

CLOSING AGREEMENT

THIS CLOSING AGREEMENT, made in duplicate, is entered into pursuant to Sections 6051.07 and 6091.06 of the Puerto Rico Internal Revenue Code of 2011 (hereinafter the "PR Code") and Section 6126 of the Puerto Rico Internal Revenue Code of 1994, as amended (hereinafter the "1994 Code").

APPEAR

Honorable Melba Acosta Febo, in her capacity as Secretary of the Treasury of the Commonwealth of Puerto Rico, represented herein by Angel R. Marzán Santiago, Assistant Secretary of the Internal Revenue Area (the "Secretary");

DORAL FINANCIAL CORPORATION, employer identification number 66-0312162, a corporation duly organized under the laws of the Commonwealth of Puerto Rico with principal offices at 1451 F.D. Roosevelt Avenue, San Juan, Puerto Rico ("DFC"), represented herein by Enrique R. Ubarri in his capacity as Authorized Representative;

DORAL BANK, employer identification number 66-0387312, a corporation duly organized under the laws of the Commonwealth of Puerto Rico with principal offices at 1451 F.D. Roosevelt Avenue, San Juan, Puerto Rico ("DB"), represented herein by Enrique R. Ubarri in his capacity as Authorized Representative;

DORAL MORTGAGE LLC, employer identification number 66-0365296, a limited liability company duly organized under the laws of the Commonwealth of Puerto Rico with principal offices at 1451 F.D. Roosevelt Avenue, San Juan, Puerto Rico ("DMC"), represented herein by Enrique R. Ubarri;

DORAL INSURANCE AGENCY, LLC, employer identification number 66-0581930, a limited liability company duly organized under the laws of the Commonwealth of Puerto Rico with principal offices at 1451 F.D. Roosevelt Avenue, San Juan, Puerto Rico ("DIA"), represented herein by Enrique R. Ubarri in his capacity as Authorized Representative; and

DORAL PROPERTIES, INC., employer identification number 66-0572283, a corporation duly organized under the laws of the Commonwealth of Puerto Rico with principal offices at 1451 F.D. Roosevelt Avenue, San Juan, Puerto Rico ("DP"), represented herein by Enrique R. Ubarri in his capacity as Authorized Representative.

DORAL Recovery, INC, employer identification number 66-0802212, a corporation duly organized under the laws of the Commonwealth of Puerto Rico with principal offices at 1451 F.D. Roosevelt Avenue, San Juan, Puerto Rico ("DRP"), represented herein by Enrique R. Ubarri in his capacity as Authorized Representative.

DORAL Recovery II, LLC, employer identification number 66-656042, a limited liability company duly organized under the laws of the Commonwealth of Puerto Rico with principal offices at 1451 F.D. Roosevelt Avenue, San Juan, Puerto Rico ("DRII" and, together with DFC, DB, DMC, DP and DIA, hereinafter referred to as the "DFC Group"), represented herein by Enrique R. Ubarri in his capacity as Authorized Representative.

WITNESSETH

WHEREAS, Section 6091.06(a)(1) of the PR Code provides that closing agreements to be executed by the Secretary after December 31, 2010 in connection to issues related to taxable years that commenced before January 1, 2011 or taxable events, or transfer of property that occurred before January 1, 2011, shall be governed by the provisions of the 1994 Code.

WHEREAS, Section 6091.06(a)(2) of the PR Code provides that closing agreements to be executed by the Secretary after December 31, 2010 in connection to issues related to taxable years that commenced after December 31, 2010 or taxable events, or transfer of property that occur after December 31, 2010, shall be governed by the provisions of the PR Code.

WHEREAS, the appearing parties state and guarantee to each other that, in accordance with the provisions of both the PR Code and the 1994 Code, they each have full legal capacity and authority to enter into this Closing Agreement, and they further state as follows:

REPRESENTATIONS

WHEREAS, the DFC Group has made the following material representations:

- A. The DFC Group is engaged in mortgage banking, banking, insurance, and investment activities. The entities of the DFC Group maintain their books and records under the accrual method of accounting, on the basis of a calendar year. The DFC Group's principal offices are located at 1451 F.D. Roosevelt Avenue, San Juan, Puerto Rico.
- B. The 2012 income tax return of DFC reflects a tax overpayment of \$34,097,526 (the "DFC Overpayment"). The DFC Overpayment includes the DIA Overpayment set forth in paragraph E below. See Exhibit A, which is attached hereto and made a part of this Closing.
- C. The 2012 income tax return of DB reflects a tax overpayment of \$18,316,000 (the "DB Overpayment"). See Exhibit B, which is attached hereto and made a part of this Closing.
- D. The 2012 income tax return of DMC LLC reflects a tax overpayment of \$3,669,688 (the "DMC Overpayment"). See Exhibit C, which is attached hereto and made a part of this Closing.
- E. The 2012 income tax return of DIA reflects a tax overpayment of \$2,047,596 (the "DIA Overpayment"). See Exhibit D, which is attached hereto and made a part of this Closing.
- F. The DIA Overpayment now constitutes a tax overpayment held by DFC, pursuant to the October 31, 2012 conversion of DIA to a limited liability company with a partnership election, as established in a November 14, 2012 ruling issued by the Department. See Exhibit E, which is attached hereto and made a part of this Closing. Accordingly, the DIA Overpayment is included in the DFC Overpayment.
- G. The sum of the DFC Overpayment, the DB Overpayment, and the DMC Overpayment equals to \$56,083,214 (collectively, the "DFC Group Tax Overpayments").
- E. The DFC Group Tax Overpayments can be carried forward to future tax years or can be claimed as partial or full refunds from the Secretary by filing a refund claim. Such claim shall be subject to audit or examination by the Secretary.
- F. The DFC Group Tax Overpayments may be carried forward indefinitely and do not expire.

WHEREAS, it is in the Puerto Rico government's best interest to support active players in the banking industry, which has had significant struggles as of late;

DETERMINATIONS AND AGREEMENTS

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NOW, THEREFORE, it is hereby determined and agreed based on the representations made above, which are considered material facts, for Puerto Rico income tax purposes as follows:

1. The DFC Group and the Secretary hereby agree that the DFC Group Tax Overpayments can be transferred and apportioned among and used by any member of the DFC Group to offset income taxes due to the Commonwealth of Puerto Rico for taxable years commencing as of January 1, 2013 and in future years, either through reductions of estimated income taxes or through claims of refund, which shall be subject to audit or examination by the Secretary. Each year, the DFC Group shall notify the Secretary of the allocation of the overpayment, or any remaining balance thereof, among the members of the group through a statement which shall be attached to the applicable returns.
 2. The balance of any unused DFC Group Tax Overpayment will carry-over to future years indefinitely until fully utilized through reductions of estimated income tax or refunded to the DFC Group by the Puerto Rico Government, and shall survive any change in control, merger, acquisition, disposition, or sale of any stock or asset in any member of the DFC Group (hereinafter the "Transaction") without limitation.
 3. This Closing Agreement only covers the DFC Group Tax Overpayments (as such term is defined herein).
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4. The Secretary shall have the right and authority to audit or examine, at any time, the correctness of the DFC Group Tax Overpayments.

5. No determinations or agreements are expressed as to the tax consequences of the above transactions under any other provisions of the PR Code or any other law that may also be applicable thereto or any effect resulting therefrom that is not specifically covered by the above determinations and agreements. The determinations and agreements shall be valid upon the continued existence of the representations submitted to our consideration. If it relates to a tax period ending after the date of this Closing Agreement, it is subject to any law enacted after the agreement date that applies to that tax period.

6. Nothing herein shall be construed to affect any other rights or obligations that any of the parties may have pursuant to any other agreement or claim that has been executed or presented by the parties prior to this date.

7. The matters contained in this Closing Agreement will be final and conclusive, and will not be reopened, annulled, modified, set aside or disregarded by the taxpayers, nor the Secretary or any civil servant, employee or agent of the Commonwealth of Puerto Rico in any lawsuit, action or administrative proceeding, or by the enactment of any law or issuance of any ruling, regulation, order or decree, except in the event of fraud, malfeasance or misrepresentation of material facts, in accordance with Section 6051.07 of the PR Code and Section 6126 of the 1994 Code.

IN WITNESS WHEREOF, the parties hereto have subscribed and executed this closing agreement, in San Juan, Puerto Rico, this 30th day of December of 2013.

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SECRETARY OF THE TREASURY

DORAL FINANCIAL CORPORATION

By: [Signature]
Angel R. Marzán Santiago
Assistant Secretary of the
Internal Revenue Area

By: [Signature]
Enrique R. Ubarri
Authorized Representative

DORAL INSURANCE AGENCY, LLC

DORAL MORTGAGE LLC

By: [Signature]
Enrique R. Ubarri
Authorized Representative

By: [Signature]
Enrique R. Ubarri
Authorized Representative

DORAL BANK

DORAL PROPERTIES, INC.

By: [Signature]
Enrique R. Ubarri
Authorized Representative

By: [Signature]
Enrique R. Ubarri
Authorized Representative

DORAL RECOVERY, INC.

DORAL RECOVERY II, LLC.

By: [Signature]
Enrique R. Ubarri
Authorized Representative

By: [Signature]
Enrique R. Ubarri
Authorized Representative