

# HARRIS COUNTY EMERGENCY SERVICES DISTRICT # 13

11900 Cypress North Houston  
Cypress, Texas 77429-5948  
281 894-0151

## MINUTES

Monday, September 28, 2015, 6:30 P.M.-7:30 P.M.

Webcast by SAFE-D

September Last Monday Webcast

Roberts Rules of Order

Professional Registered Parliamentarian Kirk Overbey brought the Roberts Rules presentation he has presented at past Annual Conferences to the Last Monday series. In addition to being essential knowledge for running your ESD meetings, this course satisfies the Roberts Rules requirement for the Certified Emergency Services Commissioner program.

Safe-D has applied to Texas A&M's V.G. Young Institute of County Government to certify this training for one hour of ESD commissioner Training Credit in connection with this webcast for registered attendees.

Commissioners present: Ben Henderson  
Vince Tobin  
Scott Johnson  
Homer Stevens  
JoAnne Arosell

Others: Sara Hooper  
Richard Lieder  
Timothy Gibson

## MEETING MINUTES

Monday, September 28, 2015

Commissioners present: Ben Henderson  
Vince Tobin  
Scott Johnson  
Homer Stevens  
JoAnne Arosell

Fire Department: Richard Lieder  
Timothy Gibson

Ben Henderson called the meeting to order at 7:36 p.m.

Information items:

A. Fire Department Report.

The Fire Chief said he would differ the floor to a member of the public in attendance if the Chair would like to move public comment to first on the agenda and Mr. Lauman was welcomed to the meeting by Mr. Henderson.

The Fire Chief reviewed his written report starting progress on the combined fire dispatch channel. The agreement is still being created by staff at Coveler & Katz.

An item has been placed on tonight's agenda to approve a take home vehicle for Chief Gibson as mentioned last month.

The Chief also elaborated on other items on tonight's agenda needing approvals to go forward.

B. Staff Report.

A verbal office report was presented.

C. Treasurer Report.

\$399 was received last month in interest and \$134 in deposits this month for 99.08% of anticipated tax receipts. \$260,000 will be transferred to the checking account for expenses of \$199,396 for the Department; \$1262 for the attorney; \$3677.88 for publication fees; and monthly expenses including payroll. The balance in accounts will be \$1,860,866 and year-end carryover is anticipated to be \$547,467.31.

D. Public Comment.

Mr. Thomas Lauman of 11915 Jacaranda attended to the meeting and was welcomed to attend future meetings as well as to come to the office during business hours for more information. He remained during the meeting and President Henderson responded to his inquiries as presented.

E. Any additional business that may come before the Board.

None.

Action items:

I. To discuss Department's strategic plan.  
Tabled.

II. To review and approve the proposed Cypress Creek VFD 2016 budget..  
Vince Tobin moved, Homer Stevens seconded, a motion to approve the proposed Cypress Creek VFD 2016 budget after amending it changing the Station 23 loan payoff to \$694,748. The motion passed 5-0.

III. To review, discuss, and approve preparation of the schematic design for the Master Plan for construction, repair, or renovation of fire stations within ESD 13.  
Postponed.

IV. To review and approve the proposed District 2016 budget..  
Vince Tobin moved, JoAnne Arosell seconded, a motion to accept the District Budget as presented. The motion passed 5-0.

V. To set the 2015 District tax rate.  
Scott Johnson moved, JoAnne Arosell seconded, a motion to adopt the 2015 District Tax Rate as stated in the attached resolution, "I move that property taxes be increased by the adoption of a tax rate of \$.088260/\$100, which is effectively a 7.99 percent increase in the tax rate." The motion passed 5-0. The Resolution is attached and made part of these minutes.

- VI. To review and execute a contract with Sales Tax Assurance LLC and approve the cost estimate to provide a report of potential sales tax revenue available to the District.  
Scott Johnson moved, Vince Tobin seconded, a motion to execute a contract with Sales Tax Assurance LLC and approve the cost estimate to provide a report of potential sales tax revenue available to the District. The motion passed 5-0.
- VII. To review and take action on Harris County Office of Homeland Security and Emergency Management Plan and Mutual Aid Agreement.  
Postponed.
- VIII. To review and approve the Memorandum of Understanding for a common dispatch channel.  
Postponed.
- IX. To review and approve purchase of thermal imagers through HGAC pricing contract.  
Homer Stevens moved, Scott Johnson seconded, a motion to approve purchase of thermal imagers through HGAC pricing contract for \$65,166 as designated by the paperwork. This item was originally budgeted for \$120,000 but reduced by receiving upgrades to existing equipment and trade-in allowances. The motion passed 5-0.
- X. To review and approve purchase of F150 staff vehicle through HGAC pricing contract.  
Vince Tobin moved, JoAnne Arosell seconded, a motion to approve purchase of F150 staff vehicle through HGAC pricing contract for \$34,917.00. The motion passed 5-0.
- XI. To review and approve HVAC replacement at Station 21 for \$15,900.  
Homer Stevens moved, Vince Tobin seconded, a motion to approve HVAC complete replacement at Station 21 for \$15,900 from North Point Air & Heat. The motion passed 5-0.
- XII. To review and approve headquarters upstairs HVAC replacement for \$15,400.  
Homer Stevens moved, Scott Johnson seconded, a motion to accept the quote for headquarters upstairs HVAC replacement for \$15,400 from North Point Air & Heat. The motion passed 5-0.
- XIII. To review and approve purchase of the camera surveillance system.  
Postponed.
- XIV. To approve sale of 2004 F150 staff vehicle Vin#1FTPW14524KD10072.  
Vince Tobin moved, JoAnne Arosell seconded, a motion to approve sale of 2004 F150 staff vehicle and make correction to District/Department Contract Exhibit "B". The motion passed 5-0.
- XV. To discuss and approve expenses and payments for Traffic Pre-emption equipment.  
Postponed.
- XVI. To review and discuss providing our facility for HCESD11 to hold their elections.  
Postponed.
- XVII. To discuss and consider payment for professional services from Joiner Architects related to architectural and engineering services for station renovations.  
Postponed.

- XVIII. To review and approve coverage and payment for workers compensation for the policy year October 2015-2016.  
Homer Stevens moved, Vince Tobin seconded, a motion to approve coverage and payment for workers compensation for the policy year October 2015-2016 to TML Intergovernmental Risk Pool in the amount of \$35,394. The motion passed 5-0.
- XIX. To consider approval for payment to Coveler & Katz, P.C. for professional services as invoiced.  
Vince Tobin moved, JoAnne Arosell seconded, a motion to accept the invoices and pay to Coveler & Katz \$1262.50. The motion passed 5-0.
- XX. To review and approve payment of invoices from the Houston Chronicle for publication of the Notice of Effective Tax Rate, Notice of Public Hearings on Tax Increase, and Notice of Tax Revenue Increase.  
Vince Tobin moved, Homer Stevens seconded, a motion to accept the invoices for \$1356.36 for the Notice of Effective Tax Rate and \$2321.52 for the Notice of Public Hearings for a total payment due of \$3677.88. The motion passed 5-0.
- XXI. To review and approve engagement of an attorney to address issues specifically regarding employment matters and execute engagement agreement.  
Vince Tobin moved, Scott Johnson seconded, a motion to approve engagement of an attorney to address issues regarding employment matters and execute engagement agreement. The motion passed 5-0.
- XXII. To consider payment to Cypress Creek VFD.  
a. Monthly reimbursement.  
Vince Tobin moved, JoAnne Arosell seconded, a motion to accept the \$199,396.15 invoice for monthly reimbursement. The motion passed 5-0.
- XXIII. To review and approve expense reimbursements and Trainings including Safe-D webcasts, continuing college education credits and online training classes for Commissioners and Employees.  
Vince Tobin moved, Homer Stevens seconded, a motion to approve both expenses, \$210.00 for registration and \$195.21 for Jason's Deli, for Safe-D webcast expenses 9/28/2015 charged to the Department credit card. The motion passed 5-0.
- XXIV. To consider approval of the List of Checks Issued which includes disbursements as approved separately; ACH withdrawals and transfers for payroll processing; monthly loan interest and operating expenses.  
Homer Stevens moved, JoAnne Arosell seconded, a motion to approve the List of Checks dated September 28, 2015, in the amount of \$273,801.23. The motion passed 5-0.
- XXV. To accept HCESD #13 Financial Statements of August 31, 2015, as presented.  
Vince Tobin moved, Scott Johnson seconded, a motion to accept HCESD#13 Revenue and Expense Statements of August 31, 2015, as presented. The motion passed 5-0.
- XXVI. To consider approval of the minutes from the meeting of August 27, 2015 and the public hearings September 17, 2015 and September 21, 2015.  
Scott Johnson moved, Ben Henderson seconded, a motion to approve the minutes from the meetings of August 27, 2015 and the public hearings September 17, 2015 and September 21, 2015. The motion passed 5-0.

XXVII. Executive session to deliberate the appointment, employment, evaluation, reassignment, duties, discipline, or dismissal of a public officer or employee as permitted by the Texas Government Code, Open Meetings Act, Sec. 551.074.

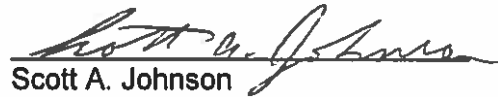
Tabled. No executive session was held.

XXVIII. To Take Action considered as a result of executive session to discuss personnel matters.  
Not applicable, no executive session was held.

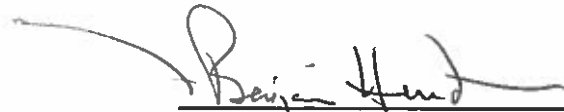
Adjourn

Ben Henderson having no objections adjourned the meeting at 9:13 p.m.

Respectfully submitted,



Scott A. Johnson  
Secretary/Treasurer



F. Benjamin Henderson  
President

**RESOLUTION ADOPTING A TAX RATE IN EXCESS OF THE  
2015 EFFECTIVE TAX RATE FOR  
HARRIS COUNTY EMERGENCY SERVICES DISTRICT NO. 13**

In Open meeting on the 28<sup>th</sup> day of September, 2015, motion was made by Commissioner SCOTT JOHNSON to adopt a tax rate of \$.088260/\$100 by stating the following:

"I move that property taxes be increased by the adoption of a tax rate of \$.088260/\$100, which is effectively a 7.99 percent increase in the tax rate."

The motion was seconded by Commissioner JOANNE AROSELL.

	PRESENT	ABSENT	FOR	AGAINST	ABSTAIN
Ben Henderson	<u>X</u>	_____	<u>X</u>	_____	_____
Scott Johnson	<u>X</u>	_____	<u>X</u>	_____	_____
Joanne Arosell	<u>X</u>	_____	<u>X</u>	_____	_____
Vince Tobin	<u>X</u>	_____	<u>X</u>	_____	_____
Homer Stevens II	<u>X</u>	_____	<u>X</u>	_____	_____

The motion was approved by a vote of 5 to 0.

**THIS TAX RATE WILL RAISE MORE TAXES FOR MAINTENANCE AND OPERATIONS THAN LAST YEAR'S TAX RATE.**

**THE TAX RATE WILL EFFECTIVELY BE RAISED BY 7.99 PERCENT AND WILL RAISE TAXES FOR MAINTENANCE AND OPERATIONS ON A \$100,000 HOME BY APPROXIMATELY \$6.53.**

The notice required by the Texas Tax Code notifying the public of the public hearings regarding the proposed tax rate and date, time and place of those hearings was published by the Harris County Emergency Services District No. 13 in The Houston Chronicle, a qualifying newspaper. The hearings occurred on September 17, 2015 at 6:30 PM and September 21, 2015 at 6:30 PM at 11900 Cypress North Houston Rd., Cypress, Texas 77429.

The notice required by the Texas Tax Code notifying the public of the proposed tax rate and date, time and place of this meeting to finally adopt the tax rate was published by the Harris County Emergency Services District No. 13 on September 24, 2015, in The Houston Chronicle, a qualifying newspaper.

**PASSED AND APPROVED** this the 28<sup>th</sup> day of September, 2015.

**ATTESTED TO:**

**HARRIS COUNTY EMERGENCY  
SERVICES DISTRICT NO. 13**

By: Scott Johnson  
Printed Name: Scott Johnson  
Title: Board Secretary

By: Ben Henderson  
Printed Name: Ben Henderson  
Title: Board President

## CONSULTING SERVICES AGREEMENT

### POTENTIAL SALES TAX REPORT

**THIS AGREEMENT** is made by and between SALES TAX ASSURANCE LLC, whose mailing address is 8700 Manchaca Rd., Suite 106, Austin, TX 78748, hereinafter referred to as "STA" and HARRIS COUNTY EMERGENCY SERVICES DISTRICT NO. 13, whose mailing address is 11900 CYPRESS N HOUSTON RD, CYPRESS, TX 77429, hereinafter referred to as "CLIENT."

**WHEREAS**, CLIENT desires to engage STA, as an independent contractor, to provide CLIENT a report of the estimated sales tax CLIENT might receive should it enact a sales tax, and,

**WHEREAS**, STA desires to consult with CLIENT;

**NOW, THEREFORE**, it is agreed as follows:

**1. Consultations.** STA will assemble the appropriate data and information from third parties, including the Texas Comptroller of Public Accounts (TCPA), and will use its internal resources and knowhow to provide CLIENT a Report of the potential sales tax revenue should CLIENT enact a sales tax.

**A. Report Completion Date.** The Report's completion date is dependent on the timely receipt of certain data from third parties and the availability of STA's internal resources. STA will make every reasonable effort to complete the Report within six (6) weeks of CLIENT's authorization for STA to begin work.

**2. Fee and Expenses.** The Fee for services provided is dependent on the complexity of the District's anticipated sales tax boundaries. The fee range is from one thousand five hundred (\$1,500.00) minimum to two thousand five hundred dollars (\$2,500.00) maximum. The final fee will be determined on the report's completion and is due on the delivery of the Report to CLIENT.

**A. Expenses.** Expenses incurred by STA in providing its services to produce the Report are the responsibility of STA, except as specified in 4A below, and the following circumstance. The Report STA provides is usually self-explanatory and STA is available by teleconference to discuss the report. However, should CLIENT desire STA to meet with CLIENT at CLIENT's location to discuss the Report, STA will bill CLIENT for its travel expenses and one (1) hour of consulting time at the rate of one hundred fifty dollars (\$150.00).

**3. Authorization.** CLIENT authorizes STA to request, receive and discuss tax information, whether or not confidential, related to CLIENT from the TCPA officials, from County or other appraisal district officials and any other individuals or parties. CLIENT authorizes STA to represent it is performing services on behalf of CLIENT related to estimating the potential sales tax should CLIENT enact a sales tax. CLIENT agrees to provide signed authorization letters as appended.

**4. Client Obligations.**

**A.** CLIENT will provide STA a detailed map of CLIENT's jurisdiction boundaries and its potential sales tax boundaries, if different from its jurisdiction boundaries. If CLIENT cannot provide a detailed map STA will arrange for one to be made and the costs for the map will be billed to CLIENT.

**B.** CLIENT will designate a person to serve as the contact person for CLIENT with STA for sales/use tax issues and who will be available to discuss with and provide STA information, in a timely manner, to resolve questions related to CLIENT's jurisdiction boundaries.

**5. Copyrights and License.** STA retains all the rights, title and interest in to the processes, procedures, software, ideas, and know-how, whether patentable, copyrightable or proprietary that STA may develop or utilize in performing services for CLIENT. STA grants CLIENT a non-exclusive license to reproduce for CLIENT's sole internal use and benefit any copyrighted materials provided by STA to CLIENT under the Agreement as long as the copyright mark and any confidentiality notices, if applicable, are not removed in the copying process.

**6. Data Source and Accuracy.** In performing services under this Agreement STA will rely on data and information from the Texas Comptroller of Public Accounts (CPA) and potentially other public and private sources. In relying on such data and information STA will exercise reasonable due diligence as to the data's accuracy; however STA makes no warranties or representations as to the data's accuracy.

**7. Cancellation.** This Agreement may be cancelled by either party for any reason by giving written notice to the other party at the address above or at an address chosen subsequent to the execution of this Agreement and communicated in writing. If CLIENT cancels this Agreement before the report is delivered to CLIENT, CLIENT will pay STA 50% of the Fee. If STA cancels this Agreement prior to its completion, CLIENT will not be obligated to pay STA any Fee.

**8. Dispute Resolution.** If a dispute arises out of this Agreement, and if the dispute cannot be settled through negotiation, the parties agree first to try in good faith to settle the dispute by mediation before resorting to arbitration, litigation, or some other dispute resolution procedure. The fees for the mediation will be borne equally by the parties.

**9. General Provisions.**

**A. Payments.** Any payments due STA under the Agreement are governed by Texas Government Code, Title 10, Subtitle F, Chapter 2251 - Payment for Goods and Services.

**B. Non-Waiver.** It is expressly understood and agreed that, in the execution of this Agreement, neither party waives, nor shall be deemed hereby to waive, any immunity or defense that would otherwise be available to it against claims arising in the exercise of its rights or governmental powers or functions pursuant to the Texas Tort Claims Act or other applicable statute, law, rule, or regulation.



**C. Assignment; No Third Party Beneficiaries.** This Agreement shall bind and benefit the Parties hereto. This Agreement shall be for the sole and exclusive benefit of the Parties hereto and their legal successors and assigns and shall not be construed to confer any rights upon any third party.

**D. Choice of Law and Venue.** This Agreement shall be governed by and interpreted in accordance with laws of the State of Texas, without giving effect to any conflict-of-laws provisions. Venue shall be in the County of Texas in which CLIENT is located.

**E. Insurance.** STA maintains general business liability insurance and will provide a Certificate of Insurance on request.

**F. Counterparts**

This Agreement shall become binding when any one or more counterparts hereof, individually or taken together, shall bear the signatures of CLIENT and STA. This Agreement may be executed in two or more counterparts, each of which shall be deemed to be an original as against any Party whose signature appears thereon, but all of which together shall constitute but one and the same instrument.

IN WITNESS WHEREOF, the parties have hereunto executed this Agreement as of the dates set forth below.

**HARRIS COUNTY EMERGENCY  
SERVICES DISTRICT NO. 13**

**SALES TAX ASSURANCE LLC**

  
By:  
President

Date 7/28/2015

  
By: Ernestina S. Rodriguez  
President/CEO

Date: 9/11/2015

**HARRIS COUNTY EMERGENCY SERVICES DISTRICT NO. 13**  
11900 CYPRESS N HOUSTON RD  
CYPRESS, TX 77429

September 11, 2015

The Honorable Glenn Hegar  
Texas Comptroller of Public Accounts  
Post Office Box 13528, Capitol Station  
Austin, Texas 78711-3528

Re: **AUTHORIZATION TO RECEIVE INFORMATION**  
**HARRIS COUNTY EMERGENCY SERVICES DISTRICT NO. 13**

Dear Mr. Hegar:

Please be advised that HARRIS COUNTY EMERGENCY SERVICES DISTRICT NO. 13 (HrCESD13) has retained SALES TAX ASSURANCE LLC (STA) to provide HrCESD13 administrative assistance related to its potential sales and use tax. HrCESD13 hereby authorizes STA, its principals, employees and associates, to discuss, request, and receive any data, reports, and information, including any that may be confidential, which HrCESD13 would normally be entitled to receive and which are pertinent to HrCESD13 sales and use taxes. This authorization applies to the State of Texas Comptroller's Office and to any entities which collect taxes on behalf of HrCESD13. This authorization is effective on the date of this notification and continues until cancelled, in writing, by HrCESD13.

Sincerely,

 (President FSD 13)

Name/Title:

Cc: Sales Tax Assurance LLC

**HARRIS COUNTY EMERGENCY SERVICES DISTRICT NO. 13**  
11900 CYPRESS N HOUSTON RD  
CYPRESS, TX 77429

September 11, 2015

Re: AUTHORIZATION TO RECEIVE INFORMATION  
HARRIS COUNTY EMERGENCY SERVICES DISTRICT NO. 13

To whom it may concern:

Please be advised that HARRIS COUNTY EMERGENCY SERVICES DISTRICT NO. 13 (HrCESD13) has retained SALES TAX ASSURANCE LLC (STA) to provide HrCESD13 administrative assistance related to its potential tax revenue. HrCESD13 hereby authorizes STA, its principals, employees and associates to discuss, request, and receive any data, reports, and information, including any that may be confidential, which HrCESD13 would normally be entitled to receive and which are pertinent to HrCESD13 property or sales taxes. This authorization is effective on the date of this notification and continues until cancelled, in writing, by HrCESD13.

Sincerely,

 / President: ESD 13  
Name/Title:

Cc: Sales Tax Assurance LLC



HOUSTON | AUSTIN

August 5, 2015

**VIA E-MAIL: Jason.Blackman@ccvfd.com**  
Harris County Emergency Services District #13  
Attn: Jason Blackman  
11900 Cypress N. Houston Rd.  
Cypress, Texas 77429-5948

**ATTORNEY ENGAGEMENT AGREEMENT**

Re: Representation of Harris County Emergency Services District #13  
(the "Client")

Please note that it will be important to advise the Law Firm promptly if any of the above information changes, so that we may communicate with the Client regarding time-sensitive or important developments, or as may otherwise be necessary.

1. **LAW FIRM RETAINED:** The Client hereby agrees to retain and does retain Andrews Myers, P.C. (the "Law Firm"). In consideration of the compensation agreed herein, the Law Firm agrees to provide legal services in connection with the following legal matters:

Assist Client with general employment matters.

2. **LAW FIRM ACCEPTS:** The Firm agrees to perform all legal services which are necessary and appropriate on behalf of and in the name of the Client to protect the Client's interest in the legal matter.

3. **NO GUARANTEED OUTCOME:** The Client understands that the Law Firm has made no representation concerning, and cannot guarantee the successful outcome of any claim or negotiation of the favorable outcome of any proceeding, dispute or negotiation. The Law Firm has not guaranteed that it will obtain reimbursement to the Client of any of its costs or expenses resulting from any incident or resulting claim. Additionally, in any matter where the Client seeks the recovery of its attorney's fees and costs from any adverse party, Client's payment obligations as described elsewhere herein are not conditioned upon, controlled or impacted by any

amount of attorney's fees or costs requested from or awarded by a judge, jury or arbitrator.

4. **HOURLY RATE FEES PLUS EXPENSES:** The method of compensation of the Law Firm is not a contingency fee arrangement. In consideration of the services to be rendered by the Law Firm to the Client, the Client shall pay the Law Firm fees for legal services performed for the Client at the following hourly rates, which Law Firm may increase from time to time, upon reasonable notice to the Client:

- (1) Shareholder - \$325 - \$450;
- (2) Senior Associate/Senior Counsel - \$285 - \$350;
- (3) Associate - \$180 - \$275; and
- (4) Paralegals - \$150 - \$175.

Client understands that the Law Firm will bill and Client agrees to pay the above rates for time that the Law Firm reasonably expends as a result of the matters for which Law Firm has been retained. Client understands that the amount of time reasonably devoted to a matter or issue may not correspond to the result, if any, achieved through such efforts. Law firm will notify client of any expenses in excess of \$500 prior to incurring the charges.

5. **CLIENT PAYS COSTS AND EXPENSES:** The Client agrees to assume and pay for all out of pocket disbursements incurred in connection with this matter. These shall include filing fees, witness fees, expert fees, travel, sheriff, and constable fees, expenses of depositions, investigative expenses and other incidental expenses.

The Client further agrees to assume and pay for all expenses, including, without limitation, fax charges at 15 cents per page, photocopy charges at 15 cents per copy for black and white copies and 25 cents per copy for color copies and mileage at a rate equal to the mileage rate that the IRS allows for the year in which the expenditure was incurred (57.5 cents per mile in 2015), and reasonably incurred charges for materials, such as file folders, boxes and other containers for filing, and materials and services for handling, transport and storage of file materials necessarily and directly incurred as a result of the legal services described in this Agreement.

6. **BILLING:** The Law Firm will invoice Client on a monthly basis for all billings and expenses incurred during the preceding month, and the Client shall pay each invoice in full to the Law Firm not later than the tenth day following Client's

receipt of each invoice. The Law Firm will itemize all of the services rendered and the time expended in rendering those services. The Law Firm will itemize all out-of-pocket disbursements and expenses incurred. If the Client has a disagreement or question about the validity of any charge it receives on any invoice, the Client shall immediately call or write the Law Firm and give notice of the complaint or question. Failure to raise a complaint or question regarding any invoice by the time when payment is due on that invoice, shall conclusively be deemed an acceptance of the correctness of the invoice and the entire amount billed on such invoice shall become due and payable on the date provided in this paragraph. If the Client questions or disputes any amount billed, then the Client shall pay the amount not subject to the question or dispute.

7. RETAINER DEPOSIT: NO RETAINER is required at this time. However, the Law Firm reserves the right to require a reasonable retainer at any stage of the representation of the Client and the Client agrees to pay any such reasonable retainer. Such retainer, when requested, shall immediately be deposited which shall immediately be deposited by the Firm into its trust account at the Post Oak Bank, Houston, Texas. In the event that, upon either the completion of the matter or the termination of the Law Firm's representation of the Client, the total cost of the legal services, costs, and expenses incurred by the Law Firm shall be less than the amount of any Retainer paid by the Client, then the Law Firm shall refund the balance of the Retainer to the Client. Even though the funds in Retainer may be sufficient to pay the Client's account balances, Client agrees to pay invoices on a monthly basis, as provided above in Section 6.

If, at any time any of the Client's account(s) is over 30 days past due, the Law Firm may, at its sole discretion (1) withdraw any Retainer funds from the Law Firm's trust account, up to the amount of the unpaid balance(s) of Client's account(s), (2) require that the Client provide additional funds to increase the amount of any Retainer, and/or (3) require that the Client provide funds to be deposited as a Retainer, if no Retainer was previously required.

Should the Law Firm elect to withdraw Retainer funds from the Law Firm's trust account, the Law Firm shall credit the Client's balance in the amount withdrawn, and shall notify the Client that the funds have been withdrawn. Client must pay sufficient funds to replenish the Retainer to the above-agreed amount upon receipt of notice of withdrawal. Client understands that neither the Law Firm's decision nor ability to withdraw retainer funds from the Law Firm's trust account will relieve the Client of the Client's obligation to make full and current payments on all invoices.

8. If Client accepts a monetary settlement in any of the matters for which the Client has retained the Law Firm, Client agrees that the Law Firm is authorized to be endorsed as a payee on any settlement check and that any settlement proceeds will be deposited into the Law Firm's trust account out of which the Law Firm is authorized to withdraw any balance of fees and expenses then owing by the Client to the Law Firm, and any other expenses that the Client is obligated to pay before the Law Firm issues payment of the remainder of settlement proceeds to the Client.

9. PAYMENT AND OTHER OBLIGATIONS OF GUARANTOR: If this Agreement is signed below by a Guarantor for the Client, in consideration of the services provided for in this Agreement, the Guarantor agrees to and is bound by all of the terms to which this Agreement obligates the Client.

10. AVAILABLE INSURANCE: The Client agrees that its payment obligations to the Law Firm shall be primary. The Client understands that in some cases insurance coverage may be available to reimburse the Client for the legal fees, expenses and/or costs incurred by the Client. In such cases, the Law Firm will diligently pursue on behalf of the Client such insurance coverage for the purpose of obtaining reimbursement of amounts paid by the Client to the Law Firm for such legal fees, expenses and/or costs. The insurance company's delay in reimbursement or non-reimbursement of such legal fees, expenses and/or costs shall not excuse the Client's primary obligation to pay the Law Firm in a timely manner and in accordance with this Agreement. In those circumstances where the Client's insurer directly pays the Firm's fee statements, the Client acknowledges and agrees it remains primarily obligated to pay the Firm's fee statements in accordance with this Agreement in the event that Client's insurer fails to timely pay any such fee statements, in whole or in part.

It is expressly acknowledged that with respect to the matter(s) covered by this Agreement for which the Client may have applicable insurance: (a) the Firm, on the Client's behalf, may seek to obtain coverage for the Client from one or more insurers; (b) the Firm, on the Client's behalf, may seek to obtain payment for the Firm's fees and expenses from one or more insurers; (c) one or more insurers may agree to pay all or portion of the Firm's fees and expenses; (d) the Firm may agree to abide by certain rules or procedures for billing one or more insurers; and (e) the Firm may accept payment(s), either full or partial, from one or more insurers. Notwithstanding, the Firm's conduct described in this paragraph, the Client shall remain primarily and fully and completely responsible for the payment of any attorney's fees and expenses as described elsewhere herein, subject only to credits for payments actually received from one or more insurers. Additionally, if any insurer fails to make payment on any Firm invoice within 60 days of the date of the invoice(s), the Client shall pay the invoice upon demand of the Firm. If Client fails to pay the

invoice(s) as demanded, the Firm may exercise its termination rights under paragraph 12 below.

11. IOLTA DISCLOSURE: You are hereby notified that all funds deposited into the Law Firm trust account, including your funds, draw interest. That interest is paid by the depository to the Texas Equal Access to Justice Foundation under orders of the Texas Supreme Court. This Firm receives none of the interest so earned and receives no benefit from the foundation except those benefits that all Texas citizens receive as a result of the services rendered by the foundation.

12. DELINQUENCY GROUNDS FOR TERMINATION: If the Client becomes delinquent in its obligation to pay Fees, Costs, Expenses and/or Retainer Deposit for more than thirty days, the Law Firm shall have the right to notify the Client, in writing, of its intent to terminate this Agreement and representation of the Client. If litigation is pending, the attorney shall make application to the presiding judge in the court in which the litigation is pending for permission to withdraw as the Client's attorney and shall state in the application that the compensation terms of this Agreement have been breached by the Client. The Law Firm's representation that the compensation terms of this Agreement have been breached shall constitute grounds authorizing withdrawal from further representation of the Client by the Law Firm.

13. DELINQUENCY DRAWS INTEREST: It is further agreed that any fee or expense which becomes payable on the tenth of any given month is delinquent as of the eleventh day of that month and the account shall draw interest at the rate of ten percent (10%) per annum for any days that it is delinquent.

14. TERMINATION AT WILL OF BOTH PARTIES: The Client's retention of the Law Firm is at the will and discretion of the Client. The Law Firm's continued representation of the Client is at the will and discretion of the Law Firm. However, the Law Firm will not terminate the representation of the Client under circumstances that prejudice the assertion or fundamental rights of the Client. However, if the Law Firm, in good faith, deems that prosecution of any claim or defense covered by this agreement has no reasonable merit or is not financially viable, then the Law Firm may decline to assert or prosecute such claim or defense and may withdraw from representing the Client, and shall return the Client's papers and file. The Client should then, in such event, seek other counsel.

If the Client discharges the Law Firm prior to the conclusion of this representation, the Law Firm is entitled to be compensated for its reasonable services, costs, expenses, and disbursements.



15. The Client is now informed that there may be circumstances in which the Law Firm will be obligated not to withdraw as counsel of record unless withdrawal can be accomplished without material adverse effect on the Client. However, in pending litigation the Court has broad and sole discretion in determining whether or not Law Firm may withdraw from its representation of the Client at any particular time. Client agrees that the mere fact that the Client is unable to acquire substitute counsel and representation in pending litigation will not be the basis for any objection by Client to the Law Firm's withdrawal from such litigation in the event that the Client becomes delinquent in the payment of its fee obligation to the Law Firm. Until such time as the Court permits the Law Firm to withdraw as counsel of record, and if the Court declines to allow the Law Firm to withdraw as counsel of record, the Client's obligations to pay Fees, Costs, Expenses and Retainer Deposit will continue as otherwise provided in this Agreement.

16. NON-EXCLUSIVE RELATIONSHIP: The Law Firm and the Client understand and agree that this is not an exclusive engagement, and the Client is free to retain any other counsel of its choosing. The Client recognizes that the Law Firm will be disqualified from representing any other client with interests materially and directly adverse to yours (i) in any matter which is substantially related to our representation of you and (ii) with respect to any matter where there is a reasonable probability that confidential information you furnished to us could be used to your disadvantage. The Client understands and agrees that, with those exceptions, the Law Firm is free to represent other clients, including clients whose interests may conflict with yours in litigation, business transactions or other legal matters. The Client agrees that the Law Firm representing you in this matter will not prevent or disqualify us from representing clients adverse to you in other matters and that you consent in advance to our undertaking such adverse representations.

17. DOCUMENT RETENTION POLICY: The Law Firm's records retention policy provides that upon the expiration of four years after a matter file has been closed, all documents and other materials in storage may be destroyed, unless the shareholder in charge of the matter determines that it would be inappropriate or impermissible to do so. The Client agrees that at the conclusion of the matter, the Client will take possession of any documents or other material that the Client wants to keep, and that the Law Firm may, in accordance with its document retention policy, destroy any material that the Client chooses not to take possession of at the time the matter is concluded. If the Client requests that the Law Firm to retain specific records beyond the Law Firm's retention period, the Client agrees to reimburse the Law Firm for the additional costs associated with same.

18. ATTORNEY'S OBLIGATION TO THE COURT SYSTEM: Section 9.001 et seq. of the TEXAS CIVIL PRACTICE AND REMEDIES CODE and the TEXAS RULES OF

CIVIL PROCEDURE, Rule 13, provides that the signature of any attorney on any pleading or court document shall constitute a certificate by them that they have read the pleadings, motion, or other paper; that to the best of their knowledge, information, and belief formed after reasonable inquiry that such instrument is not groundless nor brought in bad faith, nor brought for the purpose of harassment. The Rule further provides that should an attorney or a party bring a fictitious suit as an experiment to get an opinion of the court or who shall file any fictitious pleading in a cause for such a purpose or shall make statements in pleadings which they know to be groundless and false for the purpose of securing a delay of the trial of the cause shall be guilty of a contempt of the fact and not warranted by good faith argument for the extension, modification, or reversal of existing law. The FEDERAL RULES OF CIVIL PROCEDURE have a similar rule in Rule 11.

In light of Section 9.001, CIV. PRAC. & REM. CODE, Rule 13, TEX. R. CIV. P., and Rule 11, FED. R. CIV. P., the Client agrees that the Law Firm will not advance any spurious claims of fact or law in the advancement of the claim covered by this Engagement Agreement. In the event of a conflict between the attorney and Client as to whether a proposed course of action violates or purports to violate these three rules, or any of them, resolution of that conflict shall be solely vested in the Law Firm. If the Client persists, at any time, in advancing a spurious claim of fact, the Law Firm may treat this contract as breached, may withdraw from the engagement, may withdraw from the litigation in the manner provided for above and shall be entitled to whatever rights that the Law Firm would otherwise have for breach of contract.

Client understands that the Law Firm will reasonably endeavor to comply with the Texas Lawyer's Creed, a copy of which is attached.

19. CLIENT'S AUTHORITY TO CONTRACT: The Client represents that it is the full owner of the claims and the matters for which it has engaged the Law Firm; that such Client has full authority without encumbrance to prosecute same and to enter into this contract of employment.

20. BINDING CONTRACT: This contract is binding the parties hereto, their successors, executors, administrators, and heirs and may not be altered or amended except in writing signed by all of the parties hereto.

Client: HARRIS COUNTY EMERGENCY  
SERVICES DISTRICT #13

By: 

Its: President

Date: 9/25/2015

By:   
Anthony G. Stergio, for the Firm

Date: 9/29/2015