

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

**UNANIMOUS WRITTEN CONSENT APPROVING REVISED, COMPLIANT BUDGET
FOR THE COMMONWEALTH OF PUERTO RICO, AS CORRECTED**

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

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

WHEREAS section 202(c) of PROMESA establishes a multi-step procedure for the development, review, and approval of a compliant budget for the Commonwealth of Puerto Rico (the “Commonwealth”); and

WHEREAS, on March 13, 2017, after holding a public hearing, the Board certified the Governor’s proposed fiscal plan for the Commonwealth, subject to certain amendments adopted at the March 13, 2017 meeting; and

WHEREAS, on April 30, 2017, the Governor submitted a proposed budget for the Commonwealth for fiscal year 2018; and

WHEREAS, on May 31, 2017, the Board approved certain revisions to the previously certified fiscal plan for the Commonwealth and recertified the fiscal plan as so revised; and

WHEREAS, on June 2, 2017, the Board approved the aggregate spending level in the Governor’s proposed budget, but not its specific allocations, including but not limited to earmarks for discretionary spending, for purposes of submission to the Legislature pursuant to section 202(c)(1) of PROMESA, and the Board submitted the budget to the Legislature pursuant to section 202(c)(1)(A)(ii) of PROMESA; and

WHEREAS the Legislature held hearings on the budget and, after deliberation, submitted the budget to the Board pursuant to section 202(d)(1) of PROMESA; and

WHEREAS the Board and its consultants, advisors, and attorneys reviewed the Legislature’s Territory Budget pursuant to section 202(d)(1) of PROMESA and determined that it does not comply with the previously certified fiscal plan; and

WHEREAS, pursuant to section 202(d)(1)(B) of PROMESA, on June 27, 2017, the Board issued a notice of violation that included a description of necessary corrective action, and the Board gave the Legislature an opportunity to correct the violations by June 29, 2017; and

WHEREAS, by such date, the Legislature failed to adopt a budget that the Board determined to be a compliant budget; and

WHEREAS the Board has revised the Territory Budget for submission as a revised, compliant Territory Budget to the Governor and the Legislature pursuant to sections 202(d)(2) and 202(e)(3) of PROMESA; and

WHEREAS, on June 30, 2017, the Board unanimously approved a resolution that provided that, pursuant to section 202(e)(3) of PROMESA, the Board shall submit to the Governor and the Legislature pursuant to sections 202(d)(2) and 202(e)(3) of PROMESA its revised, compliant Territory Budget, and such Territory Budget shall be (i) deemed to be approved by the Governor and the Legislature, (ii) the subject of a compliance certification to be issued by the Board to the Governor and the Legislature, and (iii) in full force and effect beginning on July 1, 2017; and

WHEREAS, after the June 30, 2017 meeting, certain typographical and formatting errors were identified in the revised, compliant Territory Budget, and other minor changes were noted to conform data contained throughout the document; and

WHEREAS, following review by the Board (and its legal and financial advisors), the Board determined that the changes and corrections identified after the June 30, 2017 meeting do not materially alter the substance of the revised, compliant Territory Budget or the Board's view of the revised, compliant Territory Budget; and

WHEREAS the Board endorses the changes and corrections proposed since the June 30, 2017 meeting, as reflected in a clean copy of the revised, compliant Territory Budget, as corrected, which is attached as Exhibit A hereto; and

WHEREAS a changed pages redlined copy of the revised, compliant Territory Budget, marked to show the foregoing changes and corrections, is attached as Exhibit B hereto;

NOW, THEREFORE, IT IS HEREBY RESOLVED THAT the Board approves the revised, compliant Territory Budget, as corrected, and pursuant to section 202(e)(3) of PROMESA, the Board shall submit to the Governor and the Legislature pursuant to sections 202(d)(2) and 202(e)(3) of PROMESA its revised, compliant Territory Budget, as corrected, and such Territory Budget shall be (i) deemed to be approved by the Governor and the Legislature, (ii) the subject of a compliance certification to be issued by the Board to the Governor and the Legislature, and (iii) in full force and effect beginning on July 1, 2017.



Dated: July 11, 2017

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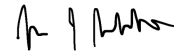
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