

REAL ESTATE PURCHASE AND SALE AGREEMENT

THIS REAL ESTATE PURCHASE AND SALE AGREEMENT (this "Agreement"), is made on the Agreement Date (as defined in Section 16 herein), by and between the City of MARQUETTE, MICHIGAN ("Seller"), and DLP MARQUETTE GENERAL HOSPITAL, LLC, a Michigan limited liability company and its successors or assigns ("Buyer").

WITNESSETH

WHEREAS, Seller is the owner of certain tract or tracts of land in Marquette County, Michigan, containing approximately thirty-seven (37) acres located south of Washington Street, West of 7th Street, and north of US 41 and more particularly described on **Exhibit A** (the "Land"), together with (a) all buildings, structures and other improvements located on the Land (the "Existing Improvements") and (b) all rights and appurtenances pertaining to the Land including any right, title and interest of Seller in and to adjacent streets, alleys or rights-of-way (the "Appurtenant Rights"; the Land, the Existing Improvements and the Appurtenant Rights being collectively referred to herein as the "Property").

WHEREAS, Buyer and Seller are parties to that certain Memorandum of Understanding, dated September 15, 2014 (the "MOU"), pursuant to which, among other things, (a) Seller proposed to sell the Property to Buyer, (b) Seller proposed to provide certain assistance and economic incentives in connection with Buyer's intended construction of a new acute care hospital (the "Replacement Hospital") on the Land, and (c) Buyer proposed to purchase the Property from Seller and to construct the Replacement Hospital on the Land, all accordance with the terms of the MOU.

WHEREAS, inasmuch as the MOU is not a binding agreement between Seller and Buyer, Seller and Buyer now desire to memorialize in this definitive, legally binding Agreement the terms upon which the parties will consummate the purchase and sale of the Property and perform the undertakings and commitments contemplated in the MOU.

WHEREAS, a Brownfield Plan has been approved by the Marquette Brownfield Redevelopment Authority ("MBRA") and the Marquette City Commission and an Act 381 Work Plan for MSF Non-Environmental Eligible Activities (the "Act 381 Work Plan/Non-Environmental") on the Land has been approved by the MBRA and the Michigan Strategic Fund ("MSF") and a Reimbursement Agreement (the "Reimbursement Agreement") has been approved and executed between Seller, Buyer, and MBRA that authorizes the capture of state and local taxes for the reimbursement of the costs of Eligible Activities as described in the Brownfield Plan and the Act 381 Work Plan/Non-Environmental, including lead and asbestos abatement, demolition, site preparation, infrastructure, and relocation of the Municipal Service Center.

WHEREAS, the parties anticipate submitting one or more Act 381 Work Plans for MDEQ Environmental Eligible Activities to be undertaken by each of them (the "Act 381 Work Plan/Environmental"; together with the Act 381 Work Plan/Non-Environmental being referred to hereinafter collectively as the "Act 381 Work Plans") on the Land for approval to the Michigan Department of Environmental Quality ("MDEQ").

WHEREAS, pursuant to the terms of this Agreement, Seller agrees to sell the Property to Buyer, and Buyer agrees to purchase the Property from Seller in accordance with the terms herein.

NOW, THEREFORE, in consideration of the mutual covenants and promises of the parties, Seller and Buyer agree as follows:

AGREEMENT

1. **Purchase Price.** The purchase price for the Property is Four Million and No/100 Dollars (\$4,000,000.00), subject to prorations and adjustments as provided herein (the "Purchase Price"). The Purchase Price for the Property shall be payable as follows:

(a) the sum of One Hundred Thousand and No/100 Dollars (\$100,000.00) payable by Buyer's check or wire transfer as an earnest money deposit for the Property (the "Earnest Money") to be paid within five (5) days after the Agreement Date to be held by First American Title Insurance Company (the "Title Company"), National Commercial Services, 6363 Poplar Avenue, Suite 434, Memphis, Tennessee 38119, Attention: Carol Slone, as escrow agent (the "Escrow Agent"), in accordance with this Agreement. Subject to the provisions of this Agreement, the Earnest Money shall be applied to payment of the Purchase Price;

(b) a sum of Five Hundred Thousand and no/100 Dollars (\$500,000.00) payable to the Seller (the "Expense Deposit") within five (5) days of the Agreement Date, which will be used by the Seller to defray the cost and expenses incurred by Seller in the negotiations of this Agreement and performing the activities described on Exhibit B attached hereto and incorporated by reference ("Authorized Expenses"). The Authorized Expenses will include all third party costs and expenses of consultants and engineers incurred by Seller and its affiliates in connection with the preparation and approval of the Brownfield Plan and the Act 381 Work Plans of the City and in the engineering and design of the relocation of Seller's municipal service center (the "Municipal Center") and the offsite infrastructure improvements contemplated to be installed by the Seller pursuant to the terms hereof and of the Post-Closing Development Agreement (as defined in Section 6 herein). In the event the transaction fails to proceed for any reason other than Seller's default, any unspent amounts in the Expense Deposit shall be returned to Buyer without interest following the reconciliation and payment by the City of all Authorized Expenses. In the event the transaction is consummated, the Expense Deposit shall be applied to the total purchase price due at Closing (as defined in Section 10 herein) and Seller will be entitled to seek reimbursement, as Eligible Expenses under the Brownfield Plan Documents (as hereinafter defined) as a priority to any reimbursement to Buyer. Seller shall provide a reconciliation of all such costs and expenses periodically upon request but not shall be obligated to disclose any confidential or proprietary information, including but not limited to attorney work client materials; and

(c) the balance of the Purchase Price shall be paid at the Closing of the sale of the Property and delivery of Seller's deed.

2. **Seller's Deed.** Upon payment of the Purchase Price, Seller shall execute and deliver to Buyer its recordable and transferable covenant deed ("Deed"), conveying to Buyer or its Permitted Assignee (as defined herein), all of Seller's right, title and interest in and to the Property in fee simple, free and clear of all liens, encumbrances, covenants, restrictions, easements, rights of way, claims, rights and other matters, arising from the acts and/or omissions of Seller and further subject to the following ("Permitted Exceptions"):

(a) utility and drainage easements of record which will not materially impair the value of the Property or the ability of Buyer to use the same for "Buyer's Intended Use" (as hereinafter defined in Section 4(a));

(b) zoning and building laws, ordinances, resolutions and regulations;

(c) ad valorem real estate taxes and assessments for public improvements not then due and payable;

(d) any matter relating to title or survey objected to but ultimately waived by Buyer or not objected to by Buyer pursuant to the terms of Section 6 and Section 7 hereof or;

(e) any title exception created directly by any act or omission of Buyer or its representatives, agents, employees or invitees;

(f) any and all mineral and mining rights owned or held by parties other than Seller;
and

(g) easements reserved unto Seller at Closing for (i) the Baraga Avenue right of way, (ii) one or more access rights right of ways to US 41, (iii) utilities and all related infrastructure, all as may be designed and approved by the parties pursuant to the Post-Closing Development Agreement.

3. Representations and Warranties.

(a) To Seller's knowledge, Seller hereby represents and warrants to Buyer as of the Agreement Date, and hereby agrees with Buyer that with respect to the Property:

(i) Seller has not initiated any condemnation proceedings or proceedings for change of grade of any street affecting the Property or improvement of any street or sidewalk abutting the Property which are currently pending.

(ii) There will be, as of the date of Closing, other than the Post-Closing Lease (as defined in Section 4(m) herein), no leases with third parties affecting all or any part of the Property which will survive Closing and no written promises, understandings, agreements or commitments between Seller and any person or entity other than Buyer exist concerning the sale, conveyance, lease, use or occupancy of any interest in the Property or any part thereof, which shall survive Closing.

(iii) Seller has not received written notice of any pending or threatened actions, suits or proceedings against or affecting the Property or any portion thereof, or relating to or arising out of the ownership, operation, management, use or maintenance of the Property.

(iv) Seller is not a foreign person nor subject to withholding under FIRPTA.

(v) Seller has not received written notice of any attachments, executions, assignments for the benefit of creditors, or voluntary or involuntary proceedings in bankruptcy or under any other debtor relief laws contemplated or pending or threatened against Seller or the Property.

(vi) Seller has made available to Buyer during the Inspection Period all reports, investigations and/or other information known by it to be in Seller's possession relating to the environmental condition of the Property including the environmental reports described on Exhibit B-1 attached hereto ("**Environmental Reports**"). Any and all such information shall be provided without representation or warranty as to the accuracy and/or completeness thereof.

(vii) Seller has duly and validly authorized and executed this Agreement, and has full right, title, power and authority to enter into this Agreement and to consummate the transactions provided for herein, and the joinder of no person or entity will be necessary to convey the Property fully and completely to Buyer at Closing. The execution by Seller of this Agreement and the consummation by Seller of the transactions contemplated hereby do not (subject to the execution of a Post-Closing Development Agreement), and at the Closing will not, 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 any indenture, agreement, instrument or obligation to which Seller is a party or by which the Property or any portion thereof is bound; and does not, and at the Closing will not, constitute a violation of any laws, order, rule or regulation applicable to Seller or any portion of the Property of any court or of any federal, state or municipal regulatory body or administrative agency or other governmental body having jurisdiction over Seller or any portion of the Property.

(viii) All representations and warranties made by Seller in this Agreement are true and correct in all material respects on the date made.

Buyer acknowledges and agrees that the warranties and representations set forth above shall not survive the Closing, except as provided herein. If, prior to Closing, Buyer receives written notice from Seller or from any other source that any material representation or warranty of Seller is untrue and which cannot be remedied or Buyer becomes aware that any representation or warranty of Seller is untrue, which Seller does not agree to correct, Buyer shall, as Buyer's sole and exclusive remedy, be entitled to terminate this Agreement by written notice delivered to Seller on or before the earlier of (i) Closing, or (ii) the date that is sixty (60) days following Buyer becoming aware of same, in which event the Earnest Money and unused portion of the Expense Deposit shall be refunded to Buyer, and except for the terms and provisions of this Agreement which specifically survive the termination of this Agreement, the parties shall have no further obligations hereunder. If Buyer fails to terminate this Agreement within such period, Buyer shall be deemed to have waived the breach of such representation or warranty and shall have no further right to terminate this Agreement as a result of the breach of such representation or warranty. Seller does not, by this Agreement, represent or warrant that there will be no changes in any of the matters referred to in Seller's representations or warranties after the date same are made through the acts and/or omissions of persons other than Seller.

(b) **Buyer's Representations and Warranties.** Buyer hereby represents and warrants to Seller as of the Agreement Date and hereby agrees with Seller as follows:

(i) Buyer is a limited liability company duly organized and validly existing under the laws of the State of Michigan.

(ii) The execution and delivery of this Agreement and the performance of Buyer's obligations hereunder have been, or prior to the end of the Inspection Period will be, duly authorized by all necessary action on the part of Buyer and its constituent owners and/or beneficiaries and this Agreement constitutes the legal, valid and binding obligation of Buyer.

(iii) The execution and delivery of this Agreement by Buyer and the consummation by Buyer of the transactions contemplated hereby will not violate any judgment, order, injunction, decree, regulation or ruling of any court or other authority or conflict with, result in a breach of, or constitute a default under the organizational documents of Buyer, any note or other evidence of indebtedness, any mortgage, deed of trust or indenture, or any lease or other material agreement or instrument to which Buyer is a party or by which it is bound.

(iv) No consent, waiver, approval or authorization is required from any person or entity (that has not already been obtained or will be obtained on or prior to the Closing Date) in connection with the execution and delivery of this Agreement by Buyer or the performance by Buyer of the transactions contemplated hereby.

(v) Buyer is not, and to Buyer's knowledge, no affiliate of Buyer is, or has been determined by the U.S. Secretary of the Treasury to be acting on behalf of a person or entity listed on Appendix A to Title 31, Chapter V of the Code of Federal Regulations (the "Suspected Terrorist List"), or has otherwise been designated as a person or entity (i) with whom an entity organized under the laws of the United States (or a state hereof) is prohibited from entering into transactions, or (ii) from whom such an entity is prohibited from receiving money or other property or interests in property. In addition, neither Buyer nor any affiliate of Buyer is located in, or operating from, a country subject to U.S. economic sanctions administered by the Office of Foreign Assets Control of the U.S. Treasury Department.

4. **Buyer's Conditions Precedent.** Unless the following conditions are satisfied or waived by Buyer on or before the expiration of the Inspection Period (as defined herein) or such other date as may be expressly stated herein, Buyer may elect to terminate this agreement, subject to the terms of the last paragraph of this Section 4:

(a) Buyer shall have obtained prior to the expiration of the Inspection Period all land use and zoning approvals, including a Planned Unit Development approval (collectively, the “**Land Use Approvals**”), which will permit the Land to be developed and used for the Replacement Hospital and related facilities and services ancillary thereto (“**Buyer’s Intended Use**”); and (ii) all the terms and conditions with respect to such Land Use Approvals shall be in all respects satisfactory to Buyer in its sole discretion. Seller covenants to Buyer to expedite and facilitate all of Buyer’s applications for the Land Use Approvals (including, without limitation, applications for land division/combination and site plan), in accordance with the existing ordinances, procedures and guidelines of the City of Marquette (the “**City**”). Nothing herein shall be deemed to be an approval by the City of Marquette as to any Land Use Approvals or any other approval and Buyer shall be required to follow all processes for obtaining Land Use Approvals or any other approval pursuant to the applicable zoning and other ordinances of the City.

(b) Prior to the expiration of the Inspection Period, Buyer shall have (i) satisfied itself that the utility service companies and governmental authorities providing natural gas, electric power, sanitary sewer, storm water sewer, water service, cable television and telephone services (the “**Utility Services**”) to the Property, as currently in place or as to be installed by Buyer pursuant to the terms of this Agreement, will provide the Utility Services on a permanent basis in such quantity and manner as is adequate for the Buyer’s Intended Use and that all such Utility Services have been installed to a property line of the Property or can be extended to such property line; and (ii) obtained from Seller or other third party landowners all easements for Utility Services and/or vehicular and pedestrian access which are reasonably necessary to serve the Property.

(c) Buyer, in its sole discretion, shall have determined prior to the expiration of the Inspection Period that the substrata soil conditions of the Property are adequate for the construction, operation and maintenance of the buildings and other improvements which are intended to be constructed and installed on the Property by Buyer or its Permitted Assignees (as defined herein) (the “**Replacement Hospital Improvements**”).

(d) Buyer shall have determined prior to the expiration of the Inspection Period that all governmental permits and approvals (other than the Land Use Approvals) necessary for Buyer’s Intended Use of the Property and the construction and operation of the Replacement Hospital Improvements have or can be obtained and that the Property is not subject to any governmental regulations which would limit or restrict the development of the Property for Buyer’s Intended Use in a manner satisfactory to Buyer in its sole discretion (such permits and approvals will include, without limitation, certificate of need approvals from the State of Michigan to be obtained by Buyer and those curb cut and access point permits and authorizations necessary for access to the Property from contiguous public roads which are to be obtained by Seller).

(e) Buyer shall have completed prior to the expiration of the Inspection Period such site investigations, tests and other examinations as it shall deem necessary or appropriate (including investigations related to Hazardous Substances (as hereinafter defined), threatened or endangered species, hazardous building materials or cultural resources) and shall have determined prior to the expiration of the Inspection Period in its sole discretion that the conditions disclosed are reasonably acceptable to Buyer. For the purposes of this provision “**Hazardous Substance**” means and includes: (i) any hazardous, toxic or dangerous waste, substance or material defined as such in (or for the purposes of) the Comprehensive Environmental Response, Compensation and Liability Act, as amended, and any so-called superfund or superlien law, or any other federal, state or local statute, law, ordinance, code, rule or regulation, order or decree regulating, relating to or imposing liability or standards of conduct concerning any hazardous, toxic or dangerous waste, substance or material, (ii) any other chemical, material or substance, exposure to which is prohibited, limited or regulated by any federal, state or local governmental authority pursuant to any environmental, health and safety or similar law, code, ordinance, rule or regulation, order or decree in effect on the Agreement Date and which may or could pose a hazard to the health and safety of persons on or about the Property or any adjoining property or cause damage to the environment, (iii) asbestos and pcbs, and (iv) petroleum in any form.

(f) Buyer shall have obtained prior to the expiration of the Inspection Period all land division approvals and/or boundary line adjustments necessary to complete a record and lawful conveyance of the Property to Buyer in compliance with all applicable laws and governmental regulations and consistent with Buyer's plans for development of the Property. Seller shall cooperate in such efforts. Seller and Buyer agree that the following statement shall be included in Seller's Deed: "The grantor grants to grantee the right to make ALL DIVISIONS under Section 108 of the Land Division Act (Act No. 288 of the Public Acts of 1967)".

(g) Seller shall have at Closing good, record and marketable, indefeasible, fully insurable fee simple title to the Property, free and clear of all defects, security interests, liens, encumbrances, easements, covenants, restrictions, reservations, conditions, encroachments, assessments for public or private improvements (general or special) or any other matters whatsoever, except for Permitted Exceptions.

(h) Seller shall deliver at Closing to Buyer a certificate executed on behalf of Seller reasonably acceptable to Buyer certifying that the representations and warranties made by Seller in this Agreement are true and correct on and as of the Closing Date (as defined herein) in all material respects. To the extent Seller is aware that any representations and warranties are not true and correct as of the Closing Date in all material respects, Seller shall disclose such matters to Buyer, and the terms of the last paragraph of this Section 4 shall govern.

(i) Prior to Closing, Buyer shall have received assurance satisfactory to it that the Tax Abatement District, which shall encompass the Land, will be created on terms consistent with the MOU.

(j) Prior to Closing, Buyer shall have confirmed that a twelve (12) year Real Property Tax Abatement (as defined in Section 6(a) herein) has been or will be following Closing approved and/or issued. Buyer must be satisfied that the Real Property Tax Abatement is adequate in scope, amount, content and contains terms which otherwise comport with the MOU.

(k) Buyer shall have received prior to the expiration of the Inspection Period, (i) written confirmation from MDEQ that MDEQ has approved the Act 381 Work Plan-Environmental and that Buyer's Due Care Plan is consistent with the requirements of Michigan Compiled Laws 324.20107a, and (ii) written confirmation from Seller, MBRA and any affiliated governmental entity that Buyer shall not be required to reimburse Seller, MBRA or any affiliated governmental entity for any reimbursements received by Buyer from MBRA or through the Brownfield Project in connection with the construction and opening of the Replacement Hospital, except in the event of a Triggering Event (as defined in Section 6 below), or if subsequent audits determine that the costs reimbursed were not Eligible Activities under Act 381. Seller covenants to diligently pursue approval of the Act 381 Work Plan – Environmental and the Buyer's Due Care Plan. Buyer shall provide to the MBRA a description of Buyer's proposed due care activities and related costs in sufficient time so that the MBRA may make and file all applications required by the MDEQ for approval of the Act 381 Work Plan – Environmental and Due Care Plan by the date which is sixty (60) days prior to the expiration of the Inspection Period. Seller covenants to Buyer to exert commercially reasonable efforts to facilitate and support the foregoing written confirmation referenced in clause (i) from MDEQ, but shall not be obligated to incur any material cost and/or expense to a third party in so doing.

(l) Buyer and Seller shall have agreed, prior to the expiration of the Inspection Period, upon a form of the Post-Closing Development Agreement (as defined in Section 6 below), which the parties shall execute at Closing.

(m) Buyer and Seller shall have agreed, prior to the expiration of the Inspection Period, upon a form of lease agreement (the "Post-Closing Lease") whereby Seller, as tenant, shall lease from Buyer, as landlord, the Property for a period of time commencing on the Closing Date (as defined in Section 10 herein) and expiring at 11:59 p.m. (local time) on such date as the parties may agree (which expiration date Buyer and Seller anticipate shall not be later than one hundred eighty (180) days after the

date on which Buyer gives Seller written notice of the termination of the Post-Closing Lease. The Post-Closing Lease shall contain such terms as are mutually agreed upon between Seller and Buyer; provided, however, the Post-Closing Lease shall provide that Seller, as tenant, shall be obligated to pay rent to Buyer, as landlord, in an amount to be agreed to between the Buyer and Seller and otherwise sufficient so as to reimburse Buyer for all third party operational costs and expenses of the Property incurred by Buyer as the owner thereof during the term of the Post-Closing Lease, including, without limitation, all costs of utilities consumed on or by the Property, all costs of carrying the insurance required to be carried by Seller under the Post-Closing Lease and all costs of maintaining the Property and all improvements thereon during the term of the Post-Closing Lease. Buyer and Seller shall execute and deliver to the other the Post-Closing Lease at Closing.

(n) At or before the Closing Date, Buyer, Seller and all required third parties shall have approved the plans and specifications for all offsite improvements required to be installed by either Buyer or Seller hereunder or in the Post-Closing Development Agreement, including, but not limited to the Road Upgrades, the Electrical Service Improvements, the Water Service Improvements, and the Sewer Service Improvements (all as hereinafter defined) and Seller has approved the costs of the Road Upgrades (as defined herein).

(o) Prior to the expiration of the Inspection Period, Buyer and Seller shall have agreed upon a form of easement agreement whereby Seller, as grantor, shall convey to Buyer, as grantee, a perpetual, non-exclusive, appurtenant blanket easement for pedestrian and vehicular access to and from the Property upon, across, under and over the biking/walking trail that abuts the northern boundary of the Property (the "Access Easement") and Seller shall have obtained the written consent from any governmental entities and railroad companies that are necessary to allow Seller to execute such Access Easement. The Access Easement shall contain such terms as are mutually agreed upon between Seller and Buyer. Buyer and Seller shall execute and deliver to the other the Access Easement at Closing.

(p) Prior to the expiration of the Inspection Period, Buyer and Seller shall have agreed upon a form of easement agreement whereby Buyer, as grantor, shall convey to Seller, as grantee, a perpetual, non-exclusive, appurtenant blanket easement for Upgrades (as defined in Section 5(b) below) to the extent located on the Land (the "Infrastructure Easement") in order to qualify the costs for such infrastructure improvements as Eligible Activities under the Brownfield Plan and Act 381 Work Plans as subject to reimbursement from state and local tax capture by the MBRA. The Infrastructure Easement shall contain such terms as are mutually agreed upon between Seller and Buyer. Buyer and Seller shall execute and deliver to the other the Infrastructure Easement at Closing.

The conditions precedent set forth in this Section 4 are intended solely for the benefit of Buyer. If any of the conditions described in Sections 4(a), 4(b), 4(c), 4(d), 4(e), 4(f), 4(k), 4(l), 4(m), 4(o) and 4(p) is not satisfied or waived in writing by Buyer prior to the expiration of the Inspection Period or if any of the conditions described in Sections 4(g), 4(h), 4(i), 4(j) and 4(n) is not satisfied or waived in writing by Buyer on or before the Closing Date, Buyer shall have the right, at its sole election, either to waive the condition(s) in question, either in whole or in part, and proceed with the purchase or, in the alternative, terminate this Agreement by giving Seller written notice of such election, by delivering written notice to Seller at any time prior to the date stated by which such contingency is deemed waived (e.g., the expiration of the Inspection Period or the Closing Date, as the case may be). If Buyer does not provide such written notice timely, Buyer shall be deemed to have waived any such conditions. If neither Buyer nor Seller terminate this Agreement pursuant to the terms of Sections 4 and 5 then the Earnest Money and the Expense Deposit shall be non-refundable to Buyer and retained by Seller, except as otherwise specifically provided herein. If this Agreement is terminated pursuant to Section 4 or 5 because any of the conditions set forth in Section 4 or 5 have not been satisfied, then the Escrow Agent shall deliver the Earnest Money (together with interest earned thereon) to Buyer, and all parties shall be released of all liabilities and obligations hereunder; provided, however, that the indemnity obligations of the parties under this Agreement shall survive such termination.

5. **Seller's Conditions Precedent.** Unless the following conditions are satisfied or waived by Seller on or before the expiration of the Inspection Period (or such later date as expressly provided

below), Seller may elect to terminate this Agreement, subject to the terms of the last paragraph of this Section 5:

(a) Prior to the expiration of the Inspection Period, the Land Use Approvals for Buyer's Intended Use shall have been adopted and approved by the City;

(b) Prior to the expiration of the Inspection Period, Seller, Buyer and all required third parties shall have approved the plans and specifications for all offsite improvements required to be installed by either Buyer or Seller hereunder or in the Post-Closing Development Agreement, including, but not limited to the Road Upgrades, the Electrical Service Improvements, the Water Service Improvements, and the Sewer Service Improvements (all as hereinafter defined and collectively, the "Upgrades") and Seller has approved the costs of the Road Upgrades (as defined below); provided, however, if the approval of any third party for any Upgrade has not been obtained prior to the expiration of the Inspection Period, then Seller may, but shall not be obligated to, elect to nonetheless proceed beyond the Inspection Period provided such third party approval of the Upgrades is a condition set forth in the Post-Closing Development Agreement on terms acceptable to Seller;

(c) Prior to the expiration of the Inspection Period, the City Commission for Seller shall have adopted a resolution approving the extension of the full faith and credit in support of the Bonds (as defined in Section 6(b)) contemplated to be issued by the MBRA;

(d) Prior to the expiration of the Inspection Period, the MBRA shall have adopted, and all required parties shall have approved, such amendments to the Brownfield Plan Documents (consisting of the Brownfield Plan, Act 381 Work Plans, the Reimbursement Agreement and any related development agreement required by the MBRA) to the extent required to conform to the terms of the Post-Closing Development Agreement;

(e) Prior to the Closing Date, Seller shall have obtained on terms acceptable to Seller all necessary permits and approvals required from all governmental agencies, including but not limited to the Federal Highway Administration and the Michigan Department of Transportation ("Road Authorities"), which have jurisdiction over US Highway 41 or any other road affected by the installation of the Road Upgrades as described in Section 6(f) and is satisfied with the costs thereof; provided, however, if the approvals of the Road Authorities have not been obtained by the expiration of the Inspection Period, Seller may, but shall not be obligated to, elect to nonetheless proceed beyond the Inspection Period, provided such Road Authority approvals are a condition set forth in the Post-Closing Development Agreement on terms acceptable to Seller;

(f) The parties shall have agreed upon the form of a Post-Closing Development Agreement required by Section 6 below prior to the expiration of the Inspection Period, which the parties shall execute at Closing;

(g) The parties shall have agreed upon the form of the Post-Closing Lease prior to the expiration of the Inspection Period, which the parties shall have executed at Closing;

(h) Prior to the expiration of the Inspection Period, Buyer and Seller shall have agreed upon the form of the Access Easement;

(i) Prior to the expiration of the Inspection Period, Buyer and Seller shall have agreed upon the form of the Infrastructure Easement; and

(j) Prior to the Closing Date, Buyer shall have provided written evidence to Seller that Buyer has obtained the Certificate of Need permitting Buyer to construct and operate the Replacement Hospital Improvements.

The conditions precedent set forth in this Section 5 are intended solely for the benefit of the Seller. If any such conditions are not satisfied on or before the expiration of the Inspection Period (or such later date as may be stated herein or otherwise agreed to by Seller in writing), Seller shall have the right, at its sole election, either to waive the conditions in question, either in whole or in part, and proceed with the sale or, in the alternative, to terminate this Agreement by giving Buyer written notice of such election prior to the expiration of the Inspection Period. If Seller does not provide such written notice timely, Seller shall be deemed to have waived any such conditions. If this Agreement is terminated pursuant to this Section 5 because of any of the conditions set forth in Section 5 have not been satisfied, then the Escrow Agent shall deliver the Earnest Money (together with the interest thereon) to Buyer and Seller shall remit to Buyer any unused portion of the Expense Deposit and provide a reconciliation of all expenditures from said Expense Deposit as may be reasonably required to evidence the proper expenditure of such funds.

6. **Post-Closing Development Agreement.** As a condition of Buyer and Seller's obligation to consummate the purchase and sale referenced herein, Seller and Buyer shall negotiate in good faith and agree upon the form of prior to the expiration of the Inspection Period (which the parties shall execute at Closing) a Post-Closing Development Agreement in form and content mutually acceptable to the parties (the "Post-Closing Development Agreement"). The Post-Closing Development Agreement shall be executed by Buyer and Seller at Closing and govern the parties' responsibilities, obligations, rights and privileges following Closing with respect to the issues described in this Section 6 and such other terms and conditions as the parties may require. If the parties have not reached agreement on the form of a Post-Closing Development Agreement on or before the expiration of the Inspection Period, then, in that event, this Agreement shall terminate without any action or undertaking by either party whereupon the Escrow Agent shall deliver the Earnest Money (together with interest earned thereon) to Buyer and Seller shall remit to Buyer any unused portions of the Expense Deposit along with an accounting of all expenditures of such Expense Deposit so as to substantiate the proper use thereof. Upon such remittance to Buyer, the parties shall be released of all liabilities and obligations hereunder, provided, however, that the indemnity and restoration obligations of the parties under this Agreement shall survive such termination. In addition to any other terms and conditions which either party may require, the Post-Closing Development Agreement shall include provisions relating to the following:

(a) Articulate the undertakings of the parties with respect to Buyer's application and request for a 12 year, 50% real property tax abatement on the Property and all improvements on or hereinafter constructed on the Property pursuant to MCLA 207.659(2) which real property tax abatement period would commence on the date mutually agreed to by Buyer and Seller and as permitted by law (the "Real Property Tax Abatement"). The terms and conditions of such Real Property Tax Abatement will generally comport with the provisions of the MOU applicable thereto consisting of a 12 year period together with an undertaking by Buyer to pay to Seller an amount equal to any shortfall in ad valorem taxes that affect the Seller's ability to retire bonds during the period of the 4th through the 12th real property tax year. The Post-Closing Development Agreement shall provide that Buyer's obligation to commence construction of the Replacement Hospital Improvements shall be expressly conditioned upon Buyer obtaining all necessary approvals to the participation of the Property and Buyer in the Real Property Tax Abatement as contemplated by the applicable provisions of the MOU.

(b) Provide to the Seller and/or the MBRA adequate assurances from Buyer that the TIF Revenues generated through ad valorem taxes associated with the Replacement Hospital Improvements and captured by the Brownfield Plan Documents are adequate to fully retire the principal and interest due under the taxable bonds (the "Bonds") to be issued by the City and/or MBRA to fund the acquisition and development of the Municipal Center and Seller's post-closing obligation to install the Road Upgrades. Buyer's obligation to provide such adequate assurances shall survive for the duration of the Bonds and may include the creation of a special assessment district encumbering the Property or other device acceptable to Seller by which Seller is assured of sufficient tax revenues following the construction of the Replacement Hospital to retire all principal and interest due under the Bonds. The extent of such reimbursement undertaking shall generally conform to the parameters therefore set forth in the MOU. The Post-Closing Development Agreement will confirm that if, at any time during the term of the Bonds, any portion of the Land or any improvements thereon is conveyed, re-conveyed, or sold to any tax-exempt entity or for tax-exempt purposes or if the owner of the Replacement Hospital becomes exempt from ad valorem taxes (each

a "Triggering Event"), Buyer or the then owner of the Replacement Hospital shall be required to pay to the City (and/or the issuer) annually the amounts due under the Bonds assuming the original principal amount of the Bonds does not exceed \$20,000,000.00 and the term thereof does not exceed 20 years.

(c) Contain assurances and commitments by Buyer to Seller to construct the Replacement Hospital Improvements pursuant to a schedule to be approved by Buyer and Seller.

(d) Establish a construction schedule detailing when the parties must commence construction of all offsite improvements which are that parties' obligation hereunder or the Post-Closing Development Agreement, including, but not limited to the Utility Upgrades and the Road Upgrades.

(e) Confirm the plans for the Road Upgrades and Utility Upgrades have been approved by both parties and all required third parties.

(f) Confirm the obligation of Seller to perform, at its sole cost, the road realignments and upgrades consisting of: (i) realignment of Baraga Avenue to tie into Spring Street (including the acquisition of land owned by third parties to permit such realignment work, if necessary) which realignment will include, without limitation, the design and construction of the new realigned street to meet minimum State of Michigan recognized standards for a commercial street in a configuration reasonably consistent with the layout as shown on Exhibit C attached hereto and installation of all associated utilities and infrastructure relating to such new realigned street, (ii) expansion and upgrade in 7th Street and West Spring Street including, without limitation, a center lane in S. 7th Street to at least the connection with W. Spring Street (to allow for left turn movement), and upgrade W Spring Street to meet minimum State of Michigan recognized standards for a commercial street, and (iii) new roundabout or other signalized entrance to the Replacement Hospital off of Highway 41 to minimum State of Michigan recognized standards for a modern roundabout in a configuration and location reasonably consistent with that shown on Exhibit D attached hereto and installation of all associated utilities and infrastructure relating to such new roundabout which may include a new bridge spanning US 41 northeast to southwest at Grove Street, eliminating the Grove Street access to US 41 (items (i) through (iii) being collectively referred to herein as the "Road Upgrades"). The Post-Closing Development Agreement will obligate Seller to construct the Road Upgrades in accordance with and at the location shown in the plans and specifications which shall be prepared by Seller and approved in writing by Buyer, Seller and the Road Authorities. The Post-Closing Development Agreement shall provide that Buyer's obligation to commence construction of the Replacement Hospital Improvements shall be expressly conditioned upon Seller obtaining all necessary permits and approvals required for the installation of the Road Upgrades from the Road Authorities, which have jurisdiction over US Highway 41 or any other road affected by the installation of the Road Upgrades and Seller having committed to commence the construction work relating to such Road Upgrades pursuant to a schedule acceptable to Buyer and Seller and set forth in the Post-Closing Development Agreement. The Post-Closing Development Agreement shall also provide that if either (i) the Road Upgrades are not completed in accordance with the terms of the Post-Closing Development Agreement on or before the Road Upgrades completion deadline as agreed upon in the Post-Closing Development Agreement or (ii) Buyer, at any time prior to completion of the Road Upgrades determines in its reasonable discretion that after notice Seller will not complete any or all of the Road Upgrades on or before the Road Upgrades completion deadline, then Buyer shall have the right in certain circumstances to be described in the Post-Closing Development Agreement to perform such portion of the Road Upgrades that Buyer has determined will not be completed on or before the Road Upgrades completion deadline on Seller's behalf and Seller will reimburse Buyer for all costs incurred relating to such work within thirty (30) days after receipt of an invoice (together with supporting documentation) from Buyer. In the event Seller fails to reimburse Buyer for such invoiced amounts within such 30-day period, Buyer shall have the right to seek reimbursement for all amounts incurred by Buyer under this Section 20(f) pursuant to the Reimbursement Agreement.

(g) Confirm Buyer's obligation to construct, pursuant to plans approved by Seller prior to the expiration of the Inspection Period, those electric service improvements benefitting the Property which Buyer deems necessary for the development and operation of the Replacement Hospital, including, at a minimum, a circuit extension of 1.25 miles, a double circuit rebuild, a dual feed and automatic transfer

switchgear (such switchgear may include three (3) 2,000 kVa transformers and one (1) additional 2,000 kVA spare to serve the Replacement Hospital; one (1) 2,000 kVA transformer to serve a medical office building and one (1) 300 kVA transformer to serve a parking garage) (the “**Electrical Service Improvements**”), which Electrical Service Improvements are more generally shown on **Exhibit E** attached hereto.

(h) Confirm Buyer’s obligation to construct, pursuant to plans approved by Seller prior to the expiration of the Inspection Period, those water service improvements benefitting the Property which Buyer deems necessary for the development and operation of the Replacement Hospital, including, at a minimum, relocation of the existing water main from its current location and installation of a new water main as shown on **Exhibit F** attached hereto (the “**Water Service Improvements**”). The final design of such Water Service Improvements will be subject to Seller’s approval and ensure a “loop” system for redundancy should there be an interruption in service to the Land.

(i) Confirm Buyer’s obligation to construct, pursuant to plans approved by Seller prior to the expiration of the Inspection Period, those sanitary and storm sewer service improvements benefitting the Property which Buyer deems necessary for the development and operation of the Replacement Hospital, including, at a minimum, relocation of the existing sewer main from its current location and installation of a new sewer main all as shown on **Exhibit G** attached hereto (the “**Sewer Improvements**”). The final design of such Sewer Improvements will ensure a “loop” system for redundancy should there be an interruption in service to the Land.

(j) Confirm Buyer’s obligation to remove and replace with clean structural fill, any undocumented fill material (including some undocumented fill material containing debris fragments such as asphalt, slag, brick, etc.) identified in the Preliminary Geotechnical Evaluation Report, dated June 6, 2014 (the “**Geotechnical Report**”), prepared by Soil and Materials Engineers, Inc. (the “**Geotechnical Engineer**”) outside the Footprint that Buyer deems is necessary, in its sole discretion, for its development of the Land (the “**Soils Improvements**”; the Electrical Service Improvements, the Water Service Improvements, the Sewer Improvements, the Environmental Remediation Improvements and the Soils Improvements being collectively referred to herein as the “**Buyer’s Post-Closing Work**”). The physical properties of all clean structural fill material placed on the Land by Buyer shall be determined by Buyer and such removal and replacement of soils shall be documented by Buyer. To the extent Buyer’s Post-Closing Work requires the disturbance of soils containing Hazardous Substances at concentrations which are equal to or exceeding Part 201 Residential Criteria, Buyer’s Post-Closing Work shall be conducted in compliance with the Due Care Plan.

(k) Confirm that the two underground storage tanks (the “**USTs**”) located on the Land and described on **Exhibit H** attached hereto shall remain the property of Seller and not be transferred with the Land, and confirm Seller’s obligation to close and remove from the Land the USTs in accordance with Part 211, Act 451 of 1994 and Michigan UST rules, and to petition and diligently pursue written confirmation from the Michigan Department of Licensing and Regulatory Affairs that the closure and removal is complete pursuant to a time schedule to be agreed upon by Buyer and Seller and set forth in the Post-Closing Development Agreement. The cost to remove and close the USTs shall be considered Eligible Activities to the extent authorized under Act 381 and approved by the relevant entities. To Seller’s Knowledge (as defined hereinafter), Seller represents and warrants to Buyer that, except as may be disclosed in the Environmental Reports, the USTs described on **Exhibit H** attached hereto are the only USTs on the Land. The term “**Seller’s Knowledge**” shall mean to the knowledge of the City Manager for the City after reasonable inquiry, it being agreed the individual acting as the City Manager shall have no personal liability to Buyer in any circumstance.

(l) Provide that in the event each of the conditions precedent to Buyer’s obligation to construct the Replacement Hospital Improvements has not been satisfied or waived in writing by Buyer by an agreed upon date certain and Buyer elects not to proceed with the construction of the Replacement Hospital Improvements by such agreed upon date, then (i) Seller shall have the right to elect to reacquire the Property on such terms as may be agreed to by the parties, and (ii) Buyer shall have the option to put the Property to Seller on such terms as may be agreed to by the parties.

7. Inspection Period.

(a) Commencing on the Agreement Date and continuing until November 1, 2015 (the "**Inspection Period**"), Seller shall afford Buyer and its representatives a continuing right to inspect the Property and to enter upon the Property and conduct engineering studies, soil and subsoil tests and make surveys at reasonable hours, and to conduct feasibility studies to determine if the Property is suitable for Buyer's Intended Use and if it is economically feasible to develop the Property for such purposes. Buyer shall indemnify and hold Seller harmless from and against any loss, claim or liability arising or resulting from any physical damage to the Property or injuries to persons or property resulting from the inspections made by Buyer or Buyer's agents or representatives.

(b) If for any reason, in Buyer's sole and absolute discretion, Buyer is not satisfied with the Property in any respect, or Buyer determines in its sole and absolute discretion that (i) the Property is not suitable for Buyer's Intended Use, (ii) it is not economically or financially feasible to develop and use and operate the Property for Buyer's Intended Use, or (iii) for any other reason the Property will not fully satisfy Buyer's needs, then Buyer may terminate this Agreement by delivering written notice to Seller at any time on or before the expiration of the Inspection Period. If Buyer timely terminates this Agreement prior to the expiration of the Inspection Period pursuant to this Section 5, the Earnest Money (together with any interest earned thereon) shall be promptly refunded to Buyer by Escrow Agent and the unused portion of the Expense Deposit shall be remitted by the Seller to Buyer and the parties shall be relieved of all obligations under this Agreement, unless the terms hereof specifically survive such termination. If Buyer closes on the purchase of the Property, the Earnest Money (together with any interest earned thereon) and the entire Expense Deposit shall be applied to payment of the Purchase Price at Closing. In the event the transaction contemplated by this Agreement is not consummated, Buyer, at its sole cost and expense, shall restore the Property, as nearly as possible, to its condition prior to Buyer's tests and inspections if changed due to such tests and inspections.

8. Title Insurance. Buyer shall obtain at Buyer's expense a commitment for an owner's policy of title insurance ("**Title Commitment**") from the Title Company within thirty (30) days after the Agreement Date. Buyer shall provide a copy of the Title Commitment to Seller with its Title Objection Notice (as defined herein). If the Title Commitment shows that either Seller does not have good, record and marketable indefeasible, fee simple title to the Property, or that there are any defects, liens or encumbrances or any other matters which are not acceptable to Buyer, Buyer shall provide written notice with specificity to Seller ("**Title Objection Notice**") by the later of (i) the date that is thirty (30) days after the Agreement Date, or (ii) the date that is thirty (30) days following Buyer's receipt of the Survey (as defined in Section 7 herein). Within ten (10) business days after delivery of the Title Objection Notice to Seller, Seller shall advise Buyer by written notice ("**Seller Title Notice**") that Seller elects either to: (a) not remedy any or all of the title objections; or (b) promptly undertake at its expense and diligently pursue corrective action to cure any or all of said title objections or exceptions, in which case Seller shall have until the Closing to cure such objections and cure of such items shall be an obligation of Seller and condition to Buyer's obligation to close hereunder. If Seller elects not to cure or fails to cure all of the title objections contained in the Title Objection Notice, it shall have no liability therefor and Buyer shall have the option, as its sole remedy, to accept the status of the title subject to such defects, liens or encumbrances and other matters and proceed with this Agreement, or give Seller written notice of termination on or before the date which is five (5) days after Buyer's receipt of Seller's Title Notice or five (5) days after it is determined in Buyer's judgment that Seller has failed to cure such matter(s), in which event this Agreement shall terminate and Buyer shall be released of all liabilities and obligations under this Agreement; provided, however that the indemnity obligations of the parties under this Agreement shall survive termination.

Notwithstanding the foregoing, if the basis of Buyer's objection to Seller's title are any mortgages, judgments, debts, security interests, liens, encumbrances, tax or assessment liens or obligations resulting from the acts and/or omissions of Seller (other than those which are Permitted Exceptions or are created or incurred as a consequence of the acts or omissions of Buyer) (which matters are collectively hereinafter referred to as "**Monetary Liens**"), the provisions of this Section 6 shall not apply and Seller shall obtain and deliver at the Closing all instruments as may be necessary to secure full discharge of all Monetary Liens and to release them of record, and shall cause the Title Company to issue the policy referred to in the

Title Commitment without exception for any such Monetary Liens. Seller shall also pay all attorney's fees, costs and expenses incurred in connection with obtaining the discharge and release of such Monetary Liens and the cure of any title matters Seller has elected to cure. If Seller so desires, all or a part of the net proceeds payable to Seller at the Closing may be applied to payment of such Monetary Liens at the Closing.

If, after the condition of title to the Property has been approved by Buyer, the Property becomes encumbered or subject to any matter caused or occasioned by Seller other than those shown on the original Title Commitment not caused by or approved by Buyer, and if Buyer objects to such encumbrance or matter, then Seller may, but shall not be obligated to, cure any such objections of Buyer, at Seller's expense, within thirty (30) days after receiving notice of such objections. If any objection described in this paragraph is not satisfied by Seller, Buyer shall have the right to either (i) terminate this Agreement, in which case the Earnest Money (together with any interest earned thereon) shall be returned to Buyer and neither party shall have any further rights, obligations or duties under this Agreement; or (ii) elect to purchase the Property notwithstanding Seller's failure to cure such objection in which case this Agreement shall continue in full force and effect.

At Closing, Seller shall deliver to the Title Company a standard and customary owner/seller affidavit in the form reasonably required by the Title Company. If the condition set forth in the preceding sentence is not satisfied, Buyer may terminate its obligations under this Agreement and shall be released of all further liability hereunder; provided, however, that the indemnity obligations of the parties under this Agreement shall survive the termination of this Agreement.

9. **Survey.** Within sixty (60) days after the Agreement Date, Buyer shall, at its sole cost and expense, obtain an ALTA boundary survey of the Property (the "Survey") which shall delineate and monument the exact boundary lines of the Property. The Survey shall set forth the metes and bounds description of the Property, be certified to Seller, the MBRA and the Title Company, and such metes and bounds description shall be used in Seller's Deed (provided, however, if all or a portion of the Property is properly described as a lot or lots that are referenced on a recorded subdivision plat, then such lot or lots shall be described by specific reference to lot number on the applicable subdivision plat). Buyer shall notify Seller of any objections to matters shown on the Survey in the Title Objection Notice.

10. **Closing Date.** If Buyer or Seller have not terminated this Agreement in accordance with the express provisions of this Agreement, then delivery of Seller's Deed and all other closing documents to be delivered by Seller to Buyer and payment of the balance of the Purchase Price (the "Closing") in accordance with the provisions of Section 1 hereof, shall occur on the earlier of (a) the date mutually agreed to by the parties, or (b) December 28, 2015 (such earlier date being the "Closing Date"). The parties shall close the purchase of the Property in escrow at the Escrow Agent's National Commercial Services office located at 6363 Poplar Avenue, Suite 434, Memphis, Tennessee 38119, Attention: Carol Slone. Seller shall pay any transfer tax or documentary stamp tax due and payable in connection with the recording of Seller's Deed. Buyer shall pay the costs of recording Seller's Deed (other than any transfer tax or documentary stamp tax) applicable to Seller's Deed. Seller shall pay recordation charges incurred in recording any documents necessary to remove any title objections or encumbrances. At Closing, Seller shall deliver such instruments or documents as are necessary, or reasonably required by Buyer and the Title Company, to evidence the status and capacity of Seller and the authority of the person or persons who are executing the various documents on behalf of Seller in connection with the purchase and sale transaction contemplated hereby. Each party shall pay its own attorneys' fees. Buyer will pay the reasonable and customary settlement fee charged by the Escrow Agent.

11. **Possession.** Subject to Seller's occupancy rights under the Post-Closing Lease, exclusive possession of the Property shall be given to Buyer on the date of Closing.

12. **Real Estate Taxes.** Prior to the Closing, to the extent the Property is not tax-exempt, Seller shall pay all real estate taxes which became a lien prior to the calendar year of the Closing and all assessments for public improvements, general and special. The real property taxes and assessments on the Property for the calendar year of the Closing shall be prorated (based on a 365-day year) as of the date of

Closing in accordance with the custom of Marquette, Marquette County, Michigan. If the taxes to be prorated cannot be determined, an adjustment for prorated real estate taxes will be made by agreement of the parties based on the principle of proration stated in the preceding sentence. Buyer's and Seller's obligations pursuant to this Section 12 shall expressly survive the Closing for the period of time necessary to achieve a final proration of such taxes.

13. **Notices.** Any notice or other writing required or permitted to be given to a party under this Agreement shall be given in writing and shall be (i) delivered by hand or (ii) delivered through the United States mail, postage prepaid, certified, return receipt requested, or (iii) delivered through or by UPS, Federal Express, Express Mail, Airborne, Emery, Purolator or other expedient mail or package service, addressed to the parties at the addresses set forth below. Any notice or demand that may be given hereunder shall be deemed complete (a) upon depositing any such notice or demand in the United States mail with proper postage affixed thereof, certified, return receipt requested; (b) upon depositing any such notice or demand with UPS, Federal Express, Express Mail, Airborne, Emery, Purolator, or other expedient mail or package delivery, or (c) upon hand delivery to the appropriate address as herein provided. Any party hereto may change said address by notice in writing to the other parties in the manner herein provided. The appropriate address for notice hereunder shall be the following:

Seller: City of Marquette
300 West Baraga Avenue
Marquette, Michigan 49855
Attn: William J. Vajda, City Manager

With copies to: Ronald D. Keefe, Esq.
Kendricks, Bordeaux, Adamini, Greenlee & Keefe, P.C.
128 West Spring Street
Marquette, MI 49855

Buyer: DLP Marquette General Hospital, LLC
330 Seven Springs Way
Brentwood TN 37027
Attn: Tom Butler

With copies to: DLP Marquette General Hospital, LLC
330 Seven Springs Way
Brentwood TN 37027
Attn: Vice President - Real Estate

Jeffrey A. Calk, Esq.
Waller Lansden Dortch & Davis, LLP
511 Union Street, Suite 2700
Nashville, TN 37219

14. Remedies.

(a) In the event that Buyer or Seller terminates this Agreement pursuant to Section 4, Section 5 or Section 6 herein, neither Seller nor Buyer shall have any rights, claims or liabilities hereunder, at law or in equity, or otherwise with respect to the Property or any of the agreements set forth herein and the Escrow Agent shall deliver the Earnest Money (together with interest earned thereon) to Buyer, and Seller shall remit to Buyer the unused portion of the Expense Deposit, and all parties shall be released of all liabilities and obligations hereunder; provided, however, that the indemnity and restoration obligations of the Buyer under this Agreement shall survive such termination.

(b) If this Agreement has not been terminated in accordance with any of its provisions at or prior to Closing and Buyer fails to close the purchase and pay the balance of the Purchase Price at Closing, the Escrow Agent shall deliver the Earnest Money (together with all interest earned

thereon) to Seller, and Seller shall retain and not be liable for the return of the portion of the Expense Deposit which has not been spent by Seller which sums shall be retained by Seller as Seller's full liquidated damages, the parties hereby agreeing that such sum constitutes the parties' reasonable estimate of the damages which Seller would sustain on account of such default by Buyer and that Seller's actual damages in such circumstances would be difficult, if not impossible, to determine, and therefore, the parties hereby fix such amount as liquidated damages. Seller expressly acknowledges and agrees that the delivery of the Earnest Money (together with interest earned thereon) and the retention of the unused portion of the Expense Deposit as provided herein shall be Seller's sole and exclusive remedy in the event of Buyer's failure to perform its obligations hereunder; provided, however, that the indemnity and restoration obligation of the Buyer under this Agreement shall survive. Any income earned on the Earnest Money shall belong to and, in all cases, be paid to the party entitled to receive the Earnest Money. At the closing of this transaction, the Earnest Money (together with the interest earned thereon) shall be applied to the Purchase Price.

(c) In the event Seller breaches its obligations under this Agreement and/or fails to close on the sale of the Property for any reason other than Buyer's default, Buyer may, at Buyer's sole option, do any one or more of the following: (i) terminate this Agreement by written notice delivered to Seller and receive a full refund of the Earnest Money (together with all interest earned thereon) and the entire Expense Deposit (without interest); and/or (ii) enforce specific performance of this Agreement against Seller, provided, however, any claim for specific performance must be initiated and served upon Seller within forty-five (45) days of Seller's default in its obligation to close, failing which such right shall be deemed waived. If Buyer elects to terminate this Agreement due to Seller's default in its obligation to close, Buyer shall also be entitled to a recovery of Buyer's actual documented costs and attorney's fees in connection therewith; provided that the amount of Buyer's actual costs and attorney's fees shall be limited to an amount equal to the amount of the Earnest Money (together with all interest earned thereon) on deposit with the Escrow Agent at the time of Seller's breach. Seller expressly waives the defense of lack of mutuality of remedies.

15. **Brokers.** Neither party has had any contact or dealings regarding the Property, or any communication in connection with the subject matter of this transaction, through any licensed real estate broker or other person who will claim a right to a commission or finder's fee as a procuring cause of the sale contemplated herein. In the event that any other broker or finder, perfects a claim for a commission or finder's fee based upon any such contact, dealings or communication, the party through whom the broker or finder makes his claim shall be responsible for such commission or fee and all costs and expenses (including reasonable attorneys' fees) incurred by the other party in defending against the same.

16. **Agreement Date.** "Agreement Date" shall mean the date on which this Agreement is executed by the last party to sign this Agreement.

17. **Entire Agreement.** This Agreement constitutes the entire agreement between Seller and Buyer and no amendment or modification of this Agreement may be made except by an instrument in writing signed by all parties.

18. **Venue.** This Agreement is made and entered into Marquette, Marquette County, Michigan, and the interpretation and enforcement of same shall be governed by and construed in accordance with the laws of the State of Michigan. Venue for any judicial proceeding involving this Agreement shall be in Marquette, Marquette County, Michigan, each party hereto specifically waiving privilege of venue.

19. **Waiver of Jury Trial.** In the event of any action or proceeding, (including without limitation, any claim, counterclaim, cross-claim or third party claim) arising out of or, relating to this Agreement, or the transaction contemplated by this Agreement (i) the prevailing party shall be entitled to recover all of its costs and expenses, including a reasonable attorneys' fees and costs, and (ii) a court shall determine all issues of law and fact, a jury trial being expressly waived.

20. **Time of the Essence.** Time is declared to be of the essence of this Agreement.

21. **Miscellaneous.**

(a) **Binding Agreement.** This Agreement shall constitute a binding contract between Seller and Buyer and shall be binding upon and inure to the benefit of the respective successors and assigns of Seller and Buyer. Buyer's right at any time to assign, in whole or in part, its rights under this Agreement without Seller's consent shall be strictly limited to subsidiaries or affiliates controlled by LifePoint Health, Inc. ("Permitted Assignee(s)"). Promptly after any such assignment(s) by Buyer, Buyer will furnish Seller with an executed copy of the assignment and thereafter the word "Buyer" as used in this Agreement shall be deemed to mean the Permitted Assignee(s) under such assignment. Buyer shall not be released in the event of any assignment. The representations and warranties of Seller and Buyer contained in this Agreement shall not terminate at the Closing but shall survive the Closing and delivery of Seller's Deed for a period of one hundred eighty (180) days following the Closing.

(b) **Severability.** In the event any one or more of the provisions contained in this Agreement are held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provision hereof, and this Agreement shall be construed as if such invalid, illegal, or unenforceable provision had not been contained herein.

(c) **Counterparts.** This Agreement may be executed in any number of counterparts, in original, by facsimile copy or .pdf copy, each of which shall be deemed to be an original, but all of which when taken together shall constitute one and the same instrument. A facsimile or .pdf copy of a signature shall have the same force and effect as an "original" signature.

(d) **Attorneys' Fees.** Each party shall be responsible for the payment to the other of all reasonable attorney's fees incurred by in enforcing the provisions of the terms of this Agreement, provided, however, that in any action between the parties relating to this Agreement, the prevailing party in any dispute or litigation shall be entitled to reimbursement from the other party of all the prevailing party's court costs and reasonable attorney's fees.

(e) **Extension of Dates.** Buyer and Seller acknowledge that the time period set forth in Sections 4 and 5 for the satisfaction of the several conditions to each of their respective obligations to proceed beyond the Inspection Period and/or to Closing may need to be extended so as to provide additional time for a party to obtain the approval and consent of required third parties. In the event either party is unable to satisfy a condition to its obligation to proceed due to the inability to obtain the consent or approval of a required third party, then the party to whose benefit such condition runs may, by written notice to the other party, request an extension of the time period to satisfy such condition and/or to request that said condition be contained within the Post-Closing Development Agreement contemplated by Section 6 herein. If said contingency is so contained in the Post-Closing Development Agreement, said contingency shall not be waived, but rather, the date by which satisfaction of said contingency shall be governed by the terms and conditions of the Post-Closing Development Agreement. If either party determines that it is unlikely to satisfy a condition precedent to its obligations to proceed either beyond the Inspection Period or to Closing, then it shall provide prompt written notice thereof to the other party promptly upon such determination and Buyer and Seller shall negotiate in good faith in an effort to resolve when said contingency must be satisfied but in all events to the satisfaction of the party to whom it benefits. If the parties are unable to agree notwithstanding such good faith efforts, then the party to whose benefit such contingency runs, shall have the right to exercise its termination rights as set forth herein. Any waiver, adjustment or change to the parameters or timing of when a condition precedent to a party's obligation to proceed and/or close shall be in writing and signed by the party to whose benefit such condition inures.

(f) **City Authority.** By execution hereof, Buyer acknowledges that the City Manager for the Seller shall have authority to agree to minor modifications to the terms and conditions of this Agreement agreed to by Seller without the requirement of seeking the consent and/or approval of the City Commission. The authority of the City Manager shall extend to and include agreeing with Buyer on the extension of dates, including the dates contained in Sections 4 and 5, the waiver of certain contingencies which inure to the benefit of the Seller but shall not extend to or include (i) the approval of

the form of the Post-Closing Development Agreement, (ii) modifications to the Purchase Price and/or Earnest Money, (iii) the waiver of any and all claims which Seller may have against Buyer as a result of Buyer's default, and/or (iv) the approval of the Plans for the Upgrades and/or the Post-Closing Lease. Notwithstanding the delegation of authority to the City Manager, the City Manager may at any time require that the Marquette City Commission approve any such election or other decision delegated to the City Manager by this paragraph.

22. ACKNOWLEDGEMENT. BUYER UNDERSTANDS AND ACKNOWLEDGES THAT SELLER HAS NOT MADE AND DOES NOT MAKE ANY REPRESENTATION OR WARRANTIES WHATSOEVER, ORAL OR WRITTEN, EXPRESS OR IMPLIED, TO BUYER WITH RESPECT TO THE CONDITION, STATE OF REPAIR OR OPERABILITY OF THE PROPERTY (INCLUDING BUT NOT LIMITED TO ENVIRONMENTAL PROTECTION, POLLUTION OR LAND USE LAWS, RULES, REGULATIONS, ORDERS OR REQUIREMENTS, INCLUDING THE EXISTENCE IN, ON, OR UNDER THE PROPERTY OF ANY HAZARDOUS MATERIALS OR SUBSTANCES, SOIL OR SUB-SOIL CONDITIONS, ALL IMPROVEMENTS THEREON, THE STRUCTURAL PORTIONS THEREOF, AND THE PERSONAL PROPERTY, MECHANICAL, PLUMBING, ELECTRICAL, SEWER, SANITARY DISPOSAL, HEATING, VENTILATING AND AIR CONDITIONING SYSTEMS AND OTHER BUILDING SERVICE EQUIPMENT THEREIN), WITH RESPECT TO THE SUITABILITY OR FITNESS FOR THE BUYER'S INTENDED USE OR PURPOSE OR WITH RESPECT TO THE APPRECIATION OR INCOME POTENTIAL OF THE PROPERTY, THE ZONING OF THE PROPERTY, THE PLATTING OF THE PROPERTY, THE AVAILABILITY OR ADEQUACY OF UTILITIES TO THE PROPERTY, ACCESS TO THE PROPERTY, REQUIREMENTS IN CONNECTION WITH ANY DEVELOPMENT OF THE PROPERTY OR ANY OTHER MATTER WHATSOEVER. BUYER FURTHER HEREBY ACKNOWLEDGES AND AGREES THAT BUYER HAS INVESTIGATED OR WILL INVESTIGATE ALL MATTERS OF CONCERN TO BUYER WITH RESPECT TO THE PROPERTY AND THAT BUYER IS NOT RELYING AND HEREBY EXPRESSLY WAIVES ANY RELIANCE ON ANY REPRESENTATION OR WARRANTY, ORAL OR WRITTEN, EXPRESS OR IMPLIED, OF SELLER WITH RESPECT TO SUCH MATTERS. BUYER AGREES TO PURCHASE THE PROPERTY AND ALL IMPROVEMENTS THEREON AND MECHANICAL SYSTEMS THEREIN DELIVERED TO BUYER, AS IS, WHERE IS, WITH ALL FAULTS.

23. Limitation on Liability. Any obligation or liability of Buyer or Seller whatsoever which may arise at any time under this Agreement or any obligation or liability which may be incurred by Buyer or Seller pursuant to any other instrument, transaction or undertaking contemplated hereby shall be satisfied, if at all and subject to any limitations set forth elsewhere in this Agreement, out of Buyer's assets or Seller's interest in the Property. No obligation or liability shall be personally binding upon, nor shall resort for the enforcement thereof be had to, the property of any of Buyer's or Seller's trustees, officers, employees, partners, shareholders or agents.

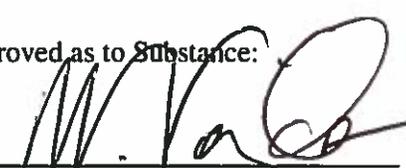
[Signatures follow]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the dates listed below their respective signatures.

SELLER:

CITY OF MARQUETTE, MICHIGAN

Approved as to Substance:

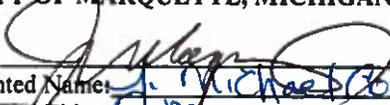


William E. Vajda, City Manager

Approved as to Form



Ronald D. Keefe, City Attorney

By: 
Printed Name: J. Michael Byrne
Printed Title: Mayor
Date of signature: 8/3/15

and

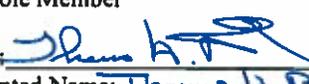
By: 
Printed Name: Kris M. Haweres
Printed Title: City Clerk
Date of signature: 8/3/15

BUYER:

DLP MARQUETTE GENERAL HOSPITAL, LLC, a Michigan limited liability company

By: DLP Marquette Holding Company, LLC, a Delaware limited liability company

Its: Sole Member

By: 
Printed Name: Thomas A. Battler
Printed Title: CFO - Eastern Group
Date of signature: July 31, 2015

ESCROW AGENT

The undersigned joins herein for the purpose of agreeing to serve as Escrow Agent, subject to the provisions of this Agreement.

First American Title Insurance Company

By: _____
Printed Title: _____
Date Signed: _____

List of Exhibits/Schedule

<u>Exhibit A</u>	Description of the Land
<u>Exhibit B</u>	Expense Deposit Activities
<u>Exhibit B-1</u>	Environmental Reports
<u>Exhibit C</u>	Sketch of Realignment of Baraga Avenue
<u>Exhibit D</u>	Sketch of New Roundabout
<u>Exhibit E</u>	Electrical Service Improvements
<u>Exhibit F</u>	Water Service Improvements
<u>Exhibit G</u>	Sewer Improvements
<u>Exhibit H</u>	Location of USTs

EXHIBIT A TO REAL ESTATE PURCHASE AND SALE AGREEMENT

Description of the Land

SEE ATTACHED

LEGAL DESCRIPTION HOSPITAL SITE

A parcel located in the SE Quarter of the NE Quarter of Section 22, and the SW Quarter of the NE Quarter of Section 22, and the NE Quarter of the SE Quarter of Section 22, and the NW Quarter of the SW Quarter of Section 23, and the SW Quarter of the NW Quarter of Section 23, T48N-R25W, City of Marquette, Marquette County, Michigan, being more particularly described as:

Parcel 1

Beginning at the East Quarter corner of said Section 22; Thence S00°21'12"E, 40.00 feet along the East line of said Section 22 also being the West line of Hiram Burts Addition to the City of Marquette and to the Southerly right of way line of Baraga Street as platted now reverted; Thence S89°21'28"E 99.26 along said right of way to the NW corner of Lot 11 of said Hiram Burts Addition; Thence S0°18'32"E 150.19 feet along the West line of said Lot 11; Thence S89°35'11"E 37.53 feet along the South line of Lot 11; Thence S12°34'52"W 102.30 feet; Thence N89°35'11"W 113.77 feet to the East line of said Section 22; Thence along said East line N0°21'12"W 75.85; Thence N89°10'37"W 142.53 feet; Thence S0°53'46"W 241.53 feet along the East line of Hill Street as platted in the Homestead Addition to the City of Marquette and to the North right of way of Fisher Street; Thence N77°36'10"W 77.15 feet to the East right of way of US41 and M-28 (200 foot wide); Thence N40°10'15"W 150.71 feet along said right of way; Thence continuing 1453.18 feet along the Easterly right of way line on a curve to the left having a delta angle of 41°25'35", a radius of 2009.86 feet; and a chord bearing N60°53'02"W 1421.74 feet; Thence N81°35'50"W 229.76 feet; Thence N0°29'04"E 66.48 feet to the North right of way of Baraga Street (66 foot wide); Thence N0°29'04"E 376.65 feet along the East line of Lot 25 of Marquette Industrial Park; Thence N2°13'05"E 171.59 feet; Thence along South right of way of bike path (variable width) S85°46'03"E 1044.37 feet; Thence continuing along said right of way S83°13'39"E 753.32 feet to the East line of Section 22; Thence S83°12'12"E 324.50 feet; Thence 148.46 feet on a curve to the right having a delta angle of 8°47'47", a radius of 967.01 feet; and a chord bearing S78°47'20"E 148.31 feet to the West right of way of Seventh Street (variable width); Thence continuing along said right of way S32°54'31"E 33.79 feet; Thence continuing along said right of way S12°12'17"W 195.07 feet; Thence N77°32'10"W 270.00 feet; Thence S12°12'17"W 135.00 feet to the North right of way of Spring Street (66 foot wide); Thence along said right of way N77°32'10"W 161.50 feet to the East line of Section 22; Thence continuing along said East line S0°52'22"W 67.37 feet to the South right of way of Spring Street; Thence S0°52'22"W 256.31 feet to the North right of way of Baraga Street (66 foot wide); Thence S0°52'22"W 67.37 feet to the South right of way of Baraga Street; Thence S0°52'22"W 135.46 feet to the Point of Beginning; [REDACTED]

The above described parcels are subject to all mineral rights, mineral reservations, mineral exceptions, easements and building and use restrictions of record, and all other conditions, reservations, exceptions and restrictions as may be contained in any conveyance constituting the recorded chain of title to said premises, and further subject to all applicable zoning laws, ordinances and visible easements, if any.

Prepared by: Trimedia Environmental & Engineering Services, LLC
1002 Harbor Hills Drive
Marquette, MI 49855
(906) 228-5125

By: _____
Sheldon M. Van Drese, P.S.
MI License No. 41116

Prepared for: Waller
cc: Trimedia Project 2014-169

Regional Offices

EXHIBIT B TO REAL ESTATE PURCHASE AND SALE AGREEMENT

Expense Deposit Activities

Section 1(b) of the Real Estate Purchase and Sale Agreement provides for an Expense Deposit of \$500,000 to be used by the Seller to defray all third party cost and expenses incurred by the Seller and its affiliates in the negotiations of this Agreement and performing the following activities:

1. Preparation, approval, and amendments to the Brownfield Documents;
2. Engineering, design, permitting, and temporary relocation costs for the Municipal Service Center;
3. Engineering, design, and permitting for the following off-site infrastructure improvements for which the Seller and its affiliates are responsible under the Memorandum of Understanding, the Brownfield Documents, and the Post-Closing Development Agreement, as deemed necessary:
 - a. US 41 Access
 - b. Seventh and Spring Street Upgrades
 - c. Traffic Bridge or other Highway Access Point
 - d. Right of Way Realignment
4. Transaction Costs including Seller and its affiliates third party costs, expenses, and liabilities related to the authorization, execution, administration, oversight, and fulfillment of the Seller and its affiliates obligations under the Real Estate Purchase and Sale Agreement, the Brownfield Documents, and the Post-Closing Development Agreement, which such items shall include, but not be limited to, direct or indirect fees and expenses incurred as a result of the following:
 - a. Approvals of the developments contemplated herein;
 - b. Filing and recording fees;
 - c. Attorney fees;
 - d. Bond Counsel and Financial Consultant expenses related to Bond issues;
 - e. Insurance fees and expenses;
 - f. Administration and accounting for the Bond proceeds and tax increment revenues;
 - g. Oversight and review, and all other costs, liabilities, or expenses, related to the preparation and carrying out or enforcing the Real Estate Purchase and Sale Agreement, the Brownfield Documents, and the Post-Closing Development Agreement, or other related agreements with the Purchaser, if any, and any other costs, charges, expenses, and professional and attorney fees in connection with the foregoing.

EXHIBIT B -1 TO REAL ESTATE PURCHASE AND SALE AGREEMENT

Environmental Reports

1. **Baseline Environmental Assessment for the City of Marquette, West Properties Project, Marquette, Michigan 49855, prepared by TriMedia Consultants, 300 South Front Street, Marquette, MI 49855, dated June 25, 2002; Project #21-030; Volumes I-III**
2. **Due Care Plan for the City of Marquette, Former West Yards Property, Marquette, Michigan, prepared by TriMedia Consultants, 300 South Front Street, Marquette, MI 49855, revised December 14, 2004; Project 23-060**
3. **Phase I ESA of the Wisconsin Central Ltd., West Property Holdings in Marquette, Michigan, prepared by TriMedia Consultants dated July 10, 2001; Project #21-030.**

EXHIBIT D TO REAL ESTATE PURCHASE AND SALE AGREEMENT

Sketch of New Roundabout



New modern roundabout or other ingress/egress to US-41/M-28.

EXHIBIT C TO REAL ESTATE PURCHASE AND SALE AGREEMENT

Sketch of Realignment of Baraga Avenue



Diagram represents a general depiction of relocation of Baraga Avenue.

EXHIBIT E TO REAL ESTATE PURCHASE AND SALE AGREEMENT

Electrical Service Improvements



The route of the new circuit starts near West Fair and McClellan Avenue and follows the route as shown on the above drawing. It will be approximately 1.25 miles in length and consist of 336 ACSR primary conductors to provide the back-up feed requirements for the site. The other feeder(s) are already on site. Both of the existing feeders (cct 3 and cct 5) are from the Shiras Substation in South Marquette. The new feeder from the north is cct 29 from the Number 2 Hydro substation.

EXHIBIT F TO REAL ESTATE PURCHASE AND SALE AGREEMENT

Water Service Improvements

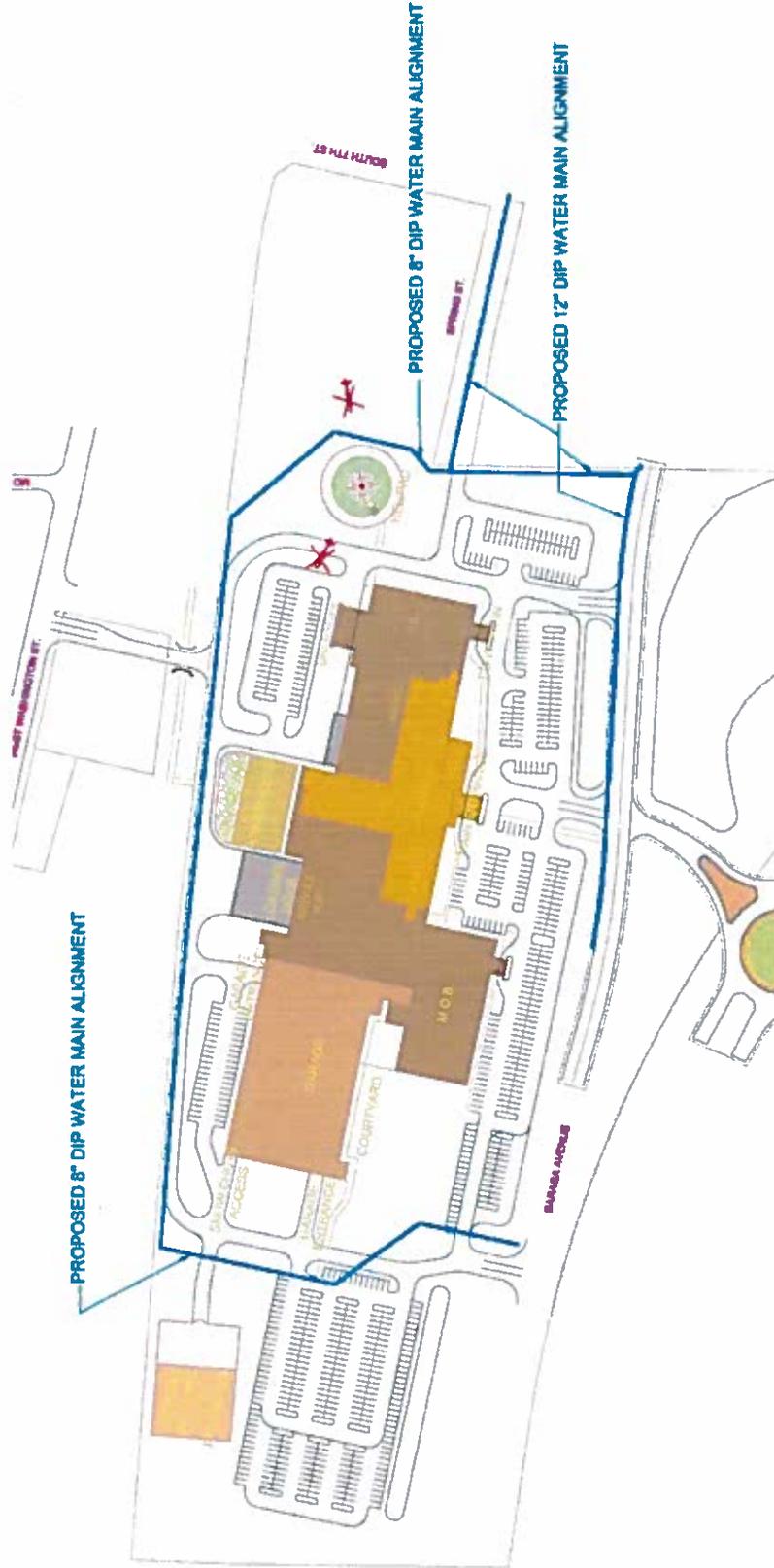


EXHIBIT G TO REAL ESTATE PURCHASE AND SALE AGREEMENT

Sewer Improvements

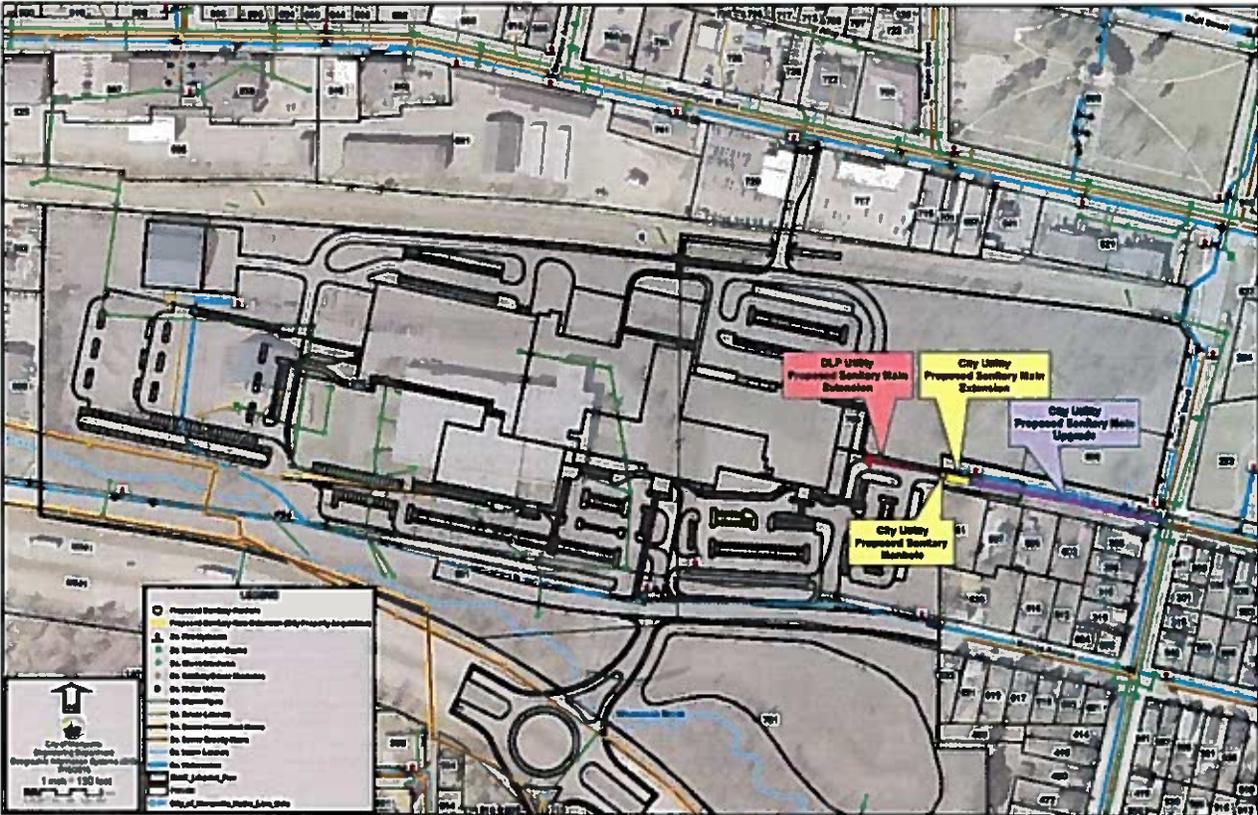


EXHIBIT H TO REAL ESTATE PURCHASE AND SALE AGREEMENT

Location of USTs

