CITY COUNCIL Alma Hernandez, Mayor Princess Washington, Mayor Pro Tem Jenalee Dawson, Member Amit Pal, Member



AGENDA

SPECIAL MEETING OF THE CITY COUNCIL OF THE CITY OF SUISUN CITY WEDNESDAY, APRIL 5, 2023 5:45 PM

Joseph A. Nelson Center - 611 Village Drive - Suisun City, California 94585

(Next Ord. No. – 799)

(Next City Council Res. No. 2023 – 32)

Next Suisun City Council Acting as Successor Agency Res. No. SA2023 - 01)

(Next Housing Authority Res. No. HA2023 – 02)

ROLL CALL

Councilmembers

CONFLICT OF INTEREST NOTIFICATION

(Any items on this agenda that might be a conflict of interest to any Councilmembers / Boardmembers should be identified at this time.)

PUBLIC COMMENT

(Request by citizens to discuss any matter under our jurisdiction other than an item posted on this agenda per California Government Code §54954.3. Comments are limited to no more than 3 minutes unless allowable by the Mayor/Chair. Speaker cards are available on the table near the entry of the meeting room and should be given to the City Clerk. By law, no prolonged discussion or action may be taken on any item raised during the public comment period, although informational answers to questions may be given and matters may be referred for placement on a future agenda.)

COUNCIL COMMENTS

CONSENT CALENDAR

- Approve of Additional National Opioid Settlements with Teva, Allergan, Walmart, Walgreens, and CVS by ratifying the following: (City Attorney).
 - 1. Adopt a Resolution Authorizing The City Of Suisun City To Enter Into The Master Settlement Agreements With Cvs, Allergan, Teva, Walmart, And Walgreens (Including The Related Participation Agreements); Agree To The Terms Of The Related State-Subdivision Agreements And Authorize Entry Into The Related State-Subdivision Allocation Agreements With The Attorney General; And Authorizing The City Manager To Carry Out Further Related Acts.

- 2. City Manager's approval Settlement Agreements and Participation Forms for the City's participation in the National Opioid Settlement Agreements with Teva, Allergan, Walmart, Walgreens, and CVS.
- 3. City Manager's approval of the California State-Subdivision Agreements Regarding Distribution and Use of Settlement Funds relating to the National Opioid Settlement Agreements with Teva, Allergan, Walmart, Walgreens, and CVS.

ADJOURNMENT

Public Access To Agenda Documents

A complete packet of information containing staff reports and exhibits related to each item for the open session of this meeting, and provided to the City Council, are available for public review at least 72 hours prior to a Council /Agency/Authority Meeting at Suisun City Hall 701 Civic Center Blvd., Suisun City. Agenda related writings or documents provided to a majority of the Council/Board/Commissioners less than 72 hours prior to a Council/Agency/Authority meeting related to an agenda item for the open session of this meeting will be made available for public inspection during normal business hours. An agenda packet is also located at the entrance to the Council Chambers during the meeting for public review. The city may charge photocopying charges for requested copies of such documents. To the extent feasible, the agenda packet is available for online public viewing on the City's website: https://www.suisun.com/Government/City-Council/Agendas

The City Council/Agency/Authority hopes to conclude its public business by 10:00 p.m. No new items will be taken up after 10:00 p.m., unless so moved by a majority of the City Council, and any items remaining will be agendized for the next meeting. The agendas have been prepared with the hope that all items scheduled will be discussed within the time allowed.

Accommodations

If you require an accommodation to participate in this meeting, please contact the City Clerk at (707) 421-7302 or clerk@suisun.com. The City's reasonable accommodation policy is available for review on the City's website at www.suisun.com/government/city-council/, you may request an electronic copy or have a copy mailed to you. Please note that for accommodations that are not readily available, you must make your request as soon as you can prior to the time of the meeting.

Decorum

All participants are expected to conduct themselves with mutual respect. Conduct that disrupts meetings will be addressed in accordance with Section 54957.95 of the Government Code.

Ordinances

Ordinances are city laws contained in the Suisun City Municipal Code. Enacting a new city law or changing an existing one is a two-step process. Government Code 36934 provides, except when, after reading the title, further reading is waived by regular motion adopted by majority vote all ordinances shall be read in full either at the time of introduction or passage; provided, however, that a reading of the title or ordinance shall not be required if the title is included on the published agenda and a copy of the full ordinance is made available to the public online and in print at the meeting prior to the introduction or passage.

Certification of Posting

Agendas for regular and special meetings are posted in accordance with the Brown Act at Suisun City Hall, 701 Civic Center Boulevard, Suisun City, CA. Agendas may be posted at other Suisun City locations including:

- Suisun City Fire Station, 621 Pintail Drive, Suisun City, CA;
- Suisun City Senior Center, 318 Merganser Drive, Suisun City, CA;
- Joe Nelson Center, 611 Village Drive, Suisun City, CA;
- Harbor Master Office, 800 Kellogg Street, Suisun City, CA.

I, Donna Pock, Deputy City Clerk for the City of Suisun City, declare under penalty of perjury that the above agenda was posted and available for review, in compliance with the Brown Act.

AGENDA TRANSMITTAL

MEETING DATE: April 5, 2023

CITY AGENDA ITEM: Approve of Additional National Opioid Settlements with Teva, Allergan, Walmart, Walgreens, and CVS by ratifying the following:

- 1. Adopt a Resolution Authorizing The City Of Suisun City To Enter Into The Master Settlement Agreements With Cvs, Allergan, Teva, Walmart, And Walgreens (Including The Related Participation Agreements); Agree To The Terms Of The Related State-Subdivision Agreements And Authorize Entry Into The Related State-Subdivision Allocation Agreements With The Attorney General; And Authorizing The City Manager To Carry Out Further Related Acts.
- 2. City Manager's approval Settlement Agreements and Participation Forms for the City's participation in the National Opioid Settlement Agreements with Teva, Allergan, Walmart, Walgreens, and CVS.
- 3. City Manager's approval of the California State-Subdivision Agreements Regarding Distribution and Use of Settlement Funds relating to the National Opioid Settlement Agreements with Teva, Allergan, Walmart, Walgreens, and CVS.

FISCAL IMPACT: None.

STRATEGIC PLAN: Provide Good Governance.

BACKGROUND: In 2021, the City entered into settlement agreements with McKesson Corporation, Cardinal Health, Inc., and AmerisourceBergen Corporation. (collectively, the "Distributors") and Johnson & Johnson, Janssen Pharmaceuticals, Inc., Ortho-McNeil-Janssen Pharmaceuticals, Inc., and Janssen Pharmaceutica, Inc. (collectively, the "Manufacturer") (for purposes of this submittal, the Distributors and Manufacturer are collectively referred to as the "2021 Settling Defendants"). The 2021 settlement agreement related to litigation (the City was not a party to this litigation) by various States, cities, and counties relating to the 2021 Settling Defendants' manufacture and distribution of opioids and, in particular, the impact of such activities upon the national opioid epidemic ("2021 Settlement Agreements"). The 2021 Settlement Agreements required that a "critical mass" of public agencies participate in order for it to become effective, which was achieved in 2022.

At this time, a new settlement is proposed with Teva, Allergan, Walmart, Walgreens, and CVS, who are additional defendants that are retailers and manufacturers of opioids (for the purposes of this submittal, Teva, Allergan, Walmart, Walgreens, and CVS are collectively referred to as the "2023 Settling Defendants").

STAFF REPORT: The terms of the 2023 Settlement Agreements are similar to the 2021 Settlement Agreements, which includes the requirement that a critical mass of participation is required, provides for a broad release of the 2023 Settling Defendants from liability relating to opioids, and, further, direct or indirect payment of settlement funds to the various local agencies agreeing to participate. Additional information about these settlements can be found here: www.nationalopioidsettelment.com. The City Manager approved the 2023 Settlement Agreements on March 1, 2023.

With respect to the release, as indicated above, it is a very broad release covering any activities by the 2023 Settling Defendants relating to opioids. It arguably also includes a release from liability relating to land use matters for facilities that manufactured, distributed, or sold opioids within the city.

With respect to the settlement funds, the 2023 Settlement Agreements could provide up to approximately \$1.8 billion to California. This amount assumes maximum participation. Similar to the 2021 Settlement Agreements, the more local agencies that participate, the more funds will be available to California. Further, the City's share of this amount will be distributed over a 5 to 15 year period depending on the settlement agreement. It must be emphasized that the \$1.8 billion amount is an estimate and assumes a best-case scenario where all local agencies participate. The actual amount will not be known until the process has completed. Similar to the 2021 Settlement Agreements, the use of the funds is restricted to opioid remediation (e.g., addiction treatment programs). By default, these funds are allocated to the County, but the City is able to elect to receive a direct distribution; however, use of the funds also requires strict accounting requirements. These requirements only apply to the City if it elects to receive direct distribution and does not apply to the City if the funds go to the County. In terms of enforcement, the State enforces the expenditure requirements. Because of this, it is recommended that the funds be allocated to the County.

Ratification of the City Manager's approval of Recommendation Nos. 1 and 2 would authorize the City to participate in the National Opioid Settlements with the 2023 Settling Defendants on the terms and conditions of those settlement agreements and, further, approve agreements with the State of California on the distribution of settlement funds, consistent with the 2023 Settlement Agreements. (Attachments 1, 2, and 3).

Approval of Recommendation No. 3 would approve and authorize the City Manager to carry out all necessary acts such that the City can participate in the National Opioid Settlements with Teva, Allergan, Walmart, Walgreens, and CVS, including signing necessary documents and transmittal thereof as necessary.

Approval and authorization to execution, submission, and receipt of all required documents must be completed before April 18, 2023.

STAFF RECOMMENDATION: It is recommended that the City Council ratify the following:

- 1. Adopt a Resolution Authorizing The City Of Suisun City To Enter Into The Master Settlement Agreements With Cvs, Allergan, Teva, Walmart, And Walgreens (Including The Related Participation Agreements); Agree To The Terms Of The Related State-Subdivision Agreements And Authorize Entry Into The Related State-Subdivision Allocation Agreements With The Attorney General; And Authorizing The City Manager To Carry Out Further Related Acts.
- 2. City Manger's approval of the Settlement Agreements and Participation Forms for the City's participation in the National Opioid Settlement Agreements with Teva, Allergan, Walmart, Walgreens, and CVS.
- 3. City Manager's approval of the California State-Subdivision Agreements Regarding Distribution and Use of Settlement Funds relating to the National Opioid Settlement Agreements with Teva, Allergan, Walmart, Walgreens, and CVS.

DOCUMENTS ATTACHED:

- 1. Resolution Authorizing The City Of Suisun City To Enter Into The Master Settlement Agreements With Cvs, Allergan, Teva, Walmart, And Walgreens (Including The Related Participation Agreements); Agree To The Terms Of The Related State-Subdivision Agreements And Authorize Entry Into The Related State-Subdivision Allocation Agreements With The Attorney General; And Authorizing The City Manager To Carry Out Further Related Acts.
- 2. Settlement Participation Form for the City's participation in the National Opioid Settlements with Teva, Allergan, Walmart, Walgreens, and CVS.
- 3. 2023 Settlement Agreements with Teva, Allergan, Walmart, Walgreens, and CVS (due to the length of each agreement, these documents are on file at the City Manager's office in Administration).
- 4. Proposed California State-Subdivision Agreements Regarding Distribution and Use of Settlement Funds in the Teva, Allergan, Walmart, Walgreens, and CVS Settlement Agreements.

PREPARED BY:Elena Gerli, City AttorneyREVIEWED BY:Greg Folsom, City ManagerAPPROVED BY:Greg Folsom, City Manager

ATTACHMENTS:

- 1 Resolution Authorizing the City of Suisun City to Enter into the Master Settlement Agreements with CVS, Allergan, Teva, Walmart, and Walgreens.pdf
- 2 Settlement Participation Form for the City's Participation in the National Opioid Settlements with Teva, Allergan, Walmart, Walgreens, and CVS.pdf
- 4 Proposed California State-Subdivision Agreements Regarding Distribution and Use of Settlement Funds in Teva, Allergan, Walmart, Walgreens, and CVS.pdf

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SUISUN CITY, CALIFORNIA, AUTHORIZING THE CITY OF SUISUN CITY TO ENTER INTO THE MASTER SETTLEMENT AGREEMENTS WITH CVS, ALLERGAN, TEVA, WALMART, AND WALGREENS (INCLUDING THE RELATED PARTICIPATION AGREEMENTS); AGREE TO THE TERMS OF THE RELATED STATE-SUBDIVISION AGREEMENTS AND AUTHORIZE ENTRY INTO THE RELATED STATE-SUBDIVISION ALLOCATION AGREEMENTS WITH THE ATTORNEY GENERAL; AND AUTHORIZING THE CITY MANAGER TO CARRY OUT FURTHER RELATED ACTS

WHEREAS, the United States is facing an ongoing public health crisis of opioid abuse, addiction, overdose, and death, forcing the State of California and California counties and cities to spend billions of dollars each year to address the direct consequences of this crisis; and,

WHEREAS, pending in the U.S. District Court for the Northern District of Ohio is a multidistrict litigation ("MDL") being pursued by numerous public entity plaintiffs against the manufacturers and distributors of various opioids based on the allegation that the defendants' unlawful conduct caused the opioid epidemic; and,

WHEREAS, on or about November 14, 2022, a proposed nationwide tentative settlement was reached between the plaintiffs in the MDL and Walmart Inc. ("Walmart"); and,

WHEREAS, on or about November 22, 2022, a proposed nationwide tentative settlement was reached between the plaintiffs in the MDL and Teva Pharmaceutical Industries Ltd. and all of its respective past and present direct or indirect parents, subsidiaries, divisions, affiliates, joint ventures, predecessors, successors, assigns, including but not limited to Teva Pharmaceuticals USA, Inc., Actavis LLC (f/k/a Actavis Inc.), Actavis Elizabeth LLC, Actavis Kadian LLC, Actavis Pharma, Inc. (f/k/a Watson Pharma, Inc.), Actavis Kadian LLC, Actavis Laboratories UT, Inc. (f/k/a Watson Laboratories, Inc. – Utah), Actavis Mid Atlantic LLC, Actavis Totowa LLC, Actavis Laboratories FL, Inc. (f/k/a Watson Laboratories, Inc. – Florida), Actavis South Atlantic LLC, Warner Chilcott Company LLC, and Watson Laboratories, Inc., and Anda Inc. (collectively, "Teva"); and,

WHEREAS, on or about November 22, 2022, a proposed nationwide tentative settlement was reached between the plaintiffs in the MDL and Allergan Finance, LLC (f/k/a Actavis, Inc., which in turn was f/k/a Watson Pharmaceutics, Inc.) and Allergan Limited (f/k/a Allergan plc, which, in turn, was f/k/a Actavis plc)(collectively, "Allergan"); and,

WHEREAS, on or about December 9, 2022, a proposed nationwide tentative settlement was reached between the plaintiffs in the MDL and CVS Health Corporation and CVS Pharmacy, Inc. and all of their past and present direct and indirect parent and subsidiaries (collectively, "CVS"); and,

WHEREAS, on or about December 9, 2022, a proposed nationwide tentative settlement was reached between the plaintiffs in the MDL and Walgreen Co. ("Walgreens"); and,

WHEREAS, CVS, Teva, Walgreens, Walmart, and Allergan shall be referred in this Resolution as "Settling Defendants"; and

WHEREAS, as part of the settlements with the Settling Defendants, local subdivisions, including certain cities, that are not plaintiffs in the MDL may participate in the settlements in exchange for a release of the Settling Defendants ("Participating Subdivision"); and,

WHEREAS, copies of the proposed terms of those proposed nationwide settlements have been set forth in the Master Settlement Agreements with the Settling Defendants; and,

WHEREAS, copies of the Master Settlement Agreements have been made available to the City Council with this Resolution ("Master Settlement Agreements"); and,

WHEREAS, the Settlement Agreements provide, among other things, for the payment of a certain sum to settling government entities in California including to the State of California and Participating Subdivisions upon occurrence of certain events as defined in the Settlement Agreements ("California Opioid Funds"); and,

WHEREAS, in order to become a Participating Subdivision, the City must enter into "Participation Agreements" which allow participation in the Master Settlement Agreements; and,

WHEREAS, California local governments in the MDL have engaged in extensive discussions with the State Attorney General's Office ("AGO") as to how the California Opioid Funds will be allocated, which has resulted in the Proposed California State-Subdivision Agreements Regarding Distribution and Use of Settlement Funds ("Allocation Agreements") from the settlements with the Settling Defendants; and,

WHEREAS, copies of the Allocation Agreements for all of the settlements with the Settling Defendants have been made available to the City Council with this Resolution; and,

WHEREAS, the Allocation Agreements allocate the California Opioid Funds as follows: 15% to the State Fund; 70% to the Abatement Accounts Fund; and 15% to the Subdivision Fund. For the avoidance of doubt, all funds allocated to California from the Settlements shall be combined pursuant to the Allocation Agreements, and 15% of total from each settlement shall be allocated to the State of California (the "State of California Allocation"), 70% to the California Abatement Accounts Fund ("CA Abatement Accounts Fund"), and 15% to the California Subdivision Fund ("CA Subdivision Fund"); and,

WHEREAS, under the Master Settlement Agreements, certain local subdivisions that did not file a lawsuit against the Settlement Defendants may qualify to participate in the settlements and obtain funds from the Abatement Account Fund; and,

WHEREAS, the City is eligible to participate in the Settlement and become a CA Participating Subdivision; and,

WHEREAS, the funds in the CA Abatement Accounts Fund (the 70% allocation) will be allocated based on the allocation model developed in connection with the proposed

negotiating class in the National Prescription Opiate Litigation (MDL No. 2804), as adjusted to reflect only those cities and counties that are eligible, based on population or litigation status, to become a CA Participating Subdivision (those above 10,000 in population). The percentage from the CA Abatement Accounts Fund allocated to each CA Participating Subdivision is set forth in Appendix 1 to the Allocation Agreements and provided to the City Council with this Resolution. The City's share of the CA Abatement Accounts Fund will be a product of the total in the CA Abatement Accounts Fund multiplied by the City's percentage set forth in Appendix 1 of the Allocation Agreements (the "Local Allocation"); and,

WHEREAS, a CA Participating Subdivision that is a city will be allocated its Local Allocation share as of the date on which it becomes a Participating Subdivision. The Local Allocation share for a city that is a CA Participating Subdivision will be paid to the county in which the city is located, unless the city elects to take a direct election of the settlement funds, so long as: (a) the county is a CA Participating Subdivision, and (b) the city has not advised the Settlement Fund Administrator that it requests direct payment at least 60 days prior to a Payment Date; and,

WHEREAS, it the intent of this Resolution is to authorize the City to enter into the Master Settlement Agreements with the Settling Defendants by executing the Participation Agreements and to enter into the Allocation Agreements by executing the signature pages to those agreements.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Suisun City as follows:

Recitals. The Recitals set forth above are true and correct and are incorporated into this Resolution by this reference.

Approval and Authorization. The City Manager is hereby approved and authorized to settle and release the City's claims against the Settling Defendants in exchange for the consideration set forth in the Master Settlement Agreements, Participation Agreements, Allocation Agreements, and all exhibits thereto.

Further Acts. The City Manager is hereby authorized to carry out all necessary acts such that the City can participate in the Master Settlement Agreements, including, without limitation, execution (as necessary) of the Participation Agreements, Master Settlement Agreements, Allocation Agreements; and all related documents and the transmittal of thereof as necessary and appropriate.

Ratification. All actions heretofore taken by the City Council and other appropriate public officers and agents of the City with respect to the matters contemplated under this Resolution are hereby ratified, confirmed and approved.

Effective Date. This Resolution shall immediately take effect upon passage.

Resolution No. 2023-_ Adopted April 5, 2023 Page 3 of 4

1 2 3 4 5	meeting there AYES: NOES: ABSENT: ABSTAIN:	SED AND ADOPTED by the City Council of the City of Suisun City at a special of held on April 5, 2023, by the following vote: Councilmembers: Councilmembers: Councilmembers: Councilmembers: Councilmembers: Councilmembers:
6	***************************************	LESS my hand and the sear of the City of Sulsun City on April 3, 2023.
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9		Anita Skinner City Clerk
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EXHIBIT K Subdivision and Special District Settlement Participation Form

Will your subdivision or special district be signing the settlement participation forms for the Allergan and Teva Settlements at this time?

[x] Yes [] No

Governmental Entity: Suisun City city		State: CA
Authorized Signatory: Greg Folsom		
Address 1: 701 Civic Center Blvd.		
Address 2:		
City, State, Zip: Suisun City	California	94585
Phone: 707-421-7300		
Email: gfolsom@suisun.com		

The governmental entity identified above ("Governmental Entity"), in order to obtain and in consideration for the benefits provided to the Governmental Entity pursuant to the Agreement dated November 22, 2022 ("Allergan Settlement"), and acting through the undersigned authorized official, hereby elects to participate in the Allergan Settlement, release all Released Claims against all Released Entities, and agrees as follows.

- 1. The Governmental Entity is aware of and has reviewed the Allergan Settlement, understands that all terms in this Election and Release have the meanings defined therein, and agrees that by this Election, the Governmental Entity elects to participate in the Allergan Settlement as provided therein.
- 2. Following the execution of this Settlement Participation Form, the Governmental Entity shall comply with Section III.B of the Allergan Settlement regarding Cessation of Litigation Activities.
- 3. The Governmental Entity shall, within fourteen (14) days of the Reference Date and prior to the filing of the Consent Judgment, file a request to dismiss with prejudice any Released Claims that it has filed. With respect to any Released Claims pending in *In re National Prescription Opiate Litigation*, MDL No. 2804, the Governmental Entity authorizes the MDL Plaintiffs' Executive Committee to execute and file on behalf of the Governmental Entity a Stipulation of Dismissal With Prejudice substantially in the form found at https://nationalopioidsettlement.com.
- 4. The Governmental Entity agrees to the terms of the Allergan Settlement pertaining to Subdivisions and Special Districts as defined therein.
- 5. By agreeing to the terms of the Allergan Settlement and becoming a Releasor, the Governmental Entity is entitled to the benefits provided therein, including, if applicable, monetary payments beginning after the Effective Date.
- 6. The Governmental Entity agrees to use any monies it receives through the Allergan Settlement solely for the purposes provided therein.

- 7. The Governmental Entity submits to the jurisdiction of the court in the Governmental Entity's state where the Consent Judgment is filed for purposes limited to that court's role as provided in, and for resolving disputes to the extent provided in, the Allergan Settlement.
- 8. The Governmental Entity has the right to enforce the Allergan Settlement as provided therein.
- 9. The Governmental Entity, as a Participating Subdivision or Participating Special District, hereby becomes a Releasor for all purposes in the Allergan Settlement, including, but not limited to, all provisions of **Section V** (**Release**), and along with all departments, agencies, divisions, boards, commissions, Subdivisions, districts, instrumentalities of any kind and attorneys, and any person in their official capacity whether 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 Governmental Entity hereby absolutely, unconditionally, and irrevocably covenants not to bring, file, or claim, or to cause, assist in bringing, or permit to be brought, filed, or claimed, or to otherwise seek to establish liability for any Released Claims against any Released Entity in any forum whatsoever. The releases provided for in the Allergan Settlement are intended 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 Released Claims and extend to the full extent of the power of the Governmental Entity to release claims. The Allergan Settlement shall be a complete bar to any Released Claim.
- 10. The Governmental Entity hereby takes on all rights and obligations of a Participating Subdivision or Participating Special District as set forth in the Allergan Settlement.
- 11. In connection with the releases provided for in the Allergan Settlement, each Governmental Entity 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 Governmental Entity 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 Allergan Settlement.

12. Nothing herein is intended to modify in any way the terms of the Allergan Settlement, to which the Governmental Entity hereby agrees. To the extent this Settlement Participation Form is interpreted differently from the Allergan Settlement in any respect, the Allergan Settlement controls.

I have all necessary power and authorization to execute this Settlement Participation Form on behalf of the Governmental Entity.

—Docusigned by:

Signature: 2AOC1D70FFFD426.

Name: Greg Folsom

Title: City Manager

Date: 3/1/2023

Exhibit K Subdivision and Special District Settlement Participation Form

Governmental Entity: Suisun City city		State: CA
Authorized Signatory: Greg Folsom		
Address 1: 701 Civic Center Blvd.		
Address 2:		
City, State, Zip: Suisun City	California	94585
Phone: 707-421-7300		
Email: gfolsom@suisun.com		

The governmental entity identified above ("Governmental Entity"), in order to obtain and in consideration for the benefits provided to the Governmental Entity pursuant to the Agreement dated November 22, 2022 ("Teva Settlement"), and acting through the undersigned authorized official, hereby elects to participate in the Teva Settlement, release all Released Claims against all Released Entities, and agrees as follows.

- 1. The Governmental Entity is aware of and has reviewed the Teva Settlement, understands that all terms in this Election and Release have the meanings defined therein, and agrees that by this Election, the Governmental Entity elects to participate in the Teva Settlement as provided therein.
- 2. Following the execution of this Settlement Participation Form, the Governmental Entity shall comply with Section III.B of the Teva Settlement regarding Cessation of Litigation Activities.
- 3. The Governmental Entity shall, within 14 days of the Reference Date and prior to the filing of the Consent Judgment, file a request to dismiss with prejudice any Released Claims that it has filed. With respect to any Released Claims pending in In re National Prescription Opiate Litigation, MDL No. 2804, the Governmental Entity authorizes the Plaintiffs' Executive Committee to execute and file on behalf of the Governmental Entity a Stipulation of Dismissal With Prejudice substantially in the form found at https://nationalopioidsettlement.com.
- 4. The Governmental Entity agrees to the terms of the Teva Settlement pertaining to Subdivisions as defined therein.
- 5. By agreeing to the terms of the Teva Settlement and becoming a Releasor, the Governmental Entity is entitled to the benefits provided therein, including, if applicable, monetary payments beginning after the Effective Date.
- 6. The Governmental Entity agrees to use any monies it receives through the Teva Settlement solely for the purposes provided therein.
- 7. The Governmental Entity submits to the jurisdiction of the court in the Governmental Entity's state where the Consent Judgment is filed for purposes limited to that court's role as provided in, and for resolving disputes to the extent provided in, the Teva Settlement.

- 8. The Governmental Entity has the right to enforce the Teva Settlement as provided therein.
- 9. The Governmental Entity, as a Participating Subdivision or Participating Special District, hereby becomes a Releasor for all purposes in the Teva Settlement, including but not limited to all provisions of Section V (Release), 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 Governmental Entity 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 Released Entity in any forum whatsoever. The releases provided for in the Teva Settlement are intended by Released Entitles and the Governmental Entity 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 Released Claims and extend to the full extent of the power of the Governmental Entity to release claims. The Teva Settlement shall be a complete bar to any Released Claim.
- 10. The Governmental Entity hereby takes on all rights and obligations of a Participating Subdivision or Participating Special District as set forth in the Teva Settlement.
- 11. In connection with the releases provided for in the Teva Settlement, each Governmental Entity 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 Governmental Entity 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 Teva Settlement.

12. Nothing herein is intended to modify in any way the terms of the Teva Settlement, to which Governmental Entity hereby agrees. To the extent this Election and Release is interpreted differently from the Teva Settlement in any respect, the Teva Settlement controls.

I have all necessary power and authorization to execute this Election and Release on behalf of the Governmental Entity.

—Docusigned by:

Signature: Gry Folsom

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Name: Greg Folsom

Title: City Manager

Date: $\frac{3}{1}/2023$

EXHIBIT K

Subdivision Participation and Release Form

Will your subdivision or special district be signing the settlement participation form for the CVS Settlement at this time?

[x] Yes [] No

Governmental Entity: Suisun City city		State: CA
Authorized Signatory: Greg Folsom		
Address 1: 701 Civic Center Blvd		
Address 2:		
City, State, Zip: Suisun City	California	94585
Phone: 707-421-7300		
Email: gfolsom@suisun.com		

The governmental entity identified above ("Governmental Entity"), in order to obtain and in consideration for the benefits provided to the Governmental Entity pursuant to the Settlement Agreement dated December 9, 2022 ("CVS Settlement"), and acting through the undersigned authorized official, hereby elects to participate in the CVS Settlement, release all Released Claims against all Released Entities, and agrees as follows.

- 1. The Governmental Entity is aware of and has reviewed the CVS Settlement, understands that all terms in this Participation and Release Form have the meanings defined therein, and agrees that by executing this Participation and Release Form, the Governmental Entity elects to participate in the CVS Settlement and become a Participating Subdivision as provided therein.
- 2. The Governmental Entity shall promptly, and in any event no later than 14 days after the Reference Date and prior to the filing of the Consent Judgment, dismiss with prejudice any Released Claims that it has filed. With respect to any Released Claims pending in *In re National Prescription Opiate Litigation*, MDL No. 2804, the Governmental Entity authorizes the Plaintiffs' Executive Committee to execute and file on behalf of the Governmental Entity a Stipulation of Dismissal with Prejudice substantially in the form found at https://nationalopioidsettlement.com.
- 3. The Governmental Entity agrees to the terms of the CVS Settlement pertaining to Participating Subdivisions as defined therein.
- 4. By agreeing to the terms of the CVS Settlement and becoming a Releasor, the Governmental Entity is entitled to the benefits provided therein, including, if applicable, monetary payments beginning after the Effective Date.
- 5. The Governmental Entity agrees to use any monies it receives through the CVS Settlement solely for the purposes provided therein.

- 6. The Governmental Entity submits to the jurisdiction of the court in the Governmental Entity's state where the Consent Judgment is filed for purposes limited to that court's role as provided in, and for resolving disputes to the extent provided in, the CVS Settlement. The Governmental Entity likewise agrees to arbitrate before the National Arbitration Panel as provided in, and for resolving disputes to the extent otherwise provided in, the CVS Settlement.
- 7. The Governmental Entity has the right to enforce the CVS Settlement as provided therein.
- 8. The Governmental Entity, as a Participating Subdivision, hereby becomes a Releasor for all purposes in the CVS Settlement, including without limitation all provisions of Section XI (Release), 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 Governmental Entity 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 Released Entity in any forum whatsoever. The releases provided for in the CVS Settlement are 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 Released Claims and extend to the full extent of the power of the Governmental Entity to release claims. The CVS Settlement shall be a complete bar to any Released Claim.
- 9. The Governmental Entity hereby takes on all rights and obligations of a Participating Subdivision as set forth in the CVS Settlement.
- 10. In connection with the releases provided for in the CVS Settlement, each Governmental Entity 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 Governmental Entity 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 CVS Settlement.

11. Nothing herein is intended to modify in any way the terms of the CVS Settlement, to which Governmental Entity hereby agrees. To the extent this Participation and Release Form is interpreted differently from the CVS Settlement in any respect, the CVS Settlement controls.

I have all necessary power and authorization to execute this Participation and Release Form on behalf of the Governmental Entity.

Signature:	Greg Folsom 2A0C1D70EFED426	
Name:	Greg Folsom	
Title:	City Manager	
Date:	3/1/2023	

EXHIBIT K

Subdivision Participation and Release Form

Will your subdivision or special district be signing the settlement participation form for the Walgreens Settlement at this time?

[x] Yes [] No

Governmental Entity: Suisun City city		State: CA
Authorized Signatory: Greg Folsom		
Address 1: 701 Civic Center Blvd		
Address 2:		
City, State, Zip: Suisun City	California	94585
Phone: 707-421-7300		
Email: gfolsom@suisun.com		

The governmental entity identified above ("Governmental Entity"), in order to obtain and in consideration for the benefits provided to the Governmental Entity pursuant to the Settlement Agreement dated December 9, 2022 ("Walgreens Settlement"), and acting through the undersigned authorized official, hereby elects to participate in the Walgreens Settlement, release all Released Claims against all Released Entities, and agrees as follows.

- 1. The Governmental Entity is aware of and has reviewed the Walgreens Settlement, understands that all terms in this Participation and Release Form have the meanings defined therein, and agrees that by executing this Participation and Release Form, the Governmental Entity elects to participate in the Walgreens Settlement and become a Participating Subdivision as provided therein.
- 2. The Governmental Entity shall promptly, and in any event no later than 14 days after the Reference Date and prior to the filing of the Consent Judgment, dismiss with prejudice any Released Claims that it has filed. With respect to any Released Claims pending in *In re National Prescription Opiate Litigation*, MDL No. 2804, the Governmental Entity authorizes the Plaintiffs' Executive Committee to execute and file on behalf of the Governmental Entity a Stipulation of Dismissal with Prejudice substantially in the form found at https://nationalopioidsettlement.com.
- 3. The Governmental Entity agrees to the terms of the Walgreens Settlement pertaining to Participating Subdivisions as defined therein.
- 4. By agreeing to the terms of the Walgreens Settlement and becoming a Releasor, the Governmental Entity is entitled to the benefits provided therein, including, if applicable, monetary payments beginning after the Effective Date.
- 5. The Governmental Entity agrees to use any monies it receives through the Walgreens Settlement solely for the purposes provided therein.

- 6. The Governmental Entity submits to the jurisdiction of the court in the Governmental Entity's state where the Consent Judgment is filed for purposes limited to that court's role as provided in, and for resolving disputes to the extent provided in, the Walgreens Settlement. The Governmental Entity likewise agrees to arbitrate before the National Arbitration Panel as provided in, and for resolving disputes to the extent otherwise provided in, the Walgreens Settlement.
- 7. The Governmental Entity has the right to enforce the Walgreens Settlement as provided therein.
- 8. The Governmental Entity, as a Participating Subdivision, hereby becomes a Releasor for all purposes in the Walgreens Settlement, including without limitation all provisions of Section XI (Release), 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 Governmental Entity 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 Released Entity in any forum whatsoever. The releases provided for in the Walgreens Settlement are 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 Released Claims and extend to the full extent of the power of the Governmental Entity to release claims. The Walgreens Settlement shall be a complete bar to any Released Claim.
- 9. The Governmental Entity hereby takes on all rights and obligations of a Participating Subdivision as set forth in the Walgreens Settlement.
- 10. In connection with the releases provided for in the Walgreens Settlement, each Governmental Entity 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 Governmental Entity 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 Settlement.

11. Nothing herein is intended to modify in any way the terms of the Walgreens Settlement, to which Governmental Entity hereby agrees. To the extent this Participation and Release Form is interpreted differently from the Walgreens Settlement in any respect, the Walgreens Settlement controls.

I have all necessary power and authorization to execute this Participation and Release Form on behalf of the Governmental Entity.

Signature:	Grig Folsom 2A0C1D70EFED426	
Name:	Greg Folsom	
Title:	City Manager	
Date:	3/1/2023	

EXHIBIT K

Subdivision Participation Rore

Will your subdivision or special district be signing the settlement participation form for the Walmart Settlement at this time?

[x] Yes [] No

Governmental Entity: Suisun City city		State: CA
Authorized Official: Greg Folsom		
Address 1: 701 Civic Center Blvd.		
Address 2:		
City, State, Zip: Suisun City	California	94585
Phone: 707-421-7300		
Email: gfolsom@suisun.com		

The governmental entity identified above ("Governmental Entity"), in order to obtain and in consideration for the benefits provided to the Governmental Entity pursuant to the Settlement Agreement dated November 14, 2022 ("Walmart Settlement"), and acting through the undersigned authorized official, hereby elects to participate in the Walmart Settlement, release all Released Claims against all Released Entities, and agrees as follows.

- 1. The Governmental Entity is aware of and has reviewed the Walmart Settlement, understands that all terms in this Election and Release have the meanings defined therein, and agrees that by this Election, the Governmental Entity elects to participate in the Walmart Settlement and become a Participating Subdivision as provided therein.
- 2. The Governmental Entity shall promptly, and in any event within 14 days of the Effective Date and prior to the filing of the Consent Judgment, dismiss with prejudice any Released Claims that it has filed. With respect to any Released Claims pending in In re National Prescription Opiate Litigation, MDL No. 2804, the Governmental Entity authorizes the Plaintiffs' Executive Committee to execute and file on behalf of the Governmental Entity a Stipulation of Dismissal With Prejudice substantially in the form found at https://nationalopioidsettlement.com/.
- 3. The Governmental Entity agrees to the terms of the Walmart Settlement pertaining to Subdivisions as defined therein.
- 4. By agreeing to the terms of the Walmart Settlement and becoming a Releasor, the Governmental Entity is entitled to the benefits provided therein, including, if applicable, monetary payments beginning after the Effective Date.
- 5. The Governmental Entity agrees to use any monies it receives through the Walmart Settlement solely for the purposes provided therein.



- 6. The Governmental Entity submits to the jurisdiction of the court in the Governmental Entity's state where the Consent Judgment is filed for purposes limited to that court's role as provided in, and for resolving disputes to the extent provided in, the Walmart Settlement.
- 7. The Governmental Entity has the right to enforce the Walmart Settlement as provided therein.
- 8. The Governmental Entity, as a Participating Subdivision, hereby becomes a Releasor for all purposes in the Walmart Settlement, including but not limited to all provisions of Section X (Release), 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 Governmental Entity 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 Released Entity in any forum whatsoever. The releases provided for in the Walmart Settlement are 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 Released Claims and extend to the full extent of the power of the Governmental Entity to release claims. The Walmart Settlement shall be a complete bar to any Released Claim.
- 9. In connection with the releases provided for in the Walmart Settlement, each Governmental Entity 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:
 - **I FnFranGFiliasF; FxtFnt.** 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 Governmental Entity 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 Walmart Settlement.

10. Nothing herein is intended to modify in any way the terms of the Walmart Settlement, to which Governmental Entity hereby agrees. To the extent this Election and Release is interpreted differently from the Walmart Settlement in any respect, the Walmart Settlement controls.



Proposed California State-Subdivision Agreement Regarding Distribution and Use of Settlement Funds – Allergan Settlement

1. Introduction

Pursuant to the Allergan Settlement Agreement, dated as of November 22, 2022, and any revision thereto (the "Allergan Settlement Agreement"), including Section VIII and Exhibit O, the State of California proposes this agreement (the "CA Allergan Allocation Agreement") to govern the allocation, distribution, and use of Settlement Fund payments made to California pursuant to Sections VI, VII, and VIII of the Allergan Settlement Agreement. For the avoidance of doubt, this agreement does not apply to payments made pursuant to Sections XII or XIII of the Allergan Settlement Agreement.

Pursuant to Exhibit O, Paragraph 4, of the Allergan Settlement Agreement, acceptance of this CA Allergan Allocation Agreement is a requirement to be an Initial Participating Subdivision.¹

Further, pursuant to Sections X.B and X.C of the Teva Settlement Agreement and Sections IX.B and IX.C of the Allergan Settlement Agreement, eligible Subdivisions must participate in both the Teva Settlement Agreement and Allergan Settlement Agreement, or neither.²

2. Definitions

- a) CA Participating Subdivision means a Participating Subdivision that is also (a) a Plaintiff Subdivision and/or (b) a Subdivision with a population equal to or greater than 10,000. For the avoidance of doubt, eligible CA Participating Subdivisions are those California subdivisions listed in Exhibit C (excluding Litigating Special Districts) and/or Exhibit I to the Allergan Settlement Agreement.
- b) Teva Settlement Agreement means the Teva Settlement Agreement dated November 22, 2022, and any revision thereto.
- c) CVS Settlement Agreement means the CVS Settlement Agreement dated December 9, 2022, and any revision thereto as well as any modification thereto entered into by the State of California and CVS.
- d) Distributor Settlement Agreement means the Distributor Settlement Agreement dated July 21, 2021, and any revision thereto.
- e) Janssen Settlement Agreement means the Janssen Settlement Agreement dated July 21, 2021, and any revision thereto.

² However, if Teva enters bankruptcy prior to the Effective Date, an eligible Subdivision can choose to only join the Allergan Settlement Agreement.



¹ A parallel but separate agreement (the "CA Teva Allocation Agreement") will govern the allocation, distribution, and use of settlement fund payments under the Teva Settlement Agreement.

- f) Walgreens Settlement Agreement means the Walgreens Settlement Agreement dated December 9, 2022, and any revision thereto.
- g) Walmart Settlement Agreement means the Walmart Settlement Agreement dated November 14, 2022, and any revision thereto.
- h) CA Litigating Special District means a Litigating Special District located in California. CA Litigating Special Districts include Downey Unified School District, Elk Grove Unified School District, Kern High School District, Montezuma Fire Protection District (located in Stockton, California), Santa Barbara San Luis Obispo Regional Health Authority, Inland Empire Health Plan, Health Plan of San Joaquin, San Leandro Unified School District, Pleasant Valley School District Board, and LA Care Health Plan.
- i) Plaintiff Subdivision means a Subdivision located in California, other than a CA Litigating Special District, that filed a lawsuit, on behalf of the Subdivision and/or through an official of the Subdivision on behalf of the People of the State of California, against one or more Opioid Defendants prior to October 1, 2020.
- j) Opioid Defendant means any defendant (including but not limited to Teva Pharmaceutical Industries Ltd., Allergan Finance, LLC, Allergan Limited, CVS Health Corporation, CVS Pharmacy, Inc., Walgreen Co., Walmart Inc., Johnson & Johnson, Janssen Pharmaceuticals, Inc., Purdue Pharma L.P., Cardinal Health, Inc., AmerisourceBergen Corporation, and McKesson Corporation) named in a lawsuit seeking damages, abatement, or other remedies related to or caused by the opioid public health crisis in any lawsuit brought by any state or local government on or before October 1, 2020.

3. General Terms

This agreement is subject to the requirements of the Allergan Settlement Agreement, as well as applicable law, and the Allergan Settlement Agreement governs over any inconsistent provision of this CA Allergan Allocation Agreement. Terms used in this CA Allergan Allocation Agreement have the same meaning as in the Allergan Settlement Agreement unless otherwise defined herein.

Pursuant to Section VIII(E)(1) of the Allergan Settlement Agreement, (a) all Settlement Fund payments will be used for Opioid Remediation, except as allowed by Section VIII(C) of the Allergan Settlement Agreement; and (b) at least seventy percent (70%) of Settlement Fund payment amounts will be used solely for future Opioid Remediation.

4. State Allocation



The Settlement Fund payments to California,³ pursuant to the Allergan Settlement Agreement, shall be allocated as follows: 15% to the State Fund; 70% to the Abatement Accounts Fund; and 15% to the Subdivision Fund. For the avoidance of doubt, all funds allocated to California from the Settlement Fund shall be combined pursuant to this CA Allergan Allocation Agreement, and 15% of that total shall be allocated to the State of California (the "State of California Allocation"), 70% to the California Abatement Accounts Fund ("CA Abatement Accounts Fund"), and 15% to the California Subdivision Fund ("CA Subdivision Fund").

A. State of California Allocation

Fifteen percent of the total Settlement Fund payments will be allocated to the State and used by the State for future Opioid Remediation.

B. CA Abatement Accounts Fund

i. Allocation of CA Abatement Accounts Funds

- a) Seventy percent of the total Settlement Fund payments will be allocated to the CA Abatement Accounts Fund. The funds in the CA Abatement Accounts Fund will be allocated based on the allocation model developed in connection with the proposed negotiating class in the National Prescription Opiate Litigation (MDL No. 2804), as adjusted to reflect only those cities and counties that are eligible, based on population or litigation status, to become a CA Participating Subdivision. The percentage from the CA Abatement Accounts Fund allocated to each CA Participating Subdivision is set forth in Appendix 1 in the column entitled abatement percentage (the "Local Allocation"). For the avoidance of doubt, CA Litigating Special Districts and California towns, cities, and counties with a population less than 10,000 are not eligible to receive an allocation of CA Abatement Accounts Funds.
- b) A CA Participating Subdivision that is a county, or a city and county, will be allocated its Local Allocation share as of the date on which it becomes a Participating Subdivision, and will receive payments as provided in the Allergan Settlement Agreement.
- c) A CA Participating Subdivision that is a city will be allocated its Local Allocation share as of the date on which it becomes a Participating Subdivision. The Local Allocation share for a city that is a CA Participating Subdivision will be paid to the county in which the city is located, rather than to the city, so long as: (a) the county is a CA Participating Subdivision, and (b) the city has not advised the Settlement Fund Administrator that it requests direct payment at least 60 days prior to a Payment Date. A Local Allocation share allocated to a city but paid to a county is not required to be spent exclusively for abatement activities in that city, but will become part of the county's share of the CA Abatement Accounts Funds, which will be used in accordance with Section 4.B.ii (Use of



³ For purposes of clarity, use of the term "California" refers to the geographic territory of California and the state and its local governments therein. The term "State" or "State of California" refers to the State of California as a governmental unit.

- CA Abatement Accounts Funds) and reported on in accordance with Section 4.B.iii (CA Abatement Accounts Fund Oversight).
- d) A city within a county that is a CA Participating Subdivision may opt in or out of direct payment at any time, and it may also elect direct payment of only a portion of its share, with the remainder going to the county, by providing notice to the Settlement Fund Administrator at least 60 days prior to a Payment Date. For purposes of this CA Allergan Allocation Agreement, the Cities of Los Angeles, Oakland, San Diego, San Jose and Eureka will be deemed to have elected direct payment if they become Participating Subdivisions.
- e) The State will receive the Local Allocation share of any payment to the Settlement Fund that is attributable to a county or city that is eligible to become a CA Participating Subdivision, but that has not, as of the date of that payment to the Settlement Fund, become a Participating Subdivision.
- f) Funds received by a CA Participating Subdivision, and not expended or encumbered within five years of receipt and in accordance with the Allergan Settlement Agreement and this CA Allergan Allocation Agreement shall be transferred to the State; provided however, that CA Participating Subdivisions have seven years to expend or encumber CA Abatement Accounts Funds designated to support capital outlay projects before they must be transferred to the State. This provision shall not apply to the Cost Reimbursement Funds, which shall be controlled by Appendix 2.

ii. Use of CA Abatement Accounts Funds

- a) The CA Abatement Accounts Funds will be used for future Opioid Remediation in one or more of the areas described in the List of Opioid Remediation Uses, which is Exhibit E to the Allergan Settlement Agreement.
- b) In addition to this requirement, no less than 50% of the funds received by a CA Participating Subdivision from the Abatement Accounts Fund in each calendar year will be used for one or more of the following High Impact Abatement Activities:
 - (1) the provision of matching funds or operating costs for substance use disorder facilities within the Behavioral Health Continuum Infrastructure Program;
 - (2) creating new or expanded Substance Use Disorder ("SUD") treatment infrastructure;
 - (3) addressing the needs of communities of color and vulnerable populations (including sheltered and unsheltered homeless populations) that are disproportionately impacted by SUD;
 - (4) diversion of people with SUD from the justice system into treatment, including by providing training and resources to first and early responders (sworn and non-sworn) and implementing best practices for outreach, diversion and deflection, employability, restorative justice, and harm reduction; and/or
 - (5) interventions to prevent drug addiction in vulnerable youth.



- c) The California Department of Health Care Services ("DHCS") may add to this list (but not delete from it) by designating additional High Impact Abatement Activities. DHCS will make reasonable efforts to consult with stakeholders, including the CA Participating Subdivisions, before adding additional High Impact Abatement Activities to this list.
- d) For the avoidance of doubt, and subject to the requirements of the Allergan Settlement Agreement and applicable law, CA Participating Subdivisions may form agreements or ventures, or otherwise work in collaboration with, federal, state, local, tribal or private sector entities in pursuing Opioid Remediation activities funded from the CA Abatement Accounts Fund. Further, provided that all CA Abatement Accounts Funds are used for Opioid Remediation consistent with the Allergan Settlement Agreement and this CA Allergan Allocation Agreement, a county and any cities or towns within the county may agree to reallocate their respective shares of the CA Abatement Accounts Funds among themselves, provided that any direct distribution may only be to a CA Participating Subdivision and any CA Participating Subdivision must agree to their share being reallocated.

iii. CA Abatement Accounts Fund Oversight

- a) Pursuant to Section 5 below, CA Participating Subdivisions receiving settlement funds must prepare and file reports annually regarding the use of those funds. DHCS may regularly review the reports prepared by CA Participating Subdivisions about the use of CA Abatement Accounts Funds for compliance with the Allergan Settlement Agreement and this CA Allergan Allocation Agreement.
- b) If DHCS determines that a CA Participating Subdivision's use of CA Abatement Accounts Funds is inconsistent with the Allergan Settlement Agreement or this CA Allergan Allocation Agreement, whether through review of reports or information from any other sources, DHCS shall send a request to meet and confer with the CA Participating Subdivision. The parties shall meet and confer in an effort to resolve the concern.
- c) If the parties are unable to reach a resolution, DHCS may conduct an audit of the Subdivision's use of the CA Abatement Accounts Funds within one year of the request to meet and confer, unless the parties mutually agree in writing to extend the meet and confer time frame.
- d) If the concern still cannot be resolved, the State may bring a motion or action in the court where the State has filed its Consent Judgment to resolve the concern or otherwise



enforce the requirements of the Allergan Settlement Agreement or this CA Allergan Allocation Agreement. However, in no case shall any audit be conducted, or motion be brought, as to a specific expenditure of funds, more than five years after the date on which the expenditure of the funds was reported to DHCS, in accordance with this agreement.

e) Notwithstanding the foregoing, this Agreement does not limit the statutory or constitutional authority of any state or local agency or official to conduct audits, investigations, or other oversight activities, or to pursue administrative, civil, or criminal enforcement actions.

C. CA Subdivision Fund

i. Fifteen percent of the total Settlement Fund payments will be allocated to the CA Subdivision Fund. All funds in the CA Subdivision Fund will be allocated among the Plaintiff Subdivisions that are Initial Participating Subdivisions. The funds will be used, subject to any limits imposed by the Allergan Settlement Agreement and this CA Allergan Allocation Agreement, to fund future Opioid Remediation and reimburse past opioid-related expenses, which may include fees and expenses related to litigation, and to pay the reasonable fees and expenses of the Special Master as set forth in Appendix 2.

The CA Subdivision Funds will be allocated as follows:

- a) First, funds in the CA Subdivision Fund shall be used to pay the Special Master's reasonable fees and expenses in accordance with the procedures and limitations set forth in Appendix 2 to this document;
- b) Second, funds will be allocated to Plaintiff Subdivisions that are Initial Participating Subdivisions that have been awarded Costs, as defined by and in accordance with the procedures and limitations set forth in Appendix 2 to this document.
- c) Funds remaining in the CA Subdivision Fund, which shall consist of no less than 50% of the total CA Subdivision Fund received in any year pursuant to Appendix 2, Section 2.c.v, will be distributed to Plaintiff Subdivisions that are Initial Participating Subdivisions, in relative proportion to the Local Allocation. These funds shall be used to fund future opioid-related projects and to reimburse past opioid-related expenses, which may include fees and expenses related to litigation against any Opioid Defendant.

D. Provision for State Back-Stop Agreement

On August 6, 2021, Judge Dan Polster of the U.S. District Court, Northern District of Ohio, Eastern Division, issued an order (ECF Docket Number 3814) ("MDL Fees Order") in the National Prescription Opiate Litigation (MDL No. 2804) "cap[ping] all applicable contingent fee agreements at 15%." Private counsel representing Plaintiff Subdivisions should seek its



contingency fees and costs from the Attorney Fee Fund or Cost Funds under the Teva Settlement Agreement and Allergan Settlement Agreement, and, if applicable, the CVS Settlement Agreement, Distributor Settlement Agreement, Janssen Settlement Agreement, Walgreens Settlement Agreement, and Walmart Settlement Agreement.

A Plaintiff Subdivision may separately agree to use its share of the CA Subdivision Fund to pay for fees or costs incurred by its contingency-fee counsel ("State Back-Stop Agreement"), pursuant to Exhibit R, section I(X), of the Allergan Settlement Agreement and the MDL Fees Order, so long as such contingency fees do not exceed a total contingency fee of 15% of the total gross recovery of the Plaintiff Subdivision pursuant to the Allergan Settlement, inclusive of contingency fees from the national Attorney Fee Fund and this State Back-Stop Agreement. Before seeking fees or litigation costs and expenses from a State Back-Stop Agreement, private counsel representing Plaintiff Subdivisions must first seek contingency fees and costs from the Attorney Fee Fund or Cost Funds created under the Allergan Settlement Agreement. Further, private counsel may only seek reimbursement for litigation fees and costs that have not previously been reimbursed through prior settlements or judgments.

To effectuate a State Back-Stop Agreement pursuant to this section, an agreement in the form of Appendix 3 may be entered into by a Plaintiff Subdivision, private counsel, and the California Office of the Attorney General. The California Office of the Attorney General shall, upon the request of a Plaintiff Subdivision, execute any agreement executed by a Plaintiff Subdivision and its private counsel if it is in the form of Appendix 3. The California Office of the Attorney General will also consider requests from Plaintiff Subdivisions to execute and enter into agreements presented in other forms.

For the avoidance of doubt, this agreement does not require a Plaintiff Subdivision to request or enter into a State Back-Stop Agreement, and no State Back-Stop Agreement shall impose any duty or obligation on the State of California or any of its agencies or officers, including without limitation the Attorney General.

5. State and Subdivision Reporting

- a) DHCS will prepare an annual written report regarding the State's use of funds from the settlement until those funds are fully expended and for one year thereafter. These reports will be made publicly available on the DHCS web site.
- b) Each CA Participating Subdivision that receives payments of funds from the settlement will prepare written reports at least annually regarding the use of those funds, until those funds are fully expended and for one year thereafter. These reports will also include a certification that all funds that the CA Participating Subdivision has received through the settlement have been used in compliance with the Allergan Settlement Agreement and this CA Allergan Allocation Agreement. The report will be in a form reasonably determined by DHCS. Prior to specifying the form of the report DHCS will confer with representatives of the Plaintiff Subdivisions.



- c) The State and all CA Participating Subdivisions receiving CA Abatement Accounts Funds will track all deposits and expenditures. Each such subdivision is responsible solely for the CA Abatement Accounts Funds it receives. A county is not responsible for oversight, reporting, or monitoring of CA Abatement Accounts Funds received by a city within that county that receives direct payment. Unless otherwise exempt, Subdivisions' expenditures and uses of CA Abatement Accounts Funds and other Settlement Funds will be subject to the normal budgetary and expenditure process of the Subdivision.
- d) Each Plaintiff Subdivision receiving CA Subdivision Funds will track all deposits and expenditures, as required by the Allergan Settlement Agreement and this CA Allergan Allocation Agreement. Among other things, Plaintiff Subdivisions using monies from the CA Subdivision Fund for purposes that do not qualify as Opioid Remediation must identify and include in their annual report, the amount and how such funds were used, including if used to pay attorneys' fees, investigation costs, or litigation costs. Pursuant to Section VIII(C) of the Allergan Settlement Agreement, such information must also be reported to the Settlement Fund Administrator and Allergan.
- e) In each year in which DHCS prepares an annual report DHCS will also host a meeting to discuss the annual report and the Opioid Remediation activities being carried out by the State and Participating Subdivisions.

6. Miscellaneous

- a) The State or any CA Participating Subdivision may bring a motion or action in the court where the State has filed its Consent Judgment to enforce the requirements of this CA Allergan Allocation Agreement. Before filing such a motion or action the State will meet and confer with any CA Participating Subdivision that is the subject of the anticipated motion or action, and vice versa.
- b) Except as provided in the Allergan Settlement Agreement, this CA Allergan Allocation Agreement is not enforceable by any party other than the State and the CA Participating Subdivisions. It does not confer any rights or remedies upon, and shall not be enforceable by, any third party.
- c) Except as provided in the CA Allergan Allocation Agreement, if any provision of this agreement or the application thereof to any person, entity, or circumstance shall, to any extent, be invalid or unenforceable, the remainder of this agreement, or the application of such provision to persons, entities, or circumstances other than those as to which it is invalid or unenforceable, will not be affected thereby, and each other provision of this agreement will be valid and enforceable to the fullest extent permitted by law.
- d) Except as provided in the Allergan Settlement Agreement, this agreement shall be governed by and interpreted in accordance with the laws of California.



The undersigned, Suisun City city, ACKNOWLEDGES acceptance of this Proposed California State-Subdivision Agreement Regarding Distribution and Use of Settlement Funds – Allergan Settlement is a requirement to be an Initial Participating Subdivision in the Allergan Settlement and ACCEPTS this Proposed California State-Subdivision Agreement Regarding Distribution and Use of Settlement Funds – Allergan Settlement. EXECUTED on 3/1/2023

Signature:	Docusigned by: Gry Folsom 20011070EFED420
Name:	Greg Folsom
Title:	City Manager
Date:	3/1/2023





Regarding the column herein entitled "Abatement Percentage," the annotation of "100%" refers to one-hundred percent (100%) of the **DISCLAIMER**: The allocation percentages herein are estimates only and should not be relied on for decisions regarding legal rights, Participating Subdivision, but that has not, as of the date of that payment to the Settlement Fund, become a Participating Subdivision. California Abatement Account Funds received, pursuant to Section 4.B. Regarding the column herein entitled "Plaintiff Subdivision Percentage," the annotation of "100%" refers to one-hundred percent (100%) of the California Subdivision Funds received, pursuant Regarding the column herein entitled "Plaintiff Subdivision Percentage," payments allocated to a Plaintiff Subdivision, which is not Percentage column may change pursuant to Section 4.C. of the California State-Subdivision Agreement Regarding Distribution and Local Allocation share of any payment to the Settlement Fund that is attributable to a county or city that is eligible to become a CA an Initial Participating Subdivision, will be re-allocated among the Plaintiff Subdivisions that are Initial Participating Subdivisions. Regarding the column herein entitled "Abatement Percentage," pursuant to Section 4.B.e., the State of California will receive the to Section 4.C. Regarding the column herein entitled "Weighted Allocation Percentage," the annotation of "100%" refers to one-Use of Settlement Funds—Allergan Settlement, whereas the percentages shown in the Abatement Percentage column should not eleases, waivers, or other decisions affecting current or potential legal claims. Percentages shown in the Plaintiff Subdivision nundred percent (100%) of the combined and weighted allocation of the Abatement Percentage and the Plaintiff Subdivision change. Participating Subdivisions, underlying calculations, and the calculated allocation percentages are subject to change. Percentage APPENDIX 1

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APPENDIX 1

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APPENDIX 1

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Cost Reimbursement Procedure

1. Additional defined terms:

- a) Costs means the reasonable amounts paid for the attorney and other City Attorney and County Counsel staff time for individuals employed by a Plaintiff Subdivision at the contractual rate, inclusive of benefits and overhead, together with amounts paid for court reporters, experts, copying, electronic research, travel, vendors, and the like, which were not previously reimbursed and which were paid or incurred (i) prior to December 31, 2022 in litigation against any Opioid Defendant and/or (ii) in negotiating and drafting any CA Allocation Agreement(s) concerning a settlement with any Opioid Defendant(s). Costs does not include attorneys' fees, costs, or expenses incurred by private contingency fee counsel. No part of the CA Abatement Accounts Fund will be used to reimburse Costs.
- b) First Claims Date means October 1, 2023 or when all applications for reimbursement of Costs, in whole or in part, from funds available under Section XIV and Exhibit R of the Teva Settlement Agreement, Section XIII and Exhibit R of the Allergan Settlement Agreement, Section X and Exhibit R of the Distributor Settlement Agreement, Section XI and Exhibit R of the Janssen Settlement Agreement, Section X and Exhibit R of the CVS Settlement Agreement, Section IX and Exhibit R of the Walgreens Settlement Agreement, or Section IX and Exhibit R of the Walmart Settlement Agreement, have been finally determined under the provisions of those agreements, whichever comes first.
- c) Special Master means a retired judicial officer or former public lawyer, not presently employed or retained by a Plaintiff Subdivision, who will aggregate, review, and determine the reasonable Costs to be awarded to each Plaintiff Subdivision that submits a claim for reimbursement of Costs. The Special Master will be selected by a majority vote of the votes cast by Plaintiff Subdivisions, with each such subdivision having one vote.
- d) Plaintiff Subdivision Committee means the committee of Plaintiff Subdivisions that will review and approve the invoices submitted by the Special Master reflecting his or her reasonable time and expenses.

2. Cost Reimbursement to Plaintiff Subdivision

- a) Purpose. Substantial resources have been expended to hold Opioid Defendants accountable for creating and profiting from the opioid crisis, and this effort has been a significant catalyst in creating National Opioid Settlements with various manufacturers, distributors, and chain pharmacies.
- b) Claims Procedure.



- i. If a Plaintiff Subdivision is eligible to seek reimbursement of Costs, in whole or in part, from funds available under Section XIV and Exhibit R of the Teva Settlement Agreement, Section XIII and Exhibit R of the Allergan Settlement Agreement, Section X and Exhibit R of the CVS Settlement Agreement, Section IX and Exhibit R of the Walgreens Settlement Agreement, Section IX and Exhibit R of the Walmart Settlement Agreement, Section X or Exhibit R of the Distributor Settlement Agreement, or Section XI or Exhibit R of the Janssen Settlement Agreement, it must first make a timely application for reimbursement from such funds. To allow sufficient time for determination of those applications, no claim for Costs to the CA Subdivision Fund under this Agreement may be made before the First Claims Date.
- ii. A Plaintiff Subdivision that wishes to be reimbursed from the CA Subdivision Fund must submit a claim to the Special Master no later than forty-five (45) days after the First Claims Date. The Special Master will then compile and redistribute the aggregated claim totals for each Plaintiff Subdivision via email to representatives of all the Plaintiff Subdivisions. A claim for attorney and staff time must list, for each attorney or staff member included in the claim, the following information: name, title, total hours claimed, hourly rate (including, if sought, benefits and share of overhead), and narrative summarizing the general nature of the work performed by the attorney or staff member. For reimbursement of "hard" costs, the subdivision may aggregate across a category (e.g., total for travel costs). It is the intention of the Plaintiff Subdivisions that submission of documents related to reimbursement of Costs does not waive any attorney-client privilege or exemptions to the California Public Records Act.
- iii. The Special Master may request, at his or her sole option, additional documents or details to assist in the final award of Costs.
- iv. The Special Master will review claims for reasonableness and will notify each Plaintiff Subdivision of the final determination of its claim, and will provide a list of all final awards to all Plaintiff Subdivisions by email or, upon request, via First Class U.S. Mail. Any Plaintiff Subdivision may ask the Special Master to reconsider any final award within twenty-one (21) days. The Special Master will make a final determination on any such reconsideration request within thirty (30) days of receipt.
- v. Any decision of the Special Master is final and binding, and will be considered under the California Arbitration Act, Code of Civil Procedure section 1280 et seq. as a final arbitration award. Nothing in this agreement is intended to expand the scope of judicial review of the final award for errors of fact or law, and the Parties agree that they may only seek to vacate the award if clear and convincing evidence demonstrates one of the factors set forth in Code of Civil Procedure, section 1286.2, subdivision (a). Plaintiff Subdivisions will have fourteen (14) days after all final awards are made, together with any final determination of a request for reconsideration, to seek review in the Superior Court of California, pursuant to Code of Civil Procedure, section 1285, where the State has filed its Consent Judgment.



- vi. The Special Master will prepare a report of Costs that includes his or her fees and expenses at least ninety (90) days before the Payment Date for each Annual Payment. The Special Master's preparation of a report of Costs does not discharge a Plaintiff Subdivision's reporting requirement under Section VIII.C of the Allergan Settlement Agreement.
- vii. A member of the Plaintiff Subdivision Committee, which is a CA Participating Subdivision, will submit to the Settlement Fund Administrator and Allergan a report of the fees and expenses incurred by the Special Master pursuant to Section VIII.C of the Allergan Settlement Agreement.

c) Claims Priority and Limitation.

- i. The Special Master will submit invoices for compensation of reasonable fees and expenses to the Plaintiff Subdivision Committee no later than ninety (90) days prior to the Payment Date for each Annual Payment. The Plaintiff Subdivision Committee will promptly review and, if reasonable, approve the Special Master's invoice for compensation. The Plaintiff Subdivision Committee will submit approved invoices to the Settlement Fund Administrator for payment. The Special Master's approved invoices have priority and will be paid first from the CA Subdivision Fund before any award of Costs, subject to the limitation in Section 2.c.v below.
- ii. Final Awards of Costs that do not exceed seventy-five thousand dollars (\$75,000.00) will be paid next in priority after the Special Master's approved invoices.
- iii. Final Awards of Costs in excess of seventy-five thousand dollars (\$75,000.00) will be paid proportionally from the funds remaining in that year's Annual Payment.
- iv. Any claim for Costs that is not paid in full will be allocated against the next year's distribution from the CA Subdivision Fund, until all approved claims for Costs are paid in full.
- v. In no event will more than 50% of the total CA Subdivision Fund received in any year be used to pay Costs or the Special Master's approved invoices.
- vi. In no event shall more than \$28 million of the total CA Subdivision Funds paid pursuant to the Teva Settlement Agreement, Allergan Settlement Agreement, Distributor Settlement Agreement, CVS Settlement Agreement, Janssen Settlement Agreement, Walgreens Settlement Agreement, and the Walmart Settlement Agreement be used to pay Costs.
- d) Collateral Source Payments and Third-Party Settlement.
 - i. In the event a Plaintiff Subdivision is awarded compensation, in whole or in part, by any source of funds created as a result of litigation against an Opioid Defendant for its reasonable Costs, it will reduce its claim for Costs from the CA Subdivision Fund by that amount. If a Plaintiff Subdivision has already received a final award of Costs from the CA Subdivision Fund, it will repay the fund up to the prior award



of Costs via a payment to the Settlement Fund Administrator or notify the Settlement Fund Administrator that its allocation from the next and subsequent Annual Payments should be reduced accordingly. If the Plaintiff Subdivision is repaying any prior award of Costs, that repayment will occur as soon as is feasible after the Plaintiff Subdivision's receipt of Cost funds from the collateral source, but no more than 90 days after its receipt from the collateral source. The Settlement Fund Administrator will add any repaid Costs to the CA Subdivision Fund. Any Plaintiff Subdivision that has submitted for reimbursement to any national fund and has not received a final determination by the First Claims Date may request that the settlement administrator withhold some or all of its payment from the CA Subdivision Fund in order to avoid repayment.

ii. In the event a Plaintiff Subdivision reaches a monetary settlement or compromise against any Opioid Defendant outside of the National Opioid Settlement, the monetary portion of such settlement, net of fees paid to outside contingency fee counsel and of funds earmarked strictly for abatement, will be credited against its Costs and the subdivision will be ineligible to recover those credited Costs from the CA Subdivision Fund. Plaintiff Subdivisions negotiating monetary settlements or compromises against any Opioid Defendant outside of the National Opioid Settlement will negotiate for funds to repay any Costs it previously received from the CA Subdivision Fund or for Costs it otherwise might be eligible to claim from the CA Subdivision Fund. If such a settlement is paid after all final approved claims for Costs by all Plaintiff Subdivisions are satisfied in full, the settling subdivision will reimburse the CA Subdivision Fund in that amount by making payment to the Settlement Fund Administrator to add to the CA Subdivision Fund in a manner consistent with the repayments described in section 2.d.i above.



CALIFORNIA-SUBDIVISION BACKSTOP AGREEMENT

On August 6, 2021, Judge Polster of the US District Court for the Northern District of Ohio issued an Order (the Order), docket number 3814, in In Re National Prescription Opiate Litigation, MDL 2804, addressing contingent attorney fee contracts between political subdivisions eligible to participate in the Allergan Settlement and their counsel.

In light of the Order, and at the request of [SUBDIVISION], the [SUBDIVISION], its counsel [COUNSEL], and the California Attorney General, on behalf of the State of California, are entering into this California-Subdivision Backstop Agreement (Backstop Agreement).

[SUBDIVISION] and [COUNSEL] intend this Backstop Agreement to constitute a State Back-Stop Agreement as that term is used in the Order and in Exhibit R (Agreement on Attorneys' Fees, Costs, and Expenses) of the Allergan Settlement Agreement.

Pursuant to this Backstop Agreement, [SUBDIVISION] may, subject to the limitations of the Allergan Settlement Agreement and CA Allergan Allocation Agreement, as well as any other limitations imposed by law, use funds that it receives from the Allergan Settlement CA Subdivision Fund to pay a contingent fee to [COUNSEL]. Any such payment from [SUBDIVISION] to [COUNSEL], together with any contingency fees that [COUNSEL] may receive from the national Attorney Fee Fund, will not exceed a total contingency fee of [PERCENTAGE NOT TO EXCEED 15%] of the total gross recovery of [SUBDIVISION] from the Allergan Settlement.

[COUNSEL] certify that they first sought fees and costs from the Attorney Fee Fund created under the Allergan Settlement Agreement before seeking or accepting payment under this backstop agreement. [COUNSEL] further certify that they are not seeking and will not accept payment under this backstop agreement of any litigation fees or costs that have been reimbursed through prior settlements or judgments.

The Attorney General is executing this agreement solely because the definition of "State Back-Stop Agreement" in Exhibit R of the Allergan Settlement Agreement requires such agreements to be between "a Settling State" and private counsel for a participating subdivision. Neither the California Attorney General nor the State of California have any obligations under this Backstop Agreement, and this Backstop Agreement does not require the payment of any state funds to [SUBDIVISION], [COUNSEL], or any other party.

[DATE] [SUBDIVISION SIGNATURE BLOCK]

[DATE] [COUNSEL SIGNATURE BLOCK]

[DATE] [ATTORNEY GENERAL SIGNATURE BLOCK]



Proposed California State-Subdivision Agreement Regarding Distribution and Use of Settlement Funds – Teva Settlement

1. Introduction

Pursuant to the Teva Settlement Agreement, dated as of November 22, 2022, and any revision thereto (the "Teva Settlement Agreement"), including Section VIII and Exhibit O, the State of California proposes this agreement (the "CA Teva Allocation Agreement") to govern the allocation, distribution, and use of Settlement Fund payments made to California pursuant to Sections VI, VII, and VIII of the Teva Settlement Agreement. For the avoidance of doubt, this agreement does not apply to payments made pursuant to Sections IX, XIII, or XIV of the Teva Settlement Agreement.

Pursuant to Exhibit O, Paragraph 4, of the Teva Settlement Agreement, acceptance of this CA Teva Allocation Agreement is a requirement to be an Initial Participating Subdivision.¹

Further, pursuant to Sections X.B and X.C of the Teva Settlement Agreement and Sections IX.B and IX.C of the Allergan Settlement Agreement, eligible Subdivisions must participate in both the Teva Settlement Agreement and Allergan Settlement Agreement, or neither.

2. Definitions

- a) CA Participating Subdivision means a Participating Subdivision that is also (a) a Plaintiff Subdivision and/or (b) a Subdivision with a population equal to or greater than 10,000. For the avoidance of doubt, eligible CA Participating Subdivisions are those California subdivisions listed in Exhibit C (excluding Litigating Special Districts) and/or Exhibit I to the Teva Settlement Agreement.
- b) Allergan Settlement Agreement means the Allergan Settlement Agreement dated November 22, 2022, and any revision thereto.
- c) CVS Settlement Agreement means the CVS Settlement Agreement dated December 9, 2022, and any revision thereto as well as any modification thereto entered into by the State of California and CVS.
- d) *Distributor Settlement Agreement* means the Distributor Settlement Agreement dated July 21, 2021, and any revision thereto.
- e) Janssen Settlement Agreement means the Janssen Settlement Agreement dated July 21, 2021, and any revision thereto.
- f) Walgreens Settlement Agreement means the Walgreens Settlement Agreement dated December 9, 2022, and any revision thereto.

¹ A parallel but separate agreement (the "CA Allergan Allocation Agreement") will govern the allocation, distribution, and use of settlement fund payments under the Allergan Settlement Agreement.



- g) Walmart Settlement Agreement means the Walmart Settlement Agreement dated November 14, 2022, and any revision thereto.
- h) CA Litigating Special District means a Litigating Special District located in California. CA Litigating Special Districts include Downey Unified School District, Elk Grove Unified School District, Kern High School District, Montezuma Fire Protection District (located in Stockton, California), Santa Barbara San Luis Obispo Regional Health Authority, Inland Empire Health Plan, Health Plan of San Joaquin, San Leandro Unified School District, Pleasant Valley School District Board, and LA Care Health Plan.
- i) Plaintiff Subdivision means a Subdivision located in California, other than a CA Litigating Special District, that filed a lawsuit, on behalf of the Subdivision and/or through an official of the Subdivision on behalf of the People of the State of California, against one or more Opioid Defendants prior to October 1, 2020.
- j) Opioid Defendant means any defendant (including but not limited to Teva Pharmaceutical Industries Ltd., Allergan Finance, LLC, Allergan Limited, CVS Health Corporation, CVS Pharmacy, Inc., Walgreen Co., Walmart Inc., Johnson & Johnson, Janssen Pharmaceuticals, Inc., Purdue Pharma L.P., Cardinal Health, Inc., AmerisourceBergen Corporation, and McKesson Corporation) named in a lawsuit seeking damages, abatement, or other remedies related to or caused by the opioid public health crisis in any lawsuit brought by any state or local government on or before October 1, 2020.

3. General Terms

This agreement is subject to the requirements of the Teva Settlement Agreement, as well as applicable law, and the Teva Settlement Agreement governs over any inconsistent provision of this CA Teva Allocation Agreement. Terms used in this CA Teva Allocation Agreement have the same meaning as in the Teva Settlement Agreement unless otherwise defined herein.

Pursuant to Section VIII(E)(1) of the Teva Settlement Agreement, (a) all Settlement Fund payments will be used for Opioid Remediation, except as allowed by Section VIII(C) of the Teva Settlement Agreement; and (b) at least seventy percent (70%) of Settlement Fund payment amounts will be used solely for future Opioid Remediation.

4. State Allocation

The Settlement Fund payments to California,² pursuant to the Teva Settlement Agreement, shall be allocated as follows: 15% to the State Fund; 70% to the Abatement Accounts Fund; and 15% to the Subdivision Fund. For the avoidance of doubt, all funds allocated to California from the



² For purposes of clarity, use of the term "California" refers to the geographic territory of California and the state and its local governments therein. The term "State" or "State of California" refers to the State of California as a governmental unit.

Settlement Fund shall be combined pursuant to this CA Teva Allocation Agreement, and 15% of that total shall be allocated to the State of California (the "State of California Allocation"), 70% to the California Abatement Accounts Fund ("CA Abatement Accounts Fund"), and 15% to the California Subdivision Fund ("CA Subdivision Fund").

A. State of California Allocation

Fifteen percent of the total Settlement Fund payments will be allocated to the State and used by the State for future Opioid Remediation.

B. CA Abatement Accounts Fund

i. Allocation of CA Abatement Accounts Funds

- a) Seventy percent of the total Settlement Fund payments will be allocated to the CA Abatement Accounts Fund. The funds in the CA Abatement Accounts Fund will be allocated based on the allocation model developed in connection with the proposed negotiating class in the National Prescription Opiate Litigation (MDL No. 2804), as adjusted to reflect only those cities and counties that are eligible, based on population or litigation status, to become a CA Participating Subdivision. The percentage from the CA Abatement Accounts Fund allocated to each CA Participating Subdivision is set forth in Appendix 1 in the column entitled abatement percentage (the "Local Allocation"). For the avoidance of doubt, CA Litigating Special Districts and California towns, cities, and counties with a population less than 10,000 are not eligible to receive an allocation of CA Abatement Accounts Funds.
- b) A CA Participating Subdivision that is a county, or a city and county, will be allocated its Local Allocation share as of the date on which it becomes a Participating Subdivision, and will receive payments as provided in the Teva Settlement Agreement.
- c) A CA Participating Subdivision that is a city will be allocated its Local Allocation share as of the date on which it becomes a Participating Subdivision. The Local Allocation share for a city that is a CA Participating Subdivision will be paid to the county in which the city is located, rather than to the city, so long as: (a) the county is a CA Participating Subdivision, and (b) the city has not advised the Settlement Fund Administrator that it requests direct payment at least 60 days prior to a Payment Date. A Local Allocation share allocated to a city but paid to a county is not required to be spent exclusively for abatement activities in that city, but will become part of the county's share of the CA Abatement Accounts Funds, which will be used in accordance with Section 4.B.ii (Use of CA Abatement Accounts Funds) and reported on in accordance with Section 4.B.iii (CA Abatement Accounts Fund Oversight).
- d) A city within a county that is a CA Participating Subdivision may opt in or out of direct payment at any time, and it may also elect direct payment of only a portion of its share, with the remainder going to the county, by providing notice to the Settlement Fund Administrator at least 60 days prior to a Payment Date. For purposes of this CA Teva



Allocation Agreement, the Cities of Los Angeles, Oakland, San Diego, San Jose and Eureka will be deemed to have elected direct payment if they become Participating Subdivisions.

- e) The State will receive the Local Allocation share of any payment to the Settlement Fund that is attributable to a county or city that is eligible to become a CA Participating Subdivision, but that has not, as of the date of that payment to the Settlement Fund, become a Participating Subdivision.
- f) Funds received by a CA Participating Subdivision, and not expended or encumbered within five years of receipt and in accordance with the Teva Settlement Agreement and this CA Teva Allocation Agreement shall be transferred to the State; provided however, that CA Participating Subdivisions have seven years to expend or encumber CA Abatement Accounts Funds designated to support capital outlay projects before they must be transferred to the State. This provision shall not apply to the Cost Reimbursement Funds, which shall be controlled by Appendix 2.

ii. Use of CA Abatement Accounts Funds

- a) The CA Abatement Accounts Funds will be used for future Opioid Remediation in one or more of the areas described in the List of Opioid Remediation Uses, which is Exhibit E to the Teva Settlement Agreement.
- b) In addition to this requirement, no less than 50% of the funds received by a CA Participating Subdivision from the Abatement Accounts Fund in each calendar year will be used for one or more of the following High Impact Abatement Activities:
 - (1) the provision of matching funds or operating costs for substance use disorder facilities within the Behavioral Health Continuum Infrastructure Program;
 - (2) creating new or expanded Substance Use Disorder ("SUD") treatment infrastructure;
 - (3) addressing the needs of communities of color and vulnerable populations (including sheltered and unsheltered homeless populations) that are disproportionately impacted by SUD;
 - (4) diversion of people with SUD from the justice system into treatment, including by providing training and resources to first and early responders (sworn and non-sworn) and implementing best practices for outreach, diversion and deflection, employability, restorative justice, and harm reduction; and/or
 - (5) interventions to prevent drug addiction in vulnerable youth.
- c) The California Department of Health Care Services ("DHCS") may add to this list (but not delete from it) by designating additional High Impact Abatement Activities. DHCS will make reasonable efforts to consult with stakeholders, including the CA Participating Subdivisions, before adding additional High Impact Abatement Activities to this list.



d) For the avoidance of doubt, and subject to the requirements of the Teva Settlement Agreement and applicable law, CA Participating Subdivisions may form agreements or ventures, or otherwise work in collaboration with, federal, state, local, tribal or private sector entities in pursuing Opioid Remediation activities funded from the CA Abatement Accounts Fund. Further, provided that all CA Abatement Accounts Funds are used for Opioid Remediation consistent with the Teva Settlement Agreement and this CA Teva Allocation Agreement, a county and any cities or towns within the county may agree to reallocate their respective shares of the CA Abatement Accounts Funds among themselves, provided that any direct distribution may only be to a CA Participating Subdivision and any CA Participating Subdivision must agree to their share being reallocated.

iii. CA Abatement Accounts Fund Oversight

- a) Pursuant to Section 5 below, CA Participating Subdivisions receiving settlement funds must prepare and file reports annually regarding the use of those funds. DHCS may regularly review the reports prepared by CA Participating Subdivisions about the use of CA Abatement Accounts Funds for compliance with the Teva Settlement Agreement and this CA Teva Allocation Agreement.
- b) If DHCS determines that a CA Participating Subdivision's use of CA Abatement Accounts Funds is inconsistent with the Teva Settlement Agreement or this CA Teva Allocation Agreement, whether through review of reports or information from any other sources, DHCS shall send a request to meet and confer with the CA Participating Subdivision. The parties shall meet and confer in an effort to resolve the concern.
- c) If the parties are unable to reach a resolution, DHCS may conduct an audit of the Subdivision's use of the CA Abatement Accounts Funds within one year of the request to meet and confer, unless the parties mutually agree in writing to extend the meet and confer time frame.
- d) If the concern still cannot be resolved, the State may bring a motion or action in the court where the State has filed its Consent Judgment to resolve the concern or otherwise enforce the requirements of the Teva Settlement Agreement or this CA Teva Allocation Agreement. However, in no case shall any audit be conducted, or motion be brought, as to a specific expenditure of funds, more than five years after the date on which the expenditure of the funds was reported to DHCS, in accordance with this agreement.
- e) Notwithstanding the foregoing, this Agreement does not limit the statutory or constitutional authority of any state or local agency or official to conduct audits, 6 investigations, or other oversight activities, or to pursue administrative, civil, or criminal enforcement actions.



C. CA Subdivision Fund

i. Fifteen percent of the total Settlement Fund payments will be allocated to the CA Subdivision Fund. All funds in the CA Subdivision Fund will be allocated among the Plaintiff Subdivisions that are Initial Participating Subdivisions. The funds will be used, subject to any limits imposed by the Teva Settlement Agreement and this CA Teva Allocation Agreement, to fund future Opioid Remediation and reimburse past opioid-related expenses, which may include fees and expenses related to litigation, and to pay the reasonable fees and expenses of the Special Master as set forth in Appendix 2.

The CA Subdivision Funds will be allocated as follows:

- a) First, funds in the CA Subdivision Fund shall be used to pay the Special Master's reasonable fees and expenses in accordance with the procedures and limitations set forth in Appendix 2 to this document;
- b) Second, funds will be allocated to Plaintiff Subdivisions that are Initial Participating Subdivisions that have been awarded Costs, as defined by and in accordance with the procedures and limitations set forth in Appendix 2 to this document.
- c) Funds remaining in the CA Subdivision Fund, which shall consist of no less than 50% of the total CA Subdivision Fund received in any year pursuant to Appendix 2, Section 2.c.v, will be distributed to Plaintiff Subdivisions that are Initial Participating Subdivisions, in relative proportion to the Local Allocation. These funds shall be used to fund future opioid-related projects and to reimburse past opioid-related expenses, which may include fees and expenses related to litigation against any Opioid Defendant.

D. Provision for State Back-Stop Agreement

On August 6, 2021, Judge Dan Polster of the U.S. District Court, Northern District of Ohio, Eastern Division, issued an order (ECF Docket Number 3814) ("MDL Fees Order") in the National Prescription Opiate Litigation (MDL No. 2804) "cap[ping] all applicable contingent fee agreements at 15%." Private counsel representing Plaintiff Subdivisions should seek its contingency fees and costs from the Attorney Fee Fund or Cost Funds under the Teva Settlement Agreement and Allergan Settlement Agreement, and, if applicable, the CVS Settlement Agreement, Distributor Settlement Agreement, Janssen Settlement Agreement, Walgreens Settlement Agreement, and Walmart Settlement Agreement.

A Plaintiff Subdivision may separately agree to use its share of the CA Subdivision Fund to pay for fees or costs incurred by its contingency-fee counsel ("State Back-Stop Agreement"), pursuant to Exhibit R, section I(X), of the Teva Settlement Agreement and the MDL Fees Order,



so long as such contingency fees do not exceed a total contingency fee of 15% of the total gross recovery of the Plaintiff Subdivision pursuant to the Teva Settlement, inclusive of contingency fees from the national Attorney Fee Fund and this State Back-Stop Agreement. Before seeking fees or litigation costs and expenses from a State Back-Stop Agreement, private counsel representing Plaintiff Subdivisions must first seek contingency fees and costs from the Attorney Fee Fund or Cost Funds created under the Teva Settlement Agreement. Further, private counsel may only seek reimbursement for litigation fees and costs that have not previously been reimbursed through prior settlements or judgments.

To effectuate a State Back-Stop Agreement pursuant to this section, an agreement in the form of Appendix 3 may be entered into by a Plaintiff Subdivision, private counsel, and the California Office of the Attorney General. The California Office of the Attorney General shall, upon the request of a Plaintiff Subdivision, execute any agreement executed by a Plaintiff Subdivision and its private counsel if it is in the form of Appendix 3. The California Office of the Attorney General will also consider requests from Plaintiff Subdivisions to execute and enter into agreements presented in other forms.

For the avoidance of doubt, this agreement does not require a Plaintiff Subdivision to request or enter into a State Back-Stop Agreement, and no State Back-Stop Agreement shall impose any duty or obligation on the State of California or any of its agencies or officers, including without limitation the Attorney General.

5. State and Subdivision Reporting

- a) DHCS will prepare an annual written report regarding the State's use of funds from the settlement until those funds are fully expended and for one year thereafter. These reports will be made publicly available on the DHCS web site.
- b) Each CA Participating Subdivision that receives payments of funds from the settlement will prepare written reports at least annually regarding the use of those funds, until those funds are fully expended and for one year thereafter. These reports will also include a certification that all funds that the CA Participating Subdivision has received through the settlement have been used in compliance with the Teva Settlement Agreement and this CA Teva Allocation Agreement. The report will be in a form reasonably determined by DHCS. Prior to specifying the form of the report DHCS will confer with representatives of the Plaintiff Subdivisions.
- c) The State and all CA Participating Subdivisions receiving CA Abatement Accounts Funds will track all deposits and expenditures. Each such subdivision is responsible solely for the CA Abatement Accounts Funds it receives. A county is not responsible for oversight, reporting, or monitoring of CA Abatement Accounts Funds received by a city within that county that receives direct payment. Unless otherwise exempt, Subdivisions' expenditures and uses of CA Abatement Accounts Funds and other Settlement Funds will be subject to the normal budgetary and expenditure process of the Subdivision.



- d) Each Plaintiff Subdivision receiving CA Subdivision Funds will track all deposits and expenditures, as required by the Teva Settlement Agreement and this CA Teva Allocation Agreement. Among other things, Plaintiff Subdivisions using monies from the CA Subdivision Fund for purposes that do not qualify as Opioid Remediation must identify and include in their annual report, the amount and how such funds were used, including if used to pay attorneys' fees, investigation costs, or litigation costs. Pursuant to Section VIII(C) of the Teva Settlement Agreement, such information must also be reported to the Settlement Fund Administrator and Teva.
- e) In each year in which DHCS prepares an annual report DHCS will also host a meeting to discuss the annual report and the Opioid Remediation activities being carried out by the State and Participating Subdivisions.

6. Miscellaneous

- a) The State or any CA Participating Subdivision may bring a motion or action in the court where the State has filed its Consent Judgment to enforce the requirements of this CA Teva Allocation Agreement. Before filing such a motion or action the State will meet and confer with any CA Participating Subdivision that is the subject of the anticipated motion or action, and vice versa.
- b) Except as provided in the Teva Settlement Agreement, this CA Teva Allocation Agreement is not enforceable by any party other than the State and the CA Participating Subdivisions. It does not confer any rights or remedies upon, and shall not be enforceable by, any third party.
- c) Except as provided in the CA Teva Allocation Agreement, if any provision of this agreement or the application thereof to any person, entity, or circumstance shall, to any extent, be invalid or unenforceable, the remainder of this agreement, or the application of such provision to persons, entities, or circumstances other than those as to which it is invalid or unenforceable, will not be affected thereby, and each other provision of this agreement will be valid and enforceable to the fullest extent permitted by law.
- a) Except as provided in the Teva Settlement Agreement, this agreement shall be governed by and interpreted in accordance with the laws of California.



The undersigned, Suisun City city, ACKNOWLEDGES acceptance of this Proposed California State-Subdivision Agreement Regarding Distribution and Use of Settlement Funds – Teva Settlement is a requirement to be an Initial Participating Subdivision in the Teva Settlement and ACCEPTS this Proposed California State-Subdivision Agreement Regarding Distribution and Use of Settlement Funds – Teva Settlement. EXECUTED on 3/1/2023

Signature:	Docusigned by: Gry Folsom 20001070EFED420	
Name:	Greg Folsom	
Title:	City Manager	
Date:	3/1/2023	



Subdivision, but that has not, as of the date of that payment to the Settlement Fund, become a Participating Subdivision. Regarding the Abatement Account Funds received, pursuant to Section 4.B. Regarding the column herein entitled "Plaintiff Subdivision Percentage," the annotation of "100%" refers to one-hundred percent (100%) of the California Subdivision Funds received, pursuant to Section 4.C. he column herein entitled "Abatement Percentage," the annotation of "100%" refers to one-hundred percent (100%) of the California DISCLAIMER: The allocation percentages herein are estimates only and should not be relied on for decisions regarding legal rights, Use of Settlement Funds—Teva Settlement, whereas the percentages shown in the Abatement Percentage column should not change. Participating Subdivision, will be re-allocated among the Plaintiff Subdivisions that are Initial Participating Subdivisions. Regarding column herein entitled "Abatement Percentage," pursuant to Section 4.B.e., the State of California will receive the Local Allocation Percentage column may change pursuant to Section 4.C. of the California State-Subdivision Agreement Regarding Distribution and Participating Subdivisions, underlying calculations, and the calculated allocation percentages are subject to change. Regarding the Regarding the column herein entitled "Weighted Allocation Percentage," the annotation of "100%" refers to one-hundred percent share of any payment to the Settlement Fund that is attributable to a county or city that is eligible to become a CA Participating column herein entitled "Plaintiff Subdivision Percentage," payments allocated to a Plaintiff Subdivision, which is not an Initial releases, waivers, or other decisions affecting current or potential legal claims. Percentages shown in the Plaintiff Subdivision (100%) of the combined and weighted allocation of the Abatement Percentage and the Plaintiff Subdivision Percentage.

			100.000%	100.000%	100.000%
Participating			Abotomont	Plaintiff	Weighted
Subdivision	Participating Subdivision	County	Dorcontogo	Subdivision	Allcation
Classification	A COUNTY OF THE PARTY OF THE PA		reremage	Percentage	Percentage
County	Alameda County	Alameda	2.332%	2.853%	2.4237952%
City	Alameda	Alameda	0.069%		0.0570162%
City	Albany	Alameda	0.013%		0.0107768%
City	Berkeley	Alameda	0.152%		0.1249656%
City	Dublin	Alameda	0.033%	0.040%	0.0338810%
City	Emeryville	Alameda	0.023%		0.0185765%
City	Fremont	Alameda	0.108%		0.0888576%
City	Hayward	Alameda	0.117%		0.0966218%
City	Livermore	Alameda	0.054%		0.0446740%
City	Newark	Alameda	0.026%		0.0217626%
City	Oakland	Alameda	0.486%	0.595%	0.5055601%
City	Piedmont	Alameda	0.014%		0.0114064%
City	Pleasanton	Alameda	0.067%		0.0554547%
City	San Leandro	Alameda	0.039%		0.0321267%
City	Union City	Alameda	0.043%		0.0352484%
County	Amador County	Amador	0.226%	0.277%	0.2349885%
County	Butte County	Butte	1.615%	1.975%	1.6783178%
City	Chico	Butte	0.216%	0.264%	0.2246499%
City	Oroville	Butte	0.079%		0.0646595%
County	Calaveras County	Calaveras	0.226%	0.277%	0.2351644%
County	Colusa County	Colusa	0.059%		0.0489221%
County	Contra Costa County	Contra Costa	2.102%	2.571%	2.1844585%
City	Antioch	Contra Costa	0.037%		0.0301879%
City	Brentwood	Contra Costa	0.026%		0.0215339%
City	Clayton	Contra Costa	0.002%		0.0018060%
City	Concord	Contra Costa	0.055%		0.0456676%
City	Danville	Contra Costa	0.010%		0.0082255%
City	El Cerrito	Contra Costa	0.023%		0.0189024%
City	Hercules	Contra Costa	0.010%		0.0078273%

0.0665456% 0.0066167% 0.0069755% 0.0127537% 0.0046030% 0.0098593% 0.0031007% 0.0079416% 0.0038157% 0.0110909% 0.0436369% 0.0106309% 0.1201444% 0.0148843% 0.0176459% 0.0212132% 0.1189608% 0.7980034% 0.0127642% 1.9693410% 0.0536211% 0.0098554% 0.3270605% 0.0042534% 0.0019387% 0.0035607% 0.0098804% 0.0146135% 0.1116978% 1.0703185% Percentage Weighted Allcation Subdivision Percentage 0.131% 1.260% 0.140% 0.939% 2.318% Plaintiff Abatement Percentage %800.0 0.018% 0.015% 0.107%1.030% 0.013% 0.146% 0.018% 0.114% 0.768% 0.081% 1.895% 0.065% 0.012% 0.397% 0.005% 0.008% 0.004% 0.012% 0.012% 0.004% 0.010% 0.005% 0.013% 0.053% 0.021% 0.026% 0.015% 0.002% 0.006% Contra Costa El Dorado El Dorado El Dorado Del Norte Humboldt Fresno County Glenn Participating Subdivision South Lake Tahoe Humboldt County El Dorado County Del Norte County Fresno County Glenn County Walnut Creek Orange Cove Pleasant Hil San Ramon Placerville Kingsburg Richmond San Pablo Coalinga Mendota Lafayette Martinez Pittsburg Moraga Oakley Kerman Parlier Reedley Selma Sanger Orinda Pinole Clovis Fresno Participating Classification Subdivision County County County County County City City

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Particinating				Plaintiff	Weighted
Subdivision	Participating Subdivision	County	Abatement	Subdivision	Alleation
Classification			rercentage	Percentage	Percentage
City	Roseville	Placer	0.196%		0.1616559%
County	Plumas County	Plumas	0.205%	0.251%	0.2128729%
County	Riverside County	Riverside	4.534%	5.547%	4.7128296%
City	Banning	Riverside	0.017%		0.0143848%
City	Beaumont	Riverside	0.021%		0.0171135%
City	Blythe	Riverside	0.012%		0.0096714%
City	Canyon Lake	Riverside	0.000%		0.0001761%
City	Cathedral City	Riverside	0.067%		0.0553614%
City	Coachella	Riverside	0.021%		0.0173054%
City	Corona	Riverside	0.147%		0.1207083%
City	Desert Hot Springs	Riverside	0.024%		0.0200433%
City	Eastvale	Riverside	0.000%		0.0002747%
City	Hemet	Riverside	0.051%		0.0421792%
City	Indio	Riverside	0.056%		0.0457794%
City	Jurupa Valley	Riverside	0.001%		0.0008991%
City	Lake Elsinore	Riverside	0.021%		0.0172949%
City	La Quinta	Riverside	0.063%		0.0516732%
City	Menifee	Riverside	0.032%		0.0260909%
City	Moreno Valley	Riverside	0.137%		0.1130348%
City	Murrieta	Riverside	0.048%	0.059%	0.0497423%
City	Norco	Riverside	0.016%		0.0134542%
City	Palm Desert	Riverside	0.083%		0.0682465%
City	Palm Springs	Riverside	0.076%		0.0629862%
City	Perris	Riverside	%600.0		0.0076774%
City	Rancho Mirage	Riverside	0.052%		0.0431098%
City	Riverside	Riverside	0.268%		0.2206279%
City	San Jacinto	Riverside	0.010%		0.0085936%
City	Temecula	Riverside	0.022%		0.0180086%
City	Wildomar	Riverside	0.008%		0.0062500%
County	Sacramento County	Sacramento	3.797%	4.645%	3.9465887%

0.0424460% 0.0128772% 0.0465312% 0.1066994% 0.0890850% 0.0143704% 0.0067679% 0.7496530% 0.1101417% 0.0225355% 3.3878124% 0.0066640% 0.0207360% 0.0122056% 0.0525893% 0.0006388% 0.0253443% 0.0920543% 0.0051051%0.0291522% 0.0029061% 0.0071188% 0.0322108% 0.1472934% 0.0689431% 0.0469150% 0.0603206% 0.1461880% 0.0012605% 0.0269400% Percentage Weighted Allcation Subdivision Percentage 0.882% 0.130% 3.987% Abatement Percentage 0.064% 0.052% 0.033% 0.130% 0.025% 0.001% 0.031% 0.112% %900.0 0.004% 0.039% 0.179% 0.073% 0.178%0.002% 0.016% 0.108% 0.017% 0.008% 0.721% 0.106% 3.259% 0.015% 0.035% 0.009% 0.084% 0.057% 0.057% 0.027% 0.008% San Bernardino Sacramento Sacramento Sacramento Sacramento Sacramento Sacramento San Benito San Benito County San Bernardino County Participating Subdivision Rancho Cucamonga San Benito County **Fwentynine Palms** Rancho Cordova San Bernardino Citrus Heights Grand Terrace Apple Valley Loma Linda Sacramento Chino Hills Victorville Elk Grove Montclair Redlands Highland Adelanto Hesperia Upland Hollister Fontana Yucaipa Barstow Ontario Folsom Chino Colton Rialto Galt Participating Classification Subdivision County County City City

3.1457169% 0.0075394% 0.0439484% 0.0443454% 0.0104219% 0.3256176% 0.0692047% 0.8484126% 0.0199053% 0.0240680% 0.0511040% 2.0531169% 0.0268401% 0.0425144% 1.7460399% 5.9309748% 0.1192204% 0.0118283% 0.0575593% 0.0183911% 0.0656808% 0.1753428% 0.0733897% 0.0138564% 0.0021228% 0.1050485% 0.1961456% 0.0359095% 0.0933582% 0.0630289% Weighted Allcation Percentage Subdivision Percentage 0.231% 0.383% 0.999% 0.068% 3.702% %086.9 0.074% 2.416% 2.055% Abatement Percentage 0.022% 0.213% 0.062% 1.975% 0.033% 0.052% 3.026% %089.1 0.009% 0.053% 0.054% 0.013% 0.313% 0.816% 0.024% 0.029% 0.128% 0.044% 0.061% 0.145% 0.014% 0.055% 0.080% 0.089% 0.017% 0.084% 5.706% 0.189% 0.113% 0.003% San Luis Obispo San Luis Obispo San Luis Obispo San Bernardino San Francisco San Joaquin San Diego San Luis Obispo County Participating Subdivision San Joaquin County San Diego County Arroyo Grande San Francisco Imperial Beach Lemon Grove Solana Beach Yucca Valley National City San Marcos Atascadero Chula Vista Escondido Oceanside San Diego Stockton Coronado Encinitas La Mesa El Cajon Manteca Carlsbad Poway Lathrop Santee Vista Tracy Ripon Lodi Consolidated Participating Classification Subdivision County County County City City

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Cost Reimbursement Procedure

1. Additional defined terms:

- a) Costs means the reasonable amounts paid for the attorney and other City Attorney and County Counsel staff time for individuals employed by a Plaintiff Subdivision at the contractual rate, inclusive of benefits and overhead, together with amounts paid for court reporters, experts, copying, electronic research, travel, vendors, and the like, which were not previously reimbursed and which were paid or incurred (i) prior to December 31, 2022 in litigation against any Opioid Defendant and/or (ii) in negotiating and drafting any CA Allocation Agreement(s) concerning a settlement with any Opioid Defendant(s). Costs does not include attorneys' fees, costs, or expenses incurred by private contingency fee counsel. No part of the CA Abatement Accounts Fund will be used to reimburse Costs.
- b) First Claims Date means October 1, 2023 or when all applications for reimbursement of Costs, in whole or in part, from funds available under Section XIV and Exhibit R of the Teva Settlement Agreement, Section XIII and Exhibit R of the Allergan Settlement Agreement, Section X and Exhibit R of the Distributor Settlement Agreement, Section XI and Exhibit R of the Janssen Settlement Agreement, Section X and Exhibit R of the CVS Settlement Agreement, Section IX and Exhibit R of the Walgreens Settlement Agreement, or Section IX and Exhibit R of the Walmart Settlement Agreement, have been finally determined under the provisions of those agreements, whichever comes first.
- c) Special Master means a retired judicial officer or former public lawyer, not presently employed or retained by a Plaintiff Subdivision, who will aggregate, review, and determine the reasonable Costs to be awarded to each Plaintiff Subdivision that submits a claim for reimbursement of Costs. The Special Master will be selected by a majority vote of the votes cast by Plaintiff Subdivisions, with each such subdivision having one vote.
- d) Plaintiff Subdivision Committee means the committee of Plaintiff Subdivisions that will review and approve the invoices submitted by the Special Master reflecting his or her reasonable time and expenses.

2. Cost Reimbursement to Plaintiff Subdivision

- a) Purpose. Substantial resources have been expended to hold Opioid Defendants accountable for creating and profiting from the opioid crisis, and this effort has been a significant catalyst in creating National Opioid Settlements with various manufacturers, distributors, and chain pharmacies.
- b) Claims Procedure.



- i. If a Plaintiff Subdivision is eligible to seek reimbursement of Costs, in whole or in part, from funds available under Section XIV and Exhibit R of the Teva Settlement Agreement, Section XIII and Exhibit R of the Allergan Settlement Agreement, Section X and Exhibit R of the CVS Settlement Agreement, Section IX and Exhibit R of the Walgreens Settlement Agreement, Section IX and Exhibit R of the Walmart Settlement Agreement, Section X or Exhibit R of the Distributor Settlement Agreement, or Section XI or Exhibit R of the Janssen Settlement Agreement, it must first make a timely application for reimbursement from such funds. To allow sufficient time for determination of those applications, no claim for Costs to the CA Subdivision Fund under this Agreement may be made before the First Claims Date.
- ii. A Plaintiff Subdivision that wishes to be reimbursed from the CA Subdivision Fund must submit a claim to the Special Master no later than forty-five (45) days after the First Claims Date. The Special Master will then compile and redistribute the aggregated claim totals for each Plaintiff Subdivision via email to representatives of all the Plaintiff Subdivisions. A claim for attorney and staff time must list, for each attorney or staff member included in the claim, the following information: name, title, total hours claimed, hourly rate (including, if sought, benefits and share of overhead), and narrative summarizing the general nature of the work performed by the attorney or staff member. For reimbursement of "hard" costs, the subdivision may aggregate across a category (e.g., total for travel costs). It is the intention of the Plaintiff Subdivisions that submission of documents related to reimbursement of Costs does not waive any attorney-client privilege or exemptions to the California Public Records Act.
- iii. The Special Master may request, at his or her sole option, additional documents or details to assist in the final award of Costs.
- iv. The Special Master will review claims for reasonableness and will notify each Plaintiff Subdivision of the final determination of its claim, and will provide a list of all final awards to all Plaintiff Subdivisions by email or, upon request, via First Class U.S. Mail. Any Plaintiff Subdivision may ask the Special Master to reconsider any final award within twenty-one (21) days. The Special Master will make a final determination on any such reconsideration request within thirty (30) days of receipt.
- v. Any decision of the Special Master is final and binding, and will be considered under the California Arbitration Act, Code of Civil Procedure section 1280 et seq. as a final arbitration award. Nothing in this agreement is intended to expand the scope of judicial review of the final award for errors of fact or law, and the Parties agree that they may only seek to vacate the award if clear and convincing evidence demonstrates one of the factors set forth in Code of Civil Procedure, section 1286.2, subdivision (a). Plaintiff Subdivisions will have fourteen (14) days after all final awards are made, together with any final determination of a request for reconsideration, to seek review in the Superior Court of California, pursuant to Code of Civil Procedure, section 1285, where the State has filed its Consent Judgment.



- vi. The Special Master will prepare a report of Costs that includes his or her fees and expenses at least ninety (90) days before the Payment Date for each Annual Payment. The Special Master's preparation of a report of Costs does not discharge a Plaintiff Subdivision's reporting requirement under Section VIII.C of the Teva Settlement Agreement.
- vii. A member of the Plaintiff Subdivision Committee, which is a CA Participating Subdivision, will submit to the Settlement Fund Administrator and Teva a report of the fees and expenses incurred by the Special Master pursuant to Section VIII.C of the Teva Settlement Agreement.

c) Claims Priority and Limitation.

- i. The Special Master will submit invoices for compensation of reasonable fees and expenses to the Plaintiff Subdivision Committee no later than ninety (90) days prior to the Payment Date for each Annual Payment. The Plaintiff Subdivision Committee will promptly review and, if reasonable, approve the Special Master's invoice for compensation. The Plaintiff Subdivision Committee will submit approved invoices to the Settlement Fund Administrator for payment. The Special Master's approved invoices have priority and will be paid first from the CA Subdivision Fund before any award of Costs, subject to the limitation in Section 2.c.v below.
- ii. Final Awards of Costs that do not exceed seventy-five thousand dollars (\$75,000.00) will be paid next in priority after the Special Master's approved invoices.
- iii. Final Awards of Costs in excess of seventy-five thousand dollars (\$75,000.00) will be paid proportionally from the funds remaining in that year's Annual Payment.
- iv. Any claim for Costs that is not paid in full will be allocated against the next year's distribution from the CA Subdivision Fund, until all approved claims for Costs are paid in full.
- v. In no event will more than 50% of the total CA Subdivision Fund received in any year be used to pay Costs or the Special Master's approved invoices.
- vi. In no event shall more than \$28 million of the total CA Subdivision Funds paid pursuant to the Teva Settlement Agreement, Allergan Settlement Agreement, Distributor Settlement Agreement, CVS Settlement Agreement, Janssen Settlement Agreement, Walgreens Settlement Agreement, and the Walmart Settlement Agreement be used to pay Costs.
- d) Collateral Source Payments and Third-Party Settlement.
 - i. In the event a Plaintiff Subdivision is awarded compensation, in whole or in part, by any source of funds created as a result of litigation against an Opioid Defendant for 4 its reasonable Costs, it will reduce its claim for Costs from the CA Subdivision Fund by that amount. If a Plaintiff Subdivision has already received a



final award of Costs from the CA Subdivision Fund, it will repay the fund up to the prior award of Costs via a payment to the Settlement Fund Administrator or notify the Settlement Fund Administrator that its allocation from the next and subsequent Annual Payments should be reduced accordingly. If the Plaintiff Subdivision is repaying any prior award of Costs, that repayment will occur as soon as is feasible after the Plaintiff Subdivision's receipt of Cost funds from the collateral source, but no more than 90 days after its receipt from the collateral source. The Settlement Fund Administrator will add any repaid Costs to the CA Subdivision Fund. Any Plaintiff Subdivision that has submitted for reimbursement to any national fund and has not received a final determination by the First Claims Date may request that the settlement administrator withhold some or all of its payment from the CA Subdivision Fund in order to avoid repayment.

ii. In the event a Plaintiff Subdivision reaches a monetary settlement or compromise against any Opioid Defendant outside of the National Opioid Settlement, the monetary portion of such settlement, net of fees paid to outside contingency fee counsel and of funds earmarked strictly for abatement, will be credited against its Costs and the subdivision will be ineligible to recover those credited Costs from the CA Subdivision Fund. Plaintiff Subdivisions negotiating monetary settlements or compromises against any Opioid Defendant outside of the National Opioid Settlement will negotiate for funds to repay any Costs it previously received from the CA Subdivision Fund or for Costs it otherwise might be eligible to claim from the CA Subdivision Fund. If such a settlement is paid after all final approved claims for Costs by all Plaintiff Subdivisions are satisfied in full, the settling subdivision will reimburse the CA Subdivision Fund in that amount by making payment to the Settlement Fund Administrator to add to the CA Subdivision Fund in a manner consistent with the repayments described in section 2.d.i above.



CALIFORNIA-SUBDIVISION BACKSTOP AGREEMENT

On August 6, 2021, Judge Polster of the US District Court for the Northern District of Ohio issued an Order (the Order), docket number 3814, in In Re National Prescription Opiate Litigation, MDL 2804, addressing contingent attorney fee contracts between political subdivisions eligible to participate in the Teva Settlement and their counsel.

In light of the Order, and at the request of [SUBDIVISION], the [SUBDIVISION], its counsel [COUNSEL], and the California Attorney General, on behalf of the State of California, are entering into this California-Subdivision Backstop Agreement (Backstop Agreement).

[SUBDIVISION] and [COUNSEL] intend this Backstop Agreement to constitute a State Back-Stop Agreement as that term is used in the Order and in Exhibit R (Agreement on Attorneys' Fees, Costs, and Expenses) of the Teva Settlement Agreement.

Pursuant to this Backstop Agreement, [SUBDIVISION] may, subject to the limitations of the Teva Settlement Agreement and CA Teva Allocation Agreement, as well as any other limitations imposed by law, use funds that it receives from the Teva Settlement CA Subdivision Fund to pay a contingent fee to [COUNSEL]. Any such payment from [SUBDIVISION] to [COUNSEL], together with any contingency fees that [COUNSEL] may receive from the national Attorney Fee Fund, will not exceed a total contingency fee of [PERCENTAGE NOT TO EXCEED 15%] of the total gross recovery of [SUBDIVISION] from the Teva Settlement.

[COUNSEL] certify that they first sought fees and costs from the Attorney Fee Fund created under the Teva Settlement Agreement before seeking or accepting payment under this backstop agreement. [COUNSEL] further certify that they are not seeking and will not accept payment under this backstop agreement of any litigation fees or costs that have been reimbursed through prior settlements or judgments.

The Attorney General is executing this agreement solely because the definition of "State Back-Stop Agreement" in Exhibit R of the Teva Settlement Agreement requires such agreements to be between "a Settling State" and private counsel for a participating subdivision. Neither the California Attorney General nor the State of California have any obligations under this Backstop Agreement, and this Backstop Agreement does not require the payment of any state funds to [SUBDIVISION], [COUNSEL], or any other party.

[DATE] [SUBDIVISION SIGNATURE BLOCK]

[DATE] [COUNSEL SIGNATURE BLOCK]

[DATE] [ATTORNEY GENERAL SIGNATURE BLOCK]



Proposed California State-Subdivision Agreement Regarding Distribution and Use of Settlement Funds – Walgreens Settlement

1. Introduction

Pursuant to the Walgreens Settlement Agreement, dated as of December 9, 2022, and any revision thereto (the "Walgreens Settlement Agreement"), including Section V and Exhibit O, the State of California proposes this agreement (the "CA Walgreens Allocation Agreement") to govern the allocation, distribution, and use of Settlement Fund payments made to California pursuant to Sections IV and V of the Walgreens Settlement Agreement. For the avoidance of doubt, this agreement does not apply to payments made pursuant to Section IX of the Walgreens Settlement Agreement.

Pursuant to Exhibit O, Paragraph 4, of the Walgreens Settlement Agreement, acceptance of this CA Walgreens Allocation Agreement is a requirement to be an Initial Participating Subdivision.

2. Definitions

- a) CA Participating Subdivision means a Participating Subdivision that is also (a) a Plaintiff Subdivision and/or (b) a Primary Subdivision with a population equal to or greater than 10,000. For the avoidance of doubt, eligible CA Participating Subdivisions are those California subdivisions listed in Exhibit C (excluding Litigating Special Districts) and/or Exhibit I to the Walgreens Settlement Agreement.
- b) Allergan Settlement Agreement means the Allergan Settlement Agreement dated November 22, 2022, and any revision thereto.
- c) CVS Settlement Agreement means the CVS Settlement Agreement dated December 9, 2022, and any revision thereto as well as any modification thereto entered into by the State of California and CVS.
- d) Distributor Settlement Agreement means the Distributor Settlement Agreement dated July 21, 2021, and any revision thereto.
- e) Janssen Settlement Agreement means the Janssen Settlement Agreement dated July 21, 2021, and any revision thereto.
- f) Teva Settlement Agreement means the Teva Settlement Agreement dated November 22, 2022, and any revision thereto.
- g) Walmart Settlement Agreement means the Walmart Settlement Agreement dated November 14, 2022, and any revision thereto.
- h) CA Litigating Special District means a Litigating Special District located in California. CA Litigating Special Districts include Downey Unified School District, Elk Grove Unified School District, Kern High School District, Montezuma Fire Protection District (located in Stockton, California), Santa Barbara San Luis Obispo Regional Health Authority, Inland Empire Health Plan, Health Plan of San Joaquin, San Leandro Unified School District,



Pleasant Valley School District Board, and LA Care Health Plan.

- i) Plaintiff Subdivision means a Subdivision located in California, other than a CA Litigating Special District, that filed a lawsuit, on behalf of the Subdivision and/or through an official of the Subdivision on behalf of the People of the State of California, against one or more Opioid Defendants prior to October 1, 2020.
- j) Opioid Defendant means any defendant (including but not limited to Walgreen Co., Teva Pharmaceutical Industries Ltd., Allergan Finance, LLC, Allergan Limited, CVS Health Corporation, CVS Pharmacy, Inc., Walmart Inc., Johnson & Johnson, Janssen Pharmaceuticals, Inc., Purdue Pharma L.P., Cardinal Health, Inc., AmerisourceBergen Corporation, and McKesson Corporation) named in a lawsuit seeking damages, abatement, or other remedies related to or caused by the opioid public health crisis in any lawsuit brought by any state or local government on or before October 1, 2020.

3. General Terms

This agreement is subject to the requirements of the Walgreens Settlement Agreement, as well as applicable law, and the Walgreens Settlement Agreement governs over any inconsistent provision of this CA Walgreens Allocation Agreement. Terms used in this CA Walgreens Allocation Agreement have the same meaning as in the Walgreens Settlement Agreement unless otherwise defined herein.

Pursuant to Section V(D)(1) of the Walgreens Settlement Agreement, (a) all Settlement Fund payments will be used for Opioid Remediation, except as allowed by Section V(B)(2) of the Walgreens Settlement Agreement; and (b) at least seventy percent (70%) of Settlement Fund payment amounts will be used solely for future Opioid Remediation.

4. State Allocation

The Settlement Fund payments to California, pursuant to the Walgreens Settlement Agreement, shall be allocated as follows: 15% to the State Fund; 70% to the Abatement Accounts Fund; and 15% to the Subdivision Fund. For the avoidance of doubt, all funds allocated to California from the Settlement Fund shall be combined pursuant to this CA Walgreens Allocation Agreement, and 15% of that total shall be allocated to the State of California (the "State of California Allocation"), 70% to the California Abatement Accounts Fund ("CA Abatement Accounts Fund"), and 15% to the California Subdivision Fund ("CA Subdivision Fund").



¹ For purposes of clarity, use of the term "California" refers to the geographic territory of California and the state and its local governments therein. The term "State" or "State of California" refers to the State of California as a governmental unit.

A. State of California Allocation

Fifteen percent of the total Settlement Fund payments will be allocated to the State and used by the State for future Opioid Remediation.

B. CA Abatement Accounts Fund

i. Allocation of CA Abatement Accounts Funds

- a) Seventy percent of the total Settlement Fund payments will be allocated to the CA Abatement Accounts Fund. The funds in the CA Abatement Accounts Fund will be allocated based on the allocation model developed in connection with the proposed negotiating class in the National Prescription Opiate Litigation (MDL No. 2804), as adjusted to reflect only those cities and counties that are eligible, based on population or litigation status, to become a CA Participating Subdivision. The percentage from the CA Abatement Accounts Fund allocated to each CA Participating Subdivision is set forth in Appendix 1 in the column entitled abatement percentage (the "Local Allocation"). For the avoidance of doubt, CA Litigating Special Districts and California towns, cities, and counties with a population less than 10,000 are not eligible to receive an allocation of CA Abatement Accounts Funds.
- b) A CA Participating Subdivision that is a county, or a city and county, will be allocated its Local Allocation share as of the date on which it becomes a Participating Subdivision, and will receive payments as provided in the Walgreens Settlement Agreement.
- c) A CA Participating Subdivision that is a city will be allocated its Local Allocation share as of the date on which it becomes a Participating Subdivision. The Local Allocation share for a city that is a CA Participating Subdivision will be paid to the county in which the city is located, rather than to the city, so long as: (a) the county is a CA Participating Subdivision, and (b) the city has not advised the Settlement Fund Administrator that it requests direct payment at least 60 days prior to a Payment Date. A Local Allocation share allocated to a city but paid to a county is not required to be spent exclusively for abatement activities in that city, but will become part of the county's share of the CA Abatement Accounts Funds, which will be used in accordance with Section 4.B.ii (Use of CA Abatement Accounts Funds) and reported on in accordance with Section 4.B.iii (CA Abatement Accounts Fund Oversight).
- d) A city within a county that is a CA Participating Subdivision may opt in or out of direct payment at any time, and it may also elect direct payment of only a portion of its share, with the remainder going to the county, by providing notice to the Settlement Fund Administrator at least 60 days prior to a Payment Date. For purposes of this CA Walgreens Allocation Agreement, the Cities of Los Angeles, Oakland, San Diego, San Jose and Eureka will be deemed to have elected direct payment if they become Participating Subdivisions.



- e) The State will receive the Local Allocation share of any payment to the Settlement Fund that is attributable to a county or city that is eligible to become a CA Participating Subdivision, but that has not, as of the date of that payment to the Settlement Fund, become a Participating Subdivision.
- f) Funds received by a CA Participating Subdivision, and not expended or encumbered within five years of receipt and in accordance with the Walgreens Settlement Agreement and this CA Walgreens Allocation Agreement shall be transferred to the State; provided however, that CA Participating Subdivisions have seven years to expend or encumber CA Abatement Accounts Funds designated to support capital outlay projects before they must be transferred to the State. This provision shall not apply to the Cost Reimbursement Funds, which shall be controlled by Appendix 2.

ii. Use of CA Abatement Accounts Funds

- a) The CA Abatement Accounts Funds will be used for future Opioid Remediation in one or more of the areas described in the List of Opioid Remediation Uses, which is Exhibit E to the Walgreens Settlement Agreement.
- b) In addition to this requirement, no less than 50% of the funds received by a CA Participating Subdivision from the Abatement Accounts Fund in each calendar year will be used for one or more of the following High Impact Abatement Activities:
 - (1) the provision of matching funds or operating costs for substance use disorder facilities within the Behavioral Health Continuum Infrastructure Program;
 - (2) creating new or expanded Substance Use Disorder ("SUD") treatment infrastructure;
 - (3) addressing the needs of communities of color and vulnerable populations (including sheltered and unsheltered homeless populations) that are disproportionately impacted by SUD;
 - (4) diversion of people with SUD from the justice system into treatment, including by providing training and resources to first and early responders (sworn and non-sworn) and implementing best practices for outreach, diversion and deflection, employability, restorative justice, and harm reduction; and/or
 - (5) interventions to prevent drug addiction in vulnerable youth.
- c) The California Department of Health Care Services ("DHCS") may add to this list (but not delete from it) by designating additional High Impact Abatement Activities. DHCS will make reasonable efforts to consult with stakeholders, including the CA Participating Subdivisions, before adding additional High Impact Abatement Activities to this list.
- d) For the avoidance of doubt, and subject to the requirements of the Walgreens Settlement Agreement and applicable law, CA Participating Subdivisions may form agreements or



ventures, or otherwise work in collaboration with, federal, state, local, tribal or private sector entities in pursuing Opioid Remediation activities funded from the CA Abatement Accounts Fund. Further, provided that all CA Abatement Accounts Funds are used for Opioid Remediation consistent with the Walgreens Settlement Agreement and this CA Walgreens Allocation Agreement, a county and any cities or towns within the county may agree to reallocate their respective shares of the CA Abatement Accounts Funds among themselves, provided that any direct distribution may only be to a CA Participating Subdivision and any CA Participating Subdivision must agree to their share being reallocated.

iii. CA Abatement Accounts Fund Oversight

- a) Pursuant to Section 5 below, CA Participating Subdivisions receiving settlement funds must prepare and file reports annually regarding the use of those funds. DHCS may regularly review the reports prepared by CA Participating Subdivisions about the use of CA Abatement Accounts Funds for compliance with the Walgreens Settlement Agreement and this CA Walgreens Allocation Agreement.
- b) If DHCS determines that a CA Participating Subdivision's use of CA Abatement Accounts Funds is inconsistent with the Walgreens Settlement Agreement or this CA Walgreens Allocation Agreement, whether through review of reports or information from any other sources, DHCS shall send a request to meet and confer with the CA Participating Subdivision. The parties shall meet and confer in an effort to resolve the concern.
- c) If the parties are unable to reach a resolution, DHCS may conduct an audit of the Subdivision's use of the CA Abatement Accounts Funds within one year of the request to meet and confer, unless the parties mutually agree in writing to extend the meet and confer time frame.
- d) If the concern still cannot be resolved, the State may bring a motion or action in the court where the State has filed its Consent Judgment to resolve the concern or otherwise enforce the requirements of the Walgreens Settlement Agreement or this CA Walgreens Allocation Agreement. However, in no case shall any audit be conducted, or motion be brought, as to a specific expenditure of funds, more than five years after the date on which the expenditure of the funds was reported to DHCS, in accordance with this agreement.
- e) Notwithstanding the foregoing, this Agreement does not limit the statutory or constitutional authority of any state or local agency or official to conduct audits, investigations, or other oversight activities, or to pursue administrative, civil, or criminal enforcement actions.



C. CA Subdivision Fund

i. Fifteen percent of the total Settlement Fund payments will be allocated to the CA Subdivision Fund. All funds in the CA Subdivision Fund will be allocated among the Plaintiff Subdivisions that are Initial Participating Subdivisions. The funds will be used, subject to any limits imposed by the Walgreens Settlement Agreement and this CA Walgreens Allocation Agreement, to fund future Opioid Remediation and reimburse past opioid-related expenses, which may include fees and expenses related to litigation, and to pay the reasonable fees and expenses of the Special Master as set forth in Appendix 2.

The CA Subdivision Funds will be allocated as follows:

- a) First, funds in the CA Subdivision Fund shall be used to pay the Special Master's reasonable fees and expenses in accordance with the procedures and limitations set forth in Appendix 2 to this document;
- b) Second, funds will be allocated to Plaintiff Subdivisions that are Initial Participating Subdivisions that have been awarded Costs, as defined by and in accordance with the procedures and limitations set forth in Appendix 2 to this document.
- c) Funds remaining in the CA Subdivision Fund, which shall consist of no less than 50% of the total CA Subdivision Fund received in any year pursuant to Appendix 2, Section 2.c.v, will be distributed to Plaintiff Subdivisions that are Initial Participating Subdivisions, in relative proportion to the Local Allocation. These funds shall be used to fund future opioid-related projects and to reimburse past opioid-related expenses, which may include fees and expenses related to litigation against any Opioid Defendant.

D. Provision for State Back-Stop Agreement

On August 6, 2021, Judge Dan Polster of the U.S. District Court, Northern District of Ohio, Eastern Division, issued an order (ECF Docket Number 3814) ("MDL Fees Order") in the National Prescription Opiate Litigation (MDL No. 2804) "cap[ping] all applicable contingent fee agreements at 15%." Private counsel representing Plaintiff Subdivisions should seek its contingency fees and costs from the Attorney Fee Fund or Cost Funds under the Walgreens Settlement Agreement, and, if applicable, the Teva Settlement Agreement, Allergan Settlement Agreement, CVS Settlement Agreement, Distributor Settlement Agreement, Janssen Settlement Agreement, and Walmart Settlement Agreement.

A Plaintiff Subdivision may separately agree to use its share of the CA Subdivision Fund to pay for fees or costs incurred by its contingency-fee counsel ("State Back-Stop Agreement"), pursuant to Exhibit R, section I(Y), of the Walgreens Settlement Agreement and the MDL Fees Order, so long as such contingency fees do not exceed a total contingency fee of 15% of the total gross recovery of the Plaintiff Subdivision pursuant to the Walgreens Settlement, inclusive of contingency fees from the national Attorney Fee Fund and this State Back-Stop Agreement. Before seeking fees or litigation costs and expenses from a State Back-Stop Agreement, private counsel representing Plaintiff Subdivisions must first seek contingency fees and costs from the Attorney Fee Fund or Cost Funds created under the Walgreens Settlement Agreement. Further,



private counsel may only seek reimbursement for litigation fees and costs that have not previously been reimbursed through prior settlements or judgments.

To effectuate a State Back-Stop Agreement pursuant to this section, an agreement in the form of Appendix 3 may be entered into by a Plaintiff Subdivision, private counsel, and the California Office of the Attorney General. The California Office of the Attorney General shall, upon the request of a Plaintiff Subdivision, execute any agreement executed by a Plaintiff Subdivision and its private counsel if it is in the form of Appendix 3. The California Office of the Attorney General will also consider requests from Plaintiff Subdivisions to execute and enter into agreements presented in other forms.

For the avoidance of doubt, this agreement does not require a Plaintiff Subdivision to request or enter into a State Back-Stop Agreement, and no State Back-Stop Agreement shall impose any duty or obligation on the State of California or any of its agencies or officers, including without limitation the Attorney General.

5. State and Subdivision Reporting

- a) DHCS will prepare an annual written report regarding the State's use of funds from the settlement until those funds are fully expended and for one year thereafter. These reports will be made publicly available on the DHCS web site.
- b) Each CA Participating Subdivision that receives payments of funds from the settlement will prepare written reports at least annually regarding the use of those funds, until those funds are fully expended and for one year thereafter. These reports will also include a certification that all funds that the CA Participating Subdivision has received through the settlement have been used in compliance with the Walgreens Settlement Agreement and this CA Walgreens Allocation Agreement. The report will be in a form reasonably determined by DHCS. Prior to specifying the form of the report DHCS will confer with representatives of the Plaintiff Subdivisions.
- c) The State and all CA Participating Subdivisions receiving CA Abatement Accounts Funds will track all deposits and expenditures. Each such subdivision is responsible solely for the CA Abatement Accounts Funds it receives. A county is not responsible for oversight, reporting, or monitoring of CA Abatement Accounts Funds received by a city within that county that receives direct payment. Unless otherwise exempt, Subdivisions' expenditures and uses of CA Abatement Accounts Funds and other Settlement Funds will be subject to the normal budgetary and expenditure process of the Subdivision.
- d) Each Plaintiff Subdivision receiving CA Subdivision Funds will track all deposits and expenditures, as required by the Walgreens Settlement Agreement and this CA Walgreens Allocation Agreement. Among other things, Plaintiff Subdivisions using monies from the CA Subdivision Fund for purposes that do not qualify as Opioid Remediation must identify and include in their annual report, the amount and how such funds were used, including if used to pay attorneys' fees, investigation costs, or litigation costs. Pursuant to Section V(B)(2) of the Walgreens Settlement Agreement, such information must also be reported to the Settlement Fund Administrator and Walgreens.



e) In each year in which DHCS prepares an annual report DHCS will also host a meeting to discuss the annual report and the Opioid Remediation activities being carried out by the State and Participating Subdivisions.

6. Miscellaneous

- a) The State or any CA Participating Subdivision may bring a motion or action in the court where the State has filed its Consent Judgment to enforce the requirements of this CA Walgreens Allocation Agreement. Before filing such a motion or action the State will meet and confer with any CA Participating Subdivision that is the subject of the anticipated motion or action, and vice versa.
- b) Except as provided in the Walgreens Settlement Agreement, this CA Walgreens Allocation Agreement is not enforceable by any party other than the State and the CA Participating Subdivisions. It does not confer any rights or remedies upon, and shall not be enforceable by, any third party.
- c) Except as provided in the CA Walgreens Allocation Agreement, if any provision of this agreement or the application thereof to any person, entity, or circumstance shall, to any extent, be invalid or unenforceable, the remainder of this agreement, or the application of such provision to persons, entities, or circumstances other than those as to which it is invalid or unenforceable, will not be affected thereby, and each other provision of this agreement will be valid and enforceable to the fullest extent permitted by law.
- d) Except as provided in the Walgreens Settlement Agreement, this agreement shall be governed by and interpreted in accordance with the laws of California.



The undersigned, Suisun City city, ACKNOWLEDGES acceptance of this Proposed California State-Subdivision Agreement Regarding Distribution and Use of Settlement Funds – Walgreens Settlement is a requirement to be an Initial Participating Subdivision in the Walgreens Settlement and ACCEPTS this Proposed California State-Subdivision Agreement Regarding Distribution and Use of Settlement Funds – Walgreens Settlement. EXECUTED on 3/1/2023.

	DocuSigned by:	
Signature:	Gry Folsom	
Name:	Greg Folsom	
Title:	City Manager	
Date:	3/1/2023	





Regarding the column herein entitled "Abatement Percentage," the annotation of "100%" refers to one-hundred percent (100%) of the **DISCLAIMER**: The allocation percentages herein are estimates only and should not be relied on for decisions regarding legal rights, Participating Subdivision, but that has not, as of the date of that payment to the Settlement Fund, become a Participating Subdivision. California Abatement Account Funds received, pursuant to Section 4.B. Regarding the column herein entitled "Plaintiff Subdivision Percentage," the annotation of "100%" refers to one-hundred percent (100%) of the California Subdivision Funds received, pursuant Regarding the column herein entitled "Plaintiff Subdivision Percentage," payments allocated to a Plaintiff Subdivision, which is not Percentage column may change pursuant to Section 4.C. of the California State-Subdivision Agreement Regarding Distribution and Local Allocation share of any payment to the Settlement Fund that is attributable to a county or city that is eligible to become a CA an Initial Participating Subdivision, will be re-allocated among the Plaintiff Subdivisions that are Initial Participating Subdivisions. Use of Settlement Funds-Walgreens Settlement, whereas the percentages shown in the Abatement Percentage column should not Regarding the column herein entitled "Abatement Percentage," pursuant to Section 4.B.e., the State of California will receive the to Section 4.C. Regarding the column herein entitled "Weighted Allocation Percentage," the annotation of "100%" refers to oneeleases, waivers, or other decisions affecting current or potential legal claims. Percentages shown in the Plaintiff Subdivision nundred percent (100%) of the combined and weighted allocation of the Abatement Percentage and the Plaintiff Subdivision change. Participating Subdivisions, underlying calculations, and the calculated allocation percentages are subject to change. Percentage.

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Subdivision	Participating Subdivision	County	Abatement Percentage	Subdivision	Weighted Allcation
Classification	1 1 1 1	A 1	/0000) ocon	2 422 70 F20/
County	Alameda County	Alameda	2.332%	2.855%	7.473/952%
City	Alameda	Alameda	0.069%		0.0570162%
City	Albany	Alameda	0.013%		0.0107768%
City	Berkeley	Alameda	0.152%		0.1249656%
City	Dublin	Alameda	0.033%	0.040%	0.0338810%
City	Emeryville	Alameda	0.023%		0.0185765%
City	Fremont	Alameda	0.108%		0.0888576%
City	Hayward	Alameda	0.117%		0.0966218%
City	Livermore	Alameda	0.054%		0.0446740%
City	Newark	Alameda	0.026%		0.0217626%
City	Oakland	Alameda	0.486%	0.595%	0.5055601%
City	Piedmont	Alameda	0.014%		0.0114064%
City	Pleasanton	Alameda	0.067%		0.0554547%
City	San Leandro	Alameda	0.039%		0.0321267%
City	Union City	Alameda	0.043%		0.0352484%
County	Amador County	Amador	0.226%	0.277%	0.2349885%
County	Butte County	Butte	1.615%	1.975%	1.6783178%
City	Chico	Butte	0.216%	0.264%	0.2246499%
City	Oroville	Butte	0.079%		0.0646595%
County	Calaveras County	Calaveras	0.226%	0.277%	0.2351644%
County	Colusa County	Colusa	0.059%		0.0489221%
County	Contra Costa County	Contra Costa	2.102%	2.571%	2.1844585%
City	Antioch	Contra Costa	0.037%		0.0301879%
City	Brentwood	Contra Costa	0.026%		0.0215339%
City	Clayton	Contra Costa	0.002%		0.0018060%
City	Concord	Contra Costa	0.055%		0.0456676%
City	Danville	Contra Costa	0.010%		0.0082255%
City	El Cerrito	Contra Costa	0.023%		0.0189024%
City	Heronjes	Contra Costa	0.010%		7027720/

Weighted	Percentage	0.0046030%	0.0098593%	0.0031007%	0.0079416%	0.0038157%	0.0110909%	0.0436369%	0.0106309%	0.1201444%	0.0148843%	0.0176459%	0.0212132%	0.1189608%	0.7980034%	0.0127642%	0.0665456%	1.9693410%	0.0536211%	0.0098554%	0.3270605%	0.0042534%	0.0066167%	0.0019387%	0.0035607%	0.0069755%	0.0098804%	0.0146135%	0.0127537%	0.1116978%	1.0703185%
Plaintiff	Percentage													0.140%	0.939%			2.318%												0.131%	1.260%
Abatement	Percentage	0.006%	0.012%	0.004%	0.010%	0.005%	0.013%	0.053%	0.013%	0.146%	0.018%	0.021%	0.026%	0.114%	0.768%	0.015%	0.081%	1.895%	0.065%	0.012%	0.397%	0.005%	0.008%	0.002%	0.004%	0.008%	0.012%	0.018%	0.015%	0.107%	1.030%
3,44	County	Contra Costa	Contra Costa	Contra Costa	Contra Costa	Contra Costa	Del Norte	El Dorado	El Dorado	El Dorado	Fresno	Fresno	Fresno	Fresno	Fresno	Fresno	Fresno	Fresno	Fresno	Fresno	Fresno	Fresno	Glenn	Humboldt							
Dawling time Subdivision	r at incipating outdoors you	Lafayette	Martinez	Moraga	Oakley	Orinda	Pinole	Pittsburg	Pleasant Hill	Richmond	San Pablo	San Ramon	Walnut Creek	Del Norte County	El Dorado County	Placerville	South Lake Tahoe	Fresno County	Clovis	Coalinga	Fresno	Kerman	Kingsburg	Mendota	Orange Cove	Parlier	Reedley	Sanger	Selma	Glenn County	Humboldt County
Participating	Classification	City	City	City	City	City	County	County	City	City	County	City	City	City	City	City	County	County													

14.4437559% 0.0069861% 0.0131900% 0.0426253% 0.0222964% 0.3320610% 0.0219295% 0.0754413% 0.0046425% 0.0070820% 0.0249316% 0.0025644% 0.0120938% 0.0103417% 0.0073580% 0.0056335% 0.0107032% 0.0226038% 0.6545389% 0.0447660% 0.0266837% 0.0152799% 0.1302522% 0.0048791% 2.6159145% 0.1747198% 0.2413469% 0.1216284% 0.2679006% %9862800.0 Percentage Alleation 16.999% Subdivision Percentage 0.050% 0.391% 0.026% 0.143% 0.089% 3.079% 0.315% 13.896% 2.517% 0.212% 0.258% 0.319% 0.027% Abatement Percentage 0.013% 0.013% 0.016% 0.041% 0.021% 0.032% 0.011% 0.019% 0.158% %900.0 0.073% %900.0 0.009% 0.030% 0.003% 0.015% 0.009% 0.008% 0.293% 0.007% 0.027% 0.795% 0.054%Los Angeles Humboldt Humboldt Humboldt Imperial Kings Imperial Imperial Imperial Imperial Kings Kings Kings Kings Lake Lake Lassen Lassen Lake Inyo Kern Kern Kern Kern Kern Kern Kern County Kern Kern Kern Participating Subdivision Los Angeles County Imperial County California City Lassen County Kings County Inyo County Kern County Lake Count Bakersfield Susanville McFarland Ridgecrest Clearlake Tehachapi El Centro Lakeport Calexico Corcoran Lemoore Imperial Wasco Hanford Brawley Delano Shafter Fortuna Avenal Eureka Arcata Arvin Classification Subdivision Participating County County County County County City City County City City

Weighted	Allcation Percentage	0.0040024%	0.0343309%	0.0267718%	0.0005100%	0.0210857%	0.0218520%	0.0068783%	0.0014485%	0.0114301%	0.0534897%	0.0823132%	0.0048948%	0.0159805%	0.0039682%	0.0082584%	0.0002971%	0.0361882%	0.0229127%	0.0006020%	0.0449894%	0.0006993%	0.0429994%	0.0027261%	0.0318985%	0.0268020%	0.0278088%	0.1366586%	0.0134411%	0.0040549%	0.0407833%
Plaintiff	Subdivision Percentage																								0.038%						
Abatement	Percentage	0.005%	0.042%	0.033%	0.001%	0.026%	0.027%	0.008%	0.002%	0.014%	0.065%	0.100%	%900.0	0.019%	0.005%	0.010%	%000.0	0.044%	0.028%	0.001%	0.055%	0.001%	0.052%	0.003%	0.031%	0.033%	0.034%	0.166%	0.016%	0.005%	0.050%
	County	Los Angeles	Los Angeles	Los Angeles	Los Angeles	Los Angeles	Los Angeles	Los Angeles	Los Angeles	Los Angeles	Los Angeles	Los Angeles	Los Angeles	Los Angeles	Los Angeles	Los Angeles	Los Angeles	Los Angeles	Los Angeles	Los Angeles	Los Angeles	Los Angeles	Los Angeles	Los Angeles	Los Angeles	Los Angeles	Los Angeles	Los Angeles	Los Angeles	Los Angeles	Los Angeles
	Participating Subdivision	Agoura Hills	Alhambra	Arcadia	Artesia	Azusa	Baldwin Park	Bell	Bellflower	Bell Gardens	Beverly Hills	Burbank	Calabasas	Carson	Cerritos	Claremont	Commerce	Compton	Covina	Cudahy	Culver City	Diamond Bar	Downey	Duarte	El Monte	El Segundo	Gardena	Glendale	Glendora	Hawaiian Gardens	Hawthorne
Participating	Subdivision Classification	City	City	City	City	City	City	City	City	City	City	City	City	City	City	City	City	City	City	City	City	City	City	City	City	City	City	City	City	City	City

0.0091483% 0.0183333% 0.0012645% 0.0506992% 0.0028260% 0.0031940% 0.0134345% 0.0019269% 0.0250670% 0.0375827% 0.1200524% 0.0911933% 0.0145307% 0.0190667% 0.0489195% 0.0025565% 0.0039971% 0.0081572% 0.0369689% 0.0012999% 0.0194190% 0.0017731% 0.3614151% 2.8218811% 0.0260686% 0.0035528% 0.0254455% 0.0256677% 0.0258228% 0.0053102% Percentage Allcation Subdivision Percentage 3.321% Percentage 0.439% 0.004% 0.031% 0.031% 0.046% 0.011% 0.022% 0.111% 0.002% 0.062% 0.003%0.010% 0.002% 0.024% 0.002% 0.004% 2.715% 0.016% 0.002% 0.032% 0.030% 0.031% 0.006% 0.146%0.023% 0.059% 0.003% 0.005% 0.045% 0.018%Los Angeles Los Angeles County Participating Subdivision Rancho Palos Verdes La Cañada Flintridge Palos Verdes Estates Manhattan Beach Redondo Beach Huntington Park Hermosa Beach Monterey Park Los Angeles Long Beach Montebello Pico Rivera Rosemead La Mirada La Puente Maywood Monrovia Paramount Inglewood Lakewood La Verne Lawndale Lynwood Palmdale Pasadena Lancaster Norwalk Pomona Lomita Malibu Classification Participating Subdivision City City



0.4558394% 0.0317153% 0.0404521% 0.0318441% 0.5861325% 0.0078062% 0.0876131% 0.0022016%0.0104837% 0.0147726% 0.0073791% 0.0178167% 0.0257531% 0.1298513% 0.0048646% 0.0084884% 0.0039603% 0.0166272% 0.0095334% 0.0039498% 0.0919820% 0.0047305% 0.0108517% 0.0260581% 0.3630669% 0.0097332% 0.0124697% 0.0168401% 0.0229824% 0.0729823% Allcation Subdivision Percentage 0.103% 0.536% 0.690% 0.427% 0.005% Percentage Abatement 0.005% %900.0 0.013% 0.028% 0.439% 0.013% 0.018% 0.009% 0.022% 0.031% 0.158% 0.006% 0.010% 0.020% 0.012% 0.112% 0.049% 0.032% 0.349% 0.012% 0.039% 0.564% 0.015% 0.020% 0.009% 0.089% 0.084% 0.039% 0.003% Los Angeles Mendocino Mendocino Mariposa Madera Madera Madera Marin Marin Marin Marin County Marin Marin Participating Subdivision Mendocino County Mariposa County Santa Fe Springs West Hollywood South El Monte South Pasadena Madera County San Fernando Santa Monica Santa Clarita Sierra Madre West Covina Marin Count San Anselmo Temple City San Gabriel San Marino South Gate Chowchilla Mill Valley San Rafael San Dimas Signal Hill Larkspur Torrance Whittier Madera Walnut Novato Ukiah Classification Participating Subdivision County County City Counts County City City

0.1288366% 0.0271937% 0.0005560% 0.0776576% 0.0642783% 0.0023843% 4.5363576% 0.0113841% 0.5759282% 0.0708897% 0.0714352% 0.0678250% 0.0144098% 0.0074842% 0.0191772% 0.2994325% 0.4579827% 0.0197805% 0.5724262% 0.0195846% 0.0045873% 0.0165142% 0.0500762% 0.0242606% 0.9437083% 0.0050552% 0.0037355% 0.0336540% 0.0060870% 0.0136869% Percentage Allcation Subdivision 5.339% Percentage 0.152% 0.674% 0.080% 0.029% 1.1111% 0.352% 0.539% 0.678% 0.441% Percentage Abatement 0.023% 0.288% 0.003% 4.364% 0.014% 0.554% 0.086% 0.087% 0.124% 0.033% 0.001% 0.024% %900.0 0.020% 0.061% 0.065% 0.023% 0.908% 0.006% 0.005% 0.017% 0.041% 0.009% 0.094% 0.007% 0.017% 0.078% 0.024% 0.551% Monterey Monterey Monterey Monterey Monterey Monterey Orange Monterey Monterey Monterey Orange Orange Orange Orange Nevada Orange Orange Nevada Nevada Merced Merced Merced Modoc Merced Napa Napa Merced Napa Mono Participating Subdivision American Canyon Monterey County Nevada County Orange County Merced County Modoc County Pacific Grove Mono County Napa County **Grass Valley** Aliso Viejo Costa Mesa **Buena Park** Dana Point Greenfield Los Banos Livingston King City Cypress Monterey Truckee Anaheim Atwater Marina Salinas Seaside Soledad Merced Napa Brea Classification Participating Subdivision County County County County County County City Counts City City

Weighted Allcation Percentage	0.0455980%	0.1425744%	0.1752482%	0.2568420%	0.1442350%	0.0493043%	0.0115457%	0.0007071%	0.0006546%	0.0621049%	0.0101249%	0.0095439%	0.0069190%	0.0117560%	0.1470134%	0.1231320%	0.0298912%	0.0006296%	0.0086083%	0.0065510%	0.5213866%	0.0165891%	0.0291955%	0.0600341%	0.1082721%	0.0362223%	1.0861002%	0.0141114%	0.0255599%	0.0625485%
Plaintiff Subdivision Percentage	ASIMATATA	0.168%		0.302%	0.170%	0.058%				0.073%							0.035%		0.010%		0.614%				0.127%		1.278%			
Abatement Percentage	0.055%	0.137%	0.213%	0.247%	0.139%	0.047%	0.014%	0.001%	0.001%	0.060%	0.012%	0.012%	0.008%	0.014%	0.179%	0.150%	0.029%	0.001%	0.008%	0.008%	0.502%	0.020%	0.035%	0.073%	0.104%	0.044%	1.045%	0.017%	0.031%	0.076%
County	Orange	Orange	Orange	Orange	Orange	Orange	Orange	Orange	Orange	Orange	Orange	Orange	Orange	Orange	Orange	Orange	Orange	Orange	Orange	Orange	Orange	Orange	Orange	Orange	Orange	Orange	Placer	Placer	Placer	Placer
Participating Subdivision	Fountain Vallev	Fullerton	Garden Grove	Huntington Beach	Irvine	Laguna Beach	Laguna Hills	Laguna Niguel	Laguna Woods	La Habra	Lake Forest	La Palma	Los Alamitos	Mission Viejo	Newport Beach	Orange	Placentia	Rancho Santa Margarita	San Clemente	San Juan Capistrano	Santa Ana	Seal Beach	Stanton	Tustin	Westminster	Yorba Linda	Placer County	Auburn	Lincoln	Rocklin
Participating Subdivision	City	City	City	City	City	City	City	City	City	City	City	City	City	City	City	City	City	City	City	City	City	City	City	City	City	City	County	City	City	City



0.0076774% 0.0062500% 3.9465887% 0.0682465% 0.0629862% 0.0431098% 0.2206279% 0.0085936% 0.0180086% 4.7128296% 0.0096714% 0.0516732% 0.0260909% 0.1130348% 0.0497423% 0.0134542% 0.1616559% 0.2128729% 0.0143848% 0.0171135% 0.0001761% 0.0553614% 0.0173054% 0.1207083% 0.0200433% 0.0002747% 0.0421792% 0.0457794% 0.0008991% 0.0172949% Allcation Subdivision 5.547% Percentage 4.645% 0.059% 0.251% Percentage 0.022% 3.797% 4.534% 0.021% 0.051% 0.021% 0.063% 0.032% 0.137% 0.048% 0.083% 0.076% 0.009% 0.052% 0.268% 0.010% 0.008% Abatemen 0.205% 0.012% 0.000% 0.067% 0.021% 0.147% 0.024% 0.000% 0.056% 0.001% 0.016% 0.017% 0.196%Sacramento Riverside Plumas Placer Participating Subdivision Sacramento County Desert Hot Springs Riverside County Rancho Mirage Moreno Valley Plumas County Cathedral City Lake Elsinore Canyon Lake Jurupa Valley Palm Springs Palm Desert San Jacinto Temecula Wildomar La Quinta Riverside Roseville Beaumont Coachella Menifee Murrieta Banning Eastvale Blythe Corona Hemet Indio Norco Perris Classification Participating Subdivision County County City City

0.0128772% 0.1461880% 0.0269400% 0.1066994% 0.0890850% 0.0143704% 0.0067679% 0.7496530% 0.1101417% 0.0225355% 3.3878124% 0.0066640% 0.0207360% 0.0122056% 0.0525893% 0.0006388% 0.0253443% 0.0920543% 0.0051051% 0.0291522% 0.0029061% 0.0071188% 0.0322108% 0.1472934% 0.0689431% 0.0469150% 0.0603206% 0.0012605% 0.0424460% 0.0465312% Percentage Allcation Subdivision Percentage 0.882% 0.130% 3.987% Percentage 0.064% Abatement 0.073% 0.033% 0.016% 0.108% 0.721% 0.106% 0.027% 3.259% 0.025% 0.015% 0.001% 0.031% 0.112% %900.0 0.035% 0.004% 0.009% 0.039% 0.179% 0.084% 0.057% 0.178% 0.002% 0.052% 0.130% 0.017% 0.008% 0.008% 0.057% San Bernardino Sacramento Sacramento Sacramento Sacramento Sacramento Sacramento San Benito San Benito County San Bernardino County Participating Subdivision Rancho Cucamonga Twentynine Palms San Benito County Rancho Cordova San Bernardino Grand Terrace Citrus Heights Apple Valley Loma Linda Sacramento Victorville Chino Hills Elk Grove Montclair Adelanto Highland Redlands Hesperia Yucaipa Hollister Barstow Fontana Ontario Upland Folsom Colton Chino Galt Participating Classification Subdivision County County City City

0.8484126% 0.0199053% 0.0240680% 0.0425144% 0.0075394% 0.0443454% 0.0104219% 0.3256176% 0.0692047% 0.1192204% 0.0183911% 0.1753428% 0.0511040% 0.0268401% 0.0138564% 3.1457169% 1.7460399% 0.0439484% 0.0021228% 5.9309748% 0.1050485% 0.1961456% 0.0359095% 0.0933582% 0.0630289% 0.0118283% 0.0575593% 0.0656808% 2.0531169% 0.0733897% Percentage Allcation Subdivision 3.702% Percentage 0.383% 0.999% %086.9 0.231% 0.074% 0.068% 2.416% 2.055% 1.680% Percentage 0.128% 0.145% 1.975% 0.033% 3.026% 0.054% 0.313% 0.816% 0.024% 0.029% 5.706% 0.189% 0.044% 0.113% 0.061% 0.014% 0.055% 0.022% 0.080% 0.213% 0.062% 0.089% 0.017% 0.052% 0.009% 0.053% 0.013%0.084% 0.003%San Luis Obispo San Luis Obispo San Luis Obispo San Bernardino San Francisco San Joaquin San Diego San Luis Obispo County Participating Subdivision San Joaquin County San Diego County Arroyo Grande San Francisco Imperial Beach Lemon Grove Solana Beach National City Yucca Valley San Marcos Atascadero Chula Vista San Diego Escondido Oceanside Coronado Encinitas Lathrop El Cajon La Mesa Carlsbad Manteca Stockton Santee Poway Tracy Vista Ripon Lodi Consolidated Classification Participating Subdivision County County County City City



Weighted Allcation Percentage	0.0353456%	0.0137881%	0.0160922%	0.0637841%	1.1159599%	0.0169860%	0.0152537%	0.0363880%	0.0103982%	0.0166101%	0.0031638%	0.0110029%	0.0126209%	0.0105836%	0.0130625%	0.0463511%	0.0172161%	0.0108885%	0.0425841%	0.0353943%	1.1768968%	0.0008938%	0.0028969%	0.0389379%	0.1004559%	0.0479179%	2.4987553%	0.0112566%	0.0066824%	0.0202891%
Plaintiff Subdivision Percentage					1.313%																1.385%						2.941%			
Abatement Percentage	0.043%	0.017%	0.020%	0.077%	1.074%	0.021%	0.019%	0.044%	0.013%	0.020%	0.004%	0.013%	0.015%	0.013%	0.016%	0.056%	0.021%	0.013%	0.052%	0.043%	1.132%	0.001%	0.004%	0.047%	0.122%	0.058%	2.404%	0.014%	0.008%	0.025%
County	San Luis Obispo	San Luis Obispo	San Luis Obispo	San Luis Obispo	San Mateo	San Mateo	San Mateo	San Mateo	San Mateo	San Mateo	San Mateo	San Mateo	San Mateo	San Mateo	San Mateo	San Mateo	San Mateo	San Mateo	San Mateo	San Mateo	Santa Barbara	Santa Barbara	Santa Barbara	Santa Barbara	Santa Barbara	Santa Barbara	Santa Clara	Santa Clara	Santa Clara	Santa Clara
Participating Subdivision	El Paso de Robles (Paso Robles)	Grover Beach	Morro Bay	San Luis Obispo	San Mateo County	Belmont	Burlingame	Daly City	East Palo Alto	Foster City	Half Moon Bay	Hillsborough	Menlo Park	Millbrae	Pacifica	Redwood City	San Bruno	San Carlos	San Mateo	South San Francisco	Santa Barbara County	Carpinteria	Goleta	Lompoc	Santa Barbara	Santa Maria	Santa Clara County	Campbell	Cupertino	Gilroy
Participating Subdivision Classification	City	City	City	City	County	City	City	City	City	City	City	City	City	City	City	City	City	City	City	City	County	City	City	City	City	City	County	City	City	City

0.0667507% 0.0176183% 0.1373644% 1.2661290% 0.0266929% 0.0126525% 1.1380191% 0.0198896% 0.2334841% 0.0031993% 0.2373393% 0.6260795% 0.0253903% 0.0130849% 0.0897317% 0.0976497% 0.0549723% 0.0034161% 0.8135396% 0.0168191% 0.1180348% 0.0520136% 0.0103338%0.0103220% 0.0298120% 0.0124619% 0.0334608% 0.0323080% 0.3054960% 0.0434069% Percentage Allcation Subdivision 1.339% Percentage 0.279% 1.490% 0.360% 0.957% Percentage 0.783% 0.032% Abatement 0.294% 0.143% 0.015% 1.095% 0.024% 0.284% 0.004% 0.228% 0.760% 0.031% 0.016% 0.109% 0.021% 0.119% 0.167% 1.218% 0.081% 0.013% 0.036% 0.015% 0.041% 0.039% 0.067% 0.004% 0.053% 0.020% 0.063% 0.013% Santa Clara Santa Cruz Santa Cruz Santa Cruz Santa Cruz Santa Cruz Santa Clara Sonoma Siskiyou Solano Sonoma Sonoma Shasta Solano Shasta Shasta Shasta Solano Solano Solano Solano Solano Participating Subdivision Santa Cruz County Sonoma County Siskiyou Count Mountain View Solano County Shasta County Scotts Valley Shasta Lake Healdsburg Watsonville Santa Clara Morgan Hill Santa Cruz Suisun City Sunnyvale Vacaville Petaluma Los Gatos Palo Alto Los Altos Saratoga Capitola Anderson Redding San Jose Fairfield Milpitas Vallejo Benicia Dixon Classification Participating Subdivision County County County County County City City

Weighted Allcation Percentage	0.0340759%	0.1519070%	0.0183438%	0.0129298%	1.4182273%	0.0340260%	0.1788759%	0.0046964%	0.0145531%	0.0126590%	0.0085699%	0.0531966%	0.3179548%	0.0606242%	0.2216654%	0.0117771%	0.0855476%	0.8410949%	0.0116929%	0.0032479%	0.0027879%	0.0057111%	0.0171845%	0.0302273%	0.0545872%	0.5047621%	2.2781201%	0.0012815%	0.0020294%	0.0067337%
Plaintiff Subdivision Percentage													0.374%		0.261%		0.101%	%066.0								0.594%	2.681%			
Abatement Percentage	0.041%	0.184%	0.022%	0.016%	1.722%	0.041%	0.217%	0.006%	0.018%	0.015%	0.010%	0.065%	0.306%	0.074%	0.213%	0.014%	0.082%	0.809%	0.014%	0.004%	0.003%	0.007%	0.021%	0.037%	0.066%	0.486%	2.192%	0.002%	0.002%	0.008%
County	Sonoma	Sonoma	Sonoma	Sonoma	Stanislaus	Stanislaus	Stanislaus	Stanislaus	Stanislaus	Stanislaus	Stanislaus	Stanislaus	Sutter	Sutter	Tehama	Tehama	Trinity	Tulare	Tulare	Tulare	Tulare	Tulare	Tulare	Tulare	Tulare	Tuolumne	Ventura	Ventura	Ventura	Ventura
Participating Subdivision	Rohnert Park	Santa Rosa	Sonoma	Windsor	Stanislaus County	Ceres	Modesto	Newman	Oakdale	Patterson	Riverbank	Turlock	Sutter County	Yuba City	Tehama County	Red Bluff	Trinity County	Tulare County	Dinuba	Exeter	Farmersville	Lindsay	Porterville	Tulare	Visalia	Tuolumne County	Ventura County	Camarillo	Fillmore	Moorpark
Participating Subdivision Classification	City	City	City	City	County	City	County	City	County	City	County	County	City	City	City	City	City	City	City	County	County	City	City	City						



				_		_	_	_				_
Weighted Allcation Percentage	0.1617338%	0.0174145%	0.0702181%	0.0119072%	0.0533043%	0.0179902%	0.3713319%	0.0451747%	0.0544321%	0.0477904%	0.2225679%	0.0112079%
Plaintiff Subdivision Percentage	0.190%						0.437%				0.262%	
Abatement Percentage	0.156%	0.021%	0.085%	0.014%	0.065%	0.022%	0.357%	0.055%	%990.0	0.058%	0.214%	0.014%
County	Ventura	Ventura	Ventura	Ventura	Ventura	Ventura	Yolo	Yolo	Yolo	Yolo	Yuba	Yuba
Participating Subdivision	Oxnard	Port Hueneme	San Buenaventura (Ventura)	Santa Paula	Simi Valley	Thousand Oaks	Yolo County	Davis	West Sacramento	Woodland	Yuba County	Marysville
Participating Subdivision Classification	City	City	City	City	City	City	County	City	City	City	County	City

Cost Reimbursement Procedure

1. Additional defined terms:

- a) Costs means the reasonable amounts paid for the attorney and other City Attorney and County Counsel staff time for individuals employed by a Plaintiff Subdivision at the contractual rate, inclusive of benefits and overhead, together with amounts paid for court reporters, experts, copying, electronic research, travel, vendors, and the like, which were not previously reimbursed and which were paid or incurred (i) prior to December 31, 2022 in litigation against any Opioid Defendant and/or (ii) in negotiating and drafting any CA Allocation Agreement(s) concerning a settlement with any Opioid Defendant(s). Costs does not include attorneys' fees, costs, or expenses incurred by private contingency fee counsel. No part of the CA Abatement Accounts Fund will be used to reimburse Costs.
- b) First Claims Date means October 1, 2023 or when all applications for reimbursement of Costs, in whole or in part, from funds available under Section IX and Exhibit R of the Walgreens Settlement Agreement, Section XIV and Exhibit R of the Teva Settlement Agreement, Section XIII and Exhibit R of the Allergan Settlement Agreement, Section X and Exhibit R of the Distributor Settlement Agreement, Section XI and Exhibit R of the Janssen Settlement Agreement, Section X and Exhibit R of the CVS Settlement Agreement, or Section IX and Exhibit R of the Walmart Settlement Agreement, have been finally determined under the provisions of those agreements, whichever comes first.
- c) Special Master means a retired judicial officer or former public lawyer, not presently employed or retained by a Plaintiff Subdivision, who will aggregate, review, and determine the reasonable Costs to be awarded to each Plaintiff Subdivision that submits a claim for reimbursement of Costs. The Special Master will be selected by a majority vote of the votes cast by Plaintiff Subdivisions, with each such subdivision having one vote.
- d) Plaintiff Subdivision Committee means the committee of Plaintiff Subdivisions that will review and approve the invoices submitted by the Special Master reflecting his or her reasonable time and expenses.

2. Cost Reimbursement to Plaintiff Subdivision

- a) Purpose. Substantial resources have been expended to hold Opioid Defendants accountable for creating and profiting from the opioid crisis, and this effort has been a significant catalyst in creating National Opioid Settlements with various manufacturers, distributors, and chain pharmacies.
- b) Claims Procedure.
 - i. If a Plaintiff Subdivision is eligible to seek reimbursement of Costs, in whole or in part, from funds available under Section IX and Exhibit R of the Walgreens



Settlement Agreement, Section XIV and Exhibit R of the Teva Settlement Agreement, Section XIII and Exhibit R of the Allergan Settlement Agreement, Section X and Exhibit R of the CVS Settlement Agreement, Section IX and Exhibit R of the Walmart Settlement Agreement, Section X or Exhibit R of the Distributor Settlement Agreement, or Section XI or Exhibit R of the Janssen Settlement Agreement, it must first make a timely application for reimbursement from such funds. To allow sufficient time for determination of those applications, no claim for Costs to the CA Subdivision Fund under this Agreement may be made before the First Claims Date.

- ii. A Plaintiff Subdivision that wishes to be reimbursed from the CA Subdivision Fund must submit a claim to the Special Master no later than forty-five (45) days after the First Claims Date. The Special Master will then compile and redistribute the aggregated claim totals for each Plaintiff Subdivision via email to representatives of all the Plaintiff Subdivisions. A claim for attorney and staff time must list, for each attorney or staff member included in the claim, the following information: name, title, total hours claimed, hourly rate (including, if sought, benefits and share of overhead), and narrative summarizing the general nature of the work performed by the attorney or staff member. For reimbursement of "hard" costs, the subdivision may aggregate across a category (e.g., total for travel costs). It is the intention of the Plaintiff Subdivisions that submission of documents related to reimbursement of Costs does not waive any attorney-client privilege or exemptions to the California Public Records Act.
- iii. The Special Master may request, at his or her sole option, additional documents or details to assist in the final award of Costs.
- iv. The Special Master will review claims for reasonableness and will notify each Plaintiff Subdivision of the final determination of its claim, and will provide a list of all final awards to all Plaintiff Subdivisions by email or, upon request, via First Class U.S. Mail. Any Plaintiff Subdivision may ask the Special Master to reconsider any final award within twenty-one (21) days. The Special Master will make a final determination on any such reconsideration request within thirty (30) days of receipt.
- v. Any decision of the Special Master is final and binding, and will be considered under the California Arbitration Act, Code of Civil Procedure section 1280 et seq. as a final arbitration award. Nothing in this agreement is intended to expand the scope of judicial review of the final award for errors of fact or law, and the Parties agree that they may only seek to vacate the award if clear and convincing evidence demonstrates one of the factors set forth in Code of Civil Procedure, section 1286.2, subdivision (a). Plaintiff Subdivisions will have fourteen (14) days after all final awards are made, together with any final determination of a request for



- reconsideration, to seek review in the Superior Court of California, pursuant to Code of Civil Procedure, section 1285, where the State has filed its Consent Judgment.
- vi. The Special Master will prepare a report of Costs that includes his or her fees and expenses at least ninety (90) days before the Payment Date for each Annual Payment. The Special Master's preparation of a report of Costs does not discharge a Plaintiff Subdivision's reporting requirement under Section V(B)(2) of the Walgreens Settlement Agreement.
- vii. A member of the Plaintiff Subdivision Committee, which is a CA Participating Subdivision, will submit to the Settlement Fund Administrator and Walgreens a report of the fees and expenses incurred by the Special Master pursuant to Section V(B)(2) of the Walgreens Settlement Agreement.
- c) Claims Priority and Limitation.
 - i. The Special Master will submit invoices for compensation of reasonable fees and expenses to the Plaintiff Subdivision Committee no later than ninety (90) days prior to the Payment Date for each Annual Payment. The Plaintiff Subdivision Committee will promptly review and, if reasonable, approve the Special Master's invoice for compensation. The Plaintiff Subdivision Committee will submit approved invoices to the Settlement Fund Administrator for payment. The Special Master's approved invoices have priority and will be paid first from the CA Subdivision Fund before any award of Costs, subject to the limitation in Section 2.c.y below.
 - ii. Final Awards of Costs that do not exceed seventy-five thousand dollars (\$75,000.00) will be paid next in priority after the Special Master's approved invoices.
- iii. Final Awards of Costs in excess of seventy-five thousand dollars (\$75,000.00) will be paid proportionally from the funds remaining in that year's Annual Payment.
- iv. Any claim for Costs that is not paid in full will be allocated against the next year's distribution from the CA Subdivision Fund, until all approved claims for Costs are paid in full.
- v. In no event will more than 50% of the total CA Subdivision Fund received in any year be used to pay Costs or the Special Master's approved invoices.
- vi. In no event shall more than \$28 million of the total CA Subdivision Funds paid pursuant to the Walgreens Settlement Agreement, Teva Settlement Agreement, Allergan Settlement Agreement, Distributor Settlement Agreement, CVS Settlement Agreement, Janssen Settlement Agreement, and the Walmart Settlement Agreement be used to pay Costs.



- d) Collateral Source Payments and Third-Party Settlement.
 - In the event a Plaintiff Subdivision is awarded compensation, in whole or in part, i. by any source of funds created as a result of litigation against an Opioid Defendant for its reasonable Costs, it will reduce its claim for Costs from the CA Subdivision Fund by that amount. If a Plaintiff Subdivision has already received a final award of Costs from the CA Subdivision Fund, it will repay the fund up to the prior award of Costs via a payment to the Settlement Fund Administrator or notify the Settlement Fund Administrator that its allocation from the next and subsequent Annual Payments should be reduced accordingly. If the Plaintiff Subdivision is repaying any prior award of Costs, that repayment will occur as soon as is feasible after the Plaintiff Subdivision's receipt of Cost funds from the collateral source, but no more than 90 days after its receipt from the collateral source. The Settlement Fund Administrator will add any repaid Costs to the CA Subdivision Fund. Any Plaintiff Subdivision that has submitted for reimbursement to any national fund and has not received a final determination by the First Claims Date may request that the settlement administrator withhold some or all of its payment from the CA Subdivision Fund in order to avoid repayment.
 - ii. In the event a Plaintiff Subdivision reaches a monetary settlement or compromise against any Opioid Defendant outside of the National Opioid Settlement, the monetary portion of such settlement, net of fees paid to outside contingency fee counsel and of funds earmarked strictly for abatement, will be credited against its Costs and the subdivision will be ineligible to recover those credited Costs from the CA Subdivision Fund. Plaintiff Subdivisions negotiating monetary settlements or compromises against any Opioid Defendant outside of the National Opioid Settlement will negotiate for funds to repay any Costs it previously received from the CA Subdivision Fund or for Costs it otherwise might be eligible to claim from the CA Subdivision Fund. If such a settlement is paid after all final approved claims for Costs by all Plaintiff Subdivisions are satisfied in full, the settling subdivision will reimburse the CA Subdivision Fund in that amount by making payment to the Settlement Fund Administrator to add to the CA Subdivision Fund in a manner consistent with the repayments described in section 2.d.i above.



CALIFORNIA-SUBDIVISION BACKSTOP AGREEMENT

On August 6, 2021, Judge Polster of the US District Court for the Northern District of Ohio issued an Order (the Order), docket number 3814, in In Re National Prescription Opiate Litigation, MDL 2804, addressing contingent attorney fee contracts between political subdivisions eligible to participate in the Walgreens Settlement and their counsel.

In light of the Order, and at the request of [SUBDIVISION], the [SUBDIVISION], its counsel [COUNSEL], and the California Attorney General, on behalf of the State of California, are entering into this California-Subdivision Backstop Agreement (Backstop Agreement).

[SUBDIVISION] and [COUNSEL] intend this Backstop Agreement to constitute a State Back-Stop Agreement as that term is used in the Order and in Exhibit R (Agreement on Attorneys' Fees, Costs, and Expenses) of the Walgreens Settlement Agreement.

Pursuant to this Backstop Agreement, [SUBDIVISION] may, subject to the limitations of the Walgreens Settlement Agreement and CA Walgreens Allocation Agreement, as well as any other limitations imposed by law, use funds that it receives from the Walgreens Settlement CA Subdivision Fund to pay a contingent fee to [COUNSEL]. Any such payment from [SUBDIVISION] to [COUNSEL], together with any contingency fees that [COUNSEL] may receive from the national Attorney Fee Fund, will not exceed a total contingency fee of [PERCENTAGE NOT TO EXCEED 15%] of the total gross recovery of [SUBDIVISION] from the Walgreens Settlement.

[COUNSEL] certify that they first sought fees and costs from the Attorney Fee Fund created under the Walgreens Settlement Agreement before seeking or accepting payment under this backstop agreement. [COUNSEL] further certify that they are not seeking and will not accept payment under this backstop agreement of any litigation fees or costs that have been reimbursed through prior settlements or judgments.

The Attorney General is executing this agreement solely because the definition of "State Back-Stop Agreement" in Exhibit R of the Walgreens Settlement Agreement requires such agreements to be between "a Settling State" and private counsel for a participating subdivision. Neither the California Attorney General nor the State of California have any obligations under this Backstop Agreement, and this Backstop Agreement does not require the payment of any state funds to [SUBDIVISION], [COUNSEL], or any other party.

[DATE] [SUBDIVISION SIGNATURE BLOCK]

[DATE] [COUNSEL SIGNATURE BLOCK]

[DATE] [ATTORNEY GENERAL SIGNATURE BLOCK]



Proposed California State-Subdivision Agreement Regarding Distribution and Use of Settlement Funds – Walmart Settlement

1. Introduction

Pursuant to the Walmart Settlement Agreement, dated as of November 14, 2022, and any revision thereto (the "Walmart Settlement Agreement"), including Section V and Exhibit O, the State of California proposes this agreement (the "CA Walmart Allocation Agreement") to govern the allocation, distribution, and use of Settlement Fund payments made to California pursuant to Sections IV and V of the Walmart Settlement Agreement. For the avoidance of doubt, this agreement does not apply to payments made pursuant to Sections VIII or IX of the Walmart Settlement Agreement.

Pursuant to Exhibit O, Paragraph 4, of the Walmart Settlement Agreement, acceptance of this CA Walmart Allocation Agreement is a requirement to be a Participating Subdivision.

2. Definitions

- a) CA Participating Subdivision means a Participating Subdivision that is also (a) a Plaintiff Subdivision and/or (b) a Primary Subdivision with a population equal to or greater than 10,000. For the avoidance of doubt, eligible CA Participating Subdivisions are those California subdivisions listed in Exhibit C (excluding Litigating Special Districts) and/or Exhibit I to the Walmart Settlement Agreement.
- b) Allergan Settlement Agreement means the Allergan Settlement Agreement dated November 22, 2022, and any revision thereto.
- c) CVS Settlement Agreement means the CVS Settlement Agreement dated December 9, 2022, and any revision thereto as well as any modification thereto entered into by the State of California and CVS.
- d) Distributor Settlement Agreement means the Distributor Settlement Agreement dated July 21, 2021, and any revision thereto.
- e) Janssen Settlement Agreement means the Janssen Settlement Agreement dated July 21, 2021, and any revision thereto.
- f) Teva Settlement Agreement means the Teva Settlement Agreement dated November 22, 2022, and any revision thereto.
- g) Walgreens Settlement Agreement means the Walgreens Settlement Agreement dated December 9, 2022, and any revision thereto.
- h) CA Litigating Special District means a Litigating Special District located in California. CA Litigating Special Districts include Downey Unified School District, Elk Grove Unified School District, Kern High School District, Montezuma Fire Protection District (located in Stockton, California), Santa Barbara San Luis Obispo Regional Health Authority, Inland Empire Health Plan, Health Plan of San Joaquin, San Leandro Unified School District, Pleasant Valley School District Board, and LA Care Health Plan.



- i) Plaintiff Subdivision means a Subdivision located in California, other than a CA Litigating Special District, that filed a lawsuit, on behalf of the Subdivision and/or through an official of the Subdivision on behalf of the People of the State of California, against one or more Opioid Defendants prior to October 1, 2020.
- j) Opioid Defendant means any defendant (including but not limited to Teva Pharmaceutical Industries Ltd., Allergan Finance, LLC, Allergan Limited, CVS Health Corporation, CVS Pharmacy, Inc., Walgreen Co., Walmart Inc., Johnson & Johnson, Janssen Pharmaceuticals, Inc., Purdue Pharma L.P., Cardinal Health, Inc., AmerisourceBergen Corporation, and McKesson Corporation) named in a lawsuit seeking damages, abatement, or other remedies related to or caused by the opioid public health crisis in any lawsuit brought by any state or local government on or before October 1, 2020.

3. General Terms

This agreement is subject to the requirements of the Walmart Settlement Agreement, as well as applicable law, and the Walmart Settlement Agreement governs over any inconsistent provision of this CA Walmart Allocation Agreement. Terms used in this CA Walmart Allocation Agreement have the same meaning as in the Walmart Settlement Agreement unless otherwise defined herein.

Pursuant to Section V(D)(1) of the Walmart Settlement Agreement, (a) all Settlement Fund payments will be used for Opioid Remediation, except as allowed by Section V(B)(2) of the Walmart Settlement Agreement; and (b) at least seventy percent (70%) of Settlement Fund payment amounts will be used solely for future Opioid Remediation.

4. State Allocation

The Settlement Fund payments to California, pursuant to the Walmart Settlement Agreement, shall be allocated as follows: 15% to the State Fund; 70% to the Abatement Accounts Fund; and 15% to the Subdivision Fund. For the avoidance of doubt, all funds allocated to California from the Settlement Fund shall be combined pursuant to this CA Walmart Allocation Agreement, and 15% of that total shall be allocated to the State of California (the "State of California Allocation"), 70% to the California Abatement Accounts Fund ("CA Abatement Accounts Fund"), and 15% to the California Subdivision Fund ("CA Subdivision Fund").



¹ For purposes of clarity, use of the term "California" refers to the geographic territory of California and the state and its local governments therein. The term "State" or "State of California" refers to the State of California as a governmental unit.

A. State of California Allocation

Fifteen percent of the total Settlement Fund payments will be allocated to the State and used by the State for future Opioid Remediation.

B. CA Abatement Accounts Fund

i. Allocation of CA Abatement Accounts Funds

- a) Seventy percent of the total Settlement Fund payments will be allocated to the CA Abatement Accounts Fund. The funds in the CA Abatement Accounts Fund will be allocated based on the allocation model developed in connection with the proposed negotiating class in the National Prescription Opiate Litigation (MDL No. 2804), as adjusted to reflect only those cities and counties that are eligible, based on population or litigation status, to become a CA Participating Subdivision. The percentage from the CA Abatement Accounts Fund allocated to each CA Participating Subdivision is set forth in Appendix 1 in the column entitled abatement percentage (the "Local Allocation"). For the avoidance of doubt, CA Litigating Special Districts and California towns, cities, and counties with a population less than 10,000 are not eligible to receive an allocation of CA Abatement Accounts Funds.
- b) A CA Participating Subdivision that is a county, or a city and county, will be allocated its Local Allocation share as of the date on which it becomes a Participating Subdivision, and will receive payments as provided in the Walmart Settlement Agreement.
- c) A CA Participating Subdivision that is a city will be allocated its Local Allocation share as of the date on which it becomes a Participating Subdivision. The Local Allocation share for a city that is a CA Participating Subdivision will be paid to the county in which the city is located, rather than to the city, so long as: (a) the county is a CA Participating Subdivision, and (b) the city has not advised the Settlement Fund Administrator that it requests direct payment at least 60 days prior to a Payment Date. A Local Allocation share allocated to a city but paid to a county is not required to be spent exclusively for abatement activities in that city, but will become part of the county's share of the CA Abatement Accounts Funds, which will be used in accordance with Section 4.B.ii (Use of CA Abatement Accounts Funds) and reported on in accordance with Section 4.B.iii (CA Abatement Accounts Fund Oversight).
- d) A city within a county that is a CA Participating Subdivision may opt in or out of direct payment at any time, and it may also elect direct payment of only a portion of its share, with the remainder going to the county, by providing notice to the Settlement Fund Administrator at least 60 days prior to a Payment Date. For purposes of this CA Walmart Allocation Agreement, the Cities of Los Angeles, Oakland, San Diego, San Jose and Eureka will be deemed to have elected direct payment if they become Participating Subdivisions.



- e) The State will receive the Local Allocation share of any payment to the Settlement Fund that is attributable to a county or city that is eligible to become a CA Participating Subdivision, but that has not, as of the date of that payment to the Settlement Fund, become a Participating Subdivision.
- f) Funds received by a CA Participating Subdivision, and not expended or encumbered within five years of receipt and in accordance with the Walmart Settlement Agreement and this CA Walmart Allocation Agreement shall be transferred to the State; provided however, that CA Participating Subdivisions have seven years to expend or encumber CA Abatement Accounts Funds designated to support capital outlay projects before they must be transferred to the State. This provision shall not apply to the Cost Reimbursement Funds, which shall be controlled by Appendix 2.

ii. Use of CA Abatement Accounts Funds

- a) The CA Abatement Accounts Funds will be used for future Opioid Remediation in one or more of the areas described in the List of Opioid Remediation Uses, which is Exhibit E to the Walmart Settlement Agreement.
- b) In addition to this requirement, no less than 50% of the funds received by a CA Participating Subdivision from the Abatement Accounts Fund in each calendar year will be used for one or more of the following High Impact Abatement Activities:
 - (1) the provision of matching funds or operating costs for substance use disorder facilities within the Behavioral Health Continuum Infrastructure Program;
 - (2) creating new or expanded Substance Use Disorder ("SUD") treatment infrastructure;
 - (3) addressing the needs of communities of color and vulnerable populations (including sheltered and unsheltered homeless populations) that are disproportionately impacted by SUD;
 - (4) diversion of people with SUD from the justice system into treatment, including by providing training and resources to first and early responders (sworn and non-sworn) and implementing best practices for outreach, diversion and deflection, employability, restorative justice, and harm reduction; and/or
 - (5) interventions to prevent drug addiction in vulnerable youth.
- c) The California Department of Health Care Services ("DHCS") may add to this list (but not delete from it) by designating additional High Impact Abatement Activities. DHCS will make reasonable efforts to consult with stakeholders, including the CA Participating Subdivisions, before adding additional High Impact Abatement Activities to this list.
- d) For the avoidance of doubt, and subject to the requirements of the Walmart Settlement Agreement and applicable law, CA Participating Subdivisions may form agreements or ventures, or otherwise work in collaboration with, federal, state, local, tribal or private sector entities in pursuing Opioid Remediation activities funded from the CA Abatement



Accounts Fund. Further, provided that all CA Abatement Accounts Funds are used for Opioid Remediation consistent with the Walmart Settlement Agreement and this CA Walmart Allocation Agreement, a county and any cities or towns within the county may agree to reallocate their respective shares of the CA Abatement Accounts Funds among themselves, provided that any direct distribution may only be to a CA Participating Subdivision and any CA Participating Subdivision must agree to their share being reallocated.

iii. CA Abatement Accounts Fund Oversight

- a) Pursuant to Section 5 below, CA Participating Subdivisions receiving settlement funds must prepare and file reports annually regarding the use of those funds. DHCS may regularly review the reports prepared by CA Participating Subdivisions about the use of CA Abatement Accounts Funds for compliance with the Walmart Settlement Agreement and this CA Walmart Allocation Agreement.
- b) If DHCS determines that a CA Participating Subdivision's use of CA Abatement Accounts Funds is inconsistent with the Walmart Settlement Agreement or this CA Walmart Allocation Agreement, whether through review of reports or information from any other sources, DHCS shall send a request to meet and confer with the CA Participating Subdivision. The parties shall meet and confer in an effort to resolve the concern.
- c) If the parties are unable to reach a resolution, DHCS may conduct an audit of the Subdivision's use of the CA Abatement Accounts Funds within one year of the request to meet and confer, unless the parties mutually agree in writing to extend the meet and confer time frame.
- d) If the concern still cannot be resolved, the State may bring a motion or action in the court where the State has filed its Consent Judgment to resolve the concern or otherwise enforce the requirements of the Walmart Settlement Agreement or this CA Walmart Allocation Agreement. However, in no case shall any audit be conducted, or motion be brought, as to a specific expenditure of funds, more than five years after the date on which the expenditure of the funds was reported to DHCS, in accordance with this agreement.
- e) Notwithstanding the foregoing, this Agreement does not limit the statutory or constitutional authority of any state or local agency or official to conduct audits, investigations, or other oversight activities, or to pursue administrative, civil, or criminal enforcement actions.



C. CA Subdivision Fund

i. Fifteen percent of the total Settlement Fund payments will be allocated to the CA Subdivision Fund. All funds in the CA Subdivision Fund will be allocated among the Plaintiff Subdivisions that are Participating Subdivisions. The funds will be used, subject to any limits imposed by the Walmart Settlement Agreement and this CA Walmart Allocation Agreement, to fund future Opioid Remediation and reimburse past opioid-related expenses, which may include fees and expenses related to litigation, and to pay the reasonable fees and expenses of the Special Master as set forth in Appendix 2.

The CA Subdivision Funds will be allocated as follows:

- a) First, funds in the CA Subdivision Fund shall be used to pay the Special Master's reasonable fees and expenses in accordance with the procedures and limitations set forth in Appendix 2 to this document;
- b) Second, funds will be allocated to Plaintiff Subdivisions that are Participating Subdivisions that have been awarded Costs, as defined by and in accordance with the procedures and limitations set forth in Appendix 2 to this document.
- c) Funds remaining in the CA Subdivision Fund, which shall consist of no less than 50% of the total CA Subdivision Fund received in any year pursuant to Appendix 2, Section 2.c.v, will be distributed to Plaintiff Subdivisions that are Participating Subdivisions, in relative proportion to the Local Allocation. These funds shall be used to fund future opioid-related projects and to reimburse past opioid-related expenses, which may include fees and expenses related to litigation against any Opioid Defendant.

D. Provision for State Back-Stop Agreement

On August 6, 2021, Judge Dan Polster of the U.S. District Court, Northern District of Ohio, Eastern Division, issued an order (ECF Docket Number 3814) ("MDL Fees Order") in the National Prescription Opiate Litigation (MDL No. 2804) "cap[ping] all applicable contingent fee agreements at 15%." Private counsel representing Plaintiff Subdivisions should seek its contingency fees and costs from the Attorney Fee Fund or Cost Funds under the Walmart Settlement Agreement, and, if applicable, the Allergan Settlement Agreement, CVS Settlement Agreement, Distributor Settlement Agreement, Janssen Settlement Agreement, Teva Settlement Agreement, and Walgreens Settlement Agreement.

A Plaintiff Subdivision may separately agree to use its share of the CA Subdivision Fund to pay for fees or costs incurred by its contingency-fee counsel ("State Back-Stop Agreement"), pursuant to Exhibit R, section I(W), of the Walmart Settlement Agreement and the MDL Fees Order, so long as such contingency fees do not exceed a total contingency fee of 15% of the total gross recovery of the Plaintiff Subdivision pursuant to the Walmart Settlement, inclusive of contingency fees from the national Attorney Fee Fund and this State Back-Stop Agreement. Before seeking fees or litigation costs and expenses from a State Back-Stop Agreement, private



counsel representing Plaintiff Subdivisions must first seek contingency fees and costs from the Attorney Fee Fund or Cost Funds created under the Walmart Settlement Agreement. Further, private counsel may only seek reimbursement for litigation fees and costs that have not previously been reimbursed through prior settlements or judgments.

To effectuate a State Back-Stop Agreement pursuant to this section, an agreement in the form of Appendix 3 may be entered into by a Plaintiff Subdivision, private counsel, and the California Office of the Attorney General. The California Office of the Attorney General shall, upon the request of a Plaintiff Subdivision, execute any agreement executed by a Plaintiff Subdivision and its private counsel if it is in the form of Appendix 3. The California Office of the Attorney General will also consider requests from Plaintiff Subdivisions to execute and enter into agreements presented in other forms.

For the avoidance of doubt, this agreement does not require a Plaintiff Subdivision to request or enter into a State Back-Stop Agreement, and no State Back-Stop Agreement shall impose any duty or obligation on the State of California or any of its agencies or officers, including without limitation the Attorney General.

5. State and Subdivision Reporting

- a) DHCS will prepare an annual written report regarding the State's use of funds from the settlement until those funds are fully expended and for one year thereafter. These reports will be made publicly available on the DHCS web site.
- b) Each CA Participating Subdivision that receives payments of funds from the settlement will prepare written reports at least annually regarding the use of those funds, until those funds are fully expended and for one year thereafter. These reports will also include a certification that all funds that the CA Participating Subdivision has received through the settlement have been used in compliance with the Walmart Settlement Agreement and this CA Walmart Allocation Agreement. The report will be in a form reasonably determined by DHCS. Prior to specifying the form of the report DHCS will confer with representatives of the Plaintiff Subdivisions.
- c) The State and all CA Participating Subdivisions receiving CA Abatement Accounts Funds will track all deposits and expenditures. Each such subdivision is responsible solely for the CA Abatement Accounts Funds it receives. A county is not responsible for oversight, reporting, or monitoring of CA Abatement Accounts Funds received by a city within that county that receives direct payment. Unless otherwise exempt, Subdivisions' expenditures and uses of CA Abatement Accounts Funds and other Settlement Funds will be subject to the normal budgetary and expenditure process of the Subdivision.
- d) Each Plaintiff Subdivision receiving CA Subdivision Funds will track all deposits and expenditures, as required by the Walmart Settlement Agreement and this CA Walmart Allocation Agreement. Among other things, Plaintiff Subdivisions using monies from the CA Subdivision Fund for purposes that do not qualify as Opioid Remediation must identify and include in their annual report, the amount and how such funds were used, including if used to pay attorneys' fees, investigation costs, or litigation costs. Pursuant to Section V(B)(2) of the Walmart Settlement Agreement, such information must also be reported to the Settlement Fund Administrator and Walmart.



e) In each year in which DHCS prepares an annual report DHCS will also host a meeting to discuss the annual report and the Opioid Remediation activities being carried out by the State and Participating Subdivisions.

6. Miscellaneous

- a) The State or any CA Participating Subdivision may bring a motion or action in the court where the State has filed its Consent Judgment to enforce the requirements of this CA Walmart Allocation Agreement. Before filing such a motion or action the State will meet and confer with any CA Participating Subdivision that is the subject of the anticipated motion or action, and vice versa.
- b) Except as provided in the Walmart Settlement Agreement, this CA Walmart Allocation Agreement is not enforceable by any party other than the State and the CA Participating Subdivisions. It does not confer any rights or remedies upon, and shall not be enforceable by, any third party.
- c) Except as provided in the CA Walmart Allocation Agreement, if any provision of this agreement or the application thereof to any person, entity, or circumstance shall, to any extent, be invalid or unenforceable, the remainder of this agreement, or the application of such provision to persons, entities, or circumstances other than those as to which it is invalid or unenforceable, will not be affected thereby, and each other provision of this agreement will be valid and enforceable to the fullest extent permitted by law.
- d) Except as provided in the Walmart Settlement Agreement, this agreement shall be governed by and interpreted in accordance with the laws of California.



The undersigned, Suisun City city, ACKNOWLEDGES acceptance of this Proposed California State-Subdivision Agreement Regarding Distribution and Use of Settlement Funds – Walmart Settlement is a requirement to be an Initial Participating Subdivision in the Walmart Settlement and ACCEPTS this Proposed California State-Subdivision Agreement Regarding Distribution and Use of Settlement Funds – Walmart Settlement. EXECUTED on 3/1/2023

Signature:	Orcy Folsom	
Name:	Greg Folsom	
Title:	City Manager	
Date:	3/1/2023	





Regarding the column herein entitled "Abatement Percentage," the annotation of "100%" refers to one-hundred percent (100%) of the DISCLAIMER: The allocation percentages herein are estimates only and should not be relied on for decisions regarding legal rights, Participating Subdivision, but that has not, as of the date of that payment to the Settlement Fund, become a Participating Subdivision. Percentage," the annotation of "100%" refers to one-hundred percent (100%) of the California Subdivision Funds received, pursuant Regarding the column herein entitled "Plaintiff Subdivision Percentage," payments allocated to a Plaintiff Subdivision, which is not California Abatement Account Funds received, pursuant to Section 4.B. Regarding the column herein entitled "Plaintiff Subdivision Percentage column may change pursuant to Section 4.C. of the California State-Subdivision Agreement Regarding Distribution and Local Allocation share of any payment to the Settlement Fund that is attributable to a county or city that is eligible to become a CA an Initial Participating Subdivision, will be re-allocated among the Plaintiff Subdivisions that are Initial Participating Subdivisions. Use of Settlement Funds-Walmart Settlement, whereas the percentages shown in the Abatement Percentage column should not Regarding the column herein entitled "Abatement Percentage," pursuant to Section 4.B.e., the State of California will receive the to Section 4.C. Regarding the column herein entitled "Weighted Allocation Percentage," the annotation of "100%" refers to onereleases, waivers, or other decisions affecting current or potential legal claims. Percentages shown in the Plaintiff Subdivision nundred percent (100%) of the combined and weighted allocation of the Abatement Percentage and the Plaintiff Subdivision change. Participating Subdivisions, underlying calculations, and the calculated allocation percentages are subject to change. Percentage.

100.000%	Weighted	Allcation	Percentage	2.4237952%	0.0570162%	0.0107768%	0.1249656%	0.0338810%	0.0185765%	0.0888576%	0.0966218%	0.0446740%	0.0217626%	0.5055601%	0.0114064%	0.0554547%	0.0321267%	0.0352484%	0.2349885%	1.6783178%	0.2246499%	0.0646595%	0.2351644%	0.0489221%	2.1844585%	0.0301879%	0.0215339%	0.0018060%	0.0456676%	0.0082255%	0.0189024%	0.0078273%
100.000%	Plaintiff	Subdivision	Percentage	2.853%				0.040%						0.595%					0.277%	1.975%	0.264%		0.277%		2.571%							
100.000%		Abatement	rercentage	2.332%	0.069%	0.013%	0.152%	0.033%	0.023%	0.108%	0.117%	0.054%	0.026%	0.486%	0.014%	0.067%	0.039%	0.043%	0.226%	1.615%	0.216%	0.079%	0.226%	0.059%	2.102%	0.037%	0.026%	0.002%	0.055%	0.010%	0.023%	0.010%
		County		Alameda	Alameda	Alameda	Alameda	Alameda	Alameda	Alameda	Alameda	Alameda	Alameda	Alameda	Alameda	Alameda	Alameda	Alameda	Amador	Butte	Butte	Butte	Calaveras	Colusa	Contra Costa	Contra Costa	Contra Costa	Contra Costa	Contra Costa	Contra Costa	Contra Costa	Contra Costa
		Participating Subdivision		Alameda County	Alameda	Albany	Berkeley	Dublin	Emeryville	Fremont	Hayward	Livermore	Newark	Oakland	Piedmont	Pleasanton	San Leandro	Union City	Amador County	Butte County	Chico	Oroville	Calaveras County	Colusa County	Contra Costa County	Antioch	Brentwood	Clayton	Concord	Danville	El Cerrito	Hercules
	Participating	Subdivision	Classification	County	City	City	County	County	City	City	County	County	County	City																		

Participating				Plaintiff	Weighted
Subdivision	Participating Subdivision	County	Abatement	Subdivision	Allcation
Classification			Percentage	Percentage	Percentage
City	Lafayette	Contra Costa	%900.0		0.0046030%
City	Martinez	Contra Costa	0.012%		0.0098593%
City	Moraga	Contra Costa	0.004%		0.0031007%
City	Oakley	Contra Costa	0.010%		0.0079416%
City	Orinda	Contra Costa	0.005%		0.0038157%
City	Pinole	Contra Costa	0.013%		0.0110909%
City	Pittsburg	Contra Costa	0.053%		0.0436369%
City	Pleasant Hill	Contra Costa	0.013%		0.0106309%
City	Richmond	Contra Costa	0.146%		0.1201444%
City	San Pablo	Contra Costa	0.018%		0.0148843%
City	San Ramon	Contra Costa	0.021%		0.0176459%
City	Walnut Creek	Contra Costa	0.026%		0.0212132%
County	Del Norte County	Del Norte	0.114%	0.140%	0.1189608%
County	El Dorado County	El Dorado	0.768%	0.939%	0.7980034%
City	Placerville	El Dorado	0.015%		0.0127642%
City	South Lake Tahoe	El Dorado	0.081%		0.0665456%
County	Fresno County	Fresno	1.895%	2.318%	1.9693410%
City	Clovis	Fresno	0.065%		0.0536211%
City	Coalinga	Fresno	0.012%		0.0098554%
City	Fresno	Fresno	0.397%		0.3270605%
City	Kerman	Fresno	0.005%		0.0042534%
City	Kingsburg	Fresno	0.008%		0.0066167%
City	Mendota	Fresno	0.002%		0.0019387%
City	Orange Cove	Fresno	0.004%		0.0035607%
City	Parlier	Fresno	0.008%		0.0069755%
City	Reedley	Fresno	0.012%		0.0098804%
City	Sanger	Fresno	0.018%		0.0146135%
City	Selma	Fresno	0.015%		0.0127537%
County	Glenn County	Glenn	0.107%	0.131%	0.1116978%
County	Humboldt County	Humboldt	1.030%	1.260%	1.0703185%

14.4437559% 0.0069861% 0.0107032% 0.0131900% 0.0426253% 0.0222964% 0.3320610% 0.0219295% 0.0266837% 0.0152799% 0.1302522% 0.0048791% 0.0754413% 0.0046425% 0.1747198% 0.0070820% 0.0249316% 0.0025644% 0.0120938% 0.0103417% 0.0073580% 0.2413469% 0.0056335% 0.0226038% 0.6545389% 0.0447660% 0.1216284% 0.2679006% %98628000 2.6159145% Percentage Allcation 16.999% Subdivision Percentage 0.050% 0.026% 0.391% 0.143% 0.089% 0.315% 3.079% 13.896% 0.158% 0.319% Percentage 0.013% 0.016% 0.041% 0.021% 0.027% 0.009% 0.013% 0.009% 0.008% 0.293% 0.007% 0.027% %900.0 0.073% 2.517% %900.0 0.212% 0.030% 0.003% 0.015% 0.795% 0.032% 0.258% 0.011% 0.019% 0.054% Los Angeles Humboldt Humboldt Humboldt Imperial Imperial Imperial Imperial Imperial Kings Kings Lassen Kings Kings Kings Lassen Kern Lake Lake Lake Kern County Inyo Kern Kern Kern Kern Kem Kern Kern Kem Participating Subdivision Los Angeles County Imperial County Lassen County California City Kings County Lake County Susanville Kern County Inyo County Bakersfield McFarland Ridgecrest Clearlake Lakeport El Centro Tehachapi Lemoore Wasco Corcoran Calexico Imperial Hanford Brawley Shafter Fortuna Delano Eureka Avenal Arcata Arvin Classification Participating Subdivision County County County County County County City City

Weighted Allcation Percentage	0.0040024%	0.0343309%	0.0267718%	0.0005100%	0.0210857%	0.0218520%	0.0068783%	0.0014485%	0.0114301%	0.0534897%	0.0823132%	0.0048948%	0.0159805%	0.0039682%	0.0082584%	0.0002971%	0.0361882%	0.0229127%	0.0006020%	0.0449894%	0.0006993%	0.0429994%	0.0027261%	0.0318985%	0.0268020%	0.0278088%	0.1366586%	0.0134411%	0.0040549%	0.0407833%
Plaintiff Subdivision Percentage																								0.038%						
Abatement Percentage	0.005%	0.042%	0.033%	0.001%	0.026%	0.027%	0.008%	0.002%	0.014%	0.065%	0.100%	%900.0	0.019%	0.005%	0.010%	%000.0	0.044%	0.028%	0.001%	0.055%	0.001%	0.052%	0.003%	0.031%	0.033%	0.034%	0.166%	0.016%	0.005%	0.050%
County	Los Angeles	Los Angeles	Los Angeles	Los Angeles	Los Angeles	Los Angeles	Los Angeles	Los Angeles	Los Angeles	Los Angeles	Los Angeles	Los Angeles	Los Angeles	Los Angeles	Los Angeles	Los Angeles	Los Angeles	Los Angeles	Los Angeles	Los Angeles	Los Angeles	Los Angeles	Los Angeles	Los Angeles	Los Angeles	Los Angeles	Los Angeles	Los Angeles	Los Angeles	Los Angeles
Participating Subdivision	Agoura Hills	Alhambra	Arcadia	Artesia	Azusa	Baldwin Park	Bell	Bellflower	Bell Gardens	Beverly Hills	Burbank	Calabasas	Carson	Cerritos	Claremont	Commerce	Compton	Covina	Cudahy	Culver City	Diamond Bar	Downey	Duarte	El Monte	El Segundo	Gardena	Glendale	Glendora	Hawaiian Gardens	Hawthorne
Participating Subdivision Classification	City	City	City	City	City	City	City	City	City	City	City	City	City	City	City	City	City	City	City	City	City	City	City	City	City	City	City	City	City	City

0.0091483% 0.0183333% 0.0012645% 0.0506992% 0.0028260% 0.0194190% 0.0031940% 2.8218811% 0.0134345% 0.0019269% 0.0260686% 0.0035528% 0.0250670% 0.0258228% 0.0375827% 0.1200524% 0.0911933% 0.0489195% 0.0039971% 0.0081572% 0.0369689% 0.0012999% 0.0017731% 0.3614151% 0.0254455% 0.0256677% 0.0053102% 0.0145307% 0.0190667% 0.0025565% Percentage Allcation Subdivision Percentage 3.321% 0.002% Percentage 0.011% 0.111% 0.002% 0.062% 0.003% Abatement 0.046% %900.0 0.022% 0.023% 0.059% 0.003% 0.005% 0.010% 0.045% 0.002% 0.024% 0.002% 0.004% 0.439% 2.715% 0.016% 0.032% 0.004% 0.031% 0.030% 0.031% 0.031% 0.146%0.018%Los Angeles Los Angeles County Rancho Palos Verdes Participating Subdivision La Cañada Flintridge Palos Verdes Estates Manhattan Beach Redondo Beach Huntington Park Hermosa Beach Monterey Park Los Angeles Long Beach Montebello Pico Rivera Maywood Rosemead Inglewood La Mirada La Puente Monrovia Paramount Lakewood Pasadena La Verne Lawndale Palmdale Lancaster Lynwood Norwalk Pomona Lomita Malibu Classification Participating Subdivision City City

Weighted	Alleation	Percentage	0.0022016%	0.0104837%	0.0147726%	0.0073791%	0.0178167%	0.0257531%	0.1298513%	0.0048646%	0.0084884%	0.0039603%	0.0166272%	0.0095334%	0.0039498%	0.0919820%	0.0047305%	0.0404521%	0.0108517%	0.0260581%	0.3630669%	0.0097332%	0.0318441%	0.5861325%	0.0124697%	0.0168401%	0.0229824%	0.0078062%	0.0729823%	0.0876131%	0.4558394%	0.0317153%
Plaintiff	Subdivision	Percentage																			0.427%			%069.0						0.103%	0.536%	
	Abatement	Percentage	0.003%	0.013%	0.018%	%600.0	0.022%	0.031%	0.158%	%900.0	0.010%	0.005%	0.020%	0.012%	0.005%	0.112%	%900.0	0.049%	0.013%	0.032%	0.349%	0.012%	0.039%	0.564%	0.015%	0.020%	0.028%	%600.0	%680.0	0.084%	0.439%	0.039%
	County	County	Los Angeles	Los Angeles	Los Angeles	Los Angeles	Los Angeles	Los Angeles	Los Angeles	Los Angeles	Los Angeles	Los Angeles	Los Angeles	Los Angeles	Los Angeles	Los Angeles	Los Angeles	Los Angeles	Los Angeles	Los Angeles	Madera	Madera	Madera	Marin	Marin	Marin	Marin	Marin	Marin	Mariposa	Mendocino	Mendocino
	Daretioinating Cultdivision	a meripanning Chronivision	San Dimas	San Fernando	San Gabriel	San Marino	Santa Clarita	Santa Fe Springs	Santa Monica	Sierra Madre	Signal Hill	South El Monte	South Gate	South Pasadena	Temple City	Torrance	Walnut	West Covina	West Hollywood	Whittier	Madera County	Chowchilla	Madera	Marin County	Larkspur	Mill Valley	Novato	San Anselmo	San Rafael	Mariposa County	Mendocino County	Ukiah
Participating	Cubdivision	Classification	City	City	City	City	City	City	City	City	City	City	City	City	City	City	City	City	City	City	County	City	City	County	City	City	City	City	City	County	County	City

0.0005560% 0.2994325% 0.0642783% 0.0023843% 4.5363576% 0.0113841% 0.5759282% 0.0708897% 0.0714352% 0.1288366% 0.0271937% 0.0165142% 0.0678250% 0.0242606% 0.9437083% 0.0050552% 0.0037355% 0.0144098% 0.0336540% 0.0074842% 0.0776576% 0.0191772% 0.0060870% 0.0136869% 0.4579827% 0.0197805% 0.5724262% 0.0195846% 0.0045873% 0.0500762% Percentage Allcation Subdivision Percentage 0.152% 0.352% 0.539% 5.339% 0.678% 0.674% 0.080% 0.029% 1.111% Percentage 0.124% 0.001% Abatement 0.007% 4.364% 0.554% 0.087% 0.033% 0.288% 0.441% 0.024% 0.003% 0.014% 0.086% 0.024% 0.006% 0.020% 0.061% 0.065% 0.023% 0.908% 0.006% 0.005% 0.017% 0.041% 0.009% 0.094% 0.023% 0.017% 0.078% 0.551% Monterey Orange Orange Monterey Monterey Monterey Monterey Monterey Monterey Orange Orange Orange Monterey Monterey Modoc Nevada Nevada Nevada Orange Orange Merced Napa Merced County Merced Merced Mono Napa Napa Merced Participating Subdivision American Canyon Monterey County Nevada County Orange County Merced County Modoc County Pacific Grove Mono County Napa County **Grass Valley** Aliso Viejo Costa Mesa Buena Park Dana Point Livingston Los Banos Greenfield King City Monterey Anaheim Cypress Soledad Truckee Marina Salinas Seaside Atwater Merced Brea Classification Participating Subdivision County County County County County County City County City City

Weighted	Allcation	0.0455980%	0.1425744%	0.1752482%	0.2568420%	0.1442350%	0.0493043%	0.0115457%	0.0007071%	0.0006546%	0.0621049%	0.0101249%	0.0095439%	0.0069190%	0.0117560%	0.1470134%	0.1231320%	0.0298912%	0.0006296%	0.0086083%	0.0065510%	0.5213866%	0.0165891%	0.0291955%	0.0600341%	0.1082721%	0.0362223%	1.0861002%	0.0141114%	0.0255599%	0.0625485%
Plaintiff	Subdivision Percentage		0.168%		0.302%	0.170%	0.058%				0.073%							0.035%		0.010%		0.614%				0.127%		1.278%			
Abstement	Percentage	0.055%	0.137%	0.213%	0.247%	0.139%	0.047%	0.014%	0.001%	0.001%	0.060%	0.012%	0.012%	%800.0	0.014%	0.179%	0.150%	0.029%	0.001%	0.008%	0.008%	0.502%	0.020%	0.035%	0.073%	0.104%	0.044%	1.045%	0.017%	0.031%	0.076%
	County	Orange	Orange	Orange	Orange	Orange	Orange	Orange	Orange	Orange	Orange	Orange	Orange	Orange	Orange	Orange	Orange	Orange	Orange	Orange	Orange	Orange	Orange	Orange	Orange	Orange	Orange	Placer	Placer	Placer	Placer
	Participating Subdivision	Fountain Valley	Fullerton	Garden Grove	Huntington Beach	Irvine	Laguna Beach	Laguna Hills	Laguna Niguel	Laguna Woods	La Habra	Lake Forest	La Palma	Los Alamitos	Mission Viejo	Newport Beach	Orange	Placentia	Rancho Santa Margarita	San Clemente	San Juan Capistrano	Santa Ana	Seal Beach	Stanton	Tustin	Westminster	Yorba Linda	Placer County	Auburn	Lincoln	Rocklin
Participating	Subdivision Classification	City	City	City	City	City	City	City	City	City	City	City	City	City	City	City	City	City	City	City	City	City	City	City	City	City	City	County	City	City	City

0.0085936% 0.0180086% 0.0062500% 3.9465887% 0.0457794% 0.0008991% 0.0172949% 0.0516732% 0.0260909% 0.1130348% 0.0497423% 0.0134542% 0.0682465% 0.0076774% 0.0431098% 0.2206279% 0.0096714% 0.0001761% 0.0553614% 0.0173054% 0.0200433% 0.0002747% 0.0421792% 0.0629862% 0.1616559% 0.2128729% 4.7128296% 0.0143848% 0.0171135% 0.1207083% Percentage Allcation Subdivision Percentage 0.251% 5.547% 4.645% 0.059% 3.797% 0.268% 0.022% 0.008% Percentage 0.032% 0.137% 0.076% 0.009% 0.052% 0.010% 0.063% 0.048% 0.016% 0.083% 4.534% 0.017% 0.021% 0.012% 0.000% 0.067% 0.021% 0.147% 0.024% 0.000% 0.051% 0.056% 0.001% 0.021% 0.196%Sacramento Riverside Plumas Placer County Participating Subdivision Sacramento County Desert Hot Springs Riverside County Rancho Mirage Moreno Valley Plumas County Canyon Lake Cathedral City Lake Elsinore Palm Springs Jurupa Valley Palm Desert San Jacinto La Quinta Riverside Temecula Wildomar Beaumont Coachella Roseville Banning Menifee Murrieta Corona Eastvale Hemet Blythe Norco Perris Indio Classification Participating Subdivision County County City City

Weighted	Allcation Percentage	0.0465312%	0.1066994%	0.0890850%	0.0143704%	0.0067679%	0.7496530%	0.1101417%	0.0225355%	3.3878124%	0.0066640%	0.0207360%	0.0122056%	0.0525893%	0.0006388%	0.0253443%	0.0920543%	0.0051051%	0.0291522%	0.0029061%	0.0071188%	0.0322108%	0.1472934%	0.0689431%	0.0469150%	0.0603206%	0.1461880%	0.0012605%	0.0424460%	0.0269400%	0.0128772%
Plaintiff	Subdivision Percentage						0.882%	0.130%		3.987%																					
Abatement	Percentage	0.057%	0.130%	0.108%	0.017%	0.008%	0.721%	0.106%	0.027%	3.259%	0.008%	0.025%	0.015%	0.064%	0.001%	0.031%	0.112%	0.006%	0.035%	0.004%	%600.0	0.039%	0.179%	0.084%	0.057%	0.073%	0.178%	0.002%	0.052%	0.033%	0.016%
	County	Sacramento	Sacramento	Sacramento	Sacramento	Sacramento	Sacramento	San Benito	San Benito	San Bernardino	San Bernardino	San Bernardino	San Bernardino	San Bernardino	San Bernardino	San Bernardino	San Bernardino	San Bernardino	San Bernardino	San Bernardino	San Bernardino	San Bernardino	San Bernardino	San Bernardino	San Bernardino	San Bernardino	San Bernardino	San Bernardino	San Bernardino	San Bernardino	San Bernardino
	Participating Subdivision	Citrus Heights	Elk Grove	Folsom	Galt	Rancho Cordova	Sacramento	San Benito County	Hollister	San Bernardino County	Adelanto	Apple Valley	Barstow	Chino	Chino Hills	Colton	Fontana	Grand Terrace	Hesperia	Highland	Loma Linda	Montclair	Ontario	Rancho Cucamonga	Redlands	Rialto	San Bernardino	Twentynine Palms	Upland	Victorville	Yucaipa
Participating	Subdivision Classification	City	City	City	City	City	City	County	City	County	City	City	City	City	City	City	City	City													

0.0199053% 0.0240680% 0.0511040% 0.0425144% 0.0075394% 0.0439484% 0.0443454% 0.0104219% 0.3256176% 0.0692047% 0.8484126% 0.0630289% 0.1192204% 0.0118283% 0.0575593% 0.0183911% 0.0656808% 0.1753428% 2.0531169% 0.0733897% 0.0268401% 0.0138564% 3.1457169% 1.7460399% 0.0021228% 0.1050485% 0.1961456% 0.0359095% 0.0933582% 5.9309748% Allcation 3.702% Subdivision Percentage 0.383% 0.999% 2.416% 2.055% 6.980% 0.231% 0.074% 0.068% 0.024% 0.053% 0.054% 0.313% 0.084% 0.816% 0.029% Abatement Percentage 0.017% 0.052% 3.026% 1.680% 0.009% 0.013% 5.706% 0.128% 0.044% 0.113% 0.061% 0.145% 0.014% 0.055% 0.022% 0.080% 0.213% 0.062% 1.975% 0.089% 0.033% 0.003% 0.189%San Luis Obispo San Luis Obispo San Luis Obispo San Bernardino San Francisco San Joaquin San Diego County San Luis Obispo County Participating Subdivision San Joaquin County San Diego County Arroyo Grande Imperial Beach San Francisco Lemon Grove Solana Beach Yucca Valley National City San Marcos Atascadero Chula Vista Escondido Oceanside San Diego Coronado Carlsbad El Cajon Encinitas La Mesa Manteca Stockton Lathrop Santee Poway Tracy Ripon Vista Lodi Consolidated Classification Subdivision County County County City City

0.0202891% 2.4987553% 0.0112566% 0.0066824% 0.0160922% 0.0166101% 1.1768968% 0.0028969% 0.0389379% 0.1004559% 0.0479179% 0.0353456% 0.0137881% 0.0637841% 1.1159599% 0.0169860% 0.0152537% 0.0363880% 0.0103982% 0.0031638% 0.0110029% 0.0126209% 0.0105836% 0.0130625% 0.0463511% 0.0172161% 0.0108885% 0.0425841% 0.0353943% 0.0008938% Percentage Allcation Percentage Subdivision 2.941% 1.313% 1.385% 1.074% Percentage Abatement 0.043% 1.132% 0.122% 0.014% 0.008% 0.025% 0.017% 0.020% 0.077% 0.021% 0.019% 0.044% 0.013% 0.020% 0.004% 0.013% 0.015% 0.013% 0.016% 0.056% 0.021% 0.013% 0.052% 0.001% 0.004% 0.047% 0.058% 2.404% 0.043% San Luis Obispo San Luis Obispo San Luis Obispo San Luis Obispo Santa Barbara Santa Barbara Santa Barbara Santa Barbara Santa Barbara Santa Barbara Santa Clara Santa Clara Santa Clara Santa Clara San Mateo County El Paso de Robles (Paso Robles) Santa Barbara County Participating Subdivision South San Francisco Santa Clara County San Mateo County San Luis Obispo Half Moon Bay Santa Barbara East Palo Alto Redwood City Grover Beach Hillsborough Santa Maria Burlingame Foster City Menlo Park San Bruno San Carlos Carpinteria Morro Bay San Mateo Cupertino Daly City Campbell Millbrae Belmont Pacifica Lompoc Gilroy Goleta Participating Subdivision Classification County County County City City

0.0667507% 0.0176183% 1.2661290% 0.0266929% 0.0198896% 0.0031993% 0.6260795% 0.0253903% 0.0130849% 0.0897317% 0.0976497% 0.1373644% 0.8135396% 0.0168191% 0.0126525% 0.0520136% 1.1380191% 0.2334841% 0.2373393% 0.0103338%0.0103220% 0.0298120% 0.0124619% 0.0334608% 0.0323080% 0.3054960% 0.0549723% 0.0034161% 0.0434069% 0.1180348% Percentage Allcation Subdivision Percentage 1.339% 1.490% 0.360% 0.957% 0.279% Percentage 0.783% 1.095% 0.760% 0.294% 0.024% 0.284% 0.004% 0.031% 0.016% 0.109% 0.021% 0.119% 0.167% 1.218% 0.032% 0.081% 0.013% 0.036% 0.015% 0.041% 0.039% 0.067% 0.004% 0.053% 0.020% 0.143% 0.015% 0.063% 0.228% 0.013% Santa Clara Santa Cruz Santa Cruz Santa Clara Santa Cruz Santa Cruz Santa Cruz Siskiyou Solano Sonoma Sonoma Sonoma Solano Solano Shasta Shasta Shasta Shasta Solano Solano Solano Solano Participating Subdivision Santa Cruz County Sonoma County Siskiyou County Mountain View Solano County Shasta County Scotts Valley Shasta Lake Watsonville Healdsburg Morgan Hill Santa Clara Santa Cruz Suisun City Sunnyvale Vacaville Petaluma Los Gatos Palo Alto Saratoga Anderson Redding Los Altos San Jose Capitola Milpitas Fairfield Valleio Benicia Dixon Classification Participating Subdivision County County County County County City City

Weighted	Allcation Percentage	0.0340759%	0.1519070%	0.0183438%	0.0129298%	1.4182273%	0.0340260%	0.1788759%	0.0046964%	0.0145531%	0.0126590%	0.0085699%	0.0531966%	0.3179548%	0.0606242%	0.2216654%	0.0117771%	0.0855476%	0.8410949%	0.0116929%	0.0032479%	0.0027879%	0.0057111%	0.0171845%	0.0302273%	0.0545872%	0.5047621%	2.2781201%	0.0012815%	0.0020294%	0.0067337%
Plaintiff	Subdivision													0.374%		0.261%		0.101%	%066.0								0.594%	2.681%			
Abatement	Percentage	0.041%	0.184%	0.022%	0.016%	1.722%	0.041%	0.217%	0.006%	0.018%	0.015%	0.010%	0.065%	0.306%	0.074%	0.213%	0.014%	0.082%	%608.0	0.014%	0.004%	0.003%	0.007%	0.021%	0.037%	0.066%	0.486%	2.192%	0.002%	0.002%	0.008%
	County	Sonoma	Sonoma	Sonoma	Sonoma	Stanislaus	Stanislaus	Stanislaus	Stanislaus	Stanislaus	Stanislaus	Stanislaus	Stanislaus	Sutter	Sutter	Tehama	Tehama	Trinity	Tulare	Tulare	Tulare	Tulare	Tulare	Tulare	Tulare	Tulare	Tuolumne	Ventura	Ventura	Ventura	Ventura
	Participating Subdivision	Rohnert Park	Santa Rosa	Sonoma	Windsor	Stanislaus County	Ceres	Modesto	Newman	Oakdale	Patterson	Riverbank	Turlock	Sutter County	Yuba City	Tehama County	Red Bluff	Trinity County	Tulare County	Dinuba	Exeter	Farmersville	Lindsay	Porterville	Tulare	Visalia	Tuolumne County	Ventura County	Camarillo	Fillmore	Moorpark
Participating	Subdivision Classification	City	City	City	City	County	City	County	City	County	City	County	County	City	City	City	City	City	City	City	County	County	City	City	City						



												_
Weighted Allcation Percentage	0.1617338%	0.0174145%	0.0702181%	0.0119072%	0.0533043%	0.0179902%	0.3713319%	0.0451747%	0.0544321%	0.0477904%	0.2225679%	0.0112079%
Plaintiff Subdivision Percentage	0.190%						0.437%				0.262%	
Abatement Percentage	0.156%	0.021%	0.085%	0.014%	0.065%	0.022%	0.357%	0.055%	%990.0	0.058%	0.214%	0.014%
County	Ventura	Ventura	Ventura	Ventura	Ventura	Ventura	Yolo	Yolo	Yolo	Yolo	Yuba	Yuba
Participating Subdivision	Oxnard	Port Hueneme	San Buenaventura (Ventura)	Santa Paula	Simi Valley	Thousand Oaks	Yolo County	Davis	West Sacramento	Woodland	Yuba County	Marysville
Participating Subdivision Classification	City	City	City	City	City	City	County	City	City	City	County	City

Cost Reimbursement Procedure

1. Additional defined terms:

- a) Costs means the reasonable amounts paid for the attorney and other City Attorney and County Counsel staff time for individuals employed by a Plaintiff Subdivision at the contractual rate, inclusive of benefits and overhead, together with amounts paid for court reporters, experts, copying, electronic research, travel, vendors, and the like, which were not previously reimbursed and which were paid or incurred (i) prior to December 31, 2022 in litigation against any Opioid Defendant and/or (ii) in negotiating and drafting any CA Allocation Agreement(s) concerning a settlement with any Opioid Defendant(s). Costs does not include attorneys' fees, costs, or expenses incurred by private contingency fee counsel. No part of the CA Abatement Accounts Fund will be used to reimburse Costs.
- b) First Claims Date means October 1, 2023 or when all applications for reimbursement of Costs, in whole or in part, from funds available under Section IX and Exhibit R of the Walmart Settlement Agreement, Section XIV and Exhibit R of the Teva Settlement Agreement, Section XIII and Exhibit R of the Allergan Settlement Agreement, Section X and Exhibit R of the Distributor Settlement Agreement, Section XI and Exhibit R of the Janssen Settlement Agreement, Section X and Exhibit R of the CVS Settlement Agreement, or Section IX and Exhibit R of the Walgreens Settlement Agreement, have been finally determined under the provisions of those agreements, whichever comes first.
- c) Special Master means a retired judicial officer or former public lawyer, not presently employed or retained by a Plaintiff Subdivision, who will aggregate, review, and determine the reasonable Costs to be awarded to each Plaintiff Subdivision that submits a claim for reimbursement of Costs. The Special Master will be selected by a majority vote of the votes cast by Plaintiff Subdivisions, with each such subdivision having one vote.
- d) Plaintiff Subdivision Committee means the committee of Plaintiff Subdivisions that will review and approve the invoices submitted by the Special Master reflecting his or her reasonable time and expenses.

2. Cost Reimbursement to Plaintiff Subdivision

- a) Purpose. Substantial resources have been expended to hold Opioid Defendants accountable for creating and profiting from the opioid crisis, and this effort has been a significant catalyst in creating National Opioid Settlements with various manufacturers, distributors, and chain pharmacies.
- b) Claims Procedure.
 - i. If a Plaintiff Subdivision is eligible to seek reimbursement of Costs, in whole or in



part, from funds available under Section IX and Exhibit R of the Walmart Settlement Agreement, Section XIV and Exhibit R of the Teva Settlement Agreement, Section XIII and Exhibit R of the Allergan Settlement Agreement, Section IX and Exhibit R of the CVS Settlement Agreement, Section IX and Exhibit R of the Walgreens Settlement Agreement, Section X or Exhibit R of the Distributor Settlement Agreement, or Section XI or Exhibit R of the Janssen Settlement Agreement, it must first make a timely application for reimbursement from such funds. To allow sufficient time for determination of those applications, no claim for Costs to the CA Subdivision Fund under this Agreement may be made before the First Claims Date.

- ii. A Plaintiff Subdivision that wishes to be reimbursed from the CA Subdivision Fund must submit a claim to the Special Master no later than forty-five (45) days after the First Claims Date. The Special Master will then compile and redistribute the aggregated claim totals for each Plaintiff Subdivision via email to representatives of all the Plaintiff Subdivisions. A claim for attorney and staff time must list, for each attorney or staff member included in the claim, the following information: name, title, total hours claimed, hourly rate (including, if sought, benefits and share of overhead), and narrative summarizing the general nature of the work performed by the attorney or staff member. For reimbursement of "hard" costs, the subdivision may aggregate across a category (e.g., total for travel costs). It is the intention of the Plaintiff Subdivisions that submission of documents related to reimbursement of Costs does not waive any attorney-client privilege or exemptions to the California Public Records Act.
- iii. The Special Master may request, at his or her sole option, additional documents or details to assist in the final award of Costs.
- iv. The Special Master will review claims for reasonableness and will notify each Plaintiff Subdivision of the final determination of its claim, and will provide a list of all final awards to all Plaintiff Subdivisions by email or, upon request, via First Class U.S. Mail. Any Plaintiff Subdivision may ask the Special Master to reconsider any final award within twenty-one (21) days. The Special Master will make a final determination on any such reconsideration request within thirty (30) days of receipt.
- v. Any decision of the Special Master is final and binding, and will be considered under the California Arbitration Act, Code of Civil Procedure section 1280 et seq. as a final arbitration award. Nothing in this agreement is intended to expand the scope of judicial review of the final award for errors of fact or law, and the Parties agree that they may only seek to vacate the award if clear and convincing evidence demonstrates one of the factors set forth in Code of Civil Procedure, section 1286.2, subdivision (a). Plaintiff Subdivisions will have fourteen (14) days after all final awards are made, together with any final determination of a request for



- reconsideration, to seek review in the Superior Court of California, pursuant to Code of Civil Procedure, section 1285, where the State has filed its Consent Judgment.
- vi. The Special Master will prepare a report of Costs that includes his or her fees and expenses at least ninety (90) days before the Payment Date for each Annual Payment. The Special Master's preparation of a report of Costs does not discharge a Plaintiff Subdivision's reporting requirement under Section V(B)(2) of the Walmart Settlement Agreement.
- vii. A member of the Plaintiff Subdivision Committee, which is a CA Participating Subdivision, will submit to the Settlement Fund Administrator and Walmart a report of the fees and expenses incurred by the Special Master pursuant to Section V(B)(2) of the Walmart Settlement Agreement.
- c) Claims Priority and Limitation.
 - i. The Special Master will submit invoices for compensation of reasonable fees and expenses to the Plaintiff Subdivision Committee no later than ninety (90) days prior to the Payment Date for each Annual Payment. The Plaintiff Subdivision Committee will promptly review and, if reasonable, approve the Special Master's invoice for compensation. The Plaintiff Subdivision Committee will submit approved invoices to the Settlement Fund Administrator for payment. The Special Master's approved invoices have priority and will be paid first from the CA Subdivision Fund before any award of Costs, subject to the limitation in Section 2.c.y below.
 - ii. Final Awards of Costs that do not exceed seventy-five thousand dollars (\$75,000.00) will be paid next in priority after the Special Master's approved invoices.
- iii. Final Awards of Costs in excess of seventy-five thousand dollars (\$75,000.00) will be paid proportionally from the funds remaining in that year's Annual Payment.
- iv. Any claim for Costs that is not paid in full will be allocated against the next year's distribution from the CA Subdivision Fund, until all approved claims for Costs are paid in full.
- v. In no event will more than 50% of the total CA Subdivision Fund received in any year be used to pay Costs or the Special Master's approved invoices.
- vi. In no event shall more than \$28 million of the total CA Subdivision Funds paid pursuant to the Walmart Settlement Agreement, Teva Settlement Agreement, Allergan Settlement Agreement, Distributor Settlement Agreement, CVS Settlement Agreement, Janssen Settlement Agreement, and the Walgreens Settlement Agreement be used to pay Costs.



- d) Collateral Source Payments and Third-Party Settlement.
 - In the event a Plaintiff Subdivision is awarded compensation, in whole or in part, i. by any source of funds created as a result of litigation against an Opioid Defendant for its reasonable Costs, it will reduce its claim for Costs from the CA Subdivision Fund by that amount. If a Plaintiff Subdivision has already received a final award of Costs from the CA Subdivision Fund, it will repay the fund up to the prior award of Costs via a payment to the Settlement Fund Administrator or notify the Settlement Fund Administrator that its allocation from the next and subsequent Annual Payments should be reduced accordingly. If the Plaintiff Subdivision is repaying any prior award of Costs, that repayment will occur as soon as is feasible after the Plaintiff Subdivision's receipt of Cost funds from the collateral source, but no more than 90 days after its receipt from the collateral source. The Settlement Fund Administrator will add any repaid Costs to the CA Subdivision Fund. Any Plaintiff Subdivision that has submitted for reimbursement to any national fund and has not received a final determination by the First Claims Date may request that the settlement administrator withhold some or all of its payment from the CA Subdivision Fund in order to avoid repayment.
 - ii. In the event a Plaintiff Subdivision reaches a monetary settlement or compromise against any Opioid Defendant outside of the National Opioid Settlement, the monetary portion of such settlement, net of fees paid to outside contingency fee counsel and of funds earmarked strictly for abatement, will be credited against its Costs and the subdivision will be ineligible to recover those credited Costs from the CA Subdivision Fund. Plaintiff Subdivisions negotiating monetary settlements or compromises against any Opioid Defendant outside of the National Opioid Settlement will negotiate for funds to repay any Costs it previously received from the CA Subdivision Fund or for Costs it otherwise might be eligible to claim from the CA Subdivision Fund. If such a settlement is paid after all final approved claims for Costs by all Plaintiff Subdivisions are satisfied in full, the settling subdivision will reimburse the CA Subdivision Fund in that amount by making payment to the Settlement Fund Administrator to add to the CA Subdivision Fund in a manner consistent with the repayments described in section 2.d.i above.



CALIFORNIA-SUBDIVISION BACKSTOP AGREEMENT

On August 6, 2021, Judge Polster of the US District Court for the Northern District of Ohio issued an Order (the Order), docket number 3814, in In Re National Prescription Opiate Litigation, MDL 2804, addressing contingent attorney fee contracts between political subdivisions eligible to participate in the Walmart Settlement and their counsel.

In light of the Order, and at the request of [SUBDIVISION], the [SUBDIVISION], its counsel [COUNSEL], and the California Attorney General, on behalf of the State of California, are entering into this California-Subdivision Backstop Agreement (Backstop Agreement).

[SUBDIVISION] and [COUNSEL] intend this Backstop Agreement to constitute a State Back-Stop Agreement as that term is used in the Order and in Exhibit R (Agreement on Attorneys' Fees, Costs, and Expenses) of the Walmart Settlement Agreement.

Pursuant to this Backstop Agreement, [SUBDIVISION] may, subject to the limitations of the Walmart Settlement Agreement and CA Walmart Allocation Agreement, as well as any other limitations imposed by law, use funds that it receives from the Walmart Settlement CA Subdivision Fund to pay a contingent fee to [COUNSEL]. Any such payment from [SUBDIVISION] to [COUNSEL], together with any contingency fees that [COUNSEL] may receive from the national Attorney Fee Fund, will not exceed a total contingency fee of [PERCENTAGE NOT TO EXCEED 15%] of the total gross recovery of [SUBDIVISION] from the Walmart Settlement.

[COUNSEL] certify that they first sought fees and costs from the Attorney Fee Fund created under the Walmart Settlement Agreement before seeking or accepting payment under this backstop agreement. [COUNSEL] further certify that they are not seeking and will not accept payment under this backstop agreement of any litigation fees or costs that have been reimbursed through prior settlements or judgments.

The Attorney General is executing this agreement solely because the definition of "State Back-Stop Agreement" in Exhibit R of the Walmart Settlement Agreement requires such agreements to be between "a Settling State" and private counsel for a participating subdivision. Neither the California Attorney General nor the State of California have any obligations under this Backstop Agreement, and this Backstop Agreement does not require the payment of any state funds to [SUBDIVISION], [COUNSEL], or any other party.

[DATE] [SUBDIVISION SIGNATURE BLOCK]

[DATE] [COUNSEL SIGNATURE BLOCK]

[DATE] [ATTORNEY GENERAL SIGNATURE BLOCK]



Proposed California State-Subdivision Agreement Regarding Distribution and Use of Settlement Funds – CVS Settlement

1. Introduction

Pursuant to the CVS Settlement Agreement, dated as of December 9, 2022, and any revision thereto as well as any modification thereto entered into by the State of California and CVS (the "CVS Settlement Agreement"), including Section V and Exhibit O, the State of California proposes this agreement (the "CA CVS Allocation Agreement") to govern the allocation, distribution, and use of Settlement Fund payments made to California pursuant to Sections IV and V of the CVS Settlement Agreement. For the avoidance of doubt, this agreement does not apply to payments made pursuant to Sections IX or X of the CVS Settlement Agreement.

Pursuant to Exhibit O, Paragraph 4, of the CVS Settlement Agreement, acceptance of this CA CVS Allocation Agreement is a requirement to be an Initial Participating Subdivision.

2. Definitions

- a) CA Participating Subdivision means a Participating Subdivision that is also (a) a Plaintiff Subdivision and/or (b) a Primary Subdivision with a population equal to or greater than 10,000. For the avoidance of doubt, eligible CA Participating Subdivisions are those California subdivisions listed in Exhibit C (excluding Litigating Special Districts) and/or Exhibit I to the CVS Settlement Agreement.
- b) Allergan Settlement Agreement means the Allergan Settlement Agreement dated November 22, 2022, and any revision thereto.
- c) Distributor Settlement Agreement means the Distributor Settlement Agreement dated July 21, 2021, and any revision thereto.
- d) Janssen Settlement Agreement means the Janssen Settlement Agreement dated July 21, 2021, and any revision thereto.
- e) Teva Settlement Agreement means the Teva Settlement Agreement dated November 22, 2022, and any revision thereto.
- f) Walgreens Settlement Agreement means the Walgreens Settlement Agreement dated December 9, 2022, and any revision thereto.
- g) Walmart Settlement Agreement means the Walmart Settlement Agreement dated November 14, 2022, and any revision thereto.
- h) CA Litigating Special District means a Litigating Special District located in California. CA Litigating Special Districts include Downey Unified School District, Elk Grove Unified School District, Kern High School District, Montezuma Fire Protection District (located in Stockton, California), Santa Barbara San Luis Obispo Regional Health Authority, Inland Empire Health Plan, Health Plan of San Joaquin, San Leandro Unified School District, Pleasant Valley School District Board, and LA Care Health Plan.
- i) Plaintiff Subdivision means a Subdivision located in California, other than a CA



- Litigating Special District, that filed a lawsuit, on behalf of the Subdivision and/or through an official of the Subdivision on behalf of the People of the State of California, against one or more Opioid Defendants prior to October 1, 2020.
- j) Opioid Defendant means any defendant (including but not limited to Teva Pharmaceutical Industries Ltd., Allergan Finance, LLC, Allergan Limited, CVS Health Corporation, CVS Pharmacy, Inc., Walgreen Co., Walmart Inc., Johnson & Johnson, Janssen Pharmaceuticals, Inc., Purdue Pharma L.P., Cardinal Health, Inc., AmerisourceBergen Corporation, and McKesson Corporation) named in a lawsuit seeking damages, abatement, or other remedies related to or caused by the opioid public health crisis in any lawsuit brought by any state or local government on or before October 1, 2020.

3. General Terms

This agreement is subject to the requirements of the CVS Settlement Agreement, as well as applicable law, and the CVS Settlement Agreement governs over any inconsistent provision of this CA CVS Allocation Agreement. Terms used in this CA CVS Allocation Agreement have the same meaning as in the CVS Settlement Agreement unless otherwise defined herein.

Pursuant to Section V(E)(1) of the CVS Settlement Agreement, (a) all Settlement Fund payments will be used for Opioid Remediation, except as allowed by Section V(B)(2) of the CVS Settlement Agreement; and (b) at least seventy percent (70%) of Settlement Fund payment amounts will be used solely for future Opioid Remediation.

4. State Allocation

The Settlement Fund payments to California, pursuant to the CVS Settlement Agreement, shall be allocated as follows: 15% to the State Fund; 70% to the Abatement Accounts Fund; and 15% to the Subdivision Fund. For the avoidance of doubt, all funds allocated to California from the Settlement Fund shall be combined pursuant to this CA CVS Allocation Agreement, and 15% of that total shall be allocated to the State of California (the "State of California Allocation"), 70% to the California Abatement Accounts Fund ("CA Abatement Accounts Fund"), and 15% to the California Subdivision Fund ("CA Subdivision Fund").



¹ For purposes of clarity, use of the term "California" refers to the geographic territory of California and the state and its local governments therein. The term "State" or "State of California" refers to the State of California as a governmental unit.

A. State of California Allocation

Fifteen percent of the total Settlement Fund payments will be allocated to the State and used by the State for future Opioid Remediation.

B. CA Abatement Accounts Fund

i. Allocation of CA Abatement Accounts Funds

- a) Seventy percent of the total Settlement Fund payments will be allocated to the CA Abatement Accounts Fund. The funds in the CA Abatement Accounts Fund will be allocated based on the allocation model developed in connection with the proposed negotiating class in the National Prescription Opiate Litigation (MDL No. 2804), as adjusted to reflect only those cities and counties that are eligible, based on population or litigation status, to become a CA Participating Subdivision. The percentage from the CA Abatement Accounts Fund allocated to each CA Participating Subdivision is set forth in Appendix 1 in the column entitled abatement percentage (the "Local Allocation"). For the avoidance of doubt, CA Litigating Special Districts and California towns, cities, and counties with a population less than 10,000 are not eligible to receive an allocation of CA Abatement Accounts Funds.
- b) A CA Participating Subdivision that is a county, or a city and county, will be allocated its Local Allocation share as of the date on which it becomes a Participating Subdivision, and will receive payments as provided in the CVS Settlement Agreement.
- c) A CA Participating Subdivision that is a city will be allocated its Local Allocation share as of the date on which it becomes a Participating Subdivision. The Local Allocation share for a city that is a CA Participating Subdivision will be paid to the county in which the city is located, rather than to the city, so long as: (a) the county is a CA Participating Subdivision, and (b) the city has not advised the Settlement Fund Administrator that it requests direct payment at least 60 days prior to a Payment Date. A Local Allocation share allocated to a city but paid to a county is not required to be spent exclusively for abatement activities in that city, but will become part of the county's share of the CA Abatement Accounts Funds, which will be used in accordance with Section 4.B.iii (Use of CA Abatement Accounts Funds) and reported on in accordance with Section 4.B.iii (CA Abatement Accounts Fund Oversight).
- d) A city within a county that is a CA Participating Subdivision may opt in or out of direct payment at any time, and it may also elect direct payment of only a portion of its share, with the remainder going to the county, by providing notice to the Settlement Fund Administrator at least 60 days prior to a Payment Date. For purposes of this CA CVS Allocation Agreement, the Cities of Los Angeles, Oakland, San Diego, San Jose and Eureka will be deemed to have elected direct payment if they become Participating Subdivisions.



- e) The State will receive the Local Allocation share of any payment to the Settlement Fund that is attributable to a county or city that is eligible to become a CA Participating Subdivision, but that has not, as of the date of that payment to the Settlement Fund, become a Participating Subdivision.
- f) Funds received by a CA Participating Subdivision, and not expended or encumbered within five years of receipt and in accordance with the CVS Settlement Agreement and this CA CVS Allocation Agreement shall be transferred to the State; provided however, that CA Participating Subdivisions have seven years to expend or encumber CA Abatement Accounts Funds designated to support capital outlay projects before they must be transferred to the State. This provision shall not apply to the Cost Reimbursement Funds, which shall be controlled by Appendix 2.

ii. Use of CA Abatement Accounts Funds

- a) The CA Abatement Accounts Funds will be used for future Opioid Remediation in one or more of the areas described in the List of Opioid Remediation Uses, which is Exhibit E to the CVS Settlement Agreement.
- b) In addition to this requirement, no less than 50% of the funds received by a CA Participating Subdivision from the Abatement Accounts Fund in each calendar year will be used for one or more of the following High Impact Abatement Activities:
 - (1) the provision of matching funds or operating costs for substance use disorder facilities within the Behavioral Health Continuum Infrastructure Program;
 - (2) creating new or expanded Substance Use Disorder ("SUD") treatment infrastructure;
 - (3) addressing the needs of communities of color and vulnerable populations (including sheltered and unsheltered homeless populations) that are disproportionately impacted by SUD;
 - (4) diversion of people with SUD from the justice system into treatment, including by providing training and resources to first and early responders (sworn and non-sworn) and implementing best practices for outreach, diversion and deflection, employability, restorative justice, and harm reduction; and/or
 - (5) interventions to prevent drug addiction in vulnerable youth.
- c) The California Department of Health Care Services ("DHCS") may add to this list (but not delete from it) by designating additional High Impact Abatement Activities. DHCS will make reasonable efforts to consult with stakeholders, including the CA Participating Subdivisions, before adding additional High Impact Abatement Activities to this list.
- d) For the avoidance of doubt, and subject to the requirements of the CVS Settlement Agreement and applicable law, CA Participating Subdivisions may form agreements or



ventures, or otherwise work in collaboration with, federal, state, local, tribal or private sector entities in pursuing Opioid Remediation activities funded from the CA Abatement Accounts Fund. Further, provided that all CA Abatement Accounts Funds are used for Opioid Remediation consistent with the CVS Settlement Agreement and this CA CVS Allocation Agreement, a county and any cities or towns within the county may agree to reallocate their respective shares of the CA Abatement Accounts Funds among themselves, provided that any direct distribution may only be to a CA Participating Subdivision and any CA Participating Subdivision must agree to their share being reallocated.

iii. CA Abatement Accounts Fund Oversight

- a) Pursuant to Section 5 below, CA Participating Subdivisions receiving settlement funds must prepare and file reports annually regarding the use of those funds. DHCS may regularly review the reports prepared by CA Participating Subdivisions about the use of CA Abatement Accounts Funds for compliance with the CVS Settlement Agreement and this CA CVS Allocation Agreement.
- b) If DHCS determines that a CA Participating Subdivision's use of CA Abatement Accounts Funds is inconsistent with the CVS Settlement Agreement or this CA CVS Allocation Agreement, whether through review of reports or information from any other sources, DHCS shall send a request to meet and confer with the CA Participating Subdivision. The parties shall meet and confer in an effort to resolve the concern.
- c) If the parties are unable to reach a resolution, DHCS may conduct an audit of the Subdivision's use of the CA Abatement Accounts Funds within one year of the request to meet and confer, unless the parties mutually agree in writing to extend the meet and confer time frame.
- d) If the concern still cannot be resolved, the State may bring a motion or action in the court where the State has filed its Consent Judgment to resolve the concern or otherwise enforce the requirements of the CVS Settlement Agreement or this CA CVS Allocation Agreement. However, in no case shall any audit be conducted, or motion be brought, as to a specific expenditure of funds, more than five years after the date on which the expenditure of the funds was reported to DHCS, in accordance with this agreement.
- e) Notwithstanding the foregoing, this Agreement does not limit the statutory or constitutional authority of any state or local agency or official to conduct audits, investigations, or other oversight activities, or to pursue administrative, civil, or criminal enforcement actions.



C. CA Subdivision Fund

i. Fifteen percent of the total Settlement Fund payments will be allocated to the CA Subdivision Fund. All funds in the CA Subdivision Fund will be allocated among the Plaintiff Subdivisions that are Initial Participating Subdivisions. The funds will be used, subject to any limits imposed by the CVS Settlement Agreement and this CA CVS Allocation Agreement, to fund future Opioid Remediation and reimburse past opioid-related expenses, which may include fees and expenses related to litigation, and to pay the reasonable fees and expenses of the Special Master as set forth in Appendix 2.

The CA Subdivision Funds will be allocated as follows:

- a) First, funds in the CA Subdivision Fund shall be used to pay the Special Master's reasonable fees and expenses in accordance with the procedures and limitations set forth in Appendix 2 to this document;
- b) Second, funds will be allocated to Plaintiff Subdivisions that are Initial Participating Subdivisions that have been awarded Costs, as defined by and in accordance with the procedures and limitations set forth in Appendix 2 to this document.
- c) Funds remaining in the CA Subdivision Fund, which shall consist of no less than 50% of the total CA Subdivision Fund received in any year pursuant to Appendix 2, Section 2.c.v, will be distributed to Plaintiff Subdivisions that are Initial Participating Subdivisions, in relative proportion to the Local Allocation. These funds shall be used to fund future opioid-related projects and to reimburse past opioid-related expenses, which may include fees and expenses related to litigation against any Opioid Defendant.

D. Provision for State Back-Stop Agreement

On August 6, 2021, Judge Dan Polster of the U.S. District Court, Northern District of Ohio, Eastern Division, issued an order (ECF Docket Number 3814) ("MDL Fees Order") in the National Prescription Opiate Litigation (MDL No. 2804) "cap[ping] all applicable contingent fee agreements at 15%." Private counsel representing Plaintiff Subdivisions should seek its contingency fees and costs from the Attorney Fee Fund or Cost Funds under the CVS Settlement Agreement, and, if applicable, the Teva Settlement Agreement, Allergan Settlement Agreement, Distributor Settlement Agreement, Janssen Settlement Agreement, Walgreens Settlement Agreement, and Walmart Settlement Agreement.

A Plaintiff Subdivision may separately agree to use its share of the CA Subdivision Fund to pay for fees or costs incurred by its contingency-fee counsel ("State Back-Stop Agreement"), pursuant to Exhibit R, section I(Y), of the CVS Settlement Agreement and the MDL Fees Order, so long as such contingency fees do not exceed a total contingency fee of 15% of the total gross recovery of the Plaintiff Subdivision pursuant to the CVS Settlement, inclusive of contingency fees from the national Attorney Fee Fund and this State Back-Stop Agreement. Before seeking fees or litigation costs and expenses from a State Back-Stop Agreement, private counsel



representing Plaintiff Subdivisions must first seek contingency fees and costs from the Attorney Fee Fund or Cost Funds created under the CVS Settlement Agreement. Further, private counsel may only seek reimbursement for litigation fees and costs that have not previously been reimbursed through prior settlements or judgments.

To effectuate a State Back-Stop Agreement pursuant to this section, an agreement in the form of Appendix 3 may be entered into by a Plaintiff Subdivision, private counsel, and the California Office of the Attorney General. The California Office of the Attorney General shall, upon the request of a Plaintiff Subdivision, execute any agreement executed by a Plaintiff Subdivision and its private counsel if it is in the form of Appendix 3. The California Office of the Attorney General will also consider requests from Plaintiff Subdivisions to execute and enter into agreements presented in other forms.

For the avoidance of doubt, this agreement does not require a Plaintiff Subdivision to request or enter into a State Back-Stop Agreement, and no State Back-Stop Agreement shall impose any duty or obligation on the State of California or any of its agencies or officers, including without limitation the Attorney General.

5. State and Subdivision Reporting

- a) DHCS will prepare an annual written report regarding the State's use of funds from the settlement until those funds are fully expended and for one year thereafter. These reports will be made publicly available on the DHCS web site.
- b) Each CA Participating Subdivision that receives payments of funds from the settlement will prepare written reports at least annually regarding the use of those funds, until those funds are fully expended and for one year thereafter. These reports will also include a certification that all funds that the CA Participating Subdivision has received through the settlement have been used in compliance with the CVS Settlement Agreement and this CA CVS Allocation Agreement. The report will be in a form reasonably determined by DHCS. Prior to specifying the form of the report DHCS will confer with representatives of the Plaintiff Subdivisions.
- c) The State and all CA Participating Subdivisions receiving CA Abatement Accounts Funds will track all deposits and expenditures. Each such subdivision is responsible solely for the CA Abatement Accounts Funds it receives. A county is not responsible for oversight, reporting, or monitoring of CA Abatement Accounts Funds received by a city within that county that receives direct payment. Unless otherwise exempt, Subdivisions' expenditures and uses of CA Abatement Accounts Funds and other Settlement Funds will be subject to the normal budgetary and expenditure process of the Subdivision.
- d) Each Plaintiff Subdivision receiving CA Subdivision Funds will track all deposits and expenditures, as required by the CVS Settlement Agreement and this CA CVS Allocation Agreement. Among other things, Plaintiff Subdivisions using monies from the CA Subdivision Fund for purposes that do not qualify as Opioid Remediation must identify and include in their annual report, the amount and how such funds were used, including if used to pay attorneys' fees, investigation costs, or litigation costs. Pursuant to Section V(B)(2) of the CVS Settlement Agreement, such information must also be reported to the Settlement Fund Administrator and CVS.



e) In each year in which DHCS prepares an annual report DHCS will also host a meeting to discuss the annual report and the Opioid Remediation activities being carried out by the State and Participating Subdivisions.

6. Miscellaneous

- a) The State or any CA Participating Subdivision may bring a motion or action in the court where the State has filed its Consent Judgment to enforce the requirements of this CA CVS Allocation Agreement. Before filing such a motion or action the State will meet and confer with any CA Participating Subdivision that is the subject of the anticipated motion or action, and vice versa.
- b) Except as provided in the CVS Settlement Agreement, this CA CVS Allocation Agreement is not enforceable by any party other than the State and the CA Participating Subdivisions. It does not confer any rights or remedies upon, and shall not be enforceable by, any third party.
- c) Except as provided in the CA CVS Allocation Agreement, if any provision of this agreement or the application thereof to any person, entity, or circumstance shall, to any extent, be invalid or unenforceable, the remainder of this agreement, or the application of such provision to persons, entities, or circumstances other than those as to which it is invalid or unenforceable, will not be affected thereby, and each other provision of this agreement will be valid and enforceable to the fullest extent permitted by law.
- d) Except as provided in the CVS Settlement Agreement, this agreement shall be governed by and interpreted in accordance with the laws of California.



The undersigned, Suisun City city, ACKNOWLEDGES acceptance of this Proposed California State-Subdivision Agreement Regarding Distribution and Use of Settlement Funds – CVS Settlement is a requirement to be an Initial Participating Subdivision in the CVS Settlement and ACCEPTS this Proposed California State-Subdivision Agreement Regarding Distribution and Use of Settlement Funds – CVS Settlement. EXECUTED on 3/1/2023.

	DocuSigned by:	
Signature:	Gry Folsom	
Name:	Greg Folsom	
Title:	City Manager	
Date:	3/1/2023	





Subdivision, but that has not, as of the date of that payment to the Settlement Fund, become a Participating Subdivision. Regarding the the annotation of "100%" refers to one-hundred percent (100%) of the California Subdivision Funds received, pursuant to Section 4.C. the column herein entitled "Abatement Percentage," the annotation of "100%" refers to one-hundred percent (100%) of the California **DISCLAIMER**: The allocation percentages herein are estimates only and should not be relied on for decisions regarding legal rights, Abatement Account Funds received, pursuant to Section 4.B. Regarding the column herein entitled "Plaintiff Subdivision Percentage, Participating Subdivision, will be re-allocated among the Plaintiff Subdivisions that are Initial Participating Subdivisions. Regarding Use of Settlement Funds—CVS Settlement, whereas the percentages shown in the Abatement Percentage column should not change. Percentage column may change pursuant to Section 4.C. of the California State-Subdivision Agreement Regarding Distribution and column herein entitled "Abatement Percentage," pursuant to Section 4.B.e., the State of California will receive the Local Allocation Participating Subdivisions, underlying calculations, and the calculated allocation percentages are subject to change. Regarding the Regarding the column herein entitled "Weighted Allocation Percentage," the annotation of "100%" refers to one-hundred percent share of any payment to the Settlement Fund that is attributable to a county or city that is eligible to become a CA Participating column herein entitled "Plaintiff Subdivision Percentage," payments allocated to a Plaintiff Subdivision, which is not an Initial releases, waivers, or other decisions affecting current or potential legal claims. Percentages shown in the Plaintiff Subdivision (100%) of the combined and weighted allocation of the Abatement Percentage and the Plaintiff Subdivision Percentage.

Participating Subdivision
Alameda County
Berkeley
Emeryville
San Leandro
Amador County
Butte County
Calaveras County
Colusa County
Contra Costa County
Brentwood
Danville
El Cerrito
Hercules

Weighted Allcation	Percentage	0.0046030%	0.0098593%	0.0031007%	0.0079416%	0.0038157%	0.0110909%	0.0436369%	0.0106309%	0.1201444%	0.0148843%	0.0176459%	0.0212132%	0.1189608%	0.7980034%	0.0127642%	0.0665456%	1.9693410%	0.0536211%	0.0098554%	0.3270605%	0.0042534%	0.0066167%	0.0019387%	0.0035607%	0.0069755%	0.0098804%	0.0146135%	0.0127537%	0.1116978%	1.0703185%
Plaintiff Subdivision	Percentage													0.140%	0.939%			2.318%												0.131%	1.260%
Abatement	Leicemage	%900.0	0.012%	0.004%	0.010%	0.005%	0.013%	0.053%	0.013%	0.146%	0.018%	0.021%	0.026%	0.114%	0.768%	0.015%	0.081%	1.895%	0.065%	0.012%	0.397%	0.005%	0.008%	0.002%	0.004%	0.008%	0.012%	0.018%	0.015%	0.107%	1.030%
County		Contra Costa	Contra Costa	Contra Costa	Contra Costa	Contra Costa	Del Norte	El Dorado	El Dorado	El Dorado	Fresno	Fresno	Fresno	Fresno	Fresno	Fresno	Fresno	Fresno	Fresno	Fresno	Fresno	Fresno	Glenn	Humboldt							
Participating Subdivision		Lafayette	Martinez	Moraga	Oakley	Orinda	Pinole	Pittsburg	Pleasant Hill	Richmond	San Pablo	San Ramon	Walnut Creek	Del Norte County	El Dorado County	Placerville	South Lake Tahoe	Fresno County	Clovis	Coalinga	Fresno	Kerman	Kingsburg	Mendota	Orange Cove	Parlier	Reedley	Sanger	Selma	Glenn County	Humboldt County
Participating Subdivision	Classification	City	City	City	City	City	County	County	City	City	County	City	City	City	City	City	County	County													

14.4437559% 0.0131900% 0.3320610% 0.0219295% 0.0103417% 0.0069861% 0.0226038% 0.6545389% 0.0426253% 0.0222964% 0.0048791% 0.0754413% 0.0046425% 0.0070820% 0.0249316% 0.0025644% 0.0120938% 0.0073580% 0.2413469% 0.0056335% 0.0107032% 0.0266837% 0.0087986% 0.0152799% 0.1302522% 0.1747198% 0.0447660% 0.1216284% 0.2679006% 2.6159145% Allcation 16.999% Subdivision 0.391% Percentage 0.050% 0.026% 0.089% 0.143% 0.315% 3.079% 13.896% 0.013% 0.795% %900.0 0.319% Percentage 0.032% 0.027% %900.0 0.073% 2.517% 0.212% 0.009% 0.030% 0.003% 0.015% 0.013% 0.009% 0.008% 0.293% 0.007% 0.027% 0.016% 0.041% 0.021% 0.258% 0.011% 0.019% 0.158% 0.054% Los Angeles Humboldt Humboldt Humboldt Imperial Imperial Imperial Imperial Imperial Kings Kings Kings Kings Kings Lassen Lassen Lake Lake Lake Inyo Kern Kern Kern Kern Kem Kem Kern Kem Kern Kern Participating Subdivision Los Angeles County Imperial County California City Lassen County Kings County Lake County Inyo County Kern Count Susanville Bakersfield McFarland Ridgecrest Clearlake Tehachapi Lemoore Lakeport El Centro Corcoran Calexico Hanford Brawley Imperial Fortuna Delano Shafter Wasco Eureka Avenal Arcata Arvin Classification Participating Subdivision County County County County County City City City County City City

Weighted	Percentage	0.0040024%	0.0343309%	0.0267718%	0.0005100%	0.0210857%	0.0218520%	0.0068783%	0.0014485%	0.0114301%	0.0534897%	0.0823132%	0.0048948%	0.0159805%	0.0039682%	0.0082584%	0.0002971%	0.0361882%	0.0229127%	0.0006020%	0.0449894%	0.0006993%	0.0429994%	0.0027261%	0.0318985%	0.0268020%	0.0278088%	0.1366586%	0.0134411%	0.0040549%	0.0407833%
Plaintiff Subdivision	Percentage																								0.038%						
Abatement	Percentage	0.005%	0.042%	0.033%	0.001%	0.026%	0.027%	0.008%	0.002%	0.014%	0.065%	0.100%	0.006%	0.019%	0.005%	0.010%	0.000%	0.044%	0.028%	0.001%	0.055%	0.001%	0.052%	0.003%	0.031%	0.033%	0.034%	0.166%	0.016%	0.005%	0.050%
County		Los Angeles	Los Angeles	Los Angeles	Los Angeles	Los Angeles	Los Angeles	Los Angeles	Los Angeles	Los Angeles	Los Angeles	Los Angeles	Los Angeles	Los Angeles	Los Angeles	Los Angeles	Los Angeles	Los Angeles	Los Angeles	Los Angeles	Los Angeles	Los Angeles	Los Angeles	Los Angeles	Los Angeles	Los Angeles	Los Angeles	Los Angeles	Los Angeles	Los Angeles	Los Angeles
Participating Subdivision		Agoura Hills	Alhambra	Arcadia	Artesia	Azusa	Baldwin Park	Bell	Bellflower	Bell Gardens	Beverly Hills	Burbank	Calabasas	Carson	Cerritos	Claremont	Commerce	Compton	Covina	Cudahy	Culver City	Diamond Bar	Downey	Duarte	El Monte	El Segundo	Gardena	Glendale	Glendora	Hawaiian Gardens	Hawthorne
Participating Subdivision	Classification	City	City	City	City	City	City	City	City	City	City	City	City	City	City	City	City	City	City	City	City	City	City	City	City	City	City	City	City	City	City

0.0506992% 0.0028260% 0.0134345% 0.0260686% 0.0375827% 0.0091483% 0.0183333% 0.0911933% 0.0012645% 0.0369689% 0.0012999% 0.0194190% 0.0017731% 0.0031940% 0.3614151% 2.8218811% 0.0019269% 0.0035528% 0.0254455% 0.0250670% 0.0258228% 0.0053102% 0.1200524% 0.0145307% 0.0489195% 0.0025565% 0.0039971% 0.0081572% 0.0256677% 0.0190667% Allcation Subdivision 3.321% Percentage 2.715% 0.062% Abatement Percentage 0.032% 0.031% 0.046% 0.006% 0.011% 0.022% 0.111% 0.002% 0.004% 0.031% 0.030% 0.031% 0.146% 0.023% 0.059% 0.003% 0.005% 0.010% 0.045% 0.002% 0.024% 0.002% 0.004% 0.439% 0.016% 0.002% 0.018%Los Angeles Los Angeles County Participating Subdivision Rancho Palos Verdes Palos Verdes Estates La Cañada Flintridge Manhattan Beach Redondo Beach Huntington Park Hermosa Beach Monterey Park Los Angeles Long Beach Pico Rivera Montebello Rosemead La Mirada Maywood Monrovia Paramount Inglewood Lakewood La Puente Lawndale Palmdale Pasadena La Verne Lynwood Lancaster Norwalk Pomona Malibu Lomita Classification Participating Subdivision City City



Weighted Allcation	Percentage	0.0022016%	0.0104837%	0.0147726%	0.0073791%	0.0178167%	0.0257531%	0.1298513%	0.0048646%	0.0084884%	0.0039603%	0.0166272%	0.0095334%	0.0039498%	0.0919820%	0.0047305%	0.0404521%	0.0108517%	0.0260581%	0.3630669%	0.0097332%	0.0318441%	0.5861325%	0.0124697%	0.0168401%	0.0229824%	0.0078062%	0.0729823%	0.0876131%	0.4558394%	0.0317153%
Plaintiff Subdivision	Percentage																			0.427%			%069.0						0.103%	0.536%	
Abatement	rercentage	0.003%	0.013%	0.018%	0.009%	0.022%	0.031%	0.158%	0.006%	0.010%	0.005%	0.020%	0.012%	0.005%	0.112%	0.006%	0.049%	0.013%	0.032%	0.349%	0.012%	0.039%	0.564%	0.015%	0.020%	0.028%	0.009%	0.089%	0.084%	0.439%	0.039%
County		Los Angeles	Los Angeles	Los Angeles	Los Angeles	Los Angeles	Los Angeles	Los Angeles	Los Angeles	Los Angeles	Los Angeles	Los Angeles	Los Angeles	Los Angeles	Los Angeles	Los Angeles	Los Angeles	Los Angeles	Los Angeles	Madera	Madera	Madera	Marin	Marin	Marin	Marin	Marin	Marin	Mariposa	Mendocino	Mendocino
Participating Subdivision		San Dimas	San Fernando	San Gabriel	San Marino	Santa Clarita	Santa Fe Springs	Santa Monica	Sierra Madre	Signal Hill	South El Monte	South Gate	South Pasadena	Temple City	Torrance	Walnut	West Covina	West Hollywood	Whittier	Madera County	Chowchilla	Madera	Marin County	Larkspur	Mill Valley	Novato	San Anselmo	San Rafael	Mariposa County	Mendocino County	Ukiah
Participating Subdivision	Classification	City	City	City	City	City	City	City	City	City	City	City	City	City	City	City	City	City	City	County	City	City	County	City	City	City	City	City	County	County	City

0.0005560% 0.0642783% 0.0023843% 4.5363576% 0.5759282% 0.1288366% 0.0271937% 0.0050552% 0.0144098% 0.0336540% 0.0776576% 0.0191772% 0.2994325% 0.0136869% 0.4579827% 0.0197805% 0.0113841% 0.0708897% 0.0714352% 0.0678250% 0.0242606% 0.9437083% 0.0037355% 0.0074842% 0.0060870% 0.5724262% 0.0195846% 0.0045873% 0.0165142% 0.0500762% Percentage Allcation 5.339% Subdivision Percentage 1.1111% 0.152% 0.352% 0.539% 0.678% 0.674% 0.080% 0.029% %806.0 0.124% Percentage 0.554% 0.033% Abatement 0.007% 4.364% 0.086% 0.087% 0.001%0.024% %900.0 0.061% 0.065% 0.023% 0.006% 0.005% 0.017% 0.041% 0.009% 0.094% 0.023% 0.288% 0.017% 0.078% 0.441% 0.024% 0.003% 0.014% 0.551% 0.020% Monterey Orange Monterey Monterey Monterey Monterey Monterey Monterey Nevada Orange Orange Orange Orange Monterey Monterey Modoc Nevada Orange Orange Nevada Orange Mono Napa Merced Merced Merced Merced Merced Napa Napa County Participating Subdivision American Canyon Monterey County Nevada County Orange County Merced County Modoc County Pacific Grove Mono County Napa County Grass Valley Aliso Viejo Costa Mesa Buena Park Dana Point Livingston Los Banos Greenfield Monterey King City Anaheim Cypress Soledad Truckee Seaside Atwater Merced Marina Salinas Brea Classification Participating Subdivision County County County City County County County County City City

0.0362223% 0.0255599% 0.0625485% 0.5213866% 0.0600341% 0.1082721% 1.0861002% 0.0141114% 0.0455980% 0.1425744% 0.1752482% 0.2568420% 0.1442350% 0.0493043% 0.0115457% 0.0007071% 0.0006546% 0.0621049% 0.0101249% 0.0095439% 0.0069190% 0.0117560% 0.1470134% 0.1231320% 0.0298912% 0.0006296% 0.0086083% 0.0065510% 0.0165891% 0.0291955% Percentage Weighted Allcation Subdivision Percentage 0.302% 0.170% 0.168% 0.073% 0.035% 0.010% 0.614% 0.127% 1.278% 0.058% Percentage 0.247% %800.0 0.035% 1.045% Abatement 0.031% 0.076% 0.137% 0.213% 0.139% 0.047% 0.014% 0.001% 0.001% 0.060% 0.012% 0.012% 0.014% 0.179% 0.150% 0.029% 0.001% 0.008% 0.008% 0.502% 0.020% 0.073% 0.104% 0.044% 0.017% 0.055% Orange Placer Orange Orange Orange Orange Orange Placer Placer Placer County Rancho Santa Margarita Participating Subdivision San Juan Capistrano Huntington Beach Newport Beach Laguna Woods Fountain Valley Garden Grove Laguna Beach Laguna Niguel Mission Viejo San Clemente Laguna Hills Los Alamitos Yorba Linda Placer County Westminster Lake Forest Santa Ana Seal Beach La Habra La Palma Placentia Fullerton Lincoln Orange Rocklin Stanton Auburn Tustin Irvine Classification Participating Subdivision County City City

0.0076774% 0.2206279% 0.0180086% 0.0062500% 3.9465887% 0.0457794% 0.1130348% 0.0134542% 0.0682465% 0.0431098% 0.0085936% 4.7128296% 0.0096714% 0.0553614% 0.0173054% 0.0200433% 0.0002747% 0.0421792% 0.0008991% 0.0172949% 0.0516732% 0.0260909% 0.0497423% 0.0629862% 0.1616559%0.2128729% 0.0143848% 0.0171135% 0.0001761% 0.1207083%Percentage Allcation Subdivision 0.251% Percentage 4.645% 0.059% 5.547% Percentage 0.008% 3.797% 0.021% 0.000% 0.051% 0.021% 0.063% 0.032% 0.137% 0.048% 0.083% 0.076% 0.009% 0.052% 0.268% 0.010% 0.022% 0.205% 4.534% 0.021% 0.012% 0.000% 0.067% 0.147% 0.024% 0.056% 0.001% 0.016%0.017% 0.196% Sacramento Riverside Plumas Placer Participating Subdivision Sacramento County Desert Hot Springs Riverside County Rancho Mirage Moreno Valley Plumas County Cathedral City Lake Elsinore Canyon Lake Jurupa Valley Palm Springs Palm Desert San Jacinto Wildomar Riverside Temecula La Ouinta Roseville Beaumont Coachella Menifee Murrieta Banning Eastvale Corona Blythe Hemet Norco Indio Perris Classification Participating Subdivision County County City City



Weighted Allcation Percentage	0.0465312%	0.1066994%	0.0890850%	0.0143704%	0.0067679%	0.7496530%	0.1101417%	0.0225355%	3.3878124%	0.0066640%	0.0207360%	0.0122056%	0.0525893%	0.0006388%	0.0253443%	0.0920543%	0.0051051%	0.0291522%	0.0029061%	0.0071188%	0.0322108%	0.1472934%	0.0689431%	0.0469150%	0.0603206%	0.1461880%	0.0012605%	0.0424460%	0.0269400%	0.0128772%
Plaintiff Subdivision Percentage						0.882%	0.130%		3.987%																					
Abatement Percentage	0.057%	0.130%	0.108%	0.017%	0.008%	0.721%	0.106%	0.027%	3.259%	0.008%	0.025%	0.015%	0.064%	0.001%	0.031%	0.112%	0.006%	0.035%	0.004%	0.009%	0.039%	0.179%	0.084%	0.057%	0.073%	0.178%	0.002%	0.052%	0.033%	0.016%
County	Sacramento	Sacramento	Sacramento	Sacramento	Sacramento	Sacramento	San Benito	San Benito	San Bernardino	San Bernardino	San Bernardino	San Bernardino	San Bernardino	San Bernardino	San Bernardino	San Bernardino	San Bernardino	San Bernardino	San Bernardino	San Bernardino	San Bernardino	San Bernardino	San Bernardino	San Bernardino	San Bernardino	San Bernardino	San Bernardino	San Bernardino	San Bernardino	San Bernardino
Participating Subdivision	Citrus Heights	Elk Grove	Folsom	Galt	Rancho Cordova	Sacramento	San Benito County	Hollister	San Bernardino County	Adelanto	Apple Valley	Barstow	Chino	Chino Hills	Colton	Fontana	Grand Terrace	Hesperia	Highland	Loma Linda	Montclair	Ontario	Rancho Cucamonga	Redlands	Rialto	San Bernardino	Twentynine Palms	Upland	Victorville	Yucaipa
Participating Subdivision Classification	City	City	City	City	City	City	County	City	County	City	City	City	City	City	City	City	City													



Weighted Allcation Percentage	0.0021228%	5.9309748%	0.1050485%	0.1961456%	0.0359095%	0.0933582%	0.0630289%	0.1192204%	0.0118283%	0.0575593%	0.0183911%	0.0656808%	0.1753428%	0.0511040%	2.0531169%	0.0733897%	0.0268401%	0.0138564%	0.0425144%	3.1457169%	1.7460399%	0.0075394%	0.0439484%	0.0443454%	0.0104219%	0.3256176%	0.0692047%	0.8484126%	0.0199053%	0.0240680%
Plaintiff Subdivision Percentage		%086.9		0.231%			0.074%			0.068%					2.416%					3.702%	2.055%					0.383%		%666.0		
Abatement Percentage	0.003%	2.706%	0.128%	0.189%	0.044%	0.113%	0.061%	0.145%	0.014%	0.055%	0.022%	0.080%	0.213%	0.062%	1.975%	0.089%	0.033%	0.017%	0.052%	3.026%	1.680%	0.009%	0.053%	0.054%	0.013%	0.313%	0.084%	0.816%	0.024%	0.029%
County	San Bernardino	San Diego	San Diego	San Diego	San Diego	San Diego	San Diego	San Diego	San Diego	San Diego	San Diego	San Diego	San Diego	San Diego	San Diego	San Diego	San Diego	San Diego	San Diego	San Francisco	San Joaquin	San Joaquin	San Joaquin	San Joaquin	San Joaquin	San Joaquin	San Joaquin	San Luis Obispo	San Luis Obispo	San Luis Obispo
Participating Subdivision	Yucca Valley	San Diego County	Carlsbad	Chula Vista	Coronado	El Cajon	Encinitas	Escondido	Imperial Beach	La Mesa	Lemon Grove	National City	Oceanside	Poway	San Diego	San Marcos	Santee	Solana Beach	Vista	San Francisco	San Joaquin County	Lathrop	Lodi	Manteca	Ripon	Stockton	Tracy	San Luis Obispo County	Arroyo Grande	Atascadero
Participating Subdivision Classification	City	County	City	City	City	City	City	City	City	City	City	City	City	City	City	City	City	City	City	Consolidated	County	City	City	City	City	City	City	County	City	City



Weighted Allcation	0.0353456%	0.0137881%	0.0160922%	0.0637841%	1.1159599%	0.0169860%	0.0152537%	0.0363880%	0.0103982%	0.0166101%	0.0031638%	0.0110029%	0.0126209%	0.0105836%	0.0130625%	0.0463511%	0.0172161%	0.0108885%	0.0425841%	0.0353943%	1.1768968%	0.0008938%	0.0028969%	0.0389379%	0.1004559%	0.0479179%	2.4987553%	0.0112566%	0.0066824%	0.0202891%
Plaintiff Subdivision	Lercentage				1.313%																1.385%						2.941%			
Abatement Percentage	0.043%	0.017%	0.020%	0.077%	1.074%	0.021%	0.019%	0.044%	0.013%	0.020%	0.004%	0.013%	0.015%	0.013%	0.016%	0.056%	0.021%	0.013%	0.052%	0.043%	1.132%	0.001%	0.004%	0.047%	0.122%	0.058%	2.404%	0.014%	0.008%	0.025%
County	San Luis Obispo	San Luis Obispo	San Luis Obispo	San Luis Obispo	San Mateo	San Mateo	San Mateo	San Mateo	San Mateo	San Mateo	San Mateo	San Mateo	San Mateo	San Mateo	San Mateo	San Mateo	San Mateo	San Mateo	San Mateo	San Mateo	Santa Barbara	Santa Barbara	Santa Barbara	Santa Barbara	Santa Barbara	Santa Barbara	Santa Clara	Santa Clara	Santa Clara	Santa Clara
Participating Subdivision	El Paso de Robles (Paso Robles)	Grover Beach	Morro Bay	San Luis Obispo	San Mateo County	Belmont	Burlingame	Daly City	East Palo Alto	Foster City	Half Moon Bay	Hillsborough	Menlo Park	Millbrae	Pacifica	Redwood City	San Bruno	San Carlos	San Mateo	South San Francisco	Santa Barbara County	Carpinteria	Goleta	Lompoc	Santa Barbara	Santa Maria	Santa Clara County	Campbell	Cupertino	Gilroy
Participating Subdivision	City	City	City	City	County	City	City	City	City	City	City	City	City	City	City	City	City	City	City	City	County	City	City	City	City	City	County	City	City	City

0.0266929% 0.0667507% 0.0198896% 0.2334841% 0.0031993% 0.6260795% 0.0253903% 0.0130849% 0.1373644% 1.2661290% 0.0323080% 0.0034161% 0.8135396% 0.0168191% 0.1180348% 0.0126525% 0.0520136% 1.1380191% 0.2373393% 0.0897317% 0.0176183% 0.0976497% 0.0103338%0.0103220% 0.0298120% 0.0124619% 0.3054960% 0.0549723% 0.0434069% 0.0334608% Percentage Allcation Subdivision Percentage 1.490% 0.957% 1.339% 0.279% 0.360% 0.063% 1.218% 0.032% 0.081%Percentage 0.284% 0.016% 0.021% 0.119% 0.167% Abatement 0.024% 0.004% 0.228% 0.760% 0.031% 0.109% 0.013% 0.036% 0.015% 0.041% 0.039% 0.294% 0.067% 0.004% 0.053% 0.783% 0.020% 0.143% 0.015% 1.095% 0.013% Santa Clara Santa Cruz Santa Cruz Santa Cruz Santa Cruz Santa Cruz Santa Clara Sonoma Solano Sonoma Sonoma Shasta Shasta Siskiyon Solano Solano Solano Shasta Solano Solano Solano Shasta County Participating Subdivision Santa Cruz County Siskiyou County Sonoma County Mountain View Solano County Shasta County Shasta Lake Scotts Valley Watsonville Healdsburg Santa Clara Morgan Hill Santa Cruz Suisun City Sunnyvale Los Gatos Anderson Vacaville Petaluma Palo Alto Saratoga Los Altos San Jose Capitola Redding Fairfield Milpitas Benicia Vallejo Dixon Classification Participating Subdivision County County County County City County City Cj. City City

Weighted Allcation Percentage	0.0340759%	0.1519070%	0.0183438%	0.0129298%	1.4182273%	0.0340260%	0.1788759%	0.0046964%	0.0145531%	0.0126590%	0.0085699%	0.0531966%	0.3179548%	0.0606242%	0.2216654%	0.0117771%	0.0855476%	0.8410949%	0.0116929%	0.0032479%	0.0027879%	0.0057111%	0.0171845%	0.0302273%	0.0545872%	0.5047621%	2.2781201%	0.0012815%	0.0020294%	0.0067337%
Plaintiff Subdivision Percentage	-Guinana												0.374%		0.261%		0.101%	%066.0								0.594%	2.681%			
Abatement Percentage	0.041%	0.184%	0.022%	0.016%	1.722%	0.041%	0.217%	0.006%	0.018%	0.015%	0.010%	0.065%	0.306%	0.074%	0.213%	0.014%	0.082%	%608.0	0.014%	0.004%	0.003%	0.007%	0.021%	0.037%	%990.0	0.486%	2.192%	0.002%	0.002%	0.008%
County	Sonoma	Sonoma	Sonoma	Sonoma	Stanislaus	Stanislaus	Stanislaus	Stanislaus	Stanislaus	Stanislaus	Stanislaus	Stanislaus	Sutter	Sutter	Tehama	Tehama	Trinity	Tulare	Tulare	Tulare	Tulare	Tulare	Tulare	Tulare	Tulare	Tuolumne	Ventura	Ventura	Ventura	Ventura
Participating Subdivision	Rohnert Park	Santa Rosa	Sonoma	Windsor	Stanislaus County	Ceres	Modesto	Newman	Oakdale	Patterson	Riverbank	Turlock	Sutter County	Yuba City	Tehama County	Red Bluff	Trinity County	Tulare County	Dinuba	Exeter	Farmersville	Lindsay	Porterville	Tulare	Visalia	Tuolumne County	Ventura County	Camarillo	Fillmore	Moorpark
Participating Subdivision	City	City	City	City	County	City	County	City	County	City	County	County	City	City	City	City	City	City	City	County	County	City	City	City						



	_		_		_		_	_	_		_	_
Weighted Allcation Percentage	0.1617338%	0.0174145%	0.0702181%	0.0119072%	0.0533043%	0.0179902%	0.3713319%	0.0451747%	0.0544321%	0.0477904%	0.2225679%	0.0112079%
Plaintiff Subdivision Percentage	0.190%						0.437%				0.262%	
Abatement Percentage	0.156%	0.021%	0.085%	0.014%	0.065%	0.022%	0.357%	0.055%	%990.0	0.058%	0.214%	0.014%
County	Ventura	Ventura	Ventura	Ventura	Ventura	Ventura	Yolo	Yolo	Yolo	Yolo	Yuba	Yuba
Participating Subdivision	Oxnard	Port Hueneme	San Buenaventura (Ventura)	Santa Paula	Simi Valley	Thousand Oaks	Yolo County	Davis	West Sacramento	Woodland	Yuba County	Marysville
Participating Subdivision Classification	City	City	City	City	City	City	County	City	City	City	County	City

Cost Reimbursement Procedure

1. Additional defined terms:

- a) Costs means the reasonable amounts paid for the attorney and other City Attorney and County Counsel staff time for individuals employed by a Plaintiff Subdivision at the contractual rate, inclusive of benefits and overhead, together with amounts paid for court reporters, experts, copying, electronic research, travel, vendors, and the like, which were not previously reimbursed and which were paid or incurred (i) prior to December 31, 2022 in litigation against any Opioid Defendant and/or (ii) in negotiating and drafting any CA Allocation Agreement(s) concerning a settlement with any Opioid Defendant(s). Costs does not include attorneys' fees, costs, or expenses incurred by private contingency fee counsel. No part of the CA Abatement Accounts Fund will be used to reimburse Costs.
- b) First Claims Date means October 1, 2023 or when all applications for reimbursement of Costs, in whole or in part, from funds available under Section X and Exhibit R of the CVS Settlement Agreement, Section XIV and Exhibit R of the Teva Settlement Agreement, Section XIII and Exhibit R of the Allergan Settlement Agreement, Section X and Exhibit R of the Distributor Settlement Agreement, Section XI and Exhibit R of the Janssen Settlement Agreement, Section IX and Exhibit R of the Walgreens Settlement Agreement, or Section IX and Exhibit R of the Walmart Settlement Agreement, have been finally determined under the provisions of those agreements, whichever comes first.
- c) Special Master means a retired judicial officer or former public lawyer, not presently employed or retained by a Plaintiff Subdivision, who will aggregate, review, and determine the reasonable Costs to be awarded to each Plaintiff Subdivision that submits a claim for reimbursement of Costs. The Special Master will be selected by a majority vote of the votes cast by Plaintiff Subdivisions, with each such subdivision having one vote.
- d) Plaintiff Subdivision Committee means the committee of Plaintiff Subdivisions that will review and approve the invoices submitted by the Special Master reflecting his or her reasonable time and expenses.

2. Cost Reimbursement to Plaintiff Subdivision

- a) Purpose. Substantial resources have been expended to hold Opioid Defendants accountable for creating and profiting from the opioid crisis, and this effort has been a significant catalyst in creating National Opioid Settlements with various manufacturers, distributors, and chain pharmacies.
- b) Claims Procedure.
 - i. If a Plaintiff Subdivision is eligible to seek reimbursement of Costs, in whole or in part, from funds available under Section X and Exhibit R of the CVS Settlement



Agreement, Section XIV and Exhibit R of the Teva Settlement Agreement, Section XIII and Exhibit R of the Allergan Settlement Agreement, Section IX and Exhibit R of the Walgreens Settlement Agreement, Section IX and Exhibit R of the Walmart Settlement Agreement, Section X or Exhibit R of the Distributor Settlement Agreement, or Section XI or Exhibit R of the Janssen Settlement Agreement, it must first make a timely application for reimbursement from such funds. To allow sufficient time for determination of those applications, no claim for Costs to the CA Subdivision Fund under this Agreement may be made before the First Claims Date.

- ii. A Plaintiff Subdivision that wishes to be reimbursed from the CA Subdivision Fund must submit a claim to the Special Master no later than forty-five (45) days after the First Claims Date. The Special Master will then compile and redistribute the aggregated claim totals for each Plaintiff Subdivision via email to representatives of all the Plaintiff Subdivisions. A claim for attorney and staff time must list, for each attorney or staff member included in the claim, the following information: name, title, total hours claimed, hourly rate (including, if sought, benefits and share of overhead), and narrative summarizing the general nature of the work performed by the attorney or staff member. For reimbursement of "hard" costs, the subdivision may aggregate across a category (e.g., total for travel costs). It is the intention of the Plaintiff Subdivisions that submission of documents related to reimbursement of Costs does not waive any attorney-client privilege or exemptions to the California Public Records Act.
- iii. The Special Master may request, at his or her sole option, additional documents or details to assist in the final award of Costs.
- iv. The Special Master will review claims for reasonableness and will notify each Plaintiff Subdivision of the final determination of its claim, and will provide a list of all final awards to all Plaintiff Subdivisions by email or, upon request, via First Class U.S. Mail. Any Plaintiff Subdivision may ask the Special Master to reconsider any final award within twenty-one (21) days. The Special Master will make a final determination on any such reconsideration request within thirty (30) days of receipt.
- v. Any decision of the Special Master is final and binding, and will be considered under the California Arbitration Act, Code of Civil Procedure section 1280 et seq. as a final arbitration award. Nothing in this agreement is intended to expand the scope of judicial review of the final award for errors of fact or law, and the Parties agree that they may only seek to vacate the award if clear and convincing evidence demonstrates one of the factors set forth in Code of Civil Procedure, section 1286.2, subdivision (a). Plaintiff Subdivisions will have fourteen (14) days after all final awards are made, together with any final determination of a request for



- reconsideration, to seek review in the Superior Court of California, pursuant to Code of Civil Procedure, section 1285, where the State has filed its Consent Judgment.
- vi. The Special Master will prepare a report of Costs that includes his or her fees and expenses at least ninety (90) days before the Payment Date for each Annual Payment. The Special Master's preparation of a report of Costs does not discharge a Plaintiff Subdivision's reporting requirement under Section V(B)(2) of the CVS Settlement Agreement.
- vii. A member of the Plaintiff Subdivision Committee, which is a CA Participating Subdivision, will submit to the Settlement Fund Administrator and CVS a report of the fees and expenses incurred by the Special Master pursuant to Section V(B)(2) of the CVS Settlement Agreement.
- c) Claims Priority and Limitation.
 - i. The Special Master will submit invoices for compensation of reasonable fees and expenses to the Plaintiff Subdivision Committee no later than ninety (90) days prior to the Payment Date for each Annual Payment. The Plaintiff Subdivision Committee will promptly review and, if reasonable, approve the Special Master's invoice for compensation. The Plaintiff Subdivision Committee will submit approved invoices to the Settlement Fund Administrator for payment. The Special Master's approved invoices have priority and will be paid first from the CA Subdivision Fund before any award of Costs, subject to the limitation in Section 2.c.y below.
 - ii. Final Awards of Costs that do not exceed seventy-five thousand dollars (\$75,000.00) will be paid next in priority after the Special Master's approved invoices.
- iii. Final Awards of Costs in excess of seventy-five thousand dollars (\$75,000.00) will be paid proportionally from the funds remaining in that year's Annual Payment.
- iv. Any claim for Costs that is not paid in full will be allocated against the next year's distribution from the CA Subdivision Fund, until all approved claims for Costs are paid in full.
- v. In no event will more than 50% of the total CA Subdivision Fund received in any year be used to pay Costs or the Special Master's approved invoices.
- vi. In no event shall more than \$28 million of the total CA Subdivision Funds paid pursuant to the CVS Settlement Agreement, Teva Settlement Agreement, Allergan Settlement Agreement, Distributor Settlement Agreement, Janssen Settlement Agreement, Walgreens Settlement Agreement, and the Walmart Settlement Agreement be used to pay Costs.



- d) Collateral Source Payments and Third-Party Settlement.
 - In the event a Plaintiff Subdivision is awarded compensation, in whole or in part, i. by any source of funds created as a result of litigation against an Opioid Defendant for its reasonable Costs, it will reduce its claim for Costs from the CA Subdivision Fund by that amount. If a Plaintiff Subdivision has already received a final award of Costs from the CA Subdivision Fund, it will repay the fund up to the prior award of Costs via a payment to the Settlement Fund Administrator or notify the Settlement Fund Administrator that its allocation from the next and subsequent Annual Payments should be reduced accordingly. If the Plaintiff Subdivision is repaying any prior award of Costs, that repayment will occur as soon as is feasible after the Plaintiff Subdivision's receipt of Cost funds from the collateral source, but no more than 90 days after its receipt from the collateral source. The Settlement Fund Administrator will add any repaid Costs to the CA Subdivision Fund. Any Plaintiff Subdivision that has submitted for reimbursement to any national fund and has not received a final determination by the First Claims Date may request that the settlement administrator withhold some or all of its payment from the CA Subdivision Fund in order to avoid repayment.
 - ii. In the event a Plaintiff Subdivision reaches a monetary settlement or compromise against any Opioid Defendant outside of the National Opioid Settlement, the monetary portion of such settlement, net of fees paid to outside contingency fee counsel and of funds earmarked strictly for abatement, will be credited against its Costs and the subdivision will be ineligible to recover those credited Costs from the CA Subdivision Fund. Plaintiff Subdivisions negotiating monetary settlements or compromises against any Opioid Defendant outside of the National Opioid Settlement will negotiate for funds to repay any Costs it previously received from the CA Subdivision Fund or for Costs it otherwise might be eligible to claim from the CA Subdivision Fund. If such a settlement is paid after all final approved claims for Costs by all Plaintiff Subdivisions are satisfied in full, the settling subdivision will reimburse the CA Subdivision Fund in that amount by making payment to the Settlement Fund Administrator to add to the CA Subdivision Fund in a manner consistent with the repayments described in section 2.d.i above.



CALIFORNIA-SUBDIVISION BACKSTOP AGREEMENT

On August 6, 2021, Judge Polster of the US District Court for the Northern District of Ohio issued an Order (the Order), docket number 3814, in In Re National Prescription Opiate Litigation, MDL 2804, addressing contingent attorney fee contracts between political subdivisions eligible to participate in the CVS Settlement and their counsel.

In light of the Order, and at the request of [SUBDIVISION], the [SUBDIVISION], its counsel [COUNSEL], and the California Attorney General, on behalf of the State of California, are entering into this California-Subdivision Backstop Agreement (Backstop Agreement).

[SUBDIVISION] and [COUNSEL] intend this Backstop Agreement to constitute a State Back-Stop Agreement as that term is used in the Order and in Exhibit R (Agreement on Attorneys' Fees, Costs, and Expenses) of the CVS Settlement Agreement.

Pursuant to this Backstop Agreement, [SUBDIVISION] may, subject to the limitations of the CVS Settlement Agreement and CA CVS Allocation Agreement, as well as any other limitations imposed by law, use funds that it receives from the CVS Settlement CA Subdivision Fund to pay a contingent fee to [COUNSEL]. Any such payment from [SUBDIVISION] to [COUNSEL], together with any contingency fees that [COUNSEL] may receive from the national Attorney Fee Fund, will not exceed a total contingency fee of [PERCENTAGE NOT TO EXCEED 15%] of the total gross recovery of [SUBDIVISION] from the CVS Settlement.

[COUNSEL] certify that they first sought fees and costs from the Attorney Fee Fund created under the CVS Settlement Agreement before seeking or accepting payment under this backstop agreement. [COUNSEL] further certify that they are not seeking and will not accept payment under this backstop agreement of any litigation fees or costs that have been reimbursed through prior settlements or judgments.

The Attorney General is executing this agreement solely because the definition of "State Back-Stop Agreement" in Exhibit R of the CVS Settlement Agreement requires such agreements to be between "a Settling State" and private counsel for a participating subdivision. Neither the California Attorney General nor the State of California have any obligations under this Backstop Agreement, and this Backstop Agreement does not require the payment of any state funds to [SUBDIVISION], [COUNSEL], or any other party.

[DATE] [SUBDIVISION SIGNATURE BLOCK]

[DATE] [COUNSEL SIGNATURE BLOCK]

[DATE] [ATTORNEY GENERAL SIGNATURE BLOCK]





Eric R. Delinsky
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January 27, 2023

VIA EMAIL

Renuka R. George, Esq.
Senior Assistant Attorney General
Healthcare Rights and Access, California Department of Justice
Office of Attorney General Rob Bonta
1300 I Street
Sacramento, CA 95814

Email: renuka.george@doj.ca.gov

Re: CVS Opioids Settlement Agreement

Dear Ms. George:

This letter summarizes the agreement reached between CVS and the State of California regarding the multistate CVS Settlement Agreement dated December 9, 2022 regarding opioid claims by states and subdivisions (the "Multistate CVS Settlement Agreement").

CVS Health Corporation and CVS Pharmacy, Inc., and all of their past and present direct and indirect parents and subsidiaries ("CVS"), and the State of California, by and through its Attorney General Rob Bonta, have agreed to the following modifications to the Multistate CVS Settlement Agreement in its application to California. For the avoidance of doubt, the limited modifications set forth below apply only to California and to no other state or territory.

Incentives B and C with 99% C Participation

• At 99 percent participation for both Incentive B and C, Incentive B is to be treated as 100 percent for California, while Incentive C remains at 99. Under this scenario, California would earn 92.6 percent of its maximum remediation share through base payments and Incentive B and Incentive C earnings. This percentage is subject to increases if Incentive D payments are earned.

• At 98 percent participation for Incentive B but 99 percent for Incentive C, Incentive B is to be treated as 99 percent for California, while Incentive C remains the same. Under this scenario, California would earn 91.2 percent of its maximum remediation share through base payments and Incentive B and Incentive C earnings. This percentage is subject to increases if Incentive D payments are earned.

There are no other changes to Incentives B and/or C in the event of 99% participation for Incentive C.

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OFFICE OF ATTORNEY GENERAL ROB BONTA JANUARY 27, 2023 PAGE 2

Incentives B and C with 98% C Participation

- At 98 percent participation for both Incentives B and C, Incentive B is to be treated as 99 percent for California. Under this scenario, California would earn 88.4 percent of its maximum remediation share through base payments and Incentive B and Incentive C earnings. This percentage is subject to increases if Incentive D payments are earned.
- There are no other changes to Incentives B and/or C in the event of 98% participation for Incentive C.

There are no other changes to Incentives B and/or C.

Incentive D Modifications

- 100 percent Incentive C participation = 6 percent Incentive D
- 99 percent Incentive C participation = 6 percent Incentive D
- 98 percent Incentive C participation = 7 percent Incentive D
- 97 percent Incentive C participation = 7 percent Incentive D
- 96 percent Incentive C participation = 8 percent Incentive D
- Below 96 percent Incentive C participation = 10 percent Incentive D

These limited California-specific modifications to the application of Incentives B and C were a necessary condition for California's decision to sign-on as a participating state to the Multistate CVS Settlement Agreement. The modifications to Incentives D were a necessary condition for CVS's agreement to the Incentive B and C modifications.

For the avoidance of doubt, all other terms and provisions in the Multistate CVS Settlement Agreement remain the same, including without limitation all participation tiers not specified above, all definitions, all release provisions, the ten-year payment schedule and all other terms and provisions of the payment schedule, and all other terms and provisions.

These terms shall be included in a stipulated judgment to be filed in a Superior Court in the State of California.

Sincerely,

Eric R. Delinsky Counsel for CVS

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