

FINANCIAL OVERSIGHT & MANAGEMENT BOARD FOR PUERTO RICO



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Executive Director

BY ELECTRONIC MAIL

May 8, 2021

The Honorable José Luis Dalmau Santiago
President of the Senate of Puerto Rico

The Honorable Rafael Hernández Montañez
Speaker of the House of Representatives of Puerto Rico

Dear President Dalmau Santiago and Speaker Hernández Montañez:

The Oversight Board hereby acknowledges receipt of the letter dated May 7, 2021 from the Speaker of the House, in which he asserts, among other things: (1) the deadlines established pursuant Section 202(a) of PROMESA in the Oversight Board's May 4, 2021 letter to develop, submit, approve and certify the Budget for PREPA Reserve Account Funding "are unachievable under the constitutional scheme of our legislative process"; and (2) the Legislative Assembly "cannot, in good faith, approve any joint resolutions that would enable LUMA's operation to begin."

The Oversight Board could, at this time, under the process provided in PROMESA, certify the revised Budget for the PREPA Reserve Account Funding pursuant to Section 202(e)(3) of PROMESA and it would be deemed to be approved by the Governor and the Legislature under PROMESA. Instead, the Oversight Board has decided to issue a Notice of Violation, pursuant to Section 202(d)(1)(B) of PROMESA, to give the Legislature a further opportunity to adopt a compliant budget.

Accordingly, the Oversight Board hereby provides the Legislative Assembly an extension until 11:59 a.m. (Atlantic Standard Time) on May 12, 2021 (the "Deadline") to adopt a compliant budget and submit it to the Oversight Board.

If the Legislative Assembly fails to adopt and submit a budget that the Oversight Board determines, in its sole discretion, is a compliant budget pursuant to Section 202(d) of PROMESA, the Oversight Board shall certify the Budget for the PREPA Reserve Account Funding and it shall be deemed approved by the Governor and the Legislature under section 202(e) of PROMESA.

Honorable José Luis Dalmau Santiago
Honorable Rafael Hernández Montañez
May 8, 2021
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The Oversight Board looks forward to working with you to accomplish the requirements and goals of PROMESA for the benefit of the people of Puerto Rico.

Sincerely,



Natalie A. Jaresko

CC: Honorable Pedro Rafael Pierluisi Urrutia
Honorable Francisco Parés Alicea
Mr. Omar Marrero Díaz
Mr. Juan C. Blanco Urrutia