## ENGAGEMENT TO REPRESENT

RE: FORD COUNTY, KANSAS in civil suit against those legally responsible for the wrongful manufacture and distribution of prescription opiates and damages caused thereby (the "Litigation").

1. Scope of Employment: FORD County, Kansas (hereinafter "Client"), by and though its County Commissioners, hereby retains the law firms of Frieden & Forbes, LLP, pursuant to the Kansas Rules of Professional Conduct, and Theodora Oringher PC, pursuant to the California Rules of Professional Conduct (collectively, the "Firms"), on a contingent fee basis, to pursue civil remedies against the manufacturers of prescription opiates and those in the chain of distribution of prescription opiates responsible for the opioid epidemic that is plaguing Client, including but not limited to filing a claim for public nuisance to abate, enjoin, recover and prevent the damages caused thereby. The Firms may decide to associate with other co-counsel in the case besides those named in this paragraph. Co-counsel will be bound by the same obligations and covenants as the Firms. Any questions or inquiries about the case should be addressed to John C. Frieden of FRIEDEN & FORBES, LLP. CLIENT consents to the participation of the following Firms if no conflicts exist, including but not limited to conflicts pursuant to applicable rules of professional conduct:

FRIEDEN & FORBES, LLP 1414 SW Ashworth Place, Suite 201 Topeka, KS 66604

> THEODORA ORINGHER PC 535 Anton Blvd, Ninth Floor Costa Mesa, CA 92626

2. <u>Attorney Fees</u>: In consideration for the services the Firms are agreeing to provide, Client agrees to pay twenty percent (20%) of the total recovery (net) in favor of Client as an attorney fee (the "Fee") whether the claim is resolved by compromise, settlement, or trial and verdict (and appeal). The net recovery shall be calculated on the amount obtained after the deduction of any costs and expenses. Client grants the Firms an interest in a fee based on the net recovery. If a court awards attorney fees, the Firms shall receive the greater of the net recovery-based contingent Fee or the attorney fees awarded. There is no fee if there is no recovery.

CLIENT acknowledges this Fee is reasonable given the time and labor required, the novelty and difficulty of the questions involved, the skill required to perform the legal services, the likelihood this employment may preclude other employment by the FIRMS, the fee customarily charged for similar legal services, the anticipated (contingent) litigation expenses, the experience, reputation, and ability of the lawyer or lawyers performing the services, and the fact that the Fee is contingent upon a successful recovery.

The Litigation is intended to address a significant problem in the community. The

Litigation focuses on the manufacturers and wholesale distributors and their roles in placing millions of prescription opiates into the marketplace, which has resulted in opioid addiction, abuse, morbidity and mortality on an unprecedented scale. There is no easy solution and no precedent for such an action against these industries. Many of the facts of the case are locked behind closed doors. The billion-dollar drug manufacturing and distribution industries deny liability. The litigation may be very expensive, and the litigation expenses will be advanced by the FIRMS with reimbursement contingent upon a successful recovery.

- 3. <u>Negotiability of Fees</u>: The rates set forth above are not set by law but are negotiable, and have been negotiated, between the FIRMS and CLIENT.
- 4. REPRESENTATION OF OTHER ENTITIES: CLIENT acknowledges that the FIRMS represent other governmental entities against the same defendants. It is possible that such other representation may create a conflict with CLIENT's interests, including with respect the availability of funds to settle a claim or pay a judgment. CLIENT agrees that the FIRMS continue to represent, or may undertake in the future to represent, existing or new clients against the same defendants even if the interests of such clients in those other matters are directly adverse to CLIENT's interests, including in litigation. The FIRMS agree, however, that the above consent shall not apply in any instance where, as a result of the FIRMS' representation of CLIENT, the FIRMS have obtained proprietary or other confidential information of a nonpublic nature, that if known to such other client, could be used in any such other matter by such client to CLIENT's material disadvantage.
- 5. <u>COSTS AND OTHER EXPENSES</u>: Theodora Oringher, P.C. will advance all litigation expenses necessary to prosecute these claims. Litigation expenses include but are not limited to expenses or charges for court costs, filing fees, depositions, and expert witnesses. CLIENT agrees that the term "expenses" includes but is not limited to retaining and compensating experts, copying and review of voluminous documents, postage, research, computerized document management, conference calls, jury consultants, travel, and costs relating to the depositions of defendants' representatives, witnesses, and agents. There is no reimbursement of litigation expenses if there is no recovery.

Additionally, as previously disclosed, the FIRMS are representing various other municipalities and governments throughout Kansas, and the country, regarding the same or similar claims as the claims FIRMS are asserting on behalf of CLIENT. In doing so, certain costs will be incurred that will benefit all clients, generally. In those circumstances, the FIRMS will use their best efforts to share costs amongst all clients equally, and will seek CLIENT's pre-approval, which will not be unreasonably withheld, of the allocation apportioned to CLIENT before the FIRMS bill allocated costs.

6. <u>FEE SHARING WITH CO-COUNSEL</u>: The division of fees, expenses and labor amongst the FIRMS will be decided by private agreement between the FIRMS and subject to approval by CLIENT. Any division of fees will be governed by the Kansas Rules of Professional Conduct, including: (1) the division of fees is in proportion to the services performed by each lawyer or each lawyer assumes joint responsibility for the representation and agrees to be available for consultation with CLIENT; (2) CLIENT has given written consent after

full disclosure of the identity of each lawyer, that the fees will be divided, and that the division of fees will be in proportion to the services to be performed by each lawyer or that each lawyer will assume joint responsibility for the representation; (3) except where court approval of the fee division is required by law, the *written* closing statement in a case involving a contingent fee shall be signed by CLIENT and each lawyer and shall comply with the terms of the Kansas Rules of Professional Conduct; and (4) the total fee must be reasonable. As this is complex litigation, the FIRMS reserve the right to add any additional counsel, law firms, consultants and experts; however, this will in no way increase the Fee as per the terms of this contract.

- 7. CHARGING LIEN: CLIENT acknowledges that this contingency fee agreement entitles the FIRMS to a lien against CLIENT'S recovery for reasonable fees, costs, and expenses, governed by Rule 1.5 of the Kansas Rules of Professional Conduct and Kansas common law. This lien remains in place even in the event FIRMS are discharged by the CLIENT. No such lien will be asserted unless CLIENT receives a recovery from the Litigation via settlement, judgment or otherwise.
- 8. ABSOLUTE AND INDEPENDENT AUTHORITY OF CLIENT: CLIENT at all times shall retain absolute and independent authority to decide the direction and disposition of the Litigation and personally oversee and maintain ultimate control of the Litigation, including trial or settlement. CLIENT will have the right to approve or disapprove all named defendants and any settlement. CLIENT shall exercise this discretion reasonably and in good faith.
- 9. COMMUNICATIONS WITH CLIENT: Upon conclusion of the Litigation, the FIRMS shall provide CLIENT with a written statement stating the outcome of the matter and, if there is a recovery, showing the remittance to CLIENT and the method of its determination. The closing statement shall specify the manner in which the compensation was determined under the agreement, any costs and expenses deducted by the lawyer from the judgment or settlement involved, and, if applicable, the actual division of the lawyers' fees with a lawyer not in the same firm, as required in Rule 2-200(A)(1) and (A)(2) of the California Rules of Professional Conduct and in Rule 1.5 of the Kansas Rules of Professional Conduct. The closing statement shall be signed by CLIENT and each attorney among whom the fee is being divided.
- 10. <u>CLIENT'S DUTIES</u>: CLIENT agrees to be truthful and cooperative with the FIRMS, to keep the FIRMS informed of any information or developments that may come to CLIENT' attention that are relevant to the scope of the Litigation, to provide reasonable access to information the FIRMS may need in order to effectively prosecute the Litigation, including responding to all appropriate discovery requests, and to attend meetings when reasonably requested by the FIRMS.

## 11. OTHER TERMS AND CONDITIONS

a. Who is Our Client? It is the FIRMS' policy to represent only the person or entity identified in this engagement letter. Unless specifically stated herein, the FIRMS' representation of CLIENT does not extend to any of CLIENT's affiliates, employees,

officers, agencies, departments, or other governmental bodies under CLIENT's supervision or control, or any entities in which CLIENT owns an interest or has supervisory authority. If CLIENT is a partnership, the FIRMS' representation does not extend to the individual partners of the partnership. If CLIENT is a trade association, the FIRMS' representation excludes members of the trade association. If CLIENT is an individual, the FIRMS' representation does not include CLIENT's spouse, siblings, or other family members. In addition, the advice and communications which the FIRMS render on CLIENT's behalf are not intended to be disseminated to or relied upon by anyone else without the FIRMS' written consent.

- b. <u>Conflicts</u>. In the event a conflict arises during the course of this litigation Firms will bring the conflict to the attention of CLIENT and the matter will be resolved in accordance with the Kansas Rules of Professional Conduct.
- c. <u>Estimates</u>. Any estimates of anticipated fees that the FIRMS provide, for budgeting purposes or otherwise, are, due to the uncertainties involved, necessarily only an approximation of potential fees. Such estimates are not a maximum or minimum fee quotation.
- d. <u>Opinions</u>. During the course of the FIRMS' representation of CLIENT, the FIRMS may express opinions or beliefs concerning the Litigation or various courses of action and the results that might be anticipated. Any such statement is intended to be an expression of opinion only, and should not be construed by CLIENT as a promise or guarantee.
- e. <u>Client Responsibilities</u>. Recognizing that the FIRMS cannot effectively represent CLIENT without CLIENT's cooperation and assistance, CLIENT agrees to cooperate with the FIRMS and to provide promptly all information known or available to CLIENT that is relevant to the subject matter of the FIRMS' representation or otherwise requested by the FIRMS, including any changes in the name, address, telephone number, contact person, email address, state of domicile or other relevant changes regarding CLIENT or CLIENT's business. Failure to provide requested information could reduce the effectiveness of the FIRMS' representation of CLIENT. It is essential that the FIRMS be able to reach CLIENT when needed.
- f. <u>Termination</u>. Either the FIRMS or CLIENT (or both) may terminate the engagement at any time for any reason by written notice, subject on the FIRMS' part to applicable rules of professional conduct.
- g. Retention and Destruction of Documents. Following the conclusion of this engagement, any otherwise nonpublic information CLIENT has supplied to the FIRMS which is retained by the FIRMS will be kept confidential in accordance with applicable rules of professional conduct. At CLIENT's request, CLIENT papers and property will be returned to CLIENT. The FIRMS' own files pertaining to the matter, which include, for example, firm administrative records, time and expense reports, personnel and staffing materials, credit and accounting records, and internal lawyers' work reports, prepared by or for the internal use of lawyers, will be retained by the FIRMS. If CLIENT does not request the return of CLIENT's records, CLIENT's records will be destroyed following the

period of time specified by the FIRMS' document retention/destruction policy. This period may vary depending on the nature of the engagement involved. In any event, all files may be destroyed seven years following the conclusion of the engagement.

- Fee Arbitration. In the unlikely event of any dispute regarding the amount or h. payment of fees, the FIRMS have the right to terminate their legal representation in this matter, subject to the FIRMS' obligation to give CLIENT reasonable notice to arrange for alternative representation. The FIRMS mutually agree that any such fee dispute shall be submitted to mandatory binding arbitration. While arbitration is a faster, less costly and less publicized avenue for resolving disputes. CLIENT should know that in agreeing to arbitration, CLIENT is waiving CLIENT's right to a trial by jury. Because of this, CLIENT is encouraged to seek the advice of independent counsel before agreeing to these terms. Such arbitration shall be conducted in accordance with procedures established by the State Bar of Kansas before an arbitrator or arbitrators selected in accordance with those procedures, who shall hear and resolve the dispute in FORD COUNTY, Kansas. The decision of the arbitrator(s) shall be final and binding on the parties. Judgment on any arbitration award may be entered in accordance with the provisions of the Uniform Arbitration Act, as adopted in Chapter 5, Article 4 of the Kansas Statutes Annotated, effective July 1, 2018, and of the Kansas Rules of Civil Procedure. The prevailing party in any such arbitration shall be entitled to an allowance of reasonable attorneys' fees and other costs incurred as a result of the action or proceeding.
- i. <u>Mediation</u>. As to any claim or dispute arising out of or connected with the FIRMS' services, other than a fee dispute covered by the preceding paragraph, the FIRMS mutually agree to attempt in good faith to settle the dispute by non-binding mediation before commencing any legal action or other dispute resolution procedure.
- j. <u>Confidentiality</u>. The FIRMS will maintain all information regarding CLIENT's representation confidential in accordance with the Kansas and California Rules of Professional Conduct. From time to time the FIRMS may have discussions with other lawyers and/or law firms, for the purpose of considering their employment by—and a potential combination with—the FIRMS. During the course of those discussions it may be necessary to disclose CLIENT's identity as a client or fee and billing information relating to the FIRMS' representation of CLIENT. Such disclosure shall be subject to a confidentiality agreement between the FIRMS and such other lawyers or law firms, and CLIENT agrees that the FIRMS may disclose such limited information for these purposes.

## k. <u>Multi-Party Representation</u>.

(i) Under the Rules of Professional Conduct, the FIRMS are permitted to represent multiple clients in a matter as long as the FIRMS can adequately represent the interests of each client and each client knowingly consents to the joint representation. If this matter involves the FIRMS' representation of multiple clients (the "MULTIPLE CLIENTS"), either at the commencement or during the course of the representation, the FIRMS believe, based on the information available to the FIRMS at the time of undertaking the joint representation, that there are no conflicts of interest among or between CLIENT and the MULTIPLE CLIENTS (each a "PARTY" and, collectively, the "PARTIES") that would prevent the

FIRMS from undertaking the PARTIES' joint representation. Accordingly, the FIRMS will share all material information relating to the representation with the PARTIES; although the FIRMS' communications with one or more of the PARTIES are protected by the client-attorney privilege vis-à-vis all third parties, information shared with the FIRMS by one or more of the PARTIES is not protected by such privilege among the PARTIES. While the interests of the PARTIES may be similar in many respects, they may not be identical and a conflict may develop at some later date. If at any time CLIENT become aware of any conflict or potential conflict between CLIENT's interests and those of any other PARTY, CLIENT shall communicate with the FIRMS immediately so that the FIRMS can determine whether the FIRMS can continue representation of both CLIENT and such PARTY. To the extent such conflicts do develop and CLIENT disagrees with one or more of PARTIES on any issue, the FIRMS will ask CLIENT to resolve CLIENT's differences with such PARTY, without the FIRMS' assistance. If CLIENT cannot resolve such differences as described in the immediately preceding sentence, the FIRMS will not be able to represent CLIENT as to that issue. If the differences are serious enough, the FIRMS may be required by applicable ethics rules to withdraw from the matter completely.

12. Review and Understanding of this Agreement, having read its contents in its entirety, and Client understanding of this Agreement, having read its contents in its entirety, and Client understands and agrees with all of its provisions. Client acknowledges that the Firms and their employees or agents have made no promise or guarantee regarding the successful determination of Client's claim or causes of action or regarding the amount of recovery or the type of relief, if any, which Client may obtain as a result of the Litigation. The Firms, their attorneys and this Agreement make no such promises or guarantees. The Firms' comments about the outcome of the Litigation are expressions of opinion only, and the attorneys make no guarantee as to the outcome of any litigation, settlement or trial proceedings.

SIGNED, this <u>18th</u> day of <u>November</u> , 2019.
at <u>Dodge City</u> , KANSAS
By: Mu Dilin (Signature)
_Shawn_Tasset(Name)
<u>Chairman, Board of County Commissioners</u> (Title)

## Accepted:

FRIEDEN & FORBES, LLP 1414 SW Ashworth Place, Suite 201 Topeka, KS 66604

THEODORA ORINGHER PC 535 Anton Blvd, Ninth Floor Costa Mesa, CA 92626

Jeff Reeves Theodora Oringher PC

October 23, 2019

Date