



GOVERNMENT OF PUERTO RICO

Puerto Rico Electric Power Authority
Governing Board

RESOLUTION 4684 PREPA NETWORKS

- WHEREAS: The Puerto Rico Electric Power Authority ("PREPA") was created in 1941 as a public corporation and governmental instrumentality of the Government of Puerto Rico by Act No. 83 of the Legislative Assembly of Puerto Rico, approved May 2, 1941, as amended ("Act 83").
- WHEREAS: PREPA is governed by its Governing Board and Act 83 imposes on said Governing Board a general fiduciary duty to PREPA and its customers that requires a responsible stewardship of all assets of the public corporation and each of the subsidiaries of PREPA. In addition, as of the present date, separate duties are imposed on PREPA by various laws including, but not limited to, the Puerto Rico Electric System Transformation Act and the Puerto Rico Oversight, Management and Economic Stability Act.
- WHEREAS: PREPA is the owner and holder of 100% of the equity and membership interests of PREPA Holdings, LLC, a Delaware Limited Liability Company, which in turn owns and holds 100% of the equity and membership interests of PREPA Networks, LLC, a Delaware Limited Liability Company (PREPA Net).
- WHEREAS: Act 83 provides that PREPA shall exercise all of its powers and authority over its subsidiaries to the extent the Governing Board of PREPA determines to be necessary, appropriate or convenient to the purposes of PREPA.
- WHEREAS: Each of these subsidiaries own assets that are integral to the operation of PREPA and any sale, disposition, concession or other transaction with respect to these assets, must be considered in respect of the overall transformation of PREPA.
- WHEREAS: PREPA Net is an indispensable element to the overall PREPA Transmission and Distribution system.
- WHEREAS: In February 2017, the PREPA Net management was encouraged by the PREPA Board to investigate the sale of PREPA Net.
- WHEREAS: PREPA Net management engaged Bostonia to seek parties interested in purchasing PREPA Net.



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WHEREAS: Bostonia is at the moment in their timeline where they are about to advertise the opportunity to a broad base of interested buyers both within and external to Puerto Rico.

WHEREAS: Under the Bostonia agreement, it is recognized that there is charge to PREPA Net and PREPA in the amount of \$250,000 even if a sale of PREPA Net is not completed.

WHEREAS: PREPA issued an Integrated Resource Plan in March 2019, which envisions enhancements to the PREPA Transmission and Distribution systems.

WHEREAS: PREPA's Integrated Resource Plan also envisions the concession of portions of the PREPA Transmission and Distribution system to private operators.

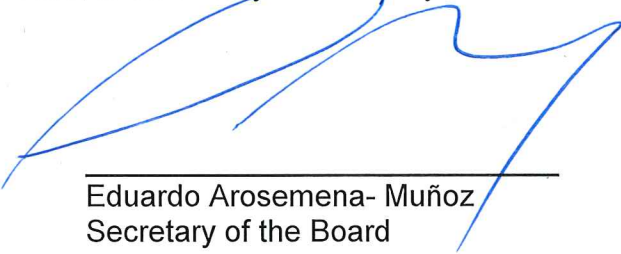
WHEREAS: PREPA Net's communication network and the PREPA Transmission and Distribution system are inextricably linked to one another.

WHEREAS: PREPA Net is so vital to the considerably larger Transmission and Distribution network, that it would not be prudent to sell PREPA Net at this time.

Based on the aforementioned general fiduciary duty and responsibility over all assets of PREPA and those duties and responsibilities imposed to PREPA by various laws, and as the direct and indirect full owner of PREPA Holdings, LLC, and PREPA Networks, LLC, **WE HEREBY RESOLVE:**

1. The PREPA Net management will cease its efforts to seek interested buyers for PREPA Net.
2. PREPA Net management and PREPA management will seek ways to negotiate the fees that may be due to Bostonia because of PREPA Net's agreement with the company.
3. Any amount that may be due to Bostonia, will be worked out through an adjustment in the PREPA Net annual dividend.

Approved in San Juan, Puerto Rico, in the twenty seventh day of March two thousand nineteen.



Eduardo Arosemena- Muñoz
Secretary of the Board