

**PORTER
HEDGES LLP**

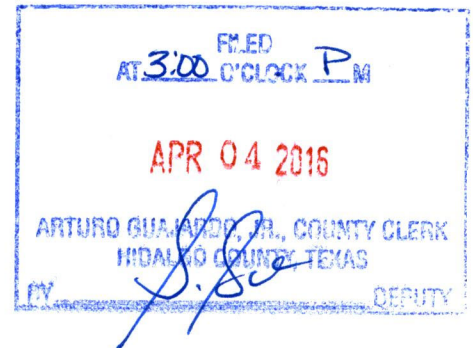
David D. Peden
Partner
(713) 226-6610 Phone
(713) 226-6210 Fax
dpeden@porterhedges.com

1000 Main Street, 36th Floor
Houston, Texas 77002-6341
(713) 226-6000 TEL
(713) 228-1331 FAX
porterhedges.com

March 21, 2016

Via Email: countyjudge@co.hidalgo.tx.us

Honorable Ramon Garcia
Hidalgo County
100 E. Cano Street, 2nd Floor
Edinburg, Tx 78539



Re: Engagement as Special Counsel for Hidalgo County (Rev. 1)

Dear Honorable Garcia,

I would like to thank the County of Hidalgo for engaging Porter Hedges LLP (“we” or the “Firm”) to as special counsel to represent the County (the “Client”). This *Engagement Letter* and the accompanying *Memorandum of Engagement (Rev. 8-14)*, together set forth our mutual agreements concerning the terms of engagement of the Firm. Please let me know if you have any questions about these terms of engagement or if at any time you are concerned about any aspect of our representation.

The Firm is being retained to represent the County only in legal work related to the development and construction of a new county courthouse. The Firm’s contacts for this engagement will be the Hon. Ramon Garcia, County Judge, until we are otherwise advised in writing.

I will be the primary attorney with overall responsibility for this special engagement. Other attorneys and legal assistants of the Firm may also work on this matter as appropriate in our professional judgment to efficiently perform this engagement.

The Firm’s charges for legal services will be based on our hourly rates for attorneys and legal assistants representing you. My current hourly rate is \$475.00. At your request, we will reduce my hourly rate to \$375.00 per hour. We would agree that other attorneys working on this matter will bill at their normal rates, not to exceed \$375.00 per hour. In addition to legal fees, we will also bill you for out-of-pocket costs and certain internal charges and ancillary support services, as further described in Ex. A and in the accompanying Memorandum of Engagement, attached. We do not mark up external costs incurred.

This Letter Agreement also includes:

Ex. A, List of Services, attached.

Honorable Ramon Garcia
March 21, 2016
Page 2

Ex. B, Fees and Reimbursable Expenses, attached.

Ex. C, insurance certificate showing Hidalgo County as the certificate holder, attached.

Ex. D, Declarations page from the Firm's Professional Liability Policy.

Form 1295, has been filed on line as requested, and is attached.

The Firm generally invoices for matters monthly. Invoices are due on receipt but in no event later than 30 days after receipt. You agree to pay the Firm's invoices for fees and expenses in a timely manner.

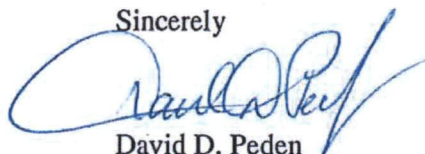
Our engagement is premised on an hourly fee basis. This is not a contingent fee matter. Your obligation to pay the Firm's invoices will not depend upon a particular result or outcome on your matter or upon your ability or inability to obtain insurance coverage for our services.

The Firm will not require a retainer to begin this engagement, but circumstances may arise in the future for which we may require a retainer, as further outlined in the enclosed Memorandum of Engagement.

The Memorandum of Engagement that accompanies this Engagement Letter is an integral part of our mutually agreed terms of engagement and it is incorporated into this Engagement Letter. If you and the Firm subsequently agree that the Firm will represent you in other matters, the accompanying Memorandum of Engagement will also apply to any such future engagements until superseded by written agreement between you and the Firm. *The Memorandum of Engagement covers many important matters, including our mutual agreement to waive trial by jury, an important right, in any disputes relating to this engagement.*

To confirm the engagement of the Firm to represent you in the matter, and on the terms, described in this Engagement Letter and the accompanying Memorandum of Engagement, please sign and return one copy of this Engagement Letter.

Sincerely



David D. Peden
Partner

DDP:lcf
Attachments

Cc: Evangelina Garcia (evangelina.garcia@co.hidalgo.tx.us)

Honorable Ramon Garcia
March 21, 2016
Page 3

The undersigned hereby agrees to the terms and conditions of this Engagement Letter and the accompanying Memorandum of Engagement (Rev. 1, March 21, 2016) on this 22nd day of March, 2016.

HIDALGO COUNTY

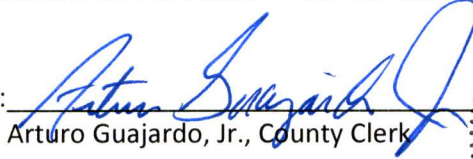
By: Ramon Garcia
[Signature]
Ramon Garcia
[Printed Name]
County Judge
[Title]

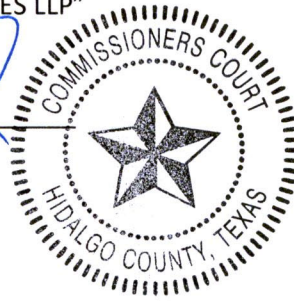
APPROVED BY
COMMISSIONERS' COURT
ON: 3/22/16 RA

Enclosure: Porter Hedges LLP Memorandum of Engagement (Rev. 8-14)

LETTER OF ENGAGEMENT: C-16-137-03-22
REGULAR AGENDA ITEM #53807
HONORABLE DAVID D. PEDEN "PORTER HEDGES LLP"

ATTEST:


Arturo Guajardo, Jr., County Clerk

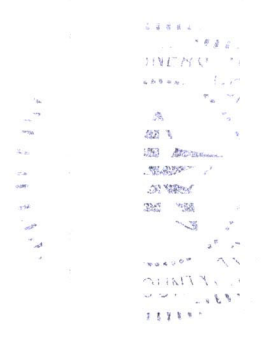


APPROVED AS TO FORM:
ATLAS, HALL & RODRIGUEZ, LLP

BY:


Stephen L. Grain

APPROVED BY COMMISSIONERS COURT: MARCH 22, 2016



March 21, 2016
Hidalgo County

PORTER HEDGES LLP MEMORANDUM OF ENGAGEMENT

This document is the “*Memorandum of Engagement*” referred to in the *Engagement Letter* executed by you and Porter Hedges LLP (“we” “us” or the “*Firm*”). Our attorney-client relationship will be governed by the Engagement Letter and this Memorandum of Engagement. If there is any irreconcilable conflict between the Engagement Letter and this Memorandum of Engagement, the Engagement Letter will be controlling. Please carefully review this document and the Engagement Letter and retain copies of both.

CLIENT REPRESENTED AND SCOPE OF ENGAGEMENT

You agree that the Firm has been engaged to represent only the Client or Clients specified as such in the Engagement Letter and not any other entity or individuals. This means that if the Client is a public entity, corporation, limited liability company, partnership or other entity, our engagement by the Client does not form an attorney-client relationship with any of the Client’s parents, subsidiaries, entities under common ownership or control with the Client or with any of their respective officers, directors, equity owners, debt holders, managers, employees or affiliates, unless expressly otherwise provided in the Engagement Letter. If the Client is an individual, our attorney-client relationship is only with that individual and not any of such person’s employer, spouse, children, parents, siblings or other family members. You acknowledge and agree that our advice and representation may adversely affect or conflict with the interest of such entities and individuals which are not our Client.

We are not obligated to commence or continue work on your matter until we receive a copy of the Engagement Letter executed by you along with the full amount of any retainer required by the Engagement Letter. The scope of our engagement is strictly limited to providing legal services with respect to the matter described in the Engagement Letter. You agree that the Firm is not providing business, financial or valuation advice to you.

ESTIMATES OF FEES AND COSTS

If you request that we estimate the fees and costs to be incurred in your matter, you acknowledge and agree that such estimates are inexact and subject to uncertainties. It is not unusual for unexpected events or circumstances (such as the behavior and tactics of adversaries and unfavorable court rulings) to materially increase the amount of time and expense required for a matter. You therefore agree that any estimate provided by us is not an agreement to a fixed fee or to a cap or limit on actual fees and costs required to be paid by you.

EXPECTATIONS AND OUTCOMES

The Firm’s goal is to provide you with high quality and efficient legal services but we cannot, and do not, guarantee the outcome of any matter for which you have engaged us. Any expression by us of possible outcomes or probabilities of possible outcomes is necessarily

limited by our knowledge of the facts and the law at the time, is subject to many uncertainties and is not a guarantee of results in any way. You agree that we have made no promises or guarantees to you about the outcome of any matter for which we have been engaged. You also agree that no subsequent statements to you by attorneys of the Firm will be considered as a promise or guarantee of the outcome of any matter.

ATTORNEYS ASSIGNED TO YOUR MATTER

One of our attorneys will be assigned the principal responsibility for the handling of your matter. The supervising attorney may assign work on your matter to other attorneys, legal assistants, or law clerks of the Firm as appropriate in the supervising attorney's professional judgment to efficiently handle your matter. The hourly rates for these people will not be higher than that of the supervising attorney on your matter. The supervising attorney will continue to be responsible for supervision of the engagement and will be available to discuss the use of other personnel with you.

FEES AND EXPENSES

Our fees are based on the amount of time spent on your matter by our attorneys, legal assistants, and law clerks. Each attorney, legal assistant, and law clerk in our Firm has an hourly billing rate, and that rate times the number of hours spent on your matter is the initial basis for determining our fee. The hourly rates for individual attorneys, legal assistants, and law clerks in our Firm vary depending on each person's education, experience, reputation and expertise and are subject to periodic adjustment, usually annually.

You will also be billed for, and agree to pay, our out-of-pocket expenses and internal charges incidental to the performance of our services on your matter. Internal charges (which may exceed our direct costs) include items such as charges for photocopying, messengers, working meals, travel, long-distance phone calls, faxes, computerized research, special postage, court costs, filing fees, witness or subpoena fees. We normally do not charge for secretarial or administrative services, unless the needs of your matter require us to incur staff overtime, in which case you will be billed for such overtime.

It may be appropriate to engage third parties to provide services on your behalf. Depending on the nature of your matter, these third-party service providers may include, for example, consulting and testifying experts, investigators, jury selection consultants, graphics consultants, court reporters and videographers, providers of computerized litigation support, document duplication services, local legal counsel, petroleum landmen and searchers of governmental records and filings. If such third-party services are needed, we may require that you directly engage the providers. We may (but will not be required to) engage the providers of these services directly and, if we do so, we may invoice you for such third-party costs immediately and separately from our regular monthly invoices. As a condition to our engagement of third party service providers on your behalf, we may also request an advance cost deposit in addition to any retainer provided for in the Engagement Letter. Your failure to provide any such expense deposit or to timely pay or reimburse us for the charges of third party service providers may be grounds for the termination by us of our attorney-client relationship.

INVOICES AND PAYMENT TERMS

We will ordinarily invoice you on a monthly basis for work done in the previous month including out-of-pocket disbursements and charges incurred on your matter, unless otherwise expressly agreed in the Engagement Letter. Any delay by us in invoicing you does not excuse your obligation to pay our invoices. Payment is due upon receipt of our invoices, but in no event later than thirty (30) days after receipt of our invoice. We reserve the right to charge interest at a rate not to exceed ten percent (10%) per annum, compounded monthly, on any balance outstanding on your account that has been on our receivable list for more than thirty (30) days. If assessed, this amount shall be added to your monthly billing. Payment should be made in U.S. dollars, in checks or drafts, payable to "Porter Hedges LLP." If you wish to pay invoices by wire transfer, please contact us for account and wiring instructions.

If you believe any invoice for our services is erroneous or objectionable for any reason, you agree to notify us within thirty (30) days after receipt of such invoice and tell us the basis for your belief. If you and the Firm cannot reach agreement with respect to the amount owed, you agree to pay promptly the portion of our invoice not in dispute and submit the disputed portion for dispute resolution, as provided below.

DELINQUENT ACCOUNTS

If you fail to pay our invoices or the invoices of third party service providers on a timely basis, we may, subject to our ethical obligations, cease performing services for you until arrangements satisfactory to us have been made for payment of arrearages and prospective fees and expenses. Subject to our ethical obligations and any required court approvals, we also reserve the right to terminate our attorney-client relationship for nonpayment of fees or expenses. The termination of our attorney-client relationship does not excuse or limit your obligation to pay us as provided in the Engagement Letter and this Memorandum of Engagement. You agree to pay our attorneys' fees and costs for collection efforts with respect to delinquent accounts.

INSURANCE COVERAGE

If you have, or if you believe that you have, insurance coverage which may pay for the legal services you have asked us to provide, it will be your responsibility to notify your insurance carrier and to file the necessary claim forms. We do not accept responsibility to investigate, file claims, or compel coverage by your insurance carrier unless otherwise expressly agreed in the Engagement Letter. If you wish us to undertake that responsibility, we require an additional engagement letter signed by you and us, unless these matters are expressly covered by the scope of our engagement as set forth in the Engagement Letter. Unless otherwise expressly agreed in the Engagement Letter, you will remain obligated for the payment of our fees and expenses on your matter regardless of whether your insurance carrier provides coverage, and you acknowledge and agree that our fees and expenses for this matter are not limited by lower billing rates imposed by, or the amounts paid by, your insurance company.

RETAINERS

If the Engagement Letter contains an agreement by you to provide an initial retainer in connection with our engagement, you agree that the retainer does not represent the maximum fees or expenses to be charged by us. We may draw upon the retainer or require new or additional retainer amounts, or both, if: (i) your account is not kept current; (ii) we draw upon your initial retainer, other than after your matter is concluded in connection with our final invoice; (iii) the extent of services required of us on your matter significantly increases, or is likely to substantially increase, over the level of services required in previous months; or (iv) there is a change in the facts or circumstances about you, your matter, or your adversary which affect the probability of recovery of damages or the likelihood of success on your matter. After the conclusion of your matter or the termination of our attorney-client relationship, any retainer amount remaining after payment of our fees and expenses will be returned to you.

If the Engagement Letter does not require an initial retainer for fees and expenses related to your matter, we may nevertheless require you to pay all outstanding invoices and prepay estimated fees and expenses if it appears likely that your matter will require us to dedicate significant human and financial resources over a relatively short period of time. This situation could arise, for example, where significantly increased activity is expected to occur in connection with preparing for and conducting an important hearing, trial or arbitration or in connection with negotiations and drafting in a business transaction or a securities offering.

Your agreement to provide and maintain a retainer is a material term of our engagement. Accordingly, if you fail to provide or maintain the full amount of any such retainer, you agree that the Firm may terminate its attorney-client relationship with you.

IOLTA TRUST ACCOUNT

The State Bar of Texas requires all attorneys to maintain trust funds in a segregated trust account. Trust funds are generally funds held by attorneys for the benefit of the client or other parties, which includes any retainer provided by you to us. Unless otherwise agreed in the Engagement Letter, your retainer and any other trust funds will be held in our "Interest on Lawyer Trust Account," also known as an "IOLTA" trust account. Interest on an IOLTA trust account is required by law to be paid to the State Bar of Texas.

REPRESENTATION OF OTHER CLIENTS

The Firm abides by the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas, and among these, rules relating to adverse representations. Based upon a review of our records, the engagement by you of the Firm does not reasonably appear to us to be materially adverse to the Firm's representation of any other party, and the Firm's representation of you at this time does not reasonably appear to the Firm to be or become limited by the Firm's responsibilities to any other party. In the unlikely event our initial evaluation changes, we will promptly advise you. In that event, we may determine that it is necessary for the Firm to withdraw from your representation. If we determine that we are required to do so, you consent to the Firm's withdrawal from its representation of you.

YOUR COOPERATION

Your cooperation with us in performing this engagement will be essential. You therefore agree that you and any other entities affiliated with you will furnish us promptly with all information that we deem necessary to perform the engagement described in the Engagement Letter. You will make such business or technical decisions or determinations as are appropriate to carry out our engagement.

Our engagement is premised and conditioned upon your representation that you are not aware of any undisclosed material facts, or any current or historical problem involving any of the following: court orders, injunctions, cease and desist orders, judgments, liabilities, litigation, administrative proceedings, crimes, prosecutions, bankruptcies or securities violations on the part of any person to be connected with you which you have not fully disclosed to us. The accuracy and completeness of any document (including securities disclosure documents, litigation pleadings and court filings) prepared by us depends on your participation to assure that it contains all material facts relating to the subject and purpose of such document and that such document does not contain any misrepresentation of a material fact nor omit information necessary to make the statements therein not misleading. Accordingly, you agree to review all documents prepared by us for their factual accuracy and completeness prior to filing or any other use. You also acknowledge that this responsibility continues throughout our engagement in the event that such document, though initially accurate, subsequently becomes inaccurate or incomplete. You hereby represent and warrant that any material, information, reports and financial statements, whether rendered orally or in writing, furnished to us by you will be accurate, and that we may rely upon the truth or accuracy of such information.

TERMINATION OF ATTORNEY-CLIENT RELATIONSHIP

Our relationship may be terminated by you or by us at any time, with or without cause, by written notice to the other party. The Firm's right to terminate our attorney-client relationship is also subject to our professional ethical obligations under the Texas Disciplinary Rules of Professional Conduct and, in litigation matters, to approval (if required) of the court before which your matter is pending. In the event of termination of the attorney-client relationship prior to conclusion of your matter, whether by you or us, the Firm and you agree to cooperate and assist each other in the transfer of your matter to another law firm, including execution of documents and pleadings consenting to substitution of counsel. Unless previously terminated, our attorney-client relationship will terminate upon your receipt of the Firm's final invoice for your matter, regardless of whether such final invoice is designated as such.

It is your responsibility to notify us in writing within one year after termination of our engagement on your matter if you wish any documents in our possession to be returned to you. You agree that the Firm is not obligated to maintain for your benefit any documents or files relating to your matter following such one-year period. If you request return of your documents, you agree to pay for reproduction of such files and for our professional fees in connection with assembling, cataloging and reproducing such files for you. If you do not timely request return of your documents, you agree that the Firm may retain, destroy or otherwise dispose of some or all of such documents as it may choose. You also agree that the Firm will be entitled to keep as its own property (and will not be required to deliver to you) any records and documents generated

by it in connection with our engagement such as the Firm's administrative records, time and expense reports, personnel and staffing records and accounting records.

TAXATION ADVICE

Unless we agree in advance with you or our communications with you otherwise expressly state to the contrary, our communications with you are not intended or written to be used, and cannot be used, by any recipient (i) to avoid penalties that may be imposed on the recipient under United States federal tax laws or (ii) to promote, market or recommend to another party the tax consequences of any matter."

APPLICABLE LAW

The laws of the State of Texas shall control all aspects of this engagement.

Nothing in this Memorandum of Engagement is intended, or shall it be construed as, impermissibly waiving or limiting the Firm's or its attorneys' professional obligations to you or to the profession under the Disciplinary Rules of Professional Conduct adopted by the State Bar of Texas or other provisions of law that cannot be varied or waived by this contract.

PROFESSIONAL MISCONDUCT COMPLAINTS

The State Bar of Texas investigates and prosecutes professional misconduct by Texas attorneys. Although not every complaint against or dispute with an attorney involves professional misconduct, the Office of General Counsel of the State Bar of Texas will provide you with information about how to file a complaint. For more information, please call 1-800-932-1900.

OUR ENTIRE AGREEMENT AND AMENDMENTS

The Engagement Letter and this Memorandum of Engagement comprise our entire agreement with respect to our engagement by you and supersede all prior oral or written agreements concerning engagement of the Firm by you. The terms of our engagement cannot be amended, supplemented or superseded except by written agreement signed by you and the Firm. The Engagement Letter and this Memorandum of Engagement is binding on you and the Firm and on our respective successors, heirs, legal representatives and assigns.

COMMUNICATIONS

We will keep you advised of material developments in the matter we are handling for you. You are encouraged to ask at any time as to how your matter is progressing. That information may be obtained by calling the attorney assigned to your matter. If for any reason you would prefer to speak with a representative of the Firm other than your assigned attorneys, please contact our Managing Partner or Executive Director at 713-226-6600.

Again, we very much appreciate the opportunity to be of service to you.

-END-

Honorable Ramon Garcia
March 21, 2016
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EXHIBIT A
List of Services

Porter Hedges will furnish legal services as requested by Hidalgo County in connection with continuing design of the new Courthouse, and contracting with the construction manager or other construction entities for the construction of the new Courthouse. Related services are included.

Exhibit "B"

Attorney Fees: **Hourly Rate:**

Attorneys:

| | |
|---------------------|----------|
| Allison J. Snyder | \$375.00 |
| David D. Peden | \$375.00 |
| Sean M. McChristian | \$350.00 |
| David D. Martin | \$275.00 |

Legal Assistants:

| | |
|-----------------|----------|
| Pam J. Ford | \$190.00 |
| Carey A. Sakert | \$210.00 |

Legal Fees/Court Costs:

| | |
|---|------------------------|
| Filing Fees | Actual Costs |
| Service of Process & Subpoenas | Actual Costs |
| Mediation Fees | Actual Costs |
| Legal Research Expenses | Actual Costs |
| Depositions (Court Reporter & Video as appropriate) | Actual Costs |
| Internet Search Fees | Actual Costs |
| Witness Fees | Actual Required by Law |
| Expert Witness Fees | Actual Costs |
| Hearing Transcript Fees (as appropriate) | Actual Costs |
| Investigator Fees (as appropriate) | Actual Costs |

Travel Expenses:

Mileage Rate (IRS guidelines recommended) – Prevailing IRS Rate
Air Travel (most economical travel recommended) – Most economical taking into consideration travel time.
Hotel (most economical recommended – not to exceed \$100.00 per day)
Meals (to be reimbursed only if traveling out of town – not to exceed \$39.00 per day)

Office Expense:

| | | |
|--------------------------------|-----------------|------------------|
| Faxes | \$1.25 per page | |
| Copies | \$.30 per page | |
| Binding | As charged by* | |
| Telephone (Long Distance only) | | As charged by ** |

Postage and Express Mail:

| | |
|--------------------|--------------|
| U.S. Mail | Actual Costs |
| Express Mail | Actual Costs |
| Other: | |
| Overnight Delivery | Actual Costs |

Itemized receipts must be provided for each expense.



TEXAS LAWYERS' INSURANCE EXCHANGE
1801 South MoPac Expressway, Suite 300
Austin, Texas 78746
(512) 480-9074
Toll Free 1-(800) 252-9332
FAX (512) 482-8738

DECLARATIONS

PROFESSIONAL LIABILITY INSURANCE POLICY. (THIS IS A CLAIMS MADE POLICY. CLAIMS EXPENSES REDUCE LIMITS OF LIABILITY. PLEASE READ POLICY CAREFULLY.)

Policy Form: Attorneys' Professional Liability Policy (Form P-10)

Policy Number: 73350 Membership Number: 3997 Number of Insureds: 113

Item 1: Name of Insured: Porter Hedges LLP
Address: 1000 Main Street
36th Floor
Houston, TX 77002-6336

Item 2: Policy Period: Effective Date: August 1, 2015 Expiration Date: August 1, 2016
(12:01A.M. standard time at the address of the Named Insured)

Item 3: Retroactive Date: None
(12:01A.M. standard time at the address of the Named Insured)

Item 4: Limits of Liability: 25,000,000 Each Claim
50,000,000 Aggregate

Item 5: Deductible: 100,000 Aggregate

Item 6: Expense Allowance: 0

Item 7: Premium:
Surplus Maintenance Fee: 0
Total:

In witness whereof, Texas Lawyers' Insurance Exchange has caused this policy to be signed by its Attorney-in-Fact and countersigned by a duly authorized representative of the Association.

TEXAS LAWYERS' INSURANCE EXCHANGE

By: Michael D. Yarber
Michael D. Yarber, President

Gary R. Maitre
Gary Maitre, Senior Vice President

FOR INFORMATION, OR TO MAKE A COMPLAINT,
CALL 1-800-252-9332

August 11, 2015

EX D -1



POLICY NO: PUSNA1502491
PAGE 1 OF 2

RISK DETAILS

TYPE: EXCESS CLAIMS MADE LAWYERS PROFESSIONAL LIABILITY

INSURED: PORTER HEDGES, LLP

PRINCIPAL ADDRESS: 1000 Main St.
36th Floor
Houston
TX 77002
United States of America.

PERIOD OF INSURANCE: 1st August, 2015 at 12:01 a.m. Local Standard Time to 1st August, 2018 at 12:01 a.m. Local Standard Time

INTEREST: Lawyers Professional Liability

LIMIT OF LIABILITY: USD5,000,000 each and every claim, USD10,000,000 in the annual aggregate, including costs, charges and expenses
In excess of the underlying
USD25,000,000 each and every claim, USD50,000,000 in the annual aggregate including costs, charges and expenses

INSURED'S RETENTION: USD100,000 each and every claim, USD100,000 in the annual aggregate, including costs, charges and expenses

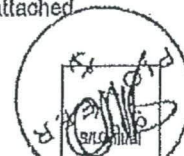
TERRITORIAL LIMITS: Worldwide.

NOTICES: In addition to any notices that may appear in the policy form:-
LMA 9079 Texas Surplus Lines Notice (4.81%)
LMA 9080A Texas Complaints Notice

NOTICE OF CLAIM TO INSURERS VIA: Texas Lawyers Professional Insurance Agency, Inc.
900 Congress Avenue South, Suite 500, Austin, Texas 78707, USA
and/or
JLT Re (North America) Inc.
One Stamford Plaza, 263 Tresser Boulevard, Stamford, Connecticut 06901, USA

RETROACTIVE DATE: 1st October, 2013

CONDITIONS: Policy Wording: A.W.G.S. EXCESS WORDING (COSTS INCLUSIVE)
LSW 055a, as attached
To follow underlying Texas Lawyers' Insurance Exchange Policy Number 67389
NMA 1256 -- Nuclear Incident Exclusion Clause -- as attached
NMA 1477 -- Radioactive Contamination Exclusion Clause -- as attached
NMA 2918 -- War and Terrorism Exclusion Endorsement -- as attached
NMA 1587 -- Retroactive Exclusion Clause -- as attached



Ex D - 2



POLICY NO: PUSNA1402491
PAGE 2 OF 2

EXPRESS WARRANTIES: In addition to any Express Warranties that may appear in the policy form: - None

CONDITIONS PRECEDENT: In addition to any Conditions Precedent that may appear in the policy form: - None

SEVERAL LIABILITY: LSW 3333 -- (Re) Insurers Liability Clause.

CHOICE OF LAW AND JURISDICTION: NMA 1998 -- Service of Suit Clause - naming Mendes & Mount, 750 Seventh Avenue -- as attached
Choice of Law ; It is hereby understood and agreed by both Insured and Underwriters that any dispute concerning the Interpretation of this Policy shall be governed by the laws of Texas.

PREMIUM: Premium: USD70,000

PREMIUM TERMS: LSW 3000 - Premium Payment Clause (30 days from Inception) -- as attached.

TAXES PAYABLE BY INSURED AND ADMINISTERED BY INSURERS: None.

RECORDING, TRANSMITTING AND INFORMATION STORAGE: Where JLT Reinsurance Brokers Ltd (JLT Re) maintains risk and claim data/information/documents, JLT Re may hold that data/information/documents electronically.

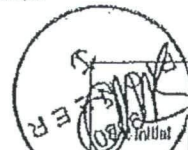
INSURER CONTRACT DOCUMENTATION: This document details the contract terms entered into by the Insurers and constitutes the contract document.

Signature of the Slip constitutes agreement to the Clauses incorporated herein.

The production of and agreement to a separate Contract Wording is not required.

SUBJECTIVITIES: None.

"This insurance contract is with an insurer not licensed to transact insurance in this state and is issued and delivered as a surplus line coverage pursuant to the Texas insurance statutes. The State Board of Insurance does not audit the finances or review the solvency of the surplus lines insurer providing this coverage, and this insurer is not a member of the property and casualty, insurance guaranty association created under Article 21.28-C, Insurance Code. Article 1.14-2, Insurance Code, requires payment of 4.85 percent tax on gross premium."



Ex D - 3

CERTIFICATE OF INTERESTED PARTIES

FORM 1295

1 of 1

Complete Nos. 1 - 4 and 6 if there are interested parties.
Complete Nos. 1, 2, 3, 5, and 6 if there are no interested parties.

**OFFICE USE ONLY
CERTIFICATION OF FILING**

1 Name of business entity filing form, and the city, state and country of the business entity's place of business.
Porter Hedges LLP
Houston, TX United States

Certificate Number:
2016-28838

Date Filed:
03/21/2016

2 Name of governmental entity or state agency that is a party to the contract for which the form is being filed.
Hidalgo County

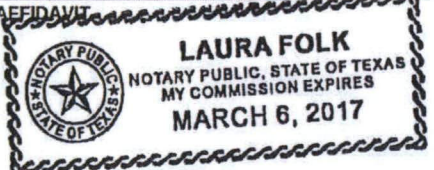
Date Acknowledged:

3 Provide the identification number used by the governmental entity or state agency to track or identify the contract, and provide a description of the goods or services to be provided under the contract.
014474-0001
Letter for Engagement for Legal Services of Construction of New Courthouse

| 4 Name of Interested Party | City, State, Country (place of business) | Nature of Interest (check applicable) | |
|----------------------------|--|---------------------------------------|--------------|
| | | Controlling | Intermediary |
| David, Peden | Houston, TX United States | | X |
| | | | |
| | | | |
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5 Check only if there is NO Interested Party.

6 **AFFIDAVIT** I swear, or affirm, under penalty of perjury, that the above disclosure is true and correct.



David D. Peden Jr.

Signature of authorized agent of contracting business entity

AFFIX NOTARY STAMP / SEAL ABOVE

Sworn to and subscribed before me, by the said DAVID D. PEDEEN JR., this the 21st day of March, 2016, to certify which, witness my hand and seal of office.

Laura Folk

Signature of officer administering oath

LAURA FOLK

Printed name of officer administering oath

Title of officer administering oath

CERTIFICATE OF INTERESTED PARTIES

FORM 1295

1 of 1

Complete Nos. 1 - 4 and 6 if there are interested parties.
Complete Nos. 1, 2, 3, 5, and 6 if there are no interested parties.

**OFFICE USE ONLY
CERTIFICATION OF FILING**

1 Name of business entity filing form, and the city, state and country of the business entity's place of business.
Porter Hedges LLP
Houston, TX United States

Certificate Number:
2016-28838

Date Filed:
03/21/2016

Date Acknowledged:

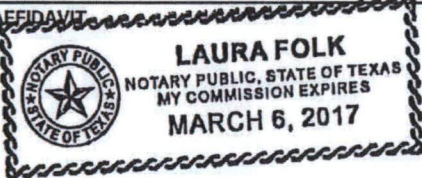
2 Name of governmental entity or state agency that is a party to the contract for which the form is being filed.
Hidalgo County

3 Provide the identification number used by the governmental entity or state agency to track or identify the contract, and provide a description of the goods or services to be provided under the contract.
014474-0001
Letter for Engagement for Legal Services of Construction of New Courthouse

| 4 Name of Interested Party | City, State, Country (place of business) | Nature of Interest (check applicable) | |
|----------------------------|--|---------------------------------------|--------------|
| | | Controlling | Intermediary |
| David, Peden | Houston, TX United States | | X |
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5 Check only if there is NO Interested Party.

6 AFFIDAVIT



I swear, or affirm, under penalty of perjury, that the above disclosure is true and correct.

David D. Peden Jr.

Signature of authorized agent of contracting business entity

AFFIX NOTARY STAMP / SEAL ABOVE

Sworn to and subscribed before me, by the said DAVID D. PEDEU JR., this the 21st day of March, 2016, to certify which, witness my hand and seal of office.

Laura Folk

Signature of officer administering oath

LAURA FOLK

Printed name of officer administering oath

Title of officer administering oath

CERTIFICATE OF INTERESTED PARTIES

FORM 1295

1 of 1

Complete Nos. 1 - 4 and 6 if there are interested parties.
Complete Nos. 1, 2, 3, 5, and 6 if there are no interested parties.

OFFICE USE ONLY CERTIFICATION OF FILING

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Porter Hedges LLP
Houston, TX United States

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Hidalgo County

Date Acknowledged:
03/21/2016

3 Provide the identification number used by the governmental entity or state agency to track or identify the contract, and provide a description of the goods or services to be provided under the contract.
014474-0001
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| 4 Name of Interested Party | City, State, Country (place of business) | Nature of interest (check applicable) | |
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5 Check only if there is NO Interested Party.

6 AFFIDAVIT

I swear, or affirm, under penalty of perjury, that the above disclosure is true and correct.

Signature of authorized agent of contracting business entity

AFFIX NOTARY STAMP / SEAL ABOVE

Sworn to and subscribed before me, by the said _____, this the _____ day of _____, 20_____, to certify which, witness my hand and seal of office.

Signature of officer administering oath

Printed name of officer administering oath

Title of officer administering oath

Zimbra**evangelina.garcia@co.hidalgo.tx.us**

RE: Letter of Engagement-Legal Services for Construction of New Courthouse

From : Steve Crain <scrain@atlashall.com>

Mon, Mar 21, 2016 07:46 AM

Subject : RE: Letter of Engagement-Legal Services for
Construction of New Courthouse**To :** 'Evelina Garcia'
<evangelina.garcia@co.hidalgo.tx.us>**AS long as the County is comfortable with waiving a jury and the hourly rate, the letter is fine.**

From: Evangelina Garcia [mailto:evangelina.garcia@co.hidalgo.tx.us]**Sent:** Friday, March 18, 2016 4:44 PM**To:** Steve Crain <scrain@atlashall.com>**Cc:** Martha Salazar <martha.salazar@co.hidalgo.tx.us>; Yolanda Chapa
<yolanda.chapa@co.hidalgo.tx.us>; Erika Reyna <erika.reyna@co.hidalgo.tx.us>; Michael Leo
<michael.leo@co.hidalgo.tx.us>**Subject:** Letter of Engagement-Legal Services for Construction of New Courthouse

Mr. Crain:

On behalf of Ms. Erika Reyna for County Judge Ramon Garcia, attached please find the proposed "Letter of Engagement" for legal services for "Construction of New Courthouse", as submitted by Honorable David D. Peden from Law Firm "Porter Hedges, LLP" for your review as to form. Additional attachment (correspondence) regarding the request of insurance and the 1295 as these documents are needed and required as there is an agenda item place on for court date of Tuesday, March 22, 2016 for court discussion/action.

Appreciate your assistance on this.

Thank you;

Vangie Y. Garcia, Contract Manager
Hidalgo County Purchasing Department
2812 S. Business Hwy. 281
Edinburg, Texas 78539
Email: evangelina.garcia@co.hidalgo.tx.us
Phone: 956-292-7000-Ext. 4856

AI-53807

Purchasing Department

21. A. 1.

CC - REGULAR

Meeting

Date:

03/22/2016

Submitted

For:

Marty Salazar, PURCHASING DEPT.

Submitted

By:

Marty Salazar, PURCHASING DEPT.

Department: PURCHASING DEPT.

Information

CAPTION

A. Clarification of [CC 03-07-16] nominated firms selected from approved pools of Surveyor & Engineer [w/Civil discipline] to decide the following:

Nominated/selected 7 firms:

1. S&B Infrastructure: NOT ON SURVEYOR POOL-ON ENGINEER POOL [W/CIVIL DISCIPLINE];
2. Dannenbaum Engineering: ON BOTH SURVEYOR & ENGINEER POOLS [W/CIVIL DISCIPLINE];
3. Halff & Associates: ON BOTH SURVEYOR & ENGINEER POOLS [W/CIVIL DISCIPLINE];
4. TEDSI Infrastructure: ON BOTH SURVEYOR & ENGINEER POOLS [W/CIVIL DISCIPLINE];
5. Quintanilla, Headley & Associates: ON BOTH SURVEYOR & CIVIL ENGINEER POOLS [W/CIVIL DISCIPLINE];
6. South Texas Infrastructure: NOT ON SURVEYOR POOL-ON ENGINEER POOL [WCIVIL DISCIPLINE];
7. L & G Engineers: NOT ON SURVEY POOL-ON ENGINEER POOL [W/CIVIL DISCIPLINE];

- a. Proceed to score/grade all 7 firms for Civil Engineering Services;
- b. Proceed to score/grade only the 4 firms on Surveyor Pool;
- c. Other options/combinations as CC may decide;

✓ B. Acceptance and approval of the final negotiated letter of engagement with the Hon. David D. Peden [payden], Porter/Hedges, LLP, in connection with legal consulting services for the all aspects for the design and construction of a New Hidalgo County Courthouse and as detailed in the document contained herein [as authorized for negotiations by HCCC on 0307-16] and subject to compliance with HB1295, HB23 [if & when applicable] including HC insurance requirements as evidenced by correspondence to law firm attached

here;

C. Discussion and action [if applicable] on the scheduling of a "Workshop" with the option of presentations by firms [if opted by HCCC] for the evaluation/scoring of the Architectural, Geo-technical/Construction Materials Testing Firms;

BACKGROUND

Fiscal Impact

FISCAL YEAR: ACCT. #:

FUNDS AVAILABLE Y/N?: MATCHING FUNDS Y/N?:

BUDGETARY IMPACT:

Funding will need to identified for item related to Letter of Engagement approval only.
Other items do not need funding at this point.

Attachments

Email

Pool-Engineer

Pool of Surveyor

letter

email

legal

letter

Form Review

| Inbox | Reviewed By | Date |
|---------------------------------|----------------|---------------------------------|
| Purchasing Department | Marty Salazar | 03/18/2016 03:11 PM |
| Budget & Management | Veronica Ortiz | 03/18/2016 03:14 PM |
| Final Approval | Monica Badillo | 03/18/2016 04:47 PM |
| Form Started By: Marty Salazar | | Started On: 03/16/2016 04:33 PM |
| Final Approval Date: 03/18/2016 | | |

Zimbra**evangelina.garcia@co.hidalgo.tx.us**

Porter Hedges Letter Agreement for Legal Services

From : David D. Peden <DPeden@porterhedges.com> Mon, Mar 21, 2016 03:07 PM
Subject : Porter Hedges Letter Agreement for Legal Services 1 attachment
To : The Honorable Ramon Garcia
(ramon.garcia@co.hidalgo.tx.us)
<ramon.garcia@co.hidalgo.tx.us>, Evangelina Garcia (evangelina.garcia@co.hidalgo.tx.us)
<evangelina.garcia@co.hidalgo.tx.us>
Cc : Laura C. Folk <LFolk@porterhedges.com>

Dear Judge Garcia and Ms. Garcia,

Attached is our revised proposed fee agreement, with attachments. As requested, this shows the negotiated max hourly rate of \$375, and we did remove the waiver of trial by jury paragraph in the attached Memorandum.

Hopefully, this satisfies all of your requirements. Please let me know if there are any issues with the attached.

If it is approved, please sign and email back the signature page.

Thank you for the opportunity to be of service to Hidalgo County. I look forward to working with you.

David D. Peden
Partner
Porter Hedges LLP
1000 Main Street, 36th Floor
Houston, Texas 77002
dpeden@porterhedges.com
t 713.226.6610
f 713.226.6210

www.porterhedges.com

<http://www.porterhedges.com/Professionals/DavidDPeden>

<http://www.porterhedges.com/Professionals/DavidDPeden.vcf>

https://www.linkedin.com/company/64699?trk=prof-0-ovw-prev_pos

March 22, 2016

Vangie
1 of 2

- A. AI-53764 Discussion, consideration and approval to submit the following FEMA PWs related to the May/June DR-4223 with authority for County Judge to sign required documentation.
1. Precinct #1
 - PA-06-TX-4223-PW-01362
 2. Precinct #4
 - PA-06-TX-4223-PW-00953
 - PA-06-TX-4223-PW-00988
 - PA-06-TX-4223-PW-00991
 - PA-06-TX-4223-PW-01138

On motion by COMMISSIONER PCT. 1, A.C. CUELLAR, JR., seconded by COMMISSIONER PCT. 4, JOSEPH PALACIOS, the Court made a UNANIMOUS vote of approval on Item.20.A.1 and 2.

Vote: 3 - 0 – Unanimously

- B. AI-53793 1115 Waiver (1100):
Approval to undesignate the amount of \$12,005.15 in the year 2015 from the 1115 Waiver Assigned Fund Balance.

C. **Budget Appropriations:**

1. AI-53792 Special Revenue & Internal Service Funds:
Approval of 2016 appropriation of funds to fund various PO rollovers.
2. AI-53791 Prenatal FY 15 (1293):
 - A. Approval of certification of revenues as certified by the County Auditor for program income generated from the Title V - Prenatal Services FY15 grant program.
 - B. Approval of 2015 appropriation of funds in the amount of \$174.70.

D. **Interfund transfers:**

1. AI-53810 TXDOT - Pct 1 M6W(US83-SH107) (1315):
Approval of 2016 interfund transfer from various CO2015A-Pct 1 projects (1347) to Pct 1-M6W(US83-SH107) (1315) in the amount of \$1,547,547.50 to fund WA#3 and other anticipated expenditures.

21. **Purchasing Department:**

Notes:

A. FOR ANY CONTRACT(S) AWARDED AND APPROVED UNDER THIS AGENDA, EXECUTED COPIES OF THE CONTRACT(S) WILL BE AVAILABLE ON THE COUNTY INTRA-NET WEBSITE AND WILL BE FOWARDED VIA E-MAIL, FAX OR HAND DELIVERED TO HIDALGO COUNTY AUDITOR'S OFFICE.

B. ANY AND ALL REQUESTS FOR PAYMENT(S) APPROVED WILL BE SUBJECT TO COUNTY AUDITORS PROCESSING PROCEDURES INCLUDING AUTHORITY FOR COUNTY TREASURER TO ISSUE PAYMENT(S)/CHECK(S).

A. **Hidalgo County**

1. AI-53807 A. Clarification of [CC 03-07-16] nominated firms selected from approved pools of Surveyor & Engineer [w/Civil discipline] to decide the following:
Nominated/selected 7 firms:
 1. S&B Infrastructure: NOT ON SURVEYOR POOL-ON ENGINEER POOL [W/CIVIL DISCIPLINE];
 2. Dannenbaum Engineering: ON BOTH SURVEYOR & ENGINEER POOLS [W/CIVIL DISCIPLINE];
 3. Half & Associates: ON BOTH SURVEYOR & ENGINEER POOLS [W/CIVIL DISCIPLINE];

March 22, 2016

Ms. Salazar mentioned to the court that she'll be bringing the appropriate information on the existing survey.

- a. Proceed to score/grade all 7 firms for Civil Engineering Services;
- b. Proceed to score/grade only the 4 firms on Surveyor Pool;
- c. Other options/combinations as CC may decide;

B. Acceptance and approval of the final negotiated letter of engagement with the Hon. David D. Peden [payden], Porter/Hedges, LLP, in connection with legal consulting services for the all aspects for the design and construction of a New Hidalgo County Courthouse and as detailed in the document contained herein [as authorized for negotiations by HCCC on 0307-16] and subject to compliance with HB1295, HB23 [if & when applicable] including HC insurance requirements as evidenced by correspondence to law firm attached here;

Ms. Salazar informed the court that as of yesterday afternoon they have all the required documentation from the firm. They have received the HB 1295, HB 23, the final letter of engagement and the required exhibits.

On motion by COMMISSIONER PCT. 1, A.C. CUELLAR, JR., seconded by COMMISSIONER PCT. 4, JOSEPH PALACIOS, the Court made a UNANIMOUS vote of approval.

Vote: 3 - 0 – Unanimously

Ms. Salazar indicated that for the Geo-Technical, Materials Testing and the Architects, questioners to expand the SOQ have been sent out. They will be following the same protocol for the Civil Engineers and will provide the answers as soon as they are available.

C. Discussion and action [if applicable] on the scheduling of a "Workshop" with the option of presentations by firms [if opted by HCCC] for the evaluation/scoring of the Architectural, Geo-technical/Construction Materials Testing Firms;

Martha Salazar announced that Commissioner Cantu recommended placing together the scoring the grading. The commissioner feels that by doing it this way, each commissioner would be able to assist each other. They could all contribute and clarify any strength and weaknesses for those areas.

After considering Commissioner Cantu's suggestion, Ms. Salazar spoke to Mr. Valde Guerra and decided that it would be best if they gather together for a workshop.

Ms. Salazar recommended that as they've already delivered to them the answers received from the questioners sent out to the architects, the geo-techs and the material testing firms. She suggests allowing at least one week to review and be ready for a workshop. She advised the members that they could chose to have presentations by these firms or preliminary score them and then decide.

Judge Garcia stated that it would be best to received presentations by the firms before scoring.

Ms. Salazar commented that the only action needed would be to set a workshop with presentations for next week.

Judge Garcia granted permission to allow for a workshop and announced that it would be best to score the firms in public, and if any voting is to be done, to be done by the elected officials and not chiefs of staff.

To that effect, Ms. Salazar requested to allow Mr. Valde Guerra and herself to be the facilitators and not necessary the graders. As Commissioners Court is the ultimate decider.

CC REG. AGENDA 03/22/16

- nlz* b. Proceed to score/grade only the 4 firms on Surveyor Pool;
- c. Other options/combinations as CC may decide;

Valde to be facilitated

B. Acceptance and approval of the final negotiated letter of engagement with the Hon. David D. Peden [payden], Porter/Hedges, L.L.P, in connection with legal consulting services for the all aspects for the design and construction of a New Hidalgo County Courthouse and as detailed in the document contained herein [as authorized for negotiations by HCCC on 0307-16] and subject to compliance with HB1295, HB23 [if & when applicable] including IIC insurance requirements as evidenced by correspondence to law firm attached here;

✓ C. Discussion and action [if applicable] on the scheduling of a "Workshop" with the option of presentations by firms [if opted by HCCC] for the evaluation/scoring of the Architectural, Geo-technical/Construction Materials Testing Firms; *then mtg. on same day.*

- 2. AI-53761 Presentation of bids received for the purposes of award and approval of contract document to vendor submitting the lowest and best bid [meeting all specifications and/or requirements as attached hereto] for: **Hidalgo County - "Construction Building Materials & Related Supplies"** - RFB No: 2016-036-03-09-HGO with an effective date of 03-28-16.
- 3. AI-53704 Acceptance and approval of Amendment to Contract #C-15-053-03-17, [E-16-094-02-16 effective March 17, 2016] with Anrige, Inc., dba, A Clean Portoco, to include Exhibit B-1 which reflects that Company is offering a discount on weekly awarded rate of \$75 to \$18.75 for four (4) consecutive weeks of rental per unit.

B. Pct. 1

Ju 1. AI-53830 Hidalgo County Precinct No. 1 is requesting **acceptance** and **approval** of **Supplemental No. 4** and **Work Authorization No. 3** defined and as submitted by **TEDSI Infrastrucutre Group, Inc.** amid the on-going **Contract #C-08-227-02-09** as follows:

- ✓ A. **Supplemental No. 4** to add services as additional scope of work to **Mile 6W** as indicated in **Exhibit "B1"** of the supplemental document and serviced pursuant to the following request of **Work Authorization No. 3**:
- TRDST Proj.* ✓ B. **Work Authorization No. 3** in the estimated cost of \$1,515,115.00 for the provision of the additional services (amid Supplemental No. 4) thru this work authorization request for **Mile 6W from Mile 9 North to Mile 11 North** subject to action of the aforementioned by Commissioners Court.

2. AI-53699 A. Requesting exemption from competitive bidding requirements under the Texas Local Government Code, Section 262.024 (A) (4) a professional service;

Oh B. Presentation of scoring grid (for the purpose of ranking by CC) of the firms graded and evaluated through the County's approved "pool" of professional engineering services for Pct No.1 Colonia Noreste Paving and Drainage Improvements project:

| | | | |
|-------------|-------|--|--------|
| Engineering | TEDSI | Quintanilla, Headley and Associates, Inc | Javier |
|-------------|-------|--|--------|