

## CHARITABLE DONATION AGREEMENT

This Charitable Donation Agreement (this “Agreement”) is entered into as of November 30, 2013 and sets forth agreements among Portage Health Foundation, a Michigan nonprofit corporation (the “Foundation”), Portage Health, Inc., a Michigan nonprofit corporation (“PH”) and Copper County Apothecary, Inc., a Michigan corporation (“CCA”). PH and CCA are referred to collectively as “Portage Health”.

WHEREAS, PH, CCA, LifePoint Holdings 2, LLC, a Delaware limited liability company (“LifePoint Sub”) and Portage Holding Company, LLC, a Delaware limited liability company (“Joint Venture”) are parties to a Contribution Agreement, dated August 2, 2013, as amended (the “Contribution Agreement”) pursuant to which PH and CCA will contribute certain of their assets to the Joint Venture in exchange for cash consideration (the “Cash Consideration”) and Class A Unit (the “Units”) in the Joint Venture which is to occur November 30, 2013 (the “Transaction”).

WHEREAS, the Foundation is an independent Michigan nonprofit directorship corporation, formerly controlled by PH by virtue of PH appointing the Foundation’s board of directors;

WHEREAS, after completion of the Transaction, Portage Health desires to make charitable contribution to the Foundation from time to time to be used by the Foundation for the purposes specified in this Agreement;

WHEREAS, after the completion of the Transaction, PH desires to assign the Units to the Foundation and have the Foundation assume PH’s obligations with respect to the Units; and

WHEREAS, the Foundation desires to accept the charitable contributions and the assignment of the Units;

NOW, THEREFORE, in consideration of the foregoing and mutual promises contained herein, the parties agree as follows:

### **Section 1. Additional Background.**

1.1. The Foundation is a private charitable foundation organized under the provisions of Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the “Code”), in order to further the charitable intent established by the board of directors of the Foundation.

1.2. The parties desire the charitable contribution made by this Agreement to be made in compliance with all of the applicable provisions of the Code, and accompanying Treasury Regulations governing charitable organizations formed in accordance with the Code, as interpreted and applied by the Internal Revenue Service.

### **Section 2. Gifts, Contribution and Donation.**

2.1. Within thirty (30) days of the consummation of the Transaction (i) PH will assign and transfer the Units to the Foundation and the Foundation will accept the assignment of the Units and become a party to and bound by the terms of the Amended and Restated Limited Liability Company Agreement of the Joint Venture, as amended pursuant to an Amendment to the Amended and Restated Limited Liability Company Agreement executed by the Foundation, in the place and stead of PH and (ii) Portage Health will make a cash gift to the Foundation of \$20,000,000.

2.2. From time to time after the Closing at such times as determined by Portage Health, Portage Health will make additional gifts to the Foundation out of the available cash of Portage Health as it collects its assets and pays and settles its liabilities.

**Section 3. Covenants – Use of Donations.**

The Foundation agrees that all donations from Portage Health and all amounts earned by investing such donations including any amounts received with respect to or as a result of the Units (collectively, the “Portage Donations”) shall be used by the Foundation only for the Agreed Purpose. “Agreed Purpose” shall mean supporting and promoting the delivery of healthcare in Michigan’s Western Upper Peninsula which encompasses Houghton County, Keweenaw County, Baraga County and Ontonagon County, including through ownership of the Units and supporting the health and well-being of the citizens in Michigan’s Western Upper Peninsula.

**Section 4. Beneficiary of Foundation.**

Subject to Section 3, the actual beneficiaries of the Portage Donations shall be at the sole discretion of the Foundation; provided that such beneficiary shall be either an organization described in 501(c)(3) of the Internal Revenue Code (the “Code”) or an organization that is contractually obligated to use any Foundation grants solely for tax-exempt purposes described in Code Section 501(c)(3) and shall otherwise be selected pursuant to and in accordance with the Foundation’s governing documents.

**Section 5. Notices.**

All notices, requests, demands and other communications under this Agreement shall be in writing, shall be addressed as follows, and shall be deemed to have been duly given on the date of delivery:

To Portage Health: Portage Legacy, Inc.  
500 Campus Drive  
Hancock, MI 49930

with a copy to:  
Locke Lord LLP  
111 South Wacker Drive  
Chicago, Illinois 60606

Attention: Randy Hack, Esq.

To the Foundation: Portage Health Foundation  
500 Campus Drive  
Hancock, MI 49930

And Clark Hill PLC  
500 Woodward Avenue, Suite 3500  
Detroit, MI 48226  
Attention: Duane L. Tarnacki

Either party may change its address for purposes of this Section 5 by giving the other party written notice of the new address in the manner set forth above.

**Section 6. Miscellaneous.**

6.1. This Agreement and the agreements and instruments to be executed and delivered hereunder set forth the entire agreement of the parties with respect to the subject matter hereof and supersede and discharge all prior agreements (written or oral) and negotiations and all contemporaneous oral agreements concerning such subject matter and negotiations.

6.2. Unless expressly agreed in writing by the applicable party, neither the failure of nor any delay by any party to this Agreement to enforce any right hereunder or to demand compliance with its terms is a waiver of any right hereunder. No action taken pursuant to this Agreement on one or more occasions is a waiver of any right hereunder or constitutes a course of dealing that modifies this Agreement.

6.3. No waiver of any right or remedy under this Agreement shall be binding on any party unless it is in writing and is signed by the party to be affected. No such waiver of any right or remedy under any term of this Agreement shall in any event be deemed to apply to any subsequent default under the same or any other term contained herein.

6.4. No amendment, modification or termination of this Agreement shall be binding on any party hereto unless it is in writing and is signed by the party to be charged.

6.5. The terms of this Agreement shall be binding upon and inure to the benefit of the parties and their respective personal representatives or corporate successors.

6.6. Nothing herein expressed or implied is intended or shall be construed to give any person other than the parties hereto any rights or remedies under this Agreement.

6.7. This Agreement shall be deemed to have been prepared jointly by the parties hereto. Any ambiguity herein shall not be interpreted against any party hereto and shall be interpreted as if each of the parties hereto had prepared this Agreement.

6.8. This Agreement may be executed in any number of counterparts, all of which shall constitute one and the same instrument, and any party hereto may execute this Agreement by signing and delivering one or more counterparts.

6.9. This Agreement shall be governed by the laws of the State of Michigan without regard to provisions regarding conflicts of law.

6.10. It is the intent of the parties that this Agreement and the contributions contemplated hereby shall for all purposes be treated as a charitable contribution made to an organization organized and operated under Section 501(c)(3) of the Code. It is intended that the charitable contributions made by this Agreement be used for charitable, educational or scientific purposes as permitted to an organization organized and operated under Section 501(c)(3) of the Code.

*[Signature Page to Follow]*

IN WITNESS WHEREOF, the parties have executed this Agreement as of the Effective Date.

:

PORTAGE HEALTH, INC., a Michigan nonprofit corporation

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

COPPER COUNTRY APOTHECARIES, INC., a Michigan corporation

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

PORTAGE HEALTH FOUNDATION, a Michigan nonprofit corporation

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