

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

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

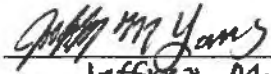
By: 
Name: Jeffrey M. Lane
Title: CEO

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 | <u>\$5,512,753.00</u> | | |
| 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 |