



October 31, 2012

Mr. William H. "Bill" Vidor
Assistant County Attorney
Fort Bend County Attorney's Office
301 Jackson Street, Suite 728
Richmond, Texas 77469
Delivered via email: Bill.Vidor@co.fort-bend.tx.us

SUBJECT: Proposal/Authorization Consulting Services on
Cane Island Properties
Fort Bend County, Texas

Dear Mr. Vidor:

Upon your acceptance of this letter agreement, Integra Realty Resources – Houston, will prepare a consulting report in respect to the Subject Properties.

The intended use of the consulting report is to assist you, as the intended user of the consulting report, in evaluating the Subject Properties for possible acquisition purposes.

Our fee for this assignment will be on an hourly basis. Our budget for this assignment is \$4,000. Consequently, the following fee schedule will apply:

Managing Director	\$ 275 per hour
Director	\$ 250 per hour
Associate Director	\$ 150 per hour
Senior Analyst	\$ 125 per hour
Analyst	\$ 100 per hour
Research Assistant	\$ 75 per hour
Clerical	\$ 50 per hour

Mr. William H. "Bill" Vidor
Assistant County Attorney
Fort Bend County Attorney's Office
October 31, 2012
Page 2

The fees will be due and payable within 30 days of the delivery of the reports. It is understood that simple interest of 15% per annum will accrue on any unpaid balance for compensation due, subject to reduction pursuant to any applicable usury law. We shall also be entitled to recover our costs (including attorneys' fees), associated with collecting any amounts owed or otherwise incurred in connection with this assignment. In the event that the assignment is cancelled prior to completion, an invoice will be prepared reflecting the percentage of work completed as of that date. Upon default, we shall be permitted to file a lien against the subject property for any amounts owed pursuant to this engagement.

Three copies of each consulting report will be provided. The delivery date is contingent upon the absence of events outside our control, timely access for inspection of the properties, as well as our receipt of all requested information necessary to complete the assignment.

Please be advised that we are not experts in the areas of building inspection (including mold), environmental hazards, ADA compliance or wetlands. Therefore, unless we have been provided with appropriate third party expert reports, the consulting report will assume that there are no environmental, wetlands, or ADA compliance problems. The agreed upon fees for our services assume the absence of such issues inasmuch as additional research and analysis may be required. If an expert is required, you are responsible for their selection, payment and actions.

In the event that we receive a subpoena or are called to testify in any litigation, arbitration or administrative hearing of any nature whatsoever or as a result of this engagement or the related report, to which we are not a party, you agree to pay our then current hourly rates for such preparation and presentation of testimony. You agree that: (i) the data collected by us in this assignment will remain our property; and (ii) with respect to any data provided by you, Integra Houston and its partner companies may utilize, sell and include such data (either in the aggregate or individually), in our database and derivative products so long as your identity is kept confidential. You agree that all data already in the public domain may be utilized on an unrestricted basis. We shall not be responsible for any incidental or consequential losses or other damages unless they are directly caused by our gross negligence or intentional misconduct. In any event, our liability will never exceed the amount we receive pursuant to this assignment.

The intended use of the consulting report is to assist you, as the intended user of the consulting report, in evaluating the Subject Properties for possible acquisition purposes. The Ethics Rule of USPAP requires us to disclose to you any prior services we have performed regarding the Subject Properties within a three year period immediately preceding the acceptance of this assignment, either as an appraiser or in any other capacity. We represent that we have not performed any services that require disclosure under this rule. The consulting report will be addressed to and shall be solely for your use and benefit except as required by the court. We expressly reserve the unrestricted right to withhold our consent to your disclosure of the consulting report (or any part thereof including, without limitation,

Mr. William H. "Bill" Vidor
Assistant County Attorney
Fort Bend County Attorney's Office
October 31, 2012
Page 3

conclusions of value and our identity), to any third parties. Stated again for clarification, unless our prior written consent is obtained, no third party may rely on the consulting report (even if their reliance was foreseeable).

THE PARTIES AGREE THAT ANY DISPUTE RELATING TO THIS LETTER AGREEMENT OR THE CONSULTING REPORT SHALL BE SUBMITTED TO, AND RESOLVED EXCLUSIVELY PURSUANT TO ARBITRATION IN ACCORDANCE WITH THE COMMERCIAL ARBITRATION RULES OF THE AMERICAN ARBITRATION ASSOCIATION. SUCH ARBITRATION SHALL TAKE PLACE IN HOUSTON AND SHALL BE SUBJECT TO THE SUBSTANTIVE LAWS OF THE STATE OF TEXAS. DECISIONS PURSUANT TO SUCH ARBITRATION SHALL BE FINAL, CONCLUSIVE AND BINDING ON THE PARTIES. UPON THE CONCLUSION OF THE ARBITRATION, THE PARTIES MAY APPLY TO ANY APPROPRIATE COURT TO ENFORCE THE DECISION OF SUCH ARBITRATION.

If you are in agreement with the terms set forth in this letter and wish us to proceed with the engagement, please sign below and return one copy to us. Thank you for this opportunity to be of service and we look forward to working with you.

Sincerely,

INTEGRA REALTY RESOURCES – HOUSTON



David R. Dominy, MAI, CRE, FRICS
Managing Director

Attachment

AGREED & ACCEPTED THIS _____ DAY OF _____, 2012.

BY: FORT BEND COUNTY ATTORNEY'S OFFICE

MR. WILLIAM H. "BILL" VIDOR, AUTHORIZED SIGNATURE

ATTACHMENT I

ASSUMPTIONS & LIMITING CONDITIONS

Each consulting report is subject to the following limiting conditions, except as otherwise noted in the respective report.

- a) A consulting report is inherently subjective and represents our opinion as to the value of the property appraised.
- b) The conclusions stated in our consulting report apply only as of the effective date of the consulting report, and no representation is made as to the effect of subsequent events.
- c) No changes in any federal, state or local laws, regulations or codes (including, without limitation, the Internal Revenue Code) are anticipated.
- d) No environmental impact studies were either requested or made in conjunction with this consulting report, and we reserve the right to revise or rescind any of the value opinions based upon any subsequent environmental impact studies. If any environmental impact statement is required by law, the consulting report assumes that such statement will be favorable and will be approved by the appropriate regulatory bodies.
- e) Unless otherwise agreed to in writing, we are not required to give testimony, respond to any subpoena or attend any court, governmental or other hearing with reference to the property without compensation relative to such additional employment.
- f) We have made no survey of the property and assume no responsibility in connection with such matters. Any sketch or survey of the property included in this report is for illustrative purposes only and should not be considered to be scaled accurately for size. The consulting report covers the property as described in this report, and the areas and dimensions set forth are assumed to be correct.
- g) No opinion is expressed as to the value of subsurface oil, gas or mineral rights, if any, and we have assumed that the property is not subject to surface entry for the exploration or removal of such materials, unless otherwise noted in our consulting report.
- h) We accept no responsibility for considerations requiring expertise in other fields. Such considerations include, but are not limited to, legal descriptions and other legal matters such as legal title, geologic considerations, such as soils and seismic stability, and civil, mechanical, electrical, structural and other engineering and environmental matters. We assume that the title to the subject property is good and marketable. The subject property is appraised on the basis of it being under responsible ownership. There are no existing judgments or pending or threatened litigation that could affect the value of the subject property. The revenue stamps placed on any deed referenced herein to indicate the sale price are in correct relation to the actual dollar amount of the transaction. The subject property is in compliance with all applicable building, environmental, zoning, and other federal, state and local laws, regulations and codes.
- i) The distribution of the total valuation in the report between land and improvements applies only under the reported highest and best use of the property. The allocations of value for land and improvements must not be used in conjunction with any other consulting report and are invalid if so used. The consulting report shall be considered only in its entirety. No part of the consulting report shall be utilized separately or out of context.
- j) Neither all nor any part of the contents of the report (especially any conclusions as to value, the identity of the appraisers, or any reference to the Appraisal Institute) shall be disseminated through advertising media, public relations media, news media or any other means of communication (including without limitation prospectuses, private offering memoranda and other offering material provided to prospective investors) without the prior written consent of the person signing the report.

- k) Information, estimates and opinions contained in the report, obtained from third-party sources, are assumed to be reliable and have not been independently verified.
- l) Any income and expense estimates contained in the consulting report are used only for the purpose of estimating value and do not constitute predictions of future operating results.
- m) If the property is subject to one or more leases, any estimate of residual value contained in the consulting report may be particularly affected by significant changes in the condition of the economy, of the real estate industry, or of the appraised property at the time these leases expire or otherwise terminate.
- n) No consideration has been given to personal property located on the premises or to the cost of moving or relocating such personal property; only the real property has been considered.
- o) The current purchasing power of the dollar is the basis for the value stated in our consulting report; we have assumed that no extreme fluctuations in economic cycles will occur.
- p) The value found herein is subject to these and to any other assumptions or conditions set forth in the body of this report but which may have been omitted from this list of Assumptions and Limiting Conditions.
- q) The analyses contained in the report necessarily incorporate numerous estimates and assumptions regarding property performance, general and local business and economic conditions, the absence of material changes in the competitive environment and other matters. Some estimates or assumptions, however, inevitably will not materialize, and unanticipated events and circumstances may occur; therefore, actual results achieved during the period covered by our analysis will vary from our estimates, and the variations may be material.
- r) The *Americans with Disabilities Act (ADA)* became effective January 26, 1992. We have not made a specific survey or analysis of any property to determine whether the physical aspects of the improvements meet the *ADA* accessibility guidelines. In as much as compliance matches each owner's financial ability with the cost to cure the non-conforming physical characteristics of a property, we cannot comment on compliance to *ADA*. Given that compliance can change with each owner's financial ability to cure non-accessibility, the value of the subject does not consider possible non-compliance. A specific study of both the owner's financial ability and the cost to cure any deficiencies would be needed for the Department of Justice to determine compliance.
- s) The consulting report is prepared for the exclusive benefit of the Client, its subsidiaries and/or affiliates. It may not be used or relied upon by any other party. All parties who use or rely upon any information in the report without our written consent do so at their own risk.
- t) No studies have been provided to us indicating the presence or absence of hazardous materials on the subject property or in the improvements, and our valuation is predicated upon the assumption that the subject property is free and clear of any environment hazards including, without limitation, hazardous wastes, toxic substances and mold. No representations or warranties are made regarding the environmental condition of the subject property and the person signing the report shall not be responsible for any such environmental conditions that do exist or for any engineering or testing that might be required to discover whether such conditions exist. Because we are not experts in the field of environmental conditions, the consulting report cannot be considered as an environmental assessment of the subject property.
- u) Integra is not a building or environmental inspector. Integra does not guarantee that the subject property is free of defects or environmental problems. Mold may be present in the subject property and a professional inspection is recommended.
- v) The person signing the report may have reviewed available flood maps and may have noted in the consulting report whether the subject property is located in an identified Special Flood Hazard Area. We are not qualified to detect such areas and therefore do not guarantee such determinations. The presence of flood plain areas and/or wetlands may affect the value of the

property, and the value conclusion is predicated on the assumption that wetlands are non-existent or minimal.

- w) The consulting report and value conclusion assumes the satisfactory completion of construction, repairs or alterations in a workmanlike manner.
- x) It is expressly acknowledged that in any action which may be brought against Integra - Houston, Integra Realty Resources, Inc. or their respective officers, owners, managers, directors, agents, subcontractors or employees (the "Integra Parties"), arising out of, relating to, or in any way pertaining to this engagement, the consulting report, or any estimates or information contained therein, the Integra Parties shall not be responsible or liable for an incidental or consequential damages or losses, unless the consulting report was fraudulent or prepared with gross negligence. It is further acknowledged that the collective liability of the Integra Parties in any such action shall not exceed the fees paid for the preparation of the consulting report unless the consulting report was fraudulent or prepared with gross negligence. Finally, it is acknowledged that the fees charged herein are in reliance upon the foregoing limitations of liability.
- y) The purpose of the consulting report is to estimate the market value of the Subject Properties on behalf of the Client as the intended user of the consulting report report. The intended use of the consulting report is to assist the Client, as the intended user of the consulting report, in evaluating the Subject Properties for possible acquisition purposes. The Ethics Rule of USPAP requires us to disclose to you any prior services we have performed regarding the Subject Properties within a three year period immediately preceding the acceptance of this assignment, either as an appraiser or in any other capacity. We represent that we have not performed any services that require disclosure under this rule. The consulting report will be addressed to and shall be solely for the Client's use and benefit except as required by the court. We expressly reserve the unrestricted right to withhold our consent to your disclosure of the consulting report (or any part thereof including, without limitation, conclusions of value and our identity), to any third parties. Stated again for clarification, unless our prior written consent is obtained, no third party may rely on the consulting report (even if their reliance was foreseeable).