

Media Release



UP Health System - Marquette and Northern Michigan University Foundation Share Additional Details of Agreement to Advance Opportunities for Former Hospital Campus

MARQUETTE, MICHIGAN | November 22, 2021 | UP Health System – Marquette (UPHSM), a Duke LifePoint hospital, and the Northern Michigan University Foundation (NMUF) today announced additional details regarding efforts to increase the viability of redevelopment at the previously occupied hospital property on College Avenue. Both parties are currently conducting due diligence. If this transaction proceeds, UPHSM would transfer the property to NMUF for a purchase price of \$1, along

with an additional \$10 million for prepaid rent and financial support that would help offset the high costs associated with preparing the site for development.

"This project has the potential to be transformative in many ways," said Brad Canale, CEO of the NMU Foundation. "The overarching objective of the NMU Foundation Board of Trustees is to facilitate a beneficial outcome for NMU and the Marquette community."

The property's location, which is adjacent to the NMU campus and centralized in the city of Marquette, offers a variety of redevelopment opportunities that would benefit both the university as well as the greater community.

"We are thrilled to have reached a tentative agreement with the NMU Foundation," said Gar Atchison, Market President of UP Health System. "All along, our commitment has been to identify the right long-term plan for this campus, keeping in mind the interests of the surrounding neighborhoods and communities we serve."

NMUF is currently working with local and state government entities as well as private sector experts in conducting due diligence before it decides whether or not to move forward. These efforts include a partnership with the Marquette Brownfield Redevelopment Authority in supporting environmental due diligence on the site, which is currently underway. The due diligence and planning process is expected to be complete by spring 2022.

"NMUF will only proceed toward closing on the agreement if due diligence efforts reveal that demolition of the existing complex and redevelopment of the site can occur in a way that is both financially viable and beneficial to the university and community," said Canale. "A critical factor in this evaluation will be the availability of funding to offset the sizeable expense of demolishing the current complex."

Near the close of the transaction, NMUF will issue a request for qualifications from master developers, which would result in a private development partnership where NMUF has a limited role as an equity investor. Any future development would also significantly enhance the tax base of the property and support services to Marquette residents.

"We look forward to seeing this property in the heart of Marquette revitalized," Canale added.

"Evaluation of the site is now underway. More work needs to be done, and we remain focused on the due diligence process and thoughtful approach to this significant project."

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For media requests, contact:

Janell A. Larson | Director of Marketing & Communications

UP Health System | Bell | Marquette | Portage

906.449.3568 | Janell.Larson@mghs.org | UPHealthSystem.com

David Nyberg | Executive Director, Business Engagement and Economic Development

Northern Michigan University

906.227.2647 | dnyberg@mu.edu | Foundation.NMU.edu

About the NMU Foundation

The Northern Michigan University Foundation (Foundation) is a nonprofit corporation organized under the provisions of the Michigan General Corporation Act and governed by a board of trustees. The Foundation has been granted tax-exempt status under Section 501(c)(3) of the Internal Revenue Code as an organization other than a private foundation.

The mission of the NMU Foundation is to establish and foster relationships to generate resources that benefit the strategic goals of Northern Michigan University.

About UP Health System - Marquette

UP Health System – Marquette (UPHS – Marquette) is a federally-designated Regional Referral Center for Michigan's Upper Peninsula (UP). UPHS - Marquette is a Level II Trauma Center, as verified by the American College of Surgeons Committee on Trauma. Blue Cross Blue Shield of Michigan gave UPHS - Marquette its Blue Distinction Center+ Designation for Spine Surgery, Maternity Care, and Knee & Hip Replacement in 2016. The UP Health System – Marquette Cancer Care program is accredited by the American College of Surgeons Commission on Cancer and is the only accredited cancer program in the Upper Peninsula. We have been granted designation by the National Accreditation Program for Breast Centers. UP Health System - Marquette received Chest Pain Center with Primary PCI accreditation by the Society of Cardiovascular Patient Care in December 2016.

UPHS – Marquette completed construction on its new state-of-the-art hospital on June 2, 2019. As Upper Michigan's Regional Medical Center, UPHS - Marquette recruits for employed and private practice positions in Marquette, Michigan, and similar positions at hospital-owned clinics in eight other communities throughout Michigan's Upper Peninsula. The dynamic medical staff of more than 200 doctors uphold the highest standards of excellence. They work as a team with our 1800+ employees in caring for approximately 12,000 inpatients and more than 350,000 outpatients a year.

UP Health System – Marquette's major services include its Heart & Vascular Institute, Cancer Center, Brain & Spine Center, Rehabilitation Center, Behavioral Health, Digestive Health, Bariatric Medicine & Weight Management Center, and Women's Health, Family Birthing, and Pediatrics Center. The hospital also provides the region's premier services in imaging, surgery, and laboratory and is home to the UP Telehealth Network, a leading telehealth network in the nation. UPHS - Marquette services many of the communities in the Upper Peninsula of Michigan, with 42 primary and specialty care clinics spread throughout the region.

About Duke LifePoint Healthcare

Duke LifePoint Healthcare, a joint venture of Duke University Health System, Inc. and LifePoint Health (NASDAQ: LPNT), was established to build a dynamic network of hospitals and healthcare providers. The joint venture, which brings together LifePoint's experience in community-based hospital management and Duke's world-renowned leadership in patient safety and clinical quality systems, is strengthening and improving healthcare delivery by providing community hospitals the clinical, quality, and operational resources they need to grow and prosper.