

**CONCHO COUNTY HOSPITAL DISTRICT
MEETING MINUTES**

**STATE OF TEXAS
COUNTY OF CONCHO**

1. Call to Order

The Concho County Hospital Board of Directors met in Eden, Texas at the Concho County Hospital Dining Room on March 6, 2020 at 1:38 PM.

Board of Directors:	Brent Frazier	President
	Mary Castanuela	Member
	Richard Doane	Member
	Ricky Thomas	Member
Others Present:	Priscilla Aguirre	Hospital Operations Manager
	Melanie Lozano	Finance Manager

2. Open Forum for Public Comment

There was no comment from the public.

3. Approval of Proposed Election Agreement

The Board was informed that there is only one fee (\$1,500 deposit and estimate of \$2,500 for the election), but 2 contracts that need to be signed, one with the City of Eden and one with Paint Rock ISD. Mr. Thomas moved to approve the proposed election agreement as presented. Mr. Doane seconded, passed 4-0.

4. Approve Consent to Collateral Assignment for Maverick Wind Farm

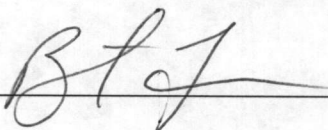
Mr. Frazier explained that they changed the verbiage from the original agreement to using their \$10 billion to secure the loan to finish the building. The County has already approved it. Mrs. Castanuela made a motion to approve consent to collateral assignment for Maverick Wind Farm. Mr. Thomas seconded the motion. Motion passed 4-0.

5. Executive Session

There was no need for executive session at this meeting.

6. Adjournment

Mrs. Castanuela made a motion to adjourn the meeting at 1:44pm. Mr. Doane seconded the motion, with everyone in favor.



Date 3/24/2020



MAVERICK CREEK WIND PROJECT

CONCHO COUNTY, TEXAS

Request to Concho County Hospital District

Maverick Creek Wind, LLC, requests that the Hospital District sign a Consent to Collateral Assignment in the form requested by the construction lenders for the Maverick Creek Wind Project, granting to the lenders a security interest in the Tax Abatement Agreement between the Hospital District and Maverick Creek Wind, for the time during which the construction loan remains outstanding.

Project Background

The Maverick Creek Wind Project is an approximately 492 megawatt wind project being constructed in Concho County, Texas.

The Project is owned by Maverick Creek Wind, LLC, which itself is owned jointly by RES Americas and Algonquin Power & Utilities Corp. RES Americas is a U.S. market leader in renewable energy, having developed and/or constructed approximately 10% of the wind generating capacity in the United States, including several large projects in Texas. Algonquin is diversified power generation and utility company, with total assets in excess of \$10 billion, the stock of which is traded on the New York and Toronto Stock Exchanges. In addition to serving nearly a million utility customers across the United States, Algonquin has built, and owns and operates, more than 2,000 megawatts of renewable power generation, with an additional 1,300 megawatts under construction and expected to commence operations in 2020.

In order to help make the Project financially competitive with other investment opportunities, in 2019 Maverick Creek entered into tax abatement agreements with Concho County and the Hospital District, and a similar agreement with the Eden Consolidated Independent School District.

On-site construction of the project has now begun, and will be financed during construction under a nearly \$500 million construction loan, which will be repaid with additional equity funding upon completion of the Project in the fall of 2020.

Collateral Assignment

The construction loan is structured in a manner customary for wind projects, with the lenders receiving a mortgage and security interest in the assets that comprise the Project and in key contracts relating to the Project. Those contracts include the three tax abatement agreements.

A security interest in a contract (as opposed to a physical asset) is granted by way of "collateral assignment" of the contract by Maverick Creek to the lender's Collateral Agent (CIBC). A collateral assignment, or assignment as collateral security, is not an outright assignment of the contract but, like a typical home mortgage, grants to the secured party the right to step into the shoes of Maverick Creek in the unlikely event of a foreclosure, and grants the secured party related rights, such as the right to cure a default by Maverick Creek.



The tax abatement agreements with the Hospital District and the County require consent for an assignment of the tax abatement agreement by Maverick Creek. Although, as noted above, a collateral assignment stops short of an outright assignment, the language in the tax abatement agreements with the Hospital District and County do not expressly permit a "collateral assignment" (the agreement with the Eden Consolidated Independent School District does).

As a result, the lenders have requested that the Hospital District and the County sign a "consent to Collateral Assignment" in the form provided (identical for the Hospital District and the County), which is typical for these types of consents.

We note, in particular, that if the lenders were to step into the shoes of Maverick Creek Wind as a result of a foreclosure, the requested Consent does not permit the lenders to assign the Tax Abatement Agreement to a third party without the further approval of the Hospital District.

The County has approved and signed the Consent for the County Tax Abatement Agreement. Although the loan is scheduled to close on Friday, February 21, the lenders agreed to allow Maverick Creek additional time to obtain the Consent from the Hospital District, due to the timing of the regularly scheduled Hospital District Board meeting.

Thank you in advance for your assistance. Please do not hesitate to contact us if you have any questions.

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