

AMENDMENT NO. 2
TO AGREEMENT FOR LIMITATION ON APPRAISED VALUE OF PROPERTY FOR
SCHOOL DISTRICT MAINTENANCE AND OPERATIONS TAXES
BETWEEN REAGAN COUNTY INDEPENDENT SCHOOL DISTRICT
AND SANTA RITA WIND ENERGY LLC
(Comptroller Application No. 1103)

This **AMENDMENT NO. 2 TO THE AGREEMENT FOR LIMITATION ON APPRAISED VALUE OF PROPERTY FOR SCHOOL DISTRICT MAINTENANCE AND OPERATIONS TAXES** (this “**Amendment No. 2**”) is entered into by and between **REAGAN COUNTY INDEPENDENT SCHOOL DISTRICT** (the “**District**”), a lawfully created independent school district of the State of Texas operating under and subject to the TEXAS EDUCATION CODE, and **SANTA RITA WIND ENERGY LLC**, a Texas limited liability company, Texas Taxpayer Identification Number 32057805403 (“**Applicant**”). The Applicant and the District may hereafter be referred together as the “**Parties**” and individually as a “**Party**.” Undefined capitalized terms herein shall have the meaning given to them in the Agreement (as defined below).

WHEREAS, on or about May 9, 2016, pursuant to Chapter 313 of the TEXAS TAX CODE, after conducting a public hearing on the matter, the District made factual findings (the “**Findings of Fact**”), and passed, approved, and executed that certain Agreement for Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes dated May 9, 2016, by and between the District and the Applicant as amended by Amendment No. 1 dated December 12, 2016 (the “**Agreement**”).

WHEREAS, due to an expected delay in the Applicant’s construction schedule, the Parties agreed in Amendment No. 1 that the start date of the Tax Limitation Period would be postponed until January 1, 2019; however, the Applicant has successfully reduced the expected delay to the construction schedule and now seeks to expedite the start date of the Tax Limitation Period to January 1, 2018. In conjunction with the change to the start date of the Tax Limitation Period, the Parties desire to modify the definition of “Commercial Operation” in the Agreement. Pursuant to Section 10.2 of the Agreement, the Parties desire and have agreed to (i) expedite the start date of the Tax Limitation Period to January 1, 2018, and to amend Sections 2.3.D, Section 2.3.E and EXHIBIT 5 of the Agreement to reflect this change and (ii) modify the definition of “Commercial Operation”, which requires deleting the definition in Section 1.1 and adding a negotiated definition in Section 1.2 of the Agreement;

WHEREAS, the Parties notified the Comptroller of the Amended Application and the request for this Amendment No. 2 on September 19, 2017, and the Comptroller issued its notice of completeness letter on September 22, 2017, issued its amended certification of the Amended Application on October 4, 2017, and approved the form of this Amendment No. 2 on October 4, 2018; and

WHEREAS, on November 13, 2017, after conducting a public hearing and providing interested persons an opportunity to be heard on the matter, the Board of Trustees determined that this Amendment No. 2 is in the best interest of the District and the State of Texas and is consistent with and authorized by Chapter 313 of the TEXAS TAX CODE, and has hereby approved this

Amendment No. 2 and authorized the District's representative, whose signature appears below, to execute and deliver such Amendment No. 2 to the Applicant.

NOW, THEREFORE, in consideration of the foregoing recitals, the mutual benefits to be derived by the Parties and other good and valuable considerations, the receipt and adequacy of which are hereby acknowledged, and in compliance with Section 10.2 of the Agreement, the undersigned Parties intending to be legally bound, do hereby covenant and agree to amend the Agreement as follows:

1. **Amendments.**

- a. **Section 1.1.** The definition of "Commercial Operation" is deleted in its entirety.
- b. **Section 1.2.** The following definition of "Commercial Operation" is hereby added to Section 1.2 as a negotiated definition:

"Commercial Operation" means the date on which all or a portion of the Project becomes capable of being operational for the purpose of generating electricity, which is further defined by the following events:

A. The Project has been fully or substantially constructed, tested or is in the process of being tested, and is capable of generating electricity in any quantity;

B. The Project has received written confirmation from the grid operator for anticipated interconnection, integration, and synchronization of the project with the grid or is connected to the grid; and,

C. The Project has obtained or is in the process of obtaining all permits, required approvals, and has met or is in the process of meeting all requirements necessary for safely and reliably generating electricity and delivering electricity onto the grid.

- c. **Section 2.3.D.** Section 2.3.D of the Agreement is deleted in its entirety and replaced with the following:

D. The Tax Limitation Period for this Agreement:

- i. Starts on January 1, 2018, first complete Tax Year that begins after the date of the commencement of Commercial Operation; and,
- ii. Ends on December 31, 2027.

- d. **Section 2.3.E.** Section 2.3.E of the Agreement is amended to reflect that the Final Termination Date for this Agreement is December 31, 2032.
- e. **EXHIBIT 5.** Exhibit 5 of the Agreement shall be deleted and replaced with the Agreement Schedule attached hereto.

2. **Effect.** Except as modified and amended by the terms of this Amendment No. 2, all of the terms, conditions, provisions and covenants of the Agreement are ratified and shall remain in full force and effect, and the Agreement and this Amendment No. 2 shall be deemed to constitute a single instrument or document. Should there be any inconsistency between the terms of this Amendment No. 2 and the Agreement; the terms of this Amendment No. 2 shall prevail. A copy of this Amendment No. 2 shall be delivered to the Reagan County Appraisal District and to the Texas Comptroller to be posted to the Texas Comptroller's internet website. A copy of this Amendment shall be recorded with the official Minutes of the meeting at which it has been approved, and a copy of this Amendment shall also be recorded with the Findings of Fact in the official Minutes of the meeting of May 9, 2016.

3. **Binding on Successors and Assigns.** The Agreement, as amended by this Amendment No. 2, shall be binding upon and inure to the benefit of the Parties and each other person and entity having any interest therein during their ownership thereof, and their respective successors and assigns.

4. **Counterparts.** This Amendment No. 2 may be executed in counterparts, each of which shall be deemed an original and all of which when taken together shall constitute one and the same document.

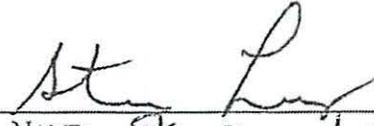
IN WITNESS HEREOF, the District and Applicant have caused this Amendment No. 2 to be executed and delivered by their duly authorized representatives as of the Effective Date.

[signatures follow in next page]

APPROVED AND EFFECTIVE as of the 13th day of November, 2017.

REAGAN COUNTY INDEPENDENT SCHOOL
DISTRICT

SANTA RITA WIND ENERGY LLC

BY: 
NAME: Steve Long
TITLE: Supt

BY: 
NAME: Steven D. Ryder
TITLE: Vice President

DISTRICT ATTEST:

DATE: 12/11/2017

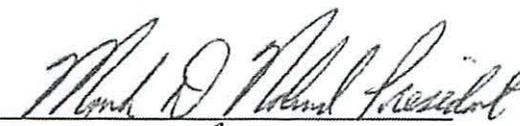
BY: 
NAME: Mark D. Nelson
TITLE: President

EXHIBIT 5

AGREEMENT SCHEDULE

	<u>Year of Agreement</u>	<u>Date of Appraisal</u>	<u>School Year</u>	<u>Tax Year</u>	<u>Summary Description</u>
Limitation Pre-Years	1	January 1, 2016	2016-17	2016	Limitation Pre-Year, QTP begins May 9, 2016
	2	January 1, 2017	2017-18	2017	Limitation Pre-Year, QTP year 1
Limitation Period (10 Years)	3	January 1, 2018	2018-19	2018	\$25 million appraisal limitation, QTP ends December 31, 2018
	4	January 1, 2019	2019-20	2019	\$25 million appraisal limitation
	5	January 1, 2020	2020-21	2020	\$25 million appraisal limitation
	6	January 1, 2021	2021-22	2021	\$25 million appraisal limitation
	7	January 1, 2022	2022-23	2022	\$25 million appraisal limitation
	8	January 1, 2023	2023-24	2023	\$25 million appraisal limitation
	9	January 1, 2024	2024-25	2024	\$25 million appraisal limitation
	10	January 1, 2025	2025-26	2025	\$25 million appraisal limitation
	11	January 1, 2026	2026-27	2026	\$25 million appraisal limitation
	12	January 1, 2027	2027-28	2027	\$25 million appraisal limitation
Maintain a Viable Presence (5 Years)	13	January 1, 2028	2028-29	2028	No appraisal limitation; must maintain a viable presence
	14	January 1, 2029	2029-30	2029	No appraisal limitation; must maintain a viable presence
	15	January 1, 2030	2030-31	2030	No appraisal limitation; must maintain a viable presence
	16	January 1, 2031	2031-32	2031	No appraisal limitation; must maintain a viable presence
	17	January 1, 2032	2032-33	2032	No appraisal limitation; must maintain a viable presence

Agreement for Limitation on Appraised Value
 Between Reagan County ISD and Santa Rita Wind Energy LLC
 (App No. 1103), November 13, 2017
 Exhibit 5

*Texas Economic Development Act Agreement
 Comptroller Form 50-826 (January 2016)*