

CONTRACT FOR SALE AND PURCHASE

EXECUTION COPY

This Contract for Sale and Purchase ("Contract") is entered into as of this 19th day of February, 2015 ("Effective Date") and made by and between the **City of Mason, Ohio, an Ohio municipal corporation**, 6000 Mason Montgomery Road, Mason, Ohio 45040, (hereafter, "Seller") and **360 Pharma Group, LLC**, an Ohio limited liability company, having an address of 8695 Seward Road, Fairfield, OH 45011 (hereafter, "Purchaser" and upon the Closing of the purchase under this Contract between Seller and Purchaser, the "Company"), under the following terms and conditions:

RECITALS:

A. Seller has determined it to be a public purpose for certain long-term strategic economic development and planning efforts to enter into an Economic Participation Agreement with the Purchaser and Company more particularly described in Exhibit "A". Seller has further outlined future development plans in the area known as North Mason Technology District (as described in Exhibit "B") which includes a portion of the Property, and intends to make a good faith effort to preserve or create jobs and employment opportunities within the City through the recruitment of companies and the development of North Mason Technology District.

B. Purchaser and Company propose a +/- 47 acre campus development to specifically achieve the construction and operation of a North American Corporate Headquarters and Distribution Facility for the Company (the "Project") in a target industry sector for the City of Mason, Ohio that will set the tone for future development within North Mason Technology District. The Project is expected to initially total approximately 300,000 square feet, and result in the creation of an initial 219 jobs with associated payroll of approximately \$8.2 million. Company also intends to create approximately 100 additional jobs with an associated payroll of approximately and \$5.2 million by 2020.

C. Seller owns certain real property consisting of approximately +/- 47 acres of land, (or that which is found to be the acreage by survey pursuant to Section 4), as set forth in Exhibit "C" but shall, in no event, exceed 50 acres, as more fully described in Section 4 below. The land is located in Warren County, Ohio and is more particularly described in Exhibit "D" attached hereto. Said land and all improvements thereon and all appurtenant rights, privileges, and easements thereto are hereinafter referred to as the "Property."

D. Seller has determined that providing financial assistance to Purchaser and Company through the agreements and transactions provided for in this Contract will facilitate positive long-term development planning and encourage the development of office, high-tech and commercial end-users that will benefit the people of the City of Mason, Ohio by increasing

opportunities for employment and strengthening the economic welfare of the City of Mason, Ohio.

E. Purchaser has the financial capability to purchase the Property from Seller in order to induce the City of Mason, Ohio to partner with Purchaser and the Company in the Sale and Purchase of Real Estate and in an Economic Development Agreement for the Property.

F. Company, as current Purchaser under this Contract, may choose to transfer and assign its rights and obligations under this Contract to an affiliated land holding company, and shall have the right to assign all of Purchaser's obligations under this Agreement, as approved by both Company and Seller and as more fully set forth in Section 16 J below. Company and its affiliates shall remain solely obligated under the terms of the Economic Participation Agreement.

NOW, THEREFORE, in consideration of the premises and mutual covenants and promises contained herein, the sufficiency of which is hereby acknowledged by the parties, Seller and Purchaser hereby agree as follows:

1. **Real Estate.** Purchaser shall purchase from Seller the currently unimproved real estate being located at North Mason Technology District SW containing approximately +/- 47 acres of land, as further described in Section 4 below, on SR741 located on the southern portion of the 156 acre site; located in the City of Mason, Warren County, Ohio and as described in Exhibit "D," attached hereto, with all appurtenant rights, privileges and easements ("Property").

2. **Seller's Certifications.** Seller certifies the following facts regarding the Property.

A. Seller is the sole owner of the entire undivided fee simple interest in the Property.

B. The Property is free from any City, County, State or Federal orders affecting the Property.

C. Subject to the terms and conditions of Section 10, Seller has full power and authority to execute, deliver and carry out the terms and provisions of this Contract and has taken all necessary action to authorize the execution, delivery and performance of this Contract. The individuals executing this Contract on behalf of Seller have the authority to bind Seller to the terms and conditions of this Contract. This Contract and all documents required hereby to be executed by Seller, when so executed, shall be legal, valid, and binding obligations of Seller enforceable against Seller in accordance with their respective terms. The execution and delivery of, and consummation of the transactions contemplated by, this Contract is not prohibited by, and will not conflict with, constitute grounds for termination of, or result in the breach of any agreement or instrument to which Seller is now a party or otherwise subject. Seller is deemed to

have made the certifications contained in this Section 2 again as of the time and date of the Closing, except that Seller shall not be in default hereof if any representation or warranty contained herein cannot be made at the Closing because of the acts or fault of Purchaser.

3. **Purchaser's Certification.** Purchaser hereby certifies to Seller that each of the following statements is true and correct as of the date of this Contract and shall be true and correct on each Closing Date:

A. Purchaser has the full power and authority to enter into this Agreement, to purchase the Property from Seller as provided in this Agreement, and to carry out Purchaser's obligations hereunder.

B. All requisite action necessary to authorize Purchaser to enter into and perform this Agreement in accordance with its terms and to carry out Purchaser's obligations has been obtained.

C. This Contract has been duly authorized, executed and delivered by Purchaser and is enforceable against Purchaser in accordance with its terms.

D. Purchaser or Purchaser's assignee has the financial capability to purchase the Property and to pay the Purchase Price in immediately available funds and construct the proposed project as outlined in Exhibit "E," on the Property. During the Initial Inspection Period, as set forth in Section 7, Purchaser, Purchaser's assignee, or their accounting firm, or Purchaser's lender will provide Seller with reasonable proof of financial capability, as determined by Seller in Seller's sole discretion. Purchaser must demonstrate financial capability and allow Seller, at Seller's option, to verify financial capability with Key Bank and/or at Seller's option and sole cost, to undertake, and/or to engage Clark, Schaefer, Hackett to perform, a confidential financial verification and analysis of the purchasing entity, to ensure Purchaser has the financial capability (through equity and financing resources in the form of commercial financing), in Seller's reasonable discretion, to purchase the Property and construct the proposed Project, as outlined in Exhibit "E," on the Property.

E. Neither the execution and delivery of this Agreement nor the performance hereof will (i) be in violation of Purchaser's organizational documents including its bylaws, Articles of Organization and its operating agreement, (ii) conflict with any law, decree, judgment, regulation or decree of any court or governmental agency, or (iii) conflict with any agreement or instrument to which Purchaser is a party or by which Purchaser is or may be bound.

F. Purchaser is deemed to have made the certifications contained in this Section 3 again as of the time and date of the Closing, except that Purchaser shall not be in default hereof if any certification contained herein cannot be made at the Closing because of the acts or fault of Seller.

G. Purchaser shall deliver a new corporate headquarters generally consistent with design character, building materials and construction quality as outlined in the Design Build Solutions criteria drawings dated February 17, 2015 and attached herein as Exhibit "E". Purchaser acknowledges that any significant change(s) from the criteria contained in the documents outlined in Exhibit "E" which results in a material reduction (more than 20,000 square feet) in the size of the proposed office Headquarters Facility, will be cause for re-evaluation and redefinition of incentive package described herein.

4. **Purchase Price and Terms.**

A. The Purchase Price for all of the Property will be based on a price of \$28,000 per acre for the +/- 42 acres located on the north side of the 47 acre parcel and a purchase price of \$36,000 per acre for the southern 5 acres for a total purchase price of approximately \$1,356,000. The Purchase Price shall be subject to final determination of the total acreage of the Property and shall be mutually agreed upon by Seller and Purchaser based on final survey and approved subdivision/cut-up plat materially consistent with the Site Plan set forth on Exhibit "C" attached hereto. Exhibit "C" provides an approximation of the +/- 42 acre and +/- 5 acre areas described, as well as the approximate location of the building setbacks and required dedicated +/- 1.5 acre parcel for a fifty (50) foot right-of-way ("ROW") from the centerline of SR741. Purchaser or Purchaser's assignee shall donate the ROW to Seller by dedication plat to be executed as provided in Section 10 below.

B. Upon execution of this Contract, Purchaser shall deposit \$25,000 ("Initial Deposit") into a non-interest bearing escrow account with SafeTitle Agency, as escrow agent ("Escrow Agent"), subject to the terms of the Escrow Agreement attached as Exhibit "F".

C. In addition to the Conditions to Close set forth in Section 10, Purchaser's obligation to pay the Purchase Price and the Closing are contingent upon: 1. the approval of all of the economic incentives and development inducements set forth in the Economic Participation Agreement attached as Exhibit "A;" and 2. the Company reaching a binding agreement with the Ohio Tax Credit Authority and/or JobsOhio to provide the Company with job creation tax credits and other economic incentives.

D. The balance of the Purchase Price will be payable by Purchaser to Seller by wire transfer at Closing.

5. **Due Diligence Information.** Seller will continue to provide and to the extent Seller has previously provided it, Purchaser acknowledges receipt of the following due diligence information (if available): a copy of the Owner's Policy of Title Insurance, environmental and geotechnical reports, zoning and landscaping requirements, utility bills, any utility maps, and property tax statements pertaining to the Property in the possession of Seller, if any; and proposed Covenants, Conditions, and/or Restrictions imposed upon real property owned by the Seller and adjacent to the Property.

Purchaser shall have a period of up to one hundred and twenty (120) days after the Effective Date to:

A. Obtain, and Seller shall cooperate with Purchaser to work with Escrow Agent, to obtain a current commitment for title insurance issued with respect to the Property in the amount of the Purchase Price (the "Title Commitment").

B. Review and approve the cut-up survey and Legal Description of the Property, as more fully described in Section 6.

C. Review and approve the proposed Covenants, Conditions, and/or Restrictions that shall be imposed upon the Property and Seller's remaining property, as more fully described/depicted in Exhibit "G." The Covenants, Conditions, and/or Restrictions, referenced in this Section 5.C shall be developed by Seller and will be reviewed and approved by Purchaser prior to Closing. Purchaser shall have the right to independently enforce the Covenants, Conditions and/or Restrictions through an appropriate civil action arising from any alleged breach thereof by any subsequent purchaser of any property subject to the Covenants, Conditions and/or Restrictions. These Covenants, Conditions, and/or Restrictions shall include but not be limited to the following general concepts:

(i) The City of Mason will strive to attract companies consistent with design and use standards that are employed on existing parcels within the area located on the west side of S.R. 741, north of Bethany Road and the Property. Building design shall strive for an architectural character that is complimentary or consistent with the previously constructed buildings within the park.

(ii) The architectural palette shall utilize a consistent application of color and natural building materials where possible, incorporating complimentary colors and tones. Consideration shall be given to solar orientation in the creation of elements and elevations that accentuate façade depth with shade and shadow opportunities, such as wall undulations and articulations, canopies and textured construction materials.

(iii) Office portions of buildings are encouraged to use unique architecture that conveys a high-tech appearance as approved by the City of Mason Planning Commission and are recommended to be a minimum of two stories in height.

(iv) Each office building wall shall receive architectural treatments, color enhancements or fenestration to prevent the look of blank walls.

(v) Office elevations visible from streets (both interior and exterior to the property) and adjacent office properties shall be a composition of two-thirds masonry materials including brick, integrally colored concrete (or other masonry material) along

with aluminum store front glass and other architectural features as approved by the City of Mason Planning Commission.

(vi) Detail elements that add character to the buildings that utilize prefinished metal wall panels with concealed fasteners, lighting fixtures, cornice and entrance enhancements shall be encouraged.

(vii) All mechanical equipment such as fans, vents, HVAC units, grease traps and other similar equipment or structures including waste recepticals and dumpsters shall be completely screened from view from the public right-of-way and adjoining property utilizing architectural treatments.

(viii) Any warehouse buildings shall be constructed of concrete, masonry, brick or similar materials. Metal warehouse buildings shall not be permitted.

6. **Cut-up Survey; Legal Description.** Seller shall obtain, at its own expense, a metes and bounds legal description for the cut up of the Property and the ROW, so that the Property can be conveyed to Purchaser and be subject to a separate tax bill and so that Purchaser can donate the ROW back to Seller. Purchaser shall have the right to approve the survey and legal descriptions, which approval shall not be unreasonably withheld. Seller shall select the engineer/surveyor that will prepare the cut up survey, metes and bounds description, and ROW plat. By the end of the Initial Inspection Period, or by such other date as the parties may designate, Seller shall be solely responsible for, and shall bear all expenses related to, any approvals required to subdivide the Property and for recording all subdivision plats necessary to carry out the intent of this Agreement.

7. **Inspection Period.** During the term of the Contract, Purchaser and its representatives shall be entitled to enter on to the Property and to conduct such inspections thereon as Purchaser may deem appropriate in order to determine the suitability of the Property for the Project in Purchaser's sole discretion. Purchaser will keep the Property free and clear of any mechanic's or materialmen's liens, shall pay all expenses incurred, shall restore any damage to the Property caused by Purchaser or its agents. Purchaser shall have a period of up to one hundred and twenty (120) days after the Effective Date ("Initial Inspection Period") in which to determine, in its sole discretion, whether Purchaser desires to proceed with the purchase of the Property. Purchaser may, in Purchaser's sole discretion, terminate the Contract and obtain a refund of the Initial Deposit, by providing written notice to Seller on or prior to the date of expiration of the Inspection Period with no further liability to Seller. Should additional time be required for due diligence and inspection of the Property, Purchaser shall have the right to extend the Initial Inspection Period by an additional sixty (60) days (the "Extended Inspection Period") by depositing into escrow an additional \$25,000.00 ("Additional Deposit") into the non-interest bearing account (the Initial Deposit and Additional Deposit for a total \$50,000.00 are collectively referred to as the "Deposit"). Purchaser may, in Purchaser's sole discretion,

terminate the Contract and obtain a refund of the Deposit by providing written notice to Seller on or prior to the date of expiration of the Initial Inspection Period, or Extended Inspection Period, as applicable, with no further liability to Seller.

8. **Closing (“Closing”)** shall be on or before fifteen (15) days following expiration of the Initial Inspection Period or Extended Inspection Period, as applicable or on such other reasonable date as the parties may agree.

A. Marketable title to the Property will be conveyed to Purchaser by special or limited warranty deed at Closing, subject to easements and restrictions of record as of the Effective Date or otherwise approved by Purchaser, and any easements that existed prior to Seller’s ownership of the Property and merged due to Seller’s acquisition of the Property, as reflected in the Title Commitment, and as confirmed by Seller, which shall be required as the result of the new division of ownership between Seller as the owner of the Property and Seller as the beneficiary of the easements. At Closing, Purchaser shall execute any and all unplatted easements necessary to Seller for the Property, provided such easements were provided to Purchaser for review during the Inspection Period. Seller and Purchaser will also execute any other appropriate documents at Closing. Title shall be conveyed subject to no monetary liens except for the lien for non-delinquent real property taxes, assessments, or improvement district liens, but otherwise subject to all matters of record as specified above.

B. The costs incurred in connection with the transaction contemplated by the Contract shall be allocated between Seller and Purchaser as follows:

<u>Requirement</u>	<u>Responsibility</u>
Survey-ALTA	Purchaser
Survey-Cut Up/Boundary	Seller
Title Search	Purchaser
Title Insurance Commitment/Policy	Purchaser
Grantor’s Tax	Seller
Grantee’s Tax	Purchaser
Brokerage Commissions	N/A
Inspection Costs	Purchaser
Attorneys’ Fees	Each Party Pays Own
Environmental	Purchaser
Recordation	Purchaser
Financial review	Seller
Remainder/residual survey, if necessary	Seller

C. The Deposit shall be credited against the Purchase Price at the Closing. Real property taxes and any other matters to be prorated will be prorated as of date of Closing. Seller will pay all expenses and taxes applicable to the period prior to Closing; Purchaser will pay all expenses and taxes applicable to the period on or following Closing.

NOTE: Property taxes and assessments are subject to change. Purchaser and Seller agree that the taxes and any assessments shall be based on the latest tax information available through the Warren County, Ohio Auditor and Treasurer's records. Purchaser and Seller acknowledge that property taxes and assessments may not be pro-ratable at Closing as they will be based upon a large tract or parcel from which the subject Property has been cut-out. Seller shall continue to pay the property taxes and assessments on the large tract until such time as they are assessed on the subject Property, at which time, Seller and Purchaser shall handle any proration of the property taxes and assessments, as appropriate. Purchaser acknowledges that the entirety of Seller's property is currently benefitted by a property tax exemption and that the property tax exemption will not be applicable to the cut-up portion of the Property.

9. **Default.** In the event of a default by Purchaser under the Contract, Seller will be entitled to terminate the Contract and retain the Deposit, as liquidated damages. In the event of a default by Seller under the Contract, Purchaser shall be entitled, as Purchaser's sole and exclusive remedies, to declare the Contract terminated and obtain the return of the Deposit, as liquidated damages, or to request a court in Warren County, Ohio to specifically enforce the obligations of Seller under this Contract.

10. **Claw Back Options.** It is expressly understood by the parties that the sale and purchase of the Property is based upon new investment and job creation within a targeted industry sector that Seller, the City of Mason, Ohio seeks to attract to North Mason Technology District. The economic incentives as outlined in Exhibit "A", being an integral part of this Contract, and Seller's consideration and approval of this transaction is based on the highest and best use of the Property combined with the creation of jobs. Should the proposed commitments of Purchaser/Company not be achieved as outlined in Exhibit "A", Seller shall be entitled to the incentive "claw backs" from the Purchaser, its heirs, successors and assigns, as follows: (i) the right to repurchase the Property from the Purchaser for 90% of the final Purchase Price paid by Purchaser to Seller under this Contract, if development and construction of the two (2) story corporate headquarters office building does not commence, as evidenced by the completed footers and foundation for the building, within eight (8) months of the Closing, or construction has not been completed, as evidenced by temporary certificate of occupancy within 36 months of Closing, except the foregoing dates shall be subject to reasonable extensions for reasonable force majeure delays; and/or (ii) the forfeiture and/or repayment of cash incentives credited or paid directly to the Company considering all circumstances, except no claw backs for market conditions adversely impacting Purchaser's company or industry will be considered for Community Reinvestment Area ("CRA") obligations. Seller agrees to reasonably consider and allow extensions of the foregoing dates if Purchaser and the Company provide evidence that they

are proceeding with due diligence to commence and/or complete the Project. These obligations of Purchaser shall run with the land and a Memorandum shall be recorded in the Warren County, Ohio records.

The obligations of Purchaser and/or Company under and pursuant to this Section 9 shall survive the Closing.

11. Conditions to Close.

D. Conditions Precedent to Obligations of Seller. The obligations of the Seller hereunder are subject to satisfaction, at or prior to the Closing, of each of the following conditions:

(i) The certifications of Purchaser made in Section 3 of this Contract shall be true and complete in all material respects as of the Closing Date as if made on and as of that date.

(ii) All of the terms, covenants and conditions to be complied with and performed by Purchaser on or prior to the Closing Date shall have been complied with or performed in all material respects.

(iii) Seller has received adequate and sufficient information, as required herein, to ensure itself that Purchaser or its assignee has the financial capability to fulfill the terms of the Contract and to construct the proposed Project as outlined in Exhibit "E", on the Property.

(iv) Purchaser and its assignee shall have executed the easements to Seller as required and described in this Agreement, and Purchaser and its assignee shall have executed any dedication plat for the ROW widening of SR741.

(v) Purchaser shall have paid the Purchase Price as required herein.

E. Conditions Precedent to Obligations of Purchaser. The obligations of Purchaser hereunder are subject to satisfaction, at or prior to the Closing, of each of the following conditions:

(i) The certifications of Seller made in Section 2 of this Contract shall be true and complete in all material respects as of the date hereof and on and as of the Closing Date as if made on and as of that date.

(ii) All of the terms, covenants and conditions to be complied with and performed by Seller on or prior to the Closing Date shall have been complied with or performed in all material respects.

(iii) Seller shall have delivered to Purchaser each of the documents and other items required to be delivered by Seller as required by SafeTitle Agency, and pursuant to this Contract.

(iv) Purchaser shall have reviewed and approved and Seller shall have executed and recorded the Covenants, Conditions, and/or Restrictions referred to in Section 5(C) above.

(v) Seller shall have delivered title to Purchaser as required by Section 8.A.

12. **Delivery of Notice.** Any notice to be given hereunder shall be hand delivered, given by registered or certified mail (return receipt requested), or via electronic mail addressed to the party in question at the addresses appearing in the introductory paragraph of this Contract except as is otherwise expressly provided herein. The effective date of any such notice shall be the date on which such notice is delivered (in the case of hand delivery) or mailed (in the case of use of registered or certified mail) to such addresses or the date of actual receipt in any other case. Any address set forth herein may be changed by notice to the other party hereto.

A copy of any notice to Seller shall also be given to:

Jeffrey D. Forbes, Law Director
Wood and Lamping
600 Vine Street, Suite 2500
Cincinnati, Ohio 45202
jdforbes@woodlamping.com

A copy of any notice to Purchaser shall also be given to:

Rick Lauer
General Counsel, SVP Strategic Acquisitions
360 Pharma Group, LLC
8695 Seward Road
Fairfield, OH 45011
rlauer@mastersrx.com

13. **Offer to Purchase.** If Purchaser executes this Contract prior to Seller, then this Contract shall constitute and be an Offer to Purchase by the Purchaser that shall remain open to acceptance by Seller, based upon approval by City Council of Seller, until 5 p.m. eastern daylight savings time, on March 10, 2015. Upon Seller's acceptance, execution, and delivery of this Contract, this Contract shall constitute and be a valid Contract to Purchase that is binding upon all parties hereto.

14. **Broker Commissions.** Seller and Purchaser shall be responsible for the payment of any and all broker's commissions, if any, that may be due pursuant to any existing broker agreements, and each party shall protect and save harmless the other party against the claim of any broker hired with respect to this Contract. The parties acknowledge that there shall be no brokerage commissions or fees related to Seller's sale of the Property to Purchaser. Purchaser shall pay the brokerage fees of any broker used by Purchaser.

15. **Failure to Perform.** If Purchaser fails to meet any of its obligations under this Contract, at no fault of Seller, Seller, at its option, can exercise any of its rights under this Contract including but not limited to: (a) may elect to enforce the terms hereof by action for specific performance, and/or exercise any other right or remedy available to it at law or in equity, or (b) may terminate this Contract by notice to Purchaser. If Seller fails to meet any of its obligations under this Contract, at no fault of Purchaser, Purchaser, at its option, can exercise any of its rights under this Contract including but not limited to: (a) may elect to enforce the terms hereof by action for specific performance, and/or exercise any other right or remedy available to it at law or in equity, or (b) may terminate this Contract by notice to Seller and to receive the refund of the Deposit, in which case Seller shall have no further obligations under the Contract to Purchase.

16. **Contingency Clause.** Notwithstanding anything herein or elsewhere to the contrary, it is expressly understood by the parties hereto that the Purchaser's obligation to consummate the Closing and purchase the Property is contingent upon the occurrence of the following events:

A. The full execution and delivery by Seller and Company of the Economic Participation Agreement as set forth in Exhibit "A" as well as any additional written agreements required to carry out the terms and intent of the Economic Participation Agreement.

B. Approval by all necessary action of the City Council of Seller (including approval by resolution and/or ordinance, as applicable) of the incentives offered under Section 5 of the Economic Participation Agreement as set forth in Exhibit "A" as well as any additional written agreements required to carry out the terms and intent of the Economic Participation Agreement.

17. **Miscellaneous.**

A. Press Release. Both parties agree not to issue or make any public announcement, whether oral or written, of the sale of the Property without first giving the other party the opportunity to review and comment upon the contents of the notice or other statement.

B. Gender. Words of any gender used in this Contract shall be held and construed to include any other gender, any words in the singular number shall be held to include the plural, and vice versa, unless the context requires otherwise.

C. Captions. The captions in this Contract are inserted only for the purpose of convenient reference and in no way define, limit, or prescribe the scope or intent of this Agreement or any part hereof.

D. Construction. No provisions of this Contract shall be construed by any court or other judicial authority against any party hereto by reason of such party's being deemed to have drafted or structured such provisions.

E. Entire Agreement. This Contract, the Economic Participation Agreement, including Exhibits (as set forth in Exhibit "A") and Exhibits "B" through "F" constitute the entire contract between the parties hereto and supersede all prior understandings, if any, there being no other oral or written promises, conditions, representations, understandings or terms of any kind as conditions or inducements to the execution hereof and none have been relied upon by either party. Any subsequent conditions, representations, warranties, or agreements shall not be valid and binding upon the parties unless in writing and signed by both parties.

F. Time is of the Essence. Time is of the essence in this transaction.

G. Original Document/Counterparts. This Contract shall be executed by both parties in counterparts, each of which shall be deemed an original, but all of such counterparts taken together shall constitute one and the same Agreement.

H. Governing Law. This Contract shall be construed, and the rights and obligations of Seller and Purchaser hereunder shall be determined, in accordance with the laws of the State of Ohio.

I. Non-Merger. In addition to the specific language of non-merger found in certain sections of this Contract, any provision hereof which by its terms would be performed after the Closing shall survive the Closing and shall not merge in the Closing or in the deed, except as specifically provided to the contrary herein.

J. Assignment. Company, as the current Purchaser under his Agreement, shall have the right to assign all of Purchaser's rights and obligations under this Contract to an affiliated land holding company created by Company, intended to act as title holder for the Property, and to lease back the Property to the Company and/or its affiliates, provided Seller approves of the proposed assignee based on the requirements set forth in Section 3(D), with Seller's approval not to be unreasonably withheld or delayed. Company and its affiliates shall be obligated under the terms of the Economic Participation Agreement. This provision shall survive the Closing.

MASON:

CITY OF MASON, OHIO

By: [Signature]
Name: Eric Hansen
Title: City Manager

360 PHARMA GROUP, LLC

By: [Signature]
Name:
Title:

STATE OF OHIO)
) SS:
COUNTY OF BUTLER)

February The foregoing instrument was acknowledged before me this 19th day of February, 2015, by Dennis Smith, Managing Member of 360 Pharma Group, LLC, on behalf of the limited liability company.

[Signature]
Notary Public Seal: RICHARD T. LAUER, Attorney at Law, Notary Public, State of Ohio, My Commission Has No Expiration Date, Section 147.03 O.R.C.

STATE OF OHIO)
) SS:
COUNTY OF WARREN)

February The foregoing instrument was acknowledged before me this 19th day of February, 2015, by Eric Hansen, City Manager of the City of Mason, Ohio, an Ohio municipal corporation, on behalf of the municipal corporation.

[Signature]
Notary Public

APPROVED AS TO FORM FOR MASON BY:

Jeffrey D. Forbes, Law Director

Notary Public Seal: Kendra L. Taylor, Notary Public in and for the State of Ohio, My Commission Expires June 30th, 2015

ACKNOWLEDGMENT OF RECEIPT OF EARNEST MONEY

The undersigned acknowledges receipt of \$25,000.00 earnest money deposit from

_____.

SAFETITLE AGENCY

By: _____

Name: _____

Title: _____

Dated: _____

SPACE LEFT INTENTIONALLY BLANK

Exhibit "A"

Economic Participation Agreement

THIS ECONOMIC PARTICIPATION AGREEMENT (the "Agreement"), effective as of the 19th day of February, 2015, by and among the City of Mason, Ohio, an Ohio municipal corporation having an address of 6000 Mason-Montgomery Road, Mason, Ohio 45040 ("Mason"), and 360 Pharma Group, LLC, an Ohio limited liability company, and its affiliated entities including but not limited to Masters Pharmaceutical, Inc., an Ohio corporation, MHC Medical Products, LLC, an Ohio limited liability company, MHC Pharma, LLC, an Ohio limited liability company, RxTPL, LLC, an Ohio limited liability company and Delta Hi-Tech, Inc., a Utah corporation (collectively "Masters") having an address of 8695 Seward Road, Fairfield, OH 45011 under the following circumstances:

ASSUMPTIONS

Based on the project criteria that Masters proposes, Masters will construct and own a 300,000 square foot global pharmaceutical and related healthcare headquarters and distribution center which shall be expandable to at least 550,000 square feet. The building shall be surrounded by green space in an effort to create a "park-like" atmosphere and shall include a two-story office building of approximately 50,000 square feet. Masters expects to invest approximately \$15 million in this project. Masters will create an initial 219 jobs new to the City of Mason, and expects to increase its employee count by adding approximately 100 jobs by 2020. Masters will bring an initial payroll of approximately \$8.2 million, which it expects to increase to \$13.3 million by 2020. Masters proposes the development of a signature campus including architectural and landscaping elements that will drive additional value into Masters and the surrounding business park property.

RECITALS

A. Mason and Masters have a mutual interest in the future development of the North Mason Technology District (an 1,100 - acre conceptual development plan underway with specific focus on attracting high tech, research and development, medical, corporate and innovation companies, comprised of signature corporate headquarters in key industry sectors) specifically targeted in the Mason business attraction strategy for North Mason.

B. Masters' development is expected to facilitate all stages of growth, recognizing the need for scalability, high profile presence, access to highly educated technical workforce, a business park environment focused on the innovation and technology sectors that will support Masters' commitment to innovation and community development.

C. Masters' development represents a key part of the overall Mason economic development strategy to recruit investment, create jobs and partnerships that uniquely fit the overall acute focus of Mason and to find and partner with the most innovative companies that have defined national and international expertise and will benefit from the City and Masters' mutual commitment to health, wellness, innovation and public private partnerships.

D. Communicating the competitive advantages within target business attraction sectors is critical for the City to gain economic development momentum within the Cincinnati USA Region and nationally. A commitment to define ways of sharing the innovations of Masters, headquartered in Mason, will secure certain advantages and objectives toward that positioning.

E. Mason has proposed an aggressive financial package coupled with a request for the development of this Participation Agreement to achieve mutual project goals and long-term economic strategic partnership goals.

NOW, THEREFORE, in consideration of the premises and mutual covenants and promises contained herein, the sufficiency of which is hereby acknowledged by the parties, Mason and Masters hereby agree as follows:

PROPOSED FINANCIAL & CONTRACTUAL CONCEPT

1. Masters will make an investment of approximately \$15,000,000 and build a 300,000 square foot global headquarters and warehouse facility on approximately +/-47 acres of land to allow for expansion to over 550,000 square feet with an approximately 50,000 square foot, two-story office. Masters will bring approximately 219 initial employees, and intends to add an additional 100 employees by 2020, with an initial payroll of approximately \$8.2 million and expanding up to \$13.3 million by 2020.

2. Masters and Mason will establish a Mason Recruitment Partnership and further define Masters "Contribution," within this agreement, to help grow the district in the City with like companies that are companion type uses to complement the overall development.

3. Based on Masters' commitments, the City will offer an incentive package valuing over **\$2 million** in direct incentives benefiting the project and over **\$2 million** in indirect infrastructure improvements, possible future site savings, and workforce and wellness benefits to Masters.

4. Masters and Mason will further the approvals necessary for the purpose of carrying through commitments to be further defined.

5. Mason's Contribution is outlined below:

MASON CONTRIBUTION

A. Community Reinvestment Area Program (CRA) Tax Abatement
Mason will provide 100% abatement on real property taxes for 15-years under the (CRA) program (maximum allowable by law). The Program is subject to a payment-in-lieu of taxes to the school district, of which an estimate is calculated into the value of the incentive herein. The Mason City School District's total annual tax liability is calculated each year. The rights and

duties of the parties, including Masters' obligations to pay the tax liability related to the Mason City School District, shall be set forth in a separate agreement between the parties.

Total Estimated Incentive Value - \$1.58M

B. Land Purchase Incentive. Mason will offer a reduced land purchase price of \$28,000 per acre for approximately 42 acres and \$36,000 for approximately 5 acres of the existing property as is and as outlined conceptually in the site plan scenarios and the Purchase and Sale Agreement. The land price anticipates the proposed investment value of short and long term investment and job creation by Masters. This price does not include overhead for any infrastructure, utilities, roadway access or other improvements on the site itself. Mason commits to work closely with Masters to further explore alignment of development scenarios that maximize the goals of both the City and Masters.

Estimated Overall Incentive Value \$510,000

C. Workforce Attraction, Wellness & Community Center Incentive. Mason will develop a wellness and workforce recruitment package customized for Masters that incorporates the Mason Community Center Memberships, wellness programming, and other corporate and community amenities used for employee recruitment and retention in conjunction with the needs of Masters.

(i) Mason Community Center Incentive. Mason will provide Basic Family Memberships to the Mason Community Center (individual value \$1,084) for all Masters' employees, with eligibility beginning at occupancy and continuing during the first five years of operation and renewable by mutual consent thereafter. Masters shall contribute a negotiated amount to upgrade basic membership to premier membership (individual upgrade value of \$396), to be made available to eligible employees that Masters shall designate. Mason and Masters shall have the option to renegotiate and renew this Incentive at the end of the Original five-year term. The Mason Community Center Incentive shall be further outlined and calculated upon meeting, evaluation of need and negotiation with Masters.

Estimated Value - \$1M.

(ii) Business Development Golf Access Incentive. Mason will provide a negotiated number of rounds of golf at the Golf Center at Kings Island so long as Mason owns this Golf Center, for businesses development, workforce recruitment and retention purposes.

(iii) Wellness Programming Partnership. This section is offered to provide access to opportunities with Mason Wellness Partners to develop custom corporate wellness programming. Corporate partners at the Mason Community Center gain access to wellness programming in cooperation with the City of Mason, and its partners, Bethesda Health, Inc., Tri Heath, and others that apply in areas such as: wellness/healthcare, mental health, ADHD, Pain Management, and Depression.

D. Mason Customized Tax Incentive Grant: Mason will provide, through the Mason Port Authority, a customized Incentive Grant in the amount of \$100,000 to Masters-to leverage Masters' investment and job creation. The Incentive Grant is contingent upon both Purchaser's investment and Masters' job creation commitments as outlined herein. The funds are available for the purpose of construction, modification, furnishing and equipping of the Facility that will create and preserve jobs and employment opportunities. More specifically, the funds are being provided to assist with infrastructure and landscaping needed to accomplish the mutual goal of campus development and high profile site work. More specific terms of use, disbursement, reporting and compliance are outlined in a separate agreement between Masters and the Mason Port Authority and authorized by approval of the Mason Port Authority Board.

Value - \$100,000.

E. North Mason Technology District Business Park Site Advantage. Mason has and will continue to make significant reinvestment into infrastructure within the City of Mason, Ohio. The area surrounding the Project site has been the focus of millions in infrastructure upgrades since 1998 including Master Planning of the thoroughfare, bike and trails systems and planned connections between all major arterials including Mason-Montgomery Road, State Route 741, US 42 and both I-71 and I-75. The North Mason Technology District is positioned strategically between residential, commerce, airports and most major corridors accessing surrounding communities on all sides. To further enhance the District and the Project, Mason shall rename the Property and the adjacent land to the north of the Property to a mutually-agreeable designation that reflects the joint development goals of the parties. Mason shall use the new designation in planning and marketing materials identifying and advertising the site and, as the site is further developed, shall install (or require subsequent purchasers to install) signage, lighting and other infrastructure that is consistent with and complimentary to the development of a unified vision for the site. In addition, Mason shall cooperate with the Company's efforts to select a mailing address or addresses, including a street name, for the Company's office headquarters that conveys the parties' joint development goals.

F. Covenants & Restrictions. Mason will collaborate with Masters to review and prepare Covenants, Conditions, and/or Restrictions that shall be imposed upon the Property and Seller's remaining property, as more fully described/depicted in Exhibit "G" of the Contract. The Covenants, Conditions, and/or Restrictions, referenced in Section 5.C of the Contract shall be developed by Mason and will be reviewed and approved by Masters prior to Closing.

G. Site-Related Documents. Mason will provide Masters with any and all existing soil tests and reports, environmental assessments, utility or boundary surveys, or other documents relating to the development potential of the Site.

H. Variance Consideration. Mason shall work with Masters to ensure all applications for variances are processed expeditiously.

6. Masters' Contribution is outlined below:

MASTERS' CONTRIBUTION

A. Masters and Mason leadership shall meet, within six (6) months of the execution of this Agreement, to discuss, define in more detail and approve any mutually agreed upon action steps, to be incorporated herein, to participate in the BioHealth Recruitment Partnership and to further Mason's objective to grow the BioHealth Cluster, attract high tech, research and development and medical device related industry sectors to Mason. Draft representations are set forth in items (i) through (vi) below (will require some further discussion between Mason and Masters). The terms for satisfactory compliance with these provisions shall be discussed and formally approved by Mason and Masters.

(i) Identify collaboration with Masters and/or other recommended complementary medical device, pharmaceutical or like-industry companies to increase exposure and opportunities to create critical mass of bio investment within the City of Mason.

(ii) Collaborate on branding and reputation, and marketing opportunities to promote Mason as an attractive location for bio companies, including exposure of Masters' headquarters location in the City of Mason's North Mason Technology district via press release (using a Mason, Ohio dateline) and other Masters collateral information cited/date stamped as a Mason, Ohio location.

(iii) Identify key milestone celebrations for Masters (groundbreaking, grand opening, industry recognition, etc.) where Mason can support and complement celebration activities, including relevant City of Mason and/or State of Ohio recognition and participation, media relations support and industry awareness.

(iv) During the term of the incentive, work annually to define Mason's involvement in certain relevant trade show, customer-supply chain, and industry medical innovations domestically and internationally, taking into consideration Masters' objectives and any confidentiality requirements of the Company.

(v) Masters shall serve in advisory capacity as it relates to primary industry segment of Masters, when appropriate.

(vi) Masters will make an annual contribution of \$10,000.00 to the Mason Community Improvement Corporation ("CIC") for five years after occupation and negotiable by the parties thereafter, for the purpose of fostering branding and recruitment activity in the North Mason Technology District.

(vii) Masters and Mason will work in good faith to establish and meet the goals of such partnership, and any additional financial contributions or commitment not specifically set forth in this Agreement must be approved in the discretion of the party who is requested to make the financial contribution or commitment.

B. **Planning & Design Vocabulary Criteria.** Masters and Mason mutually commit to partner toward the end goal of constructing attractive developments, signature buildings,

landscaping and roadways, that are consistent with Mason's master planning goals for the North Mason Technology District, by contributing as set forth herein: Since the Property (as defined in the Contract for Sale and Purchase), is located along a key "corridor" that will set the design theme, brand and image along this primary corridor entrance to Mason's high end business park, the site planning and architectural vocabulary of the Masters' Project must convey a high tech design vocabulary that will set the tone for future development and protect adjacent property owner's investment. Similar design standards will be adhered to by Mason for the development of property adjacent to the Project. Masters agrees to implement the concept goals of the District and deliver a signature building that helps project the desired image, taking into account Masters' proprietary and strategic goals and consideration.

C. **Signature Corporate Headquarters.** Masters agrees to construct a new approximately 300,000 SF office and warehouse building consistent with the site configuration, design vocabulary and character, building materials and construction quality as outlined in conceptual sketches and elevations to be provided and approved by the City.

7. **Claw Back Options.** It is expressly understood by the parties that the sale and purchase of the Property is based upon new investment and job creation within a targeted industry sector that Seller, the City of Mason, Ohio, seeks to attract to North Mason Technology District. The economic incentives as outlined in this Agreement, and Mason's consideration and approval of this transaction is based on the highest and best use of the Property combined with the creation of jobs. Should the proposed commitments of Masters not be achieved as outlined in this Agreement, Mason shall be entitled to the incentive "claw backs" from Masters, its heirs, successors and assigns as follows: (i) the right to repurchase the Property from Masters for 90% of the final Purchase Price paid by Masters to Mason under this Contract, if development and construction of the two (2) story corporate headquarters office building does not commence, as evidenced by the completed footers and foundation for the building, within eight (8) months of the Closing, or construction has not been completed, as evidenced by temporary certificate of occupancy within 36 months of Closing, except the foregoing date shall be subject to reasonable extensions for reasonable force majeure delays; and/or (ii) the forfeiture and/or repayment of cash incentives credited or paid directly to Masters considering all circumstances, except no claw backs for market conditions adversely impacting Masters' company or industry will be considered for Community Reinvestment Area ("CRA") obligations. Mason agrees to reasonably consider and allow extensions of the foregoing dates if Masters provides evidence that they are proceeding with due diligence to commence and/or complete the Project. These obligations of Masters shall run with the land and a Memorandum shall be recorded in the Warren County, Ohio records.

8. **Right of First Offer ("ROFO") and Option.** The parties agree to continue to negotiate a ROFO and purchase option with the intent to provide a path to recruiting companion companies to the build-able lot south of Masters' Property, as depicted on Exhibit "A" attached hereto. The terms of the ROFO and the Option recognize that the Mason Economic Strategy encourages the preservation of buildable lots for quality construction on adjacent parcels. The ROFO should also take into consideration market land value at the time of sale or resale. The Option should take into account Masters' role in spearheading development within the North Mason Technology District and its commitment to bring jobs and future investment to the City.

9. **Notices.** Any notice or consent required or permitted to be given by or on behalf of either party to the other shall be given by mailing such notice or consent by United States certified or registered mail, postage prepaid and return receipt requested, or via a reputable express overnight mail service which provides proof of delivery addressed to the parties as set forth below or at such other address as may be specified from time to time in writing delivered to the other party. Notices shall be effective upon receipt or refusal, as the case may be.

If to Masters:

Rick Lauer
General Counsel, SVP Strategic Acquisitions
360 Pharma Group, LLC
8695 Seward Road
Fairfield, Ohio 45014

If to Mason:

City of Mason
6000 Mason-Montgomery Road
Mason, Ohio 45040
Attn: Mr. Eric Hansen

10. **Miscellaneous.**

A. **Conflict of Interest; Representatives of Mason Not Individually Liable.** No official or employee of Mason shall have any personal interest, direct or indirect, in this Agreement, nor shall any such official or employee participate in any decision relating to this Agreement which affects his or her personal interests or the interest of any corporation, partnership, or association in which he or she is, directly or indirectly, interested. No official or employee of Mason shall be personally liable to the Purchaser, or any successor in interest, in the event of any default or breach by Mason or for any amount or amounts which may become due to the Masters or any successor to the Masters or on any obligations under the terms and conditions of this Agreement.

B. **Non-Merger by Operation of Deed.** None of the provisions of this Agreement are intended to or shall be merged by reason of any deed transferring title to the real property comprising the Development Site/Property as defined in the Contract for Purchase and Sale, and any such deed shall not be deemed to affect or impair the terms and conditions of this Agreement.

C. **Severability.** In the event that any portions, sections or subsections of this Agreement are rendered invalid by the decision of any court or by the enactment of any law, ordinance or regulation, such provision of this Agreement will be deemed to have never been included therein and the balance of the Agreement shall continue in full force and effect.

D. **Duration.** The term of this Agreement shall commence on the date set forth above and shall remain in effect and as a continuing obligation of the Parties, for a term co-terminus with the CRA Tax Abatement and Mason Port Authority Incentive Agreement, but not exceeding a term of 20 years, unless otherwise agreed to and extended by the Parties. This

Agreement shall terminate in the event that the Masters or Masters' designee does not close on the Contract for Sale and Purchase, in accordance with the terms thereof.

E. Waiver. No consent or waiver, expressed or implied, by either party to or of any breach of any covenant, condition, or duty of the other party shall be construed as a consent or waiver to or of any other breach of the same or any other covenant, condition or duty to be observed by the other party.

F. Authority. Each party to this Agreement hereby represents and warrants that it is executing this Agreement with the full and proper authority and that the parties whose names appear hereon are duly authorized and empowered to make and execute this Agreement.

G. Assignment. This Agreement shall be binding on the parties hereto and their respective successors and assigns. In the event the Masters assigns this Agreement, written notice of such assignment shall be provided to Mason at least fifteen (15) business days in advance of such assignment. Any such assignment may only be made to a person or entity financially capable of completing the development plan described herein and shall expressly provide that the assignee shall comply with all the terms and requirements of this Agreement.

H. Merger and Amendment. This Agreement supersedes any and all other agreements, either oral or in writing, between the parties hereto with respect to the Development Site, and the development plan to be completed thereon, and contains all of the covenants, agreements, and other terms and conditions between the parties hereto with respect to the same. No waivers, alterations or modifications of this Agreement or any agreements in connection therewith shall be valid unless in writing and duly executed by all parties hereto. Any substantial waivers, alterations, or modifications of this Agreement will require the adoption of legislation by the Council of the City of Mason, Ohio which it exercises in its sole discretion and legislative prerogative.

I. Governing Law. This Agreement shall be governed by the laws of the State of Ohio.

J. Language. The language in all parts of this Agreement shall in all cases be construed as a whole according to its fair meaning and not strictly for nor against either Mason or Masters. Section headings in this Agreement are for convenience only and are not to be construed as a part of this Agreement or in any way defining, limiting or amplifying the provisions hereof. The parties agree that in the event any term, covenant, or condition herein contained is held to be invalid or void by any court of competent jurisdiction, the invalidity of such term, covenant, or condition shall in no way affect any other term, covenant, or condition herein contained. Terms used in this Agreement in capitalized form and not otherwise defined herein shall have the meanings given to such terms in the Contract for Sale and Purchase.

Masters has caused this Agreement to be duly executed by Dennis Smith its President, on the 19th day of February, 2015; and Mason has caused this Agreement to be duly executed by Eric Hansen, its City Manager, on the 19th day of February, 2015, as authorized by Ordinance No. 2015-21.

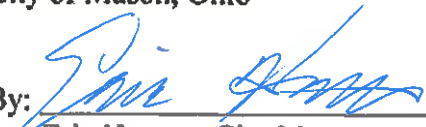
K. Severability. In the event that any provision or clause in this Contract shall be ruled invalid and severed by a court of competent jurisdiction, such severability shall not affect other provisions of this Contract and they shall remain in full force and effect. This provision shall survive the Closing or any termination hereof.

The parties have executed this Contract through the authorized representatives as of the respective dates set forth below.

SELLER:

City of Mason, Ohio

2-19-15
Date

By: 
Eric Hansen, City Manager

PURCHASER:

360 Pharma Group, LLC

2-19-15
Date

By: 
Name: Dennis Smith
Title: Managing Member

APPROVED AS TO FORM:

Jeffrey D. Forbes, Law Director

EXHIBITS TABLE OF CONTENTS: Contract for Sale and Purchase

Exhibit A – Economic Participation Agreement

Exhibit B – North Mason Technology District Master Plan

Exhibit C – Site Map

Exhibit D – Legal Description of Property

Exhibit E – Developer Site and Elevation Concept

Exhibit F – Escrow Agreement (Earnest Money Deposit)

Exhibit G- Covenants, Conditions, and/or Restrictions Area



**PROPOSED CORPORATE HEADQUARTERS
FOR
MASTERS PHARMACEUTICALS**



**PROPOSED CORPORATE HEADQUARTERS
FOR
MASTERS PHARMACEUTICALS**

