



September 13, 2012

The Honorable Dan A. Gattis  
Williamson County Judge  
Williamson County Courthouse  
710 Main Street, Suite 101  
Georgetown, Texas 78626

RE: ENGAGEMENT OF LEGAL SERVICES

Dear Judge Gattis:

This letter will confirm Williamson County's (the "County") engagement of this Firm to represent the County in connection with long-range water supply issues and associated regulatory matters (the "Matter"). We greatly appreciate this opportunity to be of service to the County and look forward to working with you and your colleagues on the Commissioners' Court on the Matter. The purpose of this letter is to set forth our agreement with respect to the terms of our engagement. If you engage our firm on additional legal matters, this engagement letter will apply to those matters as well, unless separate engagement letters are executed for such matters.

Scope of Engagement. As counsel for the County, we will represent its interests in regard to the Matter. While we will endeavor to achieve an outcome in the Matter that is acceptable to you, we can make no guarantees that a particular outcome will be achieved.

Cooperation. To enable us effectively to perform the services contemplated, it is essential that the County disclose fully and accurately all facts and keep us apprised of all developments related to the Matter. You have agreed to cooperate fully with us and to make your representatives available to attend meetings, conferences, hearings, and other proceedings.

Fees. Our fees are based on the time spent by the attorneys and the paralegal personnel who work on the Matter. We 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; drafting letters and other documents; and travel, if needed.

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Our hourly billing rates generally range from \$275 to \$450 for partners and from \$140 to \$250 for associates. Work performed by paralegals will be charged at rates ranging from \$95 to \$120 an hour. Billing rates for both attorneys and paralegals are reviewed periodically and generally are revised to reflect an attorney's and legal assistant's increased experience level. We have been privileged to represent the County in a number of matters over the last several years and propose that we continue to provide our services according to discounted rates that may be reviewed each calendar year. Accordingly, we propose the following discounted hourly rates for key personnel:

Craig Douglas, <i>Partner</i>	\$230
David Hartman, <i>Partner</i>	\$165
Lee Rigby, <i>Partner</i>	\$165
Ben Carrasco, <i>Associate</i>	\$150
Wilson Thannisch, <i>Associate</i>	\$150
Mary Stratmann, <i>Associate</i>	\$150

Other Charges. Our billing practices with respect to most internal office expenses are different from many law firms and hopefully will be viewed favorably by the County. We do not charge for in-house facsimile, long distance, postage, secretarial overtime, or other similar overhead items. It is our belief that our hourly fees should include and cover these types of expenses. We will charge for most in-house black and white copies at a rate of 20¢/page and color copies at 40¢/page, which roughly reflects our cost. We may from time to time adjust the copy rate as costs change. It is necessary, however, for us to pass along to you charges incurred from all outside vendors, such as, by way of example, but not limitation, court reporters, process servers, expert witnesses or consultants, copy services, overnight delivery charges, court costs, filing fees, electronic research, and travel costs. Unless special arrangements are otherwise made, fees and expenses of third parties are your responsibility and will be billed directly to the County. Further, usually all invoices in excess of \$250.00 will be forwarded to the County for direct payment.

Billing Cycle. Our billing rates are based on the assumption of prompt payment. Consequently, fees for our legal services and other charges will be billed monthly and are payable upon receipt.

Cost Estimates. From time to time at your request we may furnish estimates of legal fees and/or other charges that we anticipate will be incurred in connection with the Matter. Such estimates are by their nature inexact because of unforeseeable circumstances and, therefore, our actual fees and other charges billed may vary from such estimates.

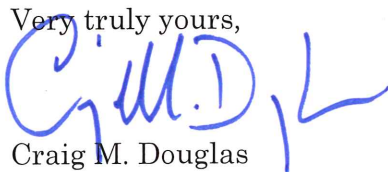
Conflicts. If a controversy arises between you and any other client of our firm, we, after taking into account the rules of professional ethics applicable to us, may decline to represent either you or such other client or both you and such other client.

Termination or Withdrawal. Our representation may be terminated prior to the conclusion of the Matter by either of us by written notice to the other party. We reserve the right to withdraw from our representation if, among other things, you fail to honor the terms of this engagement letter, including the timely payment of our fees, or fail to cooperate or follow our advice on a material matter, or if any fact or circumstance would, in our view, render our continuing representation unlawful, unethical or ineffective. No such termination or withdrawal, however, will relieve you of the obligation to pay the legal fees owed us for services performed and other charges owing to us to the date of termination or withdrawal.

Client Documents. We will maintain all documents you furnish us in our client files for this Matter. At the conclusion of this Matter (or earlier if appropriate), it is your obligation to advise us as to which, if any, of the documents in our files you wish us to return to you. We may keep copies thereof to the extent we believe advisable for our records. We will retain any remaining documents in our files for a certain period of time and ultimately destroy them in accordance with our record retention program schedule then in effect.

If the foregoing correctly reflects the terms and conditions of our representation, please so indicate by executing the enclosed copy of this letter in the space provided below and return it to me.

Please do not hesitate to call me if you have any questions. We are pleased to have this opportunity to be of service to the County and we look forward to working with you and your colleagues on the Commissioners' Court.

Very truly yours,  
  
Craig M. Douglas

Accepted and agreed to this \_\_\_\_ day of \_\_\_\_\_, 2012

WILLIAMSON COUNTY, TEXAS

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_