qualifying Modification is scheduled for **November 6, 2018 at 10:00 a.m. (Atlantic Standard Time)** before the Honorable Laura Taylor Swain at the United States District Court for the District of Puerto Rico, 150 Carlos Chardón Street, Federal Building, San Juan, Puerto Rico 00918-1767 (the “**Approval Hearing**”).

PLEASE TAKE FURTHER NOTICE that, to the extent that GDB and AAFAF make revisions to the Proposed Approval Order prior to the Approval Hearing, GDB and AAFAF will

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<sup>1</sup> All capitalized terms not otherwise defined herein shall have the meanings used in the Approval Application.

present a blacklined copy of such revised Order to the Court either at or before the Approval Hearing.

Dated: September 10, 2018  
San Juan, Puerto Rico

Respectfully submitted,

/s/ María D. Trelles Hernández

María D. Trelles Hernández

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**Exhibit A**

Proposed Approval Order

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

THE GOVERNMENT DEVELOPMENT BANK  
FOR PUERTO RICO,

Applicant.

PROMESA

Title VI

Case No. 18-1561 (LTS)

**FINDINGS OF FACT, CONCLUSIONS OF LAW, AND ORDER  
APPROVING QUALIFYING MODIFICATION FOR THE  
GOVERNMENT DEVELOPMENT BANK FOR PUERTO RICO  
PURSUANT TO SECTION 601(m)(1)(D) OF THE PUERTO RICO  
OVERSIGHT, MANAGEMENT, AND ECONOMIC STABILITY ACT**

The Government Development Bank for Puerto Rico (the “**GDB**”) and the Puerto Rico Fiscal Agency and Financial Advisory Authority (“**AAFAF**”) having:<sup>1</sup>

- a. obtained certification from the Financial Oversight and Management Board for Puerto Rico (the “**Oversight Board**”) of the GDB Restructuring Support Agreement, dated as of May 15, 2017 (as amended, supplemented, or modified, the “**RSA**”), as a Qualifying Modification pursuant to section 601(g) of the Puerto Rico Oversight, Management, and Economic Stability Act (“**PROMESA**”);
- b. on August 9, 2018, commenced a solicitation of votes on the Qualifying Modification for GDB pursuant to PROMESA section 601 (the “**Solicitation**”) by delivering (i) a copy of the Solicitation Statement, dated August 9, 2018 (the “**Solicitation Statement**”) including the Preliminary Offering Memorandum, and (ii) one or more ballots, as applicable (the “**Ballot(s)**”) (together (i) and (ii), the “**Solicitation Package**”), to all holders of Outstanding Bonds (the “**Participating Bonds**”) eligible to vote on the Qualifying Modification (each an “**Eligible Voter**”) as of July 31, 2018 (the “**Voting Record Date**”), as evidenced by, among other things, the Affidavit of Solicitation [ECF No. [•]] (the “**Solicitation Affidavit**”) filed by Epiq Corporate Restructuring (the “**Information Agent**”) on [•];
- c. caused notice of the Solicitation to be published in (i) El Nuevo Día (in Spanish); (ii) Caribbean Business (in English); (iii) El Diario and El Nuevo Herald (in Spanish); (iv) The Bond Buyer (in English); and (v) the Wall Street Journal (in English), as evidenced by, among other things, the Affidavit of Publication [ECF

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<sup>1</sup> Unless otherwise noted herein, capitalized terms not defined in these findings of fact, conclusions of law, and order (collectively, this “**Approval Order**” or this “**Order**”) have the meanings ascribed to them in the Approval Application (as defined herein).

No. [•]) (the “**Solicitation Publication Affidavit**”) filed by the Information Agent on [•];

- d. filed, on August 10, 2018 (the “**Title VI Application Date**”), 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], (the “**Approval Application**”), thereby commencing the above-captioned action under Title VI of PROMESA (the “**Title VI Action**”), pursuant to District of Puerto Rico Local Civil Rule 3.1;
- e. filed the *Urgent Motion for Entry of an Order Setting the Deadline for (I) Parties to File a Notice of Intention to Object to the Qualifying Modification for the Government Development Bank for Puerto Rico and (II) Parties to File Standing Objections* [ECF No. 3] (the “**Urgent Motion**”), which sought to establish the deadline for (i) parties to file a notice of intention to object to the Qualifying Modification (the “**Notice of Intention to Object Deadline**”) and (ii) filing objections related to the standing of a party to object to the Qualifying Modification (the “**Standing Objection Deadline**”);
- f. filed the *Motion for an Order Approving Procedures and Setting a Schedule for Approval of the Qualifying Modification for the Government Development Bank for Puerto Rico* [ECF No. 4] (the “**Approval Procedures Motion**”), which sought, among other things, that the Court schedule a hearing on approval of the Qualifying Modification (the “**Approval Hearing**”) and establish procedures (the “**Approval Procedures**”) in connection with the Court process to approve the Qualifying Modification;
- g. obtained, on August 10, 2018, the *Order Setting the Deadline for (I) Parties to File a Notice of Intention to Object to the Qualifying Modification for the Government Development Bank for Puerto Rico and (II) Parties to File Standing Objections* [ECF No. 7] (the “**Notice of Intention to Object Order**”);
- h. caused the Notice of Intention to Object Order to be served on all holders of Participating Bonds, the indenture trustees for the Participating Bonds, and certain other potential objectors, as evidenced by, among other things, the Solicitation Affidavit;
- i. obtained, on September [•], 2018, entry of the *Order Approving Procedures and Setting a Schedule for Approval of the Qualifying Modification for the Government Development Bank for Puerto Rico* [ECF No. [•]] (the “**Approval Procedures Order**”);
- j. caused notice of the Approval Procedures Order, including the Approval Hearing (the “**Hearing Notice**”) to be served on all holders of Participating Bonds, the indenture trustees for the Participating Bonds, and published in (i) El Nuevo Día

(in Spanish); (ii) Caribbean Business (in English); (iii) El Diario and El Nuevo Herald (in Spanish); (iv) The Bond Buyer (in English); and (v) the Wall Street Journal (in English), as evidenced by, among other things, the Affidavit of Service [ECF No. [•]] (the “**Hearing Affidavit**”) filed by the Information Agent on [•];

- k. filed, on [•], the *Declaration of [•] of Epiq Corporate Restructuring, as Calculation Agent, Regarding the Solicitation of Votes and Tabulation of Ballots Cast on the Qualifying Modification Under Title VI of PROMESA* [ECF No. [•]] (the “**Voting Certification**”), indicating that (i) Eligible Voters holding over 50% of the Outstanding Principal amount of Outstanding Participating Bonds in each Pool voted to approve the Qualifying Modification; and (ii) Eligible Voters holding over 66 2/3% of the Outstanding Principal amount of Outstanding Participating Bonds in each Pool that voted in the Solicitation voted to approve the Qualifying Modification (the “**Requisite Approvals**”);
- l. filed, on [•], the certification from the Oversight Board, as Administrative Supervisor, pursuant to PROMESA section 601(m)(1)(B), indicating that the (i) the voting requirements of section 601 of PROMESA have been satisfied; (ii) the Qualifying Modification complies with the requirements set forth in PROMESA section 104(i)(1); and (iii) any conditions (other than those identified in the Qualifying Modification as being non-waivable) on the effectiveness of the Qualifying Modification have been satisfied or, in the Oversight Board’s sole discretion, satisfaction of such conditions has been waived (the “**601(m) Certification**”);

This Court having:

- i. set November 6, 2018 at 10:00 a.m. (Atlantic Standard Time), as the date and time for the commencement of the Approval Hearing;
- ii. reviewed the Solicitation Statement, the Approval Application, the Uhland Declaration, the Voting Certification, the 601(m) Certification, and all pleadings, exhibits, statements, responses, and comments regarding approval of the Qualifying Modification (“**Approval**”), including all objections, statements, and reservations of rights filed on the docket;
- iii. held the Approval Hearing;
- iv. heard the statements, arguments, and objections made by counsel in respect of Approval;
- v. considered all oral representations, documents, filings, and evidence regarding Approval;
- vi. overruled any and all objections (to the extent not withdrawn) to the Qualifying Modification and this Order and all statements and reservation of rights not consensually resolved or withdrawn, unless otherwise indicated; and

- vii. taken judicial notice of all papers and pleadings filed in the Title VI Action, all evidence proffered or adduced, and all arguments made at the hearings held before the Court during the pendency of the Title VI Action.

NOW, THEREFORE, the Court having found that adequate and appropriate notice of the Approval Hearing and the opportunity for any party to object to Approval has been given; and the record of the Title VI Action and the legal and factual bases set forth in the documents filed in support of Approval and presented at the Approval Hearing including, but not limited to, the Solicitation Statement, the Approval Application, the Uhland Declaration, the Voting Certification, and the 601(m) Certification, establish just cause for the relief granted in this Order; and after due deliberation thereon and good cause appearing therefor, the Court hereby makes and issues the following findings of fact, conclusions of law, and orders:

**I. FINDINGS OF FACT AND CONCLUSIONS OF LAW**

IT IS HEREBY DETERMINED, FOUND, ADJUDGED, DECREED, AND ORDERED THAT:

**A. Findings of Fact and Conclusions of Law.**

1. All findings of fact and conclusions of law announced by the Court at the Approval Hearing in relation to Approval are hereby incorporated into this Approval Order to the extent not inconsistent herewith. To the extent that any of the following constitutes findings of fact or conclusions of law, they are adopted as such.

**B. Jurisdiction.**

2. The Court has subject matter jurisdiction over this matter pursuant to PROMESA section 601(m)(1)(D). The Court has exclusive jurisdiction to determine whether the Qualifying Modification complies with the applicable provisions of PROMESA section 601 and should be approved.

**C. Eligibility to Avail Itself of Title VI.**

3. GDB was and continues to be eligible to avail itself of the procedures set forth in Title VI of PROMESA.

**D. Adoption of the GDB Restructuring Act and Creation of the Recovery Authority.**

4. On August 24, 2017, the Governor of the Commonwealth of Puerto Rico (the “**Commonwealth**”) signed into law the *Government Development Bank for Puerto Rico Debt Restructuring Act*, Act No. 109-2017 (as amended, modified or supplemented, the “**GDB Restructuring Act**”). Pursuant to section 201 of the GDB Restructuring Act, the GDB Debt Recovery Authority (the “**Recovery Authority**”) was created as a statutory public trust and a governmental instrumentality of the Commonwealth and has and continues to act in such capacity.

**E. Commencement of the Title VI Action.**

5. On the Title VI Application Date, GDB filed the Approval Application with the Court, pursuant to District of Puerto Rico Local Civil Rule 3.1.

**F. Judicial Notice.**

6. The Court takes judicial notice of (and deems admitted into evidence for purposes of Approval) the docket of the Title VI Action maintained by the Clerk of the Court or its duly appointed agent, including all pleadings, affidavits, and other documents on file, all orders entered, all hearing transcripts, and all evidence and arguments made, proffered, or adduced at the hearings held before the Court during the Title VI Action.

**G. Notice.**

7. As evidenced by the Solicitation Affidavit, the Solicitation Publication Affidavit, the Hearing Affidavit, the Voting Certification, and the 601(m) Certification, due, adequate, and

sufficient notice of the Solicitation and the Approval Hearing, together with the deadlines for voting to approve or reject the Qualifying Modification as well as objecting to the Qualifying Modification and seeking discovery with respect thereto has been given to, as applicable: (a) all known holders of Participating Bonds; (b) the indenture trustees for the Participating Bonds; and (c) parties that requested notice in the Title VI Action, and no other or further notice is or shall be required.

**H. Solicitation.**

8. GDB and AAFAF, through the Information Agent and Dealer-Managers, solicited votes for approval or rejection of the Qualifying Modification in compliance with PROMESA sections 601(f) and (h) and all other applicable rules, laws, and regulations. All procedures used to distribute the Solicitation Package, including the Ballots, to the applicable holders of Participating Bonds were timely, adequate and sufficient and in accordance with PROMESA, applicable securities laws, and all other applicable rules, laws, and regulations.

**I. Voting Report.**

9. Prior to the Approval Hearing, the Voting Certification was filed with the Court, certifying the method and results of the Ballots tabulated. As of the Voting Deadline, holders of approximately (i) [•]% of the Outstanding Principal amount of Outstanding Participating Bonds in the Guaranteed Bond Claim Pool and [•]% of the Outstanding Principal amount of Outstanding Participating Bonds in the Guaranteed Bond Claim Pool that timely voted in the Solicitation and (ii) [•]% of the Outstanding Principal amount of Outstanding Participating Bonds in the Non-Guaranteed Bond Claim Pool and [•]% of the Outstanding Principal amount of Outstanding Participating Bonds in the Non-Guaranteed Bond Claim Pool that voted in the Solicitation voted to approve the Qualifying Modification. As set forth in the Voting

Certification, the procedures used to tabulate the Ballots were fair and reasonable. As evidenced by the Voting Certification, votes to approve or reject the Qualifying Modification have been solicited and tabulated fairly and in a manner consistent with PROMESA and each of the Pools of Participating Bonds voted to approve the Qualifying Modification.

**J. Compliance with the Requirements of PROMESA Section 601.**

10. The Qualifying Modification complies with all applicable provisions of PROMESA section 601.

- i. **Section 601(d)—Compliance with Applicable PROMESA Pooling Requirements.** The Qualifying Modification classifies all Participating Bonds into two Pools based on whether the Participating Bond benefits from a guarantee by the Commonwealth. On May 8, 2018, the Oversight Board, as the Administrative Supervisor, established the two Pools pursuant to PROMESA section 601(d). No Participating Bonds that have identical rights in security or priority have been placed into separate Pools, and no Participating Bonds other than those benefiting from a guarantee by the Commonwealth are entitled to a separate Pool under PROMESA. The Qualifying Modification therefore satisfies the requirements of PROMESA section 601(d).
- ii. **Section 601(e)—GDB is An Authorized Territorial Instrumentality.** On July 12, 2017, the Oversight Board, as Administrative Supervisor, authorized GDB pursuant to section 601(e) of PROMESA to be eligible to avail itself of the procedures under section 601 of PROMESA, thereby establishing GDB as an Authorized Territorial Instrumentality. The Qualifying Modification therefore satisfies the requirements of PROMESA section 601(e).
- iii. **Section 601(f)—Compliance with the Information Delivery Requirement.** Prior to Solicitation, GDB delivered to the Oversight Board, as Administrative Supervisor, the Calculation Agent, and the Information Agent a copy of the Solicitation Package, which included the Preliminary Offering Memorandum, which provides, among other things, (i) sufficient descriptions of (a) GDB's economic and financial circumstances, (b) GDB's existing debts and (c) the impact of the proposed Qualifying Modification on the Commonwealth's and GDB's public debt; (ii) a description of any other modifications being sought by GDB affecting any other Pools; (iii) a copy of the GDB Fiscal Plan; and (iv) sufficient information as required under applicable securities laws. On July 23, 2018, the Oversight Board acknowledged receipt of the Solicitation Package. The Qualifying Modification therefore satisfies the requirements of PROMESA section 601(f) and the Solicitation Package, including the Preliminary Offering Memorandum provides the information required under applicable securities laws pursuant to PROMESA section 601(f)(4).

- iv. **Section 601(g)—The Modification was Certified by the Oversight Board as a Qualifying Modification.** On July 12, 2017, the Oversight Board, as Administrative Supervisor, certified the RSA as a Qualifying Modification under PROMESA section 601(g)(2) based on (i) its certification of the RSA as a Voluntary Agreement under PROMESA section 104(i)(1); (ii) its finding that the Voluntary Agreement became effective under PROMESA section 104(i)(2); and (iii) its finding that the Modification proposed by the RSA satisfies the same consideration requirement under PROMESA section 601(g)(1)(B). On May 8, 2018, the Oversight Board recertified an amended version of the RSA as a Qualifying Modification. The Qualifying Modification therefore satisfies the requirements of PROMESA section 601(g).
- v. **Section 601(h)—The Qualifying Modification has Been Properly Solicited.** GDB and AAFAF, through the Information Agent and Dealer-Managers, solicited votes for approval and rejection of the Qualifying Modification in compliance with PROMESA, applicable securities laws, and all other applicable rules, laws, and regulations. The Information Agent provided notice of the Solicitation to each holder of Outstanding Participating Bonds by mailing the Solicitation Package by first class mail to (a) mailing the Solicitation Package by first class mail to (i) the address known for such holder of Outstanding Participating Bonds, (ii) The Depository Trust Company (as the clearing system for Outstanding Participating Bonds); (iii) indenture trustee and (b) delivering Solicitation Packages by next business day service to the banks, brokers, dealers, agents or other nominees of the Outstanding Participating Bonds, as described in the Solicitation Affidavit. The Information Agent also published notice of the Solicitation, as set forth in the Solicitation Publication Affidavit. The Qualifying Modification therefore satisfies the requirements of PROMESA section 601(h).
- vi. **Section 601(i)—GDB is Eligible to Propose the Qualifying Modification.** GDB, as an Authorized Territorial Instrumentality that has issued or guaranteed at least one Bond that is Outstanding, is eligible to propose the Qualifying Modification in accordance with PROMESA section 601(i). The Qualifying Modification therefore satisfies the requirements of PROMESA section 601(i).
- vii. **Section 601(j)—The Voting Requirements Have Been Satisfied Prior to the Approval Hearing.** As evidenced by the Voting Certification and the 601(m) Certification (a) Eligible Voters holding over 50% of the Outstanding Principal amount of Outstanding Participating Bonds in each Pool voted to approve the Qualifying Modification; and (b) Eligible Voters holding over 66 2/3% of the Outstanding Principal amount of Outstanding Participating Bonds in each Pool that voted in the Solicitation voted to approve the Qualifying Modification. The Qualifying Modification therefore satisfies the requirements of PROMESA section 601(j).
- viii. **Section 601(k)—Epiq Corporate Restructuring has been Properly Designated as the Calculation Agent.** Epiq Corporate Restructuring has been properly appointed Calculation Agent, which appointment was confirmed to be

acceptable to the Oversight Board, as Administrative Supervisor. The Qualifying Modification therefore satisfies the requirements of PROMESA section 601(k).

- ix. **Section 601(l)—Epiq Corporate Restructuring has been Properly Designated as the Information Agent.** Epiq Corporate Restructuring has been properly appointed Information Agent, which appointment was confirmed to be acceptable to the Oversight Board, as Administrative Supervisor. The Qualifying Modification therefore satisfies the requirements of PROMESA section 601(l).
  
- x. **Section 601(m)—The Qualifying Modification Satisfies the Requirements Necessary to Become Binding and Effective.** Pursuant to PROMESA section 601(m), (i) the voting requirements of section 601 of PROMESA have been satisfied; (ii) the Oversight Board, as Administrative Supervisor, has certified that (a) the Requisite Approvals have been obtained; (b) the Qualifying Modification complies with the requirements set forth in PROMESA section 104(i)(1); and (c) any conditions (other than those identified in the Qualifying Modification as being non-waivable) on the effectiveness of the Qualifying Modification have been satisfied or, in the Oversight Board’s sole discretion, satisfaction of such conditions has been waived; and (iii) this Court has approved the Qualifying Modification pursuant to this Order. Section 601(m)(1)(C) of PROMESA is not applicable because there are no Bond Claims in respect of Participating Bonds secured by a lien on property. The Qualifying Modification therefore satisfies the requirements of section 601(m) of PROMESA.

## **II. ORDER**

**BASED ON THE FOREGOING FINDINGS OF FACT AND CONCLUSIONS OF LAW, IT IS ORDERED, ADJUDGED, AND DECREED THAT:**

### **A. Findings of Fact and Conclusions of Law.**

11. The above-referenced findings of fact and conclusions of law are hereby incorporated by reference as though fully set forth herein and together with the findings and conclusions in the record of the Approval Hearing, shall constitute findings of fact and conclusions of law pursuant to Rule 52 of the Federal Rules of Civil Procedure. To the extent that any finding of fact is determined to be a conclusion of law, it is deemed so, and vice versa.

### **B. Notice of the Approval Hearing.**

12. Notice of the Approval Hearing was adequate and sufficient under the circumstances, and all parties required to be given notice of the Approval Hearing and the

deadlines for voting to approve or reject the Qualifying Modification as well as objecting to the Qualifying Modification and seeking discovery with respect thereto were given due, proper, timely, and adequate notice in accordance with the Approval Procedures Order and the Notice of Intention to Object Order and in compliance with applicable law, and such parties had an opportunity to appear and be heard with respect thereto. No other or further notice is required.

**C. Approval of the Qualifying Modification.**

13. The Qualifying Modification is approved and binding in its entirety pursuant to PROMESA sections 601(m)(1)(D), 601(n), and 602. To the extent that any objections, notices of intentions to object or reservations of rights to Approval of the Qualifying Modification have not been resolved, withdrawn, waived, or settled prior to entry of this Approval Order or otherwise resolved by the relief granted herein or as stated by GDB and AAFAF on the record of the Approval Hearing, all such objections are overruled on the merits.

**D. Vesting of Assets.**

14. On the Closing Date, pursuant to section 601(m) of PROMESA and the GDB Restructuring Act and in accordance with the terms of the Qualifying Modification, the property of GDB shall vest, as applicable, in GDB and the Recovery Authority, in each case, free and clear of all claims in respect of Bonds of any other issuer.

**E. Binding Effect.**

15. The entry of this order is deemed to satisfy section 601(m)(1)(D) of PROMESA. Upon the entry of this Order, and subject to the occurrence of the Closing Date, the Qualifying Modification shall be conclusive and binding and therefore shall be 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 Bonds, and any trustee, any collateral agent, any indenture trustee, any fiscal agent, and any bank that receives or holds funds related to such Participating Bonds. All property of GDB shall vest in GDB or the Recovery Authority, as applicable, in each case, free and clear of all claims in respect of any Bonds of any other issuer. The Qualifying Modification, including all settlements, compromises, releases, discharges, and injunctions, shall be full, final, complete, binding, and conclusive as to the Commonwealth, all Commonwealth instrumentalities, and any creditors of such entities, and shall not be subject to any collateral attack or other challenge by any such entities in any court or other forum. Other than as provided herein, no claim or right that may be asserted by any party in a capacity other than holder of a Participating Bond shall be satisfied, released, discharged, or enjoined by this Order.

**F. Cancellation of Existing Securities and Agreements.**

16. On the Closing Date, upon issuance of the New Bonds, all Participating Bonds and all claims thereon shall be deemed cancelled and the obligations of GDB thereunder or in any way related thereto shall be discharged; provided, however, that any document or agreement that governs the rights of the indenture trustee or a holder of a claim in respect of a Participating Bond shall continue in effect solely for purposes of enabling the indenture trustee or holders of Participating Bonds to receive distributions under the Qualifying Modification, including the New Bonds and rights under the Keepwell Agreement, and nothing in this Order shall effectuate a cancellation of any obligations under the Keepwell Agreement.

**G. Federal Funds.**

17. Notwithstanding any other provision of this Order or the RSA, (1) all funds (a) provided to a Government Entity (as that term is defined in the GDB Restructuring Act) by any department, agency, or instrumentality of the United States of America and (b) deposited at

GDB (the “**Federal Funds**”) shall be used and administered by such Government Entity in compliance with applicable, non-PROMESA federal law and regulations; (2) Federal Funds shall not be used in any way to effect the restructuring of the GDB; and (3) Federal Funds may not be used to set off any debts owed to the GDB by any Government Entity against any deposits such Government Entity has with the GDB.

**H. Reservation of Rights.**

18. The Qualifying Modification shall have no force or effect unless and until the Closing Date. Prior to the Closing Date, none of the filing of the Qualifying Modification, any statement or provision contained in the Qualifying Modification, or action taken by GDB, AAFAF, or the Recovery Authority with respect to the Qualifying Modification shall be, or shall be deemed to be, an admission or waiver of any rights of GDB, AAFAF, or the Recovery Authority or any other party with respect to any Participating Bond or any other matter.

19. Nothing herein shall release any of the rights, claims, obligations, or privileges of GDB, AAFAF, and the Ports Trustee (as defined below) expressly preserved under the Settlement Agreement, dated as of September 10, 2018, by and among GDB, AAFAF, and the Bank of New York Mellon, as indenture trustee (the “**Ports Trustee**” and, together with the GDB and AAFAF, the “**Ports Settlement Parties**”) of the Puerto Rico Infrastructure Financing Authority Revenue Bonds (Ports Authority Project) issued pursuant to a Loan and Trust Agreement by and among Puerto Rico Infrastructure Financing Authority, the Puerto Rico Ports Authority and the Ports Trustee, dated as of December 1, 2011, and the preservation of such rights, claims, obligations, and privileges shall be valid and binding upon all creditors and other parties.

**I. Nonseverability of Qualifying Modification Provisions upon Approval.**

20. This Order constitutes a judicial determination that each term and provision of the Qualifying Modification is: (a) valid and enforceable in accordance with its terms; (b) integral to the Qualifying Modification and may not be deleted or modified without GDB's consent subject to any applicable consultation and approval rights and conditions; and (c) nonseverable and mutually dependent.

**J. Authorization to Consummate.**

21. GDB, AAFAF and the Recovery Authority are authorized to consummate the Qualifying Modification and implement the transactions thereunder at any time after the entry of this Approval Order subject to the satisfaction of the conditions precedent to consummation set forth in the Qualifying Modification.

**K. Retention of Jurisdiction.**

22. To the fullest extent permitted by law, and notwithstanding the entry of this Order or the occurrence of the Closing Date, this Court shall retain exclusive jurisdiction over any matter arising under the Qualifying Modification or the Approval Order.

**L. Final Order.**

23. This Order is a final order and the period in which an appeal must be filed shall commence upon entry hereof.

**M. Waiver of Stay.**

24. Notwithstanding Rule 62 of the Federal Rules of Civil Procedures or otherwise, this Order shall be effective and enforceable immediately upon entry. GDB, AAFAF and the Recovery Authority are authorized to consummate the Qualifying Modification at any time after the entry of this Approval Order.

SO ORDERED.

Dated: \_\_\_\_\_, 2018

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Laura Taylor Swain  
United States District Judge