ATTORNEY-CLIENT FEE CONTRACT

The ATTORNEY-CLIENT FEE CONTRACT ("Contract") is entered into by and between the Jefferson Elementary School District ("Client") and the law firm of Walkup, Melodia, Kelly and Schoenberger ("Attorney") and encompasses the following provisions:

1. CONDITIONS. This Contract will not take effect, and Attorney will have no obligation to provide legal services, until Client returns a signed copy of this Contract.

2. RETENTION OF FIRM RATHER THAN PARTICULAR ATTORNEY. Client is retaining the law firm, and attorney services to be provided to Client will not necessarily be performed by any particular attorney.

3. AUTHORIZED REPRESENTATIVE OF CLIENT. Client designates its District Superintendent ("Superintendent"), or the District Superintendent's designee, as the authorized representative to direct Attorney and to be the primary individual to communicate with Attorney regarding the subject matter of Attorney's representation of Client under this agreement. The designation is intended to establish a clear line of authority and to minimize potential uncertainty but not to preclude communication between Attorney and other representatives of Client.

4. SCOPE AND DUTIES. Client hires Attorneys to provide legal services ("Services") in connection with pursuing claims for damages associated with JUUL® and Electronic Cigarette (e-cigarette) litigation ("Action"). Attorneys shall provide those legal services reasonably required to represent Client, and shall take reasonable steps to keep Client informed of progress and to respond to Client's inquiries. Client shall be truthful with Attorneys, cooperate with Attorneys, and keep Attorneys informed of developments. Attorneys will assist in negotiating liens, but will not litigate them.

5. CLIENT RETAINS AUTHORITY OVER CASE. Client retains complete control of all decisions in the case. Client in no way assigns its prosecutorial discretion to Attorneys and retains all of its inherent powers related to prosecutorial discretion, judgment, control and decision making related to the Action. (1) Decisions regarding settlement of the case are reserved exclusively to the discretion of the Client; (2) Superintendent will retain control over the course and conduct of the case; and (3) Superintendent has supervisory authority and shall be personally involved in overseeing the litigation. These provisions are not meant to be exhaustive, and the parties agree that at all times related to the Client's interest in the litigation will remain vested in the Superintendent. It is the intent of the parties that this paragraph be construed broadly to effectuate the parties' intent that the Attorneys exercise control over the course and conduct of the Action as they relate to the Client's interests and that the Superintendent have the final decision making authority over all aspects of the litigation strategy as it relates to the Client.

6. LEGAL SERVICES SPECIFICALLY EXCLUDED. Unless otherwise agreed in writing by Client and Attorney, Attorney will not provide legal services with respect to (a) defending any legal proceeding or claim against the Client commenced by any person

unless such proceeding or claim is filed against the Client in the Action or (b) proceedings before any federal or state administrative or governmental agency, department, or board including, but not limited to, the United States Environmental Protection Agency and the California Environmental Protection Agency. With Client's permission, however, Attorney may elect to appear at such administrative proceedings to protect Client's rights. Attorney will assist in negotiating liens, if any, but will not litigate them. If Client wishes to retain Attorney to provide any legal services not provided under this Agreement for additional compensation, a separate written agreement between Attorney and Client will be required.

7. ATTORNEY'S FEES. Client and Attorney have agreed that Client will pay Attorney a contingent fee for representing Client in this matter. The fee is not set by law but is negotiable between Attorney and Client. Attorney and Client agree that the contingent fee will be calculated as described below.

   A. Calculation of Contingent Fee. Attorney will receive a contingent fee in the amount of twenty percent (20%) of any net recovery.

      The contingent fee is to be calculated based on Client's net recovery. "Net recovery" means the amount remaining after costs and expenses are deducted from the gross recovery. The contingent fee is calculated by multiplying the net recovery by the fee percentage of twenty percent (20%).

   B. Definitions. "Gross recovery" means the total recovery, whether by settlement, arbitration award, court judgment following trial or appeal, or otherwise. "Gross recovery" shall include, without limitation, the following: (1) the then-present value of any monetary payments to be made to Client; and (2) any attorney's fees recovered by Client as part of any cause of action that provides a basis for such an award. "Gross recovery" may come from any source, including, but not limited to, the adverse parties to the Action and/or their insurance carriers and/or any third party, whether or not a party to the Action.

      It is possible that payment to the Client by the adverse parties to the Action or their insurance carrier(s) or any third-party may be deferred, as in the case of an annuity, a structured settlement, or periodic payments. In such event, net recovery will consist of the initial lump sum payment plus the present value (as of the time of the settlement) of the total of all payments to be received thereafter. The contingent fee is calculated, as described above, by multiplying the net recovery by the fee percentage. The Attorney's fees will be paid out of the initial lump-sum payment if there are sufficient funds to satisfy the Attorney's fee. If there are insufficient funds to pay the Attorney's fees in full from the initial lump sum payment, the balance owed to Attorney will be paid from subsequent payments to Client before there is any distribution to Client.

   C. Reasonable Fee if Contingent Fee is Unenforceable or if Attorney is Discharged Before Any Recovery. In the event that the contingent fee portion of this agreement is

determined to be unenforceable for any reason or the Attorney is prevented from representing Client on a contingent fee basis, Client agrees to pay a reasonable fee for the services rendered. If the parties are unable to agree on a reasonable fee for the services rendered, Attorney and Client agree that the fee will be determined by arbitration proceedings before a neutral affiliated with the Judicial Arbitration and Mediation Services (JAMS); in any event, Attorney and Client agree that the fee determined by arbitration shall not exceed twenty percent (20%) of the net recovery as defined in this agreement.

D. Source of Funds. Notwithstanding any other provision in this Contract, in no event will Client be required to pay Attorney's fees or any costs and expenses out of any public funds other than the monies recovered from the party or parties responsible for the Action, and the resulting damages, their insurance companies, or third-party liable companies, in the Action.

8. COSTS AND EXPENSES. In addition to paying legal fees, Client shall reimburse Attorney for all "costs and expenses," which includes but is not limited to the following: process servers' fees, fees fixed by law or assessed by courts or other agencies, court reporters' fees, long distance telephone calls, messenger and other delivery fees, parking, investigation expenses, consultants' fees, expert witness fees, and other similar items, incurred by Attorney. Client authorizes Attorney to incur all reasonable costs and expenses to hire any investigators, consultants, or expert witnesses reasonably necessary in Attorney's judgment. Attorney will advance those costs and expenses. The costs and expenses incurred that Attorney advances will be owed in addition to attorney's fees and Client will reimburse those costs and expenses out of recovery after attorney's fees have been deducted. If there is no recovery, Client will not be required to reimburse Attorney for costs and expenses. In the event a recovery is less than incurred costs and expenses, Client will not be required to reimburse Attorney for costs and expenses, above and beyond the recovery.

9. SHARED EXPENSES. Client understands that Attorney may incur certain expenses that jointly benefit multiple clients, including, for example, expenses for travel, experts, and copying. Client agrees that Attorney may, in its discretion, divide such expenses equally or pro rata among such clients, and deduct Client's portion of those expenses from Client's share of any recovery. While prior client approval is not required for incurring shared expenses, prior to the disbursement of any fees or costs to the Attorney, Attorney will provide an accounting of all shared expenses and the pro rata share of the shared expenses that Client is responsible for.

10. FEDERAL MDL AND STATE COORDINATION FEE ASSESSMENTS: In the event there is a court ordered assessment or agreement for fees and costs required to be paid to any current or future Federal Multidistrict Litigation (MDL) or any State Court coordinated proceedings, which typically ranges from 6% to 9% of the gross proceeds, any attorneys' fees under such an assessment will be paid from the attorneys' fees. However, any costs required to be paid under such an assessment or agreement will be paid from Client's share of any settlement proceeds as part of the costs and expenses

advanced, pursuant to section 6. At this time, Attorneys cannot determine what fees and costs, if any, will be paid to the Federal Multidistrict litigation or to a State Court coordinated proceeding. Additionally, members of Attorneys frequently serve on plaintiffs' management or executive committees in MDL and/or the California state comt coordinated proceedings and perform work which benefits Attorneys clients as well as clients of other attorneys involved in similar litigation. As a result, the court or courts where the cases are pending may order that Attorneys are to receive additional compensation for Attorneys time and effort which has benefitted all claimants. Compensation for this work and effort, which is known as "common benefit," may be awarded to Attorneys by a court or courts directly from the assessments paid by The District and others who have filed claims in this litigation, and will not in any way reduce the amount of fees owed under this Agreement.

11. OUTSIDE COUNSEL. In some instances, it may be necessary for Attorney to retain special outside counsel to assist on matters other than prosecuting Client's claims as described in paragraph 4 above. Examples of such instances include the following: a defendant may seek bankruptcy protection; a defendant may attempt to fraudulently transfer some of its assets to avoid paying the Client's claim; or a separate lawsuit may need to be filed against a defendant's insurance company. Client agrees that Attorney may retain such special outside counsel to represent Client when Attorney deems such assistance to be reasonably necessary. Before the association becomes effective, Client shall have the opportunity to consent in writing to the terms of the arrangement after being advised of 1) the identity of the lawyer or law firm involved, 2) whether the fees will be divided based on the proportion of services rendered or by lawyers agreeing to assume joint responsibility for the representation, and 3) the share of the fee that each lawyer or law firm will receive or, if the division is based on the proportion of services performed, the basis on which the division will be made. Client shall not be responsible for any additional fees, expenses, or costs associated with the retention of outside counsel as described in this paragraph. Client's obligations for fees and expenses are limited to those defined in paragraphs 7 and 8 above.

12. SETTLEMENT. Attorney will not settle Client's claim without the approval of Client, who will have the absolute right to accept or reject any settlement. Attorney will notify Client promptly of the terms of any settlement offer received by Attorney.

13. POWER OF ATTORNEY. Client gives Attorney a power of attorney to execute all reasonable and necessary documents connected with the performance of legal services provided under this agreement including pleadings, contracts, checks or drafts, settlement agreements, compromises and releases, verifications, dismissals and orders, and all other documents that Client could properly execute. Client's claims will not be settled without obtaining Client's consent.

14. LIEN. Client hereby grants Attorney a lien on any and all claims or causes of action that are the subject of Attorney's representation under this Contract. Attorney's lien will be for any sums due and owing to Attorney at the conclusion of Attorney's services. The lien will attach to any recovery Client may obtain, whether by arbitration award, judgment, settlement, or otherwise.

15. DISCHARGE OF ATTORNEY. Client may discharge Attorney at any time by written notice effective when received by Attorney. Unless specifically agreed by Attorney and Client, Attorney will provide no further services and advance no further costs on Client's behalf after receipt of the notice. If Attorney is Client's attorney of record in any proceeding, Client will execute and return a substitution-of-attorney form immediately on its receipt from Attorney. In the event that Attorney is discharged, for whatever reason, Client remains obligated to pay Attorney the entire percentage as agreed in paragraph 7.A or a reasonable fee as described in paragraph 7.C and to reimburse Attorney for all reasonable costs and expenses incurred as of the date of discharge not later than thirty (30) days after the receipt of a final cost accounting from Attorney.

16. WITHDRAWAL OF ATTORNEY. Client and Attorney agree that if, after investigation of the facts and research of the law, Attorney believes that Client's claims are of limited merit, Attorney may terminate this agreement with Client prior to and without filing suit, and said termination will release Attorney from any further action on Client's claim and discharge Attorney from this Agreement. Termination will be effected via delivery service with signature receipt to the last address provided by Client to Attorney. After filing suit, Attorney may withdraw as permitted under the California Rules of Professional Conduct. Upon termination of representation, Attorney shall take steps to the extent reasonably practicable to protect Client's interests, will give reasonable notice to Client, will allow time for employment of other counsel, and will surrender papers and property to which Client is entitled.

17. RELEASE OF CLIENT'S PAPERS AND PROPERTY. At the termination of services under this Agreement, Attorney will release promptly to Client upon request all of Client's papers and property. "Client's paper and property" includes correspondence, deposition transcripts, exhibits, experts' reports, legal documents, physical evidence, and other items reasonably necessary to Client's representation, whether Client has paid for them or not. If Client has not requested its papers and property within ninety days after Attorney has given Client written notice that the case is over and that those papers and property are available to Client, however, Attorney may dispose of those papers and property.

18. NOTICES. All written notice and communications to Client relating to this agreement shall be mailed to or personally delivered to: James Bridges, District Superintendent, Jefferson Elementary School District, 1219 Whispering Wind Drive, Tracy, CA 95377-8269. Written notices and communications to Attorney shall be mailed to or personally delivered to: Khaldoun A. Baghdadi, Esq., Walkup, Melodia, Kelly & Schoenberger, 650 California Street, 26th Floor, San Francisco, CA 94108.

19. DISCLAIMER OF GUARANTEE. Nothing in this Contract and nothing in Attorney's statements to Client will be construed as a promise or guarantee about the outcome of Client's matter. Attorney makes no such promises or guarantees. Attorney's comments about the outcome of Client's matter are expressions of opinion only.

20. MULTIPLE REPRESENTATION. Client understands that Attorney does or may represent many other individuals with actual or potential claims arising from the Action. Attorney's representation of multiple claimants at the same time may create certain actual or potential conflicts of interest in that the interests and objectives of each client individually on certain issues are, or may become, inconsistent with the interests and objectives of the other. Attorney is governed by specific rules and regulations relating to professional responsibility in representation of clients, and especially where conflicts of interest may arise from representation of multiple clients against the same or similar defendants, Attorney must advise clients of any actual or potential conflicts of interest and obtain their informed written consent to our representation when actual, present, or potential conflicts of interest exist. Client has conferred with its own separate corporate or municipal counsel, and has determined that it is in its own best interests to waive any and all potential or actual conflicts of interest which may occur as the result of Attorney's current and continuing representation of other entities in similar litigation. By signing this agreement, Client states that (1) it has been advised of the potential conflicts of interest which may be or are associated with our representation of Client and other multiple claimants; (2) it nevertheless wants Attorney to represent Client; and (3) Client consents to Attorney's representation of others in connection with the Thomas fire/mudslide event. Client remains completely free to seek other legal advice at any time even after signing this agreement.

21. ENTIRE AGREEMENT. This Agreement contains the entire agreement of the parties. No other agreement, statement, or promise made on or before the effective date of this Agreement will be binding on the parties.

22. EFFECTIVE DATE OF AGREEMENT. The effective date of this agreement will be the date it is executed by Client. This Agreement will, however, apply to services provided by Attorney on this matter before its effective date.

23. EXECUTION. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, and all of which, taken together, shall constitute one and the same instrument. Facsimile or pdf versions of this Agreement shall have the san1e force and effect as signature of the original.

This agreement and its performance are subject to the California Rules of Professional Conduct.

The above is approved and agreed upon by all parties.

[SIGNATURE PAGE FOLLOWS]

JEFFERSON SCHOOL DISTRICT ("CLIENT"):

Date:_____ By:_____
James Bridges
District Superindentent

WALKUP, MELODIA, KELLY & SCHOENBERGER ("ATTORNEY"):

Date:_____ By:_____
Khaldoun A. Baghdadi
Shareholder, Authorized Representative