

SETTLEMENT AGREEMENT AND RELEASE

This Texas Settlement Agreement and Release (“Texas Settlement Agreement” as defined in Section I) between and among Walgreens Co. (“Walgreens” as defined in Section I), the State of Texas (“Texas” or the “State” as defined in Section I), and Texas PSC Subdivisions (“PSC Subdivisions” as defined in Section I) memorializes the agreement between Walgreens, the PSC Subdivisions and the State (“the Parties”) entered into on May __, 2023, to resolve opioid-related Claims against Walgreens, including without limitation all Claims brought against Walgreens by the PSC Subdivisions.

Whereas, Texas has submitted a State Participation Form pursuant to the Walgreens National Settlement, and pursuant to the Walgreens National Settlement is a “Settling State” as defined therein;

Whereas, certain Subdivisions located in Texas have submitted Participation Forms to become a Participating Subdivision under the Walgreens National Settlement;

Whereas, the Texas PSC Subdivisions seek to enter into a Texas settlement with Walgreens without participating in the Walgreens National Settlement;

Whereas, Walgreens seeks to enter into a settlement with the PSC Subdivisions (the “Texas Settlement”) that ensures that the total aggregate payments made by Walgreens under the Walgreens National Settlement and the Texas Settlement will be no greater than and paid on the same schedule as what Walgreens would have paid under the Walgreens National Settlement had the Texas PSC Subdivisions participated in the Walgreens National Settlement;

Whereas, this Texas Settlement Agreement is a product of arm’s length settlement negotiations between the duly authorized representatives of the Parties;

IT IS AGREED by the Parties, by and through their respective counsel, that all Released Claims shall be finally and fully settled and released as to the Releasees (defined below), as set forth below.

I. Definitions

- A. “*Walgreens National Settlement*” means the Walgreens Settlement Agreement dated as of December 9, 2022 between and among the Settling States, Participating Subdivisions and Walgreens.
- B. Definitions from Walgreens National Settlement. The following definitions in Section I of the Walgreens Global Settlement and any exhibits they reference are incorporated by reference and apply to this Agreement to the extent they are not inconsistent with this Agreement: “Alleged Harms,” “Claim,” “Claim-Over,” “Covered Conduct,” “Later Litigating Subdivision,” “Litigating Subdivision,” “Non-Litigating Subdivision,” “Non-Participating Subdivision,” “Non-Party Covered Conduct Claim,” “Non-Released Entity,” “Opioid Remediation,” “Opioid Tax,” “Product,” “Released Claims,” “Released Entities,” “Releasers,” “State Allocation,” “Subdivision,” “Threshold

Walgreens Texas Litigating Subdivisions
Subject to FRE 408 & Texas State-law analogs – For Settlement Purposes Only

Motion,” and “Walgreens.” When used in the foregoing definitions, the terms “Eligible State” and “Settling State” shall mean the “State” as defined below, and the term “Initial Subdivision Participation Date” shall mean the “Subdivision Participation Date” as defined below, except that when used in the definition of “Later Litigating Subdivision,” the term “Trigger Date” shall mean May __, 2023.

C. Modified Definitions from Walgreens Global Settlement. The following definitions in Section I of the Walgreens Global Settlement apply to this Walgreens Texas Settlement Agreement as modified below:

1. “*Court*” means the Texas MDL Court where the Walgreens Texas Settlement Agreement shall be filed.¹
2. “*State*” means the State of Texas.
3. “*Participating Subdivision*” means a Subdivision that executes the Texas Subdivision Participation and Release Form attached as **Exhibit C** and promptly dismisses with prejudice any pending Claims against Released Entities, and, for purposes of calculating Incentive Payment A, Incentive Payment BC and Incentive Payment D, also includes a Subdivision located in Texas that submitted a Participation and Release Form in the Walgreens National Settlement.

D. Additional Definitions. The following additional definitions apply to this Agreement:

1. “*Annual Attorney Fees Payment*” means the amount payable by Walgreens to the State for the Total Attorney Fees Amount under this Agreement for each Payment Year.
2. “*Annual Remediation Payment*” means the amount payable by Walgreens to the State for the Total Remediation Amount for Opioid Remediation under this Agreement for each Payment Year²
3. “*Base Payment*” means the 41% of the State Allocation for Texas, totaling \$115,910,675 after 4.69625% and half of the costs.
4. “*Walgreens Global Settlement*” means the global settlement that Walgreens entered into on December 9, 2022, to resolve prescription opioid lawsuits and claims brought by states and their political subdivisions, which is not yet, and may not become, effective. To the extent definitions, terms, provisions, or exhibits in the Walgreens Global Settlement are incorporated in this Agreement and are not inconsistent with the terms of this Agreement, those definitions, terms, provisions, and exhibits apply regardless of

¹ The Consent Judgement between the State of Texas and Walgreens regarding the terms of the Walgreens National Settlement applicable to the State of Texas will be filed in Travis County, Texas.

² The total Remediation Payment to Texas by Walgreens shall be a maximum of \$324,100,609, which includes \$290,159,459.30 as a statewide opioid settlement agreement, plus \$33,941,149.70 in Texas PSC Subdivision counsel attorneys’ fees and costs (\$30,441,149.70 in fees and \$3,500,000.00 in costs).

Walgreens Texas Litigating Subdivisions
Subject to FRE 408 & Texas State-law analogs – For Settlement Purposes Only

whether the Walgreens Global Settlement becomes effective. A copy of the Walgreens National Settlement is attached as **Exhibit B** to this Agreement.

5. “*Execution Date*” means the date on which this Agreement is executed by the last Party to do so.

6. “*PSC Subdivisions*” means the Texas Subdivisions that are represented by the PSC and associated counsel for Texas Political Subdivisions with an opioid-related claim, as identified on Exhibit A.

7. “*State*” means the State of Texas, including all of its departments, agencies, divisions, boards, commissions, offices, instrumentalities, and officers, including without limitation the Attorney General.

8. “*Subdivision Participation Date*” means one hundred fifty (150) days after the Execution Date. The Subdivision Participation Date may be extended by the mutual written agreements of the Parties.

9. “*Texas MDL Court*” means *In re: Texas Opioid Litigation* (18-0358, Master File No. 2018-65387) (“Texas MDL Court”), which shall have exclusive jurisdiction and enforcement over the Walgreens Texas Settlement Agreement as to Texas PSC Subdivisions who have not otherwise participated in the Walgreens National Settlement prior to the Effective Date of the Texas Agreement.

10. “*Texas Qualified Settlement Fund*” means the interest-bearing fund established by the Texas MDL Court pursuant to this Walgreens Texas Settlement Agreement into which payments from Walgreens are made.

11. “*Texas Settlement Agreement*” means this Walgreens Texas Settlement Agreement and Release, together with any exhibits attached hereto, which are incorporated herein by reference.

12. “*Walgreens Texas Settlement Agreement Effective Date*” means fifteen (15) days after 96% of the population of the Texas PSC Subdivisions listed on Exhibit A have delivered Release and Participation Forms to Walgreens either through the Walgreens National Settlement or **Exhibit C** hereto.

13. “*Texas Subdivision Participation Date*” means sixty days following execution of the Walgreens Texas Settlement Agreement.

14. “*Texas Settlement Participating Subdivisions*” means a PSC Subdivision that executes the Subdivision Participation and Release Form attached as

Walgreens Texas Litigating Subdivisions
Subject to FRE 408 & Texas State-law analogs – For Settlement Purposes Only

Exhibit C and promptly dismisses with prejudice any pending Claims against Released Entities

15. “*Texas Term Sheet*” means the Texas Opioid Abatement Fund Council and Settlement Allocation Term Sheet executed May 13, 2020.
16. “*Total Attorney Fees Amount*” means the payments to the Texas Qualified Settlement Fund to be made pursuant to the Texas Settlement, which total \$33,941,149.70 and consists of \$30,441,149.70 in fees and \$3,500,000.00 in costs.
17. “*Total Remediation Amount*” means the total amount of payments made by Walgreens to Texas and Subdivisions located in Texas under the Walgreens National Settlement Agreement and this Texas Settlement, as a statewide opioid settlement amount, which shall be up to \$290,159,459.30.

II. Participation in Walgreens National Settlement

The State of Texas shall participate in the Walgreens National Settlement as a Settling State.

III. Cessation of Litigation Activity

Upon execution of the Walgreens Texas Settlement Agreement, the Texas PSC Subdivisions and Walgreens agree to seek stays in all pending cases against Walgreens, and Walgreens shall withdraw from any Texas appeals. In the event that Walgreens elects not to proceed with the Texas Settlement, the State and the Texas PSC Subdivisions shall agree not to oppose any motion to amend or otherwise allow Walgreens to rejoin any Texas appeals relating to Texas PSC Subdivisions that are not Participating Subdivisions in the Walgreens National Settlement. The parties agree to work diligently to finalize the Texas Settlement on or before May 26, 2023, subject to reasonable extensions as agreed to by the parties.

IV. Settlement Payments under Walgreens National Settlement and Texas Settlement.

A. Allocation of Incentive Payments A or BC to Texas PSC Subdivisions. The Walgreens National Settlement provides for incentive payments to Texas based on subdivision participation in the Walgreens National Settlement. By this Walgreens Texas Settlement Agreement, the State agrees that Walgreens shall not be required to make any payments pursuant to Incentive Payment A (Walgreens National Settlement, Section IV.H.4) or Incentive Payment BC (Walgreens National Settlement, Section IV.H.5) to the State.

B. Reduction in Payments to Texas under the Walgreens National Settlement. The failure of the Texas PSC Subdivisions to join the Walgreens National Settlement means that the maximum amount Texas and the Non-PSC Subdivisions could earn under the MSA is equal to the Base Payment, plus up an additional maximum of up to 10% of the State Allocation for Texas pursuant to Incentive Payment D as set forth in Section IV.H.6 of the Walgreens National

Walgreens Texas Litigating Subdivisions
Subject to FRE 408 & Texas State-law analogs – For Settlement Purposes Only

Settlement. In no event shall Texas receive more than 36.30375% of the State Allocation for Texas, minus half of the costs, through the Walgreens' National Settlement.

C. Annual Payments by Walgreens under the Walgreens National Settlement. The payments to Texas, which shall consist of the Base Payment plus any payments earned pursuant to Incentive Payment D, shall be made pursuant to the schedule and mechanisms set forth in the Walgreens National Settlement.

D. Annual Payments by Walgreens under the Texas Settlement.

1. **Incentive Payment A.** Incentive Payment A (as defined in the Walgreens National Settlement, but subject to the modifications set forth herein) shall be available to be paid to Texas Subdivisions under the Texas Settlement and not under the Walgreens National Settlement. Solely for the purpose of determining eligibility for Incentive Payment A under the Texas Settlement, the Texas Participating Subdivisions that participate in the Walgreens National Settlement shall be treated as though they are Texas Settlement Participating Subdivisions. Eligibility for Incentive Payment A and the amount and timing of any Incentive A payments shall be determined as set forth in the Walgreens National Settlement, including that Texas shall have two years from the Effective Date of the Walgreens National Settlement to qualify for Incentive A. If Texas qualifies for Incentive A, the Incentive Payment A will be equal to \$191,219,360 (representing 59% times Texas's maximum remediation amount Walgreens National Settlement). Any Incentive Payment A shall be made by Walgreens on the same schedule as such payments would have been made by Walgreens under the Walgreens National Settlement. Exhibit B-1 sets forth the payments to be made by Walgreens through the Walgreens National Agreement and the Texas Settlement if Texas meets the criteria for Incentive Payment A.
2. **Incentive Payment BC.** Incentive Payment BC as defined in the Walgreens National Settlement shall be paid by Walgreens under the Texas Settlement. Solely for the purpose of calculating eligibility for Incentive BC and Incentive Payment D under the Texas Settlement, the Subdivisions that participate in the Walgreens National Settlement shall be treated as though they are Texas Settlement Participating Subdivisions. Consistent with the Walgreens National Settlement, Incentive Payment BC under the Texas Settlement shall be earned starting at 85% subdivision participation and shall increase for each additional 1% of subdivision participation. The maximum Incentive Payment BC payment is \$181,496,341. Exhibit B-2 sets forth the maximum payments to be made by Walgreens pursuant to the Walgreens National Settlement and the Texas Settlement if Texas does not meet the criteria for Incentive Payment A.

E. Total Payments to Texas and Subdivisions. In no event shall the total amount of Walgreens' payments to Texas and Subdivisions located in Texas, including the amounts that Walgreens pays (1) to

Walgreens Texas Litigating Subdivisions
Subject to FRE 408 & Texas State-law analogs – For Settlement Purposes Only

the Texas QSF for attorney fees and costs, (2) to the Walgreens National Settlement escrow account for remediation that is potentially allocable to Texas, and (3) to Texas directly, exceed \$324,100,609.

V. Attorney Costs & Fees

- A. Contingency Agreements. Texas shall not renew or approve any new contingency contracts that authorize any Texas subdivisions to file Released Claims against Released Entities.
- B. Funding the Texas QSF. The Court shall establish the Texas Qualified Settlement Fund, which shall be subject to the exclusive jurisdiction and enforcement of the Court. Within fifteen (15) days of the Effective Date of the Texas Agreement, Walgreens shall pay \$16,970,574.85 from Incentive Payment A or Incentive Payment BC to fund the Texas Qualified Settlement Fund for attorneys' fees and costs incurred by the PSC Subdivisions. In addition, Walgreens shall pay \$16,970,574.85 to the Texas Qualified Settlement Fund over five years in keeping with the year-by-year percentage breakdown for fees and costs in the Walgreens National Settlement for attorneys' fees and costs incurred by the PSC Subdivisions. This amount comes from the reduction in the Base Payment provided for in the Walgreens National Settlement and as specified in Section I.B.3 above.
- C. Fee Eligibility. The terms and conditions relating to qualification for attorneys' fees and costs of the Walgreens National Settlement, shall be consistent with the Texas Term Sheet, Exhibit R to the Walgreens National Settlement, and the Court's orders, and shall apply to counsel for the PSC subdivisions. For the avoidance of doubt, the Texas MDL Court shall be vested with exclusive jurisdiction and authority to determine, enforce and allocate fees and costs according to the provisions of the Texas Term Sheet, the Walgreens Texas Settlement Agreement, the Walgreens National Settlement, and the Court's orders as applied to PSC Subdivision counsel. Any counsel that applies to the Texas Fee Funds shall agree to waive any rights to receive payment pursuant to any contingent fee contract and that it shall not represent any Later Litigating Subdivisions as defined in the Walgreens National Settlement.

D. MDL Fees and Cost Provisions.

- 1. Counsel for the PSC Subdivisions agree not to apply to the MDL Contingency Fee Fund, the MDL Common Benefit Fund or the MDL Subdivision Cost and Expense Fund in connection with any work for PSC Subdivisions related to Walgreens. The only exceptions to this provision are

Walgreens Texas Litigating Subdivisions
Subject to FRE 408 & Texas State-law analogs – For Settlement Purposes Only

Tarrant County, for which counsel may apply to the MDL Common Benefit Fund, and Texas PSC Subdivision Counsel who participated in the Walgreens National Settlement prior to the participation date in the Walgreens National Settlement, for which counsel may elect to apply to the MDL 2804 Contingent Fee Fund

2. Any amounts that Walgreens recovers from the MDL Contingency Fee Fund as a result of the PSC Subdivisions' non-joinder to the MSA and their counsel's non-application to the Contingency Fee Fund in connection with such representations will be remitted as soon as practicable to Texas for distribution to the accounts identified in Section VI.B. Walgreens agrees to request such refund under the Walgreens National Settlement, but makes no guarantees regarding its success in obtaining such a refund or the amounts that it may receive.
3. As a condition precedent to the effectiveness of the Texas Settlement, Walgreens shall obtain from the MDL 2804 PEC and the MDL 2804 Court an agreement, prior to the Effective date, that the Texas Agreement will not trigger any additional MDL 2804 CBF assessment, including under the Ongoing Common Benefit Order (Dkt. #4428) in the MDL, given that Walgreens is not reducing the payment to the MDL Attorney Fee Fund under the Walgreens National Settlement as a result of this Agreement.
4. As a condition precedent to the effectiveness of the Texas Settlement, Walgreens shall obtain from the MDL 2804 PEC and MDL 2804 Fee Panel an agreement, prior to the Effective date, that lawyers representing Texas PSC Subdivisions who apply for fees in connection with other clients that have joined the national settlement will not be penalized in any respect as a result of their Texas PSC Subdivisions' non-joinder to the Walgreens National Agreement, so long as such counsel's clients join this Texas Settlement (or have already joined the Walgreens National Settlement as of the execution of this term sheet).

VI. Allocation and Use of Remediation Payments

- A. Payments made by Walgreens under the Texas Settlement shall have the same use as set forth in Section V of the Walgreens National Settlement, including allocation of statewide opioid settlement amount up to \$290,159,459.30, for Opioid Remediation pursuant to this Texas Agreement, Tex. Gov't Code Ann. Chapter 403 ("Chapter 403"), and the Texas Term Sheet under Section V.D.1. of the Walgreens National Settlement at 15% (\$43,523,918.89) to the Subdivision Share Fund, 15%

Walgreens Texas Litigating Subdivisions

Subject to FRE 408 & Texas State-law analogs – For Settlement Purposes Only

(\$43,523,918.89) to the State Share Fund, and 70% (\$203,111,621.52) to the Abatement Share Fund

- B. For the avoidance of doubt, all payments made by the Settlement Administrator under the Walgreens National Settlement for Opioid Remediation, including both the Base Payment (\$115,910,675) and any Incentive D payments (up to \$32,410,061) shall be allocated and used consistent with the Texas Agreement, the Texas Term Sheet, Chapter 403, and the Walgreens National Settlement to include being divided 15% going to Political Subdivisions (“Subdivision Share”), 70% to the Texas Opioid Abatement Fund through the Texas Opioid Council (“Texas Abatement Fund Share”), and 15% to the State of Texas (“State Share”).
- C. For the avoidance of doubt, of the up-to-\$165,291,311, representing the maximum amount that may be paid by Walgreens directly to Texas under the Texas Settlement, up to \$16,970,574.85 shall be used to directly fund the Texas Qualified Settlement Fund for attorney fees and costs, with such amount to be funded over the first five (5) years of the applicable Incentive A or Incentive BC payments in the same year-by-year percentage breakdown for fees and expenses in the Walgreens National Settlement. The remainder shall be allocated and used for Opioid Remediation consistent with the Abatement Fund Council and Settlement Allocation Term Sheet (Texas Term Sheet), and Chapter 403, including being divided with 15% going to Political Subdivisions (“Subdivision Share”), 70% to the Texas Opioid Abatement Fund through the Texas Opioid Council (Texas abatement Fund Share), and 15% to the State of Texas (“State Share”)

VII. Participation by Subdivisions

A. Requirements for Becoming a Participating Subdivision. A Subdivision becomes a Participating Subdivision by executing the Subdivision Participation and Release Form attached as Exhibit C within sixty (60) days following the execution of the Walgreens Texas Settlement Agreement. The PSC will provide Walgreens with the executed Settlement Participation and Release Forms for the Participating Subdivisions on or before the Texas Subdivision Participation Date for all participating Texas PSC Subdivisions that have not already participated in the Walgreens National Settlement.

B. Condition to Effectiveness. If Walgreens elects not to proceed with the Walgreens National Settlement, Walgreens shall have ten (10) days after the Texas Subdivision Participation Date to determine whether to proceed with the Texas Settlement. This determination shall be made by Walgreens in its sole discretion based on its assessment of participation by PSC Subdivisions in the Texas Settlement. If Walgreens elects not to proceed with the Texas Settlement, the Texas Settlement shall not become effective and shall have no further effect, and all commitments and obligations in the Texas Settlement shall become void. If Walgreens elects not to proceed with

Walgreens Texas Litigating Subdivisions
Subject to FRE 408 & Texas State-law analogs – For Settlement Purposes Only

the Walgreens National Settlement, but to elects to proceed with the Texas Settlement, Walgreens shall pay the entire Texas Agreement Settlement Amount of \$324,100,609 (which is \$290,159,459.30 as a Statewide Opioid Settlement Amount, plus \$33,941,149.70 in Texas PSC attorneys' fees and costs) to the Texas Qualified Settlement Fund according to the payment terms and schedules provided in this Texas Agreement and subject to the exclusive jurisdiction and authority of the Court. If Walgreens elects to proceed with the Texas Settlement, the Texas Settlement shall become effective fifteen days after the Texas Subdivision Participation Date (the Walgreens Texas Settlement Agreement Effective Date).

VIII. Release

A. Section X of the Walgreens National Settlement is incorporated by reference and applies to this Agreement to the extent it is not inconsistent with this Agreement, including without limitation the following provisions:

1. *A. Scope.* . . . [T]he Released Entities are hereby released and forever discharged from all of the Releasers' Released Claims. [The] State (for itself and its Releasers) and Participating Subdivision (for itself and its Releasers) hereby absolutely, unconditionally, and irrevocably covenants not to bring, file, or claim, or to cause, assist or permit to be brought, filed, or claimed, or to otherwise seek to establish liability for any Released Claim against any Released Entity in any forum whatsoever. The releases provided for in this Agreement intended by the Parties to be broad and shall be interpreted so as to give the Released Entities the broadest possible bar against any liability relating in any way to any Released Claims and extend to the full extent of the power of [the] State and its Attorney General to release claims. This Agreement shall be a complete bar to any Released Claim.

2. *C. General Release.* In connection with the releases provided for in this Agreement, [the] State (for itself and its Releasers) and [each] Participating Subdivision expressly waives, releases, and forever discharges any and all provisions, rights, and benefits conferred by any law of any State or territory of the United States or other jurisdiction, or principle of common law, which is similar, comparable, or equivalent to § 1542 of the California Civil Code, which reads:

General Release; extent. A general release does not extend to claims that the creditor or releasing party does not know or suspect to exist in his or her favor at the time of executing the release and that if known by him or her, would have materially affected his or her settlement with the debtor or released party.

A Releaser may hereafter discover facts other than or different from those which it knows, believes, or assumes to be true with respect to the Released Claims, but each Settling State (for itself and its Releasers) and Participating Subdivision hereby expressly waives and fully, finally, and forever settles, releases and discharges . . . any and all Released Claims that may exist as of such date even if Releasers do not know or suspect such claims to exist, whether through ignorance, oversight, error, negligence or through no fault whatsoever, and even if knowledge of the existence of such claims would materially affect the . . .

Walgreens Texas Litigating Subdivisions
Subject to FRE 408 & Texas State-law analogs – For Settlement Purposes Only

State[‘s] decision to enter into this Agreement or the Participating Subdivisions’ decision to participate in this Agreement.

3. *F. Representation and Warranty.* The signator[y] hereto on behalf of [the State] expressly represent[s] and warrant[s] that [he or has] ([] obtained, or will obtain . . .) the authority to settle and release, to the maximum extent of the State’s power, all Released Claims of (1) the[] . . . State[,], (2) all past and present executive departments, state agencies, divisions, boards, commissions and instrumentalities with the regulatory authority to enforce state and federal controlled substances acts, and (3) any of the[] . . . State’s past and present executive departments, agencies, divisions, boards, commissions and instrumentalities that have the authority to bring Claims related to Covered Conduct seeking money (including abatement and/or remediation) or revocation or suspension of a pharmaceutical distribution or dispensing license. For the purposes of clause (3) above, executive departments, agencies, divisions, boards, commissions, and instrumentalities are those that are under the executive authority or direct control of the State’s Governor. Also for the purposes of clause (3), a release from [the] State’s Governor as set forth in Exhibit X is sufficient to demonstrate that the appropriate releases have been obtained.

IX. Miscellaneous

- A. Except as otherwise limited herein, the Walgreens National Settlement is further incorporated herein by reference and apply to this Agreement to the extent they are not inconsistent with this Walgreens Texas Settlement Agreement.
- B. Jurisdiction. This Agreement is subject to, and Walgreens consents to, the jurisdiction of the Texas MDL Court.
- C. Nature of Payment. Each of the Parties acknowledges, agrees and understands that, notwithstanding anything to the contrary in this Agreement, for purposes of Section 162(f) and Section 6050X of the Internal Revenue Code, the Total Remediation Amount paid by Walgreens (up to \$290,159,459.30 to be paid out over fifteen (15) years) constitutes restitution or remediation, as defined in Treasury Regulation § 1.162-21(e)(4), for damage or harm allegedly caused by the potential violation of a law and is an amount paid for the purpose of remediating the damage or harm allegedly caused, including to restore the State to the same or substantially similar position or condition as existed prior to such damage or harm allegedly caused. The Parties acknowledge, agree and understand that only the Total Attorney Fees Amount (\$33,941,149.70) represent reimbursement to Plaintiffs or any other person or entity for the fees and costs of any investigation or litigation, that no portion of the Total Remediation Amount represents reimbursement to Plaintiffs or any other person or entity for the fees and costs of any investigation or litigation, and no portion of the Total Remediation Amount represents or should properly be characterized as the payment of fines, penalties or other punitive assessments. The State shall complete and file Form 1098-F with the Internal Revenue Service identifying the Total Remediation Amount as remediation/restitution amounts, identifying the Total Attorney Fees Amount as amounts to be paid for violation or potential violation of law, and shall furnish Copy B of such Form 1098-F to Walgreens and shall otherwise fully comply with the requirements of Section 6050X of

Walgreens Texas Litigating Subdivisions
Subject to FRE 408 & Texas State-law analogs – For Settlement Purposes Only

the Internal Revenue Code and all treasury regulations relating to that provision of the Internal Revenue Code. Walgreens makes no warranty or representation to the State, and the State makes no warranty or representation to Walgreens, as to the tax consequences of the Settlement Amount or the Settlement Product or any portion thereof. The State notifies Walgreens, and Walgreens acknowledges, that applicable law requires Walgreens to furnish its federal taxpayer identification number(s) to the State for inclusion on IRS Form 1098-F and that Walgreens may be subject to a penalty for failure to furnish taxpayer identification number(s). Walgreens shall furnish such number(s) by providing the State a completed IRS Form W-9 within 7 days of the Effective Date. Walgreens shall also provide such other information as may be requested by the State to enable it to comply with any reporting requirements for payments made pursuant to this Agreement that are imposed by applicable law.

D. Severability Clause. In the event any provision or part of this Agreement is found to be invalid or unenforceable, only that particular provision or part so found, and not the entire Agreement, will be inoperative.

E. Enforcement and Dispute Resolution.

1. Jurisdiction and enforcement over the Walgreens Texas Settlement Agreement shall be subject to the exclusive enforcement and jurisdiction of the Texas Consolidated MDL Court and shall not involve any federal forum, including without limitation the MDL 2804 Court, PEC, Fee Panel, or Enforcement Committee
2. The dispute resolution and enforcement provisions set forth in Section VI of the Walgreens National Settlement shall apply as to the State of Texas and any Texas PSC Subdivision that has participated in the Walgreens National Settlement, except that the Texas Attorney General and Texas PSC shall act as the Enforcement Committee.

F. Public Statements. The Parties agree to work together and coordinate the announcement and timing of the Texas Agreement.

G. Notices. To be effective, all notices under this Texas Agreement shall be in writing and delivered to the persons specified below (i) by e-mail and (ii) by either hand delivery or registered or certified mail, return receipt required, postage pre-paid. Any Party may change its notice designees by giving written notice to all other Parties as provided in this paragraph.

1. Notices to the State shall be delivered to:

Stephanie Eberhardt
Assistant Attorney General
Office of the Attorney General
P.O. Box 12548
Austin, Texas 78711-2548
stephanie.eberhardt@oag.texas.gov

Walgreens Texas Litigating Subdivisions
Subject to FRE 408 & Texas State-law analogs – For Settlement Purposes Only

2. Notices to the Texas PSC shall be delivered to:

Dara Hegar
The Lanier Law Firm, P.C.
10940 W. Sam Houston Pkwy N. Suite 100
Houston, TX 77064
dara.hegar@lanierlawfirm.com

AND

Jeffrey B. Simon
Simon Greenstone Panatier, P.C.
1201 Elm Street, Suite 3400
Dallas, Texas 75270
jsimon@sgptrial.com

AND

Shelly A. Sanford
Watts Guerra LLP
4 Dominion Drive
Bldg. 3, Ste. 100
San Antonio, Texas 78257
ssanford@wattsguerra.com

3. Notice to Walgreens shall be delivered to:

Michael J. Freeman
104 Wilmot Road, MS#144Q
Deerfield, IL 60015
michael.j.freeman@walgreens.com

AND

Wayne B. Mason
Faegre Drinker
1717 Main Street, Ste. 5400
Dallas, TX 75201-7367
Wayne.Mason@faegredrinker.com

Harlan Levy
Foley Hoag LLP
1301 Avenue of the Americas
New York, New York 10019
hlevy@foleyhoag.com

Walgreens Texas Litigating Subdivisions
Subject to FRE 408 & Texas State-law analogs – For Settlement Purposes Only


Kristyn DeFilipp
Foley Hoag LLP
155 Seaport Boulevard
Boston, MA 02110
kbuncedefilipp@foleyhoag.com

H. Amendment. This Agreement may be amended or modified only by the mutual written agreement of Walgreens, the State acting through the Texas Attorney General, and all Participating Texas PSC Subdivisions.

IN WITNESS WHEREOF, Walgreens and the State, through their fully authorized representatives, have executed this Agreement as of the dates set forth below.

Walgreens Co.

State of Texas

By: 
Michael Freeman
Vice President, Head of Litigation,
Employment and Regulatory Law
104 Wilmot Road, MS#144Q
Deerfield, IL 60015
michael.j.freeman@walgreens.com

By: _____

Date: _____

Date: May 25, 2023

Walgreens Texas Litigating Subdivisions
Subject to FRE 408 & Texas State-law analogs – For Settlement Purposes Only

Kristyn DeFilipp
Foley Hoag LLP
155 Seaport Boulevard
Boston, MA 02110
kbuncedefilipp@foleyhoag.com

H. Amendment. This Agreement may be amended or modified only by the mutual written agreement of Walgreens, the State acting through the Texas Attorney General, and all Participating Texas PSC Subdivisions.

IN WITNESS WHEREOF, Walgreens and the State, through their fully authorized representatives, have executed this Agreement as of the dates set forth below.

Walgreens Co.

State of Texas

By: _____
Michael Freeman
Vice President, Head of Litigation,
Employment and Regulatory Law
104 Wilmot Road, MS#144Q
Deerfield, IL 60015
michael.j.freeman@walgreens.com

By: Kevin Park

Date: 5/26/2023


Date: _____

**Walgreens Texas Litigating Subdivisions
Subject to FRE 408 & Texas State-law analogs – For Settlement Purposes Only**

The County of Dallas, Texas

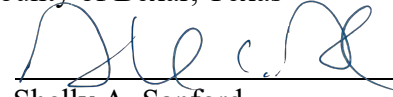
By:  _____
Dara Hegar
The Lanier Law Firm, P.C.
10940 W. Sam Houston Pkwy N.
Suite 100
Houston, TX 77064
dara.hegar@lanierlawfirm.com

Date: May 25, 2023

By:  _____
Jeffrey B. Simon
Simon Greenstone Panatier, P.C.
1201 Elm Street, Suite 3400
Dallas, Texas 75270
jsimon@sgptrial.com

Date: May 25, 2023

The County of Bexar, Texas

By:  _____
Shelly A. Sanford
Watts Guerra LLP
4 Dominion Drive
Bldg. 3, Ste. 100
San Antonio, Texas 78257
ssanford@wattsguerra.com

Date: May 25, 2023

**Walgreens Texas Litigating Subdivisions
Subject to FRE 408 & Texas State-law analogs – For Settlement Purposes Only**

Exhibit A

List of Texas PSC Subdivisions

County/City	Firm Name	Population
Angelina County	Simon Greenstone Panatier, P.C.	86,715
Bailey County	Fears Nachawati	7,000
Bastrop County	Phipps Ortiz Talafuse PLLC	88,723
Bee County	Simon Greenstone Panatier, P.C.	32,565
Bexar County	Watts Guerra LLP	2,003,554
Blanco County	Simon Greenstone Panatier, P.C.	11,931
Bowie County	Simon Greenstone Panatier, P.C.	93,245
Brazos County	Fears Nachawati	229,211
Brooks County	Phipps Ortiz Talafuse PLLC	7,093
Burleson County	Watts Guerra LLP	18,443
Burnet County	Simon Greenstone Panatier, P.C.	48,155
Caldwell County	Phipps Ortiz Talafuse PLLC	43,664
Calhoun County	Phipps Ortiz Talafuse PLLC	21,290
Cameron County	Watts Guerra LLP	423,163
Camp County	Simon Greenstone Panatier, P.C.	13,094
Cass County	Simon Greenstone Panatier, P.C.	30,026
Castro County	The Coffman Law Firm	7,530
Cherokee County	Simon Greenstone Panatier, P.C.	52,646
Childress County	Haley & Olson, P.C.	7,306
Clay County	Haley & Olson, P.C.	10,471
Colorado County	The Coffman Law Firm	21,493
Cooke County	Simon Greenstone Panatier, P.C.	41,257
Coryell County	Simon Greenstone Panatier, P.C.	75,951
Dallas County	Simon Greenstone Panatier, P.C., The Lanier Law Firm, P.C.	2,635,516
Delta County	Simon Greenstone Panatier, P.C.	5,331
Dimmit County	Simon Greenstone Panatier, P.C.	10,124
Duval County	Snapka Law	11,157
Ector County	Simon Greenstone Panatier, P.C.	166,223
El Paso County	The Gallagher Law Firm, PLLC	839,238
Ellis County	Fears Nachawati	184,826
Falls County	Simon Greenstone Panatier, P.C.	17,297
Fannin County	Simon Greenstone Panatier, P.C.	35,514
Fort Bend County	The Lanier Law Firm	811,688
Franklin County	Simon Greenstone Panatier, P.C.	10,725

**Walgreens Texas Litigating Subdivisions
Subject to FRE 408 & Texas State-law analogs – For Settlement Purposes Only**

County/City	Firm Name	Population
Freestone County	Simon Greenstone Panatier, P.C.	19,717
Galveston County	The Gallagher Law Firm, PLLC	342,139
Grayson County	Simon Greenstone Panatier, P.C.	136,212
Guadalupe County	Phipps Ortiz Talafuse PLLC	166,847
Hardin County	Simon Greenstone Panatier, P.C.	57,602
Harris County	The Gallagher Law Firm, PLLC	4,713,325
Harrison County	Watts Guerra LLP	66,553
Haskell County	Haley & Olson, P.C.	5,658
Hays County	Phipps Ortiz Talafuse PLLC	230,191
Henderson County	Fears Nachawati	82,737
Hidalgo County	The Gallagher Law Firm, PLLC	868,707
Hopkins County	Simon Greenstone Panatier, P.C.	37,084
Houston City	The Lanier Law Firm	2,320,268
Houston County	Simon Greenstone Panatier, P.C.	22,968
Jasper County	Simon Greenstone Panatier, P.C.	35,529
Jefferson County	The Coffman Law Firm	251,565
Jim Hogg County	Snapka Law	5,200
Jim Wells County	Watts Guerra LLP	40,482
Johnson County	Fears Nachawati	175,817
Jones County	Haley & Olson, P.C.	20,083
Kaufman County	Fears Nachawati	136,154
Kendall County	Simon Greenstone Panatier, P.C.	47,431
Kerr County	Watts Guerra LLP	52,600
Kinney County	Haley & Olson, P.C.	3,667
Kleberg County	Snapka Law	30,680
La Salle County	Haley & Olson, P.C.	7,520
Lamar County	Simon Greenstone Panatier, P.C.	49,859
Leon County	Watts Guerra LLP	17,404
Leon Valley City	Phipps Ortiz Talafuse PLLC	12,306
Liberty County	The Gallagher Law Firm, PLLC	88,219
Limestone County	Simon Greenstone Panatier, P.C.	23,437
Lubbock County	Phipps Ortiz Talafuse PLLC	310,659
Madison County	The Coffman Law Firm	14,284
Marion County	Simon Greenstone Panatier, P.C.	9,854
McLennan County	Haley & Olson, P.C.	256,623
McMullen County	Simon Greenstone Panatier, P.C.	743
Milam County	Simon Greenstone Panatier, P.C.	24,823
Mitchell County	Haley & Olson, P.C.	8,545

**Walgreens Texas Litigating Subdivisions
Subject to FRE 408 & Texas State-law analogs – For Settlement Purposes Only**

County/City	Firm Name	Population
Montgomery County	Haley & Olson, P.C.	607,391
Morris County	Simon Greenstone Panatier, P.C.	12,388
Nacogdoches County	Simon Greenstone Panatier, P.C., The Lanier Law Firm, P.C.	65,204
Newton County	Simon Greenstone Panatier, P.C.	13,595
Nolan County	Haley & Olson, P.C.	14,714
Nueces County	The Lanier Law Firm	362,294
Orange County	Simon Greenstone Panatier, P.C.	83,396
Panola County	Simon Greenstone Panatier, P.C.	23,194
Parker County	Simon Greenstone Panatier, P.C.	142,878
Polk County	Haley & Olson, P.C.	51,353
Potter County	Simon Greenstone Panatier, P.C., The Lanier Law Firm, P.C.	117,415
Red River County	Simon Greenstone Panatier, P.C.	12,023
Roberts County	The Coffman Law Firm	854
Robertson County	Simon Greenstone Panatier, P.C.	17,074
Rockwall County	Fears Nachawati	104,915
Rusk County	Simon Greenstone Panatier, P.C.	54,406
San Patricio County	Phipps Ortiz Talafuse PLLC	66,730
San Saba County	The Coffman Law Firm	6,055
Shackelford County	The Coffman Law Firm	3,265
Shelby County	Simon Greenstone Panatier, P.C.	25,274
Smith County	Simon Greenstone Panatier, P.C.	232,751
Stephens County	Fears Nachawati	9,366
Tarrant County	The Lanier Law Firm	2,102,515
Terrell County	The Coffman Law Firm	776
Throckmorton County	Haley & Olson, P.C.	1,501
Titus County	Simon Greenstone Panatier, P.C.	32,750
Travis County	The Lanier Law Firm	1,273,954
Trinity County	Simon Greenstone Panatier, P.C.	14,651
Upshur County	Simon Greenstone Panatier, P.C.	41,753
Uvalde County	Phipps Ortiz Talafuse PLLC	26,741
Van Zandt County	Simon Greenstone Panatier, P.C.	56,590
Walker County	Park Law Firm	72,791
Waller County	The Gallagher Law Firm, PLLC	55,246
Webb County	The Cicala Law Firm	276,652
Wichita County	Haley & Olson, P.C.	132,230
Williamson County	Watts Guerra LLP	590,551

**Walgreens Texas Litigating Subdivisions
Subject to FRE 408 & Texas State-law analogs – For Settlement Purposes Only**

County/City	Firm Name	Population
Wilson County	Phipps Ortiz Talafuse PLLC	51,070
Wood County	Simon Greenstone Panatier, P.C.	45,539
City Of Laredo, Texas	Napoli Shkolnik	262,491
County Of Maverick	Napoli Shkolnik	58,722
City Of San Antonio, Texas	Levin Papantonio Rafferty	1,547,253
County Of Zavala	Napoli Shkolnik	11,840
City Of Eagle Pass	Napoli Shkolnik	29,684
Nueces County Hospital District	The Lanier Law Firm	6,982
Bexar County Hospital District (D/B/A UHS Health System)	Watts Guerra LLP	7,058
Dallas County Hospital District (D/B/A Parkland)	Burns Charest	12,869
Guadalupe Valley Medical Center	Burns Charest	923
Tarrant County Hospital District (D/B/A JPS Health Network)	Wick Phillips	6,694
Harris County Hospital District (D/B/A Harris Health System)	The Gallagher Law Firm, PLLC	7,403
Burleson Hospital District	Watts Guerra LLP	20
Wilson County Memorial Hospital District	Phipps Ortiz Talafuse PLLC	208
Ochiltree County Hospital District	Frazer PLC	105
Palo Pinto County Hospital District	Burns Charest	336
West Wharton County Hospital District	Frazer PLC	186
Irving Independent School District	The Coffman Law Firm	3,251
Texarkana Independent School District	The Coffman Law Firm	1,548
Socorro Independent School District	The Coffman Law Firm	6,288

Exhibit B-1
Maximum Payments by Walgreens Only
Incentive A Scenario

	By Walgreens through MSA	By Walgreens through Texas Settlement	By Walgreens to Texas QSF	Total
Remediation paid by Walgreens (State Fund, Subdivision Fund, Abatement Account)	\$115,910,675 ³	\$191,219,360 ⁴		\$306,977,093
Fees paid by Walgreens			\$15,220,574.85	
Costs paid by Walgreens			\$1,750,000	
Total	\$115,910,675	\$191,219,360	\$16,970,574.85	\$324,100,609 ⁵

³ \$115,910,675 = \$115,910,675 in Base Payment [36.30375% x \$324,100,609 - \$1,750,000].

⁴ \$191,219,360= \$191,219,360 in Incentive A payments [59% x \$324,100,609] and includes the second \$16,970,574.85 Texas Political Subdivisions Fee and Costs payment.

⁵ Up to \$324,100,609 is Walgreens’s maximum potential payment inclusive of remediation paid to National Settlement Administrator (up to \$115,910,675 abatement paid directly to Texas statutory accounts (up to \$191,219,360, including fees and costs of \$16,970,574.85), and the remaining fees and costs (\$16,970,574.85).

Exhibit B-2
Maximum Payments by Walgreens Only
Incentive BC Scenario

	By Walgreens through MSA	By Walgreens through Texas Settlement	By Walgreens to Texas QSF	Total
Remediation paid by Walgreens (State Fund, Subdivision Fund, Abatement Account)	Up to \$148,320,735 depending on incentives earned ⁶	Up to \$181,496,341 depending on incentives earned ⁷		Up to \$282,304,971 depending on incentives earned
Fees paid by Walgreens			\$15,220,574.85	
Costs Paid by Walgreens			\$1,750,000	
Total	Up to \$148,320,735	Up to \$181,496,341	\$16,970,574.85	Up to \$324,100,609 ⁸

⁶ Up to \$148,320,735= \$115,910,675 in Base Payment [$36.30375\% \times \$324,100,609 - \$1,750,000$] + up to a maximum of \$32,410,060 in Incentive D Payments [$10\% \times \$324,100,609$].

⁷ Up to \$181,496,341= up to a maximum of \$181,496,341 in Incentive BC payments [$56\% \times \$324,100,609$] + and includes the second \$16,970,574.85 Texas Political Subdivisions Fee and Costs payment from Incentive B and C, and payments to the State Fund, the Subdivision Fund, and the Abatement Account, minus up to \$32,410,060 in Incentive D payments to be paid through the MSA.

⁸ Up to \$324,100,609 is Walgreens's maximum potential payment inclusive of remediation paid to the MSA Settlement Administrator (up to \$148,320,735), remediation paid directly to Texas statutory accounts (Up to \$181,496,341, including fees and costs of \$16,970,574.85), and the remaining fees and costs (\$16,970,574.85).

Exhibit C
Incentive B, C and D Payments

Incentive BC

Participation Percentage of Texas Incentive BC Eligible Subdivision Population⁹	Incentive Payment BC Percentage for the Relevant Payment Year
Less than 85%	0%
85% or more but less than 86%	3.57%
86% or more but less than 87%	8.93%
87% or more but less than 88%	14.29%
88% or more but less than 89%	19.64%
89% or more but less than 90%	25%
90% or more but less than 91%	30.36%
91% or more but less than 92%	35.71%
92% or more but less than 93%	41.07%
93% or more but less than 94%	46.43%
94% or more but less than 95%	51.79%
95% or more but less than 96%	60.71%
96% or more but less than 97%	68.75%
97% or more but less than 98%	76.79%

⁹ The “Participation Percentage of Incentive BC Eligible Subdivision Population” shall be determined by the aggregate population of the Texas’s Incentive BC Subdivisions that are Participating Subdivisions, or have had their claims resolved through a Case-Specific Resolution, divided by the aggregate population of the Settling State’s Incentive BC Subdivisions. In calculating the Texas’s population that resides in Incentive BC Subdivisions, the population of the Texas’s Incentive BC Subdivisions shall be the sum of the population of all Incentive BC Subdivisions in the State, notwithstanding that persons may be included within the population of more than one Incentive BC Subdivision. An individual Subdivision shall not be included more than once in the numerator, and shall not be included more than once in the denominator, of the calculation regardless if it (or any of its officials) is named as multiple plaintiffs in the same lawsuit; provided, however, that for the avoidance of doubt, no Subdivision will be excluded from the numerator or denominator under this sentence unless a Subdivision otherwise counted in the denominator has the authority to release the Claims (consistent with Section XI) of the Subdivision to be excluded.

**Walgreens Texas Litigating Subdivisions
Subject to FRE 408 & Texas State-law analogs – For Settlement Purposes Only**

98% or more but less than 99%	84.82%
99% or more but less than 100%	92.86%
100%	100%

Incentive D

Participation Percentage of Texas Incentive BC Eligible Subdivision Population as of sixty (60) days prior to the Payment Date for Payment Year 6	Texas’s Applicable Incentive Payment D Percentage
Participation of less than 95%	10% of State Allocation
Participation of 95% but less than 96%	9% of State Allocation
Participation of 96% but less than 97%	8% of State Allocation
Participation of 97% but less than 98%	7% of State Allocation
Participation of 98% but less than 99%	6% of State Allocation
Participation of 99% but less than 100%	5% of State Allocation
Participation of 100%	3% of State Allocation

Exhibit D

TEXAS SETTLEMENT SUBDIVISION PARTICIPATION FORM AND RELEASE

Political Subdivision:	Texas
Authorized Official:	
Address 1:	
Address 2:	
City, State, Zip:	
Phone:	
Email:	

The governmental entity identified above (“Texas Political Subdivision”), in order to obtain and in consideration for the benefits provided to the Texas Political Subdivision pursuant to the Walgreens Texas Settlement Agreement and Full Release of All Claims dated _____ (“Walgreens Texas Settlement”), and acting through the undersigned authorized official, hereby elects to participate in the Walgreens Texas Settlement, release all Released Claims against all Releasees, and agrees as follows.

1. The Texas Political Subdivision above is aware of and has reviewed the Walgreens Texas Settlement Agreement, understands that all terms in this Election and Release have the meanings defined therein, and agrees that by this Election, the Political Subdivision, Hospital District or Independent School District elects to participate in the Walgreens Texas Settlement and become a Participating Political Subdivision, Hospital District or Independent School District as provided therein.
2. The Texas Political Subdivision shall immediately cease any and all litigation activities as to the Releasees and Released Claims and, within 14 days of executing this Participation Form, its counsel shall work with Walgreens’s counsel to dismiss with prejudice any Released Claims that it has filed.
3. The Texas Political Subdivision agrees to the terms of the Walgreens Texas Settlement Agreement pertaining to Political Subdivisions as provided therein.
4. By agreeing to the terms of the Walgreens Texas Settlement Agreement and becoming a Releasor, the Texas Political Subdivision is entitled to the benefits provided therein, including, if applicable, monetary payments beginning after the Effective Date of the Release.
5. The Texas Political Subdivision submits to the exclusive jurisdiction and authority of the Texas Consolidated Litigation Court as defined in the Walgreens Texas Settlement Agreement. For the avoidance of doubt, nothing contained in this Participation Form, or the Walgreens Texas Settlement Agreement constitutes consent to jurisdiction, express or implied, over the governmental entity or its selected counsel to the jurisdiction of any other court or forum (including without limitation MDL 2804, the MDL 2804 Fee Panel, the MDL 2804 Enforcement Committee, or the Court in which any Texas Consent Judgment is filed) for any

purpose whatsoever.

6. The Texas Political Subdivision has the right to enforce the Walgreens Settlement in the Texas Consolidated Litigation Court as provided therein.
7. The Texas Political Subdivision, as a Participating governmental entity, hereby becomes a Releasor for all purposes in the Walgreens Texas Settlement Agreement, including but not limited to all provisions of Section VIII (Settlement of Claims, General Release, and Covenant Not to Sue), and along with all departments, agencies, divisions, boards, commissions, districts, instrumentalities of any kind and attorneys, and any person in their official capacity elected or appointed to serve any of the foregoing and any agency, person, or other entity claiming by or through any of the foregoing, and any other entity identified in the definition of Releasor, provides for a release to the fullest extent of its authority. As a Releasor, the Local Government hereby absolutely, unconditionally, and irrevocably covenants not to bring, file, or claim, or to cause, assist or permit to be brought, filed, or claimed, or to otherwise seek to establish liability for any Released Claims against any Releasee in any forum whatsoever. The releases provided for in the Walgreens Texas Settlement are intended by the Parties to be broad and shall be interpreted so as to give the Releasee the broadest possible bar against any liability relating in any way to Released Claims and extend to the full extent of the power of the Local Government to release claims. The Walgreens Texas Settlement shall be a complete bar to any Released Claim.
8. In connection with the releases provided for in the Walgreens Texas Settlement, each Local Government expressly waives, releases, and forever discharges any and all provisions, rights, and benefits conferred by any law of any state or territory of the United States or other jurisdiction, or principle of common law, which is similar, comparable, or equivalent to § 1542 of the California Civil Code, which reads:

General Release; extent. A general release does not extend to claims that the creditor or releasing party does not know or suspect to exist in his or her favor at the time of executing the release that, if known by him or her, would have materially affected his or her settlement with the debtor or released party.

A Releasor may hereafter discover facts other than or different from those which it knows, believes, or assumes to be true with respect to the Released Claims, but each Local Government hereby expressly waives and fully, finally, and forever settles, releases and discharges, upon the Effective Date, any and all Released Claims that may exist as of such date but which Releasors do not know or suspect to exist, whether through ignorance, oversight, error, negligence or through no fault whatsoever, and which, if known, would materially affect the Governmental Entities' decision to participate in the Walgreens Texas Settlement.

9. The Texas Political Subdivision acknowledges, agrees, and understands that the Settlement Amount in Section IV of the Walgreens Texas Settlement Agreement for the benefit of the Participating Texas Political Subdivision, is less than or equal

to the amount, in the aggregate, of the Alleged Harms allegedly suffered by the governmental entity, constitutes restitution and remediation for damage or harm allegedly caused by Walgreens in order to restore, in whole or part, the governmental entity to the same position or condition that it would be in had it not suffered the Alleged Harms; and constitutes restitution and remediation for damage or harm allegedly caused by the potential violation of a law and/or is an amount paid to come into compliance with the law.

10. Nothing herein is intended to modify in any way the terms of the Walgreens Texas Settlement Agreement, to which the Texas Political Subdivision hereby agrees. To the extent this Election and Release is interpreted differently from the Walgreens Texas Settlement Agreement, the Walgreens Texas Settlement Agreement controls.

I have all necessary power and authorization to execute this Election and Release on behalf of the Texas Political Subdivision.

Signature: _____
Name: _____
Title: _____
Date: _____