

INTERGOVERNMENTAL WASTEWATER TREATMENT AGREEMENT

BETWEEN

PAULDING COUNTY, GEORGIA

AND

COBB COUNTY, GEORGIA

THIS INTERGOVERNMENTAL AGREEMENT (the "Agreement"), made and entered into this 28th day of February, 2008, by and between PAULDING COUNTY, GEORGIA, and COBB COUNTY, GEORGIA, political subdivisions of the State of Georgia, acting by and through their respective Boards of Commissioners (referred to sometimes herein individually as "the Party" or jointly as "the Parties").

WITNESSETH:

WHEREAS, Cobb County and Paulding County are presently operating wastewater management systems in the areas of Cobb County and Paulding County near the Paulding-Cobb County line and within the Etowah River drainage basin; and

WHEREAS, certain Cobb County flows are being treated or are to be treated by Paulding County pursuant to that Intergovernmental Water and Wastewater Service Agreement dated September 1, 2001, between Paulding County and Cobb County (the "Existing Agreement"); and

WHEREAS, Cobb County is desirous of continuing to discharge and have Paulding County treat the wastewater flows addressed by the Existing Agreement ("Current Flows"), and both counties desire to discharge additional amounts of wastewater to such other respective County for treatment (the "Additional Flows"); and

WHEREAS, each County agrees to accept and treat the Additional Flows in accordance with the terms and conditions of this Agreement, it being the intention of the parties that this Agreement only govern the treatment of wastewater and not obligate either Party to construct

facilities that would allow the interception and/or transportation of wastewater flows to the respective treatment plants; and

WHEREAS, Paulding County agrees to accept and treat the Current Flows pursuant to the Existing Agreement which Existing Agreement shall continue to govern the subject matter contained therein and which Existing Agreement shall not be affected or superseded by this Agreement except as expressly stated otherwise herein; and

WHEREAS, this Agreement is authorized by Article IX, Section III, Paragraph I of the Constitution of the State of Georgia.

NOW, THEREFORE, for and in consideration of the promises and the mutual covenants hereinafter set forth, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Cobb County and Paulding County agree as follows:

1. Service Areas; Allocated ERUs; and Allocated Capacity;

Cobb County will accept wastewater flows from Paulding County, and Paulding County will accept wastewater flows from Cobb County, generated within the Service Areas, pursuant to the timetable set forth in subparagraph C below and up to the set amounts provided for herein and at certain specific points which shall be agreed upon between the parties.

A. Service Areas

The general areas in Paulding County from which Cobb County will accept flows pursuant to this Agreement are those parcels within the Etowah Basin from which wastewater can flow by gravity into then existing Cobb County wastewater management facilities; the general areas in Cobb County from which Paulding County will accept flows under this Agreement are those parcels in the Etowah Basin from which wastewater can flow by gravity into then existing Paulding County wastewater management facilities (the "Service Areas"). These Service Areas are generally shown on the maps attached hereto as Exhibit "A" and incorporated herein by reference. It is mutually agreed that the Service Areas as described above may be expanded, without adjustment and

remaining within the capacity or ERU allocations, by either County to include a maximum of 15 single family residential homes served by individual pumping systems if such can be constructed in a manner consistent with the County's regulations in which they are located.

B. Allocated ERUs

Neither Cobb County nor Paulding County shall allow connection to each County's respective wastewater management facilities under the terms of this Agreement and within the Service Areas of more than 1,200 Equivalent Residential Units (ERUs) as further defined in Exhibit "B", which is attached hereto and incorporated herein by reference (the "Allocated ERUs").

It is not the intent of either party to accept all wastewater flows or treat all wastewater from the entire Service Areas, but rather to accept and treat the wastewater flow resulting from a maximum of 1,200 ERUs by the year 2010 except as otherwise specifically set forth herein. No connection in excess of the number of ERUs prescribed below or as described in Paragraph 4 shall be allowed by either County.

January 2008	200 ERUs; total 200 ERUs
January 2009	400 ERUs; total 600 ERUs
January 2010	600 ERUs total 1,200 ERUs

C. Allocated Capacity

Additionally, each County shall allocate and reserve wastewater treatment capacity one to the other County in accordance with the following schedule (the "Allocated Capacity"):

January 2008	50,000 gpd; total 50,000 gpd
January 2009	100,000 gpd; total 150,000 gpd
January 2010	150,000 gpd; total 300,000 gpd

Cobb County shall allocate and reserve such capacity in its Northwest Cobb Water Reclamation Facility, and Paulding County shall allocate and reserve such capacity in its Pumpkinvine Creek Water Reuse Facility. In the event the Allocated ERUs set forth in subparagraph B of this

Paragraph 1 require more than the scheduled Allocated Capacity, then it will be the responsibility of the affected County to reduce the Allocated ERUs to come within the Scheduled Allocated Capacity as it is the intent of the Parties that the Allocated Capacity limits shall control. The current reserved capacity at Paulding County's Pumpkinvine Facility for Cobb County flows associated with the Existing Agreement (250,000 gpd) is in addition to the Allocated Capacity established by this Agreement and shall not be considered as part of or be used as a set off against any of the additional 300,000 gpd to be reserved pursuant to this Agreement.

The Allocated Capacity in Paulding County's Pumpkinvine Facility is conditioned upon whether the capacity is available as discharge into Pumpkinvine Creek or reuse. The Pumpkinvine Facility is in the process of being expanded to a minimum capacity of 2.5 MGD. The expanded capacity could be as a discharge to Pumpkinvine Creek or as reuse, depending upon how Georgia EPD is willing to permit the facility.

If granted as reuse, Cobb County either must demonstrate the ability to take back the reuse and must construct the required infrastructure needed to transport the reuse water from the treatment plant to the disposal area, or must otherwise offset Cobb County flows into Paulding County's Pumpkinvine Facility in a manner acceptable to the parties. It is anticipated that such offset, if required, might be accomplished by the diversion of certain Paulding County flows, prior to treatment, into Cobb's Northwest Water Reclamation Facility.

D. Additional Capacity and/or ERUs

Any increase in Allocated Capacity and/or Allocated ERUs must be approved by the Counties and will be effective only upon a formal written amendment to this Agreement.

2. Excess Allocated ERUs and Excess Allocated Capacity

A. Excess Allocated ERUs

Any ERUs exceeding the Allocated ERUs or the Redefined Allocated ERUs pursuant to Paragraph 3 herein that are not approved by the treating County through a written amendment to

this Agreement are expressly prohibited. Upon receipt of notice, the violating County agrees it shall immediately pay to the other County TWENTY-FIVE THOUSAND DOLLARS (\$25,000.00) for each ERU beyond the Allocated ERUs or the Redefined Allocated ERUs, which shall be in addition to any increased treatment rate for flows exceeding the Allocated Capacity or Redefined Allocated Capacity, and other damages, penalties, fines, interest, or other charges.

B. Excess Allocated Capacity

Any flow exceeding the Allocated Capacity or the Redefined Allocated Capacity pursuant to Paragraph 3 herein that is not approved by the treating County by a written amendment to this Agreement is expressly prohibited. The portion of flows that exceeds the Allocated Capacity or Redefined Allocated Capacity shall be charged the applicable rate set forth in Paragraph 4 multiplied by two for so long as the flows exceed the Allocated Capacity or Redefined Allocated Capacity. In addition to paying the increased rate for flows exceeding the Allocated Capacity or Redefined Allocated Capacity, the violating County shall immediately take appropriate measures to reduce its flow to within its Allocated Capacity or Revised Allocated Capacity, or, in the event it is beyond the reasonable control of such violating County to reduce its flows immediately, then such violating County must prepare and submit to the other County a written plan which demonstrates how and when future flows will be maintained within the Allocated Capacity or Revised Allocated Capacity. Additionally, the non-violating County shall be entitled to: (a) immediate payment of any and all damages or costs attributable to the excess flows of the violating county; (b) immediate payment (or reimbursement) of any and all damages claimed by third parties directly related to such excess flow; (c) immediate payment (or reimbursement) of any and all civil penalties and fines imposed by regulatory agencies or courts of law directly attributable to such excess flow; (d) interest on any aforesaid amount not paid when due pursuant hereto at the legal rate of interest; and (e) any and all other remedies available to it at law or in equity, including but not limited to termination of this Agreement and specific performance.

3. Future Allocation of Capacity

If at any time during the term of this Agreement either County shall desire use of additional capacity in the other County's facility to accommodate further need within the Service Areas, said other County shall consider providing such capacity (in 100,000 gpd increments) through formal amendment of this Agreement taking into consideration the following : (1) whether the receiving County has available sufficient permitted treatment and discharge/reuse capacity to accommodate the requested capacity in addition to its internal needs or (2) whether the receiving County can obtain a permit for construction and operation of such capacity. If additional capacity is provided by either County to the other under this Paragraph, the Allocated Capacity shall automatically be redefined as the sum of 300,000 gpd plus the future flow allocation set forth in this Paragraph (the "Redefined Allocated Capacity"), and Allocated ERUs shall automatically be redefined to equal the Redefined Allocated Capacity divided by 250 gpd per ERU (the "Redefined Allocated ERUs"). The Redefined Allocated Capacity shall not exceed 600,000 gpd and its use shall be limited to the Service Areas. The additional future capacity outlined in this section is also subject to the condition set forth in Section 1 C of this agreement concerning the expansion of Paulding County's Pumpkinvine Facility.

4. Retail Customers & Wastewater Treatment Rates

A. Billing

Each County shall bill its own residents directly for wastewater treatment service on the basis of water used regardless of which County provides the treatment. Each County shall pay for wastewater treatment services provided by the other respective County on the basis of water used at an appropriate wholesale rate established for intergovernmental customers outside of such respective County. Wholesale Rates shall be determined based upon an appropriate study performed by a qualified firm and adjusted periodically by the respective Board of Commissioners,

and each County shall be subject to all rate adjustments upon the effective date of such adjustment(s).

B. Additional Charges

Each County shall pay additional amounts as set forth elsewhere in this Agreement for flows exceeding the Allocated ERUs, Revised Allocated ERUs, Allocated Capacity, and/or Revised Allocated Capacity.

5. Payment

Each County will endeavor to invoice the other respective County on a monthly basis and each County shall remit such payments in full, except for amounts for which there is a genuine dispute, within thirty (30) days from receipt of its invoice to the address provided.

6. System Fee

Each County agrees to pay to the other a system fee ("System Fee") for each connection within its retail sewer system service area which is served by the other respective County's wastewater treatment facility pursuant to this Agreement. The System Fee shall be based on a schedule of residential assessments and general assessments per ERU. The initial fee shall be set by both Counties at \$5,100.00 (Five thousand, one hundred dollars) per ERU. Any changes to the System Fee(s) must be agreed to by both Counties and properly adopted by each respective County's governing body. The effective date of any System Fee change shall be identical for both Counties and shall be set by the respective Boards of Commissioners. The System Fees charged by Cobb County and Paulding County shall be the same for the Service Areas during the term of this Agreement. The System Fees shall be payable to the other County, monthly, for deposit into such County's escrow account for funding the capital costs of projects for wastewater management facilities as determined by the receiving County. The fees remitted to the County providing treatment shall not be reduced and shall equal the number of ERUs allowed within the previous month, whether or not collected. Each County shall conduct audits and account to its

intergovernmental customers for the collection and use of these funds. Nothing contained in this paragraph shall serve to limit or affect the right of either County to adopt other and different System Fees or other fees within its County but outside the areas set forth in Exhibit A and governed by this Agreement.

7. Failure to Pay When Due

In the event of any failure to pay when due any amount due under this Agreement, interest shall automatically accrue on such delinquent amount at the rate of 7 percent per annum from the date such payment is due until the date of receipt of full payment of such delinquent amount and accrued interest thereon.

8. Alternative Dispute Resolution

A. The Counties acknowledge that disputes related to this Agreement may arise from time to time, and agree that, subject to the other provisions of this Agreement, each shall attempt to resolve such disputes according to the provisions of this paragraph. The Counties do not intend to limit the kind of dispute or disagreement arising under this Agreement which may be submitted to the Dispute Resolution procedures set forth in this Paragraph.

B. Request for Clarification: In the event of an issue or question by either County regarding any aspect of this Agreement, both Counties shall attempt to resolve that issue or answer that question amicably before proceeding to the remedies set forth in this Agreement. Such resolution efforts shall include communications between the Counties outlining the particular issues, proposed solutions, and any other items necessary to resolve the situation without reference to the remedies set forth below. The Counties agree that any response to a request for clarification should be delivered no later than 30 calendar days after the request for clarification is made.

C. Escalation: In the event that a request for clarification pursuant to section B above does not result in a mutually agreeable solution to the dispute, either County shall have the right to have the other County appoint a designated representative that has authority to settle the dispute and that is at a higher level of management than the persons with direct responsibility for administration of this Agreement.

D. Mediation: Any claim, controversy or dispute between the Counties, their agents, employees, officers, directors or affiliated agents that cannot be settled through negotiation or pursuant to section B or C above, may be resolved through non-binding mediation. If both parties agree to submit the dispute to non-binding mediation a mediator shall be mutually agreed upon and each County shall bear its own costs and attorneys' fees, and shall share equally in the fees and expenses of the mediator.

E. Litigation: Upon a breach of this Agreement by either County or a dispute hereunder, and failure of Alternative Dispute Resolution, the non-breaching County shall be entitled to pursue any remedies it may have at law or in equity including, but not limited to, injunctive relief and specific performance.

9. Termination

Except as otherwise set forth herein, should either party to this Agreement violate or default on any provisions of this Agreement, the non-defaulting party shall, in addition to any other legal or equitable remedies provided by law, and subject to complying with the Alternative Dispute Mechanisms set forth herein, have the right to terminate this Agreement after first providing the violating Party with written notice which shall initiate a thirty-day time period for an opportunity to cure such violation(s) or default.

10. Inflow and Infiltration

Each County shall ensure that all sewage lines located within its County are protected from inflow and infiltration. Each County shall have the right, but not the obligation, to periodically inspect the lines located in the other County from which wastewater flows are received. If inflow and/or infiltration occurs in any line located within either County which is tributary to the other County system such that monthly flows are greater than monthly water use or peak instantaneous wastewater flows are greater than five times average daily flows at the interface of the Cobb County and Paulding County systems, the corresponding County shall, at its sole cost and expense, make all repairs and modifications required to remedy such inflow and/or infiltration within six months of discovery of same.

11. Watershed Protection Program

Each County shall establish and implement a watershed protection program for the Pumpkinvine Creek basin as prescribed by the Georgia Department of Natural Resources.

12. Existing Agreement

Separate and apart from the earlier stated consideration set forth in this Agreement, for and in consideration of one dollar in hand paid and other valuable consideration, the receipt and sufficiency of which is hereby acknowledged by the Parties, Cobb County and Paulding County agree that the water and sewer easements and infrastructure, along with the associated operational, maintenance, and renewal responsibilities therefore, located within Cobb County and currently owned and operated by Paulding County pursuant to the Existing Agreement shall be transferred in whole from Paulding County to Cobb County in a form acceptable to both Parties. Notwithstanding the foregoing, Cobb County shall not accept the transfer or responsibility of any pump stations or any infrastructure that is used or intended to be used for the delivery of treated wastewater for reuse pursuant to Paragraph 2 of the Development Agreement which is Attachment B to the Existing Agreement. This transfer shall take place and any amendment necessary to the Existing Agreement to memorialize this agreement shall be executed as of a mutually agreeable date within 90 days of the Effective Date of this Agreement. All Cobb residents shall be retail wastewater and retail water customers of Cobb County. Billing for wastewater treatment services in this area (set forth in Attachment A to the Existing Agreement) by Cobb County and payment to Paulding County shall be in a manner consistent with the terms of this Agreement. Cobb County's payment to Paulding County for wastewater treatment services in this area shall be on the basis of a Wholesale Rate. Billing for retail water services in this area shall be by Cobb County with no corresponding payment to Paulding County. In addition to the infrastructure that provides the delivery of treated wastewater for reuse as set forth above, Paulding County shall retain ownership and responsibility of all water and sewer infrastructure located in Paulding County, and all Paulding County residents shall be retail wastewater and retail water customers of Paulding County.

13. Hold Harmless

To the extent provided by law with neither party waiving its immunity or other applicable defenses, each County hereby agrees to and shall protect and hold the other respective County, its officers, elected officials, and employees harmless from and against all liabilities, losses, claims, demands, costs, attorney's fees, expenses, judgments, damages and fines of any nature arising or alleged to arise from or in connection with this Agreement related to any acts or omissions of such County related to this Agreement and/or either County's use of the other's wastewater system.

14. Term; Effective Date

This Agreement shall be for a term not to exceed fifty (50) years as provided in Article IX, Section 3, Paragraph 1(a) of the Constitution of the State of Georgia (1983). The "Effective Date" of this Agreement shall be the date on which the last party executes the Agreement, and the Agreement shall automatically renew from year-to-year until the term of fifty (50) years is reached, unless it is terminated sooner pursuant to the terms of this Agreement.

15. Severability

Should any phrase, clause, sentence, or paragraph of this Agreement be held invalid or unconstitutional, it shall in no way affect the remaining provisions that shall remain in full force and effect.

16. Law and Venue

This Agreement shall be governed by the laws of the State of Georgia, and exclusive venue should be in a court of competent jurisdiction located in Paulding County, Georgia.

17. Assignment of Agreement

Neither County shall transfer or assign its interest in this Agreement to any other party without the express written consent of the other County.

18. Effect of Agreement

The terms, provisions, and conditions of this Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and assigns.

19. Ownership of System

Each County agrees that payment of the rates, as well as the transfer of ownership and maintenance of that portion of the water and wastewater conveyance system located within Cobb County currently owned and maintained by Paulding County pursuant to the Existing Agreement, constitute consideration for the treatment of wastewater in the amount of the Allocated Capacity and Revised Allocated Capacity (if any) and Allocated ERUs and Revised Allocated ERUs (if any) provided to each County, and does not constitute, and shall not be construed to be, consideration paid for any ownership right, ownership interest, indicia of ownership or other property right in any of the other County's facilities, including but not limited to water lines, wastewater lines, treatment facilities, etc.

20. Emergency Action

Each County acting as the agent of the other may take emergency action to stop or prevent any discharge into its jurisdiction that is generated in, or transported through, the other County's jurisdiction when in the reasonable opinion of such County such discharge presents, or may present, an imminent danger to the health or welfare of humans, which reasonably appears to threaten the environment, or which threatens to cause interference or contamination within the respective jurisdiction. Each County agrees to provide such notice as is practicable to the sewer user and the other County of its intent to take emergency action prior to taking action. In the event such emergency action results in the necessity to repair damaged wastewater infrastructure or facilities caused by the discharge, the actual cost of such repair shall be the responsibility and obligation of the County whose discharge led to the emergency action.

21. Waiver

A failure to initiate action as to any breach shall not be deemed as a waiver of that right of action and all such uninitiated rights of action shall be cumulative.

22. Notice

All notices and other communications required or permitted under this Agreement shall be in writing and addressed to such parties below, and shall be deemed to be effective when actually received or refused. Either party may change the address to which future notices or other communications shall be sent.

COBB COUNTY:

Chairman

Cobb County Board of Commissioners

100 Cherokee Street, Suite 300

Marietta, GA 30069

With Copy to:

Director

Cobb County Water System

660 South Cobb Drive

Marietta, GA 30060-3113

PAULDING COUNTY:

Chairman

Paulding County Board of Commissioners

166 Confederate Avenue

Dallas, GA 30132

With Copy to:

Director

Paulding County Water System

1723 Bill Carruth Parkway

Hiram, GA 30141

24. Time of Essence

Time is of the essence of this Agreement.

Reference No. 8205

Scanned Date: _____

25. Number of Original Documents

It is agreed between the parties that this Agreement shall be executed in two or more originals, all of which shall constitute one and the same document, and any one of which may be used for any purpose for which an original executed document may be used.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the date shown below.

COBB COUNTY, GEORGIA

By: [Signature]
Samuel S. Olens, Chairman
Cobb County Board of Commis



PAULDING COUNTY, GEORGIA

By: [Signature]
Jerry M. Shearin, Chairman
Paulding County Board of Commissioners

Witness: Candace W. Allison

Witness: [Signature]

Attest: Karen S. King

Attest: Jodie Martin

Clerk Candace D. [Signature]

Clerk Beverly Cochran

(County Seal)

(County Seal)

Sworn to and subscribed before me

Sworn to and subscribed before me

this 13 day of March, 2008

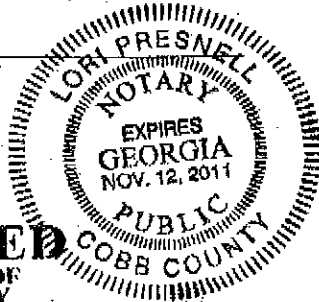
this 28th day of February, 2008

Notary Public [Signature]

Notary Public Rebecca Meredith

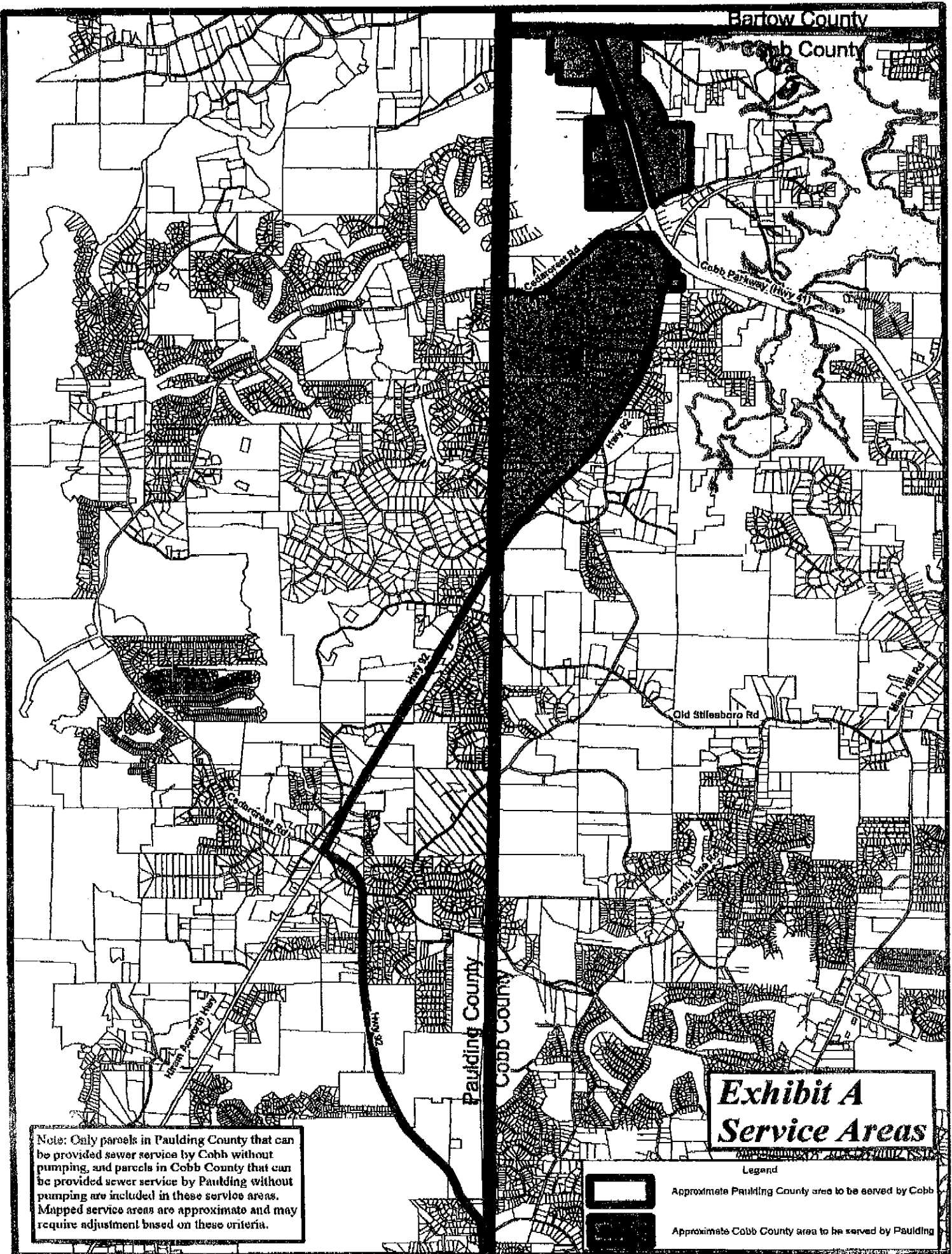
My Commission Expires: _____

My Commission Expires: 9/12/08



APPROVED
PER MINUTES OF
COBB COUNTY
BOARD OF COMMISSIONERS

3-11-08
[Signature]



Note: Only parcels in Paulding County that can be provided sewer service by Cobb without pumping, and parcels in Cobb County that can be provided sewer service by Paulding without pumping are included in these service areas. Mapped service areas are approximate and may require adjustment based on these criteria.

Exhibit A Service Areas

- Legend
- Approximate Paulding County area to be served by Cobb
 - Approximate Cobb County area to be served by Paulding

Exhibit B

Commercial Sewer Tap Fee Schedule		
Use	Unit	Fee
Apartments (Includes duplex, triplex, and quads)	1-4 Bedroom	1.00
	Laundry (Per Machine)	1.33
	Clubhouse	1.67
	Swimming Pool	1.50
Auto Dealership	Facility	6.47
Beauty/Barber/Nail Salon/Day Spa	Wet Chair	0.44
Car Wash	Bay	0.98
Church	Seat	0.01
Grocery Store	1000 Sq. Ft. -- w/o Deli	0.15
	1000 Sq. Ft. -- w Deli	0.17
Hospital	Bed	0.50
Hotel/Motel	Unit w/Restaurant	0.13
	Unit w/o Restaurant	0.10
Industrial/ Light	Employee	0.04
	Employee Shower	0.05
Laundry/ Coin / Commercial	Machine	0.53
	Machine	0.88
Office -- Standard Medical	1000 Sq. Ft.	0.23
	1000 Sq. Ft.	0.65
Restaurant w/ Bar	Seat	0.06
	Seat	0.03
Restaurant/ Fast Food	Seat	0.04
School	Student	0.02
Service Station/Convenience Store	1000 Sq. Ft.	0.20
	1000 Sq. Ft. w/ Deli	0.13
Retail	1000 Sq Ft.	0.17
Theatre	Seat	0.01
Vehicular Repair	1000 Sq. Ft.	0.20
Warehouse	1000 Sq. Ft.	0.07