

RESOLUTION 2023-009

RESOLUTION OF THE NEW MEXICO RENEWABLE ENERGY TRANSMISSION AUTHORITY APPROVING AND AUTHORIZING THE EXECUTION OF A CONSENT AND AGREEMENT (RETA LEASE AGREEMENT) AND ANY ADDITIONAL DOCUMENTS RELATED TO THE FINANCING OF THE SUNZIA SOUTHWEST TRANSMISSION PROJECT - LINE 1 ; 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 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”), a project known as the SunZia Southwest Transmission Project, consisting of a 525kV HVDC transmission line and associated facilities located in New Mexico and Arizona, which will originate in the wind energy resource area near Corona, New Mexico at a new station called SunZia East and span approximately 550 miles to the western terminus at the existing 500kV 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 that traverses 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 are parties to an Amended, Restated, and Bifurcated Development, Acquisition, Lease and Sub-Easement Agreement – Line 1 (the “Lease”);

WHEREAS, to finance the construction of the Project, SunZia Finco LLC, a Delaware limited liability company (the “Borrower”), and the subsidiaries of the Borrower, including SunZia, as guarantors, will enter into a (1) Financing Agreement (the “Financing Agreement”) with the financial institutions from time to time party thereto as lenders and letter of credit issuers; and MUFG Bank, Ltd., as administrative agent; and (2) a Collateral Agent, Pledge and Security Agreement with DEUTSCHE BANK NATIONAL TRUST COMPANY, as the collateral agent for the Secured Parties (as defined in the Construction Financing Agreement)(in such capacity, the “Construction Collateral Agents”);

WHEREAS, to finance the operation of the Project, SunZia will enter into a (1) Financing Agreement (the “Term Loan Financing Agreement”, and together with the

Construction Financing Agreement, the “Financing Agreements”) with the financial institutions from time to time party thereto as lenders and letter of credit issuers; and MUFG Bank, Ltd., as administrative agent; and (2) a Security Agreement with DEUTSCHE BANK NATIONAL TRUST COMPANY, as the collateral agent for the Secured Parties (as defined in the Term Loan Financing Agreement) (in such capacity, the “Term Loan Collateral Agent”, and together with the Construction Collateral Agent, the “Collateral Agents”);

WHEREAS, as part of the collateral for the loans to be made under the Financing Agreements, SunZia will collaterally assign all of its right, title and interest in, to and under the Lease to the Construction Collateral Agent prior to the Construction Loan Discharge Date (as defined in the Consent) and to the Term Loan Collateral Agent on and following the Construction Loan Discharge Date; and

WHEREAS, the Collateral Agents require that RETA consent to the collateral assignments and make certain other agreements as provided in the Consent and Agreement (RETA Lease Agreement) among RETA, SunZia and the Collateral Agents (the “Consent”).

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

Section 1. Definitions. In addition to the terms defined in the recitals to this Resolution, the following terms have the meanings given below:

“Additional Documents” any other documents to be executed by RETA in connection with the Consent or otherwise related or incidental to the transactions contemplated by the Financing Agreement.

“Documents” means, collectively, the Consents and the Additional Documents.

Section 2. 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 3. Approval of Consent; Authorization and Execution of Documents.

A. The Consent is hereby approved. RETA hereby authorizes, empowers and directs each of the directors, officers and employees of RETA, and its counsel and advisors, to carry out or cause to be carried out, and to perform, such obligations of RETA and such other actions as they, in consultation with RETA's counsel and advisors, shall consider necessary or advisable in connection with the Project and the transactions described in the Documents

B. The execution and delivery of the Consent in substantially the form submitted to the Governing Body and the consummation of the transactions and the performance of RETA's obligations contemplated thereunder are hereby authorized and approved. The Chairman or, in the absence of the Chairman, Jeremy Lewis, a member of the Governing Body (each a “Proper Officer”), any one of whom may act without the joinder of any of the others, are hereby authorized, empowered and directed, in the name and on behalf of RETA, to execute and deliver the Documents with such changes, insertions and omissions as any such Proper Officer,

may deem necessary, appropriate or advisable, the execution and delivery of the 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 4. 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 5. 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 Documents shall be liable personally under the Documents.

Section 6. 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 7. 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 was adopted and approved by RETA on November 29, 2023.



Robert E. Busch
Chairman