



Minutes of  
Executive Session  
Financial Oversight and Management Board for Puerto Rico  
Monday, May 1, 2017

---

**RESTRUCTURING**

---

The meeting convened by telephonic conference at 10:00 pm EDT on Monday, May 1, 2017. All voting Board members were present. The members discussed the following agenda items:

1. Update regarding status of creditor negotiations
2. Board discussion regarding potential Title III filings and contingency planning
3. Resolutions and certifications relevant to potential Title III filings

After extensive discussion and deliberations, the members voted on the resolutions attached hereto in connection with the Title III filings for the Commonwealth and COFINA, with all members voting in favor of said resolutions, subject to the amendment (also adopted by unanimous vote) to said resolutions indicated in the underscored language below:

Commonwealth Resolution:

RESOLVED that, pursuant to section 104(j) of PROMESA, the Oversight Board approves and certifies the filing in the District Court of a voluntary petition under Title III of PROMESA for the Commonwealth at such time as the Chair or Executive Director of the Oversight Board determines to be appropriate, but no later than 9:00 a.m. (EDT) on Wednesday, May 3, 2017; and it is further

COFINA Resolution:

RESOLVED that, pursuant to section 104(j) of PROMESA, the Oversight Board approves and certifies the filing in the District Court of a voluntary petition under Title III of PROMESA for the COFINA at such time as the Chair or Executive Director of the Oversight Board determines to be appropriate, but no later than 9:00 a.m. (EDT) on Wednesday, May 3, 2017; and it is further

With no more business to discuss, the meeting adjourned at 11:00 pm EDT on May 1, 2017.

Respectfully submitted,

s/Jaime A. El Koury

Jaime A. El Koury

Acting Secretary

**FINANCIAL OVERSIGHT AND MANAGEMENT BOARD  
FOR PUERTO RICO**



*José B. Carrión III*  
Chair

*Andrew G. Biggs  
Carlos M. García  
Arthur J. González  
José R. González  
Ana J. Matosantos  
David A. Skeel, Jr.*

Natalie Jaresko  
Executive Director

**BOARD RESOLUTION ADOPTED ON MAY 1, 2017**

**(CERTIFICATIONS PURSUANT TO SECTIONS 104 AND 206 OF PROMESA FOR  
THE COMMONWEALTH OF PUERTO RICO)**

WHEREAS on June 30, 2016, the federal Puerto Rico Oversight, Management, and Economic Stability Act (“PROMESA”)<sup>1</sup> was enacted; and

WHEREAS Section 101 of PROMESA created the Financial Oversight and Management Board for Puerto Rico (the “Oversight Board”); and

WHEREAS on September 30, 2016, the Commonwealth of Puerto Rico (the “Commonwealth”) was designated by the Oversight Board as a Covered Territory pursuant to Section 101(d)(1)(A) of PROMESA; and

WHEREAS the Commonwealth has advised the Oversight Board that the Commonwealth desires to effect a plan to adjust its debt pursuant to Title III of PROMESA; and

WHEREAS in connection with the commencement of a Title III case for the Commonwealth, the Oversight Board is required (i) pursuant to Section 206 of PROMESA, to make certain Restructuring Determinations (as defined below) and to issue a restructuring certification as to such determinations, and (ii) pursuant to Section 104(j) of PROMESA, to certify the filing by the Commonwealth of a voluntary petition under Title III of PROMESA; and

WHEREAS following discussions with the Commonwealth and its legal and financial advisors, and after consultation with the Oversight Board’s legal and financial advisors, and following extensive deliberation, the Oversight Board has determined, in its sole discretion, that (1) the Commonwealth has made good-faith efforts to reach a consensual restructuring with creditors; (2) the Commonwealth has adopted procedures necessary to deliver timely audited financial statements and made public draft financial statements and other information sufficient for any interested person to make an informed decision with respect to a possible restructuring;

---

<sup>1</sup> Capitalized terms used but not defined herein have the definitions given to them in PROMESA.

(3) the Commonwealth is a Covered Territory that has adopted a Fiscal Plan certified by the Oversight Board; and (4) no order approving a Qualifying Modification under Section 601 of PROMESA has been entered with respect to the Commonwealth (the foregoing determinations, the “Restructuring Determinations”); and

WHEREAS following discussions with the Commonwealth and its legal and financial advisors, and after consultation with the Oversight Board’s legal and financial advisors, and following extensive deliberation, the Oversight Board has determined it is necessary and appropriate in order to protect the residents of Puerto Rico, and in the best interests of the creditors of the Commonwealth, for a voluntary petition under Title III of PROMESA to be filed for the Commonwealth in the United States District Court for the District of Puerto Rico (the “District Court”); and

WHEREAS it is the Oversight Board’s intention in making its determinations in connection with such Title III filing (1) that such filing should not preclude efforts to implement consensual debt restructurings if possible and practicable, and (2) to continue negotiations with the creditors of the Commonwealth with a view to implementing consensual debt restructurings to the extent possible and appropriate;

NOW, THEREFORE, IT IS HEREBY RESOLVED that the Oversight Board approves and certifies the Restructuring Determinations pursuant to section 206 of PROMESA; and it is further

RESOLVED that, pursuant to section 104(j) of PROMESA, the Oversight Board approves and certifies the filing in the District Court of a voluntary petition under Title III of PROMESA for the Commonwealth at such time as the Chair or Executive Director of the Oversight Board determines to be appropriate, but no later than 9:00 a.m. (EDT) on Wednesday, May 3, 2017; and it is further

RESOLVED that, for the avoidance of doubt, these resolutions shall constitute (i) the restructuring certificate required to be issued by the Oversight Board pursuant to Section 206 of PROMESA, and (ii) the certification required to be issued by the Oversight Board for the filing of a Title III petition for the Commonwealth pursuant to Section 104(j) of PROMESA; and it is further

RESOLVED that the Executive Director, General Counsel and any other officer of the Oversight Board now or hereafter appointed by the Oversight Board (each, an “Authorized Officer”) shall be, and each hereby is, authorized and empowered to execute and publish (including by attaching a copy thereof to a Title III Petition filed for the Commonwealth) a certificate or certificates that certify (i) the Restructuring Determinations of the Oversight Board pursuant to Section 206 of PROMESA, (ii) the filing of a Title III petition for the Commonwealth pursuant to Section 104(j) of PROMESA, and (iii) the other approvals and authorizations of the Oversight Board set forth in these resolutions; and it is further

RESOLVED that each Authorized Officer shall be, and each hereby is, authorized and empowered to execute and file in the name and on behalf of Oversight Board, as the “representative” of the Commonwealth pursuant to Section 315 of PROMESA, all petitions

(including, but not limited to, a Title III petition), schedules, motions, lists, applications, pleadings, affidavits and other papers to be filed in the District Court (and in such other courts of competent jurisdiction as may be applicable), and, in connection therewith, to employ and retain all assistance by legal counsel, accountants, financial advisors, investment bankers and other professionals, and to take and perform any and all further acts and deeds which such Authorized Officer deems necessary, proper, or desirable in connection with the Commonwealth's Title III case.

**FINANCIAL OVERSIGHT AND MANAGEMENT BOARD  
FOR PUERTO RICO**



*José B. Carrión III*  
Chair

*Andrew G. Biggs  
Carlos M. García  
Arthur J. González  
José R. González  
Ana J. Matosantos  
David A. Skeel, Jr.*

Natalie Jaresko  
Executive Director

**BOARD RESOLUTION ADOPTED ON MAY 1, 2017**

**(CERTIFICATIONS PURSUANT TO SECTIONS 104 AND 206 OF PROMESA FOR  
THE PUERTO RICO SALES TAX FINANCING CORPORATION (COFINA))**

WHEREAS on June 30, 2016, the federal Puerto Rico Oversight, Management, and Economic Stability Act ("PROMESA")<sup>1</sup> was enacted; and

WHEREAS Section 101 of PROMESA created the Financial Oversight and Management Board for Puerto Rico (the "Oversight Board"); and

WHEREAS on September 30, 2016, the Puerto Rico Sales Tax Financing Corporation ("COFINA") was designated by the Oversight Board as a Covered Territorial Instrumentality pursuant to Section 101(d)(1)(A) of PROMESA; and

WHEREAS COFINA has advised the Oversight Board that COFINA desires to effect a plan to adjust its debt pursuant to Title III of PROMESA; and

WHEREAS in connection with the commencement of a Title III case for COFINA, the Oversight Board is required (i) pursuant to Section 206 of PROMESA, to make certain Restructuring Determinations (as defined below) and to issue a restructuring certification as to such determinations, and (ii) pursuant to Section 104(j) of PROMESA, to certify the filing by COFINA of a voluntary petition under Title III of PROMESA; and

WHEREAS following discussions with COFINA and its legal and financial advisors, and after consultation with the Oversight Board's legal and financial advisors, and following extensive deliberation, the Oversight Board has determined, in its sole discretion, that (1) COFINA has made good-faith efforts to reach a consensual restructuring with creditors; (2) COFINA has adopted procedures necessary to deliver timely audited financial statements and made public draft financial statements and other information sufficient for any interested person to make an informed decision with respect to a possible restructuring; (3) COFINA is a Covered

---

<sup>1</sup> Capitalized terms used but not defined herein have the definitions given to them in PROMESA.

Territorial Instrumentality that is subject to a Territory Fiscal Plan certified by the Oversight Board; and (4) no order approving a Qualifying Modification under Section 601 of PROMESA has been entered with respect to COFINA (the foregoing determinations, the “Restructuring Determinations”); and

WHEREAS following discussions with COFINA and its legal and financial advisors, and after consultation with the Oversight Board’s legal and financial advisors, and following extensive deliberation, the Oversight Board has determined it is necessary and appropriate in order to protect the residents of Puerto Rico, and in the best interests of the creditors of COFINA, for a voluntary petition under Title III of PROMESA to be filed for COFINA in the United States District Court for the District of Puerto Rico (the “District Court”); and

WHEREAS it is the Oversight Board’s intention in making its determinations in connection with such Title III filing (1) that such filing should not preclude efforts to implement consensual debt restructurings if possible and practicable, and (2) to continue negotiations with the creditors of COFINA with a view to implementing consensual debt restructurings to the extent possible and appropriate;

NOW, THEREFORE, IT IS HEREBY RESOLVED that the Oversight Board approves and certifies the Restructuring Determinations pursuant to section 206 of PROMESA; and it is further

RESOLVED that, pursuant to section 104(j) of PROMESA, the Oversight Board approves and certifies the filing in the District Court of a voluntary petition under Title III of PROMESA for COFINA at such time as the Chair or Executive Director of the Oversight Board determines to be appropriate, but no later than 9:00 a.m. (EDT) on Wednesday, May 3, 2017; and it is further

RESOLVED that, for the avoidance of doubt, these resolutions shall constitute (i) the restructuring certificate required to be issued by the Oversight Board pursuant to Section 206 of PROMESA, and (ii) the certification required to be issued by the Oversight Board for the filing of a Title III petition for COFINA pursuant to Section 104(j) of PROMESA; and it is further

RESOLVED that the Executive Director, General Counsel and any other officer of the Oversight Board now or hereafter appointed by the Oversight Board (each, an “Authorized Officer”) shall be, and each hereby is, authorized and empowered to execute and publish (including by attaching a copy thereof to a Title III Petition filed for COFINA) a certificate or certificates that certify (i) the Restructuring Determinations of the Oversight Board pursuant to Section 206 of PROMESA, (ii) the filing of a Title III petition for COFINA pursuant to Section 104(j) of PROMESA, and (iii) the other approvals and authorizations of the Oversight Board set forth in these resolutions; and it is further

RESOLVED that each Authorized Officer shall be, and each hereby is, authorized and empowered to execute and file in the name and on behalf of Oversight Board, as the “representative” of COFINA pursuant to Section 315 of PROMESA, all petitions (including, but not limited to, a Title III petition), schedules, motions, lists, applications, pleadings, affidavits and other papers to be filed in the District Court (and in such other courts of competent

jurisdiction as may be applicable), and, in connection therewith, to employ and retain all assistance by legal counsel, accountants, financial advisors, investment bankers and other professionals, and to take and perform any and all further acts and deeds which such Authorized Officer deems necessary, proper, or desirable in connection with COFINA's Title III case.