

PROFESSIONAL SERVICES AGREEMENT
(Contingent Fee Special Counsel)

THIS AGREEMENT IS A MODIFICATION OF AND RELATES BACK TO THE PREVIOUS AGREEMENT ENTERED INTO BETWEEN HIDALGO COUNTY, THE SNAPKA LAW FIRM, V. GONZALEZ & ASSOCIATES, P.C., AND THE LAW OFFICE OF FELIPE GARCIA, P.C. ON OCTOBER 25, 2016 AND IN NO WAY DIMINISHES THE ATTORNEY-CLIENT RELATIONSHIP CREATED BY THE PREVIOUS AGREEMENT. TO THE EXTENT THAT THERE EXISTS ANY CONFLICT WITH THE PREVIOUS AGREEMENT, THIS DOCUMENT SERVES TO SUPERSEDE THAT AGREEMENT.

The Parties to this Agreement ("Agreement") are Hidalgo County ("CLIENT") and The Snapka Law Firm, V. Gonzalez & Associates, P.C., and the Law Office of Felipe Garcia, (collectively, "SPECIAL COUNSEL").

In consideration of the mutual promises herein contained, the parties hereto agree as follows:

I. Purpose of Representation

1.01 CLIENT has found a substantial need to employ SPECIAL COUNSEL to assist CLIENT'S attorney in the prosecution of a cause of action we may have as a result of construction defects causing loss, and/or damage to the Judge Mario E. Ramirez, Jr. Juvenile Justice Center located at 1001 N. Doolittle Rd., Edinburg, Texas 78540. ("the Matter").

1.02 CLIENT has found a substantial need for the legal services which cannot be adequately performed by CLIENT'S attorneys or the attorneys of a governmental entity, and because of the nature of the matter for which legal services will be obtained, they cannot be reasonably obtained from attorneys in private practice under a contract providing only for the payment of hourly fees, without regard to the outcome of the Matter, The estimated amount that may be recovered from the litigation exceeds \$100,000.00.

1.03 SPECIAL COUNSEL will prosecute claims, and if necessary, file a civil case on behalf of CLIENT against Defendants or other parties deemed necessary to the prosecution of the Matter. SPECIAL COUNSEL shall seek necessary and appropriate temporary and permanent injunctive relief, damages, civil penalties, and attorney's fees and such other pecuniary recovery as may be provided for by any relevant contract or agreement, the laws of the State of Texas and/or any relevant local, state and/or federal statutory and/or common law in connection with the Matter.

1.04 CLIENT has determined pursuant to Local Government Code §262.024(a)(4) that this Agreement is for *professional services*, requiring work that is predominantly mental or intellectual, rather than physical or manual., requiring special knowledge or attainment and a high order of learning, skill, and academic intelligence.

1.05 The term of this Agreement shall end at the conclusion of SPECIAL COUNSEL's representation of CLIENT in The Matter (hereafter "the Representation"), unless either party extends or terminates this Agreement in accordance with its provisions.

1.06 SPECIAL COUNSEL shall prosecute a civil case or cases on behalf of CLIENT against Defendants and seek necessary and appropriate temporary and permanent injunctive relief, damages, civil penalties, and attorneys' fees and such other pecuniary recovery as may be provided for by the laws of the State of Texas and/or any relevant local, state, federal statutory and/or common law in connection with the Matter. The primary attorneys handling this representation are: Kathryn Snapka as well as attorneys whom she may call upon. SPECIAL COUNSEL shall furnish the services for the Matter. SPECIAL COUNSEL agrees to perform necessary legal work *with* reference to the Matter and will work specifically with the

designee of Hidalgo County, Valde Guerra, SPECIAL COUNSEL will work under the supervision, direction, and control of Criminal District Attorney's Office, the Hidalgo County Attorney or his/her designee.

1.07 To enable SPECIAL COUNSEL to provide effective representation, CLIENT agrees to do the following: (1) disclose to SPECIAL COUNSEL, fully and accurately and on a timely basis, all facts and documents within CLIENT's knowledge that are or might be material or that SPECIAL COUNSEL may request, (2) keep SPECIAL COUNSEL apprised on a timely basis of all developments relating to the Matter that are or might be material, (3) attend meetings, conferences, and other proceedings when it is reasonable to do so, and (4) otherwise cooperate fully with SPECIAL COUNSEL.

1.08 Neither party shall assign, in whole or in part, any duty or obligation of performance under this Agreement, without the express written permission of the other parties, unless otherwise authorized in this Agreement.

1.09 The person or entity that SPECIAL COUNSEL represents is CLIENT, and SPECIAL COUNSEL's attorney-client relationship does not include any related persons, employees, or entities. If any potential conflict arises with respect to the Matter, SPECIAL COUNSEL will make full disclosure of the possible effects, if any, of such conflict on the professional judgment of each individual associated with SPECIAL COUNSEL working on the Matter. In the event a potential conflict occurs during the course of the representation, SPECIAL COUNSEL will make *full* written disclosure of such to Valde Guerra, Hidalgo County's designee.

1.10 It is understood and agreed that SPECIAL COUNSEL's engagement is limited to representation in the Matter. SPECIAL COUNSEL is not being retained as general counsel, and SPECIAL COUNSEL's acceptance of this Agreement does not imply any undertaking to provide legal services other than those set forth in this Agreement.

1.11 Any expressions on SPECIAL COUNSEL's part concerning the outcome of the Matter, or any other legal matters, are based on SPECIAL COUNSEL's professional judgment and are not guarantees. Such expressions, even when described as opinions, are necessarily limited by SPECIAL COUNSEL's knowledge of the facts and are based on SPECIAL COUNSEL's views of the state of the law at the time they are expressed. SPECIAL COUNSEL has made no promises or guarantees to CLIENT about the outcome of the representation in the Matter, and nothing in these terms of engagement shall be construed as such a promise or guarantee.

II. Compensation and Other Matters

2.01 For and in consideration of the services performed under this Agreement, subject to the limitations in this Agreement, CLIENT agrees to pay SPECIAL COUNSEL as follows:

2.02 Any fee payable to SPECIAL COUNSEL will be from the portion of any award, judgment, and/or settlement recovered by CLIENT. This Agreement shall not confer upon SPECIAL COUNSEL any rights to any portion of any sum awarded to the State of Texas as a result of the Representation.

2.03. CLIENT agrees to pay SPECIAL COUNSEL a fee of no more than 35% of any amount recovered by CLIENT in the Matter. CLIENT understands that it is likely that claims will be made in our behalf against an insurance company or other defendant for them to be responsible for all or part of CLIENT's attorney's fees. CLIENT understands and agrees that the outcome of any such claims for attorney's fees will not affect its obligation to pay SPECIAL COUNSEL what is owed under this Agreement. Any percentage maximum fee or percentage contingent fee owed will be calculated based upon CLIENT's total recovery, including

any attorney's fees awarded to CLIENT in court or otherwise. In other words, CLIENT understands that it owns the claim for attorney's fees against Defendants and CLIENT will recover 100% of any attorney's fees thereby obtained by judgment or settlement from the Defendants and use this money to reimburse itself at least in part for the fees owed SPECIAL COUNSEL under this Agreement. The contingent fee set forth in this Section will be subject to the limitations set forth in this Agreement pursuant to Subchapter C., Chapter 2254 of the Texas Government Code and in no event shall exceed the amount set forth in Section 2.06, nor shall it in any event exceed 35% of the amount recovered by CLIENT in the Matter. SPECIAL COUNSEL'S fee as set forth in this paragraph is the same regardless of whether the litigation is tried or appealed.

2.04 The amount recovered for purposes of the contingent fee computation in paragraph 2.03 is the amount CLIENT receives before reimbursable expenses are deducted.

2.05 The amount of the contingent fee and reimbursement of expenses under this Agreement will be computed in accordance with Subchapter C, Chapter 2254 of the Texas Government Code. SPECIAL COUNSEL's contingent fee is limited to the lesser of 35% of the amount recovered by CLIENT or four times SPECIAL COUNSEL's base fee, as that term is used in Texas Government-Code Section 2254.1.06. Because of the expected difficulties in performing the work under this Agreement, the amount of expenses expected to be risked by SPECIAL COUNSEL, the expected risk of no recovery, and the expected long delay in recovery, a reasonable multiplier for the base fee in this matter is four, and SPECIAL COUNSEL's reasonable hourly rate for the work performed under the Agreement is \$900 an hour for The Snapka Law Firm, for hours of work by partners and principals of such firms, \$500 an hour for other attorneys and \$200 an hour for paralegals or law clerks based on the relevant experience, demonstrated ability, and standard hourly billing rates for these attorneys, paralegals and law clerks. These rates also apply to any subcontracted work performed at SPECIAL COUNSEL's request by an attorney, paralegal, or law clerk, respectively, and SPECIAL COUNSEL is authorized to retain such subcontractors to assist in the Matter with such expense to be available for reimbursement as a litigation expense only in accordance with the requirements of Chapter 2254 of the Texas Government Code and the remainder of this Agreement, including the requirements of Paragraph 3.07. The base fee will be computed pursuant to Chapter C, Section 2254 of the Texas Government Code by multiplying the number of hours the attorney, paralegal or law clerk worked in providing legal or support services for the CLIENT times the reasonable hourly rate for the work performed by the attorney, paralegal or law clerk. The base fee is computed by adding the resulting amounts. The computation of the base fee does not include hours or costs attributable to work performed by a person who is not SPECIAL COUNSEL or a partner, shareholder, or employee of SPECIAL COUNSEL or law firm. There are no differences in the method by which the contingent fee is computed if the matter is settled, tried, or tried and appealed. SPECIAL COUNSEL's fee as set forth in this contract is the same regardless of whether the matter is settled, tried or tried and appealed.

2.06 Reimbursement of subcontracted work, if any, under Texas Government Code Section 2254.107 shall meet the requirements of Chapter 2254 of the Texas Government Code, including Texas Government Code Section 2254.106(a) requirements, without regard to the expected or actual amount of recovery under this Agreement.

2.07 Payment of the contingent fee and reimbursement of expenses under this Agreement will be paid and limited by the requirements set forth in Subchapter C, Chapter 2254 of the Texas Government Code, including Section 2254.105(5) and all other applicable sections.

2.08 Special Counsel assume joint responsibility for the Representation. Any fee earned shall be divided as follows: The Snapka Law Firm shall receive 50% of the fee. V. Gonzalez & Associates, P.C. shall receive 25% of the fee, and The Law Office of Felipe Garcia shall receive 25% of the fee. If there is a recovery, then upon recovery the Defendant will be instructed to transfer all of the

recovered funds to Hidalgo County by wire or check payable Hidalgo County in care of or to the account of The Snapka Law Firm. Upon receipt of the information required by Section 3.04 of this Agreement and upon approval by _____, Hidalgo County Attorney, of Special Counsel's computation of the amount of the contingent fee which Special Counsel is required to submit by Section 3.04 of this Agreement, The Snapka Law Firm shall distribute 100% of that fee to The Snapka Law Firm for further distribution in accordance with this section. Thereafter, out of the remaining funds received from the Defendants after payment of the fee to Attorneys, then The Snapka Law Firm shall distribute a separate sum to The Snapka Law Firm to reimburse it for the Reimbursable Expenses due it as provided for by this Agreement and Approved by the Hidalgo County Attorney, based upon the information delivered as required by Section 3.04 of this Agreement. The remainder shall be distributed to Hidalgo County.

2.09 CLIENT will not advance any litigation expenses under this Agreement. CLIENT will pay nothing in advance of resolution of the case and afterwards will pay nothing unless there is a recovery from Defendants and the payment will come only from the funds paid by the Defendants. SPECIAL COUNSEL are hereby authorized in this writing to retain or employ such expert witnesses, expert consultants, mediators, or court reporters as they may deem, in their sole discretion, to be necessary to the Representation.

2.10 The fee to be paid under this Agreement shall come exclusively out of any recovery (including but not limited to any attorney's fees and expenses, and any additional damages, punitive damages, or penalties) awarded in any judgment resulting from the Matter, or any settlement of any part or all of the Matter, and CLIENT shall be liable to SPECIAL COUNSEL for no more than the fee set forth hereinabove and below and reimbursable expenses as described hereinabove and below. CLIENT has specifically allocated and made available from currently budgeted funds the sum of \$0 to discharge any obligation that CLIENT may incur arising out of this Agreement in the event the fee is determined to be prohibited by law.

2.11 It is expressly understood that the fee described above shall be the sole source of compensation to SPECIAL COUNSEL for overhead costs and expenses (with the exception of the reimbursable expenses listed below) and includes, but is not limited to, all costs for clerical work, including overtime, computer time, meals, clerical filing, and proofreading. SPECIAL COUNSEL agrees that they are neither authorized to seek reimbursement nor is CLIENT obligated to pay for mileage within Hidalgo County, parking fees, local facsimile (fax) transmissions, use of law library, or other costs or expenses (similar or dissimilar) except for those for which reimbursement is specifically provided for in this Agreement, if any. Expert witness fees, expert consultant fees, mediation fees, expenses associated with depositions and hearings or trial (such as costs of the transcript, and court reporter or videographer fees), travel outside Hidalgo County, research and investigation related fees and expenses, Westlaw expenses, and expenses associated with creating demonstrative exhibits or other means of evidence presentation during trial or hearings (such as trial graphics), and subcontracted legal or support services in accordance with Chapter 2254 Texas Government Code shall constitute the reimbursable expenses ("the Reimbursable Expenses"). SPECIAL COUNSEL shall advance all the Reimbursable Expenses. Reimbursable Expenses shall be recovered by SPECIAL COUNSEL out of any settlement or judgment that arises out of the Representation.

2.12 SPECIAL COUNSEL has been engaged to provide legal services in connection with the Matter, as specifically defined in this Agreement. After completion of the representation in the Matter, changes may occur in the applicable laws or regulations that could affect CLIENT's future rights and liabilities in regard to the representation. Unless SPECIAL COUNSEL is actually engaged after the completion of the representation in the Matter to provide additional advice on such issues, SPECIAL COUNSEL has no continuing obligation to give advice with respect to any future legal developments that may

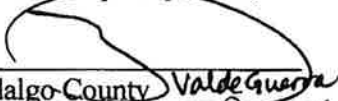
pertain to the Matter other than the obligations set out in this Agreement.

2.13 At the conclusion of the representation in the Matter, SPECIAL COUNSEL will return to CLIENT any documents that SPECIAL COUNSEL is specifically requested to return. As to any documents so returned, SPECIAL COUNSEL may elect to keep a copy of the documents in SPECIAL COUNSEL's stored files. CLIENT owns all final work product generated from the representation in the Matter. CLIENT understands that at the conclusion of SPECIAL COUNSEL's handling of this Matter, the file material generated by them on this case in Client's behalf is Client's property. Client agrees that such file may be maintained by SPECIAL COUNSEL in either paper or digital format, as they so choose, and that it is Client's responsibility to obtain its file from SPECIAL COUNSEL at the conclusion of the Matter by letting them know it wants it. Client will instruct SPECIAL COUNSEL as to any and all documents or files that SPECIAL COUNSEL is specifically requested to return. If Client makes no timely such instruction within 180 days of conclusion of SPECIAL COUNSEL's representation of CLIENT in the Matter, SPECIAL COUNSEL are authorized to destroy the file in accordance with their usual and customary record retention policies to avoid storage expense, but may keep a copy of any portion of the file if they choose.

2.14 Any notice required or permitted to be given by the CLIENT to SPECIAL COUNSEL hereunder may be given by hand delivery, facsimile, email, or certified United States Mail, postage prepaid, return receipt requested, addressed to:

Kathryn Snapka
The Snapka Law Firm
606 N. Carancahua St., Suite 1511
Corpus Christi, Texas 78401
(361) 888-7676
(361) 884-8545 Fax
ksnapka@snapkalaw.com

Any notice required or permitted to be given by SPECIAL COUNSEL to the CLIENT hereunder may be given by hand delivery, facsimile, email, or certified United States Mail, postage or fee prepaid, return receipt requested, addressed to:


Hidalgo County Valde Guana
Address: 2878 S. Bus. Hwy. 281
Edinburg, TX 78539

Such notices shall be considered given and complete upon successful transmission or upon deposit in the United States Mail.

2.15 SPECIAL COUNSEL affirmatively consents to the disclosure of email addresses that are provided to CLIENT. This consent is intended to comply with the requirements of the Texas Public Information Act. TEX GOV'T CODE ANN. §552.137, *et sequiter*, as amended, and shall survive termination of this Agreement. This consent shall apply to email addresses provided by SPECIAL COUNSEL and agents acting on SPECIAL COUNSEL's behalf and shall apply to any email address provided in any form for

any reason whether related to this Agreement or otherwise.

2.16 It is expressly understood that SPECIAL COUNSEL has no authority to settle or otherwise compromise the position of CLIENT or any of its officers. CLIENT retains all authority to settle the case.

2.17 Nothing herein shall be construed as creating any personal liability on the part of any officer or agent of CLIENT.

2.18 If any provision of this Agreement is held in whole or in part to be unenforceable, void, or voidable for any reason, then such provision will be modified to reflect the parties' intention and to make the provision enforceable. It is the parties' intention that the suit against Defendants shall continue regardless of whether any single part of this Agreement is unenforceable, void or voidable. In the event that one or more provisions of this Agreement is held unenforceable, void, or voidable, all remaining provisions of this Agreement that have not been determined by a court as being unenforceable, void, or voidable, shall remain in full force and effect. If for any reason any court or other authority of competent jurisdiction finds any provision of this agreement or any portion of this agreement to be unenforceable, void, or improper, such provision will be enforced to the maximum extent permissible so as to implement the intentions of the parties, and the remainder will continue in full force and effect. Nothing in this contract is to be construed as authorizing the charge of any illegal or unconscionable fee or expense and Client hereby agrees to pay attorney's fees and reimburse expenses as calculated pursuant to the above specific provisions of this agreement, or else the maximum fee (and reimbursable expenses) allowed by law, whichever is less.

III. Required Recitals

3.01 This Agreement is effective only after review and approval by the Comptroller for the State of Texas.

3.02 SPECIAL COUNSEL, must and shall keep current and complete written time and expense records that describe in detail the time and money spent each day in performing the contract [this Agreement] as required by Section 2254.104(a) Texas Government Code.

3.03 SPECIAL COUNSEL shall permit CLIENT or CLIENT's attorney or CLIENT's governing body or other governing officials, the Attorney General for the State of Texas, the State Auditor, or any other appropriate official, to inspect or obtain copies of the time and expense records kept in accordance with Section 3.02, at any time on request, as required by Section 2254.104(b) Texas Government Code.

3.04 Upon conclusion of any matter for which SPECIAL COUNSEL was retained, SPECIAL COUNSEL shall provide CLIENT with a complete written statement that describes the outcome of the matter, states the amount of any recovery, shows SPECIAL COUNSEL's computation of the amount of the contingent fee, and contains the final complete time and expense records required by Section 2254.104(c) Texas Government Code. The complete written statement required under this section is public information under Chapter 552 of the Texas Government Code and may not be withheld from a requester under that chapter under Section 552.103 or any other exception from required disclosure.

3.05 All time and expense records required by Section 3.02 are public information subject to required

disclosure under Chapter 552 of the Texas Government Code. Information contained in the time and expense records may be withheld from a member of the public under Section 552.103 only if, in addition to meeting the requirements of Section 552.103, the chief legal officer or employee of CLIENT determines that withholding the information is necessary to protect the CLIENT's strategy or position in pending or reasonably anticipated litigation. If any information is withheld from public disclosure in accordance with this subsection, CLIENT shall segregate said information from information that is subject to required public disclosure.

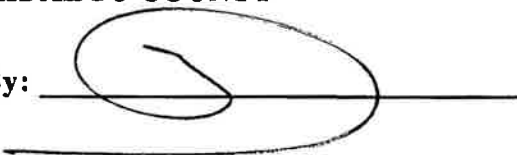
3.06 The amount recovered for purposes of the contingent fee computation is the amount obtained before expenses are deducted. Clients also understand that they may be offered a settlement that involves periodic payments of money over time, a sale or trade of real estate or other property, or consideration other than a single lump sum. If Clients choose to make any such settlement of all or part of the claims, then all expenses and other items to be deducted from any settlement of the matter, including attorneys' fees, must be paid lump sum in cash at settlement. It is agreed that the amount of the contingent fee in such case shall be calculated as hereinbefore agreed, with the agreed maximum percentage to be calculated upon the total present cash value to Clients of such settlement package. Any values needed to calculate any contingent fee shall be determined as of the date of the settlement by a reputable structured settlement consultant or licensed or certified real estate appraiser or other competent expert chosen by our attorneys.

3.07 Any subcontracted legal or support services performed by a person who is not SPECIAL COUNSEL, or a partner, shareholder, or employee of SPECIAL COUNSEL is an expense subject to reimbursement only after receiving written permission from CLIENT to incur such expense and only in accordance with Subchapter C, Chapter 2254 of the Texas Government Code.

3.08 SPECIAL COUNSEL agrees to fully indemnify, defend and hold harmless CLIENT for and from any cost or expense arising from or related to any judgment, fine, fee, penalty, award, sanction or other cost or expense, to include attorney's fees, which may be ordered, imposed on or assessed against CLIENT arising from or related to the Representation covered by this Agreement.

HIDALGO COUNTY

By: _____

A large, stylized handwritten signature in black ink, consisting of a large loop and a horizontal stroke, is written over a horizontal line.

Date: _____

12/18/18

Approved By:



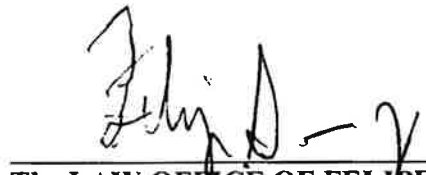
THE SNAPKA LAW FIRM
Kathryn Snapka

Date: Nov. 29, 2018



V. GONZALEZ & ASSOCIATES, P.C.
Vicente Gonzalez

Date: 12-7-18



The LAW OFFICE OF FELIPE GARCIA
Felipe Garcia

Date: 12-14-18

Approved By:

**The Office of the Texas Comptroller
Of Public Accounts:**



Deputy Comptroller or his designee