

**SETTLEMENT AGREEMENT AND
FULL RELEASE OF ALL CLAIMS**

I. Overview

This Settlement Agreement is made and entered into this 20th day of December, 2022 between CVS (defined below), on the one hand, and the State of New Mexico (“New Mexico” or the “State”), acting through its Attorney General (the “Attorney General”), on the other hand (together, the “Parties”). This Settlement Agreement is intended by the Parties to fully, finally, and forever resolve, discharge, and settle the Released Claims (defined below), upon and subject to the terms and conditions hereof (the “Settlement”).

WHEREAS, the State filed its second amended complaint in this Action on March 6, 2019, which was served upon CVS on April 9, 2019,¹ (i) alleging, among other things, that CVS, among others, violated the law by failing to monitor, report, and abstain from shipping allegedly suspicious orders of opioid pain medications; (ii) alleging, among other things, that CVS, among others, violated the law by dispensing opioid pain medications without confirming those prescriptions were issued for a legitimate medical purpose; and (iii) asserting Claims for damages, equitable abatement, civil penalties, attorneys’ fees, litigation costs, and other relief.

WHEREAS, the State brought this Action in its sovereign capacity as the people’s attorney in order to protect the public interest, including the interests of the State of New Mexico and its citizens;

WHEREAS, numerous Litigating Local Governments (defined below) have filed Actions in various forms against CVS, among others, raising Claims or allegations concerning, related to, based upon, or in connection with the Covered Conduct (defined below) and/or the Alleged Harms (defined below) seeking relief that overlaps in whole or in part with the relief sought by the State;

WHEREAS, there are numerous Non-Litigating Local Governments (defined below) that have not filed actions against CVS, but that could seek to file actions in the future raising claims or allegations concerning, related to, based upon, or in connection with the Covered Conduct and/or Alleged Harms seeking relief that overlaps in whole or in part with the relief sought by the State or the Litigating Local Governments;

WHEREAS, CVS (i) denies each and all of the Claims and allegations of wrongdoing made by the State in this Action and by Participating Local Governments in any other Actions and maintains that it has meritorious defenses; (ii) denies all assertions of wrongdoing or liability against CVS arising out of any of the conduct, statements, acts, or omissions alleged, or that could have been alleged, in this Action by the State and in any Actions brought by Participating Local Governments, and contends that the factual allegations made in this Action and in any Action brought by a Participating Local Government relating to CVS are false and materially inaccurate; (iii) denies that the State, any Participating Local Governments, or any person or entity in New

¹ The State filed its initial complaint in this Action on September 7, 2017, and filed its first amended complaint in this Action on December 21, 2017, neither of which named CVS as a party.

Mexico was harmed by any conduct of CVS alleged in any Action; (iv) denies liability, expressly denies any wrongdoing, and denies it violated any federal or state statute, regulation, or common law; and (v) maintains that CVS would be able to successfully defend against the State's and any Participating Local Government's claims and allegations at trial, that the facts do not support the allegations, and that CVS engaged in no misconduct or unlawful activity and caused no harm to the State, any Participating Local Government, or any person or entity in New Mexico;

WHEREAS, the Parties have each investigated the facts and analyzed the relevant legal issues regarding the Claims and defenses that have been or could have been asserted in this Action;

WHEREAS, the Parties have now reached this Settlement, which they believe avoids the expense, delay, and uncertainty of litigation of this Action;

WHEREAS, the State has concluded that the terms of the Settlement are fair, reasonable, adequate, and in the best interest of the State of New Mexico and all New Mexico citizens and residents;

WHEREAS, the Parties agree that neither this Agreement nor any statement made in the negotiation thereof shall be deemed or construed to be a concession as to any Claim, an admission, evidence of any violation of any statute, law, rule, or regulation, evidence of any liability or wrongdoing by CVS, or evidence of the truth, falsity, merit, or lack of merit of any of the Claims, allegations, denials, or defenses in this Action or any other Action; and

WHEREAS, this Settlement Agreement is a product of arm's length settlement negotiations between the duly-authorized representatives of the Parties.

NOW, THEREFORE, IT IS HEREBY AGREED by and among the Parties, by and through their respective counsel, that all Released Claims shall be finally and fully settled and released as to the Releasees (defined below), as set forth below.

II. Definitions

A. "Action" means the lawsuit filed by the State in the First Judicial District Court, County of Santa Fe, State of New Mexico, captioned *State of New Mexico ex rel. Hector Balderas, Attorney General v. Purdue Pharma L.P. et al.* (No. D-101-CV-2017-02541), and any lawsuits filed by a Participating Litigating Local Government asserting any Released Claim against any Releasee.

B. "Agreement," "Settlement," "Settlement Agreement," or "Release" means this Settlement Agreement and Release, together with any exhibits attached hereto, which are incorporated herein by reference.

C. "Alleged Harms" means the alleged past, present, and future financial, societal, 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, including those expenditures 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 CVS.

D. “CVS” means CVS Pharmacy, Inc., CVS Orlando FL Distribution, L.L.C., and all of their past and present direct and indirect current parents and subsidiaries, including without limitation CVS Health Corporation. For the avoidance of doubt, this definition shall not in any way limit the definition of Releasees in Section II.R.

E. “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, 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.

F. “Claim-Over” means a Claim asserted by any entity that is not a Releasor against a Releasee on the basis of contribution, indemnity, or other claim-over on any theory relating to Claims arising out of or related to Covered Conduct and/or Alleged Harms (or conduct that would be Covered Conduct if engaged in by the Releasee) asserted by the Releasor.

G. “Consent Judgment” means a consent decree, order, judgment, or similar action entered in connection with this Agreement as described in Section V.D.

H. “Covered Conduct” means any and all actual or alleged acts, failures to act, conduct, statements, omissions, negligence, breaches of any duty, events, transactions, agreements, misstatements, misleading statements or other activity of any kind whatsoever, whether known or unknown and whether discovered or undiscovered, from the beginning of time and occurring up to and through the Effective Date of the Release (and any past, present or future consequence of any such act, failure to act, conduct, statement, omission, negligence, breach of duty, event, transaction, agreement, misstatement, misleading statement or other activity) in any line of business arising from or related in any way to any Product, including without limitation: (i) the distribution, dispensing, delivery, monitoring, reporting, supply, sale, prescribing, physical security, warehousing, coverage, purchases, reimbursement, discovery, development, manufacture, packaging, repackaging, marketing, promotion, advertising, labeling, recall, withdrawal, or use or abuse of any Product; orders, prescriptions, formularies, guidelines, payments or rebates for any Product; policies, practices and/or operating procedures, statements, contracts, commercial arrangements, insurance, claim or benefit administration, claim

adjudication, plan design, data and sales thereof, and any other act or failure to act relating to, any Product; and any system, plan, policy or advocacy relating to any Product, including but not limited to unbranded promotion, marketing, programs, or campaigns related to any Product or class of Products;; (ii) the characteristics, properties, risks, or benefits of any Product; (iii) the reporting, disclosure, non-reporting, or non-disclosure to federal, state, or other regulators of orders, prescriptions, or conduct related to any Product; (iv) the purchasing, selling, acquiring, disposing of, importing, exporting, applying for quota for, procuring quota for, handling, processing, packaging, supplying, distributing, converting, or otherwise engaging in any conduct or activity related to any Product; and (v) controls against diversion, corresponding responsibility, and suspicious order monitoring.

I. “Cure Period” has the meaning specified in Section VII.C of this Agreement.

J. “Execution Date” means the date on which this Agreement is executed by the last Party to do so.

K. “Effective Date of the Release” means the date on which CVS pays the Settlement Amount to the State as specified in Section III.A of this Agreement.

L. “Global Settlement” means any agreement resolving substantially all litigation and claims brought or threatened to be brought against CVS by others states and political subdivisions in the United States, including without limitation claims against CVS in the multidistrict litigation pending in *In re: Nationwide Prescription Opiate Litigation*, MDL No. 2804 (N.D. Ohio), and related state court prescription opiate litigation.

M. “Litigating Local Government” means a Local Government (or Local Government official) that has brought any Released Claim against any Releasee on or before the Execution Date.

N. “Local Government” shall have the same meaning as that term is defined in the New Mexico MOU.

O. “MFN Payment” has the meaning specified in Section III.C of this Agreement.

P. “New Mexico MOU” means the New Mexico Opioid Allocation Agreement set forth in Exhibit B of this Agreement.

Q. “Non-Litigating Local Government” means a Local Government that is not a Litigating Local Government.

R. “Non-Participating Local Government” means a Local Government that is not a Participating Local Government.

S. “Opioid Related Expenditures” shall have the same meaning as that term is defined in the New Mexico MOU.

T. “Participating Local Government” means any Local Government that executes the Local Government Settlement Participation and Release Form attached as Exhibit C and dismisses with prejudice any pending Claims against Releasees.

U. “Parties” means CVS and the State, with each being a “Party.”

V. “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 (1) an opioid or opiate, as well as any product containing any such substance; (2) a benzodiazepine, a muscle relaxer, carisoprodol, zolpidem, or gabapentin; or (3) 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. “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, triazolam, 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, triazolam, temazepam, and midazolam), a muscle relaxer, carisoprodol, zolpidem, 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 of the Release.

W. “Releasees” means (i) CVS Pharmacy, Inc.; (ii) CVS Orlando FL Distribution, L.L.C.; (iii) CVS Health Corporation; (iv) all of the foregoing entities’ respective past and present, direct or indirect: parents, subsidiaries, divisions, affiliates, joint ventures, predecessors, successors, assigns and insurers (in their capacity as such) and all of their respective past and present, direct or indirect, parents, subsidiaries, divisions, affiliates, joint ventures, predecessors, successors, assigns and insurers (solely in their capacity as such with respect to Released Claims and Covered Conduct); and (v) the past and present officers, directors, members, shareholders (solely in their capacity as shareholders of the foregoing entities), partners, trustees, employees, agents, attorneys and insurers (solely in their capacity as such with respect to Released Claims and Covered Conduct) of each of the foregoing entities and persons referenced in clauses (i) through (iv) above for actions or omissions that occurred during and related to their work for, or employment with, any of the foregoing entities with respect to the Released Claims. Any person or entity described in subsections (iv)-(v) shall be a Released Entity solely in the capacity described in such clause with respect to Released Claims and Covered Conduct and shall not be a Released Entity with respect to its conduct in any other capacity

X. “Released Claims” means any and all Claims brought by the State and Participating Local Governments that directly or indirectly are based on, arise out of, or in any way relate to or concern the Covered Conduct and/or Alleged Harms occurring prior to the Effective Date of the Release. Without limiting the foregoing, Released Claims include any Claims arising out of, or relating to, in whole or in part, the Covered Conduct and/or Alleged Harms, and any such Claims

that could be or could have been asserted now or in the future in this Action or in any comparable Action or proceeding brought by the State or Participating Local Governments (whether judicial, arbitral, or administrative). 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 and/or Alleged Harms. The Parties intend that “Released Claims” be interpreted broadly. This Agreement does not release Claims by private individuals for damages for any alleged personal injuries arising out of their own use of any Product. But in any action arising from or relating to such Claims, the Alleged Harms, or the Covered Conduct, the Releasees may assert as a defense or otherwise argue that the Remediation Payments required herein serve as a measure of compensation for personal injuries or for other legal or equitable claims or demands asserted by private individuals or others. Nothing herein shall be construed as the State’s endorsement of such a defense or argument. It is the intent of the Parties that Claims by private individuals be treated in accordance with applicable law.

Y. “Releasers” means (1) the State; (2) without limitation, all of the State’s departments, agencies, divisions, boards, commissions, instrumentalities of any kind, and officers, including the Attorney General, both as a person and on behalf of all New Mexico citizens, 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; (3) each Participating Local Government, and without limitation and to the maximum extent of the power of each Participating Local Government to release Claims, each Participating Local Government’s departments, agencies, divisions, boards, commissions, Subdivisions, districts, instrumentalities of any kind and any person in his or her official capacity, whether elected or appointed to lead or serve any of the foregoing, and any agency, person or entity claiming by or through any of the foregoing; and (4) 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 the State or any Local Government, whether or not any of them participates in this Agreement. Nothing in this definition shall be construed to limit the definition of “Local Government” in Section II.N below. A Participating Local Government shall execute and provide a Local Government Settlement Participation and Release Form (attached as Exhibit C) providing for a release to the fullest extent of the Participating Local Government’s authority and its acceptance of the terms and conditions of this Agreement, an executed copy of which shall be attached as an exhibit to and deemed to be a part of this Agreement.

Z. “Settlement Amount” has the meaning set forth in Section III.A of this Agreement.

AA. “Settlement Payment” means CVS’s payment of the Settlement Amount as provided in this Agreement.

BB. “State” means the State of New Mexico, including all of its executive departments, agencies, divisions, boards, commissions, instrumentalities of officers, including the Attorney General.

CC. “Third Party” means any person or entity other than CVS.

III. Settlement Consideration

A. Payment of Settlement Amount. The Settlement Amount is nineteen million dollars (\$19,000,000). CVS shall pay \$18,456,250 of the Settlement Amount to the State via wire transfer to its outside counsel Baron & Budd, P.C. no later than December 28, 2022. Pursuant to the State's agreement with the Plaintiffs Executive Committee in *In re National Prescription Opiate Litigation* (N.D. Ohio No. 1:17-md-2804) and as approved by Special Master David Cohen, CVS shall hold back and pay the remaining amount of \$543,750 to the MDL Common Benefit Fund pursuant to the Ongoing Common Benefit Order (Doc. 4428).

B. Allocation and Disbursement of the Settlement Amount. The Settlement Amount will be allocated as follows:

- 1.** \$7,431,250 (7,975,000 less the \$543,750 to be held back for the MDL Common Benefit Fund) to the State's Restitution account for payment to Participating Local Governments (the "Local Government Abatement Amount"), which shall be distributed to each Participating Local Governments in accordance with the New Mexico MOU. No portion of the Local Government Abatement Amount may be distributed to or used for the benefit of a Participating Local Government until it has completed the steps for participating in the Settlement that are outlined in Sections IV.B and C below. In no event may less than 85% of the Local Government Abatement Amount be spent on Opioid Related Expenditures; *provided, however*, that the remaining 15% may be spent only to the extent necessary to pay the attorney fees for Participating Local Governments, and any portion of the 15% not spent on such attorney fees shall be used for Opioid Related Expenditures. Consistent with the New Mexico MOU, counsel for a Participating Local Government shall not be eligible to receive attorney fees exceeding a 15% contingent fee from the Local Government Abatement Amount. For the avoidance of doubt, no portion of the Local Government Abatement Amount may be allocated or distributed to or for the benefit of any Non-Participating Local Government or its attorneys;
- 2.** \$6,525,000 to the State's Consumer Settlement Fund for costs associated with abatement of the public nuisance alleged in the State's complaint (the "State Abatement Amount"), which shall be allocated to and expended by the State solely on Opioid Related Expenditures as required by the New Mexico MOU. No portion of the State Abatement Amount may be allocated or distributed to any Non-Participating Local Government;
- 3.** \$4,350,000 in attorney fees to outside counsel for the State in this Action. No portion of this amount shall be used to pay or reimburse the attorney fees of any Non-Participating Local Government; and
- 4.** \$150,000 in costs to reimburse litigation costs incurred by the State in this Action. No portion of this amount shall be used to pay or reimburse the litigation costs of any Non-Participating Local Government.

C. Most Favored Nation. To the extent CVS enters into a Global Settlement, the State's allocable share shall be identified. If the State would have received under the Global Settlement a remediation amount that is greater than the sum of the State Abatement Amount and Local Government Abatement Amount, then CVS shall pay the difference to the State (the "MFN Payment"). Any MFN Payment shall be made in accordance with the terms of the Global Settlement, including without limitation terms related to incentives and allocation. The Parties agree to meet and confer regarding the payment schedule for any MFN Payment, including the net present value reduction that would be required in the event that the Parties agree to a shorter payment schedule for the MFN Payment than the payment schedule for the Global Settlement; *provided, however*, that the Parties recognize that certain incentive payments cannot be achieved until certain years, up to and including year ten. Any disputes regarding the payment schedule for any MFN Payment shall be submitted to Mediator Robert Meyer.

1. In determining whether the Global Settlement would have resulted in the State receiving a remediation amount that is greater than the sum of the State Abatement Amount and the Local Government Abatement Amount, the net present value of the remediation amount that the State would have received under the Global Settlement shall be used. The net present value shall be calculated with a discount rate to be agreed to by the Parties. The State and Local Governments shall not receive a greater total sum on a net present value basis under this Settlement than they would have received had they joined the Global Settlement. Any dispute over the calculation of what the State and Local Governments would have received under the Global Settlement, including without limitation any dispute over the discount rate to be used for the net present value analysis, shall be submitted to Mediator Robert Meyer.

D. Implementation of Terms for Injunctive Relief. CVS shall implement injunctive terms that match the injunctive terms imposed in any executed Global Settlement. If there is no executed Global Settlement within one year of the Effective Date of the Releases, then the State may elect within three (3) years of the Effective Date of the Releases and upon ninety (90) days' notice to CVS for the injunctive terms attached as Exhibit F to CVS's settlement agreement with the Florida Attorney General to apply instead.

E. No Other Payments. Other than the Settlement Payment and any MFN Payment, the Releasees shall have no obligation to make any further or additional payments in connection with Claims for Covered Conduct and/or Alleged Harms or this Settlement Agreement. CVS shall have no duty, liability, or influence of any kind with respect to the apportionment and use of the Settlement Amount and any MFN Payment. The State specifically represents, however, that any such apportionment and use shall be made in accordance with this Agreement, the New Mexico MOU, and all applicable laws, unless otherwise ordered by the Court.

F. Taxes

1. Each of the Parties acknowledges, agrees, and understands that it is its intention that, for purposes of Section 162(f) of the Internal Revenue Code, the State Abatement Amount, the Local Government Abatement Amount, and any MFN Payment paid by CVS constitute restitution and remediation for damage or

harm allegedly caused by CVS in order to restore, in whole or part, the State, Participating Local Governments, and residents of the State to the same position or condition that they would be in had the State, Participating Local Governments, and residents of the State not suffered the Alleged Harms, and constitute restitution and remediation for damage or harm allegedly caused by the potential violation of a law and/or is an amount paid to come into compliance with the law. The Parties acknowledge, agree, and understand that the State Abatement Amount, the Local Government Abatement Amount, and any MFN Payment are no greater than the amount, in the aggregate, of the Alleged Harms allegedly suffered by the State and Participating Local Governments. For the avoidance of doubt, “restitution” as used herein has the meaning of 26 U.S.C. § 162(f)(2)(A) and 26 C.F.R. § 1.162-21(e)(4)(i), (ii); “restitution” as used herein does not refer to the disgorgement of ill-gotten gains. The Parties acknowledge, agree, and understand that only the amounts for the State’s attorney fees and litigation costs represent reimbursement to the State or other person or entity for the costs of any investigation or litigation, and no portion of the Settlement Amount represents or should properly be characterized as the payment of fines, penalties, or other punitive assessments. The State acknowledges, agrees, and understands that CVS may allocate the cost of the Settlement Amount using a reasonable basis.

2. The State and Participating Local Governments shall cooperate in good faith with CVS in the tax reporting of the Settlement Amount and any MFN Payment, and with respect to any claim, dispute, investigation, audit, examination, contest, litigation, or other proceeding relating to the tax reporting or tax deductibility of the Settlement Amount and any MFN Payment. Pursuant to 26 CFR section 1.6050X-1(a) and (b), the State shall complete and file, on behalf of the State and every Participating Local Government, a Form 1098-F with the Internal Revenue Service no later than February 28 (March 31 if filed electronically) of the year following the calendar year(s) in which CVS pays the Settlement Amount and any MFN Payment, and shall report the State Abatement Amount, the Local Government Abatement Amount, and any MFN Payment as remediation/restitution amounts on that form. Further, pursuant to 26 CFR 1.6050X-1(c), the State shall furnish Copy B of such Form 1098-F to CVS no later than January 31 of the year(s) following the calendar year(s) in which CVS pays the Settlement Amount and any MFN Payment. Alternatively, if reasonably requested by CVS, the State and each Participating Local Government shall complete and file Form 1098-F with the Internal Revenue Service and shall furnish Copy B of such Form 1098-F to CVS, as set forth in the preceding two sentences. Neither Party makes any warranty or representation to the other Party as to the tax consequences of the Settlement Amount or any portion thereof.

G. Solvency. CVS warrants that, as of the date of this Agreement, it is not insolvent nor will its Settlement Payment or Implementation of Terms for Injunctive Relief render it insolvent within the meaning of and/or for the purposes of the United States Bankruptcy Code. If (i) a case is commenced with respect to CVS under Title 11 of the United States Code (Bankruptcy), or a trustee, receiver, or conservator is appointed under any similar law, (ii) a court

of competent jurisdiction enters a final order determining the Settlement Payment to be a preference, voidable transfer, fraudulent transfer, or similar transaction, and (iii) pursuant to an order of a court of competent jurisdiction monies paid by CVS pursuant to this Settlement are either not delivered or are returned to CVS or the trustee, receiver, or conservator appointed by a court in any bankruptcy proceeding with respect to CVS, then the releases given pursuant to this Settlement shall be null and void.

IV. Participation by Local Governments

A. Representation and Warranty Regarding Local Government Participation.

The State represents and warrants that it will utilize all best efforts to obtain participation in this Settlement from all Local Governments. Among other things, the State, as soon as practicable after the Execution Date, shall send notice of the Settlement and the requirements for participation to all Local Governments. Such notice may include publication, email, and other standard forms of notification.

B. Requirements for Becoming a Participating Local Government: Litigating Local Governments. A Litigating Local Government becomes a Participating Local Government by executing the Local Government Settlement Participation and Release Form attached as Exhibit C and thereafter, as required by that form, by filing a notice or stipulation voluntarily dismissing with prejudice its Action and Claims against the Releasees. The State will utilize all best efforts to obtain Local Government Settlement Participation and Release Forms containing these terms from all Litigating Local Governments.

C. Requirements for Becoming a Participating Local Government: Non-Litigating Local Governments. A Non-Litigating Local Government becomes a Participating Local Government by executing the Local Government Settlement Participation and Release Form attached as Exhibit C. The State will utilize all best efforts to obtain Local Government Settlement Participation Forms from all Non-Litigating Local Governments.

D. Cooperation with Dismissal of Local Government Claims. The State will utilize all best efforts to obtain voluntary dismissals from all Local Governments and agrees that it will not oppose any effort by CVS to secure the prompt dismissal of any and all Released Claims, including but not limited to any Released Claims asserted against the Releasees by Local Governments; provided, however, that the State may oppose any effort by CVS to secure dismissal if such effort is premised upon or involves (1) any material misstatement of the State's legal obligations under this Agreement or (2) any material misstatement regarding the practical or legal effect or impact of this Agreement on Released Claims asserted against Releasees by Local Governments. The State agrees that it will not encourage any person or entity to bring or maintain any Released Claim against any Releasee.

E. Refund of Any Non-Participating Local Government's Share of the Local Government Abatement Amount. If any Local Government does not execute a Local Government Settlement Participation and Release Form and dismiss with prejudice any pending Claims within ninety (90) days of the Execution Date, then its allocable share of the Local Government Abatement Amount shall be returned by the State to CVS within thirty (30) days

thereafter. If any such Non-Participating Local Government subsequently brings an Action against CVS and CVS successfully asserts that the Non-Participating Local Government's claims are extinguished by virtue of this Settlement, CVS shall return to the State that Non-Participating Local Government's allocable share of the Local Government Abatement Amount.

V. Settlement of Claims, General Release, and Covenant Not to Sue

A. Scope. The State agrees that its Attorney General brought this Action in its sovereign capacity as the people's attorney in order to protect the public interest, including the interests of the State of New Mexico and its citizens and residents. The State acknowledges that numerous Litigating Local Governments have filed Actions in various forms against Releasees, among others, raising claims or allegations concerning, related to, based upon, or in connection with the Covered Conduct; and that there are numerous Non-Litigating Local Governments that have not filed actions against Releasees, but may in the future raise claims or allegations concerning, related to, based upon, or in connection with the Covered Conduct. The State hereby agrees to settle the Released Claims. The State agrees that settlement of the Released Claims on the terms set forth in this Agreement is in the public interest. Upon the Effective Date of the Release, the Releasers hereby release the Releasees, and shall be deemed to have fully, finally, forever, and permanently released, remised, acquitted, held harmless, relinquished, and discharged with prejudice all Released Claims brought by Releasers, shall have covenanted not to sue the Releasees with respect to any Released Claim, and shall be permanently barred and enjoined from instituting, reinstating, maintaining, commencing, or prosecuting any Released Claim against any Releasee, and the releases as set forth herein shall be given full res judicata effect. The Releasers shall be deemed to have forever released all Released Claims against the Releasees. It is the intention of the Parties to fully and completely resolve all Claims that have been, could have been, or could be asserted by the Releaser against the Releasees with respect to the Covered Conduct and/or Alleged Harms in the State of New Mexico.

1. The releases provided for in the Agreement are intended by the Parties to be broad and shall be interpreted so as to give the Releasees the broadest possible bar against any liability arising from or relating in any way to the Released Claims and extend to the full extent of the power of the Releasers to release their Claims. This Settlement Agreement is, will constitute, and may be pleaded as a complete bar to any Released Claim asserted by any Releaser against any Releasee, whether currently pending or in the future.

B. General Release. In connection with the releases provided for in this Agreement, the Releasers expressly waive, release, and forever discharge 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.

The Releasers 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 the Releasers expressly waive and fully, finally, and forever settle, release, and discharge, upon the Effective Date of the Release, any and all Released Claims that may exist as of such date but which the Releasers do not know or suspect to exist, whether through ignorance, oversight, error, negligence, or through no fault whatsoever, and which, if known, would materially affect the Releasers' decision to enter into this Agreement.

C. Representation and Warranty Regarding Authority to Release. The State and its Attorney General represent and warrant that their authority to settle and release Claims includes the authority to settle and release Claims of (1) the State, (2) all past and present executive departments, agencies, divisions, boards, commissions and instrumentalities of the State with the regulatory authority to enforce state and/or federal controlled substances acts, and (3) any of the State's past and present executive departments, agencies, divisions, boards, commissions and instrumentalities that have the authority to bring Claims related to the Covered Conduct and/or Alleged Harms seeking money (including abatement and/or remediation) or suspension or revocation of a license to distribute or dispense controlled substances or to operate as a wholesale distributor or pharmacy..

D. Dismissal. As soon as practicable following the Execution Date, the Parties will execute and file a Consent Judgment providing for, among other things, a dismissal of this Action and the State's Claims against CVS with prejudice and the releases set forth in this Agreement, with each side bearing their own attorneys' fees and costs. Notwithstanding the foregoing, the Consent Judgment shall provide that the Court shall retain jurisdiction for purposes of enforcing compliance with the Settlement Agreement. The Parties shall confer and agree as to the final form and time of filing prior to filing the Consent Judgment.

E. Statement of Intent. It is the intent of the Parties that:

1. The payments made under this Agreement shall be the sole payments made by the Releasees involving, arising out of, or related to the Released Claims, the Covered Conduct, or the Alleged Harms;
2. Claims by the Releasers against non-Parties shall not result in additional payments by any Releasees for the Released Claims, the Covered Conduct, or the Alleged Harms, whether through contribution, indemnification, or any other means; and
3. To the extent permitted under New Mexico law, 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, and it is the intent of the parties that Releasees be discharged from all liability for contribution to any other alleged tortfeasor.

4. The provisions of Section V.F, V.G, and V.H are intended to be implemented consistent with these principles. This Agreement and the releases and dismissals provided for herein are made in good faith.

F. Non-Party Settlement. To the extent that, on or after the Execution Date, the Releasor settles any Claims arising out of or related to Covered Conduct and/or Alleged Harms (or conduct that would be Covered Conduct if engaged in by the Releasee) (“Non-Party Covered Conduct Claims”) it may have against any entity that is not a Releasee (a “Non-Released Entity”) that is, as of the Execution Date of the Agreement, a defendant in the Action or any other action and provides a release to such Non-Released Entity (a “Non-Party Settlement”), including in any bankruptcy case or through any plan of reorganization (whether individually or as a class of creditors), a Releasor will seek to 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 seeking contribution or indemnity of any kind from the Releasees or a release from such Non-Released Entity in favor of the Releasees (in a form equivalent to the releases contained in this Agreement) of any Claim-Over. The obligation to seek to obtain the prohibition and/or release required by this subsection is a material term of this Agreement.

G. Claim-Over. In the event that a Releasor obtains a judgment with respect to a Non-Party Covered Conduct Claim against a Non-Released Entity that does not contain a prohibition on seeking contribution or indemnity of any kind for the Releasees, or a 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 on seeking contribution or indemnity of any kind for the Releasees in a Non-Party Settlement, and such Non-Released Entity asserts a Claim-Over against a Releasee, the Parties shall meet and confer concerning any additional appropriate means by which to ensure that the Releasees are not required to make any payment with respect to Covered Conduct and/or Alleged Harms beyond the amounts that will already have been paid by CVS under this Agreement.

H. Res Judicata. Nothing in this Agreement shall be deemed to enlarge or reduce the scope of the res judicata or claim preclusive effect that this Settlement, and/or the Consent Judgment or other judgment or dismissal entered with respect to this Agreement, gives rise to under applicable law, including but not limited to as to any Released Claims asserted against a Releasee by Subdivisions, whether currently pending or in the future.

VI. No Admission

A. The Releasors acknowledge and agree that this Settlement is a compromise of matters involving disputed issues of law and fact. CVS is entering into this Settlement solely for the purposes of settlement, to resolve the Released Claims, and thereby avoid significant expense, inconvenience, and uncertainty. Nothing contained herein may be taken as or deemed to be an admission or concession by CVS of (i) any violation of law, statute, regulation, ordinance, or common law; (ii) any fault, liability, or wrongdoing; (iii) the strength or weakness of any Claim, defense or allegation made in this Action, in any other Action, or any other past, present, or future proceeding relating to Covered Conduct, or any Product; (iv) the legal viability of the Claims and

theories in this Action or any other Action, including without limitation the legal viability of the relief sought; or (v) any other matter of fact or law. Nothing in this Settlement Agreement shall be construed or used to prohibit any Releasee from engaging in the conduct of its business relating to any Product in accordance with applicable laws and regulations.

VII. Miscellaneous Provisions

A. Use of Agreement as Evidence. Neither this Agreement, nor any act performed or document executed pursuant to or in furtherance of this Agreement (i) is or may be deemed to be or may be used as an admission or evidence relating to any matter of fact or law alleged in this Action or any other Action, the strength or weakness of any claim, defense or allegation made in those cases, or of any wrongdoing or liability of any Releasee; or (ii) is or may be deemed to be or may be used as an admission or evidence relating to any liability, fault, or omission of any Releasee in any civil, criminal, or administrative proceeding in any court, administrative agency, or other tribunal. Neither this Agreement nor any act performed or document executed pursuant to or in furtherance of this Agreement shall be admissible as evidence or otherwise used in any way in any proceeding for any purpose, except to enforce the terms of the Settlement, and except that a Releasee may use this Agreement in any action for any purpose, including, but not limited to, in an action or proceeding involving a determination regarding insurance coverage, in an action or proceeding involving a determination of the taxable income or tax liability of any Releasee, to support a claim for contribution and/or indemnification, to support a defense or counterclaim based on principles of res judicata, collateral estoppel, release, good faith settlement, judgment bar or reduction, or any other theory of claim preclusion or similar defense or counterclaim, or to support any other defense by a Releasee that the Settlement provides full or partial compensation or otherwise satisfies the relief sought, including but not limited to against Released Claims asserted against any Releasee by any Local Government, whether currently pending or in the future.

B. Voluntary Settlement. This Settlement Agreement is a product of arm's length settlement negotiations between the duly-authorized representatives of the Parties. The exchange of the Settlement Payment and any MFN Payment for the releases set forth herein is agreed to represent appropriate and fair consideration. The Parties represent and warrant that they have been advised by their respective counsel of their rights and obligations under this Settlement Agreement and the accompanying Releases, and enter into this Settlement Agreement and the accompanying Releases freely, voluntarily, and without duress.

C. Dispute Resolution. If either the State or CVS believes that the other is not in compliance with any term of this Settlement Agreement, then that Party shall (i) provide written notice specifying the reason(s) why that Party believes that the other Party is not in compliance with the Settlement Agreement; and (ii) allow the other Party at least thirty (30) days to attempt to cure such alleged non-compliance (the "Cure Period"). In the event the alleged non-compliance is cured within the Cure Period, the other Party shall not have any liability for such alleged non-compliance. A Party may not commence a proceeding to enforce compliance with this Settlement Agreement before expiration of the Cure Period.

D. Authority to Enter Settlement Agreement. Each signatory to this Agreement on behalf of a Party specifically represents and warrants that he or she is fully authorized to enter into

and to execute this Agreement on behalf of such Party. CVS represents that it has the power and authority to enter into and perform this Agreement, and that the execution and performance of this Agreement has been duly authorized by all requisite corporate or other legal action. The State represents that it is expressly authorized to take all action required or permitted to be taken pursuant to this Agreement to effectuate its terms and to enter into and execute this Agreement. Each Party specifically represents and warrants that this Settlement Agreement constitutes a legal, valid, and binding obligation of such Party. The State agrees that it brought this Action in its sovereign capacity as the people's attorney in order to protect the public interest, including the interests of the State of New Mexico and its citizens and residents. The State specifically represents and warrants that it has concluded that the terms of this Settlement are fair, reasonable, adequate, and in the best interest of the State of New Mexico and its citizens and residents, and that it has satisfied all conditions and taken all actions required by law in order to validly enter into this Settlement. In addition, the State specifically represents and warrants that it has not sold, assigned, or otherwise transferred any Released Claims, or any portion thereof or rights related thereto, to any Third Party.

E. Notices. To be effective, all notices under this Agreement shall be in writing and delivered to the persons specified below (i) by e-mail and (ii) by either hand delivery or registered or certified mail, return receipt required, postage pre-paid. Any Party may change its Notice Designee(s) by giving written notice to all other Parties as provided in this paragraph.

1. Notices to the State shall be delivered to:

Brian E. McMath, CIPP/US
Assistant Attorney General
NEW MEXICO OFFICE OF THE ATTORNEY GENERAL
408 Galisteo St.
Santa Fe, NM 87501
Direct: (505) 717-3531
Fax: (505) 318-1050
Email: bmcmath@nmag.gov

AND

Daniel Alberstone
BARON & BUDD, P.C.
15910 Ventura Blvd.
Suite 1600
Encino, CA 91436
Direct: (818) 839-2322
Fax: (818) 986-9698
Email: dalberstone@baronbudd.com

2. Notices to CVS shall be delivered to:

Elizabeth Ferguson
Senior Vice President and Deputy General Counsel

CVS Health Corporation
One CVS Drive
Woonsocket, RI 02895
Email: betsy.ferguson@cvshealth

AND

Eric Delinsky
Zuckerman Spaeder LLP
1800 M Street, NW, Suite 1000
Washington, DC 20036-5807
Email: edelinsky@zuckerman.com

F. Severability; Reinstatement. In the event any one or more immaterial provisions of this Settlement shall for any reason be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provision of this Settlement; provided, however, that if the State is required by final order of a court of competent jurisdiction to return the Settlement Payment for any reason, this Agreement, including the releases set forth herein, shall be void ab initio and all rights and remedies of the Parties as they existed immediately prior to the Execution Date shall be reinstated in full.

G. Successors and Assigns. This Agreement shall be binding upon, and inure to the benefit of, the successors and assigns of the Parties hereto.

H. Choice of Law. Any dispute arising from or in connection with the completion and execution of the Settlement Agreement shall be governed by New Mexico law without regard to its choice of law provisions and the Parties agree to venue in the First Judicial District Court, County of Santa Fe, State of New Mexico.

I. Headings; No Conflict Intended. The headings used in this Agreement are intended for the convenience of the reader only and shall not affect the meaning or interpretation of this Agreement.

J. No Party Deemed to Be the Drafter. None of the Parties hereto shall be deemed to be the drafter of this Agreement or any provision hereof 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.

K. Amendment; Waiver. This Agreement shall not be modified in any respect except by a writing executed by all the Parties hereto, and the waiver of any rights conferred hereunder shall be effective only if made by written instrument of the waiving Party. The waiver by any Party of any breach of this Agreement shall not be deemed or construed as a waiver of any other breach, whether prior, subsequent, or contemporaneous, of this Agreement.

L. Execution in Counterparts. This Agreement may be executed in one or more counterparts. All executed counterparts and each of them shall be deemed to be one and the same


instrument. An executed signature page of this Settlement delivered in PDF format via email shall be as effective as an original executed signature page.

M. Integrated Agreement. This Agreement constitutes the entire agreement between the Parties and no representations, warranties, or inducements have been made to any Party concerning this Agreement other than the representations, warranties, and covenants contained and memorialized herein. As such, the Parties represent and warrant that they are not relying on any promises, inducements, or representations other than those provided herein.

N. Public Statements. No press releases or other public statements concerning the Settlement shall be made unless and until the Effective Date of the Release.

IN WITNESS WHEREOF, the Parties hereto, through their fully authorized representatives, have executed this Agreement as of the dates set forth below.

CVS PHARMACY, INC.
CVS ORLANDO FL DISTRIBUTION, L.L.C.

By: 
Thomas S. Moffatt
Vice President, Secretary, and Senior Legal
Counsel

Date: 12/20/2022

HECTOR H. BALDERAS
NEW MEXICO ATTORNEY GENERAL

By: Brian E. McMath
Brian E. McMath, CIPP/US
Assistant Attorney General
Consumer and Environmental Protection
Division
NEW MEXICO OFFICE OF THE
ATTORNEY GENERAL
408 Galisteo St.
Santa Fe, NM 87501
Direct: (505) 717-3531
Fax: (505) 318-1050

Date: Dec. 20, 2022

EXHIBIT A

Alleged Harms

The following expert reports that were served in connection with the case captioned *State of New Mexico ex rel. Hector Balderas, Attorney General v. Purdue Pharma L.P. et al.*, No. D-101-CV-2017-02541 (Santa Fe Cnty. Dist. Ct.), provide non-exclusive examples of Alleged Harms:

1. Expert report of Katherine M. Keyes, Ph.D., dated January 28, 2022;
2. Expert report of Keith Eubanks, dated January 28, 2022; revised expert report of Keith Eubanks, dated August 4, 2022;
3. Expert report of Ted Miller, Ph.D., dated January 28, 2022; corrected expert report of Ted Miller, Ph.D., dated April 14, 2022; second corrected expert report of Ted Miller, Ph.D., dated June 9, 2022;
4. Expert report of Allen Dobson, Ph.D., dated January 28, 2022;
5. Expert report of Corey Waller, dated January 21, 2022; and
6. Expert report of Daniel Duhigg, dated January 28, 2022.

EXHIBIT B

New Mexico Opioid Allocation Agreement

NEW MEXICO OPIOID ALLOCATION AGREEMENT

A. Definitions

As used in this New Mexico Opioid Allocation Agreement (“NMOAA”):

1. “Local Government” shall mean every litigating county and city, each county regardless of population, each city with a population exceeding 10,000, and any Special District as that term is defined in the Master Settlement Agreements within the geographic boundaries of the State of New Mexico.¹ For avoidance of doubt, Local Governments within this definition are identified on Exhibit A hereto.
2. “Opioid Funds” shall mean monetary amounts obtained through a Settlement as defined in this NMOAA.
3. “Opioid Related Expenditure” shall mean an expenditure consistent with the categories enumerated in Exhibit E to the Distributor Master Settlement Agreement and the J&J Master Settlement Agreement found at <https://nationalopioidsettlement.com/> and attached hereto as Exhibit B.
4. “Parties” shall mean the State of New Mexico and Participating Local Governments.
5. “Pharmaceutical Supply Chain Participant” shall mean any entity that engages in or has engaged in the manufacture, marketing, promotion, distribution or dispensing of an opioid analgesic, including but not limited to those persons or entities identified as Defendants in the matter captioned *In re: Opioid Litigation*, MDL 2804 pending in the United States District Court for the Northern District of Ohio.
6. “Participating Local Government” is any Local Government that agrees to be bound by a Settlement by Participation Agreement necessary to effectuate that Settlement or other similar document.
7. “Settlement” shall mean the settlement reached with the Distributor Opioid Defendants, namely McKesson Corporation, AmerisourceBergen Corporation, and Cardinal Health, Inc. (each a “Settling Distributor”) and the settlement reached with Janssen (“J&J”)² (referenced as “National Distributor Settlement” and “J&J Settlement”) with certain states and local government entities that the State of New Mexico and its Local Governments have the option to join. For avoidance of doubt, a Settlement shall not include the resolution of any other legal or equitable claims alleged against any other Supply Chain Participant other than the Settling Distributors and J&J.

¹ The population figures contained in this NMOAA shall be derived from the published U.S. Census Bureau’s population estimates for July 1, 2019, released May 2020 as set forth in the Master Settlement Agreements.

² “Janssen” means Johnson & Johnson, Janssen Pharmaceuticals, Inc., OrthoMcNeil-Janssen Pharmaceuticals, Inc., and Janssen Pharmaceuticals, Inc.

8. “Master Settlement Agreements” shall mean the agreements documenting a Settlement. For the purposes of this NMOAA the Distributor Master Settlement Agreement and the J&J Master Settlement Agreement found at <https://nationalopioidsettlement.com/> are Master Settlement Agreements under the meaning of this NMOAA.
9. “State” shall mean the State of New Mexico.

B. Allocation of the Opioid Settlement Proceeds

1. The Parties shall in good faith negotiate to identify an appropriate settlement administrator to receive and distribute Opioid Funds pursuant to this NMOAA (“Settlement Administrator”). The costs of the Settlement Administrator shall be paid jointly by the Parties prior to the distribution of Opioid Funds under this NMOAA with the State bearing 50% of those costs and the Local Governments bearing 50% of those costs.
2. Opioid Funds shall not be considered funds of the State or any Local Government unless and until such time as an allocation is made to the State or any Local Government pursuant to this Section.
3. If each and every Local Government as defined in Section A.1 joins the Master Settlements Agreements no later than March 7, 2022, after paying the costs of the Settlement Administrator, the Settlement Administrator shall allocate the remainder of the Opioid Funds as follows: (i) 45% to the State of New Mexico (“State Share”) and (ii) 55% to the Local Governments (the “LG Share”); provided, however, that the Settlement Administrator shall set aside the portion of the LG Share into the Attorney Fee Backstop Fund as provided in Section D below.
4. The LG Share will be divided into regions, each of which will be referred to as a “Region” and will consist of either: (1) a single Participating County that does not have any Participating Cities as listed on Exhibit C, (2) a single Participating County and all of its Participating Cities as listed on Exhibit C beneath the Participating County, or (3) a single Participating City. Two or more Regions may at their discretion form a group (“Multicounty Region”). Regions that do not choose to form a Multicounty Region will be their own Region.
5. The LG Share will be distributed to each Region as set forth in Exhibit C. In Regions with more than one member, members of the Region may agree to have the funds allocated to the Region suballocated amongst themselves in any manner they collectively choose or to have all funds allocated to the Region distributed to a single member of the Region. By July 1, 2022, each Region with more than one member shall communicate to the Settlement Administrator how the Region’s portion of the LG Share shall be distributed to the Region or that the members of the Region have agreed to extend the deadline to reach agreement. Absent a different agreement timely being reached among the members of the Region, the default allocation to members of a Region with more than one member is the formula from Exhibit G to the Master

Settlement Agreements. The Settlement Administrator shall make all distributions to Regions with more than one member or their members in accordance with instructions received or the default allocation described in the previous sentence; provided, however, that the Settlement Administrator shall not make any distributions to a Region with more than one member prior to July 1, 2022, or such later deadline to reach an agreement agreed to by the members of a Region and timely communicated to the Settlement Administrator.

6. Except as provided herein or as provided by court order, 100% of the State Share and the LG Share, regardless of allocation, shall be utilized only for Opioid Related Expenditures.

C. Compliance Reporting and Accountability

1. Every Participating Local Government shall create a separate fund or project on its financial books and records that is designated for the receipt and expenditure of each entity's portion of the LG Share, called the "LG Abatement Fund." Funds in an LG Abatement Fund shall not be commingled with any other money or funds of the Local Government. A Local Government may invest LG Abatement Fund funds consistent with the investment of other funds of a Local Government.
2. Funds in a LG Abatement Fund may be expended by a Local Government only for Opioid Related Expenditures. For avoidance of doubt, funds in a LG Abatement Fund may not be expended for costs, disbursements, or payments made or incurred prior to the Settlement.
3. As part of the State or a Participating Local Government's annual audit pursuant to the State Audit Act, NMSA 1978, Chapter 12, Article 6, both the State fund and each LG Abatement Fund shall be audited to provide reasonable assurances that the LG Abatement Fund disbursements are consistent with the terms of this NMOAA. If any such audit reveals an expenditure inconsistent with the terms of this NMOAA, the State or the Local Government shall immediately redirect an amount equal to the funds associated with the inconsistent expenditure from another revenue source that may permissibly be expended for such purposes to an Opioid Related Expenditure. Either the State or the Participating Local Government who has been found to have expended funds inconsistently with this NMOAA will be ineligible to receive further distributions of the LG Share unless and until such a redirection is accomplished and confirmed by the State Auditor. The Settlement Administrator shall be instructed to hold either the State or that Local Government's future portion of the LG Share in escrow until instructed to release those funds by the State Auditor.
4. Local Governments may combine their respective portion of the LG Share with other Local Governments or the State.

D. Payment of Counsel and Opioid Litigation Expenses

1. Each of the Litigating Local Governments has contracted with outside counsel (“Counsel”) for representation in the Litigation. In consideration for Counsel’s representation, each of the Litigating Local Governments contracted with its Counsel for a contingency fee applied to each Litigating Local Government’s recovery.³
2. The Master Settlement Agreements provide for the payment of attorney’s fees and legal expenses owed by States and Participating Local Governments to outside counsel retained for Opioid Litigation. To effectuate this, the Court in the MDL Litigation has established a fund to compensate attorneys for services rendered and expenses incurred that have benefitted plaintiffs generally in the litigation (the “National Attorney Fee Fund”). The National Attorney Fee Fund is subdivided into sub-funds, including the Contingency Fee Sub-fund.
3. Because there is uncertainty regarding what Counsel will recover as compensation from the National Attorney Fee Fund, the Parties agree that the Participating Local Governments will create a New Mexico attorney’s fees and costs fund (the “New Mexico Backstop Fund”) to compensate Counsel only in the event Counsel does not recover an amount equal to a 15% contingent fee from of the Contingency Fee Sub-fund of the National Attorney Fee Fund. For the avoidance of doubt, collectively, Counsel is limited to being paid, at most, and assuming adequate funds are available under the Contingency Fee Sub-fund of the National Attorneys Fee Fund and the New Mexico Backstop Fund, attorney’s fees totaling fifteen percent (15%) of the LG Share.
4. Counsel must first seek recovery from the Contingency Fee Sub-fund of the National Attorney Fee Fund before applying to the New Mexico Backstop Fund and may not recover from the New Mexico Backstop Fund any amounts recovered from the Contingency Fee Sub-fund of the National Attorney Fee Fund. Counsel need only make a single application to the Contingency Fee Sub-fund of the National Attorney Fee Fund before applying to the New Mexico Backstop Fund.
5. After paying the LG Share of the costs of the Settlement Administrator, the Administrator shall deposit in the New Mexico Backstop Fund an amount equal to 15% of the LG Share and distribute the remainder of the funds allocated to Local Governments as set forth in Section B.5 above. No funds from the State Share shall be used to pay Local Governments’ attorneys’ fees and no funds from the State Share shall be paid to the New Mexico Backstop Fund.
6. To ensure that all Counsel for Litigating Local Governments receive compensation, if there is only one Litigating Local Government in a Region, then that counsel will apply for its contingency fee based on the Region’s recovery. If there is more than one

³ For purposes of this NMOAA, the parties agree not to dispute that such contingency fee agreements are permissible under the State Procurement Code, NMSA 1978 Sections 13-1-28 to -199. However, nothing in this NMOAA should be construed to indicate that the State agrees that such contingency fee agreements are permissible under the State Procurement Code.

- Litigating Local Government in a Region, then the Counsel will apply for its contingency fee based on Exhibit G to the Master Settlement Agreements unless the Local Government receives an alternative, negotiated amount in which case the fifteen percent maximum recovery shall be based on that recovery amount.
7. Payments to Counsel shall be made from the New Mexico Backstop Fund in the same percentages and over the same period as the Contingency Fee Fund for each National Settlement as set forth in Exhibit R §(II)(S)(1) of the Distributor Settlement Agreement and Exhibit R §(II)(A)(1) of the Janssen Settlement Agreement.
 8. Any funds remaining in the New Mexico Backstop Fund in excess of the amounts needed to cover the deficiency in attorney's fees as provided in this Section shall be distributed as follows. A Litigating Local Government whose Counsel did not need to recover their entire fifteen percent contingent fee from the New Mexico Backstop Fund will receive a direct allocation from the New Mexico Backstop Fund calculated by subtracting from the amount calculated in accordance with Section D.6 the amount distributed to the Local Government's counsel from the New Mexico Backstop Fund.
 9. If, after making the distributions provided for in Section D.8, there remains any funds in the New Mexico Backstop fund, those funds will be distributed to Regions in accordance with Exhibit C and Section B.5.

E. Other Terms

1. The Parties agree to make such amendments as necessary to implement the intent of this NMOAA. After this NMOAA becomes effective, amendments may only be made to this NMOAA if approved in writing by the Office of the Attorney General and at least two-thirds of the Participating Local Governments. Amendments to the amount or timing of the distribution of funds to the Participating Local Governments require participation of one hundred percent (100%) of the Participating Local Governments that would be impacted by the amendment.
2. This NMOAA shall be governed by and construed under the laws of the State of New Mexico using New Mexico law. Any action related to the provisions of this NMOAA, except as otherwise provided in the Master Settlement Agreements, must be adjudicated by the New Mexico state courts of Santa Fe County in the State of New Mexico.
3. This NMOAA does not supersede or alter the terms of the Master Settlement Agreements except to the extent those terms allow for a State-Subdivision Agreement to do so.
4. If any part of this NMOAA is declared invalid or becomes inoperative for any reason, such invalidity or failure shall not affect the validity and enforceability of any other provision.

5. This NMOAA may be executed in counterparts, each of which shall be deemed an original and all of which together shall be considered one and the same agreement. A signature transmitted by facsimile or electronic image shall be deemed an original signature for purposes of executing this NMOAA.
6. Each person signing this NMOAA represents that he or she is fully authorized to enter into the terms and conditions of, and to execute, this NMOAA on behalf of the named governmental entity.

SIGNATURE BLOCKS TO BE INSERTED

IN WITNESS WHEREOF, the parties hereby execute the NMOAA as of the date set forth below.

ON BEHALF OF THE LOCAL GOVERNMENTS:

_____ Date: _____
Albuquerque Public School District
Printed: _____

_____ Date: _____
Bernalillo County
Printed: _____

_____ Date: _____
Catron County
Printed: _____

_____ Date: _____
Chaves County
Printed: _____

_____ Date: _____
Cibola County
Printed: _____

_____ Date: _____
City of Alamogordo
Printed: _____

_____ Date: _____
City of Albuquerque
Printed: _____

_____ Date: _____
City of Artesia

Printed: _____

_____ Date: _____

City of Carlsbad

Printed: _____

_____ Date: _____

City of Clovis

Printed: _____

_____ Date: _____

City of Deming

Printed: _____

_____ Date: _____

City of Española

Printed: _____

_____ Date: _____

City of Farmington

Printed: _____

_____ Date: _____

City of Gallup

Printed: _____

_____ Date: _____

City of Hobbs

Printed: _____

_____ Date: _____

City of Las Cruces

Printed: _____

_____ Date: _____
City of Las Vegas
Printed: _____

_____ Date: _____
City of Lovington
Printed: _____

_____ Date: _____
City of Portales
Printed: _____

_____ Date: _____
City of Rio Rancho
Printed: _____

_____ Date: _____
City of Roswell
Printed: _____

_____ Date: _____
City of Santa Fe
Printed: _____

_____ Date: _____
City of Sunland Park
Printed: _____

_____ Date: _____
Colfax County
Printed: _____

_____ Date: _____

Curry County

Printed: _____

_____ Date: _____

De Baca County

Printed: _____

_____ Date: _____

Doña Ana County

Printed: _____

_____ Date: _____

Eddy County

Printed: _____

_____ Date: _____

Grant County

Printed: _____

_____ Date: _____

Guadalupe County

Printed: _____

_____ Date: _____

Harding County

Printed: _____

_____ Date: _____

Hidalgo County

Printed: _____

_____ Date: _____

Lea County

Printed: _____

_____ Date: _____

Lincoln County

Printed: _____

_____ Date: _____

Los Alamos County

Printed: _____

_____ Date: _____

Luna County

Printed: _____

_____ Date: _____

McKinley County

Printed: _____

_____ Date: _____

Mora County

Printed: _____

_____ Date: _____

Otero County

Printed: _____

_____ Date: _____

Quay County

Printed: _____

_____ Date: _____

Rio Arriba County

Printed: _____

_____ Date: _____
Roosevelt County
Printed: _____

_____ Date: _____
San Juan County
Printed: _____

_____ Date: _____
San Miguel County
Printed: _____

_____ Date: _____
Sandoval County
Printed: _____

_____ Date: _____
Santa Fe County
Printed: _____

_____ Date: _____
Sierra County
Printed: _____

_____ Date: _____
Socorro County
Printed: _____

_____ Date: _____
Taos County
Printed: _____

_____ Date: _____
Torrance County

Printed: _____

_____ Date: _____

Town of Bernalillo

Printed: _____

_____ Date: _____

Union County

Printed: _____

_____ Date: _____

Valencia County

Printed: _____

_____ Date: _____

Village of Los Lunas

Printed: _____

ON BEHALF OF THE STATE OF NEW MEXICO:

Brian McMath Digitally signed by Brian McMath
Date: 2022.03.08 17:04:09 -0700 _____ Date: March 7, 2022

Office of the Attorney General

State of New Mexico

Printed: Brian E. McMath

Exhibit A
NM Subdivisions Required to Participate in Both Opioid Deals
To Assure 100% Payment

Bernalillo County	City of Albuquerque
Catron County	City of Alamogordo
Chaves County	City of Artesia
Cibola County	City of Carlsbad
Colfax County	City of Clovis
Curry County	City of Deming
De Baca County	City of Española
Doña Ana County	City of Farmington
Eddy County	City of Gallup
Grant County	City of Hobbs
Guadalupe County	City of Las Cruces
Harding County	City of Las Vegas
Hidalgo County	City of Lovington
Lea County	City of Portales
Lincoln County	City of Rio Rancho
Los Alamos County	City of Roswell
Luna County	City of Santa Fe
McKinley County	City of Sunland Park
Mora County	Town of Bernalillo
Otero County	Village of Los Lunas
Quay County	
Rio Arriba County	
Roosevelt County	Albuquerque Public School District
San Juan County	
San Miguel County	
Sandoval County	
Santa Fe County	
Sierra County	
Socorro County	
Taos County	
Torrance County	
Union County	
Valencia County	

EXHIBIT E

List of Opioid Remediation Uses

**Schedule A
Core Strategies**

States and Qualifying Block Grantees shall choose from among the abatement strategies listed in Schedule B. However, priority shall be given to the following core abatement strategies (“*Core Strategies*”).¹⁴

- A. **NALOXONE OR OTHER FDA-APPROVED DRUG TO REVERSE OPIOID OVERDOSES**
1. Expand training for first responders, schools, community support groups and families; and
 2. Increase distribution to individuals who are uninsured or whose insurance does not cover the needed service.
- B. **MEDICATION-ASSISTED TREATMENT (“MAT”) DISTRIBUTION AND OTHER OPIOID-RELATED TREATMENT**
1. Increase distribution of MAT to individuals who are uninsured or whose insurance does not cover the needed service;
 2. Provide education to school-based and youth-focused programs that discourage or prevent misuse;
 3. Provide MAT education and awareness training to healthcare providers, EMTs, law enforcement, and other first responders; and
 4. Provide treatment and recovery support services such as residential and inpatient treatment, intensive outpatient treatment, outpatient therapy or counseling, and recovery housing that allow or integrate medication and with other support services.

¹⁴ As used in this Schedule A, words like “expand,” “fund,” “provide” or the like shall not indicate a preference for new or existing programs.

C. **PREGNANT & POSTPARTUM WOMEN**

1. Expand Screening, Brief Intervention, and Referral to Treatment (“*SBIRT*”) services to non-Medicaid eligible or uninsured pregnant women;
2. Expand comprehensive evidence-based treatment and recovery services, including MAT, for women with co-occurring Opioid Use Disorder (“*OUD*”) and other Substance Use Disorder (“*SUD*”)/Mental Health disorders for uninsured individuals for up to 12 months postpartum; and
3. Provide comprehensive wrap-around services to individuals with OUD, including housing, transportation, job placement/training, and childcare.

D. **EXPANDING TREATMENT FOR NEONATAL ABSTINENCE SYNDROME (“*NAS*”)**

1. Expand comprehensive evidence-based and recovery support for NAS babies;
2. Expand services for better continuum of care with infant-need dyad; and
3. Expand long-term treatment and services for medical monitoring of NAS babies and their families.

E. **EXPANSION OF WARM HAND-OFF PROGRAMS AND RECOVERY SERVICES**

1. Expand services such as navigators and on-call teams to begin MAT in hospital emergency departments;
2. Expand warm hand-off services to transition to recovery services;
3. Broaden scope of recovery services to include co-occurring SUD or mental health conditions;
4. Provide comprehensive wrap-around services to individuals in recovery, including housing, transportation, job placement/training, and childcare; and
5. Hire additional social workers or other behavioral health workers to facilitate expansions above.

F. **TREATMENT FOR INCARCERATED POPULATION**

1. Provide evidence-based treatment and recovery support, including MAT for persons with OUD and co-occurring SUD/MH disorders within and transitioning out of the criminal justice system; and
2. Increase funding for jails to provide treatment to inmates with OUD.

G. **PREVENTION PROGRAMS**

1. Funding for media campaigns to prevent opioid use (similar to the FDA's "Real Cost" campaign to prevent youth from misusing tobacco);
2. Funding for evidence-based prevention programs in schools;
3. Funding for medical provider education and outreach regarding best prescribing practices for opioids consistent with the 2016 CDC guidelines, including providers at hospitals (academic detailing);
4. Funding for community drug disposal programs; and
5. Funding and training for first responders to participate in pre-arrest diversion programs, post-overdose response teams, or similar strategies that connect at-risk individuals to behavioral health services and supports.

H. **EXPANDING SYRINGE SERVICE PROGRAMS**

1. Provide comprehensive syringe services programs with more wrap-around services, including linkage to OUD treatment, access to sterile syringes and linkage to care and treatment of infectious diseases.

I. **EVIDENCE-BASED DATA COLLECTION AND RESEARCH ANALYZING THE EFFECTIVENESS OF THE ABATEMENT STRATEGIES WITHIN THE STATE**

Schedule B
Approved Uses

Support treatment of Opioid Use Disorder (OUD) and any co-occurring Substance Use Disorder or Mental Health (SUD/MH) conditions through evidence-based or evidence-informed programs or strategies that may include, but are not limited to, the following:

PART ONE: TREATMENT

A. TREAT OPIOID USE DISORDER (OUD)

Support treatment of Opioid Use Disorder (“*OUD*”) and any co-occurring Substance Use Disorder or Mental Health (“*SUD/MH*”) conditions through evidence-based or evidence-informed programs or strategies that may include, but are not limited to, those that:¹⁵

1. Expand availability of treatment for OUD and any co-occurring SUD/MH conditions, including all forms of Medication-Assisted Treatment (“*MAT*”) approved by the U.S. Food and Drug Administration.
2. Support and reimburse evidence-based services that adhere to the American Society of Addiction Medicine (“*ASAM*”) continuum of care for OUD and any co-occurring SUD/MH conditions.
3. Expand telehealth to increase access to treatment for OUD and any co-occurring SUD/MH conditions, including MAT, as well as counseling, psychiatric support, and other treatment and recovery support services.
4. Improve oversight of Opioid Treatment Programs (“*OTPs*”) to assure evidence-based or evidence-informed practices such as adequate methadone dosing and low threshold approaches to treatment.
5. Support mobile intervention, treatment, and recovery services, offered by qualified professionals and service providers, such as peer recovery coaches, for persons with OUD and any co-occurring SUD/MH conditions and for persons who have experienced an opioid overdose.
6. Provide treatment of trauma for individuals with OUD (*e.g.*, violence, sexual assault, human trafficking, or adverse childhood experiences) and family members (*e.g.*, surviving family members after an overdose or overdose fatality), and training of health care personnel to identify and address such trauma.
7. Support evidence-based withdrawal management services for people with OUD and any co-occurring mental health conditions.

¹⁵ As used in this Schedule B, words like “expand,” “fund,” “provide” or the like shall not indicate a preference for new or existing programs.

8. Provide training on MAT for health care providers, first responders, students, or other supporting professionals, such as peer recovery coaches or recovery outreach specialists, including telementoring to assist community-based providers in rural or underserved areas.
9. Support workforce development for addiction professionals who work with persons with OUD and any co-occurring SUD/MH conditions.
10. Offer fellowships for addiction medicine specialists for direct patient care, instructors, and clinical research for treatments.
11. Offer scholarships and supports for behavioral health practitioners or workers involved in addressing OUD and any co-occurring SUD/MH or mental health conditions, including, but not limited to, training, scholarships, fellowships, loan repayment programs, or other incentives for providers to work in rural or underserved areas.
12. Provide funding and training for clinicians to obtain a waiver under the federal Drug Addiction Treatment Act of 2000 (“*DATA 2000*”) to prescribe MAT for OUD, and provide technical assistance and professional support to clinicians who have obtained a DATA 2000 waiver.
13. Disseminate of web-based training curricula, such as the American Academy of Addiction Psychiatry’s Provider Clinical Support Service–Opioids web-based training curriculum and motivational interviewing.
14. Develop and disseminate new curricula, such as the American Academy of Addiction Psychiatry’s Provider Clinical Support Service for Medication–Assisted Treatment.

B. SUPPORT PEOPLE IN TREATMENT AND RECOVERY

Support people in recovery from OUD and any co-occurring SUD/MH conditions through evidence-based or evidence-informed programs or strategies that may include, but are not limited to, the programs or strategies that:

1. Provide comprehensive wrap-around services to individuals with OUD and any co-occurring SUD/MH conditions, including housing, transportation, education, job placement, job training, or childcare.
2. Provide the full continuum of care of treatment and recovery services for OUD and any co-occurring SUD/MH conditions, including supportive housing, peer support services and counseling, community navigators, case management, and connections to community-based services.
3. Provide counseling, peer-support, recovery case management and residential treatment with access to medications for those who need it to persons with OUD and any co-occurring SUD/MH conditions.

4. Provide access to housing for people with OUD and any co-occurring SUD/MH conditions, including supportive housing, recovery housing, housing assistance programs, training for housing providers, or recovery housing programs that allow or integrate FDA-approved medication with other support services.
5. Provide community support services, including social and legal services, to assist in deinstitutionalizing persons with OUD and any co-occurring SUD/MH conditions.
6. Support or expand peer-recovery centers, which may include support groups, social events, computer access, or other services for persons with OUD and any co-occurring SUD/MH conditions.
7. Provide or support transportation to treatment or recovery programs or services for persons with OUD and any co-occurring SUD/MH conditions.
8. Provide employment training or educational services for persons in treatment for or recovery from OUD and any co-occurring SUD/MH conditions.
9. Identify successful recovery programs such as physician, pilot, and college recovery programs, and provide support and technical assistance to increase the number and capacity of high-quality programs to help those in recovery.
10. Engage non-profits, faith-based communities, and community coalitions to support people in treatment and recovery and to support family members in their efforts to support the person with OUD in the family.
11. Provide training and development of procedures for government staff to appropriately interact and provide social and other services to individuals with or in recovery from OUD, including reducing stigma.
12. Support stigma reduction efforts regarding treatment and support for persons with OUD, including reducing the stigma on effective treatment.
13. Create or support culturally appropriate services and programs for persons with OUD and any co-occurring SUD/MH conditions, including new Americans.
14. Create and/or support recovery high schools.
15. Hire or train behavioral health workers to provide or expand any of the services or supports listed above.

C. CONNECT PEOPLE WHO NEED HELP TO THE HELP THEY NEED
(CONNECTIONS TO CARE)

Provide connections to care for people who have—or are at risk of developing—OUD and any co-occurring SUD/MH conditions through evidence-based or evidence-informed programs or strategies that may include, but are not limited to, those that:

1. Ensure that health care providers are screening for OUD and other risk factors and know how to appropriately counsel and treat (or refer if necessary) a patient for OUD treatment.
2. Fund SBIRT programs to reduce the transition from use to disorders, including SBIRT services to pregnant women who are uninsured or not eligible for Medicaid.
3. Provide training and long-term implementation of SBIRT in key systems (health, schools, colleges, criminal justice, and probation), with a focus on youth and young adults when transition from misuse to opioid disorder is common.
4. Purchase automated versions of SBIRT and support ongoing costs of the technology.
5. Expand services such as navigators and on-call teams to begin MAT in hospital emergency departments.
6. Provide training for emergency room personnel treating opioid overdose patients on post-discharge planning, including community referrals for MAT, recovery case management or support services.
7. Support hospital programs that transition persons with OUD and any co-occurring SUD/MH conditions, or persons who have experienced an opioid overdose, into clinically appropriate follow-up care through a bridge clinic or similar approach.
8. Support crisis stabilization centers that serve as an alternative to hospital emergency departments for persons with OUD and any co-occurring SUD/MH conditions or persons that have experienced an opioid overdose.
9. Support the work of Emergency Medical Systems, including peer support specialists, to connect individuals to treatment or other appropriate services following an opioid overdose or other opioid-related adverse event.
10. Provide funding for peer support specialists or recovery coaches in emergency departments, detox facilities, recovery centers, recovery housing, or similar settings; offer services, supports, or connections to care to persons with OUD and any co-occurring SUD/MH conditions or to persons who have experienced an opioid overdose.
11. Expand warm hand-off services to transition to recovery services.
12. Create or support school-based contacts that parents can engage with to seek immediate treatment services for their child; and support prevention, intervention, treatment, and recovery programs focused on young people.
13. Develop and support best practices on addressing OUD in the workplace.

14. Support assistance programs for health care providers with OUD.
15. Engage non-profits and the faith community as a system to support outreach for treatment.
16. Support centralized call centers that provide information and connections to appropriate services and supports for persons with OUD and any co-occurring SUD/MH conditions.

D. ADDRESS THE NEEDS OF CRIMINAL JUSTICE-INVOLVED PERSONS

Address the needs of persons with OUD and any co-occurring SUD/MH conditions who are involved in, are at risk of becoming involved in, or are transitioning out of the criminal justice system through evidence-based or evidence-informed programs or strategies that may include, but are not limited to, those that:

1. Support pre-arrest or pre-arraignment diversion and deflection strategies for persons with OUD and any co-occurring SUD/MH conditions, including established strategies such as:
 1. Self-referral strategies such as the Angel Programs or the Police Assisted Addiction Recovery Initiative (“*PAARP*”);
 2. Active outreach strategies such as the Drug Abuse Response Team (“*DART*”) model;
 3. “Naloxone Plus” strategies, which work to ensure that individuals who have received naloxone to reverse the effects of an overdose are then linked to treatment programs or other appropriate services;
 4. Officer prevention strategies, such as the Law Enforcement Assisted Diversion (“*LEAD*”) model;
 5. Officer intervention strategies such as the Leon County, Florida Adult Civil Citation Network or the Chicago Westside Narcotics Diversion to Treatment Initiative; or
 6. Co-responder and/or alternative responder models to address OUD-related 911 calls with greater SUD expertise.
2. Support pre-trial services that connect individuals with OUD and any co-occurring SUD/MH conditions to evidence-informed treatment, including MAT, and related services.
3. Support treatment and recovery courts that provide evidence-based options for persons with OUD and any co-occurring SUD/MH conditions.

4. Provide evidence-informed treatment, including MAT, recovery support, harm reduction, or other appropriate services to individuals with OUD and any co-occurring SUD/MH conditions who are incarcerated in jail or prison.
5. Provide evidence-informed treatment, including MAT, recovery support, harm reduction, or other appropriate services to individuals with OUD and any co-occurring SUD/MH conditions who are leaving jail or prison or have recently left jail or prison, are on probation or parole, are under community corrections supervision, or are in re-entry programs or facilities.
6. Support critical time interventions (“CTP”), particularly for individuals living with dual-diagnosis OUD/serious mental illness, and services for individuals who face immediate risks and service needs and risks upon release from correctional settings.
7. Provide training on best practices for addressing the needs of criminal justice-involved persons with OUD and any co-occurring SUD/MH conditions to law enforcement, correctional, or judicial personnel or to providers of treatment, recovery, harm reduction, case management, or other services offered in connection with any of the strategies described in this section.

E. ADDRESS THE NEEDS OF PREGNANT OR PARENTING WOMEN AND THEIR FAMILIES, INCLUDING BABIES WITH NEONATAL ABSTINENCE SYNDROME

Address the needs of pregnant or parenting women with OUD and any co-occurring SUD/MH conditions, and the needs of their families, including babies with neonatal abstinence syndrome (“NAS”), through evidence-based or evidence-informed programs or strategies that may include, but are not limited to, those that:

1. Support evidence-based or evidence-informed treatment, including MAT, recovery services and supports, and prevention services for pregnant women—or women who could become pregnant—who have OUD and any co-occurring SUD/MH conditions, and other measures to educate and provide support to families affected by Neonatal Abstinence Syndrome.
2. Expand comprehensive evidence-based treatment and recovery services, including MAT, for uninsured women with OUD and any co-occurring SUD/MH conditions for up to 12 months postpartum.
3. Provide training for obstetricians or other healthcare personnel who work with pregnant women and their families regarding treatment of OUD and any co-occurring SUD/MH conditions.
4. Expand comprehensive evidence-based treatment and recovery support for NAS babies; expand services for better continuum of care with infant-need dyad; and expand long-term treatment and services for medical monitoring of NAS babies and their families.

5. Provide training to health care providers who work with pregnant or parenting women on best practices for compliance with federal requirements that children born with NAS get referred to appropriate services and receive a plan of safe care.
6. Provide child and family supports for parenting women with OUD and any co-occurring SUD/MH conditions.
7. Provide enhanced family support and child care services for parents with OUD and any co-occurring SUD/MH conditions.
8. Provide enhanced support for children and family members suffering trauma as a result of addiction in the family; and offer trauma-informed behavioral health treatment for adverse childhood events.
9. Offer home-based wrap-around services to persons with OUD and any co-occurring SUD/MH conditions, including, but not limited to, parent skills training.
10. Provide support for Children's Services—Fund additional positions and services, including supportive housing and other residential services, relating to children being removed from the home and/or placed in foster care due to custodial opioid use.

PART TWO: PREVENTION

F. PREVENT OVER-PRESCRIBING AND ENSURE APPROPRIATE PRESCRIBING AND DISPENSING OF OPIOIDS

Support efforts to prevent over-prescribing and ensure appropriate prescribing and dispensing of opioids through evidence-based or evidence-informed programs or strategies that may include, but are not limited to, the following:

1. Funding medical provider education and outreach regarding best prescribing practices for opioids consistent with the Guidelines for Prescribing Opioids for Chronic Pain from the U.S. Centers for Disease Control and Prevention, including providers at hospitals (academic detailing).
2. Training for health care providers regarding safe and responsible opioid prescribing, dosing, and tapering patients off opioids.
3. Continuing Medical Education (CME) on appropriate prescribing of opioids.
4. Providing Support for non-opioid pain treatment alternatives, including training providers to offer or refer to multi-modal, evidence-informed treatment of pain.
5. Supporting enhancements or improvements to Prescription Drug Monitoring Programs (“PDMPs”), including, but not limited to, improvements that:

1. Increase the number of prescribers using PDMPs;
2. Improve point-of-care decision-making by increasing the quantity, quality, or format of data available to prescribers using PDMPs, by improving the interface that prescribers use to access PDMP data, or both; or
3. Enable states to use PDMP data in support of surveillance or intervention strategies, including MAT referrals and follow-up for individuals identified within PDMP data as likely to experience OUD in a manner that complies with all relevant privacy and security laws and rules.
6. Ensuring PDMPs incorporate available overdose/naloxone deployment data, including the United States Department of Transportation's Emergency Medical Technician overdose database in a manner that complies with all relevant privacy and security laws and rules.
7. Increasing electronic prescribing to prevent diversion or forgery.
8. Educating dispensers on appropriate opioid dispensing.

G. PREVENT MISUSE OF OPIOIDS

Support efforts to discourage or prevent misuse of opioids through evidence-based or evidence-informed programs or strategies that may include, but are not limited to, the following:

1. Funding media campaigns to prevent opioid misuse.
2. Corrective advertising or affirmative public education campaigns based on evidence.
3. Public education relating to drug disposal.
4. Drug take-back disposal or destruction programs.
5. Funding community anti-drug coalitions that engage in drug prevention efforts.
6. Supporting community coalitions in implementing evidence-informed prevention, such as reduced social access and physical access, stigma reduction—including staffing, educational campaigns, support for people in treatment or recovery, or training of coalitions in evidence-informed implementation, including the Strategic Prevention Framework developed by the U.S. Substance Abuse and Mental Health Services Administration (“SAMHSA”).
7. Engaging non-profits and faith-based communities as systems to support prevention.

8. Funding evidence-based prevention programs in schools or evidence-informed school and community education programs and campaigns for students, families, school employees, school athletic programs, parent-teacher and student associations, and others.
9. School-based or youth-focused programs or strategies that have demonstrated effectiveness in preventing drug misuse and seem likely to be effective in preventing the uptake and use of opioids.
10. Create or support community-based education or intervention services for families, youth, and adolescents at risk for OUD and any co-occurring SUD/MH conditions.
11. Support evidence-informed programs or curricula to address mental health needs of young people who may be at risk of misusing opioids or other drugs, including emotional modulation and resilience skills.
12. Support greater access to mental health services and supports for young people, including services and supports provided by school nurses, behavioral health workers or other school staff, to address mental health needs in young people that (when not properly addressed) increase the risk of opioid or another drug misuse.

H. PREVENT OVERDOSE DEATHS AND OTHER HARMS (HARM REDUCTION)

Support efforts to prevent or reduce overdose deaths or other opioid-related harms through evidence-based or evidence-informed programs or strategies that may include, but are not limited to, the following:

1. Increased availability and distribution of naloxone and other drugs that treat overdoses for first responders, overdose patients, individuals with OUD and their friends and family members, schools, community navigators and outreach workers, persons being released from jail or prison, or other members of the general public.
2. Public health entities providing free naloxone to anyone in the community.
3. Training and education regarding naloxone and other drugs that treat overdoses for first responders, overdose patients, patients taking opioids, families, schools, community support groups, and other members of the general public.
4. Enabling school nurses and other school staff to respond to opioid overdoses, and provide them with naloxone, training, and support.
5. Expanding, improving, or developing data tracking software and applications for overdoses/naloxone revivals.
6. Public education relating to emergency responses to overdoses.

7. Public education relating to immunity and Good Samaritan laws.
8. Educating first responders regarding the existence and operation of immunity and Good Samaritan laws.
9. Syringe service programs and other evidence-informed programs to reduce harms associated with intravenous drug use, including supplies, staffing, space, peer support services, referrals to treatment, fentanyl checking, connections to care, and the full range of harm reduction and treatment services provided by these programs.
10. Expanding access to testing and treatment for infectious diseases such as HIV and Hepatitis C resulting from intravenous opioid use.
11. Supporting mobile units that offer or provide referrals to harm reduction services, treatment, recovery supports, health care, or other appropriate services to persons that use opioids or persons with OUD and any co-occurring SUD/MH conditions.
12. Providing training in harm reduction strategies to health care providers, students, peer recovery coaches, recovery outreach specialists, or other professionals that provide care to persons who use opioids or persons with OUD and any co-occurring SUD/MH conditions.
13. Supporting screening for fentanyl in routine clinical toxicology testing.

PART THREE: OTHER STRATEGIES

I. FIRST RESPONDERS

In addition to items in section C, D and H relating to first responders, support the following:

1. Education of law enforcement or other first responders regarding appropriate practices and precautions when dealing with fentanyl or other drugs.
2. Provision of wellness and support services for first responders and others who experience secondary trauma associated with opioid-related emergency events.

J. LEADERSHIP, PLANNING AND COORDINATION

Support efforts to provide leadership, planning, coordination, facilitations, training and technical assistance to abate the opioid epidemic through activities, programs, or strategies that may include, but are not limited to, the following:

1. Statewide, regional, local or community regional planning to identify root causes of addiction and overdose, goals for reducing harms related to the opioid epidemic, and areas and populations with the greatest needs for treatment

intervention services, and to support training and technical assistance and other strategies to abate the opioid epidemic described in this opioid abatement strategy list.

2. A dashboard to (a) share reports, recommendations, or plans to spend opioid settlement funds; (b) to show how opioid settlement funds have been spent; (c) to report program or strategy outcomes; or (d) to track, share or visualize key opioid- or health-related indicators and supports as identified through collaborative statewide, regional, local or community processes.
3. Invest in infrastructure or staffing at government or not-for-profit agencies to support collaborative, cross-system coordination with the purpose of preventing overprescribing, opioid misuse, or opioid overdoses, treating those with OUD and any co-occurring SUD/MH conditions, supporting them in treatment or recovery, connecting them to care, or implementing other strategies to abate the opioid epidemic described in this opioid abatement strategy list.
4. Provide resources to staff government oversight and management of opioid abatement programs.

K. TRAINING

In addition to the training referred to throughout this document, support training to abate the opioid epidemic through activities, programs, or strategies that may include, but are not limited to, those that:

1. Provide funding for staff training or networking programs and services to improve the capability of government, community, and not-for-profit entities to abate the opioid crisis.
2. Support infrastructure and staffing for collaborative cross-system coordination to prevent opioid misuse, prevent overdoses, and treat those with OUD and any co-occurring SUD/MH conditions, or implement other strategies to abate the opioid epidemic described in this opioid abatement strategy list (*e.g.*, health care, primary care, pharmacies, PDMPs, etc.).

L. RESEARCH

Support opioid abatement research that may include, but is not limited to, the following:

1. Monitoring, surveillance, data collection and evaluation of programs and strategies described in this opioid abatement strategy list.
2. Research non-opioid treatment of chronic pain.
3. Research on improved service delivery for modalities such as SBIRT that demonstrate promising but mixed results in populations vulnerable to opioid use disorders.

4. Research on novel harm reduction and prevention efforts such as the provision of fentanyl test strips.
5. Research on innovative supply-side enforcement efforts such as improved detection of mail-based delivery of synthetic opioids.
6. Expanded research on swift/certain/fair models to reduce and deter opioid misuse within criminal justice populations that build upon promising approaches used to address other substances (*e.g.*, Hawaii HOPE and Dakota 24/7).
7. Epidemiological surveillance of OUD-related behaviors in critical populations, including individuals entering the criminal justice system, including, but not limited to approaches modeled on the Arrestee Drug Abuse Monitoring (“*ADAM*”) system.
8. Qualitative and quantitative research regarding public health risks and harm reduction opportunities within illicit drug markets, including surveys of market participants who sell or distribute illicit opioids.
9. Geospatial analysis of access barriers to MAT and their association with treatment engagement and treatment outcomes.

Region	Percentage
Albuquerque City	22.7540246633%
Bernalillo County	18.6169292699%
Catron County	0.1129940051%
Chaves County	2.5358877708%
Roswell City	
Cibola County	0.7723148257%
Colfax County	0.7448541610%
Curry County	1.4056466248%
Clovis City	
De Baca County	0.0650725663%
Dona Ana County	7.0811945176%
Las Cruces City	
Sunland Park City	
Eddy County	2.5979985848%
Artesia City	
Carlsbad City	
Grant County	1.8057321396%
Guadalupe County	0.1869187026%
Harding County	0.0102668257%
Hidalgo County	0.1965507765%
Lea County	2.0400522723%
Hobbs City	
Lovington City	
Lincoln County	1.2208675842%
Los Alamos County	0.5915454490%
Luna County	0.8374453274%
Deming City	
McKinley County	1.7937565726%
Gallup City	
Mora County	0.1903934157%
Otero County	2.5746166552%
Alamogordo City	
Quay County	0.4733520608%
Rio Arriba County	4.5982959101%
Española City	
Roosevelt County	0.5396810214%
Portales City	
San Juan County	3.8184895185%
Farmington City	
San Miguel County	1.6661207044%
Las Vegas City	
Sandoval County	4.5573671729%

Bernalillo Town	
Rio Rancho City	
Santa Fe City	4.5408953413%
Santa Fe County	3.5143193357%
Sierra County	1.0308488455%
Socorro County	0.7363065077%
Taos County	1.7429125688%
Torrance County	0.7071523256%
Union County	0.1108929666%
Valencia County	3.8283030105%
Los Lunas Village	

EXHIBIT C

Local Government Settlement Participation and Release Form

Local Government:	State:
Authorized Official:	
Address 1:	
Address 2:	
City, State, Zip:	
Phone:	
Email:	

The governmental entity identified above (“Local Government”), in order to obtain and in consideration for the benefits provided to the Local Government pursuant to the Settlement Agreement and Full Release of All Claims dated December 20, 2022 (“CVS Settlement”), and acting through the undersigned authorized official, hereby elects to participate in the CVS Settlement, release all Released Claims against all Releasees, and agrees as follows.

1. The Local Government is aware of and has reviewed the CVS Settlement, understands that all terms in this Participation and Release Form have the meanings defined therein, and agrees that by executing this Participation and Release Form, the Local Government elects to participate in the CVS Settlement and become a Participating Local Government as provided therein.
2. The Local Government shall immediately cease any and all litigation activities as to the Releasees and the Released Claims and, in any event within 14 days of the Effective Date of the Release and prior to the filing of the Consent Judgment, dismiss with prejudice any Released Claims that it has filed.
3. The Local Government agrees to the terms of the CVS Settlement pertaining to Local Governments as defined therein.
4. By agreeing to the terms of the CVS Settlement and becoming a Releasor, the Local Government hereby takes on all rights and obligations of a Participating Local Government as set forth in the CVS Settlement and is entitled to the benefits provided therein, including, if applicable, monetary payments beginning after the Effective Date of the Release.
5. The Local Government agrees to use any monies it receives through the CVS Settlement solely for the purposes provided therein.
6. The Local Government submits to the jurisdiction of the court in which the State of New Mexico’s Consent Judgment is filed for purposes limited to that court’s role as provided in, and for resolving disputes to the extent provided in, the CVS Settlement.
7. The Local Government has the right to enforce the CVS Settlement as provided therein.

8. The Local Government, as a Participating Local Government, hereby becomes a Releasor for all purposes in the CVS Settlement, including without limitation all provisions of Section V (Settlement of Claims, General Release, and Covenant Not to Sue), and along with all departments, agencies, divisions, boards, commissions, districts, instrumentalities of any kind and attorneys, and any person in their official capacity elected or appointed to serve any of the foregoing and any agency, person, or other entity claiming by or through any of the foregoing, and any other entity identified in the definition of Releasor, provides for a release to the fullest extent of its authority. As a Releasor, the Local Government 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 Releasee in any forum whatsoever. The releases provided for in the CVS Settlement are intended by the Parties to be broad and shall be interpreted so as to give the Releasees the broadest possible bar against any liability relating in any way to Released Claims and extend to the full extent of the power of the Local Government to release claims. The CVS Settlement shall be a complete bar to any Released Claim.
9. In connection with the releases provided for in the CVS Settlement, each Local Government 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 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 Local Government 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 Local Governments' decision to participate in the CVS Settlement.

10. The Local Government acknowledges, agrees, and understands that its allocable share of the Local Government Abatement Amount is less than or equal to the amount, in the aggregate, of the Alleged Harms allegedly suffered by the Local Government; constitutes restitution and remediation for damage or harm allegedly caused by CVS in order to restore, in whole or part, the Local Government to the same position or condition that it would be in had it not suffered the Alleged Harms; and constitutes restitution and remediation for damage or harm allegedly caused by the potential violation of a law and/or is an amount paid to come into compliance with the law.
11. Nothing herein is intended to modify in any way the terms of the CVS Settlement, to which Local Government hereby agrees. To the extent this Participation and Release Form is

interpreted differently from the CVS Settlement in any respect, the CVS Settlement controls.

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

Signature: _____

Name: _____

Title: _____

Date: _____