

**SECOND AMENDMENT
TO
GREATER TEXOMA UTILITY AUTHORITY – CITY OF MCKINNEY
POTABLE WATER PASS THROUGH & PUMPING AGREEMENT
Effective Date: May 17, 2016**

THIS SECOND AMENDMENT, is made and entered into effective the 17th day of May, 2016 to that one certain Original Agreement dated effective the 30th day of November, 2004, which Agreement was subsequently amended August 20, 2006 (collectively the “Amended Agreement”) by and between the **CITY OF MCKINNEY, TEXAS**, a municipal corporation, hereinafter called the “City,” and the **GREATER TEXOMA UTILITY AUTHORITY**, hereinafter called “GTUA,” provides:

1. Section 8 of the Amended Agreement shall be amended to read as follows:

RATE FOR WATER DELIVERED BY AGREEMENT IN EXCESS OF MAXIMUM. During the amended term hereof, McKinney and GTUA may agree to the delivery by McKinney of additional volumes of water, in excess of those described in Column 2, Exhibit B, as amended. The rate for any amounts delivered under this Section 8 shall be as depicted on Columns 3 and 4, Exhibit B, as amended.

2. Section 10 (e), of the Amended Agreement shall be amended to read as follows:

e. Remedies for NTMWD’s Failure to Commence Construction of Delivery Point. McKinney shall have the unilateral right to terminate this Amended Agreement if by January 1, 2018 NTMWD has failed to initiate, in McKinney’s sole determination, sufficient plans for design, funding, and construction of the NTMWD-GTUA delivery point contemplated by this Amended Agreement. Upon such determination by McKinney and after 180 days written notice to GTUA, this Amended Agreement shall terminate; however, GTUA shall have the continuing obligation to transfer the New Transmission Line under Section 10 (a) if such line was has been constructed.

3. Section 12 of the Amended Agreement shall be amended to read as follows:

TERM OF AGREEMENT. So long as no default shall exist, McKinney shall exercise its best efforts to complete the design and necessary utility infrastructure to effectuate this Amended Agreement, which if completed shall have a primary term commencing on December 31, 2006 (or sooner if McKinney completes the necessary utility infrastructure) and continue in force and effect until its

termination on September 30, 2019 (or thirteen [13] years after the commencement date whichever is sooner), unless:

McKinney agrees to extend the Amended Agreement on a year-to-year basis if 1) McKinney determines, in its sole discretion, that it has available capacity for any requested extension term after September 30, 2019, 2) the increased volumes requested are not more than 2.5 MGD over the previous year's volumes, and 3) GTUA agrees to a price for water delivery which is not less than 150% more than the previous year's Base Cost; however in no event shall the agreement be extended without the mutual agreement to the then existing timeline for the pending the completion of a new NTMWD transmission facility designed to provide service to GTUA; however in no event shall this Agreement be extended more than three (3) consecutive one-year extensions; OR,

NTMWD completes construction of an adequate transmission facility designed to serve GTUA prior to the termination of this Amended Agreement, such as the transmission facility contemplated by NTMWD and the City of McKinney as a component of the planned McKinney Delivery Point # 4. In such event, this Amended Agreement shall be immediately terminated upon the connection of the NTMWD transmission line to the GTUA Point of Delivery and upon final payment for any costs incurred by GTUA to McKinney under this Amended Agreement.

This SECOND AMENDMENT to the Potable Water Pass Through and Pumping Agreement shall be effective as of May 17, 2016.

IN WITNESS WHEREOF, the **CITY OF MCKINNEY, TEXAS** has caused this SECOND AMENDMENT to be signed and executed in its behalf by its Interim City Manager, and duly attested by its City Secretary, and the **GTUA** has signed and executed this Agreement, both in duplicate, as of the dates written below.

[signatures on the following pages]

GREATER TEXOMA UTILITY AUTHORITY
Denison, Texas

By: _____
President, Board of Directors

Attest:

GREATER TEXOMA UTILITY AUTHORITY
Denison, Texas

By: _____
Secretary, Board of Directors

Accepted and agreed to:

Tom Muehlenbeck
Interim City Manager
City of McKinney, Texas

Attest:

SANDY HART, TRMC, MMC
City Secretary
City of McKinney, Texas

[Signatures below are needed]

Printed Name: _____
Mayor
City of Anna, Texas

Attest:

Printed Name: _____
City Secretary
City of Anna, Texas

Printed Name: _____
Mayor
City of Melissa, Texas

Attest:

Printed Name: _____
City Secretary
City of Melissa, Texas

Printed Name: _____
Mayor
City of Howe, Texas

Attest:

Printed Name: _____
City Secretary
City of Howe, Texas

Printed Name: _____

Mayor

City of Van Alstyne, Texas

Attest:

Printed Name: _____

City Secretary

City of Van Alstyne, Texas

PREPARED IN THE OFFICES OF:

BROWN & HOFMEISTER, L.L.P.

740 East Campbell Road, Suite 800

Richardson, Texas 75081

214/747-6100

214/747-6111 Fax

Exhibit B to Amended Agreement

[to include the entire text from Amended Agreement including the revised Columns 2-4]