

## CONSULTING AGREEMENT

This consulting agreement (this "Agreement") is entered into as of this 17<sup>th</sup> day of October, 2012, between Fort Bend County Toll Road Authority (the "Authority"), having its principal place of business in Fort Bend County, Texas, and Mike Stone Associates, Inc. (the "Consultant").

WHEREAS, the Authority has determined that it is in the Authority's best interest to engage a professional services consultant for the services described herein; and

WHEREAS, the Authority and Michael E. Stone d/b/a Professional Project Management Services previously entered into that certain Consulting Agreement, dated May 10<sup>th</sup>, 2006, as amended (collectively, the "Original Agreement"); and

WHEREAS, the Parties desire to replace the Original Agreement in its entirety with this Agreement; and

WHEREAS, the Parties have read and understood the terms and provisions set forth in this Agreement, and have been afforded a reasonable opportunity to review this Agreement with their respective legal counsel;

NOW, THEREFORE, in consideration of the covenants and agreements set forth in this Agreement and of the mutual benefits accruing to the Authority and to the Consultant from the consulting relationship to be established between the parties by the terms of this Agreement, the Authority and the Consultant agree as follows:

1. **Consulting Relationship** - The Authority hereby retains the Consultant, and the Consultant hereby agrees to be retained by the Authority, as an independent contractor, and not as an employee.
2. **Consulting Services** - The Consultant agrees that, during the term of this Agreement, Consultant will devote his best efforts to his position as an independent consultant and will perform such consultation services (as set forth below) as may be requested by the Authority or its representatives, and exercise a reasonable degree of skill and care in performing said Services.
3. **Scope of Services** - During the course of this Agreement, the Consultant shall perform certain services (the "Services") that have been approved by the Authority's Board of Directors (the "Board"), as fully set forth in the attached **Exhibit A**. The Consultant shall be compensated for performance of such Services, as set forth below in Section 4 of this Agreement. During the term of this Agreement, the Consultant or the Authority may recommend certain additions or changes to the Services. In such case, the additions or changes shall be submitted to the Authority for approval in the form of a new proposal or service order. When any new Services or changes to Services are

approved by the Board, another exhibit shall be added to this Agreement, signed, and dated by each Party. The exhibits added shall be sequenced in alphabetical order beginning with **Exhibit C** and shall be dated when approved by the Board.

4. **Compensation** – During the term of this Agreement, the Authority agrees to pay the Consultant for Services actually performed under this Agreement at the rates shown on the attached **Exhibit B**. The rates shown on **Exhibit B** include all ordinary and normal expenses related to the performance of Services to the Authority, including ordinary automobile and office expenses, to be performed pursuant to the terms of this Agreement incurred by the Consultant or the Consultant's employees. The Consultant shall be entitled to reimbursement of extraordinary expenses such as travel requiring airline travel, overnight hotel stays, or other extraordinary expenses for supplies, materials, etc., incurred by the Consultant relating to any Services requested to be performed hereunder upon prior approval by the Authority. The Consultant shall not be entitled to participate in, or receive benefits under, any Authority programs maintained for its employees, including, without limitation, life, medical, and disability benefits, pension, profit sharing or other retirement plans, or other fringe benefits.

5. **Statements and Reports** – The Consultant agrees to submit an activity report detailing the Services provided pursuant to the terms of this Agreement on a monthly basis and at such other times as the Authority's representative shall request. Consultant shall submit a detailed monthly invoice (together with any back-up documentation requested by the Authority), indicating the Services performed for that month under the terms of this Agreement, to the Authority's bookkeeper:

AVANTA Services  
Attn: Pamela Logsdon  
5635 Northwest Central Dr., Suite 104E  
Houston, TX 77092  
Fax: (713) 934-9443  
Phone No.: (713) 934-9107  
Email: pmlogsdon@sbcglobal.net

Payment shall be made within forty-five (45) days of the approval of Consultant's invoice by the Board. Interest shall not be paid on invoices.

6. **Insurance** – The Consultant shall provide the Authority evidence of liability insurance coverage on the automobiles used in the provision of Services hereunder in the amount of no less than \$100,000 per person and \$300,000 per accident or \$300,000 aggregate.

7. Indemnification -

TO THE FULLEST EXTENT PERMITTED BY LAW, THE CONSULTANT, FOR ITSELF AND ITS SUCCESSORS AND ASSIGNS, AGREES TO DEFEND, INDEMNIFY AND HOLD HARMLESS THE AUTHORITY AND ITS OFFICERS, DIRECTORS, REPRESENTATIVES, AND AGENTS, FROM EVERY LOSS, DAMAGE, INJURY, COST, EXPENSE, CLAIM, JUDGMENT, OR LIABILITY OF EVERY KIND OR CHARACTER, WHETHER IN CONTRACT, TORT, OR OTHERWISE, WHICH ARISES DIRECTLY OR INDIRECTLY FROM THE CONSULTANT'S WILLFUL, INTENTIONAL, RECKLESS, OR NEGLIGENT (WHETHER ACTIVE, PASSIVE, OR GROSS) ACTS OR OMISSIONS RELATED TO OR ARISING FROM THIS AGREEMENT. THIS INDEMNITY AND HOLD HARMLESS PROVISION WILL APPLY WHETHER SUCH ACTS OR OMISSIONS ARE CONDUCTED BY THE CONSULTANT OR ANY SUBCONTRACTOR, EMPLOYEE, OR AGENT OF THE CONSULTANT.

TO THE FULLEST EXTENT PERMITTED BY LAW, THE AUTHORITY SHALL DEFEND, INDEMNIFY, AND HOLD HARMLESS THE CONSULTANT FROM AND AGAINST ANY AND ALL CLAIMS, DEMANDS, OR CAUSES OF ACTION (AND ALL LOSSES, LIABILITIES, EXPENSES, AND JUDGMENTS INCURRED IN CONNECTION THEREWITH, INCLUDING BUT NOT LIMITED TO ATTORNEYS' FEES AND EXPENSES, COURT COSTS, AND OTHER EXPENSES INCURRED IN ENFORCING THIS INDEMNITY PROVISION) OR FROM ANY OTHER LOSS OR CLAIM ARISING FROM THIRD PARTY PERSONAL INJURY OR PROPERTY DAMAGE BROUGHT BY ANY THIRD PARTY, BASED UPON OR RESULTING FROM THE NEGLIGENT ACT OR, OMISSION, OR MISCONDUCT OF AUTHORITY'S EMPLOYEES, DIRECTORS, OFFICERS, AGENTS, OUTSIDE ADVISORY OR SUPPORT CONSULTANTS, OR REPRESENTATIVES, EXCEPT FOR CONSULTANT'S (INCLUDING CONSULTANT'S SUCCESSIONS AND ASSIGNS) OWN ACTS OF WILLFUL, INTENTIONAL, RECKLESS, OR NEGLIGENT (WHETHER ACTIVE, PASSIVE, OR GROSS) ACTS OR OMISSIONS RELATED TO OR ARISING FROM THIS AGREEMENT. NOTWITHSTANDING THE FOREGOING, NOTHING CONTAINED IN THIS AGREEMENT SHALL BE CONSTRUED OR INTERPRETED AS THE AUTHORITY'S WAIVER OF ITS RIGHTS TO GOVERNMENTAL IMMUNITY.

THIS INDEMNITY AGREEMENT IS INTENDED TO MEET THE TEXAS "EXPRESS NEGLIGENCE RULE," BECAUSE CONSULTANT AGREES THAT IT APPLIES AND IS ENFORCEABLE EVEN AS TO LOSSES, DAMAGES, INJURIES, EXPENSES, CLAIMS, CAUSES OF ACTION, JUDGMENTS OR LIABILITIES JOINTLY OR CONCURRENTLY CAUSED BY THE NEGLIGENCE OR OTHER FAULT OF THE AUTHORITY. THE TERM "FAULT" IN THE PREVIOUS SENTENCE INCLUDES THE VIOLATION OR BREACH BY THE AUTHORITY OF

ANY COMMON LAW DUTY, ANY TERM OF THIS AGREEMENT, OR ANY STATUTE OR REGULATION.

THIS INDEMNIFICATION OBLIGATION IS IN ADDITION TO ALL OTHER LEGAL, EQUITABLE, OR INDEMNIFICATION REMEDIES AVAILABLE TO THE AUTHORITY. THIS INDEMNIFICATION OBLIGATION SURVIVES THE TERMINATION OR EXPIRATION OF THIS AGREEMENT.

CONSULTANT DOES HEREBY WAIVE, RELEASE, AND FOREVER RELINQUISH AND DISCHARGE THE AUTHORITY FROM ALL OF CONSULTANT'S CAUSES OF ACTION ARISING FROM BODILY INJURY OR DEATH OR DAMAGE TO ANY PROPERTY ARISING OUT OF THE SERVICES DESCRIBED IN THIS AGREEMENT, REGARDLESS OF WHETHER THE INJURY OR DAMAGE IS CAUSED IN FULL OR IN PART BY THE NEGLIGENCE OR OTHER FAULT OF THE AUTHORITY.

8. **Termination** - The Consultant or the Authority may terminate this Agreement, with or without cause or reason, by providing the other party with thirty (30) days' prior written notice of such termination. In the event of the Consultant's inability for any cause or reason to perform the Services requested hereunder, as determined in the sole discretion of the Authority, this Agreement shall terminate as of the first date of such inability to perform. The Authority does not waive any other remedy allowed under Texas law.

9. **Trade Secrets and Confidential Information** - The Consultant, during the term of this Agreement or at any time thereafter, will not, without the express written consent of the Authority, directly or indirectly communicate or divulge to, or use for his own benefit or for the benefit of any other person, firm, association or corporation, any of the Authority's subsidiaries', affiliates', divisions', or partners' trade secrets, proprietary data, or other confidential information which trade secrets, proprietary data, and other confidential information were communicated to or otherwise learned or acquired by the Consultant during his relationship with the Authority (or its predecessors) as a consultant, except that the Consultant may disclose such matters to the extent that disclosure is required (a) at the Authority's direction in the course of the consulting relationship with the Authority or (b) by a court or other governmental body of competent jurisdiction. As long as such matters remain trade secrets, proprietary data, or other confidential information, the Consultant will not use such trade secrets, proprietary data, or other confidential information in any way or in any capacity other than as a consultant of the Authority and to further the Authority's interests.

Such trade secrets, proprietary data or other confidential information includes, but is not limited to, legal matters, personnel information, ideas, discoveries, designs, inventions, improvements, trade secrets, know-how, manufacturing processes, product formulae, design specifications, writings and other works of authorship, computer

programs, financial information, accounting information, marketing plans, customer lists and data, business plans or methods and the like, which relate in any manner to the actual or anticipated business of anyone or more of the Authority, its subsidiaries, affiliates, divisions or partners.

10. **Complete Agreement** - This Agreement represents the complete Agreement between the Authority and the Consultant concerning the subject matter hereof and supersedes all prior agreements (including, but not limited to, the Original Agreement) or understandings, written or oral. No attempted modification or waiver of any of the provisions hereof shall be binding on either party unless in writing and signed by both the Consultant and Authority.

11. **Notices** - Any written notice required or permitted to be given hereunder shall be effective three business days after it is properly sent by registered or certified mail, to the applicable address set forth beneath the signatures to this Agreement, or to such other address as either party may from time to time designate by written notice.

12. **Counterparts** - This Agreement may be executed in multiple counterparts, each of which shall be identical and all of which, when taken together, shall constitute one and the same instrument.

13. **Assignability** - This Agreement may not be assigned without the written consent of the parties.

14. **Severability** - Each of the sections contained in this Agreement shall be enforceable independently of every other section in this Agreement, and the invalidity or non-enforceability of any section shall not invalidate or render non-enforceable any other section contained herein.

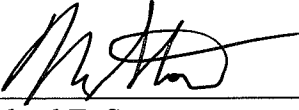
15. **Applicable Law** - This Agreement and the obligations of the parties hereunder are subject to all rules, regulations, and laws which may be applicable by the United States, the State of Texas, or any other regulatory agency having jurisdiction.

16. **Governing Law** - This Agreement is governed in accordance with the laws of the State of Texas and venue shall be in Fort Bend County.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and the year first above written.

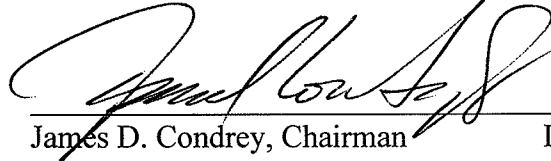
**CONSULTANT:**



\_\_\_\_\_  
Michael E. Stone Date

Mike Stone Associates, Inc.  
P.O. Box 546  
Richmond, Texas 77406

**AUTHORITY:**



\_\_\_\_\_  
James D. Condrey, Chairman Date

Fort Bend County Toll Road Authority  
c/o Allen Boone Humphries Robinson LLP  
3200 Southwest Freeway, Suite 2600  
Houston, Texas 77027

## EXHIBIT A

### APPROVED SERVICES

The Board has engaged the Consultant to manage the daily operations, maintenance, work activities, and services of the Authority, as well as overseeing the Authority's administrative functions. In furtherance of this objective, pursuant to the terms of this Agreement, the Consultant has approval to complete the following essential duties and responsibilities:

1. Act as consultant liaison to the Board, attend Board meetings, provide reports, presentations, and recommendations to the Board, assist with agenda development, respond to Board inquiries, and complete other tasks as approved by the Board.
2. Manage the various consultants engaged by the Authority to facilitate annual strategic planning activities, including the identification and development of Board strategic goals and priorities.
3. Preparation of the annual operating, capital project, and reserve budgets in cooperation with the bookkeeper and the other consultants employed by the Authority.
4. Review and recommend approval all Authority financial records and invoices.
5. Direct, instruct, review, and evaluate the work activities of Authority contractors, engineers, maintenance vendors, consultants, etc.
6. Coordinate the planning, design, contracting/procurement, project administration, and completion of capital projects, including related warranty periods.
7. Oversee the maintenance and operations of all Authority owned assets.
8. Initiate the procurement of reserve studies for maintenance, rehabilitation, and replacement, as appropriate, for the Authority's assets.
9. Maintain and oversee the development and maintenance of a data base of work orders to manage the maintenance of the Authority's assets and manage various vendors employed by the Authority.
10. Oversee the development of policies and procedures related to the routine and emergency operations of the Authority's assets as directed by the Board.

11. Attend and/or facilitate community meetings related to or affecting the Authority as required.
12. Coordinate communication, education, and outreach initiatives for the Authority.
13. Perform any other duties as approved by the Board.

**EXHIBIT B**  
**APPROVED COMPENSATION**

Principal (1)	\$180.00 / hr.
Senior Operations/Maintenance Manager (2)	\$175.00 / hr.
Senior Associate	\$175.00 / hr.
Associate	\$145.00 / hr.
Junior Associate	\$130.00 / hr.
Senior Technical Consultant	\$150.00 / hr.
Technical Consultant	\$135.00 / hr.
Junior Technical Consultant	\$110.00 / hr.
Senior Field Technician (3)	\$110.00 / hr.
Field Technician	\$85.00 / hr.
Junior Field Technician	\$65.00 / hr.
Administrative Support Staff	\$60.00 / hr.

- (1) M Stone  
(2) S Knoepfel  
(3) C Essex

**NOTE:**

Our fees are based on hourly rates and will be based on the time spent by the personnel who work on the matter in accordance with those rates set forth above. Billing rates for our personnel vary according to the experience of the individuals. Mike Stone, Chad Essex, and Sherrie Knoepfel are the primary personnel who are currently expected to work on Authority matters. In an effort to reduce overall costs, we utilize administrative assistant personnel whenever appropriate. Any service performed by special project assistance or support staff will be billed at an hourly rate consistent with the rates shown above for their classification and experience level. Billing rates for personnel are, from time to time, reviewed and adjusted and may be changed with 30 days written notice. Please feel free at any time to ask for our current rates.