

**IN THE UNITED STATES DISTRICT COURT  
FOR THE DISTRICT OF PUERTO RICO**

-----X  
 ALTAIR GLOBAL CREDIT OPPORTUNITIES )  
 FUND (A), L.L.C., CLAREN ROAD CREDIT )  
 MASTER FUND, LTD., CLAREN ROAD CREDIT )  
 OPPORTUNITIES MASTER FUND, LTD., )  
 GLENDON OPPORTUNITIES FUND, L.P., )  
 NOKOTA CAPITAL MASTER FUND, L.P., )  
 OAKTREE-FORREST MULTI-STRATEGY, L.L.C. )  
 (SERIES B), OAKTREE OPPORTUNITIES FUND )  
 IX, L.P., OAKTREE OPPORTUNITIES FUND IX )  
 (PARALLEL 2), L.P., OAKTREE VALUE )  
 OPPORTUNITIES FUND, L.P., OCHER ROSE, )  
 L.L.C., PUERTO RICO AAA PORTFOLIO BOND )  
 FUND, INC., PUERTO RICO AAA PORTFOLIO )  
 BOND FUND II, INC., PUERTO RICO AAA )  
 PORTFOLIO TARGET MATURITY FUND, INC., )  
 PUERTO RICO FIXED INCOME FUND, INC., )  
 PUERTO RICO FIXED INCOME FUND II, INC., )  
 PUERTO RICO FIXED INCOME FUND III, INC., )  
 PUERTO RICO FIXED INCOME FUND IV, INC., )  
 PUERTO RICO FIXED INCOME FUND V, INC., )  
 PUERTO RICO GNMA & U.S. GOVERNMENT )  
 TARGET MATURITY FUND, INC., PUERTO RICO )  
 INVESTORS BOND FUND I, PUERTO RICO )  
 INVESTORS TAX-FREE FUND, INC., PUERTO )  
 RICO INVESTORS TAX-FREE FUND II, INC., )  
 PUERTO RICO INVESTORS TAX-FREE FUND III, )  
 INC., PUERTO RICO INVESTORS TAX-FREE )  
 FUND IV, INC., PUERTO RICO INVESTORS TAX-) )  
 FREE FUND V, INC., PUERTO RICO INVESTORS )  
 TAX-FREE FUND VI, INC., PUERTO RICO )  
 MORTGAGE-BACKED & U.S. GOVERNMENT )  
 SECURITIES FUND, INC., SV CREDIT, L.P., TAX-) )  
 FREE PUERTO RICO FUND, INC., TAX-FREE )  
 PUERTO RICO FUND II, INC., TAX-FREE )  
 PUERTO RICO TARGET MATURITY FUND, INC., )  
 and UBS IRA SELECT GROWTH & INCOME )  
 PUERTO RICO FUND, )  
 )  
 Movants, )  
 )  
 -against- )  
 )

Case No. 16-cv-02696

GOVERNOR ALEJANDRO GARCÍA PADILLA in )  
 his official capacity as the Governor of the )  
 Commonwealth of Puerto Rico, JUAN ZARAGOZA- )  
 GÓMEZ in his official capacity as the Secretary of )  
 Treasury of the Commonwealth of Puerto Rico, LUIS )  
 F. CRUZ BATISTA in his official capacity as the )  
 Director of the Commonwealth’s Office of )  
 Management and Budget, and THE EMPLOYEES )  
 RETIREMENT SYSTEM OF THE GOVERNMENT )  
 OF THE COMMONWEALTH OF PUERTO RICO, )  
 )  
 Respondents. )  
 -----X

**JOINT STIPULATIONS OF MOVANTS, THE COMMONWEALTH  
 RESPONDENTS, AND THE EMPLOYEES RETIREMENT SYSTEM**

**TO THE HONORABLE COURT:**

Altair Global Credit Opportunities Fund (A), LLC, Glendon Opportunities Fund, L.P.,  
 Nokota Capital Master Fund, L.P., Oaktree-Forrest Multi-Strategy, LLC (Series B), Oaktree  
 Opportunities Fund IX, L.P., Oaktree Opportunities Fund IX (Parallel 2), L.P., Oaktree Value  
 Opportunities Fund, L.P., Ocher Rose, L.L.C., Puerto Rico AAA Portfolio Bond Fund, Inc.,  
 Puerto Rico AAA Portfolio Bond Fund II, Inc., Puerto Rico AAA Portfolio Target Maturity  
 Fund, Inc., Puerto Rico Fixed Income Fund, Inc., Puerto Rico Fixed Income Fund II, Inc., Puerto  
 Rico Fixed Income Fund III, Inc., Puerto Rico Fixed Income Fund IV, Inc., Puerto Rico Fixed  
 Income Fund V, Inc., Puerto Rico GNMA & U.S. Government Target Maturity Fund, Inc.,  
 Puerto Rico Investors Bond Fund I, Puerto Rico Investors Tax-Free Fund, Inc., Puerto Rico  
 Investors Tax-Free Fund II, Inc., Puerto Rico Investors Tax-Free Fund III, Inc., Puerto Rico  
 Investors Tax-Free Fund IV, Inc., Puerto Rico Investors Tax-Free Fund V, Inc., Puerto Rico  
 Investors Tax-Free Fund VI, Inc., Puerto Rico Mortgage-Backed & U.S. Government Securities  
 Fund, Inc., SV Credit, L.P., Tax-Free Puerto Rico Fund, Inc., Tax-Free Puerto Rico Fund II, Inc.,  
 Tax-Free Puerto Rico Target Maturity Fund, Inc., and UBS IRA Select Growth & Income Puerto

Rico Fund (collectively, “Movants”), the Commonwealth of Puerto Rico (the “Commonwealth”), Hon. Alejandro García Padilla (the “Governor”), Hon. Juan Zaragoza-Gómez, and Hon. Luis F. Cruz Batista (collectively, the “Commonwealth Respondents”), and the Employees Retirement System of the Government of the Commonwealth of Puerto Rico (the “ERS,” and together with the Commonwealth Respondents and Movants, the “Parties”), by and through their attorneys, hereby stipulate to the truth and admissibility of the following facts, solely for the purpose of adjudicating Movants’ motion currently scheduled for hearing on November 3, 2016:

**THE ERS AND THE ERS BONDS**

1. The ERS is one of five public retirement systems in Puerto Rico. It is a trust created by Act No. 447 of May 15, 1951, as amended, of the Legislature of the Commonwealth (the “Enabling Act”) to provide pension and other benefits to officers and employees of the government of the Commonwealth, members and employees of the Legislature, and officers and employees of public corporations and municipalities of the Commonwealth.

2. The ERS is an independent, self-governing entity that is separate from the Commonwealth, and it is governed by an eleven-member Board of Trustees (the “ERS Board”).

3. The ERS last issued complete audited financial statements, on June 2, 2016, for the period ending June 30, 2014. The most recent Actuarial Valuation Report for the ERS, dated August 30, 2016, was prepared by Milliman, Inc. for the period ending June 30, 2015.

4. The ERS is funded by employer contributions, employee contributions, and the investment earnings of the ERS. Currently, each employer must contribute a minimum of 15.525% of the compensation regularly received by eligible employees.

5. The Enabling Act gave the ERS Board authorization to incur debt on behalf of the ERS and to secure such debt with the assets of the ERS. It authorized the ERS Board to “seek a loan from any financial institution of the Government of the Commonwealth of Puerto Rico or the Federal Government of the United States of America or through the direct placement of debts, securing said debt with the assets of the [ERS].” Act No. 447, § 4-105(d).

6. Pursuant to the authority granted to it under the Enabling Act, the ERS authorized the issuance of Employees Retirement System of the Government of the Commonwealth of Puerto Rico Pension Funding Bonds (the “ERS Bonds”) in 2008 in order to increase the funds available to pay pension benefits to certain of its beneficiaries and to reduce its unfunded accrued actuarial pension liability. The ERS issued bonds on the following dates:

- a. “Series A” bonds totaling \$1,588,810,799.60 on January 31, 2008.
- b. “Series B” bonds totaling \$1,058,634,613.05 on June 2, 2008.
- c. “Series C” bonds totaling \$300,202,930 on June 30, 2008.

7. The ERS Bonds include both cash pay bonds and capital appreciation bonds. The Commonwealth calculated the accreted principal for the ERS Bonds at \$3.125 billion as of June 30, 2015.

8. The Bank of New York Mellon, N.A. serves as the Fiscal Agent for the ERS Bonds.

9. The ERS placed a portion the proceeds of the ERS Bonds either in its investment portfolio or with the Government Development Bank, and used the remaining proceeds to fund pension benefits to retirees of the Commonwealth.

10. According to the Commonwealth of Puerto Rico Fiscal Plan dated October 14, 2016, the Commonwealth currently estimates that approximately \$1.228 billion of ERS Bonds are held locally by individual residents of the Commonwealth and local businesses.

11. The ERS Bond Resolution adopted on January 24, 2008, is a valid and binding contract between the ERS and holders of ERS Bonds (the “ERS Bondholders”).

12. The ERS Bonds are secured by a lien on, and are payable from, and only from, “Pledged Property.” ERS Bond Resolution § 501. “Pledged Property” includes (a) all “Revenues,” including, among other things, employer contributions received by the ERS or the Fiscal Agent; (b) all “right, title, and interest of [the ERS] in and to” employer contributions and “all rights to receive the same”; (c) the funds, accounts, and subaccounts held by the Fiscal Agent; (d) any and all other rights and personal property of every kind pledged and assigned by the ERS for additional security; and (e) any and all cash and non-cash proceeds, products, offspring, rents and profits from “Pledged Property,” including those from the sale, exchange, transfer, collection, loss, damage, disposition, substitution or replacement of such property. *Id.*, at B11-12.

13. The ERS Bonds are “special obligations of the [ERS] payable solely from the Pledged Property without recourse against other assets of the [ERS].” ERS Bond Resolution § 201. The ERS Bonds do not “constitute a debt of the Commonwealth.” *Id.*

14. Apart from the liens securing ERS Bonds, the property pledged as security for ERS Bonds is “free and clear of any pledge, lien, charge, or encumbrance,” ERS Bond Resolution § 705, and is “valid and binding as against all parties having claims of any kind in tort, contract or otherwise against the [ERS], irrespective of whether such parties have notice thereof,” *id.* § 501.

15. Pursuant to the Enabling Act, employers are required to transfer employer contributions to the ERS on a monthly basis. On the last business day of each month, the ERS must transfer those employer contributions to the Fiscal Agent. ERS Bond Resolution § 504. The Fiscal Agent must immediately, and not later than the next business day, deposit employer contributions into the “Revenue Account,” except in limited circumstances. *Id.* Moneys on deposit in the Revenue Account are to be deposited, in order of priority, (a) to an account to make debt service on senior bonds (the “Senior Bonds Debt Service Account”), (b) to a reserve account for senior bonds (the “Senior Bonds Debt Service Reserve Account”), (c) to an account to make debt service on subordinated bonds (the “Subordinated Bonds Debt Service Account”), (d) to a reserve account for subordinated bonds (the “Subordinated Bonds Debt Service Reserve Account”), (e) to pay operating expenses, and (f) to a general reserve account (the “General Reserve Account”). *Id.* The Fiscal Agent is responsible for making interest and principal payments to holders of ERS Bonds when due. *Id.* § 505(4), (5).

16. In compliance with Administrative Bulletin No. EO-2016-31 (the “Executive Order”), the ERS suspended transferring employer contributions to the Fiscal Agent on July 29, 2016.

17. Before the payment of debt service on October 1, 2016, the Fiscal Agent held amounts on deposit in the aggregate amount of \$99,999,844.46, consisting of (a) \$18,480.18 in the Senior Bonds Debt Service Account, (b) \$83,259,495.30 in the Senior Bonds Debt Service Reserve Account, and (c) \$16,722,868.92 in the General Reserve Account. On October 1, 2016, the Fiscal Agent provided notice that approximately \$13,858,102.30 was withdrawn from the General Reserve Account and applied to pay a portion of the debt service due on October 1,

2016. It is estimated that the Fiscal Agent will hold approximately \$72,247,000 in reserve accounts as of November 3, 2016. These funds are subject to the lien held by ERS Bondholders.

18. Monthly cash debt service on the ERS Bonds is approximately \$13,876,582.55 until the 2020 Bond Year. This represents cash interest payments only; principal payments begin in the 2021 Bond Year. At this rate of payment, the funds on reserve with the Fiscal Agent will allow for payments on account of the ERS Bonds through April 2017 but, unless replenished, will not allow for May 2017 debt service.

19. The chart below depicts projected debt service for the life of the ERS Bonds:

| <b>Bond Year</b> | <b>Total Debt Service</b> |
|------------------|---------------------------|
| 2008             | \$44,282,110              |
| 2009             | \$166,570,619             |
| 2010             | \$166,518,990             |
| 2011             | \$166,518,990             |
| 2012             | \$166,518,990             |
| 2013             | \$166,518,990             |
| 2014             | \$166,518,990             |
| 2015             | \$166,518,990             |
| 2016             | \$166,518,990             |
| 2017             | \$166,518,990             |
| 2018             | \$166,518,990             |
| 2019             | \$166,518,990             |
| 2020             | \$166,518,990             |
| 2021             | \$216,518,990             |
| 2022             | \$233,593,990             |
| 2023             | \$239,498,990             |
| 2024             | \$173,518,990             |
| 2025             | \$175,668,940             |
| 2026             | \$181,465,940             |
| 2027             | \$186,823,215             |
| 2028             | \$429,390,765             |
| 2029             | \$427,558,990             |
| 2030             | \$290,212,740             |
| 2031             | \$376,428,990             |
| 2032             | \$263,724,490             |
| 2033             | \$271,198,990             |
| 2034             | \$411,677,990             |
| 2035             | \$276,721,490             |
| 2036             | \$325,484,990             |

| <b>Bond Year</b> | <b>Total Debt Service</b> |
|------------------|---------------------------|
| 2037             | \$318,647,240             |
| 2038             | \$312,169,490             |
| 2039             | \$347,426,740             |
| 2040             | \$185,291,400             |
| 2041             | \$125,725,100             |
| 2042             | \$121,595,200             |
| 2043             | \$79,915,300              |
| 2044             | \$49,513,500              |
| 2045             | \$49,513,500              |
| 2046             | \$49,513,500              |
| 2047             | \$49,513,500              |
| 2048             | \$49,513,500              |
| 2049             | \$49,513,500              |
| 2050             | \$49,513,500              |
| 2051             | \$49,513,500              |
| 2052             | \$49,513,500              |
| 2053             | \$49,513,500              |
| 2054             | \$49,513,500              |
| 2055             | \$232,713,500             |
| 2056             | \$217,200,850             |
| 2057             | \$203,020,400             |
| 2058             | \$235,501,200             |

20. According to the ERS's most recent unaudited financial statements, for the annual period ending June 30, 2015, ERS received \$418,662,483.32 in employer contributions, including an estimated \$224,763,339.24 from non-Commonwealth entities. Pursuant to the Enabling Act, through June 30, 2016, employer contributions were to be increased by 1% per year. From July 1, 2016 through June 30, 2021, employer contributions are to increase at 1.25% per year. Pursuant to the ERS Bond Resolution, these employer contributions are to be used to pay bondholders first, with any excess funds allocated to pay beneficiaries. ERS Bond Resolution § 501 & Exh. B, VI-36.

**MOVANTS AS BENEFICIAL OWNERS OF CERTAIN ERS BONDS**

21. Movants beneficially own ERS Bonds with the following CUSIPS that represent bonds issued for ERS: 29216MAC4, 29216MAE0, 29216MAF7, 29216MAJ9, 29216MAK6,



29216MAL4, 29216MAM2, 29216MAN0, 29216MAP5, 29216MAQ3, 29216MAT7, 29216MAU4, 29216MAV2, 29216MAW0, 29216MAX8, 29216MAY6, 29216MAZ3, 29216MBA7, 29216MBB5, 29216MBC3, 29216MBD1, 29216MBE9, 29216MBF6, 29216MBG4, 29216MBH2, 29216MBJ8, 29216MBL3, 29216MBN9, 29216MBP4, 29216MAA8, 29216MAD2, 29216MAB6. The documents listed on Exhibit A hereto are true and correct copies of business records reflecting such holdings.

**THE MORATORIUM ACT AND EXECUTIVE ORDER**

22. On April 6, 2016, the Commonwealth enacted the Puerto Rico Emergency Moratorium and Financial Rehabilitation Act, Act No. 21-2016 (the “Moratorium Act”), which gave the Governor authority to issue an executive order declaring a moratorium on payments by certain government entities on outstanding debt obligations, including the ERS.

23. On June 30, 2016, pursuant to the Moratorium Act, the Governor issued Executive Order 2016-30 (“Executive Order 30”). Executive Order 30 “declare[d] the Commonwealth to be in a state of emergency” and announced an emergency period for the Commonwealth. Executive Order 30, at 2. It stated: “The Secretary of Treasury has advised me that, after paying for the necessary expenses to protect the public health, safety, education, and welfare of the residents of Puerto Rico, the Commonwealth (1) will have insufficient funds to make the total debt service payments on the Public Debt due on July 1, 2016, and (2) will remain in a fragile liquidity position during fiscal year 2016-2017.” *Id.*

24. On June 30, 2016, the Governor also issued the Executive Order which “declare[d] the [ERS] to be in a state of emergency” and announced the commencement of an emergency period for the ERS. Executive Order 31, at 2. It suspended the ERS’s obligation to

transfer employer contributions to the Fiscal Agent, as required under the ERS Bond Resolution.

*Id.*

25. The Executive Order also suspended the Commonwealth's obligation to make employer contributions to the ERS up to the amount of debt service payable by the ERS during fiscal year 2016-2017. *Id.* The ERS is currently not receiving any Commonwealth employer contributions. Pursuant to the language of the Executive Order, the Fiscal Agent is currently not receiving any Commonwealth employer contributions.

26. The Executive Order does not suspend the obligations of non-Commonwealth employers to make employer contributions to the ERS on a monthly basis. However, the Executive Order does suspend ERS from transferring these funds to the Fiscal Agent. Thus, ERS continues to receive employer contributions from non-Commonwealth employers and is not transferring those funds to the Fiscal Agent. The ERS represents that the amount of these contributions since July 2016 is \$75,545,510.98, and that these amounts were transferred to an ERS operating account at Banco Popular. Operating expenses of the ERS (excluding payroll and payments to pensioners) are paid from this account.

27. Pursuant to the ERS Bond Resolution, the ERS is required to transfer all employer contributions to the Fiscal Agent to be held in reserve accounts until certain conditions are satisfied as set forth in the ERS Bond Resolution. Under the ERS Bond Resolution, the reserve accounts must be funded, as of October 31, 2016, with at least approximately \$303,000,000 before any employer contributions are permitted to be transferred back to the ERS.

28. The ERS represents that the ERS received the following employer contributions from non-Commonwealth Employers as follows:

|           |                 |
|-----------|-----------------|
| July 2016 | \$16,743,932.36 |
|-----------|-----------------|

|                |                 |
|----------------|-----------------|
| August 2016    | \$21,660,406.69 |
| September 2016 | \$19,384,856.80 |
| October 2016   | \$17,756,315.13 |

**PROMESA**

29. On June 30, 2016, the Puerto Rico Oversight, Management, and Economic Stability Act (“PROMESA”) was enacted in direct response to the fiscal and economic crisis facing Puerto Rico.

30. The enactment of PROMESA automatically triggered a stay on creditor remedies against the Commonwealth and its instrumentalities. PROMESA § 405. The stay began on June 30, 2016, and will last until February 15, 2017. *Id.* § 405(d). The Financial Oversight and Management Board (“FOMB”) may extend the stay during the creditor negotiation period by an additional 75 days if it determines that additional time is needed to reach a voluntary agreement, and the district court may extend the stay an additional 60 days if it makes a similar determination. *Id.*

31. The PROMESA stay applies to the commencement or continuation of any lawsuit related to debt obligations; the enforcement of any judgment previously obtained; any action to obtain property or exercise control over property; any action to create, perfect, or enforce any lien against property related to debt obligations; any action to collect, assess, or recover a right to payment; and the setoff of any debt. PROMESA § 405(b). PROMESA permits parties to obtain relief from the stay for “cause shown.” *Id.* § 405(e)(2).

32. As of July 1, 2016, the Commonwealth did not have sufficient funds available to pay all principal and interest payments that came due on that date while maintaining essential government services.

33. Members of the Commonwealth’s Oversight Board were appointed on August 31, 2016. Pursuant to PROMESA, the Oversight Board is currently tasked with achieving fiscal

reform for the Commonwealth and a potential adjustment of the Commonwealth's debts, including the debts at issue here.

34. On September 30, 2016, the FOMB designated the ERS as a covered entity subject to its oversight under PROMESA.

35. The Oversight Board has conducted public meetings on September 30, 2016 and October 14, 2016.

36. "As a result of its fiscal emergency, the Government of Puerto Rico has been unable to provide its citizens with effective services." *Id.* § 405(m)(2).

37. "A comprehensive approach to fiscal, management, and structural problems and adjustments that exempts no part of the Government of Puerto Rico is necessary, involving independent oversight and a Federal statutory authority for the Government of Puerto Rico to restructure debts in a fair and orderly process." *Id.* § 405(m)(4).

38. "An immediate—but temporary—stay [under PROMESA § 405] is essential to stabilize the region for the purposes of resolving this territorial crisis." *Id.* § 405(m)(5).

39. "On motion of or action filed by a party in interest and after notice and a hearing, the United States District Court for the District of Puerto Rico, for cause shown, shall grant relief from the stay provided under subsection (b) of [section 405 of PROMESA]." *Id.* § 405(e)(2).

40. "The stay [under PROMESA § 405] advances the best interests common to all stakeholders, including but not limited to a functioning independent Oversight Board created pursuant to [PROMESA] to determine whether to appear or intervene on behalf of the Government of Puerto Rico in any litigation that may have been commenced prior to the effectiveness or upon expiration of the stay." *Id.* § 405(m)(5)(A).

41. "The stay [under PROMESA § 405] is limited in nature and narrowly tailored to achieve the purposes of [PROMESA], including to ensure all creditors have a fair opportunity to

consensually renegotiate terms of repayment based on accurate financial information that is reviewed by an independent authority or, at minimum, receive a recovery from the Government of Puerto Rico equal to their best possible outcome absent the provisions of [PROMESA].” *Id.* § 405(m)(5)(B).

42. Section 405 of PROMESA is intended “to provide the Government of Puerto Rico with the resources and the tools it needs to address an immediate existing and imminent crisis.” *Id.* § 405(n)(1).

43. Section 405 of PROMESA is intended “to allow the Government of Puerto Rico a limited period of time during which it can focus its resources on negotiating a voluntary resolution with its creditors instead of defending numerous, costly creditor lawsuits.” *Id.* § 405(n)(2).

44. Section 405 of PROMESA is intended “to provide an oversight mechanism to assist the Government of Puerto Rico in reforming its fiscal governance and support the implementation of potential debt restructuring.” *Id.* § 405(n)(3).

45. Section 405 of PROMESA is intended “to make available a Federal restructuring authority, if necessary, to allow for an orderly adjustment of all of the Government of Puerto Rico’s liabilities.” *Id.* § 405(n)(4).

46. Section 405 of PROMESA is intended “to benefit the lives of 3.5 million American citizens living in Puerto Rico by encouraging the Government of Puerto Rico to resolve its longstanding fiscal governance issues and return to economic growth.” *Id.* § 405(n)(5).

**STATEMENTS ABOUT THE ERS'S FINANCIAL CONDITION  
AND THE ERS BONDS**

47. In its most recent audited financial statements, the ERS stated that “[t]he Commonwealth and other participating employers have been facing a number of fiscal and economic challenges in recent years due, among other factors, to continued budget deficits, a prolonged economic recession, high unemployment, population decline, and high levels of debt and pension obligations.” *See* Employees’ Retirement System of the Government of the Commonwealth of Puerto Rico, Basic Financial Statements and Required Supplementary Information, June 30, 2014, at 9 (released June 2, 2016) (“ERS 2014 Financials”). The ERS concluded: “If the Commonwealth’s financial condition does not improve as a result of fiscal and budgetary measures it is taking, its ability to repay its obligations, including its regular employer contributions to the [ERS] and its additional contribution as provided by Act No. 32 of 2013, for the upcoming years, may continue to be adversely affected, and could also affect the payment of benefits and the repayment of the [ERS’s] bond payable.” *Id.*

48. The ERS also stated that “future employers’ contributions of the [ERS] are pledged for the payment of debt service on the System bonds. Further depletion of the System’ assets could result in the inability to pay benefits and bonds.” ERS 2014 Financials, at 9.

49. In its Fiscal Plan released on October 14, 2016, the Commonwealth stated that municipalities may not be able to continue making required employer contributions to the ERS. The Commonwealth stated: “Note that the municipalities are contributors to the [ERS] and the Fiscal Plan assumes that the central government does not cover any amounts related to the municipalities (approximately \$100MM per year). The municipalities’ ability to contribute such amount could be at risk, particularly if they are not made covered entities.” *See* Commonwealth

of Puerto Rico Fiscal Plan, at 40 (October 14, 2016). “Covered entities” are subject to oversight by the FOMB under PROMESA.

**RESPECTFULLY SUBMITTED.**

In San Juan, Puerto Rico, today November 2, 2016.

By:

**Counsel for Movants:**

/s/ Alfredo Fernández-Martínez

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/s/ Arturo Díaz-Angueira

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/s/ Glenn M. Kurtz

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*Altair Global Credit Opportunities Fund (A), L.L.C., et al. v. Governor Alejandro Garcia Padilla, et al.*

**No. 16-cv-02696**

**EXHIBIT A**

1. Puerto Rico AAA Portfolio Bond Fund II, Inc. Fund Portfolio September 30, 2016
2. Puerto Rico AAA Portfolio Bond Fund, Inc. Fund Portfolio September 30, 2016
3. Puerto Rico AAA Portfolio Target Maturity Fund, Inc. Fund Portfolio September 30, 2016
4. Puerto Rico Fixed Income Fund II, Inc. Fund Portfolio September 30, 2016
5. Puerto Rico Fixed Income Fund III, Inc. Fund Portfolio September 30, 2016
6. Puerto Rico Fixed Income Fund IV, Inc. Fund Portfolio September 30, 2016
7. Puerto Rico Fixed Income Fund V, Inc. Fund Portfolio September 30, 2016
8. Puerto Rico Fixed Income Fund, Inc. Fund Portfolio September 30, 2016
9. Puerto Rico GNMA & U.S. Government Target Maturity Fund, Inc. Fund Portfolio September 30, 2016
10. Puerto Rico Investors Bond Fund I, Inc. Fund Portfolio September 30, 2016
11. Puerto Rico Investors Tax-Free Fund III, Inc. Fund Portfolio September 30, 2016
12. Puerto Rico Investors Tax-Free Fund IV, Inc. Fund Portfolio September 30, 2016
13. Puerto Rico Investors Tax-Free Fund V, Inc. Fund Portfolio September 30, 2016
14. Puerto Rico Investors Tax-Free Fund VI, Inc. Fund Portfolio September 30, 2016
15. Puerto Rico Investors Tax-Free Fund, Inc. II Fund Portfolio September 30, 2016
16. Puerto Rico Investors Tax-Free Fund, Inc. Fund Portfolio September 30, 2016
17. Puerto Rico Mortgage-Backed & U.S. Government Securities Fund, Inc. Fund Portfolio September 30, 2016
18. Tax-Free Puerto Rico Fund II, Inc. Fund Portfolio September 30, 2016
19. Tax-Free Puerto Rico Fund, Inc. Fund Portfolio September 30, 2016
20. Tax-Free Puerto Rico Target Maturity Fund, Inc. Fund Portfolio September 30, 2016
21. UBS IRA Select Growth & Income Portfolio Fund Portfolio September 30, 2016
22. Letter from The Bank of New York Mellon to Ocher Rose LLC October 27, 2016
23. Altair Global Credit Opp A Custody Statement October 25, 2016
24. Oaktree Forrest (Series B) – Custody Statement October 27, 2016
25. Oaktree OCM9D – Custody Statement October 26, 2016
26. Oaktree OCM9P2 – Custody Statement October 26, 2016
27. Oaktree OCM10 Holdco – Custody Statement October 26, 2016
28. Oaktree OCM10D (HIIA) – Custody Statement October 26, 2016
29. Oaktree VOFDEL – Custody Statement October 27, 2016
30. Oaktree VOFDEL Pershing – Custody Statement October 27, 2016
31. Glendon Opportunities Fund Custody Statement October 25, 2016
32. SV Credit LP –Custody Statement September 2016
33. Nokota Capital Master Fund LP – Custody Position October 28, 2016