



REPRESENTING EMPLOYERS

CONNIE CORNELL
EDWARD M. "TED" SMITH
STEVEN MIERL
BETSY CHESTNEY
CANDACE NEWELL LAMBDIN

ENGAGEMENT LETTER

TO: Hon. Dan A. Gattis
Williamson County Judge
Williamson County Courthouse
710 Main St., Suite 101
Georgetown, Texas 78626

FROM: Steven Mierl

DATE: December 2, 2010

RE: Engagement of Legal Services re EMS matter

Thank you for employing Cornell Smith & Mierl, LLP (the "Firm") to represent Williamson County (the "Client") as legal counsel in connection with the following described matters. This letter sets forth our mutual understanding of such representation.

ENGAGEMENT

The Firm and the Client agree that the Firm is engaged to represent Client as legal counsel in connection with defending the pending lawsuit styled Civil Action No. 1:10-cv-869-LY; *Heather Clark, David Claxton & David M. Compton v. Williamson County*; In the United States District Court for the Western District of Texas, Austin Division (the "EMS matter"). In the event that the Client wishes to engage the Firm for another purpose, then we will confirm that purpose by letter sent to the Client and such engagement will also be governed by the terms of this letter.

The Client should expect high quality, responsive legal representation from the Firm. If the Client has any experience that does not meet its expectations, you agree that the Client will let us know immediately so that we can address the problem.

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We have been engaged solely to represent the Client. Our advice to the Client may involve matters that adversely affect the interests of such individuals, and our advice may conflict with the interests of such individuals. In all such instances, however, our sole client is the Client and the only duty we owe is to the Client.

Due to the nature of this engagement we have not required a retainer. In the event a retainer is required and mutually agreed upon by the parties, all billings, as described below shall be applied to the retainer funds, and accounted for monthly. In the event that the said retained is exhausted in the course of the representation, Client agrees to refund the account to its designated level. In the event there are funds remaining in the account at the termination of the representation, all unused funds shall be returned to the client within 30 days. All unearned funds in our retainer accounts are subject to the state's mandatory IOLTA program where interest earned, if any, is paid to the State Bar to fund indigent services in Texas.

DISCLAIMER OF GUARANTEE

As you know, it is impossible to predict the result or success of any engagement. Nothing in this agreement and nothing in any attorney's statement to the Client will be construed as a promise or guarantee about the outcome of any legal matter. The Firm makes no such promises or guarantees.

BILLING AND FEES

We are not able to predict with certainty the amount of effort that will be required to accomplish a specific task. It is not unusual for unexpected events to arise that materially affect the amount of legal work required.

Each attorney assigned to this matter will keep records of the time expended in this representation, including preparation and review of documents, correspondence, telephone and office conferences, legal research, and any other time which, in our professional judgment, must be spent in the performance of our representation. This occasionally may include conferences with various attorneys

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within the Firm who have background, knowledge and experience in certain aspects of this representation.

At the present time, we anticipate that Steven Mierl will provide the primary legal services covered by this letter. However, future circumstances may involve the services of other attorneys in the Firm. The hourly rates for these lawyers range from \$225.00 to \$275.00 per hour. The quoted rates are discounted from our current rates of \$275.00 to \$325.00 per hour. The rates will be periodically reviewed, generally on an annual basis, and are subject to adjustment with prior notice being provided to the Client not later than June 30th of each year, with any agreed change in rate to occur on October 1 of that year. Mr. Mierl's current hourly rate is \$325.00, but is discounted here to \$250.00 per hour. Mr. Mierl's associate attorney, Betsey Chestney will also work on this matter under the direction of Mr. Mierl. Ms. Chestney's rate shall be discounted to \$200.00 per hour for this matter.

In accordance with the Firm's normal billing procedures, we will submit invoices to the Client on a monthly basis which will include a detailed statement of services rendered and expenses incurred. Statements are due and payable upon receipt. Any statements not paid within 30 days of the date of the statement will be past due and may necessitate the Firm's discontinuing work on pending matters until payment is received. Continued delinquency will result in termination of the engagement.

The Client will pay all third-party costs and expenses incurred by the Firm, if any, in connection with the representation of the Client, including, without limitation, filing fees, transcripts, deposition fees, fees of accountants, expenses of delivery, copying and similar service. If requested by the Firm, the Client will pay directly to vendors their normal costs and expenses incurred on its behalf. In the event the Client requires that the Firm utilize a specific vendor, the Client will make payments direct to such vendor.

The Client has the right to terminate, in writing, our representation at any time. In the event of termination of this engagement by either party, all fees and

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expenses incurred on the Client's behalf, whether billed or unbilled, shall (to the extent not already billed, due and payable) be immediately due and payable. The Firm will apply any remaining retainer against all fees and expenses incurred on the Client's behalf, whether billed or unbilled, and will thereafter account to the Client as to any unused retainer held by the Firm.

INFORMATION FROM THE CLIENT

The Firm will not be responsible for independently verifying the truth and accuracy of information supplied by or on behalf of the Client to the Firm. The Client's delivery of such information to the Firm constitutes a warranty of its accuracy and completeness. In addition, the Client understands that the Firm will be relying on the Client to review for correctness all applications and other communications drafted by the Firm that will or could be submitted to regulatory authorities or be reviewed by examiners or other third parties.

CLIENT CONTACT

The Firm's contact with the Client for this engagement will be the Hon. Dan Gattis, and the Firm will act only pursuant to instructions received from such individual and shall be obligated to provide information and advice only to such individual unless otherwise directed in writing by such individual.

E-MAIL COMMUNICATIONS

The Client recognizes that electronic communications cannot be fully protected from unauthorized interception. In addition, human error may at times result in electronic communications being misspent. Nonetheless, for efficiency purposes, the Client authorizes the Firm to transmit information, including information of a confidential nature, to the Client by e-mail.

DOCUMENT RETENTION

We will retain all documents you furnish us in our client files for this matter. At the conclusion of this matter, it will be the Client's obligation to advise us

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which, if any, of the documents in our files are to be returned to the Client. We may keep copies for our records to the extent we deem advisable. We will retain any remaining documents in our files for a limited period of time and ultimately will destroy them in accordance with our retention program then in effect. Please note that all of the Firm's work product is the property of the Firm.

CONFLICTS OF INTEREST

As of the date of this letter, the Firm has conducted a search of its other client relationships in order to determine whether this representation would create a conflict of interest in connection with any other attorney-client relationships of the Firm. Notwithstanding that fact, issues involving the legal affairs of other Firm clients, while not perceived to be present now, could arise such that the interests of other Firm clients and the Client may become adverse at a future date. In the event this occurs, the Firm could not represent the Client in a matter adverse to another Firm client, and the Client would be required to retain new counsel to represent its interests in such matter. In such event, the Firm will spend sufficient time with replacement counsel to educate them in relation to the status of the engagement, to the extent of the Firm's involvement, at no cost or expense to the Client.

COMPLAINT TO STATE BAR

The State Bar of Texas requires we advise the Client as follows:

"The State Bar investigates and prosecutes professional misconduct committed by Texas attorneys. Although not every complaint against or dispute with a lawyer involves professional misconduct, the State Bar Office of General Counsel will provide you with information about how to file a complaint. For more information, you may call 1-800-932-1900. This is a toll-free call."

GOVERNING LAW; COMPLETE AGREEMENT

This engagement letter, and the relationship between the Client and the Firm (including any dispute), shall be governed by the laws of the State of Texas. This

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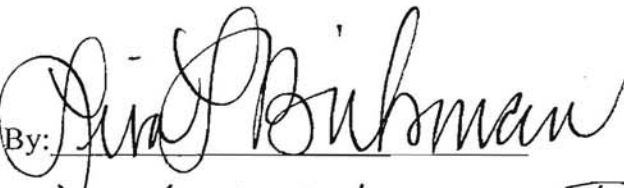
engagement letter contains the entire agreement between the Client and the Firm regarding the matters described herein and supersedes any and all prior oral or written agreements.

This engagement letter may only be changed by a written amendment executed by both the Client and the Firm, except that the purpose of the engagement may be changed by a letter sent to the Client as provided on page 1.

Please execute and return the original of this letter indicating the Client's acceptance and agreement with these terms and conditions of our engagement.


If you have any questions concerning any aspect of this letter agreement or our employment, please contact me at your earliest convenience.

Agreed and Accepted:

By: 

Lisa L. Birkman, Presiding Commissioner
Printed name and Title

12-7-10
Date

By: 
Steven Mierl
Partner