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March 28, 2007

Terry White  
4116 Glenwood Drive  
Fort Worth, Texas 76109

*Via E-Mail: [terwhi@msn.com](mailto:terwhi@msn.com)*

Re: Engagement of Moses, Palmer & Howell, L.L.P. ("MPH")

Dear Terry:

It was a pleasure meeting with you and the other members of the Tanglewood Neighborhood Association Gas Lease Committee (the "Committee"). We appreciate your contacting MPH to assist in coordinating the negotiation of gas leases on behalf of property owners within the Tanglewood neighborhood and adjacent neighborhoods served by the Tanglewood Neighborhood Association. We are pleased to do so. We anticipate the result of our negotiations will be a form of lease that we will recommend be signed by any property owners who have engaged us to negotiate on their behalves. Having said this, we cannot guarantee the outcome of the negotiations or that they will yield any increase in the royalty or bonus figures currently being offered.

As we discussed, MPH customarily requires an engagement letter such as this in advance of commencing representation in a matter. The purpose of this letter is twofold. First, it confirms the specific scope of MPH's representation to be as stated above. Second, it sets forth in greater detail the terms and conditions upon which MPH will represent any homeowners who ask us to do so. I understand you will arrange to have this agreement distributed to the various property owners within the affected neighborhoods. In turn, we ask that any property owners who wish to utilize our services sign this agreement and furnish their signatures to you for your return to us. When a property owner signs this letter, it becomes a contract between the property owner and MPH.

In addition to an engagement letter such as this, MPH typically requires a retainer. In this instance, however, no retainer is required at this time.

#### RATES

MPH's fees for legal services are based on standard commercial rates. Each lawyer and legal assistant in our firm has an hourly rate that is reviewed annually and adjusted effective January 1, if appropriate. Our current hourly rates for legal assistant time are \$100 to \$110 per hour, and from \$150 to \$350 per hour for time spent by attorneys. As we discussed, the standard hourly rate charged in matters such as this by me, as well as

my law partner, Tim Howell, is \$250; however, we each agree to charge \$225 per hour in this matter. If appropriate, when possible we will utilize the services of associate attorneys and paralegals with lower billing rates so as to reduce the fees incurred. We agree that the total fees charged in this matter will not exceed \$3,000.

#### **BILLING FOR OUR FEES AND EXPENSES**

MPH will bill monthly for fees and expenses. While I expect expenses to be minimal, they typically include such things as filing fees, postage and courier fees, fax and long-distance telephone charges and travel costs, including mileage charges, if travel is required. Our bills itemize the services performed by date, time required and the lawyer or legal assistant performing those services. Payment is due upon receipt of the bill. Unless you instruct otherwise, all invoices will be sent to you at the address to which this letter is directed.

#### **FEES ASSUMED TO BE REASONABLE**

MPH submits bills on a monthly basis shortly after services are rendered so that you will have a ready means of monitoring and controlling the expenses being incurred. If you believe expenses are mounting too rapidly, please contact us immediately so we can assist you in evaluating how they may be curtailed in the future. When we do not hear from you, we assume that you approve of the overall level of activity on our part in this matter.

#### **FAILURE TO PAY FOR SERVICES**

MPH is relieved from the responsibility of performing any further work should payment of any monthly statement for fees and expenses not be received within twenty (20) days of receipt of such statements. If such nonpayment occurs, it is agreed that MPH may move to withdraw as counsel in this matter.

#### **REPRESENTATION OF ADVERSE INTERESTS**

During the course of our representation in this matter, or after the representation is concluded, MPH may be asked by another client or potential client to represent it in matters that are potentially adverse to the interests of one or more property owners who sign this agreement. By signing this letter, it is agreed that MPH may do so, provided that (i) such matters are not materially related to the matter in which we represent such property owner(s), and (ii) no attorney with this firm who is directly involved in representing such property owner(s) and in possession of confidential information concerning his or her case will be directly involved in representing interests potentially adverse to the property owner(s) without his or her prior consent. By signing this letter, it is further agreed that MPH's representation in this matter (or our receipt of confidential information in this matter) will not be urged as a basis for seeking our disqualification as counsel for adverse interests, provided that conditions (i) and (ii) above are satisfied.

**WAIVER OF JURY TRIAL**

Any dispute arising out of, in connection with or in relation to the interpretation, performance or breach of this agreement, including any claim of legal malpractice, shall be resolved by a court in Fort Worth, Tarrant County, Texas. Any person signing this letter waives the right to a jury trial. Thus, all disputes shall be tried to the court.

I have set forth the terms and conditions of our engagement so candidly because I believe you, the Committee and any property owners who wish to be involved are entitled to know MPH's policies. Moreover, I am convinced this type of discussion and openness avoids any misunderstandings later. Once we receive all signatures on this letter and are instructed by the Committee to commence negotiations, we will do so.

Again, thank you for contacting us. Tim and I look forward to working with you, the Committee and our neighbors.

Sincerely,

MOSES, PALMER & HOWELL, L.L.P.



David A. Palmer, Partner

cc: Timothy D. Howell – Firm

**ACCEPTED:**

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Printed Name: \_\_\_\_\_  
Address: \_\_\_\_\_  
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Date: \_\_\_\_\_

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