

PUBLIC

**HCMO Notice of Material Change
St. Charles Health System/The Center
September 13, 2024**

Attachment No. 7



Confidential
Execution Version

July 16, 2024

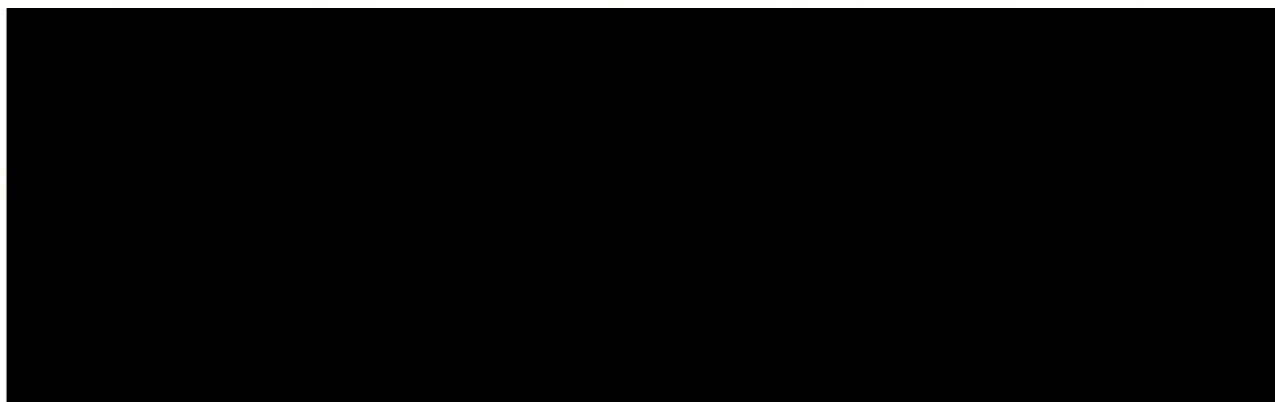
Mr. Brett Hazlett, CEO
Neuromusculoskeletal Center of the Cascades, P.C.
2200 NE Neff Road
Bend, OR 97701

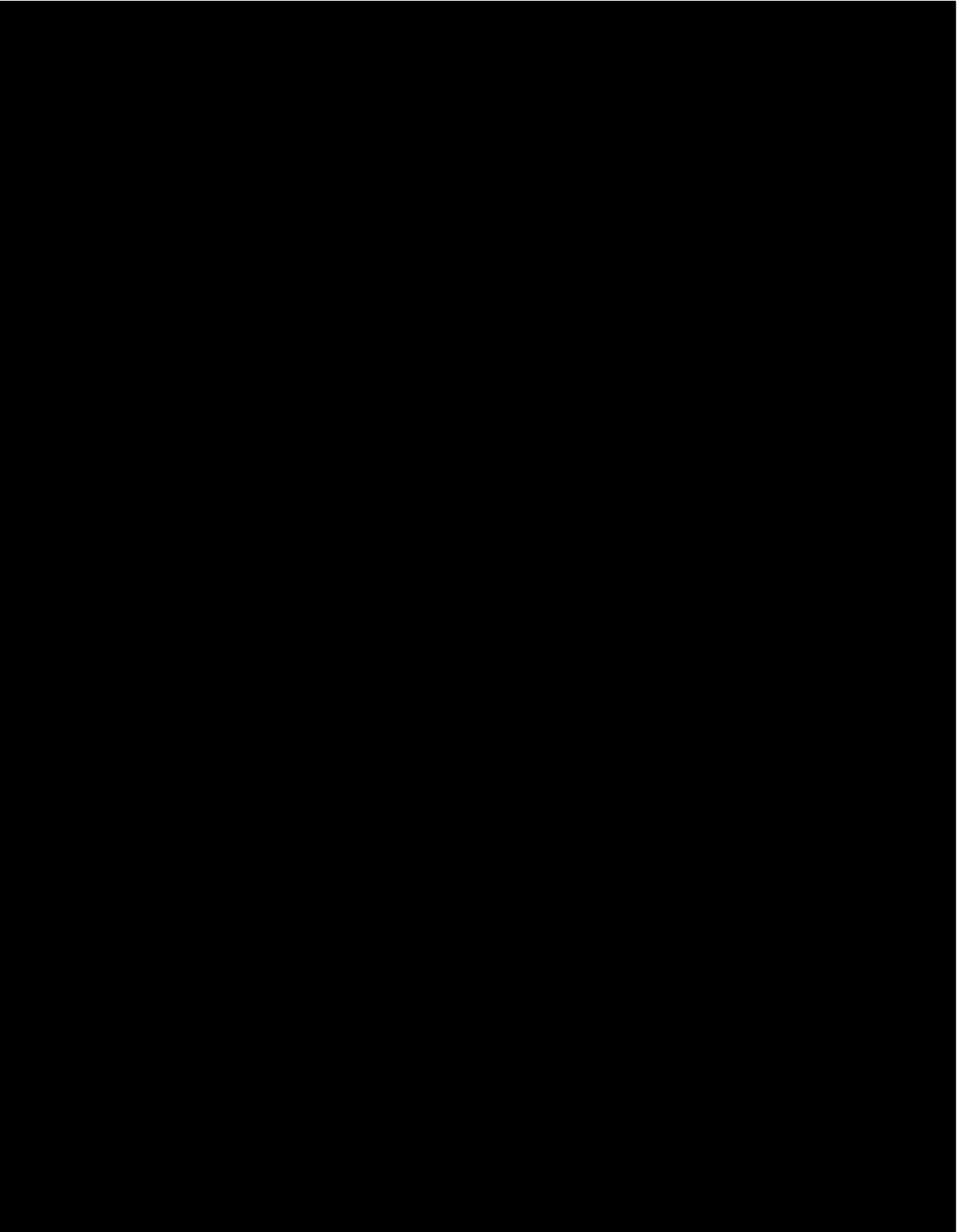
Re: Letter of Intent

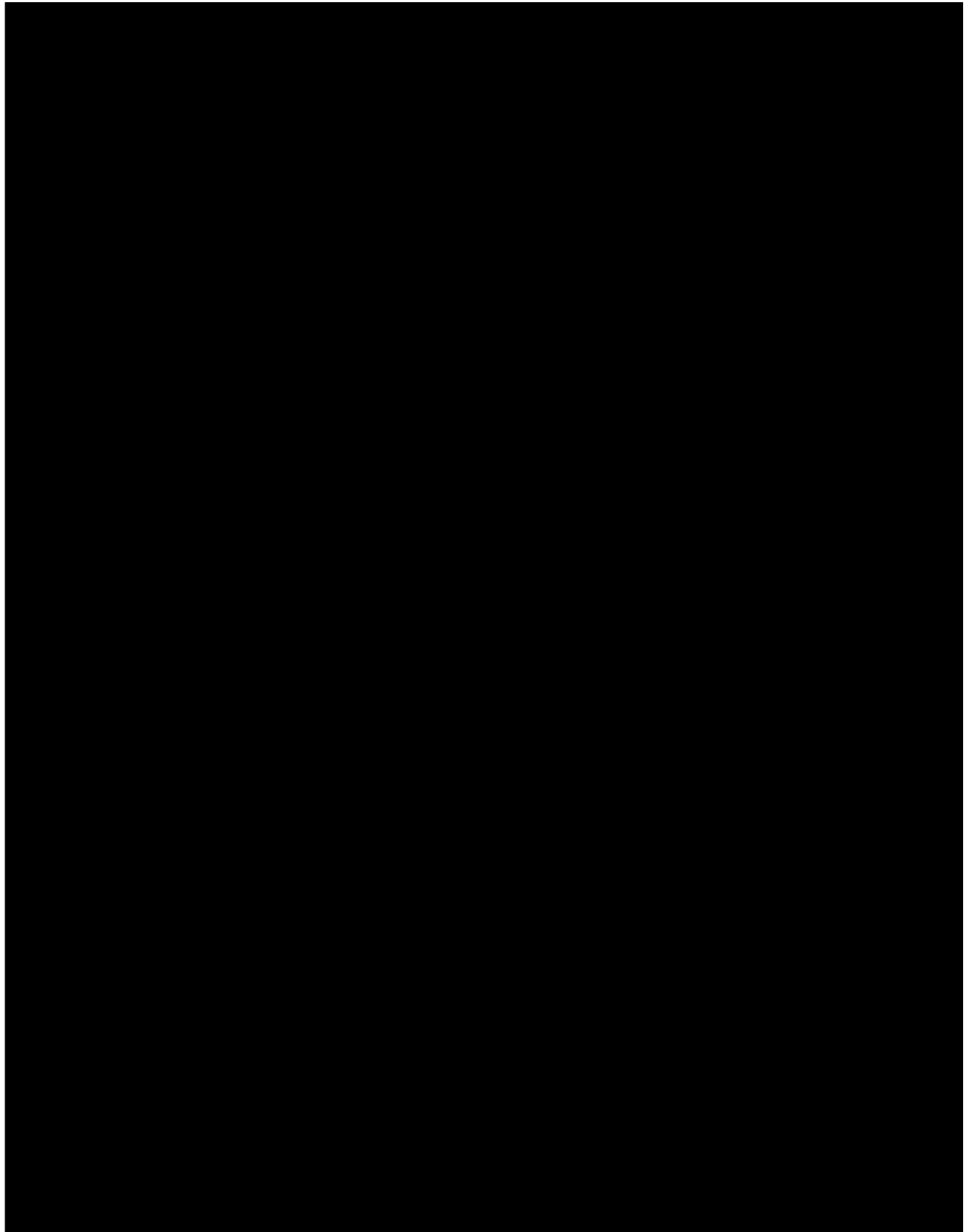
Dear Brett:

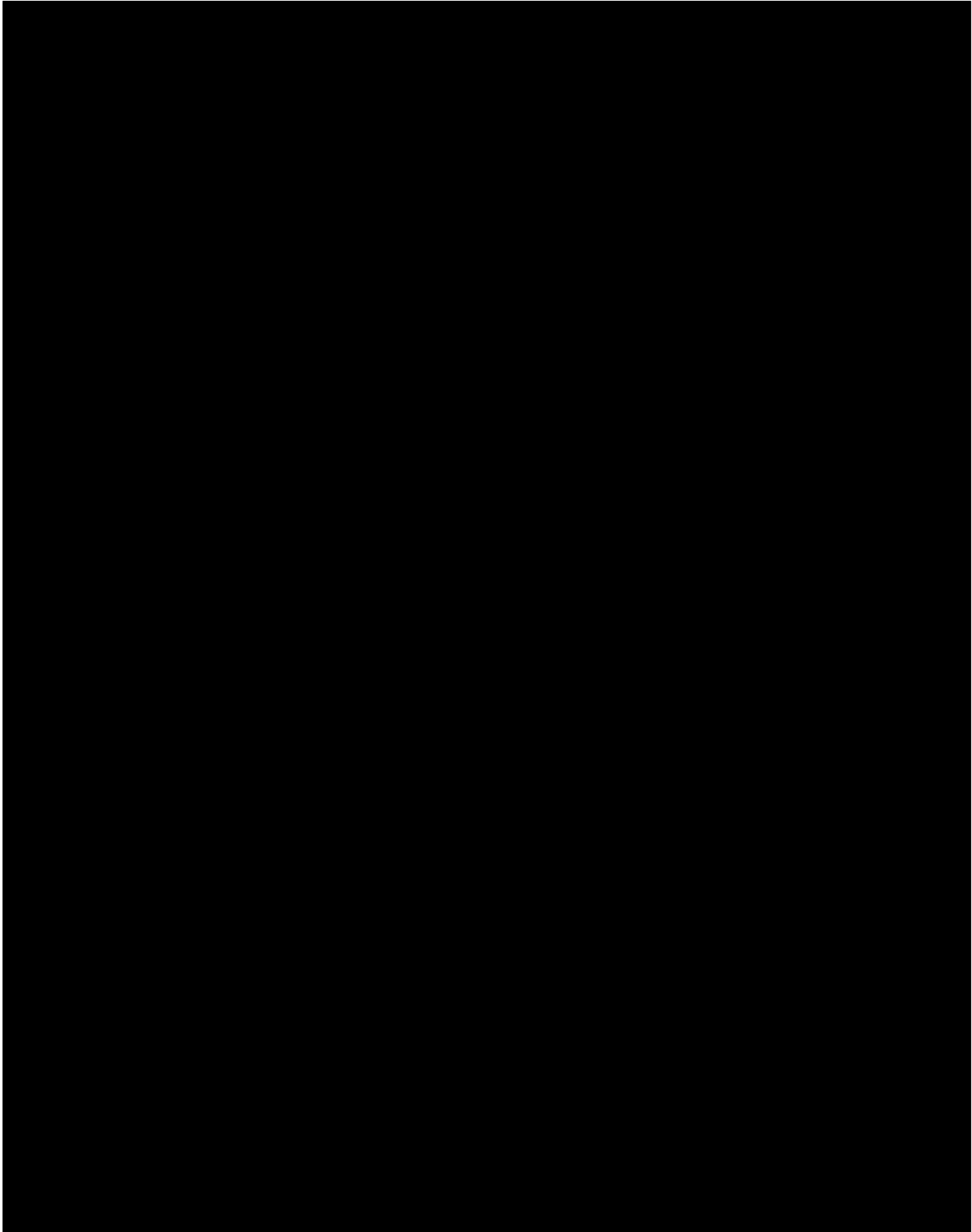
We are pleased to provide this letter describing the possibility of a transaction (the "Potential Transaction") among St. Charles Health System, Inc. ("SCHS"), Neuromusculoskeletal Center of the Cascades, P.C., an Oregon professional corporation dba Orthopedic & Neurosurgical Center of the Cascades ("Practice") and Practice's shareholders (the "Shareholder Physicians," together with the Practice, the "Practice Parties"). We understand that the Practice is a multidisciplinary practice providing highly trained physicians specializing in orthopedic, neurosurgery, and physiatry. We understand the Practice currently engages 27 physicians ("Physicians"), 27 advanced practice providers (together with the Physicians, the "Providers") and 265 staff ("Staff"), with locations described in Schedule A (the "Clinic Locations"). SCHS is proposing a Potential Transaction whereby SCHS would agree to make employment offers to substantially all of the Providers and the majority of the Staff. In connection with the employment offers, to facilitate the transfer of employment, SCHS would purchase substantially all the assets of Practice and assume certain contracts.

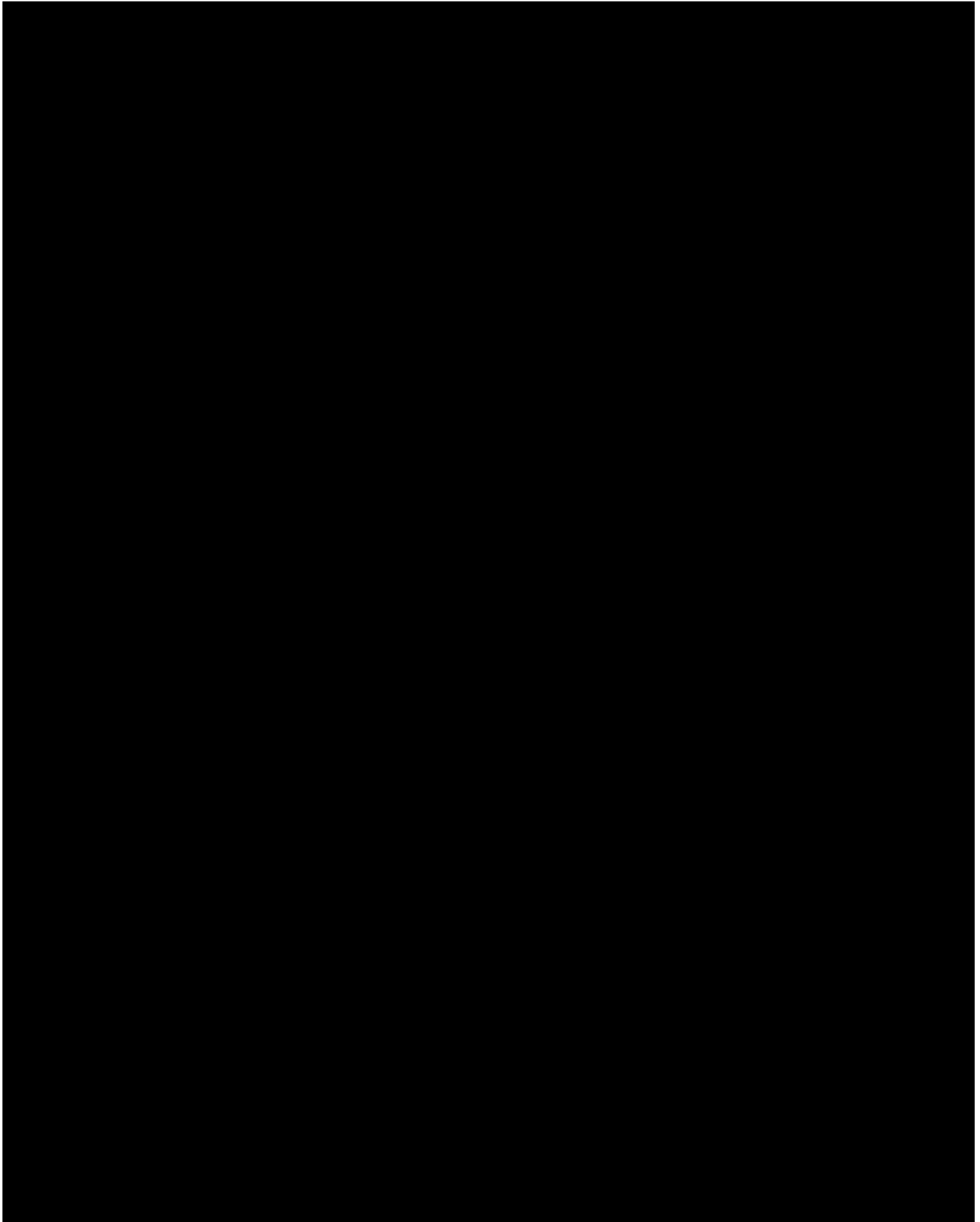
This letter outlines elements of the Potential Transaction so we can work together toward due diligence, documentation and implementing the Potential Transaction. If you agree with this outline, it will serve as our letter of intent. Except for section 7 below, this letter is non-binding and none of the parties will have any legally binding obligations to any other party unless and until we enter into the Definitive Agreements described below.

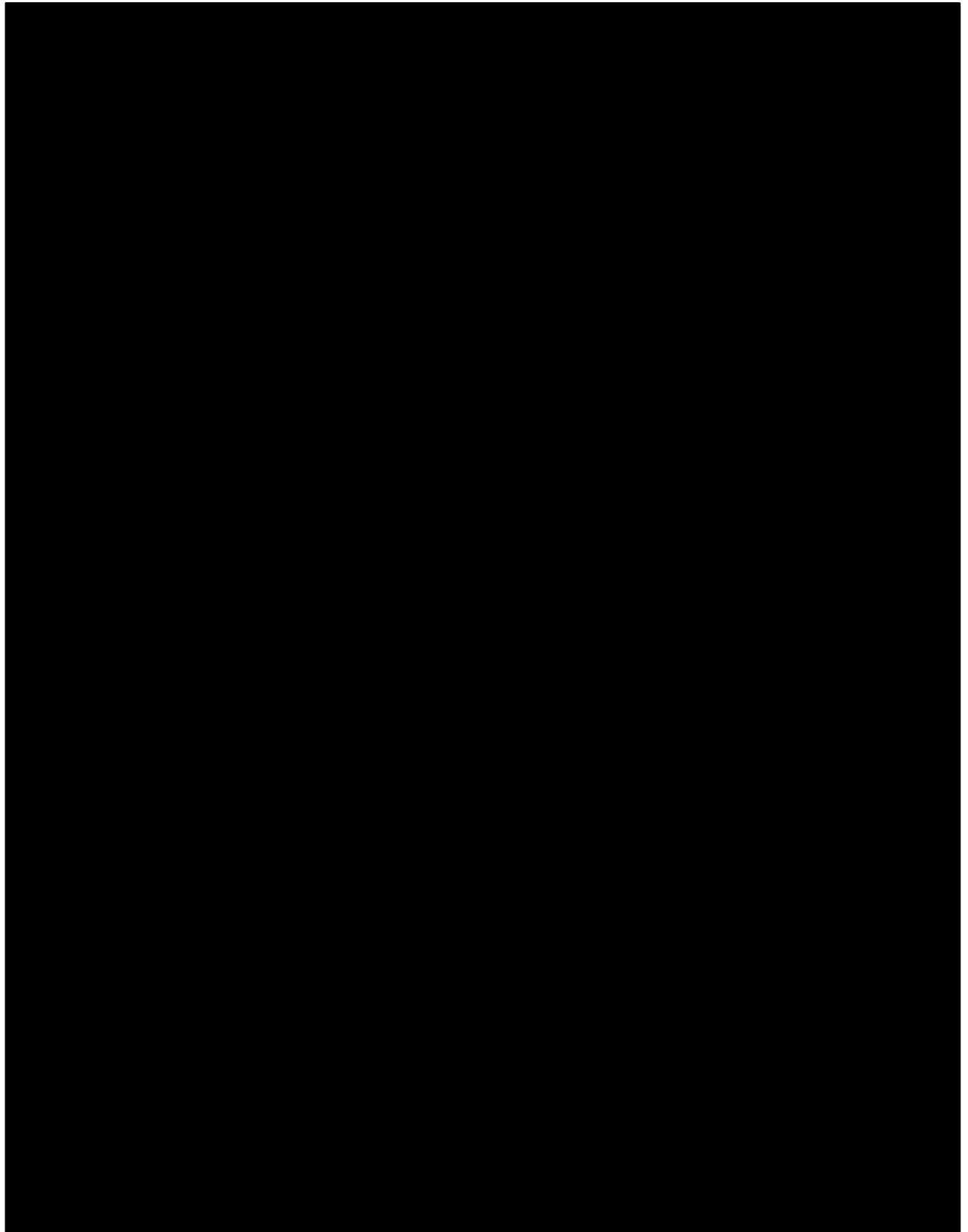


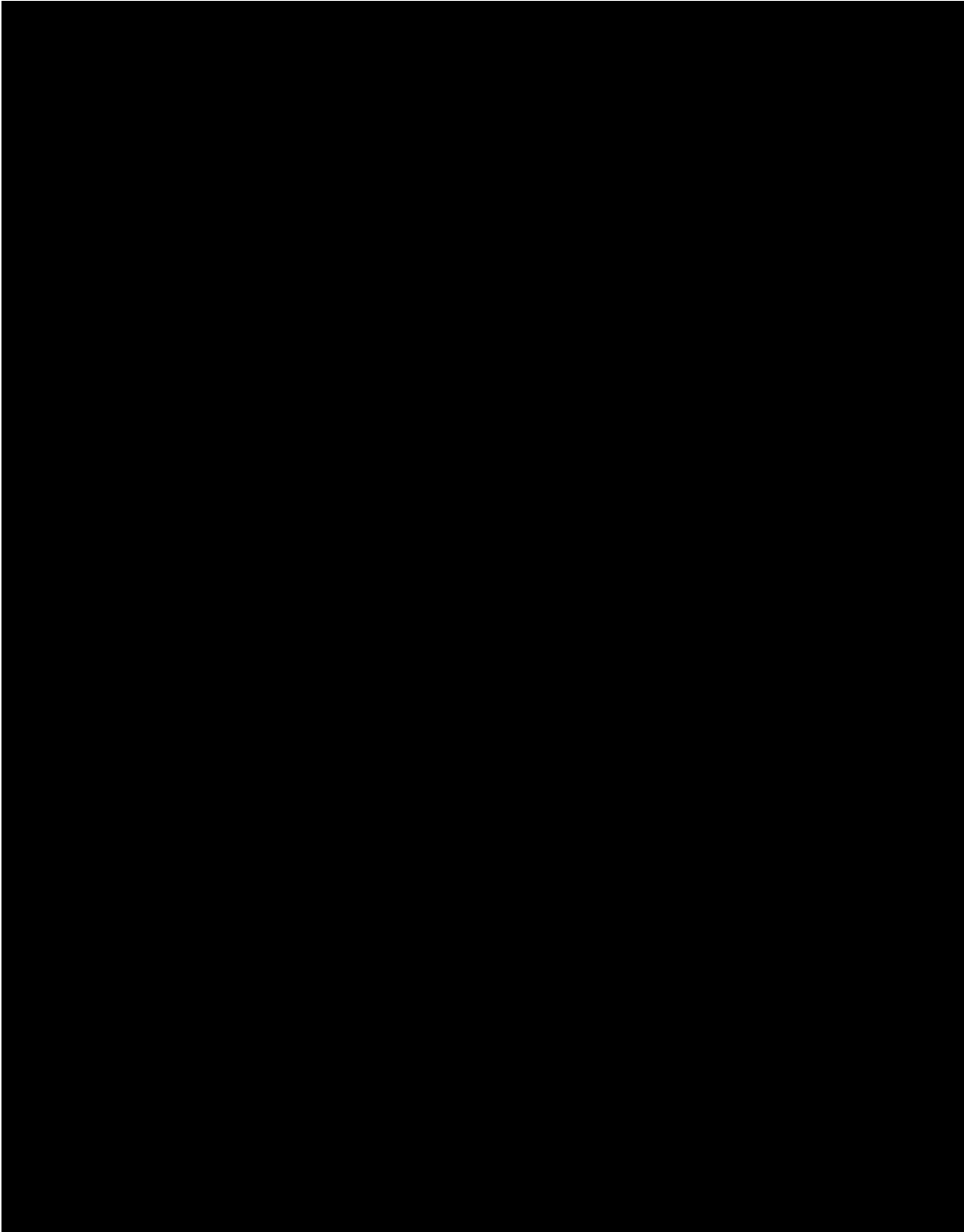


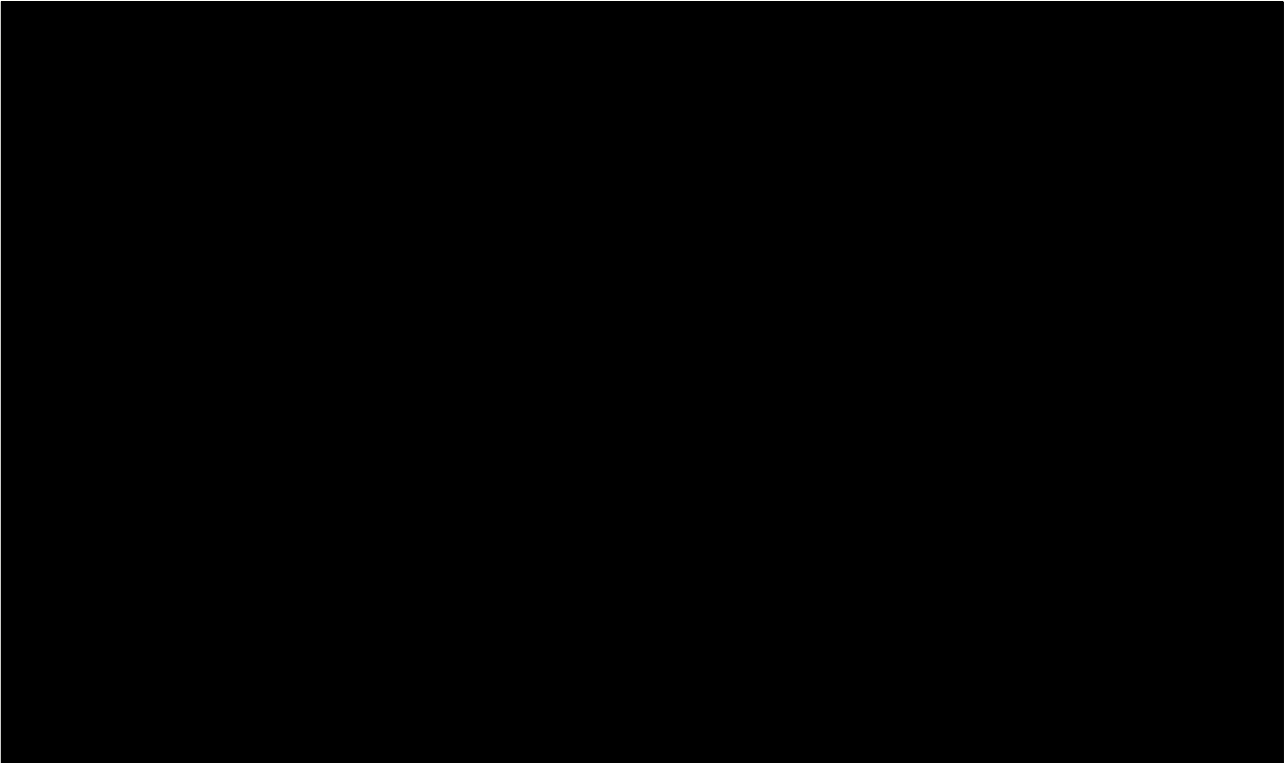












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We look forward to working with you on the Potential Transaction. Please let me know if you have any questions.



Schedule A
Clinic Locations

THE CENTER NEFF ROAD CLINIC

2200 NE Neff Road, Suite 200, Bend, OR 97701

THE CENTER SHEVLIN HEALTH & WELLNESS CENTER CLINIC

2245 NW Shevlin Park Road, Bend, OR 97703

THE CENTER MEDICAL CENTER DRIVE

1342 NE Medical Center Dr, Suite 101, Bend, OR 97701

THE CENTER REDMOND CLINIC

333 NW Larch Ave, Ste 110, Redmond, OR 97756

Exhibit A to Letter of Intent
Physician Employment Agreement
Proposed Key Terms

