CITY OF MORRO BAY
CITY COUNCIL
AGENDA

The City of Morro Bay provides essential public services and infrastructure to maintain a safe, clean and healthy place for residents and visitors to live, work and play.

Regular Meeting
Tuesday, April 11, 2023 – 5:30 P.M.
Veterans Memorial Hall
209 Surf St., Morro Bay, CA

Public Participation:
Public participation is allowed in the following ways:

- *Community members may attend the meeting in person at the Morro Bay Veterans Hall.*
- *Alternatively, members of the public may watch the meeting and speak during general Public Comment or on a specific agenda item by logging in to the Zoom webinar using the information provided below. Please use the "raise hand" feature to indicate your desire to provide public comment.*

  Please click the link below to join the webinar:
  - *https://us02web.zoom.us/j/82722747698?pwd=aWZpTzcwTHlRTk9xaTlmWVNWRWFUQT09*
    Password: 135692

  - *Or Telephone Attendee: 1 (408) 638-0968 or 1 (669) 900 6833 or 1 (346) 248 7799; Webinar ID: 827 2274 7698; Password: 135692; Press * 9 to "Raise Hand" for Public Comment*

- *Members of the public may watch the meeting either on cable Channel 20 or as streamed on the City website.*
- *Community members are encouraged to submit agenda correspondence in advance of the meeting via email to the City Council at council@morrobayca.gov prior to the meeting. Agenda Correspondence received at council@morrobayca.gov by 10 a.m. on the meeting day will be posted on the City website.*

ESTABLISH QUORUM AND CALL TO ORDER
MOMENT OF SILENCE
PLEDGE OF ALLEGIANCE
RECOGNITION
CLOSED SESSION REPORT
MAYOR & COUNCILMEMBERS' REPORTS, ANNOUNCEMENTS & PRESENTATIONS
CITY MANAGER REPORTS, ANNOUNCEMENTS AND PRESENTATIONS

PRESENTATIONS

- Central Coast Community Energy (CCCE) Annual Update
- Arbor Day Proclamation

PUBLIC COMMENT

Members of the audience wishing to address the Council on City business matters not on the agenda may do so at this time. For those desiring to speak on items on the agenda, but unable to stay for the item, may also address the Council at this time.

Public comment is an opportunity for members of the public to provide input to the governing body. To increase the effectiveness of the Public Comment Period, the City respectfully requests the following guidelines and expectations be followed:

- Those desiring to speak are asked to complete a speaker slip, which are located at the entrance, and submit it to the City Clerk. However, speaker slips are not required to provide public comment.
- When recognized by the Mayor, please come forward to the podium to speak. Though not required, it is helpful if you state your name, city of residence and whether you represent a business or group. Unless otherwise established by the Mayor, comments are to be limited to three minutes.
- All remarks should be addressed to Council, as a whole, and not to any individual member thereof.
- The Council respectfully requests that you refrain from making slanderous, profane or personal remarks against any elected official, commission and/or staff.
- Please refrain from public displays or outbursts such as unsolicited applause, comments or cheering.
- Any disruptive activities that substantially interfere with the ability of the City Council to carry out its meeting will not be permitted and offenders will be requested to leave the meeting.
- Your participation in City Council meetings is welcome and your courtesy will be appreciated.
- The Council in turn agrees to abide by its best practices of civility and civil discourse according to Resolution No. 07-19.

A. CONSENT AGENDA

Unless an item is pulled for separate action by the City Council, the following actions are approved without discussion. The public will also be provided an opportunity to comment on consent agenda items.

A-1 APPROVAL OF MINUTES FOR THE MARCH 28, 2023, CITY COUNCIL SPECIAL CLOSED SESSION MEETING; (CITY CLERK)

RECOMMENDATION: Approve as submitted.

A-2 ADOPTION OF RESOLUTION NO. 17-23 INITIATING PROCEEDINGS TO LEVY THE ANNUAL ASSESSMENT FOR THE CLOISTERS PARK AND OPEN SPACE - LANDSCAPING AND LIGHTING MAINTENANCE ASSESSMENT DISTRICT; (PUBLIC WORKS DEPARTMENT)

RECOMMENDATION: Staff recommends the City Council adopt Resolution No. 17-23 ordering the preparation of an Engineer's Report detailing the expenses

projected for Fiscal Year 2023/24 for the maintenance of the Cloisters Park and Open Space under the provisions of the "Landscaping and Lighting Act of 1972."

A-3 ADOPTION OF RESOLUTION NO. 18-23 INITIATING PROCEEDINGS TO LEVY THE ANNUAL ASSESSMENT FOR THE NORTH POINT NATURAL AREA - LANDSCAPING AND LIGHTING MAINTENANCE ASSESSMENT DISTRICT; (PUBLIC WORKS DEPARTMENT)

RECOMMENDATION: Staff recommends the City Council adopt Resolution No. 18-23 ordering the preparation of an Engineer's Report detailing the expenses projected for Fiscal Year 2023/24 for the maintenance of the North Point Natural Area under the provisions of the "Landscaping and Lighting Act of 1972."

A-4 NATIONAL OPIOID SETTLEMENTS (2023) WITH SETTLING NATIONAL DEFENDANTS TEVA, ALLERGAN, WALMART, WALGREENS, AND CVS; (CITY ATTORNEY)

RECOMMENDATION: Staff recommends Council consider following actions: 1) Approve Settlement Participation Forms for the City of Morro Bay's ("City") participation in the 2023 National Opioid Settlements with Teva, Allergan, Walmart, Walgreens and CVS; 2) Approve the California State-Subdivision Agreement Regarding Distribution and Use of Settlement Funds - Teva, Allergan, Walmart, Walgreens and CVS; 3) Adopt Resolution No. 19-23 approving and authorizing the City Manager to execute the documents identified in Nos. 1 through 2 above; 4) Authorize the City Manager to carry out all necessary acts such that the City can participate in the 2023 National Opioid Settlements, including, but not limited to, the transmittal of the executed documents in Nos. 1 through 2 above; and 5) Approve disbursement of initial partial settlement funds to County (default option) while reserving option to request direct distribution of further settlement funds to City later in time.

A-5 ADOPTION OF RESOLUTION NO. 20-23 PROVIDING FOR REGULAR COUNCIL UPDATES ON OFFSHORE WIND ENERGY LEGISLATION AND DEVELOPMENT, REQUESTING PARTICIPATION IN LOCAL, STATE AND FEDERAL MEETINGS REGARDING OFFSHORE WIND ENERGY LEGISLATION AND DEVELOPMENT, AND REQUESTING NOTIFICATION AND UPDATES ON PENDING STATE AND FEDERAL LEGISLATION RELATED TO OFFSHORE WIND DEVELOPMENT OFF THE CENTRAL CALIFORNIA COAST; (INTERIM CITY MANAGER)

RECOMMENDATION: Staff recommends the City Council consider: 1) Adoption of Resolution No. 20-23 providing for regular Council updates on offshore wind energy legislation and development, requesting participation in local, state and federal meetings regarding offshore wind energy legislation and development, and requesting notification and updates on pending state and federal legislation related to offshore wind development off the Central California Coast; and 2) Authorize the Mayor to send correspondence on behalf of the Council to involved government agencies and other interested parties expressing the desires of Resolution No. 20-23; and 3) Authorize the Council Sub-Committee on Offshore Wind Energy to attend the Pacific Offshore Wind Summit in Sacramento, CA on May 8 – 10, 2023.

A-6 PROCLAMATION DECLARING APRIL 22, 2023 AS ARBOR DAY; (ADMINISTRATION)

RECOMMENDATION: Approve as submitted.

A-7 PROCLAMATION DECLARING APRIL 2023 AS SEXUAL ASSULT ACTION MONTH; (ADMINISTRATION)

RECOMMENDATION: Approve as submitted.

B. PUBLIC HEARING ITEMS

B-1 TWO "CROSS-APPEALS" FILED FOR SINGLE-FAMILY HOME APPROVAL OF COASTAL DEVELOPMENT PERMIT CDP22-025 AT 2440 LAUREL AVENUE; DESIGN CONDITIONS. CROSS-APPEALS FILED BY PERMIT APPLICANT AT 2440 LAUREL AVENUE (MURPHY) AND SITE NEIGHBOR AT 2403 NUTMEG AVENUE (METZGER); (COMMUNITY DEVELOPMENT DEPARTMENT)

RECOMMENDATION: Staff recommends the City Council adopt Resolution No. 21-23, denying both appeals and upholding the Planning Commission approval of the Coastal Development Permit CDP22-025 for removal of a dwelling and construction of a proposed new home in the R-1/S.2 Zoning District and Overlay located at 2440 Laurel Avenue.

C. BUSINESS ITEMS

C-1 LEGISLATIVE AND FUNDING ADVOCACY UPDATE; (INTERIM CITY MANAGER)

RECOMMENDATION: Staff recommends that the Council receive an informational update from The Ferguson Group regarding federal legislative and funding advocacy activities on the City's behalf and from Townsend Public Affairs regarding state legislative and funding advocacy activities on the City's behalf.

C-2 CONSIDER ADOPTION OF FY 2023-24 AND FY 2024–25 CITY COUNCIL GOALS AND ACTION ITEMS; (INTERIM CITY MANAGER/ASSISTANT CITY MANAGER)

RECOMMENDATION: Staff recommends the City Council adopt the proposed City Council goals, goals' statements, and action Items.

D. COUNCIL DECLARATION OF FUTURE AGENDA ITEMS

E. ADJOURNMENT

The next Regular Meeting will be held on **Tuesday, April 25, 2023 at 5:30 p.m.**

THIS AGENDA IS SUBJECT TO AMENDMENT UP TO 72 HOURS PRIOR TO THE DATE AND TIME SET FOR THE MEETING. PLEASE REFER TO THE AGENDA POSTED AT CITY HALL, 595 HARBOR ST, MORRO BAY, CA 93442 FOR ANY REVISIONS OR CALL THE CLERK'S OFFICE AT 805-772-6205 FOR FURTHER INFORMATION.

MATERIALS RELATED TO AN ITEM ON THIS AGENDA SUBMITTED TO THE CITY COUNCIL AFTER DISTRIBUTION OF THE AGENDA PACKET ARE AVAILABLE FOR PUBLIC INSPECTION UPON REQUEST BY CALLING THE CITY CLERK'S OFFICE AT 805-772-6205.

IN COMPLIANCE WITH THE AMERICANS WITH DISABILITIES ACT, IF YOU NEED SPECIAL ASSISTANCE TO PARTICIPATE IN A CITY MEETING, PLEASE CONTACT THE CITY CLERK'S OFFICE AT LEAST 24 HOURS PRIOR TO THE MEETING TO INSURE REASONABLE ARRANGEMENTS CAN BE MADE TO PROVIDE ACCESSIBILITY TO THE MEETING.

MINUTES - MORRO BAY CITY COUNCIL
SPECIAL CLOSED SESSION MEETING –
MARCH 28, 2023 – 3:00 P.M.
CITY HALL CONFERENCE ROOM

AGENDA NO: A-1

MEETING DATE: April 11, 2023

PRESENT:	Carla Wixom	Mayor
	Laurel Barton	Council Member
	Cyndee Edwards	Council Member
	Jennifer Ford	Council Member
	Zara Landrum	Council Member
ABSENT:	None	
STAFF:	Greg Carpenter	Interim City Manager
	Chris Neumeyer	City Attorney
	Ted Schiafone	Harbor Director
	Scot Graham	Community Development Director
	Greg Kwolek	Public Works Director
	Joe Pannone	Special Counsel

ESTABLISH QUORUM AND CALL TO ORDER
Mayor Wixom called the meeting to order at 3:01 p.m. with all members present.

SUMMARY OF CLOSED SESSION ITEMS – The Mayor read a summary of Closed Session items.

CLOSED SESSION PUBLIC COMMENT – Mayor Wixom opened public comment for items on the agenda.

Todd and Tamara Baston, Morro Bay Paddle Sports, described their proposed project and requested the Council approve a Consent of Landowner.

Sean Green, Morro Bay, expressed interest in all expired or expiring lease sites within the Tidelands Trust perimeter and urged the City to fully implement the updated Lease Management Policy by issuing Requests for Proposals (RFP) on all lease sites nearing the end of their term. He requested the Council reopen the RFP for Libertine if the tenant failed to meet the deadlines.

The public comment period was closed.

The City Council moved to Closed Session and heard the following items:

CS-1 CONFERENCE WITH REAL PROPERTY NEGOTIATOR - GOVERNMENT CODE SECTION 54956.8

Property:	Lease Site 62/62W, 551 Embarcadero, Morro Bay Paddle Sports
Property Negotiator:	Todd and Tamara Baston
Agency Negotiators:	Ted Schiafone, Harbor Director; Greg Carpenter, Interim City Manager; Chris Neumeyer, City Attorney; and Joe Pannone, Special Counsel
Negotiation:	Price and Terms of Payment

CS-2 CONFERENCE WITH REAL PROPERTY NEGOTIATOR - GOVERNMENT CODE SECTION 54956.8

Property:	Lease Site 86/86W, 801 Embarcadero, The Libertine Pub
Property Negotiator:	Eric Newton
Agency Negotiators:	Ted Schiafone, Harbor Director; Greg Carpenter, Interim City Manager; Chris Neumeyer, City Attorney; and Joe Pannone, Special Counsel
Negotiation:	Price and Terms of Payment

CS-3 CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION

Significant exposure to litigation pursuant to Government Code subdivision 54956.9(d)(2): One Matter regarding the potential use of the easement over Toro Lane for a bike path connecting Cayucos and Morro Bay

CS-4 PUBLIC EMPLOYEE PERFORMANCE EVALUATION

Conduct an employee evaluation of City Attorney pursuant to Government Code section 54957

RECONVENE IN OPEN SESSION – The City Council reconvened in Open Session. The Council did not take any reportable action in accordance with the Brown Act.

ADJOURNMENT - The meeting adjourned at 4:55 p.m.

Recorded by:

Dana Swanson
City Clerk

AGENDA NO:	**A-2**
MEETING DATE:	**April 11, 2023**

Staff Report

TO: **Honorable Mayor and City Council** **DATE: April 4, 2023**

FROM: **Eric Riddiough, P.E. - City Engineer**

SUBJECT: **Adoption of Resolution No. 17-23 Initiating Proceedings to Levy the Annual Assessment for the Cloisters Park and Open Space - Landscaping and Lighting Maintenance Assessment District**

RECOMMENDATION

Staff recommends the City Council adopt Resolution No. 17-23 ordering the preparation of an Engineer's Report detailing the expenses projected for Fiscal Year 2023/24 for the maintenance of the Cloisters Park and Open Space under the provisions of the "Landscaping and Lighting Act of 1972."

ALTERNATIVE

Staff does not recommend any alternatives to the recommendation.

FISCAL IMPACT

When approved by City Council, the FY2023/24 assessments are estimated to provide $148,944 for the maintenance of the Cloisters Park and Open space totaling 34 acres.

BACKGROUND

On September 23, 1996, the City Council passed Resolution No. 69-96, which approved the final map for Tract 1996, known as the Cloisters Sub-division, consisting of 124 lots. With that approval, the City Council accepted lots 121 and 122 of the Cloisters subdivision, 34 acres of open space and organized park. Prior to the acceptance of the final map and pursuant to the Conditions of Approval, an assessment district was formed to cover the cost of maintenance of the parkland and open space. The assessment district formation proceedings began in August 1996 and concluded with the final public hearing for formation on September 23, 1996, which levied an annual assessment of $148,944 for the maintenance of the 34 acres of parkland and open space.

After the initial formation of the assessment district, each year thereafter, for the assessment to continue, the City must adopt a series of three resolutions to confirm the levy of assessment for the upcoming fiscal year. The first resolution, which is the one being proposed by this staff report,

Prepared By:	***ER***	**Dept Review:**	**GK**
City Manager Review:	**__GC ___**	**City Attorney Review:**	**__CFN __**

initiates the annual levy process and orders the preparation of an Engineer's Report; the second resolution approves the Engineer's Report and notices the intent to levy the assessment; and the third resolution levies the assessment for the upcoming fiscal year.

DISCUSSION

After the adoption of Resolution No. 17-23, which initiates the proceedings to levy the annual assessment, an Engineer's Report will be prepared for review, modification, acceptance or rejection at the May 9, 2023 City Council meeting. At that meeting there will be a resolution for consideration declaring the City Council's intent to levy and collect the assessment. That Resolution will list the improvements, name the district and give its general location; it also refers to the proposed assessment and gives notice of the time and place for a meeting regarding the levy of the continuing assessment. The Government Code states the third and final meeting must be noticed in accordance with Sections 22500 *et seq*. of the California Streets and Highways Code and is tentatively scheduled for June 27, 2023.

The Cloisters Landscaping and Lighting Maintenance Assessment District is a separate fund from all other City funds and can only be utilized for improvements within the District. Once set, the annual assessment is transmitted to the County Auditor for recording on the County assessment role. The assessment amount then appears on the parcel owner's annual property tax bill.

In conformance with Proposition 218, The Right to Vote on Taxes Act, passed in 1996 by the voters in the State of California, the Cloisters Landscaping and Lighting Maintenance Assessment District was approved, at that time, by one hundred percent (100%) of the owners for which the assessment is to be levied. All property owners were fully apprised of the costs and benefits associated with the district, prior to its approval by them.

CONCLUSION

Resolution No. 17-23 has been prepared for City Council review and adoption. The Resolution serves as the initiation of the annual assessment proceedings and orders the preparation of the Annual Engineer's Report detailing the proposed costs for the maintenance of the Cloisters Park and Open Space, for purposes of assessing property owners of lots located within the bounds of Tract Map No. 1996 (excluding the City's property). The Resolution also gives notice of review and acceptance, modification, or rejection, of the Engineer's Report by City Council, scheduled for the May 9, 2023, Council meeting.

ATTACHMENT

1. Proposed Resolution No. 17-23

RESOLUTION NO. 17-23

**RESOLUTION OF THE CITY COUNCIL
OF THE CITY OF MORRO BAY, CALIFORNIA
INITIATING PROCEEDINGS TO LEVY THE ANNUAL ASSESSMENT
FOR CLOISTERS LANDSCAPING AND LIGHTING
MAINTENANCE ASSESSMENT DISTRICT PURSUANT TO THE
"LANDSCAPING AND LIGHTING ACT OF 1972"
(STREETS AND HIGHWAYS SECTIONS 22500 *ET SEQ.*)**

**T H E C I T Y C O U N C I L
City of Morro Bay, California**

WHEREAS, the City Council has placed certain conditions on the development of Tract 1996, The Cloisters, requiring formation of a property Maintenance Assessment District encompassing and coterminous with the proposed subdivision to provide for the maintenance of a public park, bicycle pathway, right-of-way landscaping, coastal access ways, ESH restoration area, and other common area improvements to be held by or dedicated to the City of Morro Bay as required by City Ordinance; and,

WHEREAS, those conditions are more specifically identified in Vesting Tentative Tract Map (condition 10e) and Precise Plan (condition 2c) as required by City Ordinance; and

WHEREAS, the owners of the real property within the proposed district (the "Owners") consented in writing to the formation of the district pursuant to the Landscaping and Lighting Act of 1972 (Streets and Highways Code sections 22500 *et seq*.) (the "Act"), and are the only owners of property to be subject to assessments within the district; and

WHEREAS, the Owners offered, in fee and in perpetuity, Lot 121 (Parcel 1) and Lot 122 of Tract 1996, and the City has accepted that Offer of Dedication; provided, that the costs of maintenance thereof, are borne by an assessment district as required by the Conditions of Approval of the project; and

WHEREAS, one hundred percent of the property owners, at the time of the subdivision of the land, approved formation of the district to assure conformance with the "Right to Vote on Taxes Act" (Proposition 218, California Constitution Act XIII C & D); and

WHEREAS, subsequent owners of the lots within the subdivision have received constructive notice of the existence of the assessment district through the real estate disclosures, title report process, and publicly available records.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Morro Bay:

1. The City Council of the City of Morro Bay hereby declares its intent to initiate the proceedings to levy and collect assessments pursuant to the Act.

2. The improvements to be subject to assessment for maintenance by such District shall include those enumerated in the conditions of project approval and in Section 22525 of the Act, which were installed by the developer as a condition of approval of Tract 1996; pursuant to the Final Improvement Plans for the Cloisters Project as approved by the City.

3. The Assessment District is a District located in the City of Morro Bay, County of San Luis Obispo. A map showing the boundaries of the District is attached as Exhibit A which is hereby incorporated herein.

4. An Engineer's Report, detailing the proposed costs for the maintenance of the Cloisters Park and Open Space, will be prepared for consideration by the City Council at the May 9, 2023, meeting and that date is set to review and accept, modify, or reject that report.

5. This District is called the "Cloisters Landscaping and Lighting Maintenance Assessment District."

PASSED AND ADOPTED by the City Council of the City of Morro Bay at a regular meeting thereof held on the 11th day of April 2023 by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:
RECUSED:

_____
CARLA WIXOM, Mayor

ATTEST:

_____
DANA SWANSON, City Clerk

EXHIBIT A

CLOISTERS
LANDSCAPING AND LIGHTING
MAINTENANCE ASSESSMENT DISTRICT

DISTRICT BOUNDARY DIAGRAM

The boundary diagrams for the District have previously been submitted to the City Clerk in the format required under the 1972 Act and, by reference, are hereby made part of this Report. The boundary diagrams are available for inspection at the office of the City Clerk during normal business hours. The following diagram provides an overview of the District.

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AGENDA NO: A-3
MEETING DATE: April 11, 2023

Staff Report

TO: **Honorable Mayor and City Council** **DATE: April 4, 2023**

FROM: **Eric Riddiough, P.E. – City Engineer**

SUBJECT: **Adoption of Resolution No. 18-23 Initiating Proceedings to Levy the Annual Assessment for the North Point Natural Area - Landscaping and Lighting Maintenance Assessment District**

RECOMMENDATION

Staff recommends the City Council adopt Resolution No. 18-23 ordering the preparation of an Engineer's Report detailing the expenses projected for Fiscal Year 2023/24 for the maintenance of the North Point Natural Area under the provisions of the "Landscaping and Lighting Act of 1972."

ALTERNATIVE

Staff does not recommend any alternative direction.

FISCAL IMPACT

If approved by Council, the FY2023/24 assessments are estimated to provide $5,645 for the maintenance of the North Point Natural Area.

BACKGROUND

On June 27, 1994, the City Council accepted Lot 11 of the North Point subdivision and accepted the final map for Tract 2110. As per the conditions of approval, a Landscaping and Lighting Maintenance Assessment District was formed for the ongoing maintenance of the 1.3-acre natural area. The area includes a non-irrigated meadow area, decomposed granite and asphalt walkways, stairway/beach access, parking lot, drip irrigation system, public access signage and parking lot.

On December 9, 1996, the City Council adopted Resolution No. 89-96, which ordered the formation of the North Point Landscaping and Lighting Maintenance Assessment District and confirmed the yearly assessment of $5,645. On January 13, 1997, the City Council adopted Resolution No. 01-97, which approved and accepted the on- and off-site improvements for Tract 2110. By adoption of Resolution No. 01-97, the City officially started the maintenance of the North Point Natural Area.

After the initial formation of the assessment district, each year, for the assessment to continue,

Prepared By: ER	Dept Review: __GK___
City Manager Review: __GC __	City Attorney Review: __ CFN____

the City must adopt a series of three resolutions to confirm the levy of assessment for the upcoming fiscal year. The first resolution, which is the one being proposed by this staff report, initiates the annual levy process and orders the preparation of an Engineer's Report; the second resolution approves the Engineer's Report and notices the intent to levy the assessment; and the third resolution levies the assessment for the upcoming fiscal year.

DISCUSSION

Upon adoption of Resolution No. 18-23, which initiates the proceedings to levy the annual assessment, an Engineer's Report will be prepared for review, modification, acceptance or rejection at the May 9, 2023 City Council meeting. At that meeting will be a resolution for consideration declaring the City Council's intent to levy and collect the assessment. That Resolution will list the improvements, names the district and gives its general location; it also refers to the proposed assessment and gives notice of the time and place for a meeting regarding the levy of the continuing assessment. The Government Code states the third and final meeting must be noticed in accordance with Sections 22500 *et seq.* of the California Streets and Highways Code and is tentatively scheduled for June 27, 2023.

The North Point Natural Area Landscaping and Lighting Maintenance Assessment District is a separate fund from all other City funds and can only be expended for improvements authorized for the District. Once set, the annual assessment is transmitted to the County Auditor for recordation on the County assessment role. The assessment amount then appears on the parcel owner's annual property tax bill.

In conformance with Proposition 218, "The Right to Vote on Taxes Act," passed in 1996 by the voters in the State of California, the North Point Natural Area Landscaping and Lighting Maintenance Assessment District was approved, at that time, by one hundred percent (100%) of the owners for which the assessment is to be levied. All property owners were fully apprised of the costs and benefits associated with the district, prior to its approval by them.

CONCLUSION

Resolution No. 18-23 has been prepared for City Council review and adoption. The Resolution serves as the initiation to the annual assessment proceedings and orders an Engineer's Report detailing the proposed costs for the maintenance of the North Point Natural Area, for purposes of assessing private property owners of Tract Map No. 2110 (excluding the City's property). The Resolution also gives notice of review and acceptance, modification or rejection, of the Engineer's Report, scheduled for the May 9, 2023, Council meeting.

ATTACHMENT

1. Proposed Resolution No. 18-23

RESOLUTION NO. 18-23

**RESOLUTION OF THE CITY COUNCIL
OF THE CITY OF MORRO BAY, CALIFORNIA
INITIATING PROCEEDINGS TO LEVY THE ANNUAL ASSESSMENT
FOR THE NORTH POINT NATURAL AREA LANDSCAPING AND LIGHTING
MAINTENANCE ASSESSMENT DISTRICT PURSUANT TO THE
"LANDSCAPING AND LIGHTING ACT OF 1972"
(STREETS AND HIGHWAYS SECTIONS 22500 *ET SEQ.*)**

**T H E C I T Y C O U N C I L
City of Morro Bay, California**

WHEREAS, the City placed certain conditions on the development of Tract 2110 "North Point," requiring formation of a property Landscaping and Lighting Maintenance Assessment District encompassing and coterminous with the proposed subdivision to provide for the maintenance of a natural area, parking lot, landscaping, decomposed granite and asphalt walkways, and coastal access stairway and other common area improvements to be held by or dedicated to the City of Morro Bay; and

WHEREAS, those conditions are more specifically identified in the Precise Plan (condition F1-F7) related to North Point; and

WHEREAS, the owners of the real property within the proposed district (the "Owners") consented to the formation of the district pursuant to the Landscaping and Lighting Act of 1972 (Streets and Highways Code sections 22500 *et seq*.) (the "Act"), and are the only owners of property to be subject to assessments within the district; and

WHEREAS, the Owners offered, in fee and in perpetuity, Lot 11 of Tract 2110, and the City accepted that Offer of Dedication; provided, that the cost of maintenance, thereof, would be borne by an assessment district as required by the Conditions of Approval of North Point; and

WHEREAS, one hundred percent of the property owners, at the time of the subdivision of the land, approved formation of the District to assure conformance with the "Right to Vote on Taxes Act" (Proposition 218, California Constitution Act XIII, C & D); and

WHEREAS, subsequent owners of the lots within the subdivision have received constructive notice of the existence of the assessment district through the real estate disclosures, title report process, and publicly available records.

NOW THEREFORE, BE IT RESOLVED by the City Council of the City of Morro Bay, California:

1. The City Council of the City of Morro Bay hereby declares its intent to initiate the proceedings to levy and collect assessments pursuant to the Act.

2. The improvements to be subject to assessment for maintenance by the District shall include those enumerated in the conditions of approval of North Point and in Section 22525 of the Act, which were installed by the developer as a condition of approval of Tract 2110 or which are hereafter installed by developer; pursuant to the Final Improvement Plans for North Point as approved by the City.

3. The Assessment District is a District located in the City of Morro Bay, County of San Luis Obispo. A map showing the boundaries of the proposed District is attached as Exhibit A which is hereby incorporated herein.

4. An Engineer's Report will be prepared for consideration at the May 9, 2023, City Council meeting and that date is set to review and accept or reject that report.

PASSED AND ADOPTED by the City Council of the City of Morro Bay at a regular meeting thereof held on the 11th day of April 2023 by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:
RECUESE:

_____
CARLA WIXOM, Mayor

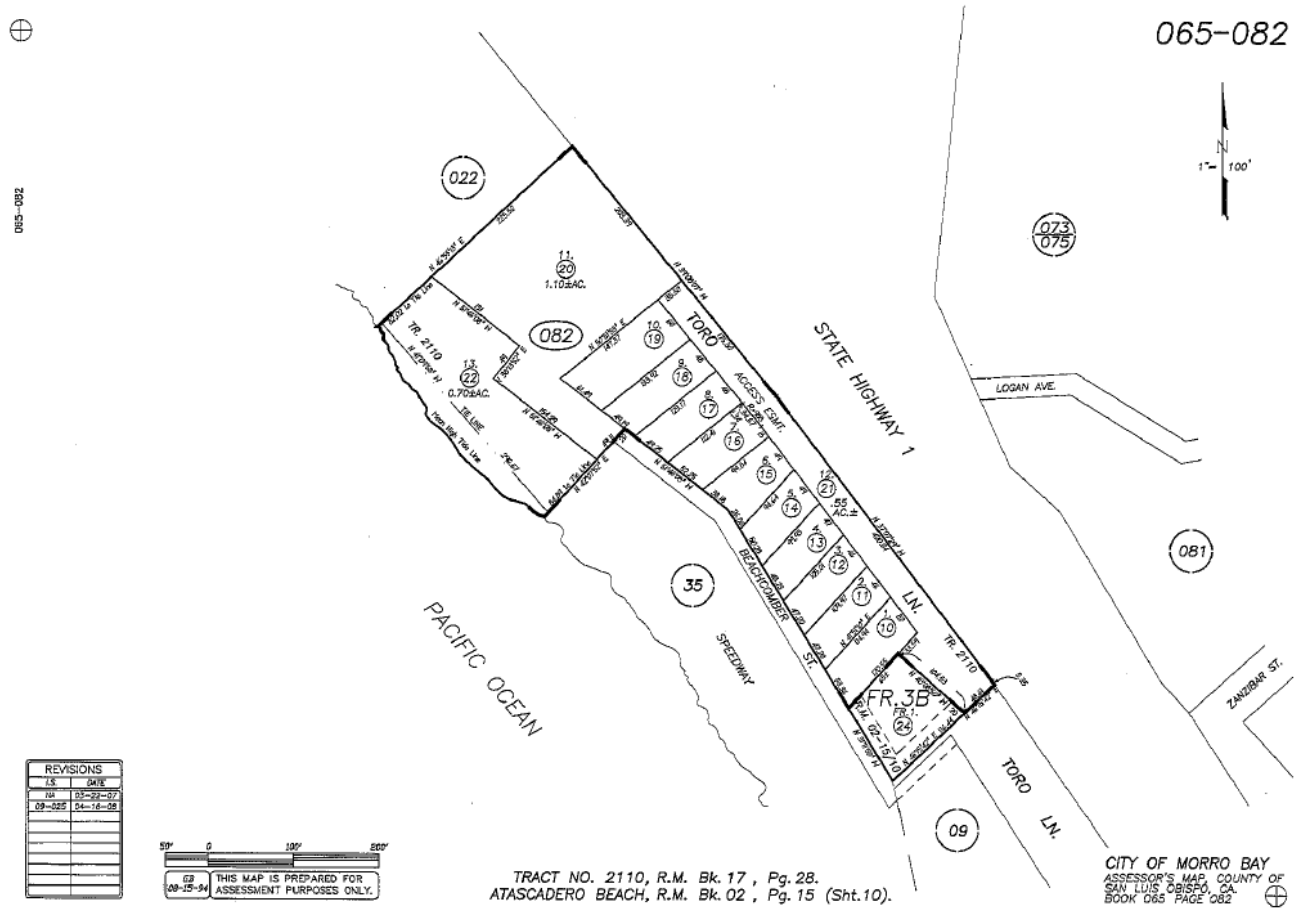
ATTEST:

_____
DANA SWANSON, City Clerk

Exhibit A

DISTRICT BOUNDARY DIAGRAM

The boundary diagrams for the District have previously been submitted to the City Clerk in the format required under the Act and, by reference are hereby made part of this Report. The boundary diagrams are available for inspection at the office of the City Clerk during normal business hours. The following diagram provides an overview of the District.



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AGENDA NO: A-4

MEETING DATE: April 11, 2023

Staff Report

TO: **Honorable Mayor and City Council** **DATE: April 3, 2023**

FROM: **Chris F. Neumeyer, City Attorney**

SUBJECT: **National Opioid Settlements (2023) with Settling National Defendants Teva, Allergan, Walmart, Walgreens, and CVS**

RECOMMENDATION

Staff recommends Council consider following actions:

1. Approve Settlement Participation Forms for the City of Morro Bay's ("City") participation in the 2023 National Opioid Settlements with Teva, Allergan, Walmart, Walgreens and CVS

2. Approve the California State-Subdivision Agreement Regarding Distribution and Use of Settlement Funds - Teva, Allergan, Walmart, Walgreens and CVS

3. Adopt Resolution No. 19-23 approving and authorizing the City Manager to execute the documents identified in Nos. 1 through 2 above.

4. Authorize the City Manager to carry out all necessary acts such that the City can participate in the 2023 National Opioid Settlements, including, but not limited to, the transmittal of the executed documents in Nos. 1 through 2 above.

5. Approve disbursement of initial partial settlement funds to County (default option) while reserving option to request direct distribution of further settlement funds to City later in time.

ALTERNATIVES

1. Do not approve settlement agreements and related items. While unlikely City would pursue litigation unilaterally, preserves option of City to file own lawsuit.

2. Elect to have settlement monies distributed directly to City rather than County. Not recommended as the use of settlement funds is restricted and City reasonably does not have the infrastructure, resources and personnel to immediately and directly use the settlement funds in compliance with the settlements. Furthermore, direct receipt of the funds requires extensive annual reporting obligations and possible audits.

FISCAL IMPACT

Approval of settlement agreements will provide it is estimated by the County of approximately

Prepared By: __CFN ___ **Dept Review: _____**

City Manager Review: _GC _ _ **City Attorney Review: _ CFN_____**

$252,000 over 6-15 years for City's share.

BACKGROUND

In 2021, the City entered into settlement agreements with pharmaceutical distributors McKesson Corporation, Cardinal Health, Inc., and AmerisourceBergen Corporation, as well as pharmaceutical manufacturers Johnson & Johnson, Janssen Pharmaceuticals, Inc., Ortho-McNeil-Janssen Pharmaceuticals, Inc., and Janssen Pharmaceutica, Inc. (collectively, the "2021 Settling Defendants"). These agreements were part of a nationwide settlement from 2021 totaling about $26 billion and Morro Bay's share was about $322,000. The City Council opted then to default distribute (at least initially) settlement funds to the County.

The 2021 settlement agreement related to litigation (the City was not a party to this litigation) by various states, cities, and counties (including County of San Luis Obispo) relating to the 2021 Settling Defendants' manufacture and distribution of opioids and, in particular, the impact of such activities upon the national opioid epidemic ("2021 National Opioids Settlement).

Various states, counties, and cities have since that time continued litigation with pharmaceutical manufacturers Teva Pharmaceutical Ltd. and Allergan Finance, LLC / Allergan Limited, as well as national pharmacies Walmart, Inc., Walgreen Co., and CVS Health Corporation / CVS Pharmacy, Inc. (collectively, the "2023 Settling Defendants").

The litigation concerns (like the litigation involving the 2021 Settling Defendants) the distribution and manufacture of opioids that have contributed to the opioid addiction epidemic in the United States. Tentative settlements have been reached with the 2023 Settling Defendants ("2023 National Opioids Settlements"). The 2023 National Opioids Settlements (attached by hyperlink, see below in attachments list) are very detailed and total about 300-500 pages each.

Council approval and authorization for execution, submission, and receipt of all required documents to participate in the settlements must be completed before April 18, 2023. In order for the settlements to be finalized a "critical mass" of participation must be achieved. At this point in time a critical mass of settling parties has not been achieved though it is anticipated prospectively it will be.

DISCUSSION

1. Settlement Amounts and Release

Assuming there is a critical mass to proceed, the payout amounts under the settlements with the 2023 Settling Defendants is contingent upon various factors, including the number of states, cities, and counties participating. Similar to the 2021 Settlement Agreements, the more local agencies that participate, the more funds will be available to California communities.

With respect to the settlement funds, the 2023 Settlement Agreements could provide up to approximately $20 billion nationwide, and up to approximately $1.8 billion to California. This amount assumes maximum participation. Local government support and sign-on is required to maximize the amount going to local communities.

According to the County, below is maximum allocations to the County and local cities:

- San Luis Obispo County = $10.28 million
- Arroyo Grande = $302,400

- Atascadero = $365,400
- Paso Robles = $541,800
- Grover Beach = $214,200
- Morro Bay = $252,000
- City of San Luis Obispo = $970,200

If the City joins the settlements, its allocation of abatement funds will go to the County to administer if the City does not affirmatively elect to have the funds sent directly to the City to administer. The City's share of this amount is approximately $252,000, which is distributed over a 6 to 15 year period depending on the specific settlement agreement. It must be emphasized that this amount is an estimate of what the City may receive and assumes a best-case scenario where all local agencies participate. The actual amount will not be known until the process has completed.

By participating in the 2023 National Opioid Settlements, the City would be agreeing to a very broad release of claims relating in any way to opioids against the 2023 Settling Defendants, which includes both known and unknown claims. However, not participating, and litigating on its own, would require expenditure of City funds for such a project and legal action from the City.

2. Restrictions on Use of Settlement Funds and Reporting / Tracking Requirements

Similar to the 2021 Settlement Agreements, the use of the funds is restricted to opioid remediation (e.g., addiction treatment programs). Use of the funds also requires strict accounting requirements.

The 2023 National Opioids Settlements will allow for a range of approved abatement uses, which includes a range of intervention, treatment, education, and recovery services. For example, a city or county could use funds to support overdose treatment, wrap around programs like housing and training, and criminal justice initiatives like pre-trial diversion treatment programs. At least 50% of the abatement funds received by the local entity must also be used towards a narrower list of state designated "High Impact Abatement Activities" identified in the settlements.

There are significant public reporting and tracking requirements on the expenditures for such funds. For example, the settlements require the following reporting and tracking: 1) Preparation of annual written reports regarding the use of the funds. This report must include a certification that all funds received has been used in compliance with the settlement agreements. This report must be in a form that is approved by the California Department of Health Care Services ("DHCS"); 2) The City would be required to track all deposits and expenditures; and, 3) Funds not used for a permitted purpose must be identified and included in the annual report (including any attorneys' fees, investigation costs, or litigation costs).

3. Distribution of Settlement Funds

If the City participates, the funds will automatically be allocated to the County, unless the City opts to receive the funds directly. The City may later in time request direct payment to City (rather than default to the County). If the City does not participate at all, then the City's share goes to the State of California.

Staff recommends that the City (at least initially) default its funds to the County (rather than receive funds directly or default the funds to the State of California). The use of settlement funds is restricted

and the City reasonably does not have the infrastructure, resources and personnel to immediately and directly use the settlement funds in compliance with the settlements. Furthermore, direct receipt of the funds requires extensive annual reporting obligations and possible audits. Prospectively upon further review and analysis on potential future direct municipal use of the funds the City may opt to receive funds directly.

If the City elects to receive direct distribution, and does not apply the funds to the County, then the following enforcement requirements apply to the City: 1) If DHCS believes that the use of settlement funds is inconsistent with the requirements, it must meet and confer with subdivision (i.e., the City), and if not resolved, DHCS may perform an audit; 2) If the issue is not resolved, DHCS can bring a motion or action in court to resolve the concern or to enforce the terms of the settlement agreement/state-allocation agreement; and, 3) There are also time limits on expenditure where money not expended or encumbered within 5 years of receipt must be transferred to the State.

CONCLUSION

Staff recommends Council consider approving the various settlement agreements, approving the accompanying Resolution No. 19-23 authorizing the City Manager to execute all documentation necessary to participate in the 2023 National Opioid Settlements, authorizing City Manager to carry out all necessary acts such that the City can participate in the National Opioid Settlements, and approving disbursement of funds (at least initially) to the County.

ATTACHMENTS

1. Settlement Participation Form for the City's participation in the National Opioid Settlement with Teva Pharmaceutical Ltd., Allergan Finance, LLC / Allergan Limited, Walmart, Inc., Walgreen Co., and CVS Health Corporation / CVS Pharmacy, Inc.
2. Proposed California State-Subdivision Agreement Regarding Distribution and Use of Settlement Funds - Allergan Finance, LLC / Allergan Limited, Teva Pharmaceutical Ltd., Walgreen Co., Walmart, Inc., and CVS Health Corporation / CVS Pharmacy, Inc.
3. Resolution No. 19-23 authorizing the City Manager to execute the documents identified above in 1 & 2
4. Teva Pharmaceutical Ltd. Settlement Agreement at https://nationalopioidsettlement.com/wp-content/uploads/2022/12/Final-Teva-Global-Settlement-Agreement-and-Exhibits_12-20-22.pdf
5. Allergan Finance, LLC and Allergan Limited Settlement Agreement at https://nationalopioidsettlement.com/wp-content/uploads/2022/12/Final-Allergan-Global-Agreement-and-Exhibits_12-20-22.pdf
6. Walmart, Inc. Settlement Agreement at https://nationalopioidsettlement.com/wp-content/uploads/2022/12/Walmart-Settlement-Agreement-2022.12.02_FINAL.pdf
7. Walgreen Co. Settlement Agreement at https://nationalopioidsettlement.com/wp-content/uploads/2022/12/Walgreens-Multistate-Agreement-and-Exhibits.pdf
8. CVS Health Corporation and CVS Pharmacy, Inc. Settlement Agreement at https://nationalopioidsettlement.com/wp-content/uploads/2022/12/2022-12-09-CVS-Global-Settlement-Agreement-with-Exhibits.pdf

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EXHIBIT K
Subdivision and Special District Settlement Participation Form

Will your subdivision or special district be signing the settlement participation forms for the Allergan and Teva Settlements at this time?

[ ] Yes [ ] No

Governmental Entity: Morro Bay city	State: CA
Authorized Signatory:	
Address 1:	
Address 2:	
City, State, Zip:	
Phone:	
Email:	

The governmental entity identified above ("*Governmental Entity*"), in order to obtain and in consideration for the benefits provided to the Governmental Entity pursuant to the Agreement dated November 22, 2022 ("*Allergan Settlement*"), and acting through the undersigned authorized official, hereby elects to participate in the Allergan Settlement, release all Released Claims against all Released Entities, and agrees as follows.

1. The Governmental Entity is aware of and has reviewed the Allergan Settlement, understands that all terms in this Election and Release have the meanings defined therein, and agrees that by this Election, the Governmental Entity elects to participate in the Allergan Settlement as provided therein.

2. Following the execution of this Settlement Participation Form, the Governmental Entity shall comply with Section III.B of the Allergan Settlement regarding Cessation of Litigation Activities.

3. The Governmental Entity shall, within fourteen (14) days of the Reference Date and prior to the filing of the Consent Judgment, file a request to dismiss with prejudice any Released Claims that it has filed. With respect to any Released Claims pending in *In re National Prescription Opiate Litigation*, MDL No. 2804, the Governmental Entity authorizes the MDL Plaintiffs' Executive Committee to execute and file on behalf of the Governmental Entity a Stipulation of Dismissal With Prejudice substantially in the form found at https://nationalopioidsettlement.com.

4. The Governmental Entity agrees to the terms of the Allergan Settlement pertaining to Subdivisions and Special Districts as defined therein.

5. By agreeing to the terms of the Allergan Settlement and becoming a Releasor, the Governmental Entity is entitled to the benefits provided therein, including, if applicable, monetary payments beginning after the Effective Date.

6. The Governmental Entity agrees to use any monies it receives through the Allergan Settlement solely for the purposes provided therein.

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7. The Governmental Entity submits to the jurisdiction of the court in the Governmental Entity's state where the 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 Allergan Settlement.

8. The Governmental Entity has the right to enforce the Allergan Settlement as provided therein.

9. The Governmental Entity, as a Participating Subdivision or Participating Special District, hereby becomes a Releasor for all purposes in the Allergan Settlement, including, but not limited to, all provisions of **Section V (Release)**, and along with all departments, agencies, divisions, boards, commissions, Subdivisions, districts, instrumentalities of any kind and attorneys, and any person in their official capacity whether elected or appointed to serve any of the foregoing and any agency, person, or other entity claiming by or through any of the foregoing, 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 Governmental Entity hereby absolutely, unconditionally, and irrevocably covenants not to bring, file, or claim, or to cause, assist in bringing, or permit to be brought, filed, or claimed, or to otherwise seek to establish liability for any Released Claims against any Released Entity in any forum whatsoever. The releases provided for in the Allergan Settlement are intended to be broad and shall be interpreted so as to give the Released Entities the broadest possible bar against any liability relating in any way to Released Claims and extend to the full extent of the power of the Governmental Entity to release claims. The Allergan Settlement shall be a complete bar to any Released Claim.

10. The Governmental Entity hereby takes on all rights and obligations of a Participating Subdivision or Participating Special District as set forth in the Allergan Settlement.

11. In connection with the releases provided for in the Allergan Settlement, each Governmental Entity 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 Governmental Entity 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 Governmental Entities' decision to participate in the Allergan Settlement.

12. Nothing herein is intended to modify in any way the terms of the Allergan Settlement, to which the Governmental Entity hereby agrees. To the extent this Settlement Participation Form is interpreted differently from the Allergan Settlement in any respect, the Allergan Settlement controls.

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I have all necessary power and authorization to execute this Settlement Participation Form on behalf of the Governmental Entity.

Signature: _____

Name: _____

Title: _____

Date: _____

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Exhibit K
Subdivision and Special District Settlement Participation Form

Governmental Entity: Morro Bay city	State: CA
Authorized Signatory:	
Address 1:	
Address 2:	
City, State, Zip:	
Phone:	
Email:	

The governmental entity identified above ("*Governmental Entity*"), in order to obtain and in consideration for the benefits provided to the Governmental Entity pursuant to the Agreement dated November 22, 2022 ("*Teva Settlement*"), and acting through the undersigned authorized official, hereby elects to participate in the Teva Settlement, release all Released Claims against all Released Entities, and agrees as follows.

1. The Governmental Entity is aware of and has reviewed the Teva Settlement, understands that all terms in this Election and Release have the meanings defined therein, and agrees that by this Election, the Governmental Entity elects to participate in the Teva Settlement as provided therein.

2. Following the execution of this Settlement Participation Form, the Governmental Entity shall comply with Section III.B of the Teva Settlement regarding Cessation of Litigation Activities.

3. The Governmental Entity shall, within 14 days of the Reference Date and prior to the filing of the Consent Judgment, file a request to dismiss with prejudice any Released Claims that it has filed. With respect to any Released Claims pending in In re National Prescription Opiate Litigation, MDL No. 2804, the Governmental Entity authorizes the Plaintiffs' Executive Committee to execute and file on behalf of the Governmental Entity a Stipulation of Dismissal With Prejudice substantially in the form found at https://nationalopioidsettlement.com.

4. The Governmental Entity agrees to the terms of the Teva Settlement pertaining to Subdivisions as defined therein.

5. By agreeing to the terms of the Teva Settlement and becoming a Releasor, the Governmental Entity is entitled to the benefits provided therein, including, if applicable, monetary payments beginning after the Effective Date.

6. The Governmental Entity agrees to use any monies it receives through the Teva Settlement solely for the purposes provided therein.

7. The Governmental Entity submits to the jurisdiction of the court in the Governmental Entity's state where the 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 Teva Settlement.

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8. The Governmental Entity has the right to enforce the Teva Settlement as provided therein.

9. The Governmental Entity, as a Participating Subdivision or Participating Special District, hereby becomes a Releasor for all purposes in the Teva Settlement, including but not limited to all provisions of Section V (Release), 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 Governmental Entity hereby absolutely, unconditionally, and irrevocably covenants not to bring, file, or claim, or to cause, assist or permit to be brought, filed, or claimed, or to otherwise seek to establish liability for any Released Claims against any Released Entity in any forum whatsoever. The releases provided for in the Teva Settlement are intended by Released Entitles and the Governmental Entity to be broad and shall be interpreted so as to give the Released Entities the broadest possible bar against any liability relating in any way to Released Claims and extend to the full extent of the power of the Governmental Entity to release claims. The Teva Settlement shall be a complete bar to any Released Claim.

10. The Governmental Entity hereby takes on all rights and obligations of a Participating Subdivision or Participating Special District as set forth in the Teva Settlement.

11. In connection with the releases provided for in the Teva Settlement, each Governmental Entity 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 Governmental Entity 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 Governmental Entities' decision to participate in the Teva Settlement.

12. Nothing herein is intended to modify in any way the terms of the Teva Settlement, to which Governmental Entity hereby agrees. To the extent this Election and Release is interpreted differently from the Teva Settlement in any respect, the Teva Settlement controls.

I have all necessary power and authorization to execute this Election and Release on behalf of the Governmental Entity.

Signature: _____

Name: _____

Title: _____

Date: _____

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EXHIBIT K

Subdivision Participation and Release Form

Will your subdivision or special district be signing the settlement participation form for the CVS Settlement at this time?

[ ] Yes [ ] No

Governmental Entity: Morro Bay city	State: CA
Authorized Signatory:	
Address 1:	
Address 2:	
City, State, Zip:	
Phone:	
Email:	

The governmental entity identified above ("*Governmental Entity*"), in order to obtain and in consideration for the benefits provided to the Governmental Entity pursuant to the Settlement Agreement dated December 9, 2022 ("*CVS Settlement*"), and acting through the undersigned authorized official, hereby elects to participate in the CVS Settlement, release all Released Claims against all Released Entities, and agrees as follows.

1. The Governmental Entity 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 Governmental Entity elects to participate in the CVS Settlement and become a Participating Subdivision as provided therein.

2. The Governmental Entity shall promptly, and in any event no later than 14 days after the Reference Date and prior to the filing of the Consent Judgment, dismiss with prejudice any Released Claims that it has filed. With respect to any Released Claims pending in *In re National Prescription Opiate Litigation*, MDL No. 2804, the Governmental Entity authorizes the Plaintiffs' Executive Committee to execute and file on behalf of the Governmental Entity a Stipulation of Dismissal with Prejudice substantially in the form found at https://nationalopioidsettlement.com.

3. The Governmental Entity agrees to the terms of the CVS Settlement pertaining to Participating Subdivisions as defined therein.

4. By agreeing to the terms of the CVS Settlement and becoming a Releasor, the Governmental Entity is entitled to the benefits provided therein, including, if applicable, monetary payments beginning after the Effective Date.

5. The Governmental Entity agrees to use any monies it receives through the CVS Settlement solely for the purposes provided therein.

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6. The Governmental Entity submits to the jurisdiction of the court in the Governmental Entity's state where the 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. The Governmental Entity likewise agrees to arbitrate before the National Arbitration Panel as provided in, and for resolving disputes to the extent otherwise provided in, the CVS Settlement.

7. The Governmental Entity has the right to enforce the CVS Settlement as provided therein.

8. The Governmental Entity, as a Participating Subdivision, hereby becomes a Releasor for all purposes in the CVS Settlement, including without limitation all provisions of Section XI (Release), 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 Governmental Entity hereby absolutely, unconditionally, and irrevocably covenants not to bring, file, or claim, or to cause, assist or permit to be brought, filed, or claimed, or to otherwise seek to establish liability for any Released Claims against any Released Entity in any forum whatsoever. The releases provided for in the CVS Settlement are intended by the Parties to be broad and shall be interpreted so as to give the Released Entities the broadest possible bar against any liability relating in any way to Released Claims and extend to the full extent of the power of the Governmental Entity to release claims. The CVS Settlement shall be a complete bar to any Released Claim.

9. The Governmental Entity hereby takes on all rights and obligations of a Participating Subdivision as set forth in the CVS Settlement.

10. In connection with the releases provided for in the CVS Settlement, each Governmental Entity 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 Governmental Entity 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 Governmental Entities' decision to participate in the CVS Settlement.

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11. Nothing herein is intended to modify in any way the terms of the CVS Settlement, to which Governmental Entity 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 Governmental Entity.

Signature: _____

Name: _____

Title: _____

Date: _____

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EXHIBIT K

Subdivision Participation and Release Form

Will your subdivision or special district be signing the settlement participation form for the Walgreens Settlement at this time?

[ ] Yes [ ] No

Governmental Entity: Morro Bay city	State: CA
Authorized Signatory:	
Address 1:	
Address 2:	
City, State, Zip:	
Phone:	
Email:	

The governmental entity identified above ("*Governmental Entity*"), in order to obtain and in consideration for the benefits provided to the Governmental Entity pursuant to the Settlement Agreement dated December 9, 2022 ("*Walgreens Settlement*"), and acting through the undersigned authorized official, hereby elects to participate in the Walgreens Settlement, release all Released Claims against all Released Entities, and agrees as follows.

1. The Governmental Entity is aware of and has reviewed the Walgreens 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 Governmental Entity elects to participate in the Walgreens Settlement and become a Participating Subdivision as provided therein.

2. The Governmental Entity shall promptly, and in any event no later than 14 days after the Reference Date and prior to the filing of the Consent Judgment, dismiss with prejudice any Released Claims that it has filed. With respect to any Released Claims pending in *In re National Prescription Opiate Litigation*, MDL No. 2804, the Governmental Entity authorizes the Plaintiffs' Executive Committee to execute and file on behalf of the Governmental Entity a Stipulation of Dismissal with Prejudice substantially in the form found at https://nationalopioidsettlement.com.

3. The Governmental Entity agrees to the terms of the Walgreens Settlement pertaining to Participating Subdivisions as defined therein.

4. By agreeing to the terms of the Walgreens Settlement and becoming a Releasor, the Governmental Entity is entitled to the benefits provided therein, including, if applicable, monetary payments beginning after the Effective Date.

5. The Governmental Entity agrees to use any monies it receives through the Walgreens Settlement solely for the purposes provided therein.

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6. The Governmental Entity submits to the jurisdiction of the court in the Governmental Entity's state where the 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 Walgreens Settlement. The Governmental Entity likewise agrees to arbitrate before the National Arbitration Panel as provided in, and for resolving disputes to the extent otherwise provided in, the Walgreens Settlement.

7. The Governmental Entity has the right to enforce the Walgreens Settlement as provided therein.

8. The Governmental Entity, as a Participating Subdivision, hereby becomes a Releasor for all purposes in the Walgreens Settlement, including without limitation all provisions of Section XI (Release), 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 Governmental Entity hereby absolutely, unconditionally, and irrevocably covenants not to bring, file, or claim, or to cause, assist or permit to be brought, filed, or claimed, or to otherwise seek to establish liability for any Released Claims against any Released Entity in any forum whatsoever. The releases provided for in the Walgreens Settlement are intended by the Parties to be broad and shall be interpreted so as to give the Released Entities the broadest possible bar against any liability relating in any way to Released Claims and extend to the full extent of the power of the Governmental Entity to release claims. The Walgreens Settlement shall be a complete bar to any Released Claim.

9. The Governmental Entity hereby takes on all rights and obligations of a Participating Subdivision as set forth in the Walgreens Settlement.

10. In connection with the releases provided for in the Walgreens Settlement, each Governmental Entity 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 Governmental Entity 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 Governmental Entities' decision to participate in the Walgreens Settlement.

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11. Nothing herein is intended to modify in any way the terms of the Walgreens Settlement, to which Governmental Entity hereby agrees. To the extent this Participation and Release Form is interpreted differently from the Walgreens Settlement in any respect, the Walgreens Settlement controls.

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

Signature: _____

Name: _____

Title: _____

Date: _____

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EXHIBIT K

Subdivision Participation Form

Will your subdivision or special district be signing the settlement participation form for the Walmart Settlement at this time?

[ ] Yes [ ] No

Governmental Entity: Morro Bay city	State: CA
Authorized Official:	
Address 1:	
Address 2:	
City, State, Zip:	
Phone:	
Email:	

The governmental entity identified above ("Governmental Entity"), in order to obtain and in consideration for the benefits provided to the Governmental Entity pursuant to the Settlement Agreement dated November 14, 2022 ("Walmart Settlement"), and acting through the undersigned authorized official, hereby elects to participate in the Walmart Settlement, release all Released Claims against all Released Entities, and agrees as follows.

1. The Governmental Entity is aware of and has reviewed the Walmart Settlement, understands that all terms in this Election and Release have the meanings defined therein, and agrees that by this Election, the Governmental Entity elects to participate in the Walmart Settlement and become a Participating Subdivision as provided therein.

2. The Governmental Entity shall promptly, and in any event within 14 days of the Effective Date and prior to the filing of the Consent Judgment, dismiss with prejudice any Released Claims that it has filed. With respect to any Released Claims pending in In re National Prescription Opiate Litigation, MDL No. 2804, the Governmental Entity authorizes the Plaintiffs' Executive Committee to execute and file on behalf of the Governmental Entity a Stipulation of Dismissal With Prejudice substantially in the form found at https://nationalopioidsettlement.com/.

3. The Governmental Entity agrees to the terms of the Walmart Settlement pertaining to Subdivisions as defined therein.

4. By agreeing to the terms of the Walmart Settlement and becoming a Releasor, the Governmental Entity is entitled to the benefits provided therein, including, if applicable, monetary payments beginning after the Effective Date.

5. The Governmental Entity agrees to use any monies it receives through the Walmart Settlement solely for the purposes provided therein.

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6. The Governmental Entity submits to the jurisdiction of the court in the Governmental Entity's state where the 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 Walmart Settlement.

7. The Governmental Entity has the right to enforce the Walmart Settlement as provided therein.

8. The Governmental Entity, as a Participating Subdivision, hereby becomes a Releasor for all purposes in the Walmart Settlement, including but not limited to all provisions of Section X (Release), 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 Governmental Entity hereby absolutely, unconditionally, and irrevocably covenants not to bring, file, or claim, or to cause, assist or permit to be brought, filed, or claimed, or to otherwise seek to establish liability for any Released Claims against any Released Entity in any forum whatsoever. The releases provided for in the Walmart Settlement are intended by the Parties to be broad and shall be interpreted so as to give the Released Entities the broadest possible bar against any liability relating in any way to Released Claims and extend to the full extent of the power of the Governmental Entity to release claims. The Walmart Settlement shall be a complete bar to any Released Claim.

9. In connection with the releases provided for in the Walmart Settlement, each Governmental Entity 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 Governmental Entity 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 Governmental Entities' decision to participate in the Walmart Settlement.

10. Nothing herein is intended to modify in any way the terms of the Walmart Settlement, to which Governmental Entity hereby agrees. To the extent this Election and Release is interpreted differently from the Walmart Settlement in any respect, the Walmart Settlement controls.

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I have all necessary power and authorization to execute this Election and Release on behalf of the Governmental Entity.

Signature: _____

Name: _____

Title: _____

Date: _____

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Proposed California State-Subdivision Agreement Regarding Distribution and Use of Settlement Funds – Allergan Settlement

1. Introduction

Pursuant to the Allergan Settlement Agreement, dated as of November 22, 2022, and any revision thereto (the "Allergan Settlement Agreement"), including Section VIII and Exhibit O, the State of California proposes this agreement (the "CA Allergan Allocation Agreement") to govern the allocation, distribution, and use of Settlement Fund payments made to California pursuant to Sections VI, VII, and VIII of the Allergan Settlement Agreement. For the avoidance of doubt, this agreement does not apply to payments made pursuant to Sections XII or XIII of the Allergan Settlement Agreement.

Pursuant to Exhibit O, Paragraph 4, of the Allergan Settlement Agreement, acceptance of this CA Allergan Allocation Agreement is a requirement to be an Initial Participating Subdivision.[1]

Further, pursuant to Sections X.B and X.C of the Teva Settlement Agreement and Sections IX.B and IX.C of the Allergan Settlement Agreement, eligible Subdivisions must participate in both the Teva Settlement Agreement and Allergan Settlement Agreement, or neither.[2]

2. Definitions

a) *CA Participating Subdivision* means a Participating Subdivision that is also (a) a Plaintiff Subdivision and/or (b) a Subdivision with a population equal to or greater than 10,000. For the avoidance of doubt, eligible CA Participating Subdivisions are those California subdivisions listed in Exhibit C (excluding Litigating Special Districts) and/or Exhibit I to the Allergan Settlement Agreement.

b) *Teva Settlement Agreement* means the Teva Settlement Agreement dated November 22, 2022, and any revision thereto.

c) *CVS Settlement Agreement* means the CVS Settlement Agreement dated December 9, 2022, and any revision thereto as well as any modification thereto entered into by the State of California and CVS.

d) *Distributor Settlement Agreement* means the Distributor Settlement Agreement dated July 21, 2021, and any revision thereto.

e) *Janssen Settlement Agreement* means the Janssen Settlement Agreement dated July 21, 2021, and any revision thereto.

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[1] A parallel but separate agreement (the "CA Teva Allocation Agreement") will govern the allocation, distribution, and use of settlement fund payments under the Teva Settlement Agreement.

[2] However, if Teva enters bankruptcy prior to the Effective Date, an eligible Subdivision can choose to only join the Allergan Settlement Agreement.

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f) *Walgreens Settlement Agreement* means the Walgreens Settlement Agreement dated December 9, 2022, and any revision thereto.

g) *Walmart Settlement Agreement* means the Walmart Settlement Agreement dated November 14, 2022, and any revision thereto.

h) *CA Litigating Special District* means a Litigating Special District located in California. CA Litigating Special Districts include Downey Unified School District, Elk Grove Unified School District, Kern High School District, Montezuma Fire Protection District (located in Stockton, California), Santa Barbara San Luis Obispo Regional Health Authority, Inland Empire Health Plan, Health Plan of San Joaquin, San Leandro Unified School District, Pleasant Valley School District Board, and LA Care Health Plan.

i) *Plaintiff Subdivision* means a Subdivision located in California, other than a CA Litigating Special District, that filed a lawsuit, on behalf of the Subdivision and/or through an official of the Subdivision on behalf of the People of the State of California, against one or more Opioid Defendants prior to October 1, 2020.

j) *Opioid Defendant* means any defendant (including but not limited to Teva Pharmaceutical Industries Ltd., Allergan Finance, LLC, Allergan Limited, CVS Health Corporation, CVS Pharmacy, Inc., Walgreen Co., Walmart Inc., Johnson & Johnson, Janssen Pharmaceuticals, Inc., Purdue Pharma L.P., Cardinal Health, Inc., AmerisourceBergen Corporation, and McKesson Corporation) named in a lawsuit seeking damages, abatement, or other remedies related to or caused by the opioid public health crisis in any lawsuit brought by any state or local government on or before October 1, 2020.

3. General Terms

This agreement is subject to the requirements of the Allergan Settlement Agreement, as well as applicable law, and the Allergan Settlement Agreement governs over any inconsistent provision of this CA Allergan Allocation Agreement. Terms used in this CA Allergan Allocation Agreement have the same meaning as in the Allergan Settlement Agreement unless otherwise defined herein.

Pursuant to Section VIII(E)(1) of the Allergan Settlement Agreement, (a) all Settlement Fund payments will be used for Opioid Remediation, except as allowed by Section VIII(C) of the Allergan Settlement Agreement; and (b) at least seventy percent (70%) of Settlement Fund payment amounts will be used solely for future Opioid Remediation.

4. State Allocation

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The Settlement Fund payments to California,[3] pursuant to the Allergan Settlement Agreement, shall be allocated as follows: 15% to the State Fund; 70% to the Abatement Accounts Fund; and 15% to the Subdivision Fund. For the avoidance of doubt, all funds allocated to California from the Settlement Fund shall be combined pursuant to this CA Allergan Allocation Agreement, and 15% of that total shall be allocated to the State of California (the "State of California Allocation"), 70% to the California Abatement Accounts Fund ("CA Abatement Accounts Fund"), and 15% to the California Subdivision Fund ("CA Subdivision Fund").

A. State of California Allocation

Fifteen percent of the total Settlement Fund payments will be allocated to the State and used by the State for future Opioid Remediation.

B. CA Abatement Accounts Fund

i. Allocation of CA Abatement Accounts Funds

a) Seventy percent of the total Settlement Fund payments will be allocated to the CA Abatement Accounts Fund. The funds in the CA Abatement Accounts Fund will be allocated based on the allocation model developed in connection with the proposed negotiating class in the National Prescription Opiate Litigation (MDL No. 2804), as adjusted to reflect only those cities and counties that are eligible, based on population or litigation status, to become a CA Participating Subdivision. The percentage from the CA Abatement Accounts Fund allocated to each CA Participating Subdivision is set forth in Appendix 1 in the column entitled abatement percentage (the "Local Allocation"). For the avoidance of doubt, CA Litigating Special Districts and California towns, cities, and counties with a population less than 10,000 are not eligible to receive an allocation of CA Abatement Accounts Funds.

b) A CA Participating Subdivision that is a county, or a city and county, will be allocated its Local Allocation share as of the date on which it becomes a Participating Subdivision, and will receive payments as provided in the Allergan Settlement Agreement.

c) A CA Participating Subdivision that is a city will be allocated its Local Allocation share as of the date on which it becomes a Participating Subdivision. The Local Allocation share for a city that is a CA Participating Subdivision will be paid to the county in which the city is located, rather than to the city, so long as: (a) the county is a CA Participating Subdivision, and (b) the city has not advised the Settlement Fund Administrator that it requests direct payment at least 60 days prior to a Payment Date. A Local Allocation share allocated to a city but paid to a county is not required to be spent exclusively for abatement activities in that city, but will become part of the county's share of the CA Abatement Accounts Funds, which will be used in accordance with Section 4.B.ii (Use of

[3] For purposes of clarity, use of the term "California" refers to the geographic territory of California and the state and its local governments therein. The term "State" or "State of California" refers to the State of California as a governmental unit.

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CA Abatement Accounts Funds) and reported on in accordance with Section 4.B.iii (CA Abatement Accounts Fund Oversight).

d) A city within a county that is a CA Participating Subdivision may opt in or out of direct payment at any time, and it may also elect direct payment of only a portion of its share, with the remainder going to the county, by providing notice to the Settlement Fund Administrator at least 60 days prior to a Payment Date. For purposes of this CA Allergan Allocation Agreement, the Cities of Los Angeles, Oakland, San Diego, San Jose and Eureka will be deemed to have elected direct payment if they become Participating Subdivisions.

e) The State will receive the Local Allocation share of any payment to the Settlement Fund that is attributable to a county or city that is eligible to become a CA Participating Subdivision, but that has not, as of the date of that payment to the Settlement Fund, become a Participating Subdivision.

f) Funds received by a CA Participating Subdivision, and not expended or encumbered within five years of receipt and in accordance with the Allergan Settlement Agreement and this CA Allergan Allocation Agreement shall be transferred to the State; provided however, that CA Participating Subdivisions have seven years to expend or encumber CA Abatement Accounts Funds designated to support capital outlay projects before they must be transferred to the State. This provision shall not apply to the Cost Reimbursement Funds, which shall be controlled by Appendix 2.

ii. Use of CA Abatement Accounts Funds

a) The CA Abatement Accounts Funds will be used for future Opioid Remediation in one or more of the areas described in the List of Opioid Remediation Uses, which is Exhibit E to the Allergan Settlement Agreement.

b) In addition to this requirement, no less than 50% of the funds received by a CA Participating Subdivision from the Abatement Accounts Fund in each calendar year will be used for one or more of the following High Impact Abatement Activities:

(1) the provision of matching funds or operating costs for substance use disorder facilities within the Behavioral Health Continuum Infrastructure Program;

(2) creating new or expanded Substance Use Disorder ("SUD") treatment infrastructure;

(3) addressing the needs of communities of color and vulnerable populations (including sheltered and unsheltered homeless populations) that are disproportionately impacted by SUD;

(4) diversion of people with SUD from the justice system into treatment, including by providing training and resources to first and early responders (sworn and non-sworn) and implementing best practices for outreach, diversion and deflection, employability, restorative justice, and harm reduction; and/or

(5) interventions to prevent drug addiction in vulnerable youth.

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c) The California Department of Health Care Services ("DHCS") may add to this list (but not delete from it) by designating additional High Impact Abatement Activities. DHCS will make reasonable efforts to consult with stakeholders, including the CA Participating Subdivisions, before adding additional High Impact Abatement Activities to this list.

d) For the avoidance of doubt, and subject to the requirements of the Allergan Settlement Agreement and applicable law, CA Participating Subdivisions may form agreements or ventures, or otherwise work in collaboration with, federal, state, local, tribal or private sector entities in pursuing Opioid Remediation activities funded from the CA Abatement Accounts Fund. Further, provided that all CA Abatement Accounts Funds are used for Opioid Remediation consistent with the Allergan Settlement Agreement and this CA Allergan Allocation Agreement, a county and any cities or towns within the county may agree to reallocate their respective shares of the CA Abatement Accounts Funds among themselves, provided that any direct distribution may only be to a CA Participating Subdivision and any CA Participating Subdivision must agree to their share being reallocated.

iii. CA Abatement Accounts Fund Oversight

a) Pursuant to Section 5 below, CA Participating Subdivisions receiving settlement funds must prepare and file reports annually regarding the use of those funds. DHCS may regularly review the reports prepared by CA Participating Subdivisions about the use of CA Abatement Accounts Funds for compliance with the Allergan Settlement Agreement and this CA Allergan Allocation Agreement.

b) If DHCS determines that a CA Participating Subdivision's use of CA Abatement Accounts Funds is inconsistent with the Allergan Settlement Agreement or this CA Allergan Allocation Agreement, whether through review of reports or information from any other sources, DHCS shall send a request to meet and confer with the CA Participating Subdivision. The parties shall meet and confer in an effort to resolve the concern.

c) If the parties are unable to reach a resolution, DHCS may conduct an audit of the Subdivision's use of the CA Abatement Accounts Funds within one year of the request to meet and confer, unless the parties mutually agree in writing to extend the meet and confer time frame.

d) If the concern still cannot be resolved, the State may bring a motion or action in the court where the State has filed its Consent Judgment to resolve the concern or otherwise

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enforce the requirements of the Allergan Settlement Agreement or this CA Allergan Allocation Agreement. However, in no case shall any audit be conducted, or motion be brought, as to a specific expenditure of funds, more than five years after the date on which the expenditure of the funds was reported to DHCS, in accordance with this agreement.

e) Notwithstanding the foregoing, this Agreement does not limit the statutory or constitutional authority of any state or local agency or official to conduct audits, investigations, or other oversight activities, or to pursue administrative, civil, or criminal enforcement actions.

C. CA Subdivision Fund

i. Fifteen percent of the total Settlement Fund payments will be allocated to the CA Subdivision Fund. All funds in the CA Subdivision Fund will be allocated among the Plaintiff Subdivisions that are Initial Participating Subdivisions. The funds will be used, subject to any limits imposed by the Allergan Settlement Agreement and this CA Allergan Allocation Agreement, to fund future Opioid Remediation and reimburse past opioid-related expenses, which may include fees and expenses related to litigation, and to pay the reasonable fees and expenses of the Special Master as set forth in Appendix 2.

The CA Subdivision Funds will be allocated as follows:

a) First, funds in the CA Subdivision Fund shall be used to pay the Special Master's reasonable fees and expenses in accordance with the procedures and limitations set forth in Appendix 2 to this document;

b) Second, funds will be allocated to Plaintiff Subdivisions that are Initial Participating Subdivisions that have been awarded Costs, as defined by and in accordance with the procedures and limitations set forth in Appendix 2 to this document.

c) Funds remaining in the CA Subdivision Fund, which shall consist of no less than 50% of the total CA Subdivision Fund received in any year pursuant to Appendix 2, Section 2.c.v, will be distributed to Plaintiff Subdivisions that are Initial Participating Subdivisions, in relative proportion to the Local Allocation. These funds shall be used to fund future opioid-related projects and to reimburse past opioid-related expenses, which may include fees and expenses related to litigation against any Opioid Defendant.

D. Provision for State Back-Stop Agreement

On August 6, 2021, Judge Dan Polster of the U.S. District Court, Northern District of Ohio, Eastern Division, issued an order (ECF Docket Number 3814) ("MDL Fees Order") in the National Prescription Opiate Litigation (MDL No. 2804) "cap[ping] all applicable contingent fee agreements at 15%." Private counsel representing Plaintiff Subdivisions should seek its

contingency fees and costs from the Attorney Fee Fund or Cost Funds under the Teva Settlement Agreement and Allergan Settlement Agreement, and, if applicable, the CVS Settlement Agreement, Distributor Settlement Agreement, Janssen Settlement Agreement, Walgreens Settlement Agreement, and Walmart Settlement Agreement.

A Plaintiff Subdivision may separately agree to use its share of the CA Subdivision Fund to pay for fees or costs incurred by its contingency-fee counsel ("State Back-Stop Agreement"), pursuant to Exhibit R, section I(X), of the Allergan Settlement Agreement and the MDL Fees Order, so long as such contingency fees do not exceed a total contingency fee of 15% of the total gross recovery of the Plaintiff Subdivision pursuant to the Allergan Settlement, inclusive of contingency fees from the national Attorney Fee Fund and this State Back-Stop Agreement. Before seeking fees or litigation costs and expenses from a State Back-Stop Agreement, private counsel representing Plaintiff Subdivisions must first seek contingency fees and costs from the Attorney Fee Fund or Cost Funds created under the Allergan Settlement Agreement. Further, private counsel may only seek reimbursement for litigation fees and costs that have not previously been reimbursed through prior settlements or judgments.

To effectuate a State Back-Stop Agreement pursuant to this section, an agreement in the form of Appendix 3 may be entered into by a Plaintiff Subdivision, private counsel, and the California Office of the Attorney General. The California Office of the Attorney General shall, upon the request of a Plaintiff Subdivision, execute any agreement executed by a Plaintiff Subdivision and its private counsel if it is in the form of Appendix 3. The California Office of the Attorney General will also consider requests from Plaintiff Subdivisions to execute and enter into agreements presented in other forms.

For the avoidance of doubt, this agreement does not require a Plaintiff Subdivision to request or enter into a State Back-Stop Agreement, and no State Back-Stop Agreement shall impose any duty or obligation on the State of California or any of its agencies or officers, including without limitation the Attorney General.

5. State and Subdivision Reporting

a) DHCS will prepare an annual written report regarding the State's use of funds from the settlement until those funds are fully expended and for one year thereafter. These reports will be made publicly available on the DHCS web site.

b) Each CA Participating Subdivision that receives payments of funds from the settlement will prepare written reports at least annually regarding the use of those funds, until those funds are fully expended and for one year thereafter. These reports will also include a certification that all funds that the CA Participating Subdivision has received through the settlement have been used in compliance with the Allergan Settlement Agreement and this CA Allergan Allocation Agreement. The report will be in a form reasonably determined by DHCS. Prior to specifying the form of the report DHCS will confer with representatives of the Plaintiff Subdivisions.

c) The State and all CA Participating Subdivisions receiving CA Abatement Accounts Funds will track all deposits and expenditures. Each such subdivision is responsible solely for the CA Abatement Accounts Funds it receives. A county is not responsible for oversight, reporting, or monitoring of CA Abatement Accounts Funds received by a city within that county that receives direct payment. Unless otherwise exempt, Subdivisions' expenditures and uses of CA Abatement Accounts Funds and other Settlement Funds will be subject to the normal budgetary and expenditure process of the Subdivision.

d) Each Plaintiff Subdivision receiving CA Subdivision Funds will track all deposits and expenditures, as required by the Allergan Settlement Agreement and this CA Allergan Allocation Agreement. Among other things, Plaintiff Subdivisions using monies from the CA Subdivision Fund for purposes that do not qualify as Opioid Remediation must identify and include in their annual report, the amount and how such funds were used, including if used to pay attorneys' fees, investigation costs, or litigation costs. Pursuant to Section VIII(C) of the Allergan Settlement Agreement, such information must also be reported to the Settlement Fund Administrator and Allergan.

e) In each year in which DHCS prepares an annual report DHCS will also host a meeting to discuss the annual report and the Opioid Remediation activities being carried out by the State and Participating Subdivisions.

6. Miscellaneous

a) The State or any CA Participating Subdivision may bring a motion or action in the court where the State has filed its Consent Judgment to enforce the requirements of this CA Allergan Allocation Agreement. Before filing such a motion or action the State will meet and confer with any CA Participating Subdivision that is the subject of the anticipated motion or action, and vice versa.

b) Except as provided in the Allergan Settlement Agreement, this CA Allergan Allocation Agreement is not enforceable by any party other than the State and the CA Participating Subdivisions. It does not confer any rights or remedies upon, and shall not be enforceable by, any third party.

c) Except as provided in the CA Allergan Allocation Agreement, if any provision of this agreement or the application thereof to any person, entity, or circumstance shall, to any extent, be invalid or unenforceable, the remainder of this agreement, or the application of such provision to persons, entities, or circumstances other than those as to which it is invalid or unenforceable, will not be affected thereby, and each other provision of this agreement will be valid and enforceable to the fullest extent permitted by law.

d) Except as provided in the Allergan Settlement Agreement, this agreement shall be governed by and interpreted in accordance with the laws of California.

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The undersigned, Morro Bay city, ACKNOWLEDGES acceptance of this Proposed California State-Subdivision Agreement Regarding Distribution and Use of Settlement Funds – Allergan Settlement is a requirement to be an Initial Participating Subdivision in the Allergan Settlement and ACCEPTS this Proposed California State-Subdivision Agreement Regarding Distribution and Use of Settlement Funds – Allergan Settlement. EXECUTED on .

Signature: _____

Name: _____

Title: _____

Date: _____

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DISCLAIMER: The allocation percentages herein are estimates only and should not be relied on for decisions regarding legal rights, releases, waivers, or other decisions affecting current or potential legal claims. Percentages shown in the Plaintiff Subdivision Percentage column may change pursuant to Section 4.C. of the California State-Subdivision Agreement Regarding Distribution and Use of Settlement Funds—Allergan Settlement, whereas the percentages shown in the Abatement Percentage column should not change. Participating Subdivisions, underlying calculations, and the calculated allocation percentages are subject to change. Regarding the column herein entitled "Abatement Percentage," pursuant to Section 4.B.e., the State of California will receive the Local Allocation share of any payment to the Settlement Fund that is attributable to a county or city that is eligible to become a CA Participating Subdivision, but that has not, as of the date of that payment to the Settlement Fund, become a Participating Subdivision. Regarding the column herein entitled "Plaintiff Subdivision Percentage," payments allocated to a Plaintiff Subdivision, which is not an Initial Participating Subdivision, will be re-allocated among the Plaintiff Subdivisions that are Initial Participating Subdivisions. Regarding the column herein entitled "Abatement Percentage," the annotation of "100%" refers to one-hundred percent (100%) of the California Abatement Account Funds received, pursuant to Section 4.B. Regarding the column herein entitled "Plaintiff Subdivision Percentage," the annotation of "100%" refers to one-hundred percent (100%) of the California Subdivision Funds received, pursuant to Section 4.C. Regarding the column herein entitled "Weighted Allocation Percentage," the annotation of "100%" refers to one-hundred percent (100%) of the combined and weighted allocation of the Abatement Percentage and the Plaintiff Subdivision Percentage.

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APPENDIX 1

			100.000%	100.000%	100.000%
Participating Subdivision Classification	**Participating Subdivision**	**County**	**Abatement Percentage**	**Plaintiff Subdivision Percentage**	**Weighted Allcation Percentage**
County	***Alameda County***	Alameda	2.332%	2.853%	**2.4237952%**
City	Alameda	Alameda	0.069%		**0.0570162%**
City	Albany	Alameda	0.013%		**0.0107768%**
City	Berkeley	Alameda	0.152%		**0.1249656%**
City	Dublin	Alameda	0.033%	0.040%	**0.0338810%**
City	Emeryville	Alameda	0.023%		**0.0185765%**
City	Fremont	Alameda	0.108%		**0.0888576%**
City	Hayward	Alameda	0.117%		**0.0966218%**
City	Livermore	Alameda	0.054%		**0.0446740%**
City	Newark	Alameda	0.026%		**0.0217626%**
City	Oakland	Alameda	0.486%	0.595%	**0.5055601%**
City	Piedmont	Alameda	0.014%		**0.0114064%**
City	Pleasanton	Alameda	0.067%		**0.0554547%**
City	San Leandro	Alameda	0.039%		**0.0321267%**
City	Union City	Alameda	0.043%		**0.0352484%**
County	***Amador County***	Amador	0.226%	0.277%	**0.2349885%**
County	***Butte County***	Butte	1.615%	1.975%	**1.6783178%**
City	Chico	Butte	0.216%	0.264%	**0.2246499%**
City	Oroville	Butte	0.079%		**0.0646595%**
County	***Calaveras County***	Calaveras	0.226%	0.277%	**0.2351644%**
County	***Colusa County***	Colusa	0.059%		**0.0489221%**
County	***Contra Costa County***	Contra Costa	2.102%	2.571%	**2.1844585%**
City	Antioch	Contra Costa	0.037%		**0.0301879%**
City	Brentwood	Contra Costa	0.026%		**0.0215339%**
City	Clayton	Contra Costa	0.002%		**0.0018060%**
City	Concord	Contra Costa	0.055%		**0.0456676%**
City	Danville	Contra Costa	0.010%		**0.0082255%**
City	El Cerrito	Contra Costa	0.023%		**0.0189024%**
City	Hercules	Contra Costa	0.010%		**0.0078273%**

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APPENDIX 1

Participating Subdivision Classification	Participating Subdivision	County	Abatement Percentage	Plaintiff Subdivision Percentage	Weighted Allcation Percentage
City	Lafayette	Contra Costa	0.006%		**0.0046030%**
City	Martinez	Contra Costa	0.012%		**0.0098593%**
City	Moraga	Contra Costa	0.004%		**0.0031007%**
City	Oakley	Contra Costa	0.010%		**0.0079416%**
City	Orinda	Contra Costa	0.005%		**0.0038157%**
City	Pinole	Contra Costa	0.013%		**0.0110909%**
City	Pittsburg	Contra Costa	0.053%		**0.0436369%**
City	Pleasant Hill	Contra Costa	0.013%		**0.0106309%**
City	Richmond	Contra Costa	0.146%		**0.1201444%**
City	San Pablo	Contra Costa	0.018%		**0.0148843%**
City	San Ramon	Contra Costa	0.021%		**0.0176459%**
City	Walnut Creek	Contra Costa	0.026%		**0.0212132%**
County	***Del Norte County***	Del Norte	0.114%	0.140%	**0.1189608%**
County	***El Dorado County***	El Dorado	0.768%	0.939%	**0.7980034%**
City	Placerville	El Dorado	0.015%		**0.0127642%**
City	South Lake Tahoe	El Dorado	0.081%		**0.0665456%**
County	***Fresno County***	Fresno	1.895%	2.318%	**1.9693410%**
City	Clovis	Fresno	0.065%		**0.0536211%**
City	Coalinga	Fresno	0.012%		**0.0098554%**
City	Fresno	Fresno	0.397%		**0.3270605%**
City	Kerman	Fresno	0.005%		**0.0042534%**
City	Kingsburg	Fresno	0.008%		**0.0066167%**
City	Mendota	Fresno	0.002%		**0.0019387%**
City	Orange Cove	Fresno	0.004%		**0.0035607%**
City	Parlier	Fresno	0.008%		**0.0069755%**
City	Reedley	Fresno	0.012%		**0.0098804%**
City	Sanger	Fresno	0.018%		**0.0146135%**
City	Selma	Fresno	0.015%		**0.0127537%**
County	***Glenn County***	Glenn	0.107%	0.131%	**0.1116978%**
County	***Humboldt County***	Humboldt	1.030%	1.260%	**1.0703185%**

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APPENDIX 1

Participating Subdivision Classification	Participating Subdivision	County	Abatement Percentage	Plaintiff Subdivision Percentage	Weighted Allcation Percentage
City	Arcata	Humboldt	0.054%		**0.0447660%**
City	Eureka	Humboldt	0.117%	0.143%	**0.1216284%**
City	Fortuna	Humboldt	0.032%		**0.0266837%**
County	***Imperial County***	Imperial	0.258%	0.315%	**0.2679006%**
City	Brawley	Imperial	0.011%		**0.0087986%**
City	Calexico	Imperial	0.019%		**0.0152799%**
City	El Centro	Imperial	0.158%		**0.1302522%**
City	Imperial	Imperial	0.006%		**0.0048791%**
County	***Inyo County***	Inyo	0.073%	0.089%	**0.0754413%**
County	***Kern County***	Kern	2.517%	3.079%	**2.6159145%**
City	Arvin	Kern	0.006%		**0.0046425%**
City	Bakersfield	Kern	0.212%		**0.1747198%**
City	California City	Kern	0.009%		**0.0070820%**
City	Delano	Kern	0.030%		**0.0249316%**
City	McFarland	Kern	0.003%		**0.0025644%**
City	Ridgecrest	Kern	0.015%		**0.0120938%**
City	Shafter	Kern	0.013%		**0.0103417%**
City	Tehachapi	Kern	0.009%		**0.0073580%**
City	Wasco	Kern	0.008%		**0.0069861%**
County	***Kings County***	Kings	0.293%		**0.2413469%**
City	Avenal	Kings	0.007%		**0.0056335%**
City	Corcoran	Kings	0.013%		**0.0107032%**
City	Hanford	Kings	0.027%		**0.0226038%**
City	Lemoore	Kings	0.016%		**0.0131900%**
County	***Lake County***	Lake	0.795%		**0.6545389%**
City	Clearlake	Lake	0.041%	0.050%	**0.0426253%**
City	Lakeport	Lake	0.021%	0.026%	**0.0222964%**
County	***Lassen County***	Lassen	0.319%	0.391%	**0.3320610%**
City	Susanville	Lassen	0.027%		**0.0219295%**
County	***Los Angeles County***	Los Angeles	13.896%	16.999%	**14.4437559%**

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City	Agoura Hills	Los Angeles	0.005%		**0.0040024%**
City	Alhambra	Los Angeles	0.042%		**0.0343309%**
City	Arcadia	Los Angeles	0.033%		**0.0267718%**
City	Artesia	Los Angeles	0.001%		**0.0005100%**
City	Azusa	Los Angeles	0.026%		**0.0210857%**
City	Baldwin Park	Los Angeles	0.027%		**0.0218520%**
City	Bell	Los Angeles	0.008%		**0.0068783%**
City	Bellflower	Los Angeles	0.002%		**0.0014485%**
City	Bell Gardens	Los Angeles	0.014%		**0.0114301%**
City	Beverly Hills	Los Angeles	0.065%		**0.0534897%**
City	Burbank	Los Angeles	0.100%		**0.0823132%**
City	Calabasas	Los Angeles	0.006%		**0.0048948%**
City	Carson	Los Angeles	0.019%		**0.0159805%**
City	Cerritos	Los Angeles	0.005%		**0.0039682%**
City	Claremont	Los Angeles	0.010%		**0.0082584%**
City	Commerce	Los Angeles	0.000%		**0.0002971%**
City	Compton	Los Angeles	0.044%		**0.0361882%**
City	Covina	Los Angeles	0.028%		**0.0229127%**
City	Cudahy	Los Angeles	0.001%		**0.0006020%**
City	Culver City	Los Angeles	0.055%		**0.0449894%**
City	Diamond Bar	Los Angeles	0.001%		**0.0006993%**
City	Downey	Los Angeles	0.052%		**0.0429994%**
City	Duarte	Los Angeles	0.003%		**0.0027261%**
City	El Monte	Los Angeles	0.031%	0.038%	**0.0318985%**
City	El Segundo	Los Angeles	0.033%		**0.0268020%**
City	Gardena	Los Angeles	0.034%		**0.0278088%**
City	Glendale	Los Angeles	0.166%		**0.1366586%**
City	Glendora	Los Angeles	0.016%		**0.0134411%**
City	Hawaiian Gardens	Los Angeles	0.005%		**0.0040549%**
City	Hawthorne	Los Angeles	0.050%		**0.0407833%**

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City	Hermosa Beach	Los Angeles	0.018%		**0.0145307%**
City	Huntington Park	Los Angeles	0.023%		**0.0190667%**
City	Inglewood	Los Angeles	0.059%		**0.0489195%**
City	La Cañada Flintridge	Los Angeles	0.003%		**0.0025565%**
City	Lakewood	Los Angeles	0.005%		**0.0039971%**
City	La Mirada	Los Angeles	0.010%		**0.0081572%**
City	Lancaster	Los Angeles	0.045%		**0.0369689%**
City	La Puente	Los Angeles	0.002%		**0.0012999%**
City	La Verne	Los Angeles	0.024%		**0.0194190%**
City	Lawndale	Los Angeles	0.002%		**0.0017731%**
City	Lomita	Los Angeles	0.004%		**0.0031940%**
City	Long Beach	Los Angeles	0.439%		**0.3614151%**
City	Los Angeles	Los Angeles	2.715%	3.321%	**2.8218811%**
City	Lynwood	Los Angeles	0.016%		**0.0134345%**
City	Malibu	Los Angeles	0.002%		**0.0019269%**
City	Manhattan Beach	Los Angeles	0.032%		**0.0260686%**
City	Maywood	Los Angeles	0.004%		**0.0035528%**
City	Monrovia	Los Angeles	0.031%		**0.0254455%**
City	Montebello	Los Angeles	0.030%		**0.0250670%**
City	Monterey Park	Los Angeles	0.031%		**0.0256677%**
City	Norwalk	Los Angeles	0.031%		**0.0258228%**
City	Palmdale	Los Angeles	0.046%		**0.0375827%**
City	Palos Verdes Estates	Los Angeles	0.006%		**0.0053102%**
City	Paramount	Los Angeles	0.011%		**0.0091483%**
City	Pasadena	Los Angeles	0.146%		**0.1200524%**
City	Pico Rivera	Los Angeles	0.022%		**0.0183333%**
City	Pomona	Los Angeles	0.111%		**0.0911933%**
City	Rancho Palos Verdes	Los Angeles	0.002%		**0.0012645%**
City	Redondo Beach	Los Angeles	0.062%		**0.0506992%**
City	Rosemead	Los Angeles	0.003%		**0.0028260%**

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City	San Dimas	Los Angeles	0.003%		**0.0022016%**
City	San Fernando	Los Angeles	0.013%		**0.0104837%**
City	San Gabriel	Los Angeles	0.018%		**0.0147726%**
City	San Marino	Los Angeles	0.009%		**0.0073791%**
City	Santa Clarita	Los Angeles	0.022%		**0.0178167%**
City	Santa Fe Springs	Los Angeles	0.031%		**0.0257531%**
City	Santa Monica	Los Angeles	0.158%		**0.1298513%**
City	Sierra Madre	Los Angeles	0.006%		**0.0048646%**
City	Signal Hill	Los Angeles	0.010%		**0.0084884%**
City	South El Monte	Los Angeles	0.005%		**0.0039603%**
City	South Gate	Los Angeles	0.020%		**0.0166272%**
City	South Pasadena	Los Angeles	0.012%		**0.0095334%**
City	Temple City	Los Angeles	0.005%		**0.0039498%**
City	Torrance	Los Angeles	0.112%		**0.0919820%**
City	Walnut	Los Angeles	0.006%		**0.0047305%**
City	West Covina	Los Angeles	0.049%		**0.0404521%**
City	West Hollywood	Los Angeles	0.013%		**0.0108517%**
City	Whittier	Los Angeles	0.032%		**0.0260581%**
County	***Madera County***	Madera	0.349%	0.427%	**0.3630669%**
City	Chowchilla	Madera	0.012%		**0.0097332%**
City	Madera	Madera	0.039%		**0.0318441%**
County	***Marin County***	Marin	0.564%	0.690%	**0.5861325%**
City	Larkspur	Marin	0.015%		**0.0124697%**
City	Mill Valley	Marin	0.020%		**0.0168401%**
City	Novato	Marin	0.028%		**0.0229824%**
City	San Anselmo	Marin	0.009%		**0.0078062%**
City	San Rafael	Marin	0.089%		**0.0729823%**
County	***Mariposa County***	Mariposa	0.084%	0.103%	**0.0876131%**
County	***Mendocino County***	Mendocino	0.439%	0.536%	**0.4558394%**
City	Ukiah	Mendocino	0.039%		**0.0317153%**

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County	***Merced County***	Merced	0.551%	0.674%	**0.5724262%**
City	Atwater	Merced	0.024%		**0.0195846%**
City	Livingston	Merced	0.006%		**0.0045873%**
City	Los Banos	Merced	0.020%		**0.0165142%**
City	Merced	Merced	0.061%		**0.0500762%**
County	***Modoc County***	Modoc	0.065%	0.080%	**0.0678250%**
County	***Mono County***	Mono	0.023%	0.029%	**0.0242606%**
County	***Monterey County***	Monterey	0.908%	1.111%	**0.9437083%**
City	Greenfield	Monterey	0.006%		**0.0050552%**
City	King City	Monterey	0.005%		**0.0037355%**
City	Marina	Monterey	0.017%		**0.0144098%**
City	Monterey	Monterey	0.041%		**0.0336540%**
City	Pacific Grove	Monterey	0.009%		**0.0074842%**
City	Salinas	Monterey	0.094%		**0.0776576%**
City	Seaside	Monterey	0.023%		**0.0191772%**
City	Soledad	Monterey	0.007%		**0.0060870%**
County	***Napa County***	Napa	0.288%	0.352%	**0.2994325%**
City	American Canyon	Napa	0.017%		**0.0136869%**
City	Napa	Napa	0.078%		**0.0642783%**
County	***Nevada County***	Nevada	0.441%	0.539%	**0.4579827%**
City	Grass Valley	Nevada	0.024%		**0.0197805%**
City	Truckee	Nevada	0.003%		**0.0023843%**
County	***Orange County***	Orange	4.364%	5.339%	**4.5363576%**
City	Aliso Viejo	Orange	0.014%		**0.0113841%**
City	Anaheim	Orange	0.554%	0.678%	**0.5759282%**
City	Brea	Orange	0.086%		**0.0708897%**
City	Buena Park	Orange	0.087%		**0.0714352%**
City	Costa Mesa	Orange	0.124%	0.152%	**0.1288366%**
City	Cypress	Orange	0.033%		**0.0271937%**
City	Dana Point	Orange	0.001%		**0.0005560%**

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City	Fountain Valley	Orange	0.055%		**0.0455980%**
City	Fullerton	Orange	0.137%	0.168%	**0.1425744%**
City	Garden Grove	Orange	0.213%		**0.1752482%**
City	Huntington Beach	Orange	0.247%	0.302%	**0.2568420%**
City	Irvine	Orange	0.139%	0.170%	**0.1442350%**
City	Laguna Beach	Orange	0.047%	0.058%	**0.0493043%**
City	Laguna Hills	Orange	0.014%		**0.0115457%**
City	Laguna Niguel	Orange	0.001%		**0.0007071%**
City	Laguna Woods	Orange	0.001%		**0.0006546%**
City	La Habra	Orange	0.060%	0.073%	**0.0621049%**
City	Lake Forest	Orange	0.012%		**0.0101249%**
City	La Palma	Orange	0.012%		**0.0095439%**
City	Los Alamitos	Orange	0.008%		**0.0069190%**
City	Mission Viejo	Orange	0.014%		**0.0117560%**
City	Newport Beach	Orange	0.179%		**0.1470134%**
City	Orange	Orange	0.150%		**0.1231320%**
City	Placentia	Orange	0.029%	0.035%	**0.0298912%**
City	Rancho Santa Margarita	Orange	0.001%		**0.0006296%**
City	San Clemente	Orange	0.008%	0.010%	**0.0086083%**
City	San Juan Capistrano	Orange	0.008%		**0.0065510%**
City	Santa Ana	Orange	0.502%	0.614%	**0.5213866%**
City	Seal Beach	Orange	0.020%		**0.0165891%**
City	Stanton	Orange	0.035%		**0.0291955%**
City	Tustin	Orange	0.073%		**0.0600341%**
City	Westminster	Orange	0.104%	0.127%	**0.1082721%**
City	Yorba Linda	Orange	0.044%		**0.0362223%**
County	***Placer County***	Placer	1.045%	1.278%	**1.0861002%**
City	Auburn	Placer	0.017%		**0.0141114%**
City	Lincoln	Placer	0.031%		**0.0255599%**
City	Rocklin	Placer	0.076%		**0.0625485%**

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City	Roseville	Placer	0.196%		**0.1616559%**
County	***Plumas County***	Plumas	0.205%	0.251%	**0.2128729%**
County	***Riverside County***	Riverside	4.534%	5.547%	**4.7128296%**
City	Banning	Riverside	0.017%		**0.0143848%**
City	Beaumont	Riverside	0.021%		**0.0171135%**
City	Blythe	Riverside	0.012%		**0.0096714%**
City	Canyon Lake	Riverside	0.000%		**0.0001761%**
City	Cathedral City	Riverside	0.067%		**0.0553614%**
City	Coachella	Riverside	0.021%		**0.0173054%**
City	Corona	Riverside	0.147%		**0.1207083%**
City	Desert Hot Springs	Riverside	0.024%		**0.0200433%**
City	Eastvale	Riverside	0.000%		**0.0002747%**
City	Hemet	Riverside	0.051%		**0.0421792%**
City	Indio	Riverside	0.056%		**0.0457794%**
City	Jurupa Valley	Riverside	0.001%		**0.0008991%**
City	Lake Elsinore	Riverside	0.021%		**0.0172949%**
City	La Quinta	Riverside	0.063%		**0.0516732%**
City	Menifee	Riverside	0.032%		**0.0260909%**
City	Moreno Valley	Riverside	0.137%		**0.1130348%**
City	Murrieta	Riverside	0.048%	0.059%	**0.0497423%**
City	Norco	Riverside	0.016%		**0.0134542%**
City	Palm Desert	Riverside	0.083%		**0.0682465%**
City	Palm Springs	Riverside	0.076%		**0.0629862%**
City	Perris	Riverside	0.009%		**0.0076774%**
City	Rancho Mirage	Riverside	0.052%		**0.0431098%**
City	Riverside	Riverside	0.268%		**0.2206279%**
City	San Jacinto	Riverside	0.010%		**0.0085936%**
City	Temecula	Riverside	0.022%		**0.0180086%**
City	Wildomar	Riverside	0.008%		**0.0062500%**
County	***Sacramento County***	Sacramento	3.797%	4.645%	**3.9465887%**

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City	Citrus Heights	Sacramento	0.057%		**0.0465312%**
City	Elk Grove	Sacramento	0.130%		**0.1066994%**
City	Folsom	Sacramento	0.108%		**0.0890850%**
City	Galt	Sacramento	0.017%		**0.0143704%**
City	Rancho Cordova	Sacramento	0.008%		**0.0067679%**
City	Sacramento	Sacramento	0.721%	0.882%	**0.7496530%**
County	***San Benito County***	San Benito	0.106%	0.130%	**0.1101417%**
City	Hollister	San Benito	0.027%		**0.0225355%**
County	***San Bernardino County***	San Bernardino	3.259%	3.987%	**3.3878124%**
City	Adelanto	San Bernardino	0.008%		**0.0066640%**
City	Apple Valley	San Bernardino	0.025%		**0.0207360%**
City	Barstow	San Bernardino	0.015%		**0.0122056%**
City	Chino	San Bernardino	0.064%		**0.0525893%**
City	Chino Hills	San Bernardino	0.001%		**0.0006388%**
City	Colton	San Bernardino	0.031%		**0.0253443%**
City	Fontana	San Bernardino	0.112%		**0.0920543%**
City	Grand Terrace	San Bernardino	0.006%		**0.0051051%**
City	Hesperia	San Bernardino	0.035%		**0.0291522%**
City	Highland	San Bernardino	0.004%		**0.0029061%**
City	Loma Linda	San Bernardino	0.009%		**0.0071188%**
City	Montclair	San Bernardino	0.039%		**0.0322108%**
City	Ontario	San Bernardino	0.179%		**0.1472934%**
City	Rancho Cucamonga	San Bernardino	0.084%		**0.0689431%**
City	Redlands	San Bernardino	0.057%		**0.0469150%**
City	Rialto	San Bernardino	0.073%		**0.0603206%**
City	San Bernardino	San Bernardino	0.178%		**0.1461880%**
City	Twentynine Palms	San Bernardino	0.002%		**0.0012605%**
City	Upland	San Bernardino	0.052%		**0.0424460%**
City	Victorville	San Bernardino	0.033%		**0.0269400%**
City	Yucaipa	San Bernardino	0.016%		**0.0128772%**

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City	Yucca Valley	San Bernardino	0.003%		**0.0021228%**
County	***San Diego County***	San Diego	5.706%	6.980%	**5.9309748%**
City	Carlsbad	San Diego	0.128%		**0.1050485%**
City	Chula Vista	San Diego	0.189%	0.231%	**0.1961456%**
City	Coronado	San Diego	0.044%		**0.0359095%**
City	El Cajon	San Diego	0.113%		**0.0933582%**
City	Encinitas	San Diego	0.061%	0.074%	**0.0630289%**
City	Escondido	San Diego	0.145%		**0.1192204%**
City	Imperial Beach	San Diego	0.014%		**0.0118283%**
City	La Mesa	San Diego	0.055%	0.068%	**0.0575593%**
City	Lemon Grove	San Diego	0.022%		**0.0183911%**
City	National City	San Diego	0.080%		**0.0656808%**
City	Oceanside	San Diego	0.213%		**0.1753428%**
City	Poway	San Diego	0.062%		**0.0511040%**
City	San Diego	San Diego	1.975%	2.416%	**2.0531169%**
City	San Marcos	San Diego	0.089%		**0.0733897%**
City	Santee	San Diego	0.033%		**0.0268401%**
City	Solana Beach	San Diego	0.017%		**0.0138564%**
City	Vista	San Diego	0.052%		**0.0425144%**
Consolidated	***San Francisco***	San Francisco	3.026%	3.702%	**3.1457169%**
County	***San Joaquin County***	San Joaquin	1.680%	2.055%	**1.7460399%**
City	Lathrop	San Joaquin	0.009%		**0.0075394%**
City	Lodi	San Joaquin	0.053%		**0.0439484%**
City	Manteca	San Joaquin	0.054%		**0.0443454%**
City	Ripon	San Joaquin	0.013%		**0.0104219%**
City	Stockton	San Joaquin	0.313%	0.383%	**0.3256176%**
City	Tracy	San Joaquin	0.084%		**0.0692047%**
County	***San Luis Obispo County***	San Luis Obispo	0.816%	0.999%	**0.8484126%**
City	Arroyo Grande	San Luis Obispo	0.024%		**0.0199053%**
City	Atascadero	San Luis Obispo	0.029%		**0.0240680%**

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City	El Paso de Robles (Paso Robles)	San Luis Obispo	0.043%		**0.0353456%**
City	Grover Beach	San Luis Obispo	0.017%		**0.0137881%**
City	Morro Bay	San Luis Obispo	0.020%		**0.0160922%**
City	San Luis Obispo	San Luis Obispo	0.077%		**0.0637841%**
County	***San Mateo County***	San Mateo	1.074%	1.313%	**1.1159599%**
City	Belmont	San Mateo	0.021%		**0.0169860%**
City	Burlingame	San Mateo	0.019%		**0.0152537%**
City	Daly City	San Mateo	0.044%		**0.0363880%**
City	East Palo Alto	San Mateo	0.013%		**0.0103982%**
City	Foster City	San Mateo	0.020%		**0.0166101%**
City	Half Moon Bay	San Mateo	0.004%		**0.0031638%**
City	Hillsborough	San Mateo	0.013%		**0.0110029%**
City	Menlo Park	San Mateo	0.015%		**0.0126209%**
City	Millbrae	San Mateo	0.013%		**0.0105836%**
City	Pacifica	San Mateo	0.016%		**0.0130625%**
City	Redwood City	San Mateo	0.056%		**0.0463511%**
City	San Bruno	San Mateo	0.021%		**0.0172161%**
City	San Carlos	San Mateo	0.013%		**0.0108885%**
City	San Mateo	San Mateo	0.052%		**0.0425841%**
City	South San Francisco	San Mateo	0.043%		**0.0353943%**
County	***Santa Barbara County***	Santa Barbara	1.132%	1.385%	**1.1768968%**
City	Carpinteria	Santa Barbara	0.001%		**0.0008938%**
City	Goleta	Santa Barbara	0.004%		**0.0028969%**
City	Lompoc	Santa Barbara	0.047%		**0.0389379%**
City	Santa Barbara	Santa Barbara	0.122%		**0.1004559%**
City	Santa Maria	Santa Barbara	0.058%		**0.0479179%**
County	***Santa Clara County***	Santa Clara	2.404%	2.941%	**2.4987553%**
City	Campbell	Santa Clara	0.014%		**0.0112566%**
City	Cupertino	Santa Clara	0.008%		**0.0066824%**
City	Gilroy	Santa Clara	0.025%		**0.0202891%**

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Participating Subdivision Classification	Participating Subdivision	County	Abatement Percentage	Plaintiff Subdivision Percentage	Weighted Allcation Percentage
City	Los Altos	Santa Clara	0.013%		**0.0103338%**
City	Los Gatos	Santa Clara	0.013%		**0.0103220%**
City	Milpitas	Santa Clara	0.036%		**0.0298120%**
City	Morgan Hill	Santa Clara	0.015%		**0.0124619%**
City	Mountain View	Santa Clara	0.041%		**0.0334608%**
City	Palo Alto	Santa Clara	0.039%		**0.0323080%**
City	San Jose	Santa Clara	0.294%	0.360%	**0.3054960%**
City	Santa Clara	Santa Clara	0.067%		**0.0549723%**
City	Saratoga	Santa Clara	0.004%		**0.0034161%**
City	Sunnyvale	Santa Clara	0.053%		**0.0434069%**
County	***Santa Cruz County***	Santa Cruz	0.783%	0.957%	**0.8135396%**
City	Capitola	Santa Cruz	0.020%		**0.0168191%**
City	Santa Cruz	Santa Cruz	0.143%		**0.1180348%**
City	Scotts Valley	Santa Cruz	0.015%		**0.0126525%**
City	Watsonville	Santa Cruz	0.063%		**0.0520136%**
County	***Shasta County***	Shasta	1.095%	1.339%	**1.1380191%**
City	Anderson	Shasta	0.024%		**0.0198896%**
City	Redding	Shasta	0.284%		**0.2334841%**
City	Shasta Lake	Shasta	0.004%		**0.0031993%**
County	***Siskiyou County***	Siskiyou	0.228%	0.279%	**0.2373393%**
County	***Solano County***	Solano	0.760%		**0.6260795%**
City	Benicia	Solano	0.031%		**0.0253903%**
City	Dixon	Solano	0.016%		**0.0130849%**
City	Fairfield	Solano	0.109%		**0.0897317%**
City	Suisun City	Solano	0.021%		**0.0176183%**
City	Vacaville	Solano	0.119%		**0.0976497%**
City	Vallejo	Solano	0.167%		**0.1373644%**
County	***Sonoma County***	Sonoma	1.218%	1.490%	**1.2661290%**
City	Healdsburg	Sonoma	0.032%		**0.0266929%**
City	Petaluma	Sonoma	0.081%		**0.0667507%**

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Participating Subdivision Classification	Participating Subdivision	County	Abatement Percentage	Plaintiff Subdivision Percentage	Weighted Allcation Percentage
City	Rohnert Park	Sonoma	0.041%		**0.0340759%**
City	Santa Rosa	Sonoma	0.184%		**0.1519070%**
City	Sonoma	Sonoma	0.022%		**0.0183438%**
City	Windsor	Sonoma	0.016%		**0.0129298%**
County	***Stanislaus County***	Stanislaus	1.722%		**1.4182273%**
City	Ceres	Stanislaus	0.041%		**0.0340260%**
City	Modesto	Stanislaus	0.217%		**0.1788759%**
City	Newman	Stanislaus	0.006%		**0.0046964%**
City	Oakdale	Stanislaus	0.018%		**0.0145531%**
City	Patterson	Stanislaus	0.015%		**0.0126590%**
City	Riverbank	Stanislaus	0.010%		**0.0085699%**
City	Turlock	Stanislaus	0.065%		**0.0531966%**
County	***Sutter County***	Sutter	0.306%	0.374%	**0.3179548%**
City	Yuba City	Sutter	0.074%		**0.0606242%**
County	***Tehama County***	Tehama	0.213%	0.261%	**0.2216654%**
City	Red Bluff	Tehama	0.014%		**0.0117771%**
County	***Trinity County***	Trinity	0.082%	0.101%	**0.0855476%**
County	***Tulare County***	Tulare	0.809%	0.990%	**0.8410949%**
City	Dinuba	Tulare	0.014%		**0.0116929%**
City	Exeter	Tulare	0.004%		**0.0032479%**
City	Farmersville	Tulare	0.003%		**0.0027879%**
City	Lindsay	Tulare	0.007%		**0.0057111%**
City	Porterville	Tulare	0.021%		**0.0171845%**
City	Tulare	Tulare	0.037%		**0.0302273%**
City	Visalia	Tulare	0.066%		**0.0545872%**
County	***Tuolumne County***	Tuolumne	0.486%	0.594%	**0.5047621%**
County	***Ventura County***	Ventura	2.192%	2.681%	**2.2781201%**
City	Camarillo	Ventura	0.002%		**0.0012815%**
City	Fillmore	Ventura	0.002%		**0.0020294%**
City	Moorpark	Ventura	0.008%		**0.0067337%**

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Participating Subdivision Classification	Participating Subdivision	County	Abatement Percentage	Plaintiff Subdivision Percentage	Weighted Allcation Percentage
City	Oxnard	Ventura	0.156%	0.190%	**0.1617338%**
City	Port Hueneme	Ventura	0.021%		**0.0174145%**
City	San Buenaventura (Ventura)	Ventura	0.085%		**0.0702181%**
City	Santa Paula	Ventura	0.014%		**0.0119072%**
City	Simi Valley	Ventura	0.065%		**0.0533043%**
City	Thousand Oaks	Ventura	0.022%		**0.0179902%**
County	***Yolo County***	Yolo	0.357%	0.437%	**0.3713319%**
City	Davis	Yolo	0.055%		**0.0451747%**
City	West Sacramento	Yolo	0.066%		**0.0544321%**
City	Woodland	Yolo	0.058%		**0.0477904%**
County	***Yuba County***	Yuba	0.214%	0.262%	**0.2225679%**
City	Marysville	Yuba	0.014%		**0.0112079%**

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APPENDIX 2

Cost Reimbursement Procedure

1. Additional defined terms:

a) *Costs* means the reasonable amounts paid for the attorney and other City Attorney and County Counsel staff time for individuals employed by a Plaintiff Subdivision at the contractual rate, inclusive of benefits and overhead, together with amounts paid for court reporters, experts, copying, electronic research, travel, vendors, and the like, which were not previously reimbursed and which were paid or incurred (i) prior to December 31, 2022 in litigation against any Opioid Defendant and/or (ii) in negotiating and drafting any CA Allocation Agreement(s) concerning a settlement with any Opioid Defendant(s). *Costs* does not include attorneys' fees, costs, or expenses incurred by private contingency fee counsel. No part of the CA Abatement Accounts Fund will be used to reimburse Costs.

b) *First Claims Date* means October 1, 2023 or when all applications for reimbursement of Costs, in whole or in part, from funds available under Section XIV and Exhibit R of the Teva Settlement Agreement, Section XIII and Exhibit R of the Allergan Settlement Agreement, Section X and Exhibit R of the Distributor Settlement Agreement, Section XI and Exhibit R of the Janssen Settlement Agreement, Section X and Exhibit R of the CVS Settlement Agreement, Section IX and Exhibit R of the Walgreens Settlement Agreement, or Section IX and Exhibit R of the Walmart Settlement Agreement, have been finally determined under the provisions of those agreements, whichever comes first.

c) *Special Master* means a retired judicial officer or former public lawyer, not presently employed or retained by a Plaintiff Subdivision, who will aggregate, review, and determine the reasonable Costs to be awarded to each Plaintiff Subdivision that submits a claim for reimbursement of Costs. The Special Master will be selected by a majority vote of the votes cast by Plaintiff Subdivisions, with each such subdivision having one vote.

d) *Plaintiff Subdivision Committee* means the committee of Plaintiff Subdivisions that will review and approve the invoices submitted by the Special Master reflecting his or her reasonable time and expenses.

2. Cost Reimbursement to Plaintiff Subdivision

a) Purpose. Substantial resources have been expended to hold Opioid Defendants accountable for creating and profiting from the opioid crisis, and this effort has been a significant catalyst in creating National Opioid Settlements with various manufacturers, distributors, and chain pharmacies.

b) Claims Procedure.

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i. If a Plaintiff Subdivision is eligible to seek reimbursement of Costs, in whole or in part, from funds available under Section XIV and Exhibit R of the Teva Settlement Agreement, Section XIII and Exhibit R of the Allergan Settlement Agreement, Section X and Exhibit R of the CVS Settlement Agreement, Section IX and Exhibit R of the Walgreens Settlement Agreement, Section IX and Exhibit R of the Walmart Settlement Agreement, Section X or Exhibit R of the Distributor Settlement Agreement, or Section XI or Exhibit R of the Janssen Settlement Agreement, it must first make a timely application for reimbursement from such funds. To allow sufficient time for determination of those applications, no claim for Costs to the CA Subdivision Fund under this Agreement may be made before the First Claims Date.

ii. A Plaintiff Subdivision that wishes to be reimbursed from the CA Subdivision Fund must submit a claim to the Special Master no later than forty-five (45) days after the First Claims Date. The Special Master will then compile and redistribute the aggregated claim totals for each Plaintiff Subdivision via email to representatives of all the Plaintiff Subdivisions. A claim for attorney and staff time must list, for each attorney or staff member included in the claim, the following information: name, title, total hours claimed, hourly rate (including, if sought, benefits and share of overhead), and narrative summarizing the general nature of the work performed by the attorney or staff member. For reimbursement of "hard" costs, the subdivision may aggregate across a category (e.g., total for travel costs). It is the intention of the Plaintiff Subdivisions that submission of documents related to reimbursement of Costs does not waive any attorney-client privilege or exemptions to the California Public Records Act.

iii. The Special Master may request, at his or her sole option, additional documents or details to assist in the final award of Costs.

iv. The Special Master will review claims for reasonableness and will notify each Plaintiff Subdivision of the final determination of its claim, and will provide a list of all final awards to all Plaintiff Subdivisions by email or, upon request, via First Class U.S. Mail. Any Plaintiff Subdivision may ask the Special Master to reconsider any final award within twenty-one (21) days. The Special Master will make a final determination on any such reconsideration request within thirty (30) days of receipt.

v. Any decision of the Special Master is final and binding, and will be considered under the California Arbitration Act, Code of Civil Procedure section 1280 et seq. as a final arbitration award. Nothing in this agreement is intended to expand the scope of judicial review of the final award for errors of fact or law, and the Parties agree that they may only seek to vacate the award if clear and convincing evidence demonstrates one of the factors set forth in Code of Civil Procedure, section 1286.2, subdivision (a). Plaintiff Subdivisions will have fourteen (14) days after all final awards are made, together with any final determination of a request for reconsideration, to seek review in the Superior Court of California, pursuant to Code of Civil Procedure, section 1285, where the State has filed its Consent Judgment.

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vi. The Special Master will prepare a report of Costs that includes his or her fees and expenses at least ninety (90) days before the Payment Date for each Annual Payment. The Special Master's preparation of a report of Costs does not discharge a Plaintiff Subdivision's reporting requirement under Section VIII.C of the Allergan Settlement Agreement.

vii. A member of the Plaintiff Subdivision Committee, which is a CA Participating Subdivision, will submit to the Settlement Fund Administrator and Allergan a report of the fees and expenses incurred by the Special Master pursuant to Section VIII.C of the Allergan Settlement Agreement.

c) Claims Priority and Limitation.

i. The Special Master will submit invoices for compensation of reasonable fees and expenses to the Plaintiff Subdivision Committee no later than ninety (90) days prior to the Payment Date for each Annual Payment. The Plaintiff Subdivision Committee will promptly review and, if reasonable, approve the Special Master's invoice for compensation. The Plaintiff Subdivision Committee will submit approved invoices to the Settlement Fund Administrator for payment. The Special Master's approved invoices have priority and will be paid first from the CA Subdivision Fund before any award of Costs, subject to the limitation in Section 2.c.v below.

ii. Final Awards of Costs that do not exceed seventy-five thousand dollars ($75,000.00) will be paid next in priority after the Special Master's approved invoices.

iii. Final Awards of Costs in excess of seventy-five thousand dollars ($75,000.00) will be paid proportionally from the funds remaining in that year's Annual Payment.

iv. Any claim for Costs that is not paid in full will be allocated against the next year's distribution from the CA Subdivision Fund, until all approved claims for Costs are paid in full.

v. In no event will more than 50% of the total CA Subdivision Fund received in any year be used to pay Costs or the Special Master's approved invoices.

vi. In no event shall more than $28 million of the total CA Subdivision Funds paid pursuant to the Teva Settlement Agreement, Allergan Settlement Agreement, Distributor Settlement Agreement, CVS Settlement Agreement, Janssen Settlement Agreement, Walgreens Settlement Agreement, and the Walmart Settlement Agreement be used to pay Costs.

d) Collateral Source Payments and Third-Party Settlement.

i. In the event a Plaintiff Subdivision is awarded compensation, in whole or in part, by any source of funds created as a result of litigation against an Opioid Defendant for its reasonable Costs, it will reduce its claim for Costs from the CA Subdivision Fund by that amount. If a Plaintiff Subdivision has already received a final award of Costs from the CA Subdivision Fund, it will repay the fund up to the prior awarc

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of Costs via a payment to the Settlement Fund Administrator or notify the Settlement Fund Administrator that its allocation from the next and subsequent Annual Payments should be reduced accordingly. If the Plaintiff Subdivision is repaying any prior award of Costs, that repayment will occur as soon as is feasible after the Plaintiff Subdivision's receipt of Cost funds from the collateral source, but no more than 90 days after its receipt from the collateral source. The Settlement Fund Administrator will add any repaid Costs to the CA Subdivision Fund. Any Plaintiff Subdivision that has submitted for reimbursement to any national fund and has not received a final determination by the First Claims Date may request that the settlement administrator withhold some or all of its payment from the CA Subdivision Fund in order to avoid repayment.

ii. In the event a Plaintiff Subdivision reaches a monetary settlement or compromise against any Opioid Defendant outside of the National Opioid Settlement, the monetary portion of such settlement, net of fees paid to outside contingency fee counsel and of funds earmarked strictly for abatement, will be credited against its Costs and the subdivision will be ineligible to recover those credited Costs from the CA Subdivision Fund. Plaintiff Subdivisions negotiating monetary settlements or compromises against any Opioid Defendant outside of the National Opioid Settlement will negotiate for funds to repay any Costs it previously received from the CA Subdivision Fund or for Costs it otherwise might be eligible to claim from the CA Subdivision Fund. If such a settlement is paid after all final approved claims for Costs by all Plaintiff Subdivisions are satisfied in full, the settling subdivision will reimburse the CA Subdivision Fund in that amount by making payment to the Settlement Fund Administrator to add to the CA Subdivision Fund in a manner consistent with the repayments described in section 2.d.i above.

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APPENDIX 3

CALIFORNIA-SUBDIVISION BACKSTOP AGREEMENT

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

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

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

Pursuant to this Backstop Agreement, [SUBDIVISION] may, subject to the limitations of the Allergan Settlement Agreement and CA Allergan Allocation Agreement, as well as any other limitations imposed by law, use funds that it receives from the Allergan Settlement CA Subdivision Fund to pay a contingent fee to [COUNSEL]. Any such payment from [SUBDIVISION] to [COUNSEL], together with any contingency fees that [COUNSEL] may receive from the national Attorney Fee Fund, will not exceed a total contingency fee of [PERCENTAGE NOT TO EXCEED 15%] of the total gross recovery of [SUBDIVISION] from the Allergan Settlement.

[COUNSEL] certify that they first sought fees and costs from the Attorney Fee Fund created under the Allergan Settlement Agreement before seeking or accepting payment under this backstop agreement. [COUNSEL] further certify that they are not seeking and will not accept payment under this backstop agreement of any litigation fees or costs that have been reimbursed through prior settlements or judgments.

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

[DATE]	[SUBDIVISION SIGNATURE BLOCK]
[DATE]	[COUNSEL SIGNATURE BLOCK]
[DATE]	[ATTORNEY GENERAL SIGNATURE BLOCK]

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Proposed California State-Subdivision Agreement Regarding Distribution and Use of Settlement Funds – Teva Settlement

1. Introduction

Pursuant to the Teva Settlement Agreement, dated as of November 22, 2022, and any revision thereto (the "Teva Settlement Agreement"), including Section VIII and Exhibit O, the State of California proposes this agreement (the "CA Teva Allocation Agreement") to govern the allocation, distribution, and use of Settlement Fund payments made to California pursuant to Sections VI, VII, and VIII of the Teva Settlement Agreement. For the avoidance of doubt, this agreement does not apply to payments made pursuant to Sections IX, XIII, or XIV of the Teva Settlement Agreement.

Pursuant to Exhibit O, Paragraph 4, of the Teva Settlement Agreement, acceptance of this CA Teva Allocation Agreement is a requirement to be an Initial Participating Subdivision.[1]

Further, pursuant to Sections X.B and X.C of the Teva Settlement Agreement and Sections IX.B and IX.C of the Allergan Settlement Agreement, eligible Subdivisions must participate in both the Teva Settlement Agreement and Allergan Settlement Agreement, or neither.

2. Definitions

a) *CA Participating Subdivision* means a Participating Subdivision that is also (a) a Plaintiff Subdivision and/or (b) a Subdivision with a population equal to or greater than 10,000. For the avoidance of doubt, eligible CA Participating Subdivisions are those California subdivisions listed in Exhibit C (excluding Litigating Special Districts) and/or Exhibit I to the Teva Settlement Agreement.

b) *Allergan Settlement Agreement* means the Allergan Settlement Agreement dated November 22, 2022, and any revision thereto.

c) *CVS Settlement Agreement* means the CVS Settlement Agreement dated December 9, 2022, and any revision thereto as well as any modification thereto entered into by the State of California and CVS.

d) *Distributor Settlement Agreement* means the Distributor Settlement Agreement dated July 21, 2021, and any revision thereto.

e) *Janssen Settlement Agreement* means the Janssen Settlement Agreement dated July 21, 2021, and any revision thereto.

f) *Walgreens Settlement Agreement* means the Walgreens Settlement Agreement dated December 9, 2022, and any revision thereto.

[1] A parallel but separate agreement (the "CA Allergan Allocation Agreement") will govern the allocation, distribution, and use of settlement fund payments under the Allergan Settlement Agreement.

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g) *Walmart Settlement Agreement* means the Walmart Settlement Agreement dated November 14, 2022, and any revision thereto.

h) *CA Litigating Special District* means a Litigating Special District located in California. CA Litigating Special Districts include Downey Unified School District, Elk Grove Unified School District, Kern High School District, Montezuma Fire Protection District (located in Stockton, California), Santa Barbara San Luis Obispo Regional Health Authority, Inland Empire Health Plan, Health Plan of San Joaquin, San Leandro Unified School District, Pleasant Valley School District Board, and LA Care Health Plan.

i) *Plaintiff Subdivision* means a Subdivision located in California, other than a CA Litigating Special District, that filed a lawsuit, on behalf of the Subdivision and/or through an official of the Subdivision on behalf of the People of the State of California, against one or more Opioid Defendants prior to October 1, 2020.

j) *Opioid Defendant* means any defendant (including but not limited to Teva Pharmaceutical Industries Ltd., Allergan Finance, LLC, Allergan Limited, CVS Health Corporation, CVS Pharmacy, Inc., Walgreen Co., Walmart Inc., Johnson & Johnson, Janssen Pharmaceuticals, Inc., Purdue Pharma L.P., Cardinal Health, Inc., AmerisourceBergen Corporation, and McKesson Corporation) named in a lawsuit seeking damages, abatement, or other remedies related to or caused by the opioid public health crisis in any lawsuit brought by any state or local government on or before October 1, 2020.

3. General Terms

This agreement is subject to the requirements of the Teva Settlement Agreement, as well as applicable law, and the Teva Settlement Agreement governs over any inconsistent provision of this CA Teva Allocation Agreement. Terms used in this CA Teva Allocation Agreement have the same meaning as in the Teva Settlement Agreement unless otherwise defined herein.

Pursuant to Section VIII(E)(1) of the Teva Settlement Agreement, (a) all Settlement Fund payments will be used for Opioid Remediation, except as allowed by Section VIII(C) of the Teva Settlement Agreement; and (b) at least seventy percent (70%) of Settlement Fund payment amounts will be used solely for future Opioid Remediation.

4. State Allocation

The Settlement Fund payments to California,[2] pursuant to the Teva Settlement Agreement, shall be allocated as follows: 15% to the State Fund; 70% to the Abatement Accounts Fund; and 15% to the Subdivision Fund. For the avoidance of doubt, all funds allocated to California from the

[2] For purposes of clarity, use of the term "California" refers to the geographic territory of California and the state and its local governments therein. The term "State" or "State of California" refers to the State of California as a governmental unit.

Settlement Fund shall be combined pursuant to this CA Teva Allocation Agreement, and 15% of that total shall be allocated to the State of California (the "State of California Allocation"), 70% to the California Abatement Accounts Fund ("CA Abatement Accounts Fund"), and 15% to the California Subdivision Fund ("CA Subdivision Fund").

A. State of California Allocation

Fifteen percent of the total Settlement Fund payments will be allocated to the State and used by the State for future Opioid Remediation.

B. CA Abatement Accounts Fund

i. Allocation of CA Abatement Accounts Funds

a) Seventy percent of the total Settlement Fund payments will be allocated to the CA Abatement Accounts Fund. The funds in the CA Abatement Accounts Fund will be allocated based on the allocation model developed in connection with the proposed negotiating class in the National Prescription Opiate Litigation (MDL No. 2804), as adjusted to reflect only those cities and counties that are eligible, based on population or litigation status, to become a CA Participating Subdivision. The percentage from the CA Abatement Accounts Fund allocated to each CA Participating Subdivision is set forth in Appendix 1 in the column entitled abatement percentage (the "Local Allocation"). For the avoidance of doubt, CA Litigating Special Districts and California towns, cities, and counties with a population less than 10,000 are not eligible to receive an allocation of CA Abatement Accounts Funds.

b) A CA Participating Subdivision that is a county, or a city and county, will be allocated its Local Allocation share as of the date on which it becomes a Participating Subdivision, and will receive payments as provided in the Teva Settlement Agreement.

c) A CA Participating Subdivision that is a city will be allocated its Local Allocation share as of the date on which it becomes a Participating Subdivision. The Local Allocation share for a city that is a CA Participating Subdivision will be paid to the county in which the city is located, rather than to the city, so long as: (a) the county is a CA Participating Subdivision, and (b) the city has not advised the Settlement Fund Administrator that it requests direct payment at least 60 days prior to a Payment Date. A Local Allocation share allocated to a city but paid to a county is not required to be spent exclusively for abatement activities in that city, but will become part of the county's share of the CA Abatement Accounts Funds, which will be used in accordance with Section 4.B.ii (Use of CA Abatement Accounts Funds) and reported on in accordance with Section 4.B.iii (CA Abatement Accounts Fund Oversight).

d) A city within a county that is a CA Participating Subdivision may opt in or out of direct payment at any time, and it may also elect direct payment of only a portion of its share, with the remainder going to the county, by providing notice to the Settlement Fund Administrator at least 60 days prior to a Payment Date. For purposes of this CA Teva

Allocation Agreement, the Cities of Los Angeles, Oakland, San Diego, San Jose and Eureka will be deemed to have elected direct payment if they become Participating Subdivisions.

e) The State will receive the Local Allocation share of any payment to the Settlement Fund that is attributable to a county or city that is eligible to become a CA Participating Subdivision, but that has not, as of the date of that payment to the Settlement Fund, become a Participating Subdivision.

f) Funds received by a CA Participating Subdivision, and not expended or encumbered within five years of receipt and in accordance with the Teva Settlement Agreement and this CA Teva Allocation Agreement shall be transferred to the State; provided however, that CA Participating Subdivisions have seven years to expend or encumber CA Abatement Accounts Funds designated to support capital outlay projects before they must be transferred to the State. This provision shall not apply to the Cost Reimbursement Funds, which shall be controlled by Appendix 2.

ii. Use of CA Abatement Accounts Funds

a) The CA Abatement Accounts Funds will be used for future Opioid Remediation in one or more of the areas described in the List of Opioid Remediation Uses, which is Exhibit E to the Teva Settlement Agreement.

b) In addition to this requirement, no less than 50% of the funds received by a CA Participating Subdivision from the Abatement Accounts Fund in each calendar year will be used for one or more of the following High Impact Abatement Activities:

(1) the provision of matching funds or operating costs for substance use disorder facilities within the Behavioral Health Continuum Infrastructure Program;

(2) creating new or expanded Substance Use Disorder ("SUD") treatment infrastructure;

(3) addressing the needs of communities of color and vulnerable populations (including sheltered and unsheltered homeless populations) that are disproportionately impacted by SUD;

(4) diversion of people with SUD from the justice system into treatment, including by providing training and resources to first and early responders (sworn and non-sworn) and implementing best practices for outreach, diversion and deflection, employability, restorative justice, and harm reduction; and/or

(5) interventions to prevent drug addiction in vulnerable youth.

c) The California Department of Health Care Services ("DHCS") may add to this list (but not delete from it) by designating additional High Impact Abatement Activities. DHCS will make reasonable efforts to consult with stakeholders, including the CA Participating Subdivisions, before adding additional High Impact Abatement Activities to this list.

d) For the avoidance of doubt, and subject to the requirements of the Teva Settlement Agreement and applicable law, CA Participating Subdivisions may form agreements or ventures, or otherwise work in collaboration with, federal, state, local, tribal or private sector entities in pursuing Opioid Remediation activities funded from the CA Abatement Accounts Fund. Further, provided that all CA Abatement Accounts Funds are used for Opioid Remediation consistent with the Teva Settlement Agreement and this CA Teva Allocation Agreement, a county and any cities or towns within the county may agree to reallocate their respective shares of the CA Abatement Accounts Funds among themselves, provided that any direct distribution may only be to a CA Participating Subdivision and any CA Participating Subdivision must agree to their share being reallocated.

iii. CA Abatement Accounts Fund Oversight

a) Pursuant to Section 5 below, CA Participating Subdivisions receiving settlement funds must prepare and file reports annually regarding the use of those funds. DHCS may regularly review the reports prepared by CA Participating Subdivisions about the use of CA Abatement Accounts Funds for compliance with the Teva Settlement Agreement and this CA Teva Allocation Agreement.

b) If DHCS determines that a CA Participating Subdivision's use of CA Abatement Accounts Funds is inconsistent with the Teva Settlement Agreement or this CA Teva Allocation Agreement, whether through review of reports or information from any other sources, DHCS shall send a request to meet and confer with the CA Participating Subdivision. The parties shall meet and confer in an effort to resolve the concern.

c) If the parties are unable to reach a resolution, DHCS may conduct an audit of the Subdivision's use of the CA Abatement Accounts Funds within one year of the request to meet and confer, unless the parties mutually agree in writing to extend the meet and confer time frame.

d) If the concern still cannot be resolved, the State may bring a motion or action in the court where the State has filed its Consent Judgment to resolve the concern or otherwise enforce the requirements of the Teva Settlement Agreement or this CA Teva Allocation Agreement. However, in no case shall any audit be conducted, or motion be brought, as to a specific expenditure of funds, more than five years after the date on which the expenditure of the funds was reported to DHCS, in accordance with this agreement.

e) Notwithstanding the foregoing, this Agreement does not limit the statutory or constitutional authority of any state or local agency or official to conduct audits, 6 investigations, or other oversight activities, or to pursue administrative, civil, or criminal enforcement actions.

C. CA Subdivision Fund

i. Fifteen percent of the total Settlement Fund payments will be allocated to the CA Subdivision Fund. All funds in the CA Subdivision Fund will be allocated among the Plaintiff Subdivisions that are Initial Participating Subdivisions. The funds will be used, subject to any limits imposed by the Teva Settlement Agreement and this CA Teva Allocation Agreement, to fund future Opioid Remediation and reimburse past opioid-related expenses, which may include fees and expenses related to litigation, and to pay the reasonable fees and expenses of the Special Master as set forth in Appendix 2.

The CA Subdivision Funds will be allocated as follows:

a) First, funds in the CA Subdivision Fund shall be used to pay the Special Master's reasonable fees and expenses in accordance with the procedures and limitations set forth in Appendix 2 to this document;

b) Second, funds will be allocated to Plaintiff Subdivisions that are Initial Participating Subdivisions that have been awarded Costs, as defined by and in accordance with the procedures and limitations set forth in Appendix 2 to this document.

c) Funds remaining in the CA Subdivision Fund, which shall consist of no less than 50% of the total CA Subdivision Fund received in any year pursuant to Appendix 2, Section 2.c.v, will be distributed to Plaintiff Subdivisions that are Initial Participating Subdivisions, in relative proportion to the Local Allocation. These funds shall be used to fund future opioid-related projects and to reimburse past opioid-related expenses, which may include fees and expenses related to litigation against any Opioid Defendant.

D. Provision for State Back-Stop Agreement

On August 6, 2021, Judge Dan Polster of the U.S. District Court, Northern District of Ohio, Eastern Division, issued an order (ECF Docket Number 3814) ("MDL Fees Order") in the National Prescription Opiate Litigation (MDL No. 2804) "cap[ping] all applicable contingent fee agreements at 15%." Private counsel representing Plaintiff Subdivisions should seek its contingency fees and costs from the Attorney Fee Fund or Cost Funds under the Teva Settlement Agreement and Allergan Settlement Agreement, and, if applicable, the CVS Settlement Agreement, Distributor Settlement Agreement, Janssen Settlement Agreement, Walgreens Settlement Agreement, and Walmart Settlement Agreement.

A Plaintiff Subdivision may separately agree to use its share of the CA Subdivision Fund to pay for fees or costs incurred by its contingency-fee counsel ("State Back-Stop Agreement"), pursuant to Exhibit R, section I(X), of the Teva Settlement Agreement and the MDL Fees Order,

so long as such contingency fees do not exceed a total contingency fee of 15% of the total gross recovery of the Plaintiff Subdivision pursuant to the Teva Settlement, inclusive of contingency fees from the national Attorney Fee Fund and this State Back-Stop Agreement. Before seeking fees or litigation costs and expenses from a State Back-Stop Agreement, private counsel representing Plaintiff Subdivisions must first seek contingency fees and costs from the Attorney Fee Fund or Cost Funds created under the Teva Settlement Agreement. Further, private counsel may only seek reimbursement for litigation fees and costs that have not previously been reimbursed through prior settlements or judgments.

To effectuate a State Back-Stop Agreement pursuant to this section, an agreement in the form of Appendix 3 may be entered into by a Plaintiff Subdivision, private counsel, and the California Office of the Attorney General. The California Office of the Attorney General shall, upon the request of a Plaintiff Subdivision, execute any agreement executed by a Plaintiff Subdivision and its private counsel if it is in the form of Appendix 3. The California Office of the Attorney General will also consider requests from Plaintiff Subdivisions to execute and enter into agreements presented in other forms.

For the avoidance of doubt, this agreement does not require a Plaintiff Subdivision to request or enter into a State Back-Stop Agreement, and no State Back-Stop Agreement shall impose any duty or obligation on the State of California or any of its agencies or officers, including without limitation the Attorney General.

5. State and Subdivision Reporting

a) DHCS will prepare an annual written report regarding the State's use of funds from the settlement until those funds are fully expended and for one year thereafter. These reports will be made publicly available on the DHCS web site.

b) Each CA Participating Subdivision that receives payments of funds from the settlement will prepare written reports at least annually regarding the use of those funds, until those funds are fully expended and for one year thereafter. These reports will also include a certification that all funds that the CA Participating Subdivision has received through the settlement have been used in compliance with the Teva Settlement Agreement and this CA Teva Allocation Agreement. The report will be in a form reasonably determined by DHCS. Prior to specifying the form of the report DHCS will confer with representatives of the Plaintiff Subdivisions.

c) The State and all CA Participating Subdivisions receiving CA Abatement Accounts Funds will track all deposits and expenditures. Each such subdivision is responsible solely for the CA Abatement Accounts Funds it receives. A county is not responsible for oversight, reporting, or monitoring of CA Abatement Accounts Funds received by a city within that county that receives direct payment. Unless otherwise exempt, Subdivisions' expenditures and uses of CA Abatement Accounts Funds and other Settlement Funds will be subject to the normal budgetary and expenditure process of the Subdivision.

d) Each Plaintiff Subdivision receiving CA Subdivision Funds will track all deposits and expenditures, as required by the Teva Settlement Agreement and this CA Teva Allocation Agreement. Among other things, Plaintiff Subdivisions using monies from the CA Subdivision Fund for purposes that do not qualify as Opioid Remediation must identify and include in their annual report, the amount and how such funds were used, including if used to pay attorneys' fees, investigation costs, or litigation costs. Pursuant to Section VIII(C) of the Teva Settlement Agreement, such information must also be reported to the Settlement Fund Administrator and Teva.

e) In each year in which DHCS prepares an annual report DHCS will also host a meeting to discuss the annual report and the Opioid Remediation activities being carried out by the State and Participating Subdivisions.

6. Miscellaneous

a) The State or any CA Participating Subdivision may bring a motion or action in the court where the State has filed its Consent Judgment to enforce the requirements of this CA Teva Allocation Agreement. Before filing such a motion or action the State will meet and confer with any CA Participating Subdivision that is the subject of the anticipated motion or action, and vice versa.

b) Except as provided in the Teva Settlement Agreement, this CA Teva Allocation Agreement is not enforceable by any party other than the State and the CA Participating Subdivisions. It does not confer any rights or remedies upon, and shall not be enforceable by, any third party.

c) Except as provided in the CA Teva Allocation Agreement, if any provision of this agreement or the application thereof to any person, entity, or circumstance shall, to any extent, be invalid or unenforceable, the remainder of this agreement, or the application of such provision to persons, entities, or circumstances other than those as to which it is invalid or unenforceable, will not be affected thereby, and each other provision of this agreement will be valid and enforceable to the fullest extent permitted by law.

a) Except as provided in the Teva Settlement Agreement, this agreement shall be governed by and interpreted in accordance with the laws of California.

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The undersigned, Morro Bay city, ACKNOWLEDGES acceptance of this Proposed California State-Subdivision Agreement Regarding Distribution and Use of Settlement Funds – Teva Settlement is a requirement to be an Initial Participating Subdivision in the Teva Settlement and ACCEPTS this Proposed California State-Subdivision Agreement Regarding Distribution and Use of Settlement Funds – Teva Settlement. EXECUTED on .

Signature: _____

Name: _____

Title: _____

Date: _____

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DISCLAIMER: The allocation percentages herein are estimates only and should not be relied on for decisions regarding legal rights, releases, waivers, or other decisions affecting current or potential legal claims. Percentages shown in the Plaintiff Subdivision Percentage column may change pursuant to Section 4.C. of the California State-Subdivision Agreement Regarding Distribution and Use of Settlement Funds—Teva Settlement, whereas the percentages shown in the Abatement Percentage column should not change. Participating Subdivisions, underlying calculations, and the calculated allocation percentages are subject to change. Regarding the column herein entitled "Abatement Percentage," pursuant to Section 4.B.e., the State of California will receive the Local Allocation share of any payment to the Settlement Fund that is attributable to a county or city that is eligible to become a CA Participating Subdivision, but that has not, as of the date of that payment to the Settlement Fund, become a Participating Subdivision. Regarding the column herein entitled "Plaintiff Subdivision Percentage," payments allocated to a Plaintiff Subdivision, which is not an Initial Participating Subdivision, will be re-allocated among the Plaintiff Subdivisions that are Initial Participating Subdivisions. Regarding the column herein entitled "Abatement Percentage," the annotation of "100%" refers to one-hundred percent (100%) of the California Abatement Account Funds received, pursuant to Section 4.B. Regarding the column herein entitled "Plaintiff Subdivision Percentage," the annotation of "100%" refers to one-hundred percent (100%) of the California Subdivision Funds received, pursuant to Section 4.C. Regarding the column herein entitled "Weighted Allocation Percentage," the annotation of "100%" refers to one-hundred percent (100%) of the combined and weighted allocation of the Abatement Percentage and the Plaintiff Subdivision Percentage.

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			100.000%	100.000%	100.000%
Participating Subdivision Classification	**Participating Subdivision**	**County**	**Abatement Percentage**	**Plaintiff Subdivision Percentage**	**Weighted Allcation Percentage**
County	***Alameda County***	Alameda	2.332%	2.853%	**2.4237952%**
City	Alameda	Alameda	0.069%		**0.0570162%**
City	Albany	Alameda	0.013%		**0.0107768%**
City	Berkeley	Alameda	0.152%		**0.1249656%**
City	Dublin	Alameda	0.033%	0.040%	**0.0338810%**
City	Emeryville	Alameda	0.023%		**0.0185765%**
City	Fremont	Alameda	0.108%		**0.0888576%**
City	Hayward	Alameda	0.117%		**0.0966218%**
City	Livermore	Alameda	0.054%		**0.0446740%**
City	Newark	Alameda	0.026%		**0.0217626%**
City	Oakland	Alameda	0.486%	0.595%	**0.5055601%**
City	Piedmont	Alameda	0.014%		**0.0114064%**
City	Pleasanton	Alameda	0.067%		**0.0554547%**
City	San Leandro	Alameda	0.039%		**0.0321267%**
City	Union City	Alameda	0.043%		**0.0352484%**
County	***Amador County***	Amador	0.226%	0.277%	**0.2349885%**
County	***Butte County***	Butte	1.615%	1.975%	**1.6783178%**
City	Chico	Butte	0.216%	0.264%	**0.2246499%**
City	Oroville	Butte	0.079%		**0.0646595%**
County	***Calaveras County***	Calaveras	0.226%	0.277%	**0.2351644%**
County	***Colusa County***	Colusa	0.059%		**0.0489221%**
County	***Contra Costa County***	Contra Costa	2.102%	2.571%	**2.1844585%**
City	Antioch	Contra Costa	0.037%		**0.0301879%**
City	Brentwood	Contra Costa	0.026%		**0.0215339%**
City	Clayton	Contra Costa	0.002%		**0.0018060%**
City	Concord	Contra Costa	0.055%		**0.0456676%**
City	Danville	Contra Costa	0.010%		**0.0082255%**
City	El Cerrito	Contra Costa	0.023%		**0.0189024%**
City	Hercules	Contra Costa	0.010%		**0.0078273%**

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Participating Subdivision Classification	Participating Subdivision	County	Abatement Percentage	Plaintiff Subdivision Percentage	Weighted Allcation Percentage
City	Lafayette	Contra Costa	0.006%		**0.0046030%**
City	Martinez	Contra Costa	0.012%		**0.0098593%**
City	Moraga	Contra Costa	0.004%		**0.0031007%**
City	Oakley	Contra Costa	0.010%		**0.0079416%**
City	Orinda	Contra Costa	0.005%		**0.0038157%**
City	Pinole	Contra Costa	0.013%		**0.0110909%**
City	Pittsburg	Contra Costa	0.053%		**0.0436369%**
City	Pleasant Hill	Contra Costa	0.013%		**0.0106309%**
City	Richmond	Contra Costa	0.146%		**0.1201444%**
City	San Pablo	Contra Costa	0.018%		**0.0148843%**
City	San Ramon	Contra Costa	0.021%		**0.0176459%**
City	Walnut Creek	Contra Costa	0.026%		**0.0212132%**
County	***Del Norte County***	Del Norte	0.114%	0.140%	**0.1189608%**
County	***El Dorado County***	El Dorado	0.768%	0.939%	**0.7980034%**
City	Placerville	El Dorado	0.015%		**0.0127642%**
City	South Lake Tahoe	El Dorado	0.081%		**0.0665456%**
County	***Fresno County***	Fresno	1.895%	2.318%	**1.9693410%**
City	Clovis	Fresno	0.065%		**0.0536211%**
City	Coalinga	Fresno	0.012%		**0.0098554%**
City	Fresno	Fresno	0.397%		**0.3270605%**
City	Kerman	Fresno	0.005%		**0.0042534%**
City	Kingsburg	Fresno	0.008%		**0.0066167%**
City	Mendota	Fresno	0.002%		**0.0019387%**
City	Orange Cove	Fresno	0.004%		**0.0035607%**
City	Parlier	Fresno	0.008%		**0.0069755%**
City	Reedley	Fresno	0.012%		**0.0098804%**
City	Sanger	Fresno	0.018%		**0.0146135%**
City	Selma	Fresno	0.015%		**0.0127537%**
County	***Glenn County***	Glenn	0.107%	0.131%	**0.1116978%**
County	***Humboldt County***	Humboldt	1.030%	1.260%	**1.0703185%**

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Participating Subdivision Classification	Participating Subdivision	County	Abatement Percentage	Plaintiff Subdivision Percentage	Weighted Allcation Percentage
City	Arcata	Humboldt	0.054%		**0.0447660%**
City	Eureka	Humboldt	0.117%	0.143%	**0.1216284%**
City	Fortuna	Humboldt	0.032%		**0.0266837%**
County	***Imperial County***	Imperial	0.258%	0.315%	**0.2679006%**
City	Brawley	Imperial	0.011%		**0.0087986%**
City	Calexico	Imperial	0.019%		**0.0152799%**
City	El Centro	Imperial	0.158%		**0.1302522%**
City	Imperial	Imperial	0.006%		**0.0048791%**
County	***Inyo County***	Inyo	0.073%	0.089%	**0.0754413%**
County	***Kern County***	Kern	2.517%	3.079%	**2.6159145%**
City	Arvin	Kern	0.006%		**0.0046425%**
City	Bakersfield	Kern	0.212%		**0.1747198%**
City	California City	Kern	0.009%		**0.0070820%**
City	Delano	Kern	0.030%		**0.0249316%**
City	McFarland	Kern	0.003%		**0.0025644%**
City	Ridgecrest	Kern	0.015%		**0.0120938%**
City	Shafter	Kern	0.013%		**0.0103417%**
City	Tehachapi	Kern	0.009%		**0.0073580%**
City	Wasco	Kern	0.008%		**0.0069861%**
County	***Kings County***	Kings	0.293%		**0.2413469%**
City	Avenal	Kings	0.007%		**0.0056335%**
City	Corcoran	Kings	0.013%		**0.0107032%**
City	Hanford	Kings	0.027%		**0.0226038%**
City	Lemoore	Kings	0.016%		**0.0131900%**
County	***Lake County***	Lake	0.795%		**0.6545389%**
City	Clearlake	Lake	0.041%	0.050%	**0.0426253%**
City	Lakeport	Lake	0.021%	0.026%	**0.0222964%**
County	***Lassen County***	Lassen	0.319%	0.391%	**0.3320610%**
City	Susanville	Lassen	0.027%		**0.0219295%**
County	***Los Angeles County***	Los Angeles	13.896%	16.999%	**14.4437559%**

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Participating Subdivision Classification	Participating Subdivision	County	Abatement Percentage	Plaintiff Subdivision Percentage	Weighted Allcation Percentage
City	Agoura Hills	Los Angeles	0.005%		**0.0040024%**
City	Alhambra	Los Angeles	0.042%		**0.0343309%**
City	Arcadia	Los Angeles	0.033%		**0.0267718%**
City	Artesia	Los Angeles	0.001%		**0.0005100%**
City	Azusa	Los Angeles	0.026%		**0.0210857%**
City	Baldwin Park	Los Angeles	0.027%		**0.0218520%**
City	Bell	Los Angeles	0.008%		**0.0068783%**
City	Bellflower	Los Angeles	0.002%		**0.0014485%**
City	Bell Gardens	Los Angeles	0.014%		**0.0114301%**
City	Beverly Hills	Los Angeles	0.065%		**0.0534897%**
City	Burbank	Los Angeles	0.100%		**0.0823132%**
City	Calabasas	Los Angeles	0.006%		**0.0048948%**
City	Carson	Los Angeles	0.019%		**0.0159805%**
City	Cerritos	Los Angeles	0.005%		**0.0039682%**
City	Claremont	Los Angeles	0.010%		**0.0082584%**
City	Commerce	Los Angeles	0.000%		**0.0002971%**
City	Compton	Los Angeles	0.044%		**0.0361882%**
City	Covina	Los Angeles	0.028%		**0.0229127%**
City	Cudahy	Los Angeles	0.001%		**0.0006020%**
City	Culver City	Los Angeles	0.055%		**0.0449894%**
City	Diamond Bar	Los Angeles	0.001%		**0.0006993%**
City	Downey	Los Angeles	0.052%		**0.0429994%**
City	Duarte	Los Angeles	0.003%		**0.0027261%**
City	El Monte	Los Angeles	0.031%	0.038%	**0.0318985%**
City	El Segundo	Los Angeles	0.033%		**0.0268020%**
City	Gardena	Los Angeles	0.034%		**0.0278088%**
City	Glendale	Los Angeles	0.166%		**0.1366586%**
City	Glendora	Los Angeles	0.016%		**0.0134411%**
City	Hawaiian Gardens	Los Angeles	0.005%		**0.0040549%**
City	Hawthorne	Los Angeles	0.050%		**0.0407833%**

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Participating Subdivision Classification	Participating Subdivision	County	Abatement Percentage	Plaintiff Subdivision Percentage	Weighted Allcation Percentage
City	Hermosa Beach	Los Angeles	0.018%		**0.0145307%**
City	Huntington Park	Los Angeles	0.023%		**0.0190667%**
City	Inglewood	Los Angeles	0.059%		**0.0489195%**
City	La Cañada Flintridge	Los Angeles	0.003%		**0.0025565%**
City	Lakewood	Los Angeles	0.005%		**0.0039971%**
City	La Mirada	Los Angeles	0.010%		**0.0081572%**
City	Lancaster	Los Angeles	0.045%		**0.0369689%**
City	La Puente	Los Angeles	0.002%		**0.0012999%**
City	La Verne	Los Angeles	0.024%		**0.0194190%**
City	Lawndale	Los Angeles	0.002%		**0.0017731%**
City	Lomita	Los Angeles	0.004%		**0.0031940%**
City	Long Beach	Los Angeles	0.439%		**0.3614151%**
City	Los Angeles	Los Angeles	2.715%	3.321%	**2.8218811%**
City	Lynwood	Los Angeles	0.016%		**0.0134345%**
City	Malibu	Los Angeles	0.002%		**0.0019269%**
City	Manhattan Beach	Los Angeles	0.032%		**0.0260686%**
City	Maywood	Los Angeles	0.004%		**0.0035528%**
City	Monrovia	Los Angeles	0.031%		**0.0254455%**
City	Montebello	Los Angeles	0.030%		**0.0250670%**
City	Monterey Park	Los Angeles	0.031%		**0.0256677%**
City	Norwalk	Los Angeles	0.031%		**0.0258228%**
City	Palmdale	Los Angeles	0.046%		**0.0375827%**
City	Palos Verdes Estates	Los Angeles	0.006%		**0.0053102%**
City	Paramount	Los Angeles	0.011%		**0.0091483%**
City	Pasadena	Los Angeles	0.146%		**0.1200524%**
City	Pico Rivera	Los Angeles	0.022%		**0.0183333%**
City	Pomona	Los Angeles	0.111%		**0.0911933%**
City	Rancho Palos Verdes	Los Angeles	0.002%		**0.0012645%**
City	Redondo Beach	Los Angeles	0.062%		**0.0506992%**
City	Rosemead	Los Angeles	0.003%		**0.0028260%**

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Participating Subdivision Classification	Participating Subdivision	County	Abatement Percentage	Plaintiff Subdivision Percentage	Weighted Allcation Percentage
City	San Dimas	Los Angeles	0.003%		**0.0022016%**
City	San Fernando	Los Angeles	0.013%		**0.0104837%**
City	San Gabriel	Los Angeles	0.018%		**0.0147726%**
City	San Marino	Los Angeles	0.009%		**0.0073791%**
City	Santa Clarita	Los Angeles	0.022%		**0.0178167%**
City	Santa Fe Springs	Los Angeles	0.031%		**0.0257531%**
City	Santa Monica	Los Angeles	0.158%		**0.1298513%**
City	Sierra Madre	Los Angeles	0.006%		**0.0048646%**
City	Signal Hill	Los Angeles	0.010%		**0.0084884%**
City	South El Monte	Los Angeles	0.005%		**0.0039603%**
City	South Gate	Los Angeles	0.020%		**0.0166272%**
City	South Pasadena	Los Angeles	0.012%		**0.0095334%**
City	Temple City	Los Angeles	0.005%		**0.0039498%**
City	Torrance	Los Angeles	0.112%		**0.0919820%**
City	Walnut	Los Angeles	0.006%		**0.0047305%**
City	West Covina	Los Angeles	0.049%		**0.0404521%**
City	West Hollywood	Los Angeles	0.013%		**0.0108517%**
City	Whittier	Los Angeles	0.032%		**0.0260581%**
County	***Madera County***	Madera	0.349%	0.427%	**0.3630669%**
City	Chowchilla	Madera	0.012%		**0.0097332%**
City	Madera	Madera	0.039%		**0.0318441%**
County	***Marin County***	Marin	0.564%	0.690%	**0.5861325%**
City	Larkspur	Marin	0.015%		**0.0124697%**
City	Mill Valley	Marin	0.020%		**0.0168401%**
City	Novato	Marin	0.028%		**0.0229824%**
City	San Anselmo	Marin	0.009%		**0.0078062%**
City	San Rafael	Marin	0.089%		**0.0729823%**
County	***Mariposa County***	Mariposa	0.084%	0.103%	**0.0876131%**
County	***Mendocino County***	Mendocino	0.439%	0.536%	**0.4558394%**
City	Ukiah	Mendocino	0.039%		**0.0317153%**

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Participating Subdivision Classification	Participating Subdivision	County	Abatement Percentage	Plaintiff Subdivision Percentage	Weighted Allcation Percentage
County	***Merced County***	Merced	0.551%	0.674%	**0.5724262%**
City	Atwater	Merced	0.024%		**0.0195846%**
City	Livingston	Merced	0.006%		**0.0045873%**
City	Los Banos	Merced	0.020%		**0.0165142%**
City	Merced	Merced	0.061%		**0.0500762%**
County	***Modoc County***	Modoc	0.065%	0.080%	**0.0678250%**
County	***Mono County***	Mono	0.023%	0.029%	**0.0242606%**
County	***Monterey County***	Monterey	0.908%	1.111%	**0.9437083%**
City	Greenfield	Monterey	0.006%		**0.0050552%**
City	King City	Monterey	0.005%		**0.0037355%**
City	Marina	Monterey	0.017%		**0.0144098%**
City	Monterey	Monterey	0.041%		**0.0336540%**
City	Pacific Grove	Monterey	0.009%		**0.0074842%**
City	Salinas	Monterey	0.094%		**0.0776576%**
City	Seaside	Monterey	0.023%		**0.0191772%**
City	Soledad	Monterey	0.007%		**0.0060870%**
County	***Napa County***	Napa	0.288%	0.352%	**0.2994325%**
City	American Canyon	Napa	0.017%		**0.0136869%**
City	Napa	Napa	0.078%		**0.0642783%**
County	***Nevada County***	Nevada	0.441%	0.539%	**0.4579827%**
City	Grass Valley	Nevada	0.024%		**0.0197805%**
City	Truckee	Nevada	0.003%		**0.0023843%**
County	***Orange County***	Orange	4.364%	5.339%	**4.5363576%**
City	Aliso Viejo	Orange	0.014%		**0.0113841%**
City	Anaheim	Orange	0.554%	0.678%	**0.5759282%**
City	Brea	Orange	0.086%		**0.0708897%**
City	Buena Park	Orange	0.087%		**0.0714352%**
City	Costa Mesa	Orange	0.124%	0.152%	**0.1288366%**
City	Cypress	Orange	0.033%		**0.0271937%**
City	Dana Point	Orange	0.001%		**0.0005560%**

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City	Fountain Valley	Orange	0.055%		**0.0455980%**
City	Fullerton	Orange	0.137%	0.168%	**0.1425744%**
City	Garden Grove	Orange	0.213%		**0.1752482%**
City	Huntington Beach	Orange	0.247%	0.302%	**0.2568420%**
City	Irvine	Orange	0.139%	0.170%	**0.1442350%**
City	Laguna Beach	Orange	0.047%	0.058%	**0.0493043%**
City	Laguna Hills	Orange	0.014%		**0.0115457%**
City	Laguna Niguel	Orange	0.001%		**0.0007071%**
City	Laguna Woods	Orange	0.001%		**0.0006546%**
City	La Habra	Orange	0.060%	0.073%	**0.0621049%**
City	Lake Forest	Orange	0.012%		**0.0101249%**
City	La Palma	Orange	0.012%		**0.0095439%**
City	Los Alamitos	Orange	0.008%		**0.0069190%**
City	Mission Viejo	Orange	0.014%		**0.0117560%**
City	Newport Beach	Orange	0.179%		**0.1470134%**
City	Orange	Orange	0.150%		**0.1231320%**
City	Placentia	Orange	0.029%	0.035%	**0.0298912%**
City	Rancho Santa Margarita	Orange	0.001%		**0.0006296%**
City	San Clemente	Orange	0.008%	0.010%	**0.0086083%**
City	San Juan Capistrano	Orange	0.008%		**0.0065510%**
City	Santa Ana	Orange	0.502%	0.614%	**0.5213866%**
City	Seal Beach	Orange	0.020%		**0.0165891%**
City	Stanton	Orange	0.035%		**0.0291955%**
City	Tustin	Orange	0.073%		**0.0600341%**
City	Westminster	Orange	0.104%	0.127%	**0.1082721%**
City	Yorba Linda	Orange	0.044%		**0.0362223%**
County	***Placer County***	Placer	1.045%	1.278%	**1.0861002%**
City	Auburn	Placer	0.017%		**0.0141114%**
City	Lincoln	Placer	0.031%		**0.0255599%**
City	Rocklin	Placer	0.076%		**0.0625485%**

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City	Roseville	Placer	0.196%		**0.1616559%**
County	***Plumas County***	Plumas	0.205%	0.251%	**0.2128729%**
County	***Riverside County***	Riverside	4.534%	5.547%	**4.7128296%**
City	Banning	Riverside	0.017%		**0.0143848%**
City	Beaumont	Riverside	0.021%		**0.0171135%**
City	Blythe	Riverside	0.012%		**0.0096714%**
City	Canyon Lake	Riverside	0.000%		**0.0001761%**
City	Cathedral City	Riverside	0.067%		**0.0553614%**
City	Coachella	Riverside	0.021%		**0.0173054%**
City	Corona	Riverside	0.147%		**0.1207083%**
City	Desert Hot Springs	Riverside	0.024%		**0.0200433%**
City	Eastvale	Riverside	0.000%		**0.0002747%**
City	Hemet	Riverside	0.051%		**0.0421792%**
City	Indio	Riverside	0.056%		**0.0457794%**
City	Jurupa Valley	Riverside	0.001%		**0.0008991%**
City	Lake Elsinore	Riverside	0.021%		**0.0172949%**
City	La Quinta	Riverside	0.063%		**0.0516732%**
City	Menifee	Riverside	0.032%		**0.0260909%**
City	Moreno Valley	Riverside	0.137%		**0.1130348%**
City	Murrieta	Riverside	0.048%	0.059%	**0.0497423%**
City	Norco	Riverside	0.016%		**0.0134542%**
City	Palm Desert	Riverside	0.083%		**0.0682465%**
City	Palm Springs	Riverside	0.076%		**0.0629862%**
City	Perris	Riverside	0.009%		**0.0076774%**
City	Rancho Mirage	Riverside	0.052%		**0.0431098%**
City	Riverside	Riverside	0.268%		**0.2206279%**
City	San Jacinto	Riverside	0.010%		**0.0085936%**
City	Temecula	Riverside	0.022%		**0.0180086%**
City	Wildomar	Riverside	0.008%		**0.0062500%**
County	***Sacramento County***	Sacramento	3.797%	4.645%	**3.9465887%**

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City	Citrus Heights	Sacramento	0.057%		**0.0465312%**
City	Elk Grove	Sacramento	0.130%		**0.1066994%**
City	Folsom	Sacramento	0.108%		**0.0890850%**
City	Galt	Sacramento	0.017%		**0.0143704%**
City	Rancho Cordova	Sacramento	0.008%		**0.0067679%**
City	Sacramento	Sacramento	0.721%	0.882%	**0.7496530%**
County	***San Benito County***	San Benito	0.106%	0.130%	**0.1101417%**
City	Hollister	San Benito	0.027%		**0.0225355%**
County	***San Bernardino County***	San Bernardino	3.259%	3.987%	**3.3878124%**
City	Adelanto	San Bernardino	0.008%		**0.0066640%**
City	Apple Valley	San Bernardino	0.025%		**0.0207360%**
City	Barstow	San Bernardino	0.015%		**0.0122056%**
City	Chino	San Bernardino	0.064%		**0.0525893%**
City	Chino Hills	San Bernardino	0.001%		**0.0006388%**
City	Colton	San Bernardino	0.031%		**0.0253443%**
City	Fontana	San Bernardino	0.112%		**0.0920543%**
City	Grand Terrace	San Bernardino	0.006%		**0.0051051%**
City	Hesperia	San Bernardino	0.035%		**0.0291522%**
City	Highland	San Bernardino	0.004%		**0.0029061%**
City	Loma Linda	San Bernardino	0.009%		**0.0071188%**
City	Montclair	San Bernardino	0.039%		**0.0322108%**
City	Ontario	San Bernardino	0.179%		**0.1472934%**
City	Rancho Cucamonga	San Bernardino	0.084%		**0.0689431%**
City	Redlands	San Bernardino	0.057%		**0.0469150%**
City	Rialto	San Bernardino	0.073%		**0.0603206%**
City	San Bernardino	San Bernardino	0.178%		**0.1461880%**
City	Twentynine Palms	San Bernardino	0.002%		**0.0012605%**
City	Upland	San Bernardino	0.052%		**0.0424460%**
City	Victorville	San Bernardino	0.033%		**0.0269400%**
City	Yucaipa	San Bernardino	0.016%		**0.0128772%**

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City	Yucca Valley	San Bernardino	0.003%		**0.0021228%**
County	***San Diego County***	San Diego	5.706%	6.980%	**5.9309748%**
City	Carlsbad	San Diego	0.128%		**0.1050485%**
City	Chula Vista	San Diego	0.189%	0.231%	**0.1961456%**
City	Coronado	San Diego	0.044%		**0.0359095%**
City	El Cajon	San Diego	0.113%		**0.0933582%**
City	Encinitas	San Diego	0.061%	0.074%	**0.0630289%**
City	Escondido	San Diego	0.145%		**0.1192204%**
City	Imperial Beach	San Diego	0.014%		**0.0118283%**
City	La Mesa	San Diego	0.055%	0.068%	**0.0575593%**
City	Lemon Grove	San Diego	0.022%		**0.0183911%**
City	National City	San Diego	0.080%		**0.0656808%**
City	Oceanside	San Diego	0.213%		**0.1753428%**
City	Poway	San Diego	0.062%		**0.0511040%**
City	San Diego	San Diego	1.975%	2.416%	**2.0531169%**
City	San Marcos	San Diego	0.089%		**0.0733897%**
City	Santee	San Diego	0.033%		**0.0268401%**
City	Solana Beach	San Diego	0.017%		**0.0138564%**
City	Vista	San Diego	0.052%		**0.0425144%**
Consolidated	***San Francisco***	San Francisco	3.026%	3.702%	**3.1457169%**
County	***San Joaquin County***	San Joaquin	1.680%	2.055%	**1.7460399%**
City	Lathrop	San Joaquin	0.009%		**0.0075394%**
City	Lodi	San Joaquin	0.053%		**0.0439484%**
City	Manteca	San Joaquin	0.054%		**0.0443454%**
City	Ripon	San Joaquin	0.013%		**0.0104219%**
City	Stockton	San Joaquin	0.313%	0.383%	**0.3256176%**
City	Tracy	San Joaquin	0.084%		**0.0692047%**
County	***San Luis Obispo County***	San Luis Obispo	0.816%	0.999%	**0.8484126%**
City	Arroyo Grande	San Luis Obispo	0.024%		**0.0199053%**
City	Atascadero	San Luis Obispo	0.029%		**0.0240680%**

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City	El Paso de Robles (Paso Robles)	San Luis Obispo	0.043%		**0.0353456%**
City	Grover Beach	San Luis Obispo	0.017%		**0.0137881%**
City	Morro Bay	San Luis Obispo	0.020%		**0.0160922%**
City	San Luis Obispo	San Luis Obispo	0.077%		**0.0637841%**
County	***San Mateo County***	San Mateo	1.074%	1.313%	**1.1159599%**
City	Belmont	San Mateo	0.021%		**0.0169860%**
City	Burlingame	San Mateo	0.019%		**0.0152537%**
City	Daly City	San Mateo	0.044%		**0.0363880%**
City	East Palo Alto	San Mateo	0.013%		**0.0103982%**
City	Foster City	San Mateo	0.020%		**0.0166101%**
City	Half Moon Bay	San Mateo	0.004%		**0.0031638%**
City	Hillsborough	San Mateo	0.013%		**0.0110029%**
City	Menlo Park	San Mateo	0.015%		**0.0126209%**
City	Millbrae	San Mateo	0.013%		**0.0105836%**
City	Pacifica	San Mateo	0.016%		**0.0130625%**
City	Redwood City	San Mateo	0.056%		**0.0463511%**
City	San Bruno	San Mateo	0.021%		**0.0172161%**
City	San Carlos	San Mateo	0.013%		**0.0108885%**
City	San Mateo	San Mateo	0.052%		**0.0425841%**
City	South San Francisco	San Mateo	0.043%		**0.0353943%**
County	***Santa Barbara County***	Santa Barbara	1.132%	1.385%	**1.1768968%**
City	Carpinteria	Santa Barbara	0.001%		**0.0008938%**
City	Goleta	Santa Barbara	0.004%		**0.0028969%**
City	Lompoc	Santa Barbara	0.047%		**0.0389379%**
City	Santa Barbara	Santa Barbara	0.122%		**0.1004559%**
City	Santa Maria	Santa Barbara	0.058%		**0.0479179%**
County	***Santa Clara County***	Santa Clara	2.404%	2.941%	**2.4987553%**
City	Campbell	Santa Clara	0.014%		**0.0112566%**
City	Cupertino	Santa Clara	0.008%		**0.0066824%**
City	Gilroy	Santa Clara	0.025%		**0.0202891%**

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City	Los Altos	Santa Clara	0.013%		**0.0103338%**
City	Los Gatos	Santa Clara	0.013%		**0.0103220%**
City	Milpitas	Santa Clara	0.036%		**0.0298120%**
City	Morgan Hill	Santa Clara	0.015%		**0.0124619%**
City	Mountain View	Santa Clara	0.041%		**0.0334608%**
City	Palo Alto	Santa Clara	0.039%		**0.0323080%**
City	San Jose	Santa Clara	0.294%	0.360%	**0.3054960%**
City	Santa Clara	Santa Clara	0.067%		**0.0549723%**
City	Saratoga	Santa Clara	0.004%		**0.0034161%**
City	Sunnyvale	Santa Clara	0.053%		**0.0434069%**
County	***Santa Cruz County***	Santa Cruz	0.783%	0.957%	**0.8135396%**
City	Capitola	Santa Cruz	0.020%		**0.0168191%**
City	Santa Cruz	Santa Cruz	0.143%		**0.1180348%**
City	Scotts Valley	Santa Cruz	0.015%		**0.0126525%**
City	Watsonville	Santa Cruz	0.063%		**0.0520136%**
County	***Shasta County***	Shasta	1.095%	1.339%	**1.1380191%**
City	Anderson	Shasta	0.024%		**0.0198896%**
City	Redding	Shasta	0.284%		**0.2334841%**
City	Shasta Lake	Shasta	0.004%		**0.0031993%**
County	***Siskiyou County***	Siskiyou	0.228%	0.279%	**0.2373393%**
County	***Solano County***	Solano	0.760%		**0.6260795%**
City	Benicia	Solano	0.031%		**0.0253903%**
City	Dixon	Solano	0.016%		**0.0130849%**
City	Fairfield	Solano	0.109%		**0.0897317%**
City	Suisun City	Solano	0.021%		**0.0176183%**
City	Vacaville	Solano	0.119%		**0.0976497%**
City	Vallejo	Solano	0.167%		**0.1373644%**
County	***Sonoma County***	Sonoma	1.218%	1.490%	**1.2661290%**
City	Healdsburg	Sonoma	0.032%		**0.0266929%**
City	Petaluma	Sonoma	0.081%		**0.0667507%**

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City	Rohnert Park	Sonoma	0.041%		**0.0340759%**
City	Santa Rosa	Sonoma	0.184%		**0.1519070%**
City	Sonoma	Sonoma	0.022%		**0.0183438%**
City	Windsor	Sonoma	0.016%		**0.0129298%**
County	***Stanislaus County***	Stanislaus	1.722%		**1.4182273%**
City	Ceres	Stanislaus	0.041%		**0.0340260%**
City	Modesto	Stanislaus	0.217%		**0.1788759%**
City	Newman	Stanislaus	0.006%		**0.0046964%**
City	Oakdale	Stanislaus	0.018%		**0.0145531%**
City	Patterson	Stanislaus	0.015%		**0.0126590%**
City	Riverbank	Stanislaus	0.010%		**0.0085699%**
City	Turlock	Stanislaus	0.065%		**0.0531966%**
County	***Sutter County***	Sutter	0.306%	0.374%	**0.3179548%**
City	Yuba City	Sutter	0.074%		**0.0606242%**
County	***Tehama County***	Tehama	0.213%	0.261%	**0.2216654%**
City	Red Bluff	Tehama	0.014%		**0.0117771%**
County	***Trinity County***	Trinity	0.082%	0.101%	**0.0855476%**
County	***Tulare County***	Tulare	0.809%	0.990%	**0.8410949%**
City	Dinuba	Tulare	0.014%		**0.0116929%**
City	Exeter	Tulare	0.004%		**0.0032479%**
City	Farmersville	Tulare	0.003%		**0.0027879%**
City	Lindsay	Tulare	0.007%		**0.0057111%**
City	Porterville	Tulare	0.021%		**0.0171845%**
City	Tulare	Tulare	0.037%		**0.0302273%**
City	Visalia	Tulare	0.066%		**0.0545872%**
County	***Tuolumne County***	Tuolumne	0.486%	0.594%	**0.5047621%**
County	***Ventura County***	Ventura	2.192%	2.681%	**2.2781201%**
City	Camarillo	Ventura	0.002%		**0.0012815%**
City	Fillmore	Ventura	0.002%		**0.0020294%**
City	Moorpark	Ventura	0.008%		**0.0067337%**

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City	Oxnard	Ventura	0.156%	0.190%	**0.1617338%**
City	Port Hueneme	Ventura	0.021%		**0.0174145%**
City	San Buenaventura (Ventura)	Ventura	0.085%		**0.0702181%**
City	Santa Paula	Ventura	0.014%		**0.0119072%**
City	Simi Valley	Ventura	0.065%		**0.0533043%**
City	Thousand Oaks	Ventura	0.022%		**0.0179902%**
County	***Yolo County***	Yolo	0.357%	0.437%	**0.3713319%**
City	Davis	Yolo	0.055%		**0.0451747%**
City	West Sacramento	Yolo	0.066%		**0.0544321%**
City	Woodland	Yolo	0.058%		**0.0477904%**
County	***Yuba County***	Yuba	0.214%	0.262%	**0.2225679%**
City	Marysville	Yuba	0.014%		**0.0112079%**

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APPENDIX 2

Cost Reimbursement Procedure

1. Additional defined terms:

a) *Costs* means the reasonable amounts paid for the attorney and other City Attorney and County Counsel staff time for individuals employed by a Plaintiff Subdivision at the contractual rate, inclusive of benefits and overhead, together with amounts paid for court reporters, experts, copying, electronic research, travel, vendors, and the like, which were not previously reimbursed and which were paid or incurred (i) prior to December 31, 2022 in litigation against any Opioid Defendant and/or (ii) in negotiating and drafting any CA Allocation Agreement(s) concerning a settlement with any Opioid Defendant(s). *Costs* does not include attorneys' fees, costs, or expenses incurred by private contingency fee counsel. No part of the CA Abatement Accounts Fund will be used to reimburse Costs.

b) *First Claims Date* means October 1, 2023 or when all applications for reimbursement of Costs, in whole or in part, from funds available under Section XIV and Exhibit R of the Teva Settlement Agreement, Section XIII and Exhibit R of the Allergan Settlement Agreement, Section X and Exhibit R of the Distributor Settlement Agreement, Section XI and Exhibit R of the Janssen Settlement Agreement, Section X and Exhibit R of the CVS Settlement Agreement, Section IX and Exhibit R of the Walgreens Settlement Agreement, or Section IX and Exhibit R of the Walmart Settlement Agreement, have been finally determined under the provisions of those agreements, whichever comes first.

c) *Special Master* means a retired judicial officer or former public lawyer, not presently employed or retained by a Plaintiff Subdivision, who will aggregate, review, and determine the reasonable Costs to be awarded to each Plaintiff Subdivision that submits a claim for reimbursement of Costs. The Special Master will be selected by a majority vote of the votes cast by Plaintiff Subdivisions, with each such subdivision having one vote.

d) *Plaintiff Subdivision Committee* means the committee of Plaintiff Subdivisions that will review and approve the invoices submitted by the Special Master reflecting his or her reasonable time and expenses.

2. Cost Reimbursement to Plaintiff Subdivision

a) Purpose. Substantial resources have been expended to hold Opioid Defendants accountable for creating and profiting from the opioid crisis, and this effort has been a significant catalyst in creating National Opioid Settlements with various manufacturers, distributors, and chain pharmacies.

b) Claims Procedure.

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i. If a Plaintiff Subdivision is eligible to seek reimbursement of Costs, in whole or in part, from funds available under Section XIV and Exhibit R of the Teva Settlement Agreement, Section XIII and Exhibit R of the Allergan Settlement Agreement, Section X and Exhibit R of the CVS Settlement Agreement, Section IX and Exhibit R of the Walgreens Settlement Agreement, Section IX and Exhibit R of the Walmart Settlement Agreement, Section X or Exhibit R of the Distributor Settlement Agreement, or Section XI or Exhibit R of the Janssen Settlement Agreement, it must first make a timely application for reimbursement from such funds. To allow sufficient time for determination of those applications, no claim for Costs to the CA Subdivision Fund under this Agreement may be made before the First Claims Date.

ii. A Plaintiff Subdivision that wishes to be reimbursed from the CA Subdivision Fund must submit a claim to the Special Master no later than forty-five (45) days after the First Claims Date. The Special Master will then compile and redistribute the aggregated claim totals for each Plaintiff Subdivision via email to representatives of all the Plaintiff Subdivisions. A claim for attorney and staff time must list, for each attorney or staff member included in the claim, the following information: name, title, total hours claimed, hourly rate (including, if sought, benefits and share of overhead), and narrative summarizing the general nature of the work performed by the attorney or staff member. For reimbursement of "hard" costs, the subdivision may aggregate across a category (e.g., total for travel costs). It is the intention of the Plaintiff Subdivisions that submission of documents related to reimbursement of Costs does not waive any attorney-client privilege or exemptions to the California Public Records Act.

iii. The Special Master may request, at his or her sole option, additional documents or details to assist in the final award of Costs.

iv. The Special Master will review claims for reasonableness and will notify each Plaintiff Subdivision of the final determination of its claim, and will provide a list of all final awards to all Plaintiff Subdivisions by email or, upon request, via First Class U.S. Mail. Any Plaintiff Subdivision may ask the Special Master to reconsider any final award within twenty-one (21) days. The Special Master will make a final determination on any such reconsideration request within thirty (30) days of receipt.

v. Any decision of the Special Master is final and binding, and will be considered under the California Arbitration Act, Code of Civil Procedure section 1280 et seq. as a final arbitration award. Nothing in this agreement is intended to expand the scope of judicial review of the final award for errors of fact or law, and the Parties agree that they may only seek to vacate the award if clear and convincing evidence demonstrates one of the factors set forth in Code of Civil Procedure, section 1286.2, subdivision (a). Plaintiff Subdivisions will have fourteen (14) days after all final awards are made, together with any final determination of a request for reconsideration, to seek review in the Superior Court of California, pursuant to Code of Civil Procedure, section 1285, where the State has filed its Consent Judgment.

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vi. The Special Master will prepare a report of Costs that includes his or her fees and expenses at least ninety (90) days before the Payment Date for each Annual Payment. The Special Master's preparation of a report of Costs does not discharge a Plaintiff Subdivision's reporting requirement under Section VIII.C of the Teva Settlement Agreement.

vii. A member of the Plaintiff Subdivision Committee, which is a CA Participating Subdivision, will submit to the Settlement Fund Administrator and Teva a report of the fees and expenses incurred by the Special Master pursuant to Section VIII.C of the Teva Settlement Agreement.

c) Claims Priority and Limitation.

i. The Special Master will submit invoices for compensation of reasonable fees and expenses to the Plaintiff Subdivision Committee no later than ninety (90) days prior to the Payment Date for each Annual Payment. The Plaintiff Subdivision Committee will promptly review and, if reasonable, approve the Special Master's invoice for compensation. The Plaintiff Subdivision Committee will submit approved invoices to the Settlement Fund Administrator for payment. The Special Master's approved invoices have priority and will be paid first from the CA Subdivision Fund before any award of Costs, subject to the limitation in Section 2.c.v below.

ii. Final Awards of Costs that do not exceed seventy-five thousand dollars ($75,000.00) will be paid next in priority after the Special Master's approved invoices.

iii. Final Awards of Costs in excess of seventy-five thousand dollars ($75,000.00) will be paid proportionally from the funds remaining in that year's Annual Payment.

iv. Any claim for Costs that is not paid in full will be allocated against the next year's distribution from the CA Subdivision Fund, until all approved claims for Costs are paid in full.

v. In no event will more than 50% of the total CA Subdivision Fund received in any year be used to pay Costs or the Special Master's approved invoices.

vi. In no event shall more than $28 million of the total CA Subdivision Funds paid pursuant to the Teva Settlement Agreement, Allergan Settlement Agreement, Distributor Settlement Agreement, CVS Settlement Agreement, Janssen Settlement Agreement, Walgreens Settlement Agreement, and the Walmart Settlement Agreement be used to pay Costs.

d) Collateral Source Payments and Third-Party Settlement.

i. In the event a Plaintiff Subdivision is awarded compensation, in whole or in part, by any source of funds created as a result of litigation against an Opioid Defendant for 4 its reasonable Costs, it will reduce its claim for Costs from the CA Subdivision Fund by that amount. If a Plaintiff Subdivision has already received a

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final award of Costs from the CA Subdivision Fund, it will repay the fund up to the prior award of Costs via a payment to the Settlement Fund Administrator or notify the Settlement Fund Administrator that its allocation from the next and subsequent Annual Payments should be reduced accordingly. If the Plaintiff Subdivision is repaying any prior award of Costs, that repayment will occur as soon as is feasible after the Plaintiff Subdivision's receipt of Cost funds from the collateral source, but no more than 90 days after its receipt from the collateral source. The Settlement Fund Administrator will add any repaid Costs to the CA Subdivision Fund. Any Plaintiff Subdivision that has submitted for reimbursement to any national fund and has not received a final determination by the First Claims Date may request that the settlement administrator withhold some or all of its payment from the CA Subdivision Fund in order to avoid repayment.

ii. In the event a Plaintiff Subdivision reaches a monetary settlement or compromise against any Opioid Defendant outside of the National Opioid Settlement, the monetary portion of such settlement, net of fees paid to outside contingency fee counsel and of funds earmarked strictly for abatement, will be credited against its Costs and the subdivision will be ineligible to recover those credited Costs from the CA Subdivision Fund. Plaintiff Subdivisions negotiating monetary settlements or compromises against any Opioid Defendant outside of the National Opioid Settlement will negotiate for funds to repay any Costs it previously received from the CA Subdivision Fund or for Costs it otherwise might be eligible to claim from the CA Subdivision Fund. If such a settlement is paid after all final approved claims for Costs by all Plaintiff Subdivisions are satisfied in full, the settling subdivision will reimburse the CA Subdivision Fund in that amount by making payment to the Settlement Fund Administrator to add to the CA Subdivision Fund in a manner consistent with the repayments described in section 2.d.i above.

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APPENDIX 3

CALIFORNIA-SUBDIVISION BACKSTOP AGREEMENT

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

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

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

Pursuant to this Backstop Agreement, [SUBDIVISION] may, subject to the limitations of the Teva Settlement Agreement and CA Teva Allocation Agreement, as well as any other limitations imposed by law, use funds that it receives from the Teva Settlement CA Subdivision Fund to pay a contingent fee to [COUNSEL]. Any such payment from [SUBDIVISION] to [COUNSEL], together with any contingency fees that [COUNSEL] may receive from the national Attorney Fee Fund, will not exceed a total contingency fee of [PERCENTAGE NOT TO EXCEED 15%] of the total gross recovery of [SUBDIVISION] from the Teva Settlement.

[COUNSEL] certify that they first sought fees and costs from the Attorney Fee Fund created under the Teva Settlement Agreement before seeking or accepting payment under this backstop agreement. [COUNSEL] further certify that they are not seeking and will not accept payment under this backstop agreement of any litigation fees or costs that have been reimbursed through prior settlements or judgments.

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

[DATE]	[SUBDIVISION SIGNATURE BLOCK]
[DATE]	[COUNSEL SIGNATURE BLOCK]
[DATE]	[ATTORNEY GENERAL SIGNATURE BLOCK]

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Proposed California State-Subdivision Agreement Regarding Distribution and Use of Settlement Funds – Walgreens Settlement

1. Introduction

Pursuant to the Walgreens Settlement Agreement, dated as of December 9, 2022, and any revision thereto (the "Walgreens Settlement Agreement"), including Section V and Exhibit O, the State of California proposes this agreement (the "CA Walgreens Allocation Agreement") to govern the allocation, distribution, and use of Settlement Fund payments made to California pursuant to Sections IV and V of the Walgreens Settlement Agreement. For the avoidance of doubt, this agreement does not apply to payments made pursuant to Section IX of the Walgreens Settlement Agreement.

Pursuant to Exhibit O, Paragraph 4, of the Walgreens Settlement Agreement, acceptance of this CA Walgreens Allocation Agreement is a requirement to be an Initial Participating Subdivision.

2. Definitions

a) *CA Participating Subdivision* means a Participating Subdivision that is also (a) a Plaintiff Subdivision and/or (b) a Primary Subdivision with a population equal to or greater than 10,000. For the avoidance of doubt, eligible CA Participating Subdivisions are those California subdivisions listed in Exhibit C (excluding Litigating Special Districts) and/or Exhibit I to the Walgreens Settlement Agreement.

b) *Allergan Settlement Agreement* means the Allergan Settlement Agreement dated November 22, 2022, and any revision thereto.

c) *CVS Settlement Agreement* means the CVS Settlement Agreement dated December 9, 2022, and any revision thereto as well as any modification thereto entered into by the State of California and CVS.

d) *Distributor Settlement Agreement* means the Distributor Settlement Agreement dated July 21, 2021, and any revision thereto.

e) *Janssen Settlement Agreement* means the Janssen Settlement Agreement dated July 21, 2021, and any revision thereto.

f) *Teva Settlement Agreement* means the Teva Settlement Agreement dated November 22, 2022, and any revision thereto.

g) *Walmart Settlement Agreement* means the Walmart Settlement Agreement dated November 14, 2022, and any revision thereto.

h) *CA Litigating Special District* means a Litigating Special District located in California. CA Litigating Special Districts include Downey Unified School District, Elk Grove Unified School District, Kern High School District, Montezuma Fire Protection District (located in Stockton, California), Santa Barbara San Luis Obispo Regional Health Authority, Inland Empire Health Plan, Health Plan of San Joaquin, San Leandro Unified School District,

Pleasant Valley School District Board, and LA Care Health Plan.

i) *Plaintiff Subdivision* means a Subdivision located in California, other than a CA Litigating Special District, that filed a lawsuit, on behalf of the Subdivision and/or through an official of the Subdivision on behalf of the People of the State of California, against one or more Opioid Defendants prior to October 1, 2020.

j) *Opioid Defendant* means any defendant (including but not limited to Walgreen Co., Teva Pharmaceutical Industries Ltd., Allergan Finance, LLC, Allergan Limited, CVS Health Corporation, CVS Pharmacy, Inc., Walmart Inc., Johnson & Johnson, Janssen Pharmaceuticals, Inc., Purdue Pharma L.P., Cardinal Health, Inc., AmerisourceBergen Corporation, and McKesson Corporation) named in a lawsuit seeking damages, abatement, or other remedies related to or caused by the opioid public health crisis in any lawsuit brought by any state or local government on or before October 1, 2020.

3. General Terms

This agreement is subject to the requirements of the Walgreens Settlement Agreement, as well as applicable law, and the Walgreens Settlement Agreement governs over any inconsistent provision of this CA Walgreens Allocation Agreement. Terms used in this CA Walgreens Allocation Agreement have the same meaning as in the Walgreens Settlement Agreement unless otherwise defined herein.

Pursuant to Section V(D)(1) of the Walgreens Settlement Agreement, (a) all Settlement Fund payments will be used for Opioid Remediation, except as allowed by Section V(B)(2) of the Walgreens Settlement Agreement; and (b) at least seventy percent (70%) of Settlement Fund payment amounts will be used solely for future Opioid Remediation.

4. State Allocation

The Settlement Fund payments to California,[1] pursuant to the Walgreens Settlement Agreement, shall be allocated as follows: 15% to the State Fund; 70% to the Abatement Accounts Fund; and 15% to the Subdivision Fund. For the avoidance of doubt, all funds allocated to California from the Settlement Fund shall be combined pursuant to this CA Walgreens Allocation Agreement, and 15% of that total shall be allocated to the State of California (the "State of California Allocation"), 70% to the California Abatement Accounts Fund ("CA Abatement Accounts Fund"), and 15% to the California Subdivision Fund ("CA Subdivision Fund").

[1] For purposes of clarity, use of the term "California" refers to the geographic territory of California and the state and its local governments therein. The term "State" or "State of California" refers to the State of California as a governmental unit.

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A. State of California Allocation

Fifteen percent of the total Settlement Fund payments will be allocated to the State and used by the State for future Opioid Remediation.

B. CA Abatement Accounts Fund

i. Allocation of CA Abatement Accounts Funds

a) Seventy percent of the total Settlement Fund payments will be allocated to the CA Abatement Accounts Fund. The funds in the CA Abatement Accounts Fund will be allocated based on the allocation model developed in connection with the proposed negotiating class in the National Prescription Opiate Litigation (MDL No. 2804), as adjusted to reflect only those cities and counties that are eligible, based on population or litigation status, to become a CA Participating Subdivision. The percentage from the CA Abatement Accounts Fund allocated to each CA Participating Subdivision is set forth in Appendix 1 in the column entitled abatement percentage (the "Local Allocation"). For the avoidance of doubt, CA Litigating Special Districts and California towns, cities, and counties with a population less than 10,000 are not eligible to receive an allocation of CA Abatement Accounts Funds.

b) A CA Participating Subdivision that is a county, or a city and county, will be allocated its Local Allocation share as of the date on which it becomes a Participating Subdivision, and will receive payments as provided in the Walgreens Settlement Agreement.

c) A CA Participating Subdivision that is a city will be allocated its Local Allocation share as of the date on which it becomes a Participating Subdivision. The Local Allocation share for a city that is a CA Participating Subdivision will be paid to the county in which the city is located, rather than to the city, so long as: (a) the county is a CA Participating Subdivision, and (b) the city has not advised the Settlement Fund Administrator that it requests direct payment at least 60 days prior to a Payment Date. A Local Allocation share allocated to a city but paid to a county is not required to be spent exclusively for abatement activities in that city, but will become part of the county's share of the CA Abatement Accounts Funds, which will be used in accordance with Section 4.B.ii (Use of CA Abatement Accounts Funds) and reported on in accordance with Section 4.B.iii (CA Abatement Accounts Fund Oversight).

d) A city within a county that is a CA Participating Subdivision may opt in or out of direct payment at any time, and it may also elect direct payment of only a portion of its share, with the remainder going to the county, by providing notice to the Settlement Fund Administrator at least 60 days prior to a Payment Date. For purposes of this CA Walgreens Allocation Agreement, the Cities of Los Angeles, Oakland, San Diego, San Jose and Eureka will be deemed to have elected direct payment if they become Participating Subdivisions.

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e) The State will receive the Local Allocation share of any payment to the Settlement Fund that is attributable to a county or city that is eligible to become a CA Participating Subdivision, but that has not, as of the date of that payment to the Settlement Fund, become a Participating Subdivision.

f) Funds received by a CA Participating Subdivision, and not expended or encumbered within five years of receipt and in accordance with the Walgreens Settlement Agreement and this CA Walgreens Allocation Agreement shall be transferred to the State; provided however, that CA Participating Subdivisions have seven years to expend or encumber CA Abatement Accounts Funds designated to support capital outlay projects before they must be transferred to the State. This provision shall not apply to the Cost Reimbursement Funds, which shall be controlled by Appendix 2.

ii. Use of CA Abatement Accounts Funds

a) The CA Abatement Accounts Funds will be used for future Opioid Remediation in one or more of the areas described in the List of Opioid Remediation Uses, which is Exhibit E to the Walgreens Settlement Agreement.

b) In addition to this requirement, no less than 50% of the funds received by a CA Participating Subdivision from the Abatement Accounts Fund in each calendar year will be used for one or more of the following High Impact Abatement Activities:

(1) the provision of matching funds or operating costs for substance use disorder facilities within the Behavioral Health Continuum Infrastructure Program;

(2) creating new or expanded Substance Use Disorder ("SUD") treatment infrastructure;

(3) addressing the needs of communities of color and vulnerable populations (including sheltered and unsheltered homeless populations) that are disproportionately impacted by SUD;

(4) diversion of people with SUD from the justice system into treatment, including by providing training and resources to first and early responders (sworn and non-sworn) and implementing best practices for outreach, diversion and deflection, employability, restorative justice, and harm reduction; and/or

(5) interventions to prevent drug addiction in vulnerable youth.

c) The California Department of Health Care Services ("DHCS") may add to this list (but not delete from it) by designating additional High Impact Abatement Activities. DHCS will make reasonable efforts to consult with stakeholders, including the CA Participating Subdivisions, before adding additional High Impact Abatement Activities to this list.

d) For the avoidance of doubt, and subject to the requirements of the Walgreens Settlement Agreement and applicable law, CA Participating Subdivisions may form agreements or

ventures, or otherwise work in collaboration with, federal, state, local, tribal or private sector entities in pursuing Opioid Remediation activities funded from the CA Abatement Accounts Fund. Further, provided that all CA Abatement Accounts Funds are used for Opioid Remediation consistent with the Walgreens Settlement Agreement and this CA Walgreens Allocation Agreement, a county and any cities or towns within the county may agree to reallocate their respective shares of the CA Abatement Accounts Funds among themselves, provided that any direct distribution may only be to a CA Participating Subdivision and any CA Participating Subdivision must agree to their share being reallocated.

iii. CA Abatement Accounts Fund Oversight

a) Pursuant to Section 5 below, CA Participating Subdivisions receiving settlement funds must prepare and file reports annually regarding the use of those funds. DHCS may regularly review the reports prepared by CA Participating Subdivisions about the use of CA Abatement Accounts Funds for compliance with the Walgreens Settlement Agreement and this CA Walgreens Allocation Agreement.

b) If DHCS determines that a CA Participating Subdivision's use of CA Abatement Accounts Funds is inconsistent with the Walgreens Settlement Agreement or this CA Walgreens Allocation Agreement, whether through review of reports or information from any other sources, DHCS shall send a request to meet and confer with the CA Participating Subdivision. The parties shall meet and confer in an effort to resolve the concern.

c) If the parties are unable to reach a resolution, DHCS may conduct an audit of the Subdivision's use of the CA Abatement Accounts Funds within one year of the request to meet and confer, unless the parties mutually agree in writing to extend the meet and confer time frame.

d) If the concern still cannot be resolved, the State may bring a motion or action in the court where the State has filed its Consent Judgment to resolve the concern or otherwise enforce the requirements of the Walgreens Settlement Agreement or this CA Walgreens Allocation Agreement. However, in no case shall any audit be conducted, or motion be brought, as to a specific expenditure of funds, more than five years after the date on which the expenditure of the funds was reported to DHCS, in accordance with this agreement.

e) Notwithstanding the foregoing, this Agreement does not limit the statutory or constitutional authority of any state or local agency or official to conduct audits, investigations, or other oversight activities, or to pursue administrative, civil, or criminal enforcement actions.

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C. CA Subdivision Fund

i. Fifteen percent of the total Settlement Fund payments will be allocated to the CA Subdivision Fund. All funds in the CA Subdivision Fund will be allocated among the Plaintiff Subdivisions that are Initial Participating Subdivisions. The funds will be used, subject to any limits imposed by the Walgreens Settlement Agreement and this CA Walgreens Allocation Agreement, to fund future Opioid Remediation and reimburse past opioid-related expenses, which may include fees and expenses related to litigation, and to pay the reasonable fees and expenses of the Special Master as set forth in Appendix 2.

The CA Subdivision Funds will be allocated as follows:

a) First, funds in the CA Subdivision Fund shall be used to pay the Special Master's reasonable fees and expenses in accordance with the procedures and limitations set forth in Appendix 2 to this document;

b) Second, funds will be allocated to Plaintiff Subdivisions that are Initial Participating Subdivisions that have been awarded Costs, as defined by and in accordance with the procedures and limitations set forth in Appendix 2 to this document.

c) Funds remaining in the CA Subdivision Fund, which shall consist of no less than 50% of the total CA Subdivision Fund received in any year pursuant to Appendix 2, Section 2.c.v, will be distributed to Plaintiff Subdivisions that are Initial Participating Subdivisions, in relative proportion to the Local Allocation. These funds shall be used to fund future opioid-related projects and to reimburse past opioid-related expenses, which may include fees and expenses related to litigation against any Opioid Defendant.

D. Provision for State Back-Stop Agreement

On August 6, 2021, Judge Dan Polster of the U.S. District Court, Northern District of Ohio, Eastern Division, issued an order (ECF Docket Number 3814) ("MDL Fees Order") in the National Prescription Opiate Litigation (MDL No. 2804) "cap[ping] all applicable contingent fee agreements at 15%." Private counsel representing Plaintiff Subdivisions should seek its contingency fees and costs from the Attorney Fee Fund or Cost Funds under the Walgreens Settlement Agreement, and, if applicable, the Teva Settlement Agreement, Allergan Settlement Agreement, CVS Settlement Agreement, Distributor Settlement Agreement, Janssen Settlement Agreement, and Walmart Settlement Agreement.

A Plaintiff Subdivision may separately agree to use its share of the CA Subdivision Fund to pay for fees or costs incurred by its contingency-fee counsel ("State Back-Stop Agreement"), pursuant to Exhibit R, section I(Y), of the Walgreens Settlement Agreement and the MDL Fees Order, so long as such contingency fees do not exceed a total contingency fee of 15% of the total gross recovery of the Plaintiff Subdivision pursuant to the Walgreens Settlement, inclusive of contingency fees from the national Attorney Fee Fund and this State Back-Stop Agreement. Before seeking fees or litigation costs and expenses from a State Back-Stop Agreement, private counsel representing Plaintiff Subdivisions must first seek contingency fees and costs from the Attorney Fee Fund or Cost Funds created under the Walgreens Settlement Agreement. Further,

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private counsel may only seek reimbursement for litigation fees and costs that have not previously been reimbursed through prior settlements or judgments.

To effectuate a State Back-Stop Agreement pursuant to this section, an agreement in the form of Appendix 3 may be entered into by a Plaintiff Subdivision, private counsel, and the California Office of the Attorney General. The California Office of the Attorney General shall, upon the request of a Plaintiff Subdivision, execute any agreement executed by a Plaintiff Subdivision and its private counsel if it is in the form of Appendix 3. The California Office of the Attorney General will also consider requests from Plaintiff Subdivisions to execute and enter into agreements presented in other forms.

For the avoidance of doubt, this agreement does not require a Plaintiff Subdivision to request or enter into a State Back-Stop Agreement, and no State Back-Stop Agreement shall impose any duty or obligation on the State of California or any of its agencies or officers, including without limitation the Attorney General.

5. State and Subdivision Reporting

a) DHCS will prepare an annual written report regarding the State's use of funds from the settlement until those funds are fully expended and for one year thereafter. These reports will be made publicly available on the DHCS web site.

b) Each CA Participating Subdivision that receives payments of funds from the settlement will prepare written reports at least annually regarding the use of those funds, until those funds are fully expended and for one year thereafter. These reports will also include a certification that all funds that the CA Participating Subdivision has received through the settlement have been used in compliance with the Walgreens Settlement Agreement and this CA Walgreens Allocation Agreement. The report will be in a form reasonably determined by DHCS. Prior to specifying the form of the report DHCS will confer with representatives of the Plaintiff Subdivisions.

c) The State and all CA Participating Subdivisions receiving CA Abatement Accounts Funds will track all deposits and expenditures. Each such subdivision is responsible solely for the CA Abatement Accounts Funds it receives. A county is not responsible for oversight, reporting, or monitoring of CA Abatement Accounts Funds received by a city within that county that receives direct payment. Unless otherwise exempt, Subdivisions' expenditures and uses of CA Abatement Accounts Funds and other Settlement Funds will be subject to the normal budgetary and expenditure process of the Subdivision.

d) Each Plaintiff Subdivision receiving CA Subdivision Funds will track all deposits and expenditures, as required by the Walgreens Settlement Agreement and this CA Walgreens Allocation Agreement. Among other things, Plaintiff Subdivisions using monies from the CA Subdivision Fund for purposes that do not qualify as Opioid Remediation must identify and include in their annual report, the amount and how such funds were used, including if used to pay attorneys' fees, investigation costs, or litigation costs. Pursuant to Section V(B)(2) of the Walgreens Settlement Agreement, such information must also be reported to the Settlement Fund Administrator and Walgreens.

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e) In each year in which DHCS prepares an annual report DHCS will also host a meeting to discuss the annual report and the Opioid Remediation activities being carried out by the State and Participating Subdivisions.

6. Miscellaneous

a) The State or any CA Participating Subdivision may bring a motion or action in the court where the State has filed its Consent Judgment to enforce the requirements of this CA Walgreens Allocation Agreement. Before filing such a motion or action the State will meet and confer with any CA Participating Subdivision that is the subject of the anticipated motion or action, and vice versa.

b) Except as provided in the Walgreens Settlement Agreement, this CA Walgreens Allocation Agreement is not enforceable by any party other than the State and the CA Participating Subdivisions. It does not confer any rights or remedies upon, and shall not be enforceable by, any third party.

c) Except as provided in the CA Walgreens Allocation Agreement, if any provision of this agreement or the application thereof to any person, entity, or circumstance shall, to any extent, be invalid or unenforceable, the remainder of this agreement, or the application of such provision to persons, entities, or circumstances other than those as to which it is invalid or unenforceable, will not be affected thereby, and each other provision of this agreement will be valid and enforceable to the fullest extent permitted by law.

d) Except as provided in the Walgreens Settlement Agreement, this agreement shall be governed by and interpreted in accordance with the laws of California.

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The undersigned, Morro Bay city, ACKNOWLEDGES acceptance of this Proposed California State-Subdivision Agreement Regarding Distribution and Use of Settlement Funds – Walgreens Settlement is a requirement to be an Initial Participating Subdivision in the Walgreens Settlement and ACCEPTS this Proposed California State-Subdivision Agreement Regarding Distribution and Use of Settlement Funds – Walgreens Settlement. EXECUTED on _____.

Signature: _____

Name: _____

Title: _____

Date: _____

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APPENDIX 1

DISCLAIMER: The allocation percentages herein are estimates only and should not be relied on for decisions regarding legal rights, releases, waivers, or other decisions affecting current or potential legal claims. Percentages shown in the Plaintiff Subdivision Percentage column may change pursuant to Section 4.C. of the California State-Subdivision Agreement Regarding Distribution and Use of Settlement Funds—Walgreens Settlement, whereas the percentages shown in the Abatement Percentage column should not change. Participating Subdivisions, underlying calculations, and the calculated allocation percentages are subject to change. Regarding the column herein entitled "Abatement Percentage," pursuant to Section 4.B.e., the State of California will receive the Local Allocation share of any payment to the Settlement Fund that is attributable to a county or city that is eligible to become a CA Participating Subdivision, but that has not, as of the date of that payment to the Settlement Fund, become a Participating Subdivision. Regarding the column herein entitled "Plaintiff Subdivision Percentage," payments allocated to a Plaintiff Subdivision, which is not an Initial Participating Subdivision, will be re-allocated among the Plaintiff Subdivisions that are Initial Participating Subdivisions. Regarding the column herein entitled "Abatement Percentage," the annotation of "100%" refers to one-hundred percent (100%) of the California Abatement Account Funds received, pursuant to Section 4.B. Regarding the column herein entitled "Plaintiff Subdivision Percentage," the annotation of "100%" refers to one-hundred percent (100%) of the California Subdivision Funds received, pursuant to Section 4.C. Regarding the column herein entitled "Weighted Allocation Percentage," the annotation of "100%" refers to one-hundred percent (100%) of the combined and weighted allocation of the Abatement Percentage and the Plaintiff Subdivision Percentage.

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APPENDIX 1

			100.000%	100.000%	100.000%
Participating Subdivision Classification	**Participating Subdivision**	**County**	**Abatement Percentage**	**Plaintiff Subdivision Percentage**	**Weighted Allcation Percentage**
County	***Alameda County***	Alameda	2.332%	2.853%	**2.4237952%**
City	Alameda	Alameda	0.069%		**0.0570162%**
City	Albany	Alameda	0.013%		**0.0107768%**
City	Berkeley	Alameda	0.152%		**0.1249656%**
City	Dublin	Alameda	0.033%	0.040%	**0.0338810%**
City	Emeryville	Alameda	0.023%		**0.0185765%**
City	Fremont	Alameda	0.108%		**0.0888576%**
City	Hayward	Alameda	0.117%		**0.0966218%**
City	Livermore	Alameda	0.054%		**0.0446740%**
City	Newark	Alameda	0.026%		**0.0217626%**
City	Oakland	Alameda	0.486%	0.595%	**0.5055601%**
City	Piedmont	Alameda	0.014%		**0.0114064%**
City	Pleasanton	Alameda	0.067%		**0.0554547%**
City	San Leandro	Alameda	0.039%		**0.0321267%**
City	Union City	Alameda	0.043%		**0.0352484%**
County	***Amador County***	Amador	0.226%	0.277%	**0.2349885%**
County	***Butte County***	Butte	1.615%	1.975%	**1.6783178%**
City	Chico	Butte	0.216%	0.264%	**0.2246499%**
City	Oroville	Butte	0.079%		**0.0646595%**
County	***Calaveras County***	Calaveras	0.226%	0.277%	**0.2351644%**
County	***Colusa County***	Colusa	0.059%		**0.0489221%**
County	***Contra Costa County***	Contra Costa	2.102%	2.571%	**2.1844585%**
City	Antioch	Contra Costa	0.037%		**0.0301879%**
City	Brentwood	Contra Costa	0.026%		**0.0215339%**
City	Clayton	Contra Costa	0.002%		**0.0018060%**
City	Concord	Contra Costa	0.055%		**0.0456676%**
City	Danville	Contra Costa	0.010%		**0.0082255%**
City	El Cerrito	Contra Costa	0.023%		**0.0189024%**
City	Hercules	Contra Costa	0.010%		**0.0078273%**

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APPENDIX 1

Participating Subdivision Classification	Participating Subdivision	County	Abatement Percentage	Plaintiff Subdivision Percentage	Weighted Allcation Percentage
City	Lafayette	Contra Costa	0.006%		**0.0046030%**
City	Martinez	Contra Costa	0.012%		**0.0098593%**
City	Moraga	Contra Costa	0.004%		**0.0031007%**
City	Oakley	Contra Costa	0.010%		**0.0079416%**
City	Orinda	Contra Costa	0.005%		**0.0038157%**
City	Pinole	Contra Costa	0.013%		**0.0110909%**
City	Pittsburg	Contra Costa	0.053%		**0.0436369%**
City	Pleasant Hill	Contra Costa	0.013%		**0.0106309%**
City	Richmond	Contra Costa	0.146%		**0.1201444%**
City	San Pablo	Contra Costa	0.018%		**0.0148843%**
City	San Ramon	Contra Costa	0.021%		**0.0176459%**
City	Walnut Creek	Contra Costa	0.026%		**0.0212132%**
County	***Del Norte County***	Del Norte	0.114%	0.140%	**0.1189608%**
County	***El Dorado County***	El Dorado	0.768%	0.939%	**0.7980034%**
City	Placerville	El Dorado	0.015%		**0.0127642%**
City	South Lake Tahoe	El Dorado	0.081%		**0.0665456%**
County	***Fresno County***	Fresno	1.895%	2.318%	**1.9693410%**
City	Clovis	Fresno	0.065%		**0.0536211%**
City	Coalinga	Fresno	0.012%		**0.0098554%**
City	Fresno	Fresno	0.397%		**0.3270605%**
City	Kerman	Fresno	0.005%		**0.0042534%**
City	Kingsburg	Fresno	0.008%		**0.0066167%**
City	Mendota	Fresno	0.002%		**0.0019387%**
City	Orange Cove	Fresno	0.004%		**0.0035607%**
City	Parlier	Fresno	0.008%		**0.0069755%**
City	Reedley	Fresno	0.012%		**0.0098804%**
City	Sanger	Fresno	0.018%		**0.0146135%**
City	Selma	Fresno	0.015%		**0.0127537%**
County	***Glenn County***	Glenn	0.107%	0.131%	**0.1116978%**
County	***Humboldt County***	Humboldt	1.030%	1.260%	**1.0703185%**

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Participating Subdivision Classification	Participating Subdivision	County	Abatement Percentage	Plaintiff Subdivision Percentage	Weighted Allcation Percentage
City	Arcata	Humboldt	0.054%		**0.0447660%**
City	Eureka	Humboldt	0.117%	0.143%	**0.1216284%**
City	Fortuna	Humboldt	0.032%		**0.0266837%**
County	***Imperial County***	Imperial	0.258%	0.315%	**0.2679006%**
City	Brawley	Imperial	0.011%		**0.0087986%**
City	Calexico	Imperial	0.019%		**0.0152799%**
City	El Centro	Imperial	0.158%		**0.1302522%**
City	Imperial	Imperial	0.006%		**0.0048791%**
County	***Inyo County***	Inyo	0.073%	0.089%	**0.0754413%**
County	***Kern County***	Kern	2.517%	3.079%	**2.6159145%**
City	Arvin	Kern	0.006%		**0.0046425%**
City	Bakersfield	Kern	0.212%		**0.1747198%**
City	California City	Kern	0.009%		**0.0070820%**
City	Delano	Kern	0.030%		**0.0249316%**
City	McFarland	Kern	0.003%		**0.0025644%**
City	Ridgecrest	Kern	0.015%		**0.0120938%**
City	Shafter	Kern	0.013%		**0.0103417%**
City	Tehachapi	Kern	0.009%		**0.0073580%**
City	Wasco	Kern	0.008%		**0.0069861%**
County	***Kings County***	Kings	0.293%		**0.2413469%**
City	Avenal	Kings	0.007%		**0.0056335%**
City	Corcoran	Kings	0.013%		**0.0107032%**
City	Hanford	Kings	0.027%		**0.0226038%**
City	Lemoore	Kings	0.016%		**0.0131900%**
County	***Lake County***	Lake	0.795%		**0.6545389%**
City	Clearlake	Lake	0.041%	0.050%	**0.0426253%**
City	Lakeport	Lake	0.021%	0.026%	**0.0222964%**
County	***Lassen County***	Lassen	0.319%	0.391%	**0.3320610%**
City	Susanville	Lassen	0.027%		**0.0219295%**
County	***Los Angeles County***	Los Angeles	13.896%	16.999%	**14.4437559%**

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City	Agoura Hills	Los Angeles	0.005%		**0.0040024%**
City	Alhambra	Los Angeles	0.042%		**0.0343309%**
City	Arcadia	Los Angeles	0.033%		**0.0267718%**
City	Artesia	Los Angeles	0.001%		**0.0005100%**
City	Azusa	Los Angeles	0.026%		**0.0210857%**
City	Baldwin Park	Los Angeles	0.027%		**0.0218520%**
City	Bell	Los Angeles	0.008%		**0.0068783%**
City	Bellflower	Los Angeles	0.002%		**0.0014485%**
City	Bell Gardens	Los Angeles	0.014%		**0.0114301%**
City	Beverly Hills	Los Angeles	0.065%		**0.0534897%**
City	Burbank	Los Angeles	0.100%		**0.0823132%**
City	Calabasas	Los Angeles	0.006%		**0.0048948%**
City	Carson	Los Angeles	0.019%		**0.0159805%**
City	Cerritos	Los Angeles	0.005%		**0.0039682%**
City	Claremont	Los Angeles	0.010%		**0.0082584%**
City	Commerce	Los Angeles	0.000%		**0.0002971%**
City	Compton	Los Angeles	0.044%		**0.0361882%**
City	Covina	Los Angeles	0.028%		**0.0229127%**
City	Cudahy	Los Angeles	0.001%		**0.0006020%**
City	Culver City	Los Angeles	0.055%		**0.0449894%**
City	Diamond Bar	Los Angeles	0.001%		**0.0006993%**
City	Downey	Los Angeles	0.052%		**0.0429994%**
City	Duarte	Los Angeles	0.003%		**0.0027261%**
City	El Monte	Los Angeles	0.031%	0.038%	**0.0318985%**
City	El Segundo	Los Angeles	0.033%		**0.0268020%**
City	Gardena	Los Angeles	0.034%		**0.0278088%**
City	Glendale	Los Angeles	0.166%		**0.1366586%**
City	Glendora	Los Angeles	0.016%		**0.0134411%**
City	Hawaiian Gardens	Los Angeles	0.005%		**0.0040549%**
City	Hawthorne	Los Angeles	0.050%		**0.0407833%**

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City	Hermosa Beach	Los Angeles	0.018%		**0.0145307%**
City	Huntington Park	Los Angeles	0.023%		**0.0190667%**
City	Inglewood	Los Angeles	0.059%		**0.0489195%**
City	La Cañada Flintridge	Los Angeles	0.003%		**0.0025565%**
City	Lakewood	Los Angeles	0.005%		**0.0039971%**
City	La Mirada	Los Angeles	0.010%		**0.0081572%**
City	Lancaster	Los Angeles	0.045%		**0.0369689%**
City	La Puente	Los Angeles	0.002%		**0.0012999%**
City	La Verne	Los Angeles	0.024%		**0.0194190%**
City	Lawndale	Los Angeles	0.002%		**0.0017731%**
City	Lomita	Los Angeles	0.004%		**0.0031940%**
City	Long Beach	Los Angeles	0.439%		**0.3614151%**
City	Los Angeles	Los Angeles	2.715%	3.321%	**2.8218811%**
City	Lynwood	Los Angeles	0.016%		**0.0134345%**
City	Malibu	Los Angeles	0.002%		**0.0019269%**
City	Manhattan Beach	Los Angeles	0.032%		**0.0260686%**
City	Maywood	Los Angeles	0.004%		**0.0035528%**
City	Monrovia	Los Angeles	0.031%		**0.0254455%**
City	Montebello	Los Angeles	0.030%		**0.0250670%**
City	Monterey Park	Los Angeles	0.031%		**0.0256677%**
City	Norwalk	Los Angeles	0.031%		**0.0258228%**
City	Palmdale	Los Angeles	0.046%		**0.0375827%**
City	Palos Verdes Estates	Los Angeles	0.006%		**0.0053102%**
City	Paramount	Los Angeles	0.011%		**0.0091483%**
City	Pasadena	Los Angeles	0.146%		**0.1200524%**
City	Pico Rivera	Los Angeles	0.022%		**0.0183333%**
City	Pomona	Los Angeles	0.111%		**0.0911933%**
City	Rancho Palos Verdes	Los Angeles	0.002%		**0.0012645%**
City	Redondo Beach	Los Angeles	0.062%		**0.0506992%**
City	Rosemead	Los Angeles	0.003%		**0.0028260%**

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City	San Dimas	Los Angeles	0.003%		**0.0022016%**
City	San Fernando	Los Angeles	0.013%		**0.0104837%**
City	San Gabriel	Los Angeles	0.018%		**0.0147726%**
City	San Marino	Los Angeles	0.009%		**0.0073791%**
City	Santa Clarita	Los Angeles	0.022%		**0.0178167%**
City	Santa Fe Springs	Los Angeles	0.031%		**0.0257531%**
City	Santa Monica	Los Angeles	0.158%		**0.1298513%**
City	Sierra Madre	Los Angeles	0.006%		**0.0048646%**
City	Signal Hill	Los Angeles	0.010%		**0.0084884%**
City	South El Monte	Los Angeles	0.005%		**0.0039603%**
City	South Gate	Los Angeles	0.020%		**0.0166272%**
City	South Pasadena	Los Angeles	0.012%		**0.0095334%**
City	Temple City	Los Angeles	0.005%		**0.0039498%**
City	Torrance	Los Angeles	0.112%		**0.0919820%**
City	Walnut	Los Angeles	0.006%		**0.0047305%**
City	West Covina	Los Angeles	0.049%		**0.0404521%**
City	West Hollywood	Los Angeles	0.013%		**0.0108517%**
City	Whittier	Los Angeles	0.032%		**0.0260581%**
County	***Madera County***	Madera	0.349%	0.427%	**0.3630669%**
City	Chowchilla	Madera	0.012%		**0.0097332%**
City	Madera	Madera	0.039%		**0.0318441%**
County	***Marin County***	Marin	0.564%	0.690%	**0.5861325%**
City	Larkspur	Marin	0.015%		**0.0124697%**
City	Mill Valley	Marin	0.020%		**0.0168401%**
City	Novato	Marin	0.028%		**0.0229824%**
City	San Anselmo	Marin	0.009%		**0.0078062%**
City	San Rafael	Marin	0.089%		**0.0729823%**
County	***Mariposa County***	Mariposa	0.084%	0.103%	**0.0876131%**
County	***Mendocino County***	Mendocino	0.439%	0.536%	**0.4558394%**
City	Ukiah	Mendocino	0.039%		**0.0317153%**

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Participating Subdivision Classification	Participating Subdivision	County	Abatement Percentage	Plaintiff Subdivision Percentage	Weighted Allcation Percentage
County	***Merced County***	Merced	0.551%	0.674%	**0.5724262%**
City	Atwater	Merced	0.024%		**0.0195846%**
City	Livingston	Merced	0.006%		**0.0045873%**
City	Los Banos	Merced	0.020%		**0.0165142%**
City	Merced	Merced	0.061%		**0.0500762%**
County	***Modoc County***	Modoc	0.065%	0.080%	**0.0678250%**
County	***Mono County***	Mono	0.023%	0.029%	**0.0242606%**
County	***Monterey County***	Monterey	0.908%	1.111%	**0.9437083%**
City	Greenfield	Monterey	0.006%		**0.0050552%**
City	King City	Monterey	0.005%		**0.0037355%**
City	Marina	Monterey	0.017%		**0.0144098%**
City	Monterey	Monterey	0.041%		**0.0336540%**
City	Pacific Grove	Monterey	0.009%		**0.0074842%**
City	Salinas	Monterey	0.094%		**0.0776576%**
City	Seaside	Monterey	0.023%		**0.0191772%**
City	Soledad	Monterey	0.007%		**0.0060870%**
County	***Napa County***	Napa	0.288%	0.352%	**0.2994325%**
City	American Canyon	Napa	0.017%		**0.0136869%**
City	Napa	Napa	0.078%		**0.0642783%**
County	***Nevada County***	Nevada	0.441%	0.539%	**0.4579827%**
City	Grass Valley	Nevada	0.024%		**0.0197805%**
City	Truckee	Nevada	0.003%		**0.0023843%**
County	***Orange County***	Orange	4.364%	5.339%	**4.5363576%**
City	Aliso Viejo	Orange	0.014%		**0.0113841%**
City	Anaheim	Orange	0.554%	0.678%	**0.5759282%**
City	Brea	Orange	0.086%		**0.0708897%**
City	Buena Park	Orange	0.087%		**0.0714352%**
City	Costa Mesa	Orange	0.124%	0.152%	**0.1288366%**
City	Cypress	Orange	0.033%		**0.0271937%**
City	Dana Point	Orange	0.001%		**0.0005560%**

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City	Fountain Valley	Orange	0.055%		**0.0455980%**
City	Fullerton	Orange	0.137%	0.168%	**0.1425744%**
City	Garden Grove	Orange	0.213%		**0.1752482%**
City	Huntington Beach	Orange	0.247%	0.302%	**0.2568420%**
City	Irvine	Orange	0.139%	0.170%	**0.1442350%**
City	Laguna Beach	Orange	0.047%	0.058%	**0.0493043%**
City	Laguna Hills	Orange	0.014%		**0.0115457%**
City	Laguna Niguel	Orange	0.001%		**0.0007071%**
City	Laguna Woods	Orange	0.001%		**0.0006546%**
City	La Habra	Orange	0.060%	0.073%	**0.0621049%**
City	Lake Forest	Orange	0.012%		**0.0101249%**
City	La Palma	Orange	0.012%		**0.0095439%**
City	Los Alamitos	Orange	0.008%		**0.0069190%**
City	Mission Viejo	Orange	0.014%		**0.0117560%**
City	Newport Beach	Orange	0.179%		**0.1470134%**
City	Orange	Orange	0.150%		**0.1231320%**
City	Placentia	Orange	0.029%	0.035%	**0.0298912%**
City	Rancho Santa Margarita	Orange	0.001%		**0.0006296%**
City	San Clemente	Orange	0.008%	0.010%	**0.0086083%**
City	San Juan Capistrano	Orange	0.008%		**0.0065510%**
City	Santa Ana	Orange	0.502%	0.614%	**0.5213866%**
City	Seal Beach	Orange	0.020%		**0.0165891%**
City	Stanton	Orange	0.035%		**0.0291955%**
City	Tustin	Orange	0.073%		**0.0600341%**
City	Westminster	Orange	0.104%	0.127%	**0.1082721%**
City	Yorba Linda	Orange	0.044%		**0.0362223%**
County	***Placer County***	Placer	1.045%	1.278%	**1.0861002%**
City	Auburn	Placer	0.017%		**0.0141114%**
City	Lincoln	Placer	0.031%		**0.0255599%**
City	Rocklin	Placer	0.076%		**0.0625485%**

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City	Roseville	Placer	0.196%		**0.1616559%**
County	***Plumas County***	Plumas	0.205%	0.251%	**0.2128729%**
County	***Riverside County***	Riverside	4.534%	5.547%	**4.7128296%**
City	Banning	Riverside	0.017%		**0.0143848%**
City	Beaumont	Riverside	0.021%		**0.0171135%**
City	Blythe	Riverside	0.012%		**0.0096714%**
City	Canyon Lake	Riverside	0.000%		**0.0001761%**
City	Cathedral City	Riverside	0.067%		**0.0553614%**
City	Coachella	Riverside	0.021%		**0.0173054%**
City	Corona	Riverside	0.147%		**0.1207083%**
City	Desert Hot Springs	Riverside	0.024%		**0.0200433%**
City	Eastvale	Riverside	0.000%		**0.0002747%**
City	Hemet	Riverside	0.051%		**0.0421792%**
City	Indio	Riverside	0.056%		**0.0457794%**
City	Jurupa Valley	Riverside	0.001%		**0.0008991%**
City	Lake Elsinore	Riverside	0.021%		**0.0172949%**
City	La Quinta	Riverside	0.063%		**0.0516732%**
City	Menifee	Riverside	0.032%		**0.0260909%**
City	Moreno Valley	Riverside	0.137%		**0.1130348%**
City	Murrieta	Riverside	0.048%	0.059%	**0.0497423%**
City	Norco	Riverside	0.016%		**0.0134542%**
City	Palm Desert	Riverside	0.083%		**0.0682465%**
City	Palm Springs	Riverside	0.076%		**0.0629862%**
City	Perris	Riverside	0.009%		**0.0076774%**
City	Rancho Mirage	Riverside	0.052%		**0.0431098%**
City	Riverside	Riverside	0.268%		**0.2206279%**
City	San Jacinto	Riverside	0.010%		**0.0085936%**
City	Temecula	Riverside	0.022%		**0.0180086%**
City	Wildomar	Riverside	0.008%		**0.0062500%**
County	***Sacramento County***	Sacramento	3.797%	4.645%	**3.9465887%**

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City	Citrus Heights	Sacramento	0.057%		**0.0465312%**
City	Elk Grove	Sacramento	0.130%		**0.1066994%**
City	Folsom	Sacramento	0.108%		**0.0890850%**
City	Galt	Sacramento	0.017%		**0.0143704%**
City	Rancho Cordova	Sacramento	0.008%		**0.0067679%**
City	Sacramento	Sacramento	0.721%	0.882%	**0.7496530%**
County	***San Benito County***	San Benito	0.106%	0.130%	**0.1101417%**
City	Hollister	San Benito	0.027%		**0.0225355%**
County	***San Bernardino County***	San Bernardino	3.259%	3.987%	**3.3878124%**
City	Adelanto	San Bernardino	0.008%		**0.0066640%**
City	Apple Valley	San Bernardino	0.025%		**0.0207360%**
City	Barstow	San Bernardino	0.015%		**0.0122056%**
City	Chino	San Bernardino	0.064%		**0.0525893%**
City	Chino Hills	San Bernardino	0.001%		**0.0006388%**
City	Colton	San Bernardino	0.031%		**0.0253443%**
City	Fontana	San Bernardino	0.112%		**0.0920543%**
City	Grand Terrace	San Bernardino	0.006%		**0.0051051%**
City	Hesperia	San Bernardino	0.035%		**0.0291522%**
City	Highland	San Bernardino	0.004%		**0.0029061%**
City	Loma Linda	San Bernardino	0.009%		**0.0071188%**
City	Montclair	San Bernardino	0.039%		**0.0322108%**
City	Ontario	San Bernardino	0.179%		**0.1472934%**
City	Rancho Cucamonga	San Bernardino	0.084%		**0.0689431%**
City	Redlands	San Bernardino	0.057%		**0.0469150%**
City	Rialto	San Bernardino	0.073%		**0.0603206%**
City	San Bernardino	San Bernardino	0.178%		**0.1461880%**
City	Twentynine Palms	San Bernardino	0.002%		**0.0012605%**
City	Upland	San Bernardino	0.052%		**0.0424460%**
City	Victorville	San Bernardino	0.033%		**0.0269400%**
City	Yucaipa	San Bernardino	0.016%		**0.0128772%**

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City	Yucca Valley	San Bernardino	0.003%		**0.0021228%**
County	***San Diego County***	San Diego	5.706%	6.980%	**5.9309748%**
City	Carlsbad	San Diego	0.128%		**0.1050485%**
City	Chula Vista	San Diego	0.189%	0.231%	**0.1961456%**
City	Coronado	San Diego	0.044%		**0.0359095%**
City	El Cajon	San Diego	0.113%		**0.0933582%**
City	Encinitas	San Diego	0.061%	0.074%	**0.0630289%**
City	Escondido	San Diego	0.145%		**0.1192204%**
City	Imperial Beach	San Diego	0.014%		**0.0118283%**
City	La Mesa	San Diego	0.055%	0.068%	**0.0575593%**
City	Lemon Grove	San Diego	0.022%		**0.0183911%**
City	National City	San Diego	0.080%		**0.0656808%**
City	Oceanside	San Diego	0.213%		**0.1753428%**
City	Poway	San Diego	0.062%		**0.0511040%**
City	San Diego	San Diego	1.975%	2.416%	**2.0531169%**
City	San Marcos	San Diego	0.089%		**0.0733897%**
City	Santee	San Diego	0.033%		**0.0268401%**
City	Solana Beach	San Diego	0.017%		**0.0138564%**
City	Vista	San Diego	0.052%		**0.0425144%**
Consolidated	***San Francisco***	San Francisco	3.026%	3.702%	**3.1457169%**
County	***San Joaquin County***	San Joaquin	1.680%	2.055%	**1.7460399%**
City	Lathrop	San Joaquin	0.009%		**0.0075394%**
City	Lodi	San Joaquin	0.053%		**0.0439484%**
City	Manteca	San Joaquin	0.054%		**0.0443454%**
City	Ripon	San Joaquin	0.013%		**0.0104219%**
City	Stockton	San Joaquin	0.313%	0.383%	**0.3256176%**
City	Tracy	San Joaquin	0.084%		**0.0692047%**
County	***San Luis Obispo County***	San Luis Obispo	0.816%	0.999%	**0.8484126%**
City	Arroyo Grande	San Luis Obispo	0.024%		**0.0199053%**
City	Atascadero	San Luis Obispo	0.029%		**0.0240680%**

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Participating Subdivision Classification	Participating Subdivision	County	Abatement Percentage	Plaintiff Subdivision Percentage	Weighted Allcation Percentage
City	El Paso de Robles (Paso Robles)	San Luis Obispo	0.043%		**0.0353456%**
City	Grover Beach	San Luis Obispo	0.017%		**0.0137881%**
City	Morro Bay	San Luis Obispo	0.020%		**0.0160922%**
City	San Luis Obispo	San Luis Obispo	0.077%		**0.0637841%**
County	***San Mateo County***	San Mateo	1.074%	1.313%	**1.1159599%**
City	Belmont	San Mateo	0.021%		**0.0169860%**
City	Burlingame	San Mateo	0.019%		**0.0152537%**
City	Daly City	San Mateo	0.044%		**0.0363880%**
City	East Palo Alto	San Mateo	0.013%		**0.0103982%**
City	Foster City	San Mateo	0.020%		**0.0166101%**
City	Half Moon Bay	San Mateo	0.004%		**0.0031638%**
City	Hillsborough	San Mateo	0.013%		**0.0110029%**
City	Menlo Park	San Mateo	0.015%		**0.0126209%**
City	Millbrae	San Mateo	0.013%		**0.0105836%**
City	Pacifica	San Mateo	0.016%		**0.0130625%**
City	Redwood City	San Mateo	0.056%		**0.0463511%**
City	San Bruno	San Mateo	0.021%		**0.0172161%**
City	San Carlos	San Mateo	0.013%		**0.0108885%**
City	San Mateo	San Mateo	0.052%		**0.0425841%**
City	South San Francisco	San Mateo	0.043%		**0.0353943%**
County	***Santa Barbara County***	Santa Barbara	1.132%	1.385%	**1.1768968%**
City	Carpinteria	Santa Barbara	0.001%		**0.0008938%**
City	Goleta	Santa Barbara	0.004%		**0.0028969%**
City	Lompoc	Santa Barbara	0.047%		**0.0389379%**
City	Santa Barbara	Santa Barbara	0.122%		**0.1004559%**
City	Santa Maria	Santa Barbara	0.058%		**0.0479179%**
County	***Santa Clara County***	Santa Clara	2.404%	2.941%	**2.4987553%**
City	Campbell	Santa Clara	0.014%		**0.0112566%**
City	Cupertino	Santa Clara	0.008%		**0.0066824%**
City	Gilroy	Santa Clara	0.025%		**0.0202891%**

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Participating Subdivision Classification	Participating Subdivision	County	Abatement Percentage	Plaintiff Subdivision Percentage	Weighted Allcation Percentage
City	Los Altos	Santa Clara	0.013%		**0.0103338%**
City	Los Gatos	Santa Clara	0.013%		**0.0103220%**
City	Milpitas	Santa Clara	0.036%		**0.0298120%**
City	Morgan Hill	Santa Clara	0.015%		**0.0124619%**
City	Mountain View	Santa Clara	0.041%		**0.0334608%**
City	Palo Alto	Santa Clara	0.039%		**0.0323080%**
City	San Jose	Santa Clara	0.294%	0.360%	**0.3054960%**
City	Santa Clara	Santa Clara	0.067%		**0.0549723%**
City	Saratoga	Santa Clara	0.004%		**0.0034161%**
City	Sunnyvale	Santa Clara	0.053%		**0.0434069%**
County	***Santa Cruz County***	Santa Cruz	0.783%	0.957%	**0.8135396%**
City	Capitola	Santa Cruz	0.020%		**0.0168191%**
City	Santa Cruz	Santa Cruz	0.143%		**0.1180348%**
City	Scotts Valley	Santa Cruz	0.015%		**0.0126525%**
City	Watsonville	Santa Cruz	0.063%		**0.0520136%**
County	***Shasta County***	Shasta	1.095%	1.339%	**1.1380191%**
City	Anderson	Shasta	0.024%		**0.0198896%**
City	Redding	Shasta	0.284%		**0.2334841%**
City	Shasta Lake	Shasta	0.004%		**0.0031993%**
County	***Siskiyou County***	Siskiyou	0.228%	0.279%	**0.2373393%**
County	***Solano County***	Solano	0.760%		**0.6260795%**
City	Benicia	Solano	0.031%		**0.0253903%**
City	Dixon	Solano	0.016%		**0.0130849%**
City	Fairfield	Solano	0.109%		**0.0897317%**
City	Suisun City	Solano	0.021%		**0.0176183%**
City	Vacaville	Solano	0.119%		**0.0976497%**
City	Vallejo	Solano	0.167%		**0.1373644%**
County	***Sonoma County***	Sonoma	1.218%	1.490%	**1.2661290%**
City	Healdsburg	Sonoma	0.032%		**0.0266929%**
City	Petaluma	Sonoma	0.081%		**0.0667507%**

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Participating Subdivision Classification	Participating Subdivision	County	Abatement Percentage	Plaintiff Subdivision Percentage	Weighted Allcation Percentage
City	Rohnert Park	Sonoma	0.041%		**0.0340759%**
City	Santa Rosa	Sonoma	0.184%		**0.1519070%**
City	Sonoma	Sonoma	0.022%		**0.0183438%**
City	Windsor	Sonoma	0.016%		**0.0129298%**
County	***Stanislaus County***	Stanislaus	1.722%		**1.4182273%**
City	Ceres	Stanislaus	0.041%		**0.0340260%**
City	Modesto	Stanislaus	0.217%		**0.1788759%**
City	Newman	Stanislaus	0.006%		**0.0046964%**
City	Oakdale	Stanislaus	0.018%		**0.0145531%**
City	Patterson	Stanislaus	0.015%		**0.0126590%**
City	Riverbank	Stanislaus	0.010%		**0.0085699%**
City	Turlock	Stanislaus	0.065%		**0.0531966%**
County	***Sutter County***	Sutter	0.306%	0.374%	**0.3179548%**
City	Yuba City	Sutter	0.074%		**0.0606242%**
County	***Tehama County***	Tehama	0.213%	0.261%	**0.2216654%**
City	Red Bluff	Tehama	0.014%		**0.0117771%**
County	***Trinity County***	Trinity	0.082%	0.101%	**0.0855476%**
County	***Tulare County***	Tulare	0.809%	0.990%	**0.8410949%**
City	Dinuba	Tulare	0.014%		**0.0116929%**
City	Exeter	Tulare	0.004%		**0.0032479%**
City	Farmersville	Tulare	0.003%		**0.0027879%**
City	Lindsay	Tulare	0.007%		**0.0057111%**
City	Porterville	Tulare	0.021%		**0.0171845%**
City	Tulare	Tulare	0.037%		**0.0302273%**
City	Visalia	Tulare	0.066%		**0.0545872%**
County	***Tuolumne County***	Tuolumne	0.486%	0.594%	**0.5047621%**
County	***Ventura County***	Ventura	2.192%	2.681%	**2.2781201%**
City	Camarillo	Ventura	0.002%		**0.0012815%**
City	Fillmore	Ventura	0.002%		**0.0020294%**
City	Moorpark	Ventura	0.008%		**0.0067337%**

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Participating Subdivision Classification	Participating Subdivision	County	Abatement Percentage	Plaintiff Subdivision Percentage	Weighted Allcation Percentage
City	Oxnard	Ventura	0.156%	0.190%	**0.1617338%**
City	Port Hueneme	Ventura	0.021%		**0.0174145%**
City	San Buenaventura (Ventura)	Ventura	0.085%		**0.0702181%**
City	Santa Paula	Ventura	0.014%		**0.0119072%**
City	Simi Valley	Ventura	0.065%		**0.0533043%**
City	Thousand Oaks	Ventura	0.022%		**0.0179902%**
County	***Yolo County***	Yolo	0.357%	0.437%	**0.3713319%**
City	Davis	Yolo	0.055%		**0.0451747%**
City	West Sacramento	Yolo	0.066%		**0.0544321%**
City	Woodland	Yolo	0.058%		**0.0477904%**
County	***Yuba County***	Yuba	0.214%	0.262%	**0.2225679%**
City	Marysville	Yuba	0.014%		**0.0112079%**

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APPENDIX 2

Cost Reimbursement Procedure

1. Additional defined terms:

a) *Costs* means the reasonable amounts paid for the attorney and other City Attorney and County Counsel staff time for individuals employed by a Plaintiff Subdivision at the contractual rate, inclusive of benefits and overhead, together with amounts paid for court reporters, experts, copying, electronic research, travel, vendors, and the like, which were not previously reimbursed and which were paid or incurred (i) prior to December 31, 2022 in litigation against any Opioid Defendant and/or (ii) in negotiating and drafting any CA Allocation Agreement(s) concerning a settlement with any Opioid Defendant(s). *Costs* does not include attorneys' fees, costs, or expenses incurred by private contingency fee counsel. No part of the CA Abatement Accounts Fund will be used to reimburse Costs.

b) *First Claims Date* means October 1, 2023 or when all applications for reimbursement of Costs, in whole or in part, from funds available under Section IX and Exhibit R of the Walgreens Settlement Agreement, Section XIV and Exhibit R of the Teva Settlement Agreement, Section XIII and Exhibit R of the Allergan Settlement Agreement, Section X and Exhibit R of the Distributor Settlement Agreement, Section XI and Exhibit R of the Janssen Settlement Agreement, Section X and Exhibit R of the CVS Settlement Agreement, or Section IX and Exhibit R of the Walmart Settlement Agreement, have been finally determined under the provisions of those agreements, whichever comes first.

c) *Special Master* means a retired judicial officer or former public lawyer, not presently employed or retained by a Plaintiff Subdivision, who will aggregate, review, and determine the reasonable Costs to be awarded to each Plaintiff Subdivision that submits a claim for reimbursement of Costs. The Special Master will be selected by a majority vote of the votes cast by Plaintiff Subdivisions, with each such subdivision having one vote.

d) *Plaintiff Subdivision Committee* means the committee of Plaintiff Subdivisions that will review and approve the invoices submitted by the Special Master reflecting his or her reasonable time and expenses.

2. Cost Reimbursement to Plaintiff Subdivision

a) Purpose. Substantial resources have been expended to hold Opioid Defendants accountable for creating and profiting from the opioid crisis, and this effort has been a significant catalyst in creating National Opioid Settlements with various manufacturers, distributors, and chain pharmacies.

b) Claims Procedure.

i. If a Plaintiff Subdivision is eligible to seek reimbursement of Costs, in whole or in part, from funds available under Section IX and Exhibit R of the Walgreens

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Settlement Agreement, Section XIV and Exhibit R of the Teva Settlement Agreement, Section XIII and Exhibit R of the Allergan Settlement Agreement, Section X and Exhibit R of the CVS Settlement Agreement, Section IX and Exhibit R of the Walmart Settlement Agreement, Section X or Exhibit R of the Distributor Settlement Agreement, or Section XI or Exhibit R of the Janssen Settlement Agreement, it must first make a timely application for reimbursement from such funds. To allow sufficient time for determination of those applications, no claim for Costs to the CA Subdivision Fund under this Agreement may be made before the First Claims Date.

ii. A Plaintiff Subdivision that wishes to be reimbursed from the CA Subdivision Fund must submit a claim to the Special Master no later than forty-five (45) days after the First Claims Date. The Special Master will then compile and redistribute the aggregated claim totals for each Plaintiff Subdivision via email to representatives of all the Plaintiff Subdivisions. A claim for attorney and staff time must list, for each attorney or staff member included in the claim, the following information: name, title, total hours claimed, hourly rate (including, if sought, benefits and share of overhead), and narrative summarizing the general nature of the work performed by the attorney or staff member. For reimbursement of "hard" costs, the subdivision may aggregate across a category (e.g., total for travel costs). It is the intention of the Plaintiff Subdivisions that submission of documents related to reimbursement of Costs does not waive any attorney-client privilege or exemptions to the California Public Records Act.

iii. The Special Master may request, at his or her sole option, additional documents or details to assist in the final award of Costs.

iv. The Special Master will review claims for reasonableness and will notify each Plaintiff Subdivision of the final determination of its claim, and will provide a list of all final awards to all Plaintiff Subdivisions by email or, upon request, via First Class U.S. Mail. Any Plaintiff Subdivision may ask the Special Master to reconsider any final award within twenty-one (21) days. The Special Master will make a final determination on any such reconsideration request within thirty (30) days of receipt.

v. Any decision of the Special Master is final and binding, and will be considered under the California Arbitration Act, Code of Civil Procedure section 1280 et seq. as a final arbitration award. Nothing in this agreement is intended to expand the scope of judicial review of the final award for errors of fact or law, and the Parties agree that they may only seek to vacate the award if clear and convincing evidence demonstrates one of the factors set forth in Code of Civil Procedure, section 1286.2, subdivision (a). Plaintiff Subdivisions will have fourteen (14) days after all final awards are made, together with any final determination of a request for

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reconsideration, to seek review in the Superior Court of California, pursuant to Code of Civil Procedure, section 1285, where the State has filed its Consent Judgment.

vi. The Special Master will prepare a report of Costs that includes his or her fees and expenses at least ninety (90) days before the Payment Date for each Annual Payment. The Special Master's preparation of a report of Costs does not discharge a Plaintiff Subdivision's reporting requirement under Section V(B)(2) of the Walgreens Settlement Agreement.

vii. A member of the Plaintiff Subdivision Committee, which is a CA Participating Subdivision, will submit to the Settlement Fund Administrator and Walgreens a report of the fees and expenses incurred by the Special Master pursuant to Section V(B)(2) of the Walgreens Settlement Agreement.

c) Claims Priority and Limitation.

i. The Special Master will submit invoices for compensation of reasonable fees and expenses to the Plaintiff Subdivision Committee no later than ninety (90) days prior to the Payment Date for each Annual Payment. The Plaintiff Subdivision Committee will promptly review and, if reasonable, approve the Special Master's invoice for compensation. The Plaintiff Subdivision Committee will submit approved invoices to the Settlement Fund Administrator for payment. The Special Master's approved invoices have priority and will be paid first from the CA Subdivision Fund before any award of Costs, subject to the limitation in Section 2.c.v below.

ii. Final Awards of Costs that do not exceed seventy-five thousand dollars ($75,000.00) will be paid next in priority after the Special Master's approved invoices.

iii. Final Awards of Costs in excess of seventy-five thousand dollars ($75,000.00) will be paid proportionally from the funds remaining in that year's Annual Payment.

iv. Any claim for Costs that is not paid in full will be allocated against the next year's distribution from the CA Subdivision Fund, until all approved claims for Costs are paid in full.

v. In no event will more than 50% of the total CA Subdivision Fund received in any year be used to pay Costs or the Special Master's approved invoices.

vi. In no event shall more than $28 million of the total CA Subdivision Funds paid pursuant to the Walgreens Settlement Agreement, Teva Settlement Agreement, Allergan Settlement Agreement, Distributor Settlement Agreement, CVS Settlement Agreement, Janssen Settlement Agreement, and the Walmart Settlement Agreement be used to pay Costs.

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d) Collateral Source Payments and Third-Party Settlement.

i. In the event a Plaintiff Subdivision is awarded compensation, in whole or in part, by any source of funds created as a result of litigation against an Opioid Defendant for its reasonable Costs, it will reduce its claim for Costs from the CA Subdivision Fund by that amount. If a Plaintiff Subdivision has already received a final award of Costs from the CA Subdivision Fund, it will repay the fund up to the prior award of Costs via a payment to the Settlement Fund Administrator or notify the Settlement Fund Administrator that its allocation from the next and subsequent Annual Payments should be reduced accordingly. If the Plaintiff Subdivision is repaying any prior award of Costs, that repayment will occur as soon as is feasible after the Plaintiff Subdivision's receipt of Cost funds from the collateral source, but no more than 90 days after its receipt from the collateral source. The Settlement Fund Administrator will add any repaid Costs to the CA Subdivision Fund. Any Plaintiff Subdivision that has submitted for reimbursement to any national fund and has not received a final determination by the First Claims Date may request that the settlement administrator withhold some or all of its payment from the CA Subdivision Fund in order to avoid repayment.

ii. In the event a Plaintiff Subdivision reaches a monetary settlement or compromise against any Opioid Defendant outside of the National Opioid Settlement, the monetary portion of such settlement, net of fees paid to outside contingency fee counsel and of funds earmarked strictly for abatement, will be credited against its Costs and the subdivision will be ineligible to recover those credited Costs from the CA Subdivision Fund. Plaintiff Subdivisions negotiating monetary settlements or compromises against any Opioid Defendant outside of the National Opioid Settlement will negotiate for funds to repay any Costs it previously received from the CA Subdivision Fund or for Costs it otherwise might be eligible to claim from the CA Subdivision Fund. If such a settlement is paid after all final approved claims for Costs by all Plaintiff Subdivisions are satisfied in full, the settling subdivision will reimburse the CA Subdivision Fund in that amount by making payment to the Settlement Fund Administrator to add to the CA Subdivision Fund in a manner consistent with the repayments described in section 2.d.i above.

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APPENDIX 3

CALIFORNIA-SUBDIVISION BACKSTOP AGREEMENT

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

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

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

Pursuant to this Backstop Agreement, [SUBDIVISION] may, subject to the limitations of the Walgreens Settlement Agreement and CA Walgreens Allocation Agreement, as well as any other limitations imposed by law, use funds that it receives from the Walgreens Settlement CA Subdivision Fund to pay a contingent fee to [COUNSEL]. Any such payment from [SUBDIVISION] to [COUNSEL], together with any contingency fees that [COUNSEL] may receive from the national Attorney Fee Fund, will not exceed a total contingency fee of [PERCENTAGE NOT TO EXCEED 15%] of the total gross recovery of [SUBDIVISION] from the Walgreens Settlement.

[COUNSEL] certify that they first sought fees and costs from the Attorney Fee Fund created under the Walgreens Settlement Agreement before seeking or accepting payment under this backstop agreement. [COUNSEL] further certify that they are not seeking and will not accept payment under this backstop agreement of any litigation fees or costs that have been reimbursed through prior settlements or judgments.

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

[DATE]	[SUBDIVISION SIGNATURE BLOCK]
[DATE]	[COUNSEL SIGNATURE BLOCK]
[DATE]	[ATTORNEY GENERAL SIGNATURE BLOCK]

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Proposed California State-Subdivision Agreement Regarding Distribution and Use of Settlement Funds – Walmart Settlement

1. Introduction

Pursuant to the Walmart Settlement Agreement, dated as of November 14, 2022, and any revision thereto (the "Walmart Settlement Agreement"), including Section V and Exhibit O, the State of California proposes this agreement (the "CA Walmart Allocation Agreement") to govern the allocation, distribution, and use of Settlement Fund payments made to California pursuant to Sections IV and V of the Walmart Settlement Agreement. For the avoidance of doubt, this agreement does not apply to payments made pursuant to Sections VIII or IX of the Walmart Settlement Agreement.

Pursuant to Exhibit O, Paragraph 4, of the Walmart Settlement Agreement, acceptance of this CA Walmart Allocation Agreement is a requirement to be a Participating Subdivision.

2. Definitions

a) *CA Participating Subdivision* means a Participating Subdivision that is also (a) a Plaintiff Subdivision and/or (b) a Primary Subdivision with a population equal to or greater than 10,000. For the avoidance of doubt, eligible CA Participating Subdivisions are those California subdivisions listed in Exhibit C (excluding Litigating Special Districts) and/or Exhibit I to the Walmart Settlement Agreement.

b) *Allergan Settlement Agreement* means the Allergan Settlement Agreement dated November 22, 2022, and any revision thereto.

c) *CVS Settlement Agreement* means the CVS Settlement Agreement dated December 9, 2022, and any revision thereto as well as any modification thereto entered into by the State of California and CVS.

d) *Distributor Settlement Agreement* means the Distributor Settlement Agreement dated July 21, 2021, and any revision thereto.

e) *Janssen Settlement Agreement* means the Janssen Settlement Agreement dated July 21, 2021, and any revision thereto.

f) *Teva Settlement Agreement* means the Teva Settlement Agreement dated November 22, 2022, and any revision thereto.

g) *Walgreens Settlement Agreement* means the Walgreens Settlement Agreement dated December 9, 2022, and any revision thereto.

h) *CA Litigating Special District* means a Litigating Special District located in California. CA Litigating Special Districts include Downey Unified School District, Elk Grove Unified School District, Kern High School District, Montezuma Fire Protection District (located in Stockton, California), Santa Barbara San Luis Obispo Regional Health Authority, Inland Empire Health Plan, Health Plan of San Joaquin, San Leandro Unified School District, Pleasant Valley School District Board, and LA Care Health Plan.

i) *Plaintiff Subdivision* means a Subdivision located in California, other than a CA Litigating Special District, that filed a lawsuit, on behalf of the Subdivision and/or through an official of the Subdivision on behalf of the People of the State of California, against one or more Opioid Defendants prior to October 1, 2020.

j) *Opioid Defendant* means any defendant (including but not limited to Teva Pharmaceutical Industries Ltd., Allergan Finance, LLC, Allergan Limited, CVS Health Corporation, CVS Pharmacy, Inc., Walgreen Co., Walmart Inc., Johnson & Johnson, Janssen Pharmaceuticals, Inc., Purdue Pharma L.P., Cardinal Health, Inc., AmerisourceBergen Corporation, and McKesson Corporation) named in a lawsuit seeking damages, abatement, or other remedies related to or caused by the opioid public health crisis in any lawsuit brought by any state or local government on or before October 1, 2020.

3. General Terms

This agreement is subject to the requirements of the Walmart Settlement Agreement, as well as applicable law, and the Walmart Settlement Agreement governs over any inconsistent provision of this CA Walmart Allocation Agreement. Terms used in this CA Walmart Allocation Agreement have the same meaning as in the Walmart Settlement Agreement unless otherwise defined herein.

Pursuant to Section V(D)(1) of the Walmart Settlement Agreement, (a) all Settlement Fund payments will be used for Opioid Remediation, except as allowed by Section V(B)(2) of the Walmart Settlement Agreement; and (b) at least seventy percent (70%) of Settlement Fund payment amounts will be used solely for future Opioid Remediation.

4. State Allocation

The Settlement Fund payments to California,[1] pursuant to the Walmart Settlement Agreement, shall be allocated as follows: 15% to the State Fund; 70% to the Abatement Accounts Fund; and 15% to the Subdivision Fund. For the avoidance of doubt, all funds allocated to California from the Settlement Fund shall be combined pursuant to this CA Walmart Allocation Agreement, and 15% of that total shall be allocated to the State of California (the "State of California Allocation"), 70% to the California Abatement Accounts Fund ("CA Abatement Accounts Fund"), and 15% to the California Subdivision Fund ("CA Subdivision Fund").

[1] For purposes of clarity, use of the term "California" refers to the geographic territory of California and the state and its local governments therein. The term "State" or "State of California" refers to the State of California as a governmental unit.

A. State of California Allocation

Fifteen percent of the total Settlement Fund payments will be allocated to the State and used by the State for future Opioid Remediation.

B. CA Abatement Accounts Fund

i. Allocation of CA Abatement Accounts Funds

a) Seventy percent of the total Settlement Fund payments will be allocated to the CA Abatement Accounts Fund. The funds in the CA Abatement Accounts Fund will be allocated based on the allocation model developed in connection with the proposed negotiating class in the National Prescription Opiate Litigation (MDL No. 2804), as adjusted to reflect only those cities and counties that are eligible, based on population or litigation status, to become a CA Participating Subdivision. The percentage from the CA Abatement Accounts Fund allocated to each CA Participating Subdivision is set forth in Appendix 1 in the column entitled abatement percentage (the "Local Allocation"). For the avoidance of doubt, CA Litigating Special Districts and California towns, cities, and counties with a population less than 10,000 are not eligible to receive an allocation of CA Abatement Accounts Funds.

b) A CA Participating Subdivision that is a county, or a city and county, will be allocated its Local Allocation share as of the date on which it becomes a Participating Subdivision, and will receive payments as provided in the Walmart Settlement Agreement.

c) A CA Participating Subdivision that is a city will be allocated its Local Allocation share as of the date on which it becomes a Participating Subdivision. The Local Allocation share for a city that is a CA Participating Subdivision will be paid to the county in which the city is located, rather than to the city, so long as: (a) the county is a CA Participating Subdivision, and (b) the city has not advised the Settlement Fund Administrator that it requests direct payment at least 60 days prior to a Payment Date. A Local Allocation share allocated to a city but paid to a county is not required to be spent exclusively for abatement activities in that city, but will become part of the county's share of the CA Abatement Accounts Funds, which will be used in accordance with Section 4.B.ii (Use of CA Abatement Accounts Funds) and reported on in accordance with Section 4.B.iii (CA Abatement Accounts Fund Oversight).

d) A city within a county that is a CA Participating Subdivision may opt in or out of direct payment at any time, and it may also elect direct payment of only a portion of its share, with the remainder going to the county, by providing notice to the Settlement Fund Administrator at least 60 days prior to a Payment Date. For purposes of this CA Walmart Allocation Agreement, the Cities of Los Angeles, Oakland, San Diego, San Jose and Eureka will be deemed to have elected direct payment if they become Participating Subdivisions.

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e) The State will receive the Local Allocation share of any payment to the Settlement Fund that is attributable to a county or city that is eligible to become a CA Participating Subdivision, but that has not, as of the date of that payment to the Settlement Fund, become a Participating Subdivision.

f) Funds received by a CA Participating Subdivision, and not expended or encumbered within five years of receipt and in accordance with the Walmart Settlement Agreement and this CA Walmart Allocation Agreement shall be transferred to the State; provided however, that CA Participating Subdivisions have seven years to expend or encumber CA Abatement Accounts Funds designated to support capital outlay projects before they must be transferred to the State. This provision shall not apply to the Cost Reimbursement Funds, which shall be controlled by Appendix 2.

ii. Use of CA Abatement Accounts Funds

a) The CA Abatement Accounts Funds will be used for future Opioid Remediation in one or more of the areas described in the List of Opioid Remediation Uses, which is Exhibit E to the Walmart Settlement Agreement.

b) In addition to this requirement, no less than 50% of the funds received by a CA Participating Subdivision from the Abatement Accounts Fund in each calendar year will be used for one or more of the following High Impact Abatement Activities:

(1) the provision of matching funds or operating costs for substance use disorder facilities within the Behavioral Health Continuum Infrastructure Program;

(2) creating new or expanded Substance Use Disorder ("SUD") treatment infrastructure;

(3) addressing the needs of communities of color and vulnerable populations (including sheltered and unsheltered homeless populations) that are disproportionately impacted by SUD;

(4) diversion of people with SUD from the justice system into treatment, including by providing training and resources to first and early responders (sworn and non-sworn) and implementing best practices for outreach, diversion and deflection, employability, restorative justice, and harm reduction; and/or

(5) interventions to prevent drug addiction in vulnerable youth.

c) The California Department of Health Care Services ("DHCS") may add to this list (but not delete from it) by designating additional High Impact Abatement Activities. DHCS will make reasonable efforts to consult with stakeholders, including the CA Participating Subdivisions, before adding additional High Impact Abatement Activities to this list.

d) For the avoidance of doubt, and subject to the requirements of the Walmart Settlement Agreement and applicable law, CA Participating Subdivisions may form agreements or ventures, or otherwise work in collaboration with, federal, state, local, tribal or private sector entities in pursuing Opioid Remediation activities funded from the CA Abatemen

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Accounts Fund. Further, provided that all CA Abatement Accounts Funds are used for Opioid Remediation consistent with the Walmart Settlement Agreement and this CA Walmart Allocation Agreement, a county and any cities or towns within the county may agree to reallocate their respective shares of the CA Abatement Accounts Funds among themselves, provided that any direct distribution may only be to a CA Participating Subdivision and any CA Participating Subdivision must agree to their share being reallocated.

iii. CA Abatement Accounts Fund Oversight

a) Pursuant to Section 5 below, CA Participating Subdivisions receiving settlement funds must prepare and file reports annually regarding the use of those funds. DHCS may regularly review the reports prepared by CA Participating Subdivisions about the use of CA Abatement Accounts Funds for compliance with the Walmart Settlement Agreement and this CA Walmart Allocation Agreement.

b) If DHCS determines that a CA Participating Subdivision's use of CA Abatement Accounts Funds is inconsistent with the Walmart Settlement Agreement or this CA Walmart Allocation Agreement, whether through review of reports or information from any other sources, DHCS shall send a request to meet and confer with the CA Participating Subdivision. The parties shall meet and confer in an effort to resolve the concern.

c) If the parties are unable to reach a resolution, DHCS may conduct an audit of the Subdivision's use of the CA Abatement Accounts Funds within one year of the request to meet and confer, unless the parties mutually agree in writing to extend the meet and confer time frame.

d) If the concern still cannot be resolved, the State may bring a motion or action in the court where the State has filed its Consent Judgment to resolve the concern or otherwise enforce the requirements of the Walmart Settlement Agreement or this CA Walmart Allocation Agreement. However, in no case shall any audit be conducted, or motion be brought, as to a specific expenditure of funds, more than five years after the date on which the expenditure of the funds was reported to DHCS, in accordance with this agreement.

e) Notwithstanding the foregoing, this Agreement does not limit the statutory or constitutional authority of any state or local agency or official to conduct audits, investigations, or other oversight activities, or to pursue administrative, civil, or criminal enforcement actions.

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C. CA Subdivision Fund

i. Fifteen percent of the total Settlement Fund payments will be allocated to the CA Subdivision Fund. All funds in the CA Subdivision Fund will be allocated among the Plaintiff Subdivisions that are Participating Subdivisions. The funds will be used, subject to any limits imposed by the Walmart Settlement Agreement and this CA Walmart Allocation Agreement, to fund future Opioid Remediation and reimburse past opioid-related expenses, which may include fees and expenses related to litigation, and to pay the reasonable fees and expenses of the Special Master as set forth in Appendix 2.

The CA Subdivision Funds will be allocated as follows:

a) First, funds in the CA Subdivision Fund shall be used to pay the Special Master's reasonable fees and expenses in accordance with the procedures and limitations set forth in Appendix 2 to this document;

b) Second, funds will be allocated to Plaintiff Subdivisions that are Participating Subdivisions that have been awarded Costs, as defined by and in accordance with the procedures and limitations set forth in Appendix 2 to this document.

c) Funds remaining in the CA Subdivision Fund, which shall consist of no less than 50% of the total CA Subdivision Fund received in any year pursuant to Appendix 2, Section 2.c.v, will be distributed to Plaintiff Subdivisions that are Participating Subdivisions, in relative proportion to the Local Allocation. These funds shall be used to fund future opioid-related projects and to reimburse past opioid-related expenses, which may include fees and expenses related to litigation against any Opioid Defendant.

D. Provision for State Back-Stop Agreement

On August 6, 2021, Judge Dan Polster of the U.S. District Court, Northern District of Ohio, Eastern Division, issued an order (ECF Docket Number 3814) ("MDL Fees Order") in the National Prescription Opiate Litigation (MDL No. 2804) "cap[ping] all applicable contingent fee agreements at 15%." Private counsel representing Plaintiff Subdivisions should seek its contingency fees and costs from the Attorney Fee Fund or Cost Funds under the Walmart Settlement Agreement, and, if applicable, the Allergan Settlement Agreement, CVS Settlement Agreement, Distributor Settlement Agreement, Janssen Settlement Agreement, Teva Settlement Agreement, and Walgreens Settlement Agreement.

A Plaintiff Subdivision may separately agree to use its share of the CA Subdivision Fund to pay for fees or costs incurred by its contingency-fee counsel ("State Back-Stop Agreement"), pursuant to Exhibit R, section I(W), of the Walmart Settlement Agreement and the MDL Fees Order, so long as such contingency fees do not exceed a total contingency fee of 15% of the total gross recovery of the Plaintiff Subdivision pursuant to the Walmart Settlement, inclusive of contingency fees from the national Attorney Fee Fund and this State Back-Stop Agreement. Before seeking fees or litigation costs and expenses from a State Back-Stop Agreement, private

counsel representing Plaintiff Subdivisions must first seek contingency fees and costs from the Attorney Fee Fund or Cost Funds created under the Walmart Settlement Agreement. Further, private counsel may only seek reimbursement for litigation fees and costs that have not previously been reimbursed through prior settlements or judgments.

To effectuate a State Back-Stop Agreement pursuant to this section, an agreement in the form of Appendix 3 may be entered into by a Plaintiff Subdivision, private counsel, and the California Office of the Attorney General. The California Office of the Attorney General shall, upon the request of a Plaintiff Subdivision, execute any agreement executed by a Plaintiff Subdivision and its private counsel if it is in the form of Appendix 3. The California Office of the Attorney General will also consider requests from Plaintiff Subdivisions to execute and enter into agreements presented in other forms.

For the avoidance of doubt, this agreement does not require a Plaintiff Subdivision to request or enter into a State Back-Stop Agreement, and no State Back-Stop Agreement shall impose any duty or obligation on the State of California or any of its agencies or officers, including without limitation the Attorney General.

5. State and Subdivision Reporting

a) DHCS will prepare an annual written report regarding the State's use of funds from the settlement until those funds are fully expended and for one year thereafter. These reports will be made publicly available on the DHCS web site.

b) Each CA Participating Subdivision that receives payments of funds from the settlement will prepare written reports at least annually regarding the use of those funds, until those funds are fully expended and for one year thereafter. These reports will also include a certification that all funds that the CA Participating Subdivision has received through the settlement have been used in compliance with the Walmart Settlement Agreement and this CA Walmart Allocation Agreement. The report will be in a form reasonably determined by DHCS. Prior to specifying the form of the report DHCS will confer with representatives of the Plaintiff Subdivisions.

c) The State and all CA Participating Subdivisions receiving CA Abatement Accounts Funds will track all deposits and expenditures. Each such subdivision is responsible solely for the CA Abatement Accounts Funds it receives. A county is not responsible for oversight, reporting, or monitoring of CA Abatement Accounts Funds received by a city within that county that receives direct payment. Unless otherwise exempt, Subdivisions' expenditures and uses of CA Abatement Accounts Funds and other Settlement Funds will be subject to the normal budgetary and expenditure process of the Subdivision.

d) Each Plaintiff Subdivision receiving CA Subdivision Funds will track all deposits and expenditures, as required by the Walmart Settlement Agreement and this CA Walmart Allocation Agreement. Among other things, Plaintiff Subdivisions using monies from the CA Subdivision Fund for purposes that do not qualify as Opioid Remediation must identify and include in their annual report, the amount and how such funds were used, including if used to pay attorneys' fees, investigation costs, or litigation costs. Pursuant to Section V(B)(2) of the Walmart Settlement Agreement, such information must also be reported to the Settlement Fund Administrator and Walmart.

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e) In each year in which DHCS prepares an annual report DHCS will also host a meeting to discuss the annual report and the Opioid Remediation activities being carried out by the State and Participating Subdivisions.

6. Miscellaneous

a) The State or any CA Participating Subdivision may bring a motion or action in the court where the State has filed its Consent Judgment to enforce the requirements of this CA Walmart Allocation Agreement. Before filing such a motion or action the State will meet and confer with any CA Participating Subdivision that is the subject of the anticipated motion or action, and vice versa.

b) Except as provided in the Walmart Settlement Agreement, this CA Walmart Allocation Agreement is not enforceable by any party other than the State and the CA Participating Subdivisions. It does not confer any rights or remedies upon, and shall not be enforceable by, any third party.

c) Except as provided in the CA Walmart Allocation Agreement, if any provision of this agreement or the application thereof to any person, entity, or circumstance shall, to any extent, be invalid or unenforceable, the remainder of this agreement, or the application of such provision to persons, entities, or circumstances other than those as to which it is invalid or unenforceable, will not be affected thereby, and each other provision of this agreement will be valid and enforceable to the fullest extent permitted by law.

d) Except as provided in the Walmart Settlement Agreement, this agreement shall be governed by and interpreted in accordance with the laws of California.

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The undersigned, Morro Bay city, ACKNOWLEDGES acceptance of this Proposed California State-Subdivision Agreement Regarding Distribution and Use of Settlement Funds – Walmart Settlement is a requirement to be an Initial Participating Subdivision in the Walmart Settlement and ACCEPTS this Proposed California State-Subdivision Agreement Regarding Distribution and Use of Settlement Funds – Walmart Settlement. EXECUTED on .

Signature: _____

Name: _____

Title: _____

Date: _____

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DISCLAIMER: The allocation percentages herein are estimates only and should not be relied on for decisions regarding legal rights, releases, waivers, or other decisions affecting current or potential legal claims. Percentages shown in the Plaintiff Subdivision Percentage column may change pursuant to Section 4.C. of the California State-Subdivision Agreement Regarding Distribution and Use of Settlement Funds—Walmart Settlement, whereas the percentages shown in the Abatement Percentage column should not change. Participating Subdivisions, underlying calculations, and the calculated allocation percentages are subject to change. Regarding the column herein entitled "Abatement Percentage," pursuant to Section 4.B.e., the State of California will receive the Local Allocation share of any payment to the Settlement Fund that is attributable to a county or city that is eligible to become a CA Participating Subdivision, but that has not, as of the date of that payment to the Settlement Fund, become a Participating Subdivision. Regarding the column herein entitled "Plaintiff Subdivision Percentage," payments allocated to a Plaintiff Subdivision, which is not an Initial Participating Subdivision, will be re-allocated among the Plaintiff Subdivisions that are Initial Participating Subdivisions. Regarding the column herein entitled "Abatement Percentage," the annotation of "100%" refers to one-hundred percent (100%) of the California Abatement Account Funds received, pursuant to Section 4.B. Regarding the column herein entitled "Plaintiff Subdivision Percentage," the annotation of "100%" refers to one-hundred percent (100%) of the California Subdivision Funds received, pursuant to Section 4.C. Regarding the column herein entitled "Weighted Allocation Percentage," the annotation of "100%" refers to one-hundred percent (100%) of the combined and weighted allocation of the Abatement Percentage and the Plaintiff Subdivision Percentage.

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			100.000%	100.000%	100.000%
Participating Subdivision Classification	**Participating Subdivision**	**County**	**Abatement Percentage**	**Plaintiff Subdivision Percentage**	**Weighted Allcation Percentage**
County	***Alameda County***	Alameda	2.332%	2.853%	**2.4237952%**
City	Alameda	Alameda	0.069%		**0.0570162%**
City	Albany	Alameda	0.013%		**0.0107768%**
City	Berkeley	Alameda	0.152%		**0.1249656%**
City	Dublin	Alameda	0.033%	0.040%	**0.0338810%**
City	Emeryville	Alameda	0.023%		**0.0185765%**
City	Fremont	Alameda	0.108%		**0.0888576%**
City	Hayward	Alameda	0.117%		**0.0966218%**
City	Livermore	Alameda	0.054%		**0.0446740%**
City	Newark	Alameda	0.026%		**0.0217626%**
City	Oakland	Alameda	0.486%	0.595%	**0.5055601%**
City	Piedmont	Alameda	0.014%		**0.0114064%**
City	Pleasanton	Alameda	0.067%		**0.0554547%**
City	San Leandro	Alameda	0.039%		**0.0321267%**
City	Union City	Alameda	0.043%		**0.0352484%**
County	***Amador County***	Amador	0.226%	0.277%	**0.2349885%**
County	***Butte County***	Butte	1.615%	1.975%	**1.6783178%**
City	Chico	Butte	0.216%	0.264%	**0.2246499%**
City	Oroville	Butte	0.079%		**0.0646595%**
County	***Calaveras County***	Calaveras	0.226%	0.277%	**0.2351644%**
County	***Colusa County***	Colusa	0.059%		**0.0489221%**
County	***Contra Costa County***	Contra Costa	2.102%	2.571%	**2.1844585%**
City	Antioch	Contra Costa	0.037%		**0.0301879%**
City	Brentwood	Contra Costa	0.026%		**0.0215339%**
City	Clayton	Contra Costa	0.002%		**0.0018060%**
City	Concord	Contra Costa	0.055%		**0.0456676%**
City	Danville	Contra Costa	0.010%		**0.0082255%**
City	El Cerrito	Contra Costa	0.023%		**0.0189024%**
City	Hercules	Contra Costa	0.010%		**0.0078273%**

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Participating Subdivision Classification	Participating Subdivision	County	Abatement Percentage	Plaintiff Subdivision Percentage	Weighted Allcation Percentage
City	Lafayette	Contra Costa	0.006%		**0.0046030%**
City	Martinez	Contra Costa	0.012%		**0.0098593%**
City	Moraga	Contra Costa	0.004%		**0.0031007%**
City	Oakley	Contra Costa	0.010%		**0.0079416%**
City	Orinda	Contra Costa	0.005%		**0.0038157%**
City	Pinole	Contra Costa	0.013%		**0.0110909%**
City	Pittsburg	Contra Costa	0.053%		**0.0436369%**
City	Pleasant Hill	Contra Costa	0.013%		**0.0106309%**
City	Richmond	Contra Costa	0.146%		**0.1201444%**
City	San Pablo	Contra Costa	0.018%		**0.0148843%**
City	San Ramon	Contra Costa	0.021%		**0.0176459%**
City	Walnut Creek	Contra Costa	0.026%		**0.0212132%**
County	***Del Norte County***	Del Norte	0.114%	0.140%	**0.1189608%**
County	***El Dorado County***	El Dorado	0.768%	0.939%	**0.7980034%**
City	Placerville	El Dorado	0.015%		**0.0127642%**
City	South Lake Tahoe	El Dorado	0.081%		**0.0665456%**
County	***Fresno County***	Fresno	1.895%	2.318%	**1.9693410%**
City	Clovis	Fresno	0.065%		**0.0536211%**
City	Coalinga	Fresno	0.012%		**0.0098554%**
City	Fresno	Fresno	0.397%		**0.3270605%**
City	Kerman	Fresno	0.005%		**0.0042534%**
City	Kingsburg	Fresno	0.008%		**0.0066167%**
City	Mendota	Fresno	0.002%		**0.0019387%**
City	Orange Cove	Fresno	0.004%		**0.0035607%**
City	Parlier	Fresno	0.008%		**0.0069755%**
City	Reedley	Fresno	0.012%		**0.0098804%**
City	Sanger	Fresno	0.018%		**0.0146135%**
City	Selma	Fresno	0.015%		**0.0127537%**
County	***Glenn County***	Glenn	0.107%	0.131%	**0.1116978%**
County	***Humboldt County***	Humboldt	1.030%	1.260%	**1.0703185%**

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Participating Subdivision Classification	Participating Subdivision	County	Abatement Percentage	Plaintiff Subdivision Percentage	Weighted Allcation Percentage
City	Arcata	Humboldt	0.054%		**0.0447660%**
City	Eureka	Humboldt	0.117%	0.143%	**0.1216284%**
City	Fortuna	Humboldt	0.032%		**0.0266837%**
County	***Imperial County***	Imperial	0.258%	0.315%	**0.2679006%**
City	Brawley	Imperial	0.011%		**0.0087986%**
City	Calexico	Imperial	0.019%		**0.0152799%**
City	El Centro	Imperial	0.158%		**0.1302522%**
City	Imperial	Imperial	0.006%		**0.0048791%**
County	***Inyo County***	Inyo	0.073%	0.089%	**0.0754413%**
County	***Kern County***	Kern	2.517%	3.079%	**2.6159145%**
City	Arvin	Kern	0.006%		**0.0046425%**
City	Bakersfield	Kern	0.212%		**0.1747198%**
City	California City	Kern	0.009%		**0.0070820%**
City	Delano	Kern	0.030%		**0.0249316%**
City	McFarland	Kern	0.003%		**0.0025644%**
City	Ridgecrest	Kern	0.015%		**0.0120938%**
City	Shafter	Kern	0.013%		**0.0103417%**
City	Tehachapi	Kern	0.009%		**0.0073580%**
City	Wasco	Kern	0.008%		**0.0069861%**
County	***Kings County***	Kings	0.293%		**0.2413469%**
City	Avenal	Kings	0.007%		**0.0056335%**
City	Corcoran	Kings	0.013%		**0.0107032%**
City	Hanford	Kings	0.027%		**0.0226038%**
City	Lemoore	Kings	0.016%		**0.0131900%**
County	***Lake County***	Lake	0.795%		**0.6545389%**
City	Clearlake	Lake	0.041%	0.050%	**0.0426253%**
City	Lakeport	Lake	0.021%	0.026%	**0.0222964%**
County	***Lassen County***	Lassen	0.319%	0.391%	**0.3320610%**
City	Susanville	Lassen	0.027%		**0.0219295%**
County	***Los Angeles County***	Los Angeles	13.896%	16.999%	**14.4437559%**

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Participating Subdivision Classification	Participating Subdivision	County	Abatement Percentage	Plaintiff Subdivision Percentage	Weighted Allcation Percentage
City	Agoura Hills	Los Angeles	0.005%		**0.0040024%**
City	Alhambra	Los Angeles	0.042%		**0.0343309%**
City	Arcadia	Los Angeles	0.033%		**0.0267718%**
City	Artesia	Los Angeles	0.001%		**0.0005100%**
City	Azusa	Los Angeles	0.026%		**0.0210857%**
City	Baldwin Park	Los Angeles	0.027%		**0.0218520%**
City	Bell	Los Angeles	0.008%		**0.0068783%**
City	Bellflower	Los Angeles	0.002%		**0.0014485%**
City	Bell Gardens	Los Angeles	0.014%		**0.0114301%**
City	Beverly Hills	Los Angeles	0.065%		**0.0534897%**
City	Burbank	Los Angeles	0.100%		**0.0823132%**
City	Calabasas	Los Angeles	0.006%		**0.0048948%**
City	Carson	Los Angeles	0.019%		**0.0159805%**
City	Cerritos	Los Angeles	0.005%		**0.0039682%**
City	Claremont	Los Angeles	0.010%		**0.0082584%**
City	Commerce	Los Angeles	0.000%		**0.0002971%**
City	Compton	Los Angeles	0.044%		**0.0361882%**
City	Covina	Los Angeles	0.028%		**0.0229127%**
City	Cudahy	Los Angeles	0.001%		**0.0006020%**
City	Culver City	Los Angeles	0.055%		**0.0449894%**
City	Diamond Bar	Los Angeles	0.001%		**0.0006993%**
City	Downey	Los Angeles	0.052%		**0.0429994%**
City	Duarte	Los Angeles	0.003%		**0.0027261%**
City	El Monte	Los Angeles	0.031%	0.038%	**0.0318985%**
City	El Segundo	Los Angeles	0.033%		**0.0268020%**
City	Gardena	Los Angeles	0.034%		**0.0278088%**
City	Glendale	Los Angeles	0.166%		**0.1366586%**
City	Glendora	Los Angeles	0.016%		**0.0134411%**
City	Hawaiian Gardens	Los Angeles	0.005%		**0.0040549%**
City	Hawthorne	Los Angeles	0.050%		**0.0407833%**

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City	Hermosa Beach	Los Angeles	0.018%		**0.0145307%**
City	Huntington Park	Los Angeles	0.023%		**0.0190667%**
City	Inglewood	Los Angeles	0.059%		**0.0489195%**
City	La Cañada Flintridge	Los Angeles	0.003%		**0.0025565%**
City	Lakewood	Los Angeles	0.005%		**0.0039971%**
City	La Mirada	Los Angeles	0.010%		**0.0081572%**
City	Lancaster	Los Angeles	0.045%		**0.0369689%**
City	La Puente	Los Angeles	0.002%		**0.0012999%**
City	La Verne	Los Angeles	0.024%		**0.0194190%**
City	Lawndale	Los Angeles	0.002%		**0.0017731%**
City	Lomita	Los Angeles	0.004%		**0.0031940%**
City	Long Beach	Los Angeles	0.439%		**0.3614151%**
City	Los Angeles	Los Angeles	2.715%	3.321%	**2.8218811%**
City	Lynwood	Los Angeles	0.016%		**0.0134345%**
City	Malibu	Los Angeles	0.002%		**0.0019269%**
City	Manhattan Beach	Los Angeles	0.032%		**0.0260686%**
City	Maywood	Los Angeles	0.004%		**0.0035528%**
City	Monrovia	Los Angeles	0.031%		**0.0254455%**
City	Montebello	Los Angeles	0.030%		**0.0250670%**
City	Monterey Park	Los Angeles	0.031%		**0.0256677%**
City	Norwalk	Los Angeles	0.031%		**0.0258228%**
City	Palmdale	Los Angeles	0.046%		**0.0375827%**
City	Palos Verdes Estates	Los Angeles	0.006%		**0.0053102%**
City	Paramount	Los Angeles	0.011%		**0.0091483%**
City	Pasadena	Los Angeles	0.146%		**0.1200524%**
City	Pico Rivera	Los Angeles	0.022%		**0.0183333%**
City	Pomona	Los Angeles	0.111%		**0.0911933%**
City	Rancho Palos Verdes	Los Angeles	0.002%		**0.0012645%**
City	Redondo Beach	Los Angeles	0.062%		**0.0506992%**
City	Rosemead	Los Angeles	0.003%		**0.0028260%**

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Participating Subdivision Classification	Participating Subdivision	County	Abatement Percentage	Plaintiff Subdivision Percentage	Weighted Allcation Percentage
City	San Dimas	Los Angeles	0.003%		**0.0022016%**
City	San Fernando	Los Angeles	0.013%		**0.0104837%**
City	San Gabriel	Los Angeles	0.018%		**0.0147726%**
City	San Marino	Los Angeles	0.009%		**0.0073791%**
City	Santa Clarita	Los Angeles	0.022%		**0.0178167%**
City	Santa Fe Springs	Los Angeles	0.031%		**0.0257531%**
City	Santa Monica	Los Angeles	0.158%		**0.1298513%**
City	Sierra Madre	Los Angeles	0.006%		**0.0048646%**
City	Signal Hill	Los Angeles	0.010%		**0.0084884%**
City	South El Monte	Los Angeles	0.005%		**0.0039603%**
City	South Gate	Los Angeles	0.020%		**0.0166272%**
City	South Pasadena	Los Angeles	0.012%		**0.0095334%**
City	Temple City	Los Angeles	0.005%		**0.0039498%**
City	Torrance	Los Angeles	0.112%		**0.0919820%**
City	Walnut	Los Angeles	0.006%		**0.0047305%**
City	West Covina	Los Angeles	0.049%		**0.0404521%**
City	West Hollywood	Los Angeles	0.013%		**0.0108517%**
City	Whittier	Los Angeles	0.032%		**0.0260581%**
County	***Madera County***	Madera	0.349%	0.427%	**0.3630669%**
City	Chowchilla	Madera	0.012%		**0.0097332%**
City	Madera	Madera	0.039%		**0.0318441%**
County	***Marin County***	Marin	0.564%	0.690%	**0.5861325%**
City	Larkspur	Marin	0.015%		**0.0124697%**
City	Mill Valley	Marin	0.020%		**0.0168401%**
City	Novato	Marin	0.028%		**0.0229824%**
City	San Anselmo	Marin	0.009%		**0.0078062%**
City	San Rafael	Marin	0.089%		**0.0729823%**
County	***Mariposa County***	Mariposa	0.084%	0.103%	**0.0876131%**
County	***Mendocino County***	Mendocino	0.439%	0.536%	**0.4558394%**
City	Ukiah	Mendocino	0.039%		**0.0317153%**

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County	***Merced County***	Merced	0.551%	0.674%	**0.5724262%**
City	Atwater	Merced	0.024%		**0.0195846%**
City	Livingston	Merced	0.006%		**0.0045873%**
City	Los Banos	Merced	0.020%		**0.0165142%**
City	Merced	Merced	0.061%		**0.0500762%**
County	***Modoc County***	Modoc	0.065%	0.080%	**0.0678250%**
County	***Mono County***	Mono	0.023%	0.029%	**0.0242606%**
County	***Monterey County***	Monterey	0.908%	1.111%	**0.9437083%**
City	Greenfield	Monterey	0.006%		**0.0050552%**
City	King City	Monterey	0.005%		**0.0037355%**
City	Marina	Monterey	0.017%		**0.0144098%**
City	Monterey	Monterey	0.041%		**0.0336540%**
City	Pacific Grove	Monterey	0.009%		**0.0074842%**
City	Salinas	Monterey	0.094%		**0.0776576%**
City	Seaside	Monterey	0.023%		**0.0191772%**
City	Soledad	Monterey	0.007%		**0.0060870%**
County	***Napa County***	Napa	0.288%	0.352%	**0.2994325%**
City	American Canyon	Napa	0.017%		**0.0136869%**
City	Napa	Napa	0.078%		**0.0642783%**
County	***Nevada County***	Nevada	0.441%	0.539%	**0.4579827%**
City	Grass Valley	Nevada	0.024%		**0.0197805%**
City	Truckee	Nevada	0.003%		**0.0023843%**
County	***Orange County***	Orange	4.364%	5.339%	**4.5363576%**
City	Aliso Viejo	Orange	0.014%		**0.0113841%**
City	Anaheim	Orange	0.554%	0.678%	**0.5759282%**
City	Brea	Orange	0.086%		**0.0708897%**
City	Buena Park	Orange	0.087%		**0.0714352%**
City	Costa Mesa	Orange	0.124%	0.152%	**0.1288366%**
City	Cypress	Orange	0.033%		**0.0271937%**
City	Dana Point	Orange	0.001%		**0.0005560%**

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City	Fountain Valley	Orange	0.055%		**0.0455980%**
City	Fullerton	Orange	0.137%	0.168%	**0.1425744%**
City	Garden Grove	Orange	0.213%		**0.1752482%**
City	Huntington Beach	Orange	0.247%	0.302%	**0.2568420%**
City	Irvine	Orange	0.139%	0.170%	**0.1442350%**
City	Laguna Beach	Orange	0.047%	0.058%	**0.0493043%**
City	Laguna Hills	Orange	0.014%		**0.0115457%**
City	Laguna Niguel	Orange	0.001%		**0.0007071%**
City	Laguna Woods	Orange	0.001%		**0.0006546%**
City	La Habra	Orange	0.060%	0.073%	**0.0621049%**
City	Lake Forest	Orange	0.012%		**0.0101249%**
City	La Palma	Orange	0.012%		**0.0095439%**
City	Los Alamitos	Orange	0.008%		**0.0069190%**
City	Mission Viejo	Orange	0.014%		**0.0117560%**
City	Newport Beach	Orange	0.179%		**0.1470134%**
City	Orange	Orange	0.150%		**0.1231320%**
City	Placentia	Orange	0.029%	0.035%	**0.0298912%**
City	Rancho Santa Margarita	Orange	0.001%		**0.0006296%**
City	San Clemente	Orange	0.008%	0.010%	**0.0086083%**
City	San Juan Capistrano	Orange	0.008%		**0.0065510%**
City	Santa Ana	Orange	0.502%	0.614%	**0.5213866%**
City	Seal Beach	Orange	0.020%		**0.0165891%**
City	Stanton	Orange	0.035%		**0.0291955%**
City	Tustin	Orange	0.073%		**0.0600341%**
City	Westminster	Orange	0.104%	0.127%	**0.1082721%**
City	Yorba Linda	Orange	0.044%		**0.0362223%**
County	***Placer County***	Placer	1.045%	1.278%	**1.0861002%**
City	Auburn	Placer	0.017%		**0.0141114%**
City	Lincoln	Placer	0.031%		**0.0255599%**
City	Rocklin	Placer	0.076%		**0.0625485%**

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City	Roseville	Placer	0.196%		**0.1616559%**
County	***Plumas County***	Plumas	0.205%	0.251%	**0.2128729%**
County	***Riverside County***	Riverside	4.534%	5.547%	**4.7128296%**
City	Banning	Riverside	0.017%		**0.0143848%**
City	Beaumont	Riverside	0.021%		**0.0171135%**
City	Blythe	Riverside	0.012%		**0.0096714%**
City	Canyon Lake	Riverside	0.000%		**0.0001761%**
City	Cathedral City	Riverside	0.067%		**0.0553614%**
City	Coachella	Riverside	0.021%		**0.0173054%**
City	Corona	Riverside	0.147%		**0.1207083%**
City	Desert Hot Springs	Riverside	0.024%		**0.0200433%**
City	Eastvale	Riverside	0.000%		**0.0002747%**
City	Hemet	Riverside	0.051%		**0.0421792%**
City	Indio	Riverside	0.056%		**0.0457794%**
City	Jurupa Valley	Riverside	0.001%		**0.0008991%**
City	Lake Elsinore	Riverside	0.021%		**0.0172949%**
City	La Quinta	Riverside	0.063%		**0.0516732%**
City	Menifee	Riverside	0.032%		**0.0260909%**
City	Moreno Valley	Riverside	0.137%		**0.1130348%**
City	Murrieta	Riverside	0.048%	0.059%	**0.0497423%**
City	Norco	Riverside	0.016%		**0.0134542%**
City	Palm Desert	Riverside	0.083%		**0.0682465%**
City	Palm Springs	Riverside	0.076%		**0.0629862%**
City	Perris	Riverside	0.009%		**0.0076774%**
City	Rancho Mirage	Riverside	0.052%		**0.0431098%**
City	Riverside	Riverside	0.268%		**0.2206279%**
City	San Jacinto	Riverside	0.010%		**0.0085936%**
City	Temecula	Riverside	0.022%		**0.0180086%**
City	Wildomar	Riverside	0.008%		**0.0062500%**
County	***Sacramento County***	Sacramento	3.797%	4.645%	**3.9465887%**

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City	Citrus Heights	Sacramento	0.057%		**0.0465312%**
City	Elk Grove	Sacramento	0.130%		**0.1066994%**
City	Folsom	Sacramento	0.108%		**0.0890850%**
City	Galt	Sacramento	0.017%		**0.0143704%**
City	Rancho Cordova	Sacramento	0.008%		**0.0067679%**
City	Sacramento	Sacramento	0.721%	0.882%	**0.7496530%**
County	***San Benito County***	San Benito	0.106%	0.130%	**0.1101417%**
City	Hollister	San Benito	0.027%		**0.0225355%**
County	***San Bernardino County***	San Bernardino	3.259%	3.987%	**3.3878124%**
City	Adelanto	San Bernardino	0.008%		**0.0066640%**
City	Apple Valley	San Bernardino	0.025%		**0.0207360%**
City	Barstow	San Bernardino	0.015%		**0.0122056%**
City	Chino	San Bernardino	0.064%		**0.0525893%**
City	Chino Hills	San Bernardino	0.001%		**0.0006388%**
City	Colton	San Bernardino	0.031%		**0.0253443%**
City	Fontana	San Bernardino	0.112%		**0.0920543%**
City	Grand Terrace	San Bernardino	0.006%		**0.0051051%**
City	Hesperia	San Bernardino	0.035%		**0.0291522%**
City	Highland	San Bernardino	0.004%		**0.0029061%**
City	Loma Linda	San Bernardino	0.009%		**0.0071188%**
City	Montclair	San Bernardino	0.039%		**0.0322108%**
City	Ontario	San Bernardino	0.179%		**0.1472934%**
City	Rancho Cucamonga	San Bernardino	0.084%		**0.0689431%**
City	Redlands	San Bernardino	0.057%		**0.0469150%**
City	Rialto	San Bernardino	0.073%		**0.0603206%**
City	San Bernardino	San Bernardino	0.178%		**0.1461880%**
City	Twentynine Palms	San Bernardino	0.002%		**0.0012605%**
City	Upland	San Bernardino	0.052%		**0.0424460%**
City	Victorville	San Bernardino	0.033%		**0.0269400%**
City	Yucaipa	San Bernardino	0.016%		**0.0128772%**

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City	Yucca Valley	San Bernardino	0.003%		**0.0021228%**
County	***San Diego County***	San Diego	5.706%	6.980%	**5.9309748%**
City	Carlsbad	San Diego	0.128%		**0.1050485%**
City	Chula Vista	San Diego	0.189%	0.231%	**0.1961456%**
City	Coronado	San Diego	0.044%		**0.0359095%**
City	El Cajon	San Diego	0.113%		**0.0933582%**
City	Encinitas	San Diego	0.061%	0.074%	**0.0630289%**
City	Escondido	San Diego	0.145%		**0.1192204%**
City	Imperial Beach	San Diego	0.014%		**0.0118283%**
City	La Mesa	San Diego	0.055%	0.068%	**0.0575593%**
City	Lemon Grove	San Diego	0.022%		**0.0183911%**
City	National City	San Diego	0.080%		**0.0656808%**
City	Oceanside	San Diego	0.213%		**0.1753428%**
City	Poway	San Diego	0.062%		**0.0511040%**
City	San Diego	San Diego	1.975%	2.416%	**2.0531169%**
City	San Marcos	San Diego	0.089%		**0.0733897%**
City	Santee	San Diego	0.033%		**0.0268401%**
City	Solana Beach	San Diego	0.017%		**0.0138564%**
City	Vista	San Diego	0.052%		**0.0425144%**
Consolidated	***San Francisco***	San Francisco	3.026%	3.702%	**3.1457169%**
County	***San Joaquin County***	San Joaquin	1.680%	2.055%	**1.7460399%**
City	Lathrop	San Joaquin	0.009%		**0.0075394%**
City	Lodi	San Joaquin	0.053%		**0.0439484%**
City	Manteca	San Joaquin	0.054%		**0.0443454%**
City	Ripon	San Joaquin	0.013%		**0.0104219%**
City	Stockton	San Joaquin	0.313%	0.383%	**0.3256176%**
City	Tracy	San Joaquin	0.084%		**0.0692047%**
County	***San Luis Obispo County***	San Luis Obispo	0.816%	0.999%	**0.8484126%**
City	Arroyo Grande	San Luis Obispo	0.024%		**0.0199053%**
City	Atascadero	San Luis Obispo	0.029%		**0.0240680%**

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City	El Paso de Robles (Paso Robles)	San Luis Obispo	0.043%		**0.0353456%**
City	Grover Beach	San Luis Obispo	0.017%		**0.0137881%**
City	Morro Bay	San Luis Obispo	0.020%		**0.0160922%**
City	San Luis Obispo	San Luis Obispo	0.077%		**0.0637841%**
County	***San Mateo County***	San Mateo	1.074%	1.313%	**1.1159599%**
City	Belmont	San Mateo	0.021%		**0.0169860%**
City	Burlingame	San Mateo	0.019%		**0.0152537%**
City	Daly City	San Mateo	0.044%		**0.0363880%**
City	East Palo Alto	San Mateo	0.013%		**0.0103982%**
City	Foster City	San Mateo	0.020%		**0.0166101%**
City	Half Moon Bay	San Mateo	0.004%		**0.0031638%**
City	Hillsborough	San Mateo	0.013%		**0.0110029%**
City	Menlo Park	San Mateo	0.015%		**0.0126209%**
City	Millbrae	San Mateo	0.013%		**0.0105836%**
City	Pacifica	San Mateo	0.016%		**0.0130625%**
City	Redwood City	San Mateo	0.056%		**0.0463511%**
City	San Bruno	San Mateo	0.021%		**0.0172161%**
City	San Carlos	San Mateo	0.013%		**0.0108885%**
City	San Mateo	San Mateo	0.052%		**0.0425841%**
City	South San Francisco	San Mateo	0.043%		**0.0353943%**
County	***Santa Barbara County***	Santa Barbara	1.132%	1.385%	**1.1768968%**
City	Carpinteria	Santa Barbara	0.001%		**0.0008938%**
City	Goleta	Santa Barbara	0.004%		**0.0028969%**
City	Lompoc	Santa Barbara	0.047%		**0.0389379%**
City	Santa Barbara	Santa Barbara	0.122%		**0.1004559%**
City	Santa Maria	Santa Barbara	0.058%		**0.0479179%**
County	***Santa Clara County***	Santa Clara	2.404%	2.941%	**2.4987553%**
City	Campbell	Santa Clara	0.014%		**0.0112566%**
City	Cupertino	Santa Clara	0.008%		**0.0066824%**
City	Gilroy	Santa Clara	0.025%		**0.0202891%**

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City	Los Altos	Santa Clara	0.013%		**0.0103338%**
City	Los Gatos	Santa Clara	0.013%		**0.0103220%**
City	Milpitas	Santa Clara	0.036%		**0.0298120%**
City	Morgan Hill	Santa Clara	0.015%		**0.0124619%**
City	Mountain View	Santa Clara	0.041%		**0.0334608%**
City	Palo Alto	Santa Clara	0.039%		**0.0323080%**
City	San Jose	Santa Clara	0.294%	0.360%	**0.3054960%**
City	Santa Clara	Santa Clara	0.067%		**0.0549723%**
City	Saratoga	Santa Clara	0.004%		**0.0034161%**
City	Sunnyvale	Santa Clara	0.053%		**0.0434069%**
County	***Santa Cruz County***	Santa Cruz	0.783%	0.957%	**0.8135396%**
City	Capitola	Santa Cruz	0.020%		**0.0168191%**
City	Santa Cruz	Santa Cruz	0.143%		**0.1180348%**
City	Scotts Valley	Santa Cruz	0.015%		**0.0126525%**
City	Watsonville	Santa Cruz	0.063%		**0.0520136%**
County	***Shasta County***	Shasta	1.095%	1.339%	**1.1380191%**
City	Anderson	Shasta	0.024%		**0.0198896%**
City	Redding	Shasta	0.284%		**0.2334841%**
City	Shasta Lake	Shasta	0.004%		**0.0031993%**
County	***Siskiyou County***	Siskiyou	0.228%	0.279%	**0.2373393%**
County	***Solano County***	Solano	0.760%		**0.6260795%**
City	Benicia	Solano	0.031%		**0.0253903%**
City	Dixon	Solano	0.016%		**0.0130849%**
City	Fairfield	Solano	0.109%		**0.0897317%**
City	Suisun City	Solano	0.021%		**0.0176183%**
City	Vacaville	Solano	0.119%		**0.0976497%**
City	Vallejo	Solano	0.167%		**0.1373644%**
County	***Sonoma County***	Sonoma	1.218%	1.490%	**1.2661290%**
City	Healdsburg	Sonoma	0.032%		**0.0266929%**
City	Petaluma	Sonoma	0.081%		**0.0667507%**

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City	Rohnert Park	Sonoma	0.041%		**0.0340759%**
City	Santa Rosa	Sonoma	0.184%		**0.1519070%**
City	Sonoma	Sonoma	0.022%		**0.0183438%**
City	Windsor	Sonoma	0.016%		**0.0129298%**
County	***Stanislaus County***	Stanislaus	1.722%		**1.4182273%**
City	Ceres	Stanislaus	0.041%		**0.0340260%**
City	Modesto	Stanislaus	0.217%		**0.1788759%**
City	Newman	Stanislaus	0.006%		**0.0046964%**
City	Oakdale	Stanislaus	0.018%		**0.0145531%**
City	Patterson	Stanislaus	0.015%		**0.0126590%**
City	Riverbank	Stanislaus	0.010%		**0.0085699%**
City	Turlock	Stanislaus	0.065%		**0.0531966%**
County	***Sutter County***	Sutter	0.306%	0.374%	**0.3179548%**
City	Yuba City	Sutter	0.074%		**0.0606242%**
County	***Tehama County***	Tehama	0.213%	0.261%	**0.2216654%**
City	Red Bluff	Tehama	0.014%		**0.0117771%**
County	***Trinity County***	Trinity	0.082%	0.101%	**0.0855476%**
County	***Tulare County***	Tulare	0.809%	0.990%	**0.8410949%**
City	Dinuba	Tulare	0.014%		**0.0116929%**
City	Exeter	Tulare	0.004%		**0.0032479%**
City	Farmersville	Tulare	0.003%		**0.0027879%**
City	Lindsay	Tulare	0.007%		**0.0057111%**
City	Porterville	Tulare	0.021%		**0.0171845%**
City	Tulare	Tulare	0.037%		**0.0302273%**
City	Visalia	Tulare	0.066%		**0.0545872%**
County	***Tuolumne County***	Tuolumne	0.486%	0.594%	**0.5047621%**
County	***Ventura County***	Ventura	2.192%	2.681%	**2.2781201%**
City	Camarillo	Ventura	0.002%		**0.0012815%**
City	Fillmore	Ventura	0.002%		**0.0020294%**
City	Moorpark	Ventura	0.008%		**0.0067337%**

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City	Oxnard	Ventura	0.156%	0.190%	**0.1617338%**
City	Port Hueneme	Ventura	0.021%		**0.0174145%**
City	San Buenaventura (Ventura)	Ventura	0.085%		**0.0702181%**
City	Santa Paula	Ventura	0.014%		**0.0119072%**
City	Simi Valley	Ventura	0.065%		**0.0533043%**
City	Thousand Oaks	Ventura	0.022%		**0.0179902%**
County	***Yolo County***	Yolo	0.357%	0.437%	**0.3713319%**
City	Davis	Yolo	0.055%		**0.0451747%**
City	West Sacramento	Yolo	0.066%		**0.0544321%**
City	Woodland	Yolo	0.058%		**0.0477904%**
County	***Yuba County***	Yuba	0.214%	0.262%	**0.2225679%**
City	Marysville	Yuba	0.014%		**0.0112079%**

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APPENDIX 2

Cost Reimbursement Procedure

1. Additional defined terms:

a) *Costs* means the reasonable amounts paid for the attorney and other City Attorney and County Counsel staff time for individuals employed by a Plaintiff Subdivision at the contractual rate, inclusive of benefits and overhead, together with amounts paid for court reporters, experts, copying, electronic research, travel, vendors, and the like, which were not previously reimbursed and which were paid or incurred (i) prior to December 31, 2022 in litigation against any Opioid Defendant and/or (ii) in negotiating and drafting any CA Allocation Agreement(s) concerning a settlement with any Opioid Defendant(s). *Costs* does not include attorneys' fees, costs, or expenses incurred by private contingency fee counsel. No part of the CA Abatement Accounts Fund will be used to reimburse Costs.

b) *First Claims Date* means October 1, 2023 or when all applications for reimbursement of Costs, in whole or in part, from funds available under Section IX and Exhibit R of the Walmart Settlement Agreement, Section XIV and Exhibit R of the Teva Settlement Agreement, Section XIII and Exhibit R of the Allergan Settlement Agreement, Section X and Exhibit R of the Distributor Settlement Agreement, Section XI and Exhibit R of the Janssen Settlement Agreement, Section X and Exhibit R of the CVS Settlement Agreement, or Section IX and Exhibit R of the Walgreens Settlement Agreement, have been finally determined under the provisions of those agreements, whichever comes first.

c) *Special Master* means a retired judicial officer or former public lawyer, not presently employed or retained by a Plaintiff Subdivision, who will aggregate, review, and determine the reasonable Costs to be awarded to each Plaintiff Subdivision that submits a claim for reimbursement of Costs. The Special Master will be selected by a majority vote of the votes cast by Plaintiff Subdivisions, with each such subdivision having one vote.

d) *Plaintiff Subdivision Committee* means the committee of Plaintiff Subdivisions that will review and approve the invoices submitted by the Special Master reflecting his or her reasonable time and expenses.

2. Cost Reimbursement to Plaintiff Subdivision

a) Purpose. Substantial resources have been expended to hold Opioid Defendants accountable for creating and profiting from the opioid crisis, and this effort has been a significant catalyst in creating National Opioid Settlements with various manufacturers, distributors, and chain pharmacies.

b) Claims Procedure.

i. If a Plaintiff Subdivision is eligible to seek reimbursement of Costs, in whole or in

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part, from funds available under Section IX and Exhibit R of the Walmart Settlement Agreement, Section XIV and Exhibit R of the Teva Settlement Agreement, Section XIII and Exhibit R of the Allergan Settlement Agreement, Section X and Exhibit R of the CVS Settlement Agreement, Section IX and Exhibit R of the Walgreens Settlement Agreement, Section X or Exhibit R of the Distributor Settlement Agreement, or Section XI or Exhibit R of the Janssen Settlement Agreement, it must first make a timely application for reimbursement from such funds. To allow sufficient time for determination of those applications, no claim for Costs to the CA Subdivision Fund under this Agreement may be made before the First Claims Date.

ii. A Plaintiff Subdivision that wishes to be reimbursed from the CA Subdivision Fund must submit a claim to the Special Master no later than forty-five (45) days after the First Claims Date. The Special Master will then compile and redistribute the aggregated claim totals for each Plaintiff Subdivision via email to representatives of all the Plaintiff Subdivisions. A claim for attorney and staff time must list, for each attorney or staff member included in the claim, the following information: name, title, total hours claimed, hourly rate (including, if sought, benefits and share of overhead), and narrative summarizing the general nature of the work performed by the attorney or staff member. For reimbursement of "hard" costs, the subdivision may aggregate across a category (e.g., total for travel costs). It is the intention of the Plaintiff Subdivisions that submission of documents related to reimbursement of Costs does not waive any attorney-client privilege or exemptions to the California Public Records Act.

iii. The Special Master may request, at his or her sole option, additional documents or details to assist in the final award of Costs.

iv. The Special Master will review claims for reasonableness and will notify each Plaintiff Subdivision of the final determination of its claim, and will provide a list of all final awards to all Plaintiff Subdivisions by email or, upon request, via First Class U.S. Mail. Any Plaintiff Subdivision may ask the Special Master to reconsider any final award within twenty-one (21) days. The Special Master will make a final determination on any such reconsideration request within thirty (30) days of receipt.

v. Any decision of the Special Master is final and binding, and will be considered under the California Arbitration Act, Code of Civil Procedure section 1280 et seq. as a final arbitration award. Nothing in this agreement is intended to expand the scope of judicial review of the final award for errors of fact or law, and the Parties agree that they may only seek to vacate the award if clear and convincing evidence demonstrates one of the factors set forth in Code of Civil Procedure, section 1286.2, subdivision (a). Plaintiff Subdivisions will have fourteen (14) days after all final awards are made, together with any final determination of a request for

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reconsideration, to seek review in the Superior Court of California, pursuant to Code of Civil Procedure, section 1285, where the State has filed its Consent Judgment.

vi. The Special Master will prepare a report of Costs that includes his or her fees and expenses at least ninety (90) days before the Payment Date for each Annual Payment. The Special Master's preparation of a report of Costs does not discharge a Plaintiff Subdivision's reporting requirement under Section V(B)(2) of the Walmart Settlement Agreement.

vii. A member of the Plaintiff Subdivision Committee, which is a CA Participating Subdivision, will submit to the Settlement Fund Administrator and Walmart a report of the fees and expenses incurred by the Special Master pursuant to Section V(B)(2) of the Walmart Settlement Agreement.

c) Claims Priority and Limitation.

i. The Special Master will submit invoices for compensation of reasonable fees and expenses to the Plaintiff Subdivision Committee no later than ninety (90) days prior to the Payment Date for each Annual Payment. The Plaintiff Subdivision Committee will promptly review and, if reasonable, approve the Special Master's invoice for compensation. The Plaintiff Subdivision Committee will submit approved invoices to the Settlement Fund Administrator for payment. The Special Master's approved invoices have priority and will be paid first from the CA Subdivision Fund before any award of Costs, subject to the limitation in Section 2.c.v below.

ii. Final Awards of Costs that do not exceed seventy-five thousand dollars ($75,000.00) will be paid next in priority after the Special Master's approved invoices.

iii. Final Awards of Costs in excess of seventy-five thousand dollars ($75,000.00) will be paid proportionally from the funds remaining in that year's Annual Payment.

iv. Any claim for Costs that is not paid in full will be allocated against the next year's distribution from the CA Subdivision Fund, until all approved claims for Costs are paid in full.

v. In no event will more than 50% of the total CA Subdivision Fund received in any year be used to pay Costs or the Special Master's approved invoices.

vi. In no event shall more than $28 million of the total CA Subdivision Funds paid pursuant to the Walmart Settlement Agreement, Teva Settlement Agreement, Allergan Settlement Agreement, Distributor Settlement Agreement, CVS Settlement Agreement, Janssen Settlement Agreement, and the Walgreens Settlement Agreement be used to pay Costs.

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d) Collateral Source Payments and Third-Party Settlement.

i. In the event a Plaintiff Subdivision is awarded compensation, in whole or in part, by any source of funds created as a result of litigation against an Opioid Defendant for its reasonable Costs, it will reduce its claim for Costs from the CA Subdivision Fund by that amount. If a Plaintiff Subdivision has already received a final award of Costs from the CA Subdivision Fund, it will repay the fund up to the prior award of Costs via a payment to the Settlement Fund Administrator or notify the Settlement Fund Administrator that its allocation from the next and subsequent Annual Payments should be reduced accordingly. If the Plaintiff Subdivision is repaying any prior award of Costs, that repayment will occur as soon as is feasible after the Plaintiff Subdivision's receipt of Cost funds from the collateral source, but no more than 90 days after its receipt from the collateral source. The Settlement Fund Administrator will add any repaid Costs to the CA Subdivision Fund. Any Plaintiff Subdivision that has submitted for reimbursement to any national fund and has not received a final determination by the First Claims Date may request that the settlement administrator withhold some or all of its payment from the CA Subdivision Fund in order to avoid repayment.

ii. In the event a Plaintiff Subdivision reaches a monetary settlement or compromise against any Opioid Defendant outside of the National Opioid Settlement, the monetary portion of such settlement, net of fees paid to outside contingency fee counsel and of funds earmarked strictly for abatement, will be credited against its Costs and the subdivision will be ineligible to recover those credited Costs from the CA Subdivision Fund. Plaintiff Subdivisions negotiating monetary settlements or compromises against any Opioid Defendant outside of the National Opioid Settlement will negotiate for funds to repay any Costs it previously received from the CA Subdivision Fund or for Costs it otherwise might be eligible to claim from the CA Subdivision Fund. If such a settlement is paid after all final approved claims for Costs by all Plaintiff Subdivisions are satisfied in full, the settling subdivision will reimburse the CA Subdivision Fund in that amount by making payment to the Settlement Fund Administrator to add to the CA Subdivision Fund in a manner consistent with the repayments described in section 2.d.i above.

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APPENDIX 3

CALIFORNIA-SUBDIVISION BACKSTOP AGREEMENT

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

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

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

Pursuant to this Backstop Agreement, [SUBDIVISION] may, subject to the limitations of the Walmart Settlement Agreement and CA Walmart Allocation Agreement, as well as any other limitations imposed by law, use funds that it receives from the Walmart Settlement CA Subdivision Fund to pay a contingent fee to [COUNSEL]. Any such payment from [SUBDIVISION] to [COUNSEL], together with any contingency fees that [COUNSEL] may receive from the national Attorney Fee Fund, will not exceed a total contingency fee of [PERCENTAGE NOT TO EXCEED 15%] of the total gross recovery of [SUBDIVISION] from the Walmart Settlement.

[COUNSEL] certify that they first sought fees and costs from the Attorney Fee Fund created under the Walmart Settlement Agreement before seeking or accepting payment under this backstop agreement. [COUNSEL] further certify that they are not seeking and will not accept payment under this backstop agreement of any litigation fees or costs that have been reimbursed through prior settlements or judgments.

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

[DATE]	[SUBDIVISION SIGNATURE BLOCK]
[DATE]	[COUNSEL SIGNATURE BLOCK]
[DATE]	[ATTORNEY GENERAL SIGNATURE BLOCK]

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Proposed California State-Subdivision Agreement Regarding Distribution and Use of Settlement Funds – CVS Settlement

1. Introduction

Pursuant to the CVS Settlement Agreement, dated as of December 9, 2022, and any revision thereto as well as any modification thereto entered into by the State of California and CVS (the "CVS Settlement Agreement"), including Section V and Exhibit O, the State of California proposes this agreement (the "CA CVS Allocation Agreement") to govern the allocation, distribution, and use of Settlement Fund payments made to California pursuant to Sections IV and V of the CVS Settlement Agreement. For the avoidance of doubt, this agreement does not apply to payments made pursuant to Sections IX or X of the CVS Settlement Agreement.

Pursuant to Exhibit O, Paragraph 4, of the CVS Settlement Agreement, acceptance of this CA CVS Allocation Agreement is a requirement to be an Initial Participating Subdivision.

2. Definitions

a) *CA Participating Subdivision* means a Participating Subdivision that is also (a) a Plaintiff Subdivision and/or (b) a Primary Subdivision with a population equal to or greater than 10,000. For the avoidance of doubt, eligible CA Participating Subdivisions are those California subdivisions listed in Exhibit C (excluding Litigating Special Districts) and/or Exhibit I to the CVS Settlement Agreement.

b) *Allergan Settlement Agreement* means the Allergan Settlement Agreement dated November 22, 2022, and any revision thereto.

c) *Distributor Settlement Agreement* means the Distributor Settlement Agreement dated July 21, 2021, and any revision thereto.

d) *Janssen Settlement Agreement* means the Janssen Settlement Agreement dated July 21, 2021, and any revision thereto.

e) *Teva Settlement Agreement* means the Teva Settlement Agreement dated November 22, 2022, and any revision thereto.

f) *Walgreens Settlement Agreement* means the Walgreens Settlement Agreement dated December 9, 2022, and any revision thereto.

g) *Walmart Settlement Agreement* means the Walmart Settlement Agreement dated November 14, 2022, and any revision thereto.

h) *CA Litigating Special District* means a Litigating Special District located in California. CA Litigating Special Districts include Downey Unified School District, Elk Grove Unified School District, Kern High School District, Montezuma Fire Protection District (located in Stockton, California), Santa Barbara San Luis Obispo Regional Health Authority, Inland Empire Health Plan, Health Plan of San Joaquin, San Leandro Unified School District, Pleasant Valley School District Board, and LA Care Health Plan.

i) *Plaintiff Subdivision* means a Subdivision located in California, other than a CA

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Litigating Special District, that filed a lawsuit, on behalf of the Subdivision and/or through an official of the Subdivision on behalf of the People of the State of California, against one or more Opioid Defendants prior to October 1, 2020.

j) *Opioid Defendant* means any defendant (including but not limited to Teva Pharmaceutical Industries Ltd., Allergan Finance, LLC, Allergan Limited, CVS Health Corporation, CVS Pharmacy, Inc., Walgreen Co., Walmart Inc., Johnson & Johnson, Janssen Pharmaceuticals, Inc., Purdue Pharma L.P., Cardinal Health, Inc., AmerisourceBergen Corporation, and McKesson Corporation) named in a lawsuit seeking damages, abatement, or other remedies related to or caused by the opioid public health crisis in any lawsuit brought by any state or local government on or before October 1, 2020.

3. General Terms

This agreement is subject to the requirements of the CVS Settlement Agreement, as well as applicable law, and the CVS Settlement Agreement governs over any inconsistent provision of this CA CVS Allocation Agreement. Terms used in this CA CVS Allocation Agreement have the same meaning as in the CVS Settlement Agreement unless otherwise defined herein.

Pursuant to Section V(E)(1) of the CVS Settlement Agreement, (a) all Settlement Fund payments will be used for Opioid Remediation, except as allowed by Section V(B)(2) of the CVS Settlement Agreement; and (b) at least seventy percent (70%) of Settlement Fund payment amounts will be used solely for future Opioid Remediation.

4. State Allocation

The Settlement Fund payments to California,[1] pursuant to the CVS Settlement Agreement, shall be allocated as follows: 15% to the State Fund; 70% to the Abatement Accounts Fund; and 15% to the Subdivision Fund. For the avoidance of doubt, all funds allocated to California from the Settlement Fund shall be combined pursuant to this CA CVS Allocation Agreement, and 15% of that total shall be allocated to the State of California (the "State of California Allocation"), 70% to the California Abatement Accounts Fund ("CA Abatement Accounts Fund"), and 15% to the California Subdivision Fund ("CA Subdivision Fund").

[1] For purposes of clarity, use of the term "California" refers to the geographic territory of California and the state and its local governments therein. The term "State" or "State of California" refers to the State of California as a governmental unit.

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A. State of California Allocation

Fifteen percent of the total Settlement Fund payments will be allocated to the State and used by the State for future Opioid Remediation.

B. CA Abatement Accounts Fund

i. Allocation of CA Abatement Accounts Funds

a) Seventy percent of the total Settlement Fund payments will be allocated to the CA Abatement Accounts Fund. The funds in the CA Abatement Accounts Fund will be allocated based on the allocation model developed in connection with the proposed negotiating class in the National Prescription Opiate Litigation (MDL No. 2804), as adjusted to reflect only those cities and counties that are eligible, based on population or litigation status, to become a CA Participating Subdivision. The percentage from the CA Abatement Accounts Fund allocated to each CA Participating Subdivision is set forth in Appendix 1 in the column entitled abatement percentage (the "Local Allocation"). For the avoidance of doubt, CA Litigating Special Districts and California towns, cities, and counties with a population less than 10,000 are not eligible to receive an allocation of CA Abatement Accounts Funds.

b) A CA Participating Subdivision that is a county, or a city and county, will be allocated its Local Allocation share as of the date on which it becomes a Participating Subdivision, and will receive payments as provided in the CVS Settlement Agreement.

c) A CA Participating Subdivision that is a city will be allocated its Local Allocation share as of the date on which it becomes a Participating Subdivision. The Local Allocation share for a city that is a CA Participating Subdivision will be paid to the county in which the city is located, rather than to the city, so long as: (a) the county is a CA Participating Subdivision, and (b) the city has not advised the Settlement Fund Administrator that it requests direct payment at least 60 days prior to a Payment Date. A Local Allocation share allocated to a city but paid to a county is not required to be spent exclusively for abatement activities in that city, but will become part of the county's share of the CA Abatement Accounts Funds, which will be used in accordance with Section 4.B.ii (Use of CA Abatement Accounts Funds) and reported on in accordance with Section 4.B.iii (CA Abatement Accounts Fund Oversight).

d) A city within a county that is a CA Participating Subdivision may opt in or out of direct payment at any time, and it may also elect direct payment of only a portion of its share, with the remainder going to the county, by providing notice to the Settlement Fund Administrator at least 60 days prior to a Payment Date. For purposes of this CA CVS Allocation Agreement, the Cities of Los Angeles, Oakland, San Diego, San Jose and Eureka will be deemed to have elected direct payment if they become Participating Subdivisions.

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e) The State will receive the Local Allocation share of any payment to the Settlement Fund that is attributable to a county or city that is eligible to become a CA Participating Subdivision, but that has not, as of the date of that payment to the Settlement Fund, become a Participating Subdivision.

f) Funds received by a CA Participating Subdivision, and not expended or encumbered within five years of receipt and in accordance with the CVS Settlement Agreement and this CA CVS Allocation Agreement shall be transferred to the State; provided however, that CA Participating Subdivisions have seven years to expend or encumber CA Abatement Accounts Funds designated to support capital outlay projects before they must be transferred to the State. This provision shall not apply to the Cost Reimbursement Funds, which shall be controlled by Appendix 2.

ii. Use of CA Abatement Accounts Funds

a) The CA Abatement Accounts Funds will be used for future Opioid Remediation in one or more of the areas described in the List of Opioid Remediation Uses, which is Exhibit E to the CVS Settlement Agreement.

b) In addition to this requirement, no less than 50% of the funds received by a CA Participating Subdivision from the Abatement Accounts Fund in each calendar year will be used for one or more of the following High Impact Abatement Activities:

(1) the provision of matching funds or operating costs for substance use disorder facilities within the Behavioral Health Continuum Infrastructure Program;

(2) creating new or expanded Substance Use Disorder ("SUD") treatment infrastructure;

(3) addressing the needs of communities of color and vulnerable populations (including sheltered and unsheltered homeless populations) that are disproportionately impacted by SUD;

(4) diversion of people with SUD from the justice system into treatment, including by providing training and resources to first and early responders (sworn and non-sworn) and implementing best practices for outreach, diversion and deflection, employability, restorative justice, and harm reduction; and/or

(5) interventions to prevent drug addiction in vulnerable youth.

c) The California Department of Health Care Services ("DHCS") may add to this list (but not delete from it) by designating additional High Impact Abatement Activities. DHCS will make reasonable efforts to consult with stakeholders, including the CA Participating Subdivisions, before adding additional High Impact Abatement Activities to this list.

d) For the avoidance of doubt, and subject to the requirements of the CVS Settlement Agreement and applicable law, CA Participating Subdivisions may form agreements or

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ventures, or otherwise work in collaboration with, federal, state, local, tribal or private sector entities in pursuing Opioid Remediation activities funded from the CA Abatement Accounts Fund. Further, provided that all CA Abatement Accounts Funds are used for Opioid Remediation consistent with the CVS Settlement Agreement and this CA CVS Allocation Agreement, a county and any cities or towns within the county may agree to reallocate their respective shares of the CA Abatement Accounts Funds among themselves, provided that any direct distribution may only be to a CA Participating Subdivision and any CA Participating Subdivision must agree to their share being reallocated.

iii. CA Abatement Accounts Fund Oversight

a) Pursuant to Section 5 below, CA Participating Subdivisions receiving settlement funds must prepare and file reports annually regarding the use of those funds. DHCS may regularly review the reports prepared by CA Participating Subdivisions about the use of CA Abatement Accounts Funds for compliance with the CVS Settlement Agreement and this CA CVS Allocation Agreement.

b) If DHCS determines that a CA Participating Subdivision's use of CA Abatement Accounts Funds is inconsistent with the CVS Settlement Agreement or this CA CVS Allocation Agreement, whether through review of reports or information from any other sources, DHCS shall send a request to meet and confer with the CA Participating Subdivision. The parties shall meet and confer in an effort to resolve the concern.

c) If the parties are unable to reach a resolution, DHCS may conduct an audit of the Subdivision's use of the CA Abatement Accounts Funds within one year of the request to meet and confer, unless the parties mutually agree in writing to extend the meet and confer time frame.

d) If the concern still cannot be resolved, the State may bring a motion or action in the court where the State has filed its Consent Judgment to resolve the concern or otherwise enforce the requirements of the CVS Settlement Agreement or this CA CVS Allocation Agreement. However, in no case shall any audit be conducted, or motion be brought, as to a specific expenditure of funds, more than five years after the date on which the expenditure of the funds was reported to DHCS, in accordance with this agreement.

e) Notwithstanding the foregoing, this Agreement does not limit the statutory or constitutional authority of any state or local agency or official to conduct audits, investigations, or other oversight activities, or to pursue administrative, civil, or criminal enforcement actions.

C. CA Subdivision Fund

i. Fifteen percent of the total Settlement Fund payments will be allocated to the CA Subdivision Fund. All funds in the CA Subdivision Fund will be allocated among the Plaintiff Subdivisions that are Initial Participating Subdivisions. The funds will be used, subject to any limits imposed by the CVS Settlement Agreement and this CA CVS Allocation Agreement, to fund future Opioid Remediation and reimburse past opioid-related expenses, which may include fees and expenses related to litigation, and to pay the reasonable fees and expenses of the Special Master as set forth in Appendix 2.

The CA Subdivision Funds will be allocated as follows:

a) First, funds in the CA Subdivision Fund shall be used to pay the Special Master's reasonable fees and expenses in accordance with the procedures and limitations set forth in Appendix 2 to this document;

b) Second, funds will be allocated to Plaintiff Subdivisions that are Initial Participating Subdivisions that have been awarded Costs, as defined by and in accordance with the procedures and limitations set forth in Appendix 2 to this document.

c) Funds remaining in the CA Subdivision Fund, which shall consist of no less than 50% of the total CA Subdivision Fund received in any year pursuant to Appendix 2, Section 2.c.v, will be distributed to Plaintiff Subdivisions that are Initial Participating Subdivisions, in relative proportion to the Local Allocation. These funds shall be used to fund future opioid-related projects and to reimburse past opioid-related expenses, which may include fees and expenses related to litigation against any Opioid Defendant.

D. Provision for State Back-Stop Agreement

On August 6, 2021, Judge Dan Polster of the U.S. District Court, Northern District of Ohio, Eastern Division, issued an order (ECF Docket Number 3814) ("MDL Fees Order") in the National Prescription Opiate Litigation (MDL No. 2804) "cap[ping] all applicable contingent fee agreements at 15%." Private counsel representing Plaintiff Subdivisions should seek its contingency fees and costs from the Attorney Fee Fund or Cost Funds under the CVS Settlement Agreement, and, if applicable, the Teva Settlement Agreement, Allergan Settlement Agreement, Distributor Settlement Agreement, Janssen Settlement Agreement, Walgreens Settlement Agreement, and Walmart Settlement Agreement.

A Plaintiff Subdivision may separately agree to use its share of the CA Subdivision Fund to pay for fees or costs incurred by its contingency-fee counsel ("State Back-Stop Agreement"), pursuant to Exhibit R, section I(Y), of the CVS Settlement Agreement and the MDL Fees Order, so long as such contingency fees do not exceed a total contingency fee of 15% of the total gross recovery of the Plaintiff Subdivision pursuant to the CVS Settlement, inclusive of contingency fees from the national Attorney Fee Fund and this State Back-Stop Agreement. Before seeking fees or litigation costs and expenses from a State Back-Stop Agreement, private counsel

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representing Plaintiff Subdivisions must first seek contingency fees and costs from the Attorney Fee Fund or Cost Funds created under the CVS Settlement Agreement. Further, private counsel may only seek reimbursement for litigation fees and costs that have not previously been reimbursed through prior settlements or judgments.

To effectuate a State Back-Stop Agreement pursuant to this section, an agreement in the form of Appendix 3 may be entered into by a Plaintiff Subdivision, private counsel, and the California Office of the Attorney General. The California Office of the Attorney General shall, upon the request of a Plaintiff Subdivision, execute any agreement executed by a Plaintiff Subdivision and its private counsel if it is in the form of Appendix 3. The California Office of the Attorney General will also consider requests from Plaintiff Subdivisions to execute and enter into agreements presented in other forms.

For the avoidance of doubt, this agreement does not require a Plaintiff Subdivision to request or enter into a State Back-Stop Agreement, and no State Back-Stop Agreement shall impose any duty or obligation on the State of California or any of its agencies or officers, including without limitation the Attorney General.

5. State and Subdivision Reporting

a) DHCS will prepare an annual written report regarding the State's use of funds from the settlement until those funds are fully expended and for one year thereafter. These reports will be made publicly available on the DHCS web site.

b) Each CA Participating Subdivision that receives payments of funds from the settlement will prepare written reports at least annually regarding the use of those funds, until those funds are fully expended and for one year thereafter. These reports will also include a certification that all funds that the CA Participating Subdivision has received through the settlement have been used in compliance with the CVS Settlement Agreement and this CA CVS Allocation Agreement. The report will be in a form reasonably determined by DHCS. Prior to specifying the form of the report DHCS will confer with representatives of the Plaintiff Subdivisions.

c) The State and all CA Participating Subdivisions receiving CA Abatement Accounts Funds will track all deposits and expenditures. Each such subdivision is responsible solely for the CA Abatement Accounts Funds it receives. A county is not responsible for oversight, reporting, or monitoring of CA Abatement Accounts Funds received by a city within that county that receives direct payment. Unless otherwise exempt, Subdivisions' expenditures and uses of CA Abatement Accounts Funds and other Settlement Funds will be subject to the normal budgetary and expenditure process of the Subdivision.

d) Each Plaintiff Subdivision receiving CA Subdivision Funds will track all deposits and expenditures, as required by the CVS Settlement Agreement and this CA CVS Allocation Agreement. Among other things, Plaintiff Subdivisions using monies from the CA Subdivision Fund for purposes that do not qualify as Opioid Remediation must identify and include in their annual report, the amount and how such funds were used, including if used to pay attorneys' fees, investigation costs, or litigation costs. Pursuant to Section V(B)(2) of the CVS Settlement Agreement, such information must also be reported to the Settlement Fund Administrator and CVS.

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e) In each year in which DHCS prepares an annual report DHCS will also host a meeting to discuss the annual report and the Opioid Remediation activities being carried out by the State and Participating Subdivisions.

6. Miscellaneous

a) The State or any CA Participating Subdivision may bring a motion or action in the court where the State has filed its Consent Judgment to enforce the requirements of this CA CVS Allocation Agreement. Before filing such a motion or action the State will meet and confer with any CA Participating Subdivision that is the subject of the anticipated motion or action, and vice versa.

b) Except as provided in the CVS Settlement Agreement, this CA CVS Allocation Agreement is not enforceable by any party other than the State and the CA Participating Subdivisions. It does not confer any rights or remedies upon, and shall not be enforceable by, any third party.

c) Except as provided in the CA CVS Allocation Agreement, if any provision of this agreement or the application thereof to any person, entity, or circumstance shall, to any extent, be invalid or unenforceable, the remainder of this agreement, or the application of such provision to persons, entities, or circumstances other than those as to which it is invalid or unenforceable, will not be affected thereby, and each other provision of this agreement will be valid and enforceable to the fullest extent permitted by law.

d) Except as provided in the CVS Settlement Agreement, this agreement shall be governed by and interpreted in accordance with the laws of California.

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The undersigned, Morro Bay city, ACKNOWLEDGES acceptance of this Proposed California State-Subdivision Agreement Regarding Distribution and Use of Settlement Funds – CVS Settlement is a requirement to be an Initial Participating Subdivision in the CVS Settlement and ACCEPTS this Proposed California State-Subdivision Agreement Regarding Distribution and Use of Settlement Funds – CVS Settlement. EXECUTED on _____.

Signature: _____

Name: _____

Title: _____

Date: _____

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APPENDIX 1

DISCLAIMER: The allocation percentages herein are estimates only and should not be relied on for decisions regarding legal rights, releases, waivers, or other decisions affecting current or potential legal claims. Percentages shown in the Plaintiff Subdivision Percentage column may change pursuant to Section 4.C. of the California State-Subdivision Agreement Regarding Distribution and Use of Settlement Funds—CVS Settlement, whereas the percentages shown in the Abatement Percentage column should not change. Participating Subdivisions, underlying calculations, and the calculated allocation percentages are subject to change. Regarding the column herein entitled "Abatement Percentage," pursuant to Section 4.B.e., the State of California will receive the Local Allocation share of any payment to the Settlement Fund that is attributable to a county or city that is eligible to become a CA Participating Subdivision, but that has not, as of the date of that payment to the Settlement Fund, become a Participating Subdivision. Regarding the column herein entitled "Plaintiff Subdivision Percentage," payments allocated to a Plaintiff Subdivision, which is not an Initial Participating Subdivision, will be re-allocated among the Plaintiff Subdivisions that are Initial Participating Subdivisions. Regarding the column herein entitled "Abatement Percentage," the annotation of "100%" refers to one-hundred percent (100%) of the California Abatement Account Funds received, pursuant to Section 4.B. Regarding the column herein entitled "Plaintiff Subdivision Percentage," the annotation of "100%" refers to one-hundred percent (100%) of the California Subdivision Funds received, pursuant to Section 4.C. Regarding the column herein entitled "Weighted Allocation Percentage," the annotation of "100%" refers to one-hundred percent (100%) of the combined and weighted allocation of the Abatement Percentage and the Plaintiff Subdivision Percentage.

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			100.000%	100.000%	100.000%
Participating Subdivision Classification	**Participating Subdivision**	**County**	**Abatement Percentage**	**Plaintiff Subdivision Percentage**	**Weighted Allcation Percentage**
County	***Alameda County***	Alameda	2.332%	2.853%	**2.4237952%**
City	Alameda	Alameda	0.069%		**0.0570162%**
City	Albany	Alameda	0.013%		**0.0107768%**
City	Berkeley	Alameda	0.152%		**0.1249656%**
City	Dublin	Alameda	0.033%	0.040%	**0.0338810%**
City	Emeryville	Alameda	0.023%		**0.0185765%**
City	Fremont	Alameda	0.108%		**0.0888576%**
City	Hayward	Alameda	0.117%		**0.0966218%**
City	Livermore	Alameda	0.054%		**0.0446740%**
City	Newark	Alameda	0.026%		**0.0217626%**
City	Oakland	Alameda	0.486%	0.595%	**0.5055601%**
City	Piedmont	Alameda	0.014%		**0.0114064%**
City	Pleasanton	Alameda	0.067%		**0.0554547%**
City	San Leandro	Alameda	0.039%		**0.0321267%**
City	Union City	Alameda	0.043%		**0.0352484%**
County	***Amador County***	Amador	0.226%	0.277%	**0.2349885%**
County	***Butte County***	Butte	1.615%	1.975%	**1.6783178%**
City	Chico	Butte	0.216%	0.264%	**0.2246499%**
City	Oroville	Butte	0.079%		**0.0646595%**
County	***Calaveras County***	Calaveras	0.226%	0.277%	**0.2351644%**
County	***Colusa County***	Colusa	0.059%		**0.0489221%**
County	***Contra Costa County***	Contra Costa	2.102%	2.571%	**2.1844585%**
City	Antioch	Contra Costa	0.037%		**0.0301879%**
City	Brentwood	Contra Costa	0.026%		**0.0215339%**
City	Clayton	Contra Costa	0.002%		**0.0018060%**
City	Concord	Contra Costa	0.055%		**0.0456676%**
City	Danville	Contra Costa	0.010%		**0.0082255%**
City	El Cerrito	Contra Costa	0.023%		**0.0189024%**
City	Hercules	Contra Costa	0.010%		**0.0078273%**

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Participating Subdivision Classification	Participating Subdivision	County	Abatement Percentage	Plaintiff Subdivision Percentage	Weighted Allcation Percentage
City	Lafayette	Contra Costa	0.006%		**0.0046030%**
City	Martinez	Contra Costa	0.012%		**0.0098593%**
City	Moraga	Contra Costa	0.004%		**0.0031007%**
City	Oakley	Contra Costa	0.010%		**0.0079416%**
City	Orinda	Contra Costa	0.005%		**0.0038157%**
City	Pinole	Contra Costa	0.013%		**0.0110909%**
City	Pittsburg	Contra Costa	0.053%		**0.0436369%**
City	Pleasant Hill	Contra Costa	0.013%		**0.0106309%**
City	Richmond	Contra Costa	0.146%		**0.1201444%**
City	San Pablo	Contra Costa	0.018%		**0.0148843%**
City	San Ramon	Contra Costa	0.021%		**0.0176459%**
City	Walnut Creek	Contra Costa	0.026%		**0.0212132%**
County	***Del Norte County***	Del Norte	0.114%	0.140%	**0.1189608%**
County	***El Dorado County***	El Dorado	0.768%	0.939%	**0.7980034%**
City	Placerville	El Dorado	0.015%		**0.0127642%**
City	South Lake Tahoe	El Dorado	0.081%		**0.0665456%**
County	***Fresno County***	Fresno	1.895%	2.318%	**1.9693410%**
City	Clovis	Fresno	0.065%		**0.0536211%**
City	Coalinga	Fresno	0.012%		**0.0098554%**
City	Fresno	Fresno	0.397%		**0.3270605%**
City	Kerman	Fresno	0.005%		**0.0042534%**
City	Kingsburg	Fresno	0.008%		**0.0066167%**
City	Mendota	Fresno	0.002%		**0.0019387%**
City	Orange Cove	Fresno	0.004%		**0.0035607%**
City	Parlier	Fresno	0.008%		**0.0069755%**
City	Reedley	Fresno	0.012%		**0.0098804%**
City	Sanger	Fresno	0.018%		**0.0146135%**
City	Selma	Fresno	0.015%		**0.0127537%**
County	***Glenn County***	Glenn	0.107%	0.131%	**0.1116978%**
County	***Humboldt County***	Humboldt	1.030%	1.260%	**1.0703185%**

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City	Arcata	Humboldt	0.054%		**0.0447660%**
City	Eureka	Humboldt	0.117%	0.143%	**0.1216284%**
City	Fortuna	Humboldt	0.032%		**0.0266837%**
County	***Imperial County***	Imperial	0.258%	0.315%	**0.2679006%**
City	Brawley	Imperial	0.011%		**0.0087986%**
City	Calexico	Imperial	0.019%		**0.0152799%**
City	El Centro	Imperial	0.158%		**0.1302522%**
City	Imperial	Imperial	0.006%		**0.0048791%**
County	***Inyo County***	Inyo	0.073%	0.089%	**0.0754413%**
County	***Kern County***	Kern	2.517%	3.079%	**2.6159145%**
City	Arvin	Kern	0.006%		**0.0046425%**
City	Bakersfield	Kern	0.212%		**0.1747198%**
City	California City	Kern	0.009%		**0.0070820%**
City	Delano	Kern	0.030%		**0.0249316%**
City	McFarland	Kern	0.003%		**0.0025644%**
City	Ridgecrest	Kern	0.015%		**0.0120938%**
City	Shafter	Kern	0.013%		**0.0103417%**
City	Tehachapi	Kern	0.009%		**0.0073580%**
City	Wasco	Kern	0.008%		**0.0069861%**
County	***Kings County***	Kings	0.293%		**0.2413469%**
City	Avenal	Kings	0.007%		**0.0056335%**
City	Corcoran	Kings	0.013%		**0.0107032%**
City	Hanford	Kings	0.027%		**0.0226038%**
City	Lemoore	Kings	0.016%		**0.0131900%**
County	***Lake County***	Lake	0.795%		**0.6545389%**
City	Clearlake	Lake	0.041%	0.050%	**0.0426253%**
City	Lakeport	Lake	0.021%	0.026%	**0.0222964%**
County	***Lassen County***	Lassen	0.319%	0.391%	**0.3320610%**
City	Susanville	Lassen	0.027%		**0.0219295%**
County	***Los Angeles County***	Los Angeles	13.896%	16.999%	**14.4437559%**

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City	Agoura Hills	Los Angeles	0.005%		**0.0040024%**
City	Alhambra	Los Angeles	0.042%		**0.0343309%**
City	Arcadia	Los Angeles	0.033%		**0.0267718%**
City	Artesia	Los Angeles	0.001%		**0.0005100%**
City	Azusa	Los Angeles	0.026%		**0.0210857%**
City	Baldwin Park	Los Angeles	0.027%		**0.0218520%**
City	Bell	Los Angeles	0.008%		**0.0068783%**
City	Bellflower	Los Angeles	0.002%		**0.0014485%**
City	Bell Gardens	Los Angeles	0.014%		**0.0114301%**
City	Beverly Hills	Los Angeles	0.065%		**0.0534897%**
City	Burbank	Los Angeles	0.100%		**0.0823132%**
City	Calabasas	Los Angeles	0.006%		**0.0048948%**
City	Carson	Los Angeles	0.019%		**0.0159805%**
City	Cerritos	Los Angeles	0.005%		**0.0039682%**
City	Claremont	Los Angeles	0.010%		**0.0082584%**
City	Commerce	Los Angeles	0.000%		**0.0002971%**
City	Compton	Los Angeles	0.044%		**0.0361882%**
City	Covina	Los Angeles	0.028%		**0.0229127%**
City	Cudahy	Los Angeles	0.001%		**0.0006020%**
City	Culver City	Los Angeles	0.055%		**0.0449894%**
City	Diamond Bar	Los Angeles	0.001%		**0.0006993%**
City	Downey	Los Angeles	0.052%		**0.0429994%**
City	Duarte	Los Angeles	0.003%		**0.0027261%**
City	El Monte	Los Angeles	0.031%	0.038%	**0.0318985%**
City	El Segundo	Los Angeles	0.033%		**0.0268020%**
City	Gardena	Los Angeles	0.034%		**0.0278088%**
City	Glendale	Los Angeles	0.166%		**0.1366586%**
City	Glendora	Los Angeles	0.016%		**0.0134411%**
City	Hawaiian Gardens	Los Angeles	0.005%		**0.0040549%**
City	Hawthorne	Los Angeles	0.050%		**0.0407833%**

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City	Hermosa Beach	Los Angeles	0.018%		**0.0145307%**
City	Huntington Park	Los Angeles	0.023%		**0.0190667%**
City	Inglewood	Los Angeles	0.059%		**0.0489195%**
City	La Cañada Flintridge	Los Angeles	0.003%		**0.0025565%**
City	Lakewood	Los Angeles	0.005%		**0.0039971%**
City	La Mirada	Los Angeles	0.010%		**0.0081572%**
City	Lancaster	Los Angeles	0.045%		**0.0369689%**
City	La Puente	Los Angeles	0.002%		**0.0012999%**
City	La Verne	Los Angeles	0.024%		**0.0194190%**
City	Lawndale	Los Angeles	0.002%		**0.0017731%**
City	Lomita	Los Angeles	0.004%		**0.0031940%**
City	Long Beach	Los Angeles	0.439%		**0.3614151%**
City	Los Angeles	Los Angeles	2.715%	3.321%	**2.8218811%**
City	Lynwood	Los Angeles	0.016%		**0.0134345%**
City	Malibu	Los Angeles	0.002%		**0.0019269%**
City	Manhattan Beach	Los Angeles	0.032%		**0.0260686%**
City	Maywood	Los Angeles	0.004%		**0.0035528%**
City	Monrovia	Los Angeles	0.031%		**0.0254455%**
City	Montebello	Los Angeles	0.030%		**0.0250670%**
City	Monterey Park	Los Angeles	0.031%		**0.0256677%**
City	Norwalk	Los Angeles	0.031%		**0.0258228%**
City	Palmdale	Los Angeles	0.046%		**0.0375827%**
City	Palos Verdes Estates	Los Angeles	0.006%		**0.0053102%**
City	Paramount	Los Angeles	0.011%		**0.0091483%**
City	Pasadena	Los Angeles	0.146%		**0.1200524%**
City	Pico Rivera	Los Angeles	0.022%		**0.0183333%**
City	Pomona	Los Angeles	0.111%		**0.0911933%**
City	Rancho Palos Verdes	Los Angeles	0.002%		**0.0012645%**
City	Redondo Beach	Los Angeles	0.062%		**0.0506992%**
City	Rosemead	Los Angeles	0.003%		**0.0028260%**

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Participating Subdivision Classification	Participating Subdivision	County	Abatement Percentage	Plaintiff Subdivision Percentage	Weighted Allcation Percentage
City	San Dimas	Los Angeles	0.003%		**0.0022016%**
City	San Fernando	Los Angeles	0.013%		**0.0104837%**
City	San Gabriel	Los Angeles	0.018%		**0.0147726%**
City	San Marino	Los Angeles	0.009%		**0.0073791%**
City	Santa Clarita	Los Angeles	0.022%		**0.0178167%**
City	Santa Fe Springs	Los Angeles	0.031%		**0.0257531%**
City	Santa Monica	Los Angeles	0.158%		**0.1298513%**
City	Sierra Madre	Los Angeles	0.006%		**0.0048646%**
City	Signal Hill	Los Angeles	0.010%		**0.0084884%**
City	South El Monte	Los Angeles	0.005%		**0.0039603%**
City	South Gate	Los Angeles	0.020%		**0.0166272%**
City	South Pasadena	Los Angeles	0.012%		**0.0095334%**
City	Temple City	Los Angeles	0.005%		**0.0039498%**
City	Torrance	Los Angeles	0.112%		**0.0919820%**
City	Walnut	Los Angeles	0.006%		**0.0047305%**
City	West Covina	Los Angeles	0.049%		**0.0404521%**
City	West Hollywood	Los Angeles	0.013%		**0.0108517%**
City	Whittier	Los Angeles	0.032%		**0.0260581%**
County	***Madera County***	Madera	0.349%	0.427%	**0.3630669%**
City	Chowchilla	Madera	0.012%		**0.0097332%**
City	Madera	Madera	0.039%		**0.0318441%**
County	***Marin County***	Marin	0.564%	0.690%	**0.5861325%**
City	Larkspur	Marin	0.015%		**0.0124697%**
City	Mill Valley	Marin	0.020%		**0.0168401%**
City	Novato	Marin	0.028%		**0.0229824%**
City	San Anselmo	Marin	0.009%		**0.0078062%**
City	San Rafael	Marin	0.089%		**0.0729823%**
County	***Mariposa County***	Mariposa	0.084%	0.103%	**0.0876131%**
County	***Mendocino County***	Mendocino	0.439%	0.536%	**0.4558394%**
City	Ukiah	Mendocino	0.039%		**0.0317153%**

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County	***Merced County***	Merced	0.551%	0.674%	**0.5724262%**
City	Atwater	Merced	0.024%		**0.0195846%**
City	Livingston	Merced	0.006%		**0.0045873%**
City	Los Banos	Merced	0.020%		**0.0165142%**
City	Merced	Merced	0.061%		**0.0500762%**
County	***Modoc County***	Modoc	0.065%	0.080%	**0.0678250%**
County	***Mono County***	Mono	0.023%	0.029%	**0.0242606%**
County	***Monterey County***	Monterey	0.908%	1.111%	**0.9437083%**
City	Greenfield	Monterey	0.006%		**0.0050552%**
City	King City	Monterey	0.005%		**0.0037355%**
City	Marina	Monterey	0.017%		**0.0144098%**
City	Monterey	Monterey	0.041%		**0.0336540%**
City	Pacific Grove	Monterey	0.009%		**0.0074842%**
City	Salinas	Monterey	0.094%		**0.0776576%**
City	Seaside	Monterey	0.023%		**0.0191772%**
City	Soledad	Monterey	0.007%		**0.0060870%**
County	***Napa County***	Napa	0.288%	0.352%	**0.2994325%**
City	American Canyon	Napa	0.017%		**0.0136869%**
City	Napa	Napa	0.078%		**0.0642783%**
County	***Nevada County***	Nevada	0.441%	0.539%	**0.4579827%**
City	Grass Valley	Nevada	0.024%		**0.0197805%**
City	Truckee	Nevada	0.003%		**0.0023843%**
County	***Orange County***	Orange	4.364%	5.339%	**4.5363576%**
City	Aliso Viejo	Orange	0.014%		**0.0113841%**
City	Anaheim	Orange	0.554%	0.678%	**0.5759282%**
City	Brea	Orange	0.086%		**0.0708897%**
City	Buena Park	Orange	0.087%		**0.0714352%**
City	Costa Mesa	Orange	0.124%	0.152%	**0.1288366%**
City	Cypress	Orange	0.033%		**0.0271937%**
City	Dana Point	Orange	0.001%		**0.0005560%**

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City	Fountain Valley	Orange	0.055%		**0.0455980%**
City	Fullerton	Orange	0.137%	0.168%	**0.1425744%**
City	Garden Grove	Orange	0.213%		**0.1752482%**
City	Huntington Beach	Orange	0.247%	0.302%	**0.2568420%**
City	Irvine	Orange	0.139%	0.170%	**0.1442350%**
City	Laguna Beach	Orange	0.047%	0.058%	**0.0493043%**
City	Laguna Hills	Orange	0.014%		**0.0115457%**
City	Laguna Niguel	Orange	0.001%		**0.0007071%**
City	Laguna Woods	Orange	0.001%		**0.0006546%**
City	La Habra	Orange	0.060%	0.073%	**0.0621049%**
City	Lake Forest	Orange	0.012%		**0.0101249%**
City	La Palma	Orange	0.012%		**0.0095439%**
City	Los Alamitos	Orange	0.008%		**0.0069190%**
City	Mission Viejo	Orange	0.014%		**0.0117560%**
City	Newport Beach	Orange	0.179%		**0.1470134%**
City	Orange	Orange	0.150%		**0.1231320%**
City	Placentia	Orange	0.029%	0.035%	**0.0298912%**
City	Rancho Santa Margarita	Orange	0.001%		**0.0006296%**
City	San Clemente	Orange	0.008%	0.010%	**0.0086083%**
City	San Juan Capistrano	Orange	0.008%		**0.0065510%**
City	Santa Ana	Orange	0.502%	0.614%	**0.5213866%**
City	Seal Beach	Orange	0.020%		**0.0165891%**
City	Stanton	Orange	0.035%		**0.0291955%**
City	Tustin	Orange	0.073%		**0.0600341%**
City	Westminster	Orange	0.104%	0.127%	**0.1082721%**
City	Yorba Linda	Orange	0.044%		**0.0362223%**
County	***Placer County***	Placer	1.045%	1.278%	**1.0861002%**
City	Auburn	Placer	0.017%		**0.0141114%**
City	Lincoln	Placer	0.031%		**0.0255599%**
City	Rocklin	Placer	0.076%		**0.0625485%**

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City	Roseville	Placer	0.196%		**0.1616559%**
County	***Plumas County***	Plumas	0.205%	0.251%	**0.2128729%**
County	***Riverside County***	Riverside	4.534%	5.547%	**4.7128296%**
City	Banning	Riverside	0.017%		**0.0143848%**
City	Beaumont	Riverside	0.021%		**0.0171135%**
City	Blythe	Riverside	0.012%		**0.0096714%**
City	Canyon Lake	Riverside	0.000%		**0.0001761%**
City	Cathedral City	Riverside	0.067%		**0.0553614%**
City	Coachella	Riverside	0.021%		**0.0173054%**
City	Corona	Riverside	0.147%		**0.1207083%**
City	Desert Hot Springs	Riverside	0.024%		**0.0200433%**
City	Eastvale	Riverside	0.000%		**0.0002747%**
City	Hemet	Riverside	0.051%		**0.0421792%**
City	Indio	Riverside	0.056%		**0.0457794%**
City	Jurupa Valley	Riverside	0.001%		**0.0008991%**
City	Lake Elsinore	Riverside	0.021%		**0.0172949%**
City	La Quinta	Riverside	0.063%		**0.0516732%**
City	Menifee	Riverside	0.032%		**0.0260909%**
City	Moreno Valley	Riverside	0.137%		**0.1130348%**
City	Murrieta	Riverside	0.048%	0.059%	**0.0497423%**
City	Norco	Riverside	0.016%		**0.0134542%**
City	Palm Desert	Riverside	0.083%		**0.0682465%**
City	Palm Springs	Riverside	0.076%		**0.0629862%**
City	Perris	Riverside	0.009%		**0.0076774%**
City	Rancho Mirage	Riverside	0.052%		**0.0431098%**
City	Riverside	Riverside	0.268%		**0.2206279%**
City	San Jacinto	Riverside	0.010%		**0.0085936%**
City	Temecula	Riverside	0.022%		**0.0180086%**
City	Wildomar	Riverside	0.008%		**0.0062500%**
County	***Sacramento County***	Sacramento	3.797%	4.645%	**3.9465887%**

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Participating Subdivision Classification	Participating Subdivision	County	Abatement Percentage	Plaintiff Subdivision Percentage	Weighted Allcation Percentage
City	Citrus Heights	Sacramento	0.057%		**0.0465312%**
City	Elk Grove	Sacramento	0.130%		**0.1066994%**
City	Folsom	Sacramento	0.108%		**0.0890850%**
City	Galt	Sacramento	0.017%		**0.0143704%**
City	Rancho Cordova	Sacramento	0.008%		**0.0067679%**
City	Sacramento	Sacramento	0.721%	0.882%	**0.7496530%**
County	***San Benito County***	San Benito	0.106%	0.130%	**0.1101417%**
City	Hollister	San Benito	0.027%		**0.0225355%**
County	***San Bernardino County***	San Bernardino	3.259%	3.987%	**3.3878124%**
City	Adelanto	San Bernardino	0.008%		**0.0066640%**
City	Apple Valley	San Bernardino	0.025%		**0.0207360%**
City	Barstow	San Bernardino	0.015%		**0.0122056%**
City	Chino	San Bernardino	0.064%		**0.0525893%**
City	Chino Hills	San Bernardino	0.001%		**0.0006388%**
City	Colton	San Bernardino	0.031%		**0.0253443%**
City	Fontana	San Bernardino	0.112%		**0.0920543%**
City	Grand Terrace	San Bernardino	0.006%		**0.0051051%**
City	Hesperia	San Bernardino	0.035%		**0.0291522%**
City	Highland	San Bernardino	0.004%		**0.0029061%**
City	Loma Linda	San Bernardino	0.009%		**0.0071188%**
City	Montclair	San Bernardino	0.039%		**0.0322108%**
City	Ontario	San Bernardino	0.179%		**0.1472934%**
City	Rancho Cucamonga	San Bernardino	0.084%		**0.0689431%**
City	Redlands	San Bernardino	0.057%		**0.0469150%**
City	Rialto	San Bernardino	0.073%		**0.0603206%**
City	San Bernardino	San Bernardino	0.178%		**0.1461880%**
City	Twentynine Palms	San Bernardino	0.002%		**0.0012605%**
City	Upland	San Bernardino	0.052%		**0.0424460%**
City	Victorville	San Bernardino	0.033%		**0.0269400%**
City	Yucaipa	San Bernardino	0.016%		**0.0128772%**

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Participating Subdivision Classification	Participating Subdivision	County	Abatement Percentage	Plaintiff Subdivision Percentage	Weighted Allcation Percentage
City	Yucca Valley	San Bernardino	0.003%		**0.0021228%**
County	***San Diego County***	San Diego	5.706%	6.980%	**5.9309748%**
City	Carlsbad	San Diego	0.128%		**0.1050485%**
City	Chula Vista	San Diego	0.189%	0.231%	**0.1961456%**
City	Coronado	San Diego	0.044%		**0.0359095%**
City	El Cajon	San Diego	0.113%		**0.0933582%**
City	Encinitas	San Diego	0.061%	0.074%	**0.0630289%**
City	Escondido	San Diego	0.145%		**0.1192204%**
City	Imperial Beach	San Diego	0.014%		**0.0118283%**
City	La Mesa	San Diego	0.055%	0.068%	**0.0575593%**
City	Lemon Grove	San Diego	0.022%		**0.0183911%**
City	National City	San Diego	0.080%		**0.0656808%**
City	Oceanside	San Diego	0.213%		**0.1753428%**
City	Poway	San Diego	0.062%		**0.0511040%**
City	San Diego	San Diego	1.975%	2.416%	**2.0531169%**
City	San Marcos	San Diego	0.089%		**0.0733897%**
City	Santee	San Diego	0.033%		**0.0268401%**
City	Solana Beach	San Diego	0.017%		**0.0138564%**
City	Vista	San Diego	0.052%		**0.0425144%**
Consolidated	***San Francisco***	San Francisco	3.026%	3.702%	**3.1457169%**
County	***San Joaquin County***	San Joaquin	1.680%	2.055%	**1.7460399%**
City	Lathrop	San Joaquin	0.009%		**0.0075394%**
City	Lodi	San Joaquin	0.053%		**0.0439484%**
City	Manteca	San Joaquin	0.054%		**0.0443454%**
City	Ripon	San Joaquin	0.013%		**0.0104219%**
City	Stockton	San Joaquin	0.313%	0.383%	**0.3256176%**
City	Tracy	San Joaquin	0.084%		**0.0692047%**
County	***San Luis Obispo County***	San Luis Obispo	0.816%	0.999%	**0.8484126%**
City	Arroyo Grande	San Luis Obispo	0.024%		**0.0199053%**
City	Atascadero	San Luis Obispo	0.029%		**0.0240680%**

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Participating Subdivision Classification	Participating Subdivision	County	Abatement Percentage	Plaintiff Subdivision Percentage	Weighted Allcation Percentage
City	El Paso de Robles (Paso Robles)	San Luis Obispo	0.043%		**0.0353456%**
City	Grover Beach	San Luis Obispo	0.017%		**0.0137881%**
City	Morro Bay	San Luis Obispo	0.020%		**0.0160922%**
City	San Luis Obispo	San Luis Obispo	0.077%		**0.0637841%**
County	***San Mateo County***	San Mateo	1.074%	1.313%	**1.1159599%**
City	Belmont	San Mateo	0.021%		**0.0169860%**
City	Burlingame	San Mateo	0.019%		**0.0152537%**
City	Daly City	San Mateo	0.044%		**0.0363880%**
City	East Palo Alto	San Mateo	0.013%		**0.0103982%**
City	Foster City	San Mateo	0.020%		**0.0166101%**
City	Half Moon Bay	San Mateo	0.004%		**0.0031638%**
City	Hillsborough	San Mateo	0.013%		**0.0110029%**
City	Menlo Park	San Mateo	0.015%		**0.0126209%**
City	Millbrae	San Mateo	0.013%		**0.0105836%**
City	Pacifica	San Mateo	0.016%		**0.0130625%**
City	Redwood City	San Mateo	0.056%		**0.0463511%**
City	San Bruno	San Mateo	0.021%		**0.0172161%**
City	San Carlos	San Mateo	0.013%		**0.0108885%**
City	San Mateo	San Mateo	0.052%		**0.0425841%**
City	South San Francisco	San Mateo	0.043%		**0.0353943%**
County	***Santa Barbara County***	Santa Barbara	1.132%	1.385%	**1.1768968%**
City	Carpinteria	Santa Barbara	0.001%		**0.0008938%**
City	Goleta	Santa Barbara	0.004%		**0.0028969%**
City	Lompoc	Santa Barbara	0.047%		**0.0389379%**
City	Santa Barbara	Santa Barbara	0.122%		**0.1004559%**
City	Santa Maria	Santa Barbara	0.058%		**0.0479179%**
County	***Santa Clara County***	Santa Clara	2.404%	2.941%	**2.4987553%**
City	Campbell	Santa Clara	0.014%		**0.0112566%**
City	Cupertino	Santa Clara	0.008%		**0.0066824%**
City	Gilroy	Santa Clara	0.025%		**0.0202891%**

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Participating Subdivision Classification	Participating Subdivision	County	Abatement Percentage	Plaintiff Subdivision Percentage	Weighted Allcation Percentage
City	Los Altos	Santa Clara	0.013%		**0.0103338%**
City	Los Gatos	Santa Clara	0.013%		**0.0103220%**
City	Milpitas	Santa Clara	0.036%		**0.0298120%**
City	Morgan Hill	Santa Clara	0.015%		**0.0124619%**
City	Mountain View	Santa Clara	0.041%		**0.0334608%**
City	Palo Alto	Santa Clara	0.039%		**0.0323080%**
City	San Jose	Santa Clara	0.294%	0.360%	**0.3054960%**
City	Santa Clara	Santa Clara	0.067%		**0.0549723%**
City	Saratoga	Santa Clara	0.004%		**0.0034161%**
City	Sunnyvale	Santa Clara	0.053%		**0.0434069%**
County	***Santa Cruz County***	Santa Cruz	0.783%	0.957%	**0.8135396%**
City	Capitola	Santa Cruz	0.020%		**0.0168191%**
City	Santa Cruz	Santa Cruz	0.143%		**0.1180348%**
City	Scotts Valley	Santa Cruz	0.015%		**0.0126525%**
City	Watsonville	Santa Cruz	0.063%		**0.0520136%**
County	***Shasta County***	Shasta	1.095%	1.339%	**1.1380191%**
City	Anderson	Shasta	0.024%		**0.0198896%**
City	Redding	Shasta	0.284%		**0.2334841%**
City	Shasta Lake	Shasta	0.004%		**0.0031993%**
County	***Siskiyou County***	Siskiyou	0.228%	0.279%	**0.2373393%**
County	***Solano County***	Solano	0.760%		**0.6260795%**
City	Benicia	Solano	0.031%		**0.0253903%**
City	Dixon	Solano	0.016%		**0.0130849%**
City	Fairfield	Solano	0.109%		**0.0897317%**
City	Suisun City	Solano	0.021%		**0.0176183%**
City	Vacaville	Solano	0.119%		**0.0976497%**
City	Vallejo	Solano	0.167%		**0.1373644%**
County	***Sonoma County***	Sonoma	1.218%	1.490%	**1.2661290%**
City	Healdsburg	Sonoma	0.032%		**0.0266929%**
City	Petaluma	Sonoma	0.081%		**0.0667507%**

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Participating Subdivision Classification	Participating Subdivision	County	Abatement Percentage	Plaintiff Subdivision Percentage	Weighted Allcation Percentage
City	Rohnert Park	Sonoma	0.041%		**0.0340759%**
City	Santa Rosa	Sonoma	0.184%		**0.1519070%**
City	Sonoma	Sonoma	0.022%		**0.0183438%**
City	Windsor	Sonoma	0.016%		**0.0129298%**
County	***Stanislaus County***	Stanislaus	1.722%		**1.4182273%**
City	Ceres	Stanislaus	0.041%		**0.0340260%**
City	Modesto	Stanislaus	0.217%		**0.1788759%**
City	Newman	Stanislaus	0.006%		**0.0046964%**
City	Oakdale	Stanislaus	0.018%		**0.0145531%**
City	Patterson	Stanislaus	0.015%		**0.0126590%**
City	Riverbank	Stanislaus	0.010%		**0.0085699%**
City	Turlock	Stanislaus	0.065%		**0.0531966%**
County	***Sutter County***	Sutter	0.306%	0.374%	**0.3179548%**
City	Yuba City	Sutter	0.074%		**0.0606242%**
County	***Tehama County***	Tehama	0.213%	0.261%	**0.2216654%**
City	Red Bluff	Tehama	0.014%		**0.0117771%**
County	***Trinity County***	Trinity	0.082%	0.101%	**0.0855476%**
County	***Tulare County***	Tulare	0.809%	0.990%	**0.8410949%**
City	Dinuba	Tulare	0.014%		**0.0116929%**
City	Exeter	Tulare	0.004%		**0.0032479%**
City	Farmersville	Tulare	0.003%		**0.0027879%**
City	Lindsay	Tulare	0.007%		**0.0057111%**
City	Porterville	Tulare	0.021%		**0.0171845%**
City	Tulare	Tulare	0.037%		**0.0302273%**
City	Visalia	Tulare	0.066%		**0.0545872%**
County	***Tuolumne County***	Tuolumne	0.486%	0.594%	**0.5047621%**
County	***Ventura County***	Ventura	2.192%	2.681%	**2.2781201%**
City	Camarillo	Ventura	0.002%		**0.0012815%**
City	Fillmore	Ventura	0.002%		**0.0020294%**
City	Moorpark	Ventura	0.008%		**0.0067337%**

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Participating Subdivision Classification	Participating Subdivision	County	Abatement Percentage	Plaintiff Subdivision Percentage	Weighted Allcation Percentage
City	Oxnard	Ventura	0.156%	0.190%	**0.1617338%**
City	Port Hueneme	Ventura	0.021%		**0.0174145%**
City	San Buenaventura (Ventura)	Ventura	0.085%		**0.0702181%**
City	Santa Paula	Ventura	0.014%		**0.0119072%**
City	Simi Valley	Ventura	0.065%		**0.0533043%**
City	Thousand Oaks	Ventura	0.022%		**0.0179902%**
County	***Yolo County***	Yolo	0.357%	0.437%	**0.3713319%**
City	Davis	Yolo	0.055%		**0.0451747%**
City	West Sacramento	Yolo	0.066%		**0.0544321%**
City	Woodland	Yolo	0.058%		**0.0477904%**
County	***Yuba County***	Yuba	0.214%	0.262%	**0.2225679%**
City	Marysville	Yuba	0.014%		**0.0112079%**

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APPENDIX 2

Cost Reimbursement Procedure

1. Additional defined terms:

a) *Costs* means the reasonable amounts paid for the attorney and other City Attorney and County Counsel staff time for individuals employed by a Plaintiff Subdivision at the contractual rate, inclusive of benefits and overhead, together with amounts paid for court reporters, experts, copying, electronic research, travel, vendors, and the like, which were not previously reimbursed and which were paid or incurred (i) prior to December 31, 2022 in litigation against any Opioid Defendant and/or (ii) in negotiating and drafting any CA Allocation Agreement(s) concerning a settlement with any Opioid Defendant(s). *Costs* does not include attorneys' fees, costs, or expenses incurred by private contingency fee counsel. No part of the CA Abatement Accounts Fund will be used to reimburse Costs.

b) *First Claims Date* means October 1, 2023 or when all applications for reimbursement of Costs, in whole or in part, from funds available under Section X and Exhibit R of the CVS Settlement Agreement, Section XIV and Exhibit R of the Teva Settlement Agreement, Section XIII and Exhibit R of the Allergan Settlement Agreement, Section X and Exhibit R of the Distributor Settlement Agreement, Section XI and Exhibit R of the Janssen Settlement Agreement, Section IX and Exhibit R of the Walgreens Settlement Agreement, or Section IX and Exhibit R of the Walmart Settlement Agreement, have been finally determined under the provisions of those agreements, whichever comes first.

c) *Special Master* means a retired judicial officer or former public lawyer, not presently employed or retained by a Plaintiff Subdivision, who will aggregate, review, and determine the reasonable Costs to be awarded to each Plaintiff Subdivision that submits a claim for reimbursement of Costs. The Special Master will be selected by a majority vote of the votes cast by Plaintiff Subdivisions, with each such subdivision having one vote.

d) *Plaintiff Subdivision Committee* means the committee of Plaintiff Subdivisions that will review and approve the invoices submitted by the Special Master reflecting his or her reasonable time and expenses.

2. Cost Reimbursement to Plaintiff Subdivision

a) Purpose. Substantial resources have been expended to hold Opioid Defendants accountable for creating and profiting from the opioid crisis, and this effort has been a significant catalyst in creating National Opioid Settlements with various manufacturers, distributors, and chain pharmacies.

b) Claims Procedure.

i. If a Plaintiff Subdivision is eligible to seek reimbursement of Costs, in whole or in part, from funds available under Section X and Exhibit R of the CVS Settlement

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Agreement, Section XIV and Exhibit R of the Teva Settlement Agreement, Section XIII and Exhibit R of the Allergan Settlement Agreement, Section IX and Exhibit R of the Walgreens Settlement Agreement, Section IX and Exhibit R of the Walmart Settlement Agreement, Section X or Exhibit R of the Distributor Settlement Agreement, or Section XI or Exhibit R of the Janssen Settlement Agreement, it must first make a timely application for reimbursement from such funds. To allow sufficient time for determination of those applications, no claim for Costs to the CA Subdivision Fund under this Agreement may be made before the First Claims Date.

ii. A Plaintiff Subdivision that wishes to be reimbursed from the CA Subdivision Fund must submit a claim to the Special Master no later than forty-five (45) days after the First Claims Date. The Special Master will then compile and redistribute the aggregated claim totals for each Plaintiff Subdivision via email to representatives of all the Plaintiff Subdivisions. A claim for attorney and staff time must list, for each attorney or staff member included in the claim, the following information: name, title, total hours claimed, hourly rate (including, if sought, benefits and share of overhead), and narrative summarizing the general nature of the work performed by the attorney or staff member. For reimbursement of "hard" costs, the subdivision may aggregate across a category (e.g., total for travel costs). It is the intention of the Plaintiff Subdivisions that submission of documents related to reimbursement of Costs does not waive any attorney-client privilege or exemptions to the California Public Records Act.

iii. The Special Master may request, at his or her sole option, additional documents or details to assist in the final award of Costs.

iv. The Special Master will review claims for reasonableness and will notify each Plaintiff Subdivision of the final determination of its claim, and will provide a list of all final awards to all Plaintiff Subdivisions by email or, upon request, via First Class U.S. Mail. Any Plaintiff Subdivision may ask the Special Master to reconsider any final award within twenty-one (21) days. The Special Master will make a final determination on any such reconsideration request within thirty (30) days of receipt.

v. Any decision of the Special Master is final and binding, and will be considered under the California Arbitration Act, Code of Civil Procedure section 1280 et seq. as a final arbitration award. Nothing in this agreement is intended to expand the scope of judicial review of the final award for errors of fact or law, and the Parties agree that they may only seek to vacate the award if clear and convincing evidence demonstrates one of the factors set forth in Code of Civil Procedure, section 1286.2, subdivision (a). Plaintiff Subdivisions will have fourteen (14) days after all final awards are made, together with any final determination of a request for

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reconsideration, to seek review in the Superior Court of California, pursuant to Code of Civil Procedure, section 1285, where the State has filed its Consent Judgment.

vi. The Special Master will prepare a report of Costs that includes his or her fees and expenses at least ninety (90) days before the Payment Date for each Annual Payment. The Special Master's preparation of a report of Costs does not discharge a Plaintiff Subdivision's reporting requirement under Section V(B)(2) of the CVS Settlement Agreement.

vii. A member of the Plaintiff Subdivision Committee, which is a CA Participating Subdivision, will submit to the Settlement Fund Administrator and CVS a report of the fees and expenses incurred by the Special Master pursuant to Section V(B)(2) of the CVS Settlement Agreement.

c) Claims Priority and Limitation.

i. The Special Master will submit invoices for compensation of reasonable fees and expenses to the Plaintiff Subdivision Committee no later than ninety (90) days prior to the Payment Date for each Annual Payment. The Plaintiff Subdivision Committee will promptly review and, if reasonable, approve the Special Master's invoice for compensation. The Plaintiff Subdivision Committee will submit approved invoices to the Settlement Fund Administrator for payment. The Special Master's approved invoices have priority and will be paid first from the CA Subdivision Fund before any award of Costs, subject to the limitation in Section 2.c.v below.

ii. Final Awards of Costs that do not exceed seventy-five thousand dollars ($75,000.00) will be paid next in priority after the Special Master's approved invoices.

iii. Final Awards of Costs in excess of seventy-five thousand dollars ($75,000.00) will be paid proportionally from the funds remaining in that year's Annual Payment.

iv. Any claim for Costs that is not paid in full will be allocated against the next year's distribution from the CA Subdivision Fund, until all approved claims for Costs are paid in full.

v. In no event will more than 50% of the total CA Subdivision Fund received in any year be used to pay Costs or the Special Master's approved invoices.

vi. In no event shall more than $28 million of the total CA Subdivision Funds paid pursuant to the CVS Settlement Agreement, Teva Settlement Agreement, Allergan Settlement Agreement, Distributor Settlement Agreement, Janssen Settlement Agreement, Walgreens Settlement Agreement, and the Walmart Settlement Agreement be used to pay Costs.

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d) Collateral Source Payments and Third-Party Settlement.

i. In the event a Plaintiff Subdivision is awarded compensation, in whole or in part, by any source of funds created as a result of litigation against an Opioid Defendant for its reasonable Costs, it will reduce its claim for Costs from the CA Subdivision Fund by that amount. If a Plaintiff Subdivision has already received a final award of Costs from the CA Subdivision Fund, it will repay the fund up to the prior award of Costs via a payment to the Settlement Fund Administrator or notify the Settlement Fund Administrator that its allocation from the next and subsequent Annual Payments should be reduced accordingly. If the Plaintiff Subdivision is repaying any prior award of Costs, that repayment will occur as soon as is feasible after the Plaintiff Subdivision's receipt of Cost funds from the collateral source, but no more than 90 days after its receipt from the collateral source. The Settlement Fund Administrator will add any repaid Costs to the CA Subdivision Fund. Any Plaintiff Subdivision that has submitted for reimbursement to any national fund and has not received a final determination by the First Claims Date may request that the settlement administrator withhold some or all of its payment from the CA Subdivision Fund in order to avoid repayment.

ii. In the event a Plaintiff Subdivision reaches a monetary settlement or compromise against any Opioid Defendant outside of the National Opioid Settlement, the monetary portion of such settlement, net of fees paid to outside contingency fee counsel and of funds earmarked strictly for abatement, will be credited against its Costs and the subdivision will be ineligible to recover those credited Costs from the CA Subdivision Fund. Plaintiff Subdivisions negotiating monetary settlements or compromises against any Opioid Defendant outside of the National Opioid Settlement will negotiate for funds to repay any Costs it previously received from the CA Subdivision Fund or for Costs it otherwise might be eligible to claim from the CA Subdivision Fund. If such a settlement is paid after all final approved claims for Costs by all Plaintiff Subdivisions are satisfied in full, the settling subdivision will reimburse the CA Subdivision Fund in that amount by making payment to the Settlement Fund Administrator to add to the CA Subdivision Fund in a manner consistent with the repayments described in section 2.d.i above.

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APPENDIX 3

CALIFORNIA-SUBDIVISION BACKSTOP AGREEMENT

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

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

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

Pursuant to this Backstop Agreement, [SUBDIVISION] may, subject to the limitations of the CVS Settlement Agreement and CA CVS Allocation Agreement, as well as any other limitations imposed by law, use funds that it receives from the CVS Settlement CA Subdivision Fund to pay a contingent fee to [COUNSEL]. Any such payment from [SUBDIVISION] to [COUNSEL], together with any contingency fees that [COUNSEL] may receive from the national Attorney Fee Fund, will not exceed a total contingency fee of [PERCENTAGE NOT TO EXCEED 15%] of the total gross recovery of [SUBDIVISION] from the CVS Settlement.

[COUNSEL] certify that they first sought fees and costs from the Attorney Fee Fund created under the CVS Settlement Agreement before seeking or accepting payment under this backstop agreement. [COUNSEL] further certify that they are not seeking and will not accept payment under this backstop agreement of any litigation fees or costs that have been reimbursed through prior settlements or judgments.

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

[DATE] [SUBDIVISION SIGNATURE BLOCK]

[DATE] [COUNSEL SIGNATURE BLOCK]

[DATE] [ATTORNEY GENERAL SIGNATURE BLOCK]

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ZUCKERMAN
SPAEDER

Eric R. Delinsky
PARTNER
Zuckerman Spaeder LLP
edelinsky@zuckerman.com
202-778-1831

January 27, 2023

VIA EMAIL

Renuka R. George, Esq.
Senior Assistant Attorney General
Healthcare Rights and Access, California Department of Justice
Office of Attorney General Rob Bonta
1300 I Street
Sacramento, CA 95814
Email: renuka.george@doj.ca.gov

Re: CVS Opioids Settlement Agreement

Dear Ms. George:

This letter summarizes the agreement reached between CVS and the State of California regarding the multistate CVS Settlement Agreement dated December 9, 2022 regarding opioid claims by states and subdivisions (the "Multistate CVS Settlement Agreement").

CVS Health Corporation and CVS Pharmacy, Inc., and all of their past and present direct and indirect parents and subsidiaries ("CVS"), and the State of California, by and through its Attorney General Rob Bonta, have agreed to the following modifications to the Multistate CVS Settlement Agreement in its application to California. For the avoidance of doubt, the limited modifications set forth below apply only to California and to no other state or territory.

Incentives B and C with 99% C Participation

- At 99 percent participation for both Incentive B and C, Incentive B is to be treated as 100 percent for California, while Incentive C remains at 99. Under this scenario, California would earn 92.6 percent of its maximum remediation share through base payments and Incentive B and Incentive C earnings. This percentage is subject to increases if Incentive D payments are earned.
- At 98 percent participation for Incentive B but 99 percent for Incentive C, Incentive B is to be treated as 99 percent for California, while Incentive C remains the same. Under this scenario, California would earn 91.2 percent of its maximum remediation share through base payments and Incentive B and Incentive C earnings. This percentage is subject to increases if Incentive D payments are earned.
- There are no other changes to Incentives B and/or C in the event of 99% participation for Incentive C.

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Incentives B and C with 98% C Participation

- At 98 percent participation for both Incentives B and C, Incentive B is to be treated as 99 percent for California. Under this scenario, California would earn 88.4 percent of its maximum remediation share through base payments and Incentive B and Incentive C earnings. This percentage is subject to increases if Incentive D payments are earned.
- There are no other changes to Incentives B and/or C in the event of 98% participation for Incentive C.

There are no other changes to Incentives B and/or C.

Incentive D Modifications

- 100 percent Incentive C participation = 6 percent Incentive D
- 99 percent Incentive C participation = 6 percent Incentive D
- 98 percent Incentive C participation = 7 percent Incentive D
- 97 percent Incentive C participation = 7 percent Incentive D
- 96 percent Incentive C participation = 8 percent Incentive D
- Below 96 percent Incentive C participation = 10 percent Incentive D

These limited California-specific modifications to the application of Incentives B and C were a necessary condition for California's decision to sign-on as a participating state to the Multistate CVS Settlement Agreement. The modifications to Incentives D were a necessary condition for CVS's agreement to the Incentive B and C modifications.

For the avoidance of doubt, all other terms and provisions in the Multistate CVS Settlement Agreement remain the same, including without limitation all participation tiers not specified above, all definitions, all release provisions, the ten-year payment schedule and all other terms and provisions of the payment schedule, and all other terms and provisions.

These terms shall be included in a stipulated judgment to be filed in a Superior Court in the State of California.

Sincerely,

Eric R. Delinsky
Counsel for CVS

8524664.1

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SO AGREED BY AND ON BEHALF OF THE STATE OF CALFORNIA:

Name: Renuka George
Title: Senior Assistant Attorney General
Date: 1/30/2023

RESOLUTION NO. 19-23

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MORRO BAY, CALIFORNIA AUTHORIZING CITY OF MORRO BAY TO ENTER INTO THE NATIONAL OPIOID SETTLEMENT AGREEMENTS WITH CVS, ALLERGAN, TEVA, WALMART, AND WALGREENS, INCLUDING THE RELATED PARTICIPATION AGREEMENTS; AND AGREEING TO THE TERMS OF THE RELATED STATE-SUBDIVISION AGREEMENTS AND AUTHORIZE ENTRY INTO THE RELATED STATE-SUBDIVISION ALLOCATION AGREEMENTS WITH THE ATTORNEY GENERAL

T H E C I T Y C O U N C I L
City of Morro Bay, California

WHEREAS, the United States is facing an ongoing public health crisis of opioid abuse, addiction, overdose, and death, forcing the State of California and California counties and cities to spend billions of dollars each year to address the direct consequences of this crisis; and,

WHEREAS, pending in the U.S. District Court for the Northern District of Ohio is a multidistrict litigation ("MDL") being pursued by numerous public entity plaintiffs against the manufacturers and distributors of various opioids based on the allegation that the defendants' unlawful conduct caused the opioid epidemic; and,

WHEREAS, on or about November 14, 2022, a proposed nationwide tentative settlement was reached between the plaintiffs in the MDL and Walmart Inc. ("Walmart"); and,

WHEREAS, on or about November 22, 2022, a proposed nationwide tentative settlement was reached between the plaintiffs in the MDL and Teva Pharmaceutical Industries Ltd. and all of its respective past and present direct or indirect parents, subsidiaries, divisions, affiliates, joint ventures, predecessors, successors, assigns, including but not limited to Teva Pharmaceuticals USA, Inc., Actavis LLC (f/k/a Actavis Inc.), Actavis Elizabeth LLC, Actavis Kadian LLC, Actavis Pharma, Inc. (f/k/a Watson Pharma, Inc.), Actavis Kadian LLC, Actavis Laboratories UT, Inc. (f/k/a Watson Laboratories, Inc. – Utah), Actavis Mid Atlantic LLC, Actavis Totowa LLC, Actavis Laboratories FL, Inc. (f/k/a Watson Laboratories, Inc. – Florida), Actavis South Atlantic LLC, Warner Chilcott Company LLC, and Watson Laboratories, Inc., and Anda Inc. (collectively, "Teva"); and,

WHEREAS, on or about November 22, 2022, a proposed nationwide tentative settlement was reached between the plaintiffs in the MDL and Allergan Finance, LLC (f/k/a Actavis, Inc., which in turn was f/k/a Watson Pharmaceutics, Inc.) and Allergan Limited (f/k/a Allergan plc, which, in turn, was f/k/a Actavis plc)(collectively, "Allergan"); and,

WHEREAS, on or about December 9, 2022, a proposed nationwide tentative settlement was reached between the plaintiffs in the MDL and CVS Health Corporation and CVS Pharmacy, Inc. and all of their past and present direct and indirect parent and subsidiaries (collectively, "CVS"); and,

WHEREAS, on or about December 9, 2022, a proposed nationwide tentative settlement was reached between the plaintiffs in the MDL and Walgreen Co. ("Walgreens"); and,

WHEREAS, CVS, Teva, Walgreens, Walmart, and Allergan shall be referred in this Resolution as "Settling Defendants"; and

WHEREAS, as part of the settlements with the Settling Defendants, local subdivisions, including certain cities, that are not plaintiffs in the MDL may participate in the settlements in exchange for a release of the Settling Defendants ("Participating Subdivision"); and,

WHEREAS, copies of the proposed terms of those proposed nationwide settlements have been set forth in the Master Settlement Agreements with the Settling Defendants; and,

WHEREAS, copies of the Master Settlement Agreements have been made available to the City Council with this Resolution ("Settlement Agreements"); and,

WHEREAS, the Settlement Agreements provide, among other things, for the payment of a certain sum to settling government entities in California including to the State of California and Participating Subdivisions upon occurrence of certain events as defined in the Settlement Agreements ("California Opioid Funds"); and,

WHEREAS, in order to become a Participating Subdivision, the City must enter into "Participation Agreements" which allow participation in the Settlement Agreements; and,

WHEREAS, California local governments in the MDL have engaged in extensive discussions with the State Attorney General's Office ("AGO") as to how the California Opioid Funds will be allocated, which has resulted in the Proposed California State-Subdivision Agreements Regarding Distribution and Use of Settlement Funds ("Allocation Agreements") from the settlements with the Settling Defendants; and,

WHEREAS, copies of the Allocation Agreements for all of the settlements with the Settling Defendants have been made available to the City Council with this Resolution; and,

WHEREAS, the Allocation Agreements allocate the California Opioid Funds as follows: 15% to the State Fund; 70% to the Abatement Accounts Fund; and 15% to the Subdivision Fund. For the avoidance of doubt, all funds allocated to California from the Settlement Agreements shall be combined pursuant to the Allocation Agreements, and 15% of total from each settlement shall be allocated to the State of California (the "State of California Allocation"), 70% to the California Abatement Accounts Fund ("CA Abatement Accounts Fund"), and 15% to the California Subdivision Fund ("CA Subdivision Fund"); and,

WHEREAS, under the Settlement Agreements, certain local subdivisions that did not file a lawsuit against the Settlement Defendants may qualify to participate in the settlements and obtain funds from the Abatement Account Fund; and,

WHEREAS, the City is eligible to participate in the Settlement Agreements and become a CA Participating Subdivision; and,

WHEREAS, the funds in the CA Abatement Accounts Fund (the 70% allocation) will be allocated based on the allocation model developed in connection with the proposed negotiating class in the National Prescription Opiate Litigation (MDL No. 2804), as adjusted to reflect only those cities and counties that are eligible, based on population or litigation status, to become a CA Participating Subdivision (those above 10,000 in population). The percentage from the CA Abatement Accounts Fund allocated to each CA Participating Subdivision is set forth in Appendix

1 to the Allocation Agreements and provided to the City Council with this Resolution. The City's share of the CA Abatement Accounts Fund will be a product of the total in the CA Abatement Accounts Fund multiplied by the City's percentage set forth in Appendix 1 of the Allocation Agreements (the "Local Allocation"); and,

WHEREAS, a CA Participating Subdivision that is a city will be allocated its Local Allocation share as of the date on which it becomes a Participating Subdivision. The Local Allocation share for a city that is a CA Participating Subdivision will be paid to the county in which the city is located, unless the city elects to take a direct election of the settlement funds, so long as: (a) the county is a CA Participating Subdivision, and (b) the city has not advised the Settlement Fund Administrator that it requests direct payment at least 60 days prior to a Payment Date; and,

WHEREAS, it the intent of this Resolution is to authorize the City to enter into the Settlement Agreements with the Settling Defendants by executing the Participation Agreements and to enter into the Allocation Agreements by executing the signature pages to those agreements.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF MORRO BAY, CALIFORNIA, DOES HEREBY RESOLVE, DECLARE, DETERMINE AND ORDER AS FOLLOWS:

SECTION 1. The City Council hereby approves and authorizes the City Manager to settle and release the City's claims against the Settling Defendants in exchange for the consideration set forth in the Settlement Agreements, Allocation Agreements and all exhibits thereto, including, without limitation, taking the following measures:

A. The execution of the Participation Agreements to the Master Settlement Agreements concerning Settling Defendants in the MDL and any and all documents ancillary thereto.

B. The execution of the Proposed California State-Subdivision Agreement Regarding Distribution and Use of Settlement Funds concerning Settling Defendants in the MDL by executing the signature pages thereof.

SECTION 2. All actions heretofore taken by the City Council and other appropriate public officers and agents of the City with respect to the matters contemplated under this Resolution are hereby ratified, confirmed and approved.

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SECTION 3. This Resolution shall take effect immediately upon its adoption by the City Council.

PASSED AND ADOPTED by the City Council of the City of Morro Bay at a regular meeting thereof held on the 11th day of April 2023 by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:
RECUSE:

_____
CARLA WIXOM, Mayor

ATTEST:

_____
DANA SWANSON, City Clerk

AGENDA NO:	**A-5**
MEETING DATE:	**April 11, 2023**

Staff Report

TO: **Honorable Mayor and City Council** **DATE: April 5, 2023**

FROM: **Greg Carpenter, Interim City Manager**

SUBJECT: **Adoption of Resolution No. 20-23 Providing for Regular Council Updates on Offshore Wind Energy Legislation and Development, Requesting Participation in Local, State and Federal Meetings regarding Offshore Wind Energy Legislation and Development, and Requesting Notification and Updates on Pending State and Federal Legislation related to Offshore Wind Development off the Central California Coast**

RECOMMENDATION

Staff recommends the City Council consider:

1. Adoption of Resolution No. 20-23 providing for regular Council updates on offshore wind energy legislation and development, requesting participation in local, state and federal meetings regarding offshore wind energy legislation and development, and requesting notification and updates on pending state and federal legislation related to offshore wind development off the Central California Coast; and
2. Authorize the Mayor to send correspondence on behalf of the Council to involved government agencies and other interested parties expressing the desires of Resolution No. 20-23.
3. Authorize the Council Sub-Committee on Offshore Wind Energy to attend the Pacific Offshore Wind Summit in Sacramento, CA on May 8 – 10, 2023.

ALTERNATIVES

1. Adopt a modified version of proposed Resolution No. 20-23
2. Not adopt proposed Resolution No. 20-23.

FISCAL IMPACT

The estimated cost for the Council Sub-Committee on Offshore Wind Energy, consisting of Mayor Wixom and Council Member Landrum, to attend the Pacific Offshore Wind Summit is $3,200.00, which can be absorbed in the FY 22-23 Operating Budget.

BACKGROUND/DISCUSSION

At the March 28, 2023 Council Meeting, Mayor Wixom requested and received majority support for consideration of a resolution asking for notification of local, state and federal meetings regarding offshore wind development, to have a seat at the table concerning offshore wind development, and ensure the City has representation concerning offshore wind development.

Below is a high level summary of activities related to offshore wind development at the State and Federal levels:

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Prepared By: __DS/CFN_____	**Dept Review: _____**
City Manager Review: ___GC_____	**City Attorney Review: __CFN____**

- In September 2021, Governor Newsom signed California State Assembly Bill 525 (AB 525) into law, requiring the California Energy Commission (CEC) to develop a strategic plan for offshore wind energy developments to be installed off the California coast in federal waters. Submission of the strategic plan is due, by statute, to the California Natural Resources Agency (CNRA) and State Legislature by June 30, 2023. Among other things, the Strategic Plan will address issues that could potentially impact the City of Morro Bay, including recommendations to upgrade ports and other infrastructure required to support the offshore wind energy; transmission investments and upgrades to deliver offshore wind generated electricity; planning, permitting and potential impacts on coastal resources, fisheries, Native American and Indigenous peoples, as well as strategies for addressing those potential impacts.

- In July 2022, Governor Newsom announced a plan to reach California's goal of carbon neutrality by 2045, with a goal of deploying 20 gigawatts (GW) of offshore wind by 2045. On February 22, 2023, California signed onto a 13-state Federal State Offshore Wind Implementation Partnership designed to fast-track efforts to bring cleaner and cheaper energy to Americans, create good paying jobs and build an American Supply chain for offshore wind.

- The U.S. Bureau of Offshore Energy Management (BOEM) held an offshore wind energy lease sale on December 6-7, 2022, for areas on the Outer Continental Shelf off central and northern California. The provisional winners and high bids for each of the five lease areas are shown here: https://www.boem.gov/sites/default/files/images/ca_wind_auction_winners.jpg

- On March 29, 2023, the U.S. Department of Energy released its Offshore Wind Energy Strategy, a comprehensive summary of the Department's efforts to meet President Biden's goal to deploy 30 GW of offshore wind energy by 2030 and set the nation on a pathway to 110 GW or more by 2050. The Department's strategy outlines how DOE will support the Biden Administration's approach to accelerate the deployment of offshore wind in support of achieving a carbon-free electricity sector by 2035.

- The California Energy Commission (CEC) is engaged in a range of initiatives to better understand the opportunities and actions for deploying floating offshore wind responsibly off the coast of California, including the creation of the California Offshore Wind Energy Gateway, an intergovernmental renewable energy task force. The CEC is also actively collaborating with state agencies, including the California Coastal Commission, California State Lands Commission, California Department of Fish and Wildlife, California Public Utilities Commission and others.

- There are two bills related to offshore wind currently moving through the California State legislature.
    - AB 3 (Offshore Wind Advancement Act) would require studies and reports on seaport readiness for offshore wind energy development and feasibility of achieving 70% and 85% in-state assembly and manufacturing of offshore wind energy projects.
    - AB 80 (Offshore Wind Coastal Protection Act) would require the Ocean Protection Council (which establishes policies to coordinate the collection, evaluation, and sharing of scientific data related to coastal and ocean resources among agencies) to establish a West Coast Offshore Wind Science Entity for the purpose of ensuring that

comprehensive baseline monitoring of the California ocean ecosystem as well as targeted research are available and used to inform state and federal decisions, as well as state the intent of the California Legislature to enact future legislation to create the Offshore Wind Coastal Compensation Fund for purposes of mitigating the impacts of the deployment of offshore wind infrastructure in California on the tourism industry, marine and other coastal wildlife, the fishing industry, and other entities, funding costs associated with the future decommissioning of obsolete offshore wind infrastructure, and providing funding to marine life sanctuaries, federally recognized tribes, cities, and counties.

CONCLUSION

The proposed resolution would provide for regular Council updates on offshore wind energy legislation and development, request participation in local, state and federal meetings regarding offshore wind energy legislation and development, and request notification and updates on pending state and federal legislation related to offshore wind development off the Central California Coast.

The two other proposed Council actions for consideration would authorize attendance of the Council Sub-Committee on Offshore Wind Energy to attend the Pacific Offshore Wind Summit in Sacramento, CA on May 8 – 10, 2023 and authorize the Mayor to send correspondence on behalf of the Council expressing the desires of Resolution 20-23.

ATTACHMENT

1. Resolution No. 20-23

RESOLUTION NO. 20-23

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MORRO BAY, CALIFORNIA PROVIDING FOR REGULAR COUNCIL UPDATES ON OFFSHORE WIND ENERGY LEGISLATION AND DEVELOPMENT; REQUESTING PARTICIPATION IN LOCAL, STATE AND FEDERAL MEETINGS REGARDING OFFSHORE WIND ENERGY LEGISLATION AND DEVELOPMENT; AND, REQUESTING NOTIFICATION AND UPDATES ON PENDING STATE AND FEDERAL LEGISLATION RELATED TO OFFSHORE WIND DEVELOPMENT

THE CITY COUNCIL
City of Morro Bay, California

WHEREAS, water and coastal-dependent commercial activities are the economic and cultural heart of many coastal communities; and

WHEREAS, water and coastal-dependent commercial activities that depend on coastal access include, but are not limited to, commercial and recreational fishing, seafood processing, mariculture and aquaculture, boating, boat hauling and repair, marine construction, and tourism; and

WHEREAS, the City of Morro Bay is uniquely located and situated to capitalize on the waters of Morro Bay and the adjacent Pacific Ocean; and

WHEREAS, the Morro Bay estuary is a national and state treasure, a vital ecological resource whose health affects our health and the vibrancy of our community and economy; and

WHEREAS, the City of Morro Bay has a responsibility to protect this vital resource to improve our quality of life and that of the generations to come; and

WHEREAS, successful offshore wind energy infrastructure development in California requires broad stakeholder and local community support; and

WHEREAS, legislation has been introduced that would accelerate the approval, implementation, and operation of offshore wind energy projects, and it is anticipated similar legislation will be introduced in the future; and

WHEREAS, the City of Morro Bay recognizes the importance of remaining actively engaged in discussions and decision-making process related to offshore wind energy, including encouraging industrial representatives to meaningfully engage the commercial and recreational fishing industries to address impacts of offshore wind development; and

WHEREAS, the City of Morro Bay will be impacted by the development of offshore wind energy off the central California coast and has an interest in being included in all meetings and discussions regarding offshore wind energy legislation and development and ensuring appropriate representation of stakeholders.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Morro Bay, California, as follows:

1. **Updates.**
   The City Council of the City of Morro Bay directs the City Manager to provide regular and timely updates to the City Council on pending offshore wind project legislation at the State and federal level, including, but not limited to, California Assembly Bill 3

(Offshore Wind Advancement Act) and California Assembly Bill 80 (Offshore Wind Coastal Protection Act); and

2. **Meetings.**
    a. The City Council authorizes City Officials (the Mayor, City Manager, the Council Sub-Committee on Offshore Wind Energy, or their designee(s)) to attend meetings, committee hearings, and all related events concerning both legislation regarding, as well as potential/actual development of, offshore wind energy projects off of the Central California coast, to ensure a "place at the table" for the community and residents of the City of Morro Bay as well as the commercial fishing industry, and subsequently to provide status updates to the full City Council on offshore wind development that may impact the residents and community of the City of Morro Bay as well as the commercial fishing industry.
    b. To this end the Mayor and the City Manager are hereby authorized to request such attendance at these events through correspondence and communications on behalf of the Council; and

3. **Notices.**
    a. The City Council respectfully requests henceforth:
        i. timely notification from all relevant local, state and federal authorities, of upcoming meetings, deliberations, and actions as they become known to such authorities, concerning legislation regarding, or potential/actual development of, offshore wind energy projects off of the Central California coast, and
        ii. regular updates from all local, state or federal legislative committees involved with offshore wind energy, specifically the Select Committee on Offshore Wind Energy and the Joint Committee on Fisheries and Aquaculture, concerning legislation regarding, or potential/actual development of, such offshore wind energy projects.
    b. To this end the Mayor and the City Manager are hereby authorized to request such notifications through correspondence and communications on behalf of the Council from the appropriate authorities.

PASSED AND ADOPTED by the City Council of the City of Morro Bay at a regular meeting thereof held on the 11th day of April 2023 on the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:
RECUSED:

_____
CARLA WIXOM, Mayor

ATTEST:

_____
DANA SWANSON, City Clerk

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AGENDA NO:	**A-6**
MEETING DATE:	**April 11, 2023**

A PROCLAMATION OF THE CITY COUNCIL OF THE CITY OF MORRO BAY, CALIFORNIA DECLARING APRIL 22, 2023 AS ARBOR DAY

THE CITY COUNCIL
City of Morro Bay, California

WHEREAS, in 1872 J. Sterling Morton proposed to the Nebraska Board of Agriculture that a special day be set aside for the planting of trees; and

WHEREAS, this holiday, called Arbor Day, was first observed with the planting of more than a million trees in Nebraska; and

WHEREAS, Arbor Day is now observed throughout the nation and the world; and

WHEREAS, trees can reduce the erosion of our precious topsoil by wind and water, cut heating and cooling costs, moderate the temperature, clean the air, produce oxygen, and provide habitat for wildlife; and

WHEREAS, trees are a renewable resource giving us paper, wood for our homes, fuel for our fires, and countless other wood products; and

WHEREAS, trees in our city increase property values, enhance the economic vitality of business areas, and beautify our community; and

WHEREAS, trees, wherever they are planted, are a source of joy and spiritual renewal; and

WHEREAS, Morro Bay has been recognized for the past twenty-six (26) years as a Tree City USA by the National Arbor Day Foundation and desires to continue its tree-planting ways.

NOW, THEREFORE BE IT RESOLVED, that the Morro Bay City Council does hereby proclaim April 22, 2023, as ARBOR DAY in the City of Morro Bay, and urges all citizens to support efforts to protect our trees and forests and encourage them to continue their planting ways.

IN WITNESS WHEREOF, I have hereunto set my hand and caused the seal of the City of Morro Bay to be affixed this 11th day of April, 2023.

_____
CARLA WIXOM, MAYOR
City of Morro Bay, California

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AGENDA NO: A-7

MEETING DATE: April 11, 2023

A PROCLAMATION OF THE CITY COUNCIL
OF THE CITY OF MORRO BAY, CALIFORNIA
DECLARING APRIL 2023 AS SEXUAL ASSAULT ACTION MONTH

THE CITY COUNCIL
City of Morro Bay, California

WHEREAS, Sexual Assault Action Month calls attention to the fact that sexual and intimate partner violence is widespread and impacts every person in Morro Bay; and

WHEREAS, RISE and Stand Strong officially merged on July 1st, 2021 to form Lumina Alliance, an agency that serves survivors of sexual and intimate partner violence throughout all of San Luis Obispo County; and

WHEREAS, although progress has been made toward preventing and ending sexual violence and providing support to survivors and their families, important work remains to be done; and

WHEREAS, there is a need to focus on the individualized needs of sexual violence survivors;

WHEREAS, the marginalization of certain groups in society, including undocumented individuals, transgender individuals, and those living with disabilities, increases their vulnerability to sexual violence; and

WHEREAS, LUMINA ALLIANCE continues to provide a safe environment to those affected by sexual violence with crisis intervention, counseling, education, and emergency safe housing, with the help of dedicated volunteers and professionals; and

WHEREAS, LUMINA ALLIANCE provided services to 1,472 people in 2022, including answering 2,440 calls from the crisis line, and provided 417 survivors with more than 6,200 therapy hours; and

WHEREAS, LUMINA ALLIANCE encourages the community to recognize our collective power to create a culture that simultaneously supports survivors and nurtures a world where everyone can live free from violence.

WHEREAS, the City of Morro Bay strongly supports the efforts of LUMINA ALLIANCE, how every segment of our society can work together to better address sexual violence, and how to help survivors connect with services.

NOW, THEREFORE BE IT RESOLVED, the Morro Bay City Council recognizes the important work done by sexual violence programs, do hereby proclaim the month of April to be National Sexual Assault Action Month.

IN WITNESS WHEREOF, I have hereunto set my hand and caused the seal of the City of Morro Bay to be affixed this 11th day of April 2023.

_____
CARLA WIXOM, MAYOR
City of Morro Bay, California

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AGENDA NO: B-1

MEETING DATE: April 11, 2023

Staff Report

TO: **Honorable Mayor and City Council** **DATE: April 5, 2023**

FROM: **Nancy Hubbard, Contract Planner**

SUBJECT: **Two "Cross-Appeals" Filed for Single-Family Home Approval of Coastal Development Permit CDP22-025 at 2440 Laurel Avenue; Design Conditions. Cross-Appeals Filed by Permit Applicant at 2440 Laurel Avenue (Murphy) and Site Neighbor at 2403 Nutmeg Avenue (Metzger)**

RECOMMENDATION

Staff recommends the City Council adopt Resolution No. 21-23, denying both appeals and upholding the Planning Commission approval of the Coastal Development Permit CDP22-025 for removal of a dwelling and construction of a proposed new home in the R-1/S.2 Zoning District and Overlay located at 2440 Laurel Avenue.

ALTERNATIVES

1. Deny the Metzger appeal and uphold the Murphy appeal approving the Project as originally permitted through the administrative process pursuant to the findings and conditions of approval included in the CDP22-025 permit.
2. Deny both appeals and send the project back to Planning Commission with direction from City Council.
3. Deny Murphy appeal and uphold the Metzger appeal and direct staff to return to City Council with a resolution reflective of this action.

FIRST APPELLANT: Tina Metzger, 2403 Nutmeg Ave.

SECOND APPELLANT AND APPLICANT: Michael Murphy, 2440 Laurel Ave.

LEGAL DESCRIPTION/APN OF SUBJECT PROPERTY: 2440 LAUREL AVE/ 068-275-028.

01181.0005/718458.3

Prepared By: __NH_____	**Dept Review: __SG____**
City Manager Review: __GC_____	**City Attorney Review: ___LNL___**

SUMMARY OF PROJECT ADMINISTRATIVE APPROVAL & ISSUES FOR COUNCIL:

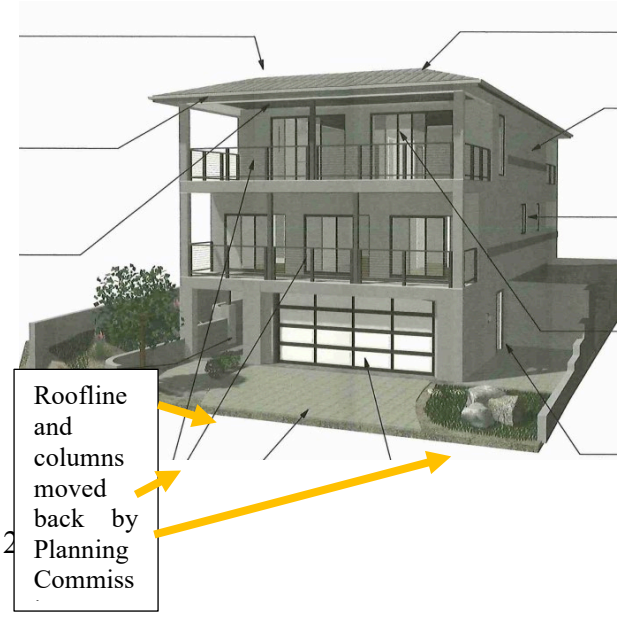
On December 10, 2022, an administrative approval was granted for a Coastal Development Permit for demolition of an existing small home, and subsequent construction of a new home on a residentially zoned parcel at 2440 Laurel Avenue. The project complied with the legal noticing process and all the development standards of the zoning district. Planning staff reviewed the project related to the Residential Design Guidelines and neighborhood compatibility criteria and determined that the project was in compliance with the intent of those guidelines. (See Exhibit E.)

After administrative approval of the project, a neighbor (Metzger, at 2403 Nutmeg Ave.) appealed the development project approval to the Planning Commission on the basis of Residential Design Guidelines. On that appeal, the Planning Commission imposed certain conditions on the project as related to Residential Design Guidelines pertaining to mass and scale (in particular, the "shortening" of second-story roof overhand).

Now, both parties (Murphy, as applicant) and the neighbor (Metzger) have both appealed the Planning Commission determination. Essentially, the Metzger appeal raises further Residential Design Guidelines, and the applicant/Murphy appeal seeks a return to the originally-approved administrative permit. This is a public hearing that the Council reviews *de novo*—meaning that the Council can consider applicable design and zoning standards anew and is not beholden to lower determinations. However, action taken by the Council *is* beholden to the City's design and zoning standards (i.e., the Council's discretion is bound to adopted standards and cannot be exercised in an unfettered manner).

SUMMARY OF PLANNING COMMISSION APPEAL HEARING (FEBRUARY 7, 2023)

Planning Commission held a public hearing to discuss an appeal filed by Metzger, the neighbor behind and one home south of the proposed new home. Metzger filed an appeal of the project on December 20, 2022, stating that the project did not meet the Residential Design Guidelines related to mass and scale, amongst a list of other complaints primarily related to the neighborhood compatibility. The Planning Commission thoughtfully considered and discussed the appeal grounds and the project in general, recognizing that many of the stated concerns of the neighbor-appellant (Metzger) and from public comment related to a concern for loss of view of the ocean and coastline. In an attempt to reach a compromise between the



appellant and the applicant, the Planning Commission discussed in detail five design changes proposed by the appellant that "would make all the difference in the world to her and the neighbors." This list was not part of the appeal documentation but was provided as correspondence by the appellant after release of the Planning Commission staff report. (See Page 50 of Exhibit D.) Several of the items were discussed, but not considered because they created restrictions on this proposed home that were not supported by the zoning code, modifications that conflict with California State Law (related to residential solar requirement) or were specifically related to changes that deny the development rights of the applicant in order to protect the views of the neighbors. The Planning Commission settled on two conditions, (1) to require an alternate color or materials on the garage level of the building, and (2) requiring the roofline that provided shade protection for the upper-level balcony to be pushed back 8 feet (the original 12-foot roof overhang was specifically designed to provide the occupant with sun protection). The Planning Commission made both conditions to address the perceived bulk and scale concerns pursuant to Residential Design Guidelines. The Planning Commission made a motion to deny the Metzger appeal and approve the project with the two new conditions. The Planning Commission approved the project with added conditions in a 5-0 vote.

SUMMARY OF METZGER'S APPEAL OF PLANNING COMMISSION DECISION ON 2/7/23:

Metzger filed the present appeal on February 16, 2023, to challenge the Planning Commission's February 7 denial of her previous appeal. Metzger stated grounds for appeal continue to focus on project compliance with the Residential Design Guidelines (see "Links" in Attachments), that the solar panels should be located on the flat portion of the roof and not the south facing roof edge and that they should be non-reflective and black in color, and finally, the project drawings need to show the sewer and drainage easements along the easterly property line.

Metzger's requested relief here is the same as the stated grounds in her original appeal, with the incorrect belief that the homes on the east side of Laurel Avenue have different development standards than all the other homes in the area and that the City height standard is 25 feet at the front of the property, not as stated in the zoning code: 25 feet from average natural grade. (See Attachment B for Metzger appeal.)

Staff Response: Public Works has confirmed that the sanitary sewer easement is on the adjacent property to the east, not on the subject property. There is no storm water easement, but there is a historic storm water drainage path that has been considered in the proposed development. The project is conditioned to address stormwater in Public Works condition #1 and #2. The project complies with the height requirement and all development standards of the zoning code. The proposed new home is not out of scale or more imposing than other homes in the neighborhood; in fact, it is compact and unlike many existing homes in the neighborhood, it has not used all of the developable area on the site (i.e., required side yard setbacks are 5 feet, the proposed home has a 7 foot setback on the north and 11 foot setback on the south, both are larger setbacks than most surrounding homes). And finally, the applicant offered to put the solar panels on the flat portion of the roof in the Planning Commission hearing, but the Planning Commission felt that they should be placed in the most

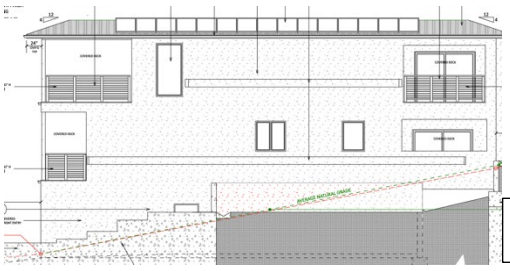
productive portion of the roof to meet the California solar requirements. Additionally, while solar panel glare may have been an issue many years ago, current panel designs include a nonreflective surface which improves panel efficiency while reducing glare.

SUMMARY OF MURPHY APPEAL OF PLANNING COMMISSION DECISION ON 2/7/23:

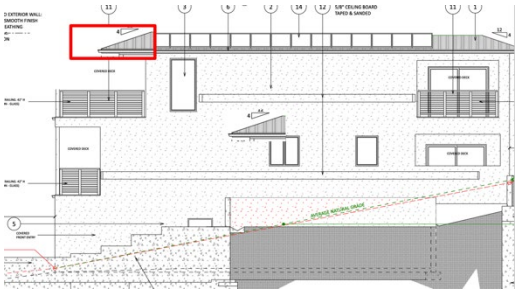
Murphy, the property owner and future occupant of the proposed new home, also filed an appeal on February 17, 2023, of the Planning Commission February 7 decision in which the Commission approved the project, but with added design changes. The Murphy stated grounds for appeal are (1) that he was not provided with a 5-minute closing statement as part of the public hearing, (2) that the Planning Commission arbitrarily decided to redesign his home without consideration of the intentional design to provide shaded balconies and shaded windows to accommodate his sensitivity to sun due to a skin cancer condition.

Murphy's requested relief here is to have the original permit (issued administratively on December 10, 2022) approved without any of the Commission's modifications in order to accommodate specific and necessary design features providing a more livable environment that will accommodate his disabilities well into the future.

Staff Response: Murphy objects that he was not afforded sufficient opportunity to comment on the Planning Commission's proposed changes nor offered the chance to provide closing comments. However, on this appeal, the City Council hears this matter *de* novo, meaning that the Council hears this matter "anew" and thus can provide Murphy with further opportunity now to offer any comments he felt he was unable to voice previously. Although it is not uncommon to request that a roof line be moved back to accentuate the 'stepped back' upper levels, it has been common practice to accept a 2-foot step back in each floor level to meet this criterion. The recently approved new zoning code changed that standard to a minimum 3-foot step back for 60% of the front façade for multi—story single family homes. (MBMC § 17.07.040 B.2.a). Murphy's home has a 6-foot step back on the level above the garage and a 12-foot step back on the upper level. Both levels have a balcony on the front face of the home, and both balconies are covered by the deck or roofline above. This design was intended to provide shelter from the sun, allowing Murphy to enjoy the view without detrimental health effects from the sun exposure an extended roofline that provides for a covered balcony is not uncommon in recently approved modern home designs. Below is a staff prepared illustration of the change to the roofline as a result of the Planning Commission condition to move the roofline back 8 feet.



Rough illustration of roof line change



While the design of the home meets the upper floor step back requirement noted above, the Planning Commission felt the effect of the step back was diminished because the roof covering the upper floor deck included support posts at the front edge of the building. The applicant provided an updated rendering of the proposed new residence because he felt that the previous one provided didn't adequately show the upper floor step backs.

REGULATORY REQUIREMENTS FOR APPEALS TO CITY COUNCIL

The function and duties of the City Council as the appellate body are to review the appeals, administrative record, and written correspondence received by staff and included in the staff report, and take the following actions:

A. Conduct a public hearing considering the concerns raised by the cross-appellants, and uphold or deny one or both appeals; and

B. If new evidence comes to light at the hearing that was not previously considered by staff or the Planning Commission that is relevant to the City Council decision related to the appeals, the Council *may* remand the matter back to Commission for further review and action.

In holding the public hearing, the Council shall conduct a de novo review, meaning that the Council shall consider the same application, plans and related materials that were the subject of the original decision, and is not required to give any deference to the original determination

of the administrative approval (i.e., the Council reviews this matter with “fresh” eyes).

ENVIRONMENTAL DETERMINATION

Pursuant to the California Environmental Quality Act, the project meets the requirements for a categorical exemption under CEQA Guidelines Section 15301, Class 1 for the demo of an existing home and Section 15303, Class 3a, for a new single-family home on a residentially zoned parcel. Additionally, none of the Categorical Exemption exceptions, noted under Section 15300.2, apply to the project.

PUBLIC NOTICE

Notice of this item was published in the San Luis Obispo Tribune newspaper on March 31, 2023, and all property owners of record within 500 feet of the subject site were notified of this evening’s public hearing and invited to voice any concerns on this appeal or related to the proposed project.

CONCLUSION

The City of Morro Bay’s processing of this application was thorough and in compliance with the requirements of the zoning code and land use designations. The design meets the neighborhood compatibility criteria, the Residential Design Guidelines and all the development standards of the zoning and land use district. The project was reviewed under the same development standards and process as has been applied to all the other homes in the immediate neighborhood since the late 1960’s. The Residential Design Guidelines were incorporated into the planning review process in 2015 and has also been applied to all other new homes proposed since that date. The Metzger appeal appears to be based on a concern that she will lose some of her view of the ocean and coastline. The applicant has voluntarily taken many measures to try to provide Metzger with information to better inform her of the actual height and location of the proposed home relative to her views from her upper deck and windows. City policy does not protect private views, but rather provides consistent development standards applicable to all homes within the same zoning district.

Staff recommends that the City Council deny both appeals and uphold the Planning Commission approval of the Coastal Development Permit CDP22-025 with the added conditions. However, the Council may take alternate measures—such as denying one appeal and upholding the other or remanding this back to the Planning Commission—in which case staff will take direction from the Council and return the matter at a future meeting with an appropriate resolution reflecting Council direction and any necessary findings.

ATTACHMENTS

1. Exhibit A: Resolution No. 21-23 (Deny both appeals and uphold the Planning Commission approval of the project with added conditions)
2. Exhibit B: Metzger appeal filed February 16, 2023
3. Exhibit C: Murphy appeal filed February 17, 2023
4. Exhibit D: Planning Commission Appeal staff report and Resolution from February 7, 2023, hearing.
5. Exhibit E: CDP22-025 Original Permit issued December 10, 2022

Weblink

1. Morro Bay Residential Design Guidelines
   https://www.morrobayca.gov/DocumentCenter/View/11765/Final-City-of-MB-Design-Guidelines-CC-7_14_15

RESOLUTION NO. 21-23

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MORRO BAY, CALIFORNIA, TO DENY THE APPEAL OF THE PLANNING COMMISSION APPROVAL OF COASTAL DEVELOPMENT PERMIT #CDP22-025 FOR REMOVAL OF A DWELLING AND CONSTRUCTION OF A PROPOSED NEW HOME LOCATED IN THE R-1/S.2 ZONING DISTRICT AND OVERLAY LOCATED AT 2440 LAUREL AVE

T H E C I T Y C O U N C I L
City of Morro Bay, California

WHEREAS, the Planning Commission of the City of Morro Bay (the "City") conducted a public hearing on February 7, 2023 at the Morro Bay Veterans Memorial Building at 209 Surf Street, Morro Bay, CA as well as through virtual public participation provided telephonically through Zoom, for the purpose of considering appeal of an administrative Coastal Development Permit (CPD22-025) for demo of an existing home and construction of a new home at 2440 Laurel Ave ("Project") ; and

WHEREAS, The Planning Commission denied the appeal and upheld the administrative approval of Coastal Development Permit No. CDP22-025 with additional conditions; and

WHEREAS, Ms. Tina Metzger filed an appeal on February 16, 2023, of the Planning Commission February 7, 2023, decision to deny her previous appeal and uphold the approval of CDP22-025 with added conditions; and

WHEREAS, Mr. Michael Murphy (property owner/applicant) filed a cross-appeal on February 17, 2023, of the Planning Commission February 7, 2023, decision to approve CDP22-025 with added conditions; and

WHEREAS, the City Council of the City of Morro Bay conducted a public hearing on April 11, 2023, for the purpose of considering both appeals of the Planning Commission February 7, 2023, approval of Coastal Development Permit #CDP22-025 with added conditions; and

WHEREAS, notice of the public hearing was provided at the time and in the manner required by law; and

WHEREAS, the City Council has duly considered all evidence, including the testimony of the appellant, applicant, interested parties, and the evaluation and recommendations by staff, presented at said hearing.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Morro Bay as follows:

Section 1: Findings**.** Based upon all the evidence, the Council makes the following findings:

California Environmental Quality Act (CEQA)

For purposes of the California Environmental Quality Act, the project meets the requirements for a categorical exemption under CEQA Guidelines Section 15301, Class 1 for the demo of an existing home and Section 15303, Class 3a, for a new single-family home on a residentially zoned parcel. Additionally, none of the Categorical Exemption exceptions, noted under Section 15300.2, apply to the project.

Coastal Development Permit Findings

1. The City Council finds that the project is consistent with applicable provisions of the Local Coastal Program and Chapter 3 of the California Coastal Act for a new single-family home and removal of the existing residential dwelling unit.

2. The City Council finds the project, as conditioned, is consistent with the character of the neighborhood in which it is located. The project is surrounded by compatible uses of moderate density residential development built over the past six decades. New homes are reviewed for conformance with objective and subjective standards included in the Residential Design Guidelines, adopted in 2015. Changes to the front face of a proposed home in order to meet the Residential Design Guidelines 'perceived bulk and scale of the project' are not uncommonly applied. Application of this provision does not apply to homes that pre-date the 2015 adoption of the Residential Design Guidelines.

3. The findings and conclusions herein are further supported by all findings of fact presented at the City Council hearing, including without limitation those facts stated in the accompanying staff report, exhibits, and public and appellant comments; all of which evidence is incorporated herein by this reference.

Section 2: Action. The City Council does hereby deny both appeals and upholds the Planning Commission decision to approve the Coastal Development Permit CDP22-025 with added conditions.

PASSED AND ADOPTED by the City Council of the City of Morro Bay at a regular meeting thereof held on this 11th day of April 2023 on the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:
RECUSE:

_____
CARLA WIXOM, Mayor

ATTEST

_____
DANA SWANSON, City Clerk

CITY OF MORRO BAY

APPEAL FORM

Community Development Department
Planning Division

955 Shasta Avenue
Morro Bay, CA 93442
(805) 772-6261

In CCC Appeals Jurisdiction?

☐ YES – *No Fee*
☑ NO – *Fee Paid:* ☑ Yes ☐ No

Project Address being appealed: 2440 LAUREL AVENUE

Appeal from the decision or action of (governing body or City officer):

☐ Administrative Decision ☒ Planning Commission ☐ City Council

Appeal of action or specific condition of approval:
APPEAL OF PC DENIAL OF APPEAL FILED ON DEC. 20, 2022 OF CDP22-025 PERMIT ISSUED DEC. 10, 2022

Permit number and type being appealed (ie. coastal permit, use permit, tentative subdivision):
CDP22-025 ADMIN. COASTAL DEV. PERMIT

Date decision or action rendered: PC DENIAL of APPEAL FEB. 7, 2023

Grounds for the appeal (attach additional sheets as necessary):
PLEASE SEE ATTACHED SHEETS.

Requested relief or action:
PLEASE SEE ATTACHED SHEETS.

City of Morro Bay
FEB 16 2023
Rec'd City Hall

Appellant (please print):	Phone:
TINA METZGER	805-459-0454

Address: 2403 NUTMEG AVE.

MAILING ADDRESS: P.O. BOX 6239, LOS OSOS, CA 93412

Appellant Signature: Tina Metzger **Date:** 15 FEB. 2023

FOR OFFICE USE ONLY	
Accepted by: Dana Swanson	Date appeal filed: 2/16/23
Appeal body: City Council	Date of appeal hearing:

1

February 15, 2023

City Council
City of Morro Bay
955 Shasta Ave.
Morro Bay, CA 93442

RE: 2440 Laurel Ave. CDP22-025 - Appeal of Planning Commission Denial of Appeal of CDP22-025 Admin. Permit

Dear Mayor Wixom and Council Members:

The purpose of this letter is to provide details on the "Grounds for the Appeal" and "Requested Relief or Action" on the attached Appeal Form, concerning the Planning Commission denial of my Appeal concerning the Administrative Coastal Development Permit (CDP22-025) for the proposed demolition of the 1953 existing home and proposed construction of a new home ("the Project") at 2440 Laurel Avenue, Morro Bay.

In summary, the proposed Project is counter to the intent and spirit, and language of the **Morro Bay Residential Design Guidelines.** If this Project is built, the **Morro Bay Residential Design Guidelines** is a toothless City document, which apparently the Community Development Department can ignore at whim. The Project is a three-story industrial-looking building, with a useless five-foot wide back yard, in a neighborhood of predominately two-story homes with wider and usable back yards along the east side of Laurel Ave. (Please see attached photos of the model of the Project.)

Immediately adjacent homes to the Project have back yards that are 15 feet to 22 feet wide. The Project is an aberration in long-established neighborhood development standards along the east side of Laurel Avenue, in its bulk and mass, height at street level, roof line, lack of back yard area. The Project, drawn not by an architect, but by a contractor, and is more appropriate to an Industrial Zoned Area of town, not our Residential Single-Family neighborhood. Additionally, the Project unnecessarily blocks the coastline views of five properties, thereby greatly reducing the value of those properties and quality of life of the residents.

Grounds for the Appeal:

While the Planning Commission placed minor "added conditions of approval," which are a small improvement to the Project, the overall Project has not changed and continues to be vastly counter to the intent and spirit, and the language of the **Morro Bay Residential Design Guidelines.**

1.) The Council needs to use its power to improve the Project, per the **Residential Design Guidelines,** to fit into the neighborhood, by following the quoted **Guidelines** referred to in the body of this Appeal letter. The Project needs to go back to Planning staff, to work with the Applicant on a more appropriate residential design.

The Project is an ugly aberration in long-established neighborhood standards along the east side of Laurel Avenue. It is a three story, 4,365 square-foot shoe box shaped bulk and mass, 32 ft. height at street level, ugly mansard roof line, and lack of back yard area (Please see attached photos of the model of the Project.) The Project is a three-story industrial-looking building, that does not fit in with the other two-story homes along the east side of Laurel Avenue, and does not adhere to the Maximum Building Height Limit of 25 feet, *as the predominate typology at the street level* in the neighborhood.

2.) The Project needs to locate the solar panels on top of the flat roof inside the parapet at a two and twelve sloped racking system for safety and easier maintenance, according to Brian French, solar contractor, who has studied the Project drawings. The Project needs to require solid black solar panels, with non-reflective solar modules – all black on black, not silver frame white back sheet, according to Mr. French.

3.) The Applicant's Project drawings need to state the required sewer and drainage easement on the Project's property, which should be the 2 ½ feet all along the Project's south border to Laurel Avenue from the property directly above the Project on the east. The Applicant needs to account for this sewer and drainage easement through his property on the drawings; and shown by an opening in the south east corner in the proposed concrete wall at the rear of his property.

Requested Relief or Action:

1.) City Council to require Project solar panels to be located on top of the flat roof inside the parapet at two and twelve slope racking system for safety, and easier maintenance. The Project is to require solid black-on-black panels (not silver frame white back sheet), with **non-reflective solar modules.**

2.) City Council to require the Project accommodates the legally required sewer and drainage access easement on the Project's south border at 2 ½ feet wide, with an opening in the south east corner in the proposed concrete wall at the rear of Applicant's property.

3.) City Council to send Project back to Planning staff to work with the Applicant to require the Project fit in with the other homes along the east side of Laurel Avenue, and adhere to the Maximum Building Height of 25 feet at the street level, and following the City's **Residential Design Guidelines,** as stated below.

Design Guidelines: *A. Relationship to Homes in Immediate Neighborhood*

(Note: Quotes are directly from the Morro Bay Residential Design Guidelines.)

Design Guideline A.1. "The overall design should pay particular attention to the adjacent homes, while remaining visually compatible with the immediate neighborhood."

The proposed Project overall design is not visually compatible with the immediate neighborhood. The Project looks like a massive three-story shoe box (or commercial building) with a flat metal mansard top, including solar panels stuck all along the south side of the flat mansard top. The Project is very unattractive and does not fit in with the immediate neighborhood.

The immediate neighborhood is Laurel Avenue, between Avalon and Casitas Streets. The character of the immediate neighborhood is predominantly two-story homes all along the east side of Laurel, which is the same side of the street that the proposed three-story Project is on. The west side of Laurel Ave. character is multi-story homes with only one story visible from the street level.

The Project's overall design ignores the adjacent homes, and is incompatible with the immediate neighborhood.

Design Guidelines: *B. Scale and Mass* "Building scale refers to proportional relationship of a structure to structures next to it. Mass is basically the size of a structure. Proposed construction should be consistent with the overall pattern of perceived scale and mass in the surrounding neighborhood."

The size, mass and scale of the three-story 4,365 sq. ft. Project is much greater (higher and wider) than the homes along the east side of Laurel Ave., and is not compatible with the immediate neighborhood.

Design Guideline B.1. "Compatibility cannot be achieved merely by demonstrating other selected residences nearby may be similar in size or larger than the proposed Project, particularly if the selected examples are atypical of the neighborhood or at a distance from the proposed Project."

"The apparent size, scale, and mass of a proposed project can be affected by thoughtful design, appropriate siting on the lot, landscaping, and other factors as well as by the actual size of the residence."

The Project shows no thoughtful exterior design – it is a three-story rectangle box from front to back of lot, where the predominant neighborhood block pattern is two-story homes, with interesting roof lines, and attractive architecture.

Design Guidelines B.3. "Blocks where single-story houses or small two-story homes are the predominant block pattern, a second story may require special attention. Scale may be minimized by employing one or more of the following techniques."

Technique B.3.a. "Limit the house profile of the new home to an area generally consistent with the profiles of the existing homes."

Technique B.3.b. "Setting the second floor back from the front and sides of the first-story a distance sufficient to reduce apparent overall scale of the building."

Technique B.3.c. "Limit the size of the second-story relative to the first story."

The proposed Project does not incorporate any of these techniques.

Design Guidelines: *C. Surface Articulation*
"Residences should be designed with relief in building facades. Long unarticulated wall and roof planes should be avoided, especially on two-story elevations."

The Project has three stories of long unarticulated wall and roof planes, which is incompatible with the neighborhood. It is a huge rectangular box with a flat lid.

Design Guideline C.1. "Changes with the wall and roof planes can be accomplished when one of the forms is setback several feet . . . "

The Project has no changes in the roof plane, it is a flat mansard type roof for the entire building.

Design Guideline C.2. "Changes within the wall and roof planes can also be achieved through the use of various textures and materials."

The whole three-story building is stucco, with no use of various textures and materials.

Design Guidelines: *D. Building Orientation*

Design Guideline D.3. "Residences should be located on the lot in a similar manner as adjacent homes . . ."

The Project is located on its lot in a manner that is not similar with the adjacent homes. The Project is located all the way back to 5 ft. from the rear property line, with not back yard. The homes adjacent to the Project have back yards widths of 15 ft. to 22 ft. The Project should have a wider back yard, like the neighbors do.

Design Guideline D.4. "In cases where setbacks are similar in the neighborhood, new homes should match those of adjacent homes."

Again, the adjacent homes have back yard widths of 15 ft. to 22 ft. feet. The Project's back yard should be much wider than 5 ft. for fire suppression, air circulation, privacy and usability.

Design Guidelines: *G. Architectural Elements*
"The architectural elements of a building include openings, doors, windows, and architectural features such as roof elements, columns and dormers."

Design Guideline G.1. "Architectural elements within the design should be in proportion to the overall home design."

The Project has no architectural elements within the design, and is incompatible with the immediate neighborhood.

Design Guidelines: *I. Privacy – Minimize Privacy Intrusions on Adjacent Residences*

Design Guideline I.1. "In particular, window placement in the side wall of a home should be offset to avoid looking directly into a neighboring room."

The Project's third-floor master bedroom's floor-to ceiling-sliding glass door and balcony looks directly into my home master bedroom, living room and dining room. The Project's master bedroom sliding glass door and balcony is within feet of my master bedroom windows because of the very narrow 5 ft. rear yard. This very narrow back yard ruins my privacy and the use of my home. The Project needs to have a much wider rear yard than 5 feet from the property line. The immediate neighborhood homes have back yard widths of 19 ft. (Mills), 21 ft. (Phares), 19 ft. (McBride), 15 ft. (Metzger), 22 ft. (Lindholm), 15 ft. (Smith).

The Project's south side elevation shows a window with views directly into the spa tub area and spa room, to be seen from multiple residences. The adjacent residences do not want to look directly into the spa tub area and spa room.

Design Guideline I.2. "Decks and balconies should be designed and located with consideration given to privacy of adjoining properties."

The Project's master bedroom balcony looks directly into multiple neighbors' homes, and has not been designed with consideration given to the privacy of those properties.

Design Guidelines: *L. Solar Access*
"Solar panels and other roof mounted equipment can detract from the appearance of a home and appear obtrusive if not integrated into the design. The following policies should be considered when designing a solar system and when siting a home:"

L. Design Policy # 2. "For new homes, the roof should be designed to accommodate future solar energy and hot water systems taking into consideration orientation and slope."

The Project's roof has not taken into consideration orientation and roof slope. The Project's solar panels are tacked on the side of the metal mansard roof and are directed at the adjacent homes in an ugly and obnoxious manner.

L. Design Policy # 3. "Integrate the design of the equipment and panels into the design of the roof. Avoid a tacked-on appearance."

A tacked-on appearance of the solar panels is exactly what the Project's designer has done!

L. Design Policy # 4. "Non-glare and non-reflective type solar panels should be utilized where possible."

The Project's specifications need to state only non-glare and non-reflective type panels are to be installed.

Other Concerns:

1. The Project Design Drawings appear incomplete and not ready for approval for a Coastal Development Permit (Please see Guidelines above).

The Project Design Drawings:
A. Fail to show the Project's *spatial relationship* to the existing homes on properties immediately bordering the proposed Project.
B. The Project's anemic Landscape Plan does not show plant species.

2. My most serious concern is that **currently, in this neighborhood every house respects their neighbor's views to the coast, and this proposed Project blocks the views to the coast of five homes. This unnecessarily pits neighbor against neighbor.**

The proposed Project destroys the long-established (over 60 years), and consistently respected development history of our neighborhood, located on Laurel Avenue, between Avalon Street and Casitas Street, in the Morro del Mar Subdivision of Morro Bay. The Morro del Mar subdivision design standards (physical layout of the topography, streets, lots, height and width of homes, placement on site, etc.) were created to promote the fair and mutually beneficial protection of property rights and values, which include protection of our unique views from our neighborhood. Sixty years of development precedent are destroyed if this Project if built.

The proposed Project robs five surrounding properties of their coastline views, robs their property values, and essentially robs the quality of life of the property owners.

In summary, please send the Project back to planning, and require that the Project fit in with the neighborhood, as required by the MB Residential Design Guidelines, and adheres to the development history in the immediate neighborhood. Good community planning on many levels warrants not to grant the Administrative Coastal Development Permit until the above changes are made.

Sincerely,

Tina Metzger

Tina Metzger
2403 Nutmeg Avenue
Morro Bay, CA 93442

Attachments:

A. Photos of architectural model of Project, showing North, South, East, West Elevations. The South Elevation is the view I will have to look at the rest of my life if this Project is built.

B. Letter to Mayor Wixom and City Council from Connie and Mac McBride, property owners of 2441 Nutmeg Avenue, concerning their legal sewer and drainage access easement through Project property to Laurel Ave.

C. Morro Bay Municipal Code (1993) Chapter 17.40, Section 17.40.030 Standards, Page 444, stating, " . . . that areas with unique character and visual resources are preserved and protected . . ."

D. List of Neighborhood Supporters of Appeal to City Council;

E. Photos of two-story homes along east side of Laurel Avenue between Avalon and Casitas Streets showing neighborhood context with scale and height;

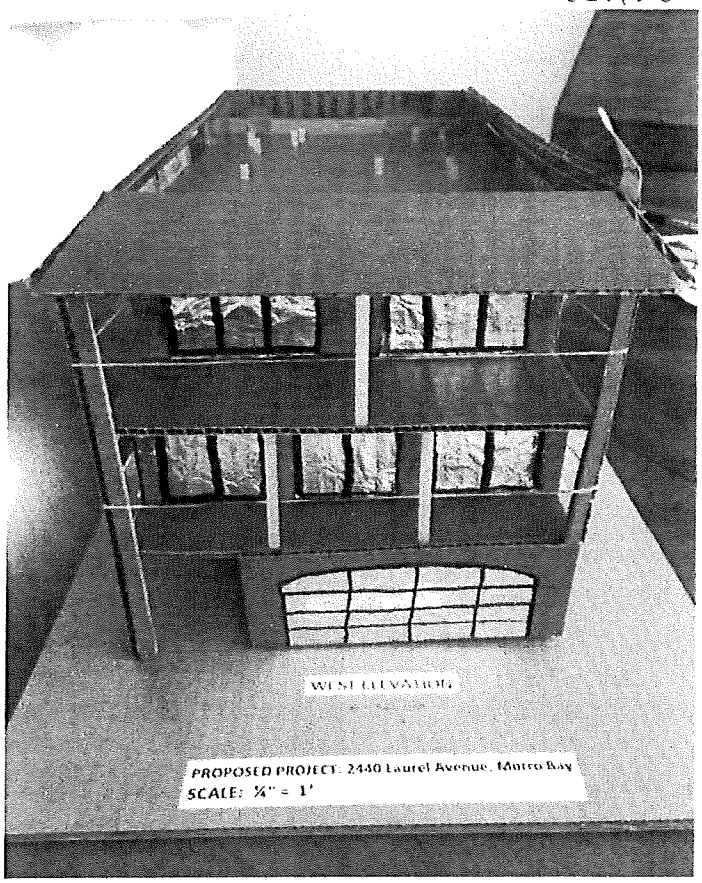
F. Photos of one-story homes all along west side of Laurel Avenue showing neighborhood scale and height;

G. Photos of back yards between Laurel Avenue and Nutmeg Avenue homes showing usable backyards;

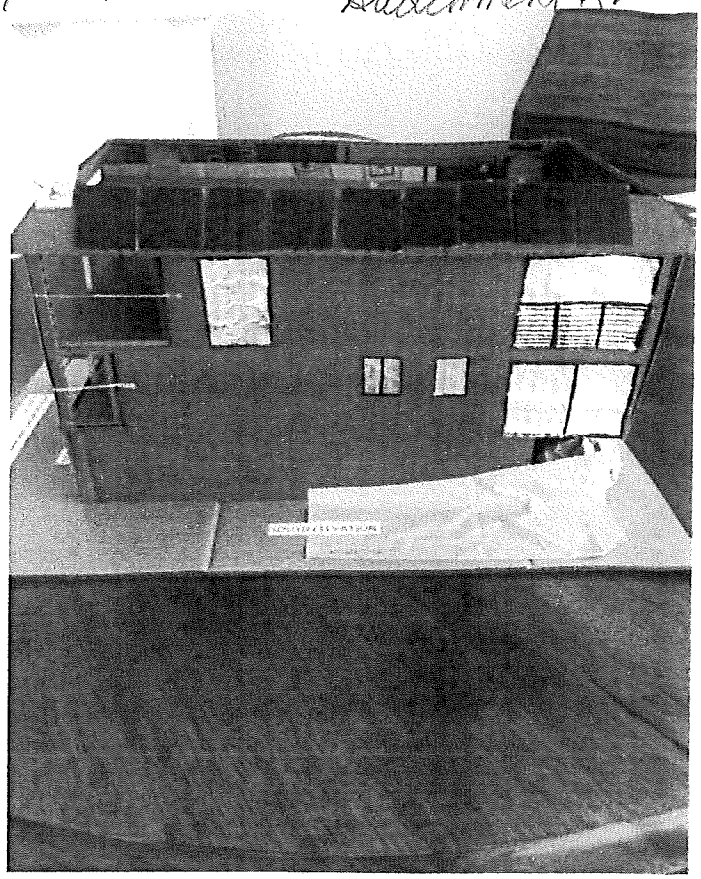
H. Public Comments, re: proposed CDP22-025, from neighbors to City Planner Nancy Hubbard, and Planning Commission, during Nov. 28 – present.

SCALE: ¼" = 1'

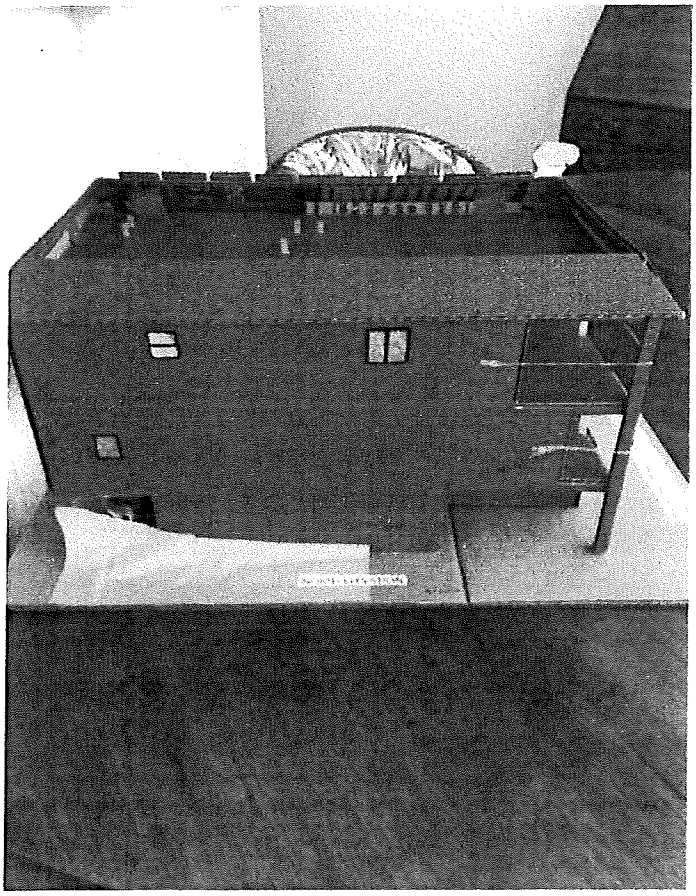
Attachment A.



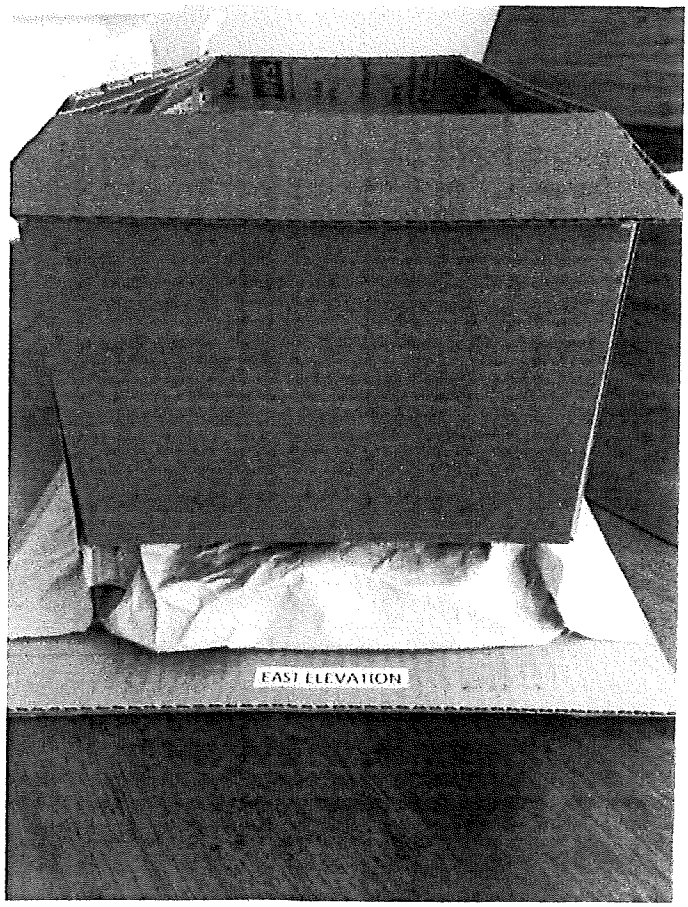
WEST ELEVATION



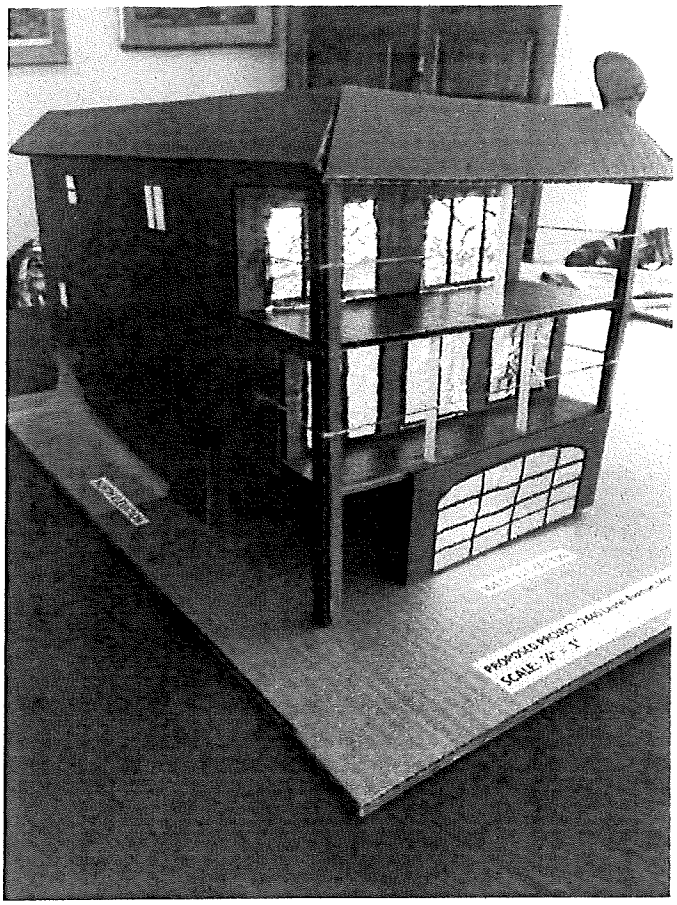
SOUTH ELEVATION

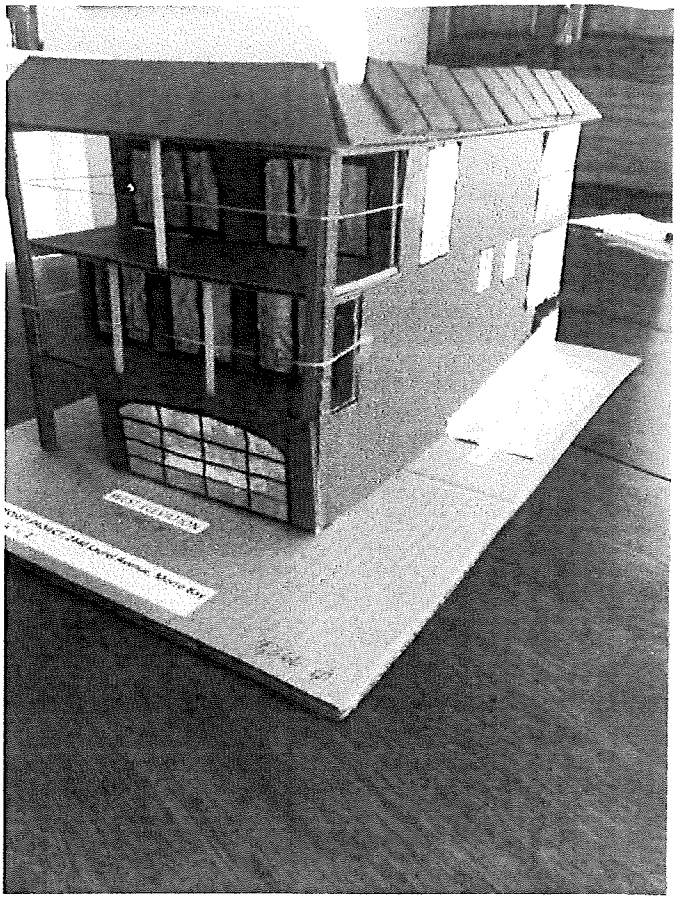


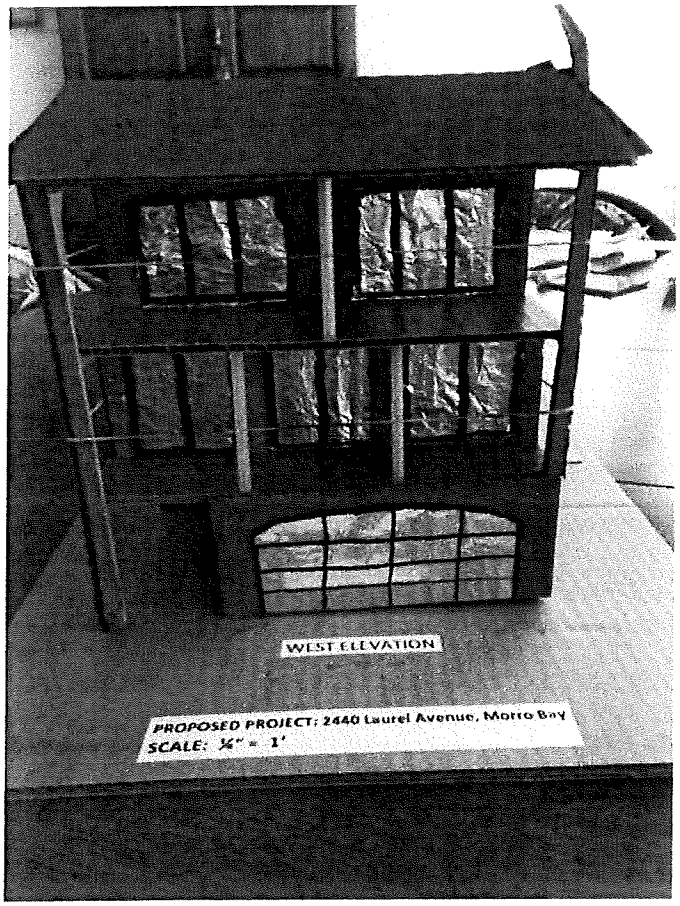
NORTH ELEVATION



EAST ELEVATION






WEST ELEVATION
PROPOSED PROJECT: 2440 Laurel Avenue, Morro Bay
SCALE: ¼" = 1'

Morro Bay Mayor Wixom and City Council Members:

The plans for the proposed construction directly below and adjacent to our Nutmeg Ave. home appear to completely block, with an 8 inch wide concrete wall, our sewer and water drainage access easement to Laurel Avenue.

All homes on the west side of Nutmeg Ave. in our block are assured through their Title Reports Deeds to have a sewer line, and water runoff, easement through the properties below them, to Laurel Avenue.

This is especially important in the event of another water main break like the one that we experienced years ago on Nutmeg Ave. Our sewer line to the sewer main on Laurel Ave. also traverses on the south 2 1/2 foot border of the proposed project property, according to our Deed.

Without drainage access, our home would be subject to severe foundation and lower level rooms damage and damage to adjacent properties on Nutmeg Ave. We also need access to our sewer line in the case of problems with our sewer pipe.

The size of this proposed three-story oversize house construction, plus the cement wall, block our sewer and water drainage system as it was designed. Not to mention completely blocking the coastal views from our living room and deck!

Please do not allow this planned project, which shows no regard for neighbors and which completely ignores our rights, to prevail.

Respectfully,

Connie & Mac McBride

2441 Nutmeg Ave, MB

7145 N. Rafael Ave, Fresno

//

Attachment C.

Chapter 17.40

SPECIAL TREATMENT COMBINING DISTRICTS

Sections:

17.40.010 Application of regulations.
17.40.020 Scope.
17.40.030 Standards.
17.40.040 Procedure.
17.40.050 Appeal to city council.

17.40.010 Application of regulations.

In any primary district which is combined with an "S," "M," or "MW" special treatment combining district, and in mixed-use areas where a primary and secondary district are combined, this chapter shall apply in addition to those uses and regulations specified for such districts; provided, however, in the event of a conflict with the regulations applicable, the provisions of this chapter shall govern. (Ord. 263 § 1 (part), 1984)

17.40.020 Scope.

The regulations in the special treatment combining districts are designed to provide maximum utilization of land by allowing for combinations of compatible uses under certain circumstances. Furthermore, these districts may be used to require special treatment or regulations such as the application of special design criteria including architectural, structural, physical and visual characteristics, for new development in unique areas of the city of Morro Bay. (Ord. 263 § 1 (part), 1984)

17.40.030 Standards.

In order that new development will occur, be developed in an orderly manner and will be in harmony with other structures and improvements in the area; that the maximum utilization of land may be permitted through the combination of compatible uses; and that areas with unique character and visual resources are preserved and protected, the following special treatment combining districts are established:

A. Special Building Site and Yard Width Requirements.

- S.1 District.

Minimum building site required, two thousand four hundred square feet.

Minimum lot width required at property line, forty feet. Minimum front yard required, ten feet. (Including garage entry setback.)

Minimum side yard required, three feet.

Minimum rear yard required, five feet.

Minimum off-street parking required, one garage or carport per unit.

Maximum lot coverage permitted, fifty percent.

- S.2 District.

Minimum building site required, four thousand square feet.

Minimum lot width required at property line, forty feet. Minimum front yard required, fifteen feet. (Including garage entry setback.)

Minimum side yard required, ten percent of the width of the lot, to a maximum of five feet.

Minimum rear yard, five feet.

Maximum lot coverage permitted, fifty percent.

Less than three thousand five hundred square feet lot area, one-car garage permitted.

- S.2.A District.

The purpose of this suffix is to preserve the existing character of physical development in the area within the jurisdiction of the city, west of State Highway One; north of Azure Street. Where this suffix fails to specify the location and type of development permitted, the existing R-1 classificiation shall be deemed to contain the applicable definitions and specifications.

Source: MB Municipal Code 1993

Attachment D.

LIST OF SUPPORTERS OF THIS APPEAL TO THE CITY COUNCIL

MARY JO DESIO, 2525 LAUREL AVENUE, MB

NICK & JORDAN JERKOVICH, 2460 LAUREL AVENUE, MB

RON AND BRIDGETT KESSLING, 2480 NUTMEG AVENUE, MB

JANE WOODCOCK, ATTORNEY, 2440 NUTMEG AVENUE, MB

CAROLYN PHARES, 2461 NUTMEG AVENUE, MB

CONNIE AND MAC MCBRIDE, 2441 NUTMEG AVENUE, MB

RON AND JAN SMITH, 2399 NUTMEG AVENUE, MB

ROBERT BETZNER, 2463 NUTMEG AVENUE, MB

KAREN AND BART BECKMAN, 2525 NUTMEG AVENUE, MB

BILL AND JAMI TODD, 2349 NUTMEG AVENUE, MB

SHERIE TENNANT, 2398 NUTMEG AVENUE, MB

PAMELA ARSENAULT, 2400 NUTMEG AVENUE, MB

APRIL SANCHEZ, 2461 NUTMEG AVENUE, MB

KATHLEEN LYNDAL, 2349 NUTMEG AVENUE, MB

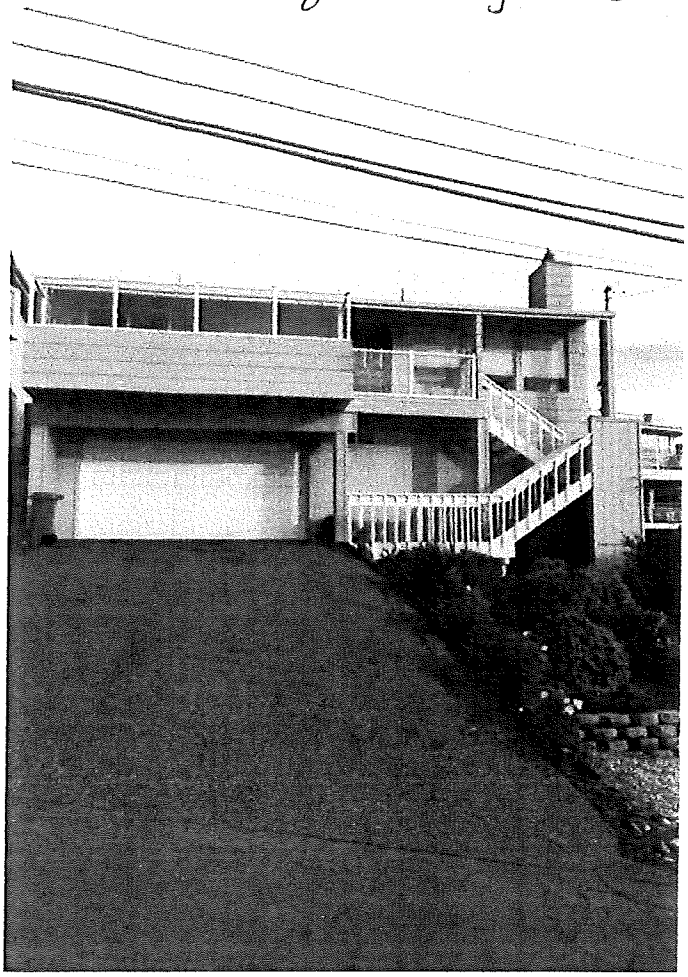
RICHARD GONZALES, 2420 NUTMEG AVENUE, MB

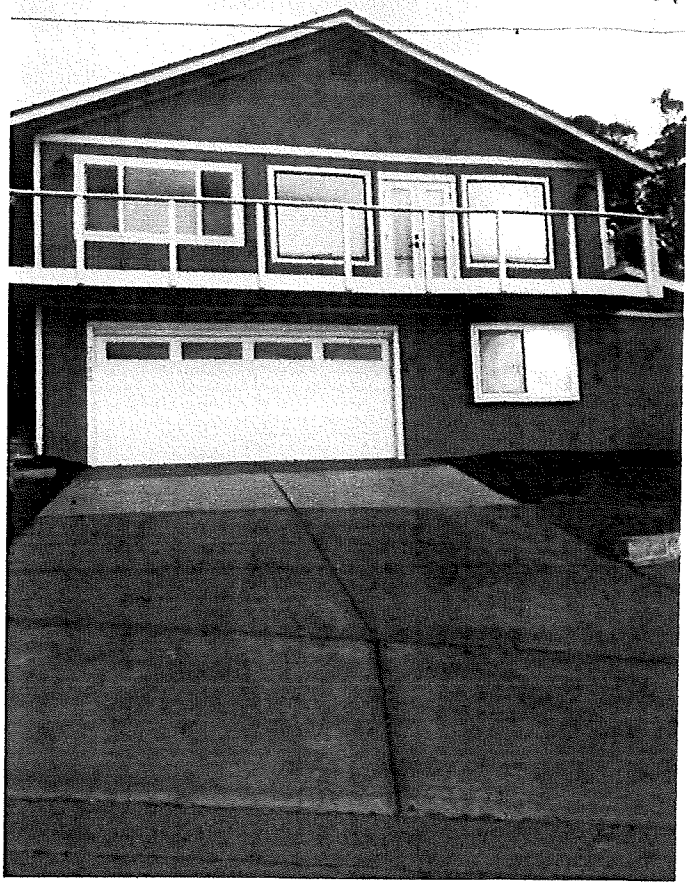
BENJAMIN MILLS, 2461 NUTMEG AVENUE, MB

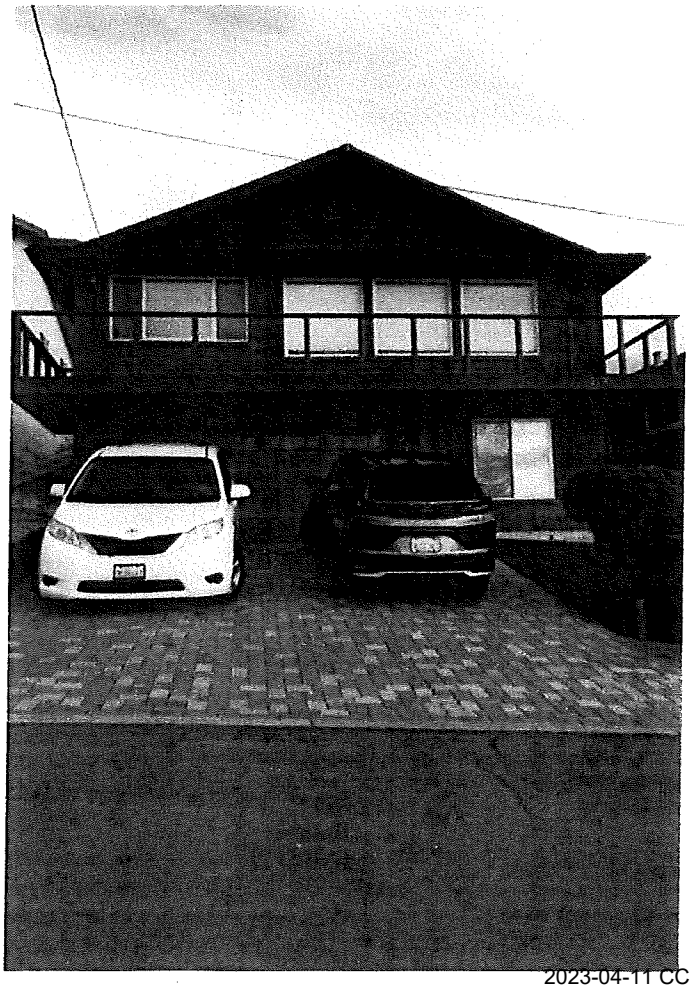
SUZANNE ABRAMS, 2491 NUTMEG AVENUE, MB

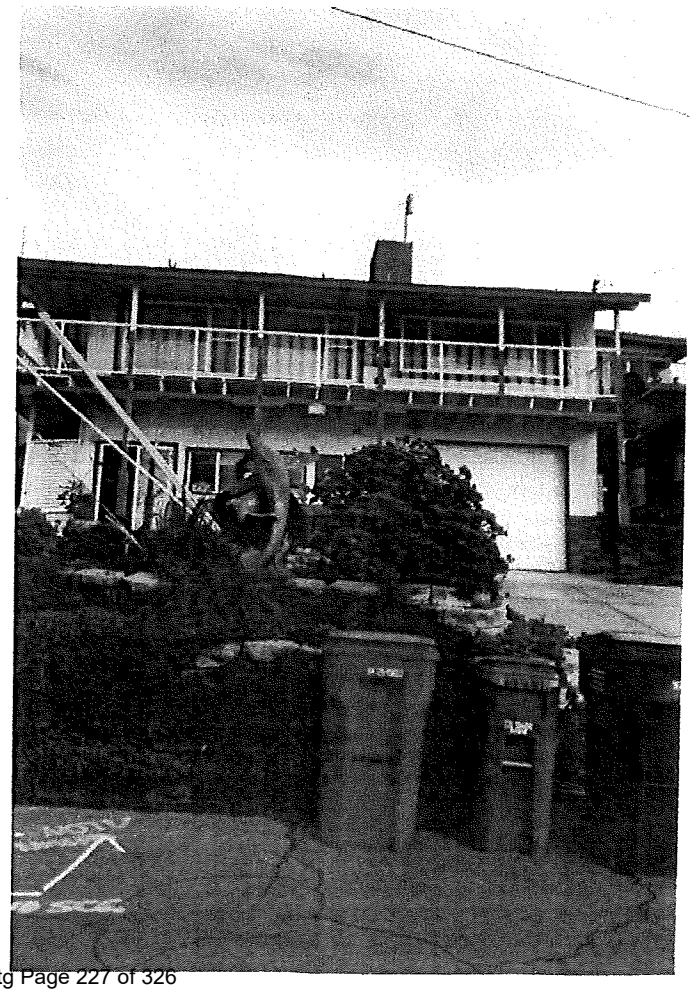
Photos of two-story homes along east side of Laurel, between Avalon + Casita

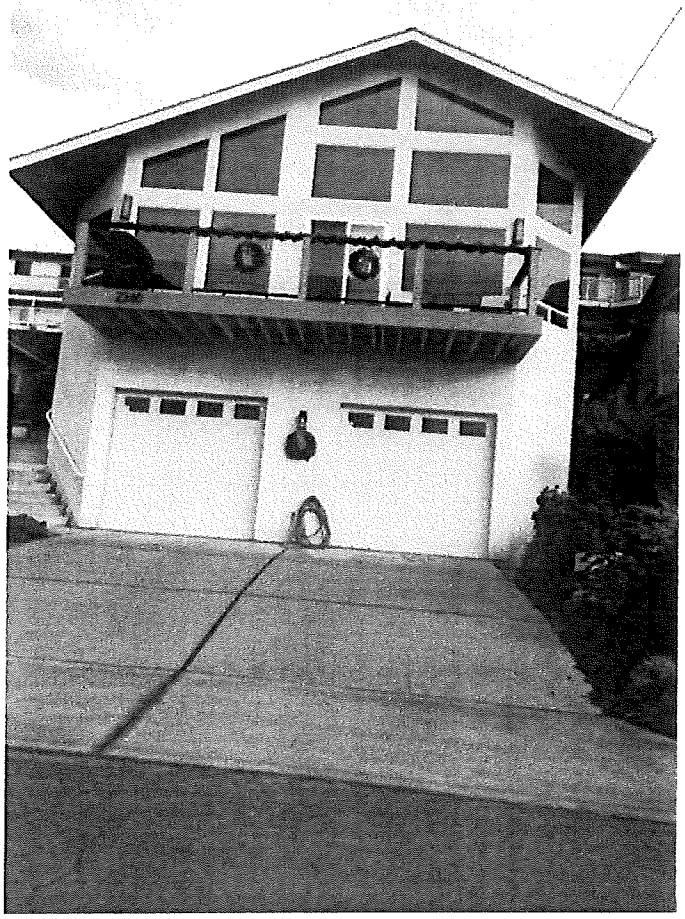
Attachment E.

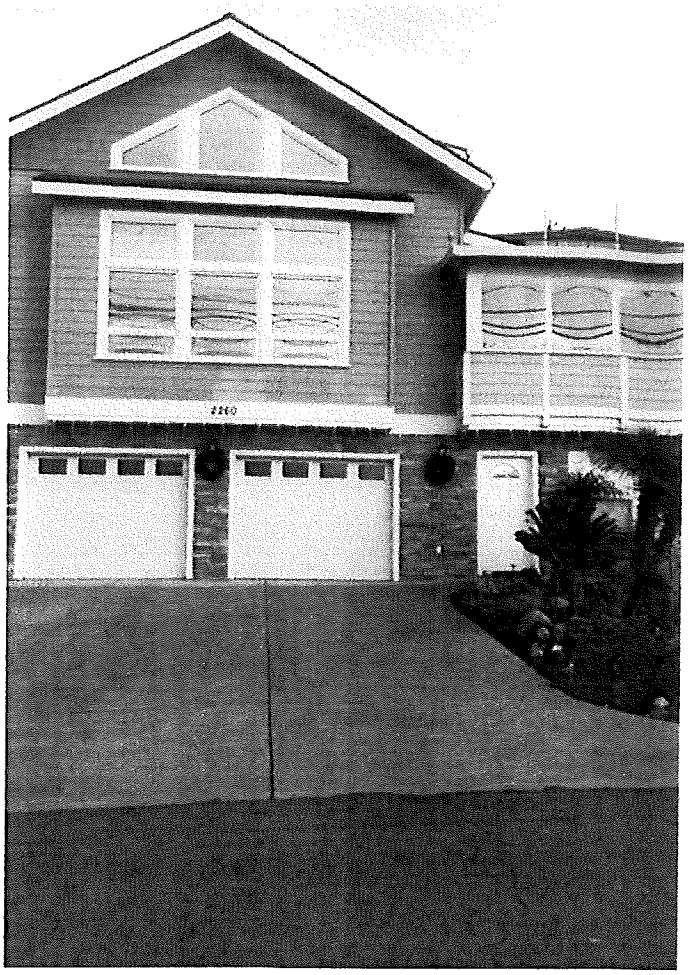


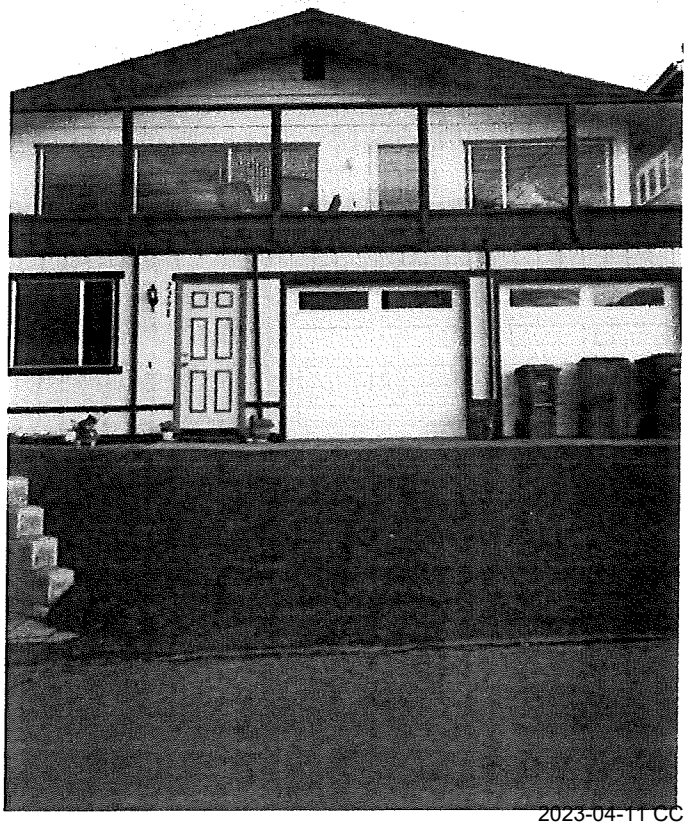


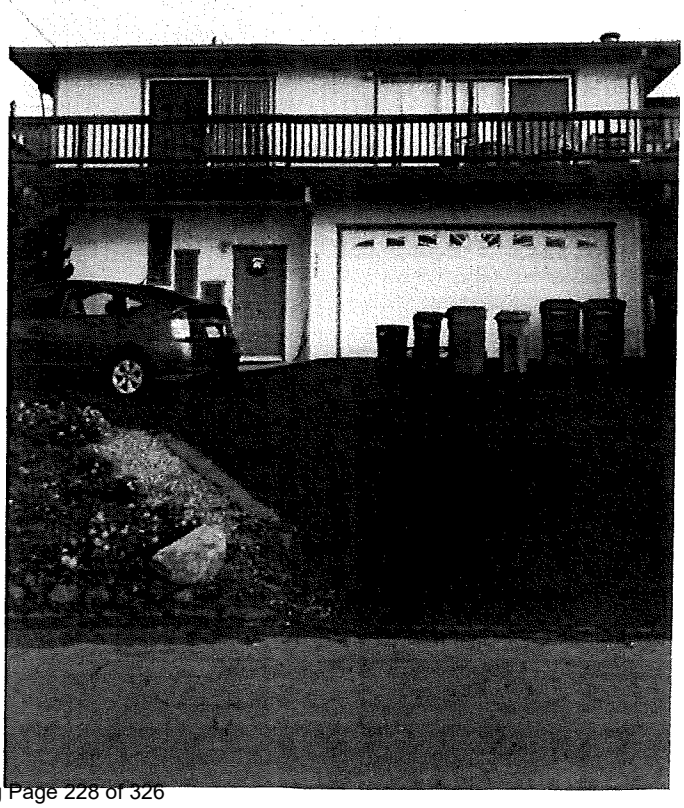


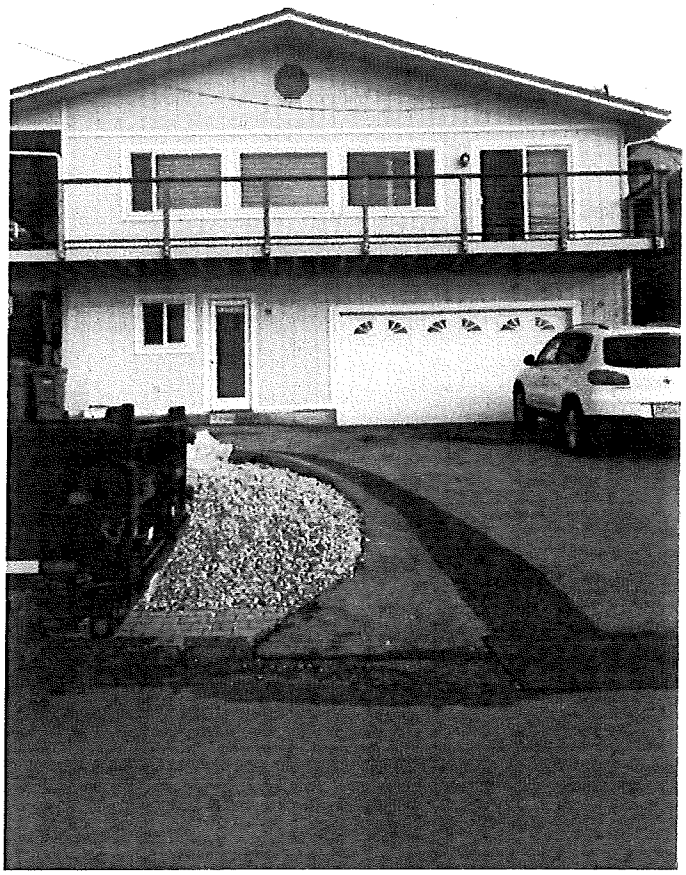


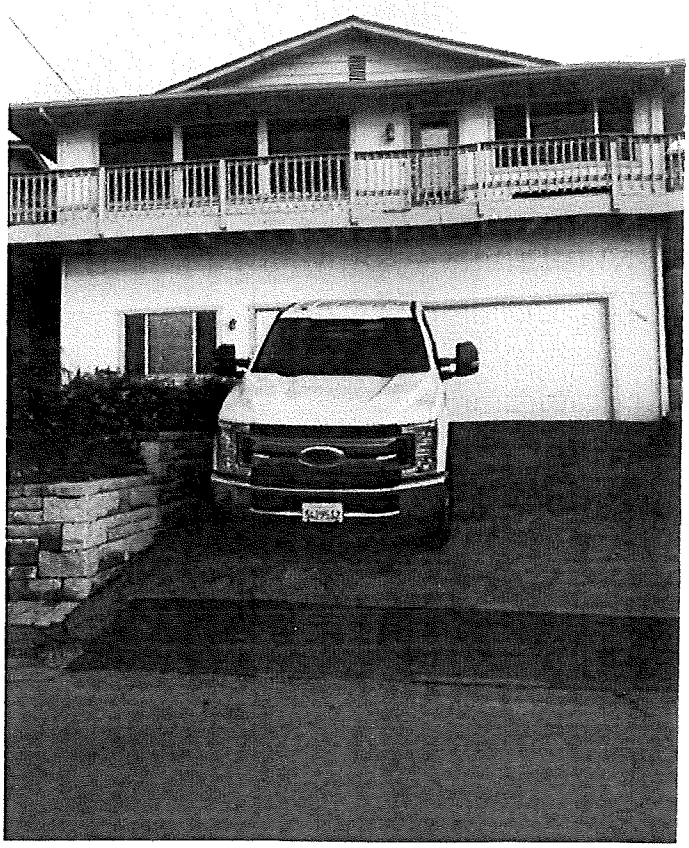


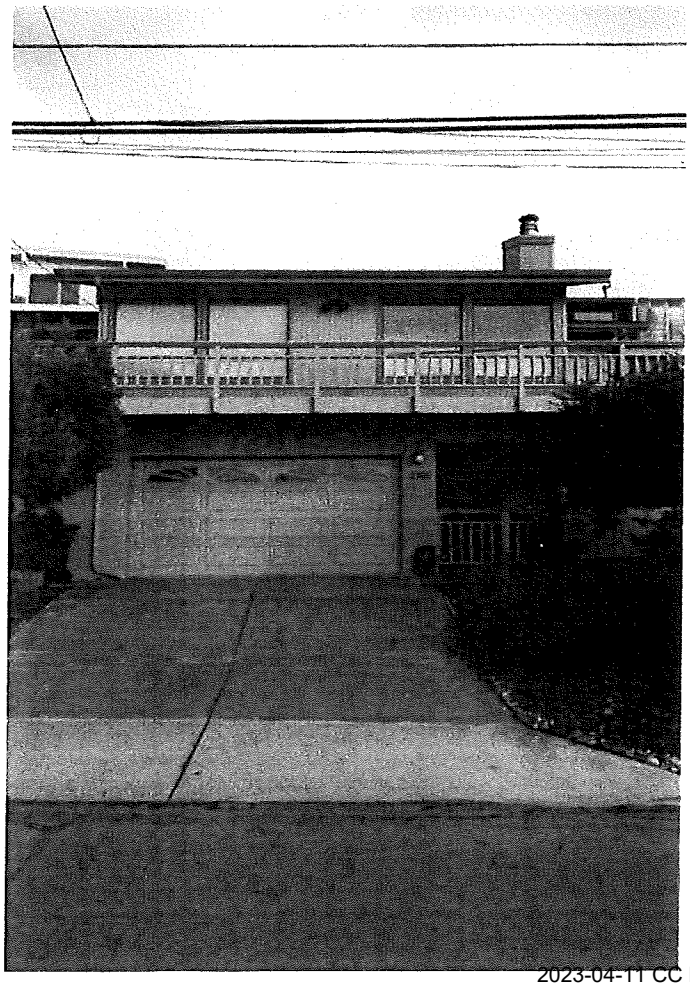


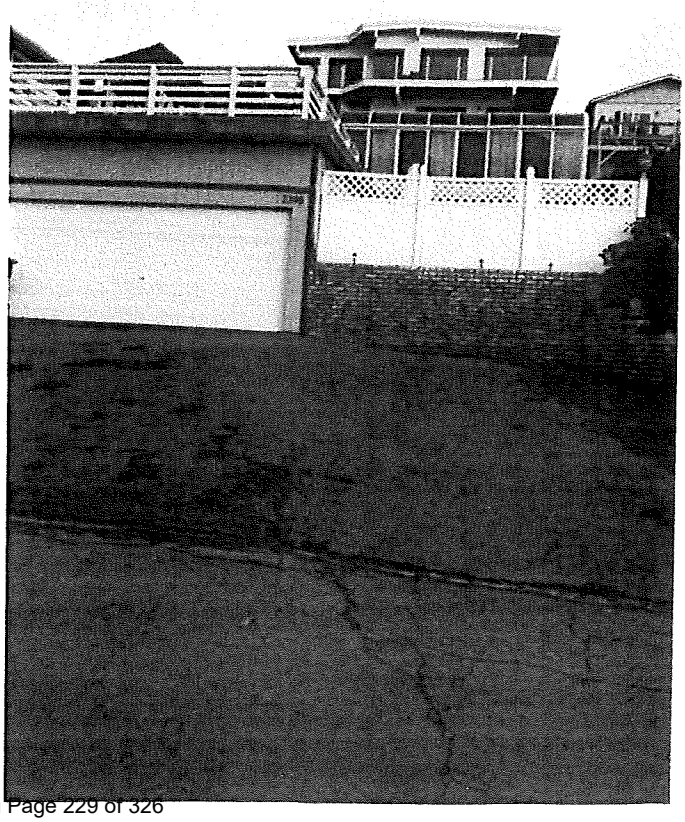


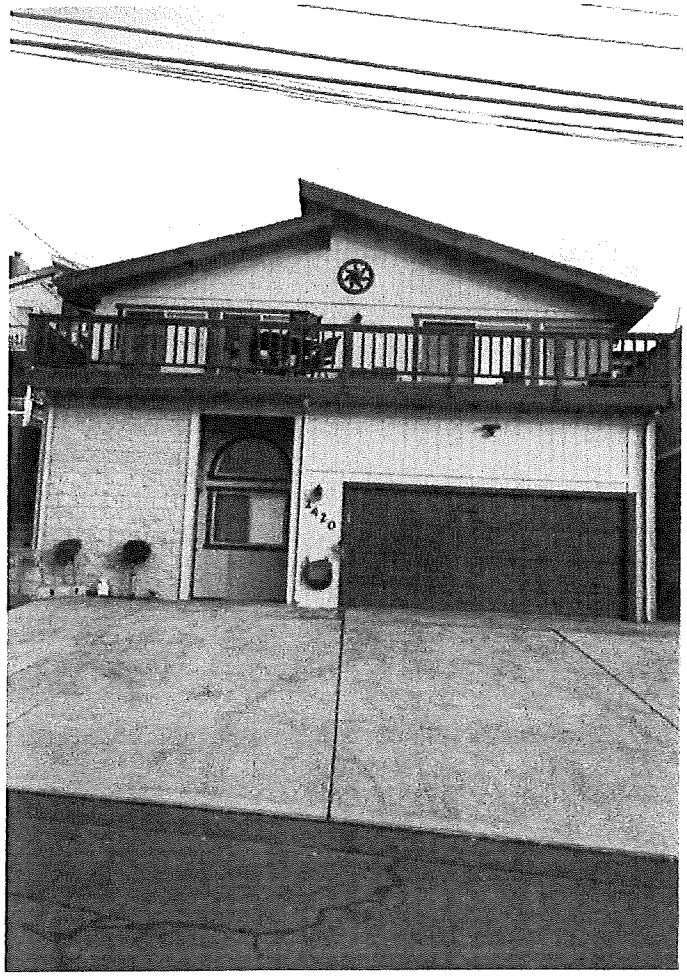








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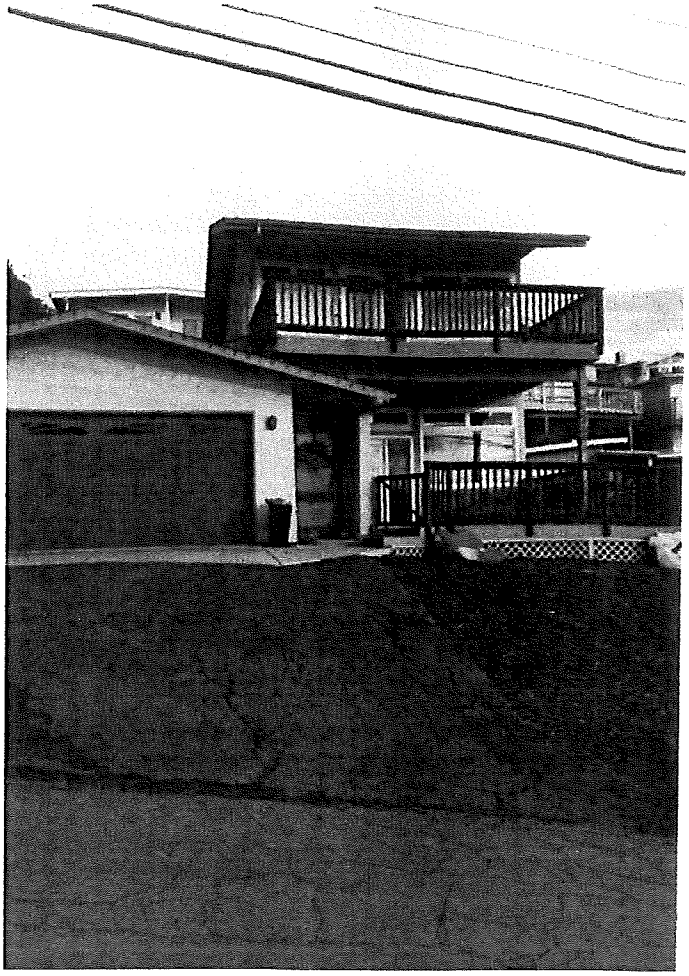
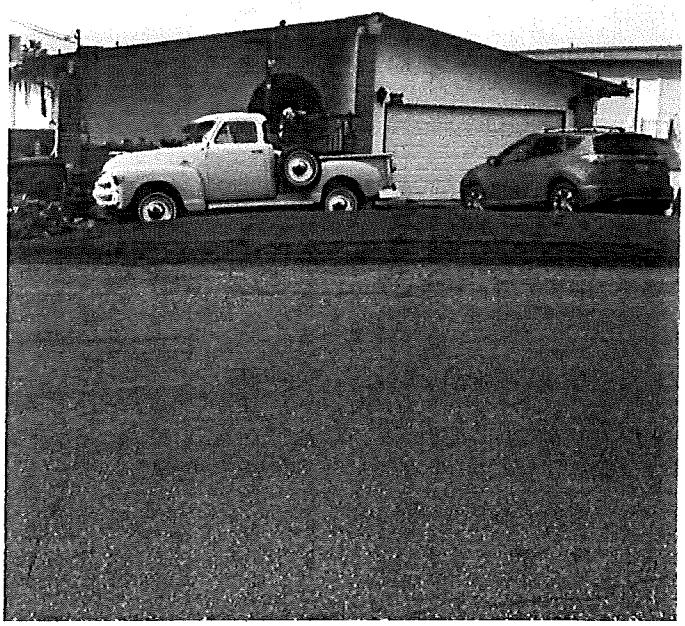
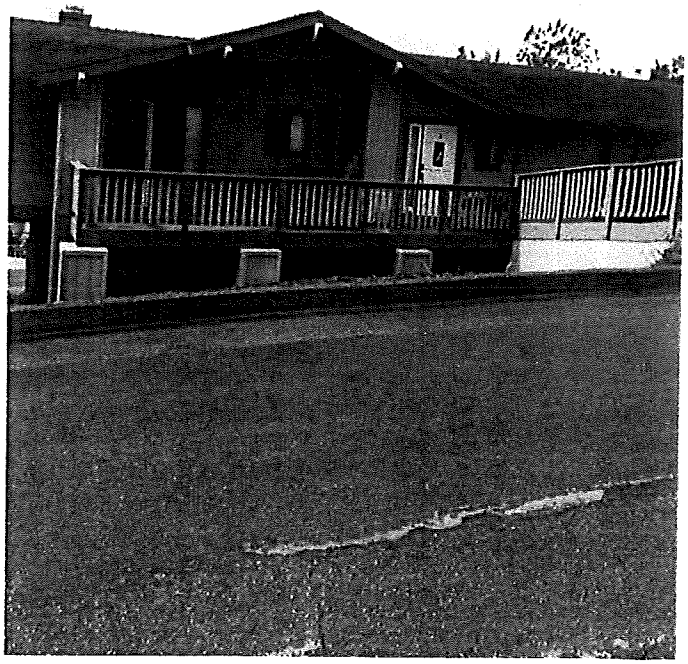
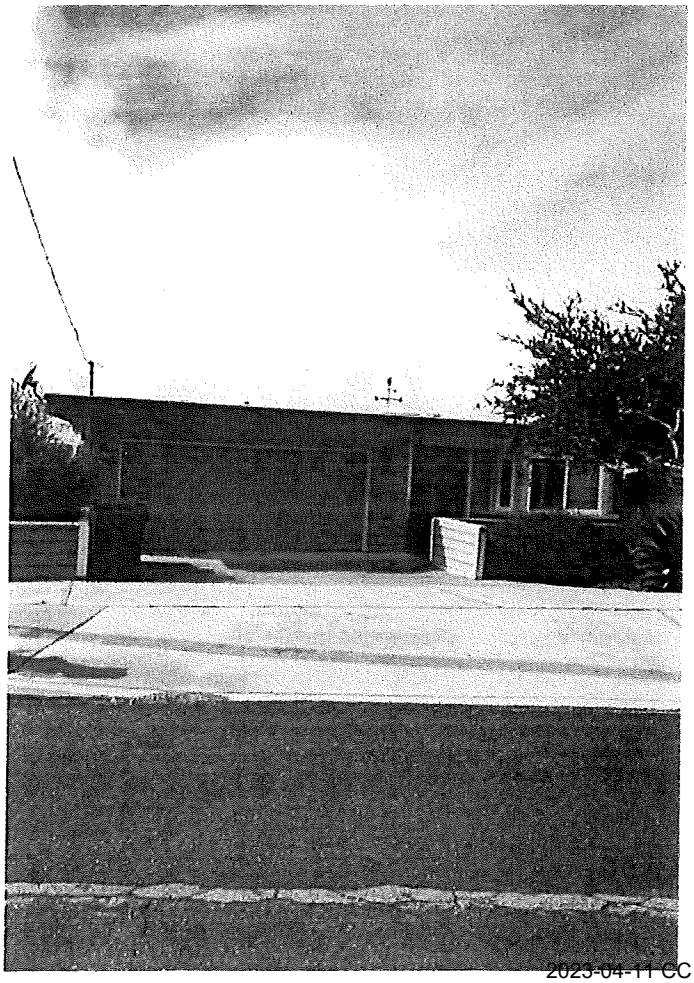


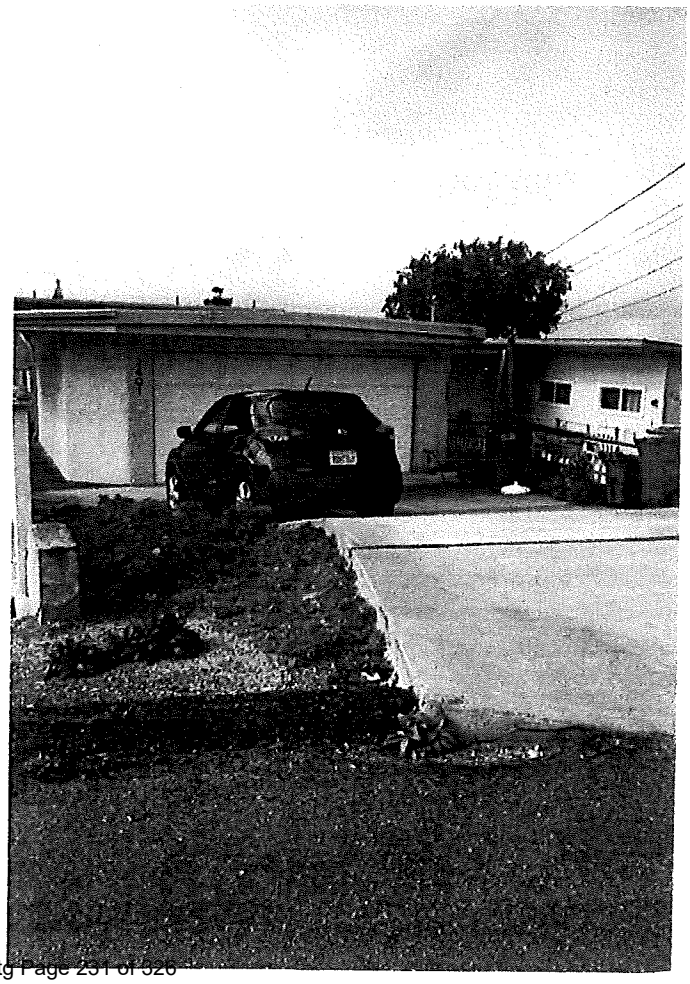
one storey homes all along west side of Laurel Ave., Between Avalon + Cas

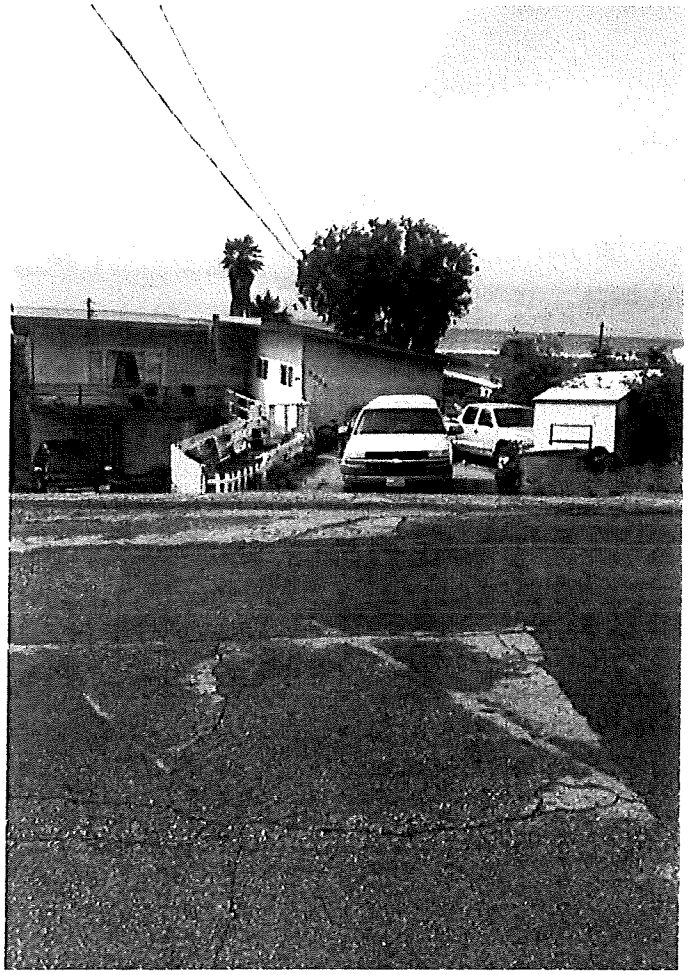
Attachment F.

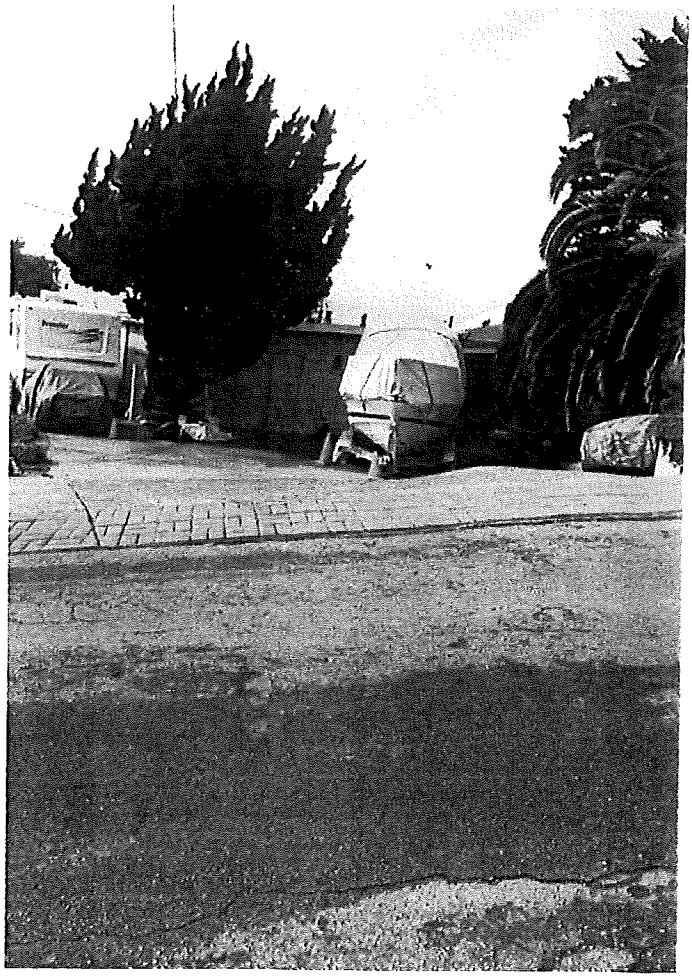


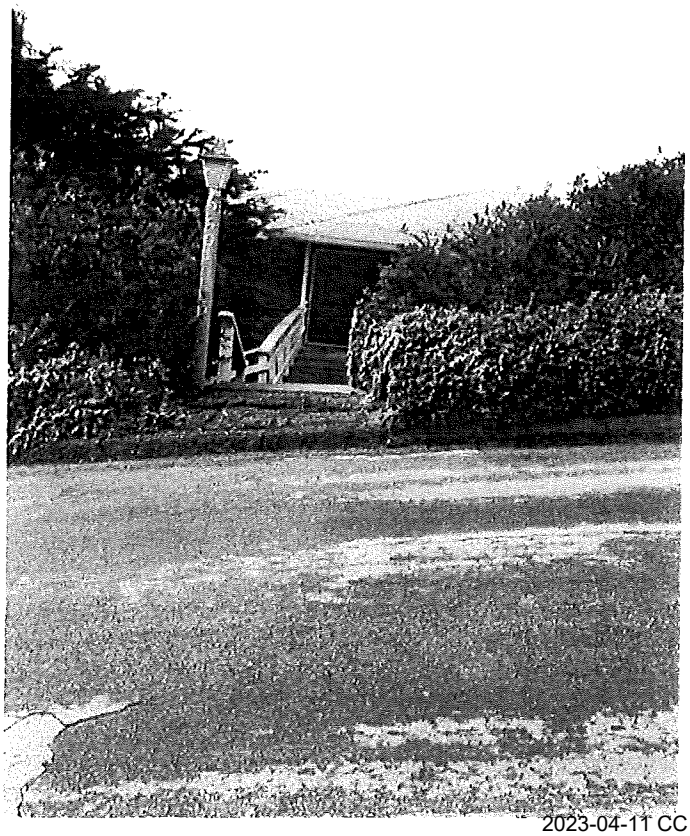


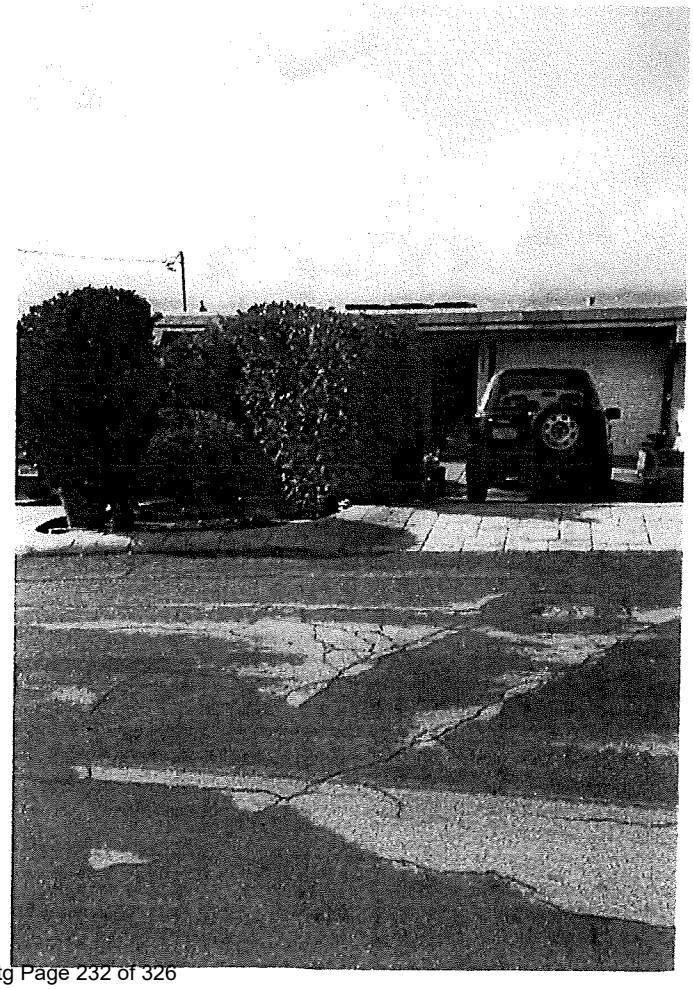


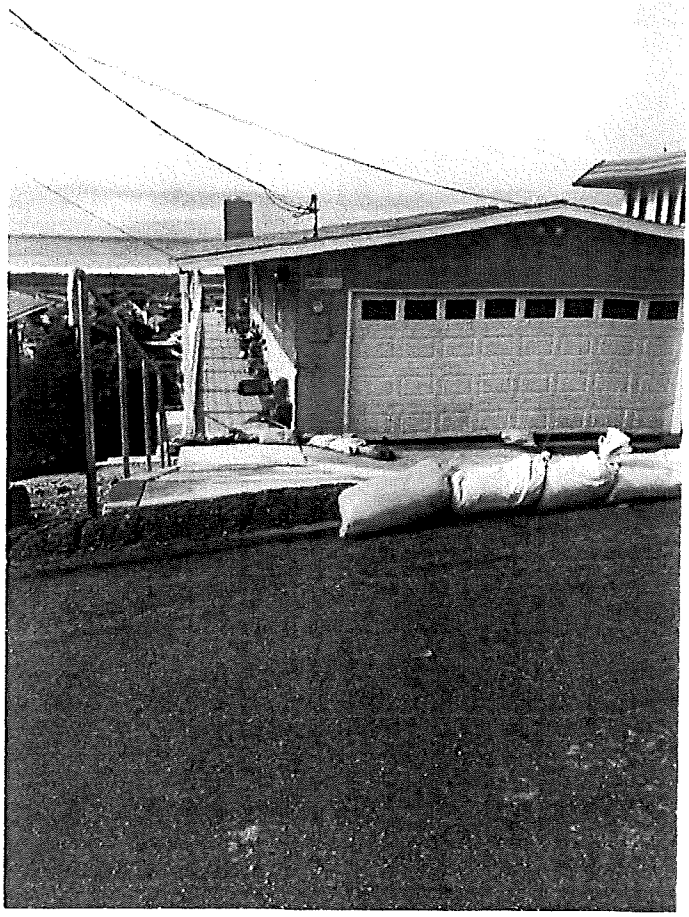


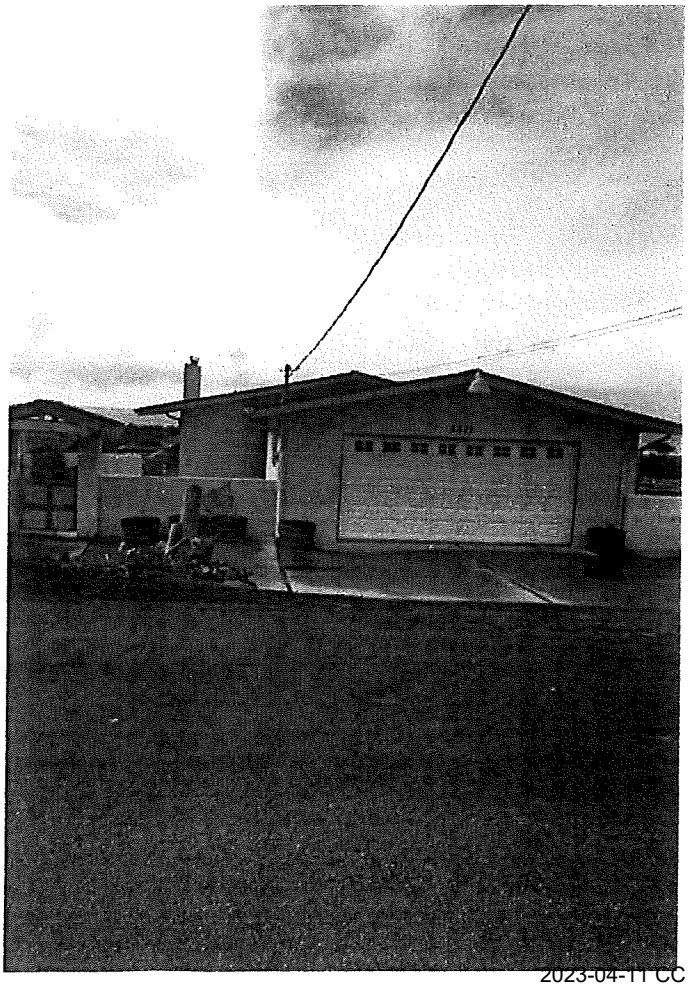






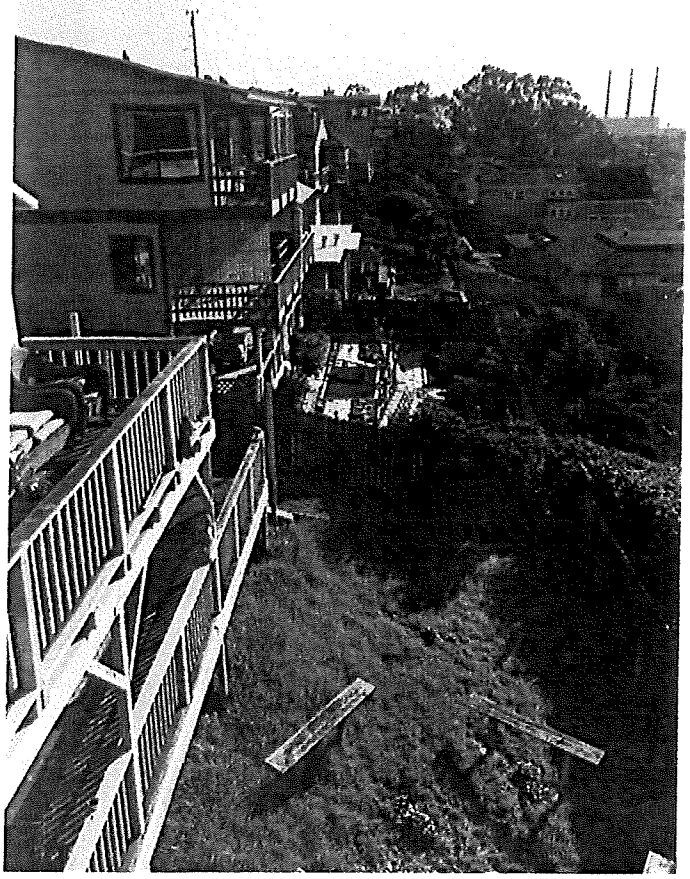


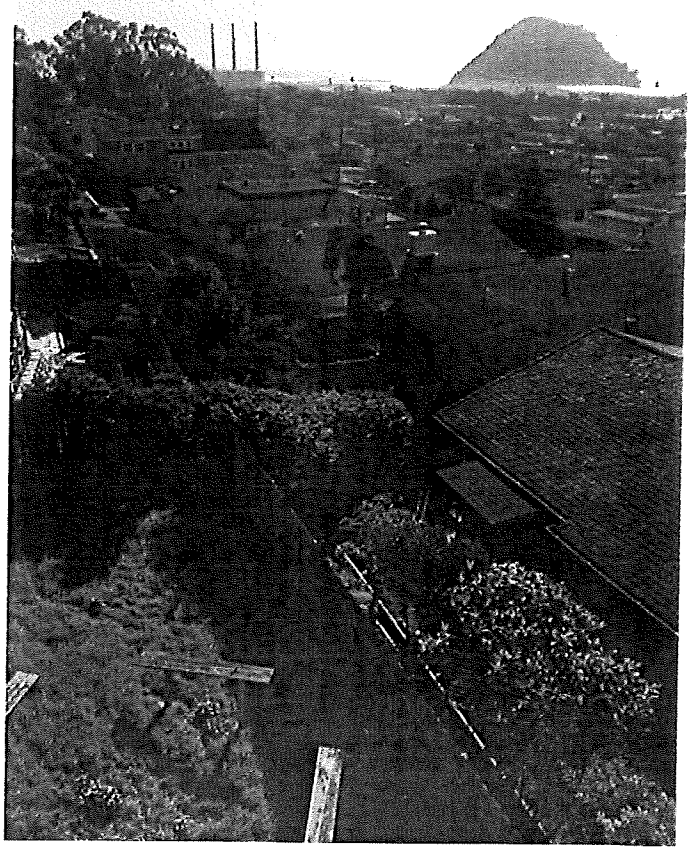


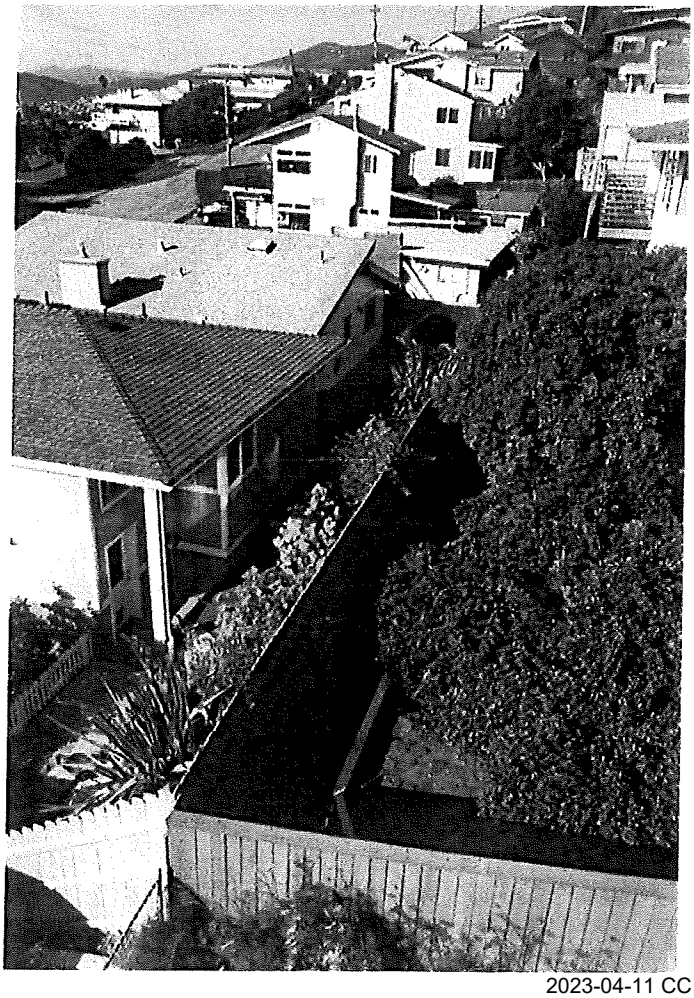


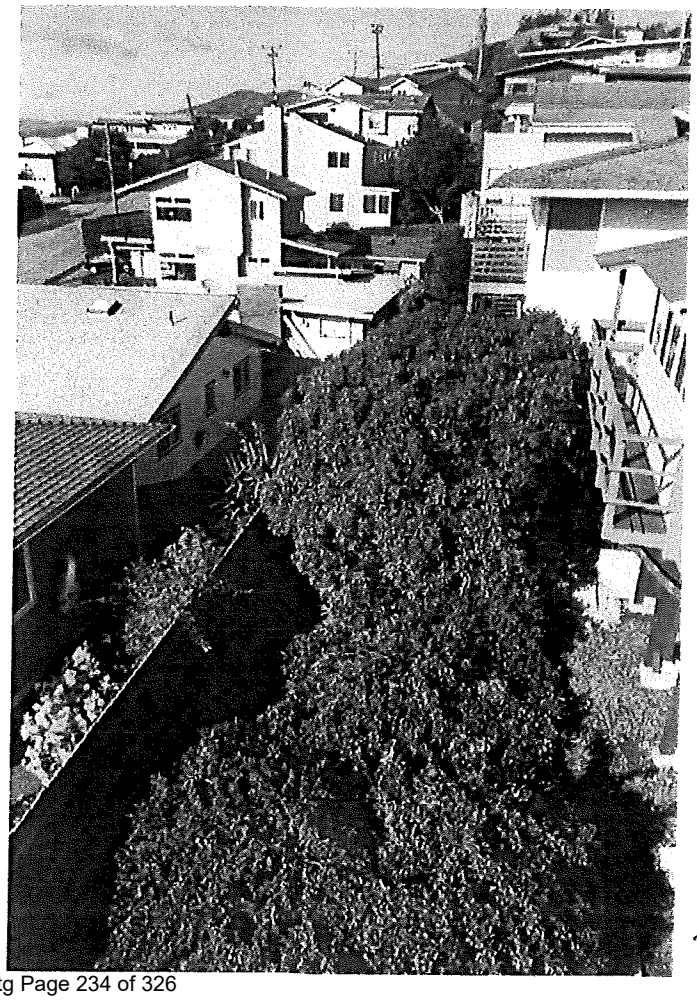
Photos of Backyards between Laurel Ave. and Nutmeg Ave. Homes

Attachment G.









Attachment H.

From: **Metzger Tina** tinametzger755@gmail.com
Subject: Fwd: Comments on Pending CDP22-025 2440 Laurel Avenue, Morro Bay, CA.
Date: December 7, 2022 at 10:04 AM
To: Scott Collins scollins@morrobayca.gov
Cc: Metzger Tina tinametzger755@gmail.com

Good Morning Scott,
Apparently, Mary Jo DeSio accidentally left you off the email she sent to Nancy and Scot. It is important that you receive her letter, also. Please see below.

Kind regards,
Tina

Begin forwarded message:

From: Mary Jo <maryjo.desio@gmail.com>
Date: December 7, 2022 at 9:43:30 AM PST
To: nhubbard@morrobayca.gov
Cc: sgraham@morrobayca.gov
Subject: Comments on Pending CDP22-025 2440 Laurel Avenue, Morro Bay, CA.

I am writing this to register my objection to the pending residential construction near my home. I may have missed the timeline for public comment because of the very short time period over a major holiday. Shame on the governing body of Morro Bay However, I am still determined to make my objection known.
This proposed house goes against all the standards we adher to in this neighborhood. It is way too large for the lot, too tall (3 stories) and will obstruct the views of its neighbors. The solar panels will reflect light onto adjacent homes. This house is glaringly (pun intended) different from all of the houses on Laurel Avenue. It will stick out like a sore thumb. We want to keep the integrity of the neighborhood.
I suggest the Project be rejected until it is redesigned to comply with the standards of the neighborhood and actually meets the requirements of Morro Bay Residential Design Guidelines.

Sincerely,

Mary Jo DeSio
2535 Laurel Ave.
Morro Bay, CA 93442

Sent from my iPhone

From: **Carolyn Phares** slocarolyn@pacbell.net
Subject: Finished & signed letter
Date: December 5, 2022 at 3:28 PM
To: Metzger Tina tinametzger755@gmail.com

Regards: 2440 Laurel Ave. application #CDP22-025

Dear Ms. Hubbard, Scot Collins and Scott Graham,

To begin, the timing of the mailing of the cards notifying us of the 10 day comment period is suspicious. Sent out just before the Thanksgiving weekend (with your office open to the public Monday through Thursday mornings only) reduces the available time for us to actually view and consider the plans. It's unreasonable and untenable. We justifiably feel we're being steamrolled into submission. I (Carolyn Phares) sent a letter requesting a bit more time but never received any reply from your office and only found out from neighbors several says later that our request was denied. (We have to assume you are disingenuous in asking for our comments since you have done nothing but make it difficult for us to do so.)
In short, we object to a three-story house built in this location. It is the standard for homes situated below their neighbors to have a low profile here.
There is a 60 year precedent for this.
If you drive around our hillside neighborhood, you will notice a manifest pattern: Homes built on the downside of other homes (usually the west side of the street) are characteristically one-story only at street level with low/flat rooflines. This is to protect and respect the valuable and coveted views of their neighbors behind them.
I think I can say, without exception, that all of us who have built (or otherwise bought) homes on the hills of North Morro Bay have paid a premium price for their views of the ocean and Morro Rock. It is not insignificant. And it is inappropriate to violate a well established precedent.
Another consideration is that the proposed development practically covers the whole lot crowding the property lines on all three sides while neighboring homes have a backyard and a bit of open space. The plan is out of sync with others in the neighborhood.

It's inconsiderate to fellow neighbors, and disrespects precedent to intentionally allow the plan to be permitted as is.

Sincerely,

Suzanne Abrams
2491 Nutmeg,MB

Benjamin Mills
2461 Nutmeg, MB

George and Patty Martinez
2390 Nutmeg, MB

Robert Betzner
2463 Nutmeg,MB

Nancy Lindholm
2401 Nutmeg, MB

Richard Gonzales

2420 Nutmeg, MB

Carolyn Phares
2461 Nutmeg, MB

Kathleen Tyndal
2349 Nutmeg

Pamela Arsenault
2400 Nutmeg, MB

From: **Carolyn Phares** slocarolyn@pacbell.net
Subject: Fwd: Proposed Coastal Development permit for 2440 Laurel, Morro Bay
Date: December 3, 2022 at 1:36 PM
To: Metzger Tina tinametzger755@gmail.com

Sent from my iPad

Begin forwarded message:

> From: Carolyn Phares <slocarolyn@pacbell.net>
> Date: December 3, 2022 at 10:45:53 AM PST
> To: nhubbard@morrobayca.gov
> Cc: scollins@morrobayca.gov, sgrahm@morrobayca.gov
> Subject: Proposed Coastal Development permit for 2440 Laurel, Morro Bay
>
> To whom it may concern,
>
> I would like to request additional time to review the plans for the demolition of a 1-floor home and build of a 3-floor home in its place at 2440 Laurel located adjacent to where I live. This constitutes an enormous increase in size (to 4,365 sq. ft.)... that is not in alignment with the other homes on Laurel... which are significantly smaller and 2-floors only.
> With the holiday occurring since the notice was mailed, the comment period is unreasonably short. The allotted time to view documents is only on weekdays - and mornings only, as well, I believe. I can not inform the city of my concerns with so little time for review.
> I would appreciate a longer comment period with this in mind.
>
> Sincerely,
> Bob Betzner
> 2463 Nutmeg
> Morro Bay
> Ca 93442

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From: **Metzger Tina** tinametzger755@gmail.com
Subject: Re: proposed construction at 2440 Laurel Ave MB
Date: December 3, 2022 at 3:38 PM
To: Connie McBride connimc@att.net
Cc: Metzger Tina tinametzger755@gmail.com

I made a few changes, I hope they are helpful.

On Dec 3, 2022, at 1:57 PM, Mac McBride <connimc@att.net> wrote:

City of Morro Bay December 3, 2022

Community Development Department

Nancy Hubbard, Contract Planner

We are owners of 2441 Nutmeg Ave., directly behind the proposed construction site at 2440 Laurel Ave. Our home is in Fresno; and Nutmeg Avenue is our vacation home, enjoyed for many years by our large family of six children, eleven grandchildren and several great grandchildren. It has never been rented even for a weekend. Our plan has been to retire there.

We received notice for this pending development permit on November 28, 2022. We, and several other neighbors, we understand, have very real concerns, including the **extremely short time notifying us before the administrative action on Dec. 6, 2022.** According to the Notice of Pending Development Permit, our comments are due by 5:00 P.M. on Dec. 5. **That is only 5 days to review the project and give you our comments;** not the 10 day public comment period the Notice states.

The primary reason for selecting this Nutmeg Avenue address was the outstanding ocean view, which is also so fundamental to the property value. **Our concerns are that the house is too big and out of scale with the immediate neighbors. The scale and mass of the house does not fit in with the**

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other homes in the immediate neighborhood. The metal mansard roof looks like a commercial building. We are concerned that there will be no backyard at this property.

Because we are older and currently not in very good health, we are unable to attend planned action meetings regarding the proposed building permit.

However, we have confidence that our Nutmeg Avenue neighbor and friend Tina Metzger, will represent us well, and will keep us informed.

We have faith you will have equal concern for us and other affected neighbors in considering this development permit proposal.

Sincerely,

Connie and Pumphrey McBride

7145 N. Rafael Ave. Fresno 93711

connimc@att.net

559-435-4707

Copy to Tina Metzger

27

From: **Carolyn Phares** slocarolyn@pacbell.net
Subject: Fwd: 2440 Laurel Ave. Application # CDP22-025
Date: December 3, 2022 at 1:36 PM
To: Metzger Tina tinametzger755@gmail.com

Sent from my iPad

Begin forwarded message:

From: Carolyn Phares <slocarolyn@pacbell.net>
Date: December 3, 2022 at 10:23:39 AM PST
To: nhubbard@morrobayca.gov
Cc: sgrahm@morrobayca.gov, scollins@morrobayca.gov
Subject: 2440 Laurel Ave. Application # CDP22-025

Regards: 2440 Laurel Ave. Morro Bay
Application # CDP22-025

Dear Ms. Hubbard, S. Graham and S. Collins,

I would like to request more time to review the design plans for the project at 2440 Laurel Ave.
The proposed height is my primary concern though I haven't had a reasonable amount of time since I received the card in the mail when I returned from Thanksgiving with family.
It appears, since it is three stories high, the proposed project will block my view - the reason I live at this location and a key factor in my home's market value. And the proposed size is out-of-scale with the neighborhood which is primarily two-story homes.

I need time to analyze the drawings before making any comments at this time.
There is much at stake.

Thank you,
Carolyn Phares
2461 Nutmeg
Morro Bay, Ca

From: **Bart Beckman** bbeckman999@gmail.com
Subject: Concerns with the Proposed Project Pending CDP22-025
Date: December 5, 2022 at 9:11 AM
To: nhubbard@morrobayca.gov
Cc: Scott Collins scollins@morrobayca.gov, sgraham@morrobayca.gov, Karen Beckman karen40love@yahoo.com, Tina Metzger tinametzger755@gmail.com

Ms. Hubbard,

You have very recently posted a notice of an impending permit on Laurel Avenue.

I am not familiar with building requirements for Morro Bay, but it is disconcerting to see a permit application for a home which will cover almost the entire property with minor setbacks. And apparently no concern for the views of neighbors. We purchased our home with the belief that our view could never be taken away. While unlikely in our case, if the same criteria were to be applied, we would lose our view (and substantial home value) to a major remodel.

So my questions are:

1. Were any variances afforded to the home owner such as setbacks or property coverage?

2. Are the building requirements for this property consistent with the entirety of Morro Bay? I.e. are lots in the "Heights" subject to the same requirements?

Respectfully,

Bart and Karen Beckman
2525 Nutmeg Ave.

Sent from my iPad

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From: Metzger Tina tinametzger755@gmail.com
Subject: Fwd: 2440 Laurel Avenue, ,Morro Bay CDP22-025
Date: December 3, 2022 at 5:36 PM
To:

From: nlindholm2000@aol.com
Date: December 2, 2022 at 7:59:41 PM PST
To: nhubbard@morrobayca.gov
Cc: sgraham@morrobayca.gov, scollins@morrobayca.gov
Subject: 2440 Laurel Avenue, ,Morro Bay CDP22-025
Reply-To: nlindholm2000@aol.com

I am the owner of 2401 Nutmeg Ave in Morro Bay.
It has come to my attention that a proposed building project at 2440 Laurel Avenue
includes solar panels that are to be mounted on the south facing side of the building.

My concern is that mounting the panels at this location would likely create an unacceptable
glare toward my property .I would appreciate further examination of an alternate placement
of these panels.
Thank you for considering this request.

Sincerely, Nancy Lindholm

nlindholm2000@aol.com

From: **Jane** jane@woodcocklaw.com
Subject: Fwd: 2440 Laurel Ave., Morro Bay , California
Date: December 3, 2022 at 10:35 AM
To: Metzger Tina tinametzger755@gmail.com

Sincerely,

Jane Woodcock
Attorney at Law
Certified Specialist in Workers' Compensation Law
State of California Board of Legal Specialization
LAW OFFICES OF JANE WOODCOCK
P.O. Box 27980
Fresno, CA 93729-7980
T - (559) 323-2560 F - (559) 323-2563

From: Jane
Sent: Saturday, December 3, 2022 10:34:50 AM
To: nhubbard@morrobayca.gov <nhubbard@morrobayca.gov>
Subject: 2440 Laurel Ave., Morro Bay , California

CDP 22-025

I am requesting more time to review the above project located at 2440 Laurel Ave. in Morro Bay.

Please note I have not been allowed the required 10 business days for my due process. The date of December 5, 2022 is a deadline for public comment. However, this is not meet the 10 business days that are required.

Your assistance in noting the above objection and request is appreciated.

Sincerely,

Jane Woodcock
Attorney at Law
Certified Specialist in Workers' Compensation Law
State of California Board of Legal Specialization
LAW OFFICES OF JANE WOODCOCK
P.O. Box 27980
Fresno, CA 93729-7980
T - (559) 323-2560 F - (559) 323-2563

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From: **Mac McBride** connimc@att.net
Subject: Proposed construction at 2440 Laurel Ave.
Date: December 7, 2022 at 9:44 AM
To: Metzger Tina tinametzger755@gmail.com

Tina, following is the email I just sent to Nancy Hubbard and email to city council. We will mail copies to Mayor Headding and City Manager Collins.
Your correspondence to them is great! Mac and Connie

City of Morro Bay

December 7, 2022

Community Development Department

Nancy Hubbard, Contract Planner

As stated in our email to you last weekend, we are owners of 2441 Nutmeg Ave., directly behind the proposed construction site at 2440 Laurel Ave. Our home base is in Fresno, and Morro Bay is our vacation home, enjoyed for many years by our large family of six children, eleven grandchildren and several great grandchildren. It has never been rented even for a weekend. Our plan is to retire there.

We have a very strong objection for an exception to be made for this proposed three-story home construction.

When we purchased our Nutmeg home, it attracted us for the spectacular ocean view! Homes on the west side of our Nutmeg block share this wonderful ocean view, because city planners limited the Laurel Ave. homes below Nutmeg to a certain maximum height.

Realizing that the very desirable ocean view would be both important for our family's pleasure and extremely important for future resale value, before we purchased the Nutmeg home, we talked with City Planning Dept. staff about restrictions for future new construction directly below. We were assured that specifications for maximum height, consistent with other homes on that section of Laurel, were in place and would still

give us an ocean view over any new home at that site.

Building restrictions designed by city planners allowed all homes on this block of both Nutmeg and Laurel to have a great ocean view, maximizing desirability and property values.

Making this exception for a three-level home would limit view for several other Nutmeg homes and totally block ocean view for our home and our north side neighbor's home. We would be looking out of our living room windows and deck at the back of this three-story home instead of the ocean – not what city planners envisioned and legally required for this section of Laurel and Nutmeg.

Rather than the stock market or other investments, our MB home is where we put much of our money**. If this three-story home exception is allowed, the market value of our home will be significantly devalued. And the specialness and pleasure of 2441 Nutmeg will be gone.**

City staff has of course changed over the years, but we would hope the original vision and planning for homes on these two streets - to have a clear ocean view – would continue to be honored, without exception, by present day city staff!

Sincerely,

Connie and Mac McBride

7145 N. Rafael, Fresno 93711

559-435-4707

connimc@att.net

Copy to:

Mayor John Headding

City Council members

City Manager Scott Collins

From: **Metzger Tina** tinametzger755@gmail.com
Subject: Proposed new house at 2440 Laurel Ave., CDP222-025
Date: December 2, 2022 at 5:31 PM
To: Nancy Hubbard nhubbard@morrobayca.gov
Cc: scollins@morrobayca.gov, Scot Graham sgraham@morrobayca.gov, Metzger Tina tinametzger755@gmail.com

Good afternoon Nancy,
This letter is regarding the Applicant Michael Murphy's proposed new home at 2440 Laurel Avenue (CDP22-025), Notice of Pending Administrative Coastal Development Permit. I have concerns about the Project, which necessitate a formal request, as allowed, for more time to review the Project drawings, work with the Applicant, and compose my concerns and submit them to the City.

Most of my concerned neighbors, who will be affected by the proposed project were out of town during the entire Thanksgiving holiday, when the Notice of Proposed Development postcard was scheduled to arrive in the mail, which created an extremely short Public Comment Period. Some neighbors never received the yellow postcard Notice. They also need to schedule time in their personal and work lives to review the extensive Project drawings.

This past week, I hosted in my home a very positive meeting with the Project Applicant Michael Murphy, also inviting three concerned neighbors. Mr. Murphy was very reasonable to talk with, and he has agreed to some changes to the Project plans. We all felt that we are working together in a positive way forward.

Please confirm that the Public Comment Period will be extended beyond Dec. 5, 2022.

Kind regards,

Tina Metzger

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From: rgsdesign914@gmail.com
Subject: FW: 2440 Laurel Avenue, MB: CDP22-025
Date: December 3, 2022 at 2:58 PM
To: Metzger Tina tinametzger755@gmail.com

Hi Tina,
Here's the message I sent to the city.
Ron

From: rgsdesign914@gmail.com <rgsdesign914@gmail.com>
Sent: Saturday, December 3, 2022 2:56 PM
To: nhubbard@morrobayca.gov
Cc: sgraham@morrobayca.gov
Subject: 2440 Laurel Avenue, MB: CDP22-025

Dear Ms. Hubbard,

I met with the applicant, Michael Murphy and he went over the plans as best as he could. The one concern I have is the glare off the proposed solar panels that will shine in my house in the late afternoon. Michael mention that he is willing to remove the solar panels from the project to accommodate his neighbors. After verifying with Michael, could you make that change?

Sincerely,

Ron and Jan Smith
2399 Nutmeg Ave.
Morro Bay, CA

COMMENTS

From: **Metzger Tina** tinametzger755@gmail.com
Subject: Comments: Pending CDP22-025
Date: December 5, 2022 at 3:16 PM
To: Nancy Hubbard nhubbard@morrobayca.gov
Cc: Scot Graham sgraham@morrobayca.gov, scollins@morrobayca.gov, Metzger Tina tinametzger755@gmail.com

Hi Nancy,
I have attached my Comments on the Pending CDP 22-025 at 2440 Laurel Avenue. Please inform me immediately on the decision of this Administrative Action when it occurs on or after Dec. 6, 2022.

Sincerely,

Tina Metzger

CDP22-025
Laurel...ger.pdf

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Final
sent by email
@ 5:38pm

Dec. 5, 2022

Nancy Hubbard, Contract Planner
City of Morro Bay
Community Development Department
955 Shasta Ave.
Morro Bay, CA 93442

RE: Proposed Development: 2440 Laurel Ave. CDP22-025

Dear Ms. Hubbard,
The purpose of this letter is to provide my comments on the Application for a Coastal Development Permit (CDP22-025) for the proposed construction of a new home ("the Project") at 2440 Laurel Ave., Morro Bay, CA.

The Public Comment Period was extremely short, 6 business days (Nov. 28, 29, 30, Dec. 1, 2, 5, with your City of Morro Bay office closed half days and closed all day Fridays). I reviewed the Project design plans at the Morro Bay Community Development Dept. on Nov. 28, 2022, concerning the Applicant's three story, 4,365 sq. ft. home and garage. I have also reviewed the Morro Bay Residential Design Guidelines. I have serious concerns regarding the Project.

According to the Morro Bay Residential Design Guidelines, the Project does **not** adhere to the following Residential Design Guidelines:

A. Relationship to Homes in Immediate Neighborhood
Guideline A.1.

B. Scale and Mass
Guidelines B.1., B.2., B.3. a., b., c., d.; and Figure 2.

C. Surface Articulation
Guidelines C.1., C.2.

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D. Building Orientation
Guidelines D.3., D.4., D.5.; Figure 11, Figure 12.a., Figure 12.b.

G. Architectural Elements
Guidelines G.1., G.2.

I. Privacy – Minimize Privacy Intrusions on Adjacent Residences
Guidelines I.1., I.2.

L. Solar Access
Guidelines L.1., L.2., L.3, L.4. Non- glare and non-reflective type panels should be utilized.

My other concerns include: the Project Design Drawings appear incomplete and not ready for approval for a Coastal Development Permit (Please see Guidelines above). The Project Design Drawings fail to show the Project's *spatial relationship* to the existing homes on properties immediately bordering the proposed Project. The Project building height exceeds the City of Morro Bay Maximum Building Height of 25 ft., and **blocks the views to the coast of five homes. This unnecessarily pits neighbor against neighbor.**

My most serious concern is that the proposed Project destroys the long-established (over 60 years), and consistently respected **development standards** of our neighborhood, located on Nutmeg Avenue and Laurel Avenue, between Avalon Street and Casitas Street, in the Morro Del Mar Subdivision of Morro Bay. The Morro Del Mar Subdivision design standards (physical layout of lots, streets, height and width of homes, pleasing topography, etc.) were created to promote the fair and beneficial protection of property rights and values, which include protection of our unique and glorious views from Nutmeg and Laurel Avenues. Sixty years of development standards are destroyed if this Project is built.

Let me explain: All of the homes on the *west side* of Nutmeg Avenue, the highest street topographically (between Casitas and Avalon), are only one story, *visually from street level*, of Nutmeg. This is to protect the views of the homes across the street (east side of Nutmeg).

All of the homes on the *east side* of Laurel are limited to two stories (except 2), to protect coast views of the homes directly above them on Nutmeg.

All of the homes on the *west* side of Laurel are only one story *visually from street level,* of Laurel to protect views of the homes on the east side of Laurel. **Every house respects their neighbor's views to the coast.**

This is a 60-year consistent history of development standards of our Casitas/Nutmeg/Laurel neighborhood. These development standards promote community and neighborhood peace and fairness among property owners/neighbors. The 60-year development standards insure fair and beneficial protection of property rights and property values, preservation of views to the coast and confidence that the property that one purchases at a very expensive price for the views will never be robbed of their views.

The proposed Project is an aberration to these respected and consistent 60-year development standards, which protect the views from each property. **The proposed Project robs five surrounding properties of their glorious views, robs their property values, and essentially robs the quality of life of the property owners. It sets a terrible precedent, that says everyone in our neighborhood can be robbed of their view and property value.**

Please send the Project back to the drawing board, and require that the Project fit in with the neighborhood, as required by the MB Residential Design Guidelines, and adheres to the two-story development standard along the *east side* of Laurel Street between Avalon and Casitas Streets. Keeping the Project at two stories protects the views of the homes above it, like all of the rest of the homes in our neighborhood. Good community planning on many levels warrants not to grant the Administrative Coastal Development Permit until the above changes are made.

Sincerely,

Tina Metzger
2403 Nutmeg Avenue
Morro Bay, CA 93442

From: **Tina Metzger** tinametzger755@gmail.com
Subject: CDP22-025
Date: December 6, 2022 at 4:43 AM
To: Nancy Hubbard nhubbard@morrobayca.gov
Cc: Scot Graham sgraham@morrobayca.gov, Scott Collins scollins@morrobayca.gov, Tina Metzger tinametzger755@gmail.com

Hi Nancy,
I have emailed to you five emails containing a total of 14 photos of 14 two-story houses on the east side of Laurel Avenue, between Avalon Street and Casitas Street. Please attach the five photo emails to my Comments document that I submitted to you yesterday. The photos help to show the historical and physical scale of development context of Laurel Avenue.

The 14 photos show the scale of the homes along the east side of Laurel. Across the street are all one-story houses at the street level. I can send you photos of all of them, if you wish. The proposed Project is seriously out of scale with the neighborhood and should not be permitted. The placement and size of the building proposed is not consistent with the neighborhood.

Despite the fact we weren't given proper Notice of Pending Coastal Development Permit, we are a neighborhood coalition of residents on Laurel and Nutmeg and have submitted our complaints and concerns to you regarding the proposed Project. We support the Comments submitted by each of us; we are against the proposed Project. We are in the process of securing legal representation to file an appeal.

Sincerely,

Tina Metzger

Sent from my iPhone

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From: [redacted]
To: Dana Swanson
Cc: [redacted]
Subject: Appeal of CDP22-025
Date: Sunday, February 5, 2023 3:22:45 PM

CAUTION: This is an external email. Please take care when clicking links or opening attachments.

We are the owners of the home on Nutmeg Ave which is directly behind proposed construction at 2440 Laurel Ave.

As you know, when this neighborhood section was planned by the city, all houses on the West side of Nutmeg were built below street level, so that homes on the East side of Nutmeg would have an ocean view. Homes on Laurel below Nutmeg would be limited to two levels, so Nutmeg homes on the west side would have an ocean view. Great City planning over the years has worked out so well for every home site in this neighborhood.

Before we made the purchase, we had a city planning department person come out to show us how high new construction below us could be and would not block the view. This assurance of the beautiful ocean view from our living room and large deck is the primary reason we purchased it years ago as a vacation home for us and our large family and as an investment. Sitting on the deck with family has made the purchase so worthwhile.

If this HUGE, commercial-looking building is allowed, all we will see from our home is the back of a three-story drab wall of stucco reaching almost to our fence line and very close to our deck. Another concern is – upon viewing the project plans – there is a very reasonable suspicion that this facility is intended to be a therapy, rehabilitation, recovery treatment center of some sort, rather than a family home.

I am 90 and my wife is 86. We saw this home as an investment for when we would need to sell it to provide for our care. The value of our otherwise ordinary home is very much determined by the panoramic ocean view. Without this view, our investment and financial security will be greatly affected.

Please don't let this excessive project overwhelm our neighborhood aesthetics and our home's enjoyment and financial value.

Mac and Connie McBride

[redacted]

From: [redacted]
To: Dana Swanson
Subject: Appeal of CDP22-025
Date: Sunday, February 5, 2023 9:54:55 PM

CAUTION: This is an external email. Please take care when clicking links or opening attachments.

Dear Planning Commissioners:

I support the Appeal of CDP22-025. The proposed house at 2440 Laurel Avenue is a good project as long as it doesn't affect neighbors negatively. I do think it could be a nice addition to the neighborhood as long as it conforms and follows property guidelines and aligns with existing styles of houses and existing house setbacks to avoid obstruction.

Thank you

Nick Jerkovich

Sent from my iPhone

From: **Carolyn Phares** slocarolyn@pacbell.net
Subject: Planning Commission - Appeal CDP22-025
Date: February 6, 2023 at 2:26 PM
To: dswanson@morrobayca.gov

To Morro Bay Planning Commissioners,

Regarding the proposed house construction at 2440 Laurel Lane, I am very unhappy to see what appears to be (according to the plans) a house that is over-sized and doesn't fit nicely with the adjacent homes in our neighborhood.

I can think of several aspects of the design that do not adhere to the Morro Bay Residential Design Guidelines:

***One of these is the horrible "mansard" roof which looks so commercial and is very unattractive in this residential application.*

***Another aspect is the lack of architectural variation of the north, south and east walls. Particularly in the case of the EAST wall, all one sees is just an ugly three-story expanse of stucco facing the houses behind it. Again, very unattractive and not compatible with other homes nearby.*

***And third, the three story height is out of keeping with other homes on that street. Basically, it is too large and too ugly. The proposed design needs to be scaled down and refined.*

Thank you for your time,

Carolyn Phares and Bob Betzner

From: **Mary Jo** maryjo.desio@gmail.com
Subject: Appeal of Planning Commission CDP22-025
Date: February 6, 2023 at 3:34 PM
To: dswanson@morrobayca.gov
Cc: Metzger Tina tinametzger755@gmail.com

I support the appeal objecting to the proposed design of the structure at 2440 Laurel Avenue. I am a neighbor on Laurel Avenue and I have a personal and neighborhood interest in preserving the design precedent which ensures that new structures and renovations uphold the beauty and design integrity of a neighborhood. This structure is an ugly behemoth with no redeeming features. Not only is it ugly but it would sit higher than any other home in the vicinity calling more attention to its ugliness That means the Planning Commission has also waived the 25' height requisite. Why?? It follows, then, that this ugly, behemoth structure will obstruct the coastal views of some of its neighboring homes.
I have travelled the world and I cannot think of one structure I've seen that is so totally devoid of beauty or attractiveness. I hate to think that I might have this travesty so near to my house. How will this affect my property values? I, too, have a small, flat-roofed beach home directly below my home. I cannot bear the thought that someone could build a monstrosity like this directly below me which would destroy my emotional balance, coastal views, property value and pit neighbor against neighbor.
Please revisit your decision to approve this eyesore. Just say, "NO." Uphold our appeal.
Mary Jo DeSio - Property Owner

Sent from my iPhone

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From: **William Todd** btofmb@gmail.com
Subject: 2440 Laurel Appeal
Date: February 6, 2023 at 9:33 PM
To: dswanson@morrobayca.gov
Cc: Metzger Tina tinametzger755@gmail.com

Dear Planning Commissioners,

My name is Bill Todd and I own a property on Nutmeg avenue in Morro Bay and another at Todd's Garage on Quintana Rd,

I was thankfully advised by our neighborhood watchdog that a property was being built at 2440 Laurel Ave that seems to break all the rules?

I support the appeal of 2440 Laurel Ave due to height restrictions, (What happened to the 25' regulation?) Also the aesthetics and footprint do not conform to the regulations of the same style of structure. Most importantly, I am genuinely concerned of what would be possible if this type of planning approval goes through.

When I first bought my home it was touted as being unblockable ocean views from both levels and a 30' home built below me and at the 5' rear yard setback would certainly impact the view and value of my property.

See you at the appeal

Bill Todd

From: [redacted]
To: Dana Swanson
Subject: Planning Commission – Appeal of CDP 22-025
Date: Monday, February 6, 2023 9:22:35 AM

CAUTION: This is an external email. Please take care when clicking links or opening attachments.

Dear Planning Commissioners:

Please be advised I live at [redacted] Nutmeg Ave., in Morro Bay. I am concerned about the proposed house with the address of 2440 Laurel Ave. in Morro Bay because the house does not adhere to the Morro Bay residential design guidelines.

I do not believe the home is within the scale of the other homes in our immediate neighborhood towards the east side of Laurel, and between Avalon and Casitas streets. In addition, the house at street level is three stories, which is overpowering and not compatible with our neighborhood.

It is my understanding there is a 25 foot height limit. However, the proposed plan regarding this home clearly documents the fact that the height exceeds the limit. Since our city does have a height limit, I am wondering why someone has made the decision to overlook this important requirement.

I also noted in the plans that this home will only have a backyard consisting of 5 feet. For a home that size, 5 feet certainly cannot be considered a backyard. In addition, it is not consistent with the neighboring yards.

I am requesting again that you reconsider allowing this type of home to be built in our neighborhood. Your assistance in this matter is appreciated.

Sincerely,

Jane Woodcock
Attorney at Law
LAW OFFICES OF JANE WOODCOCK
P.O. Box 27980
Fresno, CA 93729-7980
[redacted]

- LAW OFFICES OF JANE WOODCOCK EMAIL NOTICE - This transmission may be: (1) subject to attorney-client privilege, (2) an attorney work product, or (3) strictly confidential. If you are not the intended recipient of this message, you may not disclose, print, copy or disseminate this information. If you have received this message in error, please reply and notify the sender (only) and delete this message. Unauthorized interception of this email is a violation of federal criminal law.

February 6, 2023

Planning Commission
City of Morro Bay
995 Shasta Ave.
Morro Bay, CA 93442

RE: Appeal of Administrative Coastal Development Permit: 2440 Laurel Ave. CDP22-025

Dear Planning Commission Chair and Members:
The purpose of this letter is to respond to the Staff Report for the February 7, 2023 Planning Commission Agenda Item: B-1, Appeal of CDP22-025. This Appeal concerns the Administrative Coastal Development Permit for the proposed demolition of the 1953 existing home and proposed construction of a new home ("the Project") at 2440 Laurel Avenue, Morro Bay. The proposed house is 4,365 square feet of garage and living space.

The Project is located in the R-1/S.2 District which is the Special Treatment (S) Overlay Zone. In the S.2 Special Treatment (S) Overlay Zone of the current Morro Bay Municipal Code, I find it disheartening that someone in the Community Development Department has taken the liberty to remove language stated in the previous 1993 MB Municipal Code S.2 Special Treatment Overlay Zone which states, "In order that new development will occur, be developed in an orderly manner and *will be in harmony with other structures and improvements in the area;* the maximum utilization of land may be permitted through the combination of compatible uses; and that *areas with unique character and visual resources are preserved and protected,* the following special treatment combining districts are established." (Source: Chapter 17.40 of the 1993 Morro Bay Municipal Code, page 444; italics mine.)

The stated "unique character and visual resources" of our neighborhood are the hills and views to the coast. The stated "harmony with other structures and improvements in the area" help explain the successful historical typology of the neighborhood and the respect for the coastal views of all of the properties in our neighborhood.

In my response to the Staff Report - instead of pointing out every inaccuracy, or misquote, or the which photo examples are a half mile away from the immediate Project neighborhood of Laurel Avenue, between Avalon and Casitas Streets and don't apply - I would instead like to focus on simple improvements to the overall design that can make a world of difference to the negatively affected neighbors of the Project. These simple improvements will not take away from the Applicant's "dream house."

Please see the attached photos (Attachment B) of the model that is to Scale: ¼ " = 1' based on the Project drawings. The model shows the building in the West, North, East and South Elevations. The model helps to understand the building profile and bulk. (Note: the proposed building exterior color and material is light gray stucco, not green.)

SOUTH ELEVATION:
The South Elevation shows what I (and some of my neighbors) will be looking at for the rest of my life. The black solar panels stuck all along on the side of the flat mansard roof are pointed directly at all my west facing picture windows (and neighbors' windows). The floor-to-ceiling sliding glass doors (mirrored glass) at the rear balcony of the third-floor South Elevation wall look directly into my master bedroom, living room, and dining room picture windows. I will have a direct view into the Spa alcove on the Project's second floor from all my picture windows.

WEST ELEVATION:
The West Elevation shows the house is three stories and 32' high on Laurel Avenue. The Project is on the east side of Laurel, where the homes are predominantly two stories. On the west side of Laurel, at street level, all homes are one story, between Avalon and Casitas Streets, and also farther north on Laurel.

NORTH ELEVATION:
The North Elevation shows the overhanging mansard roof line to the front edge of the decks, and the front columns are directly in the iconic Morro Rock viewshed of the adjacent neighbor (Jerkovich) to the north of the Project. The columns and the mansard roof also affect the north coast viewshed of the neighbor adjacent to the Project on the south (Lindsay).

EAST ELEVATION:
The East Elevation shows the back of the building, with a 5' setback and no back yard, and a blank stucco wall two and a half stories high. The neighbors (McBride) directly behind the Project are understandably distressed about the loss of their view to the coast out of their picture windows, and the loss of the value of their property, their life investment.

What are simple solutions to the above issues?

First off, we neighbors are happy the Applicant is building his "dream home." We are not trying to prevent the Applicant from building his home. We would like to offer simple design changes that will make all the difference in the world to the neighbors and help the house be a better Project and more compatible with the Laurel Avenue neighborhood.

1.) Pull back the front mansard roof on the West Elevation.

2.) Remove the Columns.

3.) Dig down two feet.

4. Locate the solar panels on the center flat recessed sections of the roof.

5. Shorten the third story floor-to-ceiling mirrored sliding glass door windows at the rear South Elevation.

That's it!

In summary, with above simple design changes, the improvements will result in a better Project; and a much more compatible Project with the neighborhood.

Sincerely,

Tina Metzger

Attachments:

A. Page 444 from the Morro Bay Municipal Code (1993); Section 17.40 Special Treatment S.2 District, describing Standards.

B. Photos of the Elevations of the model of the Project – **Scale: ¼" = 1'.**

C. Photos showing, **from street level**, the one-story homes on the west side of Laurel Avenue, between Avalon and Casitas Streets.

D. Photos taken from the middle of the block of Laurel and Nutmeg, showing the backyards looking south and looking north.

E. Photos of an excellent example of a three-story home on the east side of Laurel at 2410 Laurel Avenue.

CITY OF MORRO BAY

APPEAL FORM

Community Development Department

Planning Division

955 Shasta Avenue
Morro Bay, CA 93442
(805) 772-6261

In CCC Appeals Jurisdiction?

☐ YES – *No Fee*
☑ NO – *Fee Paid:* ☐Yes ☐No

Project Address being appealed:
2440 Laurel Ave. Morro Bay. California 93442.

Appeal from the decision or action of (governing body or City officer):

☐ Administrative Decision ■ Planning Commission ☐ City Council

Appeal of action or specific condition of approval:

During. February 7th, 2023 meeting. With the Planning Commission, I was not given due process. The Planning was out of scope by redesigning the proposed structure. Located at 2440 Laurel Ave. Morro Bay.

Permit number and type being appealed (ie. coastal permit, use permit, tentative subdivision):
CDP22-025.

Date decision or action rendered:
February. 7th. 2023.

Grounds for the appeal (attach additional sheets as necessary):

(see attached)

Requested relief or action:

(see attached)

Appellant (please print): Michael J Murphy

Phone: 661 599-5180

Address: 2440 Laurel ave Morro Bay Ca 93442

Appellant Signature: Michael Murphy **Date:** Feb 17 2023

FOR OFFICE USE ONLY

Accepted by: Dana Swanson	Date appeal filed: 2/17/23
Appeal body: (City Council)	Date of appeal hearing:

Grounds for the appeal:

I was told I would be allowed a five minute opening statement and a five minute closing statement. I was not allowed a closing statement. The Planning Commission inappropriately assumed the role of a Design Review Commission. They rendered an arbitrary decision to peel back my roof line eight feet. The Planning Commission chose to dismiss my disability of skin cancer over structural redesign.This House was designed in order to allow me as much shade in my house as possible for as long as possible. Each floor is step back in elevation from the floor below. The garage floor has a 2 foot eave. The first floor structure wall is setback 6 feet and the top floor structure wall is setback 12 feet; thus creating an aesthetically pleasing tiered frontage to my home. All plans were engineered within legal code and approved by the Planning Department.

Requested relief or action:

I request the permit CDP22-025 at 2440 Laurel Ave. be restored to its original design, which was approved by the Morro Bay Planning Department. This house design meets current city and state codes.There are numerous homes with this same architectural design throughout Morro Bay. In fact, there are many homes that have been approved by the Building Department that reflect my design and now are in the building phase in my immediate neighborhood. Nancy Hubbard has a list of such homes. To deny me my home would be a violation of my rights and I would like this corrected immediately. I realize I'm not responsible to ensure views.; however, I am willing to hire Mike Statton MSP land surveying in order to prove that my proposed structure will not be blocking neighbor's beach or whitewater views from the upper floors located on Nutmeg.That's what I had intended to offer in my closing statement as a remedy. Access to properties on Nutmeg is needed to conduct the survey.

AGENDA NO: B-1

MEETING DATE: February 7, 2023

Staff Report

TO: **Planning Commission** **DATE: February 7, 2023**

FROM: **Nancy Hubbard, Contract Planner**

SUBJECT: An appeal was filed December 20, 2022 in response to an administrative approval on December 10, 2022, of Coastal Development Permit (CDP22-025) for the proposed demo of the circa 1953 existing home and new construction of home that has 3,037 sf conditioned living space above a subterranean 1328 sf garage/shop area. The appellants listed grounds for appeal are that (1) the demo of the existing home needs an asbestos plan, (2) the proposed new home does not meet the height requirement and (3) the proposed home does not meet the residential design guidelines. The project zoning is R-1/S2 and the site is not located within the coastal appeals jurisdiction. The Coastal Land Use Designation is Moderate Density Residential (RS-A).

RECOMMENDATION

1. Deny the appeal and uphold the administrative approval of the project pursuant to the findings and conditions of approval included in the CDP 22-025 permit.

ALTERNATIVES

1. Continue appeal and provide direction to staff regarding desired changes/actions
2. Uphold the appeal and provide staff with direction, including findings.

APPELLANT: Tina Metzger, 2403 Nutmeg Ave

APPLICANTS: Michael Murphy, property owner

LEGAL DESCRIPTION/APN: 2440 LAUREL AVE/ 068-275-028

SUMMARY:

On December 10, 2022, staff approved an administrative Coastal Development Permit for the proposed demo of an existing small home, and subsequent construction of a new home on a residentially zoned parcel. The project complied with all the development standards of the zoning district and complies with the Residential Design Guidelines (see Exhibit C)

GROUNDS FOR APPEAL AND STAFF RESPONSES

01181.0005/718458.3

Prepared By: NH Department Review: ____ ____

The stated grounds for the appeal are listed below, followed by a staff response. *Note: The grounds for appeal below have been paraphrased, the full text of each of the stated grounds for appeal are in* Exhibit *B*:

1. APPELLANT GROUNDS FOR APPEAL: The demolition permit for the existing 1953 home lacks an Asbestos Report and Remediation Plan.

   Staff response: *No demolition permit has been issued, but when it is issued, it will require compliance with the building code requirements for identification, handling and safe disposal of any hazardous building materials, including asbestos. The permit issued, CDP22-025, is a planning permit that allows the applicant to move forward toward a demo and building permit application and review process.*

2. APPELLANT GROUNDS FOR APPEAL: The project is an aberration in the neighborhood and does not meet the standards for homes on the east side of Laurel Ave in its bulk and mass, height at street level, roof line, lack of back yard area. The project is three stories, commercial looking and does not fit in with the other 2 story homes in the neighborhood. It also does not adhere to the maximum building height limit of 25 feet.

   Staff response: *All the homes in that area are subject to the same zoning requirements and development standards, without regard to which side of the street they are located. The appellant is incorrect in the above statement, because the proposed project meets all development standards, and in fact, has larger side yard setbacks than required, resulting in less "mass and bulk" than otherwise possible. The appellant is also incorrect in the statement that the project does not*

meet the maximum building height of 25 feet. The design height is confirmed by a topographic survey and will be confirmed again during the construction phase.

The nearby homes that could be confirmed by MB permit records, have also built to the 25 foot height limits. In the photo above, you can see many of the homes have a bulk and mass that is perceived to be the same or greater than the proposed project. The neighborhood has three level, two level and even a few 4 level homes, which all are possible with the 25 foot height level depending on site design and use of the slope. See response below for discussion of the design and compatibility in the neighborhood.

3. APPELLANT GROUNDS FOR APPEAL The City should require that the project adhere to the MB Residential Design Guidelines: Appellant lists the following as grounds for non-compliance of the following specific sections:
    a. Design Guideline A.1: The project is not visibly compatible (its unattractive) with the immediate neighborhood. The project looks like a three story shoebox or a commercial building, with a mansard roof including solar panels.
    b. Design Guideline B (B.1 and B.3, Techniques a-c): The size, mass and scale of the proposed home is higher and wider than the homes along the east side of Laurel Ave. The project shows no thoughtful exterior design, it's a three story box where most existing homes are two story, with interesting rooflines and attractive architecture. The proposed home does not limit the home profile to be generally consistent with the profile of the existing homes. The second floor is not setback from the front of the home. The size of the second floor should be to be relative to the first story.
    c. Design Guideline C (C.1 and C.2): The project is three stories of long unarticulated wall and roof planes. It's a big box with a flat lid. The entire roof type is mansard. The entire structure is stucco with no use of textures and materials.
    d. Design Guideline D (D.3 and D.4): The project is located on the lot in a manner not similar to adjacent homes. The project is set back to within 5 feet of the property line. It doesn't have a back yard. This project should be required to have a backyard like the neighbors do.
    e. Design Guideline G (G.1): The project has no architectural elements and is not compatible with the neighborhood.
    f. Design Guideline I (I.1 and I.2): The projects third floor master bedroom is too close to my bedroom, and I will lose all of my privacy and use of my home. This house should have a larger back yard like other (6 neighbors are mentioned with bigger backyards) homes. The south side of the proposed home has a spa room which is too visible to the neighbors and the neighbors do not want to look into the spa room.
    g. Design Guidelines L (L.2 – L.4): The project's roof has not taken into consideration orientation and roof slope. The projects solar panels are "tacked up" on the mansard roof and are directed at the adjacent homes in an ugly and obnoxious manner. The project should be required to have non-glare and non-reflective panels.

Staff response:

Excerpt from Residential Design Guidelines: Single-Family Design Guidelines
The following guidelines are not meant to encompass the entire range of design possibilities, but instead are meant to provide basic guidance as to what is expected when development is proposed. The policies are not meant to discourage innovative designs nor encourage any specific style or design concept. Variations from the Guidelines will be considered when proposed project elements provide for a better project than would be possible adhering to the specific direction provided within the Guidelines.

The Grounds for Appeal #3 objective complaints have been grouped together by subject matter to be addressed by staff below:

BUILDING ARCHITECTURE AND EXTERIOR FINISHES: *The project design is contemporary, has architectural interest, each level is stepped back 6 feet from the level below. The proposed project uses exterior finishes and materials like what is common on other homes in the neighborhood. The front door and the porches/balconies are visible and provide a pedestrian connection along the street. The garage door has been upgraded with glass and metal roll up doors which ties into materials used throughout the home design.*

The project is designed with a hybrid mansard type roof design. This design is favored because in staying within the height limits, this roof type allows more interior head room in the living areas. The roof will accommodate up to 12 solar panels on the south facing portion of the mansard roof, and if additional solar panels are desired, they are proposed for the center flat, recessed section of the roof. Solar is required by the State of California for all new homes starting in 2020. Solar panels are now anti-glare and non-reflective as well as have options to be mounted to reduce the possibility of occasional glare.

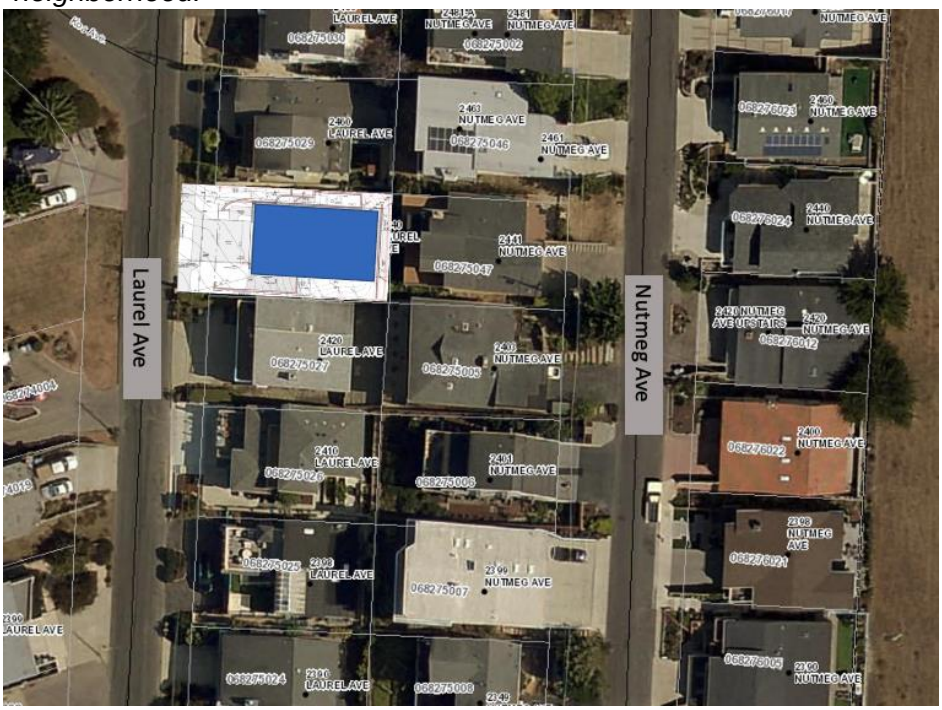
Part of the basis for review for residential design guidelines is that all parcels in this area are subject to the same zoning code and same development standards, allowing the property owner the flexibility to design a home that suits their needs within those constraints. That provides all property owners with the same opportunities.

SCALE AND MASS/PLACEMENT ON THE PARCEL: *The proposed home design was reviewed by staff and found to be compatible in scale and mass to*

other homes in the neighborhood and in fact is a compact efficient design that appears smaller in mass and scale than many of the existing homes. Below are the standard design techniques for minimizing scale:

a) Limit the house profile to an area generally consistent with the profile of existing homes.

The neighborhood has a large variety of home sizes and designs, many of which appear much larger in size and scale than the proposed home. As such, the proposed home blends well with the variety of homes with its compatible size and scale and the placement on the parcel. See aerial photo below with the blue box indicating the outline of the proposed home. The proposed home is compact and appears much smaller than many of the existing homes in the immediate neighborhood.



b) Set the 2nd floor back from the front and sides of the first story sufficient to reduce the overall scale of the building.

The proposed home sets the first living level back 6 feet from the face of the garage level and sets the upper floor back another 6 feet from the face of the first living level (12 feet back from the garage face). The sides of the proposed home are not recessed by floor level, which is consistent with other homes in the neighborhoods.

c) Limit the size of the second floor relative to the first level.

The first living level is 1455 sf and the living level above that is 1325 sf.

d) Increase the front and/or side setbacks for the entire structure.

This home is required to have a 5 foot setback on the sides but has

designed an 11 foot side yard on the south and a 7 foot side yard on the north side.

e) Place at least 60-70% of the second floor area over the back half of the first floor.

The first living level has 64% of the conditioned area over the back half of the garage level and the second living level has 84% of the conditioned space over the back half of the garage level.

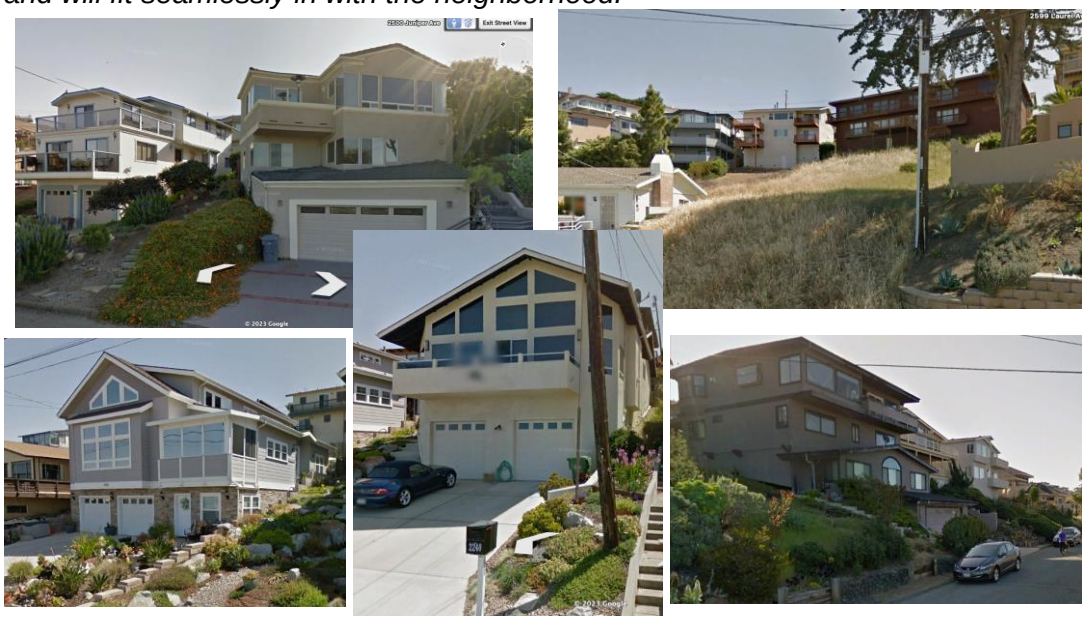
f) Slope the new roof away from adjacent homes.

The mansard roof slants away from all adjacent homes.

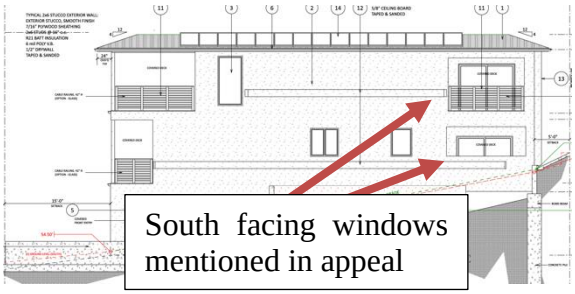
g) Incorporate the second story into the roof.

This guideline is not applicable base on the roof style designed on this home.

The neighborhood has a wide variety of home designs and such, the proposed home was found to be consistent with the design trend, size and scale of the homes in the neighborhood. The project as designed complies with all the zoning code development standards, including the maximum building height requirement and will fit seamlessly in with the neighborhood.



PRIVACY**:** *Because of the hillside development and the focus on windows/decks and balconies on the west and southwest sides of the homes, the neighborhood appears densely developed. Like most of the other homes, the proposed home has minimal windows on the sides of the home, no windows on the east side (where the homes up the hill are imposing with decks and tall structure). The windows on the west are separated from the homes across the street by the 60 foot right of way (Laurel Ave) and the windows on the south side of the home are opaque and are 11 feet from the side property line. The appellants home (as stated in her appeal) is 15 feet back from the westerly property line. So, the appellants concern is about the proposed home's south facing windows having a "direct view' into her west facing bedroom window that diagonally is about 23+ feet away. The staff found that the proposed home has been designed to be considerate of the privacy of all the existing homes and therefore meets the Privacy criteria of the Residential Design Guidelines.*



4. The Appellant has listed 'Other Concerns' which are not identified as Grounds for the Appeal, but nonetheless mentioned and addressed below.
    a. The project design appears incomplete and is not ready for approval of a Coastal Development Permit:
        i. Does not include the projects special relationship to the adjacent homes.
        ii. The landscape plan does not include plant species
    b. (Most serious concern) Every house in this neighborhood respects their neighbors' views of the coast, but this project blocks views to the coast of 5 homes. The appellant speaks to the Morro del Mar subdivision design standards and how they were created to provide fair and mutually beneficial projection of property rights and values.

Staff Response: *The project has provided all the required documents for consideration of the Coastal Development Permit. The project was deemed complete, public notice was provided, an administrative approval was granted, and a permit issued. The residential design standards are guidelines, not with the intent to find a way to deny a project, but objective standards to provide guidance to have a home design that blends into the neighborhood. The proposed design for 2440 Laurel fits that objective criterion. Staff has found no evidence of any Morro Del Mar subdivision design standards (search included title report, SLO County GIS/survey search of original subdivision). However, if Morro Del Mar had any design standards, the Morro Bay Zoning Development Standards would continue to be enforced by the city and any*

separate subdivision standards would be the subdivisions responsibility to enforce and would not usurp the MB standards.

APPEAL REQUESTED ACTIONS

Below are the requested relief or actions requested by Appellant followed by staff response:

1. Request the city to require an Asbestos Report and Remediation Plan prior to issuing a Demolition Permit for the existing 1953 home.
   Staff response: ***Asbestos and other hazardous material removal procedures is a standard requirement of a demo permit for any home older than 1978 or any structure where asbestos is present. This project has not yet been issued any demo or building permits. (California Code of Regulations, Title 8, Section 1529 – Asbestos).***

2. Request that the city require the project to fit in with the other homes along the east side of Laurel Avenue and adhere to the maximum building height requirement of 25 feet.
   Staff response: ***The proposed project meets the residential design guidelines and is compatible with the existing homes in the neighborhood as well as the recent trend embracing contemporary home designs. Homes on the east side of the street have the same standards as all the homes within that zoning district.***

3. Request that the city require the project to adhere to the Residential Design Guidelines (as noted in the grounds for appeal)
   Staff response: ***The project has been thoroughly reviewed and has been determined to meet the residential design guidelines and neighborhood compatibility.***

REGULATORY REQUIREMENTS FOR APPEALS TO PLANNING COMMISSION

The function and duties of the Planning Commission as the appellate body are to review the appeal, administrative record, and written correspondence received by staff and included in the staff report, and take one of the following actions:

A. Conduct a public hearing considering the concerns raised by the Appellant, and uphold or deny the appeal; or
B. If new evidence comes to light at the hearing that was not previously reviewed by staff that is relevant to the PC decision to approve a Coastal Development Permit, remand the matter back to staff for further review and action.

The Planning Commission, under option A above, shall conduct a de novo review in that the Appellant body shall consider only the same application, plans and related materials that were the subject of the original decision, and is not required to give any deference to the original determination of the administrative approval.

ENVIRONMENTAL DETERMINATION

Pursuant to the California Environmental Quality Act, the project meets the requirements for a categorical exemption under CEQA Guidelines Section 15301, Class 1 for the demo of an existing home and Section 15303, Class 3a, for a new single-family home on a residentially zoned parcel. Additionally, none of the Categorical Exemption exceptions, noted under Section 15300.2, apply to the project.

PUBLIC NOTICE

Notice of this item was published in the San Luis Obispo Tribune newspaper on January 27, 2023, and all property owners of record within 500 feet of the subject site were notified of this evening's public hearing and invited to voice any concerns on this appeal or related to the proposed project.

CONCLUSION

The City of Morro Bay's processing of this application was thorough and in compliance with the requirements of the zoning code and land use designations. The design meets the neighborhood compatibility criteria, the Residential Design Guidelines and all the development standards of the zoning and land use district.

Staff recommends that the Planning Commission deny the appeal supporting the administrative decision to approve the project pursuant to the findings and conditions of approval included in the CDP 22-025 permit.

ATTACHMENTS

Exhibit A: Resolution 04-23 (deny appeal)
Exhibit B: Appeal received from Appellant dated December 20, 2022
Exhibit C: CDP22-025 Permit issued December 10, 2022

RESOLUTION NO. 04-23

RESOLUTION OF THE PLANNING COMMISSION OF THE CITY OF MORRO BAY DENYING AN APPEAL AND UPHOLDING THE ADMINISTRATIVE APPROVAL OF A COASTAL DEVELOPMENT PERMIT (CDP22-025) FOR A NEW HOME AT 2440 LAUREL AVE, MORRO BAY

WHEREAS, the Planning Commission of the City of Morro Bay (the "City") conducted a public hearing at the Morro Bay Veteran's Hall, 209 Surf Street, Morro Bay, California, on February 7, 2023, conducted in a hybrid format with both an in-person meeting at the Morro Bay Veterans Memorial Building, 209 Surf Street, Morro Bay, CA 93442 as well as through virtual public participation provided telephonically through Zoom, for the purpose of considering an appeal of a Coastal Development Permit (CDP22-025) for a proposed new small home to be located at 2440 Laurel Ave("the Project"); and

WHEREAS, on December 10, 2022, Coastal Development Permit (CDP22-025) was approved administratively, and a permit was issued; and

WHEREAS, on December 20, 2022, an appeal of the administrative action to approve the project was filed with the City of Morro Bay by Tina Metzger specifically requesting the Planning Commission disapprove the project; and

WHEREAS, the Planning Commission conducted a public hearing at the Morro Bay Veteran's Hall, 209 Surf Street, Morro Bay, California, on February 7, 2023, to consider an appeal of the administrative approval of the project; and

WHEREAS, notices of said public hearing were made at the time and in the manner required by law; and

WHEREAS, the Planning Commission has duly considered all evidence, the testimony of the Appellant and the evaluation and recommendations by staff, presented at said hearing.

NOW, THEREFORE, BE IT RESOLVED by the Planning Commission of the City of Morro Bay as follows:

Section 2: Findings. Based upon all the written and oral testimony and evidence presented to the Planning Commission at and for the above public hearing, the Planning Commission concurs with the findings and conditions of approval included in the Permit CDP22-025 issued on December 10, 2022, with the additional conditions added below (Section 3. Action).

Section 3. Action. The Planning Commission does hereby deny the appeal filed on December 20, 2022, by Tina Metzger, and upholds the administrative approval of the Coastal Development Permit (CDP22-025) pursuant to the findings and conditions of approval in the CDP22-025 permit issued December 10, 2022, through approval of Resolution 04-23, subject to the following added conditions of approval.

PLANNING CONDITIONS:

1. Enhance front elevation step back on upper level: Applicant shall move the west side of the roof line back a minimum of 8 feet (allowing a 4-foot overhang) over the balcony and submit for review and approval by Community Development Director. This is in accordance with Residential Design Guidelines: Single-family design guidelines: B. Mass and scale and C: Surface articulation

2. Surface articulation: Applicant shall submit for approval by the Community Development director a change in color or material for the lower level of the proposed home. This will meet the criterial in the Residential Design Guidelines, C. Surface articulation.

PASSED AND ADOPTED by the Planning Commission of the City of Morro Bay at a regular meeting thereof held on this 7th day of February 2023 on the following vote:

AYES: (m) Meyer, (s) Ingraffia, Rodriquez, King, Roschen
NOES:
ABSENT:
ABSTAIN:

William Roschen
Planning Commission Chair

ATTEST

SCOT GRAHAM, Secretary

CITY OF MORRO BAY

COMMUNITY DEVELOPMENT DEPARTMENT

955 Shasta Avenue
Morro Bay, CA 93442

December 10, 2022

Michael Murphy
2440 Laurel Ave
Morro Bay, CA 93442

SUBJECT: Coastal Development Permit (CDP22-025) for a demo of existing home and new construction of a single family home.

Project Description: Administrative Approval for a Coastal Development Permit (CDP22-025) for the proposed demo of the circa 1953 existing home and new construction of home that has 3,037 sf conditioned living space primarily located on the second and third floor, with a 1328 sf garage and shop area on the ground floor. The design has a full bathroom in the lower level which will be permitted with a deed restriction. The home is three stories on a 4000 square foot parcel with an uphill slope on the east side of Laurel Ave. The project zoning is R-1/S2 and the site is not located within the coastal appeals jurisdiction. The Coastal Land Use Designation is Moderate Density Residential (RS-A).

Dear Applicant/Property Owner,

The City of Morro Bay Community Development Department conditionally approved your request. This action does not constitute a building permit. Any further processing of this project must be initiated by the applicant, subject to the applicable rules and regulations of the Morro Bay Municipal Code. ***Please be advised that you must return the enclosed Acceptance of Conditions form, signed, to this department or the action is null and void.***

The Morro Bay Municipal Code provides for an appeal of the action by the Community Development Director within ten (10) days of adoption and anyone wishing to appeal may do so in writing by delivering such letter to the office of the City Clerk. There is a fee for processing appeals except for those coastal permits in the coastal appeals jurisdiction.

Please also find enclosed the Notice of Exemption for your project. The City of Morro Bay no longer files notices of exemptions. You may file the Notice of Exemption with the County Clerk's office located in the County Government Building in San Luis Obispo. The filing Fee is $50.00, and the County requires the original Notice of Exemption and at least one copy.

Section 15062 (d) of The California Environmental Quality Act (CEQA) provides:
"The filing of a Notice of Exemption and the posting on the list of notices start a 35-day statute of limitations period on legal challenges to the agency's decision that the project is exempt from CEQA. If a Notice of Exemption is not filed, a 180-day statute of limitations will apply."

Sincerely,

Scot Graham
Community Development Director

By: _____

Nancy Hubbard, Contract Planner

CITY OF MORRO BAY
COMMUNITY DEVELOPMENT DEPARTMENT

Administrative COASTAL DEVELOPMENT Permit

This approval is based upon the attached findings and is valid only if the attached conditions are met and only after the applicable appeal period. Failure to comply with the conditions of this permit shall, at the discretion of the Community Development Director pursuant to Municipal Code Section 17.60.150, render this entitlement null and void.

CASE NO: **CDP22-025**

THIS PERMIT IS HEREBY APPROVED AND ISSUED FOR:

SITE ADDRESS: 2440 Laurel Ave

APPLICANT: Michael Murphy

APN/LEGAL: 068-275-028

DATE APPROVED: December 10, 2022

APPROVED BY: Community Development Director

CEQA DETERMINATION: Categorical Exemption, Class 1(j), CEQA Section 15301 and Class 3a, CEQA Guidelines Section 15303

DESCRIPTION OF APPROVAL: Administrative Approval for a Coastal Development Permit (CDP22-025) for the proposed demo of the circa 1953 existing home and new construction of home that has 3,037 sf conditioned living space primarily located on the second and third floor, with a 1328 sf garage and shop area on the ground floor. The design has a full bathroom in the lower level which will be permitted with a deed restriction. The home is three stories on a 4000 square foot parcel with an uphill slope on the east side of Laurel Ave. The project zoning is R-1/S2 and the site is not located within the coastal appeals jurisdiction. The Coastal Land Use Designation is Moderate Density Residential (RS-A).

☒ **YOUR PROPERTY IS LOCATED IN THE CITY OF MORRO BAY JURISDICTION, THERE IS AN APPEAL PERIOD OF TEN (10) *Calendar days*, WITHIN WHICH TIME YOUR PERMIT IS APPEALABLE TO THE CITY COUNCIL/PLANNING COMMISSION**

☐ **YOUR PROPERTY IS LOCATED IN THE COASTAL COMMISSION APPEALS JURISDICTION:** THE FOLLOWING COASTAL COMMISSION APPEAL PERIOD APPLIES TO YOUR PROJECT: This City decision is appealable to the California Coastal Commission pursuant to the California Public Resource Code, Section 30603. The applicant or any aggrieved person may appeal this decision to the Coastal Commission within TEN (10) *Working days* following Commission receipt of this notice and after expiration of the City of Morro Bay appeal period. Appeals must be in writing and should be addressed to California Coastal Commission, 725 Front Street, Ste. 300, Santa Cruz, CA 95060, Phone: 831-427-4863. If you have any questions, please call the City of Morro Bay Community Development Department,805- 772-6264.

IF NOT APPEALED, YOUR PERMIT WILL BE EFFECTIVE: on or about December 20, 2022

ATTEST: _____ DATE: December 10, 2022

THIS IS A DISCRETIONARY APPROVAL AND DOES NOT CONSTITUTE A BUILDING PERMIT

CITY OF MORRO BAY
COMMUNITY DEVELOPMENT DEPARTMENT

NOTICE OF FINAL ACTION ON COASTAL DEVELOPMENT PERMIT

DATE OF NOTICE: DECEMBER 20, 2022

NOTICE OF FINAL CITY ACTION on Coastal Development Permit No. **CDP22-025**

THE FOLLOWING PROJECT IS LOCATED IN THE MORRO BAY COASTAL ZONE AND A COASTAL PERMIT APPLICATION HAS BEEN ACTED ON BY THE CITY.

Applicant: Michael Murphy

Address: 2440 Laurel Ave, Morro Bay, CA 93442

Project Description: Administrative Approval for a Coastal Development Permit (CDP22-025) for the proposed demo of the circa 1953 existing home and new construction of home that has 3,037 sf conditioned living space primarily located on the second and third floor, with a 1328 sf garage and shop area on the ground floor. The design has a full bathroom in the lower level which will be permitted with a deed restriction. The home is three stories on a 4000 square foot parcel with an uphill slope on the east side of Laurel Ave. The project zoning is R-1/S2 and the site is not located within the coastal appeals jurisdiction. The Coastal Land Use Designation is Moderate Density Residential (RS-A).

Project Location: 2440 Laurel Ave, Morro Bay, CA 93442

APN: 068-275-028

Zoning: R-1/S.1

Land Use Plan/General Plan: Medium Density Residential

Lot Area: 4000 square-feet

Filing Date: August 1, 2022

Approval Body: Community Development Director

Action Taken: Approve with Conditions

Action Date: December 10, 2022

☒ THIS SITE IS OUTSIDE OF THE COASTAL COMMISSION APPEAL JURISDICTION

☐ This City decision is appealable to the California Coastal Commission pursuant to the California Public Resource Code, Section 30603. The applicant or any aggrieved person may appeal this decision to the Coastal Commission within TEN (10) working days following Commission receipt of this notice. Appeals must be in writing and should be addressed to California Coastal Commission, 725 Front Street, #300, Santa Cruz, CA 95060, 831-427-4863.

APPLICANT'S ACCEPTANCE
OF
CONDITIONS OF APPROVAL

CASE NO. **CDP22-025**

SITE LOCATION: 2440 LAUREL AVE, MORRO BAY

APPLICANT NAME: MICHAEL MURPHY

APPROVAL BODY: COMMUNITY DEVELOPMENT DIRECTOR

DATE OF ACTION: DECEMBER 10, 2022

I, _____ the undersigned, have read and
(*APPLICANT'S NAME - PLEASE PRINT*)
reviewed the conditions of approval imposed by the Approval Body in its action approving Case Number: **CDP22-025**

I UNDERSTAND AND ACCEPT SAID CONDITIONS AND AGREE TO FULLY COMPLY WITH THEM.

_____ _____
APPLICANT'S SIGNATURE DATE

CITY OF MORRO BAY
NOTICE OF EXEMPTION

TO: ☒ San Luis Obispo Co. Clerk
County Government Center
San Luis Obispo CA 93401

☐ Office of Planning & Research
1400 Tenth Street
Sacramento, CA 95814

FROM: City of Morro Bay
Community Development Department
955 Shasta Avenue
Morro Bay, CA 93442

Project Title: Demo of existing and replacement with a new Single-family home

Project Location - Specific: 2440 Laurel Ave (068-275-028)

Project Location - City: MORRO BAY County: SAN LUIS OBISPO

Description of Project: Administrative Approval for a Coastal Development Permit (CDP22-025) for the proposed demo of the circa 1953 existing home and new construction of home that has 3,037 sf conditioned living space primarily located on the second and third floor, with a 1328 sf garage and shop area on the ground floor. The design has a full bathroom in the lower level which will be permitted with a deed restriction. The home is three stories on a 4000 square foot parcel with an uphill slope on the east side of Laurel Ave. The project zoning is R-1/S2 and the site is not located within the coastal appeals jurisdiction. The Coastal Land Use Designation is Moderate Density Residential (RS-A).

Name of Public Agency Approving the Project: CITY OF MORRO BAY, 955 SHASTA AVE, MORRO BAY, CA 93442
Contact: nhubbard@morrobayca.gov, Nancy Hubbard, Contract Planner, 805-772-6211

Name of Person/Agency Carrying Out Project: Michael Murphy, 2440 Laurel Ave, Morro Bay, CA 93442,
661-599-5180 highfirepotter@yahoo.com

Exempt Status: (Check One)

Reasons why project is exempt: Demo of existing and new construction of residential home in residential zone, not in coastal appeals jurisdiction.

☐ Ministerial (Sec. 21080(b)(1); 15268);

☒ Categorical Exemption:
Section #:15303, Class 3a & #15301, Class 1j

☐ Declared Emergency (Sec. 21080(b)(3); 15269(a)

☐ Declared Emergency (Sec. 21080(b)(3); 15269(a)

☐ Statuary Exemption Code No.

Lead Agency: City of Morro Bay, 955 Shasta Ave, Morro Bay, CA 93442

Contact Person: Nancy Hubbard, Contract Planner **Telephone:** 805-772-6211

Email: nhubbard@morrobayca.gov

Has a Notice of Exemption been filed by the public agency approving the project? ☐ Yes ☒ No

Certification: I hereby certify that the public agency has made the above finding and that the project is categorically exempt from CEQA.

Signature: Title: Contract Planner Date: December 10, 2022

ADMINISTRATIVE COASTAL DEVELOPMENT PERMIT
CASE NO. CDP22-025
SITE LOCATION: 2440 Laurel Ave

I. FINDINGS OF APPROVAL

The Community Development Director has reviewed this Coastal Development Permit and application and finds the following:

California Environmental Quality Act (CEQA)

1. The project is exempt from the California Environmental Quality Act, under Class 3, Section 15303(a) for new construction of a single-family residence in a residential zone and Class 1, Section 15301(j) for demolition of an existing residential unit. Additionally, none of the Categorical Exemption exceptions, noted under Section 15300.2 apply to the project.

Coastal Development Permit findings

2. That the project is the construction of a single-family residence in a residential zone. The project is consistent with the certified Local Coastal Program (LCP) and the General Plan for the City of Morro Bay and includes the following development standards:

Zoning Ordinance Standards: R-1/S-2		
	Standards	**Proposed**
Front Setback	15'	15'
Side-Yard Setback	10% of lot width, max 5 ft	7' (north side), 11' (south side)
Rear Setback	5'	5'
Height	25'	25'
Lot Coverage	Max 50%	48%
Parking	2 Car Garage	2 car garage parking

Residential Design Guidelines

3. That the project is consistent with the residential design guidelines with regards to:

   a. Relationship to Homes in Immediate Neighborhood
   Design, bulk, and scale are harmonious to the homes in the immediate neighborhood.

b. Scale and Mass
The home is three-stories stair-stepping up the hill like many homes along this steep hillside.
c. Surface Articulation
The design includes a stepped back second and third story
d. Building Orientation
The visibility to front entry is enhanced by a small wall along the entry pathway
e. Garage and Driveway Design
Because of the sloped site, the garage is at the front setback and has an attractive frosted glass panel roll-up door.
f. Building Materials
The mixture of materials is cohesive and visually appealing.
g. Architectural Elements
The architectural elements of the building design provide visual interest and necessary articulation.

II. CONDITIONS OF APPROVAL

STANDARD CONDITIONS

1. This permit is granted Coastal Development Permit (CDP22-025) for the proposed demo of the circa 1953 existing home and new construction of home that has 3,037 sf conditioned living space primarily located on the second and third floor, with a 1328 sf garage and shop area on the ground floor. The design has a full bathroom in the lower level which will be permitted with a deed restriction. The home is three stories on a 4000 square foot parcel with an uphill slope on the east side of Laurel Ave. The project zoning is R-1/S2 and the site is not located within the coastal appeals jurisdiction. The Coastal Land Use Designation is Moderate Density Residential (RS-A).

2. Inaugurate Within Two Years: Unless the construction or operation of the structure, facility, or use is commenced not later than two (2) years after the effective date of this Resolution and is diligently pursued, thereafter, this approval will automatically become null and void; provided, however, that upon the written request of the applicant, prior to the expiration of this approval, the applicant may request up to two extensions for not more than one (1) additional year each. Any extension may be granted by the City's Community Development Director (the "Director"), upon finding the project complies with all applicable provisions of the Morro Bay Municipal Code (the "MBMC"), General Plan and certified Local Coastal Program Land Use Plan (LCP) in effect at the time of the extension request.

3. Changes: Minor changes to the project description and/or conditions of approval shall be subject to review and approval by the Director.

4. Compliance with the Law: (a) All requirements of any law, ordinance or regulation of the State of California, the City, and any other governmental entity shall be complied with in the exercise of this approval, (b) This project

shall meet all applicable requirements under the MBMC and shall be consistent with all programs and policies contained in the LCP and General Plan for the City.

5. Hold Harmless: The applicant, as a condition of approval, hereby agrees to defend, indemnify, and hold harmless the City, its agents, officers, and employees, from any claim, action, or proceeding against the City as a result of the action or inaction by the City, or from any claim to attack, set aside, void, or annul this approval by the City of the applicant's project; or applicants' failure to comply with conditions of approval. Applicant understands and acknowledges the City is under no obligation to defend any legal actions challenging the City's actions with respect to the project. This condition and agreement shall be binding on all successors and assigns.

6. Compliance with Conditions: The applicant's establishment of the use or development of the subject property constitutes acknowledgement and acceptance of all Conditions of Approval. Compliance with and execution of all conditions listed hereon shall be required prior to obtaining final building inspection clearance. Deviation from this requirement shall be permitted only by written consent of the Director. Failure to comply with any of these conditions shall render this entitlement, at the discretion of the Director, null and void. Continuation of the use without a valid entitlement will constitute a violation of the MBMC and is a misdemeanor.

7. Compliance with Morro Bay Standards: This project shall meet all applicable requirements under the MBMC and shall be consistent with all programs and policies contained in the LCP and General Plan of the City.

PLANNING CONDITIONS

1. Construction Hours: Pursuant to MBMC subsection 9.28.030.l, Construction or Repairing of Buildings, the erection (including excavating), demolition, alteration or repair of any building or general land grading and contour activity using equipment in such a manner as to be plainly audible at a distance of fifty feet from the building other than between the hours of seven a.m. and seven p.m. on weekdays and eight a.m. and seven p.m. on weekends except in case of urgent necessity in the interest of public health and safety, and then only with a permit from the Community Development Department, which permit may be granted for a period not to exceed three days or less while the emergency continues and which permit may be renewed for a period of three days or less while the emergency continues.

2. Dust Control: That prior to issuance of a grading permit, a method of control to prevent dust and wind blow earth problems shall be submitted for review and approval by the Building Official.

3. Conditions of Approval on Building Plans: Prior to the issuance of a Building Permit, the final Conditions of Approval shall be attached to the set of approved plans. The sheet containing Conditions of Approval shall be the same size as other plan sheets and shall be the last sheet in the set of Building Plans.

4. Architecture: Building color and materials shall be as shown on plans included with this permit and specifically called out on the plans submitted for a Building Permit to the satisfaction of the Director.

5. Boundaries and Setbacks: The property owner is responsible for verification of lot boundaries. A licensed land surveyor shall verify lot boundaries and building setbacks to the satisfaction of the Director. A copy of the surveyor's Form Certification based on a boundary survey shall be submitted with the request for foundation inspection.

6. Deed Restriction for bathroom in garage/shop area: Prior to issuance of the certificate of occupancy, the deed restriction (Covenant and Equitable Servitude Agreement) shall be fully executed and recorded.

7. Architecture: Building color and materials shall be as shown on plans as approved in this permit and shall be used and specifically called out on the plans submitted for a Building Permit. Any proposed changes to the materials or colors must be submitted for review and approval by the Community Development Director.

8. Landscaping: A detailed landscaping plan is required to be submitted with the building permit plan set and shall include a list of plant species, container sizes and shall include as a minimum, the landscaped areas as represented in the conceptual landscape plan that is part of this CDP permit. Pursuant to the Coastal Land Use Plan, the proposed earthwork and landscaping shall comply with Public Safety Policy 2.12 to include native drought resistant plants that will cover 90% of all bare earth areas within 5 years. Additionally, the plans should reflect Policy C-7.17 to minimize new impervious areas and, where feasible, increase the areas of pervious surfaces in redevelopment to reduce storm water run-off. A WELO form is also required as part of the building permit submittal.

BUILDING DIVISION CONDITIONS

A. CONDITIONS PRIOR TO THE ISSUANCE OF A BUILDING PERMIT:

1.) Building permit plans shall be submitted by a California licensed architect or engineer when required by the Business & Professions Code, except when otherwise approved by the Chief Building Official.

2.) The owner shall designate on the building permit application a registered design professional who shall act as the Registered Design Professional in Responsible Charge. The Registered Design Professional in Responsible Charge shall be responsible for reviewing and coordinating submittal documents prepared by

others including phased and staggered submittal items, for compatibility with design of the building.

3.) The owner shall comply with the City's Structural Observation Program. The owner shall employ the engineer or architect responsible for the structural design, or another engineer or architect designated by the engineer of record or architect responsible for the structural design, to perform structural observation as defined in Section 220. Observed deficiencies shall be reported in writing to the owner's representative, special inspector, contractor and the building official. The structural observer shall submit to the building official a written statement that the site visits have been made and identify any reported deficiencies that, to the best of the structural observer's knowledge, have not been resolved.

4.) The owner shall comply with the City Special Inspection Program. Special inspections will be required by Section 1704 of the California Building Code. All Special Inspectors shall first be approved by the Building Official to work in the jurisdiction. All field reports shall be provided to the City Building Inspector when requested at specified increments for the construction to proceed. All final reports from Special Inspectors shall be provided to the Building Official when they are complete and prior to final inspection.

5.) A soils investigation performed by a qualified professional shall be required for this project. All cut and fill slopes shall be provided with subsurface drainage as necessary for stability; details shall be provided. Alternatively, submit a completed City of Morro Bay soils report waiver request.

6.) Mitigation measures for natural occurring asbestos require approval from San Luis Obispo County Air Pollution Control District.

7.) BUILDING PERMIT APPLICATION: To apply for building permits, submit three (3) sets of construction plans, fire sprinkler plans, if applicable, and supplemental documents to the Building Division.

8.) The Title sheet of the plans shall include, but not limited to:

- Street address, lot, block, track, and Assessor Parcel Number
- Occupancy Classification(s)
- Construction Type
- Maximum height of the building allowed and proposed
- Floor area of the building(s)
- Fire sprinklers proposed or existing
- Minimum building setback allowed and proposed

All construction will conform to the 2019 California Building Code (CBC), 2019 California Residential Code (CRC), 2019 California Fire Code (IFC), 2019 California Mechanical Code (CMC), 2019 California Plumbing Code

(CPC), 2019 California Electrical Code (CEC), 2019 California Energy Code, 2019 California Green Building Code (CGBC), Title 14 and 17 of the Morro Bay Municipal Code.

(Code adoption dates are subject to change. The code adoption year is established by application date of plans submitted to the Building Division for plan review.)

B. CONDITIONS TO BE MET DURING CONSTRUCTION:

1.) SITE MAINTENANCE: During construction, the site shall be maintained to not infringe on neighboring property, such as debris and dust. A storm water management plan shall be maintained through the duration of the project. The storm water management measures such as fiber rolls, silt fencing, etc. will be enforced by City staff by random site visits.

2.) ARCHAEOLOGICAL MATERIALS: In the event unforeseen archaeological resources are unearthed during any construction activities, all grading and or excavation shall cease in the immediate area and the find left untouched. The Building Official shall be notified so that the extent and location of discovered materials may be recorded by a qualified archaeologist, Native American, or paleontologist, whichever is appropriate. The qualified professional shall evaluate the find and make reservations related to the preservation or disposition of artifacts in accordance with applicable laws and ordinances. If discovered archaeological resources are found to include human remains, or in any other case when human remains are discovered during construction, the Building Official shall notify to county coroner. If human remains are found to be of ancient age and of archaeological and spiritual significance, the Building Official shall notify the Native American Heritage Commission. The developer shall be liable for costs associated with the professional investigation.

3.) FOUNDATION SETBACK VERIFICATION: Prior to the placement of concrete and upon completed form installation, a licensed surveyor is required to measure and record the distance from the proposed foundation walls to the established lot lines. The contractor shall submit these findings in letter format to the building inspector upon the request for a foundation inspection. Letter shall specify the findings of front, sides and rear yard setbacks as defined in Title 17 of the MBMC. The Building Official shall have discretion on a case-by-case basis for some lot types.

4.) BUILDING HEIGHT VERIFICATION: Prior to roof sheathing or shear wall inspection, a licensed surveyor is required to measure and record the height of the structure. The contractor shall submit this finding in letter format to the building inspector upon the request for roof sheathing/shear wall inspection. Letter shall specify the recorded height of structure as defined in Title 17 of the MBMC. The Building Official shall have discretion on a case-by-case basis for some site-specific projects.

5.) EXISTING BUILDINGS: Where windows are required to provide emergency escape and rescue openings, replacement windows shall comply with the maximum sill height requirements of section R310.2.2 and the minimum opening area requirements of section R310.2.1 of the 2019 California Residential Code.

C. CONDITIONS TO BE MET PRIOR TO FINAL INSPECTION AND ISSUANCE OF THE CERTIFICATE OF OCCUPANCY:

1.) Prior to building division final approval and request for final inspection, all required inspections from the other various divisions and departments must be completed and verified by a city inspector. All required final inspection approvals must be obtained from the various departments and documented on the permit card. This permit card shall then be turned into the building division for scheduling of the final building inspection.

2.) Any as-built drawings that were required by the building inspector or plans examiner must be submitted for approval prior to the request for final inspection.

3.) If structural observations were required, the final structural observation report shall be submitted to the building division prior to issuance of the certificate of occupancy or final inspection approval.

4.) If special inspections were required, the final special inspection report shall be submitted to the building division prior to the issuance of the certificate of occupancy or final inspection approval.

5.) Final soils summary report from the geotechnical representative indicating compliance with the required conditions set forth in the soils report.

6.) Final T-24 energy reports (Certificates of Installation).

PUBLIC WORKS CONDITIONS

1. Stormwater Management: The City has adopted Low Impact Development (LID) and Post Construction requirements. All proposed projects must complete the "Performance Requirement Determination Form" to determine if any requirements should be submitted. The requirements can be found in the Stormwater management guidance manual on the City's website https://www.morrobayca.gov/DocumentCenter/View/11114/MB-Stormwater-Management-EZ-manual or (MBMC 14.48.140)

2. Grading and Drainage: Indicate on plans the existing and updated contours, drainage patterns, spot elevations, finish floor elevation and all existing and

proposed drainage pipes and structures. Drainage should go towards a landscaped area to comply with stormwater management requirements.

3. Frontage Improvements: The installation of frontage improvements is required. Show the installation of a driveway approach (per City standard detail B-6 or B-7 with a min. 18" ac pave back), asphalt curb (per City standard detail B-8 with min. 18" pave back) and a street tree. An encroachment permit is required for any work within the Right of Way. (MBMC 14.44.020)

4. Driveway Width: The maximum driveway width is 20' and minimum is 10'. Identify on plans and dimension per City detail B-9. (MBMC 17.44.030)

5. Driveway Slopes: The maximum slope on residential driveways shall be 15%. A 20% slope is allowed with Fire Department and City Engineer approval. (MBMC 17.44.030B)

6. Utilities: Show all existing and proposed locations of the sewer lateral, water service, and water and sewer mains on the building plans. Include sizes where appropriate. Note the location of all overhead utilities and construction underground service entrances per the CBC. See attached utility maps.

7. Water Meter: Install water meter per City standard detail W-3. Indicate on plans location and sizes of both water meter and water lateral. Coordinate sizes with Fire Sprinkler plans. (MBMC 13.04.010 & 14.04.010.C)

8. Sewer Lateral: Indicate and label if private sewer lateral pipe will be replaced or to remain in place. If replaced with new sewer lateral, then note to install per City standard detail S-1.

9. Sewer Video: If the existing sewer lateral is proposed to remain in place, then perform a video inspection of the lateral (from the clean-out at structure to the connection at the sewer mainline pipe) and submit to Public Works via flash drive, prior to building permit plan approval. Requirements for the sewer video inspection can be located on the City's website at the following location: https://www.morro-bay.ca.us/DocumentCenter/View/13500/Private-Sewer-Line-Video-Requirements. Lateral shall be upgraded, repaired or replaced as required to prohibit inflow/infiltration. All repairs or replacements identified from sewer video, shall be noted on approved set of plans, prior to plan approval. (MBMC 14.07.030)

10. Sewer Backwater Valve: Indicate and label sewer backwater valve on plan. A backwater valve, extended to and accessible from grade for maintenance, shall be installed on every Building sewer. Exception: Installation of

backwater valve shall not be required when, to the satisfaction of Building Official, it is determined that the intent and purpose of this section is otherwise met. (MBMC 14.07.010.C).

11. Detailed Erosion and Sediment Control Plan: Required for sites greater than 1/2 acre, or for building or other site disturbance proposed on slopes over 15%, or for projects located within critical areas. The Plan shall show control measures to provide protection against erosion of adjacent property and prevent sediment or debris from entering the City right of way, adjacent properties, any harbor, waterway, or ecologically sensitive area. It must include a written narrative, detailed site plan, typical drawing and details.

Add the following Notes to the Plans:

1. Any damage, as a result of construction operations for this project, to City facilities, i.e. curb/berm, street, sewer line, water line, or any public improvements shall be repaired at no cost to the City of Morro Bay.

2. No work shall occur within (or use of) the City's Right of Way without an encroachment permit. Encroachment permit application and requirements are available on the City's website at the following location: https://www.morro-bay.ca.us/197/Public-Works.
   - A standard encroachment permit shall be required for the proposed driveway; the driveway shall comply with B-9 (Driveway Ramps: Size & Location).
   - A sewer encroachment permit shall be required for any repairs or installation of a sewer lateral within the City right-of-way or within a utility easement.
   - If a construction dumpster is used, the dumpster location shall be on private property, unless allowed by a temporary encroachment permit within the City right-of-way.

FIRE DEPARTMENT CONDITIONS

1. Fire Safety during Construction and Demolition shall be in accordance with 2019 California Fire Code, Chapter 33. This chapter prescribes minimum safeguards for construction, alteration and demolition operations to provide reasonable safety to life and property from fire during such operations.

2. Automatic fire sprinklers. An automatic fire sprinkler system, in accordance with NFPA 13-D, California Fire Code (Section 903) and Morro Bay Municipal Code (Section 14.08.090).

3. An emergency escape window (or door which opens directly to the outside of the house) is required in every bedroom, or habitable basement. In the event of a fire, this window (or door) will allow people to escape, and/or allow firefighters to get into the house to rescue people.

4. Carbon monoxide alarms in new dwellings and sleeping units. An approved carbon monoxide alarm shall be installed in dwellings having a fossil fuel-burning heater or appliance, fireplace or an attached garage. Carbon monoxide alarms shall be listed as complying with UL 2034 and be installed and maintained in accordance with NFPA 720 and the manufacturer's instructions. (CRC R315.2)

5. Address Identification: All new and existing single-family residences and ADU's shall have their own approved address letters or building numbers placed in a position to be plainly legible from the street or road fronting the property (CFC 505)

RECORDING REQUESTED BY AND WHEN RECORDED, RETURN TO:

City of Morro Bay
Community Development Department
Planning Division
955 Shasta Avenue
Morro Bay, CA 93442

(Free recording pursuant to Government Code section 6103)

COVENANT AND EQUITABLE SERVITUDE AGREEMENT

THIS COVENANT AND EQUITABLE SERVITUDE AGREEMENT (this "**Agreement**") is made and entered into this ___ day of _____ 202_, by MICHEAL MURPHY (jointly and severally referred to as the "**Owner**") in favor of the City of Morro Bay, a municipal corporation ("**City**").

RECITALS:

A. WHEREAS, Owner is the record owner of the real property located at 2440 Laurel Ave, Morro Bay, California, and more specifically described as MORRO DEL MAR SUBDIVIDION NO.2, lot 30, block 28, RM Bk 3, Page 81 with the San Luis Obispo County Recorder (APN. 068-275-028) ("**Property**").

B. WHEREAS, Coastal Development Permit (CDP22-025) was approved on December 6, 2022 and included a full bathroom in the lower level shop/garage area. As such, the Applicant shall record a deed restriction for the bathroom in the lower level of the home pursuant to MBMC Section 17.48.325B and which reads as follows:

Morro Bay Municipal Code Section 17.48.325B. states:

> *A. Bathrooms located within garages and accessory buildings not approved for living space shall only be permitted when a deed restriction is recorded to run with the property restricting the bathroom and adjoining spaces from being converted into living space for residential purposes.*

C. Accordingly, as a condition to the Permit, Owner agrees to this Agreement.

NOW, THEREFORE, Owner agrees that the covenants and restrictions set forth in this Agreement shall bind the Property as covenants running with the land in favor of the City.

1. **Covenant & Equitable Servitude.** Owner covenants and agrees that the lower level of the dwelling is appurtenant to the main residence in perpetuity, and will not be converted into a secondary dwelling unit unless and until all applicable approvals are issued by the City authorizing an accessory dwelling unit.

2. **Effective Date.** This Agreement shall be effective upon recordation in the Official Records of San Luis Obispo County ("**Official Records**").

3. **Consideration.** Owner acknowledges that the issuance of the Permit is material consideration for this Agreement.

4. **Runs with Land.** This Agreement shall run with the Property and be binding upon all transferees, grantees, successors and assigns of Owner (collectively "**Successors**"), whether voluntary or involuntary.

5. **Beneficiary.** City is the beneficiary of this Agreement and is entitled, but not obligated, to enforce this Agreement by any and all legal and equitable remedies.

6. **Amendment.** Owner acknowledges and agrees this Agreement shall run with the Property in perpetuity, unless amendment or modified by a document executed by the City and recorded in the official records of San Luis Obispo County.

7. **Owner Representations.** Owner represents and warranties to City that Owner is the sole owner of fee title of the Property and has full authority to execute this Covenant Agreement which is binding upon the Property without consent or authorization from any third party.

8. **Attorney Fees.** In the event of any arbitration, mediation, litigation, or other formal adjudicatory proceeding to enforce or construe the terms of this Agreement, the party prevailing therein shall be entitled to recover attorneys' fees (including the fees of the City Attorney) as well as costs including staff time.

9. **Interpretation.** This Agreement shall be construed to the maximum extent to ensure the intent and understanding of the parties. If any legal action is necessary to enforce this Agreement, the parties agree that a court of competent jurisdiction in the County of San Luis Obispo County shall be the sole venue and jurisdiction for the bringing of such action.

IN WITNESS WHEREOF, Owner has executed this Agreement as of the date first set forth above.

OWNER:

_____
Michael Murphy

_____

CITY APPROVAL FOR RECORDATION:

By: _____
Scot Graham
Community Development Director
City of Morro Bay

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA)
) SS.
COUNTY OF SAN LUIS OBISPO)

On _____ before me, _____,
personally appeared _____,
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s) or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____ (Seal)

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA)
) SS.
COUNTY OF SAN LUIS OBISPO)

On _____, before me, DANA SWANSON, City Clerk for the City of Morro Bay, personally appeared to Scot Graham, Community Development Director for the City of Morro Bay, personally known to me to be the person whose name is subscribed to the within instrument and acknowledged to me that she executed the same in her authorized capacity, and that by her signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

WITNESS my hand and official seal

Signature _____ (Seal)
DANA SWANSON, City Clerk
City of Morro Bay, California

RECEIVED

NOV 08 2022

City of Morro Bay
Community Development Dept.

NEW SINGLE FAMILY REPLACEMENT RESIDENCE
(INCLUDING DEMOLITION OF EXISTING)

MURPHY RESIDENCE

2440 LAUREL AVENUE, MORRO BAY, CA 93442

City of Morro Bay
Administrative Approval
Project #(s) CDP 22-025
✓ Approved as Submitted
__ Approved with Changes
Approval Date: 12-10-22
Planner: N Kuhnow

PLANNING - CDP22-025

FOR AGENCY USE:

SYMBOLS (as pertains to project)

1	Sheet reference note	
23 / S4.15	Detail reference	detail number / sheet number
1	Door number	
A	Window number	
1 / A1.1	Interior elevation	elevation number and direction of view / sheet number
	Building section	section number and direction of view / sheet number
12	Roof slope	Indicates roof slope and direction of slope
	North marker	
Title / Elevation	Height/elevation marker	
1	Revision number	

ABBREVIATIONS (as pertains to project)

ac	air conditioner	in	inch
aff	above finish floor	info	information
al	aluminum	jan	janitor
approx	approximately	lam	laminated
asph	asphalt	lav	lavatory
avg	average	lb/#	pound
bldg	building	lf	linear foot
blk/bkg	block/blocking	max	maximum
bm	beam	mech	mechanical
bot	bottom	manu/mfr	manufacturer
cf	cubic foot	min	minimum
ci	cubic inch	misc	miscellaneous
cj	ceiling joist/control joint	(n)	new
cl	center line	ng	natural grade
clr	clear/clearance	no / #	number
clg	ceiling	nts	not to scale
cmu	concrete masonry unit	o/	over
col	column	oc	on center
conc	concrete	oh	over hang (roof)
conn	connection	os	occupancy sensor
const	construction	oz	ounce
cont	continuous	ph	phone
ctr	center	pl	plate/property line
cw	cold water	plywd	plywood
cy	cubic yard	prefab	pre-fabricated
dbl	double	psf	pounds per square foot
deg	degree	psi	pounds per square inch
dept	department	ptdf	pressure treated douglas fir
det	detail	r	riser
df	douglas fir	rd	roof drain
dia	diameter	ref	refrigerator
dim	dimension	req	required
dn	down	rm	room
ds	downspout	row	right of way
dw	dishwasher	rwd	redwood
ea	each	s4s	surfaced 4 sides
elec	electrical	sc	solid core
elev	elevation/elevator	sd	smoke detector
eos	edge of slab	sf	square foot
eq	equal	sht	sheet
equip	equipment	shtg	sheathing
exist/(e)	existing	sim	similar
ext	exterior	spec	specification
fau	forced air unit	sst	stainless steel
fh	fire hydrant	std	standard
foc	face of curb	stl	steel
fof	face of finish	tbg	tongue and groove
fos	face of stud	t	tread
fd	floor drain	thk	thick (ness)
fdn	foundation	tel	telephone
fe	fire extinguisher	temp	temperature
ff	finish floor	toc	top of curb
fg	finish grade	tof	top of footing
fin	finish	tow	top of wall
fix	fixture	tos	top of slab
flr	floor	tv	television
fos	face of stud	typ.	typical
fp	fireplace or floor plan	uno	unless noted otherwise
fs	finish surface	vct	vinyl composition tile
ft	foot	vert	vertical
ftg	footing	vif	verify in field
g	gas	w/	with
galv	galvanized	w/o	without
gd	garbage disposal	wc	water closet
gyp	gypsum	wd	wood
hb	hose bibb	wh	water heater
hc	hollow core	wic	walk in closet
hdr	header	wp	waterproof
hw	hot water	wui	wildland urban interface
		yd	yard

DIRECTORY

Owner.
Michael J. Murphy
2440 Laurel Avenue
Morro Bay, CA 93442
Phone: (661) 599-5180
Email: highfirepotter@yahoo.com

Designer.
Gary A. Garza, Inc.
2645 Pony Place
Arroyo Grande, CA 93420
Phone: (805) 474-8165
Mobile: (805) 295-9219
Email: gg@garyagarza.com

General Contractor.
Owner-Builder

Structural Engineer.
The Rolin Partnership
Ken Rolin, Principal
2031 Sea Oak Lane
Arroyo Grande, CA 93420
Mobile: (805) 801-9445
Email: therolinpartnership@gmail.com

Civil Engineer.
Civil Design Studio, Inc.
Monte Soto
P.O. Box 199
Cambria, CA 93428
Phone: (805) 706-0401, ext 102
Email: monte@civil-studio.com

Civil Engineer/Survey.
MBS Land Surveys
Mike Stanton
3559 S. Higuera Street
San Luis Obispo, CA 93401
Office: (805) 440-4215
Email: info@mbslandsurveys.com

Geotechnical Engineer.
Pacific Coast Testing
Rick Armero
524 E. Chapel Street
Santa Maria, CA 93456
Office: (805) 631-5108
Email: rick@pacificcoasttesting.com

Mechanical Engineer.
Brummel Mechanical Engineering LLP
Brent May
1403 Higuera Street
San Luis Obispo, CA 93401
Office: (805) 543-6636
Email: brent@bmehvac.com

VICINITY MAP

NOT TO SCALE

CALIFORNIA CODE REFERENCES

This project shall comply with all current applicable codes, ordinances, supplements and current Erratas, including but not limited to:

2019 California Building Code, Volumes 1 & 2 (CBC) (IBC w/California Amendments)
2019 California Residential Code (CRC) (IRC w/California Amendments)
2019 California Plumbing Code (CPC) (IAPMO UPC w/California Amendments)
2019 California Mechanical Code (CMC) (IAPMO UMC w/California Amendments)
2019 California Electrical Code (CEC) (NEC w/California Amendments)
2019 California Energy Code (CEnC) or (CEES)
2019 California Green Building Standards Code (CGBSC) or (CalGreen)
2019 California Fire Code (CFC)
2019 California Reference Standards Administrative Code
2019 California Code of Regulations, Title 24
2019 California State Historical Building Code
2019 California Existing Building Code
2018 International Property Maintenance Code
City of Morro Bay Municipal Code(s), Title 12, 14, 17

PLANNING / BUILDING CODE DATA

ZONING	Single-family; R-1/S-2 (RS-A)	
FIRE INFORMATION		
Jurisdiction	Morro Bay Fire Department	
SETBACKS	Front	15'
	Side	5'
	Rear	5'
	Height	25'
MAX LOT COVERAGE	50%	2,000 SF
OCCUPANCY GROUP	R-3	Residence
	U	Garage
PARKING		
Required	2	
Proposed	2	Covered
SPRINKLERS	Required	YES
	Proposed	YES
CONSTRUCTION TYPE	V-B	

PROJECT DATA

SCOPE OF WORK
Construction of new single-family residence.

Demolition of existing residence to replace with new.

Requires new construction of 3-level residence and garage consisting of structural concrete foundation and walls, slab, framing, exterior open decks, drywall interiors, elevator, windows & doors, electrical, HVAC, & gas.

Exteriors to consist of shear, lath and stucco with trussed roof system and metal roof.

PROJECT ADDRESS:	2440 Laurel Avenue, Morro Bay, CA 93442	
LEGAL DESCRIPTION:	Lot 30 of Block 28 of Morro Bay Del Mar Subdivision No. 2, as shown on the Map filed in Book 3 of Maps at Page 81, in the City of Morro Bay County of San Luis Obispo, State of California	
APN:	068-275-028	
LOT SIZE:	4,000 SF (0.0918 AC)	
YEAR BUILT:	1953	
UTILITIES:	Electricity	PG&E
	Natural Gas	Southern California Gas Company
	Water Service	City
	Sewer Service	City
	Cable	Charter / Spectrum

REQUIRED SPECIAL INSPECTIONS

The following items shall require special inspection in accordance with CBC Chapter 17, the Jurisdiction requirements. Confirm any additional special inspection items with Building Inspector at pre-construction meeting. Special Inspectors shall be a qualified person who shall demonstrate competence to the satisfaction of the Building Official. Names and qualifications shall be submitted to the Building Department for approval prior to performing work.

EPOXY REQUIRED

TABLE 1704.4
REQUIRED SPECIAL INSPECTIONS AND TESTS OF CONCRETE CONSTRUCTION

	VERIFICATION AND INSPECTION	CONTINUOUS	PERIODIC	REFERENCED STANDARD	CBC REFERENCE
3.	Inspect anchors cast in concrete	—	X	ACI 318: 17.8.2, 26.7.2,26.8.2	—
4.	Inspection of anchors installed in hardened concrete.				
a.	Adhesive anchors installed in horizontally or upwardly inclined orientations to resist sustained tension loads	X		ACI 318: 17.8.2.4	1705A.3.8, 1910A.5, [OSA-55/OC] 1909.2.7
b.	Mechanical anchors and adhesive anchors not defined in 4.a.		X	ACI 318: 17.8.2.4	1705A.3.8, 1910A.5, [OSA-55/OC] 1909.2.7

SPECIAL INSPECTIONS AND TESTS SHALL NOT BE REQUIRED FOR CONCRETE PATIOS, DRIVEWAYS AND SIDEWALKS, ON GRADE.

TABLE 1705.6
REQUIRED VERIFICATION AND INSPECTION OF SOILS

	VERIFICATION AND INSPECTION	CONTINUOUS	PERIODIC	REFERENCED STANDARD	CBC REFERENCE
1.	Verify materials below shallow foundations are adequate to achieve the design bearing capacity	—	X		—
2.	Verify excavations are extended to proper depth and have reached proper material		X		
3.	Perform classification and testing of compacted fill		X		
4.	Verify use of proper materials, densities and lift thicknesses during placement and compaction of compacted fill	X			1705.6.1
5.	Prior to placement of compacted fill, observe subgrade and verify that the site has been prepared properly		X		

SPECIAL REQUIREMENTS

Deed Restriction required for garage bathroom in non-living space (Bath 1). Storage area will not be converted to ADU.

SPECIAL NOTES

1. Any damage, as a result of construction operations for this project, to City facilities, i.e. curb/berm, street, sewer line, water line, or any public improvements shall be repaired at no cost to the City of Morro Bay.

2. No work shall occur within (or use of) the City's Right of Way without an encroachment permit. Encroachment permit application and requirements are available on the City's website at the following location: https://www.morrobay.ca.us/197/Public-Works.
• A standard encroachment permit shall be required for the proposed driveway; the driveway shall comply with B-9 (Driveway Ramps: Size & Location).
• A sewer encroachment permit shall be required for any repairs or installation of a sewer lateral within the City right-of-way or within a utility easement.
• If a construction dumpster is used, the dumpster location shall be on private property, unless allowed by a temporary encroachment permit within the City right-of-way.

DETACHED SUPPORTING DOCUMENTS

GEOTECHNICAL REPORT
STRUCTURAL CALCULATIONS

C:\Soft\Plan\Projects\Murphy_2022\Docs\Murphy_TitlePage

SHEET INDEX

G1.10	TITLE SHEET
C 300	CIVIL - SITE PLAN
C 400	CIVIL - GRADING PLAN
C 401	CIVIL - GRADING SECTIONS
A1.11	TOPOGRAPHIC SURVEY
A1.12	ARCHITECTURAL SITE PLAN
A1.13	LANDSCAPE / SURFACES
A3.11.2	LEVEL 1 DIMENSION PLAN
A3.12.2	LEVEL 2 DIMENSION PLAN
A3.13.2	LEVEL 3 DIMENSION PLAN
A6.11	SECTION A
A6.12	SECTION B & C
A7.10	STREET PHOTO
A7.11	PERSPECTIVES - WHOLE HOUSE
A7.12	ELEVATIONS - NORTH & WEST
A7.13	ELEVATIONS - SOUTH & EAST
S4.11	GRADE NOTES - SOUTH
S4.12	GRADE NOTES - NORTH
S4.13	RETAINING WALL SECTION - N & S WALL

TOTAL SHEETS = 19

LANDSCAPE SURFACE COVERAGE

Excludes Right-of-Way Area

Total Site Area			4,000 SF	
LESS Building Footprint			1,920 SF	48.0%
Total Landscape Surface Area			***2,080 SF***	***52.0%***
Surface Area - Hardscape:				
Driveway	299 SF	7.5%		
Walkway	71 SF	1.8%		
Patio	213 SF	5.4%		
Drainage Swales	259 SF	6.5%		
(N) Retaining Wall Footprint	105 SF	2.6%		
(E) Retaining Wall Foorprint	22 SF	0.5%		
Concrete Flatwork/Steps	150 SF	3.8%		
Total Hardscape	***1,119 SF***	***28%***	***1,119 SF***	***28.0%***
Surface Area - Landscape:				
Irrigated	426 SF	10.6%		
Non-Irrigated	535 SF	13.4%		
Total Landscape	***961 SF***	***24.0%***	***961 SF***	***24.0%***

See Surface Calculations, Pervious vs. Impervious, Sheet A1.13

LOT COVERAGE (LOT SIZE = 4,000 SF)

AREAS	LEVEL 1	LEVEL 2	LEVEL 3	TOTAL
Unconditioned Area				
Covered Entry Porch	130 SF			130 SF
Garage	571 SF			571 SF
Storage	400 SF			400 SF
Equipment Room	112 SF			112 SF
Bath 1	115 SF			115 SF
Covered Deck (2nd)		203 SF		203 SF
Spa Deck		114 SF		114 SF
Covered Deck (3rd)			387 SF	387 SF
MBR Deck			60 SF	60 SF
Total Unconditioned Area	***1,328 SF***	***317 SF***	***447 SF***	***2,092 SF***
Conditioned Area				
Entry	109 SF			109 SF
Stairs/Elevator/Chase	148 SF **			148 SF
Living (2nd)		1,455 SF		1,455 SF
Living (3rd)			1,325 SF	1,325 SF
Total Conditioned Area	***257 SF***	***1,455 SF***	***1,325 SF***	***3,037 SF***
TOTAL BUILDING AREA	**1,585 SF**	**1,772 SF ** **	**1,772 SF**	**5,129 sf**
(CONDITIONED + UNCONDITIONED)				
***BUILDING COVERAGE AREA (60' x 32') ** ***	148 SF	1,772 SF		1,920 SF 48.0%

STATE OF CALIFORNIA — GARY A. GARZA — No. 829917 — REGISTERED CONTRACTOR — GENERAL ENGINEERING — FOR CONSTRUCTION OR PRELIMINARY ONLY

DRAWN BY: GGC Design Associates construction services — GARY A. GARZA, INC. — 2645 Pony Place, Arroyo Grande, CA 93420 — (805) 474-8165 FAX (805) 356-4101 — www.garyagarza.com — License #829917 — GENERAL ENGINEERING CONTRACTOR | GENERAL BUILDING CONTRACTOR

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revisions:

SHEET TITLE: TITLE SHEET

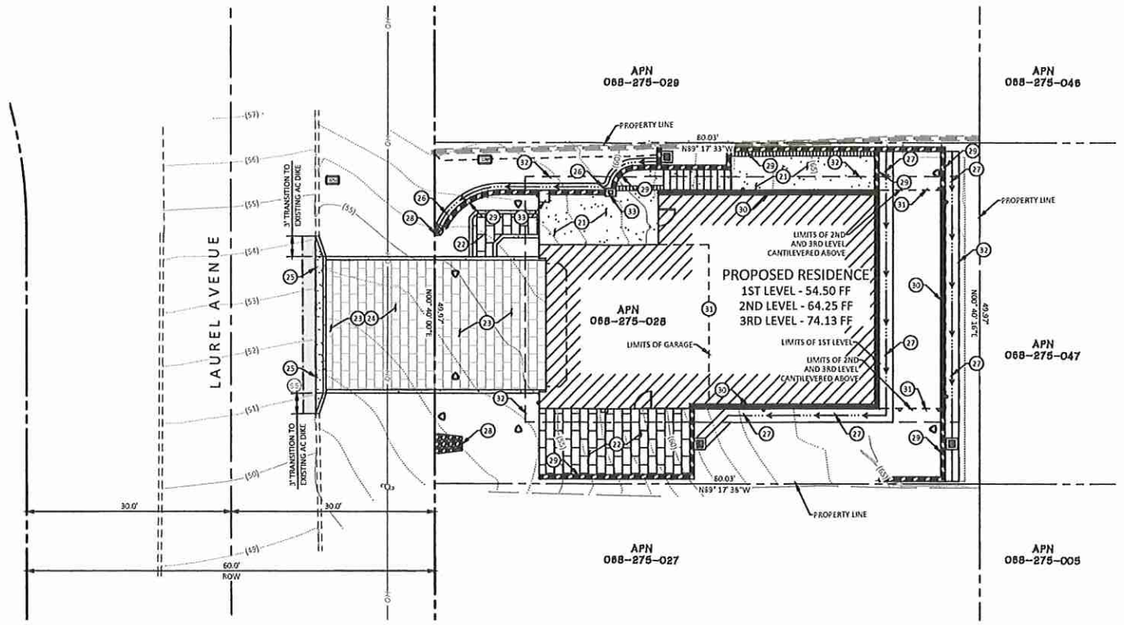
PROJECT: REPLACEMENT RESIDENCE

OWNER: MICHAEL MURPHY
2440 LAUREL AVENUE
MORRO BAY, CA 93442

date:

scale: 1/4" = 1'-0"

sheet number: G1.10



CONSTRUCTION NOTES

21. CONSTRUCT 4" P.C.C. (520-C-2500) OVER 6" CLASS 2 BASE WITH THICKENED EDGE AT PERIMETER PER SOILS REPORT. REBAR REINFORCEMENT SHALL BE #3 @ 24" O.C. NATIVE SUBGRADE SCARIFIED TO A MINIMUM OF 12" AND COMPACTED TO 95% RELATIVE COMPACTION PER SOILS REPORT. SEE DETAIL "B1", SHEET C601 FOR THICKENED EDGE DETAIL AND TYPICAL CROSS SECTION
22. CONSTRUCT INTERLOCKING CONCRETE PAVERS PER DETAIL "B2", SHEET C601. CONTRACTOR SHALL CONFIRM STRUCTURAL SECTION WITH SOILS ENGINEER AND MANUFACTURER PRIOR TO CONSTRUCTION. PAVER COLOR AND STYLE PER CLIENT/ARCHITECT.
23. CONSTRUCT PERVIOUS CONCRETE PAVERS PER DETAIL "B3", SHEET C601. CONTRACTOR SHALL CONFIRM STRUCTURAL SECTION WITH SOILS ENGINEER AND MANUFACTURER PRIOR TO CONSTRUCTION.PAVER COLOR AND STYLE PER CLIENT/ARCHITECT
24. CONSTRUCT DRIVEWAY APPROACH PER CITY OR MORRO BAY STANDARD DETAIL B-7
25. CONSTRUCT TYPE D CURB PER CALTRANS STANDARD PLAN A87A. SAWCUT AND REPLACE ASPHALT PAVING PER CITY OF MORRO BAY SPECIFICATIONS
26. CONSTRUCT 12" SWALE PER DETAIL "C1" SHEET C601
27. CONSTRUCT 24" SWALE PER DETAIL "C2" SHEET C601
28. CONSTRUCT ROCK SLOPE PROTECTION PER COUNTY OF SAN LUIS OBISPO STANDARD DRAWING NO. H-5
29. RETAINING WALL PER STRUCTURAL PLANS
30. STEM WALL PER STRUCTURAL PLANS
31. BUILDING PER ARCHITECTURAL PLANS
32. BUILDING OVERHANG PER ARCHITECTURAL PLANS
33. BUILDING COLUMN PER ARCHITECTURAL PLANS

City of Morro Bay
Administrative Approval
Project #(s) _____
___ Approved as Submitted
___ Approved with Changes
Approval Date: _____
Planner: _____

LEGEND

- 21 CONCRETE IN PEDESTRIAN AREA
- 22 CONCRETE PAVERS
- 23 PERVIOUS PAVERS

SCALE: 1" = 10'

10 5 0 10 20

CIVIL DESIGN STUDIO
CIVIL ENGINEERING | PLANNING | PERMITTING
P.O. Box 599 | Cambria | Ca. 93428
805.706.0401 | www.civil-studio.com

ENGINEER OF RECORD:

PLANS NOT REGISTERED FOR CONSTRUCTION
PRELIMINARY SET
Corey T. Schmidt
No. 5070
CIVIL
REGISTERED ENGINEER

PROJECT NAME: MURPHY RESIDENCE

PROJECT LOCATION: 2440 LAUREL AVENUE MORRO BAY, CA 93442 APN: 068-275-028

PLANS PREPARED FOR: MICHAEL MURPHY 2440 LAUREL AVENUE MORRO BAY, CA 93442

REVISIONS:

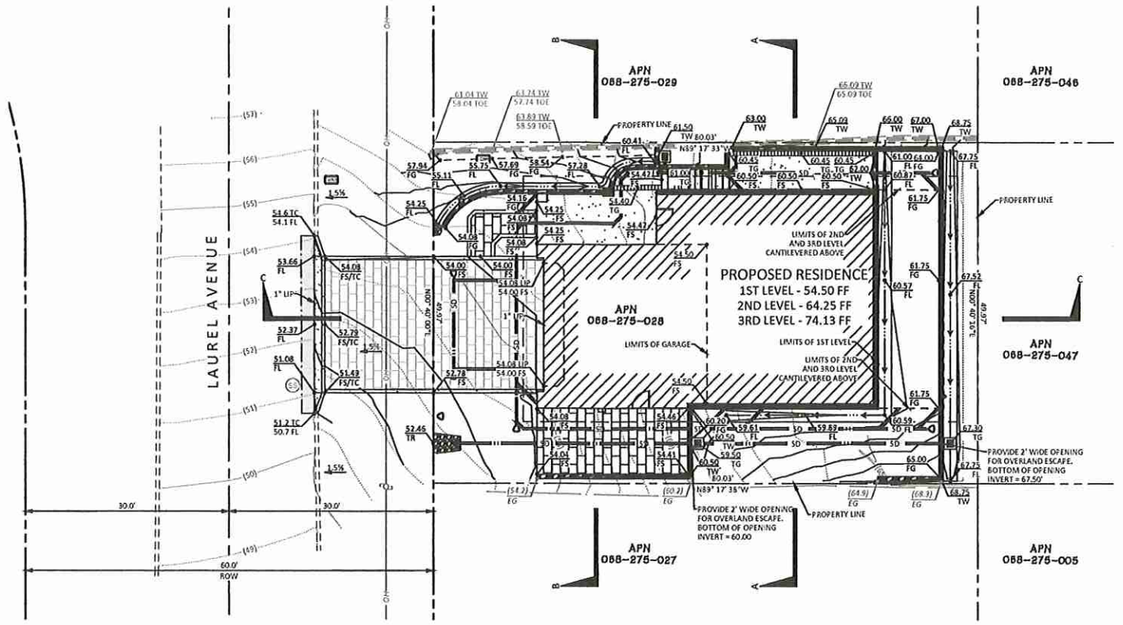
REVIEWED BY:	MRS
PREPARED BY:	JTI
DATE:	October 21, 2022
SCALE:	AS SHOWN
CDS JOB #:	22-043

SITE PLAN

C300

SHEET 3 OF 9 SHEETS

Z:\Shared\CDS Data\Active Jobs\22-043 Murphy Residence_Project\3_Condocs\22-043 Site Plan.dwg, October 21, 2022



SOIL PREPARATION AND PAVEMENT DESIGN NOTE:

SOIL PREPARATION AND PAVEMENT DESIGN SHALL BE PER RECOMMENDATIONS FROM A GEOTECHNICAL REPORT PREPARED FOR THIS SITE AS FOLLOWS:

TITLED "GEOTECHNICAL INVESTIGATION REPORT - PROPOSED RESIDENCE - 2440 LAUREL AVE (APN 068-275-028) - MORRO BAY, CALIFORNIA" AND DATED NOVEMBER 5, 2021

GEOTECHNICAL ENGINEER: RON CHURCH - PACIFIC COAST TESTING, INC.
PROJECT NO: 7-4568

THE CONTRACTOR MUST FULLY REVIEW THIS REPORT PRIOR TO CONSTRUCTION. INFORMATION IN THE GEOTECHNICAL REPORT REGARDING GRADING AND SITE PREPARATION SUPERSEDES ANY CONFLICTING INFORMATION CONTAINED IN THE CONSTRUCTION PLANS AND SPECIFICATIONS. REFER TO GENERAL STRUCTURAL NOTES FOR SPECIFIC SOIL PREPARATION AT SITE STRUCTURES. REFER TO THE CIVIL SITE PLAN FOR PAVING CROSS SECTIONS.

NOTE:
THIS STORMWATER DESIGN INCLUDES PERMEABLE PAVERS WHICH ARE DESIGNED TO STORE AND INFILTRATE STORMWATER FROM THE ROOF AND HARDSCAPE SURFACES. IT IS STRONGLY RECOMMENDED THAT THE OWNER INSTALL ROOF GUTTER SCREENS/FILTERS AND CATCH BASIN SCREENS/FILTERS TO PREVENT ORGANIC MATERIAL BUILDUP OF THE UNDERGROUND PIPE NETWORK. IT IS THE OWNER'S RESPONSIBILITY TO MAINTAIN THIS SYSTEM ANNUALLY.

City of Morro Bay
Administrative Approval

Project #(s) _____
___ Approved as Submitted
___ Approved with Changes

Approval Date: _____
Planner: _____

SCALE: 1" = 10'

CIVIL DESIGN STUDIO
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P.O. Box 199 | Cambria | Ca 93428
805/906.0491 | www.civil-studio.com

ENGINEER OF RECORD:

PLANS NOT FOR CONSTRUCTION — PRELIMINARY SET — REGISTERED PROFESSIONAL ENGINEER — JOHN R. OSTO — CIVIL — STATE OF CALIFORNIA

PROJECT NAME: MURPHY RESIDENCE

PROJECT LOCATION: 2440 LAUREL AVENUE MORRO BAY, CA 93442 APN: 068-275-028

PLANS PREPARED FOR: MICHAEL MURPHY 2440 LAUREL AVENUE MORRO BAY, CA 93442

REVISIONS:

REVIEWED BY:	MRS
PREPARED BY:	JTI
DATE:	October 21, 2022
SCALE:	AS SHOWN
CDS JOB #:	22-043

GRADING PLAN

C400

SHEET 4 OF 9 SHEETS

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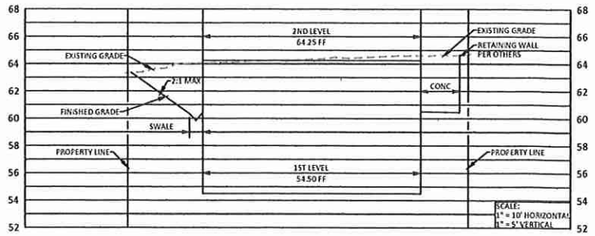
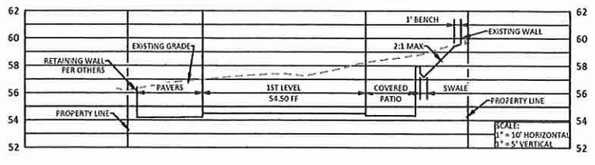
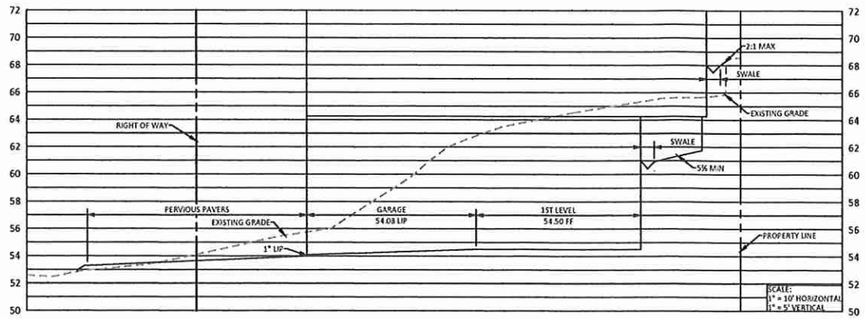
SECTION A-A

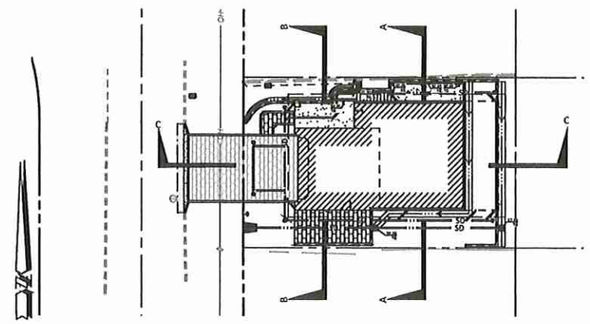


SECTION B-B



SECTION C-C





City of Morro Bay
Administrative Approval

Project #(s) _____
___ Approved as Submitted
___ Approved with Changes

Approval Date: _____
Planner: _____

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805.709.0401 | www.civil-studio.com

ENGINEER OF RECORD:

PLANS NOT APPROVED FOR CONSTRUCTION
REGISTERED PROFESSIONAL ENGINEER
JOSE R. SOTO
No. 93442
CIVIL
STATE OF CALIFORNIA
PREVIEW SET

PROJECT NAME:
MURPHY RESIDENCE

PROJECT LOCATION:
2440 LAUREL AVENUE
MORRO BAY, CA 93442
APN: 068-275-028

PLANS PREPARED FOR:
MICHAEL MURPHY
2440 LAUREL AVENUE
MORRO BAY, CA 93442

REVISIONS:

REVIEWED BY:	MRS
PREPARED BY:	JTI
DATE:	October 21, 2022
SCALE:	AS SHOWN
CDS JOB #:	22-043

CROSS SECTIONS

C401

SHEET 5 OF 9 SHEETS

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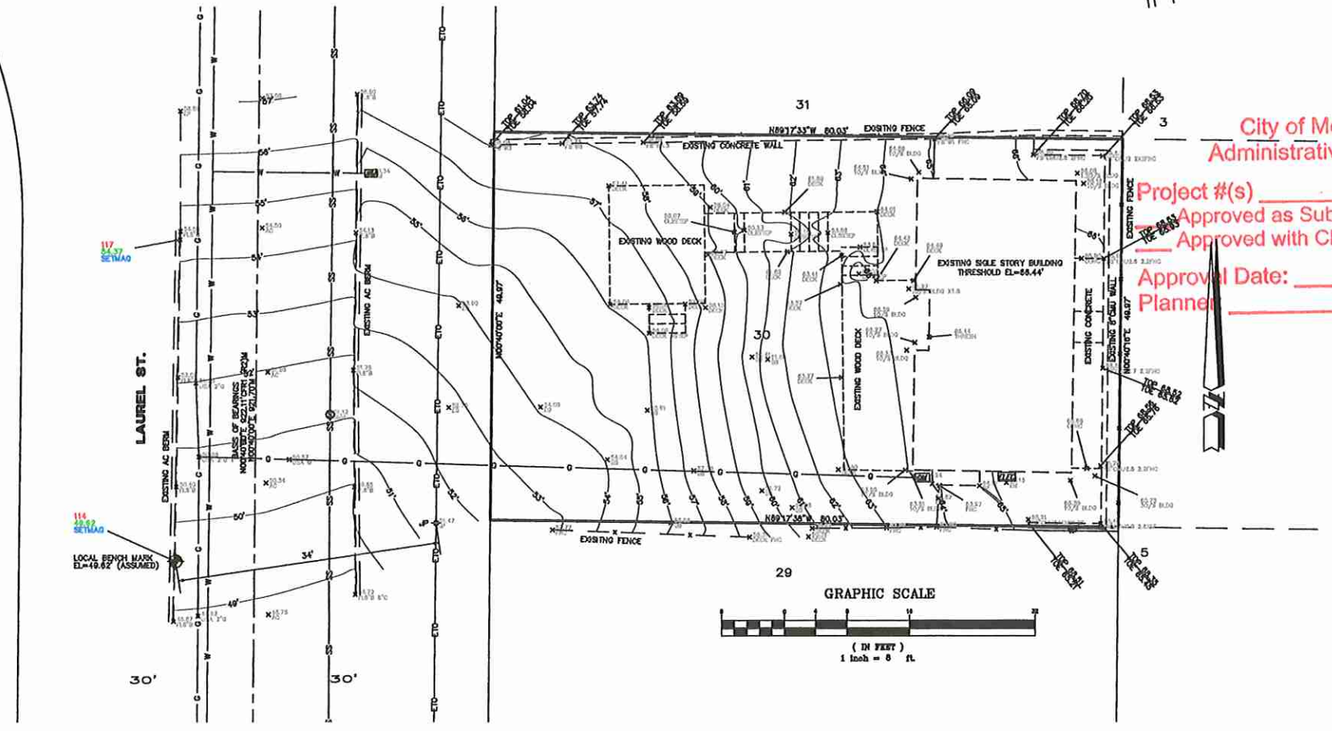

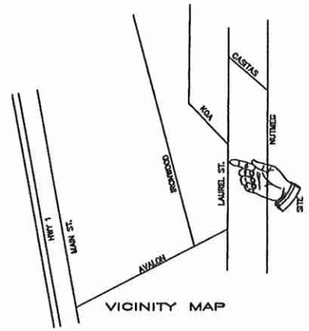

City of Morro Bay
Administrative Approval

Project #(s) _____

Approved as Submitted

Approved with Changes

Approval Date: _____

Planner _____

SYMBOL LEGEND:

FENCE LINE	RETAINING WALL
SEWER MAIN	PG&E BOX
WATER MAIN	GAS METER
GAS MAIN	TELEPHONE BOX
ELEC/TELEPHONE/CABLE	SIGNAL BOX
OVERHEAD ELECTRIC	CABLE T.V. BOX
DROP INLET AT CURB	ELECTRIC BOX
DROP INLET	TELEPHONE MANHOLE
STORM DRAIN MANHOLE	STREET LIGHT
FIRE HYDRANT	JOINT POLE
WATER WELL	POWER POLE
WATER VALVE	GUY WIRE
WATER METER	
SEWER MANHOLE	
SEWER CLEANOUT	

ABREVIATIONS

AC	ASPHALT CONCRETE	IP	IRON PIPE
AP	ANGLE POINT	GB	GRADE BREAK
BM	BENCH MARK	GM	GAS METER
BOW	BACK OF WALK	HP	HIGH POINT
CB	CATCH BASIN	LT	LIGHT
CF	CURB FACE	MH	MANHOLE
CO	CLEAN OUT	PP	POWER POLE
COR	CORNER	PVC	POLYVINYL PIPE
CONC	CONCRETE	RB	REBAR
CMP	CORRUGATED METAL PIPE	RCP	REINFORCED CONCRETE PIPE
CMU	CONCRETE MASONRY UNITS	R10	CANOPY RADIUS
CRN	CROWN OF STREET	SD	STORM DRAIN
DI	DROP INLET	SL	POINT ON SLOPE
EG	EXISTING GRADE	SS	SEWER
EP	EDGE OF PAVEMENT	STP	STEP
FD	FOUND	STR	STAIRS
FL	FLOW LINE	TOP	TOP OF SLOPE
FF	FINISH FLOOR	TOE	TOE OF SLOPE
FOW	FACE OF WALL	TOW	TOP OF WALL
HSE	HOUSE COR	W	WATER
GR	GRASS	WL	WALL
GM	GAS METER	WM	WATER METER
IP	IRON PIPE	WV	WATER VALVE

SURVEYOR'S STATEMENT:

THIS MAP REPRESENTS A FIELD SURVEY OF SURFACE FEATURES AND ELEVATIONS PERFORMED ON 8-31-2007

MICHAEL B. STANTON, PLS 5702

LICENSED LAND SURVEYOR
MICHAEL B. STANTON
L.S. NO. 5702
Exp. 9/07
STATE OF CALIFORNIA

SURVEYOR'S NOTES:

1. NO TITLE SEARCH (TITLE REPORT) WAS PROVIDED TO THE SURVEYOR. EASEMENTS WHICH MAY AFFECT THE SUBJECT PROPERTY HAVE NOT BEEN PLOTTED.

2. ONLY SURFACE EVIDENCE OF UNDERGROUND UTILITIES ARE SHOWN ON THIS MAP. I MAKE NO WARRANTEE AS TO THE LOCATION, TYPE OR DEPTH OF UNDERGROUND UTILITIES. THE SURVEYOR ALSO HAS MADE NO INVESTIGATION AS TO SUBSURFACE ENVIRONMENTAL CONDITIONS THAT WOULD AFFECT THE USE OR DEVELOPMENT OF THIS PROPERTY. CALL UNDERGROUND SERVICE ALERT (USA) AT 1-800-642-2444 PRIOR TO ANY EXCAVATION.

3. IT WILL BE THE ARCHITECT'S RESPONSIBILITY TO VERIFY SETBACK AND HEIGHT RESTRICTIONS WITH THE LOCAL GOVERNING AGENCY.

4. THE SIGNED AND SEALED ORIGINAL OF THIS MAP CONSTITUTES THE FINAL WORK PRODUCT. MBS LAND SURVEYS WILL NOT BE LIABLE FOR ELECTRONIC VERSIONS OF THIS MAP WHICH HAVE BEEN CHANGED, ALTERED OR UPDATED FROM THE ORIGINAL DIGITAL COPY.

5. PROPERTY LINES SHOWN ARE BASED ON RECORD INFORMATION, AND A BOUNDARY SURVEY WAS NOT PERFORMED.

BENCH MARK:

THE BENCH MARK FOR THIS PROJECT IS THE TOP OF A 1" IRON PIPE AT THE CENTERLINE INTERSECTION OF CASITAS AND LAUREL WITH AN ASSUMED ELEVATION OF 100.00'

THE LOCAL BENCH MARK IS A SET MAG NAIL IN THE FLOW LINE OF THE WEST AC BERM OF LAUREL 34 FEET WESTERLY OF JOINT POLE AT THE SOUTHWEST CORNER OF LOT 30. (AS SHOWN)
ELEVATION=49.62' (ASSUMED)

TOPOGRAPHIC MAP

LOT 30 OF BLOCK 28 OF MORRO DEL MAR SUBDIVISION NO. 2 AS SHOWN ON MAP FILED IN BOOK 3 AT PAGE 81, IN THE CITY OF MORRO BAY, COUNTY OF SAN LUIS OBISPO, CALIFORNIA

AT THE REQUEST OF DICK CLEEVES

MAY 2007 SCALE:1"=8'

MBS LAND SURVEYS
MICHAEL B. STANTON, PLS 5702
2140 PARKER STREET, SUITE A-1
SAN LUIS OBISPO, CA 93401
805-594-1980

JOB No. 07-074

FOR AGENCY USE:

REGISTERED CONTRACTOR-DESIGN BUILD
GARY A. GARZA, INC.
FOR CONSTRUCTION
PRELIMINARY ONLY
8-28-07
STATE OF CALIFORNIA

GDA Design Associates
construction services
GARY A. GARZA, INC.
2043 Parry Place, Arroyo Grande, CA 93420
(805) 474-5155 FAX (805) 295-4101
LICENSE #582917
GENERAL ENGINEERING CONTRACTOR | GENERAL BUILDING CONTRACTOR

DRAWN BY:

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revisions:

SHEET TITLE: TOPOGRAPHIC MAP (EXISTING)

PROJECT: REPLACEMENT RESIDENCE

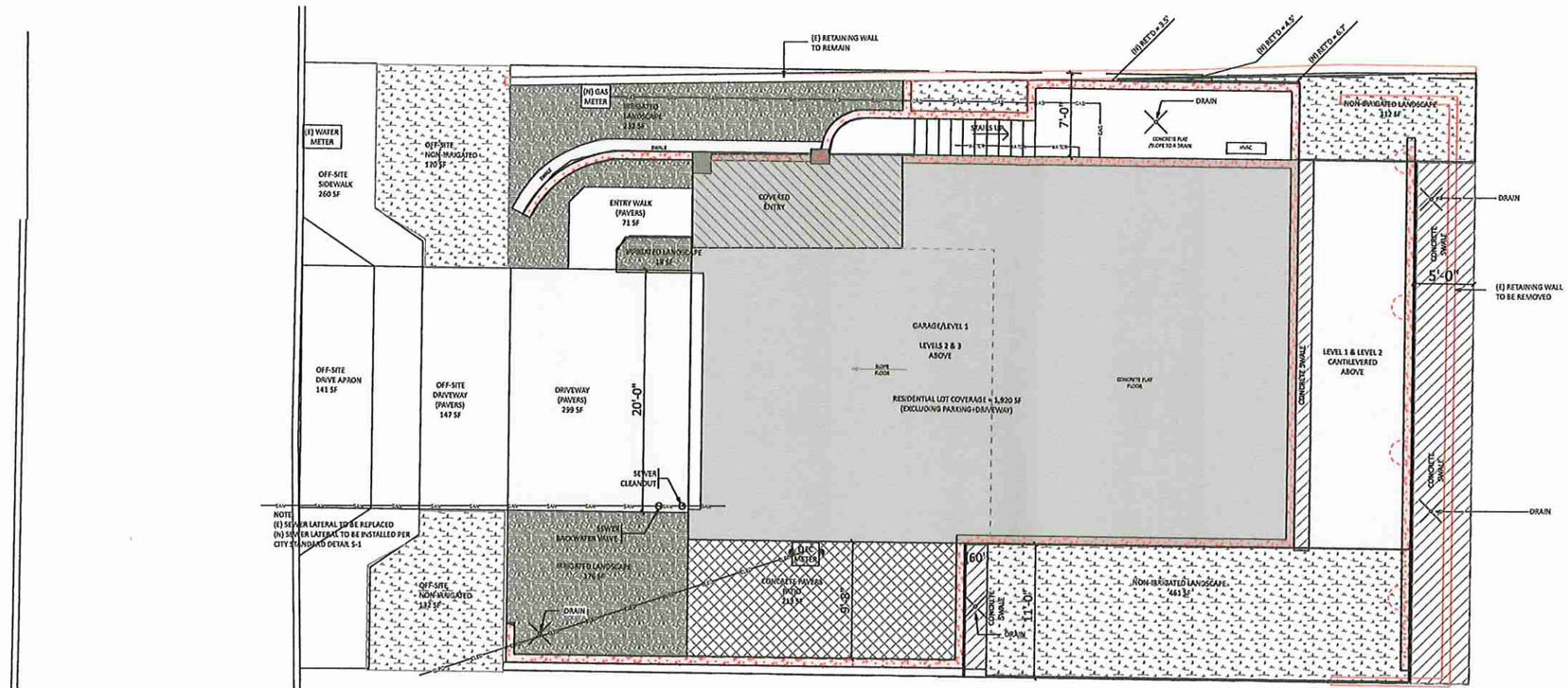
OWNER: MICHAEL MURPHY
2440 LAUREL AVENUE
MORRO BAY, CA 93442

date:

scale: As Noted

sheet number: A1.11

© \Users\ymurphy\AppData\Local\Microsoft\Windows\INetCache\Content.Outlook\VG53S3R\2440 Laurel Ave Topo-ARCH.dwg, 24X36, Sep 10, 2021 - 3:24pm, mmurphy



SURFACE CALCULATIONS

SITE - 4,000 SF
RIGHT-OF-WAY - 350 SF

ON-SITE:	SITE AREA = 4,000 SF		
PERVIOUS SURFACES: (AREA FOOTPRINT)			
	DRIVEWAY (PAVERS)	299 SF	7.5%
	WALKWAY (PAVERS)	71 SF	1.8%
	PATIO (PAVERS)	213 SF	5.3%
	IRRIGATED	426 SF	10.6%
	NON-IRRIGATED	535 SF	13.4%
	TOTAL PERMEABLE	*1,544 SF*	*38.6%*
IMPERVIOUS SURFACES: (AREA FOOTPRINT)			
	DRAINAGE CONCRETE (SWALES)	259 SF	6.4%
	RETAINING WALL FOOTPRINT	105 SF	2.6%
	(E) RETAINING WALL FOOTPRINT	22 SF	0.5%
	CONCRETE (FLAT/STEPS)	150 SF	3.8%
	TOTAL NON-PERMEABLE	*536 SF*	*13.4%*
	ON-SITE TOTAL "LANDSCAPE" COVERAGE AREA (PERMEABLE + NON-PERMEABLE)	*2,080 SF*	*52.0%*
	ON-SITE TOTAL BUILDING COVERAGE AREA	*1,920 SF*	*48.0%*
OFF-SITE: RIGHT OF WAY	RIGHT-OF WAY AREA = 850 SF (17' x 50')		
SURFACES: (AREA FOOTPRINT)			
	DRIVEWAY (PAVERS) (Pervious)	147 SF	17.3%
	SIDEWALK (Impervious)	260 SF	30.6%
	DRIVEWAY APRON (Impervious)	141 SF	16.5%
	NON-IRRIGATED (Pervious)	302 SF	35.6%
	OFF-SITE TOTAL LANDSCAPE COVERAGE AREA	*850 SF*	*100%*

FRONTAGE IMPROVEMENT:
DRIVEWAY APPROACH PER CITY STANDARD DETAIL B-6 OR B-7, ASPHALT CURB PER CITY STANDARD DETAIL B-8 AND STREET TREE.
ENCROAHMENT PERMIT REQUIRED.

SITE COVERAGE (LANDSCAPE) NOTE:

MB POLICY C-7.17:
IMPERVIOUS SURFACES
DEVELOPMENT SHALL MINIMIZE NEW IMPERVIOUS SURFACES, ESPECIALLY IMPERVIOUS AREAS DIRECTLY CONNECTED TO WATER AND MARINE RESOURCES, AND, WHERE FEASIBLE, INCREASE THE AREA OF PERVIOUS SURFACES IN REDEVELOPMENT TO REDUCE RUNOFF.

MB POLICY PS-2.12:
GRADING AND CUT-AND-FILL OPERATIONS
REQUIRE NEW DEVELPMENT TO MINIMIZE GRADING AND CUT-AND-FILL OPERATIONS. REQUIRE NEW DEVELOPMENT PROJECTS INVOLVING GRADING TO HAVE LANDSCAPE PLANS THAT INCLUDE THE FOLLOWING PROVISIONS:

- PLANTINGS SHALL BE OF NATIVE, DROUGHT-TOLERANT PLANT SPECIES, AND BLEND WITH THE EXISTING NATURAL VEGETATION AND NATURAL HABITATS ON THE SITE.
- INVASIVE PLANT SPECIES THAT TEND TO SUPPLANT NATIVE SPECCIES AND NATURAL HABITAT SHALL BE PROHIBITED.
- NONINVASIVE ORNAMENTAL PLANTS AND LAWN MAY BE PERMITTED IN COMBINATION WITH NATIVE, DROUGHT-TOLERANT SPECIES IN THE IRRIGATED ZONE(S) REQUIRED FOR FUEL MODIFICATION NEAREST APPROVED RESIDENTIAL STRUCTURES
- LANDSCAPING OR REVEGETATION SHALL PROVIDE 90% COVERGE WITHIN FIVE YEARS.

City of Morro Bay
Administrative Approval
Project #(s) _____
___ Approved as Submitted
___ Approved with Changes
Approval Date: _____
Planner: _____

LANDSCAPE SURFACE PLAN
SCALE: 3/16" = 1'-0"

FOR AGENCY USE:

GARY A. GARZA, RCE
FOR CONSTRUCTION
PRELIMINARY ONLY
92691
STATE OF CALIFORNIA

DRAWN BY:
GAG Design Associates
CONSTRUCTION SERVICES
GARY A. GARZA, RCE
2045 Perry Place, Arroyo Grande, CA 93420
(805) 474-6163 FAX (805) 330-4101
www.garydesign.com
LIC. #26691
GENERAL ENGINEERING CONTRACTOR | GENERAL BUILDING CONTRACTOR

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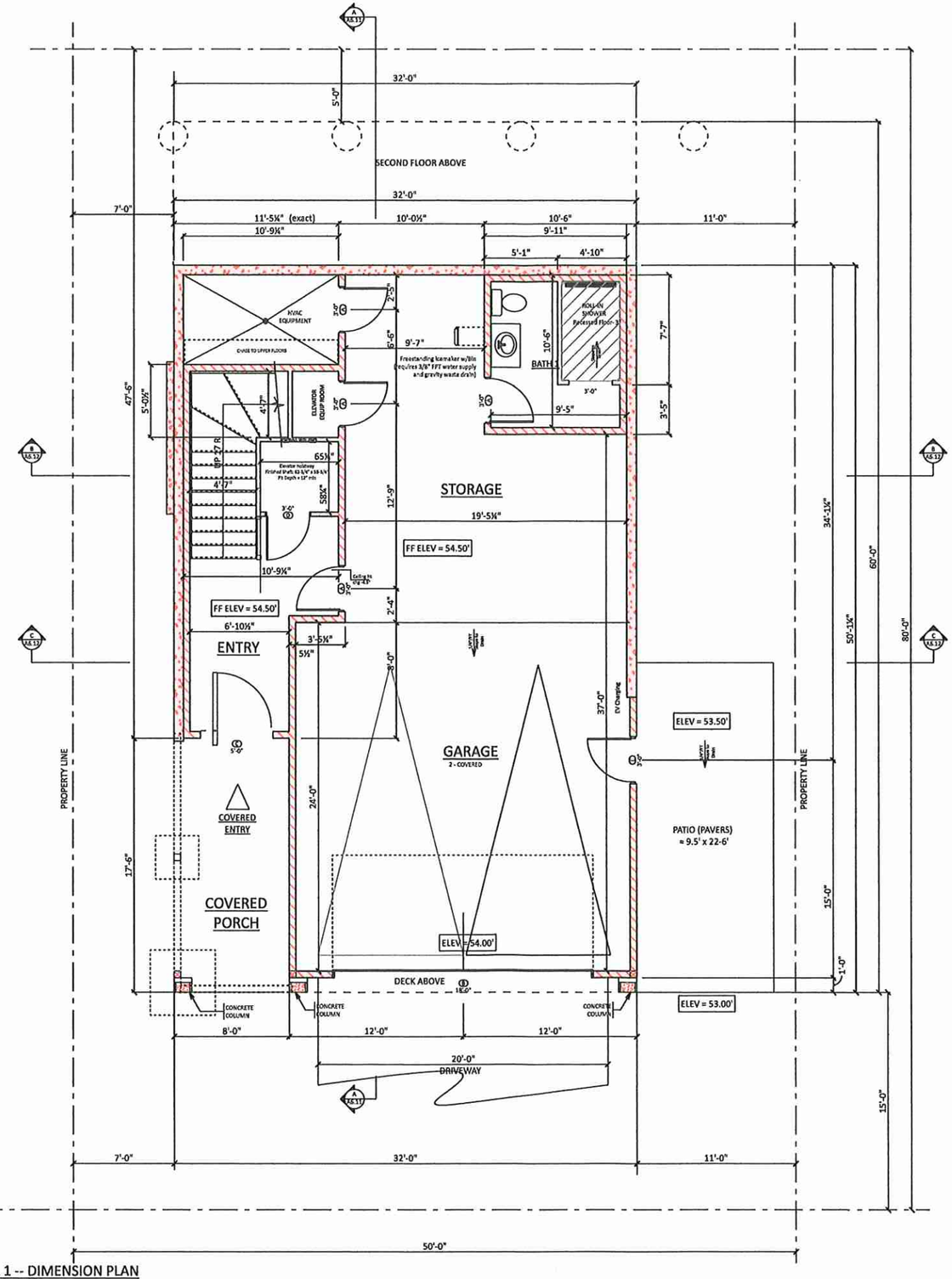
revisions:

SHEET TITLE: LANDSCAPE AREA PERVIOUS VS IMPERVIOUS SURFACE CALCULATIONS

PROJECT: REPLACEMENT RESIDENCE
OWNER: MICHAEL MURPHY
2440 LAUREL AVENUE
MORRO BAY, CA 93442

date:
scale: 3/16" = 1'-0"
sheet number: A1.13



LEVEL 1 -- DIMENSION PLAN
SCALE: 1/4" = 1'-0"

(N) 2x4 WALL

(N) 2x6 WALL w/ R21 BATT INSULATION

(N) 8" CONCRETE WALL

NORTH

HANDRAIL DETAIL SEE SHEET A9.11

City of Morro Bay
Administrative Approval
Project #(s) _____
___ Approved as Submitted
___ Approved with Changes
Approval Date: _____
Planner: _____

FOR AGENCY USE:

GARY A. GARZA, INC. — FOR CONSTRUCTION — PRELIMINARY ONLY — STATE OF CALIFORNIA

DRAWN BY: Design Associates construction services
GARY A. GARZA, INC.
2045 Parry Place, Arroyo Grande, CA 93420
(805) 474-5165 FAX (805) 3304101
garygarza@charter.com
License #822917
GENERAL ENGINEERING CONTRACTOR | GENERAL BUILDING CONTRACTOR

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revisions:

SHEET TITLE: RESIDENCE - LEVEL 1 DIMENSION PLAN

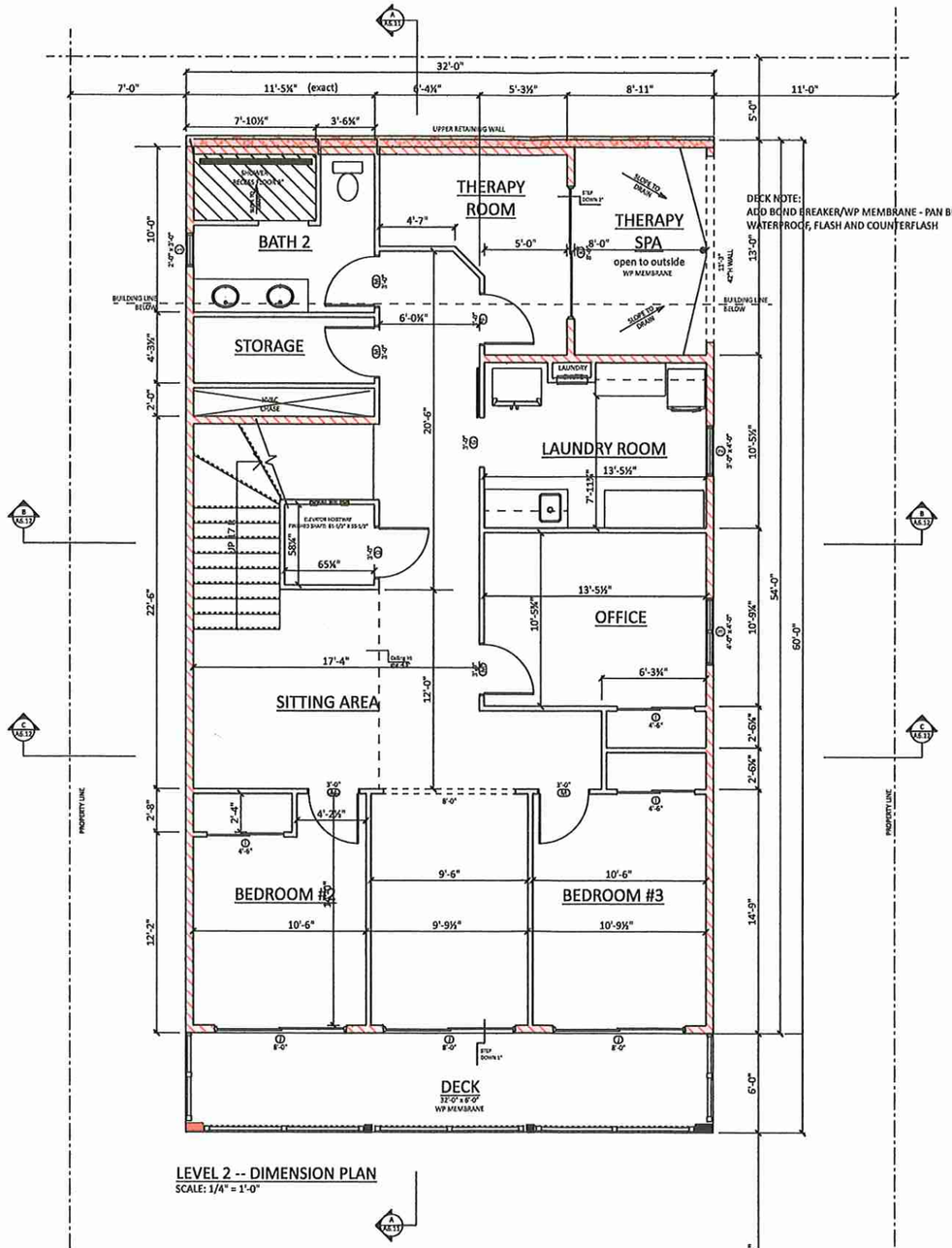
PROJECT: REPLACEMENT RESIDENCE

OWNER: MICHAEL MURPHY
2440 LAUREL AVENUE
MORRO BAY, CA 93442

date:

scale: 1/4" = 1'-0"

sheet number: A3.11.2



LEVEL 2 -- DIMENSION PLAN
SCALE: 1/4" = 1'-0"

(N) 2x4 WALL

(N) 2x6 WALL w/ R21 BATT INSULATION

(N) 8" CONCRETE WALL

NORTH

RAILING DETAIL SEE SHEET S6.11
HANDRAIL DETAIL SEE SHEET A9.11

City of Morro Bay
Administrative Approval
Project #(s) _____
___ Approved as Submitted
___ Approved with Changes
Approval Date: _____
Planner: _____

FOR AGENCY USE:

FOR CONSTRUCTION
PRELIMINARY ONLY
GARY A. GARZA, INC.
GENERAL ENGINEERING CONTRACTOR
STATE OF CALIFORNIA

DRAWN BY:
Design Associates
construction services
GARY A. GARZA, INC.
2945 Parry Place, Arroyo Grande, CA 93420
(805) 474-9163 FAX (805) 304-4101
www.GaryAGarza.com
License #582917
GENERAL ENGINEERING CONTRACTOR | GENERAL BUILDING CONTRACTOR

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revisions:

SHEET TITLE: RESIDENCE LEVEL 2
DIMENSION PLAN

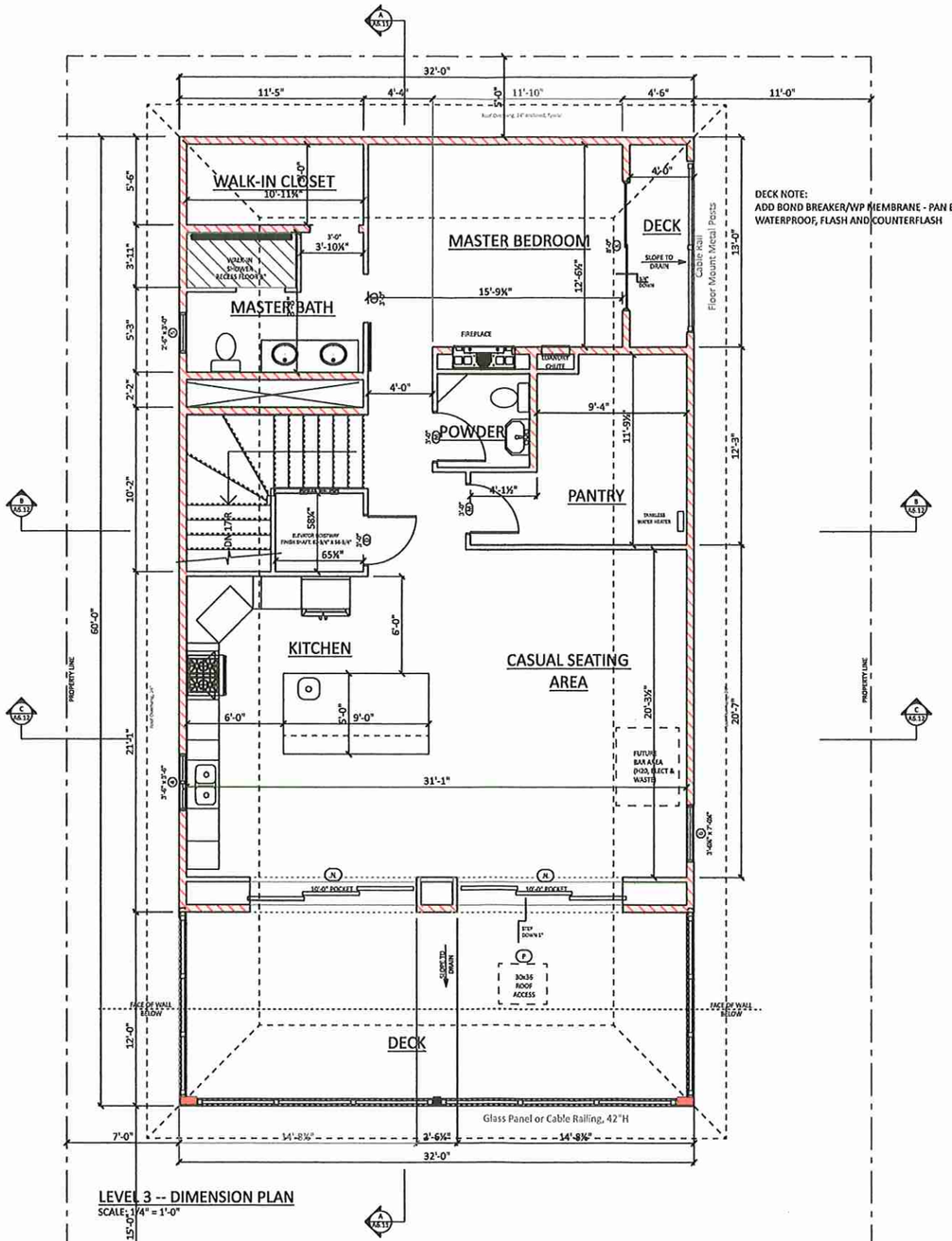
PROJECT: REPLACEMENT RESIDENCE

OWNER: MICHAEL MURPHY
2440 LAUREL AVENUE
MORRO BAY, CA 93442

date:

scale: 1/4" = 1'-0"

sheet number: A3.12.2



LEVEL 3 -- DIMENSION PLAN
SCALE: 1/4" = 1'-0"

DECK NOTE:
ADD BOND BREAKER/WP MEMBRANE - PAN BELOW DECK TILE; WATERPROOF, FLASH AND COUNTERFLASH

City of Morro Bay
Administrative Approval
Project #(s) _____
___ Approved as Submitted
___ Approved with Changes
Approval Date: _____
Planner: _____

(N) 2x4 WALL

(N) 2x6 WALL w/ R21 BATT INSULATION

(N) 8" CONCRETE WALL

NORTH

RAILING DETAIL SEE SHEET S6.11
HANDRAIL DETAIL SEE SHEET A9.11

FOR AGENCY USE:

GARY A. GARZA, No. 825917 — GENERAL ENGINEERING CONTRACTOR
FOR CONSTRUCTION
PRELIMINARY ONLY
STATE OF CALIFORNIA

Design Associates
construction services
GARY A. GARZA, INC.
2945 Pony Point, Arroyo Grande, CA 93420
(805) 474-2165 FAX (805) 3304101
garygarza@charter.com
LICENSE #825917
GENERAL ENGINEERING CONTRACTOR | GENERAL BUILDING CONTRACTOR

DRAWN BY:

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revisions:

SHEET TITLE: RESIDENCE - LEVEL 3 DIMENSION PLAN

PROJECT: REPLACEMENT RESIDENCE

OWNER: MICHAEL MURPHY
2440 LAUREL AVENUE
MORRO BAY, CA 93442

date:

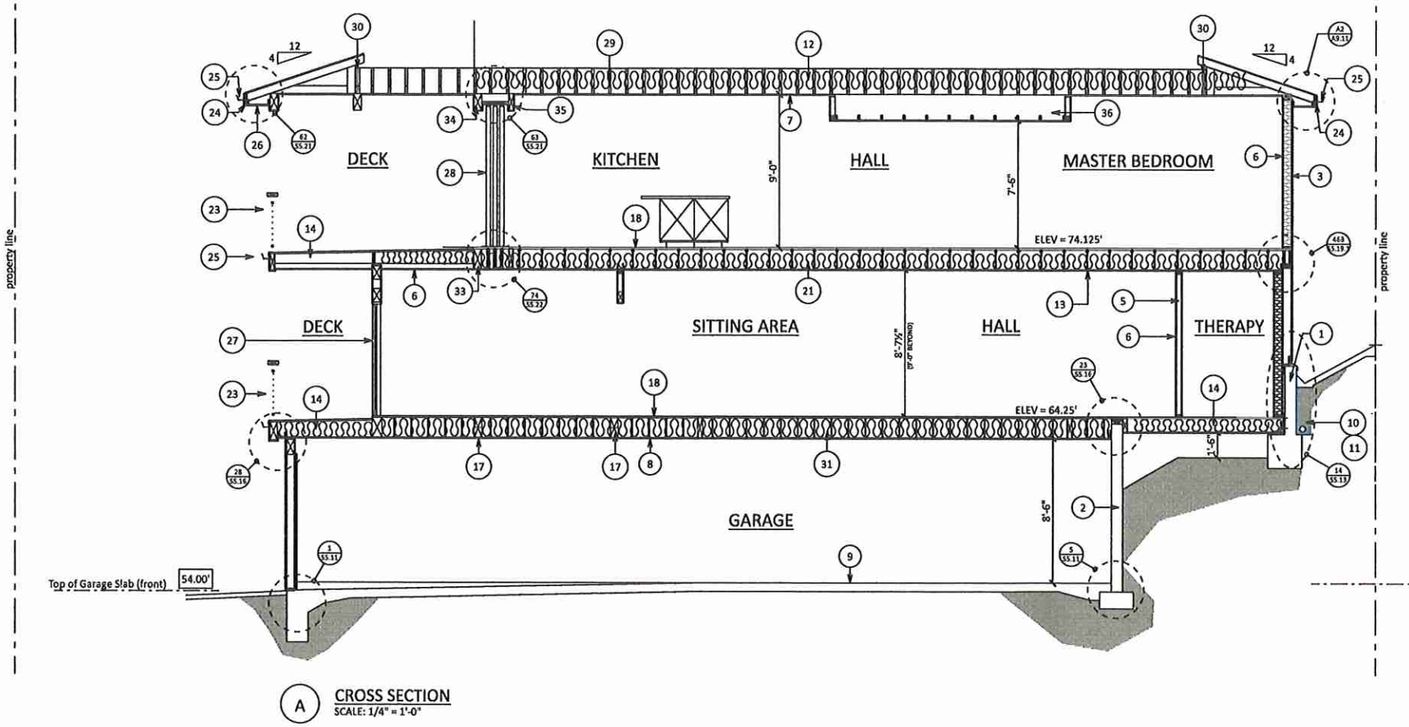
scale: 1/4" = 1'-0"

sheet number: A3.13.2

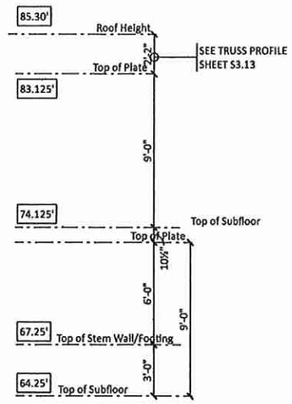
City of Morro Bay
Administrative Approval

Project #(s) _____
___ Approved as Submitted
___ Approved with Changes

Approval Date: _____
Planner: _____



A CROSS SECTION
SCALE: 1/4" = 1'-0"



SECTION KEYNOTES

1. Retaining wall (see structural)
2. 8" concrete wall
3. 2x6 exterior wall s/R21 batt insulation, shear and stucco
4. 2x6 interior wall
5. 2x4 interior wall
6. 1/2" gypsum board
7. 5/8" gypsum board
8. 5/8" type "X" gypsum board
9. Floor slab, typical (see structural)
10. Filter rock
11. 4" perforated drainage pipe
12. R30 air impermeable insulation
13. 14" TJI
14. 2x10 floor joist
15. 2x8 floor joist
16. 3-1/2" x 14" beam
17. 5-1/4' x 14" beam
18. 1" T&G floor ply, glued and screwed
19. Elevator shaft (see A5.11-12)
20. Elevator pit
21. Sound batts (optional)
22. Stairwell
23. 42"H deck railing (per owner)
24. 1x8 fascia board
25. Gutter (typical)
26. 24" soffitted overhang, typical
27. 8068 Patio door
28. 10080 Pocket door
29. Pre-manufactured roof trusses
30. Girder truss
31. R19 Batt Insulation
32. Driveway
33. 5-1/2" x 14" PSL
34. 6x12
35. 4x12
36. Fur down for A/C ductwork
37. Photovoltaic panel

UNVENTED ATTIC SPACE

Unvented attics and unvented enclosed roof framing assemblies created by ceilings that are applied directly to the underside of the roof framing members and structural roof sheathing applied directly to the top of the roof framing members/rafters, shall be permitted where all the following conditions are met:

1. The unvented attic space is completely within the building thermal envelope.
2. Interior Class I vapor retarders are not installed on the ceiling side (attic floor) of the unvented attic assembly or on the ceiling side of the unvented enclosed roof framing assembly.
3. Where wood shingles or shakes are used, a minimum 1/4-inch (6.4 mm) vented airspace separates the shingles or shakes and the roofing underlayment above the structural sheathing.
4. In California Climate Zones 14 and 16, any air-impermeable insulation shall be a Class II vapor retarder, or shall have a Class II vapor retarder coating or covering in direct contact with the underside of the insulation.
   4.1. A Class I or Class II vapor retarder shall be installed on the indirectly conditioned space side of all insulation in an unvented attic with air-permeable insulation, for condensation control.

See the California Energy Code, Figure 100.1- A — California Climate Zones.

5. Insulation shall comply with Item 5.1 or 5.2:
   5.1 Item 5.1.1, 5.1.2, 5.1.3 or 5.1.4 shall be met, depending on the air permeability of the insulation directly under the structural roof sheathing. No insulation shall be required when roof tiles, wood shingles or wood shakes, or any other roofing system using battens and no continuous underlayment is installed. A continuous underlayment shall be considered to exist if sheathing, roofing paper or any continuous layer having a perm rate of no more than one perm under the dry cup method is present.
   5.1.1. Where only air-impermeable insulation is provided, it shall be applied in direct contact with the underside of the structural roof sheathing.
   5.1.2. Where air-permeable insulation is installed directly below the structural sheathing, rigid board or sheet insulation shall be installed directly above the structural roof sheathing in accordance with the R-values in Table R806.5 for condensation control.
   5.1.3. Where both air-impermeable and air-permeable insulation are provided, the air-impermeable insulation shall be applied in direct contact with the underside of the structural roof sheathing in accordance with Item 5.1.1 and shall be in accordance with the R-values in Table R806.5 for condensation control. The air-permeable insulation shall be installed directly under the air-impermeable insulation.
   5.1.4. Alternatively, sufficient rigid board or sheet insulation shall be installed directly above the structural roof sheathing to maintain the monthly average temperature of the underside of the structural roof sheathing above 45°F (7°C). For calculation purposes, an interior air temperature of 68°F (20°C) is assumed and the exterior air temperature is assumed to be the monthly average outside air temperature of the three coldest months.
   5.2 In Climate Zones 3-15, air-permeable insulation installed in unvented attics shall meet the following requirements:
   5.2.1. An approved vapor diffusion port shall be installed not more than 12 inches (305 mm) from the highest point of the roof, measured vertically from the highest point of the roof to the lower edge of the port.
   5.2.2. The port area shall be greater than or equal to 1:600 of the ceiling area. Where there are multiple ports in the attic, the sum of the port areas shall be greater than or equal to the area requirement.
   5.2.3. The vapor-permeable membrane in the vapor diffusion port shall have a vapor permeance rating of greater than or equal to 20 perms when tested in accordance with Procedure A of ASTM E96.
   5.2.4. The vapor diffusion port shall serve as an air barrier between the attic and the exterior of the building.
   5.2.5. The vapor diffusion port shall protect the attic against the entrance of rain and snow.
   5.2.6. Framing members and blocking shall not block the free flow of water vapor to the port. Not less than a 2-inch (51 mm) space shall be provided between any blocking and the roof sheathing. Air-permeable insulation shall be permitted within that space.
   5.2.7. The roof slope shall be greater than or equal to 3:12 (vertical/horizontal).
   5.2.8. Where only air-permeable insulation is used, it shall be installed directly below the structural roof sheathing.
   5.2.9. Air-impermeable insulation, if any, shall be directly above or below the structural roof sheathing and is not required to meet the R-value in Table 806.5. Where directly below the structural roof sheathing, there shall be no space between the air-impermeable insulation and air-permeable insulation.
   5.2.10. The air shall be supplied at a flow rate greater than or equal to 50 CFM (23.6 L/s) per 1,000 square feet (93 m2) of ceiling. The air shall be supplied from ductwork providing supply air to the occupiable space when the conditioning system is operating. Alternatively, the air shall be supplied by a supply fan when the conditioning system is operating.
   5.3. Where preformed insulation board is used as the air-impermeable insulation layer, it shall be sealed at the perimeter of each individual sheet interior surface to form a continuous layer.

FOR AGENCY USE:

GARY A. GARZA, No. 62917 — REGISTERED CONTRACTOR-GENERAL BUILDING CONTRACTOR
FOR CONSTRUCTION
PRELIMINARY ONLY
STATE OF CALIFORNIA

DRAWN BY: GG
Design Associates
construction services
GARY A. GARZA, INC.
2945 Pony Place, Arroyo Grande, CA 93420
(805) 474-8165 FAX (805) 300-4101
www.garzainc.com
License #662917
GENERAL ENGINEERING CONTRACTOR | GENERAL BUILDING CONTRACTOR

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revisions:

SHEET TITLE: CROSS SECTION

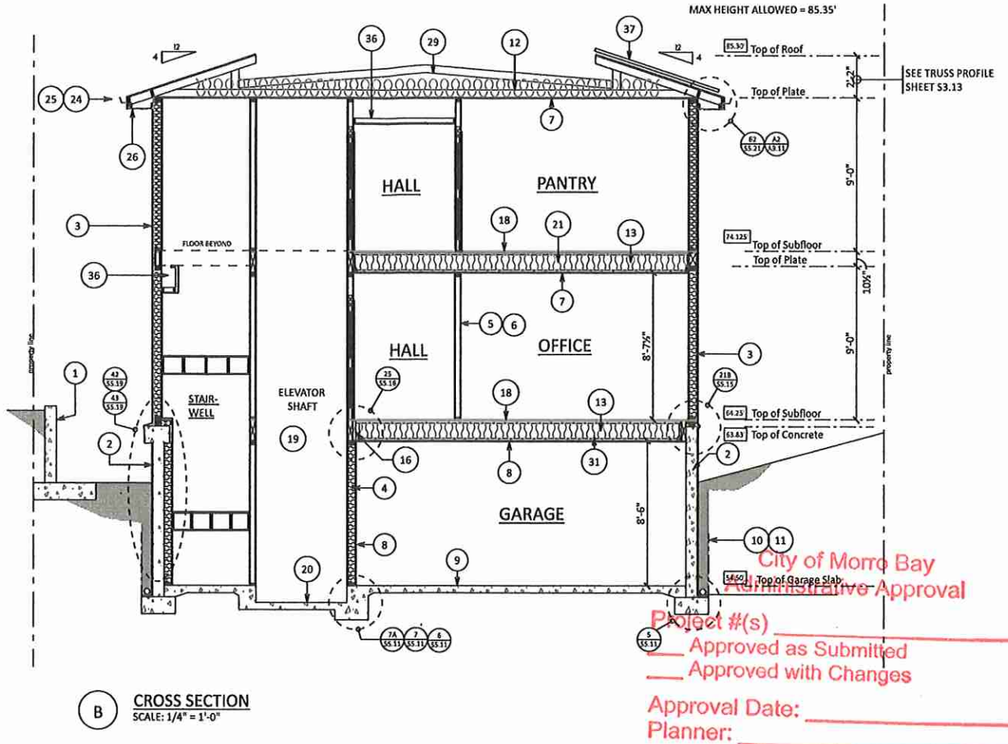
PROJECT: REPLACEMENT RESIDENCE

OWNER: MICHAEL MURPHY
2440 LAUREL AVENUE
MORRO BAY, CA 93442

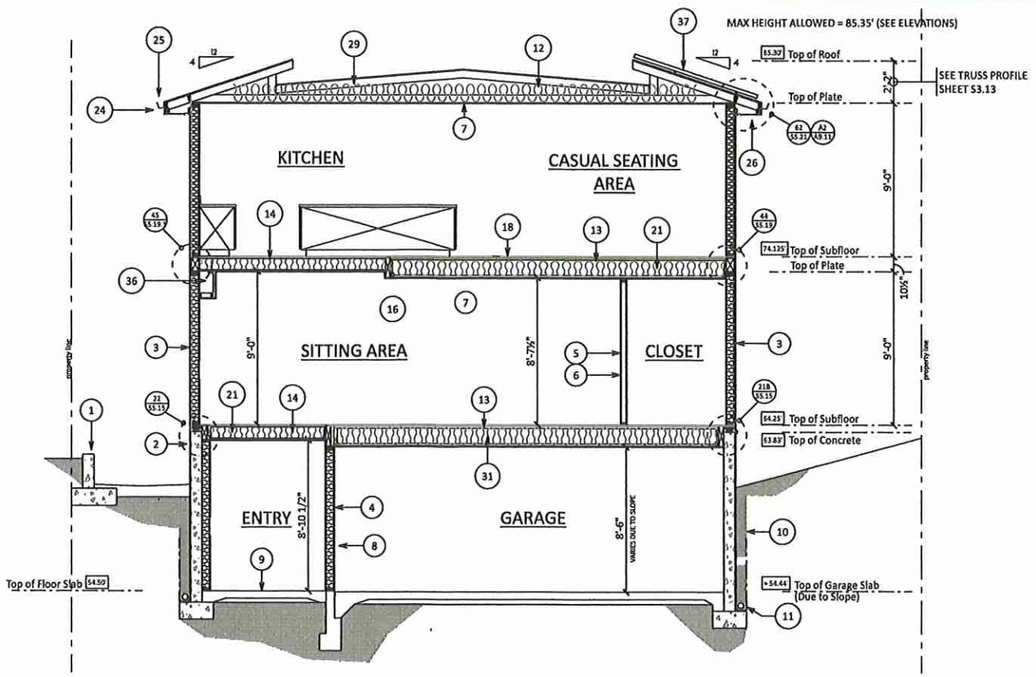
date:

scale: As Noted

sheet number: A6.11



B **CROSS SECTION**
SCALE: 1/4" = 1'-0"



C **CROSS SECTION**
SCALE: 1/4" = 1'-0"

City of Morro Bay
Administrative Approval
Project #(s) _____
___ Approved as Submitted
___ Approved with Changes
Approval Date: _____
Planner: _____

SECTION KEYNOTES

1. Retaining wall (see structural)
2. 8" concrete wall
3. 2x6 exterior wall s/R21 batt insulation, shear and stucco
4. 2x6 interior wall
5. 2x4 interior wall
6. 1/2" gypsum board
7. 5/8" gypsum board
8. 5/8" type "X" gypsum board
9. Floor slab, typical (see structural)
10. Filter rock
11. 4" perforated drainage pipe
12. R30 air impermeable insulation
13. 14" TJI
14. 2x10 floor joist
15. 2x8 floor joist
16. 3-1/2" x 14" beam
17. 5-1/4' x 14" beam
18. 1" T&G floor ply, glued and screwed
19. Elevator shaft (see A5.11-12)
20. Elevator pit
21. Sound batts (optional)
22. Stairwell
23. 42"H deck railing (per owner)
24. 1x8 fascia board
25. Gutter (typical)
26. 24" soffitted overhang, typical
27. 8068 Patio door
28. 10080 Pocket door
29. Pre-manufactured roof trusses
30. Girder truss
31. R19 Batt Insulation
32. Driveway
33. 5-1/2" x 14" PSL
34. 6x12
35. 4x12
36. Fur down for A/C ductwork
37. Photovoltaic panel

UNVENTED ATTIC SPACE

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3. Where wood shingles or shakes are used, a minimum 1/4-inch (6.4 mm) vented airspace separates the shingles or shakes and the roofing underlayment above the structural sheathing.
4. In California Climate Zones 14 and 16, any air-impermeable insulation shall be a Class II vapor retarder, or shall have a Class II vapor retarder coating or covering in direct contact with the underside of the insulation.
   4.1. A Class I or Class II vapor retarder shall be installed on the indirectly conditioned space side of all insulation in an unvented attic with air-permeable insulation, for condensation control.

See the California Energy Code, Figure 100.1- A —California Climate Zones.

5. Insulation shall comply with Item 5.3 and either Item 5.1 or 5.2:
   5.1 Item 5.1.1, 5.1.2, 5.1.3 or 5.1.4 shall be met, depending on the air permeability of the insulation directly under the structural roof sheathing. No insulation shall be required when roof tiles, wood shingles or wood shakes, or any other roofing system using battens and no continuous underlayment is installed. A continuous underlayment shall be considered to exist if sheathing, roofing paper or any continuous layer having a perm rate of no more than one perm under the dry-cup method is present.
   5.1.1. Where only air-impermeable insulation is provided, it shall be applied in direct contact with the underside of the structural roof sheathing.
   5.1.2. Where air-permeable insulation is installed directly below the structural sheathing, rigid board or sheet insulation shall be installed directly above the structural roof sheathing in accordance with the R-values in Table R806.5 for condensation control.
   5.1.3. Where both air-impermeable and air-permeable insulation are provided, the air-impermeable insulation shall be applied in direct contact with the underside of the structural roof sheathing in accordance with Item 5.1.1 and shall be in accordance with the R-values in Table R806.5 for condensation control. The air-permeable insulation shall be installed directly under the air-impermeable insulation.
   5.1.4. Alternatively, sufficient rigid board or sheet insulation shall be installed directly above the structural roof sheathing to maintain the monthly average temperature of the underside of the structural roof sheathing above 45°F (7°C). For calculation purposes, an interior air temperature of 68°F (20°C) is assumed and the exterior air temperature is assumed to be the monthly average outside air temperature of the three coldest months.
   5.2 In Climate Zones 3-15, air-permeable insulation installed in unvented attics shall meet the following requirements:
   5.2.1. An approved vapor diffusion port shall be installed not more than 12 inches (305 mm) from the highest point of the roof, measured vertically from the highest point of the roof to the lower edge of the port.
   5.2.2. The port area shall be greater than or equal to 1:600 of the ceiling area. Where there are multiple ports in the attic, the sum of the port areas shall be greater than or equal to the area requirement.
   5.2.3. The vapor-permeable membrane in the vapor diffusion port shall have a vapor permeance rating of greater than or equal to 20 perms when tested in accordance with Procedure A of ASTM E96.
   5.2.4. The vapor diffusion port shall serve as an air barrier between the attic and the exterior of the building.
   5.2.5. The vapor diffusion port shall protect the attic against the entrance of rain and snow.
   5.2.6. Framing members and blocking shall not block the free flow of water vapor to the port. Not less than a 2-inch (51 mm) space shall be provided between any blocking and the roof sheathing. Air-permeable insulation shall be permitted within that space.
   5.2.7. The roof slope shall be greater than or equal to 3:12 (vertical/horizontal).
   5.2.8. Where only air-permeable insulation is used, it shall be installed directly below the structural roof sheathing.
   5.2.9. Air-impermeable insulation, if any, shall be directly above or below the structural roof sheathing and is not required to meet the R-value in Table 806.5. Where directly below the structural roof sheathing, there shall be no space between the air-impermeable insulation and air-permeable insulation.
   5.2.10. The air shall be supplied at a flow rate greater than or equal to 50 CFM (23.6 L/s) per 1,000 square feet (93 m2) of ceiling. The air shall be supplied from ductwork providing supply air to the occupiable space when the conditioning system is operating. Alternatively, the air shall be supplied by a supply fan when the conditioning system is operating.
   5.3. Where preformed insulation board is used as the air-impermeable insulation layer, it shall be sealed at the perimeter of each individual sheet interior surface to form a continuous layer.

FOR AGENCY USE:

LICENSED GENERAL CONTRACTOR - GENERAL BUILDING CONTRACTOR
GARY A. GARZA, INC.
FOR CONSTRUCTION
PRELIMINARY ONLY
STATE OF CALIFORNIA

DRAWN BY:
Design Associates
Construction Services
Gary A. Garza, Inc.
2045 Pony Plaza, Arroyo Grande, CA 93420
(805) 474-2155 FAX (805) 3504151
www.garyagarza.com
License #628917
GENERAL ENGINEERING CONTRACTOR | GENERAL BUILDING CONTRACTOR

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revisions:

SHEET TITLE: CROSS SECTIONS

PROJECT: REPLACEMENT RESIDENCE
OWNER: MICHAEL MURPHY
2440 LAUREL AVENUE
MORRO BAY, CA 93442

date:

scale: As Noted

sheet number: A6.12

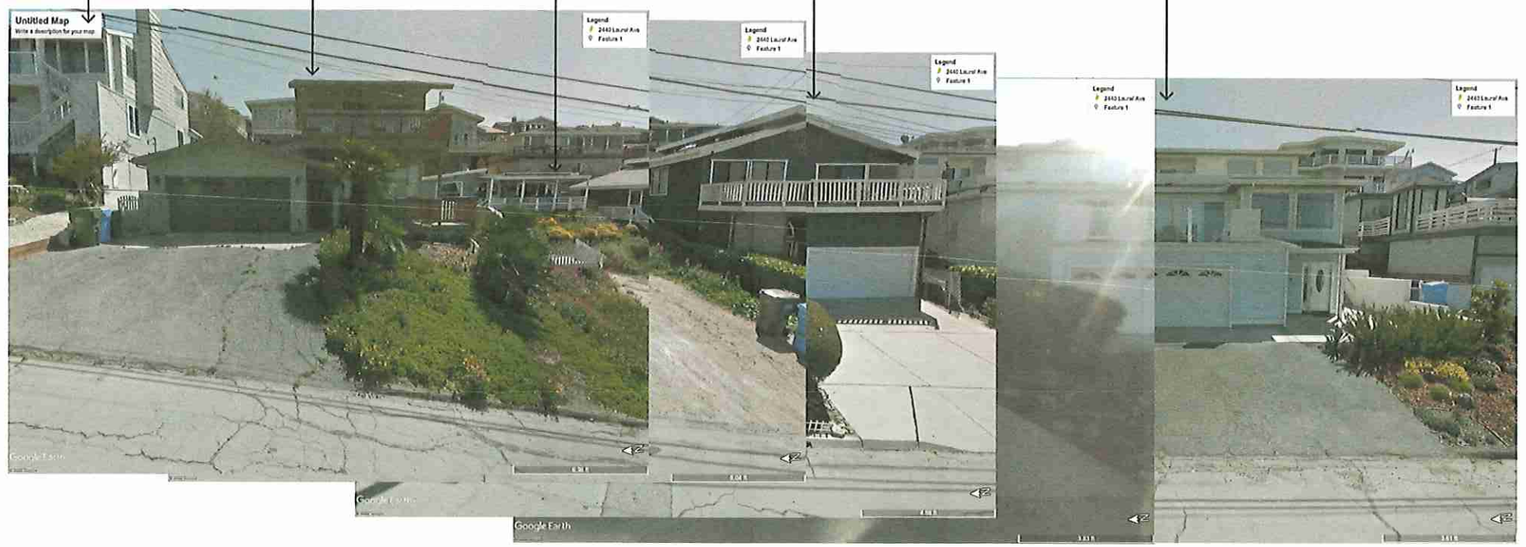
EXISTING RESIDENCE
2470 LAUREL AVENUE

EXISTING RESIDENCE
2460 LAUREL AVENUE

SUBJECT PROPERTY
EXISTING RESIDENCE
2440 LAUREL AVENUE

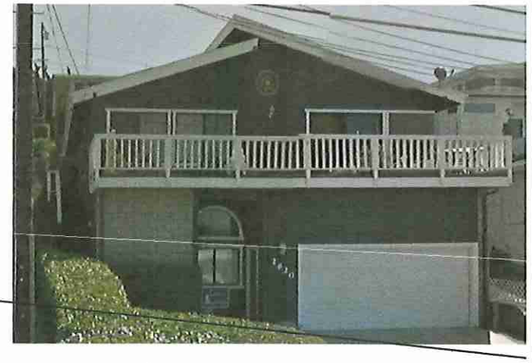
EXISTING RESIDENCE
2420 LAUREL AVENUE

EXISTING RESIDENCE
2410 LAUREL AVENUE



EXISTING RESIDENCE
2460 LAUREL AVENUE

SUBJECT PROPERTY
PROPOSED RESIDENCE
PHOTO SIMULATION
2440 LAUREL AVENUE



EXISTING RESIDENCE
2420 LAUREL AVENUE

City of Morro Bay
Administrative Approval
Project #(s) _____
___ Approved as Submitted
___ Approved with Changes
Approval Date: _____
Planner: _____

FOR AGENCY USE:

FOR CONSTRUCTION
PRELIMINARY ONLY
GARY A. GARCIA, No. C-10 82825
STATE OF CALIFORNIA

DRAWN BY:
Design Associates
construction services
GARY A. GARCIA, INC.
2045 Pony Plaza, Arroyo Grande, CA 93420
(805) 474-7155 FAX (805) 3804101
www.garcia-inc.com
License #822597
GENERAL ENGINEERING CONTRACTOR | GENERAL BUILDING CONTRACTOR

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revisions:

SHEET TITLE:
STREET VIEW
EXISTING &
PROPOSED
PHOTO SIMULATION

PROJECT:
REPLACEMENT RESIDENCE

OWNER:
MICHAEL MURPHY
2440 LAUREL AVENUE
MORRO BAY, CA 93442

date:

scale:
3/16" = 1'-0"

sheet number:
A7.10

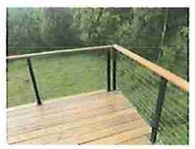
FLAT ROOFING MEMBRANE: TAPERED FOAM UNDER GAF "EVERGUARD, 80-MIL, FLEECE BACKED, OR EQUAL. COLOR: GRAY

ROOF FACIA GUTTER w/ DOWNSPOUT, BY FIVE CITIES RAIN GUTTERS. COLOR: TUXEDO GREY, OR EQUAL. OPTIONAL, MATCH ROOFING

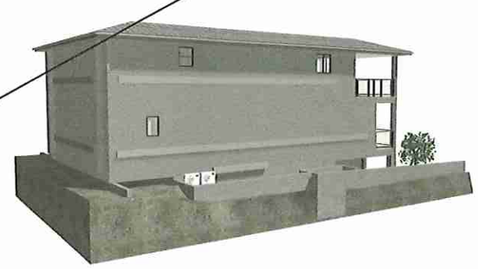
DOOR AND WINDOW WOOD TRIM, SOLID STAIN. COLOR: SHERWIN WILLIAMS 3010 WOODSCAPES SOLID STAIN. COLOR: "WOODSMOKE GRAY"

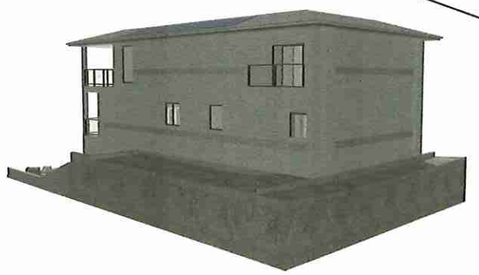
EXTERIOR FRONT ENTRY DOOR: ANDERSEN ALUMINUM CLAD WOOD PIVOT DOOR. COLOR: BRONZE/BLACK ANODIZE. CAULK ALL EXTERIOR JOISTS. SEE SCHEDULE AND FLOOR PLAN FOR TYPE, LOCATION & SIZE.

CABLE RAILING: BRONZE/BLACK ANODIZE ALUMINUM FRAMES w/WOOD TOP RAIL AND S.S. AIRCRAFT CABLE SPACED @ 4" O.C. SEE STRUCTURAL.



DRIVEWAY, SIDEWALK AND PATIO PAVERS. AIRVOL BLOCK OR EQUAL. PEERMEABLE ROMAN I/II (75%/25%), I-PATTERN. COLOR MIX: MORRO BAY GREY





ROOFING: PACIFIC WEST STEEL STANDING RIB METAL, OR EQUAL. COLOR - CHARCOAL ROOFING OVER 2-LAYERS FELT AND PLYWOOD SHEATHING, TYP.
ALL EAVE ENDS TO BE CONSTRUCTED TO PREVENT INTRUSION OF FLAMES AND EMBERS.

EXTERIOR WALLS: EXTERIOR CEMENT PLASTER, LA HABRA STANDARD, COLOR: BAY BRIDGE, SANTA BARBARA FINISH - 7/8" 3-COAT. CEMENT PLASTER WITH SMOOTH FINISH OVER METAL LATH, MOISTURE BARRIER AND SHEATHING. PLASTER MIX 1:4 FOR SCRATCH COAT AND 1:5 FOR BROWN COAT, BY VOLUME, CEMENT TO SAND.

WINDOWS & PATIO DOORS: ANDERSEN ALUMINUM CLAD WOOD SERIES "E". COLOR: BRONZE/BLACK ANODIZE. CAULK ALL EXTERIOR JOISTS. SEE SCHEDULE AND FLOOR PLAN FOR TYPE, LOCATION & SIZE.

EXTERIOR PATIO DOORS: ANDERSEN ALUMINUM CLAD WOOD POCKET PATIO DOOR. COLOR: BRONZE/BLACK ANODIZE. CAULK ALL EXTERIOR JOISTS. SEE SCHEDULE AND FLOOR PLAN FOR TYPE, LOCATION & SIZE.

EXTERIOR SIDE ENTRY FIBERGLASS SLAB DOOR: SELECTED BY OWNER. CAULK ALL EXTERIOR JOISTS. SEE SCHEDULE AND FLOOR PLAN, LOCATION & SIZE. COLOR: SHERWIN WILLIAMS SW6199 "RARE GREY".

SECTIONAL GARAGE DOOR: MARTIN "ATHENA" SMOOTH ALUMINUM, BLACK w/OBSCURE GLAZING. COLOR: AS SHOWN

City of Morro Bay
Administrative Approval

Project #(s) _____
___ Approved as Submitted
___ Approved with Changes

Approval Date: _____
Planner: _____

FOR AGENCY USE:

FOR CONSTRUCTION
PRELIMINARY ONLY

GARY A. GARZA, INC.
PROFESSIONAL ENGINEERING CONTRACTOR - GREEN BUILDING
GARY A. GARZA
No. 52917
STATE OF CALIFORNIA
CIVIL

DRAWN BY:
GG Design Associates
construction services
GARY A. GARZA, INC.
2045 Pony Point, Arroyo Grande, CA 93420
(805) 474-4160 FAX (805) 305-4101
www.ggdesign.com
License #52917
GENERAL ENGINEERING CONTRACTOR | CENTRAL BUILDING CONTRACTOR

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revisions:

SHEET TITLE: PERSPECTIVES & COLOR BOARD

PROJECT: REPLACEMENT RESIDENCE

OWNER: MICHAEL MURPHY
2440 LAUREL AVENUE
MORRO BAY, CA 93442

date:

scale: As Noted

sheet number: A7.11

(N) MAXIMUM BUILDING HEIGHT CALCULATIONS

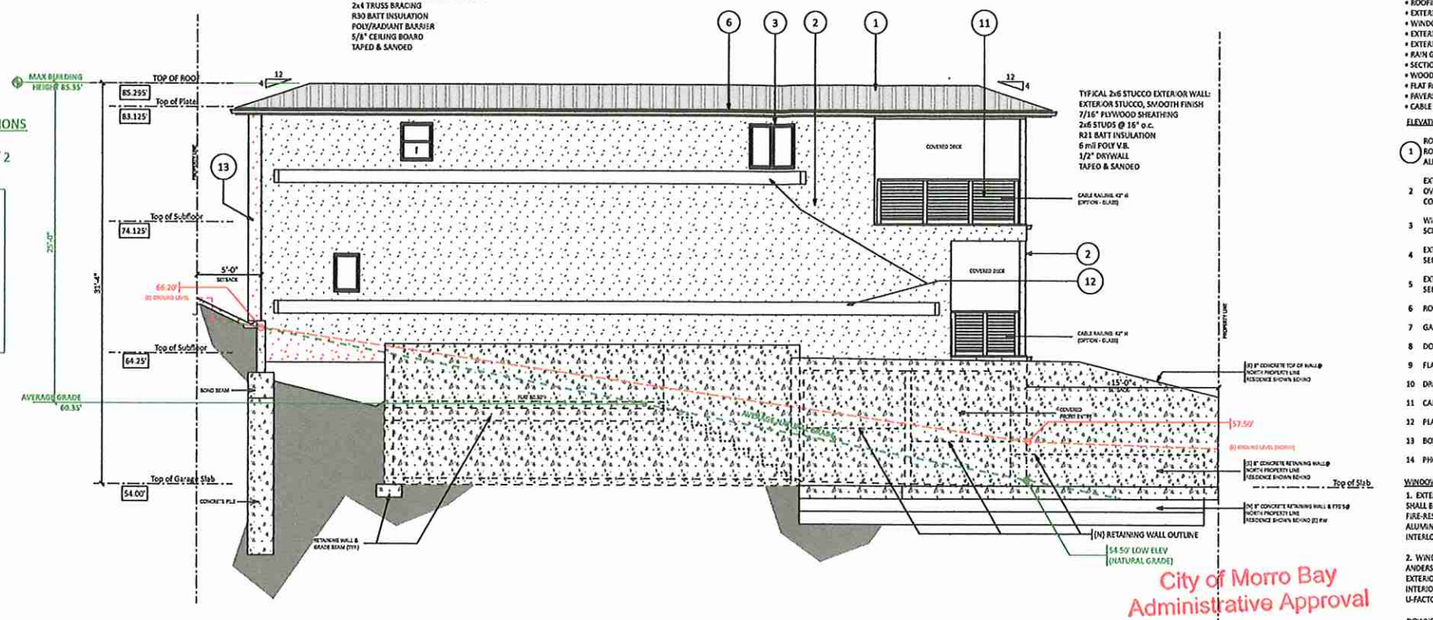
(54.5' (FRONT) + 66.2' (REAR)) = 120.7' / 2
Average Natural Grade = 60.35'

MAXIMUM ROOF HEIGHT ELEVATION
60.35' + 25.0' = 85.35'

PROPOSED
(SEE ELEVATIONS)
85.295'
ROUND TO
85.3'

TYPICAL TRUSS ROOF:
24 GAUGE 1.75"H X 18"W STANDING SEAM METAL PANELS
FLAT ROOF: POLY FOAM / PVC TAPERED
CONCEALED FASTENERS
5/8" ROOFING PLYWOOD
2x8 BLOCKING AT PEAK
PRE-ENGINEERED TRUSSES @ 12" o.c.
2x4 TRUSS BRACING
R30 BATT INSULATION
POLY/RADIANT BARRIER
5/8" CEILING BOARD
TAPED & SANDED

TYPICAL 2x6 STUCCO EXTERIOR WALL:
EXTERIOR STUCCO, SMOOTH FINISH
7/16" PLYWOOD SHEATHING
2x6 STUDS @ 16" o.c.
R21 BATT INSULATION
6 mil POLY V.B.
1/2" DRYWALL
TAPED & SANDED



LEFT ELEVATION - NORTH
SCALE: 3/16" = 1'-0"

EXTERIOR FINISH NOTES

COLOR/FINISH SELECTIONS
- ROOFING: PACIFIC WEST STEEL STANDING SEAM CHARCOAL
- EXTERIOR WALLS: LA HABRA STANDARD "BAY RIDGE #81593", SMOOTH, SANTA BARBARA FINISH
- WINDOWS: ANDERSEN ALUMINUM CLAD WOOD, BRONZE ANODIZE
- EXTERIOR ENTRY DOOR: ANDERSEN ALUMINUM CLAD WOOD, BRONZE/BLACK ANODIZE
- EXTERIOR SLAB DOOR: SHERWIN WILLIAMS 6199, RARE GRAY
- RAIN GUTTER: 5-STAR RAIN GUTTERS, TUXEDO GREY
- SECTIONAL GARAGE DOOR: MARTIN "ATHENA" SMOOTH ALUMINUM, BLACK w/OBSCURE GLAZING
- WOOD TRIM: SHERWIN WILLIAM 3010 WOODSCAPES SOLID STAIN, WOODSMOKE GRAY
- FLAT ROOF MEMBRANE: GAF EVERGUARD, GRAY
- PAVERS: AIRVOL ROMAN I/II I-PATTERN, MORRO BAY GREY
- CABLE RAIL DECK RAILING, BRONZE FRAMES w/SS CABLE

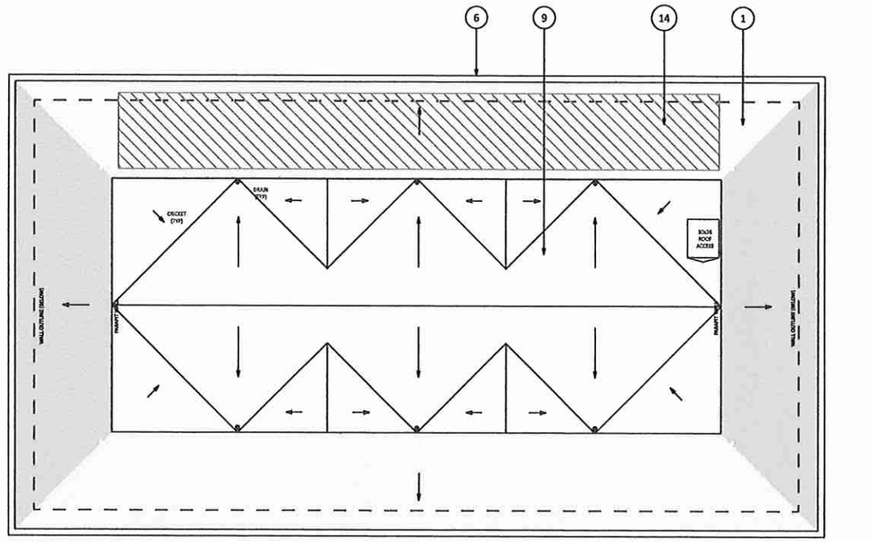
ELEVATIONS EXTERIOR KEYNOTES

1. ROOFING: PACIFIC WEST STEEL STANDING RIB METAL, OR EQUAL. COLOR - CHARCOAL
   ROOFING OVER 3 LAYERS FELT AND PLYWOOD SHEATHING, TYP.
   ALL EAVE ENDS TO BE CONSTRUCTED TO PREVENT INTRUSION OF FLAMES AND EMBERS.
2. EXTERIOR CEMENT PLASTER - 7/8" 3-COAT. CEMENT PLASTER WITH SMOOTH FINISH OVER METAL LATH, MOISTURE BARRIER AND SHEATHING. PLASTER MIX 1:4 FOR SCRATCH COAT AND 1:5 FOR BROWN COAT, BY VOLUME, CEMENT TO SAND.
3. WINDOWS: ANDERSEN "E" SERIES. CAULK ALL EXTERIOR JOINTS, TYP. SEE WINDOW SCHEDULE AND FLOOR PLAN FOR TYPE, LOCATION & SIZE.
4. EXTERIOR FRONT ENTRY DOOR: ANDERSON PIVOT DOOR. CAULK ALL EXTERIOR JOINTS, TYP. SEE DOOR SCHEDULE AND FLOOR PLAN FOR TYPE, LOCATION & SIZE
5. EXTERIOR SIDE ENTRY SLAB DOOR (GARAGE): AS SELECTED BY OWNER. CAULK ALL EXTERIOR JOINTS, TYP. SEE DOOR SCHEDULE AND FLOOR PLAN FOR TYPE, LOCATION & SIZE
6. ROOF FACIA GUTTER: CUSTOM BUILT METALS (FIVE STAR RAIN GUTTERS)
7. GARAGE DOOR: MARTIN "ATHENA" OR EQUAL.
8. DOOR WOOD TRIM, SOLID STAIN
9. FLAT ROOFING MEMBRANE: TAPERED FOAM UNDER GAF "EVERGUARD" 80-MIL, FLEECE-BACKED, OR EQUAL
10. DRIVEWAY PAVERS: AIRVOL BLOCK OR EQUAL. PERMEABLE ROMAN I/II (75N/25N), I-PATTERN, MORRO BAY GREY
11. CABLE RAILING: ALUMINUM FRAME w/ SS CABLE; CABLE SPACED < 4"
12. PLANT-ON 2x12 BELLY BANDS. STUCCO COVERED
13. BOX-OUT FOR ROOF DRAINAGE PIPING, STUCCO COVERED
14. PHOTOVOLTAIC ARRAY

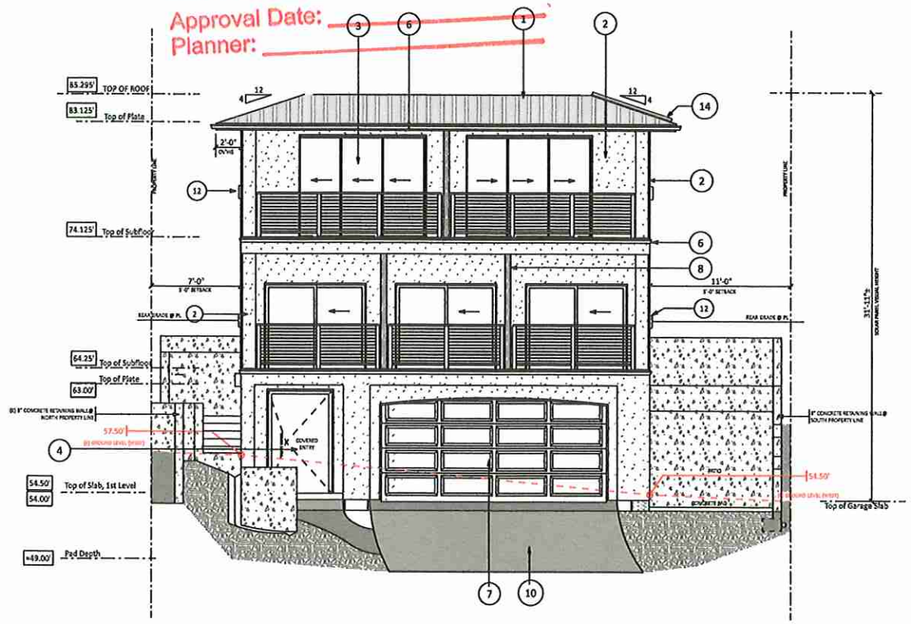
WINDOW AND DOOR NOTES:
1. EXTERIOR WINDOWS, WINDOW WALLS, GLAZED DOORS AND GLAZED OPENINGS WITHIN DOORS SHALL BE DUAL-GLAZED UNITS WITH MINIMUM OF ONE TEMPERED PANE ACHIEVING A FIRE-RESISTANCE RATATING OF NOT LESS THAN 20 MINUTES. GLAZING FRAMES MADE OF ALUMINUM CLAD WOOD AND SHALL HAVE WELDED CORNERS AND METAL REINFORCEMENT IN THE INTERLOCK AREA.
2. WINDOWS AND SLIDING DOORS:
   ANDERSEN, E-SERIES, WOOD FRAMES/ALUMINUM CLAD EXTERIOR, LOW-E
   EXTERIOR COLOR: BRONZE/BLACK ANODIZE
   INTERIOR COLOR: BY OWNER
   U-FACTOR = .30; SHGC = .25

DOWNSPOUTS NOT SHOWN - SEE SHEET AM1.10 FOR DRAIN LOCATIONS

City of Morro Bay
Administrative Approval
Project #(s) _____
___ Approved as Submitted
___ Approved with Changes
Approval Date:
Planner:



ROOF - TOP VIEW
SCALE: 3/16" = 1'-0"



FRONT ELEVATION - WEST
SCALE: 3/16" = 1'-0"

FOR AGENCY USE:

FOR CONSTRUCTION
PRELIMINARY ONLY
GARY A. GARZA, NCIDQ
STATE OF CALIFORNIA

DRAWN BY:
GAG Design Associates
Construction Services
GARY A. GARZA, NCIDQ
2945 Perry Point, Arroyo Grande, CA 93420
(805) 474-2165 FAX (805) 3304-4101
LICENSE # 6525917
GENERAL ENGINEERING CONTRACTOR | GENERAL BUILDING CONTRACTOR

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revisions:

SHEET TITLE: ELEVATIONS NORTH & WEST ROOF - TOP VIEW

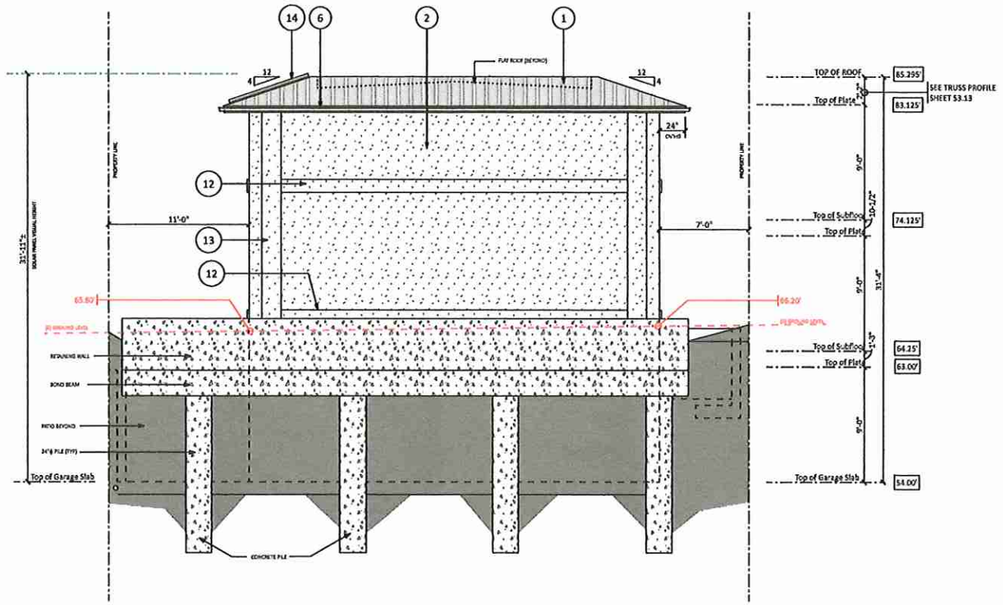
PROJECT: REPLACEMENT RESIDENCE

OWNER: MICHAEL MURPHY
2440 LAUREL AVENUE
MORRO BAY, CA 93442

date:

scale: 3/16" = 1'-0"

sheet number: A7.12



REAR ELEVATION - EAST
SCALE: 3/16" = 1'-0"

(N) MAXIMUM BUILDING HEIGHT CALCULATIONS

[54.5' (FRONT) + 66.2' (REAR)] = 120.7' / 2
Average Natural Grade = 60.35'

MAXIMUM ROOF HEIGHT ELEVATION
60.35' + 25.0' = 85.35'

PROPOSED
(SEE ELEVATIONS)
85.295'
ROUND TO
85.3'

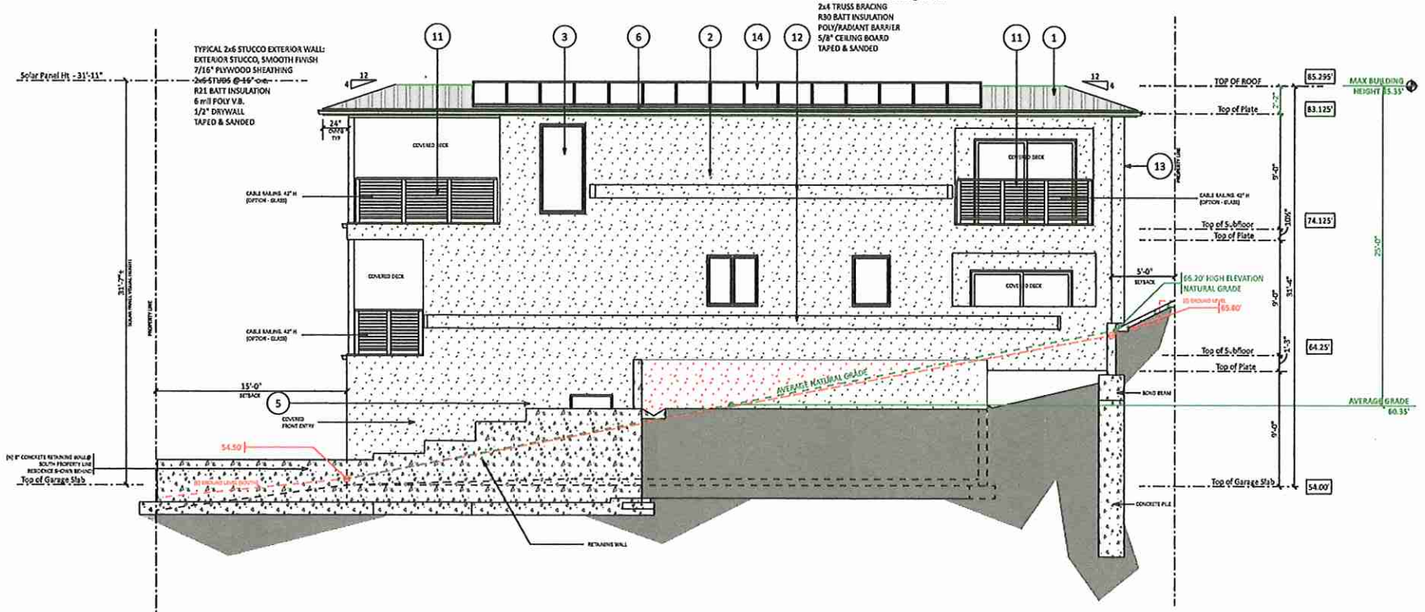
City of Morro Bay
Administrative Approval

Project #(s) _____
___ Approved as Submitted
___ Approved with Changes

Approval Date: _____
Planner: _____

TYPICAL TRUSS ROOF:
24 GAUGE 1.75"H X 18"W STANDING SEAM METAL PANELS
FLAT ROOF: POLY FOAM / PVC TAPERED
CONCEALED FASTENERS
5/8" ROOFING PLYWOOD
2x8 BLOCKING AT PEAK
PRE-ENG NEERED TRUSSES @ 12" o.c.
2x4 TRUSS BRACING
R30 BATT INSULATION
POLY/RADIANT BARRIER
5/8" CEILING BOARD
TAPED & SANDED

TYPICAL 2x6 STUCCO EXTERIOR WALL:
EXTERIOR STUCCO, SMOOTH FINISH
7/16" PLYWOOD SHEATHING
2x6 STUDS @ 16" o.c.
R21 BATT INSULATION
6 mil POLY V.B.
1/2" DRYWALL
TAPED & SANDED



RIGHT ELEVATION - SOUTH
SCALE: 3/16" = 1'-0"

EXTERIOR FINISH NOTES

COLOR/FINISH SELECTIONS
- ROOFING: PACIFIC WEST STEEL STANDING SEAM CHARCOAL
- EXTERIOR WALLS: LA HABRA STANDARD "BAY RIDGE #81593", SMOOTH, SANTA BARBARA FINISH
- WINDOWS: ANDERSEN ALUMINUM CLAD WOOD, BRONZE ANODIZE
- EXTERIOR ENTRY DOOR: ANDERSEN ALUMINUM CLAD WOOD, BRONZE/BLACK ANODIZE
- EXTERIOR SLAB DOOR: SHERWIN WILLIAMS 6159, RAKE GRAY
- RAIN GUTTER: 5-STAR RAIN GUTTERS, TUXEDO GREY
- SECTIONAL GARAGE DOOR: MARTIN "ATHENA" SMOOTH ALUMINUM, BLACK w/OBSCURE GLAZING
- WOOD TRIM: SHERWIN WILLIAM 3010 WOODSCAPES SOLID STAIN, WOODSMOKE GRAY
- FLAT ROOF MEMBRANE: GAF EVERGUARD, GRAY
- PAVERS: AIRVOL ROMAN I/II I-PATTERN, MORRO BAY GREY
- CABLE RAIL DECK RAILING, BRONZE FRAMES w/SS CABLE

ELEVATIONS EXTERIOR KEYNOTES

1. ROOFING: PACIFIC WEST STEEL STANDING RIB METAL, OR EQUAL. COLOR - CHARCOAL ROOFING OVER 2-LAYERS FELT AND PLYWOOD SHEATHING, TYP. ALL EAVE ENDS TO BE CONSTRUCTED TO PREVENT INTRUSION OF FLAMES AND EMBERS.
2. EXTERIOR CEMENT PLASTER - 7/8" 3 COAT. CEMENT PLASTER WITH SMOOTH FINISH OVER METAL LATH, MOISTURE BARRIER AND SHEATHING. PLASTER MIX 1:4 FOR SCRATCH COAT AND 1:5 FOR BROWN COAT, BY VOLUME, CEMENT TO SAND.
3. WINDOWS: ANDERSEN "E" SERIES. CAULK ALL EXTERIOR JOINTS, TYP. SEE WINDOW SCHEDULE AND FLOOR PLAN FOR TYPE, LOCATION & SIZE.
4. EXTERIOR FRONT ENTRY DOOR: ANDERSON PIVOT DOOR. CAULK ALL EXTERIOR JOINTS, TYP. SEE DOOR SCHEDULE AND FLOOR PLAN FOR TYPE, LOCATION & SIZE
5. EXTERIOR SIDE ENTRY SLAB DOOR (GARAGE): AS SELECTED BY OWNER. CAULK ALL EXTERIOR JOINTS, TYP. SEE DOOR SCHEDULE AND FLOOR PLAN FOR TYPE, LOCATION & SIZE
6. ROOF FACIA GUTTER: CUSTOM BUILT METALS (FIVE STAR RAIN GUTTERS)
7. GARAGE DOOR: MARTIN "ATHENA" OR EQUAL.
8. DOOR WOOD TRIM, SOLID STAIN
9. FLAT ROOFING MEMBRANE: TAPERED FOAM UNDER GAF "EVERGUARD" 80-MIL, FLEECE-BACKED, OR EQUAL
10. DRIVEWAY PAVERS: AIRVOL BLOCK OR EQUAL. PERMEABLE ROMAN I/II (75%/25%), I-PATTERN, MORRO BAY GREY
11. CABLE RAILING: ALUMINUM FRAME w/ SS CABLE; CABLE SPACED < 4"
12. PLANT-ON 2x12 BELLY BANDS. STUCCO COVERED
13. BOX-OUT FOR ROOF DRAINAGE PIPING, STUCCO COVERED
14. PHOTOVOLTAIC ARRAY

WINDOW AND DOOR NOTES:
1. EXTERIOR WINDOWS, WINDOW WALLS, GLAZED DOORS AND GLAZED OPENINGS WITHIN DOORS SHALL BE DUAL-GLAZED UNITS WITH MINIMUM OF ONE TEMPERED PANE ACHIEVING A FIRE-RESISTANCE RATAXING OF NOT LESS THAN 20 MINUTES. GLAZING FRAMES MADE OF ALUMINUM CLAD WOOD AND SHALL HAVE WELDED CORNERS AND METAL REINFORCEMENT IN THE INTERLOCK AREA.
2. WINDOWS AND SLIDING DOORS:
ANDERSEN, E-SERIES, WOOD FRAMES/ALUMINUM CLAD EXTERIOR, LOW-E
EXTERIOR COLOR: BRONZE/BLACK ANODIZE
INTERIOR COLOR: BY OWNER
U-FACTOR = .30; SHGC = .25

DOWNSPOUTS NOT SHOWN - SEE SHEET AM1.10 FOR DRAIN LOCATIONS

FOR AGENCY USE:

GARY A. GARZA, AIA — NOT FOR CONSTRUCTION — PRELIMINARY ONLY — 23891 — STATE OF CALIFORNIA

DRAWN BY: GARY A. GARZA, AIA
Design Associates
CONSTRUCTION SERVICES
2645 Pine Arbor Grade, Oceano, CA 93445
(805) 474-4165 FAX: (805) 295-4151
www.garygarza.com
License #625977
GENERAL CONTRACTORS CONSTRUCTION | RESIDENTIAL BUILDING CONTRACTOR

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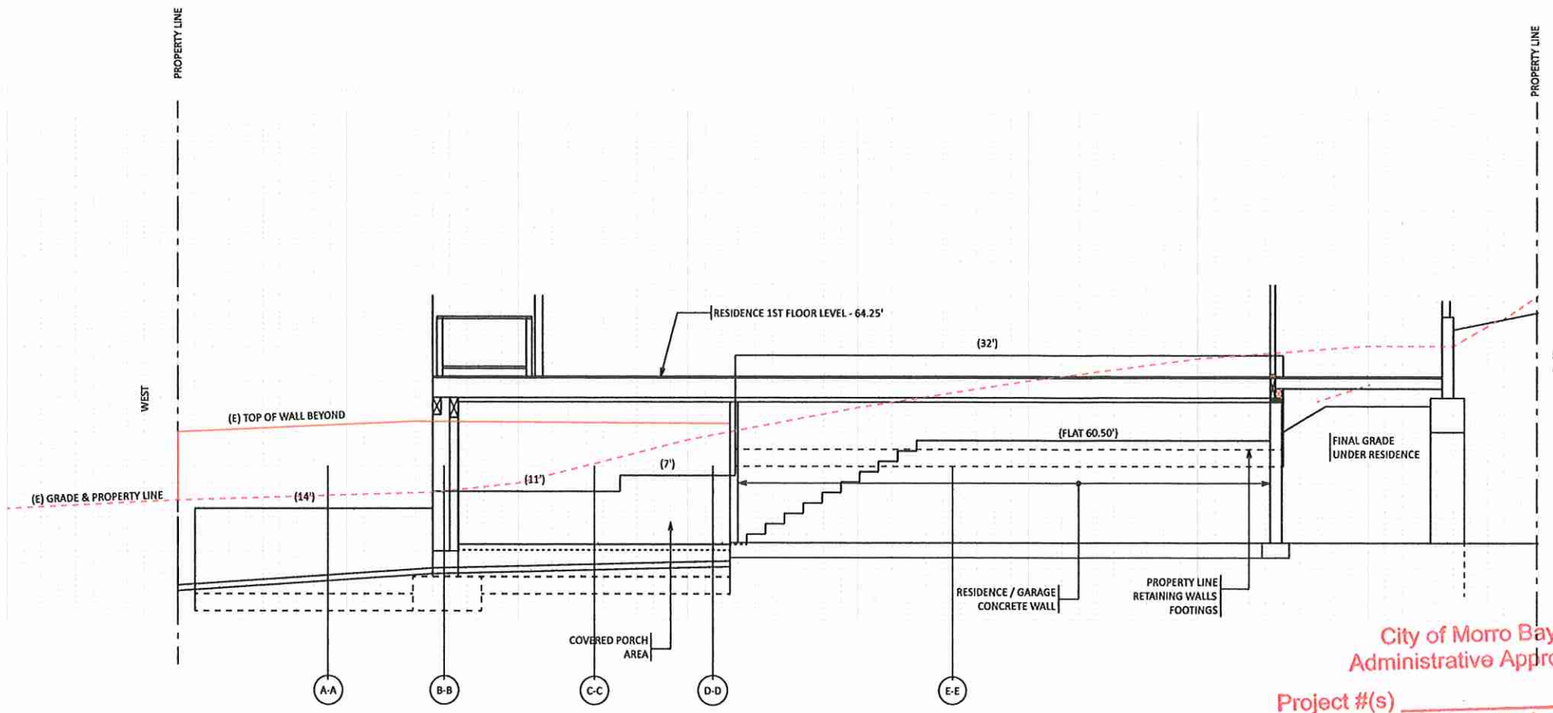
revisions:

SHEET TITLE: ELEVATIONS EAST & SOUTH

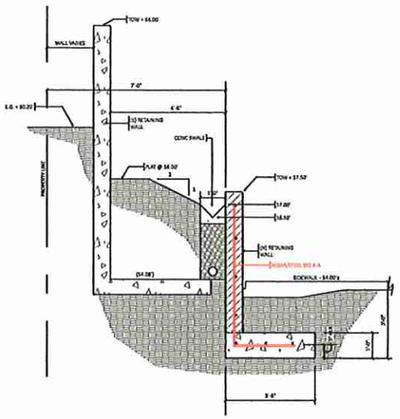
PROJECT: REPLACEMENT RESIDENCE
OWNER: MICHAEL MURPHY
2440 LAUREL AVENUE
MORRO BAY, CA 93442

date:
scale: 3/16" = 1'-0"
sheet number: A7.13

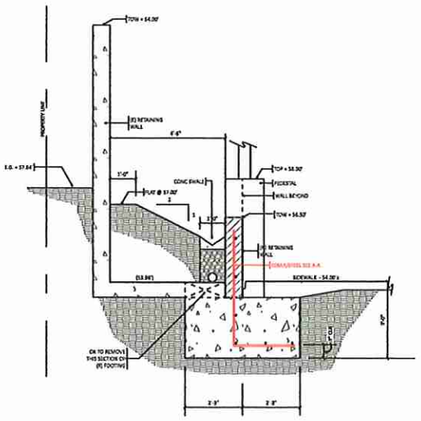


NORTH PROPERTY LINE RETAINING WALL PROFILE
SCALE: 1/4" = 1'-0"

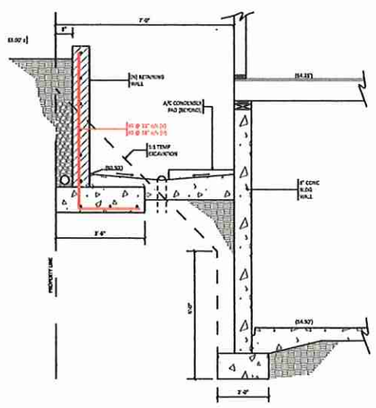
City of Morro Bay
Administrative Approval
Project #(s) _____
___ Approved as Submitted
___ Approved with Changes
Approval Date: _____
Planner: _____



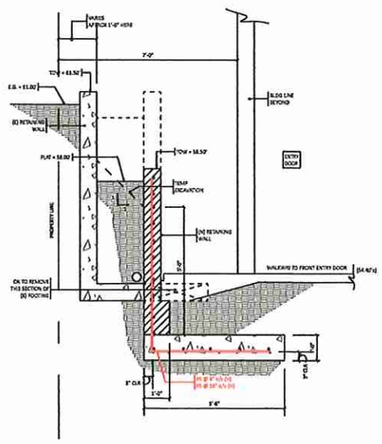
SECTION C-C RETAINING WALL
SCALE: 3/8" = 1'-0"



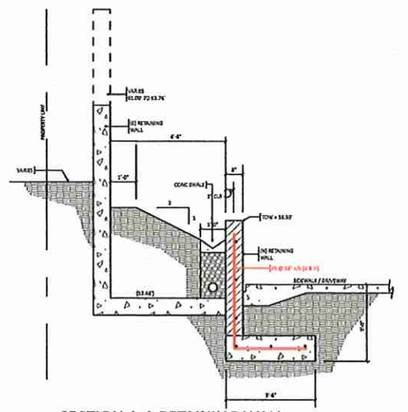
SECTION B-B RETAINING WALL
SCALE: 3/8" = 1'-0"



SECTION E-E RETAINING WALL
SCALE: 3/8" = 1'-0"



SECTION D-D RETAINING WALL
SCALE: 3/8" = 1'-0"



SECTION A-A RETAINING WALL
SCALE: 3/8" = 1'-0"

FOR AGENCY USE:

REGISTERED PROFESSIONAL ENGINEER
KENNETH W. ROLIN
No. C 34000
CIVIL
STATE OF CALIFORNIA
NOT FOR CONSTRUCTION
PRELIMINARY

ENGINEER OF RECORD:
THE ROLIN PARTNERSHIP
ARCHITECTURAL ENGINEERING
2035 Sea Oak Lane, Arroyo Grande, CA 93420
therolinpartnership@gmail.com
CELL: 805-801-9445

GENERAL CONTRACTOR:
I HAVE THOROUGHLY REVIEWED THESE PERMITTED PLANS AND DETAILS AND HAVE NO QUESTIONS AT THIS TIME. I FURTHER UNDERSTAND THAT I AM RESPONSIBLE FOR REQUIRING ALL SUB-CONTRACTORS TO ALSO REVIEW THESE PLANS THOROUGHLY AND UNDERSTAND ALL THE INFORMATION CONTAINED IN THE "S" SHEETS.

SIGNED:

DATED:

IMPORTANT NOTICE:
THE ABOVE STATEMENT MUST BE SIGNED AND DATED ON ALL "S" SHEETS AND RETURNED TO THE ENGINEER OF RECORD (THE ROLIN PARTNERSHIP 805-801-9445) PRIOR TO COMMENCEMENT OF ANY WORK ON THIS PROJECT.

revisions:

SHEET TITLE: RETAINING WALLS AT NORTH PROPERTY LINE

PROJECT: REPLACEMENT RESIDENCE
2440 LAUREL AVENUE
MORRO BAY, CA 93442

OWNER:

date:

scale: As Noted

sheet number: S4.12

N = NEW E.N. = EDGE NAILING E = EXISTING E.S. = EACH SIDE HDG = HOT DIPPED GALVANIZED SIM = SIMILAR L.L.V. = LONG LEG VERTICAL V.I.F.= VERIFY IN FIELD B.R. = BEDROCK E.G. = EXISTING GRADE ATR = ALL THREAD

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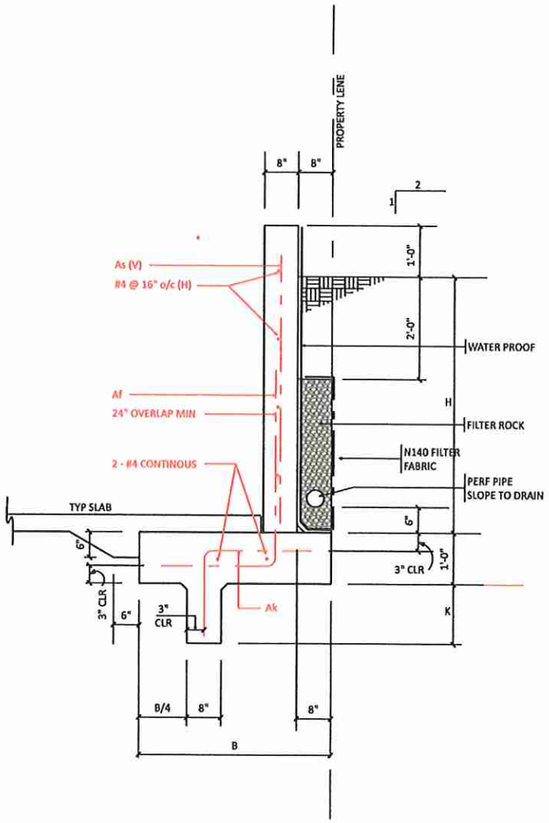
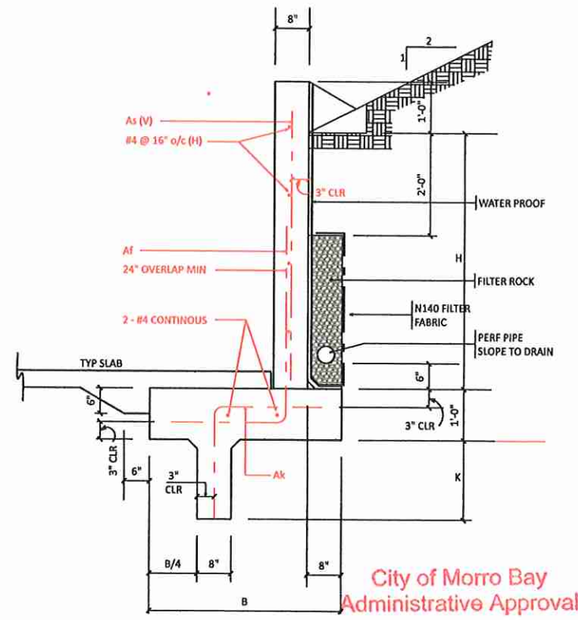
RETAINING WALLS w/ FLAT BACKFILL EFP = 55 PCF					
H	B	K	Ak	Af	As
3'	2'-0"	-----	-----	#4 @ 18	#4 @ 18
4'	2'-6"	7"	-----	#4 @ 18	#4 @ 18
5'	3'-0"	1'-2"	#4 @ 18	#5 @ 18	#5 @ 18
6'	3'-6"	1'-9"	#5 @ 18	# 5 @ 9	#4 @ 18



B RETAINING WALL SECTION @ 55 PCF
SCALE: 3/4" = 1'-0"

RETAINING WALLS w/ 2:1 SLOPE BACKFILL EFP = 69 PCF					
H	B	K	Ak	Af	As
3'	2'-3"	-----	-----	#4 @ 18	#4 @ 18
4'	2'-9"	1'-0"	#4 @ 18	#4 @ 18	#4 @ 18
5'	3'-3"	1'-7"	#5 @ 18	#5 @ 18	#4 @ 18
6'	3'-9"	2'-2"	#5 @ 18	# 5 @ 9	#4 @ 18



A RETAINING WALL SECTION @ 69 PCF
SCALE: 3/4" = 1'-0"

City of Morro Bay
Administrative Approval

Project #(s) _____
___ Approved as Submitted
___ Approved with Changes

Approval Date: _____
Planner: _____

FOR AGENCY USE:

REGISTERED PROFESSIONAL ENGINEER KENNETH W. ROLIN No. C 39420 CIVIL STATE OF CALIFORNIA

NOT FOR CONSTRUCTION PRELIMINARY ONLY

ENGINEER OF RECORD:
THE ROLIN PARTNERSHIP
ARCHITECTURAL ENGINEERING
2031 San Luis Lane, Arroyo Grande, CA 93420
therolinpartnership@gmail.com
CELL: 805-801-9445
DRAWN BY: ROBIN ARCHITECTS / AMY A. ADAMS, INC., ARROYO GRANDE, CA 93420 (805) 474-5181

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PROJECT: REPLACEMENT RESIDENCE
2440 LAUREL AVENUE
MORRO BAY, CA 93442

OWNER:

date:

scale: 3/4" = 1'-0"

sheet number: S4.13

N = NEW E.N. = EDGE NAILING E = EXISTING E.S. = EACH SIDE HDG = HOT DIPPED GALVANIZED SIM = SIMILAR L.L.V. = LONG LEG VERTICAL V.I.F.= VERIFY IN FIELD B.R. = BEDROCK E.G. = EXISTING GRADE ATR = ALL THREAD

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AGENDA NO: C-1

MEETING DATE: April 11, 2023

Staff Report

TO: Honorable Mayor and City Council **DATE: March 9, 2023**

FROM: Greg Carpenter, Interim City Manager

SUBJECT: Legislative and Funding Advocacy Update

RECOMMENDATION

Staff recommends that the Council receive an informational update from The Ferguson Group regarding federal legislative and funding advocacy activities on the City's behalf and from Townsend Public Affairs regarding state legislative and funding advocacy activities on the City's behalf.

ALTERNATIVES

The City Council could choose not to receive an update on legislative advocacy activities.

FISCAL IMPACT

There is no fiscal impact associated with receiving an update on legislative advocacy activities. The total combined annual costs for the two State and Federal representation service agreements is $101,600, which is already included in the Adopted Fiscal Year 2022-23 budget; half of the total is funded by the General Fund, and the other half is split between the water and sewer funds.

BACKGROUND

Based on their expertise and proven value in representing local governments at the state and federal level, and the amount of funds available in the state and federal budgets for local governments, in June 2022, the Council directed staff to enter into agreements with Townsend Public Affairs (Townsend) and The Ferguson Group (Ferguson) to represent the City at the state and federal levels on key City projects and initiatives.

DISCUSSION

Federal Representation

The City has had federal representation through The Ferguson Group (Ferguson), for the WRF program, offshore wind, COVID-19 funding, and other infrastructure and economic development initiatives since 2016. That representation has been effective for the City, when considering the important role Ferguson representatives played in securing a $62 million low-interest loan from the U.S. Environmental Protection Agency (Water Innovation and Finance Infrastructure Act loan – commonly referred to as WIFIA). That will save the community approximately $800,000 - $900,000 per year in debt payments when compared to a commercial loan. Ferguson has supported the City in the following ways:

- Supported City with obtaining $9.3 million in Bureau of Reclamation grant funding for recycled water,
- Obtained $1.5 million in federal funds for the North T-Pier Project,

Prepared By: __SJR_____ City Attorney Review: _CFN____

City Manager Review: GC

- Ongoing support for WIFIA funding,
- Supported the City for several Grant submittals to FEMA for Fire related needs,
- Seeking federal grants and other funding for the Wastewater Reclamation Facility (WRF) project, OneWater infrastructure projects, and other infrastructure projects, and
- Keeping the City apprised of other relevant federal legislation and funding opportunities.

The City also has federal representation for other projects. Our membership in CMANC, the California Marine Affairs and Navigation Conference, is, in effect, a federal advocacy group for our Harbor in general and dredging support in particular. Our $1,350 annual membership in CMANC is an important investment in advocating for Federal funding for our dredging program of our Army Corps of Engineers-maintained channels. The City also pays into the CMANC pool to cover representation by Carpi and Clay, a government relations firm that specializes in harbor issues. Those costs are pooled between the CMANC represented harbors districts and cities like Morro Bay, at a cost of $8,400 per year to the City. Annual dredging of our harbor entrance area at a cost of $3 million, and every 5-7 years dredging of other bay channels at a cost of $4 to $6 million, represents a significant return on a modest annual investment. These Harbor specific representation service expenses are covered by the Harbor Fund.

State Representation

The City has state representation through Townsend Public Affairs. Townsend supports the City in the following ways:

- Reviews state legislation impacting local governments, and those supported by City Council goals and recommended City positions on several specific pieces of legislation,
- Provided grant writing and editing support for several California Department of Parks Proposition 68 grant submittals by the City for Coleman Park area projects as well as other relevant grants such as water resiliency. The Coleman Park project application was successful and the City was awarded $600,000 in State funding,
- Provided support for potential funding from the projected State FY22/23 Budget surplus and arranged meetings with the City's representatives at the state level and with relevant state agencies,
- Continues to seek state grants for the Wastewater Reclamation Facility (WRF) project, OneWater infrastructure projects, and other infrastructure projects,
- Set up and facilitated a site tour of the WRF facility with the Chair of the State Water Resources Control Board (E. Joaquin Esquivel) and State Senator John Laird – in an effort to educate them on the project and seek opportunities for loan forgiveness on the project, and
- Keeps the City apprised of other relevant state legislation and funding opportunities.

The City is also a paying member of the League of California Cities, which among several other services, provides representation services for Morro Bay at the State government level. The total annual fee to be a member is $6,170 per year to Morro Bay, which is covered by the General Fund. While League support is helpful at the general level for Morro Bay and the other 400+ cities in California, they do not have the capacity to address very specific funding needs and legislative priorities for Morro Bay. Thus, continuing support from Townsend is necessary.

CONCLUSION

Support from Ferguson and Townsend helps keep the City apprised of legislative developments that may have an impact locally and has brought grant revenues and low-interest financing to the City to advance critical capital needs. Representatives from Ferguson and Townsend will present a verbal presentation to Council and the community regarding their specific efforts on Morro Bay's behalf.

ATTACHMENT
None

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AGENDA NO:	**C-2**
MEETING DATE:	**April 11, 2023**

Staff Report

TO: **Honorable Mayor and City Council** **DATE: April 6, 2023**

FROM: **Greg Carpenter, Interim City Manager**

SUBJECT: **Consider Adoption of FY 2023-24 and FY 2024–25 City Council Goals and Action Items**

RECOMMENDATION

Staff recommends the City Council adopt the proposed City Council goals, goals' statements, and action Items.

ALTERNATIVES

None

FISCAL IMPACT

There is no immediate fiscal impact related to the recommendation; however, many of the action items have associated fiscal impacts, some of which will result in costs to the City when implemented and others which may bring revenue enhancements to the City if implemented. Following Council approval, the work plan items anticipated to occur in FY 2023-24 will be incorporated into the FY 2023-24 Proposed Budget.

BACKGROUND

At the March 29, 2023 Continued Regular Meeting, staff provided the City Council and community a status update on the 2022 Goals and Objectives, and summary of input received for consideration during the FY 2023-24 and FY 2024-25 Goals Workshop (see Attachment 1). The Council also hosted a Goals Workshop on Wednesday, April 5, 2023, to consider public input, and engage in a professionally facilitated discussion to help determine the goals for FY 2023-24 and 2024-25. Janette Williams, of the Centre for Organization Effectiveness, facilitated the Council discussion.

In the April 5th Workshop, the Council coalesced around four major goal areas, developed draft statements for each of the goals, and tasked staff with bringing forward ongoing and new action items to help achieve those goals.

Below is a discussion of the City's purpose, City efforts to achieve that purpose and the proposed City goals and plan to achieve those goals (please see attached worksheet for more details).

Prepared By: _DS_____	**Dept Review: _____**
City Manager Review: __GC_____	**City Attorney Review: _____**

DISCUSSION

As a reminder, the City's Purpose Statement (or mission) is as follows:

> *The City of Morro Bay provides essential public service and infrastructure to maintain a safe, clean and healthy place for residents and visitors to live, work and play.*

The entire City organization, from Police, Fire, and Harbor to Public Works, Community Development, and Recreation, from the City Attorney and City Manager's Office to Finance, Information Technology, and Human Resources is dedicated to that purpose in all things we do. The City Council goals that are discussed below are also aimed at achieving the City's purpose but are more narrowly and strategically focused.

It should be noted that many of the City's core services do not fall under the proposed Council goals. The Adopted City Budget documents more comprehensive work plans for each City Department, including ongoing programs and services.

Proposed City Council Goals

City Council developed consensus at the Workshop to pursue the following goals for the next four years:

1) Public Infrastructure
2) Economic Vitality
3) Housing / Homelessness Response
4) Community Engagement

Proposed City Goals' Statements

During the April 5th Goals Workshop, the City Council had an opportunity to individually share their proposed work plan items then participated in an exercise intended to focus those initiatives into three goal statements for each of the four Goals. The proposed goal statements help define the goals and focus City actions and initiatives. Below are the statements for each of the goals:

<u>Public Infrastructure</u>

1) Assess and report on state of infrastructure including streets, sewer lines, sidewalks, storm drains and Harbor infrastructure
2) Repair, update and enhance Veterans Hall so it can continue to serve the community
3) Striping program for crosswalks, ADA parking and streets

<u>Economic Vitality</u>

1) Grant writing
2) Evaluate opportunities for City-owned property
3) Streamline permit process for residential and commercial development

<u>Housing / Homelessness Response</u>

1) Identify low-income housing opportunities
2) Explore achievable options for unhoused residents
3) Speed up processing of ADU permits to increase availability of affordable housing

<u>Community Engagement</u>

1) Build relationships with advisory boards

2) Hold community workshops and study sessions on upcoming development
3) Improve website and social media presence

Proposed Action Items to Achieve Goals

Staff reviewed the draft goal statements and discussed previously adopted action items that would be carried over and new action items that could be pursued over the next four years to achieve these goals. As noted above, some of these action items will have financial impacts and all will impact current City workload capacity. Following Council approval, the work plan items anticipated to occur in FY 2023-24 will be incorporated into the FY 2023-24 Proposed Budget.

Organizational Capacity

While staff believes we can execute on the proposed action items, we will continue to monitor staffing and other needs to achieve the action items and carry out the remainder of staff duties. As members of Council acknowledged in the Goals Workshop, the City has limited staffing and very ambitious goals and workplans. Adjustments may need to be made to staffing, training and equipment moving forward to ensure these goals can be achieved and workplans completed.

CONCLUSION

Updating the City Council goals is an important process to ensure that City goals link back to the current needs and desires of the community. The City has encouraged participation from community members in a variety of ways. The Council Goal's Workshop led to the creation of four major goals that relate to back to the community input received. City staff has brought forward action items that should help achieve those goals, so long as the organization is properly resourced moving forward.

Staff recommends that City Council approve the goals, goals' statements and action items as proposed in the attached worksheet.

ATTACHMENTS

1. Link to March 29, 2023 Continued Regular Meeting Agenda Packet (Item C-2)
2. Proposed City Goals, Goals' Statements, Acton Item Worksheet

Strategic Goals 2023-2025

Public Infrastructure							
Objectives	New Action Items	Carryover Items	Responsibility	Workload	FY	$$	Notes
1A. Staff assess and report on state of infrastructure: streets, sewer lines, sidewalks, storm drains & Harbor infrastructure	• Standards of cover / public safety needs assessment (external assessment based on development proposals) (also listed under EV) • Evaluating rates (& fees) vs. cost of service	• Capital Needs Assessment (Budgeted FY 22-23, RFP pending) • Complete Development Impact Fee Study (RFP pending)	Harbor/ PW	Heavy	24	$610k $1.5m	Additional funding in FY25 Harbor. Option – Increase street repair budget once storm reimbursement is clarified.
1B. Repair, update, enhance the Vet's Hall so it can continue to serve the community	• Modernize public meetings. New or updated Council chamber, A/V upgrades, web-based agenda management system for closed captioning and improved accessibility for visually impaired.		PW/Clerk/IT	Moderate	23	$150 - $500k	• AV upgrade only or full renovation? Cost dependent on decision to use Vets Hall or move to the Community Center. • Option to form an Ad Hoc to tour other Council Chambers for recommendation
1C. Striping Program Sidewalks, Parking.	• Make City streetscape more attractive by keeping up road striping, parking lines, and curb painting		PW	Low	24	$40k	• Better pricing when road sealing is in process. • Curb painting
1D. Storm response and future mitigation	• Storm recovery efforts, maximizing FEMA/insurance reimbursement opportunities. • Hazard mitigation / climate resiliency (grant funding eligibility)		PW/Finance/Harbor	Heavy	24	Up to $16m	Deadline driven (priority)
Notes: Water Resource Planning (presenting to City Council)							

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Economic Vitality							
Objectives	New Action Items	Carryover Items	Responsibility	Workload	FY	$$	Notes
2A. Grant Writing	• Education for Council • RFP for Full-Service Grant Writer • Grant Writing (submit grants) • Grant Administration (if successful)	• Pursue add'l. grant opportunities for Coleman Beach area • Pursue funding to update Climate Action Plan and Waterfront Master Plan • Pursue DBW grant funding for boat ramp replacement	PW/Finance/Harbor	Heavy	24-25	$100-$200k/yr	• Part 1 – Grant Writer • Part 2 – Success would bring in money and grant administration costs as well
2B. Review City Property Portfolio to determine if we are maximizing them.	• Process development applications – assess pros &cons, ensure standards of care for public safety needs are assessed. • Implement Lease Management Policy / leveraging City property revenues	• Market Plaza development opportunities (Currently under negotiation)	CM	Moderate	24	$5k staff time for phase 1	• Phase 1 - what is our Portfolio (Council workshop to educate what we have) • Phase 2 – alternatives from a business perspective

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Economic Vitality (cont'd.)							
Objectives	New Action Items	Carryover Items	Responsibility	Workload	FY	$$	Notes
2C. Streamline Permit Process (residential and commercial and includes ADU permit streamlining from Housing Goal)			CD	Moderate	24	$10k	• Involves a committee
2D.		Paid Parking Pilot Program	CM	Low (phase 1); Heavy (implement)	24-25	Depends on implementation direction	• Present pilot program to Council • Implement if directed
2E.		Review of Vistra proposed battery project	CD	Heavy	$0		Review ongoing – public hearings dates likely late 2023 or early 2024
2F.		Monitor and stay engaged in offshore wind development	CM/Harbor	Low	24-25	Staff time	

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Housing/ Homelessness							
Objectives	New Action Items	Carryover Items	Responsibility	Workload	FY	$$	Notes
3A. Identity low income opportunities	• Pursue housing related grant funding opportunities. • Identify affordable housing incentive program • Upzone Seashell Estates property for proposed housing project…from previous goals (paid for by applicants) • Continue participation in the County's 5 yr. Housing and Infrastructure Plan	• Housing Element Program implementation (Housing by-right policy and Objective Design Guidelines projects underway and will continue into next year) – receive $275k (over 3 grants)	CD	Low	24	0	
3B. Participate in the County wide Plan to address homelessness 5 yr. Strat Plan	• Support the County's 5 yr. plan to reduce the homelessness population by 50%. • Determine the level of MB participation in the plan. • Explore options (Emergency, warming shelters, pallet homes)		CM/Fire/CD	Moderate	24	$35k	Case Manager Additional cost for policy solutions
3C. Speed up processing of ADU permits to increase availability of affordable housing.	• Streamline ADU process. Associate with Streamline Permit process noted under Economic Vitality Goal)		CD	Moderate	24	0	

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Community Engagement							
Objectives	New Action Items	Carryover Items	Responsibility	Workload	FY	$$	Notes
4A. Advisory Boards – combined meeting with advisory boards and council as well as periodically meeting with all advisory boards and council. Improve the purpose of community boards so we can attract and keep good commissioners.	• Continue to use advisory bodies. • Educate the council & AB in a joint meeting . • AB – biannual or annual report to the council • Role Clarification	• Leverage partnerships with Chamber, Visit MB, other event hosts. • Ad hoc Committee review of Planning Process (Committee formed meeting to commence)	CM/PR/PW/CD/H/F/CC	Moderate	24	$5 - 10k per meeting cost	
4B. Community workshops & Study Sessions on upcoming development	• Citizens Academy • Community Academy • Opportunities for project / community outreach • Study sessions/workshops	• Educate Council & staff about Diversity, Equity and Inclusion issues (ongoing)	CM/PR/PW/CD/H/F/CC	Moderate	24	$10 -15k per meeting cost	• Two different activities – Monthly Council Education piece also Study Sessions • Workshops meet the people -not formal brown act but Conversation
4C. Social Media	• Continue to use advisory bodies. • Explore/assess available communication tools. • Coordinated social media communication plan	• Cyber security review (ongoing)	CM	Moderate	24	$100k	• Option Fund Parttime Position (requires more staff time) or engage communications professional

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