

SETTLEMENT AGREEMENT AND RELEASE

I. PARTIES

This Settlement Agreement ("Agreement") is entered into by and among:

A. The United States of America, acting through the United States Department of Justice, on behalf of the United States Department of Health and Human Services through its Office of Inspector General (HHS-OIG) and the TRICARE Management Activity (TMA) (formerly the Office of the Civilian Health and Medical Program of the Uniformed Services), through its General Counsel, through their authorized representatives (collectively, the "United States");

B. QUORUM HEALTH GROUP, INC. ("QHG"), a Delaware corporation; QUORUM HEALTH RESOURCES, LLC ("QHR"), a Delaware limited liability company and wholly-owned subsidiary of QHG (f/k/a QUORUM HEALTH RESOURCES, INC. and f/k/a HCA MANAGEMENT COMPANY) (QHG and QHR collectively will be referred to as "Quorum") and the following entities: BARBERTON HEALTH SYSTEM, LLC, BATON ROUGE HEALTH SYSTEM, LLC, CLINTON COUNTY HEALTH SYSTEM, LLC, IOM HEALTH SYSTEM, L.P., MARY BLACK HEALTH SYSTEM, LLC, MASSILLON HEALTH SYSTEM, LLC, NC-CNH, INC., N/K/A QHG GEORGIA HOLDINGS, INC., NC-PSH, INC., NC-CCH, INC., NC-CRMC, INC., NC-CSH, INC., NC-DSH, INC., NC-MGH, INC., N/K/A QHG GEORGIA HOLDINGS, INC., NC-SCHI, INC., NC-SCHC, INC., QHG OF JACKSONVILLE, INC., QHG OF TEXAS, INC., QHG OF MINOT, INC., QHG OF OHIO INC., QHG OF GADSDEN, INC., QHG OF LAKE CITY, INC., QHG OF ALABAMA, INC., QHG OF SOUTH CAROLINA, INC., QHG OF SPRINGDALE, INC., QHG OF KENMARE, INC., QHG OF ENTERPRISE, INC., ST. JOSEPH HEALTH SYSTEM, LLC, VICKSBURG HEALTHCARE, LLC, RIVER REGION MEDICAL CORP., WESLEY HEALTH SYSTEM, LLC, ABILENE REGIONAL MEDICAL CENTER, BARBERTON-CITIZENS HOSPITAL, BATES MEDICAL CENTER, CAROLINAS HOSPITAL SYSTEM, CLINTON COUNTY HOSPITAL, DOCTORS HOSPITAL OF STARK COUNTY, FLOWERS HOSPITAL, GADSDEN REGIONAL MEDICAL CENTER, JACKSONVILLE HOSPITAL, KENMARE

HOSPITAL, KINGSTREE HOSPITAL, LAKE CITY COMMUNITY HOSPITAL, LUTHERAN MEDICAL CENTER, MARY BLACK HOSPITAL, MEDICAL CENTER OF ENTERPRISE, NORTHWEST MEDICAL CENTER, PARK MEDICAL CENTER, PARKVIEW REGIONAL MEDICAL CENTER, ST. JOSEPH MEDICAL CENTER, SUMMIT HOSPITAL, UNIMED MEDICAL CENTER, VICKSBURG MEDICAL CENTER, and WESLEY MEDICAL CENTER (collectively, all of these entities will be referred to as the "Defendants"); and

C. James F. Alderson ("Relator").

Collectively, all of the above entities and persons will be referred to as the "Parties" and individually as a "Party."

II. PREAMBLE

A. In order to avoid the delay, uncertainty, inconvenience and expense of continued protracted litigation, the Parties are entering into this Agreement for a full and final settlement of the case styled United States ex rel. Alderson v. Quorum Health Group, Inc., Case No. 99-413-CIV-T-23B (Middle District of Florida) ("the Action") and of other matters addressed by this Agreement.

B. The Complaint in the Action alleges that at various times from at least January 1, 1985 through February 24, 1999, some or all of the Defendants violated federal statutes and/or common law and equitable doctrines as a result of certain cost reporting practices, as set forth in the Complaint.

C. All of the United States' and Relator's allegations in the Complaint in the above-captioned Action and in the United States' and Relator's Complaint in the predecessor action, United States ex rel. Alderson v. Columbia/HCA Healthcare Corporation, et al., Case No. 97-2035-CIV-T-23E (Middle District of Florida) (the "Predecessor Action") (collectively, the "Complaints"), are referred to jointly as the "Covered Conduct."

D. The United States also contends that it has certain administrative claims against Defendants and others under the provisions for permissive exclusion from Medicare, Medicaid,

and other federal health care programs, 42 U.S.C. § 1320a-7(b), and the provisions for civil monetary penalties, 42 U.S.C. § 1320a-7a, for the Covered Conduct.

E. Defendants contend that their cost reporting practices were appropriate and lawful and did not result in any violations of federal or state law or common law and equitable doctrines; and further specifically deny and affirmatively contest the allegations of the Complaints.

F. To avoid the delay, expense, inconvenience, and uncertainty of protracted litigation of these claims, the Parties mutually desire to reach a full and final compromise of the Action and of the claims that the United States and Relator have against Defendants for the Covered Conduct pursuant to the Terms and Conditions set forth below.

III. TERMS AND CONDITIONS

NOW, THEREFORE, in reliance upon the representations contained herein, in consideration of the mutual promises, covenants, and obligations in this Agreement, and for good and valuable consideration, receipt of which is hereby acknowledged, the Parties agree as follows:

1. QHG, on its own behalf and on behalf of all Defendants, shall pay to the United States the sum of (a) Seventy-Seven Million Five Hundred Thousand Dollars (\$77,500,000) plus (b) interest thereon from October 2, 2000 until the Payment Date (as defined below) at the rate of seven and one-quarter percent (7.25%) per annum, compounded quarterly, plus (c) Five Million Dollars (parts (a), (b) and (c) collectively, the "Settlement Amount"), upon QHG's receipt of actual notice that the Dismissal described in Paragraph 14 of this Agreement has been filed and docketed by the Court (the "Dismissal Date"). QHG shall pay the Settlement Amount to the United States by electronic funds transfer, according to written instructions to be provided by the Department of Justice, in a single lump-sum payment within ten (10) business days of the Dismissal Date (the "Payment Date"). QHG shall pay to Relator's counsel, Phillips & Cohen, LLP, (1) the principal sum of \$2,604,513.96, plus accrued interest, plus (2) the sum of \$165,500, in satisfaction of Relator's claim for reasonable attorneys' fees, disbursements, expenses incurred,

and costs arising out of the representation of Relator in the Action pursuant to 31 U.S.C. § 3730(d) (parts (1) and (2) collectively, "Fees and Expenses"). Interest on part 1 of such Fees and Expenses shall accrue on the same terms as set forth in part (b) above, with respect to payment of part (a) of the Settlement Amount to the United States. QHG shall pay the Fees and Expenses to Phillips & Cohen, LLP by electronic funds transfer according to written instructions to be provided by Phillips & Cohen, LLP in a single lump sum payment within ten (10) business days of the Dismissal Date. Relator and Relator's Counsel (as defined in ¶ 10(d) below) acknowledge that such payment shall be in satisfaction of any and all claims for fees, expenses, disbursements and other costs held by Relator and/or any of Relator's Counsel in connection with the Action or the Predecessor Action, whether under 31 U.S.C. § 3730(d) or otherwise.

2. QHG shall be in default of this Agreement if it fails to pay the Settlement Amount when such payment is due and payable. Upon occurrence of a default by QHG, the United States may exercise, at its sole option, any and all rights and remedies it has or may have under law and equity. No failure or delay on the part of the United States to exercise any right or remedy shall operate as a waiver of the United States' rights. No single or partial exercise by the United States of any right or remedy shall operate as a waiver of the United States' rights. Relator and/or the United States shall be in default of this Agreement if they fail to file the Dismissal as required by Paragraph 14. Upon such default, interest on the Settlement Amount will cease to accrue, and Defendants may, at their sole option, unilaterally terminate this Agreement.

3. Subject to the exceptions and limitations in Paragraph 8 below, in consideration of Defendants' obligations as set forth in this Agreement, conditioned upon payment in full of the Settlement Amount, and subject to Paragraph 20 below (concerning bankruptcy proceedings commenced within 91 days of any payment under this Agreement), the United States, on behalf of itself, and its officers, agents, agencies, and departments, will release and will be deemed to have released Defendants and their predecessors, successors (including Triad Hospitals, Inc. and its subsidiaries and affiliates), and current and former parents, affiliates, divisions, subsidiaries,

assigns and transferees, and all current and former officers, directors or employees of a Defendant for whom a Defendant has a contractual or other legal obligation to repay, defend or advance the costs of defense by claim for indemnification, contribution, reimbursement or otherwise as a result of a claim brought by the United States for the Covered Conduct ("Additional Released Parties"), from any civil or administrative monetary claim (including administrative recoupment claims for the Covered Conduct on settled cost reports and adjustments for Covered Conduct in open cost reports) or equitable remedy that the United States has or may have for the Covered Conduct under the False Claims Act, 31 U.S.C. §§ 3729-3733; the Program Fraud Civil Remedies Act, 31 U.S.C. §§ 3801-3812; the Civil Monetary Penalties Law, 42 U.S.C. § 1320a-7a; or common law or equitable claims for fraud, or under the theories of payment by mistake of fact, breach of contract, disgorgement, unjust enrichment, or any other theory or action within the authority and jurisdiction of the Commercial Litigation Branch of the Civil Division of the United States Department of Justice for the Covered Conduct. HCA - The Healthcare Company, f/k/a Columbia/HCA Healthcare Corporation, is not released from any liability other than liability for the Covered Conduct of HCA Management Company.

4. Subject to the exceptions and limitations in Paragraph 8 below, in consideration of Defendants' obligations as set forth in this Agreement, conditioned upon payment in full of the Settlement Amount, and subject to Paragraph 20 below (concerning bankruptcy proceedings commenced within 91 days of any payment under this Agreement), the United States, on behalf of itself, and its officers, agents, agencies, and departments, will release and will be deemed to have released all current and former clients of QHR, their successors, and their current and former parents, affiliates, divisions, subsidiaries, assigns and transferees (collectively, the "Managed Hospital Clients") from any civil or administrative monetary claim (including administrative recoupment claims for the Covered Conduct on settled cost reports and adjustments for Covered Conduct in open cost reports) that the United States has or may have for the Covered Conduct under the False Claims Act, 31 U.S.C. §§ 3729-3733; the Program Fraud Civil Remedies Act, 31 U.S.C. §§ 3801-3812; the Civil Monetary Penalties Law, 42 U.S.C. §

1320a-7a; or common law or equitable claims for fraud, or under the theories of payment by mistake of fact, disgorgement, unjust enrichment, or any other theory or action within the authority and jurisdiction of the Commercial Litigation Branch of the Civil Division of the United States Department of Justice for the Covered Conduct. The release set forth in this paragraph is further conditioned upon the Managed Hospital Clients' agreement to the provisions related to Unallowable Costs as defined in and contained in Paragraphs 12 and 13 of this Agreement. Upon the submission of a completed and executed original of Exhibit A to this Agreement within one hundred eighty (180) days of the Payment Date to the Department of Justice, Civil Division, Commercial Litigation Branch, 601 D Street, N.W., Washington, D.C. 20004, Attention: Arnold M. Auerhan, the Managed Hospital Clients shall be deemed to be released as set forth in this paragraph effective as of the date of this Agreement. The period for submission of Exhibit A may be extended by mutual agreement between QHR and the United States or between a Managed Hospital Client and the United States.

5. Contemporaneous herewith, QHG has entered into a Corporate Integrity Agreement ("CIA") with HHS-OIG, which is incorporated into this Agreement by reference. QHG will implement its obligations under the CIA pursuant to the terms set forth in the CIA. Any breach or alleged breach of the CIA shall not be considered a breach of this Agreement and shall be resolved and remedied solely pursuant to the terms and conditions of the CIA.

6. In consideration of the obligations of Quorum set forth in this Agreement, including, but not limited to, the execution of the CIA, and conditioned upon payment in full of the Settlement Amount, and subject to Paragraph 20 below (concerning bankruptcy proceedings commenced within 91 days of any payment under this Agreement), HHS-OIG agrees to release and refrain from instituting, directing, or maintaining any administrative claim or any action seeking exclusion from the Medicare, Medicaid, or other Federal health care programs (as defined in 42 U.S.C. § 1320a-7b(f)) against Defendants under 42 U.S.C. § 1320a-7a (Civil Monetary Penalties Law) or 42 U.S.C. § 1320a-7(b) (permissive exclusion) for the Covered Conduct, except as reserved in Paragraph 8 below and as reserved in this Paragraph. HHS-OIG

expressly reserves all rights to comply with any statutory obligations to exclude Defendants from the Medicare, Medicaid, or other Federal health care programs under 42 U.S.C. § 1320a-7(a) (mandatory exclusion). Nothing in this Paragraph precludes HHS-OIG from taking action against entities or persons for conduct and practices for which civil claims have been reserved in Paragraph 8 below.

7. In consideration of the obligations of Quorum set forth in this Agreement, conditioned upon payment in full of the Settlement Amount, and subject to Paragraph 20 below (concerning bankruptcy proceedings commenced within 91 days of any payment under this Agreement), the TMA agrees to release and refrain from instituting, directing, or maintaining any administrative claim or any action seeking exclusion from the TRICARE program under 32 C.F.R. § 199.9 against Defendants and their current and former directors, officers, trustees and employees for the Covered Conduct, except as reserved in Paragraph 8 below and as reserved in this Paragraph. The TMA expressly reserves all rights to comply with any statutory obligations to exclude Defendants from the TRICARE program under 32 C.F.R. §§ 199-9(f)(1)(i)(A), (f)(1)(i)(B), (f)(1)(i)(D), and (f)(1)(iii). Nothing in this Paragraph precludes the TMA from taking action against entities or persons, or for conduct or practices, for which civil claims have been reserved in Paragraph 8 below.

8. Notwithstanding any other terms of this Agreement, specifically reserved and excluded from the scope and terms of this Agreement as to Defendants, the Additional Released Parties, the Managed Hospital Clients, or any other entity or person are any and all of the following:

- a. Any potential criminal, civil or administrative claims arising under Title 26, U.S. Code (Internal Revenue Code);
- b. Any criminal liability;
- c. Except as explicitly stated in the Agreement, any administrative liability, including mandatory exclusion from Federal health care programs;

- d. Any potential liability to the United States (or any agencies thereof) for any conduct other than the Covered Conduct;
- e. Any claims based upon such obligations as are created by this Agreement;
- f. Any express or implied warranty claims or other claims for defective or deficient products or services, including quality of goods or services, provided by Defendants or the Managed Hospital Clients;
- g. Any claims for personal injury or physical damage to property arising from the Covered Conduct; or
- h. Any claims based on a failure to deliver items or services due.

9. Relator and his counsel agree that the settlement is fair, adequate, and reasonable under all the circumstances, and they further agree that they accept the terms and conditions of this Agreement and that they will not object and will waive any objection pursuant to 31 U.S.C. § 3730(c)(2)(B) to the terms and conditions of this Agreement. In addition, neither the Relator nor Relator's Counsel (as defined in ¶ 10(d) below) will take any action to prevent or delay the filing of the Dismissal as required by Paragraph 14 below or to challenge the Settlement Amount.

10. (a) The United States agrees to pay Relator 15% of the Seventy-Seven Million, Five Hundred Thousand Dollars (\$77,500,000) and 15% of the interest thereon from October 2, 2000 through the date of payment by QHG to the United States that QHG pays the United States as parts (a) and (b) of the Settlement Amount (as defined in Paragraph 1 of this Agreement) within 21 days after the United States receives payment of the Settlement Amount from QHG. The amount paid by the United States pursuant to this Paragraph shall be credited against the total Relator's share of the Settlement Amount which may be awarded pursuant to paragraph 10(b). Such payment will be made by wire transfer to the client trust account maintained by Relator's counsel, Phillips & Cohen, in accordance with instructions to be provided by Phillips & Cohen.

(b) The United States and Relator agree that all other Relator's shares issues that remain between them shall otherwise not be affected by payment of this 15% amount of parts (a) and (b).

of the Settlement Amount. The United States and Relator further agree that the United States District Court for the Middle District of Florida, Tampa Division, shall retain jurisdiction over this matter to the extent necessary to resolve all remaining issues between the United States and Relator regarding Relator's claim to additional relief from the United States regarding Relator's share of the Settlement Amount. This Agreement does not resolve or in any manner affect any claims that the United States has or may have against Relator arising under Title 26, U.S. Code (Internal Revenue Code) or any claims arising under this Agreement.

(c) Relator affirmatively represents and warrants that he has filed no other lawsuits against any of the Defendants, any of the Additional Released Parties, or any of the Managed Hospital Clients, and that he is aware of no facts, other than the disputed facts arising from the Covered Conduct, which he believes could be the basis for an action against any of the Defendants, any of the Additional Released Parties, or any of the Managed Hospital Clients, under any statutory, common law or other theory. Relator, on his own behalf and on behalf of his agents, executors, administrators, successors, heirs and/or assigns, releases Defendants, the Additional Released Parties, and the Managed Hospital Clients from any and all claims or causes of action, whether in law or equity and whether known or unknown, whether suspected or unsuspected, without any limitation or restriction, except as expressly noted below in Paragraph 10(e), that Relator has against Defendants, the Additional Released Parties and/or the Managed Hospital Clients as of the date of this Agreement. Relator further agrees that he will not assist others (excluding the United States or its agencies) in bringing any claims, actions, or suits against the Defendants, the Additional Released Parties and/or the Managed Hospital Clients, except in accordance with service of legal process or otherwise as required by law. Except as expressly noted below in Paragraph 10(e), this Release shall be fully and unconditionally effective upon QHG's satisfaction of its payment obligation under Paragraph 1 of this Agreement, irrespective of whether the United States pays the Relator any sums to which the Relator claims he is entitled, and irrespective of any other event.

(d) As used in this Agreement, "Relator's Counsel" shall include any and all attorneys who have represented Relator in connection with the Action and the Predecessor Action, on their own behalf and on behalf of their agents, executors, administrators, successors, heirs and/or assigns. By signing this Agreement, Relator's Counsel release Defendants, the Additional Released Parties, and the Managed Hospital Clients from any and all claims or causes of action that they have or might have against Defendants, the Additional Released Parties and/or the Managed Hospital Clients as of the date of the signing of this Agreement for fees, expenses, disbursements and other costs related to this action. By signing this Agreement, Relator's Counsel also release Defendants, the Additional Release Parties, and the Managed Hospital Clients from any claim Relator's Counsel currently have or may have in their own right as potential qui tam relators against Defendants, the Additional Released Parties and/or the Managed Hospital Clients as of the date of the signing of this Agreement. Except as expressly noted below in Paragraph 10(e), this Release shall be fully and unconditionally effective upon QHG's satisfaction of its payment obligation under Paragraph 1 of this Agreement, irrespective of whether the United States pays the Relator any sums to which the Relator claims he is entitled, and irrespective of any other event.

(e) Notwithstanding any of the above provisions, if any Additional Released Party or Managed Hospital Client shall bring or help another (excluding the United States or its agencies) bring any kind of legal action or claim against Relator or Relator's Counsel for conduct occurring prior to the signing of this Agreement, except help provided another in accordance with service of legal process or otherwise as required by law, the releases provided by Relator and Relator's Counsel pursuant to this Agreement shall become null and void as to such Additional Released Party or Managed Hospital Client.

(f) Quorum, on its own behalf and on behalf of its agents, attorneys, predecessors, successors, and assigns releases Relator and Relator's Counsel from any and all claims or causes of action, whether in law or equity and whether known or unknown, that Quorum has against Relator and Relator's Counsel as of the date of this Agreement.

11. The Settlement Amount that Defendants must pay pursuant to this Agreement by electronic wire transfer pursuant to Paragraph 1 above will not be decreased as a result of the denial of claims for payment now being withheld from payment by any Medicare carrier or intermediary or TRICARE carrier or intermediary or any State payer related to the Covered Conduct, and Defendants agree not to resubmit to any Medicare carrier or intermediary or TRICARE carrier or intermediary or any State payer any previously-denied claims related to the Covered Conduct and agree not to appeal any such denials of claims. The United States agrees that it and its agents will not make adjustments for the Covered Conduct in open cost reports for Quorum-owned hospitals.

12. Defendants and the Managed Hospital Clients that submit a completed and executed Exhibit A pursuant to Paragraph 4 of this Agreement (“participating Managed Hospital Clients”) agree that all costs (as defined in the Federal Acquisition Regulations (“FAR”) § 31.205-47 and in Titles XVIII and XIX of the Social Security Act, 42 U.S.C. §§ 1395-1395ggg (1999) and 1396-1396v (1997), and the regulations promulgated thereunder) incurred by or on behalf of Defendants, the participating Managed Hospital Clients, and their affiliates, divisions, and subsidiaries, and their current and former directors, officers, employees, shareholders and agents in connection with the matters covered by this Agreement (other than the costs which are included within the Covered Conduct), including without limitation: (a) the United States' audits, investigation and prosecution of Defendants; (b) Defendants’ and the participating Managed Hospital Clients’ investigation, defense, and corrective actions undertaken in response to the United States' audits, investigation and litigation of the Covered Conduct, and including the obligations undertaken pursuant to the CIA to: (i) retain an independent review organization to perform annual reviews as described in section III.D. of the CIA; and (ii) prepare and submit reports to the OIG-HHS (these are the only obligations undertaken pursuant to the CIA that are Unallowable Costs pursuant to this Agreement; however, nothing in this Agreement affects the status of costs that are not allowable based on any other authority applicable to Defendants); (c) the negotiation and performance of this Agreement; and (d) the payments made to the United

States provided for in this Agreement and to Relator for attorney's fees and costs are unallowable costs on Government contracts and under the Medicare program, Medicaid program, and TRICARE program (hereafter, "Unallowable Costs"). Defendants and the participating Managed Hospital Clients shall separately determine and account for these Unallowable Costs in non-reimbursable cost centers and shall neither charge such costs, directly or indirectly, to any contracts with the United States or any state Medicaid program, nor seek payment for such Unallowable Costs through any cost report, cost statement, information statement or payment request submitted by Defendants, the participating Managed Hospital Clients, or any of their affiliates, divisions, or subsidiaries to the Medicare, TRICARE, and/or Medicaid programs.

13. Defendants and the participating Managed Hospital Clients further agree that within 60 days of the effective date of this Agreement (or for a participating Managed Hospital Client, within 180 days of the submission of a completed and executed Exhibit A), they will identify to applicable Medicare and TRICARE fiscal intermediaries, carriers and/or contractors and Medicaid fiscal agents, any Unallowable Costs (as defined above) included in payments previously sought from the United States or any Medicaid program, including, but not limited to, payments sought in any cost reports, cost statements, information reports, or payment requests already submitted by Defendants and the participating Managed Hospital Clients or any of their affiliates, divisions, or subsidiaries and will request, and agree, that such cost reports, cost statements, information reports, or payment requests, even if already settled, be adjusted to account for the effect of the inclusion of the Unallowable Costs. Defendants and the participating Managed Hospital Clients agree that the United States will be entitled to recoup from them any overpayment as a result of the inclusion of such Unallowable Costs on previously-submitted cost reports, information reports, cost statements, or requests for payment. Any payments due after the adjustments have been made shall be paid to the United States pursuant to the direction of the Department of Justice and/or the affected agencies. The United States reserves its rights to disagree with any calculations submitted by Defendants and the participating Managed Hospital Clients, or any of their affiliates, divisions, or subsidiaries, on

the effect of inclusion of Unallowable Costs on Defendants and the participating Managed Hospital Clients or any of their affiliates, divisions, or subsidiaries' cost reports, cost statements, or information reports. Nothing in this Agreement shall constitute a waiver of the rights of the United States to examine or reexamine the Unallowable Costs described above or of Defendants and the participating Managed Hospital Clients to disagree with or contest any determination by the United States. A failure by any of the participating Managed Hospital Clients to comply with the obligations set forth in Paragraphs 12 and 13 of this Agreement shall not be deemed a breach of this Agreement by Defendants.

14. Within five days after this Agreement is fully executed, the Parties will submit a stipulated joint dismissal with prejudice, attached as Exhibit B (the "Dismissal"), to the United States District Court for the Middle District of Florida (Tampa Division), which the Parties agree shall retain jurisdiction in an event of default and in the event of a dispute under this Agreement, except that any disputes under the CIA shall be resolved and remedied pursuant to the dispute resolution provisions thereunder. The Parties further agree that the United States District Court for the Middle District of Florida (Tampa Division) shall retain jurisdiction to resolve any Relator's share issues between the United States and Relator that are not settled pursuant to this Agreement or future negotiations between the United States and Relator.

15. Defendants release and will be deemed to have released the United States, its agencies, employees, servants, and agents from any claims (including attorney's fees, costs, and expenses of every kind and however denominated) which Defendants have or may have against the United States, its agencies, employees, servants, and agents, for the United States' investigation and prosecution of Defendants in this Action.

16. Defendants agree that they will not seek payment for any of the health care billings covered by this Agreement from any health care beneficiaries or their parents, sponsors, estates, heirs, successors, or assigns. Defendants waive any causes of action against these beneficiaries or their parents, sponsors, estates, heirs, successors, or assigns based upon the claims for payment covered by this Agreement.

17. Defendants waive and will not assert defenses to any criminal prosecution or administrative action for the Covered Conduct based on the Double Jeopardy Clause of the Fifth Amendment of the Constitution or the Excessive Fines Clause of the Eighth Amendment of the Constitution. Defendants agree that this settlement is not punitive in purpose or effect. Nothing in this Agreement constitutes an agreement by the United States or Defendants concerning the characterization of the Settlement Amounts for purposes of any proceeding under Title 26 of the Internal Revenue Code.

18. Except as provided in Paragraph 1 above, each Party to this Agreement will bear his or its own legal and other costs incurred in connection with this matter, including, but not limited to, all costs incurred in the investigation and defense of this matter and the preparation and performance of this Agreement.

19. Quorum expressly represents and warrants that it has reviewed its financial condition and that it currently is solvent within the meaning of 11 U.S.C. § 547(b)(3), and, that it expects to remain solvent following payment to the United States hereunder. Further, the Parties expressly represent and warrant that, in evaluating whether to execute this Agreement, they: (a) have intended that the mutual promises, covenants, and obligations set forth herein constitute a contemporaneous exchange for new value given to Quorum within the meaning of 11 U.S.C. § 547(c)(1); and (b) have concluded that these mutual promises, covenants, and obligations do, in fact, constitute such a contemporaneous exchange.

20. In the event Quorum commences, or a third party commences, within 91 days of payment under of this Agreement, any case, proceeding, or other action (i) under any law relating to bankruptcy, insolvency, reorganization, or relief of debtors, seeking to have any order for relief of Quorum's debts, or seeking to adjudicate Quorum as bankrupt or insolvent; or (ii) seeking appointment of a receiver, trustee, custodian, or other similar official for Quorum or for all or any substantial part of Quorum's assets, Quorum agrees as follows:

a. Quorum's obligations under this Agreement may not be avoided pursuant to 11 U.S.C. § 547, and Quorum will not argue or otherwise take the position in any such case, proceeding, or

action that: (i) Quorum's obligations under this Agreement may be avoided under 11 U.S.C. § 547; (ii) Quorum was insolvent at the time this Agreement was entered into or became insolvent as a result of the payment made to the United States hereunder; or (iii) the mutual promises, covenants, and obligations set forth in this Agreement do not constitute a contemporaneous exchange for new value given to Quorum;

b. In the event that Quorum's obligations hereunder are avoided pursuant to 11 U.S.C. § 547, including, but not limited to, through the exercise of a trustee's avoidance powers under the Bankruptcy Code, the United States, at its sole option, may rescind the releases in this Agreement and bring any civil and/or administrative claim, action, or proceeding against Quorum for the claims that would otherwise be covered by the releases provided in Paragraphs 3, 4, 6, and 7 above. If the United States chooses to do so, Quorum agrees that (i) any such claims, actions, or proceedings brought by the United States (including any proceedings to exclude Quorum from participation in Medicare, Medicaid, or other Federal health care programs) are not subject to an "automatic stay" pursuant to 11 U.S.C. § 362(a) as a result of the action, case, or proceeding described in the first clause of this Paragraph and that Quorum will not argue or otherwise contend that the United States' claims, actions, or proceedings are subject to an automatic stay, (ii) that Quorum will not plead, argue, or otherwise raise any defenses under the theories of statute of limitations, laches, estoppel, or similar theories, to any such civil or administrative claims relating to the Covered Conduct, actions, or proceeding which are brought by the United States within 90 calendar days of written notification to Quorum that the releases herein have been rescinded pursuant to this Paragraph, except to the extent such defenses were available on January 5, 1993; and (iii) the United States has a valid claim against Quorum in the amount of the default obligation and the United States may pursue its claim, inter alia, in the case, action, or proceeding referenced in the first clause of this Paragraph, as well as in any other case, action, or proceeding; and

c. Quorum acknowledges that its agreements in this Paragraph are provided in exchange for valuable consideration provided in this Agreement.

21. Defendants and the Relator represent that this Agreement is freely and voluntarily entered into.

22. This Agreement is governed by the laws of the United States. The Parties agree that the exclusive jurisdiction and venue for any disputes arising between and among the Parties under this Agreement will be the United States District Court for the Middle District of Florida (Tampa Division), except that disputes arising under the CIA shall be resolved and remedied exclusively upon the dispute resolution provisions set forth in the CIA.

23. The undersigned Quorum signatories represent and warrant that they are authorized by their respective Board of Directors to execute this Agreement. The undersigned United States signatories represent that they are signing this Agreement in their respective official capacities and that they are authorized to execute this Agreement.

24. Except for the representations in Paragraph 19 (regarding solvency) and Paragraph 20 (concerning bankruptcy proceedings commenced within 91 days of payment under this Agreement), the Parties agree that nothing in this Agreement constitutes an admission by any Party, person or entity with respect to any allegation raised and with regard to the Covered Conduct or to any issue of law or fact, nor does it constitute any admission or evidence of wrongdoing by any Party, person or entity. The Parties further agree that this Agreement may not be admitted in any proceeding to prove culpability or liability of a Party hereto or of any past or present affiliate, subsidiary, agent, employee, parent, director, officer or representative of any Party.

25. This Agreement shall be binding on all successors, transferees, heirs, and assigns.

26. This Agreement, together with the CIA, constitute the complete agreement among the Parties with regard to the Covered Conduct. This Agreement may not be amended except by written consent of all of the Parties, except only QHG and HHS-OIG must agree in writing to the amendment of the CIA.

27. This Agreement may be executed in counterparts, each of which shall constitute an original and all of which shall constitute one and the same Agreement.

28. This Agreement shall be effective on the date of signature of the last signatory to the Agreement (the "Effective Date").

UNITED STATES OF AMERICA


By: Arnold M. Auerhan Dated: 4/23/01
JOYCE R. BRANDA
ARNOLD M. AUERHAN
Civil Division
United States Department of Justice

By: _____ Dated: _____
LEWIS MORRIS
Assistant Inspector General
Office of Inspector General
U.S. Department of Health and Human
Services

By: _____ Dated: _____
ROBERT L. SHEPHERD
Deputy General Counsel
TRICARE Management Activity
United States Department of Defense

UNITED STATES OF AMERICA

By: _____ Dated: _____
 JOYCE R. BRANDA
 ARNOLD M. AUERHAN
 Civil Division
 United States Department of Justice

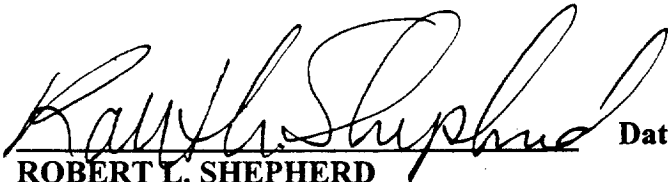
By:  Dated: 4/20/01
 LEWIS MORRIS
 Assistant Inspector General
 Office of Inspector General
 U.S. Department of Health and Human
 Services

By: _____ Dated: _____
 ROBERT L. SHEPHERD
 Deputy General Counsel
 TRICARE Management Activity
 United States Department of Defense


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Services

By:  Dated: 4-20-01
ROBERT L. SHEPHERD
Deputy General Counsel
TRICARE Management Activity
United States Department of Defense

DEFENDANTS

By: 

Dated: 4/23/01

ASHBY Q. BURKS, ESQ.
Vice President, Quorum Health Group, Inc.
and its subsidiary DEFENDANTS and their
hospitals

By: _____

Dated: _____

CHARLES R. WORK, ESQ.
ANKUR J. GOEL, ESQ.
McDermott, Will & Emery
Attorneys for DEFENDANTS

DEFENDANTS

By: _____ Dated: _____
ASHBY Q. BURKS, ESQ.
Vice President, Quorum Health Group, Inc.
and its subsidiary DEFENDANTS and their
hospitals

By: Charles R. Work Dated: April 20, 2001
CHARLES R. WORK, ESQ.
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RELATOR JAMES F. ALDERSON

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JAMES F. ALDERSON

By: _____ Dated: _____
PETER W. CHATFIELD, ESQ.
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Attorneys for James F. Alderson

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W. CHRISTIAN HOYER
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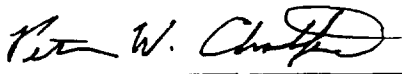
By: _____ Dated: _____
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MICK LERNER
Law Offices of Mick Lerner, P.A.

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PAUL P. CACIOPPO, ESQ.

RELATOR JAMES F. ALDERSON

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By: _____ Dated: _____
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By:  _____ Dated: April 21, 2001
JOHN NOONAN
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By:  _____ Dated: April 21, 2001
MICK LERNER
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