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October 24, 2016

Ms. Desiree Caufield
Research Analyst
Economic Analysis
Local Government Assistance and Economic Development Division
Texas Comptroller of Public Accounts
LBJ State Office Building
111 E. 17th Street
Austin, TX 78774

Via Email and Federal Express

Re: App. No. 1107 –Panhandle ISD-Grandview Wind Farm III, LLC

Dear Ms. Caufield:

Enclosed please find a hard copy of the fully executed Amendment No. 1 to the Agreement for Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes between the above-noted parties. A CD containing this document is also enclosed.

Please feel free to contact us if you require anything further.

Sincerely,

A handwritten signature in blue ink that reads "Fred A. Stormer".

Fred Stormer

FS/ph
Encl.
KPAHNRVT0DDBC3

**AMENDMENT NO. 1 TO LIMITATION ON APPRAISED VALUE AGREEMENT
FOR PANHANDLE INDEPENDENT SCHOOL DISTRICT
(Texas Comptroller’s Application No. 1107)**

This **AMENDMENT NO. 1 TO LIMITATION ON APPRAISED VALUE AGREEMENT FOR PANHANDLE INDEPENDENT SCHOOL DISTRICT** (this “**Amendment**”), is entered into to be effective as of October 19, 2016, by and between Grandview Wind Farm III, LLC, a Delaware limited liability company, Texas Taxpayer Identification Number 32052353995 (the “**Applicant**”), and Panhandle Independent School District (the “**District**”). The Applicant and the District may hereafter be referred to as, together, the “**Parties**” and each, a “**Party**”.

WITNESSETH:

WHEREAS, on or about September 27, 2016, pursuant to Chapter 313 of the Texas Tax Code, after conducting a public hearing on the matter, the District made factual findings, and passed, approved, and executed that certain Limitation on Appraised Value Agreement for Panhandle Independent School District dated September 27, 2016, by and between the District and the Applicant (the “**Agreement**”), covering property within the Carson County Reinvestment Zones Nos. 7, 9 and 10 created pursuant to Code §312.0025 by action of the Carson County Commissioners Court and as further described by the description and/or depiction of said Reinvestment Zone attached to the Agreement as Exhibit 1 (collectively the “**Carson County Reinvestment Zone**”).

WHEREAS, in addition to the Agreement, Applicant is also separately seeking to amend (i) that certain Limitation on Appraised Value Agreement (Texas Comptroller’s Applications No. 1109) for White Deer Independent School District (“**White Deer ISD**”) dated September 19, 2016, by and between White Deer ISD and Applicant (the “**White Deer Agreement**”), and (ii) that certain Limitation on Appraised Value Agreement (Texas Comptroller’s Applications No. 1108) for Groom Independent School District (“**Groom ISD**”) dated September 26, 2016, by and between Groom ISD and Applicant (the “**Groom Agreement**”), and covering property within the Carson County Reinvestment Zone.

WHEREAS, pursuant to Section 10.2 of the Agreement and Texas Comptroller Rule §9.1054(g) (34 TEXAS ADMIN. CODE § 9.1054(g)) as in effect on the date when the Application was determined to be complete, the District and the Applicant desire and have agreed to amend Section 2.3.D. (Tax Limitation Period), Section 2.3.E. (Final Termination Date), and the Limitation Pre-Years, the Limitation Period, and the Period for Maintaining a Viable Presence included in Exhibit 5 (Description of Limitations Schedule) of the above-referenced Agreement. More specifically, while the Agreement correctly defines the Qualifying Time Period as a 2-plus Tax Year period in accordance with § 313.021(4)(A) of the Texas Tax Code, the Application and Section 2.3.D. (Tax Limitation Period), Section 2.3.E. (Final Termination Date), and the Limitation Pre-Years, the Limitation Period, and the Period for Maintaining a Viable Presence included in Exhibit 5 to the Agreement identify the Tax Limitation Period as commencing on January 1, 2017, which was the originally projected first

Tax Year after the anticipated Commercial Operation date; however, Commercial Operation is no longer anticipated to be completed by such date. Section 313.027(a-1)(2) of the Texas Tax Code specifies the dates when the Tax Limitation Period may begin.¹ The Tax Limitations Period for the Agreement should commence on January 1, 2019, which is January 1 of the first tax year that begins after the Qualifying Time Period. As a result, the 10-year Tax Limitation Period and the post-year Period for Maintaining a Viable Presence, and the Final Termination Date for the Agreement are incorrect by 2 years. The amended Tax Limitation Period, Limitation Pre-Years, the Limitation Period, and the Period for Maintaining a Viable Presence are reflected in the attached Exhibit 5 to this Amendment.

WHEREAS, the Parties notified the Comptroller of the Amended Application and the request for this Amendment on September 13, 2016, and the Comptroller issued its notice of completeness letter on October 10, 2016, issued its amended certification of the Amended Application on October 11, 2016, and approved the form of this Amendment on October 11, 2016.

WHEREAS, on October 19, 2016, after conducting a public hearing on the matter, the Board of Trustees made certain factual findings and determined that this Amendment 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 approved the form of this Amendment and authorized the Board President and Secretary to execute and deliver such Amendment to the Applicant.

NOW, THEREFORE, in consideration of the premises and mutual covenants contained herein and for other good and valuable consideration, the receipt and adequacy of which is hereby acknowledged, the Parties, intending to be legally bound, do hereby covenant and agree to amend the Agreement as follows:

1. Exhibits and Schedules.

1. Amendments. The following provisions of the Agreement are hereby modified, revised, amended, supplemented, and replaced as follows:

(a) Section 2.3.D. and E. of the Agreement are hereby amended to read as follows:

“D. The Tax Limitation Period for the Agreement:

¹ Section 313.027(a-1)(2) of the Texas Tax Code provides:

(a-1) The agreement must:

- (1) provide that the limitation under Subsection (a) applies for a period of 10 years; and
- (2) specify the beginning date of the limitation, which must be January 1 of the first tax year that begins after:
 - (A) the application date;
 - (B) the qualifying time period; or
 - (C) the date commercial operations begin at the site of the project.

“1. Starts on January 1, 2019, which is January 1 of the first Tax Year that begins after the end of the Qualifying Time Period; and,

“2. Ends on December 31, 2028, which is the year the Tax Limitation Period starts as identified in Section 2.3.D.i. plus 9 years.

“E. The Final Termination Date for this Agreement is December 31, 2033, which is the last year of the Tax Limitation Period as defined in Section 2.3.D.ii. plus 5 years.”

(b) Exhibit 5 (Description of Limitations Schedule) of the above-referenced Agreement describing the schedule for the Limitation Pre-Years, the Limitation Period, and the Period for Maintaining a Viable Presence is hereby amended and replaced by the descriptions set forth in the attached Exhibit 5 attached to this Amendment.

2. Effect. Except as modified and amended by the terms of this Amendment, all of the terms, conditions, provisions and covenants of the Agreement shall remain in full force and effect, and the Agreement and this Amendment shall be deemed to constitute a single instrument or document. Should there be any inconsistency between the terms of this Amendment and the Agreement the terms of this Amendment shall prevail. This Amendment is intended to amend Section 2.3.D. (Tax Limitation Period), Section 2.3.E. (Final Termination Date), and the Limitation Pre-Years, the Limitation Period, and the Period for Maintaining a Viable Presence included in Exhibit 5 to the Agreement, all pursuant to Section 10.2 of the Agreement and Texas Comptroller Rule §9.1054(g) (34 TEXAS ADMIN. CODE § 9.1054(g)) as in effect on the date when the Application was determined to be complete. A copy of this Amendment shall be delivered to the Texas Comptroller, the Carson County Appraisal District, to be posted to the Texas Comptroller’s internet website.

3. Binding on Successors and Assigns. The Agreement, as amended by this Amendment, 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 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.

[SIGNATURE PAGE FOLLOWS.]

IN WITNESS WHEREOF, the authorized representatives of the parties hereto affix their signatures as of the date set forth below to be effective as of the date first above written.

GRANDVIEW WIND FARM III, LLC,
a Delaware limited liability company
Texas Taxpayer ID No. 32052353995

By: 
Name: Paul Bowman
Title: Senior Vice President

Date: _____

PANHANDLE INDEPENDENT SCHOOL DISTRICT

By: 
Name: John T. Smith
Title: Board President

Date: 10/19/16

ATTEST:

By: 
Name: Tava Ogletree
Title: Board Secretary

AUS:0053359/00063:655825v2

EXHIBIT 5

	<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	Stub Year	January 1, 2016	2016-17	2016	Limitation Pre-Year
	1	January 1, 2017	2017-18	2017	Limitation Pre-Year
	2	January 1, 2018	2018-19	2018	Limitation Pre-Year
Limitation Period (10 Years)	3	January 1, 2019	2019-20	2019	\$30 million appraisal limitation
	4	January 1, 2020	2020-21	2020	\$30 million appraisal limitation
	5	January 1, 2021	2021-22	2021	\$30 million appraisal limitation
	6	January 1, 2022	2022-23	2022	\$30 million appraisal limitation
	7	January 1, 2023	2023-24	2023	\$30 million appraisal limitation
	8	January 1, 2024	2024-25	2024	\$30 million appraisal limitation
	9	January 1, 2025	2025-26	2025	\$30 million appraisal limitation
	10	January 1, 2026	2026-27	2026	\$30 million appraisal limitation
	11	January 1, 2027	2027-28	2027	\$30 million appraisal limitation
	12	January 1, 2028	2028-29	2028	\$30 million appraisal limitation
Maintain a Viable Presence (5 Years)	13	January 1, 2029	2029-30	2029	No appraisal limitation; must maintain a viable presence
	14	January 1, 2030	2030-31	2030	No appraisal limitation; must maintain a viable presence
	15	January 1, 2031	2031-32	2031	No appraisal limitation; must maintain a viable presence
	16	January 1, 2032	2032-33	2032	No appraisal limitation; must maintain a viable presence
	17	January 1, 2033	2033-34	2033	No appraisal limitation; must maintain a viable presence

Agreement for Limitation on Appraised Value
 Between Panhandle ISD and Grandview Wind Farm III, LLC
 (App No. 1107), October 19, 2016
 Exhibit 5

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

EXHIBIT 5