



Ben Campbell, CEO

Rural Hospital Solutions, Inc.

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November 6th, 2024

City of Clinton

Robert Johnson

City Manager

100 N. 30th St

Clinton, OK 73601-3117

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Letter of Intent to Manage/Purchase Clinton Regional Hospital

Rural Hospital Solutions, Inc. ("RHS") is pleased to present this Letter of Intent ("LOI") to the City of Clinton ("the City") for the management and potential purchase of Clinton Regional Hospital ("the Hospital"). This LOI outlines the preliminary terms under which RHS proposes to acquire the Hospital's real estate, plant, property, equipment, and receivables, subject to satisfactory completion of due diligence and finalizing a definitive purchase agreement.

1. Due Diligence Period

Upon execution of this LOI, a Due Diligence Period will commence, marked by the following actions and milestones:

- **Ratification:** The Hospital Board and City Council will ratify the LOI.
- **Commencement of Management:** RHS will begin management of the Clinton Regional Hospital on Monday, November 11th, 2024. Existing and available Line of Credit funds must be transferred on or before this date.
- **City Council Resolution:** The LOI will be entered as a "Resolution" at the November City Council Meeting to align with the upcoming Election Calendar on January 14th, 2025.



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- **Duration:** The Due Diligence Period will last until 60 days post-election, contingent on a public vote to authorize the sale of the Hospital but will not exceed March 14th, 2025 (120 days post-LOI signing).
 - **Scope of Review:** RHS will use this period to evaluate the Hospital's financial stability and future potential, including real estate, equipment, accounts receivable, service line projections, and other assets. Upon signing of the Management Agreement, the City will provide the Abstract for review and validation as a part of the Due Diligence.

2. Contract to Purchase

The proposed Contract Price for the Hospital is \$6,000,000. Following the satisfactory completion of due diligence, RHS intends to submit a definitive Contract to Purchase within a 120-day period. This contract will encompass all necessary terms for the acquisition of the Hospital.

3. Assets and Liabilities

RHS will acquire the Hospital's real estate, property, equipment, and receivables, with all current liabilities associated with the Hospital transferring to RHS upon purchase.

4. Lawsuit Proceeds

The City will retain all proceeds from the existing lawsuit with Alliance/CHS; these funds are excluded from the transaction.

5. Default Provisions

In the event of an operational default by RHS, the Hospital's assets, including real estate, equipment, and outstanding revenue, shall revert to the City at no cost. This is secured by retaining current operational identifiers, including license numbers, NPI, and CNN, until the closing of the transaction.

6. Allocation of Funds

Upon ratification of this LOI, RHS will allocate funds through a third party to purchase a portion of the Hospital's accounts receivable (AR) and funding the final draw of \$250,000 line of credit to the hospital. This funding aims to support the Hospital's operations through the 120-day closing period and beyond.

7. Exclusivity



Upon execution of this LOI, the City agrees to negotiate exclusively with RHS regarding the Hospital's sale for a 120-day period.

8. Confidentiality

This LOI and related negotiations shall remain confidential and will not be disclosed to any third party without mutual consent, except as required by law.

9. Non-Binding Nature

This LOI is intended to express RHS and the City's mutual interest in negotiating the proposed transaction and is not a binding commitment. A binding commitment will only arise upon execution of a definitive purchase agreement.

We look forward to working with you to finalize this transaction and ensure the continued success of Clinton Regional Hospital. Please indicate your acceptance of this LOI's terms by signing below.

Sincerely,

RHS

Ben Campbell

CEO

Rural Hospital Solutions, Inc.

Acknowledged and Accepted by:

Name: Robert Johnson

Title: City Manager

City of Clinton

Date: _____

Following are the Core Team Members of 3rd Avenue West who are participating in the support of this relationship and agreement:

Loren Brink - Advisor



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- Successfully executed 4 major exits, including a NASDAQ listing
 - Orchestrated 35 M&A transactions and secured over 100 funding deals
 - 30-year veteran in Healthcare, driving innovation and growth
 - 15 years of strategic experience across Asian markets
 - Founder and CEO of a Healthcare Cognitive AI Company
 - Collaborated with over 70 Fortune 500 companies, delivering substantial business value
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Paul Jones – Chief Technology Officer

- Achieved 2 successful exits in technology ventures
 - Over 25 years of experience in Investment Banking Technology
 - Recognized expert in AI and Cybersecurity
 - Specialist in Enterprise System Architectures
 - Held prestigious roles at IBM, Rothschild, Wells Fargo, and NASDAQ Europe
 - Spearheaded the integration of AI technologies in healthcare, transforming operations and patient care through predictive analytics, AI-driven data integration, and remote monitoring solutions
 - Deep expertise in healthcare AI applications, enhancing patient outcomes through innovative data management, AI-enabled workflows, and the strategic use of electronic patient record systems like EPIC and Cerner
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Lisa Tarufelli - Chief Financial Officer

- Accomplished CEO and CFO with over 30 years of experience in Finance, Healthcare Technology, Artificial Intelligence, Real Estate Development, and Strategic Consulting
 - Proven track record in securing funding and strategic planning for both emerging startups and established companies
 - Specializes in driving financial strategy to enhance stability and accelerate growth
 - Expert in increasing shareholder value through operational and financial optimization
 - Experienced in raising capital through debt and equity instruments
 - Skilled in scaling businesses with comprehensive short- and long-term financial planning
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Eric Larson – Chief Operating Officer

- Over 25 years of consulting experience in Healthcare, Health Insurance, Population Health, Logistics, and Operations
 - Began his career at a Big 4 Accounting Firm, specializing in financial and operational strategy
 - Proven success in leading turnarounds for Fortune 100 companies
 - Expertise in driving operational efficiency and streamlining processes
 - Specializes in enhancing scalability and supporting long-term business growth
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John Lewis – Director of Strategic Initiatives

- Founder of Healthcare Buyers Club, a mission-driven startup focused on building local, direct-pay healthcare delivery ecosystems
 - Former Director of Strategic Initiatives for an Austin-based Fintech and Healthcare Technology company
 - Involved in global M&A initiatives
 - Led strategic planning initiatives and facilitated over \$335M in Private Equity and Strategic investments
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Gary Faulkner – Chief Executive Officer

- Accomplished senior executive with over 40 years of experience in healthcare management, operations, and strategic consulting
 - Successfully led diverse hospital development projects, including Florence Community Healthcare, achieving profitability within the first year
 - Extensive expertise in financial, human resources, and restructuring, consistently driving operational excellence while enhancing patient satisfaction
 - Previously served as CEO of Medical Management Strategy Group, providing consulting services to medical organizations
 - Strong leadership background from both civilian and military roles, with a track record of creating community programs, managing large-scale projects, and fostering community relations
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Jennifer Sethre – Revenue Cycle & Marketing

- Successfully executed 3 exits, both in the US and Asia
- 20 years' experience in Asian manufacturing
- Sold to every major retailer in the Americas
- Ran two publicly held companies
- Major Linked-In influencer