

**FIRST AMENDMENT TO CONSENT AGREEMENT
OF SOUTHEAST TRAVIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 1**

THE STATE OF TEXAS §
 §
COUNTY OF TRAVIS §

KNOWN BY ALL THESE PRESENTS:

THIS FIRST AMENDMENT TO CONSENT AGREEMENT (“Amendment”) is entered into between the City of Austin, Texas, a home rule municipality (the “**City**”), acting by and through its City Manager, Southeast Travis County Municipal Utility District No. 1 (the “**District**”), a political subdivision of the State of Texas created under Chapter 8382, Subtitle F, Title 6, Texas Special District Local Laws Code and Chapters 49 and 54 of the Texas Water Code, acting by and through its Board of Directors, and QUALICO CR, LP, a Texas limited partnership (the “**Developer**”). The City, the District, and the Developer are sometimes referred to in this Amendment collectively as the “**Parties**.”

RECITALS

By adoption of Ordinance No. 20120322-036, the City Council consented to the creation of the District subject to certain conditions as more particularly stated therein and authorized the execution of that certain Consent Agreement (“**Consent Agreement**”) by and among the City, the District, and the Developer. The Consent Agreement was executed by the City on or about April 14, 2012.

The City, the District, and the Developer desire to amend the Consent Agreement to set forth in writing the agreed amendments to the Consent Agreement.

NOW, THEREFORE, for and in consideration of the mutual agreement of the parties contained in the Consent Agreement and this Amendment, and other good and valuable consideration, the City, the District, and the Developer agree as follows, and all other terms and conditions remain as stated in the Consent Agreement:

AMENDMENTS TO CONSENT AGREEMENT

1. Addition of Section 6.17. The Consent Agreement is amended to add the following new Section 6.17, “Pump and Haul”:

Section 6.17 Pump and Haul.

Developer may, at its sole cost and without reimbursement by the City, contract for wastewater pumping and hauling services for the proper removal and disposal of wastewater in accordance with TCEQ and City rules and regulations. The Developer assumes all liability of such and agrees to indemnify and hold harmless the City from any suits, claims, fees, fines, or other costs or damages related to the Developer’s use of contracted wastewater pump and

haul services. All such contracted services shall be coordinated with the City. The City will also be allowed to review all contracts for pump and haul services. The Developer shall only be allowed to use contracted wastewater pump and haul services from the date that wastewater service is needed to serve the Project (which shall be deemed to be once the first certificate of occupancy has been issued for a single family residence) ("**Pump and Haul Commencement Date**") until the date that is 14 months after the Pump and Haul Commencement Date (the "**Pump and Haul Period**"). The Developer agrees that pump and haul service will be limited to no more than 100 lots receiving water service. The Developer agrees that after the expiration of the Pump and Haul Period or that 100 lots have received water service (whichever is first), the City will not release certificates of occupancy or issue any new water meters for any non-single-family structures within the Land and for single-family structures constructed within the Property until such time that the First Phase WWTP has been conditionally accepted by the City. The Developer agrees that the Developer is solely responsible for providing sufficient notice to any current and future purchasers of the Land of the terms of this Amendment. The Developer accepts sole responsibility and indemnifies the City from any suits, claims, fees, fines, or other costs or damages related to the City's issuance of certificates of occupancy and new water meters in accordance with this Amendment. The Developer acknowledges that water inflow and infiltration may occur in the City's wastewater system and the Developer agrees that it will be considered as part of untreated wastewater influent for pump and haul purposes.

The Developer agrees to continue to fund, at its sole cost and without reimbursement by the City, Temporary Pump and Haul services until the City's conditional acceptance of the First Phase WWTP. Conditional acceptance means that the infrastructure has been completed to a point that it can be used for its intended purpose, as solely determined by the City. The City agrees that it will not unreasonably delay, withhold, or condition its conditional acceptance of the First Phase WWTP. If it is anticipated that the First Phase WWTP will not receive conditional acceptance prior to the expiration of the Pump and Haul Period, Council approval will be required to extend the Pump and Haul Period for a time period that coincides with the date that First Phase WWTP is conditionally accepted.

With the exception of Sun Chase South Section 1, 2, 3, 4 and 5 the City will not approve any additional construction plans or site plan within the Land until such time as the First Phase WWTP is conditionally accepted by the City. Thereafter, the Development can continue to plat as determined by the Developer.

The Developer will also post fiscal security (the "**Pump and Haul Fiscal Security**") to secure the pump and haul service. The Developer agrees to post the Pump and Haul Fiscal Security within ten days of the award of the contract for pump and haul service; and the City acknowledges that it will accept the Pump and Haul Fiscal Security in the form of an irrevocable letter of credit or another form acceptable to the City. "

2. Amendment to Section 10.04. Section 10.04 of the Consent Agreement, “Maximum Amount of New Money Bonds”, is amended to read as follows:

“Section 10.04 Maximum Amount of New Money Bonds.

The District agrees that the total principal amount of new money Bonds that may be issued by the District for capital improvements may not exceed \$31,106,650 without City Council approval. This maximum will be exclusive of the principal amount of any refunding Bonds.”

3. Amendment to Section 10.05. Section 10.05 of the Consent Agreement, “Timing of Issuance; Amortization Period; Maturities”, is amended to read as follows:

“Section 10.05 Timing of Issuance; Amortization Period; Maturities.

In order to provide the City with some assurance as to the timing of the District’s issuance and retirement issuance and retirement of its debt, the District will use good faith efforts, subject to market conditions and sufficient tax base existing, to sell its last issue of Bonds on or before December 30, 2033. If the District fails or is unable to do so, the City will have the authority to revoke District’s authority to issue its remaining authorized but unissued Bonds and to proceed with annexation of the District for full purposes. All Bonds must be amortized over a period that does not exceed 25 years from the date of issuance, each issue of Bonds must be structured so that substantially level debt service requirements will be maintained throughout the amortization period of the issue, and each Bond issue must include an optional redemption date no later than 10 years after the date of issuance. These requirements may only be modified if the modification is approved in writing by the Finance Director following receipt of a written application from the District, setting forth the justification for the requested modification. The Finance Director will have no obligation to approve such application.”

4. Amendment to Section 12.10. “**List of Exhibits**” is amended to delete Exhibit O from the List of Exhibits.
5. Amendment to Exhibit K. **Exhibit K** attached to the Consent Agreement is deleted in its entirety and replace with **Exhibit K** attached to this Amendment.
6. Amendment to Exhibit O. **Exhibit O** attached to the Consent Agreement is deleted in its entirety.
6. Effect of Amendment. Except as specifically provided in this Amendment, the terms of the Consent Agreement continue to govern the rights and obligations of the Parties, and all terms of the Consent Agreement remain in full force and effect. If there is any conflict or inconsistency between this Amendment and the Consent Agreement, this Amendment will control and modify the Consent Agreement.

7. Execution. This Amendment may be executed in any number of counterparts, and it will not be necessary that the signatures of all Parties be contained on any one counterpart. Additionally, for purposes of facilitating execution of this Amendment, the signature pages from separate, executed counterparts of this Amendment may be combined to form multiple fully executed counterparts and a facsimile signature will be deemed to be an original signature for all purposes. All executed counterparts of this Amendment will be deemed to be originals.

[Signature Pages to Follow]

IN WITNESS WHEREOF, the authorized representative of each party has signed this Amendment as of the date(s) indicated below.

CITY OF AUSTIN, TEXAS:

By: _____

Name: _____

Title: _____

Date: _____

APPROVED AS TO FORM:

By: _____

Name:

Title: Assistant City Attorney

Date: _____

SOUTHEAST TRAVIS COUNTY MUNICIPAL UTILITY
DISTRICT NO. 1

By: _____

Name: _____

Title: President, Board of Directors

Date: _____

ATTEST:

By: _____

Name: _____

Title: Secretary, Board of Directors

Date: _____

DEVELOPER:

QUALICO CR, LP, a Texas Limited Partnership

By: Qualico CR Management, LLC a Texas limited
liability company, its general partner

By: _____

Name: Brian Higgins

Title: Vice President

By: _____

Name: Vera Massaro

Title: Assistant Secretary