

UNITED STATES DISTRICT COURT
DISTRICT OF PUERTO RICO

AUTONOMOUS MUNICIPALITY OF SAN JUAN,

Plaintiff,

-against-

THE FINANCIAL OVERSIGHT AND
MANAGEMENT BOARD FOR PUERTO RICO,
GOVERNMENT DEVELOPMENT BANK FOR
PUERTO RICO, and PUERTO RICO FISCAL
AGENCY AND FINANCIAL ADVISORY
AUTHORITY,

Defendants.

No. 3:17-cv-2009-LTS

NOTICE AND STIPULATION OF DISMISSAL

Plaintiff Autonomous Municipality of San Juan (“San Juan”), and Defendants the Government Development Bank’s (the “GDB”), and the Puerto Rico Fiscal Agency & Financial Advisory Authority (“AAFAF”), through their undersigned counsel, respectfully state:

1. On December 1, 2017, Plaintiff San Juan filed an Amended Complaint for Declaratory Judgment, Damages and Injunctive Relief in this case against the Government Development Bank’s (the “GDB”), and the Puerto Rico Fiscal Agency & Financial Advisory Authority (“AAFAF”), and the Financial Oversight and Management Board for Puerto Rico challenging various matters relating to the GDB’s then-proposed Restructuring Support Agreement, dated as of May 15, 2017 (“RSA”). *See* ECF No. 88. The RSA contemplates the restructuring of certain of GDB’s indebtedness pursuant to a Qualifying Modification (the “Qualifying Modification”) under Title VI of the Puerto Rico Oversight, Management, and Economic Stability Act (“PROMESA”).

2. On March 27, 2018, the GDB publically released the Fourth Amendment (the “Fourth Amendment”) to the RSA, by and among GDB, AAFAF, and the Supporting Bondholders party thereto. *See* ELECTRONIC MUNICIPAL MARKET ACCESS SYSTEM (EMMA), <https://emma.msrb.org/ES1125696-ES880621-ES1281908.pdf>.

3. On April 9, 2018, San Juan filed a motion to hold all pending motions in this litigation in abeyance so as to permit the parties to discuss the Fourth Amendment to the RSA. ECF No. 119. In response, Defendants sought a full stay of this action. ECF No. 121. On April 18, 2018, this Court entered a stay of all proceedings herein. ECF No. 122.

4. Since the Court entered a stay of proceedings, and contemporaneous with the entry into this Stipulation, San Juan and GDB entered into a Settlement Agreement releasing San Juan’s claim to certified amounts of the CAE in excess of the debt service amounts due in Fiscal Years 2015, 2016 and 2017 (“Excess CAE”) that were not disbursed. *See* Ex. A (“Excess CAE Settlement Agreement”).

5. In light of the foregoing, on this day, San Juan hereby gives notice pursuant to Fed. R. Civ. P. 41(a)(1)(A)(i), that its claims predicated upon the RSA’s treatment of Excess CAE are dismissed with prejudice (Count I and, only to the extent grounded upon the RSA’s treatment of Excess CAE, Counts III and VII and VIII) and that all remaining claims in the above captioned action are dismissed without prejudice (the “Remaining Claims”) as against all Defendants, with all attorneys’ fees, costs of court and expenses to be borne by each party incurring the same; *provided that*, upon approval of the Qualifying Modification (so long as the Qualifying Modification is not modified in a manner materially adverse to the treatment of San Juan’s general deposit, CAE deposit and escrows claims under the Qualifying Modification) the Remaining Claims shall be deemed, without further order from the Court, dismissed with prejudice.

6. Notwithstanding any contrary provision of the Excess CAE Settlement Agreement with the GDB, the GDB and AAFAF expressly stipulate and agree that, solely to the extent the Qualifying Modification sought in the GDB's Title VI action (No. 18-cv-1561) is not approved or in the event that there is an adverse material change to the treatment of San Juan's general deposit, CAE deposit and escrow claims under the RSA prior to approval of a Qualifying Modification, San Juan retains the right to bring any suit or commence any action against the Defendants or any other parties based upon the Remaining Claims including, without limitation, any claims arising from or related to its general deposits, CAE deposits and escrows.

7. The attorneys for the parties are authorized by their respective clients to enter into this stipulation.

RESPECTFULLY SUBMITTED.

In New York, New York this 19th day of September, 2018.

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*Attorneys for the Puerto Rico Fiscal Agency and Financial Advisory Authority and the
Government Development Bank for Puerto Rico*

CERTIFICATE OF SERVICE

The undersigned counsel hereby certifies that the instant document and proposed order have been filed with the Court's CM/ECF System, which will simultaneously serve notice on all counsels of record to their registered e-mail addresses.

In New York, New York, this 19th day of September, 2018.

RESPECTFULLY SUBMITTED,

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