

UNDERWOOD

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October 16, 2019

Desire Caufield, Research Analystist
Economic Development and Analysis Division
Texas Comptroller of Public Accounts
111 E. 17th St.
Austin, TX 78774

Via Email and Federal Express

Re: App No. 1314 – Reagan County ISD-Targa Pipeline Mid-Continent Westtex, LLC

Dear Desiree:

Enclosed please find a hard copy of the fully executed Amendment No. 1 to 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,



Fred A. Stormer

FAS/ph
Encl.
00D211X

AMENDMENT NO. 1
TO AGREEMENT FOR LIMITATION ON APPRAISED VALUE OF PROPERTY FOR
SCHOOL DISTRICT MAINTENANCE AND OPERATIONS TAXES
BETWEEN REAGAN COUNTY INDEPENDENT SCHOOL DISTRICT
AND TARGA PIPELINE MID-CONTINENT WESTTEX, LLC
(Comptroller Application No. 1314)

This **AMENDMENT NO. 1 TO THE AGREEMENT FOR LIMITATION ON APPRAISED VALUE OF PROPERTY FOR SCHOOL DISTRICT MAINTENANCE AND OPERATIONS TAXES** (this “**Amendment No. 1**”) 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 **TARGA PIPELINE MID-CONTINENT WESTTEX, LLC**, a Texas limited liability company, Texas Taxpayer Identification Number 14217331074 (“**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 September 23, 2019, 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 September 23, 2019 by and between the District and Applicant (the “**Agreement**”);

WHEREAS, pursuant to Section 10.2 of the Agreement, the Applicant has requested to (i) amend the start date of the Tax Limitation Period until January 1, 2021, and (ii) amend Sections 2.3.D, 2.3.E, and Exhibit 5, accordingly, to reflect the foregoing change;

WHEREAS, the Parties notified the Texas Comptroller of Public Accounts (the “**Comptroller**”) of the Amended Application and the request for this Amendment No. 1 on September 24, 2019, and the Comptroller issued its notice of completeness letter on October 8, 2019, issued its amended certification of the Amended Application on October 8, 2019, and approved the form of this Amendment No. 1 on October 8, 2019; and

WHEREAS, on October 14, 2019, 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. 1 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 hereby approves this Amendment No. 1 and authorizes the District’s representative, whose signature appears below, to execute and deliver such Amendment No. 1 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.** The Agreement is hereby amended as follows:
 - a. **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, 2021, the first complete Tax Year that begins after the date of Commercial Operation; and,
 - ii. Ends on December 31, 2030.
 - b. **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, 2035.
 - c. **Exhibit 5. EXHIBIT 5** to the Agreement is deleted in its entirety and replaced with the attached **EXHIBIT 5**.

2. **Effect.** Except as modified and amended by the terms of this Amendment No. 1, all of the terms, conditions, provisions and covenants of the Findings of Fact and Agreement are ratified and shall remain in full force and effect, and the Agreement and this Amendment No. 1 shall be deemed to constitute a single instrument or document and the Findings of Fact and this Amendment No. 1 shall be deemed to constitute a single instrument or document. Should there be any inconsistency between the terms of this Amendment No. 1 and the Agreement or this Amendment No. 1 and the Findings of Fact; the terms of this Amendment No. 1 shall prevail. A copy of this Amendment No. 1 shall be delivered to the Texas Comptroller to be posted to the Texas Comptroller's internet website. A copy of this Amendment No. 1 shall be recorded with the official Minutes of the meeting at which it has been approved and a copy of this Amendment No. 1 shall also be recorded with the Findings of Fact in the official Minutes of the meeting of September 23, 2019.

3. **Binding on Successors and Assigns.** The Agreement, as amended by this Amendment No. 1, 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. 1 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.

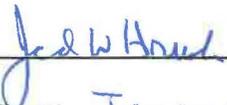
IN WITNESS HEREOF, the District and Applicant have caused this Amendment No. 1 to be executed and delivered by their duly authorized representatives as of the Effective Date.

[Signatures follow on the next page]

APPROVED AND EFFECTIVE as of the 14th day of October, 2019.

REAGAN COUNTY INDEPENDENT SCHOOL DISTRICT

TARGA PIPELINE MID-CONTINENT WESTTEX, LLC

BY: 
NAME: JED W. HRUSKA
TITLE: President

BY: 
NAME: JOHN D. THOMPSON
TITLE: VICE PRESIDENT, TAX

DISTRICT ATTEST:

BY: 
NAME: AARON GUNNELS
TITLE: SECRETARY

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	Stub Year	January 1, 2019	2019-20	2019	Limitation Pre-Year, QTP begins September 23, 2019
	QTP 1	January 1, 2020	2020-21	2020	QTP full year 1
Limitation Period (10 Years)	1 (QTP 2)	January 1, 2021	2021-22	2021	QTP year 2, ends December 31, 2021; \$30 million appraisal limitation
	2	January 1, 2022	2022-23	2022	\$30 million appraisal limitation
	3	January 1, 2023	2023-24	2023	\$30 million appraisal limitation
	4	January 1, 2024	2024-25	2024	\$30 million appraisal limitation
	5	January 1, 2025	2025-26	2025	\$30 million appraisal limitation
	6	January 1, 2026	2026-27	2026	\$30 million appraisal limitation
	7	January 1, 2027	2027-28	2027	\$30 million appraisal limitation
	8	January 1, 2028	2028-29	2028	\$30 million appraisal limitation
	9	January 1, 2029	2029-30	2029	\$30 million appraisal limitation
	10	January 1, 2030	2030-31	2030	\$30 million appraisal limitation
Maintain a Viable Presence (5 Years)	11	January 1, 2031	2031-32	2031	No appraisal limitation; must maintain a viable presence
	12	January 1, 2032	2032-33	2032	No appraisal limitation; must maintain a viable presence
	13	January 1, 2033	2033-34	2033	No appraisal limitation; must maintain a viable presence
	14	January 1, 2034	2034-35	2034	No appraisal limitation; must maintain a viable presence
	15	January 1, 2035	2035-36	2035	No appraisal limitation; must maintain a viable presence