

SETTLEMENT AGREEMENT

SOAH DOCKET NO. 582-16-2586 TCEQ DOCKET NO. 2015-1624-MWD

This Settlement Agreement (the "Agreement") is entered into as of the ^{28th} day of December 2016, (the "Effective Date") to resolve all issues related to the application for Permit No. WQ0015095001 between 633-4S, Ltd. and Stahl Lane, Ltd., both Texas Limited Partnerships (hereafter "Applicant"), Lennar Homes of Texas Land and Construction, Ltd. ("Lennar" or "Developer") and the following Protestants (hereafter collectively referred to as "Protestants"): 1) Bulverde Neighborhood Alliance, including all those who requested contested case hearing in this matter and 2) Greater Edwards Aquifer Alliance. For purposes of this Agreement the Applicants and Protestants are herein collectively referred to as the "Parties" and may be individually referred to as a "Party".

RECITALS

WHEREAS, the Applicant submitted an application to the Texas Commission on Environmental Quality ("TCEQ") for a TPDES Permit to authorize the discharge of treated domestic wastewater at a daily average flow not to exceed 480,000 gallons per day in the final phase in Comal County, Texas.

WHEREAS, TCEQ issued to Applicant draft TPDES Permit No. WQ0015095001 to authorize the discharge of treated domestic wastewater at a daily average flow not to exceed 480,000 gallons per day in the final phase in Comal County, Texas.

WHEREAS, Protestants requested a hearing or submitted comments for or on TPDES Permit No. WQ0015095001.

WHEREAS, the Parties met on June 14, 2016, and have subsequently reached a settlement of the issues regarding TPDES Permit No. WQ0015095001.

WHEREAS, this Agreement is being executed by the Parties to clarify, finalize and memorialize the agreements of the Parties; and

WHEREAS, by entering into this Agreement, the Parties hereby completely settle and resolve all issues, actions, agreements and rights of any kind regarding the Application and TPDES Permit No. WQ0015095001.

NOW, THEREFORE, in consideration of the mutual covenants and promises contained herein, the benefits to be received by the Parties, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

AGREEMENT

I.

DEFINITIONS

- 1.01 "210 Irrigation Area" means at least 180 acres of the Property that are set-aside for beneficial reuse pursuant to 30 TAC Chapter 210.
- 1.02 "Application" means the Application of 633-4S Ranch, Ltd. and Stahl Lane, Ltd. for Permit No. WQ0015095001.
- 1.03 "Collection System" means wastewater lines and related appurtenances designed and constructed to convey Wastewater generated within the Project to the Wastewater Plant.
- 1.04 "Commencement of Construction" means the initial disturbance of soils associated with clearing, grading, or excavating activities or other construction.
- 1.05 "Construction Activity" means clearing, grading, and excavating that results in land disturbance of equal to or greater than one acre. Construction activity also includes the disturbance of less than one acre of total land area that is part of a larger common plan of development or sale if the larger common plan will ultimately disturb equal to or greater than one acre. Construction activity does not include routine maintenance that is performed to maintain the original line and grade, hydraulic capacity, or original purpose of a facility.
- 1.06 "Developer" means Lennar Homes of Texas Land and Construction, Ltd. and any subsequent developer to which any portion of the Project is conveyed.
- 1.07 "Development" means the property within the 4S Ranch property boundaries as depicted in the Application (shown in Exhibit A to this Agreement).
- 1.08 "Floodplain" means the 100 Year Floodplain as defined by FEMA at the time of the execution of this Agreement (Shown in Exhibit B to this Agreement).
- 1.09 "Operator" or "Plant Operator" means Guadalupe Blanco River Authority or its successors.
- 1.10 "Parties" means the "Parties" to this Agreement, *i.e.*, the Applicants, and Protestants, collectively.
- 1.11 "Permit" or "WWTP Permit" means the TPDES Permit No. WQ0015095001.
- 1.12 "Permit Holder" means 633-4S Ranch, Ltd. and Stahl Lane, Ltd. and any person or entity to whom the WWTP Permit is conveyed or transferred.
- 1.13 "Project" means the development on the Property, including all related subdivision infrastructure and improvements necessary to serve the homes and commercial lots located within the Property. Such improvements include any schools within the Development.

1.14 "Property" or "Project Property" means the combined approximately 774.2 acres depicted in Attachment A to this Agreement as the 4S Property Boundary.

1.15 "633-4S Ranch, Ltd. and Stahl Lane, Ltd." means 633-4S Ranch, Ltd., a Texas limited partnership, Stahl Lane, Ltd., a Texas limited partnership and their successors and/or assigns, together with all subsidiary and affiliated entities owned or controlled by 633-4S Ranch, Ltd. and/or Stahl Lane, Ltd.

1.16 "TAC" means Texas Administrative Code.

1.17 "TCEQ" means the Texas Commission on Environmental Quality or its successor agencies with jurisdiction over the Permit.

1.18 "Wastewater System" means the Wastewater Plant, Irrigation System and Collection System.

1.19 "Wastewater Plant" or "WWTP" means the facility constructed to treat Wastewater generated within the Project in accordance with the Permit.

1.20 "Wastewater" means water-borne human excreta and gray water generated within the Project for collection, treatment and disposal by the Wastewater System.

II. □

Agreement Implementation

2.01 Protestants will each (i) withdraw in writing, as appropriate, their respective separate, individual protests and/or requests for contested case hearings in regard to TPDES Permit No. WQ0015095001 within five business days of the date of the last signatory executing this Agreement, and (ii) not oppose any motion for remand or recommendation for the granting of the application for the issuance of TPDES Permit No. WQ0015095001. Protestants' may condition the withdrawal of their hearing request upon a request by 633-4S Ranch, Ltd. and Stahl Lane, Ltd. for revision of the permit as described in Paragraph 3.02 of this Agreement. Further, Protestants each agree that they will not protest, oppose or comment on any actions regarding preliminary platting and final platting at County or City government, including Bulverde Planning and Zoning, so long as Applicants or assigns comply with this Agreement. This specifically does not include participation by an elected official in carrying out his or her responsibilities of elected office.

2.02 The Parties agree that they mutually desire to implement this Agreement and avoid any disputes or disagreements over the pending TPDES Permit.

2.03 To the extent that Protestants have such a right, nothing in this Agreement shall be construed to affect (either to grant or to prohibit) any right that Protestants may have outside of this Agreement to enforce any provision of the Permit.

2.04 The Permit Holder shall not transfer the Permit unless the new Permit Holder agrees to be bound by the terms of this Agreement.

III. □

PERMIT HOLDER/DEVELOPER OBLIGATIONS

3.01 **210 Beneficial Reuse.** Permit Holder shall apply for a Chapter 210 Beneficial Reuse Authorization. Permit Holder will phase in the number of acres irrigated with treated wastewater and, prior to reaching capacity of the final phase, as described in the Permit, Permit Holder shall irrigate at least 180 acres with treated wastewater. Throughout the phase-in of acres irrigated, Permit Holder shall use sufficient irrigable land to apply effluent that is being generated at all times at a rate no higher than the rate required for applying 480,000 gallons per day on at least 180 acres without causing or resulting in runoff from the irrigation acreage. The initial 210 Beneficial Reuse application shall be filed within 180 days of Permit issuance. Developer and/or Plant Operator may apply reuse water in the 100-year Floodplain so long as reuse application is not within 50-feet of the centerline of the floodplain. Developer and/or Plant Operator may only apply reuse water via means of sprinklers. Subsurface injection must not be used for the application of reuse water.

3.02 **Modifications to Permit.** Within five (5) business days of the filing of Protestants' hearing request withdrawal pursuant to Paragraph 2.01 of this Agreement, 633-4S Ranch, Ltd. and Stahl Lane, Ltd. must file a request with TCEQ seeking to revise the draft permit as follows, and seek to remand the Application to the Executive Director to be processed as an uncontested matter based on this Settlement Agreement. 633-4S Ranch, Ltd. and Stahl Lane, Ltd. must request that TCEQ revise the draft permit to require that the Permit Holder install and maintain effluent storage within the Wastewater Plant footprint consisting of (i) a first tank or lined pond with a capacity of one 750,000 gallons at the time of construction of the first phase of the wastewater treatment plant; and (ii) a second tank or lined pond with a capacity of 750,000 gallons at the time of the construction of the final phase of the wastewater treatment plant.

633-4S Ranch, Ltd. and Stahl Lane, Ltd. shall diligently pursue this modification to the permit. To the extent that the TCEQ and/or Executive Director will not include this provision in the Permit, Permit Holder agrees to be contractually bound by this Agreement to comply with this storage requirement.

3.03 **WWTP Design.** Permit Holder will construct an activated sludge wastewater treatment plant that will include covers for all tankage. No portion or unit of the wastewater treatment plant will be within the 100-year floodplain.

3.04 **Setback from Recharge Features.** Permit Holder or Developer agrees that there will be 150-foot setback from the following groundwater recharge features: 1. Flatrock Chasm, at 29.76019 N, -98.3996 W; 2. Kappelman's Unnamed feature, at 29.7608 N, -98.3974 W; and 3. Kappelman Cave, at 29.7591 N, -98.3977 W.

3.05 **Development Setback.** Permit Holder and Developer agree that there will be a 100 foot building setback along the southern boundary of the Property that will include an approximate 28 foot Public Utility Easement. The approximate location is shown on Attachment A.

3.06 Southwest Property Area Infrastructure.

- (a). The detention structure that is to be in the "hard corner" generally shown on Exhibit A at the southwest corner of the Property adjacent to the Langford property, will be designed and constructed in a manner to discharge detained drainage to the existing natural drainage low point. All detention structures will be north of the 100 ft. setback. Such facilities will be designed and constructed to limit the storm water runoff from 4S Ranch to the Langford and other adjacent property to pre-development rates for the full range of potential storms. The detention and drainage facilities will be constructed and designed so that flooding conditions on adjacent properties do not increase from existing conditions using best available data. In the event that the Developer plans to construct one or more drainage structures within the 100 ft. setback, the developer agrees to consult with the Langfords and a Bulverde Neighborhood Association representative prior to final design of the drainage structures.
- (b). Developer will provide to Protestants' paragraph 5.07 representative copies of all design and construction plans for any part of the Development simultaneous to them being submitted to the City. In addition, the Developer shall provide to Protestants' representative copies of all designs of detention facilities and drainage facilities at least 60 days before any construction begins on drainage and detention facilities.
- (c). Developer plans to install certain wastewater facilities, such as a lift station, near the southwest corner of the Property. These facilities will be designed and constructed in accordance with the development agreement with the City of Bulverde and will be setback at least 100 feet from the Langford property boundary and more than 100 feet north of the southern boundary of the Property.

3.07 Improvements at Smithson Valley Road and Mustang Vista. The Parties acknowledge that there will be improvements at Smithson Valley Road and Mustang Vista to install right turn lane on Smithson Valley southbound lane, as required by the project's Traffic Impact Analysis. Such improvements will be consistent with the City of Bulverde's approved Traffic Impact Analysis and Master Development Plan.

3.08 Permit Compliance. Permit Holder shall comply with all conditions of TPDES Permit No. WQ0015095001.

3.09 Visual Screening. Permit Holder or Developer will provide landscaping such as trees, berms, etc. to provide visual screening of the Wastewater Plant and associated facilities. Such screening must be reasonably sufficient to prevent visibility of the Wastewater Plant from properties or roads outside of the Development. For this purpose, Permit Holder or Developer will construct a compacted earthen berm at least 6 feet in height above the natural grade parallel to the south line of the WWTP Site. Permit Holder or Developer will plant and maintain leafy evergreen trees that, when mature, typically attain a height of at least 20 feet in Central Texas, along the top of the berm at a spacing of no greater than 25 foot centers. The trees to be planted shall each be at least 1.5-inch caliper minimum diameter.

3.10 **Sampling.** Permit Holder and/or Operator will allow Protestants the opportunity for an accredited 3rd-party laboratory contractor to receive split samples from the wastewater treatment plant on a monthly basis. Permit Holder and/or Operator will provide Protestants' Representative, as designated by §5.07 below with at least 48 hours notice of its intent to conduct normal sampling or as otherwise mutually agreed between Permit Holder and/or Operator and Protestants. This Agreement does not require Permit Holder to conduct any sampling other than required by the TCEQ.

Protestants and Permit Holder and/or Operator acknowledge and agree that in splitting samples, Protestants will engage in an accredited 3rd-party laboratory on behalf of the Protestants to be present on-site to observe the Permit Holder and/or Operator collect and split samples from the wastewater treatment plant. Protestants are under no obligation to participate in any particular split sampling, and any failure to provide a contractor to receive a split sample does not waive any rights to split sampling under this agreement.

Protestants, jointly and severally, agree to indemnify Permit Holder against all claims, expenses, costs of defense and liability for any property damage or personal injury to any person entering sampling sites on behalf of Protestants or their agents and representatives that may arise from the condition of the sampling sites, routes of access to the sampling site, any materials taken from the sampling sites, or any fixtures or equipment on the sampling sites.

3.11 **Groundwater Monitoring.** Permit Holder will sample twelve (12) of the existing wells in the area surrounding the Property. The wells are located on Attachment B. The sampling shall be conducted on an annual basis for five years and then every two years for another ten years. The sampling requirement ends on July 1, 2031. The sampling will be for the following constituents: total dissolved solids (TDS), chloride, sulfate, calcium, magnesium, nitrate nitrogen, orthophosphate phosphorus, and *e coli*.

3.12 **Water Usage.** The Parties acknowledge that the existing water supply agreement for the Development authorizes Canyon Lake Water Service Company to install additional ground water wells within the Property. However, Developer and Permit Holder agree that:

- (a) Water may not be exported from the Development for any purpose; and
- (b) Other than the water supplier using water for potable water supply, groundwater from wells within the Property will only be used for irrigation purposes.

3.13 **Project Size.** Developer agrees that the project will have no more than 2,000 Sewer Equivalent Development Units (EDU).

3.14 **Structures in Floodplain.** The Parties agree and acknowledge that there will be a road crossing to connect Stahl Lane to Smithson Valley Road as well as underground water and sewer utility lines in the floodplain. There will also be road and associated utilities, including both wet and dry utilities as necessary or desired, and facilities such as a culvert within the flood plain to accomplish this connection. Developer agrees that there will be no other structures in the 100-year floodplain, as FEMA has defined the 100-year floodplain at the time of execution of this Agreement.

3.15 **Force Main.** The Parties acknowledge that force mains will be necessary. Permit Holder agrees that the force mains will be monitored for pressure leaks and breaks.

3.16 **WWTP Traffic.** Permit Holder will require that all construction vehicles and sludge hauling vehicles avoid using roadways within Oak Village North. In addition, Developer will return all temporary construction roads within the Project back to natural state (i.e., the condition that existed immediately prior to installation of the roads, as near as reasonably practical) after need for temporary road has ceased, except for trees that are removed as necessary to install construction roads.

3.17 **Development Runoff.** Developer and Permit Holder will require that any discharge from the Development comply with Comal County regulations and City of Bulverde ordinances concerning stormwater runoff. Developer will comply the Development Agreement and as detailed in the Approved Plat, which holds, in general, that Phase I of the development will reduce flows to a level of at least 70 percent pre-development flows. Remaining phases will be reduced to 90 percent of pre-development levels.

3.18 **Floodplain Alteration.** The Developer must not substantially modify the 100-year FEMA Floodplain within the Project. For purposes of this Agreement, without limitation, any activity with the Project that would alter the 100-year floodway within the Project would constitute a substantial modification of the 100-year FEMA floodplain. Furthermore, without limitation, any activity within the Project, which would alter the 100-year FEMA floodplain outside the boundaries of the Project will also constitute a substantial modification of the 100-year FEMA floodplain.

3.19 **Dark Sky Provisions.** Developer and Permit Holder will require that the Development will adopt dark sky provisions that are at least as stringent as the current Comal County Order No. 367.

3.20 **Impervious Cover.** Developer and Permit Holder agree that impervious cover in the Development will not exceed 35%.

3.21 **Chapter 213.** Developer and Permit Holder will comply with applicable provisions of Chapter 213 of 30 Texas Administrative Code.

3.22 **Emergency Power.** Permit Holder agrees that the WWTP and any lift stations will have emergency power (dual feed or emergency generator).

3.23 **Attorney's Fees.** Developer will pay Protestants' attorney \$17,500.00 within 30 days of permit issuance.

3.24 **Notice of Transfer.** Permit Holder shall notify Protestants within 15 calendar days after any application to transfer the Permit.

3.25 **Notification.** The Plant Operator will notify BNA within 24 hours of any accident, overflow or unauthorized discharge. BNA will provide Plant Operator with a list of no more than four (4) contacts along with all up to date contact information. BNA's failure to provide such information and to update such information relieves Plant Operator of responsibility for

failure to notify.

3.26 Plant Operator. The Parties acknowledge that the Guadalupe Blanco River Authority ("GBRA") will be the initial plant operator. GBRA may have a class C operator overseeing plant operations, but must have a class B or A operator available in the event a class C operator encounters problems requiring the expertise of a class B or class A operator. However, if the Plant Operator changes in the future, Permit Holder agrees that the subsequent operator will have Class A Wastewater License.

3.27 Development Roadway Access. Unless required by a regulatory authority with relevant jurisdiction, the Developer will not place nor seek the placement of any roads within the Development which connect to roadways within Oak Village North.

3.28 Duty to Assign. If TPDES Permit No. WQ0015095001 is granted then 633-4S Ranch, Ltd. and Stahl Lane, Ltd. agree to assign the rights and obligations hereunder to any subsequent Permit Holder. Upon transfer of TPDES Permit No. WQ0015095001 by any successor Permit Holder, the rights and obligations hereunder shall be assigned to the transferee of the Permit.

3.29 School Site. The Parties acknowledge and agree that the ultimate location of the school site has yet to be determined by Comal Independent School District and that the proposed location within the Project's boundaries may change from what is currently represented.

IV. REMEDIES

4.01 Remedies. If any Party fails to comply with its obligations under this Agreement and fails to correct any default after notice and opportunity to cure, the other Party or Parties may exercise any remedy authorized at law or in equity, including termination or filing suit in a court of competent jurisdiction to seek any available remedy, including by way of example only, injunctive relief, specific performance and/or monetary damages. The prevailing Party or Parties to the litigation may recover costs of court, attorney's fees and expert consultant and witness fees incurred in enforcing or defending a claim under this Agreement.

4.02 Notice and Opportunity to Cure. Notwithstanding any provision in this Agreement to the contrary, if any Party (referred to herein as the "Defaulting Party") fails to comply with its obligations under this Agreement or is otherwise in breach or default under this Agreement (collectively, a "Default"), then the other Party or Parties (referred to herein as the "Non-Defaulting Party") shall not have any right to invoke any rights or remedies with respect to any Default until and unless: (i) the Non-Defaulting Party delivers via certified mail to the Defaulting Party a written notice (the "Default Notice") that specifies all of the particulars of the Default and specifies the actions necessary to cure the Default; and (ii) the Defaulting Party fails to commence the cure of any matters specified in the Default Notice within a reasonable period of time after the Defaulting Party's receipt of the Default Notice, but not more than 30 calendar days. Within 15 calendar days of receiving the "Default Notice", the Defaulting Party shall be responsible for notifying the Non-Defaulting Party in writing of the plans and timeframes for rectifying the identified breach or defaults under this agreement.

4.03 **Remedies Cumulative, Not Exclusive.** Except as expressly provided otherwise in this Agreement, all remedies authorized and/or contemplated by this Agreement are intended to be cumulative, not exclusive, of any other remedy available to a Party either at law or in equity.

4.04 **Equitable Remedies.** It is not intended hereby to specify (and this Agreement will not be considered as specifying) an exclusive remedy for any default, but all remedies existing at law or in equity may be availed of by any party hereto and will be cumulative of the remedies provided herein. Recognizing however, that the failure in the performance of the Parties' obligations hereunder could not be adequately compensated in money damages alone, the Parties agree, in the event of any default on its part, that the other parties will have available to them equitable remedies, including specific performance, in addition to any other legal or equitable remedies which may also be available.

V. GENERAL PROVISIONS

5.01 **Good Faith.** The Parties agree to cooperate with each other and act in good faith in the performance of this Agreement.

5.02 **Regulatory Authority.** To the extent any provision in this Agreement conflicts with the requirement of a governmental entity having jurisdiction over the subject of this Agreement ("Regulatory Authority"), the requirement of the Regulatory Authority shall replace and supersede such provision. To the degree that this Agreement imposes a requirement that is more stringent than the requirement imposed by a Regulatory Authority, the requirement of this Agreement shall apply.

5.03 **Notices.** Any notice required or permitted to be delivered under this Agreement shall be forwarded via hand delivery or the United States Postal Service, postage prepaid, to the addresses shown below:

To Protestants:

Eric Allmon
Protestant Representative
707 Rio Grande St., Suite 200
Austin, TX 78701
Ph: (512) 469-6000
E-mail: eallmon@lf-lawfirm.com

To Applicant:

Richard Mott
Lennar Homes of Texas Land and Construction, LTD
1922 Dry Creek Way, Suite 101
San Antonio, Texas 78259
Ph: (210) 403-6282
E-mail: richard.mott@lennar.com

Todd A. Gold, CCTM

President, Managing Partner
REOC San Antonio
Callaghan Tower □ 8023 Vantage Dr.
Suite 1200
San Antonio, TX 78230-4726
Ph: (210) 524-4000
E-mail: TGold@reocsanantonio.com

Andrew Barrett
Applicant Representative
3300 Bee Cave Road
Suite 650 #189
Austin, Texas 78735
E-mail: andy@thebarrettfirm.com

5.04 Address Change Procedure. The addresses of the Parties shall, until changed as hereinafter provided, be as shown above. The Parties may at any time change their respective addresses by giving written notice of same to the other Parties.

5.05 Provision of Further Documents. The Parties will execute and deliver such other and further requested legal documents or instruments and perform such other and further acts as are reasonably necessary to effectuate the purposes and intent of this Agreement.

5.06 Severability. Except as specifically set forth in this Agreement, the provisions of this Agreement are severable, and if any word, phrase, clause, sentence, paragraph, section, or other part of this Agreement or the application thereof to any person or circumstances is ever held by any court of competent jurisdiction to be invalid or unconstitutional for any reason, the remainder of this Agreement and the application of such word, phrase, clause, sentence, paragraph, section, or other part of this Agreement to other persons or circumstances will not be affected thereby and this Agreement will be construed as if such invalid or unconstitutional portion had never been contained herein.

5.07 Protestant Representative (Successors and/or Substitutes). (a) The Protestants shall be solely responsible for the selection, removal and/or replacement of the Protestant Representative, and any successor or substitute Protestant Representative. Protestants may designate a corporation as their representative. In the event that for whatever reason the Protestant Representative resigns, or otherwise becomes unable or unwilling to continue to serve in that fiduciary capacity on a permanent basis, the Protestants shall designate a successor Protestant Representative willing to act on behalf of and for the benefit of the Protestants in a manner consistent with, and for the purposes set forth in this Settlement Agreement. The Protestants shall provide written notice of the Successor Protestant Representative to the other Parties in the manner presented in this Agreement. In the event that for whatever reason the Protestant Representative becomes unwilling, unable or unavailable to serve in that fiduciary capacity on a temporary basis, either the Protestant Representative, or the Protestants if the Protestant Representative is unable for any reason, can designate a temporary substitute Protestant Representative provided that all of the following conditions are met:

(i) the designation of the substitute is made in writing to all of the Parties in a manner consistent with the notice requirements of both this Agreement; and

(ii) the designation states the estimated duration of the time during which this substitute will serve.

(b) Neither Applicant nor Permit Holder will ever be required to notify, provide copies to or provide access to more than one Protestant Representative at any one time under this Agreement. Further Applicant and Permit Holder will be entitled to rely on, and will have no liability for, the validity of any notice or designation of the Protestant Representative or any substitute or successor Protestant Representative received by it and believed by it to be genuine. In the event of multiple notices and/or designations, Applicant and/or Permit Holder will be entitled to rely on, and to give notice, copies and access to, only the individual named in the last notice or designation received.

5.08 Entire Agreement. This Agreement, including all Attachments attached hereto, which are expressly made a part hereof by reference for all purposes, constitutes the entire agreement between the Parties relative to the subject matter of this Agreement and supersedes all prior or contemporaneous agreements, representations, covenants or warranties, whether oral or in writing, respecting the subject matter hereof, including the Agreement in Principle.

5.09 Amendment. No amendment of this Agreement is effective unless and until it is duly approved by each party and reduced to a writing signed by the Authorized Representatives of all of the Parties.

5.11 Governing Law. This Agreement will be construed under the laws of the State of Texas and all obligations of the Parties are deemed performable in Comal County, Texas.

5.12 Venue. Venue for any suit arising under this Agreement is in Comal County.

5.13 Assignment. Except as expressly provided in this Agreement, no party may assign its rights and obligations hereunder without the prior written consent of the other, which consent shall not be unreasonably withheld. Permit Holder may assign its rights and obligations hereunder only if New Permit Holder assumes in writing for the benefit of Protestants all of Permit Holder's rights, duties and obligations under this Agreement. Developer may assign its rights and obligations under this Agreement to a financially capable successor entity, provided that the assignee assumes in writing for the benefit of Protestants all of Developer's rights, duties and obligations under this Agreement. Nothing in this Agreement precludes the assignment of the rights and benefits of this Agreement to the heirs, successors and assigns of the Protestants owning a fee title interest in and to the land owned by the Protestants.

5.14 Duplicate Originals. This Agreement may be executed in duplicate originals each of equal dignity.

5.15 Effective Date. This Agreement becomes effective on September __, 2016, upon the execution of all of the Parties.

5.16 **Confidentiality.** This Agreement is not confidential.

5.17 **Representations/Warranties.** Bulverde Neighborhood Association represents and warranties that it has the power and authority to enter into this agreement on behalf of Maranda Alexandre, Tom Blacklock, Kenneth Brothers, Leslie Brothers, Carl Chapman, Yvonne Chapman, William Coe, Judith Dunn, Janice Fishlock, Michael Heersche, Theresa McClung, Dennis McInerney, Alan Montemayor, Sonia Moore, David Moulton, Annalisa Peacc on behalf of the Greater Edwards Aquifer Alliance, Sara Ranzau, Nancy Sandoval, Emily Sauls, Southwest Water Company, represented by Mr. Gary Rose, Francesca Watson, and Brian Youngblood, III. The Parties represent and warrant that they have the power and authority to enter into this Agreement on behalf of, and that this Agreement and all documents executed pursuant to this Agreement, to which they are a party, are valid, binding, and enforceable upon them.

VI. CONSENT AND ACKNOWLEDGMENT

6.01 This Agreement is binding on the parties and their successors and assigns. 633-4S Ranch, Ltd. and Stahl Lane, Ltd. agrees not to convey, assign, transfer or sell its interest in the Permit or Application for the Permit unless and until the recipient, assignee, transferee or buyer has agreed to assume the obligations of 633-4S Ranch, Ltd. and Stahl Lane, Ltd. under this Agreement and agrees to comply with the terms of this Agreement as successor to 633-4S Ranch, Ltd. and Stahl Lane, Ltd.. Neither Applicant nor any subsequent Permit Holder will convey or transfer the WWTP Permit to any entity unless the transferee accepts by way of an assumption agreement the rights and obligations of Permit Holder as set-forth in this Agreement. Developer agrees that any subsequent sale or transfer of the Project, other than sales of platted lots to builders or Lot Owners, shall be subject to the terms and provisions of this Agreement as a condition of any such sale or transfer.

Executed in multiple counterparts, each to be considered an original, to be effective upon execution by all Parties:

(Signatures on following page)

Developer


Date: 12/29/16

Permit Holder

Date: _____

Protestants

Date: _____

Developer

_____ Date: _____

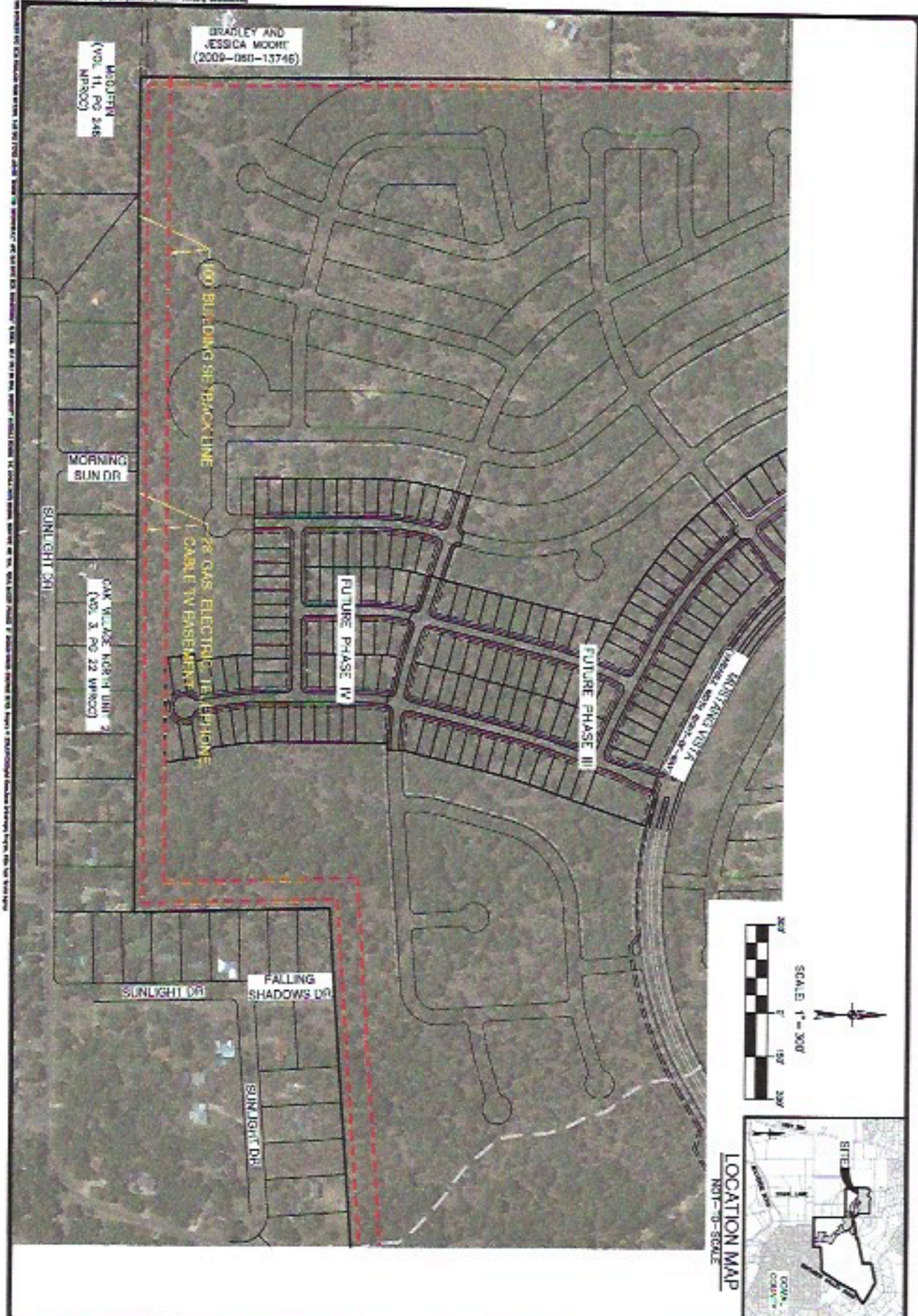
Permit Holder

Tahid Hblid Date: 12/20/16

Protestants

_____ Date: _____

EXHIBIT A



MODIFIED
 (VOL. 11, PG 248
 MTR200)

GRADLEY AND
 JESSICA MOORE
 (2009-050-13746)

MORNING
 SUN DR

SUNLIGHT DR

CAN SERVICE ORDER UNIT 2
 (VOL. 3, PG 22 WTR00)

FUTURE PHASE IV

FUTURE PHASE III

LAND AND USE 1/4
 SECTION 28, T10N, R10E, S10W

SUNLIGHT DR

FALLING
 SHADOWS DR

SUNLIGHT DR



APP NO. 2882-03
 DATE DEC08/08 2:27
 DESIGNED BY
 CHECKED BY
 DRAWN BY
 SHEET 1 of 1

4S RANCH
 BULVERDE, TEXAS
 BUILDING SETBACK EXHIBIT

PAPE-DAWSON ENGINEERS
 200 ANTONIO | AUSTIN | HOUSTON | IRVING | SAN ANTONIO
 2005 501 LLOYD AVE | SAN ANTONIO, TX 78202 | TEL: 214.223.8800
 WWW.PAPE-DAWSON.COM | FAX: 214.223.8800

EXHIBIT B

