



BNY MELLON

January 12, 2017

**Notice to the Holders of  
URBI, DESARROLLOS URBANOS, S.A.B. DE C.V.**

**8.50% Senior Guaranteed Notes due April 19, 2016  
Cusip #91724RAA2, P9592YAF0<sup>1</sup>**

**9.50% Senior Guaranteed Notes due January 21, 2020  
Cusip #91724RAB0, P9592YAD5**

**9.750% Senior Guaranteed Notes due February 3, 2022  
Cusip # 91724RAD6, P9592YAL7**

**This Notice contains important information that is of interest to the beneficial owners of the subject securities. If applicable, all depositories, custodians and other intermediaries receiving this notice are requested to expedite retransmittal to such beneficial owners in a timely manner.**

Reference is made to that certain (i) Indenture dated as of April 19, 2006; (ii) Indenture dated as of January 19, 2010; (iii) Indenture dated as of February 3, 2012 and together the (“Indentures”) among Urbi, Desarrollos Urbanos, S.A.B. de C.V. (“Urbi” or the “Company”), certain Subsidiary Guarantors party thereto, and The Bank of New York Mellon, as Trustee (the “Trustee”). Capitalized terms used herein and not otherwise defined shall have the meanings assigned to such terms in the Indentures.

## **BACKGROUND**

The Trustee previously advised Holders of the Events of Default that have occurred under each of the Indentures, and that on December 1, 2014 Urbi and many of its subsidiaries filed a petition for a *concurso mercantil*, a Mexican bankruptcy proceeding. Such filing is an Event of Default under Section 6.01(a) or 6.1(a) of the Indentures. The Trustee filed proofs of claims for each of the three note issues.

## **RESTRUCTURING NEWS**

As reported in a Notice dated July 22, 2016, the bankruptcy court in Mexico issued an acknowledgement on January 22, 2016 that Urbi’s restructuring plans have been received by the court, and that Urbi received the support of creditors holding over 60% of the total claims

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<sup>1</sup> Note: The CUSIP numbers appearing herein has been included solely for the convenience of the holders of the notes. The Bank of New York Mellon assumes no responsibility for the selection or use of such CUSIP number and makes no representation as to the correctness of the CUSIP numbers listed above or printed on the notes.

approved the restructuring plans. The bankruptcy court on February 4, 2016 issued an order approving Urbi's plan. Unsecured creditors, including noteholders, will receive stock in reorganized Urbi.

On June 21, 2016 Urbi held a shareholder's meeting at which a vote was taken on conducting a reverse split of the shares, which was approved. As a result of the reverse split, it is estimated that approximately 19 shares will be allocated per \$1,000 principal note balance investment.

## **INFORMATION ABOUT THE DISTRIBUTION OF SHARES TO NOTEHOLDERS**

### **Urbi shares listed on Mexican stock exchange**

The shares have now been listed on the Mexican stock exchange for trading and are now available for distribution to noteholders. Urbi has developed a process for the distribution of shares to noteholders. Noteholders will need to have a securities account at a Mexican bank, brokerage firm or other custodian in order to receive their shares. In case you do not have one, Urbi suggests noteholders may contact the following brokers in Mexico for opening securities accounts:

#### Scotiabank

María Elena Yruretagoyena

Tel: +52-686-551-8462 / +52-686-551-8465 ext. 73001

Email: [eygarcia@scotiawealth.com.mx](mailto:eygarcia@scotiawealth.com.mx)

#### Finamex

Joaquín Pérez García

Tel +52-55-5209-2085

[jpgarcia@finamex.com.mx](mailto:jpgarcia@finamex.com.mx)

Please be advised that the Trustee is not making any recommendation, suggestion or comment regarding the above-listed financial institutions or any other financial institution in Mexico and shall have no liability for the choice of any institution or for the willingness or unwillingness of any institution to open an account on your behalf.

### **Number of shares**

The number of shares per \$1,000 of principal amount of each issuance is outlined below.

- 8.50% Notes Due April 19, 2016: total shares of 2,867,073 or 19.1138 shares per \$1,000 of principal amount.
- 9.50% Notes due January 21, 2020: total shares of 5,721,422 or 19.0714 shares per \$1,000 of principal amount.
- 9.750% Notes due February 3, 2022: total shares of 9,551,489 or 19.1030 shares per \$1,000 of principal amount.

### **Registration process to receive shares**

The registration process is expected to take place in one of two ways, both of which are described below. In either case, the bank, broker, or other custodian (the “Nominee”) holding your notes must provide assistance. Epiq Corporate Restructuring (“Epiq”) has been retained to assist Urbi with the collection of registration information. Once the registration process has been completed, Urbi will then arrange for the noteholder to receive its shares.

### **Freezing of note positions**

Urbi expects to arrange for the freezing of all positions in the notes (the “Registration Record Date”), which will prevent further trading of the notes and will allow all noteholders as of that date to register for their shares. Noteholders will need to provide a Registration Worksheet, Share Delivery Exhibit, and a Nominee Certification of their position as of the Registration Record Date.

### **Registration Record Date and availability of registration documentation**

The Registration Record Date is expected to be January 24, 2017. Registration documentation will be provided to Nominees, as well as to Euroclear and Clearstream, on or about the Registration Record Date.

In addition, if you would like Epiq to include you in a list of holders to whom they will provide Registration Documentation once available, please email Epiq at [registration@epiqsystems.com](mailto:registration@epiqsystems.com) with “Urbi” in the subject line to make the request. Registration documentation will also be available on Epiq’s web site at <http://dm.epiq11.com/Urbi>.

### **Registration documentation**

In order to verify the holding of a particular noteholder, a Registration Worksheet will need to be completed along with the relevant attachments. This will include information about the beneficial owner of the notes and the Mexican broker in whose name the shares should be registered. The noteholder – or, in certain cases, its Nominee or other representative – will need to provide the relevant details relating to the Mexican broker account to receive the shares. The documentation will include:

- The ***Registration Worksheet*** – showing information about the beneficial owner and the Mexican account to receive the shares, as well as contact information for the person the Company should contact regarding placement of the shares into the account.
- The ***Share Delivery Exhibit*** – making a formal request for the shares, entitled “Form for Delivery of Shares of Urbi, Desarrollos Urbanos, S.A.B. de C.V.” This is a document with the same request in both Spanish and English. The document must be completed in full, either on the Spanish or English side.
- The ***Nominee Certification*** with the Nominee’s certification of the principal amount shown in the Registration Worksheet. Please note that if the notes are held through Clearstream or Euroclear, the Nominee Certification must be provided by the relevant participant of the Depository Trust Company (“DTC”) in the U.S. through which

Clearstream or Euroclear hold the notes, and NOT by the custodian that is the Clearstream or Euroclear client.

All of these documents – the Registration Worksheet, Share Delivery Exhibit, and Nominee Certification – will be made available in three ways on or about the Registration Record Date, January 24, 2017:

1. On the Epiq website at <http://dm.epiq11.com/Urbi>
2. Via an email and hard copy distribution through the various banks, brokers and custodians, as well as to Euroclear and Clearstream, by Epiq; and
3. Via email to those noteholders who have made a request to Epiq that they be placed on the email mailing list (to do so, please email [registration@epiqsystems.com](mailto:registration@epiqsystems.com) and reference “Urbi” in the subject line to request the registration documentation via email when available).

All of the relevant documents will need to be delivered to Epiq in accordance with the instructions provided in the Registration Worksheet to be provided.

Please be advised that the Trustee will not be delivering these documents to noteholders. Noteholders may obtain these documents in one of the three ways outlined above.

\*The Share Delivery Exhibit will be made available on the Epiq website by January 13, 2017.

### **For institutional noteholders**

Primarily for institutional noteholders, Urbi has agreed to permit such noteholders who come forward by January 18, 2017 and who are able to make special additional arrangements to have their note positions cancelled through their U.S. custodian and through DTC in the U.S. via a Deposit or Withdrawal at Custodian (“DWAC”) withdrawal on the DWAC date (expected to be January 20, 2017) ***and*** who provide a Share Delivery Exhibit, to receive their shares on or about January 23, 2017.

Urbi recommends that a noteholder interested in the DWAC process check with its U.S. bank, broker or custodian beforehand to determine what this U.S. Nominee will require in order to complete a DWAC withdrawal of its position from DTC. Noteholders who are interested in the DWAC process will need to complete the ***DWAC Request Form*** and ***Share Delivery Exhibit*** (both of which will be made available on the Epiq website by January 13, 2017 at <http://dm.epiq11.com/Urbi>) and email them to Epiq at [registration@epiqsystems.com](mailto:registration@epiqsystems.com), with “Urbi DWAC” in the subject line. Although this process is primarily for institutional noteholders, individual noteholders who can make such arrangements by January 18, 2017 may also use this process.

(For noteholders who have DWAC withdrawn their notes from DTC, the Nominee Certification is not required, since the DWAC process itself will certify the noteholder’s position.)

## **Working with Urbi to receive shares**

After Epiq has provided the noteholder registration details to Urbi, Urbi itself will reach out to each noteholder to make arrangements for the shares to be placed into the holder's account. You must provide all of the requested information in the registration documentation in order to be certain to be able to receive your shares. Please refer to Annex A, "Procedure for the Electronic Delivery of Shares," for an overview of this process.

### **TIMELINE**

Registration Record Date – January 24, 2017

Registration Documentation Available – on or about January 24, 2017

Initial Registration Documentation Deadline – January 31, 2017

- *The Registration Worksheet, Share Delivery Exhibit, and Nominee Certification must all be included in the request*
- Anticipated share delivery date for initial registrations – on or about February 10, 2017

Standard Registration Documentation Deadline – February 24, 2017

- Anticipated share delivery date for standard registrations – on or about March 6, 2017

Documents submitted after February 24, 2017 will be processed when received.

### **DWAC process dates:**

DWAC request date – January 18, 2017

- *The DWAC Request Form and Share Delivery Exhibit must both be included in the request*

Anticipated DWAC date – January 20, 2017

Anticipated share delivery date – on or about January 23, 2017

### **ADDITIONAL INFORMATION**

Please note that the foregoing is not intended and should not be construed as investment, accounting, financial, legal or tax advice by or on behalf of the Trustee, or its directors, officers, affiliates, agents, attorneys or employees. Each person receiving this notice is urged to carefully review it and should seek the advice of its own advisors in respect of the matters set forth herein.

Again, Urbi and its agent, Epiq, are handling the documentation and share distribution process, not the Trustee. If you have questions about the registration or DWAC process, please contact Epiq at [registration@epiqsystems.com](mailto:registration@epiqsystems.com) with "Urbi" in the subject line.

If you have questions about the share distribution process, please contact Urbi at [adalberto.ramirez@urbi.com](mailto:adalberto.ramirez@urbi.com).

The Trustee is not able to answer any questions about the registration or share distribution process. If you have questions about an aspect other than the registration or share distribution process, you may contact Gary Bush, Vice President, at [gary.bush@bnymellon.com](mailto:gary.bush@bnymellon.com). Information about the registration process will be provided via Epiq.

**The Bank of New York Mellon, as Trustee**