

SETTLEMENT AGREEMENT AND RELEASE

SETTLEMENT AGREEMENT AND RELEASE (the "Agreement") made this 28th day of June 2011, by and among LifePoint Acquisition Corp. (together with its affiliates including those signing below, "LifePoint") and SRHS Bankruptcy, Inc. (f/k/a Sumner Regional Health Systems, Inc.), TMC Bankruptcy, Inc. (f/k/a Trousdale Medical Center, Inc.), FTRMH Bankruptcy, Inc. (f/k/a Frank T. Rutherford Memorial Hospital, Inc.), Holdings Bankruptcy, LLC (f/k/a SRHS Holdings, LLC), SHH Bankruptcy, LLC (f/k/a Sumner Homecare and Hospice, LLC), FWGMT Bankruptcy, LLC (f/k/a Family Wellness Group of Middle Tennessee, LLC) and CC Bankruptcy, LLC (f/k/a ClinicCare, LLC) (collectively, the "Debtors"). The Debtors and LifePoint shall hereafter sometimes be referred to separately as a "Party" or collectively as the "Parties."

RECITALS

WHEREAS, each of the Debtors filed a voluntary petition for relief pursuant to chapter 11 of title 11 of the United States Code in the United States Bankruptcy Court for the Middle District of Tennessee (the "Bankruptcy Court"), which cases are jointly administered for procedural purposes in the Bankruptcy Court under case number 10-04766, *In re SRIIS Bankruptcy Inc., et al.* (collectively, the "Bankruptcy Cases"); and

WHEREAS, on June 24, 2010, the Bankruptcy Court entered an order (the "Sale Order") approving the sale (the "Sale") of substantially all of the assets (the "Assets") of the Debtors to LifePoint, pursuant to the terms of that certain Asset Purchase Agreement, dated April 30, 2010 (as amended, the "APA"),¹ by and among the Debtors, LifePoint, and Historic LifePoint Hospitals Inc; and

WHEREAS, the Closing of the transactions contemplated by the APA occurred on August 31, 2010, effective as of the Effective Time; and

WHEREAS, pursuant to Section 3.8 of the APA, three million dollars (\$3,000,000) (the "Indemnity Escrow") is being held in escrow pursuant to an Escrow Agreement, dated August 31, 2010 (the "Escrow Agreement"), by and among LifePoint, the Debtors and U.S. Bank, N.A. (the "Escrow Agent"), to satisfy any indemnity obligations of the Debtors under Article XI of the APA; and

WHEREAS, pursuant to Section 3.6 of APA, the Debtors and LifePoint were obligated to make further adjustments to the Purchase Price based on the differences between the (1) the Estimated Net Working Capital and the Closing Net Working Capital, and (2) the Estimated Accounts Receivable and the Closing Accounts Receivable (collectively, the "Price Adjustments"); and

WHEREAS, the Sale Order provides that LifePoint has "succeed[ed]" to all rights and liabilities under Debtors' Medicare and Medicaid provider agreements and associated provider

¹ Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to such terms in the APA.

numbers, consistent with the applicable law of Medicare and Medicaid, including, but not limited to, the right to receive any and all Medicaid and Medicare underpayments due to the providers and liabilities of any and all Medicaid and Medicare overpayments made to the providers, including all claims and defenses related thereto, regardless of when those underpayments and overpayments may have occurred,” and further provides that, “[n]otwithstanding the foregoing, as between the Debtors and the [LifePoint], nothing herein shall affect the parties’ respective rights set forth in the [APA] or operate to alter the categories of Assumed Liabilities and Excluded Liabilities in the [APA]”; and

WHEREAS, since the Effective Time, the Tennessee Department of Finance and Administration, Bureau of TennCare (“TennCare”) has demanded, pursuant to the terms of the Sale Order, that LifePoint pay TennCare for overpayments related to cost reports for periods prior to the Effective Time (the “TennCare Liabilities”); and

WHEREAS, based upon LifePoint’s review of the Debtors’ cost reports for TennCare and other Medicare and Medicaid programs for periods ending prior to the Effective Time, LifePoint may be liable for additional Excluded Liabilities related to such cost reports (collectively, the “Cost Report Liabilities”); and

WHEREAS, since the Effective Time, LifePoint has received certain Medicare and/or Medicaid cost report underpayments with respect to periods ending prior to the Effective Time (collectively, the “ Cost Report Receivables”), which the Debtors assert are Excluded Assets; and

WHEREAS, HealthSpring, Inc. (“HealthSpring”) has informed LifePoint that it may seek to setoff pre-Effective Time obligations of the Debtors against post-Effective Time amounts owing to LifePoint (the “HealthSpring Claim”); and

WHEREAS, attached hereto as Exhibit A is a list of leased equipment and/or consigned equipment (the “Leased Equipment”) that the Debtors assert are Excluded Assets in LifePoint’s possession and/or control, which are required to be returned by LifePoint to the Debtors or lessors thereof; and

WHEREAS, on October 29, 2010, Smith County Memorial Hospital, LLC (“Smith County”) filed a proof of claim in the total sum of \$60,987.00 [Claim No. 309] (as amended by Claim No. 346, the “Smith County Claim”) against Holdings Bankruptcy, LLC (f/k/a SRHS Holdings, LLC); and

WHEREAS, certain disputes have arisen between the Parties regarding the foregoing matters, and there may be additional matters as to which the Parties are in dispute or shall be in dispute; and

WHEREAS, the Parties desire to settle any and all claims that any Party has, could have, or will have, and otherwise compromise all disputed or potentially disputed issues arising from or related to the APA or the Closing of the transactions contemplated by the APA, including in connection with the Price Adjustments, the TennCare Liabilities, the Cost Report Liabilities, the Cost Report Receivables, the HealthSpring Claim, the Leased Equipment and the Smith County

Claim (collectively, the "Disputed Issues") and to arrange for release of the Indemnity Escrow on the terms provided herein;

NOW THEREFORE, IT IS AGREED AS FOLLOWS;

AGREEMENT

For good and valuable consideration, the sufficiency of which is hereby irrevocably acknowledged, the Parties, each for itself and its successors and permitted assigns, and affiliated releasors as set forth herein, hereby agree as follows.

1. Effective Date. This Agreement shall be fully effective on the date (the "Effective Date") on which the following two conditions have been satisfied: (a) this Agreement is fully executed on behalf of all Parties; and (b) the entry of an order (the "Approval Order"), reasonably acceptable to the Debtors and LifePoint, by the Bankruptcy Court, after notice and hearing (if required), approving this Agreement.

2. Settlement Consideration. In satisfaction of all claims between the Parties that have arisen or could have arisen in connection with, under, or otherwise related to the APA, and resolution of all Disputed Issues, the Parties hereby agree to the following:

(a) Within three (3) business days following the Effective Date,

(i) LifePoint shall pay a lump sum cash payment in the amount of Three Million Three Hundred Sixty One Thousand and 00/100 Dollars (\$3,361,000.00) to the Debtors pursuant to the wire instructions set forth on Exhibit B; and

(ii) Debtors and LifePoint shall issue written instructions to the Escrow Agent, or such other means as required by the Escrow Agreement, to effectuate the release of Three Million and 00/100 Dollars (\$3,000,000.00) from the Indemnity Escrow to LifePoint or its designee(s) with the remaining amount, if any, in the Indemnity Escrow allocated as follows: (x) fifty percent (50%) to LifePoint or its designee(s), and (y) fifty percent (50%) to the Debtors or their designee(s).

3. Leased Equipment. On or before the Effective Date, LifePoint shall provide the Debtors with documentation evidencing the return, purchase, exchange and/or assumption of the Leased Equipment; provided, however, LifePoint shall not be required to provide any documentation with respect to the equipment leased from Covidien and Carefusion. LifePoint acknowledges and agrees to pay all outstanding rental payments for use of the Leased Equipment during post-Effective Time periods; provided, however, that LifePoint shall not be liable for any rental payments related to pre-Effective Time periods. LifePoint certifies that it has returned the equipment leased from Carefusion but acknowledges that documentation evidencing such return is not available. Accordingly, LifePoint hereby agrees to cooperate with the Debtors in connection with the claims resolution process related to such Leased Equipment, including, without limitation, through the submission of an affidavit or such other testimony as may be required to evidence such return. LifePoint also acknowledges that it is unable to locate five (5)

compression pumps leased from Covidien and hereby agrees to pay Covidien \$1,628.00 (i.e., \$325.60 each) for the missing units and provide the Debtors with documentation evidencing its payment of such amount. Notwithstanding anything set forth herein to the contrary, if the Bankruptcy Court determines that there is a valid claim by a vendor of the Leased Equipment, LifePoint agrees to indemnify and hold harmless the Debtors for the replacement cost of Leased Equipment and/or the portion of such claim, if any, that relates to post-Effective Time periods (collectively, the "Indemnity Claims"), including all reasonable expenses, including reasonable costs and attorneys' fees, that are attributable to such Indemnity Claims.

4. HealthSpring. The Debtors hereby acknowledge and agree to cooperate with LifePoint in connection the resolution of the HealthSpring Claim; provided that Debtors shall not be required to make any payments to LifePoint or any other person related to the HealthSpring Claims.

5. Smith County Claim. Upon Debtors' receipt of the payments described in paragraph 2(a)(i) and 2(a)(ii), the Smith County Claim shall be allowed as a nonpriority general unsecured claim in the total amount of \$60,897.00.

6. Releases. It is the intent of the Parties that this Agreement shall forever resolve and release any claims relating to the Disputed Issues, known or unknown, asserted or unasserted, that existed prior to the date hereof, so that there shall be no claims made by any Party against any other Party in connection therewith hereafter, and the following releases shall be effective as set forth herein:

(a) Upon the Debtors' receipt of the payments described in paragraph 2(a)(i) and 2(a)(ii), the Debtors, on behalf of themselves and for and on behalf of their current and former members, affiliates, parents, subsidiaries, officers, directors, employees, agents, consultants, attorneys, insurers, successors, predecessors, assigns, and/or any other person or entity asserting claims by, through or under the Debtors (the "Debtor Settling Parties"), will fully release and discharge LifePoint and its current and former parents, members, affiliates, direct and indirect subsidiaries, officers, directors, employees, agents, consultants, attorneys, insurers, successors, predecessors, assigns, and the officers, directors, and employees of its current and former parents, and direct and indirect subsidiaries (the "LifePoint Settling Parties") from any and all past, present and future claims, demands, rights, damages, liabilities, actions, causes of action or suits at law or in equity of whatever kind, direct or derivative, or for indemnity or contribution, fixed or contingent, liquidated or unliquidated, state or federal, known or unknown, based on facts now in existence, whether known or unknown, which the Debtor Settling Parties ever had or now have or which may hereafter accrue against the LifePoint Settling Parties, to the extent arising from or relating to any one or more of the Disputed Issues, including the release of the Debtors of any rights the Debtors themselves (or any party claiming by, through or under the Debtors, including any of the Debtors' current or former creditors) have to any and all past, current and future Cost Report Receivables.

(b) Upon LifePoint's receipt of the payments described in paragraph 2(a)(ii), LifePoint on behalf of itself and for and on behalf of the other LifePoint Settling Parties and/or any other person or entity asserting claims by, through or under LifePoint will fully release and discharge the Debtor Settling Parties from any and all past, present and future claims, demands, rights, damages, liabilities, actions, causes of action or suits at law or in equity of whatever kind,

direct or derivative, or for indemnity or contribution, fixed or contingent, liquidated or unliquidated, state or federal, known or unknown, based on facts now in existence, whether known or unknown, which the LifePoint Settling Parties ever had or now has or which may hereafter accrue against the Debtor Settling Parties, to the extent arising from or relating to any one or more of the Disputed Issues.

(c) In addition, except as otherwise provided herein, upon the Effective Date, all proofs of claim that LifePoint filed on behalf of itself and on behalf of Medicare and TennCare in the Bankruptcy Cases, including those set forth on Exhibit C, shall with be withdrawn with prejudice and the claims agent appointed in the Bankruptcy Cases shall be authorized and directed to remove such claims from the official register maintained in the Bankruptcy Cases.

(d) Neither the Debtor Settling Parties nor the LifePoint Settling Parties, respectively, shall institute litigation or assert claims against any person or entity released by them, respectively, pursuant to this paragraph, with respect to the Disputed Issues. Any Party that violates this provision shall indemnify the other Party or Parties thereby aggrieved for all reasonable expenses as a result of the violation, including reasonable costs and attorneys' fees.

(e) Notwithstanding anything set forth herein to the contrary, the releases set forth in this paragraph shall not apply to release or discharge any claims that arise in connection with the enforcement of this Agreement.

7. Termination of Settlement Agreement. If the Effective Date does not occur within the ninety (90) day period following the date hereof, then any Party may give written notice to the other Parties that the settlement has not become effective and is null and void. This Agreement thereupon shall be null and void (except only as to any terms of this Agreement, if any, that were breached by a Party prior to that date, but only if such breach is material to the Party claiming harm), and the Parties shall return to the same positions they were in prior to entry into this Agreement. If the settlement becomes null and void, then no Party will use anything in this Agreement as an admission of any other Party.

8. Authority. Each of the undersigned signatories represents to the Parties (other than Parties identified as represented by that signatory) that: (i) he or she, as the case may be, is authorized to execute and deliver this Settlement Agreement on behalf of any Party he or she purports to represent, and its subsidiaries and its affiliates, and (ii) all claims waived or released pursuant to this Settlement Agreement by that Party have not been assigned or otherwise transferred and the releases contained herein are binding on that Party, its successors, assigns, and any other persons or entities claiming by, through or under that Party.

9. Fees and Costs. Each Party shall bear its own fees and costs incurred to date in any way related to the Disputed Issues.

10. Breach of Agreement. The provisions of this Agreement shall be breached and a cause of action accrued thereon immediately upon any Party's commencement of any action contrary to this Agreement, and in any such action this Agreement may be asserted both as a defense and as a counterclaim or cross-claim.

11. Further Assurances. The Debtors and LifePoint shall execute such other and further documents and instruments as may be reasonably necessary to implement the provisions of this Agreement.

12. Notices. Notices under this Agreement shall be provided as follows:

If to Debtors, to:

SRHS Bankruptcy, Inc. *fka* Sumner Regional
Health Systems, Inc.
c/o Navigant Consulting, Inc.
1180 Peachtree Street NE, Suite 1900
Atlanta, Georgia 30309
Fax. 404.504.2023
Attn: Waite Popejoy, Chief Restructuring Officer

With a copy to:

Proskauer Rose LLP
70 West Madison
Suite 3800
Chicago, Illinois 60602-4342
Fax. 312.962.3551
Attn: Monte I. Dube, Esq.

If to LifePoint, to:

LifePoint Acquisition Corp.
c/o LifePoint Hospitals, Inc.
103 Powell Court, Suite 200
Brentwood, TN 37027
Fax No. 615.372.8572
Attn: General Counsel

With a copy to:

Waller Lansden Dortch & Davis, LLP
Nashville City Center
511 Union Street, Suite 2700
Nashville, TN 37219
Fax No. 615.244.6804
Attn: Brian R. Browder, Esq.

13. Governing Law. This Agreement shall be construed in accordance with, and governed by, the laws of the State of Tennessee, excluding and without regard to the conflict of laws rules thereof.

14. Jurisdiction. The Bankruptcy Court shall retain exclusive jurisdiction to resolve any dispute arising out of or relating to this Agreement.

15. Miscellaneous. This Agreement will constitute the entire agreement among the Parties on the subjects addressed therein. This Agreement will supersede any prior discussions or agreements between the Debtors and LifePoint relating to the Disputed Issues, and any prior agreement with respect to any and all Disputed Issues is null and void as of the Effective Date. No supplement, modification, amendment, waiver or termination of this Agreement shall be binding unless executed in writing by the Parties to be bound thereby, or by their authorized counsel. This Agreement will be executed without reliance upon any representations by any person or entity concerning the nature, cause or extent of injuries, or legal liability therefore, or any other representations of any type or nature except as set forth therein. No contrary or supplementary oral agreement shall be admissible in a court to contradict, alter, supplement, or otherwise change the meaning of this Agreement.

16. No Liability. Nothing in this Agreement shall be construed as an admission of liability or fault by any Party, which liability and fault are expressly denied.

17. Counterparts and Delivery. This Agreement may be executed in any number of counterparts each of which, when executed and delivered (including by fax and/or pdf), shall be deemed an original and all of which together shall constitute but one and the same agreement.

18. Joint Drafting. The Parties, represented by counsel, have participated jointly in the negotiation and drafting of this Agreement. In the event that an ambiguity or question of intent or interpretation arises, this Agreement shall be construed as if drafted jointly by the Parties and no presumption or burden of proof shall arise favoring or disfavoring any Party by virtue of the authorship of any of the provisions of this Agreement.

19. Invalid Provisions. If any portion of this Agreement is held invalid by operation of law, the remaining terms of this Agreement shall not be affected.

20. Cooperation. LifePoint and the Debtors shall reasonably cooperate with one another with respect to Debtors' resolution of the Bankruptcy Cases and all matters related thereto.

[signature page follows]

WHEREFORE, IN WITNESS HEREOF, the Parties have executed this Agreement below as of the date first set forth above.

DEBTORS:

SRHS Bankruptcy, Inc.

By: Waite Popejoy
Name: Waite Popejoy
Its: Chief Restructuring Officer

TMC Bankruptcy, Inc.

By: Waite Popejoy
Name: Waite Popejoy
Its: Chief Restructuring Officer

FTRMH Bankruptcy, Inc.

By: Waite Popejoy
Name: Waite Popejoy
Its: Chief Restructuring Officer

Holdings Bankruptcy, LLC

By: Waite Popejoy
Name: Waite Popejoy
Its: Chief Restructuring Officer

SHH Bankruptcy, LLC

By: Waite Popejoy
Name: Waite Popejoy
Its: Chief Restructuring Officer

FWGMT Bankruptcy, LLC

By: Waite Popejoy
Name: Waite Popejoy
Its: Chief Restructuring Officer

CC Bankruptcy, LLC

By: Waite Popejoy
Name: Waite Popejoy
Its: Chief Restructuring Officer

LIFEPOINT:

LifePoint Acquisition Corp.

By: Michael S. Coggi
Name: Michael S. Coggi
Its: SVP & Treasurer

Historic LifePoint Hospital, LLC

By: Michael S. Coggi
Name: Michael S. Coggi
Its: SVP & Treasurer

Smith County Memorial Hospital, LLC

By: Michael S. Coggi
Name: Michael S. Coggi
Its: SVP Treasurer & Secretary

Riverview Medical Center, LLC

By: Michael S. Coggi
Name: Michael S. Coggi
Its: SVP Treasurer Secretary

Sumner Regional Medical Center, LLC

By: Michael S. Coggi
Name: Michael S. Coggi
Its: SVP Treasurer & Secretary

Trousdale Medical Center, LLC

By: Michael S. Coggi
Name: Michael S. Coggi
Its: SVP Treasurer & Secretary

Sumner Physician Practices, LLC

By: Michael S. Coggi
Name: Michael S. Coggi
Its: SVP Treasurer & Secretary

Sumner Real Estate Holdings, LLC

By: Michael S. Coggi
Name: Michael S. Coggi
Its: SVP Treasurer & Secretary

Exhibit A

Leased Equipment

EQUIPMENT PURCHASED BY LIFEPOINT:

General Electric Capital Corporation (1001.1510) POC #316 (Entire claim is for remaining lease payments \$53,421.28)

- Equipment should have been returned on or around 11/29/10.
- Datascope Telemetry at Smith County Memorial Hospital.
- LifePoint has purchased the equipment from the vendor.

GE Healthcare (1002.1344) POC #317 (Entire claim is for remaining lease payments \$11,886.00)

- Equipment should have been returned by 11/29/10
- 15 Lifecare PCA Pumps
 - o Serial numbers – 15557869, 15557884, 15557898, 15557900, 15557913, 15557918, 15557922, 15557936, 15560067, 15560070, 15560082, 15560084, 15560089, 15560101, 15560106.
- LifePoint has purchased the equipment from the vendor.

De Lage Landen Financial Services, Inc./ Fleetwood Financial Corporation (1035.1200) POC #315 (Entire claim is for remaining lease payments \$8,732.00)

- Equipment should have been returned on or around 09/30/10
- LifePoint has purchased the equipment from vendor.

EQUIPMENT RETURNED TO VENDOR:

Xerox (1034.1993) POC #94 (Portion of claim is for equipment return \$4,954.88 remaining \$990.00 is for outstanding invoices)

- Equipment should have been returned on or around 11/07/10
- 12 copiers at Riverview Regional Medical Center are scheduled to be returned when new copiers are to be delivered. This represents \$4,954.88 in damages if not returned.
 - o Serial numbers - RLU852195, RYU263507, RYU263572, RYU263300, RYU263450, RYU263452, RYU263446, RLU852191, RLU851497, RLU851236, TFN682947, RYU369270.
- LifePoint returned the equipment on or around 1/18/11.

Arizant POC #259 (Entire claim is for equipment return \$14,695.00)

- 18 Bair Hugger & Ranger warming units representing:
 - o TMC (1) serial number – 19950
 - o RRMC (17) serial numbers - 11285 , 11579, 13310, 13313, 13369, 13618, 14509, 74580, 74581, 74582, 74583, 74585, 74586, 74588, 74589, 10804, 63097
- LifePoint anticipates the return of the equipment on or around 6/10/11.

Carefusion (1002.441) POC #347 (Entire Claim is for equipment return \$377,410.81)

- Equipment should have been returned on or around 11/29/10.
- LifePoint returned the equipment to Pyxis on or around 2/4/11.

MISSING EQUIPMENT:

Covidien POC #66 (Portion of claim is for equipment return \$17,582.40 the remaining \$38,966.04 is for outstanding invoices)

- 54 SCD Express compression pumps – 49 returned to vendor.
- LifePoint has been unable to locate the following five pumps: serial numbers - V0769203, V0769188, V0769168, V0642576, V0639808, V0639210.
- LifePoint has agreed to pay Covidien a total of \$1,628.00 (i.e., \$325.60 per unit) for each of the missing pump.

Exhibit B

Debtors' Wire Instructions

Bank: JPMorgan Chase Bank, N.A.
New York, NY

ABA/Routing: 021000021

Acct. #: 000000887401255

Acct. Name: SRHS Bankruptcy, Inc.

Exhibit C Proofs of Claim

	Claim Number
1.	0000000339
2.	0000000340
3.	0000000341
4.	0000000342
5.	0000000343
6.	0000000344
7.	0000000345
8.	0000000369
9.	0000000370
10.	0000000371
11.	0000000372