

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

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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 (FAB)

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.)
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JOINT STIPULATION AND ORDER

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, the "ERS Bondholders"), the Commonwealth of Puerto Rico (the

"Commonwealth"), Hon. Ricardo Antonio Rosselló Nevares (the "Governor"), Hon. Raúl Maldonado, and Hon. José Iván Marrero (collectively, the "Commonwealth Respondents"),¹ the Employees Retirement System of the Government of the Commonwealth of Puerto Rico (the "ERS"), and intervenor-Financial Oversight and Management Board for Puerto Rico (the "Board," and together with the ERS, Commonwealth Respondents and ERS Bondholders, the "Parties"), by and through their attorneys, hereby stipulate as follows:

1. The ERS issued certain bonds (the "ERS Bonds") pursuant to a general resolution adopted by the board of trustees of the ERS on January 24, 2008 and supplemental resolutions adopted thereafter (together, the "ERS Bond Resolutions").²

2. (a) All Employers' Contributions (as defined in the ERS Bond Resolutions) received by the ERS during the pendency of the stay imposed pursuant to §405 of the Puerto Rico Oversight, Management, and Economic Stability Act (PROMESA) shall be transferred by the ERS to an account (the "Segregated Account") for the benefit of the holders of the ERS Bonds that shall be established and maintained at Banco Popular de Puerto Rico no later than five (5) business days following the entry of this Stipulation

(b) All Employers' Contributions transferred to the Segregated Account shall be held and maintained in such Segregated Account until the earlier of (1) a written agreement among all of the undersigned parties, or (2) entry of an order of a court of competent jurisdiction on the disposition of such Employers' Contributions, with the Court retaining jurisdiction to enter such order as appropriate.

¹ The Hon. Alejandro García Padilla, Hon. Juan Zaragoza- Gómez, and Hon. Luis F. Cruz Batista were defendants to this suit in their official capacities and therefore have been substituted with the current Governor, Secretary of the Treasury and the director of the Office of Management and Budget.

² Capitalized terms used herein but not otherwise defined shall have the meaning ascribed to such terms in the ERS Bond Resolution.

(c) To comply with this Paragraph 2, the ERS shall transfer (1) all Employers' Contributions received from the date of commencement of the stay imposed pursuant to §405 of PROMESA through and including the date hereof to the Segregated Account no later than the date that is five (5) Business Days after the date hereof, and (2) all Employers' Contributions received after the date hereof to the Segregated Account (or to the Fiscal Agent in accordance with the ERS Bond Resolution) no later than the date that is the last Business Day of each month.

(d) To the extent that ERS receives any Commonwealth central government Employers' Contributions, unless otherwise agreed in writing by the undersigned parties, such contributions shall be retained in the Segregated Account pending further order of the Court, provided, however, the undersigned parties agree that such matter may be heard by the Court upon motion and at an expedited hearing.

3. The Segregated Account, the Employers' Contributions therein and any interest thereon are hereby found and determined to and shall (1) constitute Pledged Property under the ERS Bond Resolution, (2) be subject to the pledge and assignment of, and the grant of a security interest in and over, the Pledged Property set forth in the ERS Bond Resolutions, and (3) be subject to a security interest and lien with the same validity, perfection, priority and enforceability and subject to the same defenses, if any, as the Pledged Property currently on deposit with the Fiscal Agent.

4. Nothing herein shall preclude or excuse the ERS from transferring any Employer Contributions' received by it and transferred to the Segregated Account to the Fiscal Agent in accordance with §504 of the ERS Bond Resolution.

5. All other rights, claims and remedies of the ERS Bondholders, the Commonwealth and the ERS are expressly reserved.

6. The Court shall retain jurisdiction of this matter to enforce and interpret this Joint Stipulation and Order.

7. The motion of the ERS Bondholders (ECF # 1) is hereby resolved as set forth herein.

IT IS SO ORDERED

Dated: _____, 2017
San Juan, Puerto Rico

THE HONORABLE FRANCISCO A. BESOSA
UNITED STATES DISTRICT JUDGE

In San Juan, Puerto Rico, 17th day of January, 2017.

By:

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