

MEMORANDUM OF UNDERSTANDING – Term Sheet  
OKLA. DEPART. OF MENTAL HEALTH & SUBSTANCE ABUSE  
SERVICES (“ODMHSAS”) and THE NORMAN MUNICIPAL  
AUTHORITY (“AUTHORITY”)

1. ODMHSAS currently employs approximately 500 people in spread over multiple properties.
2. Authority values ODMHSAS’ presence in Norman providing employment opportunities for its citizens and quality mental health treatment facilities for its citizens as well as for the citizens of the State of Oklahoma.
3. Authority desires to lease, as set forth herein, from ODMHSAS certain ODMHSAS land as described below (collectively, the “Leased Property”).
4. Property Lease & Right of First Refusal Terms
  - a. Griffin Park (tract of land north of Robinson Ave.) – 160 acres more or less
    - i. Lessor: ODMHSAS
    - ii. Lessee: Authority
    - iii. Initial Term: 15 years from effective date
    - iv. Renewal term: at Authority’s option, 15 years from termination of Initial Term
    - v. Lessee’s Permitted Uses: Municipal recreational uses, maintenance facility, & related uses
    - vi. Rental Rate: \$500 per acre annually (approx. \$80,000 per year, amounts paid to be credited against any potential future purchase of the Leased Property by Authority)
    - vii. Other Terms: ODMHSAS will have the right at any time to assign the lease agreement to any third party purchaser of the Leased Property without consent from the Authority
  - b. Right of First Refusal. The lease agreement will also provide for the following: In the event ODMHSAS receives a bona fide offer from a third party for the purchase of all or any part of the Leased Property, which ODMHSAS is willing to accept (each, an “Offer”), ODMHSAS will give Authority written notice thereof, and will send Authority a copy of such written offer received. Authority shall have a period of (i) twenty-one (21) days after the Authority’s receipt of such notice to provide ODMHSAS with written notice of its election to exercise its right of first refusal with respect to the property to be sold; and (ii) sixty (60) days after the Authority’s receipt of such notice to enter into a binding purchase agreement with ODMHSAS for the purchase of only that portion of the Leased Property described in the Offer to be purchased by such third party, at the same price and on substantially the same terms as contained in the Offer received from such third party. If Authority fails to exercise its rights within the time limits herein specified, the Authority will have no further purchase rights related thereto and ODMHSAS shall be at liberty to enter into a contract for the sale of the Leased Property with the third party at the same price and on the same terms as contained in the Offer sent to Authority. Further, if ODMHSAS puts any of the Leased Property out for a “request for proposal” before the end

of lease term(s) (including any renewal term), Authority shall have the right of first refusal to purchase such property at the price of the bid selected by ODMHSAS.

c. Cancellation

- i. This Memorandum of Understanding may be terminated by ODMHSAS with or without cause upon thirty (30) days written notice to the Authority.

d. Other Terms

- i. The foregoing terms are subject to due diligence usual and customary for transactions of this nature and are also subject to full and formal approval by the appropriate representatives of ODMHSAS and the Authority. Due diligence will commence immediately after execution of this Memorandum of Understanding. Moreover, these terms are subject to execution of lease agreements in form and substance acceptable to ODMHSAS and ODMHSAS's outside legal counsel. Certainly, those documents will contain conditions, covenants and representations beyond those mentioned in this Memorandum of Understanding.
  - ii. Timeline for completion of lease transaction – on or about December 14, 2018.
  - iii. ODMHSAS's obligations hereunder will expire and this Memorandum of Understanding shall be of no further force or effect unless this Memorandum of Understanding is signed and returned to ODMHSAS on or before November 28, 2018. Furthermore, ODMHSAS shall have no obligation to execute the lease agreements contemplated herein or otherwise consummate this transaction after January 9, 2019 (the "Expiration Date"), unless prior thereto ODMHSAS, in its sole discretion, extends the Expiration Date by written notice to the Authority. The Authority may request ODMHSAS to consent to a reasonable extension of the Expiration Date, which consent by ODMHSAS will not be unreasonably withheld.
5. Upon execution of this Memorandum of Understanding, the Authority and ODMHSAS shall collaborate to outline an appropriate time line in which to move forward with necessary and appropriate approvals and authorizations and implementation steps for the execution of the lease agreements and consummation of the transactions contemplated hereby.

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Approved this \_\_\_\_ day of \_\_\_\_, 2018

\_\_\_\_\_  
Chair  
Norman Municipal Authority

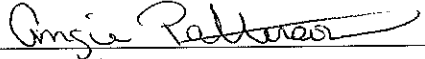
\_\_\_\_\_  
Attest: Secretary  
Norman Municipal Authority

Approved as to form & legality

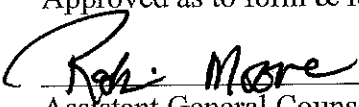
\_\_\_\_\_  
General Counsel  
Norman Municipal Authority

Approved this 16<sup>th</sup> day of Nov, 2018

  
\_\_\_\_\_  
Chairman  
Board of Trustees ODMHSAS Land Trust

  
\_\_\_\_\_  
Attest: Secretary  
Board of Trustees ODMHSAS Land Trust

Approved as to form & legality

  
\_\_\_\_\_  
Assistant General Counsel  
Board of Trustees ODMHSAS Land Trust