

RETENTION AGREEMENT

WHEREAS, Clay County has determined that claims should be made against Purdue Pharma, L.P., Purdue Pharma, Inc., The Purdue Frederick Company, Inc., Teva Pharmaceutical Industries USA, Ltd., Cephalon, Inc., Mitchell & Mitchell, Janssen Pharmaceuticals, Inc., Janssen Pharmaceutica, Inc. n/k/a Janssen Pharmaceuticals, Inc., Ortho-McNeil-Janssen Pharmaceuticals, Inc. n/k/a Janssen Pharmaceuticals, Inc., Endo Health Solutions Inc., Endo Pharmaceuticals, Inc., Allergan, PLC f/k/a Actavis, PLC, Actavis, Inc. f/k/a Watson Pharmaceuticals, Inc., Watson Laboratories, Inc., Actavis, LLC, and Actavis Pharma, Inc. f/k/a Watson Pharma, Inc., McKesson Corporation, AmerisourceBergen Corporation, and any other entities which have engaged in violations of the Texas Controlled Substances Act and other violations of law in the fraudulent marketing and sales of certain highly addictive, opiate-derived painkillers for purposes for which they are neither safe nor effective; and

WHEREAS, Clay County has determined that the investigation, research, and litigation of the claims may require the expenditure of large sums of money and require the work of numerous lawyers, paralegals, and other who are familiar with Defendants' wrongful actions and/or inactions and related issues for an extended period of time; and

WHEREAS, it is estimated that the amount of recovery will exceed \$100,000, including multiple recoveries; and

WHEREAS, Clay County has further determined that it is in the best interests of the County and its citizens that the County retain attorneys with significant litigation experience; and

WHEREAS, Altman Legal Group, Haley & Olson, P.C., and Harrison Davis Steakley Morrison Jones, P.C. are experienced at such litigation and consented to represent Clay County, respecting the claims and pursuant to the terms and conditions hereof.

IT IS, ACCORDINGLY, AGREED as follows:

1. Clay County hereby retains Altman Legal Group, Haley & Olson, P.C., and Harrison Davis Steakley Morrison Jones, P.C. and their lawyers ("Law Firms"), who are hereby designated to investigate, research, and prepare claims or complaint(s) for Clay County to file in any appropriate Court or before any appropriate governmental agency.
2. Clay County does not relinquish authority or responsibility through this Retention Agreement. Clay County has the sole authority to settle this litigation on behalf of the County and its citizens, and the Law Firms shall inform the County Judge of all settlement offers. The Law Firms shall consult with Clay County and obtain approval on all material matters pertinent to the claims and any litigation arising therefrom; including whether and how to proceed with litigation, which claims to advance, what relief to seek, and whether and on what terms to settle. Clay County shall cooperate with the Law Firms and use best efforts to secure the cooperation of

other State and County agencies. Clay County is not required, however, to assign any member of staff to pursue the claims, but may from time to time afford staff and other support services as deemed appropriate. Clay County shall designate one or more members of staff to monitor these claims, who will be available directly to the parties in this matter as needed, and the Law Firms shall keep Clay County and the designated staff member(s) fully informed on all matters pertaining to the claims.

3. Clay County and the Law Firms both recognize that the claims present numerous factual and legal obstacles and that no assurance of success on the claims has or can be made.
4. Clay County shall maintain responsibility for the public distribution of information within Clay County concerning this matter.
5. Notwithstanding the potential difficulties, the Law Firms have agreed to represent Clay County and Clay County hereby agrees that the Law Firms will be compensated for any monies recovered by Clay County on the following basis:
 - a. Recovery of Attorneys' Fees: Clay County may request that the Court, to the extent permitted by applicable law, award the County and the Law Firms reasonable attorneys' fees.
 - b. If Subchapter C, Chapter 2254 of the Texas Government Code does not apply to this matter, Clay County agrees to pay the Law Firms a fee equal to 30% of the gross recovery made on behalf of Clay County. Additionally, while the Law Firms will advance all reasonable and necessary costs of litigation incurred on Clay County's behalf, if a recovery is obtained by the Law Firms on behalf of Clay County, the reasonable and necessary costs advanced by the Law Firms will be reimbursed to the Law Firms out of the recovery obtained on behalf of Clay County after the attorneys' fee is calculated and deducted from the gross recovery at the rate set forth above. Notwithstanding any other provision in this agreement, Law Firms agree that they will not receive an amount in fees and expenses that exceeds 33% of the total payments to Clay County.
 - c. If Subchapter C, Chapter 2254 of the Texas Government Code applies to this matter, then the amount of the contingent fee and reimbursement of expenses under the contract will be paid and limited in accordance with Subchapter C, Chapter 2254 of the Texas Government Code, and all other applicable sections.

- d. If Subchapter C, Chapter 2254 of the Texas Government Code applies to this matter, for and in consideration of the services performed under this Agreement, Clay County agrees to pay the Law Firms as fees the lesser of: (i) 30% of the gross recovery obtained on behalf of Clay County; or (ii) four times the Law Firms' 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. 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 law firm- as such hours or costs are expenses under Section 5(d) herein. The Law Firms reasonable hourly rate for the work performed under the Agreement is \$550 per hour for shareholders and partners, \$400 per hour for senior level associates practicing 10 years or more; \$350 per hour for other attorneys, and \$200 per hour for paralegals or law clerks consistent with the relevant experience, demonstrated ability, and standard hourly billing rates for these attorneys, paralegals, and law clerks. These rates apply to the subcontracted work performed, if any, by an attorney, law clerk, or paralegal, which are expenses as set forth under Section 5(d) herein. Because of the expected difficulties in performing the work under this Agreement, the amount of expenses expected to be risked by the Law Firms, 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. The Law Firms fee as set forth in this paragraph is the same regardless of whether the litigation is settled, tried, or tried and appealed.
- e. If Subchapter C, Chapter 2254 of the Texas Government Code applies to this matter, any subcontracted legal or support services performed by a person who is not a contracting attorney or a partner, shareholder, or employee of the Law Firms or a contracting law firm is an expense subject to reimbursement only in accordance with Subchapter C, Chapter 2254 of the Texas Government Code and all other applicable sections.
- f. All reasonable and necessary costs of litigation including, but not limited to, court costs, travel, witness fees, consultants, accounting, and expert fees and expenses, as shall be approved by Clay County, shall be borne entirely by the Law Firms, but shall be reimbursed from any recoveries from the pursuit of the claims as described above in subpart b.
- g. The Law Firms shall receive no compensation or reimbursement other than set out above, and all within conformity of State law. In the event that no recovery is realized, the Law Firms shall receive no compensation or reimbursement.

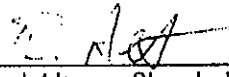
6. The Law Firms shall keep current and complete written time and expense records in accordance with §2254.104(a) of the Texas Government Code. At any time upon request, the Law Firms shall permit Clay County's governing body, other governing officials, the State Auditor, or any other appropriate official, to inspect or obtain copies of the time and expense records kept as required by § 2254.104(b) of the Texas Government Code.
7. All time and expense records kept in accordance with this agreement are public information subject to required disclosure under Chapter 552 of the Texas Government Code, and all applicable sections.
8. Upon conclusion of the matter for which Counsel was retained, the Law Firms shall provide Clay County with a complete written statement that describes the outcome of the matter, states the amount of any recovery, shows the Law Firms computation of the amount of the contingent fee, and contains the final complete time and expense records, as 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.
9. Based on the Law Firms agreement to assume joint responsibility for representing Clay County in this litigation, the Law Firms will divide all attorneys' fees recovered as follows: 1/3 Altman Legal Group, 1/3 to Haley & Olson, P.C., and 1/3 to Harrison Davis Steakley Morrison Jones, P.C. Additionally, the Law Firms will equally share all litigation expenses that will be advanced by the Law Firms. With approval of Clay County, the Law Firms may associate other attorneys at its own expense and at no costs to the County. Notwithstanding such association of other attorneys, this Retention Agreement is non-assignable and non-transferable, nor are the Law Firms' commitments delegable without the express, written approval of Clay County.
10. The term of this Agreement begins on the effective date of the Agreement, upon which the Comptroller approves and executes the Agreement, and continues until the Representation is concluded.

DATED this the 30 day of January, 2018.

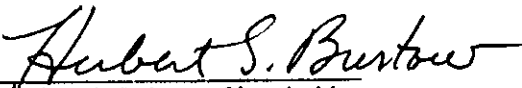
CLAY COUNTY

By: *Kenneth Lytt*
County Judge

ALTMAN LEGAL GROUP

By: 
Brad Altman, Shareholder

HALEY & OLSON, P.C.

By: 
Herbert S. Bristow, Shareholder

**HARRISON DAVIS STEAKLEY
MORRISON JONES, P.C.**

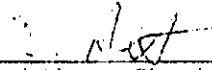
By: _____
Zollie C. Steakley, Shareholder

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

By: _____
Deputy Comptroller or his/her designee

Date Signed: _____

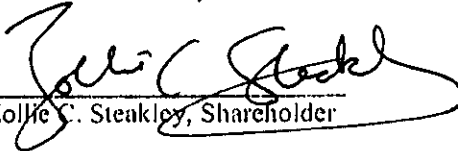
ALTMAN LEGAL GROUP

By: 
Brad Altman, Shareholder

HALEY & OLSON, P.C.

By: _____
Herbert S. Bristow, Shareholder

HARRISON DAVIS STEAKLEY
MORRISON JONES, P.C.

By: 
Zollic C. Steakley, Shareholder

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

By: _____
Deputy Comptroller or his/her designee

Date Signed: _____