

New National Opioids Settlement: Purdue
Opioids Implementation Administrator
opioidsparticipation@rubris.com

Columbia County, OR
Reference Number: CL-1736889

TO LOCAL POLITICAL SUBDIVISIONS:

THIS PACKAGE CONTAINS DOCUMENTATION TO PARTICIPATE IN THE NEW NATIONAL OPIOIDS SETTLEMENT. YOU MUST TAKE ACTION IN ORDER TO PARTICIPATE.

Deadline: September 30, 2025

A new proposed national opioids settlement has been reached with Purdue (and certain of its affiliates) and the Sackler family. This *Participation Package* is a follow-up communication to the *Notice of New National Opioids Settlement* recently received electronically by your subdivision.

The proposed settlement is being implemented in connection with Purdue's bankruptcy proceedings, and consists of, among other things, a settlement of Purdue's claims against the Sacklers and certain other parties (referred to as the "Purdue Estate Settlement"), and settlements of direct claims against the Sacklers held by States, local governments and other creditors (collectively, the "Purdue Direct Settlement", and together with the Estate Settlement, the "Purdue Settlement"). The Purdue Direct Settlement for States and local governments is documented in the Governmental Entity and Shareholder Direct Settlement Agreement.

You are receiving this *Participation Package* because all eligible States and territories, including Oregon, are participating in the Purdue Direct Settlement.

This electronic envelope contains:

- The *Participation Form* for the Purdue Direct Settlement, including a release of any claims
- The Oregon Intrastate Allocation Agreement (*for reference only*)
- The Oregon Intrastate Allocation Agreement Addendum (*for reference only*)

The *Participation Form* must be executed, without alteration, and submitted on or before September 30, 2025, in order for your subdivision to be considered for initial participation calculations and payment eligibility under the Purdue Direct Settlement. The Oregon allocation agreements were previously executed and are included for informational purposes only.

Based upon subdivision participation forms received on or before September 30, 2025, the subdivision participation rate will be used to determine whether participation is sufficient for the Purdue Settlement to move forward and whether a

state earns its maximum potential payment under the Purdue Direct Settlement. If the Purdue Settlement moves forward and goes effective, your release will become effective. If the Purdue Settlement does not move forward, that release will not become effective.

Any subdivision that does not participate in the Purdue Direct Settlement cannot directly share in the Purdue Direct Settlement funds, even if other subdivisions in the state are participating and sharing in those Purdue Direct Settlement funds. Any subdivision that does not participate may also reduce the amount of money for programs to remediate the opioid crisis in its state. Please note, a subdivision will not necessarily directly receive Purdue Settlement funds by participating; decisions on how Purdue Settlement funds will be allocated within a state are subject to intrastate agreements or state statutes.

You are encouraged to discuss the terms and benefits of the Purdue Settlement with your counsel, your Attorney General's Office, and other contacts within your state. Many states are implementing and allocating funds for the Purdue Settlement the same as they did for the prior opioids settlements but states may choose to treat the Purdue Settlement differently.

Information and documents regarding the Purdue Settlement, including a complete copy of the Governmental Entity and Shareholder Direct Settlement Agreement, and how it is being implemented in your state and how funds will be allocated within your state can be found on the national settlement website at <https://nationalopioidsettlement.com/purdue-sacklers-settlements/>. This website will be supplemented as additional documents are created.

How to return signed forms:

There are three methods for returning the executed *Participation Form* and any supporting documentation to the Implementation Administrator:

- (1) *Electronic Signature via DocuSign*: Executing the *Participation Form* electronically through DocuSign will return the signed form to the Implementation Administrator and associate your form with your subdivision's records. Electronic signature is the most efficient method for returning the *Participation Form*, allowing for more timely participation and the potential to meet higher settlement payment thresholds, and is therefore strongly encouraged.
- (2) *Manual Signature returned via DocuSign*: DocuSign allows forms to be downloaded, signed manually, then uploaded to DocuSign and returned automatically to the Implementation Administrator. Please be sure to complete all fields. As with electronic signature, returning a manually signed *Participation Form* via DocuSign will associate your signed forms with your subdivision's records.

(3) *Manual Signature returned via electronic mail*: If your subdivision is unable to return an executed *Participation Form* using DocuSign, the signed *Participation Form* may be returned via electronic mail to opioidsparticipation@rubris.com. Please include the name, state, and reference ID of your subdivision in the body of the email and use the subject line Settlement Participation Form – [Subdivision Name, Subdivision State] – [Reference ID].

Detailed instructions on how to sign and return the *Participation Form*, including changing the authorized signer, can be found at <https://nationalopioidsettlement.com/purdue-sacklers-settlements/>. You may also contact opioidsparticipation@rubris.com.

YOU MUST PARTICIPATE IN THE PURDUE DIRECT SETTLEMENT BY RETURNING YOUR PARTICIPATION FORM IN ORDER TO RECEIVE THE BENEFITS OF THE PURDUE SETTLEMENT.

Please note that this is NOT a solicitation or a request for subdivisions to submit votes on the Purdue bankruptcy plan. This settlement package only pertains to a decision to participate in the Purdue Direct Settlement. If you receive a package to vote on the plan you should follow the applicable instructions for voting. PLEASE NOTE THAT VOTING ON THE PLAN IS SEPARATE FROM PARTICIPATION IN THE PURDUE DIRECT SETTLEMENT.

The sign-on period for subdivisions ends on September 30, 2025.

If you have any questions about executing the *Participation Form*, please contact your counsel, the Implementation Administrator at opioidsparticipation@rubris.com, or Adria Decker at adria.d.decker@doj.oregon.gov.

Thank you,

Implementation Administrator for the Purdue Direct Settlement

The Implementation Administrator is retained to provide the settlement notice required by the Purdue Direct Settlement to manage the collection of the participation forms for it.

EXHIBIT K

Subdivision Participation and Release Form

| | |
|--------------------------------------|-----------|
| Governmental Entity: Columbia County | State: OR |
| Authorized Signatory: | |
| Address 1: | |
| Address 2: | |
| City, State, Zip: | |
| Phone: | |
| Email: | |

The governmental entity identified above (“*Governmental Entity*”), in order to obtain and in consideration for the benefits provided to the Governmental Entity pursuant to that certain Governmental Entity & Shareholder Direct Settlement Agreement accompanying this participation form (the “*Agreement*”)¹, and acting through the undersigned authorized official, hereby elects to participate in the Agreement, grant the releases set forth below, and agrees as follows.

1. The Governmental Entity is aware of and has reviewed the Agreement, and agrees that by executing this Participation and Release Form, the Governmental Entity elects to participate in the Agreement and become a Participating Subdivision as provided therein.
2. The Governmental Entity shall promptly after the Effective Date, and prior to the filing of the Consent Judgment, dismiss with prejudice any Shareholder Released Claims and Released Claims that it has filed. With respect to any Shareholder Released Claims and Released Claims pending in *In re National Prescription Opiate Litigation*, MDL No. 2804, the Governmental Entity authorizes the Plaintiffs’ Executive Committee to execute and file on behalf of the Governmental Entity a Stipulation of Dismissal with Prejudice substantially in the form found at <https://nationalopioidsettlement.com>.
3. The Governmental Entity agrees to the terms of the Agreement pertaining to Participating Subdivisions as defined therein.
4. By agreeing to the terms of the Agreement and becoming a Releasor, the Governmental Entity is entitled to the benefits provided therein, including, if applicable, monetary payments beginning following the Effective Date.
5. The Governmental Entity agrees to use any monies it receives through the Agreement solely for the purposes provided therein.
6. The Governmental Entity submits to the jurisdiction of the court in the Governmental Entity’s state where the Consent Judgment is filed for purposes limited to that court’s role as and to the extent provided in, and for resolving disputes to the extent provided in, the

¹ Capitalized terms used in this Exhibit K but not otherwise defined in this Exhibit K have the meanings given to them in the Agreement or, if not defined in the Agreement, the Master Settlement Agreement.



Agreement. The Governmental Entity likewise agrees to arbitrate before the National Arbitration Panel as provided in, and for resolving disputes to the extent otherwise provided in, the Agreement.

7. The Governmental Entity has the right to enforce the Agreement as provided therein.
8. The Governmental Entity, as a Participating Subdivision, hereby becomes a Releasor for all purposes in the Agreement, including without limitation all provisions of Article 10 (Release), and along with all departments, agencies, divisions, boards, commissions, districts, instrumentalities of any kind and attorneys, and any person in his or her official capacity whether elected or appointed to serve any of the foregoing and any agency, person, or other entity claiming by or through any of the foregoing, and any other entity identified in the definition of Subdivision Releasor, to the maximum extent of its authority, for good and valuable consideration, the adequacy of which is hereby confirmed, the Shareholder Released Parties and Released Parties are, as of the Effective Date, hereby released and forever discharged by the Governmental Entity and its Subdivision Releasors from: any and all Causes of Action, including, without limitation, any Estate Cause of Action and any claims that the Governmental Entity or its Subdivision Releasors would have presently or in the future been legally entitled to assert in its own right (whether individually or collectively), notwithstanding section 1542 of the California Civil Code or any law of any jurisdiction that is similar, comparable or equivalent thereto (which shall conclusively be deemed waived), whether existing or hereinafter arising, in each case, (A) directly or indirectly based on, arising out of, or in any way relating to or concerning, in whole or in part, (i) the Debtors, as such Entities existed prior to or after the Petition Date, and their Affiliates, (ii) the Estates, (iii) the Chapter 11 Cases, or (iv) Covered Conduct and (B) as to which any conduct, omission or liability of any Debtor or any Estate is the legal cause or is otherwise a legally relevant factor (each such release, as it pertains to the Shareholder Released Parties, the “Shareholder Released Claims”, and as it pertains to the Released Parties other than the Shareholder Released Parties, the “Released Claims”). For the avoidance of doubt and without limiting the foregoing: the Shareholder Released Claims and Released Claims include any Cause of Action that has been or may be asserted against any Shareholder Released Party or Released Party by the Governmental Entity or its Subdivision Releasors (whether or not such party has brought such action or proceeding) in any federal, state, or local action or proceeding (whether judicial, arbitral, or administrative) (A) directly or indirectly based on, arising out of, or in any way relating to or concerning, in whole or in part, (i) the Debtors, as such Entities existed prior to or after the Petition Date, and their Affiliates, (ii) the Estates, (iii) the Chapter 11 Cases, or (iv) Covered Conduct and (B) as to which any conduct, omission or liability of any Debtor or any Estate is the legal cause or is otherwise a legally relevant factor.
9. As a Releasor, the Governmental Entity hereby absolutely, unconditionally, and irrevocably covenants not to bring, file, or claim, or to cause, assist or permit to be brought, filed, or claimed, or to otherwise seek to establish liability for any Shareholder Released Claims or Released Claims against any Shareholder Released Party or Released Party in any forum whatsoever, subject in all respects to Section 9.02 of the Master Settlement Agreement. The releases provided for herein (including the term “Shareholder Released



Claims” and “Released Claims”) are intended by the Governmental Entity and its Subdivision Releasers to be broad and shall be interpreted so as to give the Shareholder Released Parties and Released Parties the broadest possible release of any liability relating in any way to Shareholder Released Claims and Released Claims and extend to the full extent of the power of the Governmental Entity to release claims. The Agreement shall be a complete bar to any Shareholder Released Claim and Released Claims.

10. To the maximum extent of the Governmental Entity’s power, the Shareholder Released Parties and the Released Parties are, as of the Effective Date, hereby released and discharged from any and all Shareholder Released Claims and Released Claims of the Subdivision Releasers.
11. The Governmental Entity hereby takes on all rights and obligations of a Participating Subdivision as set forth in the Agreement.
12. In connection with the releases provided for in the Agreement, each Governmental Entity expressly waives, releases, and forever discharges any and all provisions, rights, and benefits conferred by any law of any state or territory of the United States or other jurisdiction, or principle of common law, which is similar, comparable, or equivalent to § 1542 of the California Civil Code, which reads:

General Release; extent. A general release does not extend to claims that the creditor or releasing party does not know or suspect to exist in his or her favor at the time of executing the release that, if known by him or her, would have materially affected his or her settlement with the debtor or released party.

A Releaser may hereafter discover facts other than or different from those which it knows, believes, or assumes to be true with respect to the Shareholder Released Claims or such other Claims released pursuant to this release, but each Governmental Entity hereby expressly waives and fully, finally, and forever settles, releases and discharges, upon the Effective Date, any and all Shareholder Released Claims or such other Claims released pursuant to this release that may exist as of such date but which Releasers do not know or suspect to exist, whether through ignorance, oversight, error, negligence or through no fault whatsoever, and which, if known, would materially affect the Governmental Entities’ decision to participate in the Agreement.

13. Nothing herein is intended to modify in any way the terms of the Agreement, to which Governmental Entity hereby agrees. To the extent any portion of this Participation and Release Form not relating to the release of, or bar against, liability is interpreted differently from the Agreement in any respect, the Agreement controls.
14. Notwithstanding anything to the contrary herein or in the Agreement, (x) nothing herein shall (A) release any Excluded Claims or (B) be construed to impair in any way the rights and obligations of any Person under the Agreement; and (y) the Releases set forth herein shall be subject to being deemed void to the extent set forth in Section 9.02 of the Master Settlement Agreement.



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

Signature: _____

Name: _____

Title: _____

Date: _____



**State of Oregon Subdivision Agreement
Regarding Distribution and Use of
Settlement Funds**

1. Introduction

Pursuant to the Distributor Settlement Agreement, dated as of July 21, 2021, and any revision thereto (the “Distributor Settlement Agreement”), and the Janssen Settlement, dated as of July 21, 2021, and any revision thereto (the “Janssen Settlement Agreement, and collectively with the Distributor Settlement Agreement, the “Distributor and Janssen Agreements”), including Sections V and Exhibits O to the Distributor and Janssen Agreements, this agreement (the “OR Allocation Agreement”) is entered into between the State of Oregon and the OR Participating Subdivisions (the State of Oregon and OR Participating Subdivisions each a “Party,” and, collectively, the “Parties”) and governs the allocation, distribution, and use of Settlement Fund payments made to Oregon pursuant to Sections IV and V of the Distributor Settlement Agreement and Sections V and VI of the Janssen Agreement. For the avoidance of doubt, this OR Allocation Agreement does not apply to payments made pursuant to Sections IX or X of the Distributor Settlement Agreement or Sections X or XI of the Janssen Agreement.

Pursuant to Exhibits O, Paragraphs 4, of the Distributor and Janssen Agreements, acceptance of this OR Allocation Agreement is a requirement to be an Initial Participating Subdivision.

2. Definitions

The following terms shall have the meaning set forth below when used in this OR Allocation Agreement. Additional terms defined within this OR Allocation Agreement shall have that meaning when used in this OR Allocation Agreement. In addition, terms used in this OR Allocation Agreement that are defined in the Distributor and Janssen Agreements will have that meaning unless otherwise defined in this OR Allocation Agreement.

- a) ***OR Participating Subdivision*** means (i) a governmental entity listed on Exhibit A to this OR Allocation Agreement that executes this OR Allocation Agreement and has taken all necessary steps under the Distributor and Janssen Agreements to be entitled to receive Settlement Funds, and (ii) any Additional Participant who becomes entitled to a share of the OR Subdivision Funds as described in Section 4(c)(ii) below.
- b) ***Opioid Defendant*** means any defendant (including but not limited to Johnson & Johnson, Janssen Pharmaceuticals, Inc., Purdue Pharma L.P., Cardinal Health, Inc., Amerisource Bergen 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.
- c) ***State of Oregon or State*** has the same meaning as “Executive Department” as set forth in ORS 174.112, but does not include the Oregon State Treasurer or the Office of the Oregon State Treasurer. When used in any provision of this OR Allocation Agreement the term State of Oregon or State means, as the context requires, an agency, department, division, board, commission or other entity within the Executive Department that has the authority to undertake the obligations or receive the benefit of the particular provision.
- d) ***Oregon*** means the geographic territory of Oregon and the State and its local governments therein.

- e) ***Approved Abatement Uses*** means the Opioid Remediation activities described in Exhibits E to the Distributor and Janssen Agreements.
- f) ***Litigating Local Governments*** means the Counties of Clackamas, Clatsop, Columbia, Coos, Curry, Jackson, Josephine, Lane, Multnomah, Washington, Yamhill, and the City of Portland.

3. General Terms

This OR Allocation Agreement is subject to the requirements of the Distributor and Janssen Agreements, as well as applicable law. If the terms of this OR Allocation Agreement conflict with the terms of the Distributor Settlement Agreement or the Janssen Settlement Agreement the terms of the Distributor Settlement Agreement and/or the Janssen Settlement Agreement will take precedence over the inconsistent provisions of this OR Allocation Agreement.

4. Allocation of Settlement Funds

- a) **Allocation Generally.** The total Settlement Fund payments made to Oregon pursuant to the Distributor and Janssen Agreements (collectively, the “Oregon Settlement Funds”) shall be combined pursuant to this OR Allocation Agreement, and 45% of the Oregon Settlement Funds shall be allocated to the State of Oregon (such funds, the “OR State Funds”) and 55% of the Oregon Settlement Funds shall be allocated to the OR Participating Subdivisions (such funds, the “OR Subdivision Funds”).

b) State of Oregon Allocation

- i. For purposes of this OR Allocation Agreement, “Enabling Legislation” means legislation passed by the Oregon Legislative Assembly and presented to the Oregon Governor for signature, that establishes the authority within the State of Oregon to accept, administer, and expend the OR State Funds, and addresses other matters related to this OR Allocation Agreement. It is the intent of the Parties that the Enabling Legislation will provide, without limitation, that:
 - 1. The OR State Funds will be deposited in a Prevention, Treatment and Recovery Fund (the “PTR Fund”), overseen by a board (the “PTR Board”), which shall be used by the State solely for future Approved Abatement Uses as follows:
 - (i) Administration of the PTR Fund and PTR Board;
 - (ii) Development of a unified and evidence-based state system for collecting, analyzing and publishing data about the availability and efficacy of substance use prevention, treatment and recovery services across the state; and
 - (iii) Funding statewide and regional Approved Abatement Uses.
 - 2. The PTR Board is constituted and authorized so that the State and OR Participating Subdivisions shall have equal representation and voting power on the PTR Board, whether directly or by designated representatives.
 - 3. Effects a release of potential claims against the Settling Distributors and Janssen by local governments or local service districts, as those terms are defined in ORS 174.116, and special government bodies, as defined in ORS 174.117, that have not released their claims through execution of a Subdivision Settlement Participation Form in substantially the form set forth in Exhibit K of the Distributor and Janssen Agreements.
- ii. The OR State Funds will be accepted, administered, and spent in accordance with the Enabling Legislation when it becomes law. The State of Oregon will draft and promote passage of the

Enabling Legislation. The OR Participating Subdivisions acknowledge the need for the Enabling Legislation and will support passage of the Enabling Legislation consistent with Section 4(b)(i)(1)-(2) of this OR Allocation Agreement and will not oppose with respect to any portion of the Enabling Legislation reflecting Section 4(b)(i)(3) of this OR Allocation Agreement. Until the Enabling Legislation becomes law, the OR State Funds shall be deposited in the Oregon Department of Justice's Client Trust Account and may be expended or distributed by the Oregon Department of Justice for Approved Abatement Uses.

c) OR Subdivision Allocation

- i. The Settlement Fund Administrator will be instructed to allocate the OR Subdivision Funds to OR Participating Subdivisions 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 to receive Settlement Funds, based on population or litigation status. The percentage for each OR Participating Subdivision is set forth in Exhibit A in the column entitled "Abatement Percentage" (the "Local Allocation"). For the avoidance of doubt, non-litigating Oregon towns, cities, and counties with a population less than 10,000 are not eligible to receive an allocation of OR Subdivision Funds.
- ii. An OR Participating Subdivision will be allocated its Local Allocation share beginning on the date it becomes an OR Participating Subdivision but shall not be entitled to any Local Allocation share of Oregon Settlement Funds distributed by the Settlement Administrator before the date it becomes an OR Participating Subdivision.
- iii. The Local Allocation share for a city that is an OR 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 an OR 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 Approved Abatement Uses in that city but will become part of the county's share of the OR Subdivision Funds, which will be used in accordance with Section 4.c of this OR Allocation Agreement and reported on in accordance with Section 5 of this OR Allocation Agreement.
- iv. A city within a county that is an OR 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 OR Allocation Agreement, the City of Portland will be deemed to have elected direct payment if it becomes an OR Participating Subdivision.
- v. The State will receive the Local Allocation share of any payment of Oregon Settlement Funds distributed on a Payment Date that would otherwise be paid to a county or city is eligible to become an OR Participating Subdivision but that has not, as of that Payment Date, become an OR Participating Subdivision.
- vi. Funds received by an OR Participating Subdivision, and not expended or encumbered within five years of receipt and in accordance with the Distributor and Janssen Agreements and this OR Allocation Agreement shall be transferred to the fund to which OR State Funds are paid pursuant to Section 4(b)(ii). OR Participating Subdivisions have seven years from receipt of funds to expend or encumber OR Subdivision Funds designated to support capital outlay projects before they must be transferred to the State.
- vii. Except as set forth in Sections 4.d and 4.e, Settlement Funds received by an OR Participating Subdivision shall be used for Approved Abatement Uses.

- viii. For the avoidance of doubt, and subject to the requirements of the Distributor and Janssen Agreements and applicable law, an OR Participating Subdivision may form agreements or ventures, or otherwise work in collaboration with, federal, state, local, tribal or private sector entities in pursuing Approved Abatement Uses funded from the OR Participating Subdivision's Local Allocation. Further, provided that OR Subdivision Funds are used for Approved Abatement Uses, a county and any cities or towns within the county may agree to reallocate their respective Local Allocation shares of OR Subdivision Funds among themselves, provided that any direct distribution may only be to an OR Participating Subdivision and any OR Participating Subdivision must agree to its share being reallocated.
- ix. Each OR Participating Subdivision is responsible for obtaining necessary budget or expenditure authority under applicable law for its distribution or expenditures of OR Subdivision Funds in accordance with this OR Allocation Agreement.

d) Provision for State Back-Stop Agreement

- i. The OR Participating Subdivisions will establish an Oregon attorney fee back-stop fund (the "OR Back-Stop Fund"). The OR Back-Stop Fund will be funded by and deducted from OR Subdivision Funds prior to the distribution of any Local Allocation share to any OR Participating Subdivisions, shall be equal to no more than \$2,500,000, and may be used only to pay the contingency fees due to Contingency Fee Counsel of the Litigating Local Governments, subject to the limitations set forth in Section 4(d)(ii).
- ii. The parties will notify the Settlement Fund Administrator to withhold and pay the OR Back-Stop Fund from the OR Subdivision Funds according to the national fee fund payment schedule, and the Parties will otherwise cooperate to so instruct the Settlement Fund Administrator. In addition, the Parties will notify the Settlement Fund Administrator to distribute the amounts in the OR Back-Stop Fund to private counsel seeking contingency fees from a Litigating Local Government ("Contingency Fee Counsel") in accordance with this OR Allocation Agreement.
- iii. Contingency Fee Counsel must first seek contingency fees and costs from the Attorney Fee Fund or Cost Funds created under the Distributor and Janssen Agreements and only upon receiving the maximum amount of fees available under the Distributor and Janssen Agreements may a Contingency Fee Counsel seek payment of any fees from the OR Back-Stop Fund. In addition, under no circumstances shall the cumulative fees paid from the Attorney Fee Fund and the OR Back-Stop Fund exceed 12% of the Litigating Local Government's Local Allocation share of 50% of the Oregon Settlement Funds. For the avoidance of doubt, below is the formula to calculate the amount any particular Contingency Fee Counsel for a Litigating Local Government may be paid from the OR Back-Stop Fund:

$$[[\text{OR SETTLEMENT FUNDS}] \times .5 \times [\text{DIRECT ALLOCATION PERCENTAGE OF CONTINGENCY FEE COUNSEL'S LITIGATING LOCAL GOVERNMENT}] \times .12] \text{ minus } [\text{AMOUNT OBTAINED BY COUNSEL FROM ATTORNEY FEE FUND FOR COUNSEL'S LITIGATING LOCAL GOVERNMENT}]$$

- iv. A Contingency Fee Counsel may only receive fees paid from the OR Back-Stop Fund pursuant to a written Oregon Back Stop Agreement, substantially in the form of attached hereto as Exhibit B, between the Contingency Fee Counsel, the Litigating Local Government it represents, and the Oregon Department of Justice.
- v. For the avoidance of doubt, this OR Allocation Agreement does not require a Litigating Local Government to request or enter into an Oregon Back-Stop Agreement, and no Oregon Back-Stop Agreement shall impose any duty or obligation on the State of Oregon or any of its agencies or officers, including without limitation the Oregon Department of Justice.

General.

e) Additional Costs

- i. Each OR Participating Subdivision may contribute up to 5% of its Local Allocation to pay opioid related expenditures such as unreimbursed administrative expenses, costs, professional fees and attorney fees of outside legal counsel and in-house legal counsel employed by the OR Participating Subdivision (collectively, “Additional Costs”). Each OR Participating Subdivision is responsible for determining the amount of its Local Allocation that it uses to pay Additional Costs (subject to the limit in the previous sentence and as set forth in Section 4(e)(ii) below), and which Additional Costs it chooses to pay.
- ii. The Additional Costs may only be used consistent with the Distributor and Janssen Agreements, and pursuant to the August 6, 2021, order by 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 Distributor and Janssen Agreements and their counsel. In addition, to the extent the Additional Costs are used to pay the attorney’s fees of Contingency Fee Counsel, the cumulative amount of such fees paid to the Contingency Fee Counsel for a Litigating Local Government from the Attorney Fee Fund, the Cost Fund, the OR Back-Stop Fund, and as Additional Costs may not exceed 15% of the Litigating Local Government’s share of 50% of the Oregon Settlement Funds.
- iii. Each OR Participating Subdivision that pays Additional Costs shall report such payments as required by the Distributor and Janssen Agreements and this OR Allocation Agreement.
- iv. Neither the State of Oregon, including the Oregon Department of Justice, nor the Oregon Attorney General shall have any responsibility for any Additional Costs, and shall have no responsibility or authority to resolve any disputes among the OR Participating Subdivisions, Contingency Fee Counsel of the Litigating Local Government, or any other parties with respect to any claims for payment of Additional Costs.

5. State and Subdivision Reporting and Oversight

- a) Prior to September 1 of each year each OR Participating Subdivision receiving payment of OR Subdivision Funds under this OR Allocation Agreement shall deliver an annual report to the Oregon Department of Justice, to the attention of the Deputy Attorney General regarding how it expended OR Subdivision Funds during the prior fiscal year (July 1 – June 30). The Oregon Department of Justice may share those reports with the PTR Board (or its equivalent as established by the Enabling Legislation) and other State entities to ensure expenditures of OR Subdivision Funds were made and will be made in accordance with the Distributor and Janssen Agreements and this OR Allocation Agreement. Each report delivered under this Section 5(a) will also include a certification that all OR Subdivision Funds received by the OR Participating Subdivision during the prior fiscal year have been used in compliance with the Distributor and Janssen Agreement and this OR Allocation Agreement. Each annual report delivered pursuant to this Section 5.a shall include, for the fiscal year that is the subject of the report, (1) the amount of the OR Subdivision Funds received by the reporting OR Participating Subdivision, (2) the allocation of any amounts of OR Subdivision Funds awarded or expended by the OR Participating Subdivision (by journal entry or substantially equivalent report, provided such report shall include, at a minimum, the amount awarded or expended, payee (if applicable) and a description of the expenditure), and (3) the amounts actually disbursed under any award reported under item 2. OR Participating Subdivisions may, for their convenience, adapt existing forms or reports otherwise used by the OR Participating Subdivision to meet the foregoing requirements.

- b) If the State has a reasonable basis to suspect that an OR Participating Subdivision's use of OR Subdivision Funds is inconsistent with the Distributor and Janssen Agreements or this OR Allocation Agreement the State may request from the OR Participating Subdivision, and the OR Participating Subdivision will provide, existing data or information about the use of the OR Subdivision Funds received by that OR Participation Subdivision. All requests for information must be reasonable.
- c) If an OR Participating Subdivision has a reasonable basis to suspect that the States' use of OR State Funds is inconsistent with the Distributor and Janssen Agreements or this OR Allocation Agreement an OR Participating Subdivision may request from the State, and the State will provide, existing data or information about the use of the OR State Funds received by the State. All requests for information must be reasonable.
- d) The State will prepare an annual written report regarding the use of Oregon Settlement Funds until those funds are fully expended and for one year thereafter. These reports will be made publicly available by the State.
- e) The State, the PTR Board (or its equivalent as established by the Enabling Legislation) and all OR Participating Subdivisions receiving OR Subdivision Funds will track all deposits and expenditures in accordance with Oregon laws each party is subject to. Each OR Participating Subdivision is responsible solely for the OR Subdivision Funds it receives. A county is not responsible for oversight, reporting, or monitoring of OR Subdivision Funds received by a city within that county that receives direct payment of OR Subdivision Funds.
- f) In each year in which the State prepares an annual report the State will also host a public meeting to discuss the annual report.

6. Audits

- a) If the State or any OR Participating Subdivision has a reasonable basis to suspect that an OR Participating Subdivision's use of OR Subdivision Funds or the State's use of the OR State Funds is inconsistent with the Distributor Settlement Agreement, the Janssen Settlement Agreement, or this OR Allocation Agreement, such Party may request the Oregon Secretary of State conduct an audit pursuant to ORS Chapter 297, provided, however, if the Oregon Secretary of State declines to conduct such an audit, the Parties will select a third party auditor mutually agreed to by the Parties.
- b) No audit may be commenced under Section 6(a) related to a specific expenditure of funds more than five years after the date on which the OR Participating Subdivision's expenditure of the funds subject to the audit was last reported to the State in an annual report submitted pursuant to Section 5(a).
- c) Notwithstanding the foregoing, this OR Allocation Agreement does not limit the statutory or constitutional authority of the State of Oregon or a local agency or official to conduct audits, investigations, or other oversight activities, or to pursue administrative, civil, or criminal enforcement actions.

7. Medicaid Clawback

The Parties understand that the United States may claim a portion of the OR Settlement Funds for Medicaid reimbursement pursuant to § 1903 (d)(3)(A) of the Social Security Act. The Parties agree that, to the extent a claim for Medicaid reimbursement is made, the Parties shall bear the liability for the reimbursement based upon the particular claims made by the United States pursuant to with § 1903 (d)(3)(A) of the Social Security Act. The Parties agree to meet, confer, and cooperate in good faith concerning the allocation of any such liability.

8. Applicability

This OR Allocation Agreement applies to all funds received by Oregon for the McKesson, Cardinal Health and AmerisourceBergen ("Distributors"), and manufacturer Janssen Pharmaceuticals, Inc. and its parent company Johnson & Johnson (collectively, "J&J") settlements. In addition, the allocation percentage contained herein (45% to the OR State Fund, 55% to OR Subdivision Fund), shall apply to future multistate opioid settlements with distributors, manufacturers, and pharmacies, subject to consideration of other terms of such settlements that impact allocation considerations. For the Purdue bankruptcy, the allocation of funds set forth in this Section 8, shall apply to Oregon's share of funds under the bankruptcy plan confirmed by Judge Drain on September 17, 2021 (the "Purdue Bankruptcy Plan"). However, any additional amounts paid under the Purdue bankruptcy resulting from Oregon and other states' appeal of the that plan's confirmation shall be paid directly to the State of Oregon, and any such additional amounts shall not be included in the calculation of the amount of the OR State Funds due to the State of Oregon under Section 4. The Parties acknowledge that in order to obtain settlement funds under the Purdue Bankruptcy Plan the Parties will need to file with the bankruptcy court that approved the Purdue Bankruptcy Plan a proposed allocation agreement that complies with the approved Purdue Bankruptcy Plan, and, to the extent permitted by the Purdue Bankruptcy Plan, the default allocation set forth in the proposed allocation agreement shall provide that 45% of the funds distributed to Oregon under the Purdue Bankruptcy Plan will be allocated to the State of Oregon, and 55% of the funds distributed to Oregon under the Purdue Bankruptcy Plan will be allocated to OR Participating Subdivisions. The Parties further agree that they will reasonably cooperate with one another to complete the timely filing of the allocation agreement within any deadlines established by the bankruptcy court. In addition, this OR Allocation Agreement, and allocation percentages set forth in this Section 8, shall not apply to any legal actions pursued by or settled by the State of Oregon as an individual state or any legal actions pursued by or settled by any OR Participating Subdivisions as individual cities or counties.

9. Releases

All Parties agree to release all claims as required to participate in the Distributor and Janssen Agreements as set forth in Exhibits K to the Distributor and Janssen Agreements and execution of such releases is a condition of receiving Oregon Settlement Funds under this OR Allocation Agreement.

10. Miscellaneous

- a) **Enforcement.** The State or any OR Participating Subdivision may bring a motion or action in any Oregon State court having competent jurisdiction to enforce the requirements of this OR Allocation Agreement. Before filing such a motion or action the Party intending to file the motion or action will meet and confer with the Party that is or will be the subject of the anticipated motion or action.
- b) **No Intended Third Parties.** Except as provided in the Distributor and Janssen Agreements, this OR Allocation Agreement is not enforceable by any party other than the State and the OR Participating Subdivisions. There are no intended third-party beneficiaries to this OR Allocation Agreement, and this OR Allocation Agreement does not confer any rights or remedies upon, and shall not be enforceable by, any person, legal entity, or public body that is not a Party to this OR Allocation Agreement.
- c) **Severability.** Except as provided in the OR Allocation Agreement, if any provision of this OR Allocation Agreement or the application thereof to any person, entity, or circumstance shall, to any extent, be invalid or unenforceable, the remainder of this OR Allocation 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 OR Allocation Agreement will be valid and enforceable to the fullest extent permitted by law. In the event any provision or part of this OR Allocation Agreement is found to be invalid or unenforceable, only that particular provision or part so found, and not the entire OR Allocation Agreement, will be inoperative.

- d) **Additional Litigation.** Nothing in this OR Allocation Agreement alters or is intended to alter or change the right of the State of Oregon or any OR Participating Subdivision to pursue its own claims against any defendant, other than Janssen and the Settling Distributors, through separate opioid-related litigation.
- e) **Construction.** With regard to each and every term and condition of this OR Allocation Agreement, the Parties understand and agree that the same have or has been mutually negotiated, prepared and drafted. If at any time the Parties or any court, administrative hearings officer, mediator, arbitrator, or arbitration panel, are required to interpret or construe any such term or condition, no consideration shall be given to the issue of which Party actually prepared, drafted or requested any term or condition thereof.
- f) **Entire Agreement.** This OR Allocation Agreement contains the entire agreement between the Parties and supersedes and cancels all previous negotiations and agreements, if any.
- g) **Amendments.** Any and all amendments to this OR Allocation Agreement must be in writing and must be signed by all Parties.
- h) **Authority.** Each Party that enters into this OR Allocation Agreement represents that it has authority to enter into this OR Allocation Agreement and that all actions or authorizations by the Party's respective Commissions, Councils, Boards, or other governing bodies necessary to authorize the Party to enter into this OR Allocation Agreement have been completed or obtained.
- i) **Legal Advice.** Each Party to this OR Allocation Agreement acknowledges that it has been advised to seek legal counsel and has had the opportunity to have this OR Allocation Agreement reviewed by legal counsel.
- j) **Governing Law.** Except as provided in the Distributor and Janssen Agreements, this OR Allocation Agreement shall be governed by and interpreted in accordance with the laws of the State of Oregon.

Exhibit A
OR PARTICIPATING SUBDIVISIONS
AND LOCAL ALLOCATIONS

| Participating Subdivision | Percentages |
|---------------------------|---------------|
| Albany City | 1.1574421234% |
| Ashland City | 0.5725593238% |
| Astoria City | 0.1859283065% |
| Baker County | 0.4771636205% |
| Beaverton City | 0.9709676029% |
| Bend City | 0.9443519043% |
| Benton County | 1.0219885306% |
| Canby City | 0.1716812437% |
| Central Point City | 0.1718730043% |
| Clackamas County | 7.7713142577% |
| Clatsop County | 1.1423692099% |
| Columbia County | 1.0096699413% |
| Coos Bay City | 0.2538945929% |
| Coos County | 1.5633002470% |
| Cornelius City | 0.0949750265% |
| Corvallis City | 0.6633711425% |
| Cottage Grove City | 0.0910229575% |
| Crook County | 0.3513229911% |
| Curry County | 0.7612961295% |
| Dallas City | 0.1606964683% |
| Deschutes County | 2.2569753600% |
| Douglas County | 2.5689481047% |
| Eugene City | 2.7611039932% |
| Forest Grove City | 0.2522169415% |
| Gladstone City | 0.1181360032% |
| Grants Pass City | 0.8232581895% |
| Gresham City | 0.9831942718% |
| Happy Valley City | 0.0103506009% |
| Hermiston City | 0.1316304314% |
| Hillsboro City | 1.5083519364% |
| Hood River County | 0.3553687498% |
| Independence City | 0.0808970601% |
| Jackson County | 4.0769510640% |
| Jefferson County | 0.3674692915% |
| Josephine County | 1.6536523798% |

Exhibit A

| | |
|--------------------|----------------|
| Keizer City | 0.1916558451% |
| Klamath County | 1.2169628601% |
| Klamath Falls City | 0.3209275214% |
| La Grande City | 0.2715648669% |
| Lake Oswego City | 0.6934160342% |
| Lane County | 6.3326808234% |
| Lebanon City | 0.3269345282% |
| Lincoln County | 1.5190343268% |
| Linn County | 1.8185376689% |
| Malheur County | 0.5014027023% |
| Marion County | 4.1636475308% |
| McMinnville City | 0.4803592635% |
| Medford City | 1.5540758598% |
| Milwaukie City | 0.2113647118% |
| Monmouth City | 0.0706960930% |
| Morrow County | 0.1351544937% |
| Multnomah County | 13.9643815662% |
| Newberg City | 0.4093257361% |
| Newport City | 0.1908392623% |
| Ontario City | 0.1869780182% |
| Oregon City | 0.2765040475% |
| Pendleton City | 0.3521049458% |
| Polk County | 0.7074299681% |
| Portland City | 8.2736702858% |
| Prineville City | 0.0924861843% |
| Redmond City | 0.1550311086% |
| Roseburg City | 0.6370799877% |
| Salem City | 3.0438221421% |
| Sandy City | 0.0775015682% |
| Sherwood City | 0.1404204928% |
| Silverton City | 0.0775630731% |
| Springfield City | 1.1667234659% |
| St. Helens City | 0.1964453077% |
| The Dalles City | 0.1723418738% |
| Tigard City | 0.5049875956% |
| Tillamook County | 0.9001228870% |
| Troutdale City | 0.0899929610% |
| Tualatin City | 0.1551565618% |
| Umatilla County | 0.9738633884% |

Exhibit A

| | |
|-------------------|---------------|
| Union County | 0.4153841374% |
| Wasco County | 0.4116278731% |
| Washington County | 7.2167622210% |
| West Linn City | 0.1600504983% |
| Wilsonville City | 0.1383351396% |
| Woodburn City | 0.2069349266% |
| Yamhill County | 1.4120246444% |

EXHIBIT B

OREGON BACK-STOP 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 Distributor and Janssen Agreements and their counsel.

In light of the Order, and at the request of [SUBDIVISION], the [SUBDIVISION], its counsel [COUNSEL], and the Oregon Department of Justice, on behalf of the State of Oregon, are entering into this Oregon Back-Stop Agreement (Back-Stop Agreement). Terms used herein have the meaning set forth in the Distributor and Janssen Agreements or the OR Allocation Agreement, as applicable.

[SUBDIVISION] and [COUNSEL] intend this Back-Stop Agreement to constitute a State Back-Stop Agreement as that term is used in the Order and in Exhibits R (Agreement on Attorneys’ Fees, Expenses and Costs) of the Distributor and Janssen Agreements.

[COUNSEL] certify that they first sought fees and costs from the Attorney Fee Funds and Cost Funds created under the Distributor and Janssen Agreements before seeking or accepting payment under this backstop agreement. [COUNSEL] further certify that they are not seeking and will not accept payment under this Back-Stop Agreement of any litigation fees or costs that have been reimbursed through prior settlements or judgments.

[COUNSEL] certify that it is requesting [\$ _____] (“Requested Amount”) from the OR Back-Stop Fund, which amount is to be paid in equal payments over the first seven Payment Dates set forth in the Distributor and Janssen Agreements. Counsel certify that the Requested Amount does not exceed an amount equal to:

[[OR SETTLEMENT FUNDS]*.5*[DIRECT ALLOCATION PERCENTAGE OF CONTINGENCY FEE COUNSEL’S LITIGATING LOCAL GOVERNMENT]*.12] minus [AMOUNT OBTAINED BY COUNSEL FROM ATTORNEY FEE FUND FOR COUNSEL’S LITIGATING LOCAL GOVERNMENT]

Notwithstanding the provisions of this Backstop Agreement, [SUBDIVISION] may pay to [COUNSEL] additional fees consistent with the provision of Section 4(e)(i) and (ii) of the OR Allocation Agreement.

The Oregon Department of Justice is executing this agreement solely because the definition of “State Back-Stop Agreement” in Exhibits R of the Distributor and Janssen Agreements requires such agreements to be between “a Settling State” and private counsel for a Participating Subdivision. Neither the Oregon Department of Justice nor the State of Oregon have any obligations under this Back-Stop Agreement, and this Back-Stop Agreement does not require the payment of any funds of the State of Oregon, including OR State Funds (as defined in the OR Allocation Agreement) to [SUBDIVISION], [COUNSEL], or any other party.

[DATE] [SUBDIVISION SIGNATURE BLOCK]

[DATE] [COUNSEL SIGNATURE BLOCK]

[DATE] [OREGON DOJ SIGNATURE BLOCK]

Oregon Supplement to Statewide Allocation Agreement
under the

MALLINCKRODT PLC, et al. Bankruptcy and Additional Settling Company Agreements

This Oregon Supplement to Statewide Allocation Agreement (this “Agreement”) is between the State of Oregon and the OR Participating Subdivisions and supplements the terms and conditions of the OSA (defined below) and governs the allocation, distribution and use of (i) NOAT II Funds paid to Oregon for NOAT II Approved Abatement Uses under the Mallinckrodt Reorganization Plan, (ii) Additional Company Settlement Funds paid to Oregon for Opioid Remediation under each of the Additional Settling Company Agreements described in Section 1.b below, and (iii) additional settlement agreements arising out of multi-state opioid related litigation as set forth in Section 4(d) of this Agreement and Section 8 of the OSA. It is the Parties’ intent that this Agreement is made a part of the OSA as of the effective date of the OSA.

1. Introduction

- a. **Mallinckrodt.** Mallinckrodt PLC *et al* (“Debtors”), filed for bankruptcy protection in October 2020. *In re Mallinckrodt plc*, U.S. Bankruptcy Court, D. Del., Case No. 20-12522 *et al.* (JTD) (jointly administered). On April 20, 2021, Debtors filed their *Joint Plan of Reorganization of Mallinckrodt plc and Its Debtor Affiliates Under Chapter 11 of the Bankruptcy Code*, ECF No. 2074 (as amended from time to time,¹ the “NOAT II Reorganization Plan”). The NOAT II Reorganization Plan contemplates the filing of Plan Supplements with proposed forms of the operative documents to implement the NOAT II Reorganization Plan upon its confirmation. On August 6, 2021, the Debtors filed the proposed form of the *National Opioid Abatement Trust II Agreement* (as amended from time to time, the “NOAT II Agreement”) as Exhibit D to the Plan Supplement, ECF No. 3610-1. On September 4, 2021, Debtors filed the proposed form of trust distribution procedures for the National Opioid Abatement Trust II (as amended from time to time,² the “NOAT II Distribution Procedures”), ECF No. 4149. To qualify for distributions under the NOAT II Distribution Procedures, each state may file a Statewide Allocation Agreement providing an agreed-upon allocation or method for allocating the NOAT II Funds for that state.
- b. **Additional Settlements.** Each of the Additional Settling Companies (as defined below) has entered into a separate settlement agreement with multiple states, including Oregon (each, such agreement, an “Additional Settling Company Agreement” and, collectively, the “Additional Settling Company Agreements”), under which each Additional Settling Company agrees to pay amounts into a national settlement fund, from which a fund administrator established as set forth in the Additional Settling Company Agreements may distribute funds to individual states to be used for Opioid Remediation pursuant to the terms of each of the Additional Settlement Company Agreements. To qualify for distribution of settlement funds under each Additional Settling Company Agreement, each state may file a Statewide Allocation Agreement providing an agreed-upon

¹ Debtors have filed amended proposed plans of reorganization on September 9, 2021, December 2, 2021, December 29, 2021, and January 6, 2022, and may further amend the Plan prior to the Bankruptcy Court’s ruling on confirmation.

² Debtors filed an amended proposed form of the NOAT II Trust Distribution Procedures on October 11, 2021, ECF No. 4664.

allocation or method for allocating the Additional Company Settlement Funds for that state with respect to funds distributed to the state under the Additional Settling Company Agreement.

- c. **Statewide Allocation Agreement.** In December 2021, the State of Oregon and OR Participating Subdivisions entered into the State of Oregon Subdivision Agreement Regarding Distribution and Use of Settlement Funds (“OSA”) in which the State and its subdivisions agreed to distribution allocations of Oregon Settlement Funds paid to Oregon under the Distributor and Janssen Agreements and related opioid matters. It is the intention of the State and the OR Participating Subdivisions that the portions of OSA incorporated into this Agreement, constitute a Statewide Allocation Agreement for purposes of both the NOAT II Plan and each of the Additional Settling Company Agreements. To that end, Oregon submitted the OSA to the NOAT II trustees in satisfaction of the SAA requirements under the NOAT II Distribution Procedures. On July 1, 2022, the NOAT II trustees acknowledged Oregon’s filing of the OSA in the Mallinckrodt bankruptcy proceeding. In addition, Oregon has submitted the OSA to describe the distribution plan for each of the Additional Settling Company Agreements.
- d. **Relationship to OSA.** Section 8 of the OSA provides that the allocation percentages between the State of Oregon and the OR Participating Subdivisions, and between and among the OR Participating Subdivisions, set forth in the OSA will apply to future multistate opioid settlements with distributors, manufacturers and pharmacies, subject to consideration of the terms of such settlements. The purpose of this Agreement is to clarify which provisions of the OSA are applicable to (i) the distribution of NOAT II Funds to avoid any potential confusion in the administration of the NOAT II Funds in accordance with the NOAT II Plan, and (ii) the distribution of the Additional Company Settlement Funds to avoid any potential confusion in the administration of the Additional Company Settlement Funds in accordance with the Additional Settling Company Agreements.

2. Definitions

The following terms shall have the meaning set forth below when used in this Agreement. Additional terms defined within this Agreement shall have that meaning when used in this Agreement. In addition, terms used in this Agreement that are defined in the OSA will have that meaning unless otherwise defined in this Agreement.

- a. *Additional Company Settlement Funds* means funds distributed to Oregon for Opioid Remediation under an Additional Settling Company Agreement.
- b. *Additional Settling Company* means, each of the following entities individually, and *Additional Settling Companies* means the following entities collectively:
 - i. *Allergan*, which means Allergan Finance, LLC (f/k/a Actavis, Inc., which, in turn, was f/k/a/ Watson Pharmaceuticals, Inc.) and Allergan Limited (f/k/a Allergan plc, which, in turn, was f/k/a Actavis plc). Allergan does not include Teva Pharmaceuticals Industries Ltd. (“Teva Ltd.”), Teva Pharmaceuticals USA, Inc. (“Teva USA”), Cephalon, Inc. (“Cephalon”), Actavis LLC (f/k/a Actavis Inc.) (“Actavis LLC”), Watson Laboratories, Inc. (“Watson”), Actavis Pharma,

Inc. (f/k/a Watson Pharma, Inc.) (“Actavis Pharma”), Actavis Elizabeth LLC (“Actavis Elizabeth”), Actavis Kadian LLC (“Actavis Kadian”), Actavis Laboratories FL, Inc. (f/k/a Watson Laboratories, Inc. - Florida) (“Actavis Labs FL”), Actavis Laboratories UT, Inc. (f/k/a Watson Laboratories, Inc. - Utah) (“Actavis Labs UT”), Actavis Mid Atlantic LLC (“Actavis Mid”), Actavis South Atlantic LLC (“Actavis South”), Actavis Totowa LLC (“Actavis Totowa”), or Anda, Inc. (“Anda”).

- ii. *CVS*, which means CVS Health Corporation and CVS Pharmacy, Inc. and all of their past and present direct and indirect parents and subsidiaries.
 - iii. *Teva*, which means (i) Teva Pharmaceutical Industries Ltd. and (ii) all of its respective past and present direct or indirect parents, subsidiaries, divisions, affiliates, joint ventures, predecessors, successors, assigns, including but not limited to Teva Pharmaceuticals USA, Inc., Actavis LLC (f/k/a Actavis Inc.), Actavis Elizabeth LLC, Actavis Kadian LLC, Actavis Pharma, Inc. (f/k/a Watson Pharma, Inc.), Actavis Kadian LLC, Actavis Laboratories UT, Inc. (f/k/a Watson Laboratories, Inc. - Utah), Actavis Mid Atlantic LLC, Actavis Totowa LLC, Actavis Laboratories FL, Inc. (f/k/a Watson Laboratories, Inc. - Florida), Actavis South Atlantic LLC, Warner Chilcott Company LLC, and Watson Laboratories, Inc., and Anda Inc.
 - iv. *Walgreens*, which means Walgreen Co., and
 - v. *Walmart*, which means Walmart, Inc.
- c. *Additional Settlement Funds* means both NOAT II Funds and Additional Company Settlement Funds.
 - d. *NOAT II Plan* means, collectively, the NOAT II Reorganization Plan and its Plan Supplements, the NOAT II Agreement, and the NOAT II Distribution Procedures, and any modifications or supplements to any of the foregoing.
 - e. *NOAT II Funds* means any funds distributed under the NOAT II Plan to the State and the OR Participating Subdivisions for NOAT II Approved Abatement Uses.
 - f. *NOAT II Approved Abatement Uses* means opioid remediation activities for which NOAT II Funds may be used pursuant to Schedules A and B of the NOAT II Distribution Procedures.
 - g. *Opioid Remediation*, when used herein in reference to the expenditure of Additional Company Settlement Funds, has the meaning set forth in the Additional Settling Company Agreement under which the Additional Company Settlement Funds were paid to Oregon.

3. General Terms

- a. This Agreement is subject to the requirements of the NOAT II Plan and applicable law with respect to the distribution of NOAT II Funds. Terms used in this Agreement relating

solely to the distribution of NOAT II Funds have the same meaning as in the NOAT II Plan unless otherwise defined herein.

- b. This Agreement is subject to the requirements of each individual Additional Settling Company Agreement and applicable law with respect to distribution of Additional Company Settlement Funds distributed under that Additional Settling Company Agreement. Terms used in this Agreement relating to the distribution of Additional Company Settlement Funds under an Additional Settling Company Agreement have the same meaning as in that Additional Settling Company Agreement unless otherwise defined herein.
- c. This Agreement applies to:
 - i. the distribution of NOAT II Funds under the NOAT II Plan and does not affect any other distribution of funds under the NOAT II Plan, including but not limited to attorney fees;
 - ii. the distribution of Additional Company Settlement Funds dedicated to Opioid Remediation under each Additional Settling Company Agreement, and does not affect any other distribution of funds under that or any other Additional Settling Company Agreement, including but not limited to attorney fees.
- d. Pursuant to the NOAT II Plan, all NOAT II Funds distributed pursuant to this Agreement will be used for NOAT II Approved Abatement Uses.
- e. All Additional Company Settlement Funds distributed pursuant to this Agreement and the Additional Settling Company Agreement to which Allergan is a party (the “Allergan Agreement”) will be used for Opioid Remediation pursuant to and as defined in the Allergan Agreement.
- f. All Additional Company Settlement Funds distributed pursuant to this Agreement and the Additional Settling Company Agreement to which CVS is a party (the “CVS Agreement”) will be used for Opioid Remediation pursuant to and as defined in the CVS Agreement.
- g. All Additional Company Settlement Funds distributed pursuant to this Agreement and the Additional Settling Company Agreement to which Teva is a party (the “Teva Agreement”) will be used for Opioid Remediation pursuant to and as defined in the Teva Agreement.
- h. All Additional Company Settlement Funds distributed pursuant to this Agreement and the Additional Settling Company Agreement to which Walgreens is a party (the “Walgreens Agreement”) will be used for Opioid Remediation pursuant to and as defined in the Walgreens Agreement.
- i. All Additional Company Settlement Funds distributed pursuant to this Agreement and the Additional Settling Company Agreement to which Walmart is a party (the “Walmart Agreement”) will be used for Opioid Remediation pursuant to and as defined in the Walmart Agreement.

4. Oregon State Allocation of Additional Settlement Funds

As provided in the OSA, the Additional Settlement Funds payable to Oregon, and the amounts paid to Oregon under the NOAT II Plan and each of the Additional Settlement Agreements shall be

allocated as follows: 45% to the State (“State of Oregon Allocation”) and 55% to the OR Participating Subdivisions (“Oregon Participating Subdivision Allocation”).

- a. **State of Oregon Allocation.** Forty-Five percent (45%) of the total Additional Settlement Funds paid to Oregon will be allocated to the State and used by the State for (i) with respect to NOAT II Funds distributed to the State under the NOAT II Plan, for NOAT II Approved Abatement Uses, and (ii) with respect to Additional Company Settlement Funds distributed under an Additional Settling Company Agreement, for Opioid Remediation as defined and permitted by the terms of that Additional Settling Company Agreement.
- b. **OR Participating Subdivision Allocation.** Fifty Five percent (55%) of total Additional Settlement Funds paid to Oregon will be allocated to OR Participating Subdivisions and used by the OR Participating Subdivisions for (i) with respect to NOAT II Funds distributed to the State under the NOAT II Plan, for NOAT II Approved Abatement Uses, and (ii) with respect to Additional Company Settlement Funds distributed under an Additional Settling Company Agreement, for Opioid Remediation as defined and permitted by the terms of that Additional Settling Company Agreement. Additional Settlement Funds allocated to OR Participating Subdivisions, whether NOAT II Funds or Additional Company Settlement Funds, shall be distributed to OR Participating Subdivisions in the same proportion and manner as OR Subdivision Funds are distributed under the Section 4(c) of the OSA.
- c. **Administration of Distributions.** Direct distributions of Additional Settlement Funds shall be administered according to (i) with respect to NOAT II Funds, the NOAT II Plan, and (ii) with respect to Additional Company Settlement Funds, the Additional Settling Company Agreement under which such Additional Company Settlement Funds are paid, each consistent with this Agreement and the instructions submitted to the applicable administrator of the NOAT II Plan or Additional Settling Company Agreement by the OR Participating Subdivisions.
- d. **Other Settlements.** This Agreement applies to the distribution of NOAT II Funds received by Oregon under the NOAT II Plan and the Additional Company Settlement Funds received by Oregon under the Additional Settling Company Agreements. In addition, consistent with Section 8 of the OSA, the allocation and distribution between the State and OR Participating Subdivisions of any funds other than the NOAT II Funds, the Additional Settlement Funds or the Oregon Settlement Funds (as defined in the OSA) received by Oregon under any other multistate opioid settlements based on the liability of distributors of opioids, manufacturers of opioids, pharmacies for the selling or marketing of opioids, or the consultants, agents or associates of distributors, manufacturers or pharmacies (such funds, “Future Settlement Funds”), will be governed by Sections 3, 4(a)-(c), 5-8, and 10 of the OSA, as well as any additional agreements entered into between the State and the OR Participating Subdivisions relevant to the Future Settlement Funds, subject to consideration of other terms of such settlements that impact allocation of Future Settlement Funds; provided that any reference in those sections of the OSA to either the Distributor Settlement Agreement or the Janssen Settlement Agreement shall be read to mean the applicable settlement under which Oregon receives the Future Settlement Funds with respect to distribution of those Future Settlement Funds.

5. Additional Compliance Obligations

- a. **NOAT II Funds.** Each OR Participating Subdivision that receives a distribution of NOAT II Funds is responsible for meeting all requirements of the NOAT II Plan, including limitations on spending the funds and accounting and reporting requirements. These include, but are not limited to, the following:
 - i. In accordance with the terms of the NOAT II Plan, no OR Participating Subdivision that receives an allocation may expend more than 5% of the NOAT II Funds for expenses incurred in administering the distributions for the NOAT II Approved Abatement Uses, including the process of selecting programs to receive distributions of NOAT II Funds.
 - ii. In accordance with the terms of the NOAT II Plan, no portion of any NOAT II Funds may be used to pay attorneys' fees or costs.
 - iii. All OR Participating Subdivision receiving direct distribution of funds through this Agreement must comply with the reporting requirements set forth in the NOAT II Plan. Reporting for cities that do not elect direct distribution will be the responsibility of the County to whom that City's funds were distributed.
 - iv. NOAT II Funds distributed to a county are not required to be spent exclusively for NOAT II Approved Abatement Uses in any city, but must be used only for NOAT II Approved Abatement Uses and reported in accordance with all requirements of the NOAT II Plan.
- b. **Additional Company Settlement Funds.** Each OR Participating Subdivision that receives a distribution of Additional Company Settlement Funds under an Additional Settling Company Agreement is responsible for meeting all requirements of the Additional Settling Company Agreement under which it received the Additional Company Settlement Funds, including limitations on spending the Additional Company Settlement Funds and accounting and reporting requirements under the Additional Settling Company Agreement under which it received the Additional Company Settlement Funds. These include, but are not limited to, the following:
 - i. No OR Participating Subdivision that receives an allocation of Additional Company Settlement Funds may expend the funds for expenses incurred in administering the funds for Opioid Remediation in excess of any limits set forth in the Additional Settling Company Agreement under which it received the Additional Company Settlement Funds.
 - ii. No portion of any Additional Company Settlement Funds may be used to pay attorneys' fees or costs.
 - iii. With respect to reporting requirements applicable to the expenditure of Additional Company Settlement Funds, reporting for cities that do not elect direct distribution will be the responsibility of the County to whom that City's funds were distributed.
 - iv. Additional Company Settlement Funds distributed to a county are not required to be spent exclusively for Opioid Remediation in any city, but must be used only for Opioid Remediation in compliance with the Additional Settling Company Agreement under which they were paid to

the county.

- c. **OSA Reporting and Auditing.** The provisions of Sections 5 (State and Subdivision Reporting and Oversight) and 6 (Audits) of the OSA apply to the OR Participating Subdivision's reporting of expenditures and the Parties' respective audit rights related to Additional Settlement Funds; provided that any reference in those sections of the OSA to either the Distributor Settlement Agreement or the Janssen Settlement Agreement shall be read to mean (i) the NOAT II Plan with respect to the reporting of the use of and audits related to the NOAT II Funds, and (ii) the Additional Settling Company Agreements with respect to any Additional Company Settlement Funds. The Parties may cooperate to coordinate reporting obligations under the OSA and this Agreement with respect to the Distributor Settlement Agreement, the Janssen Settlement Agreement, the NOAT II Plan, and the Additional Settling Company Agreements.

6. **Agreements Among Local Governments**

OR Participating Subdivisions may form agreements or ventures, or otherwise work in collaboration with federal, state, local, tribal or private sector entities in pursuing NOAT II Approved Abatement Uses or Opioid Remediation, subject to any restrictions applicable to such federal, state, local, tribal or private sector entities. Further, provided that (i) all NOAT II Funds are used for NOAT II Approved Abatement Uses, a county and any cities or towns within the county may agree to reallocate NOAT II funds paid to them among themselves, provided that all direct distributions of NOAT II Funds must meet the requirements of the NOAT II Plan, including regular accountings; and (ii) all Additional Company Settlement Funds paid under an Additional Company Settlement Agreement are used for Opioid Remediation consistent with the Additional Settling Company Agreement under which the Additional Company Settlement Funds were distributed, a county and any cities or towns within the county may agree to reallocate Additional Settlement Funds paid to them pursuant to an Additional Settling Company Agreement among themselves, provided that all direct distributions of the Additional Settlement Funds must meet the requirements of the Additional Settling Company Agreement under which they were distributed.

7. **Designation of Additional Settlement Funds**

By signing this Agreement, the Attorney General designates the Additional Settlement Funds distributed to the State under this Agreement as paid to the State pursuant to judgments or settlements arising from the liability of distributors of opioids, manufacturers of opioids, pharmacies for the selling of opioids, or the consultants, agents or associates of distributors, manufacturers or pharmacies. Accordingly, all Additional Settlement Funds paid to the State shall be deposited in the Opioid Settlement Prevention, Treatment and Recovery Fund established by Oregon Laws 2022, Chapter 63, Section 5(1).

8. **Miscellaneous**

- a. **Interpretation.** This Agreement supplements, is made a part of, and is incorporated into the OSA. Except as set forth herein, the terms of the OSA govern the distribution, use and other obligations related to the Additional Settlement Funds.
- b. **Signature Page; Counterparts.** This Agreement may be executed electronically and in counterparts, each of which shall be considered an original, but which together shall constitute one and the same agreement.

Signature Page

OR Participating Subdivisions:

OR Participating Subdivisions have executed this Agreement via DocuSign

Oregon Subdivision:

By: _____

**State of Oregon, acting by and through
the Oregon Department of Justice**

Title: _____

By: _____

Lisa M. Udland
Deputy Attorney General