



**TOWN OF WIGGINS
WORK SESSION AGENDA**

October 13, 2021 at 7:00 P.M.

**304 CENTRAL AVENUE
WIGGINS, CO 80654**

***NOTE: THE PUBLIC IS HIGHLY ENCOURAGED TO ATTEND THE MEETING
VIA ZOOM DUE TO LIMITED SEATING CAPACITY***

GO TO FOLLOWING SITE <https://us06web.zoom.us/j/88202736268> FOR THE MEETING LINK

MEETING AGENDA

<u>AGENDA TOPIC</u>	<u>ESTIMATED TIME</u>
1. Oath of Office for Appointee to Fill Vacant Trustee Position	5 minutes
2. Discussion on Colorado Opioids Settlements MOU Participation	30 minutes
3. Discussion on Action to Set Water and Sanitary Sewer Tap Fees	30 minutes
4. Review Contracts to sell and lease a portion of the Knievel Property	10 minutes
5. Presentation of Preliminary Draft 2022 Town of Wiggins Budget	60 minutes
6. Other Items/Updates	15 minutes
7. Future Agenda Topics	5 minutes

The Board of Trustees may adjourn for a brief Special Meeting after the Work Session.



STAFF SUMMARY

Board of Trustees Work Session

October 13, 2021

DATE: October 9, 2021

AGENDA ITEM NUMBER: 2

TOPIC: Discussion on Colorado Opioids Settlements MOU Participation

STAFF MEMBER RESPONSIBLE: Tom Acre, Town Manager

BACKGROUND:

As you may know, the State, as well as several Colorado local governments, have pursued litigation against various pharmaceutical companies for their role in causing the opioid epidemic in Colorado. That litigation recently resulted in settlements with Purdue Pharma, McKinsey & Co., Johnson & Johnson, AmerisourceBergen, Cardinal Health, and McKesson, resulting in up to approximately \$400 million in settlement funds for both the State and Colorado local governments to abate the opioid crisis.

Colorado Attorney General Phillip Weiser signed the Colorado Opioids Settlement Memorandum of Understanding on August 26, 2021 and announced that after years of negotiations, two proposed nationwide settlement agreements (Settlements) have been reached that would resolve all opioid litigation brought by states and local political subdivisions against three pharmaceutical distributor, McKesson, Cardinal Health and AmerisourceBergen (Distributors), and one manufacture, Janssen Pharmaceuticals, Inc., and its parent company Johnson & Johnson (collectively, Janssen). The proposed Settlements require the Distributors and Janssen to pay billions of dollars to abate the opioid epidemic.

Funds from the settlement will be distributed over a period of years. Colorado's share of the settlement is \$400 million of the & \$22.8 billion nationwide settlement. Details on the Colorado Opioids Settlement and the approved purposes the settlement funds may be used for are contained in the attached Colorado Opioids Settlement.

SUMMARY:

On October 1, 2021, the Colorado Department of Law informed municipal leadership that an agreement was reached with Colorado's local governments for distributing opioid settlement and recovery funds to local counties and municipalities. After a lengthy and complex negotiation between

the Attorney General's Office, Colorado Counties, Inc. (CCI), Colorado Municipal League (CML), and many negotiating local governments a Memorandum of Understanding (MOU) was created detailing the distribution process.

To maximize the settlement funds within Colorado, it is important that all Colorado counties and municipalities participate in these settlements and the distribution process by signing the following four documents:

1. The MOU that lays out the allocation of Opioid recoveries in the State of Colorado;
2. The Subdivision Settlement Participation Form that releases subdivisions' legal claims against Johnson & Johnson;
3. The Subdivision Settlement Participation Form that releases subdivisions' legal claims against AmerisourceBergen, Cardinal Health, and McKesson; and
4. The Colorado Subdivision Escrow Agreement that ensures subdivisions' legal claims are released only when 95% participation by certain local governments has been reached. That 95% participation threshold is important because it triggers certain amounts of incentive payments under the settlements and signals to the settling pharmaceutical companies that the settlements have wide acceptance.

Local governments are being asked to return the signed documents as detailed below by November 5, 2021.

The documents identified above requiring signature are attached to this staff summary for your review. Additional information on the opioid settlement can be found on the Colorado Attorney General's website at <https://coag.gov/opioids/>.

FISCAL IMPACT:

Participation in the Opioid Settlement MOU process does not impact the Town's budget immediately. In the future the budget will be impacted positively by providing funding for opioid related programs.

APPLICABILITY TO TOWN OBJECTIVES AND GOALS TO PROVIDE SERVICES:

This action supports the Town's desire to provide the appropriate education and prevention programs for citizens that may need them. It also supports the desire to maintain a safe community in which to live.

QUESTIONS/INFORMATION REQUESTED FROM THE BOARD OF TRUSTEES:

- Do the Trustees have any questions for staff?

**COLORADO OPIOIDS SETTLEMENT MEMORANDUM OF UNDERSTANDING
("MOU")**

Thursday, August 26, 2021

August 25, 2021 Attorney General version

A. Definitions

As used in this MOU:

1. "Approved Purpose(s)" shall mean forward-looking strategies, programming, and services to abate the opioid epidemic as identified by the terms of any Settlement. If a Settlement is silent on Approved Purpose(s), then Approved Purpose(s) shall mean those forward-looking strategies to abate the opioid epidemic identified in **Exhibit A** or any supplemental forward-looking abatement strategies added to **Exhibit A** by the Abatement Council. Consistent with the terms of any Settlement, "Approved Purposes" shall also include the reasonable administrative costs associated with overseeing and administering Opioid Funds from each of the four (4) Shares described in Section (B)(2). Reimbursement by the State or Local Governments for past expenses are not Approved Purpose(s). "Approved Purposes" shall include attorneys' fees and expenses incurred in the course of the opioid litigation that are paid through the process discussed below.
2. "County Area" shall mean a county in the State of Colorado plus the Local Governments, or portion of any Local Government, within that county.
3. "Effective Date" shall mean the date on which a court of competent jurisdiction, including any bankruptcy court, enters the first Settlement by order or consent decree. The Parties anticipate that more than one Settlement will be administered according to the terms of this MOU, but that the first entered Settlement will trigger the formation of the Abatement Council in Section (C) and the Regional Councils in Section (F)(5).¹
4. "General Abatement Fund Council," or "Abatement Council," shall have the meaning described in Section (C), below.

¹ For the avoidance of doubt, the McKinsey Settlement and any other Settlement that precedes the finalization of drafting this MOU are not considered a trigger for purposes of the calculation of "Effective Date."

5. “Local Government(s)” shall mean all counties in the State of Colorado and the municipalities, towns, and county and city municipal corporations that are listed in **Exhibit B**.
6. “National Opioid Settlement Administrative Fund” shall mean any fund identified by a Settlement for the national distribution of Opioid Funds.
7. “Opioid Funds” shall mean damage awards obtained through a Settlement.
8. “Opioid Settling Defendant” shall mean any person or entity, or its affiliates, that engages in or has engaged in the manufacture, marketing, promotion, distribution, or dispensing of licit opioids.
9. “Participating Local Government(s)” shall mean all Local Governments that sign this MOU, and if required under terms of a particular Settlement, who have executed a release of claims with the Opioid Settlement Defendant(s). For the avoidance of doubt, a Local Government must sign this MOU to become a “Participating Local Government.” Local Governments may designate the appropriate individual from their entity to sign the MOU.
10. “Party” or “Parties” shall mean the State and/or Participating Local Government(s).
11. “Qualified Settlement Fund Account,” or “QSF Account,” shall mean an account set up as a qualified settlement fund, 468b fund, as authorized by Treasury Regulations 1.468B-1(c) (26 CFR §1.468B-1).
12. “Regional Council” shall have the meaning described in Section (F)(5), below.
13. “Settlement” shall mean the negotiated resolution of legal or equitable claims against an Opioid Settling Defendant when that resolution has been jointly entered into by the State and the Participating Local Governments, or by any individual Party or collection of Parties that opt to subject their Settlement to this MOU. Unless otherwise directed by an order from a United States Bankruptcy Court, “Settlement” shall also include distributions from any liquidation under Chapter 7 of the United States Bankruptcy Code or confirmed plan under Chapter 11 of the United States Bankruptcy Code that treats the claims of the State and Local Governments against an Opioid Settling Defendant.
14. “The State” shall mean the State of Colorado acting through its Attorney General and the Colorado Department of Law.

B. Allocation of Settlement Proceeds

1. All Opioid Funds shall be held in accordance with the terms of any Settlement. If a Settlement allows Opioid Funds to be held in a National Opioid Settlement Administrative Fund, then Opioid Funds shall be held in such National Opioid Settlement Administrative Fund. If a Settlement does not allow for Opioid Funds

to be held in a National Opioid Settlement Administrative Fund, Opioid Funds shall be held in a Colorado-specific QSF Account or, under the following limited circumstances, in the State’s Custodial Account: 1) if at the time of a Settlement, a Colorado-specific QSF Account is not yet established, although in such case, the Opioid Funds shall be transferred to the Colorado-specific QSF Account once it is established or 2) where the Abatement Fund Council determines Opioids Funds cannot be legally held in a Colorado-specific QSF Account. Regardless of whether Opioid Funds are held in a National Administrative Fund, a Colorado-specific QSF Account, or in the State’s Custodial Account, the Abatement Council shall appoint one of its members to serve as the point of contact in accordance Section (C)(4)(b)(i), below.

2. All Opioid Funds, at the time of a Settlement or at the time designated in the Settlement documents, shall be divided and distributed as follows:²
 - a. 10% directly to the State (“State Share”) for Approved Purposes in accordance with Section (D), below;
 - b. 20% directly to Participating Local Governments (“LG Share”) for Approved Purposes in accordance with Section (E), below;
 - c. 60% directly to Regions (“Regional Share”) for Approved Purposes in accordance with Section (F), below; and
 - d. 10% to specific abatement infrastructure projects (“Statewide Infrastructure Share”) for Approved Purposes in accordance with Section (G), below.
3. Distribution of the Shares in Section B(2)(a) – (d) shall be direct, meaning that funds held in accordance with Section B(1) shall be disbursed directly to the State, Participating Local Governments, Regions, and the Statewide Infrastructure Share according to the terms of this MOU.
4. All Opioid Funds, regardless of allocation, shall be used for Approved Purposes.
5. Participating Local Governments may elect to share, pool, or collaborate with their respective allocation of the LG or Regional Shares in any manner they choose, so long as such sharing, pooling, or collaboration is used for Approved Purposes and complies with the terms of this MOU and any Settlement.

C. General Abatement Fund Council

1. A General Abatement Fund Council (the “Abatement Council”), consisting of representatives appointed by the State and Participating Local Governments, shall

² This MOU treats multi-county health departments as county health departments for purposes of allocation and distribution of abatement proceeds and therefore multi-county health departments shall not receive any Opioid Funds directly. Third-Party Payors (“TPPs”) are not Parties to this MOU.

be created to ensure the distribution of Opioid Funds complies with the terms of any Settlement and to provide oversight of the Opioid Funds in accordance with the terms of this MOU.

2. **Membership:** The Abatement Council shall consist of the following thirteen (13) members, who shall serve in their official capacity only.

a. **State Members:** Seven (7) members shall be appointed by the State, as authorized volunteers of the State, as follows:

- (i) A Chair to serve as a non-voting member, except in the event of a tie;
- (ii) Two (2) members who are licensed professionals with significant experience in substance use disorders;
- (iii) Three (3) members who are professionals with significant experience in prevention, education, recovery, treatment, criminal justice, rural public health issues, or government administration related to substance use disorders; and
- (iv) One (1) member or family member affected directly by the opioid crisis.

b. **Local Government Members:** Six (6) members shall be appointed by the Participating Local Governments. Local Government Members shall be a County Commissioner, Mayor, City or Town Council Member, or a professional with significant experience in prevention, education, recovery, treatment, criminal justice, rural public health issues, or governmental administration related to substance use disorders. A Participating Local Government may determine which Local Government Members are eligible (or ineligible) to serve on the General Abatement Fund Council. County Commissioners, City or Town Council Members, and/or Mayors from the Regions identified in **Exhibit C** shall collaborate to appoint Local Government Members as follows:

- (i) Two (2) Members from Regions 1, 5, 13, 14, 15, 17, 18;
- (ii) Two (2) Members from Regions 2, 6, 7, 8, 9, 10, 11, 12, 16; and
- (iii) Two (2) Members from Regions 3, 4, 19.

c. **Terms:** The Abatement Council shall be established within ninety (90) days of the Effective Date. In order to do so, within sixty (60) days of the Effective Date, the State shall appoint the State Members in accordance with Section (C)(2)(a), and after conferral with the Local Governments, CCI and CML shall jointly appoint six (6) Local Government Members for an initial term not to exceed one year. Thereafter, Members shall be

appointed in accordance with this Section and Sections (C)(2)(a) and (b) and may serve no more than two (2) consecutive two-year terms, for a total of four (4) consecutive years. Except that, beginning in the second year only, two (2) State Members and two (2) Local Government members shall be appointed for a three-year term and may serve one consecutive two-year term thereafter. The Chair shall have no term but may be replaced at the State's discretion.

- (i) If a State or Local Government Member resigns or is otherwise removed from the Abatement Council prior to the expiration of their term, a replacement Member shall be appointed within sixty (60) days in accordance with Sections (C)(2)(a) and (b).
- (ii) If a Local Government Member vacancy exists for more than sixty (60) days, the State shall appoint a replacement Local Government Member to serve until the vacancy is filled in accordance with Section (C)(2)(b).

3. **Duties:** The Abatement Council is primarily responsible for ensuring that the distribution of Opioid Funds complies with the terms of this MOU. The Abatement Council is also responsible for oversight of Opioid Funds from the Regional Share in accordance with Section (F), below, and for developing processes and procedures for the distribution and oversight of Opioid Funds from the Statewide Infrastructure Share in accordance with Section (G) below.

4. **Governance:** The Abatement Council shall draft its own bylaws or other governing documents, which must include appropriate conflict of interest and dispute resolution provisions, in accordance with the terms of this MOU and the following principles:

- a. **Authority:** The Abatement Council does not have rulemaking authority. The terms of this MOU and any Settlement, as entered by any court of competent jurisdiction, including any bankruptcy court, control the authority of the Abatement Council and the Abatement Council shall not stray outside the bounds of the authority and power vested by this MOU and any Settlement.
- b. **Administration:** The Abatement Council shall be responsible for an accounting of all Opioid Funds. The Abatement Council shall be responsible for releasing Opioid Funds in accordance with Section (B)(1) for the Regional and Statewide Infrastructure Shares in Sections (B)(2)(c) and (d) and shall develop policies and procedures for the release and oversight of such funds in accordance with Sections (F) and (G). Should the Abatement Council require assistance with providing an accounting of Opioid Funds, it may seek assistance from the State.

- (i) The Abatement Council shall appoint one of its members to serve as a point of contact for the purpose of communicating with the entity holding Opioid Funds in accordance with Section (B)(1) and in that role shall only act as directed by the Abatement Council.
- c. **Transparency:** The Abatement Council shall operate with all reasonable transparency and operate in a manner consistent with all Colorado laws relating to open records and meetings regardless of whether the Abatement Council is otherwise obligated to comply with them.
 - (i) The Abatement Council shall develop a centralized public dashboard or other repository for the publication of expenditure data from any Party or Regional Council that receives Opioid Funds in accordance with Sections (D)-(G).
 - (ii) The Abatement Council may also require outcome related data from any Party or Regional Council that receives Opioid Funds in accordance with Sections (D)-(G) and may publish such outcome related data in the centralized public dashboard or other repository described above. In determining which outcome related data may be required, the Abatement Council shall work with all Parties and Regional Councils to identify appropriate data sets and develop reasonable procedures for collecting such data sets so that the administrative burden does not outweigh the benefit of producing such outcome related data.
 - (iii) For purposes of funding the centralized public dashboard or other repository described above, the Abatement Council shall make good faith efforts to seek funding from outside sources first, otherwise the State shall provide such funding.
- d. **Collaboration:** The Abatement Council shall facilitate collaboration between the State, Participating Local Governments, Regional Councils, and other stakeholders for the purposes of sharing data, outcomes, strategies, and other relevant information related to abating the opioid crisis in Colorado.
- e. **Decision Making:** The Abatement Council shall seek to make all decisions by consensus. In the event consensus cannot be achieved, unless otherwise required in this MOU, the Abatement Council shall make decisions by a majority vote of its Members. The Chair shall only vote in the event of a tie.
- f. **Due Process:** The Abatement Council shall develop the due process procedures required by Section (G)(3)(d) for Parties to dispute or challenge remedial actions taken by the Abatement Council for Opioid Funds from the Statewide Infrastructure Share. The Abatement Council

shall also abide by the due process principles required by Section (F)(12)-(13) for Regions to dispute or challenge remedial actions taken by the Abatement Council for Opioid Funds from the Regional Share.

- g. **Legal Status:** The Abatement Council shall not constitute a separate legal entity.
- h. **Legal Representation:** To the extent permitted by law, the State shall provide legal counsel to State Members for all legal issues arising from those State Members' work on the Abatement Council. At all times, Local Government Members of the Abatement Council are entitled to receive legal representation from their respective governmental entities. In the event of a conflict, the Abatement Council and its members may retain the services of other legal counsel.
- i. **Compensation:** No member of the Abatement Council shall be compensated for their work related to the Abatement Council.

D. State Share

- 1. In accordance with Sections (B)(1) and (B)(2)(a), and the terms of any Settlement, the State Share shall be paid directly to the State in accordance with the terms of this Section (D).
- 2. The State maintains full discretion over distribution of the State Share anywhere within the State of Colorado, however, the State Share shall be used for Approved Purposes only. The State will work to reduce administrative costs as much as practicable.
- 3. On an annual basis, as determined by the Abatement Council, the State shall provide all expenditure data, including administrative costs, from the State Share to the Abatement Council for purposes of maintaining transparency in accordance with Section (C)(4)(c)(i). The Abatement Council may require the State to provide additional outcome-related data in accordance with Section (C)(4)(c)(ii) and the State shall comply with such requirements.
- 4. If the State disputes the amount of Opioid Funds it receives from the State Share, the State shall alert the Abatement Council within sixty (60) days of discovering the information underlying the dispute. Failure to alert the Abatement Council within this time frame shall not constitute a waiver of the State's right to seek recoupment of any deficiency in its State Share.

E. LG Share

- 1. In accordance with Sections (B)(1) and (B)(2)(b), and the terms of any Settlement, the LG Share shall be paid directly to Participating Local Governments in accordance with the terms of this Section (E).

2. Allocations to Participating Local Governments from the LG Share shall first be determined using the percentages shown in **Exhibit D**.
3. The LG Share for each County Area shall then be allocated among the county and the other Participating Local Governments within it. **Exhibit E** reflects the default allocation that will apply unless the Participating Local Governments within a County Area enter into a written agreement providing for a different allocation. The Participating Local Governments may elect to modify the allocation for a County Area in **Exhibit E**, but such modification to the allocation in **Exhibit E** shall not change a County Area's total allocation under Section (E)(2).
4. A Local Government that chooses not to become a Participating Local Government will not receive a direct allocation from the LG Share. The portion of the LG Share that would have been allocated to a Local Government that is not a Participating Local Government will instead be re-allocated to the Regional Share for the Region where the Local Government is located, in accordance with Section (F), below.
5. In the event a Participating Local Government dissolves or ceases to exist during the term of any Settlement, the allocation for that Participating Local Government from the LG Share shall be re-allocated as directed by any Settlement, and if not specified, be re-allocated to the Regional Share for the Region in which the Participating Local Government was located, in accordance with Section (F). If a Participating Local Government merges with another Participating Local Government, the allocation for that Participating Local Government from the LG Share shall be re-allocated as directed by any Settlement, and if not specified, shall be re-allocated to the successor Participating Local Government's allocation of the LG Share. If a Participating Local Government merges with a Local Government that is not a Participating Local Government, the allocation for that Participating Local Government from the LG Share shall be re-allocated as directed by any Settlement, and if not specified, be re-allocated to the Region in which the merging Participating Local Government was located, in accordance with Section (F), below.
6. A Participating Local Government may forego its allocation of the LG Share and direct its allocation to the Regional Share for the Region where the Participating Local Government is located, in accordance with Section (F) below, by affirmatively notifying the Abatement Council on an annual basis of its decision to forego its allocation of the LG Share. A Participating Local Government's election to forego its allocation of the LG Share shall carry over to the following year unless the Participating Local Government notifies the Abatement Council otherwise. If a Participating Local Government elects to forego its allocation of the LG Share, the Participating Local Government shall be excused from the reporting requirements required by Section (E)(8).
7. Participating Local Governments maintain full discretion over the distribution of their allocation of the LG Share anywhere within the State of Colorado, however,

all Participating Local Governments shall use their allocation from the LG Share for Approved Purposes only. Reasonable administrative costs for a Participating Local Government to administer its allocation of the LG Share shall not exceed actual costs or 10% of the Participating Local Government's allocation of the LG Share, whichever is less.

8. On an annual basis, as determined by the Abatement Council, all Participating Local Governments shall provide all expenditure data, including administrative costs, from their allocation of the LG Share to the Abatement Council for purposes of maintaining transparency in accordance with Section (C)(4)(c)(i). The Abatement Council may require Participating Local Governments to provide additional outcome related data in accordance with Section (C)(4)(c)(ii) and all Participating Local Governments shall comply with such requirements.
9. If any Participating Local Government disputes the amount of Opioid Funds it receives from its allocation of the LG Share, the Participating Local Government shall alert the Abatement Council within sixty (60) days of discovering the information underlying the dispute. Failure to alert the Abatement Council within this time frame shall not constitute a waiver of the Participating Local Government's right to seek recoupment of any deficiency in its LG Share.

F. Regional Share

1. In accordance with Sections (B)(1) and (B)(2)(c), and the terms of any Settlement, the Regional Share shall be paid to the Regions in accordance with the terms of this Section (F).
2. Participating Local Governments shall organize themselves into the Regions depicted in **Exhibit C**. Municipalities located in multiple Regions may join all or some of the Regions in which they are located according to **Exhibit C**.
3. Allocations to Regions will be distributed according to **Exhibit F**. For multi-county Regions, each Region's share listed in **Exhibit F** is calculated by summing the individual percentage shares listed in **Exhibit D** for the counties within that Region. The percentages in **Exhibit F** are based on the assumption that every Local Government in each Region becomes a Participating Local Government.
4. In the event a city, town, or other municipality that is a Participating Local Government merges, dissolves, or ceases to exist during the term of any Settlement, the allocation of the Regional Share owed to the Region in which that Participating Local Government existed shall be re-allocated as directed by any Settlement, and if not specified, shall not be modified from **Exhibit F**. If a county that is a Participating Local Government merges with another county within its Region, the allocation of the Regional Share owed to the Region in which that county existed shall be re-allocated as directed by any Settlement, and if not specified, shall not be modified from **Exhibit F**. If a county that is a Participating Local Government merges with a county in a different Region during the term of

any Settlement, the allocation of the Regional Share owed to the Region in which that county existed shall be re-allocated as directed by any Settlement, and if not specified, shall be re-allocated to the Region in which that Participating Local Government merged in accordance with **Exhibit F**.

5. Each Region must create its own Regional Council while giving consideration to the regional governance models illustrated in **Exhibit G**. The Regional Council must be formed by the Participating Local Governments within the Region and each Regional Council shall designate a fiscal agent for the Region. Regional fiscal agents shall be county or municipal governments only. All funds from the Regional Share shall be distributed to the Regional Council's identified fiscal agent for the benefit of the entire Region.
 - a. Subject to this Section F(5), each Region may draft its own intra-regional agreements, bylaws, or other governing documents to determine how the Regional Council will operate. However, each voting member of a Regional Council shall be an employee or elected official of a Participating Local Government within the applicable Region. In the case of Denver, the voting members of its Regional Council shall be appointed by the Mayor. In the case of Broomfield, the voting members of its Regional Council shall be appointed by the Broomfield City and County Manager.
 - b. The Region shall not receive any Opioid Funds from the Regional Share until the Region certifies to the Abatement Council that its Regional Council has been formed and a fiscal agent has been designated. Such certification shall be in a simple form adopted by the Region and may be made via email, so long as it includes the names and affiliations of the Regional Council's members and the designated fiscal agent.
 - c. If a Region does not form and certify its Regional Council and designate its fiscal agent within one-hundred and eighty (180) days of the Effective Date, the Abatement Council shall appoint members to the Region's Regional Council. Regional Council members appointed by the Abatement Council shall serve until the Region certifies the formation of its Regional Council to the Abatement Council.
 - d. A Region shall submit a renewed certification required by Section (F)(5)(b), above, when its membership changes.
 - e. If a membership vacancy exists on a Regional Council for more than ninety (90) days and the Regional Council is unable to fill the vacancy by its regular procedures during that time, the Abatement Council shall appoint a replacement member to serve until the Region fills the vacancy.

6. A Local Government that chooses not to become a Participating Local Government shall not receive any Opioid Funds from the Regional Share or participate in the Regional Councils described in Section (F)(5) above.
7. Each Regional Council shall make requests to the Abatement Council for Opioid Funds from their allocation of the Regional Share. Each Regional Council's request for Opioid Funds from the Regional Share shall be accompanied by a 2-year plan identifying the Approved Purposes for which the requested funds will be used by the Region anywhere within the State of Colorado. A Regional Council's 2-year plan may be amended so long as such amendments comply with the terms of this MOU and any Settlement. Any Regional Council may seek assistance from the Abatement Council for purposes of developing its 2-year plan.
8. Reasonable administrative costs for a Regional Council to administer its Region's allocation of the Regional Share shall not exceed actual costs or 10% of the Region's allocation of the Regional Share, whichever is less.
9. The Abatement Council shall release funds requested by a Regional Council in accordance with Section (B)(1) if the Regional Council's 2-year plan complies with the Approved Purposes, the terms of this MOU, and the terms of any Settlement. The Abatement Council shall not deny any funding request from a Regional Council on the basis that the Abatement Council does not approve or agree with the Approved Purposes for which a Regional Council requests Opioid Funds from the Regional Share. Nor may the Abatement Council hold up, delay, or make unreasonable requests for additional or supporting information of the Regional Council prior to releasing the requested Opioid Funds. The purpose of this MOU is to facilitate Opioid Funds to their intended recipients quickly and efficiently with minimal administrative procedure.
10. On an annual basis, as determined by the Abatement Council, each Regional Council's fiscal agent shall provide to the Abatement Council the Regional Council's expenditure data, including administrative costs, from their allocation of the Regional Share and certify to the Abatement Council that the Regional Council's expenditures were for Approved Purposes and complied with its 2-year plan. The Regional Council shall subject itself to an accounting at the Abatement Council's discretion.
 - a. The Abatement Council shall review a Regional Council's expenditure data and certification to ensure compliance with the Regional Council's 2-year plan, the Approved Purposes, and the terms of this MOU and any Settlement.
 - b. The Abatement Council shall publish the Regional Council's expenditure data, including administrative costs, from the Regional Share in accordance with Section (C)(4)(c)(i). The Abatement Council may require Regional Councils to provide additional outcome related data in

accordance with Section (C)(4)(c)(ii) and all Regional Councils shall comply with such requirements.

11. If any Regional Council disputes the amount of Opioid Funds it receives from its allocation of the Regional Share, the Regional Council shall alert the Abatement Council within sixty (60) days of discovering the information underlying the dispute. Failure to alert the Abatement Council within this time frame shall not constitute a waiver of the Regional Council's right to seek recoupment of any deficiency in its Regional Share.
12. If the Abatement Council has reason to believe a Region's expenditure of its allocation of the Regional Share did not comply with the Region's 2-year Plan, the Approved Purposes, the terms of this MOU or any Settlement, as described in this Section (F), or that the Region otherwise misused its allocation of the Regional Share, the Abatement Council may take remedial action against the alleged offending Region. Such remedial action is left to the discretion of the Abatement Council and may include but not be limited to, withholding future Opioids Funds owed to the offending Region or requiring the offending Region to reimburse improperly expended Opioid Funds to the Regional Share.
13. Within one hundred and twenty (120) days of the Abatement Council being formed, in accordance with Section (C)(2)(c) above, the Abatement Council shall develop and publish due process procedures for allowing a Region to challenge or dispute any remedial action taken by the Abatement Council, including timelines during which the Region may engage in such a challenge or dispute. Such due process procedures shall reflect, at a minimum, the following principles:
 - a. Upon learning of any conduct that may warrant remedial action against a Region, the Abatement Council shall first provide notice to the Region of the conduct at issue, provide the Region an opportunity to respond, and, if appropriate, cure the alleged offending conduct. If after providing the Region such notice and opportunities to respond and cure, the Abatement Council continues to believe remedial action is warranted, the Abatement Council may take such remedial action.
 - b. If the Abatement Council decides to take remedial action against an alleged offending Region, such action may only occur by a two-thirds supermajority vote of the Abatement Council. Thus, an Abatement Council made up of twelve (12) voting members requires a vote of eight (8) Members prior to taking remedial action against an alleged offending Region.
 - c. Prior to taking any remedial action against an alleged offending Region, the Abatement Council shall first provide notice to the alleged offending Region of the remedial action to be taken and the facts underlying such remedial action. The Abatement Council shall then provide the alleged

offending Region an opportunity to challenge or dispute the remedial action in accordance with, at a minimum, the principles below:

- i. The alleged offending Region may request revisions or modifications to the proposed remedial action;
 - ii. The alleged offending Region may submit a written response to and/or request a hearing before the Abatement Council, or a third-party hearing officer,³ regarding the alleged offending conduct and proposed remedial action; and
 - iii. After such written responses are submitted and reviewed and/or a hearing is conducted, the alleged offending Region may submit an appeal to the Abatement Council of the decision to take remedial action.
- d. Remedial actions taken by the Abatement Council, in accordance with the due process principles detailed above, shall be considered final non-appealable orders and offending Regions may not seek judicial relief from remedial action taken by the Abatement Council, except as provided in Section (H), below.
- e. Subject to Section (H)(2), below, if any Party(ies) believes the Abatement Council violated the terms of this MOU, such Party(ies) may seek to enforce the terms of this MOU.

14. If the Abatement Council has reason to believe a Region's conduct, or the conduct of any Participating Local Government or individual in that Region, amounts to a violation of any criminal law, the Abatement Council shall refer such matters to the appropriate authorities and may consider such conduct in its determination of any remedial action to be taken.

15. If the Abatement Council has reason to believe that an individual involved in the receipt or administration of Opioid Funds from the Regional Share has violated any applicable ethics rules or codes, the Abatement Council shall not attempt to adjudicate such a violation. In such instances, the Abatement Council shall lodge a complaint with the appropriate forum for handling such ethical matters, such as a local home rule municipality's ethics board.

16. Costs associated with the Abatement Council's distribution and oversight of the Regional Share, as described above in this Section (F), including costs associated with any remedial action by the Abatement Council, shall be paid from the Statewide

³ Only an alleged offending Region may request the appointment of a third-party hearing officer to review any written responses and conduct any requested hearings. If an alleged offending Region makes such a request, the Abatement Council has sole discretion to appoint the third-party hearing officer and the alleged offending Region shall bear the cost of such review and/or hearing by the third-party hearing officer.

Infrastructure Share. The Abatement Council shall make all good faith efforts to limit such costs to the greatest extent possible.

G. Statewide Infrastructure Share

1. In accordance with Sections B(1) and (B)(2)(d), and the terms of any Settlement, the Statewide Infrastructure Share shall be paid to any Party or Regional Council in accordance with this Section (G).
2. The purpose of the Statewide Infrastructure Share is to promote capital improvements and provide operational assistance for developing or improving the infrastructure necessary to abate the opioid crisis anywhere within the State of Colorado. The Statewide Infrastructure Share is intended to supplement Opioid Funds received by any Party or Region.
3. Prior to distributing any Opioid Funds from the Statewide Infrastructure Share, the Abatement Council shall establish and publish policies and procedures for the distribution and oversight of the Statewide Infrastructure Share, including processes for Parties or Regions to apply for Opioid Funds from the Statewide Infrastructure Share. The Abatement Council's policies and procedures shall, at a minimum, reflect the following principles:
 - a. Opioid Funds from the Statewide Infrastructure Share shall be used for Approved Purposes only;
 - b. Opioid Funds from the Statewide Infrastructure Share shall be paid directly to the appropriate state agencies (including but not limited to the Colorado Department of Law), Regional fiscal agents, or Participating Local Governments only;
 - c. Distribution and oversight of the Statewide Infrastructure Share shall comply with the terms of this MOU and any Settlement;
 - d. Appropriate processes for remedial action will be taken against Parties or Regions that misuse Opioid Funds from the Statewide Infrastructure Share. Such processes shall include procedures for alleged offending Parties or Regions to challenge or dispute such remedial action; and
 - e. Limitations on administrative costs to be expended by recipients for administering Opioid Funds received from the Statewide Infrastructure Fund, not to exceed actual costs expended by the recipient or 10% of the amount received, whichever is less.
4. The distribution and oversight policies and procedures developed by the Abatement Council, in accordance with Section (G)(3), shall be non-appealable orders and no Party or Region may seek judicial relief related to the distribution and oversight of the Statewide Infrastructure Share.

5. On an annual basis, as determined by the Abatement Council, any Party or Regional Council that receives funds from the Statewide Infrastructure Share shall provide all expenditure data, including administrative costs, related to any Opioid Funds it received from the Statewide Infrastructure Share and subject itself to an accounting as required by the Abatement Council. The Abatement Council shall publish all expenditure data from the Statewide Infrastructure Share in accordance with Section (C)(4)(c)(i). The Abatement Council may require the Parties or Regional Councils that receive funds from the Statewide Infrastructure Share to provide additional outcome related data in accordance with Section (C)(4)(c)(ii) and the Parties or Regional Councils shall comply with such requirements.
6. Costs associated with the Abatement Council's distribution and oversight of the Statewide Infrastructure Share, as described in this Section (G), shall be paid for from the Statewide Infrastructure Share. The Abatement Council shall make all good faith efforts to limit such costs to the greatest extent possible.

H. General Terms

1. All Parties and Regional Councils shall maintain all records related to the receipt and expenditure of Opioid Funds for no less than five (5) years and shall make such records available for review by the Abatement Council, any other Party or Regional Council, or the public. Records requested by the public shall be produced in accordance with Colorado's open records laws. Records requested by the Abatement Council or another Party or a Regional Council shall be produced within twenty-one (21) days of the date the record request was received. This requirement does not supplant any Party or Regional Council's obligations under Colorado's open records laws.
2. If any Party(ies) believes the Abatement Council has violated the terms of this MOU, the alleging Party(ies) may seek to enforce the terms of this MOU, provided the alleging Party(ies) first provides notice to the Abatement Council of the alleged violation and a reasonable opportunity to cure the alleged violation. In such an enforcement action, the alleging Party(ies) may only seek to enforce the terms of the MOU against the State and the Participating Local Governments from which the Local Government Members of the Abatement Council were appointed and may only seek declaratory and/or injunctive relief. In defense of such an enforcement action, the State's Members of the Abatement Council shall be represented by the State and the Local Government Members shall be represented by the Participating Local Governments from which the Local Government Members were appointed. In the event of a conflict, the Abatement Council and its Members may seek outside representation to defend itself against such an enforcement action.
3. If any Party(ies) believes another Party(ies), not including the Abatement Council, violated the terms of this MOU, the alleging Party(ies) may seek to enforce the terms of this MOU in the court in which any applicable Settlement(s) was entered, provided the alleging Party(ies) first provide the alleged offending Party(ies)

notice of the alleged violation(s) and a reasonable opportunity to cure the alleged violation(s). In such an enforcement action, any alleging Party or alleged offending Party(ies) may be represented by their respective public entity in accordance with Colorado law.

4. Nothing in this MOU shall be interpreted to waive the right of any Party to seek judicial relief for conduct occurring outside the scope of this MOU that violates any Colorado law. In such an action, the alleged offending Party(ies), including the Abatement Council, may be represented by their respective public entities in accordance with Colorado law. In the event of a conflict, any Party, including the Abatement Council and its Members, may seek outside representation to defend itself against such an action.
5. If any Party(ies) believes another Party(ies), Region(s), or individual(s) involved in the receipt, distribution, or administration of Opioids Funds has violated any applicable ethics codes or rules, a complaint shall be lodged with the appropriate forum for handling such matters, such as a local home rule municipality's ethics board.
6. If any Party(ies) believes another Party(ies), Region(s), or individual(s) involved in the receipt, distribution, or administration of Opioid Funds violated any Colorado criminal law, such conduct shall be reported to the appropriate criminal authorities.
7. Venue for any legal action related to this MOU shall be in a court of competent jurisdiction where any applicable Settlement(s) is entered.
8. Because recovery under the terms of different Settlement(s) may vary depending on the number of Parties required to effectuate a Settlement, the Parties may conditionally agree to sign on to the MOU through a letter of intent, resolution or similar written statement, declaration or pronouncement declaring their intent to sign on to the MOU if the threshold for Party participation in a specific Settlement is achieved.⁴
9. This MOU may be executed in two or more counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same instrument. The Parties approve the use of electronic signatures for execution of this MOU. All use of electronic signatures shall be governed by the Uniform Electronic Transactions Act, C.R.S. §§ 24-71.3-101, *et seq.* The Parties agree not to deny the legal effect or enforceability of the MOU solely because it is in electronic form or

⁴ For instance, the July 21, 2021 "Distributor Settlement Agreement" includes a "Subdivision Settlement Agreement Form" that, once filled out and executed, is meant to indicate that Local Government's (or Subdivision's) election to participate in that Distributor Settlement and also, to require that Local Government to take steps to formally release any claim it may have against the Settling Distributors. With regard to the Distributor Settlement Agreement or any other Settlements that include a form similar to the Subdivision Settlement Agreement Form, the Parties may still conditionally agree to sign on to the MOU if, for instance, the threshold for Party participation in a specific Settlement is achieved.

because an electronic record was used in its formation. The Parties agree not to object to the admissibility of the MOU in the form of an electronic record, or a paper copy of an electronic document, or a paper copy of a document bearing an electronic signature, on the ground that it is an electronic record or electronic signature or that it is not in its original form or is not an original.

10. Each party represents that all procedures necessary to authorize such Party's execution of this MOU have been performed and that the person signing for such Party has been authorized to execute the MOU.

I. Payment of Counsel and Litigation Expenses Through a Back-Stop Fund

1. Some Settlements, including the McKesson Corporation, Cardinal Health, Inc., and AmerisourceBergen Corporation (“Distributor”) and Johnson & Johnson/Janssen (“J&J”) settlements, may provide for the payment of all or a portion of the fees and litigation expenses owed by Participating Local Governments to counsel specifically retained to file suit in the opioid litigation. If any Settlement is insufficient to cover the fee obligations of the Participating Local Governments (as discussed and modified by Judge Polster’s Order of August 6 regarding fees for the Distributor and J&J settlements), the deficiencies will be covered as set forth in further detail below.
2. The Parties also recognize that, as in the Distributor and J&J settlements, certain Opioid Settling Defendants may offer premiums benefiting the entire state of Colorado when Participating Local Governments agree to the Settlement(s), thereby settling their claims in their on-going lawsuits. For example, below is the chart illustrating how Incentive Payment B (a 25% premium to the entire state) works in the Distributor Settlement at Section IV.F.2.b (p. 20):

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

3. If the court in *In Re: National Prescription Opiate Litigation*, MDL No. 2804 (N.D. Ohio), or if a Settlement establishes a common benefit fund or similar device to compensate attorneys for services rendered and expenses incurred that have benefited plaintiffs generally in the litigation (the “Common Benefit Fund”),

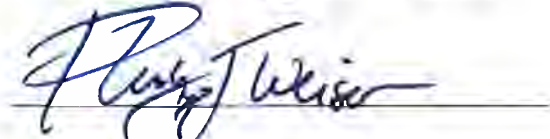
and/or requires certain governmental plaintiffs to pay a share of their recoveries from defendants into the Common Benefit Fund (“Court-Ordered Common Benefit Fund Assessment”), then the Participating Local Governments shall be required to first seek to have their attorneys’ fees and expenses paid through the Common Benefit Fund.

4. For the Distributor and J&J settlements only, counsel for Participating Local Governments shall have their expenses otherwise recoverable from Colorado Participating Local Governments compensated only through the Common Benefit Fund(s) established in those settlement(s). For the avoidance of doubt, counsel for Participating Local Governments may recover their attorneys’ fees through the Distributor and J&J settlements and through the other applicable provisions of this Section (I).
5. In addition, as a means of covering any deficiencies in paying counsel for Participating Local Governments, a supplemental Colorado Attorney Fee Back-Stop Fund shall be established. The Colorado Attorney Fee Back-Stop Fund is to be used to compensate counsel for Participating Local Governments that filed an initial complaint in the opioid litigation by September 1, 2020 (“Litigating Participating Local Governments”).
6. Payments out of the Colorado Attorney Fee Back-Stop Fund shall be determined by a committee (the “Opioid Fee and Expense Committee”). The Opioid Fee and Expense Committee shall consist of the following five (5) members:
 - a. One (1) member appointed by CCI from a litigating county or from a litigating county and city municipal corporation;
 - b. One (1) member appointed by CML from a litigating city;
 - c. One (1) member appointed jointly by CCI and CML from a non-litigating county or city;
 - d. One (1) member appointed by the Attorney General’s Office; and
 - e. One (1) neutral member jointly appointed by all of the other members listed above.
7. The Colorado Attorney Fee Back-Stop Fund shall be funded as follows from any Settlement, excluding settlements involving McKinsey and payments resulting from the Purdue or Mallinckrodt bankruptcy. For purposes only of calculating the funding of the Colorado Attorney Fee Back-Stop Fund, the Parties deem 58% of the total LG Share and Regional Share to be attributable to the Litigating Local Governments. The Colorado Attorney Fee Back-Stop Fund shall be funded by 8.7% of the total LG Share and 4.35% of the total Regional Share at the time such funds are actually received. No funds deposited into the Colorado Attorney Fee Back-Stop Fund will be taken from the Statewide Infrastructure Share or State Share.

8. Counsel for Litigating Participating Local Governments may apply to the Colorado Attorney Fee Back-Stop Fund only after applying to the Common Benefit Fund.
9. Counsel for Litigating Participating Local Governments may apply to the Colorado Attorney Fee Back-Stop Fund for only a shortfall – that is, the difference between what their fee agreements would entitle them to (as limited by this Section (I)) minus what they have already collected from the Common Benefit Fund (including both the “common benefit” and “contingency fee” calculations, if any). If they receive fees/costs for common benefit work in the national fee fund, these fees/costs will be allocated proportionately across all their local government opioid clients based on the allocation model used in the Negotiation Class website to allocate the appropriate portion to Colorado clients.
10. Counsel for Litigating Participating Local Governments are limited to being paid, at most, and assuming adequate funds are available in any Common Benefit Fund and Colorado Attorney Fee Back-Stop Fund, fees in an amount equal to 15% of the LG Share and 7.5% of the Regional Share attributable to their Colorado clients.
11. Any funds remaining in the Colorado Attorney Fee Back-Stop Fund in excess of the amounts needed to cover the fees and litigation expenses owed by Litigating Participating Local Governments to their respective counsel shall revert to the Participating Local Governments according to the allocations described in Sections (E) and (F). Every two years, the Opioid Fee and Expense Committee shall assess the amount remaining in the Colorado Attorney Fee Back-Stop Fund to determine if it is overfunded.
12. Despite the fact that a litigating entity bonus benefits the entire state, no portion of the State Share shall be used to fund the Colorado Attorney Fee Back-Stop Fund or in any other way to fund any Participating Local Government’s attorneys’ fees and expenses. Because the state did not hire outside counsel, any funds for attorneys fees that the state receives from the J&J and Distributor settlement will be deposited into the State Share.
13. To participate in the Colorado Attorney Fee Back-Stop Fund, counsel must follow the requirements of C.R.S. § 13-17-304.

This **Colorado Opioids Settlement Memorandum of Understanding** is signed

this 26 day of August, 2021 by:

A handwritten signature in blue ink, appearing to read "Philip J. Weiser", is written over a horizontal line.

Colorado Attorney General Philip J. Weiser

This **Colorado Opioids Settlement Memorandum of Understanding** is signed
this ___ day of _____, _____ by:

Name & Title _____

On behalf of _____

Exhibit A

POTENTIAL OPIOID ABATEMENT APPROVED PURPOSES

I. TREATMENT

A. TREATMENT OF OPIOID USE DISORDER AND ITS EFFECTS

1. Expand availability of treatment, including Medication-Assisted Treatment (MAT), for Opioid Use Disorder (OUD) and any co-occurring substance use or mental health issues.
2. Supportive housing, all forms of FDA-approved MAT, counseling, peer-support, recovery case management and residential treatment with access to medications for those who need it.
3. Treatment of mental health trauma issues that resulted from the traumatic experiences of the opioid user (e.g., violence, sexual assault, human trafficking) and for family members (e.g., surviving family members after an overdose or overdose fatality).
4. Expand telehealth to increase access to OUD treatment, including MAT, as well as counseling, psychiatric support, and other treatment and recovery support services.
5. Fellowships for addiction medicine specialists for direct patient care, instructors, and clinical research for treatments.
6. Scholarships for certified addiction counselors.
7. Clinicians to obtain training and a waiver under the federal Drug Addiction Treatment Act to prescribe MAT for OUD.
8. Training for health care providers, students, and other supporting professionals, such as peer recovery coaches/recovery outreach specialists, including but not limited to training relating to MAT and harm reduction.
9. Dissemination of accredited web-based training curricula, such as the American Academy of Addiction Psychiatry's Provider Clinical Support Service-Opioids web-based training curriculum and motivational interviewing.
10. Development and dissemination of new accredited curricula, such as the American Academy of Addiction Psychiatry's Provider Clinical Support Service Medication-Assisted Treatment.
11. Development of a multistate/nationally accessible database whereby health care providers can list currently available in-patient and out-patient OUD treatment services that are accessible on a real-time basis.

12. Support and reimburse services that include the full American Society of Addiction Medicine (ASAM) continuum of care for OUD.
13. Improve oversight of Opioid Treatment Programs (OTPs) to assure evidence-informed practices such as adequate methadone dosing.

B. INTERVENTION

1. Ensure that health care providers are screening for OUD and other risk factors and know how to appropriately counsel and treat (or refer, if necessary) a patient for OUD treatment.
2. Fund Screening, Brief Intervention and Referral to Treatment (SBIRT) programs to reduce the transition from use to disorder.
3. Training and long-term implementation of SBIRT in key systems (health, schools, colleges, criminal justice, and probation), with a focus on the late adolescence and young adulthood when transition from misuse to opioid disorder is most common.
4. Purchase automated versions of SBIRT and support ongoing costs of the technology.
5. Training for emergency room personnel treating opioid overdose patients on post-discharge planning, including community referrals for MAT, recovery case management and/or support services.
6. Support work of Emergency Medical Systems, including peer support specialists, to connect individuals to treatment or other appropriate services following an opioid overdose or other opioid-related adverse event.
7. Create school-based contacts whom parents can engage to seek immediate treatment services for their child.
8. Develop best practices on addressing OUD in the workplace.
9. Support assistance programs for health care providers with OUD.
10. Engage non-profits and faith community as a system to support outreach for treatment.

C. CRIMINAL-JUSTICE-INVOLVED PERSONS

1. Address the needs of persons involved in the criminal justice system who have OUD and any co-occurring substance use disorders or mental health (SUD/MH) issues.

2. Support pre-arrest diversion and deflection strategies for persons with OUD and any co-occurring SUD/MH issues, including established strategies such as:
 - a. Self-referral strategies such as Angel Programs or the Police Assisted Addiction Recovery Initiative (PAARI);
 - b. Active outreach strategies such as the Drug Abuse Response Team (DART) model;
 - c. “Naloxone Plus” strategies, which work to ensure that individuals who have received Naloxone to reverse the effects of an overdose are then linked to treatment programs;
 - d. Officer prevention strategies, such as the Law Enforcement Assisted Diversion (LEAD) model; or
 - e. Officer intervention strategies such as the Leon County, Florida Adult Civil Citation Network.
3. Support pre-trial services that connect individuals with OUD and any co-occurring SUD/MH issues to evidence-informed treatment, including MAT, and related services.
4. Support treatment and recovery courts for persons with OUD and any co-occurring SUD/MH issues, but only if they provide referrals to evidence-informed treatment, including MAT.
5. Provide evidence-informed treatment, including MAT, recovery support, harm reduction, or other appropriate services to individuals with OUD and any co-occurring SUD/MH issues who are incarcerated, on probation, or on parole.
6. Provide evidence-informed treatment, including MAT, recovery support, harm reduction, or other appropriate re-entry services to individuals with OUD and any co-occurring SUD/MH issues who are leaving jail or prison or who have recently left jail or prison.
7. Support critical time interventions (CTI), particularly for individuals living with dual-diagnosis OUD/serious mental illness, and services for individuals who face immediate risks and service needs and risks upon release from correctional settings.

D. WOMEN WHO ARE OR MAY BECOME PREGNANT

1. Evidence-informed treatment, including MAT, recovery, and prevention services for pregnant women or women who could become pregnant and have OUD.
2. Training for obstetricians and other healthcare personnel that work with pregnant women and their families regarding OUD treatment.

3. Other measures to address Neonatal Abstinence Syndrome, including prevention, care for addiction and education programs.
4. Child and family supports for parenting women with OUD.
5. Enhanced family supports and child care services for parents receiving treatment for OUD.

E. PEOPLE IN TREATMENT AND RECOVERY

1. The full continuum of care of recovery services for OUD and any co-occurring substance use or mental health issues, including supportive housing, residential treatment, medical detox services, peer support services and counseling, community navigators, case management, and connections to community-based services.
2. Identifying successful recovery programs such as physician, pilot, and college recovery programs, and providing support and technical assistance to increase the number and capacity of high-quality programs to help those in recovery.
3. Training and development of procedures for government staff to appropriately interact and provide social and other services to current and recovering opioid users, including reducing stigma.
4. Community-wide stigma reduction regarding treatment and support for persons with OUD, including reducing the stigma on effective treatment.
5. Engaging non-profits and faith community as a system to support family members in their efforts to help the opioid user in the family.

II. PREVENTION

F. PRESCRIBING PRACTICES

1. Training for health care providers regarding safe and responsible opioid prescribing, dosing, and tapering patients off opioids.
2. Academic counter-detailing.
3. Continuing Medical Education (CME) on prescribing of opioids.
4. Support for non-opioid pain treatment alternatives, including training providers to offer or refer to multi-modal, evidence-informed treatment of pain.
5. Fund development of a multistate/national prescription drug monitoring program (PDMP) that permits information sharing while providing appropriate safeguards on sharing of private information, including but not limited to:

- a. Integration of PDMP data with electronic health records, overdose episodes, and decision support tools for health care providers relating to OUD.
 - b. Ensuring PDMPs incorporate available overdose/naloxone deployment data, including the United States Department of Transportation's Emergency Medical Technician overdose database.
6. Educating dispensers on appropriate opioid dispensing.

G. MISUSE OF OPIOIDS

1. Corrective advertising/affirmative public education campaigns.
2. Public education relating to drug disposal.
3. Drug take-back disposal or destruction programs.
4. Fund community anti-drug coalitions that engage in drug-abuse prevention efforts.
5. School-based programs that have demonstrated effectiveness in preventing drug misuse and seem likely to be effective in preventing the uptake and use of opioids.
6. Support community coalitions in implementing evidence-informed prevention, such as reduced social access and physical access, stigma reduction – including staffing, educational campaigns, or training of coalitions in evidence-informed implementation.
7. School and community education programs and campaigns for students, families, school employees, school athletic programs, parent-teacher and student associations, and others.
8. Engaging non-profits and faith community as a system to support prevention.

H. OVERDOSE DEATHS AND OTHER HARMS

1. Increasing availability and distribution of naloxone and other drugs that treat overdoses to first responders, overdose patients, opioid users, families and friends of opioid users, schools, community navigators and outreach workers, drug offenders upon release from jail/prison, and other members of the general public.
2. Training and education regarding naloxone and other drugs that treat overdoses for first responders, overdose patients, patients taking opioids, families, schools, and other members of the general public.

3. Developing data tracking software and applications for overdoses/naloxone revivals.
4. Public education relating to emergency responses to overdoses.
5. Free naloxone for anyone in the community.
6. Public education relating to immunity and Good Samaritan laws.
7. Educating first responders regarding the existence and operation of immunity and Good Samaritan laws.
8. Syringe service programs, including supplies, staffing, space, peer support services, and the full range of harm reduction and treatment services provided by these programs.
9. Expand access to testing and treatment for infectious diseases such as HIV and Hepatitis C resulting from intravenous opioid use.

III. ADDITIONAL AREAS

I. SERVICES FOR CHILDREN

1. Support for children's services: Fund additional positions and services, including supportive housing and other residential services, relating to children being removed from the home and/or placed in foster care due to custodial opioid use.

J. FIRST RESPONDERS

1. Law enforcement expenditures relating to the opioid epidemic.
2. Educating first responders regarding appropriate practices and precautions when dealing with fentanyl or other drugs.
3. Increase electronic prescribing to prevent diversion and forgery.

K. COMMUNITY LEADERSHIP

1. Regional planning to identify goals for opioid reduction and support efforts or to identify areas and populations with the greatest needs for treatment intervention services.
2. Government dashboard to track key opioid-related indicators and supports as identified through collaborative community processes.

L. STAFFING AND TRAINING

1. Funding for programs and services regarding staff training and networking to improve staff capability to abate the opioid crisis.
2. Support infrastructure and staffing for collaborative cross-systems coordination to prevent opioid misuse, prevent overdoses, and treat those with OUD (e.g., health care, primary care, pharmacies, PDMPs, etc.).

M. RESEARCH

1. Funding opioid abatement research.
2. Research improved service delivery for modalities such as SBIRT that demonstrate promising but mixed results in populations vulnerable to OUD.
3. Support research for novel harm reduction and prevention efforts such as the provision of fentanyl test strips.
4. Support for innovative supply-side enforcement efforts such as improved detection of mail-based delivery of synthetic opioids.
5. Expanded research for swift/certain/fair models to reduce and deter opioid misuse within criminal justice populations that build upon promising approaches used to address other substances (e.g. Hawaii HOPE and Dakota 24/7).
6. Research expanded modalities such as prescription methadone that can expand access to MAT.

N. OTHER

1. Administrative costs for any of the approved purposes on this list.

Exhibit B

Colorado Local Governments*

Government Name	County	Gov't Type	Multi-County
Adams County	Adams	County	
Arvada	Adams	City	2 counties
Aurora	Adams	City	3 counties
Bennett	Adams	City	2 counties
Brighton	Adams	City	2 counties
Commerce City	Adams	City	
Federal Heights	Adams	City	
Lochbuie	Adams	City	2 counties
Northglenn	Adams	City	2 counties
Thornton	Adams	City	2 counties
Westminster	Adams	City	2 counties
Alamosa County	Alamosa	County	
Alamosa	Alamosa	City	
Hooper	Alamosa	City	
Arapahoe County	Arapahoe	County	
Aurora	Arapahoe	City	3 counties
Bennett	Arapahoe	City	2 counties
Bow Mar	Arapahoe	City	2 counties
Centennial	Arapahoe	City	
Cherry Hills Village	Arapahoe	City	
Columbine Valley	Arapahoe	City	
Deer Trail	Arapahoe	City	
Englewood	Arapahoe	City	
Foxfield	Arapahoe	City	
Glendale	Arapahoe	City	
Greenwood Village	Arapahoe	City	
Littleton	Arapahoe	City	3 counties
Sheridan	Arapahoe	City	
Archuleta County	Archuleta	County	
Pagosa Springs	Archuleta	City	
Baca County	Baca	County	
Campo	Baca	City	
Pritchett	Baca	City	
Springfield	Baca	City	
Two Buttes	Baca	City	
Vilas	Baca	City	
Walsh	Baca	City	
Bent County	Bent	County	
Las Animas	Bent	City	
Boulder County	Boulder	County	
Boulder	Boulder	City	
Erie	Boulder	City	2 counties
Jamestown	Boulder	City	
Lafayette	Boulder	City	

Colorado Local Governments*

Government Name	County	Gov't Type	Multi-County
Longmont	Boulder	City	2 counties
Louisville	Boulder	City	
Lyons	Boulder	City	
Nederland	Boulder	City	
Superior	Boulder	City	2 counties
Ward	Boulder	City	
Broomfield	Broomfield	City/County	
Chaffee County	Chaffee	County	
Buena Vista	Chaffee	City	
Poncha Springs	Chaffee	City	
Salida	Chaffee	City	
Cheyenne County	Cheyenne	County	
Cheyenne Wells	Cheyenne	City	
Kit Carson	Cheyenne	City	
Clear Creek County	Clear Creek	County	
Central City	Clear Creek	City	2 counties
Empire	Clear Creek	City	
Georgetown	Clear Creek	City	
Idaho Springs	Clear Creek	City	
Silver Plume	Clear Creek	City	
Conejos County	Conejos	County	
Antonito	Conejos	City	
La Jara	Conejos	City	
Manassa	Conejos	City	
Romeo	Conejos	City	
Sanford	Conejos	City	
Costilla County	Costilla	County	
Blanca	Costilla	City	
San Luis	Costilla	City	
Crowley County	Crowley	County	
Crowley	Crowley	City	
Olney Springs	Crowley	City	
Ordway	Crowley	City	
Sugar City	Crowley	City	
Custer County	Custer	County	
Silver Cliff	Custer	City	
Westcliffe	Custer	City	
Delta County	Delta	County	
Cedaredge	Delta	City	
Crawford	Delta	City	
Delta	Delta	City	
Hotchkiss	Delta	City	
Orchard City	Delta	City	
Paonia	Delta	City	

Colorado Local Governments*

Government Name	County	Gov't Type	Multi-County
Denver	Denver	City/County	
Dolores County	Dolores	County	
Dove Creek	Dolores	City	
Rico	Dolores	City	
Douglas County	Douglas	County	
Aurora	Douglas	City	3 counties
Castle Pines	Douglas	City	
Castle Rock	Douglas	City	
Larkspur	Douglas	City	
Littleton	Douglas	City	3 counties
Lone Tree	Douglas	City	
Parker	Douglas	City	
Eagle County	Eagle	County	
Avon	Eagle	City	
Basalt	Eagle	City	2 counties
Eagle	Eagle	City	
Gypsum	Eagle	City	
Minturn	Eagle	City	
Red Cliff	Eagle	City	
Vail	Eagle	City	
El Paso County	El Paso	County	
Calhan	El Paso	City	
Colorado Springs	El Paso	City	
Fountain	El Paso	City	
Green Mountain Falls	El Paso	City	2 counties
Manitou Springs	El Paso	City	
Monument	El Paso	City	
Palmer Lake	El Paso	City	
Ramah	El Paso	City	
Elbert County	Elbert	County	
Elizabeth	Elbert	City	
Kiowa	Elbert	City	
Simla	Elbert	City	
Fremont County	Fremont	County	
Brookside	Fremont	City	
Cañon City	Fremont	City	
Coal Creek	Fremont	City	
Florence	Fremont	City	
Rockvale	Fremont	City	
Williamsburg	Fremont	City	
Garfield County	Garfield	County	
Carbondale	Garfield	City	
Glenwood Springs	Garfield	City	
New Castle	Garfield	City	

Colorado Local Governments*

Government Name	County	Gov't Type	Multi-County
Parachute	Garfield	City	
Rifle	Garfield	City	
Silt	Garfield	City	
Gilpin County	Gilpin	County	
Black Hawk	Gilpin	City	
Central City	Gilpin	City	2 counties
Grand County	Grand	County	
Fraser	Grand	City	
Granby	Grand	City	
Grand Lake	Grand	City	
Hot Sulphur Springs	Grand	City	
Kremmling	Grand	City	
Winter Park	Grand	City	
Gunnison County	Gunnison	County	
Crested Butte	Gunnison	City	
Gunnison	Gunnison	City	
Marble	Gunnison	City	
Mount Crested Butte	Gunnison	City	
Pitkin	Gunnison	City	
Hinsdale County	Hinsdale	County	
Lake City	Hinsdale	City	
Huerfano County	Huerfano	County	
La Veta	Huerfano	City	
Walsenburg	Huerfano	City	
Jackson County	Jackson	County	
Walden	Jackson	City	
Jefferson County	Jefferson	County	
Arvada	Jefferson	City	2 counties
Bow Mar	Jefferson	City	2 counties
Edgewater	Jefferson	City	
Golden	Jefferson	City	
Lakeside	Jefferson	City	
Lakewood	Jefferson	City	
Littleton	Jefferson	City	3 counties
Morrison	Jefferson	City	
Mountain View	Jefferson	City	
Superior	Jefferson	City	2 counties
Westminster	Jefferson	City	2 counties
Wheat Ridge	Jefferson	City	
Kiowa County	Kiowa	County	
Eads	Kiowa	City	
Haswell	Kiowa	City	
Sheridan Lake	Kiowa	City	
Kit Carson County	Kit Carson	County	

Colorado Local Governments*

Government Name	County	Gov't Type	Multi-County
Bethune	Kit Carson	City	
Burlington	Kit Carson	City	
Flagler	Kit Carson	City	
Seibert	Kit Carson	City	
Stratton	Kit Carson	City	
Vona	Kit Carson	City	
La Plata County	La Plata	County	
Bayfield	La Plata	City	
Durango	La Plata	City	
Ignacio	La Plata	City	
Lake County	Lake	County	
Leadville	Lake	City	
Larimer County	Larimer	County	
Berthoud	Larimer	City	2 counties
Estes Park	Larimer	City	
Fort Collins	Larimer	City	
Johnstown	Larimer	City	2 counties
Loveland	Larimer	City	
Timnath	Larimer	City	2 counties
Wellington	Larimer	City	
Windsor	Larimer	City	2 counties
Las Animas County	Las Animas	County	
Aguilar	Las Animas	City	
Branson	Las Animas	City	
Cokedale	Las Animas	City	
Kim	Las Animas	City	
Starkville	Las Animas	City	
Trinidad	Las Animas	City	
Lincoln County	Lincoln	County	
Arriba	Lincoln	City	
Genoa	Lincoln	City	
Hugo	Lincoln	City	
Limon	Lincoln	City	
Logan County	Logan	County	
Crook	Logan	City	
Fleming	Logan	City	
Iliff	Logan	City	
Merino	Logan	City	
Peetz	Logan	City	
Sterling	Logan	City	
Mesa County	Mesa	County	
Collbran	Mesa	City	
De Beque	Mesa	City	
Fruita	Mesa	City	

Colorado Local Governments*

Government Name	County	Gov't Type	Multi-County
Grand Junction	Mesa	City	
Palisade	Mesa	City	
Mineral County	Mineral	County	
City of Creede	Mineral	City	
Moffat County	Moffat	County	
Craig	Moffat	City	
Dinosaur	Moffat	City	
Montezuma County	Montezuma	County	
Cortez	Montezuma	City	
Dolores	Montezuma	City	
Mancos	Montezuma	City	
Montrose County	Montrose	County	
Montrose	Montrose	City	
Naturita	Montrose	City	
Nucla	Montrose	City	
Olathe	Montrose	City	
Morgan County	Morgan	County	
Brush	Morgan	City	
Fort Morgan	Morgan	City	
Hillrose	Morgan	City	
Log Lane Village	Morgan	City	
Wiggins	Morgan	City	
Otero County	Otero	County	
Cheraw	Otero	City	
Fowler	Otero	City	
La Junta	Otero	City	
Manzanola	Otero	City	
Rocky Ford	Otero	City	
Swink	Otero	City	
Ouray County	Ouray	County	
Ouray	Ouray	City	
Ridgway	Ouray	City	
Park County	Park	County	
Alma	Park	City	
Fairplay	Park	City	
Phillips County	Phillips	County	
Haxtun	Phillips	City	
Holyoke	Phillips	City	
Paoli	Phillips	City	
Pitkin County	Pitkin	County	
Aspen	Pitkin	City	
Basalt	Pitkin	City	2 counties
Snowmass Village	Pitkin	City	
Prowers County	Prowers	County	

Colorado Local Governments*

Government Name	County	Gov't Type	Multi-County
Granada	Prowers	City	
Hartman	Prowers	City	
Holly	Prowers	City	
Lamar	Prowers	City	
Wiley	Prowers	City	
Pueblo County	Pueblo	County	
Boone	Pueblo	City	
Pueblo	Pueblo	City	
Rye	Pueblo	City	
Rio Blanco County	Rio Blanco	County	
Meeker	Rio Blanco	City	
Rangely	Rio Blanco	City	
Rio Grande County	Rio Grande	County	
Center	Rio Grande	City	2 counties
Del Norte	Rio Grande	City	
Monte Vista	Rio Grande	City	
South Fork	Rio Grande	City	
Routt County	Routt	County	
Hayden	Routt	City	
Oak Creek	Routt	City	
Steamboat Springs	Routt	City	
Yampa	Routt	City	
Saguache County	Saguache	County	
Bonanza	Saguache	City	
Center	Saguache	City	2 counties
Crestone	Saguache	City	
Moffat	Saguache	City	
Saguache	Saguache	City	
San Juan County	San Juan	County	
Silverton	San Juan	City	
San Miguel County	San Miguel	County	
Mountain Village	San Miguel	City	
Norwood	San Miguel	City	
Ophir	San Miguel	City	
Sawpit	San Miguel	City	
Telluride	San Miguel	City	
Sedgwick County	Sedgwick	County	
Julesburg	Sedgwick	City	
Ovid	Sedgwick	City	
Sedgwick	Sedgwick	City	
Summit County	Summit	County	
Blue River	Summit	City	
Breckenridge	Summit	City	
Dillon	Summit	City	

Colorado Local Governments*

Government Name	County	Gov't Type	Multi-County
Frisco	Summit	City	
Montezuma	Summit	City	
Silverthorne	Summit	City	
Teller County	Teller	County	
Cripple Creek	Teller	City	
Green Mountain Falls	Teller	City	2 counties
Victor	Teller	City	
Woodland Park	Teller	City	
Washington County	Washington	County	
Akron	Washington	City	
Otis	Washington	City	
Weld County	Weld	County	
Ault	Weld	City	
Berthoud	Weld	City	2 counties
Brighton	Weld	City	2 counties
Dacono	Weld	City	
Eaton	Weld	City	
Erie	Weld	City	2 counties
Evans	Weld	City	
Firestone	Weld	City	
Fort Lupton	Weld	City	
Frederick	Weld	City	
Garden City	Weld	City	
Gilcrest	Weld	City	
Greeley	Weld	City	
Grover	Weld	City	
Hudson	Weld	City	
Johnstown	Weld	City	2 counties
Keenesburg	Weld	City	
Kersey	Weld	City	
La Salle	Weld	City	
Lochbuie	Weld	City	2 counties
Longmont	Weld	City	2 counties
Mead	Weld	City	
Milliken	Weld	City	
Northglenn	Weld	City	2 counties
Nunn	Weld	City	
Pierce	Weld	City	
Platteville	Weld	City	
Raymer (New Raymer)	Weld	City	
Severance	Weld	City	
Thornton	Weld	City	2 counties
Timnath	Weld	City	2 counties
Windsor	Weld	City	2 counties

Colorado Local Governments*

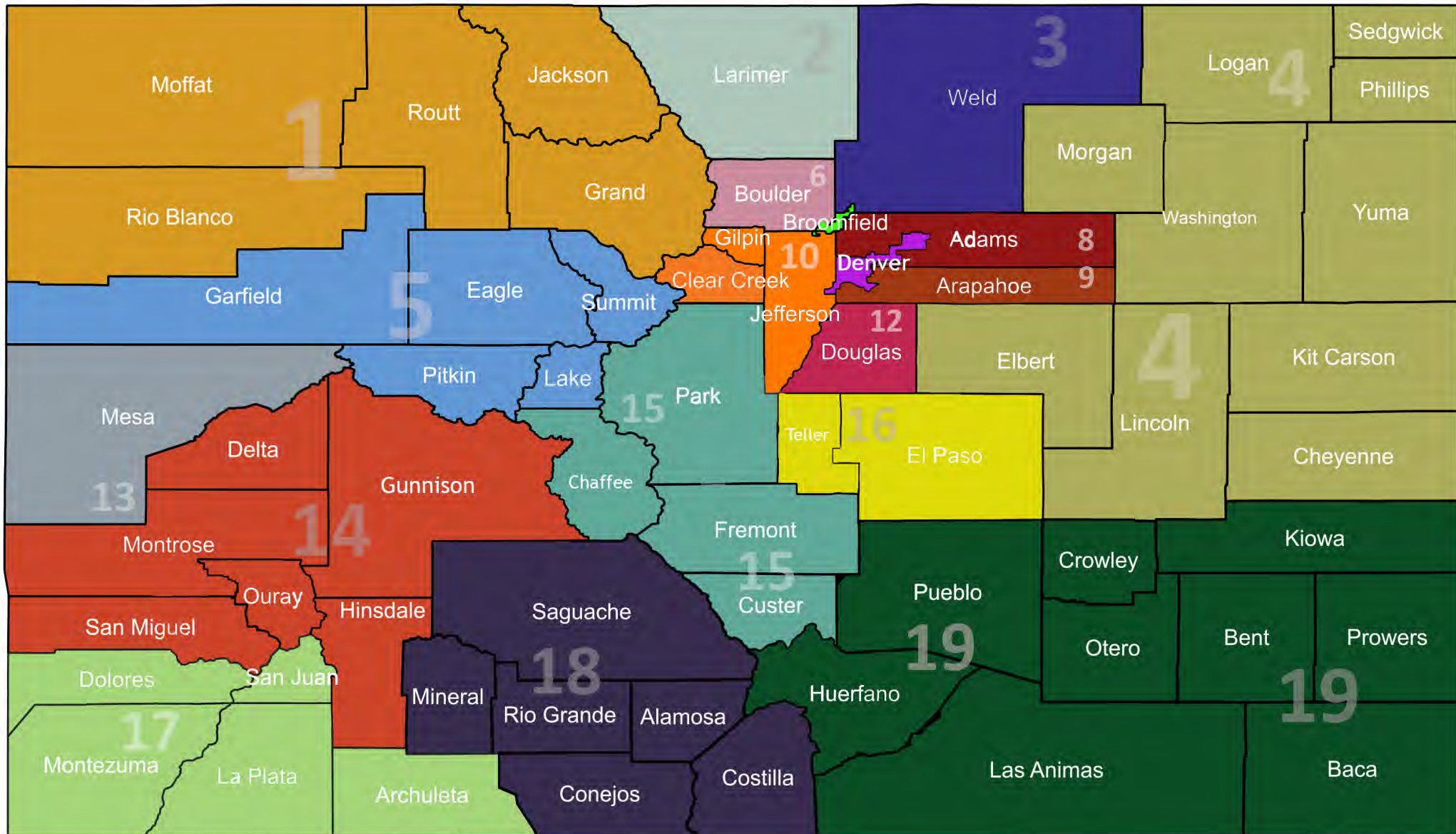
Government Name	County	Gov't Type	Multi-County
Yuma County	Yuma	County	
Eckley	Yuma	City	
Wray	Yuma	City	
Yuma	Yuma	City	

*This list includes all 64 Colorado counties and all 271 municipalities listed in the 2019 Census. Cities located in multiple counties are listed under each corresponding county subheading. City and County of Denver and City and County of Broomfield are counted in both the city and county totals. The City of Carbonate is not included in this list, as there was no population in the 2019 Census data.

This list will be reconciled as necessary to be consistent with the terms of Settlement(s) with Opioid Settling Defendant(s)

Exhibit C

Regions for the distribution of opioid settlement funds



Region 1	Region 5	Region 9	Region 13	Region 17
Region 2	Region 6	Region 10	Region 14	Region 18
Region 3	Region 7 (Broomfield)	Region 11 (Denver)	Region 15	Region 19
Region 4	Region 8	Region 12	Region 16	

Exhibit D

Exhibit D - Allocations to Colorado County Areas

County	Percentage of LG Share
Adams	9.4247%
Alamosa	0.5081%
Arapahoe	10.8071%
Archuleta	0.1370%
Baca	0.0592%
Bent	0.1133%
Boulder	5.7936%
Broomfield	1.0014%
Chaffee	0.3604%
Cheyenne	0.0159%
Clear Creek	0.1380%
Conejos	0.2108%
Costilla	0.0552%
Crowley	0.0934%
Custer	0.0412%
Delta	0.5440%
Denver	15.0042%
Dolores	0.0352%
Douglas	3.6696%
Eagle	0.6187%
El Paso	11.9897%
Elbert	0.2804%
Fremont	0.9937%
Garfield	0.8376%
Gilpin	0.0561%
Grand	0.2037%
Gunnison	0.1913%
Hinsdale	0.0112%
Huerfano	0.2505%
Jackson	0.0310%
Jefferson	10.5173%
Kiowa	0.0142%
Kit Carson	0.0940%
La Plata	0.8127%
Lake	0.0990%
Larimer	6.5211%
Las Animas	0.6304%
Lincoln	0.0819%
Logan	0.3815%
Mesa	2.8911%
Mineral	0.0039%
Moffat	0.2326%
Montezuma	0.4429%

Montrose	0.5695%
Morgan	0.4677%
Otero	0.4486%
Ouray	0.0535%
Park	0.1674%
Phillips	0.0714%
Pitkin	0.1747%
Prowers	0.1727%
Pueblo	5.6757%
Rio Blanco	0.1013%
Rio Grande	0.2526%
Routt	0.3837%
Saguache	0.0666%
San Juan	0.0097%
San Miguel	0.1005%
Sedgwick	0.0618%
Summit	0.3761%
Teller	0.6219%
Washington	0.0357%
Weld	3.8908%
Yuma	0.0992%
TOTAL	100.0000%

Exhibit E

Exhibit E - Intracounty Allocations^{1,2}

The below chart depicts the default percentage that each Local Government will receive from the LG Share amount attributed to its County Area, as described in Section (E)(3) of the MOU. The chart assumes full participation by all Local Governments

Government Name	Intracounty Share
Adams County	68.3372%
Arvada (2 Counties)	0.2632%
Aurora (3 Counties)	4.6336%
Bennett (2 Counties)	0.1670%
Brighton (2 Counties)	1.4527%
Commerce City	4.7314%
Federal Heights	1.1457%
Lochbuie (2 Counties)	0.0001%
Northglenn (2 Counties)	2.0913%
Thornton (2 Counties)	10.6435%
Westminster (2 Counties)	6.5342%

Alamosa County	85.3075%
Alamosa	14.6818%
Hooper	0.0108%

Arapahoe County	42.7003%
Aurora (3 Counties)	35.5997%
Bennett (2 Counties)	0.0324%
Bow Mar (2 Counties)	0.0159%
Centennial	0.4411%
Cherry Hills Village	0.6685%
Columbine Valley	0.1601%
Deer Trail	0.0003%
Englewood	5.5850%
Foxfield	0.0372%
Glendale	1.2289%
Greenwood Village	2.8305%
Littleton (3 Counties)	8.5654%
Sheridan	2.1347%

Archuleta County	90.0864%
Pagosa Springs	9.9136%

Baca County	85.9800%
Campo	2.4443%
Pritchett	1.5680%
Springfield	7.0100%

Government Name	Intracounty Share
Two Buttes	0.4766%
Vilas	0.9070%
Walsh	1.6141%

Bent County	80.9608%
Las Animas	19.0392%

Boulder County	47.6311%
Boulder	31.7629%
Erie (2 Counties)	0.3634%
Jamestown	0.0086%
Lafayette	3.3203%
Longmont (2 Counties)	14.6833%
Louisville	1.4455%
Lyons	0.5916%
Nederland	0.1646%
Superior (2 Counties)	0.0258%
Ward	0.0030%

Broomfield County/City	100.0000%
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Chaffee County	74.8440%
Buena Vista	5.8841%
Poncha Springs	4.2369%
Salida	15.0350%

Cheyenne County	66.8002%
Cheyenne Wells	0.8586%
Kit Carson	32.3412%

Clear Creek County	92.2164%
Central City (2 Counties)	0.0000%
Empire	0.3364%
Georgetown	1.9063%
Idaho Springs	4.7625%
Silver Plume	0.7784%

Conejos County	77.1204%
Antonito	4.6338%
La Jara	2.4313%
Manassa	1.0062%
Romeo	2.4270%
Sanford	12.3812%

Government Name	Intracounty Share
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Costilla County	97.3454%
Blanca	1.2036%
San Luis	1.4509%

Crowley County	80.7081%
Crowley	4.3597%
Olney Springs	8.3683%
Ordway	0.1853%
Sugar City	6.3786%

Custer County	96.6858%
Silver Cliff	0.7954%
Westcliffe	2.5188%

Delta County	76.3512%
Cedaredge	3.6221%
Crawford	0.4938%
Delta	16.2658%
Hotchkiss	1.0963%
Orchard City	0.1473%
Paonia	2.0236%

Denver County/City	100.0000%
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Dolores County	76.3307%
Dove Creek	17.3127%
Rico	6.3566%

Douglas County	71.8404%
Aurora (3 Counties)	0.2099%
Castle Pines	0.2007%
Castle Rock	13.5204%
Larkspur	0.0856%
Littleton (3 Counties)	0.0156%
Lone Tree	5.2786%
Parker	8.8487%

Eagle County	60.8236%
Avon	7.6631%
Basalt (2 Counties)	2.2311%
Eagle	3.1376%
Gypsum	1.7469%
Minturn	0.7771%

Government Name	Intracounty Share
Red Cliff	0.0957%
Vail	23.5250%

El Paso County	18.4181%
Calhan	0.0228%
Colorado Springs	80.1161%
Fountain	0.9892%
Green Mountain Falls (2 Counties)	0.0149%
Manitou Springs	0.2411%
Monument	0.1492%
Palmer Lake	0.0455%
Ramah	0.0033%

Elbert County	86.5840%
Elizabeth	10.2633%
Kiowa	1.5455%
Simla	1.6072%

Fremont County	60.7882%
Brookside	0.0348%
Cañon City	30.9017%
Coal Creek	0.0476%
Florence	8.0681%
Rockvale	0.0687%
Williamsburg	0.0907%

Garfield County	76.3371%
Carbondale	2.4698%
Glenwood Springs	11.8141%
New Castle	1.4295%
Parachute	1.0653%
Rifle	5.2733%
Silt	1.6110%

Gilpin County	46.8613%
Black Hawk	46.3909%
Central City (2 Counties)	6.7478%

Grand County	80.1046%
Fraser	2.4903%
Granby	5.4008%
Grand Lake	0.3174%
Hot Sulphur Springs	0.1431%
Kremmling	2.9284%

Government Name	Intracounty Share
Winter Park	8.6154%

Gunnison County	88.9185%
Crested Butte	2.3562%
Gunnison	5.9501%
Marble	0.1714%
Mount Crested Butte	2.5657%
Pitkin	0.0381%

Hinsdale County	76.0940%
Lake City	23.9060%

Huerfano County	68.2709%
La Veta	11.0719%
Walsenburg	20.6572%

Jackson County	61.5339%
Walden	38.4661%

Jefferson County	58.2140%
Arvada (2 Counties)	11.9733%
Bow Mar (2 Counties)	0.0087%
Edgewater	0.6604%
Golden	3.4815%
Lakeside	0.0030%
Lakewood	15.9399%
Littleton (3 Counties)	0.6176%
Morrison	0.2205%
Mountain View	0.1344%
Superior (2 Counties)	0.0000%
Westminster (2 Counties)	5.4779%
Wheat Ridge	3.2689%

Kiowa County	93.2138%
Eads	5.3777%
Haswell	0.6402%
Sheridan Lake	0.7682%

Kit Carson County	86.3178%
Bethune	0.1841%
Burlington	12.0640%
Flagler	0.4264%
Seibert	0.0291%
Stratton	0.9012%

Government Name	Intracounty Share
Vona	0.0775%

La Plata County	66.8874%
Bayfield	1.6292%
Durango	29.2985%
Ignacio	2.1849%

Lake County	73.4523%
Leadville	26.5477%

Larimer County	56.0589%
Berthoud (2 Counties)	0.4139%
Estes Park	0.3502%
Fort Collins	18.5702%
Johnstown (2 Counties)	0.0711%
Loveland	23.4493%
Timnath (2 Counties)	0.2964%
Wellington	0.3653%
Windsor (2 Counties)	0.4248%

Las Animas County	77.8076%
Aguilar	0.0751%
Branson	0.0101%
Cokedale	0.0188%
Kim	0.0101%
Starkville	0.0087%
Trinidad	22.0696%

Lincoln County	91.3222%
Arriba	0.3444%
Genoa	0.2222%
Hugo	1.4778%
Limon	6.6333%

Logan County	72.7982%
Crook	0.0931%
Fleming	0.3413%
Iliff	0.0095%
Merino	0.4702%
Peetz	0.2029%
Sterling	26.0848%

Mesa County	60.8549%
Collbran	0.0920%

Government Name	Intracounty Share
De Beque	0.0123%
Fruita	1.6696%
Grand Junction	37.1505%
Palisade	0.2208%

Mineral County	87.6744%
City of Creede	12.3256%

Moffat County	91.7981%
Craig	8.1862%
Dinosaur	0.0157%

Montezuma County	79.6682%
Cortez	18.6459%
Dolores	0.6106%
Mancos	1.0753%

Montrose County	92.8648%
Montrose	6.5980%
Naturita	0.1551%
Nucla	0.0703%
Olathe	0.3118%

Morgan County	61.6991%
Brush	8.5522%
Fort Morgan	27.8214%
Hillrose	0.1986%
Log Lane Village	0.6424%
Wiggins	1.0863%

Otero County	60.8168%
Cheraw	0.1888%
Fowler	1.0413%
La Junta	25.9225%
Manzanola	0.6983%
Rocky Ford	8.8215%
Swink	2.5109%

Ouray County	76.0810%
Ouray	17.6541%
Ridgway	6.2649%

Park County	96.3983%
Alma	0.7780%

Government Name	Intracounty Share
Fairplay	2.8237%

Phillips County	52.3463%
Haxtun	13.9505%
Holyoke	33.1803%
Paoli	0.5228%

Pitkin County	47.1379%
Aspen	42.0707%
Basalt (2 Counties)	1.1156%
Snowmass Village	9.6757%

Prowers County	70.4524%
Granada	0.9965%
Hartman	0.3164%
Holly	4.9826%
Lamar	21.5860%
Wiley	1.6661%

Pueblo County	54.6622%
Boone	0.0019%
Pueblo	45.3350%
Rye	0.0008%

Rio Blanco County	78.2831%
Meeker	9.1326%
Rangely	12.5843%

Rio Grande County	68.0724%
Center (2 Counties)	0.7713%
Del Norte	6.7762%
Monte Vista	20.4513%
South Fork	3.9288%

Routt County	58.5353%
Hayden	1.0679%
Oak Creek	0.6360%
Steamboat Springs	39.4499%
Yampa	0.3109%

Saguache County	92.8796%
Bonanza	0.1367%
Center (2 Counties)	6.3687%
Crestone	0.0137%

Government Name	Intracounty Share
Moffat	0.3553%
Saguache	0.2460%

San Juan County	87.0423%
Silverton	12.9577%

San Miguel County	48.7493%
Mountain Village	25.7930%
Norwood	0.4078%
Ophir	0.0816%
Sawpit	0.0272%
Telluride	24.9411%

Sedgwick County	98.7331%
Julesburg	0.3830%
Ovid	0.0295%
Sedgwick	0.8544%

Summit County	57.0567%
Blue River	0.5011%
Breckenridge	26.1112%
Dillon	4.1421%
Frisco	6.5096%
Montezuma	0.0169%
Silverthorne	5.6623%

Teller County	66.1557%
Cripple Creek	17.2992%
Green Mountain Falls (2 Counties)	0.0322%
Victor	3.1685%
Woodland Park	13.3445%

Washington County	99.1320%
Akron	0.7659%
Otis	0.1021%

Weld County	51.9387%
Ault	0.3202%
Berthoud (2 Counties)	0.0061%
Brighton (2 Counties)	0.0927%
Dacono	0.6104%
Eaton	0.4573%
Erie (2 Counties)	0.8591%
Evans	4.5121%

Government Name	Intracounty Share
Firestone	1.4648%
Fort Lupton	0.8502%
Frederick	1.2228%
Garden City	0.1514%
Gilcrest	0.1580%
Greeley	30.6922%
Grover	0.0852%
Hudson	0.0066%
Johnstown (2 Counties)	1.5416%
Keenesburg	0.0215%
Kersey	0.1378%
La Salle	0.4128%
Lochbuie (2 Counties)	0.4004%
Longmont (2 Counties)	0.0154%
Mead	0.0941%
Milliken	1.5373%
Northglenn (2 Counties)	0.0030%
Nunn	0.2558%
Pierce	0.0948%
Platteville	0.3712%
Raymer (New Raymer)	0.0597%
Severance	0.0403%
Thornton (2 Counties)	0.0000%
Timnath (2 Counties)	0.0000%
Windsor (2 Counties)	1.5865%

Yuma County	75.5598%
Eckley	2.5422%
Wray	10.2148%
Yuma	11.6832%

¹These allocations are based on the allocation model used in the Negotiation Class website. The allocation model is the product of prolonged and intensive research, analysis, and discussion by and among members of the court-appointed Plaintiffs' Executive Committee and Settlement Committee and their retained public health and health economics experts, as well as a series of meetings with scores of cities, counties and subdivisions. Additional information about the allocation model is available on the Negotiation Class website.

The allocations in the Negotiation Class website use two different methodologies:

County-Level Allocation

The allocation model uses three factors, based on reliable, detailed, and objective data collected and reported by the federal government, to determine the share of a settlement fund that each county will receive. The three factors are: (1) the amount of opioids shipped to the county, (2) the number of opioid deaths in that county, and (3) the number of people who suffer opioid use disorder in that county.

County/Municipal-Level Allocation

The county/municipal-level allocation is a default allocation to be used if another agreement is not reached between the county and its constituent cities. The formula uses U.S. Census Bureau data on local government spending. This data covers cities and counties for 98% of the U.S. population. If a jurisdiction lacked this data, it was extrapolated based on available data.

²The municipalities of Bow Mar, Johnstown, and Timnath were not reflected as being in multiple counties in the Negotiation Class website. The estimated allocations to those cities are based on the same methodology used in the website, in consultation with the expert. For cities in multiple counties, please see each county in which that city lies.

Exhibit F

Regional Allocations		
Region Number	Region Description	Total State Share
1	Northwest	0.9522%
2	Larimer	6.5211%
3	Weld	3.8908%
4	Logan	1.5896%
5	North Central	2.1061%
6	Boulder	5.7936%
7	Broomfield	1.0014%
8	Adams	9.4247%
9	Arapahoe	10.8071%
10	Jefferson	10.7114%
11	Denver	15.0042%
12	Douglas	3.6696%
13	Mesa	2.8911%
14	Southwest	1.4700%
15	Central	1.5627%
16	El Paso/Teller	12.6116%
17	Southwest Corner	1.4375%
18	South Central	1.0973%
19	Southeast	7.4580%
Total		100.0000%

Exhibit G

Regional Governance Models

A. Membership Structure

Single-County Regions

1. Voting Members (Recommended List: Participating Local Governments to Decide)
 - 1 or 2 representatives appointed by the county (can be commissioners)
 - 1 representative appointed from the public health department
 - 1 representative from the county human services department
 - 1 representative appointed from law enforcement within region (sheriff, police, local city or town district attorney, etc.)
 - 1 representative appointed from a municipal or county court system within region
 - 1-3 representatives (total) appointed by the cities within the county (or other city or cities agreed upon) (can be councilmembers and mayors)
 - Such other representatives as participating counties/cities agree on (not to include providers who may be recipients of funds)
2. Non-Voting Members (Optional but strongly encouraged)
 - Representatives from behavioral health providers
 - Representatives from health care providers
 - Recovery/treatment experts
 - Other county or city representatives
 - A representative from the Attorney General's Office
 - Community representative(s), preferably those with lived experience with the opioid crisis
 - Harm reduction experts

Multi-County Regions

1. Voting Members (Recommended List: Participating Local Governments to Decide)
 - 1 representative appointed by each county (can be commissioners)
 - 1 representative appointed by a rotating city within each county (or other city agreed upon) (can be councilmembers and mayors)
 - 1 representative from each public health department within the region
 - 1 representative from a county human services department
 - At least 1 representative appointed from law enforcement within region (sheriff, police, local city or town district attorney, etc.)
 - 1 representative from a municipal or county court system within region
 - Such other representatives as participating counties/cities agree on (not to include providers who may be recipients of funds)
2. Non-Voting Members (Optional)
 - Representatives from behavioral health providers

- Representatives from health care providers
- Recovery/treatment experts
- Other county or city representatives
- A representative from the Attorney General’s Office
- Community representative(s), preferably those with lived experience with the opioid crisis.
- Harm reduction experts

Single-County Single-City Regions (Denver & Broomfield)

1. Voting Members (Recommended List: Participating Local Government to Decide)¹

- 1 representative appointed by the city and county
- 1 representative appointed from the public health department
- 1 representative from the county human services department
- 1 representative appointed from law enforcement within region (sheriff, police, district attorney, etc.)
- 1 representative appointed from a municipal or county court system within region
- Such other representatives as participating counties/cities agree on (not to include providers who may be recipients of funds)

2. Non-Voting Members (Optional)

- Representatives from behavioral health providers
- Representatives from health care providers
- Recovery/treatment experts
- Other county or city representatives
- A representative from the Attorney General’s Office
- Community representative(s), preferably those with lived experience with the opioid crisis.
- Harm reduction experts

B. Member Terms

- Regions may establish terms of appointment for members. Appointment terms may be staggered.

C. Procedures

- Regions will be governed by an intergovernmental agreement (“IGA”) or memorandum of understanding (“MOU”).
- Regions may adopt the Model Colorado Regional Opioid Intergovernmental Agreement, attached here as Exhibit G-1, in its entirety or alter or amend it as they deem appropriate.

¹ In Denver, the Mayor shall make voting member appointments to the Regional Council. In Broomfield, the City and County Manager shall make voting member appointments to the Regional Council.

- Regions may establish their own procedures through adoption of bylaws (model bylaws to be made available).
- Meetings of regional board/committee shall be open to the public and comply with the Colorado Open Meetings Law (including requirement to keep minutes).

D. Financial Responsibility/Controls

- A local government entity shall nominate and designate a fiscal agent for the Region.
- A Regional fiscal agent must be appointed by the Regional Council on an annual basis. A Regional fiscal agent may serve as long as the Regional Council determines is appropriate, including the length of any Settlement that contemplates the distribution of Opioid Funds within Colorado. However, the Regional fiscal agent also can change over time.
- Regional fiscal agents must be a board of county commissioners or a city or town council or executive department, such as a department of finance.
- Yearly reporting by fiscal agent (using standard form) to the Abatement Council.
- All documents subject to CORA.

E. Conflicts of Interest

- Voting members shall abide by the conflict-of-interest rules applicable to local government officials under state law.

F. Ethics Laws

- Voting members shall abide by applicable state or local ethics laws, as appropriate.

G. Authority

- The Regional Council for each region shall have authority to decide how funds allocated to the region shall be distributed in accordance with the Colorado MOU and shall direct the fiscal agent accordingly.
- Any necessary contracts will be entered into by the fiscal agent, subject to approval by the Regional Council.

H. Legal Status

- The region shall not be considered a separate legal entity, unless the Participating Local Governments decide, through an IGA, to create a separate governmental entity.

Exhibit G-1

MODEL COLORADO REGIONAL OPIOID
INTERGOVERNMENTAL AGREEMENT²

THIS MODEL COLORADO REGIONAL OPIOID INTERGOVERNMENTAL AGREEMENT (the “Regional Agreement”) is made between _____, a Participating Local Government, as defined in the Colorado MOU, in the _____ Region (“_____”) and _____, a Participating Local Government in the _____ Region, (“_____”), individually herein a “Regional PLG” and collectively the “Regional PLGs.””

RECITALS

WHEREAS, the State of Colorado and Participating Local Governments executed the Colorado Opioids Summary Memorandum of Understanding on _____ 2021 (the “Colorado MOU”), establishing the manner in which Opioid Funds shall be divided and distributed within the State of Colorado;

WHEREAS, the Regional Agreement assumes and incorporates the definitions and provisions contained in the Colorado MOU, and the Regional Agreement shall be construed in conformity with the Colorado MOU³;

WHEREAS, all Opioid Funds, regardless of allocation, shall be used for Approved Purposes;

WHEREAS, Participating Local Governments shall organize themselves into Regions, as further depicted in **Exhibit E** to the Colorado MOU;

² This Model Regional Agreement is meant to serve as an example for the various Regions and to facilitate the flow of Opioid Funds to their intended purposes. Regions are free to adopt this Regional Agreement in its entirety or alter or amend it as they deem appropriate.

³ When drafting agreements like this Regional Agreement, Regional PLGs should be conscious of the definitions used therein so as not to confuse such definitions with those used in the Colorado MOU. The Definitions in the Colorado MOU shall supersede any definitions used by Regional PLGs in a Regional Agreement.

WHEREAS, Regions may consist of Single-County Regions, Multi-County Regions, or Single County-Single City Regions (Denver and Broomfield).

WHEREAS, there shall be a 60% direct allocation of Opioid Funds to Regions through a Regional Share;

WHEREAS, each Region shall be eligible to receive a Regional Share according to **Exhibit C** to the Colorado MOU;

WHEREAS, the Colorado MOU establishes the procedures by which each Region shall be entitled to Opioid Funds from the Abatement Council and administer its Regional Share allocation;

WHEREAS, the procedures established by the Colorado MOU include a requirement that each Region shall create its own Regional Council;

WHEREAS, all aspects of the creation, administration, and operation of the Regional Council shall proceed in accordance with the provisions of the Colorado MOU;

WHEREAS, each such Regional Council shall designate a fiscal agent from a county or municipal government within that Region;

WHEREAS, each such Regional Council shall submit a two-year plan to the Abatement Council that identifies the Approved Purposes for which the requested funds will be used, and the Regional Council's fiscal agent shall provide data and a certification to the Abatement Council regarding compliance with its two-year plan on an annual basis;

WHEREAS, the Regional Agreement pertains to the procedures for the Regional PLGs to establish a Regional Council, designate a fiscal agent, and request and administer Opioid Funds in a manner consistent with the Colorado MOU;

NOW, THEREFORE, in consideration of the mutual covenants and agreements hereinafter set forth and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Regional PLGs incorporate the recitals set forth above and agree as follows:

1. **DEFINITIONS**. The defined terms used in this Regional Agreement shall have the same meanings as in the Colorado MOU⁴. Capitalized terms used herein and not otherwise defined within the Regional Agreement or in the Colorado MOU shall have the meanings ascribed to them in the body of the Regional Agreement.
2. **OBLIGATIONS OF THE REGIONAL PLGS**. The Regional PLGs shall perform their respective obligations as set forth in the Regional Agreement, the Colorado MOU and the accompanying exhibits to the Colorado MOU and incorporated herein by reference.
3. **REGIONAL COUNCIL**.
 - 3.1. **Purpose:** In accordance with the Colorado MOU, a Regional Council, consisting of representatives appointed by the Regional PLGs, shall be created to oversee the procedures by which a Region may request Opioid Funds from the Abatement Council and the procedures by which the allocation of its Region's Share of Opioid Funds are administered.
 - 3.2. **Membership:** The Regional Council of a Multi-County or Single County Region shall consist of the following:
 - a. **Multi-County Region:**
 - (i) **Voting Members.** Voting Members shall be appointed by the Regional PLGs. The Regional PLGs shall collaborate to appoint Regional Council members and to the extent practicable, Voting Members shall be selected from different counties and cities. No single county or city should dominate the make-up of the Regional Council. Voting Members shall be selected as follows:
 - (1) 1 representative appointed by each county (can be commissioners).
 - (2) 1 representative appointed from a rotating city within each county (or other city agreed upon) (can be councilmembers and mayors). A rotating city member shall be selected by majority vote of the cities within each county who do not have a Voting Member currently sitting on the Regional

⁴ See FN 2, *supra*.

Council.

- (3) 1 representative from each public health department within the region.
- (4) 1 representative from a county human services department.
- (5) At least 1 representative appointed from law enforcement within the region (sheriff, police, local city or town district attorney, etc.).
- (6) 1 representative from a municipal or county court system within the region.

b. Single-County Region:

(i) **Voting Members.** Voting Members shall be appointed by the Regional PLGs. The Regional PLGs shall collaborate to appoint Regional Council members and to the extent practicable, Voting Members shall be selected from different cities within the region. No single city should dominate the make-up of the Regional Council. Voting Members shall be selected as follows:

- (1) 1 or 2 representatives appointed by the county (can be commissioners)
- (2) 1 representative appointed from the public health department
- (3) 1 representative from the county human services department
- (4) 1 representative appointed from law enforcement within region (sheriff, police, local city or town district attorney, etc.)
- (5) 1 representative appointed from a municipal or county court system within region
- (6) 1-3 representatives (total) appointed by rotating cities within the county (or other city or cities agreed upon) (can be councilmembers and mayors). Rotating city members shall be selected by majority vote of the cities who do not have a Voting Member currently sitting on the Regional Council.
- (7) Such other representatives as participating counties/cities agree on (not to include providers who may be recipients of

funds)

- c. **Non-Voting Members.** For both Multi-County and Single County Regions, Non-Voting Members are optional but are strongly encouraged. Non-voting members shall serve in an advisory capacity. Any Non-Voting Members shall be appointed by the Regional PLGs and may be comprised of all or some of the following, not to include potential recipients of funds:
- (i) Representatives from behavioral health providers.
 - (ii) Representatives from health care providers.
 - (iii) Recovery/treatment experts.
 - (iv) Other county or city representatives.
 - (v) A representative from the Attorney General's Office.
 - (vi) Community representative(s), preferably those with lived experience with the opioid crisis.
 - (vii) Harm reduction experts.
- d. **Acting Chair:** The Voting Members for both Multi-County and Single-County Regions shall appoint one member to serve as Acting Chair of the Regional Council. The Acting Chair's primary responsibilities shall be to schedule periodic meetings and votes of the Regional Council as needed and to serve as the point of contact for disputes within the Region. The Acting Chair must be either a Member from a county within a Region, such as a county commissioner or their designee, or a Member from a city or town within a Region, such as a mayor or city or town council member or their designee.
- e. **Non-Participation:** A Local Government that chooses not to become a Participating Local Government in the Colorado MOU shall not receive any Opioid Funds from the Regional Share or participate in the Regional Council.
- f. **Terms:** The Regional Council shall be established within ninety (90) days of the first Settlement being entered by a court of competent jurisdiction, including any bankruptcy court. In order to do so, within sixty (60) days of the first Settlement being entered, CCI and CML shall jointly recommend six (6) Voting Members, and so long as such recommendations comply with the terms of Section 3.2 (a) or (b), the Regional Council shall consist of CCI/CML's recommended Members for

an initial term not to exceed one year.⁵ Thereafter, Voting Members shall be appointed in accordance with Section 3.2 (a) or (b) and shall serve two-year terms. Following the expiration of that two-year term, the Regional PLGs, working in concert, shall reappoint that Voting Member, or appoint a new Voting Member according to Section 3.2 (a) or (b).

- (i) If a Voting Member resigns or is otherwise removed from the Regional Council prior to the expiration of their term, a replacement Voting Member shall be appointed within sixty (60) days in accordance with Section 3.2 (a) or (b) to serve the remainder of the term. If the Regional PLGs are unable to fill a Voting Member vacancy within sixty (60) days, the existing Voting Members of the Regional Council at the time of the vacancy shall work collectively to appoint a replacement Voting Member in accordance with Section 3.2 (a) or (b). At the end of his or her term, the individual serving as that replacement Voting Member may be reappointed by the Regional PLGs to serve a full term consistent with this Section.
- (ii) The purpose of the two-year term is to allow Regional PLGs an increased opportunity to serve on the Regional Council. However, Regional Council members who have already served on the Regional Council may be appointed more than once and may serve consecutive terms if appointed to do so by the Regional Council.

3.3. Duties: The Regional Council is primarily responsible for engaging with the Abatement Council on behalf of its Region and following the procedures outlined in the Colorado MOU for requesting Opioid Funds from the Regional Share, which shall include developing 2-year plans, amending those plans as appropriate, and providing the Abatement Council with data through its fiscal agent regarding Opioid Fund expenditures. Upon request from the Abatement Council, the Regional Council may also be subject to an accounting from the Abatement Council.

3.4. Governance: A Regional Council may establish its own procedures through adoption of bylaws if needed. Any governing documents must be consistent with the other provisions in this section and the Colorado MOU.

3.5. Authority: The terms of the Colorado MOU control the authority of a Regional Council and a Regional Council shall not stray outside the bounds of the authority and power vested by the Colorado MOU. Should a Regional Council require legal assistance in determining its authority,

⁵ Local Governments within Multi-County or Single County Regions may decide to select initial Voting Members of the Regional Council between themselves and without CCI and CML involvement. However, the Regional Council must be established within ninety (90) days of the first Settlement being entered by a court of competent jurisdiction, including any bankruptcy court.

it may seek guidance from the legal counsel of the county or municipal government of the Regional Council's fiscal agent at the time the issue arises.

3.6. Collaboration: The Regional Council shall facilitate collaboration between the State, Participating Local Governments within its Region, the Abatement Council, and other stakeholders within its Region for the purposes of sharing data, outcomes, strategies, and other relevant information related to abating the opioid crisis in Colorado.

3.7. Transparency: The Regional Council shall operate with all reasonable transparency and abide by all Colorado laws relating to open records and meetings. To the extent the Abatement Council requests outcome-related data from the Regional Council, the Regional Council shall provide such data in an effort to determine best methods for abating the opioid crisis in Colorado.

3.8. Conflicts of Interest: Voting Members shall abide by the conflict-of-interest rules applicable to local government officials under state law.

3.9. Ethics Laws: Voting Members shall abide by their local ethics laws or, if no such ethics laws exist, by applicable state ethics laws.

3.10. Decision Making: The Regional Council shall seek to make all decisions by consensus. In the event consensus cannot be achieved, the Regional Council shall make decisions by a majority vote of its Members.

4. REGIONAL FISCAL AGENT

4.1. Purpose: According to the Colorado MOU, the Regional Council must designate a fiscal agent for the Region prior to the Region receiving any Opioid funds from the Regional Share. All funds from the Regional Share shall be distributed to the Regional Council's fiscal agent for the benefit of the entire Region.

4.2. Designation: The Regional Council shall nominate and designate a fiscal agent for the Region by majority vote. Regional fiscal agents must be a board of county commissioners or a city or town council or executive department, such as a department of finance.

4.3. Term: A Regional fiscal agent must be appointed by the Regional Council on an annual basis. A Regional fiscal agent may serve as long as the Regional Council determines is appropriate, including the length of any Settlement that contemplates the distribution of Opioid Funds within Colorado.

4.4. Duties: The Regional fiscal agent shall receive, deposit, and make available Opioid Funds distributed from the Abatement Council and provide expenditure reporting data to the

Abatement Council on an annual basis. In addition, the Regional fiscal agent shall perform certain recordkeeping duties outlined below.

- a. **Opioid Funds:** The Regional fiscal agent shall receive all Opioid Funds as distributed by the Abatement Council. Upon direction by the Regional Council, the Regional fiscal agent shall make any such Opioid Funds available to the Regional Council.
- b. **Reporting:** On an annual basis, as determined by the Abatement Council, the Regional fiscal agent shall provide to the Abatement Council the Regional Council's expenditure data from their allocation of the Regional Share and certify to the Abatement Council that the Regional Council's expenditures were for Approved Purposes and complied with its 2-year plan.
- c. **Recordkeeping:** The Regional fiscal agent shall maintain necessary records with regard the Regional Council's meetings, decisions, plans, and expenditure data.

4.5. Authority: The fiscal agent serves at the direction of the Regional Council and in service to the entire Region. The terms of the Colorado MOU control the authority of a Regional Council, and by extension, the Regional fiscal agent. A Regional fiscal agent shall not stray outside the bounds of the authority and power vested by the Colorado MOU.

5. REGIONAL TWO-YEAR PLAN

5.1. Purpose: According to the Colorado MOU, as part of a Regional Council's request to the Abatement Council for Opioid Funds from its Regional Share, the Regional Council must submit a 2-year plan identifying the Approved Purposes for which the requested funds will be used.

5.2 Development of 2-Year Plan: In developing a 2-year plan, the Regional Council shall solicit recommendations and information from all Regional PLGs and other stakeholders within its Region for the purposes of sharing data, outcomes, strategies, and other relevant information related to abating the opioid crisis in Colorado. At its discretion, a Regional Council may seek assistance from the Abatement Council for purposes of developing a 2-year plan.

5.3 Amendment: At any point, a Regional Council's 2-year plan may be amended so long as such amendments comply with the terms of the Colorado MOU and any Settlement.

6. DISPUTES WITHIN REGION. In the event that any Regional PLG disagrees with a decision of the Regional Council, or there is a dispute regarding the appointment of Voting or Non-Voting Members to the Regional Council, that Regional PLG shall inform the Acting Chair of its dispute at the earliest

possible opportunity. In Response, the Regional Council shall gather any information necessary to resolve the dispute. Within fourteen (14) days of the Regional PLG informing the Acting Chair of its dispute, the Regional Council shall issue a decision with respect to the dispute. In reaching its decision, the Regional Council may hold a vote of Voting Members, with the Acting Chair serving as the tie-breaker, or the Regional Council may devise its own dispute resolution process. However, in any disputes regarding the appointment of a Voting Member, that Voting Member will be recused from voting on the dispute. The decision of the Regional Council is a final decision.

7. **DISPUTES WITH ABATEMENT COUNCIL.** If the Regional Council disputes the amount of Opioid Funds it receives from its allocation of the Regional Share, the Regional Council shall alert the Abatement Council within sixty (60) days of discovering the information underlying the dispute. However, the failure to alert the Abatement Council within this time frame shall not constitute a waiver of the Regional Council's right to seek recoupment of any deficiency in its Regional Share.
8. **RECORDKEEPING.** The acting Regional fiscal agent shall be responsible for maintaining records consistent with the Regional Agreement.
9. **AUTHORIZED REPRESENTATIVES.** Each Regional PLGs' representative designated below shall be the point of contact to coordinate the obligations as provided herein. The Regional PLGs designate their authorized representatives under this Regional Agreement as follows:
 - 9.1. _____ designates the ____ of the _____ or their designee(s).
 - 9.2. _____ designates the ____ of the _____ or their designee(s).
10. **OBLIGATIONS OF THE REGIONAL PLGS.** The Regional PLGs shall perform their respective obligations as set forth in the Regional Agreement, the Colorado MOU and the accompanying exhibits to the Colorado MOU and incorporated herein by reference.
11. **TERM.** The Regional Agreement will commence on _____, and shall expire on the date the last action is taken by the Region, consistent with the terms of the Colorado MOU and any Settlement. (the "Term").
12. **INFORMATIONAL OBLIGATIONS.** Each Regional PLG hereto will meet its obligations as set forth in § 29-1-205, C.R.S., as amended, to include information about this Regional Agreement in a filing with the Colorado Division of Local Government; however, failure to do so shall in no way affect the validity of this Regional Agreement or any remedies available to the Regional PLGs hereunder.
13. **CONFIDENTIALITY.** The Regional PLGs, for themselves, their agents, employees and representatives, agree that they will not divulge any confidential or proprietary information they receive from another Regional PLG or otherwise have access to, except as may be required by law. Nothing in this Regional

Agreement shall in any way limit the ability of the Regional PLGs to comply with any laws or legal process concerning disclosures by public entities. The Regional PLGs understand that all materials exchanged under this Regional Agreement, including confidential information or proprietary information, may be subject to the Colorado Open Records Act., § 24-72-201, *et seq.*, C.R.S., (the “Act”). In the event of a request to a Regional PLG for disclosure of confidential materials, the Regional PLG shall advise the Regional PLGs of such request in order to give the Regional PLGs the opportunity to object to the disclosure of any of its materials which it marked as, or otherwise asserts is, proprietary or confidential. If a Regional PLG objects to disclosure of any of its material, the Regional PLG shall identify the legal basis under the Act for any right to withhold. In the event of any action or the filing of a lawsuit to compel disclosure, the Regional PLG agrees to intervene in such action or lawsuit to protect and assert its claims of privilege against disclosure of such material or waive the same. If the matter is not resolved, the Regional PLGs may tender all material to the court for judicial determination of the issue of disclosure.

14. GOVERNING LAW; VENUE. This Regional Agreement shall be governed by the laws of the State of Colorado. Venue for any legal action relating solely to this Regional Agreement will be in the applicable District Court of the State of Colorado for the county of the Region’s fiscal agent. Venue for any legal action relating to the Colorado MOU shall be in a court of competent jurisdiction where a Settlement or consent decree was entered, as those terms are described or defined in the Colorado MOU. If a legal action relates to both a Regional Agreement and the Colorado MOU, venue shall also be in a court of competent jurisdiction where a Settlement or consent decree was entered.

15. TERMINATION. The Regional PLGs enter into this Regional Agreement to serve the public interest. If this Regional Agreement ceases to further the public interest, a Regional PLG, in its discretion, may terminate their participation in the Regional Agreement, in whole or in part, upon written notice to the other Regional PLGs. Each Regional PLG also has the right to terminate the Regional Agreement with cause upon written notice effective immediately, and without cause upon thirty (30) days prior written notice to the other Regional PLGs. A Regional PLG’s decision to terminate this Regional Agreement, with or without cause, shall have no impact on the other Regional PLGs present or future administration of its Opioid Funds and the other procedures outlined in this Regional Agreement. Rather, a Regional PLG’s decision to terminate this Regional Agreement shall have the same effect as non-participation, as outlined in Section 3.2 (e).

16. NOTICES. “Key Notices” under this Regional Agreement are notices regarding default, disputes, or termination of the Regional Agreement. Key Notices shall be given in writing and shall be deemed

received if given by confirmed electronic transmission that creates a record that may be retained, retrieved and reviewed by a recipient thereof, and that may be directly reproduced in paper form by such a recipient through an automated process, but specifically excluding facsimile transmissions and texts when transmitted, if transmitted on a business day and during normal business hours of the recipient, and otherwise on the next business day following transmission; certified mail, return receipt requested, postage prepaid, three business days after being deposited in the United States mail; or overnight carrier service or personal delivery, when received. For Key Notices, the Regional PLGs will follow up any electronic transmission with a hard copy of the communication by the means described above. All other communications or notices between the Regional PLGs that are not Key Notices may be done via electronic transmission. The Regional PLGs agree that any notice or communication transmitted by electronic transmission shall be treated in all manner and respects as an original written document; any such notice or communication shall be considered to have the same binding and legal effect as an original document. All Key Notices shall include a reference to the Regional Agreement, and Key Notices shall be given to the Regional PLGs at the following addresses:

17. GENERAL TERMS AND CONDITIONS

- 17.1. Independent Entities.** The Regional PLGs enter into this Regional Agreement as separate, independent governmental entities and shall maintain such status throughout.
- 17.2. Assignment.** This Regional Agreement shall not be assigned by any Regional PLG without the prior written consent of all Regional PLGs. Any assignment or subcontracting without such consent will be ineffective and void and will be cause for termination of this Regional Agreement.
- 17.3. Integration and Amendment.** This Regional Agreement represents the entire agreement between the Regional PLGs and terminates any oral or collateral agreement or understandings. This Regional Agreement may be amended only by a writing signed by the Regional PLGs. If any provision of this Regional Agreement is held invalid or unenforceable, no other provision shall be affected by such holding, and the remaining provision of this Regional Agreement shall continue in full force and effect.

- 17.4. No Construction Against Drafting Party.** The Regional PLGs and their respective counsel have had the opportunity to review the Regional Agreement, and the Regional Agreement will not be construed against any Regional PLG merely because any provisions of the Regional Agreement were prepared by a particular Regional PLG.
- 17.5. Captions and References.** The captions and headings in this Regional Agreement are for convenience of reference only and shall not be used to interpret, define, or limit its provisions. All references in this Regional Agreement to sections (whether spelled out or using the § symbol), subsections, exhibits or other attachments, are references to sections, subsections, exhibits or other attachments contained herein or incorporated as a part hereof, unless otherwise noted.
- 17.6. Statutes, Regulations, and Other Authority.** Any reference in this Regional Agreement to a statute, regulation, policy or other authority shall be interpreted to refer to such authority then current, as may have been changed or amended since the execution of this Regional Agreement.
- 17.7. Conflict of Interest.** No Regional PLG shall knowingly perform any act that would conflict in any manner with said Regional PLG's obligations hereunder. Each Regional PLG certifies that it is not engaged in any current project or business transaction, directly or indirectly, nor has it any interest, direct or indirect, with any person or business that might result in a conflict of interest in the performance of its obligations hereunder. No elected or employed member of any Regional PLG shall be paid or receive, directly or indirectly, any share or part of this Regional Agreement or any benefit that may arise therefrom.
- 17.8. Inurement.** The rights and obligations of the Regional PLGs to the Regional Agreement inure to the benefit of and shall be binding upon the Regional PLGs and their respective successors and assigns, provided assignments are consented to in accordance with the terms of the Regional Agreement.
- 17.9. Survival.** Notwithstanding anything to the contrary, the Regional PLGs understand and agree that all terms and conditions of this Regional Agreement and any exhibits that require continued performance or compliance beyond the termination or expiration of this Regional Agreement shall survive such termination or expiration and shall be enforceable against a Regional PLG if such Regional PLG fails to perform or comply with such term or condition.
- 17.10. Waiver of Rights and Remedies.** This Regional Agreement or any of its provisions may not be waived except in writing by a Regional PLG's authorized representative. The failure of a

Regional PLG to enforce any right arising under this Regional Agreement on one or more occasions will not operate as a waiver of that or any other right on that or any other occasion.

17.11. No Third-Party Beneficiaries. Enforcement of the terms of the Regional Agreement and all rights of action relating to enforcement are strictly reserved to the Regional PLGs. Nothing contained in the Regional Agreement gives or allows any claim or right of action to any third person or entity. Any person or entity other than the Regional PLGs receiving services or benefits pursuant to the Regional Agreement is an incidental beneficiary only.

17.12. Records Retention. The Regional PLGs shall maintain all records, including working papers, notes, and financial records in accordance with their applicable record retention schedules and policies. Copies of such records shall be furnished to the Parties request.

17.13. Execution by Counterparts; Electronic Signatures and Records. This Regional Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same instrument. The Regional PLGs approve the use of electronic signatures for execution of this Regional Agreement. All use of electronic signatures shall be governed by the Uniform Electronic Transactions Act, C.R.S. §§ 24-71.3-101, *et seq.* The Regional PLGs agree not to deny the legal effect or enforceability of the Regional Agreement solely because it is in electronic form or because an electronic record was used in its formation. The Regional PLGs agree not to object to the admissibility of the Regional Agreement in the form of an electronic record, or a paper copy of an electronic document, or a paper copy of a document bearing an electronic signature, on the ground that it is an electronic record or electronic signature or that it is not in its original form or is not an original.

17.14. Authority to Execute. Each Regional PLG represents that all procedures necessary to authorize such Regional PLG's execution of this Regional Agreement have been performed and that the person signing for such Regional PLG has been authorized to execute the Regional Agreement.

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Colorado Opioids Settlement Memorandum of Understanding **Summary**

Below is a brief overview of the key provisions outlined in the Colorado Opioids Settlement Memorandum of Understanding (“Colorado MOU”). The Colorado MOU was signed by Colorado Attorney General Phil Weiser on August 26, 2021. In order to receive the full settlement payments for all of Colorado, strong participation by local governments signing on to the Colorado MOU is necessary.

Local governments and the State prepared the Colorado MOU, which prioritizes regionalism, collaboration, and abatement in the sharing and distribution of opioid settlement funds. The points below summarize the framework laid out in the Colorado MOU for distributing and sharing opioids settlement proceeds throughout Colorado. Please see the full Colorado MOU and exhibits for additional details.

While Colorado’s local governments are currently being asked to participate in recent settlements with the “Big 3” Distributors (AmerisourceBergen, Cardinal Health, and McKesson) and Johnson & Johnson, the Colorado MOU is intended to apply to all current and future opioid settlements.

A. Allocation of Settlement Funds

The Colorado MOU provides the framework for fairly dividing and sharing settlement proceeds among the state and local governments in Colorado. Under the Colorado MOU, settlement proceeds will be distributed as follows:

- 1. 10%** directly to the State (“State Share”)
- 2. 20%** directly to Participating Local Governments (“LG Share”)
- 3. 60%** directly to Regions (“Regional Share”)
- 4. 10%** to specific abatement infrastructure projects (“Statewide Infrastructure Share”)

Under the Colorado MOU, all settlement funds must be used only for “Approved Purposes,” a long and broad list that focuses on abatement strategies. These strategies emphasize prevention, treatment, and harm reduction. Some examples of these strategies include training health care providers on opioid use disorder (“OUD”) treatment and responsible prescribing, expanding telehealth and mobile services for treatment, and increasing naloxone and rescue breathing supplies. The list of Approved Purposes is broad enough to be flexible for local communities, while ensuring that settlement funds are used to combat the opioid epidemic. The list of Approved Purposes is attached as Exhibit A to the MOU, unless the term is otherwise defined in a settlement.

B. General Abatement Fund Council

A General Abatement Fund Council (the “Abatement Council”), consisting of representatives appointed by the State and Participating Local Governments, will ensure that the distribution of opioid funds complies with the terms of any settlement and the terms of the Colorado MOU. The Abatement Council will consist of 13 members, seven appointed by the State and six appointed by the Participating Local Governments.

C. Local Government Share (20%)

Twenty percent of settlement funds will be paid directly to Participating Local Governments. Exhibit D to the Colorado MOU lists the percentage to each County Area (that is, the county government plus the municipalities within that county), and Exhibit E further breaks down those allocations to an intracounty level using a default allocation.

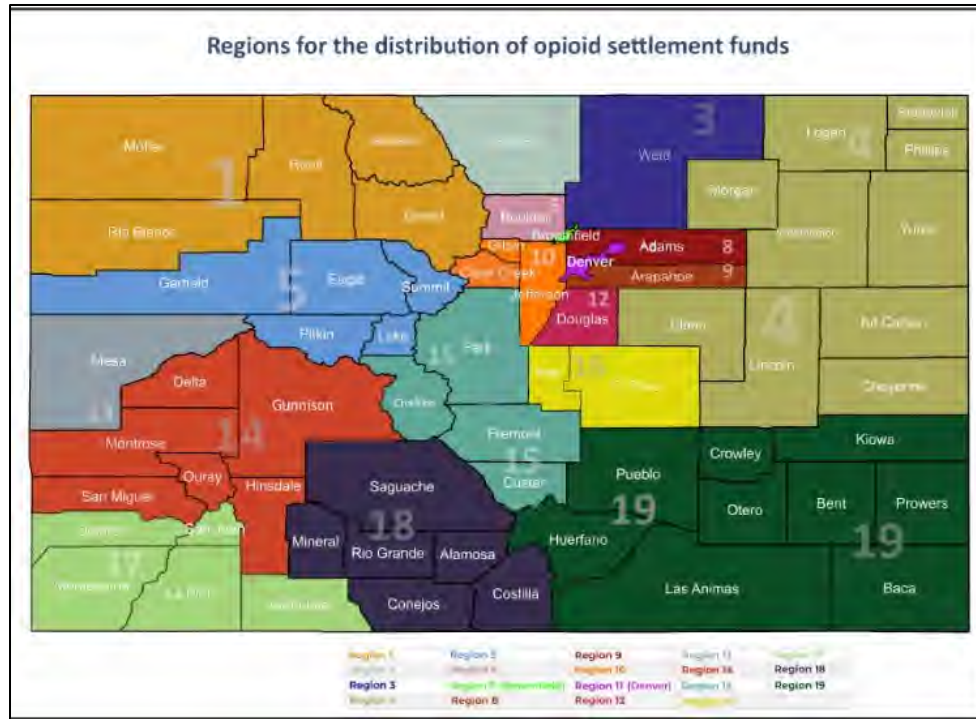
The allocations to each County Area in Exhibit D are based on three factors that address critical causes and effects of the opioid crisis: (1) the number of persons suffering opioid use disorder in the county; (2) the number of opioid overdose deaths that occurred in the county; and (3) the amount of opioids distributed within the county.

The intracounty allocations in Exhibit E are a default allocation that will apply unless the local governments in a County Area enter into a written agreement providing for a different allocation. These allocations are based on a model, developed by health economist experts, which uses data from the State and Local Government Census on past spending relevant to opioid abatement.

Participating Local Governments will provide data on expenditures from the LG Share to the Abatement Council on an annual basis. If a local government wishes, it may forego its LG Share and direct it to the Regional Share. A local government that chooses not to participate or sign onto the Colorado MOU will not receive funds from the LG Share and the portion of the LG Share that it would have received will instead be re-allocated to the Regional Share for the region where that local government is located.

D. Regional Share (60%)

Sixty percent of settlement funds will be allocated to single- or multi-county regions made up of local governments. These regions were drawn by local governments to make use of existing local infrastructure and relationships. The regional map is shown below, as well as in Exhibit C to the Colorado MOU:



Allocations to regions will be calculated according to the percentages in Exhibit F. Each region will create its own “Regional Council” to determine what Approved Purposes to fund with that region’s allocation from the Regional Share. Regional governance models are attached to the Colorado MOU as Exhibit G. Each region may draft its own intra-regional agreements, bylaws, or other governing documents to determine how the Regional Council will operate, subject to the terms of the Colorado MOU. Each Regional Council will provide expenditure data to the Abatement Council on an annual basis.

A local government that chooses not to participate or sign onto the Colorado MOU shall not receive any opioid funds from the Regional Share and shall not participate in the Regional Councils.

E. State Share (10%)

Ten percent of settlement funds will be allocated directly to the State for statewide priorities in combating the opioid epidemic. The State maintains full discretion over distribution of the State Share anywhere within the State of Colorado. On an annual basis, the State shall provide all data on expenditures from the State Share, including administrative costs, to the Abatement Council.

F. Statewide Infrastructure Share (10%)

Ten percent of the settlement funds will be allocated to a Statewide Infrastructure Share to promote capital improvements and provide operational assistance for the development or improvement of infrastructure necessary to abate the opioid crisis anywhere in Colorado.

The Abatement Council shall establish and publish policies and procedures for the distribution and oversight of the Statewide Infrastructure Share, including processes for local governments or regions to apply for opioid funds from the Statewide Infrastructure Share.

G. Attorneys' Fees and Expenses Paid Through a Back-Stop Fund

To a large extent, the national opioid settlements occurred because of the pressure that litigating entities and their counsel exerted on defendants through their lawsuits. The attorneys' fee provision equitably allocates the cost of attorneys' fees, while also allowing non-litigating entities to share in the 25% premium for releases by the litigating entities in the "Big 3" Distributor and Johnson & Johnson settlements. The work that was done by the litigating entities and their law firms in the litigation has substantially contributed to achieving the settlements that are currently being offered and those that are anticipated in the future.

The Attorney General and local governments have agreed to a "Back-Stop Fund" for attorneys' fees and costs. Before a law firm can apply to the Back-Stop Fund, it must first apply to any national common benefit fee fund. The Back-Stop Fund will only be used to pay the difference between what law firms are owed and the amount they have received from a national common benefit fee fund.

Attorneys' fees are limited to 8.7% of the total LG Share and 4.35% of the total Regional Share. No funds will be taken from the Statewide Infrastructure Share or State Share.

A committee will be formed to oversee payments from the Back-Stop Fund. The committee will include litigating and non-litigating entities. Importantly, any excess money in the Back-Stop fund, after attorneys' fees and costs are paid, will go back to the local governments.

H. Participation in the Colorado MOU and Expected Timeline

The MOU was designed to ensure that as many local governments as possible would agree to its terms. Strong participation from local governments is needed to receive the full settlement payments for all of Colorado. On August 26, 2021, Colorado Attorney General Phil Weiser signed the MOU. It is projected that settlement funds from the "Big 3" Distributor/Johnson & Johnson settlements could be made available as soon as July 2022 and will be distributed within Colorado according to the MOU.

Along with the MOU, each local government will need to sign a Subdivision Settlement Participation Form for each of the settlements (the "Big 3" Distributor settlement and the Johnson & Johnson settlement) releasing their legal claims and stating they are participating in the settlements. In addition, a Colorado Subdivision Escrow Agreement should be signed to ensure legal claims are released only when 95% participation by certain local governments has been reached. That 95% participation threshold is important because it triggers certain amounts of incentive payments under the settlements and signals to the settling pharmaceutical companies that the settlements have wide acceptance.

A copy of the MOU with signature pages for each local government, the Subdivision Settlement Participation Forms, and the Colorado Subdivision Escrow Agreement will be

provided by the Attorney General’s Office. The documents should be executed by the individual or body with authority to do so on behalf of their respective county or municipality and submitted by mail or email to either CCI or CML at the following addresses:

<p><u>For Counties:</u></p> <p>Colorado Counties, Inc. 800 Grant, Ste 500 Denver, CO 80203</p> <p>Email: Kyley Burress at KBurress@ccionline.org Katie First at KFirst@ccionline.org</p>	<p><u>For Municipalities:</u></p> <p>Colorado Municipal League 1144 N. Sherman St. Denver, CO 80203</p> <p>Email: opioidsettlement@cml.org</p>
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If you have any questions, please reach out to Heidi Williams of the Colorado AG’s office at Heidi.Williams@coag.gov.

Colorado Opioids Settlement MOU: Frequently Asked Questions

1. What does this “settle” and why does Colorado need an MOU?

Nationwide settlements have been reached with the “Big 3” opioid distributors (McKesson, Cardinal Health, and AmerisourceBergen) and opioid manufacturer Johnson & Johnson to resolve claims by state and local governments that these companies contributed to the opioid epidemic. The claims being settled include those raised by local governments in the national multi-district litigation (“MDL”), *In Re: National Prescription Opiate Litigation*, MDL 2804 (N.D. Ohio). More information about these settlements can be found at <https://nationalopioidsettlement.com/>.

The Colorado MOU establishes the framework for distributing and sharing these settlement proceeds throughout Colorado. Local governments and the State prepared the Colorado MOU, which prioritizes regionalism, collaboration, and abatement. It is expected that the Colorado MOU will also be used for settlements with other opioid defendants in the future, including any settlement from Purdue Pharma’s bankruptcy proceeding. Colorado Attorney General Phil Weiser signed the MOU on August 26, 2021. The Colorado MOU is included in this packet from the Attorney General’s Office and can also be found at www.coag.gov/opioids.

2. Who put together the Colorado MOU?

Local government officials from across Colorado were involved in the negotiation of the Colorado MOU with the Attorney General’s Office. County commissioners, mayors, county and city attorneys, and other stakeholders came together with the assistance of Colorado Counties, Inc. (“CCI”) and the Colorado Municipal League (“CML”) to establish the framework and negotiate the details of the Colorado MOU.

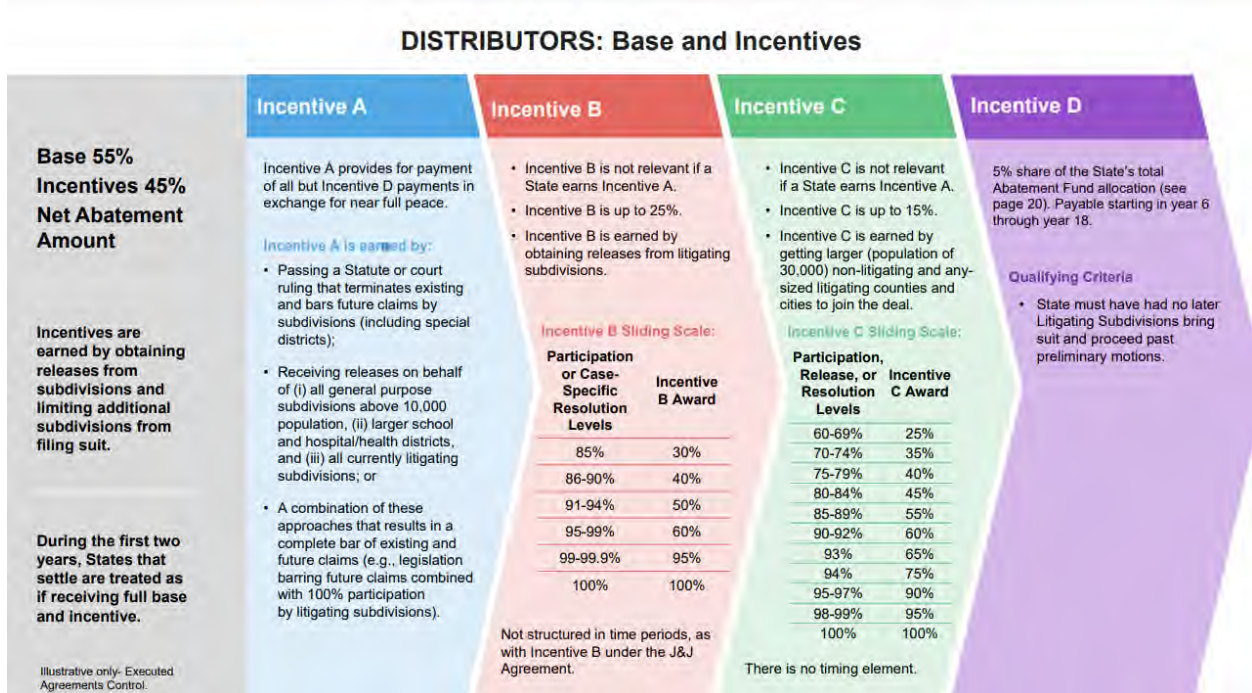
3. How much money will Colorado receive and over what period of time?

Funds from the Big 3 and Johnson & Johnson settlements will be distributed over a period of years. The Big 3 distributors will pay a maximum of \$21 billion over 18 years, while Johnson & Johnson will pay a maximum of \$5 billion over no more than nine years. In total, up to approximately \$22.8 billion in settlement proceeds will be payable to state and local subdivisions nationwide. Each state receives a percentage of that recovery, and Colorado’s maximum share from these settlements will likely be more than \$300 million.

However, as discussed more below, Colorado will receive its maximum share of settlement payments only if enough local governments sign on to the deal. Also, the settling defendants have the option to “walk away” from the deals if there is not enough participation, so it is important that a “critical mass” of local governments signs on soon. Otherwise, the entire deal could fall through.

4. How can we maximize Colorado's recovery?

The MOU was designed to ensure that as many local governments as possible would agree to its terms. The Big 3 Distributor and Johnson & Johnson settlements include incentive payments based on how many governments participate. Strong participation from local governments is needed to receive the full settlement payments for all of Colorado. Local governments should sign the Colorado Subdivision Escrow Agreement to ensure their legal claims are released only when 95% participation by local governments has been reached, which secures significant incentive payments under these settlement agreements. For more information on the incentive payments, please see the graphics below:



JOHNSON & JOHNSON: Base and Incentives

Base 45%
Incentives 55%
Global Settlement Abatement Amount

Incentives are earned by obtaining releases from subdivisions and limiting additional subdivisions from filing suit.

Illustrative only- Executed Agreements Control.

Incentive A

Incentive A provides for payment of all but Incentive D payments in exchange for near full peace.

Earning Incentive A also causes substantial payments, the first three years of payments, accelerated and paid within 90 days.

Incentive A is earned by:

- Passing a Statute or court ruling that terminates existing and bars future claims by subdivisions (including special districts);
- Receiving releases on behalf of (i) all general purpose subdivisions above 10,000 population, (ii) larger school and hospital/health districts, and (iii) all currently litigating subdivisions; or
- A combination of these approaches that results in a complete bar of existing and future claims (e.g., legislation barring future claims combined with 100% participation by litigating subdivisions).

Incentive B

- Incentive B is not relevant if a State earns Incentive A.
- Incentive B is up to 30%.
- Incentive B is earned from obtaining releases from litigating subdivisions.

Incentive B Sliding Scale:

Participation or Case-Specific Resolution Levels	Incentive B Award
75%	50%
76%	52%
77%	54%
78%	56%
79%	58%
80%	60%
85%	70%
90%	80%
95%	90%
100%	100%

Timing element: Incentive B is structured in time periods and states will receive a percentage of sliding scale payments depending on when they reach 75% of litigating subdivisions signed on: (a) 0-210 days = 100% of sliding scale; (b) 211-365 = 75% of sliding scale; and (c) 366-2 years from effective date = 50% of sliding scale.

Incentive C

- Incentive C is not relevant if a State earns Incentive A.
- Incentive C is up to 20%. It breaks Incentive C in two parts.
- Incentive C is earned by getting larger (population of 30,000) litigating and non-litigating counties and cities to join the deal. 5% is awarded for obtaining a State's ten largest general purpose subdivisions (cities and counties).

Incentive C Sliding Scale:

Participation, Release, or Resolution Levels	Incentive C(1) Award
60%	40%
70%	45%
80%	50%
85%	55%
90%	60%
91%	65%
92%	70%
93%	80%
94%	90%
95%	100%

There is no timing element.

Incentive D

5% share of the State's total Abatement Fund allocation (see page 20). Payable starting in year 6 through year 18.

Qualifying Criteria

- State must have had no later Litigating Subdivisions bring suit and proceed past preliminary motions in the 5 years following the Effective Date.

5. Is participation limited to litigating entities?

No, participation is not limited to governments that filed suit in the opioid litigation. Money from these settlements will be used for opioid crisis abatement in communities across Colorado, regardless of whether they have chosen to sue. All Colorado local governments are eligible to participate in the settlements and join the MOU, and the MOU does **not** allocate more funds to cities and counties that chose to file suit—all cities and counties in Colorado are allocated funds based on the same objective factors.

6. How will settlement proceeds be divided within the state under the Colorado MOU?

Under the Colorado MOU, settlement proceeds will be distributed as follows:

- 10% directly to the State (“State Share”)
- 20% directly to Participating Local Governments (“LG Share”)
- 60% directly to Regions (“Regional Share”)
- 10% to specific abatement infrastructure projects (“Statewide Infrastructure Share”)

7. How will the money be spent?

Under the Colorado MOU, all settlement funds must be used only for “Approved Purposes,” a long and broad list that focuses on abatement strategies. These strategies emphasize prevention, treatment, and harm reduction. Some examples of these strategies include training health care providers on opioid use disorder (“OUD”) treatment and responsible prescribing, expanding telehealth and mobile services for treatment, and increasing naloxone and rescue breathing

supplies. The list of Approved Purposes is broad enough to be flexible for local communities, while ensuring that settlement funds are used to combat the opioid epidemic. The list of Approved Purposes is attached as Exhibit A to the MOU, unless the term is otherwise defined in a settlement.

To ensure that settlement funds are in fact used only for Approved Purposes, a General Abatement Fund Council (the “Abatement Council”) will be formed. This committee will consist of thirteen representatives appointed by the State and Participating Local Governments to ensure opioid funds are spent in compliance with the terms of the settlements and the Colorado MOU.

8. How will direct payments to local governments be allocated?

Under the Colorado MOU, 20% of the settlement funds will be paid directly to local governments. A list of the percentage of settlement funds that will be allocated to each County Area (that is, the county government plus the municipalities within that county) is Exhibit D to the Colorado MOU. Those allocations are further broken down to an intracounty level in Exhibit E, which is a default allocation.

The allocations to each County Area are based on three factors that address the relative severity of the opioid crisis: (a) the number of persons suffering from Opioid Use Disorder in the county; (b) the number of opioid overdose deaths in the county; and (c) the amount of opioids distributed within the county (measured in Morphine Milligram Equivalent units).

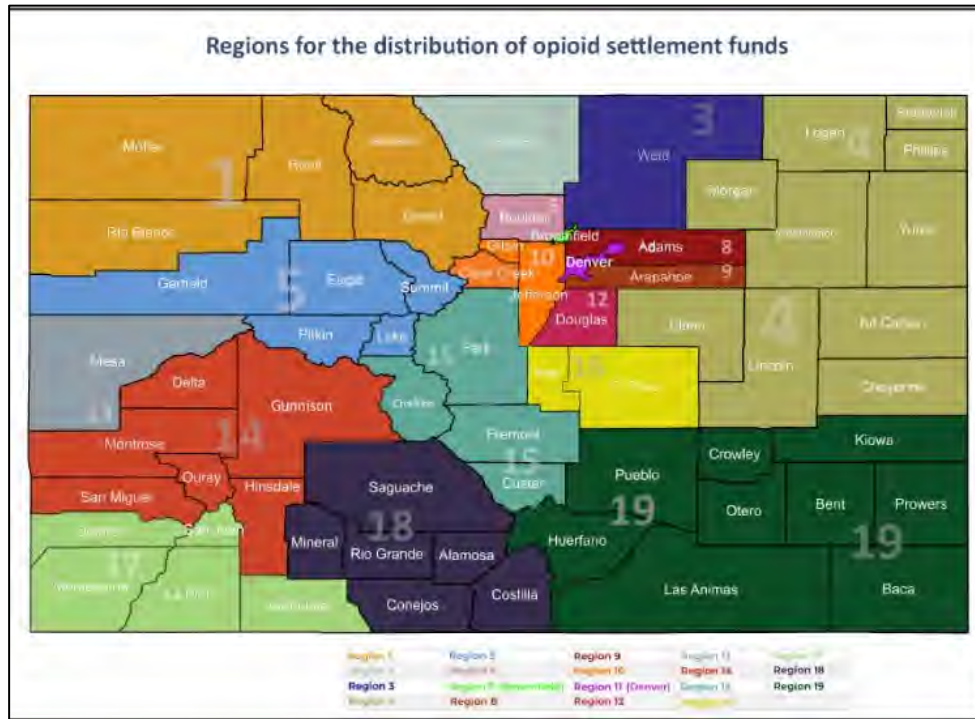
The intracounty allocations in Exhibit E are based on a default allocation model that will apply unless the local governments in a County Area enter into an agreement that provides for a different allocation model. These allocations are based on a model developed by health economist experts, which use data from the State and Local Governments Census on past spending relevant to opioid abatement.

To ensure transparency and that settlement funds are used for Approved Purposes, local governments that receive settlement funds directly will be required to provide expenditure data to the Abatement Council on an annual basis. Local governments that wish to join the MOU but do not wish to receive any direct payments have the option to redirect their payments to the Regional allocation described below.

A local government that chooses not to participate or sign onto the Colorado MOU will not receive funds from the LG Share and the portion of the LG share that it would have received will instead be re-allocated to the Regional Share described below.

9. How will payments to Regions be allocated?

Under the Colorado MOU, 60% of the settlement funds will be allocated to single- or multi-county regions made up of local governments. Local governments in Colorado worked collaboratively to develop the Regional Map, which emphasizes existing local infrastructure and relationships. The regional map is below, as well as included in the Colorado MOU as Exhibit C:



For more information on the percentages of settlement funds that will be allocated to each Region, please see Exhibit F of the Colorado MOU.

10. How will the Regions be governed?

Each Region will create its own “Regional Council” consisting of members from the constituent local governments to determine what Approved Purposes to fund with the Region’s allocation. The Regional Council will have the power to make spending decisions in the Region. The Regions will designate a fiscal agent prior to receiving any settlement funds. Regional governance models are attached to the Colorado MOU as Exhibit G. Each Region may draft its own intra-regional agreements, bylaws, or other governing documents to determine how the Regional Council will operate. Each Regional Council will provide expenditure data to the Abatement Council on an annual basis.

11. How will the Statewide Infrastructure Share work?

Many stakeholders have expressed a need for capital improvements across Colorado, and particularly in underserved areas, to abate the opioid crisis. The Colorado MOU directly addresses this by allocating 10% of settlement funds going to these projects. This money will be distributed by a statewide committee based on need. The Abatement Council will establish and publish policies and procedures for the distribution and oversight of the Statewide Infrastructure Share, including processes for local governments or regions to apply for opioid funds from the Statewide Infrastructure Share.

12. How will attorneys' fees and expenses be paid?

The Attorney General and local governments have agreed to a "Back-Stop Fund" for attorneys' fees and costs. The attorneys' fee provision in the Colorado MOU equitably allocates the cost of attorneys' fees across all local governments, while also allowing non-litigating entities to share in the 25% premium for releases signed by the litigating entities in the "Big 3" Distributor and Johnson & Johnson settlements.

Before a law firm can apply to the Back-Stop Fund, it must first apply to any national common benefit fee fund. The Back-Stop Fund will only be used to pay the difference between what law firms are owed and the amount they have received from a national common benefit fee fund. Attorneys' fees are limited to 8.7% of the total LG Share and 4.35% of the total Regional Share. No funds will be taken from the Statewide Infrastructure Share or State Share.

A committee will be formed to oversee payments from the Back-Stop Fund. The committee will include litigating and non-litigating entities. Importantly, any excess money in the Back-Stop fund, after attorneys' fees and costs are paid, will go back to the local governments.

13. Why is this a great result for local governments?

The Colorado MOU will ensure effective and efficient use of funds without dilution or diversion of opioid settlement money to unrelated purposes or unnecessary overhead expenses. In the Colorado MOU the local governments control 80% of the settlement funds.

- Bottom-Up Approach – The need is at the local level, so the resources should be, too.
- Local Voices – The communities bearing the brunt of this burden must have a meaningful seat at the table to make decisions about where resources go.
- Flexibility – The Colorado MOU provides an opportunity for local governments to decide how to entrust their own regional funds without unnecessary red tape.

14. How do I sign the MOU?

Local governments should sign four documents.

a. First is the MOU.

b. Next, each local government will need to sign a Subdivision Settlement Participation Form for each of the **two settlements** (the "Big 3" Distributor settlement and the Johnson & Johnson settlement) releasing their legal claims and stating they are participating in the settlements.

c. In addition, a Colorado Subdivision Escrow Agreement should be signed to ensure legal claims are released only when 95% participation by certain local governments has been reached, which secures a significant portion of the incentive payments described in FAQ 4, above. Under the terms of the Colorado Subdivision Escrow Agreement, CCI (for counties) or

CML (for municipalities) will hold the MOUs and the Subdivision Settlement Participation Forms for each of the settlements in escrow until 95% participation by local governments has been reached as to specified incentive payments under the respective settlement agreements.

Copies of the Subdivision Settlement Participation Forms, the MOU with signature pages for each local government, and the Colorado Subdivision Escrow Agreement will be provided by the Attorney General’s Office. The documents should be executed by the individual or body with authority to do so on behalf of their respective county or municipality and submitted by mail or email to either CCI or CML at the following addresses:

<p><u>For Counties:</u> Colorado Counties, Inc. 800 Grant, Ste 500 Denver, CO 80203</p> <p>Email: Kyley Burress KBurress@ccionline.org Katie First KFirst@ccionline.org</p>	<p><u>For Municipalities:</u> Colorado Municipal League 1144 N. Sherman St. Denver, CO 80203</p> <p>Email: opioidsettlement@cml.org</p>
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If you have any questions, please reach out to Heidi Williams of the Colorado AG’s office at Heidi.Williams@coag.gov.

EXHIBIT K

Settlement Participation Form

Governmental Entity:	State:
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 July 21, 2021 (“Janssen Settlement”), and acting through the undersigned authorized official, hereby elects to participate in the Janssen Settlement, release all Released Claims against all Released Entities, and agrees as follows.

1. The Governmental Entity is aware of and has reviewed the Janssen 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 Janssen Settlement and become a Participating Subdivision as provided therein.
2. The Governmental Entity shall, within 14 days of the Reference Date and prior to the filing of the Consent Judgment, dismiss with prejudice any Released Claims that it has filed.
3. The Governmental Entity agrees to the terms of the Janssen Settlement pertaining to Subdivisions as defined therein.
4. By agreeing to the terms of the Janssen 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 Janssen Settlement solely for the purposes provided therein.
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 Janssen Settlement.
7. The Governmental Entity has the right to enforce the Janssen Settlement as provided therein.

8. The Governmental Entity, as a Participating Subdivision, hereby becomes a Releasor for all purposes in the Janssen Settlement, including but not limited to all provisions of Section IV (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 Janssen 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 Janssen Settlement shall be a complete bar to any Released Claim.
9. In connection with the releases provided for in the Janssen 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 Janssen Settlement.

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

EXHIBIT K

Subdivision Settlement Participation Form

Governmental Entity:	State:
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 July 21, 2021 (“*Distributor Settlement*”), and acting through the undersigned authorized official, hereby elects to participate in the Distributor Settlement, release all Released Claims against all Released Entities, and agrees as follows.

1. The Governmental Entity is aware of and has reviewed the Distributor Settlement, understands that all terms in this Participation Form have the meanings defined therein, and agrees that by signing this Participation Form, the Governmental Entity elects to participate in the Distributor Settlement and become a Participating Subdivision as provided therein.
2. The Governmental Entity shall, within 14 days of the Reference Date and prior to the filing of the Consent Judgment, secure the dismissal with prejudice of any Released Claims that it has filed.
3. The Governmental Entity agrees to the terms of the Distributor Settlement pertaining to Subdivisions as defined therein.
4. By agreeing to the terms of the Distributor 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 Distributor Settlement solely for the purposes provided therein.
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 Distributor 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 Distributor Settlement.

7. The Governmental Entity has the right to enforce the Distributor Settlement as provided therein.
8. The Governmental Entity, as a Participating Subdivision, hereby becomes a Releasor for all purposes in the Distributor Settlement, including, but not limited to, all provisions of Part XI, 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 Distributor 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 Distributor 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 Distributor Settlement.
10. In connection with the releases provided for in the Distributor 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, and that if known by him or her would have materially affected his or her settlement with the debtor or released party.

A Releasor may hereafter discover facts other than or different from those which it knows, believes, or assumes to be true with respect to the Released Claims, but each 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 Distributor Settlement.

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

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

Signature: _____

Name: _____

Title: _____

Date: _____

Colorado Subdivision Escrow Agreement

Governmental Entity:	State: CO
Authorized Official:	
Address 1:	
Address 2:	
City, State, Zip:	
Phone:	
Email:	

The governmental entity identified above (“*Governmental Entity*”) hereby provides Colorado Counties, Inc. (for counties) or the Colorado Municipal League (for municipalities) (“*Escrow Agent*”) the enclosed copies of the Governmental Entity’s endorsed Subdivision Settlement Participation Forms and the Colorado Opioids Settlement Memorandum of Understanding (“Colorado MOU”), to be held in escrow. The Subdivision Settlement Participation Forms apply respectively to (1) the National Settlement Agreement with McKesson Corporation, Cardinal Health, Inc., and AmerisourceBergen Corporation, dated July 21, 2021 (“*Distributor Settlement*”); and (2) the National Settlement Agreement with Janssen Pharmaceuticals, Inc., and its parent company Johnson & Johnson, dated July 21, 2021 (“*J&J Settlement*”). Pursuant to this Agreement, the Subdivision Settlement Participation Forms and the Colorado MOU will be released only if there is 95% participation by local governments in Colorado as further explained below.

Purpose of this Agreement

By endorsing a Subdivision Settlement Participation Form in the Distributor Settlement and the J&J Settlement, a governmental entity agrees to participate in those settlements and release any legal claims it has or may have against those settling pharmaceutical companies. This Colorado Subdivision Escrow Agreement is meant to ensure that the legal claims of governmental entities in Colorado will be released only when 95% participation by certain governmental entities has been reached. That 95% participation threshold is important because it signals to the settling pharmaceutical companies that the settlement has wide acceptance which will then secure significant incentive payments under these settlement agreements.

Escrow

The Escrow Agent shall promptly report the receipt of any Governmental Entity’s endorsed Subdivision Settlement Participation Forms and Colorado MOUs to the Colorado Attorney General’s Office and to the law firm of Keller Rohrback L.L.P. These documents shall be released by the Escrow Agent to the Colorado Attorney General’s Office if and when the Escrow Agent is notified by the Attorney General’s Office and Keller Rohrback that that the threshold 95% participation levels have been reached for both the Distributor Settlement and the J&J Settlement, as further described below. If by December 29, 2021, the Escrow Agent has not received notification that the threshold 95% levels have been reached for both the Distributor Settlement and the J&J Settlements, then the documents being escrowed shall be returned to the Governmental Entities and all copies shall be destroyed.

Distributor Settlement

The Attorney General’s Office and Keller Rohrback shall jointly submit a written notification to the Escrow Agent when it has been determined that the percentages of populations eligible for Incentives B and C, as described in Sections IV.F.2 and IV.F.3 of the Distributor Settlement, are each 95% or more. For purposes of this Escrow Agreement, the percentages of populations eligible for Incentives B and C under the Distributor Settlement will include governmental entities that sign a Subdivision Settlement Participation Form subject to an escrow agreement and governmental entities that sign a Subdivision Settlement Participation Form that is not subject to an escrow agreement.

J&J Settlement

The Attorney General’s Office and Keller Rohrback shall jointly submit a written notification to the Escrow Agent when it has been determined that the Participation or Case-Specific Resolution Levels for Incentives B and C, as described in Sections V.E.5 and V.E.6 of the J&J Settlement, are each 95% or more. For purposes of this Escrow Agreement, the percentages or populations eligible for Incentives B and C under the J&J Settlement will include governmental entities that sign a Subdivision Settlement Participation Form subject to an escrow agreement and governmental entities that sign a Subdivision Settlement Participation Form that is not subject to an escrow agreement.

Colorado Subdivision Name _____

Authorized Signature

Date



STAFF SUMMARY

Board of Trustees Work Session

October 13, 2021

DATE: October 9, 2021

AGENDA ITEM NUMBER: 3

TOPIC: Discussion on Action to Set Water and Sanitary Sewer Tap Fees

STAFF MEMBER RESPONSIBLE: Tom Acre, Town Manager

BACKGROUND:

The Board of Trustees and staff have been discussing potentially increasing water and sewer tap fees (infrastructure investment fees) and if they are increased, what amount should they be set at. Tap fees should be reviewed periodically to evaluate if they need adjustment related to capital investment costs. Revenue generated from tap fees are designed to assist in the funding of capital investment in the town's water and wastewater facilities, including the water and sanitary sewer lines (pipes), water treatment and storage facilities and the wastewater treatment facility. These tap fees are not intended to fund day-to-day operational costs.

The tap fees charged by the Town of Wiggins have not increased for over 5 years for the Water Enterprise Fund and nearly 20 years for the Sewer Enterprise Fund. The Town of Wiggins water tap fees were last adjusted in 2015 by the adoption of Resolution No. 48-2015. Sewer tap fees were last adjusted in 2002 by the adoption of Resolution No. 05-02. Sewer tap fees are currently \$6,000 per connection. Current water tap fees are set at the following schedule with no water development or acquisition fees:

Tap Size	Fee
3/4" – 5/8"	\$11,500
1"	\$17,500
1 ½"	\$30,000
2"	\$50,000
3"	\$75,000
4"	\$110,000
6"	\$225,000

Staff has recently gathered information from several surrounding communities and has prepared the following comparison based on a single-family residential unit tap fee:

- Brush* \$ 5,910 (Tap Fee + Plant Investment Fee)
- Fort Lupton \$67,500 (\$7,500 + 1 unit of CBT at~\$60,000)
- Fort Morgan \$25,140 (\$7,640 + 1 unit of FM CBT & \$500 Transaction Fee)
- Keenesburg \$17,400 (\$6,490 + \$10,910 Raw Water Acquisition Fee)
- Kersey \$129,500 (\$9,500 + 2 units of CBT)
- Lochbuie \$8,424 (Tap Fee + Water Development Fee Negotiated)

* Brush is currently considering an increase in Tap Fees.

For comparison, Morgan County Quality Water currently charges \$61,000 for a tap.

Sewer tap fees range as follows for a single-family residence, most of the municipalities listed below have fees based on the size of connection.

- Brush \$4,200
- Fort Lupton \$9,500
- Fort Morgan \$5,150
- Keenesburg \$7,429
- Kersey \$6,000
- Lochbuie \$7,264 (WWTP PIF + Wastewater Collection System PIF)

SUMMARY:

The Board of Trustees and staff have discussed increasing the single-family residential water tap fee to \$20,000 and the sewer tap fee to \$8,000 for a total \$28,000. As has been previously discussed, the Town of Wiggins does not currently have a water development or acquisition fee.

Staff has prepared a proposed schedule of fees based on water tap size and sewer connection size. The attached spreadsheet provides a comparison of the Town of Wiggins current tap fees and the proposed increased tap fees, and the communities researched for this staff summary.



Tap Size	Water Tap Fee	Sewer Tap Fee
5/8"	\$20,000	\$8,000
3/4"	\$23,000	\$10,000
1"	\$30,440	\$14,000
1 ½"	\$45,660	\$20,990
2"	\$76,100	\$34,110
3"	\$114,150	\$52,300
4"	\$167,420	\$83,680
6"	\$409,950	\$133,890

FISCAL IMPACT:

This action will have a positive impact on the Town of Wiggins Water and Sewer Funds. Revenue from the sale of water and sanitary sewer taps are used to fund capital improvement projects for Water and Sewer Enterprise Funds.

APPLICABILITY TO TOWN OBJECTIVES AND GOALS TO PROVIDE SERVICES:

These actions support the Board of Trustees goal of being good stewards of Town resources and the priority to provide quality water and sewer services to the citizens.

QUESTIONS/INFORMATION REQUESTED FROM THE BOARD OF TRUSTEES:

- Do the Trustees have any questions for staff?
- What level should the tap fees be set at?
- When should the tap fee increase take affect?
- Does the Board want to move to a defined fee schedule for sewer tap fees like water tap fees?

RESOLUTION NO. XX-2021

A RESOLUTION SETTING WATER AND SEWER INVESTMENT FEES (TAP FEES) FOR THE TOWN OF WIGGINS, COLORADO

WHEREAS, the Town of Wiggins operates a municipal water and sewer system; and

WHEREAS, the Board of Trustees is authorized by state law to regulate the use of the Town water and sewer systems, to establish the requirements for use of such systems, and from time-to-time fix, to establish, maintain, and provide for the collection of rates, fees, and charges for water and sewer services furnished by the Town; and

WHEREAS, the Board of Trustees has determined that it is appropriate to adopt new water and sewer plant investment fees (tap fees).

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF TRUSTEES OF THE TOWN OF WIGGINS, COLORADO, AS FOLLOWS:

Section 1. Water Plant Investment Fee. Any applicant desiring to connect to, take and use water from the Town’s water system shall pay to the Town a water plant investment fee (water tap fee) in accordance with the following schedule:

<i>Water System Investment Fees (Water Tap Fees)</i>	
Tap Size	Fee
3/4” – 5/8”	\$
1”	\$
1 1/2”	\$
2”	\$
3”	\$
4”	\$
6”	\$

Section 2. Sewer Plant Investment Fee. Any applicant desiring to connect to utilize the Town’s sewer system shall pay to the Town a sewer plant investment fee (sewer tap fee) in accordance with the following schedule:

<i>Sewer System Investment Fees (Water Tap Fees)</i>	
Tap Size	Fee
3/4” – 5/8”	\$
1”	\$

1 1/2"	\$
2"	\$
3"	\$
4"	\$
6"	\$

Section 3. Installation costs. All costs of material and expenses incident to the installation and connection of water and sewer service shall be borne by the applicant. All connections or taps shall be made by a licensed contractor approved by the Town and shall be at the sole expense of the applicant.

Section 4. Taps appurtenant. Water and sewer taps shall be appurtenant to, and may not be transferred apart from, the property for which the tap is issued. The rates, fees, tolls and charges prescribed herein are in addition to any other amounts due under any other ordinances, resolutions or other enactments of the Town.

Section 5. Effective date. The foregoing fees shall become effective on January 1, 2022.

Section 6. Repeal of prior resolutions. All other resolutions or portions thereof inconsistent or conflicting with this resolution or any portion thereof are hereby repealed to the extent of such inconsistency or conflict.

INTRODUCED, ADOPTED AND RESOLVED THIS _____ DAY OF _____, 2021.

TOWN OF WIGGINS, COLORADO

Jeffrey Palmer, Mayor

ATTEST:

Deborah Lee, Town Clerk

Water and Sewer Tap Fee Comparison

WATER

Tap Size	Brush	Fort Lupton	Fort Morgan	Keenesburg	Kersey	Lochbuie	Wiggins***	Proposed Wiggins
	Tap Fee/PIF	Res/Com CBT* Eq R/C	PIF + CBT/Unit** to cover Tap Size	TAP Fee/Raw H2O Acq Fee	Tap Fee + CBT* (H2O Eqv)	PIF + H2O Dev Fee	Tap Fee (Water Invest)	
5/8 - inch	N/A	N/A	N/A	N/A	\$7,000 + 1 Unit CBT	N/A	\$11,500	\$20,000
3/4 - inch	\$2,000/\$3,910	\$7,500/\$9,825 CBT= 1.0/1.3	\$7,640	\$6,490/\$10,910	\$9,500 + 2 Units CBT	\$8,424 + TBD	\$11,500	\$23,000
1-inch	\$2,100/\$9,775	\$12,525/\$14,725 CBT=1.7/2.2	\$12,760	\$11,036/\$18,545	\$15,500 + 3 Units CBT	\$22,464 + TBD	\$17,500	\$30,440
1.5 - inch	Cost+\$400/\$19,550	\$19,148/\$29,325 CBT=3.3/4.4	\$25,440	\$22,721/\$38,181	\$29,000 + CBT TBD	\$28,080 + TBD	\$30,000	\$45,660
2 - inch	Cost+\$400/\$31,280	\$30,648/\$46,950 CBT=5.3/7.0	\$40,720	\$38,945/\$65,453	\$46,000 + CBT TBD	\$89,855 +TBD	\$50,000	\$76,100
3 - inch	Cost+\$400/Case-by-Case	\$61,295/\$93,975 CBT=10.7/14.0	\$89,160	N/A	N/A	\$179,710 + TBD	\$75,000	\$114,150
4 - inch	Cost+\$400/Case-by-Case	TBD CBT=Actual Use	\$152,800	N/A	N/A	\$280,797 + TBD	\$110,000	\$167,420
6 - inch	Cost+\$400/Case-by-Case	TBD CBT=Actual Use	\$318,360	N/A	N/A	N/A	\$225,000	\$409,950
8 inch	N/A	N/A	\$458,400	N/A	N/A	N/A	N/A	TBD
Multifamily/unit		\$4,500 CBT 0.6	N/A	\$3,575/\$6,545	N/A	\$8,424 1st Unit + TBD \$5,133 Each Add'l Unit + TBD	N/A	N/A

Notes: * CBT current ~\$60,000/unit **Fort Morgan Cost=\$17,000 & Transaction Fee \$500/unit * CBT current ~\$60,000/unit *** No Water Dev Fee

SEWER

Tap Size	Tap Fee	Residenrial/Commercial	Tap Fee	Tap Fee	Tap Fee	WWTP PIF + WWCS PIF	Tap Fee	Proposed	
5/8 - inch	N/A	N/A	N/A			\$4,000	\$7,264	\$6,000	\$8,000
3/4 - inch	\$4,200	\$9,500/\$19,000	\$5,150	\$7,429		\$6,000	\$7,264	\$6,000	\$10,000
1-inch	\$4,200 per ET ****	\$19,000/\$45,000	\$8,585	\$12,629		\$10,000	\$18,159	\$6,000	\$14,000
1.5 - inch	\$4,200 per ET ****	Commercial Only \$104,000	\$17,160	\$26,003		\$20,000	\$36,320	\$6,000	\$20,990
2 - inch	\$4,200 per ET ****	Commercial Only \$190,000	\$27,460	\$44,577		\$32,000	\$58,112	\$6,000	\$34,110
3 - inch	\$4,200 per ET ****	Commercial Only \$408,500	\$51,500	N/A	N/A		\$108,960	\$6,000	\$52,300
4 - inch	\$4,200 per ET ****	Commercial Only \$788,500	\$85,830	N/A	N/A		\$181,600	\$6,000	\$83,680
6 - inch	\$4,200 per ET ****	Commercial Only \$2,070,820	\$171,660	N/A	N/A	N/A		\$6,000	\$133,890
8 inch	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	TBD
Multifamily/unit	N/A	N/A	N/A	\$4,092	N/A	N/A	N/A	\$6,000	TBD

**** One Equivalent Tap (ET) = 20,000 sewer generated per quarter

WWTP PIF + Wastewater Collection System PIF



STAFF SUMMARY

Board of Trustees Work Session

October 13, 2021

DATE: October 9, 2021

AGENDA ITEM NUMBER: 4

TOPIC: Review of Contracts to Sell and Lease a Portion of the Knievel Property

STAFF MEMBER RESPONSIBLE: Tom Acre, Town Manager

BACKGROUND:

As has been communicated during previous meetings, the Town of Wiggins was recently approached by the landowner of property located immediately northeast of the Knievel Property who asked about purchasing a portion of the eastern edge of the property adjacent to the road separating the Knievel property from the landowner to east. The property owners, Mike and Carey Miller would like to have an access that is wider and under his control for access to his property as he is building a house and shop on the property.

He also expressed interest in leasing the pastureland north of the property being leased for dryland farming. He is agreeable to leasing the property under similar lease conditions as we leased it previously. He would also like to hunt on the property.

SUMMARY:

A draft contract has been prepared for your review regarding the sale of a portion of the Knievel property for the purpose of providing access to an adjoining property. A subdivision will need to be applied for and received from Morgan County. A draft lease has been drafted and is attached for your review as well.

The price for the sale of the property has previously been discussed with Board in executive session. The lease amount is being based on the amount received for previously leased properties and is being undertaken so the property can be put to use and maintained. The lessor is aware of the Town's future plans for a potential gun range on the Knievel property.

A closing on the property sale and execution of the final lease will be scheduled following the formal approval of the contract documents at a future meeting.

FISCAL IMPACT:

These actions will have a positive impact on the Town of Wiggins Water Fund. The proceeds of the sale and leasing of land will go toward reducing the principal of the loan used to purchase the Knievel property.

APPLICABILITY TO TOWN OBJECTIVES AND GOALS TO PROVIDE SERVICES:

These actions support the Board of Trustees goal of being good stewards of Town resources.

QUESTIONS/INFORMATION REQUESTED FROM THE BOARD OF TRUSTEES:

- Do the Trustees have any questions for staff?
- Are the Trustees agreeable moving forward with these actions at the next meeting?

PURCHASE CONTRACT TO BUY AND SELL REAL ESTATE

THIS CONTRACT is made and entered into this ____ day of _____, 2021 (the “Effective Date”), by and between the **Town of Wiggins**, a Colorado municipal corporation, hereinafter referred to as “Town” or “Seller,” and **Michael K. Miller and Carey R. Miller**, hereinafter referred to as “Purchaser”.

NOW, THEREFORE, for and in consideration of the promises, payment, covenants, and undertakings hereinafter set forth, and other good and valuable consideration, which is hereby acknowledged and received for, the Purchaser and Seller agree as follows:

1. Sale of Property. Purchaser hereby agrees to purchase, and Seller agrees to sell, on the terms and conditions set forth in this Contract, the following described real property and interests in real estate, hereinafter collectively referred to as the “Property,” located in the County of Morgan, Colorado:

See **EXHIBIT A**, attached hereto and incorporated herein by reference.

2. Purchase Price. The total purchase price of the Property shall be THIRTY THOUSAND ONE HUNDRED FORTY-FIVE DOLLARS AND FIFTY CENTS (\$30,145.50), which shall be payable by Purchaser in cash, certified funds or wire transfer at Closing (defined below).

3. Documents to be Obtained by or Delivered to Purchaser. Within thirty (30) days of Seller’s execution of this Contract:

a. Seller shall furnish to Purchaser, at Purchaser’s expense, a current ALTA form title insurance commitment insuring the Purchaser’s ownership of a fee simple interest in the Property. The commitment shall be issued by a title insurance company which is authorized to do business in the State of Colorado, to insure the Purchaser’s ownership of the Property in an amount of \$31,145.50 (or such lesser amount as the Purchaser may require). The title insurance commitment shall be on a form acceptable to Purchaser and shall include copies of all documents identified in the schedule of exceptions. Seller shall cause a title insurance policy to be delivered to Purchaser as soon as practicable after Closing. At Closing, the cost of the premium for the title insurance policy and the costs of any tax certificates and desired endorsements shall be paid by Purchaser.

b. Purchaser understands and agrees that a subdivision exemption plat for the Property must be filed with and approved by Morgan County prior to the sale. Purchaser shall at its sole expense prepare and file with the County all surveys, plats, and other documents necessary for the subdivision exemption on behalf of Seller. Seller will cooperate with Purchaser in the subdivision exemption process.

c. Seller shall furnish to Purchaser, at Seller’s expense, true copies of all leases, surveys, inspection results or other reports in Seller’s possession pertaining to the Property, and shall

disclose in writing to Purchaser all easements, liens, licenses, or other matters not shown by the public records pertaining to the Property.

d. The survey, title documents and any other document, report or information relative to the Property that is delivered to or obtained by Purchaser are sometimes collectively referred to herein as "Property Information."

4. Title. Title to the Property shall be merchantable in the Seller, and the title commitment and title policy shall contain no exceptions other than:

a. Taxes and assessment for the year of closing, which shall be adjusted and prorated to the date of delivery of the deed, based on the most recent levy and assessment; and

b. Rights-of-way, easements, restrictions, and mineral reservations of record, acceptable to Purchaser.

Seller shall take all other steps necessary to attempt to obtain the deletion of the standard pre-printed exceptions found in the title commitment.

5. Title Inspection. Purchaser shall have the right to inspect the Property Information, and to conduct such other reviews as it deems necessary to determine the state of title to the Property. Should title not be merchantable as aforesaid, or should the title commitment include additional exceptions which are not acceptable to Purchaser (even though such additional exceptions would not make the title unmerchantable), a written notice of the defects shall be given to the Seller by the Purchaser at least two (2) days prior to Closing, and Seller shall use reasonable efforts to correct said defects prior to the date of Closing. If Seller fails to correct any or all such defects prior to closing, the Purchaser, at its option, may complete the transaction notwithstanding the uncorrected defects or may, upon written notice to Seller, declare this Contract terminated, whereupon all things of value received hereunder shall be immediately returned to Purchaser, and both parties shall be released herefrom.

6. Other Inspections. Purchaser, at all times during the term of this Contract, shall have access to the Property for the purpose of conducting tests, studies, and surveys thereon, including without limitation, soil and subsoil tests. Purchaser may have performed at its option and/or expense the following inspections:

a. Soil and percolation tests;

b. Inspections for asbestos, PCB's, underground tanks, or other hazardous substances; and

c. Any other tests and/or studies deemed necessary by Purchaser which do not materially damage the Property, including but not limited to an environmental assessment.

d. Purchaser shall be responsible for all claims and liability for damages, loss or expenses caused by, or any injury or death to any person or damage to property which is connected with or results from the entry upon the Property by Purchaser for the inspections permitted herein, unless caused by the sole negligence or willful and wanton act of Seller.

7. **Closing.** The closing for the Property shall be held within ninety (90) days following Seller's execution of the Contract. The specific date and time of the Closing shall be set by mutual written agreement of the parties. The place of Closing shall be the offices of the title company issuing the title commitment or such other place as may be designated by mutual written agreement of the parties.

8. **Closing Costs.** Purchaser and Seller shall sign and complete all customary or required documents at or before Closing. Settlement sheets for the Closing shall be furnished by Seller to the Purchaser at least three working days before the date set for closing. Costs and fees for real estate closing and settlement services shall be paid at Closing fifty percent by Seller and fifty percent by Purchaser.

9. **Encumbrances.** Any encumbrance required to be paid by Seller shall be paid at or before the time of Closing from the proceeds of this transaction or from any other source.

10. **Seller's Obligations at Closing.** At the time of Closing and upon Purchaser's compliance with the terms and provisions of this Contract, Seller shall deliver:

a. A good and sufficient special warranty deed in a form acceptable to Purchaser, properly executed and acknowledged, conveying the Property and clear of all liens, tenancies and encumbrances except those set forth in Paragraphs 4-5, above;

b. All instruments, certificates, affidavits, and other documents necessary to satisfy the requirements listed on Schedule B-1 of the title commitment;

c. An update of the title commitment, at Seller's expense, showing title to the Property to be subject only to the permitted exceptions determined by Paragraphs 4-5, above;

d. An affidavit setting forth Seller's federal tax identification number and certification that it is not a "foreign person" within the meaning of the Internal Revenue Code.

e. Seller's closing costs and any other documents required by this Contract to be delivered by Seller to the title company or reasonably required by Purchaser or the title company in connection herewith.

11. **Purchaser's Obligations at Closing.** At the time of Closing and, upon Seller's compliance with the terms and provisions of this Contract, Purchaser shall deliver:

- a. The purchase price; and
- b. Purchaser's closing costs and any other documents required by this Contract to be delivered by Purchaser to the title company or reasonably required by Seller or the title company in connection herewith.

12. Delivery of Property. Possession of the Property shall be delivered to Purchaser on or before the date and time of Closing.

13. No Assignment. Seller shall not assign Seller's rights and obligations hereunder without Purchaser's prior written consent. Purchaser shall not assign its rights and obligations hereunder without Seller's prior written consent.

14. Seller's Representations. Seller hereby represents and warrants to Purchaser that as of the date of the signing of this Contract:

- a. Seller is a municipal corporation duly organized and legally existing under the laws of the State of Colorado. The person executing this Contract on behalf of Seller has the authority so to act.

- b. Subject to the conditions herein, this Contract constitutes the legal, valid and binding obligation of Seller and is enforceable against Seller in accordance with its terms.

- c. To Seller's actual, present knowledge, the performance by Seller under this Contract is consistent with and not in violation of, and will not create any default under, any contract, agreement or other instrument to which Seller is a party, any judicial order or judgment of any nature by which Seller or the Property are bound.

- d. To Seller's actual, present knowledge, Seller has received no written notice alleging any violation of Environmental Laws (defined below) with respect to the Property.

- e. To Seller's actual, present knowledge, there is no litigation pending or, to Seller's actual, present knowledge, threatened, which would affect the Property or Seller's ownership thereof.

- f. Seller is not a "foreign person" within the meaning of Sections 1445(f)(3) and 7701(a)(30) of the Internal Revenue Code and Seller will furnish to Purchaser at Closing an affidavit confirming the same.

- g. The Property will be conveyed by Seller to Purchaser free and clear of all leases, tenancies and rights of possession by other parties claiming through the Purchaser.

- h. Seller shall notify Purchaser in writing if, at any time prior to Closing, there are any material changes to the foregoing representations and warranties adverse to Purchaser and

in such event Purchaser has the right, but not the obligation to terminate this Contract within three (3) business days after said notice is delivered by Seller.

15. Disclaimer of Certain Representations and Warranties.

a. Purchaser acknowledges that Seller is affording Purchaser the opportunity for full and complete investigations, examinations and inspections of the Property. Except as specifically set forth herein, Purchaser acknowledges and agrees that Seller has not made any independent investigation or verification of, nor has any knowledge of, the accuracy or completeness of any of the Property Information, and the Property Information is being furnished to Purchaser at its request and for the convenience of Purchaser. Purchaser is relying solely on its own investigations of the Property and is not relying in any way on Property Information furnished by Seller. Seller expressly disclaims any representations or warranties with respect to the accuracy or completeness of the Property Information and any duty of disclosure provided in this Agreement, and Purchaser releases Seller and Seller's officers, employees, agents and representatives, from any and all liability with respect to the Property Information and the Property, except for the warranty of title set forth in the special warranty deed delivered at Closing.

b. Purchaser acknowledges that it is purchasing the Property based solely on its inspection and investigation of the Property and that Purchaser will be accepting the Property "AS IS" and "WITH ALL FAULTS" based upon the condition of the Property as of the date of the Closing. Without limiting the foregoing, Purchaser acknowledges that, except as expressly set forth in this Contract, Seller, its officers, employees, agents and representatives have not made, do not make and specifically negate and disclaim any representations, warranties, promises, covenants, agreements or guaranties of any kind or character whatsoever, whether express or implied, oral or written, with respect to the Property, including, without limitation, the condition of the Property, the existence or nonexistence of Hazardous Materials (defined below), water or water rights, development rights, taxes, bonds, covenants, conditions and restrictions, topography, drainage, soil, subsoil, utilities, zoning, or other rules and regulations affecting the Property. SELLER MAKES NO WARRANTY OR REPRESENTATION, EXPRESS OR IMPLIED, OR ARISING BY OPERATION OF LAW, INCLUDING, BUT NOT LIMITED TO, ANY WARRANTY OF CONDITION, HABITABILITY, MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, WITH RESPECT TO THE PROPERTY. As used herein, the term "Hazardous Materials" means (i) hazardous wastes, hazardous substances, hazardous constituents, toxic substances or related materials, whether solids, liquids or gases, including, but not limited to substances defined as "hazardous wastes," "hazardous substances," "toxic substances," "pollutants," "contaminants," "radioactive materials," or other similar designations in, or otherwise subject to regulation under the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended, 42 U.S.C. § 9601 et seq.; the Toxic Substance Control Act, 15 U.S.C. § 2601 et seq.; the Hazardous Materials Transportation Act, 49 U.S.C. § 1802; the Resource Conservation and Recovery Act, 42 U.S.C. § 9601 et seq.; the Clean Water Act, 33 U.S.C. § 1251 et seq.; the Safe Drinking Water Act, 42 U.S.C. § 300(f) et seq.; the Clean Air Act, 42 U.S.C. § 7401 et seq.; and in any permits, licenses, approvals, plans, rules, regulations or ordinance adopted, or other criteria and guidelines promulgated pursuant to the preceding laws or other similar federal, state or local laws, regulations, rules or ordinances now or hereafter in effect relating to

environmental matters (collectively the “Environmental Laws”); and (ii) any other substances, constituents or wastes subject to any applicable federal, state or local law, regulation or ordinance, including any Environmental Law now or hereafter in effect, including but not limited to petroleum, refined petroleum products, waste oil, waste aviation or motor vehicle fuel, and asbestos.

c. Purchaser’s failure to elect to terminate the Contract pursuant to Paragraph 17 shall be deemed an acknowledgment by Purchaser that Purchaser has inspected the Property, is thoroughly acquainted with and accepts its condition, and has reviewed, to the extent necessary, in its discretion, all the Property Information and Seller shall not be liable or bound in any manner by any oral or written information pertaining to the Property furnished by Seller, Seller’s officers, employees, agents or representatives.

d. Upon Closing, Purchaser shall assume the risk that adverse physical, environmental, governmental compliance, geotechnical and other conditions from whatever source may have been revealed by Purchaser’s investigations, and Purchaser, upon Closing, shall be deemed to have waived, relinquished and released Seller, and Seller’s officers, employees, agents and representatives, from and against any and all claims, demands, causes of action, losses, damages, liabilities, costs and expenses of any kind or character, know or unknown, which Purchaser might have asserted or alleged against Seller or Seller’s officers, employees, agents and representatives at any time by reason of or arising out of any latent or patent physical conditions, violations of applicable laws (including without limitation any Environmental Laws) and any and all other acts, omissions, events, circumstances or matters regarding the condition of the Property.

16. Remedies for Default. Time is of the essence of the obligations of the parties. As such:

a. If Purchaser should fail to perform according to the terms and conditions of this Contract, Seller may in writing declare this Contract terminated and retain all things of value held by Seller hereunder as liquidated damages. It is agreed that such things of value are liquidated damages and are Seller’s sole and only remedy for Purchaser’s failure to perform the obligations of this Contract.

b. If Seller is in default, Purchaser may elect to treat this Contract as terminated, in which case all things of value received hereunder shall be immediately returned to Purchaser, or Purchaser may elect to treat this Contract as being in full force and effect and Purchaser shall have the right to an action for specific performance but not damages. Anything to the contrary notwithstanding, in the event of any litigation or arbitration arising out of this Contract, the court may award to the prevailing party all reasonable costs and expenses, including reasonable attorneys’ fees.

17. Termination of Contract. In addition to all other rights and remedies of the Purchaser and the Seller as set forth and provided for in this Contract, the Seller agrees that the Purchaser shall have the right to terminate this Contract and to make the same of no further force and effect:

a. If the representations and warranties of the Seller as set forth and provided for in Paragraph 14 above are not true and correct as of the Closing date; or

b. If Purchaser determines, in its sole discretion, that the cost to manage, treat, abate, or remove any Hazardous Materials found on the Property is uneconomical as a result of any conditions disclosed by tests conducted hereunder; or

c. If any part of the Property is condemned, or if proceedings for such condemnation are commenced or notice of condemnation is received by Seller from a condemning authority prior to the date of closing on the Property; or

d. If Purchaser determines in its sole discretion, and based on any inspections conducted pursuant to this Contract, that there exists a unsatisfactory physical condition of the Property; or

e. In the event any action whatsoever is commenced to defeat or enjoin the Purchaser's performance under this Contract.

If Purchaser elects to terminate the Contract pursuant to this paragraph, Purchaser shall provide written notice to Seller declaring this Contract terminated, and both parties shall be released herefrom.

18. Real Estate Commission. Neither party has engaged the services of any real estate agent or broker, and no commission is owed by either party in this transaction. Purchaser is advised to seek legal and tax counsel representation for Purchaser's own account, and Purchaser shall be solely responsible for any commission or fees owed to any agent, broker or counsel retained by Purchaser.

19. Property to Remain Unencumbered. Seller agrees that Seller will not, so long as this Contract is in effect, encumber or burden the Property.

20. Development. Seller agrees that during the term of this Contract and through the date of delivery of possession of the Property to Purchaser, Seller shall not develop the Property in any manner, including without limitation, constructing any improvements or erecting any structures on the Property, leasing mineral rights for the Property, or disturbing the surface of the Property.

21. Agreement to Survive Closing. The parties hereto agree that, except for such of the terms, conditions, covenants, and agreements hereof which are, by their very nature fully and completely performed upon the Closing of the purchase-sale transactions herein provided for, all of the terms, conditions, representations, warranties, covenants, and agreements herein set forth and contained, shall survive the Closing of any purchase-sale transaction herein provided for and shall continue after said Closing to be binding upon and inure to the benefit of the parties hereto, their successors and assigns.

IN WITNESS WHEREOF, Seller and Purchaser have executed this Contract on the dates stated in their respective acknowledgements intending that this Contract be effective as of the day and year first above set forth.

SELLER:

TOWN OF WIGGINS, a Colorado municipal corporation

Jeffrey Palmer, Mayor

ATTEST:

Deborah Lee, Town Clerk

Date: _____

PURCHASER:

Michael K. Miller

Date: _____

Carey R. Miller

Date: _____

ACKNOWLEDGMENT

STATE OF COLORADO)
)ss
COUNTY OF _____)

The foregoing instrument was acknowledged before me this ____ day of _____, 2021 by Michael K. Miller and Carey R. Miller.

Witness my hand and official seal.

My commission expires on: _____

(SEAL)

Notary Public

EXHIBIT A
Legal Description

A PARCEL OF LAND BEING A PART OF THE WEST HALF OF SECTION 15 AND THE NORTHWEST QUARTER OF SECTION 22, TOWNSHIP 4 NORTH, RANGE 60 WEST OF THE 6TH P.M., COUNTY OF MORGAN, STATE OF COLORADO, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE NORTHEAST CORNER OF THE WEST HALF OF SAID SECTION 15, AND CONSIDERING THE EAST LINE OF THE WEST HALF OF SAID SECTION 15 TO BEAR SOUTH 01°48'22" EAST WITH ALL BEARINGS HEREIN RELATIVE THERETO:

THENCE SOUTH 01°48'22" EAST ALONG THE EAST LINE OF THE WEST HALF OF SAID SECTION 15, A DISTANCE OF 100.00 FEET TO THE POINT OF BEGINNING;

THENCE SOUTH 01°48'22" EAST ALONG THE EAST LINE OF THE WEST HALF OF SAID SECTION 15, A DISTANCE OF 5,167.89 FEET TO THE SOUTHEAST CORNER OF THE WEST HALF OF SAID SECTION 15;

THENCE SOUTH 00°13'51" EAST ALONG THE EAST LINE OF THE NORTHWEST QUARTER OF SAID SECTION 22, A DISTANCE OF 2,133.56 FEET TO A POINT ON THE NORTHERLY RIGHT-OF-WAY LINE OF MORGAN COUNTY U.5:

THENCE ALONG THE NORTHERLY RIGHT-OF-WAY LINE OF SAID MORGAN COUNTY ROAD U.5 BEING ALONG A CURVE TO THE RIGHT HAVING A DELTA OF 19°00'43", A RADIUS OF 693.00 FEET, AN ARC LENGTH OF 229.95 FEET, A CHORD OF 228.90 FEET BEARING NORTH 80°21'15" WEST;

THENCE ALONG THE NORTHERLY RIGHT-OF-WAY LINE OF SAID MORGAN COUNTY ROAD U.5 BEING ALONG A CURVE TO THE LEFT HAVING A DELTA OF 09°32'28", A RADIUS OF 2,183.46 FEET, AND ARC LENGTH OF 363.60 FEET, A CHORD OF 363.18 FEET BEARING NORTH 82°47'07" WEST;

THENCE NORTH 47°18'04" EAST A DISTANCE OF 712.56 FEET;

THENCE NORTH 00°13'51" WEST, AND BEING PARALLEL, AND 60.00 FEET OPPOSITE TO THE EAST LINE OF THE NORTHWEST QUARTER OF SAID SECTION 22;

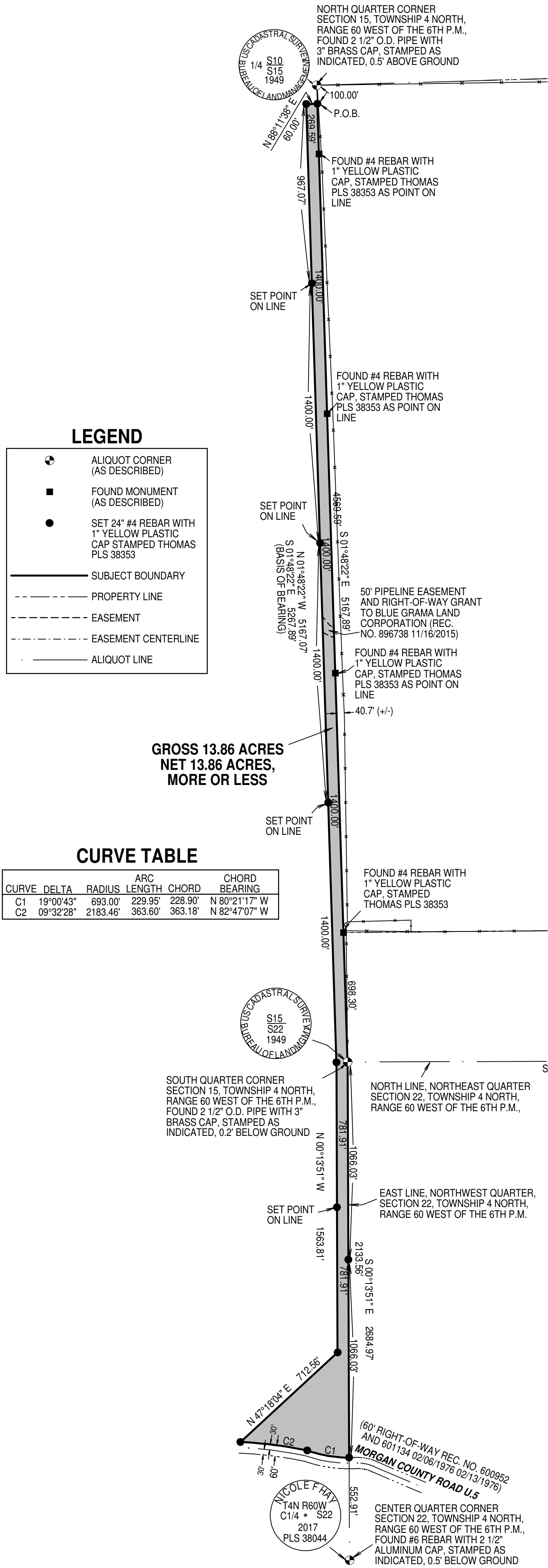
THENCE NORTH 01°48'22" WEST, AND BEING PARALLEL, AND 60.00 FEET OPPOSITE TO THE EAST LINE OF THE WEST HALF OF SAID SECTION 15, A DISTANCE OF 5,167.07 FEET;

THENCE NORTH 88°11'38" EAST A DISTANCE OF 60.00 FEET TO THE POINT OF BEGINNING.

THE PARCEL OF LAND DESCRIBED ABOVE CONTAINS 13.36 ACRES (13.86 ACRES NET), MORE OR LESS AND IS SUBJECT TO EASEMENTS AND RIGHTS-OF-WAY OF RECORD.

SUBDIVISION EXEMPTION PLAT

EXEMPTION PLAT # EP2021-XXXX PART OF THE WEST HALF OF SECTION 15, AND PART OF THE NORTHWEST QUARTER OF SECTION 22, TOWNSHIP 4 NORTH, RANGE 60 WEST OF THE 6TH P.M., COUNTY OF MORGAN, STATE OF COLORADO



FLOODPLAIN CERTIFICATE

IT IS HEREBY CERTIFIED THAT THE ABOVE DESCRIBED PROPERTY IS NOT LOCATED WITHIN THE ZONE A FLOOD HAZARD BOUNDARY ACCORDING TO FEDERAL EMERGENCY MANAGEMENT AGENCIES FLOOD INSURANCE RATE MAP (NATIONAL FLOOD INSURANCE PROGRAM) COMMUNITY PANEL NO. 08087C0400D EFFECTIVE DATE: APRIL 4, 2018.

SURVEYOR'S NOTES:

- THIS SURVEY WAS PREPARED WITH THE BENEFIT OF EQUITY TITLE ASSOCIATES II, LLC COMMITMENT FILE NOS. 0056394 AND 056395 DATED APRIL 26, 2021 AND APRIL 29, 2021, AND DOES NOT CONSTITUTE A TITLE SEARCH BY THOMAS LAND SURVEYING, LLC. TO DETERMINE EASEMENTS OR TITLE OF RECORD. THOMAS LAND SURVEYING, LLC RELIED ON SAID COMMITMENT, EXCLUSIVELY, FOR ALL EASEMENTS AND RIGHTS-OF-WAY. THIS SURVEY DOES NOT PURPORT TO REFLECT ANY OF THE FOLLOWING WHICH MAY BE APPLICABLE TO THE SUBJECT REAL ESTATE: BUILDING SETBACK LINES, RESTRICTIVE COVENANTS, SUBDIVISION RESTRICTIONS, ZONING OR OTHER LAND-USE REGULATIONS, AND ANY OTHER FACTS THAT SAID TITLE COMMITMENT MAY DISCLOSE.
- ACCORDING TO COLORADO LAW, YOU MUST COMMENCE ANY LEGAL ACTION BASED UPON ANY DEFECT IN THIS SURVEY WITHIN THREE YEARS AFTER YOU FIRST DISCOVER SUCH DEFECT, IN NO EVENT MAY ANY ACTION BASED UPON ANY DEFECT IN THIS SURVEY BE COMMENCED MORE THAN TEN YEARS FROM THE DATE OF THE CERTIFICATION SHOWN HEREON.
- THIS SURVEY IS VALID ONLY IF PRINT HAS ORIGINAL SEAL AND SIGNATURE OF SURVEYOR.
- ANY PERSON WHO KNOWINGLY REMOVES, ALTERS OR DEFACES ANY PUBLIC LAND SURVEY MONUMENT AND/OR BOUNDARY MONUMENT OR ACCESSORY, COMMITS A CLASS TWO (2) MISDEMEANOR PURSUANT TO STATE STATUTE C.R.S. SEC. 18-4-508. WHOEVER WILLFULLY DESTROYS, DEFACES, CHANGES OR REMOVES TO ANOTHER PLACE ANY SECTION CORNER, QUARTER CORNER, OR MEANDER POST, ON ANY GOVERNMENT LINE OF SURVEY, OR WILLFULLY CUTS DOWN ANY WITNESS TREE OR ANY TREE BLAZED TO MARK THE LINE OF A BENCH MARK OF ANY GOVERNMENT SURVEY, SHALL BE FINED UNDER THIS TITLE OR IMPRISONED NOT MORE THAN SIX MONTHS, OR BOTH, 18 U.S.C. 1858 (2009).
- THE DISTANCE MEASUREMENTS SHOWN HEREON ARE U.S. SURVEY FOOT.

RIGHT-OF-WAY AND EASEMENT NOTES:

(THOMAS LAND SURVEYING, LLC RELIED, EXCLUSIVELY, ON EQUITY NORTHERN TITLE ASSOCIATES II, LLC TITLE COMMITMENT NOS. 56394 AND 56395 DATED APRIL 26, 2021 AND APRIL 29, 2021, FOR ALL EASEMENTS AND RIGHTS-OF-WAY OF RECORD.)

- AN OIL AND GAS LEASE WAS GRANTED TO MARTIN OIL SERVICE, INC. AND WAS RECORDED JULY 15, 1988 AT RECEPTION NO. 709868. SAID LEASE GRANTS THE EXCLUSIVE RIGHT FOR THE PURPOSE OF DRILLING, MINING, EXPLORATION, DEVELOPMENT AND PRODUCTION OF OIL AND GAS, OR EITHER OF THEM, THEREON AND THEREFROM WITH THE RIGHT TO OWN ALL OIL AND GAS SO PRODUCED AND SAVED THEREFROM AND NOT RESERVED AS ROYALTY BY THE LESSOR UNDER THE TERMS OF THE LEASE. TOGETHER WITH RIGHTS OF WAY, EASEMENTS AND SERVITUDES FOR PIPE LINES, TELEPHONE AND TELEGRAPH LINES, TANKS AND FIXTURES FOR PRODUCING AND CARING FOR SUCH PRODUCTS, AND HOUSING AND BOARDING EMPLOYEES, AND ANY AND ALL RIGHTS AND PRIVILEGES NECESSARY FOR THE ECONOMICAL OPERATION OF SAID LAND FOR OIL AND GAS. (SAID LEASE ENCUMBERS ALL OF THE SUBJECT PARCEL WITHIN SECTION 15 AND IS BLANKET IN NATURE - NOT PLOTTED. UNDERGROUND FACILITIES MAY EXIST.)
- AND OIL AND GAS LEASE WAS GRANTED TO OVERTHRUST OIL ROYALTY CORP. AND WAS RECORDED MARCH 8, 1984 AND GRANTS THE RIGHT FOR THE PURPOSE OF MINING, EXPLORING BY GEOPHYSICAL AND OTHER METHODS, AND OPERATION FOR AND PRODUCING THEREFROM OIL AND ALL GAS OF WHATSOEVER NATURE OR KIND, WITH RIGHTS OF WAY AND EASEMENTS FOR LAYING PIPE LINES, AND ERECTION OF STRUCTURES THEREON TO PRODUCE, SAVE AND TAKE CARE OF SAID PRODUCTS. (SAID LEASE ENCUMBERS ALL OF THE SUBJECT PARCEL WITHIN THE NORTHWEST QUARTER OF SECTION 22 AND IS BLANKET IN NATURE - NOT PLOTTED. UNDERGROUND FACILITIES MAY EXIST.)

CERTIFICATE OF OWNERSHIP

KNOW ALL MEN BY THESE PRESENTS THAT THE TOWN OF WIGGINS, A COLORADO MUNICIPAL CORPORATION, BEING THE OWNERS OF CERTAIN LANDS IN MORGAN COUNTY, COLORADO, DESCRIBED AS FOLLOWS:

A PARCEL OF LAND BEING A PART OF THE WEST HALF OF SECTION 15 AND THE NORTHWEST QUARTER OF SECTION 22, TOWNSHIP 4 NORTH, RANGE 60 WEST OF THE 6TH P.M., COUNTY OF MORGAN, STATE OF COLORADO, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE NORTHEAST CORNER OF THE WEST HALF OF SAID SECTION 15, AND CONSIDERING THE EAST LINE OF THE WEST HALF OF SAID SECTION 15 TO BEAR SOUTH 01°48'22" EAST WITH ALL BEARINGS HEREIN REALTIVE THERETO:

THENCE SOUTH 01°48'22" EAST ALONG THE EAST LINE OF THE WEST HALF OF SAID SECTION 15, A DISTANCE OF 100.00 FEET TO THE POINT OF BEGINNING;

THENCE SOUTH 01°48'22" EAST ALONG THE EAST LINE OF THE WEST HALF OF SAID SECTION 15, A DISTANCE OF 5,167.89 FEET TO THE SOUTHEAST CORNER OF THE WEST HALF OF SAID SECTION 15;

THENCE SOUTH 00°13'51" EAST ALONG THE EAST LINE OF THE NORTHWEST QUARTER OF SAID SECTION 22, A DISTANCE OF 2,133.56 FEET TO A POINT ON THE NORTHERLY RIGHT-OF-WAY LINE OF MORGAN COUNTY U.S.

THENCE ALONG THE NORTHERLY RIGHT-OF-WAY LINE OF SAID MORGAN COUNTY ROAD U.S. BEING ALONG A CURVE TO THE RIGHT HAVING A DELTA OF 19°00'43", A RADIUS OF 633.00 FEET, AN ARC LENGTH OF 229.95 FEET, A CHORD OF 228.90 FEET BEARING NORTH 82°21'15" WEST;

THENCE ALONG THE NORTHERLY RIGHT-OF-WAY LINE OF SAID MORGAN COUNTY ROAD U.S. BEING ALONG A CURVE TO THE LEFT HAVING A DELTA OF 09°32'28", A RADIUS OF 2,183.46 FEET, AND ARC LENGTH OF 363.60 FEET, A CHORD OF 363.18 FEET BEARING NORTH 82°47'07" WEST;

THENCE NORTH 47°18'04" EAST A DISTANCE OF 712.56 FEET;

THENCE NORTH 00°13'51" WEST, AND BEING PARALLEL, AND 60.00 FEET OPPOSITE TO THE EAST LINE OF THE NORTHWEST QUARTER OF SAID SECTION 22;

THENCE NORTH 01°48'22" WEST, AND BEING PARALLEL, AND 60.00 FEET OPPOSITE TO THE EAST LINE OF THE WEST HALF OF SAID SECTION 15, A DISTANCE OF 5,167.07 FEET;

THENCE NORTH 88°11'38" EAST A DISTANCE OF 60.00 FEET TO THE POINT OF BEGINNING.

THE PARCEL OF LAND DESCRIBED ABOVE CONTAINS 13.86 ACRES (13.86 ACRES NET), MORE OR LESS AND IS SUBJECT TO EASEMENTS AND RIGHTS-OF-WAY OF RECORD.

HAVE BY THESE PRESENTS LAID OUT, PLATTED AND SUBDIVIDED AS SHOWN ON THIS PLAT.

EXECUTED THIS ____ DAY OF _____, 20__.

OWNER:

THE TOWN OF WIGGINS,
A COLORADO MUNICIPAL CORPORATION

STATE OF COLORADO)
COUNTY OF MORGAN) SS.

THE FOREGOING CERTIFICATION WAS ACKNOWLEDGED BEFORE ME THIS ____ DAY OF _____, 20__ BY _____

WITNESS MY HAND AND OFFICIAL SEAL.

MY COMMISSION EXPIRES _____

NOTARY PUBLIC _____

CERTIFICATE OF APPROVAL BY THE PLANNING AND ZONING DEPARTMENT:

APPROVED THIS ____ DAY OF _____, 20__ BY THE PLANNING ADMINISTRATOR OF MORGAN COUNTY, COLORADO. THIS APPROVAL DOES NOT GUARANTEE THAT THE SIZE, SOIL CONDITIONS, OR FLOODING CONDITIONS OF ANY LOT SHOWN HEREON ARE SUCH THAT A BUILDING PERMIT, WELL PERMIT, OR SEWAGE DISPOSAL PERMIT WILL BE ISSUED. THIS APPROVAL IS WITH THE UNDERSTANDING THAT ALL EXPENSES INVOLVING REQUIRED IMPROVEMENTS FOR ALL UTILITY SERVICES, PAVING, GRADING, LANDSCAPING, CURBS, GUTTERS, SIDEWALKS, ROAD LIGHTING, ROAD SIGNS, FLOOD PROTECTION DEVICES, DRAINAGE STRUCTURES, AND ALL OTHER IMPROVEMENTS THAT MAY BE REQUIRED SHALL BE THE RESPONSIBILITY OF THE SUBDIVIDERS AND NOT THE COUNTY.

SIGNATURE _____

ATTEST:

CLERK TO THE BOARD
SEAL

CLERK AND RECORDER'S CERTIFICATE:

STATE OF COLORADO)
COUNTY OF MORGAN) SS.

I HEREBY CERTIFY THAT THIS INSTRUMENT WAS FILED IN MY OFFICE AT _____ O'CLOCK ____ M., THIS ____ DAY OF _____,

20__, AND IS DULY RECORDED IN PLAT FILE _____, FEES _____ PAID

RECORDER _____

BASIS OF BEARING

THE EAST LINE OF THE WEST HALF OF SECTION 15, TOWNSHIP 4 NORTH, RANGE 60 WEST OF THE 6TH P.M., COUNTY OF MORGAN, STATE OF COLORADO, IS ASSUMED TO BEAR SOUTH 01°48'22" EAST AND IS MONUMENTED AS INDICATED.

SURVEYOR'S CERTIFICATE:

I, ROBERT D. THOMAS, A PROFESSIONAL LAND SURVEYOR IN THE STATE OF COLORADO, DO HEREBY CERTIFY THAT THIS SUBDIVISION EXEMPTION WAS PREPARED BY ME, OR UNDER MY PERSONAL SUPERVISION, AND THAT THIS PLAT IS AN ACCURATE REPRESENTATION THEREOF, BASED UPON MY KNOWLEDGE, INFORMATION AND BELIEF. I FURTHER CERTIFY THAT THE SURVEY AND THIS PLAT COMPLY WITH ALL APPLICABLE RULES, REGULATIONS, AND LAWS OF THE STATE OF COLORADO, STATE BOARD OF REGISTRATION FOR PROFESSIONAL ENGINEERS AND PROFESSIONAL LAND SURVEYORS, AND MORGAN COUNTY, AND IS NOT A GUARANTEE OR WARRANTY, EITHER EXPRESS OR IMPLIED.

ROBERT D. THOMAS
COLORADO PROFESSIONAL LAND SURVEYOR #38353

DATE _____

DRYLAND FARM LEASE AGREEMENT

THIS DRYLAND FARM LEASE AGREEMENT ("Lease") is made and entered into this _____ day of _____, 2021, by and between TOWN OF WIGGINS, COLORADO, a Colorado municipal corporation ("Landlord"), and MIKE MILLER, an individual ("Tenant").

NOW, THEREFORE, Landlord and Tenant agree as follows:

1. Leased Property. Landlord hereby leases to Tenant the following real property, as legally described on Exhibit A attached hereto, (hereinafter the "Leased Property") located on the W 1/2, Section 22, Township 4N, Range 60W of the 6th Principal Meridian. Property is approximately 332 acres as depicted in Exhibit B.

2. Term; Rent. The term of this Lease shall commence on the date first written above and ending on _____, 2022, unless sooner terminated by the mutual written consent of **the Landlord** and Tenant or as provided in as provided in this Lease. As consideration for this Lease, Lessee shall pay Lessor rent in the amount of \$ _____, payable in a lump sum at the same time this Lease is executed. Rent shall be payable to the Town of Wiggins.

3. Condition of Leased Property; Risk of Loss. Prior to signing this Lease, Tenant has inspected the Leased Property and leases it in an "as is" condition. No additional representation, statement or warranty, express or implied, has been made by or on behalf of the Landlord as to the condition of the Leased Property. In no event shall the Landlord be liable for any defect in the Leased Property or for any limitation on its use for farmland. Tenant assumes the risk of loss or damage to any crops or Tenant property, whether from windstorm, fire, earthquake, snow, flood, water run-off, soil conditions, or any other causes whatsoever. Tenant expressly recognizes that Landlord and other entities intend to store, recharge and use water adjacent to the Leased Property and hereby agrees it will not hold the Town or such other entities liable for any damages caused to the Tenant's crops or other property by the storage, recharge and use of water adjacent to the Leased Property, including, but not limited to, any damage caused by a rise in the water table, flooding, or other damages or inconveniences which are a reasonably foreseeable consequence of Landlord's and the other entities' intended uses of the property adjacent to the Leased Property.

4. Permitted and Required Uses. Tenant may occupy and use the Leased Property for the following uses and practices:

- a. Agricultural uses, including the open growing of crops and keeping of livestock, the types of which shall be approved by the Landlord in advance, but which approval by Landlord shall not be unreasonably withheld, delayed or conditioned, and at levels consistent with applicable zoning ordinances and regulations for the Leased Property, and with any soil and conservation plans applicable to the Leased Property. **This Lease is a dry land lease. Tenant shall not be entitled to use any water on the Leased Property for irrigation during the term of the Lease.**
- b. Use of agrichemicals, including but not limited to, fertilizers and biocides, but only in those amounts and with that frequency of application necessary to accomplish Tenant's permitted agricultural uses.
- c. Control by legally authorized techniques of predatory animals and problem species which have caused or are likely to cause damage to crops or other property of Tenant.

- . Tenant shall be permitted, in Tenant's reasonable discretion to harvest the crops on the Leased Property and to use the buildings, corrals, storage bins and units, and business equipment necessary to complete the harvest and sale of the crops that are on the Leased Property as of the date of this Lease and that may be grown any time after the date of this Lease.
- a. There shall be no principal use of the Leased Property other than for the agricultural uses described herein.

5. Limitation on Hunting Privileges: Lessee and his guests shall have and possess valid Colorado hunting licenses that cover the species the Lessee intends to hunt on the Lease Property.

Lessee and his guests shall comply with all Colorado, federal and local hunting laws and regulations. Should Lessee or any guest violate applicable laws and regulations, Lessor may immediately terminate this Lease.

While on the Leased Property, Lessee and his guests shall: (1) maintain safe gun handling practices; (2) never shoot in the direction of any people, buildings or livestock; (3) leave all gates as Lessee finds them; (4) use proper care in crossing fences; (5) operate vehicles only on established roadways or lanes; (6) not use alcohol or unlawful drugs; and (7) build no fires.

Lessee agrees that the Leased Property shall be kept free of litter at all times and that litter or trash will be removed by Lessee.

Lessee may allow guests to use the Leased Property when accompanied by Lessee, but Lessee is prohibited from charging a fee or requiring remuneration in exchange for granting permission to anyone to hunt on the Licensed Premises. Further, no commercial hunting, fishing or guide activities may occur on the property by the Lessee or his guests.

Lessee recognizes the inherent dangers associated with hunting, both natural and human- created. Lessee recognizes that accidents involving firearms, ammunition, falling trees, hidden ground openings, poisonous plants and animals and various other dangers may forcibly occur on the Leased Property. Lessee acknowledges his recognition of these dangers and the possible existence of dangerous physical conditions upon the premises such as, but not limited to, those described on the enclosed map. With the aforementioned recognitions in mind, Lessee agrees to indemnify and hold harmless Lessor, its officials, officers, employees and agents from all claims, suits, losses, personal injuries, deaths, property liability and all other liability resulting directly or indirectly from or on account of hunting activities engaged in by Lessee or Lessee's guests on the Leased Property, said obligation to indemnify extending to the reimbursement of Lessor for all expenses and suits including but not limited to, judgments, attorney fees and court costs

6. Maintenance. Landlord shall have no obligation to repair, replace, improve or maintain any portion of the Leased Property. Tenant shall at all times during the term of this Lease and at Tenant's sole expense maintain the Leased Property in a reasonably good and safe condition. Tenant shall use reasonable care to prevent waste, damage or injury to the Leased Property, and shall conduct agricultural operations in

accordance with prevailing standards of husbandry. Tenant, and Tenant's agents and employees, may not cut or damage trees, roads, water facilities, ponds or dwellings, fences, buildings or other property on the Leased Property without the prior written consent of Landlord, which consent shall not be unreasonably conditioned, delayed or withheld by Landlord. Tenant, and Tenant's agents and employees, agree to repair any material damage Tenant, or Tenant's agents and employees, may cause on the Leased Property and to return the Leased Property to Landlord in the condition a reasonable person would expect the Leased Property to be in after the completion by Tenant, and Tenant's agents and employees, of the Permitted and Required Uses in Section 4 of this Lease excepting ordinary wear and tear and damage by acts of God. Tenant, and Tenant's agents and employees, shall comply with all applicable ordinances, resolutions, rules and regulations in its use and occupancy of the Leased Property. If Tenant fails to comply with its obligations under this Section, Landlord may at its option terminate this Lease as provided herein or take such measures as it determines necessary to bring the Leased Property into compliance with the terms of this Lease, and the cost of such measures shall be paid by Tenant. Upon termination of this Lease, Tenant shall return the Leased Property to Landlord in the condition a reasonable person would expect the Leased Property to be in after the completion by Tenant, and Tenant's agents and employees, of the Permitted and Required Uses in Section 4 of this Lease excepting ordinary wear and tear and damage by acts of God.

7. Utilities, Supplies & Equipment. During the term of the Lease, Tenant shall be solely responsible for payment of all utility services for the Leased Property (if any). Tenant shall promptly pay all utility charges as they become due. Tenant shall be solely responsible for the costs of all labor, machinery, fertilizer, chemicals, seed and other items needed for farming, and shall promptly pay for all labor and materials furnished at the instance of Tenant.

8. Alterations and Improvements. Tenant shall not place, build, expand, alter or add to any structures or other improvements on the Leased Property without the Landlord's prior written consent, which consent may not be unreasonably conditioned, delayed or withheld by Landlord.

9. Non-liability of Landlord. Landlord shall have no responsibility, liability, or obligation with respect to the safety or security of any personal property placed or located on, at, or in the Leased Property, it being acknowledged and understood by Tenant that the safety and security of any such property is the sole responsibility and risk of Tenant.

10. Right of Entry; Reserved Uses. Upon prior notice to Tenant, Landlord shall at all times have the right to enter the Leased Property to inspect, improve, maintain, alter or utilize the Leased Property at reasonable times and in any reasonable manner authorized to Landlord and which does not unreasonably interfere with Tenant's use and enjoyment of the Leased Property. In the exercise of its rights pursuant to this Lease, Tenant, and Tenant's agents and employees, shall use reasonable efforts to avoid any material damage

or material interference with any Landlord installations, structures, utilities, or improvements on, under, or adjacent to the Leased Property.

10. Tenant Liability. Tenant shall be solely responsible for any reasonable and documented material damages suffered by Landlord as a result of Tenant's use and occupancy of the Leased Property. Tenant agrees to indemnify and hold Landlord, its officers, agents, and employees harmless from and against all reasonable and documented liability, claims, damages, losses, and expenses, including but not limited to reasonable attorneys' fees, arising out of, resulting from, or in any way connected with (a) Tenant's use and occupancy of the Leased Property; (b) any mechanics liens claimed or recorded against the Leased Property as a result of Tenant's use or occupancy thereof; or (c) the rights and obligations of Tenant under this Lease. Tenant agrees to hold harmless and make no claim against Landlord, its officers, agents, and employees for any damages which may be caused by the acts of Landlord, its officers, agents, and employees, to Tenant's crops, property or improvements located upon the Leased Property; however, this shall not apply with respect to the grossly negligent, wanton and willful acts of Landlord, and Landlord's agents and employees.

11. Insurance. Tenant shall purchase and maintain for the full term of this Lease farm liability and general liability insurance, with minimum coverage of not less than \$350,000 for any injury to one person in any single occurrence, and \$1,000,000 for any injury to two or more persons in any single occurrence. The general liability insurance policy shall include coverage for bodily injury, property damage, and personal injury. Tenant shall also maintain workers compensation and employers liability insurance if and as required by the provisions of the Workers Compensation Act, as amended, of the State of Colorado. Before commencement of activities under this Lease, Tenant must present evidence of the required coverages to the Landlord. The required coverages shall be maintained for the term of this Lease, and Tenant shall notify the Landlord of any material reduction or exhaustion of aggregate policy limits. If Tenant fails to purchase or maintain the insurance coverage stated required herein, the Landlord shall have the right to procure such insurance coverage at Tenant's expense.

12. Non-Waiver of CGIA. The parties understand and agree that Landlord is relying on and does not waive or intend to waive by any provision of this Lease the monetary limitations or any other rights, immunities, and protections provided by the Colorado Governmental Immunity Act, C.R.S. § 24-10-101 et seq. ("CGIA") as from time to time amended, or otherwise available to Landlord its officers, or its employees.

13. Breach; Remedies; Termination. At Landlord's option, it shall be deemed a breach of this Lease if Tenant defaults in the performance of any term of this Lease. In the event Landlord elects to declare a breach, Landlord shall give Tenant twenty (20) days written notice requiring compliance with the specified terms and conditions of this Lease, or delivery of the possession of the Leased Property. In the event any default remains uncorrected after twenty-one (21) days written notice, Landlord, at Landlord's option, may declare the Lease term ended, repossess the Leased Property and expel Tenant without being deemed guilty of a trespass or of a forcible entry and detainer and without prejudice to any other remedies to which Landlord may be entitled. In addition to the foregoing, Landlord may immediately terminate this Lease if Landlord determines in its reasonable discretion that Tenant's use of the Leased Property poses a material human health, safety or welfare hazard or violates applicable laws, regulations, ordinances or water court decree, which such hazard or violation cannot be remedied.

14. Notice. Any notices or communication required or permitted hereunder shall be given in writing and shall be personally delivered, or sent by United States mail, postage prepaid, registered or certified mail, return receipt requested, addressed to the recipient party and its address set forth in the first paragraph of this Lease. Notices shall be effective upon mailing.

15. Non-Waiver. Waiver by Landlord of any breach of any term of this Lease shall not be deemed a waiver of any subsequent breach of the same or any other term or provision thereof.

16. No Sublease. The Lease granted herein is personal to the parties hereto, and Tenant may not sublease or assign any of its interest in the Lease without the Landlord's prior written consent. The foregoing shall not preclude a lender's interest in crops.

17. Status of Tenant. Tenant acting under this Lease is not an employee, agent or joint venture of the Landlord. Tenant's operations will not be supervised by any employee or official of the Landlord, nor will Tenant exercise supervision over any employee or official of the Landlord. Tenant shall not represent that Tenant is an employee, agent or joint venture of the Landlord. Tenant shall supply all personnel, equipment and materials at Tenant's sole expense. **Tenant is not entitled to Workers' Compensation benefits from the Landlord, and is obligated to pay federal and state income tax on money earned pursuant to this Lease.**

IN WITNESS WHEREOF, the parties have entered into this Farm Lease Agreement on the date first above written

LANDLORD: TOWN OF WIGGINS

By: _____
Jeffrey W. Palmer, Mayor

ATTEST:

Deborah Lee, Town Clerk

TENANT:

By: _____
Michael K. Miller

EXHIBIT A

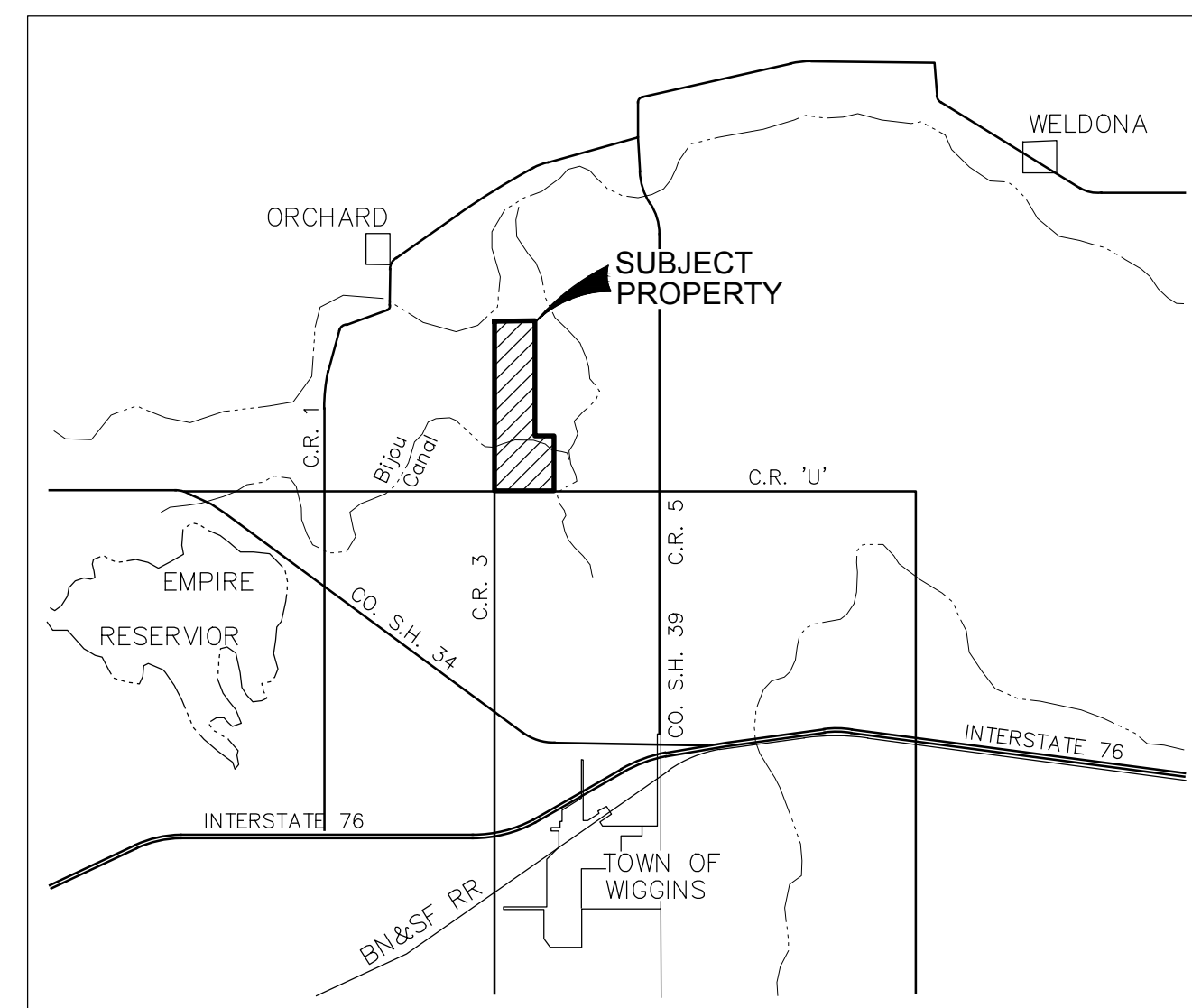
LEGAL DESCRIPTION OF LEASED PROPERTY

That property north of the Bijou canal and consisting of the E $\frac{1}{2}$ of the W $\frac{1}{2}$ of Section 15, Township 4 North, Range 60 West of the 6th and the NE $\frac{1}{4}$ of the W $\frac{1}{2}$ of Section 5, Township 4 North, Range 60 West of the 6th as further depicted on the attached draw

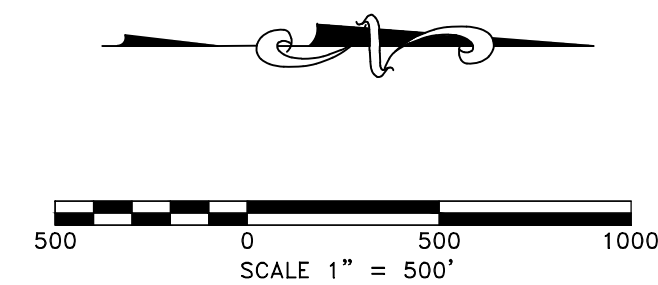
ALTA / NSPS LAND TITLE SURVEY

THE WEST ONE HALF OF SECTION 15, THE WEST ONE HALF OF SECTION 22, AND A PORTION OF THE SOUTH WEST QUARTER OF THE SOUTHEAST QUARTER OF SECTION 22
TOWNSHIP 4 NORTH, RANGE 60 WEST OF THE 6TH P.M.
COUNTY OF MORGAN, STATE OF COLORADO

SHEET 1 OF 1

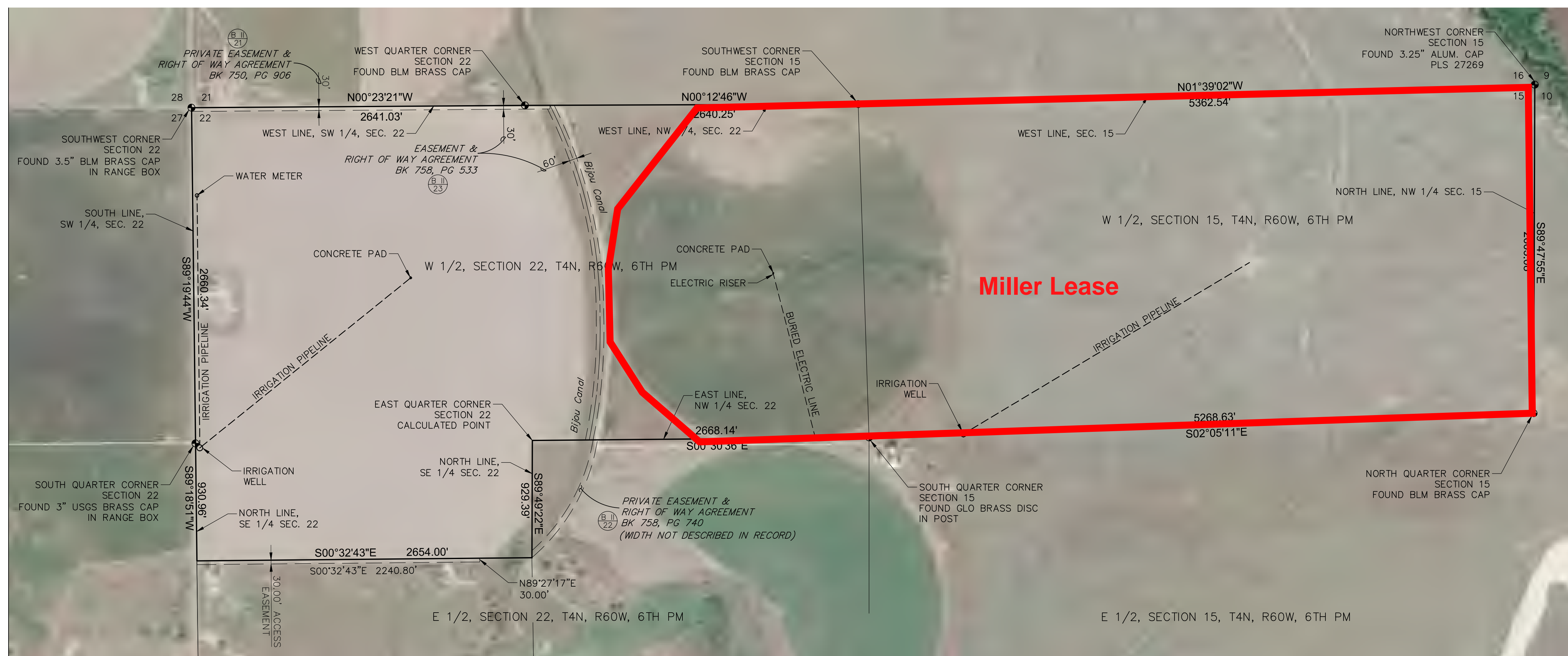


VICINITY MAP
NO SCALE



The following is a part of the Commitment for Title Insurance issued by Stewart Title, File No. 01330-89881, Effective Date: October 24, 2016, Schedule B II exceptions:

8. Any and all unpaid taxes and assessments and any unredeemed tax sales.
9. Kiowa and Bijou Irrigation and Land Company and rights-of-way therefor, as evidenced by Sworn Statement filed April 2, 1885 April 2, 1885 in [Book 4 at Page 207](#).
10. Bijou Reservoir and Canal Company and rights-of-way therefor, as evidenced by Certificate of Incorporation filed August 23, 1888 in [Book 18 at Page 204](#).
11. Right-of-way for road purposes as specified in Road Petition recorded October 10, 1890 in [Book 15 at Page 30](#), said road not to be less than 60 feet in width.
12. Weld and Morgan Canal and Reservoir System and rights-of-way therefor, as evidenced by instrument recorded July 22, 1895 in File #16.
13. Kiowa Basin Reservoir and right-of-way therefor, as evidenced in instrument filed December 19, 1901 in File #39.
14. Midway Reservoir and rights-of-way therefor, as evidenced by Map and Sworn Statement recorded September 21, 1906 in [Map Book 1 at Page 14](#).
15. Reservation as contained in U.S. Patents recorded October 7, 1910 in [Book 82 at Page 10](#) (SW1/4 22-4-60).
16. Reservation of right-of-way for ditches or canals constructed by the authority of the United States, in U.S. Patents recorded December 10, 1919 in [Book 155 at Page 94](#) (15-4-60); and November 9, 1934 in [Book 335 at Page 156](#) (SE1/4 22-4-60) and in [Book 335 at Page 157](#) (NW1/4 22-4-60).
17. Terms, Agreements, provisions, conditions and obligations as contained in Agreement between I.J. Silance and Leona C. Parks and Irving Cowles, recorded February 19, 1920 in [Book 162 at Page 176](#), (15-4-60).
18. Easement and right-of-way for Transmission Line purposed as granted by Bertha Benesh Huff formerly Bertha Benesh to The United State of America as contained in instrument recorded April 6, 1940 in [Book 382 at Page 396](#) (SW1/4SW1/4 22-4-60)
19. Undivided 1/2 interest in all oil, gas and other minerals, as reserved by Lottie Weimer in Deed to Leah Lauck recorded May 24, 1962 in [Book 658 at Page 91](#) (NW1/4 22-4-60).
20. Subject to Resolution for opening a road by the Board of County Commissioners of Morgan County, Colorado recorded April 10, 1975 in [Book 750 at Page 421](#) (22-4-60).
21. Easement and right-of-way for road purposes as granted by Peter Lauck and Leah Lauck to the Board of Commissioners of the County of Morgan recorded May 6, 1975 in [Book 750 at Page 906](#) (22-4-60).
22. Easement and right-of-way for access over and across lands granted by Billy S. Thorton and Ursula A. Thorton to Peter Lauck and Leah Lauck recorded February 13, 1976 in [Book 758 at Page 740](#) (22-4-60).
23. Easement and right-of-way for road purposes as granted by Peter Lauck and Leah Lauck to the Board of Commissioners of the County of Morgan recorded February 6, 1976 in [Book 758 at Page 533](#) (22-4-60).
24. All rights to any and all minerals, ores and metals of any kind and character, and all coal, asphaltum, oil, gas or other like substance in or under said land, the right of ingress or egress for the purpose of mining, together with enough of the surface of the same as may be necessary for the proper and convenient working of such minerals and substances, as reserved by the State of Colorado in Patent to Peter G. Lauck and Leah Lauck recorded April 13, 1981 in [Book 814 at Page 263](#), and any and all assignments thereof or interest therein (W1/2 15-4-60).
25. Undivided 1/4 interest in all oil, gas and other minerals, as reserved by Peter G. Lauck and Leah Lauck to Robert L. Frank and Nancy A. Frank recorded May 4, 1981 in [Book 815 at Page 38](#) (All).
26. Easement and right-of-way for access over and across lands granted by Peter G. Lauck and Leah Lauck to Robert L. Frank and Nancy A. Frank recorded May 4, 1981 in [Book 815 at Page 41](#) (SE1/4 22-4-60)
27. Oil and Gas Lease between the State of Colorado and Martin Oil Services, Inc. recorded December 23, 1982 in Book 837 at Page 675, rerecorded July 15, 1988 in [Book 904 at Page 839](#), and any and all assignments thereof and interest therein (W1/2 15-4-60).
28. Oil and Gas Lease between Peter G. Lauck and Leah Lauck and Overthrust Oil Royalty Corp recorded September 2, 1983 in [Book 846 at Page 852](#), and any and all assignments thereof and interest therein (NW1/4 22-4-60).
29. Oil and Gas Lease between Robert L. Frank and Nancy A. Frank and Overthrust Oil Royalty Corp recorded March 8, 1984 in [Book 852 at Page 710](#), and any and all assignments thereof and interest therein (NW1/4 22-4-60).
30. Terms, Agreements, provisions, conditions and obligations as contained in Agreement between Central Colorado Water Conservancy District and the Groundwater Management Subdistrict and Bijou Irrigation Company recorded March 20, 1984 in [Book 853 at Page 154](#) (E1/2 22-4-60).
31. Security interest pursuant to the Uniform Commercial Code affecting the subject property, notice of which is given by Financial Statement from David Knievel and Margery Knievel, debtors, to Greeley National Bank recorded March 1, 1989 in [Book 910 at Page 421](#) (All).
32. All mineral and water rights contained in Warranty Deed recorded March 1, 1989 in [Book 910 at Page 424](#) (W1/2 15 and NW1/4 of 22-4-60).
33. Easement and right-of-way for access over and across lands granted by Peter G. Lauck and Leah Lauck to The Farm Credit Bank of Wichita as contained in instrument recorded April 18, 1989 in [Book 911 at Page 819](#) (SE1/2 22-4-60).
34. Exceptions and water rights and equipment included in Warrant Deed recorded January 15, 1997 in [Book 1005 at Page 65](#) (W1/2 and SE1/4 22-4-60).
35. Terms, conditions and restrictions contained in Orders for Conditional Inclusion of Lands within the Boundaries of the Northern Colorado Water Conservancy District recorded December 10, 2003 at [Reception No. 813914](#), February 12, 2004 at [Reception No. 815426](#), and April 28, 2005 at [Reception No. 826516](#), and any and all amendments thereto.
36. Terms, conditions and restrictions contained in Petition for Class D Irrigation Water Allotment Contract recorded January 10, 2005 at [Reception No. 823799](#).
37. Terms, conditions and restrictions contained in Grant of Easement recorded May 5, 2009 at [Reception No. 855653](#) and at [Reception No. 855654](#).
38. Terms, conditions, restrictions, reserved mineral rights and mineral leasehold interest contained in Disclaimer and Renunciation recorded September 16, 2011 at [Reception No. 871116](#).
39. NOTE: The following notices pursuant to CRS 9-1.5 103 concerning underground facilities have been filed with the Clerk and Recorder. These statements are general and do not necessarily give notice of underground facilities within the subject properties: (A) Mountain Bell Telephone Company recorded October 2, 1981 in [Book 821 at Page 502](#); (B) Public Service Company of Colorado recorded October 2, 1981 in [Book 821 at Page 514](#); (C) Morgan County Rural Electric Association recorded January 22, 1982 in [Book 825 Page 658](#); (D) Colorado Interstate Gas Company recorded August 1, 1981 in [Book 819 at Page 623](#); (E) Colorado Interstate Gas Company recorded September 1, 1983 in [Book 846 at Page 797](#); (F) Colorado Interstate Gas Company recorded August 31, 1984 in [Book 859 at Page 600](#); (G) Colorado Interstate Gas Company recorded September 3, 1985 in [Book 871 at Page 554](#); (H) Colorado Interstate Gas Company recorded September 2, 1986 in [Book 882 at Page 904](#); and (I) Wiggins Telephone Association recorded October 9, 1992 in [Book 947 at Page 824](#).
40. NOTE: The Company makes no representation as to the present ownership of any and all mineral interests. There may be leases, grants, exceptions or reservations of interests that are not listed.



LEGAL DESCRIPTION:

THE WEST ONE HALF OF SECTION 15, THE WEST ONE HALF OF SECTION 22, AND A PORTION OF THE SOUTHWEST QUARTER OF THE SOUTHWEST QUARTER OF SECTION 22, TOWNSHIP 4 NORTH, RANGE 60 WEST OF THE SIXTH PRINCIPAL MERIDIAN, COUNTY OF MORGAN, STATE OF COLORADO, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHWEST CORNER OF SECTION 22, BEING THE TRUE POINT OF BEGINNING; THENCE ALONG THE WEST LINE OF THE SOUTHWEST QUARTER OF SECTION 22 N00°23'21"W 2641.03 FEET TO THE WEST QUARTER CORNER OF SECTION 22; THENCE ALONG THE WEST LINE OF THE NORTHWEST QUARTER OF SECTION 22 N00°12'46"W 2640.25 FEET TO THE NORTHWEST CORNER OF SECTION 22, ALSO BEING THE SOUTHWEST CORNER OF SECTION 15; THENCE ALONG THE WEST LINE OF SECTION 15 N01°39'02"W 5362.54 FEET TO THE NORTHWEST CORNER OF SECTION 15; THENCE ALONG THE NORTH LINE OF THE NORTHWEST QUARTER OF SECTION 15 S89°47'55"E 2603.08 FEET TO THE NORTH QUARTER CORNER OF SECTION 15; THENCE ALONG THE EAST LINE OF SECTION 15 S02°05'11"E 5268.63 FEET TO THE SOUTH QUARTER CORNER OF SECTION 15, ALSO BEING THE NORTH QUARTER CORNER OF SECTION 22; THENCE ALONG THE EAST LINE OF THE NORTHWEST QUARTER OF SECTION 22 S00°30'36"E 2668.14 FEET TO THE EAST QUARTER CORNER OF SECTION 22; THENCE DEPARTING SAID EAST LINE ALONG THE NORTH LINE OF THE SOUTHWEST QUARTER OF SECTION 22 S89°49'22"E 929.39 FEET; THENCE DEPARTING SAID NORTH LINE S00°32'43"E 2654.00 FEET TO A POINT ON THE SOUTH LINE OF THE SOUTHWEST QUARTER OF SECTION 22; THENCE ALONG SAID SOUTH LINE S89°18'51"W 930.96 FEET TO THE SOUTH QUARTER CORNER OF SECTION 22; THENCE ALONG THE SOUTH LINE OF THE SOUTHWEST QUARTER OF SECTION 22 S89°19'44"W 2660.34 FEET TO THE TRUE POINT OF BEGINNING; CONTAINING 700.01 ACRES MORE OR LESS.

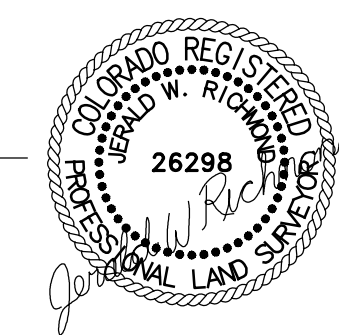
NOTES:

1. ACCORDING TO COLORADO LAW, YOU MUST COMMENCE ANY LEGAL ACTION BASED ON ANY DEFECT IN THIS SURVEY WITHIN THREE YEARS AFTER YOU FIRST DISCOVERED SUCH DEFECT. IN NO EVENT, MAY ANY ACTION BE COMMENCED MORE THAN 10 YEARS FROM THE DATE OF THE CERTIFICATION SHOWN HEREON.
2. BASIS OF BEARING FOR THIS SURVEY IS THE WEST LINE OF THE SOUTHWEST QUARTER OF SECTION 22 BETWEEN THE SOUTHWEST CORNER OF SECTION 22, A FOUND 3.5 INCH BRASS CAP IN RANGE BOX AND THE WEST QUARTER CORNER OF SECTION 22, A FOUND BLM BRASS CAP; SAID LINE BEARS N00°23'21"W.
3. UTILITIES SHOWN ARE BASED ON SURFACE EVIDENCE AND ARE NOT GUARANTEED ACCURATE OR ALL INCLUSIVE.
4. THIS SURVEY DOES NOT CONSTITUTE A TITLE SEARCH BY DIAMONDBACK ENGINEERING AND SURVEYING, INC. TO DETERMINE OWNERSHIP OR EASEMENTS OF RECORD. FOR ALL INFORMATION REGARDING EASEMENTS AND RIGHTS-OF-WAY, DIAMONDBACK ENGINEERING AND SURVEYING, INC. RELIED ON THE RECORDED PLATS AND THE COMMITMENT FOR TITLE INSURANCE ISSUED BY STEWART TITLE, FILE NUMBER 01330-89881, EFFECTIVE DATE: OCTOBER 24, 2016.

SURVEYORS CERTIFICATION:

TO: STEWART TITLE, DAVID A. KNEIVEL, AND THE TOWN OF WIGGINS, COLORADO: THIS IS TO CERTIFY THAT THIS MAP OR PLAT, AND THE SURVEY ON WHICH IT IS BASED WERE MADE IN ACCORDANCE WITH "2011 MINIMUM STANDARD DETAIL REQUIREMENTS FOR ALTA/ACSM LAND TITLE SURVEYS" JOINTLY ESTABLISHED AND ADOPTED BY ALTA AND NSPS, AND INCLUDES ITEMS 4, 8, 11, 19, OF TABLE "A" THEREOF. THE FIELD WORK WAS COMPLETED ON NOVEMBER 17, 2017.

JERALD W. RICHMOND P.L.S. 26298
FOR AND ON BEHALF OF
DIAMONDBACK ENGINEERING & SURVEYING, INC.



DATE: JAN. 13, 2017

REVISION	
DATE:	BY:

Diamondback
Engineering & Surveying, Inc.
12640 West Cedar Drive, Suite C,
Lakewood, CO 80228-2030
Office: 303-985-4204
Fax: 303-985-4214
www.diamondbackeng.com