

The Knight Law Firm, LLP
Attorneys at Law

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June 10, 2021

Dr. Larry Wallace, Jr., Mayor, and City Council
City of Manor Texas
105 E. Eggleston Street
Manor, Texas 78653

Re: Engagement Letter for Professional Services as General Counsel

Dear Ladies and Gentlemen:

The Knight Law Firm, LLP are pleased to provide legal services to the City of Manor. The proposed terms of our engagement are set forth below. If this letter of engagement is acceptable to you, please confirm by signing in the space provided and returning a fully executed copy to me, retaining a copy for your own files. Our acceptance of representation will become effective when we receive a fully executed copy of this letter.

Scope and Terms of Engagement

The scope of our engagement consists of any and all professional legal services related to serving as general counsel for the City of Manor (the "City"), except for service as bond counsel and litigation that we recommend be referred out. Certain defined terms are included in the body of this letter, and additional terms are contained in the attached document, entitled Engagement Letter - Exhibit "A." The Knight Law Firm's engagement is limited to representation of the City ("You" and/or "Client") in relation to the above-referenced Matters(s), which represents the scope of the engagement and the services to be provided. Unless otherwise expressly and specifically agreed in writing, the firm is not responsible for advising on tax issues; accounting issues; or any issues relating to any matter for which we have not been asked to provide legal services and advice and which is not specifically described in the matter, above. A separate engagement letter, or written addendum, must be executed by both parties for any additional matters for which consultation or legal services may be sought by you in the future.

Our Legal Fees and Costs

Legal fees and costs are difficult to estimate. Accordingly, we have made no guarantee concerning the maximum fees and costs that will be necessary to resolve or

complete a matter. From time-to-time, and upon a written request from you, the Firm may furnish estimates of legal fees and other charges that we anticipate will be incurred in connection with a matter. Such estimates are by their nature inexact because of the potential for unforeseeable circumstances and, therefore, our actual fees and other charges may vary from such estimates. You are requested to review carefully each Knight Law Firm invoice you receive and call me if you have any questions about the bill or the progress of the work.

It is expressly understood that payment of the Firm's fees and costs is in no way contingent on the ultimate outcome of any matter. All fees and costs associated with any matter will be paid by you within thirty (30) days of invoice, including without limitation: copy costs; messenger fees; fax charges; long distance telephone charges; court reporter charges; consultant's fees; expert witness fees; visual aids; visual presentations; mock trials; Westlaw or other outside computerized research that incurs charges outside of the firm's monthly plan; filing fees; records services charges; and any other costs necessary to resolve or complete any matter. You are responsible for direct payment to any outside, third-party vendor upon receipt of the bill. Third-party costs may be included on the Firm's invoices, but the Firm also reserves the right to forward these vendor invoices to you for direct payment pursuant to the terms of that vendor.

The current hourly rate along with the hourly rates of the firm's staff who I anticipate will participate in providing general counsel services to you, are as follows, except as provided below:

General Counsel Rates -- \$150.00/hour for attorney and \$80/hour for legal assistant.

Litigation: \$225/hour for attorney and \$95/hour for legal assistant for litigation preparation time and \$250/hour for attorney and \$100/hour for legal assistant for courtroom time for litigation handled solely by our firm. Outside counsel would be billed at their rates, although we will assist with obtaining the lowest rate possible for municipal clients.

Special Projects: \$225/hour for attorney and \$95 for legal assistant for development agreements wherein the City requires the fees to be paid by the developer and \$250/hour for attorney and \$95 for legal assistant for more complicated economic development agreements or projects involving Chapter 380 economic incentives, Public Improvement Districts, and TIRZ's.

Municipal Court: \$150.00/hour for attorney and \$80.00 for legal assistant for municipal court services.

We bill in 1/10 of an hour increments which provide cost-efficiencies for our clients. The firm bills monthly and our billing statements are itemized by date, description, and the amount of time rendered. We reserve the right to adjust our rates not more than once annually after giving the City not less than ninety (90) days' notice prior to the beginning of a new fiscal year. From time to time, however, as may be necessary and at my sole discretion, other attorneys and staff not listed above may assist with this matter.

Conflicts of Interest

Before accepting the engagement, we have undertaken reasonable and customary efforts to determine whether there are any potential conflicts of interest that would bar the Firm from representing you. Based on the information available to us, we are not aware of any potential disqualification. If you are aware, or become aware, of any conflicts of interest, please let us know in writing immediately.

Conclusion

This letter and the attached Engagement letter - Exhibit "A" constitute the entire terms of the engagement. These written terms of engagement are not subject to any oral agreements or understandings, and they can be modified only by written agreement signed both by The Knight Law Firm and you. Unless expressly stated in these terms of engagement, no obligation or undertaking shall be implied on the part of either The Knight Law Firm or you.

Please carefully review this letter and the attached Engagement Letter - Exhibit "A." If there are any questions about these terms of engagement, or if these terms are inaccurate in any way, please let me know immediately. If both documents are acceptable, please sign and return the enclosed copy of this letter.

Respectfully,



Paige H. Saez, Partner (For the Firm)

**THE CITY OF MANOR ACCEPTS THIS LETTER AND THE ATTACHED
ENGAGEMENT LETTER - EXHIBIT "A":**

The City of Manor

By: _____
Dr. Larry Wallace, Jr., Mayor

Date: _____

ATTEST:

Lluvia Almaraz

Engagement Letter - Exhibit "A"

This is a supplement to The Knight Law Firm LLP engagement letter. The purpose of this document is to set out additional terms of our agreement to provide the representation described in the engagement letter. Because these additional terms of engagement are a part of the Firm's agreement to provide legal services to you, you should review them carefully and should promptly communicate to The Knight Law Firm LLP any questions concerning this document. We suggest that you retain this statement of additional terms along with the 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. If there are any questions about the scope of our representation in any matter, please raise those questions promptly, in writing, so that we may resolve them at the outset.

Any expressions on our part concerning the outcome of any matter 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. The Knight Law Firm LLP has made no guarantees or promises to you about the outcome of any matter, and nothing in the terms of engagement shall be construed as a guarantee or promise.

Upon accepting this engagement on your behalf, The Knight Law Firm, 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 any matter.

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 related to any particular matter or that we may request; (2) keep us apprised on a timely basis of all developments relating to any particular matter that are or might be important; (3) attend meetings, conferences, and other proceedings when it is reasonable to do so; and (4) otherwise fully cooperate with us.

Who Will Provide the Legal Services

The Knight Law Firm, LLP, will represent you in matters as requested by you from time to time. Although our firm will be providing legal services, each client of the firm customarily has a relationship principally with one attorney, or perhaps a few attorneys. At the same time, however, the work required on any particular matter, or parts of it, may be performed by other firm personnel, including lawyers and legal assistants.

Our Relationships with Others

Our law firm represents many cities, local governmental entities, and private clients. 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 client consents that representation.

Records Retention

Our law firm has a records retention policy that allows us to destroy files within a reasonable time after a particular matter has been concluded. Generally, we destroy files four (4) years after representation on a matter has ceased or the file has been sent to our closed files. A copy of our records retention policy is attached.

Termination

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

There are several types of conduct or circumstances that could result in our withdrawing from representing you, including, for example, the following: non-payment or slow payment of fees or costs; misrepresentation or failure to disclose important information; fraudulent or criminal conduct; action contrary to our advice; failure to develop a workable relationship with you; and conflict of interest with another client.

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

Billing Arrangements and Terms of Payment

Our engagement letter specifically explains our fees for services. We will bill on a regular basis, normally each month, for both fees and expenses, and it is agreed that you will make full payment within thirty (30) days of receiving our statement.

It is further agreed that any delinquent account must be promptly paid, and if the delinquency continues, we may withdraw from the engagement and pursue collection of our account.

Attorney Complaint Information

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 OUR OFFICE AND IS LIKEWISE AVAILABLE UPON REQUEST. A CLIENT THAT HAS ANY QUESTIONS ABOUT THE STATE BAR'S DISCIPLINARY PROCESS SHOULD CALL THE OFFICE OF THE CHIEF DISCIPLINARY COUNSEL OF THE STATE BAR OF TEXAS AT 1-877-953-5535 TOLL FREE.

RECORDS RETENTION POLICY

LEGAL FILES

It is the policy of the Firm to retain records in storage relating to representation of a client in a matter for a period not to exceed four (4) years following the end of the representation. At any time after the file is closed, the client may request the closed file be transferred to the client. The file may contain original documents which will be destroyed with the file. Clients who wish files to be retained will be charged the storage expense.

At the end of every year, the attorneys will be given a list of those files which have been closed for a period in excess of four (4) years. In the event the files listed for destruction need to be retained for a period longer than four (4) years, the attorney in charge of the file is to notify the principals of the Firm that the file should be retained and the reasons the file should be retained. In such event, the file will be retained for another four (4) years at the client's expense.

NOTIFICATION TO CLIENTS OF RECORDS RETENTION POLICY

Upon assumption of the representation of a client in a matter and upon the conclusion of the representation, efforts should be made to inform the client of this Records Retention Policy.

In the event no notification is received from the client that the client wants the file within thirty (30) days of the mailing of notice to the client of the Firm's record retention policy, the file will be destroyed in accordance with this policy.

ADMINISTRATIVE FILES

It is the policy of the Firm to destroy administrative non-financial records after a period of two (2) years. It is the policy of the Firm to retain administrative financial records, including records relating to client billings and to bank and trust accounts, for a period not to exceed seven (7) years at which time they will be destroyed.