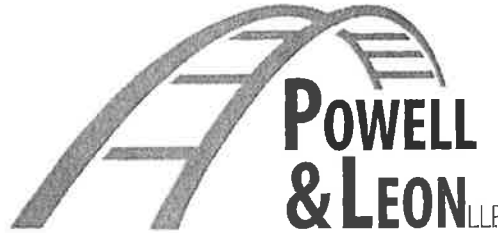


Blake G. Powell
Jay Youngblood
Andrew Tatgenhorst
Darrick W. Eugene
William C. Bednar, *of Counsel*



Sara Hardner Leon
Colby R. Nichols
Kevin W. Cole
Annabel Canchola
Richard Powell, *of Counsel*

April 19, 2016

Via First Class U.S. Mail

Mr. Matthew Underwood
Superintendent of Schools
Stephenville Independent School District
2655 W Overhill
Stephenville, TX 76401-3003

Dear Mr. Underwood:

Congratulations on your decision to participate in the Texas Rural Education Association (TREA). As an added benefit to TREA member districts, our firm has waived its annual retainer fee.

Powell & Leon, LLP welcomes the opportunity to work with you again in the 2016-2017 school year. I have enclosed a copy of Powell & Leon, LLP's Legal Services Program (LSP) Agreement so you can see the benefits provided by our LSP program. Some of the benefits include no charge for routine telephone inquiries, reduced hourly rates, electronic Client Alerts and 3 hours of discounted board training (we charge ½ travel time/expenses and the remainder of the board training is provided as a courtesy).

In addition, we enclose an updated Conflict of Interest Questionnaire (Texas Ethics Commission Form CIQ) and we are standing by and ready to comply with the new disclosure requirements required by Section 2252.908 of the Government Code. Please provide our office with a new contract number so that we may submit the necessary information online to ensure that both the District and our firm are in compliance.

We very much enjoyed working with Stephenville Independent School District in the 2015-2016 school year and look forward to continuing working together in the 2016-2017 school year!

With best regards, I am,

Respectfully yours,

A handwritten signature in black ink, appearing to read "Blake G. Powell", is written over a horizontal line.

Blake G. Powell
For the Firm

Blake G. Powell
Jay Youngblood
Andrew Tatgenhorst
Darrick W. Eugene
William C. Bednar, *of Counsel*



COPY

cc TREA file

Sara Hardner Leon
Colby R. Nichols
Kevin W. Cole
Annabel Canchola
Richard Powell, *of Counsel*

2016-2017 TREA Legal Services Program Agreement

In accordance with Board Policy BDD (LOCAL), the undersigned ("Client") retains the law firm of Powell & Leon, LLP ("Firm") to serve as the Client's general legal counsel and attorney in matters requiring legal services, as requested by Client. Services to be performed and compensation to be paid by the Client are set forth in this Legal Services Program Agreement ("Agreement") between the Client and the Firm.

Legal Services - As a part of this Agreement, Texas Rural Education Association members will receive the following general counsel legal services:

- Prompt access to a school attorney (including access after-hours);
- Toll-free telephone access (800-494-1971);
- After-hours access to attorneys;
- Electronic ***Client Alerts***;
- Firm publications provided at a discounted rate;
- Three (3) hours of board member training;
- Teacher/Administrator/Other legal trainings are available at a reduced rate;
- All requested legal services at Firm's reduced TREA LSP member hourly rate;
- Complimentary insurance audit evaluating all existing insurance coverage upon request of Client;
- Powell & Leon, LLP is pleased to provide training modules and resources that will assist schools in meeting the mandated training requirements for a broad scope of legal topics, including Family Law, FERPA and Student Privacy Rights, Sexual Harassment, Handling School Employee Grievances, and other school-related topics dealing with legal issues.
- Powell & Leon, LLP is an approved bond counsel firm recognized by the *Bond Buyer's Municipal Market Place (Red Book)* and will perform bond counsel services at the Client's request.

Client shall receive prompt responses to all legal inquiries, and any "question calls" (that is, telephone consultation of a routine nature such as those requiring no research or drafting effort, or which are not part of an ongoing legal matter) are responded to at no charge. This Agreement includes the Firm's publications and training components, which are provided at no cost. The Firm regularly publishes ***Client Alerts*** on subjects of interest to school administrators. Client will receive, upon request, a board training session for up to three hours. Training and resource materials are generated for each training session, and presented in a format that Client may distribute. In the event that Client desires more training sessions, additional training will be provided at the Firm's reduced LSP member hourly rate.

mailed orig back
4-25-16
m-

Annual Retainer and Hourly Fees - Client agrees to an annual TREA membership fee of \$500.00 for participation in the Firm's Legal Services Program for the 2016-2017 School Year. (*Firm's annual retainer is waived for TREA member districts*). All requested legal services shall be provided at Firm's reduced LSP member rate.

Monthly Statements - Firm attorneys maintain daily time records, in 1/10 hour increments. Monthly invoices identify the person performing the work, describe the legal work performed, and record the time expended on each task. Invoices provide separate totals for services and expenses followed by a combined total of services and costs. Fees and expenses are due and payable within thirty days after the date of billing.

Expenses - As part of the computation of legal fees, court costs, deposition costs, postage, filing fees, travel expenses, courier fees, consultant's fees and other professional fees incurred on Client's behalf (including specialized counsel), and other disbursements are billed at the amount incurred by the Firm. Expenses are included separately within each invoice. (*See Schedule of Fees and Expenses*).

Of Counsel - Client understands that attorneys may serve the Firm in an Of Counsel relationship. Client consents to the involvement of attorneys in an Of Counsel relationship to the Firm and understands that these individuals may be involved from time to time in the delivery of Firm's legal services.

Insurance Defense - Client shall make every effort to require its insurance carrier to assign its litigation cases to Firm. The Client agrees that any costs or time incurred by Firm on litigation but not paid by the Client's insurer(s) shall be borne by the Client.

Termination and Withdrawal - This Agreement may be terminated and the Firm may withdraw from Client's representation at any time if:

- (a) Client or Firm request termination;
- (b) Client insists on presenting a claim or defense that is not warranted under existing law and cannot be supported by good-faith argument for an extension, modification, or reversal of existing law; or
- (c) Client insists that the Firm pursue a course of conduct that is illegal or that is prohibited under the disciplinary rules or disregards an agreement or obligation to the Firm as to expenses or fees for services rendered.

In the event of withdrawal from employment, the Firm will take reasonable steps to avoid foreseeable prejudice to the rights of Client, including giving due notice to Client, allowing time for employment of other counsel, delivering to Client all papers and property to which Client is entitled, and complying with the applicable laws and rules.

CLIENT UNDERSTANDS THAT THE FIRM HAS MADE NO REPRESENTATION CONCERNING THE SUCCESSFUL OUTCOME OF ANY LEGAL ACTION THAT IS OR MAY BE FILED, AND HAS NOT GUARANTEED THAT THE FIRM WILL OBTAIN REIMBURSEMENT TO CLIENT OF ANY OF THE FEES, COSTS, AND/OR EXPENSES INCURRED BY CLIENT IN THE PROSECUTION OR DEFENSE OF SAID CLAIM OR CLAIMS. CLIENT FURTHER EXPRESSLY ACKNOWLEDGES THAT ALL STATEMENTS OF ATTORNEY ON THESE MATTERS ARE STATEMENTS OF OPINION ONLY.

Confidentiality - Conversations between an attorney and a client are protected by law and by the disciplinary rules to which attorneys are subject. No attorney can be compelled to reveal anything a client says to him or her, except in instances where a person's life may be endangered or as prescribed

by section 261.101 of the Texas Family Code regarding child abuse. The reason for this protection is that the experience of many hundreds of years has proved that the interests of the client are best served when the client's attorneys are fully informed of *all* the facts well in advance of any possible contest.

Electronic Mail - Firm will attempt to promptly check for and respond to any e-mail correspondence from Client. Client understands that e-mail correspondence is not as secure as mail through the Postal Service and that e-mail can be intercepted by third parties. By the sending of an e-mail to Firm, Client consents to Firm responding and using e-mail in the future to communicate with Client and Client bears all risks of the loss of privacy that may occur with e-mail communication and releases Firm from any liability for loss of privacy.

Information and Communication - Firm pledges to do its best to keep Client advised on how any legal matter is progressing, based on information received from the court, opposing party, and from Client. Firm routinely sends Client copies of all pleadings, discovery and correspondence for Client's information. Day-to-day communication between Client and the Firm is typically between the Superintendent (and appropriate administrative staff) and the Firm. The LSP Response Form below invites the Superintendent to identify specific staff members, if desired, who are authorized to access the services of the Firm. In accordance with this written Agreement and Board Policy BDD (LOCAL), individual Trustees shall channel legal inquiries through the Superintendent or Board designee, as appropriate, when advice or information from the District's legal counsel is sought. A report of legal advice received shall be presented to the Board when deemed appropriate by the administration or upon request of the Board.

Duty to Advise of Current Address - Client agrees to keep the Firm advised of any changes in address, all telephone numbers, and e-mail addresses.

Records Management and Destruction of File - Client's records management officer is responsible to ensure compliance with the applicable minimum retention schedules. The Firm shall return any original instruments to the Client. However, **unless notified to the contrary, in writing, the Firm reserves the right and privilege to destroy files five (5) years from the date a file matter is closed.** If Client fails to request, in writing, the return of any items, Client consents that said items may be destroyed after the passage of five (5) years from the date the file or matter is closed.

Texas Lawyer's Creed - The Texas Supreme Court and Courts of Appeals have adopted the Texas Lawyer's Creed as a mandate to the legal profession in Texas. The Creed requires Texas attorneys to advise clients of the contents of the Creed when undertaking to represent a client. A copy of the Texas Lawyer's Creed is attached to this Agreement for Client's review. Client understands that the Firm may do nothing which violates this Creed.

Notice to Client - The State Bar of Texas 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, please call 1-800-932-1900. This is a toll-free call.

Texas Law - Texas law shall govern this Agreement. In the event any part or provision of this Agreement shall be held to be illegal, such illegal provision shall be deleted, shall not affect any other part of this Agreement, and this Agreement shall be construed as if such illegal provision had never been contained herein.

Binding Agreement - Client binds itself, its administrators, trustees, successors, assigns and legal representative to Firm and to the shareholders, successors, assigns and legal representatives of Firm with respect to all covenants of the Agreement.

Entire Agreement - This Agreement represents the entire and integrated agreement between Client and Firm and supersedes all prior negotiations, representations or agreements, either written or oral. This Agreement may be amended only by written instrument signed by both the Client and Firm.

Schedule of Fees and Expenses

Members of the Firm's Legal Services Program receive a reduced hourly fee for services from the Firm's attorneys, as well as "question call" services at no cost to Client. Firm has a sliding fee scale for attorneys, based upon the experience of the attorney. The maximum hourly rate for P&L attorney time is currently \$285.00 per hour (reduced from the full fee of \$375.00 per hour for non-LSP members). Fees may be charged for paralegal services or administrative services at a billing rate of \$100-\$130 per hour. Firm reserves the right to increase its hourly rate during the term of this Agreement, particularly in the event of unanticipated increases in the costs of doing business, but only after first providing Client with notice of the proposed change in rates, and permitting Client the opportunity to terminate the Agreement.

P&L charges attorney time on the following fee scale:

Partner/ of Counsel	\$285.00 per hour
Senior Associate	\$255.00 per hour
Junior Associate	\$225.00 per hour
Paralegal	\$130.00 per hour
Legal Assistant	\$100.00 per hour
Travel Time	½ the Attorney's hourly rate

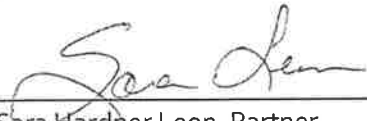
Firm charges only for expenses which represent direct costs of the delivery of legal services. Expenses are to be billed as follows:

In-house photocopies:	25¢ per copy
Electronic Library Charges	\$95.00 per hour (not to exceed \$300/month)
Outside photocopy services	At cost as billed by provider
Postage	At cost
Litigation expenses (consultants, expert witness, court reporter, graphic exhibits)	At cost
Mileage:	.54/mile (or current IRS rate)
Travel/Lodging	At cost
Courier Services	At cost

EXECUTED ON BEHALF OF POWELL & LEON, LLP BY:



Blake G. Powell, Partner
Powell & Leon, LLP



Sara Hardner Leon, Partner
Powell & Leon, LLP

EXECUTED ON BEHALF OF THE LEGAL SERVICES PROGRAM MEMBER CLIENT BY:



Signature

Date: 4/25/2016

Printed Name: Matt Underwood

Title: Superintendent

Client Name: Stephenville I.S.D.

This original is for your file

2016-2017 Legal Services Program Response Form

- Yes, I would like to enroll in Powell & Leon's TREA Legal Services Program for the 2016-2017 School Year. I am enclosing a \$500.00 check made payable to the Texas Rural Education Association for 2016-2017 Membership.
- Yes, I would like to enroll in Powell & Leon's Legal Services Program for the 2016-2017 School Year. Please ask TREA to invoice me \$500.00 for the 2016-2017 LSP membership after August 31, 2016.
- Yes, I would like to enroll in Powell & Leon's Legal Services Program for the 2016-2017 School Year. Our school district has paid TREA for the 2016-2017 Membership.

Name: Matt Underwood Title: Superintendent

School: Stephenville ISD Date: 4/25/16

Superintendent's Current Electronic Mail Address: matt.underwood@sville.us

Client's Tax-Exempt ID No.: 75-600-251-7

Other administrators or categories of administrators authorized to contact Firm:

Name/Email: Kathy Haynes; kathy.haynes@sville.us

Special Education/504 Contact: _____

Board President E-mail: Ann Colahan; acolahan@tarleton.edu

Electronic mail address of other administrator(s) who wish to receive P&L's Client Alert:

Texas Lawyers Creed

The Texas Lawyer's Creed: A Mandate for Professionalism

I am a lawyer. I am entrusted by the People of Texas to preserve and improve our legal system. I am licensed by the Supreme Court of Texas. I must therefore abide by the Texas Disciplinary Rules of Professional Conduct, but I know that Professionalism requires more than merely avoiding the violation of laws and rules. I am committed to this Creed for no other reason than it is right.

I. Our Legal System

A lawyer owes to the administration of justice personal dignity, integrity, and independence. A lawyer should always adhere to the highest principles of professionalism.

1. I am passionately proud of my profession. Therefore, "My word is my bond."
2. I am responsible to assure that all persons have access to competent representation regardless of wealth or position in life.
3. I commit myself to an adequate and effective pro bono program.
4. I am obligated to educate my clients, the public, and other lawyers regarding the spirit and letter of this Creed.
5. I will always be conscious of my duty to the judicial system.

II. Lawyer To Client

A lawyer owes to a client allegiance, learning, skill, and industry. A lawyer shall employ all appropriate legal means to protect and advance the client's legitimate rights, claims, and objectives. A lawyer shall not be deterred by any real or imagined fear of judicial disfavor or public unpopularity, nor be influenced by mere self-interest.

1. I will advise my client of the contents of this creed when undertaking representation.
2. I will endeavor to achieve my client's lawful objectives in legal transactions and in litigation as quickly and economically as possible.
3. I will be loyal and committed to my client's lawful objectives, but I will not permit that loyalty and commitment to interfere with my duty to provide objective and independent advice.
4. I will advise my client that civility and courtesy are expected and are not a sign of weakness.
5. I will advise my client of proper and expected behavior.
6. I will treat adverse parties and witnesses with fairness and due consideration. A client has no right to demand that I abuse anyone or indulge in any offensive conduct.
7. I will advise my client that we will not pursue conduct which is intended primarily to harass or drain the financial resources of the opposing party.
8. I will advise my client that we will not pursue tactics which are intended primarily for delay.
9. I will advise my client that we will not pursue any course of action which is without merit.
10. I will advise my client that I reserve the right to determine whether to grant accommodations to opposing counsel in all matters that do not adversely affect my client's lawful objectives. A client has no right to instruct me to refuse reasonable requests made by other counsel.
11. I will advise my client regarding the availability of mediation, arbitration, and other alternative methods of resolving and settling disputes.

III. Lawyer To Lawyer

A lawyer owes to opposing counsel, in the conduct of legal transactions and the pursuit of litigation, courtesy, candor, cooperation, and scrupulous observance of all agreements and mutual understandings. Ill feelings between clients shall not influence a lawyer's conduct attitude, or demeanor toward opposing counsel. A lawyer shall not engage in unprofessional conduct in retaliation against other unprofessional conduct.

1. I will be courteous, civil, and prompt in oral and written communications.
2. I will not quarrel over matters of form or style, but I will concentrate on matters of substance.
3. I will identify for other counsel or parties all changes I have made in documents submitted for review.
4. I will attempt to prepare documents which correctly reflect the agreement of the parties. I will not include provisions which have not been agreed upon or omit provisions which are necessary to reflect the agreement of the parties.
5. I will notify opposing counsel, and, if appropriate, the Court or other persons, as soon as practicable, when hearings, depositions, meetings, conferences or closings are cancelled.
6. I will agree to reasonable requests for extensions of time and for waiver of procedural formalities, provided legitimate objectives of my client will not be adversely affected.
7. I will not serve motions or pleadings in any manner that unfairly limits another party's opportunity to respond.
8. I will attempt to resolve by agreement my objections to matters contained in pleadings and discovery requests and responses.
9. I can disagree without being disagreeable. I recognize that effective representation does not require antagonistic or obnoxious behavior. I will neither encourage nor knowingly permit my client or anyone under my control to do anything which would be unethical or improper if done by me.
10. I will not without good cause, attribute bad motives or unethical conduct to opposing counsel nor bring the profession into disrepute by unfounded accusations of impropriety. I will avoid disparaging personal remarks or acrimony towards opposing counsel parties and witnesses. I will not be influenced by any ill feeling between clients. I will abstain from any allusion to personal peculiarities or idiosyncrasies of opposing counsel.
11. I will not take advantage, by causing any default or dismissal to be rendered, when I know the identity of an opposing counsel, without first inquiring about that counsel's intention to proceed.
12. I will promptly submit orders to the Court. I will deliver copies to opposing counsel before or contemporaneously with submission to the Court. I will promptly approve the form of orders which accurately reflect the substance of the rulings of the Court.
13. I will not attempt to gain an unfair advantage by sending the Court or its staff correspondence or copies of correspondence.
14. I will not arbitrarily schedule a deposition, Court appearance, or hearing until a good faith effort has been made to schedule it by agreement.
15. I will readily stipulate to undisputed facts in order to avoid needless costs or inconvenience for any party.
16. I will refrain from excessive and abusive discovery.
17. I will comply with all reasonable discovery requests. I will not resist discovery requests which are not objectionable. I will not make objections nor give instructions to a witness for the purpose of delaying or obstructing the discovery process. I will encourage witnesses to respond to all deposition questions which are reasonably understandable. I

will neither encourage nor permit my witness to quibble about words where their meaning is reasonably clear.

18. I will not seek Court intervention to obtain discovery which is clearly improper and not discoverable.
19. I will not seek sanctions or disqualification unless it is necessary for protection of my client's lawful objectives or is fully justified by the circumstances.

IV. Lawyer And Judge

Lawyers and judges owe each other respect, diligence, candor, punctuality, and protection against unjust and improper criticism and attack. Lawyers and judges are equally responsible to protect the dignity and independence of the Court and the profession.

1. I will always recognize that the position of judge is the symbol of both the judicial system and administration of justice. I will refrain from conduct that degrades this symbol.
2. I will conduct myself in Court in a professional manner and demonstrate my respect for the Court and the law.
3. I will treat counsel, opposing parties, the Court, and members of the Court staff with courtesy and civility.
4. I will be punctual.
5. I will not engage in any conduct which offends the dignity and decorum of proceedings.
6. I will not knowingly misrepresent, mischaracterize, misquote or miscite facts or authorities to gain an advantage.
7. I will respect the rulings of the Court.
8. I will give the issues in controversy deliberate, impartial and studied analysis and consideration.
9. I will be considerate of the time constraints and pressures imposed upon the Court, Court staff and counsel in efforts to administer justice and resolve disputes.