

BRACEWELL

June 03, 2024

Ms. Linda Riggs
County Auditor
Collin County, Texas
Administration Building
2300 Bloomdale Road, Suite 3100
McKinney, Texas 75071

Re: Engagement Letter for Collin County, Texas/I.R.S. Tax Examination

Dear Ms. Riggs:

Thank you for engaging us to represent the Collin County, Texas ("Client" or "County") in connection with the matter described below. We appreciate the confidence you have shown in Bracewell LLP ("Bracewell" or "Firm") and look forward to this opportunity to represent your interests.

It is our practice to confirm the terms and conditions of our engagements, and that is the purpose of this Engagement Letter, the attached Terms of Engagement and the "Additional Terms and Conditions for Bracewell Engagement Letter" attached as Exhibit "B" hereto. This engagement has been approved by Bracewell subject to the conditions described in this letter.

Scope of Engagement

Bracewell will represent Client in connection with the examination by the Internal Revenue Service of the tax-exempt status of the County's \$74,311,981.30 Unlimited Tax Road and Refunding Bonds, Series 2015 (the "2015 Road Bonds").

This Engagement Letter may be supplemented to reflect new matters or issues that deviate from the current engagement in scope, billing arrangements, complexity, risk, or that otherwise require a substantial change in terms and conditions.

Staffing the Project

Todd Greenwalt will be your primary contact for this engagement. Todd Greenwalt will most likely delegate parts of the work on this engagement to other lawyers, paralegals and professionals.

Fees, Expenses and Billing

Fees will be based on an hourly charge determined by the amount of time devoted by Bracewell professionals to perform the legal services contemplated by this engagement at the hourly rates set forth

Robert R. Collins III,
Partner

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on Exhibit "A" attached hereto; provided, however, the total fee for such engagement will not exceed \$50,000.

In addition to legal fees, Client will be responsible for expenses incurred by the Firm on its behalf. Expenses charged by third-parties that are incurred specifically on your behalf (e.g., filing fees and expert's fees) will be billed at cost.

Matters involving the production of electronically stored information may result in additional fees and expenses being incurred by the Firm and/or by third-party vendors on behalf of Client.

An invoice for fees and expenses will be submitted on a periodic basis, generally monthly, and payment is due upon receipt. It is important for you to bring any question regarding the fees or reimbursable expenses charged in this matter to my attention within 30 days after receipt.

Conflicts of Interest

For purposes of evaluating conflicts of interests, you acknowledge that Bracewell relies upon the Texas Disciplinary Rules of Professional Conduct. Bracewell may represent other clients that may be adverse to your interests in substantially unrelated matters, and it may represent other clients within the same industry.

As set forth in the IRS letter informing you of the audit, the 2015 Road Bonds are being examined for compliance with the provisions applicable to tax-exempt obligations under the Internal Revenue Code of 1986, as amended. As such, the audit may include an examination of the facts and law upon which is based the legal advice our Firm rendered in connection with the issuance of the 2015 Road Bonds. If during the course of the examination the IRS challenges the legal advice our Firm rendered in connection with the issuance of the Bonds, your interests and our interests could become adverse. Should that occur, we may withdraw from representing you in connection with this matter. By executing this engagement letter, you acknowledge that your interests and our interests could become adverse and should that occur we may withdraw.

We understand and agree that this is not an exclusive agreement, and you are free to retain any other counsel of your choosing. We recognize that we shall be disqualified from representing any other client with interests materially and directly adverse to yours (i) in any matter that is substantially related to our representation of you and (ii) with respect to any matter where there is a reasonable probability that confidential information you furnished to us could be used to your disadvantage.

Independent Review

Client is encouraged to discuss this Engagement Letter with in-house or separate independent counsel of your choice. If you have any questions about this Engagement Letter, or any aspect of the engagement or representation, please contact me as soon as possible.


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Thank you again for the opportunity to represent you in this matter.

Very truly yours,

Bracewell LLP

By: 
Name: Robert R. Collins III
Partner

Attachments

AGREED AND ACCEPTED:

COLLIN COUNTY, TEXAS

By: _____

Its: _____

Date: _____

EXHIBIT A

Bracewell LLP

Hourly Billing Rates Schedule – 2024

| | |
|----------------|-------|
| Todd Greenwalt | \$775 |
| Other Partners | \$675 |
| Associates | \$415 |
| Paralegals | \$185 |

BRACEWELL LLP

TERMS OF ENGAGEMENT

Introduction

These are the Terms of Engagement adopted by Bracewell LLP ("Bracewell") and the addressee of the preceding Engagement Letter ("Client") and referred to in our Engagement Letter as the basis for our representation. Because they are an integral part of our agreement to provide representation, we ask that you review this document carefully and retain it for your files. If you have any questions after reading it, please promptly inform your principal contact at the Firm.

Client of the Firm

Because Bracewell has been engaged to represent the Client only, the engagement does not include the Client's family members, affiliated or related entities, or their respective individual officers, directors, partners, equity owners or employees.

Unless otherwise specifically stated in the Engagement Letter, our representation does not include any parent, subsidiary, or affiliated entity; employee, officer, director, shareholder, member or partner of an entity; or, any commonly owned entity. For any trade association, our representation does not include any member of the trade association; and for individuals, our representation does not include any employer, partner, spouse, sibling, or other family member. In the event we are asked to undertake representation of any other entity in connection with this engagement, we will do so only by agreement defined in the Engagement Letter. By execution of the Engagement Letter, Client consents to Bracewell's use of the name and a generic description of the transaction in Bracewell marketing materials. Confidential Client information will not be included in such materials.

Our Relationship with Others and Conflicts of Interest

Conflict of Interest is a concern for Bracewell and its clients. We attempt to identify actual and potential conflicts at the outset of each engagement. Unfortunately, conflicts sometimes arise or become apparent after work begins on an engagement. When that happens, we will do our best to address and resolve the situation in the manner that best serves the interests of all of our affected clients.

Client and Bracewell agree that matters relating to legal ethics and professionalism, including Conflicts of Interest, will be resolved by the Texas Disciplinary Rules of Professional Conduct.

Bracewell accepts this engagement on the understanding that our representation of you will not preclude us from accepting another engagement from a new or existing client provided that (1) such engagement is not substantially related to the subject matter of services we provide to you and (2) such other engagement would not impair the confidentiality of related client information.

Staffing the Project

In most cases, one attorney will be your primary contact. In order to provide you with the expertise of our firm, and to provide services on a cost effective basis, that attorney will delegate parts of your work to other lawyers, paralegals and professionals.

Billing Arrangements and Terms of Payment

Fees for professional services and expenses are not contingent on the outcome of the project, unless expressly stated in the Engagement Letter.

Unless expressly stated in the Engagement Letter, Bracewell issues invoices on a periodic basis, normally each month, for fees and expenses. Invoices are due on receipt and are considered past due 30 days after receipt.

Clients frequently ask us to estimate the fees and other charges they are likely to incur in connection with a particular matter. Any estimate is based on professional judgment and facts and circumstances that appear at the time. As such, any estimate is subject to the understanding that, unless we agree otherwise in writing, it does not represent a maximum, minimum, or fixed-fee quotation. The ultimate cost frequently is more or less than the amount estimated.

It may be necessary for us to retain third parties, such as consultants, experts and investigators, in order to represent you adequately. In that event, you will be responsible for the prompt payment of the invoices of those third parties. Although we may advance third-party disbursements in reasonable amounts, we will ask you to pay larger third-party invoices (usually those over \$500) directly to the third party providing the services.

If the representation will require a concentrated period of activity, such as a trial, arbitration, or hearing, we reserve the right to require the payment of all amounts owed and the prepayment of the estimated fees and expenses to be incurred in completing the trial, arbitration, or hearing, as well as arbitration fees likely to be assessed. If you fail to pay timely the estimated fees and expenses, we will have the right to cease performing further work and the right to withdraw from the representation, subject to any applicable rules of court or other applicable tribunal.

Although an insurer's payment of defense costs may be applied to billings of the firm, the payment obligation remains with you. Failure of any insurer to pay all or part of the billings for this project does not relieve you from the obligation to pay billings in full and in a timely manner.

Taxes

The Client agrees that all payments under the Engagement Letter shall be payable to Bracewell in U.S. Dollars, free and clear of any and all present and future taxes, levies, imposts, duties, deductions, withholdings, fees, liabilities and similar charges (the "Taxes"). If any Taxes are required to be withheld or deducted from any amount payable under the Engagement Letter, then the amount payable under the Engagement Letter shall be increased to the amount which, after deduction from such increased amount of all Taxes required to be withheld or deducted therefrom, will yield to Bracewell the amounts stated to be payable to Bracewell under the Engagement Letter.

Termination

Because Bracewell has been engaged to provide services in connection with the representation specifically defined in our Engagement Letter, the attorney-client relationship terminates upon our completion of those services.

You may terminate the engagement at any time, with or without cause, by notifying us in writing. The firm also can terminate the engagement before the completion of its representation of you in the specified matter if (a) the continued representation would result in a violation of the applicable rules of professional conduct or other law; (b) the termination can be accomplished without material adverse effect on your interests; (c) you persist in a course of action that Bracewell reasonably believes is criminal or fraudulent, or you have used our services to perpetrate a crime or fraud, (d) the firm has a fundamental disagreement with the objective or tactics in this engagement; (e) you deliberately and substantially fail to discharge an obligation regarding this engagement, including the payment of fees and expenses and the duty of cooperation as provided in the Terms of Engagement; or (f) other good cause for termination exist. In the event that the firm intends to terminate the engagement, the firm will give reasonable notice and allow you access to your files relating to this engagement.

For purposes of this Engagement Letter, this engagement terminates upon written notice of termination by Client or by Bracewell.

The termination of our services will not affect your responsibility for payment of legal services rendered and other charges incurred before termination and in connection with an orderly transition of the project.

After completion of the representation, however, changes may occur in the applicable laws or regulations that could affect your future rights and liabilities in regard to the matter. Bracewell has no continuing obligation to give advice with respect to any future legal developments that may relate to the project.

Retention of Client Files

Client files are limited to: materials supplied by Client; final contracts; estate planning documents, deeds and corporate records; and, routine correspondence related to this engagement. At the close of any matter, Client files may be returned to you, sent to a private storage facility, archived for a limited time or destroyed. The attorney closing the file will determine, at his or her discretion, the disposition of Client files, unless you make a specific written request that they be returned.

Your request for return of Client files must be delivered to Bracewell no later than 120 days after the last substantive service relating to the closed matter. A substantive service does not include audit letter research and preparation, or any other service that does not directly relate to the substantive discharge of a Client engagement. Your request must be specific and designate your representative to receive the files. Client is responsible for paying the reasonable cost to retrieve, duplicate and deliver the Client files.

Bracewell adopted a program of document retention and management of electronically stored information, including regular deletion of outdated, corrupt or useless files. Such program may change from time-to-time.

It is important for Client to alert Bracewell in advance of special treatment, sensitive information, retention requirements and other unique conditions pertaining to Client files. Client agrees that it will notify Bracewell in a timely, written and specific manner, concerning any requirement for special or unusual handling or attention of its Client files. This includes any statutory or regulatory requirements relating to confidentiality and retention of Client files.

Bracewell Files

You agree that Bracewell will own and retain its own files and any related electronically stored information pertaining to the engagement. You will not have the right or ability to require us to deliver such files and records (or copies thereof) to you. Examples of Bracewell files and records are: firm administrative records, financial files and documents, time and expense reports, personnel and staffing materials, credit and accounting records, electronic mail correspondence (other than such correspondence which was sent to you by a member of our firm) and internal lawyer's work product, such as drafts, notes, memoranda and legal and factual research, including investigative reports prepared by or for the internal use of lawyers. Further, at the discretion of the responsible partner for the project in question, we may destroy any such documentation which is the property of Bracewell or any documentation which such partner determines to be duplicative or unnecessary in all cases without having to obtain your consent.

Choice of Law

Because Bracewell performs legal services in a number of jurisdictions, for consistency and predictability, the Client and Bracewell agrees that the Texas Disciplinary Rules of Professional Conduct (found at www.texasbar.com or www.txethics.org) will govern all issues of legal ethics and professionalism.

Disclaimer

We cannot guarantee the outcome of any matter. Any expression of our professional judgment regarding your matter or the potential outcome is, of course, limited by our knowledge of the facts and based on the law at the time of expression. It is also subject to any unknown or uncertain factors or conditions beyond our control.

Either at the commencement or during the course of the representation, we may express opinions or beliefs about the matter or various courses of action and the results that might be anticipated. Any expressions on our part concerning the outcome of the representation, or any other legal matters, are based on our professional judgment and are not guarantees.

By signing the Engagement Letter or otherwise indicating your acceptance of the Engagement Letter, you acknowledge that Bracewell has made no promises or guarantees to you about the outcome of the representation, and nothing in these Terms of Engagement shall be construed as such a promise or guarantee.

Your Cooperation

To enable us to provide effective representation, you agree to: (1) disclose to us fully, accurately and on a timely basis, all facts and documents that are or might be material or that we may request; (2) keep us apprised on a timely basis of all developments relating to the representation that are or might

be material; (3) attend meetings, conferences, and other proceedings when it is reasonable to do so; (4) provide updated information for conflicts purposes, if necessary; and (5) cooperate fully with us in all matters relating to the engagement.

Modification of Our Agreement

The Terms of Engagement reflect our agreement on the terms of all engagements, and are not subject to any oral agreements, modifications, or understandings. Any change in these Terms of Engagement must be made in writing signed by both Bracewell and Client.

Anti-Boycott Verification.

Bracewell hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not boycott Israel and, to the extent this Agreement is a contract for goods or services, will not boycott Israel during the term of this Agreement. The foregoing verification is made solely to comply with Section 2270.002, Texas Government Code, and to the extent such Section does not contravene applicable Federal law. As used in the foregoing verification, 'boycott Israel' means refusing to deal with, terminating business activities with, or otherwise taking any action that is intended to penalize, inflict economic harm on, or limit commercial relations specifically with Israel, or with a person or entity doing business in Israel or in an Israeli-controlled territory, but does not include an action made for ordinary business purposes. Bracewell understands 'affiliate' to mean an entity that controls, is controlled by, or is under common control with Bracewell and exists to make a profit.

Iran, Sudan and Foreign Terrorist Organizations.

Bracewell represents that neither it nor any of its parent company, wholly- or majority-owned subsidiaries, and other affiliates is a company identified on a list prepared and maintained by the Texas Comptroller of Public Accounts under Section 2252.153 or Section 2270.0201, Texas Government Code, and posted on any of the following pages of such officer's internet website: <https://comptroller.texas.gov/purchasing/docs/sudan-list.pdf>, <https://comptroller.texas.gov/purchasing/docs/iran-list.pdf>, or <https://comptroller.texas.gov/purchasing/docs/fto-list.pdf>. The foregoing representation is made solely to comply with Section 2252.152, Texas Government Code, and to the extent such Section does not contravene applicable Federal law neither Bracewell nor any wholly- or majority-owned subsidiaries, and other affiliates, if any, that the United States government has affirmatively declared to be excluded from its federal sanctions regime relating to Sudan or Iran or any federal sanctions regime relating to a foreign terrorist organization. Bracewell understands "affiliate" to mean any entity that controls, is controlled by, or is under common control with Bracewell and exists to make a profit.

In Conclusion

If you have questions or concerns, at any time, relating to the terms and conditions of this engagement, the services or advice provided by Bracewell, or the fees and expenses reflected in the invoices, please bring them to the attention of your principal contact at our firm, or Bracewell's General Counsel or Managing Partner.

See Exhibit B – Collin County Additional Terms and Conditions

EXHIBIT B

Additional Terms and Conditions for Bracewell Engagement Letter

Additional Terms and Conditions

1. All Additional Terms and Conditions set forth by the County shall take precedence over and supersede any terms from the Firm's Standard Terms of Representation in the event of a conflict.
2. Payments will be made in accordance with VTCA Section 2251.021 Time for Payment by Government Entity.
3. To the fullest extent permitted by applicable law, Bracewell shall and does agree to indemnify, and hold harmless, Collin County of, from and against all claims, including attorneys fees and court costs, arising out of, caused by, or resulting from any negligent, wrongful or tortious act or omission in the performance of this agreement by Bracewell.
4. Collin County is by statute exempt from the State Sales Tax and Federal Excise Tax.
5. Bracewell shall not assign, sell, transfer, or convey this agreement, in whole or in part, without the prior written consent from Collin County.
6. In the event either party hereto is required to employ an attorney to enforce the provisions of this agreement or required to commence legal proceedings to enforce the provisions hereof, the prevailing party shall be entitled to recover from the other, reasonable attorney's fees and court costs incurred in connection with such enforcement including collection.
7. This agreement will be governed and construed according to the laws of the State of Texas. This agreement is performable in Collin County, TX.
8. **Severability:** If any term or provision of this Engagement Letter is invalid, illegal, or unenforceable in any jurisdiction, such invalidity, illegality, or unenforceability shall not affect any other term or provision of this Engagement Letter or invalidate or render unenforceable such term or provision in any other jurisdiction. Upon such determination that any term or other provision is invalid, illegal, or unenforceable, the parties hereto shall negotiate in good faith to modify this Engagement Letter so as to effect the original intent of the parties as closely as possible in a mutually acceptable manner in order that the transactions contemplated hereby be consummated as originally contemplated to the greatest extent possible.
9. **Force Majeure:** No party shall be liable or responsible to the other party, nor be deemed to have defaulted under or breached this Engagement Letter, for any failure or delay in fulfilling or performing any term of this Engagement Letter, when and to the extent such failure or delay is caused by or results from acts beyond the affected party's reasonable control, including, without limitation: acts of God; flood, fire or explosion; war, invasion, riot or other civil unrest; actions, embargoes or blockades in effect on or after the date of this Agreement; or national or regional emergency (each of the foregoing, a "Force Majeure Event"). A party whose performance is affected by a Force Majeure Event shall give notice to the other party, stating the period of time the occurrence is expected to continue and shall use diligent efforts to end the failure or delay and minimize the effects of such Force Majeure Event.