

PROFESSIONAL SERVICES AGREEMENT

The Parties to this Agreement (“**Agreement**”) are **CLEAR CREEK INDEPENDENT SCHOOL DISTRICT (“CLIENT”)** and **THOMPSON & HORTON, LLP, EILAND & BONNIN, PC, and O’HANLON, DEMERATH & CASTILLO, PC** (Hereinafter collectively referred to as “**ATTORNEYS**”). This Professional Services Agreement provides for legal services by ATTORNEYS to CLIENT. 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 ATTORNEYS to provide professional legal services in connection with litigation, and to pursue all remedies available to CLIENT regarding causes of action in Multi District Litigation 3047 or JCCP 5225 more fully described in the School District Master Complaint [MDL ECF 729] and incorporated herein by reference. ATTORNEYS will seek to recover damages sustained by CLIENT related to youth social media usage and addiction against Meta Platforms, Inc., Instagram LLC, Snap, Inc., TikTok, Inc., ByteDance, Inc., YouTube LLC, Google LLC, Alphabet Inc., and any other social media company named in the MDL or JCCP (collectively, “Defendants”) (the matter referred to as “the Representation”). The scope of this agreement specifically excludes causes of action related to the Texas Deceptive Trade Practices Act.

1.02 CLIENT has found a substantial need for the legal services on a contingent fee basis 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, the legal services required 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 Subject to the supervision, direction, and control of the CLIENT or designee, ATTORNEYS will prosecute a civil case on behalf of CLIENT against Defendants or other defendants deemed necessary to the prosecution of the civil case. In the civil case, ATTORNEYS shall seek damages, civil penalties, and attorneys’ fees, expenses, costs, 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 in connection with the Defendants’ actions and any other applicable common law or statutory causes of action (“the Representation”).

1.04 CLIENT has determined pursuant to Education Code §44.031 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 not begin until this Agreement and related materials are reviewed and approved by the Attorney General of Texas. The term will end after the conclusion of the Representation, unless either party extends or terminates this Agreement in accordance with its provisions. ATTORNEYS are not authorized to take any action related to the Representation for the CLIENT until approval is granted by the Attorney General of Texas.

1.06 ATTORNEYS shall prosecute the action on behalf of CLIENT against Defendants and seek necessary and appropriate damages, civil penalties, and attorney's fees and such other pecuniary recovery as may be provided for by the laws of any relevant local, state, federal statutory and/or common law in connection with the activities of Defendants. The primary attorneys handling this representation are: **Craig Eiland of the EILAND & BONNIN, PC law firm** and **Justin Demerath of the O'HANLON, DEMERATH & CASTILLO, PC law firm**. Philip D. Fraissinet is the primary attorney at THOMPSON & HORTON, LLP responsible for the representation. ATTORNEYS shall furnish the services for the Representation. ATTORNEYS agree to perform necessary legal work with reference to the Representation and will work specifically with the CLIENT or its designee.

1.07 To enable ATTORNEYS to provide effective representation, CLIENT agrees to do the following: (1) disclose to ATTORNEYS, fully and accurately and on a timely basis, all facts and documents within CLIENT'S knowledge that are or might be material or that ATTORNEYS may request, (2) keep ATTORNEYS 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 ATTORNEYS.

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 or ordered by a court of competent jurisdiction.

1.09 ATTORNEYS represent only CLIENT, and ATTORNEYS' attorney-client relationship does not include any related persons or entities (such as Client representatives, directors, trustees, officers, employees, or agents).

1.10 It is understood and agreed that ATTORNEYS' engagement described herein is limited to the Representation unless otherwise stated in another written agreement.

1.11 Any expressions on ATTORNEYS' part concerning the outcome or potential outcome of the Representation, or any other legal matters, are based on ATTORNEYS' professional judgment and are not guarantees or promises. Such expressions, even when described as opinions, are necessarily limited by ATTORNEYS' knowledge of the facts and are based on ATTORNEYS' views of the state of the law, at the time they are expressed, and/or certain estimates and probabilities (which may be uncertain). ATTORNEYS have 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 Venue, or the specific court and legal jurisdiction in which a lawsuit is filed, is an important decision in litigation. Defendants in the Representation maintain offices in multiple venues and Venue may be established in various places including but not limited to Texas or other State Courts and Federal Courts. The Federal Judicial Panel on Multi District Litigation has issued a standing transfer order in the United States for all Federal lawsuits arising from allegations that a defendants' social media platforms are defective because they are designed to maximize screen time, which can encourage addictive behavior in adolescents. All current and future Federal cases are assigned to Multi District Litigation ("MDL") 3047 in The United States District Court for the Northern District of California. Closely coordinating with that litigation is another consolidation of cases involving the Representation in California State Court known as JCCP 5225. ("JCCP"). Due to various strategic reasons ATTORNEYS believe it is in the CLIENT'S best interest to file the cases in either MDL 3047 or JCCP 5225. In executing this Agreement, CLIENT consents to this venue choice and understands the scope of representation in this Agreement is expressly limited to those cases or matters in those venues only. This choice will subject ATTORNEYS to certain non-reimbursable case expenses that will be paid out of the attorneys' fees contemplated herein and will subject CLIENT to certain additional case expenses (i.e., "common benefit expenses") more fully described below.

II. Description and Disclosure of Involved Lawyers

2.01 O'Hanlon Demerath & Castillo, PC: After serving as General Counsel for the Texas Education Agency and litigating various high-profile issues for the public education system for the Attorney General of Texas, Kevin O'Hanlon founded the firm in 1992 to serve the needs of Public Entity clients. The firm regularly serves school districts across the state of Texas in a general counsel capacity and maintains a principal office in Austin, Texas and also fully staffed offices in Pharr, San Antonio, and Fort Worth. The firm has litigated statewide high profile public education related cases related to the school finance system, the A-F performance rating system, and other important issues. Justin Demerath operates a contingent fee litigation practice within the firm that has recovered millions of dollars in storm damage insurance claims for Texas schools on a contingent fee basis and has served in leadership roles for cases that garnered national attention like the Sutherland Springs Mass Shooting. His practice has recovered millions of dollars in recovery in high-profile multi-district litigations, including Syngenta GMO Corn, General Motors ignition switch recall, Trans-vaginal mesh, and the NFL concussion litigation. O'Hanlon, Demerath & Castillo has worked as Special Counsel for the District since 2017 in Chapter 313 tax matters.

2.02 Eiland & Bonnin, PC: After 20 years of service as a member of the Texas House of Representatives for Districts 23 & 24, Craig Eiland has a unique understanding of what elected officials and public entities are confronted with when navigating complex litigation.

Eiland & Bonnin engages in complex contingent fee litigation which has required the investment of hundreds of thousands to millions of dollars of litigation expenses. Mr. Eiland regularly advises multiple Texas school districts in litigation. Lawyers in the firm have served in past MDL leadership committees. The firm has worked in many high-profile litigations like the MGM Grand Las Vegas Mass Shooting, Syngenta GMO Corn, and BP Texas City Refinery Explosion. O’Hanlon, Demerath & Castillo has worked as Special Counsel for the District since 2017 in Chapter 313 tax matters. The inception of the relationship between Eiland & Bonnin and the District began when O’Hanlon, Demerath & Castillo introduced Eiland & Bonnin to the District in Autumn 2024 to consider the social media litigation.

2.03 Thompson & Horton, LLP: Is a full-service school law firm whose mission is to provide the highest quality personalized legal service to public and private schools, institutions of higher education, local governments, and private individuals and companies. Thompson & Horton attorneys have unique and specialized qualifications based on several hundred years of combined experience. Leaders in the field, their attorneys have been directly involved in many of the most significant court cases, administrative decisions, and public policy developments affecting their clients over the past 40 years. Thompson & Horton has represented the District for over 10 years. O’Hanlon, Demerath & Castillo has worked as Special Counsel for the District since 2017 in Chapter 313 tax matters. O’Hanlon, Demerath & Castillo included Thompson & Horton in conversation with the District in Autumn 2024 to consider the social media litigation.

2.04 “Court Appointed Leadership for Plaintiffs”: By consenting to Venue in MDL 3047 or JCCP 5225 certain court orders govern CLIENT’S representation that is important to disclose transparently and fully. In Case Management Order (“CMO”) No. 1 the MDL 3047 Court appointed various attorneys to serve as leaders for this litigation [ECF 75] and specifically School District Plaintiffs [ECF 451] which are incorporated herein by reference; similar orders have been adopted for the litigation proceeding in California state court JCCP 5225) (these attorneys in the MDL and JCCP litigation are court-appointed steering and leadership attorneys and are collectively referred to as **“Court Appointed Leadership for Plaintiffs”**). The names of the Court Appointed Leadership for Plaintiffs are contained in these court orders. Those court orders may be modified in the future to reflect different or additional attorneys appointed by the court or to reflect that one or more court-appointed attorneys will no longer serve. To the extent that the court or courts modifies its orders with respect to the names of the “Court Appointed Leadership for Plaintiffs” attorneys, this Agreement will include those changes in court appointments without the need for a formal amendment of this Agreement to include or delete certain names.¹

¹ For clarity, “Court Appointed Leadership for Plaintiffs” will not be considered “subcontracted legal or support services performed by a person who is *not* a contracting attorney or a partner” (emphasis added) as that term is used in Texas Government Code 2254.106. Fees associated with “Court Appointed Leadership for Plaintiffs” will be considered litigation and other expenses stemming from “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 that term is used in Texas Government Code 2254.108(d). Hours worked by “Court Appointed Leadership for Plaintiffs” will not be used to calculate the base fee contemplated in Texas Government Code 2254.106. Any attorneys’ fees earned by “Court Appointed Leadership for

III. Compensation and Other Matters

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

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

3.03. In the event of a recovery against any Defendant or Defendants resulting from the Representation, the CLIENT agrees to pay ATTORNEYS the lesser of 30% of the gross recovery or four times ATTORNEYS' base fee computed in accordance with Subchapter C, Chapter 2254 of the Texas Government Code more fully discussed below. **Under no circumstances shall CLIENT'S general funds be obligated to satisfy the contingent Attorneys' fees.**

3.04 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.

3.05 The amount recovered for purposes of the contingent fee computation in paragraphs 3.03 and 3.04 is the amount CLIENT receives before reimbursable expenses are deducted.

3.06 This Agreement is **not** for mixed hourly and contingent fee services. 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. Because of the expected difficulties in performing the work under this Agreement, the amount of expenses expected to be risked by ATTORNEYS, the expected risk of no recovery, and the expected long delay in recovery (if any), a reasonable multiplier for the base fee in this matter is four. ATTORNEYS' reasonable hourly rate for the work performed under the Agreement, based on the reasonable and customary rate for this type of litigation and on the relevant experience, demonstrated ability, and standard hourly billing rate for these attorneys, paralegals, and law clerks for this type of contingent fee work, is the statutory maximum:

David Thompson, Senior Counsel:	\$1000/hour
Philip D. Fraissinet, Senior Counsel:	\$1000/hour
Chris Gilbert, Senior Counsel:	\$1000/hour
Craig Eiland, Senior Counsel:	\$1000/hour
David Bonnin, Senior Counsel:	\$1000/hour

Plaintiffs" as "common benefit" legal fees awarded by the courts will be considered a non-reimbursable case expense and shall be paid entirely out of the fees of ATTORNEYS, if any, contemplated in paragraph 3.03. However, expenses incurred by "Court Appointed Leadership for Plaintiffs", if ordered by the MDL or JCCP court, will be a reimbursable case expense contemplated under paragraph 3.18 (i.e., those court-ordered case expenses will be reimbursed by Client to Court Appointed Leadership for Plaintiffs; please see Attachment C for further illustration).

Kevin O’Hanlon, Senior Counsel:	\$1000/hour
Justin B. Demerath, Senior Counsel:	\$1000/hour
Ben Castillo, Senior Counsel:	\$1000/hour
David Campbell, Senior Counsel:	\$1000/hour
All other Senior Counsel:	\$1000/hour
All other Senior Associates:	\$750/hour
All other Associates:	\$500/hour
All Paralegals:	\$250/hour

These rates apply to the subcontracted work performed, if any, by an attorney, law clerk, or paralegal. 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 employed by ATTORNEYS or a partner, shareholder, or employee of ATTORNEYS, including “Court Appointed Leadership for Plaintiffs”. There are no differences in the method by which the contingent fee is computed if the matter is settled, tried, or tried and appealed.

3.07 Reimbursement of subcontracted work, if any, under Texas Government Code Section 2254.107 shall meet the requirements of Subchapter C, Chapter 2254 of the Texas Government Code’s requirements, without regard to the expected or actual amount of recovery under this Agreement.

3.08 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.

3.09 ATTORNEYS assume “**joint responsibility**” for the Representation, as “joint responsibility” is described in Rule 1.04(f) in the Texas Disciplinary Rules of Professional Conduct and its official Comments (which discuss the requirements for attorneys’ fees-sharing among/between lawyers who are not in the same law firm, such as here). **From any attorneys’ fees recovered (after the deduction of any “common benefit” attorneys’ fees awarded by the courts), the remaining attorneys’ fees will be divided as follows: 10% to THOMPSON HORTON, LLP; 45% to EILAND & BONNIN, PC; and 45% to O’HANLON, DEMERATH & CASTILLO, PC. Please note that these are not percentages of the gross recovery, but rather percentages of the attorneys’ fees. In no scenario will attorneys’ fees exceed 30% of the gross recovery outlined in paragraph 3.03. CLIENT’S consent to this Agreement as a whole is also consent to this attorneys’ fees-sharing among Attorneys.**

If there is a recovery, then upon recovery, CLIENT will instruct ATTORNEYS as to how to transfer the recovered funds in writing.

3.10 Pursuant to Texas Government Code 2254.1034 a political subdivision may require an attorney or law firm to indemnify or hold harmless the political subdivision for negligent acts or omission of the attorney or law firm. In this instance, CLIENT does not require such indemnification.

3.11 CLIENT shall have the absolute right to settle the case for no penalty, which would yield no contingent fee on penalties to ATTORNEYS. CLIENT will not be liable for reimbursable expenses if CLIENT settles the case for no penalty and makes no recovery of expenses or attorney's fees. CLIENT will assign any award of attorney's fees to ATTORNEYS, who shall have the obligation to collect them from the Defendants. ATTORNEYS 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 be required to advance any litigation expenses under this Agreement.

3.12 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, as well as penalties) awarded in any way resulting from the Representation and CLIENT shall be liable to ATTORNEYS for no more than the fee and reimbursable expenses and costs as described 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.

3.13 It is expressly understood that the fee described above shall be the sole source of compensation to ATTORNEYS for overhead costs and general firm 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, clerical filing, and proofreading.

3.14 In the event of a recovery, funds from CLIENT's recovery will be used to pay Reimbursable Expenses and interest on Reimbursable Expenses. Litigation expenses including but not limited to, expert witness fees, mediation fees, expenses associated with depositions and hearings or trial (such as costs of the transcript, and court reporter or videographer fees), hotel, air travel, rental cars, rideshare costs, research and investigation related fees and expenses, third party interest incurred on litigation expenses, Westlaw expenses, and expenses associated with creating demonstrative exhibits or other means of evidence presentation during trial or hearings (such as trial graphics) shall constitute the "Reimbursable Expenses". ATTORNEYS shall advance all the Reimbursable Expenses. Should ATTORNEYS elect to fund any expenses by borrowing the funds required, Client agrees to reimburse the full sum of all related interest charges for Reimbursable Expenses as well as a *pro rata* share of related interest charges² for Shared Expenses. Reimbursable Expenses shall be recovered by ATTORNEYS out of the CLIENT'S portion of any settlement or judgment that arises out of the Representation (the CLIENT'S portion—from which Reimbursable Expenses will be deducted is what remains after the deduction of

² Interest rate charges shall be commercially reasonable rates not to exceed the official Prime Rate (at the time of the loan or extension of credit agreement) **plus** four percentage points.

ATTORNEYS' fee). **In the event there is no recovery, CLIENT will not be responsible for the repayment of any expenses (or any related interest charges).**

3.15 Reimbursable Expenses includes Shared Expenses. ATTORNEYS may incur certain costs/expenses that jointly benefit multiple clients, including, for example, expenses for travel, experts, and copying (the "Shared Expenses"). CLIENT agrees that ATTORNEYS shall divide such expenses *pro rata*,³ among such multiple clients, and deduct CLIENT'S portion of those expenses from CLIENT'S share of any recovery. Shared Expenses are Reimbursable Expenses.

3.16 Compensation for the duties performed by the "Court Appointed Leadership for Plaintiffs" attorneys is governed by Common Benefit Order [ECF 190] and similar orders in the JCCP. The purpose of a Common Benefit Order is to create, compensate, and reimburse such court-appointed "steering and leadership committee" of attorneys for various plaintiffs for their efforts and time in connection with their work on behalf of all plaintiffs (even those, such as CLIENT here, who previously had no direct attorney-client relationship with those "Court Appointed Leadership for Plaintiffs" attorneys). The Common Benefit Order directs that these "steering and leadership" attorneys shall receive fee compensation paid by all of the plaintiffs (including the CLIENT here) as a specified percentage of any gross recoveries.⁴ The Common Benefit Orders require that all "Court Appointed Leadership for Plaintiffs" attorney fee compensation shall be paid entirely out of attorneys' fees contemplated in paragraph 3.03 and as such these attorneys' fees will be treated as a non-reimbursable case expense and paid solely by ATTORNEYS. A sample settlement statement is attached hereto as Exhibit C to illustrate how the attorneys' fees and expense provisions of this Agreement are intended to function concerning a hypothetical gross recovery for the Client.

3.17. A consequence of certain plaintiff attorneys serving on the court-appointed "Court Appointed Leadership for Plaintiffs" committee or committees, is that those attorneys will incur certain Common Benefit Expenses⁵ that will benefit all plaintiffs, including those clients represented principally by other plaintiffs' attorneys (such as the CLIENT here). Common Benefit Expenses are Reimbursable Expenses.

³ "Equally" and "pro rata" are not the same. "Equally" refers to dividing such expenses on an equal basis to each client represented by the Attorneys under this Agreement regardless of what each client recovered compared to what other clients recovered; on the other hand, "*pro rata*" refers to dividing such expenses in proportion to each client's recovery compared to the total of all client recoveries (for example, totaling all of the client recoveries for a grand total and then calculating what each individual client's recovery is as a percentage of that grand total of all recoveries—and then applying that individual "client recovery" percentage to the total expenses as the amount of expenses attributable to that specific client). At this time, there is no court order related to whether to apply an "equally" or "pro rata" method to dividing any expenses among clients; however, if such an order is entered in the future related to some or all of the expenses, ATTORNEYS will be bound by that order for apportionment among all clients, including CLIENT.

⁴ While subject to adjustment, the Common Benefit Fee that will be awarded to Court Appointed Leadership for Plaintiffs is currently set by the MDL Court at 8% of the gross recovery.

⁵ Definitions and rules related to Common Benefit Expenses more fully described in the Common Benefit Order [ECF 190], Paragraph E and are incorporated herein by reference. While subject to adjustment, the Common Benefit Expense that will be awarded to Court Appointed Leadership for Plaintiffs is currently set at 2% of the gross recovery.

3.18. On behalf of ATTORNEYS, Demerath and Eiland will or have previously executed the Common Benefit Participation Agreement in the MDL [ECF 190 EX.C] and similar agreements in the JCCP and will utilize Common Benefit Work Product in the Representation and this action will further subject CLIENT to the associated Common Benefit Orders and similar agreements in the JCCP and their requirements, including the financial obligations. Thompson & Horton will not execute the Common Benefit Participation Agreement or any similar agreements in the JCCP. CLIENT consents to the execution of Demerath and Eiland's Common Benefit Participation Agreement, and by consenting to the Venue described in paragraph 1.12 above, further consent to be bound by the terms of the Common Benefit Orders and the resulting compensation structure for the "Court Appointed Leadership for Plaintiffs" attorneys. Such consent will not increase or alter the amount of attorneys' fees charged to the client, if any, under paragraph 3.03.

3.19. In signing the Common Benefit Participation Agreement ATTORNEYS will or have granted "Court Appointed Leadership for Plaintiffs" a right to withhold payment of, a lien upon, and a security interest in any amounts recovered in the Litigation sufficient to pay the "Court Appointed Leadership for Plaintiffs" attorneys' fees and Common Benefit Expenses defined in the Common Benefit Order in the MDL and/or similar orders in the JCCP. The parties agree that the final amounts ultimately subject to this withholding, lien and security interest were "actually incurred on behalf of the state governmental entity or political subdivision and paid for by the contracting attorney or law firm" as that phrase is contemplated in Texas Government Code 2254.108(d). Alternatively, it is anticipated at the end of the Litigation the MDL and JCCP courts will adopt orders which will require attorneys' fees and Common Benefit Expenses to be paid or reimbursed to the "Court Appointed Leadership for Plaintiffs" pursuant to the Common Benefit Order and withheld from the gross recovery available to satisfy the interest of CLIENT and ATTORNEYS. If such orders are entered, the parties further agree that these amounts should be considered "actually incurred on behalf of the state governmental entity or political subdivision and paid for by the contracting attorney or law firm" as that phrase is contemplated in Texas Government Code 2254.108(d).

3.20. By virtue of accepting their appointment, "Court Appointed Leadership for Plaintiffs" has accepted responsibility to provide legal services to clients that file their cases in the MDL or JCCP. By consenting to filing CLIENT'S claims in the MDL or JCCP, CLIENT is accepting the offer of the "Court Appointed Leadership for Plaintiffs" attorneys to provide court-ordered legal services in that venue. It is therefore agreed and understood by CLIENT that "Court Appointed Leadership for Plaintiffs" attorneys will be considered to have accepted "joint responsibility" for the purposes of Rule 1.04(f), Texas Disciplinary Rules of Professional Conduct, and the Rule's official comments.⁶

⁶ This Texas Rule provides for certain disclosures and advance client consent, which this Agreement provides, whenever lawyers who are **not** in the same law firm share legal fees arising out of a client representation. Here, there will be multiple lawyers and law firms involved in the sharing of common legal fees and expenses under this Agreement and the referenced court orders. The exact percentages of any fees that any of the "Court Appointed Leadership for Plaintiffs" attorneys will receive, if anything, is not known at this time and will be determined by the court or courts at the conclusion of this representation. The CLIENT's signature below to this Agreement constitutes acknowledgement and consent to this

3.21 ATTORNEYS have 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 ATTORNEYS are actually engaged after the completion of the Representation to provide additional advice on such issues, ATTORNEYS have no continuing obligation to give advice with respect to any future legal developments that may pertain to the Representation other than the obligations set out in this Agreement.

3.22 CLIENT understands and agrees that ATTORNEYS may be representing more than one client in this matter and that the following aspects of joint representation have been disclosed: (1) that the CLIENT might gain or lose some advantages if represented by separate counsel; (2) that ATTORNEYS cannot serve as an advocate for one client against another client, but must assist all clients in pursuing their common purposes; (3) that ATTORNEYS must deal impartially with every client, including CLIENT; (4) that information received by ATTORNEYS from or on behalf of any jointly represented client concerning the matter may not be confidential or privileged as between the jointly-represented clients and may be disclosed to other jointly-represented clients as is deemed proper or necessary; (5) if a conflict arises between clients that results in the discharge or withdrawal of the ATTORNEYS, ATTORNEYS might not be able to continue representing any of the clients involved; (6) when time is spent performing the Representation which benefits all clients represented by ATTORNEYS equally, ATTORNEYS will record that time for each client fully and equally (in other words, since each client, including CLIENT, receives the same full benefit from such time and service, that time will be recorded as though each client, including CLIENT, was represented individually for and during that time and service); and (7) that the representation of all clients by the ATTORNEYS will not necessarily expedite handling of the matter or reduce associated attorneys' fees and expenses. CLIENT consents to ATTORNEYS representing more than one client in this matter and all provisions in this paragraph.

3.23 AGGREGATE SETTLEMENTS: Often in cases where attorneys represent multiple clients in similar litigation, the opposing parties or defendants may attempt to settle or otherwise resolve the cases in a group or groups, by making a single settlement offer to settle numerous clients' cases or all cases simultaneously. There exists a potential conflict of interest whenever a lawyer represents multiple clients in a settlement of this type because it necessitates choices concerning the allocation of limited settlement amounts among the multiple clients. However, if all clients consent, a group settlement can be accomplished and a single offer can be fairly distributed among the clients by assigning settlement amounts based upon the relative strengths and weaknesses of each case, the severity and extent of damages, individual case evaluations, and other applied bases or factors. In the event of a group or aggregate settlement proposal, ATTORNEYS may

fee-sharing among all of the lawyers identified herein or by reference to the court orders identifying the "Court Appointed Leadership for Plaintiffs" attorneys and their law firms.

implement a settlement program, overseen by a third-party referee or special master, who may be appointed by a court, designed to ensure consistency and fairness for all claimants, and which will assign various settlement values and amounts to each client's case, including CLIENT's case, depending upon the facts and circumstances of each individual case and other factors determined by that third-party referee or special master or the court. CLIENT authorizes ATTORNEYS to enter into and engage in group settlement discussions which may include CLIENT's individual claims. Nonetheless, CLIENT retains the right to approve, and ATTORNEYS are required to obtain CLIENT's approval of, any settlement of CLIENT's case.

3.24 At the conclusion of the Representation, ATTORNEYS will return to CLIENT any documents that ATTORNEYS are specifically requested to return. As to any documents so returned, ATTORNEYS may elect to keep a copy of the documents in ATTORNEYS' stored files but shall not be obligated to do so. CLIENT owns all final work product generated by reason of CLIENT's Representation under this Agreement. Files and documents, whether paper or electronic, retained by ATTORNEYS are subject to their file and document retention policies and may, consistent with those policies, be deleted or destroyed no earlier than two years after the conclusion of CLIENT's representation.

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

Craig Eiland
EILAND & BONNIN, PC
1220 Colorado St. Suite 300
Austin, Texas 78701
ceiland@eilandlaw.com

and

Justin B. Demerath
O'HANLON, DEMERATH & CASTILLO, PC
808 West Avenue
Austin, Texas 78701
jdemerath@808west.com

and

Philip D. Fraissinet
THOMPSON & HORTON, LLP
Phoenix Tower, Suite 2000
3200 Southwest Freeway
Houston, TX 77027
pfraissinet@thompsonhorton.com

Any notice required or permitted to be given by ATTORNEYS 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:

Attn: Arturo Sanchez
Board of Trustees President
Clear Creek Independent School District
2425 East Main Street
League City Texas 77573

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

3.26 ATTORNEYS affirmatively consent 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, Texas Gov't Code §552.137, *et sequitur*, as amended, and shall survive termination of this Agreement. This consent shall apply to email addresses provided by ATTORNEYS and agents acting on ATTORNEYS' behalf and shall apply to any email address provided in any form for any reason whether related to this Agreement or otherwise.

3.27 It is expressly understood that ATTORNEYS have no authority to settle or otherwise compromise the position of CLIENT or any of its officers. CLIENT retains all authority to settle the case.

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

3.29 If any provision or language of this Agreement is held in whole or in part to be unenforceable, void, or invalid for any reason by a court of competent jurisdiction, then such provision or language will be deleted or modified to reflect the parties' intention and to make the remaining provisions and language enforceable to the fullest extent. 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 invalid. This Agreement is under Texas law only and shall be interpreted accordingly. Any claims and/or disputes under this Agreement shall be brought in a court of competent jurisdiction in Travis County, Texas only.

IV. Required Recitals

4.01 This Agreement is not effective and enforceable until review and approval by the Office of the Attorney General for the State of Texas.

4.02 ATTORNEYS must and shall keep 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) of the Texas Government Code.

4.03 ATTORNEYS 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) of the Texas Government Code. Upon request, ATTORNEYS shall provide CLIENT interim statements that describe the job-to-date time and expense records of ATTORNEYS, plus the expenses that are subject to reimbursement.

4.04 Upon conclusion of any matter for which ATTORNEYS were retained, ATTORNEYS shall provide CLIENT with a complete written statement that describes the outcome of the matter, states the amount of any recovery, shows ATTORNEYS' computation of the amount of the contingent fee, and contains the final complete time and expense records required by Section 2254.104(c) of the 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.

4.05 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.

4.06 Once approved under Section 2254.1036 Texas Government Code, this contract is public information under Chapter 552 of the Texas Government Code and may not be withheld from a requestor under Section 552.103 or any other exception from required disclosure.

4.07 The amount recovered for purposes of the contingent fee computation is the amount obtained before expenses are deducted.

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

4.09. No fee payment or expense reimbursement to ATTORNEYS shall occur until the provisions of Texas Government Code § 2254.108 are met. Prior to the payment of fees or expenses, as more fully described in Texas Government Code § 2254.108, the political subdivision must review the appropriate documents, determine whether the expenses were reasonable, proper, necessary, actually incurred on behalf of the political subdivision, and paid for by ATTORNEYS and verify that the hours of work on which the fee computation is based were actually worked in performing reasonable and necessary services for the political subdivision under this contract.

4.10. Pursuant to Section 81.079 of the Texas Government Code, we provide the following notification and information to CLIENT: “The State Bar of Texas investigates and prosecutes professional misconduct committed by Texas attorneys. Although not every complaint against or dispute with a lawyer involves professional misconduct, the State Bar’s Office of Chief Disciplinary Counsel will provide you with information about how to file a complaint. For more information, you may call 1-800-932-1900. This is a toll-free call.”

AGREED:

CLIENT:

CLEAR CREEK INDEPENDENT SCHOOL DISTRICT

Arturo Sanchez, Board of Trustees President

Date: _____

ATTORNEYS:

THOMPSON & HORTON, LLP

Authorized Individual

Date: _____

EILAND & BONNIN, PC

Craig Eiland, Senior Counsel

Date: _____

O’HANLON, DEMERATH & CASTILLO, PC

Justin B. Demerath, Senior Counsel

Date: _____

ATTACHMENT A

Rate Schedule for Named and Unnamed Persons in the Agreement
is the allowable statutory maximum or less.

Rate Schedule

David Thompson, Senior Counsel:	\$1000/hour
Philip D. Fraissinet, Senior Counsel:	\$1000/hour
Chris Gilbert, Senior Counsel:	\$1000/hour
Craig Eiland, Senior Counsel:	\$1000/hour
David Bonnin, Senior Counsel:	\$1000/hour
Kevin O'Hanlon, Senior Counsel:	\$1000/hour
Justin B. Demerath, Senior Counsel:	\$1000/hour
Ben Castillo, Senior Counsel:	\$1000/hour
David Campbell, Senior Counsel:	\$1000/hour
All other Senior Counsel:	\$1000/hour
All other Senior Associates:	\$750/hour
All other Associates:	\$500/hour
All Paralegals:	\$250/hour

ATTACHMENT B

The following is a schedule of publicly available documents that are incorporated herein by reference. Such documents have been accessed and reviewed by CLIENT at the following link: <https://tinyurl.com/4jumrcpu> prior to CLIENT signing this Agreement.

Incorporated Documents:

School District Master Complaint:	MDL ECF 729
Order Appointing Court Appointed Leadership for Plaintiffs	MDL ECF 75
Order Appointing School District Court Appointed Leadership	MDL ECF 451
Revised Order Appointing “Court Appointed Leadership for Plaintiffs”	MDL ECF 82
MDL Common Benefit Order	MDL ECF 190
Order Granting in Part and Denying in Part Defendants’ Motion to Dismiss the School District and Local Government Entities’ Master Complaint	MDL ECF 1267
Order Granting in Part and Denying in Part Defendants’ Motion to Dismiss the School District and Local Government Entities’ Master Complaint [allowing School Districts’ public nuisance Claims to proceed in a majority of states]	MDL ECF 1332

ATTACHMENT C

SAMPLE SETTLEMENT STATEMENT ILLUSTRATION⁷

FOR EXAMPLE ONLY - ACTUAL FINAL VALUES (if any) WILL VARY

TEXAS ISD VS. SOCIAL MEDIA COMPANIES

GROSS RECOVERY:	\$ 100,000.00
TOTAL ATTORNEY'S FEES 30%	\$ - 30,000.00 ⁸
TOTAL ATTORNEYS FEES DIVIDIED AMONG FIRMS AS FOLLOWS:	
COURT APPOINTED LEADERSHIP FOR PLAINTIFFS FEES	
also known as Common Benefit Fees (8% of the gross recovery)	\$ 8,000.00 ⁹
THOMPSON & HORTON FEES (10% of fees after common benefit)	\$ 2,200.00
EILAND FEES (45% of fees after common benefit fee deduction)	\$ 9,900.00
DEMERATH FEES (45% of fees after common benefit fee deduction)	\$ 9,900.00
TOTAL EXPENSES	\$- 4,000.00
TOTAL EXPENSES BROKEN DOWN AS FOLLOWS:	
EILAND, DEMERATH, T&H REIMBURSABLE EXPENSES:	\$ 1,800.00
EILAND, DEMERATH, T&H SHARED EXPENSES (Pro Rata):	\$ 200.00
MDL COURT APPOINTED LEADERSHIP FOR PLAINTIFFS (2% of Gross recovery)	\$ 2,000.00 ¹⁰ :
ISD NET RECOVERY:	<u>\$ 66,000.00</u>

⁷ At the end of any contingent fee case, a settlement statement is generated by ATTORNEYS for CLIENT to account for the financial aspects of the case. This example is NOT intended as a representation of what the ultimate outcome of the case will be, but rather is furnished for the sole purpose of illustrating how the attorneys' fee and expense provisions of this contract are intended to function to aid in the Client's understanding.

⁸ For simplicity and illustration, this model assumes that the fee cap outlined in paragraph 3.03 did not occur; that is to say the base fee times four was more than 30% of the total recovery. In a scenario where the attorneys' fees are capped, the total attorneys' fees would be reduced to the capped amount and under no circumstances would the total attorneys' fees exceed the capped amount.

⁹ This model assumes the Common Benefit Fees for the Court Appointed Leadership for Plaintiffs are not adjusted in the future by the Courts. In the event Common Benefit Fees are adjusted in the future, the total attorneys' fees will not change, but rather the law firms' shares of fees will be adjusted.

¹⁰ This model assumes the Common Benefit Expenses for the Court Appointed Leadership for Plaintiffs are not adjusted in the future by the Courts.