



PROFESSIONAL SERVICES AGREEMENT

(Version 9-22-2023)

This AGREEMENT (“Agreement”) is entered by and between **GFT, Inc.** (the “Professional”), located at **3200 Southwest Freeway, Suite #1600, Houston, TX 77027** and the **City of League City** (“City”), a home-rule municipality, located at 300 W. Walker St., League City, Texas 77573 on the date set forth below.

Terms:

1. **Scope of Services:** Professional will perform the services as set forth in **Exhibit A**, which is attached and incorporated herein, and which can be generally described as **Professional Services for the extension of a 24” Waterline along FM 517**. If there is a conflict between the terms of this Agreement and Exhibits A, the terms of this Agreement will prevail.
2. **Term and Termination:** This Agreement shall commence on **June 11, 2026** and shall expire on **July 31, 2027** City reserves the right to terminate this Agreement for convenience upon seven (7) days written notice to Professional. Upon such termination, City shall pay Professional, at the rate set out in **Exhibit A**, for services satisfactorily performed up through the date of termination. Notwithstanding any provision in this Agreement to the contrary, City will not be required to pay or reimburse Professional for any services performed or for expenses incurred by Professional after the date of the termination notice that could have been avoided or mitigated by Professional.
3. **Compensation:** Professional shall be paid for the services as set forth in **Exhibit A**. In no event shall the total compensation exceed **\$\$345,000.00** during the term of this Agreement. City shall tender payment (including progress/partial payments) for services only after such services are completed and are deemed to be acceptable under this Agreement, in the sole reasonable discretion of City. Professional must submit to City invoices for all services provided, which invoices must include details and dates of service. Payment by City shall be made within thirty (30) days of receipt of an invoice, except for any portion of the invoiced amount that City disapproves as not compliant under this Agreement, in the sole reasonable discretion of City. If City disapproves any amount submitted for payment by Professional, City shall give Professional specific reasons for disapproval in writing.
4. **Insurance:** Professional **is** required during the Contract Term to maintain insurance as set forth below: (a) Comprehensive General Commercial Liability insurance covering bodily injury and property damage, with minimum coverage limits—exclusive of defense costs—of \$1,000,000 per occurrence and \$2,000,000 aggregate; (b) Professional Liability (errors and omissions/malpractice) insurance with minimum coverage limits—exclusive of defense costs—of \$2,000,000 per occurrence; and (c) If at any point during the Contract Term it is foreseeable that Professional will enter upon City premises: (i) Worker’s Compensation coverage with statutory limits for the State of Texas, and (ii) Commercial Automobile Liability coverage with minimum coverage limits—exclusive of defense costs—of \$1,000,000 per occurrence and \$2,000,000 aggregate. All policies must contain a waiver of subrogation against City. Comprehensive General Liability and Commercial Automobile Liability policies must name the City as Additional Insured. Professional

shall pay all insurance deductibles and deductibles must not exceed \$10,000 unless approved in advance by City. Professional shall provide City Certificates of Insurance evidencing these insurance requirements prior to the start of work.

5. **Liquidated Damages:** Liquidated damages **are** applicable to this transaction. Professional acknowledges that time is of the essence in performing this Agreement. City and Professional (collectively, the “Parties”) agree that if Professional is late in performing any service designated as **Time Critical** on the Scope of Services attached to this Agreement, City will suffer loss, damages, or other harm from Professional’s delay. The Parties agree that the amount of loss, damages, or harm likely to be incurred as a result of Professional’s delay is incapable or difficult to precisely estimate, and therefore the Parties desire to stipulate the amount of such loss, damages, or harm. Accordingly, Professional shall have deducted from any amounts owed under this Agreement liquidated damages equal to the number of calendar days of the delay(s) times the daily rate, which rate shall be one-tenth of one percent (0.1%) times the compensation shown in the Scope of Services for such Time Critical service. The Parties further agree that: (i) the liquidated damages specified herein are not a penalty but rather bear a reasonable relationship to, and is not plainly or grossly disproportionate to, the probable loss likely to be incurred by City as a result of Professional’s delay; (ii) one of the reasons for City and Professional to agree to such amounts is the uncertainty and cost of litigation regarding the question of actual damages; and (iii) City and Professional are sophisticated business parties and negotiated this Agreement at arm’s length.
6. **Independent Professional:** Professional is an independent Professional and is not an employee, partner, joint venture, or agent of City. Professional understands and agrees that he/she will not be entitled to any benefits generally available to City employees. Professional shall be responsible for all expenses necessary to carry out the services under this Agreement and shall not be reimbursed by City for such expenses except as otherwise provided in this Agreement.
7. **Intellectual Property:** This Agreement shall be an Agreement for services and the parties intend and consider any work created as a result of this Agreement, including any and all documentation, images, products or results, to be a work (the “Work”) for hire under federal copyright law. Ownership of the Work shall belong to and remain the exclusive property of City. The Work may be edited at any time within City’s discretion. If the Work would not be considered a work-for-hire under applicable law, Professional hereby assigns, transfers, and conveys any and all rights, title and interest to City, including without limitation all copyrights, patents, rights of reproduction, rights to ownership, and right to secure registrations, renewals, reissues and extensions thereof. As the sole copyright holder of the Work, City maintains and asserts the rights to use, reproduce, make derivative works from, and/or edit the Work in any form of medium, expression or technology now known or hereafter developed, at any time within City’s discretion. Professional shall not sell, disclose or obtain any other compensation for the services provided herein or the Work. If the Work is one to which the provisions of 17 U.S.C. § 106A apply, Professional hereby waives and appoints City to assert on Professional's behalf Professional's moral rights or any equivalent rights regarding the form or extent of any alteration to the Work (including, without limitation, removal or destruction) or the making of any derivative works based on the Work, including, without limitation, photographs, drawings or other visual reproductions of the work, in any medium, for City’s purposes.
8. **Confidentiality:** During the course of the services to be provided under this Agreement, Professional may become privy to confidential information of City. Professional agrees to treat as confidential the information or knowledge that becomes known to Professional during performance of this Agreement and to not use, copy, or disclose such information to any third

party unless authorized in writing by City. This provision does not restrict the disclosure of any information that is required to be disclosed under applicable law. Professional shall promptly notify City of any misuse or unauthorized disclosure of City's confidential information and upon expiration of this Agreement shall return to City all confidential information in Professional's possession or control. Professional shall further comply with all information security policies of City that may apply and shall not make any press releases, public statements or advertisement referring to the services provided under this Agreement or the engagement of Professional without the prior written approval of City.

9. **Warranties and Representations:** Professional warrants and agrees that Professional shall perform its services and conduct all operations in conformity with all applicable federal, state, and local laws, rules, regulations, and ordinances. For any service performed on premises owned or controlled by City, Professional warrants and agrees that Professional will perform said services in compliance with all City rules, including but not limited to, prohibitions related to tobacco use, alcohol, and other drugs.
10. **Licenses/Certifications:** Professional represents and warrants that it will obtain and maintain in effect, and pay the cost of, all licenses, permits or certifications that may be necessary for Professional's performance of this Agreement. If Professional is a business entity, Professional warrants, represents, covenants, and agrees that it is duly organized, validly existing and in good standing under the laws of the state of its formation; and is duly authorized and in good standing to conduct business in the State of Texas, that it has all necessary power and has received all necessary approvals to execute and deliver the Agreement and is authorized to execute this Agreement according to its terms on behalf of Professional.
11. **Performance/Qualifications:** Professional agrees and represents that Professional has the personnel, experience, and knowledge necessary to qualify Professional for the particular duties to be performed under this Agreement. Professional warrants that all services performed under this Agreement shall be performed consistent with generally prevailing professional or industry standards.
12. **Conflict of Interest:** Professional warrants, represents, and agrees that Professional presently has no interest and shall not acquire any interest, direct or indirect, that would conflict in any manner or degree with Professional's performance of the services hereunder. Professional further warrants and affirms that no relationship or affiliation exists between Professional and City that could be construed as a conflict of interest with regard to this Agreement.
13. **INDEMNIFICATION: PROFESSIONAL SHALL INDEMNIFY AND HOLD HARMLESS CITY, AND EACH OF ITS OFFICIALS, OFFICERS, AGENTS AND EMPLOYEES FROM AND AGAINST ALL CLAIMS, ACTIONS, SUITS, DEMANDS, PROCEEDINGS, COSTS, DAMAGES AND LIABILITIES, INCLUDING WITHOUT LIMITATION ATTORNEYS' FEES AND REASONABLE LITIGATION COSTS, ARISING OUT OF, CONNECTED WITH, OR RESULTING FROM ANY ACTS OR OMISSIONS OF PROFESSIONAL OR ANY AGENT, EMPLOYEE, SUBCONTRACTOR, OR SUPPLIER OF PROFESSIONAL IN THE EXECUTION OR PERFORMANCE OF THIS CONTRACT, TO**

THE EXTENT THE CLAIM ARISES FROM NEGLIGENCE, WILLFUL ACT, BREACH OF CONTRACT OR VIOLATION OF LAW.

14. **Force Majeure:** Neither party shall be liable to the other for (i) any delay in performance; (ii) any other breach; (iii) any loss or damage; or (iv) any contribution to or aggravation of any of the foregoing; arising solely from uncontrollable forces such as fire, theft, storm, war, or any other cause that could not have been reasonably avoided by the party's exercise of due diligence.
15. **Notices:** Any notice given under this Agreement by either party to the other may be affected either by personal delivery in writing or by mail, registered or certified postage prepaid with return receipt requested. Mailed notices shall be addressed to the addresses of the Parties as they appear in the contract. Notices delivered personally shall be deemed communicated at the time of actual receipt. Mailed notices shall be deemed communicated three (3) days after mailing.
16. **Texas Family Code Child Support Certification:** Pursuant to Section 231.006 of the Texas Family Code, Professional certifies that it is not ineligible to receive the award of or payments under the Agreement and acknowledges that the Agreement may be terminated, and payment may be withheld if this certification is inaccurate.
17. **State Auditor:** Professional understands that acceptance of funds under the Agreement constitutes acceptance of the authority of the Texas State Auditor's Office, or any successor agency (collectively, the "Auditor"), to conduct an audit or investigation in connection with those funds. Professional agrees to cooperate with the Auditor in the conduct of the audit or investigation, including without limitation providing all records requested. Professional will include this provision in all contracts with permitted subprofessionals.
18. **Jurisdiction:** Any disputes under this Agreement shall be brought in a court of competent jurisdiction in Galveston, Texas and governed by Texas law.
19. **Alternative Dispute Resolution:** To the extent that Chapter 2260, Texas Government Code, is applicable to this Contract and is not preempted by other applicable law, the dispute resolution process provided for in Chapter 2260 and the related rules adopted by the Texas Attorney General Pursuant to Chapter 2260, shall be used by City and Professional to attempt to resolve any claim for breach of contract made by Professional that cannot be resolved in the ordinary course of business. The Director of Finance of City shall examine Professional's claim and any counterclaim and negotiate with Professional in an effort to resolve such claims. This provision shall not be construed as a waiver by City of its right to seek redress in the courts.
20. **Entire Agreement:** This Agreement contains the entire understanding between the Parties and supersedes all prior agreements, arrangements, and understanding, oral or written between the Parties relating to this Agreement. This Agreement may not be modified except by mutual written agreement of the Parties executed subsequent to this Agreement.
21. **Eligibility to Receive Payment:** Professional certifies that, as a matter of state law, it is not ineligible to receive the Agreement and payments pursuant to the Agreement and acknowledges that the Agreement may be terminated, and payment withheld if this representation is inaccurate.
22. **Payment of Debt/Delinquency to State:** Professional certifies that it is not indebted to the City of League City and is current on all taxes owed to the City of League City. Professional agrees that any payments owing to Professional under the Agreement may be applied directly toward any

debt or delinquency that Professional owes the City of League City regardless of when it arises, until such debt or delinquency is paid in full.

23. **Products and Materials Produced in Texas:** If Professional will provide services under the Agreement, Professional covenants and agrees that in performing its duties and obligations under the Agreement, it will purchase products and materials produced in Texas when such products and materials are available at a price and delivery time comparable to products and materials produced outside of Texas.
24. **Risk of Loss:** All work performed by Professional pursuant to the Agreement will be at Professional's exclusive risk until final and complete acceptance of the work by City. In the case of any loss or damage to the work, or the need to redo or revise the work for any reason except to accommodate a City request to materially alter the work, prior to City's acceptance, bearing the costs of such loss or damage to or such redo or revision of the work will be Professional's responsibility.
25. **Publicity:** Professional shall not use City's name, logo or likeness in any press release, marketing materials or other public announcement without receiving City's prior written approval.
26. **Legal Construction/Severability:** In the event that any one or more of the provisions contained in this Agreement shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision, and this Agreement shall be construed as if such invalid, illegal or unenforceable provisions had never been contained in it. To this end, the provisions of this Agreement are declared to be severable. The Parties may mutually agree to renegotiate the Agreement to cure such illegality/invalidity or unconstitutionality if such may be reasonably accomplished.
27. **Limitations:** The Parties are aware that there are constitutional and statutory limitations on the authority of City to enter into certain terms and conditions of the Agreement, including, but not limited to, those terms and conditions relating to liens on City's property; disclaimers and limitations of warranties; disclaimers and limitations of liability for damages; waivers, disclaimers and limitations of legal rights, remedies, requirements and processes; limitations of periods to bring legal action; granting control of litigation or settlement to another party; liability for acts or omissions of third parties; payment of attorneys' fees; dispute resolution; indemnities; and confidentiality (collectively, the "Limitations"). Any terms and conditions related to the Limitations will not be binding on City except to the extent authorized by the laws and Constitution of the State of Texas.
28. **Sovereign Immunity:** The Parties agree that neither the execution of the Agreement by City nor any other conduct, action or inaction of any City representative relating to the Agreement constitutes a waiver of sovereign immunity by City.
29. **Authority:** The Parties stipulate that in entering into this Agreement, the City is performing a solely governmental function and not a proprietary function. Professional warrants and represents that Professional has full power and authority to enter into and perform this Agreement and to make the grant of rights contained herein. The person signing on behalf of City represents that he/she has authority to sign this Agreement on behalf of City.
30. **Non-Waiver:** The Parties specifically agree that neither the occurrence of an event giving rise to a breach of contract claim nor the pendency of a claim constitute grounds for the suspension of

performance by Professional. No covenant or condition of this Agreement may be waived except by written consent of the waiving party. Forbearance or indulgence by one party in any regard whatsoever shall not constitute a waiver of the covenant or condition to be performed by the other party.

31. **Prohibitions Pursuant to Texas Government Code:** By executing this Agreement Professional verifies that Profession (1) does not boycott Israel and will not during the term of this Agreement per Section 2274.002; (2) is not engaged in business with Iran, Sudan, or any company on the list referenced in Section 2252.152; (3) does not boycott energy companies and will not during the term of this Agreement per 2274.002; and (4) does not have a practice, policy, guidance, or directive of this Agreement against a firearm entity or firearm trade association and will not during the term of this Agreement per 2274.002.

(signature block on next page)

Executed on _____ . *(date to be filled in by City Secretary)*

GFT, INC. - “Professional”

Steve Sheldon, PE – Vice President

CITY OF LEAGUE CITY – “City”

John Baumgartner, City Manager

Attest:

Diana Stapp, City Secretary

Approved as to Form:

Office of the City Attorney

Exhibit A

Scope of Services

(9 pages, including this page)

GFT Scope of Services Proposal

May 26th, 2026

Christopher Sims
Executive Director Development Services
City of League City
500 W Walker St
League City, TX 77573

Re: **Proposal for Engineering Services for extension of 24" Waterline along 517, from approximately 900' West of Calder Road to approximately 700' East of Pedregal Boulevard
GFT Job. No.: AG086000**

Dear Mr. Sims:

In accordance with your request, please find our proposal to perform engineering services for the extension of a 24" Waterline, along FM 517, from approximately 900' West of Calder Road to approximately 700' East of Pedregal Road. Based on our understanding of the project scope and through coordination with City staff, GFT recommends a preliminary construction cost of \$2,797,500 for the project.

SCOPE OF SERVICES

Basic Services:

A. Design Phase - GFT will provide the following design phase services:

1. Provide general project administration, coordination meetings with City and others, and overall project management.
2. Based on topographical survey and mapping, prepare plan and profile sheets for the proposed 24" waterline extension, including gate valves and flushing valves.
3. Prepare plans and details for the stormwater pollution prevention plans.
4. Prepare tree inventory and protection plans and details, as needed, for the installation of trunk line.
5. Prepare technical specifications and project manual for the proposed project.
6. Provide all standard and specific details needed for the project.
7. Project will be designed to meet all Federal, State, and local Code and Ordinances, as applicable.
8. Prepare Engineer's opinion of probable construction cost for the project and update.
9. Submit electronic copies of 90% plans and construction cost estimate to the City for review and comments. GFT will submit a list of technical specifications at 100% level and full project manual at 100%. GFT will follow milestone deliverables as listed in Exhibit B of the Agreement.

10. Upon completion of all review comments at 90% level and the City's final approval process, GFT will finalize design and submit electronic copies of sealed and signed design documents which GFT will follow milestone deliverables as listed in Exhibit B of the Agreement.
11. GFT will obtain TXDOT approval, via a permit, for any/all work within the TXDOT ROW of FM 517.

B. Bid Phase - Upon notification to proceed, GFT will provide the following bid phase services:

1. Coordinate with City on bid schedule and prepare and upload project documents on Civcast.
2. Attend Pre-bid meeting.
3. Respond to bidders questions prepare addenda for the project, as needed.
4. Upon receipt of bids from City, GFT will check, evaluate, and tabulate all bids.
5. GFT will prepare and submit a letter of recommendation of award along with bid tabulation.
6. Upon award of construction contract, GFT will prepare and submit three(3) copies of conformed project manual for execution between the City and the Contractor.

C. Construction Administration Phase - Upon notification to proceed, GFT will provide the following construction phase services:

1. Attend Pre-construction meeting.
2. Prepare and submit five (5) copies of half-size plans, project manual for use by City and the Contractor. GFT will also provide one (1) full size set of plans (22"x34") to Engineering department.
3. Review and approve submittals and shop drawings.
4. Respond to RFI's and other design clarifications.
5. Review and approve Contractor's Pay Estimates based on City's feedback from their regular inspections and verification of work accomplished.
6. Make periodic site visits to observe construction progress.
7. Provide Construction Management, including resolution of any/all construction issues.
8. Attend Substantial-Completion inspection and assist City in preparation of the Punch List.
9. Attend Final-Completion inspection.
10. Prepare Record Drawings from Contractor's red-marked plans and submit an electronic copy to the City.

Special Services:

- A. Surveying – GFT, through GBI Surveying, will provide boundary verification and an easement exhibit to obtain easements for the project. GFT will be responsible for all land acquisition services, including right-of-entry for boundary verification.*
- B. Control Surveys – GFT, through GBI Surveying, will provide control surveying for construction. GFT will not be responsible for construction staking.*
- C. Parcel Description – GFT, through GBI surveying, will provide metes and bounds and exhibits for each easement parcel that is required for the project at a cost of \$1,000/parcel. At this time, there are estimated to be 3 easement parcels that will be required, for a total cost of \$3,000.*
- D. Easement Acquisition Services – GFT will provide easement acquisition services per the attached special service proposal. At this time, there are estimated to be 3 easement parcels that will be required, for a total cost of \$8,950 per parcel.*
- E. Misc. Project Expenses - For direct project expenses such as mileage, deliveries, printing, GFT recommend a budget not-to-exceed \$2,500 be set. GFT will invoice based on cost plus 10%.*

COMPENSATION

For the professional services proposed herein, GFT proposed the following fees. All fees are based on Lump Sum, unless otherwise noted.

BASIC ENGINEERING FEES

1.	Engineering Design	\$ 180,000 ^(c)
2.	Bid & Award	\$ 5,000
3.	Construction Phase Administration	\$ 35,000
4.	Project Rep	\$ 65,950
	TOTAL BASIC ENGINEERING	<u>\$285,950</u>

SPECIAL SERVICES (Cost plus 10% other than Easement Acquisition which is just Cost)

1.	Route Topography and Mapping	\$ 16,500 ^(c)
2.	Construction Control Staking	\$ 5,500
3.	Tree Inventory Survey	\$ 4,400 ^(c)
4.	Parcel Metes and Bounds and Exhibits ^(a)	\$ 3,300 ^(c)
5.	Easement Acquisition Services	\$ 26,850

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City of League City
May 26th, 2026

ACCEPTED:
City of League City

By:

Name:

Title:

Date:



February 19, 2026

RE: Proposal for Right of Way Services – FM 517 Waterline Project

Dear Steve,

We are happy to provide ROW services to assist the City of League City with securing waterline easements needed for the FM 517 Waterline Project. From the ROW perspective, it appears this is a traditional reconstruction of the waterline requiring the acquisition of three easements.

Our local ROW team here in the GFT Houston office can prepare the needed offer, purchase agreement, and all required informational notices required by the State of Texas within a week of the City's approval of the appraisal.

I have attached a proposed scope of work and fixed fee for your use in presenting our collective proposal.

Scope of Work

Right of Way Services

Our ROW staff will be responsible for:

1. Preparation of tracking reports that monitor the completion of Project milestones.
2. Conferring with the Client verbally on general status, problem areas, and progress.
3. QA/QC of right of way work products associated with the Project.
4. Procuring and coordinating a Real Estate Appraisal for City's approval based on the legal/plat prepared by GFT's survey team.
5. Preparing a conveyance document.
6. Presenting an Initial and Final Offer Package (if needed) to the property owner's representative, negotiating any special terms of the conveyance, and coordinating the execution of the deed.
7. Collaborate with the title company chosen by the Client to secure title commitments and facilitate the closing of the transaction.

Proposed Fee

GFT will provide ROW services described within the Scope of Work on a lump sum basis with payment milestones.

NEGOTIATION SERVICES	Fee	Quantity	
Easement Acquisition	\$4,950.00/ EA	3	50% on preparation and presentation of City’s offer to purchase 50% on delivery of signed, notarized, recordable purchase agreement, or 40% on delivery of acquisition file including IOL/FOL and negotiation diaries to City Attorney (if no agreement is signed)
	Subtotal	\$14,850.00	
DIRECT EXPENSES	Fee	Quantity	
Subcontracted Real Estate Appraiser	\$4,000/EA	3	100% on delivery of appraisal report
TOTAL RIGHT OF WAY SERVICES		\$26,850.00	

Our costs are based on the following assumptions:

Project designs, maps, and legal descriptions have been provided by the Client or consultant. Any additional project exhibits, updated maps, or changes to the legal descriptions will be provided by the Client.

Title commitments will be provided by the Client.

Title clearance services are specifically excluded for this scope of services. All title company charges will be paid directly to the title company.

Any updated or additional Appraisal Reports will be paid directly by the City or billed as an Optional service for an additional cost.

Substantial changes in the required scope of work, including, but not limited to, major project delays, a change in the number of parcels for acquisition, etc. will result in the revision of the proposed increase.

Our proposal assumes no relocations or utility coordination. If additional services not described herein are needed, we reserve the right to amend the fee for this assignment.



GFT will not exceed the total fee of **\$26,850.00** without prior authorization from the Client. GFT will not perform any additional service, or incur any additional expenses, in the performance of this agreement without the prior written approval of the Client.



STANDARD TERMS & CONDITIONS

This schedule describes GFT Infrastructure, Inc.'s Standard Terms and Conditions for professional services. Proposal cost estimates are valid for 30 days from the date of the proposal, unless an alternate period is specified therein. Acceptance of a proposal by the Client constitutes a valid and binding contract subject to the following terms and conditions.

1. AGREEMENT DOCUMENTS

This Agreement, including the written proposal and any attachments thereto, is the complete agreement between the Client and GFT Infrastructure, Inc.. No other document shall be part of this Agreement unless specifically agreed to by the Client and GFT Infrastructure, Inc. in writing.

2. STANDARD OF CARE

All services will be provided in a manner consistent with that degree of care and skill ordinarily exercised by members of the same profession currently providing the same or similar services under similar circumstances and in accordance with applicable standards in effect at the time services are provided. All estimates, recommendations, opinions, and decisions of GFT Infrastructure, Inc. will be made upon the basis of the information available to GFT Infrastructure, Inc. and GFT Infrastructure, Inc.'s experience, technical qualifications, and professional judgment. OTHER THAN AS EXPRESSLY AGREED, GFT INFRASTRUCTURE, INC. PROVIDES NO WARRANTY, EITHER EXPRESS OR IMPLIED, OR GUARANTEES REGARDING THE OUTCOME OF ITS SERVICES.

3. CLIENT RESPONSIBILITIES

By virtue of entering into this Agreement and providing the described services, GFT Infrastructure, Inc. does not assume responsibility for any conditions at the Client's site(s) that may present a danger, either potential or real, to health, safety, or the environment. Moreover, the Client hereby agrees that it is the Client's responsibility to notify any and all appropriate federal, state, or local authorities, as required by law, of the existence of any such potential or real danger and otherwise to disclose to all appropriate or affected individuals or entities, in a timely manner, any information that may be necessary to prevent any danger to health, safety, or the environment.

4. PAYMENT TERMS

Invoices will be rendered to the Client (check one): upon completion or on a monthly basis. Invoices are due and payable upon receipt. Any questions regarding the invoiced terms or amounts shall be addressed to GFT Infrastructure, Inc. within 30 days of the date of the invoice. Otherwise, the invoice shall be considered correct, payable, and not disputed by the Client. If the invoice is not paid in full within 30 days after the date of the invoice, the Client further agrees to pay interest of 1% per month (compounded) from the

date of invoice on the unpaid balance until the invoice is paid in full. If GFT Infrastructure, Inc. retains a collection agency or attorney to collect receivables due more than 30 days, the Client agrees to pay the fees imposed by such collection agency or attorney, as well any other costs of collection.

5. INDEMNIFICATION

The Client shall indemnify, defend, and hold harmless GFT Infrastructure, Inc., its affiliates, independent professional associates, consultants, and employees from and against all claims, damages, losses, and expenses, including, but not limited to, fees and charges of attorneys and court and arbitration costs arising out of or resulting from the project, or claims against GFT Infrastructure, Inc. arising from the work of others, unless the claims, damages, losses, or expenses result from the proven negligence of GFT Infrastructure, Inc..

This indemnification shall not be limited in amount or type of damages, compensation or benefits payable under workers' compensation acts, disability benefit acts, or other employee benefit acts.

6. ALLOCATION OF RISK

The Client hereby agrees, to the fullest extent permitted by law, that the allocation of risk for GFT Infrastructure, Inc.'s total liability to the Client for any and all injuries, claims, losses, expenses, or damages whatsoever, arising out of or in any way related to GFT Infrastructure, Inc.'s services under this Agreement, including, but not limited to negligence, errors, omissions, strict liability, breach of contract, or breach of warranty, shall not exceed the amount of GFT Infrastructure, Inc.'s fees or \$50,000, whichever is less.

7. INSURANCE

During the entire service period covered by this Agreement, GFT Infrastructure, Inc. will procure and maintain the following insurance coverages:

- (A) Workers' Compensation and Employers Liability Coverage - Statutory Limits
- (B) Commercial General Liability including Contractual Liability - \$2,000,000 Combined Single Limit.
- (C) Commercial Automobile Liability - \$2,000,000 Combined Single Limit.
- (D) Professional Liability Insurance - \$1,000,000
- (E) Umbrella Policy-\$5,000,000

8. CLIENT PARTICIPATION

The Client's personnel directly or indirectly involved in this Agreement shall participate as the Client's employees. GFT Infrastructure, Inc. assumes no liability for claims related to injury to such employees.



9. ACCESS

The Client shall arrange for and guarantee access to and make all provisions for GFT Infrastructure, Inc. to enter upon public and private property as required for GFT Infrastructure, Inc. to perform its services.

10. RE-USE OF DOCUMENTS

All reports, original final reproducible drawings, plans, specifications, calculations, studies, software program tapes, models, notes, and memoranda assembled or prepared by GFT Infrastructure, Inc. pursuant to this Agreement are instruments of service in respect to the Project, and GFT Infrastructure, Inc. shall retain full ownership and property interest therein, whether or not the Project is completed. The Client may, upon full payment for all services rendered, make and retain copies for information and reference in connection with the Project; however, such documents are not intended or represented to be suitable for re-use by the Client or others on extensions of the Project or on any other project. Any modification, changes, or reuse without written verification or adaptation by GFT Infrastructure, Inc. for the specific purpose intended will be at the Client's sole risk and without liability or legal exposure to GFT Infrastructure, Inc., and the Client agrees to indemnify and hold harmless GFT Infrastructure, Inc. against any and all costs, expenses, fees, losses, claims, demands, liabilities, suits, actions, and damages whatsoever arising out of or resulting therefrom. Any such verification or adaptation will entitle GFT Infrastructure, Inc. to further compensation at rates to be agreed upon by the Client and GFT Infrastructure, Inc..

11. PROPERTY RIGHTS

All Intellectual Property rights to any tangible property and tangible work products created by GFT Infrastructure, Inc. pursuant to or in the course of this Agreement shall belong exclusively to GFT Infrastructure, Inc., as well as all systems, programs, and specifications, and other materials and hardware or ideas, concepts, know-how, or techniques relating to data processing, systems, or programs developed and used by GFT Infrastructure, Inc. herein. The same shall continue to belong exclusively to GFT Infrastructure, Inc. whether or not specifically adapted for the Client's use. Nothing herein precludes development and marketing by GFT Infrastructure, Inc. of any competitive system, program, data processing materials, or other Intellectual Property, irrespective of whether same are similar or related to that developed or incorporated for the Client pursuant to this Agreement. The Client is granted a personal, nonexclusive, nontransferable license to use the software, data, and related materials based on the terms and conditions of this Agreement.

12. CONSEQUENTIAL DAMAGES

The Client hereby agrees that to the fullest extent permitted by law GFT Infrastructure, Inc. shall not be liable to the Client for any special, indirect, or consequential damages

whatsoever, whether caused by GFT Infrastructure, Inc.'s negligence, errors, omissions, strict liability, breach of contract, breach of warranty, or other cause or causes whatsoever, including, but not limited to, delay of use of equipment or facility, loss of profit or revenue, or cost of using alternative or replacement equipment or facilities.

13. DISPUTES

Any claim, controversy, or dispute between the parties to this Agreement arising out of or in connection with this Agreement, or any breach thereof, shall, upon the request of either party, be submitted to the senior officers of each party responsible for this Agreement. In the event that the senior officers cannot agree, either party may request mediation and, if both parties agree, the matter shall be submitted to mediation. Upon written notice, the parties shall select a mediator acceptable to both parties in order to resolve the dispute. Any suits brought under this Agreement or in any way arising out of this Agreement must be filed within one year from the time mediation was terminated unsuccessfully or from the time the cause of action arose (if no mediation is undertaken) or it shall be time barred.

14. TERMINATION OF AGREEMENT

This Agreement may be terminated by either party upon thirty (30) days written notice, by mutual consent or in the event of substantial failure by the other party to perform in accordance with the terms of the Agreement through no fault of the terminating party. The Client may terminate this Agreement for its convenience, in whole or in part, by thirty (30) days written notice to GFT Infrastructure, Inc. specifying the extent to which performance of services is terminated and the date upon which such termination becomes effective.

15. COMPENSATION UPON TERMINATION

In the event of termination by the Client, GFT Infrastructure, Inc. shall be paid for unbilled services, including expenses rendered to the date of termination. In the event of any such termination, GFT Infrastructure, Inc. shall also be paid for all reasonable termination expenses. "Termination expenses" means expenses attributable to termination, including termination settlement costs incurred by GFT Infrastructure, Inc. relating to commitments that had become firm prior to termination, but shall not include lost revenue and/or lost profits.

16. OVERTIME

Overtime will be billed at a premium rate of 1.5 times the straight direct labor rate for employees subject to premium overtime for project time in excess of the standard work day established for the project, Monday through Friday, and for work on weekends and holidays.

***** End of Standard Terms and Conditions *****