

**CONTRACT BETWEEN  
THE DEPARTMENT OF ATTORNEY GENERAL,  
CAIN BROTHERS & COMPANY, LLC, LIFEPOINT HOLDINGS 2, LLC,  
PORTAGE HEALTH, and BELL MEMORIAL**

In consideration of their respective promises and obligations under this agreement (“Agreement” or “Payment Contract”), the Michigan Department of Attorney General (“Department”), Cain Brothers & Company, LLC (“Expert”), LifePoint Holdings 2, LLC (“LifePoint”), Portage Health (“Portage”) and Bell Memorial (“Bell”) agree as follows:

The Department and Expert have entered into a CONTRACT BETWEEN THE DEPARTMENT OF ATTORNEY GENERAL AND CAIN BROTHERS & COMPANY, LLC of even date herewith and attached hereto as **Exhibit A** (the “Expert Contract”) under which Expert will provide services to assist the Department in its review of two separate hospital transactions (each, a Transaction and, collectively, the “Transactions”) by LifePoint including (i) a joint venture with Portage Health (“Portage”) in Hancock, Michigan and (ii) the purchase of Bell Memorial (“Bell”) in Ishpeming, Michigan, and other related matters as assigned by the Attorney General or his designee, as more fully specified in the Expert Contract (collectively, the “Expert Services”).

The terms of the Transactions specifically make the Department’s review and approval a condition of the Transactions.

The primary purpose of this Contract is to facilitate the Department in completing a thorough but expeditious review of the respective definitive agreements and other matters related to the Sale.

It is anticipated that this Contract will facilitate the Department’s review in a manner that:

- Reasonably limits the costs and expenses of the Expert’s services under this Contract;
- Minimizes disruption and inconvenience to Portage and Bell personnel;
- Avoids unnecessary delay in completing the Department’s review.

**1. Issuing Office**

This Contract is issued by the Department, which is the only State office authorized to change the terms and conditions of this Contract.

**2. Description of Services**

A. LifePoint agrees to be solely responsible for the payment of all fees and expenses for all Expert Services performed by Expert in accordance with the Expert Contract between the Department and Contractor attached to this agreement as Exhibit A (“Expert Contract”). While LifePoint will bear sole responsibility for all compensation

and reimbursement of expenses payable to the Expert in accordance with this section and the Expert Contract, the Expert's work will be exclusively directed by the Department and performed solely for and on behalf of the Department. All Expert Services will constitute work product subject to the attorney work-product doctrine.

B. Responsibilities of LifePoint:

1. to pay a single fixed fee of \$100,000 (the "Opinion Fee") for delivery of Expert's written report and opinion for each of the Transactions (collectively, the "Opinions").
2. to reimburse Expert for reasonable and necessary meals, lodging, telephone, and travel expenses in accordance with the State of Michigan travel and other expense requirements, which can be found at [http://www.michigan.gov/dmb/0,1607,7-150-9141\\_13132---,00.html](http://www.michigan.gov/dmb/0,1607,7-150-9141_13132---,00.html).
3. to refrain from providing information to or otherwise interacting with Expert, except as specifically requested by the Department or Expert.
4. to conspicuously mark as "Confidential" only such information it believes in good faith to be confidential, under applicable law, including information it has produced pursuant to non-disclosure agreements with third parties, including Portage and Bell. LifePoint may permit the Department and/or its Expert to review such information on an "inspection only" basis without acquiring possession of documents embodying the information. LifePoint shall in good faith discuss with the Department the extent to which such information may be disclosed by the Department at the conclusion of its review. LifePoint agrees that if LifePoint, Portage, Bell, and the Department are not able to resolve this issue, either party may seek guidance from the court.

C. Responsibilities of Portage:

1. to give the Department and Expert reasonably prompt access to requested documents via a limited-access (e.g., password-protected) web page hosted by LifePoint, Portage, or its legal counsel and to make other information and members of Portage officers, trustees, directors, and management available for interviews by Expert and/or the Department upon request;
2. to refrain from providing information to or otherwise interacting with Expert, except as specifically requested by the Department or its Expert;
3. to conspicuously mark as "Confidential" only such information it believes in good faith to be confidential, under applicable law, including

information it has received pursuant to non-disclosure agreements with third parties, including LifePoint. Portage may permit the Department and/or its Expert to review such information on an “inspection only” basis without acquiring possession of documents embodying the information. Portage shall in good faith discuss with the Department the extent to which such information may be disclosed by the Department at the conclusion of its review. Portage agrees that if Portage, LifePoint and the Department are not able to resolve this issue, either party may seek guidance from the court.

4. Portage agrees that all other information may be disclosed to, or subject to disclosure to, third parties under Michigan law.

#### D. Responsibilities of Bell

1. to give the Department and its Experts reasonably prompt access to requested documents via a limited-access (e.g., password-protected) web page hosted by LifePoint, Bell, or its legal counsel and to make other information and members of Bell officers, trustees, directors, and management available for interviews by Expert and/or the Department upon request;

2. to refrain from providing information to or otherwise interacting with Expert, except as specifically requested by the Department or Expert;

3. to conspicuously mark as “Confidential” only such information it believes in good faith to be confidential, under applicable law, including information it has received pursuant to non-disclosure agreements with third parties, including LifePoint. Bell may permit the Department and/or its Expert to review such information on an “inspection only” basis without acquiring possession of documents embodying the information. Bell shall in good faith discuss with the Department the extent to which such information may be disclosed by the Department at the conclusion of its review. Bell agrees that if Bell, LifePoint and the Department are not able to resolve this issue, either party may seek guidance from the court.

4. Bell agrees that all other information may be disclosed to, or subject to disclosure to, third parties under Michigan law.

#### E. Responsibilities of the Department:

The Department agrees to direct its Expert:

1. to reasonably minimize disruption to Portage, Bell, and LifePoint personnel;

2. to proceed expeditiously to avoid unnecessary delay in the Department's completion of its review;
3. to transmit billing statements to the Department, specifically and individually identifying expenses at the end of the invoice, together with attached receipts and a total cumulative statement;
4. to invoice the Department the Opinion Fee upon issuance of Expert's written reports and the Opinions;
5. to transmit to the Department a summary invoice containing only the Opinion Fee, expenses incurred pursuant to this Agreement, and instructions for payment;
6. to immediately cease work if Portage, Bell, or LifePoint communicates in writing to the Department that the Sale will not proceed;
7. to agree not to attempt to download, "screen print" or otherwise capture, or otherwise attempt to acquire possession of, and not to duplicate or otherwise disclose to any individual or entity other than the Department in accordance with the Expert Contract, material conspicuously marked "Confidential" by Portage, Bell, or LifePoint;
8. to direct the Expert to execute the two Non-Duplication Agreements in the forms attached as **Exhibit B** to both this Payment Contract and the Expert Contract.

**3. Term of Contract**

This Payment Contract covers services rendered from the date of the Expert Contract until the time that the Contractor delivers its Opinions or the Contract is terminated. This Contract may be extended only by the written agreement of the parties.

**4. Compensation for Services Provided**

A. The Expert Contract will specify an Opinion Fee of \$100,000 for Expert Services related to both Transactions, payable upon delivery of both Opinions.

B. LifePoint will make the payments specified in paragraphs 2.B.1 and 2.B.2 of this Agreement and shall pay all invoices within 14 days after receipt.

**5. Identification of Experts and Key Personnel**

The Department intends to retain Expert and its key personnel listed below:

Carstein Beith	Managing Director
Daniel Koob	Vice President
Michael Cargo	Analyst

Expert, Portage, Bell, and LifePoint shall promptly notify the Department of any potential conflicts of interest involving Expert or persons performing services for Expert. The Department, upon receiving a notification setting forth facts alleged to constitute a potential conflict, shall promptly investigate the allegations and report its conclusion to Expert, Portage, Bell, and LifePoint.

**6. Billings**

Expert will prepare and submit invoices and billing statements in accordance with the Expert Contract, and the Department shall process them in accordance with the Expert Contract.

The Department shall direct its Expert to furnish copies of billing statements and supporting documents to LifePoint, upon request, after the Department's review has been concluded and its report and Opinions have been issued.

**7. Notices**

All communications, notices, and invoices concerning this Contract must be addressed to:

For the Department: William R. Bloomfield, Assistant Attorney General AND  
Joseph J. Kylman, Charitable Trust Auditor  
Department of Attorney General  
Consumer Protection Division - Charitable Trust Section  
Williams Bldg.  
525 W. Ottawa – 1st Floor  
Lansing, MI 48909  
517-335-0855  
517-335-1935 (fax)  
BloomfieldW@michigan.gov  
KylmanJ@michigan.gov

For LifePoint: Paul Hannah  
Senior Vice President  
Strategic Growth and Development  
103 Powell Court  
Brentwood, TN 37027

Phone 615.565.1538  
Fax 615.695.8414  
Paul.Hannah@lpnt.net

AND a copy to:

W. Kenneth Marlow, Esq.  
Waller Lansden Dortch & Davis, LLP  
511 Union Street, Suite 2700  
Nashville, TN 37219  
615.850.8111  
Ken.Marlow@wallerlaw.com

For Portage:

James Bogan  
Chief Executive Officer and President  
500 Campus Drive  
Hancock, MI 49930  
906.483.1000  
JBogan@portagehealth.org

AND a copy to:

Randall A. Hack  
Locke Lord LLP  
111 South Wacker Drive  
Chicago, IL 60606  
312.443.0676  
RHack@lockelord.com

For Bell:

Floyd D. Bounds  
Chief Executive Officer  
901 Lakeshore Drive  
Ishpeming, MI 49849  
906.486.4431  
Floyd.Bounds@bellmi.org

AND a copy to:

Randall A. Hack  
Locke Lord LLP  
111 South Wacker Drive  
Chicago, IL 60606  
312.443.0676  
RHack@lockelord.com

For Expert: Carsten Beith  
Managing Director | Co-Head Tax-Exempt M&A  
Cain Brothers & Company, LLC  
One North Franklin, Suite 300  
Chicago, IL 60606  
Direct 312.604.0500  
cbeith@cainbrothers.com

**8. Termination**

Portage, Bell, or LifePoint may terminate this Contract upon sixty (60) days written notice to the Department. LifePoint shall remain obligated to pay the Expert for services already rendered and expenses already incurred in accordance with the terms of the Expert Contract.

**9. Disclosure of Information**

Pursuant to the Confidentiality and Non-Duplication Agreements collectively attached as **Exhibit B**, the Department and Expert agree not to acquire or attempt to acquire possession of, nor to duplicate, material conspicuously marked "Confidential" by Portage, Bell, or LifePoint, whether made available electronically on a limited-access basis through a web site of Portage, Bell, LifePoint, or its legal counsel or in hard copy for inspection only. Without limitation, neither the Department, nor Expert will not attempt to download, "screen print" or otherwise capture or reproduce Confidential information.

The Department shall in good faith discuss with Portage, Bell, and LifePoint the extent to which such information may be disclosed by the Department at the conclusion of its review. The Department agrees that if Portage, Bell, LifePoint, and the Department are not able to resolve any confidentiality issues, any party may seek guidance from the court.

**12. Non-Discrimination**

In the performance of this Contract, all the parties agree not to discriminate against any employee or applicant for employment, with respect to their hire, tenure, terms, conditions or privileges of employment, or any matter directly or indirectly related to employment, because of race, color, religion, national origin, ancestry, age, sex, height, weight, marital status, physical or mental disability unrelated to the individual's ability to perform the duties of the particular job or position. This covenant is required pursuant to the Elliott-Larsen Civil Rights Act, 1976 PA 453, MCL 37.2101, *et seq.*, and the Persons with Disabilities Civil Rights Act, 1976 PA 220, MCL 37.1101, *et seq.*, and any breach thereof may be regarded as a material breach of the Contract. In connection with the performance of services under this Contract, all parties agree to comply with the Federal Civil Rights Act of 1964, 42 USC §2000d.

**13. Unfair Labor Practices**

The State shall not award a contract or subcontract to any employer or any subcontractor, manufacturer or supplier of the employer, whose name appears in the current register compiled by the Michigan Department of Energy, Labor, and Economic Growth. The State may void this Contract, if after the award of the Contract, the name of the Contractor appears in the register. 1980 PA 278, MCL 423.321 *et seq.*

**14. Independent Contractor**

The relationship of Expert to the Department in this Contract is that of an independent contractor. No liability or benefits, such as workers compensation rights or liabilities, insurance rights or liabilities, or any other provisions or liabilities, arising out of or related to a contract for hire or employer/employee relationship, arise, accrue or be implied to either party or either party's agent, subcontractor or employee as a result of the performance of this Contract. Expert will be solely and entirely responsible for its acts and the acts of its agents and employees during the performance of this Contract.

**15. Governing Law and Jurisdiction**

This Contract shall be subject to, applied, and interpreted according to the laws of the State of Michigan. No action shall be commenced against the Department or the Attorney General, his designee, agents or employees for any matter whatsoever arising out of the Contract, in any courts other than a court of competent jurisdiction of the State of Michigan.

**16. Entire Agreement**

This Contract, including attached **Exhibit A** and **Exhibit B**, represents the entire agreement between the parties and supersedes all proposals or other prior agreements, oral or written, and all other communications between the parties relating to the Department retaining the Contractor's services.

**18. Authorized Signature**

LifePoint agrees that Paul Hannah is authorized to sign on its behalf.

Dated: \_\_\_\_\_

Paul Hannah  
Senior Vice President  
Strategic Growth and Development  
LifePoint Holdings 2, LLC



Portage agrees that James Bogan is authorized to sign on its behalf.

Dated: \_\_\_\_\_  
James Bogan  
Chief Executive Officer and President  
Portage Health

Bell agrees that Floyd Bounds is authorized to sign on its behalf.

Dated: \_\_\_\_\_  
Floyd D. Bounds  
Chief Executive Officer  
Bell Memorial

Expert agrees that Carsten Beith is authorized to sign on its behalf.

Dated: \_\_\_\_\_  
Carsten Beith  
Managing Director | Co-Head Tax-Exempt M&A  
Cain Brothers & Company, LLC

Dated: \_\_\_\_\_  
William Schuette, Attorney General, or his  
designee

Incorporated Exhibits

Exhibit A – Expert Contract

Exhibit B – Portage and Bell Confidentiality and Non-Duplication Agreements

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