

March 2, 2018

**By Email**

Ricardo Rosselló Nevares  
Governor of the Commonwealth of Puerto Rico

Re: Proposed New Fiscal Plans

Dear Governor Rosselló:

This letter is being sent by the following holders and insurers of bonds issued by the Commonwealth of Puerto Rico or its territorial instrumentalities:

- The Ad Hoc Group of Puerto Rico General Obligation Bondholders (the “GO Group”);
- The Ad Hoc Group of PREPA Bondholders;
- The Mutual Fund Group;
- Assured Guaranty Corp. and Assured Guaranty Municipal Corp.;
- Ambac Assurance Corporation; and
- Syncora Guarantee Inc. (collectively, the “Creditors”).<sup>1</sup>

On January 26, 2018, following the release of the proposed fiscal plans for the Commonwealth of Puerto Rico, the Puerto Rico Electric Power Authority, and the Puerto Rico Aqueduct and Sewer Authority (collectively, the “Proposed Fiscal Plans”), the GO Group wrote AAFAF and the Oversight Board, stating (emphasis added):

“A review of the Proposed Fiscal Plans reveals that they are merely compilations of outputs of underlying analyses that have not themselves been made public. It is difficult, if not impossible, to assess any fiscal plan without having access to the information that AAFAF had in creating and the Oversight Board has in evaluating the Proposed Fiscal Plans.

“Congressman Bishop issued a statement yesterday noting that “[i]t is imperative the Oversight Board and Governor fully integrate those who hold the debt into the development of these [fiscal] plans, thereby guaranteeing accuracy and transparency in the underlying assumptions.” ... We wholeheartedly agree, but we would go one step further – this transparency should be extended not only to debt holders such as my clients, but to the general public as well.

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<sup>1</sup> The Creditors submit this letter exclusively on their own behalves and do not assume any fiduciary or other duties.

“To that end, we ask that the Commonwealth immediately make public the underlying supporting materials and analyses being shared with the Oversight Board to evaluate the Proposed Fiscal Plans. This disclosure is essential to allow stakeholders to evaluate and comment on the Proposed Fiscal Plans.”

In its February 19 letter (attached hereto), AAFAF rejected the GO Group’s request for disclosure while the Proposed Fiscal Plans are still being formulated. Rather:

- AAFAF stated that the request for disclosure will not even be addressed until *after* “the Fiscal Plan has been certified by the [Oversight] Board and becomes a final document.”
- AAFAF gave no indication whether, when, and to whom the requested disclosure will *ever* be made.
- Notably, AAFAF’s letter vaguely contemplates that some unspecified information will be shared with some unspecified creditors, it contemplates no sharing of that information with all creditors or the general public.

Thus, despite the pretense of seeking input on the Proposed Fiscal Plans, your administration and the Oversight Board continue to withhold from the public virtually all of the information necessary to provide that input. Both in and out of court, the Commonwealth’s officials and the Oversight Board have continually opposed the transparency that citizens elsewhere in the U.S. are routinely provided in order to hold their public officials accountable, and that creditors are routinely provided in order to pursue a consensual debt restructuring.

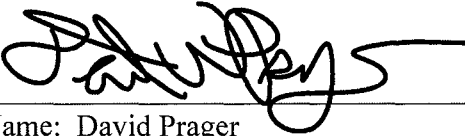
The undersigned Creditors fully support the GO Group’s January 26 letter. We call upon you as Governor to ensure the requested information is immediately made public. It is time for your administration and the Oversight Board to bring transparency and accountability to the Government of Puerto Rico.

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cc:

Gerardo Portela Franco  
Executive Director  
Autoridad de Asesoría Financiera y Agencia Fiscal de Puerto Rico (AAFAF)  
San Juan, PR 00907

**Goldin Associates LLC**  
as advisor to and on behalf of  
the Ad Hoc Group of Puerto Rico General Obligation  
Bondholders

By:  \_\_\_\_\_

Name: David Prager  
Title: Managing Director

**Houlihan Lokey**

as advisor to and on behalf of  
the Ad Hoc Group of PREPA Bondholders

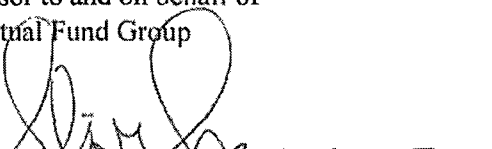
By: \_\_\_\_\_

  
Name: Stephen Spencer  
Title: Managing Director

**Houlihan Lokey**

as advisor to and on behalf of  
the Mutual Fund Group

By: \_\_\_\_\_

  
Name: Stephen Spencer  
Title: Managing Director

**Assured Guaranty Corp.**

By: *Jorge Gana*  
Name: Jorge Gana  
Title: Managing Director

**Assured Guaranty Municipal Corp.**

By: *Jorge Gana*  
Name: Jorge Gana  
Title: Managing Director

**Ambac Assurance Corp.**

By: 

Name: David P. Barranco

Title: Senior Managing Director

Head of Risk Management

**Syncora Guarantee Inc.**

By: Mary Jane Constant

Name: Mary Jane Constant

Title: Chief Remediation Officer



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

February 19, 2018

Goldin Associates LLC  
350 Fifth Avenue  
The Empire State Building  
New York, New York 10118

Dear David Prager:

The Puerto Rico Fiscal Agency and Financial Advisory Authority ("AAFAF"), on behalf of the Government of Puerto Rico (the "Government"), writes in response to your letter, dated January 26, 2018 and February 7, 2018, requesting broad and expansive due diligence informational requests related to the Fiscal Plan.

However, much of the information recently requested either relates to the previously certified Fiscal Plan, (referred to as Fiscal Plan 1.0), which in many respects is outdated given the current efforts to finalize the amended Fiscal Plan (*i.e.*, Fiscal Plan 2.0); still further the draft Fiscal Plan recently transmitted continues to be revised and is in a steady state of ongoing evolution as we continue discussions with the Financial Oversight and Management Board (the "Board"). Once the Fiscal Plan has been certified by the Board and becomes a final document, Rothschild, Ankura and Phoenix can work together to establish a protocol to respond to due diligence regarding the Fiscal Plan.

As evidenced by the extensive information provided to the bondholders and many questions answered and constructive ideas welcomed during the mediation sessions, the Government remains committed to providing its creditor constituencies the maximum amount of information on a timely basis. If you have any questions with respect to the ongoing Fiscal Plan process please do not hesitate to contact me.

Very truly yours,

A handwritten signature in black ink, appearing to read "Gerardo Portela Franco", written over a horizontal line.

Gerardo Portela Franco  
Executive Director of AAFAF

cc: Natalie Jaresko, Executive Director of the FOMB  
Dustin Mondell, Rothschild & Co.  
Martha Kopacz, Phoenix Management Services