



**THE CROSSROADS GROUP**  
Labor Relations Consultants

Michael D. Penn, Partner  
818.999.5632  
mpenn@tcgconsultants.com

Steven A. Beyer, Partner  
949.248.0884  
sbeyer@tcgconsultants.com

**Personal & Confidential**

May 2, 2019

Mr. Don Ballard, General Counsel  
Pedernales Electric Cooperative Inc.  
PO Box 1  
Johnson City, TX 78636

Re: Agreement for Professional Services

Mr. Ballard,

In accordance with our conversation and mutual agreements, this letter will confirm that Pedernales Electric Cooperative Inc. ("Client") has retained The Crossroads Group Labor Relations Consultants ("Consultant") regarding general personnel and labor relations activities at the Client's sites in Texas commencing on or about May 6, 2019. This agreement may be terminated at any time by either Client or Consultant and may be extended by mutual agreement between the parties.

Our fees are charged on an hourly basis in minimum units of a quarter of an hour for all time actually expended on your behalf. Our services will be billed at the discounted rate of \$400.00 per hour, due to our past business relationship. Clients are billed at the hourly rate for all time expended on their behalf, including all windshield time between Client's various facilities, plus travel time at \$200 per hour and reasonable and customary out-of-pocket expenses including automobile rental, fuel, lodging, meals, airline tickets, taxi cabs or ride share, parking, and mileage (no entertainment or alcoholic beverages are reimbursable). There shall be an eight-hour daily minimum for services performed by each Consultant; however, if Consultant performs services on a travel day, only actual hours worked that day will be billed in addition to the aforementioned travel time.

We agree to send you statements clearly showing the basis for our fees and charges by detailing the services rendered and costs incurred on a weekly basis. All fees and expenses not previously paid are due and payable in full within thirty (30) days of Client's receipt of each statement. Client understands that if payment is not made in full within thirty (30) days of the statement date, Client's account shall be considered past due and an interest charge may be added to the outstanding balance in an amount equal to one and one-half percent (1.5%) per month.

Consultant is retained to provide independent and objective professional judgment and recommendations; accordingly, a difference of opinion on a question of professional judgment shall



Pedernales Electric Cooperative Inc.

May 2, 2019

Page 2

not excuse the Client from fees and costs incurred in the collection of any outstanding accounts receivable.

Our firm has always operated on the basis that we will deliver the best possible services in a timely fashion and at a reasonable price. In return, we request that upon receipt of our statements, you review the statement to determine if you have any questions or comments regarding them. If so, please call me directly. Furthermore, we reserve the right to withdraw as your Consultant if you fail to pay our statements and other bills in a timely manner.

If Consultant is requested by Client, or if as a consequence of an assignment Consultant is required by judicial or administrative process to participate, appear, or testify in anticipation of, or during legal or dispute resolution proceedings of any kind during the period Consultant is providing services or thereafter, Consultant will reasonably comply with any such request or requirement based on advice of legal counsel. In the event that Consultant does so participate in any manner, Client shall pay to Consultant all professional fees and other fees of Consultant in effect as well as the cost and expenses, including attorneys' fees, incurred in anticipation and resulting from such proceedings. These fees and expenses are in addition to any fees paid or owed for services performed or to be performed.

Any controversy or claim arising out of or relating to this Agreement, its validity, or the breach thereof, shall be settled by binding arbitration in accordance with the Commercial Arbitration Rules of the American Arbitration Association (AAA). A single neutral arbitrator shall be appointed in accordance with the AAA Rules to resolve the dispute.

The arbitrator shall be an attorney who is knowledgeable in business and labor laws, and who is experienced in labor relations and union organizing activities involving employers. The arbitration hearing shall be held in Orange County, California. This contract shall be interpreted and governed by the laws of the State of California. The arbitrator shall award to the prevailing party all its costs and fees, including AAA filing and administrative fees and attorneys' fees.

Judgment upon the award rendered by the arbitrator may be entered in any court having jurisdiction thereof. Should any party refuse to arbitrate or file a court action regarding a claim, which is subject to arbitration under this Agreement, the other party shall be entitled to recover its costs and reasonable attorneys' fees in enforcing this arbitration agreement in court.

During the course of our representation, we will endeavor to keep you fully advised as to the status and progress of this matter, including our view of your rights and potential liabilities or exposure, and our recommendations as to an appropriate course of action in view of the facts, circumstances and issues involved.





Pedernales Electric Cooperative Inc.

May 2, 2019

Page 3

During the course of our representation, unless otherwise required by law, we will keep Confidential Information (as defined herein) strictly confidential and shall use Confidential Information solely for the purposes of this Agreement. Consultant and its employees shall not, during the time of rendering services to PEC or thereafter, disclose to anyone or use for the benefit of Consultant or for any entity other than PEC, any Confidential Information. Consultant shall disclose, transfer or otherwise make available the Confidential Information to only those employees and such consultants or subcontractors employed or retained by Consultant who have a need to know and who agree to be bound by the obligations set forth herein. "Confidential Information" includes, without limitation, financial, staffing and business plans and information, strategic information, prices, costs, procedures, safety protocols, or like information of, disclosed or otherwise supplied by PEC to Consultant whether marked as CONFIDENTIAL or to which Consultant becomes exposed to during and through the performance of services pursuant to this Agreement, or materials prepared by Consultant based on such items and includes any personal identifying information or sensitive personal information including information on customers of PEC or otherwise contains materials that, in either party's reasonable determination, are the subject of relevant privacy law, rule or regulation.

However, we must emphasize that our firm has not made, and cannot make any representations or guarantees regarding the successful outcome of any matter or the actual amount of any fees or costs you will incur. Often, the results in a matter and the costs and expenses are controlled by external factors beyond our control, including the factual circumstances, course of the project, logistics, etc.

We will send copies of all substantive correspondence and other documents generated during this project, and I ask that you call me at any time should you wish to discuss our invoices, or any other aspect of this matter.

If the terms and conditions of this letter are satisfactory to you, please evidence your consent to such terms and conditions by signing this letter and returning it to me by electronic mail.

This is a final agreement and this agreement supersedes any other oral or written representations by either Client or Consultant.

We very much appreciate the opportunity to work with you. We will provide you with our best professional efforts as we endeavor to help you achieve a successful outcome on this project.



Pedernales Electric Cooperative Inc.  
May 2, 2019  
Page 4

Respectfully,

*Michael Dana Penn*

Michael Dana Penn  
Partner

The foregoing fee agreement letter has been read and its terms are hereby agreed to and accepted this 2<sup>nd</sup> day of May, 2019.

Pedernales Electric Cooperative Inc.

By: *Don Ballard* Title: General Counsel  
Date: May 2, 2019