

**Attachment E- Backstop Agreement
(Appendix 2 to the Proposed California State-Subdivision
Agreement Regarding Distribution and Use of Settlement Funds)**

APPENDIX 2

CALIFORNIA-SUBDIVISION BACKSTOP AGREEMENT

On August 6, 2021, Judge Polster of the US District Court for the Northern District of Ohio issued an Order (the Order), docket number 3814, in In Re National Prescription Opiate Litigation, MDL 2804, addressing contingent attorney fee contracts between political subdivisions eligible to participate in the Purdue/Sackler settlement and their counsel.

In light of the Order, and at the request of [SUBDIVISION], the [SUBDIVISION], its counsel [COUNSEL], and the California Attorney General, on behalf of the State of California, are entering into this California-Subdivision Backstop Agreement (Backstop Agreement).

[SUBDIVISION] and [COUNSEL] intend this Backstop Agreement to constitute a State Back-Stop Agreement as that term is used in the Order and in Exhibit R (Agreement on Attorneys' Fees, Expenses and Costs) of the Governmental Entity & Shareholder Settlement Agreement (GESA).

Pursuant to this Backstop Agreement, [SUBDIVISION] may, subject to the limitations of the Governing Documents and California Purdue/Sackler State-Subdivision Agreement, as well as any other limitations imposed by law, use funds that it receives from the CA Subdivision Fund of the Purdue/Sackler settlement to pay a contingent fee to [COUNSEL]. Any such payment from [SUBDIVISION] to [COUNSEL] from [SUBDIVISION'S] CA Subdivision Fund allocation will not exceed [PERCENTAGE NOT TO EXCEED ONE-THIRD OR 5% OUT OF THE 15%] out of the [SUBDIVISION'S] 15% CA Subdivision Fund allocation; provided further that such payments, together with any contingency-fees that [COUNSEL] may receive from the Local Government Costs and Expenses Fund, will not exceed a total contingency fee of [PERCENTAGE NOT TO EXCEED 15%] of the [SUBDIVISION'S] total gross recovery from the Purdue/Sackler settlement. [SUBDIVISION] further certifies that any payments made under this Backstop Agreement will be made in accordance with the 95% Opioid Abatement use requirements under Section 5.02 A of the GESA and Section 4.01(f)(i) of the Master Settlement Agreement.

[COUNSEL] certify that they first sought fees and costs from the Local Government Costs and Expenses Fund created under the Governing Documents before seeking or accepting payment under this backstop agreement. [COUNSEL] further certify that they are not seeking and will not accept payment under this backstop agreement of any litigation fees or costs that have been reimbursed through prior settlements or judgments.

The Attorney General is executing this agreement solely because the definition of "State Back-Stop Agreement" in Exhibit R of the Governmental Entity & Shareholder Settlement Agreement requires such agreements to be between "a Settling State" and private counsel for a participating subdivision. Neither the California Attorney General nor the State of California have any obligations under this Backstop Agreement, and this Backstop Agreement does not require the payment of any state funds to [SUBDIVISION], [COUNSEL], or any other party.



[DATE]

[SUBDIVISION SIGNATURE BLOCK]

[DATE]

[COUNSEL SIGNATURE BLOCK]

[DATE]

[ATTORNEY GENERAL SIGNATURE BLOCK]

