



CANTEY HANGER LLP

ATTORNEYS

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May 8, 2015

Via Email billm@johnsoncountvtx.org

Johnson County
c/o Bill Moore
Johnson County Attorney
204 South Buffalo Ave., Suite 410
Cleburne, Texas 76033

Ladies and Gentlemen:

Thank you for contacting us about working with Kirk Kirkpatrick and you in connection with an IRS audit in connection with whether or not vendors used by the County should be classified as employees.

In this engagement, we will only be representing Johnson County and not representing any other entity, person or party. If you, or others with an interest in this matter believe that other parties require counsel, we would be happy to discuss with you and them whether we might be able to represent them as well, but any such representation would need to be covered by a separate engagement agreement and would depend upon a review by us and disclosure to all concerned of any conflicts of interest that would arise in connection with any concurrent representation, and on appropriate consents being obtained from you and those seeking representation. Further, our services will not extend to any other business or legal affairs of the County.

We are mindful of our obligation to protect our clients' secrets and confidences. We take this duty very seriously and, except to the extent permitted or required by the Texas Rules of Professional Conduct, we will not disclose any confidential information of yours to any other client or person.

It is important that you understand your duties to preserve documents and information stored electronically that is or could be related or relevant to any claim or issue that might arise in connection with the IRS audit. Please immediately take all steps

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necessary to preserve this information and documents and to prevent the destruction or loss of those items.

In providing legal advice to the County, the firm and its lawyers may from time to time express opinions or beliefs regarding the likely effectiveness of various courses of action or about results that may be anticipated. You understand and agree that any such statements are opinions and beliefs only and are not promises or guarantees. We cannot, and do not, guarantee any particular outcome of this engagement.

Our fees are based on the amount of time we devote and spend on this engagement. Each attorney or legal assistant assigned to the engagement will have an hourly billing rate. These billing rates, which are based upon seniority, experience, and expertise, are subject to adjustment annually after the first of each year. The current billing rates of the attorneys whom we anticipate assigning to this engagement range from \$450 per hour for my time and for time spent by Kirk Manning.

In addition to our fee, the County will also be required to pay any of our costs or expenses necessary to carry out the engagement. Should it be necessary to use the services of an outside vendor, we may direct the vendor to bill you directly. We are under no obligation to advance costs for outside vendors.

We will submit bills to you on a monthly basis. Payment is due within 30 days of receipt of the bill. The obligation to pay our bills is not contingent upon any right the County may have for reimbursement, indemnification, insurance or the like. If you have any question regarding any bill, or any service or charge, you agree to notify us promptly in writing of any such question, and in any event, shall pay the portion of the bill that is not subject to a question or challenge.

Above all, our relationship with you must be based upon trust, confidence, and clear understanding. If you have any questions at any time about this engagement agreement, or any work that the firm or any attorney performs, please call Kirk Manning at 817-877-2863 or me at 817-877-2824. You may terminate this representation at any time, with or without cause. Subject to the application of Rule 1.15 of the Texas Rules of Professional Conduct, we also reserve the right to withdraw, if among other things, you fail to make timely payment of any invoice, fail to cooperate appropriately in connection with the engagement, or by reason of any fact or circumstances that in our view, renders continuing representation unlawful or unethical. In the event of termination by either of us, fees and costs for work performed prior to termination will still be payable to the extent permitted by law.

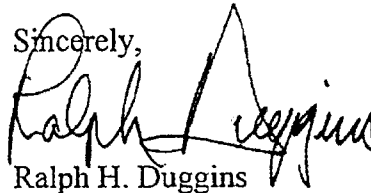
Bill Moore
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Although we think it is unlikely, it is possible a dispute may arise between us regarding some aspect of the engagement and our representation of you. In the event of any complaint by you with respect to any issue relating to or arising from this engagement you agree to meet with us to attempt a resolution through informal discussions. If informal efforts to resolve a dispute are unsuccessful, you agree that any controversy, claim or dispute that relates to or arises from this engagement, or any work performed or not performed by the Firm shall be resolved by a District Court in Tarrant County Texas **without a jury and by the presiding judge of the court.**

By signing below, you represent to us that you have had enough time to review this letter, that you understand it, and that you have either consulted another, independent lawyer about the provisions relating to the waiver of conflicts of interest and dispute resolution and any other portion of the engagement agreement that as to which you wish advice of counsel, or desire to waive your right to do so.


If the foregoing accurately reflects our agreement, please confirm that agreement by signing and returning a copy to me. Please do not hesitate to call me to discuss any questions you may have regarding this agreement.

Sincerely,



Ralph H. Duggins

On behalf of Johnson County, I hereby agree to accept the terms of this engagement agreement.



Bill Moore, County Attorney for Johnson County
ROGER HARMON, JUDGE

Dated: 5-14, 2015.