

INTERGOVERNMENTAL AGREEMENT
COMAL COUNTY AND THE MUNICIPALITY OF FAIR OAKS RANCH

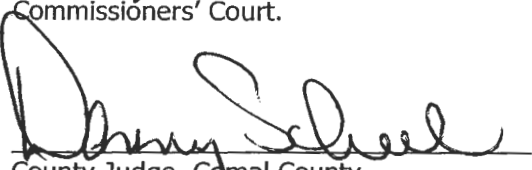
As authorized by Chapter 791, Texas Government Code, and Section 6(b) of the Order Adopting Rules of Comal County, Texas for On-Site Sewage Facilities (COUNTY ORDER), the County of Comal (COUNTY), a political subdivision of the State of Texas, and the Municipality of Fair Oaks Ranch (MUNICIPALITY), an incorporated area partially within the boundaries of Comal County, Texas, in consideration of the mutual covenants and agreements herein contained, do agree as follows:

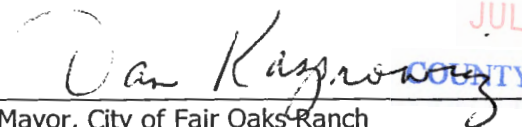
1. The Comal County Engineer, or his designee, will permit, inspect and monitor the construction and/or installation of private sewage facilities, including institutional systems, within the territorial limits of MUNICIPALITY. The policy governing the permitting, inspecting, monitoring and the satisfactory completion of the construction/installation of private sewage facilities is defined in the COUNTY ORDER, adopted October 25, 2001, except as specified below. The Engineer, or his designee, will collect from the homeowner or installer his standard fee for such services. Certain services to be provided include:
 - a. Issue construction standards, specifications and requirements for private sewage facilities including institutional systems;
 - b. Approve engineering plans in accordance with current State and County regulations;
 - c. Issue authorization for both construction and operations permits for private sewage facilities;
 - d. Monitor and inspect progress of construction and installation of private sewage facilities in MUNICIPALITY;
 - e. Assure compliance with State and County specifications, regulation and policies for private sewage facilities as required in the COUNTY ORDER;
 - f. Establish methods and procedures for control of all private sewage facilities in accordance with existing policies and regulations; and
 - g. Establish and collect such fees as required to implement the COUNTY ORDER within the corporate limits of MUNICIPALITY.
2. Exceptions:
 - a. Subdivisions of single family dwellings platted or created after January 1, 1988, and served by a public water supply and using individual On-Site Sewage Facilities (OSSF) for sewage disposal, shall have a minimum lot size in accordance with TAC 30 §285.4(a)(1)(A) or the City of Fair Oaks Ranch Subdivision Regulations, whichever is greater.
 - b. Subdivisions of single family dwellings platted or created after January 1, 1988, and not served by a public water supply and using individual OSSFs for sewage disposal, shall have a minimum lot size in accordance with TAC 30 §285.4(a)(1)(B) or the City of Fair Oaks Ranch Subdivision Regulations, whichever is greater.
 - c. Each lot or tract of land on the Edwards Aquifer Recharge Zone on which OSSFs are located shall have an area of at least one acre per single family dwelling pursuant to TAC 30 §285.40.
3. Any services that the County Engineer, or his designee, provides other than those mentioned above shall be at the expense of the property owner.

RECEIVED
JUL 24 2008
COUNTY ENGINEER

RECEIVED
JUL 24 2008
COUNTY ENGINEER

4. Any violation of the COUNTY ORDER shall be enforced under Chapter 7 of the Texas Water Code.
5. The COUNTY warrants and represents that it has the capability, experience, available personnel, and means required to perform the services contemplated by this Agreement. Service will be performed using personnel and equipment qualified and/or suitable to perform the work requested by the MUNICIPALITY.
6. The Comal County Engineer, or his designee, will ensure that all requests for private sewage facility permits are accompanied by documentation which reflects approval by the MUNICIPALITY and will ensure that a copy of all permits issued for private sewage facilities within the corporate limits of the MUNICIPALITY is provide to the MUNICIPALITY.
7. The MUNICIPALITY shall ensure that persons proposing residential subdivisions, manufactured housing communities, multi-unit residential developments, business parks, or other similar uses and using OSSFs for sewage disposal shall submit planning materials for these developments to COUNTY in compliance with TAC 30 §285.4(c).
8. ASSIGNABILITY: The COUNTY shall not assign or transfer any portion of the duties described in this Agreement without the written consent of the MUNICIPALITY.
9. SEVERABILITY: If any provision of this Agreement is found to be invalid, illegal, or unenforceable, such invalidity, illegality, or unenforceability shall not affect the remaining provisions of this Agreement.
10. TERM OF AGREEMENT: The COUNTY and the MUNICIPALITY mutually agree that the term of this Intergovernmental Agreement shall be for five (5) years from the date it is formally and duly executed by both the COUNTY and the MUNICIPALITY. The COUNTY and the MUNICIPALITY mutually agree that this Intergovernmental Agreement shall automatically renew for successive five (5) year periods upon completion of the previous term unless written notice is given by either party of its intent to forgo the automatic renewal period sixty (60) days prior to the date of renewal.
11. EXCLUSIVE RIGHTS: During the term of this Agreement, the COUNTY will have sole exclusive rights to perform the services described in this Agreement in the portion of the MUNICIPALITY located in the COUNTY.
12. BREACH: The failure of either party to comply with the terms and conditions of this Agreement shall constitute a breach of this Agreement. Either party shall be entitled to any and all rights and remedies allowed under Texas law for any breach of this Agreement by the other party.
13. COMPLIANCE WITH LAWS AND REGULATIONS: The MUNICIPALITY and the COUNTY understand and agree that it is the intent of both parties for the OSSFs in the portion of the MUNICIPALITY located in the COUNTY to operate fully and completely in compliance with all Federal, State, and Local laws and regulations concerning waste disposal. The MUNICIPALITY and the COUNTY will use their best efforts to ensure continued compliance with all applicable laws and regulations.

PASSED AND APPROVED this, the 24th day of July, 2008 by Comal County Commissioners' Court.

County Judge, Comal County

PASSED AND APPROVED this, the 19 day of June, 2008 by the Fair Oaks Ranch City Council.

Mayor, City of Fair Oaks Ranch

RECEIVED
JUL 24 2008
COUNTY ENGINEER