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October 28, 2013

The Honorable County Judge of Johnson County
and Members of the Commissioners Court of Johnson County
Johnson County Courthouse
2 N. Main Street
Cleburne, Texas 76031

Re: \$4,500,000 Johnson County, Texas Tax Note, Series 2013

Gentlemen:

The purpose of this engagement letter is to set forth certain matters concerning the services we will perform as bond counsel to Johnson County (the "Issuer") in connection with the issuance of the above-referenced tax Note (the "Note"). We understand that the Note is being issued for the purpose of paying costs associated with designing, planning and acquiring computer equipment and software for various departments of the Issuer, and paying certain professional fees related to such purposes and costs incurred in connection with the issuance of the Notes. The Note will be secured by a pledge of the receipts of an annual ad valorem tax levied to pay the Note, within the limit prescribed by law. We further understand that the Note will be sold by the Commissioners Court on the date of this letter (the "Sale Date") by limited offering to a financial institution (the "Purchaser") on the date hereof.

THE FINANCING

As Bond Counsel to the Issuer, we would like for the Court to understand how the issuance of the Note will be effected and the ramifications of the financing. I will briefly describe the procedures and certain applicable law that pertains to the issuance of the Note, below. However, you should feel free to call me at any time to discuss any questions that you or your staff may have.

- (1) The Note will be "ordered to be issued" when and if the Court approves the Note Order. The Note Order provides for the terms of the Note. Among the matters approved in the Note Order are: (i) the terms of the Note, including the principal amortization schedule and interest rates; (ii) the Issuer's commitment to levy its debt service tax each year in an amount sufficient to pay the debt service on the Note; (iii) the sale of the Note to the Purchaser; (iv) the approval of this engagement letter; (v) approval of a paying agent agreement with the financial institution, to whom the Issuer will make semiannual payments sufficient to pay the debt service on the Note; and (vi) certain other covenants of the Issuer that are designed to allow the Issuer to issue the Note as tax-exempt obligations and that require the Issuer to provide

certain financial information to the Purchaser. As you can see, the Note Order is an omnibus undertaking of the Issuer that is intended to provide for all actions and undertakings that are required for the issuance of the Note. There will be other certificates and letters that will be required to be executed by officers of the Issuer on the Sale Date, but they all spring from, and are authorized by, the Note Order.

- (2) You should know that the Note is a "security" under federal and state securities laws, and the Issuer is obligated by such laws to make full disclosure to the Purchaser of all material information relating to the Issuer, and in particular to the ability of the Issuer to observe its covenants and to pay the Note. Therefore, if there are any unusual financial or legal circumstances affecting the Issuer that would make the covenants, representations or statements made by the Issuer in the Note Order untrue, you should let the Purchaser or the undersigned know about them as soon as possible. Also, as a condition to the Purchaser's payment for the Note, the Purchaser will require this firm to deliver our Bond Counsel opinion to them, in which we will opine that the Note are valid obligations of the Issuer and that, assuming ongoing compliance by the Issuer with the provisions of the Note Order, the interest on the Note will be exempt from federal income taxation. The Purchaser will also require the delivery of an opinion of the Texas Attorney General approving the Note, as is required by State law.

SCOPE OF ENGAGEMENT

In this engagement, we have performed, or expect to perform, the following duties:

- (1) Subject to the completion of proceedings to our satisfaction, render our legal opinion (the "Bond Opinion") regarding the validity and binding effect of the Note, the source of payment and security for the Note, and the excludability of interest on the Note from gross income for federal income tax purposes.
- (2) Prepare and review documents necessary or appropriate to the authorization, issuance and delivery of the Note, coordinate the authorization and execution of such documents, and review enabling legislation.
- (3) Assist the Issuer in seeking from other governmental authorities such approvals, permissions and exemptions as we determine are necessary or appropriate in connection with the authorization, issuance and delivery of the Note, except that we will not be responsible for any required federal or state securities law filings. In this connection, we particularly undertake to assist the Issuer in having the Note approved by the Public Finance Division of the Office of the Texas Attorney General, and, following such approval, registered by the Texas Comptroller of Public Accounts.
- (4) Review legal issues relating to the structure of the Note issue.

- (5) If requested, assist the Issuer in presenting information to bond rating organizations and providers of credit enhancement relating to legal issues affecting the issuance of the Note.
- (6) Draft the investment letter pursuant to which the Note will be sold.

Our Bond Opinion will be delivered by us on the date the Note is exchanged for its purchase price (the "Closing"). The Issuer will be entitled to rely on our Bond Opinion.

The Bond Opinion will be based on facts and law existing as of its date. In rendering our Bond Opinion, we will rely upon the certified proceedings and other certifications of public officials and other persons furnished to us without undertaking to verify the same by independent investigation, and we will assume continuing compliance by the Issuer with applicable laws relating to the Note. During the course of this engagement, we will rely on you to provide us with complete and timely information on all developments pertaining to any aspect of the Note and its security. We understand that you will direct members of your staff and other employees of the Issuer to cooperate with us in this regard.

Our duties in this engagement are limited to those expressly set forth above. Unless we are separately engaged in writing to perform other services, our duties do not include any other services, including the following:

- (a) Assisting in the preparation or review of an official statement or any other disclosure document with respect to the Note, or performing an independent investigation to determine the accuracy, completeness or sufficiency of any such document or rendering advice that the official statement or other disclosure document does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements contained therein, in light of the circumstances under which they were made, not misleading.
- (b) Preparing requests for tax rulings from the Internal Revenue Service, or no action letters from the Securities and Exchange Commission.
- (c) Preparing state securities law memoranda or investment surveys with respect to the Note.
- (d) Drafting state constitutional or legislative amendments.
- (e) Pursuing test cases or other litigation.
- (f) Making an investigation or expressing any view as to the creditworthiness of the Issuer or the Note.
- (g) Except as described in paragraph (6) above, assisting in the preparation of, or opining on, a continuing disclosure undertaking pertaining to the Note or, after Closing,

providing advice concerning any actions necessary to assure compliance with any continuing disclosure undertaking.

- (h) Representing the Issuer in Internal Revenue Service examinations or inquiries, or Securities and Exchange Commission investigations.
- (i) After Closing, providing continuing advice to the Issuer or any other party concerning any actions necessary to assure that interest paid on the Note will continue to be excludable from gross income for federal income tax purposes (e.g., our engagement does not include rebate calculations for the Note).
- (j) Negotiating the terms of, or opining as to, any investment contract.
- (k) Addressing any other matter not specifically set forth above that is not required to render our Bond Opinion.

ATTORNEY-CLIENT RELATIONSHIP

Upon execution of this engagement letter, the Issuer will be our client and an attorney-client relationship will exist between us. We further assume that all other parties in this transaction understand that we represent only the Issuer in this transaction, we are not counsel to any other party, and we are not acting as an intermediary among the parties. Our services as bond counsel are limited to those contracted for in this letter; the Issuer's execution of this engagement letter will constitute an acknowledgment of those limitations. Our representation of the Issuer will not affect, however, our responsibility to render an objective Bond Opinion.

Our representation of the Issuer and the attorney-client relationship created by this engagement letter will be concluded upon issuance of the Note. Nevertheless, subsequent to Closing, we will mail the appropriate Internal Revenue Service Form 8038G, prepare and distribute to the participants in the transaction a transcript of the proceedings pertaining to the Note.

CONFLICTS

As you are aware, our firm represents many political subdivisions and investment banking firms, among others, who do business with political subdivisions. It is possible that during the time that we are representing the Issuer, one or more of our present or future clients will have transactions with the Issuer. It is also possible that we may be asked to represent, in an unrelated matter, one or more of the entities involved in the issuance of the Note. We do not believe such representation, if it occurs, will adversely affect our ability to represent you as provided in this letter, either because such matters will be sufficiently different from the issuance of the Note so as to make such representations not adverse to our representation of you, or because the potential for such adversity is remote or minor and outweighed by the consideration that it is unlikely that advice given to the other client will be relevant to any aspect of the issuance of the Note. Execution of this letter will

signify the Issuer's consent to our representation of others consistent with the circumstances described in this paragraph.

FEE

Based upon: (i) the terms, structure, size and schedule of the financing represented by the Note; (ii) the duties we will undertake pursuant to this engagement letter; (iii) the time we anticipate devoting to the financing; and (iv) the responsibilities we will assume in connection therewith, our fee will be \$6,000 for the first \$1,000,000 in net proceeds of the Bonds, plus \$1 per \$1,000 of net proceeds of the Bonds for all such amounts above \$1,000,000. Net proceeds include any net original issue premium, less the amount of the Purchaser's discount, if any, plus the principal amount of the Bonds (accrued interest, if any, is excluded from net proceeds). In addition, we will be reimbursed for all client charges made or incurred on your behalf, such as election translation costs, travel costs, photocopying, deliveries, long distance telephone charges, telecopier charges, computer-assisted research and other expenses. Our fee will be billed after the Closing. If the financing is not consummated, we understand and agree that we will not be paid.

RECORDS

At your request, papers and property furnished by you will be returned promptly upon receipt of payment for outstanding fees and client charges. Our own files, including lawyer work product, pertaining to the transaction will be retained by us. For various reasons, including the minimization of unnecessary storage expenses, we reserve the right to dispose of any documents or other materials retained by us after the termination of this engagement.

If the foregoing terms are acceptable to you, please so indicate by returning the enclosed copy of this engagement letter dated and signed by an authorized officer, retaining the original for your files. We look forward to working with you.

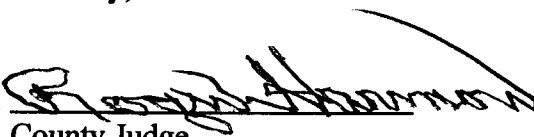
Respectfully yours,

McCall, Parkhurst & Horton L.L.P.

By 
Dan S. Culver

Accepted and Approved

Johnson County, Texas

By: 
Its: County Judge
Date: October 28, 2013