

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

**Pursuant to Section 13 or 15(d) of
the Securities Exchange Act of 1934**

March 2, 2007 (February 28, 2007)

Date of Report (date of earliest event reported)

COMMUNITY HEALTH SYSTEMS, INC.

(Exact name of Registrant as specified in charter)

Delaware
(State or other jurisdiction
of incorporation)

001-15925
(Commission File Number)

13-3893191
(I.R.S. Employer
Identification No.)

4000 Meridian Boulevard
Franklin, Tennessee 37067

(Address of principal executive offices)

Registrant's telephone number, including area code: (615) 465-7000

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
-

Item 5.02 Departure of Directors or Principal Officers; Election of Directors; Appointment of Principal Officers; Compensatory Arrangements of Certain Officers.

On February 28, 2007, the Board of Directors of Community Health Systems, Inc. (the "Company"), upon recommendation of the Compensation Committee of the Board, met and approved certain compensation arrangements for the Company's Named Executive Officers. The following arrangements were approved:

Incentive Compensation Payments for 2006 under the 2004 Employee Performance Incentive Plan

The following payments in respect of 2006 incentive compensation targets, under the Company's 2004 Employee Performance Incentive Plan (the "Cash Incentive Plan") were approved, the Named Executive Officers having been found to have met only certain levels of their performance goals, as indicated:

Name and Position	Percentage of Total Target Opportunity Attained	2006 Incentive Compensation Payment
Wayne T. Smith, Chairman, President and Chief Executive Officer	40.0%	\$712,800
W. Larry Cash, Director, Executive Vice President and Chief Financial Officer	41.5%	\$337,500
David L. Miller, Senior Vice President, Group Operations	58.3%	\$212,795
Gary D. Newsome, Senior Vice President, Group Operations	58.0%	\$211,700
Michael T. Portacci, Senior Vice President, Group Operations	57.0%	\$208,050

The Compensation Committee has also established performance goals for each of the Named Executive Officers for fiscal year 2007 under the Cash Incentive Plan.

2007 Base Salaries

The following base salary amounts for the Company's Named Executive Officers were approved on February 28, 2007, to be effective retroactive to January 1, 2007. None of our executive officers has a written employment agreement.

Name and Position	2007 Base Salary
Wayne T. Smith, Chairman, President and Chief Executive Officer	\$1,035,000
W. Larry Cash, Director, Executive Vice President and Chief Financial Officer	\$ 644,000
David L. Miller, Senior Vice President, Group Operations	\$ 384,300

Name and Position	2007 Base Salary
Gary D. Newsome, Senior Vice President, Group Operations	\$384,300
Michael T. Portacci, Senior Vice President, Group Operations	\$384,300

Option Grants and Restricted Stock Awards

Pursuant to the Company's Amended and Restated 2000 Stock Option and Award Plan (the "Plan"), the Compensation Committee approved the following equity grants to its Named Executive Officers:

Name and Position	Non-Qualified Stock Options	Performance Based Restricted Shares
Wayne T. Smith, Chairman, President and Chief Executive Officer	100,000	130,000
W. Larry Cash, Director, Executive Vice President and Chief Financial Officer	60,000	60,000
David L. Miller, Senior Vice President, Group Operations	10,000	33,000
Gary D. Newsome, Senior Vice President, Group Operations	10,000	33,000
Michael T. Portacci, Senior Vice President, Group Operations	10,000	33,000
All other executive officers as a group (only 33,000 of the restricted shares awarded were performance based, the balance, 44,000 shares, were granted with 3-year time vesting restrictions only)	25,000	77,000

Form of Performance Based Restricted Stock Award Agreement

On February 28, 2007, the Compensation Committee approved a new form of Performance Based Restricted Stock Award Agreement (the "Form Agreement") to be utilized for performance based restricted stock awards made under the Plan, commencing on February 28, 2007. As approved by the Compensation Committee and as provided in the Form Agreement, there is a performance objective that must be met, and then once met, the award is subject to further vesting requirements. Generally, the performance objective is the Company's attainment for calendar year 2007 of either (i) seventy-five percent (75%) or more of the low end of the range of projected earnings per share from continuing operations, or (ii) ninety percent (90%) or more of the low end of the range of net operating revenues, each as stated in the Company's earnings release filed with the Securities and Exchange Commission on Form 8-K on February 15, 2007. If the performance objective is not attained, the awards will be forfeited in their entirety. Once the performance objective has been attained, restrictions will lapse in one-third (1/3) increments on each of the first three anniversaries of the award date. Notwithstanding the performance objectives and the vesting requirements set forth in the Form

Agreement, the restrictions will lapse earlier in the event of the death, disability or termination of employment, without cause, of the grantee, or in the event of a change in control of the Company.

Change in Control Severance Agreements

The Board of Directors, on the recommendation of the Compensation Committee, also approved change in control severance agreements (the "CIC Agreements") among the Company, Community Health Systems Professional Services Corporation (the employer of each of our executives), and each officer of the Company (collectively, the "Covered Executives"), effective as of March 1, 2007. The CIC Agreements will remain in effect until February 28, 2009 (or, if later, expiration of the 36 month period following a Change in Control, as defined in the CIC Agreements). Commencing on March 1, 2008 and on each March 1 thereafter, the term of the CIC Agreements will automatically be extended for one year unless notice is given by the prior December 1st.

The CIC Agreements provide for certain compensation and benefits in the event of termination of a Covered Executive's employment during the period following a Change in Control, (A) by the Company, other than as a result of the Covered Executive's death or disability within thirty-six (36) months of the Change in Control or (B) by the Covered Executive, upon the happening of certain "good reason" events within twenty-four (24) months of the Change in Control including, among other things, (i) certain changes in the Covered Executive's title, position, responsibilities or duties, (ii) a reduction in the Covered Executive's base, (iii) certain changes in the Covered Executive's principal location of work or (iv) the failure of the Company to continue in effect any material compensation or benefit plan. The thirty-six (36) and twenty-four (24) month time periods described in the preceding sentence apply to the CIC Agreements for the Company's President and Chief Executive Officer, the Executive Vice President and Chief Financial Officer, and each Senior Vice President; for the CIC Agreements among the Company, Community Health Systems Professional Services Corporation and each Vice President of the Company, the applicable time periods are twenty-four (24) and twelve (12) months, respectively.

Compensation and benefits payable under the CIC Agreements include a lump sum payment equal to the sum of (i) unpaid base pay, (ii) accrued but unused paid vacation or sick pay and unreimbursed business expenses, (iii) any other compensation or benefits in accordance with the terms of the Company's existing plans and programs, (iv) a pro rata portion of target incentive bonus and (v) three times (two times, in the case of each Vice President of the Company) the sum of base salary and the higher of (A) the highest incentive bonus earned during any of the three fiscal years prior to the fiscal year in which the Covered Executive's termination of employment occurs or, if greater, the three fiscal years prior to the fiscal year in which Change in Control occurs and (B) the target incentive bonus for the fiscal year in which the Covered Executive's termination of employment occurs. The Covered Executives shall also be entitled to continuation of certain health and welfare benefits for thirty-six months (twenty-four months in the case of each Vice President) and reimbursement of up to \$25,000 for outplacement counseling and related benefits.

In addition, the Covered Executives will be entitled to receive certain "gross up" payments to offset any excise tax imposed by Section 4999 of the Internal Revenue Code of 1986 (the "Code") on any payment or distribution by the Company to or for their benefit, including under any stock option, restricted stock or other agreement, plan or program, provided, however, that if a reduction in such payments or distributions by 10% or less would cause no excise tax to be payable, then the payments and distributions to the Covered Executive shall be reduced by that amount and no excise tax gross up payment will be paid.

ITEM 9.01. Financial Statements and Exhibits.

- | | |
|--------------|---|
| Exhibit 10.1 | Form of Performance Based Restricted Stock Award Agreement (Most Highly Compensated Executive Officers) |
| Exhibit 10.2 | Form of Change in Control Severance Agreement |
-

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this Report to be signed on its behalf by the undersigned thereunto duly authorized.

Date: March 2, 2007

COMMUNITY HEALTH SYSTEMS, INC.
(Registrant)

By: /s/ Wayne T. Smith
Wayne T. Smith
Chairman of the Board,
President and Chief Executive Officer
(principal executive officer)

By: /s/ W. Larry Cash
W. Larry Cash
Executive Vice President, Chief Financial
Officer and Director
(principal financial officer)

RESTRICTED STOCK AWARD AGREEMENT

Community Health Systems, Inc.

THIS AGREEMENT between you and Community Health Systems, Inc., a Delaware corporation (the "Company") governs an award of restricted stock in the amount and on the date specified in your award notification (the "Grant Date").

WHEREAS, the Company has adopted the Community Health Systems, Inc. Amended and Restated 2000 Stock Option and Award Plan (the "Plan") in order to provide additional incentive to certain employees and directors of the Company and its Subsidiaries; and

WHEREAS, the Committee has determined to grant to you an Award of Restricted Stock as provided herein to encourage your efforts toward the continuing success of the Company.

NOW, THEREFORE, the parties hereto agree as follows:

1. Grant of Restricted Stock.

1.1 The Company hereby grants to you an award of Shares of Restricted Stock (the "Award") in the number set out in an electronic notification by the Company's stock option plan administrator, as may be appointed from time to time (the "Plan Administrator"). The Shares of Restricted Stock granted pursuant to the Award shall be issued in the form of book entry Shares in your name as soon as reasonably practicable after the Date of Grant and shall be subject to your acknowledgement and acceptance (or your estate, if applicable) of this agreement by electronic means to the Plan Administrator as provided in Section 9 hereof, or as you have been otherwise instructed.

1.2 This Agreement shall be construed in accordance and consistent with, and subject to, the provisions of the Plan (the provisions of which are hereby incorporated by reference) and, except as otherwise expressly set forth herein, the capitalized terms used in this Agreement shall have the same definitions as set forth in the Plan.

2. Restrictions on Transfer.

The Shares of Restricted Stock issued under this Agreement may not be sold, transferred or otherwise disposed of and may not be pledged or otherwise hypothecated until all restrictions on such Restricted Stock shall have lapsed in the manner provided in Section 3, 4 or 5 hereof.

3. Lapse of Restrictions Generally.

Except as provided in Sections 4, 5 and 6 hereof, one-third (1/3) of the number of Shares of Restricted Stock issued hereunder (rounded up to the next whole Share, if necessary) shall vest, and the restrictions with respect to such Restricted Stock shall lapse, on each of the first three (3) anniversaries of the Date of Grant.

4. Effect of Certain Terminations of Employment.

If your employment terminates as a result of your death, Disability, or by your employer for any reason other than for Cause, in each case if such termination occurs on or after the Date of Grant, all Shares of Restricted Stock which have not become vested in accordance with Section 3 or 5 hereof shall vest, and the restrictions on such Restricted Stock shall lapse, as of the date of such termination.

5. Effect of Change in Control.

In the event of a Change in Control at any time on or after the Date of Grant, all Shares of Restricted Stock which have not become vested in accordance with Section 3 or 4 hereof shall vest, and the restrictions on such Restricted Stock shall lapse, immediately.

6. Forfeiture of Restricted Stock.

In addition to the circumstance described in Section 9(a) hereof, any and all Shares of Restricted Stock which have not become vested in accordance with Section 3, 4 or 5 hereof shall be forfeited and shall revert to the Company upon the termination by you, the Company or its Subsidiaries of your employment for any reason other than those set forth in Section 4 hereof prior to such vesting.

7. Delivery of Restricted Stock.

7.1 Except as otherwise provided in Section 7.2 hereof, evidence of book entry Shares or, if requested by you prior to such lapse of restrictions, a stock certificate with respect to shares of Restricted Stock for which the restrictions have lapsed pursuant to Section 3, 4 or 5 hereof, shall be delivered to you as soon as practicable following the date on which the restrictions on such Restricted Stock have lapsed, free of all restrictions hereunder.

7.2 Evidence of book entry Shares with respect to shares of Restricted Stock whose restrictions have lapsed upon your death pursuant to Section 4 hereof or, if requested by the executors or administrators of your estate upon such lapse of restrictions, a stock certificate with respect to such shares of Restricted Stock, shall be delivered to the executors or administrators of your estate as soon as practicable following the Company's receipt of notification of your death, free of all restrictions hereunder. All references herein to "you" shall also include your executors, administrators, heirs or assigns in the event of your death.

8. Dividends and Voting Rights.

Subject to Section 9(a) hereof, upon issuance of the Restricted Stock, you shall have all of the rights of a stockholder with respect to such Stock, including the right to vote the Stock and to receive all dividends or other distributions paid or made with respect thereto; provided, however, that dividends or distributions declared or paid on the Restricted Stock by the Company shall be deferred and reinvested in Shares of Restricted Stock based on the Fair Market Value of a Share on the date such dividend or distribution is paid or made (provided that no fractional Shares will be issued), and the additional Shares of Restricted Stock thus acquired shall be subject to the same restrictions on transfer, forfeiture and vesting schedule as the Restricted Stock in respect of which such dividends or distributions were made.

9. Acknowledgement and Acceptance of Award Agreement.

(a) The Shares of Restricted Stock granted to you pursuant to this Award shall be subject to your acknowledgement and acceptance of this Agreement to the Company or its Plan Administrator (including by electronic means, if so provided) no later than the earlier of (i) 180 days from the Date of Grant and (ii) the date that is immediately prior to the date that the Restricted Stock lapses pursuant to Section 4 or 5 hereof (the "Return Date"); provided that if you dies before your Return Date, this requirement shall be deemed to be satisfied if the executor or administrator of your estate acknowledges and accepts this Agreement through the Company or its Plan Administrator designee no later than ninety (90) days following your death (the "Executor Return Date"). If this Agreement is not so acknowledged and accepted executed and returned on or prior to your Return Date or the Executor Return Date, as applicable, the Shares of Restricted Stock evidenced by this Agreement shall be forfeited, and neither you nor your heirs, executors, administrators and successors shall have any rights with respect thereto.

(b) If this Agreement is so acknowledged and accepted and returned on or prior to your Return Date or the Executor Return Date, as applicable, all dividends and other distributions paid or made with respect to the Shares of Restricted Stock granted hereunder prior to such Return Date or Executor Return Date shall be treated in the manner provided in Section 8 hereof.

10. No Right to Continued Employment.

Nothing in this Agreement or the Plan shall interfere with or limit in any way the right of the Company or its Subsidiaries to terminate your employment, nor confer upon you any right to continuance of employment by the Company or any of its Subsidiaries or continuance of service as a Board member.

11. Withholding of Taxes.

Prior to the delivery to you of a stock certificate or evidence of book entry Shares with respect to shares of Restricted Stock whose restrictions have lapsed, you shall pay to the Company or the Company's Plan Administrator, the federal, state and local income taxes and other amounts as may be required by law to be withheld (the "Withholding Taxes") with respect to such Restricted Stock. By acknowledging and accepting this Agreement in the manner provided in Section 9 hereof, you shall be deemed to elect to have the Company or the Plan Administrator withhold a portion of such Restricted Stock having an aggregate Fair Market Value equal to the Withholding Taxes in satisfaction thereof, such election to continue in effect until you notify the Company or its Plan Administrator before such delivery that you shall satisfy such obligation in cash, in which event the Company or the Plan Administrator shall not withhold a portion of such Restricted Stock as otherwise provided in this Section 11.

12. You Are Bound by the Plan.

By acknowledging and accepting this award you hereby confirm the availability, your review of a copy of the Plan and the Prospectus, and other documents provided to you in connection with this award by the Company or its Plan Administrator, and you agree to be bound by all the terms and provisions thereof.

13. Modification of Agreement.

This Agreement may be modified, amended, suspended or terminated, and any terms or conditions may be waived, but only by a written instrument executed by both parties hereto.

14. Severability.

Should any provision of this Agreement be held by a court of competent jurisdiction to be unenforceable or invalid for any reason, the remaining provisions of this Agreement shall not be affected by such holding and shall continue in full force in accordance with their terms.

15. Governing Law.

The validity, interpretation, construction and performance of this Agreement shall be governed by the laws of the State of Tennessee without giving effect to the conflicts of laws principles thereof.

16. Successors in Interest.

This Agreement shall inure to the benefit of and be binding upon any successor to the Company. This Agreement shall inure to the benefit of your legal representatives. All obligations imposed upon you and all rights granted to the Company under this Agreement shall be binding upon your heirs, executors, administrators and successors.

17. Resolution of Disputes.

Any dispute or disagreement which may arise under, or as a result of, or in any way relate to, the interpretation, construction or application of this Agreement shall first be referred to the Chief Executive Officer for informal resolution, and if necessary, referred to the Committee for its determination. Any determination made hereunder shall be final, binding and conclusive on you, your heirs, executors, administrators and successors, and the Company and its Subsidiaries for all purposes.

18. Entire Agreement.

This Agreement and the terms and conditions of the Plan constitute the entire understanding between you and the Company and its Subsidiaries, and supersede all other agreements, whether written or oral, with respect to the Award.

19. Headings.

The headings of this Agreement are inserted for convenience only and do not constitute a part of this Agreement.

20. Deemed Execution. On the date of your electronic acceptance of the terms of the Award and this Agreement, this Agreement shall be deemed to have been executed and delivered by you and the Company.

COMMUNITY HEALTH SYSTEMS, INC.

CHANGE IN CONTROL SEVERANCE AGREEMENT

THIS CHANGE IN CONTROL SEVERANCE AGREEMENT made as of the 28th day of February, 2007, by and among Community Health Systems, Inc. (the "Corporation"), Community Health Systems Professional Services Corporation (the "Employer"), and [•] (the "Executive").

WHEREAS, the Board of Directors of the Corporation and the Board of Directors of the Employer (the "Boards") recognize that the possibility of a Change in Control (as hereinafter defined) exists and that the threat or the occurrence of a Change in Control can result in significant distraction of the Employer's key management personnel because of the uncertainties inherent in such a situation;

WHEREAS, the Boards have determined that it is essential and in the best interest of the Employer, and the Corporation and its stockholders, for the Employer to retain the services of the Executive in the event of a threat or occurrence of a Change in Control and to ensure the Executive's continued dedication and efforts in such event without undue concern for the Executive's personal financial and employment security; and

WHEREAS, in order to induce the Executive to remain in the employ of the Employer, particularly in the event of a threat or the occurrence of a Change in Control, the Employer desires to enter into this Agreement with the Executive to provide the Executive with certain benefits in the event the Executive's employment is terminated as a result of, or in connection with, a Change in Control.

NOW, THEREFORE, in consideration of the respective agreements of the parties contained herein, it is agreed as follows:

1. Term of Agreement. This Agreement shall commence as of March 1, 2007, and shall continue in effect until February 28, 2009 (the "Term"); *provided, however*, that on March 1, 2008, and on each March 1st thereafter, the Term shall automatically be extended for one (1) year unless either the Executive or the Employer shall have given written notice to the other at least ninety (90) days prior thereto (i.e., on or before December 1st immediately preceding) that the Term shall not be so extended; *provided, further, however*, that following the occurrence of a Change in Control, the Term shall not expire prior to the expiration of thirty-six months (36) months¹ after such occurrence.

2. Termination of Employment. If the Executive's employment with the Employer and with all other Affiliates of the Corporation shall be terminated, the Executive shall be entitled to the following compensation and benefits:

(a) If the Executive's employment with the Employer and with all other Affiliates of the Corporation shall be terminated for any reason other than for Cause, the Employer shall pay to the Executive the Executive's Accrued Compensation.

¹ 36 months applies to CEO, CFO, and SVPs; change to 24 months for VPs.

(b) If the Executive's employment with the Employer and with all other Affiliates of the Corporation shall be terminated (i) by the Employer without Cause (other than by reason of the Executive's Disability) within thirty-six (36) months² following a Change in Control, or (ii) by the Executive for Good Reason within twenty-four (24) months³ following a Change of Control, the Executive shall be entitled to the following:

(1) the Employer shall pay the Executive the Executive's Accrued Compensation;

(2) the Employer shall pay the Executive as severance pay and in lieu of any further compensation for periods subsequent to the Termination Date, an amount determined by multiplying (A) three (3)⁴ times the sum of (i) the Executive's Base Amount and (ii) the Executive's Bonus Amount;

(3) (A) for thirty-six (36)⁵ months following the Termination Date (the "Continuation Period"), the Employer shall arrange, at its sole expense, to provide the Executive with health and welfare benefits (other than long-term disability insurance benefits) that are substantially similar to the better of (when considered in the aggregate) (X) those health and welfare benefits (other than long-term disability insurance benefits) that the Executive was receiving or entitled to receive immediately prior to the Change in Control, and (Y) those health and welfare benefits (other than long-term disability insurance benefits) that the Executive was receiving or entitled to receive immediately prior to the Termination Date, and (B) such Continuation Period will be considered service with the Employer for the purpose of determining service credits under or in respect of any health and welfare benefits applicable to the Executive or the Executive's dependents or beneficiaries. If and to the extent that any health or welfare benefit described in subsection (A) or (B) of this Section 2(b)(3) cannot be paid or provided under any applicable law or regulation, including without limitation Section 409A of the Code, or under the terms of any policy, plan, program or arrangement of the Employer, then the Employer will take all action necessary to ensure that such benefit is provided through other means to the Executive or the Executive's dependents or beneficiaries, as applicable, or the Employer shall timely pay to the Executive a lump sum amount in cash equal to the fair market value of such foregone benefit. The Employer shall make any payment that may be necessary to ensure that the Executive's after tax position with respect to any health and welfare benefits received pursuant to this Section 2(b)(3) is not worse than the Executive's after-tax position in the event such benefits had been provided to the Executive while the Executive was employed by the Employer; and

(4) the Employer shall pay or reimburse the Executive for the costs, fees and expenses of outplacement assistance services (not to exceed twenty-five thousand dollars (\$25,000)) provided by any bona fide outplacement agency selected by the Executive.

(c) If the Executive's employment with the Employer and with all other Affiliates of the Corporation shall be terminated by the Employer without Cause (other than by

² Change to 24 months for VPs.

³ Change to 12 months for VPs.

⁴ Severance for CEO, EVP and SVPs. For VPs, severance shall be 24 months (or 2 times base and bonus).

⁵ Change to 24 months for VPs.

reason of the Executive's Disability) (1) within twelve (12) months prior to a Change in Control or (2) any time prior to the date of a Change in Control but the Executive reasonably demonstrates that such termination (A) was at the request of a third party who has indicated an intention or taken steps reasonably calculated to effect a Change in Control (a "Third Party") and who effectuates a Change in Control or (B) otherwise arose in connection with, or in anticipation of, a Change in Control which has been threatened or proposed, such termination shall be deemed to have occurred after a Change in Control, provided a Change in Control shall actually have occurred.

(d) If the Executive's employment with the Employer and with all other Affiliates of the Corporation shall be terminated for Cause, the Employer shall pay to the Executive any unpaid portion of the Executive's base salary through the Termination Date at the rate in effect at the time Notice of Termination is given and shall pay any amounts required to be paid to the Executive pursuant to any other compensation plans, programs or arrangements then in effect, or which are required to be paid under applicable law, and the Employer shall have no further obligations to the Executive under this Agreement.

(e) The amounts provided for in Sections 2(a) and 2(b)(1), (2) and (4) shall be paid in a single lump sum cash payment within ten (10) business days after the date a Waiver and Release of Claims substantially the form attached hereto as Exhibit A (the "Release") becomes effective; *provided, however*, that, notwithstanding the foregoing, if (i) the Executive is a "specified employee" for purposes of Section 409A of the Internal Revenue Code of 1986, as amended (the "Code"), and the regulations thereunder and (ii) Section 409A of the Code and the regulations thereunder require that the payment or any portion thereof be deferred in order to avoid application of the excise tax provided by Section 409A(a)(1)(B) of the Code, then any such payment shall be deferred for six months from the Termination Date (or such later date necessary to avoid such excise tax).

(f) The Executive shall not be required to mitigate the amount of any payment or benefit provided for in this Agreement by seeking other employment or otherwise and no such payment or benefit shall be offset or reduced by the amount of any compensation or benefits provided to the Executive in any subsequent employment.

(g) The severance pay and benefits provided for in this Section 2 shall be in lieu of any other severance pay to which the Executive may be entitled under the Employer's severance policy or any other plan, agreement or arrangement of the Employer or any other Affiliate of the Corporation.

(h) The Executive's entitlement to other compensation or benefits pursuant to the Employer's employee benefit plans and other applicable programs and practices shall be determined in accordance with the terms of those plans, programs and practices as in effect from time to time.

(i) The Employer's and the Corporation's obligations pursuant to this Section 2 shall be conditioned upon the Executive's execution, delivery and non-revocation of the Release.

3. Gross-Up Payment.

(a) In the event it shall be determined that any payment or distribution of any type to or for the benefit of the Executive, by the Employer, the Corporation, any Affiliate, any Person (as defined in Section 17.6(a) hereof) who acquires ownership or effective control of the Corporation or ownership of a substantial portion of the Corporation's assets (within the meaning of Section 280G of the Code and the regulations thereunder) or any affiliate of such Person, whether paid or payable or distributed or distributable pursuant to the terms of this Agreement or under any other plan, program, policy or arrangement of the Corporation, the Employer or any of their Affiliates (the "Total Payments"), is or will be subject to the excise tax imposed by Section 4999 of the Code or any interest or penalties with respect to such excise tax (such excise tax, together with any such interest and penalties, are collectively referred to as the "Excise Tax"), then the Executive shall be entitled to receive an additional payment (a "Gross-Up Payment") in an amount such that after payment by the Executive of all taxes (including any interest or penalties imposed with respect to such taxes), including any Excise Tax, imposed upon the Gross-Up Payment, the Executive retains an amount of the Gross-Up Payment equal to the Excise Tax imposed upon the Total Payments.

Notwithstanding the immediately preceding paragraph, in the event that a reduction to the Total Payments in respect of the Executive of 10% or less would cause no Excise Tax to be payable, the Executive will not be entitled to a Gross-Up Payment and the Total Payments shall be reduced to the extent necessary so that the Total Payments shall not be subject to the Excise Tax. Unless the Executive shall have given prior written notice to the Employer specifying a different order by which to effectuate the foregoing, the Employer shall reduce or eliminate the Total Payments (x) by first reducing or eliminating the portion of the Total Payments which are not payable in cash (other than that portion of the Total Payments subject to clause (z) hereof), (y) then by reducing or eliminating cash payments (other than that portion of the Total Payments subject to clause (z) hereof) and (z) then by reducing or eliminating the portion of the Total Payments (whether payable in cash or not payable in cash) to which Treasury Regulation Section 1.280G-1 Q/A 24(c) (or successor thereto) applies, in each case in reverse order beginning with payments or benefits which are to be paid the farthest in time from the date of the Change in Control. Any notice given by the Executive pursuant to the preceding sentence shall take precedence over the provisions of any other plan, arrangement or agreement governing the Executive's rights and entitlements to any benefits or compensation.

(b) Determination by Accountant. All mathematical determinations, and all determinations as to whether any of the Total Payments are "parachute payments" (within the meaning of Section 280G of the Code), that are required to be made under this Section 3, including determinations as to whether a Gross-Up Payment is required, the amount of such Gross-Up Payment and amounts relevant to the last sentence of this Section 3(b), shall be made by an independent accounting firm selected by the Executive from among the nationally recognized accounting firms in the United States (the "Accounting Firm"), which shall provide its determination (the "Determination"), together with detailed supporting calculations regarding the amount of any Gross-Up Payment and any other relevant matter, both to the Employer and the Executive by no later than ten (10) days following the Termination Date, if applicable, or such earlier time as is requested by the Employer or the Executive (if the Executive reasonably believes that any of the Total Payments may be subject to the Excise Tax). If the Accounting

Firm determines that no Excise Tax is payable by the Executive, it shall furnish the Executive and the Employer with a written statement that such Accounting Firm has concluded that no Excise Tax is payable (including the reasons therefor) and that the Executive has substantial authority not to report any Excise Tax on the Executive's federal income tax return. If a Gross-Up Payment is determined to be payable, it shall be paid to the Executive within twenty (20) days after the Determination (and all accompanying calculations and other material supporting the Determination) is delivered to the Employer by the Accounting Firm. Any determination by the Accounting Firm shall be binding upon the Employer and the Executive, absent manifest error. As a result of uncertainty in the application of Section 4999 of the Code at the time of the initial determination by the Accounting Firm hereunder, it may be the case that Gross-Up Payments not made by the Employer should have been made ("Underpayment") or that Gross-Up Payments will have been made by the Employer which should not have been made ("Overpayments"). In either such event, the Accounting Firm shall determine the amount of the Underpayment or Overpayment that has occurred. In the case of an Underpayment, the amount of such Underpayment shall be promptly paid by the Employer to or for the benefit of the Executive. In the case of an Overpayment, the Executive shall, at the direction and expense of the Employer, take such steps as are reasonably necessary (including the filing of returns and claims for refund), follow reasonable instructions from, and procedures established by, the Employer, and otherwise reasonably cooperate with the Employer to correct such Overpayment, *provided, however*, that (i) the Executive shall not in any event be obligated to return to the Employer an amount greater than the net after-tax portion of the Overpayment that the Executive has retained or has recovered as a refund from the applicable taxing authorities and (ii) this provision shall be interpreted in a manner consistent with the intent of Section 3(a), which is to make the Executive whole, on an after-tax basis, from the application of the Excise Tax, it being understood that the correction of an Overpayment may result in the Executive repaying to the Employer an amount which is less than the Overpayment.

(c) Access; Binding Effect. The Corporation, the Employer and the Executive shall each provide the Accounting Firm access to and copies of any books, records and documents in the possession of the Employer or the Executive, as the case may be, reasonably requested by the Accounting Firm, and otherwise cooperate with the Accounting Firm in connection with the preparation and issuance of the determinations and calculations contemplated by this Section 3. Any determination by the Accounting Firm as to the amount of any Gross-Up Payment or Underpayment shall be binding upon the Employer, its Affiliates and the Executive; *provided* that if the Executive is ultimately required to pay an Excise Tax by the Internal Revenue Service despite the opinion of such Accounting Firm, then the Employer shall make the appropriate Gross-Up Payment contemplated herein.

(d) Income Tax Returns. The federal income returns filed by the Executive shall be prepared and filed on a basis consistent with the determination of the Accounting Firm with respect to the Excise Tax payable by the Executive. The Executive shall make proper payment of the amount of any Excise Tax that has not been withheld by the Employer, and at the request of the Employer, provide to the Employer true and correct copies (with any amendments) of the Executive's federal income tax return as filed with the Internal Revenue Service and corresponding state and local tax returns, if relevant, as filed with the applicable taxing authority, and such other documents reasonably requested by the Employer, evidencing the proper

reporting of the Gross-Up Payment and any Excise Tax due. If prior to the filing of the Executive's federal income tax return, or corresponding state or local tax return, if relevant, the Accounting Firm determines that the amount of the Gross-Up Payment should be reduced, the Executive shall within five (5) business days of such determination pay to the Employer the amount of such reduction.

(e) Fees and Expenses. The fees and expenses of the Accounting Firm for its services in connection with the determinations and calculations contemplated by this Section 3 shall be borne by the Employer. If such fees and expenses are initially paid by the Executive, the Employer shall reimburse the Executive the full amount of such fees and expenses within five (5) business days after receipt from the Executive of a statement therefor and reasonable evidence of the Executive's payment thereof.

(f) Indemnification. The Executive shall notify the Employer in writing of any claim by the Internal Revenue Service that, if successful, would require the payment by the Employer of a Gross-Up Payment. Such notification shall be given as promptly as practicable but no later than ten (10) business days after the Executive actually receives notice of such claim and the Executive shall further apprise the Employer of the nature of such claim and the date on which such claim is requested to be paid (in each case, to the extent known by the Executive). The Executive shall not pay such claim prior to the earlier of (i) the expiration of the thirty (30)-day period following the date on which the Executive gives such notice to the Employer and (ii) the date that any payment of the amount with respect to such claim is due. If the Employer notifies the Executive in writing prior to the expiration of such period that it desires to contest such claim, the Executive shall:

(i) provide the Employer with any written records or documents in the Executive's possession relating to such claim reasonably requested by the Employer;

(ii) take such action in connection with contesting such claim as the Employer shall reasonably request in writing from time to time, including without limitation accepting legal representation with respect to such claim by an attorney competent in respect of the subject matter and reasonably selected by the Employer;

(iii) cooperate with the Employer in good faith in order effectively to contest such claim; and

(iv) permit the Employer to participate in any proceedings relating to such claim; *provided, however*, that the Employer shall bear and pay directly all costs in a court of initial jurisdiction and in one or more appellate courts, as the Employer shall determine; and *provided, further, however*, that if the Employer directs the Executive to pay the tax claimed and sue for a refund, the Employer shall make such payment to the Executive on an interest-free basis and shall indemnify and hold the Executive harmless, on an after-tax basis, from any Excise Tax or income or other tax, including interest or penalties with respect thereto, imposed with respect to such payment; and *provided, further, however*, that any extension of the statute of limitations relating to payment of taxes for the taxable year of the Executive with respect to which the contested amount is claimed to be due is limited solely to such contested amount. Furthermore, the Employer's control of any such contested claim shall be limited to issues with

respect to which a Gross-Up Payment would be payable hereunder and the Executive shall be entitled to settle or contest, as the case may be, any other issue raised by the Internal Revenue Service.

(g) Refunds. If, after the receipt by the Executive of an amount paid by the Employer pursuant to Section 3(f), the Executive receives any refund with respect to such claim, the Executive shall (subject to the Employer's complying with the requirements of Section 3(f) promptly pay to the Employer the amount of such refund (together with any interest paid or credited thereon after any taxes applicable thereto). If, after the receipt by the Executive of an amount paid by the Employer pursuant to Section 3(f) a determination is made that the Executive shall not be entitled to any refund with respect to such claim and the Employer does not notify the Executive in writing of its intent to contest such denial or refund prior to the expiration of thirty (30) days after such determination, then such amount shall not be required to be repaid and shall offset, to the extent thereof, the amount of Gross-Up Payment required to be paid by the Employer to the Executive pursuant to this Section 3.

(h) Confidentiality. Any information provided by the Executive to the Employer under this Section 3 shall be treated confidentially by the Employer and, except as required by law, will not be provided by the Employer to any other person, other than the Employer's professional advisors, without Executive's prior written consent.

4. Notice of Termination. Following a Change in Control, (i) any intended termination of the Executive's employment by the Employer shall be communicated by a Notice of Termination from the Employer to the Executive, and (ii) any intended termination of the Executive's employment by the Executive for Good Reason shall be communicated by a Notice of Termination from the Executive to the Employer within six (6) months of the Executive becoming aware of the event or action constituting Good Reason or, if later, within six (6) months after the date of the Change in Control.

5. Fees and Expenses. The Employer shall pay all legal fees and related expenses (including the costs of experts, evidence and counsel) incurred in good faith by the Executive as they become due as a result of (a) the termination of the Executive's employment by the Employer or by the Executive for Good Reason (including all such fees and expenses, if any, incurred in contesting, defending or disputing the basis for any such termination of employment), (b) the Executive's hearing before the Board of Directors of the Corporation as contemplated in Section 17.5 of this Agreement or (c) the Executive seeking to obtain or enforce any right or benefit provided by this Agreement or by any other plan or arrangement maintained by the Employer under which the Executive is or may be entitled to receive benefits.

6. Transfer of Employment. Notwithstanding any other provision herein to the contrary, the Employer shall cease to have any further obligation or liability to the Executive under this Agreement if (a) the Executive's employment with the Employer terminates as a result of the transfer of the Executive's employment to any other Affiliate of the Corporation, (b) this Agreement is assigned to such other Affiliate, and (c) such other Affiliate expressly assumes and agrees to perform this Agreement in the same manner and to the same extent that the Employer would be required to perform it if no assignment had taken place. Any Affiliate to which this Agreement is so assigned shall be treated as the "Employer" for all purposes of this Agreement

on or after the date as of which such assignment to the Affiliate, and the Affiliate's assumption and agreement to so perform this Agreement, becomes effective.

7. Corporation's Obligation. The Corporation agrees that it will take such steps as may be necessary to cause the Employer (or any Affiliate that has become the "Employer" pursuant to Section 6 hereof) to meet each of its obligations to the Executive under this Agreement.

8. Notice. For the purposes of this Agreement, notices and all other communications provided for in this Agreement (including any Notice of Termination) shall be in writing, shall be signed by the Executive if to the Employer or by a duly authorized officer of the Employer if to the Executive, and shall be deemed to have been duly given when personally delivered or sent by certified mail, return receipt requested, postage prepaid. Notices to the Employer or the Corporation shall be delivered to the attention of the General Counsel at the corporate headquarters of the Corporation. Notices to the Executive shall be delivered to the address reflected in the payroll records of the Employer. All notices and communications shall be deemed to have been received on the date of delivery thereof or on the third business day after the mailing thereof, except that notice of change of address shall be effective only upon receipt.

9. Nature of Rights. The Executive shall have the status of a mere unsecured creditor of the Employer and the Corporation with respect to the Executive's right to receive any payment under this Agreement. This Agreement shall constitute a mere promise by the Employer and the Corporation to make payments in the future of the benefits provided for herein. It is the intention of the parties hereto that the arrangements reflected in this Agreement shall be treated as unfunded for tax purposes and, if it should be determined that Title I of the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), is applicable to this Agreement, for purposes of Title I of ERISA. Except as provided in Section 2(g), nothing in this Agreement shall prevent or limit the Executive's continuing or future participation in any benefit, bonus, incentive or other plan or program provided by the Employer, the Corporation or any other Affiliate of the Corporation and for which the Executive may qualify, nor shall anything herein limit or reduce such rights as the Executive may have under any other agreements with the Employer, the Corporation or any other Affiliate of the Corporation. Amounts which are vested benefits or which the Executive is otherwise entitled to receive under any plan or program of the Employer, the Corporation or any other Affiliate of the Corporation shall be payable in accordance with such plan or program, except as explicitly modified by this Agreement.

10. Settlement of Claims. The Employer's obligation to make the payments provided for in this Agreement and otherwise to perform its obligations hereunder shall not be affected by any circumstances, including, without limitation, any set-off, counterclaim, defense, recoupment, or other right which the Employer may have against the Executive or others.

11. Alternative Dispute Resolution. The parties hereto agree that any controversy or claim arising out of or relating to this Agreement or the breach thereof, shall be settled by binding arbitration by an arbitration panel selected in accordance with the then-current arbitrator selection procedures of the American Arbitration Association. Such arbitration shall be conducted in the Middle District of Tennessee (absent mutual agreement by the parties to do

otherwise) pursuant to the national rules for the resolution of employment disputes of the American Arbitration Association then in effect. The decision or award in any such arbitration will be final and binding upon the parties and judgment upon such decision or award may be entered in any court of competent jurisdiction or application may be made to any such court for judicial acceptance of such decision or award and an order of enforcement. In the event that any procedural matter is not covered by the aforesaid rules, the procedural law of Delaware will govern. The Employer shall bear all costs and expenses incurred by the Executive in the arbitration, as well as its own costs and expenses and the costs and expenses of any of its Affiliates.

12. Miscellaneous. No provision of this Agreement may be modified, waived or discharged unless such waiver, modification or discharge is agreed to in writing and signed by the Executive, the Corporation and the Employer. No waiver by any party hereto at any time of any breach by any other party hereto of, or compliance with, any condition or provision of this Agreement to be performed by such other party shall be deemed a waiver of similar or dissimilar provisions or conditions at the same or at any prior or subsequent time. No agreement or representation, oral or otherwise, express or implied, with respect to the subject matter hereof has been made by any party which is not expressly set forth in this Agreement.

13. Successors; Binding Agreement.

(a) This Agreement shall be binding upon and shall inure to the benefit of the Employer, the Corporation and their respective Successors and Assigns. The Employer and the Corporation shall require their respective Successors and Assigns to expressly assume and agree to perform this Agreement in the same manner and to the same extent that the Employer and/or the Corporation would be required to perform it if no such succession or assignment had taken place.

(b) Neither this Agreement nor any right or interest hereunder shall be assignable or transferable by the Executive or the Executive's beneficiaries or legal representatives, except by will or by the laws of descent and distribution. This Agreement shall inure to the benefit of and be enforceable by the Executive's legal personal representative.

14. Governing Law. This Agreement shall be governed by and construed and enforced in accordance with the substantive laws of the State of Delaware without giving effect to the conflict of laws principles thereof.

15. Severability. The provisions of this Agreement shall be deemed severable and the invalidity or unenforceability of any provision shall not affect the validity or enforceability of the other provisions hereof.

16. Entire Agreement. This Agreement constitutes the entire agreement between the parties hereto, and supersedes all prior agreements, if any, understandings and arrangements, oral or written, between the parties hereto.

17. Definitions.

17.1. Accrued Compensation. For purposes of this Agreement, “Accrued Compensation” shall mean all amounts of compensation for services rendered to the Employer or any other Affiliate that have been earned or accrued through the Termination Date but that have not been paid as of the Termination Date including (a) base salary, (b) reimbursement for reasonable and necessary business expenses incurred by the Executive on behalf of the Employer during the period ending on the Termination Date, (c) vacation pay and (d) a pro rata portion of the Bonus Amount that would be payable, assuming that both the Employer and the Executive satisfy 100% (but not in excess of 100%) of the performance objective(s) specified in or pursuant to the applicable agreement, policy, plan, program or arrangement and communicated to the Executive (as the Executive’s “Target Incentive Award,” “Base Bonus Percentage” or their successors) by the Employer, whether or not attained as of the Termination Date, to the Executive for the fiscal year in which the Termination Date occurs, calculated by dividing such amount by a twelve and multiplying the quotient by the number of full and partial months of employment completed prior to the Termination Date; *provided, however*, that Accrued Compensation shall not include any amounts described in clause (a) or clause (d) that have been deferred pursuant to any salary reduction or deferred compensation elections made by the Executive.

17.2. Affiliate. For purposes of this Agreement, “Affiliate” means any entity directly or indirectly controlled by, controlling or under common control with the Corporation or any corporation or other entity acquiring, directly or indirectly, all or substantially all the assets and business of the Corporation, whether by operation of law or otherwise.

17.3. Base Amount. For purposes of this Agreement, “Base Amount” shall mean the Executive’s annual base salary at the rate in effect as of the date of a Change in Control or, if greater, at any time thereafter, determined without regard to any salary reduction or deferred compensation elections made by the Executive.

17.4. Bonus Amount. For purposes of this Agreement, “Bonus Amount” shall mean the greater of (a) the target annual bonus that would be payable to the Executive under the Incentive Plan in respect of the fiscal year during which the Termination Date occurs assuming that both the Corporation and the Executive satisfy 100% (but not in excess of 100%) of the performance objective(s) specified in or pursuant to the applicable agreement, policy, plan, program or arrangement and communicated to the Executive, and (b) the highest annual bonus paid or payable under the Incentive Plan in respect of any of the three full fiscal years ended prior to the Termination Date or, if greater, the three (3) full fiscal years ended prior to the Change in Control.

17.5. Cause. For purposes of this Agreement, a termination of employment is for “Cause” if the Executive has been convicted of a felony or the termination is evidenced by a resolution adopted in good faith by two-thirds of the Board of Directors of the Corporation that the Executive:

(a) intentionally and continually failed substantially to perform the Executive’s reasonably assigned duties with the Employer or the Corporation (other than a failure resulting from the Executive’s incapacity due to physical or mental illness or from the assignment to the Executive of duties that would constitute Good Reason) which failure

continued for a period of at least thirty (30) days after a written notice of demand for substantial performance, signed by a duly authorized officer of the Employer or the Corporation, has been delivered to the Executive specifying the manner in which the Executive has failed substantially to perform, or

(b) intentionally engaged in conduct which is demonstrably and materially injurious to the Corporation or the Employer; *provided, however*, that no termination of the Executive's employment shall be for Cause as set forth in this Section 17.5(b) until (1) there shall have been delivered to the Executive a copy of a written notice, signed by a duly authorized officer of the Employer or the Corporation, setting forth that the Executive was guilty of the conduct set forth in this Section 17.5(b) and specifying the particulars thereof in detail, and (2) the Executive shall have been provided an opportunity to be heard in person by the Board of Directors of the Corporation (with the assistance of the Executive's counsel if the Executive so desires).

No act, nor failure to act, on the Executive's part, shall be considered "intentional" unless the Executive has acted, or failed to act, with a lack of good faith and with a lack of reasonable belief that the Executive's action or failure to act was in the best interest of the Corporation and the Employer. Notwithstanding anything contained in this Agreement to the contrary, no failure to perform by the Executive after a Notice of Termination is given to the Employer by the Executive shall constitute Cause for purposes of this Agreement.

17.6. Change in Control. A "Change in Control" shall mean the occurrence of any of the following:

(a) An acquisition (other than directly from the Corporation) of any voting securities of the Corporation (the "Voting Securities") by any "Person" (as the term "person" is used for purposes of Section 13(d) or 14(d) of the Securities Exchange Act of 1934, as amended (the "Exchange Act")), immediately after which such Person has "Beneficial Ownership" (within the meaning of Rule 13d-3 promulgated under the Exchange Act) of more than twenty-five percent (25%) of (1) the then-outstanding shares of common stock of the Corporation (or any other securities into which such shares of common stock are changed or for which such shares of common stock are exchanged) (the "Shares") or (2) the combined voting power of the Corporation's then-outstanding Voting Securities; *provided, however*, that in determining whether a Change in Control has occurred pursuant to this paragraph (a), the acquisition of Shares or Voting Securities in a "Non-Control Acquisition" (as hereinafter defined) shall not constitute a Change in Control. A "Non-Control Acquisition" shall mean an acquisition by (i) an employee benefit plan (or a trust forming a part thereof) maintained by (A) the Corporation or (B) any corporation or other Person the majority of the voting power, voting equity securities or equity interest of which is owned, directly or indirectly, by the Corporation (for purposes of this definition, a "Related Entity"), (ii) the Corporation or any Related Entity, or (iii) any Person in connection with a "Non-Control Transaction" (as hereinafter defined); or

(b) The individuals who, as of the date hereof, are members of the board of directors of the Corporation (the "Incumbent Board"), cease for any reason to constitute at least a majority of the members of the board of directors of the Corporation or, following a Merger (as hereinafter defined), the board of directors of (x) the corporation resulting from such

Merger (the “Surviving Corporation”), if fifty percent (50%) or more of the combined voting power of the then-outstanding voting securities of the Surviving Corporation is not Beneficially Owned, directly or indirectly, by another Person (a “Parent Corporation”) or (y) if there is one or more than one Parent Corporation, the ultimate Parent Corporation; *provided, however*, that, if the election, or nomination for election by the Corporation’s common stockholders, of any new director was approved by a vote of at least two-thirds of the Incumbent Board, such new director shall, for purposes of the Plan, be considered a member of the Incumbent Board; and *provided, further, however*, that no individual shall be considered a member of the Incumbent Board if such individual initially assumed office as a result of an actual or threatened solicitation of proxies or consents by or on behalf of a Person other than the board of directors of the Corporation (a “Proxy Contest”), including by reason of any agreement intended to avoid or settle any Proxy Contest; or

(c) The consummation of:

(i) A merger, consolidation or reorganization (1) with or into the Corporation or (2) in which securities of the Corporation are issued (a “Merger”), unless such Merger is a “Non-Control Transaction.” A “Non-Control Transaction” shall mean a Merger in which:

(A) the stockholders of the Corporation immediately before such Merger own directly or indirectly immediately following such Merger at least fifty percent (50%) of the combined voting power of the outstanding voting securities of (x) the Surviving Corporation, if there is no Parent Corporation or (y) if there is one or more than one Parent Corporation, the ultimate Parent Corporation;

(B) the individuals who were members of the Incumbent Board immediately prior to the execution of the agreement providing for such Merger constitute at least a majority of the members of the board of directors of (x) the Surviving Corporation, if there is no Parent Corporation, or (y) if there is one or more than one Parent Corporation, the ultimate Parent Corporation; and

(C) no Person other than (1) the Corporation, (2) any Related Entity, or (3) any employee benefit plan (or any trust forming a part thereof) that, immediately prior to the Merger, was maintained by the Corporation or any Related Entity, or (4) any Person who, immediately prior to the Merger had Beneficial Ownership of twenty-five percent (25%) or more of the then outstanding Shares or Voting Securities, has Beneficial Ownership, directly or indirectly, of twenty-five percent (25%) or more of the combined voting power of the outstanding voting securities or common stock of (x) the Surviving Corporation, if fifty percent (50%) or more of the combined voting power of the then outstanding voting securities of the Surviving Corporation is not Beneficially Owned, directly or indirectly by a Parent Corporation, or (y) if there is one or more than one Parent Corporation, the ultimate Parent Corporation; *provided, however*, that any Person described in clause (4) of this subsection (C) may not, immediately following the Merger, Beneficially Own more than forty percent (40%) of the combined voting power of the outstanding voting securities of the Surviving Corporation or the Parent Corporation, as applicable, for the Merger to constitute a Non-Control Transaction; or

(ii) A complete liquidation or dissolution of the Corporation; or

(iii) A Major Asset Disposition.

For purposes of the foregoing definition, the term “Major Asset Disposition” means the sale or other disposition in one transaction or a series of related transactions (other than a transfer to a Related Entity or a transfer under conditions that would constitute a Non-Control Transaction, with the disposition of assets being regarded as a Merger) of 50% or more of the assets of the Corporation and its subsidiaries on a consolidated basis; and any specified percentage or portion of the assets of the Corporation shall be based on the total gross fair market value, as determined by a majority of the members of the Incumbent Board without regard to any associated liabilities. For the avoidance of doubt, the distribution to the Corporation’s stockholders of the stock of a Related Entity or any other assets that constitute 50% or more of the assets of the Corporation and its subsidiaries on a consolidated basis (determined as aforesaid) shall constitute a Major Asset Disposition (whether or not such distribution constitutes a Non-Control Transaction).

Notwithstanding the foregoing, a Change in Control shall not be deemed to occur solely because any Person (the “Subject Person”) acquired Beneficial Ownership of more than the permitted amount of the then outstanding Shares or Voting Securities as a result of the acquisition of Shares or Voting Securities by the Corporation which, by reducing the number of Shares or Voting Securities then outstanding, increases the proportional number of shares Beneficially Owned by the Subject Persons; *provided* that if a Change in Control would occur (but for the operation of this sentence) as a result of the acquisition of Shares or Voting Securities by the Corporation and, after such share acquisition by the Corporation, the Subject Person becomes the Beneficial Owner of any additional Shares or Voting Securities and such Beneficial Ownership increases the percentage of the then outstanding Shares or Voting Securities Beneficially Owned by the Subject Person, then a Change in Control shall occur.

17.7. Employer and Corporation. For purposes of this Agreement, all references to the Employer and the Corporation shall include their respective Successors and Assigns.

17.8. Disability. For purposes of this Agreement, “Disability” shall mean a physical or mental infirmity which impairs the Executive’s ability to substantially perform the Executive’s duties with the Employer for six (6) consecutive months, and within the time period set forth in a Notice of Termination given to the Executive (which time period shall not be less than thirty (30) days), the Executive shall not have returned to full-time performance of the Executive’s duties; *provided, however*, that if the Employer’s Long Term Disability Plan, or any successor plan (the “Disability Plan”), is then in effect, the Executive shall not be deemed disabled for purposes of this Agreement unless the Executive is also eligible for “Total Disability” (as defined in the Disability Plan) benefits (or similar benefits in the event of a successor plan) under the Disability Plan.

17.9. Good Reason.

(a) For purposes of this Agreement, "Good Reason" shall mean the occurrence after a Change in Control of any of the following events or conditions:

(1) a change in the Executive's status, title, position or responsibilities (including reporting responsibilities) which, in the Executive's reasonable judgment, represents an adverse change from the Executive's status, title, position or responsibilities as in effect immediately prior thereto; the assignment to the Executive of any duties or responsibilities which, in the Executive's reasonable judgment, are inconsistent with the Executive's status, title, position or responsibilities; or any removal of the Executive from or failure to reappoint or reelect the Executive to any of such offices or positions, except in connection with the termination of the Executive's employment for Disability, Cause, as a result of the Executive's death or by the Executive other than for Good Reason;

(2) a reduction in the Executive's annual base salary below the Base Amount;

(3) the relocation of the offices of the Employer to a location more than twenty-five (25) miles from the location of such offices immediately prior to such Change in Control, or the Employer's or the Corporation's requiring the Executive to be based anywhere other than such offices, except to the extent the Executive was not previously assigned to a principal location and except for required travel on the Employer's or the Corporation's business to an extent substantially consistent with the Executive's business travel obligations at the time of the Change in Control;

(4) the failure by the Employer or the Corporation to pay to the Executive any portion of the Executive's current compensation or to pay to the Executive any portion of an installment of deferred compensation under any deferred compensation program of the Employer or the Corporation in which the Executive participated, within seven (7) days of the date such compensation is due;

(5) the failure by the Employer or the Corporation to (A) continue in effect (without reduction in benefit level, and/or reward opportunities) any material compensation or employee benefit plan in which the Executive was participating immediately prior to the Change in Control, unless a substitute or replacement plan has been implemented which provides substantially identical compensation or benefits to the Executive or (B) provide the Executive with compensation and benefits, in the aggregate, at least equal (in terms of benefit levels and/or reward opportunities) to those provided for under each other compensation or employee benefit plan, program and practice in which the Executive was participating immediately prior to the Change in Control;

(6) the failure of the Employer or the Corporation to obtain from its Successors or Assigns the express assumption and agreements required under Section 13 hereof; or

(7) any purported termination of the Executive's employment by the Employer which is not effected pursuant to a Notice of Termination satisfying the terms

set forth in the definition of Notice of Termination (and, if applicable, the terms set forth in the definition of Cause).

(b) Any event or condition (1) described in Section 17.9(a)(1), (2), (3), (4), (6) or (7) which occurs within twelve (12) months prior to a Change in Control or (2) described in Section 17.9(a)(1) through (7) which occurs prior to a Change in Control but which the Executive reasonably demonstrates (A) was at the request of a Third Party who effectuates a Change in Control or (B) otherwise arose in connection with, or in anticipation of a Change in Control which has been threatened or proposed and which actually occurs, shall constitute Good Reason for purposes of this Agreement notwithstanding that it occurred prior to a Change in Control.

17.10. Incentive Plan. For purposes of this Agreement, "Incentive Plan" shall mean the 2004 Cash Incentive Plan, or any successor annual incentive plan, maintained by the Employer or any other Affiliate.

17.11. Notice of Termination. For purposes of this Agreement, following a Change in Control, "Notice of Termination" shall mean a written notice of termination of the Executive's employment, signed by the Executive if to the Employer or by a duly authorized officer of the Employer if to the Executive, which indicates the specific termination provision in this Agreement, if any, relied upon and which sets forth in reasonable detail the facts and circumstances claimed to provide a basis for termination of the Executive's employment under the provision so indicated.

17.12. Interest Rate. Without limiting the rights of the Executive at law or in equity, if the Employer fails to make any payment or provide any benefit required to be made or provided hereunder on a timely basis, the Employer will pay interest on the amount or value thereof at an annualized rate of interest equal to the so-called composite "prime rate" as quoted from time to time during the relevant period in the Southwest Edition of The Wall Street Journal. Such interest will be payable as it accrues on demand. Any change in such prime rate will be effective on and as of the date of such change.

17.13. Successors and Assigns. For purposes of this Agreement, "Successors and Assigns" shall mean, with respect to the Employer or the Corporation, a corporation or other entity acquiring all or substantially all the assets and business of the Employer or the Corporation, as the case may be (including this Agreement) whether by operation of law or otherwise.

17.14. Termination Date.

(a) For purposes of this Agreement, "Termination Date" shall mean (i) in the case of the Executive's death, the date of death, (ii) if the Executive's employment is terminated for Disability, thirty (30) days after Notice of Termination is given (provided that the Executive shall not have returned to the performance of the Executive's duties on a full-time basis during such thirty (30) day period) and (iii) if the Executive's employment is terminated for any other reason, the date specified in the Notice of Termination (which, in the case of a termination for Cause, shall not be less than thirty (30) days and, in the case of a termination for

Good Reason, shall not be more than sixty (60) days, from the date such Notice of Termination is given); *provided, however*, that if within thirty (30) days after a Notice of Termination by the Employer for Cause or a Notice of Termination by the Executive for Good Reason is given, the party receiving such Notice of Termination in good faith notifies the other party that a dispute exists concerning the basis for the termination, the provisions of paragraph (b) shall apply.

(b) (i) If the Executive gives the Employer Notice of Termination for Good Reason and the Employer disputes the basis for the termination, the Termination Date shall be the date on which the dispute is finally determined, either by mutual written agreement of the parties, or by arbitration as provided in Section 11, and the Employer shall continue to pay the Executive the Executive's Base Amount and continue the Executive as a participant in all compensation, incentive, bonus, pension, profit sharing, medical, hospitalization, dental, life insurance and disability benefit plans in which the Executive was participating when the notice giving rise to the dispute was given, until such Termination Date, *provided* that if the Executive continues to perform the Executive's duties with the Employer during the pendency of such dispute, the Executive shall not be obligated to repay to the Employer any amounts paid or benefits provided pursuant to this Section 17.14(b), and *provided, further*, that if the Executive ceased performing the Executive's duties with the Employer during the pendency of such dispute, and the dispute is resolved in favor of the Executive, any amount owed to the Executive pursuant to Sections 2 and 3 of this Agreement shall be reduced to the extent of any amount the Executive received pursuant to this Section 17.14(b) during the pendency of such dispute; and (ii) if the Employer gives the Executive Notice of Termination for Cause and the Executive disputes the basis for the termination, the Termination Date shall be as determined pursuant to Section 17.14(a) and during the pendency of such dispute the Executive shall not be entitled to payment of the Executive's Base Amount from the Employer and, except as required by law, the Executive's participation in the Employer's benefit plans and programs shall be discontinued.

IN WITNESS WHEREOF, the Corporation and the Employer have caused this Agreement to be executed by their duly authorized officers and the Executive has executed this Agreement as of the day and year first above written.

Corporation:

COMMUNITY HEALTH SYSTEMS, INC.

By: _____
Wayne T. Smith, Chairman, President
and Chief Executive Officer

Employer:

COMMUNITY HEALTH SYSTEMS PROFESSIONAL
SERVICES CORPORATION

By: _____
Rachel A. Seifert, Senior Vice President,
Secretary and General Counsel

Executive:

By: _____
[•]

Exhibit A

WAIVER AND RELEASE OF CLAIMS

1. General Release. In consideration of the payments and benefits to be made under the Change in Control Severance Agreement, dated as of February 28, 2007, to which Community Health Systems, Inc. (the "Corporation"), Community Health Systems Professional Services Corporation (the "Employer"), and [•] (the "Executive") are parties (the "Agreement"), the Executive, with the intention of binding the Executive and the Executive's heirs, executors, administrators and assigns, does hereby release, remise, acquit and forever discharge the Corporation, the Employer and the parents, subsidiaries and affiliates of each of them (collectively, the "Corporation Affiliated Group"), their present and former officers, directors, executives, agents, shareholders, attorneys, employees and employee benefits plans (and the fiduciaries thereof), and the successors, predecessors and assigns of each of the foregoing (collectively, the "Corporation Released Parties"), of and from any and all claims, actions, causes of action, complaints, charges, demands, rights, damages, debts, sums of money, accounts, financial obligations, suits, expenses, attorneys' fees and liabilities of whatever kind or nature in law, equity or otherwise, whether accrued, absolute, contingent, unliquidated or otherwise and whether now known, unknown, suspected or unsuspected which the Executive, individually or as a member of a class, now has, owns or holds, or has at any time heretofore had, owned or held, against any Corporation Released Party (an "Action") arising out of or in connection with the Executive's service as an employee, officer and/or director to any member of the Corporation Affiliated Group (or the predecessors thereof), including (i) the termination of such service in any such capacity, (ii) for severance or vacation benefits, unpaid wages, salary or incentive payments, (iii) for breach of contract, wrongful discharge, impairment of economic opportunity, defamation, intentional infliction of emotional harm or other tort and (iv) for any violation of applicable state and local labor and employment laws (including, without limitation, all laws concerning harassment, discrimination, retaliation and other unlawful or unfair labor and employment practices), any and all Actions based on the Employee Retirement Income Security Act of 1974 ("ERISA"), and any and all Actions arising under the civil rights laws of any federal, state or local jurisdiction, including, without limitation, Title VII of the Civil Rights Act of 1964 ("Title VII"), the Americans with Disabilities Act ("ADA"), Sections 503 and 504 of the Rehabilitation Act, the Family and Medical Leave Act and the Age Discrimination in Employment Act ("ADEA"), excepting only:

- (a) rights of the Executive under this Waiver and Release of Claims and under the Agreement;
- (b) rights of the Executive relating to equity awards held by the Executive as of the Executive's date of termination;
- (c) the right of the Executive to receive benefits required to be paid in accordance with applicable law;
- (d) rights to indemnification the Executive may have (i) under applicable corporate law, (ii) under the by-laws or certificate of incorporation of any Corporation

Released Party or (iii) as an insured under any director's and officer's liability insurance policy now or previously in force;

(e) claims (i) for benefits under any health, disability, retirement, supplemental retirement, deferred compensation, life insurance or other, similar employee benefit plan or arrangement of the Corporation Affiliated Group and (ii) for earned but unused vacation pay through the date of termination in accordance with applicable policy of the Corporation Affiliated Group; and

(f) claims for the reimbursement of unreimbursed business expenses incurred prior to the date of termination pursuant to applicable policy of the Corporation Affiliated Group.

2. No Admissions, Complaints or Other Claims. The Executive acknowledges and agrees that this Waiver and Release of Claims is not to be construed in any way as an admission of any liability whatsoever by any Corporation Released Party, any such liability being expressly denied. The Executive also acknowledges and agrees that the Executive has not, with respect to any transaction or state of facts existing prior to the date hereof, filed any Actions against any Corporation Released Party with any governmental agency, court or tribunal.

3. Application to all Forms of Relief. This Waiver and Release of Claims applies to any relief no matter how called, including, without limitation, wages, back pay, front pay, compensatory damages, liquidated damages, punitive damages for pain or suffering, costs and attorney's fees and expenses.

4. Specific Waiver. The Executive specifically acknowledges that the Executive's acceptance of the terms of this Waiver and Release of Claims is, among other things, a specific waiver of any and all Actions under Title VII, ADEA, ADA and any state or local law or regulation in respect of discrimination of any kind; provided, however, that nothing herein shall be deemed, nor does anything herein purport, to be a waiver of any right or Action which by law the Executive is not permitted to waive.

5. Voluntariness. The Executive acknowledges and agrees that the Executive is relying solely upon the Executive's own judgment; that the Executive is over eighteen years of age and is legally competent to sign this Waiver and Release of Claims; that the Executive is signing this Waiver and Release of Claims of the Executive's own free will; that the Executive has read and understood the Waiver and Release of Claims before signing it; and that the Executive is signing this Waiver and Release of Claims in exchange for consideration that the Executive believes is satisfactory and adequate. The Executive also acknowledges and agrees that the Executive has been informed of the right to consult with legal counsel and has been encouraged to do so.

6. Complete Agreement/Severability. This Waiver and Release of Claims constitutes the complete and final agreement between the parties and supersedes and replaces all prior or contemporaneous agreements, negotiations, or discussions relating to the subject matter of this Waiver and Release of Claims. All provisions and portions of this Waiver and Release of Claims are severable. If any provision or portion of this Waiver and Release of Claims or the application of any provision or portion of the Waiver and Release of Claims shall be determined to be invalid

or unenforceable to any extent or for any reason, all other provisions and portions of this Waiver and Release of Claims shall remain in full force and shall continue to be enforceable to the fullest and greatest extent permitted by law.

7. Acceptance and Revocability. The Executive acknowledges that the Executive has been given a period of 21 days within which to consider this Waiver and Release of Claims, unless applicable law requires a longer period, in which case the Executive shall be advised of such longer period and such longer period shall apply. The Executive may accept this Waiver and Release of Claims at any time within this period of time by signing the Waiver and Release of Claims and returning it to the Employer. This Waiver and Release of Claims shall not become effective or enforceable until seven calendar days after the Executive signs it. The Executive may revoke the Executive's acceptance of this Waiver and Release of Claims at any time within that seven calendar day period by sending written notice to the Employer. Such notice must be received by the Employer within the seven calendar day period in order to be effective and, if so received, would void this Waiver and Release of Claims for all purposes.

8. Governing Law. Except for issues or matters as to which federal law is applicable, this Waiver and Release of Claims shall be governed by and construed and enforced in accordance with the laws of the State of Delaware without giving effect to the conflicts of law principles thereof.

[•]