

**SECOND AMENDMENT TO GREENSHORES ANNEXATION
AND DEVELOPMENT AGREEMENT**

THE STATE OF TEXAS §
 §
COUNTY OF TRAVIS §

KNOWN BY ALL THESE PRESENTS:

THIS SECOND AMENDMENT TO THE GREENSHORES ANNEXATION AND DEVELOPMENT AGREEMENT (“Amendment”) is entered into between the City of Austin, Texas, a home rule municipality (the “City”), acting by and through its City Manager; and PK-RE Development Company, Inc. a Texas corporation, including without limitation its successors, assigns, agents, and affiliated entities (“PK-RE”), and the undersigned individuals and entities as the owners of the Property, including, without limitation their respective successors, assigns, and agents, and affiliated entities (collectively, PK-RE and the undersigned individuals and entities will be known as (“Owners”). By the signatures of their respective authorized representatives below, PK-RE warrants and represents that there are no other owners of any portion of the Property and no other third-parties holding an interest therein.

RECITALS

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

AMENDMENTS TO ANNEXION AND DEVELOPMENT AGREEMENT

1. **Amendment to Section 6.02.** Section 6.02 CCNs, is amended to read as follows:

The parties acknowledge that PK-RE has agreed to provide water and wastewater service to Greenshores. If necessary, PK-RE shall file with Public Utility Commission of Texas (PUCT), within 90 (ninety) calendar days of the Effective Date of this Amendment, applications for additional or modified water and wastewater Certificates of Convenience and Necessity (CCNs) for any part of the Woods of Greenshores portion, the Greenshores on Lake Austin portion and the Excess Capacity portion of Greenshores that are not included within the existing CCNs, so that all of Greenshores will be included within a water and wastewater CCN. PK-RE agrees to diligently obtain the additional and/or amended CCN from the PUCT. The City agrees not to protest PK-RE’s Application. PK-RE agrees not to seek modification of any of the CCNs or provide water and wastewater service using its Greenshores facilities outside of Greenshores without the City’s prior written approval. PK-RE agrees that the facilities for the Woods of Greenshores portion shall be designed and constructed to use a conventional gravity wastewater system,

whereby a lift station sends the wastewater flows to a wastewater treatment plant, instead of a pressurized system (where all wastewater connections use a pump to send wastewater flows to the wastewater treatment plant) in accordance with the City's Utilities Criteria Manual, standards, and specifications. The City recognizes that some individual lots may still require the use a pump, but that maintenance of the pump will be the sole responsibility of the lot owner. PK-RE agrees that this responsibility will be set forth in each of the affected lot owner's real property instruments.

Addition of Section 6.04. Section 6.04 Wastewater Service for the Woods of Greenshores Subdivision shall read as follows:

Section 6.04 Wastewater Service for the Woods of Greenshores Subdivision

- a. PK-RE agrees that for any future development other than already approved subdivisions within the Woods of Greenshores subdivision as of the date of this Amendment shall first require a master wastewater conceptual plan that is prior approved by the City which would be implemented and operational prior to the construction and/or occupancy of any additional residential structures beyond the currently platted lots in Section 1 of the Woods of Greenshores subdivision. At that time, all relevant TCEQ reports with regard to the PK-RE wastewater system shall be provided to the City. PK-RE shall construct wastewater infrastructure (the "Project") in order to serve the Woods of Greenshore Subdivision which currently is using contracted pump and haul services for the provision of wastewater service.
- b. PK-RE agrees that it will demonstrate full compliance with US Fish and Wildlife Section 10(a)(1) permit (TE-029780-2) and the Greenshores Conservation Easement Agreement (Document Number 2004072193) prior to the City approving any development permits for the Project.
- c. Horizontal directional drilling shall be done in such a manner as to avoid the tree root zone in conservation easement areas. The only exception is for the portion of the pipeline within 50 feet of the PK-RE wastewater treatment plant and the location and route of the pipeline in this area should be designed to minimize tree root zone impacts. At a minimum, the pipeline depth under the conservation easement areas shall be 40 feet. A lesser depth may be approved by the City and Travis County if the owner can demonstrate that achieving that depth is infeasible through all available means, such as a deeper entry/exit bore pit or other methods.
- d. A mitigation plan must be developed and submitted for approval to City and Travis County environmental staff prior to the City issuing a permit for the Project. At a minimum, the plan shall include criteria for identifying damage to the environment, methods for mitigating any environmental damage, a monitoring period for environmental impacts, and a timeline for restoration activities. PK-RE will provide a cash deposit to Travis County in the amount of \$10,000 to be utilized in the event PK-RE's or its agent's activities damage habitat and PK-RE fails to perform the necessary restoration as determined by the City.

The City will request a release of any remaining funds in the cash deposit to PK-RE if no damage has been detected two years after completion of the Project.


- e. The Project will be designed to comply with the City of Austin Land Development Code and its associated technical manuals, standards, and specifications.
- f. The City will not issue a development permit for the Project until the following are provided to the City of Austin and Travis County:
 - A report, sealed by a professional engineer, is provided for the City's review demonstrating that the existing treatment plant, effluent storage pond, and existing effluent irrigation area are functioning as designed and in compliance with TCEQ permit requirements and have capacity for 110% of the projected effluent volume from the full build-out of all currently approved subdivisions connected and to be connected to the wastewater system using a water balance consistent with TCEQ requirements in 30 TAC 222 or 30 TAC 309 (as applicable); and
 - Evidence of TCEQ approval for treatment of the additional effluent is provided to the City or that the additional effluent is allowed under the current permit and additional permitting by TCEQ is not required.
- g. The wastewater force main to serve the Woods of Greenshores subdivision must be bored for the entire length with no surface expression within City or County designated conservation land with the exception of a bore pit and associated pipeline within 50 feet of the PK-RE wastewater treatment plant and must meet all applicable requirements of the City and County Balcones Canyonland Conservation Plan.
- h. The wastewater force main will be installed within a watertight carrier pipe to contain any leaks. An alarm system will be installed, operated, and maintained at the treatment plant to detect spillage in the carrier pipe.
- i. Components of the boring for the force main include installing and monitoring effluent leak detection sensors within the carrier pipe, and installing a watertight carrier pipe made of materials that have a 50-year life expectancy.
- j. A professional engineer shall submit the following additional reports for the City's review and approval prior to the submittal of a site plan:
 - A frac-out, or inadvertent release of drilling lubricant, plan provided to the City and Travis County for review and approval, which identifies activities to minimize the potential for frac-out, provides for early detection of frac-outs, specifies a minimum-impact response in the event of a frac-out, and details notification protocol to City environmental staff in the event of a frac-out. A City on-site environmental inspector must be present at all times during drilling, and drilling may only occur during daylight hours except with prior approval by the City and Travis County.
 - A spill/overflow response plan to recover wastewater effluent from the carrier pipe prior to surface overflow onto the ground surface; and

- A void detection and grouting protocol for the horizontal directional drilling. The protocol should include the rate of loss of drilling fluid that would indicate a void greater 2 cubic feet in volume; and the method and material for grouting the void.
- k. The new wastewater infrastructure must be inspected, tested, and found compliant with City-approved construction plans by a professional engineer with sealed report provided to the City and Travis County prior to actual use with wastewater.
- l. PK-RE shall pressure test the carrier pipe prior to initial operation and every five years thereafter to insure that the carrier pipe is watertight.
- m. City and Travis County staff shall have the right of entry to inspect any portion of PK-RE's wastewater system upon prior written request.
- n. PK-RE will inspect or will cause an inspection to be done of its wastewater treatment plant and irrigation area on a quarterly basis. The inspection reports will be provided to the City within 30 days after each inspection for the duration of the life of the wastewater treatment plant permit.

[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:

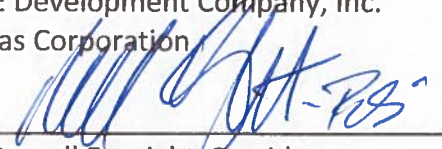
By: Robert Goode 
Name: Assistant City Manager
Title: Assistant City Manager
Date: 4/9/18

APPROVED AS TO FORM:

By: Maria Sanchez
Name: Maria Sanchez
Title: Assistant City Attorney
Date: 4/9/18

PK-RE:

PK-RE Development Company, Inc.
a Texas Corporation

By: 
Russell Eppright, President

Date: 4/5/18