

LIFEPOINT HEALTH®

February 14, 2017

Attorney General
525 W. Ottawa Street, 7th Floor
Lansing, Michigan 48909

Department of Attorney General
Corporate Oversight Division
Charitable Trust Section attorney - Time Sensitive
525 W. Ottawa Street, 6th Floor
Lansing, Michigan 48909

RECEIVED
FEB 16 2017
Dept. of Attorney General
Estates Section

Dear Mr. Attorney General:

Pursuant to the Monitoring, Compliance and Enforcement Agreement (the "MCE Agreement") by and among the Michigan Department of Attorney General, Bell Memorial Hospital and Bell Medical Center, Acquisition Bell Hospital, LLC ("LifePoint"), LifePoint Hospitals Holdings, LLC f/k/a LifePoint Hospitals Holdings, Inc., and Stout Risius Ross, Inc. ("Monitor"), please find enclosed a Certificate of Compliance, satisfying the requirement for an Annual Report (as defined in the MCE Agreement) for the period between January 1, 2016 and December 31, 2016.

Concurrent with the submission of the enclosed Certificate of Compliance, pursuant the MCE Agreement, LifePoint is submitting the Required Documents (as defined in the MCE Agreement) to Monitor.

Please feel free to contact me if you have any questions.

Sincerely,



330 Seven Springs Way, Brentwood, Tennessee 37027
Phone: 615-920-7000

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ACQUISITION BELL HOSPITAL, LLC

CERTIFICATE OF COMPLIANCE

Pursuant to that certain Monitoring, Compliance and Enforcement Agreement (the "MCE Agreement"), by and among the Michigan Department of Attorney General, Bell Memorial Hospital and Bell Medical Center (collectively, "Bell"), Acquisition Bell Hospital, LLC ("Buyer"), LifePoint Hospitals Holdings, LLC f/k/a LifePoint Hospitals Holdings, Inc., and Stout Risius Ross, Inc. ("Monitor"), I, Mitch Leckelt, do hereby certify that I am the duly elected, qualified and acting officer of Buyer, and further certify that during the period between January 1, 2016 and December 31, 2016:

1. **Indigent Care.** Pursuant to Section 9.9 of the Purchase Agreement, Buyer has adhered to Bell's policies for the treatment of indigent patients, subject to any changes necessary to comply with applicable Legal Requirements (as defined in the Purchase Agreement) including as such Legal Requirements have been modified by healthcare reform provisions.
2. **Capital Commitment.** Pursuant to Section 9.10 of the Purchase Agreement, Buyer has expended \$1,371,097 in capital expenditures for the benefit of the Facilities (as defined in the Purchase Agreement) as part of its Capital Commitment in compliance with the Capital Plan (as defined in the Purchase Agreement). For clarification purposes, pursuant to Section 3(I) of the MCE Agreement, Buyer's compliance with the Capital Commitment does not require that the aggregate commitment be fulfilled on a pro-rated basis during the 10 year period following the Closing (as defined in the Purchase Agreement).
3. **Continuation of Services.** Pursuant to Section 9.12 of the Purchase Agreement, Buyer continued to provide, in all material respects, the healthcare services identified on Schedule 9.12 to the Purchase Agreement and the programs provided prior to Closing by Seller Group (as defined in the Purchase Agreement) at the Facilities. Buyer has retained an independent Board of Trustees and maintained the direct reporting relationship to the Eastern Group of LifePoint.
4. **Restriction on Sale of the Hospital.** Pursuant to Section 9.16 of the Purchase Agreement, Buyer has not sold the assets of the Hospital to a third party and is a direct or indirect subsidiary of LifePoint Hospitals.
5. **Amendment to the Purchase Agreement.** The Purchase Agreement, including the AG Enforceable Provisions, has not been amended in any material manner.
6. **Required Documents.** Pursuant to Section 2(A)(ii) of the MCE Agreement, Buyer has submitted the Required Documents to Monitor.

Capitalized terms used herein but not otherwise defined have the same meanings ascribed to such terms in the MCE Agreement.

IN WITNESS WHEREOF, the undersigned has executed this Certificate as of Feb 10, 2017.

ACQUISITION BELL HOSPITAL, LLC

By: Mitch Leckelt
Name: Mitch Leckelt
Title: CEO

**Exhibit B
UP Health System - Bell
Capital Expenditures
Dec 2013-Dec 2016**

Asset Purchase Agreement Commitment		Running Total \$5,000,000.00
December 1 - December 31, 2013		
FF&E	\$71,735.82	
2013 Capital Expenditures		\$71,735.82
 Calendar Year 2014		
FF&E	\$518,420.00	
CAMS	\$23,461.00	
Facility	\$104,511.00	
Information Technology	\$939,846.00	
Physician Recruiting	\$77,151.00	
Community Need Locums	\$215,564.00	
2014 Capital Expenditures		\$1,878,953.00
 Calendar Year 2015 - Plan		
FF&E	\$207,244.00	
Facility	\$100,613.00	
Information Technology	\$274,588.00	
2015 Capital Expenditures		\$582,445.00
 Calendar Year 2016		
FF&E	\$586,713.00	
Facility	\$60,137.00	
Information Technology	\$724,247.00	
2016 Capital Expenditures		\$1,371,097.00
 Calendar Year 2017		
FF&E	\$0.00	
Plans and Construction		
2017 Capital Expenditures		\$0.00
 Calendar Year 2018		
FF&E	\$0.00	
2018 Capital Expenditures		\$0.00
 Calendar Year 2019		
FF&E	\$0.00	
2019 Capital Expenditures		\$0.00
 Calendar Year 2020		
FF&E		
2020 Capital Expenditures		\$0.00
 Calendar Year 2021		
FF&E		
2021 Capital Expenditures		\$0.00
 Capital Expenditure Commitment Remaining		\$1,095,769.18

LIFEPOINT HEALTH

Dept. of
Attorney General

FEB 15 2017

Charitable Trust Section
Received

February 14, 2017

Attorney General
525 W. Ottawa Street, 7th Floor
Lansing, Michigan 48909

Dept. of
Attorney General

FEB 18 2017

Charitable Trust Section
Received

Department of Attorney General
Corporate Oversight Division
Charitable Trust Section attorney - Time Sensitive
525 W. Ottawa Street, 6th Floor
Lansing, Michigan 48909

Dear Mr. Attorney General:

Pursuant to the Monitoring, Compliance and Enforcement Agreement (the "MCE Agreement") by and among the Michigan Department of Attorney General, Portage Health, Inc. and Copper County Apothecaries, Inc., LifePoint Holdings 2, LLC ("LifePoint"), Portage Holding Company, LLC, and Stout Risius Ross, Inc. ("Monitor"), please find enclosed a Certificate of Compliance, satisfying the requirement for an Annual Report (as defined in the MCE Agreement) for the period between January 1, 2016 and December 31, 2016.

Concurrent with the submission of the enclosed Certificate of Compliance, pursuant the MCE Agreement, LifePoint is submitting the Required Documents (as defined in the MCE Agreement) to Monitor.

Please feel free to contact me if you have any questions.

Sincerely,



330 Seven Springs Way, Brentwood, Tennessee 37027

Phone 615 920-7000

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PORTAGE HOLDING COMPANY, LLC

CERTIFICATE OF COMPLIANCE

Pursuant to that certain Monitoring, Compliance and Enforcement Agreement (the “MCE Agreement”) by and among the Michigan Department of Attorney General, Portage Health, Inc. and Copper County Apothecaries, Inc. (“Portage”), LifePoint Holdings 2, LLC (“LifePoint”), Portage Holding Company, LLC (“Joint Venture”), and Stout Risius Ross, Inc. (“Monitor”), I, Jeff Lang, do hereby certify that I am the duly elected, qualified and acting officer of Joint Venture, and further certify that during the period between January 1, 2016 and December 31, 2016:

1. **Indigent Care.** Pursuant to Section 9.9 of the Contribution Agreement, LifePoint and Joint Venture have caused the Hospital to maintain and adhere to Portage’s policies for the treatment of indigent patients, subject to any changes necessary to comply with applicable Legal Requirements (as defined in the Contribution Agreement) including as such Legal Requirements have been modified by healthcare reform provisions.
2. **Capital Commitment.** Pursuant to Section 9.10 of the Contribution Agreement, Joint Venture has expended \$6,124,763 in capital expenditures as part of its Capital Commitment Amount (as defined in the Contribution Agreement) in accordance with the Capital Plan (as defined in the Contribution Agreement). For clarification purposes, pursuant to Section 9.10 of the Contribution Agreement and Section 3(I) of the MCE Agreement, Joint Venture’s compliance with the Capital Commitment Amount does not require that the capital commitment be fulfilled on a pro-rated basis each year.
3. **Continuation of Services.** Pursuant to Section 9.12 of the Contribution Agreement, Joint Venture continued to provide the healthcare services and programs set forth on Schedule 9.12 to the Contribution Agreement.

In addition, please be advised that Joint Venture will provide the home health and hospice services that are currently provided by UP Health System Home Care and Hospice Portage through a joint venture (the “HHA/Hospice JV”) between LHCG Partner, LLC (which is an affiliate of LHC Group, Inc. with expertise in the provision of home health and hospice services) and Home Health Partner, LLC (which is an affiliate of Joint Venture). UP Health System Home Care and Hospice Portage’s assets are currently scheduled to be transferred to the HHA/Hospice JV effective April 1, 2017, at which time Joint Venture will continue the provision of home health and hospice services through the HHA/Hospice JV.

4. **Restriction on Sale of the Hospital.** Pursuant to Section 9.16 of the Contribution Agreement, LifePoint Health f/k/a LifePoint Hospitals continued to own, directly or indirectly, LifePoint and the Hospital, and LifePoint has not transferred, directly or indirectly, its equity interest in Joint Venture to a third party.
5. **Amendment to the Contribution Agreement.** The Contribution Agreement, including the AG Enforceable Provisions, has not been amended in any material manner.
6. **Required Documents.** Pursuant to Section 3(A)(ii) of the MCE Agreement, Joint Venture has submitted the Required Documents to Monitor.

Capitalized terms used herein but not otherwise defined have the same meanings ascribed to such terms in the MCE Agreement.

[Signature Page Follows]

IN WITNESS WHEREOF, the undersigned has executed this Certificate as of February 13, 2017.

PORTAGE HOLDING COMPANY, LLC

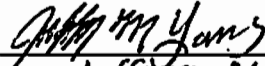
By: 
Name: Jeffrey M. Lane
Title: CEO

Exhibit A
UP Health System - Portage
Capital Expenditures
Dec 2013-Dec 2016

			<u>Running Total</u>
Capital Commitment			\$60,000,000.00
December 2013 and Calendar Year 2014			
Routine Capital	\$1,390,225.31		
IT&S, CAMS & FAC capital	<u>\$1,809,035.00</u>		
Dec 2013 and 2014 Capital Expenditures		\$3,199,260.31	\$56,800,739.69
Calendar Year 2015			
Routine Capital	\$771,059.00		
IT&S, CAMS & FAC capital	<u>\$2,320,957.00</u>		
2014 Capital Expenditures		\$3,092,016.00	\$53,708,723.69
Calendar Year 2016			
Routine Capital	\$612,010.00		
IT&S, CAMS & FAC capital	\$5,512,753.00		
2016 Capital Expenditures		\$6,124,763.00	\$47,583,960.69
Calendar Year 2017			
Routine Capital			
IT&S, CAMS & FAC capital			
2017 Capital Expenditures		\$0.00	\$47,583,960.69
Calendar Year 2018			
Routine Capital			
IT&S, CAMS & FAC capital			
2018 Capital Expenditures		\$0.00	\$47,583,960.69
Calendar Year 2019			
Routine Capital			
IT&S, CAMS & FAC capital			
2019 Capital Expenditures		\$0.00	\$47,583,960.69
Calendar Year 2020			
Routine Capital			
IT&S, CAMS & FAC capital			
2020 Capital Expenditures		\$0.00	\$47,583,960.69
Calendar Year 2021			
Routine Capital			
IT&S, CAMS & FAC capital			
2021 Capital Expenditures		\$0.00	\$47,583,960.69
Calendar Year 2022			
Routine Capital			
IT&S, CAMS & FAC capital			
2022 Capital Expenditures		\$0.00	\$47,583,960.69
Jan-November 2023			
Routine Capital			
IT&S, CAMS & FAC capital			
2023 Capital Expenditures		\$0.00	\$47,583,960.69
Capital Expenditure Commitment Remaining @ 12/31/16			\$47,583,960.69