NEW ISSUE - BOOK-ENTRY ONLY
See "Book-Entry Only System" under THE BONDS

In the opinion of Bond Counsel, subject to compliance with certain tax covenants, interest on the Bonds is not includable in gross income for federal income tax purposes under existing statutes, regulations, rulings and court decisions. Interest on the Bonds will not be an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations and will not be taken into account in determining adjusted current earnings for purposes of computing the alternative minimum tax imposed on corporations. See TAX MATTERS for a description of certain other federal tax consequences of ownership of the Bonds. Bond Counsel is further of the opinion that the Bonds and the interest thereon are exempt from state, Commonwealth of Puerto Rico and local income taxation.

$210,250,000
COMMONWEALTH OF PUERTO RICO
Public Improvement Refunding Bonds, Series 2009 C
(General Obligation Bonds)

Dated: Date of Delivery **Due: July 1, as shown on the inside cover**

Interest on the Bonds will accrue from their date of issuance and will be payable semi-annually on each January 1 and July 1, commencing on July 1, 2010. The Bonds are subject to redemption prior to maturity as set forth herein.

The Bonds are general obligations of the Commonwealth of Puerto Rico. The good faith, credit and taxing power of the Commonwealth of Puerto Rico are irrevocably pledged for the prompt payment of the principal of and interest on the Bonds. The Constitution of Puerto Rico provides that public debt of the Commonwealth of Puerto Rico, which includes the Bonds, constitutes a first claim on available Commonwealth of Puerto Rico resources.

The Bonds are issuable as registered bonds without coupons in denominations of $5,000 and whole multiples thereof and will be initially registered only in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"), which will act as securities depository for the Bonds. See "Book Entry Only System" under THE BONDS.

The Bonds are offered for delivery when, as and if issued and accepted by the Underwriters, subject to the approval of legality of Greenberg Traurig, LLP, Boston, Massachusetts, Bond Counsel, and certain other conditions. Certain legal matters will be passed upon for the Underwriters by Fiddler González & Rodríguez, P.S.C., San Juan, Puerto Rico. It is expected that the Bonds will be available for delivery through the facilities of DTC on or about December 16, 2009.

Morgan Stanley **Citi** **JP Morgan**

Barclays Capital **Goldman, Sachs & Co.** **Merrill Lynch & Co.**

Ramírez & Co., Inc. **UBS Financial Services Incorporated of Puerto Rico**

FirstBank Puerto Rico Securities **Popular Securities** **Santander Securities**

December 3, 2009

$210,250,000
COMMONWEALTH OF PUERTO RICO
Public Improvement Refunding Bonds, Series 2009 C
(General Obligation Bonds)

$210,250,000 6.00% Term Bonds due July 1, 2039 - Yield 6.200% - CUSIP* 74514LWA1

---

* Copyright 2009, American Bankers Association. CUSIP data herein are provided by Standard & Poor's CUSIP Service Bureau, a division of The McGraw-Hill Companies, Inc. The CUSIP number listed above is being provided solely for the convenience of bondholders and the Commonwealth does not make any representation with respect to such number or undertake any responsibility for its accuracy now or at any time in the future. The CUSIP number is subject to being changed after the issuance of the Bonds as a result of various subsequent actions including, but not limited to, a refunding in whole or in part of the Bonds.

Commonwealth of Puerto Rico

Governor

LUIS G. FORTUÑO

Members of the Cabinet

MARCOS RODRÍGUEZ-EMA
Chief of Staff

KENNETH D. MCCLINTOCK
Secretary of State

ANTONIO M. SAGARDÍA
Secretary of Justice

JUAN C. PUIG
Secretary of the Treasury

DR. EDWARD MORENO
Acting Secretary of Education

MIGUEL ROMERO
Secretary of Labor and Human Resources

DR. LORENZO GONZÁLEZ
Secretary of Health

JAVIER RIVERA AQUINO
Secretary of Agriculture

RUBÉN A. HERNÁNDEZ
Secretary of Transportation and Public Works

JOSÉ R. PÉREZ-RIERA
Secretary of Economic Development and Commerce

YANITSIA IRIZARRY
Secretary of Family Affairs

YESEF Y. CORDERO
Secretary of Housing

DANIEL J. GALÁN
Secretary of Natural and Environmental Resources

LUIS G. RIVERA MARÍN
Secretary of Consumer Affairs

HENRY NEWMANN
Secretary of Sports and Recreation

CARLOS M. MOLINA
Secretary of Corrections and Rehabilitation

Legislative Officers

THOMAS RIVERA SCHATZ
President, Senate

JENNIFFER A. GÓNZALEZ
Speaker, House of Representatives

Fiscal Officers

MARÍA SÁNCHEZ BRAS
Director, Office of Management and Budget

CARLOS M. GARCÍA
President and Chairman of the Board of Directors, Government Development Bank for Puerto Rico

No dealer, broker, sales representative or other person has been authorized by the Commonwealth or the Underwriters to give any information or to make any representations other than those contained herein and, if given or made, such other information or representations must not be relied upon as having been authorized by the Commonwealth or any Underwriter. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Bonds, by any person in any jurisdiction in which it is unlawful for such person to make such an offer, solicitation or sale. The information set forth herein has been obtained from the Commonwealth and other official sources that are believed to be reliable. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Commonwealth since the date hereof. The Underwriters have provided the following sentence and paragraph for inclusion in this Official Statement. The Underwriters have reviewed the information in this Official Statement in accordance with, and as part of, their respective responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriters do not guarantee the accuracy or completeness of such information.

In connection with offering of the Bonds, the Underwriters may effect transactions which stabilize or maintain the market prices of the Bonds and the Commonwealth's outstanding general obligation bonds at levels above those which might otherwise prevail in the open market. Such stabilizing, if commenced, may be discontinued at any time.

Certain statements contained in this Official Statement reflect not historical facts but forecasts and "forward-looking statements." These statements are based upon a number of assumptions and estimates that are subject to significant uncertainties, many of which are beyond the control of the Commonwealth. In this respect, the words "estimates," "projects," "anticipates," "expects," "intends," "believes" and similar expressions are intended to identify forward-looking statements. All projections, forecasts, assumptions, expressions of opinions, estimates and other forward-looking statements are expressly qualified in their entirety by this cautionary statement: actual results may differ materially from those expressed or implied by forward-looking statements.

TABLE OF CONTENTS

Page

[THIS PAGE INTENTIONALLY LEFT BLANK]

$210,250,000
COMMONWEALTH OF PUERTO RICO
Public Improvement Refunding Bonds, Series 2009 C
(General Obligation Bonds)

INTRODUCTORY STATEMENT

This Official Statement of the Commonwealth of Puerto Rico (the "Commonwealth" or "Puerto Rico"), which includes the cover page, the inside cover page, the table of contents and the appendices, provides certain information in connection with the sale of $210,250,000 Commonwealth of Puerto Rico Public Improvement Refunding Bonds, Series 2009 C (the "Bonds").

The Bonds are being issued under the provisions of Act No. 33 of the Legislative Assembly of Puerto Rico, approved on December 7, 1942, as amended (the "Act"), and pursuant to a resolution authorizing the issuance of the Bonds (the "Bond Resolution") adopted in accordance with the Act by the Secretary of the Department of Treasury of the Commonwealth (the "Secretary of the Treasury") and approved by the Governor of Puerto Rico, Luis G. Fortuño (the "Governor"), on December 3, 2009.

Under the Act, the good faith, credit and taxing power of the Commonwealth are irrevocably pledged for the prompt payment of the principal of and interest on the Bonds. The Constitution of Puerto Rico provides that public debt of the Commonwealth, which includes the Bonds, constitutes a first claim on available Commonwealth resources.

This Official Statement incorporates by reference (i) the Commonwealth's Financial Information and Operating Data Report, dated May 15, 2009 (the "Commonwealth Report"), and (ii) the Commonwealth's Comprehensive Annual Financial Report for the fiscal year ended June 30, 2008, as amended, prepared by the Department of the Treasury of the Commonwealth (the "Commonwealth's Annual Financial Report"). The Commonwealth Report and the Commonwealth's Annual Financial Report have been filed by the Commonwealth with the Municipal Securities Rulemaking Board ("MSRB") through the Electronic Municipal Market Access System ("EMMA") (http://emma.msrb.org).

The Commonwealth Report includes important operating and financial information about the Commonwealth, including information about its economy, historical revenues and expenditures of its General Fund, the estimated year-end results of fiscal year 2009, the proposed budget for fiscal year 2010, and the debt of the Commonwealth's public sector, and should be read in its entirety and in connection with the information included under RECENT DEVELOPMENTS herein. The Commonwealth's Annual Financial Report includes the basic financial statements of the Commonwealth as of and for the fiscal year ended June 30, 2008, together with the independent auditor's report thereon, dated August 12, 2009, of KPMG LLP, certified public accountants. KPMG LLP did not audit the financial statements of the Puerto Rico Public Buildings Authority's ("PBA") capital project fund or The Children's Trust special revenue fund (major funds), and certain activities, funds and component units separately identified in its report. Those financial statements were audited by other auditors whose reports have been furnished to KPMG LLP, and their opinion as to the basic financial statements, insofar as it relates to the amounts included in the basic financial statements pertaining to such activities, funds and component units, is based solely on the reports of the other auditors. The report by KPMG LLP contains an emphasis paragraph for the adoption of Governmental Accounting Standards Board (GASB) Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits other than Pensions*, during the year ended June 30, 2008.

Any appendix of an Official Statement of the Commonwealth or of any instrumentality of the Commonwealth containing any revision to the Commonwealth Report or to the Commonwealth's Annual Financial Report that is filed with the MSRB through EMMA, or any new or revised Commonwealth Report or Commonwealth's Annual Financial Report or other document containing information that modifies or supersedes the information contained in the Commonwealth Report or in the Commonwealth's Annual Financial Report that is filed with the MSRB through EMMA, in each case after the date hereof and prior to the termination of the offering of the Bonds, shall be deemed to be incorporated by reference into this Official Statement and to be part of this Official Statement from the date of filing of such document. Any statement contained in the Commonwealth's Annual Financial Report shall be deemed to be modified or superseded for purposes of this Official Statement to the extent that a statement contained herein or in any such subsequently filed document modifies or supersedes such statement. Any statement contained in the Commonwealth Report or elsewhere herein shall also be deemed to be modified or superseded to the extent that a statement contained in any such subsequently filed document modifies or supersedes such statement. Any such statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Official Statement.

Under its existing continuing disclosure agreements, the Commonwealth is obligated to file on or before May 1 in each year updates of its financial and demographic information through the end of the prior fiscal year, including the Commonwealth's Annual Financial Report. In the recent past, the Commonwealth has been unable, due to accounting rules changes and other reasons (mostly related to delays in receipt of component units' audited financial statements), to file the Commonwealth's Annual Financial Report by the May 1 continuing disclosure update filing deadline. The Commonwealth's Annual Financial Report for the fiscal year ended June 30, 2008 was not filed prior to the deadline of May 1, 2009 because various component units did not submit their audited financial statements to the central government's external auditors on time. Finally, the Commonwealth Report for the fiscal year ended June 30, was filed after the Commonwealth's filing deadline of May 1, 2009.

The Commonwealth will provide without charge to any person to whom this Official Statement is delivered, on the written or oral request of such person, a copy of the Commonwealth Report or the Commonwealth's Annual Financial Report incorporated herein by reference. Requests should be directed to Executive Vice President, Government Development Bank for Puerto Rico, P.O. Box 42001, San Juan, Puerto Rico 00940, telephone number (787) 722-7060.

A copy of the Commonwealth's Annual Financial Report and the Commonwealth Report may also be obtained by visiting the Government Development Bank for Puerto Rico's (the "Government Development Bank" or the "Bank") website at www.gdbpr.com. No additional information on Government Development Bank's website is deemed to be part of or incorporated by reference in this Official Statement.

OVERVIEW

Puerto Rico is located approximately 1,600 miles southeast of New York City. According to the U.S. Census Bureau, its population was 3,808,610 in 2000 (3,954,037 as of July 1, 2008 according to the most recent U.S. Census Bureau estimate).

The United States and the Commonwealth share a common defense, market, currency and citizenship. The Commonwealth exercises virtually the same control over its internal affairs as do the 50 states. It differs from the states, however, in its relationship with the federal government. The people of Puerto Rico are citizens of the United States but do not vote in national elections. They are represented in Congress by a Resident Commissioner that has a voice in the House of Representatives but no vote (except in House committees and sub-committees to which he belongs). Most federal taxes, except those such as Social Security taxes, are not levied in Puerto Rico. No federal income tax is collected from Puerto Rico residents on income earned in Puerto Rico, except for certain federal employees who are subject to taxes on their salaries. Income earned by Puerto Rico residents from sources outside of Puerto Rico, however, is subject to federal income tax.

The official languages of Puerto Rico are Spanish and English.

Puerto Rico has a diversified economy with manufacturing and services comprising its dominant sectors. Puerto Rico's economy is closely linked to the United States economy. In fiscal year 2008 (which ended on June 30, 2008), the Commonwealth's gross national product (preliminary, in current dollars) was $60.8 billion, and personal income per capita (preliminary, in current dollars) was $14,237.

The Constitution of Puerto Rico limits the amount of general obligation debt that the Commonwealth can issue. The Commonwealth's policy has been and continues to be to maintain the level of such debt within a prudent range below the constitutional limitation.

Fiscal responsibility for the Commonwealth is shared among the Department of the Treasury ("Treasury Department"), the Office of Management and Budget ("OMB") and Government Development Bank. The Treasury Department is responsible for collecting most of the Commonwealth's revenues, overseeing preparation of its financial statements and contributing to the preparation of the budget. OMB prepares the Commonwealth's budget and is responsible for monitoring expenditures. Government Development Bank is the fiscal agent and financial advisor to the Commonwealth and its agencies, public corporations and municipalities and coordinates the management of public finances.

Additional information about the Commonwealth can be found in the Commonwealth Report, including information about the economy, historical revenues and expenditures of the Commonwealth's General Fund, the estimated year-end results of fiscal year 2009, the proposed budget for fiscal year 2010, and the debt of the Commonwealth's public sector. The Commonwealth Report should be read in its entirety.

RECENT DEVELOPMENTS

This section supplements the information appearing in the Commonwealth Report and should be read in conjunction therewith.

Revised Economic Data for Fiscal Years 2009 and 2010

In August 2009, the Planning Board revised its gross national product forecast for fiscal year 2009 by projecting a base case scenario decline of 4.8% in constant dollars, a further decline of 1.4% from the projection released in February 2009. The Planning Board, however, made an upward revision of its gross national product forecast for fiscal year 2010 by projecting an increase of 0.7% in constant dollars. The Planning Board's revised forecast for fiscal year 2010 takes into account the estimated effect on the Puerto Rico economy of the Commonwealth's fiscal stabilization plan and of the activity expected to be generated by the disbursement of $1.73 billion from the American Recovery and Reinvestment Act of 2009 ("ARRA") and $280.3 million from the Commonwealth's local stimulus package. For a discussion of these plans, see "Fiscal Stabilization and Economic Reconstruction" under THE ECONOMY in the Commonwealth Report. The revised forecast also considers the effect on the Puerto Rico economy of general global economic conditions, the U.S. economy, the volatility of oil prices, interest rates and the behavior of local exports, including expenditures by visitors.

Puerto Rico expects to receive approximately $6 billion in stimulus funds from ARRA, of which approximately $3.3 billion will be used to provide consumer and taxpayer relief. As of September 2009, the Puerto Rico Infrastructure Financing Authority ("PRIFA"), which is responsible for the administration of ARRA in Puerto Rico, reported that approximately $906 million in ARRA funds for use in health, housing, and education related projects, among others, had been disbursed. PRIFA expects that an additional $613 million will be disbursed by December 31, 2009.

The Commonwealth has also begun disbursing funds under the local stimulus program. Most municipalities have received disbursements earmarked to pay outstanding debts and fund local projects. The Commonwealth has also disbursed funds allocated towards job training programs, a strategic water distribution project in a southern municipality and the revamping of the Puerto Rico permits system.

According to the Household Survey, total employment for fiscal year 2009 averaged 1,168,200, a decrease of 4.1% from the previous fiscal year. The unemployment rate for fiscal year 2009 was 13.4%, an increase from 11% for fiscal year 2008. For the month of October 2009, the unemployment rate was 16.4%.

Results for Fiscal Year 2009

Total preliminary General Fund revenues for fiscal year 2009 are $7.76 billion, representing a decrease of $598.6 million, or 7.2%, from fiscal year 2008 revenues. The major changes from fiscal year 2008 were: (i) decreases in income taxes from individuals of $145.4 million and in corporate income taxes of $201.2 million, (ii) a decrease of $51.9 million in motor vehicle excise taxes, (iii) a decrease of $60.1 million in miscellaneous non-tax revenues, and (iv) a decrease of $16.1 million in sales and use tax revenues. In fiscal year 2008, General Fund revenues also included $145 million of non-recurring revenues from the disbursement of a line of credit of Government Development Bank collateralized with certain properties owned by the Commonwealth to be sold at a later date. The continued decline in General Fund tax revenues reflects primarily the impact of the ongoing economic recession and the effect of tax benefits and incentives granted to certain individual and corporate taxpayers pursuant to previous legislation designed to stimulate economic development. For a detailed explanation of the previous estimate of General Fund revenues for fiscal year 2009, see "Summary and Management's Discussion of General Fund Results" under PUERTO RICO TAXES, OTHER REVENUES AND EXPENDITURES in the Commonwealth Report.

Total preliminary General Fund revenues for fiscal year 2009 of $7.76 billion exceeded the revised estimate (made in February 2009) of General Fund revenues for fiscal year 2009 of $7.60 billion by approximately $160 million, or 2.1%. The major changes from the revised estimate for fiscal year 2009 were: (i) an increase of $190.4 million in income taxes withheld from non-residents pursuant to certain closing agreements with the Treasury Department, and (ii) an increase of $59 million in income taxes from individuals.

Approved Budget for Fiscal Year 2010

On July 1, 2009, the Governor signed a General Fund budget for fiscal year 2010 of $7.670 billion. The approved budget is approximately 19% lower than the $9.48 billion budget approved for fiscal year 2009. The approved budget is lower than the preliminary General Fund net revenues for fiscal year 2009 by $90 million, or 1.2%, and creates a payment schedule for certain Commonwealth debts or other obligations, such as borrowings from Government Development Bank that did not have a dedicated source of repayment, and accounts payable to public corporations. The General Fund budget excludes a $2.5 billion Stabilization Fund (the "Stabilization Fund") that will facilitate the orderly implementation of certain expense reduction measures adopted by the Government of the Commonwealth pursuant to Act No. 7 of March 9, 2009 ("Act No. 7"). The Stabilization Fund will provide (i) $1 billion to finance the cost of transitioning public employees to non-governmental sectors and providing vouchers for re-training, self-employment, relocation and salary subsidy alternatives, and (ii) $1.5 billion to cover payroll and operating expenses that are expected to be reduced through fiscal year 2010, but whose savings will not be realized in such fiscal year. The Stabilization Fund will be funded with proceeds from the bonds issued by the Puerto Rico Sales Tax Financing Corporation ("COFINA" for its Spanish acronym), as described below.

Preliminary General Fund revenues for the first four months of fiscal year 2010 (July through October) were $2.199 billion, approximately $155 million below the revenues for the same period in the prior fiscal year, but approximately $33 million above the budgeted revenues for this period.

Actuarial Valuation and Cash Shortfall of the Employees Retirement System

According to the most recent actuarial valuation of the Employees Retirement System of the Government of the Commonwealth of Puerto Rico (the "Employees Retirement System") submitted by a firm of independent consulting actuaries, as of June 30, 2007, the actuarial accrued liability was $16.770 billion and the actuarial value of assets was $2.892 billion, representing a funding ratio of 17.2% and the resulting unfunded actuarial accrued liability was $13.878 billion.

During fiscal year 2009, the Employees Retirement System had a cash shortfall of approximately $385 million. This cash shortfall was covered from the sale of certain investments. The Employees Retirement System's projected cash flow shortfall for fiscal year 2010 is approximately $510 million, which is expected to be covered from the sale of certain investments. The Employees Retirement System's cash flow shortfall for fiscal year 2010 could also be affected by the implementation of the fiscal stabilization plan, which is expected to amount to approximately $140 million. The Employees Retirement System continues to evaluate measures to improve its cash flow and funding ratio, as well as the potential impact of the fiscal stabilization plan.

For detailed information regarding the Employees Retirement System, see RETIREMENT SYSTEMS in the Commonwealth Report.

Amendments to Act No. 7

The Legislative Assembly approved a series of amendments to Act No. 7, which declared a state of fiscal emergency in Puerto Rico and adopted a comprehensive plan for fiscal and economic stabilization. The amendments do not alter the forecast of General Fund revenues for fiscal year 2010, nor do they affect the adoption of on-going expense reduction measures. Act No. 7 was amended to, among other things: (i) restore the tax-exemption enjoyed by certain securities that were affected by recent changes under the Alternative Minimum Tax; and (ii) introduce, with certain exceptions, a total cap of $40 million for granting tax credits related to Act No. 212 of 2002 (Urban Renewal projects) and establish specific limitations on the claim of such credits. These amendments also re-introduced the Sales and Use Tax Resale Exemption Certificate to retailers with a proven sales volume higher than $500,000. Retailers with a lower sales volume may enjoy the exemption subject to approval from the Secretary of the Treasury. The Secretary of the Treasury retains the right to revoke any Exemption Certificate for the period of a year if a retailer fails to comply with filing requirements related to the Sales and Use Tax. Finally, the amendments extended the temporary Commonwealth property tax to commercial real estate. The applicable Commonwealth property tax will be 0.591%. This temporary tax will be levied for three years or until an aggregated amount of $690 million is collected from this tax, whichever event occurs first.

On August 5, 2009, the U.S. District Court for the District of Puerto Rico denied the preliminary injunction requested by a group of government employees and labor organizations in a complaint filed on April 13, 2009 challenging the constitutionality of Act No. 7 and seeking to enjoin its enforcement. The District Court's decision allows the Government to continue with the implementation of Act No. 7. The Government has moved to dismiss the complaint and will continue to vigorously defend the constitutionality of Act No. 7. For a detailed explanation of this lawsuit, see LITIGATION in the Commonwealth Report.

Various other claims have been filed in Commonwealth and federal courts challenging the implementation of Act No. 7 and are currently pending. The Commonwealth will vigorously defend against such claims and expects that the cases filed at this time will not have a material impact on the implementation of Act No. 7.

Approval of Public-Private Partnerships Act

On June 8, 2009, the Legislative Assembly approved Act No. 29, establishing a clear public policy and legal framework for public-private partnerships in Puerto Rico to further the development and maintenance of infrastructure facilities, improve the services rendered by the Government and foster the creation of jobs. On September 1, 2009, the Governor constituted the Board of Directors of the Public-Private Partnerships Authority (the "PPP Authority"), the entity tasked with implementing the Commonwealth's public policy regarding public-private partnerships. On September 2, 2009, David Álvarez was appointed Executive Director of the PPP Authority. Prior to his appointment, he was Senior Advisor and Assistant to the President of Government Development Bank. On September 3, 2009, the PPP Authority published for comment proposed regulations to establish the administrative framework for the procurement, evaluation, selection, negotiation and award process for public-private partnerships in Puerto Rico. The PPP Authority has also engaged a global advisory firm to assist in developing guidelines and procedures for the Commonwealth's public-private partnerships program, including assistance in developing a desirability study methodology adequate for public-private partnership projects.

Recent Bond Issues by the Commonwealth and Certain Instrumentalities

On June 18, 2009, COFINA issued its Sales Tax Revenue Bonds, First Subordinate Series 2009A and Sales Tax Revenue Bonds, Senior Series 2009C in the aggregate principal amount at issuance of $4,118,153,700 and $237,875,000, respectively. On June 25, 2009, COFINA issued to Puerto Rico investors its Sales Tax Revenue Bonds, First Subordinate Series 2009B in the aggregate principal amount at issuance of $1,217,915,799. On July 23, 2009, COFINA issued to a financial institution its Sales Tax Revenue Bonds, First Subordinate Series 2009D Bond Anticipation Notes (the "Bond Anticipation Notes") in an aggregate principal amount of $500,000,000. The proceeds from the Bond Anticipation Notes were disbursed as follows: $250,000,000 on July 23, 2009 and $250,000,000 on September 29, 2009. The bond proceeds were used for the purpose of, among other things, paying or financing certain obligations of the Commonwealth, paying or financing a portion of the Commonwealth's operational expenses, and funding the Puerto Rico Economic Stimulus Fund, the Commonwealth Emergency Fund and the Economic Cooperation and Public Employees Alternatives Fund.

On July 1, 2009, PBA issued its Government Facilities Revenue Refunding Bonds, Series P in the aggregate principal amount of $330,935,000. The bond proceeds were used to refund certain of PBA's outstanding bonds and fund certain swap termination payments.

On September 17, 2009, the Commonwealth remarketed $93,835,000 of the $96,825,000 Public Improvement Refunding Bonds, Series 2007 A-4 (the "Series 2007 A-4 Bonds") on a fixed-rate basis and issued $3,425,000 Public Improvement Refunding Bonds, Series 2009 A to refund the remainder of the Series 2007 A-4 Bonds.

On October 28, 2009, PBA issued its Government Facilities Revenue Refunding Bonds, Series Q in the aggregate principal amount of $152,540,000. The bond proceeds were used to refund interest (but not principal) on certain of PBA's outstanding bonds and repay certain advances made to PBA by Government Development Bank under a line of credit facility.

On November 17, 2009, the Commonwealth issued its Public Improvement Refunding Bonds, Series 2009 B in the aggregate principal amount of $372,685,000. The bond proceeds were used to refund interest (but not principal) on certain of the Commonwealth's outstanding bonds, repay certain advances made to the Commonwealth to make deposits to the Redemption Fund, and pay capitalized interest.

Orders Requiring Reduction in Service Contracts and Leases

On September 21, 2009, the Governor issued an executive order requiring all agencies and public corporations of the Commonwealth to reduce, modify or cancel service contracts to achieve a cost reduction of at least 15%. The executive order covers advertising, consulting, information technology, accounting, legal and other services (except for direct services to the public), and grants the Fiscal Restructuring and Stabilization Board created under Act No. 7 (the "Fiscal Board") the power to monitor agencies and public corporations in order to ensure the required 15% minimum cost reduction. Each agency or public corporation had 30 days to report the following to the Fiscal Board: (i) all service contracts currently in effect, (ii) all cancelled and/or modified contracts and the corresponding savings, (iii) justification for any remaining contract in light of the mission of the agency or public corporation, and (iv) the reasonableness of the fees or compensation terms for each remaining contract. The Commonwealth expects to achieve savings of approximately $20 million from these reductions.

On September 23, 2009, the Governor issued an executive order requiring all agencies and public corporations of the Commonwealth to report the following to the Fiscal Board within 30 days: (i) all lease contracts currently in effect, (ii) the uses of leased premises, (iii) the needs for such premises, (iv) the terms and conditions of each lease, and (v) the budgeted amounts for rent and other related expenses. The Commonwealth expects to achieve a cost reduction of at least 15% or approximately $22 million by, among other things, consolidating operations of one or more agencies or public corporations and renegotiating leases to obtain more favorable terms.

Implementation of Second Round of Layoffs under Act No. 7

On September 25, 2009, the Fiscal Board announced the second and final round of layoffs by the Commonwealth under Phase II of Act No. 7. As part of the second round of layoffs, 16,970 government employees would have been terminated, effective on November 6, 2009. However, on November 3, 2009, the Fiscal Board announced its decision to require a number of Commonwealth government agencies to start anew the process of notifying certain union employees as to their layoff as a result of the implementation of Phase II of Act No. 7, as well as certain other notifications required under Act No. 7, including notifying certain union workers of their time of service in the government. This resulted in the delay of approximately 7,191 layoffs that would have been effective on November 6, 2009. It is estimated that the delay in the effective date of the 7,191 layoffs will have a negative impact of approximately $60 million in the cash flow projection for fiscal year 2010.

On December 4, 2009, the Fiscal Board announced that it had mailed 2,798 termination letters corresponding to union employees of five Government agencies. These layoffs will become effective in January 2010. In addition, the Fiscal Board announced that it expected to mail approximately 3,590 additional termination letters to union employees in the coming weeks for a total of 6,379 layoffs that will become effective in January 2010. The Fiscal Board also announced that approximately 6,037 union employees that have been employed by the Government for a period of less than 13 years, 6 months as of April 17, 2009 will receive termination letters that are expected to become effective in February 2010, following the required notifications of time of service in government. The total government employees to be dismissed as part of the implementation of Phase I and II of Act No. 7 is expected to be approximately 15,037.

Approximately 1,000 of the laid-off employees are expected to be recruited and retrained by the Treasury Department to perform tax auditing and collection functions and by private collection firms to assist the Treasury Department in those functions.

The implementation of Phases I, II and III of Act No. 7 is expected to result in annual savings of approximately $649 million. See "Fiscal Stabilization and Economic Reconstruction" under *THE ECONOMY* in the Commonwealth Report.

Progress in the Implementation of the Fiscal Stabilization Plan

As discussed in the Commonwealth Report, in order to achieve fiscal balance, the fiscal stabilization plan established a government-wide operating expense-reduction program aimed at reducing annual payroll and other operating expenses by $2 billion by the end of fiscal year 2010. The Fiscal Board estimates that the annual savings from all cost reduction measures implemented or identified by the Commonwealth as of September 30, 2009 will amount to approximately $1.2 billion, which is approximately 60% of the $2 billion target. The Fiscal Board continues to seek and implement various initiatives to obtain additional savings necessary in order to achieve the $2 billion target. The additional savings are expected to come from both cost reduction and revenue generating initiatives, which include, among others, improvements in government procurement processes, reorganization and increased fiscal oversight of government agencies and improvements in tax collection and enforcement measures.

PLAN OF FINANCING

The Commonwealth is issuing the Bonds to (i) refund interest (but not principal) on certain bonds (the "Refunded Interest"), in the amounts and of the maturities identified in *Appendix III* to this Official Statement, and (ii) pay costs of issuance of the Bonds.

Sources and Uses of Funds

Sources:	
Bond Proceeds:	
Principal amount of the Bonds	$210,250,000.00
Net original issue discount	(5,674,647.50)
Total sources	$204,575,352.50
Uses:	
Refunding escrow deposits	$202,825,589.15
Underwriting discount, legal, printing, and other financing expenses	1,749,763.35
Total uses	$204,575,352.50

THE BONDS

General

The Bonds will be dated, bear interest at such rates, be payable at such times, and mature on the dates and in the principal amounts set forth on the cover and inside cover page of this Official Statement. The Bonds are subject to redemption at the times and at the prices set forth below in "Redemption." Banco Popular de Puerto Rico will serve as paying agent and registrar (the "Registrar") for the Bonds.

Book-Entry Only System

Appendix II to this Official Statement contains information concerning DTC and DTC's book-entry only system. The information contained in *Appendix II* to this Official Statement has been obtained from sources that the Commonwealth believes to be reliable, but the Commonwealth takes no responsibility for the accuracy thereof.

The Commonwealth cannot and does not give any assurances that DTC, DTC Direct or Indirect Participants will distribute to the Beneficial Owners of the Bonds: (i) payments of principal and interest payments (including redemption payments) with respect to the Bonds; (ii) confirmation of ownership interest in the Bonds; or (iii) notices sent to DTC or Cede & Co., its nominee, as the registered owner of the Bonds, or that they will do so on a timely basis, or that DTC or the DTC Participants will serve and act in the manner described in this Official Statement.

Neither the Commonwealth nor the Registrar or any agent of the Commonwealth or the Registrar will have any responsibility or obligations to DTC, the DTC Participants, or the Beneficial Owners with respect to: (i) the accuracy of any records maintained by DTC or any DTC Participants; (ii) the payment by DTC or any DTC Participants of any amount due to any Beneficial Owner in respect of principal and interest payments (including redemption payments) on the Bonds; (iii) the delivery by DTC or any DTC Participants of any notice to any Beneficial Owner that is required or permitted to be given to owners under the terms of the Bonds; or (iv) any consent given or other action taken by DTC as registered owner of the Bonds. See *Appendix II - Book-Entry Only System*.

Authorization

Section 2 of Article VI of the Constitution of the Commonwealth provides that the power of the Commonwealth to contract and to authorize the contracting of debts shall be exercised as determined by the Legislative Assembly. Pursuant to this power, the Legislative Assembly enacted the Act, which authorizes the Secretary to issue the Bonds pursuant to one or more resolutions adopted by the Secretary and approved by the Governor. In accordance with the Act, the Secretary adopted and the Governor approved the Bond Resolution.

Redemption

Optional Redemption. At the option of the Secretary of the Treasury and upon at least 30 days' notice, the Bonds are subject to redemption, from any moneys that may be available for that purpose (other than from moneys set aside in respect of an amortization requirement), prior to maturity, commencing on July 1, 2019, either in whole or in part, on any date, at a redemption price of par, plus accrued interest to the date fixed for redemption.

Mandatory Redemption. The Bonds are subject to redemption to the extent of the respective amortization requirements therefor set forth below (less the amount applied to the purchase of any such Bonds and otherwise subject to adjustment as described below), commencing on July 1, 2035, and on July 1 of each year thereafter as set forth below at a redemption price of par, plus accrued interest to the dates fixed for redemption:

Amortization Requirements for the Bonds

Year	Amortization Requirement
2035	$37,300,000
2036	39,535,000
2037	41,910,000
2038	44,420,000
2039	47,085,000*

* Maturity

If the amount of the Bonds purchased or redeemed in any fiscal year exceeds the amount of the amortization requirement due on such Bonds for such fiscal year, the amortization requirement for such Bonds may be decreased for such subsequent fiscal years and in such amounts aggregating the amount of such excess as the Secretary of the Treasury shall determine.

Notice of Redemption; Effect of Redemption

Any redemption of the Bonds, either in whole or in part, shall be made upon at least a 30-day prior notice by mail to DTC or, if the book-entry only system described above has been discontinued, by registered or certified mail, postage prepaid, to all registered owners of the Bonds to be redeemed in the manner and under the terms and conditions provided in the Bond Resolution. On the date designated for redemption, notice having been given as provided in the Bond Resolution and moneys for payment of the principal of and accrued interest on the Bonds or portions thereof so called for redemption being held by the Registrar, interest on the Bonds or portions thereof so called for redemption shall cease to accrue.

Each notice of redemption shall contain, among other things, the particular Bonds (or portions thereof) being called for redemption, the redemption date and price and the address at which such Bonds are to be surrendered for payment of the redemption price. Any defect in such notice or the failure so to mail any such notice to DTC in respect of, or the registered owner of, any Bond will not affect the validity of the proceedings for the redemption of any other Bond.

Any notice of optional redemption may state that the redemption is conditional and, if so, the notice shall state what the conditions are. If at the time of mailing a notice of optional redemption there shall not have been deposited with the Registrar moneys sufficient to redeem the Bonds called for redemption, such notice shall state that it is subject to the deposit of the redemption moneys with the Registrar not later than the opening of business on the redemption date, and such notice shall be of no effect unless such moneys are so deposited.

If less than all the Bonds of any maturity are called for redemption, the particular Bonds so called for redemption shall be selected by the Registrar by such method as it deems fair and appropriate, except that so long as the book-entry only system shall remain in effect, in the event of any such partial redemption, DTC shall reduce the credit balances of the applicable DTC Participants in respect of the Bonds and such DTC Participants shall in turn select those Beneficial Owners whose ownership interests are to be extinguished by such partial redemption, each by such method as DTC or such DTC Participant, as the case may be, in its sole discretion, deems fair and appropriate.

Security

Provision for Payment of Public Debt

The Act provides that the good faith, credit and taxing power of the Commonwealth are irrevocably pledged for the prompt payment of the principal of and interest on the bonds issued under the provisions of the Act. The Secretary of the Treasury is authorized and directed under the Act to pay the principal of and interest on the Bonds as the same become due and payable from any funds available for such purpose at the Treasury Department in the fiscal year in which such payment is due. The Act provides that the provisions contained therein with respect to the payment of the principal of and interest on the Bonds shall be considered to be a continuous appropriation for the Secretary of the Treasury to make such payments, even though no specific appropriations are made for such purposes. The payments under the Act are required to be made pursuant to the provisions of the laws of the Commonwealth that regulate the disbursement of public funds.

The Constitution of Puerto Rico provides that public debt of the Commonwealth will constitute a first claim on available Commonwealth resources. Public debt includes general obligation bonds and notes of the Commonwealth and any payments required to be made by the Commonwealth under its guarantees of bonds and notes issued by its public instrumentalities.

The Commonwealth has allocated certain motor vehicle fuel taxes, crude oil and derivative products excise taxes and license fees to Puerto Rico Highways and Transportation Authority (the "Highways Authority"). The amounts so allocated, however, are subject to first being applied to payment of the principal of and interest on the Commonwealth public debt, but only if and to the extent that all other available revenues of the Commonwealth are insufficient for that purpose. The Commonwealth has never had to apply such amounts to the payment of its public debt.

Since fiscal year 1989, the Commonwealth has pledged to Puerto Rico Infrastructure Financing Authority certain federal excise taxes imposed on alcoholic beverages and tobacco products produced in Puerto Rico and sold in the United States, which taxes are returned to the Commonwealth. The amounts so pledged, however, are subject to first being applied to payment of the principal of and interest on the Commonwealth public debt, but only if and to the extent that all other available revenues of the Commonwealth are insufficient for that purpose. The Commonwealth has never had to apply such amounts to the payment of its public debt.

Act No. 91 allocated a portion of the Commonwealth sales and use tax to pay debt service the bonds issued by COFINA for the purpose of, among other things, paying or financing certain obligations of the Commonwealth, paying or financing a portion of the Commonwealth's operational expenses, and funding the Puerto Rico Economic Stimulus Fund, the Commonwealth Emergency Fund and the Economic Cooperation and Public Employees Alternatives Fund. Act No. 91 provides that the Dedicated Sales Tax Fund created by Act No. 91, the funds on deposit therein and Commonwealth the sales and use tax pledged to COFINA do not constitute "available resources" of the Commonwealth for purposes of Section 2 and Section 8 of Article VI of the Constitution of Puerto Rico and are not available for use by the Secretary. As a result, the portion of the Commonwealth sales and use tax allocated to COFINA is not available for the payment of principal of and interest on the Bonds.

The Constitution expressly empowers a holder of bonds and notes evidencing public debt to bring suit against the Secretary to require application of available resources, including surplus, to the payment of principal of and interest on public debt when due.

Special Fund for the Bonds (General Obligation) Debt Service

Act No. 83 of the Legislative Assembly of Puerto Rico, approved on August 30, 1991, as amended, provides for the levy of an annual special tax of 1.03% of the assessed value of all real and personal property not exempt from taxation. The proceeds of said tax are credited to the Commonwealth Debt Redemption Fund (the "Redemption Fund"), for application to the payment of general obligation bonds and notes of the Commonwealth.

Act No. 39 of the Legislative Assembly of Puerto Rico, approved on May 13, 1976, as amended ("Act No. 39"), requires the Secretary of the Treasury to transfer each month from available funds of the Commonwealth to the Redemption Fund such amounts which, together with certain other funds deposited therein, will be equal to the sum of one-sixth of the interest to be paid in the next six months and one-twelfth of the principal to be paid or required to be amortized within the next twelve months on all bonds and notes of the Commonwealth for which its full faith and credit are pledged as the same become due and all bonds and notes of the Commonwealth for which the guaranty of the Commonwealth has been exercised. Moneys in the Redemption Fund are held in trust by Government Development Bank. Act No. 39 provides that the obligation of the Secretary of the Treasury to make the above transfers is cumulative, and the amount of any deficiency in any month shall be added to the amount of transfers required in future months until such deficiency has been fully paid.

Act No. 39 expressly relates to direct obligations of the Commonwealth. It does not apply to the payment of bonds and other obligations of public corporations guaranteed by the Commonwealth issued after the date of its adoption.

Payment Record

The Commonwealth has never defaulted on the payment of principal of or interest on any of its debt.

Debt Limitation

Section 2 of Article VI of the Constitution of the Commonwealth provides that direct obligations of the Commonwealth evidenced by full faith and credit bonds or notes shall not be issued if the amount of the principal of and interest on such bonds and notes and on all such bonds and notes theretofore issued that is payable in any fiscal year, together with any amount paid by the Commonwealth in the fiscal year preceding the fiscal year of such proposed issuance on account of bonds or notes guaranteed by the Commonwealth, exceed 15% of the average annual revenues raised under the provisions of Commonwealth legislation and deposited into the Treasury Department (hereinafter "internal revenues") in the two fiscal years preceding the fiscal year of such proposed issuance. Section 2 of Article VI does not limit the amount of debt that the Commonwealth may guarantee so long as the 15% limitation is not exceeded through payments by the Commonwealth on such guaranteed debt. Internal revenues consist principally of income taxes, property taxes, sales taxes and excise taxes. Certain revenues, such as federal excise taxes on offshore shipments of alcoholic beverages and tobacco products and customs duties, which are collected by the United States Government and returned to the Treasury Department and motor vehicle fuel taxes and license fees, which are allocated to the Highways Authority, are not included as internal revenues for the purpose of calculating the debt limit, although they may be available for the payment of debt service. In addition, the portion of the sales and use tax allocated to COFINA is also not included as internal revenues consistent with the legislation creating COFINA, which legislation transfers ownership of such portion of the sales and use tax to COFINA and provides that such portion is not "available resources" under the Constitutional provisions relating to the Bonds.

All or a portion of the proceeds of certain refunding bonds issued by the Commonwealth were invested in guaranteed investment contracts or federal agency securities (in each case rated in the highest category by Moody's and S&P), none of which is eligible to be used for a legal defeasance under Puerto Rico law ("non-eligible investments"). Since bonds refunded with proceeds of non-eligible investments are not legally defeased, such bonds are treated as outstanding for purposes of the 15% debt limitation.

Joint Resolution No. 2104 of the Legislative Assembly of Puerto Rico, approved on September 30, 2004 ("Joint Resolution No. 2104"), authorized the Commonwealth to enter into interest rate exchange agreements with respect to the Commonwealth's $447,875,000 Public Improvement Refunding Bonds, Series 2004B (the "Series 2004B Bonds"), which were issued as variable rate bonds. Joint Resolution No. 2104 allows the Commonwealth to calculate the constitutional debt limitation using (i) the fixed rate it is required to pay under any interest rate exchange agreement entered into by the Commonwealth in connection with the Series 2004B Bonds, and (ii) the lesser of (A) the maximum interest rate allowed by law, and (B) the maximum interest rate set forth in the resolution approving the bonds, if any, in connection with the Commonwealth's $279,240,000 Public Improvement Refunding Bonds, Series 2004A (the "Series 2004A Bonds") and any Series 2004B Bonds for which no interest rate exchange agreement is executed. In November 2004, the Commonwealth entered into two interest rate exchange agreements with respect to the Series 2004B Bonds.

Act No. 39 of the Legislative Assembly of Puerto Rico, approved on August 1, 2005, as amended ("Act No. 39 of 2005") authorizes the Commonwealth to enter into interest rate exchange agreements with respect to its general obligation bonds, subject to certain conditions, including that the agreements are entered into to reduce certain financial risks associated with issuing variable rate obligations. The Secretary is also authorized to pledge the full faith, credit and taxing power of the Commonwealth for the payment of the obligations incurred under such interest rate exchange agreements. In August 2006, the Commonwealth issued its $500,000,000 Public Improvement Bonds of 2006, Series A, a portion of which bonds bear interest at a rate that will change periodically based on changes in the United States consumer price index, and in connection with such consumer price index floating rate bonds (said portion, the "2006 CPI Bonds") entered into an interest rate exchange agreement, the effect of which will economically enable the Commonwealth to pay a fixed rate of interest in respect thereof. In August and September 2006, the Commonwealth entered into interest rate exchange agreements, the effect of which will economically enable the Commonwealth to pay a fixed rate of interest in respect of a portion of the Commonwealth's outstanding $1,018,245,000 Public Improvement Refunding Bonds, Series 2003C (said portion, the "2003C Swap Bonds") and whose payments commenced on July 1, 2008, the end of an initial fixed rate period on the 2003C Swap Bonds. In October 2007, the Commonwealth issued its $926,570,000 Public Improvement Refunding Bonds, Series 2007 A, a portion of which bonds bear interest at a variable rate and, in connection with said bonds (said portion, the "2007 Swap Bonds") entered into an interest rate exchange agreement, the effect of which will economically enable the Commonwealth to pay a fixed rate of interest in respect thereof. In May 2008, the Commonwealth issued its $173,975,000 Public Improvement Refunding Bonds, Series 2008B (the "2008 Swap Bonds"), which bear interest at a variable rate, for the purpose of refunding a portion of the Series 2004B Bonds, and, in connection therewith, continued the swap related to such refunded Series 2004B Bonds. Act No. 39 of 2005 allows the Commonwealth to calculate the constitutional debt limit in a manner identical to that utilized in Joint Resolution No. 2104. In addition, the Commonwealth has also executed under the authority granted in Act No. 39 of 2005, interest rate exchange agreements in which the Commonwealth is making payments (1) on $1,698,370,000 notional amount of public improvement bonds based on a short-term interest rate index published by Securities Industry and Financial Markets Association ("SIFMA") and is receiving from its counterparties payments on the same notional amount based on the published three-month London Interbank Offered Rate index (the "basis swap") and (2) on $850,000,000 notional amount of public improvement bonds based on the published short-term SIFMA municipal swap rate and is receiving from its counterparties payments on the same notional amount based on a published index of municipal bonds having a maturity of 10 years (the "constant maturity swap").

After giving effect to the issuance of the Bonds, future maximum annual debt service for the Commonwealth's outstanding general obligation debt is $984,688,996 in the fiscal year ending June 30, 2016 (based on the assumption that (i) the bonds refunded with non-eligible investments are treated as being outstanding, (ii) the Series 2004A Bonds bear interest at their actual rate per annum through July 1, 2012 and thereafter at 12% per annum, (iii) the outstanding 2003C Swap Bonds, Series 2004B Bonds, 2006 CPI Bonds, 2007 Swap Bonds and the 2008 Swap Bonds, bear interest at 12% per annum and (iv) the public improvement bonds to which the basis swap and the constant maturity swap relate bear interest at their stated interest rates rather than the rates set forth in said swaps). This amount ($984,688,996) is equal to 12.82% of $7,679,421,000, which is the average of the adjusted internal revenues for the fiscal year ended June 30, 2008 and the preliminary adjusted internal revenues for the fiscal year ended June 30, 2009. If the bonds refunded with non-eligible investments were treated as not being outstanding, and the interest on the outstanding bonds described in items (i) through (iv) above is calculated using the fixed rate paid by the Commonwealth under the interest rate exchange agreements executed in connection with such bonds, the percentage referred to in the preceding sentence would be 10.77%.

Debt service for the Puerto Rico Aqueduct and Sewer Authority ("PRASA") guaranteed bonds of approximately $30 million was paid by PRASA during the last two fiscal years and, thus, is not included in the calculation of the 15% debt limitation. See "Other Public Corporations – Aqueduct and Sewer Authority" under PUBLIC CORPORATIONS in the Commonwealth Report. In the event PRASA is unable to make any portion of the future debt service payments on its guaranteed bonds, the Commonwealth would be required to make such payments under its guarantee from the General Fund and such debt service would, to the extent paid by the Commonwealth, be included in the calculation of the 15% debt limitation.

Maturity Limitation

The Constitution provides that no bonds or notes of the Commonwealth shall mature later than 30 years from their date of issue, except bonds or notes for housing facilities, which shall mature in no more than 40 years.

PUBLIC SECTOR DEBT OF THE COMMONWEALTH

Public Sector Debt

The following table presents a summary of the public sector debt of the Commonwealth as of June 30, 2009, as adjusted. The table should be read in conjunction with the information set forth under DEBT in the Commonwealth Report.

Commonwealth of Puerto Rico
Public Sector Debt*
(in millions)

	June 30, 2009	As Adjusted
Direct full faith and credit obligations(1)	$ 9,006	$9,511
TRANs line of credit	-	-
Sales Tax debt(2)	12,880	12,880
Municipal debt	2,997	2,997
Puerto Rico guaranteed debt(3)	4,145	4,145
Debt supported by Puerto Rico appropriations or taxes(4)	1,455	1,455
Public corporations and agencies	22,496	22,496
Sub-total	$52,979	$53,484
Limited obligation/non-recourse debt(5)	5,435	5,435
Total public sector debt	$58,414	$58,919

* Totals may not add due to rounding.

(1) Includes general obligation bonds and as adjusted to include the issuance of the Bonds and other general obligation bonds issued since June 30, 2009.

(2) Includes Public Finance Corporation and COFINA bonds.

(3) Consists of $594.6 million of bonds issued by Aqueduct and Sewer Authority, $321.2 million of State Revolving Fund Loans incurred under various federal water laws, $181.9 million of bonds issued by Port of the Americas Authority and $3.047 billion of Public Buildings Authority bonds (does not include the issuance in July 2009 of $330,935,000 Government Facilities Revenue Refunding Bonds, Series P or in October 2009 of $152,540,000 Government Facilities Revenue Refunding Bonds, Series Q). Excludes $267 million of Government Development Bank bonds payable from available moneys of Government Development Bank.

(4) Represents bonds and notes payable from the Commonwealth General Fund and Public Improvement Fund.

(5) Includes the following: $1.4 billion of Children's Trust bonds, which are payable solely from the payments to be received pursuant to the tobacco litigation settlement; $197 million of Housing Finance Authority bonds, which are payable from Puerto Rico Housing Administration's annual allocation of Public Housing Capital Funds from the United States Department of Housing and Urban Development; $152.7 million of Special Facilities Revenue Bonds issued by Highways Authority, which are payable from net toll revenues collected from the Teodoro Moscoso Bridge; $155 million of Special Facilities Bonds issued by Ports Authority, which are solely payable from the pledge of certain payments made by a private corporation under a special facilities agreement; $79.6 million of Educational Facilities Revenue Bonds, 2000 Series A (University Plaza Project) issued by Industrial, Tourist, Educational, Medical and Environmental Control Facilities Financing Authority ("AFICA"), which are payable from rent payments made by the University of Puerto Rico; approximately $82.4 million of bonds issued by AFICA to finance the construction of various government infrastructure projects, which are payable from rent payments made by various government entities; $2.948 billion of Employees Retirement System Senior Pension Funding Bonds, Series A, B and C, which are payable solely from employer contributions made to the Employees Retirement System by the Commonwealth and its instrumentalities after the issuance of the bonds; $368.6 million of Housing Finance Authority Subordinate Bonds Series 2008, which are payable from Puerto Rico Housing Administration's annual allocation of Public Housing Capital Funds from the United States Department of Housing and Urban Development; and $100 million of Housing Finance Authority Housing Revenue Bonds Series 2008, which principal is payable primarily by the proceeds of a Permanent Loan to be made by the Authority to the Limited liability Co. The interest on the short term bonds will be paid from amounts on deposit in the Bond Debt Service Fund and the Bond Debt Service Reserve Fund which have been funded from the proceeds of the Short Term Bonds and Equity Contribution from the Limited Liability Co. Principal on the Short Term Bonds is payable from the proceeds of the Permanent Loan to be made by the Authority using moneys received as a grant from Department of Housing (DOH).

Source: Government Development Bank for Puerto Rico

Debt Service Requirements for Commonwealth General Obligation Bonds and Certain Guaranteed Debt

The following table presents the debt service requirements for (i) Commonwealth general obligation bonds outstanding on December 16, 2009; (ii) the Bonds; and (iii) total Commonwealth general obligation bonds, adjusted for the issuance of the Bonds. The table excludes debt service on Commonwealth general obligation bonds that have been refunded with the proceeds of refunding bonds invested in non-eligible investments, notwithstanding that such bonds will be considered to be outstanding under their authorizing resolution and for purposes of calculating the Commonwealth's debt limitation. Debt service requirements for each fiscal year, as shown in the following table, include principal and interest due on July 1 immediately following the close of such fiscal year.

Commonwealth of Puerto Rico
Debt Service Requirements*
(in thousands)

Fiscal Year Ending June 30	Outstanding Bonds Total Debt Service[(1)]	The Bonds		
		Principal	Interest	Grand Total
2010	$ 375,970		$ 6,833	$ 382,803
2011	789,185		12,615	801,800
2012	795,923		12,615	808,538
2013	799,004		12,615	811,619
2014	786,528		12,615	799,143
2015	800,603		12,615	813,218
2016	800,457		12,615	813,072
2017	726,136		12,615	738,751
2018	710,217		12,615	722,832
2019	779,081		12,615	791,696
2020	814,197		12,615	826,812
2021	662,093		12,615	674,708
2022	572,050		12,615	584,665
2023	525,149		12,615	537,764
2024	502,112		12,615	514,727
2025	502,237		12,615	514,852
2026	491,846		12,615	504,461
2027	490,163		12,615	502,778
2028	490,854		12,615	503,469
2029	446,408		12,615	459,023
2030	442,788		12,615	455,403
2031	445,125		12,615	457,740
2032	263,884		12,615	276,499
2033	225,925		12,615	238,540
2034	171,898		12,615	184,513
2035	130,398	$ 37,300	12,615	180,313
2036	130,403	39,535	10,377	180,315
2037	130,400	41,910	8,005	180,315
2038	130,405	44,420	5,490	180,315
2039	130,401	47,085	2,825	180,311
Total	$15,061,840	$210,250	$348,905	$15,620,996

* Totals may not add due to rounding. Includes the effective fixed rate on certain variable rate general obligation bonds as to which the Commonwealth has entered into interest rate exchange agreements.

(1) In the event PRASA is unable to make any portion of the future debt service payments on its guaranteed bonds, the Commonwealth would be required to make such payments under its guarantees from the General Fund.

Sources: Government Development Bank and Treasury Department

TAX MATTERS

The Internal Revenue Code of 1986, as amended (the "Code"), includes requirements which the Commonwealth must continue to meet after the issuance of the Bonds in order that interest on the Bonds not be included in gross income for federal income tax purposes. The Commonwealth's failure to meet these requirements may cause interest on the Bonds to be included in gross income for federal income tax purposes retroactive to their date of issuance. The Commonwealth has covenanted in the Bond Resolution to comply, to the extent permitted by the Constitution and the laws of the Commonwealth, with the requirements of the Code in order to maintain the exclusion from gross income for federal income tax purposes of interest on the Bonds. Bond Counsel is not aware of any provision of the Constitution or laws of the Commonwealth which would prevent the Commonwealth from complying with the requirements of the Code.

In the opinion of Bond Counsel, subject to continuing compliance by the Commonwealth with the tax covenant referred to above, under the provisions of the Acts of Congress now in force and under existing regulations, rulings and court decisions, interest on the Bonds will not be included in gross income for federal income tax purposes. Interest on the Bonds will not be an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations and will not be taken into account in determining adjusted current earnings for purposes of computing the alternative minimum tax imposed on corporations. Bond Counsel is further of the opinion that the Bonds and the interest thereon are exempt from state, Commonwealth and local income taxation.

Ownership of tax-exempt obligations such as the Bonds may result in collateral federal income tax consequences to certain taxpayers, including, without limitation, financial institutions, property and casualty insurance companies, certain foreign corporations, certain S Corporations with excess passive income, individual recipients of Social Security or Railroad Retirement benefits, taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry tax-exempt obligations, and taxpayers who may be eligible for the earned income tax credit.

Ownership of tax-exempt obligations may also result in collateral income tax consequences under Puerto Rico law to financial institutions doing business in Puerto Rico.

Prospective purchasers of the Bonds should consult their tax advisors as to their specific taxation circumstances and the applicability and impact of any collateral consequences.

Legislation affecting municipal securities is constantly being considered by the United States Congress. There can be no assurance that legislation enacted after the date of issuance of the Bonds will not have an adverse effect on the tax-exempt status of the Bonds. Legislative or regulatory actions and proposals may also affect the economic value of tax exemption or the market price of the Bonds.

LEGAL MATTERS

The proposed form of opinion of Greenberg Traurig, LLP, Boston, Massachusetts, Bond Counsel, is set forth in *Appendix I* to this Official Statement. Certain legal matters will be passed upon for the Underwriters by Fiddler González & Rodríguez, P.S.C., San Juan, Puerto Rico.

LEGAL INVESTMENT

The Bonds will be eligible for deposit by banks in Puerto Rico to secure public funds and will be approved investments for insurance companies to qualify them to do business in Puerto Rico, as required by law.

UNDERWRITING

The Underwriters have jointly and severally agreed, subject to certain conditions, to purchase the Bonds from the Commonwealth at an aggregate discount of $1,401,755.01 from the initial offering prices of the Bonds set forth or derived from information set forth on the inside cover hereof. The obligation of the Underwriters to purchase the Bonds is subject to certain conditions precedent, and they will be obligated to purchase all the Bonds if any Bonds are purchased. The Underwriters may offer to sell the Bonds to certain dealers (including dealers depositing the Bonds into unit investment trusts, certain of which may be sponsored or managed by the Underwriters) and others at prices lower than the initial public offering prices. The offering prices may be changed from time to time by the Underwriters.

Popular Securities, Inc, ("Popular") has entered into a joint venture agreement (the "JV Agreement") with Morgan Stanley & Co. Incorporated ("Morgan Stanley"), under which the parties shall provide services and advice to each other related to the structuring and execution of certain municipal finance transactions in the U.S. capital markets with governmental entities located in the Commonwealth. Pursuant to the terms of the JV Agreement and in compliance with applicable rules, the parties will be entitled to receive a portion of each other's net profits from the underwriting of the Bonds as consideration for their professional services.

Morgan Stanley and Citigroup Inc., the respective parent companies of Morgan Stanley & Co. Incorporated and Citigroup Global Markets Inc., each an underwriter of the Bonds, have entered into a retail brokerage joint venture. As part of the joint venture each of Morgan Stanley & Co. Incorporated and Citigroup Global Markets Inc. will distribute municipal securities to retail investors through the financial advisor network of a new broker-dealer, Morgan Stanley Smith Barney LLC. This distribution arrangement became effective on June 1, 2009. As part of this arrangement, each of Morgan Stanley & Co. Incorporated and Citigroup Global Markets Inc. will compensate Morgan Stanley Smith Barney LLC for its selling efforts in connection with their respective allocations of Bonds.

Santander Securities Corporation ("SSC") and Merrill Lynch, Pierce, Fenner & Smith Incorporated ("Merrill") have agreed to provide services and advice to each other related to the structuring and execution of the underwriting of the Bonds in accordance with the terms and provisions of a joint venture agreement which was entered into between SSC and Banc of America Securities LLC ("BAS") (Merrill and BAS are now affiliated broker-dealers). SSC and Merrill will be entitled to receive a portion of each other's revenues from the underwriting of the Bonds as consideration for their professional services.

Goldman, Sachs & Co. and UBS Financial Services Incorporated of Puerto Rico have agreed to cooperate with respect to structuring and coordinating the marketing and execution of bond offerings in the United States and global capital markets, other than bond issuances offered exclusively in the Puerto Rico market, for the Commonwealth's governmental entities and other municipal bonds issuers. Compensation with respect to the underwriting of the securities will be allocated between them.

J.P. Morgan Securities Inc. has entered into an agreement with FirstBank Puerto Rico Securities Corp. to assist the Commonwealth, its public corporations, agencies, instrumentalities, and municipalities in structuring and facilitating the issuance of certain municipal securities. Pursuant to the terms of the agreement and in compliance with applicable rules, compensation with respect to the underwriting of such municipal securities will be allocated between the parties.

VERIFICATION OF MATHEMATICAL COMPUTATIONS

Causey Demgen & Moore Inc. will verify from the information provided to them the mathematical accuracy, as of the date of the closing on the Bonds, of the computations to determine that the anticipated receipts from the securities and cash deposits to be held in escrow, will be sufficient to pay the Refunded Interest. Causey Demgen & Moore Inc. will express no opinion on the assumptions provided to them, nor as to the exclusion from gross income of the interest on the Bonds.

GOVERNMENT DEVELOPMENT BANK FOR PUERTO RICO

As required by Act No. 272 of the Legislative Assembly of Puerto Rico, approved May 15, 1945, as amended, Government Development Bank has acted as financial advisor to the Commonwealth in connection with the Bonds offered hereby. As financial advisor, Government Development Bank participated in the selection of the Underwriters of the Bonds. Certain of the Underwriters have been selected by Government Development Bank to serve from time to time as underwriters of its obligations and the obligations of the Commonwealth, its instrumentalities and public corporations. Certain of the Underwriters or their affiliates participate in other financial transactions with Government Development Bank.

RATINGS

Moody's Investors Service and Standard & Poor's Rating Services have assigned the Bonds ratings of "Baa3" and "BBB-," respectively. Ratings reflect only the respective views of the rating agencies and an explanation of the significance of each rating may be obtained only from the respective rating agency. Such rating agencies were provided with materials relating to the Commonwealth and the Bonds and other relevant information, and no application has been made to any other rating agency for the purpose of obtaining a rating on the Bonds.

There is no assurance that such ratings will remain in effect for any given period of time or that they will not be revised downward or withdrawn entirely by either or both of such rating agencies, if in the judgment of either or both, circumstances so warrant. Any such downward revision or withdrawal of such ratings, or either of them, may have an adverse effect on the market prices of the Bonds.

CONTINUING DISCLOSURE

In accordance with the requirements of Rule 15c2-12, as amended (the "Rule"), promulgated by the Securities and Exchange Commission ("SEC"), the Commonwealth has covenanted in the Bond Resolution for the benefit of the Beneficial Owners (as defined in the Bond Resolution) as follows:

1. to file, within 305 days after the end of each fiscal year commencing with the fiscal year ending June 30, 2009, with the MSRB through EMMA, core financial information and operating data for the prior fiscal year, including (i) the Commonwealth's audited financial statements, prepared in accordance with generally accepted accounting principles in effect from time to time, and (ii) material historical quantitative data

(including financial information and operating data) on the Commonwealth and its revenues, expenditures, financial operations and indebtedness, in each case generally found in this Official Statement; and

2. to file, in a timely manner, with the MSRB through EMMA, notice of any failure of the Commonwealth to comply with paragraph 1 above and of the occurrence of any of the following events with respect to the Bonds, if material:

   a. principal and interest payment delinquencies;
   b. non-payment related defaults;
   c. unscheduled draws on debt service reserves reflecting financial difficulties;
   d. unscheduled draws on credit enhancements reflecting financial difficulties;
   e. substitution of credit or liquidity facility providers, or their failure to perform;
   f. adverse opinions or events affecting the tax-exempt status of the Bonds;
   g. modifications to rights of the holders (including Beneficial Owners) of the Bonds;
   h. bond calls;
   i. defeasances;
   j. release, substitution, or sale of property securing repayment of the Bonds; and
   k. rating changes.

Event (c) is included pursuant to a letter from the SEC staff to the National Association of Bond Lawyers, dated September 19, 1995. However, event (c) may not be applicable, since the terms of the Bonds do not provide for "debt service reserves." In addition, with respect to the following events:

Events (d) and (e). The Commonwealth does not undertake to provide any notice with respect to credit enhancement added after the primary offering of the Bonds, unless the Commonwealth applies for or participates in obtaining the enhancement.

Event (f). For information on the tax status of the Bonds, see TAX MATTERS.

Event (h). The Commonwealth does not undertake to provide the above-described event notice of a mandatory scheduled redemption, not otherwise contingent upon the occurrence of an event, if the terms, dates and amounts of redemption are set forth in detail in this Official Statement under "Redemption" in THE BONDS, the only open issue is which Bonds will be redeemed in the case of a partial redemption, notice of redemption is given to the Bondholders as required under the terms of the Bonds, and public notice of the redemption is given pursuant to Securities Exchange Act of 1934 Release No. 34-23856 of the SEC, even if the originally scheduled amounts are reduced by prior optional redemptions or purchases of Bonds.

The Commonwealth expects to provide the information described in paragraph 1 above by filing its first bond official statement that includes such information for the preceding fiscal year or, if no such official statement is issued by the 305-day deadline, by filing a separate document containing such information.

The Commonwealth has made similar continuing disclosure covenants in connection with prior bond issuances, and has complied with all such covenants, except as hereinafter noted. The Commonwealth's audited financial statements for the fiscal year ended June 30, 2002 were filed after the Commonwealth's filing deadline of May 1, 2003 because of delays in finalizing such financial statements resulting from the implementation of GASB Statement No. 34 ("GASB 34"). The

Commonwealth's audited financial statements for the fiscal year ended June 30, 2003 were also filed after the Commonwealth's filing deadline of April 30, 2004, because of delays in finalizing the financial statements of certain of the Commonwealth's reporting units due to the implementation of GASB 34. The Commonwealth's audited financial statements for the fiscal years ended June 30, 2004, 2006, 2007 and 2008 were also filed after the Commonwealth's respective filing deadlines of May 1, 2005, 2007, 2008 and 2009, because various governmental agencies did not submit their audited financial statements to the central government's external auditors on time, thereby delaying submission of the Commonwealth's audited financial statements. Finally, the Commonwealth Report for the fiscal year ended June 30, 2008 containing the information described in paragraph 1 above, was filed after the Commonwealth's filing deadline of May 1, 2009.

As of the date of this Official Statement, there is no Commonwealth information repository. All continuing disclosure filing must be made with the MSRB through EMMA.

The Commonwealth may from time to time choose to provide notice of the occurrence of certain other events in addition to those listed above if, in the judgment of the Commonwealth, such other events are material with respect to the Bonds, but the Commonwealth does not undertake to provide any such notice of the occurrence of any material event except those events listed above.

The Commonwealth acknowledges that its undertaking pursuant to the Rule described above is intended to be for the benefit of the Beneficial Owners of the Bonds, and shall be enforceable by any such Beneficial Owners; provided that the right to enforce the provisions of its undertaking shall be limited to a right to obtain specific enforcement of the Commonwealth's obligations thereunder.

No Beneficial Owner may institute any suit, action or proceeding at law or in equity ("Proceeding") for the enforcement of the foregoing covenants (the "Covenants") or for any remedy for breach thereof, unless such Beneficial Owner shall have filed with the Commonwealth written notice of any request to cure such breach, and the Commonwealth shall have refused to comply within a reasonable time. All Proceedings shall be instituted only in a Commonwealth court located in the Municipality of San Juan, Puerto Rico for the equal benefit of all Beneficial Owners of the outstanding Bonds benefited by the Covenants, and no remedy shall be sought or granted other than specific performance of any of the Covenants at issue. Moreover, Proceedings filed by Beneficial Owners against the Commonwealth may be subject to the sovereign immunity provisions of Section 2 and 2A of Act No. 104, approved June 29, 1955, as amended, which governs the scope of legal actions against the Commonwealth, substantially limits the amount of monetary damages that may be awarded against the Commonwealth and provides certain notice provisions, the failure to comply with which may further limit any recovery.

The Covenants may only be amended if

(1) the amendment is made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature, or status of the Commonwealth, or type of business conducted; the Covenants, as amended, would have complied with the requirements of the Rule at the time of award of the Bonds, after taking into account any amendments or change in circumstances; and the amendment does not materially impair the interest of Beneficial Owners, as determined by persons unaffiliated with the Commonwealth; or

(2) all or any part of the Rule, as interpreted by the staff of the SEC at the date of the adoption of such Rule, ceases to be in effect for any reason, and the Commonwealth elects that the Covenants shall be deemed amended accordingly.

The Commonwealth has further agreed that the annual financial information containing any amended operating data or financial information will explain, in narrative form, the reasons for the amendment and the impact of the change in the type of operating data or financial information being provided.

Any assertion of beneficial ownership must be filed, with full documentary support, as part of the written request described above.

MISCELLANEOUS

The foregoing summaries of or references to the Act, the Bonds, the Bond Resolution and the summaries of or references to the various acts contained in the Commonwealth Report, are made subject to all the detailed provisions thereof to which reference is hereby made for further information and do not purport to be complete statements of any or all of such provisions.

Appended to and constituting a part of this Official Statement are the proposed form of opinion of Bond Counsel (*Appendix I*), a description of the Book-Entry System (*Appendix II*), and a list of Bonds with Refunded Interest (*Appendix III*).

The information set forth in this Official Statement and incorporated herein by reference, except for information pertaining to DTC, and the information appearing in UNDERWRITING, was supplied by certain officials of the Commonwealth or certain of its agencies or instrumentalities, in their respective official capacities, or was obtained from publications of the Commonwealth or certain of its agencies or instrumentalities, and is included or incorporated by reference in this Official Statement on the authority of such officials or the authority of such publications as public official documents. The information pertaining to DTC was supplied by DTC.

This Official Statement will be filed with the MSRB through EMMA.

COMMONWEALTH OF PUERTO RICO

By: /s/ Juan C. Puig
Secretary of the Treasury

[THIS PAGE INTENTIONALLY LEFT BLANK]

PROPOSED FORM OF OPINION OF BOND COUNSEL

GT GreenbergTraurig

[Closing Date]

Secretary of the Treasury of the
Commonwealth of Puerto Rico
Department of the Treasury
San Juan, Puerto Rico

Re: $210,250,000 Commonwealth of Puerto Rico Public Improvement Refunding Bonds, Series 2009 C (General Obligation Bonds)

Dear Mr. Secretary:

We have acted as bond counsel to the Commonwealth of Puerto Rico in connection with the issuance of the above-captioned bonds, dated the date of delivery thereof (the "Bonds"). In such capacity we have examined Act No. 33 of the Legislative Assembly of Puerto Rico, approved December 7, 1942, as amended (the "Act"), such other law and such certified proceedings and other documents as we have deemed necessary to render this opinion, including a resolution adopted by the Secretary of the Treasury of the Commonwealth of Puerto Rico (the "Secretary") and approved by the Governor of the Commonwealth of Puerto Rico (the "Resolution"). We also have examined one of the Bonds as executed and authenticated.

The Bonds are issued pursuant to the Act and the Resolution. The Bonds mature on July 1 of the years and in such principal amounts and bearing interest at the rates, all as set forth in the Resolution. The Bonds are issuable as registered Bonds without coupons in the manner and in accordance with the terms and conditions of the Resolution.

Regarding questions of fact material to our opinion, we have relied on representations of the Secretary contained in the Resolution, and the certified proceedings and other certifications of public officials and others furnished to us without undertaking to verify the same by independent investigation.

Based on the foregoing, we are of opinion that, under existing law:

1. The Act is valid.

2. Said proceedings have been validly and legally taken.

3. The Act and such proceedings and certifications show lawful authority for the issuance and sale of the Bonds, and the Bonds constitute valid and binding general obligations of the Commonwealth of Puerto Rico for the payment of the principal of and the interest on the

GREENBERG TRAURIG, LLP ▪ ATTORNEYS AT LAW ▪ WWW.GTLAW.COM
One International Place ▪ Boston, MA 02110 ▪ Tel. 617.310.6000 ▪ Fax 617.310.6001

Bonds, to which the good faith, credit and taxing power of the Commonwealth of Puerto Rico are pledged.

4. Under the provisions of the Acts of Congress now in force and under existing regulations, rulings and court decisions, (i) subject to compliance with the covenant referred to below and requirements of the Internal Revenue Code of 1986, as amended (the "Code"), and the Resolution regarding the use, expenditure and investment of Bond proceeds and the timely payment of certain investment earnings to the Treasury of the United States, if required, interest on the Bonds is not includable in gross income for federal income tax purposes, and (ii) the Bonds and the interest thereon are exempt from state, Commonwealth of Puerto Rico, and local income taxation.

Interest on the Bonds will not be an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations. However, interest on the Bonds will be taken into account in determining adjusted current earnings for purposes of computing the alternative minimum tax imposed on corporations. The Code contains other provisions that could result in tax consequences, upon which we express no opinion, as a result of (i) ownership of Bonds, or (ii) the inclusion in certain computations of interest that is excluded from gross income.

The Commonwealth of Puerto Rico has covenanted to comply with the requirements of the Code, to the extent permitted by the Constitution and laws of the Commonwealth of Puerto Rico, so that interest on the Bonds will remain exempt from federal income taxes to which it is not subject on the date of issuance of the Bonds. We are not aware of any provisions of the Constitution or laws of the Commonwealth of Puerto Rico which would prevent the Commonwealth of Puerto Rico from complying with the requirements of the Code.

The opinions expressed herein are for the benefit of the addressees only and may not be quoted, circulated, assigned or delivered to any other person or for any other purpose without our prior written consent. The opinions expressed herein are based on an analysis of existing laws, including regulations, rulings, official interpretations of law issued by the United States Internal Revenue Service, and court decisions on or prior to the date hereof. Such opinions may be adversely affected by actions taken or events occurring, including a change in law, regulation or ruling (or in the application or official interpretation of any law, regulation or ruling) after the date hereof. We have not undertaken to determine, or to inform any person, whether such actions are taken or such events occur, and we have no obligation to update this opinion in light of such actions or events.

Respectfully submitted,

Greenberg Traurig, LLP

APPENDIX II

BOOK-ENTRY SYSTEM

The Depository Trust Company

DTC will act as securities depository for the Bonds. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Bond certificate will be issued for each stated maturity of the Bonds, each in the aggregate principal amount (initial principal amount in the case of the Capital Appreciation Bonds and the Convertible Capital Appreciation Bonds) of such maturity, and will be deposited with DTC. SO LONG AS CEDE & CO. IS THE REGISTERED OWNER OF THE BONDS, AS NOMINEE FOR DTC, REFERENCES HEREIN TO BONDHOLDERS OR OWNERS OF THE BONDS (OTHER THAN UNDER THE CAPTION "TAX MATTERS") SHALL MEAN CEDE & CO. AND SHALL NOT MEAN THE BENEFICIAL OWNERS OF THE BONDS. If, however, the aggregate principal amount of any issue exceeds $500 million, one certificate will be issued with respect to each $500 million of principal amount, and an additional certificate will be issued with respect to any remaining principal amount of such issue.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has S&P's highest rating: AAA. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission ("SEC"). More information about DTC can be found at www.dtcc.com and www.dtc.org.

Purchases of the Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of the Bonds ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, the Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of the Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Bonds documents. For example, Beneficial Owners of Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Corporation as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, distributions, and dividend payments on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Corporation or the Trustee on payable dates in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Trustee, or the Corporation, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Corporation or the Trustee, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Bonds at any time by giving reasonable notice to the Corporation or the Trustee. Under such circumstances, in the event that a successor depository is not obtained, Bond certificates are required to be printed and delivered.

The Corporation may decide to discontinue use of the system of book-entry only transfers through DTC (or a successor securities depository). In that event, Bond certificates will be printed and delivered to DTC.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the Corporation believes to be reliable, but the Corporation takes no responsibility for the accuracy thereof.

NONE OF THE CORPORATION, THE TRUSTEE OR THE UNDERWRITERS WILL HAVE ANY RESPONSIBILITY OR OBLIGATION TO DIRECT PARTICIPANTS, INDIRECT PARTICIPANTS OR ANY BENEFICIAL OWNER WITH RESPECT TO (I) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC, ANY PARTICIPANT OR INDIRECT PARTICIPANT; (II) THE PAYMENT BY DTC OR ANY DIRECT PARTICIPANT OR INDIRECT PARTICIPANT OF ANY AMOUNT WITH RESPECT TO THE PRINCIPAL OF, OR PREMIUM, IF ANY, OR INTEREST ON, THE BONDS; (III) ANY NOTICE WHICH IS PERMITTED OR REQUIRED TO BE GIVEN TO BONDHOLDERS; (IV) ANY CONSENT GIVEN BY DTC OR OTHER ACTION TAKEN BY DTC AS A BONDHOLDER; OR (V) THE SELECTION BY DTC OR ANY DIRECT PARTICIPANT OR INDIRECT PARTICIPANT OF ANY BENEFICIAL OWNERS TO RECEIVE PAYMENT IN THE EVENT OF ANY PARTIAL REDEMPTION OF THE BONDS.

[THIS PAGE INTENTIONALLY LEFT BLANK]

APPENDIX III

LIST OF REFUNDED BONDS

Bonds with Refunded Interest	Principal Amount	Interest Rate	Maturity Date	Interest Refunded*
Public Improvement Refunding Bonds, Series 1993	$48,220,000	7.000%	07/01/2010	$1,687,700.00
Public Improvement Bonds, Series 1995	10,130,000	6.250%	07/01/2010	316,562.50
	10,765,000	6.250%	07/01/2011	336,406.25
	11,440,000	6.250%	07/01/2012	357,500.00
	12,155,000	6.250%	07/01/2013	379,843.75
	26,555,000	5.650%	07/01/2015	750,178.75
Public Improvement Bonds, Series 1996	11,185,000	6.500%	07/01/2012	363,512.50
	11,915,000	6.500%	07/01/2013	387,237.50
	12,690,000	6.500%	07/01/2014	412,425.00
	13,510,000	6.500%	07/01/2015	439,075.00
	10,300,000	6.000%	07/01/2011	303,850.00
	10,300,000	6.000%	07/01/2011	305,566.67
Public Improvement Bonds, Series 1997	11,085,000	6.500%	07/01/2010	360,262.50
	11,805,000	6.500%	07/01/2011	383,662.50
	12,575,000	6.500%	07/01/2012	408,687.50
	13,390,000	6.500%	07/01/2013	435,175.00
	14,260,000	6.500%	07/01/2014	463,450.00
	15,190,000	6.500%	07/01/2015	493,675.00
Public Improvement Bonds, Series 1998	13,245,000	5.750%	07/01/2010	380,793.75
	14,010,000	5.750%	07/01/2011	402,787.50
	14,815,000	5.750%	07/01/2012	425,931.25
	15,665,000	6.000%	07/01/2013	469,950.00
	16,605,000	6.000%	07/01/2014	498,150.00
	17,600,000	6.000%	07/01/2015	528,000.00
	18,655,000	6.000%	07/01/2016	559,650.00
Public Improvement Refunding Bonds, Series 1998	30,760,000	5.500%	07/01/2010	845,900.00
	32,475,000	5.500%	07/01/2011	893,062.50
	34,290,000	5.500%	07/01/2012	942,975.00
	36,210,000	5.500%	07/01/2013	995,775.00
	125,590,000	4.500%	07/01/2023	2,825,775.00
	28,240,000	5.000%	07/01/2026	706,000.00
Public Improvement Bonds, Series 1999	12,165,000	5.250%	07/01/2010	319,331.25
	12,800,000	5.250%	07/01/2011	336,000.00
	13,475,000	5.250%	07/01/2012	353,718.75
	14,180,000	5.250%	07/01/2013	372,225.00
	14,925,000	5.250%	07/01/2014	391,781.25
	15,710,000	5.250%	07/01/2015	412,387.50
	16,535,000	5.250%	07/01/2016	434,043.75
	17,400,000	5.250%	07/01/2017	456,750.00
	18,315,000	5.250%	07/01/2018	480,768.75
	84,150,000	4.750%	07/01/2023	1,998,562.50
	26,655,000	5.000%	07/01/2028	666,375.00

Bonds with Refunded Interest	Principal Amount	Interest Rate	Maturity Date	Interest Refunded*
Public Improvement Bonds, Series 2000	11,295,000	5.100%	07/01/2010	288,022.50
Public Improvement Refunding Bonds, Series 2000	29,200,000	5.625%	07/01/2019	821,250.00
	22,635,000	5.700%	07/01/2020	645,097.50
Public Improvement Bonds, Series 2001A	5,865,000	5.500%	07/01/2014	161,287.50
	44,125,000	5.500%	07/01/2015	1,213,437.50
	53,640,000	5.500%	07/01/2016	1,475,100.00
	54,130,000	5.500%	07/01/2017	1,488,575.00
	29,475,000	5.500%	07/01/2018	810,562.50
	43,290,000	5.500%	07/01/2019	1,190,475.00
	43,610,000	5.250%	07/01/2020	1,144,762.50
Public Improvement Bonds, Series 2001B	7,345,000	4.700%	07/01/2014	172,607.50
	4,165,000	4.800%	07/01/2015	99,960.00
	1,585,000	4.900%	07/01/2016	38,832.50
	2,665,000	4.950%	07/01/2017	65,958.75
	5,810,000	5.000%	07/01/2018	145,250.00
	1,385,000	5.050%	07/01/2019	34,971.25
	2,675,000	5.050%	07/01/2020	67,543.75
	5,580,000	5.000%	07/01/2021	139,500.00
	5,415,000	5.125%	07/01/2023	138,759.38
	3,865,000	5.050%	07/01/2021	97,591.25
	12,285,000	5.000%	07/01/2023	307,125.00
Public Improvement Refunding Bonds, Series 2001	13,575,000	5.000%	07/01/2024	339,375.00
	50,905,000	5.250%	07/01/2027	1,336,256.25
	65,535,000	5.125%	07/01/2030	1,679,334.38
Public Improvement Bonds, Series 2002A	33,860,000	5.375%	07/01/2028	909,987.50
	100,400,000	5.500%	07/01/2029	2,761,000.00
	201,555,000	5.125%	07/01/2031	5,164,846.88
Public Improvement Refunding Bonds, Series 2002A	5,645,000	3.800%	07/01/2010	107,255.00
	5,845,000	4.000%	07/01/2011	116,900.00
	5,895,000	4.150%	07/01/2012	122,321.25
	2,275,000	4.250%	07/01/2013	48,343.75
	755,000	4.400%	07/01/2014	16,610.00
	930,000	4.500%	07/01/2015	20,925.00
	1,095,000	4.600%	07/01/2016	25,185.00
	1,280,000	4.700%	07/01/2017	30,080.00
	330,000	4.800%	07/01/2018	7,920.00
	655,000	4.900%	07/01/2019	16,047.50
	156,120,000	5.500%	07/01/2020	4,293,300.00
	55,555,000	5.500%	07/01/2021	1,527,762.50
	14,850,000	5.500%	07/01/2012	408,375.00
	37,210,000	5.500%	07/01/2013	1,023,275.00
	61,540,000	5.500%	07/01/2014	1,692,350.00
	64,595,000	5.500%	07/01/2015	1,776,362.50
	49,635,000	5.500%	07/01/2016	1,364,962.50
	4,795,000	5.500%	07/01/2017	131,862.50
	93,575,000	5.500%	07/01/2018	2,573,312.50
	94,955,000	5.500%	07/01/2019	2,611,262.50
	1,000,000	4.500%	07/01/2016	22,500.00

Bonds with Refunded Interest	Principal Amount	Interest Rate	Maturity Date	Interest Refunded*
	100,000,000	5.500%	07/01/2017	2,750,000.00
	6,770,000	4.600%	07/01/2019	155,710.00
	49,000,000	5.500%	07/01/2016	1,347,500.00
	18,190,000	5.500%	07/01/2019	500,225.00
Public Improvement Refunding Bonds, Series 2002	45,885,000	5.250%	07/01/2010	1,204,481.25
	61,975,000	5.500%	07/01/2011	1,704,312.50
	65,370,000	5.500%	07/01/2012	1,797,675.00
	68,970,000	5.500%	07/01/2013	1,896,675.00
	27,150,000	5.500%	07/01/2014	746,625.00
Public Improvement Bonds, Series 2003A	10,740,000	5.250%	07/01/2011	281,925.00
	11,300,000	5.250%	07/01/2012	296,625.00
	11,895,000	5.500%	07/01/2013	327,112.50
	925,000	5.500%	07/01/2015	25,437.50
	13,970,000	5.500%	07/01/2016	384,175.00
	14,735,000	5.500%	07/01/2017	405,212.50
	15,545,000	5.500%	07/01/2018	427,487.50
	16,400,000	5.500%	07/01/2019	451,000.00
	17,305,000	5.500%	07/01/2020	475,887.50
	18,255,000	5.500%	07/01/2021	502,012.50
	19,260,000	5.500%	07/01/2022	529,650.00
Public Improvement Refunding Bonds, Series 2003A	11,080,000	5.500%	07/01/2011	304,700.00
	11,690,000	5.500%	07/01/2012	321,475.00
	12,330,000	5.500%	07/01/2013	339,075.00
	13,010,000	5.500%	07/01/2014	357,775.00
	13,730,000	5.500%	07/01/2015	377,575.00
	13,515,000	5.500%	07/01/2016	371,662.50
	14,255,000	5.500%	07/01/2017	392,012.50
Public Improvement Refunding Bonds, Series 2003C	46,385,000	Var	07/01/2018	873,383.16
	233,615,000	Var	07/01/2021	4,398,736.83
	194,610,000	6.000%	07/01/2028	5,838,300.00
	272,385,000	Var	07/01/2025	5,013,926.90
Public Improvement Refunding Bonds, Series 2003	35,680,000	5.500%	07/01/2011	981,200.00
	37,630,000	5.500%	07/01/2012	1,034,825.00
	21,985,000	5.500%	07/01/2013	604,587.50
Public Improvement Bonds, Series 2004A	8,035,000	5.250%	07/01/2014	210,918.75
	11,580,000	5.250%	07/01/2015	303,975.00
	12,185,000	5.250%	07/01/2016	319,856.25
	13,500,000	5.250%	07/01/2018	354,375.00
	2,200,000	5.250%	07/01/2019	57,750.00
	14,955,000	5.250%	07/01/2020	392,568.75
	15,740,000	5.250%	07/01/2021	413,175.00
	16,565,000	5.250%	07/01/2022	434,831.25
	17,435,000	5.250%	07/01/2023	457,668.75
	18,350,000	5.250%	07/01/2024	481,687.50
	60,890,000	5.000%	07/01/2027	1,522,250.00
	70,480,000	5.000%	07/01/2030	1,762,000.00
	5,395,000	5.000%	07/01/2010	134,875.00
	5,765,000	5.000%	07/01/2011	144,125.00
	7,160,000	5.000%	07/01/2012	179,000.00

Bonds with Refunded Interest	Principal Amount	Interest Rate	Maturity Date	Interest Refunded*
	8,530,000	5.000%	07/01/2013	213,250.00
	3,000,000	3.250%	07/01/2010	48,750.00
	3,000,000	3.500%	07/01/2011	52,500.00
	2,000,000	3.750%	07/01/2012	37,500.00
	2,000,000	3.875%	07/01/2013	38,750.00
Public Improvement Refunding Bonds, Series 2004A	187,760,000	5.000%	07/01/2030	4,694,000.00
	29,165,000	5.000%	07/01/2031	729,125.00
	22,315,000	4.000%	07/01/2031	446,300.00
	40,000,000	5.000%	07/01/2031	1,000,000.00
Public Improvement Refunding Bonds, Series 2004B	46,950,000	Var	07/01/2021	776,553.00
	56,000,000	Var	07/01/2024	1,002,960.00
	56,000,000	Var	07/01/2027	996,520.02
	55,975,000	Var	07/01/2028	1,000,553.13
Public Improvement Bonds, Series 2005A	8,560,000	5.000%	07/01/2014	214,000.00
	12,945,000	5.000%	07/01/2015	323,625.00
	13,595,000	5.000%	07/01/2016	339,875.00
	14,985,000	5.000%	07/01/2018	374,625.00
	15,735,000	5.250%	07/01/2019	413,043.75
	16,560,000	5.250%	07/01/2020	434,700.00
	17,430,000	5.250%	07/01/2021	457,537.50
	18,345,000	5.250%	07/01/2022	481,556.25
	19,310,000	5.250%	07/01/2023	506,887.50
	20,325,000	5.000%	07/01/2024	508,125.00
	21,340,000	5.000%	07/01/2025	533,500.00
	96,570,000	5.000%	07/01/2029	2,414,250.00
	55,830,000	5.000%	07/01/2031	1,395,750.00
Public Improvement Bonds, Series 2006A	720,000	4.500%	07/01/2017	16,200.00
	1,220,000	5.250%	07/01/2021	32,025.00
	35,475,000	5.250%	07/01/2022	931,218.75
	37,340,000	5.250%	07/01/2023	980,175.00
	39,300,000	5.250%	07/01/2024	1,031,625.00
	41,360,000	5.250%	07/01/2025	1,085,700.00
	43,530,000	5.250%	07/01/2026	1,142,662.50
	26,150,000	5.250%	07/01/2027	686,437.50
	49,100,000	5.250%	07/01/2030	1,288,875.00
	30,005,000	CPI	07/01/2018	639,106.50
	31,280,000	CPI	07/01/2019	670,956.00
	32,625,000	CPI	07/01/2020	704,700.00
	32,815,000	CPI	07/01/2021	689,115.00
Public Improvement Refunding Bonds, Series 2006A	3,905,000	5.000%	07/01/2035	97,625.00
	2,775,000	5.000%	07/01/2010	69,375.00
	2,910,000	5.000%	07/01/2011	72,750.00
	3,055,000	5.000%	07/01/2012	76,375.00
	3,210,000	5.000%	07/01/2013	80,250.00
	3,370,000	5.000%	07/01/2014	84,250.00
	3,540,000	5.000%	07/01/2015	88,500.00
	3,715,000	5.000%	07/01/2016	92,875.00
	3,900,000	5.000%	07/01/2017	97,500.00
	4,095,000	5.000%	07/01/2018	102,375.00

Bonds with Refunded Interest	Principal Amount	Interest Rate	Maturity Date	Interest Refunded*
	4,300,000	5.000%	07/01/2019	107,500.00
	4,515,000	5.000%	07/01/2020	112,875.00
	4,740,000	5.000%	07/01/2021	118,500.00
	4,980,000	5.000%	07/01/2022	124,500.00
	5,230,000	5.000%	07/01/2023	130,750.00
	5,490,000	5.000%	07/01/2024	137,250.00
	5,555,000	5.000%	07/01/2025	138,875.00
	5,370,000	5.000%	07/01/2026	134,250.00
	19,595,000	5.000%	07/01/2031	489,875.00
Public Improvement Bonds, Series 2006B	10,640,000	5.250%	07/01/2016	279,300.00
	28,740,000	5.250%	07/01/2017	754,425.00
Public Improvement Refunding Bonds, Series 2006B	53,220,000	5.250%	07/01/2032	1,397,025.00
	75,015,000	5.000%	07/01/2035	1,875,375.00
Public Improvement Bonds, Series 2007A	8,050,000	5.000%	07/01/2018	201,250.00
	13,050,000	5.000%	07/01/2019	326,250.00
	13,700,000	5.000%	07/01/2020	342,500.00
	14,400,000	5.000%	07/01/2021	360,000.00
	15,100,000	5.000%	07/01/2022	377,500.00
	15,850,000	5.000%	07/01/2023	396,250.00
	16,650,000	5.000%	07/01/2024	416,250.00
	17,500,000	5.000%	07/01/2025	437,500.00
	18,350,000	5.000%	07/01/2026	458,750.00
	19,250,000	5.000%	07/01/2027	481,250.00
	20,250,000	5.000%	07/01/2028	506,250.00
	21,250,000	5.250%	07/01/2029	557,812.50
	22,350,000	5.250%	07/01/2030	586,687.50
	23,550,000	5.250%	07/01/2031	618,187.50
	24,750,000	5.250%	07/01/2032	649,687.50
	26,050,000	5.250%	07/01/2033	683,812.50
	27,450,000	5.250%	07/01/2034	720,562.50
	91,250,000	5.250%	07/01/2037	2,395,312.50
Public Improvement Refunding Bonds, Series 2007A	4,000,000	5.250%	07/01/2011	105,000.00
	4,000,000	5.250%	07/01/2012	105,000.00
	7,645,000	5.000%	07/01/2013	191,125.00
	20,885,000	5.250%	07/01/2014	548,231.25
	26,925,000	5.250%	07/01/2015	706,781.25
	10,925,000	5.250%	07/01/2016	286,781.25
	34,970,000	5.500%	07/01/2017	961,675.00
	30,965,000	5.500%	07/01/2018	851,537.50
	24,940,000	5.000%	07/01/2017	623,500.00
	53,215,000	5.500%	07/01/2019	1,463,412.50
	39,290,000	5.500%	07/01/2020	1,080,475.00
	36,205,000	5.500%	07/01/2021	995,637.50
	36,830,000	5.500%	07/01/2022	1,012,825.00
	99,450,000	Var	07/01/2029	1,724,542.65
	99,500,000	Var	07/01/2029	1,725,410.43
	42,790,000	5.250%	07/01/2030	1,123,237.50
	51,045,000	5.000%	07/01/2031	1,276,125.00
	32,635,000	Var	07/01/2033	379,510.61
	50,000,000	Var	07/01/2033	581,447.23

Bonds with Refunded Interest	Principal Amount	Interest Rate	Maturity Date	Interest Refunded*
	50,000,000	Var	07/01/2034	864,841.67
	50,000,000	Var	07/01/2034	864,841.67
Public Improvement Bonds, Series 2008A	3,850,000	5.000%	07/01/2010	96,250.00
	4,040,000	5.000%	07/01/2011	101,000.00
	4,245,000	5.000%	07/01/2012	106,125.00
	4,455,000	5.500%	07/01/2013	122,512.50
	4,700,000	5.500%	07/01/2014	129,250.00
	4,960,000	5.500%	07/01/2015	136,400.00
	5,230,000	5.500%	07/01/2016	143,825.00
	5,520,000	5.500%	07/01/2017	151,800.00
	5,825,000	5.500%	07/01/2018	160,187.50
	33,950,000	5.000%	07/01/2023	848,750.00
	43,435,000	5.125%	07/01/2028	1,113,021.88
	56,055,000	5.375%	07/01/2033	1,506,478.12
	73,735,000	6.000%	07/01/2038	2,212,050.00
Public Improvement Refunding Bonds, Series 2008A	17,780,000	5.000%	07/01/2010	444,500.00
	14,665,000	4.250%	07/01/2010	311,631.25
	10,200,000	5.000%	07/01/2011	255,000.00
	23,635,000	4.000%	07/01/2011	472,700.00
	14,375,000	5.000%	07/01/2012	359,375.00
	20,785,000	4.125%	07/01/2012	428,690.63
	29,770,000	5.000%	07/01/2013	744,250.00
	6,840,000	4.250%	07/01/2013	145,350.00
	36,110,000	5.000%	07/01/2014	902,750.00
	27,360,000	4.000%	07/01/2014	547,200.00
	50,220,000	5.000%	07/01/2015	1,255,500.00
	15,995,000	4.000%	07/01/2015	319,900.00
	53,955,000	5.000%	07/01/2016	1,348,875.00
	12,965,000	5.000%	07/01/2016	324,125.00
	16,605,000	4.000%	07/01/2016	332,100.00
	15,305,000	5.000%	07/01/2019	382,625.00
	16,065,000	5.000%	07/01/2020	401,625.00
	16,870,000	5.000%	07/01/2021	421,750.00
	17,715,000	5.000%	07/01/2022	442,875.00
	18,600,000	5.500%	07/01/2023	511,500.00
	19,625,000	5.125%	07/01/2024	502,890.62
	20,630,000	5.250%	07/01/2025	541,537.50
	21,715,000	5.250%	07/01/2026	570,018.75
	28,555,000	4.750%	07/01/2018	678,181.25
	208,675,000	5.500%	07/01/2032	5,738,562.50
Public Improvement Refunding Bonds, Series 2008B	173,975,000	Var	07/01/2032	3,088,533.25
Public Improvement Refunding Bonds, Series 2009A	3,425,000	5.625%	07/01/2031	96,328.13

Reflects total amount of interest refunded up to July 1, 2010. Variable rate bonds are refunded at the fixed swap rate.

FSC Mixed Sources
Product group from well-managed forests, controlled sources and recycled wood or fiber
www.fsc.org Cert no. BV-COC-960893
© 1996 Forest Stewardship Council

Printed by: ImageMaster, Inc.