

PROFESSIONAL LEGAL SERVICES CONTRACT

THIS CONTRACT (“the Contract”) effective as of the ___ of August, 2011, by and between the **Housing Authority of the City of Galveston, Texas d/b/a Galveston Housing Authority**, whose principal place of business is located at 4700 Broadway Street, Galveston, Texas 75501 (hereinafter referred to as “GHA”), the law firm of **Coats, Rose, Yale, Ryman & Lee, PC**, whose principal place of business for purposes of this Contract is 3 Greenway Plaza, Houston, Texas 77046 (hereinafter referred to as “Coats Rose” or “Attorney”).

WITNESSETH:

WHEREAS, the GHA is a public body corporate and politic organized and validly existing and in good standing under the laws of the State of Texas and authorized to do business in the State of Texas and currently engaged in such business as defined in the Housing Authority Law as set forth in Chapter 392 of the Texas Local Government Code, including the services of providing decent, safe and sanitary housing to the residents of its facilities, low-income families, the elderly, the handicapped and the disabled; and

WHEREAS, the GHA is in need of law firms to provide specialized legal services, including but not limited to development counsel representation and other HUD matters generally (the “Legal Services”);

WHEREAS, the GHA issued a Request for Qualifications dated April 14, 2010 (hereinafter referred to as the “RFQ”) to procure the counsel for the Legal Services and Coats Rose submitted a proposal in response to the RFQ;

WHEREAS, the Coats Rose proposal was determined to be the most advantageous to GHA, and GHA selected Coats Rose to serve as GHA’s legal development counsel in connection with the Legal Development Services; and

NOW THEREFORE, the parties hereto do mutually agree as follows:

1. TERM

This Contract shall become effective on the above referenced date and shall continue in effect for a period of one (1) year and 4 one year renewal terms, or upon completion of all work authorized on or before the expiration date, or unless sooner terminated in accordance with the Contract.

At the end of each one (1) year term and each one (1) year renewal term, the term of this agreement shall automatically renew for a successive one (1) year period unless GHA gives the company at least thirty days written notice of its intent to terminate the Agreement at the end of the then existing one (1) year term. Notwithstanding anything to the foregoing, this

agreement may not be renewed for more than the four (4) one-year renewal periods except as authorized by GHA for the completion of the said services.

2. SCOPE OF SERVICES

2.1 Services under this Contract will include all of those general and specific tasks regarding development services and HUD representation as set forth in the RFQ in the section entitled Services. Coats Rose will only render legal services to the GHA upon the request of GHA.

Antoinette M. Jackson, a shareholder of Coats Rose, shall manage the Attorneys and will coordinate the necessary tasks and ensure that the required tasks are performed properly and timely.

Upon prior approval by GHA and to the extent legally permissible, the Attorneys may engage the services of subcontractors to perform the work necessary to carry out the tasks enumerated herein, specifically the services of a program manager as may be needed to assist with the development and implementation of a redevelopment plan for GHA.

2.2 In the event that a request for legal services made by the GHA to the law firm involves a third party (i.e. a party who is seeking to contract with the GHA and/or a party involved in a dispute with the GHA and/or a party whose rights may otherwise be affected in conjunction with the legal services being requested), it will be necessary for the law firm to conduct a survey of the other clients of the firm for the purpose of determining whether the third party is also a client of the firm. In the event that the third party is determined to be a client (or former client) of the law firm and, as a result, the firm concludes that a conflict of interest exists in the representation of the GHA on the matter, the law firm must decline the representation of both the GHA and the third party on the matter, unless a written waiver of the conflict of interest is executed by both the GHA and the third party (and provided that such waiver is approved by the law firm). In the event that such a conflict of interest arises, upon request, the Attorney in Charge will provide the GHA with the names and published qualifications of other attorneys, for the purpose of the GHA's consideration in retaining such attorney(s) with regard to the matter.

Further, with regard to any requested services involving bond work, the law firm anticipates needing to refer these services to an attorney or law firm whose practice involves the rendition of services of this nature. In the event that services of this nature are requested, upon request, the Attorney in Charge will provide the GHA with the names and published qualifications of other attorneys, for the purpose of the GHA's consideration in retaining such attorney(s) with regard to the issue.

3. COMPENSATION

3.1 The Attorneys shall perform all legal services required under the contract consistent with terms of the Response to Request for Proposals for Legal Services issued by GHA as submitted by Coats Rose (the "Attorneys Response"). Fee compensation to be paid to

the Attorneys by GHA for performance of legal services and reimbursement of expenses hereunder shall be at the following hourly rates:

Legal Services

Personnel	Hourly Rate
Partner	\$350
Of Counsel	\$300
Associate	\$265
Paralegal	\$170

Please note that these rates would be applicable through December 31, 2011. After that date, the rates would be subject to an annual increase of: (i) \$25/year for Partners and Of Counsel; (ii) \$20/year for Associates; and (iii) \$10/year for Paralegals.

3.2 The predevelopment portion of these services shall not exceed \$150,000 from the date of execution of this and any additional legal fees shall be the obligation of the partnership entity with the exception of the Scattered Sites which shall remain the obligation of GHA.

3.3 The Attorneys will ensure that the levels of services rendered are cost efficient. In addition to the fee compensation referred to in Section C(1) of the Proposal, the Attorneys shall be reimbursed for long distance telephone calls, reasonable travel expenses and reasonable expenses for lodging and meals while on travel status when such travel is solely related to the work contemplated herein. Reimbursement for travel expenses and lodging will be subject to preapproval by GHA.

4. GENERAL

4.1 As a condition precedent to any payment to the Attorneys under this Contract, the Attorneys shall submit to GHA separate statements of account (invoices) which clearly set forth by dates (year, month, day) the designated items of work in specific detail, by whom performed, the time appropriately charged thereto prorated in terms of six (6) minute intervals, in connection with an hourly rate and the total number of hours charged under each rate for each attorney. Each invoice shall only be due and payable upon approval by the GHA Executive Director or his/her designee. Such statements shall be submitted monthly, and invoices shall be paid by GHA within thirty (30) days of receipt of invoice.

4.2 Work assignments to the Attorneys under this Contract shall be made by the Executive Director and such other persons as may be designated to the Attorneys.

5. NOTICES

Any notice to be given under this Contract by either party to the other may be effected either by personal delivery in writing or by facsimile, mail, registered or certified, postage prepaid with return receipt requested. Mailed notices shall be addressed to the addresses of the parties as they appear in the introductory paragraphs of this contract. Notices delivered personally or in a facsimile shall be deemed communicated at the time of actual receipt. Mailed notices shall be deemed communicated three days after mailing.

The contact person for GHA will be:

Deyna Sims-Hobdy, Director, Real Estate Services
Galveston Housing Authority
4700 Broadway
Galveston, Texas 77551
Phone: (409) 765-1980
Facsimile: (409)

The contact person for Coats Rose will be:

Antoinette M. Jackson, Director
3 Greenway Plaza, Suite 2000
Houston, Texas 77046
Phone: (713) 653-7392
Facsimile: (713) 890-3928

6. ENTIRE CONTRACT

The Contract along with the RFQ and any applicable amendments thereto, which are attached hereto and incorporated and made a part of this Contract as if fully copied verbatim constitute the sole and only contract of the parties to it and supersedes any prior understanding or written or oral contract between the parties respecting this subject matter. Any oral representations or modifications concerning this instrument shall be of no force or effect excepting a subsequent modification in writing signed by the party to be charged. In the event of any conflict between the terms of this Contract and Attachments I and II referenced above, the terms and provisions of this Contract shall control and supersede said Attachments I and II.

7. GOVERNING LAW

This Contract shall be construed under and in accordance with the laws of the State of Texas and all obligations of the parties created by this Contract are performable in the State of

Texas, and all obligations of the parties created by this Contract are performable in the State of Texas.

8. SUCCESSORS AND ASSIGNS

This Contract shall be binding on and inure to the benefit of the parties to it and their respective heirs, executors, administrators, legal representatives, successors and assigns. No assignment of this Contract shall be made without prior approval of the parties.

9. CONCURRENT REMEDIES

No right or remedy herein conferred on or reserved to a party hereto is exclusive of any other right or remedy herein or by law or equity provided or permitted, but each shall be cumulative of each other right or remedy given hereunder or now or hereafter existing at law or in equity or by statute or otherwise, and may be enforced concurrently therewith or from time to time.

10. GENDER

Whenever the context of this Contract requires, the masculine gender includes the feminine or neuter and the singular number includes the plural.

11. LEGAL CONSTRUCTION

In the event that any one or more of the provisions contained in this Contract shall for any reason be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality or unenforceability shall not effect any other provision, and this Contract shall be construed as if such invalid, illegal or unenforceable provision had never been contained therein.

12. HUD GENERAL CONDITIONS

The General Contract Conditions included in the RFQ (HUD Form 5370-C) shall apply to this Contract and are incorporated herein by reference.

13. COURT ACTIONS

The Attorneys agree to give GHA immediate notice in writing of any actions or suits filed and prompt notices of any claims made against GHA or any of the parties involved in the implementation and administration of this Contract.

14. RECORDS FOR AUDIT PURPOSES

Without limitation to any other provision of this Contract, the Attorneys shall maintain all records concerning the program or project financed under this Contract which GHA reasonably requires for five (5) years from the expiration date of the Contract unless a longer

period is required under Title 24, CFR Sec. 85.42. The Attorneys shall maintain records required by 24 CFR Sec. 135.120 for the period that the United States Department of Housing and Urban Development (hereinafter referred to as "HUD"), requires the records to be maintained. The Attorneys will give the GHA, and subject to GHA approval, HUD, the Comptroller General of the United States, the General Accounting Office, or any of their authorized representatives access to and the right to examine, copy, or reproduce all records pertaining to the services provided hereunder. The right to access shall continue as long as the records are required to be maintained.

15. TERMINATION OF AGREEMENT AND LEGAL SERVICES

Notwithstanding anything to the contrary herein, this Contract and all legal services to be rendered hereunder may be terminated at any time by written notice from either party, with or without cause. In such event, all finished and unfinished documents, pleadings, exhibits, project data, reports and evidence shall, at the option of GHA become its property and shall be delivered to it or to any part it may designate. In the event of such termination, counsel shall be paid for all satisfactory work approved by GHA, unless such termination is made for cause, in which event compensation, if any, shall be adjusted in the light of the particular facts and circumstances involved in such termination.

16. NON-APPROPRIATION CLAUSE

The Attorneys understand that GHA is a governmental entity and should it not be funded for any period during the term of this Contract, any sums due for the remainder of the term shall be forgiven, and this contract shall be automatically terminated and GHA shall not be liable for payment thereof. GHA must be given written notice to the Attorneys within thirty (30) days, if possible, after learning that funds will not be available. For this contract, the GHA hereby certifies that adequate funds are available to complete the services outlined herein.

17. INDEPENDENT CONTRACTOR

The Attorneys are an independent contractor of GHA and not an employee of GHA. Nothing contained in this Contract will be deemed or construed to create a partnership between the Attorneys and GHA. The Attorneys will have no authority to create any obligation or make representations or warranty binding on GHA. All personnel supplied or used by the attorneys in connection with this Contract will be deemed employees, agents, or subcontractors of the Attorneys and will not be considered employees, agents or subcontractors of GHA for any purpose whatsoever.

18. INSURANCE

Before commencing work, the Attorneys shall furnish GHA with certificates of insurance showing that the following insurance is in full force and effect and will insure all operations under contract, and name GHA as an additional insured.

- a. Workers' compensation in accordance with the state of Texas rules and regulations.

- b. General liability insurance with a single limit for bodily injury of \$1,000,000 per occurrence and property damage limit of no less than \$1,000,000 per occurrence. The insurance may have a combined aggregate of coverage amounting to no less than \$1,000,000. Such insurance shall protect the Attorneys against claims of bodily injury or death and property damage to others. If the Attorneys has a “claims made policy,” then the following additional requirements apply: The policy must provide a “retroactive date” which must be on or before the execution date of the Agreement and the extended reporting period may not be less than five years following the completion date of the Agreement.
- c. Professional liability with a combined or aggregate coverage of no less than \$1,000,000. All insurance shall be carried with companies that are financially responsible and admitted to do business in the State of Texas. The Attorneys shall not permit the insurance policies required for this contract to lapse during the period for which this Contract is in effect. All certificates of insurance shall provide that no coverage may be canceled or non-renewed by the insurance company until at least 30 days prior written notice has been given to GHA. Proof of the required insurance coverage must be provided to HACH before Attorneys commence work under this contract.

19. INDEMNIFICATION AND HOLD HARMLESS AGREEMENT

ATTORNEYS SHALL INDEMNIFY, DEFEND, AND HOLD THE GHA (WHICH, FOR PURPOSES OF THIS SECTION OF THE CONTRACT SHALL INCLUDE ANY AFFILIATE OR RELATED ENTITIES OF GHA) AND THEIR OFFICERS, AGENTS AND EMPLOYEES (THE “INDEMNIFIED PERSONS”) HARMLESS FROM ALL LIABILITY, LOSS OR DAMAGE, INCLUDING ATTORNEY FEES AND EXPENSES, RESULTING FROM THOSE CLAIMS, DEMANDS, AND CAUSES OF ACTION OF EVERY KIND AND CHARACTER ASSERTED BY ANY PERSON (INCLUDING, WITHOUT LIMITATION, THE INDEMNIFIED PERSONS’ OR ATTORNEYS’ EMPLOYEES), FOR BODILY INJURY, DEATH, OR PROPERTY DAMAGE ARISING OUT OF OR IN CONNECTION WITH ATTORNEY’S NEGLIGENT ACTS OR OMISSIONS.

ATTORNEYS SHALL BE RESPONSIBLE FOR ALL DAMAGE AND LOSS SUSTAINED BY IT TO ITS EQUIPMENT UTILIZED IN PERFORMANCE OF ATTORNEYS SERVICES HEREUNDER.

NOTWITHSTANDING ANYTHING CONTAINED HEREIN TO THE CONTRARY, ATTORNEYS INDEMNIFICATION OF THE INDEMNIFIED PERSONS IS LIMITED TO \$1,000,000 PER OCCURRENCE.

GHA SHALL NOTIFY ATTORNEYS OF ANY CLAIM GHA RECEIVES NOTICE OF ASSERTED AGAINST THE INDEMNIFIED PERSONS WITH RESPECT TO WHICH INDEMNIFIED PERSONS ARE INDEMNIFIED AGAINST LOSS BY

ATTORNEYS HEREUNDER WITHIN FIFTEEN (15) DAYS OF GHA'S RECEIPT OF NOTICE OF SUCH CLAIM, AND SHALL PROMPTLY DELIVER TO ATTORNEYS THE ORIGINAL OR A TRUE COPY OF ANY SUMMONS OR OTHER PROCESS, PLEADING, OR NOTICE ISSUED OR SERVED IN ANY SUIT OR OTHER PROCEEDING TO ASSERT OR ENFORCE ANY SUCH CLAIM. IF GHA OR ANY OF THE INDEMNIFIED PERSONS DO NOT PROVIDE THIS NOTICE WITHIN THE FIFTEEN (15) DAY PERIOD, IT DOES NOT WAIVE ANY RIGHT TO INDEMNIFICATION EXCEPT TO THE EXTENT THAT ATTORNEY IS PREJUDICED, SUFFERS LOSS, OR INCURS EXPENSE BECAUSE OF THE DELAY.

FOLLOWING SUCH NOTIFICATION, AND EXCEPT AS OTHERWISE PROVIDED BELOW, ATTORNEY SHALL DEFEND ANY SUCH SUIT AT ITS SOLE COST AND EXPENSE WITH ATTORNEYS OF ITS OWN SELECTION WHO ARE REASONABLY SATISFACTORY TO GHA.

ATTORNEY SHALL CONTROL THE DEFENSE AND ANY NEGOTIATIONS TO SETTLE THE CLAIM, BUT THE INDEMNIFIED PERSONS SHALL HAVE THE RIGHT, IF THEY SEE FIT, TO PARTICIPATE IN SUCH DEFENSE AT THEIR OWN EXPENSE. ATTORNEY SHALL HAVE THE POWER TO SETTLE THE CLAIM WITHOUT THE CONSENT OR AGREEMENT OF GHA UNLESS THE SETTLEMENT WOULD (I) RESULT IN INJUNCTIVE RELIEF OR OTHER EQUITABLE REMEDIES OR OTHERWISE REQUIRE THE INDEMNIFIED PERSONS TO COMPLY WITH RESTRICTIONS OR LIMITATIONS THAT WOULD ADVERSELY AFFECT THE INDEMNIFIED PERSONS, (II) REQUIRE THAT INDEMNIFIED PERSONS TO PAY AMOUNTS THAT ATTORNEY DOES NOT FUND IN FULL, OR (III) NOT RESULT IN THE INDEMNIFIED PERSONS' FULL AND COMPLETE RELEASE FROM ALL LIABILITY TO THE CLAIMANTS OR OTHER PARTIES THAT ARE PARTIES TO OR ARE OTHERWISE BOUND BY THE SETTLEMENT.

IF ATTORNEY NOTIFIES THE GHA IN WRITING WITHIN TEN (10) DAYS AFTER RECEIPT OF GHA'S WRITTEN NOTICE OF A CLAIM AND REQUEST FOR INDEMNIFICATION THAT IT ELECTS NOT TO DEFEND THE CLAIM, GHA OR ANY OF THE INDEMNIFIED PERSONS SHALL ASSUME AND CONTROL THE DEFENSE AND ALL DEFENSE EXPENSE SHALL CONSTITUTE AN INDEMNIFICATION LOSS.

20. COMPLIANCE WITH FEDERAL REGULATIONS

The Attorney shall comply with the Federal Regulations listed below:

- the requirements of Title VII of the Civil Rights Act of 1968 and Title VI of the Civil Rights Act of 1964, relating to prohibitions against the discrimination in housing and the benefits of federally funded programs because of race, color, religion, sex or national origin;

- the prohibitions against discrimination on the basis of age under the Age Discrimination Act of 1975 and prohibit discrimination against handicapped individuals under Section 504 of the Rehabilitation Act of 1973 and the American with Disabilities Act of 1990;
- the requirements of Executive Order 11246 relating to equal employment opportunity in connection with federally funded programs;
- the requirements of Section 3 of the Housing and Urban Development Act of 1968 relating to the training and employment of individuals and contracting for business opportunities in metropolitan areas in which federally funded programs are being operated; and
- the requirements of Executive Order 11625, 12432 and 12138 to implement Minority Business Enterprises (MBE) and Women's Business Enterprise (WBE) participation goals in Federal Agencies Programs.

21. CONFLICTS OF INTEREST

If a conflict of interest arises related to the work contemplated herein, then the Attorneys must immediately disclose such conflict to GHA. Such disclosure shall include written notification to GHA (whether or not the Attorneys determine there is any actual or legal conflict of interest) if the Attorneys have previously represented any party with which GHA is negotiating (or reasonably contemplating entering into negotiations with) pertaining to any matter in which the Attorneys are or contemplating representing GHA. In the event that the Attorneys have previously represented a party with whom GHA is negotiating or contemplating entering into negotiations on any matter, then GHA shall, in its sole discretion, determine whether the Attorneys will be authorized and engaged by GHA to represent GHA in said matter or whether alternative legal representation will be selected by GHA. Additionally, if a conflict of interest arises and GHA elects to have the Attorneys continue to represent GHA, then the Attorneys must be willing to continue to represent GHA and to inform other existing or potential clients that they must find representation elsewhere in particular situations. The GHA will reserve the right, in its sole discretion, to select another attorney or law firm to represent GHA in a particular matter if a conflict or potential conflict is not resolved to the satisfaction of GHA. Conflicts may arise not only from attorneys named in the Contract but also from representation of parties to transactions involving the GHA by any other member of the firm, regardless of whether that attorney is in the same office or a branch office.

***** SIGNATURE PAGE FOLLOWS *****

Effective as of the date first written in this Agreement.

**HOUSING AUTHORITY OF THE CITY OF
GALVESTON, TEXAS**



Mona Purgason
Interim Executive Director

COATS ROSE YALE RYMAN & LEE, PC

Antoinette M. Jackson
Director