

**CONTRACT BETWEEN
THE DEPARTMENT OF ATTORNEY GENERAL
AND
STOUT RISIUS ROSS INC.**

The Michigan Department of Attorney General (“Department”) and Stout Risius Ross Inc. (“Contractor” or “Expert”), agree that Contractor's designated employee(s) will provide expert services to assist the Department in its review of the proposed sale (“Sale”) of substantially all assets of Marquette General Hospital (“MGH”) and its interests in certain affiliates to DLP Marquette Holding Company, LLC (“Buyer”), a wholly owned subsidiary of DLP Healthcare, LLC (“DLP”), and other related matters as assigned by the Attorney General or his designee under the terms and conditions set forth below.

The Sale is proposed in an Asset Purchase Agreement (“APA”) dated June 28, 2012, between MGH and Buyer. The APA specifically makes the Department’s review and approval a condition of the Sale.

The primary purpose of this Contract is to facilitate the Department in completing a thorough but expeditious review of the APA 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 MGH and DLP 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

Contractor shall perform services as requested by the Department. In particular, Contractor shall assist the Department in reviewing the APA between MGH and Buyer. Exhibit A, Statement of Expert Services, is incorporated in this Contract. Exhibit A summarizes the scope of the anticipated services by Contractor. Contractor agrees that specific direction from the Department, not Exhibit A, shall dictate the nature and extent of Contractor’s services within that scope. Contractor agrees to receive direction from the Department regarding its services on a weekly basis.

Professional, non-clerical services eligible for compensation will be provided by the following persons, unless otherwise authorized by Department:

Jay B. Wachowicz	Managing Director
Jeffrey S. Phillips	Managing Director
John W. VanSanten	Managing Director
Mark R. Fournier	Director

In addition, the managing directors and directors involved in this engagement will be supported by various staff (including analysts, senior analysts and managers) as directed by the Contractor.

3. Term of Contract

This Contract covers services rendered during the period of July 10, 2012 through December 31, 2012. This Contract may be extended only by the written agreement of the parties.

4. Compensation for Services Provided

A. Contractor will be compensated *exclusively* by DLP for authorized services rendered in accordance with this Agreement.

Department's contract with DLP shall require DLP to pay Contractor a retainer in the amount of \$75,000 to cover fees and out of pocket expenses of Contractor. The retainer is not a substitute for DLP's timely payment of fees and out of pocket expenses. The retainer shall be paid to Contractor before Contractor is obligated to perform any work in respect of the review. At the completion or earlier termination of the work for the review, without further authorization from Department, Expert may apply the retainer to any unpaid fees, out of pocket expenses and other charges due Expert in accordance with this Agreement, and any amount of the retainer that is not required to pay the Expert's fees, out of pocket expenses, or other charges in accordance with this Agreement will be refunded to DLP at such time. Department acknowledges that: (i) the retainer will not be held in a separate account and may be deposited into Expert's general operating accounts and (ii) DLP is not entitled to any interest on the retainer.

The cost of overhead, including secretarial and clerical employees utilized by Contractor, is part of Contractor's Fixed-Fee (as defined in subsection 4.C) and such services will not be separately billed to the Department for payment by DLP. No other additional compensation shall be allowed except by prior written permission from the Department provided that DLP's maximum liability for payment of services rendered (not including expenses) by Expert is capped at \$200,000.

B. Contractor's fixed fee specified in subsection 4.C below includes compensation for necessary travel time expended in the performance of the services covered by this Agreement.

C. Contractor's services will be provided in accordance with this Agreement and Exhibit A attached hereto. The services will be performed under the supervision of Jay B. Wachowicz, Jeffrey S. Phillips, John W. VanSanten and Mark R. Fournier with additional support from Contractor's employees as needed, subject to the overhead, secretarial and clerical employees provisions of subsection 4.A of this Agreement. Contractor's professional fees for all services described in this Agreement and Exhibit A hereto shall be a fixed-fee of \$150,000 (the "Fixed-Fee"). Contractor also shall be reimbursed for out-of-pocket expenses. Contractor must provide receipts for all out-of-pocket expenses for which reimbursement is requested.

5. Travel Expenses

Contractor will be reimbursed by DLP 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. The Contractor acknowledges that it has reviewed the State travel rates posted on this website.

Contractor must provide receipts for all permissible reimbursement requests.

6. Billings and Payment

The Department shall enter into a written agreement ("Payment Agreement") with DLP for providing payment to Contractor for services and expenses. Under the Payment Agreement, once Contractor's billing statements have been reviewed and approved by the Department, the Department will send a summary invoice to DLP, and DLP shall pay all invoices within 14 days after receipt. Contractor acknowledges and agrees that the Department shall have no obligation to Contractor for payments for services or expenses. All disputes regarding compensation must be resolved directly with DLP.

Contractor shall have no obligation to provide services until it has reviewed and approved terms of the Payment Agreement between the Department and DLP and received an initial retainer payment of \$75,000 from DLP. Upon written notice to DLP and the Department, Contractor may stop providing services under this Agreement, if any payment payable to Contractor pursuant to the Payment Agreement is not received within five business days after its due date under the Payment Agreement; provided that Contractor shall recommence its services under this Agreement immediately upon receipt of all payments then due and payable.

Contractor will invoice the Department the balance of the Fixed-Fee upon issuance of Expert's written report and opinion. Such invoice shall be for review solely by the Department and shall include an itemization of the services performed together with dates, times and individuals performing the work. Expenses shall be specifically

and individually identified at the end of the invoice, together with attached receipts and a total cumulative statement. Additional information shall be provided upon request by the Department. Contractor also shall transmit to the Department a summary invoice containing only the balance of the Fixed-Fee, expenses incurred pursuant to this Agreement, and instructions for payment. The Department will send such summary invoice to DLP, and DLP shall pay such invoice within 14 days after receipt.

If the contemplated transaction is terminated and/or Contractor's work is stopped by the Department, for any reason other than Contractor's material breach of its obligations under this Agreement, prior to the issuance of Contractor's written report and opinion, then Contractor's total fee for all services furnished shall be \$75,000 plus out of pocket expenses incurred to date.

The Department shall promptly (and in no event more than 7 days from receipt) review Contractor's billing statement and, upon approval, shall transmit a request to DLP for payment.

All invoices and summary invoices and all supporting documents, together with all of Contractor's work papers relating to this Agreement and its services hereunder shall be maintained by the Contractor for three (3) years after the termination or expiration of the Agreement for audit purposes.

Contractor shall make available to DLP, on request, copies of itemized billing statements, receipts and any additional information after the Department concludes its review and has issued its report.

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 the Contractor: Jay B. Wachowicz, CFA
Managing Director | Valuation & Financial Opinions

Michigan Managing Partner
Stout Risius Ross, Inc.
4000 Town Center, 20th Floor, Southfield, MI 48075
Direct +1.248.432.1288 | Mobile +1.248.703.4869 |
jwachowicz@srr.com

8. Time of the Essence

Contractor understands that the Department anticipates completing its review and issuing a report on the Sale by August 31, 2012.

Contractor agrees to use best efforts to provide all requested services, including but not limited to the preparation of written material, public appearances, meetings with the Department staff, etc., as expeditiously as possible and to conclude its services involving acquisition and review of information from DLP, MGH, and other third parties and preparation of the report described on Exhibit A hereto, by August 10, 2012.

The Department may designate specific employees to perform specific services.

Contractor agrees that mutually agreed upon deadlines that have been or will be set in this matter are of the essence. Failure of Contractor to comply with such deadlines, unless due to a material error or omission of the Department or third-party upon whose performance completion of Contractor's services hereunder depends, will constitute a breach of this Contract, such breach subjecting the Contractor to pay liquidated damages to the Department in the amount of \$2,500 per day.

Contractor agrees to make reasonable, good faith efforts to arrange for the delivery of services to permit the performance of all requested services at or below the not-to-exceed amount specified in this Agreement, including delegation of services to the lowest-compensated employee or employees capable of performing such services with expertise.

9. Termination

Contractor may terminate this contract for good cause shown upon 30 days written notice to the Department, MGH and DLP and, for these purposes "good cause" is defined as only a material breach by the Department of its obligations under this Agreement, or a material breach by DLP of its obligations under the Payment Agreement, which, in either case, is not cured within the such thirty-day notice period; *provided* that if requested, Contractor shall provide testimony as requested by the Department.

Contractor acknowledges that the Department may at any time decline to authorize additional services or request Contractor to discontinue work in progress, and may do so without consequence to the Department or DLP. The Department shall review

and approve for payment, in accordance with this Contract, compensation for services already performed and reimbursement of expenses already incurred.

10. Property and Publication Rights

All property rights, including publication rights of interim, draft, and final reports, documents and machine-readable media produced by the Contractor in connection with the work under this Contract, shall vest in the State. The Contractor shall not publish, whether verbally or in writing, any of the results of the work, nor shall it disclose in any other manner any information it has received from the Department, DLP, or MGH that has not previously been made publicly available, without the written permission of the Department.

11. Disclosure of Information

Contractor further acknowledges that all services it provides and all writings, notes, and other communications it produces are specifically authorized under this Contract in anticipation of litigation under the Supervision of Trustees for Charitable Purposes Act, MCL 14.251 *et seq.*, and other applicable Michigan law. Contractor agrees that its reports and conclusions are confidential information of the State and that it will not disclose these conclusions, in whole or in part, to any unauthorized person without the prior written consent of the Department.

As a material precondition to the obligations of DLP and the Department under this Agreement and the Payment Agreement, Contractor shall execute the Confidentiality and Non-Duplication Agreement in the form attached hereto as Exhibit B.

12. Non-Discrimination

In the performance of this Contract, Contractor agrees 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, the Contractor agrees 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 Contractor 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, shall 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.

Contractor will be solely and entirely responsible for its acts and the acts of its agents and employees during the performance of this Contract.

Notwithstanding the above, Contractor acknowledges that while compensation will be received from DLP, not the Department, Contractor's services are provided solely for and on behalf of the Department. Contractor and its employees shall at all times act in the best interest of the Department and shall promptly disclose any material facts that may impair their ability to perform services under this Contract free of actual or apparent conflicts between their business or personal interests and those of the Department.

All communications between Contractor and the Department are subject to applicable privileges, including specifically the attorney work-product privilege.

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 Exhibits A and B attached hereto and the Payment Agreement, represents the entire agreement between the parties and supersedes all proposals or other prior agreements, oral or written, and all other communications between the Contractor and the Department relating to the Department retaining the Contractor's services.

Signatures appear on next page.

17. Authorized Signatures

Contractor agrees that _____ is authorized to sign on its behalf.

Dated: _____

For Contractor/Expert

Dated: _____

Bill Schuette, Attorney General, or his
Designee