

**AMENDMENT No. 1 TO PROFESSIONAL SERVICES AGREEMENT BETWEEN
KELLY LANE WATER CONTROL AND IMPROVEMENT DISTRICT NO. 1 AND THE
CITY OF PFLUGERVILLE CONCERNING THE OPERATION, MAINTENANCE AND
MANAGEMENT OF WATER AND WASTEWATER FACILITIES, AND MUNICIPAL
SOLID WASTE SERVICES WITHIN KELLY LANE WATER CONTROL AND
IMPROVEMENT DISTRICT NO. 1**

This Amendment No. 1 to Professional Services Agreement Between Kelly Lane Water Control and Improvement District No. 1 and the City of Pflugerville Concerning the Operation, Maintenance and Management of Water and Wastewater Facilities, and Municipal Solid Waste Services within Kelly Lane Water Control and Improvement District No. 1 (this "Amendment") is entered into effective _____, 2015 (the "Effective Date"), between Kelly Lane Water Control and Improvement District No. 1 (the "District") and the City of Pflugerville (the "City").

RECITALS

The District and the City previously entered into a "Professional Services Agreement Between Kelly Lane Water Control and Improvement District No. 1 and the City of Pflugerville Concerning the Operation, Maintenance and Management of Water and Wastewater Facilities, and Municipal Solid Waste Services within Kelly Lane Water Control and Improvement District No. 1" dated June 28, 2007 (the "Agreement"), pursuant to which the City agreed to operate, maintain, and manage the Water and Wastewater System (as defined in the Agreement) and provide for Municipal Solid Waste Disposal Services (as defined in the Agreement).

The District and the City now desire to amend the Agreement, as provided below.

AGREEMENT

NOW, THEREFORE, for and in consideration of the mutual covenants and promises herein contained, and for other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. Definitions. All terms delineated with initial capital letters in this Amendment that are defined in the Agreement have the same meanings in this Amendment as in the Agreement. Other terms have the meanings commonly ascribed to them.

2. Pflugerville Capital Recovery Fees for the Service Area. The second sentence in Section 2.01 of the Wholesale Wastewater Service Addendum attached to the Agreement is deleted in its entirety and replaced with the following:

"The wastewater Capital Recovery Fee will be paid to the City prior to the issuance of a building permit."

3. MS4 Permit. The City acknowledges that it is aware of the stormwater management program (the "SWMP") developed by the District in compliance with the TPDES General Permit No. TXR040000 (the "MS4 General Permit"). The City agrees to comply with all applicable stormwater control measures, good housekeeping practices, and facility-specific stormwater management operating procedures developed by the District as a part of the District's SWMP (the "MS4 Obligations") associated with the City's provision of services under the Agreement. The City will conduct all services under the Agreement in compliance with the MS4 Obligations and in a manner that does not introduce any Illicit Discharges (as defined in the MS4 General Permit) of pollutants to streets, stormwater inlets, drainage ditches, or any

portion of the District's drainage system. The City will notify the District immediately of any issue caused by or identified by the City that is believed to be an immediate threat to human health or the environment.

4. Notice. For purposes of notice, the District's address set forth in Section 8 of the Agreement is deleted in its entirety and replaced with the following:

District: Kelly Lane Water Control and Improvement District No. 1
c/o Armbrust & Brown, PLLC
100 Congress Avenue, Suite 1300
Austin, Texas 78701
Phone: (512) 435-2300
Fax: (512) 435-2360

5. Miscellaneous. Capitalized terms not defined in this Amendment have the meanings ascribed to such terms in the Agreement. Except as specifically provided in this Amendment, the terms of the Agreement continue to govern the rights and obligations of the parties, and all terms of the Agreement remain in full force and effect. If there is any conflict or inconsistency between this Amendment and the Agreement, this Amendment will control and modify the Agreement. This Amendment may be executed in one or more counterparts (including, without limitation, facsimile or electronically scanned counterparts), all of which will be considered one and the same agreement, it being understood that all parties need not sign the same counterpart.

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[SIGNATURE PAGES FOLLOW]

IN WITNESS WHEREOF, this Amendment has been executed to be effective as of the Effective Date.

CITY:

CITY OF PFLUGERVILLE, TEXAS

By: _____
Brandon Wade, City Manager

Date: _____

ATTEST:

DISTRICT:

KELLY LANE WATER CONTROL AND
IMPROVEMENT DISTRICT NO. 1

By: _____
James L. Cotton, President
Board of Directors

Date: _____