



**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 (I) OCCURRENCE OF CLOSING DATE
FOR TRANSACTIONS CONTEMPLATED BY GOVERNMENT
DEVELOPMENT BANK FOR PUERTO RICO
QUALIFYING MODIFICATION, (II) EXCHANGE OF GDB SENIOR
NOTES FOR NEW BONDS ISSUED BY THE GDB DEBT RECOVERY
AUTHORITY, AND (III) OTHER DEVELOPMENTS RELATING TO
RESTRUCTURING OF GDB SENIOR NOTES**

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

**Affected CUSIP Nos.: 745177CH6, 745177CJ2, 745177EN1, 745177EP6, 745177ET8,
745177EU5, 745177EX9, 745177FB6, 745177FC4, 745177FD2, 745177FE0, 745177FF7
745177FH3, 745177FK6, 745177FM2, 745177FN0, 745177FQ3, 745177FR1, 745177FS9**

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 above-referenced 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 or in the Trustee’s prior notices.

Certain Information Contained in Prior Notices

The Trustee's prior notices included certain information regarding, among other things, the moratorium on the payment of all of GDB's "covered obligations" pursuant to certain executive orders, certain Events of Default arising from the GDB's failure to make scheduled payments of principal and/or interest on the Notes, the enactment of the Puerto Rico Oversight, Management and Economic Stability Act ("PROMESA"), the Title III Proceedings by the Commonwealth and certain Commonwealth instrumentalities, the GDB Restructuring Support Agreement and related implementing legislation (the "GDB Restructuring Act"), and the solicitation of votes on GDB's Qualifying Modification and the results of the solicitation.

Title VI Proceeding

As you were also previously notified, on August 10, 2018 (the "Commencement Date"), GDB commenced a proceeding under Title VI of PROMESA (the "Title VI Proceeding") in the U.S. District Court by filing an application for approval of the Qualifying Modification pursuant to PROMESA section 601(m)(1)(D). The Title VI Proceeding is Case No. 3:18-cv-01561-LTS. Court filings in the Title VI Proceeding are available free of charge at the website maintained by the Information Agent, Epiq Bankruptcy Solutions, LLC: <http://dm.epiq11.com/#/case/PR4/info>. The Trustee refers Holders to its prior notices regarding this matter for additional information about the Title VI Proceeding.

Approval of Qualifying Modification

The Trustee previously notified you that on November 6, 2018, the U.S. District Court entered an order approving the Qualifying Modification (the "Approval Order").

Occurrence of Closing Date

The Trustee hereby notifies you that the Closing Date (as that term is used in the Approval Order) occurred on November 29, 2018. Among other things, on the Closing Date, the GDB Debt Recovery Authority (the "Recovery Authority") issued the 7.500% GDB Debt Recovery Authority Bonds (Taxable) due 2040 (the "New Bonds") to the holders of Participating Bonds in exchange for the cancellation of the Participating Bonds, including the Notes; GDB transferred of all of its assets as of July 1, 2018 (other than the Public Entity Trust Assets and the other Excluded GDB Assets) (the "Transferred Property") to the Recovery Authority; and the statutory lien on the Transferred Property and all assets, collections, fees, charges, proceeds, revenues, rents, insurance payments, income or other funds generated thereby securing the New Bonds became effective.

Mandatory Exchange of Notes for New Bonds

On the Closing Date and pursuant to the Qualifying Modification and the GDB Restructuring Act, the outstanding principal amount of each series of Notes, as listed in Appendix A hereto, was exchanged for the principal amount of New Bonds listed in the final column of the table in Appendix A.

Withdrawal of Proofs of Claim Filed Against the Title III Debtors

As you were previously notified, on May 29, 2018, on behalf of itself and the holders, the Trustee timely submitted a proof of claim against the Commonwealth on account of the Commonwealth's guaranty of the Series 2013 B-1 Senior Notes (CUSIP Nos. 745177FQ3, 745177FR1 and 745177FS9) (the "Senior Guaranteed Notes") in an amount of not less than \$110,000,000.00 representing the aggregate original issue amount of the Senior Guaranteed Notes plus an undetermined amount for interest owing with respect to the Senior Guaranteed Notes as of the commencement date of the Title III proceeding and an unliquidated claim for the Trustee's fees, costs and expenses payable under Section 607 of the Indenture. The Trustee's proof of claim against the Commonwealth also asserted a claim against the Commonwealth in an aggregate amount of not less than \$3,615,931,671.00, representing the aggregate original issue amount of Senior Notes that do not comprise the Senior Guaranteed Notes (the "Remaining Senior Notes") plus an undetermined amount for interest owing with respect to the Remaining Senior Notes in anticipation of any possible finding by a court of competent jurisdiction that the Commonwealth is, in fact, an obligor under the Remaining Senior Notes or any possible entry of an order by a court of competent jurisdiction effecting substantive consolidation of GDB with the Commonwealth. Additionally, the Trustee submitted proofs of claim against the Commonwealth, COFINA, HTA, ERS and PREPA asserting claims for any amounts recoverable by holders of Senior Notes (whether asserted in a proof of claim filed by a holder of Senior Notes on or prior to the claims bar date in the Title III proceedings or not) on account of the transfer of assets of GDB by or to the Commonwealth, COFINA, HTA, ERS and PREPA, premised on several different legal theories, including, without limitation, illegal transfer under the GDB Enabling Act, fraudulent transfer and unconstitutional taking of private property.

The Trustee hereby notifies you that on the Closing Date the Trustee filed a notice of withdrawal with prejudice of the proofs of claim filed against the Commonwealth, COFINA, HTA, ERS and PREPA in the Title III proceedings.

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>.

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, 1177 Avenue of the Americas, 41st Floor, New York, New York 10036-2714 and her telephone number is 212-248-3273.

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, 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/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: November 29, 2018

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

Appendix A

<u>CUSIP Number of Notes</u>	<u>Series</u>	<u>Principal Amount of Outstanding Notes Exchanged</u>	<u>CUSIP Number of New Bonds</u>	<u>Principal Amount of New Bonds Issued in Exchange</u>
745177CH6	2006B	\$19,195,000.00	36829Q AA3	\$11,941,323.00
745177CJ2	2006B	\$10,635,000.00	36829Q AA3	\$6,616,097.00
745177EN1	2010A	\$433,702,000.00	36829Q AA3	\$272,279,592.00
745177EP6	2010B	\$151,259,000.00	36829Q AA3	\$96,384,505.00
745177ET8	2010C	\$217,715,000.00	36829Q AA3	\$136,354,542.00
745177EU5	2010D	\$96,411,000.00	36829Q AA3	\$61,434,536.00
745177EX9	2011B	\$360,010,000.00	36829Q AA3	\$223,226,094.00
745177FB6	2011H	\$226,855,000.00	36829Q AA3	\$137,877,127.00
745177FC4	2011H	\$174,545,000.00	36829Q AA3	\$106,980,128.00
745177FD2	2011H	\$142,640,000.00	36829Q AA3	\$88,269,213.00
745177FE0	2011H	\$47,465,000.00	36829Q AA3	\$29,407,821.00
745177FF7	2011H	\$540,745,000.00	36829Q AA3	\$335,431,060.00
745177FH3	2011H	\$126,820,000.00	36829Q AA3	\$79,046,734.00
745177FK6	2011I	\$317,935,000.00	36829Q AA3	\$194,164,174.00
745177FM2	2012A	\$250,000,000.00	36829Q AA3	\$153,268,885.00

745177FN0	2012A	\$500,000,000.00	36829Q AA3	\$310,817,338.00
745177FQ3	2013B-1	\$40,000,000.00	36829Q AA3	\$26,663,421.00
745177FR1	2013B-1	\$30,000,000.00	36829Q AA3	\$19,997,566.00
745177FS9	2013B-1	\$40,000,000.00	36829Q AA3	\$26,663,421.00

