

September 17, 2019

Norton Rose Fulbright US LLP
2200 Ross Avenue, Suite 3600
Dallas, Texas 7520-7932
United States

Via E-Mail

Mayor and City Council
City of Mineola
300 Greenville Highway
Mineola, Texas 75773

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Re: Bond Counsel Services

Mayor and Members of the City Council:

I enclose as Exhibit A to this letter the agenda item to be utilized in preparing the agenda for the September 23, 2019 regular meeting of the City Council (the *Meeting*). You may be aware that the 86th Texas Legislature, pursuant to HB 2826, imposed new statutory requirements on contingent contracts, such as a bond counsel contract, executed after September 1, 2019.

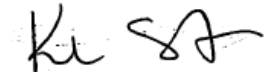
Thank you for ensuring that this agenda item is posted in accordance with the provisions of the Texas Open Meetings Act. I also enclose as Exhibit B the suggested motion for this item.

Further, I enclose as Exhibit C the required written notice for the Resolution approving bond counsel services. This written notice must be posted by the City at the location where it posts its physical notices for public meetings, which posting must occur not later than posting of the agenda for the September 23, 2019 regular meeting, pursuant to the provisions of HB 2826 (which took effect on September 1, 2019).

Exhibit A, Exhibit B, and Exhibit C are included in Word format for your convenience. I also enclose a draft copy of the Resolution for inclusion in the City Council's agenda packets. Please send any comments to this Resolution to me as soon as possible.

Thank you, in advance, for your prompt attention to this matter. If I can provide any additional assistance concerning this matter, please do not hesitate to contact me.

Very truly yours,



Kristen Savant

KS/ler
Enclosures

EXHIBIT A

CONSIDERATION AND APPROVAL OF A RESOLUTION APPROVING AN ENGAGEMENT AGREEMENT FOR BOND COUNSEL LEGAL SERVICES WITH NORTON ROSE FULBRIGHT US LLP; AND OTHER MATTERS IN CONNECTION THEREWITH

EXHIBIT B

I MOVE THAT THE CITY COUNCIL APPROVE A CONTINGENT FEE
ENGAGEMENT AGREEMENT FOR BOND COUNSEL LEGAL SERVICES
WITH NORTON ROSE FULBRIGHT US LLP

EXHIBIT C

NOTICE OF CONTINGENT FEE ENGAGEMENT CONTRACT WITH NORTON ROSE FULBRIGHT US LLP TO BE CONSIDERED FOR ADOPTION BY THE CITY ON SEPTEMBER 23, 2019

1. The City Council of the City intends to engage Norton Rose Fulbright US LLP to provide the City with bond counsel legal services pertaining to the City's issuance of public securities on the public or private market;
2. Norton Rose Fulbright US LLP has consistently demonstrated its competence, qualifications, and experience as an industry leader in public finance matters through the provision of bond counsel legal services, the representation of multiple advisors, issuers, and other parties in United States Securities and Exchange Commission enforcement actions, the publication of disclosure policies and the representation of State agencies and political subdivisions within the State of Texas on public securities related issues;
3. Accessing the public or private markets through the issuance of public securities and providing an "official statement" of the City to potential investors is governed by State and federal securities and federal tax laws and requires the advice of legal advisors that specialize in public finance matters that are well versed in public finance legal matters;
4. Engaging an attorney in private practice who specializes in public finance matters and is well versed in State and federal securities and federal tax laws pursuant to an hourly fee arrangement would likely result in higher fees to be paid by the City, and such fees incurred would be payable by the City by amounts on deposit in the City's General Fund, whether or not the public securities are issued;
5. Fees for legal services in public finance matters, including bond counsel legal services, have traditionally been paid pursuant to a contingent fee contract, where such fees become payable only upon the successful issuance of the public securities and are payable solely out of the proceeds of the public securities;
6. Entering into a contract for bond counsel legal services with Norton Rose Fulbright US LLP (a firm that specializes in public finance matters and is well versed in State and federal securities and federal tax laws) payment of which is contingent on the City's successful issuance of public securities and payable out of public securities proceeds provides the City a superior level of bond counsel legal services and fee(s) payable under the contract are reasonable in the public finance market and would likely be less than if such services were conducted pursuant to an hourly rate contract with an attorney specializing in public finance matters;
7. For each of the reasons state above, the execution of a contingent fee engagement contract with Norton Rose Fulbright US LLP is in the best interest of the residents of the City.

CITY OF MINEOLA
(Wood County, Texas)

General Obligation Refunding Bonds, 2019

Proposed Schedule of Events

September 2019							October 2019						
S	M	T	W	T	F	S	S	M	T	W	T	F	S
1	2	3	4	5	6	7			1	2	3	4	5
8	9	10	11	12	13	14	6	7	8	9	10	11	12
15	16	17	18	19	20	21	13	14	15	16	17	18	19
22	23	24	25	26	27	28	20	21	22	23	24	25	26
29	30						27	28	29	30	31		

Proposed Date	Action
September 5, 2019	City requests Hilltop to contact financial institutions for indications.
September 10, 2019	Hilltop requests indications from financial institutions.
September 19, 2019	Hilltop identifies lender based upon indications of rates and terms.
September 23, 2019	City Council considers Ordinances Authorizing Issuance Bonds (5:30 Regular Meeting)
September 24, 2019	Lender submits initial Term Sheet with proposed terms.
September 26, 2019	Term Sheet from lender finalized.
October 1, 2019	Bond Counsel submits documentation to Attorney General's Office.
October 17, 2019	Hilltop to notify all parties of closing and delivery instructions.
October 23, 2019	Closing and Delivery.



RESOLUTION NO. _____

**A RESOLUTION APPROVING AN ENGAGEMENT AGREEMENT FOR
BOND COUNSEL LEGAL SERVICES WITH NORTON ROSE
FULBRIGHT US LLP; AND OTHER MATTERS IN CONNECTION
THEREWITH**

WHEREAS, the City Council (the *City Council*) of the City of Mineola, Texas (the *City*) anticipates accessing the public or private markets from time to time to issue public securities to finance certain capital improvement projects within the City or to refinance public securities previously issued by the City, which will require the City to comply with the applicable laws and administrative rules of the State of Texas (the *State*) and federal securities and federal tax laws related thereto; and

WHEREAS, the City Council requires legal counsel which specializes in public finance matters and is well versed in State and federal securities and federal tax laws and applicable administrative procedures to provide bond counsel legal services pertaining to the City's issuance of public securities;

WHEREAS, the payment of such legal services shall be contingent on the City's successful issuance of public securities pertaining thereto and shall be payable from such public securities proceeds; and

WHEREAS, Norton Rose Fulbright US LLP will provide the City with bond counsel legal services on all of the City's publicly offered or privately placed public securities and has provided the City with an engagement agreement for bond counsel legal services pertaining to the City's anticipated future issuances of public securities (the *Engagement Agreement*, attached hereto as Exhibit A); and

WHEREAS, House Bill No. 2826, 86th Leg., R.S, effective September 1, 2019 (*HB 2826*), requires that a political subdivision of the State, including the City, enter into a contingent fee contract for legal services only after: (i) the governing body of the political subdivision has provided written notice to the public stating certain provisions enumerated within HB 2826; (ii) the governing body of the political subdivision approved such contract in an open meeting called for the purposes of considering such contract; (iii) the governing body of the political subdivision has stated in writing certain findings made by the governing body upon the approval of such contract, and (iv) the Texas Attorney General need not approve the Engagement Agreement pursuant to the exception provided by Section 2254.102(e) of HB 2826; and

WHEREAS, the City Council caused notice of this resolution (the *Resolution*), this meeting, and the following provisions enumerated within HB 2826 to be provided to the public in accordance with the Texas Open Meetings Act and HB 2826:

1. The City Council of the City intends to engage Norton Rose Fulbright US LLP to provide the City with bond counsel legal services pertaining to the City's issuance of public securities on the public or private market;

2. Norton Rose Fulbright US LLP has consistently demonstrated its competence, qualifications, and experience as an industry leader in public finance matters through the provision of bond counsel legal services, the representation of multiple advisors, issuers, and other parties in United States Securities and Exchange Commission enforcement actions, the publication of disclosure policies and the representation of State agencies and political subdivisions within the State of Texas on public securities related issues;
3. Accessing the public or private markets through the issuance of public securities and providing an “official statement” of the City to potential investors is governed by State and federal securities and federal tax laws and requires the advice of legal advisors that specialize in public finance matters that are well versed in public finance legal matters;
4. Engaging an attorney in private practice who specializes in public finance matters and is well versed in State and federal securities and federal tax laws pursuant to an hourly fee arrangement would likely result in higher fees to be paid by the City, and such fees incurred would be payable by the City by amounts on deposit in the City’s General Fund, whether or not the public securities are issued;
5. Fees for legal services in public finance matters, including bond counsel legal services, have traditionally been paid pursuant to a contingent fee contract, where such fees become payable only upon the successful issuance of the public securities and are payable solely out of the proceeds of the public securities;
6. Entering into a contract for bond counsel legal services with Norton Rose Fulbright US LLP (a firm that specializes in public finance matters and is well versed in State and federal securities and federal tax laws) payment of which is contingent on the City’s successful issuance of public securities and payable out of public securities proceeds provides the City a superior level of bond counsel legal services and fee(s) payable under the contract are reasonable in the public finance market and would likely be less than if such services were conducted pursuant to an hourly rate contract with an attorney specializing in public finance matters;
7. For each of the reasons state above, the execution of contingent fee engagement contracts with Norton Rose Fulbright US LLP is in the best interest of the residents of the City; and

WHEREAS, the meeting at which this Resolution is being considered is an open meeting called, in part, for the purposes of considering (i) the need for obtaining the bond counsel legal services that are the subject of the Engagement Agreement, (ii) the terms of the Engagement Agreement, (iii) the competence, qualifications, and experience of Norton Rose Fulbright US LLP,

and (iv) the reasons the Engagement Agreement is in the best interest of the residents of the City and in compliance with HB 2826; and

WHEREAS, the City Council hereby finds and determines that the adoption of this Resolution is in the best interests of the residents of the City; now, therefore,

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF MINEOLA, TEXAS THAT:

SECTION 1. The recitals contained in the preamble hereof are hereby found to be true, and such recitals are hereby made a part of this Resolution for all purposes and are adopted as a part of the judgment and findings of the City Council.

SECTION 2. The City Council hereby finds that: (i) there is a substantial need for the bond counsel legal services that are the subject of the Engagement Agreement with Norton Rose Fulbright US LLP; (ii) the City does not currently employ attorneys and supporting personnel qualified to provide bond counsel legal services; (iii) the bond counsel legal services cannot reasonably be obtained from attorneys in private practice under a contract providing only for the payment of hourly fees, without regard to the outcome of the matter, because of the nature of the matter for which the bond counsel legal services will be obtained and because, until the issuance of a public security, the City will not have funds to pay the estimated amounts required under a contract providing only for the payment of hourly fees which is not contingent on the issuance of the public securities; and (iv) the relationship between the City or the City Council and Norton Rose Fulbright US LLP is not improper and would not appear improper to a reasonable person.

SECTION 3. Based on the findings by the City Council described above, the City Council hereby approves the City entering into the Engagement Agreement with Norton Rose Fulbright US LLP and authorizes the City Manager to execute each Engagement Agreement.

SECTION 4. All resolutions, or parts thereof, which are in conflict or inconsistent with any provision of this Resolution are hereby repealed to the extent of such conflict, and the City will take action to repeal any ordinance, or part thereof, which is found to be in conflict or inconsistent with any provision of this Resolution, so that the provisions of this Resolution shall be and remain controlling as to the matters resolved herein.

SECTION 5. This Resolution shall be construed and enforced in accordance with the laws of the State of Texas and the United States of America.

SECTION 6. If any provision of this Resolution or the application thereof to any person or circumstance shall be held to be invalid, the remainder of this Resolution and the application of such provision to other persons and circumstances shall nevertheless be valid, and the City Council hereby declares that this Resolution would have been enacted without such invalid provision.

SECTION 7. It is officially found, determined, and declared that the meeting at which this Resolution is adopted was open to the public and public notice of the time, place, and subject matter of the public business to be considered at such meeting, including this Resolution, was given, all as required by Chapter 551, as amended, Texas Government Code.

SECTION 8. This Resolution shall be in force and effect from and after its final passage, and it is so resolved.

[The remainder of this page intentionally left blank.]

PASSED, ADOPTED AND APPROVED on this the 23rd day of September, 2019.

CITY OF MINEOLA, TEXAS

Mayor

ATTEST:

City Secretary

(CITY SEAL)

EXHIBIT A
Engagement Agreement

September 23, 2019

Honorable Mayor and City Council
City of Mineola
300 Greenville Highway
Mineola, Texas 75773

Norton Rose Fulbright US LLP
2200 Ross Avenue, Suite 3600
Dallas, Texas 75201-7932
United States

Tel +1 214 855 8000
Fax +1 214 855 8200
nortonrosefulbright.com

Re: Bond Counsel Services

Mayor and Members of the City Council:

We are pleased to submit to you our engagement letter to provide bond counsel ("Bond Counsel") services to the City of Mineola, Texas (the "City") in connection with the proposed authorization, sale, and issuance of bonds or other debt obligations (the "Obligations"). This letter, together with the *Additional Terms of Engagement* attached hereto, will become effective as of the date hereof upon the execution and return of the enclosed copy of this letter and will evidence an agreement between the City and our firm for bond counsel services, including bond counsel services related to public improvement district financings (the "Representation").

Terms of Engagement

This letter sets out the terms of our engagement for the Representation. Certain of those terms are included in the body of this letter, and additional terms are contained in the attached *Additional Terms of Engagement*. That document is expressly incorporated into this letter, and it should be read carefully. The execution and return of the enclosed copy of this letter constitutes an unqualified agreement to all the terms set forth in this letter and in the attached *Additional Terms of Engagement*.

It is understood and agreed that our engagement as Bond Counsel is limited to the Representation.

As bond counsel, we expect to perform the following duties:

- (1) subject to completion of proceedings to our satisfaction, render our legal opinion (the "Bond Opinion") regarding the validity and binding effect of the Obligations, the source of payment and security for the Obligations, and the federal income tax treatment of interest on the Obligations;
- (2) prepare and review documents necessary or appropriate to the authorization, issuance, sale, and delivery of the Obligations, and coordinate the authorization and execution of such documents;
- (3) assist you in seeking from other governmental authorities such approvals, permissions, and exemptions as we determine are necessary or appropriate in connection with the authorization, issuance, sale, and delivery of the Obligations;
- (4) review legal issues relating to the structure of the Obligations;

Norton Rose Fulbright US LLP is a limited liability partnership registered under the laws of Texas.

Norton Rose Fulbright US LLP, Norton Rose Fulbright LLP, Norton Rose Fulbright Australia, Norton Rose Fulbright Canada LLP and Norton Rose Fulbright South Africa Inc are separate legal entities and all of them are members of Norton Rose Fulbright Verein, a Swiss verein. Norton Rose Fulbright Verein helps coordinate the activities of the members but does not itself provide legal services to clients. Details of each entity, with certain regulatory information, are available at nortonrosefulbright.com.

- (5) prepare election proceedings if appropriate;
- (6) assist you in reviewing those sections of the official statement, private placement memorandum, or other form of offering or disclosure document which describe the terms of the Obligations and the opinion described in paragraph (1) above to be disseminated in connection with the sale of the Obligations; and
- (7) assist in presenting information relating to the legality of the Obligations to bond rating organizations and providers of credit enhancement if applicable.

The Bond Opinion will be based on facts and law existing as of its date. In rendering our Bond Opinion, we will rely upon the certified proceedings and other certifications of public officials and other persons furnished to us without undertaking to verify the same by independent investigation.

Our engagement is to advise you with respect to legal issues only; we understand that you have engaged Hilltop Securities Inc., as your financial advisor, and unless otherwise instructed by you we will consult with and take direction from your financial advisor in the issuance of the Obligations. Our duties as bond counsel specifically do not include:

- (1) except as described in paragraph (6) above, or except as specifically engaged for such purpose, assisting in the preparation or review of an official statement or any other disclosure document with respect to the Obligations, or performing an independent investigation to determine the accuracy, completeness or sufficiency of any such document or rendering advice that the official statement or other disclosure document does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements contained therein, in light of the circumstances under which they were made, not misleading;
- (2) preparing requests for tax rulings from the Internal Revenue Service;
- (3) preparing blue sky or investment surveys with respect to the Obligations;
- (4) drafting of state constitutional amendments or preparation of authorizing legislation;
- (5) making an investigation or expressing any view of the creditworthiness of you or of the Obligations or any obligor therefor;
- (6) except if specifically engaged for such purpose, assisting in the preparation of, or opining on, a continuing disclosure undertaking pertaining to the Obligations and, after initial delivery of the Obligations, providing advice concerning any actions necessary to assure compliance with any continuing disclosure undertaking;
- (7) responding to Internal Revenue Service audits or Securities and Exchange Commission investigations; or
- (8) any other matter not specifically set forth above that is not required to render the Bond Opinion.

Our Personnel Who Will Be Working on this Engagement

I will be the primary attorney working on the Representation, and you may call, write, or e-mail me whenever you have any questions about the Representation. Other firm personnel, including firm lawyers and paralegals, will participate in the Representation if, in our judgment, their participation is necessary or appropriate.

Our Legal Fees and Costs

Our fees for bond counsel services are attached hereto as Schedule I. If the scope of any Representation is expanded, we reserve the right to have further discussions with the City as to compensation for those services to be rendered.

Conflicts of Interest

Before accepting the Representation, we have undertaken reasonable and customary efforts to determine whether there are any potential conflicts of interest that would bar our firm from representing you as Bond Counsel. Based on the information available to us, we are not aware of any potential disqualification. We reviewed that issue in accordance with the rules of professional responsibility adopted in Texas. We believe that those rules, rather than the rules of any other jurisdiction, are applicable to the Representation; and the execution and return of the enclosed copy of this letter by you represents an express agreement to the applicability of those rules.

Conclusion

This letter and the attached *Additional Terms of Engagement* constitute the entire terms of the engagement of Norton Rose Fulbright US LLP in the Representation. These written terms of engagement are not subject to any oral agreements or understandings, and they can be modified only by further written agreement signed both by you and Norton Rose Fulbright US LLP. Unless expressly stated in these terms of engagement, no obligation or undertaking shall be implied on the part of either the City or Norton Rose Fulbright US LLP.

Please carefully review this letter and the attached *Additional Terms of Engagement*. If both documents are acceptable, please sign and return the enclosed copy of this letter.

Very truly yours,

Kristen Savant

CITY OF MINEOLA, TEXAS AGREES TO AND ACCEPTS
THIS LETTER AND THE ATTACHED TERMS OF ENGAGEMENT:

By: _____

Title: _____

Date: _____

**SCHEDULE OF FEES
FOR BOND COUNSEL SERVICES**

Base fee of \$5,750.00, plus \$1.00 per \$1,000 in principal amount of Obligations issued, plus an additional \$5,000 if the Obligations are refunding bonds. This amount includes all out-of-pocket expenses, except for the Attorney General's examination fee

NORTON ROSE FULBRIGHT US LLP

Additional Terms of Engagement

This is a supplement to our engagement letter, dated September 23, 2019. The purpose of this document is to set out additional terms of our agreement to provide the representation described in our engagement letter (the "Representation") concerning representation of you as Bond Counsel described in the engagement letter. Because these additional terms of engagement are a part of our agreement to provide legal services, you should review them carefully and should promptly communicate to us any questions concerning this document. We suggest that you retain this statement of additional terms along with our engagement letter and any related documents.

The Scope of the Representation

As lawyers, we undertake to provide representation and advice on the legal matters for which we are engaged. It is important for our clients to have a clear understanding of the legal services that we have agreed to provide. Thus, if there are any questions about the scope of the Representation that we are to provide as Bond Counsel, please raise those questions promptly, so that we may resolve them at the outset of the Representation.

Any expressions on our part concerning the outcome of the Representation, or any other legal matters, are based on our professional judgment and are not guarantees. Such expressions, even when described as opinions, are necessarily limited by our knowledge of the facts and are based on our views of the state of the law at the time they are expressed.

Upon accepting this engagement on your behalf, Norton Rose Fulbright US LLP agrees to do the following: (1) provide legal counsel in accordance with these terms of engagement and the related engagement letter, and in reliance upon information and guidance provided by you; and (2) keep you reasonably informed about the status and progress of the Representation.

To enable us to provide effective representation, you agree to do the following: (1) disclose to us, fully and accurately and on a timely basis, all facts and documents that are or might be material or that we may request, (2) keep us apprised on a timely basis of all developments relating to the Representation that are or might be material, (3) attend meetings, conferences, and other proceedings when it is reasonable to do so, and (4) otherwise cooperate fully with us.

Our firm has been engaged to provide legal services as Bond Counsel in connection with the Representation, as specifically defined in our engagement letter. After completion of the Representation, changes may occur in the applicable laws or regulations that could affect your future rights and liabilities in regard to any bonds issued by the City. Unless we are actually engaged after the completion of the Representation to provide additional advice on such issues, the firm has no continuing obligation to give advice with respect to any future legal developments that may pertain to the Representation.

Who Will Provide the Legal Services

As our engagement letter confirms, Norton Rose Fulbright US LLP will represent you in the Representation. Norton Rose Fulbright US LLP is a registered limited liability partnership under Chapter 152 of the Texas Business Organizations Code.

Customarily, each client of the firm has a relationship principally with one attorney, or perhaps a few attorneys. At the same time, however, the work required in the Representation, or parts of it, may be performed by other firm personnel, including lawyers and paralegals. Such delegation may be for the purpose of involving other firm personnel with special expertise in a given area or for the purpose of providing services on an efficient and timely basis.

Our Relationships With Others

Our law firm represents many companies and individuals. In some instances, the applicable rules of professional conduct may limit our ability to represent clients with conflicting or potentially conflicting interests. Those rules of conduct often allow us to exercise our independent judgment in determining whether our relationship with one client prevents us from representing another. In other situations, we may be permitted to represent a client only if the other clients consent to that representation.

Rules concerning conflicts of interest vary with the jurisdiction. In order to avoid any uncertainty, it is our policy that the governing rules will be those applicable to the particular office of our firm that prepares the engagement letter for a particular matter. The acceptance by you of our engagement letter constitutes an express agreement with that policy, unless the engagement letter specifically states that some other rules of professional responsibility will govern our attorney-client relationship.

If a controversy unrelated to any bonds develops between you and any other client of the firm, we will follow the applicable rules of professional responsibility to determine whether we may represent either you or the other client in the unrelated controversy.

You agree that we may represent current or future clients (including any parties adverse to you in the Representation) in any matters that are not substantially related to the Representation, even if the interests of such clients in the other matters are directly adverse to you. We agree, however, that your consent does not permit us to represent another client in a matter if we have obtained non-public proprietary or other confidential information from you that could be used by the other client to your material disadvantage in that matter.

From time to time, our firm may concurrently represent one client in a particular case or matter and, at the same time, our firm may be asked to represent an adversary of that same client in an unrelated case or matter. We would consider doing so only if it is our professional judgment that the firm could undertake the concurrent representation impartially and without any adverse effect on the responsibilities that the firm has to either client.

With respect to any such issues that may relate to the Representation, we agree to exercise our professional judgment in accordance with the governing rules pertaining to conflicts of interest. At the same time, it is agreed that you will consent to our representation of other clients in such circumstances if the request for consent is reasonable.

In addition to our representation of other companies and individuals, we also regularly represent lawyers and law firms. As a result, opposing counsel to any party in connection with the issuance of any bonds may be a lawyer or law firm that we may represent now or in the future. Likewise, opposing counsel to any party in connection with the issuance of any bonds may represent our firm now or in the future. Further, we have professional and personal relationships with many other attorneys, often because of our participation in bar associations and other professional organizations. It is our professional judgment that such relationships with other attorneys do not adversely affect our ability to represent any client. The acceptance of these terms of engagement represents an unqualified consent to any such relationships between our firm and other lawyers

or law firms, even counsel who is representing a party that is adverse to you in connection with the issuance of any bonds that is the subject of this engagement or in some other matter.

Disclaimer

Norton Rose Fulbright US LLP has made no promises or guarantees to you about the outcome of the Representation and nothing in these terms of engagement shall be construed as such a promise or guarantee.

Termination

At any time, you may, with or without cause, terminate the Representation by notifying us of your intention to do so. Any such termination of services will not affect the obligation to pay legal services rendered and expenses incurred before termination, as well as additional services and charges incurred in connection with an orderly transition of the matters relating to issuance of the bonds.

We are subject to the codes or rules of professional responsibility for the jurisdictions in which we practice. There are several types of conduct or circumstances that could result in our withdrawing from representing a client, including, for example, the following: non-payment of fees or costs; misrepresentation or failure to disclose material facts; fraudulent or criminal conduct; action contrary to our advice; and conflict of interest with another client. We try to identify in advance and discuss with our clients any situation that may lead to our withdrawal.

A failure by you to meet any obligations under these terms of engagement shall entitle Norton Rose Fulbright US LLP to terminate the Representation. In that event, you will take all steps necessary to release Norton Rose Fulbright US LLP of any further obligations in the Representation including without limitation the execution of any documents necessary to effectuate our withdrawal from the Representation. The right of Norton Rose Fulbright US LLP to withdraw in such circumstances is in addition to any rights created by statute or recognized by the governing rules of professional conduct.

Document Retention

At the close of any matter, we send our files in that matter to a storage facility for storage at our expense. The attorney closing the file determines how long we will maintain the files in storage. After that time, we will destroy the documents in the stored files.

At the conclusion of the Representation, we return to the client any documents that are specifically requested to be returned. As to any documents so returned, we may elect to keep a copy of the documents in our stored files.

Standards of Professionalism and Attorney Complaint Information

Pursuant to rules promulgated by the Texas Supreme Court and the State Bar of Texas, we are to advise our clients of the contents of the Texas Lawyer's Creed, a copy of which is attached. In addition, we are to advise clients that the State Bar of Texas investigates and prosecutes complaints of professional misconduct against attorneys licensed in Texas. A brochure entitled *Attorney Complaint Information* is available at all of our Texas offices and is likewise available upon request. A client that has any questions about State Bar's disciplinary process should call the Office of the General Counsel of the State Bar of Texas at 1-800-932-1900 toll free.

THE TEXAS LAWYER'S CREED — A Mandate for Professionalism

The Texas Supreme Court and the Texas Court of Criminal Appeals adopted this Creed, with the requirement that lawyers advise their clients of its contents when undertaking representation.

I am a lawyer; I am entrusted by the People of Texas to preserve and improve our legal system. I am licensed by the Supreme Court of Texas. I must therefore abide by the Texas Disciplinary Rules of Professional Conduct, but I know that Professionalism requires more than merely avoiding the violation of laws and rules. I am committed to this Creed for no other reason than it is right.

I. OUR LEGAL SYSTEM. A lawyer owes to the administration of justice personal dignity, integrity, and independence. A lawyer should always adhere to the highest principles of professionalism. I am passionately proud of my profession. Therefore, "My word is my bond." I am responsible to assure that all persons have access to competent representation regardless of wealth or position in life. I commit myself to an adequate and effective pro bono program. I am obligated to educate my clients, the public, and other lawyers regarding the spirit and letter of this Creed. I will always be conscious of my duty to the judicial system.

II. LAWYER TO CLIENT. A lawyer owes to a client allegiance, learning, skill, and industry. A lawyer shall employ all appropriate means to protect and advance the client's legitimate rights, claims, and objectives. A lawyer shall not be deterred by any real or imagined fear of judicial disfavor or public unpopularity, nor be influenced by mere self-interest. I will advise my client of the contents of this Creed when undertaking representation. I will endeavor to achieve my client's lawful objectives in legal transactions and in litigation as quickly and economically as possible. I will be loyal and committed to my client's lawful objectives, but I will not permit that loyalty and commitment to interfere with my duty to provide objective and independent advice. I will advise my client that civility and courtesy are expected and are not a sign of weakness. I will advise my client of proper and expected behavior. I will treat adverse parties and witnesses with fairness and due consideration. A client has no right to demand that I abuse anyone or indulge in any offensive conduct. I will advise my client that we will not pursue conduct which is intended primarily to harass or drain the financial resources of the opposing party. I will advise my client that we will not pursue tactics which are intended primarily for delay. I will advise my client that we will not pursue any course of action which is without merit. I will advise my client that I reserve the right to determine whether to grant accommodations to opposing counsel in all matters that do not adversely affect my client's lawful objectives. A client has no right to instruct me to refuse reasonable requests made by other counsel. I will advise my client regarding the availability of mediation, arbitration, and other alternative methods of resolving and settling disputes.

III. LAWYER TO LAWYER. A lawyer owes to opposing counsel, in the conduct of legal transactions and the pursuit of litigation, courtesy, candor, cooperation, and scrupulous observance of all agreements and mutual understandings. Ill feelings between clients shall not influence a lawyer's conduct, attitude, or demeanor toward opposing counsel. A lawyer shall not engage in unprofessional conduct in retaliation against other unprofessional conduct. I will be courteous, civil, and prompt in oral and written communications. I will not quarrel over matters of form or style, but I will concentrate on matters of substance. I will identify for other counsel or parties all changes I have made in documents submitted for review. I will attempt to prepare documents which correctly reflect the agreement of the parties. I will not include provisions which have not been agreed upon or omit provisions which are necessary to reflect the agreement of the parties. I will notify opposing counsel, and, if appropriate, the Court or other persons, as soon as practicable, when hearings, depositions,

meetings, conferences or closings are canceled. I will agree to reasonable requests for extensions of time and for waiver of procedural formalities, provided legitimate objectives of my client will not be adversely affected. I will not serve motions or pleadings in any manner that unfairly limits another party's opportunity to respond. I will attempt to resolve by agreement my objections to matters contained in pleadings and discovery requests and responses. I can disagree without being disagreeable. I recognize that effective representation does not require antagonistic or obnoxious behavior. I will neither encourage nor knowingly permit my client or anyone under my control to do anything which would be unethical or improper if done by me. I will not, without good cause, attribute bad motives or unethical conduct to opposing counsel nor bring the profession into disrepute by unfounded accusations of impropriety. I will avoid disparaging personal remarks or acrimony towards opposing counsel, parties and witnesses. I will not be influenced by any ill feeling between clients. I will abstain from any allusion to personal peculiarities or idiosyncrasies of opposing counsel. I will not take advantage, by causing any default or dismissal to be rendered, when I know the identity of an opposing counsel, without first inquiring about that counsel's intention to proceed. I will promptly submit orders to the Court. I will deliver copies to opposing counsel before or contemporaneously with submission to the court. I will promptly approve the form of orders which accurately reflect the substance of the rulings of the Court. I will not attempt to gain an unfair advantage by sending the Court or its staff correspondence or copies of correspondence. I will not arbitrarily schedule a deposition, Court appearance, or hearing until a good faith effort has been made to schedule it by agreement. I will readily stipulate to undisputed facts in order to avoid needless costs or inconvenience for any party. I will refrain from excessive and abusive discovery. I will comply with all reasonable discovery requests. I will not resist discovery requests which are not objectionable. I will not make objections nor give instructions to a witness for the purpose of delaying or obstructing the discovery process. I will encourage witnesses to respond to all deposition questions which are reasonably understandable. I will neither encourage nor permit my witness to quibble about words where their meaning is reasonably clear. I will not seek Court intervention to obtain discovery which is clearly improper and not discoverable. I will not seek sanctions or disqualification unless it is necessary for protection of my client's lawful objectives or is fully justified by the circumstances.

IV. LAWYER AND JUDGE. Lawyers and judges owe each other respect, diligence, candor, punctuality, and protection against unjust and improper criticism and attack. Lawyers and judges are equally responsible to protect the dignity and independence of the Court and the profession. I will always recognize that the position of judge is the symbol of both the judicial system and administration of justice. I will refrain from conduct that degrades this symbol. I will conduct myself in court in a professional manner and demonstrate my respect for the Court and the law. I will treat counsel, opposing parties, the Court, and members of the Court staff with courtesy and civility. I will be punctual. I will not engage in any conduct which offends the dignity and decorum of proceedings. I will not knowingly misrepresent, mischaracterize, misquote or miscite facts or authorities to gain an advantage. I will respect the rulings of the Court. I will give the issues in controversy deliberate, impartial and studied analysis and consideration. I will be considerate of the time constraints and pressures imposed upon the Court, Court staff and counsel in efforts to administer justice and resolve disputes.