



GOVERNMENT OF PUERTO RICO
Puerto Rico Fiscal Agency and Financial
Advisory Authority

GO counterproposal

Project Estado

May 1, 2017





GO counterproposal

Key terms

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GO + GO Guarantee creditors

- 70% recovery in New Senior Bond and 20% in Senior Cash Flow Bond

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Process considerations

- Litigate with COFINA creditors to successful conclusion or settle within debt capacity (or both)
- Distribution to non-GO and / or non-GO Guarantee claims within remaining debt capacity
- Forbearance to complete documentation and close
- Closing would be subject to an acceptable settlement with COFINA or successful completion of COFINA litigation

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Recovery to be structured as follows:

New Senior Bond

- Provided to GO and GO Guarantee creditors
- Sized to provide 70% recovery on face value of GO and GO Guarantee claims
- 30-year bond with 5.00% cash coupon
- No mandatory principal payments until after June 30, 2026. Amortization schedule to fit within certified Fiscal Plan
- Tax-exempt ¹

Senior Cash Flow Bond

- Provided to GO and GO Guarantee creditors
- Sized to provide 20% recovery on face value of GO and GO Guarantee claims
- Turbo structure and designed to be tradeable
- Possibly tax-exempt
- Payment only upon performance in excess of certified Fiscal Plan
 - Optimal structure of Senior Cash Flow Bond to be determined

¹ A portion of the New Senior Bond may be taxable. Final allocations to be determined