

LETTER OF INTENT

September 19, 2019

This Letter of Intent is provided by Norman Regional Hospital Authority, an Oklahoma public trust (“NRHA”), to the City of Norman, Oklahoma (the “City”), to summarize the intent of NRHA in connection with the “Inspire Health Plan”, as further described below.

Inspire Health Plan

NRHA currently operates two inpatient hospital facilities in Norman: Norman Regional Hospital and Norman Regional HealthPlex. After careful study and recommendations from outside consultants, NRHA has determined that consolidation of all inpatient hospital services at the Norman Regional HealthPlex facility is in the best interest of the citizens of Norman for a number of reasons, including:

- Consolidation of inpatient care at one location, which will provide easier access by patients and reduce patient confusion
- Expansion of a “state of the art” facility with high visibility, which will increase the ability of NRHA to recruit top physicians and other healthcare professionals
- Reduction in inpatient operating costs, which will permit NRHA resources to be redirected to expand the types and locations of healthcare services it provides
- Continued reinvestment into our talent, technology and communities served by NRHA, which benefit the patients and citizens of those communities

In light of these factors, NRHA intends to expand the Norman Regional HealthPlex facility to add ~100 inpatient beds, expand emergency room space, surgical capacity and other ancillary/support services. NRHA also plans to add a cancer pavilion and an ambulatory surgery facility on the HealthPlex campus, to provide more convenient patient access to these important services. This expansion will be funded, in part, through the issuance by NRHA of approximately \$120 Million in tax-exempt revenue bonds. The bonds will be secured solely by the revenues of NRHA from operations. The City and its residents will have no liability related to this NRHA debt, and no City assets or revenues will be pledged to secure such debt.

As a part of the Inspire Health Plan, NRHA also intends to construct a free-standing emergency department on the southeast side of the City in the vicinity of Highway 9. A letter of intent for the sale/purchase of the property has already been obtained. This facility will be similar to the Norman Regional Moore facility, providing emergency services, associated lab and diagnostic imaging services, and containing space for physician clinics and potentially other healthcare services. NRHA anticipates that this facility will be constructed within 24 months of securing bond funding.

During the approximately 3-year construction period for the expansion of the Norman Regional HealthPlex, it is the intent of NRHA to continue providing inpatient, emergency and other healthcare services at the Norman Regional Hospital campus. During this time, NRHA would work with the City and others to determine the best and highest use of the Norman Regional Hospital campus. Current options under consideration include, but are not limited to the following:

- Potential development of an approximately 50 bed free-standing psychiatric hospital, to meet the needs of City residents
 - Could be constructed on approximately 3.5 acres of the Norman Regional Hospital campus, with limited impact on existing structures
 - Could be developed with an experienced behavioral health capital and/or operating partner, to reduce NRHA capital requirements and gain expertise
- Potential development of Norman Regional Hospital campus as a “Health Village,” that would integrate healthcare services with retail, commercial, education, residential and wellness services – including consideration for Variety Care to construct a ~30,000 SqFt medical, dental and behavioral health facility, development of a sobering center, homeless services/shelter, grocery, senior health and wellness center, etc.
- Potential partnership with the State of Oklahoma to relocate current mental health services from the Griffin Memorial Hospital site to the Norman Regional Hospital campus in order to operate and/or expand mental health services for the residents of the community and State
- Potential sale/lease of all or a portion of the existing facility on Norman Regional Hospital campus to the State of Oklahoma, to relocate and/or expand mental health services for the residents of the community and State

NRHA’s mission is to serve our community as the leader in health and wellness care. To further support this mission and the health and wellness for the citizens of Norman, NRHA is also proposing to explore a collaboration with the City with respect to the proposed Norman Forward Senior Health and Wellness Center. This collaboration will result in a more comprehensive approach to health and wellness for our seniors.

To further support health and wellness for the citizens of Norman, NRHA will explore the potential purchase of City-owned property located on the existing Norman Regional Hospital campus at a fair market value estimated to be in the range of \$3.5 Million. City proceeds from this could be used by the city to supplement funding of the planned Senior Health and Wellness Center in Norman. This collaboration could result in a more comprehensive approach to health and wellness for our seniors.

The new Senior Health and Wellness Center will be the first of its kind in Norman, and is one of many Norman Forward projects that will benefit the citizens of Norman. It will connect Norman seniors with both important services, and with each other. It will strengthen our community through a variety of amenities and programs designed for the body and mind.

To the extent the city receives additional funds from the sale of city land to NRHS, the city could add facility amenities as requested by the Senior Center Ad Hoc Advisory committee - including the potential for aquatic fitness, gymnasium, exercise and fitness studios and possible medical clinic.

As part of this proposal, NRHA would like to explore a naming opportunity for one or more of the amenities/services and potential options to provide skilled personnel for programming within the Center. Programming may include personal fitness, nutrition counseling and other personal and mental wellness activities.

Investing in the Senior Health and Wellness Center supports the mission of NRHA to serve our community as the leader in health and wellness care. The goal of this relationship between NRHA and the City of Norman is to be a resource for all things health and wellness in our great community.

Implementation of the Inspire Health Plan, including the transformation of the Norman Regional Hospital campus, and any purchase of city property to provide supplemental funding for the Senior Health and Wellness Center or other important City projects, would be contingent upon the availability of funding resources (including NRHS revenues and tax-exempt revenue bonds). NRHA is committed to working with the City on this transformation, with the goal of providing a plan that will deliver significant benefit to the residents of the City, and support the economic redevelopment of central/core Norman.

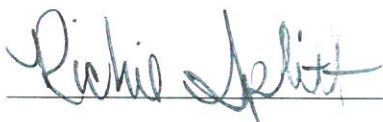
This Letter of Intent is executed by NRHA through its duly authorized representative as of the 19th day of September, 2019.

[Please see following signature page]

This Letter of Intent is executed by NRHA through its duly authorized representatives as of the 19th day of September, 2019.

Norman Regional Hospital Authority

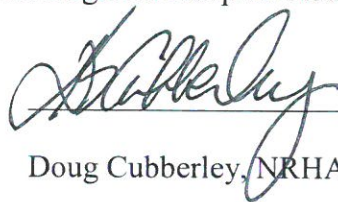
By:



Richie Splitt, CEO and President

Norman Regional Hospital Authority

By:



Doug Cubberley, NRHA Chair

Received and acknowledged by the City of Norman as of the ___ day of September, 2019.

City of Norman, Oklahoma

By:

Breea Clark, Mayor

By:

Darrel Pyle, City Manager