

CONSTRUCTION FUNDING AND LEASE AGREEMENT
For the Multi-Sport and Indoor Aquatic Facility

This Construction Funding and Lease Agreement is entered into on the _____ day of _____, 2023, (the “Commencement Date”) by and between the City of Norman, Oklahoma, a municipal corporation, referred to herein as the "City" or the “Lessor”, and Norman Regional Hospital Authority, an Oklahoma Public Trust d/b/a Norman Regional Health System, hereinafter referred to as “Lessee”, for the purpose of creating a contractual relationship related to the construction funding and separate operation of the Sports and Human Performance Center (the “Center”) to be located within the City’s planned Multi-Sport and Indoor Aquatic Facility (the “Facility”).

WHEREAS, Norman voters approved the Norman Forward Quality of Life Projects Sales Tax of 2015, providing a one-half (1/2) percent sales tax dedicated to fund a number of Quality of Life projects, including \$22.5 million for the Facility; and

WHEREAS, the Norman City Council adopted the Norman University North Park Amended and Restated Project Plan (O-1920-24) and the ancillary Amended and Restated Master Operating and Development Agreement (K-1920-82) in November 2019, which together provided for the donation of two (2) acres and the sale of an additional ten (10) acres for the Facility to the City, funding for said purchase of land from existing tax increment revenues, and an additional \$2.7 million to be used as a construction enhancement for the Facility; and

WHEREAS, on June 18, 2020, the Lessor entered into an MOU (K-1920-139) with the Trae Young Foundation, Inc. to provide for additional funding and an ongoing relationship related to the Facility; and

WHEREAS, on December 1, 2020, the Lessor entered into a purchase and sale agreement (K-2021-65) with University Town Center, LLC to accept the donation of two (2) acres and to purchase ten (10) acres on which the Facility is to be constructed (the “Land”) and has since finalized the purchase of the land; and

WHEREAS, Lessee intends to participate with the Lessor in the Facility; and

WHEREAS, the Lessee and Lessor entered into an MOU (K-2021-99) on February 9, 2021 to develop a contractual relationship related to the construction funding and the separate operation of the Center to be located within the Facility (the “MOU”); and

WHEREAS, Lessee has provided space requirements and architectural renderings to FSB Architect and Engineers for the Center to be located within the Facility; and

WHEREAS, the Lessor has entered into an agreement with GE Johnson Construction Company (the “CM”) for Construction Manager at Risk Services, for which a pre-construction services fee has been determined to be \$85,000, with \$17,000 attributable to the NRHS Leased Premises; and

WHEREAS, once a guaranteed maximum price for the Facility has been determined, an amendment to the Lessor's contract with the CM will be presented to City Council for approval; and

WHEREAS, the Parties desire to formalize NRHS' occupancy of the NRHS Leased Premises and participation in construction funding on the terms set forth herein.

AGREEMENT

NOW, THEREFORE, in consideration of the recitals set forth above and the mutual covenants and agreements contained herein and for other good and valuable consideration, the receipt and sufficiency of which are acknowledged and confessed by each of the parties hereto, the parties hereto have agreed and, intending to be legally bound, do hereby agree as follows:

ARTICLE 1

Grant, Term of Lease and Certain Definitions

1.1 Leasing Clause. Upon and subject to the terms and provisions contained herein, Lessor does hereby lease, demise and let unto Lessee, and Lessee does hereby take and lease from Lessor, the NRHS Leased Premises, to have and to hold the NRHS Leased Premises, together with all the rights, privileges, easements and appurtenances belonging to or in any way pertaining to the NRHS Leased Premises, for the term and subject to the provisions hereinafter provided.

1.2 Term. The term of this Lease shall be for a period commencing on the Commencement Date and terminating on the fortieth (40th) anniversary of the Operational Date unless earlier terminated in accordance with the provisions of this Lease.

1.3 Certain Definitions. The following terms shall have the meaning set forth in this Section 1.3:

(a) Base Rent. The lease payments for the NRHS Leased Premises provided in Article 2 hereof.

(b) Capital Item. Any furniture, fixture, or equipment that costs, or has a value of, \$5,000 or more and an expected life of more than one year. This does not include any furniture, fixture, or equipment installed for the sole benefit of Lessee, including, but not limited to, elevators providing access to the NRHS Leased Premises.

(c) City. The City of Norman, a municipal corporation of the State of Oklahoma.

(d) Commencement Date. The date first set forth above in the introductory paragraph of this Lease.

- (e) MOU. Has the meaning set forth in the Recitals.
- (f) Event of Default. Has the meaning set forth in Section 9.1.
- (g) Facility. The various buildings, facilities, and improvements located on the Land.
- (h) Force Majeure. Any unforeseeable causes beyond a Party's control and without such Party's fault or negligence, including, but not limited to, acts of God, acts of the public enemy, acts of any federal state or local government, acts of the other party, fires, floods, epidemics, quarantine restrictions, strikes, lockouts, freight embargoes, and unusually severe weather or unforeseen environmental or archaeological conditions requiring investigation/mitigation pursuant to federal, state or local laws.
- (i) Impositions. Taxes, assessments, and common area maintenance fees against the NRHS Leased Premises, as determined by the total square footage of the NRHS Leased Premises in proportion to the remainder of the Facility under the control of the Lessor that accrue during and are applicable to the Term.
- (j) Improvements. All buildings, structures, equipment, improvements, fixtures and Related Infrastructure from time to time connected, installed or situated on the Land, including all landscaping. Improvements shall not include minor capital maintenance items such as, but not limited to, carpeting, wall coverings, artwork, light fixtures, etc.
- (k) Land. The certain tract of land comprising the Multi-Sport and Indoor Aquatic Facility (as described in the MOU), situated in the City of Norman, described in Schedule One and made a part hereof for all purposes.
- (l) Lease. This Lease Agreement by and between Lessor, as lessor, and Lessee, as lessee, covering the NRHS Leased Premises.
- (m) Lease Year. Each successive 12-month period during the Term from and including the Commencement Date.
- (n) Lessee. Norman Regional Health System ("NRHS"), or any assignee thereof as provided in Section 8.1 hereof.
- (o) Lessor. The City of Norman, Oklahoma.
- (p) NRHS Leased Premises. The portion of the Facility, including any improvements therein, that are funded and/or separately owned by the NRHS, including the Center.
- (q) Operational Date. The date on which construction has been substantially completed of the Center and a certificate of occupancy has been issued by the City.
- (r) Plans. The Plans relating to the NRHS Leased Premises as developed in accordance with the MOU attached hereto as Exhibit A.

(s) Related Infrastructure. Any automobile parking areas, road, street, water or sewer facility, plaza, pedestrian circulation area or other on-site or off-site improvement that relates to and enhances the use, value or appeal of the Facility, including, without limitation, areas adjacent to the Facility and any items reasonably necessary to construct, improve, renovate or expand the Facility, excluding environmental remediation.

(v) Term. The term of this Lease as provided in Section 1.2 hereof.

ARTICLE 2

Construction Funding and Lease Payment

2.1 Construction Funding. Lessor agrees to construct the Leased Premises in accordance with the Plans. Lessee will fund all construction costs, including the cost of connection to the City's fiber, and any design costs incurred by the City's architect for the Facility, attributable to the NRHS Leased Premises, provided that designs and costs for the NRHS Leased Premises are subject to approval, in writing, by Lessee ("Construction Funding"). Construction costs and any design costs proposed to be funded by Lessee will be verified by the CM and at Lessee's option, a third party cost estimator secured by Lessee. The Parties acknowledge that at the time of the Commencement Date, the estimated costs attributable to the NRHS Leased Premises are \$6,966,500. Costs for the NRHS Leased Premises will be remitted by NRHS in accordance with the following payment schedule:

- (a) March 3, 2022: \$ 2,188,372 paid by Lessee.
- (b) June 30, 2023: \$ 2,273,314 to be paid by Lessee.
- (c) January 1, 2024: \$ Remaining balance to be paid by Lessee, less 10% in retainage to be held by Lessee until such time as the final payment is due.
- (d) 30 days after Operational Date: All remaining costs for Leased Premises, including retainage.

2.2 Base Rent. In recognition of the construction funding set forth in Section 2.1 herein, the base rent during the Term shall be deemed satisfied upon receipt of a one-time payment of ten dollar and no cents (\$10.00) within thirty (30) days of the execution by this Agreement by the Parties.

ARTICLE 3

Impositions and Utilities

3.1 Payment of Impositions. Except as provided elsewhere in this Article 3, Lessee shall pay all Impositions to the Lessor within 30 days of an invoice for same.

3.2 Contest of Impositions. If the levy of any of the Impositions shall be deemed by Lessee to be improper or excessive, Lessor agrees to provide any available documentation related to such Impositions that were used as the basis for determining the amount of the Imposition.

3.3 Certain Provisions Related to AV Taxes and Special Impositions. Lessor and Lessee acknowledge that the NRHS Leased Premises, presently are presumed to be exempt from ad valorem taxes under the laws of the State of Oklahoma as of the Commencement Date.

3.4 Utilities. Lessee shall pay all bills for utility service separately metered and/or billed and provided to the NRHS Leased Premises, excluding the utility services that are part of the cost of constructing the Facilities to be paid by Lessor.

3.5 Covenants. Lessee shall pay its proportionate share of any costs and expenses imposed on land under Covenants that are in effect from time to time.

ARTICLE 4

Improvements

4.1 Improvements, Removals and Replacements. Lessee shall have the right, at its option and expense (subject only to the express restrictions set forth in this Lease) to further develop any and all portions of the NRHS Leased Premises and to enhance the Improvements within the NRHS Leased Premises, and any minor capital items, such as carpeting, wall coverings, artwork, light fixtures, etc. located or within the NRHS Leased Premises for any lawful purposes, as long as such development does not materially interfere with the development or use of the Facility. Any fixtures, materials or equipment that are permanent in nature and installed in the NRHS Leased Premises automatically shall become the property of Lessor, unless prior to the installation thereof, Lessee shall have obtained from Lessor written acknowledgment that the same shall remain the property of Lessee, in which event Lessee may remove such fixtures, materials or equipment at any time (including, without limitation, upon the termination of this Lease), if such can be done without material damage to the remainder of the Improvements and Lessee agrees to repair any damage caused by such removal including the patching of holes and the painting thereof. Any furniture, fixtures, or equipment purchased by Lessee for the Center that is not of a permanent nature will remain the property of Lessee unless Lessor and Lessee agree otherwise in writing. Any Improvements purchased by Lessor or that are otherwise the property of Lessor may not be removed without the consent of Lessor and unless they are replaced with reasonably comparable Improvements. Lessor shall not construct any Improvements on the NRHS Leased Premises during the Term that interfere with the development or use of the Facility primarily as an indoor aquatic and multi-sport facility.

4.2 Right to Alter. Lessee shall have the right, at its sole cost and in its sole discretion (subject only to the express restrictions set forth in this Lease), to alter, add to, reconstruct, reconfigure, remodel or rebuild as often as and whenever Lessee deems proper or desirable, any of the Improvements within the NRHS Leased Premises. All fixtures, materials, and equipment installed by Lessee that are not permanent in nature, and not owned by or otherwise the property of Lessor, may be removed by Lessee at the expiration or earlier termination of this Lease if Lessee

so elects, and if not so removed at the expiration or earlier termination of the Lease, shall, at the option of Lessor, become the property of Lessor.

ARTICLE 5

Use of Premises

5.1 Use of NRHS Leased Premises. Lessee shall use the Center during the Term for the operation of a Sports and Human Performance Center for the benefit of the general public and users of Facility. Only Lessee, in its sole discretion, will determine the rates for services it provides in the NRHS Leased Premises.

5.2 Compliance with Laws. Lessee agrees not to use the NRHS Leased Premises for any use or purpose in violation of any valid and applicable law, regulation or ordinance of the United States, the State of Oklahoma, the City of Norman or other lawful governmental authority having jurisdiction over the NRHS Leased Premises, including, without limitation, the Americans with Disabilities Act of 1990, as amended.

- (a) Lessee's employment policies must include non-discriminatory provisions in compliance with federal and state laws, rules and regulations, including Title VII of the Civil Rights Act of 1964, and the City's Civil Rights Ordinance.
- (b) Lessee agrees that it will not discriminate on the basis of race, color, religion, ancestry, national origin, age, place of birth, disability, sex, sexual orientation, gender identity or expression, familial status, or marital status, including marriage to a person of the same sex in furnishing or refusing to furnish, to such person or persons the use of the NRHS Leased Premises, including any and all services, privileges, accommodations, and activities thereby. Lessee agrees that this non-discrimination requirement will be included in all subcontracts related to the operation of the Center and to the services provided by the Lessee, its employees, agents and tenants.
- (c) If the Leased Premises, or parts of the Leased Premises, is allowed to be rented or leased for civic, cultural or educational purposes of any kind, the rental policies and procedures will require that the Leased Premises be made available for all kinds of civil, cultural, or educational purposes.

5.3 Maintenance.

(a) Lessor shall keep the Facility and any Improvements, with the exception of the interior of the NRHS Leased Premises and any Improvements that only benefit Lessee, in a state of good repair on a regular and ongoing basis.

(b) Lessee shall keep the NRHS Leased Premises in a state of good repair on a regular and ongoing basis, provided that Lessor shall be responsible for the repair and/or replacement of Capital Items. Lessee also shall be responsible for all maintenance of any elevator(s) providing access to the NRHS Leased Premises. Upon termination of this

Lease, Lessee shall deliver up the NRHS Leased Premises then situated thereon in good condition, reasonable wear and tear, obsolescence, acts of God and loss by casualty excepted.

5.4 Operational Rights; Revenue. Lessee shall receive all revenues generated from and associated with the Center for the duration of the lease. Subject to the terms and provisions of this Lease, Lessee shall have full and exclusive control of the management and operation of the Center. Without limiting the generality of the foregoing during the term of this Lease, (i) Lessee shall have the sole right to grant and enter into licenses, rights, subleases, and any and all other agreements of any nature relating to the NRHS Leased Premises or the name thereof on such terms as Lessee deems appropriate, and (ii) Lessee shall own all revenues of any source generated by or from the NRHS Leased Premises or the operation or management or the name thereof.

5.5 Exclusive Partnership. During the term of this Lease, the Lessee shall be, for all intents and purposes, the exclusive healthcare partner of the Facility.

(a) Marketing and Promotion Rights: Lessee, as the exclusive healthcare partner of the Facility, will, at its option, provide athletic training services for large tournaments and sporting events, display banners and signage within basketball and volleyball courts, provide and promote VIP space within the Center for use by coaches, trainers and schools, indoor aquatics space and other areas of the Facility, sell (within the Center) medical equipment, clothing and other merchandise consistent with the mission of the Center, promote facility and sports and human performance center activities and service using multi-media communication channels, and host health and wellness events within the Facility subject to the provisions in Section 5.5(b) herein. Written approval of Lessee shall be required before Lessor, or any of its agents, enters into any advertising and/or sponsorship agreements with competitors of Lessee relating to the Facility and/or events held within the Facility. For purposes of this provision, a competitor shall include any person or entity which provides, anywhere within the State of Oklahoma, inpatient or outpatient hospital services, ambulatory surgery services, clinical orthopedic services, physical therapy services and/or athletic training services.

(b) Use of the Facility: Lessee may have access at no charge to all or any portion of the Facility during or after hours of operation on a first come, first serve basis according to Lessor's Facility Rental/Booking Policies, provided previously scheduled programming or services are not reduced as a result of such booking.

(c) Event Streaming: If transmission of video of events held at the Facility are allowed under the terms of any event agreement, such events may be streamed in the NRHS Leased Premises using Lessee's equipment.

ARTICLE 6

Insurance and Indemnity

6.1 Liability Insurance. Lessee agrees, at its sole expense, to obtain and maintain public liability insurance at all times during the Term hereof with reputable insurance companies

authorized to transact business in the State of Oklahoma for bodily injury (including death) and property damage with minimum limits of \$1,000,000 Combined Single Limit protecting Lessee against any liability, damage, claim or demand arising out of or connected with the condition or use of the NRHS Leased Premises. Such insurance shall include contractual liability, personal injury and advertising liability, and independent contractor liability. Such insurance coverage must be written on an “occurrence” basis. It may be maintained by any combination of single policies and/or umbrella or blanket policies.

6.2 Workers’ Compensation Insurance. Lessee agrees, at its sole expense, to obtain and maintain workers’ compensation insurance, as required by applicable law, during the Term.

6.3 Property Insurance. At all times during the Term of this Lease, Lessor and Lessee shall maintain property insurance as set forth herein. Lessor will ensure the Construction Manager maintains a Builder’s Risk policy. Upon completion of construction, Lessor shall maintain building and contents insurance on the Facility, including the NRHS Leased Premises. Lessee shall pay a pro-rata portion of the cost of such policy, based upon the percentage of the Facility included within the NRHS Leased Premises. Lessee shall, at its sole expense, keep all equipment and other personal property included in the NRHS Leased Premises insured against “all risk” of loss for full replacement cost coverage, to include direct loss by fire, windstorm, hail, explosion, riot, civil commotion, aircraft, vehicles, smoke, boiler and machinery and flood. Coverage must be written by reputable insurance companies authorized to transact business in the State of Oklahoma.

6.4 Policies. All insurance policies Lessee is required to maintain pursuant to this Article 6 shall provide for at least thirty (30) days written notice to Lessor before cancellation and certificates or copies of policies of insurance shall be delivered to Lessor. Lessor and Lessee hereby waive all claims, rights of recovery and causes of action that either party or any party claiming by, through or under such party by subrogation or otherwise may now or hereafter have against the other party or any of the other party’s present and future subsidiaries, affiliates, partners, officers, directors, employees, direct or indirect stockholders, agents, other representatives, successors and assigns for bodily injury (including death) to persons, or loss or damage to property of Lessor and Lessee whether caused by the negligence or fault of Lessor and Lessee or their partners, directors, officers, employees, agents or representatives or otherwise, to the extent that the injuries, losses or damages are covered by the proceeds of insurance policies maintained by either party.

6.5 Adjustment of Losses. Except for the proceeds relating to the contents policy required to be maintained by Lessee (which proceeds shall be paid solely to Lessee), any loss under any insurance policy required under Section 6.3 hereof shall be made payable to Lessor for the benefit of Lessee and Lessor, to the end that Lessor shall be entitled to collect all money due under such insurance policies payable in the event of and by reason of the loss of or damage to the Facility, to be applied pursuant to Article 7, below. The adjustment of losses with the insurer shall be made by Lessor.

6.6 Operational Liability. Lessor shall be responsible for all liability related to the operation of the Facility, except for liability related to the NRHS Leased Premises, which shall be Lessee's sole responsibility.

ARTICLE 7

Casualty

7.1 Repair in the Event of Casualty. In the event the Facility shall be damaged during the Term, Lessor, to the extent covered by the insurance obtained by Lessor in accordance with Section 6.3, above, shall promptly proceed to repair, restore, replace, or rebuild the Facility to substantially the same condition in which the same were immediately prior to such damage or destruction.

7.2 Lessee Termination Right. Notwithstanding the foregoing, in the event Lessee determines in good faith that repairs and restoration of the Facility cannot be substantially completed within 365 days of such damage, Lessee shall have the option to terminate this Lease by written notice to Lessor.

7.3 Right to Insurance Proceeds. In the event Lessee terminates this Lease pursuant to Section 7.2, and Lessor elects not to restore the Facility as required by Section 7.1, Lessee shall be entitled to its pro rata portion of any insurance proceeds received by Lessor, based upon the percentage of the Facility included within the NRHS Leased Premises.

ARTICLE 8

Assignment and Subletting

8.1 Assignment. During the Term, Lessee shall continuously own and operate the NRHS Leased Premises and shall not sell, convey or assign any of the leasehold estate created hereby without the express written consent of Lessor, except the following: (i) Lessee may, without the consent of the Lessor, assign or transfer this Lease, or any interest herein to any entity owned or controlled by NRHS or its successors or assigns or a financially qualified third party subject to the reasonable approval of Lessor, provided such entity expressly assumes all the covenants and obligations of NRHS herein, subject to the reasonable satisfaction of the Lessor; or (ii) the granting of a mortgage lien to any lender providing NRHS financing for the Center. Upon any such assignment, the assignee shall execute and deliver to Lessor a written assumption, in form and substance reasonably satisfactory to Lessor, of all of the obligations of Lessee pertaining to the NRHS Leased Premises and accruing under this Lease after such assignment.

8.2 Subletting.

(a) Lessee shall have the right at any time, without the consent of Lessor, to sublease all or any portion of the NRHS Leased Premises to any third party; provided, however, that no such subletting or assignment shall relieve Lessee of any of its obligations hereunder unless otherwise agreed in writing by Lessor, and all subleases shall be subject to the terms and provisions of this Lease.

(b) No Sublessee shall have any right to sublease or otherwise assign or encumber its interest in the Leased Premises.

8.3 General Provisions. Lessee shall, in connection with any assignment or sublease, provide notice to Lessor of the name and address of any assignee or Sublessee, together with a complete copy of the assignment agreement or sublease.

ARTICLE 9

Default of Lessee

9.1 Lessee shall be in default if any of the following events (“Events of Default”) shall occur: (a) the failure on the part of Lessee to pay 100% of the Construction Funding, as set forth in Section 2.1, when due and the continuation of such failure for ten (10) days after Lessor has provided to Lessee a written notice of such failure; (b) any breach by Lessee of any covenant of Lessee under this Lease other than the failure to pay Construction Funding when due, and such breach has not been cured within thirty (30) days from and after the date notice of such breach is given by Lessor to Lessee; provided, however, no Event of Default shall exist if Lessee shall have commenced to remove or to cure such breach and shall be proceeding with reasonable diligence to completely remove or cure such breach (provided such breach must be cured within 120 days after such notice); (c) the making of any general assignment for the benefit of creditors by Lessee; (d) the filing of a voluntary petition in bankruptcy or a voluntary petition for an arrangement or reorganization under the United States Federal Bankruptcy Act (or similar statute or law of any foreign jurisdiction) by Lessee; (e) the appointment of a receiver or trustee for all or substantially all of Lessee’s interest in the Leased Premises or its leasehold estate hereunder if not removed within 120 days; or (f) the entry of a final judgment, order or decree of a court of competent jurisdiction adjudicating Lessee to be bankrupt, and the expiration without appeal of the period, if any, allowed by applicable law in which to appeal therefrom.

9.2 Upon the occurrence and during the continuance of an Event of Default, Lessor shall have all remedies available at law or in equity, including, without limitation, termination, injunction and specific performance. All remedies of Lessor under this Lease shall be cumulative, and the failure to assert any remedy or the granting of any waiver of any event of default shall not be deemed to be a waiver of such remedy or any subsequent event of default.

ARTICLE 10

Default of Lessor

10.1 Defaults and Remedies. In the event of any breach by Lessor of any covenant of Lessor under this Lease, Lessee shall have the right to deliver to Lessor a written notice specifying such breach or non-payment, and unless within thirty (30) days from and after the date of delivery of such notice Lessor shall have commenced to remove or to cure such breach or occurrence and shall be proceeding with reasonable diligence to completely remove or cure such breach or occurrence (provided such breach or occurrence must be cured within 120 days after such notice), then Lessee shall have all remedies available at law or in equity, including, without limitation, termination, injunction and specific performance. All remedies of Lessee under this Lease shall

be cumulative, and the failure to assert any remedy or the granting of any waiver of any event of default shall not be deemed to be a waiver of such remedy or any subsequent event of default.

ARTICLE 11

Representations, Warranties and Special Covenants

11.1 Lessor's Representations, Warranties and Special Covenants. Lessor hereby represents, warrants and covenants as follows:

(a) Existence. Lessor City of Norman, Oklahoma is a home rule municipal corporation of the State of Oklahoma duly incorporated and currently existing pursuant to the constitution and laws of the State of Oklahoma.

(b) Authority. Lessor has all requisite power and authority to own the Leased Premises, to execute, deliver and perform its obligations under this Lease and to consummate the transactions herein contemplated and, by proper action in accordance with all applicable law, has duly authorized the execution and delivery of this Lease, the performance of its obligations under this Lease and the consummation of the transactions herein contemplated.

(c) Binding, Obligation. This Lease is a valid and binding obligation of Lessor and is enforceable against Lessor in accordance with its terms.

(d) No Defaults. The execution by Lessor of this Lease and the consummation by Lessor of the transactions contemplated hereby (i) do not, as of the Commencement Date, result in a breach of any of the terms or provisions of, or constitute a default, or a condition which upon notice or lapse of time or both would ripen into a default, under Lessor's charter or any resolution, indenture, agreement, instrument or obligation to which Lessor is a party or by which the Leased Premises or any portion thereof is bound; and (ii) do not, to the knowledge of Lessor, constitute, a violation of any law, order, rule or regulation applicable to Lessor or any portion of the NRHS Leased Premises of any court or of any federal, state or municipal regulatory body or administrative agency or other governmental body having jurisdiction over Lessor or any portion of the Leased Premises.

(e) Consents. No permission, approval or consent by third parties or any other governmental authorities is required in order for Lessor to enter into this Lease, make the agreements herein contained or perform the obligations of Lessor hereunder other than those which have been obtained.

(f) Quiet Enjoyment. During the Term of this Lease and subject to the terms of this Lease, Lessee shall have the quiet enjoyment and peaceable possession of the Leased Premises against hindrance or disturbance by Lessor or any person or entity acting by, through or under Lessor.

(g) Proceedings. There are no actions, suits or proceedings pending or, to the reasonable best knowledge of Lessor, threatened or asserted against Lessor affecting

Lessor's ability to enter into this agreement or any portion of the NRHS Leased Premises, at law or at equity or before or by any federal, state, municipal or other governmental department, commission, board, bureau, agency or instrumentality, domestic or foreign.

(h) Impositions. Lessor has not received any notice of any Impositions of any nature which are pending or being contemplated with respect to the Land or any portion thereof, except as outlined in Article 3 above.

(i) Compliance with Laws. Lessor has not received any notice of any violation of any ordinance, regulation, law or statute of any governmental agency pertaining to the Land or any portion thereof.

(j) Encumbrances. Lessor has good and marketable fee simple title to the Land, subject to no liens or security interests, and Lessor has not placed or granted any liens or security interests against the Land.

(k) Limitations. Except as otherwise expressly provided herein, this Lease is made by Lessor without representation or warranty of any kind, either express or implied, as to the condition of the Land or the Leased Premises, its merchantability, its condition or its fitness for Lessee's intended use or for any particular purpose.

11.2 Lessee's Representations, Warranties and Special Covenants.

(a) Existence. Lessee is a public trust of the State of Oklahoma having the City of Norman, Oklahoma as its sole beneficiary duly incorporated and currently existing pursuant to the constitution and laws of the State of Oklahoma.

(b) Authority. Lessee has all requisite power and authority to own its property, operate its business, enter into this Lease and consummate the transactions herein contemplated, and by proper action has duly authorized the execution and delivery of this Lease and the consummation of the transactions herein contemplated.

(c) Binding Obligation. This Lease is a valid and binding obligation of Lessee and is enforceable against Lessee in accordance with its terms, subject to (a) applicable bankruptcy, insolvency, fraudulent conveyance, reorganization, rearrangement, moratorium, receivership, liquidation and similar laws affecting creditors' rights or (b) general principles of equity.

(d) No Default. The execution by Lessee of this Lease and the consummation by Lessee of the transactions contemplated hereby do not, as of the Commencement Date, result in a breach of any of the terms or provisions of, or constitute a default or condition which upon notice or the lapse of time or both would ripen into default under, the organizational documents of Lessee or under any indenture, agreement, instrument or obligation to which Lessee is a party or is bound.

(e) Consents. No permission, approval or consent by third parties or any other governmental authorities is required in order for Lessee to enter into this Lease, make the

agreements herein contained or perform the obligations of Lessee hereunder other than those which have been obtained.

(f) As-Is. Lessee accepts the leasehold interest in the Land granted by this Lease on an “as-is” basis with all faults.

ARTICLE 12

Miscellaneous

12.1 Inspection. Due to Lessee’s status as a “Covered Entity” under HIPAA, except in emergency situations, the City, it’s agents, employees, and contractors may not enter the NRHS Leased Premises without at least 24 hours advance written notice to Lessee for purposes of inspection, and Lessee reserves the right at all times to have an NRHS representative accompany Lessor, it’s agents, employees and contractors into the NRHS Leased Premises.

12.2 Estoppel Certificates. Lessee and Lessor shall, at any time and from time to time upon not less than ten (10) days’ prior written request by the other Party, execute, acknowledge and deliver to Lessor or Lessee, as the case may be, a statement in writing certifying (a) its ownership of the interest of Lessor or Lessee hereunder, as the case may be, (b) that this Lease is unmodified and in full force and effect (or if there have been any modifications, that the same is in full force and effect as modified and stating the modifications), (c) the dates to which the Construction Funding and any other charges have been paid, and (d) that, to the best knowledge of Lessor or Lessee, as the case may be, no default hereunder on the part of the other Party exists (except that if any such default does exist, the certifying Party shall specify such default.)

12.3 Release. If requested by Lessor, Lessee shall, upon termination of this Lease, execute and deliver to Lessor an appropriate release, in form proper for recording, of all Lessee’s interest in the NRHS Leased Premises, and upon request of Lessee, Lessor will execute and deliver a written cancellation and termination of this Lease and release of all claims (if none are then outstanding) in proper form for recording to the extent such release is appropriate under the provisions hereof.

12.4 Lessor’s Right to Perform Lessee’s Covenants. If Lessee shall fail in the performance of any of its covenants, obligations or agreements contained in this Lease, other than the obligation to pay Construction Funding, and such failure shall continue without Lessee curing or commencing to cure such failure within all applicable grace and/or notice and cure periods, Lessor after ten (10) days additional written notice to Lessee specifying such failure (or shorter notice if any emergency meaning that there is imminent danger to the safety of persons or of substantial damage to property exists) may (but without any obligation to do so) perform the same for the account and at the expense of Lessee, and the amount of any payment made or other reasonable expenses (including reasonable attorneys’ fees incurred by Lessor for curing such default), with interest thereon at the rate of twelve percent (12%) per annum or the highest rate then allowed by law, shall be payable by Lessee to Lessor on demand, or, if not so paid, shall be treated at Lessor’s option as a monetary default hereunder pursuant to and subject to all of the provisions of Section 9.2 hereof.

12.5 Notices. All notices, demands, payments and other communications required to be given or made hereunder shall be in writing and shall be duly given if delivered by hand, messenger, telecopy or reputable overnight courier or if mailed by certified or registered mail, first class postage prepaid, and shall be effectively received upon the date of such delivery or two (2) days after such mailing, to the respective parties hereto at the addresses set forth below, or to such other address furnished in writing to the other party hereto.

If to Lessee: Norman Regional Health Authority
Attn: Richie Splitt, President and CEO
3300 Healthplex Parkway
Norman, Oklahoma 73072

With a copy to: Crowe & Dunlevy
Attn: Karen S. Rieger
324 N. Robinson Ave., Suite 100
Oklahoma City, Oklahoma 73102

If to Lessor: City of Norman
Attn: City Manager
201 West Gray
Norman, OK 73069

With a copy to: City of Norman
Attn: City Attorney
201 West Gray
Norman, OK 73069

12.6 Successors and Assigns. Except as expressly provided in Article 8, this Agreement may not be assigned without the prior written consent of the other party hereto. Subject to the foregoing, this Agreement shall be binding upon and shall inure to the benefit of the parties and their permitted successors and assigns.

12.7 Amendment. Except as expressly provided herein, neither this Lease nor any term hereof may be amended, waived, discharged or terminated, except by a written instrument signed by the parties hereto.

12.8 Headings and Subheadings. The headings of the articles, sections, paragraphs and subparagraphs of this Lease are for convenience or reference only and in no way define, limit, extend or describe the scope of this Lease or the intent of any provisions hereof.

12.9 Unavoidable Default and Delays. After the date of execution of this Lease, the time within which any party to this Lease shall be required to perform any act under this Lease shall be extended by a period of time equal to the number of days during which performance of such act is delayed by any Force Majeure. The provisions of this Section 12.9 shall not operate to excuse either Party from prompt payment of the Construction Funding or any other payments required by the terms of this Lease.

12.10 Severability. In the event one or more of the terms or provisions of this Lease or the application thereof to any Party or circumstances shall, to any extent, be held invalid, illegal or unenforceable, the remainder of this Lease, or the application of such term or provision to persons or circumstances other than those as to whom or which it is held invalid or unenforceable, shall not be affected thereby, and each term and provision of this Lease shall be valid and enforceable to the fullest extent permitted by law.

12.11 Governing Law. THIS LEASE SHALL BE GOVERNED BY, AND CONSTRUED AND ENFORCED IN ACCORDANCE WITH THE LAWS OF THE UNITED STATES APPLICABLE THERETO AND THE LAWS OF THE STATE OF OKLAHOMA APPLICABLE TO A LEASE EXECUTED, DELIVERED AND PERFORMED IN SUCH STATE, WITHOUT REGARD TO ANY OTHERWISE APPLICABLE PRINCIPLES OF CONFLICTS OF LAW.

12.12 Venue for Actions. The venue for any legal action arising out of this Lease shall lie exclusively in Cleveland County.

12.13 Attorneys' Fees. Should either Party to this Lease engage the services of attorneys or institute legal proceedings to enforce its rights or remedies under this Lease, the prevailing Party to such dispute or proceedings shall be entitled to recover its reasonable attorneys' fees, court costs and similar costs incurred in connection with the resolution of such dispute or the institution, prosecution or defense in such proceedings from the other Party.

12.14 Relationship of Parties. Nothing contained herein shall be deemed or construed by the Parties hereto or by any third party as creating the relationship of principal and agent, partnership, joint venture or any association between the Parties hereto, it being understood and agreed that none of the provisions contained herein or any acts of the Parties in the performance of their respective obligations hereunder shall be deemed to create any relationship between the Parties hereto other than the relationship of Lessor and Lessee. It is understood and agreed that this Lease does not create a joint enterprise, nor does it appoint either Party as an agent of the other for any purpose whatsoever. Neither Party shall in any way assume any of the liability of the other for acts of the other or obligations of the other. Each Party shall be responsible for any and all suits, demands, costs or actions proximately resulting from its own individual acts or omissions.

12.15 Net Lease. It is the intention of Lessor and Lessee that the Construction Funding payable under this Lease after the Commencement Date and all Impositions and other costs related to Lessee's use or operation of the Leased Premises under this Lease shall be absolutely net to Lessor, and that Lessee shall pay during the Term, without any offset or deduction whatsoever, all such Impositions and other costs due by Lessee under this Lease.

12.16 Lessor's Lien Waiver. Lessor hereby waives all landlord's liens that Lessor might hold, statutory or otherwise, to any of Lessee's (or any Sublessee's) inventory, trade fixtures, equipment or other personal property now or hereafter placed on the Leased Premises.

12.17 Non-Waiver. No Party shall have or be deemed to have waived any default under this Lease by the other Party unless such waiver is embodied in a document signed by the waiving Party that describes the default that is being waived. Further, no Party shall be deemed to have

waived its rights to pursue any remedies under this Lease, unless such waiver is embodied in a document signed by such Party that describes any such remedy that is being waived.

12.18 Obligations to Defend Validity of Agreement. If litigation is filed by a third party against Lessee or Lessor in an effort to enjoin either Party's performance of this Lease, the Parties hereto who are named as parties in such action shall take all commercially reasonable steps to support and defend the validity and enforceability of this Lease. Either Party may intervene in any such matter in which the other Party hereto has been named as a defendant. Each Party shall be responsible for its attorneys' fees and costs of litigation.

12.19 Survival. Covenants in this Lease providing for performance after termination of this Lease shall survive the termination of this Lease.

12.20 Entire Agreement. This Lease and the other documents delivered pursuant to this Lease or referenced herein constitute the full and entire understanding and agreement between the Parties with regard to the subject matter hereof. There are no representations, promises or agreements of Lessor or Lessee regarding the subject matter of this Lease not contained in this Lease, the Exhibits attached hereto or the other documents delivered pursuant to this Lease or referenced herein.

12.21 Counterparts. This Lease may be executed in any number of counterparts, each of which shall be an original, but all of which together shall constitute one and the same instrument.

12.22 Waiver of Consequential Damages. Notwithstanding anything in this Lease, to the contrary, Lessor hereby waives any consequential damages, compensation or claims for inconvenience, loss of business, rents or profits as a result of any injury or damage, whether or not caused by the willful or wrongful act of Lessee or its representatives, agents or employees. Anything to the contrary in this Lease notwithstanding, Lessee hereby waives any consequential damages, compensation or claims for inconvenience, loss of business, rents or profits as a result of any injury or damage, whether or not caused by the willful or wrongful act of Lessor or its representatives, agents or employees.

12.23 Confidentiality. For purposes of this section, "protected health information", or PHI, shall have the meaning defined by the Standards for Privacy of Individually Identifiable Health Information, 45 C.F.R Part 160 and Subparts A and E of Part 164 (the "Privacy Standards"), as promulgated by the Department of Health and Human Services pursuant to the Administrative Simplification provisions of the Health Insurance Portability and Accountability Act of 1996, as amended. The parties agree that neither the Lessor nor its employees, contractors, and agents shall need access to, nor shall they use or disclose, any PHI of NRHS. However, in the event that PHI is disclosed by NRHS or its agents to Lessor, its employees, contractors or agents regardless as to whether the disclosure is inadvertent or otherwise. Lessor, agrees to take reasonable steps to maintain, and require its employees, contractors and agents to maintain, the privacy and confidentiality of such PHI. The parties agree that the foregoing does not create, and is not intended to create, a "business associate" relationships between the parties as that term is defined by the Privacy Standards.

[remainder of page left blank intentionally]

IN WITNESS WHEREOF, the parties hereto have executed and delivered this Lease as of the date first set forth above.

**THE CITY OF NORMAN, OKLAHOMA
(as "Lessor")**

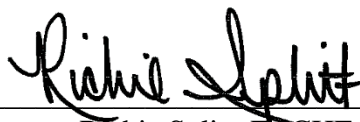
(SEAL)

By: _____
Name: Larry Heikkila
Title: Mayor

ATTEST:

By: _____
Name: Brenda Hall
Title: City Clerk

**NORMAN REGIONAL HOSPITAL AUTHORITY
(as "Lessee")**

By:  _____
Name: Richie Splitt, FACHE
Title: President and CEO

ATTEST:

By: _____
Name: Mary Womack
Title: Board Vice Chair and Secretary

SCHEDULE ONE
LEGAL DESCRIPTION OF LAND

A TRACT OF LAND LYING IN THE NORTHWEST QUARTER (NW/4) OF SECTION TWENTY FOUR (24), AND THE NORTHEAST QUARTER (NE/4) OF SECTION TWENTY THREE (23), TOWNSHIP NINE (9) NORTH, RANGE THREE (3) WEST OF THE INDIAN MERIDIAN, CITY OF NORMAN, CLEVELAND COUNTY, OKLAHOMA, AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BASIS OF BEARING FOR THIS DESCRIPTION IS THE NORTH LINE OF THE NORTHEAST QUARTER (NE/4) OF SAID SECTION TWENTY THREE (23), BEARING S89°06'20.0"W.

COMMENCING AT THE NORTHEAST CORNER OF THE NORTHEAST QUARTER (NE/4) OF SECTION TWENTY THREE (23), TOWNSHIP NINE (9) NORTH, RANGE THREE (3) WEST, INDIAN MERIDIAN;

THENCE S89°06'20.0"W ALONG THE NORTH LINE OF SAID NORTHEAST QUARTER (NE/4) A DISTANCE OF 112.35;

THENCE S01°02'48.00"W A DISTANCE OF 414.90 FEET TO THE "POINT OF BEGINNING" (P.O.B.);

THENCE S88°58'04.67"E A DISTANCE OF 478.59 FEET;

THENCE S00°38'00.09"E A DISTANCE OF 1049.00 FEET;

THENCE N70°25'58.00" W A DISTANCE OF 401.10 FEET TO A POINT OF NON-TANGENT CURVATURE;

THENCE NORTHEASTERLY ALONG A NON-TANGENT CURVE TO THE LEFT HAVING A RADIUS OF 300.00 FEET, SAID CURVE SUBTENDED BY A CHORD WHICH BEARS N07°49'15.0"E A DISTANCE OF 19.41 FEET FOR AN ARC DISTANCE OF 19.41 FEET;

THENCE N70°25'58.00"W A DISTANCE OF 201.75 FEET;

THENCE N01°02'48.0"E A DISTANCE OF 837.64 FEET;

THENCE S88°58'04.67"E A DISTANCE OF 60.00 FEET TO THE POINT OF BEGINNING (P.O.B.).

SAID TRACT CONTAINING 522713.7430 SQUARE FEET OR 11.9999 ACRES MORE OR LESS.