

RETAINER AGREEMENT

This Retention Agreement governs the retention of **Robbins Geller Rudman & Dowd LLP** ("Robbins Geller" or "Attorneys") by the **Board of Trustees of the City of Fort Lauderdale General Employees' Retirement System**, a Florida municipal retirement system ("Board" or "Board of Trustees" or "GERS" or the "Client") in connection with securities fraud claims arising from the Client's purchase of shares in Salix Pharmaceuticals, Ltd.

WHEREAS a putative class action has been commenced in the Southern District of New York, Civil Action No. 1:14-cv-8925 (the "Litigation") against Salix, amongst others, alleging securities fraud violations during the period November 8, 2013 and November 6, 2014 the Client acquired Salix stock;

WHEREAS, Attorneys have represented to Client that a review of Client's transaction information provided by Client's custodian to Attorneys indicates that Client has losses of \$476,210.09;

WHEREAS, pursuant to the terms of Client's Retirement System, the City Attorney for the City of Fort Lauderdale ("City Attorney") is the attorney for the Board of Trustees and shall represent and defend the Board in all suits and legal actions to which the Board may be a party;

WHEREAS, at the Board of Trustees' meeting of December 4, 2014, the Board of Trustees approved a motion to have GERS retain Attorneys services to seek Lead Plaintiff status in the Litigation, subject to the City Commission's appointment of Robbins Geller as Special Counsel;

WHEREAS, the deadline for filing a motion for appointment of Lead Plaintiff is January 6, 2015;

WHEREAS, Attorneys and the Board were aware at the time the Board approved seeking Lead Plaintiff status through Attorneys that the Board did not have the unfettered authority to retain Attorneys, but that Attorneys would have to be appointed Special Counsel by the City Attorney and that the City Attorney would take the appointment of Special Counsel to the City Commission of the City of Fort Lauderdale ("City Commission") for such authority;

WHEREAS, the next City Commission meeting is scheduled for December 17, 2014;

WHEREAS the Litigation entails numerous complex factual and legal issues as well as considerable risk;

WHEREAS the Litigation will require the expenditure of substantial resources by the Attorneys to the extent they are appointed Class Counsel; and

WHEREAS the Client seeks to maximize its recovery while limiting the expenditure of its own resources:

NOW, THEREFORE, the Client and the Attorneys AGREE AS FOLLOWS:

I. SCOPE OF SERVICES/CASE HANDLING

- A. Upon execution of this Retainer Agreement by the Attorneys and the Client, the Attorneys shall be retained by the Client for the purpose of seeking Client's appointment as Lead Plaintiff in the Litigation and Attorneys' appointment as Class Counsel and to the extent such appointments are granted by the Court for the purpose of prosecuting the Litigation, subject to the City of Fort Lauderdale City Commission's adoption of a Resolution appointing Attorneys as Special Counsel. Attorneys will file a motion requesting that the Client be appointed as Lead Plaintiff in the Litigation and that Client's selection of Attorneys as Lead Counsel be approved by the Court. To the extent the City Commission does not consent to the appointment of Attorneys as Special Counsel for the purpose of the Litigation, Attorneys shall upon Client's direction immediately withdraw any and all motions submitted in the Litigation seeking the Client's appointment as Lead Plaintiff.
- B. If appointed as Lead Plaintiff in the Litigation, Client will monitor, review and participate as necessary in the prosecution of the Litigation and the Attorneys shall consult with the Client and the City Attorney concerning all major substantive matters related to the Litigation, including, but not limited to, dispositive motions and settlement as well as the strategy, goals and objectives of the Litigation. With regard to monitoring the status of the Litigation, Attorneys shall timely provide Client with copies of all significant pleadings, motions, memoranda of law and briefs in the case. Attorneys will also provide Client with quarterly status reports on the Litigation. Further, Attorneys will also promptly advise the Client by telephone, as well as in writing or via electronic mail, of any significant developments in the case, including any settlement discussions. As appropriate, Attorneys will also schedule periodic meetings and conference calls to discuss case development and strategy in the prosecution of the case. Attorneys will consult with Client and obtain approval for any proposed resolution of the Litigation before entering into a final settlement agreement with Defendants.
- C. The Attorneys shall provide sufficient resources, including attorney time and capital for payment of all costs and expenses relative to the Litigation and to vigorously prosecute the Litigation in the event they are appointed Class Counsel.
- D. It is expressly understood and agreed by the Client that a recovery in the Litigation will be divided among members of the Class based on the recognized loss by each as calculated by a damage allocation plan, subject to the Court's approval and will account for such factors as size of stock ownership, date of purchase, date of sale and continued holdings, if any.

II. CONTINGENT FEE AGREEMENT

- A. The Attorneys shall advance all costs and expenses which are incurred in the investigation, prosecution and litigation of this case. Attorneys will petition the Court to be reimbursed for these costs and expenses prior to any distribution of fees to class counsel or recovery to the class. The Client is not liable to pay any of the costs or expenses of the Litigation, whether attorneys' fees or costs or otherwise. Attorneys' reimbursement of costs and other expenses is contingent upon a recovery being obtained. If no recovery is obtained, Client will owe nothing for costs and other expenses. In the event that an order is entered awarding costs and expenses in favor of defendants, Attorneys will be responsible for such costs and expenses, not the Client.
- B. The sole contingency upon which Attorneys shall be compensated as to fees, costs and expenses is a recovery in the Litigation, whether by settlement or judgment. In the event Attorneys are approved as Lead Counsel, any fees, costs or expenses resulting from a successful outcome of the Litigation will be paid entirely out of the class' recovery upon Court Approval. In no event, however, shall Attorneys seek to be paid fees in excess of the following amounts:

25% up to the first \$100 million;
22% up to the next \$50 million;
20% up to the next \$50 million;
18% up to the next \$50 million; and
15% up to any excess over \$250 million.

Costs and expenses shall include but not be limited to, travel expenses, telephone, copying, fax transmission, depositions, investigators, messengers, mediation expenses, computer research fees, court fees, expert fees, other consultation fees and paralegal expenses, as approved or awarded by the Court in the Litigation. Any recovery in the Litigation shall first be used to reimburse disbursements and expenses in the Litigation.

- D. In the course of the Litigation, Attorneys may, without notice to Client, retain and/or work with other law firms, in which case, Attorneys would divide any legal fees they receive with such other firms. Client agrees that Attorneys may divide fees with other attorneys for serving as local counsel, of counsel, as co-counsel, or for other services performed. The division of attorneys' fees with other counsel may be determined upon a percentage basis or upon time spent in assisting the prosecution of the action. The division of fees with other counsel is Attorneys' sole responsibility and will not increase the fees described above.
- C. In the event that the Litigation is resolved by settlement under terms involving any "in-kind" payment, such as stock, the contingent fee agreement shall apply to such "in-kind" payment.

III. TERMINATION

- A. Client or the City Attorney acting on Client's behalf may terminate this Agreement, with or without cause, by providing the Attorneys with written notice of termination and by seeking Court approval to the extent Attorneys have been appointed Class Counsel. Attorneys may terminate this agreement by providing client with written notice of termination if the Client or City Attorney fails to cooperate in the prosecution of this action or such other reason as may be approved upon application to the Court.
- B. If the Attorneys are terminated for any reason, Attorneys shall be entitled, upon a recovery being obtained in the Litigation and from the proceeds of that recovery, to quantum meruit for legal services rendered in connection with the Litigation and to the reimbursement of costs and expenses incurred by Robbins Geller in the Litigation, all as approved by the Court.

IV. NOTICE

- A. All notices to be given by the parties hereto shall be in writing and served by:
 - 1) depositing same in the United States Post Office, postage prepaid; 2) faxing same; and
 - 3) e-mailing same as follows:

TO THE CLIENT

David Desmond, Pension Administrator
City of Fort Lauderdale General Employees' Retirement System
316 N.E. Fourth Street, Suite 2
Fort Lauderdale, FL 33301
Tel: (954) 828-5174
Fax: (954) 828-5270
E-mail: ddesmond@fortlauderdale.gov

Cynthia A. Everett, City Attorney, or successor
City of Fort Lauderdale
P.O. Drawer 14250
Fort Lauderdale, FL 33302-4250
Tel: (954) 828-5038
Fax: (954) 828-5915
E-Mail: ceverett@fortlauderdale.gov

Cole Copertino, Board Attorney and Assistant City Attorney, or successor
City of Fort Lauderdale
100 N. Andrews Avenue
Fort Lauderdale, FL 33301
Tel: (954) 828-5036
Fax: (954) 828-5915
E-Mail: ccopertino@fortlauderdale.gov

TO ATTORNEYS

Darren J. Robbins, Esq.
Robbins Geller Rudman & Dowd LLP
655 W. Broadway, Suite 1900
San Diego, CA 92101
Telephone (619) 231-1058
Fax (619) 231-7423
e-mail darrenr@rgrdlaw.com

- B. Any actions arising out of this Agreement shall be governed by the laws of State of Florida, and shall be submitted to the jurisdiction of the State courts of the Seventeenth Judicial Circuit or Broward County, Florida or the U.S. District Court for the Southern District of Florida. To that end, the parties expressly waive whatever other privilege to venue they may otherwise have.
- C. This agreement, along with the signed Certification of Client, sets forth the entire Agreement between the parties, and supersedes all other oral or written provisions.

Robbins Geller Rudman & Dowd LLP

By: _____

Darren J. Robbins, Esq.

**Board of Trustees of the City of Fort Lauderdale General Employees'
Retirement System, a Florida municipal retirement system**

By: _____

John Leroy Bucci, Chairperson