

## SETTLEMENT AGREEMENT

This Settlement Agreement (“Agreement”) is entered into among the United States of America, acting through the United States Department of Justice and on behalf of the Office of Inspector General (OIG-HHS) of the Department of Health and Human Services (HHS) and the Defense Health Agency (DHA), acting on behalf of the TRICARE Program (collectively, the “United States”); Joanne Cretney-Tsosie, Teresa McAree, Jennifer Deaton, Kimberley Greene, Camaren Hampton, Brian Wilson, and Terri West (collectively “Relators”); and Genesis Healthcare, Inc. (Genesis), through their authorized representatives. All entities above will be referred to collectively as “the Parties.”

### RECITALS

A. Genesis Healthcare, Inc., is a public company that owns and operates through its subsidiaries skilled nursing facilities, assisted/senior living facilities and a rehabilitation therapy business. On December 1, 2012 Genesis acquired SunDance Rehabilitation Corp. as part of its acquisition of Sun Healthcare Group, Inc. On February 2, 2015, Genesis combined with Skilled Healthcare Group and related entities and subsidiaries, including Skilled Healthcare Inc. and Creekside Hospice II LLC. These entities are collectively referred to as the Genesis Acquired Entities. At all relevant times, these Genesis Acquired Entities and their respective subsidiaries provided care to patients, including beneficiaries covered by Medicare, Medicaid and TRICARE.

B. Relators have filed the following civil actions against the Genesis Acquired Entities pursuant to the *qui tam* provisions of the False Claims Act, 31 U.S.C. § 3730(b) (collectively, the “Civil Actions”):

1. *United States, ex rel. Joanne Cretney-Tsosie, et al., v. Creekside Hospice II, LLC, et al., 2:13-cv-167-HDM (D. Nev.)*. The United States intervened in this *qui tam* action on August 6, 2014, and filed its Complaint in Intervention on November 25, 2014. *United States*

*v. Creekside Hospice II, LLC, Skilled Healthcare Group, Inc. and Skilled Healthcare LLC*, 2:13-cv-00167-APG-PAL (D. Nev.), Docket No. 52.

2. *United States, ex rel. McAree v. SunDance Rehabilitation Corp.*, 1:12-CV-4244 (N.D. Ga.). The United States intervened in this *qui tam* action on March 10, 2016.

3. *United States, ex rel. West v. Skilled Healthcare Group Inc., et al.*, 11-02658-EDL (N.D. Cal.); *United States ex rel. Deaton v. Skilled Healthcare Group, Inc. et al.*, Civ. 4:14-cv-00219 (W.D. Mo.); *United States ex rel. Wilson v. Skilled Healthcare Group, Inc. et al.*, Civ. 14-cv-860 (W.D. Mo.).

C. In addition to the above listed *qui tam* actions, the United States instituted an investigation in 2012 of Skilled Healthcare for allegedly engaging in a pattern and practice of billing Medicare and Medicaid for substandard services at 22 of its California nursing facilities (facilities listed at Attachment A).

D. The United States contends that the Genesis Acquired Entities submitted or caused to be submitted claims for payment to the Medicare Program, Title XVIII of the Social Security Act, 42 U.S.C. §§ 1395-1395kkk-1 (“Medicare”); the Medicaid Program, 42 U.S.C. §§ 1396-1396w-5 (“Medicaid”); and the TRICARE Program, 10 U.S.C. §§ 1071-1110b (“TRICARE”).

E. The United States contends that it has certain civil claims against Genesis as a successor in interest arising from the following conduct by the Genesis Acquired Entities (hereinafter referred to as the “Covered Conduct”):

1. The United States alleges that from April 1, 2010 through March 31, 2013 Creekside Hospice II, LLC (“Creekside”), Skilled Healthcare Group, Inc. (“SKG”), and Skilled Healthcare, LLC (“Skilled Healthcare”) knowingly submitted or caused to be submitted false claims to Medicare for services performed at the Creekside Hospice facility in Las Vegas,

Nevada by: (1) billing for hospice services for patients who were not terminally ill and so were not eligible for the Medicare hospice benefit; (2) billing Medicare for hospice services when certain Medicare conditions of payment were not satisfied; and (3) billing inappropriately for certain physician evaluation management services.

2. The United States alleges that from January 1, 2008, through September 27, 2013, SunDance Rehabilitation Agency, Inc.; SunDance Rehabilitation Corp.; and Sun Healthcare Group, Inc. knowingly submitted or caused the submission of false claims to Medicare Part B, using Medicare Provider Number 116849, by billing for outpatient therapy services provided in the State of Georgia that were (1) not medically necessary or (2) unskilled in nature.

3. The United States alleges that from January 1, 2005 through December 31, 2013, SKG, Skilled Healthcare and/or Hallmark Rehabilitation GP, LLC, knowingly submitted or caused to be submitted false claims to Medicare, TRICARE, and Medicaid at the facilities identified in Attachment B by: (1) fraudulently assigning a higher Resource Utilization Group (RUG) level than necessary to patients, (2) providing therapy to patients longer than medically necessary, and/or (3) billing for more therapy minutes than the patients actually received. This covered conduct is limited to patients who spent at least 30 days in the facilities identified in Attachment B and who, during those stays, were classified at the Ultra High RUG level for at least 65% of their rehabilitation time.

4. The United States alleges that between September 1, 2003, and January 3, 2010, Skilled Healthcare presented, or caused to be presented, false or fraudulent claims to the Medicare and Medi-Cal programs for services that were not rendered, grossly substandard, and/or worthless at the facilities identified in Attachment A. In so doing, the United States alleges that Skilled Healthcare violated certain essential requirements that nursing homes are

required to meet in order to participate in and receive reimbursement from government healthcare programs. The United States further alleges that Skilled Healthcare's pattern and practice of failing to provide sufficient nurse staffing to meet residents' needs contributed directly to the provision of grossly substandard services. In addition, the United States alleges that Skilled Healthcare made false statements and records material to such claims and fraudulently induced Medicare and Medi-Cal to pay such claims, in violation of the False Claims Act and the common law.

F. Genesis, as a successor to the Genesis Acquired Entities, denies the allegations in the Covered Conduct as alleged in Paragraph E 1 through E 4.

G. This Settlement Agreement is neither an admission of liability by Genesis or the Genesis Acquired Entities nor a concession by the United States that its claims are not well founded.

H. Relators claim entitlement under 31 U.S.C. § 3730(d) to a share of the proceeds of this Settlement Agreement and to Relators' reasonable expenses, attorneys' fees and costs.

I. Genesis has entered into or will be entering into one or more separate settlement agreements with certain states ("Medicaid Participating States") in connection with the Civil Actions described in Paragraph B.3. above.

To avoid the delay, uncertainty, inconvenience, and expense of protracted litigation of the above claims, and in consideration of the mutual promises and obligations of this Settlement Agreement, the Parties agree and covenant as follows:

#### TERMS AND CONDITIONS

1. Genesis shall pay to the United States the total sum of \$52,187,549.37 ("Settlement Amount") plus interest accrued thereon on the unpaid balance at the rate of 1% per

annum from October 15, 2016, and continuing until and including the day before the final payment is made under this Agreement.

a. Genesis agrees that it is liable for the Settlement Amount, which shall be paid to the United States pursuant to payment schedule set forth in Attachment C.

b. The first quarterly payment amount of \$1,863,721.38 shall be paid by electronic funds transfer pursuant to written instructions from the United States no later than June 15, 2017. All remaining payments to the United States shall be made by electronic funds transfer pursuant to written instructions to be provided by the Civil Division of the United States Department of Justice.

c. The entire balance of the Settlement Amount, or any portion thereof, plus any interest accrued on the principal as of the date of any prepayment, may be prepaid without penalty.

2. Subject to the exceptions in Paragraph 5 (concerning excluded claims) below, and conditioned upon the full payment of the Settlement Amount by Genesis, and subject to Paragraph 20, below (concerning bankruptcy proceedings commenced within 91 days of the Effective Date of this Agreement or any payment made under this Agreement), the United States releases Genesis, together with their current and former shareholders; direct and indirect subsidiaries; brother or sister corporations; divisions; current or former corporate owners; and the corporate successors and assigns of any of them from any civil or administrative monetary claim the United States has for the Covered Conduct under the False Claims Act, 31 U.S.C. §§ 3729-3733; the Civil Monetary Penalties Law, 42 U.S.C. § 1320a-7a; the Program Fraud Civil Remedies Act, 31 U.S.C. §§ 3801-3812; any statutory provision creating a cause of action for civil damages or civil penalties for which the Civil Division of the Department of Justice has

actual or present authority to assert and compromise pursuant to 28 C.F.R. Part 0, Subpart I, 0.45(d); or the common law theories of payment by mistake, unjust enrichment, and fraud.

3. Upon the full payment of the Settlement Amount by Genesis, and subject to Paragraphs 7 (concerning attorney's fees), 20 (concerning bankruptcy proceedings commenced within 91 days of the Effective Date of this Agreement or any payment made under this Agreement) and 21 (concerning Relators' rights in the case of a default or bankruptcy), below, Relators, for themselves and for their heirs, successors, attorneys, agents, and assigns, fully and finally release Genesis, together with their current and former shareholders; direct and indirect subsidiaries; brother or sister corporations; divisions; current or former corporate owners; officers, directors, employees, attorneys, and agents; and the successors and assigns of any of them, from any civil monetary claim the Relators have on behalf of the United States for the Covered Conduct under the False Claims Act, 31 U.S.C. §§ 3729-3733 and from all liability, claims, demands, actions, or causes of action whatsoever, whether known or unknown, fixed or contingent, in law or in equity, in contract or in tort, under any federal or state statute or regulation, or in common law, that Relators, their heirs, successors, attorneys, agents and assigns otherwise would have standing to bring as of the date of this Agreement, including any liability to Relators arising from or relating to the claims Relators asserted or could have asserted in the Civil Action.

4. In consideration of the obligations of Genesis set forth in this Agreement, and conditioned upon the full payment of the Settlement Amount by Genesis, DHA agrees to release and refrain from instituting, directing, or maintaining any administrative action seeking exclusion from the TRICARE Program against Genesis under 32 C.F.R. § 199.9 for the Covered Conduct, except as reserved in this Paragraph and in Paragraph 5 (concerning excluded claims), below. DHA expressly reserves authority to exclude the Genesis Acquired Entities from the

TRICARE Program under 32 C.F.R. §§ 199.9(f)(1)(i)(A), (f)(1)(i)(B), and (f)(1)(iii) (mandatory exclusion), based upon the Covered Conduct. Nothing in this Paragraph precludes DHA or the TRICARE Program from taking action against entities or persons, or for conduct and practices, for which claims have been reserved in Paragraph 5, below.

5. Notwithstanding the releases given in Paragraphs 2 - 4 of this Agreement, or any other term of this Agreement, the following claims of the United States are specifically reserved and are not released:

- a. Any liability arising under Title 26, U.S. Code (Internal Revenue Code);
- b. Any criminal liability;
- c. Except as explicitly stated in this Agreement, any administrative liability, including mandatory or permissive exclusion from Federal health care programs;
- d. Any liability to the United States (or its agencies) for any conduct other than the Covered Conduct;
- e. Any liability based upon obligations created by this Agreement;
- f. Any liability of individuals;
- g. Any liability for express or implied warranty claims or other claims for defective or deficient products or services, including quality of goods and services;
- h. Any liability for failure to deliver goods due or services; and
- i. Any liability for personal injury or property damage or for other consequential damages arising from the Covered Conduct.

6. Relators and their heirs, successors, attorneys, agents, and assigns shall not object to this Agreement but agree and confirm that this Agreement is fair, adequate, and reasonable

under all the circumstances, pursuant to 31 U.S.C. § 3730(c)(2)(B). In connection with this Agreement, Relators and their heirs, successors, attorneys, agents, and assigns agree that neither this Agreement, any intervention by the United States in the Civil Actions, nor any dismissal of the Civil Actions, shall waive or otherwise affect the ability of the United States or any Relator to contend that provisions in the False Claims Act, including 31 U.S.C. §§ 3730(d)(3) and 3730(e), bar any Relator from sharing in the proceeds of this Agreement. Moreover, the United States and the Relators and their heirs, successors, attorneys, agents, and assigns agree that they each retain all of their rights pursuant to the False Claims Act on the issue of the share percentage (“Relator’s Share”), if any, that each Relator should receive of any proceeds of the settlement of each Relator’s claim(s). If the United States and Relators are unable to reach an agreement on the Relator’s Share percentage, then the United States District Court where each Civil Action is pending shall have continuing jurisdiction to issue an order with regard to the Relator’s Share percentage.

7. Relators and their attorneys assert that they have claims for reasonable expenses necessarily incurred and reasonable attorney’s fees and costs. Genesis disputes all Relators have valid or reasonable claims for attorney’s fees and costs. Relators’ claims for reasonable attorney’s fees are not released herein. Should the parties be unable to reach an agreement on the amount of the reasonable expenses necessarily incurred and reasonable attorney’s fees and costs, then the United States District Court where each Civil Action is pending shall have continuing jurisdiction under applicable local rules to issue an order with regard to the payment of reasonable expenses necessarily incurred and reasonable attorney’s fees and costs except, however, in the three actions related to Skilled Healthcare set forth in Paragraph B.3, any petition for fees and expenses for those three actions shall be consolidated and heard in the Western District of Missouri.



8. Genesis has provided sworn financial disclosure statements (Financial Statements) to the United States and the United States has relied on the accuracy and completeness of those Financial Statements in reaching this Agreement. Genesis warrants that the Financial Statements were complete, accurate, and current when provided. If the United States learns of asset(s) in which Genesis had an interest at the time of this Agreement that were not disclosed in the Financial Statements, or if the United States learns of any misrepresentation by Genesis on, or in connection with, the Financial Statements, and if such nondisclosure or misrepresentation changes the estimated net worth (defined as assets less liabilities on Genesis' balance sheet) set forth in the Financial Statements by \$10 million or more, the United States may at its option: (a) rescind this Agreement and file suit or reinstate its suit based on the Covered Conduct, or (b) let the Agreement stand and collect the full Settlement Amount plus one hundred percent (100%) of the value of the net worth of Genesis previously undisclosed up to an additional \$52,187,549.37 on top of the settlement amount described in Paragraph 1 above. Genesis agrees not to contest any collection action undertaken by the United States pursuant to this provision.

9. In the event that the United States, pursuant to Paragraph 8 (concerning disclosure of assets), above, opts to rescind this Agreement, Genesis agrees not to plead, argue, or otherwise raise any defenses under the theories of statute of limitations, laches, estoppel, or similar theories, to any civil or administrative claims that (a) are filed by the United States within 91 calendar days of written notification to Genesis that this Agreement has been rescinded, and (b) relate to the Covered Conduct, except to the extent these defenses were available prior to the Effective Date of this Agreement.

10. Genesis waives and shall not assert any defenses it may have to any criminal prosecution or administrative action relating to the Covered Conduct that may be based in whole

or in part on a contention that, under the Double Jeopardy Clause in the Fifth Amendment of the Constitution, or under the Excessive Fines Clause in the Eighth Amendment of the Constitution, this Agreement bars a remedy sought in such criminal prosecution or administrative action.

Nothing in this paragraph or any other provision of this Agreement constitutes an agreement by the United States concerning the characterization of the Settlement Amount for purposes of the Internal Revenue laws, Title 26 of the United States Code.

11. Genesis fully and finally releases the United States, its agencies, officers, agents, employees, and servants, from any claims (including attorney's fees, costs, and expenses of every kind and however denominated) that Genesis has asserted, could have asserted, or may assert in the future against the United States, its agencies, officers, agents, employees, and servants, related to the Covered Conduct and the United States' investigation and prosecution thereof.

12. Genesis fully and finally releases the Relators from any claims (including attorney's fees, costs, and expenses of every kind and however denominated) that Genesis has asserted, could have asserted, or may assert in the future against the Relators, related to the Covered Conduct and the Relators' investigation and prosecution thereof, except, however, any claims or defenses related to any petition for attorney's fees and costs filed in connection with the actions referenced in Paragraphs B.1-B.3.

13. The Settlement Amount shall not be decreased as a result of the denial of claims for payment now being withheld from payment by any Medicare contractor (e.g., Medicare Administrative Contractor, fiscal intermediary, carrier), any state payer, or TRICARE, related to the Covered Conduct; and Genesis agrees not to resubmit to any Medicare contractor, any state payer or TRICARE any previously denied claims related to the Covered Conduct, agrees not to appeal any such denials of claims, and agrees to withdraw any such pending appeals.

14. Genesis agrees to the following:

a. Unallowable Costs Defined: All costs (as defined in the Federal Acquisition Regulation, 48 C.F.R. § 31.205-47; and in Titles XVIII and XIX of the Social Security Act, 42 U.S.C. §§ 1395-1395kkk and 1396-1396w-5; and the regulations and official program directives promulgated thereunder) incurred by or on behalf of Genesis, its present or former officers, directors, employees, shareholders, and agents in connection with:

- (1) the matters covered by this Agreement;
- (2) the United States' audit(s) and civil investigation(s) of the matters covered by this Agreement;
- (3) Genesis' investigation, defense, and corrective actions undertaken in response to the United States' audit(s) and civil investigation(s) in connection with the matters covered by this Agreement (including attorney's fees);
- (4) the negotiation and performance of this Agreement; and
- (5) the payments Genesis makes to the United States pursuant to this Agreement and any payments that Genesis may make to Relators, including costs and attorneys' fees.

are unallowable costs for government contracting purposes and under the Medicare Program, Medicaid Program, TRICARE Program, and Federal Employees Health Benefits Program (FEHBP) (hereinafter referred to as Unallowable Costs).

b. Future Treatment of Unallowable Costs: Unallowable Costs shall be separately determined and accounted for by Genesis, and Genesis shall not charge such Unallowable Costs directly or indirectly to any contracts with the United States or any State Medicaid program, or seek payment for such Unallowable Costs through any cost report, cost

statement, information statement, or payment request submitted by Genesis or any of its subsidiaries or affiliates to the Medicare, Medicaid, TRICARE, or FEHBP Programs.

c. Treatment of Unallowable Costs Previously Submitted for Payment:

Genesis further agrees that within 90 days of the Effective Date of this Agreement it shall, if applicable, identify to applicable Medicare and TRICARE fiscal intermediaries, carriers, and/or contractors, and Medicaid and FEHBP fiscal agents, any Unallowable Costs (as defined in this Paragraph) included in payments previously sought from the United States or any State Medicaid program, including, but not limited to, payments sought in any cost reports, cost statements, information reports, or payment requests already submitted by Genesis or any of their subsidiaries or affiliates, and shall 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. Genesis agrees that the United States, at a minimum, shall be entitled to recoup from Genesis any overpayment plus applicable interest and penalties 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 Genesis or any of their subsidiaries or affiliates on the effect of inclusion of Unallowable Costs (as defined in this Paragraph) on Genesis' cost reports, cost statements, or information reports.

d. Nothing in this Agreement shall constitute a waiver of the rights of the United States to audit, examine, or re-examine Genesis' books and records to determine that no Unallowable Costs have been claimed in accordance with the provisions of this Paragraph.

15. This Agreement is intended to be for the benefit of the Parties only. The Parties do not release any claims against any other person or entity, except to the extent provided for in Paragraph 16 (waiver for beneficiaries paragraph), below.

16. Genesis agrees that it waives and shall not seek payment for any of the health care billings covered by this Agreement from any health care beneficiaries or their parents, sponsors, legally responsible individuals, or third party payors based upon the claims defined as Covered Conduct.

17. In the event that Genesis fails to pay the Settlement Amount as provided in the payment schedule set forth in Attachment C, within fourteen (14) calendar days of the date upon which each such payment is due, Genesis shall be in Default of their payment obligations (“Default”). The United States will provide a written Notice of Default, and Genesis shall have an opportunity to cure such Default within fourteen 14 calendar days from the date of receipt of the Notice of Default. Notice of Default will be delivered to Kathleen McDermott, Morgan, Lewis & Bockius LLP, 1111 Pennsylvania Avenue, NW, Washington D.C., or to such other representative as Genesis shall designate in advance in writing. If Genesis fails to cure the Default within fourteen (14) calendar days of receiving the Notice of Default, and in the absence of an agreement with the United States of a modified payment, the remaining unpaid balance of the Settlement Amount shall become immediately due and payable, and interest on the remaining unpaid balance shall thereafter accrue at the rate of 10% per annum, compounded daily from the date of Default, on the remaining unpaid total (principal and interest balance). In the event of Default, Genesis shall consent to a Consent Judgment in the amount of the unpaid balance and in the forms attached hereto as Attachment D, and the United States, at its sole discretion, may (a) declare this Agreement breached and proceed against Genesis for any claims, including those to be released by this agreement; (b) take any action to execute and collect on the stipulated

judgment against Genesis; (c) file an action for specific performance of the Agreement and/or the Consent Judgment; (d) offset the remaining unpaid balance from any amounts due and owing to Genesis and any of the Genesis Acquired Subsidiaries and/or affiliated companies by any department, agency, or agent of the United States at the time of Default; and/or (e) exercise any other right granted by law, or under the terms of this Agreement, or recognizable at common law or in equity. Genesis agrees not to contest any offset imposed or any collection action undertaken by the United States pursuant to this Paragraph, either administratively or in any state or federal court, except on the grounds of actual payment to the United States. At its sole option, the United States alternatively may rescind this Agreement and pursue the Civil Actions or bring any civil and/or administrative claim, action, or proceeding against Genesis for the claims that would otherwise be covered by the releases provided in Paragraphs 2 – 4, above. In the event that the United States opts to rescind this Agreement pursuant to this Paragraph, Genesis agrees not to plead, argue, or otherwise raise any defenses of statute of limitations, laches, estoppel or similar theories, to any civil or administrative claims that are (a) filed by the United States against Genesis within 120 days of written notification that this Agreement has been rescinded, and (b) relate to the Covered Conduct, except to the extent these defenses were available on or before the Effective Date of this Agreement.

18. In the event Genesis is sold or merges into another non-affiliated entity, including the sale of all or substantially all Genesis assets, then Genesis shall promptly notify the United States, and all remaining payments owed pursuant to the Settlement Agreement may be accelerated and become immediately due and payable.

19. Genesis warrants that it has reviewed its financial situation and it is currently solvent within the meaning of 11 U.S.C. §§ 547(b)(3) and 548(a)(1)(B)(ii)(I), and that the entry into this Agreement and the payments set forth in Paragraph 1 shall not render them insolvent

within the meaning of such provisions. Further, the Parties warrant that, in evaluating whether to execute this Agreement, they (a) have intended that the mutual promises, covenants, and obligations set forth constitute a contemporaneous exchange for new value given to Genesis, within the meaning of 11 U.S.C. § 547(c)(1), and (b) have determined, in the exercise of their reasonable business judgment, that these mutual promises, covenants, and obligations do, in fact, constitute such a contemporaneous exchange. Further, the Parties acknowledge and agree that they intend that the mutual promises, covenants, and obligations set forth herein constitute a reasonably equivalent exchange of value that is not intended to hinder, delay, or defraud any entity to which Genesis was or became indebted to on or after the date of this transfer, within the meaning of 11 U.S.C. § 548(a)(1).

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

a. The obligations of Genesis under this Agreement may not be avoided pursuant to 11 U.S.C. § 547, and Genesis shall not argue or otherwise take the position in any such case, proceeding, or action that: (i) Genesis' obligations under this Agreement may be avoided under 11 U.S.C. § 547; (ii) Genesis was insolvent at the time this Agreement was entered into, or became insolvent as a result of the payment made to the United States; or (iii) the mutual promises, covenants, and obligations set forth in this Agreement do not constitute a contemporaneous exchange for new value given to Genesis.

b. If the obligations of Genesis under this Agreement are avoided for any reason, 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 Genesis for the claims that would otherwise be covered by the releases provided in Paragraphs 2 – 4, above. Genesis agrees that (i) any such claims, actions, or proceedings brought by the United States are not subject to an "automatic stay" pursuant to 11 U.S.C. § 362(a) to the extent allowed by law as a result of the action, case, or proceedings described in the first clause of this Paragraph, and Genesis shall not argue or otherwise contend that the United States' claims, actions, or proceedings are subject to an automatic stay if allowed by law; (ii) Genesis shall 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, actions, or proceeding that are brought by the United States within 120 calendar days of written notification to Genesis that the releases have been rescinded pursuant to this Paragraph, except to the extent such defenses were available prior to the Effective Date of this Agreement; and (iii) the United States has a valid claim against Genesis in the amount of \$886,800,000 minus all amounts previously paid to the United States, and the United States may pursue its claim in the case, action, or proceeding referenced in the first clause of this Paragraph, as well as in any other case, action, or proceeding.

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

21. If, pursuant to Paragraphs 17 or 20, above, the United States, at its sole option, rescinds the releases in this Agreement and brings a civil and/or administrative claim, action, or proceeding against Genesis for claims that would otherwise be covered by the releases provided



in Paragraphs 2-4, above, Relators shall be able to share in any recovery obtained by the government related to the claims in the Covered Conduct to the extent permitted under 31 U.S.C. §3730 and any other applicable law.

22. On the Effective Date of this Agreement or any date thereafter the United States shall file in the Civil Actions Notices of Intervention as to the Covered Conduct in the matters in which it has not yet elected to intervene. Upon receipt of the initial quarterly payment in the amount of \$1,863,721 from Genesis, as described in Paragraph 1, above, the United States and Relators shall promptly sign and file in the Civil Actions Joint Stipulations of Dismissal, subject to the exceptions in the subparts below, as follows:

a. The stipulation of dismissal shall be subject to the terms and conditions of this Agreement. The dismissal shall be with prejudice as to the United States' for claims related to the Covered Conduct and with prejudice as to the Relators for all claims and allegations asserted in the Civil Actions including any pending Amended Complaints. The stipulation of dismissal shall be without prejudice as to the United States as to all other allegations set forth in the Civil Actions;

b. The stipulation of dismissal shall provide that the Court shall retain jurisdiction pursuant to applicable local rules to adjudicate the issues as provided in Paragraphs 6 – 7 pertaining to Relators' statutory share claims and claims for statutory attorney fees and costs under §31 U.S.C. 3730, respectively.

c. Any dismissal to be filed by the Medicaid Participating States shall be subject to the terms of any agreements between Genesis and the Medicaid Participating States.

23. Each Party shall bear its own legal and other costs incurred in connection with this matter, including the preparation and performance of this Agreement, except as provided in Paragraph 7.

24. Each party and signatory to this Agreement represents that it freely and voluntarily enters in to this Agreement without any degree of duress or compulsion.

25. This Agreement is governed by the laws of the United States. The exclusive jurisdiction and venue for any dispute relating to this Agreement is the United States District Court for the Northern District of California, with the exception that the exclusive jurisdiction of any dispute relating to determination of a Relator's Share or Relator's petition for attorney's fees, shall be in the United States District court where that Relator's Civil Action was filed except for the three actions listed in Paragraph B.3, which shall be consolidated and heard in the Western District of Missouri. For purposes of construing this Agreement, this Agreement shall be deemed to have been drafted by all Parties to this Agreement and shall not, therefore, be construed against any Party for that reason in any subsequent dispute.

26. This Agreement constitutes the complete agreement between the Parties. This Agreement may not be amended except by written consent of the Parties.

27. The undersigned counsel represent and warrant that they are fully authorized to execute this Agreement on behalf of the persons and entities indicated below.

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

29. This Agreement is binding on Genesis' successors, transferees, heirs, and assigns.

30. This Agreement is binding on Relators' successors, transferees, heirs, and assigns.

31. All parties consent to the United States' disclosure of this Agreement, and information about this Agreement, to the public.

32. This Agreement is effective on the date of signature of the last signatory to the Agreement (Effective Date of this Agreement). Facsimiles and electronic transmissions of signatures shall constitute acceptable, binding signatures for purposes of this Agreement.

[SIGNATURE PAGES FOLLOW]

**THE UNITED STATES OF AMERICA**

DATED: 6/9/17

BY: Michael Podberesky  
Michael Podberesky  
Trial Counsel  
Commercial Litigation Branch, Civil Division  
United States Department of Justice

DATED: \_\_\_\_\_

BY: \_\_\_\_\_  
Roger Wenthe  
Assistant United States Attorney  
District of Nevada

DATED: \_\_\_\_\_

BY: \_\_\_\_\_  
Lena Amanti  
Assistant United States Attorney  
Northern District of Georgia

DATED: \_\_\_\_\_

BY: \_\_\_\_\_  
Erica Hitchings  
Kimberly Friday  
Gioconda Molinari  
Assistant United States Attorney  
Northern District of California

DATED: \_\_\_\_\_

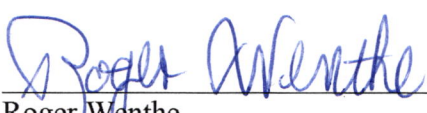
BY: \_\_\_\_\_  
Tom Larson  
Acting United States Attorney  
Western District of Missouri

**THE UNITED STATES OF AMERICA**

DATED: \_\_\_\_\_

BY: \_\_\_\_\_  
Michael Podberesky  
Trial Counsel  
Commercial Litigation Branch, Civil Division  
United States Department of Justice

DATED: 6/8/2017

BY:   
\_\_\_\_\_  
Roger Wenthe  
Assistant United States Attorney  
District of Nevada

DATED: \_\_\_\_\_

BY: \_\_\_\_\_  
Lena Amanti  
Assistant United States Attorney  
Northern District of Georgia

DATED: \_\_\_\_\_

BY: \_\_\_\_\_  
Erica Hitchings  
Kimberly Friday  
Gioconda Molinari  
Assistant United States Attorney  
Northern District of California

DATED: \_\_\_\_\_

BY: \_\_\_\_\_  
Tom Larson  
Acting United States Attorney  
Western District of Missouri

**THE UNITED STATES OF AMERICA**

DATED: \_\_\_\_\_

BY: \_\_\_\_\_

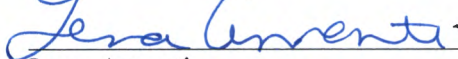
Michael Podberesky  
Trial Counsel  
Commercial Litigation Branch, Civil Division  
United States Department of Justice

DATED: \_\_\_\_\_

BY: \_\_\_\_\_

Roger Wenthe  
Assistant United States Attorney  
District of Nevada

DATED: 5/25/17

BY: 

Lena Amanti  
Assistant United States Attorney  
Northern District of Georgia

DATED: \_\_\_\_\_

BY: \_\_\_\_\_

Erica Hitchings  
Kimberly Friday  
Gioconda Molinari  
Assistant United States Attorney  
Northern District of California

DATED: \_\_\_\_\_

BY: \_\_\_\_\_

Tom Larson  
Acting United States Attorney  
Western District of Missouri

THE UNITED STATES OF AMERICA

DATED: \_\_\_\_\_

BY: \_\_\_\_\_

Michael Podberesky  
Trial Counsel  
Commercial Litigation Branch, Civil Division  
United States Department of Justice

DATED: \_\_\_\_\_

BY: \_\_\_\_\_

Roger Wenthe  
Assistant United States Attorney  
District of Nevada

DATED: \_\_\_\_\_

BY: \_\_\_\_\_

Lena Amanti  
Assistant United States Attorney  
Northern District of Georgia

DATED: 6/6/17

BY: *Erica Hitchings*

Erica Hitchings  
Kimberly Friday  
Gioconda Molinari  
Assistant United States Attorney  
Northern District of California

DATED: \_\_\_\_\_

BY: \_\_\_\_\_

Tom Larson  
Acting United States Attorney  
Western District of Missouri

**THE UNITED STATES OF AMERICA**

DATED: \_\_\_\_\_

BY: \_\_\_\_\_

Michael Podberesky  
Trial Counsel  
Commercial Litigation Branch, Civil Division  
United States Department of Justice

DATED: \_\_\_\_\_

BY: \_\_\_\_\_

Roger Wenthe  
Assistant United States Attorney  
District of Nevada

DATED: \_\_\_\_\_

BY: \_\_\_\_\_

Lena Amanti  
Assistant United States Attorney  
Northern District of Georgia

DATED: \_\_\_\_\_

BY: \_\_\_\_\_

Erica Hitchings  
Kimberly Friday  
Gioconda Molinari  
Assistant United States Attorney  
Northern District of California

DATED: 5/23/2017

BY: Tom Larson

Tom Larson  
Acting United States Attorney  
Western District of Missouri



THE UNITED STATES OF AMERICA (continued)

DATED: 6/6/17

BY: Lisa M. Re

Lisa M. Re  
Assistant Inspector General for Legal Affairs  
Office of Counsel to the Inspector General  
Office of Inspector General  
United States Department of Health and Human Services

DATED: \_\_\_\_\_

BY: \_\_\_\_\_

Leigh A. Bradley  
General Counsel  
Defense Health Agency  
United States Department of Defense

THE UNITED STATES OF AMERICA (continued)

DATED: \_\_\_\_\_

BY: \_\_\_\_\_

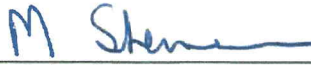
Lisa M. Re  
Assistant Inspector General for Legal Affairs  
Office of Counsel to the Inspector General  
Office of Inspector General  
United States Department of Health and Human Services

DATED: 5/26/17

BY: B. Bradley Bryan T. Wheeler  
Leigh A. Bradley Bryan T. Wheeler  
Acty General Counsel  
Defense Health Agency  
United States Department of Defense


**Genesis Healthcare, Inc.**

DATED: 5.24.17

BY:   
Michael S. Sherman  
General Counsel, Secretary and Senior Vice-  
President

On behalf of Genesis Healthcare, Inc.

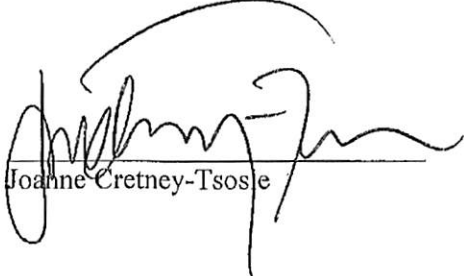
DATED: 5.24.17

BY:   
Kathleen McDermott, Esq.  
Morgan, Lewis & Bockius LLP

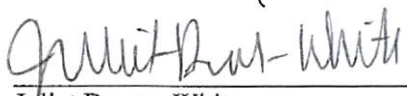
Counsel for Genesis Healthcare, Inc.

RELATOR JOANNE CRETNEY-TSOSIE

DATED: 6/8/17

BY:   
Joanne Cretney-Tsosie

DATED: 6/8/17

BY:   
Juliet Berger-White  
Hughes Socol Piers Resnick & Dym, Ltd.  
Counsel for Joanne Cretney-Tsosie

**RELATOR TERESA MCAREE**

DATED: 5/23/17

BY: Teresa McAree  
Teresa McAree

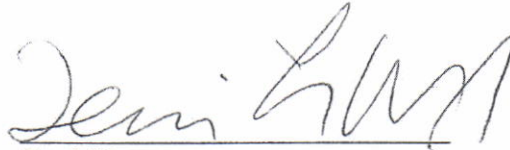
DATED: 5/23/17

BY: Paul Fields  
Paul Fields  
Fields Howell LLP  
Counsel for Teresa McAree

RELATOR TERRI WEST

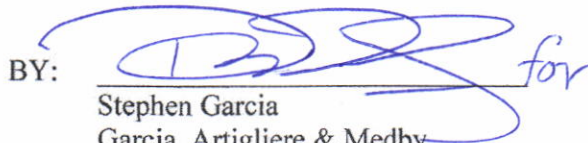
DATED: 05-24-17

BY:

  
Terri West

DATED: 5/31/17

BY:

 for  
Stephen Garcia  
Garcia, Artigliere & Medby

Counsel for Terri West

RELATOR JENNIFER DEATON

DATED: 5/23/17

BY: Jennifer L. Deaton  
Jennifer Deaton

DATED: 5/23/17

BY: Carrie Brous  
Carrie Brous  
Brous Horn

Counsel for Jennifer Deaton

RELATOR KIMBERLEY GREEN

DATED: 5/23/17

BY: Kimberley Green  
Kimberley Green

DATED: 5/23/17

BY: Carrie Brous  
Carrie Brous  
Brous Horn

Counsel for Kimberley Green



RELATOR CAMAREN HAMPTON

DATED: 5/23/17

BY: Camaren Hampton  
Camaren Hampton

DATED: 5/23/17

BY: Carrie Brous  
Carrie Brous  
Brous Horn

Counsel for Camaren Hampton

RELATOR BRIAN WILSON

DATED: 5/23/17 BY: Brian S. Wilson  
Brian Wilson

DATED: 5/23/17 BY: Carrie Brous  
Carrie Brous  
Brous Horn

Counsel for Brian Wilson

## Attachment A to Settlement Agreement

<b>Skilled Healthcare Facilities Referenced in Paras. C and E.4</b>	
<b>Facility Name</b>	<b>Address</b>
Alexandria Care Center, AKA Alexandria Convalescent Hospital	1515 North Alexandria Avenue Los Angeles, CA 90027
Alta Gardens Care Center, AKA Alta Care Center	13057 Blackbird Street Garden Grove, CA 92843
Anaheim Terrace Care Center	141 South Knott Avenue Anaheim, CA 92804
Bay Crest Care Center	3750 Garnet Street Torrance, CA 90503
Brier Oak on Sunset	5154 Sunset Boulevard, Los Angeles, CA 90027
Carehouse Convalescent Hospital, AKA Carehouse Healthcare Center	1800 Old Tustin Road Santa Ana, CA 92705
Devonshire Care Center	1350 East Devonshire Avenue Hemet CA 92544
Elmcrest Care Center, AKA Elmcrest Convalescent Hospital	3111 Santa Anita Avenue El Monte, CA 91733
Eureka Health Care and Rehabilitation Center	2353 23 <sup>rd</sup> Street Eureka, CA 95501
Granada Health Care and Rehabilitation Center	2885 Harris Street Eureka, CA 95503
Hancock Park Rehabilitation Center, AKA Hancock Park Convalescent Hospital and Rehabilitation Center	505 North La Brea Avenue Los Angeles, CA 90036
Montebello Care Center, AKA Montebello Convalescent Hospital	1035 West Beverly Boulevard Montebello, CA 90640
Pacific Health Care and Rehabilitation Center	2211 Harrison Avenue Eureka, CA 95501
Royalwood Convalescent Hospital, AKA Royalwood Care Center	22520 Maple Avenue Torrance, CA 90505
Seaview Health Care and Rehabilitation Center	6400 Purdue Drive Eureka, CA 95501
Sharon Care Center	8167 West 3rd Street Los Angeles CA 90048
St. Luke Health Care and Rehabilitation Center	2321 Newburg Road Fortuna, CA 95540
Sycamore Park Convalescent Hospital	4585 North Figueroa Street Los Angeles, CA 90065
The Earlwood	20820 Earl Street Torrance, CA 90503
Valley Health Care Center	4840 East Tulare Avenue Fresno, CA 93727
Villa Maria Health Care Center	425 Barcellus Avenue Santa Maria, CA 93454

## Attachment A

<b>Skilled Healthcare Facilities Referenced in Paras. C and E.4</b>	
<b>Facility Name</b>	<b>Address</b>
Willow Creek Healthcare Center	650 West Alluvial Avenue Clovis, CA 93611

## Attachment B to Settlement Agreement

<b>Skilled Healthcare Facilities Identified in Paras. B.3 and E.3</b>	
<b>Facility Name</b>	<b>Address</b>
Albuquerque Heights Healthcare and Rehabilitation Center	103 Hospital Loop NE Albuquerque, NM 87109
Baldwin Healthcare and Rehabilitation Center	1223 Orchard Lane Baldwin City, KS 66006
Bay Crest Care Center	3750 Garnet Street Torrance, CA 90503
Belen Meadows Healthcare & Rehabilitation Center	1831 Camino Del Llano Belen, NM 87002
Blue River Rehabilitation Center	10425 Chestnut Avenue Kansas City, MO 64137
Cameron Nursing and Rehabilitation Center	801 Euclid Avenue Cameron, MO 64429
Canyon Transitional Rehabilitation Center	10101 Lagrima de Oro NE Albuquerque, NM 87111
Carmel Hills Healthcare and Rehabilitation Center	810 E. Walnut Street Independence, MO 64050
Clovis Healthcare and Rehabilitation Center	1201 N. Norris Street Clovis, NM 88101
Colonial Manor Care Center	821 U.S. Highway 81 West New Braunfels, TX 78310
Fountain View Subacute and Nursing Center	5310 Fountain Avenue Los Angeles, CA 90029
Hancock Park Rehabilitation Center	505 North La Brea Avenue Los Angeles, CA 90036
Heritage Oaks Nursing and Rehab Center	5301 University Avenue Lubbock, TX 79413
Highland Healthcare and Rehabilitation Center	402 South Avenue Highland, KS 66035
Holmesdale Healthcare and Rehabilitation Center	8033 Holmes Road Kansas City, MO 64131
Liberty Terrace Healthcare and Rehabilitation Center	2201 Glen Hendren Drive Liberty, MO 64068
Louisberg Healthcare and Rehabilitation Center	1200 South Broadway Louisburg, KS 66053
Lubbock Hospitality Nursing and Rehab Center	4710 Slide Road Lubbock, TX 79414
Richmond Healthcare and Rehabilitation Center	340 East South Street Richmond, KS 66080
Rossville Healthcare and Rehabilitation Center	600 East Perry Street Rossville, KS 66533
Royalwood Convalescent Hospital	22520 Maple Avenue Torrance, CA 90505

## Attachment B to Settlement Agreement

Sandpiper Healthcare and Rehabilitation Center	5808 West 8th Street Wichita, KS 67212
Sharon Care Center	8167 West 3rd Street Los Angeles CA 90048
Shawnee Gardens Healthcare and Rehabilitation Center	6416 Long Street Shawnee, KS 66216
Skies Healthcare and Rehabilitation Center	9150 McMahon Blvd., NW Albuquerque, NM 87114
St. Anthony Healthcare and Rehabilitation Center	1400 West 21st Street Clovis, NM 88101
St. Catherine Healthcare and Rehabilitation Center	5123 Juan Tabo Boulevard., NE Albuquerque, NM 87111
St. John Healthcare and Rehabilitation Center	2216 Lester Drive NE Albuquerque, NM 87112
St. Mary Healthcare and Rehabilitation Center	800 East Rusholme Street Davenport, IA 52803
St. Theresa Healthcare and Rehabilitation Center	7900 Constitution Ave. NE Albuquerque, NM 87110
The Earlwood	20820 Earl Street Torrance, CA 90503
The Rehabilitation Center of Albuquerque	5900 Forest Hills Drive NE Albuquerque, NM 87109
The Rehabilitation Center of Des Moines	701 Riverview Street Des Moines, IA 50316
The Rehabilitation Center of Independence	1800 South Swope Drive Independence, MO 64057
The Rehabilitation Center of Omaha	910 South 40th Street Omaha, NE 68105
The Rehabilitation Center of Raymore	600 East Sunrise Drive Raymore, MO 64083
The Woodlands Healthcare Center	4650 South Panther Creek Drive The Woodlands, TX 77382
Wathena Healthcare and Rehabilitation Center	6416 Long Street Shawnee, KS 66216
Willow Creek Healthcare Center	650 West Alluvial Avenue Clovis, CA 93611
Woodland Care Center, LLC	7120 Corbin Avenue Reseda, CA 91335
Valley Health Care Center	4840 East Tulare Avenue Fresno, CA 93727
Villa Maria Health Care Center	425 Barcellus Avenue Santa Maria, CA 93454

# ATTACHMENT C

## GENESIS PAYMENT SCHEDULE

Quarter	1.00%			Balance	Payment to States	Payment to U.S. Government
	Payment	Interest	Principal			
	-	-	-	52,691,810.00		
6/15/2017	1,881,729.53	131,729.53	1,750,000.00	50,941,810.00	18,008.15	1,863,721.38
7/31/2017	1,877,354.53	127,354.53	1,750,000.00	49,191,810.00	17,966.28	1,859,388.25
10/31/2017	1,872,979.53	122,979.53	1,750,000.00	47,441,810.00	17,924.41	1,855,055.12
1/31/2018	1,868,604.53	118,604.53	1,750,000.00	45,691,810.00	17,882.55	1,850,721.98
4/30/2018	2,864,229.53	114,229.53	2,750,000.00	42,941,810.00	27,410.68	2,836,818.85
7/31/2018	2,857,354.53	107,354.53	2,750,000.00	40,191,810.00	27,344.88	2,830,009.65
10/31/2018	2,850,479.53	100,479.53	2,750,000.00	37,441,810.00	27,279.09	2,823,200.44
1/31/2019	2,843,604.53	93,604.53	2,750,000.00	34,691,810.00	27,213.30	2,816,391.23
4/30/2019	3,086,729.53	86,729.53	3,000,000.00	31,691,810.00	29,540.00	3,057,189.53
7/31/2019	3,079,229.53	79,229.53	3,000,000.00	28,691,810.00	29,468.23	3,049,761.30
10/31/2019	3,071,729.53	71,729.53	3,000,000.00	25,691,810.00	29,396.45	3,042,333.08
1/31/2020	3,064,229.53	64,229.53	3,000,000.00	22,691,810.00	29,324.68	3,034,904.85
4/30/2020	3,056,729.53	56,729.53	3,000,000.00	19,691,810.00	29,252.90	3,027,476.63
7/31/2020	3,099,229.53	49,229.53	3,050,000.00	16,641,810.00	29,659.63	3,069,569.90
10/31/2020	3,091,604.53	41,604.53	3,050,000.00	13,591,810.00	29,586.66	3,062,017.87
1/31/2021	3,083,979.53	33,979.53	3,050,000.00	10,541,810.00	29,513.68	3,054,465.85
4/30/2021	\$2,651,944.64	26,354.53	\$2,625,590.11	7,916,219.89	25,379.11	2,626,565.53
7/31/2021	\$2,651,944.64	19,790.55	\$2,632,154.09	5,284,065.80	25,379.11	2,626,565.53
10/31/2021	\$2,651,944.64	13,210.16	\$2,638,734.48	2,645,331.32	25,379.11	2,626,565.53
1/31/2022	\$2,651,944.64	6,613.33	\$2,645,331.31	0.01	25,379.11	2,626,565.53
<b>Total</b>	<b>54,157,576.04</b>	<b>1,465,766.05</b>	<b>52,691,809.99</b>		<b>518,288.00</b>	<b>53,639,288.04</b>

State Principal  
Fed Principal

504,260.62  
52,187,549.37

**Attachment D**

**IN THE UNITED STATES DISTRICT COURT  
FOR THE NORTHERN DISTRICT OF CALIFORNIA**

UNITED STATES OF AMERICA	)	
	)	
	)	
Plaintiff,	)	Case No. _____
	)	
v.	)	
	)	
GENESIS HEALTHCARE, INC.	)	<b><u>CONSENT JUDGMENT</u></b>
	)	
Defendant.	)	
_____	)	

Plaintiff United States of America and Defendant Genesis Healthcare, Inc. (“Genesis”), by and through the undersigned counsel, consent to the entry of this judgment based upon the following uncontested allegations:

1. This Court has jurisdiction over this case under 31 U.S.C. §§ 3732(a), 3237(b), and 28 U.S.C. §§ 1331, 1345, 1367(a). Genesis consents to the jurisdiction of the United States District Court for the Northern District of California for the resolution of this dispute.

2. On \_\_, 2017, Genesis entered into a settlement agreement with Plaintiff United States of America for the purpose of resolving a dispute under the False Claims Act, 31 U.S.C. § 3729 *et seq.* and common law causes of action (the “Settlement Agreement”). A copy of the Settlement Agreement is attached hereto as Exhibit A and incorporated by reference herein.

3. Under the terms of the Settlement Agreement, Genesis agreed to pay to the United States the total sum of \$52,187,549 plus interest accrued thereon on the unpaid balance at the rate of 1% per annum from October 15, 2016, and continuing until and including the day before the final payment is made under this Agreement (“Settlement Amount”). Genesis agreed to pay



## **Attachment D**

the Settlement Amount in quarterly installments over a five year period as set forth in the payment schedule in Attachment B.

4. Under the terms of the Settlement Agreement, the United States and Relators agreed, upon payment of the initial settlement payment, to file a Stipulation of Dismissal pursuant to Fed. R. Civ. P. 41(a)(1).

5. Under the terms of the Settlement Agreement, Genesis agreed that in the event of their failure to pay the amounts set forth in the Settlement Agreement, the dismissals of Genesis and/or its subsidiaries shall, at the United States' option, be null and void.

6. Under the terms of the Settlement Agreement, Genesis agreed that in the event that they default and fail to pay the Settlement Amount within fourteen days of the failure to cure the default, the remaining unpaid balance of the Settlement Amount shall become immediately due and payable, and interest shall accrue at the rate of 10% per annum, compounded daily from the date of default, on the remaining unpaid total (principal and interest balance).

7. Under the terms of the Settlement Agreement, Genesis agreed that in the event that they default and fail to pay the Settlement Amount within fourteen days of the failure to cure the default, the United States may file a Consent Judgment against Genesis, in the amount of the remaining unpaid balance owed under the terms of the Settlement Agreement.

7. Genesis failed to make payments in accordance with the Settlement Agreement, and therefore they are in default under the terms of the Settlement Agreement.

8. Within a reasonable time after the filing of this Consent Judgment, the United States will file a statement of debt showing the amount due and owing under the Settlement Agreement as of the date of default.

## **Attachment D**

9. The United States has given Genesis written notice of default under the terms of the Settlement Agreement, and demanded that Genesis cure that default by tendering payment in full on the cure amount under the terms of the Settlement Agreement. The United States has given Genesis fourteen calendar days to cure the default, as provided in the Settlement Agreement, but they have failed to respond or to make arrangements to comply with the terms of the Settlement Agreement.

Accordingly, this Court enters judgment for the United States against Genesis, in the amount of \$\_\_\_\_\_, plus interest at the post-judgment rate of interest from the date this Consent Judgment is entered until it is satisfied.

SO ORDERED THIS \_\_\_ day of \_\_\_, 20\_\_.

\_\_\_\_\_  
UNITED STATES DISTRICT JUDGE

**Attachment D**

The parties hereby stipulate and agree to the entry of this Consent Judgment.

THE UNITED STATES OF AMERICA

DATED: \_\_\_\_\_

BY: \_\_\_\_\_

Andy Mao  
Deputy Director  
Commercial Litigation Branch, Civil Division  
United States Department of Justice

DATED: \_\_\_\_\_

BY: \_\_\_\_\_

Erica Hitchings  
Assistant United States Attorney  
Northern District of California

GENESIS

DATED: \_\_\_\_\_

BY: \_\_\_\_\_

Kathleen McDermott, Esq.  
Morgan, Lewis & Bockius LLP  
  
Counsel for Genesis Healthcare, Inc.