

COUNSEL CONTINGENT FEE CONTRACT

This Agreement ("Agreement") is made on the 25th day of September, 2018, between Williamson County, Texas, hereinafter referred to as "CLIENT", and Watts Guerra LLP; The Gallagher Law Firm, LLP; Fibich, Leebron, Copeland, Briggs; Jay R. Aldis; and the Law Offices of Edmond Moreland, hereinafter referred to as "COUNSEL." In consideration of the mutual promises herein contained, the parties hereto agree as follows:

I. PURPOSE OF REPRESENTATION

1.1 CLIENT has found a substantial need to employ COUNSEL to assist CLIENT'S attorneys in the prosecution of a lawsuit arising under the laws of the State of Texas against various pharmaceutical companies and/or distributors that design, manufacture, promote, market, distribute, and/or sell prescription opioid drugs, and those acting in concert with them (collectively, "Defendants"). These claims arise out of Defendants' negligence, fraud, misrepresentations, mislabeling, and other actions taken by them in the marketing and sale of prescription opioid drugs to the American public. Specifically, the claims arise from Defendants' role in the foreseeability of and deliberate creation of the opioid epidemic that now exists in in this country, the substantial economic harm that epidemic has caused Williamson County by way of direct and indirect costs incurred as a result of the opioid epidemic, and the substantial profits reaped by Defendants in spite of knowing that they were defrauding or acting negligently toward the American public ("the Representation").

1.2 CLIENT hereby retains and employs COUNSEL. The Williamson County Commissioners' Court has, by its approval of this Agreement, found that CLIENT has a substantial need for these legal services which cannot be adequately performed by the attorneys of CLIENT or other government attorneys, nor, because of the nature of the matter for which services will be obtained, can they 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.

1.3 CLIENT hereby authorizes and directs COUNSEL, subject to the supervision, direction and control of the Williamson County Commissioners Court and General Counsel's Office, to handle the Representation and to take all actions necessary to prosecute and assist in the prosecution of the ongoing case or any new or additional case(s) on behalf of CLIENT against Defendants. In the Representation, COUNSEL may seek necessary and appropriate injunctive relief, damages, civil penalties, and attorney's 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 and/or federal statutory and/or common law.

1.4 CLIENT has already authorized the filing of a suit or suits against Defendants and has determined pursuant to Tex. Loc. Gov't 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 and the services of COUNSEL are being retained pursuant to all applicable law.

1.5 The term of this Agreement shall end after the conclusion of the Representation unless either party extends or terminates this Agreement in accordance with its provisions.

1.6 The primary attorneys handling this representation employed by COUNSEL will be Mikal Watts, Frank Guerra, Shelly Sanford, Guy Watts, Michael Gallagher, Thomas Fibich, Jay Henderson, Pam McLemore, Shawna Fugate, Jay R. Aldis and Edmond Moreland. COUNSEL and approved ASSOCIATED CO-COUNSEL (as set out below) agree to perform necessary legal work with reference to the Representation, and will work specifically under the supervision, direction, and control of the Williamson County Commissioners Court and General Counsel's Office.

1.7 To enable COUNSEL to provide effective representation, CLIENT agrees to do the following: (1) disclose to 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 COUNSEL may request, (2) keep COUNSEL 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, and (4) otherwise cooperate fully with COUNSEL.

1.8 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.

1.9 The person or entity that COUNSEL represents is Williamson County, Texas and COUNSEL'S attorney-client relationship does not include any related persons or entities. If any potential conflict arises with respect to the Representation, COUNSEL will make full disclosure of the possible effects of such Representation on the professional judgment of each individual associate with COUNSEL working on Representation. Such disclosure shall be made to CLIENT'S General Counsel's Office, or any other attorney as designated by the Williamson County Commissioners Court. It is expressly acknowledged that this case and COUNSEL may be involved in and subject to multi-district litigation.

1.10 It is understood and agreed that COUNSEL'S engagement is limited to the Representation. COUNSEL is not being retained as general counsel, and 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 COUNSEL'S part concerning the outcome of the Representation, or any other legal matters, are based on COUNSEL'S professional judgment and are not guarantees. Such expressions, even when described as opinions, are necessarily limited by COUNSEL'S knowledge of the facts and are based on COUNSEL'S views of the state of the law at the time they are expressed. COUNSEL has made no promises or guarantees to CLIENT

about the outcome of the Representation, and nothing in these terms of engagement shall be construed as such a promise or guarantee. COUNSEL has explained the possibility of a Federal Multi-District Litigation should this case be filed or removed to Federal District Court.

1.12 After completion of the Representation, changes may occur in the applicable laws or regulations that could affect CLIENT'S future rights and liabilities in regard to the Representation. Unless COUNSEL is actually engaged after the completion of the Representation to provide additional advice on such issues, COUNSEL has no continuing obligation to give advice with respect to any future legal developments that may pertain to the Representation other than the continuing obligations set out in this Agreement.

1.13 At the conclusion of the Representation, COUNSEL will return to CLIENT any documents that COUNSEL is specifically requested to return. As to any documents so returned, COUNSEL may elect to keep a copy of the documents in COUNSEL'S stored files. CLIENT owns all final work product generated from the Representation.

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

Attn: Shelly A. Sanford
Guy L. Watts
Watts Guerra LLP
811 Barton Springs Road, Suite 725
Austin, Texas 78704
(512) 479-0500 (Telephone)
(512) 479-0502 (Facsimile)
Email: ssanford@wattsguerra.com
gwatts@wattsguerra.com

Mikal C. Watts
Frank Guerra, IV
Watts Guerra LLP
4 Dominion Drive, Bldg. 3, Suite 100
San Antonio, Texas 78257
(210) 447-0500 (Telephone)
(210) 447-0501 (Facsimile)
Email: mcwatts@wattsguerra.com
fguerra@wattsguerra.com

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

Attn: Hal C. Hawes
General Counsel
Office of Williamson County Judge
710 Main Street, Suite 200
Georgetown, Texas 78626
Phone: (512) 943-3862
Email: hhawes@wilco.org

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

1.17 COUNSEL affirmatively consents to the disclosure of its email addresses that are provided to CLIENT or the General Counsel's Office. This consent is intended to comply with the requirements of the Texas Public Information Act, Tex. Gov't Code Ann. § 552.137, *et seq.*, as amended, and shall survive termination of this Agreement. This consent shall apply to email addresses provided by COUNSEL and agents acting on COUNSEL'S behalf and shall apply to any email address provided in any form for any reason whether related to this Agreement or otherwise.

1.18 It is expressly understood that COUNSEL has no authority to settle or otherwise compromise the position of the CLIENT or any of its officers. The Williamson County Commissioners' Court retains all authority to settle the case.

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

1.20 COUNSEL shall provide CLIENT's General Counsel with reports on the status of the Representation as requested by CLIENT. No settlement of any claim, suit, or proceeding shall be entered into without the approval of the Williamson County Commissioners Court.

1.21 It is further agreed that COUNSEL shall not associate other firms to appear as co-counsel ("ASSOCIATED CO-COUNSEL") with COUNSEL without the prior written consent of the Williamson County Commissioners Court. COUNSEL's intent to associate ASSOCIATED CO-COUNSEL shall be in writing, shall set forth the reasons that COUNSEL wishes to associate ASSOCIATED CO-COUNSEL, and shall be in compliance with Section 1.04(f) of the Texas Disciplinary Rules of Professional Responsibility ("TDRPR"). Any counsel approved by the Williamson County Commissioners Court pursuant hereto shall be considered a contracting party to and bound by the terms and conditions of this Agreement and shall confirm their agreement to be so bound in writing provided to the Williamson County Commissioners Court prior to their association.

1.22 In compliance with section 1.04 of the TDRPR, COUNSEL hereby discloses that any attorney's fees paid by CLIENT shall be allocated amongst COUNSEL and ASSOCIATED CO-COUNSEL based upon the proportion of services performed, using as a basis for such

determination the estimated hours spent by attorneys and paralegals in each firm; any exceptional contribution(s) made; the extent to which a firm has advanced expenses; and the relative responsibilities assumed by each firm.

1.15 Allocation of such attorney's fees amongst COUNSEL is allocated as follows:

Watts Guerra LLP	25.0%
The Gallagher Law Firm, LLP	25.0%
Fibich, Leebron, Copeland, & Briggs	25.0%
Jay R. Aldis	12.5.%
Edmond Moreland	12.5%

No actions and/or disputes between or amongst COUNSEL and ASSOCIATED CO-COUNSEL will affect CLIENT'S recovery, nor will it give rise to any liability on the part of CLIENT.

II. COUNSEL'S FEES AND EXPENSES IF SUBCHAPTER C, CHAPTER 2254 OF THE TEXAS GOVERNMENT CODE IS APPLICABLE TO THIS AGREEMENT

2.1 In consideration of the legal services to be provided to CLIENT by COUNSEL pursuant hereto, CLIENT hereby assigns and grants unto COUNSEL attorney's fees equal to twenty-five percent (25%) of the gross recovery.

2.2. COUNSEL agrees to advance the expenses of litigation determined by COUNSEL to be reasonable and necessary. Any and all expenses will be paid to COUNSEL as a part of the fee and will not be reimbursed by CLIENT.

2.3 Tex. Gov't Code § 2254.105(1): Any contingency fee due hereunder is to be computed by multiplying CLIENT's recovery times twenty-five percent, subject to the limitations on the amount of such fee as provided in Chapter 2254, Subchapter C of the Texas Government Code.

2.4 Tex Gov't Code § 2254.105(2): The contingent fee is twenty-five percent regardless of whether the matter is settled, tried, or tried and appealed.

2.5 Tex Gov't Code § 2254.105(5): The entire amount of the contingent fee and reimbursement of expenses payable pursuant to this Section II will be paid and limited in accordance with any provision(s) of Chapter 2254, Subchapter C of the Texas Government Code, including §§ 2254.106-2254.107, otherwise applicable to this Agreement. More specifically, if the contingency fee provided herein is subject to Subchapter C, Chapter § 2254 of the Texas

Government Code and Texas Government Code § 403.030, then COUNSEL's contingent fee will be determined as set forth below:

(a) 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. COUNSEL'S contingent fee is limited to the lesser of, as collected by COUNSEL, (i) 25% of the amount recovered by CLIENT by order, judgment, settlement agreement, or other award, and (ii) four times COUNSEL'S base fee, as that term is used in Texas Government Code § 2254.106. 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 a contracting attorney or a partner, shareholder, or employee of a contracting attorney or law firm — as such hours or costs are expenses under Section 3.06 herein. COUNSEL'S reasonable hourly rate for the work performed under the Agreement is \$950 an hour for partners, \$600 per hour for non-partners, and \$200 per 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 of COUNSEL. These rates apply to the subcontracted work performed, if any, by an attorney, law clerk, or paralegal, which rates, times hours worked, are expenses under Subchapter C, § 2254. Because of the expected difficulties in performing the work under this Agreement, the amount of expenses expected to be risked by 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. COUNSEL'S fee as set forth in this paragraph is the same regardless of whether the litigation is settled, tried, or tried and appealed;

(b) The amount recovered for purposes of the contingent fee computation is the amount CLIENT receives before reimbursable expenses are deducted;

(c) CLIENT shall have the absolute right to settle the case for no penalty, which would yield no contingent fee on penalties to COUNSEL. In such event, CLIENT will assign any award of attorney's fees to COUNSEL, who shall have the obligation to collect them from the Defendants;

(d) COUNSEL will be responsible for paying all expenses of litigation directly to the vendor, such as expert witness fees, deposition expenses, and other court costs/fees. CLIENT will not advance any litigation expenses under this Agreement. It is expressly understood that the fee described in section 2.5 shall be the sole source of compensation to 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 secretarial work, including overtime, computer time, non-travel meals, clerical filing, and proof-reading. COUNSEL agrees that it is neither authorized to seek reimbursement nor is CLIENT obligated to pay for mileage within the 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, mediation fees, travel, meals and lodging, expenses associated with depositions and hearings (such as costs of the transcript, and court reporter or videographer fees), travel outside the County, research and investigation related fees and expenses, Westlaw expenses, and expenses associated with mail or transmission of documents, creating documents or demonstrative exhibits or other means of evidence presentation during discovery, trial or hearings (such as trial graphics) shall constitute reimbursable expenses ("the Reimbursable Expenses"). COUNSEL shall advance all the Reimbursable Expenses. All reimbursable expenses above \$10,000 must be pre-approved by CLIENT. Reimbursable Expenses shall be recovered by COUNSEL out of any settlement or judgment that arises out of the Representation. No expenses will be due or owed to COUNSEL if there is not any recovery, award, settlement or judgment.

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

2.6 Tex Gov't Code § 2254.104(a): COUNSEL, ASSOCIATED CO- COUNSEL (as defined herein), and any other attorney or paralegal subcontracted by them shall keep current and complete written time and expense records that describe in detail the time and money spent each day in performing under this Agreement a manner consistent Section 2254.104(a) Texas Government Code.

2.7 Tex Gov't Code § 2254.104(b): COUNSEL, ASSOCIATED CO- COUNSEL, and any other attorney or paralegal subcontracted by them shall permit CLIENT, the attorney general, the state auditor, or other official as appropriate each to inspect or obtain copies of the written time and expense records required herein at any time on request.

2.8 Tex Gov't Code § 2254.104(a) and 2254.104(d): On conclusion of this matter, COUNSEL shall provide CLIENT with a complete written statement that describes the outcome of the matter, states the amount of any recovery, shows COUNSEL's computation of the amount of the contingent fee, and contains final complete time and expense records as required. COUNSEL, ASSOCIATED CO-COUNSEL, and any other attorney or paralegal subcontracted by them acknowledge that 2254.104(d) provides that, "All time and expense records required under this section are public information subject to required public disclosure under Chapter 552. Information in the 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 the state governmental entity determines that withholding the information is necessary to protect the entity's strategy or position in pending or reasonably anticipated

litigation. Information withheld from public disclosure under this subsection shall be segregated from information that is subject to required public disclosure.”

III. OTHER REPRESENTATION BY COUNSEL

3.0 CLIENT understands and agrees that COUNSEL may represent multiple clients and agrees that in representing multiple clients many of the expenses incurred are common case expenses, which are costs and expenses incurred for the benefit of multiple clients, including expert witness fees, depositions of defendants, experts, and non-party witnesses, settlement conferences, trial expenses, filing fees, and other expenses that are incurred for purposes of influencing the outcome of multiple clients' claims. CLIENT understands and agrees the expenses it is required to reimburse, if there is a recovery, include not only expenses for CLIENT's own claims, but also the common case expenses. Such expenses shall be reimbursed to COUNSEL in the same ratio as the ratio of CLIENT's recovery to the recovery of all other counties represented by COUNSEL. CLIENT understands and agrees that this action may become part of a state or federal MDL and that certain expense or fee allocations may be required by the court appointed to preside over such MDL. CLIENT understands and agrees that COUNSEL may have an interest that allows COUNSEL recovery of fees and/or expenses for the common benefit of the MDL separate from this Agreement.

IV. OTHER PROVISIONS

4.1 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 provision of this Agreement is held unenforceable, 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.

4.2 The term of this Agreement begins upon dated it is executed by all parties, and continues until the Representation is concluded. This Agreement shall be of no force or effect until approved in writing by the County. This Agreement, and any amendments or revisions thereto, shall be forwarded by the County for approval by the State Comptroller or his designee in accordance with relevant guidelines and, upon approval; the County shall provide a conformed copy to all parties.

4.3 The parties affirmatively verify that consistent with House Bill 89 COUNSEL does not boycott Israel and will not boycott Israel during the term of the contract.

4.4 Payment of fees and expenses shall be made only from the County's share of the recovery, giving the legislature full control of the State's share of any recovery.

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

AGREED:

Mikel Watts by/please
WATTS GUERRA LLP

Date: 10-12-18

[Signature]
THE GALLAGHER LAW FIRM LLP

Date: 10-12-18

[Signature]
FIBICH, LEEBROON, COPELAND,
BRIGGS

Date: 10-12-18

Jay Aldis
JAY R. ALDIS

Date: 11/5/2018

Edmond Moreland
EDMOND MORELAND

Date: Nov 5, 2018

CLIENT:

[Signature]
WILLIAMSON COUNTY

Date: September 25, 2018

By: Don A. Gattis
Printed Name of County Official

**APPROVED BY:
OFFICE OF THE TEXAS COMPTROLLER OF PUBLIC ACCOUNTS:**

Lisa Claven
By: Deputy Comptroller or his designee

Effective Date: 5-31-19