LASHLY & BAER, P.C.
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Belleville, IL 62220-1602
TEL: 618 233.5587
By Appointment Only

May 24, 2017

Karla Houchins, MBA
Program Coordinator, Certificate of Need
Department of Health and Senior Services
3418 Knipp Drive, P.O. Box 570
Jefferson City, MO 65102

Dear Ms. Houchins:

As you probably read in the paper on about a daily basis, mental health care in Missouri is surely lacking, especially outside of the urban areas. BJC recently sold, what was once Mineral Area Regional Medical Center to Mineral Area Place, LLC for thirteen dollars ($13.00). What was once a general acute care hospital will be a mental health complex consisting of a 48-bed psychiatric hospital with separate units for children and adults to be operated by Farmington Hospital and Behavioral Clinic, LLC, a 65-bed skilled nursing facility that will specialize in longer term care for those suffering with mental illness to be operated by Farmington Nursing Center, LLC, and an intensive outpatient mental health clinic referred to as an intensive outpatient program or IOP.

I have attached drawings of the site plan and floor plans color-coded to identify hospital space and skill nursing space. Preliminary plans and the minor building renovations necessary to license these facilities have been reviewed by an engineer and an architect with the Section for Long Term Care Regulation of DHSS, as well as the Bureau Chief for the Bureau of Outpatient Healthcare.

Also attached are proposed budgets for the Hospital and SNF. As you will see the costs for both projects are below the CON thresholds of $1 million for new hospitals and $600,000 for new SNFs.

Finally, I have attached a non-applicability LOI form for both projects and the special warranty deed for the property. We have allocated $5 of the land purchase price to both the hospital and SNF with $3 allocated to all other uses of the site.

We are requesting that the Committee issue non-applicability determinations in the amount of $756,005 for the proposed 48 bed hospital and in the amount of $455,005 for the 65 bed SNF.

Member USLAW NETWORK

Very truly yours,

Richard D. Watters

RDW/KAB

Enclosure

Certificate of Need Program

LETTER OF INTENT

1. Project Information *(Attach additional pages as necessary to identify multiple project sites.)*

Title of Proposed Project	County
Farmington Hospital and Behavioral Clinic	St. Francois

Project Address *(Street/City/State/Zip Code or Plat map if no address)*
1212 Weber Road, Farmington, MO 63640

2. Applicant Identification *(Attach additional pages as necessary to list all owners and operators.)*

List All Owner(s): *(List corporate entity.)*	Address (Street/City/State/Zip Code)	Telephone Number
Mineral Area Place, LLC	765 Weber Road, Farmington, MO 63640	573-701-0600

List All Operator(s): *(List entity to be licensed or certified.)*	Address (Street/City/State/Zip Code)	Telephone Number
Farmington Hospital and Behavioral Clinic, LLC	765 Weber Road, Farmington, MO 63640	573-701-0600

3. Type of Review

Full Review:
- ☐ New Hospital
- ☐ New/Add LTC Beds*
- ☐ New/Add LTCH Beds/Eqpt.
- ☐ New/☐ Additional Equipment
- ☐ Replacement Equipment not previously approved

Expedited Review:
- ☐ 6-mile RCF/ALF Replacement
- ☐ 15-mile LTC Replacement
- ☐ 30-mile LTC Replacement
- ☐ LTC Bed Expansion
- ☐ LTC Renov./Modernization
- ☐ Equipment Replacement previously approved

Non-Applicability Review:
- ☑ (See 7. Applicability next page)

4. Project Description *(Information should be brief but sufficient to understand scope of project.)*

Include the number of long-term care beds to be added or replaced, square footage of new construction and/or renovation, services affected, and major medical equipment to be acquired or replaced. If requesting a non-applicability letter, also complete the next page of this form.

The owner Applicant has purchased the hospital formerly known as Mineral Area Regional Medical Center and Parkland Health Center - Weber Road and is renovating part of it to operate a 48 bed psychiatric hospital serving both children and adults in separate units. The cost to purchase, renovate and equip the hospital is below the CON threshold of $1,000,000. Total square feet of licensed hospital space will be 42,760.

*If new or additional long-term care beds, provide the average occupancy of all licensed and available beds in the appropriate category within the fifteen-mile radius, check one of the following, and attach applicable documentation or explanation.
☐ Bed need standard is met. *(Attach documentation.)* -OR- ☐ Special exceptions apply. *(Attach explanation.)*

Key: LTC = Long-Term Care; LTCH = Long-Term Care Hospital; RCF/ALF = Residential Care Facility/Assisted Living Facility

5. Estimated Project Cost: $ 756,005

6. Authorized Contact Person Identification *(List only one person, regardless of number of owners/operators.)*

Name of Contact Person	Title
Richard D. Watters	Attorney

Contact Person Address *(Company/Street/City/State/Zip Code)*
Lashly & Baer, P.C., 714 Locust St., St. Louis, MO 63101

Telephone Number	Fax Number	E-mail Address
314-621-2936	314-621-6844	rdwatters@lashlybaer.com

Signature of Contact Person	Date of Signature
	5/23/17

Certificate of Need Program

LETTER OF INTENT

7. Applicability *(Check the box below to indicate the rationale for the exemption or waiver being sought.)*

A Proposed Expenditure form is required even if the project cost is "$0".

☑ If proposed expenditures are **less than the minimums** in §197.305(6), attach supporting documentation to illustrate how each of those amounts were determined, such as schematic drawings, equipment quotes, and contactor estimates.

☐ §197.305(9)(e) for additional long term care beds in the same category (certified as RCF/ALF, ICF or SNF) in a RCF/ALF, nursing home, or acute care hospital costing less than $600,000, and are 10 beds or 10% of that facility's existing capacity, whichever is less.

If the proposal meets one of the **exemptions** or **exceptions** below, then check the appropriate box, and attach detailed documentation substantiating compliance with the statutory provisions as set out in Rule 19 CSR 60-50.410:

☐ §197.312 for an RCF/ALF previously owned and operated by the city of St. Louis; or

☐ If the proposal meets the definition of **"nonsubstantive projects"** in §197.305(10) and 19 CSR 60-50.300(13) for a **waiver** from review, complete both pages of this form as the first step in the process, and provide the rationale as to why the proposal should be deemed to be "nonsubstantive" in the space below.

☐ If the proposal meets the definition of **"purchase"** or **"replacement"** in §197.318(4) and 19 CSR 60-50.450(3-4) for an **exception** from review, complete both pages of this form, and provide the rationale in the space below, including attached schematics and other documentation as to why the proposal should be deemed to be "nonapplicable".

Explain the rationale for the non-applicability letter request.

The total cost is less than the $1,000,000 threshold for new hospitals.

Certificate of Need Program

PROPOSED EXPENDITURES

(Completed for non-applicability letter requests.)

CAPITAL COSTS:

Description	Dollars (*Round cost up to the nearest dollar and fill every line even if the amount is "$0".*)
1. New Construction Costs	$0
2. Renovation Costs	343,000
3. Architectural/Engineering Fees	15,000
4. Equipment (not in construction contract)	0
5. Land Acquisition Costs	5
6. Consultants' Fees/Legal Fees	10,000
7. Interest During Construction (net of interest earned)	0
8. Other Costs (describe what this includes)	48,000
9. **Total Capital Costs** (sum of #1 thru #8)	$416,005

MEDICAL EQUIPMENT COSTS:

Description	Dollars (*Fill in every line even if the amount is "$0".*)
10. Equipment (fixed and movable)	$190,000
11. Shielding (if not included in equipment bid quote)	0
12. Installation (if not included in equipment bid quote)	0
13. Software (if not included in equipment bid quote)	150,000
14. Other (describe what this includes)	0
15. **Total Medical Equipment Costs** (sum of #10 thru #14)	$340,000

Attach additional page(s) detailing how each line item was determined, including all methods and assumptions used. Provide documentation of all major costs.

Provide documentation in the form of construction bids, quotes, price list, appraisal, option to purchase, etc.

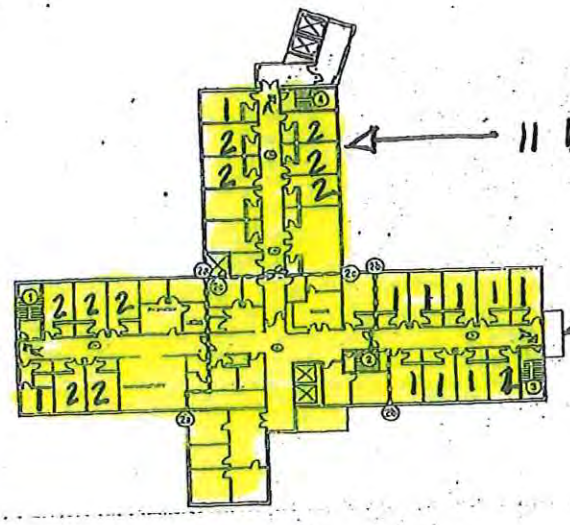
Farmington Hospital and Behavioral Clinic - Proposed Expenditures

Description #2						
Sprinkler System	$56,000.00					
Fire Alarm System	$22,000.00					
Call Light System	$22,000.00					
Lighting	$18,000.00					
Flooring	$34,000.00					
Painting	$32,000.00					
Roof Repair	$10,000.00					
HVAC Repair	$54,000.00					
Elevators Repair	$35,000.00					
Kitchen Renovation	$45,000.00					
New Ceiling Tiles	$15,000.00					
	$343,000.00					

Description #8				
Permit	$8,000.00			
Trash and Disposals	$20,000.00			
Parking Lot Repair	$20,000.00			
	$48,000.00			

Description #10				
Equipment and Furniture	$60,000.00			
Computers	$50,000.00			
Security System	$80,000.00			
	$190,000.00			

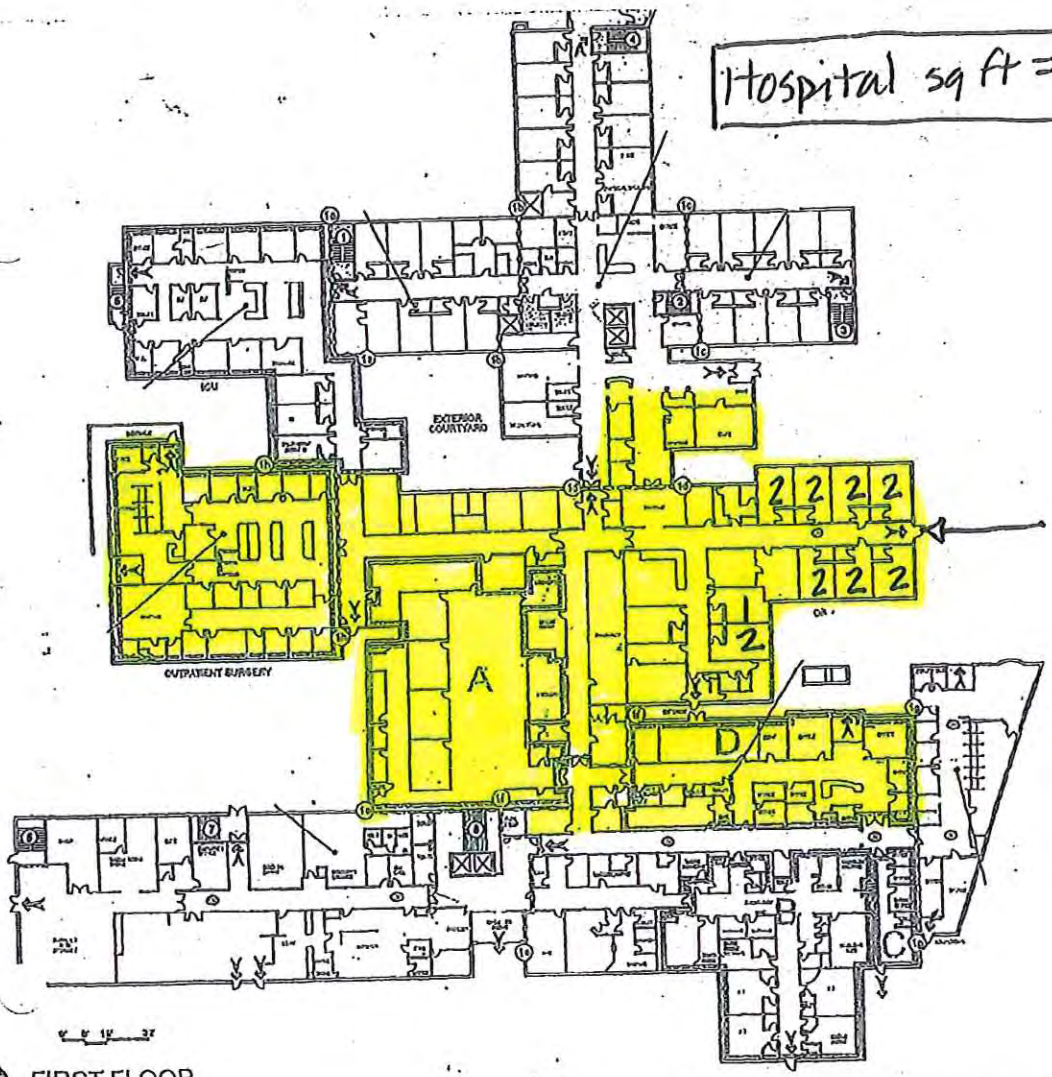
Hospital



EAST WING - SECOND FLOOR

Hospital sq ft = 42,760

11
11
9
17
48 beds (Hospital)



FIRST FLOOR

Space above for Recorder's use only.

DOCUMENT COVER PAGE

TITLE OF DOCUMENT:	Special Warranty Deed
DATE OF DOCUMENT:	April 27, 2017
GRANTOR:	**Parkland Health Center - Weber Road**
Mailing Address:	c/o BJC HealthCare Mailstop 90-75-570 4901 Forest Park Avenue, Suite 1200 St. Louis, Missouri 63108 Attn: Senior Vice President and General Counsel
GRANTEE:	**Mineral Area Place, LLC**
Mailing Address:	765 Weber Road Farmington, Missouri 63640
LEGAL DESCRIPTION:	See **Exhibit A**, attached hereto and incorporated herein
REFERENCE DOCUMENT(S):	N/A

Special Warranty Deed

THIS SPECIAL WARRANTY DEED is made and entered into this 27 day of April, 2017, by and between **Parkland Health Center - Weber Road**, a Missouri nonprofit public benefit corporation, the Grantor, and **Mineral Area Place, LLC**, a Missouri limited liability company, the Grantee.

WITNESSETH, that the Grantor, for and in consideration of the sum of One Dollar ($1.00), and other good and valuable consideration, paid by the Grantee, the receipt of which is hereby acknowledged, does by these presents **BARGAIN AND SELL, CONVEY AND CONFIRM** unto the Grantee, certain real estate situated in the County of St. Francois and State of Missouri, and described as follows:

See **Exhibit A**, attached hereto and incorporated by reference

TO HAVE AND TO HOLD the same, together with all rights and appurtenances to the same belonging and any personal property of Grantor located thereon, unto the Grantee, and to its successors and assigns forever. The said Grantor hereby covenanting that Grantor and its successors and assigns, shall and will **WARRANT AND DEFEND** the title to the premises unto the said Grantee, and to its successors and assigns forever, against the lawful claims of all persons claiming by, through or under Grantor but none other, excepting, however: (i) taxes not yet due and payable for the calendar year 2017 and thereafter and the special taxes becoming a lien after the date of this deed; and (ii) all easements, conditions, restrictions, and other matters of record.

[*SIGNATURE PAGE FOLLOWS*]

IN WITNESS WHEREOF, the said Grantor has executed these presents the day and year first above written.

Grantor:

Parkland Health Center - Weber Road,
a Missouri nonprofit corporation

By:_____
Thomas P. Karl, its President

STATE OF MISSOURI)
) SS.
COUNTY OF ST. FRANCOIS)

On this 27th day of April, 2017, before me appeared Thomas P. Karl, to me personally known, who, being by me duly sworn did say that he is the President of Parkland Health Center - Weber Road, a Missouri nonprofit corporation, and that foregoing instrument was signed on behalf of said corporation, and said President acknowledged said instrument to be the free act and deed of said corporation.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my official seal in the County and State aforesaid, the day and year first above written.

Vickie L. Horton
Notary Public

Printed Name: Vickie L. Horton

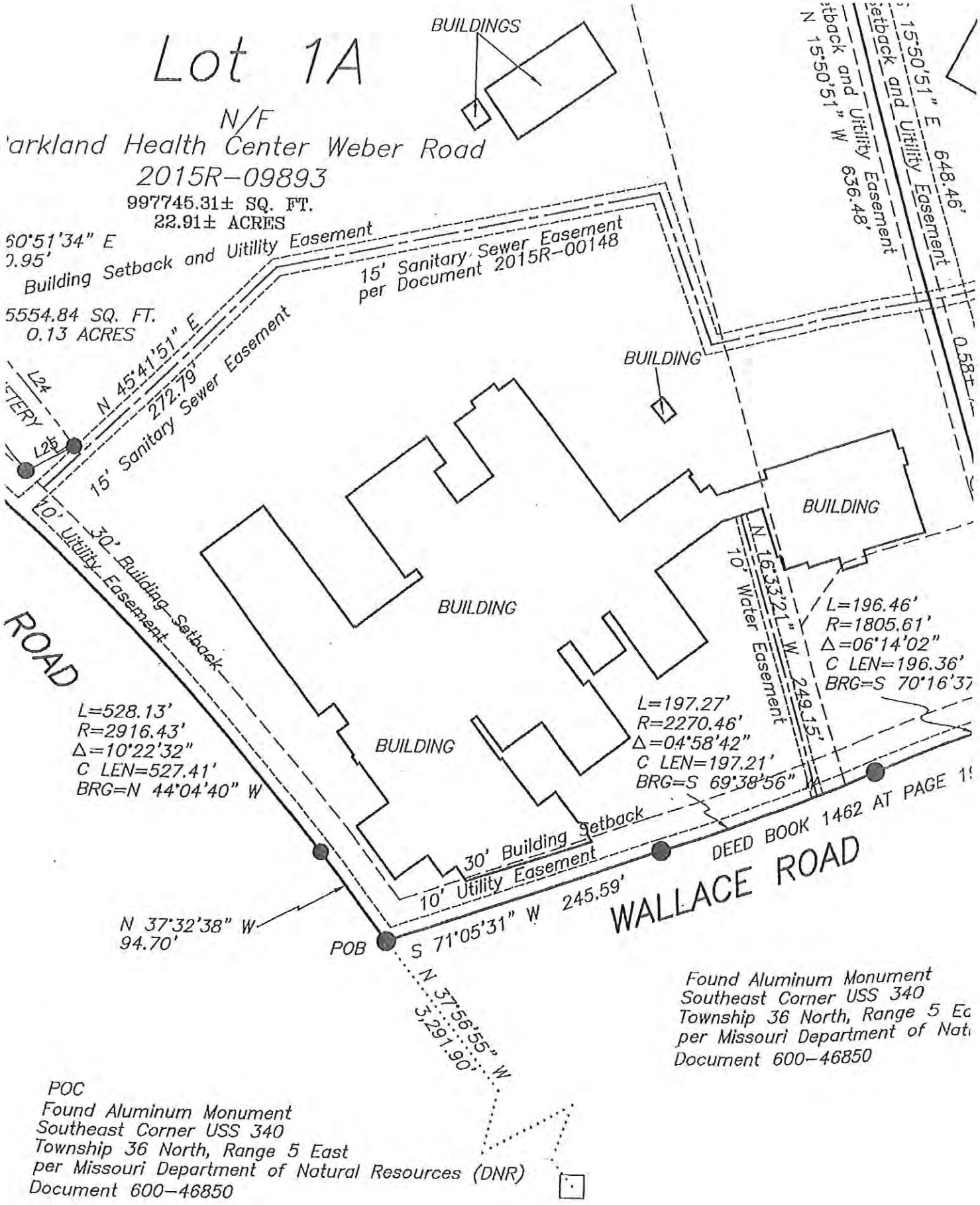
NOTARY PUBLIC NOTARY SEAL STATE OF MISSOURI

VICKIE L. HORTON
My Commission Expires
April 3, 2021
Washington County
Commission #13540029

Exhibit A

Legal Description

ALL OF Lot 1A, Wallace Road Subdivision, as shown on a plat thereof recorded in Document No. 2017R-03554 in the Recorder's Office of St. Francoise County, Missouri.


Lot 1A
N/F
'arkland Health Center Weber Road
2015R-09893
997745.31± SQ. FT.
22.91± ACRES
BUILDINGS
15'50'51" E 648.46'
etback and Uitility Easement
N 15'50'51" W 636.48'
60'51'34" E
0.95'
Building Setback and Uitility Easement
15' Sanitary Sewer Easement per Document 2015R-00148
5554.84 SQ. FT.
0.13 ACRES
N 45'41'51" E 272.79'
15' Sanitary Sewer Easement
L24
CTERY
L25
BUILDING
0.58±
BUILDING
BUILDING
BUILDING
10' Utility Easement
30' Building Setback
ROAD
N 16'33'21" W 249.15'
10' Water Easement
L=196.46'
R=1805.61'
Δ=06'14'02"
C LEN=196.36'
BRG=S 70'16'37
L=528.13'
R=2916.43'
Δ=10'22'32"
C LEN=527.41'
BRG=N 44'04'40" W
L=197.27'
R=2270.46'
Δ=04'58'42"
C LEN=197.21'
BRG=S 69'38'56" W
30' Building Setback
10' Utility Easement
DEED BOOK 1462 AT PAGE 1
WALLACE ROAD
S 71'05'31" W 245.59'
N 37'32'38" W
94.70'
POB
N 37'56'55" W
3,291.90'
Found Aluminum Monument
Southeast Corner USS 340
Township 36 North, Range 5 Ea
per Missouri Department of Nat
Document 600-46850
POC
Found Aluminum Monument
Southeast Corner USS 340
Township 36 North, Range 5 East
per Missouri Department of Natural Resources (DNR)
Document 600-46850

Houchins, Karla

From: Watters, Richard D. <rdwatters@lashlybaer.com>
Sent: Thursday, July 20, 2017 4:58 PM
To: Houchins, Karla
Subject: FW: CON Non-applicability Proposal #5492 HA: Farmington Hospital and Behavioral Clinic
Attachments: LOI - Farmington Hospital and Behavioral Clinic.pdf

Karla: Answers are below with attachments. Please note on the floor plan only those areas in yellow will be part of the licensed hospital space.

RICHARD D. WATTERS
Attorney at Law
DIRECT: 314 436.8350
rdwatters@lashlybaer.com
Licensed in Missouri and Illinois

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714 Locust Street St. Louis, MO 63101-1699 TEL: 314 621.2939
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From: Houchins, Karla [mailto:Karla.Houchins@health.mo.gov]
Sent: Monday, July 17, 2017 3:43 PM
To: Watters, Richard D.
Subject: CON Non-applicability Proposal #5492 HA: Farmington Hospital and Behavioral Clinic

Rick;

We are reviewing the request for a non-applicability determination for the proposed Farmington Hospital and Behavioral Clinic. Some additional information is needed to continue to process the request.

1. Submit a signed Letter of Intent. Attached
2. Explain in detail all of the services that the hospital would provide. It will be an inpatient psychiatric hospital. No acute care and no med/surg services.
3. Provide a legible street map of the geographical area of the site with the proposed hospital site clearly marked. Attached. This is the former Mineral Area Regional Medical Center and then was purchased by Parkland and was known as Parkland-Weber Road.
4. Would there be any new construction with this project? No

5. How many floors does the current building have and how many would be used for the hospital? It has a ground floor, first and second floors. The second floor and part of the first floor will be the hospital. This is shown in the floor plan previously submitted and resubmitted here.
6. Provide a schematic drawing of the proposed hospital with all proposed use of space clearly identified. See attached
7. What is the current use of the building that would house the hospital? It is being prepared for renovation once this determination is made.
8. How would the remaining space (all but hospital space) within the building be used? At the same time we submitted this request we submitted a request to use some of the remaining building for long term care. We hope to add some professional offices for counseling and education services
9. Describe in detail, any and all renovations for the proposed facility that have been completed or will be completed, including any and all of those that are required to meet hospital standards. We provided a detailed list of renovations and their costs with the initial proposal. No major renovations are necessary as most of the space proposed for this hospital was previously used for inpatient psychiatric services so it already meets licensure standards. . Most of the work will be cosmetic like painting and floor coverings.
10. Would there be any major medical equipment acquired as part of this project? No

Please let me know if you have any questions. Thank you.

Karla Houchins, MBA
Program Coordinator, Certificate of Need
Department of Health and Senior Services
3418 Knipp Drive, P.O. Box 570
Jefferson City, MO 65102
573-751-6700
FAX: 573-751-7894
EMAIL: karla.houchins@health.mo.gov
http://health.mo.gov/information/boards/certificateofneed/index.php

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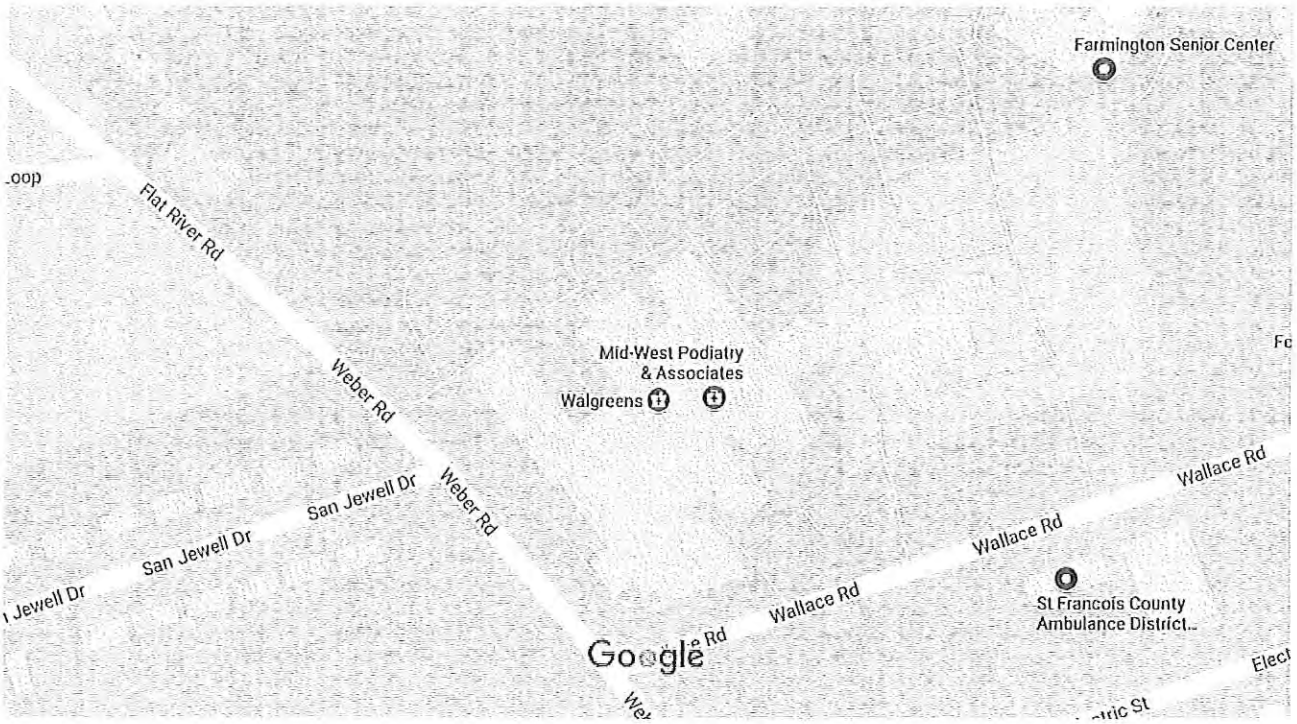
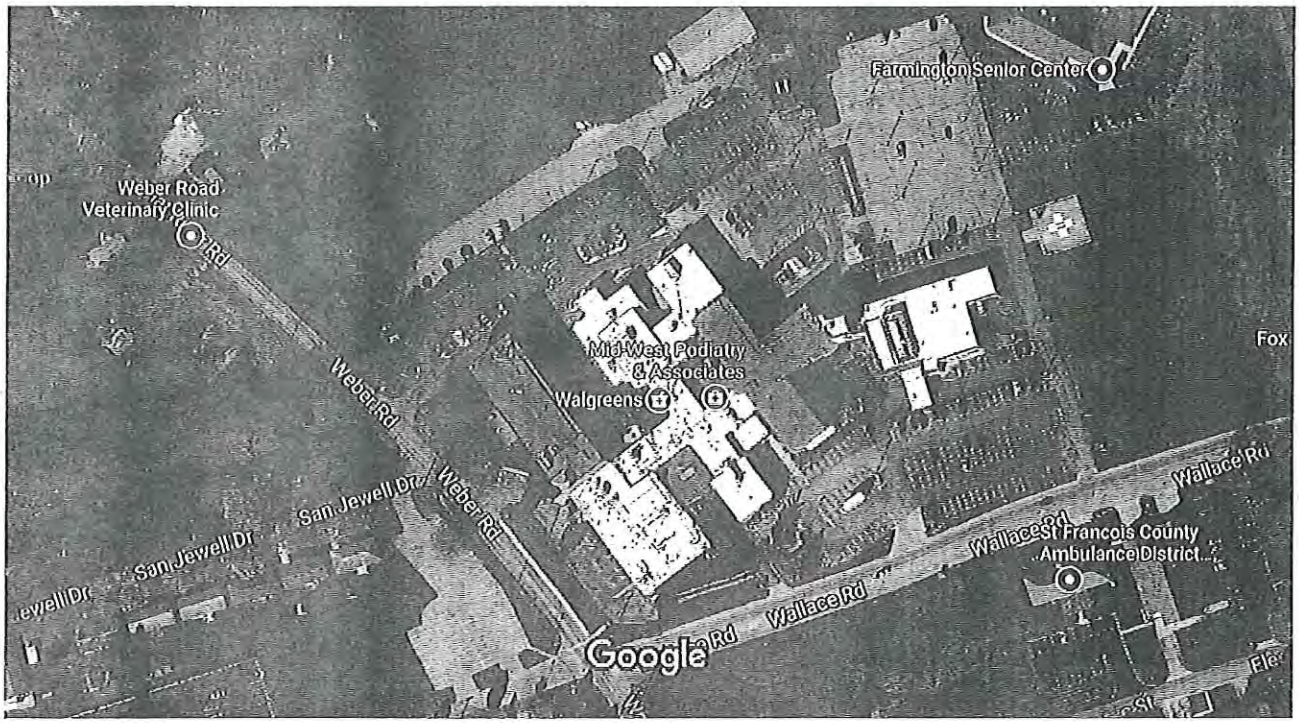
Google Maps



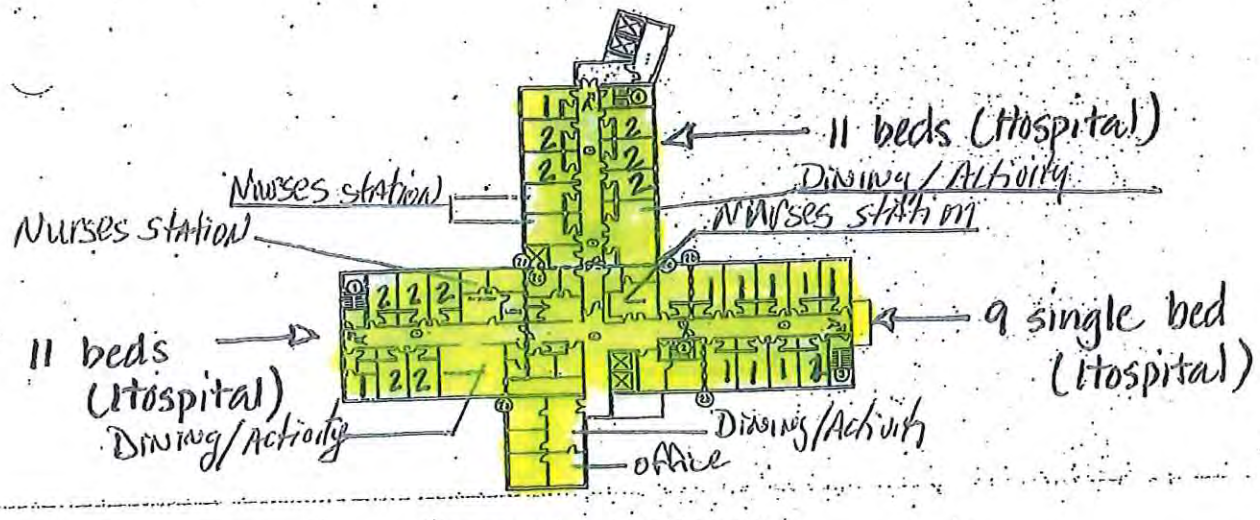
Map data ©2017 Google United States 100 ft

Google Maps



Imagery ©2017 Google, Map data ©2017 Google United States 100 ft

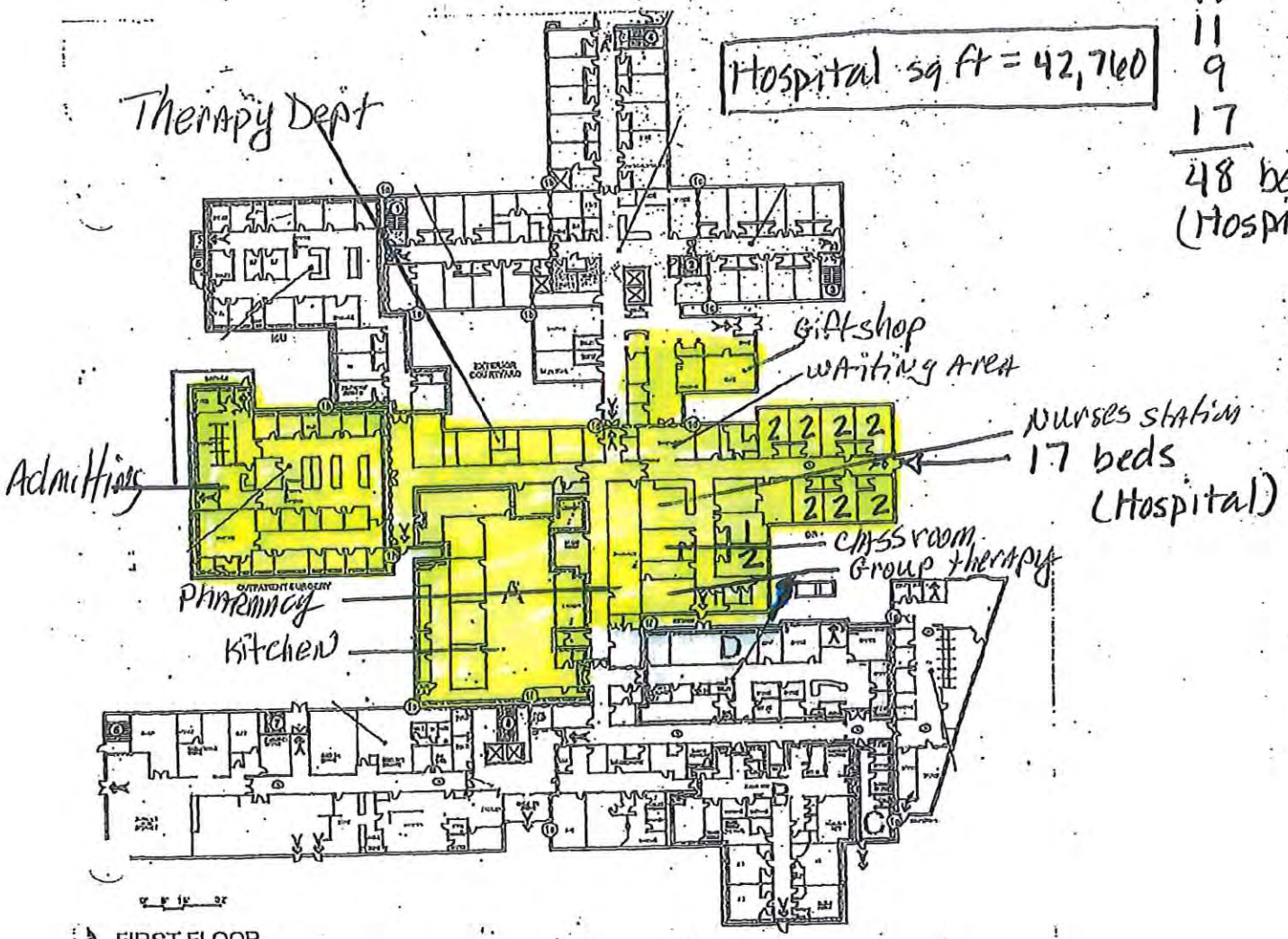
Hospital



EAST WING - SECOND FLOOR

Hospital sq ft = 42,760

11
11
9
17
48 beds (Hospital)



FIRST FLOOR

Houchins, Karla

From: Watters, Richard D. <rdwatters@lashlybaer.com>
Sent: Wednesday, August 09, 2017 2:39 PM
To: Houchins, Karla
Subject: RE: CON Non-applicability Proposal #5492 HA: Farmington Hospital and Behavioral Clinic
Attachments: LBM - Quote.pdf; Neiheiser Installation - Quote.pdf; Otis Service and Repair Order - June 9, 2017.pdf; Otis Service and Repair Order - June 13, 2017.pdf; Protronics - Estimate.pdf; Real Estate Contract.pdf; Tyco SimplexGrinnell Quote - Fire Alarm System.pdf; Tyco SimplexGrinnell Quote - Sprinkler System.pdf; Eagle Construction - Quote.pdf; Farmington Hospital & Behavioral Clinic.pdf; Hospital Floor Plan.pdf; J.E.N Twomey - Proposal.pdf

Karla: The entire building was previously operated as a hospital so many of the items you request below were already incorporated into the building. BJC also left almost all of its FF&E behind, including specialized psychiatric beds. As a result many of the potential costs you identify were included in the building purchase price. As you will see the renovation costs per the attached bids came in at less than what my client originally estimated.

RICHARD D. WATTERS
Attorney at Law
DIRECT: 314 436.8350
rdwatters@lashlybaer.com
Licensed in Missouri and Illinois

LASHLY & BAER, P.C.
Attorneys at Law
714 Locust Street St. Louis, MO 63101-1699 TEL: 314 621.2939
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From: Houchins, Karla [mailto:Karla.Houchins@health.mo.gov]
Sent: Wednesday, July 26, 2017 10:18 AM
To: Watters, Richard D.
Subject: RE: CON Non-applicability Proposal #5492 HA: Farmington Hospital and Behavioral Clinic

Rick;

Thank you for the response to my email of July 17 concerning the non-applicability determination request for the proposed Farmington Hospital and Behavioral Clinic. We continue to review the request and have more questions as follows.

1. Is BJC or Parkland Health Center-Weber Road related to Mineral Area Place, LLC? No If the answer is yes, explain the relationship.
2. How would the project be financed? CASH

3. How would other hospital services be acquired including food service (from Kitchen shown on original drawing) , laundry(third party vendor) , administration (offices marked on revised drawing attached), billing (third party vendor), housekeeping (third party vendor), etc.?
4. For each cost item included in the total project cost that is listed below, provide information which details all methods and assumptions used to estimate the project costs and third-party documentation. The documentation may be in the form of general contractor bids, equipment quotes, etc.
    - Sprinkler System See attached bid
    - Fire Alarm System See attached bid
    - Call Light System See attached bid
    - Lighting See attached bid
    - Flooring See attached bid
    - Painting See attached bid
    - Roof Repair See attached bid
    - HVAC Repair See attached bid
    - Elevators Repair See attached bid
    - Kitchen Renovation See attached bid
    - New Ceiling Tiles See attached bid
    - Architectural/Engineering Fees Estimated at less than $15,000
    - Land Acquisition Costs See attached Real Estate Purchase Contract for $13.00 which is for entire former hospital. We have allocated $5.00 for this proposed project.
    - Consultants' Fees/Legal Fees Estimated at less than $10,000
    - Permit Estimated at $500
    - Trash and Disposals Third party vendor (and an operating cost not a capital cost)
    - Parking Lot Repair See attached bid
    - Equipment and Furniture Almost all necessary FF&E came with building purchase including specialized psychiatric beds. Less than an estimated $190,000 in additional FF&E required.
    - Computers Almost all necessary computers came with building purchase, but see below/
    - Security System Came with building purchase
    - Software Came with computers that came with hospital purchase. Additional software/computers costing less than $150,000 may be necessary.

Thank you.

Karla Houchins, MBA
Program Coordinator, Certificate of Need
Department of Health and Senior Services
3418 Knipp Drive, P.O. Box 570
Jefferson City, MO 65102
573-751-6700
FAX: 573-751-7894
EMAIL: karla.houchins@health.mo.gov
http://health.mo.gov/information/boards/certificateofneed/index.php

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From: Watters, Richard D. [mailto:rdwatters@lashlybaer.com]
Sent: Thursday, July 20, 2017 4:58 PM
To: Houchins, Karla
Subject: FW: CON Non-applicability Proposal #5492 HA: Farmington Hospital and Behavioral Clinic

REAL ESTATE CONTRACT

This Real Estate Contract (this "**Agreement**") is dated March 29, 2017 ("**Effective Date**"), and is entered into by and between Mineral Area Place, LLC, a Missouri limited liability company ("**Buyer**"), and Parkland Health Center - Weber Road, a Missouri nonprofit public benefit corporation ("**Seller**"), each referred to herein as a "**Party**" or collectively as the "**Parties**".

RECITALS

A. Buyer desires to purchase certain property located in the City of Farmington, St. Francois County, as more fully described below.

B. Seller is the owner of Property, and desires to sell the Property to Buyer in consideration for Buyer's acceptance of the Property on the terms and conditions herein.

NOW, THEREFORE, Seller and Buyer agree as follows:

1. **Background.** Seller closed the facility formerly known and operated as Mineral Area Regional Medical Center, located at 1212 Weber Road, Farmington, Missouri 63640, including certain buildings and improvements currently located on Property Parcels #09-70-26-01-006-0008.00 and 09-70-25-00-000-0009.00, a portion of which Mineral Area Place desires to own (as more particularly described on Exhibit A, the "**Property**"). Seller has owned the Property only briefly, has conducted limited investigation thereon, and therefore has limited knowledge of Property conditions. The buildings located on the Property ("**Buildings**") potentially contain significant amounts of asbestos, mold, and other potentially hazardous materials (collectively, "**Hazardous Materials**") and code compliance issues, as a result of which demolition may cost in excess of $1,000,000.00 and, alternatively, abatement and remodeling may cost in excess of $1,500,000.00. Based on Seller's limited knowledge and investigation, the Buildings have incurred significant deferred maintenance over the years. Additionally, Seller is incurring holding costs of approximately $45,000.00 per month for insurance, utilities, outdoor maintenance, and security for the Property. The Property has been available for sale on the market for approximately one year prior to the date of this Agreement, during which time Seller has been unable to procure a viable prospective purchaser. Further, due to the current economic and regulatory climate for hospital facilities, it is unlikely that in the foreseeable future a third party would purchase the Property in its current state for operation as a hospital or otherwise. Additionally, the costs related to remediation of the Hazardous Materials and code deficiencies makes it even more unlikely that Seller will find a buyer for the Property for any use in the near future.

   Despite the foregoing facts and circumstances, Buyer desires to assume ownership of the Property for the purposes of establishing a senior living community and psychiatric hospital dedicated primarily to delivering long term care services, including mental health services for the geriatric population, and consisting of the full continuum of care, ranging from independent living, to assisted living, to skilled nursing, as well as an ancillary

medical office for the medical director, psychiatrists, therapists, and related professional personnel, and secondarily, providing inpatient psychiatric services for all age groups (with the express exception of inpatient geriatric care services which may only be provided for those patients referred by Seller, Parkland Health Center or BJC (as defined below)), with no greater than forty-eight (48) licensed beds (collectively, the "**Services**"). The Parties acknowledge that the City of Farmington is supportive of the plans of Buyer. The Parties acknowledge that the availability of one or more of the Services to be offered by Buyer are currently lacking in the Farmington area and, consequently, the transaction contemplated herein (the "**Proposed Transaction**") will help foster Seller's, Parkland Health Center's, and BJC HealthCare's charitable mission to make available to patients residing in the Farmington area and surrounding communities the fullest possible range of healthcare-related services feasible.

2. **Sale.** Seller hereby agrees to sell the Property to Buyer for a purchase price of Thirteen Dollars ($13.00) (the "**Purchase Price**") on the terms and conditions provided herein.

3. **Closing.** This Closing will take place on April 17, 2017 (the "**Closing**") at Preferred Land Title, or at such other time and place as the Parties agree. At the Closing, Buyer shall deliver the Purchase Price.

4. **Pre- and Post-Closing.** The Closing under this Agreement is subject to the following pre-Closing and Post-Closing terms and conditions:

   a. At the Closing, Seller will deliver good title to the Property, free and clear of encumbrances except those mutually agreeable exceptions shown on Buyer's title commitment (the "**Title Commitment**") attached hereto as Exhibit B, pursuant to a special warranty deed. Buyer's purchase of the Property shall be subject to receipt of an acceptable title insurance policy and survey. Seller shall provide reasonable cooperation with respect to the removal of exceptions on the Title Commitment.

   b. Buyer shall use the Property only to provide the Services. Seller acknowledges that, with the express exception of inpatient geriatric psychiatric services which may only be provided for those patients referred by Seller, Parkland Health Center or BJC, the Services are not competitive with Seller, Parkland Health Center or BJC (as defined below). As part of the Proposed Transaction, Buyer shall execute and record restrictive covenants in the form attached hereto as Exhibit D.

   c. At Closing, Buyer shall assume all responsibility and liability for remediation of all Hazardous Materials in the Building or on the Property and shall indemnify, defend, and hold Seller harmless from and against all claims and liabilities arising from or relating to such Hazardous Materials.

   d. Prior to Closing, Seller shall remove the two (2) portable x-ray machines and the one (1) stationary x-ray machine that are currently located in the Building.

e. Buyer shall be responsible for all due diligence and closing costs, including without limitation, title insurance, recording fees, and surveys, but specifically excluding any attorneys' fees incurred by Seller. All income and expenses of the Property shall be prorated at Closing.

f. Buyer acknowledges that nothing in this Agreement shall include as a condition or contingency to closing of the Proposed Transaction that Buyer or any affiliated person must obtain a certificate of need (CON) or any other regulatory approval, it being the Parties' mutual intent that the Proposed Transaction shall occur regardless of whether Buyer or any affiliated person is able to provide one or more of the intended Services on the Property.

g. Neither Seller nor Buyer has incurred any liability or obligation committing itself to any broker, finder, or agent for any brokerage fee, finder's fee, or commission with respect to the Proposed Transaction.

h. The St. Francois County Morgue is currently located in and operating from the Property and shall be permitted to continue doing so for a period of not less than one hundred twenty (120) days following Closing, rent free.

i. Seller's staff/employees shall be permitted to occupy and work from the Property post-Closing according to the Temporary Occupancy Agreement attached hereto as Exhibit E.

5. **Platting and Survey.** Buyer's obligation to close on the purchase under this Agreement is contingent upon the City of Farmington approving the Plat of the Subdivision Survey of Wallace Road Subdivision prepared by Taylor Engineering, a copy of which is attached as Exhibit C. Seller shall have no responsibility for any subdividing or replatting fees and expenses required to transfer the Property in connection with this Agreement.

6. **Choice of Law.** This Agreement shall be governed by and construed, interpreted and enforced in accordance with the laws of the State of Missouri, without regard to the conflicts of law principles of such State.

7. **Entire Agreement.** This Agreement shall embody the entire agreement between the parties hereto with respect to acquisition of the Assets and cancels and supersedes all other previous agreements and understandings relating to the subject matter of this Agreement, written or oral, between the parties hereto. There are no agreements, representations or warranties between the parties other than those set forth or provided herein. All Exhibits called for by this Agreement and delivered to the parties shall be considered a part hereof with the same force and effect as if the same had been specifically set forth in this Agreement.

8. **Amendment.** This Agreement may not be amended or modified except by a writing signed by the Buyer and Seller.

9. **Time of the Essence.** Time is of the essence in the performance of the terms and conditions of this Agreement.

10. **Assignability/Counterparts.** The Buyer has the ability to assign this Agreement. This Agreement may be executed in one or more counterparts, each of which will be deemed an original copy of this Agreement and all of which, when taken together, will be deemed to constitute one and the same instrument. Fax or email PDF copies of signatures will be deemed as effective as originals.

11. **Disclaimer of Seller's Representations, Warranties and Covenants.** Buyer acknowledges and agrees that this Agreement and any conveyance by Seller pursuant hereto shall be AS IS, WHERE IS, WITH ALL FAULTS. Seller disclaims all representations, warranties, and covenants regarding the Property, express or implied. Neither the "Background" provided in Section 1 above nor anything else herein constitutes any representation by Seller and Buyer disclaims any reliance thereon. Buyer's payment of the Purchase Price and acceptance of the deed at Closing shall be conclusive evidence of Buyer's acceptance of the Property in its then-current condition and in reliance solely upon Buyer's own investigations and consultants.

TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, ANY CONVEYANCE MADE PURSUANT HERETO SHALL BE WITHOUT REPRESENTATION, COVENANT, OR WARRANTY OF ANY KIND (WHETHER EXPRESS, IMPLIED, OR, TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, STATUTORY) BY SELLER. AS A MATERIAL PART OF THE CONSIDERATION FOR THIS AGREEMENT, BUYER AGREES TO ACCEPT THE PROPERTY ON AN "AS IS" AND "WHERE IS" BASIS, WITH ALL FAULTS, AND WITHOUT ANY REPRESENTATION OR WARRANTY, ALL OF WHICH SELLER HEREBY DISCLAIMS.

BUYER ACKNOWLEDGES THAT BUYER IS A SOPHISTICATED PURCHASER AND IS FAMILIAR WITH THE PROPERTY AND THE SUITABILITY OF THE PROPERTY FOR BUYER'S INTENDED USE. BUYER ACKNOWLEDGES THAT THE PURCHASE PRICE REFLECTS BUYER'S ACQUISITION OF THE PROPERTY ON THE AS-IS BASIS AND TERMS REFLECTED HEREIN. SELLER EXPRESSLY DISCLAIMS ANY AND ALL REPRESENTATIONS AND WARRANTIES, INCLUDING WITHOUT LIMITATION THOSE REGARDING THE CONDITION AND HABITABILITY OF ANY STRUCTURES ON THE PROPERTY.

IN WITNESS WHEREOF, Seller and Buyer have executed this Agreement as of the Effective Date.

SELLER:

Parkland Health Center - Weber Road

By: _____
Printed Name: Tom Karl
Title: President

BUYER:

Mineral Area Place, LLC

By: _____
Sharo Shirshekan, Manager

Exhibit A

Preliminary Legal Description

That portion of a proposed "Plat of a Subdivision Survey: WALLACE ROAD SUBDIVISION" by Taylor Engineering L.L.C. dated March 4, 2017, project number 17026, labeled "Lot 1A" and to be described following approval and recordation of said plat as:

ALL OF Lot 1A, Wallace Road Subdivision, as shown on a plat thereof recorded in Document No. 2017R-_____ in the Recorder's Office of St. Francoise County.

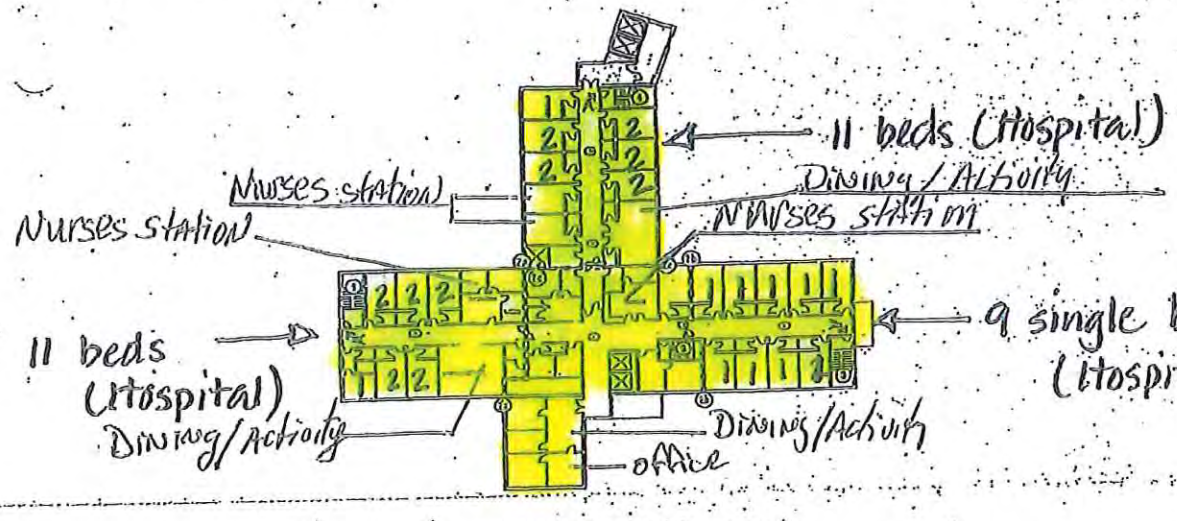
Exhibit B
Title Commitment

Exhibit C
Plat of Subdivision Survey

Farmington Hospital & Behavioral Clinic

Description	Vendor	Cost
Sprinkler System	Tyco Simplex Grinnell	28,050.00
Fire Alarm System	Tyco Simplex Grinnell	3,870.00
Call Lights	Protronics	16,504.64
HVAC Repair	J.E.N/Twomey Heating & Cooling	33,995.00
Elevator Repair	Otis Elevator Company	3,998.00
Kitchen	Neiheiser Installation	44,950.00
Parking Lot	Lead Belt Materials	2,000.00
Roof repairs	Eagle Construction	7,995.00
Ceiling Tiles	Eagle Construction	4,295.00
Lighting	Eagle Construction	16,500.00
Painting	Eagle Construction	22,000.00
Flooring	Eagle Construction	16,300.00
Doors	Eagle Construction	9,000.00
	Total Project	**209,457.64**

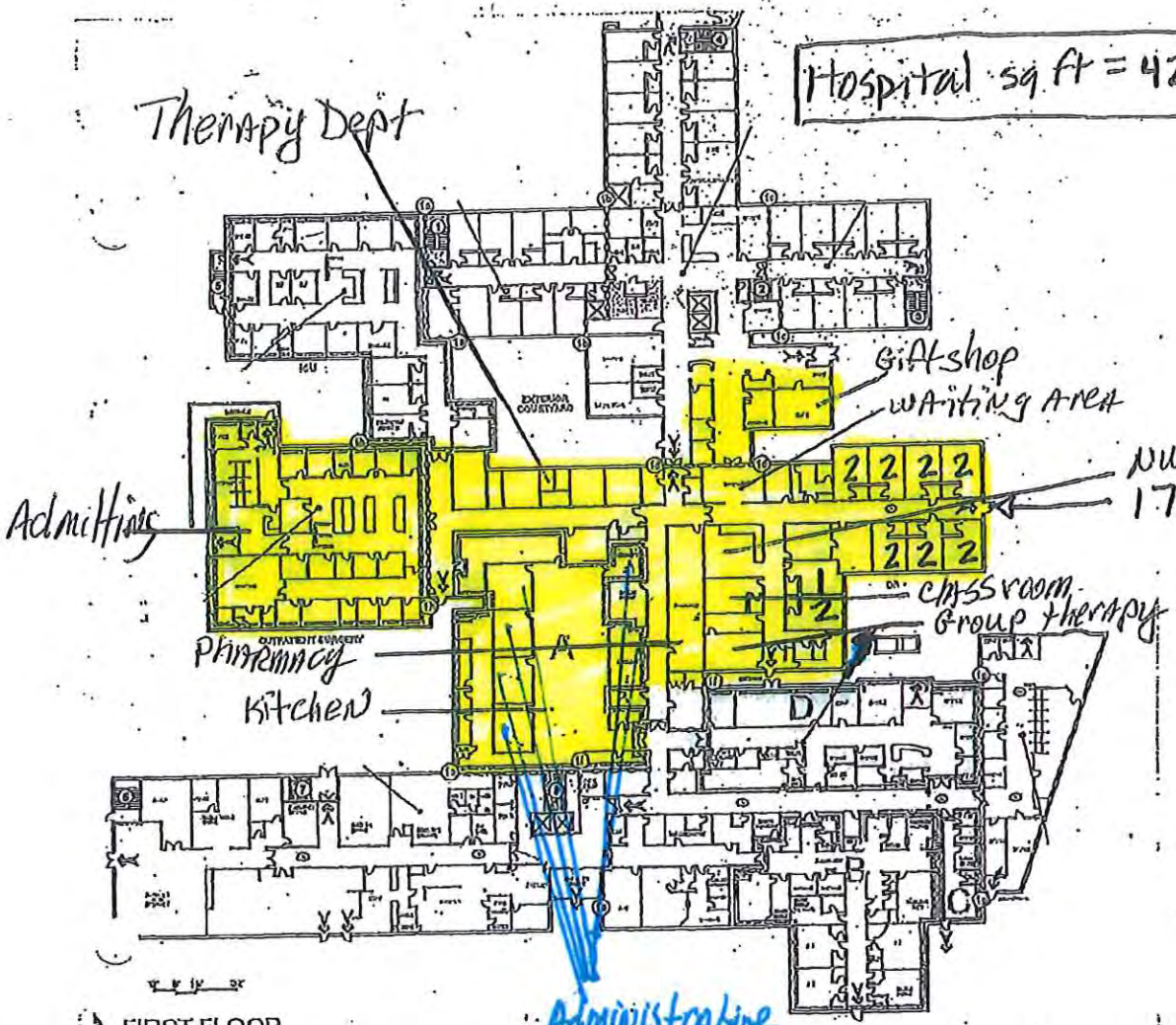
Hospital



EAST WING - SECOND FLOOR

Hospital sq ft = 42,760

11
11
9
17
48 beds (Hospital)



FIRST FLOOR

Houchins, Karla

From: Watters, Richard D. <rdwatters@lashlybaer.com>
Sent: Friday, August 11, 2017 1:20 PM
To: Houchins, Karla
Subject: RE: CON Non-applicability Proposal #5492 HA: Farmington Hospital and Behavioral Clinic

See below in red

RICHARD D. WATTERS
Attorney at Law
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rdwatters@lashlybaer.com
Licensed in Missouri and Illinois

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Please consider the environment before printing this email.

From: Houchins, Karla [mailto:Karla.Houchins@health.mo.gov]
Sent: Thursday, August 10, 2017 3:52 PM
To: Watters, Richard D.
Subject: RE: CON Non-applicability Proposal #5492 HA: Farmington Hospital and Behavioral Clinic

Rick, thank you for this information. I have two follow-up questions.

The Real Estate Contract states that the buildings located on the property may contain asbestos, mold and other potentially hazardous materials and have code compliance issues, resulting in significant demolition costs, or abatement and remodeling costs. It also states that the buildings have incurred significant deferred maintenance over the years. Were there any such issues having costs, and if the answer is yes, have the costs been included in the Total Project Cost? Please explain. All such costs applicable to the Hospital portion of the building are included in the budget that has been submitted. While there is asbestos throughout the building in the hospital portion it is limited to the water lines, steamer and chiller pipes and inside the wall around the breaker boxes. None of these areas will be disturbed and there will be no removal costs. A few limited rooms in the building had mold resulting from leaking windows but none of them are within the hospital portion of the building. There will be no cost to the hospital for mold removal. There were also hazardous materials stored in a portion of the building used by the St. Francois County Coroner for autopsies and as a morgue. Those areas are not part of the Hospital and were cleaned up by the County or Parkland (BJC) but not the applicant.

Since the bids that you provided were less than what the client originally estimated, do you plan to submit a revised Proposed Expenditures form and Letter of Intent, or will they remain unchanged? We will not change as the difference is not significant