

**ALL DEPOSITORIES, NOMINEES, BROKERS AND OTHERS:  
PLEASE FACILITATE THE TRANSMISSION OF THIS NOTICE  
TO ALL BENEFICIAL OWNERS. ADDITIONAL COPIES OF  
THIS NOTICE ARE AVAILABLE FOR THIS PURPOSE UPON  
REQUEST AT THE ADDRESS SET FORTH BELOW.**

**NOTICE OF CERTIFICATION OF  
GOVERNMENT DEVELOPMENT BANK FOR PUERTO RICO'S  
AMENDED RESTRUCTURING SUPPORT AGREEMENT  
AS A VOLUNTARY AGREEMENT AND A QUALIFYING  
MODIFICATION PURSUANT TO TITLE VI OF PROMESA**

**TO THE HOLDERS (THE "HOLDERS") OF  
GOVERNMENT DEVELOPMENT BANK FOR PUERTO RICO  
SENIOR NOTES  
(THE "NOTES")**

**Affected CUSIP Nos.: See Appendix A\***

Ladies and Gentlemen:

Wilmington Trust, N.A., is the successor trustee (the "Trustee") under that certain indenture dated as of February 17, 2006 (the "Base Indenture") by and among the Trustee and the Government Development Bank for Puerto Rico ("GDB" or the "Bank"), a public corporation and government instrumentality for the Commonwealth of Puerto Rico (the "Commonwealth"). The Notes were issued pursuant to the Base Indenture, as supplemented by those certain supplemental indentures relating to each series of Notes (the Base Indenture, as so supplemented, the "Indenture"). Capitalized terms used but not defined herein have the respective meanings given to them in the Indenture.

**Events of Default**

As set forth in the Trustee's prior notices, various Events of Default have occurred and are continuing with respect to the Notes. Payment on the Notes remains subject to a moratorium imposed by certain Executive Orders issued by the Governor of Puerto Rico beginning in April 2016.

## **PROMESA Title VI**

As you were previously notified, on June 30, 2016, former President Obama signed the Puerto Rico Oversight, Management and Economic Stability Act ("PROMESA") into law. On August 31, 2016, former President Obama appointed the seven (7) members of the Financial Oversight and Management Board (the "Oversight Board") created by PROMESA.

Title VI of PROMESA provides a mechanism for a territorial issuer and its creditors to effect a voluntary restructuring of such issuer's bond debt. Before a voluntary restructuring agreement can be submitted to holders for solicitation of acceptances or rejections thereof, it must be certified by the Oversight Board as a Qualifying Modification pursuant to Section 602(g)(2) of PROMESA. A Qualifying Modification may only become conclusive and have binding effect on all holders of the bonds being restructured thereby, whether or not such holders have given their consent thereto, upon the satisfaction of the conditions set forth in PROMESA Section 602(m), which include: approval by holders of at least 50% of the outstanding principal amount of the affected bonds in the relevant voting Pool (as such term is defined in PROMESA Title VI) and, of those actually voting, 66 2/3% of the aggregate outstanding principal amount of bonds in such voting Pool, delivery by the Oversight Board of certain certifications, and entry by the U.S. District Court for the territory of an order approving the Qualifying Modification as satisfying the requirements of PROMESA Section 601 (with the added condition in the case of bonds secured by a lien on property that any non-consenting bondholder retain the lien securing such holder's bonds or receive value equivalent to the lesser of the bond or the collateral securing the bond).

## **GDB Restructuring Support Agreement**

As you were previously notified, on May 15, 2017, GDB, the Puerto Rico Fiscal Agency and Financial Advisory Authority ("AAFAF")<sup>1</sup> and certain holders of the Notes entered into a Restructuring Support Agreement (the "RSA") pursuant to which the parties have agreed to undertake a financial restructuring of GDB (the "Proposed Restructuring") on the terms and conditions set forth in a Restructuring Term Sheet attached to the RSA (the "Term Sheet"). The parties to the RSA intend for the Proposed Restructuring to be effected through a Qualifying Modification pursuant to Title VI of PROMESA, which provides a mechanism for a territorial issuer and its creditors to effect a voluntary restructuring of the issuer's bond debt.

The Trustee refers holders to prior Trustee notices for additional information regarding the RSA, including the conditional certification of the RSA by the Oversight Board as a Qualifying Modification and authorization to avail itself of the procedures under Title VI of PROMESA in July 2017, the enactment of the GDB Debt Restructuring Act to implement the Proposed Restructuring, and the First and Second Amendments to the RSA. (Capitalized terms

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<sup>1</sup> Pursuant to Act 2-2017, AAFAF has been given the sole responsibility to renegotiate, restructure and/or reach an agreement with creditors on all or part of the debt issued by any government instrumentality of the Commonwealth.

used in this paragraph and not otherwise defined herein shall have the meaning ascribed to them in the respective notices.)

#### *Fourth Amendment to RSA*

As you were also previously notified, on March 27, 2018, AAFAF and GDB released a draft Fourth Amendment to the RSA (the “Fourth Amendment” and the RSA as amended by the First, Second, Third and Fourth Amendments thereto, the “Amended RSA”) extending the milestones for completing solicitation of the Qualifying Modification and for entry of an approval order by the U.S. District Court to June 8, 2018 and June 28, 2018, respectively, and attaching a revised Restructuring Term Sheet.

On April 9, 2017, AAFAF and GDB announced that the requisite number of holders of Participating Bond Claims (as defined in the RSA) had signed the Fourth Amendment and that the Fourth Amendment had become effective pursuant to its terms on April 6, 2018. A copy of the Fourth Amendment is available on the special website established by the Trustee’s counsel described below.

#### **Oversight Board Certifies the Amended RSA as a Qualifying Modification**

The Trustee hereby notifies you that on May 11, 2018, the Oversight Board announced that, upon AAFAF’s April 25, 2018 request, it certified the Amended RSA as a Voluntary Agreement pursuant to Section 104(i) of PROMESA and a Qualifying Modification pursuant to Section 602(g) of PROMESA. The Oversight Board also gave its consent to the designation of Epiq Bankruptcy Solutions, LLC as Information Agent and Calculation Agent with respect to the solicitation of consents to the Qualifying Modification. Pursuant to PROMESA, the Information Agent shall disseminate certain required information to Holders in connection with the solicitation of votes to accept or reject the Qualifying Modification, including, among other things, descriptions of GDB’s economic and financial circumstances, its existing debts and the impact of the proposed Qualifying Modification on its public debt, and the Calculation Agent shall calculate the principal amount of Notes eligible to participate in the consent solicitation and tabulate such consents. Finally, the Oversight Board, pursuant to the authority granted to it by PROMESA Section 601(d)(3), also established two pools of bond claims for purposes of voting on the Qualifying Modification: one for claims guaranteed by the Commonwealth<sup>2</sup> and one for non-guaranteed claims.

Having obtained certification of the Amended RSA as a Qualifying Modification, GDB may now proceed to solicit acceptances to the Qualifying Modification pursuant to Section 602(h) of PROMESA.

The Trustee refers holders to the Oversight Board’s May 11, 2018 general release and AAFAF’s Material Event Notice posted to EMMA on May 11, 2018, for summaries of the general terms of the Amended RSA and the proposed treatment of the claims of holders of the

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<sup>2</sup> Notes having CUSIP Nos. 745177FQ3, 745177FR1, and 745177FS9 are subject to a guarantee given by the Commonwealth.

Notes to be effected by the Qualifying Modification. Both the Oversight Board's general release and AAFAF's Material Event Notice are appended to this notice and are also available on the special website established by the Trustee's counsel described below.

### **Direction to the Trustee**

The Indenture provides that the holders of a majority in principal amount of each series Notes currently outstanding have the right, after furnishing indemnity satisfactory to the Trustee, to direct the method and place of conducting all proceedings by the Trustee to be taken in connection with the enforcement of the Noteholders' or the Trustee's rights and remedies under the Indenture, provided such direction is in accordance with law and the provisions of the Indenture. The Noteholders' ability to direct the Trustee is further subject to the requirements of the Indenture (including, *inter alia*, Section 603 of the Indenture), which, among other things, state that the Trustee shall be under no obligation to institute any suit or to take any remedial action under the Indenture or any other documents relating to the Notes until it shall be indemnified to its satisfaction against any and all reasonable compensation for services, costs and expenses, outlays, and counsel fees and other disbursements and against all liability.

### **Trustee Reservation of Rights**

No delay or forbearance by the Trustee to exercise any right or remedy accruing upon the occurrence of a default, or otherwise under the terms of the Indenture or other documentation relating thereto or under applicable law, shall impair any such right or remedy or constitute a waiver thereof or acquiescence therein.

### **Website for Accessing Certain Publicly Available Information**

Certain publicly available information which may be of interest to Noteholders, as well as prior notices given to Noteholders by the Trustee, is available to Noteholders through a special link on the website of the Trustee's counsel. Noteholders wishing to access this information should go to the following web page: <http://www.drinkerbiddle.com/capabilities/services/bondholders/government-development-bank>.

### **Notice of Further Developments**

The Trustee will continue to provide information concerning this matter to the holders as it becomes available. In order to establish an orderly process for providing to you information concerning developments relating to the Notes and to receive input from you as such developments take place, we ask, if you have not already done so or your holdings of Notes have changed, that you please provide us with the information requested on the attached questionnaire and return the completed questionnaire to the Trustee at the address provided on the attached questionnaire.

### **Retention of Counsel**

The Trustee has retained the law firm of Drinker Biddle & Reath LLP and specifically, Kristin Going of that firm, to represent it in connection with the subject matter of this notice and the Notes generally. Ms. Going's address is Drinker Biddle & Reath LLP, 1500 K Street, N.W., Suite 1100, Washington, D.C. 20005 and her telephone number is 202-230-5177.

### **Communications with Trustee**

If you have any questions concerning this notice, inquiries may be directed to Jay Smith at Wilmington Trust, N.A. at (410) 545-2193 or [jhsmith@wilmingtontrust.com](mailto:jhsmith@wilmingtontrust.com), or to the Trustee's counsel: Kristin Going and Marita Erbeck at Drinker Biddle & Reath LLP at (212) 248-3273 (Going)/(973) 549-7076 (Erbeck) or [Kristin.Going@dbr.com](mailto:Kristin.Going@dbr.com)/[Marita.Erbeck@dbr.com](mailto:Marita.Erbeck@dbr.com). The Trustee may conclude, however, that a specific response to particular inquiries from individual holders is not consistent with equal and full dissemination of information to all holders. Holders should not rely upon the Trustee as their sole source of information. This notice is provided for informational purposes only. The Trustee gives no legal, financial or tax advice regarding the Notes or the matters described herein. Holders should consult their own professionals regarding the Notes and the events described above.

Wilmington Trust, N.A., as Successor  
Trustee

Dated: May 21, 2018

\* The Trustee makes no representation as to the accuracy of the CUSIP number provided and used herein.

**Appendix A**

**CUSIP Numbers**

745177CH6

745177CJ2

745177EN1

745177ET8

745177FB6

745177FC4

745177FD2

745177FE0

745177FF7

745177FH3

745177FK6

745177FQ3

745177FR1

745177FS9

745177EP6

745177EU5

745177EX9

745177FM2

745177FN0

**Government Development Bank for Puerto Rico Senior Notes  
(the "Notes")**

**NOTE HOLDER QUESTIONNAIRE**

Holder Legal Name(s) and Current Note Holdings. *Please provide full legal name(s) of each holder of Notes and list the amount(s) (expressed in dollars) of each holding. If more than one holder, please list each holding separately.*

| <u>Name(s) of Holder(s) and DTC<br/>Participant #</u> | <u>Series of Notes Held</u> | <u>Amount(s) of Holding(s):</u> |
|---|-----------------------------|---------------------------------|
|---|-----------------------------|---------------------------------|

Contact Information of Individual(s) Representing Note Holder(s). *Please provide a current mailing address, telephone number, and email address for the individual(s) who may be contacted by the Trustee or its counsel concerning the bankruptcy proceedings relating to the Notes and who are authorized to represent the Holder. If you wish to provide information for more than one individual, please identify which individuals will serve as primary and secondary contacts for which holdings. If you have holdings under more than one legal name, and it is necessary for us to contact separate individuals for each holding, please indicate this in your response.*

Note Holder Representative(s):

Contact Information:

Please Return to:

Wilmington Trust, National Association  
Attn: Jay Smith IV – Government Development Bank for Puerto Rico  
Senior Notes due May 1, 2016  
25 South Charles Street-11<sup>th</sup> Floor  
Mail Code: MD2-CS58  
Baltimore, MD 21201  
[JHSmith@wilmingtontrust.com](mailto:JHSmith@wilmingtontrust.com)



## Financial Oversight and Management Board for Puerto Rico

### PRESS RELEASE

For Immediate Release

#### **OVERSIGHT BOARD CERTIFIES GOVERNMENT DEVELOPMENT BANK'S AMENDED RESTRUCTURING SUPPORT AGREEMENT AS A VOLUNTARY AGREEMENT AND QUALIFYING MODIFICATION UNDER TITLE VI**

*The Oversight Board certifies two voting pools of bonds and accepts the designation of Epiq as Calculation and Information Agent for the solicitation process*

*(San Juan, PR – May 11, 2018)* – The Financial Oversight and Management Board for Puerto Rico (the “Oversight Board”) created by Congress under the bipartisan Puerto Rico Oversight, Management and Economic Stability Act (“PROMESA” or the “Act”) today took action with respect to the Government Development Bank’s (“GDB”) amended Restructuring Support Agreement (“RSA”) under its Title VI authority.

“Agreement with the Government Development Bank’s creditors is an important accomplishment toward achieving PROMESA’s goals,” said Natalie Jaresko, Executive Director. “The amended RSA demonstrates the Board’s commitment to achieving consensual restructuring agreements where possible.”

The Board’s decision was in response to a Fiscal Agency and Financial Advisory Authority (“FAFAA”) letter, dated April 25, 2018, in which the agency requested the Board recertify the Amended RSA as a Voluntary Agreement.

#### **Details of the Amended RSA**

The RSA establishes two pools of bond claims, one for claims guaranteed by the Commonwealth and one for non-guaranteed claims.

Under the RSA, Puerto Rico Municipality Depositors and on-island GDB bondholders are treated equally with off-island GDB bondholders, all as general unsecured creditors.



The RSA provides for the organized and consensual restructuring of a substantial portion of GDB's liabilities, including GDB public bonds, deposit claims by municipalities and certain non-public entities and claims under certain GDB-issued letters of credit and guarantees ("Participating Bond Claims"). In exchange for releasing GDB from liability relating to these claims, the claim-holders will receive new bonds to be issued by a new entity (the "Issuer").

In order to secure and service the new bonds, GDB will transfer to the Issuer its entire municipal loan portfolio, certain real estate assets available for sale, proceeds, among other assets, of certain public entity loans and a certain amount of cash.

The Board also unanimously approved FAFAA's request to recertify the Amended RSA as a voluntary agreement and a Qualifying Modification and consented the designation of Epiq Bankruptcy Solutions, LLC ("Epiq") as Calculation and Information Agent for the solicitation process.

The Board's most recent unanimous consent regarding its actions under Title VI of PROMESA can be found on the Board's [website](#).

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Contact:

Forculus Strategic Communications

José Luis Cedeño

787-400-9245

[jcedeno@forculuspr.com](mailto:jcedeno@forculuspr.com)

[info@forculuspr.com](mailto:info@forculuspr.com)

Contact (Mainland):

APCO Worldwide

Gabriella Zen

202-778-1056

[gzen@apcoworldwide.com](mailto:gzen@apcoworldwide.com)

Board's Contact Information:

E-mail: [comments@oversightboard.pr.gov](mailto:comments@oversightboard.pr.gov)



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

**Municipal Secondary Market Disclosure Information Cover Sheet**  
**Municipal Securities Rulemaking Board (MSRB)**  
**Electronic Municipal Market Access System (EMMA)**  
**Additional / Voluntary Event-Based Disclosure**

**THIS FILING RELATES TO ALL OR SEVERAL SECURITIES ISSUED BY THE ISSUER, OR ALL OR SEVERAL SECURITIES OF A SPECIFIC CREDITOR:**

Issuer's Name: Government Development Bank for Puerto Rico (GDB)

Other Obligated Person's Name (if any): \_\_\_\_\_

Base CUSIP number(s): 745177

**TYPE OF INFORMATION PROVIDED:**

- A.  Amendment to Continuing Disclosure Undertaking
- B.  Change in Obligated Person
- C.  Notice to Investor Pursuant to Bond Documents
- D.  Communication from the Internal Revenue Service
- E.  Bid for Auction Rate and Other Securities
- F.  Capital or Other Financing Plan
- G.  Litigation / Enforcement Action
- H.  Change of Tender Agent, Remarketing Agent or Other On-going Party
- I.  Derivative or Other Similar Transaction
- J.  Other Event-Based Disclosures: **FAFAA PRESS RELEASE: THE FINANCIAL OVERSIGHT AND MANAGEMENT BOARD FOR PUERTO RICO CERTIFIES THE GOVERNMENT DEVELOPMENT BANK RESTRUCTURING SUPPORT AGREEMENT AMENDMENT**

I represent that I am authorized by the issuer, obligor or its agent to distribute this information publicly.

/s/ Sebastián M. Torres Rodríguez

Sebastián M. Torres Rodríguez  
Puerto Rico Fiscal Agency and Financial Advisory Authority,  
as Fiscal Agent for the Commonwealth

Dated: May 11, 2018



## GOVERNMENT OF PUERTO RICO

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Puerto Rico Fiscal Agency and Financial Advisory Authority

Friday, May 11, 2018

### **Oversight Board for Puerto Rico Certifies the Government Development Bank Restructuring Support Agreement Amendment**

(San Juan, P.R.) — Today, the Puerto Rico Fiscal Agency and Financial Advisory Authority (“AAFAF”, by its Spanish acronym) and the Government Development Bank for Puerto Rico (“GDB”) announced that the Financial Oversight and Management Board for Puerto Rico (the “Oversight Board”), created by Congress under the bipartisan Puerto Rico Oversight, Management and Economic Stability Act (“PROMESA” or the “Act”) has authorized AAFAF to continue to proceed with a restructuring of GDB under Title VI of PROMESA. The Oversight Board approved and certified the amendment to the GDB Restructuring Support Agreement (the “Amended RSA”) as a Voluntary Agreement and a Qualifying Modification, in each case pursuant to PROMESA. The Oversight Board also approved the appointment of Epiq Bankruptcy Solutions, LLC (“Epiq”) as Calculation Agent and Information Agent and established the Pools of Bond Claims as proposed by AAFAF and GDB, in each case pursuant to PROMESA.

“This agreement represents an important step towards the debt restructuring of Puerto Rico. The transaction simplifies the Government’s financial framework, while creating value for stakeholders, and reaffirms this Administration’s commitment to reach consensus with creditors. Creditors supporting the GDB RSA, which include the Ad Hoc Group, Puerto Rico municipalities, on-island *cooperativas*, and an important representation of local bondholders, were very constructive and effective throughout the process, and demonstrated their enthusiasm in the socio-economic recovery of Puerto Rico. We encourage creditor groups of other Puerto Rico issuers to follow a similar approach, where the Government can sit down with market participants and resolve legacy issues,” said Gerardo José Portela Franco, Executive Director of AAFAF.

“Today’s development represents another significant step in GDB’s debt restructuring and the ultimate resolution of GDB. The terms of the Amended



## GOVERNMENT OF PUERTO RICO

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### Puerto Rico Fiscal Agency and Financial Advisory Authority

RSA are in the best interests of the people of Puerto Rico, GDB's creditors and Puerto Rico's economic recovery, and we are pleased that the Oversight Board has endorsed the amended transaction. GDB would like to thank its stakeholders for their continued good faith negotiations and commitment to a consensual transaction," said Christian Sobrino Vega, President of GDB.

#### **The Amended RSA**

As previously announced, AAFAF, GDB and certain of GDB's financial creditors entered into the Amended RSA. The Amended RSA simplifies the GDB restructuring transaction while simultaneously providing additional relief to municipalities as they recover from the severe damage and devastation caused to Puerto Rico and its municipalities in the wake of Hurricanes Irma and María. The Amended RSA provides that, upon consummation of the Qualifying Modification, the full amount of each municipality's deposits held at GDB will be automatically applied against the balance of any loan owed by such municipality to GDB. Additionally, to provide certain municipalities with immediate liquidity, the amendment to the RSA gives each municipality with certified Excess CAE (as defined in the Government Development Bank for Puerto Rico Debt Restructuring Act) the opportunity to receive immediate payment, before consummation of the Qualifying Modification, of 55% of such municipality's undisbursed certified Excess CAE held at GDB in exchange for releases. The Amended RSA also results in a simplified structure whereby GDB's financial creditors will exchange their claims for only one tranche of new bonds at an upfront exchange ratio of 55%. In addition to the relief provided to the municipalities under the deal, the issuer of the new bonds will receive additional assets in the restructuring.

On April 25, 2018, AAFAF and GDB requested that the Oversight Board certify the Amended RSA as a Voluntary Agreement and a Qualifying Modification, approve the appointment of Epiq as Calculation Agent and Information Agent, and establish the proposed Pools of Bond Claims that will vote to approve the Qualifying Modification, in each case pursuant to PROMESA.

On May 8, 2018, the Oversight Board unanimously adopted a resolution that certified the Amended RSA as a Voluntary Agreement and a Qualifying Modification, deemed Epiq as reasonably acceptable to the Oversight Board as



## GOVERNMENT OF PUERTO RICO

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### Puerto Rico Fiscal Agency and Financial Advisory Authority

Calculation Agent and Information Agent, and established the proposed Pools of Bond Claims, in each case pursuant to PROMESA.

#### ***Forward-Looking Statements***

This press release includes forward-looking statements, which include, but are not limited to, expectations with respect to the transactions described in the Amended RSA. AAFAF and GDB cannot provide assurances that future developments affecting AAFAF, GDB, the Amended RSA or the transactions described therein will be as anticipated. Actual results may differ materially from those expectations due to a variety of factors. Any forward-looking statement made in this release speaks only as of the date hereof and AAFAF and GDB do not undertake any obligation to publicly update any forward-looking statement, whether as a result of new information, future developments or otherwise.

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