

April 22, 2014

Fulbright & Jaworski LLP
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United States

Honorable Nelda Martinez
Mayor
City of Corpus Christi, Texas
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Corpus Christi, Texas 78401

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Re: Engagement to Provide Bond Counsel Services to the City of Corpus Christi, Texas (the *City*) in Connection with the City's Request for Qualifications to Provide Bond Counsel Services (File No. BI-0076-14), dated November 15, 2013 (the *Request*)

Dear Mayor Martinez:

This letter is prepared in response to the City's selection of Fulbright & Jaworski LLP (the *Firm*) to serve as its Bond Counsel, pursuant to the process represented by the Request. As provided herein, this letter incorporates by reference the Request, as well as the Firm's response to the Request, dated December 18, 2013 (the *Response*). The Request and the Response are attached hereto as Exhibits A and B, respectively.

This letter confirms that we will represent the City as its Bond Counsel (the *Representation*), in the manner described in the Request [and which includes rendering bond counsel services to the City in connection with the issuance of any debt instrument or certain other obligations (the *Obligations*) by the City or any non-profit corporation created by the City (subject to approval by any such non-profit corporation, to the extent that such approval is required), as well as any third party debt issuance whose repayment obligations the City has agreed to provide by contract all or a part thereof, and other matters incidental or related to the administration of the City's debt portfolio (such representations, collectively, the *Matter*)]. It is our understanding that this engagement is for a five year initial term, with an option to extend this term to be exercised at the sole discretion of the City. This letter shall set forth our agreement with respect to the terms of the Representation. Our acceptance of the Representation becomes effective upon the execution and return of the enclosed copy of this letter.

As Bond Counsel to the City, we will represent the City's interests in regard to the Matter. Although we will endeavor to achieve satisfactory Matter results, it is understood that we make no promises or guarantees concerning the outcome of any particular transaction and cannot do so. Our representation of the City as its Bond Counsel will include provision of the services necessary to accomplish the "Scope of Work" specified in the Request. Assuming that the City can make certain representations, we will render our Firm's standard bond counsel (or "market") opinion concerning the validity and enforceability of a series of obligations issued by the City (or on its behalf by a non-profit, City-sponsored corporation) and, to the extent necessary, the exemption of interest for federal income tax purposes to the holders of such obligations.

Terms of Engagement

This letter sets out the terms of our engagement in the Representation. Certain of those terms are included in the body of this letter, and additional terms are contained in the attached document, entitled *Additional Terms of Engagement*. That document is expressly incorporated into this letter, and it should be read carefully. The execution and return of the enclosed copy of this letter constitutes an unqualified agreement to all the terms set forth in this letter and in the attached *Additional Terms of Engagement*.

It is understood and agreed that our engagement is limited to the Representation. We are not being retained as general counsel, and our acceptance of this engagement does not imply any undertaking to provide legal services other than those set forth in this letter.

Our Personnel Who Will Be Working on the Matter

As provided in the Response, I, Clay Binford, will serve as the Firm's primary contact with the City for the Matter. Other Firm personnel, including Firm lawyers and paralegals (being, primarily, those persons identified in the Response) will participate in the Representation if, in my judgment, their participation is necessary or appropriate. City personnel may call, write, or e-mail me whenever there are any questions about the Representation.

Our Legal Fees and Other Charges

In connection with the issuance of Obligations, our fee will be based upon the scale attached hereto as Exhibit C and incorporated by reference for all purposes (the *Scale*), plus reimbursement for reasonable expenses as described below. Our fees and expenses are payable out of proceeds from the sale of the Obligations, and are contingent upon the sale of the Obligations. There will be no additional fees for time spent and resources allocated to (i) responding to or participating in pre-financing inquiries and discussions concerning transaction structure, pricing, or related matters; (ii) post-issuance compliance questions posed by the representatives of the City concerning any Obligations and necessary action in response thereto; or (iii) other routine discussions with, and services rendered in response to questions posed by, City representatives that are usual and customary in a comprehensive bond counsel relationship or that relate to the expenditure of public funds (being, in general, the "Scope of Work" identified in the Response).

For any work that (i) is beyond the "Scope of Work" identified in the Response, (ii) requires our Firm to represent the City in front of any court, tribunal, or regulatory or legislative body (excluding the Texas Attorney General's Office in connection with a routine review and approval of any series of Obligations, the Texas Water Development in connection with its purchase of a series of Obligations, or the Internal Revenue Service in connection with an initial response to a routine (and not targeted) examination request concerning a series of Obligations), or (iii) is related to novel financings (meaning financings that, to our knowledge, have not been successfully completed in the State of Texas by a political subdivision) undertaken at the specific request of the City, our fees are based on the time spent by the attorneys and the paralegal personnel who work on the Matter, subject to and in accordance with the provisions of

Exhibit D hereto. The Firm shall undertake no activities that will result in additional billing outside of the amounts prescribed by the Scale without the prior written direction (which may be in an electronic format) of the City's Director of Financial Services and the City Attorney.

In addition to our fees for rendering professional services, our statement will include other charges for expenses and services incurred incident to the performance of our legal services, such as delivery charges, travel expenses, Texas Attorney General's filing fee, transcript preparation costs, overtime for secretaries and other non-legal staff, specialized computer applications such as computerized legal research and filing fees. A copy of the Firm's current recharge schedule, which is subject to change from time to time, is attached hereto as Exhibit E.

It is not our policy to make any profit on any of these other expenses and services. Our invoices will reflect the cost to us of the products and services. In some situations, the actual cost of providing the product or service is difficult to establish, in which case we will use our professional judgment on the charges to be made. In some situations, we can arrange for ancillary services to be provided by third parties with direct billing to the City.

Representation of Others; Conflicts of Interest

Before accepting the Representation, we have undertaken reasonable and customary efforts to determine whether there are any potential conflicts of interest that would bar our Firm from representing the City in the Matter. Based on the information available to us, we are not aware of any potential disqualification, except as disclosed in the Response. We reviewed that issue in accordance with the rules of professional responsibility adopted in Texas. We believe that those rules, rather than the rules of any other jurisdiction, are applicable to the Representation; and the execution and return of the enclosed copy of this letter by the City represents an express agreement to the applicability of those rules.

You understand that we represent many investment banking firms, commercial banks, and other parties to public finance transactions from time to time in connection with other issues, including the City's financial advisors and potential underwriters for your securities, and you do not object to our continued representation (in connection with other issues) of any such firm with respect to which you choose to do business in connection with issuance of the Obligations, since doing so is how we are able to gain the experience we need to complete the Matter in an effective and efficient manner.

If a controversy arises between you and any other client of our Firm, we, after taking into account the rules of professional ethics applicable to us, may decline to represent either you or such other client or both you and such other client

Conclusion

This letter and the attached *Additional Terms of Engagement* constitute the entire terms of the engagement of the Firm in the Representation. These written terms of engagement are not subject to any oral agreements or understandings, and they can be modified only by further written agreement signed both by the City and the Firm. Unless expressly stated in these terms of engagement, no obligation or undertaking shall be implied on the part of either the City or the Firm.

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NORTON ROSE FULBRIGHT

Please carefully review this letter and the attached *Additional Terms of Engagement*. If there are any questions about these terms of engagement, or if these terms are inaccurate in any way, please let me know immediately. If both documents are acceptable, please sign and return the enclosed copy of this letter so that we may commence the Representation.

Very truly yours



Clay Binford

CSB
Attachment

City of Corpus Christi, Texas Agrees to and Accepts this Letter and the Attached Terms of Engagement:

CITY OF CORPUS CHRISTI, TEXAS

By: _____

Title: _____

Date: _____

FULBRIGHT & JAWORSKI LLP

Additional Terms of Engagement

This is a supplement to our attached engagement letter. The purpose of this document is to set out additional terms of our agreement to provide the Representation described in our engagement letter concerning the Matter. Because these additional terms of engagement are a part of our agreement to provide legal services, the City should review them carefully and should promptly communicate to us any questions concerning this document. We suggest that the City retain this statement of additional terms along with our engagement letter and any related documents.

The Scope of the Representation

We will perform all usual and necessary legal services as Bond Counsel. Specifically, we will prepare and direct legal proceedings and perform other necessary legal services with reference to the issuance of Obligations, including, but not limited to, the following:

1. Prepare all instruments pursuant to which the Obligations will be authorized, issued, secured, sold, and delivered in consultation with the City's staff, the City Council, and other officials and consultants of the City.
2. Attend meetings of the City Council and meetings with the City staff to the extent required or requested.
3. Cooperate with the City and its consultants in the preparation of official statements, or other securities laws disclosure documents, if any, including review of the information therein describing the Obligations, the security therefor, and the federal income tax status thereof, if applicable.
4. Attend meetings with prospective bond purchasers, and meetings with any rating agencies or credit enhancers to the extent requested or required.
5. Supervise the printing, execution, and delivery of the Obligations to the purchasers.
6. When so desired, render an opinion covering the validity of the Obligations under Texas law, the defeasance of refunded obligations, if any and as required, and tax exempt status of the interest on the Obligations under federal income tax laws.
7. As requested by the City, provide follow-up advice concerning subjects including, without limitation, such as arbitrage and rebate matters and the application of Obligation proceeds.

As lawyers, we undertake to provide representation and advice on the legal matters for which we are engaged. It is important for our clients to have a clear understanding of the legal services that we have agreed to provide. Thus, if there are any questions about the scope of the Representation that we are to provide in the Matter, please raise those questions promptly, so that we may resolve them at the outset of the Representation.

Any expressions on our part concerning the outcome of the Representation, or any other legal matters, are based on our professional judgment and are not guarantees. Such expressions, even when described as opinions, are necessarily limited by our knowledge of the facts and are based on our views of the state of the law at the time they are expressed.

Upon accepting this engagement on the City's behalf, the Firm agrees to do the following: (1) provide legal counsel in accordance with these terms of engagement and the related engagement letter, and in reliance upon information and guidance provided by the City; and (2) keep the City reasonably informed about the status and progress of the Representation.

To enable us to provide effective representation, the City agrees to do the following: (1) disclose to us, fully and accurately and on a timely basis, all facts and documents that are or might be material or that we may request, (2) keep us apprised on a timely basis of all developments relating to the Representation that are or might be material, (3) attend meetings, conferences, and other proceedings when it is reasonable to do so, and (4) otherwise cooperate fully with us.

Our Firm has been engaged to provide legal services in connection with the Representation in the Matter, as specifically defined in our engagement letter. After completion of the Representation, changes may occur in the applicable laws or regulations that could affect the City's future rights and liabilities in regard to the Matter. Unless we are actually engaged after the completion of the Representation to provide additional advice on such issues, the Firm has no continuing obligation to give advice with respect to any future legal developments that may pertain to the Matter.

It is our policy and the City's agreement that the person or entity that we represent is the one identified in our engagement letter, and that our attorney-client relationship does not include any related persons or entities. For example, if a corporation, partnership, or other organization is identified as our client in our engagement letter referenced above, we do not represent any related parent companies, subsidiaries, affiliates, employees, officers, directors, shareholders, partners, members, commonly owned corporations or partnerships, or other such persons, entities, or affiliates, whether becoming such by virtue of merger, dissolution, acquisition, or any other means. Accordingly, it is understood that we may represent another client with interests adverse to any such affiliated or related person or entity without first obtaining consent from the City.

It is further agreed that the attorney-client relationship terminates upon our completion of the services for which we have been retained in the Representation.

Who Will Provide the Legal Services

As our engagement letter confirms, the Firm will represent the City in the Matter. The Firm is a registered limited liability partnership under Chapter 152 of the Texas Business Organizations Code.

Although our Firm will be providing legal services, each client of the Firm customarily has a relationship principally with one attorney, or perhaps a few attorneys. At the same time, however, the work required in the Representation, or parts of it, may be performed by other Firm personnel, including lawyers and paralegals. Such delegation may be for the purpose of involving other Firm personnel with experience in a given area or for the purpose of providing services on an efficient and timely basis.

Communications and Confidentiality

We have available Internet communication procedures that allow our attorneys to use e-mail for client communications in many instances. Accordingly, unless the City specifically directs us otherwise, we may use unencrypted e-mail sent on the Internet to communicate with the City and to send documents we have prepared or reviewed.

We recognize our obligation to preserve the confidentiality of attorney-client communications as well as client confidences, as required by the governing rules of professional responsibility. If the Matter involves transactions, litigation or administrative proceedings or like proceedings in which our Firm appears as counsel of record for the City in publicly available records, we reserve the right to inform others of the fact of our representation of the City in the Matter and (if likewise reflected of record in publicly available records) the results obtained, unless the City specifically directs otherwise.

Fulbright & Jaworski LLP, Norton Rose Fulbright LLP, Norton Rose Fulbright Australia, Norton Rose Fulbright Canada LLP and Norton Rose Fulbright South Africa (incorporated as Deneys Reitz Inc.), each of which is a separate legal entity, are member firms in Norton Rose Fulbright Verein, a Swiss verein organization that does not itself provide legal services to anyone. Fulbright & Jaworski LLP and the other member firms in the verein share non-privileged information about our respective clients for research, practice management, training and administrative purposes as a means of enhancing the quality and breadth of the services we are able to provide our clients; and, unless you direct us otherwise, we will share non-privileged information about you with those other member firms. Confidentiality agreements among the firms are in place to ensure maintenance of confidentiality with respect to such shared information.

Disclaimer

The Firm has made no promises or guarantees to the City about the outcome of the Representation or the Matter, and nothing in these terms of engagement shall be construed as such a promise or guarantee.

Termination

Our representation may be terminated prior to the conclusion of the Matter by either of us by written notice to the other party.

We are subject to the codes or rules of professional responsibility for the jurisdictions in which we practice. There are several types of conduct or circumstances that could result in our withdrawing from representing a client, including, for example, the following: non-payment of fees or charges; misrepresentation or failure to disclose material facts; fraudulent or criminal conduct; action contrary to our advice; and conflict of interest with another client. The right of the Firm to withdraw in such circumstances is in addition to any rights created by statute or recognized by the governing rules of professional conduct. Further, a failure by the City to meet any obligations under these terms of engagement shall entitle us to terminate the Representation. We try to identify in advance and discuss with our clients any situation that may lead to our withdrawal.

Termination of the Representation will not affect the City's obligation to pay for legal services rendered and expenses and charges incurred before termination, as well as additional services and charges incurred in connection with an orderly transition of the Matter. Further, in the event of termination of the Representation, the City will take all steps necessary to release the Firm of any further obligations in the Representation or the Matter, including without limitation the execution of any documents necessary to effectuate our withdrawal from the Representation or the Matter.

Document Retention

At the close of any Matter, we send our files in that matter to a storage facility for storage at our expense. The attorney closing the file determines how long we will maintain the files in storage. After that time, we will destroy the documents in the stored files.

At the conclusion of the Representation, we return to the client any documents that are specifically requested to be returned. As to any documents so returned, we may elect to keep a copy of the documents in our stored files.

Standards of Professionalism and Attorney Complaint Information

Pursuant to rules promulgated by the Texas Supreme Court and the State Bar of Texas, we are to advise our clients of the contents of the Texas Lawyer's Creed, a copy of which is attached. In addition, we are to advise clients that the State Bar of Texas investigates and prosecutes complaints of professional misconduct against attorneys licensed in Texas. A brochure entitled *Attorney Complaint Information* is available at all of our Texas offices and is likewise available upon request. A client that has any questions about State Bar's disciplinary process should call the Office of the General Counsel of the State Bar of Texas at 1-800-932-1900 toll free.

THE TEXAS LAWYER'S CREED — A MANDATE FOR PROFESSIONALISM

The Texas Supreme Court and the Texas Court of Criminal Appeals adopted this Creed, with the requirement that lawyers advise their clients of its contents when undertaking representation.

I am a lawyer; I am entrusted by the People of Texas to preserve and improve our legal system. I am licensed by the Supreme Court of Texas. I must therefore abide by the Texas Disciplinary Rules of Professional Conduct, but I know that Professionalism requires more than merely avoiding the violation of laws and rules. I am committed to this Creed for no other reason than it is right.

I. OUR LEGAL SYSTEM. A lawyer owes to the administration of justice personal dignity, integrity, and independence. A lawyer should always adhere to the highest principles of professionalism. I am passionately proud of my profession. Therefore, "My word is my bond." I am responsible to assure that all persons have access to competent representation regardless of wealth or position in life. I commit myself to an adequate and effective pro bono program. I am obligated to educate my clients, the public, and other lawyers regarding the spirit and letter of this Creed. I will always be conscious of my duty to the judicial system.

II. LAWYER TO CLIENT. A lawyer owes to a client allegiance, learning, skill, and industry. A lawyer shall employ all appropriate means to protect and advance the client's legitimate rights, claims, and objectives. A lawyer shall not be deterred by any real or imagined fear of judicial disfavor or public unpopularity, nor be influenced by mere self-interest. I will advise my client of the contents of this Creed when undertaking representation. I will endeavor to achieve my client's lawful objectives in legal transactions and in litigation as quickly and economically as possible. I will be loyal and committed to my client's lawful objectives, but I will not permit that loyalty and commitment to interfere with my duty to provide objective and independent advice. I will advise my client that civility and courtesy are expected and are not a sign of weakness. I will advise my client of proper and expected behavior. I will treat adverse parties and witnesses with fairness and due consideration. A client has no right to demand that I abuse anyone or indulge in any offensive conduct. I will advise my client that we will not pursue conduct which is intended primarily to harass or drain the financial resources of the opposing party. I will advise my client that we will not pursue tactics which are intended primarily for delay. I will advise my client that we will not pursue any course of action which is without merit. I will advise my client that I reserve the right to determine whether to grant accommodations to opposing counsel in all matters that do not adversely affect my client's lawful objectives. A client has no right to instruct me to refuse reasonable requests made by other counsel. I will advise my client regarding the availability of mediation, arbitration, and other alternative methods of resolving and settling disputes.

III. LAWYER TO LAWYER. A lawyer owes to opposing counsel, in the conduct of legal transactions and the pursuit of litigation, courtesy, candor, cooperation, and scrupulous observance of all agreements and mutual understandings. Ill feelings between clients shall not influence a lawyer's conduct, attitude, or demeanor toward opposing counsel. A lawyer shall not engage in unprofessional conduct in retaliation against other unprofessional conduct. I will be courteous, civil, and prompt in oral and written communications. I will not quarrel over matters of form or style, but I will concentrate on matters of substance. I will identify for other counsel or parties all changes I have made in documents submitted for review. I will attempt to prepare documents which correctly reflect the agreement of the parties. I will not include provisions which have not been agreed upon or omit provisions which are necessary to reflect the agreement of the parties. I will notify opposing counsel, and, if appropriate, the Court or other persons, as soon as practicable

when hearings, depositions, meetings, conferences or closings are canceled. I will agree to reasonable requests for extensions of time and for waiver of procedural formalities, provided legitimate objectives of my client will not be adversely affected. I will not serve motions or pleadings in any manner that unfairly limits another party's opportunity to respond. I will attempt to resolve by agreement my objections to matters contained in pleadings and discovery requests and responses. I can disagree without being disagreeable. I recognize that effective representation does not require antagonistic or obnoxious behavior. I will neither encourage nor knowingly permit my client or anyone under my control to do anything which would be unethical or improper if done by me. I will not, without good cause, attribute bad motives or unethical conduct to opposing counsel nor bring the profession into disrepute by unfounded accusations of impropriety. I will avoid disparaging personal remarks or acrimony towards opposing counsel, parties and witnesses. I will not be influenced by any ill feeling between clients. I will abstain from any allusion to personal peculiarities or idiosyncrasies of opposing counsel. I will not take advantage, by causing any default or dismissal to be rendered, when I know the identity of an opposing counsel, without first inquiring about that counsel's intention to proceed. I will promptly submit orders to the Court. I will deliver copies to opposing counsel before or contemporaneously with submission to the court. I will promptly approve the form of orders which accurately reflect the substance of the rulings of the Court. I will not attempt to gain an unfair advantage by sending the Court or its staff correspondence or copies of correspondence. I will not arbitrarily schedule a deposition, Court appearance, or hearing until a good faith effort has been made to schedule it by agreement. I will readily stipulate to undisputed facts in order to avoid needless costs or inconvenience for any party. I will refrain from excessive and abusive discovery. I will comply with all reasonable discovery requests. I will not resist discovery requests which are not objectionable. I will not make objections nor give instructions to a witness for the purpose of delaying or obstructing the discovery process. I will encourage witnesses to respond to all deposition questions which are reasonably understandable. I will neither encourage nor permit my witness to quibble about words where their meaning is reasonably clear. I will not seek Court intervention to obtain discovery which is clearly improper and not discoverable. I will not seek sanctions or disqualification unless it is necessary for protection of my client's lawful objectives or is fully justified by the circumstances.

IV. LAWYER AND JUDGE. Lawyers and judges owe each other respect, diligence, candor, punctuality, and protection against unjust and improper criticism and attack. Lawyers and judges are equally responsible to protect the dignity and independence of the Court and the profession. I will always recognize that the position of judge is the symbol of both the judicial system and administration of justice. I will refrain from conduct that degrades this symbol. I will conduct myself in court in a professional manner and demonstrate my respect for the Court and the law. I will treat counsel, opposing parties, the Court, and members of the Court staff with courtesy and civility. I will be punctual. I will not engage in any conduct which offends the dignity and decorum of proceedings. I will not knowingly misrepresent, mischaracterize, misquote or miscite facts or authorities to gain an advantage. I will respect the rulings of the Court. I will give the issues in controversy deliberate, impartial and studied analysis and consideration. I will be considerate of the time constraints and pressures imposed upon the Court, Court staff and counsel in efforts to administer justice and resolve disputes.

EXHIBIT A

City's Request for Qualifications to Provide Bond Counsel Services (File No. BI-0076-14)

EXHIBIT C

Bond Counsel Fee Scale*

Principal Amount of Obligations (per \$1,000 denomination)	Obligations*
\$0 - \$10,000,000	\$1.2500
\$10,000,001-\$25,000,000	\$1.1250
\$25,000,001 - \$50,000,000	\$0.8750
\$50,000,001 - \$100,000,000	\$0.7500
\$100,000,001 - \$200,000,000	\$0.6250
Over \$200,000,000	\$0.5000

*This scale will be increased by 20% for the issuance of any refunding Obligations and provides for a minimum fee of \$15,000 for the issuance of any Obligations.

*In addition, the City will authorize an amount not to exceed \$5,000 to our Firm for additional federal income tax expertise relating to the Obligations, based upon our Firm's hourly billing rates.

*Variable Rate Obligations (without third-party liquidity) will be billed at our standard fee scale, plus \$25,000; remarketings of outstanding variable rate Obligations to new variable rate term periods or fixed rate conversions will be billed at 50% of our standard fee schedule (plus \$5,000 for additional federal income tax expertise in the event that any such remarketing or conversion results in a reissuance of Obligations under federal tax law).

*To the extent that our Firm is responsible for preparing the offering documents relating to the issuance or remarketing of any Obligations, an additional fee of \$7,500 will be charged.

*This fee scale is not applicable if the Obligations are issued in a variable rate mode (except as described above), are further secured with a liquidity facility, and/or involve the utilization of any derivative products, are issued by a non-profit corporation created by the City, or are issued in connection with an economic development financing, including a TIRZ or other similar financing.

*This fee schedule is applicable to the following types of Obligations: general obligation bonds, certificates of obligation, tax notes, revenue bonds, and other similar indebtedness.

EXHIBIT D

Hourly Fee Schedule

This schedule relates to matters that are unrelated to or are not anticipated to result in the issuance of a series of Obligations. Generally, our hourly billing rates for domestic offices range from \$390 to \$700 for partners, from \$310 to \$485 for senior associates, from \$350 to \$580 for senior counsel; from \$175 to \$525 for counsel; from \$185 to \$350 for associates; from \$150 to \$350 for patent agents; from \$390 to \$700 for of counsel; from \$90 to \$250 for paralegals; and \$155 to \$255 for senior paralegals. Work performed by paralegals will be charged at rates ranging from \$140 to \$215 an hour. Billing rates for both attorneys and paralegal personnel are reviewed annually and generally are revised at the beginning of each year to reflect an attorney's and paralegal's increased experience level. The foregoing hourly billing rate schedule was included in our Firm's Price Submittal, dated as of December 18, 2013, delivered to the City in response to the Request.

Our Firm will charge for all time spent in representing your interests, including, by way of illustration, telephone and office conferences with you and your representatives, opposing counsel, and others; conferences among our attorneys and paralegal personnel; factual investigation, if needed; legal research; responding to your requests for us to provide information to you or your auditors; contract review and negotiation; drafting letters and other documents and travel, if needed.

With respect to fees and charges billed on an hourly basis, and unless an alternative fee arrangement is agreed to at the time of authorization by the City Attorney and the City's Director of Financial Services of a Matter subject to billing outside of the Scale, the Firm will not immediately submit an invoice (nor will such amounts immediately become due for payment); however, our Firm will provide to the City Attorney's office, on a quarterly basis, a statement indicating the amount of accrued time for services rendered and at such time unpaid. At the time of the City's next occurring issuance of a series of Obligations, the City shall, with respect to those outstanding fees and charges having a sufficient nexus to such series of Obligations to allow payment thereof as an authorized use of the proceeds of those Obligation (such sufficient nexus to be determined by mutual agreement of our Firm and the City Attorney), include a line item, in addition to the regular Bond Counsel fee owed by application of the Scale attached hereto as Exhibit C to such series of Obligations, for payment of those fees and charges. Our Firm will then, at such time, separately bill the City for any remaining fees and charges, to be paid by the City from other lawfully available funds.

As an accommodation to the City, and for the term of the Representation, our Firm will, with respect to each novel financing (if any) of the type described in the engagement letter, provide to the City a credit equal to \$5,000 to be applied against these hourly charges prior to their payment from lawfully available City funds (including the proceeds of any series of Obligations).

EXHIBIT E

FULBRIGHT & JAWORSKI LLP
(San Antonio)

Expenses and Services Summary

<i>EXPENSE/SERVICE</i>	<i>CHARGE</i>
Binding	N/A (Pricing varies in other office locations)
Data Base Research Lexis, Westlaw, Information America	Costs allocated by the Firm
Deliveries	
Overnight/Express	Direct Cost
Outside Courier	Direct Cost
In-House	N/A
Courthouse Messengers	(Pricing varies in other office locations) \$40.00/Hour plus Transportation (Pricing varies in other office locations)
Duplicating	
Photocopy	\$0.15 per page
Color photocopy	\$0.85 per page
Microfilm/Microfiche	\$0.50 per page
Videography (duplication)	\$5.00/tape plus \$20.00/duplication
Electronic Mail (via Internet)	No Charge
Library Research by Library Staff	\$130.00 per hour
Weekend & Late Evening Air Conditioning	N/A (Pricing varies in other office locations)
Postage	Direct Cost on any item or group of items which cost \$1.00 or more
Secretarial Overtime	\$28.00 per hour (Pricing varies in other office locations)
Telephone	
Long Distance (Domestic)	\$0.30 per minute
Long Distance (International)	80% of direct dial rate
File Storage Retrieval	N/A (Pricing varies in other office locations)

EXPENSE/SERVICE**CHARGE****Transportation**

Mileage (personal automobile)

Applicable IRS allowable rate per mile

Lodging

Direct Cost

Meals

Direct Cost

Car Rental/Airline/Rail/Etc.

Direct Cost

CD-ROM Research

\$30.00 - \$50.00 per Search

(rate varies based on length of search)

Graphic Arts

\$150.00 - \$175.00 per hour, plus direct cost of supplies

Practice Support

\$200.00 per gigabyte per month

E-Discovery

Direct Cost

Firm hosting of on-site document review performed by outside contract attorneys

\$10.00 per hour