



COLE SCHOTZ

COLE, SCHOTZ, MEISEL, FORMAN & LEONARD, P.A.
Attorneys at Law A Professional Corporation

301 COMMERCE STREET, SUITE 1700
FORT WORTH, TX 76102
817-810-5250 817-810-5255 FAX

James W. Walker
MEMBER

Reply to Texas Office
WRITER'S DIRECT LINE: 817-810-5252
WRITER'S DIRECT FAX: 817-977-5070
WRITER'S E-MAIL: JWALKER@COLESCHOTZ.COM

NEW JERSEY

NEW YORK

DELAWARE

MARYLAND

September 13, 2013

Anita Burgess, Esq.
City Attorney
City of Denton
Municipal Building
215 East McKinney
Denton, Texas 76201

Re: Representation of the City of Denton in connection with negotiations regarding the extension, renewal and/or termination of that certain Power Sales Contract between the Texas Municipal Power Agency ("TMPA") and the Member Cities Denton, Bryan, Greenville and Garland and the possible dissolution of TMPA and/or sale of substantially all of its assets (hereinafter referred to globally as the "TMPA Negotiations")

Dear Anita:

I want to thank you for entrusting your legal needs to Cole, Schotz, Meisel, Forman & Leonard, P.A. ("Cole Schotz" or the "Firm"). We are aware that there are many lawyers with whom you and the City of Denton ("Denton") could work, and we appreciate your giving us the opportunity to serve Denton.

Since the Firm's founding in 1928, we have prided ourselves on providing superior legal representation, sound advice and unparalleled service to our clients.

We are taking this opportunity to submit our legal services agreement to you in your capacity as City Attorney for Denton. This correspondence constitutes our proposed engagement agreement memorializing your engagement of the Firm to represent Denton's legal interests in the TMPA Negotiations. Our representation of Denton in relation to the TMPA Negotiations will be limited to providing legal services reasonably within the ambit of these negotiations and the scope of our representation will not extend to include any other type of legal services absent a written supplement to this engagement agreement. This representation becomes effective upon your execution of this engagement agreement in the space provided below.

EXHIBIT 1

COLE, SCHOTZ, MEISEL, FORMAN & LEONARD, P.A.
ATTORNEYS AT LAW

Anita Burgess, Esq.
City Attorney
September 13, 2013
Page 2

Legal Services to be Provided

You agree that we will represent Denton in the TMPA Negotiations. The scope of our engagement can only be extended pursuant to a supplemental written engagement agreement. Denton, by and through its employees and elected officials, agrees to fully cooperate with us and to provide us with all information relevant to the issues involved in this matter. We agree to provide conscientious, competent and diligent services and at all times will seek to achieve a favorable outcome on a cost-effective basis. You should be aware that because of the uncertainty of legal proceedings, the interpretation of and changes in the law, and many unknown factors, attorneys cannot and do not warrant, predict or guarantee results or the final outcome of any matter.

Legal Fees and Expenses

Our objective to charge a fair fee for the services rendered is achieved primarily through the maintaining of accurate records of the time spent by each attorney and paralegal on a particular matter and then billing for that attorney's and para-professional's time in accordance with the range of hourly rates established. The following rates apply:

James W. Walker	\$350.00 per hour
Justin Levy	\$225 per hour
Paralegals	\$165 per hour

Our rates are periodically reviewed and adjusted based upon the increasing experience of the attorneys and various economic factors. Any rate changes will be reflected in our monthly invoices. We will not raise any rates being charged absent your prior written approval of same. The referenced hourly rates apply to all services rendered including telephone calls, drafting and review of correspondence and documents, travel time, legal research, negotiations, internal and external meetings and conferences and any other service relating to this matter. James W. Walker, as the undersigned counsel, will principally handle this matter. Mr. Levy, an associate with the Firm, will be tasked with research or other support projects and tasks as might be required to represent the best interests of Denton. We will not assign another lawyer to work on this matter absent your prior consent to same. We welcome you to view our website (www.coleschotz.com) if you would like additional information about the attorneys who will be working on this matter.

In addition to legal fees, Denton agrees to promptly pay for expenses such as filing fees, messenger services, telephone calls, photocopying, Lexis and Westlaw research, travel, postage, facsimile transmissions, scanning, coding, overtime clerical assistance, subpoenas, search fees, transcripts, experts' fees and reports, title, survey, fees and expenses related to

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September 13, 2013
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harvesting, hosting and processing any and all electronically stored information, and any other necessary expenses in legal matters.

Billing and Payment

We will send Denton our invoices on a monthly basis for services and expenses and we will issue a final invoice upon termination of our representation in this matter. Denton is expected to pay upon receipt of each invoice. Please direct any questions you might have about the nature or scope of legal services provided Denton to the undersigned counsel.

Termination of Representation and Disposition of Documents and the File

Our representation will terminate upon completion of the TMPA Negotiations. We reserve the right to withdraw from this matter, however, if Denton fails to honor this agreement, including failure to honor fee arrangements, or for any just reason as permitted or required under the Texas Rules of Professional Conduct or by the Rules of Court. We will also withdraw at Denton's request. If we withdraw, Denton agrees to promptly pay us for all services rendered and all fees and expenses incurred prior to the date of withdrawal. At the conclusion of our representation, we will return to Denton any original documents that it has furnished to us. If Denton would like to have any other documents or pleadings from the file we maintain on this matter, please advise us accordingly and we will provide your office all requested copies of our file documents and materials. Pursuant to the Firm's document retention policy, Denton's file will be retained for seven (7) years after which time the file may be destroyed without further notice to Denton or your office.

Conflicts of Interest

Before accepting this engagement, we have undertaken reasonable and customary efforts to determine whether there are any potential conflicts of interest that would bar our Firm from representing Denton. Based upon this inquiry and the information available to us, we are not aware of any potential conflict of interest or basis for disqualification from this engagement. We reviewed this issue in accordance with the rules of professional responsibility applicable and currently in force in Texas. The execution and return of the enclosed copy of this letter by you represents an express agreement to the applicability of these rules.

Texas Law on Retention of Attorneys

Pursuant to Texas state law, Denton has the right to complain to the Chief Disciplinary Counsel of the State Bar of Texas about professional misconduct by any attorney, including any professional misconduct by the Firm's attorneys. Complaints must be made in writing. Complaint forms are available from the State Bar of Texas Commission

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This agreement, as well as our entire attorney-client relationship, shall be guided exclusively by Texas law. Should any dispute arise regarding same which cannot be resolved amicably, the courts of the State of Texas, in and for Tarrant County, shall be the exclusive jurisdiction and venue for any such dispute.

Conclusion

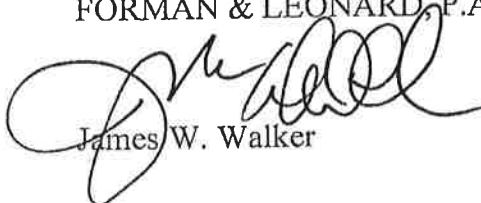
This written agreement constitutes the entire agreement relating to Denton's engagement of this Firm in connection with the TMPA Negotiations. This written engagement agreement is not subject to any oral agreements or understandings, and can be modified only by further written agreement signed by legal representatives of both Denton and the Firm. Unless expressly stated in this engagement agreement, no obligation or undertaking shall be implied on the part of the Firm.

Please carefully review this engagement agreement. If the terms of our engagement in the TMPA Negotiations are acceptable, please sign and return the enclosed copy of this letter, so that we may commence our work. This engagement agreement may be executed in counterparts which taken together, shall constitute one and the same letter. A facsimile signature will be as valid as an original signature for all purposes relevant to this engagement agreement. The signature of the undersigned counsel on this letter signifies the Firm's agreement to these terms of our engagement in the TMPA Negotiations.

We look forward to working with you and the City of Denton. If at any time you have questions about the services we are performing, please do not hesitate to contact the undersigned counsel.

Sincerely yours,

COLE, SCHOTZ, MEISEL,
FORMAN & LEONARD, P.A.



James W. Walker

JWW:dlm

EXHIBIT 1


COLE, SCHOTZ, MEISEL, FORMAN & LEONARD, P.A.
ATTORNEYS AT LAW

Anita Burgess, Esq.
City Attorney
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Page 5

CITY OF DENTON


George C. Campbell, City Manager

Agreed on behalf of the City of Denton:


Anita Burgess, Esq.
City Attorney
City of Denton

Signed this 3rd ^{October} day of September, 2013

EXHIBIT 1

ORDINANCE NO. 2014-389

AN ORDINANCE OF THE CITY OF DENTON, TEXAS AUTHORIZING THE APPROVAL OF AN EXTENSION TO A PROFESSIONAL LEGAL SERVICES AGREEMENT BY AND BETWEEN COLE SCHOTZ, P.A. AND THE CITY OF DENTON, TEXAS; PROVIDING FOR THE EXPENDITURE OF FUNDS; AND PROVIDING AN EFFECTIVE DATE (FILE 5380-IN THE AMOUNT OF \$125,000 FOR A TOTAL CONTRACT AMOUNT OF \$200,000).

WHEREAS, the City Council deems that it is in the public interest to extend the professional services agreement, continuing to engage the law firm of Cole Schotz, P.A. of Dallas, Texas to provide professional legal services for the City of Denton, Texas that are related to operations and other issues of the Texas Municipal Power Agency; and

WHEREAS, City staff has reported to the City Council that there is a substantial need for the above-referenced professional legal services, and that limited City staff cannot adequately perform the specialized services and tasks with its own personnel; and

WHEREAS, Chapter 2254 of the Texas Government Code, known as the "Professional Services Procurement Act," generally provides that a City may not select a provider of professional services on the basis of competitive bids, but must select the provider on the basis of demonstrated competence, knowledge, and qualifications, and for a fair and reasonable price; NOW, THEREFORE,

THE COUNCIL OF THE CITY OF DENTON HEREBY ORDAINS:

SECTION 1. The preamble to this ordinance is incorporated herewith by reference as a part of this ordinance.

SECTION 2. The City Manager, or his designee is hereby authorized by the City Council to execute an "Extension To Professional Services Agreement" (hereafter the "Agreement") with Cole Schotz, P.A., Dallas, Texas, for professional legal services necessary for the operations and other issues regarding the Texas Municipal Power Agency, for an additional fee of not-to-exceed \$125,000, aggregating a not-to-exceed amount of \$200,000; in substantially the form of the "Agreement" that is attached hereto as Exhibit "A" which is incorporated herewith by reference.

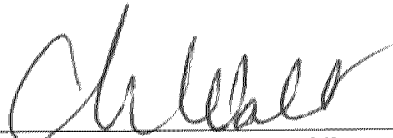
SECTION 3. The award of this Agreement by the City is on the basis of the demonstrated competence, knowledge, and qualifications of Cole Schotz, P.A. and the demonstrated ability of Cole Schotz, P.A. to perform the services needed by the City a fair and reasonable price.

SECTION 4. The expenditure of funds as provided in the attached Agreement is hereby authorized.

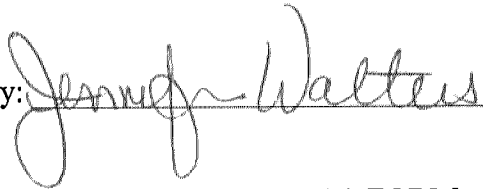
SECTION 5. This ordinance shall become effective immediately upon its passage and approval.

EXHIBIT 1

PASSED AND APPROVED this the 19th day of November, 2014.


CHRIS WATTS, MAYOR

ATTEST:
JENNIFER WALTERS, CITY SECRETARY

By: 

APPROVED AS TO LEGAL FORM:
ANITA BURGESS, CITY ATTORNEY

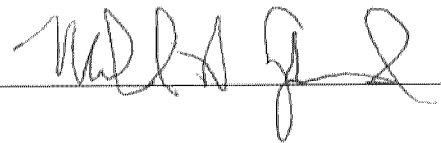
By: 

EXHIBIT 1



2515 McKinney Avenue, Suite 1350
Dallas, Texas 75201
(469) 557-9391 (469) 533-0361 fax

James W. Walker
Member

Reply to Dallas, Texas Office
Writer's Direct Line: (469) 557-9391
Writer's Direct Fax: (469) 533-0361
Writer's E-Mail: jwalker@coleschotz.com

New Jersey

New York

Delaware

Maryland

November 4, 2014

Anita Burgess, Esq.
City Attorney
City of Denton
Municipal Building
215 East McKinney
Denton, Texas 76201

Re: Extension of that certain Engagement Contract regarding the representation of the City of Denton in connection with negotiations regarding that certain Power Sales Contract between the Texas Municipal Power Agency ("TMPA") and the Member Cities Denton, Bryan, Greenville and Garland (hereinafter referred to globally as the "TMPA Negotiations")

Dear Anita:

I want to thank you for entrusting your legal needs to Cole, Schotz, Meisel, Forman & Leonard, P.A. ("Cole Schotz" or the "Firm"). We are aware that there are many lawyers with whom you and the City of Denton ("Denton") could work, and we appreciate your giving us the opportunity to serve Denton.

Since the Firm's founding in 1928, we have prided ourselves on providing superior legal representation, sound advice and unparalleled service to our clients.

We have been diligently working on this matter for the City of Denton and anticipate a single extension of our engagement will be necessary to complete the work. We are therefore submitting this extension of our legal services agreement to you in your capacity as City Attorney for Denton. This correspondence constitutes our proposed engagement agreement memorializing your engagement of the Firm to represent Denton's legal interests in the TMPA Negotiations. Our representation of Denton in relation to the TMPA Negotiations will be limited to providing legal services reasonably within the ambit of these negotiations and the scope of our representation will not extend to include any other type of legal services absent a written supplement to this engagement agreement. This representation will continue and the extension will become effective upon your execution of this engagement agreement in the space provided below.

EXHIBIT 1

COLE, SCHOTZ, MEISEL, FORMAN & LEONARD, P.A.
ATTORNEYS AT LAW

Anita Burgess, Esq.
City Attorney
November 4, 2014
Page 2

Legal Services to be Provided

You agree that we will represent Denton in the TMPA Negotiations. The scope of our engagement can only be extended pursuant to a supplemental written engagement agreement. Denton, by and through its employees and elected officials, agrees to fully cooperate with us and to provide us with all information relevant to the issues involved in this matter. We agree to provide conscientious, competent and diligent services and at all times will seek to achieve a favorable outcome on a cost-effective basis. You should be aware that because of the uncertainty of legal proceedings, the interpretation of and changes in the law, and many unknown factors, attorneys cannot and do not warrant, predict or guarantee results or the final outcome of any matter.

Legal Fees and Expenses

Our objective to charge a fair fee for the services rendered is achieved primarily through the maintaining of accurate records of the time spent by each attorney and paralegal on a particular matter and then billing for that attorney's and para-professional's time in accordance with the range of hourly rates established. The following rates apply:

James W. Walker	\$375.00 per hour
Jill Richardson	\$290.00 per hour
Justin Levy	\$225 per hour
Paralegals	\$165 per hour

Our rates are periodically reviewed and adjusted based upon the increasing experience of the attorneys and various economic factors. Any rate changes will be reflected in our monthly invoices. We will not raise any rates being charged absent your prior written approval of same. The referenced hourly rates apply to all services rendered including telephone calls, drafting and review of correspondence and documents, travel time, legal research, negotiations, internal and external meetings and conferences and any other service relating to this matter. James W. Walker, as the undersigned counsel, will principally handle this matter. Ms. Richardson, as an environmental lawyer, and Mr. Levy, an associate with the Firm, will be tasked with research or other support projects and tasks as might be required to represent the best interests of Denton. We will not assign another lawyer to work on this matter absent your prior consent to same. We welcome you to view our website (www.coleschotz.com) if you would like additional information about the attorneys who will be working on this matter.

Our Firm has previously undertaken representation of Denton in this matter for the sum of not-to-exceed \$75,000. We have agreed that there is a need to expand this engagement regarding unforeseen complexities, in the amount of not-to-exceed another \$125,000, which we estimate will cover legal fees through the end of calendar year 2015.

In addition to legal fees, Denton agrees to promptly pay for expenses such as filing fees, messenger services, telephone calls, photocopying, Lexis and Westlaw research, travel, postage, facsimile transmissions, scanning, coding, overtime clerical assistance, subpoenas, search fees,

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transcripts, experts' fees and reports, title, survey, fees and expenses related to harvesting, hosting and processing any and all electronically stored information, and any other necessary expenses in legal matters.

Billing and Payment

We will send Denton our invoices on a monthly basis for services and expenses and we will issue a final invoice upon termination of our representation in this matter. Denton is expected to pay upon receipt of each invoice. Please direct any questions you might have about the nature or scope of legal services provided Denton to the undersigned counsel.

Termination of Representation and Disposition of Documents and the File

Our representation will terminate upon completion of the TMPA Negotiations. We reserve the right to withdraw from this matter, however, if Denton fails to honor this agreement, including failure to honor fee arrangements, or for any just reason as permitted or required under the Texas Rules of Professional Conduct or by the Rules of Court. We will also withdraw at Denton's request. If we withdraw, Denton agrees to promptly pay us for all services rendered and all fees and expenses incurred prior to the date of withdrawal. At the conclusion of our representation, we will return to Denton any original documents that it has furnished to us. If Denton would like to have any other documents or pleadings from the file we maintain on this matter, please advise us accordingly and we will provide your office all requested copies of our file documents and materials. Pursuant to the Firm's document retention policy, Denton's file will be retained for seven (7) years after which time the file may be destroyed without further notice to Denton or your office.

Conflicts of Interest

Before accepting this engagement, we have undertaken reasonable and customary efforts to determine whether there are any potential conflicts of interest that would bar our Firm from representing Denton. Based upon this inquiry and the information available to us, we are not aware of any potential conflict of interest or basis for disqualification from this engagement. We reviewed this issue in accordance with the rules of professional responsibility applicable and currently in force in Texas. The execution and return of the enclosed copy of this letter by you represents an express agreement to the applicability of these rules.

Texas Law on Retention of Attorneys

Pursuant to Texas state law, Denton has the right to complain to the Chief Disciplinary Counsel of the State Bar of Texas about professional misconduct by any attorney, including any professional misconduct by the Firm's attorneys. Complaints must be made in writing. Complaint forms are available from the State Bar of Texas Commission for Lawyer Discipline. The State Bar of Texas investigates and prosecutes professional misconduct committed by Texas attorneys. Although not every complaint against or dispute with an attorney includes professional misconduct,

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ATTORNEYS AT LAW

Anita Burgess, Esq.
City Attorney
November 4, 2014
Page 4

the State Bar's Office of Chief Disciplinary Counsel will provide You information about how to file a complaint. The toll-free number for the State Bar of Texas is 1-800-932-1900.

This agreement, as well as our entire attorney-client relationship, shall be guided exclusively by Texas law. Should any dispute arise regarding same which cannot be resolved amicably, the courts of the State of Texas, in and for Tarrant County, shall be the exclusive jurisdiction and venue for any such dispute.

Conclusion

This written agreement constitutes the entire agreement relating to Denton's engagement of this Firm in connection with the TMPA Negotiations. This written engagement agreement is not subject to any oral agreements or understandings, and can be modified only by further written agreement signed by legal representatives of both Denton and the Firm. Unless expressly stated in this engagement agreement, no obligation or undertaking shall be implied on the part of the Firm.

Please carefully review this engagement agreement. If the terms of our engagement in the TMPA Negotiations are acceptable, please sign and return the enclosed copy of this letter, so that we may commence our work. This engagement agreement may be executed in counterparts which taken together, shall constitute one and the same letter. A facsimile signature will be as valid as an original signature for all purposes relevant to this engagement agreement. The signature of the undersigned counsel on this letter signifies the Firm's agreement to these terms of our engagement in the TMPA Negotiations.

We look forward to continuing our work with you and the City of Denton. If at any time you have questions about the services we are performing, please do not hesitate to contact the undersigned counsel.

Sincerely yours,

**COLE, SCHOTZ, MEISEL, FORMAN
& LEONARD, P.A.**

A handwritten signature in cursive script, appearing to read "JMWalker".

James W. Walker

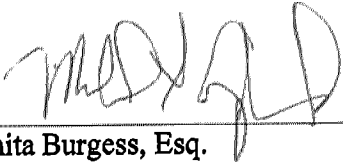
JWW:ah

EXHIBIT 1

COLE, SCHOTZ, MEISEL, FORMAN & LEONARD, P.A.
ATTORNEYS AT LAW

Anita Burgess, Esq.
City Attorney
November 4, 2014
Page 5

Agreed on behalf of the City of Denton:

A handwritten signature in dark ink, appearing to read 'Anita Burgess', is written over a horizontal line.

Anita Burgess, Esq.
City Attorney
City of Denton

Signed this 10th day of November, 2014

EXHIBIT 1

Cole Schotz P.C.

James W. Walker
Member

Reply to Texas Office
Writer's Direct Line: 469-557-9391
Writer's Direct Fax: 469-533-0361
Writer's E-Mail: jwalker@coleschotz.com

2515 McKinney Avenue, Suite 1350
Dallas, TX 75201
469-557-9390 469-533-1587 fax

—
New Jersey

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New York

—
Delaware

—
Maryland

March 3, 2016

Anita Burgess, Esq.
City Attorney
City of Denton
Municipal Building
215 East McKinney
Denton, TX 76201

Re: Extension of the certain Engagement Contract regarding the representation of the City of Denton ("Denton") in connection with negotiations regarding the relationship between the Texas Municipal Power Agency ("TMPA") and the TMPA Member Cities Denton, Bryan, Greenville and Garland and certain related transactions (hereinafter referred to as the "TMPA Negotiations")

Dear Anita:

I want to thank you for entrusting your legal needs to Cole Schotz PC ("Cole Schotz" or the "Firm"). We are aware that there are many lawyers with whom you and Denton could work, and we appreciate your giving us the opportunity to serve Denton.

Since the Firm's founding in 1928, we have prided ourselves on providing superior legal representation, sound advice and unparalleled service to our clients.

We have been diligently working on the TMPA Negotiations as counsel for Denton and anticipate this extension of our engagement will be necessary to complete the work. We are therefore submitting this extension of our legal services agreement to you in your capacity as City Attorney for Denton. This correspondence constitutes our proposed engagement agreement memorializing your engagement of the Firm to represent Denton's legal interests in the TMPA Negotiations. Our representation of Denton in relation to the TMPA Negotiations will be limited to providing legal services reasonably within the ambit of these negotiations and the scope of our representation will not extend to include any other type of legal services absent a written supplement to this engagement agreement. This representation will continue and the extension will become effective upon your execution of this engagement agreement in the space provided below.

Legal Services to be Provided

Our Firm's representation of Denton was first approved by Denton's City Manager on October 3, 2013 for a sum not-to-exceed \$75,000. This engagement was extended for the first time

www.coleschotz.com

EXHIBIT 1

Cole Schotz P.C.

Anita Burgess, Esq.

March 3, 2016

Page 2

by Denton's City Council on November 18, 2014 for a sum not-to-exceed \$125,000. We have now agreed that there is a need to expand this engagement in order to complete the remaining work relevant to the TMPA Negotiations, including our continuing analysis of Denton's legal interests in relation to its status as a Member City of TMPA, the recent drafting and negotiation of a Request for Proposal and Asset Purchase Agreement relating to the potential sale of certain TMPA assets and the bearing or impact same will have upon Denton's interests, the final negotiations of an Operating Agreement between the TMPA and Denton and the other Member Cities in support of and supplement to the current Power Sales Contract between the same parties, and all related tasks and analysis, in an amount not-to-exceed an additional \$49,500, which we estimate will cover legal fees through the end of calendar year 2016.

You agree that we will represent Denton in the TMPA Negotiations. The scope of our engagement can only be extended pursuant to a supplemental written engagement agreement. Denton, by and through its employees and elected officials, agrees to fully cooperate with us and to provide us with all information relevant to the issues involved in this matter. We agree to provide conscientious, competent and diligent services and at all times will seek to achieve a favorable outcome on a cost-effective basis. You should be aware that because of the uncertainty of legal proceedings, the interpretation of and changes in the law, and many unknown factors, attorneys cannot and do not warrant, predict or guarantee results or the final outcome of any matter.

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Please carefully review this engagement agreement. If the terms of our engagement in the TMPA Negotiations are acceptable, please sign and return the enclosed copy of this letter, so that we may commence our work. This engagement agreement may be executed in counterparts which taken together, shall constitute one and the same letter. A facsimile signature will be as valid as an original signature for all purposes relevant to this engagement agreement. The signature of the undersigned counsel on this letter signifies the Firm's agreement to these terms of our engagement in the TMPA Negotiations.

We look forward to continuing our work with you and the City of Denton. If at any time you have questions about the services we are performing, please do not hesitate to contact the undersigned counsel.

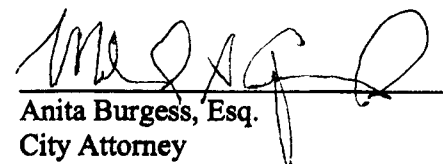
Sincerely yours,

COLE SCHOTZ P.C.


James W. Walker

JWW:ah

Agreed on behalf of the City of Denton:

by 
Anita Burgess, Esq.
City Attorney
City of Denton

Signed this 3rd day of March, 2016

EXHIBIT 1

ORDINANCE NO. 2016-152

AN ORDINANCE OF THE CITY OF DENTON, TEXAS AUTHORIZING THE CITY MANAGER TO EXECUTE A SECOND SUPPLEMENT TO A PROFESSIONAL SERVICES AGREEMENT BY AND BETWEEN THE CITY OF DENTON, TEXAS AND THE LAW FIRM OF COLE SCHOTZ, P.C., DALLAS, TEXAS FOR LEGAL SERVICES RELATING TO TRANSACTIONAL AND REGULATORY WORK PERTAINING TO THE TEXAS MUNICIPAL POWER AGENCY; PROVIDING FOR ADDITIONAL EXPENDITURE AUTHORITY OF NOT-TO-EXCEED \$150,000; PROVIDING AN EFFECTIVE DATE. (FILE 5380 IN THE ADDITIONAL AMOUNT NOT-TO-EXCEED \$150,000, AGGREGATING A TOTAL NOT-TO-EXCEED \$399,500).

WHEREAS, on October 12, 2013, the City Manager awarded a Professional Services Agreement (hereafter the "Agreement") to Cole Schotz, P.C. in the amount of \$75,000 for legal services regarding operational, transitional, transactional, and related legal work relating to the Texas Municipal Power Authority; and

WHEREAS, on November 18, 2014, City Council approved a First Supplement to the Professional Services Agreement with Cole Schotz, P.C., (hereafter the "First Supplement") in the further amount of \$125,000 aggregating a not-to-exceed amount of \$200,000 for additional services relating to the Texas Municipal Power Authority; and

WHEREAS, on March 3, 2016, the Purchasing Manager approved a Change Order to the Professional Services Agreement with Cole Schotz, P.C., in the further amount of \$49,500 aggregating a not-to-exceed amount of \$249,500 for additional services relating to the Texas Municipal Power Authority; and

WHEREAS, there appears to the Council that further professional services must be completed; and the City Manager having recommended to the Council that the "Second Supplement to Professional Services Agreement with Cole Schotz, P.C. (hereafter the "Second Supplement") be authorized to amend such Agreements, with respect to the scope of work and an increase in the payment amount by \$150,000; and said fees under the proposed Second Supplement are fair and reasonable, and are consistent with and not higher than the recommended practices and fees published by the professional associations applicable to the provider's profession; and such fees do not exceed the maximum provided by law; NOW, THEREFORE,

THE COUNCIL OF THE CITY OF DENTON HEREBY ORDAINS:

SECTION 1. The City Manager is hereby authorized to enter into the "Second Supplement to Professional Services Agreement" with Cole Schotz, P.C. (the "Second Supplement"), in substantially the form that is attached hereto as Exhibit "A" and incorporated herewith by reference, which increases the amount of the engagement by and between the City of Denton, Texas and Cole Schotz, P.C., which Agreement is on file in the office of the Purchasing Agent, in the additional amount of \$150,000, which amount is hereby approved; and the expenditure of funds therefor is

EXHIBIT 1

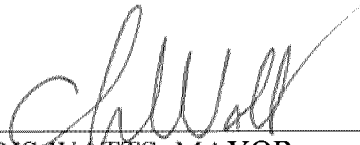
hereby authorized in accordance with said Second Supplement. The total purchase order amount therefore increases to the amount of not-to-exceed \$399,500.

SECTION 2. The City Council of the City of Denton, Texas hereby expressly delegates the authority to expend funds and to take any actions that may be required or permitted to be performed by the City of Denton, Texas under File No. 5380, to the City Manager of the City of Denton, Texas, or his designee.

SECTION 3. The recitations and statements contained in the preamble hereto are incorporated herewith as a part of this Ordinance for all purposes.

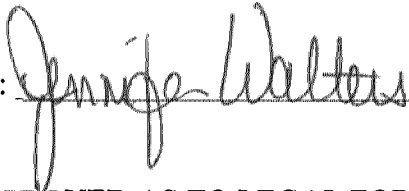
SECTION 4. This ordinance shall become effective, and is hereby approved on this date.

PASSED AND APPROVED this the 7th day of June, 2016.

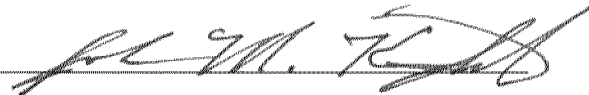


CHRIS WATTS, MAYOR

ATTEST:
JENNIFER WALTERS, CITY SECRETARY

By: _____

APPROVED AS TO LEGAL FORM:
ANITA BURGESS, CITY ATTORNEY

By: _____

Cole Schotz P.C.

James W. Walker
Member

Reply to Texas Office
Writer's Direct Line: 469-557-9391
Writer's Direct Fax: 469-533-0361
Writer's E-Mail: jwalker@coleschotz.com

2515 McKinney Avenue, Suite 1350
Dallas, TX 75201
469-557-9390 469-533-1587 fax

—
New Jersey

—
New York

—
Delaware

—
Maryland

—
Florida

May 19, 2016

Anita Burgess, Esq.
City Attorney
City of Denton
Municipal Building
215 East McKinney
Denton, TX 76201

Re: Extension of that certain Engagement Contract regarding the representation of the City of Denton in connection with analysis, drafting and research in support of negotiations regarding that certain Asset Purchase Agreement for the sale of the Gibbons Creek Power Plant and all related Generation Assets, and all other Mining Assets and Transmission Assets now owned by the Texas Municipal Power Agency ("TMPA") and all tasks relevant to the Decommissioning and Dissolution of TMPA and its various assets (hereinafter referred to globally as the "TMPA Negotiations").

Dear Anita:

I want to thank you for entrusting your legal needs to Cole Schotz, P.C. ("Cole Schotz" or the "Firm"). We are aware that there are many lawyers with whom you and the City of Denton ("Denton") could work, and we appreciate your giving us the opportunity to serve Denton.

Since the Firm's founding in 1928, we have prided ourselves on providing superior legal representation, sound advice and unparalleled service to our clients.

We have been diligently working on this matter for the City of Denton and the scale of the project and depth of the legal work required to protect Denton's legal interests require an additional extension of our engagement in order to facilitate completion of the work. We are therefore submitting this extension of our legal services agreement to you in your capacity as City Attorney for Denton. This correspondence constitutes our proposed engagement agreement memorializing your engagement of the Firm to represent Denton's legal interests in the TMPA Negotiations. Our representation of Denton in relation to the TMPA Negotiations will be limited to providing legal services reasonably within the ambit of these negotiations and the scope of our representation will not extend to include any other type of legal services absent a written supplement to this engagement agreement. This representation will continue and the extension will become effective upon your execution of this engagement agreement in the space provided below.

EXHIBIT 1

Cole Schotz P.C.

Anita Burgess, Esq.
May 19, 2016
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Legal Services to be Provided

You agree that we will represent Denton in the TMPA Negotiations. The scope of our engagement can only be extended pursuant to a supplemental written engagement agreement. Denton, by and through its employees and elected officials, agrees to fully cooperate with us and to provide us with all information relevant to the tasks and issues involved in the TMPA Negotiations. We agree to provide conscientious, competent and diligent services and at all times will seek to achieve a favorable transactional outcome on a cost-effective basis. You should be aware that because of the uncertainty of sizeable commercial transactions of this nature (i.e., selling a power generating facility, mining land and/or transmission assets), the interpretation of and changes in the law, and many unknown factors, attorneys cannot and do not warrant, predict or guarantee results or the final outcome of any matter.

Our Firm's representation of Denton was first approved by Denton's City Manager on October 3, 2013 for a sum not-to-exceed \$75,000. This engagement was extended by Denton's City Council on November 18, 2014 for a sum not-to-exceed \$125,000. Due to the continuing nature of the TMPA Negotiations, this engagement was again extended by Denton's City Council on March 8, 2016 for a not-to-exceed sum of \$49,500. We have now agreed that there is a need to continue this engagement in order to complete the remaining work relevant to the TMPA Negotiations, including our continuing analysis of Denton's legal interests in relation to its status as a Member City of TMPA, the ongoing review, drafting and negotiation of one or more Asset Purchase Agreements, and all attendant indemnity and decommissioning agreements, relating to the potential sale of certain TMPA assets and the bearing or impact same will have upon Denton's interests, the final negotiations of an Operating Agreement between the TMPA and Denton and the other Member Cities in support of and supplement to the current Power Sales Contract between the same parties, and all related tasks and analysis, in an amount not-to-exceed an additional \$150,000. While we expect that this amount will cover all legal services necessary to complete the above-described tasks, we recognize that certain variables exists and certain factors are outside the control of the Firm, Denton and the TMPA that may require a greater than expected amount of legal services that we cannot accurately predict on a current basis.

Legal Fees and Expenses

Our objective to charge a fair fee for the services rendered is achieved primarily through the maintaining of accurate records of the time spent by each attorney and paralegal on a particular matter and then billing for that attorney's and para-professional's time in accordance with the range of hourly rates established. The time spent by certain professionals having specific expertise necessary to complete the substantive analysis required by the sale of certain TMPA assets, the securing and evaluating environmental liability coverage for Denton's benefit, the sale of certain parcels of real estate and all related tasks shall be billed at standard Firm rates, and the following discounted rates shall otherwise apply:

James W. Walker	\$410.00 per hour
Emily Lamond	\$390.00 per hour

EXHIBIT 1

Cole Schotz P.C.

Anita Burgess, Esq.

May 19, 2016

Page 3

Our rates are periodically reviewed and adjusted based upon the increasing experience of the attorneys and various economic factors. Any rate changes will be reflected in our monthly invoices. We will not raise any rates being charged absent your prior written approval of same. The referenced hourly rates apply to all services rendered including telephone calls, drafting and review of correspondence and documents, travel time, legal research, negotiations, internal and external meetings and conferences and any other service relating to this matter. James W. Walker, as the undersigned counsel, will principally handle and direct all aspects of Denton's legal representation required by this engagement. Emily Lamond, as an environmental lawyer, Catherine Bostock, as an environmental coverage specialist, Alan Rubin, as a corporate and tax lawyer, and Chris Caslin, as a real estate lawyer, will all be involved in reviewing, analyzing, drafting and providing assistance to the lead negotiator and Denton personnel in relation to the sale of the TMPA Gibbons Creek generation plant, and ultimately the sale and disposition of the remaining Mining and Transmission assets, in order to protect Denton's legal interests in each such transaction. The Firm agrees to utilize the services of associates and para-professionals for all supporting research and related tasks on an as-needed basis and in an effort to ensure that the most effective professional is efficiently performing each necessary task at the lowest available billing rate. We welcome you to view our website (www.coleschotz.com) if you would like additional information about the attorneys who will be working on this matter.

In addition to legal fees, Denton agrees to promptly pay for expenses such as filing fees, messenger services, telephone calls, photocopying, Lexis and Westlaw research, travel, postage, facsimile transmissions, scanning, coding, overtime clerical assistance, subpoenas, search fees, transcripts, experts' fees and reports, title, survey, fees and expenses related to harvesting, hosting and processing any and all electronically stored information, and any other necessary expenses in legal matters.

Billing and Payment

We will send Denton our invoices on a monthly basis for services and expenses and we will issue a final invoice upon termination of our representation in this matter. Denton agrees to tender payment upon receipt of each invoice. Please direct any questions you might have about the nature or scope of legal services provided Denton to the undersigned counsel.

Termination of Representation and Disposition of Documents and the File

Our representation will terminate upon completion of the TMPA Negotiations. We reserve the right to withdraw from this matter, however, if Denton fails to honor this agreement, including failure to honor fee arrangements, or for any just reason as permitted or required under the Texas Rules of Professional Conduct or by the Rules of Court. We will also withdraw at Denton's request. If we withdraw, Denton agrees to promptly pay us for all services rendered and all fees and expenses incurred prior to the date of withdrawal. At the conclusion of our representation, we will return to Denton any original documents that it has furnished to us. If Denton would like to have any other documents or pleadings from the file we maintain on this matter, please advise us accordingly and we will provide your office all requested copies of our file documents and

EXHIBIT 1

Cole Schotz P.C.

Anita Burgess, Esq.

May 19, 2016

Page 4

materials. Pursuant to the Firm's document retention policy, Denton's file will be retained for seven (7) years after which time the file may be destroyed without further notice to Denton or your office.

Conflicts of Interest

Before accepting this engagement, we have undertaken reasonable and customary efforts to determine whether there are any potential conflicts of interest that would bar our Firm from representing Denton. Based upon this inquiry and the information available to us, we are not aware of any potential conflict of interest or basis for disqualification from this engagement. We reviewed this issue in accordance with the rules of professional responsibility applicable and currently in force in Texas. The execution and return of the enclosed copy of this letter by you represents an express agreement to the applicability of these rules.

Texas Law on Retention of Attorneys

Pursuant to Texas state law, Denton has the right to complain to the Chief Disciplinary Counsel of the State Bar of Texas about professional misconduct by any attorney, including any professional misconduct by the Firm's attorneys. Complaints must be made in Writing. Complaint forms are available from the State Bar of Texas Commission for Lawyer Discipline. The State Bar of Texas investigates and prosecutes professional misconduct committed by Texas attorneys. Although not every complaint against or dispute with an attorney includes professional misconduct, the State Bar's Office of Chief Disciplinary Counsel will provide You information about how to file a complaint. The toll-free number for the State Bar of Texas is 1-800-932-1900.

This agreement, as well as our entire attorney-client relationship, shall be guided exclusively by Texas law. Should any dispute arise regarding same which cannot be resolved amicably, the courts of the State of Texas, in and for Dallas County, shall be the exclusive jurisdiction and venue for any such dispute.

Conclusion

This written agreement constitutes the entire agreement relating to Denton's engagement of this Firm in connection with the TMPA Negotiations. This written engagement agreement is not subject to any oral agreements or understandings, and can be modified only by further written agreement signed by legal representatives of both Denton and the Firm. Unless expressly stated in this engagement agreement, no obligation or undertaking shall be implied on the part of the Firm.

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Cole Schotz P.C.

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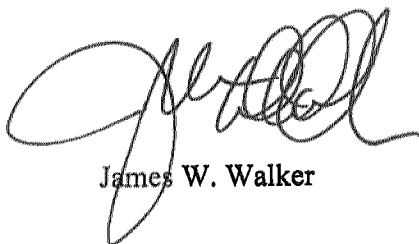
May 19, 2016

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Sincerely yours,

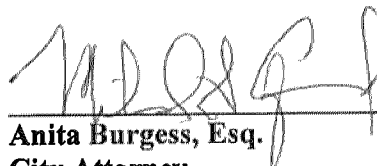
COLE SCHOTZ P.C.



James W. Walker

JWW:ah

Agreed on behalf of the City of Denton

by 
Anita Burgess, Esq.
City Attorney
City of Denton

Signed this 7th day of June, 2016