



JAMES C THOMPSON, PLLC

JIM THOMPSON
ATTORNEY

Client Agreement for General Legal Services
South Texas Educational Technologies, Inc.

This **Client Agreement for General Legal Services** sets forth the terms of your engagement of James C. Thompson, PLLC (the "Firm") for general legal services including legal advice and services as needed to assist South Texas Educational Technologies, Inc., in the negotiation, regulatory approval and implementation of one or more charter campuses and strategic consulting concerning approvals, negotiations, contract development, board policies, procedures, expansion amendments and related matters, and any other additional matters as may be assigned in the future.

By your signature below, South Texas Educational Technologies, Inc., ("STET") specifically confirms that it has taken all necessary steps to be authorized, and is in fact authorized to enter this agreement and that STET understands, consents and approves of the terms of this Client Agreement for Legal Services (the "Agreement").

Except as expressly noted within this document, this Agreement comprises the entire agreement between the parties, and supersedes any previous understandings, communications or agreements regarding the same or similar subject matter.

STET agrees to provide its/his/her full cooperation and to take any and all requested actions to assist the Firm in the pursuit of the representation as may be reasonably necessary.

Subject to the procedures of any applicable rules of professional conduct, should the Firm find it necessary or advisable, in its sole discretion, to associate and compensate any other attorney or law firm in connection with the pursuit of the above referenced representation (e.g., in a situation where we engage local, trial or special counsel), the Firm may do so unless otherwise agreed to in writing.

If the Firm in the course of this representation utilizes such services, the cost of such services to the Firm will be passed to STET without adding a surcharge or upcharge of any kind. The Firm, and specifically Jim Thompson, will remain lead counsel, and any sub-contract for legal services will be at his sole discretion.

1. Conflicts of Interest

One of the most important factors for the Firm to consider in accepting an engagement is whether its representation will conflict with the interest of any of the Firm's other clients. Based on information available to us at this time, we have determined that there is no apparent conflict that would preclude our engagement in this matter. However, if an irreconcilable conflict is discovered after we have commenced work, the Firm may be disqualified from continuing its representation in this matter. Therefore, it is essential to make certain that all clients have advised us fully as to all interests involved in any matter we are to handle. If the Firm determines that a conflict does exist, the Firm will notify all affected clients and proceed in a manner consistent with the ethical standards contained in the Texas Disciplinary Rules of Professional Conduct.

These determinations and representations are material and essential to the decision of the Firm to agree to represent STET, because the existence of potential conflicts of interest between or

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among such parties or with respect to other clients of the Firm could require the Firm to withdraw from the representation created by this Agreement.

Once notified of a potentially impermissible conflict of interest, the Firm will inform each client affected and proceed in a manner consistent with the ethical standards required in the Texas Disciplinary Rules of Professional Conduct.

2. Sharing of Privileged or Confidential Information

Information you give to the Firm pursuant to the attorney-client relationship and other communications may be protected under the attorney-client evidentiary privilege as well as ethical principles applicable to the Firm. Communications outside the attorney-client relationship are not protected, and the Firm is generally prohibited from disclosing attorney-client communications outside the attorney-client relationship unless you consent or the privilege is waived.

3. Right to Direct the Course of the Representation

In general, STET has a right to be kept reasonably informed about the status of the matter and to make all material decisions not otherwise reserved to the Firm. Generally, the Firm may not enter into a settlement of negotiation or a potential lawsuit without the express consent of STET, except in accordance with the following agreed-upon procedures. The Firm will make reasonable efforts to keep STET informed of significant decisions affecting the matter. After making reasonable efforts to include the client where feasible, as provided by this Agreement, it shall be the duty and right of the Firm to make judgments and decisions as needed in the Firm's sole and exclusive discretion to achieve the purpose of the representation set forth in this Agreement.

4. The Firm Fees and Costs

The Firm will advance such items of expense as long distance and copy charges, travel expenses, court cost deposits, deposition costs, witness fees and other necessary expenses incidental to the investigation, preparation and prosecution of the negotiation and any related lawsuit. STET will be responsible for payment to the Firm under the terms of this Agreement.

STET is responsible for funding the Firm's fees and costs, expert witness fees, and other legal expenses specified in this Agreement. This Agreement is for payment of the Firm at its hourly rates as set forth in detail below for its legal services.

In the event that the Firm's fees and costs are awarded by any court and upheld on appeal, STET agrees that such award shall be paid directly to the Firm. In such event, upon receipt of such court award, the Firm shall promptly reimburse STET for the Firm's fees and costs to the extent that the payments received by the Firm pursuant to a court's award duplicate payments received from STET.

The Firm will render a periodic invoice of fees calculated as provided in this agreement, plus reimbursable expenses, and bill STET for the entire amount. No other party will receive a bill for the Firm's services in the matter.

The Firm has prepared a fee structure that it hopes will result in efficiency and affordability, while still providing access to the Firm's legal services. The Firm will implement the following cost-savings measures for this representation:

- The Firm will not charge for return travel time.
- The Firm will not charge for "scanning" or "print" costs.
(Copy and facsimile costs are described below.)

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- The Firm will discount its hourly rates as described below.

The following are the Firm's hourly rates and applicable discount per this Agreement:

ATTORNEY	Hourly Rate	Early Payment Discount
Jim Thompson	\$275.00	5%
Contract Attorney	\$275.00	5%
PARALEGAL	Hourly Rate	Early Payment Discount
Contract Paralegal	\$90.00	5%

The Firm will provide an invoice of its billable time to STET, which shall be responsible for the entire amount due and payable. If payment is received on or before the expiration of seven (7) calendar days from receipt of the invoice, STET may deduct 5% from the totals for billable time, as calculated on the invoice.

Expenses

The Firm will advance such items of expense as long distance and copy charges, travel expenses, court cost deposits, deposition costs, witness fees and other necessary expenses incidental to the investigation, preparation and prosecution of any litigation.

"Reimbursable expenses" include costs incurred for transportation, lodging and meals where travel is required in connection with your representation, telecopy charges, photographic reproduction fees, courier and overnight services, postage, and the like. Payment of each statement is due within 30 days of the invoice.

There is no Early Payment Discount for expenses. The Firm will provide a periodic invoice of reimbursable expenses, and bill STET for the entire amount, as follows:

Court costs, experts, depositions, court reporter, etc.	Actual cost incurred
Mileage	IRS published rate
Airfare, hotel, car rental, taxi, postage	Actual cost incurred
Copies	15¢/pg
Facsimile	50¢/pg

The Firm reserves the right to cease work and terminate our relationship if our fees and costs are not paid pursuant to this Agreement within the time specified. The Firm also reserves the right to charge interest on any balances outstanding on your account for more than 30 days, at an interest rate not to exceed 10% per annum, compounded monthly. This amount may be added to the invoices sent to STET.

5. Termination of Services

Each party to this Agreement agrees to cooperate fully in the pursuit of the referenced representation. Under certain circumstances it may be necessary to terminate our services and our attorney/client relationship prior to completion of the matter or matters for which we have been engaged. In that event, STET and the Firm agree to the following:

- A. Upon written notice from STET, the Firm will withdraw from representing STET.
- B. The Firm, at its option, may withdraw from representing STET at any time if STET:
 - (1) insists on presenting a claim or defense that is not warranted under existing law, and cannot be supported by good faith argument for an extension, modification, or reversal of existing law;
 - (2) seeks to pursue an illegal course of conduct;

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- (3) insists that the Firm pursue a course of conduct that is illegal or prohibited under the Texas Disciplinary Rules of Professional Conduct;
- (4) by any other conduct, renders it unreasonably difficult for the Firm to carry out its employment;
- (5) insists that the Firm engage in conduct that is contrary to the judgment and advice of the Firm, but not prohibited under the Texas Disciplinary Rules of Professional Conduct; or
- (6) fails to perform any agreement or obligation to the Firm with respect to the payment of costs or fees for services rendered.

C. In the event of withdrawal from employment, the Firm will take reasonable steps to avoid foreseeable prejudice to rights, including giving due notice to you, and allowing time for employment of other counsel, delivering all papers and property to which you are entitled, and complying with applicable laws and rules governing such withdrawal from employment.

6. Disclaimer

By signature below, STET acknowledges that the Firm has made no representation, nor can any representation be made, as to the ultimate outcome or success of the matters for which we have been engaged. The only material representation that has been made by us is that we will exert our best professional efforts in our prosecution of the claims and interests in connection with the matters described herein.

This Agreement comprises the entire agreement between us and supersedes any previous understandings, communications or agreements regarding the same or similar subject matter.

Dr. Alim Ansari, Superintendent for
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Date

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Date