City of San Leandro

Meeting Date: December 13, 2021

Staff Report

File Number: 21-733 **Agenda Section:** CONSENT CALENDAR

Agenda Number: 8.H.

TO: City Council

FROM: Fran Robustelli
City Manager

BY: Rich Pio Roda
City Attorney

FINANCE REVIEW: Not Applicable

TITLE: Staff Report for a City of San Leandro City Council Resolution authorizing the City of San Leandro to participate in the National Opioid Settlement

SUMMARY

Staff recommends that the City Council consider adoption of the attached Resolution (Attachment A), approving and authorizing participation in the National Opioid litigation settlement brokered by the California Attorney General and authorizing the City Attorney to execute all documents related to the resolution.

BACKGROUND

On July 22, 2021, a settlement was announced in multi-district federal litigation based in Ohio against opioid manufacturers and distributors.

The settlement was the result of litigation brought by states and cities against three pharmaceutical distributors: McKesson, Cardinal Health and Amerisource Bergen; and the opioid manufacturer, Janssen. The litigants contended that the distributors and manufacturer contributed to the national opioid crisis by ignoring signs of opioid addiction and overselling opioids. The proposed settlement will be available to all states, counties, and cities, including those that did not participate in the litigation. The opioid distributors will pay $21 billion over an 18-year period and Janssen will pay $5 billion over a 5-year period.

Under the terms of the settlement, the State of California is scheduled to receive between $2.269 billion and $2.34 billion. The settlement agreement provides a default allocation for the funds: 15% directly to the state, 70% to an abatement fund to be administered by the state, and 15% to local subdivisions that were litigants. An intrastate allocation deal has been agreed upon that adjusts this default allocation. Funds dedicated to the 70% abatement fund will be allocated directly to participating jurisdictions.

Jurisdictions that wish to participate in the settlement must opt-in prior to January 2, 2022.

DISCUSSION

The City has two options. First, the City may decide not to opt-in, in which case, it need do nothing. Second, the City may choose to opt-in to the settlement and authorize signature of the Agreement.

If the City decides to opt-in, it stands to receive 0.039% of the total amount provided to the State. This would constitute, at maximum, approximately $780,000 or $43,333 per year over a period of eighteen years. The City would be required to release future claims against the Distributors and Manufacture in exchange for settlement funds. Funds received via the settlement must be used to ameliorate the effects of the opioid crisis, and the Agreement provides that the City would be obligated to report how it spends funds received from the settlement.

RECOMMENDATION

Staff recommends that the City Council pass the attached Resolution No. 2021-XXXX, approving participation in the National Opioid Settlement and authorizing the City Attorney to execute all agreements and documents related thereto.

ATTACHMENT(S)

- Resolution Authorizing City to enter into National Opioid Settlement
- California State Subdivision Agreement - Distributors
- California State Subdivision Agreement - Janssen

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

1. Introduction

Pursuant to the Distributor Settlement Agreement, dated as of July 21, 2021, and any revision thereto (the "Distributor Settlement Agreement"), including Section V and Exhibit O, the State of California proposes this agreement (the "CA Distributor Allocation Agreement") to govern the allocation, distribution, and use of Settlement Fund payments made to California pursuant to Sections IV and V of the Distributor Settlement Agreement.[1] For the avoidance of doubt, this agreement does not apply to payments made pursuant to Sections IX or X of the Distributor Settlement Agreement.

Pursuant to Exhibit O, Paragraph 4, of the Distributor Settlement Agreement, acceptance of this CA Distributor 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 Distributor Settlement Agreement.

b) *Janssen Settlement Agreement* means the Janssen Settlement Agreement dated July 21, 2021, and any revision thereto.

c) *Litigating Special District* means a school district, fire protection district, health authority, health plan, or other special district that has filed a lawsuit against an Opioid Defendant. 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, and LA Care Health Plan.

d) *Plaintiff Subdivision* means a Subdivision located in California, other than a 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.

[1] A parallel but separate agreement (the "CA Janssen Allocation Agreement") will govern the allocation, distribution, and use of settlement fund payments under the Janssen Settlement Agreement. An eligible Subdivision may elect to participate in either the Distributor Settlement or the Janssen Settlement, or in both.

e) *Opioid Defendant* means any defendant (including but not limited to 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 Distributor Settlement Agreement, as well as applicable law, and the Distributor Settlement Agreement governs over any inconsistent provision of this CA Distributor Allocation Agreement. Terms used in this CA Distributor Allocation Agreement have the same meaning as in the Distributor Settlement Agreement unless otherwise defined herein.

Pursuant to Section V(D)(1) of the Distributor Settlement Agreement, (a) all Settlement Fund payments will be used for Opioid Remediation, except as allowed by Section V(B)(2) of the Distributor 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 Distributor 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 Distributor 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

[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.

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, 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 Distributor 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 Distributor 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 Distributor Settlement Agreement and this CA Distributor 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 Distributor 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 Distributor 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 Distributor Settlement Agreement and this CA Distributor 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 Distributor Settlement Agreement and this CA Distributor Allocation Agreement.

b) If DHCS determines that a CA Participating Subdivision's use of CA Abatement Accounts Funds is inconsistent with the Distributor Settlement Agreement or this CA Distributor 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 Distributor Settlement Agreement or this CA Distributor 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 Distributor Settlement Agreement and this CA Distributor 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 Distributor Settlement Agreement and, if applicable, the Janssen 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(R), of the Distributor 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 Distributor Settlement, and if applicable, the Janssen 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 Distributor Settlement Agreement and, if applicable, the Janssen 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 Distributor Settlement Agreement and this CA Distributor 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 Distributor Settlement Agreement and this CA Distributor 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 Distributor Settlement Agreement, such information must also be reported to the Settlement Fund Administrator and the Distributors.

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 Distributor 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 Distributor Settlement Agreement, this CA Distributor 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 Distributor 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 Distributor Settlement Agreement, this agreement shall be governed by and interpreted in accordance with the laws of California.

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

			100.000%	100.000%	100.000%
Participating Subdivision Classification	**Participating Subdivision**	**County**	**Abatement Percentage**	**Plaintiff Subdivision Percentage**	**Weighted Allcation 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%**

Participating Subdivision Classification	Participating Subdivision	County	Abatement Percentage	Plaintiff Subdivision Percentage	Weighted Allcation Percentage
City	Lafayette	Contra Costa	0.006%		**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%**

Participating Subdivision Classification	Participating Subdivision	County	Abatement Percentage	Plaintiff Subdivision Percentage	Weighted Allcation Percentage
City	Arcata	Humboldt	0.054%		**0.0447660%**
City	Eureka	Humboldt	0.117%	0.143%	**0.1216284%**
City	Fortuna	Humboldt	0.032%		**0.0266837%**
County	***Imperial County***	Imperial	0.258%	0.315%	**0.2679006%**
City	Brawley	Imperial	0.011%		**0.0087986%**
City	Calexico	Imperial	0.019%		**0.0152799%**
City	El Centro	Imperial	0.158%		**0.1302522%**
City	Imperial	Imperial	0.006%		**0.0048791%**
County	***Inyo County***	Inyo	0.073%	0.089%	**0.0754413%**
County	***Kern County***	Kern	2.517%	3.079%	**2.6159145%**
City	Arvin	Kern	0.006%		**0.0046425%**
City	Bakersfield	Kern	0.212%		**0.1747198%**
City	California City	Kern	0.009%		**0.0070820%**
City	Delano	Kern	0.030%		**0.0249316%**
City	McFarland	Kern	0.003%		**0.0025644%**
City	Ridgecrest	Kern	0.015%		**0.0120938%**
City	Shafter	Kern	0.013%		**0.0103417%**
City	Tehachapi	Kern	0.009%		**0.0073580%**
City	Wasco	Kern	0.008%		**0.0069861%**
County	***Kings County***	Kings	0.293%		**0.2413469%**
City	Avenal	Kings	0.007%		**0.0056335%**
City	Corcoran	Kings	0.013%		**0.0107032%**
City	Hanford	Kings	0.027%		**0.0226038%**
City	Lemoore	Kings	0.016%		**0.0131900%**
County	***Lake County***	Lake	0.795%		**0.6545389%**
City	Clearlake	Lake	0.041%	0.050%	**0.0426253%**
City	Lakeport	Lake	0.021%	0.026%	**0.0222964%**
County	***Lassen County***	Lassen	0.319%	0.391%	**0.3320610%**
City	Susanville	Lassen	0.027%		**0.0219295%**
County	***Los Angeles County***	Los Angeles	13.896%	16.999%	**14.4437559%**

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

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

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

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

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

Participating Subdivision Classification	Participating Subdivision	County	Abatement Percentage	Plaintiff Subdivision Percentage	Weighted Allcation 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	0.009%		**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%**

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

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

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

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

Participating Subdivision Classification	Participating Subdivision	County	Abatement Percentage	Plaintiff Subdivision Percentage	Weighted Allcation Percentage
City	Rohnert Park	Sonoma	0.041%		**0.0340759%**
City	Santa Rosa	Sonoma	0.184%		**0.1519070%**
City	Sonoma	Sonoma	0.022%		**0.0183438%**
City	Windsor	Sonoma	0.016%		**0.0129298%**
County	***Stanislaus County***	Stanislaus	1.722%		**1.4182273%**
City	Ceres	Stanislaus	0.041%		**0.0340260%**
City	Modesto	Stanislaus	0.217%		**0.1788759%**
City	Newman	Stanislaus	0.006%		**0.0046964%**
City	Oakdale	Stanislaus	0.018%		**0.0145531%**
City	Patterson	Stanislaus	0.015%		**0.0126590%**
City	Riverbank	Stanislaus	0.010%		**0.0085699%**
City	Turlock	Stanislaus	0.065%		**0.0531966%**
County	***Sutter County***	Sutter	0.306%	0.374%	**0.3179548%**
City	Yuba City	Sutter	0.074%		**0.0606242%**
County	***Tehama County***	Tehama	0.213%	0.261%	**0.2216654%**
City	Red Bluff	Tehama	0.014%		**0.0117771%**
County	***Trinity County***	Trinity	0.082%	0.101%	**0.0855476%**
County	***Tulare County***	Tulare	0.809%	0.990%	**0.8410949%**
City	Dinuba	Tulare	0.014%		**0.0116929%**
City	Exeter	Tulare	0.004%		**0.0032479%**
City	Farmersville	Tulare	0.003%		**0.0027879%**
City	Lindsay	Tulare	0.007%		**0.0057111%**
City	Porterville	Tulare	0.021%		**0.0171845%**
City	Tulare	Tulare	0.037%		**0.0302273%**
City	Visalia	Tulare	0.066%		**0.0545872%**
County	***Tuolumne County***	Tuolumne	0.486%	0.594%	**0.5047621%**
County	***Ventura County***	Ventura	2.192%	2.681%	**2.2781201%**
City	Camarillo	Ventura	0.002%		**0.0012815%**
City	Fillmore	Ventura	0.002%		**0.0020294%**
City	Moorpark	Ventura	0.008%		**0.0067337%**

Participating Subdivision Classification	Participating Subdivision	County	Abatement Percentage	Plaintiff Subdivision Percentage	Weighted Allcation Percentage
City	Oxnard	Ventura	0.156%	0.190%	**0.1617338%**
City	Port Hueneme	Ventura	0.021%		**0.0174145%**
City	San Buenaventura (Ventura)	Ventura	0.085%		**0.0702181%**
City	Santa Paula	Ventura	0.014%		**0.0119072%**
City	Simi Valley	Ventura	0.065%		**0.0533043%**
City	Thousand Oaks	Ventura	0.022%		**0.0179902%**
County	***Yolo County***	Yolo	0.357%	0.437%	**0.3713319%**
City	Davis	Yolo	0.055%		**0.0451747%**
City	West Sacramento	Yolo	0.066%		**0.0544321%**
City	Woodland	Yolo	0.058%		**0.0477904%**
County	***Yuba County***	Yuba	0.214%	0.262%	**0.2225679%**
City	Marysville	Yuba	0.014%		**0.0112079%**

APPENDIX 2

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 paid or incurred (i) prior to July 21, 2021 in litigation against any Opioid Defendant and/or (ii) in negotiating and drafting this CA Distributor Allocation Agreement. 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 Distributor Settlement Agreement or Section XI and Exhibit R of the Janssen 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 a National Opioid Settlement with Distributors, Johnson & Johnson, and others.

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 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 Distributor Agreement.

vii. A member of the Plaintiff Subdivision Committee, which is a CA Participating Subdivision, will submit to the Settlement Fund Administrator and the Distributors a

report of the fees and expenses incurred by the Special Master pursuant to Section V.B.2 of the Distributor 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 Distributor Settlement Agreement and the Janssen 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.

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.

APPENDIX 3

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 Distributors 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, Expenses and Costs) of the Distributor Settlement Agreement.

Pursuant to this Backstop Agreement, [SUBDIVISION] may, subject to the limitations of the Distributor Settlement Agreement and CA Distributor Allocation Agreement, as well as any other limitations imposed by law, use funds that it receives from the Distributor 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 Distributors Settlement.

[COUNSEL] certify that they first sought fees and costs from the Attorney Fee Fund created under the Distributor 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 Distributor 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 – Janssen Settlement

1. Introduction

Pursuant to the Janssen Settlement Agreement, dated as of July 21, 2021, and any revision thereto (the "Janssen Settlement Agreement"), including Section VI and Exhibit O, the State of California proposes this agreement (the "CA Janssen Allocation Agreement") to govern the allocation, distribution, and use of Settlement Fund payments made to California pursuant to Sections V and VI of the Janssen Settlement Agreement.[1] For the avoidance of doubt, this agreement does not apply to payments made pursuant to Sections X or XI of the Janssen Settlement Agreement.

Pursuant to Exhibit O, Paragraph 4, of the Janssen Settlement Agreement, acceptance of this CA Janssen 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 Janssen Settlement Agreement.

b) *Distributor Settlement Agreement* means the Distributor Settlement Agreement dated July 21, 2021, and any revision thereto.

c) *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, and LA Care Health Plan.

d) *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.

e) *Opioid Defendant* means any defendant (including but not limited to Johnson & Johnson, Janssen Pharmaceuticals, Inc., Purdue Pharma L.P., Cardinal Health, Inc.,

[1] A parallel but separate agreement (the "CA Distributor Allocation Agreement") will govern the allocation, distribution, and use of settlement fund payments under the Distributor Settlement Agreement. An eligible Subdivision may elect to participate in either the Distributor Settlement or the Janssen Settlement, or in both.

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 Janssen Settlement Agreement, as well as applicable law, and the Janssen Settlement Agreement governs over any inconsistent provision of this CA Janssen Allocation Agreement. Terms used in this CA Janssen Allocation Agreement have the same meaning as in the Janssen Settlement Agreement unless otherwise defined herein.

Pursuant to Section VI(D)(1) of the Janssen Settlement Agreement, (a) all Settlement Fund payments will be used for Opioid Remediation, except as allowed by Section VI(B)(2) of the Janssen 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 Janssen 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 Janssen 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

[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.

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 Janssen 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 Janssen 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 Janssen Settlement Agreement and this CA Janssen 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 Janssen 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 Janssen 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 Janssen Settlement Agreement and this CA Janssen 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 Janssen Settlement Agreement and this CA Janssen Allocation Agreement.

b) If DHCS determines that a CA Participating Subdivision's use of CA Abatement Accounts Funds is inconsistent with the Janssen Settlement Agreement or this CA Janssen 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 Janssen Settlement Agreement or this CA Janssen 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 Janssen Settlement Agreement and this CA Janssen 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 Janssen Settlement Agreement and, if applicable, the Distributor 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(R), of the Janssen 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 Janssen Settlement, and if applicable, the Distributor 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 Janssen Settlement Agreement and, if applicable, the Distributor 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 Janssen Settlement Agreement and this CA Janssen 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 Janssen Settlement Agreement and this CA Janssen 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 VI(B)(2) of the Janssen Settlement Agreement, such information must also be reported to the Settlement Fund Administrator and Janssen.

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 Janssen 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 Janssen Settlement Agreement, this CA Janssen 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 Janssen 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 Janssen Settlement Agreement, this agreement shall be governed by and interpreted in accordance with the laws of California.

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

			100.000%	100.000%	100.000%
Participating Subdivision Classification	**Participating Subdivision**	**County**	**Abatement Percentage**	**Plaintiff Subdivision Percentage**	**Weighted Allcation 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%**

Participating Subdivision Classification	Participating Subdivision	County	Abatement Percentage	Plaintiff Subdivision Percentage	Weighted Allcation Percentage
City	Lafayette	Contra Costa	0.006%		**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%**

Participating Subdivision Classification	Participating Subdivision	County	Abatement Percentage	Plaintiff Subdivision Percentage	Weighted Allcation Percentage
City	Arcata	Humboldt	0.054%		**0.0447660%**
City	Eureka	Humboldt	0.117%	0.143%	**0.1216284%**
City	Fortuna	Humboldt	0.032%		**0.0266837%**
County	***Imperial County***	Imperial	0.258%	0.315%	**0.2679006%**
City	Brawley	Imperial	0.011%		**0.0087986%**
City	Calexico	Imperial	0.019%		**0.0152799%**
City	El Centro	Imperial	0.158%		**0.1302522%**
City	Imperial	Imperial	0.006%		**0.0048791%**
County	***Inyo County***	Inyo	0.073%	0.089%	**0.0754413%**
County	***Kern County***	Kern	2.517%	3.079%	**2.6159145%**
City	Arvin	Kern	0.006%		**0.0046425%**
City	Bakersfield	Kern	0.212%		**0.1747198%**
City	California City	Kern	0.009%		**0.0070820%**
City	Delano	Kern	0.030%		**0.0249316%**
City	McFarland	Kern	0.003%		**0.0025644%**
City	Ridgecrest	Kern	0.015%		**0.0120938%**
City	Shafter	Kern	0.013%		**0.0103417%**
City	Tehachapi	Kern	0.009%		**0.0073580%**
City	Wasco	Kern	0.008%		**0.0069861%**
County	***Kings County***	Kings	0.293%		**0.2413469%**
City	Avenal	Kings	0.007%		**0.0056335%**
City	Corcoran	Kings	0.013%		**0.0107032%**
City	Hanford	Kings	0.027%		**0.0226038%**
City	Lemoore	Kings	0.016%		**0.0131900%**
County	***Lake County***	Lake	0.795%		**0.6545389%**
City	Clearlake	Lake	0.041%	0.050%	**0.0426253%**
City	Lakeport	Lake	0.021%	0.026%	**0.0222964%**
County	***Lassen County***	Lassen	0.319%	0.391%	**0.3320610%**
City	Susanville	Lassen	0.027%		**0.0219295%**
County	***Los Angeles County***	Los Angeles	13.896%	16.999%	**14.4437559%**

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

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

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

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

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

Participating Subdivision Classification	Participating Subdivision	County	Abatement Percentage	Plaintiff Subdivision Percentage	Weighted Allcation 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	0.009%		**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%**

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

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

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

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

Participating Subdivision Classification	Participating Subdivision	County	Abatement Percentage	Plaintiff Subdivision Percentage	Weighted Allcation Percentage
City	Rohnert Park	Sonoma	0.041%		**0.0340759%**
City	Santa Rosa	Sonoma	0.184%		**0.1519070%**
City	Sonoma	Sonoma	0.022%		**0.0183438%**
City	Windsor	Sonoma	0.016%		**0.0129298%**
County	***Stanislaus County***	Stanislaus	1.722%		**1.4182273%**
City	Ceres	Stanislaus	0.041%		**0.0340260%**
City	Modesto	Stanislaus	0.217%		**0.1788759%**
City	Newman	Stanislaus	0.006%		**0.0046964%**
City	Oakdale	Stanislaus	0.018%		**0.0145531%**
City	Patterson	Stanislaus	0.015%		**0.0126590%**
City	Riverbank	Stanislaus	0.010%		**0.0085699%**
City	Turlock	Stanislaus	0.065%		**0.0531966%**
County	***Sutter County***	Sutter	0.306%	0.374%	**0.3179548%**
City	Yuba City	Sutter	0.074%		**0.0606242%**
County	***Tehama County***	Tehama	0.213%	0.261%	**0.2216654%**
City	Red Bluff	Tehama	0.014%		**0.0117771%**
County	***Trinity County***	Trinity	0.082%	0.101%	**0.0855476%**
County	***Tulare County***	Tulare	0.809%	0.990%	**0.8410949%**
City	Dinuba	Tulare	0.014%		**0.0116929%**
City	Exeter	Tulare	0.004%		**0.0032479%**
City	Farmersville	Tulare	0.003%		**0.0027879%**
City	Lindsay	Tulare	0.007%		**0.0057111%**
City	Porterville	Tulare	0.021%		**0.0171845%**
City	Tulare	Tulare	0.037%		**0.0302273%**
City	Visalia	Tulare	0.066%		**0.0545872%**
County	***Tuolumne County***	Tuolumne	0.486%	0.594%	**0.5047621%**
County	***Ventura County***	Ventura	2.192%	2.681%	**2.2781201%**
City	Camarillo	Ventura	0.002%		**0.0012815%**
City	Fillmore	Ventura	0.002%		**0.0020294%**
City	Moorpark	Ventura	0.008%		**0.0067337%**

Participating Subdivision Classification	Participating Subdivision	County	Abatement Percentage	Plaintiff Subdivision Percentage	Weighted Allcation Percentage
City	Oxnard	Ventura	0.156%	0.190%	**0.1617338%**
City	Port Hueneme	Ventura	0.021%		**0.0174145%**
City	San Buenaventura (Ventura)	Ventura	0.085%		**0.0702181%**
City	Santa Paula	Ventura	0.014%		**0.0119072%**
City	Simi Valley	Ventura	0.065%		**0.0533043%**
City	Thousand Oaks	Ventura	0.022%		**0.0179902%**
County	***Yolo County***	Yolo	0.357%	0.437%	**0.3713319%**
City	Davis	Yolo	0.055%		**0.0451747%**
City	West Sacramento	Yolo	0.066%		**0.0544321%**
City	Woodland	Yolo	0.058%		**0.0477904%**
County	***Yuba County***	Yuba	0.214%	0.262%	**0.2225679%**
City	Marysville	Yuba	0.014%		**0.0112079%**

APPENDIX 2

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 paid or incurred (i) prior to July 21, 2021 in litigation against any Opioid Defendant and/or (ii) in negotiating and drafting this CA Janssen Allocation Agreement. 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 Distributor Settlement Agreement or Section XI and Exhibit R of the Janssen 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 a National Opioid Settlement with Distributors, Johnson & Johnson, and others.

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 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 VI.B.2 of the Janssen Agreement.

vii. A member of the Plaintiff Subdivision Committee, which is a CA Participating Subdivision, will submit to the Settlement Fund Administrator and Janssen a report

of the fees and expenses incurred by the Special Master pursuant to Section VI.B.2 of the Janssen 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 Distributor Settlement Agreement and the Janssen 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.

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.

APPENDIX 3

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 Janssen 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 Janssen Settlement Agreement.

Pursuant to this Backstop Agreement, [SUBDIVISION] may, subject to the limitations of the Janssen Settlement Agreement and CA Janssen Allocation Agreement, as well as any other limitations imposed by law, use funds that it receives from the Janssen 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 Distributors Settlement.

[COUNSEL] certify that they first sought fees and costs from the Attorney Fee Fund created under the Janssen 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 Janssen 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]

City of San Leandro

Meeting Date: December 13, 2021

Resolution - Council

File Number: 21-734 **Agenda Section:** CONSENT CALENDAR

Agenda Number:

TO: City Council

FROM: Fran Robustelli
City Manager

BY:

FINANCE REVIEW: Not Applicable

TITLE: RESOLUTION of the City of San Leandro City Council approving and authorizing the City of San Leandro to enter into Settlement Agreements with McKesson Corporation, Cardinal Health, Inc. Amerisource Bergen Corporation, Johnson & Johnson, Janssen Pharmaceuticals, Inc. Orhto-McNeil-Janssen Pharmaceuticals, Inc., and Janssen Pharmaceuticals, Inc. to Participate and Receive Settlement Funds Derived From Multi-District Litigation in Cooperation with the California Attorney General

WHEREAS, the United States is facing an ongoing public health crisis of opioid abuse, addiction, overdose, and death. The State of California and California local governments spend millions of dollars each year to address the direct consequences of this crisis; and

WHEREAS, since 2017, state and local governments in California and around the United States have been pursuing litigation against certain manufacturers, distributors, and retailers of opioid pharmaceuticals (the “Opioid Defendants”) in an effort to hold the Opioid Defendants financially responsible for the impact of the Opioid Epidemic; and

WHEREAS, negotiations to settle claims against several of the Opioid Defendants, specifically McKesson Corporation, Cardinal Health, Inc., AmerisourceBergen Corporation, Johnson & Johnson, Janssen Pharmaceuticals, Inc., Ortho-McNeil-Janssen Pharmaceuticals, Inc., and Janssen Pharmaceutical, Inc. (the “Settling Defendants”) have been ongoing for several years; and

WHEREAS, negotiations with the Settling Defendants have resulted in proposed nationwide settlements of state and local government claims to settle the litigation; and

WHEREAS, the proposed terms of those proposed nationwide settlements have been set forth in the Distributors Master Settlement Agreement and the J&J Master Settlement Agreement (collectively “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 upon occurrence of certain events as defined in the Settlement Agreements ("California Opioid Funds"); and

WHEREAS, California local governments have engaged in extensive discussions with the California Attorney General's Office ("AGO") as to how the California Opioid Funds will be allocated, which has resulted in the Proposed California State-Subdivision Agreement Regarding Distribution and Use of Settlement Funds-Distributor Settlement and the Proposed California State-Subdivision Agreement Regarding Distribution and Use of Settlement Funds-Janssen Settlement (collectively the "Allocation Agreements,") which are agreements between all of the entities identified in the Allocation Agreements; and

WHEREAS, the Allocation Agreements propose to allocate the California Opioid Funds 15% to a State Fund; 70% to local governments in an Abatement Accounts Fund; and 15% to litigating local governments in a Subdivision Fund. For the avoidance of doubt, all funds allocated to California from the Settlements will be combined pursuant to Allocation Agreements, 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 Allocation"), and 15% to the California Subdivision Fund ("CA Subdivision Fund Allocation"); and

WHEREAS, the percentage from the CA Abatement Accounts Fund allocated to each eligible local government ("Eligible Local Government") is set forth in Appendix 1 to each Allocation Agreement and provided to the Council with this Resolution. The City's share of the CA Abatement Accounts Fund is a product of the total in the CA Abatement Accounts Fund multiplied by the City's percentage as set forth in Appendix 1 (the "Local Allocation"); and

WHEREAS, the percentage from the CA Abatement Accounts Fund to be allocated to the City is 0.0339%, which may constitute approximately $780,000, or $43,333 a year over a period of 18 years; and

WHEREAS, the City is an Eligible Local Government; and

WHEREAS, any city that is an Eligible Local Government will be allocated its Local Allocation share only when it becomes a Participating Subdivision by signing the Participation Agreements to the Settlements.

NOW, THEREFORE, the City of San Leandro City Council hereby RESOLVES, that all of the recitals above are true, correct and incorporated herein; and that the City Council approves the settlement, and authorizes the City Attorney to execute all documents, and release the City's claims against the Settling Defendants in exchange for the consideration set forth in the Settlement Agreements, and Allocation Agreements including taking the following measures:

1. The execution of the Participation Agreement to the Distributors Settlement Agreement and any and all documents ancillary thereto.

2. The execution of the Participation Agreement to the Janssen Settlement Agreement

and any and all documents ancillary thereto.

3. The execution of the Proposed California State-Subdivision Agreement Regarding Distribution and Use of Settlement Funds- Distributor Settlement by executing the signature pages to that Allocation Agreement, substantially to the form of the agreement attached hereto.

4. The execution of the Proposed California State-Subdivision Agreement Regarding Distribution and Use of Settlement Funds- Janssen Settlement Allocation Agreements by executing the signature pages to that Allocation Agreement, substantially to the form of the agreement attached hereto.

BE IT FURTHER RESOLVED that all actions heretofore taken by the 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.