

THE STATE OF TEXAS §

COUNTY OF NUECES §

ORDER (RESOLUTION) AUTHORIZING APPROVAL OF PROPOSED TEXAS STATEWIDE OPIOID SETTLEMENT AGREEMENTS

BE IT REMEMBERED, at a regular meeting of the Board of Managers of the Nueces County Hospital District, Texas, held on the 10th day of December, 2024, on motion made by Board Member _____ and seconded by Board Member _____, the following Order (Resolution) was adopted:

WHEREAS, Nueces County Hospital District obtained information indicating that certain drug companies and their corporate affiliates, parents, subsidiaries, and such other defendants as may be added to the litigation (collectively, "Defendants") have engaged in fraudulent and/or reckless marketing and/or distribution of opioids that have resulted in addictions and overdoses; and

WHEREAS, these actions, conduct and misconduct have resulted in significant financial costs in the past to the Nueces County Hospital District and will undoubtedly result in significant financial costs in the future; and

WHEREAS, Nueces County Hospital District brought or has investigated claims against The Kroger Co. ("Kroger"), and certain other defendants related to potentially released claims; and (2) other defendants in the opioid supply chain on behalf of the Nueces County Hospital District in *In Re: Texas Opioid Litigation*, MDL No. 2018-63587, currently pending in the 152nd District Court of Harris County, Texas and/or removed pending remand; and

WHEREAS, on October 30, 2024, the Kroger Defendant in the opioid litigation brought by the Nueces County Hospital District, the State of Texas, through the Office of the Attorney General, and a negotiation group for Texas political subdivisions entered into an Agreement entitled Kroger Texas Statewide Opioid Settlement Agreement and Release (hereinafter collectively the "Texas Agreement"); and

WHEREAS, Special Counsel and the State of Texas have recommended that the Nueces County Hospital District support the adoption and approval of the Texas Agreement in its entirety; and

WHEREAS, even though the payments from the settlements reflect partial compensation to the Nueces County Hospital District for the past damages it has suffered or the future damages it is likely to incur, given the risks of litigation, the fact that it is to the benefit of Texas and the County and its residents, and that it reduces the risks associated with protracted litigation;

NOW, THEREFORE, BE IT RESOLVED that we, the Board of Managers of the Nueces County Hospital District:

1. Support the adoption and approval the Texas Agreement;
2. Authorizes the Nueces County Hospital District to execute the Texas Release for the Texas Subdivision Participation Form and Release; and
3. Finds as follows:
 - a. There is a substantial need for repayment of past opioid-related expenditures and payment to help abate current and future opioid-related harms in and about Nueces County, Texas; and
 - b. The Board of Managers supports in its entirety the Texas Agreement. The Board of Managers understands that the purpose of each Settlement is to effectuate resolution of the Opioid Litigation against the Kroger Defendants. We also understand that an additional purpose is to ensure the effective means of distributing any potential settlement funds obtained under settlements in Texas and under the jurisdiction of Texas Courts in a manner and means that would promote an effective and meaningful use of the funds in abating the opioid epidemic in this County and throughout Texas.

The Nueces County Hospital District is hereby authorized to approve and accept the Texas Agreement as set forth herein.

The Administrator of the Nueces County Hospital District is hereby authorized to execute and deliver the settlement documents recommended for approval by Special Counsel in the above referenced case and to approve such terms and provisions for the full and final settlement of all matters set forth therein.

DONE IN OPEN MEETING on this the 10th day of December, 2024.

**NUECES COUNTY HOSPITAL DISTRICT
BOARD OF MANAGERS**

Jonny F. Hipp, Secretary