

RESOLUTION 2022 - 110

A RESOLUTION TO CREATE A METROPOLITAN REGION GOVERNANCE STRUCTURE FOR THE NATIONAL OPIOID SETTLEMENT FUNDS

WHEREAS, with the Montana Attorney General and other Montana local government entities litigated claims against manufacturers, distributors, and others in the opioid pharmaceutical supply chain (hereafter Opioid Litigation); and

WHEREAS, Lewis and Clark County has joined a settlement agreement process with the Montana Attorney General and other Montana local government entities to ensure a fair and transparent process for making decisions on how to use Opioid Litigation settlement funds in the best interests of the citizens of Lewis and Clark County and the State of Montana and based on sound medical and scientific evidence; and

WHEREAS, this settlement agreement process is memorialized in a Memorandum of Understanding (MOU) with the Attorney General, other participating Montana local government entities, and Lewis and Clark County, dated November 26, 2021, a copy of which is attached to this resolution (hereafter MOU); and

WHEREAS, the Attorney General issued an amended Memorandum of Understanding (Amended MOU) that clarified and amended certain guidelines of the original MOU, dated January 27, 2022, a copy of which is attached to this resolution (hereafter Amended MOU); and

WHEREAS, the MOU and Amended MOU set out the allocation, management, and use of Opioid Litigation settlement funds that the State of Montana and local government entities, including Lewis and Clark County, will follow; and

WHEREAS, the MOU and Amended MOU require that Lewis and Clark County establish a governance structure for the administration, management, and use of those Opioid Litigation settlement funds that Lewis and Clark County is entitled to receive under the MOU and Amended MOU; and

WHEREAS, the MOU and Amended MOU require that Lewis and Clark County designate a fiscal agent to receive Opioid Litigation settlement funds allocated to it; and

NOW, THEREFORE, BE IT RESOLVED by the Board of County Commissioners:

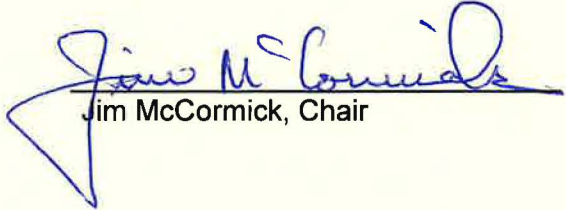
1. That the Lewis and Clark County Board of County Commissioners shall serve as the governing board for the administration, management, and use of Opioid Litigation settlement funds that Lewis and Clark County receives; and
2. That the Grants and Purchasing Director of Lewis and Clark County, or Designee as approved by the Lewis and Clark Board of County Commissioners, shall serve as the Authorized Official for Lewis and Clark County for purposes of communication with the National Opioid Settlement Administrator and Montana Abatement Trust; and



3. That the Chief Financial Officer of Lewis and Clark County shall serve as the Fiscal Agent for Lewis and Clark County as it relates to Opioid Litigation settlement funds and the MOU and Amended MOU and may on behalf of the Board, submit claims, requests for disbursements, accountings of spending and any other financial reports or matters as it relates to these funds.

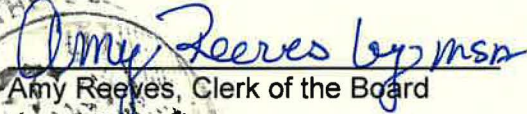
PASSED AND APPROVED BY THE BOARD OF COUNTY COMMISSIONERS on this 13 day of December 2022.

LEWIS AND CLARK COUNTY
BOARD OF COMMISSIONERS


Jim McCormick, Chair

Attest:




Amy Reeves, Clerk of the Board

**MONTANA DISTRIBUTORS' AND JANSSEN OPIOIDS
SETTLEMENT MEMORANDUM OF UNDERSTANDING**

("MOU")

WHEREAS the people of the State of Montana and its communities have been harmed by serious and substantial wrongdoing committed by certain entities within the Pharmaceutical Supply Chain; and,

WHEREAS the State of Montana, through the State's Attorney's Office of the Montana Attorney General, and certain litigating cities and counties, through their elected representatives and counsel, are separately engaged in litigation seeking to hold manufacturers, distributors, and others in the Pharmaceutical Supply Chain accountable for the harms caused by their wrongdoing; and,

WHEREAS the State of Montana and Montana's cities and counties (hereafter Local Governments) share a common desire to abate and remediate the impacts of that wrongdoing throughout the State of Montana and to maximize the resources devoted to combatting the opioid crisis; and,

WHEREAS researchers and clinicians in Montana and elsewhere have now built a substantial body of evidence demonstrating which opioid abatement strategies work and which do not and there are public health leaders in the State and at the local level with expertise in addiction and substance use available to guide determinations for the use of any settlement funds; and,

WHEREAS recently the State of Montana agreed to join a settlement agreement process (hereafter Settlement Agreements) which, if finalized, will resolve litigation against certain specific defendants in the Pharmaceutical Supply Chain, namely the opioid distributors McKesson Corporation, Cardinal Health,

Inc., and Amerisource Bergen Corporation and also Janssen and the related entities listed in the Section I. 32 of the Janssen Settlement Agreement¹ (hereafter the Opioid Settlement Defendants) for harms caused by their wrongdoing that require – with limited exception-- that all settlement funds be used for forward-looking remediation and abatement of opioid associated harms; and

WHEREAS maximum monetary payments available to the State of Montana and its Local Governments depend upon maximum Local Government participation in the Settlement Agreements and in this Memorandum of Understanding (MOU);

NOW THEREFORE the State of Montana and its Local Governments, subject to completing any additional documents needed to effectuate their agreement, enter into this MOU for the allocation, management, and use of the proceeds of the Settlement Agreements: (a) to develop a fair and transparent process for making decisions based on medical and scientific evidence concerning where and how to spend the funds from the Settlement Agreements to effectuate forward-looking abatement strategies and to supplement rather than replace existing spending; (b) to establish a dedicated Montana Abatement Trust with representation that reflects the public health expertise and diversity of affected communities when allocating settlement funds that meets the requirements of Section V.E.2d. of the Settlement Agreements; and (c) to provide a framework for equitable distribution of funds from the Settlement Agreements among all participating Local Governments within the

¹ “Janssen” means Johnson & Johnson, Janssen Pharmaceuticals, Inc., OrthoMcNeil-Janssen Pharmaceuticals, Inc., and Janssen Pharmaceutica, Inc.

State of Montana that agree to be bound by this MOU and forego pursuing separate litigation against any of the settling defendants named above.

A. DEFINITIONS AND DESCRIPTIONS

1. "The State" shall mean the State of Montana acting through the Attorney General.
2. "Participating Local Governments" shall mean any Montana county or city that has chosen to participate in this MOU and the Settlement Agreements, including execution of all documents required to effectuate the Settlement Agreements and this MOU.
3. "The Parties" shall mean the State of Montana and the Participating Local Governments.
4. "Settlement Agreements" shall mean the Distributor Settlement Agreement dated as of July 21, 2021, and the Janssen Settlement Agreement dated as of July 21, 2021.
5. "Settlement Funds" shall mean all monetary amounts obtained through the Settlement Agreements as defined herein, according to the allocation percentage to the State provided for in Section F of the Settlement Agreements, and as determined by the Settlement Fund Administrator.
6. The "Settlement Funds Administrator" shall mean the person or entity in I. MMM of the Definitions section of the Settlement Agreements chosen by the settling defendants and the national plaintiffs' enforcement committee to determine the proper allocation of funds from the Settlement Agreements to each

participating state and to manage the distribution of the Settlement Funds to all participating states.

7. "Opioid Remediation" as defined or referenced in the Settlement Agreements shall include care, treatment, and other forward-looking programs and expenditures for Approved Purposes, including: to (1) address the misuse and abuse of prescription opioid products, (2) treat or mitigate opioid misuse or related disorders, or (3) mitigate other injuries or harms resulting from the overprescribing of opioids, including diversion and the misuse or abuse of Fentanyl or Fentanyl-containing products or substances. Opioid Remediation efforts shall involve evidence-based strategies, programming, and services used to: expand the availability of treatment for individuals affected by opioid use or polysubstance use disorders; develop, promote, and provide opioid-related or polysubstance use prevention strategies; provide opioid-related or polysubstance use avoidance and awareness education; decrease the oversupply of licit and illicit opioids, including Fentanyl or products or substances containing Fentanyl; support recovery through addiction services performed by qualified and appropriately licensed providers of persons suffering from opioid-related use disorder, polysubstance abuse, or chronic-pain patients and others who suffer from or are at substantial risk of opioid abuse or dependency; and support for law enforcements addressing the impact of opioid-related substance abuse in the communities they serve, including misuse or illicit use of heroin and/or Fentanyl. Exhibit E in the Settlements Agreements provides a non-exhaustive list of expenditures that qualify as Opioid Remediation. Qualifying expenditures may include reasonably related administrative expenses.

8. “Approved Purposes” shall mean forward-looking strategies, programming, and services to abate the opioid epidemic as identified by the terms of the Settlement Agreements.

9. “Opioid Settlement Defendants” shall mean McKesson Corporation, Cardinal Health Inc., Amerisource Bergen Corporation, and Janssen and their related entities and affiliates as delineated in the Settlement Agreements.

B. MONTANA ABATEMENT REGIONS

1. Local and regional use of Opioid Settlement Funds shall be implemented through Abatement Regions and the Local Governments within those regions. The Abatement Regions shall comprise nine Metropolitan Abatement Regions—consisting of the nine Montana counties with populations exceeding 30,000—and five Multi-County Abatement Regions—utilizing the five existing Health Planning Regions established by the Montana Department of Public Health and Human Services. *See Montana Abatement Regions Map, attached as Exhibit A.*

2. The Nine Metropolitan Regions having populations of 30,000 or more are Yellowstone, Missoula, Gallatin, Flathead, Cascade, Lewis & Clark, Silver Bow, Ravalli, and Lake Counties, provided they participate in this Agreement. Each of the nine Metropolitan Regions have consolidated city-county health departments with substantial public health expertise that can serve as the lead or co-lead agencies within their respective regions for administration and use of settlement funds.

3. The Multi-County Abatement Regions derived from the five existing Montana Department of Health and Human Services Health Planning Regions exclude any local governments not participating in this MOU and the Settlement Agreements. The five Multi-County Abatement Regions also exclude the nine Metropolitan Regions and all Local Governments within the nine Metropolitan Regions. See Exhibit A.

4. All the Metropolitan Regions that agree to the Settlement Agreements and this MOU as well as all the constituent Participating Local Governments comprising a Multi-County Abatement Region that have chosen to enter into this MOU and the Settlement Agreements shall be treated as Participating Abatement Regions. For the sake of clarification, any county or city listed in the MOU Abatement Region Allocation, attached as Exhibit B², within a Multi-County Region that does not enter into this MOU and the Settlement Agreements shall not be included in the Abatement Region where it is geographically located and shall not be entitled to receive any funds from the Settlement. Rather, the share(s) of the funds that a nonparticipating city or county would be allocated according to Exhibit B shall instead be allocated to the Abatement Trust.

C. THE MONTANA ABATEMENT TRUST

1. The Attorney General shall create a private, non-profit Abatement Trust ("Trust") with an Advisory Committee ("Committee"), as required by the Settlement Agreements for the purpose of receiving and disbursing Settlement Funds allocated to the Abatement Trust and to Participating Abatement Regions,

² Exhibit B of this MOU is comprised of the Montana Local Governments listed in Exhibit G of the Settlement Agreements.

Participating Local Governments and to the State of Montana for Opioid Remediation and Approved Purposes, which are to be distributed as set forth in this MOU, in the Settlement Agreements, and in the documents establishing the Trust.

2. The Trust shall be governed by the Advisory Committee consisting of ten voting members and an Executive Director appointed by the Attorney General who will only vote in the event of a tie.

3. The ten voting members of the Advisory Committee shall provide equal representation between the State and local governments as follows: three members chosen by the Metropolitan Regions, two members chosen by the Multi-County Regions, two members chosen by the Director of the Department of Health and Human Services (DPHHS), and three members chosen by the Attorney General.

4. At least one of the ten members of the Committee shall be a law-enforcement representative from the Montana Department of Justice's Division of Criminal Investigation (DCI) and/or Montana Highway Patrol (MHP). One of the ten members of the Advisory Committee may be, but is not required to be, a family member of a person who had or has suffered from opioid use disorder. All other Committee members must come from the fields of medicine, public health, mental health, or addiction.

5. Committee terms will be three years and initially staggered. Committee members may serve more than one term. In the first year, two members from the Metropolitan Regions and one member from the Multi-County Regions will have a one-year term, one member representing the Department of

Health and Human Services and one member representing the Attorney General will have two-year terms, and the remaining members will have three-year terms. Six members of the Committee shall constitute a quorum. Unless the Committee determines otherwise, the Metropolitan and Multi-County Abatement Regions shall determine for themselves how to choose their member representatives. No Committee member shall receive compensation but may be reimbursed for reasonable costs expended for work on the Committee.

6. To provide for health security and reduce expense, members of the Committee shall participate in meetings by telephone or video conference at least every three months, except, if feasible, one annual in-person meeting per year shall be set by consensus of the Committee. If a member of the Committee is unable to attend in-person or remotely, s/he may designate a proxy. A quorum exists if six members are voting in-person, remotely, or by proxy.

7. In all votes of the Committee, a measure shall pass if a quorum is present and the measure receives the affirmative votes from a majority of those Committee members voting. The Executive Director may vote to break a tie.

8. The Attorney General shall appoint the Executive Director at his/her discretion from a list of three candidates provided to the Attorney General by the Committee. If the Attorney General finds all three candidates to be unsatisfactory, the Attorney General may reject all three candidates and request that the Committee provide three new persons to select from.

9. In choosing candidates to be submitted to the Attorney General, with the exception of the one member who is a family member of a victim of the opioid

crisis, if applicable, and representative(s) from DCI and/or MHP, the Committee shall seek candidates with at least six years of experience in issues related to addiction, mental health, and/or public health and who have management experience in those fields.

10. The Executive Director shall serve as an *ex officio*, non-voting member of the Committee unless there is a tie vote, in which case the Executive Director may cast the tie breaking vote.

11. The Attorney General shall set a date for a first in-person meeting of the Committee. Once the Abatement Regions, the Attorney General, and the Director of the Department of Health and Human Services have designated their respective members of the Committee, the Attorney General shall designate an Interim Executive Director to conduct the meeting and other scheduled meetings until a permanent Executive Director can be named.

12. At the first meeting the Committee shall develop written guidelines for receiving input from the State of Montana, Abatement Regions, Local Governments, and others regarding how the opioid crisis is affecting their jurisdictions or communities and their respective abatement needs. These written guidelines shall provide procedures for Regions and Local Governments or communities to develop and submit proposals for distribution of funds from the Abatement Trust for Opioid Remediation programs for the Regions and/or throughout Montana.

13. The Committee shall draft its own bylaws or other governing documents, which must include appropriate conflict of interest and dispute

resolution provisions, in accordance with the terms of this MOU and Montana law. It shall not have rulemaking authority under Montana law. The Committee shall utilize the legal advice and assistance of the State's Attorney's Office and legal counsel for the Local Governments and Regions, who will work collaboratively to draft and finalize necessary bylaws, procedures and other governing documents with the goal of minimizing red tape and maximizing the efficient flow of funds to abate the opioid problem.

14. The Committee shall be responsible for accounting of all Opioid Funds it distributes. The Committee shall be responsible for releasing Opioid Funds in accordance with Approved Purposes, the Settlement Agreements, and this MOU and, with the help of the State's Attorney's Office and Local Government counsel, shall develop policies and procedures for the release and oversight of such funds.

15. The Committee may also require outcome related data from any Party or Local Government that receives Opioid Funds and may publish such outcome related data. In determining which outcome related data may be required, the Committee shall work with all Parties, Regions, and Local Governments to identify appropriate data sets and develop reasonable procedures for collecting such data sets so that the administrative burden does not outweigh the benefit of producing such outcome related data.

16. The Committee shall facilitate collaboration between the State, Regions, and Participating Local Governments regarding sharing information related to abating the opioid crisis in Montana.

D. ALLOCATION OF AND USE OF SETTLEMENT PAYMENTS TO THE STATE

1. According to the terms of the Settlement Agreements, when all requirements of the Settlement Agreements have been met to allow direct payments of Settlement Funds to the State of Montana, Local Governments, and Abatement Regions the Settlement Fund Administrator will determine the total amount of Settlement Funds to allocate and pay to the State of Montana, including base payments and incentive payments.

2. The funds from the Settlement Agreements for the State of Montana shall be direct-deposited into three separate funds: the State of Montana Fund, the Abatement Trust, and the Local Government Fund.

3. Of the total paid to the State of Montana, including incentive payments:

- a. Fifteen percent (15%) shall be allocated to directly to the State of Montana Fund;
- b. Seventy percent (70%) shall be allocated directly to the Abatement Trust, from which funds may be disbursed from the Trust, with approval of the Advisory Committee, for Opioid Remediation at the State, Regional, or Local Government levels; and,
- c. Fifteen percent (15%) shall be allocated directly to the Local Government Fund.

4. The Settlement Funds allocated to the State of Montana Fund shall be used by the State for Approved Purposes as determined by a separate committee

made up of representatives from the Attorney General and the Montana Department of Health and Human Services.

5. The Settlement Funds allocated to the Abatement Trust shall be paid into the Abatement Trust for Approved Purposes administered by the Advisory Committee and Executive Director as described herein.

6. The Abatement Trust, administered by the Advisory Committee, shall be designated the lead single point of contact for Montana's communications with the Settlement Fund Administrator. As lead agency it shall have primary responsibility for evaluating and distributing funds for evidence based Opioid Remediation proposals and programs for opioid-related substance abuse disorder services.

7. Of the amount apportioned to the Abatement Trust for Opioid Remediation as outlined in 3(b) above, eighty percent (80%) shall be allocated to the Participating Abatement Regions according to the Subdivision Allocation Percentages in Exhibit B, on the assumption that all Subdivisions within each region become Participating Subdivisions. The allocation of 80% of the Abatement Trust to the Participating Abatement Regions, however, does not change the calculation of attorneys' fees for Outside Counsel for Local Governments described in Section E below. That calculation, which is set forth in the Settlement Agreements Exhibit R, is based on dividing and allocating the total settlement funds received by the State, half to the State and half to Local Governments. Attorneys' fees are then calculated by multiplying the Local Government half

times the allocation percentage in Exhibit B to determine amount allocated to their respective Local Governments upon which the attorneys' fees is based.

8. Amounts apportioned to the Local Government Fund shall be distributed to Participating Local Governments included on Exhibit B per the Subdivision or Local Government Allocation Percentage listed in Exhibit B. No Non-Participating Local Government will receive any amount from the Settlement Funds allocated to the State of Montana, regardless of whether such Local Government is included on Exhibit B. Rather, any funds allocated to the Local Government Fund for Non-Participating Local Governments shall be transferred to the Abatement Trust for Approved Purposes by the Region in which that Non-Participating Local Government is geographically located.

9. Each Abatement Region shall create its own governance structure for the administration, management, and use of Opioid Remediation funds to ensure all Participating Local Governments within that Region have input and equitable representation regarding regional Opioid Remediation administration and decisions, including representation on the Montana Opioid Abatement Trust Committee, and selection of projects to be funded from the Region's share. That governance structure shall include designation of a fiscal agent within the Region to receive and distribute Settlement Funds allocated to it.

10. All Participating Abatement Regions shall have the responsibility to make decisions about planning, budgeting, and disbursement of funds for projects that will equitably and appropriately serve the needs of the entire Region and be

consistent with this MOU and the Settlement Agreements' definition and description of appropriate Opioid Remediation and Approved Purposes.

11. The Trust Committee and all the Regions shall be guided by the recognition that budgeting for operating expenditures should be conservative and carefully limited to ensure that the maximum funds are preserved for forward-looking abatement of the opioid epidemic and the prevention of future opioid-related addiction and substance misuse. In recognition of these core principles, the Committee and the Regions shall endeavor to assure the funds are disbursed only to support evidence-based Opioid Remediation for opioid-related substance abuse/misuse abatement, education, and prevention efforts as described in detail in this MOU and the Settlement Agreements.

12. Funds from the Abatement Trust may also be expended by the Trust for statewide programs, innovation, research, and education. Any statewide programs funded from the Trust would be only as directed by an affirmative majority vote of the Committee. Expenditures for these purposes may also be funded by the Trust with funds received from either the State of Montana's share (as directed by the Attorney General in consultation with DPHHS) or from sources other than Opioid Settlement Funds as provided for below.

13. Participating Abatement Regions may collaborate with other Participating Abatement Regions to submit joint proposals to be paid for from the Regional Shares of two or more Participating Abatement Regions for the use of those Regions.

14. Disbursements for proposed Opioid Remediation programs and services to Participating Abatement Regions shall be reviewed by the Committee to determine whether the proposed disbursements meet the criteria for Opioid Remediation and Approved Purposes.

15. The Trust and any entities receiving Opioid Remediation funds shall operate in a transparent manner. Meetings shall follow Montana constitutional and statutory law and be open and all documents shall be public to the same extent they would be if the Trust were a public, governmental entity. All operations of the Trust and all entities receiving Trust Funds shall, with respect to the receipt and use of such funds, be subject to audit. The bylaws of the Trust regarding governance of the Committee, as adopted by the Committee, may clarify any other provisions in this MOU, except this subsection. Rather, the substantive portion of this subsection shall be restated in the bylaws.

16. The Trust's financial resources shall be invested through the Montana Board of Investments to assure the Trust's investments are appropriate, prudent, and consistent with best practices for investments of public funds. The investment policy shall be designed to meet the Trust's long-term and short-term goals.

17. Any other matter concerning the allocation, management, and use of Settlement Funds from the Settlement Agreements not covered by this MOU, shall be controlled by the terms of the Settlement Agreements.

E. ATTORNEYS' FEES AND COSTS

1. The Settlement Agreements each provide very substantial separate funds for payment of fees for both outside counsel for litigating local

governments and outside counsel for litigating states such as Montana. If any Settlement is insufficient to cover the fee obligations owed to outside counsel representing the State of Montana and to outside counsel representing Local Governments (collectively, "Outside Counsel"), the deficiencies may be covered as set forth in further detail below.

2. Regarding attorneys' fees for local governments that filed suit, United States District Judge Dan Polster who is responsible for the MultiDistrict Litigation (MDL 2804) *IN RE: NATIONAL PRESCRIPTION OPIATE LITIGATION*, on August 6, 2021 (Docket No. 3804) notified:

... all eligible participants to the July 21, 2021 Settlement Agreements, and ... their private counsel, that a contingent fee in excess of 15% of the participant's award under the Settlement Agreements is presumptively unreasonable. Accordingly, the Court caps all applicable contingent fee agreements at 15%.

3. As such, total attorney fees to outside counsel collected from the Settlement Agreement attorney fee funds and the Montana Back Stop shall be capped at a 15% contingency fee of the amount allocated to their respective governmental entities.

4. Fees claimed and collected for common benefit work under the Settlement Agreements shall be calculated pursuant to the specific requirements of Exhibit R to the Settlement Agreements and shall not be utilized to reduce fees otherwise recoverable from the Montana Attorney Fee Back Stop Fund.

5. The State of Montana and Litigating Local Governments shall first seek to have their attorneys' fees and expenses paid through the attorneys' fee funds created by the Settlement Agreements. The Local Governments litigating in

the MDL proceeding in the Northern District of Ohio, the Honorable Judge Dan Polster presiding, shall endeavor to obtain the maximum recovery from the Settlement Agreements attorney fee fund. In addition, as a means of covering any deficiencies in paying Outside Counsel, a supplemental Montana Attorney Fee Back-Stop Fund shall be established.

6. The Montana Attorney Fee Back-Stop Fund shall be funded by 5.5% of the total settlement funds paid to the State of Montana. The Mathematical Model described in Exhibit R of the Settlement Agreements for calculation of attorneys' fees provides that each Settling State shall attribute 50% of the settlement funds it receives to its Local Governments. Therefore, Fifty percent (50%) of the Montana Attorney Fee Back-Stop Fund shall be allocated to the Montana Attorney General's Back-Stop Sub-fund and fifty percent (50%) to the Litigating Local Government Attorney Fee Back Stop Sub-fund. The Attorney General's Fund shall be used in the Attorney General's sole discretion to (a) reimburse the State of Montana for opioid-related investigation and litigation costs; (b) offset the costs of the legal and administrative burdens imposed upon the Attorney General's Office by the Settlement Agreements as well as future settlements or disbursements by bankruptcy courts; and (3) for approved remediation or abatement purposes including, without limitation, the development of plans or projects whereby the State of Montana and the Local Governments may pool their respective recoveries and resources to fund efficient and effective statewide or regional abatement programs or strategies.

The remaining Fifty percent (50%) of the Montana Attorney Fee Back-Stop Fund shall be allocated to the Montana Litigating Local Governments' Attorney Fee Back-Stop Sub-fund for payment of Outside Counsel attorneys' fees incurred by Participating Local Governments. As provided above, fifty percent (50%) of the total settlements funds the State receives from these settlements shall be attributed to Local Governments. The amount upon which the fees for Litigating Local Government Attorneys shall be based is calculated by multiplying the fifty percent Local Government share of all settlement funds by the allocation percentage for each respective Litigating Local Government as listed in Exhibit B to this MOU.

7. Outside Counsel for Litigating Local Governments may apply to the Montana Attorney Fee Back-Stop Fund only after applying to any contingency fee fund created pursuant to the Settlement Agreements.

8. Subject to the 15% cap, above, Outside Counsel for Litigating Local Governments may apply to the Montana Attorney Fee Back-Stop Fund for only a shortfall, that is, the difference between what their fee agreements would entitle them to minus what they have already collected from any contingency fee fund created pursuant to the Settlement Agreements. Payments out of the Montana Litigating Local Governments' Attorney Fee Back-Stop Sub-fund shall be fairly allocated by a neutral committee consisting of one representative from each Litigating Local Government.

9. Any funds remaining in the Montana Litigating Local Governments' Attorney Fee Back-Stop Sub-fund in excess of the amounts needed to cover the

fees and litigation expenses to Outside Counsel for Litigating Local Governments shall revert to the allocations described in Section (D).

10. Payments to Outside Counsel shall be made from the Montana Attorney Fee Back-Stop Fund in the same percentages and over the same period of time as the national Contingency Fee Fund for each settlement. The Attorneys' Fees and Costs schedule for the Settling Distributors is listed in the Exhibit R §(II)(A)(1) of the Distributor Settlement Agreement. The Attorneys' Fees and Costs schedule for Janssen is listed in Exhibit R §(II)(A)(1) of the Janssen Settlement Agreement.

F. INSTRUCTIONS FOR SIGNING THIS MOU AND THE SIGN-ON FORMS.

You have already received a NOTICE relating to the Settlement Agreements. To join this MOU and to execute sign-on forms for the Settlement Agreement you must FIRST go to the national settlement website at <https://nationalopioidsettlement.com/> in order to register.

SECOND, once you are at the website please register your Local Government, county or city. Registration will only take a minute. This requires knowing who is authorized to sign-on the Settlements for your Local Government and an email address to which the sign-on form will be sent. With that information you can register your Local Government using the registration code

in the NOTICE you have received. If you do not register, your Local Government will not receive the sign-on form for the Settlements electronically.

DATED this 26th day of November, 2021.

MONTANA ATTORNEY GENERAL

A handwritten signature in black ink, appearing to read "Austin Knudsen".

Austin Knudsen
Montana Attorney General

Exhibit A Montana Abatement Regions

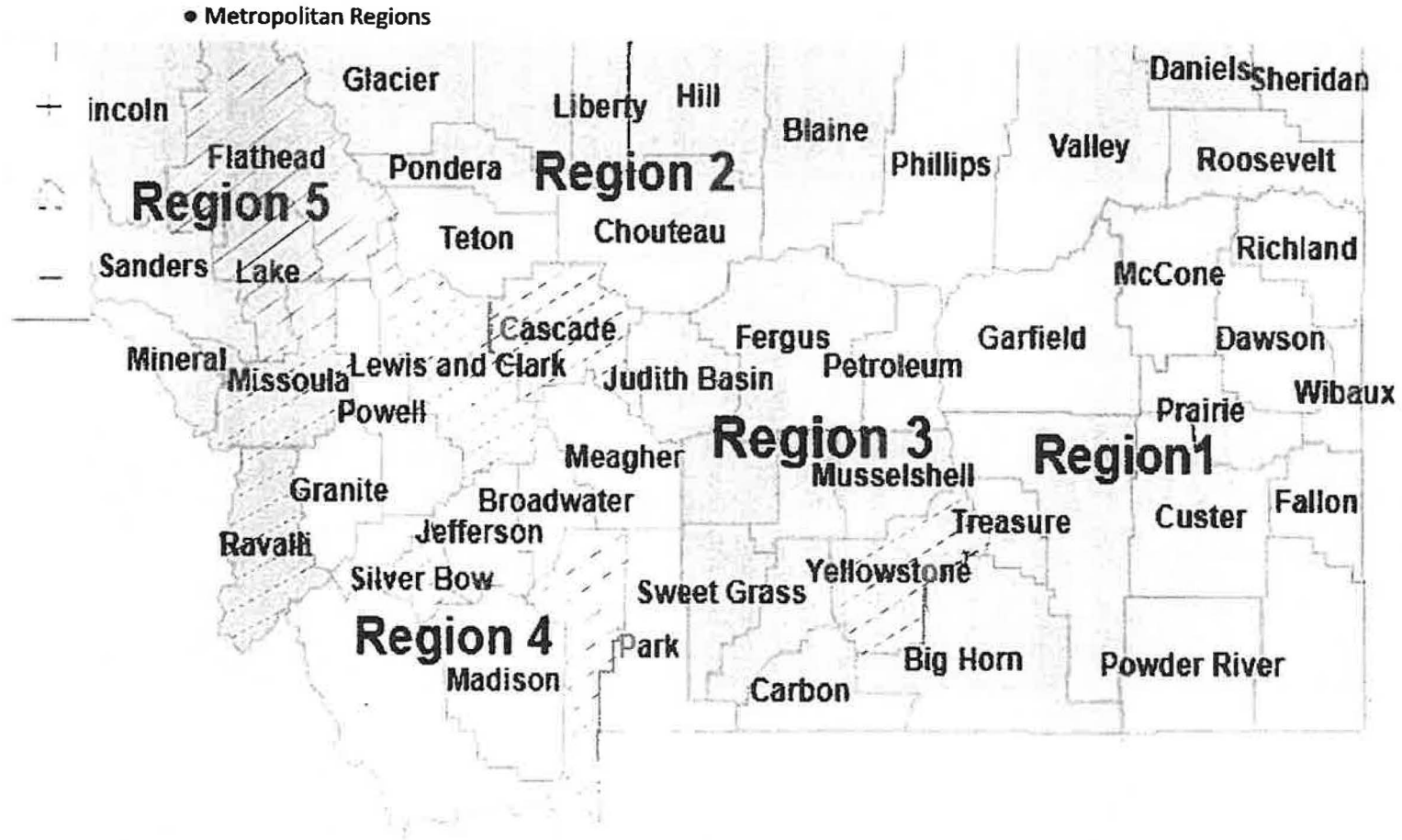


Exhibit B

DRAFT - 8/13/2021

Subject to Revision

MT1	Anaconda-Deer Lodge County, Montana	1.4480190514%
MT2	Beaverhead County, Montana	0.6841480225%
MT3	Big Horn County, Montana	0.8504903609%
MT4	Billings City, Montana	9.1331142413%
MT5	Blaine County, Montana	0.3691094337%
MT6	Bozeman City, Montana	2.0161886507%
MT7	Broadwater County, Montana	0.4143251264%
MT8	Butte-Silver Bow, Montana	5.6101260434%
MT9	Carbon County, Montana	0.7105360522%
MT10	Carter County, Montana	0.0374679104%
MT11	Cascade County, Montana	3.8993050480%
MT12	Chouteau County, Montana	0.4053063424%
MT13	Custer County, Montana	1.5139056450%
MT14	Daniels County, Montana	0.1787602908%
MT15	Dawson County, Montana	0.7800682133%
MT16	Fallon County, Montana	0.1543582011%
MT17	Fergus County, Montana	0.8667027669%
MT18	Flathead County, Montana	8.0141785369%
MT19	Gallatin County, Montana	4.0205572717%
MT20	Garfield County, Montana	0.0398838599%
MT21	Glacier County, Montana	1.5230709367%
MT22	Golden Valley County, Montana	0.0264303648%
MT23	Granite County, Montana	0.1831398237%
MT24	Great Falls City, Montana	4.3577779784%
MT25	Helena City, Montana	1.7360655042%
MT26	Hill County, Montana	1.8438532922%
MT27	Jefferson County, Montana	0.7770843087%
MT28	Judith Basin County, Montana	0.0614804228%
MT29	Kalispell City, Montana	2.4735432710%
MT30	Lake County, Montana	3.6175099064%
MT31	Lewis and Clark County, Montana	4.9326712334%
MT32	Liberty County, Montana	0.1210395973%
MT33	Lincoln County, Montana	2.1915597624%
MT34	Madison County, Montana	0.5498047673%
MT35	McCone County, Montana	0.0823035394%
MT36	Meagher County, Montana	0.0912086373%
MT37	Mineral County, Montana	0.7546909914%
MT38	Missoula City, Montana	4.4312558575%
MT39	Missoula County, Montana	8.0272833629%
MT40	Musselshell County, Montana	0.3895510594%
MT41	Park County, Montana	2.0831835653%
MT42	Petroleum County, Montana	0.0144742922%
MT43	Phillips County, Montana	0.2085622347%
MT44	Pondera County, Montana	0.4003873948%
MT45	Powder River County, Montana	0.1504386452%
MT46	Powell County, Montana	0.8872723490%
MT47	Prairie County, Montana	0.0572069653%
MT48	Ravalli County, Montana	3.6906819270%

MT49	Richland County, Montana	0.7541525281%
MT50	Roosevelt County, Montana	0.8182976782%
MT51	Rosebud County, Montana	0.5641981949%
MT52	Sanders County, Montana	1.0679134558%
MT53	Sheridan County, Montana	0.2700355225%
MT54	Stillwater County, Montana	0.5055604014%
MT55	Sweet Grass County, Montana	0.2836540766%
MT56	Teton County, Montana	0.5735903832%
MT57	Toole County, Montana	0.3258040487%
MT58	Treasure County, Montana	0.0226554138%
MT59	Valley County, Montana	0.5598291268%
MT60	Wheatland County, Montana	0.0720998508%
MT61	Wibaux County, Montana	0.0630373047%
MT62	Yellowstone County, Montana	7.3090889550%

**Agreement To Montana Distributors' And Janssen Opioids
Settlement Memorandum of Understanding
And Participation In Distributors' And Janssen Settlements**

Governmental Entity: Lewis and Clark County
Authorized Official: Andy Hortaensen, Commission Chair
Address 1: 316 N. Park Ave.
Address 2: _____
City, State, Zip: Helena, MT 59623
Phone: 406-447-8304
Email: bacc@lccountymt.gov

The Governmental Entity identified above, in order to obtain and in consideration for the benefits provided to the Governmental Entity pursuant to the Distributors' and Janssen Settlements dated July 21, 2021, acting through its' Authorized Official, hereby agrees to the Montana Distributors' and Janssen Opioids Settlement Memorandum of Understanding and elects to participate in the Distributors' and Janssen Settlement and has/or will execute all required documentation for that election.

Signed this 16 day of December, 2021.

Signature: _____

Title: Commissioner

ATTEST:

Amy Reeves

Amy Reeves, Clerk of the Board

**AMENDMENT TO MONTANA DISTRIBUTORS' AND JANSSEN OPIOIDS
SETTLEMENT MEMORANDUM OF UNDERSTANDING ("MOU")**

WHEREAS the majority of local governments have agreed to participate in the Distributors and Janssen Opioid Settlements, some questions have arisen regarding elements of the Memorandum of Understanding (MOU) that require clarification, and

WHEREAS clarification of these elements will likely produce additional participation of Local Governments that have been actively litigating in the Multidistrict Litigation (MDL) in the Northern District of Ohio, and

WHEREAS additional participation of local governments will benefit the State of Montana and all participating local governments by increasing incentive payments to the State and its local governments,

NOW THEREFORE, the following clarifications supplement the principles and provisions of the MOU of signed by Montana Attorney General Austin Knudsen and dated November 26, 2021, and which is hereby amended as set forth herein.

The written guidelines referenced in paragraph C.12 of the MOU are intended to facilitate prompt access to funds in the Abatement Trust allocated to Participating Abatement Regions and Local Governments pursuant to the percentages listed in Exhibit B of the November 26, 2021 MOU for any Approved Purposes identified in the sole discretion of the Abatement Regions or Local Governments. The Committee is advisory and intended to be available to provide professional advice to Abatement Regions when requested. It may not deny a proposal for distribution of funds from a

General's Back-Stop Sub-fund and fifty percent (50%) to the Litigating Local Government Attorney Fee Back Stop Sub-Fund. The Attorney General's Fund shall be used in the Attorney General's sole discretion to (a) reimburse the State of Montana for opioid-related investigations and litigation costs; (b) offset the costs of the legal and administrative burdens imposed upon the Attorney General's Office by the Settlement Agreements as well as future settlements or disbursements by bankruptcy courts; and (3) for approved remediation or abatement purposes including, without limitation, the development of plans or project whereby the State of Montana and the Local Governments may pool their respective recoveries and resources to fund efficient and effective statewide or regional abatement programs or strategies.

The remaining Fifty percent (50%) of the Montana Attorney Fee Back-Stop Fund shall be allocated to the Montana Litigating Local Government's Attorney Fee Back-Stop Sub-fund for payment of Outside Counsel attorney's fees incurred by Participating Local Governments. Fees for Outside Counsel for Montana Litigating Local Governments shall be based on the recovery to their clients under the percentages in Exhibit B. For purposes of determining attorney's fees, the calculation of the total amount that a Local Government recovers will include the Local Government Fund plus that Local Government's share of the eighty percent (80%) portion of the Abatement Trust Fund described in paragraph D.7, according to the percentages in Exhibit B.

Region or Local Government, provided the proposal identifies Approved Purposes for which the funds will be expended as defined and provided for in the Settlement Agreements and MOU. The Committee's responsibility to review proposals as set forth in paragraph D.14 shall be limited to confirmation that the proposal identifies Approved Purposes for which the funds will be expended.

Consistent with the authority granted to Abatement Regions in paragraph D.9, any Participating Local Government may also create its own governance structure for the administration, management and use of Opioid Remediation funds. A Participating Local Government may access the funds allocated to the Abatement Trust as described in paragraph D.4, based on its allocation percentage in Exhibit B. The governance structure of the Abatement Regions described in paragraph D.9 shall allow for Local Governments within the Region to independently access funds from the Abatement Trust as described herein.

To the extent the Abatement Trust Advisory Committee does not expend funds in the Abatement Trust, apart from the funds described in paragraph D.7, on statewide programs as described in paragraph D.12, the Committee shall allocate the funds to Participating Abatement Regions and Local Governments in the same manner as the funds described in paragraph D.7.

Paragraph E.6 in the MOU is hereby amended to read:

6. The Montana Attorney Fee Back-Stop Fund shall be funded by 5.5% of the total settlement funds paid to the State of Montana. Fifty percent (50%) of the Montana Attorney Fee Back-Stop Fund shall be allocated to the Montana Attorney

All other requirements of Section E of the November 26, 2021 MOU shall remain unchanged.

DATED this 27th day of January 2022.

MONTANA ATTORNEY GENERAL



Austin Knudsen
Montana Attorney General

**PLEASE SEE INSTRUCTION ON FOLLOWING PAGE FOR SIGN ON RE-
QUIRMENTS TO PARTICIPATE IN THE SETTLEMENTS**

**Agreement To Amendment and Supplement to
Montana Distributors' And Janssen Opioids
Memorandum of Understanding**

Governmental Entity: Lewis and Clark County

Authorized Official: Ann McCauley

Address 1: 316 N. Park Ave.

Address 2: _____

City, State, Zip: Helena, MT 59623

Phone: 406-447-8383

Email: amccauley@lccountymt.gov

The Governmental Entity identified above, in order to obtain and in consideration for the benefits provided to the Governmental Entity pursuant to the Distributors' and Janssen Settlements dated July 21, 2021, acting through its' Authorized Official, hereby agrees to the Amendment and Supplement to the Montana Distributors' and Janssen Opioids Settlement Memorandum of Understanding.

Signed this 23 day of February, 2022.

Signature: 

Title: Director, Grants and Purchasing