

**RHODE ISLAND MEMORANDUM OF UNDERSTANDING
BETWEEN THE STATE AND
CITIES AND TOWNS RECEIVING OPIOID SETTLEMENT FUNDS**

Whereas, the people of the State of Rhode Island and its communities have been harmed by the opioid epidemic, which was caused, in part, by manufacturers and distributors of opioids, and dispensers of opioids and related drugs (collectively, “Opioids Defendants”); and

Whereas, the actions of the Opioids Defendants have resulted in a rise in opioid addiction, overdoses, and deaths in Rhode Island, as well as increased healthcare, social services, and criminal justice costs and the destabilization of families and communities across the state; and

Whereas, the State and certain Rhode Island cities and towns are engaged in litigation seeking to hold certain Opioids Defendants accountable for the damage they have caused; and

Whereas, the State and the Eligible Cities and Towns share a common desire to abate and alleviate the impacts of the Opioids Defendants’ misconduct through the State of Rhode Island in a coordinated and expeditious manner; and

Whereas, upon satisfaction of the terms of each of the Settlement Agreements, each will become binding on all Settling States and Participating Cities and Towns, and other settling entities party thereto;

Whereas, each Settlement Agreement encourages or allows each Settling State and its respective cities and towns to enter into a State-Subdivision Agreement, or a similar framework, in order to direct allocation of their portion of the Opioid Settlement Funds.

Now, therefore, the State and its Participating Cities and Towns enter into this Agreement (the “Agreement”) relating to the allocation and use of the proceeds of the Settlement Agreements:

I. Definitions

As used in this Agreement:

- A. “Approved Purposes” means care, treatment, and other programs and expenditures designed to (1) address the misuse and abuse of opioid products; (2) treat or mitigate opioid use or related disorders; or (3) mitigate other alleged effects of, including on those injured as a result of, the opioid epidemic as identified by the terms of Exhibit C of the Distributor Settlement Agreement, Exhibit E of the Janssen Settlement Agreement, or any other relevant Settlement Agreement. For purposes of any payments pursuant to a Confirmation Order in a bankruptcy proceeding, the Approved Purposes means those approved by the confirmed plan. Qualifying expenditures may include reasonable related administrative expenses.

- B. “Attorney General,” “Chief Justice of the Rhode Island Supreme Court,” “Director of the Department of Behavioral Healthcare, Developmental Disabilities & Hospitals,” “Director of the Department of Health,” “Governor,” “Senate President,” and “Speaker of the House,” mean the officials holding these offices under Rhode Island law.
- C. “Distributor Settlement Agreement” means an agreement between McKesson Corporation (“McKesson”), Cardinal Health, Inc. (“Cardinal”), and AmerisourceBergen Corporation (“Amerisource”), on the one hand, and the State of Rhode Island and Participating Subdivisions as that term is defined therein, on the other hand, to resolve opioid related claims against McKesson, Cardinal, and/or Amerisource.
- D. “Eligible City or Town” means the cities or towns of Barrington, Bristol, Burrillville, Central Falls, Charlestown, Coventry, Cranston, Cumberland, East Greenwich, East Providence, Exeter, Foster, Glocester, Hopkinton, Jamestown, Johnston, Lincoln, Little Compton, Middletown, Narragansett, New Shoreham, Newport, North Kingstown, North Providence, North Smithfield, Pawtucket, Portsmouth, Providence, Richmond, Scituate, Smithfield, South Kingstown, Tiverton, Warren, Warwick, West Greenwich, West Warwick, Westerly, and Woonsocket. Together the Eligible Cities or Towns are the “Eligible Cities and Towns.”
- E. “EOHHS” means the Rhode Island Executive Office of Health and Human Services, or successor agency, and “Secretary” means the Secretary of EOHHS, or successor official.
- F. “Janssen Settlement Agreement” means that certain settlement agreement dated as of July 21, 2021 setting forth the terms of settlement between and among Janssen Pharmaceuticals, Inc., Johnson & Johnson, Ortho-McNeil-Janssen Pharmaceuticals, Inc., and Janssen Pharmaceutica, Inc., on the one hand, and certain Settling States and Participating Subdivisions on the other hand.
- G. “Opioid Settlement Funds” means all the funds deposited into a Rhode Island Settlement Fund or sub-fund, deposited into a Rhode Island Qualified Settlement Fund, or held and distributed by an administrator or a Rhode Island Qualified Settlement Administrator pursuant to the terms of the relevant Settlement Agreements, except for any funds needed to pay an administrator or a Rhode Island Qualified Settlement Administrator, or designated by a Settlement Agreement or court order for State or Participating Subdivision attorneys’ fees and costs.
- H. “Participating City or Town” means an Eligible City or Town that is both (i) a signatory to this Agreement and (ii) an Initial Participating Subdivision as defined in each Settlement Agreement. Together the Participating Cities or Towns are the “Participating Cities and Towns.”
- I. “Parties” means the State and each Eligible City or Town that is a signatory to this Agreement.

- J. “Settlement Agreements” means the Distributor Settlement Agreement, the Janssen Settlement agreement, and any similar agreement (including consent judgments or consent decrees) entered into after the date of this Agreement, by between, or among one or more opioid manufacturers, pharmaceutical distributors, or pharmacies, or an affiliate, agent, consultant, or advisor of an opioid manufacturer, if mutually agreed to by the Parties in writing. “Settlement Agreement” means one such agreement.

In addition to the foregoing, upon confirmation of the plan in any bankruptcy proceeding for which the State will receive a payment or distribution in connection with claims similar to those released in the Settlement Agreements, which shall include both *In re Purdue Pharma L.P., et al*, No-19-23649 (RDD) (Bankr. S.D. N.Y.) and *In re: Mallinckrodt PLC, et al.*, No. 20-12522 (JTD) (Bankr. D. Del.), such confirmed plan will also become a Settlement Agreement hereunder.

- K. “State” means the State of Rhode Island acting through its Attorney General.

Capitalized terms used and not otherwise defined herein have the meaning given to them in the Settlement Agreements.

II. Allocation of Settlement Proceeds

- A. *Allocation.* All Opioid Settlement Funds, at the times designated in the Settlement Agreements, shall be divided and distributed as follows:
1. 20% directly to the Participating Cities and Towns (“City and Town Share”) for Approved Purposes in accordance with Section III below.
 2. 80% directly to the State (“Statewide Abatement Share”) for forward-looking Approved Purposes throughout the state, which share shall be held in the Rhode Island Statewide Opioid Abatement Account in accordance with Sections IV and V below.
- B. *Use of Funds.* All Opioid Settlement Funds, regardless of allocation, shall be utilized solely for Approved Purposes to abate the harms of the opioid epidemic.

III. City and Town Share

- A. *Allocation and Payment.* The division of the City and Town Share paid to Participating Cities and Towns shall be based on the allocation set forth in Exhibit A, which assigns each Eligible City or Town a percentage share of funds.
- B. *Use of Funds.* The City and Town Share shall be used for Approved Purposes and the Parties intend for the Opioid Settlement Funds to be used on forward-looking opioid abatement efforts. But, the City and Town Share may also be used for past expenditures so long as the expenditures were made for Approved Purposes and are not otherwise restricted by a confirmed plan in a bankruptcy proceeding. Prior to using any portion of the City and Town Share as restitution for past expenditures, a Participating City or Town

shall pass a resolution or take equivalent governmental action that explains its determination that its prior expenditures for Approved Purposes are greater than or equal to the amount of the City and Town Share that the City or Town seeks to use for restitution.

- C. *Collaborative Abatement Initiatives Encouraged.* Participating Cities and Towns may, and are encouraged to, share, pool, or collaborate on opioid abatement efforts with their respective allocation of the City and Town Share in any manner they choose, so long as the shared, pooled, or collaborative abatement efforts comply with the terms of this Agreement and the Settlement Agreements.
- D. *Option to Direct Allocation to Statewide Abatement.* Participating Cities and Towns may, at their discretion, forego their allocation of the City and Town Share and direct their allocation to the Statewide Abatement Share by affirmatively notifying the Advisory Committee and any relevant settlement fund administrator on an annual basis of their decision to forego their allocation of the City and Town Share and designation to the Statewide Abatement Share.
- E. *Non-participating City or Town.* In the event an Eligible City or Town does not participate in the Settlement Agreements, the allocation percentage for that Eligible City or Town shall be redistributed to the Participating Cities and Towns based on a recalculated allocation that does not include the non-participating city or town.
- F. *Municipal Merger or Dissolution.* In the event an Eligible City or Town merges, dissolves, or ceases to exist, the allocation percentage for that City or Town shall be redistributed equitably based on the composition of the successor City or Town.
- G. *City and Town Attorneys' Fees.* The Parties agree that attorneys representing the Participating Cities and Towns in litigation against the Opioids Defendants will satisfy any contractual obligations relating to those legal representations through the mechanisms provided for in the Settlement Agreements. Notwithstanding the provisions of part B of this subsection, no portion of the City and Town Share shall be used to pay any attorneys' fees, costs, or other contractual obligations relating to legal representation in litigation against the Opioids Defendants.

IV. Statewide Abatement Share

- A. *Allocation and Payment.* The Statewide Abatement Share will be paid directly to the State and these funds shall be held in an account, the Rhode Island Statewide Opioid Abatement Account (the "R.I. Statewide Opioid Abatement Account"), that (1) is established by, authorized by, or subject to any court orders or consent judgments entered to effectuate the terms of the Settlement Agreements including in *State of Rhode Island v. Purdue Pharma L.P. et al.*, C.A. No. PC-2018-4555; (2) has the restricted purpose of holding these funds separately, ensuring they are not comingled with non-Opioid Settlement Funds, and distributing the funds for Approved Purposes; and (3) otherwise meets any requirements for such a fund or account in the Settlement Agreements. The Parties intend for the R.I. Statewide Opioid Abatement Account to hold and distribute the

Statewide Abatement Share in a manner substantially similar to the Opioid Stewardship Fund created under Chapter 28.10 of Title 21 of the Rhode Island General Laws and agree that the R.I. Statewide Opioid Abatement Account may be similarly codified into law by the General Assembly.

B. *Use of Funds.*

1. The Statewide Abatement Share shall be used for forward-looking Approved Purposes only.
2. Consistent with the provisions of Section V of this Agreement and Section 15 of Article IX of the Rhode Island Constitution, at least annually the Secretary shall present to the Governor, for inclusion in the Governor's budget presentation to the General Assembly, the Secretary's recommendations on the use of the Statewide Abatement Share.

C. *Reporting.* The Secretary shall report to the Advisory Committee annually on the distribution and use of funds from the Statewide Abatement Share.

D. *Compliance.* Recipients of funds distributed from the Statewide Abatement Share shall be subject to auditing and other compliance procedures as deemed appropriate by the Secretary.

V. Advisory Committee

A. *Committee Established.* An Advisory Committee (the "Advisory Committee"), consisting of the representatives in part B of this subsection, shall be created to ensure that the State and the Participating Cities and Towns have equal input into the distribution of the Statewide Abatement Share for Approved Purposes across the state of Rhode Island.

B. *Representatives.* The Advisory Committee shall consist of the following seventeen (17) members:

1. *State Representatives.* Six (6) State representatives as follows:

- a) Attorney General or designee;
- b) Speaker of the House or designee;
- c) Senate President or designee;
- d) Chief Justice of the Rhode Island Supreme Court or designee;
- e) Director of the Rhode Island Department of Health ("RIDOH"); and
- f) Director of the Rhode Island Department of Behavioral Healthcare, Developmental Disabilities & Hospitals ("BHDDH").

2. *Participating City and Town Representatives.* Six (6) Participating City and Town representatives as follows:
 - a) Mayor of the City of Providence or designee;
 - b) Representative from a city or town in Bristol County;
 - c) Representative from a city or town in Kent County;
 - d) Representative from a city or town in Newport County;
 - e) Representative from a city or town in Providence County other than the City of Providence; and
 - f) Representative from a city or town in Washington County (together with the Representatives from a city or town in Bristol, Kent, Newport, and Providence Counties are the “County Representatives”).

Participating Cities and Towns from Bristol, Kent, Newport, Providence, and Washington counties shall collaborate to appoint the County Representatives. The County Representatives shall serve three (3) year terms.

3. *Expert Representatives.* Three (3) experts (“Expert Representatives”) drawn from fields including but not limited to: public health, pharmacology, epidemiology, emergency medicine, behavioral health, and recovery. The Expert Representatives shall be appointed by a majority vote of the State Representatives and the Participating City and Town Representatives. To stagger the Expert Representative terms, the initial Expert Representative appointments shall be for two (2) years, three (3) years, and four (4) years, and all subsequent Expert Representative appointments shall be for three (3) year terms.
 4. *Community Representatives.* Two (2) Community Representatives (“Community Representatives”). The Community Representatives shall be appointed by a majority vote of the State Representatives and the Participating City and Town Representatives. To stagger the Community Representative terms, the initial Community Representative appointments shall be for two (2) years, and three (3) years, and all subsequent Community Representative appointments shall be for two (2) year terms.
- C. *Chair.* The Advisory Committee shall be chaired by a non-voting representative appointed by the Governor.
- D. *Administrative and Technical Support.* EOHHS shall provide staff support to the Advisory Committee and assist the Advisory Committee in the fulfillment of its responsibilities under this Agreement.
- E. *Meetings and Process for Receiving Public and Local Government Input.*

1. The Advisory Committee shall meet at least quarterly.
2. Meetings of the Advisory Committee shall be public, open meetings consistent with the Open Meetings Act, Chapter 46 of Title 42 of the Rhode Island General Laws.
3. The Advisory Committee shall, in consultation with EOHHS, establish a process for receiving input from Rhode Island's communities, provider organizations, and cities and towns regarding how the opioid crisis is affecting their communities, understanding their abatement needs, and considering proposals for opioid abatement strategies and responses.

The Advisory Committee is encouraged to further coordinate with established groups like the Governor's Overdose Prevention and Intervention Task Force, as well as organizations focusing on prevention, rescue, harm reduction, treatment, and recovery strategies, to gather community input, understand abatement needs, and consider proposals for opioid abatement strategies and responses.

F. *Recommendations.*

1. *Statewide Abatement Recommendations.* The Advisory Committee shall, at least annually, make formal recommendations to the Secretary on the use of the Statewide Abatement Share (the "Statewide Abatement Recommendations"). To aid the Advisory Committee in formulating the Statewide Abatement Recommendations, EOHHS, RIDOH, and BHDDH shall present information regarding the State's opioid abatement strategy and appropriations plan, and information on how that strategy responds to the opioids crisis and the abatement needs of Rhode Island's communities. The Advisory Committee may also consider how non-Opioid Settlement Funds are used as part of the State's opioid abatement strategy when formulating the Statewide Abatement Recommendations.
2. *Good Faith Review and Consideration by Secretary.* The Secretary shall review and consider the Statewide Abatement Recommendations and shall make a good faith effort to incorporate the Statewide Abatement Recommendations into EOHHS's annual budget process.
3. *Deviation from Statewide Abatement Recommendations.* If the Secretary substantially deviates from the Statewide Abatement Recommendations, the Secretary shall provide the Advisory Committee with a written explanation, that will be made public, of any substantial deviations.

VI. General Terms

- A. *Relationship of this Agreement to Other Agreements and Resolutions.* The Parties acknowledge and agree the Distributor Settlement Agreement and the Janssen Settlement Agreement will require Participating Cities and Towns to release all their claims against the settling defendants to receive Opioid Settlement Funds. The Parties further acknowledge and agree based on the terms of the Distributor Settlement Agreement and

the Janssen Settlement Agreement that a Participating City or Town may receive funds pursuant to this Agreement only after complying with all the requirements set forth in the Distributor Settlement Agreement and the Janssen Settlement Agreement to release the city or town's claims. If another Settlement Agreement contains similar requirements, the Parties acknowledge that a Participating City or Town may receive funds pursuant to that agreement only after complying with all the requirements set forth in that agreement to release the city or town's claims.

- B. *Scope of this Agreement.* The Parties acknowledge and agree that they must comply with all the requirements of the Settlement Agreements and that this Agreement does not excuse any requirements placed upon them by the terms of the Settlement Agreements, except to the extent those terms allow for a State-Subdivision Agreement or Statewide Abatement Agreement to do so.
- C. *Legislation.* The Parties may seek to further codify the terms of this Agreement in the Rhode Island General Laws through legislation that may be submitted to the General Assembly.
- D. *Applicable Law, Venue, and Severability.* Unless required otherwise by a Settlement Agreement, this Agreement shall be interpreted using Rhode Island law and any action related to the provisions of this Agreement must be adjudicated by the Superior Court of Providence County. If any provision of this Agreement is held invalid by a court of competent jurisdiction, this invalidity does not affect any other provision which can be given effect without the invalid provision.
- E. *Counterparts.* This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same agreement.

VII. Amendments

- A. *Amendments as Necessary.* The Parties agree to make such amendments as necessary to implement the intent of this Agreement.
- B. *Written Amendments.* This Agreement may be amended by written agreement of the Parties.

Accepted and agreed to by the undersigned:

STATE OF RHODE ISLAND



Peter F. Neronha
Attorney General

Date: 1/21/2022

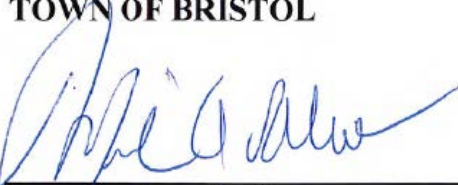
The Participating Cities and Towns:

TOWN OF BARRINGTON



By: James J. Cunha
Title: Town Manager
Barrington, RI
Date: 12/29/2021

TOWN OF BRISTOL



By: Michael A. Ursick
Title: Town Solicitor
Date: 1/5/21

TOWN OF BURRILLVILLE



By: Michael C. Wood
Title: MANAGER
Date: 12/31/2021

CITY OF CENTRAL FALLS



By: Maria Rivera
Title: Mayor
Date: 12/29/21

TOWN OF CHARLESTOWN



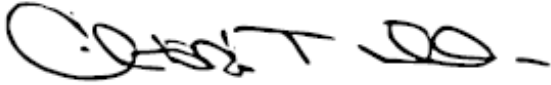
By: Deborah Carney
Title: Council President
Date: 01-05-22

TOWN OF COVENTRY



By: _____
Title: _____
Date: Jan 3 2022
Coventry town Council
PRESIDENT

CITY OF CRANSTON



By: _____
Title: _____ Date: 12/29/21
Solicitor

TOWN OF CUMBERLAND



By: Jeffrey Mutton
Title: MAYOR Date: 12/29/2021

TOWN OF EAST GREENWICH



By: Andrew E. Nota
Title: Town Manager Date: 12/28/2021

CITY OF EAST PROVIDENCE




By: Roberto Ossillo
Title: mayor Date: 1/4/2022

TOWN OF EXETER



By: Daniel W Patterson
Title: Council President Date: 1-3-2022

TOWN OF FOSTER



By: Denise L. DiFranco
Title: Town Council President Date: 12/31/21

TOWN OF GLOCESTER



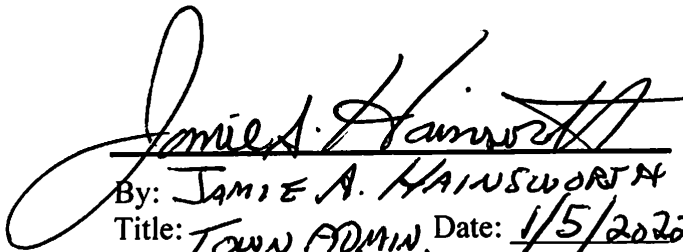
By: Vice President
Title: _____ Date: 12-29-21

TOWN OF HOPKINTON



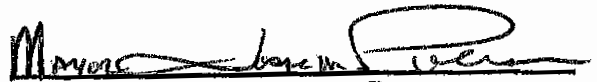
By: Brian Russo
Title: Town Manager Date: 12/27/21

TOWN OF JAMESTOWN




By: JAMIE A. HAINSWORTH
Title: TOWN ADMIN. Date: 1/5/2022

TOWN OF JOHNSTON




By: Mayor Joseph W. Pousseth
Title: Mayor Town of Johnston Date: 1/11/2022


TOWN OF LINCOLN


By: Philip Gould
Title: Town Administrator Date: Dec/30/21


TOWN OF LITTLE COMPTON


By: Rachel Pflieger
Title: Town Manager Date: 1/14/22


TOWN OF MIDDLETOWN


By: Shawn E. Brown
Title: Town Administrator Date: 1/18/21
Town of Middletown, RI

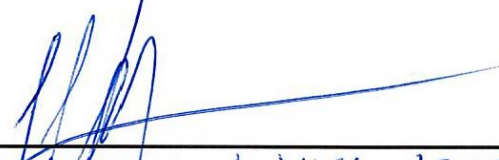
TOWN OF NARRAGANSETT


By: JAMES J. BERNY
Title: TOWN MANAGER Date: 1/4/22


TOWN OF NEW SHOREHAM


By: Maryanne Crawford
Title: Town Manager Date: 12/30/2021

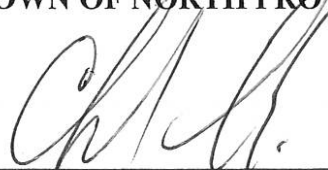
CITY OF NEWPORT


By: Joseph J. Nicholson, Jr.
Title: City Manager Date: 12/30/21


TOWN OF NORTH KINGSTOWN


By: A. Ralph Mallis
Title: TOWN MANAGER Date: 12-27-2021

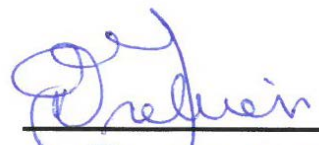
TOWN OF NORTH PROVIDENCE


By: Charles A. Lombardi
Title: MAYOR Date: 1/5/2022

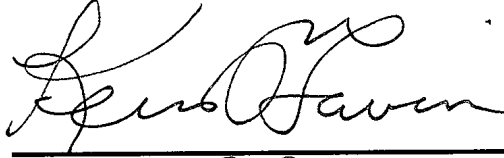
TOWN OF NORTH SMITHFIELD


By: Paul Zwolenski
Title: Town Administrator Date: 01/05/2022

CITY OF PAWTUCKET


By: Donald R. Giesion
Title: MAYOR Date: 12/29/21

TOWN OF PORTSMOUTH



By: Kevin R. Gavin
Title: Town Solicitor Date: 12/24/2021

CITY OF PROVIDENCE



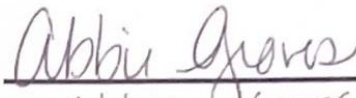
By: JEFF DAVA
Title: CITY SOLICITOR Date: 12/22/21

TOWN OF RICHMOND

Karen Ellsworth

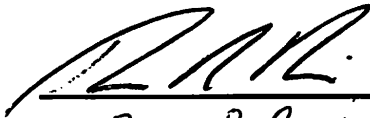
By: Karen R. Ellsworth
Title: Town Solicitor Date: 5 January 2022

TOWN OF SCITUATE



By: Abbie Groves
Title: Town Council President Date: 12/30/21

TOWN OF SMITHFIELD



By: Randy R. Rossi
Title: Town Manager Date: 1/6/22

TOWN OF SOUTH KINGSTOWN



By: Theresa L. Murphy
Title: Town Manager Date: 12/24/2021

TOWN OF TIVERTON



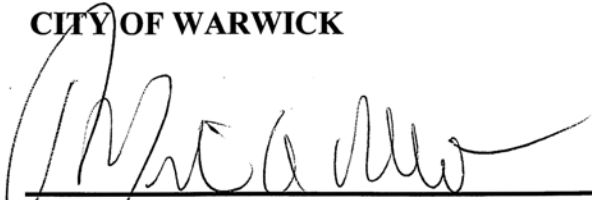
By: Michael J. Marcello #5221
Title: Solicitor Date: 12/27/2021

TOWN OF WARREN



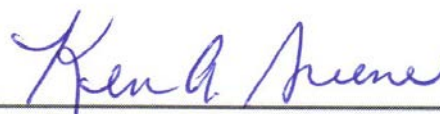
By: Kate Michaud
Title: Town Manager Date: 12/24/21

CITY OF WARWICK



By: Michael A. Willis
Title: City Solicitor Date: 12/30/21

TOWN OF WEST GREENWICH

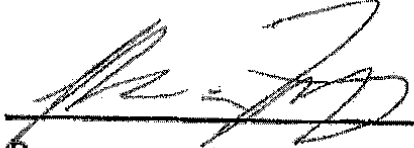


By: KEVIN A. BREENE
Title: TOWN ADMINISTRATOR Date: 12/27/21

TOWN OF WEST WARWICK


By: Mark A. Knott
Title: Town Manager Date: 12/30/2021

TOWN OF WESTERLY


By: Shawn Lacey
Title: Town Manager Date: 1/10/2022

CITY OF WOONSOCKET


By: John J. DeSimone
Title: City Solicitor Date: 1/12/22

EXHIBIT A
CITY AND TOWN SHARE ALLOCATION

Barrington	2.3000539202%
Bristol	1.0821868960%
Burrillville	1.3272036109%
Central Falls	0.9147584689%
Charlestown	0.5887860100%
Coventry	3.5886939036%
Cranston	7.8869595262%
Cumberland	2.4742003754%
East Greenwich	1.7467671439%
East Providence	4.3247728580%
Exeter	0.0071810640%
Foster	0.2489021533%
Glocester	0.8508469130%
Hopkinton	0.7098006614%
Jamestown	0.4220295287%
Johnston	3.0898685140%
Lincoln	2.1171973520%
Little Compton	0.2663017745%
Middletown	1.2877439601%
Narragansett	1.2760123800%
New Shoreham	0.2118269375%
Newport	2.3339316695%
North Kingstown	2.6500524514%
North Providence	2.5306229398%
North Smithfield	1.1299013506%
Pawtucket	5.9652217345%
Portsmouth	1.2807429020%
Providence	21.4858080262%
Richmond	0.0818789542%
Scituate	1.0248588645%
Smithfield	1.7724673574%
South Kingstown	2.3282747894%
Tiverton	0.9907730639%
Warren	0.1394116029%
Warwick	9.9418184427%
West Greenwich	0.7104734659%
West Warwick	3.0239943495%
Westerly	2.0135754535%
Woonsocket	3.8740986306%