

**ASSET PURCHASE AGREEMENT**

**BY AND BETWEEN**

**MARQUETTE GENERAL HOSPITAL, INC.,**

**AS SELLER, AND**

**DLP MARQUETTE HOLDING COMPANY, LLC,**

**AS BUYER**

**June 28, 2012**

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## ASSET PURCHASE AGREEMENT

THIS ASSET PURCHASE AGREEMENT (“Agreement”) is made and entered into as of June 28, 2012, by and between Marquette General Hospital, Inc., a Michigan nonprofit corporation (“Seller”), and DLP Marquette Holding Company, LLC, a Delaware limited liability company (“Buyer”).

### **WITNESSETH:**

**WHEREAS**, Seller owns and operates Marquette General Hospital, a 307-bed acute care hospital located at 420 West Magnetic Street, Marquette, Michigan (the “Hospital”) and the ancillary facilities set forth on Exhibit A (the “Ancillary Facilities”) and owns, leases, manages or otherwise operates the businesses set forth on Exhibit B (the “Other Businesses” and, together with the Hospital and the Ancillary Facilities, the “Hospital Facilities”);

**WHEREAS**, Seller owns an ownership, membership, directorship, equity or other interest in the entities set forth on Exhibit C (each an “Included Joint Venture”);

**WHEREAS**, Seller owns a 56% membership interest in (i) Upper Peninsula Health Plan, Inc. (“UPHP”), a Michigan business corporation that is a qualified health plan and holds a certificate of authority from the Michigan Office of Financial Insurance and Regulation (“OFIR”) to operate a health maintenance organization in the State of Michigan, and (ii) Upper Peninsula Managed Care, LLC, a Michigan limited liability company, that holds a license as a resident producer from OFIR and certificate of authority to operate as a third party administrator from OFIR (“UPMC” and, together with UPHP and the business of UPMC and UPHP, the “Health Insurance Business”);

**WHEREAS**, Seller owns a 50% membership interest in Upper Peninsula Health Education Corp., a Michigan nonprofit corporation (“UPHEC”), which operates a post-secondary medical education program doing business as Michigan State University College of Human Medicine Upper Peninsula Region (the “Medical Education Program” and, together with the Hospital Facilities, the Included Joint Ventures, UPMC, UPHP, the Health Insurance Business and UPHEC, the “Businesses”);

**WHEREAS**, Buyer is a wholly owned subsidiary of DLP Healthcare, LLC, a Delaware limited liability company (“DLP”);

**WHEREAS**, the only members of DLP are Duke University Health System, Inc., a non-profit corporation organized and governed under the laws of the State of North Carolina, or its wholly controlled affiliate (“DUHS”), and DLP Partner, LLC, a Delaware limited liability company (“Lpnt Sub”) and an indirectly wholly owned subsidiary of LifePoint Hospitals;

**WHEREAS**, Buyer desires to acquire substantially all of the assets of Seller associated with or employed in the conduct of the Businesses, but excluding the Excluded Assets (as hereinafter defined); and

**WHEREAS**, Seller has concluded that the transactions contemplated by this Agreement are in the best interests and consistent with its charitable mission of the promotion of health by the Businesses.

**NOW, THEREFORE**, for and in consideration of the premises, agreements, covenants, representations and warranties hereinafter set forth, and other good and valuable consideration, the receipt and adequacy of all of which are forever acknowledged and confessed, the parties hereby agree as follows:

## 1. SALE OF ASSETS AND CERTAIN RELATED MATTERS.

1.1 Sale and Transfer of the Assets. Subject to the terms and conditions of this Agreement, Seller agrees to sell, transfer, convey, and deliver to Buyer and Buyer agrees to purchase at Closing (as hereinafter defined) all of Seller's right, title and interest in and to all assets of every description, whether real, personal or mixed, whether tangible and intangible, other than the Excluded Assets (as hereinafter defined), owned, leased or licensed by Seller, and located at or held or used in connection with the business or operations of the Businesses, including the following items (collectively, the "Assets"), free and clear of any and all Encumbrances (as hereinafter defined) other than Permitted Encumbrances (as hereinafter defined) and Assumed Liabilities (as hereinafter defined):

(a) valid and enforceable leasehold interest in the real property referenced on Schedule 1.1(a) (the "Leased Real Property"), together with all of Seller's right, title and interest in all rights, privileges, easements, streets, drainage areas and rights of way appurtenant to or benefiting or serving the Leased Real Property;

(b) good and marketable fee simple title to the real property referenced on Schedule 1.1(b) (the "Included Real Property") (the Leased Real Property and the Included Real Property are collectively referred to herein as the "Real Estate"), together with the improvements thereon and fixtures related thereto and all of Seller's right, title and interest in all rights, privileges, easements, streets, drainage areas and rights of way appurtenant to or benefiting or serving the Included Real Property;

(c) all machinery, equipment, tools, furniture, office equipment, computer hardware, supplies, materials, vehicles and other items of tangible personal property of every kind;

(d) inventories of supplies, drugs, food, janitorial and office supplies and other disposables and consumables existing on the Closing Date (as hereinafter defined) and located at any of the Businesses, or purchased by Seller for use in connection with the business or operation of the Businesses ("Inventory");

(e) to the extent allowed by Legal Requirements (as hereinafter defined), all data and records created or maintained by Seller in the course of its operation of the Businesses, including all financial, patient, medical staff and personnel records (including all medical and administrative libraries, medical records, documents, catalogs, books, files and operating manuals);

(f) all of the rights and interests of Seller in, or pursuant to, the agreements, contracts, commitments, leases and other arrangements listed on Schedule 1.1(f), together with those agreements, contracts, commitments, leases, purchase orders and other arrangements made by Seller that are not listed on Schedule 1.1(f) which individually involve future payments, performance of services or delivery of goods or materials, to or by Seller of any amount or value less than \$10,000 on an individual basis and less than \$35,000 on an annual basis in the aggregate ("Immaterial Contracts" and, together with the contracts listed on Schedule 1.1(f), the "Assumed Contracts"); provided that Immaterial Contracts shall not include those agreements, contracts, commitments, leases, purchase orders and other arrangements made by Seller (i) that are between Seller and any affiliate of Seller, including the Businesses, (ii) that are between Seller and any patient referral source (including any physician or other healthcare provider), all to be listed on Schedule 1.1(f), (iii) that include covenants of Seller not to compete, not to solicit personnel, or not to engage in specified business activities, or (iv) that may not be terminated without cause and without penalty on ninety (90) or fewer days prior written notice;

(g) to the extent transferable, licenses with respect to all software installed on personal computers or servers owned by Seller, together with all manuals, procedures and other materials relating thereto;

(h) to the extent assignable, all licenses and permits (including the Licenses, as hereinafter defined) held by Seller relating to the ownership, development and operations of the Businesses and the Assets, and all other rights, privileges, registrations, consents, approvals, accreditations, franchises, certificates, certificates of need and applications relating to the present or future business, operations or development of the Businesses and the Assets;

(i) to the extent assignable, the national provider identifiers (“NPIs”) and the Medicare, Medicaid and TRICARE (formerly the Civilian Health and Medical Program of the Uniformed Services (“CHAMPUS”)) provider numbers and related provider agreements of Seller specifically identified on Schedule 1.1(i);

(j) all of the intangible rights and property of Seller relating to the Businesses, including all intellectual property owned or licensed (as licensor or licensee) by Seller relating to the Businesses, including the names listed on Schedule 1.1(j) and any variations thereof, the goodwill associated therewith, telephone, facsimile and e-mail addresses (or numbers) and listings, internet web sites and internet domain names;

(k) to the extent legally transferable, all warranties, guarantees, and covenants not to compete in favor of Seller or the Businesses;

(l) to the extent legally transferable, all notes, accounts receivable and other rights to receive payment for goods and services provided by Seller in connection with the business or operation of the Businesses prior to the Closing, including any such accounts receivable that have been charged off as bad debt but are collected post-Closing (the “AR”);

(m) any deposits, other current assets, escrows, prepaid Taxes (as hereinafter defined) or other advance payments relating to any expenses of the Seller that are useable by Buyer following the Closing specifically excluding any pre-paid insurance premiums (collectively, “Prepaid Expenses”);

(n) subject to the provisions of Section 2.7, all benefits, proceeds or any other amounts payable under any policy of insurance maintained by, or rights to indemnification of, Seller with respect to the Assets;

(o) the bank accounts listed on Schedule 1.1(o) (but excluding the funds held in such accounts);

(p) except with respect to Rampart Emergency Medical Services, Inc., a Michigan nonprofit corporation (“Rampart”), Mattson Management Group, LLC, a Michigan limited liability company (“Mattson”), Marquette County EMS Medical Control Authority, a Michigan nonprofit corporation (“MCMCA”), and Ice Lake Medical Arts Building, Inc., a Michigan corporation (“Ice Lake”, together with Rampart, Mattson and MCMCA, the “Pre-Closing Transferred Assets Entities”), which should transfer all of their respective assets to Seller prior to Closing as contemplated by Sections 6.11 and 7.20 and such assets of the Pre-Closing Transferred Assets Entities should be included in the Assets (including as Included Real Property, as applicable), the ownership interests, including all transferable rights relating thereto, of Seller in UPHP, UPMC and the Included Joint Ventures (each as converted, if applicable, to a for-profit Michigan limited liability company as contemplated by Sections 6.11, 7.18 and 7.19);

(q) all property, real, personal and mixed, tangible or intangible, of Seller pertaining to or otherwise held in connection with the business, operations or development of the Businesses or the Assets, to the extent arising or acquired between the date hereof and the Effective Time (as hereinafter defined);

(r) the Spin-Off Assets (as hereinafter defined); and

(s) any meaningful use reimbursements received following the Effective Time.

1.2 Excluded Assets. Notwithstanding anything herein to the contrary, the following assets which are associated with Seller's operation of the Businesses are not intended by the parties to be a part of the Assets that Buyer is purchasing hereunder and shall be excluded from such purchase (collectively, the "Excluded Assets"):

(a) restricted and unrestricted cash and cash equivalents, including investments in marketable securities, certificates of deposit and bank accounts;

(b) temporary investments;

(c) all Inventory disposed of, expended or exhausted prior to the Effective Time (as hereinafter defined) in the ordinary course of business and items of equipment and other Assets transferred or disposed of prior to the Effective Time in a manner permitted by this Agreement;

(d) any records which Seller is required by applicable Legal Requirements to retain in its possession, that are required to be held by Buyer pursuant to the Custody Agreement (as hereinafter defined), and any records related exclusively to Excluded Assets or Excluded Liabilities (as hereinafter defined);

(e) all leases, commitments, contracts, capital leases and agreements that are not Assumed Contracts (the "Excluded Contracts") as reflected on Schedule 1.2(e);

(f) rights to Tax refunds or claims under or proceeds of insurance policies (except as set forth in Section 2.7) related to the Businesses or the Assets that arise out of the operations of the Businesses or the Assets prior to the Effective Time;

(g) all Benefit Plans (as hereinafter defined) and any contracts or agreements related thereto and all funds and accounts held thereunder (other than the Spin-Off Assets, as hereinafter defined);

(h) Seller's organizational documents and minute books;

(i) all NPIs and all Medicare, Medicaid and TRICARE provider numbers and related provider agreements of Seller not specifically assumed pursuant to Section 1.1(i);

(j) rights to settlements and retroactive adjustments, if any, whether arising under a cost report of Seller or otherwise for cost reporting periods ending on or prior to the Effective Time, whether open or closed, arising from or against the United States government under the terms of the Medicare program or TRICARE or arising under the Medicaid program of the State of Michigan or any other state (collectively, the "Government Programs"), and against any third party payor programs which settle upon a basis other than on individual claims basis ("Agency Settlements");

(k) all claims arising under Excluded Contracts;

(l) the interests, assets and operations of the Marquette General Hospital Auxiliary/Volunteers and Marquette General Foundation, Inc., a Michigan nonprofit corporation (“Foundation”), which Foundation shall not be a supporting organization of Seller under Section 509(a)(3) of the Internal Revenue Code of 1986, as amended (the “Code”), and the funds set forth on Schedule 1.2(l) (the “Foundation Funds”);

(m) except with respect to the Pre-Closing Transferred Assets Entities, any assets that are owned or leased by (i) UPHP, UPMC or the Included Joint Ventures (each as converted, if applicable, as contemplated by Sections 6.11, 7.18 and 7.19) or (ii) the Excluded Entities (as hereinafter defined);

(n) the donor restricted funds of Seller and any agreements and obligations related thereto, which are set forth on Schedule 1.2(n);

(o) any meaningful use reimbursements received by Seller on or prior to Closing;

(p) all funds resulting from claims Seller has pending in lawsuits against third parties relating to the Assets or the Businesses arising from events that occur prior to Closing;

(q) the ownership, membership, directorship, equity or other investment interests of Seller or other interests held by Seller in any person (other than Seller’s ownership interest in UPHP, UPMC and the Included Joint Ventures (each as converted, if applicable, as contemplated by Sections 6.11, 7.18 and 7.19)) (the “Excluded Entities”), including the entities set forth on Schedule 1.2(q);

(r) the board designated reserve accounts set forth on Schedule 1.2(r);

(s) all assets in the Seller self-insured malpractice and workers compensation trusts listed on Schedule 1.2(s); and

(t) such other assets listed on Schedule 1.2(t).

1.3 Interpretation. In this Agreement, unless the context otherwise requires: (a) references to this Agreement are references to this Agreement and to the Schedules and Exhibits hereto; (b) references to Articles and Sections are references to articles and sections of this Agreement; (c) references to any party to this Agreement include references to its respective successors and permitted assigns; (d) references to a judgment include references to any order, writ, injunction, decree, determination or award of any court or tribunal; (e) references to a “person” means any individual, company, corporation (whether public, private or government), corporate body, association, authority, partnership, limited liability company, firm, joint venture, business entity, trust or government agency; (f) the terms “hereof”, “herein”, “hereby”, and any derivative or similar words refer to this entire Agreement; (g) references to any document (including this Agreement) are references to that document as amended, consolidated, supplemented, novated or replaced by the parties thereto from time to time; (h) the word “including” means “including without limitation”; (i) references to time are references to Eastern Standard Time or Daylight Time (as in effect on the applicable day, unless otherwise specified herein); (j) the word “affiliate” means, as to the person in question, any person that directly or indirectly controls, is controlled by, or is under common control with, the entity in question and any successors or assigns of such entities; (k) the term “control” means possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a person whether through ownership of voting securities, by contract or otherwise; (l) the term “Proceeding” shall mean and refer to any action, arbitration, audit, hearing, investigation, litigation, suit or similar proceeding (whether civil, criminal, administrative, judicial or investigative, whether formal or informal, whether public or private) commenced, brought, conducted or heard by or before, or otherwise involving, any governmental body or arbitrator; and (m) the



term “Legal Requirements” means and refers to any law, statute, ordinance, by-law, code, rule, regulation, corporate integrity agreement, reimbursement manual, program memorandum, guidelines, policy, restriction, order, judgment, writ, injunction, decree, determination, award or similar command of any governmental authority having jurisdiction over the relevant person or subject matter as of the applicable date.

## 2. FINANCIAL ARRANGEMENTS

### 2.1 Purchase Price.

(a) Subject to the terms and conditions of this Agreement and in reliance upon the representations and warranties of Seller set forth herein and as consideration for the sale and purchase of the Assets contemplated herein, Buyer shall at the Closing, (i) assume the Assumed Liabilities; (ii) tender the aggregate purchase price as set forth on the Estimated Foundation Proceeds Certificate (as hereinafter defined), as adjusted pursuant to Sections 2.1(e) and 2.6 (collectively, the “Purchase Price”), payable in the manner set forth on the funds flow memorandum agreed to between Seller and Buyer and delivered at Closing (the “Funds Flow Memorandum”).

(b) Immediately prior to the Closing Date, Seller shall deliver to Buyer a certificate (the “Estimated Foundation Proceeds Certificate”) setting forth a determination of the estimated cash proceeds payable by Buyer to Seller for the ultimate benefit of Foundation at Closing, which shall be calculated in accordance with Schedule 2.1(b) and subject to adjustment pursuant to Section 2.1(e) (the “Estimated Foundation Proceeds Amount”). The Estimated Foundation Proceeds Certificate shall contain supporting documentation with respect to such determination. The Estimated Foundation Proceeds Certificate, as adjusted by Sections 2.1(e) and 2.6(d), shall be used for determining the cash proceeds payable to Seller for the ultimate benefit of Foundation (the “Foundation Proceeds Amount”). Notwithstanding anything contained herein to the contrary (except as provided in Section 6.12), Seller and Buyer agree that the Foundation Proceeds Amount shall be at least \$15,000,000 (the “Minimum Foundation Capitalization”). For clarification purposes, following Seller’s receipt of the Foundation Proceeds Amount, Buyer shall not be responsible for any losses on investment of such Foundation Proceeds Amount by Seller or Foundation. In the event that the Estimated Foundation Proceeds Amount is less than the Minimum Foundation Capitalization, as reflected in the Estimated Foundation Proceeds Certificate and the Funds Flow Memorandum, Buyer shall tender at Closing by wire transfer to an account designated by Seller for the ultimate benefit of Foundation, an amount equal to the difference between the Minimum Foundation Capitalization and the Estimated Foundation Proceeds Amount (the “Estimated Proceeds Deficiency Amount”). In the event that the Estimated Foundation Proceeds Amount is greater than the Minimum Foundation Capitalization, which shall be reflected on the Estimated Foundation Proceeds Certificate and the Funds Flow Memorandum, then the difference between the Estimated Foundation Proceeds Amount and the Minimum Foundation Capitalization (the “Estimated Excess Proceeds Amount”), as well as any earnings on such Estimated Excess Proceeds Amount, as adjusted by Section 2.6, shall be retained by Seller or Foundation in accordance with Section 9.16.

(c) As reflected in the Estimated Foundation Proceeds Certificate and Funds Flow Memorandum, at Closing, Seller (or Buyer through a disbursement of sale proceeds) shall deposit an amount equal to the Termination Liability (as hereinafter defined) determined in accordance with Section 6.14 and set forth on the Estimated Foundation Proceeds Certificate in escrow, which amount shall be contributed directly to the trust (the “Pension Plan Trust”) holding the assets of the Marquette General Hospital Inc. Retirement Plan (the “Pension Plan”) immediately following the True-Up Date (as hereinafter defined); provided, however, that, if Buyer exercises its option to assume the full Pension Plan in accordance with Section 9.1(b)(xii), the amount set forth on the Estimated Foundation Proceeds Certificate as the Termination Liability shall not be deposited into escrow or the Pension Plan Trust and

instead the estimated cash proceeds payable by Buyer to Seller for the benefit of Foundation at Closing shall be reduced (but not below the Minimum Foundation Capitalization) immediately prior to Closing by the amount determined in accordance with Section 6.14 and set forth on the Estimated Foundation Proceeds Certificate as the Termination Liability.

(d) As reflected in the Estimated Foundation Proceeds Certificate and Funds Flow Memorandum, the estimated cash proceeds payable by Buyer to Seller for the benefit of Foundation at Closing shall be reduced immediately prior to the Closing Date by an amount equal to the difference between the estimated Projected Benefit Obligation (as hereinafter defined) and the estimated Spin-Off Assets, both determined as of the Final Calculation Date (as hereinafter defined) and in accordance with Section 6.14 hereof.

(e) Pursuant to the terms of a mutually acceptable agreement by and between Seller and Buyer (the "Purchase Price Adjustment Agreement"), immediately prior to the Closing Date, the Purchase Price set forth on the Estimated Foundation Proceeds Certificate may be increased with a corresponding dollar-for-dollar decrease to the Capital Investment Commitment or the Physician Recruitment Commitment, at the discretion of Buyer. For clarification purposes, any adjustment made pursuant to the Purchase Price Adjustment Agreement shall constitute an increase to the amount defined as the "Purchase Price."

2.2 Allocation of Purchase Price. Within one hundred eighty (180) days after the Closing Date, Buyer shall prepare an allocation of the Purchase Price in accordance with Section 1060 of the Code and the Treasury regulations thereunder (and any similar provision of state or local Legal Requirements, as appropriate), and the valuations and appraisals prepared by the Accountants (as hereinafter defined) or other qualified appraisal firm selected by Buyer (the "Allocation"). Seller and Buyer hereby agree to be bound by such Allocation, to account for and report the purchase and sale of the Assets contemplated hereby for federal and state Tax purposes in accordance with such Allocation, and not to take any position (whether in Tax Returns (as hereinafter defined), Tax audits, or other Tax proceedings), that is inconsistent with such Allocation without the prior written consent of the other parties. The fees and expenses for the valuations and appraisals contemplated in this Section 2.2 shall be borne by Buyer. Buyer and Seller and their affiliates shall report, act and file all Tax Returns, Medicare cost reports and other information filings, to the extent required, in all respects and for all purposes consistent with such Allocation.

2.3 Assumed Liabilities. Notwithstanding anything herein to the contrary, as of the Effective Time, Buyer shall assume and agree to pay, perform and discharge in accordance with their respective terms, only the following liabilities of Seller (collectively, the "Assumed Liabilities"): (i) the obligations of Seller under the Assumed Contracts arising out of periods after the Effective Time, including the Agreement by and between Seller and Michigan Nurses Association, dated as of June 1, 2010 (the "Collective Bargaining Agreement") solely with respect to those employees hired pursuant to Section 9.1 of this Agreement, other than any liability relating in any way to a breach or default based on an event that occurred prior to or at the Effective Time; (ii) the Permitted Encumbrances; (iii) solely to the extent included in Schedule 2.5(a), paid time off obligations of Employees, including for all currently represented bargaining unit employees (the "PTO"); (iv) solely to the extent included in Schedule 2.5(a), current trade accounts payable due to third parties (the "Trade Payables"); (v) other obligations specifically identified on Schedule 2.5(a); and (vi) the Transferred Pension Liabilities (as hereinafter defined); provided, however, that if the Initial Transfer Date (as hereinafter defined) is after the Effective Time, the Transferred Pension Liabilities shall be assumed as of the Initial Transfer Date in accordance with Section 9.1(b).

2.4 Excluded Liabilities. Except for the Assumed Liabilities, Buyer shall not assume, nor shall it be liable for and under no circumstance shall Buyer be obligated to pay or assume, and none of the Assets shall be or become liable for or subject to:

- (a) any liability or obligation of Seller, its affiliates or the Businesses;
- (b) any liability or obligation arising out of or relating to the conduct or operation of the Businesses prior to the Effective Time (regardless of whether any resulting claim, litigation or proceeding is instituted before or after the Effective Time), including medical malpractice or general liability claims;
- (c) any liability or obligation arising out of or relating to the ownership or use of the Assets prior to Effective Time, whether (in any case) fixed or contingent, recorded or unrecorded, known or unknown, currently existing or hereafter arising, and whether or not set forth or described in the Schedules;
- (d) any debt of or claim against Seller, any of its affiliates or the Businesses, or any obligation of Seller, any of its affiliates or the Businesses to repay borrowed money;
- (e) any claim against or obligation of any nature whatsoever relating to any of the Excluded Assets;
- (f) any liability under any Benefit Plan of Seller (other than the Transferred Pension Liabilities), and all administrative costs associated with such Benefit Plans (other than those administrative costs associated with the Transferred Pension Liabilities);
- (g) any liability relating to Seller's Cost Reports (as hereinafter defined), including terminating cost reports, or other Government Program claims with respect to periods ending prior to the Effective Time, whether arising in connection with a "self report" or otherwise;
- (h) any liability for violating any Legal Requirements to the extent arising from acts or omissions prior to the Effective Time, including those pertaining to Medicare and Medicaid fraud or abuse and federal and state physician anti-self-referral laws;
- (i) any liability under Seller's provider agreements with Government Programs or other third party payors, including any liability for amounts paid to the Seller or Hospice (as hereinafter defined) in excess of the maximum "caps" allowed pursuant to the limitation on payments for hospice services described in 42 U.S.C. §1395f and the applicable Medicare regulations ("Medicare Cap Liability") and the repayment of any alleged overpayments;
- (j) any liability or obligation of Seller relating to Seller's compliance or failure to comply with Environmental Laws or the existence or presence of materials of Environmental Concern in, on, under or near the Real Property or the premises of the Businesses;
- (k) any liability or obligation of Seller arising under any contract between Seller and any of the Businesses, or arising under any written guarantee by Seller of any liability or obligation of any of the Businesses;
- (l) any liability or obligation for Taxes, whether or not accrued, assessed or currently due and payable, (i) of Seller, whether or not it relates to the Assets or the Businesses, (ii) relating to the ownership or operation of the Assets or the Businesses for any taxable period (or portion thereof) ending on or prior to the Effective Time, (iii) resulting from the consummation of the transactions contemplated

herein, except as otherwise specifically provided in this Agreement, (iv) imposed on Buyer or its affiliates as a transferee or successor, pursuant to any tax indemnification or sharing agreement, or similar contract or arrangement, or otherwise, which Taxes relate to the Assets or the Businesses, with respect to an event or transaction occurring prior to the Effective Time or (v) relating to the Excluded Assets;

(m) any tax liability or obligation resulting from the transactions described in Sections 6.11, 7.18, 7.19 and 7.20;

(n) any liability or obligation whatsoever relating to the Marquette General Hospital Auxiliary, Foundation or the Excluded Entities; and

(o) any liability set forth on Schedule 2.4(o) (collectively, the “Excluded Liabilities”).

## 2.5 Estimated Net Working Capital.

(a) At least five (5) business days prior to Closing, Seller shall deliver to Buyer a certificate (the “Estimated NWC Certificate”) setting forth a determination of the estimated Net Working Capital as of the last day of the most recently ended calendar month prior to the Closing Date for which financial statements are available (the “Estimated Net Working Capital”). Such determination shall be made in accordance with GAAP (as hereinafter defined), and consistent with the calculation set forth on Schedule 2.5(a) applied on a consistent basis. The Estimated NWC Certificate shall contain reasonable detail and supporting documentation with respect to such determination. The Estimated Net Working Capital shall be used for purposes of calculating the Purchase Price as of the Closing. “Net Working Capital” shall mean: (i) the aggregate current assets of Seller transferred as Assets to Buyer, expressly including for such purpose the AR, Prepaid Expenses and deposits (but only to the extent the same are assumable by Buyer and will accrue to the benefit of Buyer after the Effective Time), and the Inventory; minus (ii) the aggregate current liabilities of Seller assumed by Buyer, expressly including for such purposes the PTO and Trade Payables.

(b) Seller shall, at its own cost, conduct a physical count of the Inventory which shall be taken and valued consistent with historical practices as near in time as possible prior to the Closing Date and with the results extended and adjusted through the Closing Date; provided that (i) all Inventory items shall be valued at weighted average cost; and (ii) the value of the Inventory shall include only those items that are not damaged, that are currently dated and that are of a quantity and quality that may be used by Buyer following the Closing. Representatives of Buyer or employees of Employer (as hereinafter defined) shall be permitted to observe such inventory process. The parties acknowledge that the inventory to be taken pursuant to this Section 2.5(b) will not be conducted until immediately prior to the Closing Date and, as such, the results of such inventory will not be available until some time after the Closing Date. Accordingly, the parties agree that for purposes of the Estimated Net Working Capital, the value of the Inventory shall equal the book value of the inventory as reflected on the unaudited balance sheet of Seller as of the end of the most recently ended calendar month prior to the Closing Date (the “Estimated Inventory Value”).

## 2.6 Post-Closing Purchase Price Adjustment.

(a) If Buyer or Seller determines that a refining recalculation of the Net Working Capital as contemplated by this Section 2.6 would have an impact on the amount of any Excess Proceeds Amount, then, on or after one hundred eighty (180) days after the Closing Date, Buyer shall deliver to Seller a determination of the Net Working Capital as of the Effective Time (the “Closing Net Working Capital”). Such determination shall be made in accordance with GAAP and the calculation set forth on Schedule 2.5(a), and set forth on a settlement certificate (the “Settlement Certificate”) containing reasonable detail

and supporting documentation therefor. Should Seller disagree with Buyer's calculation of the Closing Net Working Capital, Seller shall deliver to Buyer a written statement setting forth its objections thereto (an "Objections Statement"). The Objections Statement shall contain reasonable detail concerning the basis for such objections together with the amounts in dispute. If an Objections Statement is not delivered to Buyer within fifteen (15) business days after delivery of the Settlement Certificate, the Closing Net Working Capital as proposed by Buyer shall be final and binding upon, and nonappealable by, the parties.

(b) Buyer and Seller shall negotiate in good faith to resolve any objections contained in the Objections Statement (and all such discussions related thereto shall, unless otherwise agreed by Buyer and Seller, be governed by Rule 408 of the Federal Rules of Evidence and any applicable similar state rule), but if they do not reach a final resolution within thirty (30) days after the delivery of the Objections Statement, either Buyer or Seller may submit such dispute along with copies of the Estimated Net Working Capital prepared by Seller, the Closing Net Working Capital prepared by Buyer, the Objections Statement and a statement of the items resolved by agreement and those still in dispute (which shall be limited to those items identified in the Objections Statement), to BDO USA, LLP (the "Accountants") for resolution in accordance with the terms of this Agreement. Seller and Buyer shall use their commercially reasonable efforts to cooperate with and cause the Accountants to resolve all such disagreements as soon as practicable. The resolution of the dispute by the Accountants shall be in a writing delivered to Seller and Buyer as soon as practicable and shall be final and binding upon, and nonappealable by, the parties. The Closing Net Working Capital shall be modified by the Accountants if and as necessary to reflect such determination. The fees and expenses of the Accountants shall be allocated between Buyer and Seller based upon the percentage which the portion of the contested amount not awarded to each party bears to the amount actually in dispute at the time of submission to the Accountants, as determined by the Accountants in their reasonable discretion. Notwithstanding anything in this Agreement to the contrary, in the event that, for whatever reason, the Closing Net Working Capital has not been finally determined within three hundred sixty (360) days after the Closing, then either Buyer or Seller may submit such dispute to any court of competent jurisdiction for resolution.

(c) The Closing Net Working Capital as finally determined pursuant to Section 2.6(a) or Section 2.6(b) shall be the final Closing Net Working Capital.

(d) Upon agreement on (or other final resolution of) the calculation of the Closing Net Working Capital, Buyer shall deliver to Seller a determination of the Foundation Proceeds Amount as of the Effective Time (the "Closing Foundation Proceeds Amount"). Such determination shall be consistent with the calculation set forth on Schedule 2.1(b) and subject to the adjustment pursuant to Section 2.1(e), and set forth on a certificate (the "Closing Foundation Proceeds Certificate") reflecting the following adjustments: (i) in the event that the Closing Net Working Capital exceeds the Estimated Net Working Capital, there shall be a dollar-for-dollar upward adjustment to the Estimated Foundation Proceeds Amount; and (ii) in the event that the Estimated Net Working Capital exceeds the Closing Net Working Capital, there shall be a dollar-for-dollar downward adjustment to the Estimated Foundation Proceeds Amount.

(i) In the event that the Estimated Foundation Proceeds Certificate reflects an Estimated Excess Proceeds Amount:

(A) If the Closing Foundation Proceeds Amount is greater than the Estimated Foundation Proceeds Amount, Buyer shall tender by wire transfer to an account designated by Seller within ten (10) days following the calculation of the Closing Foundation Proceeds Amount an amount equal to the sum of (x) the difference between the Closing Foundation Proceeds Amount and the Estimated Foundation Proceeds Amount, plus (y) interest on such amount from the Closing Date computed at an annual

rate equal to the prime rate of interest published in The Wall Street Journal on the Closing Date plus one percent (1%) (the “Interest Rate”);

(B) If the Closing Foundation Proceeds Amount is less than the Estimated Foundation Proceeds Amount but greater than the Minimum Capitalization, Seller shall tender by wire transfer to an account designated by Buyer within ten (10) days following the calculation of the Closing Foundation Proceeds Amount an amount equal to the sum of (x) the difference between the Estimated Foundation Proceeds Amount and the Closing Foundation Proceeds Amount, plus (y) the interest on such amount from the Closing Date at the Interest Rate; and

(C) If the Closing Foundation Proceeds Amount is less than the Minimum Foundation Capitalization, Seller shall tender by wire transfer to an account designated by Buyer within ten (10) days following the calculation of the Closing Foundation Proceeds Amount an amount equal to the sum of (x) the difference between the Estimated Foundation Proceeds Amount and the Minimum Foundation Capitalization, plus (y) the interest on such amount from the Closing Date at the Interest Rate.

(ii) In the event that the Estimated Foundation Proceeds Certificate reflects an Estimated Proceeds Deficiency Amount:

(A) If the Closing Foundation Proceeds Amount is greater than the Minimum Foundation Capitalization, Buyer shall tender by wire transfer to an account designated by Seller within ten (10) days following the calculation of the Closing Foundation Proceeds Amount an amount equal to the sum of (x) the difference between the Closing Foundation Proceeds Amount and the Minimum Foundation Capitalization, plus (y) the interest on such amount from the Closing Date at the Interest Rate;

(B) If the Closing Foundation Proceeds Amount is less than the Minimum Foundation Capitalization but greater than the Estimated Foundation Proceeds Amount, Seller shall tender by wire transfer to an account designated by Buyer within ten (10) days following the calculation of the Closing Foundation Proceeds Amount an amount equal to the sum of (x) the difference between the Closing Foundation Proceeds Amount and the Estimated Foundation Proceeds Amount, plus (y) the interest on such amount from the Closing Date at the Interest Rate; and

(C) If the Closing Foundation Proceeds Amount is less than the Estimated Foundation Proceeds Amount, Buyer shall tender by wire transfer to an account designated by Seller within ten (10) days following the calculation of the Closing Foundation Proceeds Amount an amount equal to the sum of (x) the difference between the Closing Foundation Proceeds Amount and the Estimated Foundation Proceeds Amount, plus (y) the interest on such amount from the Closing Date at the Interest Rate.

## 2.7 Casualty Pre-Closing Purchase Price Adjustment.

(a) The risk of loss or damage to any of the Assets shall remain with Seller until the Effective Time and Seller shall maintain its insurance policies covering the Assets and all other property through the Effective Time. If any material part or portion of the Assets is damaged, condemned, lost or destroyed (whether by fire, theft or other casualty event) prior to the Effective Time, Seller shall notify Buyer (“Casualty Notice”) as soon as possible of such damage, loss or destruction. The Casualty Notice

shall set forth Seller's good faith, reasonable estimate (the "Estimate") of the cost to repair, replace or restore (as applicable) such damage, loss or destruction (the "Aggregate Damage").

(b) In the event that the Estimate is equal to or greater than \$5,000,000 (a "Material Loss"), Buyer may, within ten (10) days after receipt of the Casualty Notice, terminate this Agreement by written notice to Seller. In the event that Buyer does not terminate this Agreement within such ten (10) day period, the rights and obligations of the parties with respect to such Material Loss shall be governed by Section 2.7(d).

(c) In the event that the Estimate is less than a Material Loss and Buyer objects to the Estimate, Buyer shall notify Seller of such objection (the "Buyer Notice") within ten (10) days after receipt of the Casualty Notice. The Buyer Notice shall indicate whether Buyer objects to the Estimate and whether Buyer believes that the value of the Aggregate Damage is in excess of a Material Loss. If the parties are unable to resolve their disagreement concerning the value of the Aggregate Damage within five (5) business days after Seller's receipt of the Buyer Notice, then the Accountants shall be engaged to provide, as promptly as possible, its determination of the Aggregate Damage and confirm in writing either that the Aggregate Damage is less than a Material Loss or exceeds a Material Loss. If the Accountants' report indicates a Material Loss, Buyer may submit a termination notice within five (5) business days after the receipt of the Accountants' report. The Accountants' determination shall be final and binding on the parties. The fees and costs of the Accountants shall be shared equally by Buyer and Seller.

(d) If, prior to the Effective Time, any part or portion of the Assets is destroyed, condemned, lost or damaged, (i) to an extent that such event does not result in a Material Loss, or (ii) to an extent that such event would be a Material Loss and Buyer fails to terminate this Agreement, the parties shall consummate the transactions contemplated in this Agreement, subject to the other terms and conditions of this Agreement, and, at the Effective Time, Seller shall deliver possession of the Assets to Buyer in such physical condition as the same may then exist; provided that, in such event, Buyer may elect in its sole discretion, either (1) to reduce the Purchase Price by an amount equal to the Aggregate Damage (or the Accountants' estimate thereof, if applicable) at Closing, or (2) to receive an assignment from Seller of all of its right, title and interest in and to any and all net insurance or condemnation proceeds otherwise due and payable to Seller for the condemnation or property loss or damage to the Assets.

2.8 Proration. To the extent not prorated at Closing, within ninety (90) days after the Closing Date, Seller and Buyer shall prorate as of the Effective Time any amounts with respect to: (i) the Assumed Contracts, but only to the extent the event giving rise to such obligation occurred prior to the Effective Time, or to the extent that any prepayments have been made with respect to the delivery of goods or services for periods ending on or after the Effective Time; (ii) ad valorem Taxes, if any, on the Assets; (iii) property Taxes, if any, on the Assets; and (iv) if cut off statements cannot be obtained as of Closing, all utilities servicing any of the Assets, including water, sewer, telephone, electricity and gas service, except that payments for ad valorem and property Taxes, if necessary, shall initially be determined based on the previous year's Taxes and shall later be adjusted to reflect the current year's Taxes when the Tax bills are finally rendered. The parties shall cooperate to avoid, to the extent legally possible, the payment of duplicate Taxes, and each party shall furnish, at the request of the other, proof of payment of any Taxes or other documentation which is a prerequisite to avoid payment of a duplicate Tax. Any such amounts which are not available within ninety (90) days after the Closing Date shall be similarly prorated as soon as practicable thereafter. Seller shall pay to Buyer, or Buyer shall pay to Seller, as the case may be, within ten (10) days after the determination thereof, any unpaid prorated amount attributable to periods prior to, or following, the Effective Time.

2.9 Straddle Patients. Buyer or Seller may by notice to the other Party require the procedures in this Section 2.9 if Buyer or Seller determines that the calculation in this Section 2.9 would have an

impact on any Excess Proceeds Amount. To compensate Seller for services rendered and medicine, drugs and supplies provided prior to the Effective Time (the “Straddle Services”) with respect to patients who are admitted to the Hospital or the HHA (as hereinafter defined) prior to the Effective Time but who are not discharged until on or after the Effective Time (such patients being referred to herein as the “Straddle Patients”), the parties shall take the following actions:

(a) As soon as practicable after the Effective Time, Seller shall deliver to Buyer a statement itemizing the Hospital patients whose medical care is paid for, in whole or in part, by any third party payor who pays on a DRG, case rate or other similar basis (the “DRG Straddle Patients”). Seller shall be allocated in connection with the determination of Closing Net Working Capital pursuant to Section 2.6 an amount equal to (i) the total DRG and outlier payments (including capital and any deposits, deductibles or co-payments received by Buyer or Seller that constitute Excluded Assets) per the remittance advice received by Buyer on behalf of a DRG Straddle Patient, multiplied by a fraction, the numerator of which shall be the total charges accumulated with respect such DRG Straddle Patient while an inpatient prior to the Closing, and the denominator of which shall be the total charges accumulated with respect to such Straddle Patient while an inpatient at the Hospital both prior to and on and after the Effective Time, minus (ii) any deposits, deductibles or co-payments made by such DRG Straddle Patients to Seller that constitute Excluded Assets.

(b) With respect to cost based Straddle Patients, the applicable party shall be allocated in connection with the determination of Closing Net Working Capital pursuant to Section 2.6 an amount equal to (i) the payments actually received by Buyer for a cost based Straddle Patient (including any deposits, deductibles or co-payments that constitute Excluded Assets) based on which party’s cost report includes the patient charges, plus (ii) any deposits, deductibles or co-payments made by such patient to Seller that constitute Excluded Assets.

(c) For Straddle Patients who are admitted to the HHA (the “HHA Straddle Patients”) that are paid pursuant to the Medicare home health prospective payment system methodology, Seller shall be allocated in connection with the determination of Closing Net Working Capital pursuant to Section 2.6 an amount equal to (i) the total payments (including any deposits, deductibles or co-payments that constitute Excluded Assets) received by the Buyer or Seller in respect of each such HHA Straddle Patient multiplied by a fraction of which the numerator shall be the charges with respect to such HHA Straddle Patient prior to the Effective Time and the denominator of which shall be the total charges with respect to such HHA Straddle Patient prior to and following the Effective Time, minus (ii) any deposits, deductibles or co-payments made by such HHA Straddle Patient to Seller that constitute Excluded Assets, minus (iii) the applicable HHA Straddle Patient accounts receivable as of the Effective Time, plus (iv) the applicable HHA Straddle Patient deferred income as of the Effective Time. If the result of (i) through (iv) is a negative amount, then Seller shall pay to the Buyer such amount, and if the result of (i) through (iv) is a positive amount, then the Buyer shall pay to Seller such amount. The parties acknowledge and agree that all non-Medicare payments that are paid in a similar manner as Medicare will be allocated in a manner consistent with the allocation set forth in this Section 2.9(c).

(d) If Buyer receives any amounts (including, but not limited to, adjustments, retroactive lump sum credits or payments) from the Medicare, TRICARE or Medicaid (or from any other payor) programs for periodic interim payments (“PIP”) or costs paid for on a pass-through basis, such as capital costs, associated with the operation of the Hospital Facilities prior to the Effective Time, Buyer shall tender the amount applicable to the period prior to the Effective Time to Seller within ten (10) business days of receipt. If Seller receives any amounts from the Medicare, TRICARE or Medicaid (or from any other payor) program for PIP or pass-through costs, such as capital costs, associated with the operations of the Hospital Facilities relating to periods on or subsequent to the Effective Time, Seller shall tender the same to Buyer within ten (10) business days of receipt. It is the intent of the parties that Buyer and Seller



shall receive PIP payments and pass-through costs payments (including capital costs) applicable to the period of time the Hospital Facilities are owned by such party.

(e) Except as otherwise directly or indirectly paid in connection with the determination of Closing Net Working Capital, pursuant to Section 2.6, all payments required by this Section 2.9 shall be made within ten (10) business days of a party's receipt of payment with respect to a Straddle Patient that are due to the other party, accompanied by copies of remittances and other supporting documentation as reasonably required by such other party. In the event that Seller and Buyer are unable to agree on any amount to be paid pursuant to this Section 2.9, then such disputed amount shall be submitted to the Accountants for computation or verification in accordance with the provisions of this Agreement. The Accountants shall review the matters in dispute and shall promptly decide the proper amounts of such disputed entries. The submission of the disputed matter to the Accountants shall be the exclusive remedy for resolving accounting disputes relative to the determination of payments relating to Straddle Patients. The Accountants' determination shall be binding upon the parties. The Accountants' fees and expenses shall be allocated between Seller and Buyer based upon the percentage which the portion of the contested amount not awarded to each party bears to the amount actually in dispute at the time of submission to the Accountants, as determined by the Accountants in their reasonable discretion. Notwithstanding anything in this Agreement to the contrary, in the event that, for whatever reason, any such dispute is not resolved within three hundred sixty (360) days after Closing, then either Seller or Buyer may submit such dispute to a court of competent jurisdiction for resolution.

### **3. CLOSING**

3.1 Closing. Subject to the satisfaction or waiver by the applicable party of the conditions precedent to Closing specified in Articles 7 and 8 hereof, the consummation of the transactions contemplated by and described in this Agreement (the "Closing") is currently anticipated to take place on August 31, 2012, or at such later date and/or at such other location as Buyer and Seller may mutually designate in writing (the "Closing Date"). The Closing shall be effective as of 12:01 a.m. on the day immediately following the Closing Date or such other date and time as the parties may agree in writing (the "Effective Time").

3.2 Actions of Seller at Closing. At the Closing (or at such other times as indicated in this Section 3.2) and unless otherwise waived in writing by Buyer, Seller shall deliver to Buyer the following:

(a) one or more Special Warranty Deed(s) conveying Seller's good and marketable fee simple title in the Included Real Property to Buyer (which, at the discretion of Buyer may describe the Included Real Property by reference to the description contained in the Survey), subject only to the Permitted Encumbrances, in the form attached as Exhibit 3.2(a), executed by a duly authorized officer of Seller;

(b) a General Bill of Sale and Assignment in the form attached as Exhibit 3.2(b) ("Bill of Sale") executed by a duly authorized officer of Seller;

(c) an Assignment and Assumption Agreement in the form attached as Exhibit 3.2(c) (the "Assignment and Assumption") executed by a duly authorized officer of Seller;

(d) an Assignment and Assumption of Leases for Real Estate which is leased by, or to, Seller in the forms attached as Exhibits 3.2(d)(i) and 3.2(d)(ii) (the "Assumptions of Lease Agreements") executed by a duly authorized officer of Seller;

(e) a Non-Compete Agreement in the form attached as Exhibit 3.2(e) (the “Non-Compete Agreement”) executed by a duly authorized officer of Seller;

(f) a non-foreign affidavit dated as of the Closing Date in the form attached as Exhibit 3.2(f) executed by a duly authorized officer of Seller;

(g) an amendment to the Articles of Incorporation of Seller, Rampart, MCMCA and Foundation in the forms attached as Exhibit 3.2(g) (the “Name Amendments”) executed by a duly authorized officer of each of Seller, Rampart, MCMCA and Foundation;

(h) an estoppel certificate, as requested by Buyer, duly executed by Seller and any lessee or lessor, as relevant, of each real property lease included in the Assumed Contracts, in the form attached as Exhibit 3.2(h);

(i) the Funds Flow Memorandum executed by a duly authorized officer of Seller and Foundation;

(j) a Transition Services Agreement in a form mutually agreeable to Buyer and Seller (the “Transition Agreement”) executed by a duly authorized officer of Seller;

(k) one or more wire transfers of immediately available funds of cash balances which are among the Assets, including security or other deposits held by Seller for the account of third parties, to the account or accounts designated in writing by Buyer to Seller;

(l) copies of resolutions duly adopted by the board of trustees or members, as appropriate, of Seller authorizing and approving Seller’s performance of the transactions contemplated hereby and the execution, delivery and performance of this Agreement and the documents described herein to which it is a party, certified as true and of full force as of Closing by an appropriate officer of Seller;

(m) a certificate of an authorized officer of Seller certifying that the conditions in Section 7.1 have been satisfied;

(n) a certificate of an authorized officer of Seller certifying that the conditions in Section 7.6 have been satisfied;

(o) a certificate of incumbency for the officers of Seller executing this Agreement or any other agreements or certificates to be executed or delivered on behalf of Seller pursuant hereto dated as of the Closing Date;

(p) a certificate of existence and good standing of each of Seller, UPHP, UPMC and the Included Joint Ventures (following the transactions contemplated by Sections 6.11, 7.18 and 7.19) from the Michigan Secretary of State, each dated the most recent practical date prior to Closing;

(q) one or more duly executed limited powers of attorney for use of pharmacy license, Drug Enforcement Administration (“DEA”) and other controlled substance registration numbers, and DEA order forms, in the form attached as Exhibit 3.2(q) (the “Power of Attorney”);

(r) an “Owner’s Affidavit” in the Title Company’s standard form sufficient to remove each pre-printed exception from the Title Policy, except for matters shown on the Survey (as hereinafter defined);

(s) certificates of title for each vehicle included in the Assets executed by a duly authorized officer of Seller;

(t) a list of source or access codes to computers, combinations to safe(s) and the location of and keys to safe deposit boxes, if any;

(u) subsequent to conversion, if applicable, to a for-profit Michigan limited liability company as contemplated by Sections 6.11, 7.18 and 7.19, certificates, assignments or other appropriate instruments of transfer of Seller's ownership interests in the Included Joint Ventures (except with respect to the Pre-Closing Transferred Assets Entities), UPHP and UPMC, duly endorsed for transfer to Buyer;

(v) possession and custody of the original minute books, transfer ledgers or similar organizational books of the Included Joint Ventures (except with respect to the Pre-Closing Transferred Assets Entities), UPHP and UPMC, to the extent in Seller's possession;

(w) a Medical Records Custody Agreement, in a form mutually agreeable to Buyer and Seller (the "Custody Agreement"), executed by a duly authorized officer of Seller;

(x) a tax clearance certificate from the Michigan Department of Treasury providing the Seller has no outstanding tax liability for any sales, use, income, withholding, single business, business, or any other Michigan Taxes;

(y) a Michigan Form UIA 1395, Clearance of Amount, from the Michigan Unemployment Insurance Agency certifying the status of Seller's liability for unemployment Taxes;

(z) at least two (2) business days prior to Closing, a Michigan Form UIA, Business Transferor's Notice to Transferee of Unemployment Tax Liability and Rate;

(aa) the Purchase Price Adjustment Agreement, executed by a duly authorized officer of Seller (if such agreement is entered into by Buyer and Seller); and

(bb) such other instruments and documents as Buyer reasonably deems necessary to effect the transactions contemplated hereby.

3.3 Actions of Buyer at Closing. At the Closing and unless otherwise waived in writing by Seller, Buyer shall deliver to Seller the following:

(a) the Foundation Proceeds Amount in immediately available funds pursuant to the Funds Flow Memorandum;

(b) the Bill of Sale executed by a duly authorized officer of Buyer;

(c) the Assignment and Assumption executed by a duly authorized officer of Buyer;

(d) the Assumptions of Lease Agreements executed by a duly authorized officer of Buyer;

(e) the Non-Compete Agreement executed by a duly authorized officer of Buyer;

(f) the Transition Agreement executed by a duly authorized officer of Buyer;

(g) the Custody Agreement executed by a duly authorized officer of Buyer;

- (h) the Funds Flow Memorandum executed by a duly authorized officer of Buyer;
- (i) copies of resolutions duly adopted by the sole member of Buyer authorizing and approving Buyer's performance of the transactions contemplated hereby and the execution, delivery and performance of this Agreement and the documents described herein to which it is a party, certified as true and of full force as of Closing by a duly authorized officer of Buyer;
- (j) a certificate of a duly authorized officer of Buyer certifying that the conditions in Section 8.1 have been satisfied;
- (k) a certificate of incumbency for the officers of Buyer executing this Agreement or the other agreements or certificates to be executed or delivered on behalf of Buyer, dated as of the Closing Date;
- (l) a certificate of active status of Buyer from the Delaware Secretary of State, dated the most recent practical date prior to Closing;
- (m) to the extent required, subsequent to conversion, if applicable, to a for-profit Michigan or Delaware limited liability company as contemplated by Sections 6.11, 7.18 and 7.19, an amendment to or restatement of the articles, operating agreement, bylaws or other governing documents of each Included Joint Venture (except with respect to the Pre-Closing Transferred Assets Entities), UPHP and UPMC that is necessary, as determined by Buyer in its reasonable discretion, including permitting Buyer to become an owner and to fully effectuate the transfer of the ownership interests in such Included Joint Ventures, UPHP or UPMC to Buyer, executed by Buyer as applicable;
- (n) the Purchase Price Adjustment Agreement executed by a duly authorized officer of Buyer (if such agreement is entered into by Buyer and Seller); and
- (o) such other instruments and documents as Seller reasonably deems necessary to effect the transactions contemplated hereby.

3.4 Ancillary Agreements. At the Closing, each of Buyer and LifePoint Hospitals, Inc. shall have executed and delivered to the other party a Cash Management and Revolving Credit Loan Agreement. At the Closing, each of Buyer and Lpnt Sub shall have executed and delivered to the other party a Hospital Management Agreement. At the Closing, each of Buyer and DUHS shall have executed and delivered to the other party a Master License Agreement.

3.5 Additional Acts. From time to time after Closing, each party shall execute and deliver such other instruments of conveyance and transfer, and take such other actions as another party hereto may reasonably request, to more effectively convey and transfer full right, title and interest to, vest in, and place each party, in legal and actual possession of, as applicable, any and all of the Assets.

#### **4. REPRESENTATIONS AND WARRANTIES OF SELLER**

To induce Buyer to execute and deliver this Agreement and to consummate the transactions contemplated herein, Seller represents and warrants to Buyer, on a joint and several basis, the following, as of the date hereof and (except in cases where the representation speaks to another date, such as the date hereof, in which case as of such date) as of the Closing Date:

4.1 Corporate Capacity. Seller is a nonprofit corporation duly organized on a directorship basis and is validly existing and in good standing under the laws of the State of Michigan. Except as set forth on Schedule 4.1, (i) Seller is not licensed, qualified or admitted to do business in any jurisdiction other than in the State of Michigan and (ii) there is no jurisdiction in which the ownership, use or leasing of any of Seller's assets or properties, or the conduct or nature of its business, makes such licensing, qualification or admission necessary. Schedule 4.1 indicates for each Included Joint Venture, UPHP, UPMC and UPHEC, whether or not each entity is an affiliate of Seller and, if so, the reason therefore. Other than Seller and those persons set forth on Schedule 4.1, there are no other persons which conduct the operation of any of the Businesses.

4.2 Corporate Powers; Consents; Absence of Conflicts With Other Agreements. The execution, delivery and performance by Seller of this Agreement and all other agreements referenced in or ancillary hereto to be executed and delivered by Seller pursuant hereto and the consummation of the transactions contemplated herein and therein by Seller (a) are within the corporate or limited liability company powers of Seller, as applicable, are not in contravention of the terms of their respective governing documents or any amendments thereto, and have been duly authorized by all appropriate corporate or limited liability company action, as applicable; (b) except for (i) the United States Federal Trade Commission ("FTC") and the Antitrust Division of the Department of Justice ("DOJ") pursuant to the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended (the "HSR Act"), (ii) Michigan Department of Community Health ("MDCH"), (iii) the Office of the Attorney General of the State of Michigan (the "Attorney General"), (iv) OFIR or (v) as set forth on Schedule 4.2(b), do not require Seller or any of the Businesses to obtain any approval or consent of, or make any filing with, any governmental agency or authority bearing on the validity of this Agreement which is required by Legal Requirements; (c) will not (i) except as set forth on Schedule 4.2(c), conflict with or result in any breach or contravention of any agreement, lease or instrument to which Seller or any of the Businesses is a party or by which Seller, any of the Businesses or the Assets are bound, (ii) permit the acceleration of the maturity of the Assumed Liabilities, or (iii) result in the creation of any Encumbrance (as hereinafter defined) affecting any of the Assets; (d) do not violate any Legal Requirements to which Seller, the Assets or any of the Businesses may be subject; and (e) do not violate any judgment of any court or governmental authority to which Seller, the Assets or any of the Businesses may be subject.

4.3 Binding Agreement. This Agreement and all agreements to be executed and delivered by Seller pursuant hereto have been (or will be when executed and delivered) duly and properly authorized and executed by Seller. This Agreement has been duly and validly executed and delivered by Seller and, assuming due execution and valid delivery by Buyer, this Agreement and the other documents to be executed and delivered by Seller hereunder (when executed and delivered) constitute or will constitute the valid and legally binding obligations of Seller, enforceable against Seller in accordance with the respective terms hereof or thereof, except as enforceability may be restricted, limited or delayed by applicable bankruptcy or other laws affecting creditors' rights generally and except as enforceability may be subject to general principles of equity.

4.4 Included Joint Ventures.

(a) Each Included Joint Venture which is a limited liability company is duly organized and validly existing in good standing under the laws of the State of Michigan. Each Included Joint Venture which is a nonprofit corporation is duly organized on a membership basis and validly existing in good standing under the laws of the State of Michigan. Each Included Joint Venture which is a business corporation (i.e., not a nonprofit corporation) is a corporation duly organized and validly existing in good standing under the laws of the State of Michigan. Each of the Included Joint Ventures is duly licensed, qualified or admitted to do business and is in good standing in all jurisdictions in which the ownership,

use or leasing of their respective assets or properties, or the conduct or nature of their respective businesses, makes such licensing, qualification or admission necessary.

(b) Complete and genuine copies of the articles of organization, joint venture, partnership, operating agreement, articles of incorporation, bylaws and all other agreements, instruments and documents relating to the creation and governance of the Included Joint Ventures have been provided to Buyer. All the issued and outstanding ownership, membership, equity or other interests of the Included Joint Ventures owned by Seller are set forth on Schedule 4.4(b) and are validly issued, outstanding, fully paid and non-assessable, and all such ownership, membership, equity or other interest indicated on Schedule 4.4(b) are owned beneficially and of record, by Seller, free of any Encumbrance, except as set forth on Schedule 4.4(b). Except as set forth on Schedule 4.4(b), there are no proxies, voting agreements, shareholder or other agreements with respect to such ownership, membership, equity or other interests, and there are not any existing options, warrants, calls, subscriptions, or other rights or other agreements or commitments obligating Seller or any Included Joint Venture to issue, transfer or sell any ownership, membership, equity or other interests of any Included Joint Venture or any other securities convertible into, exercisable for, or evidencing the right to subscribe for any such ownership, membership, equity or other interest. Schedule 4.4(b) lists the other owners and their respective ownership, membership, equity or other interests of the Included Joint Ventures. All such issued and outstanding ownership, membership, equity and other interests were issued in compliance in all material respects with all federal and state securities laws. Schedule 4.4(b) also sets forth the ownership interest in each of the Included Joint Ventures immediately following the actions contemplated by Sections 6.11 and 7.18.

(c) Schedule 4.4(c)(i) and (ii), respectively, lists, to the knowledge of Seller, (i) each leasehold interest in the real property used by any of the Included Joint Ventures and UPMC (the “Included Joint Ventures Leased Real Property”), together with the applicable Included Joint Ventures’ or UPMC’s right, title and interest in all rights, privileges, easements, streets, drainage areas and rights of way appurtenant to or benefitting or serving the Included Joint Ventures Leased Real Property; and (ii) real property which is held by any of the Included Joint Ventures or UPMC in fee simple title (the “Included Joint Ventures Owned Real Property”), together with the improvements thereon and fixtures related thereto and all of the Included Joint Ventures’ or UPMC’s right, title and interest in all rights, privileges, easements, streets, drainage areas and rights of way appurtenant to or benefitting or serving the Included Joint Ventures Owned Real Property. The Included Joint Ventures Owned Real Property and Included Joint Ventures Leased Real Property is collectively referred to herein as the “Included Joint Ventures Real Estate.”

#### 4.5 Health Insurance Business.

(a) UPHP is a business corporation duly organized and validly existing in good standing under the laws of the State of Michigan. UPMC is a limited liability company duly organized and validly existing in good standing under the laws of the State of Michigan. Each of UPHP and UPMC is duly licensed, qualified or admitted to do business and is in good standing in all jurisdictions in which the ownership, use or leasing of their respective assets or properties, or the conduct or nature of their respective businesses, makes such licensing, qualification or admission necessary.

(b) Complete and genuine copies of the articles of incorporation, bylaws and all other agreements, instruments and documents relating to the creation and governance of UPHP and UPMC have been provided to Buyer. Seller owns a 56% equity interest in UPHP and a 56% membership interest in UPMC, each free and clear of any Encumbrance. Except as set forth on Schedule 4.5(b), there are no proxies, voting agreements, shareholder or other agreements with respect to such ownership, membership, equity or other interests, and there are not any existing options, warrants, calls, subscriptions, or other rights or other agreements or commitments obligating Seller, UPHP or UPMC to issue, transfer or sell

any ownership, membership, equity or other interests of UPHP or UPMC or any other securities convertible into, exercisable for, or evidencing the right to subscribe for any such ownership, membership, equity or other interest. Schedule 4.5(b) lists the other owners and their respective ownership, membership, equity or other interests in UPHP and UPMC. All such issued and outstanding ownership, membership, equity and other interests were issued in compliance in all material respects with all federal and state securities laws. Schedule 4.5(b) also sets forth the ownership interest in each of UPHP and UPMC immediately following the actions contemplated by Sections 6.11 and 7.19.

(c) Set forth on Schedule 4.5(c) is a complete and accurate list of UPMC's individual associations and appointments under UPMC's resident producer license. To Seller's knowledge, no insurance company listed on Schedule 4.5(c) has filed or is in the process of filing an appointment cancellation relating to UPMC.

(d) Set forth on Schedule 4.5(d) are summary reports identifying known but unpaid Medical Claims which (i) are disputed, (ii) have been adjudicated for payment and are awaiting a payment run, or (iii) have been received but time has not yet permitted consideration for adjudication for payment.

(e) Set forth on Schedule 4.5(e) is an accurate and complete list of all of UPHP's Medicaid contracts and the applicable counties in which UPHP operates (the "Service Areas") under the Michigan Medicaid State Plan and MICHild Program (collectively, the "Medicaid Contracts") and an accurate and complete list of all of UPHP's contracts with Centers for Medicare and Medicare Services ("CMS") for the Medicare Advantage Prescription Drug Special Needs Plan (collectively, the "MAPD SNP Contracts"). All the Medicaid Contracts and all the MAPD SNP Contracts are and shall be effective, unrestricted and remain in force or effect after the Closing. No event has occurred or other fact exists with respect to the Medicaid Contracts or to the MAPD SNP Contracts that allows, or after notice or the lapse of time or both, would allow, revocation or termination of any such Medicaid Contracts or MAPD SNP Contracts, or would result in any other impairment in the rights of any holder thereof.

(f) UPHP has compensated and currently compensates each Provider for covered services provided to Enrollees in accordance with the rates and fees set forth in the applicable Provider Agreement and the UPHP's policies and in accordance with the requirements set forth in the Medicaid Contracts.

(g) There are no renegotiations, attempts to renegotiate or outstanding rights to negotiate any amount to be paid or payable to or by UPHP under any Provider Agreement other than with respect to non-material amounts in the ordinary course of business.

(h) Except in the nature of ordinary course review, neither Seller nor UPHP is a party to or the subject of any action, suit, proceeding, hearing or investigation in or before the MDCH Medical Services Administration or its successor agency (the "State Agency") related to the recovery of payments received by UPHP from the State Agency under the Medicaid Contracts and, to the knowledge of Seller, neither Seller nor UPHP has been threatened to be made a party to, or the subject of, any such action, suit, proceeding, hearing or investigation. Seller has provided Buyer with copies of all examinations of the Health Insurance Business conducted by each governmental agency since January 1, 2010 and has identified, by date any correspondence between any such governmental agency, and the Health Insurance Business and/or Seller or the other owners of the Health Insurance Business regarding sanctions, conclusions made and/or corrective action required or suggested based on such examinations. Schedule 4.5(h) summarizes the written complaints received from and after January 1, 2010 by UPHP from an Enrollee. Seller has previously provided a report describing the nature and disposition of such complaints. UPHP is in compliance in all material respects with any Enrollee marking and recruiting regulations and with the terms, conditions and provisions of the Medicaid Contracts.

(i) UPHP is in full compliance with the applicable provisions of the prompt payment of claims laws. Schedule 4.5(i) lists each Provider Agreement and states their respective effective dates. Each such Provider has been credentialed in accordance with UPHP's policies and procedures and applicable regulatory requirements of the State of Michigan. Except for payment reconciliation disputes in the ordinary course of business, UPHP has paid and pays each applicable Provider (or such Provider's contracting entity) in accordance with the compensation terms that have been, or are, in effect, as applicable, with respect to UPHP contracts or agreements with such Providers or their contracting entity, in accordance with Provider Agreements and applicable state law. None of the Provider Agreements are terminable on less than 90 days' notice. Except as described on Schedule 4.5(i), none of the Provider Agreements nor any other contract entered into by the Health Insurance Business (A) requires UPHP or UPMC to pay the Provider on a most-favored provider basis or a most-favored plan basis, (B) obligates UPHP or UPMC to pay access or administrative fees, (C) requires (or may require) UPHP or UPMC to pay any bonus, incentive or other payment, including but not limited to any prospective or retrospective upward adjustment to any fee-schedule, per-diem payment, case-rate, DRG base-rate or capitation schedule, to any Provider from any profit-sharing, risk-sharing, shared-savings, incentive or performance-based pool or fund, regardless of whether such pool or fund is comprised of actual dollars or is merely an accounting-based allocation, or requires UPHP or UPMC to fund such a pool or fund, or (D) requires any payment or termination fee upon a change of control of the business of UPHP. Except as described on Schedule 4.5(i), none of the Provider Agreements limit the rights of UPHP to engage in, or to compete with any person in, the Medicaid business, contains an exclusivity provision restricting UPHP's ability to do business in certain geographical areas, or obligates or binds UPHP to use, or offer to use, the services of a Provider in preference to any other provider. No complaint has been received from and after January 1, 2010 by UPHP from any Provider. If any of the "physicians" or "physician groups" contracted under the Provider Agreements are placed at "substantial financial risk," as each such term is defined by 42 C.F.R. §422.208 et seq. (the "PIP Regulation") in connection with services provided to Enrollees, UPHP has complied in all material respects with the reporting and enrollee survey requirements of the PIP Regulation.

(j) No administrative functions have been delegated to Providers. To Seller's knowledge UPHP has complied and continues to comply with all applicable requirements of law, including those set forth in the Medicaid Contracts, relating to oversight and monitoring of the entities to which UPHP has delegated administrative functions.

(k) On or prior to the date hereof, UPHP has delivered to Buyer certain of its operating data and certain performance data for the Health Insurance Business through March 31, 2012, including, without limitation, information with respect to the details comprising the medical expense components of the Health Insurance Business; to Seller's knowledge, such data accurately and fairly presents the operations of the Health Insurance Business, and is consistent with the information contained in the books and records of the Health Insurance Business.

(l) UPHP has not declared any dividend to or made any other equity distribution to its shareholders since January 1, 2012.

(m) UPMC has not made any equity distributions since January 1, 2012.

(n) For purposes of this Section 4.5, the following capitalized terms have the meanings set forth below:

"Enrollees" means those individuals enrolled in the Medicaid managed care health plans or the Medicare Advantage Plan established and maintained by the Health Insurance Business



“IBNR” means the actuarial estimate of Medical Claims which remain unpaid, including (a) undisputed Medical Claims reported to the Health Insurance Business, (b) Medical Claims reported to the Health Insurance Business but disputed by the Health Insurance Business, and (c) Medical Claims incurred but not yet reported to the Health Insurance Business.

“Medical Claims” means all medical claims, liabilities or other obligations incurred by the Health Insurance Business on or prior to the Effective Time in connection with the provision of covered health care services to Enrollees.

“Provider” means any physician, physician group, IPA, PHO, ancillary service provider or other health care service provider, hospital, skilled nursing facility, home health agency or other Person or network of Persons who or which is engaged in providing or arranging for the provision of health care or related services or supplies for Enrollees.

“Provider Agreements” means contracts entered into with Providers by the Health Insurance Business for the provision of health care or related services or supplies to Enrollees.

#### 4.6 Medical Education Program.

(a) UPHEC is a nonprofit corporation duly organized on a directorship basis and validly existing in good standing under the laws of the State of Michigan. UPHEC is duly licensed, qualified or admitted to do business and is in good standing in all jurisdictions in which the ownership, use or leasing of its assets or properties, or the conduct or nature of its businesses, makes such licensing, qualification or admission necessary.

(b) Complete and genuine copies of the articles of incorporation, bylaws and all other agreements, instruments and documents relating to the creation and governance of UPHEC have been provided to Buyer. Seller has a 50% directorship interest in UPHEC, free and clear of any Encumbrance. There are no proxies, voting agreements, shareholder or other agreements with respect to such directorship interest, and there are not any existing options, warrants, calls, subscriptions, or other rights or other agreements or commitments obligating Seller or UPHEC to issue, transfer or sell any ownership, membership, directorship, equity or other interests of UPHEC or any other securities convertible into, exercisable for, or evidencing the right to subscribe for any such ownership, membership, equity or other interest. Schedule 4.6(b) lists the other owners and their respective directorship interest in UPHEC. All such issued and outstanding directorship interests were issued in compliance in all material respects with all federal and state securities laws.

4.7 No Outstanding Rights. Except as set forth on Schedule 4.7, there are no outstanding rights (including any rights of first refusal or offer or rights of reverter or other preemptive rights), options, or contracts made on Seller’s behalf giving any person any current or future right to require Seller or, following the Closing Date, Buyer, to sell or transfer to such person or to any third party all or any part of the Assets.

#### 4.8 Financial Statements.

(a) Schedule 4.8(a) contains copies of the following consolidated financial statements of Seller (the “Seller Financial Statements”): (i) unaudited consolidated balance sheet, dated as of March 31, 2012 (the “Balance Sheet Date”); (ii) unaudited consolidated statement of operations for the seven (7) months ended on the Balance Sheet Date; and (iii) audited consolidated financial statements as of and for the years ended June 30, 2009, 2010 and 2011.

(b) Schedule 4.8(b) contains copies of the following financial statements of each of UPHP and UPMC (the “Health Insurance Business Financial Statements”): (i) unaudited balance sheets, dated as of the Balance Sheet Date, (ii) Statutory Basis Accounting statement of admitted assets, liabilities, capital and surplus of UPHP as of the Balance Sheet Date; (iii) unaudited income statement of UPHP for the three (3) months ended on the Balance Sheet Date; (iv) Statutory Basis Accounting statement of operations of UPHP for the three (3) months ended on the Balance Sheet Date; (v) unaudited statement of revenues and expenses of UPMC for the three (3) months ended on the Balance Sheet Date; (vi) unaudited statement of changes in capital and surplus of UPHP for the three (3) months ended on the Balance Sheet Date; (vii) Statutory Basis Accounting statement of changes in capital and surplus of UPHP for the one (1) month ended on the Balance Sheet Date; (viii) unaudited statement of cash flows of UPHP for the one (1) month ended on the Balance Sheet Date; (ix) Statutory Basis Accounting statement of cash flows for the one (1) month ended on the Balance Sheet Date; and (x) audited financial statements as of and for the years ended December 31, 2009 (other than UPHP for which 2009 financial statements are not available), 2010 and 2011. The reserves reflected in the audited financial statements of UPHP for IBNR (as hereinafter defined) in connection with the business of UPHP were computed by UPHP and reviewed by independent licensed actuaries serving UPHP during the periods covered using assumptions consistent with those used in computing the corresponding reserves in the prior fiscal periods.

(c) Schedule 4.8(c) contains copies of the following financial statements of UPHEC (the “Medical Education Program Financial Statements”): (i) unaudited statement of financial position, dated as of the Balance Sheet Date; (ii) unaudited statement of activities for the nine (9) months ended on the Balance Sheet Date; (iii) compiled financial statements as of and for the year ended June 30, 2011; and (iv) audited financial statements as of and for the years ended June 30, 2009 and 2010.

(d) Schedule 4.8(d) contains copies of certain financial statements for the Included Joint Ventures listed on Schedule 4.8(d) (the “Included Joint Venture Financial Statements” and, together with the Seller Financial Statements, the Health Insurance Business Financial Statements and the Medical Education Program Financial Statements, the “Financial Statements”).

(e) Except as otherwise set forth on Schedule 4.8(e), the Financial Statements have been (and, in the case of the financial statements to be delivered pursuant to Section 6.9, will be) prepared in accordance with GAAP and, with respect to those for UPHP also in accordance with Statutory Basis Accounting, applied on a consistent basis throughout the periods indicated except, in the case of any unaudited Financial Statements, for the absence of footnotes (that, if presented, would not differ materially from those included in the most recent audited Financial Statements). The Financial Statements fairly present (and the Financial Statements delivered pursuant to Section 6.9 will fairly present) in all material respects the financial condition and results of operations of Seller and the Businesses as of the dates indicated thereon and for the periods referred to therein. As used in this Agreement, the term “GAAP” means generally accepted accounting principles, methods and practices in effect in the United States with respect to the applicable time period. Schedule 4.8 lists any person the financial results of which were combined for financial reporting purposes with those of Seller in the Financial Statements.

#### 4.9 Licensure.

(a) The Hospital is licensed by the Michigan Department of Licensing and Regulation and Affairs (the “Department”) as a 307-bed acute care hospital consistent with the applicable Legal Requirements of the State of Michigan. Schedule 4.9 sets forth a list of all licenses, registrations, permits, certificates, certificates of authority, certificates of need, clearances and other authorizations, consents and approvals of any governmental entity required for the lawful existing operation of the Assets and the

Businesses or contemplated future operation of the Assets and the Businesses by Seller, each Included Joint Venture, UPHP, UPMC or UPHEC, as applicable (collectively, the “Licenses”).

(b) Seller and the Businesses, as applicable, have all Licenses required for the ownership, development, or operation of the Businesses and the Assets as presently operated or as contemplated to be operated by Seller and each of Businesses, as applicable, in the future, all of which are now and as of Closing shall be in good standing, in full force and effect and, to Seller’s knowledge, not subject to challenge. Seller and the Businesses are, and at all times, have been, in compliance in all material respects with the terms of the Licenses, and neither Seller nor any of the Businesses have received any written notice or communication from any governmental entity regarding any violation of any License (other than any surveys or deficiency reports for which Seller or any of the Businesses, as applicable, has submitted a plan of correction that has been approved by the applicable governmental entity). Seller has delivered to Buyer copies of all survey reports, deficiency notices, plans of correction, and related correspondence received by Seller or any of the Businesses in connection with the Licenses since January 1, 2010. No event has occurred with respect to any License, whether after notice or the passing of time or both, that would serve as grounds for or otherwise authorize the suspension, revocation, or termination of any License or impair the rights of any holder thereof. All applications required to have been filed by Seller or any of the Businesses, as applicable, for the renewal of the Licenses have been duly filed on a timely basis with the appropriate governmental entity, and all other filings required to have been made by Seller or any of the Businesses, as applicable, with respect to the Licenses have been duly made on a timely basis with the appropriate governmental entities.

4.10 Certificates of Need. Except as set forth on Schedule 4.10, no application for any Certificate of Need (as defined below) or request for a determination of whether a project requires Certificate of Need approval has been made by Seller or any of the Businesses, as applicable, with MDCH or the certificate of need authority of any other State which is currently pending or open before such agency. Except as set forth on Schedule 4.10, neither Seller or any of the Businesses has any Applications pending nor any approved Applications which relate to projects not yet completed. Seller and the Businesses have properly filed all required Applications (all of which are complete and correct in all respects) with respect to any and all material improvements, projects, changes in services, construction and equipment purchases, and other changes for which approval is required under any applicable state Legal Requirements. As used herein, “Certificate of Need” means a written statement issued by MDCH or the certificate of need authority of any other State authorizing a new health facility, change in bed capacity, the installation, replacement or expansion of a covered clinical service, or a covered capital expenditure. All current and historical data including, without limitation utilization data, provided by Seller to Buyer for purposes of completion of applications for the Certificates of Need required for completion of the sale and transfer of the Assets are accurate, complete and correct in all material respects.

4.11 Medicare Participation/Accreditation.

(a) (i) Except for UPHEC and Peninsula InfoMed, L.L.C., which do not participate in or receive reimbursement from the Government Programs, and (ii) to the knowledge of Seller exclusively with respect to Ontonagon Community Health Center, Inc. (“Ontonagon”) and Chippewa Medical Associates, Inc. (“Chippewa”), the Businesses are certified or otherwise qualified for participation in the Government Programs and have current and valid contracts for participation in each Government Program (the “Program Agreements”), all of which are in full force and effect. The Businesses (except as qualified by (i) above) are in compliance in all material respects with the conditions of participation in the Government Programs and with the terms, conditions and provisions of the Program Agreements. No events or facts exist that would cause any Program Agreement to be suspended, terminated, restricted, withdrawn, subjected to an administrative hold or otherwise not to remain in force or effect after the

Closing. Seller and the Businesses have received all approvals or qualifications necessary for reimbursement of the Hospital Facilities and the Businesses by the Government Programs. All billing practices with respect to the Hospital Facilities and the Businesses (to the knowledge of Seller exclusively with respect to Ontonagon and Chippewa), including to the Government Programs and private insurance companies, have been conducted in compliance in all material respects with all applicable Legal Requirements and/or billing guidelines of such third party payors and the Government Programs. Neither Seller nor any of the Businesses have billed or received any payment or reimbursement in excess of amounts allowed by Legal Requirements or the billing guidelines of any third party payor, including the Government Programs or any private insurance companies. There is no proceeding, audit, review, investigation, survey, or other action pending, or, to Seller's knowledge, threatened, involving any of the Government Programs or any other third party payor programs, including any of the Businesses' participation in and the reimbursement received by Seller or the Businesses from the Government Programs or any such third party payor program, and Seller has no reason to believe that any such proceedings, audits, reviews, investigations, surveys, or actions are pending, or to Seller's knowledge threatened or imminent. Neither Seller, any of the Businesses nor, to Seller's knowledge, any of their employees, officers, or directors has committed a violation of any Legal Requirements relating to payments and reimbursements under the Government Programs or any other third party payor program, including the Medicare and Medicaid fraud and abuse provisions. Schedule 4.11(a) contains a list of all NPIs and all provider numbers of Seller and the Businesses, as applicable, under the Government Programs and private third party payor programs, including any insurance company or health care provider (such as a health maintenance organization, preferred provider organization, or any other managed care program), all of which are in full force and effect.

(b) Schedule 4.11(b) sets forth a list of all accreditations and certifications held by Seller, the Hospital Facilities, the Health Insurance Business and the Medical Education Program, and to the knowledge of Seller, the Included Joint Ventures, including credential elements held by UPHP and UPMC. The Hospital, the Hospice and the HHA are duly accredited, with all Requirements for Improvement removed, by The Joint Commission. Since the date of their most recent Joint Commission surveys, neither Seller, the Hospital, the Hospice nor the HHA have made any changes in policies or operations that would cause the Hospital, the Hospice or the HHA to lose such accreditations. Seller has delivered copies of the Hospital's, the Hospice's and the HHA's most recent Joint Commission accreditation reports and any reports, documents, or correspondence relating thereto to Buyer. UPHP is duly accredited by the National Committee for Quality Assurance ("NCQA"). Since the date of its most recent NCQA surveys, UPHP has not made any changes in policies or operations that would cause UPHP to lose such accreditation. Seller has delivered copies of UPHP's most recent NCQA reports documents, or correspondence relating thereto to Buyer. There is no pending or, to Seller's knowledge, threatened proceeding by any accrediting body to revoke, cancel, rescind, suspend, restrict, modify, or non-renew Seller or any of the Businesses accreditations and certifications, and no such proceedings, surveys or actions are pending, threatened or imminent. All such accreditations and certifications are and shall be effective, unrestricted and in good standing as of the date hereof and as of the Closing Date. No event has occurred or other fact exists with respect to such accreditations/certifications that allows, or after notice or the lapse of time or both, would allow, revocation or termination of any such accreditations/certifications, or would result in any other impairment in the rights of any holder thereof.

#### 4.12 Listed Contracts.

(a) Other than Immaterial Contracts, Schedule 4.12(a) lists all commitments, contracts, leases, licenses and other agreements (including agreements for the borrowing of money or the extension of credit), whether written or oral, to which Seller or any of the Businesses is a party or by which Seller, the Businesses or any of the Assets are bound including the Program Agreements (the "Listed Contracts"); provided, that with respect to UPHP, UPMC, MCMCA, Ice Lake, Ontonagon, Chippewa and

Peninsula InfoMed, L.L.C., the term Listed Contracts is limited to those commitments, contracts, leases, licenses and other agreements available to Seller after making a commercially reasonable effort to obtain all commitments, contracts, leases, licenses and other agreements of such entities. Notwithstanding the foregoing, the term “Listed Contracts” shall include, whether written or oral, all agreements: (i) pursuant to which Seller has any interest as a lessor, lessee, licensor or licensee in and to any portion of the Real Estate; (ii) concerning payment, performance of services or delivery of goods, regardless of amount, with any referral source, including all physicians and healthcare providers; (iii) with any labor union or collective bargaining group or organization; (iv) with one or more directors, trustees, stockholders, partners, affiliates or officers of Seller or any of the Businesses; and (v) that prohibit or restrict competition or the conduct of any lawful business by Seller. Seller has delivered to Buyer true and complete copies of all Listed Contracts, including any and all amendments and other modifications thereto.

(b) Except as listed on Schedule 4.12(b): (i) all of the Listed Contracts are in full force and effect; (ii) the Listed Contracts constitute valid and legally binding obligations of Seller or the Businesses, as applicable, and, to the knowledge of Seller, of the other parties thereto and are enforceable in accordance with their terms against Seller or the Businesses, as applicable, and, to the knowledge of Seller, against the other parties thereto, except as enforceability may be limited, restricted or delayed by applicable bankruptcy or other Legal Requirements affecting creditor’s rights and debtor’s relief generally and except as enforceability may be subject to general principles of equity; (iii) Seller or each of the Businesses, as applicable, is and has been in compliance in all material respects with the terms and requirements of each Listed Contract; (iv) to Seller’s knowledge, each other party that has or had any obligation or liability under any Listed Contract is and has been in compliance with the terms and requirements of such Listed Contract; (v) no event has occurred or circumstance exists that (with or without notice or lapse of time) may contravene, conflict with, or result in a material violation or breach of, or give any party the right to declare a default or exercise any remedy under, or to accelerate the maturity or performance of, or to cancel, terminate, or modify, any Listed Contract; (vi) neither Seller nor any of the Businesses has given or received any unresolved notice or other communication (whether oral or written) regarding any actual, alleged, possible, or potential material violation or breach of, or default under, any Listed Contract; (vii) there are no renegotiations of, attempts to renegotiate, or outstanding rights to renegotiate any Listed Contract and no party has made written demand for such renegotiation; (viii) no purchase commitment by Seller or any of the Businesses that is a Listed Contract is in excess of the ordinary business requirements of the Businesses; (ix) the execution, delivery and performance of this Agreement by Seller or the Businesses (including the assignment of any Assumed Contracts to Buyer) will not contravene, conflict with, or result in a violation or breach of any provision of, or give any party the right to declare a default or exercise any remedy under, or to accelerate the maturity or performance of, or to cancel, terminate, or modify, any Listed Contract; and (x) each Listed Contract results from an arms-length negotiation between the parties to arrive at a fair market value consideration.

#### 4.13 Real Property.

(a) Seller and the Included Joint Ventures, as applicable, own (and, if applicable, will own subsequent to the transactions as contemplated by Sections 6.11 and 7.18) good and marketable title in fee simple to the Included Real Property and the Included Joint Ventures Owned Real Property, respectively, together with all buildings, improvements and fixtures of every kind thereon, all easements and other appurtenances and rights serving or benefitting, the Included Real Property and the Included Joint Ventures Owned Real Property, respectively, together with any rights, privileges or interests of Seller in any adjacent streets, rights of way or drainage areas serving the Included Real Property and together with any rights, privileges or interests of the Included Joint Ventures in adjacent streets, rights of way or drainage areas serving the Included Joint Ventures Owned Real Property. A list of the Included Real Property and Included Joint Ventures Owned Real Property is contained on Schedule 1.1(b) (which

Schedule includes the street address, tax map and parcel number, a legal description of the parcels and tracts constituting the Included Real Property and Included Joint Ventures Owned Real Property, respectively, as described in Seller's and Included Joint Ventures' respective vesting deeds to the Included Real Property and the Included Joint Ventures Owned Real Property). A list referencing the parties, rental rate, date of lease and premises leased or licensed, of all leases, together with any amendments thereto, pursuant to which (i) Seller leases or licenses real property as a lessor, is contained on Schedule 4.13(a)(i) (each, a "Lease") and (ii) any of the Included Joint Ventures or UPMC's leases or licenses real property as a lessor, in connection with the operation of the Businesses is contained on Schedule 4.13(a)(ii) (each a "Included Joint Ventures Lease"). Schedule 4.13(a)(i) also includes (i) a list referencing the parties, rental rate, date of lease and a description of the premises leased, of all of the real property leased, licensed or otherwise occupied by Seller as a "tenant", "lessee" or "licensee" (the "Seller Occupied Leases") together with all amendments to any of the Seller Occupied Leases, and (ii) a list referencing the parties, rental rate, date of lease and a description of the premises leased, of all of the real property leased, licensed or otherwise occupied by the Included Joint Ventures or UPMC as a "tenant", "lessee" or "licensee" in connection with the operation of the Businesses (the "Included Joint Ventures Occupied Leases"), together with all amendments to any of the Included Joint Ventures Occupied Leases. Each of Seller and the Included Joint Ventures or UPMC has (and, if applicable, will have subsequent to conversion as contemplated by Sections 6.11 and 7.18) good, valid and enforceable leasehold interest in and under all of the Seller Occupied Leases and Included Joint Ventures Occupied Leases, respectively. There are no agreements or amendments, oral or written, to which Seller or, to the knowledge of Seller, any of the Included Joint Ventures or UPMC are a party, pertaining to any Lease or Included Joint Ventures Lease, as the case may be, or premises leased or licensed other than as set forth in the Leases and Seller Occupied Leases as to the Seller, or other than as set forth in the Included Joint Ventures Leases and the Included Joint Ventures Occupied Leases, as to the Included Joint Ventures or UPMC. The Real Estate and the Included Joint Ventures Real Estate constitute all of the real property used by Seller and the Included Joint Ventures in the operation of the Businesses. Except for the Permitted Encumbrances, there exist no mortgages, liens, restrictions, agreements, claims, easements, encroachments, rights of way, building use restrictions, exceptions, variances, reservations, pledges, security interests, conditional sales agreements, rights of first refusal, options, obligations, restrictions, liabilities, charges or limitations of any nature (collectively, the "Encumbrances") affecting either the Real Estate or the Included Joint Ventures Real Estate, Seller is in actual possession of the premises described under the Seller Occupied Leases and the Included Joint Ventures, as applicable, are in actual possession of the premises described under the Included Joint Ventures Occupied Leases. At Closing, Seller will transfer and convey to Buyer good and marketable fee simple title in and to the Included Real Property, free and clear of any Encumbrance, except: (i) current real estate Taxes not yet due and payable; (ii) matters reflected as exceptions in the Title Commitment (as hereinafter defined) which do not or will not reasonably be expected to limit or otherwise materially adversely affect the current use (or any use for which the subject property is zoned), or adversely affect the marketability of the subject property or are accepted or deemed accepted by Buyer pursuant to Section 6.10; and (iii) matters disclosed on the Survey (as hereinafter defined) which do not or will not reasonably be expected to limit or otherwise materially adversely affect the current use (or any use for which the subject property is zoned), or adversely affect marketability of the subject property or are accepted by Buyer or deemed accepted by Buyer pursuant to Section 6.10 (the foregoing items (i) through (iii) being referred to herein as the "Permitted Encumbrances"). At Closing, Seller will assign and convey to Buyer valid and enforceable leasehold interests in the Leased Real Property under the Seller Occupied Leases free and clear of any Encumbrance (other than matters that will not interfere with the use and occupancy by Buyer of the Seller Occupied Leases).

(b) Each of the Real Estate and the Included Joint Ventures Real Estate is zoned to permit the uses for which it is presently used without variances or conditional use permits. The Real Estate and Included Joint Ventures Real Estate is in compliance with all applicable zoning codes and other land use

and similar Legal Requirements, including the Americans With Disabilities Act (other than environmental laws, which are more particularly described below) (collectively, the “Real Estate Laws”), and neither Seller nor any of the Included Joint Ventures have received any notice of violation of any Real Estate Law from any governmental entity in respect of the use, occupancy, operation or marketability of either the Real Estate or the Included Joint Ventures Real Estate. No Real Estate Law prohibits, limits or conditions the use or operation of the Real Estate or Included Joint Ventures Real Estate as currently used or operated. All utilities serving both the Real Estate and the Included Joint Ventures Real Estate are adequate to operate the Businesses in the manner they are currently operating. Neither Seller nor any Included Joint Ventures has received any written notice of any action to alter the zoning or zoning classification or to condemn, requisition or otherwise take all or any portion of the Real Estate or the Included Joint Ventures Real Estate.

4.14 Title to Personal Property. Except as set forth on Schedule 4.14, Seller and the Businesses have good and valid title to and ownership of all personal property, whether tangible or intangible, making up all or any portion of the Assets or the assets of the Businesses, except for personal property leased by Seller or any of the Businesses, for which Seller or any of the Businesses has good and valid leasehold interests. Except as set forth on Schedule 4.14, none of the Assets or the assets of the Businesses that constitute personal property owned by Seller or any of the Businesses is subject to any Encumbrance, other than Permitted Encumbrances and Assumed Liabilities. At Closing, Seller will convey to Buyer good and valid title to the Assets that constitute personal property, whether tangible or intangible, free and clear of any Encumbrance, other than Assumed Liabilities. At Closing, Seller will convey to Buyer good and valid leasehold interests in the Assets that constitute personal property, whether tangible or intangible, that are subject to a lease which is an Assumed Contract, free and clear of any Encumbrance, other than Permitted Encumbrances and Assumed Liabilities.

4.15 Insurance. Set forth on Schedule 4.15 is a list of each of the insurance policies relating to the ownership or operations of the Businesses or the Assets, reflecting the policies’ terms, identity of insurers, amounts and coverage. All of such policies, or similar replacement policies, are now and will be in full force and effect immediately prior to the Effective Time with no premium arrearages. Neither Seller nor any of the Businesses (to the knowledge of Seller exclusively with respect to Ontonagon and Chippewa) has (a) received any notice or other communication from any such insurance company canceling or materially amending any of such insurance policies, and, to Seller’s knowledge, no such cancellation or amendment is threatened or (b) failed to give any required notice or present any claim which is still outstanding under any of such policies with respect to the Businesses or any of the Assets. Schedule 4.15 includes a list of Seller’s self-insurance policies. Seller and the Businesses maintain adequate insurance to cover the ownership and operation of the Businesses based upon the experience of Seller. Seller maintains its excess professional liability coverage on a “claims made” basis. Other such coverage is provided under an occurrence-based self-insurance trust.

4.16 Litigation or Proceedings. Except as listed on Schedule 4.16, there are no claims, actions, suits, proceedings or investigations pending or, to Seller’s knowledge, threatened against or affecting Seller, the Businesses or the Assets, at law or in equity, or before or by any federal, state, municipal or other governmental department, commission, board, bureau, agency or instrumentality wherever located. All litigation, arbitration, mediations and other proceedings against Seller or the Businesses are fully insured (except for (i) applicable deductibles and self-insurance and (ii) any *qui tam* proceedings and claims) and no insurer has issued a “reservation of rights” letter or otherwise qualified its delegation to insure and defend Seller against losses arising therefrom. Except as set forth on Schedule 4.16, neither Seller nor any of the Businesses is now, or has been within the preceding six years, a party to any injunction, order, or decree restricting the method of the conduct of the business at or the marketing of the Businesses or its services.

#### 4.17 Tax Liabilities.

(a) As used herein, “Taxes” means (i) any federal, state, or local income, gross receipts, license, payroll, employment, excise, severance, stamp, ad valorem, occupation, premium, windfall profits, environmental, customs duties, capital stock, franchise, profits, unrelated business income, withholding, social security, unemployment, disability, hospital provider, real property, personal property, unclaimed property, sales, use, transfer, registration, value added, alternative or add-on minimum, estimated, or other tax of any kind whatsoever, including any interest, penalty, or addition thereto; (ii) any liability for payment of amounts described in clause (i) whether as a result of transferee liability, of being a member of an affiliated, consolidated, combined or unitary group for any period, or otherwise through operation of law; and (iii) any liability for the payment of amounts described in clauses (i) or (ii) as a result of any tax sharing, tax indemnity or tax allocation agreement or any other express or implied agreement to indemnify any other person.

(b) As used herein, “Tax Return” means any return, declaration, report, claim for refund, information return, Tax filing obligation of any Section 501(c)(3) or (4) organization or statement, including any schedule or attachment thereto, and any amendment thereof, relating to Taxes.

(c) Seller has not taken and will not take any action, and Seller has not failed to take and will not fail to take any action, in respect of any Taxes (including any withholdings required to be made in respect of employees) which may have a Material Adverse Effect (as hereinafter defined).

(d) Except as set forth on Schedule 4.17(d), all Tax Returns which are required to be filed by Seller with respect to the Hospital Facilities or the Assets have been timely filed or will be filed within the time and in the manner provided by applicable Legal Requirements (including any valid extensions thereof). All such Tax Returns are or will be true and correct and accurately reflect the Tax liabilities and/or Tax information reporting of Seller.

(e) All Taxes due and owing by Seller with respect to the Hospital Facilities or the Assets (whether or not shown on any Tax Return) have been or will be paid or adequately provided for by Seller within the time and in the manner provided by applicable Legal Requirements (including any valid extensions thereof).

(f) There are no Tax liens on any of the Assets (except for any lien or liens for Taxes not yet due and payable that will be paid by Seller in accordance with applicable Legal Requirements). There is no Encumbrance on any of the Assets due to the failure (or alleged failure) to file any Tax Return or pay any Tax, nor will any such Encumbrance arise after the Closing.

(g) To the knowledge of Seller, each of UPHEC, UPMC, UPHP and the Included Joint Ventures has timely filed all Tax Returns which are required to be filed by or on behalf of such entities and all such Tax Returns were correct and complete in all material respects. All Taxes due and owing by UPHEC, UPMC, UPHP and the Included Joint Ventures (whether or not shown on any Tax return) have been timely paid (or will be timely paid on or prior to the Closing Date) and, to the knowledge of Seller, no dispute or claim concerning any Tax liability of such entities has been claimed or raised by any taxing authority. There are no liens for Taxes (other than Taxes not yet due and payable) upon any of the assets of UPHEC, UPMC, UPHP or the Included Joint Ventures. To the knowledge of Seller, neither UPHEC, UPMC, UPHP nor the Included Joint Ventures has had any liability for any Taxes of any other Person under Treasury Regulation Section 1.1502-6 (or any similar provision of state, local, or foreign Law), as a transferee or successor, by contract, or otherwise. Each of UPHEC, UPMC, UPHP and the Included Joint Ventures has withheld or collected and paid over to the appropriate taxing and governmental authorities (or is properly holding for such payment) all Taxes required by applicable Legal Requirements to be



withheld or collected with respect to its operations, including withholdings on payments to such entities for sales and use Taxes or payments by such entities to employees or independent contractors on account of federal and state income Taxes, the Federal Insurance Contribution Act, and the Federal Unemployment Tax Act, and all Internal Revenue Service Forms W-2 and 1099 required with respect thereto have been properly completed and timely filed.

(h) Seller has withheld or collected and paid over to the appropriate taxing and governmental authorities (or is properly holding for such payment) all Taxes required by applicable Legal Requirements to be withheld or collected with respect to its operations, including withholdings on payments to Seller for sales and use Taxes or payments by Seller to employees or independent contractors on account of federal and state income Taxes, the Federal Insurance Contribution Act, and the Federal Unemployment Tax Act, and all Internal Revenue Service Forms W-2 and 1099 required with respect thereto have been properly completed and timely filed.

(i) There is no audit, examination, investigation, appeal, litigation or other proceeding with respect to Taxes relating to the Assets or the Businesses either (A) claimed or raised by any taxing authority in writing to Seller or (B) as to which Seller has knowledge thereof. No written document or comparable consent extending or waiving, or having the effect of extending or waiving, the application of the statute of limitations with respect to any Taxes relating to the Assets or, to the knowledge of Seller, the Businesses is currently outstanding, pending or otherwise in effect with any taxing authority, and no written power of attorney with respect to any such Taxes has been filed or entered into with any taxing authority. Seller has not requested or been granted an extension of the time for filing any Tax Return with respect to the Assets or the Hospital Facilities to a date on or after the Closing Date.

(j) Each of Seller, Rampart and, to the knowledge of Seller, UPHP, Ontonagon and Chippewa (i) is an organization described in Section 501(c)(3) or (4), as applicable, of the Code and is exempt from taxation to the extent described in Section 501(a) of the Code; (ii) is not a private foundation within the meaning of Section 509(a) of the Code; and (iii) is in possession of a determination letter from the Internal Revenue Service and the State of Michigan regarding its federal and state income tax exemption, which determination letter has not been revoked or otherwise modified. Each of Seller, Rampart, UPHP, Ontonagon and Chippewa is in compliance in all material respects with all applicable Legal Requirements pertaining to the operation of an organization described in Section 501(c)(3) or (4), as applicable, of the Code, including, requirements as to private benefit, inurement, self-dealing, conflicts of interest and other applicable requirements. Seller is in compliance in all material respects with the applicable requirements of Section 501(r) of the Code. Neither Seller, Rampart or, to the knowledge of Seller, UPHP, Ontonagon or Chippewa has entered into any transaction which has constituted or may constitute an “excess benefit transaction” within the meaning of Section 4958 of the Code and the Treasury Regulations thereunder. Except as set forth on Schedule 4.17(j), the Real Estate, the Included Joint Ventures Real Estate, the Hospital Facilities and the Assets are, and shall be through the Closing Date, exempt from all real and personal property Taxes and there are no municipal assessments, for betterments or otherwise, on, related to or, to Seller’s knowledge, under consideration for the Real Estate or the Included Joint Ventures Real Estate.

(k) None of the Assets is an ownership interest in a joint venture, partnership or other arrangement or contract that could be treated as a partnership for federal income Tax purposes.

(l) Except as set forth on Schedule 4.17(l), Seller is not a party to any agreement providing for the allocation or sharing of, or indemnification for, Taxes relating to the Assets and the Businesses. Seller is not and has not been a party to any “reportable transaction,” as defined in Treasury Regulation Section 1.6011-4(b). Seller has not had any liability for any Taxes of any other Person under Treasury

Regulation Section 1.1502-6 (or any similar provision of state, local, or foreign Law), as a transferee or successor, by contract, or otherwise.

(m) Seller has properly classified for Tax purposes all individuals providing services to Seller as either independent contractors or employees, as the case may be.

(n) No claim has ever been made or, to Seller's knowledge, can reasonably be expected to be made by a taxing authority in a jurisdiction where Seller does not file Tax Returns that it is or may be subject to taxation (including obligations to withhold amounts in respect of any Taxes) by that jurisdiction.

(o) Each of UPMC, Peninsula InfoMed, L.L.C. and U.P. Imaging Management Services, LLC is (and has been since the date of its formation) a partnership for federal income tax purposes, and neither Seller, nor any governmental authority, has taken a position inconsistent with such partnership tax treatment.

(p) Mattson is (and has been since November 16, 2005) a disregarded entity for federal income tax purposes, and neither Seller, nor any governmental authority, has taken a position inconsistent with such tax treatment.

(q) Seller filed a Michigan Business Tax Return on a unitary basis with U.P. Imaging Management Services, L.L.C. for all tax years prior to January 1, 2012.

#### 4.18 Employee Benefit Plans.

(a) Schedule 4.18(a) sets forth a list (collectively the "Benefit Plans") of all "employee benefit plans," as defined in Section 3(3) of the Employee Retirement Income Security Act of 1974 ("ERISA"), all specified fringe benefit plans as defined in Section 6039D of the Code, and all other bonus, incentive compensation, deferred compensation, profit sharing, stock option, severance, supplemental unemployment, layoff, salary continuation, retirement, pension, health, life insurance, disability, group insurance, vacation, holiday, sick leave, fringe benefit or welfare plan or employment, consulting, change in control, independent contractor, professional services, confidentiality or non-competition agreement or any other similar plan, agreement, policy or understanding (whether oral or written, qualified or non-qualified) and any trust, escrow or other funding arrangement related thereto, (i) which is currently or has been at any time maintained or contributed to by Seller, the Businesses (to the knowledge of Seller exclusively with respect to Ontonagon and Chippewa) or any of their affiliates, or (ii) with respect to which Seller, the Businesses (to the knowledge of Seller exclusively with respect to Ontonagon and Chippewa) or any of their affiliates has any liability or obligations to any current or former officer, employee or service provider of Seller, the Businesses (to the knowledge of Seller exclusively with respect to Ontonagon and Chippewa), or the dependents of any thereof, regardless of whether funded, and/or in which any current or former officer, employee or service provider of Seller, or any dependents of any thereof, participate, or (iii) which could result in the imposition of liability or any obligation of any kind or nature, whether accrued, absolute, contingent, direct, indirect, known or unknown, perfected or inchoate or otherwise and whether or not now due or to become due, of Seller, the Businesses (to the knowledge of Seller exclusively with respect to Ontonagon and Chippewa) or any of their affiliates. For purposes of this Section 4.18, the term "affiliate" is any person or entity which, together with the Seller, would be treated as a single employer under Sections 414(b), (c), (m) or (o) of the Code.

(b) Except for the Pension Plan, (i) no Benefit Plan is or has been at any time subject to Section 412 of the Code, Section 430 of the Code, Section 302 of ERISA, and/or Title IV of ERISA or is

otherwise a “defined benefit plan” as defined in Section 3(35) of ERISA, and (ii) none of Seller, the Businesses (to the knowledge of Seller exclusively with respect to Ontonagon and Chippewa) or any of their affiliates (or any of their predecessors) has ever maintained, contributed to, been required to contribute to, or otherwise had any liability with respect to a plan subject to Section 412 of the Code, Section 430 of the Code, Section 302 of ERISA, and/or Title IV of ERISA or that is otherwise a “defined benefit plan” as defined in Section 3(35) of ERISA. None of Seller, the Businesses (to the knowledge of Seller exclusively with respect to Ontonagon and Chippewa) or any of their affiliates (or any of their predecessors) (i) has ever maintained, contributed to, been required to contribute to, or otherwise had any liability with respect to a plan that is or has been at any time a “multiemployer plan” within the meaning of Section 3(37) of ERISA or Section 4001(a)(3) of ERISA; or (ii) has any liability resulting from or in connection with a complete, partial, or mass withdrawal (within the meaning of Sections 4203, 4205, and 4219 of ERISA) from any “multiemployer plan” within the meaning of Section 3(37) of ERISA or Section 4001(a)(3) of ERISA.

(c) With respect to the Pension Plan, (i) the funded status is accurately reflected and disclosed on Schedule 4.18(c) in a manner consistent with Financial Accounting Standards Board (“FASB”) Accounting Standards Codification (“ASC”) Topic 715, *Compensation-Retirement Benefits*, and determined and disclosed as of both the date of this Agreement and the Closing Date; (ii) the costs for administering the Pension Plan, including but not limited to any and all fees charged by the Pension Plan’s third-party administrator and plan actuary, for the last three years are accurately reflected and disclosed on Schedule 4.18(c); (iii) Seller has made all “minimum required contributions,” within the meaning of Sections 412 and 430 of the Code, by the applicable due dates; (iv) Seller has timely made all contributions required by the Collective Bargaining Agreement; (v) neither Seller, the Businesses (to the knowledge of Seller exclusively with respect to Ontonagon and Chippewa) nor any of their affiliates has provided security pursuant to Section 436(f) of the Code; (vi) except as disclosed on Schedule 4.18(c), no “reportable event” (within the meaning of Section 4043 of ERISA) has occurred or is reasonably expected to occur by virtue of the consummation of the transaction contemplated by this Agreement except for a reportable event for which the notice requirement has been waived by the Pension Benefit Guaranty Corporation (“PBGC”); (vii) all required premium payments to the PBGC have been paid when due; (viii) the PBGC has not instituted proceedings or threatened to institute proceedings to terminate the Pension Plan; (ix) no other event or condition has occurred that might constitute grounds under ERISA Section 4042 for the termination of, or the appointment of a trustee to administer, the Pension Plan; and (x) neither Seller, the Businesses (to the knowledge of Seller exclusively with respect to Ontonagon and Chippewa) nor any of their affiliates has incurred, or reasonably expects to incur, any liability under Title IV of ERISA (other than contributions to the Pension Plan or premiums to the PBGC in the ordinary course and without default).

(d) None of Seller, the Businesses (to the knowledge of Seller exclusively with respect to Ontonagon and Chippewa) or any of their affiliates (or any of their predecessors) has ever maintained, contributed to, been required to contribute to, or otherwise had any liability with respect to a plan that is or has been at any time a multiple employer welfare arrangement (as defined in Section 3(40) of ERISA). No Benefit Plan is or has been funded by, associated with, or related to a “voluntary employee’s beneficiary association” within the meaning of Section 501(c)(9) of the Code, a “welfare benefit fund” within the meaning of Section 419 of the Code, or a “qualified asset account” within the meaning of Section 419A of the Code.

(e) There have been no prohibited transactions, breaches of fiduciary duty or other material breaches or violations of any Legal Requirements applicable to the Benefit Plans and related funding arrangements that could subject Seller, the Businesses (to the knowledge of Seller exclusively with respect to Ontonagon and Chippewa) or any of their affiliates to any liability. Each Benefit Plan intended to be qualified under Section 401(a) of the Code has a current favorable determination letter (or, in the

case of a standardized form or paired plan, a favorable opinion or notification letter). No event has occurred which could cause any Benefit Plan to become disqualified or fail to comply with the respective requirements of Sections 401(a), 403(b) or 457 of the Code, as applicable, or that would make a distribution from such Benefit Plans to be ineligible to be rolled into an individual retirement account or a plan that is qualified under Section 401(a) of the Code. Except as set forth on Schedule 4.18(e), each Benefit Plan has been operated in compliance with applicable Legal Requirements, ERISA and the Code, and operated in accordance with its terms. There are no actions, audits, claims, investigations or government enforcement actions pending or, to Seller's knowledge, threatened against Seller, the Benefit Plans or any of them, other than routine claims for benefits. There are no outstanding issues with reference to the Benefit Plans pending before any governmental agency. Any contributions, including salary deferrals, required to be made pursuant to the terms of any of the Benefit Plans as of the date of this Agreement have been timely made. The consummation of the transactions contemplated hereby will not accelerate the time of vesting or payment, or increase the amount, of compensation payable to any employee, officer, former employee or former officer of Seller, the Businesses (to the knowledge of Seller exclusively with respect to Ontonagon and Chippewa) or any of their affiliates.

(f) Seller, the Businesses (to the knowledge of Seller exclusively with respect to Ontonagon and Chippewa) and their affiliates have complied and are in compliance with the continuation coverage provisions of the Consolidated Omnibus Budget Reconciliation Act of 1985 ("COBRA") with respect to all current and former employees and their beneficiaries. Schedule 4.18(f) lists all current and former employees of Seller, the Businesses (to the knowledge of Seller exclusively with respect to Ontonagon and Chippewa) and their beneficiaries who are eligible for and/or have elected continuation coverage under COBRA. Except for the employment agreements entered into between Seller and A. Gary Muller, Jerry L. Worden, Thomas F. Noren, and David S. Graser and certain retiree benefits promised to James Richards, William Nemacheck, Karen MacLachlan, Al Hendra, and Robert Raica, no Benefit Plans provide for, and no written or oral agreements have been entered into promising or guaranteeing, the continuation of medical, dental, vision, life or disability insurance coverage for any current or former employees of Seller, the Businesses or their beneficiaries for any period of time beyond termination of employment (except to the extent of coverage required under COBRA).

(g) Except as set forth on Schedule 4.18(g), no Benefit Plan or other agreement exists that could result in the payment to any present or former employee or director of Seller, the Businesses (to the knowledge of Seller exclusively with respect to Ontonagon and Chippewa) or any of their affiliates of any money or other property or accelerate or provide any other rights of benefits to any present or former employee of Seller, the Businesses (to the knowledge of Seller exclusively with respect to Ontonagon and Chippewa) or any of their affiliates as a result of the transactions contemplated by this Agreement, whether or not such payment would constitute a parachute payment within the meaning of Section 280G of the Code.

(h) Each Benefit Plan that is a "nonqualified deferred compensation plan" (as defined for purposes of Section 409A(d)(1) of the Code) (i) has been operated since January 1, 2005 in good faith compliance with Section 409A of the Code and all applicable IRS guidance promulgated thereunder to the extent such plan is subject to Section 409A of the Code, and (ii) as to any such plan in existence prior to January 1, 2005 and not subject to Section 409A of the Code, has not been "materially modified" (within the meaning of IRS Notice 2005-1) at any time after October 3, 2004.

(i) Except for the Marquette General Hospital, Inc. Nonqualified 457(b) Plan and the Marquette General Hospital, Inc. 457(f) Supplemental Retirement Plan, none of Seller, the Businesses or any of their affiliates has ever maintained, contributed, or otherwise had any liability with respect to a nonqualified deferred compensation plan. Except as set forth on Schedule 4.18(i), all accrued benefits

under the 457(b) and 457(f) plans described in this Section 4.18(i) are fully funded through a grantor trust.

#### 4.19 Employees and Employee Relations.

(a) There is no pending or, to Seller's knowledge, threatened employee strike, work stoppage or labor dispute at the Businesses. Except as set forth on Schedule 4.19, no collective bargaining agreement exists or is being negotiated by Seller, any of its affiliates or the Businesses. Except as set forth on Schedule 4.19, no demand has been made for recognition by a labor organization by or with respect to any employees at the Businesses. To Seller's knowledge, except as set forth on Schedule 4.19, no union organizing activities by or with respect to any employees at the Businesses is taking place and none of the employees at the Businesses are represented by any labor union or organization. Except as set forth on Schedule 4.19, there is no unfair practice claim against Seller, any of its affiliates or the Businesses before the National Labor Relations Board, nor any strike, dispute, slowdown or stoppage pending or, to Seller's knowledge, threatened against or involving the Businesses. Except as set forth on Schedule 4.19, there are no pending or, to Seller's knowledge, threatened unfair labor practices claims, equal employment opportunity claims, human rights or civil rights complaints, wage and hour claims, unemployment compensation claims, workers' compensation claims or the like with respect to the Businesses. Seller is in compliance with the terms of the Collective Bargaining Agreement and all Legal Requirements respecting employment and employment practices, terms and conditions of employment, and wages and hours, labor relations, safety and health. Seller has complied with all requirements of the Immigration and Reform Control Act of 1986. Seller has not experienced within the preceding 12 months a "plant closing" or "mass layoff" within the meaning of the Workers Adjustment and Retraining Notification Act, 29 U.S.C. §§ 2101 et seq. Except as set forth on Schedule 4.19(a), neither Seller nor any of the Businesses has, during the ninety (90) day period prior to the date of this Agreement, terminated any employees.

(b) Schedule 4.19(b) contains a list of the names and current hourly wage, monthly salary and other compensation of all employees and independent contractors who provide services at the Hospital Facilities. Except as set forth on Schedule 4.19(b), all of such employees are "at will" employees. Except as set forth on Schedule 4.19(b)(i), (ii) and (iii), respectively, neither Seller nor any of the Hospital Facilities is a party to any oral (express or implied) or written (i) employment agreement, (ii) consulting agreement, or (iii) independent contractor agreement with any individual or entity. Except as set forth on Schedule 4.19(b)(iv), for the past two years no employee of Seller or the Hospital Facilities has received yearly raises. Seller, the Hospital Facilities and each Benefit Plan have properly classified individuals providing services as independent contractors or employees, as the case may be.

4.20 Post-Balance Sheet Date Results. Except as set forth on Schedule 4.20, since the Balance Sheet Date, there has not been any action, event, occurrence, development, transaction, commitment, dispute, change, violation, inaccuracy or other condition (financial or otherwise) of any character (whether or not in the ordinary course of business) that can reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect, nor has there been any transaction or occurrence in which Seller or any of the Businesses have:

(a) suffered any material damage, destruction or loss with respect to or affecting any of the Assets;

(b) sold, transferred or otherwise disposed of any of the Assets except in the ordinary course of business;

- (c) granted or incurred any obligation for any increase in the compensation of any employee who is employed at the Businesses (including any increase pursuant to any bonus, pension, profit-sharing, retirement, or other plan or commitment), except in the ordinary course of business;
- (d) made any change in any method of accounting or accounting principle, practice, or policy;
- (e) suffered, directly or indirectly, any material adverse change in the operations, financial condition, assets, income or business of or related to the Businesses;
- (f) suffered, directly or indirectly, any labor dispute, event or condition of any character that materially and adversely affected or interfered with the operations of the Businesses;
- (g) suffered, directly or indirectly, any changes in the composition of the medical staff of the Hospital, other than normal turnover occurring in the ordinary course of business;
- (h) made any changes in the rates charged by any of the Businesses for its services, other than those made in the ordinary course of business;
- (i) made any adjustments or write-offs of accounts receivable or reductions in reserves for accounts receivable other than in the ordinary course of business;
- (j) adopted or amended any Benefit Plan that may result in a material increase in the payments to or benefits under any Benefit Plan;
- (k) amended any organizational documents;
- (l) taken any other action neither in the ordinary course of business nor provided for in this Agreement;
- (m) paid or agreed to pay any personal damages, fines, penalties or other amounts in respect of actual or alleged violation of any Legal Requirements; or
- (n) encumbered any of the Assets other than a Permitted Encumbrance.

As used herein, the term “Material Adverse Effect” means any event, occurrence, development, fact, condition, state of circumstances, change or effect that (i) is, or is reasonably likely in the future to be, individually or in the aggregate, materially adverse to the business, operations, results of operations, condition, prospects, properties (including intangible properties), rights, obligations or assets of Seller or the Businesses or (ii) materially impairs or delays, or is reasonably likely to materially impair or delay, the ability of Seller to consummate the transactions contemplated hereby or to perform its obligations under this Agreement; provided, that none of the following shall be deemed to constitute, and none of the following shall be taken into account in determining whether there has been, a Material Adverse Effect: (a) any material adverse change, event, development, or effect arising from or relating to (1) business or economic conditions, which does not have a disproportionate effect on Seller or the Businesses, (2) national or international political or social conditions, including the engagement by the United States in hostilities, whether or not pursuant to the declaration of a national emergency or war, or the occurrence of any military or terrorist attack upon the U.S., or any of its territories, possessions, or diplomatic or consular offices or upon any military installation, equipment or personnel of the U.S., (3) financial, banking, or securities markets (including any disruption thereof and any decline in the price of any security or any market index), (4) changes in U.S. generally accepted accounting principles, (5) changes

in laws, rules, regulations, orders, or other binding directives issued by any governmental entity, which does not have a disproportionate effect on Seller or the Businesses, or (6) the taking of any action contemplated by this Agreement and the other agreements contemplated hereby, and (b) any adverse change in or effect on the business of Seller that is cured by Seller.

4.21 Finders. Except for Juniper Advisory, LLC, all negotiations relative to this Agreement and the transactions contemplated hereby have been carried out by Seller directly with Buyer without the intervention of any person on behalf of Seller in such manner as to give rise to any valid claim by any such person against Seller or Buyer for a finder's fee, brokerage commission or similar payment. Seller shall be solely responsible for satisfying its obligations to Juniper Advisory, LLC in connection with the services provided thereby.

4.22 Regulatory Compliance; Improper Payments.

(a) Except as set forth on Schedule 4.22(a), Seller, the Assets, and the Businesses have been and are presently in compliance in all material respects with all applicable Legal Requirements, including Title XVIII of the Social Security Act, 42 U.S.C. §§ 1395-1395hhh (the Medicare statute), including specifically, but not limited to, the Ethics in Patient Referrals Act, as amended, or "Stark Law," 42 U.S.C. § 1395nn; Title XIX of the Social Security Act, 42 U.S.C. §§ 1396-1396v (the Medicaid statute); the Federal Health Care Program Anti-Kickback Statute, 42 U.S.C. § 1320a-7b(b); the False Claims Act, as amended, 31 U.S.C. §§ 3729-3733; the Program Fraud Civil Remedies Act, 31 U.S.C. §§ 3801-3812; the Anti-Kickback Act of 1986, 41 U.S.C. §§ 51-58; the Civil Monetary Penalties Law, 42 U.S.C. §§ 1320a-7a and 1320a-7b; the Exclusion Laws, 42 U.S.C. § 1320a-7; the Health Insurance Portability and Accountability Act of 1996 as amended by the Health Information Technology for Economic and Clinical Health Act (collectively, "HIPAA") and all applicable implementing regulations, rules, ordinances and orders; and any similar state and local statutes, regulations, rules, ordinances and orders that address the subject matter of the foregoing.

(b) Except as set forth on Schedule 4.22(b), neither Seller nor any of the Businesses (to the knowledge of Seller exclusively with respect to Ontonagon and Chippewa) has received any notice from any agency, board, commission, bureau, intermediary, carrier, Medicare administrative contractor, Government Program integrity contractor, recovery audit contractor, or other instrumentality of any government, whether federal, state or local, commercial payor or patient that any of the operations of the Businesses are not in compliance with all applicable Legal Requirements or accreditation requirements. Seller and the Businesses, as applicable, have timely filed all reports, data and other information required to be filed pursuant to the Legal Requirements.

(c) Except in compliance with the Legal Requirements, neither Seller nor, to Seller's knowledge, any sponsor, shareholder, partner, member, director, officer or employee of Seller or the Businesses, nor any agent acting on behalf of or for the benefit of any of the foregoing, has directly or indirectly: (i) offered, paid, solicited, or received any remuneration (including any kickback, bribe, or rebate), in cash or in kind, to, or made any financial arrangements or a gratuitous payment of any kind, with any past, present or potential customers, past, present, or potential suppliers, patients, government officials, medical staff members, contractors or third party payors of Seller or any other person or entity in exchange for business or payments from such persons in violation of Legal Requirements; (ii) established or maintained any unrecorded fund or asset for any improper purpose or made any misleading, false, or artificial entries on any of its books or records for any reason; or (iii) made any payment for or agreed to make any payment for any goods, services, or property in excess of fair market value except to the extent permitted by applicable Legal Requirements.

(d) Except as set forth on Schedule 4.22(a), all of Seller's and any Businesses' (to the knowledge of Seller exclusively with respect to Ontonagon and Chippewa) contracts with physicians or other health care providers or entities in which physicians or other health care providers are equity owners involving services, supplies, payments, or any other type of remuneration and all of Seller's and any Businesses' leases of personal or real property with such physicians, health care providers, or entities are in writing, provide for a fair market value compensation in exchange for such services, space, or goods and comply with all applicable Legal Requirements.

(e) Except in compliance with the Legal Requirements, neither Seller or any of the Businesses (to the knowledge of Seller exclusively with respect to Ontonagon and Chippewa), nor, to Seller's knowledge, any of their sponsors, shareholders, partners, members, directors, officers or employees are a party to any contract, lease agreement or other arrangement (including any joint venture or consulting agreement) related to Seller, the Businesses or the Assets with any physician, immediate family member of a physician, physical or occupational therapist, health care facility, hospital, nursing facility, home health agency or other person who is in a position to make or influence referrals to or otherwise generate business for Seller, the Businesses or the Assets, to provide services, lease space, lease equipment or engage in any other venture or activity.

(f) Seller owns and operates Marquette General Home Health and Hospice, a home health agency located at 580 W. College Avenue, Marquette, Michigan (the "HHA"). Neither HHA nor Seller, in connection with the operation of the HHA, has made a claim to any Government Program or any other third party payor for: (i) a patient who has not been certified or re-certified as needing home health services in the timeframes set forth in the applicable Medicare regulations; (ii) a service which is not an approved home health service; or (iii) a service which does not comply with the plan of care approved for the patient. The effective dates of the HHA's initial enrollment in Medicare occurred prior to March 1, 2009, and the HHA has not undergone a change in majority ownership as such term is defined in 42 C.F.R. §424.502 since March 1, 2009.

(g) Seller owns and operates Marquette General Home Health and Hospice, a hospice located at 580 W. College Avenue, Marquette, Michigan with additional offices currently located at 2500 7<sup>th</sup> Avenue South, Suite 101, Escanaba, MI and 1110 10<sup>th</sup> Avenue, Suite 102, Menominee, MI (the "Hospice"). Neither Hospice nor Seller, in connection with the operation of the Hospice, has made a claim to any Government Program or any other third party payor for: (i) a patient who has not been certified or re-certified as terminally ill in the timeframes set forth in the applicable Medicare regulations; (ii) a service which is not an approved hospice service; or (iii) a service which does not comply with the plan of care approved for the patient. All claims, returns, invoices, reports, including cap reports, and other forms made by Hospice or Seller, in connection with the operation of the Hospice, to any Government Program or any other third party payor are true, complete and accurate. As of the Closing Date, the Hospice has no Medicare Cap Liability, and Seller has no reason to believe that the Hospice will have Medicare Cap Liability at the end of the current Medicare cap year.

#### 4.23 Information Privacy and Security Compliance.

(a) Except as set forth on Schedule 4.23(a), Seller and the Businesses (to the knowledge of Seller exclusively with respect to Ontonagon and Chippewa): (i) to the extent their operations are subject to the administrative simplification provisions of HIPAA, as amended by the Health Information Technology for Economic and Clinical Health Act, and the implementing regulations contained in 45 C.F.R. Parts 160, 162 and 164, are in compliance in all material respects with those provisions and implementing regulations, including in conducting any of the standard transactions set forth in 45 C.F.R. Part 162; and (ii) are in compliance with all other applicable Information Privacy or Security Laws (as hereinafter defined).



(b) Copies of the compliance policies and/or procedures and privacy notices of the Businesses (to the knowledge of Seller exclusively with respect to Ontonagon and Chippewa) relating to Information Privacy or Security Laws have been delivered to Buyer. Except as set forth on Schedule 4.23(b), all of Seller's and any Businesses' (to the knowledge of Seller exclusively with respect to Ontonagon and Chippewa) workforces (as such term is defined in 45 C.F.R. 160.103) have received training with respect to compliance with Information Privacy or Security Laws as required by such laws.

(c) Except as set forth on Schedule 4.23(c)(i), Seller and the Businesses (to the knowledge of Seller exclusively with respect to Ontonagon and Chippewa) have entered into business associate agreements with all third parties acting as a business associate as defined in 45 C.F.R. 160.103 and to Seller's knowledge, no business associate is in breach of its business associate agreement with the applicable Businesses or otherwise in violation of the Information Privacy or Security Laws. Except as set forth on Schedule 4.23(c)(ii), neither Seller nor any of the Businesses (to the knowledge of Seller exclusively with respect to Ontonagon and Chippewa) are under investigation by any governmental entity for a violation of any Information Privacy or Security Laws, including the receipt of any notices from the United States Department of Health and Human Services Office of Civil Rights, FTC or DOJ relating to any such violations.

(d) Copies of any written complaints alleging a violation of any Information Privacy or Security Laws received by Seller or any of the Businesses (to the knowledge of Seller exclusively with respect to Ontonagon and Chippewa) during the preceding 24 month period have been delivered to Buyer.

(e) Neither Seller nor any of the Businesses (to the knowledge of Seller exclusively with respect to Ontonagon and Chippewa) has had a Breach of Unsecured Protected Health Information, as such terms are defined in 45 C.F.R. § 164.402.

(f) For purposes of this Section 4.23: (i) "Information Privacy or Security Laws" means HIPAA and regulations as set forth in Section 4.23(a), the Michigan Identify Theft Protection Act, Act 452 of 2004, MCL 445.61 – 445.67, and any other Legal Requirements concerning the privacy and/or security of Personal Information, including state data breach notification laws, state patient, medical record and health information privacy laws, the Federal Trade Commission Act and state consumer protection laws; and (ii) "Personal Information" means any information with respect to which there is a reasonable basis to believe that the information can be used to identify an individual, including "individually identifiable health information" as defined in 45 C.F.R. § 160.103, demographic information, and social security numbers and such other personally identifiable information protected by applicable Michigan law.

4.24 Medical Staff Matters. Seller has delivered to Buyer copies of the bylaws and rules and regulations of the medical staff at the Hospital. With regard to the medical staff at the Hospital and except as set forth on Schedule 4.24(a), there are no (i) pending or, to Seller's knowledge, threatened, adverse actions with respect to any medical staff members of the Hospital or any applicant thereto, or (ii) pending or, to Seller's knowledge, threatened, disputes with applicants, staff members or health professional affiliates and all appeal periods in respect of any medical staff member or applicant against whom an adverse action has been taken have expired. Seller has delivered to Buyer a written disclosure containing a brief general description of all adverse actions taken in the six months prior to the date hereof against medical staff members or applicants which could result in claims or actions against Seller. Schedule 4.24(b) includes a list of the members of the medical staff at the Hospital. Except as listed on Schedule 4.24(c), there are no claims, actions, suits, proceedings or investigations pending or, to Seller's knowledge, threatened against or affecting any member of the medical staff of the Hospital at law or in equity, or before or by any federal, state, municipal or other governmental department, commission, board, bureau, agency or instrumentality wherever located. Except as listed on Schedule 4.24(d), no

medical staff member of the Hospital has resigned or had his or her privileges revoked or suspended since the Balance Sheet Date.

4.25 No Exclusion. Neither Seller, the Businesses, nor any of their respective officers, directors, agents, or employees, have been convicted of, charged with or, to Seller's knowledge, investigated for, or have engaged in conduct that would constitute, a Medicare or other Federal Health Care Program (as defined in 42 U.S.C. § 1320a-7(b)(f)) related offense or convicted of, charged with or, to Seller's knowledge, investigated for, or engaged in conduct that would constitute a violation of any Legal Requirements related to fraud, theft, embezzlement, breach of fiduciary duty, kickbacks, bribes, other financial misconduct or obstruction of an investigation. Neither Seller, the Businesses, nor, to Seller's knowledge, any officer, director, agent, employee, independent contractor, or medical staff member of Seller or any of the Businesses (whether an individual or entity), has been excluded from participating in any Government Program, subject to sanction pursuant to 42 U.S.C. § 1320a-7a or § 1320a-8 or been convicted of a crime described at 42 U.S.C. § 1320a-7b, nor, to Seller's knowledge, are any such exclusions, sanctions or charges threatened or pending.

4.26 Inventory. The Inventory consists of a quality and quantity usable and saleable in the ordinary course of business except for obsolete items and items of below standard quality, all of which have been written off or written down to net realizable value.

4.27 Environmental Matters. Except as disclosed on Schedule 4.27 and to the knowledge of Seller exclusively with respect to Ice Lake and Ontonagon:

(a) The operation of the Businesses is and at all times has been in compliance with the Environmental Laws (as hereinafter defined), which compliance includes the possession by Seller and the Businesses of all permits and governmental authorizations required under applicable Environmental Laws and compliance with the terms and conditions thereof.

(b) Neither Seller nor any of the Businesses has treated, stored, managed, disposed of, transported, handled, released or used any Materials of Environmental Concern (as hereinafter defined) at any of the Businesses except in the ordinary course of its business and in compliance in all material respects with all Environmental Laws; and to the knowledge of Seller, no third party has treated, stored, managed, disposed of, transported, handled, released or used any Materials of Environmental Concern at the Businesses except in compliance with all Environmental Laws.

(c) There are no Environmental Claims (as hereinafter defined) pending or, to the knowledge of Seller, threatened against Seller or any of the Businesses, and to the knowledge of Seller, no circumstances exist which could reasonably be expected to lead to the assertion of an Environmental Claim against Seller or any of the Businesses.

(d) There are no present or past actions, activities, circumstances, conditions, events or incidents, including any release of any Materials of Environmental Concern, that could form the basis for assertion of any Environmental Claim against Seller, Buyer, the Businesses or any property used therein or against any predecessor.

(e) There are no off-site locations where Seller or any of the Businesses has stored, disposed or arranged for the disposal of Materials of Environmental Concern at any of the Businesses, and Seller has not been notified in writing that it is a potentially responsible party at any such location under any Environmental Laws.

(f) Neither Seller nor any of the Businesses has assumed or undertaken or otherwise become subject to any liability or corrective, investigatory or remedial obligation of any other person relating to any Environmental Law.

(g) There are no underground storage tanks located on property owned, leased or operated by Seller or any of the Businesses. There is no asbestos-containing material (as defined under Environmental Laws) contained in or forming part of any building, building component, structure or office space owned, leased or operated by Seller or any of the Businesses. There are no polychlorinated biphenyls ("PCBs") or PCB-containing items contained in or forming part of any building, building component, structure or office space owned, leased or operated by Seller or the Businesses.

(h) No property used in the operation of the Businesses is subject to any Encumbrance imposed by or arising under any Environmental Law, and there is no proceeding pending or, to the knowledge of Seller, threatened for the imposition of any such Encumbrance, nor to the knowledge of Seller, is there any basis for any such Encumbrance or proceeding.

(i) The operations and properties of the Businesses are and at all times have been in compliance in all material respects with the Medical Waste Laws (as hereinafter defined).

For purposes of this Agreement, (A) "Environmental Claim" means any claim, action, cause of action, investigation or notice by any person alleging potential liability (including potential liability for investigatory costs, cleanup costs, governmental response costs, natural resources damages, property damages, personal injuries or penalties) arising out of, based on or resulting from the presence, release or threat of release into the environment, of any Materials of Environmental Concern at any location, whether or not owned or operated by the Businesses; (B) "Environmental Laws" means all applicable United States federal, state, and local laws, regulations, codes and ordinances relating to pollution or protection of human health (as relating to the environment or the workplace) and the environment (including ambient air, surface water, ground water, land surface or sub-surface strata), including laws and regulations relating to emissions, discharges, releases or threatened releases of Materials of Environmental Concern, or otherwise relating to the use, treatment, storage, disposal, transport or handling of Materials of Environmental Concern, including the Comprehensive Environmental Response, Compensation and Liability Act ("CERCLA"), 42 U.S.C. §§ 9601 et seq., Resource Conservation and Recovery Act ("RCRA"), 42 U.S.C. §§ 6901 et seq., Toxic Substances Control Act ("TSCA"), 15 U.S.C. §§ 2601 et seq., Occupational Safety and Health Act ("OSHA"), 29 U.S.C. §§ 651 et seq., the Clean Air Act, 42 U.S.C. §§ 7401 et seq., the Clean Water Act, 33 U.S.C. §§ 1251 et seq., each as may have been amended or supplemented or may be amended in the future, and any applicable environmental transfer statutes or laws; (C) "Materials of Environmental Concern" means chemicals, pollutants, contaminants, hazardous materials, hazardous substances and hazardous wastes, medical waste, toxic substances, petroleum and petroleum products and by-products, asbestos-containing materials, PCBs, and any other chemicals, pollutants, substances or wastes, in each case regulated under any Environmental Law; and (D) "Medical Waste" includes (i) pathological waste, (ii) blood, (iii) sharps, (iv) wastes from surgery or autopsy, (v) dialysis waste, including contaminated disposable equipment and supplies, (vi) cultures and stocks of infectious agents and associated biological agents, (vii) contaminated animals, (viii) isolation wastes, (ix) contaminated equipment, (x) laboratory waste and (xi) various other biological waste and discarded materials contaminated with or exposed to blood, excretion or secretions from human beings or animals. "Medical Waste" also includes any substance, pollutant, material or contaminant listed or regulated as "Medical Waste", "Infectious Waste", or other similar terms by federal, state, regional, county, municipal, or other local laws, regulations and ordinances insofar as they purport to regulate Medical Waste, or impose requirements relating to Medical Waste (collectively, "Medical Waste Laws"), and includes "Regulated Waste" governed by the Occupational Safety and Health Act, 29 USCA § 651 et seq.

4.28 Condition and Sufficiency of Assets. Except as set forth on Schedule 4.28, the Assets constitute all of the real, personal and/or intangible property of every kind and nature whatsoever owned, leased, held or used by Seller in connection with the operation of the Businesses, and all the tangible Assets are located at the Hospital Facilities. Except as set forth on Schedule 4.28, the buildings, plant, structures, and equipment included within the Assets are structurally sound, are in good operating condition and repair with normal wear and tear being excepted, and are adequate for the uses to which they are being put. The buildings, plant, structures and equipment included within the Assets are sufficient for the continued conduct of the Businesses after the Closing in substantially the same manner as conducted prior to the Closing.

4.29 No Undisclosed Liabilities. Except as set forth on Schedule 4.29, neither Seller nor any of the Businesses (to the knowledge of Seller exclusively with respect to the Included Joint Ventures) has liabilities or obligations of any nature (whether known or unknown and whether absolute, accrued, contingent, or otherwise and whether or not due) exceeding, individually or in the aggregate, \$35,000 except for (i) liabilities reflected or reserved against in the Financial Statements and (ii) liabilities or obligations incurred in the ordinary course of business of the Businesses since the Balance Sheet Date that are not individually or in the aggregate material to the business or operation of the Businesses.

4.30 Statutory Funds. None of the Assets are subject to any liability to which Buyer may become obligated in respect of amounts received by Seller for the purchase or improvement of the Assets, the Businesses, or any part thereof under restricted or conditioned grants or donations, including monies received pursuant to the Hill-Burton Act, 42 U.S.C. §291 et. seq., the Health Professions Educational Assistance Act, the Nurse Training Act, the National Health Planning and Resources Development Act, or the Community Mental Health Centers Act, as amended, or similar laws or acts relating to health care facilities that remain unpaid or which impose any restrictions on the Businesses or the Assets.

4.31 Third Party Payor Cost Reports. Seller and the Businesses (to the knowledge of Seller exclusively with respect to Ontonagon and Chippewa) have timely filed all required cost reports for all the fiscal years through and including the fiscal year ended June 30, 2011. Except as set forth on Schedule 4.31, all of the Seller's and the Businesses' cost reports accurately reflect (or will accurately reflect when filed) the information required to be included thereon and do not (and will not) claim, and neither Seller nor any of the Businesses has received, reimbursement in any amount in excess of the amounts allowed by applicable Legal Requirements or any applicable agreement. Schedule 4.31 indicates which cost reports have not been audited and finally settled and includes a brief description of any and all notices of program reimbursement, proposed or pending audit adjustments, disallowances, appeals of disallowances, and any and all other unresolved claims or disputes in respect of the Seller's and the Businesses' cost reports. Copies of all cost reports filed since June 30, 2008, together with all material correspondence with respect thereto, have been provided to Buyer.

4.32 Compliance Program. Seller and UPHP have developed compliance programs ("Compliance Programs"), have delivered to Buyer copies of all such materials, including all program descriptions, compliance officer and committee minutes and descriptions, ethics and risk area policy materials, training and education materials, auditing and monitoring protocols, reporting mechanisms and disciplinary policies, and have conducted their operations in accordance with the Compliance Programs. The Compliance Programs are designed after the elements set forth in the OIG's compliance program guidance including the related provisions of the Federal Sentencing Guidelines relating to corporate compliance programs. Additionally, neither Seller nor any of the Businesses (a) is a party to a Corporate Integrity Agreement with the Office of the Inspector General of the Department of Health and Human Services ("OIG"); (b) has any reporting obligations pursuant to any settlement agreement entered into with any governmental entity; (c) to Seller's knowledge, has been the subject of any Government Program investigation conducted by any federal or state enforcement agency; (d) has been a defendant in

any *qui tam*/False Claims Act litigation (other than by reason of a sealed complaint of which Seller may have no knowledge); (e) has been served with or received any search warrant, subpoena, civil investigation demand, contact letter, or, to Seller's knowledge, telephone or personal contact by or from any federal or state enforcement agency (except in connection with medical services provided to third-parties who may be defendants or the subject of investigation into conduct unrelated to the operation of any of the Businesses); or (f) has not received any complaints through Seller's compliance "hotline" from employees, independent contractors, vendors, physicians or any other person that could reasonably be considered to indicate that Seller or any of the Businesses has violated any Legal Requirements. For purposes of this Agreement, the term "compliance program" refers to provider and health plan programs of the type described in the compliance guidance published by the OIG for entities in Seller's and UPHP's respective healthcare industry sectors.

4.33 Experimental Procedures. Except as set forth on Schedule 4.33, since January 1, 2008, none of the Businesses have performed or permitted the performance of any experimental or research procedures or studies involving patients in the Businesses or otherwise.

4.34 Intellectual Property. Set forth on Schedule 4.34 is a description of each trademark, trade name, service mark, patent, copyright, domain name, software license or other intellectual property right held or used in the ordinary course of business with respect to the Businesses (to the knowledge of Seller exclusively with respect to Ontonagon and Chippewa) and any current registration or application with respect thereto (the "Intellectual Property"). Seller and each of the Businesses have the lawful right to use all of the Intellectual Property, as applicable, and have taken all commercially reasonable measures to protect and maintain its trade secrets. No notice has been received by Seller or any of the Businesses that any of their respective rights in or to the Intellectual Property are invalid or unenforceable or that any infringement or misappropriation thereof, in whole or in part, by any third party has occurred. The ownership and use by Seller or any of the Businesses of the Intellectual Property, as applicable, in the ordinary and usual course does not cause or involve the infringement, misuse or misappropriation of any patent, copyright, trade secret or other proprietary or intellectual property (whether conferred by Legal Requirements or otherwise) of any third party.

4.35 Disclosure. No representation or warranty made by Seller in this Agreement contains any untrue statement or omits to state a material fact necessary to make any of them, in light of the circumstances in which it was made, not misleading.

## **5. REPRESENTATIONS AND WARRANTIES OF BUYER**

To induce Seller to execute and deliver this Agreement and to consummate the transactions contemplated herein, Buyer represents and warrants to Seller the following as of the date hereof and (except in cases where the representation speaks to another date, such as the date hereof) as of the Closing Date:

5.1 Limited Liability Company Capacity. Buyer is a limited liability company organized and validly existing and in good standing under the laws of the State of Delaware. Except as set forth on Schedule 5.1, Buyer is not the record or beneficial owner of any securities or membership interests issued by or sponsor of any other person.

5.2 Limited Liability Company Powers; Consents; Absence of Conflicts With Other Agreements. The execution, delivery and performance by Buyer of this Agreement and all other agreements referenced in or ancillary hereto to be executed and delivered by Buyer pursuant hereto and the consummation of the transactions contemplated herein and therein by Buyer (a) are within Buyer's limited liability company powers, are not in contravention of the terms of its Certificate of Formation,

Limited Liability Company Agreement, or any amendments thereto and have been duly authorized by all appropriate limited liability company action; (b) except for (i) the FTC and the DOJ pursuant to the HSR Act, (ii) MDCH, (iii) the Attorney General, (iv) OFIR or (v) as set forth on Schedule 5.2(a), do not require Buyer to obtain any approval or consent of, or make any filing with, any governmental agency or authority bearing on the validity of this Agreement which is required by Legal Requirements; (c) will not conflict with nor result in any breach or contravention of any agreement, lease or instrument to which Buyer is a party or by which Buyer is bound; (d) do not violate any Legal Requirements to which Buyer may be subject; and (e) do not violate any judgment of any court or governmental authority to which Buyer may be subject.

5.3 Binding Agreement. This Agreement and all agreements to be executed and delivered by Buyer pursuant hereto have been (or will be when executed and delivered) duly and properly authorized and executed by Buyer. This Agreement has been duly and validly executed and delivered by Buyer and, assuming due execution and valid delivery by Seller, this Agreement and the other documents to be executed and delivered by Buyer hereunder (when executed and delivered) constitute or will constitute the valid and legally binding obligations of Buyer, enforceable against Buyer in accordance with the respective terms hereof or thereof, except as enforceability may be restricted, limited or delayed by applicable bankruptcy or other laws affecting creditors' rights generally and except as enforceability may be subject to general principles of equity.

5.4 Litigation. There is no claim, action, suit, proceeding or investigation pending or, to the knowledge of Buyer, threatened against or affecting Buyer that has or would reasonably be expected to have, individually or in the aggregate, a material adverse effect on the Buyer's ability to perform this Agreement or any aspect of the transactions contemplated hereby.

5.5 Finders. All negotiations relative to this Agreement and the transactions contemplated hereby have been carried out by Buyer directly with Seller without the intervention of any person on behalf of Buyer in such manner as to give rise to any valid claim by any such person against Seller or Buyer for a finder's fee, brokerage commission or similar payment.

5.6 Disclosure. No representation or warranty made by Buyer in this Agreement contains any untrue statement or omits to state a material fact necessary to make any of them, in light of the circumstances in which it was made, not misleading.

5.7 Availability of Funds. Buyer will on the Closing Date have immediately available funds in cash that are sufficient to pay the amounts then payable pursuant to this Agreement and to consummate the transactions contemplated by this Agreement.

5.8 Participation in Federal Healthcare Programs. To the knowledge of Lpnt Sub, Lpnt Sub represents and warrants that neither LifePoint Hospitals, Inc. nor any of its subsidiaries: (i) are currently excluded, debarred, or otherwise ineligible to participate in the Federal health care programs; and (ii) are or have been convicted of a criminal offense related to the provision of health care items or services but have not yet been excluded, debarred, or otherwise declared ineligible to participate in the Federal health care programs.

5.9 Absence of Changes. Since the Balance Sheet Date, to the knowledge of Lpnt Sub, DLP has not experienced any material adverse change in its financial condition, earnings, assets or operations.

## 6. PRE-CLOSING COVENANTS

6.1 Information. Between the date of this Agreement and the earlier of the Closing Date or the termination of this Agreement, to the extent permitted by Legal Requirements, Seller: (i) shall afford to the officers and authorized representatives and agents of Buyer full access to and the right to inspect the properties, books and records of Seller relating to the Assets and the Businesses which are in Seller's possession or control; (ii) will furnish Buyer with such additional financial and operating data and other information as to the business and properties of Seller relating to the Assets and the Businesses as Buyer may from time to time reasonably request; and (iii) will furnish to the officers, directors, employees, agents, counsel, accountants, financial advisors, consultants and other representatives of Buyer full access, upon reasonable prior notice and during normal business hours, to the officers, employees and agents of Seller who operate the Businesses and to the Assets. Buyer's right of access and inspection shall be made in such a manner as not to unreasonably interfere with the operations of the Businesses. Buyer may copy such information as it deems necessary to conduct its review. Notwithstanding the foregoing, Buyer understands that (x) with respect to documents and information deemed by Seller in good faith to be competitively sensitive pricing, commercial reimbursement, salary, wage or other similar information, (1) Seller will specifically identify the information as such prior to disclosure; (2) such information shall be segregated from other information disclosed to Buyer by or on behalf of Seller; (3) if requested by Buyer, Seller will provide such documents and information to the designated outside attorneys, accountants and/or consultants of Buyer (who will be bound by confidentiality agreements acceptable to them and to Seller) for their review; and (4) any report by such attorneys, accountants and/or consultants to Buyer with respect to such documents and information will be in writing and subject to prior review and reasonable approval by Seller to confirm that such competitively sensitive information is sufficiently aggregated, screened, or otherwise not made available to Buyer; (y) litigation and other materials (including internal/external legal audit letters or reviews, patient medical records, PRO information, National Data Bank reports, confidential peer and quality review information and other physician-specific confidential information) that are deemed privileged or confidential by Seller and materials which Seller or its affiliates may not disclose without violating confidentiality agreements with third parties will not be made available to Buyer; and (z) Seller shall not be obligated to generate or produce information in any prescribed format not customarily produced by Seller and its affiliates. No inspection of the Assets or other due diligence conducted by Buyer shall affect any obligations, representations or warranties of Seller or the right of Buyer to rely on the representations and warranties of Seller set forth in Article 4.

6.2 Seller's Operations. Except as noted on Schedule 6.2, from the date of this Agreement until the earlier of the Closing Date or the termination of this Agreement, Seller will operate the Businesses, or cause the Businesses to be operated, in the ordinary course of business and consistent with the past practices of Seller and the Businesses. Seller will and shall cause the Businesses to use their commercially reasonable efforts to: (a) carry on the business and operations of the Businesses in substantially the same manner as each has heretofore been operated and not make any material change in personnel, operations, finance, accounting policies or real or personal property of the Businesses, except in the ordinary course of business; (b) perform all of Seller's and the Businesses' obligations under agreements relating to or affecting the Assets, the Businesses or the operations of each, including the Assumed Contracts; (c) take all actions necessary and appropriate to render title to the Assets free and clear of all Encumbrances (except for the Assumed Liabilities and Permitted Encumbrances); (d) keep in full force and effect any Businesses' present insurance policies or other comparable insurance; (e) notify Buyer immediately upon (i) the occurrence of any event, fact or circumstance that is reasonably likely to result in the breach or inaccuracy of any representation or warranty of Seller contained in this Agreement, or (ii) the discovery of any event, fact or circumstance from which a reasonable person would conclude that any representation or warranty of Seller contained in this Agreement was inaccurate or incomplete when made; (f) maintain the Assets and the assets of the Businesses and all parts thereof in as good

working order and condition as at present, ordinary wear and tear excepted; (g) maintain and preserve its business organization with respect to the Businesses intact, retain its present employees at the Businesses, and maintain its relationship with physicians, medical staff, suppliers, customers and others having business relations with the Businesses; and (h) permit and allow reasonable access by Employer to make offers of post-Closing employment to any of Seller's personnel, which personnel shall be allowed to accept such offers without penalty, competing offer or interference, and to establish relationships with physicians, medical staff and others having business relations with Seller.

6.3 Seller's Negative Covenants. Except as disclosed on Schedule 6.3, between the date of this Agreement and the earlier of the Closing Date or the termination of this Agreement, neither Seller nor the Businesses will, without the prior written consent of Buyer: (a)(i) amend or terminate any of the Listed Contracts, (ii) enter into any contract which would be a Listed Contract or other material contract or commitment except in the ordinary course of business, or (iii) incur or agree to incur any liability except in the ordinary course of business; (b) increase compensation payable or to become payable or make a bonus payment to (other than pursuant to Seller's obligations under current agreements) or otherwise enter into one or more bonus agreements with any employee or agent, except in the ordinary course of business; (c) make offers or renewals of employment at the Businesses to any person other than on an at-will basis and in the ordinary course of business; (d) create, assume or permit to exist any new Encumbrance (other than a Permitted Encumbrance) upon any of the Assets or the assets of the Businesses, whether now owned or hereafter acquired; (e) dispose of or consume any property, plant or equipment (other than Inventory), except in the ordinary course of business; (f) acquire, transfer, assign or otherwise take any action to change the amount or character of Seller's interest in any of the Businesses; or (f) take any action outside the ordinary course of business.

#### 6.4 Governmental and Other Approvals.

(a) Seller agrees to use and cause the Businesses to use their commercially reasonable efforts to obtain all governmental consents, approvals and licenses which are required of Seller, the Businesses or their affiliates to consummate the transactions contemplated in this Agreement. Seller shall and shall cause the Businesses to assist and cooperate with Buyer and its representatives and counsel in obtaining all governmental consents, approvals and licenses which Buyer reasonably deems necessary or appropriate which may be required of Buyer by any governmental agency as a predicate to or result of the transactions contemplated herein. Buyer agrees to use its commercially reasonable efforts to obtain all governmental consents, approvals and licenses which are required of it or its affiliates to consummate the transactions contemplated by this Agreement and in order for it to own and operate the Assets; provided, however, that neither Buyer nor its affiliates shall be required to dispose of any assets or facilities to obtain any such approval, consent or license. Notwithstanding the foregoing, Seller shall communicate with Buyer and provide Buyer with copies of documents relating to the transaction to be submitted to any governmental agency prior to such submission.

(b) Without limiting the provisions of Section 6.4(a) above, Buyer and Seller shall file, if and to the extent required by law, all reports or other documents required or request by governmental agencies under the HSR Act or under the antitrust laws of the State of Michigan concerning the transactions contemplated by this Agreement, and comply promptly with any requests by the governmental agencies for additional information concerning such transactions, so that (i) the waiting period specified in the HSR Act will expire as soon as reasonably possible after the date of this Agreement and (ii) governmental agencies in Michigan have been provided all information they have reasonably requested concerning such transactions. Buyer and Seller shall furnish to the other party, as applicable, such information as the other party reasonably requires to perform their obligations pursuant to the HSR Act or pursuant to such Michigan laws and shall exchange drafts of the relevant portions of each other's report forms or other filings prior to filing.



(c) Without limiting the provisions of Section 6.4(a) above, Seller and the Businesses shall promptly seek the approval of the Attorney General of, or the receipt of a determination from the Attorney General not to object to, the consummation of the transactions contemplated herein. Seller and the Businesses shall cooperate with the Attorney General in connection with the Attorney General's investigation and approval or no objection process and use commercially reasonable efforts to obtain such approval or no objection determination as soon as reasonably practicable. Buyer shall reasonably cooperate with Seller, the Businesses and the Attorney General in connection with Seller's and the Businesses' efforts to obtain the Attorney General's approval of or no objection determination pertaining to the transactions described herein. Upon providing any information to the Attorney General, the disclosing party simultaneously will provide the other party with a copy of such information.

6.5 No Discussions. From and after the date of this Agreement until the termination of this Agreement, neither Seller nor the Businesses will, whether directly or indirectly, initiate, solicit, encourage, or respond to (in any substantial way) any inquiries or proposals or enter into or continue any discussions, negotiations, understandings, arrangements or agreements relating to (a) any sale, contribution, issuance, exchange, transfer, merger or other disposition of any significant portion of the Assets or the assets of the Businesses; (b) any management, lease or similar arrangement with respect to the Businesses; or (c) provide any assistance, information or data to, or otherwise cooperate or have discussions with, any other person in connection with any such inquiry, proposal or transaction. Seller will promptly notify Buyer by telephone and thereafter confirm in writing, if any such discussions or negotiations are sought to be initiated with, or any such proposal or possible proposal is received by, Seller or the Businesses. In the event such a proposal is received by Seller or the Businesses, Seller will promptly notify any such third party of the existence of this exclusivity covenant and of Seller's or the Businesses' unwillingness to discuss any other proposed transaction until the termination of this Agreement.

6.6 Necessary Consents; Liens. Seller shall use its commercially reasonable efforts, and shall cause each of its affiliates to use its commercially reasonable efforts, to obtain all required consents to the assignment of the Assumed Contracts to Buyer or any consents to assignment of the Listed Contracts required as a result of a change in control of the Businesses, including the Necessary Consents (as hereinafter defined). In addition, if any Encumbrance (other than a Permitted Encumbrance) is asserted against the Real Estate prior to the Closing by, through or under Seller or the Businesses or otherwise arising out of any acts or omissions prior to Closing, Seller or the Businesses, as applicable, shall obtain the release of each such Encumbrance prior to Closing.

6.7 Tail Insurance. Seller shall obtain insurance for extended reporting periods or "tail" insurance, in form and substance reasonably acceptable to Buyer ("Tail Insurance"), to insure against liabilities in connection with the businesses or operations of Seller and/or the operation of the Assets. Such Tail Insurance shall include endorsement policies for any physicians employed by Seller. This Tail Insurance coverage shall be retroactive such that it covers all periods prior to the Closing Date and shall remain in effect indefinitely. Tail coverage limits shall be in amounts consistent with Seller's current per occurrence, aggregate and excess limits of [REDACTED] per occurrence and [REDACTED] in the aggregate, with [REDACTED] of commercial excess. Buyer and its affiliates shall be included as additional insured parties pursuant to the Tail Insurance. Buyer shall cooperate with Seller in Seller's obtaining such Tail Insurance.

6.8 Phase I. Buyer has requested that Professional Service Industries, Inc. (the "Environmental Consultant") perform Phase I Environmental Site Assessments, Transaction Screens, or Visual Site Inspections of the Real Estate (collectively, the "Environmental Reports"). Buyer shall provide Seller a copy of the final reports issued by the Environmental Consultant in connection with the Environmental Reports.

6.9 Financial Information. Promptly when available following the end of each calendar month prior to the Closing Date, Seller shall deliver to Buyer copies of the unaudited balance sheets and related unaudited statements of revenues and expenses of Seller, UPHP, UPMC, UPHEC and the Included Joint Ventures listed on Schedule 4.8(d) for the month then ended, which shall have been prepared in accordance with GAAP (other than for the absence of notes thereto that may be required by GAAP and as otherwise described on Schedule 6.9) and, with respect to those for UPHP also in accordance with Statutory Basis Accounting, applied on a consistent basis throughout the periods indicated.

6.10 Title Commitment and Survey.

(a) Buyer has previously obtained, or shall use commercially reasonable efforts to obtain, within thirty (30) days following the date hereof, an ALTA title commitment (the "Title Commitment") issued by a title company reasonably satisfactory to Buyer (the "Title Company"), showing Seller as the record title owner in fee, or leasehold, as applicable, of the Real Estate, pursuant to the terms of which the Title Company agrees to issue to or for the benefit of Buyer (i) an extended coverage ALTA Owner's and Lessee's Policy of Title Insurance (2006 form) (the "Title Policy") at Closing, including such endorsements as Buyer shall reasonably require, in an amount allocable to the value of the Real Estate as determined by Buyer, insuring valid and enforceable leasehold interest in the Leased Real Property and good and marketable fee simple interest to the Included Real Property subject only to the Permitted Encumbrances.

(b) The expense of obtaining the Title Commitment shall be borne by Buyer. Buyer shall be responsible for determining which, if any, title endorsements to the Title Policy it may desire to obtain at Closing and shall coordinate directly with the Title Company in regard to such determination. Seller shall grant and shall use commercially reasonable efforts exercised in good faith to cause the applicable Included Joint Ventures and UPMC to grant good faith, reasonable cooperation to the Title Company and Buyer to facilitate the issuance of such endorsements as Buyer may require.

(c) Buyer shall have previously obtained or shall use commercially reasonable efforts to obtain within forty-five (45) days after the date hereof, an ALTA (2011 standard) survey of the land (which shall cover all of the Real Estate and the Included Joint Ventures Real Estate which Buyer shall have elected to cause to be surveyed), improvements, and appurtenances constituting all or a portion of the Real Estate (the "Survey"). The expense of obtaining the Survey shall be borne by Buyer.

(d) Buyer shall have ten (10) business days after the later of (i) the date of Buyer's receipt of the Title Commitment, including copies of each and every document shown as an exception on the Title Commitment, and (ii) the date of Buyer's receipt of the Survey (which shall cover all of the Real Estate which Buyer shall have elected to cause to be surveyed and covered by the Survey), and (iii) the date of this Agreement by which to notify Seller of any objections Buyer has to any matters shown on the Title Commitment or the Survey (the "Title/Survey Review Period"). All such objections raised by Buyer are hereafter called "Buyer's Objections". Seller shall use commercially reasonable efforts to cure or cause to be cured Buyer's Objections to Buyer's satisfaction, or agree irrevocably in writing to cure or cause to be cured such Objections to Buyer's satisfaction at or prior to Closing (so that the Title Company agrees to remove the exception forming the basis of Buyer's Objection from the Title Policy as the case may be or insure or endorse over (by endorsement satisfactory to Buyer) such matter in either of such policies, or if the basis of Buyer's Objection is not contained in the Title Commitment, otherwise to Buyer's satisfaction), during the period of time (the "Cure Period") ending on the tenth (10th) business day after Seller's receipt of notice of Buyer's Objections. In the event Seller is unable, despite using commercially reasonable efforts, to cure or cause to be cured any of Buyer's Objections to Buyer's satisfaction within the Cure Period (or agrees in writing to do so at or prior to Closing and fails to do so), then either (i) this

Agreement may be terminated in its entirety by Buyer's giving Seller written notice of such termination not later than the fifth (5th) business day following the end of the Cure Period, or with respect to any Buyer's Objections that Seller agrees to cure or cause to be cured by Closing and fails to cure or cause to be cured by Closing, by written termination given on the Closing Date (as applicable, the "Termination Period") and thereafter all parties shall be released and relieved of all further obligations, liabilities or claims hereunder (except as otherwise expressly provided herein); (ii) any such Buyer's Objections may at Buyer's election be waived in writing by or on behalf of Buyer; or (iii) Buyer may elect to cure said Buyer's Objections at Buyer's expense and deduct from the Purchase Price at Closing the cost of any Mandatory Cure Encumbrances (as hereinafter defined) Buyer elects to cure after Seller's failure to cure such Mandatory Cure Encumbrances. Any encumbrances or exceptions which are set forth as exceptions in the Title Commitment or shown on the Survey and to which Buyer does not object on or prior to the last day of the Title/Survey Review Period (or which are thereafter waived in writing by Buyer) shall be deemed to be Permitted Encumbrances; provided, however, that none of the Mandatory Cure Encumbrances shall be Permitted Encumbrances.

(e) Notwithstanding anything in this Section 6.10 to the contrary, Seller shall be obligated to cure and/or satisfy to the reasonable satisfaction of Buyer and the Title Company (so that such item is removed as an exception to the Title Policy), (i) any judgment, mortgage liens, or mechanic's and materialmen's liens arising through or under Seller or any of Seller's predecessors in title; (ii) any consensual liens or encumbrances agreed to by or arising through or under Seller, without Buyer's written consent on or after the date of this Agreement; and (iii) any real estate Taxes or special assessments due and payable prior to the Closing, except to the extent constituting Assumed Liabilities under this Agreement (collectively, the "Mandatory Cure Encumbrances").

6.11 Entity Matters. Seller shall use its commercially reasonable efforts prior to Closing, and shall cause each of its affiliates to use its commercially reasonable efforts:

(a) to cause each of UPMC and the Included Joint Ventures that are Michigan limited liability companies as of the date of this Agreement to amend or restate their articles, operating agreement, bylaws or other governing documents, in a manner satisfactory to Buyer in its reasonable discretion, and take any such other actions requested by Buyer, including making any changes to permit Buyer or a subsidiary of Buyer to become an owner and to fully effectuate the transfer of the ownership interest in UPMC and such Included Joint Ventures to Buyer or a subsidiary of Buyer;

(b) to cause each of UPHP and the Included Joint Ventures that are Michigan nonprofit corporations as of the date of this Agreement (except for MCMCA) to amend or restate their governing documents, in a manner satisfactory to Buyer in its reasonable discretion, and take any such other actions requested by Buyer, including causing each entity to (i)(A) if necessary, become a business corporation in accordance with the Business Corporation Act of the State of Michigan and (B) immediately thereafter, convert from such business corporation to a Michigan limited liability company, and (ii) if necessary, permit Buyer or a subsidiary of Buyer to become an owner of each such converted entity and to fully effectuate the transfer of the ownership interests in such entities to Buyer or a subsidiary of Buyer; and

(c) to cause each of the Pre-Closing Transferred Assets Entities to convey to Seller all of their respective right, title and interest in and to all assets of every description, whether real, personal or mixed, whether tangible and intangible, owned, leased or licensed by each of the Pre-Closing Transferred Assets Entities, and located at or held or used in connection with the business or operations of the Pre-Closing Transferred Assets Entities, including the following items, free and clear of any and all Encumbrances other than Permitted Encumbrances and Assumed Liabilities: (i) good and marketable title to any and all of its assets that constitute personal property, (ii) valid and enforceable leasehold interests in any and all of its assets that constitute personal property that are subject to a lease and (iii) good and

marketable fee simple title in any and all of its real property, together with the improvements thereon and fixtures related thereto and any right, title and interest in all rights, privileges, easements, streets, drainage areas and rights of way appurtenant to or benefiting or serving such real property; provided, however, with respect to Ice Lake, the obligations of this Section 6.11 shall apply only if Seller purchases the membership interests of all other members in Ice Lake; and provided further that if the other members of Ice Lake purchase all of the membership interests in Ice Lake held by Seller (such that Seller cannot transfer the assets of Ice Lake to Buyer), then the Purchase Price shall be reduced dollar-for-dollar by the applicable Purchase Price reduction amount set forth on Schedule 2.1(b).

6.12 Retirement Plan Corrections. Seller will take all appropriate actions, in consultation with its employee benefits legal counsel, to correct any retirement plan failures, including but not limited to, failure to automatically enroll certain participants in the Seller Employee Deferred Compensation Plan. Notwithstanding any other provision in this Agreement to the contrary, all fees and expenses related to any such corrective action will be paid by Seller.

6.13 Contractual Arrangements. Buyer shall use commercially reasonable efforts to negotiate, prepare, execute and deliver the lease agreements contemplated by Section 7.21.

6.14 Pension Plan.

(a) On the date this Agreement is signed, to the extent not previously reinvested, Seller shall cause the assets of the Pension Plan to be invested in fixed income securities, cash, or cash equivalents, to maintain the value of the Pension Plan assets, and remain invested in such investments until the Pension Plan is terminated as provided in Section 9.1(b).

(b) As soon as administratively feasible following the date this Agreement is signed, to the extent not previously provided, Seller or Seller's actuary will deliver to Buyer and Buyer's actuary all information reasonably necessary for Buyer's actuary to calculate, as of June 30, 2012 (the "Initial Calculation Date"), an estimate of:

(i) the assets allocable to the benefits of those employees who elected to continue making contributions to, and are actively accruing benefits under, the Pension Plan pursuant to the Collective Bargaining Agreement (the "Transferred Pension Participants"), based on section 4044 of ERISA and in compliance with section 414(l) of the Code, on the basis of the actuarial assumptions prescribed for valuing benefits in trustee plans under sections 4044.51-57 of the PBGC regulations (the "Spin-Off Assets"); and

(ii) the projected benefit obligation (the "Projected Benefit Obligation"), within the meaning of FASB ASC Topic 715, Compensation Retirement Benefits, allocable to the benefits of the Transferred Pension Participants, determined according to the actuarial methods and assumptions used in determining the Projected Benefit Obligation as set forth in the most recent financial statement for the Seller, except that the mortality table used in such assumptions shall be based on the 2012 PPA Treasury Table for males and females as prescribed by Section 430(h)(3) of the Code.

As soon as practicable after the signing of this Agreement, but in any event within twenty-eight (28) days after the signing of this Agreement, Seller's actuary and Buyer's actuary will complete their calculations of the estimated Spin-Off Assets and Projected Benefit Obligation as of the Initial Calculation Date. As soon as both Seller's actuary and Buyer's actuary have completed their respective calculations of the estimated Spin-Off Assets and Projected Benefit Obligation as of the Initial Calculation Date, the actuaries will compare calculations and attempt to resolve any differences or disagreements regarding the

estimated Spin-Off Assets and Projected Benefit Obligation as of the Initial Calculation Date. Where the calculations of Seller and Buyer are within 1% of each other, the Spin-Off Assets and Projected Benefit Obligation as of the Initial Calculation Date shall be deemed to be the values calculated by Seller. If, within fifteen (15) days after completing their calculations, the actuaries are unable to resolve any differences or disagreements regarding the estimated Spin-Off Assets and Pension Benefit Obligation as of the Initial Calculation Date, including the methods used to calculate such amounts but not including the assumptions set forth in this Section 6.14(b), Buyer and Seller in consultation with their respective actuaries will appoint an independent actuary from a nationally recognized actuarial firm to resolve any such differences or disagreements as soon as practicable after such independent actuary is appointed but in any event no later than fifteen (15) days after such independent actuary is appointed; provided, however, that the independent actuary shall not alter the assumptions set forth in this Section 6.14(b). The costs of such independent actuary will be shared equally by Buyer and Seller. The independent actuary's determination of any dispute will be final.

(c) No more than twenty-one (21) days after the date this Agreement is signed, to the extent not previously provided, Seller (or its actuary) will provide to Buyer (and its actuary), all of the information reasonably necessary, including Seller's actuary's methodology and back-up documentation, for Buyer's actuary to review the Seller's actuary's calculation of the unfunded termination liability (the "Termination Liability") associated with termination of the post-spin-off Pension Plan (which shall not include the Spin-Off Assets or the benefit liabilities allocable to the Transferred Pension Participants) as of the Initial Calculation Date. Buyer's actuary shall review such calculations as soon as practicable, but in any event no more than fourteen (14) days, after it receives all information reasonably necessary for such review from the Seller's actuary. In the event of any difference or disagreement between the actuaries regarding the Termination Liability, including the methods used to calculate such amounts, the actuaries will attempt to resolve such difference or disagreement. Where the calculations of Seller and Buyer are within 1% of each other, the Termination Liability as of the Initial Calculation Date shall be deemed to be the values calculated by Seller. If, within eight (8) days after Employer's actuary completes its review of the Seller's actuary's calculations, the actuaries are unable to resolve any differences or disagreements regarding the Termination Liability, Buyer and Seller in consultation with their respective actuaries will appoint an independent actuary from a nationally recognized actuarial firm to resolve any differences within fifteen (15) days after such independent actuary is appointed. The costs of such independent actuary will be shared equally by Employer and the Seller. The independent actuary's determination of any dispute will be final. In the event that the termination of the Pension Plan as contemplated under Section 9.1(b)(xi) of this Agreement results in a necessary contribution of additional plan assets in an amount larger than the Termination Liability produced under this paragraph (d), such amount shall be paid first by Seller from any Excess Proceeds Amount and then by Buyer to Seller to the extent provided in Section 9.18.

(d) As of a date determined by the Seller's actuary and the Buyer's actuary in consultation with Buyer and Seller, but in any event no more than thirty-one (31) days and no less than fourteen (14) days prior to the Closing Date (the "Final Calculation Date"), Seller's actuary and Buyer's actuary (or, if the actuaries cannot agree, an independent actuary appointed pursuant to the procedures described in Section 6.14(b) above) shall, no later than five (5) days prior to the Closing Date, update the calculation of the estimated Spin-Off Assets and Projected Benefit Obligation as determined pursuant to Section 6.14(b), and the calculation of the Termination Liability as determined pursuant to Section 6.14(c), as of the Final Calculation Date. The agreed-upon methods for determining the assumptions to be used in such calculation, determined pursuant to Sections 6.14(b) and (c) above, shall not be modified in calculating the estimated Spin-Off Assets, Projected Benefit Obligation, or Termination Liability, as of the Final Calculation Date, unless mutually agreed to by all parties.

6.15 Completion of Incomplete Items. The parties acknowledge that the items set forth on Schedule 6.15 have not been completed at the time of signing of this Agreement and agree to use their commercially reasonable efforts to complete such items within the timeframes set forth for each incomplete item; provided, an incomplete item will only be deemed completed and attached to this Agreement by written agreement of Buyer and Seller.

## 7. **CONDITIONS PRECEDENT TO OBLIGATIONS OF BUYER**

The obligations of Buyer hereunder are, at the option of Buyer, subject to the satisfaction, on or prior to the Closing Date, of the following conditions, unless waived in writing by Buyer:

7.1 Compliance with Representations and Covenants. The representations and warranties of Seller made in this Agreement qualified as to materiality shall be true and correct, and those not so qualified shall be true and correct in all material respects, as of the date hereof and as of the time of the Closing as though made as of such time, except to the extent such representations and warranties expressly relate to an earlier date (in which case such representations and warranties qualified as to materiality shall be true and correct, and those not so qualified shall be true and correct in all material respects, on and as of such earlier date). Seller shall have and caused the Businesses to have duly performed, complied with and satisfied all covenants, agreements and conditions required by this Agreement to be performed, complied with or satisfied by them prior to the time of the Closing.

7.2 Consents. Seller shall have provided to Buyer written consents to the assignment and/or assumption of the Assumed Contracts and the Listed Contracts listed on Schedule 7.2 (the “Necessary Consents”).

7.3 Governmental Approvals. No governmental authority or agency has objected in writing to the transactions contemplated by this Agreement, including any matter related to the Pension Plan, and Buyer shall have received all governmental consents and approvals which are required in order for Buyer and the Businesses to operate the Businesses, except for the 340(b) drug pricing program, as currently operated including: (a) confirmation that, upon Closing, all governmental authorizations required to operate the Businesses as currently operated shall be transferred to or reissued in the name of Buyer or the Businesses, as applicable; (b) reasonable assurances that Medicare certification for the operation of the Hospital Facilities by Buyer shall be effective upon Closing and that Buyer shall participate in and receive reimbursement from Medicare effective upon Closing; (c) reasonable assurances that Medicaid certification for the operation of the Hospital Facilities by Buyer shall be received following Closing (but effective upon Closing) and that Buyer shall participate in and receive reimbursement from Medicaid effective upon (or retroactive to) Closing; (d) a Certificate of Need from MDCH authorizing the transactions contemplated by this Agreement; and (e) Buyer shall have been approved by OFIR and the State Agency (and any other necessary approval from any other required government agency shall have been received) in the Service Areas, and such approval shall permit the Health Insurance Business to continue to provide health care services to the Enrollees in the Service Area and the State Agency shall provide written confirmation that the membership of the Enrollees in the Service Area shall not be subject to either (i) reassignment to a competing managed care plan or (ii) a new procurement process.

7.4 Action/Proceeding. No action or proceeding before a court or any other governmental agency or body shall have been instituted by a third party to restrain or prohibit the transactions herein contemplated, and no third party shall have legitimately threatened any such action or proceeding.

7.5 Closing Documents. Seller shall have executed or caused the Businesses to execute, if applicable, and delivered to Buyer all of the documents, agreements and certificates required to be

executed or delivered by Seller and the Businesses, if applicable, pursuant to any term or provision of this Agreement, including those pursuant to Section 3.2.

7.6 Adverse Changes. After the date hereof, there shall not have occurred any change in or effect on any of the Businesses or the Assets that constitutes a Material Adverse Effect.

7.7 Insurance. Seller shall have delivered to Buyer a true and correct copy of the Tail Insurance binder.

7.8 Phase I. Buyer shall have received the Environmental Reports and the scope, findings, recommendations and conclusions of such report shall not indicate a recognized environmental condition, a historical recognized environmental condition, or business environmental risk (each as defined in ASTM Standard 1527-05) or, should the Environmental Reports identify recognized environmental conditions, historical recognized environmental conditions or business environmental risks or recommend additional investigations or action, Buyer shall have received the results of any such additional investigations or actions, and the scope, findings, recommendations and conclusions of such additional investigations or actions shall have been reasonably satisfactory to Buyer.

7.9 Title and Survey. The Title Company shall be irrevocably committed to issue both the Title Policy insuring Buyer's valid and enforceable leasehold title in and to the Leased Real Property and good and marketable fee simple title to the Included Real Property, subject to no exceptions other than the Permitted Encumbrances, together with such endorsements to such Title Policy as Buyer deems necessary in its reasonable discretion. Further, the Survey shall not reflect any Encumbrance other than Permitted Encumbrances and shall otherwise be acceptable to the Title Company for purposes of providing "survey coverage" in the Title Policy. Buyer shall have executed and delivered the Title Company's required form of "Owner's Affidavit" so that the Title Company may issue an "extended coverage" Title Policy free of the Schedule B-2 pre-printed exceptions except for matters shown on the Survey.

7.10 Name Change. Buyer shall have received evidence of the filing of the Name Amendment(s) with the Secretary of State for the State of Michigan.

7.11 Pay-Off Letters; Releases. Buyer shall have received (each in form and substance satisfactory to it and the Title Company) (i) pay-off and release letters, and other similar documentation relating to the Assets as reasonably requested by Buyer, each duly executed by the appropriate secured lender of Seller (collectively, the "Secured Lenders"), which provide, among other things, for the termination of all security interests held by such Secured Lender with respect to the Assets upon payment of all outstanding amounts owed by any of Seller to such Secured Lenders at Closing, and (ii) UCC lien, litigation, tax and fixture-filing lien searches showing all Encumbrances on the Assets, accompanied by appropriate termination statements authorized for filing or other releases of all Encumbrances that are not Permitted Encumbrances.

7.12 Bond Documents. Seller shall have provided to Buyer (i) evidence satisfactory to Buyer of the release and/or discharge, as applicable, of the Hospital Revenue Bonds (Marquette General Hospital Obligated Group), Series 2005A, and the Hospital Revenue Refunding Bond (Marquette General Hospital Obligated Group, Series 2011 (collectively, the "Bonds") and any and all related indentures, duly executed by the appropriate Bond Trustee, each in form and substance acceptable to Buyer; (ii) evidence satisfactory to Buyer of the proper defeasance of any of the applicable Bonds, including, without limitation, if required by a Bond Trustee, a copy of the opinion of counsel provided to such Bond Trustee regarding such defeasance; and (iii) favorable opinions of Seller's bond counsel addressed to Buyer, in form and substance reasonably acceptable to Buyer, which shall cover such matters concerning the Bonds, as Buyer may reasonably require.

7.13 Attorney General Approval. Seller and any of the Businesses, as applicable, shall have received all approvals from the Attorney General that are necessary or appropriate in order for Seller to consummate the transactions described herein and to sell and transfer the Assets to Buyer or a determination from the Attorney General that the Attorney General does not object to the consummation of the transactions contemplated in this Agreement.

7.14 HSR Act. Seller shall have obtained documentation or other evidence reasonably satisfactory to Buyer of the expiration or early termination of all applicable waiting periods pursuant to the HSR Act.

7.15 Disclosure of Past Practices. Seller shall have filed with CMS or the OIG, as appropriate, a disclosure of any items listed on Schedule 4.20, which disclosure in form and substance is reasonably acceptable to DLP.

7.16 Completion of Incomplete Items. Seller and Buyer shall have agreed to the completion of the incomplete items set forth in Section 6.15 within the timeframes set forth in Section 6.15 for the applicable items.

7.17 Due Diligence. On July 31, 2012, Buyer shall have completed and been satisfied with the results of its due diligence in its reasonable discretion with respect only to (i) the items listed on Schedule 4.20, (ii) the Pension Plan and (iii) the Health Insurance Business; provided, this contingency shall expire unless notice of failure of this contingency is given by Buyer on or prior to such date.

7.18 Entity Matters. Buyer shall have the option to exclude the acquisition of an ownership interest in any of the Included Joint Ventures if;

(a) Buyer has determined in its sole discretion that (i) since March 31, 2012, an Included Joint Venture has experienced any event, occurrence, development, fact, condition, state of circumstances, change or effect that (A) is, or is reasonably likely in the future to be, individually or in the aggregate, materially adverse to the business, operations, results of operations, condition, prospects, properties (including intangible properties), rights, obligations or assets of any of the Included Joint Ventures or (B) materially impairs or delays, or is reasonably likely to materially impair or delay the transactions contemplated by this Agreement or (ii) any such entity or its operations are not or have not been in compliance with applicable Legal Requirements; or

(b) As contemplated by Section 6.11, prior to Closing:

(i) an Included Joint Venture that is a Michigan limited liability company as of the date of this Agreement has not adopted and filed with the appropriate governmental authority, as applicable, an amendment or restatement of its articles, operating agreement, bylaws or other governing documents, in a manner satisfactory to Buyer in its reasonable discretion, and taken any such other actions requested by Buyer, including causing each entity, if necessary, to permit Buyer to become an owner and to fully effectuate the transfer of the ownership interest in such Included Joint Venture to Buyer;

(ii) an Included Joint Venture that is a Michigan nonprofit corporation as of the date of this Agreement (except for MCMCA) has not adopted and filed with the appropriate governmental authority, as applicable, an amendment or restatement of its governing documents, in a manner reasonably satisfactory to Buyer, and taken any such other actions requested by Buyer, including causing each entity to (i)(A) become a business corporation in accordance with the Business Corporation Act of the State of Michigan and (B) immediately thereafter, convert



from such business corporation to a Michigan limited liability company, and (ii) if necessary, permit Buyer to become an owner of each such converted entity and to fully effectuate the transfer of the ownership interest in such entities to Buyer;

provided, however, Buyer's decision to acquire an ownership interest which could have been excluded in accordance with this Section 7.18 will not affect Buyer's right to indemnification, reimbursement or other remedy pursuant to this Agreement or at law or in equity. Additionally, to the extent that Ontonagon and/or U.P. Imaging Management Services, LLC is excluded from the transaction pursuant to this Section 7.18, the Purchase Price shall be reduced dollar-for-dollar by the applicable Purchase Price reduction amounts set forth on Schedule 2.1(b).

7.19 UPHP and UPMC. Each of UPHP and UPMC shall have adopted amendments or restatements to its articles, operating agreement, bylaws or other governing documents, in a manner satisfactory to Buyer in its reasonable discretion, and taken any such other actions requested by Buyer, including (a) for UPHP to (i) if necessary, become a business corporation in accordance with the Business Corporation Act of the State of Michigan and (ii) immediately thereafter, convert from such business corporation to a Michigan limited liability company and (b) if necessary, to permit Buyer or a subsidiary of Buyer to become an owner of UPHP and UPMC and to fully effectuate the transfer of the ownership interest in UPHP and UPMC to Buyer or a subsidiary of Buyer. Additionally, Buyer shall have reasonably determined that (x) since March 31, 2012, neither UPHP nor UPMC has experienced any event, occurrence, development, fact, condition, state of circumstances, change or effect that (i) is, or is reasonably likely in the future to be, individually or in the aggregate, materially adverse to the business, operations, results of operations, condition, prospects, properties (including intangible properties), rights, obligations or assets of UPHP or UPMC or (ii) materially impairs or delays, or is reasonably likely to materially impair or delay the transactions contemplated by this Agreement and (y) UPHP, UPMC or their operations are and have been in compliance with applicable Legal Requirements in all material respects.

7.20 Transfer of Assets. Each of Rampart, Mattson, MCMCA and Ice Lake shall have transferred their assets to Seller in accordance with Section 6.11(c) in a manner reasonably satisfactory to Buyer.

7.21 MMDCC. No later than August 17, 2012, Buyer and Marquette Medical-Dental Center Corporation ("MMDCC") shall have negotiated, prepared, executed and delivered lease agreements satisfactory to Buyer for the space listed on Schedule 7.21 to be effective as of the Effective Time, including space for the operation of Upper Peninsula Surgery Center at 1414 W. Fair Avenue, Suite 232, Marquette, Michigan.

7.22 Other Contractual Arrangements. Buyer and each of Superior Health Partners, a Michigan nonprofit corporation, and UPHEC shall have negotiated, prepared, executed and delivered, as appropriate, one or more agreements and such other documents, including without limitation a valuation of services, for services, satisfactory to Buyer, to be provided by and between Buyer and each of Superior Health Partners and UPHEC (with respect to the Medical Education Program) as of the Effective Time.

7.23 IBNR Expense Certification. If requested by Buyer, Seller shall retain an actuary at Buyer's expense to prepare a detailed schedule of IBNR expenses, premium deficiency reserves and unpaid loss adjustment expenses for the year to date as of the last day of the second month prior to the month of Closing, certified by UPHP and such actuary and in form and substance satisfactory to Buyer, and shall deliver such schedule to Buyer no later than 10 days after the first day of the month immediately preceding the month of Closing and a separate such detailed schedule of IBNR expenses, premium deficiency reserves and unpaid loss adjustment expenses as of the date of Closing. An initial schedule

shall have been delivered prior to the execution hereof and updated for each month thereafter through the Closing Date. Each schedule required by this Section 7.23 shall specify the level of margin for adverse deviation included in the IBNR balance.

7.24 Pension Plan. Seller shall have set aside sufficient assets to deposit into the Pension Plan Trust, in addition to the amount to be contributed to the Pension Plan Trust pursuant to Section 2.1(c), to fully fund the Pension Plan on a plan termination basis so that Seller is able to satisfy its obligation to terminate the Pension Plan after the Effective Time pursuant to Section 9.1(b) herein.

## **8. CONDITIONS PRECEDENT TO OBLIGATIONS OF SELLER**

The obligations of Seller hereunder are, at the option of Seller, subject to the satisfaction, on or prior to the Closing Date, of the following conditions unless waived in writing by Seller:

8.1 Compliance with Covenants. The representations and warranties of Buyer made in this Agreement qualified as to materiality shall be true and correct, and those not so qualified shall be true and correct in all material respects, as of the date hereof and as of the time of the Closing as though made as of such time, except to the extent such representations and warranties expressly relate to an earlier date (in which case such representations and warranties qualified as to materiality shall be true and correct, and those not so qualified shall be true and correct in all material respects, on and as of such earlier date). Buyer shall have duly performed, complied with and satisfied all covenants, agreements and conditions required by this Agreement to be performed, complied with or satisfied by them prior to the time of the Closing.

8.2 Action/Proceeding. No action or proceeding before a court or any other governmental agency or body shall have been instituted or threatened by a third party to restrain or prohibit the transactions herein contemplated.

8.3 Closing Documents. Buyer shall have executed and delivered to Seller all of the documents, agreements and certificates required to be executed or delivered by Buyer pursuant to any term or provision of this Agreement, including those pursuant to Section 3.3.

8.4 Attorney General Approval. Seller and any of the Businesses, as applicable, shall have received all approvals from the Attorney General that are necessary or appropriate in order for Seller to consummate the transactions described herein and to sell and transfer the Assets to Buyer or a determination from the Attorney General that the Attorney General does not object to the consummation of the transactions contemplated in this Agreement.

8.5 HSR Act. Seller shall have obtained documentation or other evidence reasonably satisfactory to Seller of the expiration or early termination of all applicable waiting periods pursuant to the HSR Act.

8.6 Completion of Incomplete Items. Seller and Buyer shall have agreed to the completion of the incomplete items set forth in Section 6.15 within the timeframes set forth in Section 6.15 for the applicable items.

## 9. ADDITIONAL AGREEMENTS

### 9.1 Employees.

(a) As of the Effective Time, Seller shall terminate all employees of Seller in connection with the business or operation of the Businesses and, as of the Effective Time, Lpnt Sub or an affiliate of Lpnt Sub (either being the “Employer”) shall offer employment to all such employees of Seller (except for those employees listed on Schedule 9.1) who also are active employees on an at-will basis and subject to Employer’s customary employee screening and employment practices, policies and procedures, except with respect to the employed physicians, whose contracts shall be assumed by either Buyer, or, at Buyer’s election, by DLP Marquette Physician Practices, Inc., a Michigan nonprofit corporation (the “Physician Employer”), subject to customary employee screening and employment practices, policies and procedures. All currently represented bargaining unit employees of Seller will likewise be offered employment, subject to Employer’s same customary employee screening process referenced above. Bargaining unit employees who successfully complete such screening process will be offered employment under the terms and conditions of employment outlined within the Collective Bargaining Agreement. Such offers shall be for positions and at wages comparable to those enjoyed by such persons immediately prior to Closing. Such offers will include the opportunity to participate in employee benefit plans provided by Employer or Physician Employer or its affiliates to employees at similar hospitals owned or operated by affiliates of Employer or Physician Employer; provided, however, that the Transferred Pension Participants will not be offered the opportunity to participate in a retirement plan of the Employer other than the Spin-Off Plan as long as such employees are accruing benefits under the Spin-Off Plan. Following the Closing, Employer and Physician Employer shall take the following actions, to the extent permitted by applicable plans and governing law: (i) waive any limitations regarding pre-existing conditions and eligibility waiting periods under any benefit plan of Employer, Physician Employer or their affiliates (“Employer Plans”) maintained for the benefit of Employees; and (ii) for purposes of determining eligibility and vesting under the Employer Plans, recognize the seniority and service credit of the Employees with Seller. The term “Employee” as used in this Agreement shall mean all employees of Seller who commence employment with the Employer as of the Effective Time.

(b) (i) At the Effective Time, Employer shall establish and maintain a defined benefit plan, as defined in Section 3(35) of ERISA, for the sole purpose of receiving the assets and liabilities to be transferred from the Pension Plan pursuant to this subsection and providing for retirement benefits solely to the extent required by the Collective Bargaining Agreement (the “Spin-Off Plan”).

(ii) Seller shall continue to maintain and administer the Pension Plan until the True-Up Date and will ensure the assets of the Pension Plan remain invested in fixed income securities, cash, or cash equivalents. The Pension Plan will continue to make all benefit payments to Transferred Pension Participants due under the Pension Plan until the Initial Transfer Date. After the Initial Transfer Date, the Spin-Off Plan will make all benefit payments to Transferred Pension Participants due under the Pension Plan.

(iii) Seller and Employer will cooperate with each other to timely make all appropriate filings and notices required by the Code or ERISA so that the transfer of assets and liabilities that is specified in this Section 9.1(b) will occur at the Closing or as soon as administratively feasible thereafter.

(iv) As soon as practicable after the Closing Date:

(A) to the extent not previously provided, Seller will deliver to Employer or to Employer’s actuary all participant data necessary for Buyer’s actuary to complete the

calculations provided for in this Section 9.1(b) and for Employer to properly administer the pension benefits for any Transferred Pension Participant on and after the Effective Time;

(B) Seller's actuary will calculate the Spin-Off Assets as of the Closing Date;  
and

(C) Seller will provide Employer evidence reasonably satisfactory to the Employer that the Pension Plan is and continues to be qualified under Section 401(a) of the Code and is in compliance with the funding requirements of Section 302 of ERISA and Sections 412 of the Code.

(v) No more than twenty-one (21) days after the Closing Date, to the extent not previously provided, Seller (or its actuary) will provide to Employer (and its actuary), all of the information reasonably necessary, including Seller's actuary's methodology and back-up documentation, for Employer's actuary to review the Seller's actuary's calculation of the Spin-Off Assets as of the Closing Date. Employer's actuary shall review such calculations as soon as practicable, but in any event no more than twenty-one (21) days, after it receives all information reasonably necessary for such review from the Seller's actuary. In the event of any difference or disagreement between the actuaries regarding the Spin-Off Assets, including the methods used to calculate such amounts, the actuaries will attempt to resolve such difference or disagreement. If, within fifteen (15) days after Employer's actuary completes its review of the Seller's actuary's calculations, the actuaries are unable to resolve any differences or disagreements regarding the Spin-Off Assets, Employer and Seller in consultation with their respective actuaries will appoint an independent actuary from a nationally recognized actuarial firm to resolve any differences within twenty-one (21) days after such independent actuary is appointed. The costs of such independent actuary will be shared equally by Employer and the Seller. The independent actuary's determination of any dispute will be final.

(vi) As soon as practicable after the later of (I) Closing or (II) the completion of all time periods for governmental filings and other notices (the "Initial Transfer Date"), a cash amount equal to eighty-five percent (85%) of Seller's good faith estimate of the Spin-Off Assets (the "Initial Transfer Amount") shall be transferred from the Pension Plan Trust to the trust which is a part of the Spin-Off Plan (the "Spin-Off Plan Trust").

(vii) As soon as practicable after the Initial Transfer Date, but no more than sixty (60) days thereafter (the "True-Up Date"), the difference (the "True-Up Amount"), if any, between (x) the Spin-Off Assets, adjusted for interest pursuant to Section 9.1(b)(ix), and (y) the sum (the "Reduction Amount") of (I) the Initial Transfer Amount, plus (II) benefit payments made to any Transferred Pension Participant by the Pension Plan after the Closing Date will be transferred as follows:

(A) If the Spin-Off Assets are greater than the Reduction Amount, then Seller will cause a transfer in cash (or other assets as Employer and Seller mutually agree) equal to the True-Up Amount to be made from the Pension Plan Trust to the Spin-Off Plan Trust.

(B) If the Reduction Amount is greater than the Spin-Off Assets, then Employer will cause a transfer in cash (or other assets as Employer and Seller mutually agree) equal to the True-Up Amount to be made from the Spin-Off Plan Trust to the Pension Plan Trust.

(viii) As of the Initial Transfer Date, Employer will cause the Spin-Off Plan to accept the liabilities for benefits under the Pension Plan that would have been paid or payable (but for the transfer of assets and liabilities pursuant to this subsection) to or with respect to the Transferred Pension Participants, and Employer will, with respect to each Transferred Pension Participant, become responsible

for all benefits that would have been due under the Pension Plan (the “Transferred Pension Liabilities”). The Spin-Off Plan shall be liable for benefits with respect to service recognized under the Pension Plan prior to the Closing Date solely with respect to Transferred Pension Participants, contingent upon the spin off from the Pension Plan in accordance with this Section 9.1(b). Transferred Pension Liabilities shall only include the obligation to provide benefits in the amount determined in accordance with the terms of the Pension Plan, and shall not include any other liability or obligation that Seller might have or incur with respect to the Pension Plan, including (but not limited to) liability, if any, for breaches of fiduciary duty or other penalty or excise tax amounts; provided, however, that the Transferred Pension Liabilities shall be limited to the amount of the assets that are transferred to the Spin-Off Plan Trust in accordance with the requirements of this Section 9.1(b).

(ix) For purposes of Section 9.1(b)(vii), the Spin-Off Assets will be increased by interest from the Closing Date through the True-Up Date, and interest on each payment that is included in the Reduction Amount will be computed, and added to the Reduction Amount, from the date of such payment through the True-Up Date. All interest will be compounded daily, and computed at the Federal Short-Term Rate as of the Closing Date.

(x) Notwithstanding any other provision, the benefits payable to each Transferred Pension Participant under the Spin-Off Plan, determined on a termination basis (as defined in Treas. Reg. Section 1.414(l)-1(b)(5)), immediately following the transfer of assets and liabilities pursuant to this Section 9.1(b), shall not be less than the benefit each such participant would receive from the Pension Plan on a termination basis immediately before such transfer.

(xi) In accordance with Section 2.1(c), immediately following the True-Up Date the amount held in escrow pursuant to Section 2.1(c) shall be deposited into the Pension Plan Trust. Following the True-Up Date, Seller will take the following actions with respect to the Pension Plan (which following the effective spin-off of the Spin-Off Plan shall not include any Transferred Pension Participants, Spin-Off Assets, or Transferred Pension Liabilities) and will provide periodic updates to the Employer regarding such actions: (A) Within thirty (30) days following the True-Up Date all benefits payable to retired participants who are currently receiving benefits under the Pension Plan will be annuitized by the Seller (or its designee), (B) during the ninety (90) day period following the True-Up Date, the Seller will provide terminated vested participants under the Pension Plan with an opportunity to commence benefits in accordance with an amendment to the Pension Plan, the terms and conditions of such benefit commencement opportunity to be at the discretion of the Seller, and (C) within the six month period following the True-Up Date, and following the conclusion of any benefit commencement period outlined in (B) above, the Seller (or its designee) shall take the necessary actions to effectuate a termination of the Pension Plan in a standard termination such that the Pension Plan is terminated and all benefits distributed within the period provided in Section 9.16 for Seller to wind down its business affairs, except where PBGC approval of such termination requires a longer period.. Seller shall administer and terminate the Pension Plan following the Closing Date in a fiscally responsible manner to minimize the cost of terminating the Pension Plan and shall make any additional contributions necessary to effect such standard termination.

(xii) Notwithstanding any other provision of this Agreement, no later than fifteen (15) days prior to Closing, Buyer, subject to Seller’s consent which shall not be unreasonably withheld, shall have the option to assume the full Pension Plan and Pension Plan Trust. If Buyer exercises its option pursuant to this Section 9.1(b)(xii), the spin-off of the Spin-Off Assets and Transferred Pension Liabilities described above shall not occur.

(c) In addition to maintaining the Pension Plan as described in Section 9.1(b), Seller shall continue to provide benefit accruals and coverages under the Benefit Plans and shall make all

contributions, or where appropriate permit participants to make contributions, sufficient to fund accruals or sustain coverages in the Benefit Plans through the Effective Time, in each instance, consistent with Seller's past practices and the terms of the respective Benefit Plans. As of the Effective Time, Seller shall pay in full any and all amounts owed to participants under the Marquette General Hospital, Inc. Nonqualified 457(b) Plan and the Marquette General Hospital, Inc. 457(f) Supplemental Retirement Plan from the respective grantor trust maintained for such plan or, if the funds held in such grantor trust are insufficient to pay such amounts in full, from the general assets of the Seller. Additionally, as of the Effective Time, Seller shall terminate any and all Benefit Plans or written or oral agreements that provide for the continuation of medical, dental, vision, life or disability insurance coverage for any current or former employees of Seller, the Hospital Facilities or their beneficiaries for any period of time beyond termination of employment (except to the extent of coverage required under COBRA).

(d) Following the Effective Time, Employer and Physician Employer shall be solely responsible for providing continuation coverage (within the meaning of COBRA) to Employees (and their dependents) for qualifying events occurring after the Effective Time.

(e) Prior to, as of, and following the Effective Time, Seller and the Benefit Plans will remain responsible for benefits under the Benefit Plans, including the Pension Plan, and neither Buyer nor Employer shall become responsible to maintain the Benefit Plans or any obligations thereunder.

(f) Notwithstanding the foregoing, in all events, including the funding, operation, management, participation, vesting, termination, amendment or modification of the Employer Plans, the rights and benefits of the Employees shall be governed solely by the terms of the Employer Plans. Nothing in this Agreement shall (i) be deemed to amend or modify any Employer Plan, or (ii) require Employer to maintain the Employer Plans, or (iii) prohibit Employer from terminating, amending or modifying any Employer Plan as Employer, in its sole discretion, may deem advisable.

9.2 Cost Reports. Seller will prepare and timely file (and will pay any amounts due pursuant to) all cost reports relating to Seller and the Hospital Facilities for periods ending on or prior to the Effective Time or required as a result of the consummation of the transactions set forth herein, including terminating cost reports for the Government Programs and for Blue Cross Blue Shield or any other cost based payors (the "Seller Cost Reports"). Buyer shall forward to Seller any and all correspondence relating to Seller Cost Reports within ten (10) days after receipt by Buyer. Likewise, Seller shall forward to Buyer any and all correspondence relating to Seller Cost Reports within ten (10) days after receipt by Seller. Buyer shall remit any funds relating to Seller Cost Reports or Agency Settlements promptly after receipt by Buyer and shall forward to Seller any demand for payments within seven (7) days after receipt by Buyer. Likewise, Seller shall remit any funds relating to Buyer's cost reports or agency settlements promptly after receipt by Seller and shall forward to Buyer any demand for payments within seven (7) days after receipt by Seller. Seller shall retain all rights to or in respect of Agency Settlements and to the Seller Cost Reports relating to periods ending on or prior to the Effective Time, including any amounts receivable or payable in respect of such reports or reserves relating to such reports. Such rights shall include the right to appeal any Government Program determinations relating to Agency Settlements and the Seller Cost Reports. Buyer, upon reasonable notice, during normal business hours and at the sole cost and expense of Seller, will reasonably cooperate with Seller in regard to the preparation, filing, handling and appeals of the Seller Cost Reports. Likewise, Seller, upon reasonable notice, during normal business hours and at the sole cost and expense of Buyer, will reasonably cooperate with Buyer in regard to the preparation, filing, handling and appeals of Buyer's cost reports. Such cooperation shall include the providing of statistics and obtaining files and the coordination with Seller or Buyer, as the case may be, pursuant to adequate notice of Medicare and Medicaid exit conferences or meetings. Notwithstanding the foregoing, except as required by Legal Requirements, Seller shall not open, re-file, or amend any Seller Cost Report without the prior written consent of Buyer, which consent shall not be unreasonably

withheld. Seller shall retain the originals of the Seller Cost Reports, correspondence, work papers and other documents relating to the Seller Cost Reports and Agency Settlements. Buyer shall retain the originals of its cost reports, correspondence, work papers and other documents relating to Buyer's cost reports and agency settlements. Seller will furnish copies of the Seller Cost Reports, correspondence, work papers, and other related documentation to Buyer upon request.

### 9.3 Termination Prior to Closing.

(a) Notwithstanding anything herein to the contrary, this Agreement may be terminated at any time prior to the Closing: (i) by mutual consent of Buyer and Seller; (ii) by either Buyer or Seller in the event the Attorney General has failed to approve the transaction prior to September 1, 2012; (iii) by either Buyer or Seller in the event that MDCH has failed to issue the Certificate(s) of Need or No Review Letters required pursuant to this Agreement prior to September 1, 2012; (iv) by either Buyer or Seller in the event that the expiration of the "waiting period" pursuant to the HSR Act has not expired prior to September 1, 2012; (v) by Buyer pursuant to Sections 2.7, 6.10 or 11.20; (vi) by Buyer or Seller if the Closing shall not have taken place on or before 11:59 p.m. on September 1, 2012; (vii) by Buyer if a breach of any provision of this Agreement has been committed by Seller and not been cured within thirty (30) days after written notice thereof; and (viii) by Seller if a breach of any provision of this Agreement has been committed by Buyer and not been cured within thirty (30) days after written notice thereof.

(b) If this Agreement is rightfully terminated pursuant to this Section 9.3, this Agreement (other than Sections 11.5 (Costs of Transaction), 11.6 (Confidentiality), 11.12 (No Third-Party Beneficiaries), 11.17 (Entire Agreement/Amendment) and 11.18 (Enforcement Expenses)) shall immediately become null and void, and the parties (and any of their respective officers, directors, employees, agents or other representatives or affiliates) shall have no liability or obligation with regard to the transactions contemplated hereunder; provided that nothing in this Section 9.3 shall relieve any party from liability for any breach of this Agreement that arose prior to such termination or for any breach that arises as a result of the wrongful termination of this Agreement.

### 9.4 Post-Closing Access to Information.

(a) The parties each acknowledge that, subsequent to the Closing, each may need access to the Assets or the Businesses and to information, documents or computer data in the control or possession of the other for purposes of consummating the transactions contemplated herein and for audits, investigations, compliance with governmental requirements, regulations and requests, and the prosecution or defense of third party claims. Accordingly, the parties agree to make available to the other and its agents, independent auditors and/or governmental entities, upon reasonable notice and during normal business hours. such documents and information as may be available relating to the Assets and the Businesses in respect of periods prior to Closing and will permit the other to make copies of such documents and information.

(b) Seller shall submit all quality data required for the Hospital Facilities under the Government Programs to CMS or its agent, and all quality data required for the Hospital Facilities by The Joint Commission, for any calendar quarter with reporting deadlines between the date of this Agreement and the Closing Date. If the reporting deadline for submitting quality data for any calendar quarter during which the Hospital Facilities were owned by Seller falls after the Closing Date, then Seller shall cooperate with Buyer in order to enable Buyer or its affiliates to submit such quality data required for the Hospital Facilities for such quarter(s) under the Government Programs and as may be required by The Joint Commission in accordance with the applicable filing deadlines and in the form and manner required by CMS and The Joint Commission, respectively. Such cooperation by Seller shall include executing any

necessary documents required to submit such filings and transmitting such quality data to Buyer in a form required by Buyer and/or allowing Buyer to access such quality data in its current form.

9.5 Preservation and Access to Records After the Closing. After the Closing and in accordance with applicable Legal Requirements (including applicable document retention and/or permissive destruction provisions), Buyer shall keep and preserve all documents, computer data, medical records and other records and information of the Hospital Facilities existing as of the Closing and which constitute a part of the Assets delivered to Buyer at Closing. Upon reasonable notice, during normal business hours and upon Buyer's receipt of appropriate consents and authorizations, Buyer shall afford to the representatives of Seller, including its counsel and accountants, reasonable access to, and the right to make copies of, the records transferred to Buyer at the Closing (including, to the extent necessary and subject to applicable Legal Requirements, access to patient records in respect of patients treated by Seller at the Hospital Facilities).

9.6 Tax Matters.

(a) Following the Closing, Seller shall cooperate with Buyer and shall make available to Buyer and, as reasonably requested, to any taxing authority, all information, records or documents relating to Tax liabilities or potential Tax liabilities, if any, relating to the Assets and the Businesses for all periods (or portions thereof) ending on or prior to the Closing and any information which is relevant to determining the amount payable under this Agreement, and shall preserve all such information, records and documents (to the extent a part of the Assets delivered to Buyer at Closing) until the expiration of any applicable statute of limitations or extensions thereof. Seller shall make available to Employer and Physician Employer the records of individual wages of all employees, as well as copies of state unemployment Tax returns, to the extent reasonably necessary for Employer and Physician Employer to verify future unemployment Tax rates and to calculate the correct taxable payroll for the remainder of the calendar year in which the transaction occurs. Seller shall file Forms W-2 and Forms 1099 with respect to all periods ending on or prior to the Effective Time, as appropriate.

(b) Seller shall prepare or cause to be prepared and file or cause to be filed on a timely basis all Tax Returns relating to the Assets and the Businesses with respect to all taxable periods ending on or prior to the Closing Date. Buyer shall prepare or cause to be prepared and file or cause to be filed all Tax Returns relating to the Assets and the Businesses with respect to all taxable periods ending after the Closing Date. Seller shall be responsible for and shall pay any Taxes arising or resulting from or in connection with the ownership of the Assets and the Hospital Facilities for all taxable periods (or portion thereof) ending on or prior to the Closing Date. Seller shall not consent, without the prior written consent of Buyer, to any change in the treatment of any item that would affect the Tax liability of Buyer for a period subsequent to the Closing Date.

(c) Upon request of Buyer, Seller shall use commercially reasonable efforts to obtain any certificate or other document from any governmental authority or any other person as may be necessary to mitigate, reduce or eliminate any Taxes that could be imposed (including with respect to the transactions contemplated hereby).

(d) As a result of the sale of the interests in UPHP, UPMC and any of the Included Joint Ventures (except for the Pre-Closing Transferred Assets Entities) that are treated as partnerships for federal Tax purposes (collectively, the "Tax Partnership Entities") to Buyer, as of the Closing Date, such Tax Partnership Entities will be deemed to terminate for federal income tax purposes pursuant to Section 708 of the Code (the "Technical Termination") and will have to file a federal Tax Return as a result of such Technical Termination for the Tax period ending on the Closing Date. Unless otherwise requested by Buyer, Seller shall use commercially reasonable efforts to cause each of the Tax Partnership Entities to



make an election under Section 754 of the Code and the Treasury Regulations thereunder (and any corresponding election under state, local and foreign tax law) on such federal Tax Return, if such election is not currently in effect, to adjust the basis of the assets of the Tax Partnership Entities as provided in Section 743 of the Code.

9.7 Misdirected Payments. Buyer and Seller covenant and agree to hold in trust and remit, within thirty (30) days of receipt, to the other any payments received that are on or in respect of accounts or notes receivable owned by (or are otherwise payable to) the other. Additionally, in the event of a determination by any Government Program that payments to Seller or the Hospital Facilities resulted in an overpayment or other determination that funds previously paid by any Government Program or third-party payor to Seller or the Hospital Facilities must be repaid, Seller shall be responsible for repayment of said monies (or defense of such actions) if such overpayment or other repayment determination was for services rendered prior to the Effective Time, and Buyer shall be responsible for repayment of said monies (or defense of such actions) if such overpayment determined was for services rendered after the Effective Time.

9.8 Transfer of Unemployment Experience Rating.

(a) If Buyer so elects, Seller and Buyer agree that the unemployment experience of Seller will be transferred to Employer or Physician Employer, as applicable, (i) if such a transfer of unemployment experience is allowed by applicable Legal Requirements and (ii) Seller is not adversely affected thereby. If the payroll of Seller is reported in an employment insurance account with other payroll prior to the Closing, the portion of the unemployment experience transferred to Employer or Physician Employer, as applicable, shall be the same portion as the state unemployment taxable payroll of Seller bears to the total state unemployment taxable payroll of the unemployment insurance account of Seller.

(b) Seller shall use all reasonable efforts to make available to Employer and Physician Employer the records of individual wages of all employees, as well as copies of state unemployment Tax Returns, to the extent necessary for Employer and Physician Employer to verify future unemployment Tax rates and to calculate the correct taxable payroll for the remainder of the calendar year in which the Closing occurs.

9.9 Indigent Care. Buyer agrees it shall cause the Hospital to institute and maintain Seller's policies for the treatment of indigent patients prior to Closing and attached as Exhibit 9.9, subject to any changes necessary to comply with applicable Legal Requirements and the implications of healthcare reform legislation. Any changes to such policies during the five (5) year period immediately following Closing would require the approval of the Board of the Foundation and thereafter changes to such policies would require the approval of the Board of Trustees (as hereinafter defined), except at any time changes may be made by Buyer that are necessary to comply with applicable Legal Requirements and the implications of healthcare reform legislation.

9.10 Capital Commitment. Subject to an offset in accordance with Section 10.7 and Section 9.18, during the 10 year period immediately following the Closing (the "Commitment Period"), Buyer will commit or cause to be committed for the benefit of the Hospital Facilities and the development of other facilities in an amount not less than \$300,000,000 in the aggregate (the "Capital Investment Commitment"), at least \$180,000,000 of which shall be spent within the five (5) year period immediately following the Closing and the remaining amount of which shall be spent during the remaining Commitment Period. Within 180 days following the Closing, Buyer and Seller shall develop and agree upon a strategic master capital plan (the "Capital Plan"), including repayment of capitalized lease obligations, new construction, renovation, repairs, maintenance, equipment and information technology

listed on Schedule 9.10, which capital expenditures and the anticipated time periods for such capital expenditures. In the event that Buyer and Seller determine that the Commitment Period should be extended because they are not able to reasonably identify and implement the full Capital Investment Commitment during the Commitment Period, they may agree to extend the Commitment Period, provided that such extension is approved by the board of trustees of Seller, if Seller is still in existence at such time, and if not in existence, then to the board of trustees of Foundation. Notwithstanding the foregoing, the Capital Investment Commitment shall not be used to buy any other hospitals in the Upper Peninsula of Michigan.

9.11 Physician Recruitment Commitment. Subject to an offset in accordance with Section 10.7 and Section 9.18, during the Commitment Period, Buyer shall recruit and support new physicians in connection with the business or operations of the Hospital Facilities in accordance with Schedule 9.11 (the “Physician Recruitment Commitment”). Buyer will use commercially reasonable efforts to satisfy the Physician Recruitment Commitment. Buyer will commit an aggregate of \$50,000,000 toward the Physician Recruitment Commitment, at least \$30,000,000 of which shall be planned and committed during the five (5) year period immediately following Closing and the remaining amount of which shall be planned and committed during the remainder of the Commitment Period.

9.12 Board of Trustees. Following the Closing, Buyer will appoint and maintain a 12-member advisory board for the Hospital (the “Board of Trustees”) whose members will include the following: four (4) physicians who are members of the medical staff of the Hospital, the Hospital’s Chief Executive Officer, six (6) community representatives from the Upper Peninsula of Michigan and an individual designated by DUHS. The initial members of the Board of Trustees are set forth on Schedule 9.12, and each shall serve until his or her death, resignation or removal or appointment of a successor. The term of service for each member of the Board of Trustees and the appointment of successors shall be carried out in a manner consistent with the bylaws of the Board of Trustees. Members of the Board of Trustees may attend meetings in person or participate via teleconference. In addition to those specific responsibilities of the Board of Trustees required by The Joint Commission, the Board of Trustees will be responsible for the following: (a) developing a strategic plan for the Hospital; (b) adopting a vision, mission and values statement for the Hospital; (c) participating in the development and review of operating and capital budgets and facility planning for the Hospital; (d) monitoring and overseeing findings regarding the quality of patient care through the Patient Safety and Clinical Quality Committee (“PSCQC”); (e) participating in the periodic evaluations of the Hospital’s Chief Executive Officer; (f) granting medical staff privileges and, when necessary, taking disciplinary action consistent with the Hospital’s Bylaws; and (g) fostering community relationships and identifying service and educational opportunities.

9.13 Medical Staff. Effective as of the Closing, Buyer will adopt the Hospital’s medical staff Bylaws, rules and regulations subject to confirmation that such Bylaws, rules and regulations conform with national and regional norms (provided that the foregoing shall not prevent Buyer from proposing new Bylaws, rules and regulations for medical staff approval following the Closing). Buyer agrees that the Hospital’s medical staff members in good standing as of the Closing shall maintain such medical staff privileges immediately following the Closing; provided, however, that this commitment shall not limit the ability of Buyer to grant, withhold or suspend medical staff appointment or clinical privileges in accordance with the terms of the Hospital’s medical staff Bylaws after the Closing.

9.14 Quality Oversight Committee. Following the Closing, Buyer will maintain the quality committee of the Hospital medical staff and shall establish the PSCQC, which shall include selected clinical and other physician leaders of the Hospital. Both the medical staff quality committee and the PSCQC shall monitor the quality of patient care provided at the Hospital. In addition, subject to The Joint Commission Standards and being mindful of the protection of privilege, the PSCQC, in conjunction with the medical staff quality committee, will report its findings to the Quality Oversight Committee of

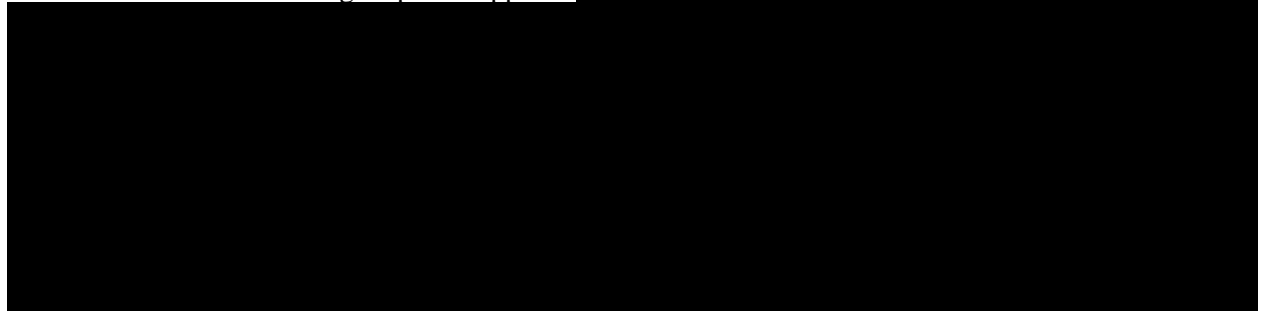
DLP and work with the Quality Oversight Committee of DLP in preparing action plans to satisfy the applicable quality metrics.

9.15 Continuation of Services. Buyer will continue to provide, in all material respects, and enhance important healthcare services and programs described on Schedule 9.15 (the “Core Services”). In the event that Buyer decides to eliminate or reduce any Core Services at the Hospital during the Commitment Period, such elimination or reduction must be approved by the board of trustees of Seller, if Seller is still in existence, and if not in existence, then to the board of trustees of Foundation. Following the expiration of the Commitment Period, such elimination or reduction of any Core Services must be approved by the Board of Trustees.

9.16 Restrictions on Seller Transfers. Seller shall not dissolve, liquidate, reorganize, merge, sell all or substantially all of its assets, make any distribution of the proceeds received pursuant to this Agreement or enter into or consummate any other similar organic transaction, unless (a) Seller’s obligations under this Agreement, including those contained in Article 10, have terminated or have otherwise been fully performed; (b) the transferee or surviving or resulting entity in any such organic transaction delivers to Buyer written evidence (in form and substance reasonably acceptable to Buyer) that it has (i) fully and irrevocably assumed all of Seller’s obligations under this Agreement; and (ii) such transferee or surviving or resulting entity has net assets equal to or greater than Seller’s net assets (measured immediately after the Closing Date). Notwithstanding the foregoing, effective after the Closing Date and upon written notice to Buyer, the parties agree that Seller may transfer to Foundation all assets of Seller (provided that Foundation agrees to assume all obligations of Seller contained herein and in any other documents or agreement contemplated by this Agreement). Notwithstanding anything contained herein to the contrary, Seller or Foundation may only be permitted to distribute the Estimated Excess Proceeds Amount, as adjusted by Section 2.6 (the “Excess Proceeds Amount”), as well as any earnings on such Excess Proceeds Amount, in accordance with the terms of the Purchase Price Adjustment Agreement. Additionally, Seller and Foundation agree to use commercially reasonable efforts to substantially wind down the business affairs of Seller within 36 months following the Closing Date. For the avoidance of doubt, nothing contained in this Section 9.16 shall entitle Seller to assign this Agreement to any person or to otherwise avoid (or seek to avoid) its obligations under this Agreement.

9.17. Restriction on Sale of the Hospital. During the Commitment Period, Buyer shall not sell the assets of the Hospital to a third party; provided, however, that this restriction shall not prohibit Buyer from transferring the Hospital, its business or assets to (i) any affiliate of Buyer, LifePoint Hospitals, Inc. or DUHS or (ii) any acquirer or successor, by merger, asset purchase, stock purchase, lease or otherwise of all or substantially all of the ownership interests in or assets of DLP or LifePoint Hospitals, Inc.

9.18. Post-Closing Capital Support.

  
Any amounts paid by Buyer with respect to any Unfunded Post-Closing Seller Obligations shall reduce, dollar-for-dollar, Buyer’s Capital Investment Commitment or the Physician Recruitment Commitment. Any amount of funding of

Unfunded Post-Closing Seller Obligations by Buyer shall constitute an increase to the amount defined herein as the “Purchase Price.”

## **10. INDEMNIFICATION AND REMEDIES**

10.1 Indemnification by Seller. Subject to and to the extent provided in this Article 10, Seller shall indemnify and hold harmless Buyer and its members, shareholders, partners, directors, officers, employees, agents and affiliates (each, a “Buyer Indemnified Party”) from, against and for any damages, claims, costs, losses, liabilities, expenses or obligations (including reasonable attorneys’ fees and associated expenses) whether or not involving a third-party claim (collectively, “Losses”) incurred or suffered by a Buyer Indemnified Party as a result of or arising from: (a) any breach of or inaccuracy in any representation or warranty made by Seller in this Agreement; (b) any breach of a covenant, obligation or agreement of Seller in this Agreement; (c) the Excluded Assets and Excluded Liabilities; (d) the retirement plan matters identified in Section 6.12; (e) any amounts in addition to the amount contributed to the Pension Plan pursuant to Section 2.1(c) necessary to fully fund the Pension Plan and/or terminate the Pension Plan in accordance with Section 9.1(b) herein; (f) Seller’s ownership or operation of the Assets and/or the Businesses prior to the Effective Time; and (g) Seller’s and the Businesses’ acts or omissions prior to the Effective Time.

10.2 Limitations on Seller’s Liability. Notwithstanding anything contained herein to the contrary, for purposes of determining the value of any Loss under this Article 10, Seller’s representations and warranties shall be read without giving effect to (i) the phrase “Material Adverse Effect,” “in all material respects” and similar phrases qualifying any of the Seller’s representations or warranties, or (ii) any knowledge limitation or qualification contained in any of Seller’s representations or warranties. The maximum aggregate liability of Seller for Losses arising pursuant to Section 10.1(a) shall be an amount equal to the Purchase Price (the “Limit”); provided, however, that the Limit shall not apply to Losses arising in connection with any breach of, or any inaccuracy in, Sections 4.1 (Corporate Capacity), 4.2 (Corporate Powers; Consents; Absence of Conflicts with Other Agreements), 4.3 (Binding Agreement), 4.4 (Included Joint Ventures), 4.5 (Health Insurance Business), 4.6 (Medical Education Program), 4.9 (Licensure), 4.10 (Certificates of Need), 4.11 (Medicare Participation/Accreditation), 4.13 (Real Property), 4.14 (Title to Personal Property), 4.16 (Litigation or Proceedings), 4.17 (Tax Liabilities), 4.18 (Employee Benefit Plans), 4.19 (Employees and Employee Relations), 4.21 (Finders), 4.22 (Regulatory Compliance; Improper Payments), 4.27 (Environmental Matters), 4.31 (Third Party Payor Cost Reports) and 4.32 (Compliance Program).

10.3 Indemnification by Buyer. Subject to and to the extent provided in this Article 10, Buyer shall indemnify and hold harmless Seller and their respective members, directors, officers, employees, agents and affiliates (each, a “Seller Indemnified Party”) from, against and for any Losses incurred or suffered by a Seller Indemnified Party as a result of or arising from (a) any breach of or inaccuracy in any representation, warranty, covenant or agreement made by Buyer in this Agreement and (b) the Assumed Liabilities.

10.4 Limitations on Buyer’s Liability. Notwithstanding anything contained herein to the contrary, for purposes of determining the value of any Loss under this Article 10, the representations and warranties of Buyer shall be read without giving effect to (i) the phrase “Material Adverse Effect,” “in all material respects” and similar phrases qualifying any of its representations or warranties, or (ii) any knowledge limitation or qualification contained in any of its representations or warranties. The maximum aggregate liability of Buyer for Losses arising pursuant to Section 10.3(a) shall be an amount equal to the Limit; provided, however, that the Limit shall not apply to Losses arising in connection with any breach of, or any inaccuracy in, Sections 5.1 (Limited Liability Company Capacity), 5.2 (Limited Liability Company Powers), 5.3 (Binding Agreement), 5.4 (Litigation) and 5.5 (Finders).

10.5 Procedure for Indemnification – Non Third Party Claims. Whenever any claim shall arise for indemnification hereunder not involving a demand, claim, action or proceeding made or brought by a third party, including without limitation a government agency (a “Proceeding”), the Seller Indemnified Party or the Buyer Indemnified Party, as applicable (collectively referred to hereinafter as the “Indemnified Party”), shall notify the indemnifying party promptly after such Indemnified Party has actual knowledge of the facts constituting the basis for such claim. The notice to the indemnifying party shall specify, if known, the amount or an estimate of the amount of the liability arising therefrom.

10.6 Procedure for Indemnification – Third Party Claims.

(a) Promptly after receipt by an Indemnified Party of notice of the commencement of any Proceeding, such Indemnified Party will, if a claim is to be made against an indemnifying party pursuant to this Article 10, give notice to the indemnifying party of the commencement of the Proceeding, but the failure to notify the indemnifying party will not relieve the indemnifying party of any liability that it may have to the Indemnified Party, except to the extent that the indemnifying party demonstrates that the defense of such action is prejudiced by the Indemnified Party’s failure to provide such notice.

(b) If any Proceeding is brought against an Indemnified Party and such Indemnified Party gives notice to the indemnifying party (“Claims Notice”) of the commencement of such Proceeding, the indemnifying party will, unless the Proceeding involves Taxes, be entitled to participate in such Proceeding and, to the extent that it wishes (unless (i) the indemnifying party is also a party to such Proceeding and the Indemnified Party determines in good faith that joint representation would be inappropriate, or (ii) the indemnifying party fails to provide reasonable assurances to the Indemnified Party of its financial capacity to defend such Proceeding and provide indemnification with respect to such Proceeding), to assume the defense of such Proceeding with counsel satisfactory to the Indemnified Party and, after notice from the indemnifying party to the Indemnified Party of its election to assume the defense of such Proceeding, the indemnifying party will not, as long as it diligently conducts such defense, be liable to the Indemnified Party under this Section 10.6 for any fees of other counsel or any other expenses with respect to the defense of such Proceeding, in each case subsequently incurred by the Indemnified Party in connection with the defense of such Proceeding, other than reasonable costs of investigation. If the indemnifying party assumes the defense of a proceeding, (y) it will be conclusively established for purposes of this Agreement that the claims made in the Proceeding are within the scope of and subject to indemnification in accordance with this Article 10; and (z) no compromise or settlement of such claims may be effected by the indemnifying party without the Indemnified Party’s consent unless (I) there is no finding or admission of any violation of legal requirements or any violation of the rights of any person and no effect on any other claims that may be made against the Indemnified Party; and (II) the sole relief provided is monetary damages that are paid in full by the indemnifying party; and (III) the Indemnified Party will have no liability with respect to any compromise or settlement of such claims effected without its consent. If notice is given to an indemnifying party of the commencement of any Proceeding and the indemnifying party does not, within ten (10) days after the Indemnified Party’s notice is provided, give notice to the indemnified party of its election to assume the defense of such Proceeding, the indemnifying party will be bound by any determination made in such Proceeding or any compromise or settlement effected by the Indemnified Party.

(c) Notwithstanding the foregoing, if an Indemnified Party determines in good faith that there is a reasonable probability that a Proceeding may adversely affect it or its affiliates other than as a result of monetary damages for which it would be entitled to indemnification under this Agreement, the Indemnified Party may, by notice to the indemnifying party, assume the exclusive right to defend, compromise or settle such Proceeding, but the indemnifying party will not be bound by the determination of a Proceeding so defended or any compromise or settlement effected without its consent (which may not be unreasonably withheld). If the indemnifying party does not assume the defense of any claim or

litigation, any Indemnified Party may defend against such claim or litigation in such manner as it may deem appropriate, including the settlement of such claim or litigation, after giving notice of the same to the indemnifying party, on such terms as the Indemnified Party may deem appropriate. The indemnifying party will promptly reimburse the Indemnified Party in accordance with the provisions hereof.

10.7 Payment; Reserve; Offset. All indemnification hereunder shall be effected by payment of cash or delivery of immediately available funds to an account designated by the Indemnified Party in the amount of the indemnification liability. Any undisputed indemnification payments shall be made within ten (10) days of the date on which the amount of a Loss is identified in writing to the indemnifying party. Notwithstanding anything contained herein to the contrary, Seller's obligation to pay indemnification claims under this Article 10 or otherwise make any payments under or related to this Agreement with cash or immediately available funds (but not including the Foundation Funds) shall be limited to the amount of any Excess Proceeds Amount. Seller shall have the option, but shall not be obligated to use cash or immediately available funds to satisfy indemnification obligations under this Article 10 or otherwise make any payments under or related to this Agreement in excess of the Excess Proceeds Amount. To the extent there is any Excess Proceeds Amount and Seller does not use cash or immediately available funds to satisfy its indemnification obligations pursuant to this Article 10 or otherwise make any payments under or related to this Agreement or its obligations pursuant to Section 11.5, the aggregate amount of any such indemnification or other obligations in excess of the Excess Proceeds Amount shall reduce, dollar-for-dollar, Buyer's Capital Investment Commitment or the Physician Recruitment Commitment.

10.8 Reliance. The parties expressly agree and acknowledge that Buyer is relying upon each of the representations and warranties of Seller made in this Agreement and that Buyer would not be willing to enter into this Agreement if any limitations were placed on such reliance. The right to indemnification, reimbursement or other remedy based upon the representations, warranties, covenants and obligations of Seller in this Agreement shall not be affected by any investigation conducted with respect to, or any information or knowledge acquired (or capable of being acquired) at any time, whether before or after the execution and delivery of this Agreement or the Closing Date, with respect to the accuracy or inaccuracy of or compliance with any such representation, warranty, covenant or obligation. The waiver of any condition based upon the accuracy of any representation or warranty, or on the performance of or compliance with any covenant or obligation, will not affect the right to indemnification, reimbursement or other remedy based upon such representations, warranties, covenants and obligations.

10.9 Survival. The covenants and agreements of the parties set forth herein shall continue to be fully effective and enforceable following the Closing. The representations and warranties of Seller and Buyer shall continue to be fully effective and enforceable following the Closing for 18 months and shall thereafter be of no further force and effect; provided, however, that if there is an outstanding Claims Notice at the end of such 18 month period, such applicable period shall not end in respect of such claim until such claim is resolved. Notwithstanding any statement or provision contained in this Agreement to the contrary, the representations and warranties contained in Sections 4.9 (Licensure), 4.10 (Certificate of Need), 4.11 (Medicare Participation/Accreditation), 4.13 (Real Property), 4.14 (Title to Personal Property), 4.16 (Litigation) 4.17 (Tax Liabilities), 4.18 (Employee Benefit Plans), 4.19 (Employees and Employee Relations), 4.22 (Regulatory Compliance; Improper Payments), 4.27 (Environmental Matters), 4.31 (Third Party Payor Cost Reports) and 4.32 (Compliance Program) of this Agreement shall continue to be fully effective and enforceable following the Closing for 60 months or the applicable statute of limitations, whichever is longer, and shall thereafter be of no further force and effect; provided, however, that if there is an outstanding notice of a claim at the end of such period in compliance with the terms of this Agreement, such applicable period shall not end in respect of such claim until such claim is resolved; and the representations and warranties contained in Sections 4.1 (Corporate Capacity), 4.2 (Corporate

Powers; Consents; Absence of Conflicts With Other Agreements), 4.4 (Included Joint Ventures), 4.5 (Health Insurance Business), 4.6 (Medical Education Program), 5.1 (Limited Liability Company Capacity) and 5.2 (Limited Liability Company Powers; Consents; Absence of Conflicts With Other Agreements) shall survive indefinitely.

## 11. GENERAL

11.1 Consented Assignment. Anything contained herein to the contrary notwithstanding, this Agreement shall not constitute an agreement to assign any claim, right, contract, license, lease, commitment, sales order or purchase order if an attempted assignment thereof without the consent of another party thereto would constitute a breach thereof or in any material way affect the rights of the assigning party thereunder. If such consent is not obtained, or if an attempted assignment would be ineffective or would materially affect Seller's rights thereunder so that Buyer would not in fact receive all such rights, Seller shall upon the request of Buyer cooperate in any reasonable arrangement designed to transfer to Buyer the benefits and burdens under any such claim, right or contract.

### 11.2 Choice of Law.

(a) This Agreement and the parties' respective rights hereunder shall be governed by the laws of the State of Michigan, without giving effect to any conflicts of laws principles that would obtain a different result. To the full extent permitted by applicable Legal Requirements, the parties hereby waive any and all right to a trial by jury on the issue to enforce any term or condition of this Agreement.

(b) Any action or proceeding seeking to enforce any provision, or based on any right arising out of, or to interpret any provision of, this Agreement may be brought against any of the parties in the state and federal courts within the territorial jurisdiction of the United States District Court for Delaware or the Western District of Michigan, Northern Division, and each of the parties consents to the exclusive jurisdiction of such courts (and of the appropriate appellate courts) in any such action or proceeding and waives any objection to venue laid therein. Process in any action or proceeding referred to in the preceding sentence may be served on any party anywhere in the world.

11.3 Assignment. No party may assign any of its rights or delegate any of its obligations under this Agreement without the prior written consent of the other party; provided, that Buyer may assign any or all of its rights or interests, or delegate any or all of its obligations, in this Agreement to (a) any successor to Buyer or any acquirer of all or substantially all of the business or assets of Buyer or (b) one or more of Buyer's affiliates, including DLP Marquette General Hospital, LLC, DLP Marquette Health Plan, LLC, DLP Marquette Physician Practices, Inc., DLP Marquette JV, LLC, and the Physician Employer, and in either event Buyer shall remain bound to perform all of its obligations hereunder. Subject to the preceding sentence, this Agreement will apply to, be binding in all respects upon and inure to the benefit of the successors and permitted assigns of the parties.

11.4 Accounting Date. The transactions contemplated hereby shall be effective for accounting, payment and business purposes as of the Effective Time.

11.5 Costs of Transaction. Whether or not the transactions contemplated hereby shall be consummated and except as otherwise provided herein, the parties agree as follows: (a) Seller shall pay the fees, expenses and disbursements of Seller and its agents, representatives, accountants and counsel incurred in connection with the subject matter hereof and any amendments hereto, and (b) Buyer shall pay its fees, expenses and disbursements and those of its agents, representatives, accountants and counsel incurred in connection with the subject matter hereof and any amendments hereto, and shall pay for the cost of its due diligence (which may include structural and environmental surveys and reports). The cost

of the Title Policy, Survey, and recording Taxes or fees necessary to record Buyer's interest in the Real Estate, together with the cost of all transfer, documentary, sales, use, stamp, registration and other such Taxes, and all conveyance fees, recording charges and other fees and charges (including any penalties and interest) incurred in connection with the consummation of the transactions contemplated by this Agreement shall be paid by Buyer. Buyer shall be responsible for paying the filing fees, if any, due in connection with the HSR Act filing and obtaining any necessary approvals or determination of no-action from the Attorney General or MDCH (including the costs, fees and expenses related to the engagement of any consultants required by the Attorney General). The parties will file all necessary Tax Returns and other documentation with respect to all such Taxes, fees and charges, and, if required by applicable Legal Requirements, the parties will, and will cause their affiliates to, join in the execution of any such Tax Returns and other documentation. Notwithstanding Seller's obligation to pay certain expenses pursuant to this Section 11.5, the Foundation Capitalization Amount shall not be reduced by transaction expenses as reflected on the Estimated Foundation Proceeds Certificate.

#### 11.6 Confidentiality.

(a) It is understood by the parties hereto that the information, documents, and instruments delivered by a party to the other parties hereto are of a confidential and proprietary nature. Each of the parties agrees that both prior and subsequent to the Closing, it will maintain the confidentiality of all such confidential information, documents, or instruments delivered to it by each of the other parties or their agents in connection with the negotiation of this Agreement or in compliance with the terms, conditions, and covenants hereof and will only disclose such information, documents, and instruments to its duly authorized officers, members, directors, representatives, and agents (including consultants, attorneys, and accountants of each party) and applicable governmental authorities in connection with any required notification or application for approval or exemption therefrom. Each of the parties hereto further agrees that if the transactions contemplated hereby are not consummated, it will return all of such documents and instruments and all copies thereof in its possession to the disclosing party. Each of the parties recognizes that any breach of this Section 11.6 would result in irreparable harm to the other parties and their affiliates and that therefore any party to this Agreement shall be entitled to an injunction to prohibit any such breach or anticipated breach, without the necessity of posting a bond, cash, or otherwise, in addition to all of its other legal and equitable remedies. Nothing in this Section 11.6, however, shall prohibit the use of such confidential information, documents, or information for such governmental filings as in the opinion of a party's counsel are required by law or governmental regulations or are otherwise required to be disclosed pursuant to applicable state law.

(b) Notwithstanding the foregoing, prior to the Closing and except as otherwise required by Legal Requirements, the rules of the National Association of Securities Dealers, Inc., or The Nasdaq Stock Market, LLC or New York Stock Exchange, as applicable, as reasonably determined by any party (in which event such party shall, as soon as reasonably practical but in any such event prior to the announcement, give notice to the other party of such determination and consult with the other party concerning the terms of such announcement), any release to the public of information concerning this Agreement or the transactions contemplated hereby will be made only in the form and manner approved by the parties. Each party shall furnish the other with drafts of all such releases prior to their publication or dissemination. If either party reasonably determines that a public announcement of the existence of the transactions described herein is required by Legal Requirements, then such other party shall have the right to issue an announcement with respect to such matters contemporaneously.

11.7 Waiver. The rights and remedies of the parties to this Agreement are cumulative and not alternative. Neither the failure nor any delay by any party in exercising any right, power or privilege under this Agreement or the documents referred to in this Agreement will operate as a waiver of such right, power or privilege, and no single or partial exercise of any such right, power or privilege will



preclude any other or further exercise of such right, power or privilege or the exercise of any other right, power or privilege. To the maximum extent permitted by applicable Legal Requirements, (a) no claim or right arising out of this Agreement or the documents referred to in this Agreement can be discharged by one party, in whole or in part, by a waiver or renunciation of the claim or right unless in writing signed by the other party; (b) no waiver that may be given by a party will be applicable except in the specific instance for which it is given; and (c) no notice to or demand on one party will be deemed to be a waiver of any obligation of such party or of the right of the party giving such notice or demand to take further action without notice or demand as provided in this Agreement or the documents referred to in this Agreement.

11.8 Notice. Any notice, demand or communication required, permitted or desired to be given hereunder shall be deemed effectively given when personally delivered, when received by telegraphic or other electronic means (including telecopy, facsimile and telex) or overnight courier, or five (5) days after being deposited in the United States mail, with postage prepaid thereon, certified or registered mail, return receipt requested, addressed as follows:

Seller: Marquette General Health System  
420 West Magnetic Street  
Marquette, MI 49855  
Fax No.: 906-225-3084  
Attention: Jerry Worden

with a copy to: McGuireWoods LLP  
1750 Tysons Boulevard  
Suite 1800  
Tysons Corner, VA 22102-4215  
Fax No.: 703-712-5209  
Attention: Thomas C. Brown, Jr., Esq.

Marquette General Foundation, Inc.  
420 West Magnetic Street  
Marquette, MI 49855  
Fax No.: 906-225-3084  
Attention: Chairman

Buyer: DLP Marquette Holding Company, LLC  
c/o LifePoint Hospitals  
103 Powell Court  
Brentwood, TN 37027  
Fax No.: 615-372-8572  
Attention: General Counsel

with a copy to: Duke University Health System, Inc.  
3100 Tower Blvd., Suite 600, Box 80  
Durham, North Carolina 27707  
Fax No.: 919-493-9159  
Attention: Paul Lindia

Waller Lansden Dortch & Davis, LLP  
Nashville City Center  
511 Union Street, Suite 2700  
Nashville, TN 37219  
Fax No. 615-244-6804  
Attention: W. Kenneth Marlow, Esq.

Duke University Health System, Inc.  
Office of Counsel  
310 Blackwell Street, 4th Floor  
Durham, North Carolina 27701  
Fax No.: 919-684-8725  
Attention: Christy M. Gudaitis, Esq.

or to such other address, and to the attention of such other person or officer as any party may designate by giving at least thirty (30) days notice to the other parties; provided, however, that delivery of a copy of a notice to the persons identified above to receive a copy shall not constitute satisfaction of the notice requirements of this Section 11.8.

11.9 Severability. In the event any provision of this Agreement is held to be invalid, illegal or unenforceable for any reason and in any respect, such invalidity, illegality or unenforceability shall in no event affect, prejudice or disturb the validity of the remainder of this Agreement, which shall be and remain in full force and effect, enforceable in accordance with its terms.

11.10 Gender and Number. Whenever the context of this Agreement requires, the gender of all words herein shall include the masculine, feminine and neuter, and the number of all words herein shall include the singular and plural.

11.11 Divisions and Headings. The division of this Agreement into sections and subsections and the use of captions and headings in connection therewith are solely for convenience and shall have no legal effect in construing the provisions of this Agreement.

11.12 No Third-Party Beneficiaries. Nothing expressed or referred to in this Agreement will be construed to give any Person other than the parties to this Agreement any legal or equitable right, remedy or claim under or with respect to this Agreement or any provision of this Agreement, except such rights as shall inure to a successor or permitted assignee pursuant to this Agreement.

11.13 Enforcement. Notwithstanding Section 11.12, Foundation shall have legal standing and be entitled to enforce this Agreement to the same extent as any member of Seller.

11.14 No Inferences. Inasmuch as this Agreement is the result of negotiations between sophisticated parties of equal bargaining power represented by counsel, no inference in favor of, or against, either party shall be drawn from the fact that any portion of this Agreement has been drafted by or on behalf of such party.

11.15 Tax and Medicare Advice and Reliance. Except as expressly provided in this Agreement, none of the parties (nor any of the parties' respective counsel, accountants or other representatives) has made or is making any representations to any other party (or to any other party's counsel, accountants or other representatives) concerning the consequences of the transactions contemplated hereby under applicable Tax laws or under the laws governing the Medicare program. Each party has relied solely

upon the Tax and Medicare advice of its own employees or of representatives engaged by such party and not on any such advice provided by any other party.

11.16 Knowledge. Whenever any statement herein or in any Schedule, Exhibit, certificate or other documents delivered to any party pursuant to this Agreement is made “to its knowledge” or words of similar intent or effect, such person shall be deemed to have knowledge of facts or other information or matters which, as of the date the representation is given, (a) are actually known to the person making such statement, which, with respect to persons that are corporations, limited liability companies or similar business entities (such as Seller and Buyer), means the knowledge of its officers, (b) are matters that such officers can reasonably be expected to know or learn in the course of his or her employment, (c) are matters with respect to which such person or its affiliates have received written notice on or before the Closing, or (d) are, with respect to Seller, matters reported through Seller’s compliance hotline or compliance program. With respect to Seller and for the purposes of this Section, A. Gary Muller, Jerry L. Worden, David Graser, Jan Hillman, Dagmar Raica, David Smith, Tom Noren, Regina Bergh, Mitch Leckett, Scott Tuma and Tami Seavoy, the Chief Executive Officer, Chief Financial Officer, Chief Operating Officer, Chief Integration Officer, Chief Nursing Officer, Senior Director of Human Resources, Chief Medical Officer, Vice President Finance, Vice President Support Services, Vice President Physician Practices and Regional Operations and In-House Legal Counsel respectively, of Seller, shall be considered officers of Seller for purposes of defining knowledge. With respect to Buyer and for the purposes of this Section, Jeff Seraphine and Jonathan Wall shall be considered officers of Buyer for purposes of defining knowledge.

11.17 Entire Agreement/Amendment. This Agreement supersedes all prior agreements, whether written or oral, between the parties with respect to its subject matter (including any memorandum of understanding and any confidentiality agreement among Seller and Buyer) and constitutes (along with the Schedules attached, Exhibits and other documents delivered pursuant to this Agreement) a complete and exclusive statement of the terms of the agreement among the parties with respect to its subject matter. This Agreement may not be amended, supplemented, or otherwise modified except by a written agreement executed by the party to be charged with the amendment.

11.18 Enforcement Expenses. In the event any party elects to incur legal expenses to enforce, defend or interpret any provision of this Agreement, as between it and any other party, the prevailing party shall be entitled to recover from the other party such legal expenses, including reasonable attorneys’ fees, costs and necessary disbursements, in addition to any other relief to which such party may be entitled.

11.19 Counterparts. This Agreement may be executed in one or more counterparts, each of which will be deemed to be an original copy of this Agreement and all of which, when taken together, will be deemed to constitute one and the same agreement. The exchange of copies of this Agreement and of signature pages by facsimile transmission or Portable Document Format (PDF) shall constitute effective execution and delivery of this Agreement as to the parties and may be used in lieu of the original Agreement for all purposes. Signatures of the parties transmitted by facsimile and PDF shall be deemed to be their original signatures for any purposes whatsoever.

11.20 Disclosure Schedules.

(a) The information in the Schedules attached constitute (i) exceptions to particular representations, warranties, covenants and obligations of Seller as set forth in this Agreement, or (ii) descriptions or lists of assets and liabilities and other items referred to in this Agreement. If there is any inconsistency between the statements in this Agreement and those in such Schedules (other than an exception expressly set forth in such Schedules with respect to a specifically identified representation or

warranty), the statements in this Agreement will control. The statements in the Schedules refer only to the provisions in the Section of this Agreement to which they expressly relate and not to any other provision in this Agreement.

(b) At any time prior to ten (10) days prior to the Closing Date, Seller shall be entitled to deliver to Buyer updates to the Schedules, provided that (i) such updates are clearly marked as such, (ii) any changes to the original Schedules are clearly identified, and (iii) any changes to the original Schedules relate only to items or events occurring after the date of this Agreement. The delivery by Seller of updated or substitute Schedules shall not prejudice any rights of Buyer or any other Buyer Indemnified Party under this Agreement, including the right to claim that the representations and warranties of Seller were or are untrue as of the applicable date. If such updates to the Schedules reflect, individually or in the aggregate, matters that are or may be material to the business or operations of the Businesses or the Assets or otherwise negatively impact the financial terms of the transactions contemplated by this Agreement from the perspective of Buyer, Buyer shall have the option to terminate the Agreement pursuant to Section 9.3. In the event Buyer elects not to terminate this Agreement as a result of an update to the Schedules and elects to consummate the transaction contemplated hereby, the updated or substitute Schedules shall replace, in whole or in part as the case may be, the Schedules previously delivered hereunder for all purposes. Notwithstanding the foregoing, nothing contained in this Section 11.20(b) shall in any way limit the condition set forth in Section 7.16.

11.21 Other Agreements. Prior to Closing, DUHS shall work with Seller and Buyer to complete an initial assessment of a clinical affiliation agreement to include consultative program support services, licensing and quality oversight of certain of the Hospital's clinical programs identified by DUHS, including the heart and cancer programs, and Seller and Buyer shall enter into a definitive clinical affiliation license and operational support agreement. Additionally, pursuant to the Limited Liability Company Agreement of DLP, Buyer agrees that, in the event the Hospital desires to enter into additional clinical affiliation agreements following Closing, DUHS shall have a right of first offer to provide such services.

**signature page follows**

**IN WITNESS WHEREOF**, the parties have caused this Agreement to be executed in multiple originals by their authorized officers, all as of the date and year first above written.

**SELLER:**

MARQUETTE GENERAL HOSPITAL, INC., a Michigan nonprofit corporation

By: \_\_\_\_\_

Name: Brad Cory

Title: Chairman

**BUYER:**

DLP MARQUETTE HOLDING COMPANY, LLC, a Delaware limited liability company

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

The undersigned, LifePoint Hospitals, Inc., a Delaware corporation, executes this Agreement solely for the purpose of agreeing to assure the obligations of DLP pursuant to the provisions of Sections 3.5, 5.7, 9.1, 9.10 and 11.5 and Article 10 of this Agreement.

LIFEPOINT:

LIFEPOINT HOSPITALS, INC., a Delaware corporation

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

The undersigned, Marquette General Foundation, Inc., a Michigan nonprofit corporation, executes this Agreement solely for the purpose of agreeing to assure the obligations of Seller pursuant to the provisions of Sections 3.5, 6.12, 9.1, 9.16 and 11.5 and Article 10 of this Agreement.

FOUNDATION:

MARQUETTE GENERAL FOUNDATION, INC., a Michigan nonprofit corporation

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_