

JOINT LITIGATION AND COST SHARING AGREEMENT

This Joint Litigation and Cost Sharing Agreement ("Agreement") is entered into by and among Fort Bend County Municipal Utility District No. 142 (the "MUD"), Fort Bend County (the "County"), and Fort Bend County Drainage District (the "Drainage District"), the undersigned entities ("Parties") as represented by their respective undersigned counsel. This Agreement memorializes certain understandings with respect to their common interests in connection with the subject matter of litigation.

1. **Subject of Agreement.** The Parties wish to work cooperatively to pursue their common interest in developing strategies related to the protest of, and contested case hearing regarding, the Sage Fulshear East, LLC application for proposed TPDES Permit No. WQ0015091001 ("the Subject" or "Litigation").
2. **Confidentiality of Agreement.** This Agreement, its terms, the fact of its execution and all discussions among counsel for the Parties with regard to it, are themselves subject to the attorney-client, work product and joint defense privileges, and each Party and counsel agrees that such privileges will be asserted in response to any subpoena for the production of the Agreement or in response to any inquiry as to its terms, the fact of its execution or discussions relating to it.
3. **Exchange of Privileged and Confidential Information.** The Parties believe that the sharing of confidential and privileged information and documents among themselves through their attorneys will be mutually beneficial to the Parties in the pursuit of their interests and objectives. The Parties would not disclose such confidential and privileged information to one another but for their mutual and common interest in connection with the Subject, and because of the Parties' belief and intention that such disclosure will not constitute a waiver of any applicable privilege. The Parties agree that any exchange of information in connection with such joint efforts is not intended to, and does not, waive any attorney/client or attorney work product privilege, or other applicable privileges or protection from disclosure to third parties which may be otherwise available. All work performed by the undersigned counsel and their respective firms and consultants and communications among the undersigned counsel and their consultants and/or clients in connection with this undertaking shall be conducted and protected pursuant to the attorney-client privilege and work product doctrine as recognized in Texas. Any privileged communications exchanged by counsel pursuant to this Agreement shall not be used by any Party for purposes unrelated to said proceedings and litigation, now or in the future.
4. **Assertion of Privilege and Confidentiality.** The Parties and their counsel will make all reasonable efforts to maintain the confidentiality of the privileged communications. Each Party agrees to maintain the confidentiality of all privileged communications under this Agreement and shall also instruct counsel that none of the privileged communications obtained or developed by any of the Parties, counsel, agents, experts, or consultants as a result of this Agreement shall be disclosed to third parties without the consent of all undersigned Parties and counsel. Any Party or counsel receiving a third-party request or demand for disclosure of privileged communications subject to this Agreement shall report such request forthwith to all

signatory counsel and shall utilize all reasonable means and legal processes to maintain the confidentiality of such communications, including but not limited to opposing any requests for, or motions to compel production of such communications, or, when appropriate, seeking a protective order to prevent disclosure of such communications. Waiver of the joint defense privilege is only effective when made by all Parties acting unanimously and waiver of an applicable joint defense privilege or doctrine by the conduct of a Party, express or implied, shall not be construed as a waiver by any other Party.

5. **Cost Sharing.** The Parties agree to share the costs and expenses in the joint presentation of the Parties' common interests in the Subject, as more particularly described and subject to the terms and conditions contained herein (the "Joint Costs"). The Parties agree that Joint Costs will be shall be limited to payment for the following:

- (a) fees and costs of experts and consultants employed for all Parties' benefit (the "Joint Expert");
- (b) other expenses approved by agreement of the Parties.

The Parties further agree that counsel for the MUD will hire each Joint Expert and enter into agreements ("Expert Agreements") with each Joint Expert after counsel for the MUD consults with and obtains approval from counsel for the County and the Drainage District. Counsel for the MUD will invoice the MUD for the Joint Costs no less frequently than every 30 days. The MUD will then invoice the County and the Drainage District in one invoice for their portion of the Joint Costs no less frequently than every 30 days. The County and Drainage District agree to pay the MUD within a reasonable time after receipt of its invoice, no later than five (5) business days. Except by unanimous separate agreement to the contrary, all Joint Costs shall be apportioned to the Parties according to the following percentages:

The MUD	50%
The County and Drainage District	50%

Prior to the execution of this Agreement, the MUD has been advised by the County and the Drainage District and the MUD clearly understands and agrees that the County and the Drainage District initially have available the total maximum sum jointly of \$25,000.00 beginning on the date of this Agreement, specifically allocated to fully discharge any and all liabilities which may be incurred by the County and the Drainage District pursuant to the terms of this Agreement.

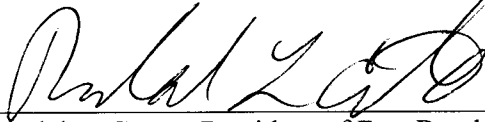
Liability under this Agreement shall be several, and not joint and several. The above apportionment of contributions is made solely for the purpose of allocating and paying the Joint Costs approved pursuant to this Agreement, and shall not be construed to constitute any agreement or precedent for allocation of any other expenses or liabilities whatsoever.

6. **Modifications.** Modifications of this Agreement can be made if such modifications are in writing and are signed by all authorized representatives of the Parties to this Agreement.
7. **Withdrawal.** Any Party is free to withdraw from this Agreement or Litigation upon that Party's counsel giving prior written notice to the other Parties. Withdrawal shall be effective as of the date of the notice. Parties and counsel agree that any privilege by which the confidentiality of any materials and copies is protected shall remain in full force and effect during and subsequent to such withdrawal and the withdrawing Party or counsel shall be obligated to protect such privilege. Furthermore, Parties are responsible for their pro-rata share for all Joint Costs incurred until the time of withdrawal. Upon a Party's withdrawal, the non-withdrawing Party or Parties shall be responsible for the Joint Costs.
8. **No duty.** Nothing contained herein shall be deemed to create an attorney-client relationship or duty of loyalty among any counsel and anyone other than the client of that counsel either expressly or by implication. Similarly, nothing in this Agreement shall obligate any Party or its counsel to participate in meetings of counsel, to disclose proprietary, confidential or other information to any Party or its counsel, or take any other particular action with respect to the subject or their common interests.

Entered and effective this day of August, 2014.

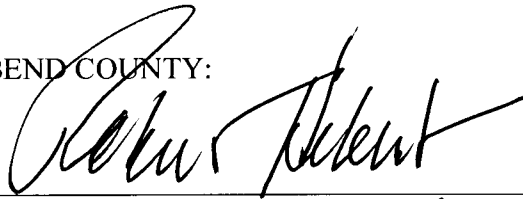
BY:

FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 142:



Randal L. Carter, President of Fort Bend County MUD 142 Board of Directors

FORT BEND COUNTY:



Robert E. Hebert, County Judge

Comm. Ct. 9-23-14

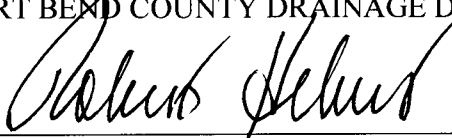
Attest:



Dianne Wilson, County Clerk



FORT BEND COUNTY DRAINAGE DISTRICT:



Robert E. Hebert, County Judge

Comm. Ct. 9-23-14

Attest:

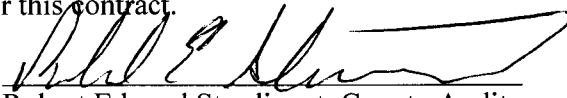


Dianne Wilson, County Clerk



AUDITOR'S CERTIFICATE

I hereby certify that funds are available in the amount of \$25,000.⁰⁰ to accomplish and pay the obligation of Fort Bend County under this contract.



Robert Edward Sturdivant, County Auditor