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September 19, 2013

Michigan Department of Attorney General
c/o Mr. William R. Bloomfield
Assistant Attorney General
Michigan Attorney General's Office
Charitable Trusts Section
PO Box 30213 G. Mennen Williams Building
525 West Ottawa Street
Lansing, Michigan 48909

Dear Mr. Bloomfield:

We understand that Portage Health, Inc., Copper Country Apothecaries, Inc., Portage Health Home Services, Inc., and Portage Health Resources, Inc. (collectively, the "Portage Entities") have entered into that certain Contribution Agreement (the "Contribution Agreement"), dated August 2, 2013, with LifePoint Holdings 2, LLC ("LifePoint Sub"), a wholly-owned subsidiary of LifePoint Hospitals, Inc. ("LifePoint"), and Portage Holding Company, LLC (the "Joint Venture") pursuant to which, subject to the terms and conditions of the Contribution Agreement, the Portage Entities will contribute in a transaction (the "Transaction") to the Joint Venture the Portage Business (as defined hereafter), except for certain excluded assets including, among others, cash, securities, and other investments. The "Portage Business" shall mean the operation of Portage Health Hospital in Hancock, Michigan, a 60-bed skilled nursing facility d/b/a PortagePointe in Hancock, Michigan, and related ancillary facilities. Pursuant to the Contribution Agreement, we understand that at the closing of the Transaction the Portage Business will be contributed to the Joint Venture in exchange for (i) an equity stake of 20% (the "JV Equity Interest") in the Joint Venture; (ii) \$40 million in cash (the "Portage Cash Consideration") from the Joint Venture minus 80% of the value of any capital lease obligations assumed by the transaction, plus 80% of the estimated amount of net working capital exceeding \$11 million or minus 80% of the estimated amount of net working capital below \$11 million; and (iii) an option (the "Put Option") to sell the JV Equity Interest to LifePoint Sub at any time after the first anniversary of the closing date of the Transaction (collectively, the "Total Portage Consideration").

You have asked us whether, in our opinion, the Transaction is fair to the Portage Entities, collectively, from a financial point of view (this "Opinion"). In reaching our Opinion, we have, among other things:

- Reviewed the Contribution Agreement, including, to the extent provided as of the date of the Contribution Agreement, certain exhibits and schedules referenced therein;

- Discussed with the senior management of Portage Health the financial consequences of the Transaction;
- Held meetings with the senior management and legal counsel of Portage Health to discuss the business and operations of the Portage Business;
- Reviewed and analyzed financial statements and other financial and operating information of Portage Health for the fiscal years ended June 30, 2011, 2012 and 2013;
- Considered the implications to Portage Health of national and local trends in the health care industry, specifically as they impact the Portage Business and its market position in 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 Portage Business:
 - Public Market Valuation Methodology
 - Comparable Transactions Methodology
- We did not apply the Discounted Cash Flow Methodology since complete financial projections for the Portage Business were not provided;
- Considered Portage Health's obligations pursuant to its debt covenants; and
- Performed such other work we judged necessary to develop our valuation conclusions.

In preparing our opinion, we have assumed and relied upon, with the consent of the Michigan Department of Attorney General (the "Department"), the accuracy and completeness of all information reviewed by us, and we have relied upon the assurances of Portage Health'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 Portage Business, nor have we been furnished with any such valuation or appraisal, and we have not evaluated the solvency of the Portage Entities, the Joint Venture 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 Transaction.

We are not legal, tax or accounting advisors and have relied upon Portage Health and its legal, tax and accounting advisors to make its own assessment of all legal, tax and accounting matters relating to the Portage Business and the related Transaction.

The Portage Entities did not provide information about the expected future financial performance of the Portage Business.

LifePoint provided only high level revenue and EBITDA projections for the Joint Venture (the "LifePoint JV Projections") for a three-year period on a confidential basis. The LifePoint JV Projections lacked the necessary detail to perform an independent valuation of the JV Equity Interest based on the LifePoint JV Projections and thus we only used the LifePoint JV Projections to confirm the reasonableness of the Fair Market Value of the JV Equity Interest determined using other methods.

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 the Portage Entities or conducted a physical inspection of the properties or facilities of the Portage Business, nor have we assumed any responsibility for any such review or inspection. We have assumed, with the Department's consent, that the Transaction will be consummated on the terms set forth in the Contribution Agreement 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 Contribution Agreement 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.

In rendering our opinion, we have not been engaged to act as an agent of or fiduciary to the Portage Entities, the Department, LifePoint, or any other third party. We have prepared this report for the Department in connection with its review of the Transaction, and we will receive a fee from LifePoint Sub 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 & Company, LLC nor any of its employees have a direct financial interest in the Portage Entities, the Joint Venture, or LifePoint.

This opinion does not constitute a recommendation to the Department as to whether the Department should approve the Transaction. This opinion does not address (i) the terms of the Contribution Agreement except the fairness of the Total Portage Consideration as expressly set forth in our opinion, (ii) the decision of the Board of Directors of Portage Health to proceed with the Transaction or the timing thereof, or (iii) the relative merits of the 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 either the Transaction, or any class of such persons, or with respect to the fairness of any such compensation relative to the Total Portage Consideration or otherwise. We have assumed at the Department's direction that in conducting the process leading up to the Transaction, the Board of Directors of Portage Health has complied with its fiduciary duties and that the decision of the Board of Directors of Portage Health to enter negotiations and execute the Contribution Agreement with the Joint Venture and LifePoint Sub was based on the exercise of appropriate business judgment.

Our opinion addresses only the fairness of the Total Portage Consideration paid by the Joint Venture, from a financial point of view, and we do not express any views on any other terms of the Transaction, including without limitation the effect of any adjustments, escrows, indemnities or holdbacks provided for in the Contribution Agreement.

This opinion is intended solely for the benefit of the Department in considering the 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.

Based upon and subject to the foregoing, it is our opinion that as of the date hereof, the Transaction is fair from a financial point of view to the Portage Entities, collectively.

Respectfully submitted,



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Cain Brothers & Company, LLC

By: Carsten Beith
Managing Director