

## LETTER OF INTENT

**Moda, Inc., Moda Health Plan, Inc.  
and  
Oregon Health and Science University**

This non-binding Letter of Intent (“LOI”) is entered into by and between Moda, Inc., (“Moda”), Moda Health Plan, Inc. (“Moda Health”) and Oregon Health & Science University, a public corporation of the state of Oregon (“OHSU”). Moda, Moda Health and OHSU are also referred to in this LOI as a “Party” and collectively as the “Parties.”

### RECITALS

- A. Moda and Moda Health Plan, Inc., are committed to healthcare transformation.
- B. As Oregon’s only major academic health center, OHSU has a multi-faceted mission: delivering accessible, high quality care to the state’s residents, providing health education and training, and advancing the discovery of new treatments and insight.
- C. Both organizations have a fundamental imperative to help lead the transformation of health care in Oregon. OHSU has provided Moda Health \$50,000,000 in surplus note financing in consideration of the issuance of the Surplus Note by Moda Health dated December 15, 2014, in order to enhance their strategic partnership (the “Note”). The parties wish to accelerate their strategic partnership in order to advance health care transformation in Oregon.
- D. This LOI memorializes the principles, commitments and intentions that will guide the development of formal and definitive agreements between Moda, Inc., Moda Health Plan, Inc., and OHSU in order to realize their shared vision.

1. **Structure of the Arrangement.**

- 1.1 To lead in the transformation of health care in Oregon and improve the health and well-being of the populations we serve, OHSU and Moda Health will create a joint board committee (the “Joint Committee”) to further align the strategies and secure the synergies of the two organizations in furtherance of their common goal to improve health and wellbeing through the triple aim of better health, improved member and patient experiences and affordable costs.
- 1.2 **Committee Membership.** Each of OHSU and Moda Health shall appoint four members to the Joint Committee.
- 1.3 **Option to Convert.** OHSU shall have the option to convert the Note to a 25% equity position in Moda Health in 2016 or, if so opted by OHSU, prior to that date. The parties shall work together to obtain any regulatory approval needed to effectuate such conversion, if elected by OHSU.

2. **Definitive Agreements.** As soon as is reasonably practicable after the execution of this LOI, the Parties will proceed to negotiate and, if agreement is reached, execute mutually satisfactory definitive agreements.
3. **Confidentiality and Public Communication.** The timing and content of any announcements, press releases or any public statements concerning the proposed transaction shall be determined by mutual agreement of the Parties, unless, in the judgment of a Party upon advice of counsel, disclosure is otherwise required by applicable law, provided that such a Party shall use commercially reasonable efforts to consult with the other Party with respect to the text thereof.
4. **Nonbinding Effect.** Although this LOI does express the current intentions of the Parties, as provided herein, the Parties acknowledge and agree that, except as provided in the next sentence of this Section 4, this LOI will not create any binding legal commitments between them. Notwithstanding the foregoing, the Parties agree upon the execution of this LOI to be bound by the provisions of this LOI concerning Confidentiality and Public Communication (Section 3) and Miscellaneous (Section 5). This LOI is not a commitment by either Party to consummate the transaction, and no Party will have any obligation to execute the definitive agreements unless and until the terms thereof are acceptable to that Party, as determined in that Party's sole discretion.
5. **Miscellaneous.** This LOI shall be governed in all respects by the laws of the state of Oregon. Each Party hereto submits to the jurisdiction of any state or federal court sitting in the state of Oregon. Nothing in this Letter of Intent shall create or be deemed to create any third party beneficiary rights in any person. This LOI may be executed in any number of counterparts, each of which when so executed shall be deemed an original, but such counterparts shall together constitute one and the same agreement.

**The undersigned hereby agree that this LOI sets forth the intent of the parties to proceed in good faith substantially in the manner outlined in this LOI.**

**Moda, Inc. and Moda Health Plan, Inc.**

By: Robert G. Goober

Date: 11/11/15

**OREGON HEALTH & SCIENCE UNIVERSITY**

By: Joe E. Robertson, Jr.

Date: \_\_\_\_\_