REIMBURSEMENT AGREEMENT

This Reimbursement Agreement ("Agreement") is made as of _____, 2014, between DLP Marquette General Hospital, LLC (the "Developer"), the Marquette Brownfield Redevelopment Authority (the "MBRA"), a Michigan public body corporate, and the City of Marquette (the "City), a Michigan municipal corporation.

PREMISES

A. The Developer desires to acquire City property and construct a replacement hospital and medical office building and certain appurtenant properties and improvements with an estimated investment of over $170,000,000, (the "Developer Project") to be located on the Eligible Property as described in the Brownfield Plan attached hereto as Exhibit A.

B. A Memorandum of Understanding (MOU), dated October 27, 2014,has been executed between the City of Marquette and DLP Marquette General Hospital, LLC that outlines the understandings for subsequent written agreements including purchase of property; facilitation of incentives, including Brownfield Tax Increment Revenues that are the subject of the Agreement; responsibilities for Brownfield Eligible Activities, settlements, and other matters.

C. The MBRA has been formed pursuant to Act 381, Public Acts of Michigan, 1996, as amended ("Act 381") to promote the revitalization of contaminated, blighted, functionally obsolete or historic properties.

D. The MBRA has determined in furtherance of its purposes and to accomplish its goals that it is in the best interest of the MBRA to finance certain eligible activities as defined by Sec. 2(l) of Act 381, MCL 125.2652(l) with Eligible Property on the Site and as described in the Brownfield Plan, attached as Exhibit A, the Act 381 Work Plan for Non-Environmental Eligible Activities, attached as Exhibit B, and the Act 381 Work Plan for Environmental Eligible Activities, attached as Exhibit C (upon approval by MDEQ), as they may be amended or supplemented.

E. Under the Brownfield Plan and Act 381 Work Plans, the MBRA will capture and retain one-hundred percent (100%) of the tax increment revenues authorized by law to be captured from the levies imposed by taxing jurisdictions upon taxable property for the Project Site consistent with Act 381, as amended, and the Brownfield Plan approved by the MBRA (the "Tax Increment Revenues"). Upon satisfaction of the conditions expressed in the Agreement, the MBRA will use the Tax Increment Revenues to reimburse the Developer, the City and the MBRA for their costs related to Eligible Activities, carry out the purposes described in Act 381 and the Agreement and to carry out certain other projects described in the Brownfield Plan.

In consideration of the premises and the mutual covenants contained in the Agreement, the Developer, MBRA, and City hereby enter into the Agreement and covenant and agree as follows:

ARTICLE 1
DEFINITIONS

Section 1.1 Definitions. The following capitalized terms used in the Agreement shall have the following meanings, except to the extent the context in which they are used requires otherwise:

(a) "Act 381" means Act 381 of Michigan Public Acts of 1996, as amended.

(b) “Act 381 Work Plan” means the non-environmental eligible activities work plan approved by the MBRA and Michigan Strategic Fund, attached as Exhibit B and the environmental eligible activities work plan, to be approved by the MBRA and the Michigan Department of Environmental Quality and will be attached to the Agreement as Exhibit C, when approved.

(c) "Agreement" means the Reimbursement Agreement entered into between the MBRA, City, and the Developer.

(d) “Amortization Period” means the twenty (20) year period following the date on which the City and/or MBRA incurs public debt to fund Eligible Activities identified in the approved Brownfield Plan and Act 381 Work Plan for the DLP Marquette General Replacement Hospital.

(e) "Bonds" means bond obligations that may be entered into by the City or the MBRA as necessary for Eligible Activities, including public improvements related to the project that may be outstanding from time to time.

(f) “Brownfield Plan” means the Brownfield Plan, adopted by the MBRA on October 23, 2014 and the City Commission on October 27, 2014, and any amendments thereto pursuant to Act 381 attached as Exhibit A.

(g) “Brownfield Tax Increment Revenues” means the tax increment revenues, as defined by Act 381, from all taxable real and personal property located on the Eligible Property during the life of the Brownfield Plan.

(h) “City” means the City of Marquette.

(i) “City Commission” mean the Marquette City Commission.

(j) “City Eligible Activities” means Eligible Activities identified under the Brownfield Plan and Act 381 Work Plan that the City is responsible for financing and implementing under the MOU and identified on Page 1 of Exhibit E.

(k) "Developer" means DLP Marquette General Hospital, LLC, its successors and assigns.

(l) “Developer Eligible Activities” means Eligible Activities identified under the Brownfield Plan and Act 381 Work Plan that the Developer is responsible for financing and implementing under the MOU and identified on Page 2 of Exhibit E.

(m) “Developer Project" means the acquisition and construction of a Replacement Hospital and Medical Office Building and certain appurtenant properties and improvements as described in the Brownfield Plan attached hereto as Exhibit A.

(n) “Eligible Activities” are those environmental and non-environmental activities eligible under the Act 381 and included in the approved Brownfield Plan, attached hereto as Exhibit A, and Act 381 Work Plans attached hereto as Exhibits B and C.

(o) “Eligible Property” is the property described in the Brownfield Plan that meets Act 381 qualifying status as a Part 201 Facility, blighted, functionally obsolete, or historically designated and adjacent parcels as included from which Tax Increment Revenues will be captured to reimburse Eligible Activities and other costs, consistent with the Brownfield Plan, Act 381 Work Plans, and Act 381 as amended.

(p) "Estimated Tax Increment Revenues" means the estimated one-hundred percent (100%) of the annual tax increment revenues authorized by law to be captured from the levies imposed by taxing jurisdictions upon the Eligible Property through the duration of the Brownfield Plan.

(q) "Event of Default" means the failure by a party to carry out its obligations under the Agreement or, with respect to a party, if any representation or warranty of such party was materially not accurate when made, and such obligation has not been performed or such representation or warranty corrected within 45 days after notice thereof has been given by the other party.

(r) "Force Majeure" means unforeseeable events beyond a party's reasonable control and without such party's failure or negligence, including, but not limited to, acts of God, acts of a public enemy, acts of the federal government, acts of

another party to the Agreement, fire, flood, inclement weather, epidemic, quarantine restrictions, strikes and embargoes, labor disturbances, the unavailability of raw materials, and delays of contractors due to such causes, but only if the party seeking to claim Force Majeure takes reasonable actions necessary to avoid delays caused thereby.

(s) "Indemnified Persons" means the City and the MBRA and their members, officers, agents and employees.

(t) "Issuance Costs" means items of expense related to the authorization, sale and issuance of the Bonds, and authorization and execution of the Agreement, which items of expense shall include, but not be limited to, application fees and expenses, publication costs, printing costs, costs of reproducing documents, filing and recording fees, bond counsel and counsel fees, financial consultant fees, underwriter fees and expenses, including the fees and expenses of counsel to the underwriter, fees and charges for execution, transportation and safekeeping of the Bonds and related documents, and other costs, charges and fees in connection with the foregoing.

(u) "Maximum Eligible Activity Cost" means the MBRA's maximum obligation to pay for the Environmental and Non-Environmental Eligible Activities from Tax Increment Revenues from the Project, as provided in the Brownfield Plan, dated October 27, 2014, not to exceed $39,200,000, plus interest, and MBRA work plan development and approval and administrative costs, with $29,200,000 allocated for City Eligible Activities and $10,000,000 for Developer Eligible Activities.

(v) "MBRA" means the Marquette Brownfield Redevelopment Authority, established by the City Commission.

(w) "MDEQ" means the Michigan Department of Environmental Quality.

(x) "MOU" means the Memorandum of Understanding between the City of Marquette and DLP Marquette General Hospital, LLC approved by the City Commission on September 8, 2014 and executed on September 15, 2014.

(y) "MSF" means the Michigan Strategic Fund.

(z) "Paying Agent" means the City or the paying agent or agents designated by the City with respect to any of the Bonds.

(aa) "PA 255 Abatement" means a twelve (12) year, fifty percent (50%) local tax abatement for the Roundhouse/MSC site and improvements pursuant to MCL 207.651.

(bb) "Public Improvements" means the City's site work, building construction, utilities and equipment relating to the Eligible Property, as described in the Brownfield Plan attached hereto as Exhibit A.

(cc) "Tax Increment Revenues" means increased incremental tax revenues, as defined by Act 381, from all taxable real and personal property located on the Eligible Property during the life of the Brownfield Plan.

(dd) "Transaction Costs" means the MBRA or City costs, expenses, and liabilities related to the authorization, execution, administration, oversight, and fulfillment of the MBRA or City obligations under the Agreement, the Brownfield Plan, and Act 381 Work Plan, which such items shall include, but not be limited to, direct or indirect fees and expenses incurred as a result of the application, approval and amendments to the Brownfield Plan and Act 381 Work Plan, approvals of the developments contemplated herein, printing costs, costs of reproducing documents, filing and recording fees, attorney fees, financial expenses, insurance fees and expenses, administration and accounting for the Bond proceeds and tax increment revenues, oversight and review, and all other costs, liabilities, or expenses, related to the preparation and carrying out or enforcing the Brownfield Plan, Act 381 Work Plan, and the Agreement, or other related agreements with the Developer, if any, and any other costs, charges, expenses, and professional and attorney fees in connection with the foregoing.

Section 1.2 Number and Gender. The definition of terms herein shall apply equally to the singular and plural forms of the terms defined. Whenever the context may require, any pronoun should include the corresponding masculine, feminine, and neuter forms.

ARTICLE 2
COVENANTS OF THE DEVELOPER AND THE CITY

Section 2.1 Authorization of Borrowing. The parties recognize that neither the MBRA nor the City has the power to mandate cooperation by the City electors in the approval of the Borrowing. The MBRA will pass a resolution pledging tax increment revenues. The City Commission will pledge Full Faith and Credit. Based on the recommendation of the City's financial advisor, either the City or the MBRA will issue the Bonds.

Section 2.2 Public Improvement Borrowing

(a) The Public Improvement Borrowing shall finance the Eligible Activities included in the Brownfield Plan and Act 381 Work Plan and identified in Exhibit E, Eligible Activity Responsibility.

(b) The parties recognize that neither the City nor the MBRA has the power to mandate an acceptable interest rate for the sale of the Bonds. The City Commission or MBRA may decide in its sole discretion not to sell the Bonds. The Borrowing will be made if the City Commission and the MBRA in good faith determine that the Developer intends to complete the Project, that the Project is scheduled to be under construction, and that the Tax Increment Revenue and other needed revenue are assured from actual development, imminent development, contractual obligations to pay the equivalent taxes, and other designated sources other than general tax revenues to meet the debt or other financing obligations for Eligible Activities of the City and/or MBRA included in the Brownfield Plan and Act 381 Work Plan. Subject to the conditions specified in Article 3 and in this Article, the City and/or the MBRA shall use their best efforts to issue the Bonds.

(c) The Borrowing is anticipated to be in an aggregate amount not to exceed $29,200,000, exclusive of capitalized interest and Issuance Costs, and having a final maturity no later than thirty (30) years from the Bond Issuance Date. The City Commission and/or MBRA retains sole authority over all aspects of their respective Borrowing and the Bonds, including but not limited to, determination on issuance, the total amount, payment schedule, type and acceptable interest.

(d) If the estimated cost of Public Improvements exceeds the maximum costs of Public Improvements identified in the Brownfield Plan before the advertisement of the bids on the Borrowing, the City and/or MBRA will not proceed with the Borrowing unless it either (a) amends the Maximum Cost of Public Improvements as provided for in the Agreement or (b) reduces the estimate to not exceed the Maximum Cost of Public Improvements.

Section 2.3 Construction of the Development. If the City and/or MBRA complete any portion of the Borrowing, the Developer shall construct the Developer Project and the City shall construct the Public Improvements in accordance with proper construction standards and the Agreement. They shall proceed with due care and diligence and commence and complete Eligible Activities and the Development in accordance with the Agreement, and in accordance with any applicable law, regulation, code and ordinance.

Section 2.4 Covenant to Pay Financial Obligations. The Developer and the City will utilize their own funds for their respective components of the Development. The Developer and the City will receive reimbursement from the MBRA (also referred to as "debt obligation") to the extent of available Brownfield Tax Increment Revenues for

payment of the Eligible Activities in accordance with the terms of the Agreement, the Brownfield Plan, the Act 381 Work Plan and Act 381. Reimbursement for Eligible Activities shall be prioritized as follows:

(a) First, Brownfield Tax Increments, as necessary, will reimburse the City or MBRA for the annual obligation of the Borrowing for the Public Improvements pursuant to Exhibits A and B;

(b) Second, local tax capture revenues will be applied to the administrative and operating costs and Transaction Costs of the MBRA;

(c) Third, Brownfield Tax Increments will be deposited into the Local Site Remediation Revolving Fund (LSRRF) in accordance with Exhibit D; and

(d) Fourth, Brownfield Tax Increments will be used to reimburse the Developer, the City, and/or the MBRA for approved Eligible Activities expenses pursuant to Exhibits A and B or C.

Reimbursement under Section 2.4(d) to the City, MBRA, and/or Developer will be a percentage of available TIF revenues based on percentage of cumulative Eligible Activity expenses for each party from invoices approved by the MBRA for each party as of its July meeting each year. If, for any reason, any party is unable to meet their covenants and obligations under the Agreement, all available Brownfield Tax Increment Revenues under Section 2.4(d) will transfer to the other parties for the annual reimbursement.

If, during the fourth (4^{th}) through the twelfth (12^{th}) year of the Amortization Period, the amount of Brownfield Tax Increment Revenues for any given tax year is less than the amount needed to cover the City's or MBRA's debt service obligations (including principal and interest and Transaction Costs on debt not to exceed $20,000,000) for Eligible Activities, the Developer will be responsible to pay to the City and/or the MBRA the amount of such shortfall. Any such payment shall be credited to the Developer as an Eligible Activity obligation for future reimbursement from Brownfield Tax Increment Revenues. Interest shall not be applied to any such credit.

If, at any time during the Amortization Period, any portion of the land comprising the Roundhouse/MSC Site or any improvements thereon is conveyed, re-conveyed, or sold to any tax-exempt entity or for tax-exempt purposes, including, but not limited to, the owner of the Replacement Hospital becoming a 501(c)(3) corporation under the U.S. Internal Revenue Code, the Developer or the then owner of the Replacement Hospital will be required to pay the remaining balance of the bond obligation for Eligible Activities under the Brownfield Plan and Act 381 Work Plan. The Developer shall have no obligation to reimburse to the City and/or the MBRA its debt service obligation, including

principal and interest and Transaction Costs, for debt in excess of the principal amount of $20,000,000.

It is anticipated that there will be sufficient Brownfield Tax Increment revenues to meet the obligations of the parties under the Agreement. However, if the Developer Project does not result in sufficient revenues to repay such obligations, the Developer agrees and understands that they will have no legal claim or other recourse of any kind or nature against the MBRA except from available captured Brownfield Tax Increment Revenues for reimbursement under Section 2.4(d).

It is expressly understood and agreed that the reimbursement (debt obligation) of the MBRA is subject to the following conditions:

(1) Approval of the Act 381 Work Plan by the MBRA and, for state tax capture, the Michigan Department of Environmental Quality for Environmental Eligible Activities and the Michigan Strategic Fund for Non-Environmental Eligible Activities;

(2) The City and Developer shall have performed all of the covenants, obligations, terms and conditions to be performed by them pursuant to the Agreement or other agreement with the MBRA, and all preconditions to the performance of the Developer respectively have been satisfied;

(3) There are adequate Brownfield Tax Increment Revenues; and

(4) The Developer shall pay the real and personal property taxes levied on any portion of the Development for which the Developer is responsible on or before the date the same are payable without interest or penalty. Any appeal to real and personal property tax assessment shall apply to the current tax year only.

Section 2.5 Indemnification of Indemnified Persons.

(a) The Developer shall be considered an independent contractor and not an agent or employee of either the MBRA or the City. Nor shall any agent or employee of the Developer be considered an agent or employee of the MBRA or the City. The Developer shall remain responsible for any claims arising out of their own acts or omissions during the performance of the Agreement, as provided by law. Additionally, the Developer, the City, and MBRA shall not be considered engaged in a joint venture or partnership.

(b) The Developer shall indemnify, defend and hold the Indemnified Persons harmless from any loss, expense (including reasonable counsel fees) or liability

of any nature due to any and all suits, actions, legal or administrative proceedings, or claims arising or resulting from injuries to persons or property as a result of the ownership or operation, use or maintenance of the Developer Project from and after the date hereof. If any suit, action or proceeding is brought against any Indemnified Person, the Indemnified Person promptly shall give notice to the Developer and the Developer shall defend such Indemnified Person with counsel selected by the Developer, which counsel shall be reasonably satisfactory to the Indemnified Person. In any such proceeding, the Indemnified Person shall cooperate with the Developer and the Developer shall have the right to settle, compromise, pay or defend against any such claim on behalf of such Indemnified Person, except that the Developer may not settle or compromise any claim if the effect of doing so would be to subject the Indemnified Person to criminal penalties, unless such Indemnified Person gives its consent. The Developer shall not be liable for payment or settlement of any such claim or proceeding made without its consent.

(c) The Developer shall not be obligated to indemnify any Indemnified Person under subsection (b) if the liability arises out of the Indemnified Person's negligence, willful misconduct or breach of the Agreement or the negligence or willful misconduct of any person or entity acting by, through or under any indemnified Person.

(d) The Developer also shall indemnify the Indemnified Persons for all reasonable costs and expenses, including reasonable counsel fees, incurred in enforcing any obligation of the Developer under the Agreement or any related agreement.

Section 2.6 Separate Covenants and Obligations. Except as expressly provided in paragraph 2.4, the City's and Developer's covenants and obligations are separate covenants solely running to and enforceable by the MBRA, MDEQ and/or MSF as provided by law, and by no other party, person, or entity. Unless otherwise expressly provided in the Agreement, a breach or default by City or the Developer of its obligations to MBRA shall not constitute a breach or default of the Agreement or bar enforcement or claims by the other parties. No third party beneficiary rights, interests, or claims are created by implied contract, operation of law, or any other means.

ARTICLE 3

CONDITIONS PRECEDENT TO OBLIGATIONS OF THE DEVELOPER AND THE CITY

Section 3.1 Conditions Precedent to Developer's Obligations to Acquire and Construct the Developer Project. The obligations of Developer to acquire and construct the Developer Project, as contemplated herein, are subject to the following

conditions precedent which must be satisfied by the City or the MBRA, as required herein, or waived by the Developer, except as specifically provided herein:

(a) No action, suit, proceeding or investigation shall be pending before any court, public board or body to which the Developer, City, or MBRA is a party contesting the validity or binding effect of the Agreement or the validity of the Brownfield Plan or which could result in an adverse decision which would have one (1) or more of the following effects:

(1) A material adverse effect upon the ability of the MBRA to collect and use Tax Increment Revenues to repay its obligations under the Agreement.

(2) A material adverse effect on the ability of the City or the MBRA to issue Bonds.

(3) A material adverse effect on the Developer's, the City's, or MBRA's ability to comply with the obligations and terms of the Agreement, the Plan, or the Bonds.

(b) There shall have been no Event of Default by the MBRA and the City and no action or inaction by the MBRA and the City which eventually with the passage of time could become an Event of Default.

(c) The MBRA shall have performed all of the terms and conditions to be performed by them pursuant to the Agreement.

(d) MDEQ shall have approved the Act 381 Work Plan for Environmental Eligible Activities and MSF shall have issued its approval for Development Eligible Activities.

Section 3.2 Conditions Precedent to City's and/or MBRA Obligations to Construct the Public Improvements. The obligations of City and/or MBRA to construct specified components of the Public Improvements, borrow or pursue the Borrowing for such specified components, as contemplated herein, are subject to the following conditions precedent which must be satisfied as required herein, except as specifically provided herein or otherwise waived by the City and/or the MBRA:

(a) The purchase of the Roundhouse/MSC property has been completed by the Developer in accordance with the understandings outlined in the MOU.

(b) Dismissal by the Developer of all property tax appeals for the existing Marquette General Hospital property.

(c) A development agreement has been executed between the Developer and the City of Marquette for the coordination, construction contracts, and financial responsibilities for the development of the Brownfield Eligible Activity Public Improvements outlined in Exhibit E.

(d) No action, suit, proceeding or investigation shall be pending before any court, public board or body to which the Developer, City, or MBRA is a party contesting the validity or binding effect of the Agreement or the validity of the Plan or which could result in an adverse decision which would have one (1) or more of the following effects:

(1) A material adverse effect upon the ability of the MBRA to collect and use Tax Increments to repay its obligations under the Agreement.

(2) A material adverse effect on the ability of the City or the MBRA to issue Bonds.

(3) A material adverse effect on the Developer's, the City's or MBRA's ability to comply with the obligations and terms of the Agreement, the Brownfield Plan, or the Bonds.

(e) There shall have been no Event of Default by the City or the MBRA .

(f) The Developer, the City and the MBRA shall have performed all of the terms and conditions to be performed by it pursuant to the Agreement.

(g) Tax Increment Revenue and other needed revenue are assured, in the MBRA's sole reasonable judgment, from actual development, imminent development, contractual obligations to pay the equivalent taxes, and other designated sources other than general tax revenues to meet the debt or other financing obligations for Eligible Activities of the City and/or MBRA included in the Brownfield Plan and Act 381 Work Plan.

(h) MDEQ has approved the Act 381 Work Plan for Environmental Eligible Activities and MSF has issued its approval for Development Eligible Activities.

(i) The City has approved the Borrowing in accordance with law, without referendum or following a referendum which sustains the bonds. Provided that the decision to pursue a referendum vote, if requested, shall be within the discretion of the City Commission.

(j) No condition or event or action, suit, proceeding, investigation is occurring or threatened to occur that would affect the validity or binding effect of the

Agreement or the Brownfield Plan, which could result in one (1) or more of the following effects:

(1) A material adverse effect upon the ability of the MBRA to collect and use Brownfield Tax Increment revenues or other relied-upon revenue to pay the Borrowing or for the Public Improvements;

(2) A material adverse effect on the ability of the City to acquire or construct the Public Improvements;

(3) A material adverse effect on the ability of the City or MBRA to borrow or issue or sell bonds;

(4) A material adverse effect on the Developer's, MBRA's, or City's ability to comply with the obligations of the Agreement, the Brownfield Plan, or the Borrowing.

(k) There has been no change in statutes or other law that would have one or more of the following effects: prevent the actual development, imminent development, contractual obligations to pay the equivalent taxes, and other designated sources other than general tax revenues to meet the debt or other financing obligations for Eligible Activities of the City and/or MBRA included in the Brownfield Plan and Act 381 Work Plan.

(l) There has been no Event of Default by the Developer.

(m) The City and/or Developer have received the consent of any affected utility for relocation, burial or other activity necessary to construct the Public Improvements.

(n) Documentation of financial commitment to construct the Developer Project is provided in a form acceptable to all parties to the Agreement.

ARTICLE 4
COVENANTS OF THE MBRA

Section 4.1 Adoption of Plan. The MBRA and City Commission will have approved the Brownfield Plan and Act 381 Work Plan which provides for the payment of MBRA Administrative and Transaction Costs and the preparation and approval of the Brownfield Plan and Act 381 Work Plan, and reimbursement to the City and Developer Eligible Activities expenses that have been conducted, completed and approved in

accordance with the scope and terms of the Agreement, the Brownfield Plan, and Act 381 Work Plan.

Section 4.2 Completion of Eligible Activities. Upon the satisfactory completion of the Eligible Activities by the Developer and/or City as described in Exhibits A, B or C, the MBRA shall, to the extent Brownfield Tax Increment Revenues are available, reimburse the Developer, the MBRA and/or City in accordance with the terms set forth in the Agreement. If the Developer or City incurs any expenses or costs for any activities other than the Eligible Activities or the costs exceed the Maximum Costs of Eligible Activities as set forth in Exhibit A, as amended or supplemented, the Developer or City shall bear such costs without any obligation on the part of the MBRA. If the costs of Eligible Activities set forth in the Brownfield Plan and Act 381 Work Plan, as amended or supplemented, are less than such maximum cost, then the Developer or City shall have no further right of reimbursement beyond their actual costs.

Section 4.3 MBRA or Contract Manager Oversight. The MBRA may retain the services of a qualified contract manager for the purposes of reviewing the activities, invoices, and accounting by the Developer or City to determine if they are fair, reasonable, and constitute Eligible Activities within the meaning and scope of the Agreement, the Brownfield Plan, the Act 381 Work Plan, and Act 381. The Developer or City shall provide to the MBRA and its Contract Manager access to data, reports, sampling results, invoices, and related documents reasonably necessary to fulfill the exercise of its discretion. It is expressly understood that the MBRA has no right to control, direct or to exercise any control over the actual services or performance by the Developer or City of the Eligible Activities or of the Developer Project or the Public Improvements, except as to assurance that the Developer and the City have met the conditions and requirements of the Agreement.

ARTICLE 5
CONDITIONS PRECEDENT TO MBRA OBLIGATIONS

Section 5.1 Conditions Precedent to MBRA's Obligation to Carry Out Its Obligations Under Agreement. The obligations of the MBRA for reimbursements of costs to the Developer and City for completion of Eligible Activities expenses as contemplated herein shall be subject to the following conditions precedent which must be satisfied by the Developer and City as required herein, except as expressly provided in the Agreement or otherwise waived in writing by the MBRA. It is expressly agreed that the MBRA makes or gives no assurance of payment to the Developer or City by the mere fact that an Eligible Activity or a dollar amount for such activity is identified in the Brownfield Plan and/or Act 381 Work Plan, or as hereafter supplemented or amended, and that it shall have the right to review and approve all written summaries of and invoices for Eligible Activities for the reasonableness of services performed by any

consultant, contractor, or subcontractor under the Agreement. However, so long as an Eligible Activity by the Developer or City has been approved and is authorized by Act 381, has been completed and approved in accordance with the following procedure and the Agreement and to the extent Brownfield Tax Increment Revenues are available, the Developer or City shall be entitled to reimbursement for its Eligible Activities expenses. The approval of the Brownfield Plan, Act 381 Work Plan, or the project budget described below is not a guarantee that there will be sufficient Tax Increment Revenues to reimburse the Eligible Activities, and if for any reason, the revenues are insufficient or there are none, the Developer and City assume full responsibility for any such loss or cost.

(a) The Developer or City shall submit invoices of its Eligible Activities expenses and a written statement demonstrating a factual basis that it has completed the Eligible Activities to the MBRA for review and consideration of approval within twenty-four (24) months after the Developer Project is allowed by law to accept patients. Submission of a request for reimbursement by Developer and the City for their Eligible Activity expenses will include the following information as may be required by the MBRA:

(1) a written statement detailing the costs;

(2) a written explanation as to why reimbursement is appropriate under the Brownfield Plan;

(3) Copies of invoices from the consultants, contractors, engineers, attorneys or others who provided such services; and

(4) A statement from the engineer and project manager overseeing the work on behalf of the Developer or the City recommending payment.

Documentation of the costs incurred shall be provided including proof of payment, liens waivers, and detailed invoices for the costs incurred in sufficient detail to determine whether the costs incurred were for Eligible Activities. The Authority shall not be required to reimburse any request that is not submitted within twenty-four (24) months after the Developer Project is allowed by law to accept patients. The Developer and the City may submit a reimbursement request including such information whenever it is available even though Tax Increment Revenues for the reimbursement may not be available for many years thereafter.

(b) Within 60 days after an invoice is submitted under (b) above, the MBRA Director or contract manager shall review and approve or reject the reasonableness of the invoice and activity as eligible and, if recommended, shall present the invoice to

the MBRA for approval. If the MBRA determines all or a portion of the requested payment is for Eligible Activities and is accurate, it shall see that the portion of the payment request that is for Eligible Activities and is accurate is processed as provided in subparagraph (d) below. If the MBRA disputes the accuracy of any portion of any payment request or that any portion of any payment is for Eligible Activities, it shall notify the Developer in writing of its determination and the reasons for its determination. The Developer shall have twenty-eight (28) days to address the reasons given by the MBRA and shall have an opportunity to meet with the MBRA's representatives or, if the MBRA consents, to meet with the MBRA to discuss and resolve any remaining dispute. In doing so, the Developer shall provide the MBRA a written response to the MBRA's decision and the reasons given by the MBRA. If the parties do not resolve the dispute in such a manner, it shall be resolved as provided in paragraph 5.1(e) below.It is expressly agreed that the MBRA does not make or give any assurance of payment to the Developer or City by the mere fact that an Eligible Activity or a dollar amount for such activity is identified in the Brownfield Plan or Act 381 Work Plan and that the MBRA shall have the right to review and approve or deny reimbursement for any invoices for Eligible Activities based on whether the request for payment is not an item identified as Eligible Activities under Act 381, the Brownfield Plan or the Act 381 Work Plan.

(c) Once it approves any request for payment as Eligible Activities and approves the accuracy of such costs, the MBRA shall pay in a manner consistent with paragraph 2.4 of the Agreement to the Developer and the City the amounts for which submissions have been made pursuant to paragraph 5.1(b) of the Agreement as the MBRA receives Tax Increment Revenues as directed by the Brownfield Plan, until all of the amounts for which submissions have been made have been fully paid to the Developer, City, and MBRA, or the Brownfield Plan expires, or the repayment obligation expires, whichever occurs first. Payment for approved invoices from Tax Increment Revenues from the Development will be made in September and November of each year, unless otherwise agreed to by the parties.

(d) If there is a dispute over whether a cost submitted by the Developer or the City is an Eligible Activity, the dispute shall be resolved by an independent qualified professional chosen by mutual agreement of the parties. If the parties are unable to agree upon a professional, then each party (the City, the MBRA, and the Developer) shall appoint an independent qualified professional to review the MBRA's decision, provided that each party chooses a professional that has not been directly employed by or provided services to that party for a period of two (2) years before the date of proposed appointment. If and to the extent that two of the three qualified professionals so selected agree that costs submitted are

eligible pursuant to the Brownfield Plan and was previously approved by the MBRA, this shall constitute an award, and the Developer or the City shall be reimbursed those costs in accordance with the Agreement. In addition, any such award may be used as the basis for the Marquette County Circuit Court rendering judgment that such award constitutes a final decision under statutory arbitration.

(e) No action, suit, proceeding or investigation shall be pending before any court, public board or body to which the Developer, City or MBRA is a party contesting the validity or binding effect of the Agreement or the validity of the Brownfield Plan or which could result in an adverse decision which would have one (1) or more of the following effects:

(1) A material adverse effect upon the ability of the the City or the MBRA to collect and use Tax Increments to repay its obligations under the Agreement.

(2) A material adverse effect on the ability of the City or MBRA to issue Bonds.

(3) A material adverse effect on the Developer's, MBRA's or City's ability to comply with the obligations and terms of the Agreement, the Plan, or the Bonds.

(4) There shall have been no Event of Default by the City or the MBRA.

(f) The Developer, the City and the MBRA shall have performed all of the terms and conditions to be performed by it pursuant to the Agreement.

(g) The MBRA shall confirm that Tax Increment Revenue and other needed revenue exist or will exist, for actual development, imminent development, contractual obligations to pay the equivalent taxes, and other designated sources other than general tax revenues to meet the debt or other financing obligations for Eligible Activities of the City and/or MBRA included in the Brownfield Plan and Act 381 Work Plan.

(h) MDEQ has approved the Act 381 Work Plan for Environmental Eligible Activities and MSF has issued its approval for Development Eligible Activities.

(i) The Developer or the City has secured proper approvals required under applicable federal and state laws or regulations, and local ordinances, codes or regulations for land use and development.

(j) There has been no change in statutes or other law that would have one or more of the effects described in paragraph 5.1(e) above.

(k) The City and Developer have received the consent of any affected utility for relocation, burial or other activity necessary to construct the Public Improvements.

ARTICLE 6
REPRESENTATIONS AND WARRANTIES

Section 6.1 Representations and Warranties of MBRA. MBRA represents and warrants to the Developer that:

(a) MBRA is a public body corporate, established pursuant to Act 381, with all necessary corporate powers pursuant to that act to enter into and perform the Agreement.

(b) The execution and delivery of the Agreement has been duly authorized by all requisite action on the part of the MBRA, and the Agreement constitutes a valid and binding agreement of the MBRA enforceable in accordance with its terms, except as enforceability may be limited by bankruptcy, insolvency, fraudulent conveyance or other laws affecting creditors' rights generally, now existing or hereafter enacted, and by the application of general principles of equity, including those relating to equitable subordination.

(c) Neither the execution nor delivery of the Agreement nor the consummation of the transactions contemplated hereby is in violation of any provision of any existing law or regulation, order or decree of any court or governmental entity, or any agreement to which the MBRA is a party or by which the MBRA is bound.

Section 6.2 Representations and Warranties of the Developer. The Developer represents and warrants to the MBRA that:

(a) The Developer (i) is duly organized and validly existing as a limited liability company in good standing under the laws of the State of Michigan, with power under the laws of such state to carry on its business as now being conducted; (ii) is duly qualified to do business in the State of Michigan, and (iii) has the power and authority to consummate the transactions contemplated under the Agreement by the Developer.

(b) There is no material violation or default by the Developer of any provision of its Articles of Organization or Operating Agreement, or under any indenture,

contract, mortgage, lien, agreement, lease, loan agreement, note, order, judgment, decree or other instrument of any kind or character to which it is a party and by which it is bound, or to which it or any of its assets are subject, and compliance with the terms, conditions and provisions of the Agreement does not conflict with and will not result in or constitute a breach of or default under any of the foregoing, wherein default, breach or violation would materially and adversely affect any of the transactions contemplated by or the validity of the Agreement.

(c) The execution and delivery of the Agreement and the consummation of the transactions contemplated hereby have been duly authorized by all requisite action on the part of the Developer and the Agreement constitutes a valid and binding agreement of the Developer in accordance with its terms, except as enforceability may be limited by bankruptcy, insolvency, fraudulent conveyance or other laws affecting creditors' rights generally, now existing or hereafter enacted, and by the application of general principles of equity, including those relating to equitable subordination.

(d) Except as a part of the performance and completion of eligible activities under the terms of the Agreement, the Developer and their contractors or subcontractors shall not use the Site for the storage, treatment or disposal of hazardous or toxic wastes of unaffiliated third parties and shall comply with all applicable federal, state and local laws, regulations, rules, ordinances, codes, decrees and orders in connection with any use of the Site, and shall obtain all necessary permits in connection therewith.

(e) The Developer warrants that they will comply with all obligations, covenants and conditions required of it or its agents or contractors under the terms of the Agreement.

ARTICLE 7
INSURANCE

Section 7.1 Insurance. The Developer, City and any contractor(s) or subcontractor(s) shall purchase and maintain insurance not less than the limits set forth below as applicable and necessary. The Developer, City, and any contractor(s) and subcontractor(s) shall maintain such other insurances as they deem appropriate for their own protection.

(a) Worker’s Disability Compensation Insurance including Employers Liability Coverage in accordance with all applicable statutes of the State of Michigan.

(b) Commercial General Liability Insurance on an "Occurrence Basis" with limits of liability not less than $1,000,000 per occurrence and $2,000,000 aggregate combined single limit. Coverage shall include the following: (A) Contractual Liability; (B) Products and Completed Operations; (C) Independent Contractors Coverage; (D) Broad Form General Liability Endorsement or Equivalent.

(c) Motor Vehicle Liability Insurance, including Michigan No-Fault Coverage, with limits of liability of not less than $1,000,000 per occurrence for Bodily Injury and Property Damage. Coverage shall include all owned vehicles, all non-owned vehicles and all hired vehicles.

(d) Contractor's Pollution Liability Insurance provided by Contractors, sub-contractors and site work contractors engaging in environmental response activities, covering any sudden and non-sudden pollution or environmental impairment, including clean up costs and defense, with limits of liability of not less than $1,000,000 per occurrence (with first party and third party coverage).

Section 7.2 Cancellation Notice. It is understood and agreed that thirty (30) days advanced written notice of cancellation, non-renewal, reduction and/or material change shall be sent to the MBRA.

Section 7.3 Additional Insured. The Commercial General Liability Insurance, Motor Vehicle Liability Insurance, Professional Liability Insurance, and Auto Pollution Liability Insurance, as described above, held by the Developer and their Environmental Consultant, contractors and subcontractors, shall have an endorsement including the City of Marquette and the Marquette Brownfield Redevelopment Authority as additional insureds.

Section 7.4. Proof of Insurance. The Developer or any contractor or subcontractor will submit annually copies of certificates of insurance for each of the policies mentioned above to the Authority

ARTICLE 8
REMEDIES AND TERMINATION

Section 8.1 Alternative Dispute Mediation. On those occasions when a dispute arises between the parties to the Agreement, and for disputes not related to those governed by paragraph 5.1(d) of the Agreement, the parties shall be compelled to seek an alternative means of resolving the dispute as a condition precedent to litigation. Therefore, the parties agree to the following terms and conditions:

A. The party bringing a claim shall give notice to the other party and, in writing, propose a meeting in which to discuss and attempt to resolve the claim within seven (7) days after the claim arises.

B. In the event the meeting between the parties to resolve the claim does not resolve the dispute or does not take place within said seven (7) day period, the parties shall designate, by mutual agreement, an independent mediator who shall convene a meeting of the parties within a period of twenty-one (21) days after the initial meeting between the parties. The mediator shall render his/her decision within ten (10) days of meeting with the parties. In the event that the mediator does not render a decision within said time-period, the party bringing the claim shall have the right to proceed with litigation.

C. The purpose of the mediator is to attempt to resolve the dispute between the parties. The mediator shall not be empowered with the authority to render a binding opinion or award. Either party may reject the award or the mediator's decision and proceed to litigate the matter in a court of competent jurisdiction.

D. During the pendency of the alternative dispute resolution process, the parties agree that any statute of limitations applicable to all claims that are the subject of the mediation process shall be tolled.

Section 8.2 Remedies for Default. The MBRA or the non-defaulting party will provide notice to the defaulting party of the nature and extent of the default. The defaulting party will have forty-five (45) days to remedy the default.

Section 8.3 Remedies upon Default. Upon the occurrence of an Event of Default, the non-defaulting party shall have the right to terminate the Agreement with the defaulting party or, at the election of such non-defaulting party, may obtain any form of relief permitted under the applicable laws and court rules of the State of Michigan, including the right to seek and obtain a decree of specific performance of a court of competent jurisdiction.

ARTICLE 9
TIME OF PERFORMANCE

Section 9.1 Time of Performance. Each of the parties shall undertake best commercial efforts to perform the obligations to be performed by it set forth in the Agreement by the times specified in the Project Schedule, as applicable, except to the extent that Force Majeure causes a delay in performance, and in such event, the time for performance shall be extended by the period of Force Majeure.

ARTICLE 10
MISCELLANEOUS

Section 10.1 Term. The term of the Agreement shall commence on the date first written above and shall expire upon payment in full of MBRA's obligations under the debt obligation.

Section 10.2 Assignment of the Agreement. Without the consent of MBRA or the City, Developer shall have the right to assign its rights to reimbursement under this Agreement to (i) LifePoint Hospitals, Inc. ("LifePoint") or any person, firm, corporation or other entity who is the purchaser of all or substantially all of the outstanding shares of capital stock of LIfePoint, the purchaser of substantially all of the assets and business of LifePoint or successor to substantially all of the business and assets of LifePoint by corporate merger or consolidation with or into LifePoint (collectively, the "LifePoint Successor"), (ii) any subsidiary or other entity owned at least fifty-one (51%), directly or indirectly, by Developer, LifePoint or any LifePoint Successor, (iii) any person, firm, corporation or other entity who is the purchaser of all or substantially all of the assets of Developer or is the successor to substantially all the assets and business of Developer by virtue of a corporate merger or consolidation of, with or into Developer, (iv) any general partner of Developer, or (v) any person, firm, corporation or other entity who is the purchaser or shall otherwise become the owner of all or substantially all of the assets of the replacement hospital to be constructed on the Eligible Property. Developer shall provide written notice to MBRA and the City of any such permitted assignment no later than the effective date of such assignment.

Section 10.3 Notices. All notices, certificates or communications required by the Agreement to be given shall be in writing and shall be deemed delivered when personally served, or when received if mailed by registered or certified mail, postage prepaid, return receipt requested, addressed to the respective parties as follows:

If to MBRA:
Sheri Davie, Executive Director
130 W. Washington Street
Marquette, Michigan 49855

If to the City:
William E. Vajda, City Manager
City of Marquette
300 W. Baraga Avenue
Marquette, Michigan 49855

If to the Developer:

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

With a 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

or to such other address as such party may specify by appropriate notice.

Section 10.4 Amendment and Waiver. No amendment or modification to or of the Agreement shall be binding upon any party hereto until such amendment or modification is reduced to writing and executed by all parties hereto. No waiver of any term of the Agreement shall be binding upon any party until such waiver is reduced to writing, executed by the party to be charged with such waiver, and delivered to the other parties hereto.

Section 10.5 Entire Agreement. The Agreement contains all agreements between the parties. There are no other representations, warranties, promises, agreements or understandings, oral, written or implied, among the parties, except to the extent reference is made thereto in the Agreement.

Section 10.6 Execution in Counterparts. The Agreement may be executed in counterparts, each of which shall be an original and all of which shall constitute the same instrument.

Section 10.7 Captions. The captions and headings in the Agreement are for convenience only and in no way limit, define or describe the scope or intent of any provision of the Agreement.

Section 10.8 Applicable Law. The Agreement shall be governed in all respects, whether as to validity, construction, performance and otherwise, by the laws of the State of Michigan.

Section 10.9 Mutual Cooperation. Each party to the Agreement shall take all actions required of it by the terms of the Agreement as expeditiously as possible and shall cooperate to the fullest extent possible with the other parties to the Agreement and with any individual entity or governmental agency involved in or with jurisdiction over the engineering, design, construction or operation of the Improvements or the Project, or any other improvements which are undertaken in connection with the foregoing, in the granting and obtaining of all easements, rights of way, permits, licenses, approvals and any other permissions necessary for the construction or operation thereof. Each party to the Agreement shall execute and deliver all documents necessary to accomplish the purposes and intent of the Agreement including, but not limited to, such documents or agreements as may be required by the Developer's lender with respect to the Project to secure the Developer's financing from such lender. Each party to the Agreement also shall use its best efforts to assist the other parties to the Agreement in the discharge of their respective obligations hereunder and to assure that all conditions precedent to the issuance of the Bonds and the completion of the Project are timely satisfied.

Section 10.10 Binding Effect. The Agreement shall be binding upon the parties hereto and upon their respective successors and assigns.

Section 10.11 Brokerage Fees. The MBRA, Developer, and City represent and warrant to the others that no broker or finder has been engaged in connection with the Agreement.

IN WITNESS WHEREOF, the MBRA, City, and Developer have caused the Agreement to be duly executed and delivered as of the date first written above.

DEVELOPER

By: _____
DLP Marquette General Hospital, LLC

Its: CFO

MARQUETTE BROWNFIELD
REDEVELOPMENT AUTHORITY

By: _____
Kellie Holmstrom
Its: Chairman

APPROVED AS TO FORM:

By: _____
Ronald D. Keefe
City Attorney

CITY OF MARQUETTE

By: _____
J. Michael Coyne
Its: Mayor

APPROVED AS TO SUBSTANCE

By: _____
William E. Vajda
Its: City Manager

EXHIBITS

EXHIBIT A: BROWNFIELD PLAN

EXHIBIT B: ACT 381 WORK PLAN FOR NON-ENVIRONMENTAL ELIGIBLE EXPENSES

EXHIBIT C: **ACT 381 WORK PLAN FOR ENVIRONMENTAL ELIGIBLE EXPENSES (to be included after MDEQ approval)**

EXHIBIT D: **LOCAL SITE REMEDIATION REVOLVING FUND ALLOCATION**

EXHIBIT E: **BROWNFIELD ELIGIBLE ACTIVITY RESPONSIBILITIES**

EXHIBIT A: BROWNFIELD PLAN

EXHIBIT B: ACT 381 PLAN FOR MSF NON-ENVIRONMENTAL ELIGIBLE ACTIVITIES

EXHIBIT B: ACT 381 PLAN FOR MDEQ ENVIRONMENTAL ELIGIBLE ACTIVITIES

(to be added after MDEQ approval)

EXHIBIT D: LOCAL SITE REMEDIATION REVOLVING FUND ALLOCATION

Deposits into the Local Site Remediation Revolving Fund will be made in accordance with Section 2.4 and the following schedule at a minimum, with Year 1 defined as the first year of Brownfield Tax Increment Revenue Capture:

Years	Percentage of Total Tax Increment Revenues
Year 1 - 5	0%
Year 6 - 10	2.5%
Years 11 - 15	5.0%
Year 15 – until Eligible Activity Obligation is met	7.5%
Balance	100%*

*The allocation will remain at 7.5% until all Developer, City, and MBRA obligations are met.

The MBRA shall provide an annual accounting of all State tax increment revenues and local tax increment revenues separately and any expenses from the LSRRF, provided by Eligible Property by Eligible Activity.

The LSRRF shall be managed in accordance to the provisions of Act 381, P.A. 1996 as amended.

EXHIBIT E: BROWNFIELD ELIGIBLE ACTIVITY RESPONSIBILITIES

Exhibit E
Brownfield Eligible Activities Responsibilities
DLP Marquette General Hospital Development

CITY OF MARQUETTE ELIGIBLE ACTIVITY RESPONSIBILITIES

INFRASTRUCTURE

US 41 Roundabout	$5,000,000	
Barage Street Realignment	$1,000,000	
Seventh and Spring Street Upgrades	$700,000	
Traffic Bridge	$3,000,000	
Right of Way Realignment (Property Acquisition)	$1,500,000	
Subtotal		$11,200,000
Relocation of MSC (DLP Guarantee Portion)		$8,800,000
DLP Guarantee Subtotal		$20,000,000
Relocation of MSC (Balance of Estimated Cost		$9,200,000
Total		**$29,200,000**

Total MSC Relocation Cost Estimate *$18,000,000*

City Engineering Costs

Exhibit E
Brownfield Eligible Activities Responsibilities
DLP Marquette General Hospital Development

DLP MARQUETTE GENERAL HOSPITAL, LLC RESPONSIBILITIES

	Detail	Subtotals
INFRASTRUCTURE		
Electric Power Service Upgrades	$800,000	
Water Service Offsite Upgrade	$400,000	
* *Water Service Onsite*	*$200,000*	
Sewer Service Offsite Upgrade	$400,000	
* *Sanitary Sewer (on-site)*	*$125,000*	
* *Washington Avenue Access*	*$600,000*	
Subtotal		$2,525,000
ENVIRONMENTAL REMEDIATION		$4,000,000
DEMOLITION		$300,000
SITE PREPARATION		
Remove/replace unsuitable (unclassified) soils	$1,500,000	
Earthwork	$400,000	
Geotechnical Fabric	$50,000	
Import Additional Fill	$780,000	
Erosion Control and Maintenance	$50,000	
Drainage	$375,000	
* *Tap Fees*	*$20,000*	
Subtotal		$3,175,000
Total		**$10,000,000**

* *MEDC interprets infrastructure as in the public right-of-way*