Bell Hospital
Superior Healthcare System

Fairness Opinion for Bell Memorial Hospital

September 19, 2013

TABLE OF CONTENTS

1. Purpose and Statement of Limiting Conditions

Bell Hospital
Superior Healthcare System

Purpose and Statement of Limiting Conditions

- Bell Memorial Hospital, a Michigan nonprofit corporation, and Bell Medical Center, a Michigan nonprofit corporation, (collectively, "Bell") own and operate Bell Hospital (the "Bell Hospital"), a 25-bed acute care critical access facility in Ishpeming, Michigan; a medical outpatient clinic facility (the "Bell Clinic") in Negaunee, Michigan; and related ancillary facilities (together with the Bell Hospital and Bell Clinic, the "Bell Facilities" and the operation of the Bell Facilities, collectively, the "Bell Business").
- Bell has agreed to sell to Acquisition Bell Hospital, LLC ("LifePoint Bell Acquisition Company"), a wholly-owned subsidiary of LifePoint Hospitals, Inc. ("LifePoint"), all of Bell's rights, title and interest in and to all assets located at or held or used in connection with the Bell Business, except for certain excluded assets. The Bell Business sold by Bell to LifePoint Bell Acquisition Company will include Bell's 5.12% membership interest in (i) Upper Peninsula Health Plan, LLC, a Michigan limited liability company that is a qualified health plan, and (ii) Upper Peninsula Managed Care, LLC, a Michigan limited liability company.

Purpose and Statement of Limiting Conditions

- Bell and LifePoint Bell Acquisition Company have entered into that certain Asset Purchase Agreement (together with, to the extent provided as of the execution date, certain exhibits and schedules referenced therein, collectively, the "Bell Transaction Documents"), dated June 19, 2013, pursuant to which, subject to the terms and conditions of the Bell Transaction Documents, Bell will sell the Bell Business to LifePoint Bell Acquisition Company in exchange for a purchase price (the "Bell Purchase Price"), prior to adjustments, escrows and holdbacks provided for in the Bell Transaction Documents, in an amount to be determined at the closing of the transaction that will equal the following as of such closing (i) the assumption or payment by LifePoint of (a) the unfunded pension obligation of Bell, (b) Bell's outstanding bonds, other obligations to repay money, swap obligations, capital lease obligations and any other remaining indebtedness, (c) Bell's premiums for the tail insurance, (d) Bell's transaction costs related to the transaction, and (e) all other outstanding liabilities of Bell assumed by LifePoint Bell Acquisition Company as set forth in Schedule 2.1 of the Bell Transaction Documents; minus (ii) the sum of (a) Bell's cash and cash equivalents and (b) Bell's investments; plus (iii) $1,000,000 payable to Bell Foundation, Inc. The Bell Purchase Price is subject to a minimum of $37,496,000.
- The transaction related to the Bell Business as described in the immediately preceding paragraph is herein referred to as the "Bell Transaction."

Bell Hospital
Superior Healthcare System

Purpose and Statement of Limiting Conditions

- The Michigan Department of Attorney General (the "Department") has requested Cain Brothers' opinion as to the fairness, from a financial point of view, to Bell and Bell Foundation, Inc., collectively, of the Bell Purchase Price to be paid to Bell and Bell Foundation, Inc. in return for Bell's sale of the Bell Business to LifePoint Bell Acquisition Company pursuant to the Bell Transaction Documents.
- In preparing our opinion, we have assumed and relied upon, with the consent of the Department, the accuracy and completeness of all information reviewed by us, and we have relied upon the assurances of Bell's management that it is not aware of any facts that would make such information inaccurate or misleading. We have not assumed any responsibility for verifying and have not independently verified such information or undertaken an independent valuation or appraisal of the assets or liabilities (contingent or otherwise) of the Bell Business, nor have we been furnished with any such valuation or appraisal, and we have not evaluated the solvency of Bell, LifePoint Bell Acquisition Company, or LifePoint or their respective affiliates under any state or federal laws relating to bankruptcy, insolvency or similar matters. We express no opinion as to the liquidation value of any entity or as to the tax or other consequences of the Bell Transaction.
- "Fair Market Value," as used in our opinion, reflects the price at which a business or business interest would change hands between a willing buyer and a willing seller, neither being under compulsion to buy or sell and both having reasonable knowledge of the relevant facts as of the valuation date. Furthermore, Fair Market Value implies a value not affected by undue stimulus and derived after a reasonable time in the open market. Our opinion as to the fairness, from a financial point of view, of the Bell Transaction was developed based on comparing the Fair Market Value of the Bell Business with the Bell Purchase Price.

Bell Hospital
Superior Healthcare System

Purpose and Statement of Limiting Conditions

- We are not legal, tax or accounting advisors and have relied upon Bell and its legal, tax and accounting advisors to make its own assessment of all legal, tax and accounting matters relating to the Bell Business and the related Bell Transaction.
- Bell did not provide information about the expected future financial performance of the Bell Business.
- In arriving at our opinion, we did not attribute any particular weight to any analysis or factor considered by us, but instead made qualitative judgments as to the significance and relevance of each analysis and factor. Each method of analysis has inherent strengths and weaknesses, and the nature of the available information may further affect the analytic value of particular methods. Accordingly, we believe that our analyses must be considered as a whole and that selecting portions of our analyses, without considering all analyses, would create an incomplete view of the process underlying this opinion.
- We have not reviewed the books and records of Bell or conducted a physical inspection of the properties or facilities of the Bell Business, nor have we assumed any responsibility for any such review or inspection. We have assumed, with the Department's consent, that the Bell Transaction will be consummated on the terms set forth in the Bell Transaction Documents without waiver or modification of any material terms. We have assumed, in all respects material to our analysis, that the representations and warranties of each party contained in the Bell Transaction Documents are true and correct, and that each party will perform all of the covenants and agreements required to be performed by it under the agreement.
- Our opinion is necessarily based on economic, market and other conditions and circumstances as they exist and can be evaluated on, and the information made available to us as of, the date hereof. Events occurring after the date hereof may affect this opinion and the assumptions used in preparing it, and we do not assume any obligation to update, revise, reaffirm or withdraw this opinion or to otherwise comment upon events occurring after the date hereof.

Purpose and Statement of Limiting Conditions

- In rendering our opinion, we have not been engaged to act as an agent of or fiduciary to Bell, the Department, LifePoint, or any other third party. We have prepared this report for the Department in connection with the Bell Transaction, and we will receive a fee from LifePoint Holdings 2, LLC ("LifePoint Sub"), a wholly-owned subsidiary of LifePoint, for such services upon delivery of this opinion to the Department irrespective of our conclusions. In addition, LifePoint Sub has agreed to reimburse us for our expenses. Neither Cain Brothers nor any of its employees have a direct financial interest in Bell, LifePoint Bell Acquisition Company or LifePoint.
- This opinion does not constitute a recommendation to the Department as to whether the Department should approve the Bell Transaction. This opinion does not address (i) the terms of the Bell Transaction Documents except the fairness of the Bell Purchase Price as expressly set forth in our opinion, (ii) the decision of the Board of Directors of Bell to proceed with the Bell Transaction or the timing thereof, or (iii) the relative merits of the Bell Transaction. Furthermore, we express no opinion with respect to the amount or nature of any compensation received by any officers, directors or employees of any party to the Bell Transaction, or any class of such persons, or with respect to the fairness of any such compensation relative to the Bell Purchase Price or otherwise. We have assumed at the Department's direction that in conducting the process leading up to the Bell Transaction, the Board of Directors of Bell has complied with its fiduciary duties and that the decision of the Board of Directors of Bell to enter negotiations and execute the Bell Transaction Documents with LifePoint Bell Acquisition Company was based on the exercise of appropriate business judgment.
- Our opinion addresses only the fairness of the Bell Purchase Price paid by LifePoint Bell Acquisition Company, from a financial point of view, and we do not express any views on any other terms of the Bell Transaction, including without limitation the effect of any adjustments, escrows, indemnities or holdbacks provided for in the Bell Transaction Documents.

Purpose and Statement of Limiting Conditions

- This opinion is intended solely for the benefit of the Department in considering the Bell Transaction to which this opinion relates. If disseminated, this report must be disclosed in its entirety and may not be relied on by any third party.

2. Scope of the Engagement and Conclusion

Scope of the Engagement and Conclusion

Procedures Performed

- In reaching our opinion, we have:
  - Reviewed the form and content of the Bell Transaction Documents;
  - Discussed with the senior management of Bell the financial consequences of the Bell Transaction;
  - Held meetings with the senior management and counsel of Bell to discuss the Bell Business and operations of the Bell Business, including the following topics:
    - Business prospects
    - Historical operating and financial performance
    - Corporate strategy
    - Market share trends
    - Demographic statistics and trends
    - Competition
    - Patient base
    - Provider relationships
    - Payor market
    - Operations
    - Capital expenditure requirements
    - Expected future operations
    - Current debt covenant obligations

Scope of the Engagement and Conclusion
Procedures Performed (Cont'd)

- Reviewed and analyzed financial statements and other financial and operating information of Bell for the fiscal years ended June 30, 2011, 2012 and 2013;
- Considered the implications to Bell of national and local trends in the health care industry, specifically as they impact the Bell Business and its position on Michigan's Upper Peninsula;
- Considered financial and other publicly available information concerning companies engaged in providing acute care hospital services and considered the financial characteristics and valuations of those companies whose equity securities trade in the public capital markets;
- Reviewed and analyzed certain publicly available and proprietary information concerning the financial and operating characteristics and valuations of those transactions involving the sale of acute care hospitals, hospital systems and hospital management companies;
- Considered and applied two conventional valuation methodologies to the Bell Business:
  - Public Market Valuation Methodology
  - Comparable Transactions Methodology
- We did not apply the Discounted Cash Flow Methodology since complete financial projections for the Bell Business were not provided;
- Considered Bell's obligations pursuant to its debt covenants; and
- Performed such other work we judged necessary to develop our valuation conclusions.

Scope of the Engagement and Conclusion
Conclusion

- Based on the work performed as described herein, we concluded that the Fair Market Value of the Bell Business to be sold to LifePoint Bell Acquisition Company by Bell in connection with the Bell Transaction ranges from $20.2 million to $25.2 million and the Bell Purchase Price to be $37.5 million. Based on a comparison of the Bell Purchase Price to this range of Fair Market Values for the Bell Business, it is our opinion that as of the date hereof, the Bell Purchase Price to be received in the aggregate by Bell and Bell Foundation, Inc. in connection with the Bell Transaction is fair to Bell and Bell Foundation, Inc., collectively, from a financial point of view.

3. Significant Valuation Factors for the Bell Business

Significant Valuation Factors for the Bell Business

Factors and Implications

The following summarizes our assessment of certain key valuation factors that we considered significant and relevant in arriving at our conclusions:

Attribute	Description	Valuation Implication
Market Position	Bell has strong community and physician support, but faces increasing competition due to its proximity to the larger, more stable Marquette General Health System (owned by Duke LifePoint).	Negative. It is increasingly difficult for Bell to maintain its position in the market particularly after Duke LifePoint's acquisition of Marquette General Health System. The proximity to the larger health system has hampered physician recruitment and limited interest by potential buyers.
Market Characteristics	Bell is located only 16 miles for the 276-bed Marquette General Hospital, which represents Bell's primary competitor capturing approximately 60% of the market share. The service area is expected to have no total population growth through 2014, but is expected to witness a 12% increase in the population over the age of 65. Additionally, the service area median household income is at 96% of the Michigan average and 97% of the U.S. average. Bell is far from major metropolitan areas including 467 miles from Detroit, MI, 280 miles from Milwaukee, WI, 376 miles from Minneapolis, MN, and 164 miles from Green Bay, WI.	Negative. Bell's proximity to Marquette General Hospital make recruiting difficult as physicians increasingly seek the stability of larger health systems. Gaps in the physician complement have negatively impacted volume. Further, the stagnant population level will likely limit the ability to grow patient volume. Bell's location also limited the number of parties interested in a transaction with Bell.
Payor Mix / Medicaid Reimbursement	Bell's payor mix consists of 46% Medicare, 12% Medicaid, 32% BCBS, and 10% commercial and managed care.	Neutral. Bell is heavily dependent on government payors but currently benefits from its critical access status.
Market Share	Bell captures the second most market share in its service area at approximately 31%. Other than Marquette General Hospital no other hospital captures more than 3% of the market share in the Bell service area.	Slight negative. Bell has limited ability to capture additional market share and is facing increasing outmigration to Marquette General Hospital.

Significant Valuation Factors for the Bell Business

Factors and Implications (Cont'd)

Attribute	Description	Valuation Implication
Facilities / CapEx needs	Bell has a relatively low average age of plant at 6.2 years. Bell has approximately $5.1 million in capital needs over the next five years. Bell is stage I meaningful use compliant.	Strong Positive. Bell is in a relatively new facility with excess capacity and minimal capital needs related to infrastructure in the near term. Bell, however, needs outside expertise and resources to implement the next stage of meaningful use compliance.
Utilization	Bell's total discharges have decreased approximately 13% between 2009 and 2013.	Strong Negative. Bell has an occupancy rate of about 24% and a decrease in utilization has had an unexpected negative impact on Bell's financial performance.
Size	Bell is a critical access hospital generating over $50 million in annual revenues. Bell employs 355 FTEs and handles 1,300 discharges annually.	Negative. As an independent critical access hospital, Bell faces challenges brought on by high IT costs, reduced reimbursements, and trends toward population management and higher integration.
Physician Complement	About a third of Bell's medical staff is employed. Bell is experiencing gaps in its physician complement and faces challenges recruiting physicians to the Upper Peninsula especially in competition with Marquette General Hospital. Further, Bell is at risk of losing additional physicians in the near future due to an aging medical staff.	Strong Negative. Bell's difficulty recruiting physicians to its medical staff has limited its referral base and had a meaningful negative impact on its financial performance.
Market Demand	In the auction process, Bell's advisor solicited 13 potential partners and received preliminary proposals from two parties.	Strong Negative. Bell's location on the Upper Penninsula, competition from Marquette General Health System, and weak demographics and payor mix greatly limited the level of interest of potential partners.

Significant Valuation Factors for the Bell Business

Conclusion

Bell faces a significant number of negative attributes that outweigh the positive factors and thus lead us to take a negative position on the value of Bell compared to broadly comparable organizations. Although Bell has a new facility with limited capital needs and is viewed positively in the community, its proximity to Marquette General Hospital has had a materially negative impact on Bell's financial performance. In addition to struggling to recruit physicians to the Upper Peninsula, Bell faces strong competition from the larger, more stable Marquette General Hospital in recruiting both physicians and hospital staff. Duke LifePoint's acquisition of Marquette General Health System is expected to further increase competition and materially limited the number of parties interested in an acquisition of Bell.

4. Valuation Methodologies

Valuation Methodologies

Applied Valuation Methodologies

- We considered and applied two conventional valuation methodologies to determine the value of the Bell Business to be sold by Bell to LifePoint Bell Acquisition Company:
  - Public Market Valuation Methodology
  - Comparable Transactions Methodology
- We did not consider the Discounted Cash Flow Methodology for the Bell Business because Bell did not provide financial projections.

Valuation Methodologies

Public Company Comparables Methodology

Selection of Comparable Companies

- The Public Company Comparables Methodology entails an analysis of publicly traded companies, to the extent possible, of comparable size and similar geographic, operating, and financial characteristics to that of the respective Bell Business. This methodology, therefore, operates under the assumption that comparable companies should be valued similarly in the public market. We analyzed publicly available information furnished to shareholders or filed with the SEC or other regulatory bodies during some prescribed period of time (e.g., Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K, proxy statements, prospectuses) in order to generate a set of defined operating and market statistics.

- The multiples derived from comparable companies were based on the last twelve months ended June 30, 2013, which represents the most recent information available as of the date of our report, and market capitalization data as of September 18, 2013. See next slide. We identified the following seven (7) publicly traded guideline hospital management companies (described further in Exhibit A):

Hospital Management Companies
• Community Health Systems, Inc. • HCA, Inc. • Health Management Associates, Inc. • LifePoint Hospitals, Inc. • Tenet Healthcare Corporation • Universal Health Services, Inc. • Vanguard Health Systems, Inc.

Valuation Methodologies

Public Company Comparables Methodology (Cont'd)

Comparable Company Analysis

Market Trading Statistics

(Dollars and shares in millions, except per share data)

	Closing Price			Enterprise Value /			
				Revenues		EBITDA	
	as of	as % of 52-	Market				
Companies	**9/18/13**	**Week High**	**Value**	**LTM**	**CY 12E**	**LTM**	**CY 12E**
HCA Holdings, Inc.	$42.75	100.0%	$20,221.1	1.45x	1.47x	7.6x	7.5x
Community Health Systems, Inc.	42.27	82.4%	3,910.5	1.05	1.05	8.0x	7.4
Tenet Healthcare Corp.	42.96	86.8%	4,734.6	1.02	1.04	7.9x	7.9
Universal Health Services Inc.	73.65	99.8%	7,253.7	1.55	1.58	8.2x	8.6
Health Management Associates Inc.	12.81	74.1%	3,339.1	1.18	1.18	7.8x	7.1
Lifepoint Hospitals Inc.	47.10	88.4%	2,327.4	1.10	1.15	8.2x	7.2
Vanguard Health Systems Inc.	20.95	99.9%	1,767.4	0.70	0.63	8.0x	7.5
	Mean	**90.2%**	**-**	**1.15x**	**1.16x**	**8.0x**	**7.6x**
	Median	**88.4%**	**-**	**1.10**	**1.15**	**8.0x**	**7.5**
	High	**100.0%**	**-**	**1.55**	**1.58**	**8.2x**	**8.6**
	Low	**74.1%**	**-**	**0.70**	**0.63**	**7.6x**	**7.1**

All financials are pro forma for recent material acquisitions and divestitures.

LTM = Latest Twelve Months; NA = Not Available; NM = Not Meaningful

All non-recurring charges are excluded.

Enterprise value is equal to equity value plus debt, less cash and investments.

Revenue, EBITDA and EPS projections are calendarized and are Wall Street consensus estimates.

Valuation Methodologies

Public Company Comparables Methodology (Cont'd)

Market Multiples

- Valuation multiples, such as revenue, earnings, or cash flow multiples, are important valuation diagnostics because they represent tools that relate the value of a business to the source of that value, namely operating cash flow in the case of cash flow (EBITDA) multiples, potential cash flow in the case of revenue multiples, and capital appreciation potential in the case of earnings (EBIT) multiples. Valuation multiples are also important because they have become a convention within the industry and are commonly used by active buyers and sellers to arrive at sale prices for health care enterprises.

Control Premium

- Various studies have shown that premiums for control have generally varied between 10% and 40%. A broadly recognized measure of 25% was used in our analysis based on the lack of meaningful rationale for applying either a higher or lower premium to this situation.

Small Company Discount

- The Bell Business is substantially smaller than the publicly traded hospital management companies. The market has generally discounted smaller entities on a relative basis to larger entities due to the additional inherent risk. We have applied a recognized discount of 25%.

Illiquidity Discount

- A major difference between the Bell Business as compared to the publicly traded hospital management companies is illiquidity. According to various studies, the discounts for illiquidity associated with private company transactions indicate a wide range of discounts. A broadly recognized measure of 25% was used in our analysis based on the lack of meaningful rationale for applying either a higher or lower premium to this situation.

Valuation Methodologies

Comparable Precedent M&A Transactions Methodology

Selection of Comparable Precedent M&A Transactions

- The Comparable Precedent M&A Transactions Methodology attempts to determine a valuation range for the Bell Business based upon the range of values paid by buyers in completed merger and acquisition transactions involving comparable companies. While this valuation methodology is similar to the Public Company Comparables Methodology in its attempt to draw upon a universe of comparable transactions in order to quantify certain valuation statistics to be applied in determining value, this methodology necessarily addresses valuation by detailing those valuation multiples paid to acquire similar businesses at some point in time.
- While Cain Brothers considers the selected transactions to be somewhat comparable, in each case significant variations exist between the buyers involved in the Bell Transaction and the Bell Business, including, but not limited to:
  - the size of the target organization;
  - the geographic location of the target organization;
  - the payor mix;
  - the reimbursement environment;
  - the physician and other provider market;
  - the competitive environment;
  - the programs and services provided;
  - the age of the physical plants acquired;
  - the date on which the transaction closed;
  - the financial performance of the business acquired; and
  - the number of potential bidders

Valuation Methodologies

Comparable Precedent M&A Transactions Methodology (Cont'd)

Transaction Multiples

- Valuation multiples, such as revenue, EBIT or EBITDA multiples, are important valuation diagnostics because they represent measures that relate the value of a business to the source of that value, namely operating cash flow in the case of EBITDA multiples, potential cash flow in the case of revenue multiples, and capital appreciation potential in the case of earnings multiples. Valuation multiples are also important because they have become a convention within the industry and are commonly used by active buyers and sellers to arrive at sale prices for health care enterprises. In situations with weak financial performance, earnings and cash flow are typically very low or negative. In the absence of meaningful earnings, EBITDA and revenue multiples are the primary indicators of market valuations since they reflect the market's expectation of earnings and cash flow that can potentially be generated from a given base of revenues acquired from a financially underperforming hospital company. In establishing price, buyers will typically "normalize" expected results from a revenue and EBITDA base and establish a valuation based on prospective performance that is anticipated from an acquisition.
- Cain Brothers maintains a proprietary database of over 300 hospital transactions. From among the transactions for which we had reliable data (transactions in which Cain Brothers was directly involved or transactions for which the final financial terms were publicly or privately available to Cain Brothers and we had access to financial statements near the date of the transaction), we selected a subset of transactions and compared them to the terms of the Bell Transaction. This subset of transactions included 19 hospital transactions with enterprise values under $100 million and that involved hospitals with less than 95 beds and were completed after 2010. Excerpts from this analysis follow on subsequent slides.

Illiquidity Discounts and Control Premiums

- All transactions used in our analysis were private transactions and involved the sale of whole enterprises. Therefore, they reflect discounts for illiquidity and premiums for control.

Valuation Methodologies

Comparable Precedent M&A Transactions Schedule

The table below summarizes the selected hospital management company transactions used to compare to the Bell Transaction

($ in millions)

Announced	Target	Acquiror	Enterprise Value	LTM Revenue	LTM EBITDA	Beds	Enterprise Value/ Revenue	Enterprise Value/ EBITDA
3/28/2013	Providence Medical Center/St. John Hospital	Prime Healthcare Services	$54	$184.8	($21.0)	219	0.29x	NM
3/8/2013	Cleveland County HealthCare System	Carolinas HealthCare System	$100	$243.7	$23.7	514	0.41x	4.2x
1/2/2013	Knapp Medical Center	Prime Healthcare Services	$100	$99.0	($0.1)	226	1.01x	NM
4/1/2012	New England Sinai Hospital	Steward Health Care	$24	$75.5	($3.3)	212	0.32x	NM
3/22/2012	Christ Hospital	Hudson Hospital Holdco (Now CarePoint Health)	$45	$144.0	$3.0	211	0.31x	15.3x
2/28/2012	Decatur General Hospital	Huntsville Hospital	$21	$102.9	$7.9	120	0.20x	2.7x
12/12/2011	MetroSouth Medical Center	Community Health Systems	$44	$155.4	($6.4)	330	0.28x	NM
11/20/2011	Parkway Medical Center Acquisition	Huntsville	$21	$45.4	($0.2)	120	0.46x	NM
10/27/2011	Twin County Regional	Duke LifePoint	$21	$44.5	($0.8)	141	0.46x	NM
7/25/2011	Maria Parham Medical Center	Duke LifePoint	$58	$99.9	$8.6	102	0.58x	6.7x
11/1/2010	Victor Valley Community Hospital	KPC Group	$28	$60.7	$3.4	101	0.46x	8.3x
10/1/2010	Bluefield Regional Medical Center	Community Health Systems	$43	$72.0	N/A	240	0.59x	N/A
9/16/2010	St. Joseph	West Virginia United Health Systems	$100	N/A	N/A	0	N/A	N/A
9/10/2010	Brim Holdings	Iasis Healthcare	$95	$120.0	N/A	385	0.79x	N/A
8/2/2010	Resurrection Health Care	Vanguard Health Systems	$45	$303.0	($17.2)	459	0.15x	NM
7/7/2010	Marion Regional Healthcare System	Community Health Systems	$28	$64.5	$13.7	216	0.44x	2.1x
6/4/2010	Bert Fish Medical Center	Adventist Health System	$80	$82.7	$5.9	112	0.97x	13.6x
5/27/2010	Shands HealthCare Hospitals	Health Management Associates	$22	$100.0	N/A	139	0.22x	N/A
5/20/2010	Clinton Memorial Hospital	RegionalCare Hospital Partners	$82	$106.0	$7.0	95	0.77x	11.8x
						Mean	0.48x	8.1x
						Median	0.45x	7.5x
						High	1.01x	15.3x
						Low	0.15x	2.1x

Enterprise value is assumed to equal equity value when relevant information is not available.

NA = Not Available

NM = Not Meaningful

5. Calculation of Bell Purchase Price

Bell Hospital
Superior Healthcare System

Calculation of Bell Purchase Price

- Below, we calculated the estimated Bell Purchase Price based on the amounts set forth in schedules to the Bell Transaction Documents (which were based on the Bell Balance Sheet as of March 31, 2013) using the methodology set forth in the Bell Transaction Documents. At closing, the parties will calculate the actual Bell Purchase Price based on the actual balances of the items listed below as of the closing date of the Bell Transaction. As part of the Bell Transaction, LifePoint Bell Acquisition Company has agreed to contribute $1.0 million to Bell Foundation, Inc. as reflected in the table below. The Bell Purchase Price is subject to a minimum of $37,496,000 pursuant to the Bell Transaction Documents.

($ in thousands)	**As of 3/31/2013**
Plus: Unfunded Pension Obligation	$5,026
Plus: Outstanding Debt	34,218
Plus: Tail Insurance Premiums	600
Plus: Transaction Costs	1,500
Plus: Additional Assumed Liabilities	6,879
Less: Cash and Equivalents	(11,746)
Less: Investments	(698)
Plus: Contribution to Bell Foundation	1,000
Plus: Additional Amount to Reach Minimum	717
Total Bell Consideration	**$37,496**

6. Valuation of Bell Business

Valuation of Bell Business

Public Company Comparables Methodology

Implied Valuation

Applying the Public Company Comparables Methodology to the consolidated net revenue and EBITDA of the LTM financials as well as the FY2012 financials generated an implied enterprise value ("EV") for the Bell Business ranging from $18.5 million to $63.0 million, reflected in the chart below:

(Dollars in thousands)	Bell Health Statistic	Applied Multiple	Implied EV	Net Adjustment (2)	Implied Multiple After Adjust.	Implied EV After Adjust.
EV / LTM Rev (1)						
High	50,493	1.5x	78,193	-25.00%	1.2x	**58,644**
Mean	50,493	1.1x	58,022	-25.00%	0.9x	**43,517**
Median	50,493	1.1x	55,499	-25.00%	0.8x	**41,624**
Low	50,493	0.7x	35,515	-25.00%	0.5x	**26,637**
EV / FY2012 Rev						
High	53,135	1.6x	84,063	-25.00%	1.2x	**63,047**
Mean	53,135	1.2x	61,441	-25.00%	0.9x	**46,080**
Median	53,135	1.1x	60,946	-25.00%	0.9x	**45,710**
Low (1)	53,135	0.6x	33,495	-25.00%	0.5x	**25,122**
EV / LTM EBITDA						
High	4,880	8.2x	40,145	-25.00%	6.2x	**30,109**
Mean	4,880	8.0x	38,845	-25.00%	6.0x	**29,134**
Median	4,880	8.0x	38,996	-25.00%	6.0x	**29,247**
Low	4,880	7.6x	37,133	-25.00%	5.7x	**27,850**
EV / FY2012 EBITDA						
High	3,460	8.6x	29,628	-25.00%	6.4x	**22,221**
Mean	3,460	7.6x	26,315	-25.00%	5.7x	**19,736**
Median	3,460	7.5x	25,798	-25.00%	5.6x	**19,348**
Low	3,460	7.1x	24,636	-25.00%	5.3x	**18,477**

(1) *LTM is for the period ending June 30, 2013.*
(2) *Net Adjustment = 25% Control Premium minus 25% Small Company Discount minus 25% Illiquidity Discount as discussed on slide 19.*

Valuation of Total Bell Contribution

Comparable Precedent M&A Transactions Methodology

Valuation Summary

The following summarizes the implied EV for the Bell Business based on the 19 transactions considered in our analysis, which ranges between $7.5 million and $74.8 million:

(Dollars in thousands)

	Bell Health Statistic	Applied Multiple	Implied EV
EV / LTM Rev (1)			
High	$50,493	1.0x	$50,987
Mean	$50,493	0.5x	$24,470
Median	$50,493	0.4x	$22,699
Low	$50,493	0.1x	$7,548
EV / LTM EBITDA (1)			
High	$4,880	15.3x	$74,774
Mean	$4,880	8.1x	$39,393
Median	$4,880	7.5x	$36,596
Low	$4,880	2.1x	$10,053

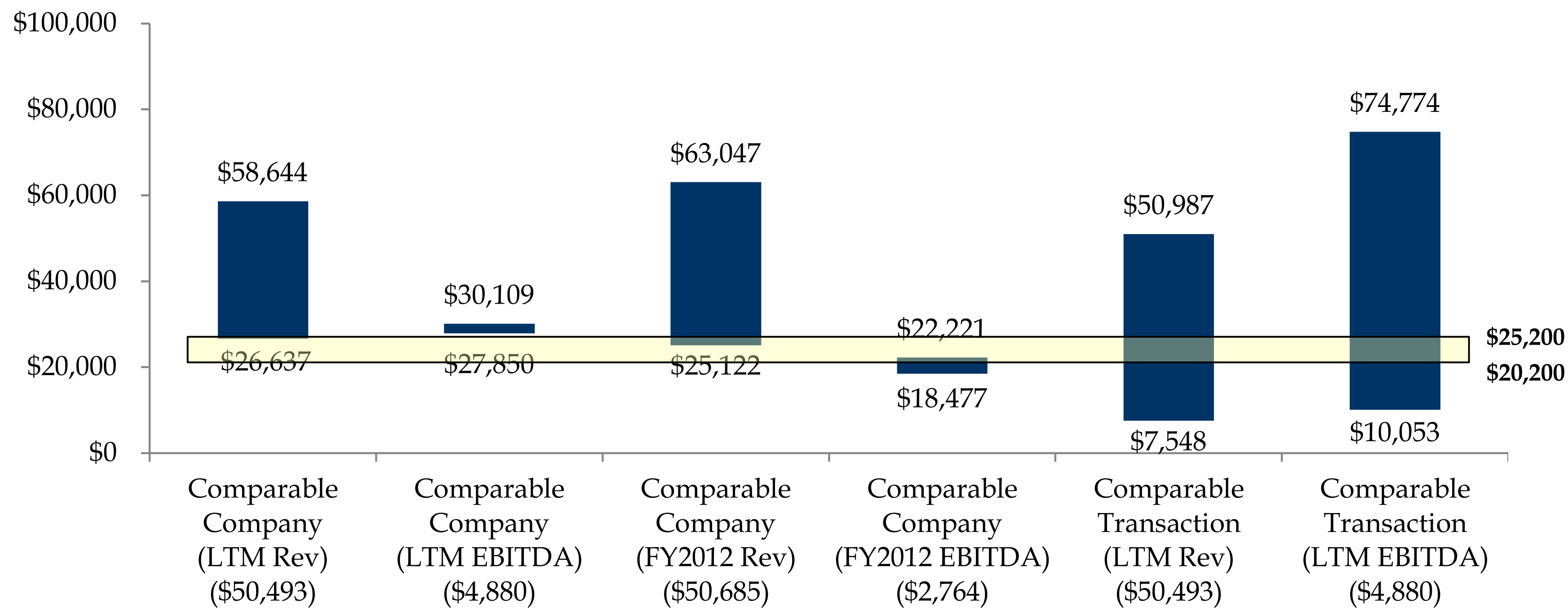
(1) LTM is for the period ending June 30, 2013.

Valuation of Total Bell Contribution

Summary

- The following summarizes the results from applying the Public Company Comparables and Comparable Precedent M&A Transactions valuation methodologies, which led to an estimated valuation range of $20.2 million to $25.2 million
  - This reflects an LTM revenue multiple range of 0.40x to 0.50x consistent with the mean and median for comparable precedent M&A transactions

(Dollars in thousands)



7. Bell Process Overview

Bell Process Overview

Based on the information provided, we concluded that Bell's advisors completed a comprehensive auction process

- In connection with the Bell Transaction, Bell engaged Juniper Advisory, LLC ("Juniper") to solicit proposals from potential acquirors
- Juniper approached 13 hospital systems, six of which were not-for-profit and seven of which were for-profit
- Three of the 13 organizations executed confidentiality agreements
- Two of the interested parties proposed a three-way joint-venture with Bell while LifePoint proposed a full asset purchase
- Upon receipt of the initial proposals, Bell management hosted site visits from representatives of the two potential partners in January 2013 followed by reverse due diligence trips by the Bell management. In February 2013, Bell received final written proposals from the potential partners
- The Bell Board of Directors unanimously recommended that Bell should become part of a multi-hospital system and in turn unanimously recommended to proceed in negotiating a letter of intent with LifePoint
- The Bell Board of Directors and management viewed LifePoint as a more favorable partner due to:
  - Greater market presence as the result of Duke LifePoint acquisition of Marquette General Hospital
  - Full elimination of Bell's outstanding debt
  - Ability to assist in physician recruitment through its national network and academic affiliations
  - Bell's existing relationship with Marquette General Hospital

8. Conclusions

Conclusions

Definition of Bell Purchase Price Received

- As described above, we estimated the Bell Purchase Price to be paid by LifePoint Bell Acquisition Company to Bell based on the amounts set forth in schedules to the Bell Transaction Documents (which were based on the Bell Balance Sheet as of March 31, 2013) using the methodology set forth in the Bell Transaction Documents to be $37.5 million. The actual Bell Purchase Price will be calculated using the same methodology based on the actual balances as of the closing date.

Other Considerations related to Bell

- In accordance with the Bell Transaction Documents, LifePoint Bell Acquisition Company has incurred certain ongoing financial obligations required by Bell, including, but not limited to:
  - Commitments to indigent and low-income patients;
  - $5.0 million capital commitment over the 10-year period following the closing;
  - Commitments to maintain existing hospital and provide core services;
  - Appointment of an advisory board whose members will include physicians on the medical staff, local community leaders and the Bell hospital's CEO;
  - Retention of medical staff; and
  - Commitment not to sell the assets of the Bell hospital to a third party for a period of 10 years after the closing.
- Although these commitments are significant and have substantial financial implications to LifePoint Bell Acquisition Company, Cain Brothers did not consider these amounts and the impact on the community in our determination of the value of Bell Purchase Price received by Bell from the Bell Transaction.

Conclusions

Conclusion

Based on the work performed, we have concluded that the estimated Bell Purchase Price to be received by Bell and Bell Foundation, Inc. in the aggregate is $37.5 million. Furthermore, based on the work performed, we have concluded that the Fair Market Value of the Bell Business to be sold to LifePoint Bell Acquisition Company by Bell ranges from $20.2 million to $25.2 million. Based on the negative characteristics of qualitative factors discussed in Section 3 hereof, we have concluded that the selected range of the Fair Market Value is at the mean and median of the comparable precedent transactions. Based on a comparison of the Bell Purchase Price to be received with the Fair Market Value of the Bell Business to be sold to LifePoint Bell Acquisition Company, it is our opinion that as of the date hereof, the Bell Purchase Price to be received in the aggregate by Bell and Bell Foundation, Inc. in connection with the Bell Transaction is fair to Bell and Bell Foundation, Inc., collectively, from a financial point of view.

Exhibit A: Summary Descriptions of Publicly Traded Guideline Companies

Summary Descriptions of Publicly Traded Guideline Companies

Community Health Systems, Inc. (NYSE)

Community Health Systems, Inc. ("CHS") was originally founded in 1986 and was reincorporated in 1996 as a Delaware corporation. CHS provides healthcare services through the hospitals that it owns and operates in non-urban and selected urban markets throughout the United States. As of December 31, 2012, CHS owned or leased 135 hospitals, comprised of 131 general acute care hospitals and four stand-alone rehabilitation or psychiatric hospitals. These hospitals are geographically diversified across 29 states, with an aggregate of 20,334 licensed beds. CHS generates revenues by providing a broad range of general and specialized hospital healthcare services and other outpatient services to patients in the communities in which CHIS is located. Services provided through the company's hospitals and affiliated businesses include general acute care, emergency room, general and specialty surgery, critical care, internal medicine, obstetrics, diagnostic, psychiatric and rehabilitation services. CHS also provides additional outpatient services at urgent care centers, occupational medicine clinics, imaging centers, cancer centers, ambulatory surgery centers and home health and hospice agencies. An integral part of providing these services is CHS's relationship and network of affiliated physicians at its hospitals and affiliated businesses. CHS employs approximately 2,500 physicians and an additional 600 licensed healthcare practitioners. Through CHS's management and operation of these businesses, CHS provides standardization and centralization of operations across key business areas; strategic assistance to expand and improve services and facilities; implementation of patient safety and quality of care improvement programs and assistance in the recruitment of additional physicians and licensed healthcare practitioners to the markets in which CHS's hospitals are located. In a number of its markets, CHS has partnered with local physicians or not-for-profit providers, or both, in the ownership of CHS facilities. In addition to CHS's hospitals and related businesses, CHS also owns and operate 64 licensed home care agencies and 31 licensed hospice agencies, located primarily in markets where CHS also operates a hospital. Also, through CHS's wholly-owned subsidiary, Quorum Health Resources, LLC, or QHR, CHS provides management and consulting services to non-affiliated general acute care hospitals located throughout the United States.

CHS's strategy has also included growth by acquisition. CHS generally targets hospitals in growing, non-urban and selected urban healthcare markets for acquisition because of their favorable demographic and economic trends and competitive conditions. Because non-urban service areas have smaller populations, there are generally fewer hospitals and other healthcare service providers in these communities and generally a lower level of managed care presence in these markets. CHS believes that smaller populations support less direct competition for hospital-based services and these communities generally view the local hospital as an integral part of the community.

Summary Descriptions of Publicly Traded Guideline Companies

CHS believes opportunities exist for skilled, disciplined operators in selected urban markets to create networks between urban hospitals and non-urban hospitals while improving physician alignment in those markets and making it more attractive to managed care. In recent years, CHS's acquisition strategy has also included acquiring selective physician practices and physician-owned ancillary service providers. Such acquisitions are executed in markets where CHS already has a hospital presence and provide an opportunity to increase the number of affiliated physicians or expand the range of specialized healthcare services provided by its hospitals.

On July 30, 2013 CHS announced its intent to acquire HMA for approximately $7.6 billion, including the assumption of approximately $3.7 billion of indebtedness.

Health Management Associates, Inc. (NYSE)

Health Management Associates, Inc. ("HMA") by and through its operates general acute care hospitals and other health care facilities in non-urban communities. As of December 31, 2012, HMA operated 70 hospitals with a total of 10,562 licensed beds in Alabama, Arkansas, Florida, Georgia, Kentucky, Mississippi, Missouri, North Carolina, Oklahoma, Pennsylvania, South Carolina, Tennessee, Texas, Washington and West Virginia.

Services provided by HMA hospitals include general surgery, internal medicine, obstetrics, emergency room care, radiology, oncology, diagnostic care, coronary care and pediatric services. HMA also provides outpatient services such as one-day surgery, laboratory, x-ray, respiratory therapy, cardiology and physical therapy. Additionally, some HMA hospitals provide specialty services in, among other areas, cardiology (e.g., open-heart surgery, etc.), neuro-surgery, oncology, radiation therapy, computer-assisted tomography ("CT") scanning, magnetic resonance imaging ("MRI"), lithotripsy and full-service obstetrics. HMA facilities benefit from centralized resources, such as purchasing, information technology, finance and accounting systems, legal services, facilities planning, physician recruiting, administrative personnel management, marketing and public relations.

HMA is incorporated in Delaware in 1979 but began operations through a subsidiary that was formed in 1977. HMA became a public company in 1991.

On July 30, 2013 CHS announced its intent to acquire HMA for approximately $7.6 billion, including the assumption of approximately $3.7 billion of indebtedness.

Summary Descriptions of Publicly Traded Guideline Companies

LifePoint Hospitals, Inc. (Nasdaq)

LifePoint Hospitals, Inc., ("LifePoint") is a Delaware corporation, acting through its subsidiaries, operates general acute care hospitals primarily in non-urban communities in the United States ("U.S."). At December 31, 2012, on a consolidated basis, LifePoint operated 56 hospital campuses in 19 states, having a total of 6,581 licensed beds. LifePoint generates revenue primarily through hospital services offered at its facilities. LifePoint generated $3,391.8 million, $3,026.1 million and $2,818.6 million in revenues during the years ended December 31, 2012, 2011, and 2010, respectively.

LifePoint seeks to acquire well-positioned hospitals in growing areas of the United States that it believes are fairly priced and that could benefit from its management and strategic initiatives. Further, on January 31, 2011, LifePoint announced the formation of DLP Healthcare, LLC, a joint venture between LifePoint and Duke University Health System, with the mission to own and operate community hospitals in North Carolina and the surrounding area.

In May 2012, LifePoint entered into a joint venture agreement with Norton Healthcare, Inc. to form the Regional Healthcare Network of Kentucky and Southern Indiana ("RHN"), the purpose of which is to own and operate hospitals in non-urban communities in the Kentucky and Southern Indiana region.

The members of LifePoint's medical staffs at its hospitals are free to serve on the medical staffs of hospitals not operated by LifePoint. Although the company owns some physician practices and employs some physicians, the majority of the physicians who practice at LifePoint's hospitals are not employees.

LifePoint participates along with other healthcare companies in a group purchasing organization, HealthTrust Purchasing Group, which makes certain national supply and equipment contracts available to its facilities. As of December 31, 2012, LifePoint owned approximately 4.5% equity interest in this group purchasing organization.

Summary Descriptions of Publicly Traded Guideline Companies

Tenet Healthcare Corporation (NYSE)

Tenet Healthcare Corporation ("Tenet") is an investor-owned healthcare services company. As of December 31, 2012, Tenet subsidiaries operated 49 hospitals, including three academic medical centers, a children's hospital and a critical access hospital, with a total of 13,216 licensed beds, serving primarily urban and suburban communities in 10 states. Of those hospitals, 44 were owned by Tenet subsidiaries and five were owned by third parties and leased by Tenet subsidiaries. In addition, as of December 31, 2012, Tenet subsidiaries operated a long-term acute care hospital and owned or leased and operated 30 medical office buildings, all of which were located on, or nearby, THC's hospital campuses. Tenet subsidiaries also operated 117 free-standing and provider-based outpatient centers in 11 states as of December 31, 2012, including diagnostic imaging centers, ambulatory surgery centers and urgent care centers, among others.

Each of Tenet's regions and markets reports directly to the company's chief operating officer and major decisions, including capital resource allocations, are made at the consolidated level, not at the regional, market or hospital level. Although Tenet operates some physician practices and employs some physicians, the overwhelming majority of the physicians who practice at the company's hospitals are not Tenet's employees. As of December 31, 2012, Tenet had 59,164 employees of which 29% are represented by labor unions.

On June 24, 2013 Tenet signed a definitive agreement to acquire Vanguard for approximately $4.3 billion including the assumption of approximately $2.5 billion of Vanguard indebtedness.

Universal Health Services, Inc. (NYSE)

Universal Health Services, Inc. ("UHS"), organized in 1979, owns and operates acute care hospitals, behavioral health centers, surgical hospitals, ambulatory surgery centers and radiation oncology centers. As of February 28, 2013, UHS owned and/or operated 23 acute care hospitals and 197 behavioral health centers located in 37 states, Washington, D.C., Puerto Rico and the U.S. Virgin Islands. As part of the company's ambulatory treatment centers division, UHS manages and/or owns outright or in partnerships with physicians, 5 surgical hospitals and surgery and radiation oncology centers located in 4 states.

Summary Descriptions of Publicly Traded Guideline Companies

In October, 2012, UHS acquired Ascend Health Corporation ("Ascend"). Ascend was the largest private behavioral health provider with 9 owned or leased freestanding inpatient facilities located in 5 states. In November, 2010, UHS completed the acquisition of Psychiatric Solutions, Inc. ("PSI"). PSI was formerly the largest operator of freestanding inpatient behavioral health care facilities operating a total of 105 inpatient and outpatient facilities in 32 states, Puerto Rico, and the U.S. Virgin Islands. Services provided by the company's hospitals include general and specialty surgery, internal medicine, obstetrics, emergency room care, radiology, oncology, diagnostic care, coronary care, pediatric services, pharmacy services and/or behavioral health services. UHS provides capital resources as well as a variety of management services to UHS's facilities, including central purchasing, information services, finance and control systems, facilities planning, physician recruitment services, administrative personnel management, marketing and public relations.

As of December 31, 2012, UHS' facilities had 65,100 employees including 46,000 full-time employees and 1,500 unionized employees. Physicians are typically not employees of UHS' hospital and in a number of markets have admitting privileges at other hospitals in addition to UHS' hospitals. The company, either directly or indirectly, employs 120 physicians at its acute care division and 360psychiatrists within its behavioral health division.

HCA Holdings, Inc. (NYSE)

HCA Holdings, Inc. ("HCA"), founded in 1968, is the largest non-governmental hospital operator in the US and a comprehensive, integrated provider of health care and related services. As of December 31, 2012, the company operated 162 hospitals, comprised of 156 general, acute care hospitals; five psychiatric hospitals; and one rehabilitation hospital. In addition, HCA operated 112 freestanding surgery centers. HCA facilities are located in 20 states and England, with about three-quarters of its hospitals located in Florida and Texas.

Additionally, HCA owns, manages, or operates diagnostic and imaging centers, radiation and oncology therapy centers, and comprehensive rehabilitation and physical therapy centers. There has recently been an increase in the density of facilities in HCA's coverage area, resulting in a highly competitive environment.

HCA is committed to providing the communities it serves high quality, cost-effective health care. The company is focused on serving large, growing urban markets that allow long-term, attractive growth opportunities. HCA is looking to continue to leverage its scale while continuing to develop physician relationships.

Summary Descriptions of Publicly Traded Guideline Companies

Vanguard Health Systems, Inc. (NYSE)

Vanguard Health Systems, Inc. ("VHS"), founded in 1997, operates regionally-focused integrated healthcare delivery networks with over 40,900 employees. As of June 30, 2012, the company owned and operated 28 acute care hospitals with a total of 7,064 licensed beds, and related outpatient service facilities complementary to the hospitals in San Antonio, Harlingen, and Brownsville, Texas; metropolitan Detroit, Michigan; metropolitan Phoenix, Arizona; metropolitan Chicago, Illinois; and Massachusetts, as well as 2 surgery centers in Orange County, California. In addition, it operates 4 managed care health plans, which include Phoenix Health Plan, a Medicaid managed health plan in Arizona; Abrazo Advantage Health Plan, a managed Medicare and dual-eligible health plan in Arizona; Chicago Health Systems, a preferred provider network in metropolitan Chicago that covers outpatient and physician services; and Valley Baptist Insurance Company that offers health maintenance organization and preferred provider organization products to primarily government-related organizations in south Texas.

Recently, VHS executed a number of acquisitions both positioning themselves in new markets and strengthening its position in current markets. VHS see its significant scale, range of services, established reputation for high quality, and focus on helping its communities as its primary competitive advantages enabling future growth opportunities. VHS is primarily looking to expand through in-market initiatives, continuing to capitalize on acquisition opportunities, leveraging its health plans, and increasing physician collaboration and alignment.

On June 24, 2013 Tenet signed a definitive agreement to acquire Vanguard for approximately $4.3 billion including the assumption of approximately $2.5 billion of Vanguard indebtedness.