

CONTRACT FOR LEGAL SERVICES

McLeod County (the "County") and Motley Rice LLC (the "Firm") in consideration of the terms and conditions set forth herein, enter into this Contract for Legal Services.

1. Scope of engagement: The County requests, and the Firm wishes to perform, the following activities: to investigate, litigate, or negotiate for settlement, actionable claims that may be pursued by the County against individuals and entities related to the marketing, prescribing, distribution, or sale of opioids. The remedies sought may include monetary compensation, injunction, declaratory judgment, damages, restitution, payment of penalties as authorized by law, or other remedies.

2. Terms of engagement: The parties understand that under no circumstances shall the County be liable for any costs, expenses, or attorney fees incurred by the Firm in preparing and conducting this investigation and/or litigation. All expenses, costs and attorneys' fees, if any, shall be paid from the proceeds of the investigation and/or litigation, as a portion of the recovery in the suit after trial or settlement, from an award by the Court to be imposed upon the defendants, by agreement with the defendants, or some combination thereof. The County shall be ultimate decision maker on all matters relating to the investigation and/or litigation, including whether to file litigation and whether and on what terms to settle such litigation. The Firm shall consult with and obtain the approval of the County concerning important issues regarding the investigation, litigation, and any settlement, including but not limited to the complaint and dispositive motions, selection of consultants, experts and other professional services, discovery, pre-trial proceedings, trial, and settlement offers, demands, or negotiations. All draft filings shall be provided to the County sufficiently in advance of filing to permit the County's review. Regular status meetings shall be held as requested by the County. The County also shall designate a point of contact from within the County to be available to any defendants as appropriate.

3. Attorneys' expenses and fees:

a. The Firm shall only be entitled to recover such fees, costs, and expenses as are incurred in the investigation and/or litigation from any monetary recovery after judgment or settlement, from an award by the Court to be imposed upon the defendants, by agreement with the defendants, or some combination thereof. In the event there is a judgment or settlement without a monetary payment to the County, the County will not owe anything for costs, expenses, or attorneys' fees, but the Firm may seek attorneys' fees, costs, and expenses from the Court or from defendants. Expenses and costs shall include, but not be limited to, pre-litigation investigation, discovery, pre-trial proceedings, experts, investigators, consultants and other contractors, travel, copying, freight and postage, communications charges, and any other necessary expenses related to the investigation or litigation. Costs and expenses will be deducted from any monetary recovery remaining after subtracting the contingency fee. All costs and expenses related to the investigation and litigation shall be advanced by the Firm and will be recovered by the Firm from any monetary recovery. Expenses of more than \$25,000 must be approved in advance by the County.

b. The County agrees to pay, as compensation for attorneys' services, twenty-five percent (25%) of all claims or recoveries from and against all sources, persons, or entities whether actually tried before a judge or jury or not. The percentage referenced in this paragraph will be calculated on and subtracted from the gross amount of any recovery obtained before any outstanding expenses incurred by the Firm or other costs have been deducted. The County agrees that the Firm may bring in additional lawyers or law firms to assist in handling this matter, though the County must approve the selection of additional counsel. The Firm will be responsible for arranging the division of expenses and fees, if any, with such additional counsel, and the County will not have any role or liability regarding the division of such fees and expenses.

c. The value of any injunctive relief, both presently and in the future, shall be included in the value of the recovery for which a contingency fee is paid. However, nothing in this provision will require the County to pay the contingency fee except from a financial recovery or as awarded by the Court or negotiated with the defendants. In other words, while the value of injunctive relief will be considered part of the total recovery, the contingency fee will still only be paid pursuant to the terms outlined above. The County and the Firm shall use their best efforts to agree on the value of injunctive relief obtained. In the absence of an agreement between the parties as to the value of relief, the value of such relief shall be determined by consideration of economic models used in the suit, the cost of remediation imposed on the defendants by the Court or the jury, or by other methods agreed upon by the parties. Should the parties fail to agree on the value of the relief obtained, the value shall be determined by a three member arbitration panel whose decision shall be final and non-appealable. Each party shall choose one member of the panel and the two members shall choose the third who shall be the chairperson. The arbitration shall be conducted under the rules of the American Arbitration Association.

d. In the event the investigation or litigation results in an award of monetary recovery, declaratory relief, or injunctive relief or any combination of these awards through judgment or settlement the total amount of the costs, expenses and fees to be paid to the Firm shall not exceed 50% of the amount of the monetary recovery (the fee cap), except under circumstances set forth in subparagraph (g) below. In the event that the litigation does not result in an award of monetary recovery, attorneys' fees, costs, and expenses shall only be recoverable through a court award or settlement.

e. Should the Court award the County as prevailing party attorneys' fees, costs, and expenses to be paid by the defendants, the County shall support as an award of reasonable attorneys' fees in an amount not less than the contingency fee amount required by this contract. Any costs, expenses, or fees due the lawyers under this contract shall first be satisfied from funds awarded by the Court from the defendants. Such an award of costs, expenses, and fees shall not be considered as part of monetary recovery and shall not be subject to the lawyers' twenty-five percent (25%) contingency.

f. Nothing in this Contract shall limit, and the County shall be entitled to seek, from the Court and/or the defendants its own costs, expenses, and fees in pursuing this investigation or litigation.

g. If the Firm is terminated by the County or otherwise withdraws from the investigation or

litigation, it shall be entitled to a share of any recovery (including injunctive relief) on a *quantum meruit* basis, as agreed to by the parties or determined by an arbitration panel, selected and operating as laid out above.

h. The Firm shall use best efforts to maximize the ultimate net recovery for the County, including using best efforts to recover costs, expenses, and fees in the first instance from defendants, either through settlement or by petitioning the Court. In the event that attorneys' fees, costs, and expenses are paid directly to the Firm, the County will receive an equal credit against the contingency fee, costs, and expenses due the lawyers under this Contract. If the Court awards attorneys' fees, expenses, and costs, the County shall be entitled to that portion of the award that is based on services provided by the County.

4. The County shall handle public statements.

5. Confidentiality: The Firm agrees to keep all information gained in the course of representation confidential to the full extent allowed by law, including, but not limited to, information pertaining to the investigation or litigation, the County and its officers and employees. The Firm will not use such information to the detriment of the County nor its officers and employees at any time. It is understood and agreed that any agreement between the Firm and others providing professional services to the lawyers relating to the suit shall contain a confidentiality clause that conforms to the requirements of this paragraph.

6. Malpractice Insurance: The Firm maintains reasonable malpractice insurance and agrees to maintain such insurance during the term of this Contract, which shall begin upon execution of the contract by all parties and end upon completion of the litigation.

7. Modification: This Contract may be modified at any time, in whole or in part, by consent of the County and the Firm. Such modification shall be in writing and signed by all parties to the Contract.

Dated: 5/8/18



McLeod County Board Chair

Dated: 5/8/18



McLeod County Administrator

Dated: 5/24/18



Motley Rice, LLC