

LIFEPOINT HEALTH

February 15, 2019

The Honorable Dana Nessel
Attorney General of Michigan
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

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FEB 19 2019

Dept. of Attorney General
Estates Section

Dear Madam 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, 2018 and December 31, 2018.

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

LIFEPOINTHEALTH.NET

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, 2018 and December 31, 2018:


- 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 \$576,279 during Fiscal 2018 and \$5,987,584 since December 2013 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).

Pursuant to Section 9.10 of the Purchase Agreement, Buyer has made capital expenditures for the benefit of the Facilities in an amount greater than \$5,000,000 and therefore the commitment has been satisfied.
- 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 Health (f/k/a LifePoint Hospitals).
- 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 Health.
- 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 February 15, 2019.

ACQUISITION BELL HOSPITAL, LLC

By: 
Name: Mitch Lockett
Title: CEO

**Exhibit A
UP Health System - Bell
Capital Expenditures
Dec 2013-Dec 2018**

Asset Purchase Agreement Commitment	Running Total
	\$ 5,000,000.00
December 1 - December 31, 2013	
FF&E	\$ 71,735.82
Information Technology	\$ 665,326.65
2013 Capital Expenditures	\$ 737,062.47
Calendar Year 2014	
FF&E	\$ 521,287.24
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	\$ 1,881,820.24
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	\$ 428,050.00
Facility	\$ 38,912.00
Information Technology	\$ 371,918.00
2017 Capital Expenditures	\$ 838,880.00
Calendar Year 2018	
FF&E	\$ 342,160.00
Facility	\$ 199,912.00
Information Technology	\$ 34,207.00
2018 Capital Expenditures	\$ 576,279.00
Total Spend to Date	<u>\$ 5,987,583.71</u>
Capital Expenditure Commitment Remaining	Commitment Met