

RESOLUTION 2022-004

RESOLUTION OF THE NEW MEXICO RENEWABLE ENERGY TRANSMISSION AUTHORITY PROVIDING CONSENT TO THE SALE OF SUNZIA TRANSMISSION, LLC, A DELAWARE LIMITED LIABILITY COMPANY, AS REQUIRED BY SECTION 9.01 OF THE DEVELOPMENT, ACQUISITION, LEASE AND SUB-EASEMENT AGREEMENT RELATED TO THE SUNZIA SOUTHWEST TRANSMISSION PROJECT; RATIFYING PRIOR ACTIONS CONSISTENT WITH THIS RESOLUTION AND REPEALING PRIOR INCONSISTENT ACTION; AND AUTHORIZING THE TAKING OF ALL OTHER ACTIONS NECESSARY TO THE CONSUMMATION OF THE TRANSACTIONS CONTEMPLATED BY THIS RESOLUTION AND RELATED MATTERS.

Capitalized terms used in the following recitals have the meaning defined in the following recitals and have such meaning when used in this Resolution unless the context requires otherwise.

WHEREAS, the New Mexico Renewable Energy Transmission Authority (“RETA”) is charged with implementing the New Mexico Renewable Energy Authority Transmission Act, NMSA 1978, § 62-16A-1, et seq. (the “Act”), and, in connection therewith, facilitating the development of eligible facilities (as defined in the Act) located entirely or in part within the State of New Mexico;

WHEREAS, RETA has determined that it is in furtherance of its statutory purpose to develop with SunZia Transmission LLC, a Delaware limited liability company (“SunZia”), the SunZia Southwest Transmission Project which will consist of up to two (2) electric transmission lines and related facilities (the first transmission line, if built, “Line 1,” and the second transmission line, if built, “Line 2,” and either, a “Line,” or collectively, the “Lines”) configured as either a nominal 500 kV alternating current (“AC”) facility or a nominal 525 kV direct current (“DC”) facility, with the intent of locating both transmission lines within a single 200-foot right-of-way for Line 1 and a single 250-foot right-of-way for Line 2, where possible, or in certain and limited circumstances as a double circuit line of an either nominal 500 kV AC facility or nominal 525 kV DC facility for Line 1 and an either nominal 500 kV AC facility or nominal 525 kV DC facility for Line 2, which Lines will originate in the wind energy resource area near Corona, New Mexico at a new station called SunZia East and span 550 miles to its western terminus at the existing 500 kV station called Pinal Central near Coolidge, Arizona (the “Project”);

WHEREAS, the “Project” refers to and is limited to the approximately 350-mile portions of Line 1, if constructed, and Line 2, if constructed, that traverse the State of New Mexico, through Torrance, Socorro, Valencia, Sierra, Grant, Luna, and Hidalgo counties;

WHEREAS, in connection with the development of the Project, RETA and SunZia entered into a Development, Acquisition, Lease and Sub-Easement Agreement dated effective March 15, 2021, as amended by a First Amendment to the Development, Acquisition, Lease and Sub-Easement Agreement, dated as of May 19, 2021, by a Second Amendment to the Development Acquisition, Lease and Sub-Easement Agreement dated as of August 1, 2021, and by a Third Amendment to the Development Acquisition, Lease and Sub-Easement Agreement dated as of April 19, 2022 (collectively, the “Lease”);

WHEREAS, SunZia is wholly owned by Southwestern Power Group II, LLC, a Delaware limited liability company, and ECP SunZia, LLC, a Delaware limited liability company (collectively, the "Sellers");

WHEREAS, the Sellers are wholly owned indirect subsidiaries of MMR Group, Inc. ("MMR"), a Louisiana corporation;

WHEREAS, the Sellers have agreed to sell SunZia and all rights, interests, duties, and obligations of SunZia, including the rights, interests, duties, and obligations under the Lease to Pattern SC Holdings LLC, a Delaware limited liability company, ("Pattern");

WHEREAS, MMR desires to retain all rights, interests, duties, and obligations of SunZia to Line 2, including the rights, interests, duties, and obligations under Lease with respect to Line 2; and

WHEREAS, Section 9.01 of the Lease prohibits SunZia from transferring, selling, or assigning more than fifty percent (50%) of the ownership interest of SunZia without the prior consent of the RETA, which consent shall not be unreasonably withheld, conditioned or delayed.

NOW, THEREFORE, BE IT RESOLVED, by the Board of Directors of RETA (the "Governing Body"), as follows:

Section 1. Ratification. All actions heretofore taken, not inconsistent with the provisions of this Resolution, by RETA, its Governing Body, officers, employees and agents, related to the Project are hereby ratified, approved and confirmed.

Section 2. Consent to Sale of Membership Interests in SunZia. The sale of one hundred percent (100%) of the membership interests in SunZia to Pattern by the Sellers is consented to by RETA as required by Section 9.01 of the Lease and the execution and delivery of the Consent to Acquisition and Assignment made by RETA (the "Consent") and the Acknowledgement of Line 2 Rights Reservation made by RETA (the Acknowledgement" and, together with the Consent, the "RETA Documents"), in substantially the form submitted to the Governing Body, and the consummation of the transactions and the performance of RETA's obligations contemplated by the RETA Documents thereunder are hereby authorized and approved. The Chairman of RETA or, in the absence of the Chairman, any voting member of the Governing Body of RETA (each a "Proper Officer"), each of whom may act without the joinder of the other, are hereby authorized, empowered and directed, in the name and on behalf of RETA, to execute and deliver the RETA Documents, with such changes, insertions and omissions as any such Proper Officer may deem necessary, appropriate or advisable, the execution and delivery of the RETA Documents, by any such Proper Officer with any changes, insertions or omissions thereto, to be conclusive evidence that such Proper Officer deemed such changes to meet such standard.

Section 3. Severability Clause. If any section, paragraph, clause or provision of this Resolution shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of

such section, paragraph, clause or provision shall not affect any of the remaining provisions of this Resolution.

Section 4. No Recourse and Liability. All covenants, stipulations, obligations and agreements of RETA contained in this Resolution, and in the documents hereby authorized, shall be deemed to be the covenants, stipulations, obligations and agreements of RETA, and all such covenants, stipulations, obligations and agreements shall be binding upon RETA, and, except as otherwise provided in this Resolution and such documents, all rights, powers and privileges conferred, and duties and liabilities imposed, upon RETA by the provisions of this Resolution, and in the documents hereby approved, shall be exercised or performed by RETA; provided that no covenant, stipulation, obligation or agreement herein contained or contained in any document hereby approved and authorized for execution shall be deemed to be a covenant, stipulation, obligation or agreement of any officer, director, member, agent or employee of RETA in his or her individual capacity, and neither the members of RETA nor any officials executing the RETA Documents shall be liable personally under the RETA Documents.

Section 5. Inconsistent Prior Resolution; Effective Date. All orders, resolutions, or proceedings in conflict with provisions of this Resolution shall be, and the same hereby are, repealed, rescinded, and set aside, but only to the extent of such conflict. This Resolution shall become effective immediately upon the adoption hereof.

Section 6. Section Headings. The headings or titles to the several sections hereof shall be solely for the convenience of reference and shall not affect the meaning or construction, interpretation, or effect of this Resolution.

The foregoing Resolution of the Governing Body of RETA was adopted and approved by RETA on June 24, 2022.



Name: Jeremy Lewis
Title: Member, RETA Board