

McFATRIDGE & ASSOCIATES, P.C.

A PROFESSIONAL CORPORATION

KEITH W. McFATRIDGE, JR., MBA, JD
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January 26, 2024

By Email to: MatthewNeighbors@gisd.org

Galveston ISD
ATTN: Dr. Matthew Neighbors
3904 Avenue T
Galveston, TX 77550

Re: Galveston ISD - Federal Tax Matter (the "Matters")

Dear Dr. Neighbors:

This letter will confirm the engagement of *McFatridge & Associates, P.C.* (the "Firm"), to represent you (the "Client") in connection with the Client in the above-referenced Matters. By your engagement of the Firm, you hereby appoint us as your attorney-in-fact and grant to us your power of attorney to deal with the Matters.

My Firm's protocol during our representation, and to relay to you our expected fee arrangement. We will bill you for time spent on this matter in increments of tenths of an hour. Any attorneys who devote attention to this matter will bill at the discounted rate of \$375.00 per hour for partners, \$275.00 for senior counsel, and \$250.00 for associates. You will be billed at the rate of \$90.00 per hour for work performed by paralegals and \$60.00 for legal assistants. The attached "Standard Terms of Engagement for Legal Services" sets out in further detail the services we will provide and the expenses you will be responsible for. You need to carefully review this attachment to fully understand the scope of our services and the fees and costs you will incur.

The Firm is pleased to be provided the opportunity to represent you on the Matters. We cannot, at this time, estimate the amount of our fees. Unless Client requests assistance with respect to other issues, the Firm's representation will be restricted to the Matters. Client's engagement of the Firm on additional matters will be confirmed in writing by the Firm and the Firm shall only have agreed to perform such services upon such written confirmation.

Schedule of Billing and Payments

Client agrees to pay a retainer of Six Thousand Dollars (\$6,000.00) upon execution of this letter (the "Retainer"). The Retainer will be deposited into the Firm's IOLTA account and is refundable to Client to the extent the amount has not been applied to the outstanding invoice balance.

In addition, Client agrees to pay for services rendered and expenses incurred in excess of the Retainer within 30 days after the dates of statements for such fees and expenses. Amounts unpaid after 90 days shall bear interest until paid at the rate of 10% per annum. It is contemplated that statements will be rendered on a monthly basis in order to avoid undue enlargement of the account, although statements may be rendered less frequently. The statements of the Firm are relatively self-explanatory, in that they describe generally the work done from time to time and the relevant dates.

Method of Determining Fees

The fees will be computed principally on the basis of the time expended, at the minimum hourly rates fixed from time to time for the lawyers rendering the services. The Firm shall also consider in the determination of the fees for our services such factors as the time expended, the usual value of certain services, the issuance of formal opinions, and the emergency nature of the work performed and the consequent necessity that the work of other clients be deferred or other engagements declined. Periodic billings may be rendered entirely on a time basis with adjustments for other factors reflected in later billings. Hourly rates are subject to increase at the beginning of the Firm's fiscal year or otherwise upon its prior notification to Client.

Cash Outlays

Client acknowledges that the Firm may incur various expenses in providing services to the Client. Client agrees to reimburse the Firm for all out-of-pocket expenses paid by the Firm, or for special services incurred on behalf of the Client or, if Client is billed directly for these expenses, to make prompt, direct payments to the originators of the bills. Such expenses include, but are not limited to, charges for courier or messenger services, recording and certifying documents, travel and food expenses. Client also agrees to pay the Firm's customary charges for such items as long-distance communication, copying, binding, overtime for secretarial and clerical assistance, facsimile transmissions, certified mail and computer research. Because the Firm attempts to recoup a portion of its handling costs for client expenditures, the Firm's charges for certain items exceed its direct costs. Upon Client's request the Firm will provide Client a summary of the prevailing charges for such costs.

Complaints or Disputes

The Firm requests that should you have any complaint with its service or dispute with any invoice that you feel free to contact the lawyer involved or the President of the Firm. While the Firm fully expects any complaint or dispute to be resolved by direct contact with its representatives, Texas law requires that the Firm notify you that the State Bar of Texas investigates and prosecutes professional misconduct of Texas attorneys and that should you have any questions, the Office of General Counsel of the State Bar will provide you with information regarding the applicable procedures.

Termination of Representation

The Firm reserves the right to withdraw from these Matters at any time with or without cause, including without limitation any time fees or expenses are unpaid for more than 60 days

from the date of invoice, or for any other reason permitted under Texas law or by the rules of the courts of the state of Texas, and Client reserves the right to terminate the representation at any time, with or without cause. Notice of termination by either party shall be given in writing to the other party. In the event of such termination, Client agrees to promptly pay the Firm for all services rendered by the Firm and all other fees, charges and expenses incurred pursuant to this Agreement prior to the date of such termination.

Upon termination of the representation for any reason, by either the Firm or the Client, the Firm agrees to cooperate with any successor counsel to accommodate a smooth transition of the representation. Additionally, if the undersigned shareholder is incapacitated, dies or otherwise unable to continue representation in these matters, and the firm so elects, this case may be referred to outside counsel so as not to prejudice the client regarding current settings in this matter.

Effort and Outcome

The Firm agrees to use all reasonable care in representing the Client in the Matters. However, Client acknowledges that the Firm has given no assurances regarding the outcome of the Matters. The Firm agrees to assert a diligent effort to assure that Client is reasonably informed as to the status of the Matters and as to the courses of action which are being followed or recommended by the Firm. All of the Firm's work product will be owned by the Firm.

It is understood and agreed that the Firm is representing the Client in the Matters at the Client's request and that the Client is wholly responsible to the Firm for the Client's payment obligation herewith.

If this letter correctly sets forth your understanding of our agreement concerning the Firm's handling of the Matters, please execute in the space designated below indicating your willingness to employ the Firm and your agreement with the terms set forth above. Please return the executed copy of this letter along with your check for Six Thousand Dollars (\$6,000.00) payable to the Firm to the undersigned.

Very truly yours,

McFatrige & Associates, P.C.



Keith W. McFatrige, Jr.

cc: Jeffrey Martello
JeffreyMartello@gisd.org

Tony Brown
apbrown@mapalaw.com

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AGREED TO AND APPROVED this 26th day of January 2024.

CLIENT:

GALVESTON ISD

By: M. Neighbors
Name: Dr. Matthew Neighbors
Title: SUPERINTENDENT