

**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 or the Oregon Attorney

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]