

RESOLUTION NO. 11-09

A RESOLUTION AUTHORIZING LETTER OF AGREEMENT WITH SCOTT, MONEY & RAY, PLLC; GRANTING AUTHORITY TO THE MAYOR TO EXECUTE SAID RESOLUTION AND AUTHORIZING CITY SECRETARY TO AUTHENTICATE MAYOR'S SIGNATURE TO THIS RESOLUTION AND AUTHORIZING THE CITY MANAGER TO EXECUTE ALL INSTRUMENTS REQUISITE IN IMPLEMENTING THIS RESOLUTION AND AUTHORIZING CITY SECRETARY TO AUTHENTICATE CITY MANAGER'S SIGNATURE TO THIS RESOLUTION.

A regular meeting of the City Council of the City of Commerce, Texas, was held in Commerce, Texas, at City Hall, on the 15th day of March 2011 at 6:00 p.m., a majority of council members being present and constituting a quorum, the following resolution was adopted:

WHEREAS, Scott, Money and Ray, PLLC has been retained to act as lead counsel on the City vs. Throgmorton lawsuit; and

WHEREAS, after careful consideration the City Council deems it would be in the best interest and general welfare of the City of Commerce that the said Letter of Agreement be accepted.

NOW, THEREFORE, BE IT RESOLVED that the Mayor Pro Tem of the City of Commerce, Texas, be authorized and he is hereby authorized to execute this Resolution;

BE IT FURTHER RESOLVED that the City Secretary be authorized and she is hereby authorized to attest to the signature of the Mayor Pro Tem to this Resolution, and to attest to the signature of the City Manager to any instruments requisite to implementing this Resolution.

PASSED BY THE GOVERNING BODY of the City Council of the City of Commerce, Texas, on the 15th day of March 2011.

ATTEST:

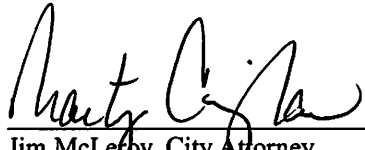

Marty Cunningham, City Secretary

(seal)

CITY OF COMMERCE, TEXAS

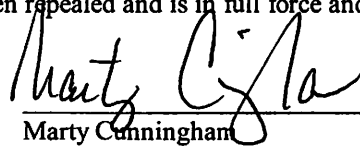

Richard Hill, Mayor Pro Tem

APPROVED AS TO FORM:


Jim McLeby, City Attorney

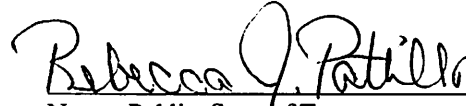
I, Marty Cunningham, City Secretary of the City of Commerce, Texas, do hereby certify that the above is a true and correct copy of a Resolution, and that the same has not been repealed and is in full force and effect.

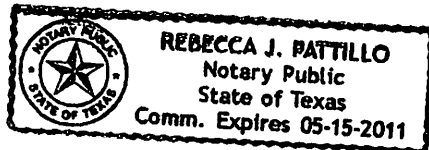
(seal)


Marty Cunningham
City Secretary

Sworn to and subscribed before me, on this the 22nd day of March, 2011,
to certify which witness my hand and seal of office.

(seal)


Notary Public, State of Texas



SCOTT, MONEY, RAY

Post Office Box 1353
2608 Stonewall St.
Greenville Texas, 75403 1353

ANDREW D. THOMAS
Andrewt@ScottMoneyRay.com

March 2, 2011

Via Hand Delivery

The City of Commerce, Texas

Re: Scott, Money, Ray, & Thomas, P.L.L.C. Engagement Letter

Dear City Council,

Thank you for giving Scott, Money, Ray & Thomas, P.L.L.C. ("Scott, Money, Ray & Thomas" or the "Firm") an opportunity to represent you. We believe that a successful professional relationship begins with a mutual understanding of expectations about the services we will provide, legal fees, and other important aspects of our representation.

This letter will confirm our mutual understandings and agreements regarding the Firm's provision of legal services to the City of Commerce, Texas (the "City of Commerce") in connection with the matters described in this letter. Our Firm encourages open and candid communications with clients. Please let me know as soon as possible if you have questions about this letter or if you are concerned about any aspect of the representation.

DESCRIPTION AND SCOPE OF SERVICES; IDENTIFICATION OF CLIENT

Scott, Money, Ray & Thomas is being retained to represent the City of Commerce in a litigation matter currently pending in 196th Judicial District Court of Hunt County under Cause No. 76,344 and styled *The City of Commerce, Texas v. Quay Throgmorton and Paige Throgmorton*. The City of Commerce is our only client in this matter, and we want to clarify that Scott, Money, Ray & Thomas does not represent any other person or entity.

The Firm understands that we are to perform all reasonable services and take all such action as may be appropriate and necessary in our professional discretion to further your interests.

It is understood that the Firm is being retained to provide legal services and that we are not responsible for providing business or financial advice to the City of Commerce.

SCOTT MONEY RAY

INFORMATION AND DOCUMENTS

To enable the Firm to provide effective legal services in this matter, it is essential that you agree to disclose to us fully and accurately all material facts pertaining to this matter, and to keep us informed of all developments related to this matter.

The Firm will send copies of correspondence, pleadings and other significant documents or materials related to this matter to you by request only, but will otherwise keep you generally updated.

ATTORNEYS HANDLING YOUR REPRESENTATION

Robert L. Scott and Andrew D. Thomas will be the primary attorneys handling this matter. Other attorneys in the Firm may also work on this matter as we deem advisable. The Firm also uses paralegals in providing professional services when we believe that their use will reduce legal costs and improve efficiency.

LEGAL FEES AND FEE ESTIMATES

Scott, Money, Ray & Thomas's charges for legal services will be based on the Firm's hourly rates for attorneys representing you. The current hourly rates are as follows:

Robert L. Scott	\$225.00
Brent A. Money	\$200.00
Daniel W. Ray	\$200.00
Andrew D. Thomas	\$200.00
Paralegals	\$100.00

The Firm's hourly rates for attorneys and paralegals are adjusted periodically, typically in January. We will let you know in advance if our hourly rates are modified.

Clients at times request that we provide estimates of legal fees and expenses to be incurred in handling their representation. If the Firm provides you now or in the future with an estimate of fees and expenses, we will do so only with your understanding and agreement that fee estimates by their nature are inexact and subject to uncertainty. The actual legal fees and expenses in handling this matter may exceed or fall below any estimates.

Scott, Money, Ray & Thomas submits statements for legal fees on a monthly basis, or shortly after services are rendered or expenses incurred. Our intent is to keep you informed so that you can regularly monitor the fees and expenses incurred. If you have questions or concerns about the fees and expenses, please contact us promptly. Unless you advise otherwise, the Firm will assume that you generally approve of the level of representation provided in this matter.

COSTS AND EXPENSES

The City of Commerce, Texas
March 2, 2011

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SCOTT, MONEY, RAY

In addition to legal fees, the Firm charges for out-of-pocket costs and expenses incurred in representing you. These costs and expenses include, but are not limited to, filing fees, travel expenses, reprographics including photocopies, facsimile charges, CDs, DVDs, postage, overnight, special delivery or special courier charges, long distance telephone calls, court reporter costs, deposition fees and expert witness fees, and charges for the Firm's access to and use of any electronic research services on your behalf. The Firm will not retain any expert witness without prior consultation with you.

Most of these costs and expenses will be included in monthly statements to you. However, the Firm may forward certain invoices to you for direct payment. Invoices typically forwarded to the client for direct payment include charges of third-party vendors, such as outside reprographic services, court reporter charges, deposition fees, expert witness fees, and filing service fees. If out-of-pocket expenses are significant, the Firm may require an expense deposit from you to be held in a designated account for payment of expenses.

PAYMENT OF FEES AND EXPENSES

Scott, Money, Ray & Thomas's statements for fees and expenses are due upon receipt, and we expect that our monthly statements will be paid no later than 30 days after receipt.

By signing this engagement letter below, you agree to pay the Firm's invoices for fees and expenses related to this representation in a timely manner.

A retainer is an advance payment that may be applied toward amounts you owe the Firm. The Firm will not require a retainer at this time, but circumstances may arise in the future in which a retainer would be appropriate. In the event the Firm requests a retainer, we will continue to issue statements of account and will expect payment monthly. That retainer would be held and applied to Scott, Money, Ray & Thomas's final statement (with any amount not billed being returned to you), unless in our discretion we determine to apply it sooner against one or more earlier statements.

CONFLICTS

You should be aware that the Firm represents many other companies and individuals. It is possible that during the time the Firm is representing you, some of our present or future clients will have disputes or transactions with you. By entering into this engagement letter, you agree that Scott, Money, Ray & Thomas may continue to represent, or may undertake in the future to represent, existing or new clients in any matter that is not substantially related to our work for you even if the interests of such clients in those other matters are directly adverse.

WITHDRAWAL OR TERMINATION

The City of Commerce, Texas
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Since Scott, Money, Ray & Thomas will be providing professional services, our relationship may be terminated by either of us at any time for any reason, by written notice to the other party.

For example, Scott, Money, Ray & Thomas may withdraw from our representation if you should fail to honor the terms of this engagement letter, fail to cooperate or follow our advice on a material matter, or if any fact or circumstance would, in our view, render our continuing representation unlawful, unethical, or ineffective. If the Firm withdraws from further representation, or you terminate the relationship, you and the Firm jointly agree to take necessary steps, including signing of documents such as pleadings consenting to substitution of counsel.

Expenses and other charges accrued on your behalf up to the date of termination by either the Firm or the client will be payable under the payment terms of this agreement.

CONCLUSION OF REPRESENTATION; DISPOSITION OF FILES AND DOCUMENTS

Unless previously terminated, Scott, Money, Ray & Thomas's representation of you in this matter will terminate when we send the final statement for services rendered in connection with this matter. Scott, Money, Ray & Thomas will retain documents you furnish to us in our client files for this matter. Please maintain your own copies of documents you furnish to us as well.

At the conclusion of this matter (or earlier if appropriate), please advise the Firm as to which, if any, documents you wish us to return to you. Scott, Money, Ray & Thomas may also keep copies for our records. The Firm will retain or dispose of any remaining documents or other materials in accordance with the Firm's record retention policy then in effect.

POST-ENGAGEMENT MATTERS

You are engaging the Firm to provide legal services in connection with the specific matter identified on page 1 of this letter. After completion of the matter, changes may occur in the applicable laws or regulations that could have an impact upon your future rights and liabilities. Unless you engage us to provide additional advice on issues arising from the matter, the Firm will have no continuing obligation to advise you with respect to future legal developments. Further, unless you and the Firm agree in writing to the contrary, Scott, Money, Ray & Thomas will not monitor renewal or notice dates or other deadlines for this matter following the termination or completion of this engagement.

GUARANTEE DISCLAIMER

It is important that you understand and accept that the Firm cannot make and has not made any guarantee regarding the outcome of this representation. Since there are inherent risks in the litigation process and lawsuits are subject to unforeseen circumstances, the Firm does not

SCOTT, MONEY & RAY

~~guarantee the outcome or results of any litigation. Nothing in this agreement and no statements~~
by Scott, Money, Ray & Thomas staff or attorneys constitutes a promise as to results, or a
guarantee. Any statements by the Firm about the outcome of litigation or other legal proceeding
are expressions of opinion only.

GRIEVANCES

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

MISCELLANEOUS PROVISIONS

This agreement supersedes all prior oral or written agreements regarding Scott, Money, Ray & Thomas's representation of you. This agreement can be amended or modified only by a writing signed by you and the Firm.

This agreement shall be binding upon you and the Firm, and our respective heirs, executors, legal representatives, successors and assigns.

Nothing in this agreement is intended or shall be construed as impermissibly waiving or limiting the Firm's or its attorneys' professional obligations to you or to the profession under the Disciplinary Rules of Professional Conduct adopted by the State Bar of Texas or other law, including the Sarbanes-Oxley Act of 2002.

CONCLUSION

Once again, Scott, Money, Ray & Thomas is pleased to have this opportunity to work with you. Please contact me as soon as possible if this agreement does not accurately reflect your understanding of the terms of our engagement. Corrections or changes must be in writing and initialed by you and by the Firm. Otherwise, please sign and return a copy of this agreement to me at your earliest convenience. In the event you do not sign and return a copy of this agreement and you have not objected to the terms of this agreement within 30 days of the date on page one, we shall assume that you do not object to any of the terms of this agreement.

SCOTT, MONEY & RAY

Sincerely,

SCOTT, MONEY & RAY

P. O. Box 1353
2608 Stonewall Street
Greenville, Texas 75403-1353
Tel. (903) 454-0044
Fax. (903) 454 1514
www.ScottMoneyRay.com

By: _____

Robert L. Scott

Texas Bar No. 17910500

Brent A. Money

Texas Bar No. 24049530

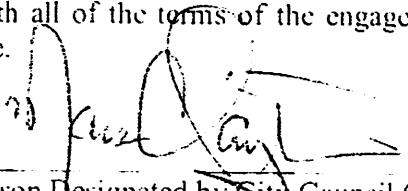
Daniel W. Ray

Texas Bar No. 24046685

Andrew D. Thomas

Texas Bar No. 24060714

The undersigned has read and understood this agreement. The agreement accurately sets forth all of the terms of the engagement, and is approved and accepted as of the date on page one.



Person Designated by City Council Ordinance