CITY COUNCIL AGENDA

NOTICE IS HEREBY GIVEN THAT THE CENTERVILLE CITY COUNCIL WILL HOLD A REGULAR MEETING AT 7:00 PM ON DECEMBER 21, 2021 AT CENTERVILLE CITY HALL COUNCIL CHAMBERS, 250 N. MAIN STREET, CENTERVILLE, UTAH.

Centerville City Council meetings are open to the public, unless otherwise closed for reasons allowed by law. Centerville City Council meetings may be conducted via electronic means pursuant to Utah Code § 52-4-207. In such circumstances, contact will be established and maintained via electronic means and the meeting will be conducted pursuant to the Centerville City Electronic Meetings Policy. In compliance with the Americans with Disabilities Act, individuals needing special accommodations due to a disability may contact the City Recorder at (801) 295-3477, at least 24 hours in advance of the meeting. The Mayor and Council reserve the right to modify the sequence of agenda items in order to facilitate special needs or provide greater efficiency.

The full agenda packet and backup materials can be found on the Centerville City website at:
https://centervilleutah.gov/129/Agendas-Minutes

A. CALL TO ORDER

1. **ROLL CALL**
2. **PRAYER OR THOUGHT**
   Councilwoman Stephanie Ivie
3. **PLEDGE OF ALLEGIANCE**

B. OPEN SESSION

The open session allows members of the public to comment or address the City Council on matters not listed on the agenda. Open session comments should be limited to three minutes per person. Please state your name and city of residence for the record.

C. BUSINESS

Business action or discussion items to be considered.

1. Police Department Staff Recognition
   Recognize police department staff for advancements and accomplishments in 2021
2. Public Hearing - Centerville Water Conservation Plan (2021)
   Consider updates to the Centerville Water Conservation Plan and hold a public hearing regarding the same - Resolution No. 2021-42.
3. Municipal Code Amendments - CMC 2.03 - Voter Participation Areas
   Consider Municipal Code Amendments to CMC 2.03 regarding Voter Participation Areas - Ordinance No. 2021-27
4. Participation in National Opioid Settlements
   Consider participation and settlement documents for participation in the National Opioid Settlements

D. SUMMARY ACTION

Items of a summary or routine nature may be approved by summary action of the Council unless otherwise pulled from summary action for separate discussion.

1. Bond Reduction #3 - Legacy Lands Subdivision
   Bond reduction #3 and start of warranty in the amount of $20,095.00 for Legacy Lands

Subdivision

E. FINANCIAL REPORT

The Finance Director may provide monthly or quarterly financial reports as required by law.

1. Monthly Financial Report
   November 2021 Financial Report

F. MINUTES

Minutes of prior meetings may be reviewed and accepted. Minutes review and approval shall comply with the Centerville City Minutes Approval Policy.

1. Minutes Review and Acceptance
   December 7, 2021 Work Session Minutes
   December 7, 2021 City Council Minutes

G. CITY COUNCIL REPORT

City Council members may report on meetings or events attended in their official capacity.

1. Councilwoman Tami Fillmore

H. MAYOR REPORT

The Mayor may report on meetings or events attended in the Mayor's official capacity.

I. CITY MANAGER REPORT

The City Manager may provide information or notice of current events or incidents impacting the City.

J. CLOSED SESSION

The City Council may vote to discuss matters in a closed session for reasons allowed by law, including, but not limited to, the provisions of Utah Code § 52-4-205 of the Open and Public Meetings Act, and for attorney-client matters that are privileged pursuant to Utah Code § 78B-1-137.

K. ADJOURNMENT

CERTIFICATE OF POSTING

I hereby certify that this notice and agenda was posted at Centerville City Hall, published on the Utah Public Notice Website, and provided to a newspaper or media correspondent in accordance with the requirements of the Utah Open and Public Meetings Act, including, but not limited to, provisions of Utah Code § 52-4-202.

Jennifer Hansen
Centerville City Recorder

CITY COUNCIL

Staff Report

12/21/2021

Item No. 1.

Title: Police Department Staff Recognition

Initiated By: Paul Child, Chief of Police

Staff Representative: Paul Child, Chief of Police

SUBJECT:

Recognize police department staff for advancements and accomplishments in 2021

RECOMMENDATION:

BACKGROUND:

The following members of the police department will be recognized for advancements and accomplishments during 2021.

Allen Ackerson - Promotion to Lieutenant
David Boucher - Promotion to Sergeant
Preston Casey - Promotion to Master Officer
Kael Jackson - Promotion to Master Officer / Case Detective Assignment
Kasey Scott - Promotion to POIII / FOP Officer of the Year / New SRO
Holly Coombs - Promotion to POIII / Case Detective Assignment
Jason Shields - Promotion to POII
Billie Jo Scoffield - New hire Dispatcher I

ATTACHMENTS:

CITY COUNCIL

Staff Report

12/21/2021

Item No. 2.

Title: Public Hearing - Centerville Water Conservation Plan (2021)

Initiated By: Dave Walker, Public Works Deputy Director

Staff Representative: Dave Walker, Public Works Deputy Director

SUBJECT:

Consider updates to the Centerville Water Conservation Plan and hold a public hearing regarding the same - Resolution No. 2021-42.

RECOMMENDATION:

Approve Resolution No. 2021-42 adopting updates to the Centerville Water Conservation Plan.

BACKGROUND:

The City is required to adopt and update a Water Conservation Plan in accordance with applicable provisions of the Utah Water Conservation Act. The City's Water Conservation Plan must be updated at least every five years. Before adopting or amending the Water Conservation Plan, the City must provide notice and hold a public hearing on the plan. Notice of the public hearing was published on the Utah Public Notice Website, on the City's website, and posted at City Hall. The attached Centerville Water Conservation Plan was prepared by Dave Walker, Deputy Public Works Deputy Director. Dave will attend the Council meeting to present and answer any questions about the Water Conservation Plan.

ATTACHMENTS:

1. Resolution No. 2021-42 - Water Conservation Plan (2021)
2. UCA 73-10-32 - Water Conservation Plan Requirements
3. Public Hearing Notice
4. Water Conservation Plan
5. Utah Executive Order No. 2021-10
6. Centerville Culinary Water Service Area

RESOLUTION NO. 2021-42

A RESOLUTION ADOPTING AN UPDATED WATER CONSERVATION PLAN FOR CENTERVILLE CITY AS REQUIRED BY THE UTAH WATER CONSERVATION ACT

WHEREAS, the Utah Water Conservation Act requires the City to adopt a Water Conservation Plan and to update this plan every five years in accordance with Utah Code 73-10-32; and

WHEREAS, the Centerville Water Department has prepared an updated Water Conservation Plan for the Centerville water system and recommends approval of the updated plan as more particularly set forth herein; and

WHEREAS, the City has provided notice and afforded its citizens an opportunity to comment and provide input on the Water Conservation Plan at a public hearing held in accordance with State law.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF CENTERVILLE CITY, STATE OF UTAH, AS FOLLOWS:

Section 1. **Adoption of Water Conservation Plan Update**. The City Council hereby adopts the Water Conservation Plan Update attached hereto as Exhibit A and incorporated herein by reference as the City's Water Conservation Plan.

Section 2. **Severability Clause**. If any section, part, or provision of this Resolution is held invalid or unenforceable, such invalidity or unenforceability shall not affect any other portion of this Resolution, and all sections, parts and provisions of this Resolution shall be severable.

Section 3. **Effective Date.** This Resolution shall become effective immediately upon its passage.

PASSED AND ADOPTED BY THE CITY COUNCIL OF CENTERVILLE CITY, STATE OF UTAH, ON THIS 21st DAY OF DECEMBER, 2021.

ATTEST: **CENTERVILLE CITY**

______________________________ By:________________________________

Jennifer Hansen, City Recorder Mayor Clark A. Wilkinson

CERTIFICATE OF PASSAGE AND EFFECTIVE DATE

According to the provisions of the U.C.A. § 10-3-719, as amended, resolutions may become effective without publication or posting and may take effect on passage or at a later date as the governing body may determine; provided, resolutions may not become effective more than three months from the date of passage. I, the municipal recorder of Centerville City, hereby certify that foregoing resolution was duly passed by the City Council and became effective upon passage or a later date as the governing body directed as more particularly set forth below.

________________________________ DATE: _______________

JENNIFER HANSEN, City Recorder

EFFECTIVE DATE: ____ day of ___________, 2021.

Exhibit A

Centerville City Water Conservation Plan (2021)

73-10-32 Definitions -- Water conservation plan required.

(1) As used in this section:

(a) "Board" means the Board of Water Resources created under Section 73-10-1.5.

(b) "Division" means the Division of Water Resources created under Section 73-10-18.

(c) "Retail" means the level of distribution of culinary water that supplies culinary water directly to the end user.

(d) "Retail water provider" means an entity which:

(i) supplies culinary water to end users; and

(ii) has more than 500 service connections.

(e) "Water conservancy district" means an entity formed under Title 17B, Chapter 2a, Part 10, Water Conservancy District Act.

(f) "Water conservation plan" means a written document that contains existing and proposed water conservation measures describing what will be done by retail water providers, water conservancy districts, and the end user of culinary water to help conserve water and limit or reduce its use in the state in terms of per capita consumption so that adequate supplies of water are available for future needs.

(2)

(a) Each water conservation plan shall contain:

(i) a clearly stated overall water use reduction goal and an implementation plan for each of the water conservation measures it chooses to use, including a timeline for action and an evaluation process to measure progress;

(ii) a requirement that each water conservancy district and retail water provider devote part of at least one regular meeting every five years of its governing body to a discussion and formal adoption of the water conservation plan, and allow public comment on it;

(iii) a requirement that a notification procedure be implemented that includes the delivery of the water conservation plan to the media and to the governing body of each municipality and county served by the water conservancy district or retail water provider; and

(iv) a copy of the minutes of the meeting and the notification procedure required in Subsections (2)(a)(ii) and (iii) which shall be added as an appendix to the plan.

(b) A water conservation plan may include information regarding:

(i) the installation and use of water efficient fixtures and appliances, including toilets, shower fixtures, and faucets;

(ii) residential and commercial landscapes and irrigation that require less water to maintain;

(iii) more water efficient industrial and commercial processes involving the use of water;

(iv) water reuse systems, both potable and not potable;

(v) distribution system leak repair;

(vi) dissemination of public information regarding more efficient use of water, including public education programs, customer water use audits, and water saving demonstrations;

(vii) water rate structures designed to encourage more efficient use of water;

(viii) statutes, ordinances, codes, or regulations designed to encourage more efficient use of water by means such as water efficient fixtures and landscapes;

(ix) incentives to implement water efficient techniques, including rebates to water users to encourage the implementation of more water efficient measures; and

(x) other measures designed to conserve water.

(c) The Division of Water Resources may be contacted for information and technical resources regarding measures listed in Subsections (2)(b)(i) through (2)(b)(x).

(3)

(a) Before April 1, 1999, each water conservancy district and each retail water provider shall:

(i)
(A) prepare and adopt a water conservation plan if one has not already been adopted; or
(B) if the district or provider has already adopted a water conservation plan, review the existing water conservation plan to determine if it should be amended and, if so, amend the water conservation plan; and
(ii) file a copy of the water conservation plan or amended water conservation plan with the division.
(b) Before adopting or amending a water conservation plan, each water conservancy district or retail water provider shall hold a public hearing with reasonable, advance public notice.
(4)
(a) The board shall:
(i) provide guidelines and technical resources to retail water providers and water conservancy districts to prepare and implement water conservation plans;
(ii) investigate alternative measures designed to conserve water; and
(iii) report regarding its compliance with the act and impressions of the overall quality of the plans submitted to the Natural Resources, Agriculture, and Environment Interim Committee of the Legislature at its meeting in November 2004.
(b) The board shall publish an annual report in a paper of state-wide distribution specifying the retail water providers and water conservancy districts that do not have a current water conservation plan on file with the board at the end of the calendar year.
(5) A water conservancy district or retail water provider may only receive state funds for water development if they comply with the requirements of this act.
(6) Each water conservancy district and retail water provider specified under Subsection (3)(a) shall:
(a) update its water conservation plan no less frequently than every five years; and
(b) follow the procedures required under Subsection (3) when updating the water conservation plan.
(7) It is the intent of the Legislature that the water conservation plans, amendments to existing water conservation plans, and the studies and report by the board be handled within the existing budgets of the respective entities or agencies.

Amended by Chapter 329, 2007 General Session

CENTERVILLE CITY COUNCIL
PUBLIC HEARING
WATER CONSERVATION PLAN

Notice is hereby given that the Centerville City Council will hold a public hearing in the City Council Chambers of the Centerville City Hall, 250 North Main Street, Centerville on Tuesday, December 21, 2021 at approximately 7:00 p.m., or as soon thereafter as the matter may be heard, to consider an updated Water Conservation Plan for Centerville City. Pursuant to State Law, "Centerville City has updated its Water Conservation Plan, which will be the subject of a public hearing." The Water Conservation Plan is available for review by the public at City Hall in the office of the City Recorder during regular business hours.

All interested persons are invited to attend and make comments. Written comments may also be submitted and should be delivered to City Hall, Attention City Recorder, no later than 5:00 p.m., Monday, December 20, 2021.

JENNIFER HANSEN

Centerville City Recorder

Centerville City

Water Conservation Plan

Prepared by
Dave Walker
dave.walker@centervilleutah.gov
801-292-8232

TABLE OF CONTENTS

Introduction

This Water Conservation Plan is written to comply with Section 73-10-32, Water Conservation Plans and Utah Conservancy District Act as amended.

It also reflects the concerns the City of Centerville has to the future availability of our resources due to ongoing growth and drought conditions. We feel it's our responsibility to educate and enforce rules to maintain the sustainability of our resources.

Description of Our City

Centerville is comprised of 6.0 square miles with 3.39 square miles zoned for residential and agricultural use, leaving 2.61 square miles zoned for commercial and industrial purposes. Centerville is home to approximately 17,400 permanent residents which is a 4% increase in the past 5 years.

Statistical Information

Centerville City maintains 82.16 miles of culinary water main with 4639 residential connections and 370 commercial connections. All connections are metered with those meters ranging in size as follows:

¾" - 4357
1" - 517
1 ¼" - 1
1 ½" - 93
2" - 41
3" - 4
4" - 6

Centerville also sells metered water through rental meters (4) on fire hydrants and a fill station located at the Public Works facility.

Future Growth

With current growth rates, Centerville could anticipate servicing over 21,000 full time residents by the year 2045. With 20% growth comes a much higher demand for drinking water, requiring us to continually evaluate our conservation as well as the addition of water sources.

Current Water Sources

Wells

Centerville has 6 active wells:
Ricks' Creek Well
Carrington Well
Chase Lane Well
New City Hall Well
Lyons Well
Church Well

Combined, these wells can produce close to 7 million gallons per day, which far exceeds the current demand. They currently supply approximately 342.5 million gallons which was 68% of the total usage last year. The other 161.5 million gallons, or 32% was supplied by Weber Basin Water Conservancy District.

Surface Water

We have a contractual agreement with Weber Basin Water Conservancy District to purchase 500 acre-feet (approx. 163 million gallons) of treated surface water annually.

Summary of Current Use

Over the past 5 years we have seen continual reduction in the total consumption of water. In 2015, Centerville and Weber Basin supplied 472.6 million gallons of water to Centerville customers. This averaged out to 101,200 gallons per connection. In 2020, just over 504 million gallons of water was produced, equating to 100,600 gallons per connection.

Current Water Rates

Our rate structure encourages water conservation. With a monthly base charge according to meter size to the property, consumers are then billed using an escalating scale.

This demonstrates rates based on a typical residential meter:

Base Rate - ¾" meter	$26.86
0 – 5000 gallons	$1.14 per 1000 gallons

5000 – 10000 gallons	$1.56 per 1000 gallons
10000 and above	$2.04 per 1000 gallons

We are currently pursuing a rate increase this coming year to offset the increasing costs of water production.

Irrigation Water

There are two irrigation companies, Weber Basin and Deuel Creek Irrigation, that serve most residents in Centerville with irrigation water. They promote conservation through education and implement restrictions based on forecasts of water supplies. The irrigation companies, as well as The City, discourage usage on landscapes between the hours of 10 am and 6 pm. Further restrictions include frequency and duration of cycles based on drought conditions.

Centerville owns and maintains over 80 acres of green space primarily watered with irrigation water. They demonstrate best practices by watering throughout the night and early morning.

We currently have 188 residents that use culinary water for irrigating lawns and gardens. No new connections are allowed for residential irrigation and all water is accounted for through metering. Our commercial and industrial properties west of the freeway utilize culinary water for irrigating due to the absence of irrigation service.

Water Budget

Centerville City has an annual operating budget of approximately $3.47 million. These fund improvement projects set forth in our Master Plan, planning for future water development needs, along with the day-to-day operations of the city's water system.

Centerville's 10 Year Water Master Plan

Our Master Plan prioritizes the replacement of cast and AC pipe while working cooperatively with other service providers to best utilize money set aside for projects. With the removal of older, deteriorating pipes, we reduce potential water loss due to main line breaks and leaks.

We have begun the design phase of a new reservoir to help in the supply of future development. This will replace and older, outdated reservoir and increase our storage by more than 0.5 million gallons.

Future Water Development

While we see conservation as the best and most cost-efficient way to maximize our water resources, we recognize the potential need for further development of water resources. We have designated four options to potentially add to our system to keep up with the demand.

- Porter Lane Well – This is an old well we are working to get online. If we are unable to do so in a cost-effective way, we will consider drilling a new well to take its place.
- Duncan Springs – This naturally occurring spring is being monitored for its quantity and quality of water. This would add a small amount of water to the system, so we must weigh the cost/benefit for the treatment of this supply.
- Surface Water - Evaluate the effectiveness of treating water from one of the 4 creeks that traverse through the city. This too may
- Recharging Aquifers - Consideration has been made to the use of surface water to recharge aquifers. This is a conceptual idea at this point.

Water Conservation Goals

Education

We will seek out opportunities to educate elementary school age children on various conservation methods they can use themselves. Participation in County sponsored water fairs will help increase the number of students that can be reached.

Using newsletters has allowed us to reach all households in the city. We have received positive feedback from many residents. We will continue to include these in future newsletters.

Adopt new updated pamphlets targeting specific groups on conservation methods. These may include landscape installers, management groups and residents using above average quantities.

Revising City Ordinances

We will continue to evaluate ordinances relevant to water conservation.

Recently a change was made in response to a "Rip the Strip" initiative that allows residents to hardscape park strips to aid in water conservation.

Leaks and Repairs

Our Water Department has a policy of repairing water leaks as quickly as possible. Crew members are available 24 hours a day to respond to problems efficiently.

Plumbing Code

We encourage our city official to adopt the newest plumbing codes as they are presented. We are currently using the 2018 edition.

Revising Zoning Requirements for Landscaping

Our zoning ordinance requires less landscape area and encourages the use of drought tolerant and low maintenance plantings to assist in the conservation of water. It does not require the use of turf which allows for a fraction of average consumption.

12.51.080 Plant Material Standards

Plant characteristics. Plants used for landscaping shall:

Be drought tolerant:
Have non-invasive growth habits:
Have low-maintenance characteristics: and
Be commercially available.

Water Consumption Audit

Several years ago, Centerville conducted an in-depth audit to have a clear understanding of where the largest consumers were to target those areas for education or modification. We would like to perform another to both understand our users, but also use it as a tool to gauge effectiveness of conservation efforts over the years.

Other Water Conservation Projects

Community Park Expansion

Most people would not see adding 6 acres of lush green grass to a park as a water conservation effort. This project allowed us to add community space while utilizing existing resources and decreasing our draw on irrigation water. We installed an underground reservoir and pump system that captured sub surface water and utilized it to irrigate the 6-acre expansion of our Community Park. This system is now facilitating most of the watering for the entire 30-acre park. We also added state of the art irrigation system controls to monitor and supply water as efficiently as possible.

Water Conservation Goals – Homeowners

We will continue to perform leak detection for homeowners confronted with high usage charges. Though accounted for, it is our belief that we waste as little as possible.

Toilet dye testing is one specific tool used to assist homeowners. Centerville City supplies testing materials to any homeowner that request is to locate even the smallest leak in homes.

Measurable Goals

We use the measure of gallons/day/person as a gauge to determine the success of our conservation efforts. Our current goal is set at 70 gal/day/person. Our last reporting showed total usage at 88.3 gal/day/person. Using 2020 data for population and water production, we are pleased to see a continual decline in usage with this year averaging 79.4 gal/day/person. We will continue to monitor this trend annually to continually evaluate consumption trends.

Update Website to Include Conservation Page

With the Governors’ drought declaration 2021, we want to add a dedicated page to our website to focus on water conservation. We will include tips for watering, alternatives to turf and updates on water supply and drought conditions.

Our goal is to increase our education and outreach by adding this page to our website and include a counting mechanism that allows us to record the number of views to this page. This is scheduled to begin in March 2022. We will also be adding to our social media presence by way of the City's Facebook page and documenting the number of responses to the page. This will also begin in March 2022. All results will be reported in future conservation plans.

Meter Replacement Program

We have begun changing out older, less accurate meters for more accurate ones with the capability of being read via radio. We have currently changed about 10% of our existing meters. We are actively pursuing funding mechanisms to move forward more aggressively. This includes a grant we are actively working on that would match dedicated City funds to total $150,000. This would allow us to double the number of meters we would normally be able to change out.

We currently read meters during the months of April to October and are forced to average the usage over the winter months. This allows leaks that may occur to go unnoticed for months. With radio reading options, we will be able to recognize discrepancies much sooner allowing measures to be taken to reduce water loss.

Our goal is to change out 10% of our systems meters per year with an anticipated completion of 10 years. We will record total number of radio read meters installed per year and include totals in future conservation plans.

APPENDIX I

Governor Cox drought declaration and conservation requirements

EXECUTIVE ORDER
2021-10

Requiring Water Conservation Due to Drought Conditions

WHEREAS, the state of Utah experienced a record dry and near record hot calendar year in 2020;

WHEREAS, the statewide snowpack reached approximately 81% of normal and peaked 10 days early;

WHEREAS, soil moisture reached exceptionally low levels not previously seen since soil moisture monitoring began in 2006;

WHEREAS, low soil moisture has already adversely affected the spring runoff;

WHEREAS, the state's reservoir storage has decreased 14% over the past year;

WHEREAS, all forecasts for spring runoff for the state are below 76% of the state seasonal average;

WHEREAS, the United States Department of Agriculture currently has listed 28 primary and one contiguous county in Utah under the Secretarial Disaster Designation for drought;

WHEREAS, these extreme drought conditions have adversely and significantly impacted agribusiness and livestock production, as well as wildlife and natural habitats;

WHEREAS, increased recreation in dry vegetative conditions has contributed to an increased and prolonged threat of wildfire across the state;

WHEREAS, drought conditions that require mitigation are expected to persist;

NOW, THEREFORE, I, Spencer J. Cox, Governor of the State of Utah, hereby order the following:

1. As used in this Order:
a. "State facility" means a building or structure that is owned or controlled by the state or a state governmental entity.
b. "State facility" does not mean a building or structure that is owned or controlled exclusively by:
i. the legislative branch of the state;
ii. the judicial branch of the state;
iii. the Attorney General's Office;
iv. the State Auditor's Office;
v. the State Treasurer's Office;
vi. the State Board of Education; or
vii. an independent entity as defined in Utah Code § 63E-1-102.
c. "State governmental entity" means any department, board, commission, institution, agency, or institution of higher education.
2. A state governmental entity may not water landscapes at a state facility between 10:00 a.m. and 6:00 p.m.
3. A state governmental entity shall do the following at all state facilities:
a. follow the conservewater.utah.gov weekly lawn watering guide;
b. evaluate opportunities to update irrigation technology with devices that are WaterSense certified and include rain and wind shutoff functions and soil moisture sensors;
c. manually shut off systems during rain and wind events in areas without rain and wind sensors;
d. audit and repair all landscape irrigation systems so they are operating at maximum acceptable efficiency;
e. evaluate opportunities to limit turf areas surrounding facilities and replace turf with waterwise plants;
f. evaluate opportunities to replace inefficient plumbing fixtures with WaterSense certified low-flow fixtures;
g. evaluate opportunities to update facility-management technology to include metering for water-consuming processes related to irrigation, domestic, and mechanical systems;
h. implement leak-detection and repair programs for both indoor and outdoor water use;
i. conduct periodic checks of state facility restrooms, boiler rooms, etc., to ensure appliances are working at maximum efficiency;
j. use the Utah Division of Water Resources as a resource to implement water efficient methods, technologies, and practices.

I further make the following recommendations:

1. Water suppliers and irrigation companies should:
a. where possible, delay the start of the irrigation season or end irrigation early;
b. encourage efficient landscape watering; and
c. as needed, contact the Division of Water Resources for assistance with developing a drought response plan.
2. Cities and counties should consider developing and implementing water restriction plans for the upcoming irrigation season. Also, consider implementing the same practices that are recommended for state facilities at city and county buildings.
3. Residential water users should consider the following conservation practices:
a. delay outdoor irrigation or end irrigation early;
b. follow the weekly lawn watering guide at https://conservewater.utah.gov/guide.html;
c. fix irrigation inefficiencies;
d. purchase and install a smartcontroller or low-flow toilet (rebates are offered at utahwatersavers.com);
e. reduce indoor water use by taking shorter showers, turning off water when not in use, and replacing appliances with water-efficient models;
f. follow the directions of local water providers;
g. convert turf areas to waterwise landscapes;
h. be an advocate of water efficiency by setting an example and help educate friends and neighbors on the importance of water conservation; and
i. reduce indoor water waste.

This Order is effective immediately and shall remain in effect until otherwise modified, amended, rescinded, or superseded.

IN WITNESS, WHEREOF, I have hereunto set my hand and caused to be affixed the Great Seal of the State of Utah. Done in Salt Lake City, Utah, on this, the 3rd day of May, 2021.

(State Seal)

Spencer J. Cox
Governor

ATTEST:

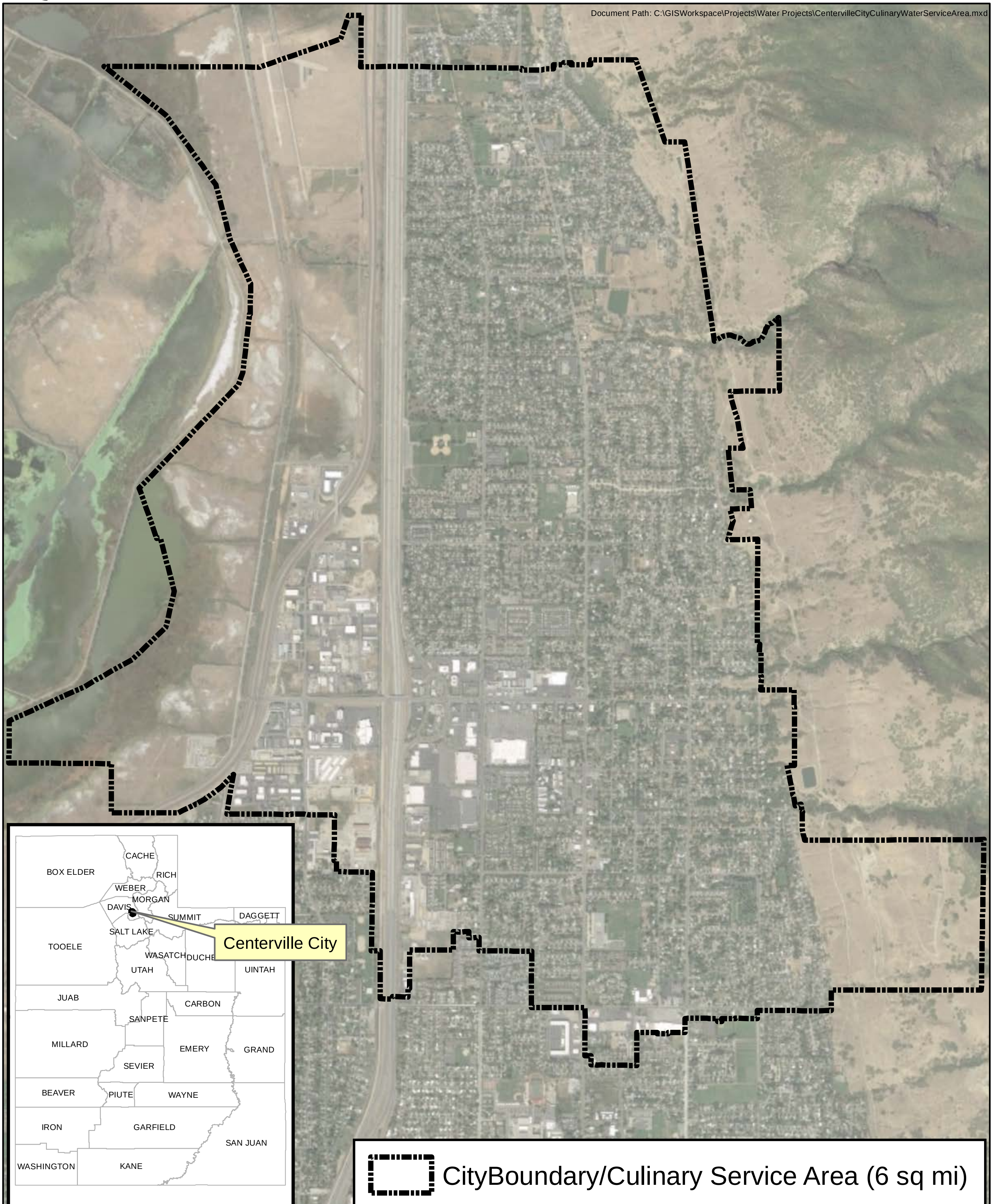
Deidre M. Henderson
Lieutenant Governor

2021/10/EO

Centerville City
Culinary Water Service Area

N W E S
1,900 950 0 Feet

Date: 12/15/2021



CITY COUNCIL

Staff Report

12/21/2021

Item No. 3.

Title: Municipal Code Amendments - CMC 2.03 - Voter Participation Areas

Initiated By: Lisa Romney, City Attorney

Staff Representative: Lisa Romney, City Attorney

SUBJECT:

Consider Municipal Code Amendments to CMC 2.03 regarding Voter Participation Areas - Ordinance No. 2021-27

RECOMMENDATION:

Approve Ordinance No. 2021-27 amending CMC 2.03.160 and CMC 2.03.170 regarding Voter Participation Areas in accordance with Utah Code 20A-7-401.3.

BACKGROUND:

The Utah Legislature adopted HB 119 (2019) requiring all cities to create voter participation areas for purposes of petition and signature requirements for local initiatives and referenda. Pursuant to Utah Code 20A-7-401.3, Centerville created four voter participation areas. The City is required to update the voter participation areas prior to January 1, 2022, and every 10 years thereafter. Davis County has prepared the updated voter participation areas for all the cities in Davis County complying with the statutory requirements. Staff recommends adoption of the updated voter participation areas as recommended by Davis County and amendments to CMC 2.03.160 and CMC 2.03.170 as more particularly set forth in Ordinance No. 2021-27.

ATTACHMENTS:

1. Ordinance No. 2021-27 - Voter Participation Areas
2. Voter Participation Areas Map - Centerville City
3. Utah Code 20A-7-401.3 - Voter Participation Areas
4. Ordinance No. 2021-27 - Voter Participation Areas - REVISED

ORDINANCE NO. 2021-27

AN ORDINANCE AMENDING SECTIONS 2.03.160 AND 2.03.170 OF THE CENTERVILLE MUNICIPAL CODE REGARDING THE CENTERVILLE VOTER PARTICIPATION AREAS IN ACCORDANCE WITH UTAH CODE 20A-7-401.3

WHEREAS, pursuant to Utah Code 20A-7-401.3, the City is required no later than January 1, 2020, again on January 1, 2022, and January 1 each 10 years after 2022, to divide the city into four contiguous and compact voter participation areas of substantially equal population for purposes of petition and signature requirements for local initiatives and referenda; and

WHEREAS, the City Council has previously enacted City ordinances creating the required voter participation areas and now desires to amend such voter participation areas with new maps prior to January 1, 2022, as required by State law as particularly provided herein.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF CENTERVILLE CITY, STATE OF UTAH, AS FOLLOWS:

Section 1. **Amendment**. Section 2.03.160 of the Centerville Municipal Code regarding voter participation areas is hereby amended to read in its entirety as follows:

2.03.160 Voter Participation Areas

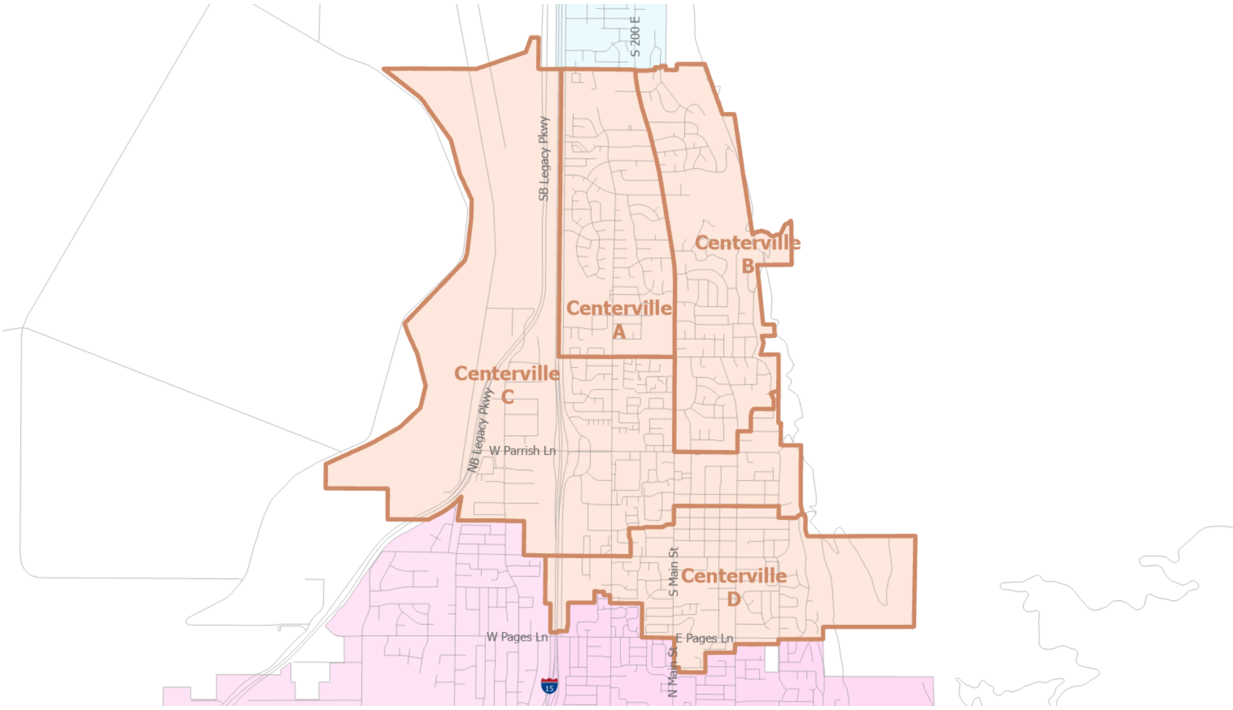
In accordance with Utah Code § 20A-7-401.3, the City is required to create four voter participation areas for purposes of petition and signature requirements for local initiatives and referenda. The City is hereby divided into the following four voter participation areas. These voter participation areas are also more particularly described in the map set forth in CMC 2.03.170.

Voter Participation Areas	Centerville Voting Precincts
Voter Participation Area A	Centerville 6, 7, ~~8,~~ 9, 10
Voter Participation Area B	Centerville 4, ~~7,~~ 8, 12
Voter Participation Area C	Centerville 3, 5, ~~6,~~ 11
Voter Participation Area D	Centerville 1, 2~~, 5~~

Section 2. **Amendment**. Section 2.03.170 of the Centerville Municipal Code regarding the voter participation areas map is hereby amended to read in its entirety as follows:

2.03.170 Voter Participation Areas Map

The following map sets forth the Centerville City Voter Participation Areas as more particularly described in CMC 2.03.160.



Section 3. **Severability.** If any section, part, or provision of this Ordinance is held invalid or unenforceable, such invalidity or unenforceability shall not affect any other portion of this Ordinance, and all sections, parts and provisions of this Ordinance shall be severable.

Section 4. **Effective Date.** This Ordinance shall become effective immediately upon publication or posting, or thirty (30) days after passage, which occurs first.

PASSED AND ADOPTED BY THE CITY COUNCIL OF CENTERVILLE CITY, STATE OF UTAH, THIS 21st DAY OF DECEMBER, 2021.

ATTEST: **CENTERVILLE CITY**

_________________________________ By: _________________________________

Jennifer Hansen, City Recorder Mayor Clark A. Wilkinson

Voting by the City Council:

	"AYE"	"NAY"	"ABSENT"
Councilmember Fillmore	_______	_______	_______
Councilmember Ince	_______	_______	_______
Councilmember Ivie	_______	_______	_______
Councilmember McEwan	_______	_______	_______
Councilmember Mecham	_______	_______	_______

CERTIFICATE OF PASSAGE AND PUBLICATION OR POSTING

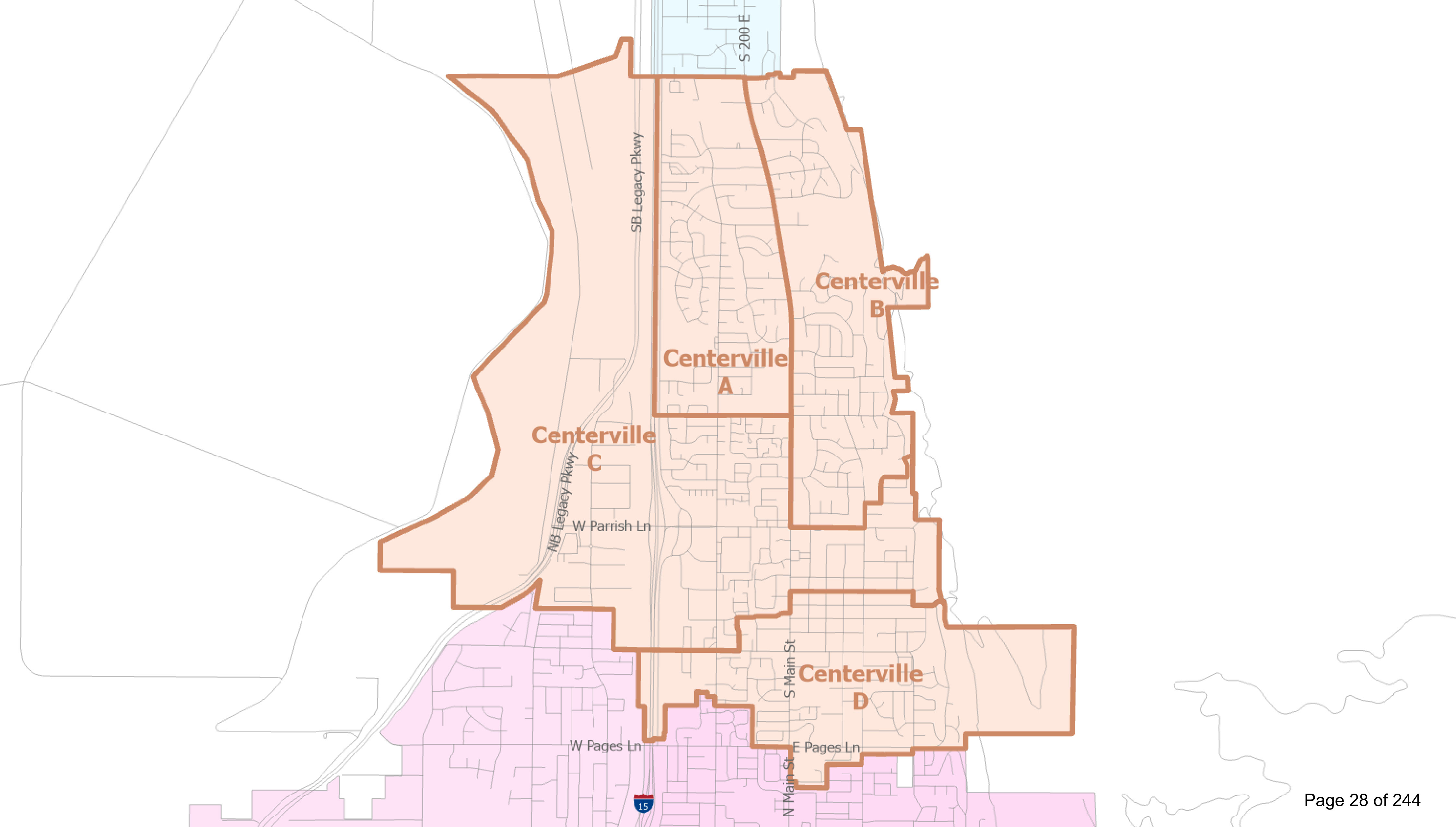
According to the provisions of the U.C.A. § 10-3-713, as amended, I, the municipal recorder of Centerville City, hereby certify that foregoing ordinance was duly passed by the City Council and published, or posted at: (1) 250 North Main; (2) 655 North 1250 West; and (3) RB's Gas Station, on the foregoing referenced dates.

_________________________________ DATE: _______________

JENNIFER HANSEN, City Recorder

RECORDED this ____ day of ___________, 2021.

PUBLISHED OR POSTED this ____ of _____________, 2021.


S 200 E
SB Legacy Pkwy
Centerville B
Centerville A
Centerville C
NB Legacy Pkwy
W Parrish Ln
S Main St
Centerville D
W Pages Ln
E Pages Ln
N Main St
15

Effective 5/14/2019

20A-7-401.3 Voter participation areas.

(1)

(a) Except as provided in Subsection (2):

(i) a metro township with a population of 65,000 or more, a city of the first or second class, or a county of the first or second class shall, no later than January 1, 2020, again on January 1, 2022, and January 1 each 10 years after 2022, divide the metro township, city, or county into eight contiguous and compact voter participation areas of substantially equal population; and

(ii) a metro township with a population of 10,000 or more, a city of the third or fourth class, or a county of the third or fourth class shall, no later than January 1, 2020, again on January 1, 2022, and January 1 each 10 years after 2022, divide the metro township, city, or county into four contiguous and compact voter participation areas of substantially equal population.

(b) A metro township, city, or county shall use the voter participation areas described in Subsection (1)(a) or (2)(b) for the purpose described in Sections 20A-7-501 and 20A-7-601.

(2)

(a) This section does not apply to a metro township with a population of less than 10,000, a county of the fifth or sixth class, a city of the fifth class, or a town.

(b) A metro township, city, or county that has established council districts that are not at-large districts may, regardless of the number of council districts that are not at-large districts, use the council districts as voter participation areas under this section.

Enacted by Chapter 203, 2019 General Session

ORDINANCE NO. 2021-27

AN ORDINANCE AMENDING SECTIONS 2.03.160 AND 2.03.170 OF THE CENTERVILLE MUNICIPAL CODE REGARDING THE CENTERVILLE VOTER PARTICIPATION AREAS IN ACCORDANCE WITH UTAH CODE 20A-7-401.3

WHEREAS, pursuant to Utah Code 20A-7-401.3, the City is required no later than January 1, 2020, again on January 1, 2022, and January 1 each 10 years after 2022, to divide the city into four contiguous and compact voter participation areas of substantially equal population for purposes of petition and signature requirements for local initiatives and referenda; and

WHEREAS, the City Council has previously enacted City ordinances creating the required voter participation areas and now desires to amend such voter participation areas with new maps prior to January 1, 2022, as required by State law as particularly provided herein.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF CENTERVILLE CITY, STATE OF UTAH, AS FOLLOWS:

Section 1. **Amendment**. Section 2.03.160 of the Centerville Municipal Code regarding voter participation areas is hereby amended to read in its entirety as follows:

2.03.160 Voter Participation Areas

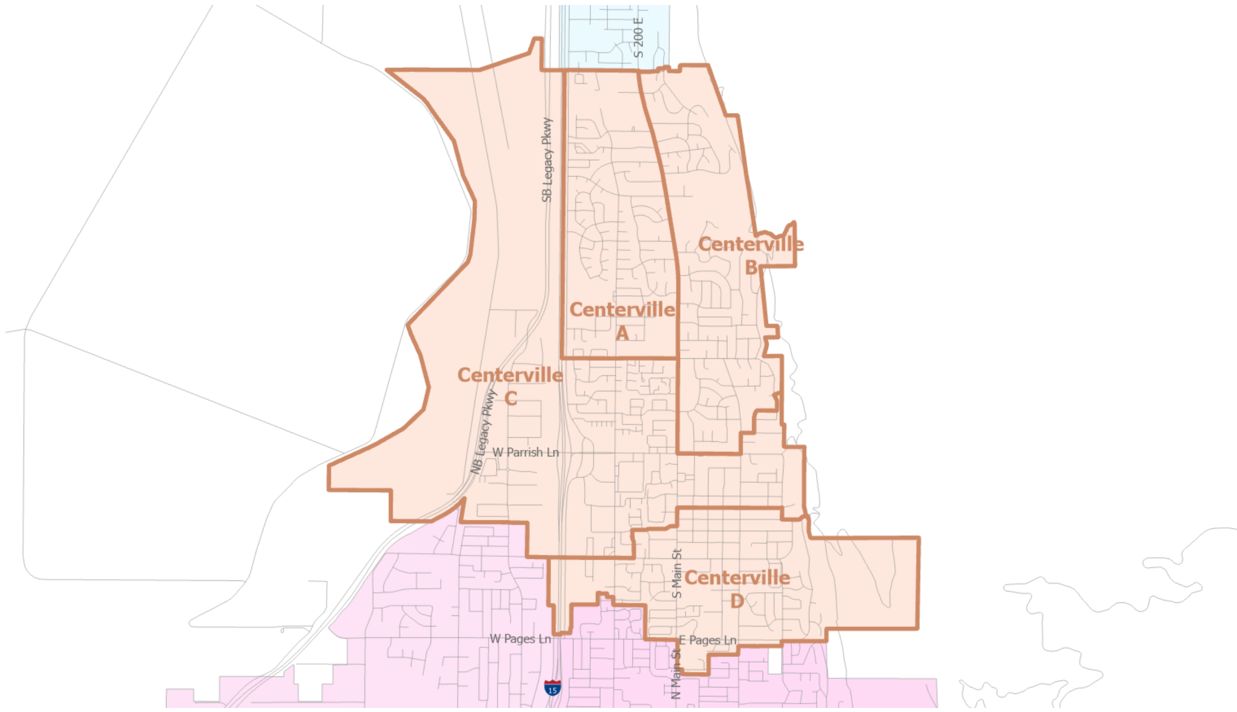
In accordance with Utah Code § 20A-7-401.3, the City is required to create four voter participation areas for purposes of petition and signature requirements for local initiatives and referenda. The City is hereby divided into the following four voter participation areas. These voter participation areas are also more particularly described in the map set forth in CMC 2.03.170.

Voter Participation Areas	Centerville Voting Precincts
Voter Participation Area A	Centerville 1, 3, 5, 6 ~~8, 9, 10~~
Voter Participation Area B	Centerville 2, 4, 7, 10, 18 ~~4, 7, 12~~
Voter Participation Area C	Centerville 8, 9, 11, 12 ~~3, 6, 11~~
Voter Participation Area D	Centerville 13, 14, 15, 16, 17 ~~1, 2, 5~~

Section 2. **Amendment**. Section 2.03.170 of the Centerville Municipal Code regarding the voter participation areas map is hereby amended to read in its entirety as follows:

2.03.170 Voter Participation Areas Map

The following map sets forth the Centerville City Voter Participation Areas as more particularly described in CMC 2.03.160.



Section 3. **Severability.** If any section, part, or provision of this Ordinance is held invalid or unenforceable, such invalidity or unenforceability shall not affect any other portion of this Ordinance, and all sections, parts and provisions of this Ordinance shall be severable.

Section 4. **Effective Date.** This Ordinance shall become effective immediately upon publication or posting, or thirty (30) days after passage, which occurs first.

PASSED AND ADOPTED BY THE CITY COUNCIL OF CENTERVILLE CITY, STATE OF UTAH, THIS 21st DAY OF DECEMBER, 2021.

ATTEST: **CENTERVILLE CITY**

______________________________ By: ______________________________

Jennifer Hansen, City Recorder Mayor Clark A. Wilkinson

Voting by the City Council:

	"AYE"	"NAY"	"ABSENT"
Councilmember Fillmore	______	______	______
Councilmember Ince	______	______	______
Councilmember Ivie	______	______	______
Councilmember McEwan	______	______	______
Councilmember Mecham	______	______	______

CERTIFICATE OF PASSAGE AND PUBLICATION OR POSTING

According to the provisions of the U.C.A. § 10-3-713, as amended, I, the municipal recorder of Centerville City, hereby certify that foregoing ordinance was duly passed by the City Council and published or posted at: (1) 250 North Main; (2) 655 North 1250 West; and (3) RB's Gas Station, on the foregoing referenced dates.

__________________________________ DATE: ________________
JENNIFER HANSEN, City Recorder

RECORDED this ____ day of ___________, 2021.

PUBLISHED OR POSTED this ____ of _____________, 2021.

CITY COUNCIL

Staff Report

12/21/2021

Item No. 4.

Title: Participation in National Opioid Settlements

Initiated By: Lisa Romney, City Attorney

Staff Representative: Lisa Romney, City Attorney

SUBJECT:

Consider participation and settlement documents for participation in the National Opioid Settlements

RECOMMENDATION:

Approve participation and settlement documents for participation in the National Opioid Settlements and authorize the City Attorney to sign and submit the same on behalf of the City.

BACKGROUND:

After years of negotiation, two proposed nationwide settlement agreements have been reached in an effort to resolve opioid litigation brought by states and local political subdivisions against three large pharmaceutical distributors and/or manufacturers of opioids. The proposed settlements require the named distributors to pay up to $21 billion over 18 years and the manufacturer to pay up to $5 billion over 9 years. Approximately $22 billion is earmarked for use by participating states and political subdivisions to remediate and abate the impacts of the opioid crisis. As part of the settlements, each state must decide whether to participate in the settlements. The State of Utah has elected to join the settlements. Each political subdivision in the State must also decide whether to participate in the settlements. As indicated in the attached letter from Attorney General Sean Reyes, the more political subdivisions that participate, the more funds will flow to the State and its participating subdivisions. It is acknowledged that not all political subdivisions, particularly smaller subdivisions, will be eligible to receive direct payments from the settlements. However, the participation by such smaller political subdivisions will help the State maximize the amount of abatement funds the State receives. In order to participate in the settlements and to be eligible for possible settlement funds, the City must register to participate in the settlements on the national settlements website.

As approved and directed by the City Council on November 3, 2021, the City Attorney registered the City for participation. Since registration, the City has received additional information and documentation for participation if eligible. The attached participation and settlement documents are provided for Council consideration. In order to participate in the settlements, the City must opt-in by January 2, 2022. Staff recommends the City Council approve the attached settlement documents for participation in the National Opioid Settlements and authorize the City Attorney to sign these documents on behalf of the City.

More information regarding the National Opioid Settlements and the settlement agreements with all exhibits can be found on the National Website: https://nationalopioidsettlement.com/

ATTACHMENTS:

1. Attorney General Notice of Opioid Settlement
2. Janssen Settlement Agreement
3. Distributor Settlement Agreement

STATE OF UTAH
OFFICE OF THE ATTORNEY GENERAL

SEAN D. REYES
ATTORNEY GENERAL

Spencer E. Austin
Chief Criminal Deputy

Ric Cantrell
Chief of Staff

Melissa A. Holyoak
Solicitor General

Brian L. Tarbet
Chief Civil Deputy

TO LOCAL POLITICAL SUBDIVISIONS:
IMPORTANT INFORMATION ABOUT THE NATIONAL OPIOID SETTLEMENT.
SUBDIVISIONS MUST SUBMIT SIGNED DOCUMENTATION TO PARTICIPATE.
THE DEADLINE FOR PARTICIPATION TO MAXIMIZE SETTLEMENT BENEFITS IS JANUARY 2, 2022.

If your subdivision is represented by an attorney with respect to opioid claims, please immediately contact them.

After years of negotiations, two proposed nationwide settlement agreements ("Settlements") have been reached that would resolve all opioid litigation brought by states and local political subdivisions against the three largest pharmaceutical distributors, McKesson, Cardinal Health and AmerisourceBergen ("Distributors"), and one manufacturer, Janssen Pharmaceuticals, Inc., and its parent company Johnson & Johnson (collectively, "Janssen").

The proposed Settlements require the Distributors and Janssen to pay billions of dollars to abate the opioid epidemic. Specifically, the Settlements require the Distributors to pay up to $21 billion over 18 years and Janssen to pay up to $5 billion over no more than 9 years, for a total of $26 billion (the "Settlement Amount"). Of the Settlement Amount, approximately $22.7 billion is earmarked for use by participating states and subdivisions to remediate and abate the impacts of the opioid crisis.

The Settlements also contain injunctive relief provisions governing the opioid marketing, sale and distribution practices at the heart of the states' and subdivisions' lawsuits and further require the Distributors to implement additional safeguards to prevent diversion of prescription opioids.

Each of the proposed Settlements has two key participation steps. First, each state decides whether to participate in the Settlements. The State of Utah has joined both Settlements. Second, the subdivisions within each participating state must then decide whether to participate in the Settlements. Generally, the more subdivisions that participate, the greater the amount of funds that flow to that state and its participating subdivisions. Any subdivision that does not participate cannot directly share in any of the settlement funds, even if the subdivision's state is settling and other participating subdivisions are sharing in settlement funds.

This letter is part of the formal notice required by the Settlements.

WHITE COLLAR AND COMMERCIAL ENFORCEMENT DIVISION
160 East 300 South, 5th Floor - PO Box 140872 - Salt Lake City, Utah 84114-0872 - Phone (801)366-0310 - Fax (801) 366-0315

WHY IS YOUR SUBDIVISION RECEIVING THIS NOTICE?

You are receiving this letter because The State of Utah has elected to participate in both of the two national Settlements against (1) the Distributors, and (2) Janssen, and your subdivision may participate in the Settlements to which your state has agreed. This notice is being sent directly to subdivisions and also to attorneys for subdivisions that we understand are litigating against these companies. If you are represented by an attorney with respect to opioid claims, please immediately contact them. Please note that there is no need for subdivisions to be represented by an attorney or to have filed a lawsuit to participate in the Settlements.

WHERE CAN YOU FIND MORE INFORMATION?

This letter is intended to provide a brief overview of the Settlements. Detailed information about the Settlements may be found at: https://nationalopioidsettlement.com/. This national settlement website also includes links to information about how the Settlements are being implemented in your state and how settlement funds will be allocated within your state. This website will be supplemented as additional documents are created.

HOW DO YOU PARTICIPATE IN THE SETTLEMENTS?

You must go to the national settlement website to register to receive in the coming weeks and months the documentation your subdivision will need to participate in the Settlements (if your subdivision is eligible). All required documentation must be executed and submitted electronically through the website and must be executed using the "DocuSign" service. As part of the registration process, your subdivision will need to identify, and provide the email address for, the individual who will be authorized to sign formal and binding documents on behalf of your subdivision.

Your unique Subdivision Identification Number to use to register is: TAABHS

HOW WILL SETTLEMENT FUNDS BE ALLOCATED IN EACH STATE?

The settlement funds are first divided among the participating states according to a formula developed by the Attorneys General that considers population and the severity of harm caused by the opioid epidemic in each participating state. Each state's share of the abatement funds is then further allocated within each state according to agreement between the state and its subdivisions, applicable state allocation legislation, or, in the absence of these, the default provisions in the agreements.

Many states have or are in the process of reaching an agreement on how to allocate abatement funds within the states. Allocation agreements/legislation and other information about Utah's allocation agreement or legislation can be found on the national settlement website. The allocation section of the website will be supplemented as more intra-state allocation arrangements are finalized.

In reviewing allocation information, please note that while all subdivisions may participate in the Settlements, not all subdivisions are eligible to receive direct payments. To promote efficiency in the use of abatement funds and avoid administratively burdensome disbursements that would be too small to add a meaningful abatement response, certain smaller subdivisions do not automatically receive a direct allocation. However, participation by such subdivisions will help maximize the amount of abatement funds being paid in the Settlements, including those going to counties, cities, parishes, and other larger subdivisions in their communities.

You may be contacted by the Attorney General's Office with additional information regarding the allocation of settlement funds in Utah. Subdivisions with representation can expect information from their attorneys as well. We encourage you to review all materials and to follow up with any questions. The terms of these Settlements are complex and we want to be sure you have all the information you need to make your participation decision.

WHY YOU SHOULD PARTICIPATE

A vast majority of states have joined the Settlements, and attorneys for many subdivisions have already announced support for them. For example, the Plaintiffs' Executive Committee, charged with leading the litigation on behalf of more than 3,000 cities, counties and others against the opioid industry, and consolidated in the national multi-district litigation ("MDL") pending before Judge Dan Aaron Polster in the Northern District of Ohio, recommends participation in these Settlements.

Subdivision participation is strongly encouraged, for the following reasons:

First, the amounts to be paid under the Settlements, while insufficient to abate the epidemic fully, will allow state and local governments to commence with meaningful change designed to curb opioid addiction, overdose and death;

Second, time is of the essence. The opioid epidemic continues to devastate communities around the country and it is critical that the funds begin to flow to allow governments to address the epidemic in their communities ***as soon as possible;***

Third, if there is not sufficient subdivision participation in these proposed Settlements, the Settlements will not be finalized, the important business practice changes will not be implemented, the billions of dollars in abatement funds will not flow to communities, and more than 3,000 cases may be sent back to their home courts for trial, which will take many years;

Fourth, the extent of participation also will determine how much money each state and its local subdivisions will receive because approximately half of the abatement funds are in the form of "incentive payments," *i.e.*, the higher the participation of subdivisions in a state, the greater the amount of settlement funds that flow into that state;

Fifth, you know first-hand the effects of the opioid epidemic on your community. Funds from these Settlements will be used to commence abatement of the crisis and provide relief to your citizens while litigation and settlement discussions proceed against numerous other defendants in the opioid industry; and

Sixth, because pills do not respect boundaries, the opioid epidemic is a national crisis that needs a national solution.

NEXT STEPS

These Settlements require that you take affirmative steps to "opt in" to the Settlements. If you do not act, you will not receive any settlement funds and you will not contribute to reaching the participation thresholds that will deliver the maximum amount of abatement funds to your state.

First, register your subdivision on the national settlement website so that information and documents required to participate can be sent to you. You will need the email address of the person who will be authorized to sign on behalf of your subdivision. This is the only action item needed at this time.

Second, have your authorizing person(s) or body begin to review the materials on the websites concerning the settlement agreement terms, allocation and other matters. Develop a list of questions for your counsel or the Attorney General's Office. In the very near future, your subdivision will need to begin the process of deciding whether to participate in the proposed Settlements, and subdivisions are encouraged to work through this process well before the January 2, 2022 deadline to be an initial participating subdivision. Again, the Attorney General's Office, your counsel, and other contacts within the state are available to discuss the specifics of the Settlements within your state, and we encourage you to discuss the terms and benefits of the Settlements with them.

Third, monitor your email for further communications, which will include a Participation Agreement, Release, (where applicable) a model Resolution, and instructions on executing and submitting electronically using DocuSign.

We urge you to view the national settlement website at your earliest convenience. Information and documents regarding the national Settlements and your state allocation can be found on the settlement website at https://nationalopioidsettlement.com/.

We appreciate your attention to this important matter and are available for any questions,

Utah Attorney General's Office

Tom Melton
Assistant Attorney General
tmelton@agutah.gov

Kevin McLean
Assistant Attorney General
kmclean@agutah.gov

160 East 300 South, 5th Floor
P.O. Box 140872
Salt Lake City, UT 84114-0872

National Opioids Settlements
P.O. Box 43196
Providence, RI 02940-3196

NPD

37

12281002021 7

Postal Service: Please do not mark barcode
NPD CQ-840-504
Jennifer Hansen City Recorder
250 N. Main Street
Centerville, UT 84014

JANSSEN SETTLEMENT AGREEMENT

This settlement agreement dated as of July 21, 2021 (the "*Agreement*") sets forth the terms of settlement between and among the Settling States, Participating Subdivisions, and Janssen (as those terms are defined below). Upon satisfaction of the conditions set forth in Sections II and VIII, this Agreement will be binding on the Settling States, Janssen, and Participating Subdivisions. This Agreement will then be filed as part of Consent Judgments in the respective courts of each of the Settling States, pursuant to the terms set forth in Section VIII.

I. <u>Definitions</u>

Unless otherwise specified, the following definitions apply:

1. "*Abatement Accounts Fund*" means a component of the Settlement Fund described in subsection VI.E.

2. "*Additional Restitution Amount*" means the amount available to Settling States listed in Exhibit N of $67,307,692.

3. "*Agreement*" means this agreement as set forth above, inclusive of all exhibits.

4. "*Alleged Harms*" means the alleged past, present, and future financial, societal, and related expenditures arising out of the alleged misuse and abuse of opioid products, non-exclusive examples of which are described in the documents listed on Exhibit A, that have allegedly arisen as a result of the physical and bodily injuries sustained by individuals suffering from opioid-related addiction, abuse, death, and other related diseases and disorders, and that have allegedly been caused by Janssen.

5. "*Allocation Statute*" means a state law that governs allocation, distribution, and/or use of some or all of the Settlement Fund amounts allocated to that State and/or its Subdivisions. In addition to modifying the allocation, as set forth in subsection VI.D.2, an Allocation Statute may, without limitation, contain a Statutory Trust, further restrict expenditure of funds, form an advisory committee, establish oversight and reporting requirements, or address other default provisions and other matters related to the funds. An Allocation Statute is not required to address all three (3) types of funds comprising the Settlement Fund or all default provisions.

6. "*Annual Payment*" means the total amount payable to the Settlement Fund by Janssen on the Payment Date each year in 2023 and onward, as calculated by the Settlement Fund Administrator pursuant to Section V. For the avoidance of doubt, this term does not include the Additional Restitution Amount or amounts paid pursuant to Section XI.

7. "*Appropriate Official*" means the official defined in subsection XIII.E.

8. "*Attorney Fee Fund*" means an account consisting of funds allocated to pay attorneys' fees and costs pursuant to the agreement on attorneys' fees and costs attached as Exhibit R.

9. "*Bar*" means either (1) a ruling by the highest court of the State or the intermediate court of appeals when not subject to further review by the highest court of the State in a State with a single intermediate court of appeals setting forth the general principle that no Subdivisions or Special Districts in the State may maintain Released Claims against Released Entities, whether on the ground of the Agreement (or the release in it) or otherwise; (2) a law barring Subdivisions and Special Districts in the State from maintaining or asserting Released Claims against Released Entities (either through a direct bar or through a grant of authority to release claims and that authority is exercised in full); or (3) a Settlement Class Resolution in the State with full force and effect. For the avoidance of doubt, a law or ruling that is conditioned or predicated upon payment by a Released Entity (apart from payments by Janssen incurred under the Agreement) shall not constitute a Bar.

10. "*Case-Specific Resolution*" means either (1) a law barring specified Subdivisions or Special Districts from maintaining Released Claims against Released Entities (either through a direct bar or through a grant of authority to release claims and that authority is exercised in full); (2) a ruling by a court of competent jurisdiction over a particular Subdivision or Special District that has the legal effect of barring the Subdivision or Special District from maintaining any Released Claims at issue against Released Entities, whether on the ground of the Agreement (or the release in it) or otherwise; or (3) in the case of a Special District, a release consistent with Section IV below. For the avoidance of doubt, a law, ruling, or release that is conditioned or predicated upon a post-Effective Date payment by a Released Entity (apart from payments by Janssen incurred under the Agreement or injunctive relief obligations incurred by it) shall not constitute a Case-Specific Resolution.

11. "*Claim*" means any past, present or future cause of action, claim for relief, cross-claim or counterclaim, theory of liability, demand, derivative claim, request, assessment, charge, covenant, damage, debt, lien, loss, penalty, judgment, right, obligation, dispute, suit, contract, controversy, agreement, parens patriae claim, promise, performance, warranty, omission, or grievance of any nature whatsoever, whether legal, equitable, statutory, regulatory or administrative, whether arising under federal, state or local common law, statute, regulation, guidance, ordinance or principles of equity, whether filed or unfiled, whether asserted or unasserted, whether known or unknown, whether accrued or unaccrued, whether foreseen, unforeseen or unforeseeable, whether discovered or undiscovered, whether suspected or unsuspected, whether fixed or contingent, and whether existing or hereafter arising, in all such cases, including but not limited to any request for declaratory, injunctive, or equitable relief, compensatory, punitive, or statutory damages, absolute liability, strict liability, restitution, subrogation, contribution, indemnity, apportionment, disgorgement, reimbursement, attorney fees, expert

fees, consultant fees, fines, penalties, expenses, costs or any other legal, equitable, civil, administrative, or regulatory remedy whatsoever.

12. "*Claim Over*" means a Claim asserted by a Non-Released Entity against a Released Entity on the basis of contribution, indemnity, or other claim-over on any theory relating to a Non-Party Covered Conduct Claim asserted by a Releasor.

13. "*Compensatory Restitution Amount*" means the aggregate amount of payments by Janssen hereunder other than amounts paid as attorneys' fees and costs or identified pursuant to subsection VI.B.2 as being used to pay attorneys' fees and investigation costs or litigation costs.

14. "*Consent Judgment*" means a state-specific consent judgment in a form to be agreed upon by the Settling States, Participating Subdivisions, and Janssen prior to the Initial Participation Date that, among other things, (1) approves this Agreement and (2) provides for the release set forth in Section IV, including the dismissal with prejudice of any Released Claims that the Settling State has brought against Released Entities.

15. "*Court*" means the respective court for each Settling State to which the Agreement and the Consent Judgment are presented for approval and/or entry as to that Settling State, or the Northern District of Ohio for purposes of administering the Attorney Fee Fund and any related fee and cost agreements.

16. "*Covered Conduct*" means any actual or alleged act, failure to act, negligence, statement, error, omission, breach of any duty, conduct, event, transaction, agreement, misstatement, misleading statement or other activity of any kind whatsoever from the beginning of time through the Reference Date (and any past, present, or future consequence of any such act, failure to act, negligence, statement, error, omission, breach of duty, conduct, event, transaction, agreement, misstatement, misleading statement or other activity) relating in any way to (a) the discovery, development, manufacture, packaging, repackaging, marketing, promotion, advertising, labeling, recall, withdrawal, distribution, delivery, monitoring, reporting, supply, sale, prescribing, dispensing, physical security, warehousing, use or abuse of, or operating procedures relating to any Product, or any system, plan, policy, or advocacy relating to any Product or class of Products, including but not limited to any unbranded promotion, marketing, programs, or campaigns relating to any Product or class of Products; (b) the characteristics, properties, risks, or benefits of any Product; (c) the reporting, disclosure, non-reporting or non-disclosure to federal, state or other regulators of orders for any Product placed with any Released Entity; (d) the selective breeding, harvesting, extracting, purifying, exporting, importing, applying for quota for, procuring quota for, handling, promoting, manufacturing, processing, packaging, supplying, distributing, converting, or selling of, or otherwise engaging in any activity relating to, precursor or component Products, including but not limited to natural, synthetic, semi-synthetic or chemical raw materials, starting materials, finished

active pharmaceutical ingredients, drug substances, or any related intermediate Products; or (e) diversion control programs or suspicious order monitoring related to any Product.

17. "*Designated State*" means New York.

18. "*Effective Date*" means the date sixty (60) days after the Reference Date.

19. "*Enforcement Committee*" means a committee consisting of representatives of the Settling States and of the Participating Subdivisions. Exhibit B contains the organizational bylaws of the Enforcement Committee. Notice pursuant to subsection XIII.O shall be provided when there are changes in membership or contact information.

20. "*Global Settlement Abatement Amount*" means the abatement amount of $4,534,615,385.

21. "*Global Settlement Amount*" means $5 billion, which shall be divided into the Global Settlement Abatement Amount, the Additional Restitution Amount, and the Global Settlement Attorney Fee Amount.

22. "*Global Settlement Attorney Fee Amount*" means the attorney fee amount of $398,076,923.

23. "*Incentive A*" means the incentive payment described in subsection V.E.4.

24. "*Incentive B*" means the incentive payment described in subsection V.E.5.

25. "*Incentive C*" means the incentive payment described in subsection V.E.6.

26. "*Incentive D*" means the incentive payment described in subsection V.E.7.

27. "*Incentive Payment Final Eligibility Date*" means, with respect to a Settling State, the date that is the earliest of (1) three years after the Effective Date; (2) the date of completion of opening statements in a trial of any action brought by a Subdivision in that State that includes a Released Claim against a Released Entity when such date is more than two (2) years after the Effective Date; or (3) two (2) years after the Effective Date in the event a trial of an action brought by a Subdivision in that State that includes a Released Claim against a Released Entity began after the Initial Participation Date but before two (2) years after the Effective Date.

28. "*Initial Participating Subdivision*" means a Subdivision that meets the requirements set forth in subsection VII.D.

29. "*Initial Participation Date*" means the date one hundred twenty (120) days after the Preliminary Agreement Date, unless it is extended by written agreement of Janssen and the Enforcement Committee.

30. “*Initial Year Payment*” means the total amount payable to the Settlement Fund by Janssen on each of the two Payment Dates in 2022, as calculated by the Settlement Fund Administrator pursuant to Section V. For the avoidance of doubt, this term does not include the Additional Restitution Amount or amounts paid pursuant to Section XI.

31. “*Injunctive Relief Terms*” means the terms described in Section III and set forth in Exhibit P.

32. “*Janssen*” means Johnson & Johnson, Janssen Pharmaceuticals, Inc., Ortho-McNeil-Janssen Pharmaceuticals, Inc., and Janssen Pharmaceutica, Inc.

33. “*Later Litigating Special District*” means a Special District (or Special District official asserting the right of or for the Special District to recover for alleged harms to the Special District and/or the people thereof) that is not a Litigating Special District and that files a lawsuit bringing a Released Claim against a Released Entity, or that adds such a claim to a pre-existing lawsuit, after the Preliminary Agreement Date. It may also include a Litigating Special District whose claims were resolved by a judicial Bar or Case-Specific Resolution which is later revoked following the execution date of this Agreement, when such Litigating Special District takes any affirmative step in its lawsuit other than seeking a stay or removal.

34. “*Later Litigating Subdivision*” means a Subdivision (or Subdivision official asserting the right of or for the Subdivision to recover for alleged harms to the Subdivision and/or the people thereof) that is not a Litigating Subdivision and that files a lawsuit bringing a Released Claim against a Released Entity, or that adds such a claim to a pre-existing lawsuit, after the Trigger Date. It may also include a Litigating Subdivision whose claims were resolved by a judicial Bar or Case-Specific Resolution which is later revoked following the execution date of this Agreement, when such Litigating Subdivision takes any affirmative step in its lawsuit other than seeking a stay or removal.

35. “*Later Participating Subdivision*” means a Participating Subdivision that meets the requirements of subsection VII.E but is not an Initial Participating Subdivision.

36. “*Litigating Special District*” means a Special District (or Special District official) that brought any Released Claims against any Released Entities on or before the Preliminary Agreement Date that were not separately resolved prior to that date. A list of Litigating Special Districts will be agreed to by the parties and attached hereto as of the Preliminary Agreement Date.

37. “*Litigating Subdivision*” means a Subdivision (or Subdivision official asserting the right of or for the Subdivision to recover for alleged harms to the Subdivision and/or the people thereof) that brought any Released Claim against any Released Entity prior to the Trigger Date that were not separately resolved prior to that

Trigger Date. A Prior Litigating Subdivision shall not be considered a Litigating Subdivision. Exhibit C is an agreed list of the Litigating Subdivisions. Exhibit C will be updated (including with any corrections) periodically, and a final version of Exhibit C will be attached hereto as of the Reference Date.

38. "*National Arbitration Panel*" means the panel described in subsection XII.F.

39. "*National Disputes*" means the disputes described in subsection XII.F.

40. "*Non-Litigating Special District"* means a Special District that is neither a Litigating Special District nor a Later Litigating Special District.

41. "*Non-Litigating Subdivision*" means a Subdivision that is neither a Litigating Subdivision nor a Later Litigating Subdivision.

42. "*Non-Participating Subdivision*" means a Subdivision that is not a Participating Subdivision.

43. "*Non-Party Covered Conduct Claim*" means a Claim against any Non-Released Entity involving, arising out of, or related to Covered Conduct (or conduct that would be Covered Conduct if engaged in by a Released Entity).

44. "*Non-Party Settlement*" means a settlement by any Releasor that settles any Non-Party Covered Conduct Claim and includes a release of any Non-Released Entity.

45. "*Non-Released Entity*" means an entity that is not a Released Entity.

46. "*Non-Settling State*" means a State that is not a Settling State.

47. "*Opioid Remediation*" means care, treatment, and other programs and expenditures (including reimbursement for past such programs or expenditures except where this Agreement restricts the use of funds solely to future Opioid Remediation) designed to (1) address the misuse and abuse of opioid products, (2) treat or mitigate opioid use or related disorders, or (3) mitigate other alleged effects of the opioid abuse crisis, including on those injured as a result of the opioid abuse crisis. Exhibit E provides a non-exhaustive list of expenditures that qualify as being paid for Opioid Remediation. Qualifying expenditures may include reasonable related administrative expenses.

48. "*Overall Allocation Percentage*" means a Settling State's percentage as set forth in Exhibit F. The aggregate Overall Allocation Percentages of all States (including Settling States and Non-Settling States) shall equal 100%.

49. "*Participating Special District*" means a Special District that executes a release consistent with Section IV below and meets the requirements for becoming a Participating Special District under Section VII.

50. “*Participating Subdivision*” means a Subdivision that meets the requirements for becoming a Participating Subdivision under Section VII. Participating Subdivisions include both Initial Participating Subdivisions and Later Participating Subdivisions. Subdivisions eligible to become Participating Subdivisions are listed in Exhibit G. A Settling State may add additional Subdivisions to Exhibit G at any time prior to the Initial Participation Date.

51. “*Participation Tier*” means the level of participation in this Agreement as determined pursuant to subsection VIII.C using the criteria set forth in Exhibit H.

52. “*Parties*” means Janssen and the Settling States (each, a “*Party*”).

53. “*Payment Date*” means the date on which Janssen makes its payments pursuant to Section V and Exhibit M.

54. “*Payment Year*” means the calendar year during which the applicable Initial Year Payments or Annual Payments are due pursuant to subsection V.B. Payment Year 1 is 2022, Payment Year 2 is 2023 and so forth. References to payment “for a Payment Year” mean the Initial Year Payments or Annual Payment due during that year. References to eligibility “for a Payment Year” mean eligibility in connection with the Initial Year Payments or Annual Payment due during that year.

55. “*Preliminary Agreement Date*” means the date on which Janssen gives notice to the Settling States and MDL PEC of its determination that a sufficient number of States have agreed to be Settling States. This date shall be no more than fourteen (14) days after the end of the notice period to States, unless it is extended by written agreement of Janssen and the Enforcement Committee.

56. “*Primary Subdivision*” means a Subdivision that has a population of 30,000 or more. A list of Primary Subdivisions in each State is provided in Exhibit I.

57. “*Prior Litigating Subdivision*” means a Subdivision (or Subdivision official asserting the right of or for the Subdivision to recover for alleged harms to the Subdivision and/or the people thereof) that brought any Released Claim against any Released Entity prior to the Trigger Date and all such Released Claims were separately settled or finally adjudicated prior to the Trigger Date; *provided, however*, that if the final adjudication was pursuant to a Bar, such Subdivision shall not be considered a Prior Litigating Subdivision. Notwithstanding the prior sentence, Janssen and the State of the relevant Subdivision may agree in writing that such Subdivision shall not be considered a Prior Litigating Subdivision.

58. “*Product*” means any chemical substance, whether used for medicinal or non-medicinal purposes, and whether natural, synthetic, or semi-synthetic, or any finished pharmaceutical product made from or with such substance, that is an opioid or opiate, as well as any product containing any such substance. It also includes: 1) the following when used in combination with opioids or opiates: benzodiazepine, carisoprodol, zolpidem, or gabapentin; and 2) a combination or

"cocktail" of any stimulant or other chemical substance prescribed, sold, bought, or dispensed to be used together that includes opioids or opiates. For the avoidance of doubt, "Product" does not include benzodiazepine, carisoprodol, zolpidem, or gabapentin when not used in combination with opioids or opiates. "Product" includes but is not limited to any substance consisting of or containing buprenorphine, codeine, fentanyl, hydrocodone, hydromorphone, meperidine, methadone, morphine, naloxone, naltrexone, oxycodone, oxymorphone, tapentadol, tramadol, opium, heroin, carfentanil, any variant of these substances, or any similar substance. "Product" also includes any natural, synthetic, semi-synthetic or chemical raw materials, starting materials, finished active pharmaceutical ingredients, drug substances, and any related intermediate products used or created in the manufacturing process for any of the substances described in the preceding sentence.

59. "*Reference Date*" means the date on which Janssen is to inform the Settling States and MDL PEC of its determination whether there is sufficient resolution of claims and potential claims at the Subdivision level to go forward with the settlement. The Reference Date shall be thirty (30) days after the Initial Participation Date, unless it is extended by written agreement of Janssen and the Enforcement Committee.

60. "*Released Claims*" means any and all Claims that directly or indirectly are based on, arise out of, or in any way relate to or concern the Covered Conduct occurring prior to the Reference Date. Without limiting the foregoing, "Released Claims" include any Claims that have been asserted against the Released Entities by any Settling State or any of its Litigating Subdivisions or Litigating Special Districts in any federal, state or local action or proceeding (whether judicial, arbitral, or administrative) based on, arising out of or relating to, in whole or in part, the Covered Conduct, or any such Claims that could be or could have been asserted now or in the future in those actions or in any comparable action or proceeding brought by a State, any of its Subdivisions or Special Districts, or any Releasors (whether or not such State, Subdivision, Special District, or Releasor has brought such action or proceeding). Released Claims also include all Claims asserted in any proceeding to be dismissed pursuant to the Agreement, whether or not such claims relate to Covered Conduct. The Parties intend that "Released Claims" be interpreted broadly. This Agreement does not release Claims by private individuals. It is the intent of the Parties that Claims by private individuals be treated in accordance with applicable law. Released Claims is also used herein to describe Claims brought by a Later Litigating Subdivision or other non-party Subdivision or Special District that would have been Released Claims if they had been brought by a Releasor against a Released Entity.

61. "*Released Entities*" means Janssen and (1) all of Janssen's past and present direct or indirect parents, subsidiaries, divisions, predecessors, successors, assigns, including Noramco, Inc. and Tasmanian Alkaloids PTY. LTD.; (2) the past and present direct or indirect subsidiaries, divisions, and joint ventures, of any of the foregoing; (3) all of Janssen's insurers (solely in their role as insurers with respect

to the Released Claims); (4) all of Janssen's, or of any entity described in subsection (1), past and present joint ventures; and (5) the respective past and present officers, directors, members, shareholders (solely in their capacity as shareholders of the foregoing entities), partners, trustees, agents, and employees of any of the foregoing (for actions that occurred during and related to their work for, or employment with, Janssen). Any person or entity described in subsections (3)-(5) shall be a Released Entity solely in the capacity described in such clause and shall not be a Released Entity with respect to its conduct in any other capacity. For the avoidance of doubt, the entities listed in Exhibit Q are not Released Entities; *and provided further* that any joint venture partner of Janssen or Janssen's subsidiary is not a Released Entity unless it falls within subsections (1)-(5) above. A list of Janssen's present subsidiaries and affiliates can be found at https://johnsonandjohnson.gcs-web.com/static-files/f61ae5f3-ff03-46c1-bfc9-174947884db2. Janssen's predecessor entities include but are not limited to those entities listed on Exhibit J. For the avoidance of doubt, any entity acquired, or joint venture entered into, by Janssen after the Reference Date is not a Released Entity.

62. "*Releasors*" means (1) each Settling State; (2) each Participating Subdivision; and (3) without limitation and to the maximum extent of the power of each Settling State's Attorney General and/or Participating Subdivision to release Claims, (a) the Settling State's and Participating Subdivision's departments, agencies, divisions, boards, commissions, Subdivisions, districts, instrumentalities of any kind and attorneys, including its Attorney General, and any person in their official capacity whether elected or appointed to serve any of the foregoing and any agency, person, or other entity claiming by or through any of the foregoing, (b) any public entities, public instrumentalities, public educational institutions, unincorporated districts, fire districts, irrigation districts, water districts, law enforcement districts, emergency services districts, school districts, hospital districts and other Special Districts in a Settling State, and (c) any person or entity acting in a parens patriae, sovereign, quasi-sovereign, private attorney general, qui tam, taxpayer, or other capacity seeking relief on behalf of or generally applicable to the general public with respect to a Settling State or Subdivision in a Settling State, whether or not any of them participate in the Agreement. The inclusion of a specific reference to a type of entity in this definition shall not be construed as meaning that the entity is not a Subdivision. In addition to being a Releasor as provided herein, a Participating Subdivision shall also provide the Subdivision Settlement Participation Form or the Election and Release Form referenced in Section VII providing for a release to the fullest extent of the Participating Subdivision's authority, which shall be attached as an exhibit to the Agreement. Each Settling State's Attorney General represents that he or she has or has obtained (or will obtain no later than the Initial Participation Date) the authority set forth in the Representation and Warranty subsection of Section IV.

63. "*Revocation Event*" means with respect to a Bar, Settlement Class Resolution, or Case-Specific Resolution, a legislative amendment or a revocation, rescission, reversal, overruling, or interpretation that in any way limits the effect of such Bar,

Settlement Class Resolution, or Case-Specific Resolution on Released Claims or any other action or event that otherwise deprives the Bar, Settlement Class Resolution or Case-Specific Resolution of force or effect in any material respect.

64. "*Settlement Class Resolution*" means a class action resolution in a court of competent jurisdiction in a Settling State with respect to a class of Subdivisions and Special Districts in that State that (1) conforms with that Settling State's statutes, case law, and/or rules of procedure regarding class actions; (2) is approved and entered as an order of a court of competent jurisdiction in that State and has become final as defined in "State-Specific Finality"; (3) is binding on all Non-Participating Subdivisions and Special Districts in that State (other than opt outs as permitted under the next sentence); (4) provides that all such Non-Participating Subdivisions or Special Districts may not bring Released Claims against Released Entities, whether on the ground of the Agreement (or the releases herein) or otherwise; and (5) does not impose any costs or obligations on Janssen other than those provided for in the Agreement, or contain any provision inconsistent with any provision of the Agreement. If applicable state law requires that opt-out rights be afforded to members of the class, a class action resolution otherwise meeting the foregoing requirements shall qualify as a Settlement Class Resolution unless Subdivisions collectively representing more than 1% of the total population of all of that State's Subdivisions listed in Exhibit G opt out. In seeking certification of any Settlement Class, the applicable State and Participating Subdivisions shall make clear that certification is sought solely for settlement purposes and shall have no applicability beyond approval of the settlement for which certification is sought. Nothing in this Agreement constitutes an admission by any Party that class certification would be appropriate for litigation purposes in any case.

65. "*Settlement Fund*" means the interest-bearing fund established under the Agreement into which all payments by Janssen are made other than amounts paid as attorneys' fees and costs or identified pursuant to subsection VI.B.2 as being used to pay attorneys' fees and costs. The Settlement Fund comprises the Abatement Accounts Fund, State Fund, and Subdivision Fund.

66. "*Settlement Fund Administrator*" means the entity that determines the Annual Payments (including calculating Incentive Payments pursuant to Section V) and any amounts subject to suspension or offset pursuant to Sections V and IX), determines the Participation Tier, and administers and distributes amounts into the Settlement Fund. The duties of the Settlement Fund Administrator shall be governed by this Agreement. Prior to the Initial Participation Date, the Parties shall agree to selection and removal processes for and a detailed description of the Settlement Fund Administrator's duties, including a detailed mechanism for paying the Settlement Fund Administrator's fees and costs, all of which shall be appended to the Agreement as Exhibit L.

67. "*Settlement Fund Escrow*" means the interest-bearing escrow fund established pursuant to this Agreement to hold disputed or suspended payments made under this Agreement.

68. "*Settlement Payment Schedule*" means the schedule of payments attached to this Agreement as Exhibit M. A revised Settlement Payment Schedule will be substituted for Exhibit M after any offsets, reductions, or suspensions under Sections V and IX are determined.

69. "*Settling State*" means any State that has entered the Agreement.

70. "*Special District*" means a formal and legally recognized sub-entity of a State that is authorized by State law to provide one or a limited number of designated functions, including but not limited to school districts, fire districts, healthcare & hospital districts, and emergency services districts. Special Districts do not include sub-entities of a State that provide general governance for a defined area that would qualify as a Subdivision.

71. "*State*" means any state of the United States of America, the District of Columbia, American Samoa, Guam, the Northern Mariana Islands, Puerto Rico, and the U.S. Virgin Islands. Additionally, the use of non-capitalized "state" to describe something (e.g., "state court") shall also be read to include parallel entities in commonwealths, territories, and the District of Columbia (e.g., "territorial court").

72. "*State Fund*" means a component of the Settlement Fund described in subsection VI.C.

73. "*State-Specific Finality*" means, with respect to the Settling State in question:

    a. the Agreement and the Consent Judgment have been approved and entered by the Court as to Janssen, including the release of all Released Claims against Released Entities as provided in this Agreement;

    b. for all lawsuits brought by the Settling State against Released Entities for Released Claims, either previously filed or filed as part of the entry of the Consent Judgment, the Court has stated in the Consent Judgment or otherwise entered an order finding that all Released Claims against Released Entities asserted in the lawsuit have been resolved by agreement; and

    c. (1) the time for appeal or to seek review of or permission to appeal from the approval and entry as described in subsection (a) hereof and entry of such order described in subsection (b) hereof has expired; or (2) in the event of an appeal, the appeal has been dismissed or denied, or the approval and entry described in (a) hereof and the order described in subsection (b) hereof have been affirmed in all material respects (to the extent challenged in the appeal) by the court of last resort to which such appeal has been taken and such dismissal or affirmance has become no longer subject to further appeal (including, without limitation, review by the United States Supreme Court).

74. "*State-Subdivision Agreement*" means an agreement that a Settling State reaches with the Subdivisions in that State regarding the allocation, distribution, and/or use of funds allocated to that State and to Participating Subdivisions in that State. A State-Subdivision Agreement shall be effective if approved pursuant to the provisions of Exhibit O or if adopted by statute. Preexisting agreements addressing funds other than those allocated pursuant to this Agreement shall qualify if the approval requirements of Exhibit O are met. A State and its Subdivisions may revise, supplement, or refine a State-Subdivision Agreement if approved pursuant to the provisions of Exhibit O or if adopted by statute.

75. "*Statutory Trust*" means a trust fund established by state law to receive funds allocated to a State's Abatement Accounts Fund and restrict their expenditure to Opioid Remediation purposes subject to reasonable administrative expenses. A State may give a Statutory Trust authority to allocate one or more of the three Settlement Funds, but this is not required.

76. "*Subdivision*" means a formal and legally recognized sub-entity of a State that provides general governance for a defined area, including a county, parish, city, town, village, or similar entity. Unless otherwise specified, "Subdivision" includes all functional counties and parishes and other functional levels of sub-entities of a State that provide general governance for a defined area. Historic, non-functioning sub-entities of a State (such as Connecticut counties) are not Subdivisions, unless the entity has filed a lawsuit that includes a Released Claim against a Released Entity in a direct, parens patriae, or any other capacity. For purposes of this Agreement, the term Subdivision does not include Special Districts. A list of Subdivisions by state will be agreed to prior to any Subdivision sign-on period.

77. "*Subdivision Allocation Percentage*" means for Subdivisions in a Settling State that are eligible to receive an allocation from the Subdivision Fund pursuant to subsection VI.C or subsection VI.D, the percentage as set forth in Exhibit G. The aggregate Subdivision Allocation Percentage of all Subdivisions receiving a Subdivision Allocation Percentage in each State shall equal 100%. Immediately upon the effectiveness of any State-Subdivision Agreement, Allocation Statute, Statutory Trust, or voluntary redistribution allowed by subsection VI.D.3 (or upon the effectiveness of an amendment to any State-Subdivision Agreement, Allocation Statute, Statutory Trust, or voluntary redistribution allowed by subsection VI.D.3) that addresses allocation from the Subdivision Fund, or upon any, whether before or after the Initial Participation Date, Exhibit G will automatically be amended to reflect the allocation from the Subdivision Fund pursuant to the State-Subdivision Agreement, Allocation Statute, Statutory Trust, or voluntary redistribution allowed by Section V.D.3. The Subdivision Allocation Percentages contained in Exhibit G may not change once notice is distributed pursuant to subsection VII.A, except upon the effectiveness of any State-

Subdivision Agreement, Allocation Statute, Statutory Trust, or voluntary redistribution allowed by subsection VI.D.3 (or upon the effectiveness of an amendment to any State-Subdivision Agreement, Allocation Statute, Statutory Trust, or voluntary redistribution allowed by subsection VI.D.3) that addresses allocation from the Subdivision Fund. For the avoidance of doubt, no Subdivision not listed on Exhibit G shall receive an allocation from the Subdivision Fund and no provision of this Agreement shall be interpreted to create such an entitlement.

78. "*Subdivision Fund*" means a component of the Settlement Fund described in subsection VI.C.

79. "*Subdivision Settlement Participation Form*" means the form attached as Exhibit K that Participating Subdivisions must execute and return to the Settlement Fund Administrator, and which shall (1) make such Participating Subdivisions signatories to this Agreement, (2) include a full and complete release of any and of such Subdivision's claims, and (3) require the prompt dismissal with prejudice of any Released Claims that have been filed by any such Participating Subdivision.

80. "*Threshold Motion*" means a motion to dismiss or equivalent dispositive motion made at the outset of litigation under applicable procedure. A Threshold Motion must include as potential grounds for dismissal, any applicable Bar or the relevant release by a Settling State or Participating Subdivision provided under this Agreement and, where appropriate under applicable law, any applicable limitations defense.

81. "*Trigger Date*" means, in the case of a Primary Subdivision, the Reference Date, or, in the case of all other Subdivisions, the Preliminary Agreement Date.

II. Participation by States and Condition to Preliminary Agreement

A. *Notice to States*. On July 22, 2021 this Agreement shall be distributed to all States. The States' Attorneys General shall then have a period of thirty (30) days to decide whether to become Settling States. States that determine to become Settling States shall so notify the National Association of Attorneys General and Janssen and shall further commit to obtaining any necessary additional State releases prior to the Reference Date. This notice period may be extended by written agreement of Janssen and the Enforcement Committee.

B. *Condition to Preliminary Agreement*. Following the notice period set forth in subsection II.A above, Janssen shall determine on or before the Preliminary Agreement Date whether, in its sole discretion, enough States have agreed to become Settling States to proceed with notice to Subdivisions as set forth in Section VII below. If Janssen determines that this condition has been satisfied, and that notice to the Litigating Subdivisions should proceed, it will so notify the Settling States by providing notice to the Enforcement Committee and Settlement Fund Administrator on the Preliminary Agreement Date. If Janssen determines that this condition has not been satisfied, it will so notify the Settling States by providing notice to the Enforcement Committee and Settlement Fund Administrator, and this Agreement will have no further effect and all releases and other commitments or obligations contained herein will be void.

C. *Later Joinder by States*. After the Preliminary Agreement Date, a State may only become a Settling State with the consent of Janssen, in its sole discretion. If a State becomes a Settling State more than sixty (60) days after the Preliminary Agreement Date, but on or before January 1, 2022, the Subdivisions and Special Districts in that State that become Participating Subdivisions and Participating Special Districts within ninety (90) days of the State becoming a Settling State shall be considered Initial Participating Subdivisions or Initial Participating Special Districts. A State may not become a Settling State after January 1, 2022.

III. Injunctive Relief

A. *Entry of Injunctive Relief*. As part of the Consent Judgment, the Parties agree to the injunctive relief terms attached as Exhibit P.

IV. Release

A. *Scope.* As of the Effective Date, the Released Entities will be released and forever discharged from all of the Releasors' Released Claims. Each Settling State (for itself and its Releasors) and Participating Subdivision (for itself and its Releasors) will, on or before the Effective Date, absolutely, unconditionally, and irrevocably covenant not to bring, file, or claim, or to cause, assist in bringing, or permit to be brought, filed, or claimed, or to otherwise seek to establish liability for any Released Claims against any Released Entity in any forum whatsoever. The releases provided for in the Agreement are intended by the Parties to be broad and shall be interpreted so as to give the Released Entities the broadest possible bar against any liability relating in any way to Released Claims and extend to the full extent of the power of each Settling State and its Attorney General to release claims. The Release shall be a complete bar to any Released Claim.

B. *Claim Over and Non-Party Settlement*.

1. *Statement of Intent.* It is the intent of the Parties that:

a. Released Entities should not seek contribution or indemnification (other than pursuant to an insurance contract) from other parties for their payment obligations under this Settlement Agreement;

b. the payments made under this Settlement Agreement shall be the sole payments made by the Released Entities to the Releasors involving, arising out of, or related to Covered Conduct (or conduct that would be Covered Conduct if engaged in by a Released Entity);

c. Claims by Releasors against non-Parties should not result in additional payments by Released Entities, whether through contribution, indemnification or any other means; and

d. the Settlement meets the requirements of the Uniform Contribution Among Joint Tortfeasors Act and any similar state law or doctrine that reduces or discharges a released party's liability to any other parties.

e. The provisions of this subsection IV.B are intended to be implemented consistent with these principles. This Agreement and the releases and dismissals provided for herein are made in good faith.

2. *Contribution/Indemnity Prohibited*. No Released Entity shall seek to recover for amounts paid under this Agreement based on indemnification, contribution, or any other theory from a manufacturer, pharmacy, hospital, pharmacy benefit manager, health insurer, third-party vendor, trade association, distributor, or health care practitioner, provided that a Released Entity shall be relieved of this prohibition with respect to any entity that asserts a Claim-Over against it. For the avoidance of doubt, nothing herein shall prohibit a Released Entity from recovering amounts owed pursuant to insurance contracts.

3. *Non-Party Settlement*. To the extent that, on or after the Reference Date, any Releasor enters into a Non-Party Settlement, including in any bankruptcy case or through any plan of reorganization (whether individually or as a class of creditors), the Releasor will include (or in the case of a Non-Party Settlement made in connection with a bankruptcy case, will cause the debtor to include), unless prohibited from doing so under applicable law, in the Non-Party Settlement a prohibition on contribution or indemnity of any kind substantially equivalent to that required from Janssen in subsection IV.B.2, or a release from such Non-Released Entity in favor of the Released Entities (in a form equivalent to the releases contained in this Agreement) of any Claim-Over. The obligation to obtain the prohibition and/or release required by this subsection is a material term of this Agreement.

4. *Claim-Over*. In the event that any Releasor obtains a judgment with respect to Non-Party Covered Conduct against a Non-Released Entity that does not contain a prohibition like that in subsection IV.B.3, or any Releasor files a Non-Party Covered Conduct Claim against a non-Released Entity in bankruptcy or a Releasor is prevented for any reason from obtaining a prohibition/release in a Non-Party Settlement as provided in subsection IV.B.3, and such Non-Released Entity asserts a Claim-Over against a Released Entity, that Releasor and Janssen shall take the following actions to ensure that the Released Entities do not pay more with respect to Covered Conduct to Releasors or to Non-Released Entities than the amounts owed under this Settlement Agreement by Janssen:

a. Janssen shall notify that Releasor of the Claim-Over within sixty (60) days of the assertion of the Claim-Over or sixty (60) days of the Effective Date of this Settlement Agreement, whichever is later;

b. Janssen and that Releasor shall meet and confer concerning the means to hold Released Entities harmless and ensure that it is not required to pay more with respect to Covered Conduct than the amounts owed by Janssen under this Settlement Agreement;

c. That Releasor and Janssen shall take steps sufficient and permissible under the law of the State of the Releasor to hold Released Entities harmless from the Claim-Over and ensure Released Entities are not required to pay more with respect to Covered Conduct than the amounts owed by Janssen under this Settlement Agreement. Such steps may include, where permissible:

(1) Filing of motions to dismiss or such other appropriate motion by Janssen or Released Entities, and supported by Releasors, in response to any claim filed in litigation or arbitration;

(2) Reduction of that Releasor's Claim and any judgment it has obtained or may obtain against such Non-Released Entity by whatever amount or percentage is necessary to extinguish such Claim-Over under applicable law, up to the amount that Releasor has obtained, may obtain, or has authority to control from such Non-Released Entity;

(3) Placement into escrow of funds paid by the Non-Released Entities such that those funds are available to satisfy the Claim-Over;

(4) Return of monies paid by Janssen to that Releasor under this Settlement Agreement to permit satisfaction of a judgment against or settlement with the Non-Released Entity to satisfy the Claim-Over;

(5) Payment of monies to Janssen by that Releasor to ensure it is held harmless from such Claim-Over, up to the amount that Releasor has obtained, may obtain, or has authority to control from such Non-Released Entity;

(6) Credit to Janssen under this Settlement Agreement to reduce the overall amounts to be paid under the Settlement Agreement such that it is held harmless from the Claim-Over; and

(7) Such other actions as that Releasor and Janssen may devise to hold Janssen harmless from the Claim Over.

d. The actions of that Releasor and Janssen taken pursuant to paragraph (c) must, in combination, ensure Janssen is not required to pay more with respect to Covered Conduct than the amounts owed by Janssen under this Settlement Agreement.

e. In the event of any dispute over the sufficiency of the actions taken pursuant to paragraph (c), that Releasor and Janssen may seek review by the National Arbitration Panel, provided that, if the parties agree, such dispute may be heard by the state court where the relevant Consent Judgment was filed. The National Arbitration Panel shall have authority to require Releasors to implement a remedy that includes one or more of the actions specified in paragraph (c) sufficient to hold Released Entities fully harmless. In the event that the panel's actions do not result in Released Entities being held fully harmless, Janssen shall have a claim for breach of this Settlement Agreement by Releasors, with the remedy being payment of sufficient funds to hold Janssen harmless from the Claim-Over. For the avoidance of doubt, the prior sentence does not limit or eliminate any other remedy that Janssen may have.

5. To the extent that the Claim-Over is based on a contractual indemnity, the obligations under subsection IV.B.4 shall extend solely to a Non-Party Covered Conduct Claim against a pharmacy, clinic, hospital or other purchaser or dispenser of Products, a manufacturer that sold Products, a consultant, and/or a pharmacy benefit manager or other third-party payor. Janssen shall notify the Settling States, to the extent permitted by applicable law, in the event that any of these types of Non-Released Entities asserts a Claim-Over arising out of contractual indemnity against it.

C. *General Release*. In connection with the releases provided for in the Agreement, each Settling State (for itself and its Releasors) and Participating Subdivision expressly waives, releases, and forever discharges any and all provisions, rights, and benefits conferred by any law of any state or territory of the United States or other jurisdiction, or principle of common law, which is similar, comparable, or equivalent to § 1542 of the California Civil Code, which reads:

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

A Releasor may thereafter discover facts other than or different from those which it knows, believes, or assumes to be true with respect to the Released Claims, but each Settling State (for itself and its Releasors) and Participating Subdivision hereby expressly waives and fully, finally, and forever settles, releases, and discharges, upon the Effective Date, any and all Released Claims that may exist as of such date but which Releasors do not know or suspect to exist, whether through ignorance, oversight, error, negligence or through no fault whatsoever, and which, if known, would materially affect the Settling States' decision to enter into the Agreement or the Participating Subdivisions' decision to participate in the Agreement.

D. *Res Judicata*. Nothing in the Agreement shall be deemed to reduce the scope of the res judicata or claim preclusive effect that the settlement memorialized in the Agreement, and/or any Consent Judgment or other judgment entered on the Agreement, gives rise to under applicable law.

E. *Representation and Warranty.* The signatories hereto on behalf of their respective Settling States and its Participating Subdivisions expressly represent and warrant that they will obtain on or before the Effective Date (or have obtained) the authority to settle and release, to the maximum extent of the State's power, all Released Claims of (1) their respective Settling States; (2) all past and present executive departments, state agencies, divisions, boards, commissions and instrumentalities with the regulatory authority to enforce state and federal controlled substances acts; (3) any of their respective Settling State's past and present executive departments, agencies, divisions, boards, commissions and instrumentalities that have the authority to bring Claims related to Covered Conduct seeking money (including abatement and/or remediation) or revocation of a pharmaceutical distribution license; and (4) any Participating Subdivisions. For the purposes of clause (3) above, executive departments, agencies, divisions, boards, commissions, and instrumentalities are those that are under the executive authority or direct control of the State's Governor. Also, for the purposes of clause (3), a release from a State's Governor is sufficient to demonstrate that the appropriate releases have been obtained.

F. *Effectiveness*. The releases set forth in the Agreement shall not be impacted in any way by any dispute that exists, has existed, or may later exist between or among the Releasors. Nor shall such releases be impacted in any way by any current or future law, regulation, ordinance, or court or agency order limiting, seizing, or controlling the distribution or use of the Settlement Fund or any portion thereof, or by the enactment of future laws, or by any seizure of the Settlement Fund or any portion thereof.

G. *Cooperation*. Releasors (i) will not encourage any person or entity to bring or maintain any Released Claim against any Released Entity and (ii) will reasonably cooperate with and not oppose any effort by a Released Entity to secure the prompt dismissal of any and all Released Claims.

H. *Non-Released Claims.* Notwithstanding the foregoing or anything in the definition of Released Claims, the Agreement does not waive, release or limit any criminal liability, Claims for any outstanding liability under any tax or securities law, Claims against parties who are not Released Entities, Claims by private individuals and any claims arising under the Agreement for enforcement of the Agreement.

V. <u>Monetary Relief and Payments</u>

A. Structure of Payments

1. All payments under this Section V shall be made into the Settlement Fund, except that where specified, they shall be made into the Settlement Fund Escrow. The Settlement Fund shall be allocated and used only as specified in Section VI.

2. Janssen shall pay into the Settlement Fund the sum of Four Billion, Five Hundred Thirty-Four Million, Six Hundred Fifteen Thousand, Three Hundred Eighty-Five

Dollars ($4,534,615,385) minus (1) the offsets and credits specified in subsection V.C below, (2) any unearned incentive payments under subsection V.E below, and (3) any adjustments under Section IX below.

3. The payments to the Settlement Fund shall be divided into base and incentive payments as provided in subsections V.D and V.E below.

B. **Payment Process**

1. Except as otherwise provided in this Agreement, Janssen shall make two Initial Year Payments and nine (9) Annual Payments. The Initial Year Payments will consist of base payments. The first Annual Payment shall consist of incentive payments and subsequent Annual Payments shall each consist of base and incentive payments. The amount of all Initial Year Payments and Annual Payments shall be determined by the Settlement Fund Administrator applying Section V and Exhibit M. The Payment Date for the first Initial Year Payment shall be no later than ninety (90) days after the Effective Date. The Payment Date for the second Initial Year Payment shall be no later than July 15, 2022. The Payment Date for the first Annual Payment shall be no later than one year and sixty days following the Effective Date; the Payment Date for the second Annual Payment shall be no later than two years and sixty days following the Effective Date, and so forth, until all Annual Payments are made.

2. All data relevant to the determination of each such payment shall be submitted to the Settlement Fund Administrator sixty (60) days prior to the Payment Date for each payment. Prior to the Initial Participation Date, the Parties will include an exhibit to the Agreement setting forth in detail the process for submitting such data to the Settlement Fund Administrator prior to each Payment Date. The Settlement Fund Administrator shall then determine the Initial Year Payment or Annual Payment and the amount to be paid to each Settling State and its Participating Subdivisions, consistent with the provisions in Exhibit L, by:

   a. determining, for each Settling State, the amount of base and incentive payments to which the State is entitled by applying the criteria in this Section;

   b. applying any reductions, suspensions, or offsets required by Sections V and IX; and

   c. determining the total amount owed by Janssen to all Settling States and Participating Subdivisions.

3. The Settlement Fund Administrator shall then allocate the Initial Year Payment or Annual Payment pursuant to Section VI among the Settling States, among the separate types of funds for each Settling State (if applicable), and among the Participating Subdivisions.

4. As soon as possible, but no later than fifty (50) days prior to the Payment Date for each payment and following the determination described in subsection V.B.2, the Settlement Fund Administrator shall give notice to Janssen, the Settling States, and the Enforcement Committee of the amount of the Initial Year Payment or Annual Payment, the amount to be received by each Settling State, the amount to be received by the separate types of funds for each Settling State (if applicable), and the amount to be received by each Settling State's Participating Subdivisions.

5. Within twenty-one (21) days of the notice provided by the Settlement Fund Administrator, any party may dispute, in writing, the calculation of the Initial Year Payment or Annual Payment, or the amount to be received by a Settling State and/or its Participating Subdivisions. Such disputing party must provide a written notice of dispute to the Settlement Fund Administrator, the Enforcement Committee, any affected Settling State, and Janssen identifying the nature of the dispute, the amount of money that is disputed, and the Settling State(s) affected.

6. Within twenty-one (21) days of the sending of a written notice of dispute, any affected party may submit a response, in writing, to the Settlement Fund Administrator, the Enforcement Committee, any affected Settling State, and Janssen identifying the basis for disagreement with the notice of dispute.

7. If no response is filed, the Settlement Fund Administrator shall adjust the amount calculated consistent with the written notice of dispute, and Janssen shall pay the adjusted amount as the Initial Year Payment or Annual Payment on the Payment Date. If a written response to the written notice of dispute is timely sent to the Settlement Fund Administrator, the Settlement Fund Administrator shall notify Janssen of the preliminary amount to be paid, which shall be the greater of the amount originally calculated by the Settlement Fund Administrator or the amount that would be consistent with the notice of dispute, *provided*, *however* that in no circumstances shall the preliminary amount to be paid be higher than the maximum amount of base and incentive payments for that payment as set forth in Exhibit M. For the avoidance of doubt, a transfer of suspended payments from the Settlement Fund Escrow does not count toward determining whether the amount to be paid is higher than the maximum amount of base and incentive payments for that payment as set forth in Exhibit M.

8. The Settlement Fund Administrator shall place any disputed amount of the preliminary amount paid by Janssen into the Settlement Fund Escrow and shall disburse any undisputed amount to each Settling State and its Participating Subdivisions receiving direct allocations within fifteen (15) days of the Payment Date or at such later time as directed by each Settling State.

9. Disputes described in this subsection (other than those for which no response is filed under subsection V.B.6) shall be resolved in accordance with the terms of Section XII.

10. The process described in this subsection V.B shall also apply to accelerated payments made pursuant to Incentive A under subsection V.E.4.

11. For the avoidance of doubt, Subdivisions not listed on Exhibit G shall not receive an allocation from the Subdivision Fund.

C. **Offsets for Non-Settling States and Credits**

1. An offset equal to Four Billion, Five Hundred Thirty-Four Million, Six Hundred Fifteen Thousand, Three Hundred Eighty-Five Dollars ($4,534,615,385) times the percentage allocation assigned to each Non-Settling State in Exhibit F shall be deducted from the total amount to be paid by Janssen to the Settlement Fund under subsection V.A.2 above.

2. In addition to the offset, a credit of Two Hundred and Seventy Million Dollars ($270,000,000) shall be deducted from the maximum Settlement Fund amount to be paid by Janssen under subsection V.A.2 above and applied to the payment amounts as specified by Exhibit M. For the avoidance of doubt, the base payments and maximum incentive payment amounts shown on Exhibit M already reflect the deduction of the offset.

3. Notwithstanding any other provision of this Agreement or any other agreement, in the event that: (1) Janssen enters into an agreement with any Settling State that resolves with finality such Settling State's Claims consistent with Section IV of this Agreement and such agreement has an effective date prior to the Effective Date of this Agreement (such agreement, a "State-Specific Agreement") and (2) pursuant to the terms of the State-Specific Agreement, any payments, or any portion thereof, made by Janssen thereunder are made in lieu of any payments (for the avoidance of doubt, including the Additional Restitution Amount), or any portion thereof, to be made under this Agreement and Janssen makes such a payment pursuant to the State-Specific Agreement, then Janssen will reduce any payments allocable to such Settling State (whether made to the Settlement Fund Escrow or the Settlement Fund) made pursuant to this Agreement to the extent such amount was already paid pursuant to the terms of the State-Specific Agreement. This provision includes but is not limited to any corresponding amounts already paid to the Qualified Settlement Fund established under the Agreement between Janssen and the State of New York dated June 25, 2021.

4. Non-Settling States shall not be eligible for any payments or have any rights in connection with this Agreement. Accordingly, the stated maximum dollar amounts of the payments specified in Exhibit M are reduced by the aggregate Overall Allocation Percentage of Non-Settling States as set forth in Exhibit F.

D. **Base Payments**

1. Janssen shall make base payments into the Settlement Fund totaling One Billion, Nine Hundred Forty-Two Million, Three Hundred Forty-Six Thousand, One Hundred Fifty-Five Dollars ($1,942,346,155) minus the offsets and credits

specified in subsection V.C above. The base payments will be paid in accordance with the payment schedule specified by Exhibit M, subject to potential acceleration and potential deductions as provided herein.

2. The base payments will be allocated by Settling State proportionate to each Settling State's assigned percentages in Exhibit F, adjusted for any Non-Settling States.

3. If a State qualifies for Incentive A (described below), Janssen will accelerate the base payment schedule so that the State receives its Payment Year 1-4 base payment allocations and full Payment Year 1-4 Incentive A payment amounts within ninety (90) days of notice, on or after the Effective Date, of the Bar's implementation. Payment Year 5-10 payments are made annually and cannot be accelerated.

4. The exemplar payment schedule in Exhibit M does not account for deductions for offsets or unearned incentives, which will be separately calculated for each payment.

E. **Incentive Payments**

1. Janssen shall make incentive payments into the Settlement Fund potentially totaling up to Two Billion, Three Hundred Twenty-Two Million, Two Hundred Sixty-Nine Thousand, Two Hundred Thirty Dollars ($2,322,269,230), consisting of $2,109,038,461 for Incentive A (or, alternatively up to $2,109,038,461 for combined Incentives B and C if Incentive A is not achieved) and $213,230,769 for Incentive D, prior to being adjusted for credits if every State is a Settling State and were to satisfy the requirements specified below to earn its maximum incentive amount. The incentive payments will be paid in accordance with the payment schedule in Exhibit M, subject to potential acceleration and potential deductions as provided herein.

2. The maximum incentive amount for any Settling State shall be $2,322,269,230 times the percentage allocation assigned that Settling State in Exhibit F.

3. A Settling State may qualify to receive incentive payments in addition to base payments if, as of the Incentive Payment Final Eligibility Date, it meets the incentive eligibility requirements specified below. Settling States may qualify for incentive payments in four ways. If a Settling State qualifies for "Incentive A," it will become entitled to receive the maximum Incentive A payment allocable to the State as stated in subsection V.E.1. If a Settling State does not qualify for Incentive A, it can alternatively qualify for "Incentive B" and/or "Incentive C." A Settling State can qualify for "Incentive D" regardless of whether it qualifies for another incentive payment. The Incentive Payment Final Eligibility Date is not relevant to Incentive D.

4. *Incentive A: Accelerated Incentive Payment for Full Participation.*

a. A Settling State shall receive an accelerated Incentive A payment allocable to the State for full participation as described in subsection V.E.4.b.

b. A State qualifies for Incentive A by: (1) complete participation in the form of releases consistent with Section IV above from all Litigating Subdivisions and Litigating Special Districts, Non-Litigating Subdivisions with population over 10,000, and Non-Litigating Covered Special Districts (as defined in subsection V.E.7.e); (2) a Bar; or (3) a combination of approaches in clauses (1)-(2) that achieves the same level of resolution of Subdivision and Special District claims (e.g., a law barring future litigation combined with full joinder by Litigating Subdivisions and Litigating Special Districts). For purposes of Incentive A, a Subdivision or Special District is considered a "Litigating Subdivision" or "Litigating Special District" if it has brought Released Claims against Released Entities on or before the Reference Date; all other Subdivisions and Special Districts are considered "Non-Litigating." For purposes of Incentive A, Non-Litigating Special Districts shall not include a Special District with any of the following words or phrases in its name: mosquito, pest, insect, spray, vector, animal, air quality, air pollution, clean air, coastal water, tuberculosis, and sanitary.

c. Qualification for Incentive A entitles the qualifying Settling State to expedited payment of base payments and incentive payments for Payment Years 1-4, which Janssen shall pay into the Settlement Fund within ninety (90) days after receiving notice from the Settlement Fund Administrator that a State has qualified for Incentive A, but in no event less than ninety (90) days from the Effective Date. Base and incentive payments for Payment Years 5-10 will not be expedited.

d. If a Settling State qualifies for Incentive A after receiving an incentive payment under Incentives B or C, described below, the Settling State's payments under Incentive A will equal the remainder of its total Incentive A payments less any payments previously received under Incentives B or C. A Settling State that receives all of its maximum incentive allocation under Incentive A shall not receive additional incentive payments under Incentives B or C.

e. A Settling State that is not eligible for Incentive A as of the Incentive Payment Final Eligibility Date shall not be eligible for Incentive A for that Payment Year or any subsequent Payment Years.

5. *Incentive B: Early Participation or Released Claims by Litigating Subdivisions and Litigating Special Districts.*

a. If a Settling State does not qualify for Incentive A, it may still qualify to receive up to 60% of its total potential Incentive A payment allocation under Incentive B.

b. A Settling State can qualify for an Incentive B payment if Litigating Subdivisions and Litigating Special Districts collectively representing at least 75% of the Settling State's litigating population are either Participating Subdivisions or have their claims resolved through Case-Specific Resolutions.

(1) A Settling State's litigating population is the sum of the population of all Litigating Subdivisions and Litigating Special Districts. A Settling State's litigating population shall include all Litigating Subdivisions and Litigating Special Districts whose populations overlap in whole or in part with other Litigating Subdivisions and Litigating Special Districts, for instance in the case of a Litigating Special District, city, or township contained within a county.

(2) For example, if a Litigating Special District and a city that is a Litigating Subdivision are located within a county that is a Litigating Subdivision, then each of their individual populations would be added together to determine the total litigating population. Special District populations shall be counted in the manner set forth in subsection XIII.B. If each qualifies as a Litigating Subdivision or Litigating Special District and the county has a population of 10, the City has a population of 8, and the Special District has a population of 1, the total litigating population would be 19.

c. The following time periods apply to Incentive B payments:

(1) Period 1: Zero to two hundred ten (210) days after the Effective Date.

(2) Period 2: Two hundred eleven (211) days to one year after the Effective Date.

(3) Period 3: One year and one day to two years after the Effective Date.

d. Within Period 1: If Litigating Subdivisions and Litigating Special Districts collectively representing at least 75% of a Settling State's litigating population are Participating Subdivisions or have their claims resolved through Case-Specific Resolutions during Period 1, a sliding scale will determine the share of the funds available under Incentive B, with a maximum of 60% of the Settling State's total potential incentive payment allocation available. Under that sliding scale, if Litigating Subdivisions and Litigating Special Districts collectively representing 75% of a Settling State's litigating population become Participating Subdivisions or achieve Case-Specific Resolution status by the end of Period 1, a Settling State will receive 50% of the total amount available to it under Incentive B. If more Litigating Subdivisions and Litigating Special Districts become Participating Subdivisions or achieve Case-Specific Resolution status, the Settling State shall receive an increased percentage of the total amount available to it under Incentive B as shown in the table below.

Participation or Case-Specific Resolution Levels (As percentage of litigating population)	**Incentive B Award** (As percentage of total amount available to State under Incentive B)
75%	50%
76%	52%
77%	54%
78%	56%
79%	58%
80%	60%
85%	70%
90%	80%
95%	90%
100%	100%

e. Within Period 2: If a Settling State did not qualify for an Incentive B payment in Period 1, but Litigating Subdivisions and Litigating Special Districts collectively representing at least 75% of the Settling State's litigating population become Participating Subdivisions or achieve Case-Specific Resolution status by the end of Period 2, then the Settling State qualifies for 75% of the Incentive B payment it would have qualified for in Period 1.

f. Within Period 3: If a Settling State did not qualify for an Incentive B payment in Periods 1 or 2, but Litigating Subdivisions and Litigating Special Districts collectively representing at least 75% of the Settling State's litigating population become Participating Subdivisions or achieve Case-Specific Resolution status by the end of Period 3, then the Settling State qualifies for 50% of the Incentive B payment it would have qualified for in Period 1.

g. A Settling State that receives the Incentive B payment for Periods 1 and/or 2 can receive additional payments if it secures participation from additional Litigating Subdivisions and Litigating Special Districts (or Case-Specific Resolutions of their claims) during Periods 2 and/or 3.

Those additional payments would equal 75% (for additional participation or Case-Specific Resolutions during Period 2) and 50% (for additional participation or Case-Specific Resolutions during Period 3) of the amount by which the increased litigating population levels would have increased the Settling State's Incentive B payment if they had been achieved in Period 1.

h. If Litigating Subdivisions and Litigating Special Districts that have become Participating Subdivisions or achieved Case-Specific Resolution status collectively represent less than 75% of a Settling State's litigating population by the end of Period 3, the Settling State shall not receive any Incentive B payment.

i. If there are no Litigating Subdivisions or Litigating Special Districts in a Settling State, and that Settling State is otherwise eligible for Incentive B, that Settling State will receive its full allocable share of Incentive B.

j. Incentives earned under Incentive B shall accrue after each of Periods 1, 2, and 3. After each period, the Settlement Fund Administrator shall conduct a look-back to assess which Settling States vested an Incentive B payment in the preceding period. Based on the look-back, the Settlement Fund Administrator will calculate the incentives accrued under Incentive B for the period; *provided* that the percentage of Incentive B for which a Settling State is eligible as of the Incentive Payment Final Eligibility Date shall cap its eligibility for that Payment Year and all subsequent Payment Years.

6. *Incentive C: Early Participation of Subdivisions*

a. If a Settling State does not qualify for Incentive A, it may still qualify to receive up to 40% of its total potential Incentive A payment allocation under Incentive C, which has two parts.

(1) Part 1: Under Incentive C, Part 1, a Settling State can receive up to 75% of its Incentive C allocation. A Settling State can qualify for a payment under Incentive C, Part 1 only if Primary Subdivisions (whether Litigating Primary Subdivisions or Non-Litigating Primary Subdivisions as of the Reference Date) representing at least 60% of the Settling State's Primary Subdivision population become Participating Subdivisions or achieve Case-Specific Resolution status.

(2) A Settling State's Primary Subdivision population is the sum of the population of all Primary Subdivisions (whether Litigating Primary Subdivisions or Non-Litigating Primary Subdivisions as of the Reference Date). Because Subdivisions include Subdivisions whose populations overlap in whole or in part with other

Subdivisions, for instance in the case of a city or township contained within a county, the Settling State's Primary Subdivision population is greater than Settling State's total population. (Special Districts are not relevant for purposes of Incentive C calculations.)

(3) A sliding scale will determine the share of the funds available under Incentive C, Part 1 to Settling States meeting the minimum 60% threshold. Under that sliding scale, if a Settling State secures participation or Case-Specific Resolutions from Primary Subdivisions representing 60% of its total Primary Subdivision population, it will receive 40% of the total amount potentially available to it under Incentive C, Part 1. If a Settling State secures participation or Case-Specific Resolutions from Primary Subdivisions representing more than 60% of its Primary Subdivision population, the Settling State shall be entitled to receive a higher percentage of the total amount potentially available to it under Incentive C, Part 1, on the scale shown in the table below. If there are no Primary Subdivisions, and that Settling State is otherwise eligible for Incentive C, that Settling State will receive its full allocable share of Incentive C, Part 1.

Participation or Case-Specific Resolution Levels (As percentage of total Primary Subdivision population)	**Incentive C Award** (As percentage of total amount available to State under Incentive C, Part 1)
60%	40%
70%	45%
80%	50%
85%	55%
90%	60%
91%	65%
92%	70%
93%	80%
94%	90%
95%	100%

b. <u>Part 2</u>: If a Settling State qualifies to receive an incentive under Incentive C, Part 1, the State can also qualify to receive an additional incentive amount equal to 25% of its total potential Incentive C allocation by securing 100% participation of the ten (10) largest Subdivisions by population in the Settling State. (Special Districts are not relevant for purposes of this calculation.) If a Settling State does not qualify for any amount under Incentive C, Part 1, it cannot qualify for Incentive C, Part 2.

c. Incentives earned under Incentive C shall accrue on an annual basis up to three years after the Effective Date. At one, two, and three years after the

Effective Date, the Settlement Fund Administrator will conduct a look-back to assess which Subdivisions had agreed to participate or had their claim resolved through a Case-Specific Resolution that year. Based on the look-back, the Settlement Fund Administrator will calculate the incentives accrued under Incentive C for the year; *provided* that the percentage of Incentive C for which a Settling State is eligible as of the Incentive Payment Final Eligibility Date shall cap its eligibility for that Payment Year and all subsequent Payment Years.

7. *Incentive D: Release of Payments if No Qualifying Special District Litigation.*

   a. $213,230,769 shall be available for potential Incentive D payments according to the terms specified in this subsection V.E.7.

   b. If, within five years of the Reference Date, a Covered Special District files litigation against any Released Entity, Janssen shall, within thirty (30) days of Janssen being served, provide notice of the litigation to the Settling State in which the Covered Special District sits, which shall file a motion to intervene in the litigation and use its best efforts to obtain either dismissal of the litigation in cooperation with Janssen, or a release consistent with Section IV of the Special District's Claims.

   c. A Settling State shall receive its allocation of the Incentive D payment if, within five years after the Effective Date (the "look-back date"), no Covered Special District within the Settling State has filed litigation which has survived a Threshold Motion and remains pending as of the look-back date, unless the dismissal after the litigation survived the Threshold Motion is conditioned or predicated upon payment by a Released Entity (apart from payments by Janssen incurred under the Agreement or injunctive relief obligations incurred by it).

   d. Prior to the look-back date, a Released Entity shall not enter into a settlement with a Covered Special District unless the State in which the Covered Special District sits consents to such a settlement or unreasonably withholds consent of such a settlement.

   e. "*Covered Special Districts*" are school districts, healthcare/hospital districts, and fire districts, subject to the following population thresholds:

      (1) For school districts, the K-12 student enrollment must be 25,000 or 0.12% of a State's population, whichever is greater;

      (2) For fire districts, the district must cover a population of 25,000, or 0.20% of a State's population if a State's population is greater than 18 million. If not easily calculable from state data sources and agreed to between the State and Janssen, a fire district's population is calculated by dividing the population of the county or counties a

fire district serves by the number of fire districts in the county or counties.

(3) For healthcare/hospital districts, the district must have at least 125 hospital beds in one or more hospitals rendering services in that district.

VI. <u>Allocation and Use of Settlement Funds</u>

A. *Components of Settlement Fund*. The Settlement Fund shall be comprised of an Abatement Accounts Fund, a State Fund, and a Subdivision Fund for each Settling State. The payments under Section V into the Settlement Fund shall be initially allocated among those three (3) sub-funds and distributed and used as provided below or as provided for by a State-Subdivision Agreement (or other State-specific allocation of funds). Unless otherwise specified herein, payments placed into the Settlement Fund do not revert back to Janssen.

B. *Use of Settlement Payments*.

1. It is the intent of the Parties that the payments disbursed from the Settlement Fund to Settling States and Participating Subdivisions listed in Exhibit G be for Opioid Remediation, subject to limited exceptions that must be documented in accordance with subsection VI.B.2. In no event may less than 86.5% of Janssen's maximum amount of payments pursuant to Sections V, X, and XI over the entirety of all Payment Years (but not any single Payment Year) be spent on Opioid Remediation.

2. While disfavored by the Parties, a Settling State or Participating Subdivision listed on Exhibit G may use monies from the Settlement Fund (that have not been restricted by this Agreement solely to future Opioid Remediation) for purposes that do not qualify as Opioid Remediation. If, at any time, a Settling State or a Participating Subdivision listed on Exhibit G uses any monies from the Settlement Fund for a purpose that does not qualify as Opioid Remediation, such Settling State or Participating Subdivision shall identify such amounts and report to the Settlement Fund Administrator and Janssen how such funds were used, including if used to pay attorneys' fees, investigation costs, litigation costs, or costs related to the operation and enforcement of this Agreement, respectively. It is the intent of the Parties that the reporting under this subsection VI.B.2 shall be available to the public. For the avoidance of doubt, (a) any amounts not identified under this subsection VI.B.2 as used to pay attorneys' fees, investigation costs, or litigation costs shall be included in the "Compensatory Restitution Amount" for purposes of subsection VI.F and (b) Participating Subdivisions not listed on Exhibit G or Participating Special Districts that receive monies from the Settlement Fund indirectly may only use such monies from the Settlement Fund for purposes that qualify as Opioid Remediation.

C. *Allocation of Settlement Fund.* The allocation of the Settlement Fund allows for different approaches to be taken in different states, such as through a State-Subdivision Agreement. Given the uniqueness of States and their Subdivisions, Settling States and Participating Subdivisions are encouraged to enter into State-Subdivision Agreements in order to direct the allocation of their portion of the Settlement Fund. As set out below, the Settlement Fund Administrator will make an initial allocation to three (3) state-level sub-funds. The Settlement Fund Administrator will then, for each Settling State and its Participating Subdivisions listed on Exhibit G, apply the terms of this Agreement and any relevant State-Subdivision Agreement, Statutory Trust, Allocation Statute, or voluntary redistribution of funds as set out below before disbursing the funds.

1. <u>Base Payments</u>. The Settlement Fund Administrator will allocate base payments under subsection V.D among the Settling States in proportion to their respective Overall Allocation Percentages. Base payments for each Settling State will then be allocated 15% to its State Fund, 70% to its Abatement Accounts Fund, and 15% to its Subdivision Fund. Amounts may be reallocated and will be distributed as provided in subsection VI.D.

2. <u>Incentive Payments</u>. The Settlement Fund Administrator will treat incentive payments under subsection V.E on a State-specific basis. Incentive payments for which a Settling State is eligible under subsection V.E will be allocated 15% to its State Fund, 70% to its Abatement Accounts Fund, and 15% to its Subdivision Fund. Amounts may be reallocated and will be distributed as provided in subsection VI.D.

3. <u>Application of Adjustments</u>. If a reduction, offset, or suspension under Section IX applies with respect to a Settling State, the reduction, offset, or suspension shall be applied proportionally to all amounts that would otherwise be apportioned and distributed to the State Fund, the Abatement Accounts Fund, and the Subdivision Fund for that State.

4. <u>Settlement Fund Administrator</u>. Prior to the Initial Participation Date, Janssen and the Enforcement Committee will agree to a detailed mechanism consistent with the foregoing for the Settlement Fund Administrator to follow in allocating, apportioning, and distributing payments, which shall be appended hereto as Exhibit L.

5. <u>Settlement Fund Administrator Costs</u>. Any costs and fees associated with or arising out of the duties of the Settlement Fund Administrator as described in Exhibit L with regard to Janssen's payments to the Settlement Fund shall be paid out of interest accrued on the Settlement Fund and from the Settlement Fund should such interest prove insufficient.

D. *Settlement Fund Reallocation and Distribution*. As set forth below, within a particular Settling State's account, amounts contained in the Settlement Fund sub-funds may be reallocated and distributed per a State-Subdivision Agreement or other means. If the apportionment of amounts is not addressed and controlled under subsections VI.D.1-2, then the default provisions of subsection VI.D.4 apply. It is not necessary that a State-Subdivision Agreement or other means of allocating funds pursuant to subsections VI.D.1-2 address all of the Settlement Fund sub-funds. For example, a Statutory Trust might only address disbursements from a Settling State's Abatement Accounts Fund.

1. Distribution by State-Subdivision Agreement. If a Settling State has a State-Subdivision Agreement, amounts apportioned to that State's State Fund, Abatement Accounts Fund, and Subdivision Fund under subsection VI.C shall be reallocated and distributed as provided by that agreement. Any State-Subdivision Agreement entered into after the Preliminary Agreement Date shall be applied only if it requires: (1) that all amounts be used for Opioid Remediation, except as allowed by subsection VI.B.2, and (2) that at least 70% of amounts be used solely for future Opioid Remediation (references to "future Opioid Remediation" include amounts paid to satisfy any future demand by another governmental entity to make a required reimbursement in connection with the past care and treatment of a person related to the Alleged Harms). For a State-Subdivision Agreement to be applied to the relevant portion of an Initial Year Payment or an Annual Payment, notice must be provided to Janssen and the Settlement Fund Administrator at least sixty (60) days prior to the Payment Date.

2. Distribution by Allocation Statute. If a Settling State has an Allocation Statute and/or a Statutory Trust that addresses allocation or distribution of amounts apportioned to such State's State Fund, Abatement Accounts Fund, and/or Subdivision Fund and that, to the extent any or all such sub-funds are addressed, requires (1) all amounts to be used for Opioid Remediation, except as allowed by subsection VI.B.2, and (2) at least 70% of all amounts to be used solely for future Opioid Remediation, then, to the extent allocation or distribution is addressed, the amounts apportioned to that State's State Fund, Abatement Accounts Fund, and Subdivision Fund under subsection VI.C shall be allocated and distributed as addressed and provided by the applicable Allocation Statute or Statutory Trust. For the avoidance of doubt, an Allocation Statute or Statutory Trust need not address all three (3) sub-funds that comprise the Settlement Fund, and if the applicable Allocation Statute or Statutory Trust does not address distribution of all or some of these three (3) sub-funds, the applicable Allocation Statute or Statutory Trust does not replace the default provisions in subsection VI.D.4 of any such unaddressed fund. For example, if an Allocation Statute or Statutory Trust that meets the requirements of this subsection VI.D.2 only addresses funds restricted to abatement, then the default provisions in this Agreement concerning allocation among the three (3) sub-funds comprising the Settlement Fund and the distribution of the State Fund and Subdivision Fund for that State would still apply, while the distribution of the applicable State's Abatement Accounts Fund would be governed by the qualifying Allocation Statute or Statutory Trust.

3. Voluntary Redistribution. A Settling State may choose to reallocate all or a portion of its State Fund to its Abatement Accounts Fund. A Participating Subdivision listed on Exhibit G may choose to reallocate all or a portion of its

allocation from the Subdivision Fund to the State's Abatement Accounts Fund or to another Participating Subdivision or Participating Special District. For a voluntary redistribution to be applied to the relevant portion of an Initial Year Payment or an Annual Payment, notice must be provided to the Settling Distributors and the Settlement Fund Administrator at least sixty (60) days prior to the Payment Date.

4. Distribution in the Absence of a State-Subdivision Agreement, Allocation Statute, or Statutory Trust. If subsections VI.D.1-2 do not apply, amounts apportioned to that State's State Fund, Abatement Accounts Fund, and Subdivision Fund under subsection VI.C shall be distributed as follows:

   a. Amounts apportioned to that State's State Fund shall be distributed to that State.

   b. Amounts apportioned to that State's Abatement Accounts Fund shall be distributed consistent with subsection VI.E. Each Settling State shall submit to the Settlement Fund Administrator a designation of a lead state agency or other entity to serve as the single point of contact for that Settling State's funding requests from the Abatement Accounts Fund and other communications with the Settlement Fund Administrator. The designation of an individual entity is for administrative purposes only and such designation shall not limit funding to such entity or even require that such entity receive funds from this Agreement. The designated entity shall be the only entity authorized to request funds from the Settlement Fund Administrator to be disbursed from that Settling State's Abatement Accounts Fund. If a Settling State has established a Statutory Trust then that Settling State's single point of contact may direct the Settlement Fund Administrator to release the State's Abatement Accounts Fund to the Statutory Trust.

   c. Amounts apportioned to that State's Subdivision Fund shall be distributed to Participating Subdivisions in that State listed on Exhibit G per the Subdivision Allocation Percentage listed in Exhibit G. Subsection VII.I shall govern amounts that would otherwise be distributed to Non-Participating Subdivisions listed in Exhibit G.

   d. Special Districts shall not be allocated funds from the Subdivision Fund, except through a voluntary redistribution allowed by subsection VI.D.3. A Settling State may allocate funds from its State Fund or Abatement Accounts Fund for Special Districts.

5. Restrictions on Distribution. No amounts may be distributed from the Subdivision Fund contrary to Section VII, *i.e.*, no amounts may be distributed directly to Non-Participating Subdivisions or to Later Participating Subdivisions in excess of what is permissible under subsection VII.E. Amounts allocated to the Subdivision Fund that cannot be distributed by virtue of the preceding sentence shall be distributed

into the sub-account in the Abatement Accounts Fund for the Settling State in which the Subdivision is located, unless those payments are redirected elsewhere by a State-Subdivision Agreement described in subsection VI.D.1 or by an Allocation Statute or a Statutory Trust described in subsection VI.D.2.

E. *Provisions Regarding Abatement Accounts Fund*.

1. <u>State-Subdivision Agreement, Allocation Statute, and Statutory Trust Fund Provisions</u>. A State-Subdivision Agreement, Allocation Statute, or Statutory Trust may govern the operation and use of amounts in that State's Abatement Accounts Fund so long as it complies with the requirements of subsection VI.D.1 or VI.D.2 as applicable, and all direct payments to Subdivisions comply with subsections VII.E-H.

2. <u>Absence of a State-Subdivision Agreement, Allocation Statute, or Statutory Trust</u>. In the absence of a State-Subdivision Agreement, Allocation Statute, or Statutory Trust that addresses distribution, the Abatement Accounts Fund will be used solely for future Opioid Remediation and the following shall apply with respect to a Settling State:

a. *Regional Remediation*.

(1) At least 50% of distributions for remediation from a State's Abatement Accounts Fund shall be annually allocated and tracked to the regional level. A Settling State may allow the Advisory Committee established pursuant to subsection VI.E.2.d to define its regions and assign regional allocations percentages. Otherwise, a Settling State shall (1) define its initial regions, which shall consist of one (1) or more Subdivisions and which shall be designated by the State agency with primary responsibility for substance abuse disorder services employing, to the maximum extent practical, existing regions established in that State for opioid abuse treatment or other public health purposes; and (2) assign initial regional allocation percentages to the regions based on the Subdivision Allocation Percentages in Exhibit G and an assumption that all Subdivisions listed on Exhibit G will become Participating Subdivisions.

(2) This minimum regional expenditure percentage is calculated on the Settling State's initial Abatement Accounts Fund allocation and does not include any additional amounts a Settling State has directed to its Abatement Accounts Fund from its State Fund, or any other amounts directed to the fund. A Settling State may dedicate more than 50% of its Abatement Accounts Fund to the regional expenditure and may annually adjust the percentage of its Abatement Accounts Fund dedicated to regional expenditures as long as the percentage remains above the minimum amount.

(3) The Settling State (1) has the authority to adjust the definition of the regions, and (2) may annually revise the percentages allocated to each region to reflect the number of Subdivisions in each region that are Non-Participating Subdivisions.

b. *Subdivision Block Grants*. Certain Subdivisions listed on Exhibit G shall be eligible to receive regional allocation funds in the form of a block grant for future Opioid Remediation. A Participating Subdivision listed on Exhibit G eligible for block grants is a county or parish (or in the case of States that do not have counties or parishes that function as political subdivisions, a city) that (1) does not contain a Litigating Subdivision or a Later Litigating Subdivision for which it has the authority to end the litigation through a release, bar, or other action; (2) either (i) has a population of 400,000 or more or (ii) in the case of California has a population of 750,000 or more; and (3) has funded or otherwise managed an established health care or treatment infrastructure (e.g., health department or similar agency). Each Subdivision listed on Exhibit G eligible to receive block grants shall be assigned its own region.

c. *Small States*. Notwithstanding the provisions of subsection VI.E.2.a, Settling States with populations under four (4) million that do not have existing regions described in subsection VI.E.2.a shall not be required to establish regions. However, such a Settling State that contains one (1) or more Subdivisions listed on Exhibit G eligible for block grants under subsection VI.E.2.b shall be divided regionally so that each block-grant eligible Subdivision listed on Exhibit G is a region and the remainder of the state is a region.

d. *Advisory Committee*. The Settling State shall designate an Opioid Settlement Remediation Advisory Committee (the "*Advisory Committee*") to provide input and recommendations regarding remediation spending from that Settling State's Abatement Accounts Fund. A Settling State may elect to use an existing advisory committee or similar entity (created outside of a State-Subdivision Agreement or Allocation Statute); provided, however, the Advisory Committee or similar entity shall meet the following requirements:

(1) Written guidelines that establish the formation and composition of the Advisory Committee, terms of service for members, contingency for removal or resignation of members, a schedule of meetings, and any other administrative details;

(2) Composition that includes at least an equal number of local representatives as state representatives;

(3) A process for receiving input from Subdivisions and other communities regarding how the opioid crisis is affecting their

communities, their abatement needs, and proposals for abatement strategies and responses; and

(4) A process by which Advisory Committee recommendations for expenditures for Opioid Remediation will be made to and considered by the appropriate state agencies.

3. Abatement Accounts Fund Reporting. The Settlement Fund Administrator shall track and assist in the report of remediation disbursements as agreed to among the Parties.

F. *Nature of Payment.* Janssen, the Settling States, the Participating Subdivisions, and the Participating Special Districts, acknowledge and agree that notwithstanding anything to the contrary in this Agreement, including, but not limited to, the scope of the Released Claims:

1. Janssen has entered into this Agreement to avoid the delay, expense, inconvenience, and uncertainty of further litigation;

2. The Settling States, the Participating Subdivisions, and the Participating Special Districts sought compensatory restitution (within the meaning of 26 U.S.C. § 162(f)(2)(A)) as damages for the Alleged Harms allegedly suffered by the Settling States and Participating Subdivisions;

3. By executing this Agreement the Settling States, the Participating Subdivisions, and the Participating Special Districts certify that: (a) the Compensatory Restitution Amount is no greater than the amount, in the aggregate, of the Alleged Harms allegedly suffered by the Settling States and Participating Subdivisions; and (b) the portion of the Compensatory Restitution Amount received by each Settling State or Participating Subdivision is no greater than the amount of the Alleged Harms allegedly suffered by such Settling State or Participating Subdivision;

4. The payment of the Compensatory Restitution Amount by Janssen constitutes, and is paid for, compensatory restitution (within the meaning of 26 U.S.C. § 162(f)(2)(A)) for alleged damage or harm (as compensation for alleged damage or harm arising out of alleged bodily injury) allegedly caused by Janssen;

5. The Compensatory Restitution Amount is being paid as compensatory restitution (within the meaning of 26 U.S.C. § 162(f)(2)(A)) in order to restore, in whole or in part, the Settling States and Participating Subdivisions to the same position or condition that they would be in had the Settling States and Participating Subdivisions not suffered the Alleged Harms;

6. For the avoidance of doubt: (a) no portion of the Compensatory Restitution Amount represents reimbursement to any Settling State, Participating Subdivision, Participating Special District, or other person or entity for the costs of any investigation or litigation, (b) the entire Compensatory Restitution Amount

is properly characterized as described in subsection VI.F, and (c) no portion of the Compensatory Restitution Amount constitutes disgorgement or is properly characterized as the payment of statutory or other fines, penalties, punitive damages, other punitive assessments, or attorneys' fees; and

7. New York, on behalf of all Settling States, Participating Subdivisions, and Participating Special Districts (the "Form 1098-F Filer") shall complete and file Form 1098-F with the Internal Revenue Service on or before February 28 (March 31 if filed electronically) of the year following the calendar year in which the order entering this Agreement becomes binding. On the Form 1098-F, the Form 1098-F Filer shall identify the entire Compensatory Restitution Amount received by the Form 1098-F Filer as remediation/restitution. The Form 1098-F Filer shall also, on or before January 31 of the year following the calendar year in which the order entering this Agreement becomes binding, furnish Copy B of such Form 1098-F (or an acceptable substitute statement) to Janssen.

VII. <u>Participation by Subdivisions and Special Districts</u>

A. *Notice.* No later than fifteen (15) days after the Preliminary Agreement Date, the Settling States, with the cooperation of Janssen, shall send individual written notice of the opportunity to participate in this Agreement and the requirements of participation to all Subdivisions in the Settling States of this Agreement that are (1) Litigating Subdivisions or (2) Non-Litigating Subdivisions listed on Exhibit G as eligible to become Participating Subdivisions. Janssen's share of costs of the written notice to such Subdivisions shall be advanced by Janssen and deducted from its initial settlement payment. Notice shall also be provided simultaneously to counsel of record for Litigating Subdivisions and Non-Litigating Subdivisions listed on Exhibit G as eligible to become Participating Subdivisions. The Settling States, with the cooperation of Janssen, will also provide general notice reasonably calculated to alert Non-Litigating Subdivisions listed on Exhibit G in the Settling States to this Agreement, the opportunity to participate in it and the requirements for participation. Such notice may include publication and other standard forms of notification, as well as notice to national state and county organizations such as the National Association of Counties and the National League of Cities. The notice will include that the deadline for becoming an Initial Participating Subdivision is the Initial Participation Date. Nothing contained herein shall preclude a Settling State from providing further notice to or otherwise contacting any of its Subdivisions about becoming a Participating Subdivision, including beginning any of the activities described in this paragraph prior to the Preliminary Agreement Date.

B. *Requirements for Becoming a Participating Subdivision: Non-Litigating Subdivisions*. A Non-Litigating Subdivision in a Settling State that is listed on Exhibit G may become a Participating Subdivision by returning an executed Subdivision Settlement Participation Form specifying (1) that the Subdivision agrees to the terms of this Agreement pertaining to Subdivisions, (2) that the Subdivision releases all Released Claims against all Released Entities, (3) that the Subdivision agrees to use monies it receives, if any, from the Settlement Fund pursuant to the applicable requirements of Section VI, and (4) that the Subdivision submits to the jurisdiction of the court where the Consent Judgment is filed for purposes limited to that court's role under the Agreement. The required Subdivision Settlement Participation Form is attached as Exhibit K.

C. *Requirements for Becoming a Participating Subdivision: Litigating Subdivisions/Later Litigating Subdivisions*. A Litigating Subdivision or Later Litigating Subdivision in a Settling State may become a Participating Subdivision by returning an executed Subdivision Settlement Participation Form to the Settlement Fund Administrator and upon prompt dismissal of its legal action. A Settling State may require each Litigating Subdivision in that State to specify on the Subdivision Settlement Participation Form whether its counsel has waived any contingency fee contract with that Participating Subdivision and intends to seek fees according to Exhibit R. The Settlement Fund Administrator shall provide quarterly reports of this information to the parties organized by Settling State. Except for trials begun before the Initial Participation Date, a Litigating Subdivision or a Later Litigating Subdivision may not become a Participating Subdivision after the completion of opening statements in a trial of a legal action it brought that includes a Released Claim against a Released Entity.

D. *Initial Participating Subdivisions.* A Subdivision qualifies as an Initial Participating Subdivision if it meets the applicable requirements for becoming a Participating Subdivision set forth in subsections VII.B or VII.C by the Initial Participation Date. Provided however, all Subdivision Settlement Participation Forms shall be held by the Settlement Fund Administrator until Janssen provides the notice in subsection VIII.B that it intends to proceed with the settlement, at which time the obligations created by such forms become effective.

E. *Later Participating Subdivisions.* A Subdivision that is not an Initial Participating Subdivision may become a Later Participating Subdivision by meeting the applicable requirements for becoming a Participating Subdivision after the Initial Participation Date and agreeing to be subject to the terms of a State-Subdivision Agreement (if any) or any other structure adopted or applicable pursuant to subsections VI.D or VI.E. The following provisions govern what a Later Participating Subdivision can receive (but do not apply to Initial Participating Subdivisions):

1. A Later Participating Subdivision shall not receive any share of any base or incentive payments paid to the Subdivision Fund that were due before it became a Participating Subdivision.

2. A Later Participating Subdivision that becomes a Participating Subdivision after July 15, 2022 shall receive 75% of the share of future base or incentive payments that it would have received had it become a Later Participating Subdivision before that date (unless the Later Participating Subdivision is subject to subsections VII.E.3 or VII.E.4 below).

3. A Later Participating Subdivision that, after the Initial Participation Date, maintains a lawsuit for a Released Claim(s) against a Released Entity and has judgment entered against it on every such Claim before it became a Participating Subdivision (other than a consensual dismissal with prejudice) shall receive 50%

of the share of future base or incentive payments that it would have received had it become a Later Participating Subdivision prior to such judgment; *provided, however*, that if the Subdivision appeals the judgment and the judgment is affirmed with finality before the Subdivision becomes a Participating Subdivision, the Subdivision shall not receive any share of any base payment or incentive payment.

4. A Later Participating Subdivision that becomes a Participating Subdivision while a Bar or Case-Specific Resolution involving a different Subdivision exists in its State shall receive 25% of the share of future base or incentive payments that it would have received had it become a Later Participating Subdivision without such Bar or Case-Specific Resolution.

F. *No Increase in Payments*. Amounts to be received by Later Participating Subdivisions shall not increase the payments due from Janssen.

G. *Ineligible Subdivisions.* Subdivisions in Non-Settling States and Prior Litigating Subdivisions are not eligible to be Participating Subdivisions.

H. *Non-Participating Subdivisions*. Non-Participating Subdivisions shall not directly receive any portion of any base or incentive payments, including from the State Fund and direct distributions from the Abatement Accounts Fund; however, a Settling State may choose to fund future Opioid Remediation that indirectly benefits Non-Participating Subdivisions.

I. *Unpaid Allocations to Later Participating and Non-Participating Subdivisions*. Any base payment and incentive payments allocated pursuant to subsection VI.D to a Later Participating or Non-Participating Subdivision that cannot be paid pursuant to this Section VII, will be allocated to the Abatement Accounts Fund for the Settling State in which the Subdivision is located, unless those payments are redirected elsewhere by a State-Subdivision Agreement or by a Statutory Trust.

J. *Requirements for Becoming a Participating Special District: Non-Litigating Special Districts*. A Non-Litigating Special District may become a Participating Special District by either executing a release consistent with Section IV or by having its claims extinguished by operation of law or released by a Settling State.

K. *Requirements for Becoming a Participating Special District: Litigating Special Districts/Later Litigating Special Districts.* A Litigating Special District or Later Litigating Special District in a Settling State may become a Participating Special District by either executing a release consistent with Section IV and upon prompt dismissal of its legal action or by having its claims extinguished by operation of law or released by a Settling State.

L. *Initial Participating Special Districts*. A Special District qualifies as an Initial Participating Special District if it meets the applicable requirements for becoming a Participating Special District by the Initial Participation Date.

M. *Later Participating Special Districts.* A Special District that is not an Initial Participating Special District may become a Later Participating Special District by meeting the applicable requirements for becoming a Participating Special District after the Initial Participation Date and agreeing to be subject to the terms of any agreement reached by the applicable Settling State with Initial Participating Special Districts. A Later Participating Special District shall not receive any share of any base or incentive payments paid to the Settlement Fund that were due before it became a Participating Special District.

VIII. Condition to Effectiveness of Agreement and Filing of Consent Judgment

A. *Determination to Proceed With Settlement.* Janssen will determine on or before the Reference Date whether there has been a sufficient resolution of the Claims of the Litigating Subdivisions in the Settling States (through participation under Section VII, Case-Specific Resolution(s), and Bar(s)) to proceed with this Agreement. The determination shall be in the sole discretion of Janssen and may be based on any criteria or factors deemed relevant by Janssen.

B. *Notice by Janssen*. On or before the Reference Date, Janssen shall inform the Settling States and MDL PEC of its determination pursuant to subsection VIII.A. If Janssen determines to proceed, the Parties will proceed to file the Consent Judgments. If Janssen determines not to proceed, this Agreement will have no further effect and all releases (including those given by Participating Subdivisions) and other commitments or obligations contained herein will be void.

C. *Determination of the Participation Tier.*

1. On the Reference Date, provided that Janssen determines to proceed with this Agreement, the Settlement Fund Administrator shall determine the Participation Tier. The criteria used to determine the Participation Tier are set forth in Exhibit H. Any disputes as to the determination of the Participation Tier shall be decided by the National Arbitration Panel.

2. The Participation Tier shall be redetermined by the Settlement Fund Administrator annually as of the Payment Date, beginning with Payment Year 1, pursuant to the criteria set forth in Exhibit H.

3. After Payment Year 3, the Participation Tier cannot move higher, unless this restriction is waived by Janssen.

4. In the event that a Participation Tier redetermination moves the Participation Tier higher, and that change is in whole or in part as a result of the post-Reference Date enactment of a Bar and there is later a Revocation Event with respect to that Bar, then on the next Payment Date that is at least one hundred eighty (180) days after the Revocation Event, the Participation Tier shall move down to the Participation Tier that would have applied had the Bar never been enacted, unless the Bar is reinstated or all Subdivisions affected by the Revocation Event become Participating Subdivisions within one hundred eighty (180) days of the

Revocation Event. This is the sole circumstance in which, on a nationwide basis, the Participation Tier can move down.

5. In the event that there is a post-Reference Date Revocation Event with respect to a Bar that was enacted in a Settling State prior to the Reference Date, then, on the next Payment Date that is at least one hundred eighty (180) days after the Revocation Event, unless the Bar is reinstated or all Subdivisions affected by the Revocation Event become Participating Subdivisions within one hundred eighty (180) days of the Revocation Event, the Participation Tier shall decrease – solely for the State in which the Revocation Event occurred – to the Participation Tier commensurate with the percentage of Litigating Subdivisions in that State that are Participating Subdivisions and the percentage of Non-Litigating Subdivisions that are both Primary Subdivisions and Participating Subdivisions, according to the criteria set forth in Exhibit H, except that the calculations shall be performed as to that State alone. For the avoidance of doubt and solely for the calculation in this subparagraph, the Settling States Column of Exhibit H shall play no role. This is the sole circumstance in which one Settling State will have a different Participation Tier than other Settling States.

6. The redetermination of the Participation Tier under subsection VIII.C.2 shall not affect payments already made or suspensions or offsets already applied.

IX. <u>Potential Payment Adjustments</u>

A. *Later Litigating Subdivisions.*

1. If a Later Litigating Subdivision in a Settling State with a population above 10,000 brings a lawsuit or other legal proceeding against Released Entities asserting Released Claims, Janssen shall, within thirty (30) days of the lawsuit or other legal proceeding being served on Janssen, provide notice of the lawsuit or other legal proceeding to the Settlement Fund Administrator and the Settling State in which the Later Litigating Subdivision sits and provide the Settling State an opportunity to intervene in the lawsuit or other legal proceeding. A Released Entity shall not enter into a settlement with a Later Litigating Subdivision unless the State in which the Later Litigating Subdivision sits consents to such a settlement or unreasonably withholds consent to such a settlement.

2. If no Participation Tier applies and the Later Litigating Subdivision's lawsuit or other legal proceeding survives a Threshold Motion before Janssen makes its last settlement payment to the Settling State, the following shall apply:

   a. Janssen will, from the date of the entry of the order denying the Threshold Motion and so long as the lawsuit or other legal proceeding is pending, be entitled to a suspension of the following payments it would otherwise owe the Settling State in which the Later Litigating Subdivision is located: (1) all remaining incentive payments to the relevant state; and (2) the last two scheduled base payments, if not already paid (the "Suspended Payments").

b. For each Payment Year that Janssen is entitled to a suspension of payments, the Settlement Fund Administrator shall calculate the Suspended Payments applicable to the next Payment due from Janssen. The Suspended Payments shall be paid into the Settlement Fund Escrow account.

3. If a Participation Tier applies at the time the Threshold Motion is denied, Janssen will be entitled to a suspension of the following percentages of Suspended Payments depending on the applicable Tier—75% for Tier 1, 50% for Tier 2, 35% for Tier 3, and 25% for Tier 4. Otherwise, the requirements of subsection IX.A.2 apply.

4. If the Released Claim is resolved with finality without requirement of payment by a Released Entity, the placement of any remaining balance of the Suspended Payments into the Settlement Fund Escrow shall cease and the Settlement Fund Administrator shall immediately transfer amounts in the Settlement Fund Escrow on account of the suspension to the Settling State at issue and its Participating Subdivisions listed on Exhibit G. The lawsuit will not cause further suspensions unless the Released Claim is reinstated upon further review, legislative action, or otherwise.

5. If the Released Claim is resolved with finality on terms requiring payment by a Released Entity (*e.g.*, if the lawsuit in which the Released Claim is asserted results in a judgment against Janssen or a settlement with Janssen), the Settlement Fund Administrator will transfer the amounts in the Settlement Fund Escrow on account of the suspension to Janssen necessary to satisfy 75% of the payment obligation of the Released Entity to the relevant Later Litigating Subdivision. The Settlement Fund Administrator shall immediately transfer any remaining balance in the Settlement Fund Escrow on account of the suspension to the Settling State at issue and its Participating Subdivisions listed on Exhibit G. If the amount to be transferred to Janssen exceeds the amounts in the Settlement Fund Escrow on account of the suspension, Janssen shall receive a dollar-for-dollar offset for the excess amount against its obligation to pay any remaining payments that would be apportioned to the Settling State at issue and to its Participating Subdivisions listed on Exhibit G.

B. *Settlement Class Resolution Opt Outs.* If a Settling State is eligible for Incentive A on the basis of a Settlement Class Resolution, and a Primary Subdivision that opted out of the Settlement Class Resolution maintains a lawsuit asserting a Released Claim against a Released Entity, the following shall apply. If the lawsuit asserting a Released Claim either survives a Threshold Motion or has an unresolved Threshold Motion fewer than sixty (60) days prior to the scheduled start of a trial involving a Released Claim, and is resolved with finality on terms requiring payment by the Released Entity, Janssen shall receive a dollar-for-dollar offset for the amount paid against its obligation to make remaining Incentive A payments that would be apportioned to that State or Participating Subdivisions listed on Exhibit G. For the avoidance of doubt, an offset shall not be applicable under this subsection if it is applicable under subsection IX.A with respect to the Subdivision at issue.

C. *Revoked Bar, Settlement Class Resolution, or Case-Specific Resolution.*

1. If Janssen made a payment as a result of the existence of a Bar, Settlement Class Resolution, or Case-Specific Resolution in a Settling State, and that Bar, Settlement Class Resolution, or Case-Specific Resolution is subject to a Revocation Event, Janssen shall receive a dollar-for-dollar offset against its obligation to make remaining payments that would be apportioned to that State or Participating Subdivisions listed on Exhibit G. This offset will be calculated as the dollar amount difference between (1) the total amount of incentive payments paid by Janssen during the time the Bar, Settlement Class Resolution, or Case-Specific Resolution subject to the Revocation Event was in effect, and (2) the total amount of Incentive Payments that would have been due from Janssen during that time without the Bar, Settlement Class Resolution, or Case-Specific Resolution subject to the Revocation Event being in effect. The amount of incentive payments that would have been due, referenced in (2) above, will be calculated based on considering any Subdivision that provides a release within one hundred eighty (180) days after the Revocation Event as having been a Participating Subdivision (in addition to all other Participating Subdivisions) during the time that the Bar, Settlement Class Resolution, or Case-Specific Resolution subject to the Revocation Event was in effect. If a Revocation Event causes a Settling State to no longer qualify for Incentive D, the Settling State shall return to Janssen all payments made under Incentive D.

2. Notwithstanding anything to the contrary in paragraph 1 above, if a Bar or Case-Specific Resolution is reinstated by the Settling State, either through the same or different means as the initial Bar or Case-Specific Resolution, Janssen's right to an offset is extinguished and any amounts withheld to offset amounts paid on account of the revoked, rescinded, reversed, or overruled Bar or Case-Specific Resolution shall be returned to the Settling State, less and except any incentive payments that would have been paid during the period in which the Bar or Case-Specific Resolution was revoked, rescinded, reversed, or overruled.

X. Additional Restitution Amount

A. *Additional Restitution Amount*. Pursuant to the schedule set forth below and subject to the reduction specified in subsection X.B below, Janssen shall pay an Additional Restitution Amount to the Settling States listed in Exhibit N. Such funds shall be paid on the schedule set forth on Exhibit M on the Payment Date for each relevant Payment Year to such Settling States as allocated by the Settlement Fund Administrator pursuant to Exhibit N.

Payment Year 1	$15,384,615.38
Payment Year 2	$26,923,076.92

Payment Year 3 $25,000,000.00

B. *Reduction of Additional Restitution Amount*. In the event that any Non-Settling State appears on Exhibit N, the amounts owed by Janssen pursuant to this Section X shall be reduced by the allocation set forth on Exhibit N for any such Non-Settling States.

C. *Use of Funds*. All funds paid as an Additional Restitution Amount shall be part of the Compensatory Restitution Amount, shall be used for Opioid Remediation, except as allowed by subsection VI.B.2, and shall be governed by the same requirements as specified in subsection VI.F.

XI. Plaintiffs' Attorneys' Fees and Costs

A. The Agreement on Attorneys' Fees, Expenses and Costs is set forth in Exhibit R and incorporated herein by reference. The Agreement on the State Outside Counsel Fee Fund and Agreement on the State Cost Fund Administration are set forth in Exhibit U and Exhibit S, respectively, and are incorporated herein by reference.

XII. Enforcement and Dispute Resolution

A. *Enforceability*. The terms of the Agreement and Consent Judgment applicable to or in a Settling State will be enforceable solely by that Settling State and Janssen. Settling States or Participating Subdivisions shall not have enforcement rights with respect either to the terms of this Agreement that apply only to or in other States or to any Consent Judgment entered into by another Settling State. Participating Subdivisions shall not have enforcement rights against Janssen with respect to the Agreement or any Consent Judgment except as to payments that would be allocated to the Subdivision Fund or Abatement Accounts Fund pursuant to Section VI; *provided, however*, that each Settling State shall allow Participating Subdivisions in that State to notify it of any perceived violations of the Agreement or Consent Judgment.

B. *Jurisdiction*. Janssen consents to the jurisdiction of the court in which the Consent Judgment is filed, limited to resolution of disputes identified in subsection XII.F.2 for resolution in the court in which the Consent Judgment is filed.

C. *Specific Terms Dispute Resolution.*

1. Any dispute that is addressed by the provisions set forth in the Injunctive Relief terms in Exhibit P shall be resolved as provided therein.

2. In the event Janssen believes the 86.5% threshold established in subsection VI.B.1 is not being satisfied, any Party may request that Janssen and the Enforcement Committee meet and confer regarding the use of funds under subsection VI.B.1. The completion of such meet-and-confer process is a precondition to further action regarding any such dispute. Further action concerning subsection VI.B.1 shall: (i) be limited to Janssen seeking to reduce its Annual Payments by no more than 5% of the difference between the actual amount of Opioid Remediation and the 86.5% threshold established in subsection VI.B.1; (ii) only reduce Annual

Payments to those Settling States and its Participating Subdivisions that are below the 86.5% threshold established in subsection VI.B.1; and (iii) not reduce Annual Payments restricted to future Opioid Remediation.

D. *State-Subdivision Enforcement.*

1. A Participating Subdivision shall not have enforcement rights against a Settling State in which it is located with respect to the Agreement or any Consent Judgment except: (1) as provided for in a State-Subdivision Agreement, Allocation Statute, or Statutory Trust with respect to intrastate allocation; or (2) in the absence of a State-Subdivision Agreement, Allocation Statute, or Statutory Trust, as to allegations that: (a) the Settling State's use of Abatement Accounts Fund monies were not used for uses similar to or in the nature of those uses contained in Exhibit E; or (b) a Settling State failed to pay funds directly from the Abatement Accounts Fund to a Participating Subdivision eligible to receive a block grant pursuant to subsection VI.E.2.b.

2. A Settling State shall have enforcement rights against a Participating Subdivision located in its territory: (1) as provided for in a State-Subdivision Agreement, Allocation Statute, or Statutory Trust; or (2) in the absence of a State-Subdivision Agreement, Allocation Statute, or Statutory Trust, as to allegations that the uses of Abatement Accounts Fund monies by Participating Subdivisions listed on Exhibit G were not for uses similar to or in the nature of those uses contained in Exhibit E.

3. As between Settling States and Participating Subdivisions, the above rights are contractual in nature and nothing herein is intended to limit, restrict, change, or alter any other existing rights under law.

E. *Subdivision Payment Enforcement.* A Participating Subdivision shall have the same right as a Settling State pursuant to subsection XII.F.4.a(4) to seek resolution of any failure by Janssen to make its required base and/or incentive payments in a Payment Year.

F. *Other Dispute Resolution Terms.*

1. Except as provided in subsection XII.C, the parties to a dispute shall promptly meet and confer in good faith to resolve any dispute. If the parties cannot resolve the dispute informally, and unless otherwise agreed in writing, they shall follow the remaining provisions of this subsection XII.F to resolve the dispute.

2. Except as provided in subsections XII.C and XII.F.4, disputes not resolved informally shall be resolved in either the court that entered the relevant Consent Judgment or, if no Consent Judgment was entered, a state or territorial court with jurisdiction located wherever the seat of state government is located. State court proceedings shall be governed by the rules and procedures of the forum. For the avoidance of doubt, disputes to be resolved in state court include, but are not limited to, the following:

a. disputes concerning whether expenditures qualify for Opioid Remediation;

b. disputes between a Settling State and Participating Subdivisions located in such Settling State as provided by subsection XII.D, except to the extent the State-Subdivision Agreement provides for other dispute resolution mechanisms. For the avoidance of doubt, disputes between a Settling State and any Participating Subdivision shall not be considered National Disputes;

c. whether this Agreement and relevant Consent Judgment are binding under state law;

d. the extent of the Attorney General's or other participating entity's authority under state law, including the extent of the authority to release claims;

e. whether the requirements of a Bar, a Case-Specific Resolution, State-Specific Finality, Later Litigating Subdivision, Litigating Subdivision, or a Threshold Motion have been met; and

f. all other disputes not specifically identified in subsections XII.C and XII.F.4.

3. Any Party may request that the National Arbitration Panel provide an interpretation of any provision of the settlement that is relevant to the state court determination, and the National Arbitration Panel shall make reasonable best efforts to supply such interpretation within the earlier of thirty (30) days or the time period required by the state court proceedings. Any Party may submit that interpretation to the state court to the extent permitted by, and for such weight provided by, the state court's rules and procedures. If requested by a Party, the National Arbitration Panel shall request that its interpretation be accepted in the form of an amicus curiae brief, and any attorneys' fees and costs for preparing any such filing shall be paid for by the requesting Party.

4. National Disputes involving a Settling State, Participating Subdivision, and/or Janssen shall be resolved by a National Arbitration Panel.

a. "*National Disputes*" are disputes that are exceptions to subsection XII.F.2's presumption of resolution in state courts because they involve issues of interpretation of Agreement terms applicable to all Settling States without reference to a particular State's law. Disputes between a State and any Participating Subdivisions shall not be considered National Disputes. National Disputes are limited to the following:

(1) the amount of offset and/or credit attributable to Non-Settling States and Tribes;

(2) issues involving the scope and definition of "Product";

(3) interpretation and application of the terms "Covered Conduct" and "Released Entities";

(4) disputes over a given year's payment or the payment of the Additional Restitution Amount to all Settling States (for the avoidance of doubt, disputes between a Settling State and Janssen over the amounts owed to only that State shall not be considered National Disputes);

(5) questions regarding the performance and/or removal of the Settlement Fund Administrator;

(6) disputes involving liability of successor entities;

(7) disputes that require a determination of sufficient Subdivision and Special District participation to qualify for Incentives A, B, C, or D, as well as disputes over qualification for Participation Tiers;

(8) disputes that require interpretation of Agreement terms (i) that concretely affect four (4) or more Settling States; and (ii) do not turn on unique definitions and interpretations under State law; and

(9) any dispute subject to resolution under subsection XII.F.2 but for which all parties to the dispute agree to arbitration before the National Arbitration Panel under the provisions of this subsection XII.F.4.

b. The "*National Arbitration Panel*" shall be comprised of three (3) neutral arbitrators. One (1) arbitrator shall be chosen by Janssen, one (1) arbitrator shall be chosen by the Enforcement Committee with due input from Participating Subdivisions, and the third arbitrator shall be agreed upon by the first two (2) arbitrators. The membership of the National Arbitration Panel is intended to remain constant throughout the term of this Agreement, but in the event that replacements are required, the retiring arbitrator shall be replaced by the party that selected him/her.

(1) The National Arbitration Panel shall make reasonable best efforts to decide all matters within one hundred eighty (180) days of filing, and in no event shall it take longer than one (1) year.

(2) The National Arbitration Panel shall conduct all proceedings in a reasonably streamlined process consistent with an opportunity for the parties to be heard. Issues shall be resolved without the need for live witnesses where feasible, and with a presumption in favor of remote participation to minimize the burdens on the parties.

(3) To the extent allowed under state law, a Settling State, Participating Subdivision, and (at any party's request) the National

Arbitration Panel may certify to an appropriate state court any question of state law. The National Arbitration Panel shall be bound by a final state court determination of such a certified question. The time period for the arbitration shall be tolled during the course of the certification process.

(4) The arbitrators will give due deference to any authoritative interpretation of state law, including any declaratory judgment or similar relief obtained by a Settling State, Participating Subdivision, or Janssen on a state law issue.

(5) The decisions of the National Arbitration Panel shall be binding on Settling States, Participating Subdivisions, Janssen, and the Settlement Fund Administrator. In any proceeding before the National Arbitration Panel involving a dispute between a Settling State and Janssen whose resolution could prejudice the rights of a Participating Subdivision(s) or Participating Special District(s) in that Settling State, such Participating Subdivision(s) or Participating Special District(s) shall be allowed to file a statement of view in the proceeding.

c. Nothing herein shall be construed so as to limit or otherwise restrict a State from seeking injunctive or other equitable relief in state court to protect the health, safety, or welfare of its citizens.

d. Each party shall bear its own costs in any arbitration or court proceeding arising under this subsection XII.F. The costs for the arbitrators on the National Arbitration Panel shall be divided and paid equally by the disputing sides for each individual dispute, *e.g.*, a dispute between Janssen and Setting States/Participating Subdivisions shall be split 50% by Janssen and 50% by the Settling States/Participating Subdivisions that are parties to the dispute; a dispute between a Settling State and a Participating Subdivision shall be split 50% by the Settling State and 50% by any Participating Subdivisions that are party to the dispute.

5. Prior to initiating an action to enforce pursuant to this subsection XII.F, the complaining party must:

a. Provide written notice to the Enforcement Committee of its complaint, including the provision of the Consent Judgment and/or Agreement that the practice appears to violate, as well as the basis for its interpretation of the disputed provision. The Enforcement Committee shall establish a reasonable process and timeline for obtaining additional information from the involved parties; *provided, however*, that the date the Enforcement Committee establishes for obtaining additional information from the parties shall not be more than forty-five (45) days following the notice.

The Enforcement Committee may advise the involved parties of its views on the complaint and/or seek to resolve the complaint informally.

b. Wait to commence any enforcement action until thirty (30) days after the date that the Enforcement Committee establishes for obtaining additional information from the involved parties.

6. If the parties to a dispute cannot agree on the proper forum for resolution of the dispute under the provisions of subsections XII.F.2 or XII.F.4, a committee comprising the Enforcement Committee and sufficient representatives of Janssen such that the members of the Enforcement Committee have a majority of one (1) member will determine the forum where the dispute will be initiated within twenty-eight (28) days of receiving notification of the dispute relating to the proper forum. The forum identified by such committee shall be the sole forum for determining where the dispute shall be heard, and the committee's identification of such forum shall not be entitled to deference by the forum selected.

G. *No Effect*. Nothing in this Agreement shall be interpreted to limit the Settling State's Civil Investigative Demand ("CID") or investigative subpoena authority, to the extent such authority exists under applicable state law and the CID or investigative subpoena is issued pursuant to such authority, and Janssen reserves all of its rights in connection with a CID or investigative subpoena issued pursuant to such authority.

XIII. Miscellaneous

A. *No Admission.* Janssen does not admit liability or wrongdoing. Neither this Agreement nor the Consent Judgments shall be considered, construed, or represented to be (1) an admission, concession, or evidence of liability or wrongdoing or (2) a waiver or any limitation of any defense otherwise available to Janssen.

B. *Population of Subdivisions*. The population figures for Subdivisions shall be the published U.S. Census Bureau's population estimates for July 1, 2019, released May 2020. These population figures shall remain unchanged during the term of this Agreement.

C. *Population of Special Districts*. For any purpose in this Agreement in which the population of a Special District is used, other than the use of "Covered Special District": (a) School Districts' population will be measured by the number of students enrolled who are eligible under the Individuals with Disabilities Education Act ("*IDEA*") or Section 504 of the Rehabilitation Act of 1973; (b) Health Districts' and Hospital Districts' population will be measured at 25% of discharges; and (c) all other Special Districts' (including Fire Districts' and Library Districts') population will be measured at 10% of the population served.

D. *Population Associated with Sheriffs*. For any purpose in this Agreement in which the population associated with a lawsuit by a sheriff is used, the population will be measured at 20% of the capacity of the jail(s) operated by the sheriff.

E. *Tax Reporting and Cooperation*.

1. Upon request by Janssen, the Settling States, Participating Subdivisions, and Participating Special Districts agree to perform such further acts and to execute and deliver such further documents as may be reasonably necessary for Janssen to establish the statements set forth in subsection VI.E.3 to the satisfaction of their tax advisors, their independent financial auditors, the Internal Revenue Service, or any other governmental authority, including as contemplated by Treasury Regulations Section 1.162-21(b)(3)(ii) and any subsequently proposed or finalized relevant regulations or administrative guidance.

2. Without limiting the generality of subsection VI.C.1, each Settling State, Participating Subdivision, and Participating Special District shall cooperate in good faith with Janssen with respect to any tax claim, dispute, investigation, audit, examination, contest, litigation, or other proceeding relating to this Agreement.

3. The Designated State, on behalf of all Settling States, Participating Subdivisions, and Participating Special Districts, shall designate one of its officers or employees to act as the "appropriate official" within the meaning of Treasury Regulations Section 1.6050X-1(f)(1)(ii)(B) (the "Appropriate Official").

4. For the avoidance of doubt, neither Janssen nor the Settling States, Participating Subdivisions, and Participating Special Districts make any warranty or representation to any Settling jurisdiction or Releasor as to the tax consequences of the payment of the Compensatory Restitution Amount (or any portion thereof).

F. *No Third-Party Beneficiaries.* Except as expressly provided in this Agreement, no portion of this Agreement shall provide any rights to, or be enforceable by, any person or entity that is not a Settling State or Released Entity. No Settling State may assign or otherwise convey any right to enforce any provision of this Agreement.

G. *Calculation*. Any figure or percentage referred to in this Agreement shall be carried to seven decimal places.

H. *Construction*. None of the Parties and no Participating Subdivision shall be considered to be the drafter of this Agreement or of any of its provisions for the purpose of any statute, case law, or rule of interpretation or construction that would or might cause any provision to be construed against the drafter of this Agreement. The headings of the provisions of this Agreement are not binding and are for reference only and do not limit, expand, or otherwise affect the contents or meaning of this Agreement.

I. *Cooperation*. Each Party and each Participating Subdivision agrees to use its best efforts and to cooperate with the other Parties and Participating Subdivisions to cause this Agreement and the Consent Judgments to become effective, to obtain all necessary approvals, consents and authorizations, if any, and to execute all documents and to take such other action as may be appropriate in connection herewith. Consistent with the foregoing, each Party and each Participating Subdivision agrees that it will not directly or indirectly assist or encourage any challenge to this Agreement or any Consent Judgment by any other person, and will support the integrity and enforcement of the terms of this Agreement and the Consent Judgments.

J. *Entire Agreement*. This Agreement, its exhibits and any other attachments, including the attorneys' fees and cost agreement in Exhibit R, embodies the entire agreement and understanding between and among the Parties and Participating Subdivisions relating to the subject matter hereof and supersedes (1) all prior agreements and understandings relating to such subject matter, whether written or oral and (2) all purportedly contemporaneous oral agreements and understandings relating to such subject matter.

K. *Execution*. This Agreement may be executed in counterparts and by different signatories on separate counterparts, each of which shall be deemed an original, but all of which shall together be one and the same Agreement. One or more counterparts of this Agreement may be delivered by facsimile or electronic transmission with the intent that it or they shall constitute an original counterpart hereof. One or more counterparts of this Agreement may be signed by electronic signature.

L. *Good Faith and Voluntary Entry*. Each Party warrants and represents that it negotiated the terms of this Agreement in good faith. Each of the Parties and signatories to this Agreement warrants and represents that it freely and voluntarily entered into this Agreement without any degree of duress or compulsion. The Parties state that no promise of any kind or nature whatsoever (other than the written terms of this Agreement) was made to them to induce them to enter into this Agreement.

M. *No Prevailing Party.* The Parties each agree that they are not the prevailing party in this action, for purposes of any claim for fees, costs, or expenses as prevailing parties arising under common law or under the terms of any statute, because the Parties have reached a good faith settlement. The Parties each further waive any right to challenge or contest the validity of this Agreement on any ground, including, without limitation, that any term is unconstitutional or is preempted by, or in conflict with, any current or future law.

N. *Non-Admissibility.* The settlement negotiations resulting in this Agreement have been undertaken by the Parties and by certain representatives of the Participating Subdivisions in good faith and for settlement purposes only, and no evidence of negotiations or discussions underlying this Agreement shall be offered or received in evidence in any action or proceeding for any purpose. This Agreement shall not be offered or received in evidence in any action or proceeding for any purpose other than in an action or proceeding arising under or relating to this Agreement.

O. *Notices.* All notices or other communications under this Agreement shall be in writing (including but not limited to electronic communications) and shall be given to the recipients indicated below:

1. For the Attorney(s) General:

Ashley Moody,
Attorney General
State of Florida
The Capitol,
PL-01
Tallahassee, FL 32399

Josh Stein, Attorney General
North Carolina Department of Justice
Attn: Daniel Mosteller
PO Box 629
Raleigh, NC 27602
Dmosteller@ncdoj.gov

2. For the Plaintiffs' Executive Committee:

Paul F. Farrell
Farrell Law
P.O. Box 1180
Huntington, WV 25714-1180

Jayne Conroy
Simmons Hanly Conroy LLC
112 Madison Avenue, 7th Floor
New York, NY 10016-7416
JConroy@simmonsfirm.com

Joseph F. Rice
Motley Rice LLC
28 Bridgeside Blvd.
Mount Pleasant, SC 29464
jrice@motleyrice.com

Peter Mougey
Levin Papantonio Rafferty
316 South Baylen St.
Pensacola, FL 32502
pmougey@levinlaw.com

Paul J. Geller
Robbins Geller Rudman & Dowd LLP
120 East Palmetto Park Road
Boca Raton, FL 33432
PGeller@rgrdlaw.com

3. For Janssen:

Charles C. Lifland
O'Melveny & Myers LLP
400 South Hope Street, 18th Floor Los Angeles, CA 90071
Phone: (213) 430-6000
clifland@omm.com

Daniel R. Suvor
O'Melveny & Myers LLP
400 South Hope Street, 18th Floor Los Angeles, CA 90071
Phone: (213) 430-6000
dsuvor@omm.com

Any Party or the Plaintiffs' Executive Committee may change or add the contact information of the persons designated to receive notice on its behalf by notice given (effective upon the giving of such notice) as provided in this subsection.

P. *No Waiver*. The waiver of any rights conferred hereunder shall be effective only if made by written instrument executed by the waiving Party or Parties. The waiver by any Party of any breach of this Agreement shall not be deemed to be or construed as a waiver of any other breach, whether prior, subsequent, or contemporaneous, nor shall such waiver be deemed to be or construed as a waiver by any other Party.

Q. *Preservation of Privilege.* Nothing contained in this Agreement or any Consent Judgment, and no act required to be performed pursuant to this Agreement or any Consent Judgment, is intended to constitute, cause, or effect any waiver (in whole or in part) of any attorney-client privilege, work product protection, or common interest/joint defense privilege, and each Party agrees that it shall not make or cause to be made in any forum any assertion to the contrary.

R. *Successors*. This Agreement shall be binding upon, and inure to the benefit of, Janssen and its respective successors and assigns. Janssen shall not sell the majority of its voting stock or substantially all its assets without obtaining the acquiror's agreement that it will constitute a successor with respect to Janssen's obligations under this Agreement.

S. *Modification, Amendment, Alteration*. After the Reference Date, any modification, amendment, or alteration of this Agreement by the Parties shall be binding only if evidenced in writing signed by Janssen along with the signatures of at least thirty-seven (37) of those then-serving Attorneys General of the Settling States along with a representation from each Attorney General that either: (1) the advisory committee or similar entity established or recognized by that Settling State (either pursuant to subsection VI.E.2, by a State-Subdivision Agreement, or by statute) voted in favor of the modification, amendment, or alteration of this Agreement including at least one Participating Subdivision-appointed member; or (2) in States without any advisory committee, that 50.1% of the Participating Subdivisions by population expressed approval of the modification, amendment, or alteration of this Agreement in writing.

Provided, however, in the event the modification, amendment, or alteration relates to injunctive relief, interstate allocation between the Settling States, intrastate allocation in a particular Settling State, or fees or costs of Settling States and Participating Subdivisions, then every Settling State and each Participating Subdivision affected by that modification, amendment, or alteration must assent in writing. Provided further that, in the event the modification, amendment, or alteration relates to injunctive relief, then such amendment, modification, or alteration of injunctive relief against Janssen will not be effective unless and until any Consent Judgment is modified by a court of competent jurisdiction, except as otherwise provided by the Injunctive Terms.

T. *Termination.*

1. Unless otherwise agreed to by Janssen and the Settling State in question, this Agreement and all of its terms (except subsection XIII.N and any other non-admissibility provisions, which shall continue in full force and effect) shall be canceled and terminated with respect to the Settling State, and the Agreement and all orders issued by the courts in the Settling State pursuant to the Agreement shall become null and void and of no effect if one or more of the following conditions applies:

    a. A Consent Judgment approving this Agreement without modification of any of the Agreement's terms has not been entered as to the Settling State by a court of competent jurisdiction on or before one hundred eighty (180) days after the Effective Date; or

    b. This Agreement or the Consent Judgment as to that Settling State has been disapproved by a court of competent jurisdiction to which it was presented for approval and/or entry (or, in the event of an appeal from or review of a decision of such a court to approve this Agreement and the Consent Judgment, by the court hearing such appeal or conducting such review), and the time to appeal from such disapproval has expired, or, in the event of an appeal from such disapproval, the appeal has been dismissed or the disapproval has been affirmed by the court of last resort to which such appeal has been taken and such dismissal or disapproval has become no longer subject to further appeal (including, without limitation, review by the United States Supreme Court).

2. If this Agreement is terminated with respect to a Settling State and its Participating Subdivisions for whatever reason pursuant to subsection XIII.T.1, then:

    a. An applicable statute of limitation or any similar time requirement (excluding any statute of repose) shall be tolled from the date the Settling State signed this Agreement until the later of the time permitted by applicable law or for one year from the date of such termination, with the effect that Janssen and the Settling State in question shall be in the same position with respect to the statute of limitation as they were at the time the Settling State filed its action; and

b. Janssen and the Settling State and its Participating Subdivisions in question shall jointly move the relevant court of competent jurisdiction for an order reinstating the actions and claims dismissed pursuant to the terms of this Agreement governing dismissal, with the effect that Janssen and the Settling State and its Participating Subdivisions in question shall be in the same position with respect to those actions and claims as they were at the time the action or claim was stayed or dismissed.

3. Unless Janssen and the Enforcement Committee agree otherwise, this Agreement, with the exception of the Injunctive Relief Terms that have their own provisions on duration, shall terminate as to all Parties as of the Payment Date for Payment Year 9, *provided* that Janssen has performed its payment obligations under the Agreement as of that date. Notwithstanding any other provision in this Agreement, all releases under this Agreement will remain effective despite any termination under this paragraph.

U. *Governing Law.* Except (1) as otherwise provided in the Agreement or (2) as necessary, in the sole judgment of the National Arbitration Panel, to promote uniformity of interpretation for matters within the scope of the National Arbitration Panel's authority, this Agreement shall be governed by and interpreted in accordance with the respective laws of the Settling State, without regard to the conflict of law rules of such Settling State, that is seeking to enforce the Agreement against Janssen or against which Janssen is seeking enforcement. Notwithstanding any other provision in this subsection on governing law, any disputes relating to the Settlement Fund Escrow shall be governed by and interpreted in accordance with the law of the state where the escrow agent has its primary place of business.

DISTRIBUTOR SETTLEMENT AGREEMENT

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DISTRIBUTOR SETTLEMENT AGREEMENT

This Settlement Agreement, dated as of July 21, 2021 (the "*Agreement*"), sets forth the terms of settlement between and among the Settling States, the Settling Distributors, and the Participating Subdivisions (as those terms are defined below). Upon satisfaction of the conditions set forth in Section II and Section VIII, this Agreement will be binding on all Settling States, Settling Distributors, and Participating Subdivisions. This Agreement will then be filed as part of Consent Judgments in the respective courts of each of the Settling States, pursuant to the terms set forth in Section VIII.

I. Definitions

For all sections of this Agreement except Exhibit E and Exhibit P, the following definitions apply:

A. "*Abatement Accounts Fund*." The component of the Settlement Fund described in Section V.E.

B. "*Additional Restitution Amount*." The amount available to Settling States listed on Exhibit N totaling $282,692,307.70.

C. "*Agreement.*" This agreement, as set forth above. For the avoidance of doubt, this Agreement is inclusive of all exhibits.

D. "*Alleged Harms*." The alleged past, present, and future financial, societal, and public nuisance harms and related expenditures arising out of the alleged misuse and abuse of Products, non-exclusive examples of which are described in the documents listed on Exhibit A, that have allegedly arisen as a result of the physical and bodily injuries sustained by individuals suffering from opioid-related addiction, abuse, death, and other related diseases and disorders, and that have allegedly been caused by the Settling Distributors.

E. "*Allocation Statute*." A state law that governs allocation, distribution, and/or use of some or all of the Settlement Fund amounts allocated to that State and/or its Subdivisions. In addition to modifying the allocation set forth in Section V.D.2, an Allocation Statute may, without limitation, contain a Statutory Trust, further restrict expenditures of funds, form an advisory committee, establish oversight and reporting requirements, or address other default provisions and other matters related to the funds. An Allocation Statute is not required to address all three (3) types of funds comprising the Settlement Fund or all default provisions.

F. "*Annual Payment.*" The total amount payable to the Settlement Fund Administrator by the Settling Distributors on the Payment Date each year, as calculated by the Settlement Fund Administrator pursuant to Section IV.B.1.e. For the avoidance of doubt, this term does not include the Additional Restitution Amount or amounts paid pursuant to Section X.

G. "*Appropriate Official*." As defined in Section XIV.F.3.

H. "*Bankruptcy Code*." Title 11 of the United States Code, 11 U.S.C. § 101, et seq.

I. "*Bar*." Either: (1) a law barring Subdivisions in a State from maintaining Released Claims against Released Entities (either through a direct bar or through a grant of authority to release claims and the exercise of such authority in full) or (2) a ruling by the highest court of the State (or, in a State with a single intermediate court of appeals, the intermediate court of appeals when not subject to further review by the highest court of the State) setting forth the general principle that Subdivisions in the State may not maintain any Released Claims against Released Entities, whether on the ground of this Agreement (or the release in it) or otherwise. For the avoidance of doubt, a law or ruling that is conditioned or predicated upon payment by a Released Entity (apart from the Annual Payments by Settling Distributors under this Agreement) shall not constitute a Bar.

J. "*Case-Specific Resolution*." Either: (1) a law barring the Subdivision at issue from maintaining any Released Claims against any Released Entities (either through a direct bar or through a grant of authority to release claims and the exercise of such authority in full); or (2) a ruling by a court of competent jurisdiction over the Subdivision at issue that the Subdivision may not maintain any Released Claims at issue against any Released Entities, whether on the ground of this Agreement (or the release in it) or otherwise. For the avoidance of doubt, a law or ruling that is conditioned or predicated upon payment by a Released Entity (apart from the Annual Payments by Settling Distributors under this Agreement) shall not constitute a Case-Specific Resolution.

K. "*Claim*." Any past, present or future cause of action, claim for relief, cross-claim or counterclaim, theory of liability, demand, derivative claim, request, assessment, charge, covenant, damage, debt, lien, loss, penalty, judgment, right, obligation, dispute, suit, contract, controversy, agreement, *parens patriae* claim, promise, performance, warranty, omission, or grievance of any nature whatsoever, whether legal, equitable, statutory, regulatory or administrative, whether arising under federal, state or local common law, statute, regulation, guidance, ordinance or principles of equity, whether filed or unfiled, whether asserted or unasserted, whether known or unknown, whether accrued or unaccrued, whether foreseen, unforeseen or unforeseeable, whether discovered or undiscovered, whether suspected or unsuspected, whether fixed or contingent, and whether existing or hereafter arising, in all such cases, including, but not limited to, any request for declaratory, injunctive, or equitable relief, compensatory, punitive, or statutory damages, absolute liability, strict liability, restitution, abatement, subrogation, contribution, indemnity, apportionment, disgorgement, reimbursement, attorney fees, expert fees, consultant fees, fines, penalties, expenses, costs or any other legal, equitable, civil, administrative, or regulatory remedy whatsoever.

L. "*Claim-Over*." A Claim asserted by a Non-Released Entity against a Released Entity on the basis of contribution, indemnity, or other claim-over on any theory relating to a Non-Party Covered Conduct Claim asserted by a Releasor.

M. "*Compensatory Restitution Amount*." The aggregate amount paid or incurred by the Settling Distributors hereunder other than amounts paid as attorneys' fees and costs or identified pursuant to Section V.B.2 as being used to pay attorneys' fees, investigation costs or litigation costs.

N. "*Consent Judgment.*" A state-specific consent judgment in a form to be agreed by the Settling States and the Settling Distributors prior to the Initial Participation Date that, among other things, (1) approves this Agreement and (2) provides for the release set forth in Section XI.A, including the dismissal with prejudice of any Released Claims that the Settling State has brought against Released Entities.

O. "*Covered Conduct.*" Any actual or alleged act, failure to act, negligence, statement, error, omission, breach of any duty, conduct, event, transaction, agreement, misstatement, misleading statement or other activity of any kind whatsoever from the beginning of time through the Reference Date (and any past, present, or future consequence of any such act, failure to act, negligence, statement, error, omission, breach of duty, conduct, event, transaction, agreement, misstatement, misleading statement or other activity) relating in any way to (1) the discovery, development, manufacture, packaging, repackaging, marketing, promotion, advertising, labeling, recall, withdrawal, distribution, delivery, monitoring, reporting, supply, sale, prescribing, dispensing, physical security, warehousing, use or abuse of, or operating procedures relating to, any Product, or any system, plan, policy or advocacy relating to any Product or class of Products, including, but not limited to, any unbranded promotion, marketing, programs, or campaigns relating to any Product or class of Products; (2) the characteristics, properties, risks, or benefits of any Product; (3) the reporting, disclosure, non-reporting or non-disclosure to federal, state or other regulators of orders placed with any Released Entity; or (4) diversion control programs or suspicious order monitoring; *provided*, *however*, that as to any Claim that a Releasor has brought or could bring, Covered Conduct does not include non-compliance with statutory or administrative supply security standards concerning cleanliness of facilities or stopping counterfeit products, so long as such standards apply to the storage and distribution of both controlled and non-controlled pharmaceuticals.

P. "*Designated State.*" New York.

Q. "*Effective Date.*" The date sixty (60) calendar days after the Reference Date.

R. "*Enforcement Committee.*" A committee consisting of representatives of the Settling States and of the Participating Subdivisions. Exhibit B contains the organizational bylaws of the Enforcement Committee. Notice pursuant to Section XIV.Q shall be provided when there are changes in membership or contact information.

S. "*Final Order.*" An order or judgment of a court of competent jurisdiction with respect to the applicable subject matter (1) which has not been reversed or superseded by a modified or amended order, is not currently stayed, and as to which any right to appeal or seek certiorari, review, reargument, stay, or rehearing has expired, and as to which no appeal or petition for certiorari, review, reargument, stay, or rehearing is pending, or (2) as to which an appeal has been taken or petition for certiorari, review, reargument, stay, or rehearing has been filed and (a) such appeal or petition for certiorari, review, reargument, stay, or rehearing has been resolved by the highest court to which the order or judgment was appealed or from which certiorari, review, reargument, stay, or rehearing was sought, or (b) the time to appeal further or seek certiorari, review, reargument, stay, or rehearing has expired and no such further appeal or petition for certiorari, review, reargument, stay, or rehearing is pending.

T. "*Global Settlement Abatement Amount.*" The abatement amount of $19,045,384,616.

U. "*Global Settlement Amount.*" The Global Settlement Amount is $21 billion, which shall be divided into the Global Settlement Abatement Amount, the Additional Restitution Amount, and the Global Settlement Attorney Fee Amount.

V. "*Global Settlement Attorney Fee Amount.*" The attorney fee amount of $1,671,923,077.

W. "*Incentive Payment A.*" The incentive payment described in Section IV.F.1.

X. "*Incentive Payment B.*" The incentive payment described in Section IV.F.2.

Y. "*Incentive Payment C.*" The incentive payment described in Section IV.F.3.

Z. "*Incentive Payment D.*" The incentive payment described in Section IV.F.4.

AA. "*Incentive Payment Final Eligibility Date.*" With respect to a Settling State, the date that is the earlier of (1) the fifth Payment Date, (2) the date of completion of opening statements in a trial of any action brought by a Subdivision in that State that includes a Released Claim against a Released Entity when such date is more than two (2) years after the Effective Date, or (3) two (2) years after the Effective Date in the event a trial of an action brought by a Subdivision in that State that includes a Released Claim against a Released Entity began after the Initial Participation Date but before two (2) years after the Effective Date.

BB. "*Initial Participating Subdivision.*" A Subdivision that meets the requirements set forth in Section VII.D.

CC. "*Initial Participation Date.*" The date one hundred twenty (120) calendar days after the Preliminary Agreement Date, unless it is extended by written agreement of the Settling Distributors and the Enforcement Committee.

DD. "*Injunctive Relief Terms.*" The terms described in Section III and set forth in Exhibit P.

EE. "*Later Litigating Subdivision.*" A Subdivision (or Subdivision official asserting the right of or for the Subdivision to recover for alleged harms to the Subdivision and/or the people thereof) that: (1) first files a lawsuit bringing a Released Claim against a Released Entity after the Trigger Date; or (2) adds a Released Claim against a Released Entity after the Trigger Date to a lawsuit brought before the Trigger Date that, prior to the Trigger Date, did not include any Released Claims against a Released Entity; or (3) (a) was a Litigating Subdivision whose Released Claims against Released Entities were resolved by a legislative Bar or legislative Case-Specific Resolution as of the Trigger Date, (b) such legislative Bar or legislative Case-Specific Resolution is subject to a Revocation Event after the Trigger Date, and (c) the earlier of the date of completion of opening statements in a trial in an action brought by a Subdivision in that State that includes a Released Claim against a Released Entity or one hundred eighty (180) days from the Revocation Event passes without a Bar or Case-Specific

Resolution being implemented as to that Litigating Subdivision or the Litigating Subdivision's Released Claims being dismissed; or (4) (a) was a Litigating Subdivision whose Released Claims against Released Entities were resolved by a judicial Bar or judicial Case-Specific Resolution as of the Trigger Date, (b) such judicial Bar or judicial Case-Specific Resolution is subject to a Revocation Event after the Trigger Date, and (c) such Litigating Subdivision takes any action in its lawsuit asserting a Released Claim against a Released Entity other than seeking a stay or dismissal.

FF. "*Later Participating Subdivision.*" A Participating Subdivision that is not an Initial Participating Subdivision, but meets the requirements set forth in Section VII.E.

GG. "*Litigating Subdivision*." A Subdivision (or Subdivision official) that brought any Released Claim against any Released Entity prior to the Trigger Date; *provided*, *however*, that a Subdivision (or Subdivision official) that is a Prior Litigating Subdivision shall not be considered a Litigating Subdivision. Exhibit C is an agreed list of all Litigating Subdivisions. Exhibit C will be updated (including with any corrections) periodically, and a final version of Exhibit C will be attached hereto as of the Reference Date.

HH. "*National Arbitration Panel.*" The panel comprised as described in Section VI.F.2.b.

II. "*National Disputes.*" As defined in Section VI.F.2.a.

JJ. "*Net Abatement Amount.*" The Global Settlement Abatement Amount as reduced by the Tribal/W. Va. Subdivision Credit.

KK. "*Net Settlement Prepayment Amount*." As defined in Section IV.J.1.

LL. "*Non-Litigating Subdivision*." Any Subdivision that is neither a Litigating Subdivision nor a Later Litigating Subdivision.

MM. "*Non-Participating Subdivision*." Any Subdivision that is not a Participating Subdivision.

NN. "*Non-Party Covered Conduct Claim*." A Claim against any Non-Released Entity involving, arising out of, or related to Covered Conduct (or conduct that would be Covered Conduct if engaged in by a Released Entity).

OO. "*Non-Party Settlement*." A settlement by any Releasor that settles any Non-Party Covered Conduct Claim and includes a release of any Non-Released Entity.

PP. "*Non-Released Entity*." An entity that is not a Released Entity.

QQ. "*Non-Settling State.*" Any State that is not a Settling State.

RR. "*Offset Cap.*" The per-State dollar amount which the dollar-for-dollar offset described in Section XII.A cannot exceed in a Payment Year, to be calculated by multiplying the amount of the relevant Annual Payment apportioned to the State and to its Subdivisions for that Payment Year by the percentage for the applicable Participation Tier as set forth in Exhibit D.

SS. "*Opioid Remediation*." Care, treatment, and other programs and expenditures (including reimbursement for past such programs or expenditures[1] except where this Agreement restricts the use of funds solely to future Opioid Remediation) designed to (1) address the misuse and abuse of opioid products, (2) treat or mitigate opioid use or related disorders, or (3) mitigate other alleged effects of, including on those injured as a result of, the opioid epidemic. Exhibit E provides a non-exhaustive list of expenditures that qualify as being paid for Opioid Remediation. Qualifying expenditures may include reasonable related administrative expenses.

TT. "*Opioid Tax*." Any tax, assessment, license fee, surcharge or any other fee (other than a fixed prospective excise tax or similar tax or fee that has no restriction on pass-through) imposed by a State on a Settling Distributor on the sale, transfer or distribution of opioid products; *provided*, *however*, that neither the Excise Tax on sale of Opioids, Article 20-D of New York's Tax Law nor the Opioid Stewardship Act, Article 33, Title 2-A of New York's Public Health Law shall be considered an Opioid Tax for purposes of this Agreement.

UU. "*Overall Allocation Percentage*." A Settling State's percentage as set forth in Exhibit F. The aggregate Overall Allocation Percentages of all States (including Settling States and Non-Settling States) shall equal one hundred percent (100%).

VV. "*Participating Subdivision.*" Any Subdivision that meets the requirements for becoming a Participating Subdivision under Section VII.B and Section VII.C. Participating Subdivisions include both Initial Participating Subdivisions and Later Participating Subdivisions.

WW. "*Participation Tier*." The level of participation in this Agreement as determined pursuant to Section VIII.C using the criteria set forth in Exhibit H.

XX. "*Parties*." The Settling Distributors and the Settling States (each, a "*Party*").

YY. "*Payment Date.*" The date on which the Settling Distributors make the Annual Payment pursuant to Section IV.B.

ZZ. "*Payment Year.*" The calendar year during which the applicable Annual Payment is due pursuant to Section IV.B. Payment Year 1 is 2021, Payment Year 2 is 2022 and so forth. References to payment "*for a Payment Year*" mean the Annual Payment due during that year. References to eligibility "*for a Payment Year*" mean eligibility in connection with the Annual Payment due during that year.

AAA. "*Preliminary Agreement Date*." The date on which the Settling Distributors are to inform the Settling States of their determination whether the condition in Section II.B has been satisfied. The Preliminary Agreement Date shall be no more than fourteen (14) calendar days after the end of the notice period to States, unless it is extended by written agreement of the Settling Distributors and the Enforcement Committee.

[1] Reimbursement includes amounts paid to any governmental entities for past expenditures or programs.

BBB. "*Prepayment Notice.*" As defined in Section IV.J.1.

CCC. "*Primary Subdivision.*" A Subdivision that is a General Purpose Government (including, but not limited to, a municipality, county, county subdivision, city, town, township, parish, village, borough, gore, or any other entities that provide municipal-type government) with population over 10,000; *provided*, *however*, that as used in connection with Incentive Payment C, the population threshold is 30,000. Attached as Exhibit I is an agreed list of the Primary Subdivisions in each State.

DDD. "*Prior Litigating Subdivision*" A Subdivision (or Subdivision official) that brought any Released Claim against any Released Entity prior to the Trigger Date and all such Released Claims were separately settled or finally adjudicated prior to the Trigger Date; *provided*, *however*, that if the final adjudication was pursuant to a Bar, such Subdivision shall not be considered a Prior Litigating Subdivision. Notwithstanding the prior sentence, the Settling Distributors and the Settling State of the relevant Subdivision may agree in writing that the Subdivision shall not be considered a Prior Litigating Subdivision.

EEE. "*Product*." Any chemical substance, whether used for medicinal or non-medicinal purposes, and whether natural, synthetic, or semi-synthetic, or any finished pharmaceutical product made from or with such substance, that is: (1) an opioid or opiate, as well as any product containing any such substance; or (2) benzodiazepine, carisoprodol, or gabapentin; or (3) a combination or "cocktail" of chemical substances prescribed, sold, bought, or dispensed to be used together that includes opioids or opiates. "Product" shall include, but is not limited to, any substance consisting of or containing buprenorphine, codeine, fentanyl, hydrocodone, hydromorphone, meperidine, methadone, morphine, oxycodone, oxymorphone, tapentadol, tramadol, opium, heroin, carfentanil, diazepam, estazolam, quazepam, alprazolam, clonazepam, oxazepam, flurazepam, triozolam, temazepam, midazolam, carisoprodol, gabapentin, or any variant of these substances or any similar substance. Notwithstanding the foregoing, nothing in this section prohibits a Settling State from taking administrative or regulatory action related to benzodiazepine (including, but not limited to, diazepam, estazolam, quazepam, alprazolam, clonazepam, oxazepam, flurazepam, triozolam, temazepam, and midazolam), carisoprodol, or gabapentin that is wholly independent from the use of such drugs in combination with opioids, *provided* such action does not seek money (including abatement and/or remediation) for conduct prior to the Effective Date.

FFF. "*Reference Date.*" The date on which the Settling Distributors are to inform the Settling States of their determination whether the condition in Section VIII has been satisfied. The Reference Date shall be no later than thirty (30) calendar days after the Initial Participation Date, unless it is extended by written agreement of the Settling Distributors and the Enforcement Committee.

GGG. "*Released Claims*." Any and all Claims that directly or indirectly are based on, arise out of, or in any way relate to or concern the Covered Conduct occurring prior to the Reference Date. Without limiting the foregoing, Released Claims include any Claims that have been asserted against a Settling Distributor by any Settling State or Litigating Subdivision in any federal, state, or local action or proceeding (whether judicial, arbitral, or administrative) based on, arising out of, or relating to, in whole or in part, the Covered Conduct, or any such Claims that could be or could have been asserted now or in the future in those actions or in any comparable action or proceeding brought by a State, Subdivision, or Releasor (whether or not such State, Subdivision, or Releasor has brought such action or proceeding). Released Claims also include all Claims asserted in any proceeding to be dismissed pursuant to this Agreement, whether or not such claims relate to Covered Conduct. The Parties intend that this term, "Released Claims," be interpreted broadly. This Agreement does not release Claims by private individuals. It is the intent of the Parties that Claims by private individuals be treated in accordance with applicable law. Released Claims is also used herein to describe claims brought by a Later Litigating Subdivision or other non-party Subdivision that would have been Released Claims if they had been brought by a Releasor against a Released Entity.

HHH. "*Released Entities.*" With respect to Released Claims, the Settling Distributors and (1) all past and present subsidiaries, divisions, predecessors, successors, and assigns (in each case, whether direct or indirect) of each Settling Distributor; (2) all past and present subsidiaries and divisions (in each case, whether direct or indirect) of any entity described in subsection (1); (3) the respective past and present officers, directors, members, trustees, and employees of any of the foregoing (each for actions that occurred during and related to their work for, or employment with, any of the Settling Distributors or the foregoing entities); (4) all past and present joint ventures (whether direct or indirect) of each Settling Distributor or its subsidiaries, including in any Settling Distributor or subsidiary's capacity as a participating member in such joint venture; (5) all direct or indirect parents and shareholders of the Settling Distributors (solely in their capacity as parents or shareholders of the applicable Settling Distributor with respect to Covered Conduct); and (6) any insurer of any Settling Distributor or any person or entity otherwise described in subsections (1)-(5) (solely in its role as insurer of such person or entity and subject to the last sentence of Section XI.C). Any person or entity described in subsections (3)-(6) shall be a Released Entity solely in the capacity described in such clause and shall not be a Released Entity with respect to its conduct in any other capacity. For the avoidance of doubt, CVS Health Corp., Walgreens Boots Alliance, Inc., and Walmart Inc. (collectively, the "*Pharmacies*") are not Released Entities, nor are their direct or indirect past or present subsidiaries, divisions, predecessors, successors, assigns, joint ventures, shareholders, officers, directors, members, trustees, or employees (shareholders, officers, directors, members, trustees, and employees for actions related to their work for, employment with, or involvement with the Pharmacies) Released Entities. Notwithstanding the prior sentence, any joint venture or past or present subsidiary of a Settling Distributor is a Released Entity, including any joint venture between a Settling Distributor or any Settling Distributor's subsidiary and a Pharmacy (or any subsidiary of a Pharmacy); *provided*, *however*, that any joint venture partner of a Settling Distributor or a Settling Distributor's subsidiary is not a Released Entity unless it falls within subsections (1)-(6) above. Lists of Settling Distributors' subsidiaries, joint ventures, and predecessor entities are appended to this Agreement as Exhibit J. With respect to joint ventures (including predecessor entities), only entities listed on Exhibit J are Released Entities. With respect to wholly-owned subsidiaries (including predecessor entities), Exhibit J represents a good faith effort by the Settling Distributors to list all such entities, but any and all wholly-owned subsidiaries (including predecessor entities) of any Settling Distributor are Released Entities, whether or not they are listed on Exhibit J. For the avoidance of doubt, any entity acquired, or joint venture entered into, by a Settling Distributor after the Reference Date is not a Released Entity.

III. "*Releasors*." With respect to Released Claims, (1) each Settling State; (2) each Participating Subdivision; and (3) without limitation and to the maximum extent of the power of each Settling State's Attorney General and/or Participating Subdivision to release Claims, (a) the Settling State's and Participating Subdivision's departments, agencies, divisions, boards, commissions, Subdivisions, districts, instrumentalities of any kind and attorneys, including its Attorney General, 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, (b) any public entities, public instrumentalities, public educational institutions, unincorporated districts, fire districts, irrigation districts, and other Special Districts in a Settling State, and (c) any person or entity acting in a *parens patriae*, sovereign, quasi-sovereign, private attorney general, *qui tam*, taxpayer, or other capacity seeking relief on behalf of or generally applicable to the general public with respect to a Settling State or Subdivision in a Settling State, whether or not any of them participate in this Agreement. The inclusion of a specific reference to a type of entity in this definition shall not be construed as meaning that the entity is not a Subdivision. Each Settling State's Attorney General represents that he or she has or has obtained (or will obtain no later than the Initial Participation Date) the authority set forth in Section XI.G. In addition to being a Releasor as provided herein, a Participating Subdivision shall also provide the Subdivision Settlement Participation Form referenced in Section VII providing for a release to the fullest extent of the Participating Subdivision's authority.

JJJ. "*Revocation Event*." With respect to a Bar, Settlement Class Resolution, or Case-Specific Resolution, a revocation, rescission, reversal, overruling, or interpretation that in any way limits the effect of such Bar, Settlement Class Resolution, or Case-Specific Resolution on Released Claims, or any other action or event that otherwise deprives the Bar, Settlement Class Resolution, or Case-Specific Resolution of force or effect in any material respect.

KKK. "*Settlement Class Resolution.*" A class action resolution in a court of competent jurisdiction in a Settling State (that is not successfully removed to federal court) with respect to a class of Subdivisions in that State that (1) conforms with that Settling State's statutes, case law, and rules of procedure regarding class actions; (2) is approved and entered as an order of a court of competent jurisdiction in that State and such order has become a Final Order; (3) is binding on all Non-Participating Subdivisions in that State (other than opt outs as permitted under the next sentence); (4) provides that all such Non-Participating Subdivisions may not bring any Released Claims against any Released Entities, whether on the ground of this Agreement (or the releases herein) or otherwise; and (5) does not impose any costs or obligations on Settling Distributors other than those provided for in this Agreement, or contain any provision inconsistent with any provision of this Agreement. If applicable state law requires that opt-out rights be afforded to members of the class, a class action resolution otherwise meeting the foregoing requirements shall qualify as a Settlement Class Resolution unless Subdivisions collectively representing more than one percent (1%) of the total population of that State opt out. In seeking certification of any Settlement Class, the applicable State and Participating Subdivisions shall make clear that certification is sought solely for settlement purposes and shall have no applicability beyond approval of the settlement for which certification is sought. Nothing in this Agreement constitutes an admission by any Party that class certification would be appropriate for litigation purposes in any case or for purposes unrelated to this Agreement.

LLL. "*Settlement Fund*." The interest-bearing fund established pursuant to this Agreement into which the Annual Payments are made under Section IV.

MMM. "*Settlement Fund Administrator.*" The entity that annually determines the Annual Payment (including calculating Incentive Payments pursuant to Section IV and any amounts subject to suspension, offset, or reduction pursuant to Section XII and Section XIII), annually determines the Participation Tier pursuant to Section VIII.C, administers the Settlement Fund, and distributes amounts into the Abatement Accounts Fund, State Fund, and Subdivision Fund pursuant to this Agreement. The duties of the Settlement Fund Administrator shall be governed by this Agreement. Prior to the Initial Participation Date, the Settling Distributors and the Enforcement Committee shall agree to selection and removal processes for and the identity of the Settlement Fund Administrator, and a detailed description of the Settlement Fund Administrator's duties and responsibilities, including a detailed mechanism for paying the Settlement Fund Administrator's fees and costs, all of which shall be appended to the Agreement as Exhibit L.

NNN. "*Settlement Fund Escrow*." The interest-bearing escrow fund established pursuant to this Agreement to hold disputed or suspended payments made under this Agreement, and to hold the first Annual Payment until the Effective Date.

OOO. "*Settlement Payment Schedule*." The schedule attached to this Agreement as Exhibit M.

PPP. "*Settlement Prepayment.*" As defined in Section IV.J.1.

QQQ. "*Settlement Prepayment Reduction Schedule.*" As defined in Section IV.J.1.

RRR. "*Settling Distributors*." McKesson Corporation, Cardinal Health, Inc., and AmerisourceBergen Corporation (each, a "*Settling Distributor*").

SSS. "*Settling State.*" A State that has entered into this Agreement with all Settling Distributors and delivers executed releases in accordance with Section VIII.A.

TTT. "*State*." With the exception of West Virginia, which has addressed its claims separately and is excluded from participation in this Agreement, the states, commonwealths, and territories of the United States of America, as well as the District of Columbia. The 55 States are listed in Exhibit F. Additionally, the use of non-capitalized "state" to describe something (*e.g.*, "state court") shall also be read to include parallel entities in commonwealths, territories, and the District of Columbia (*e.g.*, "territorial court").

UUU. "*State Fund*." The component of the Settlement Fund described in Section V.C.

VVV. "*State-Subdivision Agreement*." An agreement that a Settling State reaches with the Subdivisions in that State regarding the allocation, distribution, and/or use of funds allocated to that State and to its Subdivisions. A State-Subdivision Agreement shall be effective if approved pursuant to the provisions of Exhibit O or if adopted by statute. Preexisting agreements addressing funds other than those allocated pursuant to this Agreement shall qualify if the approval requirements of Exhibit O are met. A State and its Subdivisions may revise a State-Subdivision Agreement if approved pursuant to the provisions of Exhibit O, or if such revision is adopted by statute.

WWW. "*Statutory Trust*." A trust fund established by state law to receive funds allocated to a Settling State's Abatement Accounts Fund and restrict any expenditures made using funds from such Settling State's Abatement Accounts Fund to Opioid Remediation, subject to reasonable administrative expenses. A State may give a Statutory Trust authority to allocate one (1) or more of the three (3) types of funds comprising such State's Settlement Fund, but this is not required.

XXX. "*Subdivision*." Any (1) General Purpose Government (including, but not limited to, a municipality, county, county subdivision, city, town, township, parish, village, borough, gore, or any other entities that provide municipal-type government), School District, or Special District within a State, and (2) any other subdivision or subdivision official or sub-entity of or located within a State (whether political, geographical or otherwise, whether functioning or non-functioning, regardless of population overlap, and including, but not limited to, Nonfunctioning Governmental Units and public institutions) that has filed a lawsuit that includes a Released Claim against a Released Entity in a direct, *parens patriae*, or any other capacity. "General Purpose Government," "School District," and "Special District" shall correspond to the "five basic types of local governments" recognized by the U.S. Census Bureau and match the 2017 list of Governmental Units.[2] The three (3) General Purpose Governments are county, municipal, and township governments; the two (2) special purpose governments are School Districts and Special Districts.[3] "Fire District," "Health District," "Hospital District," and "Library District" shall correspond to categories of Special Districts recognized by the U.S. Census Bureau.[4] References to a State's Subdivisions or to a Subdivision "in," "of," or "within" a State include Subdivisions located within the State even if they are not formally or legally a sub-entity of the State; *provided*, *however*, that a "Health District" that includes any of the following words or phrases in its name shall not be considered a Subdivision: mosquito, pest, insect, spray, vector, animal, air quality, air pollution, clean air, coastal water, tuberculosis, and sanitary.

YYY. "*Subdivision Allocation Percentage*." The portion of a Settling State's Subdivision Fund set forth in Exhibit G that a Subdivision will receive pursuant to Section V.C or Section V.D if it becomes a Participating Subdivision. The aggregate Subdivision Allocation

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[2] https://www.census.gov/data/datasets/2017/econ/gus/public-use-files.html

[3] *E.g.*, U.S. Census Bureau, "Technical Documentation: 2017 Public Use Files for State and Local Government Organization" at 7 (noting that "the Census Bureau recognizes five basic types of local governments," that three of those are "general purpose governments" (county governments, municipal governments, and township governments), and that the other two are "school district and special district governments"), https://www2.census.gov/programs-surveys/gus/datasets/2017/2017_gov_org_meth_tech_doc.pdf.

[4] A list of 2017 Government Units provided by the Census Bureau identifies 38,542 Special Districts and categorizes them by "FUNCTION_NAME." "Govt_Units_2017_Final" spreadsheet, "Special District" sheet, included in "Independent Governments - list of governments with reference information," https://www.census.gov/data/datasets/2017/econ/gus/public-use-files.html. As used herein, "Fire District" corresponds to Special District function name "24 – Local Fire Protection," "Health District" corresponds to Special District function name "32 – Health," "Hospital District" corresponds to Special District function name "40 – Hospitals," and "Library District" corresponds to Special District function name "52 – Libraries." *See id.*

Percentage of all Subdivisions receiving a Subdivision Allocation Percentage in each State shall equal one hundred percent (100%). Immediately upon the effectiveness of any State-Subdivision Agreement, Allocation Statute, Statutory Trust, or voluntary redistribution allowed by Section V.D.3 (or upon the effectiveness of an amendment to any State-Subdivision Agreement, Allocation Statute, Statutory Trust, or voluntary redistribution allowed by Section V.D.3) that addresses allocation from the Subdivision Fund, or upon any, whether before or after the Initial Participation Date, Exhibit G will automatically be amended to reflect the allocation from the Subdivision Fund pursuant to the State-Subdivision Agreement, Allocation Statute, Statutory Trust, or voluntary redistribution allowed by Section V.D.3. The Subdivision Allocation Percentages contained in Exhibit G may not change once notice is distributed pursuant to Section VII.A, except upon the effectiveness of any State-Subdivision Agreement, Allocation Statute, Statutory Trust, or voluntary redistribution allowed by Section V.D.3 (or upon the effectiveness of an amendment to any State-Subdivision Agreement, Allocation Statute, Statutory Trust, or voluntary redistribution allowed by Section V.D.3) that addresses allocation from the Subdivision Fund. For the avoidance of doubt, no Subdivision not listed on Exhibit G shall receive an allocation from the Subdivision Fund and no provision of this Agreement shall be interpreted to create such an entitlement.

ZZZ. "*Subdivision Fund*." The component of the Settlement Fund described in Section V.C.

AAAA. "*Subdivision Settlement Participation Form.*" The form attached as Exhibit K that Participating Subdivisions must execute and return to the Settlement Fund Administrator.

BBBB. "*Suspension Amount.*" The amount calculated as follows: the per capita amount corresponding to the applicable Participation Tier as set forth in Exhibit D multiplied by the population of the Later Litigating Subdivision.

CCCC. "*Suspension Cap*." The amount calculated as follows: the suspension percentage corresponding to the applicable Participation Tier as set forth in Exhibit D multiplied by the amount of the relevant Annual Payment apportioned to the State of the Later Litigating Subdivision and to Subdivisions in that State in each year of the suspension.

DDDD. "*Suspension Deadline*." With respect to a lawsuit filed by a Later Litigating Subdivision asserting a Released Claim, the deadline set forth in Exhibit D corresponding to the applicable Participation Tier.

EEEE. "*Threshold Motion*." A motion to dismiss or equivalent dispositive motion made at the outset of litigation under applicable procedure. A Threshold Motion must include as potential grounds for dismissal any applicable Bar or the relevant release by a Settling State or Participating Subdivision provided under this Agreement and, where appropriate under applicable law, any applicable limitations defense.

FFFF. "*Tribal/W. Va. Subdivision Credit*." The Tribal/W. Va. Subdivision Credit shall equal 2.58% of the Global Settlement Abatement Amount.

GGGG. "*Trigger Date*." In the case of a Primary Subdivision, the Reference Date. In the case of all other Subdivisions, the Preliminary Agreement Date.

II. Participation by States and Condition to Preliminary Agreement

A. *Notice to States*. On July 22, 2021 this Agreement shall be distributed to all States. The States' Attorneys General shall then have a period of thirty (30) calendar days to decide whether to become Settling States. States that determine to become Settling States shall so notify the National Association of Attorneys General and Settling Distributors and shall further commit to obtaining any necessary additional State releases prior to the Reference Date. This notice period may be extended by written agreement of the Settling Distributors and the Enforcement Committee.

B. *Condition to Preliminary Agreement*. Following the notice period set forth in Section II.A above, the Settling Distributors shall determine on or before the Preliminary Agreement Date whether, in their sole discretion, enough States have agreed to become Settling States to proceed with notice to Subdivisions as set forth in Section VII below. If the Settling Distributors determine that this condition has been satisfied, and that notice to the Litigating Subdivisions should proceed, they will so notify the Settling States by providing notice to the Enforcement Committee and Settlement Fund Administrator on the Preliminary Agreement Date. If the Settling Distributors determine that this condition has not been satisfied, they will so notify the Settling States by providing notice to the Enforcement Committee and Settlement Fund Administrator, and this Agreement will have no further effect and all releases and other commitments or obligations contained herein will be void.

C. *Later Joinder by States*. After the Preliminary Agreement Date, a State may only become a Settling State with the consent of the Settling Distributors, in their sole discretion. If a State becomes a Settling State more than sixty (60) calendar days after the Preliminary Agreement Date, but on or before January 1, 2022, the Subdivisions in that State that become Participating Subdivisions within ninety (90) calendar days of the State becoming a Settling State shall be considered Initial Participating Subdvisions. A State may not become a Settling State after January 1, 2022.

D. *Litigation Activity*. Following the Preliminary Agreement Date, States that determine to become Settling States shall make best efforts to cease litigation activity against Settling Distributors, including by jointly seeking stays or severance of claim against the Settling Distributors, where feasible, and otherwise to minimize such activity by means of agreed deadline extensions and agreed postponement of depositions, document productions, and motion practice if a motion to stay or sever is not feasible or is denied.

III. Injunctive Relief

A. *Injunctive Relief*. As part of the Consent Judgment, the Parties agree to the entry of the injunctive relief terms attached in Exhibit P.

IV. Settlement Payments

A. *Settlement Fund*. All payments under this Section IV shall be made into the Settlement Fund, except that, where specified, they shall be made into the Settlement Fund Escrow. The Settlement Fund shall be allocated and used only as specified in Section V.

B. *Annual Payments*. The Settling Distributors shall make eighteen (18) Annual Payments, each comprised of base and incentive payments as provided in this Section IV, as well as fifty percent (50%) of the amount of any Settlement Fund Administrator costs and fees that exceed the available interest accrued in the Settlement Fund as provided in Section V.C.5, and as determined by the Settlement Fund Administrator as set forth in this Agreement.

1. All data relevant to the determination of the Annual Payment and allocations to Settling States and their Participating Subdivisions listed on Exhibit G shall be submitted to the Settlement Fund Administrator no later than sixty (60) calendar days prior to the Payment Date for each Annual Payment. The Settlement Fund Administrator shall then determine the Annual Payment, the amount to be paid to each Settling State and its Participating Subdivisions included on Exhibit G, and the amount of any Settlement Fund Administrator costs and fees, all consistent with the provisions in Exhibit L, by:

a. determining, for each Settling State, the amount of base and incentive payments to which the State is entitled by applying the criteria under Section IV.D, Section IV.E, and Section IV.F;

b. applying any suspensions, offsets, or reductions as specified under Section IV, Section XII, and Section XIII;

c. applying any adjustment required as a result of prepayment or significant financial constraint, as specified under Section IV.J and Section IV.K;

d. determining the amount of any Settlement Fund Administrator costs and fees that exceed the available interest accrued in the Settlement Fund, as well as the amounts, if any, of such costs and fees owed by Settling Distributors and out of the Settlement Fund pursuant to Section V.C.5;

e. determining the total amount owed by Settling Distributors (including any amounts to be held in the Settlement Fund Escrow pending resolution of a case by a Later Litigating Subdivision as described in Section XII) to all Settling States and the Participating Subdivisions listed on Exhibit G; and

f. the Settlement Fund Administrator shall then allocate, after subtracting the portion of any Settlement Fund Administrator costs and fees owed out of funds from the Settlement Fund pursuant to Section V.C.5, the Annual Payment pursuant to Section V.C and Section V.D among the Settling States, among the separate types of funds for each Settling State (if applicable), and among the Participating Subdivisions listed on Exhibit G.

2. The Settlement Fund Administrator shall also apply the allocation percentages set forth in Section IV.I and determine for each Settling Distributor the amount of its allocable share of the Annual Payment. For the avoidance of doubt, each Settling Distributor's liability for its share of the Annual Payment is several, and not joint.

3. As soon as possible, but no later than fifty (50) calendar days prior to the Payment Date for each Annual Payment and following the determination described in Section IV.B.1 and Section IV.B.2, the Settlement Fund Administrator shall give notice to the Settling Distributors, the Settling States, and the Enforcement Committee of the amount of the Annual Payment (including the amount of the Settlement Fund to be allocated to the Settlement Fund Administrator in costs and fees pursuant to Section V.C.5), the amount to be received by each Settling State, the amount to be received by the separate types of funds for each Settling State (if applicable), and the amount to be received by each Settling State's Participating Subdivisions listed on Exhibit G. The Settlement Fund Administrator shall also give notice to each Settling Distributor of the amount of its allocable share of the Annual Payment, including its allocable share of the amount of any Settlement Fund Administrator costs and fees that exceed the available interest accrued in the Settlement Fund pursuant to Section V.C.5.

4. Within twenty-one (21) calendar days of the notice provided by the Settlement Fund Administrator, any party may dispute, in writing, the calculation of the Annual Payment (including the amount allocated for Settlement Fund Administrator costs and fees), or the amount to be received by a Settling State and/or its Participating Subdivisions listed on Exhibit G. Such disputing party must provide a written notice of dispute to the Settlement Fund Administrator, the Enforcement Committee, any affected Settling State, and the Settling Distributors identifying the nature of the dispute, the amount of money that is disputed, and the Settling State(s) affected.

5. Within twenty-one (21) calendar days of the sending of a written notice of dispute, any affected party may submit a response, in writing, to the Settlement Fund Administrator, the Enforcement Committee, any affected Settling State, and the Settling Distributors identifying the basis for disagreement with the notice of dispute.

6. If no response is filed, the Settlement Fund Administrator shall adjust the amount calculated consistent with the written notice of dispute, and each Settling Distributor shall pay its allocable share of the adjusted amount, collectively totaling that year's Annual Payment, on the Payment Date. If a written response to the written notice of dispute is timely sent to the Settlement Fund Administrator, the Settlement Fund Administrator shall notify the Settling Distributors of the preliminary amount to be paid, which shall be the greater of the amount originally calculated by the Settling Administrator or the amount that would be consistent with the notice of dispute, *provided*, *however*, that in no circumstances shall the preliminary amount to be paid be higher than the maximum amount of Base and Incentive Payments A and D for that Payment Year as set forth on Exhibit M. For the avoidance of doubt, a transfer of suspended payments from the Settlement Fund Escrow pursuant to Section XII.A.2 does not count toward determining whether the amount to be paid is higher than the maximum amount of Base and Incentive Payments A and D for that Payment Year as set forth on Exhibit M.

7. The Settlement Fund Administrator shall place any disputed amount of the preliminary amount paid by the Settling Distributors into the Settlement Fund Escrow and shall disburse any undisputed amount to each Settling State and its Participating

Subdivisions listed on Exhibit G within fifteen (15) calendar days of the Payment Date or at such later time as directed by each Settling State.

8. Disputes described in this subsection shall be resolved in accordance with the terms of Section VI.F.

9. For the avoidance of doubt, no Subdivision not listed on Exhibit G shall receive an allocation from the Subdivision Fund and no provision of this Agreement shall be interpreted to create such an entitlement.

C. *Procedure for Annual Payment in Payment Years 1 and 2*. The process described in Section IV.B shall not apply to Payment Years 1 and 2. The procedure in lieu of Section IV.B.1 for Payment Years 1 and 2 is as set forth below:

1. The Payment Date for Payment Year 1 is September 30, 2021. *Provided* that the condition set forth in Section II.B has been satisfied, on or before such date, the Settling Distributors shall pay into the Settlement Fund Escrow the total amount of the base payment, Incentive Payment A for the Settling States (the amount specified in Exhibit M for Payment Year 1 reduced by the allocable share of any Non-Settling States), and the Settling Distributors' allocable share of the amount of any Settlement Fund Administrator costs and fees that exceed the available interest accrued in the Settlement Fund pursuant to Section V.C.5. In the event that, in accordance with the terms of Section VIII.A, the Settling Distributors determine not to proceed with the Settlement, or the Settlement does not become effective for any other reason, the funds held in the Settlement Fund Escrow shall immediately revert to the Settling Distributors. If the condition set forth in Section VIII.A is met, the Settlement Fund Administrator shall allocate the Annual Payment, after subtracting the portion of Settlement Fund Administrator costs and fees owed out of funds from the Settlement Fund pursuant to Section V.C.5, pursuant to Section V.C and Section V.D among the Settling States and their Participating Subdivisions listed on Exhibit G. The portion of any Settlement Fund Administrator costs and fees owed out of funds from the Settlement Fund pursuant to Section V.C.5 shall be available to the Settlement Fund Administrator for the payment of such costs and fees immediately. The remainder of the Annual Payment for Payment Year 1 shall be transferred by the Settlement Fund Administrator on the Effective Date from the Settlement Fund Escrow to the Settlement Fund and then to each Settling State and to its Initial Participating Subdivisions included on Exhibit G; *provided*, *however*, that for any Settling State where the Consent Judgment has not been entered as of the Effective Date, the funds allocable to that Settling State and its Participating Subdivisions included on Exhibit G shall not be transferred from the Settlement Fund Escrow or disbursed until ten (10) calendar days after the entry of the Consent Judgment in that State; and, *provided*, *further*, the Settlement Fund Administrator shall leave in the Settlement Fund Escrow funds allocated to Subdivisions included on Exhibit G that are not Initial Participating Subdivisions. Should such a Subdivision become a Participating Subdivision between the Initial Participation Date and the Effective Date, the allocation for such Participating Subdivision shall be transferred to the Settlement Fund and paid to the Participating Subdivision at the same time as Initial Participating Subdivisions in that State are paid.

2. The Payment Date for Payment Year 2 is July 15, 2022. On or before such date, the Settling Distributors shall pay into the Settlement Fund the total amount of the base payment, Incentive Payment A for the Settling States (the amount specified in Exhibit M for Payment Year 2 reduced by the allocable share of any Non-Settling States), and the Settling Distributors' allocable share of the amount of any Settlement Fund Administrator costs and fees that exceed the available interest accrued in the Settlement Fund pursuant to Section V.C.5. The portion of any Settlement Fund Administrator costs and fees owed out of funds from the Settlement Fund pursuant to Section V.C.5 shall be available to the Settlement Fund Administrator for the payment of such costs and fees immediately. The Settlement Fund Administrator shall disburse the remaining amounts to each Settling State and to its Participating Subdivisions included on Exhibit G within fifteen (15) calendar days of the Payment Date or at such later time as directed by each Settling State. If a Settling State enacts a legislative Bar after the Initial Participation Date, but before July 15, 2022, a Subdivision that meets the requirements for becoming a Participating Subdivision under Section VII prior to July 15, 2022 (but was not an Initial Participating Subdivision) shall be eligible to receive its allocated share (if any) for Payment Year 2, and it shall also receive any amounts allocated to it for Payment Year 1 from the Settlement Fund Escrow.

3. Any amounts remaining in the Settlement Fund Escrow for allocations to Subdivisions listed on Exhibit G that have not become Participating Subdivisions after all payments for Payment Year 2 are disbursed shall be transferred to the Settlement Fund and disbursed to the appropriate sub-funds in each Settling State pursuant to Section V.D.5.

4. Any disputes as to the allocation of the Annual Payments in Payment Years 1 and 2 shall be resolved pursuant to the process set forth in Section IV.B.3 through Section IV.B.8, except that in Payment Year 1, the Settlement Fund Administrator shall have until ten (10) calendar days after the Initial Participation Date to give notice of the amount to be received by each Settling State, the amount to be received by the separate types of funds for each Settling State (if applicable), and the amount to be received by each Initial Participating Subdivision in the Settling States that is listed on Exhibit G.

D. *Payment Date for Subsequent Payment Years*. The Payment Date for Payment Year 3 and successive Payment Years is July 15 of the third and successive years and the Annual Payment shall be made pursuant to the process set forth in Section IV.B, except that, with respect to Payment Year 3, Settling States shall have up to the Payment Date to become eligible for Incentive Payment A and thus avoid the reductions set forth in Section XIII. If a Settling State enacts a Bar less than sixty (60) calendar days before the Payment Date for Payment Year 3, each Settling Distributor shall pay, within thirty (30) calendar days of the Payment Year 3 Payment Date, its allocable share, pursuant to Section IV.I, of the difference between the Annual Payment as calculated by the Settlement Fund Administrator and the amount that would have been owed had the Settlement Fund Administrator taken the Bar into account.

E. *Base Payments.* Subject to the suspension, reduction, and offset provisions set forth in Section XII and Section XIII, the Settling Distributors shall collectively make base payments equal to fifty-five percent (55%) of the Net Abatement Amount multiplied by the aggregate Overall Allocation Percentage of the Settling States. These payments will be due in installments consistent with Exhibit M over the eighteen (18) Payment Years and as adjusted by the Settlement Fund Administrator pursuant to the provisions in Section IV, Section XII, and Section XIII.

F. *Incentive Payments*. Subject to the suspension, offset, and reduction provisions set forth in Section XII and Section XIII, the Settling Distributors shall collectively make potential additional incentive payments totaling up to a maximum of forty-five percent (45%) of the Net Abatement Amount multiplied by the aggregate Overall Allocation Percentage of the Settling States, with the actual amount depending on whether and the extent to which the criteria set forth below are met in each Settling State. The incentive payments shall be divided among four (4) categories, referred to as Incentive Payments A-D. Incentive Payments A-C will be due in installments over the eighteen (18) Payment Years, and Incentive Payment D will be due in installments over thirteen (13) years beginning with Payment Year 6. The total amount of incentive payments in an Annual Payment shall be the sum of the incentive payments for which individual Settling States are eligible for that Payment Year under the criteria set forth below. The incentive payments shall be made with respect to a specific Settling State based on its eligibility for that year under the criteria set forth below.

1. Incentive Payment A. Incentive Payment A shall be equal to forty percent (40%) of the Net Abatement Amount multiplied by the aggregate Overall Allocation Percentage of the Settling States, provided all Settling States satisfy the requirements of Incentive Payment A. Incentive Payment A will be due to a Settling State as part of the Annual Payment in each of the eighteen (18) Payment Years that a Settling State is eligible for Incentive Payment A and shall equal a total potential maximum of $7,421,605,477 if all States are eligible for all eighteen (18) Payment Years. Each Settling State's share of Incentive Payment A in a given year, *provided* that Settling State is eligible, shall equal the total maximum amount available for Incentive Payment A for that year as reflected in Exhibit M times the Settling State's Overall Allocation Percentage. Eligibility for Incentive Payment A is as follows:

a. For the Payment Years 1 and 2, all Settling States are deemed eligible for Incentive Payment A.

b. For each Payment Year other than Payment Years 1 and 2, a Settling State is eligible for Incentive Payment A if, as of sixty (60) calendar days prior to the Payment Date (except that in Payment Year 3, this date is as of the Payment Date), (i) there is a Bar in that State in full force and effect, (ii) there is a Settlement Class Resolution in that State in full force and effect, (iii) the Released Claims of all of the following entities are released through the execution of Subdivision Settlement Participation Forms, or there is a Case-Specific Resolution against such entities: all Primary Subdivisions, Litigating Subdivisions, School Districts with a K-12 student enrollment of at least 25,000 or .10% of a State's population, whichever is greater, and Health Districts and Hospital Districts that have at least one hundred twenty-five (125) hospital beds in one or more hospitals rendering services in that district; or (iv) a combination of the actions in clauses (i)-(iii) has achieved the same level of resolution of Claims by Subdivisions (*e.g.*, a Bar against future litigation combined with full joinder by Litigating Subdivisions). For the avoidance of doubt, subsection (iv) cannot be satisfied unless all Litigating Subdivisions are Participating Subdivisions or there is a Case-Specific Resolution against any such Subdivisions that are not Participating Subdivisions. The Settling Distributors and the Enforcement Committee shall meet and confer in order to agree on data sources for purposes of this Section prior to the Preliminary Agreement Date.

c. Notwithstanding Section IV.F.1.b, for each Payment Year other than Payment Years 1 and 2, a Settling State that is not eligible for Incentive Payment A as of the Incentive Payment Final Eligibility Date shall not be eligible for Incentive Payment A for that Payment Year or any subsequent Payment Years.

d. If the Settling Distributors made a payment under Incentive Payment A solely on the basis of a Bar or Settlement Class Resolution in a Settling State and that Bar or Settlement Class Resolution is subsequently removed, revoked, rescinded, reversed, overruled, interpreted in a manner to limit the scope of the release, or otherwise deprived of force or effect in any material respect, that Settling State shall not be eligible for Incentive Payment A thereafter, unless the State requalifies for Incentive Payment A through any method pursuant to Section IV.F.1.b, in which case the Settling State shall be eligible for Incentive Payment A less any litigation fees and costs incurred by Settling Distributor in the interim, except that, if the re-imposition occurs after the completion of opening statements in a trial involving a Released Claim, the Settling State shall not be eligible for Incentive Payment A (unless this exception is waived by the Settling Distributors).

e. In determining the amount of Incentive Payment A that Settling Distributors will pay in a Payment Year and each Settling State's share, if any, of Incentive Payment A for that Payment Year, the Settlement Fund Administrator shall: (i) identify all Settling States that are eligible for Incentive Payment A; (ii) multiply the Overall Allocation Percentage for each such eligible Settling State by the maximum amount that Settling Distributors could owe with respect to Incentive Payment A for that Payment Year as listed on Exhibit M. The amount calculated in (ii) shall be the amount allocated to a Settling State eligible for Incentive Payment A for that Payment Year and the aggregate of each such amount for Settling States eligible for Incentive Payment A shall be the amount of Incentive Payment A Settling Distributors are obligated to pay in that Payment Year, all such amounts subject to the suspension, offset, and reduction provisions in Section XII and Section XIII.

2. Incentive Payment B. Incentive Payment B shall be available to Settling States that are not eligible for Incentive Payment A for the applicable Payment Year. Incentive Payment B shall be equal to up to twenty-five percent (25%) of the Net Abatement Amount multiplied by the aggregate Overall Allocation Percentage of the

Settling States. Incentive Payment B will be due to a Settling State as part of the Annual Payment in each of the eighteen (18) Payment Years that a Settling State is eligible for Incentive Payment B and equal a total potential maximum of $4,638,503,423 if all States are eligible for all eighteen (18) Payment Years. Each Settling State's maximum share of Incentive Payment B in a given year shall equal the total maximum amount available for Incentive Payment B for that year as reflected in Exhibit M times the Settling State's Overall Allocation Percentage. Eligibility for Incentive Payment B is as follows:

a. A Settling State is not eligible for Incentive Payment B for a Payment Year for which it is eligible for Incentive Payment A.

b. Subject to Section IV.F.2.a, the amount of Incentive Payment B for which a Settling State is eligible in a Payment Year shall be a percentage of that State's maximum share of Incentive Payment B based on the extent to which (A) Litigating Subdivisions in the State are Participating Subdivisions or (B) there is a Case-Specific Resolution against Litigating Subdivisions in the State, collectively, "*Incentive B Eligible Subdivisions*." The percentage of the State's maximum share of Incentive Payment B that the State is eligible for in a Payment Year shall be determined according to the table below:

Percentage of Litigating Subdivision Population that is Incentive B Eligible Subdivision Population[5]	**Incentive Payment B Eligibility Percentage**
Up to 85%	0%
85%+	30%
86+	40%
91+	50%
95+	60%
99%+	95%
100%	100%

[5] The "Percentage of Litigating Subdivision Population that is Incentive B Eligible Subdivision Population" shall be determined by the aggregate population of the Settling State's Litigating Subdivisions that are Incentive B Eligible Subdivisions divided by the aggregate population of the Settling State's Litigating Subdivisions. In calculating the Settling State's population that resides in Litigating Subdivisions, (a) the population of the Settling State's Litigating Subdivisions shall be the sum of the population of all Litigating Subdivisions in the Settling State, notwithstanding that persons may be included within the population of more than one Litigating Subdivision, and (b) the population that resides in Incentive B Eligible Subdivisions shall be the sum of the population of the Incentive B Eligible Subdivisions, notwithstanding that persons may be included within the population of more than one Incentive B Eligible Subdivision. An individual Litigating Subdivision shall not be included more than once in the numerator, and shall not be included more than once in the denominator, of the calculation regardless if it (or any of its officials) is named as multiple plaintiffs in the same lawsuit; *provided*, *however*, that for the avoidance of doubt, no Litigating Subdivision will be excluded from the numerator or denominator under this sentence unless a Litigating Subdivision otherwise counted in the denominator has the authority to release the Claims (consistent with Section XI) of the Litigating Subdivision to be excluded. For the avoidance of doubt, a Settling State in which the population that resides in Incentive B Eligible Subdivisions is less than eighty-five percent (85%) of the population of Litigating Subdivisions shall not be eligible for any portion of Incentive Payment B.

c. In determining the amount that Settling Distributors will pay in a Payment Year under Incentive Payment B and each Settling State's share of Incentive Payment B for that Payment Year, the Settlement Fund Administrator shall: (i) identify all States that are eligible for Incentive Payment B because they are ineligible for Incentive Payment A; (ii) determine the Incentive Payment B eligibility percentage for each such Settling State; (iii) multiply the Incentive Payment B eligibility percentage for each such State by the Overall Allocation Percentage of that State; (iv) multiply the product from (iii) by the maximum amount that Settling Distributors could owe under Incentive Payment B for that Payment Year from Exhibit M. The amount calculated in (iv) shall be the amount allocated to a Settling State eligible for Incentive Payment B for that Payment Year, and the aggregate of such amounts for Settling States eligible for Incentive Payment B shall be the amount paid for that Payment Year by Settling Distributors with respect to Incentive Payment B, all such amounts subject to the suspension, offset, and reduction provisions in Section XII and Section XIII. If there are no Litigating Subdivisions in a Settling State, and that Settling State is otherwise eligible for Incentive Payment B, that Settling State will receive its full allocable share of Incentive Payment B.

d. A Settling State's eligibility for Incentive Payment B for a Payment Year shall be determined as of sixty (60) calendar days prior to the Payment Date for that Payment Year; *provided* that the percentage of Incentive Payment B for which a Settling State is eligible as of the Incentive Payment Final Eligibility Date shall cap its eligibility for that Payment Year and all subsequent Payment Years.

3. Incentive Payment C. Incentive Payment C shall be available to Settling States that are not eligible for Incentive Payment A for a Payment Year, including to Settling States that are also eligible for Incentive Payment B. Incentive Payment C shall be equal to up to fifteen percent (15%) of the Net Abatement Amount multiplied by the aggregate Overall Allocation Percentage of the Settling States. Incentive Payment C will be due to a Settling State as part of the Annual Payment in each of the eighteen (18) Payment Years that a Settling State is eligible for Incentive Payment C and equal a total potential maximum of $2,783,102,054 if all States are eligible for all eighteen (18) Payment Years. Each Settling State's maximum share of Incentive Payment C in a given year shall equal the total maximum amount available for Incentive Payment C for that year as reflected in Exhibit M multiplied by the Settling State's Overall Allocation Percentage. Eligibility for Incentive Payment C is as follows:

a. A Settling State is not eligible for Incentive Payment C for a Payment Year in which it is eligible for Incentive Payment A.

b. Subject to Section IV.F.3.a, the amount of Incentive Payment C for which a Settling State is eligible in a Payment Year shall be a percentage of the State's maximum share of Incentive Payment C based on the extent to which (A) Non-Litigating Subdivisions that are Primary Subdivisions with a population over 30,000 and Litigating Subdivisions in the State are Participating Subdivisions or (B) there is a Case-Specific Resolution against Non-Litigating Subdivisions that are Primary Subdivisions with a population over 30,000 and Litigating Subdivisions in the State, collectively, "*Incentive C Eligible Subdivisions*." The percentage of the State's maximum share of Incentive Payment C that the State is eligible for in a Payment Year shall be determined according to the table below:

Percentage of Relevant Subdivision Population that is Incentive C Eligible Population[6]	**Incentive Payment C Eligibility Percentage**
Up to 60%	0%
60%+	25%
70%+	35%
75%+	40%
80%+	45%
85%+	55%
90%+	60%
93%+	65%
94%+	75%
95+	90%
98+	95%
100%	100%

c. In determining the amount that Settling Distributors will pay in a Payment Year under Incentive Payment C and each Settling State's share of Incentive Payment C for that Payment Year, the Settlement Fund Administrator shall: (i) identify all States that are eligible for Incentive Payment C because they are ineligible for Incentive Payment A; (ii) determine the Incentive Payment C eligibility percentage for each such Settling State; (iii) multiply the Incentive Payment C eligibility percentage for each such State by the Overall Allocation Percentage of that State; (iv) multiply the product from (iii) by the maximum

[6] The "Percentage of Relevant Subdivision Population that is Incentive C Eligible Population" shall be determined by the aggregate population of the Settling State's Incentive C Eligible Subdivisions divided by the aggregate population of the Settling State's Non-Litigating Primary Subdivisions with a population over 30,000 and Litigating Subdivisions ("*Incentive Payment C Subdivisions*"). None of the population figures shall include Prior Litigating Subdivisions. In calculating the Settling State's population that resides in Incentive Payment C Subdivisions, (a) the population shall be the sum of the population of all Incentive Payment C Subdivisions in the Settling State, notwithstanding that persons may be included within the population of more than one Incentive Payment C Subdivision, and (b) the population that resides in Incentive C Eligible Subdivisions shall be the sum of the population of the Incentive C Eligible Subdivisions, notwithstanding that persons may be included within the population of more than one Incentive C Eligible Subdivision. An individual Incentive Payment C Subdivision shall not be included more than once in the numerator, and shall not be included more than once in the denominator, of the calculation regardless if it (or any of its officials) is named as multiple plaintiffs in the same lawsuit. For the avoidance of doubt, a Settling State in which the population that resides in Incentive C Eligible Subdivisions is less than sixty percent (60%) of the population of Incentive Payment C Subdivisions shall not be eligible for any portion of Incentive Payment C.

amount that Settling Distributors could owe under Incentive Payment C for that Payment Year from Exhibit M. The amount calculated in (iv) shall be the amount allocated to a Settling State eligible for Incentive Payment C for that Payment Year and the aggregate of such amounts for Settling States eligible for Incentive Payment C shall be the amount paid for that Payment Year by Settling Distributors with respect to Incentive Payment C, all such amounts subject to the suspension, offset, and reduction provisions in Section XII and Section XIII. If there are no Litigating Subdivisions or Non-Litigating Subdivisions that are Primary Subdivisions with a population of more than 30,000 in a Settling State, and that Settling State is otherwise eligible for Incentive Payment C, that Settling State will receive its full allocable share of Incentive Payment C.

d. A Settling State's eligibility for Incentive Payment C for a Payment Year shall be determined as of sixty (60) calendar days prior to the Payment Date for that Payment Year; *provided* that the percentage of Incentive Payment C for which a Settling State is eligible as of the Incentive Payment Final Eligibility Date shall cap its eligibility for that Payment Year and all subsequent Payment Years.

4. Incentive Payment D. Incentive Payment D shall be applied at Payment Year 6. Incentive Payment D shall be equal to five percent (5%) of the Net Abatement Amount multiplied by the aggregate Overall Allocation Percentage of the Settling States. Incentive Payment D will be due to a Settling State as part of the Annual Payment for each of thirteen (13) Payment Years (from Payment Year 6 to Payment Year 18) that any Settling State is eligible for Incentive Payment D and equal a total potential maximum of $927,700,685 if all States are eligible for all thirteen (13) Payment Years. Each Settling State's share of Incentive Payment D in a given year shall equal the total maximum amount available for Incentive Payment D for that year as reflected in Exhibit M times the Settling State's Overall Allocation Percentage. Eligibility for Incentive Payment D is as follows:

a. A Settling State is eligible for Incentive Payment D if there has been no Later Litigating Subdivision in that State that has had a Claim against a Released Entity survive more than six (6) months after denial in whole or in part of a Threshold Motion.

b. A Settling State's eligibility for Incentive Payment D shall be determined as of sixty (60) calendar days prior to the Payment Date. If a Later Litigating Subdivision's lawsuit in that State survives more than six (6) months after denial in whole or in part of a Threshold Motion after that date, that State shall not be eligible for Incentive Payment D for the Payment Year in which that occurs and any subsequent Payment Year.

c. Notwithstanding Section IV.F.4, a Settling State can become re-eligible for Incentive Payment D if the lawsuit that survived a Threshold Motion is dismissed pursuant to a later motion on grounds included in the Threshold Motion, in which case the Settling State shall be eligible for Incentive Payment D less any litigation fees and costs incurred by Settling Distributor in the interim, except that if the dismissal motion occurs after the completion of opening statements in such action, the Settling State shall not be eligible for Incentive Payment D.

d. For the avoidance of doubt, a Settling State may be eligible for Incentive Payment D whether or not it is eligible for Incentive Payments A-C.

e. In determining the amount of Incentive Payment D that Settling Distributors will pay in a Payment Year and each Settling State's share, if any, of Incentive Payment D for that Payment Year, the Settlement Fund Administrator shall: (i) identify all Settling States that are eligible for Incentive Payment D; (ii) multiply the Overall Allocation Percentage for each such eligible Settling State by the maximum amount that Settling Distributors could owe with respect to Incentive Payment D for that Payment Year listed on Exhibit M; and (iii) subtract any litigation fees and costs allowed to be deducted pursuant to Section IV.F.4.c. The amount calculated in (iii) shall be the amount allocated to a Settling State eligible for Incentive Payment D for that Payment Year and the aggregate of each such amount for Settling States eligible for Incentive Payment D shall be the amount of Incentive Payment D Settling Distributors are obligated to pay in that Payment Year, all such amounts subject to the suspension, reduction, and offset provisions in Section XII and Section XIII.

G. *Reductions/Offsets.* The base and incentive payments are subject to suspension, offset, and reduction as provided in Section XII and Section XIII.

H. *State-Specific Agreements*. Notwithstanding any other provision of this Agreement or any other agreement, in the event that: (1) the Settling Distributors enter into an agreement with any Settling State that resolves with finality such Settling State's Claims consistent with Section XI of this Agreement and such agreement has an effective date prior to the Effective Date of this Agreement (such agreement, a "*State-Specific Agreement*") and (2) pursuant to the terms of the State-Specific Agreement, any payments, or any portion thereof, made by the Settling Distributors thereunder are made in lieu of any payments (for the avoidance of doubt, including the Additional Restitution Amount), or any portion thereof, to be made under this Agreement and the Settling Distributors make such a payment pursuant to the State-Specific Agreement, then the Settling Distributors will reduce any payments allocable to such Settling State (whether made to the Settlement Fund Escrow or the Settlement Fund) made pursuant to this Agreement to the extent such amount was already paid pursuant to the terms of the State-Specific Agreement.

I. *Allocation of Payments among Settling Distributors.* Payments due from the Settling Distributors under this Section IV, Section IX, and Section X will be allocated among the Settling Distributors as follows: McKesson – 38.1%; Amerisource – 31.0%; Cardinal – 30.9%. A Settling Distributor's sole responsibility for payments under this Agreement shall be to make its share of each payment. The obligations of the Settling Distributors in this Agreement are several and not joint. No Settling Distributor shall be responsible for any portion of another Settling Distributor's share.

J. *Pre-payment Option.*

1. Any Settling Distributor shall have the right, subject to the limitations set forth in Section IV.J.3, to prepay any base payment or incentive payment in whole or in part, without premium or penalty (a "*Settlement Prepayment*") by providing at least fourteen (14) calendar days prior written notice to the Settlement Fund Administrator and Enforcement Committee (a "*Prepayment Notice*"). Any Prepayment Notice shall specify: (a) the gross amount of the Settlement Prepayment (the "*Gross Settlement Amount*"), (b) the manner in which such Settlement Prepayment shall be applied to reduce such Settling Distributor's future share of Annual Payments (*i.e.*, to which future year(s) the allocable portion of an Annual Payment owed by such Settling Distributor the Settlement Prepayment should be applied) (such manner of application, a "*Settlement Prepayment Reduction Schedule*"), (c) the net present value of the Settlement Prepayment as of the Prepayment Date based on the Settlement Prepayment Reduction Schedule using a discount rate equal to the prime rate as published by the *Wall Street Journal* on the date of the Prepayment Notice plus 1.75% (such net present value amount, the "*Net Settlement Prepayment Amount*"), and (d) the date on which the prepayment will be made, which shall be no more than fifteen (15) calendar days after the date of the Prepayment Notice (the "*Prepayment Date*").

2. On the Prepayment Date the Settling Distributor shall pay the Net Settlement Prepayment Amount to the Settlement Fund and such amount shall be used only as specified in Section V. Following such payment, all future portions of the Annual Payments allocated to the applicable Settling Distributor under Section IV.E and Section IV.F shall be reduced pursuant to the Settlement Prepayment Reduction Schedule, and the Exhibit M will be updated to give effect to such reduction, and going forward such updated schedule will be Exhibit M.

3. A Settling Distributor's right to make prepayments shall be subject to the following limitations:

a. Prepayments may apply to base payments or to both base and incentive payments. If the prepayment applies to both base and incentive payments, the prepayments will apply proportionately across base and incentive payments.

b. A Settling Distributor shall make no more than three (3) prepayments over the eighteen (18) year payment term. A Settling Distributor shall not make more than one (1) prepayment in a five (5) year period and there shall not be prepayments made in the first two (2) Payment Years.

c. Prepayments shall only be applied to one (1) or more of the three (3) Payment Years following the prepayment.

d. The total amount of a prepayment of base payments after discounting calculations shall not be larger than the base payment for the Payment Year with the lowest Annual Payment amount affected by the prepayment. The total amount of a prepayment for both base payments and incentive payments shall not be larger than the base payment and anticipated incentive payment for the lowest Payment Year affected by the prepayment. The "anticipated incentive payment" for a future Payment Year shall reflect the incentives earned by each Settling State as of the time of the prepayment and any offsets or adjustments known at that time.

e. In a Payment Year against which there has been a prepayment, if the amount a Settling State is calculated to receive is greater than the amount prepaid prior to discounting calculations, the Settling Distributor shall pay the difference. If, in a Payment Year for which there has been a prepayment, the amount that a Settling State is calculated to receive is less than the amount calculated at the time of the prepayment, there shall be a credit for the difference to the Settling Distributor to be applied in the subsequent Payment Year(s), if any.

f. Prepayments shall be applied proportionately to all Settling States.

4. The Settling States may agree to a prepayment that does not apply these restrictions. Such a prepayment would need approval of Settling States representing at least ninety-five percent (95%) allocable share as measured by the allocations in Exhibit F; *provided*, *however*, that this provision does not limit or restrict any Settling State from negotiating its own prepayment with a Settling Distributor.

5. For illustrative purposes only, attached as Exhibit Q are examples showing a Settlement Prepayment, the related calculation of the Net Settlement Prepayment Amount, and the related adjustment to the Settlement Payment Schedule.

K. *Significant Financial Constraint.*

1. A Settling Distributor's allocable share of the Annual Payment for a Payment Year may, at the election of such Settling Distributor, be deferred either (a) up to the amount by which that share plus such Settling Distributor's share of amounts payable under Section IX and Section X would exceed twenty percent (20%) of such Settling Distributor's total operating cash flow (as determined pursuant to United States generally accepted accounting principles) for its fiscal year that concluded most recently prior to the due date for that payment or (b) (i) up to twenty-five percent (25%) if, as of thirty (30) calendar days preceding that payment date, the company's credit rating from one or more of the three nationally recognized rating agencies is below BBB or Baa2 or (ii) up to one hundred percent (100%) if, as of thirty (30) calendar days preceding that payment date, the company's credit rating from one or more of the three nationally recognized rating agencies is below BBB- or Baa3. If the reason for exceeding twenty percent (20%) of a Settling Distributor's total operating cash flow or the decrease in credit rating is substantially attributable to the incurrence of debt to fund post-settlement acquisitions or to the payment of dividends and/or share repurchases that together are of an amount that exceeds the total amount of those two items for the prior fiscal year, no deferral is available. A Settling Distributor shall not be allowed to defer payment for a

Payment Year if that Settling Distributor engaged in any share repurchases in the three fiscal quarters prior to the Payment Date for that Payment Year.

2. If a Settling Distributor has reason to believe that it will not be able to pay some or all of its allocable share of the Annual Payment for a Payment Year, it shall provide at least ninety (90) calendar days' prior written notice to the Settlement Fund Administrator and Enforcement Committee (a "*Deferred Payment Notice*"). Any Deferred Payment Notice shall specify and include: (a) the gross amount of the payments owed (including the estimated allocable portion of the Annual Payment, and amounts owed under Section IX and Section X, by the relevant Settling Distributor), (b) the amount that the Settling Distributor believes it will be unable to pay, (c) the accounting and audited financial documents upon which the Settling Distributor relied for making this determination, and (d) any other relevant information for the Enforcement Committee to consider.

3. A Settling Distributor shall not utilize this provision during the first three (3) Payment Years. If a Settling Distributor defers some or all of the payments due in a Payment Year pursuant to this Section IV.K, it shall not repurchase any shares, or fund new acquisitions with an acquisition price greater than $250 million, during the deferral period until the deferred amount is fully repaid with interest. Any amounts deferred shall bear interest at an interest rate equal to the prime rate as published by the *Wall Street Journal* on the date of the Deferral Payment Notice plus 0.5%.

4. The Settling Distributor shall pay all deferred amounts, including applicable interest on the next Payment Date. If the amounts previously deferred (including interest) together with the Settling Distributor's share of all payments due for a Payment Year would allow for a deferral under Section IV.K.1, the Settling Distributor shall pay as much of the previously deferred amounts (including interest) as it can pay without triggering the ability to defer payment and may defer the remainder as permitted under (and subject to the restrictions of) this Section IV.K.

5. Deferrals will apply proportionally across base payments and incentive payments. For the avoidance of doubt, this Section IV.K applies fully to Payment Years after the first three (3) Payment Years, including the base payments and all incentive payments due pursuant to this Agreement during the Payment Year at issue.

6. If a Settling Distributor could pay a portion of its allocable share of the Annual Payments due pursuant to this Agreement during a Payment Year without triggering this Section IV.K, the Settling Distributor shall be required to pay that portion as scheduled and only the excess would be subject to deferral at the election of the Settling Distributor (in whole or in part) as provided herein.

7. The Settling Distributor shall pay any deferred amounts, including applicable interest on or before the date on which the payment is due for Payment Year 18.

V. Allocation and Use of Settlement Payments

A. *Components of Settlement Fund*. The Settlement Fund shall be comprised of an Abatement Accounts Fund, a State Fund, and a Subdivision Fund for each Settling State. The payments made under Section IV into the Settlement Fund shall be initially allocated among those three (3) sub-funds and distributed and used as provided below. Payments placed into the Settlement Fund do not revert back to the Settling Distributors.

B. *Use of Settlement Payments.*

1. It is the intent of the Parties that the payments disbursed from the Settlement Fund to Settling States and Participating Subdivisions be for Opioid Remediation, subject to exceptions that must be documented in accordance with Section V.B.2. In no event may less than eighty-five percent (85%) of the Settling Distributors' maximum amount of payments pursuant to Section IV, Section IX, and Section X as set forth on Exhibit M over the entirety of all Payments Years (but not any single Payment Year) be spent on Opioid Remediation.

2. While disfavored by the Parties, a Settling State or a Participating Subdivision set forth on Exhibit G may use monies from the Settlement Fund (that have not been restricted by this Agreement solely to future Opioid Remediation) for purposes that do not qualify as Opioid Remediation. If, at any time, a Settling State or a Participating Subdivision set forth on Exhibit G uses any monies from the Settlement Fund for a purpose that does not qualify as Opioid Remediation, such Settling State or Participating Subdivision set forth on Exhibit G shall identify such amounts and report to the Settlement Fund Administrator and the Settling Distributors how such funds were used, including if used to pay attorneys' fees, investigation costs, litigation costs, or costs related to the operation and enforcement of this Agreement, respectively. It is the intent of the Parties that the reporting under this Section V.B.2 shall be available to the public. For the avoidance of doubt, (a) any amounts not identified under this Section V.B.2 as used to pay attorneys' fees, investigation costs, or litigation costs shall be included in the "*Compensatory Restitution Amount*" for purposes of Section VI.F and (b) Participating Subdivisions not listed on Exhibit G may only use monies from the Settlement Fund for purposes that qualify as Opioid Remediation.

C. *Allocation of Settlement Fund.*

The allocation of the Settlement Fund allows for different approaches to be taken in different states, such as through a State-Subdivision Agreement. Given the uniqueness of States and their Subdivisions, Settling States and their Subdivisions are encouraged to enter into State-Subdivision Agreements in order to direct the allocation of their portion of the Settlement Fund. As set out below, the Settlement Fund Administrator will make an initial allocation to three (3) state-level sub-funds. The Settlement Fund Administrator will then, for each Settling State and its Participating Subdivisions, apply the terms of this Agreement and any relevant State-Subdivision Agreement, Statutory Trust, Allocation Statute, or voluntary redistribution of funds as set out below before disbursing the funds.

1. Base Payments. The Settlement Fund Administrator will allocate base payments under Section IV.D among the Settling States in proportion to their respective Overall Allocation Percentages. Base payments for each Settling State will then be allocated fifteen percent (15%) to its State Fund, seventy percent (70%) to its Abatement Accounts Fund, and fifteen percent (15%) to its Subdivision Fund. Amounts may be reallocated and will be distributed as provided in Section V.D.

2. Incentive Payments. The Settlement Fund Administrator will treat incentive payments under Section IV.F on a State-specific basis. Incentive payments for which a Settling State is eligible under Section IV.F will be allocated fifteen percent (15%) to its State Fund, seventy percent (70%) to its Abatement Accounts Fund, and fifteen percent (15%) to its Subdivision Fund. Amounts may be reallocated and will be distributed as provided in Section V.D.

3. Application of Adjustments. If a suspension, offset, or reduction under Section XII or Section XIII applies with respect to a Settling State, the suspension, offset, or reduction shall be applied proportionally to all amounts that would otherwise be apportioned and distributed to the State Fund, the Abatement Accounts Fund, and the Subdivision Fund for that State.

4. Settlement Fund Administrator. Prior to the Initial Participation Date, the Settling Distributors and the Enforcement Committee will agree to a detailed mechanism consistent with the foregoing for the Settlement Fund Administrator to follow in allocating, apportioning, and distributing payments, which shall then be appended hereto as Exhibit L.

5. Settlement Fund Administrator Costs. Any costs and fees associated with or arising out of the duties of the Settlement Fund Administrator as described in Exhibit L shall be paid from the interest accrued in the Settlement Fund Escrow and the Settlement Fund; *provided*, *however*, that if such accrued interest is insufficient to pay the entirety of any such costs and fees, Settling Distributors shall pay fifty percent (50%) of the additional amount and fifty percent (50%) shall be paid out of the Settlement Fund.

D. *Settlement Fund Reallocation and Distribution*.

As set forth below, within a particular Settling State's account, amounts contained in the Settlement Fund sub-funds may be reallocated and distributed per a State-Subdivision Agreement or other means. If the apportionment of amounts is not addressed and controlled under Section V.D.1 and Section V.D.2, then the default provisions of Section V.D.4 apply. It is not necessary that a State-Subdivision Agreement or other means of allocating funds pursuant to Section V.D.1 and Section V.D.2 address all of the Settlement Fund sub-funds. For example, a Statutory Trust might only address disbursements from a Settling State's Abatement Accounts Fund.

1. Distribution by State-Subdivision Agreement. If a Settling State has a State-Subdivision Agreement, amounts apportioned to that State's State Fund, Abatement Accounts Fund, and Subdivision Fund under Section V.C shall be reallocated and

distributed as provided by that agreement. Any State-Subdivision Agreement entered into after the Preliminary Agreement Date shall be applied only if it requires: (a) that all amounts be used for Opioid Remediation, except as allowed by Section V.B.2, and (b) that at least seventy percent (70%) of amounts be used solely for future Opioid Remediation.[7] For a State-Subdivision Agreement to be applied to the relevant portion of an Annual Payment, notice must be provided to the Settling Distributors and the Settlement Fund Administrator at least sixty (60) calendar days prior to the Payment Date.

2. Distribution by Allocation Statute. If a Settling State has an Allocation Statute and/or a Statutory Trust that addresses allocation or distribution of amounts apportioned to such State's State Fund, Abatement Accounts Fund, and/or Subdivision Fund and that, to the extent any or all such sub-funds are addressed, requires (1) all amounts to be used for Opioid Remediation, except as allowed by Section V.B.2, and (2) at least seventy percent (70%) of all amounts to be used solely for future Opioid Remediation,[8] then, to the extent allocation or distribution is addressed, the amounts apportioned to that State's State Fund, Abatement Accounts Fund, and Subdivision Fund under Section V.C shall be allocated and distributed as addressed and provided by the applicable Allocation Statute or Statutory Trust. For the avoidance of doubt, an Allocation Statute or Statutory Trust need not address all three (3) sub-funds that comprise the Settlement Fund, and if the applicable Allocation Statute or Statutory Trust does not address distribution of all or some of these three (3) sub-funds, the applicable Allocation Statute or Statutory Trust does not replace the default provisions described in Section V.D.4 of any such unaddressed fund. For example, if an Allocation Statute or Statutory Trust that meets the requirements of this Section V.D.2 only addresses funds restricted to abatement, then the default provisions in this Agreement concerning allocation among the three (3) sub-funds comprising the Settlement Fund and the distribution of the State Fund and Subdivision Fund for that State would still apply, while the distribution of the applicable State's Abatement Accounts Fund would be governed by the qualifying Allocation Statute or Statutory Trust.

3. Voluntary Redistribution. A Settling State may choose to reallocate all or a portion of its State Fund to its Abatement Accounts Fund. A Participating Subdivision included on Exhibit G may choose to reallocate all or a portion of its allocation from the Subdivision Fund to the State's Abatement Accounts Fund or to another Participating Subdivision. For a voluntary redistribution to be applied to the relevant portion of an Annual Payment, notice must be provided to the Settling Distributors and the Settlement Fund Administrator at least sixty (60) calendar days prior to the Payment Date.

4. Distribution in the Absence of a State-Subdivision Agreement, Allocation Statute, or Statutory Trust. If Section V.D.1 and Section V.D.2 do not apply, amounts

[7] Future Opioid Remediation includes amounts paid to satisfy any future demand by another governmental entity to make a required reimbursement in connection with the past care and treatment of a person related to the Alleged Harms.
[8] Future Opioid Remediation includes amounts paid to satisfy any future demand by another governmental entity to make a required reimbursement in connection with the past care and treatment of a person related to the Alleged Harms.

apportioned to that State's State Fund, Abatement Accounts Fund, and Subdivision Fund under Section V.C shall be distributed as follows:

a. Amounts apportioned to that State's State Fund shall be distributed to that State.

b. Amounts apportioned to that State's Abatement Accounts Fund shall be distributed consistent with Section V.E. Each Settling State shall submit to the Settlement Fund Administrator a designation of a lead state agency or other entity to serve as the single point of contact for that Settling State's funding requests from the Abatement Accounts Fund and other communications with the Settlement Fund Administrator. The designation of an individual entity is for administrative purposes only and such designation shall not limit funding to such entity or even require that such entity receive funds from this Agreement. The designated entity shall be the only entity authorized to request funds from the Settlement Fund Administrator to be disbursed from that Settling State's Abatement Accounts Fund. If a Settling State has established a Statutory Trust then that Settling State's single point of contact may direct the Settlement Fund Administrator to release the State's Abatement Accounts Fund to the Statutory Trust.

c. Amounts apportioned to that State's Subdivision Fund shall be distributed to Participating Subdivisions in that State included on Exhibit G per the Subdivision Allocation Percentage listed in Exhibit G. Section VII.I shall govern amounts that would otherwise be distributed to Non-Participating Subdivisions listed in Exhibit G. For the avoidance of doubt and notwithstanding any other provision in this Agreement, no Non-Participating Subdivision will receive any amount from the Settlement Fund, regardless of whether such Subdivision is included on Exhibit G.

d. Special Districts shall not be allocated funds from the Subdivision Fund, except through a voluntary redistribution allowed by Section V.D.3. A Settling State may allocate funds from its State Fund or Abatement Accounts Fund for Special Districts.

5. Restrictions on Distribution. No amounts may be distributed from the Subdivision Fund contrary to Section VII, *i.e.*, no amounts may be distributed directly to Non-Participating Subdivisions or to Later Participating Subdivisions to the extent such a distribution would violate Section VII.E through Section VII.H. Amounts allocated to the Subdivision Fund that cannot be distributed by virtue of the preceding sentence shall be distributed into the sub-account in the Abatement Accounts Fund for the Settling State in which the Subdivision is located, unless those payments are redirected elsewhere by a State-Subdivision Agreement described in Section V.D.1 or by an Allocation Statute or a Statutory Trust described in Section V.D.2.

E. *Provisions Regarding the Abatement Accounts Fund.*

1. State-Subdivision Agreement, Allocation Statute, and Statutory Trust Fund Provisions. A State-Subdivision Agreement, Allocation Statute, or Statutory Trust may govern the operation and use of amounts in that State's Abatement Accounts Fund so long as it complies with the requirements of Section V.D.1 or Section V.D.2, as applicable, and all direct payments to Subdivisions comply with Section VII.E through Section VII.H.

2. Absence of a State-Subdivision Agreement, Allocation Statute, or Statutory Trust. In the absence of a State-Subdivision Agreement, Allocation Statute, or Statutory Trust that addresses distribution, the Abatement Accounts Fund will be used solely for future Opioid Remediation[9] and the following shall apply with respect to a Settling State:

a. *Regional Remediation.*

(i) At least fifty percent (50%) of distributions for remediation from a State's Abatement Accounts Fund shall be annually allocated and tracked to the regional level. A Settling State may allow the Advisory Committee established pursuant to Section V.E.2.d to define its regions and assign regional allocations percentages. Otherwise, a Settling State shall (A) define its initial regions, which shall consist of one (1) or more General Purpose Subdivisions and which shall be designated by the state agency with primary responsibility for substance abuse disorder services employing, to the maximum extent practical, existing regions established in that State for opioid abuse treatment or other public health purposes; (B) assign initial regional allocation percentages to the regions based on the Subdivision Allocation Percentages in Exhibit G and an assumption that all Subdivisions included on Exhibit G will become Participating Subdivisions.

(ii) This minimum regional expenditure percentage is calculated on the Settling State's initial Abatement Accounts Fund allocation and does not include any additional amounts a Settling State has directed to its Abatement Accounts Fund from its State Fund, or any other amounts directed to the fund. A Settling State may dedicate more than fifty percent (50%) of its Abatement Accounts Fund to the regional expenditure and may annually adjust the percentage of its Abatement Accounts Fund dedicated to regional expenditures as long as the percentage remains above the minimum amount.

(iii) The Settling State (A) has the authority to adjust the definition of the regions, and (B) may annually revise the percentages

[9] Future Opioid Remediation includes amounts paid to satisfy any future demand by another governmental entity to make a required reimbursement in connection with the past care and treatment of a person related to the Alleged Harms.

allocated to each region to reflect the number of General Purpose Subdivisions in each region that are Non-Participating Subdivisions.

b. *Subdivision Block Grants.* Certain Subdivisions shall be eligible to receive regional allocation funds in the form of a block grant for future Opioid Remediation. A Participating Subdivision eligible for block grants is a county or parish (or in the case of States that do not have counties or parishes that function as political subdivisions, a city) that (1) does not contain a Litigating Subdivision or a Later Litigating Subdivision for which it has the authority to end the litigation through a release, bar or other action, (2) either (i) has a population of 400,000 or more or (ii) in the case of California has a population of 750,000 or more, and (3) has funded or otherwise managed an established health care or treatment infrastructure (*e.g.*, health department or similar agency). Each Subdivision eligible to receive block grants shall be assigned its own region.

c. *Small States.* Notwithstanding the provisions of Section V.E.2.a, Settling States with populations under four (4) million that do not have existing regions described in Section V.E.2.a shall not be required to establish regions. However, such a Settling State that contains one (1) or more Subdivisions eligible for block grants under Section V.E.2.c shall be divided regionally so that each block-grant eligible Subdivision is a region and the remainder of the state is a region.

d. *Advisory Committee.* The Settling State shall designate an Opioid Settlement Remediation Advisory Committee (the "*Advisory Committee*") to provide input and recommendations regarding remediation spending from that Settling State's Abatement Accounts Fund. A Settling State may elect to use an existing advisory committee or similar entity (created outside of a State-Subdivision Agreement or Allocation Statute); *provided*, *however*, the Advisory Committee or similar entity shall meet the following requirements:

(i) Written guidelines that establish the formation and composition of the Advisory Committee, terms of service for members, contingency for removal or resignation of members, a schedule of meetings, and any other administrative details;

(ii) Composition that includes at least an equal number of local representatives as state representatives;

(iii) A process for receiving input from Subdivisions and other communities regarding how the opioid crisis is affecting their communities, their abatement needs, and proposals for abatement strategies and responses; and

(iv) A process by which Advisory Committee recommendations for expenditures for Opioid Remediation will be made to and considered by the appropriate state agencies.

3. Abatement Accounts Fund Reporting. The Settlement Fund Administrator shall track and assist in the report of remediation disbursements as agreed to among the Settling Distributors and the Enforcement Committee.

F. *Nature of Payment*. Each of the Settling Distributors, the Settling States, and the Participating Subdivisions acknowledges and agrees that notwithstanding anything to the contrary in this Agreement, including, but not limited to, the scope of the Released Claims:

1. It has entered into this Agreement to avoid the delay, expense, inconvenience, and uncertainty of further litigation;

2. (a) The Settling States and Participating Subdivisions sought compensatory restitution (within the meaning of 26 U.S.C. § 162(f)(2)(A)) as damages for the Alleged Harms allegedly suffered by the Settling States and Participating Subdivisions; (b) the Compensatory Restitution Amount is no greater than the amount, in the aggregate, of the Alleged Harms allegedly suffered by the Settling States and Participating Subdivisions; and (c) the portion of the Compensatory Restitution Amount received by each Settling State or Participating Subdivision is no greater than the amount of the Alleged Harms allegedly suffered by such Settling State or Participating Subdivision;

3. The payment of the Compensatory Restitution Amount by the Settling Distributors constitutes, and is paid for, compensatory restitution (within the meaning of 26 U.S.C. § 162(f)(2)(A)) for alleged damage or harm (as compensation for alleged damage or harm arising out of alleged bodily injury) allegedly caused by the Settling Distributors;

4. The Compensatory Restitution Amount is being paid as compensatory restitution (within the meaning of 26 U.S.C. § 162(f)(2)(A)) in order to restore, in whole or in part, the Settling States and Participating Subdivisions to the same position or condition that they would be in had the Settling States and Participating Subdivisions not suffered the Alleged Harms; and

5. For the avoidance of doubt: (a) no portion of the Compensatory Restitution Amount represents reimbursement to any Settling State or Participating Subdivision or other person or entity for the costs of any investigation or litigation, (b) the entire Compensatory Restitution Amount is properly characterized as described in Section V.F, and (c) no portion of the Compensatory Restitution Amount constitutes disgorgement or is properly characterized as the payment of statutory or other fines, penalties, punitive damages, or other punitive assessments.

VI. Enforcement

A. *Enforceability.* This Agreement is enforceable only by the Settling States and the Settling Distributors; *provided*, *however*, that Released Entities may enforce Section XI and Participating Subdivisions listed on Exhibit G have the enforcement rights described in Section VI.D. Except to the extent allowed by the Injunctive Relief Terms, Settling States and Participating Subdivisions shall not have enforcement rights with respect to either the terms of this Agreement that apply only to or in other States or any Consent Judgment entered into by another Settling State. Participating Subdivisions shall not have enforcement rights against the Settling Distributors with respect to this Agreement or any Consent Judgment except that Participating Subdivisions listed on Exhibit G shall have enforcement rights as set forth herein as to payments that would be allocated to the Subdivision Fund or Abatement Accounts Fund pursuant to Section V; *provided*, *however*, that each Settling State shall allow Participating Subdivisions in such Settling State to notify it of any perceived violations of this Agreement or the applicable Consent Judgment.

B. *Jurisdiction.* The Settling Distributors consent to the jurisdiction of the court in which each Settling State files its Consent Judgment, limited to resolution of disputes identified in Section VI.F.1 for resolution in that court.

C. *Specific Terms Dispute Resolution.*

1. Any dispute that is addressed by the provisions set forth in the Injunctive Relief Terms shall be resolved as provided therein.

2. In the event that Settling Distributors believe that the eight-five percent (85%) threshold established in Section V.B.1 is not being satisfied, any Party may request that the Settling Distributors and Enforcement Committee meet and confer regarding the use of funds to implement Section V.B.1. The completion of such meet-and-confer process is a precondition to further action regarding any such dispute. Further action concerning Section V.B.1 shall: (i) be limited to the Settling Distributors seeking to reduce their Annual Payments by no more than five percent (5%) of the difference between the actual amount of Opioid Remediation and the eighty-five percent (85%) threshold established in Section V.B.1; (ii) only reduce Annual Payments to those Settling States and their Participating Subdivisions that are below the eighty-five percent (85%) threshold established in Section V.B.1; and (iii) not reduce Annual Payments restricted to future Opioid Remediation.

D. *State-Subdivision Enforcement.*

1. A Subdivision shall not have enforcement rights against a Settling State in which it is located with respect to this Agreement or any Consent Judgment except that a Participating Subdivision listed on Exhibit G shall have enforcement rights (a) as provided for in a State-Subdivision Agreement, Allocation Statute, or Statutory Trust with respect to intrastate allocation or (b) in the absence of a State-Subdivision Agreement, Allocation Statute, or Statutory Trust, to allegations that (i) the Settling State's use of Abatement Accounts Fund monies were not used for uses similar to or in the nature of those uses contained in Exhibit E; or (ii) a Settling State failed to pay funds directly from the Abatement Accounts Fund to a Participating Subdivision eligible to receive a block grant pursuant to Section V.E.2.b.

2. A Settling State shall have enforcement rights against a Participating Subdivision located in its territory (a) as provided for in a State-Subdivision Agreement, Allocation Statute, or Statutory Trust; or (b) in the absence of a State-Subdivision

Agreement, Allocation Statute, or Statutory Trust, to allegations that the Participating Subdivisions' uses of Abatement Accounts Fund monies were not used for purposes similar to or in the nature of those uses contained in Exhibit E.

3. As between Settling States and Participating Subdivisions, the above rights are contractual in nature and nothing herein is intended to limit, restrict, change or alter any other existing rights under law.

E. *Subdivision Distributor Payment Enforcement.* A Participating Subdivision listed on Exhibit G shall have the same right as a Settling State pursuant to Section VI.F.2.a(v) to seek resolution regarding the failure by a Settling Distributor to make its allocable share of an Annual Payment in a Payment Year.

F. *Other Terms Regarding Dispute Resolution.*

1. Except to the extent provided by Section VI.C or Section VI.F.2, all disputes shall be resolved in either the court that entered the relevant Consent Judgment or, if no such Consent Judgment was entered, a state or territorial court with jurisdiction located wherever the seat of the relevant state government is located.

a. State court proceedings shall be governed by the rules and procedures of the relevant forum.

b. For the avoidance of doubt, disputes to be resolved in state court include, but are not limited to, the following:

(i) disputes concerning whether expenditures qualify as Opioid Remediation;

(ii) disputes between a Settling State and its Participating Subdivisions as provided by Section VI.D, except to the extent the State-Subdivision Agreement provides for other dispute resolution mechanisms. For the avoidance of doubt, disputes between a Settling State and any Participating Subdivision shall not be considered National Disputes;

(iii) whether this Agreement and relevant Consent Judgment are binding under state law;

(iv) the extent of the Attorney General's or other participating entity's authority under state law, including the extent of the authority to release claims;

(v) whether the definition of a Bar, a Case-Specific Resolution, Final Order, lead state agency as described in Section V.D.4.b, Later Litigating Subdivision, Litigating Subdivision, or Threshold Motion have been met; and

(vi) all other disputes not specifically identified in Section VI.C or Section VI.F.2.

c. Any Party may request that the National Arbitration Panel provide an interpretation of any provision of the settlement that is relevant to the state court determination, and the National Arbitration Panel shall make reasonable best efforts to supply such interpretation within the earlier of thirty (30) calendar days or the time period required by the state court proceedings. Any Party may submit that interpretation to the state court to the extent permitted by, and for such weight provided by, the state court's rules and procedures. If requested by a Party, the National Arbitration Panel shall request that its interpretation be accepted in the form of an *amicus curiae* brief, and any attorneys' fees and costs for preparing any such filing shall be paid for by the requesting Party.

2. National Disputes involving a Settling State, a Participating Subdivision that has enforcement rights pursuant to Section VI.A, and/or a Settling Distributor shall be resolved by the National Arbitration Panel.

a. National Disputes are disputes that are not addressed by Section VI.C, and which are exceptions to Section VI.F.1's presumption of resolution in state courts because they involve issues of interpretation of terms contained in this Agreement applicable to all Settling States without reference to a particular State's law. Disputes between a Settling State and any Participating Subdivision shall not be considered National Disputes. National Disputes are limited to the following:

(i) the amount of offset and/or credit attributable to Non-Settling States or the Tribal/W. Va. Subdivision Credit;

(ii) issues involving the scope and definition of Product;

(iii) interpretation and application of the terms "Covered Conduct," "Released Entities," and "Released Claims";

(iv) the allocation of payments among Settling Distributors as described in Section IV.I;

(v) the failure by a Settling Distributor to pay its allocable share of the Annual Payment or of the Additional Restitution Amount in a Payment Year, but for the avoidance of doubt, disputes between a Settling Distributor and a Settling State over the amounts owed only to that state that do not affect any other Settling State shall not be considered National Disputes;

(vi) the interpretation and application of the significant financial constraint provision in Section IV.K, including, without limitation, eligibility for and amount of deferrals for any given year, time for repayment, and compliance with restrictions during deferral term;

(vii) the interpretation and application of the prepayment provisions as described in Section IV.J;

(viii) the interpretation and application of any most-favored-nation provision in Section XIV.E;

(ix) questions regarding the performance and/or removal of the Settlement Fund Administrator;

(x) replacement of the Monitor, as provided in the Injunctive Relief Terms;

(xi) disputes involving liability of successor entities;

(xii) disputes that require a determination of the sufficiency of participation in order to qualify for Incentive Payments A, B, or C, as well as disputes over qualification for Participation Tiers;

(xiii) disputes involving a Releasor's compliance with, and the appropriate remedy under, Section XI.B.I.A.3;

(xiv) disputes requiring the interpretation of Agreement terms that are national in scope or impact, which shall mean disputes requiring the interpretation of Agreement terms that (i) concretely affect four (4) or more Settling States; and (ii) do not turn on unique definitions and interpretations under state law; and

(xv) any dispute subject to resolution under Section VI.F.1 but for which all parties to the dispute agree to arbitration before the National Arbitration Panel under the provisions of this Section VI.F.2.

b. The National Arbitration Panel shall be comprised of three (3) arbitrators. One (1) arbitrator shall be chosen by the Settling Distributors, one (1) arbitrator shall be chosen by the Enforcement Committee with due input from Participating Subdivisions listed on Exhibit G, and the third arbitrator shall be agreed upon by the first two (2) arbitrators. The membership of the National Arbitration Panel is intended to remain constant throughout the term of this Agreement, but in the event that replacements are required, the retiring arbitrator shall be replaced by the party that selected him/her.

c. The National Arbitration Panel shall make reasonable best efforts to decide all matters within one hundred eighty (180) calendar days of filing, and in no event shall it take longer than one (1) year.

d. The National Arbitration Panel shall conduct all proceedings in a reasonably streamlined process consistent with an opportunity for the parties to be heard. Issues shall be resolved without the need for live witnesses where feasible, and with a presumption in favor of remote participation to minimize the burdens on the parties.

e. To the extent allowed under state law, a Settling State, a Participating Subdivision that has enforcement rights pursuant to Section VI.A, and (at any party's request) the National Arbitration Panel may certify to an appropriate state court any question of state law. The National Arbitration Panel shall be bound by a final state court determination of such a certified question. The time period for the arbitration shall be tolled during the course of the certification process.

f. The arbitrators will give due deference to any authoritative interpretation of state law, including any declaratory judgment or similar relief obtained by a Settling State, a Participating Subdivision that has enforcement rights pursuant to Section VI.A, or Settling Distributor on a state law issue.

g. The decisions of the National Arbitration Panel shall be binding on Settling States, Participating Subdivisions, Settling Distributors, and the Settlement Fund Administrator. In any proceeding before the National Arbitration Panel involving a dispute between a Settling State and one or more Settling Distributors whose resolution could prejudice the rights of a Participating Subdivision(s) in that Settling State, such Participating Subdivision(s) shall be allowed to file a statement of view in the proceeding.

h. Nothing herein shall be construed so as to limit or otherwise restrict a State from seeking injunctive or other equitable relief in state court to protect the health, safety, or welfare of its citizens.

i. Each party shall bear its own costs in any arbitration or court proceeding arising under this Section VI. The costs for the arbitrators on the National Arbitration Panel shall be divided and paid equally by the disputing sides for each individual dispute, *e.g.*, a dispute between a Settling Distributor and Settling States/Participating Subdivisions shall be split fifty percent (50%) by the Settling Distributor and fifty percent (50%) by the Settling States/Participating Subdivisions that are parties to the dispute; a dispute between a Settling State and a Participating Subdivision shall be split fifty percent (50%) by the Settling State that is party to the dispute and fifty percent (50%) by any Participating Subdivisions that are parties to the dispute.

3. Prior to initiating an action to enforce pursuant to this Section VI.F, the complaining party must:

a. Provide written notice to the Enforcement Committee of its complaint, including the provision of the Consent Judgment and/or Agreement that the practice appears to violate, as well as the basis for its interpretation of the disputed provision. The Enforcement Committee shall establish a reasonable process and timeline for obtaining additional information from the involved parties; *provided*, *however*, that the date the Enforcement Committee establishes for obtaining additional information from the parties shall not be more than forty-five (45) calendar days following the notice. The Enforcement Committee may advise the involved parties of its views on the complaint and/or seek to resolve the complaint informally.

b. Wait to commence any enforcement action until thirty (30) calendar days after the date that the Enforcement Committee establishes for obtaining additional information from the involved parties.

4. If the parties to a dispute cannot agree on the proper forum for resolution of the dispute under the provisions of Section VI.F.1 or Section VI.F.2, a committee comprising the Enforcement Committee and sufficient representatives of the Settling Distributors such that the members of the Enforcement Committee have a majority of one (1) member will determine the forum where the dispute will be initiated within twenty-eight (28) calendar days of receiving notification of the dispute relating to the proper forum. The forum identified by such committee shall be the sole forum for litigating the issue of which forum will hear the substantive dispute, and the committee's identification of such forum in the first instance shall not be entitled to deference by the forum selected.

G. *No Effect.* Nothing in this Agreement shall be interpreted to limit the Settling State's Civil Investigative Demand ("*CID*") or investigative subpoena authority, to the extent such authority exists under applicable state law and the CID or investigative subpoena is issued pursuant to such authority, and Settling Distributors reserve all of their rights in connection with a CID or investigative subpoena issued pursuant to such authority.

VII. Participation by Subdivisions

A. *Notice.* No later than fifteen (15) calendar days after the Preliminary Agreement Date, the Settling States, with the cooperation of the Settling Distributors, shall send individual written notice of the opportunity to participate in this Agreement and the requirements of participation to all Subdivisions in the Settling States that are (1) Litigating Subdivisions or (2) Non-Litigating Subdivisions listed on Exhibit G. The costs of the written notice to such Subdivisions shall be paid for by the Settling Distributors. The Settling States, with the cooperation of the Settling Distributors, may also provide general notice reasonably calculated to alert Non-Litigating Subdivisions in the Settling States to this Agreement, the opportunity to participate in it, and the requirements for participation. Such notice may include publication and other standard forms of notification, as well as notice to national state and county organizations such as the National Association of Counties and the National League of Cities. The notice will include that the deadline for becoming an Initial Participating Subdivision is the Initial Participation Date. Nothing contained herein shall preclude a Settling State from providing further notice to or otherwise contacting any of its Subdivisions about becoming a Participating Subdivision, including beginning any of the activities described in this paragraph prior to the Preliminary Agreement Date.

B. *Requirements for Becoming a Participating Subdivision—Non-Litigating Subdivisions*. A Non-Litigating Subdivision in a Settling State may become a Participating

Subdivision by returning an executed Subdivision Settlement Participation Form to the Settlement Fund Administrator specifying (1) that the Subdivision agrees to the terms of this Agreement pertaining to Subdivisions, (2) that the Subdivision releases all Released Claims against all Released Entities, (3) that the Subdivision agrees to use monies it receives, if any, from the Settlement Fund pursuant to the applicable requirements of Section V; *provided*, *however*, that Non-Litigating Subdivisions may only use monies originating from the Settlement Fund for purposes that qualify as Opioid Remediation, and (4) that the Subdivision submits to the jurisdiction of the court where the applicable Consent Judgment is filed for purposes limited to that court's role under this Agreement. The required Subdivision Settlement Participation Form is attached as Exhibit K.

C. *Requirements for Becoming a Participating Subdivision—Litigating Subdivisions/Later Litigating Subdivisions*. A Litigating Subdivision or Later Litigating Subdivision in a Settling State may become a Participating Subdivision by returning an executed Subdivision Settlement Participation Form to the Settlement Fund Administrator and upon prompt dismissal with prejudice of its lawsuit. A Settling State may require each Litigating Subdivision in that State to specify on the Subdivision Settlement Participation Form whether its counsel has waived any contingency fee contract with that Participating Subdivision and whether, if eligible, it intends to seek fees pursuant to Exhibit R. The Settlement Fund Administrator shall provide quarterly reports of this information to the parties organized by Settling State. A Litigating Subdivision or Later Litigating Subdivision may not become a Participating Subdivision after the completion of opening statements in a trial of the lawsuit it brought that includes a Released Claim against a Released Entity.

D. *Initial Participating Subdivisions*. A Subdivision qualifies as an Initial Participating Subdivision if it meets the applicable requirements for becoming a Participating Subdivision set forth in Section VII.B or Section VII.C by the Initial Participation Date. All Subdivision Settlement Participation Forms shall be held in escrow by the Settlement Fund Administrator until the Reference Date.

E. *Later Participating Subdivisions.* A Subdivision that is not an Initial Participating Subdivision may become a Later Participating Subdivision by meeting the applicable requirements for becoming a Participating Subdivision set forth in Section VII.B or Section VII.C after the Initial Participation Date and by agreeing to be subject to the terms of a State-Subdivision Agreement (if any) or any other structure adopted or applicable pursuant to Section V.D or Section V.E. The following provisions govern what a Later Participating Subdivision can receive (but do not apply to Initial Participating Subdivisions):

1. Except as provided in Section IV.C, a Later Participating Subdivision shall not receive any share of any Annual Payment due before it became a Participating Subdivision.

2. A Later Participating Subdivision that becomes a Participating Subdivision after July 15, 2022 shall receive seventy-five percent (75%) of the share of future base or incentive payments that it would have received had it become a Later Participating Subdivision prior to that date (unless the Later Participating Subdivision is subject to Section VII.E.3 or Section VII.E.4).

3. A Later Participating Subdivision that, after the Initial Participation Date, maintains a lawsuit for a Released Claim(s) against a Released Entity and has judgment entered against it on every such Claim before it became a Participating Subdivision (other than a consensual dismissal with prejudice) shall receive fifty percent (50%) of the share of future base or incentive payments that it would have received had it become a Later Participating Subdivision prior to such judgment; *provided*, *however*, that if the Subdivision appeals the judgment and the judgment is affirmed with finality before the Subdivision becomes a Participating Subdivision, the Subdivision shall not receive any share of any base payment or incentive payments.

4. A Later Participating Subdivision that becomes a Participating Subdivision while a Bar or Case-Specific Resolution involving a different Subdivision exists in its State shall receive twenty-five percent (25%) of the share of future base or incentive payments that it would have received had it become a Later Participating Subdivision without such Bar or Case-Specific Resolution.

F. *No Increase in Payments*. Amounts to be received by Later Participating Subdivisions shall not increase the payments due from the Settling Distributors.

G. *Ineligible Subdivisions*. Subdivisions in Non-Settling States and Prior Litigating Subdivisions are not eligible to be Participating Subdivisions.

H. *Non-Participating Subdivisions*. Non-Participating Subdivisions shall not directly receive any portion of any Annual Payment, including from the State Fund and direct distributions from the Abatement Accounts Fund; however, a Settling State may choose to fund future Opioid Remediation that indirectly benefits Non-Participating Subdivisions.

I. *Unpaid Allocations to Later Participating Subdivisions and Non-Participating Subdivisions*. Any base payment and incentive payments allocated pursuant to Section V.D to a Later Participating Subdivision or Non-Participating Subdivision that cannot be paid pursuant to this Section VII, including the amounts that remain unpaid after the reductions required by Section VII.E.2 through Section VII.E.4, will be allocated to the Abatement Accounts Fund for the Settling State in which the Subdivision is located, unless those payments are redirected elsewhere by a State-Subdivision Agreement or by a Statutory Trust.

VIII. Condition to Effectiveness of Agreement and Filing of Consent Judgment

A. *Determination to Proceed With Settlement.*

1. The Settling States shall confer with legal representatives of the Participating Subdivisions listed on Exhibit G and inform the Settling Distributors no later than fifteen (15) calendar days prior to the Reference Date whether there is sufficient participation to proceed with this Agreement. Within seven (7) calendar days of informing the Settling Distributors that there is sufficient participation to proceed, the Settling States will deliver all signatures and releases required by the Agreement to be provided by the Settling States to the Settling Distributors.

2. If the Settling States inform Settling Distributors that there is sufficient participation, the Settling Distributors will then determine on or before the Reference Date whether there is sufficient State participation and sufficient resolution of the Claims of the Litigating Subdivisions in the Settling States (through participation under Section VII, Case-Specific Resolution(s) and Bar(s)) to proceed with this Agreement. The determination shall be in the sole discretion of the Settling Distributors and may be based on any criteria or factors deemed relevant by the Settling Distributors.

B. *Notice by Settling Distributors*. On or before the Reference Date, the Settling Distributors shall inform the Settling States of their determination pursuant to Section VIII.A. If the Settling Distributors determine to proceed, the Parties will proceed to file the Consent Judgments and the obligations in the Subdivision Settlement Participation Forms will be effective and binding as of the Reference Date. If the Settling Distributors determine not to proceed, this Agreement will have no further effect, any amounts placed in escrow for Payment Year 1, including funds referenced in Section IV.C.1, Section IX, Section X, and Exhibit M, shall be returned to the Settling Distributors, and all releases (including those contained in Subdivision Settlement Participation Forms) and other commitments or obligations contained herein or in Subdivision Settlement Participation Forms will be void.

C. *Determination of the Participation Tier*.

1. On the Reference Date, *provided* that Settling Distributors determine to proceed with this Agreement, the Settlement Fund Administrator shall determine the Participation Tier. The criteria used to determine the Participation Tier are set forth in Exhibit H. Any disputes as to the determination of the Participation Tier shall be decided by the National Arbitration Panel.

2. The Participation Tier shall be redetermined by the Settlement Fund Administrator annually as of the Payment Date, beginning with Payment Year 3, pursuant to the criteria set forth in Exhibit H.

3. After Payment Year 6, the Participation Tier cannot move higher, unless this restriction is waived by the Settling Distributors.

4. In the event that a Participation Tier redetermination moves the Participation Tier higher, and that change is in whole or in part as a result of the post-Reference Date enactment of a Bar and there is later a Revocation Event with respect to such Bar, then on the next Payment Date that is at least one hundred eighty (180) calendar days after the Revocation Event, the Participation Tier shall move down to the Participation Tier that would have applied had the Bar never been enacted, unless the Bar is reinstated or all Subdivisions affected by the Revocation Event become Participating Subdivisions within one hundred eighty (180) calendar days of the Revocation Event. This is the sole circumstance in which, on a nationwide basis, the Participation Tier can move down.

5. In the event that there is a post-Reference Date Revocation Event with respect to a Bar that was enacted in a Settling State prior to the Reference Date, then, on

the next Payment Date that is at least one hundred eighty (180) calendar days after the Revocation Event, unless the Bar is reinstated or all Subdivisions affected by the Revocation Event become Participating Subdivisions within one hundred eighty (180) calendar days of the Revocation Event, the Participation Tier shall decrease – solely for the State in which the Revocation Event occurred – to the Participation Tier commensurate with the percentage of Litigating Subdivisions in that State that are Participating Subdivisions and the percentage of Non-Litigating Subdivisions that are both Primary Subdivisions and Participating Subdivisions, according to the criteria set forth in Exhibit G, except that the calculations shall be performed as to that State alone. For the avoidance of doubt and solely for the calculation in this subparagraph, the Settling States Column of Exhibit H shall play no role. This is the sole circumstance in which one Settling State will have a different Participation Tier than other Settling States.

6. The redetermination of the Participation Tier under Section VIII.C.2 shall not affect payments already made or suspensions, offsets, or reductions already applied.

IX. Additional Restitution

A. *Additional Restitution Amount.* Pursuant to the schedule set forth in Exhibit M and subject to the reduction specified in Section IX.B, the Settling Distributors shall pay an Additional Restitution Amount to the Settling States listed in Exhibit N. Such funds shall be paid, on the schedule set forth on Exhibit M, on the Payment Date for each relevant Payment Year to such Settling States as allocated by the Settlement Fund Administrator pursuant to Exhibit N.

B. *Reduction of Additional Restitution Amount.* In the event that any Non-Settling States appear on Exhibit N, the amounts owed by Settling Distributors pursuant to this Section IX shall be reduced by the allocations set forth on Exhibit N for any such Non-Settling States.

C. *Use of Funds.* All funds paid as an Additional Restitution Amount shall be part of the Compensatory Restitution Amount, shall be used for Opioid Remediation, except as allowed by Section V.B.2, and shall be governed by the same requirements as specified in Section V.F.

X. Plaintiffs' Attorneys' Fees and Costs

The Agreement on Attorneys' Fees, Expenses and Costs is set forth in Exhibit R and incorporated herein by reference. The Agreement on the State Outside Counsel Fee Fund and Agreement on the State Cost Fund Administration are set forth in Exhibit S and Exhibit T, respectively, and are incorporated herein by reference.

XI. Release

A. *Scope.* As of the Effective Date, the Released Entities are hereby released and forever discharged from all of the Releasors' Released Claims. Each Settling State (for itself and its Releasors) and Participating Subdivision hereby absolutely, unconditionally, and irrevocably covenants not to bring, file, or claim, or to cause, assist or permit to be brought, filed, or claimed, or to otherwise seek to establish liability for any Released Claims against any Released Entity in any forum whatsoever. The releases provided for in this Agreement are intended by the Parties to be broad and shall be interpreted so as to give the Released Entities the broadest possible bar against any liability relating in any way to Released Claims and extend to the full extent of the power of each Settling State and its Attorney General to release claims. This Agreement shall be a complete bar to any Released Claim.

B. *Claim-Over and Non-Party Settlement*.

1. It is the intent of the Parties that:

a. Released Entities should not seek contribution or indemnification (other than pursuant to an insurance contract), from other parties for their payment obligations under this Agreement;

b. the payments made under this Agreement shall be the sole payments made by the Released Entities to the Releasors involving, arising out of, or related to Covered Conduct (or conduct that would be Covered Conduct if engaged in by a Released Entity);

c. Claims by Releasors against non-Parties should not result in additional payments by Released Entities, whether through contribution, indemnification or any other means; and

d. the Agreement meets the requirements of the Uniform Contribution Among Joint Tortfeasors Act and any similar state law or doctrine that reduces or discharges a released party's liability to any other parties.

The provisions of this Section XI.B are intended to be implemented consistent with these principles. This Agreement and the releases and dismissals provided for herein are made in good faith.

2. No Released Entity shall seek to recover for amounts paid under this Agreement based on indemnification, contribution, or any other theory from a manufacturer, pharmacy, hospital, pharmacy benefit manager, health insurer, third-party vendor, trade association, distributor, or health care practitioner; *provided* that a Released Entity shall be relieved of this prohibition with respect to any entity that asserts a Claim-Over against it. For the avoidance of doubt, nothing herein shall prohibit a Released Entity from recovering amounts owed pursuant to insurance contracts.

3. To the extent that, on or after the Reference Date, any Releasor enters into a Non-Party Settlement, including in any bankruptcy case or through any plan of reorganization (whether individually or as a class of creditors), the Releasor will include (or in the case of a Non-Party Settlement made in connection with a bankruptcy case, will cause the debtor to include), unless prohibited from doing so under applicable law, in the Non-Party Settlement a prohibition on contribution or indemnity of any kind substantially equivalent to that required from the Settling Distributors in Section XI.B.2, or a release from such Non-Released Entity in favor of the Released Entities (in a form equivalent to the releases contained in this Agreement) of any Claim-Over. The obligation to obtain

the prohibition and/or release required by this subsection is a material term of this Agreement.

4. In the event that any Releasor obtains a judgment with respect to Non-Party Covered Conduct against a Non-Released Entity that does not contain a prohibition like that described in Section XI.B.3, or any Releasor files a Non-Party Covered Conduct Claim against a Non-Released Entity in bankruptcy or a Releasor is prevented for any reason from obtaining a prohibition/release in a Non-Party Settlement as provided in Section XI.B.3, and such Non-Released Entity asserts a Claim-Over against a Released Entity, the Released Entity shall be relieved of the prohibition in Section XI.B.2 with respect to that Non-Released Entity and that Releasor and the Settling Distributors shall take the following actions to ensure that the Released Entities do not pay more with respect to Covered Conduct to Releasors or to Non-Released Entities than the amounts owed under this Settlement Agreement by the Settling Distributors:

a. Settling Distributors shall notify that Releasor of the Claim-Over within sixty (60) calendar days of the assertion of the Claim-Over or sixty (60) calendar days of the Effective Date of this Settlement Agreement, whichever is later;

b. Settling Distributors and that Releasor shall meet and confer concerning the means to hold Released Entities harmless and ensure that they are not required to pay more with respect to Covered Conduct than the amounts owed by Settling Distributors under this Agreement;

c. That Releasor and Settling Distributors shall take steps sufficient and permissible under the law of the State of the Releasor to hold Released Entities harmless from the Claim-Over and ensure Released Entities are not required to pay more with respect to Covered Conduct than the amounts owed by Settling Distributors under this Agreement. Such steps may include, where permissible:

(i) Filing of motions to dismiss or such other appropriate motion by Settling Distributors or Released Entities, and supported by Releasors, in response to any claim filed in litigation or arbitration;

(ii) Reduction of that Releasors' Claim and any judgment it has obtained or may obtain against such Non-Released Entity by whatever amount or percentage is necessary to extinguish such Claim-Over under applicable law, up to the amount that Releasor has obtained, may obtain, or has authority to control from such Non-Released Entity;

(iii) Placement into escrow of funds paid by the Non-Released Entities such that those funds are available to satisfy the Claim-Over;

(iv) Return of monies paid by Settling Distributors to that Releasor under this Settlement Agreement to permit satisfaction of a judgment against or settlement with the Non-Released Entity to satisfy the Claim-Over;

(v) Payment of monies to Settling Distributors by that Releasor to ensure they are held harmless from such Claim-Over, up to the amount that Releasor has obtained, may obtain, or has authority to control from such Non-Released Entity;

(vi) Credit to the Settling Distributors under this Agreement to reduce the overall amounts to be paid under the Agreement such that they are held harmless from the Claim-Over; and

(vii) Such other actions as that Releasor and Settling Distributors may devise to hold Settling Distributors harmless from the Claim-Over.

d. The actions of that Releasor and Settling Distributors taken pursuant to paragraph (c) must, in combination, ensure Settling Distributors are not required to pay more with respect to Covered Conduct than the amounts owed by Settling Distributors under this Agreement.

e. In the event of any dispute over the sufficiency of the actions taken pursuant to paragraph (c), that Releasor and the Settling Distributors may seek review by the National Arbitration Panel, provided that, if the parties agree, such dispute may be heard by the state court where the relevant Consent Judgment was filed. The National Arbitration Panel shall have authority to require Releasors to implement a remedy that includes one or more of the actions specified in paragraph (c) sufficient to hold Released Entities fully harmless. In the event that the Panel's actions do not result in Released Entities being held fully harmless, Settling Distributors shall have a claim for breach of this Agreement by Releasors, with the remedy being payment of sufficient funds to hold Settling Distributors harmless from the Claim-Over. For the avoidance of doubt, the prior sentence does not limit or eliminate any other remedy that Settling Distributors may have.

5. To the extent that the Claim-Over is based on a contractual indemnity, the obligations under Section XI.B.4 shall extend solely to a Non-Party Covered Conduct Claim against a pharmacy, clinic, hospital or other purchaser or dispenser of Products, a manufacturer that sold Products, a consultant, and/or a pharmacy benefit manager or other third-party payor. Each Settling Distributor shall notify the Settling States, to the extent permitted by applicable law, in the event that any of these types of Non-Released Entity asserts a Claim-Over arising out of contractual indemnity against it.

C. *Indemnification and Contribution Prohibited.* No Released Entity shall seek to recover for amounts paid under this Agreement based on indemnification, contribution, or any other theory, from a manufacturer, pharmacy, hospital, pharmacy benefit manager, health insurer, third-party vendor, trade association, distributor, or health care practitioner. For the avoidance of doubt, nothing herein shall prohibit a Released Entity from recovering amounts owed pursuant to insurance contracts.

D. *General Release*. In connection with the releases provided for in this Agreement, each Settling State (for itself and its Releasors) and Participating Subdivision 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 and that if known by him or her, would have materially affected his or her settlement with the debtor or released party.

A Releasor may hereafter discover facts other than or different from those which it knows, believes, or assumes to be true with respect to the Released Claims, but each Settling State (for itself and its Releasors) and Participating Subdivision hereby expressly waives and fully, finally, and forever settles, releases and discharges, upon the Effective Date, any and all Released Claims that may exist as of such date but which Releasors do not know or suspect to exist, whether through ignorance, oversight, error, negligence or through no fault whatsoever, and which, if known, would materially affect the Settling States' decision to enter into this Agreement or the Participating Subdivisions' decision to participate in this Agreement.

E. *Assigned Interest Waiver*. To the extent that any Settling State has any direct or indirect interest in any rights of a third-party that is a debtor under the Bankruptcy Code as a result of a claim arising out of Covered Conduct by way of assignment or otherwise, including as a result of being the beneficiary of a trust or other distribution entity, to assert claims against a Settling Distributor (whether derivatively or otherwise), under any legal or equitable theory, including for indemnification, contribution, or subrogation, such Settling State waives the right to assert any such claim, or to receive a distribution or any benefit on account of such claim and such claim, distribution, or benefit shall be deemed assigned to such Settling Distributor.

F. *Res Judicata*. Nothing in this Agreement shall be deemed to reduce the scope of the res judicata or claim preclusive effect that the settlement memorialized in this Agreement, and/or any Consent Judgment or other judgment entered on this Agreement, gives rise to under applicable law.

G. *Representation and Warranty*. The signatories hereto on behalf of their respective Settling States expressly represent and warrant that they have (or have obtained, or will obtain no later than the Initial Participation Date) the authority to settle and release, to the maximum extent of the State's power, all Released Claims of (1) their respective Settling States, (2) all past and present executive departments, state agencies, divisions, boards, commissions and instrumentalities with the regulatory authority to enforce state and federal controlled substances acts, and (3) any of their respective Settling State's past and present executive departments, agencies, divisions, boards, commissions and instrumentalities that have the authority to bring Claims related to Covered Conduct seeking money (including abatement and/or remediation) or revocation of a pharmaceutical distribution license. For the purposes of clause (3) above, executive departments, agencies, divisions, boards, commissions, and instrumentalities are those that are under the executive authority or direct control of the State's Governor. Also for the purposes of clause (3), a release from a State's Governor is sufficient to demonstrate that the appropriate releases have been obtained.

H. *Effectiveness*. The releases set forth in this Agreement shall not be impacted in any way by any dispute that exists, has existed, or may later exist between or among the Releasors. Nor shall such releases be impacted in any way by any current or future law, regulation, ordinance, or court or agency order limiting, seizing, or controlling the distribution or use of the Settlement Fund or any portion thereof, or by the enactment of future laws, or by any seizure of the Settlement Fund or any portion thereof.

I. *Cooperation*. Releasors (1) will not encourage any person or entity to bring or maintain any Released Claim against any Released Entity and (2) will reasonably cooperate with and not oppose any effort by Settling Distributors to secure the prompt dismissal of any and all Released Claims.

J. *Non-Released Claims.* Notwithstanding the foregoing or anything in the definition of Released Claims, this Agreement does not waive, release or limit any criminal liability, Claims for liability under tax law, Claims under securities law by a State Releasor as investor, Claims against parties who are not Released Entities, Claims by private individuals, and any claims arising under this Agreement for enforcement of this Agreement.

XII. Later Litigating Subdivisions

A. *Released Claims against Released Entities.* Subject to Section XII.B, the following shall apply in the event a Later Litigating Subdivision in a Settling State maintains a lawsuit for a Released Claim against a Released Entity after the Reference Date:

1. The Released Entity shall take ordinary and reasonable measures to defend the action, including filing a Threshold Motion with respect to the Released Claim. The Released Entity shall further notify the Settling State and Settlement Fund Administrator immediately upon notice of a Later Litigating Subdivision bringing a lawsuit for a Released Claim, and shall not oppose a Settling State's submission in support of the Threshold Motion.

2. The provisions of this Section XII.A.2 apply if the Later Litigating Subdivision is a Primary Subdivision (except as provided in Section XII.A.2.f):

   a. If a lawsuit including a Released Claim survives until the Suspension Deadline for that lawsuit, the Settlement Fund Administrator shall calculate the Suspension Amount applicable to the next Payment due from the Settling Distributor(s) at issue and apportioned to the State of the Later Litigating Subdivision and to Subdivisions in that State; *provided*, *however*, that the Suspension Amount for a Payment Year cannot exceed the Suspension Cap. The Suspension Amount shall be paid into the Settlement Fund Escrow account. If the Suspension Amount exceeds the Suspension Cap for that Payment Year, then the remaining amount will be paid into the Settlement Fund Escrow in the following Payment Year, subject to the Suspension Cap for that Payment Year, and so forth in each succeeding Payment Year until the entire Suspension Amount has been paid into the Settlement Fund Escrow or the Released Claim is resolved, as provided below, whichever comes first. A suspension does not apply during the pendency of any appeal dismissing the lawsuit for a Released Claim in whole.

b. If the Released Claim is resolved with finality without requirement of payment by the Released Entity, the placement of any remaining balance of the Suspension Amount into the Settlement Fund Escrow shall cease and the Settlement Fund Administrator shall immediately transfer amounts in the Settlement Fund Escrow on account of the suspension to the Settling State at issue and its Participating Subdivisions. The lawsuit will not cause further suspensions unless the Released Claim is reinstated upon further review, legislative action, or otherwise.

c. If the Released Claim is resolved with finality on terms requiring payment by the Released Entity, the Settlement Fund Administrator will transfer the amounts in the Settlement Fund Escrow on account of the suspension to the Settling Distributor(s) at issue necessary to satisfy the payment obligation of the Released Entity to the relevant Later Litigating Subdivision. If any balance remains in the Settlement Fund Escrow on account of the suspension after transfer of the amount necessary to satisfy the payment obligation, the Settlement Fund Administrator will immediately transfer the balance to the Settling State at issue and its Participating Subdivisions. If the payment obligation of the Released Entity to the relevant Later Litigating Subdivision exceeds the amounts in the Settlement Fund Escrow on account of the suspension, the Settling Distributor at issue shall receive a dollar-for-dollar offset, subject to the yearly Offset Cap, for the excess amount against its obligation to pay its allocable share of Annual Payments that would be apportioned to the Settling State at issue and to its Subdivisions. The offset shall be applied as follows: first against the Settling Distributor's allocable share of the Annual Payment due in Payment Year 18, up to the Offset Cap for that Payment Year, with any remaining amounts above the Offset Cap applied against the Settling Distributor's allocable share of the Annual Payment due in Payment Year 17, up to the Offset Cap for that Payment Year, and so forth for each preceding Payment Year until the entire amount to be offset has been applied or no future Payment Years remain.

d. If the lawsuit asserting a Released Claim is resolved with finality on terms requiring payment by the Released Entity, and the Released Claim did not give rise to a suspension of any Settling Distributor's portion of any Annual Payments (*e.g.*, because it was resolved during Payment Years 1 or 2, during which all Settling States are deemed eligible for Incentive Payment A and thus no suspension of payments took place, as provided by Section XII.B), the Settling Distributor at issue shall receive a dollar-for-dollar offset, subject to the yearly Offset Cap, for the amount paid. The offset shall be applied against the relevant Settling Distributor's allocable portion of the Annual Payments starting in

Payment Year 18 and working backwards as set forth in Section XII.A.2.c. If the lawsuit for a Released Claim is otherwise resolved by the Released Entity, without the Settling Distributor filing a Threshold Motion despite an opportunity to do so, and the Released Claim did not give rise to a suspension of any Settling Distributor's portion of any Annual Payments, the Settling Distributor at issue shall not receive any offset for the amount paid.

e. If more than one Primary Subdivision in a Settling State becomes a Later Litigating Subdivision, a single Suspension Cap applies and the total amounts deducted from the share of the Annual Payment allocated to the Settling State and its Participating Subdivisions in a given Payment Year cannot exceed the Suspension Cap. For the avoidance of doubt, an individual Primary Subdivision shall not trigger more than one suspension regardless if it (or any of its officials) is named as multiple plaintiffs in the same lawsuit.

f. This Section XII.A.2 shall not apply with respect to a Primary Subdivision that is either (i) a Later Litigating Subdivision under clause (3) of the definition of that term solely because a legislative Bar or legislative Case-Specific Resolution applicable as of the Reference Date is invalidated by judicial decision after the Reference Date or (ii) a Later Litigating Subdivision under clause (4) of the definition of that term. Such a Primary Subdivision shall be treated as a General Purpose Government under Section XII.A.3.

3. The terms of this Section XII.A.3 apply if a the Later Litigating Subdivision is not a Primary Subdivision (except for Primary Subdivisions referenced in Section XII.A.2.f) but is a General Purpose Government, School District, Health District or Hospital District: if the Released Claim is resolved with finality on terms requiring payment by the Released Entity, the Settling Distributor at issue shall receive a dollar-for-dollar offset, subject to the yearly Offset Cap, for the amount paid against its portion of the obligation to make Annual Payments that would be apportioned to the Settling State at issue and to its Subdivisions. The offset shall be applied as follows: first against the relevant Settling Distributor's allocable share of the Annual Payment due in Payment Year 18, up to the Offset Cap for that Payment Year, with any remaining amounts above the Offset Cap applied against the Payment due in Payment Year 17, up to the Offset Cap for that Payment Year, and so forth for each preceding Payment Year until the entire amount to be offset has been applied or no future Payment Year remains. If the Released Claim is resolved on terms requiring payment during the first two (2) Payment Years, in no case will any amounts be offset against the amounts due in Payment Years 1 and 2.

4. In no event shall the total of Suspension Amounts and offsets pursuant to this Section applicable to a Settling State in a Payment Year for that Payment Year exceed the Offset Cap for that State. If, in a Payment Year, the total of Suspension Amounts and offsets applicable to a Settling State exceeds the Offset Cap, the Suspension Amounts shall be reduced so that the total of Suspension Amounts and offsets equals the Offset Cap.

5. For the avoidance of doubt, any offset pursuant to this Section XII in a Settling State that is not eligible for Incentive Payment A shall continue to apply even if the Settling State at issue subsequently becomes eligible for Incentive Payment A.

6. "*Terms requiring payment*" shall mean (i) a final monetary judgment or (ii) a settlement; *provided* that the Released Entity sought the applicable State Attorney General's consent to the settlement and such consent was either obtained or unreasonably withheld. Should the judgment or settlement resolve claims that are not Released Claims, the offset shall be for the Released Claims portion only, which shall be distinguishable in the judgment or settlement.

B. *Exceptions.*

1. Section XII.A shall not apply where the Settling State at issue meets the eligibility criteria for and is entitled to Incentive Payment A for the Payment Year at issue, except as expressly provided therein. For the avoidance of doubt, because all Settling States are deemed eligible for Incentive Payment A for Payment Years 1 and 2 under Section IV.F.1.c, a suspension of Payments under Section XII.A.2 shall not apply to any Settling States for those Payment Years.

2. An offset under Section XII.A.2 and Section XII.A.3 shall not apply where the Later Litigating Subdivision opted out of a Settlement Class Resolution in the Settling State at issue that was in full force and effect in that Settling State as of the due date of the payment for Payment Year 2 and remains in full force and effect; *provided* that an offset relating to that Subdivision may apply under Section XIII.

3. Section XII.A shall not apply where the Later Litigating Subdivision seeks less than $10 million, or so long as its total claim is reduced to less than $10 million, in the lawsuit for a Released Claim at issue.

4. An offset under Section XII.A.3 shall not apply where the applicable Participation Tier is Participation Tier 1 and the population of the Later Litigating Subdivision is under 10,000.

5. If the applicable Participation Tier is Participation Tier 2 or higher, and the Later Litigating Subdivision has a population less than 10,000, the offset under Section XII.A.3 shall only apply to amounts paid pursuant to a settlement or judgment that are over $10 million per case or resolution. Any type of consolidated or aggregated or joined or class actions, however styled, shall be considered a single case, and any resolutions that occur within a sixty (60) calendar day period of each other and involve Later Litigating Subdivisions that share common counsel and/or are created by the same or related judgments, settlement agreements, or other instruments or are conditioned upon one another, shall be considered a single resolution. For the avoidance of doubt, any such case or resolution shall have only a single $10,000,000 exemption from the offset under Section XII.A.3.

C. *No Effect on Other Provisions*. A suspension or offset under Section XII.A shall not affect the Injunctive Relief Terms or the Consent Judgment.

D. *No Effect on Other States*. A suspension or offset under Section XII.A applicable to one State shall not affect the allocation or payment of the Annual Payment to other Settling States.

XIII. Reductions/Offsets

A. *Non-Settling States.* Non-Settling States shall not be eligible for any payments or have any rights in connection with this Agreement. Accordingly, the stated maximum dollar amounts of the payments specified in Exhibit M are reduced by the aggregate Overall Allocation Percentage of Non-Settling States as set forth in Exhibit F.

B. *Offset Relating to Incentive Payment A.* If a Settling State is not eligible for Incentive Payment A at the third Payment Date, the Settling Distributors shall receive an offset with respect to that State.[10] The offset shall be the dollar amount difference between (1) the total amount of the Incentive Payment A due from the Settling Distributors on the Effective Date and on the Payment Date for Payment Year 2 allocated to that State and its Participating Subdivisions, and (2) the total amount of Incentive Payments B and C that would have been due from the Settling Distributors on the Effective Date and on the Payment Date for Payment Year 2 so allocated but for the State's deemed eligibility for Incentive Payment A. The offset shall be applied in equal installments to reduce the Annual Payments for Payment Years 3 through 7 that would be apportioned to that State and to its Subdivisions, and shall remain applicable even if that State subsequently becomes eligible for Incentive Payment A.

C. *Settlement Class Resolution Opt Outs.* If a Settling State is eligible for Incentive Payment A on the basis of a Settlement Class Resolution, and a Primary Subdivision that opted out of the Settlement Class Resolution maintains a lawsuit asserting a Released Claim against a Released Entity, the following shall apply. If the lawsuit asserting a Released Claim either survives a Threshold Motion or has an unresolved Threshold Motion fewer than sixty (60) calendar days prior to the scheduled start of a trial involving a Released Claim, and is resolved with finality on terms requiring payment by the Released Entity, the Settling Distributor at issue shall receive a dollar-for-dollar offset for the amount paid against its obligation to make remaining Incentive Payment A payments that would be apportioned to that State and to its Subdivisions. For the avoidance of doubt, an offset shall not be applicable under this subsection if it is applicable under Section XII.A with respect to the Subdivision at issue.

D. *Revoked Bar, Settlement Class Resolution, or Case-Specific Resolution.* If the Settling Distributors made any Annual Payments that included any incentive payments earned as a result of the existence of a Bar, Settlement Class Resolution, or Case-Specific Resolution in a Settling State, and there is subsequently a Revocation Event with respect to that Bar, Settlement Class Resolution, or Case-Specific Resolution after the determination of the amount of such Annual Payment, the Settling Distributors shall receive a dollar-for-dollar offset against the portion of remaining Annual Payments that would be allocated to that State and its Participating Subdivisions. This offset will be calculated as the dollar amount difference between (1) the total amount of incentive payments paid by the Settling Distributors by virtue of the Bar, Settlement

[10] For purposes of this provision, in determining whether a Settling State would not be eligible for Incentive Payment A for Payment Year 3, the criteria set forth in Section IV.F.1.b shall apply to that Payment Year.

Class Resolution, or Case-Specific Resolution subject to the Revocation Event and (2) the total amount of incentive payments that would have been due from the Settling Distributors during that time had the Bar, Settlement Class Resolution, or Case-Specific Resolution subject to the Revocation Event not been in effect. The amount of incentive payments that would have been due, referenced in clause (2) above, will be calculated one hundred eighty (180) calendar days after the Revocation Event; for purposes of calculating the amount of incentive payments that would have been due, any relevant Subdivision shall be included as a Participating Subdivision if: (1) its Released Claims are extinguished by any subsequent Bar, Settlement Class Resolution, or Case-Specific Resolution in effect as of the date of such calculation, or (2) it becomes a Participating Subdivision (in addition to all other Participating Subdivisions) prior to the date of such calculation.

E. *Certain Taxes.* Amounts paid by a Settling Distributor under an Opioid Tax in a Settling State in a Payment Year shall give rise to a dollar-for-dollar offset against that Settling Distributor's obligation to pay its share of the Annual Payment in that Payment Year that would be allocated to the taxing State or its Participating Subdivisions. If such amounts paid exceed that Settling Distributor's allocable share of the Annual Payment allocable to the taxing State or its Participating Subdivisions in that Payment Year, the excess shall carry forward as an offset against its allocable share of remaining Annual Payments that would be allocated to the taxing State or its Participating Subdivisions

F. *Not Subject to Suspension Cap or Offset Cap.* For the avoidance of doubt, neither the Suspension Cap nor the Offset Cap apply to the offsets and reductions set forth in this Section XIII.

XIV. Miscellaneous

A. *Population of General Purpose Governments.* The population figures for General Purpose Governments shall be the published U.S. Census Bureau's population estimates for July 1, 2019, released May 2020. These population figures shall remain unchanged during the term of this Agreement.[11]

B. *Population of Special Districts*. For any purpose in this Agreement in which the population of a Special District is used other than Section IV.F.1.b: (a) School Districts' population will be measured by the number of students enrolled who are eligible under the Individuals with Disabilities Education Act ("*IDEA*") or Section 504 of the Rehabilitation Act of 1973; (b) Health Districts' and Hospital Districts' population will be measured at twenty-five percent (25%) of discharges; and (c) all other Special Districts' (including Fire Districts' and Library Districts') population will be measured at ten percent (10%) of the population served. The Settling Distributors and the Enforcement Committee shall meet and confer in order to agree on data sources for purposes of this Section prior to the Preliminary Agreement Date.

[11] The estimates for counties and parishes were accessed at https://www.census.gov/data/datasets/time-series/demo/popest/2010s-countiestotal.html. The estimates for cities and towns can currently be found at https://www.census.gov/data/datasets/time-series/demo/popest/2010s-total-cities-and-towns.html.

C. *Population Associated with Sheriffs*. For any purpose in this Agreement in which the population associated with a lawsuit by a sheriff is used, the population will be measured at twenty percent (20%) of the capacity of the jail(s) operated by the sheriff.

D. *No Admission.* The Settling Distributors do not admit liability or wrongdoing. Neither this Agreement nor the Consent Judgments shall be considered, construed or represented to be (1) an admission, concession or evidence of liability or wrongdoing or (2) a waiver or any limitation of any defense otherwise available to the Settling Distributors.

E. *Most-Favored-Nation Provision*.—Settling States.

1. If, after the Reference Date, any Settling Distributor enters into any settlement agreement with any Non-Settling State that resolves Claims similar in scope to the Claims released by a Settling State under this Agreement on overall payment terms that are more favorable to such Non-Settling State than the overall payment terms of the Agreement (after due consideration of relevant differences in population or other appropriate factors), then the Settling States, individually or collectively, may elect to seek review, pursuant to Section XIV.E.3, of the overall payment terms of this Agreement and the Non-Settling State agreement so that such Settling State(s) may obtain, with respect to that Settling Distributor, overall payment terms at least as favorable as those obtained by such Non-Settling State. "*Overall payment terms*" refers to consideration of all payment terms of the two agreements, taken together, including, but not limited to the amount of payments, the timing of payments, and conditions or contingencies on payments.

2. For any settlement with a Non-Settling State involving Released Claims that is entered into after the Reference Date, Settling Distributors shall provide the Enforcement Committee with a copy of the settlement agreement or relevant consent judgment within thirty (30) calendar days of the consummation of such settlement. The Enforcement Committee will promptly distribute such copy to all Settling States.

3. In the event that one or more Settling State(s) believes that the overall payment terms of an agreement by a Settling Distributor with a Non-Settling State are more favorable to the Non-Settling State, when compared based on the totality of the considerations set forth in Section XIV.E.1, the Settling State(s) and the Settling Distributor shall engage in the following process:

a. The Settling State(s) shall provide notice, within sixty (60) calendar days of the date on which a settlement agreement or consent judgment is provided to the Enforcement Committee, to the Settling Distributor of its (their) intent to seek revision of this Agreement to provide payment terms that are, on an overall basis, as favorable as those obtained by the Non-Settling State. Such notice shall be confidential and not disclosed publicly to the extent allowed by law and shall state, in detail, the basis for the State's (States') belief that it (they) is entitled to a revision of the Agreement.

b. The Settling Distributor shall, within thirty (30) calendar days, provide a response to the Settling State(s), explaining its position, in detail, as to whether the Settling State(s) is entitled to more favorable overall payment terms than those provided for in this Agreement.

c. In the event the Settling State(s) and Settling Distributor do not reach agreement as to the application of Section XIV.E.1, the Settling State(s) may petition the National Arbitration Panel to seek a ruling from the Panel as to the applicability of Section XIV.E.1, provided that the Settling State(s) may seek such review only if at least five (5) Settling States co-sign the petition. The Panel shall consider submissions and argument by the parties pursuant to the procedures set forth in Section VI.F.2.

d. The Settling State(s) and the Settling Distributor shall be bound by the determination of the National Arbitration Panel.

4. This Section XIV.E does not apply to, and there is no ability of any Settling State to seek or obtain revision of this Agreement based on, any Non-Settling State agreement with any Settling Distributor that is entered into with: (a) a Non-Settling State after a date sixty (60) calendar days prior to the scheduled start date of a trial between any Settling Distributor and the Non-Settling State or any severed or bifurcated portion thereof, provided that, where, in order to complete a settlement, a Non-Settling State and a Settling Distributor jointly request an adjournment of the scheduled start date of a trial within sixty (60) days of that date, this exception will apply as if the trial date had not been adjourned; (b) a Non-Settling State that previously litigated to judgment a case related to opioids against any manufacturer, distributor, or pharmacy; or (c) a Non-Settling State that has obtained any court order or judicial determination that grants judgment (in whole or in part) against any Settling Distributor. For avoidance of doubt, the National Arbitration Panel shall have no power to review agreements described in this paragraph.

5. This Section XIV.E does not apply to, and there is no ability of any Settling State to seek or obtain revision of this Agreement based on, any agreement between a Settling Distributor and (a) federally-recognized tribe(s) or (b) West Virginia subdivisions or (c) Non-Participating Subdivisions. This Section XIV.E will not apply to any agreement entered into more than eighteen (18) months after the Reference Date.

F. *Tax Cooperation and Reporting*.

1. Upon request by any Settling Distributor, the Settling States and Participating Subdivisions agree to perform such further acts and to execute and deliver such further documents as may be reasonably necessary for the Settling Distributors to establish the statements set forth in Section V.E.3 to the satisfaction of their tax advisors, their independent financial auditors, the Internal Revenue Service, or any other governmental authority, including as contemplated by Treasury Regulations Section 1.162-21(b)(3)(ii) and any subsequently proposed or finalized relevant regulations or administrative guidance.

2. Without limiting the generality of Section XIV.F.1, each Settling State and Participating Subdivision shall cooperate in good faith with any Settling Distributor with respect to any tax claim, dispute, investigation, audit, examination, contest, litigation, or other proceeding relating to this Agreement.

3. The Designated State, as defined in Section I.P as New York, on behalf of all Settling States and Participating Subdivisions, shall designate one of its officers or employees to act as the "appropriate official" within the meaning of Treasury Regulations Section 1.6050X-1(f)(1)(ii)(B) (the "*Appropriate Official*"). The Designated State shall direct and ensure that the Appropriate Official timely (a) files (i) at the time this Agreement becomes binding on the Parties, an IRS Form 1098-F in the form attached as Exhibit U, Exhibit V, and Exhibit W with respect to each of the Settling Distributors and (ii) any legally required returns or amended returns with any applicable governmental authority, or any returns requested by the respective Settling Distributors, and (b) provides to each of the Settling Distributors a copy of (i) the IRS Form 1098-F filed with respect to such Settling Distributor and (ii) any legally required written statement pursuant to any applicable law and any other document referred to in clause (a)(ii) above. Any such form, return, or statement shall be prepared and filed in a manner fully consistent with Section V.E.3.

4. The Settling States and Participating Subdivisions agree that any return, amended return, or written statement filed or provided pursuant to paragraph 3, and any similar document, shall be prepared and filed in a manner consistent with reporting each Settling Distributor's portion of the Global Settlement Amount as the "Total amount to be paid" pursuant to this Agreement in Box 1 of IRS Form 1098-F and each Settling Distributor's portion of the Compensatory Restitution Amount as "Restitution/remediation amount" in Box 2 of IRS Form 1098-F, as reflected in the attached Exhibit U, Exhibit V, and Exhibit W. If the Designated State or Appropriate Official shall be required to file any return, amended return, or written statement contemplated by this Section XIV.F other than an IRS Form 1098-F in the form attached as Exhibit U, Exhibit V, and Exhibit W, the Designated State shall direct and ensure that the Appropriate Official provides to each Settling Distributor a draft of such return, amended return, or written statement in respect of such Settling Distributor no later than sixty (60) calendar days prior to the due date thereof and shall accept and reflect any reasonable comments of such Settling Distributor on the return, amended return, or written statement in respect of such Settling Distributor.

5. For the avoidance of doubt, neither the Settling Distributors nor the Settling States and Participating Subdivisions make any warranty or representation to any Settling State, Participating Subdivision, or Releasor as to the tax consequences of the payment of the Compensatory Restitution Amount (or any portion thereof).

G. *No Third-Party Beneficiaries.* Except as expressly provided in this Agreement, no portion of this Agreement shall provide any rights to, or be enforceable by, any person or entity that is not a Settling State or Released Entity. No Settling State may assign or otherwise convey any right to enforce any provision of this Agreement.

H. *Calculation*. Any figure or percentage referred to in this Agreement shall be carried to seven decimal places.

I. *Construction*. None of the Parties and no Participating Subdivision shall be considered to be the drafter of this Agreement or of any of its provisions for the purpose of any statute, case law, or rule of interpretation or construction that would or might cause any provision to be construed against the drafter of this Agreement. The headings of the provisions of this Agreement are not binding and are for reference only and do not limit, expand, or otherwise affect the contents or meaning of this Agreement.

J. *Cooperation*. Each Party and each Participating Subdivision agrees to use its best efforts and to cooperate with the other Parties and Participating Subdivisions to cause this Agreement and the Consent Judgments to become effective, to obtain all necessary approvals, consents and authorizations, if any, and to execute all documents and to take such other action as may be appropriate in connection herewith. Consistent with the foregoing, each Party and each Participating Subdivision agrees that it will not directly or indirectly assist or encourage any challenge to this Agreement or any Consent Judgment by any other person, and will support the integrity and enforcement of the terms of this Agreement and the Consent Judgments.

K. *Entire Agreement*. This Agreement, including its exhibits and any other attachments, embodies the entire agreement and understanding between and among the Parties and Participating Subdivisions relating to the subject matter hereof and supersedes (1) all prior agreements and understandings relating to such subject matter, whether written or oral and (2) all purportedly contemporaneous oral agreements and understandings relating to such subject matter.

L. *Execution*. This Agreement may be executed in counterparts and by different signatories on separate counterparts, each of which shall be deemed an original, but all of which shall together be one and the same Agreement. One or more counterparts of this Agreement may be delivered by facsimile or electronic transmission with the intent that it or they shall constitute an original counterpart hereof. One or more counterparts of this Agreement may be signed by electronic signature.

M. *Good Faith and Voluntary Entry*. Each Party warrants and represents that it negotiated the terms of this Agreement in good faith. Each of the Parties and Participating Subdivisions warrants and represents that it freely and voluntarily entered into this Agreement without any degree of duress or compulsion. The Parties and Participating Subdivisions state that no promise of any kind or nature whatsoever (other than the written terms of this Agreement) was made to them to induce them to enter into this Agreement.

N. *Legal Obligations*. Nothing in this Agreement shall be construed as relieving any Settling Distributor of the obligation to comply with all state and federal laws, regulations or rules, nor shall any of the provisions herein be deemed to be permission to engage in any acts or practices prohibited by such laws, regulations, or rules. Except with respect to the Injunctive Relief Terms, in the event of a conflict between this Agreement and any requirement or requirements of federal, state, or local laws, such that a Settling Distributor cannot comply with this Agreement without violating such a requirement or requirements, the Settling Distributor shall document such conflicts and notify the Attorney(s) General of the relevant Settling State(s) that it intends to comply with the requirement or requirements to the extent necessary to eliminate the conflict. With respect to the Injunctive Relief Terms, in the event of such a conflict, the procedures set forth in Section III.X of the Injunctive Relief Terms will be followed.

O. *No Prevailing Party.* The Parties and Participating Subdivisions each agree that they are not the prevailing party in this action, for purposes of any claim for fees, costs, or expenses as prevailing parties arising under common law or under the terms of any statute, because the Parties and Participating Subdivisions have reached a good faith settlement. The Parties and Participating Subdivisions each further waive any right to challenge or contest the validity of this Agreement on any ground, including, without limitation, that any term is unconstitutional or is preempted by, or in conflict with, any current or future law. Nothing in the previous sentence shall modify, or be construed to conflict with, Section XIV.M.

P. *Non-Admissibility.* The settlement negotiations resulting in this Agreement have been undertaken by the Parties and by certain representatives of the Participating Subdivisions in good faith and for settlement purposes only, and no evidence of negotiations or discussions underlying this Agreement shall be offered or received in evidence in any action or proceeding for any purpose. This Agreement shall not be offered or received in evidence in any action or proceeding for any purpose other than in an action or proceeding arising under or relating to this Agreement.

Q. *Notices.* All notices or other communications under this Agreement shall be in writing (including, but not limited to, electronic communications) and shall be given to the recipients indicated below:

For the Attorney(s) General:

Ashley Moody,
Attorney General
State of Florida
The Capitol,
PL-01
Tallahassee, FL 32399

Josh Stein, Attorney General
North Carolina Department of Justice
Attn: Daniel Mosteller
PO Box 629
Raleigh, NC 27602
Dmosteller@ncdoj.gov

For the Plaintiffs' Executive Committee:

Paul F. Farrell
Farrell Law

P.O. Box 1180
Huntington, WV 25714-1180

Jayne Conroy
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112 Madison Avenue, 7th Floor
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Motley Rice LLC
28 Bridgeside Blvd.
Mount Pleasant, SC 29464
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Peter Mougey
Levin Papantonio Rafferty
316 South Baylen St.
Pensacola, FL 32502
pmougey@levinlaw.com

Paul J. Geller
Robbins Feller Rudman & Dowd LLP
120 East Palmetto Park Road
Boca Raton, FL 33432
PGeller@rgrdlaw.com

For Settling Distributors:

Copy to AmerisourceBergen Corporation's attorneys at:
Attn: Michael T. Reynolds
Cravath, Swaine & Moore
825 Eighth Avenue
New York, NY 10019
mreynolds@cravath.com

Copy to Cardinal Health, Inc.'s attorneys at:
Attn: Jeffrey M. Wintner, Esq.
Attn: Elaine P. Golin, Esq.
Wachtell, Lipton, Rosen & Katz
51 West 52nd Street
New York, NY 10019
JMWintner@wlrk.com
EPGolin@wlrk.com

Attn: JB Kelly, Esq.
Cozen O'Connor
1200 19th ST NW
Washington DC 20036
jbkelly@cozen.com

Copy to McKesson Corporation's attorneys at:
Attn: Thomas J. Perrelli
Jenner & Block LLP
1099 New York Ave., NW, Suite 900
Washington, D.C. 20001
tperrelli@jenner.com

Any Party or the Plaintiffs' Executive Committee may change or add the contact information of the persons designated to receive notice on its behalf by notice given (effective upon the giving of such notice) as provided in this Section XIV.P.

R. *No Waiver*. The waiver of any rights conferred hereunder shall be effective only if made by written instrument executed by the waiving Party or Parties. The waiver by any Party of any breach of this Agreement shall not be deemed to be or construed as a waiver of any other breach, whether prior, subsequent, or contemporaneous, nor shall such waiver be deemed to be or construed as a waiver by any other Party.

S. *Preservation of Privilege.* Nothing contained in this Agreement or any Consent Judgment, and no act required to be performed pursuant to this Agreement or any Consent Judgment, is intended to constitute, cause, or effect any waiver (in whole or in part) of any attorney-client privilege, work product protection, or common interest/joint defense privilege, and each Party and Participating Subdivision agrees that it shall not make or cause to be made in any forum any assertion to the contrary.

T. *Successors*.

1. This Agreement shall be binding upon, and inure to the benefit of, the Settling Distributors and their respective successors and assigns.

2. A Settling Distributor shall not, in one (1) transaction or a series of related transactions, sell or transfer U.S. assets having a fair market value equal to twenty-five percent (25%) or more of the consolidated assets of such Settling Distributor (other than sales or transfers of inventories, or sales or transfers to an entity owned directly or indirectly by such Settling Distributor) where the sale or transfer is announced after the Reference Date, is not for fair consideration, and would foreseeably and unreasonably jeopardize such Settling Distributor's ability to make the payments under this Agreement that are due on or before the third Payment Date following the close of a sale or transfer transaction, unless the Settling Distributor obtains the acquiror's agreement that it will be either a guarantor of or successor to the percentage of that Settling Distributor's remaining Payment Obligations under this Agreement equal to the percentage of the

Settling Distributor's consolidated assets being sold or transferred in such transaction. Percentages under this section shall be determined in accordance with United States generally accepted accounting principles and as of the date of the Settling Distributor's most recent publicly filed consolidated balance sheet prior to the date of entry into the sale or transfer agreement at issue. This Section XIV.T shall be enforceable solely by the Enforcement Committee, and any objection under this Section XIV.T not raised within twenty (20) calendar days of the announcement of the relevant transaction is waived. Any dispute under this Section XIV.T shall be a National Dispute as described in Section VI.F.2 and must be raised exclusively with the National Arbitration Panel as described therein within twenty (20) calendar days of the announcement, and the sole remedy shall be an order enjoining the transaction.

3. A Settling Distributor shall not, in one (1) transaction or a series of related transactions, sell or transfer (other than sales or transfers to an entity owned directly or indirectly by such Settling Distributor) more than twenty-five percent (25%) of the distribution centers within its Full-Line Wholesale Pharmaceutical Distribution Business (as that term is defined in the Injunctive Relief Terms) where the sale or transfer is announced after the Reference Date, unless the Settling Distributor obtains the acquiror's agreement that it will be bound by the Injunctive Relief Terms.

U. *Modification, Amendment, Alteration.* After the Reference Date, any modification, amendment, or alteration of this Agreement by the Parties shall be binding only if evidenced in writing signed by the Settling Distributor to which the modification, amendment, or alteration applies, if the change applies to less than all Settling Distributors, along with the signatures of at least thirty-seven of those then serving Attorneys General of the Settling States along with a representation from each Attorney General that either: (1) the advisory committee or similar entity established or recognized by that Settling State (either pursuant to Section V.E.2.d, by a State-Subdivision Agreement, or by statute) voted in favor of the modification, amendment or alteration of this Agreement including at least one member appointed by the Participating Subdivisions listed on Exhibit G; or (2) in States without any advisory committee, that 50.1% (by population) of the Participating Subdivisions listed on Exhibit G expressed approval of the modification, amendment, or alteration of this Agreement in a writing.

V. *Termination.*

1. Unless otherwise agreed to by each of the Settling Distributors and the Settling State in question, this Agreement and all of its terms (except Section XIV.P and any other non-admissibility provisions, which shall continue in full force and effect) shall be canceled and terminated with respect to the Settling State, and the Agreement and all orders issued by the courts in the Settling State pursuant to the Agreement shall become null and void and of no effect if one or more of the following conditions applies:

a. a Consent Judgment approving this Agreement without modification of any of the Agreement's terms has not been entered as to the Settling State by a court of competent jurisdiction on or before one hundred eighty (180) calendar days after the Effective Date;

CITY COUNCIL

Staff Report

12/21/2021

Item No. 1.

Title: Bond Reduction #3 - Legacy Lands Subdivision

Initiated By: Kevin Campbell, City Engineer

Staff Representative: Kevin Campbell, City Engineer

SUBJECT:

Bond reduction #3 and start of warranty in the amount of $20,095.00 for Legacy Lands Subdivision

RECOMMENDATION:

Approve bond reduction #3 and start of warranty in the amount of $20,095.00 for Legacy Lands Subdivision

BACKGROUND:

Legacy Lands Subdivision have recently completed their punch-list items for development. Bond reduction #3 and start of warranty is recommended for Legacy Lands Subdivision.

ATTACHMENTS:

1. Legacy Lands Subdivision - BR#3 (Begin Warranty)

CENTERVILLE CITY
IMPROVEMENTS AGREEMENT BOND REDUCTION REQUEST

No. 3 (Begin Warranty) Proj. # 18-054

Subdivision or Developer Name: Legacy Lands Subdivision

Sub-divider or Developer: Legacy Lands, LLC

Address: 132 W. 2800 S. Bountiful, UT. 84010

Phone: ______________________

Bonding Entity: Cash Bond

DESCRIPTION OF SUBDIVISION OR DEVELOPMENT IMPROVEMENTS AND PERCENTAGE OF COMPLETION:

See attached sheet

Original Amount of Bond	$ 217,140.00
Present Amount of Bond	$ 38,190.00
Amount of Bond Release Requested	$ 20,095.00
Remaining Bond Amount	$ 18,095.00

SUBDIVIDER'S OR DEVELOPER'S CERTIFICATION:
All work described above has been completed in accordance with Centerville City Ordinances, Subdivision Standards and Specifications and the Improvements Agreement entered into with the City for the above-described project. It is understood and agreed that the final ten percent (10%) of the bond amount will not be released until the applicable warranty period has been completed and improvements are inspected and found to be in satisfactory condition by the City.

________________________ Sub-divider or Developer Date

Receipt of request by City: ________________________
Received by Date

Release of the sum of $ 20,095.00 , is hereby authorized. Said release shall begin the applicable warranty period for said improvements.

Recommendation for approval:

Kevin L. Campbell, P.E. 12-12-2020

City Engineer Date

CENTERVILLE CITY
IMPROVEMENTS AGREEMENT BOND REDUCTION REQUEST
No. 3 (Begin Warranty) Date: 12-12-2020

Subdivision: Legacy Lands Subdivision

Item Nos.	Description	Estimated Amount	Completed Amount	Amount Released
1	Street Construction	$79,000.00	100%	$79,000.00
2	Storm Drain	$50,850.00	100%	$50,850.00
3	Sanitary Sewer	$47,000.00	100%	$47,000.00
4	Misc Items	$4,100.00	100%	$4,100.00
5	Contingency	$36,190.00	50%	$18,095.00
	Total	$217,140.00		$199,045.00

CITY COUNCIL

Staff Report

12/21/2021

Item No. 1.

Title: Monthly Financial Report

Initiated By: Nate Plaizier, Finance Director

Staff Representative: Nate Plaizier, Finance Director

SUBJECT:

November 2021 Financial Report

RECOMMENDATION:

BACKGROUND:

Municipal code requires the Finance Director provide the City's monthly financials. Attached to this agenda item, you will find the financials for the month ending November 2021. Unless there are questions, this agenda item is purely informational.

ATTACHMENTS:

1. November 2021 Financial Statements

Centerville City Corporation

FINANCIAL REPORT
As of November 30, 2021

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	Contents	Page Number

This includes $1,040,716 of ARPA funds

Centerville City Corporation

Cash Position by Fund and in Total

Month	General	RDA	MBA	Rec	RAP	Cemetery	Debt Service	Park	Capital Improvement	Transp	UTOPIA	Water	Sani	Drainage	Telecom	Whitaker	Total	St Treas Int. Rate
Nov-21	$ 2,724,200	$ 552,526	$ 1,207	$ 57,195	$ 351,805	$ 99,631	$ 3,839	$ 460,056	$ 1,701,772	$ 1,066,248	$ 33,871	$ 481,691	$ 77,462	$ 987,057	$ 14,145	$ -	$ 8,612,707	0.3475%
Oct-21	3,347,169	624,005	1,207	60,380	347,246	98,219	3,839	393,745	1,701,413	902,972	44,133	357,827	77,761	941,027	17,931	-	8,918,875	0.3313%
Sep-21	2,632,591	679,782	1,207	59,654	342,065	98,208	3,839	352,062	1,701,772	1,575,713	54,394	539,055	76,780	999,686	(3,698)	-	9,113,111	0.3187%
Aug-21	2,793,275	723,192	1,207	66,491	337,244	95,197	3,839	287,499	1,701,772	1,305,960	64,656	623,724	92,758	987,463	15,281	-	9,099,558	0.3284%
Jul-21	2,523,658	735,802	1,207	73,855	337,402	90,786	3,839	246,534	1,701,772	1,438,384	32,323	732,100	89,086	904,958	(4,773)	-	8,906,934	0.3602%
Jun-21	3,902,969	812,335	1,207	36,998	332,671	87,773	3,839	209,241	-	1,382,339	42,584	626,458	(2,635)	990,493	(3,592)	-	8,422,681	0.3675%
May-21	3,780,436	1,048,751	1,207	56,149	328,124	84,661	3,839	516,976	-	1,359,719	65,175	707,259	79,318	1,031,869	(5,862)	-	9,057,621	0.4029%
Apr-21	3,711,060	1,691,969	1,207	42,393	323,333	80,347	1,097	500,432	-	1,186,438	86,934	220,456	85,778	987,648	5,792	-	8,924,885	0.4217%
Mar-21	3,761,853	1,911,856	1,207	46,358	326,574	79,333	1,097	424,249	-	1,162,721	150,454	173,867	126,587	1,074,039	21,746	-	9,261,941	0.4252%
Feb-21	3,737,994	200,989	1,207	25,152	322,975	73,518	1,097	389,402	-	1,002,048	9,610	158,446	84,506	1,039,640	3,189	-	7,049,773	0.4483%
Jan-21	3,910,626	247,113	1,207	17,833	318,426	70,605	1,097	349,460	-	950,541	31,369	87,041	97,290	1,027,669	31,314	-	7,141,591	0.4678%
Dec-20	3,351,976	293,742	1,207	23,448	325,896	65,088	1,097	314,607	-	977,148	42,583	151,828	103,188	1,081,851	17,780	-	6,751,439	0.4828%
Nov-20	2,963,631	718,451	1,207	23,477	322,320	62,572	1,097	97,082	-	937,899	42,583	199,089	134,856	1,102,182	24,634	-	6,631,078	0.5186%
Oct-20	2,829,575	747,219	1,207	23,410	318,274	85,334	1,097	355,886	-	1,399,693	42,583	113,179	100,228	1,280,707	6,657	-	7,305,048	0.5190%
Sept-20	2,426,885	819,772	1,207	28,743	314,310	84,016	1,097	340,448	-	1,640,933	42,578	150,655	178,256	1,419,219	27,550	-	7,475,668	0.5300%
Aug-20	2,575,486	886,572	1,207	30,653	310,171	80,698	1,097	251,872	-	1,600,927	42,578	252,963	98,290	1,464,501	10,762	25,491	7,633,268	0.5534%
Jul-20	1,982,910	1,016,759	1,207	31,463	305,777	75,079	1,097	228,651	-	1,446,373	-	615,804	91,945	1,792,068	24,578	25,491	7,639,202	0.7404%
Jun-20	2,532,992	1,071,488	1,207	11,063	306,493	71,754	1,097	182,905	-	1,376,988	5	566,914	3,770	1,749,220	5,283	41,540	7,922,718	0.9483%
May-20	1,803,798	1,144,085	1,207	18,532	302,707	95,268	1,097	173,199	-	1,344,162	-	566,506	84,167	1,834,918	34,558	48,493	7,452,698	1.1947%
Apr-20	1,812,141	1,338,950	1,207	(11,848)	298,772	90,927	497	232,707	-	1,173,151	5	472,284	78,013	1,818,865	11,306	47,939	7,364,917	1.4398%
Mar-20	1,871,830	2,209,133	1,207	38,415	301,092	87,280	497	239,312	-	1,153,092	5	502,092	75,651	1,783,393	(7,205)	46,079	8,301,873	1.6627%
Feb-20	1,831,987	508,073	1,207	27,598	297,128	85,523	497	191,676	-	1,033,394	5	478,294	67,801	1,809,556	7,274	44,214	6,384,226	2.1033%
Jan-20	1,663,566	533,194	1,207	21,193	292,331	82,156	497	149,073	-	1,052,239	5	445,522	67,030	1,764,162	22,691	41,965	6,136,831	2.2006%
Dec-19	1,378,328	576,006	1,207	20,711	293,723	79,181	497	(136,431)	-	1,078,178	5	431,993	66,980	1,810,756	6,047	40,303	5,647,483	2.2849%
Nov-19	1,014,647	597,658	1,207	24,183	294,420	76,604	497	175,054	-	1,024,278	5	515,605	62,888	1,674,512	28,876	38,566	5,528,998	2.3976%
Oct-19	770,869	747,130	1,207	17,591	290,851	71,675	497	(1,421,382)	-	1,306,846	40,946	681,266	59,430	1,640,333	13,907	29,303	4,250,466	2.5360%
Sept-19	832,825	790,466	1,207	23,025	294,642	71,389	497	(1,131,177)	-	1,251,683	(180)	464,951	54,487	1,578,276	28,665	27,383	4,288,139	2.6014%
Aug-19	1,044,059	814,184	1,207	28,663	290,584	68,204	497	(40,279)	-	1,142,995	(180)	444,800	94,571	1,549,471	7,653	24,664	5,471,092	2.7262%
Jul-19	1,073,242	842,332	1,207	29,013	285,509	66,713	497	89,391	-	1,429,645	(180)	703,294	56,786	1,709,091	(9,801)	22,190	6,298,928	2.8663%
Jun-19	1,721,714	878,241	1,207	22,343	286,576	64,616	497	86,908	-	1,374,672	(180)	567,831	8,874	1,664,769	6,097	21,784	6,705,948	2.8982%
May-19	1,546,068	907,322	1,207	59,237	282,074	96,282	497	177,497	-	1,395,226	571	827,224	54,058	1,614,798	26,142	21,785	7,009,989	2.8983%
Apr-19	1,644,403	1,050,442	1,207	21,468	277,222	93,385	2,997	130,600	-	1,303,486	520	936,001	52,726	1,660,337	2,972	19,925	7,197,691	2.9759%
Mar-19	1,645,782	1,826,663	1,207	23,059	279,320	85,389	-	111,429	-	1,307,322	468	944,533	50,003	1,603,096	21,065	24,330	7,923,666	2.9971%
Feb-19	1,772,991	433,500	1,207	18,010	275,303	81,390	-	96,583	-	1,157,306	416	666,725	42,256	1,529,046	30,483	32,420	6,137,638	2.9778%
Jan-19	1,620,822	446,481	1,207	12,790	277,515	80,301	-	83,412	-	1,101,325	365	581,665	39,771	1,477,431	11,890	31,310	5,766,285	2.9109%
Dec-18	1,651,637	461,283	1,207	11,819	274,537	77,204	-	60,433	-	928,642	313	493,189	35,209	1,470,005	(161)	30,223	5,495,542	2.8036%
Nov-18	834,949	490,190	1,207	16,564	279,269	75,812	-	47,464	-	851,945	262	535,944	29,362	1,412,158	17,618	29,196	4,621,941	2.7387%
Oct-18	570,329	512,602	1,207	6,616	275,214	70,224	-	116,938	-	1,620,171	210	424,474	22,485	1,395,346	(304)	26,725	5,042,238	2.6486%
Sep-18	508,101	563,524	1,207	6,607	152,930	65,537	1	218,467	-	1,624,893	159	380,932	13,704	1,360,127	(16,562)	28,047	4,907,674	2.5979%
Aug-18	736,840	583,341	1,207	8,734	148,580	65,255	1	197,419	-	1,486,038	107	289,629	20,927	1,308,024	1,626	27,355	4,875,082	2.5836%
Jul-18	891,119	619,363	1,207	(9,749)	182,604	61,570	1	124,393	-	1,399,296	(40,134)	377,924	15,653	1,360,909	26,905	27,124	5,038,185	2.5801%
Jun-18	1,192,553	647,206	1,207	12,795	143,945	53,986	1	443,912	-	1,462,518	4	296,814	12,884	1,420,928	249	32,228	5,721,229	2.5007%
May-18	1,190,522	656,083	1,207	73,229	115,186	74,007	2,501	-	-	1,424,786	561	301,179	4,532	1,359,907	24,160	36,298	5,264,159	2.3517%
Apr-18	1,241,484	767,699	1,207	19,843	201,890	71,331	2,501	-	-	1,248,478	510	257,756	2,744	1,342,078	3,730	44,417	5,205,666	2.2008%
Mar-18	1,362,760	1,505,058	1,207	26,897	260,863	70,162	-	-	-	1,272,497	459	286,426	-	1,259,876	23,702	52,841	6,122,750	2.0302%
Feb-18	1,632,559	148,527	1,207	15,020	174,985	61,896	-	-	-	1,119,138	409	188,448	-	1,174,637	1,552	50,033	4,568,411	1.8649%
Jan-18	1,372,438	203,627	1,207	15,843	233,793	59,441	-	-	-	1,079,001	358	129,970	-	1,131,819	762	21,774	4,250,033	1.7291%
Dec-17	1,547,521	228,147	1,207	15,687	253,228	55,585	-	-	-	970,829	308	47,772	-	1,056,840	5,518	20,281	4,202,923	1.6340%
Nov-17	673,740	254,614	1,207	18,657	231,405	52,303	-	-	-	654,171	257	-	-	876,972	-	20,508	2,783,835	1.6053%
Oct-17	674,620	298,612	1,207	11,853	341,474	52,253	-	-	-	1,021,224	206	80,377	-	892,909	14,399	26,272	3,415,408	1.5621%
Sep-17	666,083	358,340	1,207	13,689	308,928	52,002	-	-	-	953,643	156	-	-	791,934	27,244	1,344	3,174,571	1.5281%
Aug-17	920,796	391,937	1,207	13,876	403,608	48,955	-	6,459	-	944,901	105	-	-	743,181	2,366	3,947	3,481,338	1.4782%
Jul-17	893,804	442,911	1,207	22,979	336,756	46,907	-	85,590	-	771,665	(39,348)	198,599	8,114	787,857	20,402	19,978	3,597,421	1.4084%
Jun-17	886,257	450,288	1,207	72,150	334,484	46,892	-	232,701	-	798,617	3	154,955	-	793,750	1,551	32,906	3,805,761	1.3431%
May-17	915,883	675,750	1,207	116,380	327,542	81,011	2,500	247,542	-	760,622	39,354	652,275	-	-	30,840	37,346	3,888,252	1.2858%
Apr-17	324,722	568,815	1,207	76,648	297,535	37,700	2,500	329,810	-	634,761	77,933	446,697	30,467	245,639	36,793	38,974	3,150,201	1.2651%

Centerville City Corporation
Cash Position by Fund and in Total
As of November 30, 2021

	Cash	Debt Reserve Cash	Restricted Cash: Cash/Bonds Deposits	TRF	DUI Funds	Class C & Prop 1	Impact Fees	ARPA	Gun Range Deposit
GENERAL FUND	$ 2,724,200		$ 652,692		$ 20,692			$ 1,040,716	$ 5,800
RDA	$ 552,526			$ 512,462					
MBA	$ 1,207								
RECREATION	$ 57,195								
RAP TAX	$ 351,805								
PROJECT IMPACT - CAPITAL IMP	$ 1,701,772								
UTOPIA PROJECT FUND	$ 33,871								
WATER FUND	$ 481,691		$ 107,197						
SANITATION FUND	$ 77,462								
DEBT SERVICE	$ 3,839								
CEMETERY ($37,700 Perm Restricted)	$ 99,631								
DRAINAGE UTILITY	$ 987,057								
TELECOM FUND	$ 14,145								
WHITAKER TRUST FUND	$ -								
PARK (Impact Fee)	$ 460,056								
TRANSPORTATION (Class C & Prop 1)	$ 1,066,248					$ 1,230,848			
TOTAL	$ 8,612,707	$ -	$ 759,890	$ 512,462	$ 20,692	$ 1,230,848	$ -	$ 1,040,716	$ 5,800

NOTE: ARPA funds are not recorded as revenue until spent, currently coded to an unearned revenue account on the balance sheet

Centerville City Corporation Financial Summary
For the Month Ended November 30, 2021

42% of the Fiscal Year has Elapsed

(No Assurance Provided)

Majority will come in Nov & Dec

$2,030,336 Nov. 2020

Line	GENERAL FUND	November Actual	Year-to-Date Actual	Current Budget	Remaining Budget	Percentage of Budget Used	Page	Comments
	Revenues:							
1	Taxes:	$ 582,767	$ 2,947,503	$ 7,808,611	$ 4,861,108	38%	11	
2	Property Taxes	43,757	111,052	1,681,611	1,570,559	7%	11	
3	Fee In Lieu of Taxes	7,287	43,133	110,000	66,867	39%	11	
4	Property Taxes - Due	1,375	7,532	50,000	42,468	15%	11	
5	Sales Tax - General	451,477	2,375,015	4,960,000	2,584,985	48%	11	
6	Franchise Tax - Power	36,072	298,051	550,000	251,949	54%	11	
7	Franchise Tax - Natural Gas	15,376	40,247	270,000	229,753	15%	11	
8	Franchise Tax - Telecomm	6,394	31,150	100,000	68,850	31%	11	
9	Franchise Tax - CATV	21,031	41,323	87,000	45,677	47%	11	
10	Licenses and Permits	33,576	142,042	280,670	138,628	51%	11	
11	Intergovernmental	2,125	11,225	57,100	45,875	20%	11	
12	Charges for Services	168,206	849,433	2,058,223	1,208,790	41%	12	
13	Fines and Forfeitures	25,016	147,472	428,000	280,528	34%	12	
14	Miscellaneous	48,243	74,587	88,250	13,663	85%	12	
15	Non-Operating Revenue	2,946	29,476	94,600	65,124	31%	13	
16	Transfers In	2,209	12,196	204,351	192,155	6%	13	
17	**Total Revenues**	$ 865,087	$ 4,213,934	$ 11,019,805	$ 6,805,871	38%	13	
	Expenditures:							
18	Legislative	$ 6,514	$ 50,808	$ 126,319	$ 75,511	40%	14	
19	Judicial	17,680	87,963	231,450	143,487	38%	14	
20	Administrative	52,782	282,291	745,129	462,838	38%	15	
21	Attorney	15,004	77,123	197,800	120,677	39%	16	
22	Finance	37,341	202,603	532,546	329,943	38%	17	
23	Attorney Services	4,690	12,739	26,000	13,262	49%	17	
24	Emergency Management	131	624	14,863	14,239	4%	18	
25	Fire Services	84,831	424,155	1,068,870	644,715	40%	18	
	Elections	-	16,193	17,200	1,007	94%	18	
26	Youth Council	1,164	1,164	9,000	7,836	13%	18	
27	Whitaker	4,262	16,810	39,478	22,668	43%	19	
28	Police	251,600	1,183,517	3,383,189	2,199,672	35%	21	
29	Liquor Law Enforcement	341	413	19,350	18,937	2%	21	
30	School Crossing Program	6,704	23,583	70,250	46,667	34%	21	
31	K-9	-	1,935	5,500	3,565	35%	21	
32	D.A.R.E. Program	6,285	33,958	95,150	61,192	36%	21	
33	Animal Control	4,475	17,902	51,350	33,448	35%	22	Departments over the 42% budget are small $ amounts.
34	Public Works Administration	41,350	204,518	673,700	469,182	30%	22	
35	Streets	68,398	423,819	927,905	504,086	46%	23	
36	GIS Department	9,700	48,764	131,144	82,380	37%	24	
37	Engineering	15,876	42,332	73,000	30,668	58%	24	
38	Parks	79,598	390,196	1,197,616	807,420	33%	25	
39	Parks and Recreation Committee	(72)	46	540	494	8%	25	
40	Trails Committee	29	174	540	366	32%	26	
41	Community Events	5,318	29,604	34,640	5,036	85%	26	
42	Recreation Committees	-	-	-	-	-	26	
43	Parks and Recreation Facility	529	3,941	19,918	15,977	20%	26	
44	General Gov. Buildings - Maint. Facility	8,493	20,706	73,217	52,511	28%	26	
45	General Gov. Buildings - New City Hall	9,942	56,456	185,112	128,656	30%	27	
46	Public Works Storage Facility	251	3,117	11,850	8,733	26%	27	
47	Whitaker Home	578	27,080	32,428	5,348	84%	27	
48	Community Development	27,236	142,799	459,915	317,116	31%	28	
49	Planning Commission	165	2,069	9,400	7,331	22%	28	
50	Board of Adjustment	-	-	450	450	0%	28	
51	Landmarks Commission	-	-	500	500	0%	28	
52	Building Inspection	4,311	18,577	36,550	17,973	51%	29	
53	Transfers Out	34,633	214,163	518,936	304,773	41%	29	
54	**Total Expenditures**	$ 800,138	$ 4,062,142	$ 11,020,805	$ 6,958,663	37%	29	
55	**Net Revenue Over/(Under) Expenditures**	$ 64,949	$ 151,792	$ (1,000)	$ (152,792)	-15179%	29	

$18,845 - Police Neighborhood Patrol

This is only Primary Election. Invoice for General Election will be paid in Dec.

Net Income YTD

Centerville City Corporation Financial Summary
For the Month Ended November 30, 2021
(No Assurance Provided)

42% of the Fiscal Year has Elapsed

Will receive in March & April

Majority Admin fee to GF

Budgeted Trans to Parks, Utopia fund

	REDEVELOPMENT AGENCY FUND	**November Actual**	**Year-to-Date Actual**	**Current Budget**	**Remaining Budget**	**Percentage of Budget Used**	
	Revenues:						
1	Tax Revenue	$ -	$ -	$ 1,850,000	$ 1,850,000	0%	31
2	Miscellaneous Income	65	$ 12,287	3,600	(8,687)	341%	31
3	Lease Payment & Transfers	138	40,701	98,000	57,299	42%	31
4	**Total Revenues**	$ 203	$ 52,988	$ 1,951,600	$ 1,898,612	3%	31
	Expenditures:						
5	Expenditures	$ 36,427	$ 157,868	$ 971,600	$ 813,732	16%	32
6	Transfer to Other Fund	35,254	176,272	423,000	246,728	42%	32
7	Improvement Projects	-	-	557,000	557,000	0%	32
8	**Total Expenditures**	$ 71,682	$ 334,139	$ 1,951,600	$ 1,617,461	17%	32
9	**Net Revenue Over (Under) Expenditures**	$ (71,479)	$ (281,151)	$ -	$ 281,151	-	32

From GF

	RECREATION FUND	**November Actual**	**Year-to-Date Actual**	**Current Budget**	**Remaining Budget**	**Percentage of Budget Used**	
	Revenues:						
10	Charges for Services	$ 4,690	$ 18,308	$ 130,875	$ 112,567	14%	35
11	Miscellaneous	-	61	20,950	20,889	0%	35
12	Donations	-	-	100	100	0%	35
13	Contributions & Transfers	-	41,000	41,000	-	100%	35
14	**Total Revenues**	$ 4,690	$ 59,369	$ 192,925	$ 133,556	31%	35
	Expenditures:						
15	Summer Recreation	$ 6,409	$ 28,115	$ 113,436	$ 85,321	25%	36
16	Off Season Recreation	22	22	13,500	13,478	0%	36
17	Youth Baseball/Softball	1,411	3,860	45,039	41,179	9%	36
18	Concessions	28	696	20,950	20,254	3%	37
19	**Total Expenditures**	$ 7,871	$ 32,693	$ 192,925	$ 160,232	17%	37
20	**Net Revenue Over (Under) Expenditures**	$ (3,181)	$ 26,675	$ -	$ (26,675)	-	37

$201,575 - Nov. 2020

85% to parks, 5% whitaker, 5% perf arts center

	RAP TAX FUND	**November Actual**	**Year-to-Date Actual**	**Current Budget**	**Remaining Budget**	**Percentage of Budget Used**	
	Revenues:						
21	RAP Tax	$ 44,175	$ 243,921	$ 485,000	$ 241,079	50%	39
22	Miscellaneous	141	840	11,000	10,160	8%	39
23	**Total Revenues**	$ 44,317	$ 244,761	$ 496,000	$ 251,239	49%	39
	Expenditures:						
24	Transfers and Grants	$ 39,758	$ 219,529	$ 496,000	$ 276,471	44%	40
25	**Total Expenditures**	$ 39,758	$ 219,529	$ 496,000	$ 276,471	44%	40
26	**Net Revenue Over (Under) Expenditures**	$ 4,559	$ 25,232	$ -	$ (25,232)	-	40

	CEMETERY PERPETUAL CARE FUND	**November Actual**	**Year-to-Date Actual**	**Current Budget**	**Remaining Budget**	**Percentage of Budget Used**	
	Revenues:						
27	Charges for Services	$ 1,400	$ 11,800	$ 33,000	$ 21,200	36%	42
28	Miscellaneous Revenue	12	57	1,100	1,043	5%	42
	Total Revenues	$ 1,412	$ 11,857	$ 34,100	$ 22,243	35%	42
	Expenditures						
29	Tranfers to Other Funds	-	$ -	$ 34,100	$ 34,100	0%	43
30	**Total Expenditures**	$ -	$ -	$ 34,100	$ 34,100	0%	43
31	**Net Revenue Over (Under) Expenditures**	$ 1,412	$ 11,857	$ -	$ (11,857)	-	43

Majority Rap tax funds transfered in

	CAPITAL PROJ. FUND - PARK IMP. FUND	**November Actual**	**Year-to-Date Actual**	**Current Budget**	**Remaining Budget**	**Percentage of Budget Used**	
	Revenues:						
32	Charges for Services	66,239	270,451	487,500	217,049	55%	46
33	Miscellaneous Revenue	72	426	4,600	4,174	9%	46
34	Contributions & Transfers	-	-	16,784	16,784	0%	
35	**Total Revenues**	$ 66,311	$ 270,877	$ 508,884	$ 238,007	53%	46
	Expenditures:						
36	Other Park Expenditures	$ -	$ 18,634	$ 227,047	$ 208,413	8%	47
37	Park Projects	-	-	281,837	281,837	0%	47
38	**Total Expenditures**	$ -	$ 18,634	$ 508,884	$ 490,250	4%	47
39	**Net Revenue Over (Under) Expenditures**	$ 66,311	$ 252,243	$ -	$ (252,243)	-	47

Centerville City Corporation Financial Summary
For the Month Ended November 30, 2021
(No Assurance Provided)

42% of the Fiscal Year has Elapsed

New Capital projects fund - Interest income

	PROJECT IMPACT - CAPITAL IMP	November Actual	Year-to-Date Actual	Current Budget	Remaining Budget	Percentage of Budget Used	
	Revenues:						
40	Miscellaneous Revenue	$ 359	$ 1,772	$ -	$ (1,772)	-	49
41	**Total Revenues**	$ 359	$ 1,772	$ -	$ (1,772)	-	49
42	**Net Revenue Over (Under) Expenditures**	$ 359	$ 1,772	$ -	$ (1,772)	-	49

Prop 1 funds

Class C funds

Various projects see page 51 for more details

	TRANSPORTATION FUND	November Actual	Year-to-Date Actual	Current Budget	Remaining Budget	Percentage of Budget Used	
	Revenues:						
1	Taxes	40,659	$ 214,506	$ 400,000	$ 185,494	54%	51
2	State Revenue	113,612	351,946	790,000	438,054	45%	51
3	Transfers	34,633	173,163	415,592	242,429	42%	51
4	Misc. Revenue	249	1,567	33,000	31,433	5%	51
5	**Total Revenues**	$ 189,154	$ 741,182	$ 1,638,592	$ 897,410	45%	51
	Expenditures:						
6	Capital Proj.	$ 12,048	$ 588,402	$ 1,488,592	$ 900,190	40%	52
7	Annual Proj.	13,829	428,435	150,000	(278,435)	286%	52
8	**Total Expenditures**	$ 25,877	$ 1,016,838	$ 1,638,592	$ 621,754	62%	52
9	**Net Revenue Over (Under) Expenditures**	$ 163,277	$ (275,655)	$ -	$ 275,655	-	52

	CAPITAL PROJ. FUND - UTOPIA	November Actual	Year-to-Date Actual	Current Budget	Remaining Budget	Percentage of Budget Used	
	Revenues:						
10	Utopia Rebate	$ -	$ -	$ 123,137	$ 123,137	0%	54
11	Transfers	32,333	161,667	388,000	226,333	42%	54
12	**Total Revenues**	$ 32,333	$ 161,667	$ 511,137	$ 349,470	32%	54
	Expenditures:						
13	Expenditures	$ 42,595	$ 170,379	$ 511,137	$ 340,758	33%	55
14	**Total Expenditures**	$ 42,595	$ 170,379	$ 511,137	$ 340,758	33%	55
15	**Net Revenue Over (Under) Expenditures**	$ (10,261)	$ (8,713)	$ -	$ 8,713	-	55

Developer projects

Operating expenditures

Various projects see page 59 for more details

	WATER FUND	November Actual	Year-to-Date Actual	Current Budget	Remaining Budget	Percentage of Budget Used	
	Revenues:						
16	Charges for Services	$ 62,889	$ 178,480	$ 135,000	$ (43,480)	132%	58
17	Miscellaneous	1,715	2,050	6,000	3,950	34%	58
18	Operating Revenue	219,419	1,192,346	2,854,500	1,662,154	42%	58
19	**Total Revenues**	$ 284,022	$ 1,372,875	$ 2,995,500	$ 1,622,625	46%	58
	Expenditures:						
20	Expenditures	$ 192,186	$ 1,032,820	$ 2,831,641	$ 1,798,821	36%	60
21	Capital Equipment/Proj.	2,537	302,057	638,859	336,802	47%	60
22	Water Projects	9,315	293,817	-	(293,817)	-	60
23	Development Waterline Projects	13,662	120,823	-	(120,823)	-	60
24	**Total Expenditures**	$ 217,701	$ 1,749,517	$ 3,470,500	$ 1,720,983	50%	60
25	**Net Revenue Over (Under) Expenditures**	$ 66,322	$ (376,642)	$ (475,000)	$ (98,358)	79%	60

	SANITATION FUND	November Actual	Year-to-Date Actual	Current Budget	Remaining Budget	Percentage of Budget Used	
	Revenues:						
26	Miscellaneous	$ 498	$ 800	$ 18,792	$ 17,992	4%	62
27	Operating Revenue	100,244	506,012	1,197,000	690,988	42%	62
28	**Total Revenues**	$ 100,743	$ 506,812	$ 1,215,792	$ 708,980	42%	62
	Expenditures:						
29	Expenditures	$ 98,912	$ 425,317	$ 1,215,792	$ 790,475	35%	63
30	**Total Expenditures**	$ 98,912	$ 425,317	$ 1,215,792	$ 790,475	35%	63
31	**Net Revenue Over (Under) Expenditures**	$ 1,831	$ 81,495	$ -	$ (81,495)	-	63

	DRAINAGE UTILITY FUND	November Actual	Year-to-Date Actual	Current Budget	Remaining Budget	Percentage of Budget Used	
	Revenues:						
32	Impact Fees	$ -	$ -	$ 30,000	$ 30,000	0%	65
33	Miscellaneous	214	1,411	33,000	31,589	4%	65
34	Operating Revenue	108,763	546,000	1,267,000	721,000	43%	65
35	**Total Revenues**	$ 108,977	$ 547,411	$ 1,330,000	$ 782,589	41%	65
	Expenditures:						
36	Expenditures	$ 66,950	$ 381,306	$ 1,440,000	$ 1,058,694	26%	66
37	Drainage Improvement Projects	7,971	155,754	-	(155,754)	-	67
38	**Total Expenditures**	$ 74,921	$ 537,060	$ 1,440,000	$ 902,940	37%	67
39	**Net Revenue Over (Under) Expenditures**	$ 34,055	$ 10,351	$ (110,000)	$ (120,351)	-9%	67

Centerville City Corporation Financial Summary **42% of the Fiscal Year has Elapsed**

For the Month Ended November 30, 2021

(No Assurance Provided)

	TELECOM FUND	**November Actual**	**Year-to-Date Actual**	**Current Budget**	**Remaining Budget**	**Percentage of Budget Used**	
	Revenues:						
40	Charges for Services	$ 15,080	$ 83,273	$ 250,000	$ 166,727	33%	69
41	Interest Income (Source 36)	2	15	200	185	7%	69
42	**Total Revenues**	$ 15,082	$ 83,288	$ 250,200	$ 166,912	33%	69
	Expenditures:						
43	Professional Services	$ 18,531	$ 68,092	$ 250,200	$ 182,108	27%	70
44	**Total Expenditures**	$ 18,531	$ 68,092	$ 250,200	$ 182,108	27%	70
45	**Net Revenue Over (Under) Expenditures**	$ (3,449)	$ 15,196	$ -	$ (15,196)	-	70

CENTERVILLE CITY CORPORATION
COMBINED CASH INVESTMENT
NOVEMBER 30, 2021

COMBINED CASH ACCOUNTS

01-11110000	CASH - CHECKING	492,610.83
01-11310000	PETTY CASH - GENERAL CITY	200.00
01-11510000	PTIF - INVESTMENT ACCOUNT	4,639,760.32
01-11530000	PTIF-RAP TAX	2,569,668.66
01-11550000	PTIF-DCPA RES ACCT	870,641.37
01-11570000	PTIF-CEMETERY PERPETUAL CARE	40,625.85
01-11700000	AR CASH CLEARING	(800.00)
	TOTAL COMBINED CASH	8,612,707.03
01-11100000	ALLOCATIONS DUE TO OTHER FUNDS	(8,612,707.03)
	TOTAL UNALLOCATED CASH	.00

CASH ALLOCATION RECONCILIATION

10	ALLOCATION TO GENERAL FUND	2,724,200.05
20	ALLOCATION TO REDEVELOPMENT AGENCY FUND	552,526.45
23	ALLOCATION TO MUNICIPAL BUILDING AUTHORITY	1,207.46
25	ALLOCATION TO RECREATION	57,195.17
27	ALLOCATION TO RAP TAX	351,804.82
30	ALLOCATION TO CEMETERY PERPETUAL CARE	99,630.65
35	ALLOCATION TO 2009 SALES TAX - DEBT SERVICE	3,839.10
45	ALLOCATION TO PARK FUND	460,056.05
47	ALLOCATION TO PROJECT IMPACT - CAPITAL IMP	1,701,772.27
48	ALLOCATION TO TRANSPORTATION FUND	1,066,248.48
49	ALLOCATION TO UTOPIA PROJECT FUND	33,871.48
51	ALLOCATION TO WATER FUND	481,691.30
52	ALLOCATION TO SANITATION FUND	77,461.68
53	ALLOCATION TO DRAINAGE UTILITY	987,056.94
54	ALLOCATION TO TELECOMMUNICATION FUND	14,145.13
	TOTAL ALLOCATIONS TO OTHER FUNDS	8,612,707.03
	ALLOCATION FROM COMBINED CASH FUND - 01-11100000	(8,612,707.03)
	ZERO PROOF IF ALLOCATIONS BALANCE	.00

CENTERVILLE CITY CORPORATION
BALANCE SHEET
NOVEMBER 30, 2021

GENERAL FUND

ASSETS

10-11100000	CASH - COMBINED FUND	2,724,200.05	
10-11210000	CASH-ZIONS ACCOUNT	19,598.90	
10-11310000	CASH - OVER & SHORTS	29.00	
10-11320000	DRUG/ALCOHOL INFORMANT ACCOUNT	200.00	
10-11330000	CASH REGISTER CHANGE FUND	100.00	
10-11340000	JP COURT CHANGE FUND	185.00	
10-11370000	CASH - PUBLIC WORKS	100.00	
10-11900000	ACCOUNTS RECEIVABLE AR	65,401.95	
10-13110000	ACCOUNTS RECEIVABLE ST LIGHT	391.37	
10-13170000	ACCOUNTS RECEIVABLE - OTHER	1,121,570.64	
10-13180000	ACCOUNTS RECIEVABLE-PROP TAXES	1,681,611.00	
10-13190000	ACCOUNTS RECEIVABLE-UTOPIA PLE	7,706.38	
10-13200000	ALLOWANCE FOR BAD DEBT	(2,500.00)	
10-13300000	PREPAID EXPENSE	130,583.06	
	TOTAL ASSETS		5,749,177.35

LIABILITIES AND EQUITY

CENTERVILLE CITY CORPORATION
BALANCE SHEET
NOVEMBER 30, 2021

GENERAL FUND

LIABILITIES

10-21310000	ACCOUNTS PAYABLE	(497.76)	
10-21510000	DOG LICENSES PAYABLE	56.00	
10-22200000	WAGES PAYABLE	25,024.51	
10-22210000	FWT PAYABLE	17,824.47	
10-22220000	SWT PAYABLE	3,018.88	
10-22230000	FICA PAYABLE	30,647.79	
10-22300000	401K VOLUNTARY PAYABLE	13,322.17	
10-22301000	457 VOLUNTARY CONTRIB/PAYABLE	1,266.00	
10-22302000	MPP VOLUNTARY/PAYABLE	994.84	
10-22303000	ROTH - IRA	968.11	
10-22320000	RETIREMENT PAYABLE	36,661.49	
10-22340000	EYEMED/PAYABLE	374.61	
10-22360000	FRATERNAL ORDER OF POLICE/PYBL	409.82	
10-22390000	EMPLOYEE MED INS PREMIUM	(543.90)	
10-22391000	PEHP/DENTAL INSURANCE	(175.96)	
10-22392000	STANDARD INSURANCE/TERM LIFE	2,383.69	
10-22400000	ASSURITY PAYABLE	406.83	
10-22420000	EMPLOYEES ASSOCIATION DUES	21.54	
10-22440000	FLEX/HSA ACCOUNT CONTRIBUTIONS	(50,772.22)	
10-22450000	LONG TERM DISABILITY	1,794.85	
10-22460000	WORKERS COMPENSATION PAYABLE	11,392.62	
10-22480000	FIRE SERVICE IMPACT FEE	6,440.00	
10-23130000	CONSTRUCTION DEPOSIT	95,000.00	
10-23132050	CASH BOND-OAKWOOD HOMES ONE	52,614.00	
10-23132150	CASH BOND-OAKWOOD HOMES TWO	76,613.20	
10-23132661	CASH BOND- JEFF COOK BUILDERS	38,190.00	
10-23132690	CASH BOND - LONESTAR BUILDERS	2,820.00	
10-23132720	CASH BOND - MOSS ACRES	18,754.00	
10-23132730	CASH BOND - BARTILE BLDG 8	14,200.00	
10-23132740	CASH BOND - DON YOUNGBLOOD	20,200.00	
10-23132810	CASH BOND - TAIL FEATHERS LLC	4,104.00	
10-23132820	CASH BOND - DEUEL CREEK SUBDIV	5,450.00	
10-23132840	CASH BOND - PARRISH CREEK	56,863.10	
10-23132850	CASH BOND - LEGACY LANDS LANDS	2,704.00	
10-23132860	CASH BOND - HAVENWOOD HOMES	7,000.00	
10-23132870	CASH BOND - RUBICON CONTRACTIN	6,000.00	
10-23132880	CASH BOND - SCHUCHART CORP	24,068.00	
10-23132890	CASH BOND - CW THE HIVE LLC	130,060.00	
10-23132900	CASH BOND - STEVENS RESIDENCE	54,072.00	
10-23150000	POLICE EVIDENCE ACCOUNT	36,862.26	
10-23151000	COURT - BAIL	1,317.89	
10-23160000	GUN RANGE MAINTENANCE	5,800.00	
10-23300000	DEFERRED REVENUE- PROPERTY TAX	1,681,611.00	
10-23620000	UNEARNED REVENUE - ARPA	1,040,716.00	
10-24110000	DUE TO OTHER GVT - SALES TAX	707.11	
	TOTAL LIABILITIES		3,476,744.94

FUND EQUITY

10-28500000	RESTRICTED FUND BALANCE	51,357.05	

GENERAL FUND

	UNAPPROPRIATED FUND BALANCE:			
10-29510000	PRIOR UNREST. FUND BALANCE	2,069,283.32		
	REVENUE OVER EXPENDITURES - YTD	151,792.04		
	BALANCE - CURRENT DATE		2,221,075.36	
	TOTAL FUND EQUITY			2,272,432.41
	TOTAL LIABILITIES AND EQUITY			5,749,177.35

GENERAL FUND

		PERIOD ACTUAL	YTD ACTUAL	BUDGET	UNEARNED	PCNT
	TAX REVENUE					
10-31-100000	PROPERTY TAXES	43,756.66	111,052.44	1,681,611.00	1,570,558.56	6.6
10-31-120000	FEE IN LIEU OF TAXES	7,286.98	43,132.53	110,000.00	66,867.47	39.2
10-31-200000	PROPERTY TAXES - DUE	1,374.75	7,532.02	50,000.00	42,467.98	15.1
10-31-300000	SALES TAX - GENERAL	451,477.07	2,375,015.13	4,960,000.00	2,584,984.87	47.9
10-31-410000	FRANCHISE TAX - POWER	36,072.10	298,050.59	550,000.00	251,949.41	54.2
10-31-420000	FRANCHISE TAX - NATURAL GAS	15,375.87	40,247.33	270,000.00	229,752.67	14.9
10-31-430000	FRANCHISE TAX - TELECOMM.	6,393.53	31,150.10	100,000.00	68,849.90	31.2
10-31-440000	FRANCHISE TAX - CATV	21,030.51	41,323.18	87,000.00	45,676.82	47.5
	TOTAL TAX REVENUE	582,767.47	2,947,503.32	7,808,611.00	4,861,107.68	37.8
	LICENSES AND PERMITS					
10-32-100000	BUSINESS LICENSES	8,969.50	10,137.50	60,000.00	49,862.50	16.9
10-32-110000	BUILDING FEES	22,175.98	110,003.26	160,000.00	49,996.74	68.8
10-32-120000	PLAN CHECK FEES	622.97	14,776.00	50,000.00	35,224.00	29.6
10-32-130000	ELECTRICAL FEES	701.40	1,961.40	2,500.00	538.60	78.5
10-32-140000	PLUMBING FEES	140.00	1,190.00	2,500.00	1,310.00	47.6
10-32-150000	MECHANICAL FEES	350.00	2,240.00	4,000.00	1,760.00	56.0
10-32-160000	STATE SURCHARGE FEE	230.75	453.59	500.00	46.41	90.7
10-32-200000	APPROACH FEE (STREET & CURB)	385.00	1,280.00	1,000.00	(280.00)	128.0
10-32-220000	BICYCLE LICENSES	.00	.00	10.00	10.00	.0
10-32-230000	CHICKEN & RABBIT PERMITS	.00	.00	160.00	160.00	.0
	TOTAL LICENSES AND PERMITS	33,575.60	142,041.75	280,670.00	138,628.25	50.6
	INTERGOVERNMENTAL REVENUE					
10-33-580000	STATE GRANT/LIQUOR LAW	.00	.00	19,350.00	19,350.00	.0
10-33-610000	SCHOOL RESOURCE OFFICER	.00	.00	17,750.00	17,750.00	.0
10-33-620000	STATE GRANT - HISTORIC	.00	9,100.00	.00	(9,100.00)	.0
10-33-630000	PUBLIC SAFETY GRANTS	2,125.00	2,125.00	20,000.00	17,875.00	10.6
	TOTAL INTERGOVERNMENTAL REVENUE	2,125.00	11,225.00	57,100.00	45,875.00	19.7

GENERAL FUND

		PERIOD ACTUAL	YTD ACTUAL	BUDGET	UNEARNED	PCNT
	CHARGES FOR SERVICES					
10-34-120000	SUBDIVISION INSPECTION FEE	.00	.00	18,000.00	18,000.00	.0
10-34-130000	ZONING & SUBDIVISION FEES	2,075.00	10,875.00	15,000.00	4,125.00	72.5
10-34-140000	BUILDING INSPECTION FEES	500.00	500.00	500.00	.00	100.0
10-34-150000	SALE OF MAPS & PUBLICATIONS	.00	.00	50.00	50.00	.0
10-34-310000	STREET EXCAVATION FEES	820.00	1,475.00	4,000.00	2,525.00	36.9
10-34-330000	STREET LIGHTING FEES	345.66	1,725.43	4,140.00	2,414.57	41.7
10-34-340000	STREET SIGN CHARGES	.00	.00	50.00	50.00	.0
10-34-730000	PARK RENTAL FEES	.00	1,945.00	6,400.00	4,455.00	30.4
10-34-740000	PARK USE AGREEMENTS	83.00	3,303.00	2,500.00	(803.00)	132.1
10-34-800000	CEMETERY - LOT E	.00	.00	600.00	600.00	.0
10-34-810000	CEMETERY LOTS- ABCD	.00	.00	1,200.00	1,200.00	.0
10-34-830000	GRAVE OPENING CHARGES	400.00	9,700.00	28,000.00	18,300.00	34.6
10-34-900000	ADMIN OVERHEAD - WATER FUND	84,622.17	423,110.85	1,015,466.00	592,355.15	41.7
10-34-910000	ADMIN OVERHEAD - SANITATION	13,253.50	66,267.50	159,042.00	92,774.50	41.7
10-34-920000	ADMIN OVERHEAD - DRAINAGE FUND	43,389.00	216,945.00	520,668.00	303,723.00	41.7
10-34-940000	ADMIN OVERHEAD - RDA	22,717.25	113,586.25	272,607.00	159,020.75	41.7
10-34-950000	ADMIN OVERHEAD - TELECOMM	.00	.00	10,000.00	10,000.00	.0
	TOTAL CHARGES FOR SERVICES	168,205.58	849,433.03	2,058,223.00	1,208,789.97	41.3
	FINES AND FORFEITURES					
10-35-110000	CITY COURT	25,015.85	147,471.96	428,000.00	280,528.04	34.5
	TOTAL FINES AND FORFEITURES	25,015.85	147,471.96	428,000.00	280,528.04	34.5
	MISCELLANEOUS REVENUE					
10-36-100000	BANKING/INVEST. INTEREST	972.46	3,841.82	37,750.00	33,908.18	10.2
10-36-230000	BANKING/ZIONS BANK INT INCOME	.17	.82	2,500.00	2,499.18	.0
10-36-250000	RENTAL CHARGES/COMUNITY CNT	7,114.15	7,311.65	500.00	(6,811.65)	1462.3
10-36-270000	SECURITY DEPOSIT/COMMUNITY CTR	.00	.00	50.00	50.00	.0
10-36-280000	WHITAKER FEES	.00	.00	1,000.00	1,000.00	.0
10-36-290000	SALE OF HISTORIC MAPS	.00	.00	50.00	50.00	.0
10-36-350000	YOUTH COUNCIL (CHECKING)	.00	.00	4,000.00	4,000.00	.0
10-36-400000	SALE OF FIXED ASSETS	3,400.00	17,010.00	25,000.00	7,990.00	68.0
10-36-800000	WITNESS FEES	.00	607.50	350.00	(257.50)	173.6
10-36-810000	INSURANCE REIMBURSEMENT	36,376.36	36,376.36	1,000.00	(35,376.36)	3637.6
10-36-820000	CITIZEN'S ACADEMY	.00	.00	1,000.00	1,000.00	.0
10-36-840000	SEX OFFENDER REGISTRY FEE	.00	.00	50.00	50.00	.0
10-36-900000	SUNDRY REVENUE	379.98	9,438.93	15,000.00	5,561.07	62.9
	TOTAL MISCELLANEOUS REVENUE	48,243.12	74,587.08	88,250.00	13,662.92	84.5

CENTERVILLE CITY CORPORATION
REVENUES WITH COMPARISON TO BUDGET
FOR THE 5 MONTHS ENDING NOVEMBER 30, 2021

GENERAL FUND

		PERIOD ACTUAL	YTD ACTUAL	BUDGET	UNEARNED	PCNT
	NON-OPERATING REVENUE					
10-38-200000	TRANSFER FROM RDA-HOMELESS	2,920.99	14,604.95	35,000.00	20,395.05	41.7
10-38-340000	CONTRIBUTION/JULY 4TH	.00	600.00	.00	(600.00)	.0
10-38-430000	CONTRIBUTIONS - HISTORIC SITES	.00	.00	10,000.00	10,000.00	.0
10-38-450000	MISC. CONTRIBUTIONS	.00	2,000.00	42,000.00	40,000.00	4.8
10-38-470000	POLICE CONTRIBUTIONS	25.00	12,170.75	7,500.00	(4,670.75)	162.3
10-38-500000	CONTRIBUTIONS-CENTENNIAL BOOK	.00	100.00	.00	(100.00)	.0
10-38-700000	CONTRIBUTION PREPAREDNESS FAIR	.00	.00	100.00	100.00	.0
	TOTAL NON-OPERATING REVENUE	2,945.99	29,475.70	94,600.00	65,124.30	31.2
	CONTRIBUTIONS & TRANSFERS					
10-39-200000	TRANSFER FROM OTHER FUNDS	2,208.76	12,196.02	51,530.00	39,333.98	23.7
10-39-250000	USE OF FUND BALANCE	.00	.00	152,821.00	152,821.00	.0
	TOTAL CONTRIBUTIONS & TRANSFERS	2,208.76	12,196.02	204,351.00	192,154.98	6.0
	TOTAL FUND REVENUE	865,087.37	4,213,933.86	11,019,805.00	6,805,871.14	38.2

GENERAL FUND

		PERIOD ACTUAL	YTD ACTUAL	BUDGET	UNEXPENDED	PCNT
	LEGISLATIVE					
10-4111-120.0	WAGES - COUNCIL	4,325.00	21,625.00	51,900.00	30,275.00	41.7
10-4111-130.0	FICA	338.50	1,596.88	3,971.00	2,374.12	40.2
10-4111-135.0	WORKERS COMPENSATION	90.54	426.46	1,300.00	873.54	32.8
10-4111-141.0	TRANSPORTATION ALLOWANCE	100.00	500.00	1,200.00	700.00	41.7
10-4111-200.0	UNIFORM PURCHASE	.00	.00	750.00	750.00	.0
10-4111-210.0	ULC&T	1,054.03	5,270.15	12,648.00	7,377.85	41.7
10-4111-211.0	CHAMBER OF COMMERCE MEMBERSHIP	.00	.00	575.00	575.00	.0
10-4111-217.0	CONTRIBUTIONS	.00	.00	500.00	500.00	.0
10-4111-231.0	MAYOR LUNCHEON	.00	.00	600.00	600.00	.0
10-4111-240.0	OFFICE SUPPLIES	.00	.00	100.00	100.00	.0
10-4111-310.0	RECORDER SERVICES	180.39	732.88	6,000.00	5,267.12	12.2
10-4111-314.0	COMPUTER SERVICES	.00	374.25	375.00	.75	99.8
10-4111-330.0	EDUCATION & TRAINING	.00	930.28	4,000.00	3,069.72	23.3
10-4111-480.0	MISC SUPPLIES	.00	.00	300.00	300.00	.0
10-4111-481.0	MEETING MEALS	129.99	507.13	2,100.00	1,592.87	24.2
10-4111-510.0	SPECIAL CONTINGENCY	295.71	18,845.04	40,000.00	21,154.96	47.1
	TOTAL LEGISLATIVE	6,514.16	50,808.07	126,319.00	75,510.93	40.2
	JUDICIAL					
10-4120-110.0	SALARY AND WAGES	4,656.02	22,954.34	55,500.00	32,545.66	41.4
10-4120-111.0	OVERTIME PAY	300.49	814.40	1,500.00	685.60	54.3
10-4120-120.0	WAGES - JUDGE	4,607.36	21,912.28	53,600.00	31,687.72	40.9
10-4120-121.0	PART TIME - OFFICE	879.74	879.74	.00	(879.74)	.0
10-4120-122.0	PART TIME - OFFICE	2,509.95	15,972.41	45,800.00	29,827.59	34.9
10-4120-130.0	FICA	726.67	4,024.64	12,000.00	7,975.36	33.5
10-4120-131.0	RETIREMENT	1,787.85	9,127.55	20,500.00	11,372.45	44.5
10-4120-132.0	MEDICAL INSURANCE	1,871.69	9,361.41	22,800.00	13,438.59	41.1
10-4120-134.0	LONG TERM DISABILITY	15.24	79.88	300.00	220.12	26.6
10-4120-135.0	WORKERS COMPENSATION	93.88	521.10	1,700.00	1,178.90	30.7
10-4120-210.0	BOOKS & SUBSCRIPTIONS	.00	.00	600.00	600.00	.0
10-4120-230.0	MILEAGE REIMBURSEMENT	.00	.00	100.00	100.00	.0
10-4120-240.0	OFFICE SUPPLIES	.00	800.37	800.00	(.37)	100.1
10-4120-241.0	PRINTING	.00	.00	500.00	500.00	.0
10-4120-242.0	POSTAGE	48.73	349.51	1,800.00	1,450.49	19.4
10-4120-260.0	EQUIP MAINT SUPPLIES	.00	.00	100.00	100.00	.0
10-4120-262.0	COPIER SUPPLIES	.00	.00	800.00	800.00	.0
10-4120-311.0	PROFESSIONAL SERVICES	.00	149.74	700.00	550.26	21.4
10-4120-314.0	COMPUTER SERVICES	.00	374.25	500.00	125.75	74.9
10-4120-330.0	EDUCATION & TRAINING	.00	.00	700.00	700.00	.0
10-4120-350.0	CONTRACT SERVICES - JUDGE	.00	.00	500.00	500.00	.0
10-4120-480.0	MISC SUPPLIES	7.00	91.82	300.00	208.18	30.6
10-4120-621.0	WITNESS FEES	.00	.00	250.00	250.00	.0
10-4120-623.0	JURY FEES	.00	.00	300.00	300.00	.0
10-4120-624.0	INTERPRETOR	175.00	550.00	1,800.00	1,250.00	30.6
10-4120-740.0	CAPITAL EQUIPMENT	.00	.00	8,000.00	8,000.00	.0
	TOTAL JUDICIAL	17,679.62	87,963.44	231,450.00	143,486.56	38.0

GENERAL FUND

		PERIOD ACTUAL	YTD ACTUAL	BUDGET	UNEXPENDED	PCNT
	ADMINISTRATIVE					
10-4130-110.0	SALARY AND WAGES	30,306.95	153,934.25	370,229.00	216,294.75	41.6
10-4130-111.0	OVERTIME PAY	434.95	1,278.02	5,500.00	4,221.98	23.2
10-4130-130.0	FICA	2,018.71	11,454.54	28,700.00	17,245.46	39.9
10-4130-131.0	RETIREMENT	5,135.13	27,992.59	70,000.00	42,007.41	40.0
10-4130-132.0	MEDICAL INSURANCE	6,519.81	32,604.37	105,800.00	73,195.63	30.8
10-4130-134.0	LONG TERM DISABILITY	67.84	368.52	300.00	(68.52)	122.8
10-4130-135.0	WORKERS COMPENSATION	387.64	2,223.22	4,000.00	1,776.78	55.6
10-4130-141.0	TRANSPORTATION ALLOWANCE	.00	313.20	5,200.00	4,886.80	6.0
10-4130-200.0	UNIFORM ALLOWANCE	.00	62.21	1,000.00	937.79	6.2
10-4130-210.0	BOOKS & SUBSCRIPTIONS	17.15	338.90	800.00	461.10	42.4
10-4130-211.0	MEMBERSHIPS	100.00	130.00	3,000.00	2,870.00	4.3
10-4130-213.0	MUNICIPAL CODE SERVICES	.00	50.00	1,500.00	1,450.00	3.3
10-4130-220.0	PUBLIC NOTICES	.00	2,682.00	500.00	(2,182.00)	536.4
10-4130-230.0	MILEAGE REIMBURSEMENT	.00	124.60	600.00	475.40	20.8
10-4130-240.0	OFFICE SUPPLIES	65.64	411.97	1,300.00	888.03	31.7
10-4130-241.0	PRINTING	.00	.00	700.00	700.00	.0
10-4130-242.0	POSTAGE	14.84	1,126.05	1,050.00	(76.05)	107.2
10-4130-260.0	EQUIP MAINT & SUPPLIES	.00	556.24	2,700.00	2,143.76	20.6
10-4130-264.0	COMPUTER MAINTENANCE	14.99	1,467.01	10,000.00	8,532.99	14.7
10-4130-280.0	TELEPHONE - AIR TIME	327.43	1,625.06	3,000.00	1,374.94	54.2
10-4130-310.0	PROFESSIONAL SERVICES	14.99	9,511.01	13,000.00	3,488.99	73.2
10-4130-330.0	EDUCATION AND TRAINING	2,027.76	9,940.18	19,000.00	9,059.82	52.3
10-4130-480.0	MISC SUPPLIES	5.99	5.99	250.00	244.01	2.4
10-4130-481.0	EMPLOYEE - TUITION	.00	.00	6,000.00	6,000.00	.0
10-4130-482.0	EMPLOYEE - SERVICE	.00	574.86	4,700.00	4,125.14	12.2
10-4130-483.0	EMPLOYEE- DINNER	.00	211.33	6,500.00	6,288.67	3.3
10-4130-484.0	EMPLOYEE - FITNESS BENEFIT	.00	200.00	4,200.00	4,000.00	4.8
10-4130-485.0	NEWSLETTER - POSTAGE	.00	1,067.65	3,200.00	2,132.35	33.4
10-4130-486.0	NEWSLETTER - PRINTING	.00	2,361.14	6,800.00	4,438.86	34.7
10-4130-487.0	VOLUNTEER SERVICE RECOGNITION	.00	.00	3,600.00	3,600.00	.0
10-4130-740.0	CAPITAL EQUIPMENT	742.27	2,421.01	8,000.00	5,578.99	30.3
10-4130-745.0	NETWORK EQUIPMENT/LICENSING	2,580.00	15,255.23	40,000.00	24,744.77	38.1
10-4130-755.0	WEBSITE	2,000.00	2,000.00	14,000.00	12,000.00	14.3
	TOTAL ADMINISTRATIVE	52,782.09	282,291.15	745,129.00	462,837.85	37.9

GENERAL FUND

		PERIOD ACTUAL	YTD ACTUAL	BUDGET	UNEXPENDED	PCNT
	ATTORNEY					
10-4135-110.0	SALARY AND WAGES	11,433.44	56,424.57	133,600.00	77,175.43	42.2
10-4135-130.0	FICA	780.84	4,299.42	10,500.00	6,200.58	41.0
10-4135-131.0	RETIREMENT	1,907.38	10,490.59	25,200.00	14,709.41	41.6
10-4135-132.0	MEDICAL INSURANCE	714.39	3,574.91	9,500.00	5,925.09	37.6
10-4135-134.0	LONG TERM DISABILITY	35.12	193.16	700.00	506.84	27.6
10-4135-135.0	WORKERS COMPENSATION	16.70	91.85	3,500.00	3,408.15	2.6
10-4135-210.0	BOOKS & SUBSCRIPTIONS	1.10	1,620.40	5,000.00	3,379.60	32.4
10-4135-211.0	MEMBERSHIPS	.00	.00	1,000.00	1,000.00	.0
10-4135-215.0	FILING FEES & COSTS	.00	.00	100.00	100.00	.0
10-4135-230.0	MILEAGE REIMBURSEMENT	.00	.00	300.00	300.00	.0
10-4135-240.0	OFFICE SUPPLIES	.00	.00	300.00	300.00	.0
10-4135-264.0	COMPUTER MAINTENANCE	.00	124.75	100.00	(24.75)	124.8
10-4135-280.0	TELEPHONE AIR TIME	38.75	178.75	500.00	321.25	35.8
10-4135-330.0	EDUCATION & TRAINING	.00	.00	2,000.00	2,000.00	.0
10-4135-480.0	MISC SUPPLIES	75.96	124.20	500.00	375.80	24.8
10-4135-650.0	SPEC. PROJECT	.00	.00	5,000.00	5,000.00	.0
	TOTAL ATTORNEY	15,003.68	77,122.60	197,800.00	120,677.40	39.0

GENERAL FUND

		PERIOD ACTUAL	YTD ACTUAL	BUDGET	UNEXPENDED	PCNT
	FINANCE					
10-4140-110.0	SALARY AND WAGES	21,250.97	99,901.88	235,600.00	135,698.12	42.4
10-4140-111.0	OVERTIME PAY	.00	380.71	2,000.00	1,619.29	19.0
10-4140-120.0	PART TIME WAGES	(1,042.11)	.00	.00	.00	.0
10-4140-130.0	FICA	1,312.92	7,306.86	18,100.00	10,793.14	40.4
10-4140-131.0	RETIREMENT	3,397.89	18,470.60	39,800.00	21,329.40	46.4
10-4140-132.0	MEDICAL INSURANCE	5,248.56	26,254.64	93,100.00	66,845.36	28.2
10-4140-134.0	LONG TERM DISABILITY	62.06	339.55	1,200.00	860.45	28.3
10-4140-135.0	WORKERS COMPENSATION	30.70	168.04	600.00	431.96	28.0
10-4140-200.0	UNIFORM PURCHASE	.00	.00	1,000.00	1,000.00	.0
10-4140-210.0	BOOKS & SUBSCRIPTIONS	.00	.00	150.00	150.00	.0
10-4140-211.0	MEMBERSHIPS	.00	275.00	1,500.00	1,225.00	18.3
10-4140-220.0	PUBLIC NOTICES	.00	322.86	100.00	(222.86)	322.9
10-4140-230.0	MILEAGE REIMBURSEMENT	.00	10.72	500.00	489.28	2.1
10-4140-240.0	OFFICE SUPPLIES	288.96	643.98	2,000.00	1,356.02	32.2
10-4140-241.0	PRINTING	1,233.97	1,457.76	2,600.00	1,142.24	56.1
10-4140-242.0	POSTAGE	678.12	1,620.36	2,400.00	779.64	67.5
10-4140-260.0	EQUIP MAINT & SUPPLIES	.00	118.79	250.00	131.21	47.5
10-4140-262.0	COPIER SUPPLIES	(676.07)	480.30	1,800.00	1,319.70	26.7
10-4140-264.0	COMPUTER MAINTENANCE	(161.83)	913.79	600.00	(313.79)	152.3
10-4140-280.0	TELEPHONE - AIR TIME	38.75	178.75	1,000.00	821.25	17.9
10-4140-310.0	PROFESSIONAL SERVICES	30.00	62.15	1,400.00	1,337.85	4.4
10-4140-311.0	RETIREMENT ADMINISTRATION FEES	.00	329.57	1,500.00	1,170.43	22.0
10-4140-312.0	CPA SERVICES	.00	13,700.00	28,000.00	14,300.00	48.9
10-4140-313.0	AUDIT SERVICES	.00	.00	16,500.00	16,500.00	.0
10-4140-314.0	COMPUTER SERVICES	426.50	2,042.50	4,600.00	2,557.50	44.4
10-4140-315.0	FLEX SPENDING SERVICES	100.00	500.00	1,200.00	700.00	41.7
10-4140-320.0	BANKING SERVICES	2,074.99	10,554.10	15,000.00	4,445.90	70.4
10-4140-327.0	CASH BOND INTEREST EXPENSE	.00	.00	5,000.00	5,000.00	.0
10-4140-330.0	EDUCATION AND TRAINING	.00	1,487.86	7,500.00	6,012.14	19.8
10-4140-480.0	MISC SUPPLIES	17.74	295.73	1,200.00	904.27	24.6
10-4140-511.0	INSURANCE - LIABILITY	3,028.81	14,786.24	36,346.00	21,559.76	40.7
10-4140-515.0	LIABILITY DEDUCTIBLE	.00	.00	10,000.00	10,000.00	.0
	TOTAL FINANCE	37,340.93	202,602.74	532,546.00	329,943.26	38.0
	ATTORNEY SERVICES					
10-4145-310.0	ATTORNEY SERVICES	667.00	3,589.75	.00	(3,589.75)	.0
10-4145-315.0	PROSECUTING ATTORNEY SERVICES	3,100.00	5,992.66	20,000.00	14,007.34	30.0
10-4145-320.0	PUBLIC DEFENDER SERVCES	923.31	3,156.09	6,000.00	2,843.91	52.6
	TOTAL ATTORNEY SERVICES	4,690.31	12,738.50	26,000.00	13,261.50	49.0

GENERAL FUND

		PERIOD ACTUAL	YTD ACTUAL	BUDGET	UNEXPENDED	PCNT
	EMERGENCY MANAGEMENT					
10-4150-261.0	EQUIPMENT MAINTENANCE	.00	.00	250.00	250.00	.0
10-4150-320.0	PREP FAIR	.00	.00	8,113.00	8,113.00	.0
10-4150-330.0	EDUCATION & TRAINING	126.40	619.24	1,500.00	880.76	41.3
10-4150-350.0	CITIZEN CORP	4.62	4.62	500.00	495.38	.9
10-4150-480.0	MISC SUPPLIES	.00	.07	2,000.00	1,999.93	.0
10-4150-740.0	CAPITAL EQUIPMENT	.00	.00	2,500.00	2,500.00	.0
	TOTAL EMERGENCY MANAGEMENT	131.02	623.93	14,863.00	14,239.07	4.2
	FIRE SERVICES					
10-4155-323.0	SOUTH DAVIS FIRE DIST. ASSMT	84,830.92	424,154.59	1,068,870.00	644,715.41	39.7
	TOTAL FIRE SERVICES	84,830.92	424,154.59	1,068,870.00	644,715.41	39.7
	ELECTIONS					
10-4170-480.0	SPECIAL DEPT. SUPPLIES - MISC.	.00	16,193.32	17,200.00	1,006.68	94.2
	TOTAL ELECTIONS	.00	16,193.32	17,200.00	1,006.68	94.2
	YOUTH COUNCIL					
10-4180-480.0	MISCELANEOUS	1,164.28	1,164.28	6,400.00	5,235.72	18.2
10-4180-486.0	SPRING CONFERENCE	.00	.00	2,500.00	2,500.00	.0
10-4180-640.0	FLOAT	.00	.00	100.00	100.00	.0
	TOTAL YOUTH COUNCIL	1,164.28	1,164.28	9,000.00	7,835.72	12.9

GENERAL FUND

		PERIOD ACTUAL	YTD ACTUAL	BUDGET	UNEXPENDED	PCNT
	WHITAKER					
10-4190-120.0	PART TIME WAGES	2,106.58	10,374.33	25,000.00	14,625.67	41.5
10-4190-130.0	FICA	145.54	798.99	2,000.00	1,201.01	40.0
10-4190-131.0	RETIREMENT	364.16	1,912.62	4,600.00	2,687.38	41.6
10-4190-135.0	WORKERS COMPENSATION	39.66	214.46	500.00	285.54	42.9
10-4190-211.0	MEMBERSHIPS	98.00	98.00	978.00	880.00	10.0
10-4190-240.0	OFFICE SUPPLIES	40.73	54.08	650.00	595.92	8.3
10-4190-280.0	TELEPHONE - AIR TIME	22.14	102.14	.00	(102.14)	.0
10-4190-310.0	RECORDING SERVICES	.00	34.75	800.00	765.25	4.3
10-4190-312.0	PUBLIC RELATIONS	200.51	912.82	1,000.00	87.18	91.3
10-4190-316.0	EVENT SUPPLIES	779.07	847.40	1,500.00	652.60	56.5
10-4190-330.0	EDUCATION & TRAINING	.00	.00	950.00	950.00	.0
10-4190-368.0	KEEPING THE STORIES ALIVE	17.80	217.80	300.00	82.20	72.6
10-4190-480.0	MISC SUPPLIES	.00	62.80	200.00	137.20	31.4
10-4190-740.0	CAPITAL EQUIPMENT	448.00	1,179.50	1,000.00	(179.50)	118.0
	TOTAL WHITAKER	4,262.19	16,809.69	39,478.00	22,668.31	42.6

GENERAL FUND

		PERIOD ACTUAL	YTD ACTUAL	BUDGET	UNEXPENDED	PCNT
	POLICE DEPARTMENT EXPENDITURES					
10-4210-110.0	SALARY AND WAGES	125,158.04	608,973.10	1,493,509.00	884,535.90	40.8
10-4210-111.0	OVERTIME PAY	4,543.81	19,078.90	27,000.00	7,921.10	70.7
10-4210-112.0	OVERTIME PAY- WARRANT SERVICE	.00	.00	8,000.00	8,000.00	.0
10-4210-115.0	OVERTIME PAY-BALIFF	.00	.00	3,225.00	3,225.00	.0
10-4210-130.0	FICA	8,700.05	47,587.62	116,161.00	68,573.38	41.0
10-4210-131.0	RETIREMENT	33,964.23	184,498.33	510,601.00	326,102.67	36.1
10-4210-132.0	MEDICAL INSURANCE	28,210.26	139,189.89	456,900.00	317,710.11	30.5
10-4210-134.0	LONG TERM DISABILITY	389.74	2,149.10	7,394.00	5,244.90	29.1
10-4210-135.0	WORKERS COMPENSATION	2,054.75	12,071.04	37,785.00	25,713.96	32.0
10-4210-137.0	LINE OF DUTY	.00	.00	2,000.00	2,000.00	.0
10-4210-200.0	UNIFORM PURCHASE	35.61	4,637.68	11,600.00	6,962.32	40.0
10-4210-201.0	UNIFORM CLEANING	127.01	455.04	2,000.00	1,544.96	22.8
10-4210-210.0	BOOKS & SUBSCRIPTIONS	.00	309.90	200.00	(109.90)	155.0
10-4210-211.0	MEMBERSHIPS	.00	494.45	1,000.00	505.55	49.5
10-4210-220.0	PUBLIC NOTICES	.00	265.69	500.00	234.31	53.1
10-4210-235.0	EVIDENCE SUPPLIES	506.45	1,360.71	2,200.00	839.29	61.9
10-4210-240.0	OFFICE SUPPLIES	944.00	2,217.87	5,000.00	2,782.13	44.4
10-4210-241.0	PRINTING	120.69	590.69	4,250.00	3,659.31	13.9
10-4210-242.0	POSTAGE	33.67	147.76	1,300.00	1,152.24	11.4
10-4210-250.0	VEHICLE MAINTENANCE - MISC.	2,391.40	7,444.17	18,000.00	10,555.83	41.4
10-4210-251.0	BICYCLE MAINTENANCE	.00	160.42	300.00	139.58	53.5
10-4210-252.0	VEHICLE MAINTENANCE - BODY RPR	.00	2,866.66	4,000.00	1,133.34	71.7
10-4210-253.0	VEHICLE MAINTENANCE - TIRES	.00	1,922.85	7,000.00	5,077.15	27.5
10-4210-254.0	VEHICLE MAINT- PREVENTATIVE	386.74	3,133.35	11,500.00	8,366.65	27.3
10-4210-255.0	RADAR MAINTENANCE	.00	.00	1,000.00	1,000.00	.0
10-4210-260.0	EQUIPMENT MAINTENANCE	273.22	1,143.22	10,000.00	8,856.78	11.4
10-4210-261.0	RADIO MAINTENANCE	134.99	451.49	3,500.00	3,048.51	12.9
10-4210-262.0	COPIER MAINTENANCE	.00	138.99	550.00	411.01	25.3
10-4210-263.0	OFFICE EQUIPMENT MAINTENANCE	.00	254.44	500.00	245.56	50.9
10-4210-264.0	EQUIP MAINTENCE-COMPUTER	.00	1,746.50	5,000.00	3,253.50	34.9
10-4210-265.0	CRIME PREVENTION	217.60	5,790.05	6,800.00	1,009.95	85.2
10-4210-267.0	WEAPONS MAINTENANCE	.00	3,575.68	3,625.00	49.32	98.6
10-4210-270.0	TELEPHONE - AIR TIME	708.98	2,498.86	11,500.00	9,001.14	21.7
10-4210-282.0	AIR TIME - LAPTOPS	961.16	3,441.58	10,550.00	7,108.42	32.6
10-4210-290.0	GASOLINE	15,757.09	37,404.69	57,000.00	19,595.31	65.6
10-4210-310.0	PROFESSIONAL SERVICES	255.00	601.00	4,000.00	3,399.00	15.0
10-4210-320.0	FATPOT MAINTENANCE FEES	1,506.75	7,533.75	18,000.00	10,466.25	41.9
10-4210-330.0	EDUCATION & TRAINING	(118.00)	15,301.37	21,000.00	5,698.63	72.9
10-4210-340.0	LEXIPOL P&P	660.75	3,303.75	7,929.00	4,625.25	41.7
10-4210-480.0	MISC SUPPLIES	28.61	2,755.25	5,000.00	2,244.75	55.1
10-4210-481.0	PHOTOGRAPHY SUPPLIES	.00	8.88	1,000.00	991.12	.9
10-4210-482.0	AMMUNITION	.00	1,224.49	8,000.00	6,775.51	15.3
10-4210-483.0	INVESTIGATION SUPPLIES	.00	1,000.05	3,500.00	2,499.95	28.6
10-4210-484.0	MEDICAL SUPPLIES	.00	208.44	500.00	291.56	41.7
10-4210-512.0	INSURANCE - AUTO LIAB.	.00	8,613.00	9,000.00	387.00	95.7
10-4210-610.0	CITIZEN ACADEMY	82.04	532.04	2,077.00	1,544.96	25.6
10-4210-620.0	MISCELLANEOUS SERVICES	37.54	187.70	450.00	262.30	41.7
10-4210-621.0	METRO TASK FORCE	14,629.12	14,629.12	14,630.00	.88	100.0
10-4210-623.0	PHYSICAL FITNESS STANDARDS	.00	.00	2,500.00	2,500.00	.0
10-4210-625.0	DISPATCH SERVICES	.00	11,330.00	45,320.00	33,990.00	25.0
10-4210-730.0	DEER MITIGATION FUNDS	99.98	318.78	500.00	181.22	63.8
10-4210-740.0	CAPITAL EQUIPMENT	8,798.66	9,560.96	387,700.00	378,139.04	2.5

GENERAL FUND

		PERIOD ACTUAL	YTD ACTUAL	BUDGET	UNEXPENDED	PCNT
10-4210-752.0	GRANT/DONATION PURCHASES	.00	10,407.99	10,633.00	225.01	97.9
	TOTAL POLICE DEPARTMENT EXPENDITURES	251,599.94	1,183,517.29	3,383,189.00	2,199,671.71	35.0
	LIQUOR LAW ENFORCEMENT					
10-4218-110.0	SALARY & WAGES	333.79	390.08	6,500.00	6,109.92	6.0
10-4218-120.0	SALARY AND WAGES - DUI COURT	(9.38)	.00	.00	.00	.0
10-4218-130.0	FICA	12.73	17.38	700.00	682.62	2.5
10-4218-134.0	WORKERS COMPENSATION	(.22)	.00	.00	.00	.0
10-4218-135.0	WORKERS COMPENSATION	4.26	5.62	150.00	144.38	3.8
10-4218-330.0	EDUCATION & TRAINING	.00	.00	1,500.00	1,500.00	.0
10-4218-480.0	MISC SUPPLIES	.00	.00	500.00	500.00	.0
10-4218-740.0	CAPITAL EQUIPMENT	.00	.00	10,000.00	10,000.00	.0
	TOTAL LIQUOR LAW ENFORCEMENT	341.18	413.08	19,350.00	18,936.92	2.1
	SCHOOL CROSSING PROGRAM					
10-4219-120.0	PART TIME WAGES	6,164.91	21,050.16	62,000.00	40,949.84	34.0
10-4219-130.0	FICA	419.27	1,653.60	4,800.00	3,146.40	34.5
10-4219-135.0	WORKERS COMPENSATION	119.56	469.03	1,450.00	980.97	32.4
10-4219-271.0	UTILITIES - POWER	.00	28.84	800.00	771.16	3.6
10-4219-480.0	MISC SUPPLIES	.00	380.92	1,200.00	819.08	31.7
	TOTAL SCHOOL CROSSING PROGRAM	6,703.74	23,582.55	70,250.00	46,667.45	33.6
	K-9					
10-4223-310.0	PROFESSIONAL SERVICES	.00	315.58	2,000.00	1,684.42	15.8
10-4223-330.0	EDUCATION & TRAINING	.00	1,487.86	1,500.00	12.14	99.2
10-4223-480.0	MISC SUPPLIES	.00	131.90	2,000.00	1,868.10	6.6
	TOTAL K-9	.00	1,935.34	5,500.00	3,564.66	35.2
	D.A.R.E PROGRAM					
10-4225-110.0	SALARY & WAGES	4,220.80	22,975.65	54,950.00	31,974.35	41.8
10-4225-111.0	OVERTIME PAY	(.62)	.00	.00	.00	.0
10-4225-130.0	FICA	303.30	1,719.03	4,200.00	2,480.97	40.9
10-4225-131.0	RETIREMENT	1,436.76	7,902.51	19,200.00	11,297.49	41.2
10-4225-132.0	MEDICAL INSURANCE	114.69	572.50	9,500.00	8,927.50	6.0
10-4225-134.0	LONG TERM DISABILITY	14.36	80.75	300.00	219.25	26.9
10-4225-135.0	WORKERS COMPENSATION	87.32	491.47	2,000.00	1,508.53	24.6
10-4225-241.0	PRINTING	.00	.00	500.00	500.00	.0
10-4225-330.0	TRAINING & EDUCATION	.00	.00	500.00	500.00	.0
10-4225-480.0	MISC SUPPLIES	107.27	216.48	4,000.00	3,783.52	5.4
	TOTAL D.A.R.E PROGRAM	6,283.88	33,958.39	95,150.00	61,191.61	35.7

GENERAL FUND

		PERIOD ACTUAL	YTD ACTUAL	BUDGET	UNEXPENDED	PCNT
	ANIMAL CONTROL SERVICES					
10-4253-310.0	DAVIS COUNTY SERVICES	4,475.38	17,901.52	51,350.00	33,448.48	34.9
	TOTAL ANIMAL CONTROL SERVICES	4,475.38	17,901.52	51,350.00	33,448.48	34.9
	PUBLIC WORKS ADMINISTRATION					
10-4405-110.0	SALARY AND WAGES	27,151.99	127,674.08	355,200.00	227,525.92	35.9
10-4405-111.0	OVERTIME PAY	5.07	5.07	3,000.00	2,994.93	.2
10-4405-130.0	FICA	1,816.00	9,597.58	27,200.00	17,602.42	35.3
10-4405-131.0	RETIREMENT	4,208.90	23,378.49	67,200.00	43,821.51	34.8
10-4405-132.0	MEDICAL INSURANCE	5,890.31	29,460.43	116,300.00	86,839.57	25.3
10-4405-134.0	LONG TERM DISABILITY	77.46	430.26	1,700.00	1,269.74	25.3
10-4405-135.0	WORKERS COMPENSATION	502.46	2,593.51	6,300.00	3,706.49	41.2
10-4405-200.0	UNIFORM PURCHASE	.00	915.48	1,200.00	284.52	76.3
10-4405-210.0	BOOK & SUBSCRIPTIONS	.00	.00	100.00	100.00	.0
10-4405-211.0	MEMBERSHIPS	.00	49.00	500.00	451.00	9.8
10-4405-220.0	PUBLIC NOTICES	.00	.00	100.00	100.00	.0
10-4405-230.0	MILEAGE REIMBURSEMENT	.00	.00	100.00	100.00	.0
10-4405-240.0	OFFICE SUPPLIES	3.67	370.29	1,400.00	1,029.71	26.5
10-4405-241.0	PRINTING	.00	95.59	200.00	104.41	47.8
10-4405-242.0	POSTAGE	.00	.00	500.00	500.00	.0
10-4405-262.0	OFFICE SUPPLIES	.00	.00	300.00	300.00	.0
10-4405-264.0	COMPUTER MAINTENANCE	.00	623.75	1,500.00	876.25	41.6
10-4405-280.0	TELEPHONE - AIR TIME	205.86	914.70	1,500.00	585.30	61.0
10-4405-310.0	PROFESSIONAL SERVICES	85.00	85.00	400.00	315.00	21.3
10-4405-330.0	EDUCATION AND TRAINING	.00	541.52	8,500.00	7,958.48	6.4
10-4405-480.0	MISC SUPPLIES	.00	.00	1,000.00	1,000.00	.0
10-4405-482.0	SMALL TOOLS & MINOR EQUIPMENT	1,403.33	5,809.86	14,500.00	8,690.14	40.1
10-4405-512.0	INSURANCE - AUTO LIABILITY	.00	995.00	1,000.00	5.00	99.5
10-4405-740.0	CAPITAL EQUIPMENT	.00	977.99	64,000.00	63,022.01	1.5
	TOTAL PUBLIC WORKS ADMINISTRATION	41,350.05	204,517.60	673,700.00	469,182.40	30.4

GENERAL FUND

		PERIOD ACTUAL	YTD ACTUAL	BUDGET	UNEXPENDED	PCNT
	STREET DEPARTMENT					
10-4410-110.0	SALARY AND WAGES	23,483.62	114,518.14	209,200.00	94,681.86	54.7
10-4410-111.0	OVERTIME	9.08	9.08	7,000.00	6,990.92	.1
10-4410-130.0	FICA	1,543.15	8,378.21	16,000.00	7,621.79	52.4
10-4410-131.0	RETIREMENT	3,936.92	21,284.00	38,700.00	17,416.00	55.0
10-4410-132.0	MEDICAL INSURANCE	8,233.63	41,182.95	93,100.00	51,917.05	44.2
10-4410-134.0	LONG TERM DISABILITY	72.46	391.73	1,000.00	608.27	39.2
10-4410-135.0	WORKERS COMPENSATION	530.24	2,845.45	7,600.00	4,754.55	37.4
10-4410-200.0	UNIFORM PURCHASE	.00	1,796.69	1,900.00	103.31	94.6
10-4410-256.0	VEHICLE MAINTENANCE	3,097.86	19,838.76	74,000.00	54,161.24	26.8
10-4410-261.0	RADIO MAINTENANCE	.00	.00	100.00	100.00	.0
10-4410-265.0	FIRE EXTINGUISHER	.00	.00	300.00	300.00	.0
10-4410-280.0	TELEPHONE - AIR TIME	218.51	713.17	2,000.00	1,286.83	35.7
10-4410-290.0	GASOLINE & DIESEL FUEL	950.39	7,609.50	21,000.00	13,390.50	36.2
10-4410-314.0	COMPUTER SERVICES	.00	124.75	125.00	.25	99.8
10-4410-330.0	EDUCATION & TRAINING	190.34	1,633.01	6,500.00	4,866.99	25.1
10-4410-479.0	HAULING CONSTRUCTION MATERIAL	.00	320.00	3,500.00	3,180.00	9.1
10-4410-480.0	MISC SUPPLIES	358.93	1,502.18	5,000.00	3,497.82	30.0
10-4410-481.0	SNOW REMOVAL	2,197.96	16,121.74	48,500.00	32,378.26	33.2
10-4410-482.0	ASPHALT	625.63	6,620.69	20,000.00	13,379.31	33.1
10-4410-483.0	WEED CONTROL	.00	.00	100.00	100.00	.0
10-4410-484.0	MEDICAL SUPPLIES	.00	.00	250.00	250.00	.0
10-4410-485.0	TOOLS	.00	457.61	1,000.00	542.39	45.8
10-4410-486.0	PAINT STRIPING MATERIALS	748.00	1,355.33	18,000.00	16,644.67	7.5
10-4410-488.0	SIGNS	2,040.50	8,189.05	16,000.00	7,810.95	51.2
10-4410-489.0	ROAD BASE	.00	.00	2,500.00	2,500.00	.0
10-4410-494.0	STREET SWEEPING CONTRACT	.00	.00	30,000.00	30,000.00	.0
10-4410-512.0	INSURANCE	.00	4,014.00	4,200.00	186.00	95.6
10-4410-610.0	STREET LIGHT POWER	7,064.27	25,785.99	90,000.00	64,214.01	28.7
10-4410-620.0	STREET LIGHT REPAIRS	3,818.17	8,017.61	20,000.00	11,982.39	40.1
10-4410-740.0	CAPITAL EQUIPMENT	9,278.00	111,558.00	164,330.00	52,772.00	67.9
10-4410-750.0	CAPITAL PROJECTS	.00	19,551.17	26,000.00	6,448.83	75.2
	TOTAL STREET DEPARTMENT	68,397.66	423,818.81	927,905.00	504,086.19	45.7

GENERAL FUND

		PERIOD ACTUAL	YTD ACTUAL	BUDGET	UNEXPENDED	PCNT
	GIS DEPARTMENT					
10-4470-110.0	SALARY AND WAGES	6,119.49	29,364.20	69,900.00	40,535.80	42.0
10-4470-111.0	OVERTIME PAY	.00	.00	500.00	500.00	.0
10-4470-130.0	FICA	396.04	2,130.95	5,400.00	3,269.05	39.5
10-4470-131.0	RETIREMENT	1,017.77	5,452.79	12,900.00	7,447.21	42.3
10-4470-132.0	MEDICAL INSURANCE	1,871.69	9,361.41	22,800.00	13,438.59	41.1
10-4470-134.0	LONG TERM DISABILITY	18.73	100.36	400.00	299.64	25.1
10-4470-135.0	WORKERS COMPENSATION	113.84	610.01	1,700.00	1,089.99	35.9
10-4470-200.0	UNIFORM PURCHASE	.00	420.00	400.00	(20.00)	105.0
10-4470-211.0	MEMBERSHIPS	.00	.00	150.00	150.00	.0
10-4470-240.0	OFFICE SUPPLIES	.00	.00	2,000.00	2,000.00	.0
10-4470-255.0	VEHICLE MAINTENANCE	84.12	84.12	350.00	265.88	24.0
10-4470-262.0	MAINTENANCE & SUPPLIES	.00	.00	500.00	500.00	.0
10-4470-280.0	TELEPHONE AIR TIME	38.75	246.01	500.00	253.99	49.2
10-4470-282.0	AIR TIME - GPS	40.01	120.03	1,244.00	1,123.97	9.7
10-4470-310.0	PROFESSIONAL SERVICES	.00	.00	300.00	300.00	.0
10-4470-320.0	SOFTWARE SUPPORT	.00	179.20	5,000.00	4,820.80	3.6
10-4470-330.0	EDUCATION & TRAINING	.00	418.96	3,000.00	2,581.04	14.0
10-4470-480.0	MISC SUPPLIES	.00	276.44	800.00	523.56	34.6
10-4470-740.0	CAPITAL EQUIPMENT	.00	.00	3,300.00	3,300.00	.0
	TOTAL GIS DEPARTMENT	9,700.44	48,764.48	131,144.00	82,379.52	37.2
	ENGINEERING					
10-4490-316.0	ENG. SERVICES - COMMUNITY DEV.	13,854.10	37,928.71	35,000.00	(2,928.71)	108.4
10-4490-317.0	ENG SERVICES - INSPECTION	1,812.00	3,143.49	30,000.00	26,856.51	10.5
10-4490-321.0	ENG SERVICES - PARKS & CEMETER	.00	.00	1,000.00	1,000.00	.0
10-4490-322.0	ENG SERVICES - MISCELLANEOUS	210.00	1,260.00	7,000.00	5,740.00	18.0
	TOTAL ENGINEERING	15,876.10	42,332.20	73,000.00	30,667.80	58.0

GENERAL FUND

		PERIOD ACTUAL	YTD ACTUAL	BUDGET	UNEXPENDED	PCNT
	PARKS DEPARTMENT EXPENDITURES					
10-4510-110.0	SALARY AND WAGES	28,297.34	147,503.81	325,300.00	177,796.19	45.3
10-4510-111.0	OVERTIME	622.73	2,292.84	1,500.00	(792.84)	152.9
10-4510-120.0	TEMPORARY AND PART TIME WAGES	3,859.13	57,589.52	230,000.00	172,410.48	25.0
10-4510-130.0	FICA	2,201.00	15,793.08	42,600.00	26,806.92	37.1
10-4510-131.0	RETIREMENT	4,906.78	27,928.46	60,800.00	32,871.54	45.9
10-4510-132.0	MEDICAL INSURANCE	7,280.01	36,414.85	96,500.00	60,085.15	37.7
10-4510-134.0	LONG TERM DISABILITY	115.36	645.31	1,600.00	954.69	40.3
10-4510-135.0	WORKERS COMPENSATION	619.87	4,245.57	13,400.00	9,154.43	31.7
10-4510-200.0	UNIFORM PURCHASES	.00	732.75	2,500.00	1,767.25	29.3
10-4510-220.0	PUBLIC NOTICES	.00	.00	100.00	100.00	.0
10-4510-240.0	OFFICE SUPPLIES	.00	56.72	500.00	443.28	11.3
10-4510-242.0	POSTAGE	.00	.00	50.00	50.00	.0
10-4510-250.0	VEHICLE MAINT & SUPPLIES	733.20	3,262.18	11,500.00	8,237.82	28.4
10-4510-260.0	MISC EQUIPMENT MAINTENANCE	438.87	2,012.51	11,000.00	8,987.49	18.3
10-4510-268.0	MOWER MAINTENANCE	.00	1,560.33	13,000.00	11,439.67	12.0
10-4510-270.0	UTILITIES - WEBER BASIN WATER	.00	.00	27,916.00	27,916.00	.0
10-4510-271.0	UTILITIES - DEUEL CREEK WATER	.00	.00	14,000.00	14,000.00	.0
10-4510-274.0	UTILITIES - POWER	429.68	2,777.25	13,000.00	10,222.75	21.4
10-4510-277.0	UTILITIES - SEWER	.00	744.00	1,244.00	500.00	59.8
10-4510-280.0	TELEPHONE AIR TIME	197.23	919.10	2,400.00	1,480.90	38.3
10-4510-290.0	GASOLINE	2,069.38	7,154.55	16,500.00	9,345.45	43.4
10-4510-310.0	PROFESSIONAL SERVICES	1,665.00	9,695.50	9,500.00	(195.50)	102.1
10-4510-330.0	EDUCATION & TRAINING	.00	330.00	4,000.00	3,670.00	8.3
10-4510-480.0	MISC SUPPLIES	6,620.89	13,056.88	28,000.00	14,943.12	46.6
10-4510-481.0	FERTILIZERS - WEED CONTROL	6,200.00	7,710.16	26,000.00	18,289.84	29.7
10-4510-482.0	PLANTINGS	8,639.00	8,639.00	8,000.00	(639.00)	108.0
10-4510-483.0	SPRINKLER REPAIR	.00	5,092.63	14,000.00	8,907.37	36.4
10-4510-484.0	HOLIDAY LIGHTING	4,702.54	4,702.54	6,000.00	1,297.46	78.4
10-4510-485.0	FIELD PREPARATION	.00	.00	1,800.00	1,800.00	.0
10-4510-486.0	CURB & GUTTER REPAIR	.00	.00	2,000.00	2,000.00	.0
10-4510-512.0	INSURANCE	.00	1,479.00	1,500.00	21.00	98.6
10-4510-740.0	CAPITAL EQUIPMENT	.00	15,494.00	210,406.00	194,912.00	7.4
10-4510-750.0	CAPITAL PROJECTS	.00	11,397.50	.00	(11,397.50)	.0
10-4510-752.0	CITIZEN PARTICIPATION PROJECTS	.00	966.34	1,000.00	33.66	96.6
	TOTAL PARKS DEPARTMENT EXPENDITURES	79,598.01	390,196.38	1,197,616.00	807,419.62	32.6
	PARKS & RECREATION COMMITTEE					
10-4511-310.0	RECORDING SERVICES	45.73	45.73	440.00	394.27	10.4
10-4511-480.0	MISC SUPPLIES	.00	.00	100.00	100.00	.0
10-4511-750.0	MOVIES IN THE PARK	(117.95)	.00	.00	.00	.0
	TOTAL PARKS & RECREATION COMMITTEE	(72.22)	45.73	540.00	494.27	8.5

GENERAL FUND

		PERIOD ACTUAL	YTD ACTUAL	BUDGET	UNEXPENDED	PCNT
	TRAILS COMMITTEE					
10-4512-310.0	RECORDER SERVICES	29.27	173.77	440.00	266.23	39.5
10-4512-480.0	MISC SUPPLIES	.00	.00	100.00	100.00	.0
	TOTAL TRAILS COMMITTEE	29.27	173.77	540.00	366.23	32.2
	COMMUNITY EVENTS					
10-4560-482.0	CHRISTMAS LIGHTING	200.00	200.00	400.00	200.00	50.0
10-4560-621.0	JULY 4TH CONTRIBUTION	5,000.00	29,285.88	30,000.00	714.12	97.6
10-4560-645.0	EASTER EGG HUNT	.00	.00	1,000.00	1,000.00	.0
10-4560-750.0	MOVIES IN THE PARK	117.95	117.95	3,240.00	3,122.05	3.6
	TOTAL COMMUNITY EVENTS	5,317.95	29,603.83	34,640.00	5,036.17	85.5
	PARKS & RECREATION FACILITY					
10-4595-271.0	UTILITIES - POWER	257.80	1,257.05	3,300.00	2,042.95	38.1
10-4595-276.0	UTILITIES - GAS	191.84	263.24	4,600.00	4,336.76	5.7
10-4595-277.0	UTILITIES - SEWER	.00	93.00	153.00	60.00	60.8
10-4595-310.0	PROFESSIONAL SERVICES	.00	327.00	4,000.00	3,673.00	8.2
10-4595-480.0	MISC SUPPLIES	.00	19.94	250.00	230.06	8.0
10-4595-481.0	JANITORIAL SUPPLIES	79.70	130.50	440.00	309.50	29.7
10-4595-482.0	MAINTENANCE & REPAIR	.00	320.00	2,625.00	2,305.00	12.2
10-4595-514.0	INSURANCE	.00	1,530.00	1,550.00	20.00	98.7
10-4595-740.0	CAPITAL EQUIPMENT	.00	.00	3,000.00	3,000.00	.0
	TOTAL PARKS & RECREATION FACILITY	529.34	3,940.73	19,918.00	15,977.27	19.8
	GENERAL GOVT BLDGS - MAINT FAC					
10-4596-271.0	UTILITIES - POWER	708.81	3,339.10	11,000.00	7,660.90	30.4
10-4596-276.0	UTILITIES - GAS	292.32	430.58	8,000.00	7,569.42	5.4
10-4596-277.0	UTILITIES - SEWER	.00	372.00	567.00	195.00	65.6
10-4596-280.0	TELEPHONE SERVICE & EQUIPMENT	1,055.26	5,291.22	13,000.00	7,708.78	40.7
10-4596-310.0	PROFESSIONAL SERVICES	.00	177.84	1,000.00	822.16	17.8
10-4596-480.0	MISC SUPPLIES	.00	.00	200.00	200.00	.0
10-4596-481.0	JANITORAL SUPPLIES	240.00	617.99	1,100.00	482.01	56.2
10-4596-482.0	MAINTENANCE & REPAIR	1,323.81	3,803.09	15,000.00	11,196.91	25.4
10-4596-514.0	INSURANCE	.00	1,801.00	1,850.00	49.00	97.4
10-4596-740.0	CAPITAL EQUIPMENT	4,872.77	4,872.77	13,500.00	8,627.23	36.1
10-4596-750.0	CAPITAL PROJECTS	.00	.00	8,000.00	8,000.00	.0
	TOTAL GENERAL GOVT BLDGS - MAINT FAC	8,492.97	20,705.59	73,217.00	52,511.41	28.3

GENERAL FUND

		PERIOD ACTUAL	YTD ACTUAL	BUDGET	UNEXPENDED	PCNT
	GENERAL GOVT BLDGS - CITY HALL					
10-4597-120.0	PART TIME WAGES	2,166.87	13,035.99	35,800.00	22,764.01	36.4
10-4597-130.0	FICA	137.42	995.12	2,800.00	1,804.88	35.5
10-4597-131.0	RETIREMENT	57.61	869.76	4,200.00	3,330.24	20.7
10-4597-135.0	WORKERS COMPENSATION	38.52	276.51	1,250.00	973.49	22.1
10-4597-230.0	MILEAGE REIMBURSEMENT	.00	.00	50.00	50.00	.0
10-4597-271.0	UTILITIES - POWER	1,875.83	9,888.85	27,000.00	17,111.15	36.6
10-4597-276.0	UTILITIES - GAS	879.74	2,046.30	8,700.00	6,653.70	23.5
10-4597-277.0	UTILITIES - SEWER	.00	372.00	612.00	240.00	60.8
10-4597-280.0	TELEPHONE SERVICE & EQUIPMENT	1,055.25	5,291.21	13,000.00	7,708.79	40.7
10-4597-310.0	PROFESSIONAL SERVICES	1,184.00	4,322.00	10,000.00	5,678.00	43.2
10-4597-320.0	ELEVATOR CONTRACT	.00	.00	1,700.00	1,700.00	.0
10-4597-321.0	MECHANICAL SERVICE	1,980.35	4,546.85	10,000.00	5,453.15	45.5
10-4597-480.0	MISC SUPPLIES	.00	217.80	800.00	582.20	27.2
10-4597-481.0	JANITORIAL SUPPLIES	566.59	1,420.61	4,000.00	2,579.39	35.5
10-4597-482.0	MAINTENANCE & REPAIR	.00	1,615.00	8,000.00	6,385.00	20.2
10-4597-514.0	INSURANCE	.00	7,199.00	7,200.00	1.00	100.0
10-4597-750.0	CAPITAL PROJECTS	.00	4,358.91	50,000.00	45,641.09	8.7
	TOTAL GENERAL GOVT BLDGS - CITY HALL	9,942.18	56,455.91	185,112.00	128,656.09	30.5
	PUBLIC WORKS STORAGE FACILITY					
10-4598-276.0	UTILITIES - GAS	227.04	261.50	4,000.00	3,738.50	6.5
10-4598-480.0	MISC SUPPLIES	.00	.00	150.00	150.00	.0
10-4598-482.0	MAINTENANCE & REPAIR	23.86	161.76	5,000.00	4,838.24	3.2
10-4598-514.0	INSURANCE - PROPERTY	.00	2,694.00	2,700.00	6.00	99.8
	TOTAL PUBLIC WORKS STORAGE FACILITY	250.90	3,117.26	11,850.00	8,732.74	26.3
	WHITAKER HOME					
10-4599-270.0	UTILITIES - DEUEL CREEK	.00	.00	275.00	275.00	.0
10-4599-271.0	UTILITIES - POWER	55.45	302.53	1,300.00	997.47	23.3
10-4599-276.0	UTILITIES - GAS	38.43	60.65	800.00	739.35	7.6
10-4599-277.0	UTILITIES - SEWER	.00	93.00	153.00	60.00	60.8
10-4599-318.0	CUSTODIAL SUPPLIES	74.58	569.58	700.00	130.42	81.4
10-4599-482.0	BUILDING MAINT & REPAIR	36.59	4,187.09	4,250.00	62.91	98.5
10-4599-514.0	INSURANCE - PROPERTY	.00	686.00	700.00	14.00	98.0
10-4599-750.0	CAPITAL PROJECTS	372.62	21,181.05	24,250.00	3,068.95	87.3
	TOTAL WHITAKER HOME	577.67	27,079.90	32,428.00	5,348.10	83.5

GENERAL FUND

		PERIOD ACTUAL	YTD ACTUAL	BUDGET	UNEXPENDED	PCNT
	COMMUNITY DEVELOPMENT					
10-4610-110.0	SALARY & WAGES	18,384.44	90,799.40	214,900.00	124,100.60	42.3
10-4610-111.0	OVERTIME PAY	.00	.00	1,000.00	1,000.00	.0
10-4610-130.0	FICA	1,198.14	6,797.17	16,600.00	9,802.83	41.0
10-4610-131.0	RETIREMENT	3,079.72	16,824.39	40,300.00	23,475.61	41.8
10-4610-132.0	MEDICAL INSURANCE	3,969.93	19,858.53	50,000.00	30,141.47	39.7
10-4610-134.0	LONG TERM DISABILITY	56.46	309.47	1,100.00	790.53	28.1
10-4610-135.0	WORKERS COMPENSATION	265.18	1,452.05	4,200.00	2,747.95	34.6
10-4610-210.0	BOOKS & SUBSCRIPTIONS	.00	.00	200.00	200.00	.0
10-4610-211.0	MEMBERSHIPS	.00	.00	1,000.00	1,000.00	.0
10-4610-220.0	PUBLIC NOTICES	.00	.00	800.00	800.00	.0
10-4610-240.0	OFFICE SUPPLIES	120.79	196.04	1,000.00	803.96	19.6
10-4610-241.0	PRINTING	.00	.00	500.00	500.00	.0
10-4610-242.0	POSTAGE	.00	96.13	1,000.00	903.87	9.6
10-4610-246.0	IT SERVICES AND LICENSES	.00	4,663.33	4,500.00	(163.33)	103.6
10-4610-260.0	VEHICLE MAINTENANCE	112.11	112.11	300.00	187.89	37.4
10-4610-262.0	EQUIP MAINT & SUPPLIES	.00	292.06	1,500.00	1,207.94	19.5
10-4610-264.0	COMPUTER MAINTENANCE	.00	374.25	375.00	.75	99.8
10-4610-280.0	TELEPHONE - AIR TIME	38.75	178.75	840.00	661.25	21.3
10-4610-290.0	GASOLINE	9.99	41.22	200.00	158.78	20.6
10-4610-315.0	PROFESSIONAL SERVICES-PLANNING	.00	.00	1,500.00	1,500.00	.0
10-4610-330.0	EDUCATION & TRAINING	.00	804.58	2,500.00	1,695.42	32.2
10-4610-752.0	MAIN STREET STUDY	.00	.00	115,600.00	115,600.00	.0
	TOTAL COMMUNITY DEVELOPMENT	27,235.51	142,799.48	459,915.00	317,115.52	31.1
	PLANNING COMMISSION					
10-4611-305.0	MEMBER ATTENDANCE	.00	1,210.00	6,000.00	4,790.00	20.2
10-4611-310.0	RECORDER SERVICES	164.64	859.20	3,000.00	2,140.80	28.6
10-4611-330.0	EDUCATION & TRAINING	.00	.00	400.00	400.00	.0
	TOTAL PLANNING COMMISSION	164.64	2,069.20	9,400.00	7,330.80	22.0
	BOARD OF ADJUSTMENT					
10-4612-305.0	MEMBER ATTENDANCE	.00	.00	300.00	300.00	.0
10-4612-310.0	RECORDER SERVICES	.00	.00	150.00	150.00	.0
	TOTAL BOARD OF ADJUSTMENT	.00	.00	450.00	450.00	.0
	LANDMARKS COMMISSION					
10-4613-310.0	RECORDER SERVICES	.00	.00	500.00	500.00	.0
	TOTAL LANDMARKS COMMISSION	.00	.00	500.00	500.00	.0

GENERAL FUND

		PERIOD ACTUAL	YTD ACTUAL	BUDGET	UNEXPENDED	PCNT
	BUILDING INSPECTION					
10-4650-210.0	BOOKS & SUBSCRIPTIONS	.00	.00	1,200.00	1,200.00	.0
10-4650-211.0	MEMBERSHIPS	.00	.00	150.00	150.00	.0
10-4650-260.0	EQUIPMENT MAINTENANCE	.00	.00	200.00	200.00	.0
10-4650-316.0	BUILDING INSPECTION SERVICES	4,311.09	18,577.17	35,000.00	16,422.83	53.1
	TOTAL BUILDING INSPECTION	4,311.09	18,577.17	36,550.00	17,972.83	50.8
	TRANSFERS TO OTHER FUND					
10-4710-820.0	TRANSFER TO RECREATION FUND	.00	41,000.00	41,000.00	.00	100.0
10-4710-952.0	TRANSFER TRANSPORTATION FUND	34,632.66	173,163.30	415,592.00	242,428.70	41.7
10-4710-990.0	CONTINGENCY - PERSONNEL ADJUST	.00	.00	62,344.00	62,344.00	.0
	TOTAL TRANSFERS TO OTHER FUND	34,632.66	214,163.30	518,936.00	304,772.70	41.3
	TOTAL FUND EXPENDITURES	800,137.54	4,062,141.82	11,020,805.00	6,958,663.18	36.9
	NET REVENUE OVER EXPENDITURES	64,949.83	151,792.04	(1,000.00)	(152,792.04)	15179.

CENTERVILLE CITY CORPORATION
BALANCE SHEET
NOVEMBER 30, 2021

REDEVELOPMENT AGENCY FUND

	ASSETS			
20-11100000	CASH - COMBINED FUND		552,526.45	
20-11200000	PARRISH DUE FROM LEGACY X		81,774.21	
20-13170000	ACCOUNTS RECEIVABLE-TAX INCREM		255,462.61	
	TOTAL ASSETS			889,763.27
	LIABILITIES AND EQUITY			
	LIABILITIES			
20-21320000	LEGACY DUE TO PARRISH GATEWAY		81,774.21	
20-25000000	DEFERRED REVENUE-TAX INCRMNT		255,462.89	
	TOTAL LIABILITIES			337,237.10
	FUND EQUITY			
20-28500000	RESTRICTED FUND BALANCE		499,032.19	
	UNAPPROPRIATED FUND BALANCE:			
20-29510000	FUND BALANCE - PREVIOUS YEAR	334,645.28		
	REVENUE OVER EXPENDITURES - YTD	(281,151.30)		
	BALANCE - CURRENT DATE		53,493.98	
	TOTAL FUND EQUITY			552,526.17
	TOTAL LIABILITIES AND EQUITY			889,763.27

REDEVELOPMENT AGENCY FUND

		PERIOD ACTUAL	YTD ACTUAL	BUDGET	UNEARNED	PCNT
	TAX REVENUE					
20-31-100000	TAX INCREMENT - PARRISH LANE	.00	.00	1,300,000.00	1,300,000.00	.0
20-31-150000	TAX INCREMENT - LEGACY XING	.00	.00	350,000.00	350,000.00	.0
20-31-160000	TAX INCREMENT-BARNARD CREEK	.00	.00	200,000.00	200,000.00	.0
	TOTAL TAX REVENUE	.00	.00	1,850,000.00	1,850,000.00	.0
	MISCELLANEOUS REVENUE					
20-36-100000	MISCELLANEOUS REVENUE	65.10	446.57	3,600.00	3,153.43	12.4
20-36-870000	INSURANCE REIMBURSEMENT	.00	11,840.43	.00	(11,840.43)	.0
	TOTAL MISCELLANEOUS REVENUE	65.10	12,287.00	3,600.00	(8,687.00)	341.3
	PAYMENTS - CONTRIBUTIONS					
20-38-750000	LEASE PAYMENT	137.73	40,701.09	98,000.00	57,298.91	41.5
	TOTAL PAYMENTS - CONTRIBUTIONS	137.73	40,701.09	98,000.00	57,298.91	41.5
	TOTAL FUND REVENUE	202.83	52,988.09	1,951,600.00	1,898,611.91	2.7

REDEVELOPMENT AGENCY FUND

		PERIOD ACTUAL	YTD ACTUAL	BUDGET	UNEXPENDED	PCNT
	EXPENDITURES					
20-4000-210.0	PUBLIC NOTICES	.00	.00	100.00	100.00	.0
20-4000-310.0	PROFESSIONAL SERVICES	5,390.00	14,929.00	27,000.00	12,071.00	55.3
20-4000-315.0	TRF-ELIGIBLE EXPENSES	.00	.00	1,000.00	1,000.00	.0
20-4000-316.0	ENGINEERING	.00	.00	1,000.00	1,000.00	.0
20-4000-420.0	OTHER OBLIGATIONS	8,320.14	9,633.54	224,393.00	214,759.46	4.3
20-4000-423.0	CONTRACTUAL - DAYTON WEST	.00	.00	128,500.00	128,500.00	.0
20-4000-430.0	CONTRACTUAL - LEGACY CROSSING	.00	.00	210,000.00	210,000.00	.0
20-4000-435.0	CONTRACTUAL - RIMINI LLC	.00	.00	23,000.00	23,000.00	.0
20-4000-440.0	CONTRACTUAL - BARNARD CREEK	.00	.00	38,000.00	38,000.00	.0
20-4000-445.0	CONTRACTUAL - H&S LLC	.00	.00	19,000.00	19,000.00	.0
20-4000-480.0	MISC SUPPLIES	.00	2,000.00	5,000.00	3,000.00	40.0
20-4000-511.0	INSURANCE/PROPERTY & LIABILITY	.00	17,719.00	22,000.00	4,281.00	80.5
20-4000-620.0	ADMINISTRATIVE SERVICES	22,717.25	113,586.25	272,607.00	159,020.75	41.7
	TOTAL EXPENDITURES	36,427.39	157,867.79	971,600.00	813,732.21	16.3
	TRANSFER TO OTHER FUND					
20-4710-810.0	TRANSFER TO GF-HOMELESS	2,920.99	14,604.95	35,000.00	20,395.05	41.7
20-4710-830.0	TRANSFER - ADDITIONAL INCREM	32,333.33	161,666.65	388,000.00	226,333.35	41.7
	TOTAL TRANSFER TO OTHER FUND	35,254.32	176,271.60	423,000.00	246,728.40	41.7
	IMPROVEMENT PROJECTS					
20-5000-100.0	TRAFFIC SIGNAL - MARKETPLACE	.00	.00	487,000.00	487,000.00	.0
20-5000-150.0	RDA IMPROVEMENTS	.00	.00	70,000.00	70,000.00	.0
	TOTAL IMPROVEMENT PROJECTS	.00	.00	557,000.00	557,000.00	.0
	TOTAL FUND EXPENDITURES	71,681.71	334,139.39	1,951,600.00	1,617,460.61	17.1
	NET REVENUE OVER EXPENDITURES	(71,478.88)	(281,151.30)	.00	281,151.30	.0

CENTERVILLE CITY CORPORATION
BALANCE SHEET
NOVEMBER 30, 2021

MUNICIPAL BUILDING AUTHORITY

	ASSETS			
23-11100000	CASH - COMBINED FUND		1,207.46	
	TOTAL ASSETS			1,207.46
	LIABILITIES AND EQUITY			
	FUND EQUITY			
	UNAPPROPRIATED FUND BALANCE:			
23-29510000	FUND BALANCE - PREVIOUS YEAR	1,207.46		
	BALANCE - CURRENT DATE		1,207.46	
	TOTAL FUND EQUITY			1,207.46
	TOTAL LIABILITIES AND EQUITY			1,207.46

CENTERVILLE CITY CORPORATION
BALANCE SHEET
NOVEMBER 30, 2021

RECREATION

	ASSETS			
25-11100000	CASH		57,195.17	
	TOTAL ASSETS			57,195.17
	LIABILITIES AND EQUITY			
	FUND EQUITY			
	UNAPPROPRIATED FUND BALANCE:			
25-29510000	PRIOR UNRESTRICTED FUND BALANC	30,523.53		
	REVENUE OVER EXPENDITURES - YTD	26,671.64		
	BALANCE - CURRENT DATE		57,195.17	
	TOTAL FUND EQUITY			57,195.17
	TOTAL LIABILITIES AND EQUITY			57,195.17

RECREATION

		PERIOD ACTUAL	YTD ACTUAL	BUDGET	UNEARNED	PCNT
	CHARGES FOR SERVICES					
25-34-100000	SUMMER RECREATION FEES	4,690.00	12,945.00	72,375.00	59,430.00	17.9
25-34-300000	OFF SEASON RECREATION FEES	.00	.00	13,500.00	13,500.00	.0
25-34-400000	YOUTH BASEBALL/SOFTBALL FEES	.00	5,362.84	45,000.00	39,637.16	11.9
	TOTAL CHARGES FOR SERVICES	4,690.00	18,307.84	130,875.00	112,567.16	14.0
	MISCELLANEOUS REVENUE					
25-36-000000	CONCESSION SALES	.00	60.83	20,950.00	20,889.17	.3
	TOTAL MISCELLANEOUS REVENUE	.00	60.83	20,950.00	20,889.17	.3
	DONATIONS					
25-38-750000	BASEBALL DONATIONS & FUNDRAISR	.00	.00	100.00	100.00	.0
	TOTAL DONATIONS	.00	.00	100.00	100.00	.0
	CONTRIBUTIONS & TRANSFERS					
25-39-100000	TRANSFER FROM GENERAL FUND	.00	41,000.00	41,000.00	.00	100.0
	TOTAL CONTRIBUTIONS & TRANSFERS	.00	41,000.00	41,000.00	.00	100.0
	TOTAL FUND REVENUE	4,690.00	59,368.67	192,925.00	133,556.33	30.8

RECREATION

		PERIOD ACTUAL	YTD ACTUAL	BUDGET	UNEXPENDED	PCNT
	SUMMER RECREATION					
25-4000-110.0	SALARY AND WAGES	4,766.07	19,489.86	.00	(19,489.86)	.0
25-4000-120.0	PART TIME WAGES	.00	.00	67,000.00	67,000.00	.0
25-4000-130.0	FICA	331.82	1,462.23	5,200.00	3,737.77	28.1
25-4000-131.0	RETIREMENT	801.14	3,317.68	5,600.00	2,282.32	59.2
25-4000-135.0	WORKERS COMPENSATION	89.72	388.79	830.00	441.21	46.8
25-4000-220.0	PUBLIC NOTICES	65.00	100.00	1,000.00	900.00	10.0
25-4000-230.0	MILEAGE REIMBURSEMENT	.00	.00	500.00	500.00	.0
25-4000-240.0	GENERAL OFFICE SUPPLIES	.00	198.14	300.00	101.86	66.1
25-4000-242.0	POSTAGE	3.71	3.71	.00	(3.71)	.0
25-4000-260.0	EQUIP MAINT & SUPPLIES	.00	.00	100.00	100.00	.0
25-4000-262.0	COPIER SUPPLIES	.00	.00	500.00	500.00	.0
25-4000-280.0	TELEPHONE - AIR TIME	38.75	143.75	420.00	276.25	34.2
25-4000-310.0	MEDICAL EXAMS	85.00	85.00	800.00	715.00	10.6
25-4000-311.0	INSTRUCTORS	.00	1,195.00	15,000.00	13,805.00	8.0
25-4000-314.0	COMPUTER SERVICES	.00	95.00	3,200.00	3,105.00	3.0
25-4000-330.0	EDUCATION & TRAINING	.00	.00	300.00	300.00	.0
25-4000-480.0	MISC SUPPLIES	231.64	1,639.58	12,686.00	11,046.42	12.9
	TOTAL SUMMER RECREATION	6,412.85	28,118.74	113,436.00	85,317.26	24.8
	OFF SEASON RECREATION					
25-4200-310.0	INSTRUCTORS	.00	.00	9,000.00	9,000.00	.0
25-4200-480.0	MISC. SUPPLIES	22.49	22.49	4,500.00	4,477.51	.5
	TOTAL OFF SEASON RECREATION	22.49	22.49	13,500.00	13,477.51	.2
	YOUTH BASEBALL/SOFTBALL					
25-4300-120.0	PART TIME WAGES	.00	.00	2,000.00	2,000.00	.0
25-4300-130.0	FICA	91.88	227.11	689.00	461.89	33.0
25-4300-135.0	WORKERS COMPENSATION	25.49	63.69	200.00	136.31	31.9
25-4300-220.0	PUBLIC NOTICES	.00	.00	150.00	150.00	.0
25-4300-260.0	EQUIP MAINT & SUPPLIES	.00	.00	1,000.00	1,000.00	.0
25-4300-310.0	UMPIRES	1,294.00	3,009.75	7,000.00	3,990.25	43.0
25-4300-311.0	PROFESSIONAL SERVICES	.00	196.46	2,000.00	1,803.54	9.8
25-4300-480.0	MISC. SUPPLIES	.00	363.20	32,000.00	31,636.80	1.1
	TOTAL YOUTH BASEBALL/SOFTBALL	1,411.37	3,860.21	45,039.00	41,178.79	8.6

RECREATION

		PERIOD ACTUAL	YTD ACTUAL	BUDGET	UNEXPENDED	PCNT
	CONCESSIONS					
25-4900-120.0	PART TIME WAGES	.00	15.00	10,000.00	9,985.00	.2
25-4900-130.0	FICA	.00	1.15	765.00	763.85	.2
25-4900-135.0	WORKERS COMPENSATION	.00	.57	135.00	134.43	.4
25-4900-260.0	EQUIP MAINT & SUPPLIES	.00	.00	50.00	50.00	.0
25-4900-310.0	PROFESSIONAL SERVICES	27.95	678.87	2,000.00	1,321.13	33.9
25-4900-480.0	MISC. SUPPLIES	.00	.00	8,000.00	8,000.00	.0
	TOTAL CONCESSIONS	27.95	695.59	20,950.00	20,254.41	3.3
	TOTAL FUND EXPENDITURES	7,874.66	32,697.03	192,925.00	160,227.97	17.0
	NET REVENUE OVER EXPENDITURES	(3,184.66)	26,671.64	.00	(26,671.64)	.0

CENTERVILLE CITY CORPORATION
BALANCE SHEET
NOVEMBER 30, 2021

RAP TAX

	ASSETS			
27-11100000	CASH - COMBINED FUND		351,804.82	
27-13170000	RAP TAX A/R		103,153.37	
	TOTAL ASSETS			454,958.19
	LIABILITIES AND EQUITY			
	FUND EQUITY			
	UNAPPROPRIATED FUND BALANCE:			
27-29510000	FUND BALANCE - PREVIOUS YEAR	429,726.13		
	REVENUE OVER EXPENDITURES - YTD	25,232.06		
	BALANCE - CURRENT DATE		454,958.19	
	TOTAL FUND EQUITY			454,958.19
	TOTAL LIABILITIES AND EQUITY			454,958.19

RAP TAX

		PERIOD ACTUAL	YTD ACTUAL	BUDGET	UNEARNED	PCNT
	REVENUE					
27-31-350000	RAP TAX	44,175.36	243,920.66	485,000.00	241,079.34	50.3
	TOTAL REVENUE	44,175.36	243,920.66	485,000.00	241,079.34	50.3
	MISCELLANEOUS REVENUE					
27-36-100000	INTEREST INCOME	141.47	839.98	11,000.00	10,160.02	7.6
	TOTAL MISCELLANEOUS REVENUE	141.47	839.98	11,000.00	10,160.02	7.6
	TOTAL FUND REVENUE	44,316.83	244,760.64	496,000.00	251,239.36	49.4

CENTERVILLE CITY CORPORATION
EXPENDITURES WITH COMPARISON TO BUDGET
FOR THE 5 MONTHS ENDING NOVEMBER 30, 2021

RAP TAX

		PERIOD ACTUAL	YTD ACTUAL	BUDGET	UNEXPENDED	PCNT
	TRANSFERS & GRANTS					
27-5000-710.0	MISC PARK PROJECTS	37,549.05	207,332.56	423,250.00	215,917.44	49.0
27-5000-750.0	WHITAKER TRANSFERS - GRANTS	2,208.76	12,196.02	24,250.00	12,053.98	50.3
27-5000-800.0	DCPA PROJECTS-GRANTS	.00	.00	24,250.00	24,250.00	.0
27-5000-850.0	USE OF CONTINGENCY	.00	.00	24,250.00	24,250.00	.0
	TOTAL TRANSFERS & GRANTS	39,757.81	219,528.58	496,000.00	276,471.42	44.3
	TOTAL FUND EXPENDITURES	39,757.81	219,528.58	496,000.00	276,471.42	44.3
	NET REVENUE OVER EXPENDITURES	4,559.02	25,232.06	.00	(25,232.06)	.0

CENTERVILLE CITY CORPORATION
BALANCE SHEET
NOVEMBER 30, 2021

CEMETERY PERPETUAL CARE

	ASSETS			
30-11100000	CASH - COMBINED FUND		99,630.65	
	TOTAL ASSETS			99,630.65
	LIABILITIES AND EQUITY			
	FUND EQUITY			
30-28500000	RESTRICTED FUND BALANCE		37,700.00	
	UNAPPROPRIATED FUND BALANCE:			
30-29510000	FUND BALANCE - PREVIOUS YEAR	50,073.27		
	REVENUE OVER EXPENDITURES - YTD	11,857.38		
	BALANCE - CURRENT DATE		61,930.65	
	TOTAL FUND EQUITY			99,630.65
	TOTAL LIABILITIES AND EQUITY			99,630.65

CENTERVILLE CITY CORPORATION
REVENUES WITH COMPARISON TO BUDGET
FOR THE 5 MONTHS ENDING NOVEMBER 30, 2021

CEMETERY PERPETUAL CARE

		PERIOD ACTUAL	YTD ACTUAL	BUDGET	UNEARNED	PCNT
	CHARGES FOR SERVICES					
30-34-820000	PERPETUAL CARE FEE	1,000.00	9,800.00	30,000.00	20,200.00	32.7
30-34-821000	MONUMENT PERMIT FEES	400.00	2,000.00	3,000.00	1,000.00	66.7
	TOTAL CHARGES FOR SERVICES	1,400.00	11,800.00	33,000.00	21,200.00	35.8
	MISCELLANEOUS REVENUE					
30-36-100000	INTEREST INCOME	11.60	57.38	1,100.00	1,042.62	5.2
	TOTAL MISCELLANEOUS REVENUE	11.60	57.38	1,100.00	1,042.62	5.2
	TOTAL FUND REVENUE	1,411.60	11,857.38	34,100.00	22,242.62	34.8

CEMETERY PERPETUAL CARE

		PERIOD ACTUAL	YTD ACTUAL	BUDGET	UNEXPENDED	PCNT
	TRANSFERS TO OTHER FUNDS					
30-4710-810.1	TRANSFER TO GENERAL FUND	.00	.00	27,280.00	27,280.00	.0
30-4710-980.0	CONTRIBUTION FUND BALANCE	.00	.00	6,820.00	6,820.00	.0
	TOTAL TRANSFERS TO OTHER FUNDS	.00	.00	34,100.00	34,100.00	.0
	TOTAL FUND EXPENDITURES	.00	.00	34,100.00	34,100.00	.0
	NET REVENUE OVER EXPENDITURES	1,411.60	11,857.38	.00	(11,857.38)	.0

CENTERVILLE CITY CORPORATION
BALANCE SHEET
NOVEMBER 30, 2021

2009 SALES TAX - DEBT SERVICE

	ASSETS				
35-11100000	CASH - COMBINED FUND			3,839.10	
	TOTAL ASSETS				3,839.10
	LIABILITIES AND EQUITY				
	FUND EQUITY				
	UNAPPROPRIATED FUND BALANCE:				
35-29510000	BEGINNING OF YEAR		3,839.10		
	BALANCE - CURRENT DATE			3,839.10	
	TOTAL FUND EQUITY				3,839.10
	TOTAL LIABILITIES AND EQUITY				3,839.10

CENTERVILLE CITY CORPORATION
BALANCE SHEET
NOVEMBER 30, 2021

PARK FUND

	ASSETS			
45-11100000	CASH - COMBINED FUND		460,056.05	
	TOTAL ASSETS			460,056.05
	LIABILITIES AND EQUITY			
	FUND EQUITY			
	UNAPPROPRIATED FUND BALANCE:			
45-29510000	FUND BALANCE - PREVIOUS YEAR	207,813.12		
	REVENUE OVER EXPENDITURES - YTD	252,242.93		
	BALANCE - CURRENT DATE		460,056.05	
	TOTAL FUND EQUITY			460,056.05
	TOTAL LIABILITIES AND EQUITY			460,056.05

CENTERVILLE CITY CORPORATION
REVENUES WITH COMPARISON TO BUDGET
FOR THE 5 MONTHS ENDING NOVEMBER 30, 2021

PARK FUND

		PERIOD ACTUAL	YTD ACTUAL	BUDGET	UNEARNED	PCNT
	CHARGES FOR SERVICES					
45-34-700000	PARK IMPACT FEES	28,690.00	63,118.00	40,000.00	(23,118.00)	157.8
45-34-920000	TRANSFER IN - RAP	37,549.05	207,332.56	447,500.00	240,167.44	46.3
	TOTAL CHARGES FOR SERVICES	66,239.05	270,450.56	487,500.00	217,049.44	55.5
	MISCELLANEOUS REVENUE					
45-36-100000	INTEREST INCOME	71.76	426.46	4,600.00	4,173.54	9.3
	TOTAL MISCELLANEOUS REVENUE	71.76	426.46	4,600.00	4,173.54	9.3
	CONTRIBUTIONS & TRANSFERS					
45-39-250000	USE OF FUND BALANCE	.00	.00	16,784.00	16,784.00	.0
	TOTAL CONTRIBUTIONS & TRANSFERS	.00	.00	16,784.00	16,784.00	.0
	TOTAL FUND REVENUE	66,310.81	270,877.02	508,884.00	238,006.98	53.2

PARK FUND

		PERIOD ACTUAL	YTD ACTUAL	BUDGET	UNEXPENDED	PCNT
	OTHER PARK EXPENDITURES					
45-4810-100.0	CAPITAL PROJECTS	.00	945.00	103,263.00	102,318.00	.9
45-4810-120.0	FOUNDERS PARK IMPROVEMENTS	.00	17,689.09	16,784.00	(905.09)	105.4
45-4810-180.0	SOUTH DAVIS RECREATION DIST	.00	.00	107,000.00	107,000.00	.0
	TOTAL OTHER PARK EXPENDITURES	.00	18,634.09	227,047.00	208,412.91	8.2
	PARK PROJECTS					
45-4860-180.0	*ISLAND VIEW REMODEL*	.00	.00	281,837.00	281,837.00	.0
	TOTAL PARK PROJECTS	.00	.00	281,837.00	281,837.00	.0
	TOTAL FUND EXPENDITURES	.00	18,634.09	508,884.00	490,249.91	3.7
	NET REVENUE OVER EXPENDITURES	66,310.81	252,242.93	.00	(252,242.93)	.0

CENTERVILLE CITY CORPORATION
BALANCE SHEET
NOVEMBER 30, 2021

PROJECT IMPACT - CAPITAL IMP

	ASSETS			
47-11100000	CASH - COMBINED FUND		1,701,772.27	
	TOTAL ASSETS			1,701,772.27
	LIABILITIES AND EQUITY			
	FUND EQUITY			
	UNAPPROPRIATED FUND BALANCE:			
47-29510000	FUND BALANCE PREVIOUS YEAR	1,700,000.00		
	REVENUE OVER EXPENDITURES - YTD	1,772.27		
	BALANCE - CURRENT DATE		1,701,772.27	
	TOTAL FUND EQUITY			1,701,772.27
	TOTAL LIABILITIES AND EQUITY			1,701,772.27

CENTERVILLE CITY CORPORATION
REVENUES WITH COMPARISON TO BUDGET
FOR THE 5 MONTHS ENDING NOVEMBER 30, 2021

PROJECT IMPACT - CAPITAL IMP

		PERIOD ACTUAL	YTD ACTUAL	BUDGET	UNEARNED	PCNT
	MISCELLANEOUS REVENUE					
47-36-100000	BANKING-INVEST/INTEREST INCOME	359.00	1,772.27	.00	(1,772.27)	.0
	TOTAL MISCELLANEOUS REVENUE	359.00	1,772.27	.00	(1,772.27)	.0
	TOTAL FUND REVENUE	359.00	1,772.27	.00	(1,772.27)	.0
	NET REVENUE OVER EXPENDITURES	359.00	1,772.27	.00	(1,772.27)	.0

CENTERVILLE CITY CORPORATION
BALANCE SHEET
NOVEMBER 30, 2021

TRANSPORTATION FUND

	ASSETS			
48-11100000	CASH - COMBINED FUND		1,066,248.48	
48-13170000	TAX RECEIVABLE		242,265.38	
	TOTAL ASSETS			1,308,513.86
	LIABILITIES AND EQUITY			
	FUND EQUITY			
48-28500000	RESTRICTED FUND BALANCE		52,657.26	
	UNAPPROPRIATED FUND BALANCE:			
48-29510000	FUND BALANCE - PREVIOUS YEAR	1,531,511.94		
	REVENUE OVER EXPENDITURES - YTD	(275,655.34)		
	BALANCE - CURRENT DATE		1,255,856.60	
	TOTAL FUND EQUITY			1,308,513.86
	TOTAL LIABILITIES AND EQUITY			1,308,513.86

TRANSPORTATION FUND

		PERIOD ACTUAL	YTD ACTUAL	BUDGET	UNEARNED	PCNT
	TAXES					
48-31-300000	SALES TAX	40,659.17	214,506.32	400,000.00	185,493.68	53.6
	TOTAL TAXES	40,659.17	214,506.32	400,000.00	185,493.68	53.6
	STATE REVENUE					
48-33-430000	CLASS C ROADS	113,612.46	351,945.85	690,000.00	338,054.15	51.0
48-33-450000	GRANTS	.00	.00	100,000.00	100,000.00	.0
	TOTAL STATE REVENUE	113,612.46	351,945.85	790,000.00	438,054.15	44.6
	TRANSFERS					
48-34-800000	TRANSFER- GENERAL FUND	34,632.66	173,163.30	415,592.00	242,428.70	41.7
	TOTAL TRANSFERS	34,632.66	173,163.30	415,592.00	242,428.70	41.7
	MISC. REVENUE					
48-36-100000	INTEREST	249.36	1,566.74	33,000.00	31,433.26	4.8
	TOTAL MISC. REVENUE	249.36	1,566.74	33,000.00	31,433.26	4.8
	TOTAL FUND REVENUE	189,153.65	741,182.21	1,638,592.00	897,409.79	45.2

TRANSPORTATION FUND

		PERIOD ACTUAL	YTD ACTUAL	BUDGET	UNEXPENDED	PCNT
	CAPITAL PROJECTS					
48-4000-310.0	PROFESSIONAL SERVICES	.00	5,000.00	12,000.00	7,000.00	41.7
48-4000-316.0	ENGINEERING - GENERAL	.00	2,276.66	35,000.00	32,723.34	6.5
48-4000-710.0	CAPITAL PROJECTS	.00	15,150.25	1,441,592.00	1,426,441.75	1.1
48-4000-795.0	PARRISH LANE - INTERSECTIONS	.00	2,892.50	.00	(2,892.50)	.0
48-4000-800.0	NOLA DRIVE 1350 N TO 1680 N	748.20	43,342.99	.00	(43,342.99)	.0
48-4000-805.0	400 E PARRISH TO CHASE STREET	75.00	473,372.68	.00	(473,372.68)	.0
48-4000-815.0	LONDON ROAD REBUILD	4,889.80	39,717.28	.00	(39,717.28)	.0
48-4000-825.0	COTTONWOOD DR STREET REBUILD	6,335.00	6,650.00	.00	(6,650.00)	.0
	TOTAL CAPITAL PROJECTS	12,048.00	588,402.36	1,488,592.00	900,189.64	39.5
	ANNUAL PROJECTS					
48-5000-730.0	2019 PAVING & SLURRY PROJECTS	.00	691.40	.00	(691.40)	.0
48-5000-750.0	2021 STREET OVERLAYS	920.00	366,725.34	.00	(366,725.34)	.0
48-5000-760.0	2022 STREET OVERLAYS	3,899.80	28,139.28	.00	(28,139.28)	.0
48-5000-800.0	ANNUAL SIDEWALK PROJECTS	9,009.00	32,879.17	150,000.00	117,120.83	21.9
	TOTAL ANNUAL PROJECTS	13,828.80	428,435.19	150,000.00	(278,435.19)	285.6
	TOTAL FUND EXPENDITURES	25,876.80	1,016,837.55	1,638,592.00	621,754.45	62.1
	NET REVENUE OVER EXPENDITURES	163,276.85	(275,655.34)	.00	275,655.34	.0

CENTERVILLE CITY CORPORATION
BALANCE SHEET
NOVEMBER 30, 2021

UTOPIA PROJECT FUND

	ASSETS			
49-11100000	CASH - COMBINED FUND		33,871.48	
49-13190000	ACCOUNTS RECEIVABLE-UTOPIA		122,503.82	
	TOTAL ASSETS			156,375.30
	LIABILITIES AND EQUITY			
	LIABILITIES			
49-23370000	DEFERRED REVENUE-UTOPIA		122,503.82	
	TOTAL LIABILITIES			122,503.82
	FUND EQUITY			
	UNAPPROPRIATED FUND BALANCE:			
49-29510000	FUND BALANCE - PREVIOUS YEAR	42,583.99		
	REVENUE OVER EXPENDITURES - YTD	(8,712.51)		
	BALANCE - CURRENT DATE		33,871.48	
	TOTAL FUND EQUITY			33,871.48
	TOTAL LIABILITIES AND EQUITY			156,375.30

UTOPIA PROJECT FUND

		PERIOD ACTUAL	YTD ACTUAL	BUDGET	UNEARNED	PCNT
	SOURCE 33					
49-33-110000	UTOPIA REBATE	.00	.00	123,137.00	123,137.00	.0
	TOTAL SOURCE 33	.00	.00	123,137.00	123,137.00	.0
	TRANSFERS					
49-34-850000	TRANSFER IN - TAX INCREMENT	32,333.33	161,666.65	388,000.00	226,333.35	41.7
	TOTAL TRANSFERS	32,333.33	161,666.65	388,000.00	226,333.35	41.7
	TOTAL FUND REVENUE	32,333.33	161,666.65	511,137.00	349,470.35	31.6

UTOPIA PROJECT FUND

		PERIOD ACTUAL	YTD ACTUAL	BUDGET	UNEXPENDED	PCNT
	EXPENDITURES					
49-4000-800.0	PLEDGE PAYMENTS	42,594.79	170,379.16	511,137.00	340,757.84	33.3
	TOTAL EXPENDITURES	42,594.79	170,379.16	511,137.00	340,757.84	33.3
	TOTAL FUND EXPENDITURES	42,594.79	170,379.16	511,137.00	340,757.84	33.3
	NET REVENUE OVER EXPENDITURES	(10,261.46)	(8,712.51)	.00	8,712.51	.0

WATER FUND

ASSETS

51-11100000	CASH - COMBINED FUND		481,691.30	
51-11820000	INVESTMENT IN WATER STOCK		48,616.66	
51-13100000	ACCOUNTS RECIEVABLE - UNBILLED		42,891.13	
51-13110000	ACCOUNTS RECEIVABLE		253,982.56	
51-13120000	ALLOWANCE FOR BAD DEBT		(24,883.46)	
51-13170000	ACCOUNTS RECEIVABLE - OTHER		(110.00)	
51-15460000	DEFERRED OUTFLOWS-PENSIONS		40,709.40	
51-15500000	WATER INVENTORY		304,694.75	
51-15610000	PREPAID WATER		10,025.00	
51-15620000	NET PENSION ASSET		34,278.00	
51-16300000	WORK IN PROGRESS		228,559.38	
51-16310000	RESERVOIRS		984,856.84	
51-16320000	ALLOWANCE DEPREC./RESERVIORS		(825,998.10)	
51-16330000	WATER DISTRIBUTION SYSTEMS		4,295,308.03	
51-16340000	ALLOWANCE DEPREC./WATERLINES		(3,820,611.36)	
51-16350000	BUILDINGS & WELLS		3,501,966.49	
51-16360000	ALLOW. DEPREC./LAND/BLDGS/WELL		(1,246,825.30)	
51-16390000	WATERLINE SYSTEMS		13,374,119.09	
51-16400000	ALLOWANCE DEPREC./WTRLN SYSTM		(2,057,335.74)	
51-16510000	MACHINERY		783,329.60	
51-16520000	ALLOWANCE DEPREC./MACHINERY		(667,370.12)	
51-16530000	LAND		236,908.84	
	TOTAL ASSETS			15,978,802.99

LIABILITIES AND EQUITY

LIABILITIES

51-21330000	BOND PAYABLE		918,000.00	
51-21340000	BOND PAYABLE-BWR 2003		78,000.00	
51-21341000	ACCRUED INTEREST		11,064.29	
51-21350000	ACCRUED PAYROLL		2,030.64	
51-21351000	ACCRUED ABSENCES		2,835.63	
51-21352000	ACCRUED ABSENCES - ST		18,000.00	
51-23400000	DEFERRED INFLOWS-PENSIONS		130,703.23	
51-25410000	UNAMORTIZED BOND PREMIUM		103,767.06	
51-25420000	DEFERRED LOSS FROM BOND DEF		(11,238.94)	
51-25450000	NET PENSION LIABILITY		14,356.36	
	TOTAL LIABILITIES			1,267,518.27

FUND EQUITY

	UNAPPROPRIATED FUND BALANCE:			
51-29510000	PRIOR UNRESTRICTED/BALANCE	15,087,926.42		
	REVENUE OVER EXPENDITURES - YTD	(376,641.70)		
	BALANCE - CURRENT DATE		14,711,284.72	
	TOTAL FUND EQUITY			14,711,284.72

WATER FUND

TOTAL LIABILITIES AND EQUITY	15,978,802.99

WATER FUND

		PERIOD ACTUAL	YTD ACTUAL	BUDGET	UNEARNED	PCNT
	CHARGES FOR SERVICES					
51-34-400000	WATER IMPACT FEE	10,130.00	38,600.48	60,000.00	21,399.52	64.3
51-34-450000	WTRLN CONST.FEES/NEW SUBS(CON)	52,759.32	139,879.32	75,000.00	(64,879.32)	186.5
	TOTAL CHARGES FOR SERVICES	62,889.32	178,479.80	135,000.00	(43,479.80)	132.2
	MISCELLANEOUS REVENUE					
51-36-100000	BANKING & INT./INTEREST INCOME	80.48	416.03	6,000.00	5,583.97	6.9
51-36-200000	MISCELLANEOUS	1,634.06	1,634.06	.00	(1,634.06)	.0
	TOTAL MISCELLANEOUS REVENUE	1,714.54	2,050.09	6,000.00	3,949.91	34.2
	OPERATING REVENUE					
51-37-110000	WATER SALES	215,819.17	1,171,570.48	2,800,000.00	1,628,429.52	41.8
51-37-120000	WATER LATERAL FEES - OLD SUBS.	.00	5,828.00	.00	(5,828.00)	.0
51-37-130000	WATER YOKES AND METERS	4,350.00	12,230.00	10,000.00	(2,230.00)	122.3
51-37-150000	WTR LATERAL FEES- NEW SBD	(2,156.42)	(2,156.42)	.00	2,156.42	.0
51-37-160000	HYDRANT WATER SALES	.00	388.00	3,500.00	3,112.00	11.1
51-37-200000	DELINQUENT PENALTY	934.77	4,014.50	12,000.00	7,985.50	33.5
51-37-300000	GAIN ON SALE OF FIXED ASSET	471.00	471.00	29,000.00	28,529.00	1.6
	TOTAL OPERATING REVENUE	219,418.52	1,192,345.56	2,854,500.00	1,662,154.44	41.8
	TOTAL FUND REVENUE	284,022.38	1,372,875.45	2,995,500.00	1,622,624.55	45.8

WATER FUND

		PERIOD ACTUAL	YTD ACTUAL	BUDGET	UNEXPENDED	PCNT
	EXPENDITURES					
51-4000-110.0	SALARY AND WAGES	18,730.07	87,417.16	262,200.00	174,782.84	33.3
51-4000-111.0	OVERTIME PAY	392.98	1,643.41	5,000.00	3,356.59	32.9
51-4000-120.0	TEMPORARY & PART-TIME WAGES	80.91	2,315.09	20,000.00	17,684.91	11.6
51-4000-130.0	FICA	1,284.31	6,877.24	22,000.00	15,122.76	31.3
51-4000-131.0	RETIREMENT	3,156.53	16,494.26	49,500.00	33,005.74	33.3
51-4000-132.0	MEDICAL INSURANCE	4,745.97	20,903.25	95,500.00	74,596.75	21.9
51-4000-134.0	LONG TERM DISABILITY	58.12	303.66	1,400.00	1,096.34	21.7
51-4000-135.0	WORKERS COMPENSATION	355.74	1,900.65	8,100.00	6,199.35	23.5
51-4000-200.0	UNIFORM PURCHASE	178.73	2,158.73	2,650.00	491.27	81.5
51-4000-205.0	BANK PROCESSING CHARGES-XPRESS	2,258.53	10,688.40	23,000.00	12,311.60	46.5
51-4000-210.0	BOOKS - MEMBERSHIPS	.00	.00	300.00	300.00	.0
51-4000-211.0	MEMBERSHIPS	.00	77.00	2,600.00	2,523.00	3.0
51-4000-220.0	PUBLIC NOTICES	.00	.00	500.00	500.00	.0
51-4000-240.0	OFFICE SUPPLIES	41.30	137.41	1,200.00	1,062.59	11.5
51-4000-241.0	PRINTING	549.08	2,219.55	9,500.00	7,280.45	23.4
51-4000-242.0	POSTAGE	1,066.36	4,285.31	11,500.00	7,214.69	37.3
51-4000-250.0	VEHICLE MAINT & SUPPLIES	1,240.81	4,383.56	19,000.00	14,616.44	23.1
51-4000-260.0	EQUIP MAINT & SUPPLIES	.00	.00	1,350.00	1,350.00	.0
51-4000-261.0	EQUIPMENT MAINTENANCE - RADIO	.00	.00	500.00	500.00	.0
51-4000-263.0	EQUIPMENT MAINTENANCE - OFFICE	31.98	822.09	500.00	(322.09)	164.4
51-4000-265.0	FIRE EXTINGUISHER SUPPLES	.00	.00	400.00	400.00	.0
51-4000-266.0	METER READING MAINTENANCE	183.08	183.08	2,300.00	2,116.92	8.0
51-4000-275.0	UTILITIES - PUMPS AND WELLS	1,644.75	22,525.77	67,000.00	44,474.23	33.6
51-4000-280.0	AIR TIME	196.12	746.12	2,500.00	1,753.88	29.8
51-4000-286.0	TELEMETERING	2,280.00	3,709.40	17,000.00	13,290.60	21.8
51-4000-290.0	GASOLINE & DIESEL SERVICES	1,513.26	8,330.93	17,000.00	8,669.07	49.0
51-4000-310.0	PROFESSIONAL SERVICES	76.86	5,226.86	26,000.00	20,773.14	20.1
51-4000-314.0	COMPUTER SUPPORT	426.50	2,042.50	6,800.00	4,757.50	30.0
51-4000-316.0	ENGINEER	902.50	5,062.80	5,000.00	(62.80)	101.3
51-4000-330.0	EDUCATION AND TRAINING	.00	225.00	9,500.00	9,275.00	2.4
51-4000-340.0	CERTIFICATIONS - EXAMS	.00	75.00	1,500.00	1,425.00	5.0
51-4000-478.0	COMMERCIAL WATER METERS	.00	.00	7,500.00	7,500.00	.0
51-4000-479.0	HAULING CONSTRUCTION MATERIAL	150.00	150.00	3,000.00	2,850.00	5.0
51-4000-480.0	MISC SUPPLIES	958.71	5,139.25	40,000.00	34,860.75	12.9
51-4000-481.0	METER REPAIRS	.00	.00	9,000.00	9,000.00	.0
51-4000-484.0	WATER MAINS SUPPLIES	1,882.15	14,226.34	39,000.00	24,773.66	36.5
51-4000-485.0	BLUE STAKES	306.44	1,160.02	6,700.00	5,539.98	17.3
51-4000-486.0	ASPHALT	.00	.00	15,000.00	15,000.00	.0
51-4000-487.0	ROADBASE	.00	909.39	4,000.00	3,090.61	22.7
51-4000-488.0	SAND	.00	.00	2,000.00	2,000.00	.0
51-4000-489.0	CHLORINE	.00	2,503.32	13,500.00	10,996.68	18.5
51-4000-490.0	WEBER BASIN PURCHASES	10,025.00	50,125.00	123,508.00	73,383.00	40.6
51-4000-491.0	INSTALL LATERALS	11,197.50	11,197.50	5,500.00	(5,697.50)	203.6
51-4000-492.0	FLOURIDATION	1,245.51	6,589.18	35,000.00	28,410.82	18.8
51-4000-493.0	NEW METERS	.00	.00	19,000.00	19,000.00	.0
51-4000-495.0	WATER RIGHTS	.00	.00	2,000.00	2,000.00	.0
51-4000-496.0	BACKFLOW PROGRAM	380.00	476.00	900.00	424.00	52.9
51-4000-510.0	UNSCHEDULED WATER REPAIRS	441.00	891.00	20,000.00	19,109.00	4.5
51-4000-511.0	INSURANCE - LIABILITY	.00	10,002.13	13,750.00	3,747.87	72.7
51-4000-512.0	INSURANCE - AUTO LIAB.	.00	903.00	350.00	(553.00)	258.0
51-4000-513.0	INSURANCE - WELLS & PUMPS	.00	.00	2,100.00	2,100.00	.0
51-4000-621.0	WATER TESTING	.00	2,082.00	15,000.00	12,918.00	13.9

WATER FUND

		PERIOD ACTUAL	YTD ACTUAL	BUDGET	UNEXPENDED	PCNT
51-4000-630.0	UNCOLLECTABLE ACCOUNTS	.00	.00	1,000.00	1,000.00	.0
51-4000-640.0	GENERAL FUND ADMIN. SERVICE	84,622.17	423,110.85	1,015,466.00	592,355.15	41.7
51-4000-850.0	UWFA - BOND PAYMENT	.00	94,684.11	272,067.00	177,382.89	34.8
51-4000-910.0	DEPRECIATION EXPENSE	39,583.33	197,916.65	475,000.00	277,083.35	41.7
	TOTAL EXPENDITURES	192,186.30	1,032,819.97	2,831,641.00	1,798,821.03	36.5
	CAPITAL EQUIPMENT/PROJECTS					
51-5154-740.0	CAPITAL EQUIPMENT	.00	33,196.00	191,200.00	158,004.00	17.4
51-5154-750.0	CAPITAL PROJECTS	2,537.40	268,861.33	447,659.00	178,797.67	60.1
	TOTAL CAPITAL EQUIPMENT/PROJECTS	2,537.40	302,057.33	638,859.00	336,801.67	47.3
	WATER PROJECTS					
51-5520-770.2	CONSTRUCTION	.00	4,262.00	.00	(4,262.00)	.0
51-5520-772.0	400 EAST CULINARY WATERLINE	150.00	5,872.67	.00	(5,872.67)	.0
51-5520-772.2	CONSTRUCTION	877.40	262,657.19	.00	(262,657.19)	.0
51-5520-772.3	MATERIALS	.00	12,737.86	.00	(12,737.86)	.0
51-5520-774.0	COTTONWOOD DR WATERLINE REPLAC	1,874.80	1,874.80	.00	(1,874.80)	.0
51-5520-775.0	LONDON RD WATERLINE REPLACEMEN	522.50	522.50	.00	(522.50)	.0
51-5520-776.0	OAKRIDGE DRIVE TANK	5,890.00	5,890.00	.00	(5,890.00)	.0
	TOTAL WATER PROJECTS	9,314.70	293,817.02	.00	(293,817.02)	.0
	DEVELOPMENT WATERLINE PROJECTS					
51-5600-754.0	THE HIVE DEVELOPMENT	450.00	102,293.52	.00	(102,293.52)	.0
51-5600-754.2	CONSTRUCTION	1,990.00	1,990.00	.00	(1,990.00)	.0
51-5600-755.0	*WATER LATERALS-DEVELOPMENT*	2,698.50	3,015.60	.00	(3,015.60)	.0
51-5600-756.0	STEVENS RESIDENCE	8,523.71	8,523.71	.00	(8,523.71)	.0
51-5600-796.1	ENGINEERING	.00	5,000.00	.00	(5,000.00)	.0
	TOTAL DEVELOPMENT WATERLINE PROJECTS	13,662.21	120,822.83	.00	(120,822.83)	.0
	TOTAL FUND EXPENDITURES	217,700.61	1,749,517.15	3,470,500.00	1,720,982.85	50.4
	NET REVENUE OVER EXPENDITURES	66,321.77	(376,641.70)	(475,000.00)	(98,358.30)	(79.3)

CENTERVILLE CITY CORPORATION
BALANCE SHEET
NOVEMBER 30, 2021

SANITATION FUND

	ASSETS			
52-11100000	CASH - COMBINED FUND		77,461.68	
52-13120000	ALLOWANCE FOR UNCOLLECTILBE AC		(9,785.00)	
52-13140000	ACCOUNTS RECEIVABLE - GARBAGE		77,646.37	
52-13150000	ACCOUNTS RECEIVABLE - RECYCLE		18,428.15	
52-13160000	ACCOUNTS RECEIVABLE GREEN WAST		14,766.91	
	TOTAL ASSETS			178,518.11
	LIABILITIES AND EQUITY			
	FUND EQUITY			
	UNAPPROPRIATED FUND BALANCE:			
52-29510000	FUND BALANCE - PREVIOUS YEAR	97,022.95		
	REVENUE OVER EXPENDITURES - YTD	81,495.16		
	BALANCE - CURRENT DATE		178,518.11	
	TOTAL FUND EQUITY			178,518.11
	TOTAL LIABILITIES AND EQUITY			178,518.11

SANITATION FUND

		PERIOD ACTUAL	YTD ACTUAL	BUDGET	UNEARNED	PCNT
	MISCELLANEOUS REVENUE					
52-36-100000	INTEREST INCOME	18.37	119.99	900.00	780.01	13.3
52-36-200000	FALL CLEANUP REVENUE	680.00	680.00	200.00	(480.00)	340.0
52-36-250000	USE OF FUND BALANCE	.00	.00	17,692.00	17,692.00	.0
52-36-300000	SPRING CLEANUP REVENUE	(200.00)	.00	.00	.00	.0
	TOTAL MISCELLANEOUS REVENUE	498.37	799.99	18,792.00	17,992.01	4.3
	OPERATING REVENUE					
52-37-100000	REFUSE COLLECTION CHARGES	68,838.21	345,904.31	820,000.00	474,095.69	42.2
52-37-200000	RECYCLING REVENUES	17,218.42	86,562.53	204,000.00	117,437.47	42.4
52-37-250000	GREEN WASTE CHARGES	14,187.54	71,970.34	168,000.00	96,029.66	42.8
52-37-300000	CONTAINER ADVANCE LEASE PAYMT	.00	1,575.00	5,000.00	3,425.00	31.5
	TOTAL OPERATING REVENUE	100,244.17	506,012.18	1,197,000.00	690,987.82	42.3
	TOTAL FUND REVENUE	100,742.54	506,812.17	1,215,792.00	708,979.83	41.7

SANITATION FUND

		PERIOD ACTUAL	YTD ACTUAL	BUDGET	UNEXPENDED	PCNT
	EXPENDITURES					
52-4000-205.0	BANKING & INV/INTEREST EXPENSE	420.83	2,104.15	5,050.00	2,945.85	41.7
52-4000-241.0	PRINTING	274.55	1,109.78	3,200.00	2,090.22	34.7
52-4000-242.0	POSTAGE	503.77	1,988.26	6,000.00	4,011.74	33.1
52-4000-314.0	COMPUTER SUPPORT	426.50	2,042.50	4,500.00	2,457.50	45.4
52-4000-320.0	GREEN WASTE COLLECTION	7,589.24	30,300.66	89,000.00	58,699.34	34.1
52-4000-321.0	COLLECTION	21,989.88	87,995.64	265,000.00	177,004.36	33.2
52-4000-322.0	DISPOSAL & TIPPING FEES	39,819.20	159,328.80	475,000.00	315,671.20	33.5
52-4000-324.0	RECYCLING COLLECTION	14,634.53	58,510.12	175,000.00	116,489.88	33.4
52-4000-480.0	MISC SUPPLIES	.00	.00	100.00	100.00	.0
52-4000-486.0	SPRING CLEAN-UP	.00	.00	20,000.00	20,000.00	.0
52-4000-510.0	GENERAL LIABILITY INSURANCE	.00	4,059.60	3,900.00	(159.60)	104.1
52-4000-640.0	GF ADMIN SERVICES	13,253.50	66,267.50	159,042.00	92,774.50	41.7
52-4000-750.0	CONTAINERS	.00	11,610.00	10,000.00	(1,610.00)	116.1
	TOTAL EXPENDITURES	98,912.00	425,317.01	1,215,792.00	790,474.99	35.0
	TOTAL FUND EXPENDITURES	98,912.00	425,317.01	1,215,792.00	790,474.99	35.0
	NET REVENUE OVER EXPENDITURES	1,830.54	81,495.16	.00	(81,495.16)	.0

DRAINAGE UTILITY

	ASSETS			
53-11100000	CASH - COMBINED FUND		987,056.94	
53-13120000	ALLOWANCE FOR UNCOLLECTABLE		(10,700.00)	
53-13140000	ACCOUNTS RECIEVABLE		106,872.96	
53-15460000	DEFERRED OUTFLOWS-PENSIONS		5,868.82	
53-15620000	NET PENSION ASSET		5,158.00	
53-16350000	BUILDINGS		623,487.88	
53-16360000	ACCUMULATED DEPRECIATION		(1,395,385.09)	
53-16510000	ASSETS		193,379.56	
53-16520000	SUB DRAIN		2,046,416.46	
53-16530000	STORM DRAINS		3,746,302.73	
53-16540000	WORK IN PROGRESS		196,700.47	
	TOTAL ASSETS			6,505,158.73
	LIABILITIES AND EQUITY			
	LIABILITIES			
53-21320000	BONDS PAYABLE		267,000.00	
53-21321000	ACCRUED INTEREST ON BOND		3,202.38	
53-21330000	BONDS PAYABLE ST		22,000.00	
53-21350000	ACCRUED PAYROLL		457.65	
53-21351000	ACCRUED ABSENCES		13,652.20	
53-21352000	ACCRUED ABSENCES - ST		9,000.00	
53-23400000	DEFERRED INFLOWS-PENSIONS		19,668.95	
53-25410000	UNAMORTIZED BOND PREMIUM		33,737.72	
53-25420000	DEFERRED LOSS FROM BOND DEF		(1,840.84)	
53-25450000	NET PENSION LIABILITY		2,160.42	
	TOTAL LIABILITIES			369,038.48
	FUND EQUITY			
	UNAPPROPRIATED FUND BALANCE:			
53-29510000	FUND BALANCE - PREVIOUS YEAR	6,125,769.40		
	REVENUE OVER EXPENDITURES - YTD	10,350.85		
	BALANCE - CURRENT DATE		6,136,120.25	
	TOTAL FUND EQUITY			6,136,120.25
	TOTAL LIABILITIES AND EQUITY			6,505,158.73

DRAINAGE UTILITY

		PERIOD ACTUAL	YTD ACTUAL	BUDGET	UNEARNED	PCNT
	CHARGES FOR SERVICES					
53-34-400000	DRAINAGE IMPACT FEE	.00	.00	30,000.00	30,000.00	.0
	TOTAL CHARGES FOR SERVICES	.00	.00	30,000.00	30,000.00	.0
	MISCELLANEOUS REVENUE					
53-36-100000	INTEREST INCOME	213.96	1,411.02	33,000.00	31,588.98	4.3
	TOTAL MISCELLANEOUS REVENUE	213.96	1,411.02	33,000.00	31,588.98	4.3
	OPERATING REVENUE					
53-37-100000	DRAINAGE CHARGES	70,655.23	354,852.07	807,000.00	452,147.93	44.0
53-37-300000	SUB DRAIN FEES	38,107.53	191,147.68	460,000.00	268,852.32	41.6
	TOTAL OPERATING REVENUE	108,762.76	545,999.75	1,267,000.00	721,000.25	43.1
	TOTAL FUND REVENUE	108,976.72	547,410.77	1,330,000.00	782,589.23	41.2

CENTERVILLE CITY CORPORATION
EXPENDITURES WITH COMPARISON TO BUDGET
FOR THE 5 MONTHS ENDING NOVEMBER 30, 2021

DRAINAGE UTILITY

		PERIOD ACTUAL	YTD ACTUAL	BUDGET	UNEXPENDED	PCNT
	EXPENDITURES					
53-4000-110.0	SALARY & WAGES	4,603.94	22,717.70	54,100.00	31,382.30	42.0
53-4000-111.0	OVERTIME PAY	8.36	8.36	500.00	491.64	1.7
53-4000-130.0	FICA	298.76	1,652.86	4,200.00	2,547.14	39.4
53-4000-131.0	RETIREMENT	768.06	4,224.33	10,100.00	5,875.67	41.8
53-4000-132.0	MEDICAL INSURANCE	1,884.11	9,423.51	22,800.00	13,376.49	41.3
53-4000-134.0	LONG TERM DISABILITY	14.14	77.77	300.00	222.23	25.9
53-4000-135.0	WORKERS COMPENSATION	86.04	473.22	1,100.00	626.78	43.0
53-4000-200.0	UNIFORM PURCHASE	.00	549.02	425.00	(124.02)	129.2
53-4000-205.0	BANKING & INV/INTEREST EXPENSE	420.83	2,104.15	5,050.00	2,945.85	41.7
53-4000-220.0	PUBLIC NOTICES	.00	.00	200.00	200.00	.0
53-4000-240.0	OFFICE SUPPLIES	.00	69.29	300.00	230.71	23.1
53-4000-241.0	PRINTING	274.55	1,109.78	3,200.00	2,090.22	34.7
53-4000-242.0	POSTAGE	503.77	1,988.26	5,500.00	3,511.74	36.2
53-4000-250.0	VEHICLE MAINTENANCE	.00	(2.96)	1,000.00	1,002.96	(.3)
53-4000-270.0	WEBER BASIN WATER	.00	.00	4,000.00	4,000.00	.0
53-4000-280.0	TELEPHONE - AIR TIME	38.75	178.75	500.00	321.25	35.8
53-4000-286.0	TELEMETERING	.00	54.47	1,500.00	1,445.53	3.6
53-4000-290.0	GASOLINE	113.22	449.04	1,500.00	1,050.96	29.9
53-4000-310.0	PROFESSIONAL SERVICES	.00	5,000.00	17,200.00	12,200.00	29.1
53-4000-314.0	COMPUTER SUPPORT	426.50	3,355.25	6,700.00	3,344.75	50.1
53-4000-316.0	ENGINEERING	225.00	14,860.65	35,000.00	20,139.35	42.5
53-4000-322.0	DAVIS COUNTY STORM WATER	.00	1,750.00	4,800.00	3,050.00	36.5
53-4000-330.0	EDUCATION & TRAINING	240.52	475.52	5,100.00	4,624.48	9.3
53-4000-352.0	FRONTAGE ROAD SWALE	5,000.00	25,000.00	60,000.00	35,000.00	41.7
53-4000-353.0	STREET SWEEPING	3,941.50	10,770.15	30,000.00	19,229.85	35.9
53-4000-368.0	VIDEO INSPECTION	.00	1,391.82	.00	(1,391.82)	.0
53-4000-371.0	UTILITIES-FRONTAGE ROAD PUMP	51.50	246.56	800.00	553.44	30.8
53-4000-375.0	CONTRACT MAINTENANCE	.00	1,087.40	165,000.00	163,912.60	.7
53-4000-480.0	MISC SUPPLIES	86.14	2,686.87	4,000.00	1,313.13	67.2
53-4000-510.0	GENERAL LIABILITY INSURANCE	.00	4,710.94	23,400.00	18,689.06	20.1
53-4000-515.0	LIABILITY RESERVE	.00	.00	10,000.00	10,000.00	.0
53-4000-640.0	GF ADMINISTRATIVE SERVICES	38,389.00	191,945.00	460,668.00	268,723.00	41.7
53-4000-740.0	DEBT SERVICE	.00	26,705.78	79,546.00	52,840.22	33.6
53-4000-750.0	MISC. PROJECTS	409.00	409.00	311,511.00	311,102.00	.1
53-4000-900.0	DEPRECIATION EXPENSE	9,166.67	45,833.35	110,000.00	64,166.65	41.7
	TOTAL EXPENDITURES	66,950.36	381,305.84	1,440,000.00	1,058,694.16	26.5

DRAINAGE UTILITY

		PERIOD ACTUAL	YTD ACTUAL	BUDGET	UNEXPENDED	PCNT
	DRAINAGE IMPROVEMENT PROJECTS					
53-5000-100.0	* 1000 NORTH*	535.00	535.00	.00	(535.00)	.0
53-5000-215.0	400 EAST STORM DRAIN	.00	110,764.10	.00	(110,764.10)	.0
53-5000-235.0	STORM DRAIN REPLACEMENT 650 NO	93.80	93.80	.00	(93.80)	.0
53-5000-240.0	PARRISH CREEK I15 BORE	.00	210.00	.00	(210.00)	.0
53-5000-260.0	*PORTER LANE*	2,424.90	37,732.78	.00	(37,732.78)	.0
53-5000-367.0	COTTONWOOD DR STORM DRAIN	1,924.80	1,924.80	.00	(1,924.80)	.0
53-5000-388.0	LONDON ROAD STORM DRAIN	2,992.50	2,992.50	.00	(2,992.50)	.0
53-5000-395.0	*CHASE LANE A - SID*	.00	1,501.10	.00	(1,501.10)	.0
	TOTAL DRAINAGE IMPROVEMENT PROJECTS	7,971.00	155,754.08	.00	(155,754.08)	.0
	TOTAL FUND EXPENDITURES	74,921.36	537,059.92	1,440,000.00	902,940.08	37.3
	NET REVENUE OVER EXPENDITURES	34,055.36	10,350.85	(110,000.00)	(120,350.85)	9.4

CENTERVILLE CITY CORPORATION
BALANCE SHEET
NOVEMBER 30, 2021

TELECOMMUNICATION FUND

	ASSETS			
54-11100000	CASH - COMBINED FUND		14,145.13	
54-11220000	NOTES RECEIVABLE-CENTERVILLE		724,438.12	
54-13140000	ACCOUNTS RECEIVABLE		18,219.46	
	TOTAL ASSETS			756,802.71
	LIABILITIES AND EQUITY			
	LIABILITIES			
54-21210000	UIA NOTES PAYABLE-ST		96,673.44	
54-21220000	UIA NOTES PAYABLE-LT		627,764.68	
	TOTAL LIABILITIES			724,438.12
	FUND EQUITY			
	UNAPPROPRIATED FUND BALANCE:			
54-29510000	FUND BALANCE - PREVIOUS YEAR	17,168.79		
	REVENUE OVER EXPENDITURES - YTD	15,195.80		
	BALANCE - CURRENT DATE		32,364.59	
	TOTAL FUND EQUITY			32,364.59
	TOTAL LIABILITIES AND EQUITY			756,802.71

TELECOMMUNICATION FUND

		PERIOD ACTUAL	YTD ACTUAL	BUDGET	UNEARNED	PCNT
54-36-100000	INTEREST INCOME	2.10	14.93	200.00	185.07	7.5
	TOTAL SOURCE 36	2.10	14.93	200.00	185.07	7.5
	CHARGES FOR SERVICES					
54-37-100000	UTILITY SERVICE CHARGES	15,080.20	83,272.87	250,000.00	166,727.13	33.3
	TOTAL CHARGES FOR SERVICES	15,080.20	83,272.87	250,000.00	166,727.13	33.3
	TOTAL FUND REVENUE	15,082.30	83,287.80	250,200.00	166,912.20	33.3

TELECOMMUNICATION FUND

		PERIOD ACTUAL	YTD ACTUAL	BUDGET	UNEXPENDED	PCNT
	PROFESSIONAL SERVICES					
54-4000-320.0	CONTRACT SERVICES - UIA	18,531.47	68,092.00	240,200.00	172,108.00	28.4
54-4000-640.0	ADMINISTRATIVE SERVICES	.00	.00	10,000.00	10,000.00	.0
	TOTAL PROFESSIONAL SERVICES	18,531.47	68,092.00	250,200.00	182,108.00	27.2
	TOTAL FUND EXPENDITURES	18,531.47	68,092.00	250,200.00	182,108.00	27.2
	NET REVENUE OVER EXPENDITURES	(3,449.17)	15,195.80	.00	(15,195.80)	.0

CENTERVILLE CITY CORPORATION
BALANCE SHEET
NOVEMBER 30, 2021

WHITAKER HOME TRUST FUND

LIABILITIES AND EQUITY

FUND EQUITY

	UNAPPROPRIATED FUND BALANCE:			
71-29410000	RESTRICTED FUND BALANCE	12,411.19		
71-29510000	FUND BALANCE - PREVIOUS YEAR	(12,411.19)		
	BALANCE - CURRENT DATE		.00	
	TOTAL FUND EQUITY			.00
	TOTAL LIABILITIES AND EQUITY			.00

CENTERVILLE CITY CORPORATION
BALANCE SHEET
NOVEMBER 30, 2021

GENERAL FIXED ASSET FUND

	ASSETS			
91-16110000	LAND		7,718,450.03	
91-16210000	BUILDINGS		18,634,387.00	
91-16510000	EQUIPMENT & MACHINERY		6,071,288.00	
91-16610000	AUTOS & TRUCKS		3,439,666.00	
91-16710000	CONSTRUCTION IN PROGRESS		649,860.87	
91-16910000	INFRASTRUCTURE		12,072,234.00	
91-17000000	ACCUMULATED DEPRECIATION		(13,151,413.00)	
	TOTAL ASSETS			35,434,472.90
	LIABILITIES AND EQUITY			
	FUND EQUITY			
	UNAPPROPRIATED FUND BALANCE:			
91-29510000	INVESTMENT IN FIXED ASSETS	35,434,472.90		
	BALANCE - CURRENT DATE		35,434,472.90	
	TOTAL FUND EQUITY			35,434,472.90
	TOTAL LIABILITIES AND EQUITY			35,434,472.90

CENTERVILLE CITY CORPORATION
BALANCE SHEET
NOVEMBER 30, 2021

GENERAL LONG TERM DEBT

	ASSETS			
95-15460000	DEFERRED OUTFLOW - PENSION		643,212.44	
95-15620000	NET PENSION ASSET		183,075.00	
	TOTAL ASSETS			826,287.44
	LIABILITIES AND EQUITY			
	LIABILITIES			
95-20310000	REC DISTRICT NOTE PAYABLE		199,584.91	
95-20320000	ISLAND VIEW PARK LEASE		1,673,000.00	
95-21341000	ACCRUED INTEREST PAYABLE		91.20	
95-25340000	ACCRUED ABSENCES		332,224.04	
95-25340001	ACCRUED ABSENCES - ST		280,000.00	
95-25450000	NET PENSION LIABILITY		651,219.82	
95-25460000	DEFERRED INFLOW - PENSIONS		1,669,112.08	
95-25480000	OUTSTANDING CLAIMS		12,237.69	
	TOTAL LIABILITIES			4,817,469.74
	FUND EQUITY			
	UNAPPROPRIATED FUND BALANCE:			
95-29510000	BEGINNING OF YEAR	(3,991,182.30)		
	BALANCE - CURRENT DATE		(3,991,182.30)	
	TOTAL FUND EQUITY			(3,991,182.30)
	TOTAL LIABILITIES AND EQUITY			826,287.44

CITY COUNCIL

Staff Report

12/21/2021

Item No. 1.

Title: Minutes Review and Acceptance

Initiated By:

Staff Representative:

SUBJECT:

December 7, 2021 Work Session Minutes
December 7, 2021 City Council Minutes

RECOMMENDATION:

Approve the minutes as presented

BACKGROUND:

ATTACHMENTS:

1. 12-07-2021 WS Minutes
2. 12-07-2021 CC Minutes

250 North Main Street Centerville, Utah 84014 801.295.3477

Minutes of the Centerville **City Council work session** held Tuesday, December 7, 2021 at 6:25 p.m., with participants present at City Hall, 250 North Main Street.

MEMBERS PRESENT

Mayor	Clark Wilkinson
Council Members	William Ince Stephanie Ivie George McEwan Robyn Mecham
MEMBER ABSENT	Tamilyn Fillmore
STAFF PRESENT	Brant Hanson, City Manager Lisa Romney, City Attorney Jennifer Hansen, City Recorder Jacob Smith, Administrative Services Director Nate Plaizier, Finance Director Mike Carlson, Public Works Director Paul Child, Centerville Police Chief Lt. Allen Ackerson, Centerville Police Department Bryce King, Recreation Coordinator Marc Marchant, Streets Supervisor

CONSIDER AMENDMENTS TO POSITION, JOB VALUE, AND PAY SCHEDULE FOR POLICE DEPARTMENT

At the November 16, 2021 meeting, the City Council directed staff to move forward with mid-year Police Department wage increases to at minimum match that of North Salt Lake at $27.60 per hour. City Manager Brant Hanson reported Chief Paul Child and Lt. Allen Ackerson had done a great deal of research to figure out what wages should be to avoid internal compression. Chief Child shared what he had learned other area police departments would be doing regarding compensation, and presented a proposed pay schedule with a base starting wage of $27.60 per hour. The Chief briefly explained how the proposed changes would affect different positions.

Councilmember McEwan expressed support for the proposed changes, and commented that the actual budget impact would include overtime. Councilmember Ivie said she hoped the proposed increases would reduce the need for overtime down the road. Mr. Hanson said the matter would be presented during the Council meeting later in the evening.

STREET SWEEPING AND SNOW PLOWING PLAN

Public Works Director Mike Carlson provided an update regarding street sweeping. Street sweeping from January to October was primarily done by a contractor, with the City cleaning up leaves and snow October through December. He showed photographs and a video of the City's small street sweeper, and spoke of savings realized by the City by not paying for a contractor to clean up a majority of the leaves in the fall. Mr. Carlson explained that the City's street sweeper was unable to clean up all of the leaves, and often needed to make several passes to pick up enough to keep the storm drain system clean. He presented the following three options for the Council to consider:

- Public Works continue doing the best they can with existing small street sweeper
- Budget additional funds to contract for majority of leaf clean-up
- Invest in a new street sweeper ($315,000 or more)

Councilmember McEwan commented on the high cost of fuel, and stated the cost of multiple passes down the same street to pick up enough leaves to keep the storm drain system clean sounded expensive. Mr. Carlson and Streets Supervisor Marc Marchant answered questions from the Council. Councilmember Mecham said she thought the Public Works Department was doing a good job with the resources available.

Mr. Carlson and Mr. Marchant explained snow removal plans for the upcoming winter season, and answered questions from the Council. Mr. Carlson spoke of the limited number of trained, experienced snow plow drivers on staff.

ADJOURNMENT

At 7:15 p.m., Councilmember Ivie **moved** to adjourn the work session. Councilmember Ince seconded the motion, which passed by unanimous vote (4-0).

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Jennifer Hansen, City Recorder Date Approved

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Katie Rust, Recording Secretary

Minutes of the Centerville **City Council** meeting held Tuesday, December 7, 2021, at 7:15 p.m. with participants present at Centerville City Hall, 250 North Main Street.

MEMBERS PRESENT

Mayor	Clark Wilkinson
Council Members	Tamilyn Fillmore William Ince Stephanie Ivie George McEwan Robyn Mecham
STAFF PRESENT	Brant Hanson, City Manager Lisa Romney, City Attorney Jennifer Hansen, City Recorder Jacob Smith, Administrative Services Director Nate Plaizier, Finance Director Mike Carlson, Public Works Director Cory Snyder, Community Development Director Paul Child, Centerville Police Chief Lt. Allen Ackerson, Centerville Police Department Bryce King, Recreation Coordinator Marc Marchant, Streets Supervisor
VISITORS	Rob Sant, Lewis Young Robertson & Burningham Jon Haderlie, Larson & Company Kirk Nigro, Business Manager, Rocky Mountain Power Marcus Arbuckle, Keddington & Christensen Interested citizens
PRAYER OR THOUGHT	Councilmember Ince

PLEDGE OF ALLEGIANCE

OPEN SESSION

Kathy Wendell, Centerville resident, said she was pleased Centerville City had chosen to include a niche wall at the City Cemetery, and expressed interest in the possible addition of veteran privileges.

PUBLIC HEARING – PORTER-WALTON COMMUNITY REINVESTMENT PROJECT AREA PLAN

The City Council, acting as the Redevelopment Agency Board, received a presentation and held a public hearing regarding proposed creation of a Porter-Walton Community Reinvestment Project Area (CRA) earlier in the evening. Rob Sant with Lewis Young Robertson and Burningham stated creation of the Porter-Walton CRA for Young Powersports would result in a net benefit of more than $3 million to the City, and a net benefit of more than $5 million to all of the taxing entities.

Mayor Wilkinson opened a public hearing at 7:25 p.m., and closed the public hearing seeing that no one wished to comment.

Councilmember McEwan **moved** to approve Ordinance No. 2021-26 adopting the RDA approved project area plan for the Porter-Walton Community Reinvestment Project Area and directing noticing of the adoption of the plan as required by State law. Councilmember Fillmore seconded the motion, which passed by unanimous vote (5-0). Councilmember Ivie said she would rather the project sustain itself without help from the City, but she was glad to see the project happen.

PUBLIC HEARING – POSITION, JOB VALUE, AND PAY SCHEDULE AMENDMENTS – POLICE DEPARTMENT INCREASES

Police Chief Paul Child spoke of difficulty attracting and hiring new quality officers in the current market with the current Police Department wage scale. At the November 16, 2021 meeting, the Council requested that staff prepare proposed amendments to the Position, Job Value, and Pay Schedule for certain Police Department positions. Chief Child said proposed Ordinance No. 2021-21 was prepared following that direction. He stated the proposed compensation increases would put the Centerville Police Department in a better position to hire and retain quality officers.

Mayor Wilkinson opened a public hearing at 7:30 p.m., and closed the public hearing seeing that no one wished to comment. Councilmember Ince expressed support, and **moved** to approve Ordinance No. 2021-21. Councilmember Ivie seconded the motion. Councilmembers expressed support and appreciation for the officers in the Centerville Police Department. Councilmember Ince **amended the motion** to include a December 1, 2021 effective date. Councilmember Ivie seconded the amended motion. The amended motion passed by unanimous vote (5-0). Councilmembers expressed appreciation for Public Works Department employees as well.

FY2021 AUDIT REPORT

Finance Director Nate Plaizier recognized and thanked City Finance Department staff. Jon Haderlie with Larson & Company presented an independent Audit Report for FY2021. He reported the opinion issued was clean with no findings. Mr. Haderlie advised Councilmembers that they should be involved in preparing and discussing the Fraud Risk Assessment with City management. He also advised that any fees implemented by the Council should be proportionate to the service provided, with careful documentation. Mayor Wilkinson commented that the Internal Audit Committee reviewed the FY2021 Audit Report the previous week.

SUMMERHILL LANE PDO – FINAL SUBDIVISION PLAT

On November 16, 2021, the City Council held a public hearing on the proposed Final Subdivision Plat for Summerhill Lane PDO. After the public hearing and discussion of the matter, the Council tabled action on the Final Subdivision Plat until the December 7 meeting.

Councilmember McEwan **moved** to approve the Final Subdivision Plat and Plans for the Summerhill Lane Subdivision consisting of approximately 17.24 acres at about 2125 N. Main Street, subject to the following conditions and with the following reasons for action. Councilmember Ivie seconded the motion.

Conditions:

1. The Developer shall depict on the Final Subdivision Plat the easement area along the northern boundary of the subdivision potentially affecting Lots 120-134 and as previously shown on the Preliminary Subdivision Plat and labeled as “Disputed

Easement Area 1" and the disputed prescriptive easement over and across Lot 120 as shown on the Preliminary Plat and labeled as "Disputed Easement Area 2."

2. The Developer shall designate such easement areas with the following description: "Disputed Easement Area 1" and "Disputed Easement Area 2," as previously described on the Preliminary Subdivision Plat, along with the notation "See, Note 2 regarding Notice of Claim of Interest."
3. Revise Note 2 to read: "A Notice of Claim of Interest was Recorded in the Davis County Recorder's Office on March 30, 2021, as Entry 3365360, Book 7727, Pages 2144-2190, potentially affecting Lots 120-134 as more particularly designated on this plat as the Disputed Easement Areas."
4. The Developer shall enter into a long-term Storm Water Facilities Management Plan, if applicable.

<u>Reasons for Action</u>:

Approval of the Final Subdivision Plat and Plans for Summerhill Lane Subdivision is based on the following findings of the City Council:

a) On November 17, 2020, the City approved a PDO Rezone and Conceptual Plan for the Summerhill Lane Subdivision as more particularly reflected in Ordinance No. 2020-13.
b) On October 27, 2021, the Planning Commission reviewed the Summerhill Lane Final Subdivision Plat and recommended approval of the same with conditions.
c) Pursuant to CMC 15.04.060, the City Council is not bound by the recommendations of Staff or the Planning Commission and may set its own conditions and requirements so long as such conditions and requirements are consistent with applicable provisions of the Centerville Subdivision Ordinance.
d) Pursuant to CMC 15.04.060, the City Council is authorized to impose reasonable conditions on Final Subdivision Plat approval as recommended by Staff and the Planning Commission or on the City Council's own initiative so long as such conditions and requirements are consistent with applicable provisions of the Centerville Subdivision Ordinance.
e) The City Council finds the Final Subdivision Plat is consistent with the approved PDO Rezone and Conceptual Plan approval and associated terms and conditions of that approval.
f) The City Council finds the Final Subdivision Plat is in conformity with the requirements of the Centerville Subdivision Ordinance and other applicable ordinances of the City, including, but not limited, to CMC 15.04.030.
g) The City Council finds the Final Subdivision Plat conforms with the Preliminary Subdivision Plat as concluded and recommended by the Planning Commission and as set forth in applicable Staff Reports.
h) The City Council finds there is substantial evidence in the record to support designating the disputed easement areas on the final plat as set forth in the above conditions as "existing or proposed easements" in accordance with CMC 15.04.030(m).

Councilmember McEwan said he felt strongly that both disputed easements should be on the Final Subdivision Plat. Councilmember Mecham said she agreed, and said she wanted the Council to cover the bases for future citizens, the Packer Family, and Symphony Homes. Councilmember Fillmore asked the City Attorney if she believed the proposed motion could be seen to represent a statement of opinion. City Attorney Lisa Romney said that, in her opinion, the proposed motion represented a better option than the recommendation made by the Planning

Commission and the developer that would require the developer to provide notice of the disputed easements to potential buyers. Community Development Director Cory Snyder answered questions regarding differences between the proposed motion and the motion recommended by the Planning Commission.

Councilmember Fillmore said Reason for Action (h) seemed to her to cross the line in giving an opinion on the disputed easement matter, and said she was uncomfortable including Reason for Action (h). Councilmember McEwan responded that he believed an evidentiary threshold was needed to set a precedent. The Council discussed Reason for Action (h). Ms. Romney said she believed the proposed language addressed what the Council wanted to address. She advised that the Council did need to make a finding that there was evidence in the record to support designating the disputed easements on the Final Plat, with a connection back to City ordinance. The **motion passed** by unanimous vote (5-0).

SUMMERHILL LANE PDO – STORM WATER FACILITIES MAINTENANCE AGREEMENT

Ms. Romney explained that the proposed Storm Water Facilities Maintenance Agreement was required in accordance with Section 4.2.5 of the Utah Pollutant Discharge Elimination System (UPDES) Permit for MS4 Systems. The Agreement would be recorded against the subject property and would run with the land as an on-going obligation. The Agreement would also require the property owner to provide the City with an annual maintenance certification.

Councilmember McEwan **moved** to approve the Storm Water Facilities Maintenance Agreement between Centerville City and Summerhill Lane, LLC. Councilmember Ince seconded the motion, which passed by unanimous vote (5-0). Councilmember Ince asked what the City could do to ensure the storm water system was maintained. Mr. Snyder explained that the continuous design of the storm water system from Main Street to Frontage Road would be beneficial. He said there would still be surface water issues from time to time, but the main storm water management would be in place.

ROCKY MOUNTAIN POWER FRANCHISE AGREEMENT AND POLE ATTACHMENT USE AGREEMENT

Ms. Romney explained that the most recent five-year extension of the Rocky Mountain Power Franchise Agreement would expire December 31, 2021, and reported that staff had negotiated a new franchise agreement with Rocky Mountain Power. Ms. Romney explained that the proposed 10-year Pole Attachment Use Agreement would allow the City to attach items to Rocky Mountain Power poles. Kirk Nigro, Business Manager with Rocky Mountain Power, answered questions from the Council.

Councilmember McEwan spoke of not being able to find a route out of the City to access a medical facility following a severe wind storm because of downed power lines on City streets, and asked if Rocky Mountain Power would be willing to work with the City to place some of the power lines on arterial roads underground to protect egress routes. Mr. Nigro said he would take the comments back to Rocky Mountain Power and follow up.

Councilmember Ince **moved** to approve updated Rocky Mountain Power Franchise Agreement as set forth in Ordinance No. 2021-22. Councilmember Ivie seconded the motion, which passed by unanimous vote (5-0). Councilmember Ince **moved** to approve the Power Pole Attachment Agreement. Councilmember Ivie seconded the motion, which passed by unanimous vote (5-0).

MUNICIPAL CODE AND FEE SHCEUDLE AMENDMENTS – CMC 8.03 – CEMETERY REGULATIONS FOR NICHE WALLS

The City Council previously approved the construction and installation of a Niche Wall in the City Cemetery. Ms. Romney recommended certain amendments to the Centerville Municipal Code and Fee Schedule to provide regulations and fees governing the use and sale of niche spaces. Responding to questions from the Council, Ms. Romney stated existing City ordinance limited the number of cremated remains allowed in each niche space to one. Councilmember Mecham said she remembered the Parks and Recreation Director saying two sets of remains would fit in each niche space. Ms. Romney recommended the Council approve proposed Ordinance No. 2021-24, with the understanding that an amendment could be adopted if desired following additional discussion of the question.

Councilmember McEwan referred to previous conversations regarding the possible addition of a columbarium at Freedom Hills Park specifically for veterans. He said he would not want to charge a transfer fee to move inurned veteran remains from the City Cemetery to Freedom Hills Park, and suggested adding language to that effect. City Manager Brant Hanson suggested the Council add such an amendment if and when it became necessary. Councilmember Fillmore said she would want a full design plan submitted for Council review and approval.

Councilmember Mecham asked that staff bring back information regarding the possibility of allowing two sets of remains per niche space in a timely manner. Councilmember Ince **moved** to approve Ordinance No. 2021-24 adopting Centerville Municipal Code Amendments regarding Cemetery Regulations to address the new Niche Wall in the City Cemetery, and approve Resolution No. 2021-40 adopting Centerville Fee Schedule Amendments regarding Cemetery Fees to address new Niche Wall and Niche Spaces in the City Cemetery, with recognition that allowing a second set of remains per niche space and associated Fee Schedule amendments would be discussed. Councilmember Ivie seconded the motion, which passed by unanimous vote (5-0).

ANNUAL MEETING SCHEDULE FOR 2022

The Council reviewed a proposed meeting schedule for calendar year 2022. Councilmember McEwan **moved** to adopt Resolution No. 2021-41 approving the annual meeting schedule for the City Council for calendar year 2022. Councilmember Ince seconded the motion, which passed by unanimous vote (5-0).

MINUTES REVIEW AND ACCEPTANCE

Minutes of the November 16, 2021 Canvass of Election, Work Session, City Council Meeting, and Closed Session were reviewed. Councilmember McEwan **moved** to adopt all four sets of minutes as recorded. Councilmember Ivie seconded the motion, which passed by unanimous vote (5-0).

CITY COUNCIL REPORT

Councilmember McEwan said he did not have new information to report.

MAYOR'S REPORT

- Mayor Wilkinson provided an update regarding Davis Council of Governments (COG) road project grants.

- The Mayor thanked the Parks and Recreation Department for Christmas lights, thanked Event Coordinator Bryce King for the Employee Christmas Party, and thanked all those who helped with Christmas events.
- Mayor Wilkinson said he recently attended South Davis Metro Fire District training.
- An open house for outgoing Councilmembers Fillmore and Ivie was scheduled for January 4, 2022.
- A majority of Councilmembers agreed with scheduling a meeting with Legislators on January 11, 2022.

CITY MANAGER'S REPORT

- Mr. Hanson provided an update on Utah Transit Authority (UTA) projects, and said a further update would be available in January.
- Mr. Hanson reported that Chipotle would be upgrading and moving into the currently vacant Dairy Queen property.
- Community Development Director Cory Snyder recently submitted to Wasatch Front Regional Council for a grant to assist with an update of the Centerville General Plan. Councilmember Ince suggested inviting public participation in the update process.
- Mr. Hanson said he would follow up on a sign for Skabelund Park.
- City Recorder Jennifer Hansen reported an RDA-ACB meeting would be scheduled for December 21, 2021 prior to the regular Council meeting.

ADJOURN

At 9:10 p.m., Councilmember Ince **moved** to adjourn the meeting. Councilmember Ivie seconded the motion, which passed by unanimous vote (5-0).

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Jennifer Hansen, City Recorder Date Approved

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Katie Rust, Recording Secretary