

**EXTENSION AGREEMENT REGARDING THE
AGREEMENT BETWEEN THE CITY OF PFLUGERVILLE AND
MONARCH UTILITIES I, L.P. DISMISSING ALL ADMINISTRATIVE
PROCEEDINGS BETWEEN THEM AND COMMITTING TO COLLABORATE TO
ESTABLISH REGIONALIZED LONG TERM WATER SOLUTIONS FOR THE
PFLUGERVILLE, TEXAS AREA**

The Parties to this extension agreement are as follows:

City – refers to the City of Pflugerville, Texas, a governmental entity organized and existing under the laws of the State of Texas, including its successors in interest, agents, officials, council members, employees, and assigns, and including its insurers and risk pool members, as well as the Texas Municipal League Intergovernmental Risk Pool, and its officials, members, agents, representatives, employees and predecessors and successors in interest.

SWWC – refers to SWWC Utilities, Inc., d/b/a Windermere Utility Company, Inc. a corporation organized and existing under the laws of the State of Delaware (“Windermere”), and doing business in the State of Texas, including its successors in interest, its agents, officials, directors, employees and assigns, and including any subsidiary company, and Monarch Utilities I, L.P. (“Monarch Utilities”), including any successors in interest.

Parties – refers to “City” and “SWWC”.

Recitals:

WHEREAS, on April 9, 2012 the City and SWWC executed an “Agreement Between the City of Pflugerville and Monarch Utilities I, L.P. Dismissing All Administrative Proceedings Between Them and Committing to Collaborate to Establish Regionalized Long Term Water Solutions for the Pflugerville, Texas Area (referred herein as “Original Agreement”);

WHEREAS, the Original Agreement is scheduled to expire on April 9, 2013;

WHEREAS, the City and SWWC desire to extend the term of the Original Agreement for an additional 12 months to allow the collaborative efforts additional time to achieve the mutual goals of the parties, while continuing to maintain the “status quo”.

NOW, THEREFORE the Parties agree as follows:

SWWC agrees, for valuable and adequate consideration received, to extend the term of the Original Agreement for a period of an additional 12 months, to April 9, 2014.

CITY agrees, for valuable and adequate consideration received to:

- 1) Extend the term of the Original Agreement for a period of an additional 12 months, to April 9, 2014.
- 2) Extend its existing wholesale water delivery contract with Windermere for an additional 12 month term, from October 1, 2013 to September 30, 2014, under its existing terms.

The Parties agree that all other terms, not already satisfied shall remain in effect during the additional term of the agreement.

Governing Law

This Agreement shall be construed and interpreted in accordance with the laws of the State of Texas with venue in Travis County.

Effectiveness

This Agreement shall become effective immediately following execution by the Parties.

APPROVED AS TO FORM AND CONTENT:

STATE OF TEXAS
COUNTY OF TRAVIS

By: Charles W. Profilet, Jr.
Vice President & Managing Director
SWWC Utilities, Inc.
Monarch Utilities I, L.P.

This Agreement was acknowledged before me by _____ on the _____ day of _____, 2013.

NOTARY PUBLIC, STATE OF TEXAS

APPROVED AS TO FORM:

Michael Whellan

Legal Counsel for SWWC/Monarch

APPROVED AS TO FORM AND CONTENT:

STATE OF TEXAS
COUNTY OF TRAVIS

By: Brandon Wade
City Manager
City of Pflugerville, Texas

This Agreement was acknowledged before me by _____ on the
____ day of _____, 2012.

NOTARY PUBLIC, STATE OF TEXAS

APPROVED AS TO FORM:

George E. Hyde
City Attorney,
COUNSEL FOR CITY