REQUEST FOR BOARD ACTION

HENDERSON COUNTY BOARD OF COMMISSIONERS

MEETING DATE: October 6, 2025

SUBJECT: Resolution Ratifying Execution of Opioid Settlement – Purdue

Pharma LP and Sackler Family

PRESENTER: Samantha Reynolds, Financial Services Director

ATTACHMENTS: Resolution of Authorization

SUMMARY OF REQUEST:

In 2021, the North Carolina Attorney General's Office and the North Carolina Association of County Commissioners negotiated a memorandum of agreement which governs how North Carolina would use the proceeds of any national settlement or bankruptcy resolution with the listed drug distributors.

The North Carolina Association of County Commissioners and the North Carolina Department of Justice have negotiated and prepared a Third Supplemental Agreement for Additional Funds (SAAF-3) to provide for the equitable distribution of the proceeds of these settlements.

This resolution allows for the County Manager, or his designee, to execute all documents necessary to enter into the opioid settlement agreements with Purdue Pharma LP and members of Sackler Family, to execute the SAAF-3, and to provide such documents to Rubris, the Implementation Administrator.

BOARD ACTION REQUESTED:

The Board is requested to ratify the attached Resolution as presented.

Suggested Motion:

I move the Board adopt the attached Resolution as presented.

RESOLUTION BY THE HENDERSON COUNTY BOARD OF COMMISSIONERS AUTHORIZING EXECUTION OF OPIOID SETTLEMENTS WITH SECONDARY OPIOID MANUFACTURERS, PURDUE PHARMA LP, AND THE SACKLER FAMILY, AND APPROVING THE THIRD SUPPLEMENTAL AGREEMENT FOR ADDITIONAL FUNDS BETWEEN THE STATE OF NORTH CAROLINA AND LOCAL GOVERNMENTS ON PROCEEDS RELATING TO THE SETTLEMENT OF OPIOID LITIGATION

WHEREAS more than 41,500 North Carolinians lost their lives to a drug overdose from 2000-2023.

WHEREAS the Centers for Disease Control and Prevention has estimated the total economic burden of prescription opioid misuse alone in the United States to be \$78.5 billion a year, including the costs of healthcare, lost productivity, addiction treatment, and criminal justice involvement;

WHEREAS, Opioid overdoses ED visits in Henderson County were up 38% for YTD tracking in July 2025 compared to the same time in 2024.

WHEREAS certain counties and municipalities in North Carolina joined with thousands of local governments across the country to file lawsuits against opioid companies, manufacturers, pharmaceutical distributors, and chain drug stores to hold those companies accountable for their misconduct;

WHEREAS settlements (collectively "the Secondary Opioid Manufacturer Settlements") have been reached in litigation against Alvogen, Inc., Amneal Pharmaceuticals LLC, Apotex Corp., Hikma Pharmaceuticals USA Inc. f/k/a West-Ward Pharmaceuticals Corp., Indivior Inc., Sun Pharmaceutical Industries, Inc., Viatris Inc., and Zydus Pharmaceuticals (USA) Inc., as well as their subsidiaries, affiliates, officers, and directors (collectively "the Secondary Opioid Manufacturer Defendants") named in the Secondary Opioid Manufacturer Settlements;

WHEREAS representatives of local North Carolina governments, the North Carolina Association of County Commissioners, and the North Carolina Department of Justice have negotiated and prepared a Third Supplemental Agreement for Additional Funds ("SAAF-3") to provide for the equitable distribution of the proceeds of the Secondary Opioid Manufacturer Settlements;

WHEREAS settlements have been reached, under Purdue Pharma L.P.'s bankruptcy plan, whereby Purdue Pharma L.P. ("Purdue") and members of the Sackler family will pay approximately \$7.4 billion to settle opioid claims across the nation, which settlements would be subject in North Carolina to the equitable distribution of the proceeds as set forth in the Memorandum of Agreement ("MOA") which has already been approved by this Board;

WHEREAS by joining the Secondary Opioid Manufacturer Settlements, approving the SAAF-3, and approving the bankruptcy plan and settlements relating to Purdue and the Sackler family, the state and local governments maximize North Carolina's share of opioid settlement

funds to ensure the needed resources reach communities, as quickly, effectively, and directly as possible;

WHEREAS it is advantageous to all North Carolinians for local governments, including Henderson County and its residents, to sign onto the Secondary Opioid Manufacturer Settlements, SAAF-3, and approving the bankruptcy plan and settlements relating to Purdue and the Sackler family, in order to demonstrate solidarity in response to the opioid overdose crisis, and to maximize the share of opioid settlement funds received both in the State and Henderson County to help abate the harm; and

WHEREAS both the MOA and SAAF-3 directs substantial resources over multiple years to local governments on the front lines of the opioid overdose epidemic while ensuring that these resources are used in an effective way to address the crisis;

NOW, THEREFORE, BE IT RESOLVED that the Henderson County Board of Commissioners hereby authorizes the County Manager or County Attorney to execute, on behalf of Henderson County, the necessary documents to enter into opioid settlement agreements, as set forth herein, with the Secondary Opioid Manufacturer Defendants, to execute the SAAF-3, and to approve the bankruptcy plan and settlement agreements relating to Purdue and the Sackler family, and to provide such documents to Rubris, the Implementation Administrator, subject to a pre-audit certificate thereon by the County Chief Financial Officer, if applicable, and approval as to form and legality by the County Attorney.

Adopted this 24+ L day of September, 2025.

William Lapsley, Chairman

Henderson County Board of Commissioners

ATTEST:

lerk to the Board

SEAT