

**SECOND AMENDMENT TO AGREEMENT FOR WHOLESALE WATER
SERVICE BETWEEN THE CITY OF PFLUGERVILLE AND SWWC UTILITIES, INC.**

THIS SECOND AMENDMENT ("AMENDMENT") to a Wholesale Water Service Agreement (the "Agreement") between The City Of Pflugerville, Texas ("Pflugerville"), a Texas home rule municipal corporation ("Pflugerville") and SWWC Utilities, Inc, as successor-by-merger to Windermere Utility Company, a Delaware corporation ("SWWC"). Capitalized terms herein shall have the same meaning as ascribed to them in the Agreement.

RECITALS

WHEREAS, on or about February 22, 2007, Pflugerville and SWWC entered into the Agreement; and

WHEREAS, SWWC and Pflugerville desire to revise the Agreement as set forth below.

AGREEMENT

NOW, THEREFORE, for and in consideration of the mutual covenants and agreements set forth and other goods and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Pflugerville and SWWC agree as follows:

ARTICLE I
Amendment of Section 4.01

Section 4.01 of the agreement is hereby amended to read as follows

Section 4.01 Wholesale Water Rates. SWWC agrees to make payments to Pflugerville for all water SWWC is entitled to under the Agreement in accordance with the wholesale water rate established and amended from time to time by the Pflugerville City Council for SWWC. SWWC must pay a minimum of \$13,000 each month, and a minimum of \$325,000 each fiscal year ending September 30, regardless of whether the calculated payments for the amount of water taken by SWWC is a lesser amount, provide that Pflugerville is able to deliver the amount of Water as required under the Agreement in Section 2.01. Pflugerville's ("Amended") Rate for SWWC is \$3.25 per 1,000 gallons. Pflugerville's ("Amended") Rate may not be amended any sooner than (12) twelve months after the effective date of this ("Amendment"). If the Wholesale Rate is further amended the rate must be calculated based upon Pflugerville's actual cost of service as determined by a cost of service study completed by Pflugerville. SWWC will be given written notice and an opportunity to participate in the ratemaking process before any final amended wholesale rate is adopted. The parties agree that the Wholesale Water Rate will never be less than \$3.25 per 1,000 gallons. If the Wholesale Water Rate increases by more than 100% at any given time, SWWC may terminate the Agreement by providing at least 30 days prior written notice to Pflugerville, notwithstanding anything in the Original Agreement.

ARTICLE II
Amendment of Section 7.01

Section 7.01 of the agreement is hereby amended to read as follows:

Section 7.01 Terms of Agreement. The Term of this Agreement shall be extended for a period of an additional twelve (12) months unless earlier terminated in accordance with the provisions set forth in Section 7.02 of the Agreement.

ARTICLE III

As hereby amended, the Agreement shall continue in full force and effect pursuant to its terms.

ARTICLE IV

The Effective Date of this Amendment shall be the date on which it is executed by both Parties.

ARTICLE V
Amendment of Section 9.03

Section 9.03 of the agreement is hereby amended to read as follows:

Section 9.03 Notices. Any notice required or permitted to be delivered under this Agreement shall be forwarded via hand-delivery or the United States Postal Service, postage prepaid, to the addresses shown below:

City of Pflugerville
P.O. Box 589
Pflugerville, Texas 78767-8828
Attn: City Manager

SWWC Utilities, Inc.
12535 Reed Road
Sugar Land, Texas 77478
Attn: Executive Vice President

Each party shall forward to the other within twenty four (24) hours of the filing thereof in the Commission or other court or agency of competent jurisdiction a true copy of any petition, application or other instrument affecting this Agreement, whether directly or indirectly.

Amendment of Agreement to Provide Wholesale Water Service ("**Amendment**") is by and between SWWC and City of Pflugerville, Texas ("**Pflugerville**") to be effective this ____ day of _____ 20____ .

AUTHORITY FOR SIGNATURE

The persons signing this **Amendment** warrant and represent that they are authorized to sign this **Amendment** on behalf of the respective parties.

SWWC UTILITIES, INC.

By: Charles W. Profilet, Jr.
Printed Name: **Charles W. Profilet, Jr.**
Title: **Vice President & Managing Director**
Date: JULY 29, 2011

Address for Notice to SWWC
12535 Reed Road
Sugar Land, Texas 77478

City of Pflugerville, Texas

By: _____
Printed Name: _____
Title: _____
Date: _____

Address for Notice to City of Pflugerville, Texas:
P.O. Box 589
Pflugerville, Texas 78691
Attn: City Manager