

OPIOID LEGAL REPRESENTATION AGREEMENT
(AGREEMENT)

CLIENT

County of Brooks, Texas

A. Scope and Purpose of Representation

1.1 The County of Brooks, Texas ("CLIENT") hires the law firms of PHIPPS DEACON PURNELL PLLC and DAVID GARCIA as CO-COUNSEL in the investigation and prosecution of a lawsuit arising under the laws of the State of Texas for any and all claims against manufacturers, distributors and prescribers of prescription opiates and those acting in concert with them who caused, or contributed to cause, the damages incurred by the County of Brooks arising out of aggressive marketing and distribution of opiates in and to the County of Brooks (collectively, "Defendants"). The claims include, but are not limited to: negligence, fraud, misrepresentation, violations of deceptive trade practices and consumer protection statutes, nuisance, civil RICO or conspiracy, violation of the Controlled Substances Act, mislabeling and other causes of action arising from Defendants' conduct in the marketing and sale of prescription opioid drugs to the American public and to the County of Brooks. Specifically, the claims arise from Defendants' role in the creation of the opioid epidemic that now exists in the U.S. and in the County of Brooks, the substantial economic harm the opioid epidemic has caused the County by way of direct and indirect costs incurred, the physical harm to the life, health, safety and property of the County and its residents, and the lucrative profits reaped by Defendants despite knowing that they were defrauding the County of Brooks ("the Representation").

1.2 CLIENT hereby retains and employs CO-COUNSEL. The County of Brooks Commissioners Court ("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 CO-COUNSEL, subject to the supervision, direction and control of the Brooks County Attorney ("County Attorney"), 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, CO-COUNSEL may seek necessary and appropriate injunctive relief, damages, civil penalties, costs 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 CO-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 CLIENT is hiring as CO-COUNSEL the law firms of PHIPPS DEACON PURNELL PLLC and DAVID GARCIA. The primary attorneys handling this legal representation for CLIENT will be DAVID GARCIA and Martin Phipps, Barry Deacon and Simon Purnell of PHIPPS DEACON PURNELL PLLC, with Martin Phipps being lead/managing attorney for PHIPPS DEACON PURNELL PLLC. CO-COUNSEL agree to perform necessary legal work with reference to the Representation, and will work specifically under the supervision, direction and control of County Attorney.

1.7 To enable CO-COUNSEL to provide effective representation, CLIENT agrees to do the following: (1) disclose to CO-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 CO-COUNSEL may request, (2) keep CO-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 CO-COUNSEL. Finally, if Client has any concern or problem with CO-COUNSEL, their attorneys or employees at any time, CLIENT agrees to immediately tell the primary attorney of each law firm about any concerns or problems and not wait until a later time.

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 CO-COUNSEL represents is the County of Brooks and CO-COUNSEL'S attorney-client relationship does not include any related persons or entities. If any potential conflict arises with respect to the Representation, CO-COUNSEL will make full disclosure of the possible effects of such Representation on the professional judgment of each individual associated with CO-COUNSEL working on Representation. Such disclosure shall be made to the County of Brooks by notifying the County Attorney.

1.10 It is understood and agreed that CO-COUNSEL'S engagement is limited to the Representation. CO-COUNSEL is not being retained as general counsel and CO-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 CO-COUNSEL'S part concerning the outcome of the Representation, or any other legal matters, are based on CO-COUNSEL'S professional judgment and are not guarantees. Such expressions, even when described as opinions, are necessarily limited by CO-COUNSEL'S knowledge of the facts and are based on CO-COUNSEL'S views of the state of the law at the time they are expressed. CO-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.

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 CO-COUNSEL is actually engaged after the completion of the Representation to provide additional advice on such issues, CO-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, CO-COUNSEL will return to CLIENT any documents that CO-COUNSEL is specifically requested to return. As to any documents so returned, CO-COUNSEL may elect to keep a copy of the documents in CO-COUNSEL'S stored files. CLIENT owns all final work product generated from the Representation, subject to Chapter 552 of the Texas Government Code, commonly referred to as the Texas Public Information Act.

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

Martin Phipps
PHIPPS DEACON PURNELL, PLLC
THE PHIPPS
102 9th Street
San Antonio, Texas 78215
(210) 340-9877 (Telephone)
(210) 340-9799 (Facsimile)
Email: mhipps@phippsandersondeacon.com

David T. Garcia
P.O. Box 143
Falfurrias, Texas 78355
(361) 595-4142 (Telephone)
(361) 595-0544 (Facsimile)
Email: davidtgarcia0081@gmail.com

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

County of Brooks
Judge Eric Ramos
100 East Miller Street
P.O. Box 515
Falfurrias, Texas 78355
Attn: Brooks County Judge
(361) 325-5604 ext. 156/155 (Telephone)
(512) 895-9680 (Facsimile)
Email: eramos@co.brooks.tx.us

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

1.17 CO-COUNSEL affirmatively consents to the disclosure of its email addresses that are provided to CLIENT or the County Attorney's Office. This consent is intended to comply with the requirements of the Texas Public Information Act, TEX. GOV'T CODE § 552.137, *et seq.*, as amended, and shall survive termination of this Agreement. This consent shall apply to email addresses provided by CO-COUNSEL and agents acting on CO-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 CO-COUNSEL has no authority to settle or otherwise compromise the position of the CLIENT or any of its officers. The Commissioners Court, in consultation with the County Attorney, retain 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 CO-COUNSEL shall provide CLIENT's attorney 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 Commissioners Court in consultation with the County Attorney.

1.21 It is further agreed that CO-COUNSEL shall not associate other firms to appear as ASSOCIATED COUNSEL without the prior written consent of the County Attorney. CO-COUNSEL'S intent to associate ASSOCIATED COUNSEL shall be in writing, shall set forth the reasons that CO-COUNSEL wishes to associate ASSOCIATED 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 County Attorney 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 County Attorney prior to their association.

1.22 CO-COUNSEL will share any legal fees as follows:

PHIPPS DEACON PURNELL, PLLC	50%
DAVID GARCIA	50%

Any legal fees charged by ASSOCIATED COUNSEL will be paid out of CO-COUNSEL'S fee. CLIENT will have no obligation to pay additional legal fees or reimburse expenses to ASSOCIATED COUNSEL.

1.23 The basis for this division of legal fees will be "joint responsibility," as that term is defined in Rule 1.04, Texas Disciplinary Rules of Professional Conduct, and its official comments (i.e., a "joint responsibility" attorney or law firm may not have an active role in representing client, but does have some obligations described in the Rule and its comments). CLIENT consents to this sharing or division of legal fees between/among these identified law firms and the basis described.

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

B. Co-Counsel's Fees and Expenses if Subchapter C, Chapter 2254 of the Texas Government Code Applies to this Agreement

2.1 In consideration of the legal services to be provided to CLIENT by CO-COUNSEL, CLIENT hereby assigns and grants unto CO-COUNSEL attorney's fees equal to thirty-five percent (35%) of the gross recovery.

2.2 CO-COUNSEL agree to advance the expenses of litigation determined by CO-COUNSEL to be reasonable and necessary. Any and all expenses will be paid by CO-COUNSEL as a part of the thirty-five percent (35%) fee and will not be reimbursed by CLIENT.

2.3 **TEX. GOV'T CODE § 2254.104(a):** CO-COUNSEL 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.

2.4 **TEX. GOV'T CODE § 2254.104(b):** CO-COUNSEL shall permit the governing body or governing officer of the state governmental entity, the attorney general, and the state auditor each to inspect or obtain copies of the time and expense records at any time on request.

2.5 **TEX. GOV'T CODE § 2254.104(c):** On conclusion of the matter for which legal services were obtained, CO-COUNSEL shall provide CLIENT with a complete written statement that describes the outcome of the matter, states the amount of any recovery, shows CO-COUNSEL'S computation of the amount of the contingent fee, and contains the final complete time and expense records required by TEX. GOV'T CODE § 2254.104(a). The complete written statement required by this subsection is public

information under Chapter 552 and may not be withheld from a requestor under that chapter under Section 552.103 or any other exception from required disclosure.

2.6 TEX. GOV'T CODE § 2254.104(d): This subsection does not apply to the complete written statement required by TEX. GOV'T CODE § 2254.104(c). All time and expense records required by Section 2254.104 are public information subject to required public disclosure under Chapter 552 of the Texas Government Code. 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 CLIENT 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.

2.1 TEX. GOV'T CODE § 2254.105(1): Any contingency fee due hereunder is to be computed by multiplying CLIENT'S gross recovery times thirty-five (35%) percent, subject to the limitations on the amount of such fee as provided in Chapter 2254, Subchapter C of the Texas Government Code.

2.2 TEX. GOV'T CODE § 2254.105(2): The contingent fee is thirty-five percent (35%) of the gross recovery regardless of whether the matter is settled, tried, or tried and appealed.

2.3 TEX. GOV'T CODE § 2254.105(3): Any and all expenses will be paid by CO-COUNSEL as a part of the thirty-five percent (35%) fee and will not be reimbursed by CLIENT.

2.4 TEX. GOV'T CODE § 2254.105(4): Any subcontracted legal or support services performed by a person who is not a contracting attorney or a partner, shareholder, or employee of a contracting attorney or law firm is an expense subject to reimbursement only in accordance with Subchapter C, Chapter 2254 of the Texas Government Code.

2.5 TEX. GOV'T CODE § 2254.105(5): The amount of the contingent fee under the Agreement will be paid and limited in accordance with Subchapter C, Chapter 2254 of the Texas Government Code and other applicable sections.

2.6 TEX. GOV'T CODE § 2254.106(a): The reasonable hourly rate for work performed by an attorney, law clerk, or paralegal who will perform legal or support services under the contract based on the reasonable and customary rate in the relevant locality for the type of work performed and on the relevant experience, demonstrated ability, and standard hourly billing rate, if any, of the person performing the work shall be:

- | | |
|---------------------|---------|
| a. DAVID GARCIA | \$1,000 |
| b. MARTIN J. PHIPPS | \$1,000 |

- c. BARRY DEACON \$1,000
- d. SIMON PURNELL \$1,000
- e. Other attorneys employed or subcontracted by CO-COUNSEL:
 - (1) Attorneys with 15+ years of litigation experience \$900
 - (2) Attorneys with 10 to 15 years of litigation experience \$600
 - (3) Attorneys with 5 to 10 years of litigation experience \$450
 - (4) Attorneys with 1 to 5 years of litigation experience \$350
- f. Law clerks employed or subcontracted by CO-COUNSEL \$150
- g. Paralegals employed or subcontracted by CO-COUNSEL \$200

2.7 **TEX. GOV'T CODE § 2254.106(b):** "Base Fee" shall be calculated as follows: For each attorney, law clerk, or paralegal who is a contracting attorney or a partner, shareholder, or employee of a contracting attorney or law firm, multiply the number of hours the attorney, law clerk, or paralegal works in providing legal or support services under the contract times the reasonable hourly rate for the work performed by that attorney, law clerk, or paralegal. Add the resulting amounts to obtain the Base Fee. The computation of the Base Fee may 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.

2.8 **TEX. GOV'T CODE § 2254.106(c):** Based on the expected difficulties in performing the contract, the amount of expenses expected to be risked by the contractor, the expected risk of no recovery, and any expected long delay in recovery, a reasonable multiplier of any fee payable by CLIENT is four.

2.9 **TEX. GOV'T CODE § 2254.106(d):** In no event shall the contingent fee payable hereunder exceed the lesser of thirty five percent (35%) or the amount computed under TEX. GOV'T CODE § 2254.106(a), (b) and (c).

2.10 **TEX. GOV'T CODE § 2254.106(f):** The requirements of TEX. GOV'T CODE § 2254.106 shall be applicable to each individual recovery that actually exceeds \$100,000.

2.11 **TEX. GOV'T CODE § 2254.108:** Payment of fees and expenses are subject to limitations established by TEX. GOV'T CODE § 2254.108.

C. Joint Representation

3.01 CO-COUNSEL has advised CLIENT that CO-COUNSEL may represent other clients ("Other Clients") with claims similar to those of CLIENT. Further, CO-COUNSEL has advised CLIENT that there are important potential advantages and disadvantages to participating in a joint representation in which CO-COUNSEL represent multiple clients pursuing similar claims. CLIENT consents to the law firms' joint representation of CLIENT and such Other Clients. CLIENT agrees that CO-COUNSEL may mediate or otherwise negotiate CLIENT'S claims in combination with Other Clients' claims. If a defendant makes a "global settlement offer" that offers one sum of money to settle more than one client's claims, then CLIENT agrees that CO-COUNSEL can share the identity of each jointly-represented client, the settlement amount proposed for each, and the nature of each jointly-represented client's claims with all other clients, including CLIENT—and that CLIENT'S identity and confidential settlement information will also be shared with the other clients in a "global settlement offer" situation.

D. Other Provisions

4.1 This Agreement will be construed without regard to any presumption or rule requiring construction or interpretation against the party drafting same. If any provision of this Agreement is held to be illegal, invalid, or unenforceable under present or future laws, then such provision will be modified to conform to such laws, and the balance of this Agreement will remain in full force and effect. Each waiver in this Agreement is subject to the overriding and governing rule that it will be effective only if and to the extent that (1) it is not prohibited by applicable law and (2) applicable law neither provides for nor allows any material sanctions to be imposed against a party for having bargained for and obtained it. This Agreement is the entire agreement and understanding between the parties in connection with the subject matter of this Agreement and supersedes and cancels all prior agreements and understandings in connection with the subject matter of this Agreement. The Parties may by **mutual agreement** amend or supplement this Agreement at any time and from time to time; provided that that they must do so **in writing**, and **such writing must be signed by CLIENT and CO-COUNSEL and approved by the Texas Comptroller of Public Accounts.**

4.2 The term of this Agreement begins upon date it is executed by the parties and continues until the Representation is concluded. This Agreement shall be of no force or effect until approved in writing by the County Judge, as authorized by Commissioners Court.

4.3 This Agreement is subject to review and approval by the Office of the Texas Comptroller of Public Accounts.

4.4 LEAD COUNSEL represents and warrants that they carry professional liability insurance in the following amounts:

PHIPPS DEACON PURNELL PLLC

\$5,000,000

Such insurance will cover all services rendered by or on behalf of COUNSEL under this Agreement.

4.5 CO-COUNSEL agrees to fully indemnify, defend and hold harmless the CLIENT for and from any cost or expense arising from or related to the Representation, including, but not limited to, counter-claims, judgments, fines, fees, penalties, awards, or attorney's fees ordered, imposed on or assessed against CLIENT arising from or related to the Representation covered by this Agreement.

4.6 This Agreement shall be governed and interpreted under Texas substantive law and exclusive venue and jurisdiction of any lawsuit or claim arising out of or relating to this Agreement shall lie in Bexar County, Texas.

4.7 The parties affirmatively verify that consistent with House Bill 89 CO-COUNSEL do not boycott Israel and will not boycott Israel during the term of the contract.

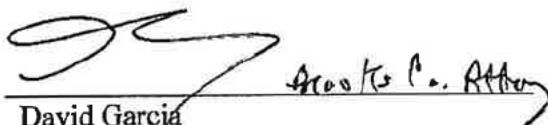
Effective this the 13th day of November, 2018.



Eric Ramos
County Judge
COUNTY OF BROOKS, TEXAS

11/13/18

Date



David Garcia
County Attorney
COUNTY OF BROOKS, TEXAS

11/13/18

Date

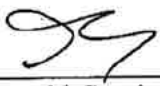
AGREED BY THE LAW FIRMS:

Signature of Authorized Representatives of Co-Counsel



Martin J. Phipps
PHIPPS DEACON PURNELL PLLC

11/13/18
Date



David Garcia
ATTORNEY AT LAW

11/13/18
Date

APPROVED BY OFFICE OF THE TEXAS COMPTROLLER OF PUBLIC ACCOUNTS:



Deputy Comptroller or his designee

5-9-19
Date