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GOBIERNO DE PUERTO RICO
JUNTA REGLAMENTADORA DE SERVICIO PÚBLICO
NEGOCIADO DE ENERGÍA DE PUERTO RICO

IN RE: INVESTIGACIÓN Y AUDITORÍA DEL PROCESO DE ADQUISICIÓN DE COMBUSTIBLE DE LA AUTORIDAD DE ENERGÍA ELÉCTRICA DE PUERTO RICO	**CASO NÚM.**: NEPR-IN-2020-0003

MOCIÓN EN CUMPLIMIENTO CON LA RESOLUCIÓN Y ORDEN DE 21 DE AGOSTO DE 2026

COMPARECE la Autoridad de Energía Eléctrica de Puerto Rico ("AEE"), por conducto de la representación legal que subscribe y, muy respetuosamente,

EXPONE Y SOLICITA:

1. El 21 de agosto de 2026, el Negociado de Energía de Puerto Rico de la Junta Reglamentadora de Servicio Público ("Negociado de Energía") notificó una *Resolución y Orden* mediante la cual ordenó a la AEE informar, dentro del término de diez (10) días, el estatus del proceso deliberativo relacionado con las reclamaciones a las aseguradoras ("Resolución de 21 de agosto").

2. Específicamente, el Negociado de Energía ordenó a la AEE presentar el resultado completo de dicho proceso deliberativo, incluyendo sus determinaciones finales o preliminares, así como cualquier otro material que evidencie la conclusión o el estatus de este.

3. Luego de varias solicitudes de prórroga, mediante *Resolución* emitida el 24 de septiembre de 2026, el Negociado de Energía concedió a la AEE hasta el 1 de octubre de 2026, para presentar la actualización requerida.

4. En cumplimiento con lo ordenado, la AEE presenta la siguiente actualización respecto de dos (2) reclamaciones de seguro relacionadas con los daños sufridos por su propiedad e infraestructura como consecuencia del Huracán María: (i) la reclamación bajo las pólizas de propiedad suscritas por MAPFRE y varios sindicatos de Londres; y (ii) la reclamación bajo la póliza de exceso emitida por Oil Insurance Limited, actualmente conocida como Everen Insurance Ltd. ("Everen").

I. Reclamación de seguro - MAPFRE y sindicatos de Londres

5. La AEE mantenía cubierta de seguro de propiedad para el período comprendido entre el 15 de mayo de 2017 y el 15 de mayo de 2018, suscrita por MAPFRE y varias otras aseguradoras o sindicatos de Londres (conjuntamente, en adelante, "MAPFRE"). Como consecuencia de los daños ocasionados por el Huracán María en septiembre de 2017, la AEE presentó una reclamación bajo dichas pólizas.

6. Luego del correspondiente proceso de ajuste y negociación, el 18 de diciembre de 2023, la AEE y MAPFRE suscribieron un acuerdo para transigir de manera final la referida reclamación. En síntesis, el acuerdo estableció un monto total de $286,250,000, menos el deducible contractual de $25,000,000, para una recuperación neta total de $261,250,000. Al momento de formalizarse el acuerdo, las aseguradoras habían realizado pagos por un total de $210,391,970, quedando

pendiente un pago final de $50,858,030. *Véase* **Anejo A** – MAPFRE Settlement and Release Agreement ("Acuerdo de Transacción").

7. El Acuerdo de Transacción dispuso que dicha suma restante de $50,858,030 constituiría el pago final para resolver en su totalidad la reclamación, sujeto a las condiciones y aprobaciones establecidas en el propio acuerdo.

8. A la fecha de la presente moción, la AEE ya recibió el pago total por dicha reclamación contra MAPFRE. Según consta de los libros y récords de la AEE, esta ha recibido un total agregado de $261,250,000 en pagos relacionados con dicha transacción y no quedan pagos pendientes de recibir bajo el acuerdo de transacción correspondiente. Así lo establece la certificación suscrita el 1 de octubre de 2026 por el Contralor de la AEE, Juan Carlos Adrover Ramírez. *Véase* **Anejo B** – Certification of Settlement Proceeds.

9. Por consiguiente, en cuanto a la reclamación contra MAPFRE y los sindicatos de Londres, no existe actualmente un proceso de negociación o deliberación pendiente con dichas aseguradoras respecto de la reclamación transigida. Dicho proceso ya concluyó y no queda gestión pediente.

II. Reclamación de seguro - Everen Insurance Ltd.

10. Separadamente, la AEE mantiene una reclamación bajo la póliza de exceso de propiedad emitida por Oil Insurance Limited, actualmente conocida como Everen Insurance Ltd., Núm, de Póliza 2003-261, relacionada con los daños ocasionados por el Huracán María.

11. Como parte del proceso dirigido a resolver dicha reclamación, la AEE y Everen han negociado y alcanzado un acuerdo de transacción en principio.

Luego de evaluar la oferta de transacción propuesta, la Junta de Gobierno de la AEE adoptó la Resolución Núm. 5243, el 5 de junio de 2026, mediante la cual autorizó al Director Ejecutivo de la AEE a suscribir el acuerdo de transacción y todos aquellos documentos relacionados necesarios para implementar y finalizar la transacción. *Véase* **Anejo C** - Resolución Núm. 5243 de la Junta de Gobierno de la AEE.

12. Según dispone la Resolución Núm. 5243, la transacción propuesta permanece sujeta a las aprobaciones que resulten requeridas por la Junta de Supervisión y Control Fiscal (FOMB por sus siglas en inglés), el Tribunal de Título III y cualquier otra entidad gubernamental o regulatoria aplicable.

13. Por tanto, a diferencia de la reclamación correspondiente a MAPFRE y los sindicatos de Londres, cuya transacción ha sido completada y cuyos fondos han sido recibidos en su totalidad por la AEE, el proceso correspondiente a la reclamación contra Everen aún no ha culminado.

14. La AEE continua brindando seguimiento a la reclamación contra Everen y mantendrá informado al Negociado de Energía sobre cualquier desarrollo material relacionado con la consumación de dicha transacción.

POR TODO LO CUAL, la AEE solicita, muy respetuosamente, de este Honorable Negociado de Energía que **TOME CONOCIMIENTO** de la información aquí provista y, en su consecuencia, **DETERMINE** que la AEE ha cuplido con la *Resolución y Orden* de 21 de agosto de 2026.

RESPETUOSAMENTE SOMETIDA.

En San Juan, Puerto Rico, este 1 de octubre de 2026.

CERTIFICADO DE PRESENTACIÓN Y NOTIFICACIÓN: Se certifica que este documento fue presentado ante la Secretaría del Negociado de Energía a través de su sistema electrónico de presentación, disponible en https://radicacion.energia.pr.gov/login. Se certifica, además, que copia ponchada del referido documento fue notificada a las partes en el caso de epígrafe a las siguientes direcciones de correo electrónico: LUMA Energy, LLC y LUMA Energy ServCo, LLC a través de las siguientes direcciones de correo electrónico: legal@lumapr.com; preborders@lumapr.com.

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Anejo A – MAPFRE Settlement and Release Agreement

SETTLEMENT AND RELEASE AGREEMENT

This Settlement and Release Agreement (the "Agreement") is entered into as of December 18, 2023, by and between the PUERTO RICO ELECTRIC POWER AUTHORITY ("PREPA") and Insurers listed in Annex A ("Insurers"). PREPA and Insurers shall be referred to herein jointly as the "Parties," or separately as a "Party."

WITNESSETH

WHEREAS, Insurers issued and/or subscribed to their several and respective Commercial Property policies issued to PREPA effective from May 15, 2017 to May 15, 2018 (the "Policies");

WHEREAS, the Policies insure properties of PREPA subject to the provisions of the policies (the "Properties");

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WHEREAS, in or about the month of September of 2017, multiple insured Properties sustained damage as the result of Hurricane María (the "Loss");

WHEREAS, PREPA notified Insurers of a claim under the Policies for damage resulting from the Loss (the "Claim");

WHEREAS, Insurers assigned adjusters RTS International and Sedgwick to jointly adjust the Claim;

WHEREAS, RTS International and Sedgwick, together with various consultants retained by those adjusters proceeded to investigate the nature and extent of the Claim;

WHEREAS, as a result of the investigation and adjustment of the Claim, Insurers made periodic payments on account of the Claim in the cumulative amount of $210,391,970 net of the $25,000,000 Deductible under the Policies.

WHEREAS, the Insurers made the following allocated payments on account: $5,636.116.00 allocated to meters, $29,200,000.00 allocated to above-ground fiber optics, and $3,049,588.00 allocated to professional fees. All other payments on account were unallocated.

WHEREAS, Insurers contend that no additional sums are owed with respect to the Claim;

WHEREAS, PREPA contends that its Loss in connection with the Claim exceeds the Policies' Limit of Liability of $275,000,000 net of the $25,000,000 Deductible;

WHEREAS, PREPA acknowledges that it has not identified Hurricane Irma related losses in excess of the $25,000,000 Deductible applicable to that occurrence, and has advised it is not pursuing a claim relating to Hurricane Irma under the Policies;

WHEREAS, the Parties engaged in settlement discussions in New York, New York on October 16, 2023, for the purpose of reaching a final resolution of the Claim;

WHEREAS, the Parties reached an agreement to fully and finally settle and resolve all aspects of the Claim for the total amount of $286,250,000 less the Deductible of $25,000,000 for a net total of $261,250,000, minus the prior payments on account;

WHEREAS, the final payment to settle the Claim in the amount of $50,858,030 has not been allocated by the Parties to any specific insured assets;

WHEREAS, PREPA will treat the settlement payment as a payment of the full limits of the Policies, which is offset by a payment under the Policies' Margin Clause in the sum of $13,750,000;

WHEREAS, Insurers do not agree with PREPA's position regarding the application of the Margin Clause;

WHEREAS, PREPA and Insurers wish to fully and finally settle and resolve the Claim in its entirety including, but not limited to, all policy coverages, contract disputes, extra-contractual disputes and causes of action known or unknown;

WHEREAS, it is the Parties' intention that the final $50,858,030 payment shall be protected under the terms of the Bankruptcy Court's December 20, 2017 Order (ECF # 514) in Proceeding No. 17 BK 4780-LTS (the "María Order"), and the Parties intend to work together in good faith to ensure that the payment is protected from PREPA's creditors pursuant to the terms and conditions of the María Order.

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NOW, THEREFORE, in consideration of the mutual covenants, representations, and warranties herein contained, intending to be legally bound hereby, PREPA and Insurers agree as follows:

1. The Parties have settled the Loss and the Claim in its entirety and all Loss – known or unknown – regarding the Claim for one final payment of $50,858,030 (the "Settlement Amount"). The Settlement Amount includes the total amount of $286,250,000 (gross) less the Policies' Deductible of $25,000,000, less prior payments on account of $210,391,970. Each of the individual insurers will be responsible solely for payment of each of their respective and several portions of the Settlement Amount in proportion to their percentage and layer of participation in the insurance under the Policies as outlined in **Annex A**.

2. The validity and enforceability of this Agreement is contingent upon: a) approval of this Agreement and the Settlement Amount by the Financial Oversight and Management Board for Puerto Rico, b) compliance with the notice conditions in Paragraph 6 of the María Order, at

which time Insurers shall become entitled to the benefits and protections of Paragraphs 1, 2, 4 and 5 of the María Order.

3. Upon payment of each of the Insurers' respective several share of the Settlement Amount, and in consideration of such payment to PREPA in accordance with this Agreement, PREPA will with respect to each paying Insurer (as well as each Insurer that is listed as "No Payment Owed" on Schedule A), on behalf of (a) itself; (b) all of its current and former affiliates, owners, managers, and operators of any kind; (c) all of its current and former agents, officers, directors, principals, and attorneys; and (d) any and all successors, assigns, executors and/or heirs of the aforementioned persons and entities (collectively "PREPA Releasors"), hereby irrevocably releases and forever discharges (a) each paying Insurer; (b) all of each paying Insurer's current and former reinsurers, affiliates, subsidiaries, owners, managers, or parents of any kind; (c) all of each paying Insurer's current and former agents, officers, directors, employees, adjusters, accountants, experts, consultants, and attorneys; and (d) any and all successors, assigns, executors and/or heirs of the aforementioned persons or entities (collectively "Insurers Releasees") of and from all claims, demands, actions, and causes of action of every type or kind, arising under, out of, or in connection to the Claim and the Loss and/or any claim or loss, if any, arising from Hurricane Irma under or in connection with the Policies, including, but not limited to, claims for property damage, business personal property, business income, extra expense, any other loss claimed or that could have been claimed under the Policies, as well as any related extra-contractual claims, bad faith claims, claims for consequential damages, underwriting claims, breach of contract claims, misrepresentation claims, statutory claims for extra-contractual damages, claims for attorneys' fees and legal costs, claims for deceptive business acts, claims for unfair claim

practices or acts, class actions, whether known or unknown at present, that PREPA Releasors or anyone acting in their name now has or ever had, or may have in the future. This is intended as a full and complete settlement and compromise of each, every and all the above-described claims, demands, actions and causes of action, of every kind and nature which PREPA Releasors ever had, now have, or may have in the future against Insurers Releasees, arising out of the Loss and the Claim. PREPA Releasors expressly waive Article 1714 of the Puerto Rico Civil Code of 1930, 31 L.P.R.A. § 4826 and Article 1499 of the Puerto Rico Civil Code of 2020, 31 L.P.R.A. § 10643, which provides settlement agreements are interpreted restrictively. Provided, however, that the releases provided herein will not affect PREPA's right and ability to enforce the terms and conditions of this Agreement. PREPA Releasors represent and warrant that there has been no assignment, subrogation, or other transfer of (a) any interest in any of the matters released in this Agreement, and (b) any obligations or rights under or in connection with the Policies

4. In consideration of the promises contained herein, Insurers hereby release, remise, acquit and forever discharge PREPA and its predecessors and successors in interest, affiliates, representatives, subsidiaries, parents, divisions, heirs, assigns, shareholders, principals, administrators, and executors, and on behalf of all of its former, present and future directors, members, officers, employees, principals, attorneys or agents of all of the foregoing, each in his, her or its capacity as such (collectively, the "PREPA Related Persons and Entities"), of and from any and all claims, actions or causes of action (including without limitation any claims for contract or tort damages, premiums, deductibles, retentions, punitive damages, fraud, misrepresentation, violation of statute, breach of the duty of good faith, "reverse bad faith," extra-contractual damages, and any other damages or loss or other form of relief), debts, demands, payments, rights,

obligations, loss, judgments, awards, attorneys' fees, costs, interests, damages, liabilities, benefits and causes of action of whatever kind or character, known or unknown, suspected, fixed or contingent, past, present, or future, in law or in equity, that they have, have had, or may have against PREPA and/or the PREPA Related Persons and Entities based upon or arising out of Hurricane María or Hurricane Irma. Provided, however, that the releases provided herein will not affect Insurers' right and ability to enforce the terms and conditions of this Agreement.

5. The claims, actions, and causes of action set forth in the preceding two paragraphs are collectively referred to as the "Released Matters".

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6. The Parties intend that the execution and performance of this Agreement shall, as provided above, be effective as a full and final settlement of, and as a bar to, the Released Matters. The Parties hereto covenant and agree that if they hereafter discover facts different from or in addition to the facts that they now know or believe to be true with respect to the subject matter of this Agreement, it is nevertheless their intent hereby to settle and release fully and finally the matters released in the Released Matters. In furtherance of such intention, the releases set forth in this Agreement shall be and will remain in full and irrevocable effect as releases notwithstanding the discovery of any such different or additional facts.

7. The Settlement Amount was agreed by the Parties as a compromise of a disputed claim and will be paid by Insurers Releasees as detailed above to avoid the cost and uncertainties of litigation, without any admission that those amounts were in fact due and payable under the terms of the Policies.

8. Insurers' Releasees will pay their several and respective shares to PREPA of the Settlement Amount within forty-five (45) days of PREPA's compliance with all the conditions

set forth in paragraph 2, above. Moreover, MAPFRE shall disburse its proportionate share of the Settlement Amount to PREPA within ten (10) days of having received the funds from its reinsurers, provided that in no event shall the timing of MAPFRE's receipt of funds from its reinsurers affect or alter its obligation to fund its share of the Settlement Amount within forty-five (45) days. In the event an insurer does not pay its several, proportional share within forty-five (45) days as provided above, then PREPA, at its sole discretion, may retain the sums paid towards the Settlement Amount and proceed against the non-paying insurer(s)/reinsurer(s) only and the releases in this Agreement will remain in full force and effect with respect to all paying Insurers. Any payments that are not made within forty-five (45) days hereunder shall accrue interest at the prevailing rate of interest pursuant to Puerto Rico Civil Code Article 1169 In no event will PREPA be obligated to release any individual Insurer unless and until it receives the respective several share of the Settlement Amount from that individual Insurer. PREPA shall ask its broker Lockton to use its best efforts to make sure that collection and payment of funds is done in an expeditious manner. In the event Lockton fails to use its best efforts to collect and pay the settlement funds, the requirement to pay interest shall not apply.

9. This Agreement is without admission of or prejudice to any of the Parties' positions, including PREPA's and/or Insurers' position regarding an offset under the Policies' Margin Clause, all of which continue to be reserved.

10. PREPA Releasors represent and warrant that (a) they have not assigned, pledged, or otherwise divested or encumbered all or any part of the Settlement Amount or any rights or obligations under the Policy, (b) no other person or entity has any interest in the Loss and Claim that are the subject of this Final Agreement and (c) no additional or other insured, contractor, sub-

contractor, expert, agent, public adjuster, representative, counsel, loss payee, mortgagee, or lienholder has any interest in the Settlement Amount.

11. PREPA Releasors and Insurers Releasees acknowledge that the payment being made in accordance with this Agreement is in compromise of disputed coverage demands and the payment is not an admission by the Parties regarding the coverage, scope, or availability of the Policies or any obligations that may exist under the Policies and/or otherwise.

12. Nothing contained in this Agreement shall constitute an admission or concession by Insurers Releasees or any of their representatives of any liability or wrongdoing, past, present, or future, nor shall any such liability or wrongdoing be implied by any payment made pursuant to this Agreement.

13. The validity, construction, interpretation, and enforceability of this Agreement shall be governed in all respects by the laws of the Commonwealth of Puerto Rico, without regard to its choice of law principles.

14. The United States Bankruptcy Court for the District of Puerto Rico ("PROMESA Court") in Proceeding No. 17 BK 4780-LTS shall have exclusive jurisdiction over any action arising out of or relating to this Agreement, including but not limited to any dispute relating to an Insurer's obligation to pay its proportionate share of the Settlement Amount; provided that, if PREPA's bankruptcy has terminated and the PROMESA Court no longer has jurisdiction over PREPA, the United States District Court for the District of Puerto Rico shall have exclusive jurisdiction over any disputes arising out of or relating to this Agreement. In any such action, each Party to this Agreement hereby consents to the personal jurisdiction of the PROMESA Court and the United States District Court for the District of Puerto Rico over them and waive any right to

object to venue in, or to seek a transfer from such Court. Each Party expressly agrees not to commence or maintain any such action in any other court or forum.

15. This Agreement constitutes the entire agreement of the Parties with respect to the subject matter hereof and cannot be altered or amended in any way except by written agreement signed by Insurers Releasees and PREPA Releasors.

16. Each signatory below represents and warrants that they have full power and authority to sign on behalf of and legally bind to this Agreement their respective principal.

17. If any provision of this Agreement is held to be unenforceable, such provision shall be distinct and severable from the other provisions included herein, and such unenforceability shall not affect the validity and enforceability of the remaining provisions.

18. If any provision of this Agreement is held to be unenforceable as written, but may be made enforceable by limitation, then such provision shall be enforceable to the maximum extent permitted by applicable law.

19. This Agreement may be executed in any number of counterparts (including photocopies, faxes, electronic signatures, or .pdfs), each of which shall be deemed to be an original, but all of which taken together shall constitute one and the same instrument.

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WITNESS WHEREOF, the legally authorized representatives for the respective Parties have executed this agreement.

PUERTO RICO ELECTRIC POWER AUTHORITY

By Josué A. Colón-Ortiz, Executive ~~Director~~

Date: _____

INSURERS LISTED IN ANNEX A EXCEPT MAPFRE

By _____ - counsel

Date: December 18, 2023

MAPFRE

By _____
Senior VP Technical Area P&C MAPFRE PRAICO

Date: 12/18/2023

ANNEX A

Lead Insurer	Policy / Slip No.	Share of $50,858,030 Payment Amount
SCOR (GSINDA)	FA0033265	$1,271,450.75
Starr Specialty Lines Insurance Agency, LLC	B0804Q14312F17	$3,305,771.95
Ironshore Ins. Ltd. (Bermuda)	B0804Q18411F17	$1,547,864.14
Ironshore Ins. Ltd. (Bermuda)	BO804Q14310F17	No payment owed
RiverStone Managing Agency Limited for and on behalf of all the underwriting members of Lloyd's Syndicate 3500 for and on behalf of all underwriting members of Lloyd's Syndicate 2987	B0804Q14312F17	$1,525,740.90
Brit Syndicates Limited, of 122 Leadenhall Street, London, EC3V 4AB, UK, for and on behalf of the underwriting members of Lloyd's Syndicate No. 2988	B0804Q14312F17	$762,870.45
Lancashire Insurance & Cathedral Underwriting Ltd. (Lloyd's Syndicate MMX 2010)	B0804Q15529F19	$773,906.64
Hamilton at Lloyd's Syndicate 3334	B0804Q18529F17	$619,145.66
Argenta Syndicate Management Limited - Syndicate 2121	B0804Q14312F17	$3,814,352.25
Starstone Syndicate 1301	B0804Q11038F17	No payment owed
Multinational (XL Catlin)	B0804Q14312F17	$1,017,160.60
Aspen Ins. UK Ltd.	PWAHAAA17C0L	$1,271,450.75
Aspen Ins. UK Ltd.	PWAHAAA17A0L	No payment owed
NOA 3902 (ARK)	B0804Q19674F17	No payment owed
HDU 382 (CNA Hardy)	B0804Q19674F17	No payment owed
MSP/CinFin	B0804Q19669F17	No payment owed

RiverStone Managing Agency Limited for and on behalf of all the underwriting members of Lloyd's Syndicate 3500 for and on behalf of all underwriting members of Lloyd's Syndicate 2001	B0804Q19673F17	$508,580.30
Talbot Underwriting Ltd – Syndicate 1183	B0804Q19672F17 and B0804Q18529F17	$619,145.66
Multinational (Helvetia Inc. MB)	B0804Q11098F17	No payment owed
Freberg Environmental Inc., underwriting on behalf of Lloyd's Syndicates 1955 and 1458	B080115631H17	$3,305,771.95
MAPFRE	139817800644	$30,514,818.00
Multinational Insurance Co.	88-CP-00307831-2	No payment owed

Anejo B – Certification of Settlement Proceeds

PUERTO RICO
ELECTRIC POWER AUTHORITY

PREPA

GOVERNMENT OF PUERTO RICO

CERTIFICATION OF SETTLEMENT PROCEEDS

This certification is issued in response to the information request from the Puerto Rico Energy Bureau, in Case No. NEPR-IN-2020-0003, received on August 21, 2026, regarding the deliberative process related to the insurance claims.

I hereby certify that, according to the books and records of the Puerto Rico Electric Power Authority ("PREPA"), PREPA has received an aggregate amount of Two Hundred Sixty-One Million Two Hundred Fifty Thousand Dollars ($261,250,000.00) in settlement proceeds pursuant to its settlement agreements with MAPFRE and various London Syndicates in connection with PREPA's insurance claims.

I further certify that no outstanding payments are due or pending to be received under such settlement agreements.

In San Juan, Puerto Rico, today, October 1, 2026.

Juan Carlos Adrover Ramírez
Comptroller

Anejo C - Resolución Núm. 5243 de la Junta de Gobierno de la AEE

PUERTO RICO
ELECTRIC POWER AUTHORITY

PREPA

GOVERNMENT OF PUERTO RICO

RESOLUTION 5243

APPROVAL OF SETTLEMENT BETWEEN PREPA AND EVEREN INSURANCE LTD. REGARDING HURRICANE MARÍA INSURANCE CLAIM

WHEREAS: The Puerto Rico Electric Power Authority (PREPA) is a public corporation and an instrumentality of the Government of Puerto Rico created by Act No. 83 of May 2, 1941, as amended (Act No. 83). PREPA was created to provide electrical energy in a reliable way contributing to the general welfare and sustainable future of the people of Puerto Rico, maximizing benefits and minimizing social, environmental, and economic impacts. In addition, it provides a service based on affordable, fair, reasonable, and non-discriminatory costs consistent with environmental protection, non-profit, focused on citizen participation, and its clients.

WHEREAS: PREPA purchased all-risk property insurance coverage for the 2017-2018 policy period, including excess coverage issued by Oil Insurance Limited, now known as Everen Insurance Ltd. (Everen), under Policy No. 2003-261 (the "Policy").

WHEREAS: Everen issued to PREPA an insurance policy bearing the number 2003-261 for the period January 1, 2017, to December 13, 2017 (Policy), which included limits of liability of $250,000,000 each Onshore Excess Pool occurrence and is subject to a $300,000,000 deductible.

WHEREAS: Hurricane Maria made landfall on the island of Puerto Rico on September 20, 2017, causing damage to PREPA's property and power infrastructure. Hurricane Maria was preceded by Hurricane Irma, which made landfall on September 6, 2017, and caused damage to PREPA's property and power infrastructure.

WHEREAS: PREPA submitted claims to its insurers, including Everen, for losses and damages sustained as a result of Hurricane María.

WHEREAS: PREPA has already recovered approximately $261,250,000 through negotiated settlements with insurers participating in the primary layer property insurance program applicable to the 2017-2018 policy period.

WHEREAS: Following extensive negotiations and claim adjustment proceedings, Everen has offered to settle PREPA's Hurricane María claim under the Policy through a net settlement payment of $150,000,000, representing the maximum net recovery available under the Policy after application of the Policy's retrospective premium adjustment provisions.

WHEREAS: PREPA's legal counsel, McGuireWoods LLP, has reviewed the proposed settlement and recommended that PREPA accept the settlement offer as a favorable resolution of the disputed insurance claim.

WHEREAS: The proposed settlement remains subject to any required approvals by the Financial Oversight and Management Board for Puerto Rico (FOMB), the Title III Court, and any other applicable governmental or regulatory entities.

THEREFORE: In accordance with Act 83, PREPA's Governing Board resolves to:

1. PREPA's Executive Director is hereby authorized to execute the settlement agreement and all ancillary documents necessary to implement and finalize the settlement, subject to any required approvals by the FOMB, the Title III Court, and any other applicable governmental or regulatory entities.

Approved in San Juan, Puerto Rico, on this 5th day of June thousand twenty-six.

Maricarmen Boria- Goitía
Corporate Secretary

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