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

Form 10-Q

**QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended June 30, 2009

Commission file number 001-15925

COMMUNITY HEALTH SYSTEMS, INC.

(Exact name of registrant as specified in its charter)

Delaware

*(State or other jurisdiction of
incorporation or organization)*

**4000 Meridian Boulevard
Franklin, Tennessee**

(Address of principal executive offices)

13-3893191

*(I.R.S. Employer
Identification Number)*

37067

(Zip Code)

(Registrant's telephone number)

615-465-7000

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer

Accelerated filer

Non-accelerated filer

Smaller reporting company

(Do not check if a smaller reporting company)

Indicated by check mark whether the registrant is a shell company (as defined in Rule 126-2 of the Exchange Act). Yes No

As of July 20, 2009, there were outstanding 92,728,693 shares of the Registrant's Common Stock, \$0.01 par value.

Community Health Systems, Inc.
Form 10-Q
For the Three and Six Months Ended June 30, 2009

	<u>Page</u>
<u>Part I. Financial Information</u>	
<u>Item 1. Financial Statements:</u>	
<u>Condensed Consolidated Balance Sheets — June 30, 2009 and December 31, 2008 (Unaudited)</u>	2
<u>Condensed Consolidated Statements of Income — Three and Six Months Ended June 30, 2009 and June 30, 2008 (Unaudited)</u>	3
<u>Condensed Consolidated Statements of Cash Flows — Three and Six Months Ended June 30, 2009 and June 30, 2008 (Unaudited)</u>	4
<u>Notes to Condensed Consolidated Financial Statements (Unaudited)</u>	5
<u>Item 2. Management's Discussion and Analysis of Financial Condition And Results of Operations</u>	37
<u>Item 3. Quantitative and Qualitative Disclosures about Market Risk</u>	55
<u>Item 4. Controls and Procedures</u>	55
<u>Part II. Other Information</u>	
<u>Item 1. Legal Proceedings</u>	56
<u>Item 1A. Risk Factors</u>	58
<u>Item 2. Unregistered Sales of Equity Securities and Use of Proceeds</u>	58
<u>Item 3. Defaults Upon Senior Securities</u>	59
<u>Item 4. Submission of Matters to a Vote of Security Holders</u>	59
<u>Item 5. Other Information</u>	59
<u>Item 6. Exhibits</u>	60
<u>Signatures</u>	61
<u>Index to Exhibits</u>	62
EX-4.1	
EX-4.2	
EX-10.1	
EX-10.2	
EX-10.3	
EX-10.4	
EX-10.5	
EX-12	
EX-31.1	
EX-31.2	
EX-32.1	
EX-32.2	

PART I FINANCIAL INFORMATION
Item 1. Financial Statements

COMMUNITY HEALTH SYSTEMS, INC. AND SUBSIDIARIES

CONDENSED CONSOLIDATED BALANCE SHEETS
(In thousands, except share data)
(Unaudited)

	June 30, 2009	December 31, 2008
ASSETS		
<i>Current assets</i>		
Cash and cash equivalents	\$ 268,825	\$ 220,655
Patient accounts receivable, net of allowance for doubtful accounts of \$1,274,698 and \$1,111,131 at June 30, 2009 and December 31, 2008, respectively	1,657,923	1,625,470
Supplies	286,594	275,696
Prepaid income taxes	—	92,710
Deferred income taxes	91,875	91,875
Prepaid expenses and taxes	94,598	73,792
Other current assets	199,616	224,852
Total current assets	<u>2,599,431</u>	<u>2,605,050</u>
<i>Property and equipment</i>		
Less accumulated depreciation and amortization	(1,429,270)	(1,215,952)
Property and equipment, net	<u>6,076,145</u>	<u>5,894,405</u>
<i>Goodwill</i>		
	4,187,968	4,166,091
<i>Other assets, net</i>		
	1,008,478	1,152,708
Total assets	\$ 13,872,022	\$ 13,818,254
LIABILITIES AND EQUITY		
<i>Current liabilities</i>		
Current maturities of long-term debt	\$ 56,734	\$ 33,904
Accounts payable	505,966	532,595
Current income taxes payable	25,920	—
Deferred income taxes	6,740	6,740
Accrued interest	143,581	153,234
Accrued liabilities	721,313	782,944
Total current liabilities	<u>1,460,254</u>	<u>1,509,417</u>
<i>Long-term debt</i>		
	8,883,810	8,938,185
<i>Deferred income taxes</i>		
	461,098	460,793
<i>Other long-term liabilities</i>		
	825,473	888,557
Total liabilities	11,630,635	11,796,952
<i>Redeemable noncontrolling interests in equity of consolidated subsidiaries</i>		
	323,994	320,171
EQUITY		
<i>Community Health Systems, Inc. stockholders' equity</i>		
Preferred stock, \$.01 par value per share, 100,000,000 shares authorized; none issued	—	—
Common stock, \$.01 par value per share, 300,000,000 shares authorized; 93,702,225 shares issued and 92,726,676 shares outstanding at June 30, 2009, and 92,483,166 shares issued and 91,507,617 shares outstanding at December 31, 2008	937	925
Additional paid-in capital	1,168,125	1,151,119
Treasury stock, at cost, 975,549 shares at June 30, 2009 and December 31, 2008	(6,678)	(6,678)
Accumulated other comprehensive loss	(220,565)	(295,575)
Retained earnings	894,599	776,249
Total Community Health Systems, Inc. stockholders' equity	<u>1,836,418</u>	<u>1,626,040</u>
<i>Noncontrolling interests in equity of consolidated subsidiaries</i>		
	80,975	75,091
Total equity	1,917,393	1,701,131
Total liabilities and equity	\$ 13,872,022	\$ 13,818,254

See accompanying notes to the condensed consolidated financial statements.

COMMUNITY HEALTH SYSTEMS, INC. AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF INCOME
(In thousands, except share and per share data)
(Unaudited)

	Three Months Ended		Six Months Ended	
	2009	2008	2009	2008
<i>Net operating revenues</i>	\$ 3,016,961	\$ 2,673,153	\$ 5,929,710	\$ 5,383,508
<i>Operating costs and expenses:</i>				
Salaries and benefits	1,201,680	1,078,165	2,375,120	2,165,250
Provision for bad debts	362,462	285,593	700,230	577,666
Supplies	419,956	375,324	825,593	759,307
Other operating expenses	567,813	523,828	1,112,790	1,049,394
Rent	61,200	58,254	121,528	117,331
Depreciation and amortization	142,447	123,544	278,008	244,850
Total operating costs and expenses	2,755,558	2,444,708	5,413,269	4,913,798
<i>Income from operations</i>	261,403	228,445	516,441	469,710
<i>Interest expense, net</i>	161,473	153,361	325,386	318,063
<i>Loss (gain) from early extinguishment of debt</i>	6	—	(2,406)	1,328
<i>Equity in earnings of unconsolidated affiliates</i>	(11,783)	(10,499)	(24,700)	(23,383)
<i>Income from continuing operations before income taxes</i>	111,707	85,583	218,161	173,702
<i>Provision for income taxes</i>	37,209	30,190	72,843	61,054
<i>Income from continuing operations</i>	74,498	55,393	145,318	112,648
<i>Discontinued operations, net of taxes:</i>				
(Loss) income from operations of hospitals sold and hospitals held for sale	(508)	(240)	1,977	1,624
(Loss) gain on sale of hospitals, net	—	(9)	(405)	9,608
(Loss) income from discontinued operations	(508)	(249)	1,572	11,232
<i>Net income</i>	73,990	55,144	146,890	123,880
Less: Net income attributable to noncontrolling interests	14,555	7,251	28,540	15,860
<i>Net income attributable to Community Health Systems, Inc.</i>	\$ 59,435	\$ 47,893	\$ 118,350	\$ 108,020
<i>Income from continuing operations attributable to Community Health Systems, Inc. common stockholders per share(1):</i>				
Basic	\$ 0.66	\$ 0.51	\$ 1.30	\$ 1.03
Diluted	\$ 0.66	\$ 0.50	\$ 1.29	\$ 1.02
<i>Discontinued operations attributable to Community Health Systems, Inc. common stockholders per share(1):</i>				
Basic	\$ (0.01)	\$ —	\$ 0.01	\$ 0.12
Diluted	\$ (0.01)	\$ —	\$ 0.01	\$ 0.12
<i>Net income attributable to Community Health Systems, Inc. common stockholders per share(1):</i>				
Basic	\$ 0.66	\$ 0.51	\$ 1.31	\$ 1.15
Diluted	\$ 0.65	\$ 0.50	\$ 1.31	\$ 1.14
<i>Weighted-average number of shares outstanding:</i>				
Basic	90,358,583	94,192,295	90,169,735	94,017,435
Diluted	91,071,147	95,513,127	90,666,009	95,127,523

(1) Total per share amounts may not add due to rounding.

See accompanying notes to the condensed consolidated financial statements.

COMMUNITY HEALTH SYSTEMS, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(In thousands)
(Unaudited)

	Six Months Ended	
	2009	2008
<i>Cash flows from operating activities</i>		
Net income attributable to Community Health Systems, Inc.	\$ 118,350	\$ 108,020
Plus: Net income attributable to noncontrolling interests	28,540	15,860
Net income	146,890	123,880
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	278,340	244,850
Stock-based compensation expense	24,805	26,681
Loss (gain) on sale of hospitals and partnership interest, net	405	(13,211)
Excess tax benefits relating to stock-based compensation	3,389	947
(Gain) loss on early extinguishment of debt	(2,406)	1,328
Other non-cash expenses, net	(6,472)	2,041
Changes in operating assets and liabilities, net of effects of acquisitions and divestitures:		
Patient accounts receivable	8,937	(74,786)
Supplies, prepaid expenses and other current assets	5,198	13,570
Accounts payable, accrued liabilities and income taxes	72,042	83,869
Other	13,279	7,614
Net cash provided by operating activities	<u>544,407</u>	<u>416,783</u>
<i>Cash flows from investing activities</i>		
Acquisitions of facilities and other related equipment	(210,904)	(6,646)
Purchases of property and equipment	(267,275)	(275,605)
Proceeds from disposition of hospitals and other ancillary operations	89,909	365,913
Proceeds from sale of property and equipment	355	12,889
Increase in other non-operating assets	(74,506)	(144,380)
Net cash used in investing activities	<u>(462,421)</u>	<u>(47,829)</u>
<i>Cash flows from financing activities</i>		
Proceeds from exercise of stock options	3,445	1,357
Excess tax benefits relating to stock-based compensation	(3,389)	(947)
Deferred financing costs	(207)	(2,444)
Stock buy-back	—	(10,194)
Proceeds from noncontrolling investors in joint ventures	26,314	11,214
Redemption of noncontrolling investments in joint ventures	(1,631)	(53,485)
Distributions to noncontrolling investors in joint ventures	(22,166)	(14,916)
Borrowings under credit agreement	200,000	22,657
Repayments of long-term indebtedness	(236,182)	(190,998)
Net cash used in financing activities	<u>(33,816)</u>	<u>(237,756)</u>
<i>Net change in cash and cash equivalents</i>	48,170	131,198
<i>Cash and cash equivalents at beginning of period</i>	220,655	132,874
<i>Cash and cash equivalents at end of period</i>	<u>\$ 268,825</u>	<u>\$ 264,072</u>

See accompanying notes to the condensed consolidated financial statements.

COMMUNITY HEALTH SYSTEMS, INC. AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

1. BASIS OF PRESENTATION

The unaudited condensed consolidated financial statements of Community Health Systems, Inc. and its subsidiaries (the "Company") as of June 30, 2009 and December 31, 2008 and for the three-month and six-month periods ended June 30, 2009 and June 30, 2008, have been prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP"). In the opinion of management, such information contains all adjustments, consisting only of normal recurring adjustments, necessary for a fair presentation of the results for such periods. All intercompany transactions and balances have been eliminated. The results of operations for the three and six months ended June 30, 2009, are not necessarily indicative of the results to be expected for the full fiscal year ending December 31, 2009. Certain information and disclosures normally included in the notes to consolidated financial statements have been condensed or omitted as permitted by the rules and regulations of the Securities and Exchange Commission ("SEC"). The Company believes the disclosures are adequate to make the information presented not misleading. The accompanying unaudited condensed consolidated financial statements should be read in conjunction with the consolidated financial statements and notes thereto for the year ended December 31, 2008, contained in the Company's Annual Report on Form 10-K.

On January 1, 2009, the Company adopted Statement of Financial Accounting Standards ("SFAS") No. 160, "Noncontrolling Interests in Consolidated Financial Statements — an Amendment of ARB No. 51" ("SFAS No. 160"), which addresses the accounting and reporting framework for noncontrolling ownership interests in consolidated subsidiaries of the parent. SFAS No. 160 also establishes disclosure requirements that clearly identify and distinguish between the interests of the parent company and the interests of the noncontrolling owners. This standard requires that minority interests be renamed noncontrolling interests and that noncontrolling ownership interests be presented separately within equity in the condensed consolidated financial statements. Revenues, expenses and income from continuing operations from less-than-wholly-owned subsidiaries are presented on the condensed consolidated statements of income at the consolidated amounts, with a consolidated net income measure that presents separately the amounts attributable to both the controlling and noncontrolling interests for all periods presented. Noncontrolling ownership interests that are redeemable or may become redeemable at a fixed or determinable price at the option of the holder or upon the occurrence of an event outside of the control of the company continue to be presented in mezzanine equity in accordance with Emerging Issues Task Force Topic D-98, "Classification and Measurement of Redeemable Securities." SFAS No. 160 requires retrospective adoption of the presentation and disclosure requirements for all periods presented. Therefore, the condensed consolidated financial statements as of December 31, 2008 and for the three and six months ended June 30, 2008 reflect the provisions of SFAS No. 160 as if it was effective for those periods. Other than these changes in financial statement presentation, the adoption of SFAS No. 160 did not have a material impact on the condensed consolidated financial statements.

During the three months ended June 30, 2009, the Company decided to retain a hospital and related businesses previously classified as held for sale. Results of operations for all periods presented have been restated to include this retained hospital and related businesses, which previously were reported as discontinued operations. The condensed consolidated balance sheets for each of the periods presented have been restated to include assets and liabilities previously reported as held for sale.

Throughout these notes to the condensed consolidated financial statements, Community Health Systems, Inc., the parent company, and its consolidated subsidiaries are referred to on a collective basis as the "Company." This drafting style is not meant to indicate that the publicly-traded parent company or any subsidiary of the parent company owns or operates any asset, business, or property. The hospitals, operations and businesses described in this filing are owned and operated, and management services provided, by distinct and indirect subsidiaries of Community Health Systems, Inc. References to the Company may include one or more of its subsidiaries.

COMMUNITY HEALTH SYSTEMS, INC. AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

2. ACCOUNTING FOR STOCK-BASED COMPENSATION

Stock-based compensation awards are granted under the Community Health Systems, Inc. Amended and Restated 2000 Stock Option and Award Plan (the “2000 Plan”) and the Community Health Systems, Inc. 2009 Stock Option and Award Plan (“the 2009 Plan”).

The 2000 Plan allows for the grant of incentive stock options intended to qualify under Section 422 of the Internal Revenue Code (“IRC”), as well as stock options which do not so qualify, stock appreciation rights, restricted stock, performance units and performance shares, phantom stock awards and share awards. Persons eligible to receive grants under the 2000 Plan include the Company’s directors, officers, employees and consultants. To date, all options granted under the 2000 Plan have been “nonqualified” stock options for tax purposes. Generally, vesting of these granted options occurs in one-third increments on each of the first three anniversaries of the award date. Options granted prior to 2005 have a 10 year contractual term, options granted in 2005 through 2007 have an eight year contractual term and options granted in 2008 and 2009 have a 10 year contractual term. The exercise price of all options granted under the 2000 Plan is equal to the fair value of the Company’s common stock on the option grant date. As of June 30, 2009, 3,790,273 shares of unissued common stock were reserved for future grants under the 2000 Plan.

The 2009 Plan, which was adopted as of March 24, 2009 and approved by stockholders on May 19, 2009, provides for the grant of incentive stock options intended to qualify under Section 422 of the IRC and for the grant of stock options which do not so qualify, stock appreciation rights, restricted stock, restricted stock units, performance-based shares or units and other share awards. Persons eligible to receive grants under the 2009 Plan include the Company’s directors, officers, employees and consultants. The duration of any option granted under the 2009 Plan will be determined by the Company’s compensation committee. Generally, however, no option may be exercised more than 10 years from the date of grant, provided that the compensation committee may provide that a stock option may, upon the death of the grantee, be exercised for up to one year following the date of death even if such period extends beyond 10 years. As of June 30, 2009, no grants had been made under the 2009 Plan, with 3,500,000 shares of unissued common stock remaining reserved for future grants.

The following table reflects the impact of total compensation expense related to stock-based equity plans under SFAS No. 123(R) on the reported operating results for the respective periods (in thousands, except per share data):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2009	2008	2009	2008
Effect on income from continuing operations before income taxes	\$ (12,519)	\$ (13,435)	\$ (24,805)	\$ (26,681)
Effect on net income	\$ (7,605)	\$ (8,162)	\$ (15,069)	\$ (16,209)
Effect on net income attributable to Community Health Systems, Inc. common stockholders per share-diluted	\$ (0.08)	\$ (0.09)	\$ (0.17)	\$ (0.17)

At June 30, 2009, \$58.6 million of unrecognized stock-based compensation expense was expected to be recognized over a weighted-average period of 23 months. Of that amount, \$19.7 million related to outstanding unvested stock options expected to be recognized over a weighted-average period of 20 months and \$38.9 million related to outstanding unvested restricted stock and phantom shares expected to be recognized over a weighted-average period of 24 months.

COMMUNITY HEALTH SYSTEMS, INC. AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

The fair value of stock options was estimated using the Black Scholes option pricing model with the following weighted-average assumptions during the three and six months ended June 30, 2009 and 2008:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2009	2008	2009	2008
Expected volatility	44.0%	24.5%	40.2%	24.1%
Expected dividends	0	0	0	0
Expected term	4 years	4 years	4 years	4 years
Risk-free interest rate	1.75%	2.80%	1.63%	2.59%

In determining expected return, the Company examined concentrations of option holdings and historical patterns of option exercises and forfeitures, as well as forward looking factors, in an effort to determine if there were any discernable employee populations. From this analysis, the Company identified two employee populations, one consisting primarily of certain senior executives and the other consisting of all other recipients.

The expected volatility rate was estimated based on historical volatility. In determining expected volatility, the Company also reviewed the market-based implied volatility of actively traded options of its common stock and determined that historical volatility did not differ significantly from the implied volatility.

The expected life computation is based on historical exercise and cancellation patterns and forward-looking factors, where present, for each population identified. The risk-free interest rate is based on the U.S. Treasury yield curve in effect at the time of the grant. The pre-vesting forfeiture rate is based on historical rates and forward-looking factors for each population identified. The Company adjusts the estimated forfeiture rate to its actual experience.

Options outstanding and exercisable under the 2000 Plan as of June 30, 2009, and changes during the three and six months then ended were as follows (in thousands, except share and per share data):

	Shares	Weighted-Average Exercise Price	Weighted-Average Remaining Contractual Term (in Years)	Aggregate Intrinsic Value as of June 30, 2009
Outstanding at December 31, 2008	8,764,084	\$ 30.97		
Granted	1,160,000	18.18		
Exercised	—	—		
Forfeited and cancelled	(63,165)	31.78		
Outstanding at March 31, 2009	9,860,919	29.45		
Granted	31,000	25.27		
Exercised	(267,400)	13.07		
Forfeited and cancelled	(170,277)	30.52		
Outstanding at June 30, 2009	9,454,242	\$ 29.88	5.6 years	\$ 19,906
Exercisable at June 30, 2009	5,819,817	\$ 29.49	4.9 years	\$ 11,407

The weighted-average grant date fair value of stock options granted during the six months ended June 30, 2009 and 2008, was \$6.14 and \$7.64, respectively. The aggregate intrinsic value (the number of in-the-money stock options multiplied by the difference between the Company's closing stock price on the last trading day of the reporting period (\$25.25) and the exercise price of the respective stock options) in the table above represents the amount that would have been received by the option holders had all option holders exercised their options on

COMMUNITY HEALTH SYSTEMS, INC. AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

June 30, 2009. This amount changes based on the market value of the Company's common stock. The aggregate intrinsic value of options exercised during the three months ended June 30, 2009 and 2008 was \$3.5 million and \$0.3 million, respectively, and the aggregate intrinsic value of options exercised during the six months ended June 30, 2009 and 2008 was \$3.5 million and \$0.4 million, respectively. The aggregate intrinsic value of options vested and expected to vest approximates that of the outstanding options.

The Company has also awarded restricted stock under the 2000 Plan to its directors and employees of certain subsidiaries. The restrictions on these shares generally lapse in one-third increments on each of the first three anniversaries of the award date, except for restricted stock granted on July 25, 2007, for which restrictions lapse equally on the first two anniversaries of the award date. Certain of the restricted stock awards granted to the Company's senior executives contain a performance objective that must be met in addition to any vesting requirements. 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 increments on each of the first three anniversaries of the award date with the exception of the July 25, 2007 restricted stock awards, which have no additional time vesting restrictions once the performance restrictions are met. Notwithstanding the above-mentioned performance objectives and vesting requirements, the restrictions will lapse earlier in the event of death, disability or termination of employment by the Company for any reason other than for cause of the holder of the restricted stock, or change in control of the Company. Restricted stock awards subject to performance standards are not considered outstanding for purposes of determining earnings per share until the performance objectives have been satisfied.

Restricted stock outstanding under the 2000 Plan as of June 30, 2009, and changes during the three and six months then ended were as follows:

	Shares	Weighted-Average Grant Date Fair Value
Unvested at December 31, 2008	1,684,207	\$ 35.57
Granted	1,156,000	18.18
Vested	(621,312)	35.68
Forfeited	(5,667)	33.52
Unvested at March 31, 2009	2,213,228	26.46
Granted	19,151	25.27
Vested	(6,498)	36.82
Forfeited	(3,335)	35.11
Unvested at June 30, 2009	2,222,546	\$ 26.40

On February 25, 2009, each of the Company's outside directors received a grant of shares of phantom stock under the 2000 Plan equal in value to \$130,000 divided by the closing price of the Company's common stock on that date (\$18.18), or 7,151 shares per director (a total of 42,906 shares of phantom stock). Vesting of these shares of phantom stock occurs in one-third increments on each of the first three anniversaries of the award date. As of June 30, 2009, there were 42,906 shares of phantom stock unvested at a weighted-average grant date fair value of \$18.18. No shares of phantom stock were vested or canceled during the six months ended June 30, 2009. Pursuant to a March 24, 2009 amendment to the 2000 Plan, future grants of this type will be denominated as "restricted stock unit" awards.

COMMUNITY HEALTH SYSTEMS, INC. AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

Under the Directors' Fees Deferral Plan, the Company's outside directors may elect to receive share equivalent units in lieu of cash for their directors' fees. These units are held in the plan until the director electing to receive the share equivalent units retires or otherwise terminates his/her directorship with the Company. Share equivalent units are converted to shares of common stock of the Company at the time of distribution. The following table represents the amount of directors' fees which were deferred and the equivalent units into which they converted for each of the respective periods (in thousands, except units):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2009	2008	2009	2008
Directors' fees earned and deferred into plan	\$ 20	\$ 17	\$ 40	\$ 58
Equivalent units	<u>792,079</u>	<u>515,464</u>	<u>2,095,860</u>	<u>1,733,069</u>

At June 30, 2009, there was a total of 18,914,862 units deferred in the plan with an aggregate fair value of \$0.5 million, based on the closing market price of the Company's common stock on the last trading day of the reporting period of \$25.25.

3. COST OF REVENUE

The majority of the Company's operating costs and expenses are "cost of revenue" items. Operating costs that could be classified as general and administrative by the Company would include the Company's corporate office costs, which were \$43.7 million and \$43.0 million for the three months ended June 30, 2009 and 2008, respectively, and \$82.9 million and \$81.1 million for the six months ended June 30, 2009 and 2008, respectively. Included in these amounts is stock-based compensation expense of \$12.5 million and \$13.4 million for the three months ended June 30, 2009 and 2008, respectively, and \$24.8 million and \$26.7 million for the six months ended June 30, 2009 and 2008, respectively.

4. USE OF ESTIMATES

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the amounts reported in the condensed consolidated financial statements. Actual results could differ from these estimates under different assumptions or conditions.

5. ACQUISITIONS AND DIVESTITURES

In December 2007, the Financial Accounting Standards Board (the "FASB") issued SFAS No. 141(R), "Business Combinations" ("SFAS No. 141(R)"). SFAS No. 141(R) replaces SFAS No. 141 and addresses the recognition and accounting for identifiable assets acquired, liabilities assumed, and noncontrolling interests in business combinations. This standard requires more assets and liabilities to be recorded at fair value and requires expense recognition (rather than capitalization) of certain pre-acquisition costs. This standard also requires any adjustments to acquired deferred tax assets and liabilities occurring after the related allocation period to be made through earnings. Furthermore, this standard requires this treatment of acquired deferred tax assets and liabilities be applied to acquisitions occurring prior to the effective date of this standard. SFAS No. 141(R) is effective for fiscal years beginning after December 15, 2008 and is required to be adopted prospectively. SFAS No. 141(R) was adopted by the Company on January 1, 2009. Approximately \$2.0 million and \$3.0 million of acquisition costs related to prospective acquisitions were expensed during the three and six months ended June 30, 2009, respectively, from the adoption of SFAS No. 141(R). The impact of SFAS No. 141(R) on the Company's consolidated results of operations or consolidated financial position in future periods will be largely dependent on the number of acquisitions pursued by the Company; however, it is not anticipated at this time that such impact will be material.

COMMUNITY HEALTH SYSTEMS, INC. AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

Triad Acquisition

On July 25, 2007, the Company completed its acquisition of Triad Hospitals, Inc. (“Triad”). Triad owned and operated 50 hospitals with 49 hospitals located in 17 states in non-urban and middle market communities and one hospital located in the Republic of Ireland. As of June 30, 2009, eight of the hospitals acquired from Triad have been sold. As a result of its acquisition of Triad, the Company also provides management and consulting services on a contract basis to independent hospitals, through its subsidiary, Quorum Health Resources, LLC. The Company acquired Triad for approximately \$6.857 billion, including the assumption of \$1.686 billion of existing indebtedness.

In connection with the consummation of the acquisition of Triad, the Company’s wholly-owned subsidiary CHS/Community Health Systems, Inc. (“CHS”) obtained \$7.215 billion of senior secured financing under a new credit facility (the “Credit Facility”) and issued \$3.021 billion aggregate principal amount of 8.875% senior notes due 2015 (the “Notes”). The Company used the net proceeds of \$3.000 billion from the Notes offering and the net proceeds of \$6.065 billion of term loans under the Credit Facility to acquire the outstanding shares of Triad, to refinance certain of Triad’s indebtedness and the Company’s indebtedness, to complete certain related transactions, to pay certain costs and expenses of the transactions and for general corporate uses. This Credit Facility also provides an additional \$750 million revolving credit facility and had a \$400 million delayed draw term loan facility for future acquisitions, working capital and general corporate purposes. As of December 31, 2007, the \$400 million delayed draw term loan was reduced to \$300 million at the request of the Company. As of December 31, 2008, \$100 million of the delayed draw term loan had been drawn by the Company, reducing the delayed draw term loan availability to \$200 million at that date. In January 2009, the Company drew down the remaining \$200 million of the delayed draw term loan.

The total cost of the Triad acquisition has been allocated to the assets acquired and liabilities assumed based upon their respective fair values in accordance with SFAS No. 141. The purchase price represented a premium over the fair value of the net tangible and identifiable intangible assets acquired for reasons such as:

- strategically, Triad had operations in five states in which the Company previously had no operations;
- the combined company has smaller concentrations of credit risk through greater geographic diversification;
- many support functions were centralized; and
- duplicate corporate functions were eliminated.

The allocation process required the analysis of acquired fixed assets, contracts, contractual commitments, and legal contingencies to identify and record the fair value of all assets acquired and liabilities assumed. The Company completed the allocation of the total cost of the Triad acquisition in the third quarter of 2008 and has made a final analysis and adjustment as of December 31, 2008 to deferred tax accounts based on the final cost allocation, resulting in approximately \$2.781 billion of goodwill being recorded with respect to the Triad acquisition.

Other Acquisitions

Effective June 1, 2009, one or more subsidiaries of the Company acquired from Akron General Medical Center all of its joint venture interest in Massillon Community Health System, LLC, which indirectly owns and operates Affinity Medical Center of Massillon, Ohio. The purchase price for this noncontrolling equity interest was \$1.1 million in cash. Affinity Medical Center is now wholly-owned by these subsidiaries of the Company.

Effective April 30, 2009, one or more subsidiaries of the Company acquired Wyoming Valley Health Care System in Wilkes-Barre, Pennsylvania. This health care system includes Wilkes-Barre General Hospital, a 392-bed, full-service acute care hospital located in Wilkes-Barre, and First Hospital Wyoming Valley, a behavioral health facility located in Kingston, Pennsylvania, as well as other outpatient and ancillary services. The total consideration for fixed assets and working capital of Wyoming Valley Health Care System was approximately \$178.1 million, of

COMMUNITY HEALTH SYSTEMS, INC. AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

which \$153.6 million was paid in cash, net of \$14.2 million of cash in acquired bank accounts, and \$24.5 million was assumed in liabilities. This acquisition transaction was accounted for using the purchase method of accounting. This preliminary allocation of the purchase price has been determined by the Company based upon available information and the allocation is subject to settling amounts related to purchased working capital and final appraisals of tangible and intangible assets. Adjustments to the purchase price allocation are not expected to be material.

Effective April 1, 2009, one or more subsidiaries of the Company acquired from Share Foundation the remaining 50% equity interest in MCSA L.L.C., an entity in which one or more subsidiaries of the Company previously had a 50% noncontrolling interest, which was not consolidated, and for which it provided certain management services. This acquisition resulted in these subsidiaries of the Company owning 100% equity interest in that entity. MCSA L.L.C. owns and operates Medical Center of South Arkansas (166 licensed beds) in El Dorado, Arkansas. The purchase price was \$26.0 million in cash. As of the acquisition date, one or more subsidiaries of the Company had a liability to MCSA L.L.C. of \$14.1 million, as a result of a cash management agreement previously entered into with the hospital. Upon completion of the acquisition, this liability was eliminated in consolidation.

Effective February 1, 2009, one or more subsidiaries of the Company completed the acquisition of Siloam Springs Memorial Hospital (74 licensed beds), located in Siloam Springs, Arkansas, from the City of Siloam Springs. The total consideration for this hospital consisted of approximately \$1.1 million of assumed liabilities. As required by a lease agreement entered into as part of this acquisition, a subsidiary of the Company deposited \$1.6 million of cash in an escrow account and agreed to build a replacement facility at this location, with construction required to commence by February 2011 and be completed by February 2013. If the construction of the replacement facility is not completed within the agreed time frame, the escrow balance will be remitted to the City of Siloam Springs.

Effective November 14, 2008, one or more subsidiaries of the Company acquired from Willamette Community Health Solutions all of its joint venture interest in MWMC Holdings, LLC, which indirectly owns a controlling interest in and operates McKenzie-Willamette Medical Center of Springfield, Oregon. This acquisition resulted from a put right held by Willamette Community Health Solutions in connection with the 2003 transaction establishing the joint venture. The purchase price for this noncontrolling interest was \$22.7 million in cash. Physicians affiliated with Oregon Healthcare Resources, Inc. continue to own a noncontrolling interest in the hospital, with the balance owned by these subsidiaries of the Company.

Effective October 1, 2008, one or more subsidiaries of the Company completed the acquisition of Deaconess Medical Center (388 licensed beds) and Valley Hospital and Medical Center (123 licensed beds) both located in Spokane, Washington, from Empire Health Services. The total consideration for these two hospitals was approximately \$185.8 million, of which \$149.2 million was paid in cash and \$36.6 million was assumed in liabilities. Based upon the Company's preliminary purchase price allocation relating to this acquisition as of June 30, 2009, no goodwill has been recorded. The acquisition transaction was accounted for using the purchase method of accounting. This preliminary allocation of the purchase price has been determined by the Company based upon available information and the allocation is subject to settling amounts related to purchased working capital and final appraisals of tangible and intangible assets. Adjustments to the purchase price allocation are not expected to be material.

Effective June 30, 2008, one or more subsidiaries of the Company acquired the remaining 35% equity interest in Affinity Health Systems, LLC, which indirectly owns and operates Trinity Medical Center (560 licensed beds) in Birmingham, Alabama, from Baptist Health Systems, Inc. of Birmingham, Alabama ("Baptist"), giving these subsidiaries 100% ownership of that facility. The purchase price for this noncontrolling interest was \$51.5 million in cash and the cancellation of a promissory note issued by Baptist to Affinity Health Systems, LLC in the original principal amount of \$32.8 million.

COMMUNITY HEALTH SYSTEMS, INC. AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

Discontinued Operations

Effective March 31, 2009, the Company, through its subsidiaries Triad-Denton Hospital LLC and Triad-Denton Hospital LP, completed the settlement of pending litigation which resulted in the sale of its ownership interest in a partnership, which owned and operated Presbyterian Hospital of Denton (255 licensed beds) in Denton, Texas, to Texas Health Resources for \$103.0 million in cash. Also included as part of the settlement, these subsidiaries of the Company transferred certain hospital related assets.

Effective March 1, 2008, one or more subsidiaries of the Company sold Woodland Medical Center (100 licensed beds) located in Cullman, Alabama; Parkway Medical Center (108 licensed beds) located in Decatur, Alabama; Hartselle Medical Center (150 licensed beds) located in Hartselle, Alabama; Jacksonville Medical Center (89 licensed beds) located in Jacksonville, Alabama; National Park Medical Center (166 licensed beds) located in Hot Springs, Arkansas; St. Mary's Regional Medical Center (170 licensed beds) located in Russellville, Arkansas; Mineral Area Regional Medical Center (135 licensed beds) located in Farmington, Missouri; Willamette Valley Medical Center (80 licensed beds) located in McMinnville, Oregon; and White County Community Hospital (60 licensed beds) located in Sparta, Tennessee, to Capella Healthcare, Inc., headquartered in Franklin, Tennessee. The proceeds from this sale were \$315.0 million in cash.

Effective February 21, 2008, one or more subsidiaries of the Company sold THI Ireland Holdings Limited, a private limited company incorporated in the Republic of Ireland, which leased and managed the operations of Beacon Medical Center (122 licensed beds) located in Dublin, Ireland, to Beacon Medical Group Limited, headquartered in Dublin, Ireland. The proceeds from this sale were \$1.5 million in cash.

Effective February 1, 2008, one or more subsidiaries of the Company sold Russell County Medical Center (78 licensed beds) located in Lebanon, Virginia to Mountain States Health Alliance, headquartered in Johnson City, Tennessee. The proceeds from this sale were \$48.6 million in cash.

In connection with the above actions and in accordance with SFAS No. 144, "Accounting for the Impairment or Disposal of Long-Lived Assets," the Company has classified the results of operations of the above mentioned hospitals as discontinued operations in the accompanying condensed consolidated statements of income.

Net operating revenues and income (loss) on discontinued operations for the respective periods are as follows (in thousands):

	<u>Three Months Ended June 30,</u>		<u>Six Months Ended June 30,</u>	
	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>
Net operating revenues	\$ 85	\$ 35,932	\$ 42,113	\$ 159,764
(Loss) income from operations of hospitals sold and hospitals held for sale before income taxes	(807)	(850)	3,024	2,578
(Loss) gain on sale of hospitals, net	—	(9)	(644)	17,715
Income from discontinued operations, before taxes	(807)	(859)	2,380	20,293
Income tax (benefit) expense	(299)	(610)	808	9,061
(Loss) income from discontinued operations, net of tax	<u>\$ (508)</u>	<u>\$ (249)</u>	<u>\$ 1,572</u>	<u>\$ 11,232</u>

Interest expense and loss on early extinguishment of debt was allocated to discontinued operations based on sale proceeds available for debt repayment.

During the three months ended June 30, 2009, the Company decided to retain a hospital and related businesses previously classified as held for sale. Results of operations for all periods presented have been restated to include this retained hospital and related businesses, which were previously reported as discontinued operations. The

COMMUNITY HEALTH SYSTEMS, INC. AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

condensed consolidated balance sheets for each of the periods presented have been restated to include assets and liabilities previously reported as held for sale.

6. INCOME TAXES

The Company adopted the provisions of FASB Interpretation No. 48, "Accounting for Uncertainty in Income Taxes" ("FIN 48"), on January 1, 2007. The total amount of unrecognized benefit that would affect the effective tax rate, if recognized, was approximately \$13.6 million as of June 30, 2009. It is the Company's policy to recognize interest and penalties accrued related to unrecognized benefits in its condensed consolidated statements of income as income tax expense. During the six months ended June 30, 2009, the Company decreased liabilities by approximately \$0.1 million and recorded \$0.5 million in interest and penalties related to prior state income tax returns through its income tax provision from continuing operations, which are included in its FIN 48 liability at June 30, 2009. A total of approximately \$1.8 million of interest and penalties is included in the amount of FIN 48 liability at June 30, 2009.

The Company believes that it is reasonably possible that approximately \$4.1 million of its current unrecognized tax benefit may be recognized within the next twelve months as a result of a lapse of the statute of limitations and settlements with taxing authorities.

The Company, or one of its subsidiaries, files income tax returns in the U.S. federal jurisdiction and various state jurisdictions. The Company has extended the federal statute of limitations for Triad for the tax periods ended December 31, 1999, December 31, 2000, April 30, 2001, June 30, 2001, December 31, 2001, December 31, 2002 and December 31, 2003. The Company is currently under examination by the IRS of the federal tax return of Triad for the tax periods ended December 31, 2004, December 31, 2005, December 31, 2006 and July 25, 2007. The Company believes the results of this examination will not be material to its consolidated results of operations or consolidated financial position. With few exceptions, the Company is no longer subject to state income tax examinations for years prior to 2004.

Prior to the adoption of SFAS No. 160 on January 1, 2009, income attributable to noncontrolling interests was deducted from earnings before arriving at income from continuing operations. With the adoption of SFAS No. 160, the income attributable to noncontrolling interests has been reclassified below net income and therefore is no longer deducted in arriving at income from continuing operations. However, the provision for income taxes does not change because those subsidiaries with noncontrolling interests attribute their taxable income to their respective investors. Accordingly, the Company will not pay tax on the income attributable to the noncontrolling interests. As a result of separately reporting income that is taxed to others, the Company's effective tax rate on continuing operations before income taxes, as reported on the face of the financial statements is 33.3% and 35.3% for the three months ended June 30, 2009 and 2008, respectively, and 33.4% and 35.1% for the six months ended June 30, 2009 and 2008, respectively. However, the actual effective tax rate that is attributable to the Company's share of income from continuing operations before income taxes (income from continuing operations before income taxes, as presented on the face of the statement of income, less income from continuing operations attributable to noncontrolling interests of \$14.6 million and \$7.4 million for the three months ended June 30, 2009 and 2008, respectively, and \$28.2 million and \$15.6 million for the six months ended June 30, 2009 and 2008, respectively) is 38.3% for the three and six months ended June 30, 2009 and 38.6% for the three and six months ended June 30, 2008.

Cash paid for income taxes, net of refunds received, resulted in net cash paid of \$61.6 million for the three months ended June 30, 2009 and a net cash refund of \$46.5 million for the three months ended June 30, 2008. Cash paid for income taxes, net of refunds received, resulted in a net cash refund of \$0.7 million and \$49.3 million for the six months ended June 30, 2009 and 2008, respectively.

COMMUNITY HEALTH SYSTEMS, INC. AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

7. GOODWILL AND OTHER INTANGIBLE ASSETS

The changes in the carrying amount of goodwill for the six months ended June 30, 2009, are as follows (in thousands):

Balance as of December 31, 2008	\$ 4,166,091
Goodwill acquired as part of acquisitions during 2009	18,514
Consideration adjustments and finalization of purchase price allocation adjustments for prior year's acquisitions	3,363
Balance as of June 30, 2009	<u>\$ 4,187,968</u>

SFAS No. 142 requires that goodwill be allocated to each identified reporting unit, which is defined as an operating segment or one level below the operating segment (referred to as a component of the entity). Management has determined that the Company's operating segments meet the criteria to be classified as reporting units. At June 30, 2009, the hospital operations reporting unit, the home care agencies reporting unit, and the hospital management services reporting unit had \$4.120 billion, \$34.2 million and \$33.3 million, respectively, of goodwill.

SFAS No. 142 requires goodwill to be evaluated for impairment at the same time every year and when an event occurs or circumstances change that, more likely than not, reduce the fair value of the reporting unit below its carrying value. SFAS No. 142 requires a two-step method for determining goodwill impairment. Step one is to compare the fair value of the reporting unit with the unit's carrying amount, including goodwill. If this test indicates the fair value is less than the carrying value, then step two is required to compare the implied fair value of the reporting unit's goodwill with the carrying value of the reporting unit's goodwill. The Company has selected September 30th as its annual testing date. The Company performed its annual goodwill evaluation as required by SFAS No. 142 as of September 30, 2008. No impairment was indicated by this evaluation.

The Company estimates the fair value of the related reporting units using both a discounted cash flow model, as well as an EBITDA multiple model. These models are both based on the Company's best estimate of future revenues and operating costs and are reconciled to the Company's consolidated market capitalization. The cash flow forecasts are adjusted by an appropriate discount rate based on the Company's weighted-average cost of capital. Historically, the Company's valuation models did not fully capture the fair value of the Company's business as a whole, as they did not consider the increased consideration a potential acquirer would be required to pay, in the form of a control premium, in order to gain sufficient ownership to set policies, direct operations and control management decisions. However, because the Company's models have indicated value significantly in excess of the carrying amount of assets in the Company's reporting units, the additional value from a control premium was not a determining factor in the outcome of step one of the Company's impairment assessment.

The gross carrying amount of the Company's other intangible assets subject to amortization was \$77.2 million at June 30, 2009 and \$68.6 million at December 31, 2008, and the net carrying amount was \$54.0 million at June 30, 2009 and \$54.1 million at December 31, 2008. The carrying amount of the Company's other intangible assets not subject to amortization was \$34.6 million and \$35.2 million at June 30, 2009 and December 31, 2008, respectively. Other intangible assets are included in other assets, net on the Company's condensed consolidated balance sheets. Substantially all of the Company's intangible assets are contract-based intangible assets related to operating licenses, management contracts, or non-compete agreements entered into in connection with prior acquisitions.

The weighted-average amortization period for the intangible assets subject to amortization is approximately nine years. There are no expected residual values related to these intangible assets. Amortization expense on these intangible assets during the three months ended June 30, 2009 and 2008 was \$3.6 million and \$0.8 million, respectively, and \$6.9 million and \$3.2 million for the six months ended June 30, 2009 and 2008, respectively. Amortization expense on intangible assets is estimated to be \$7.5 million for the remainder of 2009, \$12.5 million in 2010, \$6.4 million in 2011, \$4.8 million in 2012, \$4.3 million in 2013, and \$18.6 million in 2014 and thereafter.

COMMUNITY HEALTH SYSTEMS, INC. AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

8. EARNINGS PER SHARE

The following table sets forth the components of the numerator and denominator for the computation of basic and diluted earnings per share for income from continuing operations, discontinued operations and net income attributable to Community Health Systems, Inc. common stockholders (in thousands, except share data):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2009	2008	2009	2008
Numerator for basic and diluted earnings per share:				
Income from continuing operations, net of tax	\$ 74,498	\$ 55,393	\$ 145,318	\$ 112,648
Less: Income from continuing operations attributable to noncontrolling interests, net of taxes	14,555	7,447	28,185	15,602
Income from continuing operations attributable to Community Health Systems, Inc. common stockholders — basic and diluted	<u>\$ 59,943</u>	<u>\$ 47,946</u>	<u>\$ 117,133</u>	<u>\$ 97,046</u>
(Loss) income from discontinued operations, net of tax	\$ (508)	\$ (249)	\$ 1,572	\$ 11,232
Less: Income (loss) from discontinued operations attributable to noncontrolling interests, net of taxes	—	(196)	355	258
(Loss) income from discontinued operations attributable to Community Health Systems, Inc. common stockholders — basic and diluted	<u>\$ (508)</u>	<u>\$ (53)</u>	<u>\$ 1,217</u>	<u>\$ 10,974</u>
Denominator:				
Weighted-average number of shares outstanding — basic	90,358,583	94,192,295	90,169,735	94,017,435
Effect of dilutive securities:				
Restricted stock awards	534,525	399,975	387,851	238,715
Employee options	168,802	920,857	103,805	871,373
Other equity based awards	9,237	—	4,618	—
Weighted-average number of shares outstanding — diluted	<u>91,071,147</u>	<u>95,513,127</u>	<u>90,666,009</u>	<u>95,127,523</u>
Dilutive securities outstanding not included in the computation of earnings per share because their effect is antidilutive:				
Employee options	<u>6,008,843</u>	<u>3,540,068</u>	<u>7,766,781</u>	<u>3,950,600</u>

9. STOCKHOLDERS' EQUITY

Authorized capital shares of the Company include 400,000,000 shares of capital stock consisting of 300,000,000 shares of common stock and 100,000,000 shares of preferred stock. Each of the aforementioned classes of capital stock has a par value of \$0.01 per share. Shares of preferred stock, none of which were outstanding as of June 30, 2009, may be issued in one or more series having such rights, preferences and other provisions as determined by the Board of Directors without approval by the holders of common stock.

COMMUNITY HEALTH SYSTEMS, INC. AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

On December 13, 2006, the Company commenced an open market repurchase program for up to 5,000,000 shares of the Company's common stock, not to exceed \$200 million in repurchases. This program will conclude at the earlier of three years or when the maximum number of shares has been repurchased. During the year ended December 31, 2008, the Company repurchased 4,786,609 shares, which is the cumulative number of shares that have been repurchased under this program, at a weighted-average price of \$18.80 per share. During the six months ended June 30, 2009, the Company did not repurchase any shares under this program.

The following schedule presents the reconciliation of the carrying amount of total equity, equity attributable to the Company, and equity attributable to the noncontrolling interests as if the provisions of SFAS No. 160 were adopted on the first day of the six-month period ended June 30, 2009 (in thousands):

	Redeemable Noncontrolling Interests	Community Health Systems, Inc. Stockholders					Noncontrolling Interests	Total Stockholders' Equity
		Common Stock	Additional Paid-in Capital	Treasury Stock	Accumulated Other Comprehensive Income (Loss)	Retained Earnings		
Balance, December 31, 2008								
(as previously reported)	\$ —	\$ 925	\$ 1,197,944	\$ (6,678)	\$ (295,575)	\$ 776,249	\$ —	\$ 1,672,865
January 1, 2009 adjustment to noncontrolling interests from adoption of SFAS No. 160	320,171	—	(46,825)	—	—	—	75,091	28,266
Balance, December 31, 2008 (as adjusted)	320,171	925	1,151,119	(6,678)	(295,575)	776,249	75,091	1,701,131
Comprehensive income (loss):								
Net income	20,119	—	—	—	—	118,350	8,421	126,771
Net change in fair value of interest rate swaps	—	—	—	—	74,049	—	—	74,049
Net change in fair value of available for sale securities (loss)	—	—	—	—	(449)	—	—	(449)
Adjustment to pension liability	—	—	—	—	1,410	—	—	1,410
Total comprehensive income	20,119	—	—	—	75,010	118,350	8,421	201,781
Net distributions to noncontrolling interests	(2,060)	—	—	—	—	—	(3,147)	(3,147)
Purchase of subsidiary shares from noncontrolling interests	(140)	—	3,345	—	—	—	610	3,955
Sale of less than wholly-owned subsidiaries	(21,691)	—	—	—	—	—	—	—
Adjustment to redemption value of redeemable noncontrolling interests	7,595	—	(7,595)	—	—	—	—	(7,595)
Issuance of common stock in connection with the exercise of stock options	—	3	3,445	—	—	—	—	3,448
Cancellation of restricted stock for tax withholdings on vested shares	—	(2)	(3,605)	—	—	—	—	(3,607)
Tax benefit from exercise of options	—	—	(3,389)	—	—	—	—	(3,389)
Share-based compensation	—	11	24,805	—	—	—	—	24,816
Balance, June 30, 2009	<u>\$ 323,994</u>	<u>\$ 937</u>	<u>\$ 1,168,125</u>	<u>\$ (6,678)</u>	<u>\$ (220,565)</u>	<u>\$ 894,599</u>	<u>\$ 80,975</u>	<u>\$ 1,917,393</u>

COMMUNITY HEALTH SYSTEMS, INC. AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

The following schedule discloses the effects of changes in the Company's ownership interest in its less than wholly-owned subsidiaries on Community Health Systems, Inc. stockholders' equity:

	Six Months Ended June 30, 2009
Net income attributable to Community Health Systems, Inc.	\$ 118,350
Transfers from the noncontrolling interests:	
Increase in Community Health Systems, Inc. paid-in capital for purchase of subsidiary partnership interests	3,345
Net transfers from the noncontrolling interests	3,345
Change from net income attributable to Community Health Systems, Inc. and transfers (to) from noncontrolling interests	\$ 121,695

10. COMPREHENSIVE INCOME

The following table presents the components of comprehensive income, net of related taxes. The net change in fair value of interest rate swap agreements is a function of the spread between the fixed interest rate of each swap and the underlying variable interest rate under the Credit Facility, the change in fair value of available for sale securities is the unrealized gain (losses) on the related investments and the amortization of unrecognized pension cost components is the amortization of prior service costs and credits and actuarial gains and losses (in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2009	2008	2009	2008
Net income	\$ 73,990	\$ 55,144	\$ 146,890	\$ 123,880
Net change in fair value of interest rate swaps	61,139	109,368	74,049	4,814
Net change in fair value of available for sale securities	801	(105)	(449)	(858)
Amortization of unrecognized pension components	970	880	1,410	(112)
Comprehensive income	136,900	165,287	221,900	127,724
Less: Comprehensive income attributable to noncontrolling interests	14,555	7,251	28,540	15,860
Comprehensive income attributable to Community Health Systems, Inc.	\$ 122,345	\$ 158,036	\$ 193,360	\$ 111,864

The net change in fair value of the interest rate swaps, the net change in fair value of available for sale securities and amortization of unrecognized pension cost components are included in accumulated other comprehensive loss on the accompanying condensed consolidated balance sheets.

11. EQUITY INVESTMENTS

As of June 30, 2009, the Company owned equity interests of 27.5% in four hospitals in Las Vegas, Nevada, and 26.1% in one hospital in Las Vegas, Nevada, in which Universal Health Systems, Inc. owns the majority interest, and an equity interest of 38.0% in three hospitals in Macon, Georgia in which HCA, Inc. owns the majority interest. Effective April 1, 2009, one or more subsidiaries of the Company acquired from Share Foundation the remaining 50% equity interest in MCSA L.L.C., an entity in which one or more subsidiaries of the Company previously had a 50% noncontrolling interest and for which it provided certain management services. This acquisition resulted in these subsidiaries of the Company owning 100% equity interest in that entity. MCSA L.L.C. owns and operates

COMMUNITY HEALTH SYSTEMS, INC. AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

Medical Center of South Arkansas in El Dorado, Arkansas. The results of operations for MCSA L.L.C. were included in the consolidated financial statements effective April 1, 2009.

Summarized combined financial information for the three and six months ended June 30, 2009 and 2008, for these unconsolidated entities in which the Company owns an equity interest is as follows (in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2009	2008	2009	2008
Revenues	\$ 348,684	\$ 359,695	\$ 724,382	\$ 723,362
Operating costs and expenses	309,129	322,151	633,802	641,914
Net income	39,541	37,578	90,580	88,277

The summarized financial information for the three and six months ended June 30, 2009 and 2008 was derived from the unaudited financial information provided to the Company by those unconsolidated entities.

The Company's investment in all of its unconsolidated affiliates is \$424.8 million and \$421.6 million at June 30, 2009 and December 31, 2008, respectively, and is included in other assets in the accompanying condensed consolidated balance sheets. Included in the Company's results of operations is the Company's equity in pre-tax earnings from all of its investments in unconsolidated affiliates, which was \$11.8 million and \$10.5 million for the three months ended June 30, 2009 and 2008, respectively, and \$24.7 million and \$23.4 million for the six months ended June 30, 2009 and 2008, respectively.

12. LONG-TERM DEBT

Credit Facility and Notes

On July 25, 2007, CHS entered into the Credit Facility with a syndicate of financial institutions led by Credit Suisse, as administrative agent and collateral agent. The Credit Facility consisted of a \$6.065 billion funded term loan facility with a maturity of seven years, a \$400 million delayed draw term loan facility with a maturity of seven years and a \$750 million revolving credit facility with a maturity of nine years. As of December 31, 2007, the \$400 million delayed draw term loan facility had been reduced to \$300 million at the request of CHS. During the fourth quarter of 2008, \$100 million of the delayed draw term loan was drawn by CHS, reducing the delayed draw term loan availability to \$200 million at December 31, 2008. In January 2009, CHS drew down the remaining \$200 million of the delayed draw term loan. The revolving credit facility also includes a subfacility for letters of credit and a swingline subfacility. In connection with the consummation of the acquisition of Triad, CHS used a portion of the net proceeds from its Credit Facility and the Notes offering to repay its outstanding debt under the previously outstanding credit facility, the 6.50% senior subordinated notes due 2012 and certain of Triad's existing indebtedness. During the third quarter of 2007, the Company recorded a pre-tax write-off of approximately \$13.9 million in deferred loan costs relative to the early extinguishment of the debt under the previously outstanding credit facility and incurred tender and solicitation fees of approximately \$13.4 million on the early repayment of the Company's \$300 million aggregate principal amount of 6.50% senior subordinated notes due 2012 through a cash tender offer and consent solicitation.

The Credit Facility requires quarterly amortization payments of each term loan facility equal to 0.25% of the outstanding amount of the term loans, if any, with the outstanding principal balance payable on July 25, 2014.

The term loan facility must be prepaid in an amount equal to (1) 100% of the net cash proceeds of certain asset sales and dispositions by the Company and its subsidiaries, subject to certain exceptions and reinvestment rights, (2) 100% of the net cash proceeds of issuances of certain debt obligations or receivables based financing by the Company and its subsidiaries, subject to certain exceptions, and (3) 50%, subject to reduction to a lower percentage based on the Company's leverage ratio (as defined in the Credit Facility generally as the ratio of total debt on the date of determination to the Company's EBITDA, as defined, for the four quarters most recently ended prior to such

COMMUNITY HEALTH SYSTEMS, INC. AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

date), of excess cash flow (as defined) for any year, commencing in 2008, subject to certain exceptions. Voluntary prepayments and commitment reductions are permitted in whole or in part, without any premium or penalty, subject to minimum prepayment or reduction requirements.

The obligor under the Credit Facility is CHS. All of the obligations under the Credit Facility are unconditionally guaranteed by the Company and certain existing and subsequently acquired or organized domestic subsidiaries. All obligations under the Credit Facility and the related guarantees are secured by a perfected first priority lien or security interest in substantially all of the assets of the Company, CHS and each subsidiary guarantor, including equity interests held by the Company, CHS or any subsidiary guarantor, but excluding, among others, the equity interests of non-significant subsidiaries, syndication subsidiaries, securitization subsidiaries and joint venture subsidiaries.

The loans under the Credit Facility bear interest on the outstanding unpaid principal amount at a rate equal to an applicable percentage plus, at CHS's option, either (a) an Alternate Base Rate (as defined) determined by reference to the greater of (1) the Prime Rate (as defined) announced by Credit Suisse or (2) the Federal Funds Effective Rate (as defined) plus one-half of 1.0%, or (b) a reserve adjusted London interbank offered rate for dollars (Eurodollar Rate) (as defined). The applicable percentage for term loans is 1.25% for Alternate Base Rate loans and 2.25% for Eurodollar rate loans. The applicable percentage for revolving loans is initially 1.25% for Alternate Base Rate revolving loans and 2.25% for Eurodollar revolving loans, in each case subject to reduction based on the Company's leverage ratio. Loans under the swingline subfacility bear interest at the rate applicable to Alternate Base Rate loans under the revolving credit facility.

CHS has agreed to pay letter of credit fees equal to the applicable percentage then in effect with respect to Eurodollar rate loans under the revolving credit facility times the maximum aggregate amount available to be drawn under all letters of credit outstanding under the subfacility for letters of credit. The issuer of any letter of credit issued under the subfacility for letters of credit will also receive a customary fronting fee and other customary processing charges. CHS is initially obligated to pay commitment fees of 0.50% per annum (subject to reduction based upon the Company's leverage ratio) on the unused portion of the revolving credit facility. For purposes of this calculation, swingline loans are not treated as usage of the revolving credit facility. With respect to the delayed draw term loan facility, CHS was also obligated to pay commitment fees of 0.50% per annum for the first nine months after the closing of the Credit Facility, 0.75% per annum for the next three months after such nine-month period and thereafter, 1.0% per annum. In each case, the commitment fee was paid on the unused amount of the delayed draw term loan facility. After the draw down of the remaining \$200 million of the delayed draw term loan in January 2009, CHS no longer pays commitment fees for the delayed draw term loan facility. CHS paid arrangement fees on the closing of the Credit Facility and pays an annual administrative agent fee.

The Credit Facility contains customary representations and warranties, subject to limitations and exceptions, and customary covenants restricting, subject to certain exceptions, the Company's and its subsidiaries' ability to, among other things (1) declare dividends, make distributions or redeem or repurchase capital stock, (2) prepay, redeem or repurchase other debt, (3) incur liens or grant negative pledges, (4) make loans and investments and enter into acquisitions and joint ventures, (5) incur additional indebtedness or provide certain guarantees, (6) make capital expenditures, (7) engage in mergers, acquisitions and asset sales, (8) conduct transactions with affiliates, (9) alter the nature of the Company's businesses, (10) grant certain guarantees with respect to physician practices, (11) engage in sale and leaseback transactions or (12) change the Company's fiscal year. The Company is also required to comply with specified financial covenants (consisting of a leverage ratio and an interest coverage ratio) and various affirmative covenants.

Events of default under the Credit Facility include, but are not limited to, (1) CHS's failure to pay principal, interest, fees or other amounts under the credit agreement when due (taking into account any applicable grace period), (2) any representation or warranty proving to have been materially incorrect when made, (3) covenant defaults subject, with respect to certain covenants, to a grace period, (4) bankruptcy events, (5) a cross default to certain other debt, (6) certain undischarged judgments (not paid within an applicable grace period), (7) a change of

COMMUNITY HEALTH SYSTEMS, INC. AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

control, (8) certain ERISA-related defaults and (9) the invalidity or impairment of specified security interests, guarantees or subordination provisions in favor of the administrative agent or lenders under the Credit Facility.

The Notes were issued by CHS in connection with the Triad acquisition in the principal amount of \$3.021 billion. These Notes will mature on July 15, 2015. The Notes bear interest at the rate of 8.875% per annum, payable semiannually in arrears on January 15 and July 15, commencing January 15, 2008. Interest on the Notes accrues from the date of original issuance. Interest is calculated on the basis of 360-day year comprised of twelve 30-day months.

Except as set forth below, CHS is not entitled to redeem the Notes prior to July 15, 2011.

On and after July 15, 2011, CHS is entitled, at its option, to redeem all or a portion of the Notes upon not less than 30 nor more than 60 days notice, at the redemption prices (expressed as a percentage of principal amount on the redemption date), plus accrued and unpaid interest, if any, to the redemption date (subject to the right of holders of record on the relevant record date to receive interest due on the relevant interest payment date), if redeemed during the 12-month period commencing on July 15 of the years set forth below:

<u>Period</u>	<u>Redemption Price</u>
2011	104.438%
2012	102.219%
2013 and thereafter	100.000%

In addition, any time prior to July 15, 2010, CHS is entitled, at its option, on one or more occasions to redeem the Notes (which include additional Notes (the "Additional Notes"), if any which may be issued from time to time under the indenture under which the Notes were issued) in an aggregate principal amount not to exceed 35% of the aggregate principal amount of the Notes (which includes Additional Notes, if any) originally issued at a redemption price (expressed as a percentage of principal amount) of 108.875%, plus accrued and unpaid interest to the redemption date, with the Net Cash Proceeds (as defined) from one or more Public Equity Offerings (as defined) (provided that if the Public Equity Offering is an offering by the Company, a portion of the Net Cash Proceeds thereof equal to the amount required to redeem any such Notes is contributed to the equity capital of CHS); provided, however, that:

- 1) at least 65% of such aggregate principal amount of Notes originally issued remains outstanding immediately after the occurrence of each such redemption (other than the Notes held, directly or indirectly, by the Company or its subsidiaries); and
- 2) each such redemption occurs within 90 days after the date of the related Public Equity Offering.

CHS is entitled, at its option, to redeem the Notes, in whole or in part, at any time prior to July 15, 2011, upon not less than 30 or more than 60 days notice, at a redemption price equal to 100% of the principal amount of Notes redeemed plus the Application Premium (as defined), and accrued and unpaid interest, if any, as of the applicable redemption date.

Pursuant to a registration rights agreement entered into at the time of the issuance of the Notes, as a result of an exchange offer made by CHS, substantially all of the Notes issued in July 2007 were exchanged in November 2007 for new notes (the "Exchange Notes") having terms substantially identical in all material respects to the Notes (except that the Exchange Notes were issued under a registration statement pursuant to the Securities Act of 1933, as amended). References to the Notes shall also be deemed to include Exchange Notes unless the context provides otherwise.

During the three months ended June 30, 2009, the Company repurchased on the open market and cancelled \$61.0 million of principal amount of the Notes. This resulted in a net gain from early extinguishment of debt of \$0.3 million with an after-tax impact of \$0.2 million. During the six months ended June 30, 2009, the Company

COMMUNITY HEALTH SYSTEMS, INC. AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

repurchased on the open market and cancelled \$121.5 million of principal amount of the Notes. This resulted in a net gain from early extinguishment of debt of \$2.7 million with an after-tax impact of \$1.7 million.

On April 2, 2009, the Company paid down \$110.4 million of its term loans under the Credit Facility. Of this amount, \$85.0 million was paid down as required under the terms of the Credit Facility with the net proceeds received from the sale of the ownership interest in the partnership that owned and operated Presbyterian Hospital of Denton. This resulted in a loss from early extinguishment of debt of \$1.1 million with an after-tax impact of \$0.7 million recorded in discontinued operations for both the three and six months ended June 30, 2009. The remaining \$25.4 million was paid on the term loans as required under the terms of the Credit Facility with the net proceeds received from the sale of various other assets. This resulted in a loss from early extinguishment of debt of \$0.3 million with an after-tax impact of \$0.2 million recorded in continuing operations for both the three and six months ended June 30, 2009.

As of June 30, 2009, the availability for additional borrowings under the Credit Facility was \$750 million pursuant to the revolving credit facility, of which \$89.2 million was set aside for outstanding letters of credit. CHS also has the ability to add up to \$300 million of borrowing capacity from receivable transactions (including securitizations) under the Credit Facility, which has not yet been accessed. CHS also has the ability to amend the Credit Facility to provide for one or more tranches of term loans in an aggregate principal amount of \$600 million, which CHS has not yet accessed. As of June 30, 2009, the weighted-average interest rate under the Credit Facility, excluding swaps, was 3.2%.

Cash paid for interest, net of interest income, was \$102.1 million and \$97.4 million during the three months ended June 30, 2009 and 2008, respectively, and \$335.0 million and \$326.4 million during the six months ended June 30, 2009 and 2008, respectively.

13. FAIR VALUE OF FINANCIAL INSTRUMENTS

The fair value of financial instruments has been estimated by the Company using available market information as of June 30, 2009 and December 31, 2008, and valuation methodologies considered appropriate. The estimates presented are not necessarily indicative of amounts the Company could realize in a current market exchange (in thousands):

	June 30, 2009		December 31, 2008	
	Carrying Amount	Estimated Fair Value	Carrying Amount	Estimated Fair Value
Assets:				
Cash and cash equivalents	\$ 268,825	\$ 268,825	\$ 220,655	\$ 220,655
Available-for-sale securities	6,959	6,959	6,325	6,325
Trading securities	21,654	21,654	24,325	24,325
Liabilities:				
Credit facilities	6,054,715	5,449,224	5,965,866	4,653,375
Tax-exempt bonds	8,000	8,000	8,000	8,000
Senior notes	2,789,331	2,740,518	2,910,831	2,677,965
Other debt	42,769	42,769	41,663	41,663

Cash and cash equivalents. The carrying amount approximates fair value due to the short-term maturity of these instruments (less than three months).

Available-for-sale securities. Estimated fair value is based on closing price as quoted in public markets.

Trading securities. Estimated fair value is based on closing price as quoted in public markets.

COMMUNITY HEALTH SYSTEMS, INC. AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

Credit facilities. Estimated fair value is based on information from the Company's bankers regarding relevant pricing for trading activity among the Company's lending institutions.

Tax-exempt bonds. The carrying amount approximates fair value as a result of the weekly interest rate reset feature of these publicly-traded instruments.

Senior notes. Estimated fair value is based on the average bid and ask price as quoted by the bank who served as underwriter in the sale of these notes.

Other debt. The carrying amount of all other debt approximates fair value due to the nature of these obligations.

Interest Rate Swaps. The fair value of interest rate swap agreements is the amount at which they could be settled, based on estimates calculated by the Company using a discounted cash flow analysis based on observable market inputs and validated by comparison to estimates obtained from the counterparty. The Company has designated the interest rate swaps as cash flow hedge instruments whose recorded value included in other long-term liabilities in the consolidated balance sheet approximates fair market value.

The Company assesses the effectiveness of its hedge instruments on a quarterly basis. For the three months ended June 30, 2009 and 2008, the Company completed an assessment of the cash flow hedge instruments and determined the hedges to be highly effective. The Company has also determined that the ineffective portion of the hedges do not have a material effect on the Company's consolidated financial position, operations or cash flows. The counterparties to the interest rate swap agreements expose the Company to credit risk in the event of non-performance. However, at June 30, 2009, since all but one of the swap agreements entered into by the Company were in net liability positions so that the Company would be required to make the net settlement payments to the counterparties, the Company does not anticipate non-performance by those counterparties. The Company does not hold or issue derivative financial instruments for trading purposes.

COMMUNITY HEALTH SYSTEMS, INC. AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

Interest rate swaps consisted of the following at June 30, 2009:

Swap #	Notional Amount (in 000's)	Fixed Interest Rate	Termination Date	Fair Value (in 000's)
1	\$704,000	0.4250%	August 28, 2009	\$ (147)(1)
2	100,000	4.3375%	November 30, 2009	(1,725)
3	200,000	2.8800%	September 17, 2010	(3,397)
4	100,000	4.9360%	October 4, 2010	(4,435)
5	100,000	4.7090%	January 24, 2011	(5,059)
6	300,000	5.1140%	August 8, 2011	(22,170)
7	100,000	4.7185%	August 19, 2011	(6,746)
8	100,000	4.7040%	August 19, 2011	(6,590)
9	100,000	4.6250%	August 19, 2011	(6,544)
10	200,000	4.9300%	August 30, 2011	(14,235)
11	200,000	3.0920%	September 18, 2011	(6,442)
12	100,000	3.0230%	October 23, 2011	(3,064)
13	200,000	4.4815%	October 26, 2011	(12,729)
14	200,000	4.0840%	December 3, 2011	(11,097)
15	100,000	3.8470%	January 4, 2012	(5,026)
16	100,000	3.8510%	January 4, 2012	(5,036)
17	100,000	3.8560%	January 4, 2012	(5,048)
18	200,000	3.7260%	January 8, 2012	(9,470)
19	200,000	3.5065%	January 16, 2012	(8,399)
20	250,000	5.0185%	May 30, 2012	(20,874)
21	150,000	5.0250%	May 30, 2012	(12,597)
22	200,000	4.6845%	September 11, 2012	(15,307)
23	100,000	3.3520%	October 23, 2012	(3,563)
24	125,000	4.3745%	November 23, 2012	(8,486)
25	75,000	4.3800%	November 23, 2012	(5,129)
26	150,000	5.0200%	November 30, 2012	(13,386)
27	100,000	5.0230%	May 30, 2013	(9,290)
28	300,000	5.2420%	August 6, 2013	(31,538)
29	100,000	5.0380%	August 30, 2013	(9,517)
30	50,000	3.5860%	October 23, 2013	(1,879)
31	50,000	3.5240%	October 23, 2013	(1,754)
32	100,000	5.0500%	November 30, 2013	(9,742)
33	200,000	2.0700%	December 19, 2013	6,241
34	100,000	5.2310%	July 25, 2014	(10,895)
35	100,000	5.2310%	July 25, 2014	(10,895)
36	200,000	5.1600%	July 25, 2014	(21,120)
37	75,000	5.0405%	July 25, 2014	(7,498)
38	125,000	5.0215%	July 25, 2014	(12,384)

- (1) This interest rate swap is a 90-day swap for which we pay a monthly fixed rate of 0.4250% and receive one-month LIBOR rates payable on \$704 million of term loans under the Credit Facility. As with each of these swap agreements, the variable interest rate received matches the variable interest rate paid for the revolving credit and term loans under the Credit Facility. The Company continues to pay a margin of 225 basis points for the revolving credit and term loans under the Credit Facility.

COMMUNITY HEALTH SYSTEMS, INC. AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

14. FAIR VALUE

In September 2006, the FASB issued SFAS No. 157, "Fair Value Measurements" ("SFAS No. 157"), which defines fair value, provides a framework for measuring fair value, and expands disclosures required for fair value measurements. SFAS No. 157 applies to other accounting pronouncements that require fair value measurement; it does not require any new fair value measurements. SFAS No. 157 was effective for fiscal years beginning after November 15, 2007, and was adopted by the Company as of January 1, 2008. The adoption of this statement has not had a material effect on the Company's consolidated results of operations or consolidated financial position.

In February 2008, the FASB issued FASB Staff Position No. 157-2, "Effective Date of FASB Statement No. 157," ("FSP 157-2"). FSP 157-2 deferred the effective date of the provisions of SFAS No. 157 for all non-financial assets and non-financial liabilities to fiscal years beginning after November 15, 2008, and was adopted by the Company as of January 1, 2009. The adoption of this statement has not had a material effect on the Company's consolidated results of operations or consolidated financial position.

Fair Value Hierarchy

SFAS No. 157 emphasizes that fair value is a market-based measurement, not an entity-specific measurement. Therefore, a fair value measurement should be determined based on the assumptions that market participants would use in pricing the asset or liability. As a basis for considering market participant assumptions in fair value measurements, SFAS No. 157 establishes a fair value hierarchy that distinguishes between market participant assumptions based on market data obtained from sources independent of the reporting entity (observable inputs that are classified within Levels 1 and 2 of the hierarchy) and the reporting entity's own assumption about market participant assumptions (unobservable inputs classified within Level 3 of the hierarchy).

SFAS No. 157 classifies the inputs used to measure fair value into the following hierarchy:

Level 1: Quoted market prices in active markets for identical assets or liabilities.

Level 2: Observable market-based inputs or unobservable inputs that are corroborated by market data.

Level 3: Unobservable inputs that are supported by little or no market activity and are significant to the fair value of the assets or liabilities. Level 3 includes values determined using pricing models, discounted cash flow methodologies, or similar techniques reflecting the Company's own assumptions.

In instances where the determination of the fair value hierarchy measurement is based on inputs from different levels of the fair value hierarchy, the level in the fair value hierarchy within which the entire fair value measurement falls is based on the lowest level input that is significant to the fair value measurement in its entirety. The Company's assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment of factors specific to the asset or liability.

The following table sets forth, by level within the fair value hierarchy, the financial assets and liabilities recorded at fair value on a recurring basis as of June 30, 2009 (in thousands):

	<u>June 30, 2009</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Available-for-sale securities	\$ 6,959	\$ 6,959	\$ —	\$ —
Trading securities	21,654	21,654	—	—
Total assets	\$ 28,613	\$ 28,613	\$ —	\$ —
Fair value of interest rate swap agreements	\$ 319,432	\$ —	\$ 319,432	\$ —
Total liabilities	\$ 319,432	\$ —	\$ 319,432	\$ —

COMMUNITY HEALTH SYSTEMS, INC. AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

Available-for-sale securities and trading securities classified as Level 1 are measured using quoted market prices.

The valuation of the Company's interest rate swap agreements is determined using market valuation techniques, including discounted cash flow analysis on the expected cash flows of each agreement. This analysis reflects the contractual terms of the agreement, including the period to maturity, and uses observable market-based inputs, including forward interest rate curves. The fair values of interest rate swap agreements are determined by netting the discounted future fixed cash payments (or receipts) and the discounted expected variable cash receipts (or payments). The variable cash receipts (or payments) are based on the expectation of future interest rates based on observable market forward interest rate curves and the notional amount being hedged.

To comply with the provisions of SFAS No. 157, the Company incorporates credit valuation adjustments (CVAs) to appropriately reflect both its own nonperformance or credit risk and the respective counterparty's nonperformance or credit risk in the fair value measurements. In adjusting the fair value of its interest rate swap agreements for the effect of nonperformance risk, the Company has considered the impact of any netting features included in the agreements. The CVA on the Company's interest rate swap agreements at June 30, 2009 resulted in a decrease in the fair value of the related liability of \$40.5 million and an after-tax adjustment of \$25.9 million to other comprehensive income.

The majority of the inputs used to value its interest rate swap agreements, including the forward interest rate curves and market perceptions of the Company's credit risk used in the CVAs, are observable inputs available to a market participant. As a result, the Company has determined that the interest rate swap valuations are classified in Level 2 of the fair value hierarchy.

The contractual obligation liability recorded during the year ended December 31, 2008, represented the fair value of a put option assumed in connection with a business combination using unobservable inputs and assumptions available to the Company. The contractual obligation represented by this liability was settled during the three months ended March 31, 2009, as a result of the sale of ownership interest in the partnership that owned Presbyterian Hospital of Denton. The following table presents a reconciliation of the beginning and ending balance of the contractual obligation liability (in thousands):

	<u>Contractual Obligation Liability</u>
Balance at January 1, 2009	\$ 48,985
Settlement of contractual obligation liability	(48,985)
Balance at June 30, 2009	<u>\$ —</u>

15. DERIVATIVE INSTRUMENTS

In March 2008, the FASB issued SFAS No. 161, "Disclosures about Derivative Instruments and Hedging Activities" ("SFAS No. 161"). SFAS No. 161 expands the disclosure requirements for derivative instruments and for hedging activities in order to provide additional understanding of how an entity uses derivative instruments and how they are accounted for and reported in an entity's financial statements. The new disclosure requirements for SFAS No. 161 are effective for fiscal years beginning after November 15, 2008, and were adopted by the Company on January 1, 2009. The adoption of this statement has not had a material effect on the Company's consolidated results of operations or consolidated financial position.

The Company is exposed to certain risks relating to its ongoing business operations. The primary risk managed by using derivative instruments is interest rate risk. Interest rate swaps are entered into to manage interest rate risk associated with the term loans in the Credit Facility. SFAS No. 133 requires companies to recognize all derivative instruments as either assets or liabilities at fair value in the consolidated statement of financial position. In

COMMUNITY HEALTH SYSTEMS, INC. AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

accordance with SFAS No. 133, the Company designates interest rate swaps as cash flow hedges. For derivative instruments that are designated and qualify as cash flow hedges, the effective portion of the gain or loss on the derivative is reported as a component of other comprehensive income and reclassified into earnings in the same period or periods during which the hedged transactions affects earnings. Gains and losses on the derivative representing either hedge ineffectiveness or hedge components excluded from the assessment of effectiveness are recognized in current earnings.

The Company's derivative instruments had no effect on the Company's consolidated results of operations for the three and six months ended June 30, 2009 and 2008.

The fair values of derivative instruments in the condensed consolidated balance sheets as of June 30, 2009 and December 31, 2008 were as follows (in thousands):

	Asset Derivatives				Liability Derivatives			
	June 30, 2009		December 31, 2008		June 30, 2009		December 31, 2008	
	Balance Sheet Location	Fair Value	Balance Sheet Location	Fair Value	Balance Sheet Location	Fair Value	Balance Sheet Location	Fair Value
Derivatives designated as hedging instruments under Statement 133	Other assets, net	\$ —	Other assets, net	\$ —	Other long-term liabilities	\$319,432	Other long-term liabilities	\$435,134

16. SEGMENT INFORMATION

The Company operates in three distinct operating segments, represented by hospital operations (which includes its general acute care hospitals and related healthcare entities that provide inpatient and outpatient health care services), home care agency operations (which provide in-home outpatient care), and hospital management services (which provides executive management and consulting services to non-affiliated acute care hospitals). Only the hospital operations segment meets the criteria in SFAS No. 131, "Disclosure about Segments of an Enterprise and Related Information" ("SFAS No. 131"), as a separate reportable segment. The financial information for the home care agencies and management services segments do not meet the quantitative thresholds defined in SFAS No. 131 and are combined into the corporate and all other reportable segment.

The distribution between reportable segments of the Company's revenues and income from continuing operations before income taxes is summarized in the following tables (in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2009	2008	2009	2008
Revenues:				
Hospital operations	\$ 2,946,985	\$ 2,611,869	\$ 5,798,032	\$ 5,260,539
Corporate and all other	69,976	61,284	131,678	122,969
	<u>\$ 3,016,961</u>	<u>\$ 2,673,153</u>	<u>\$ 5,929,710</u>	<u>\$ 5,383,508</u>
Income from continuing operations before income taxes:				
Hospital operations	\$ 147,786	\$ 123,515	\$ 287,847	\$ 245,935
Corporate and all other	(36,079)	(37,932)	(69,686)	(72,233)
	<u>\$ 111,707</u>	<u>\$ 85,583</u>	<u>\$ 218,161</u>	<u>\$ 173,702</u>

COMMUNITY HEALTH SYSTEMS, INC. AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

17. CONTINGENCIES

The Company is a party to various legal proceedings incidental to its business. In the opinion of management, any ultimate liability with respect to these actions will not have a material adverse effect on the Company's consolidated financial position, cash flows or results of operations.

In a letter dated October 4, 2007, the Civil Division of the Department of Justice notified the Company that, as a result of an investigation into the way in which different state Medicaid programs apply to the federal government for matching or supplemental funds that are ultimately used to pay for a small portion of the services provided to Medicaid and indigent patients, it believes the Company and three of its New Mexico hospitals have caused the State of New Mexico to submit improper claims for federal funds in violation of the Federal False Claims Act. This investigation has culminated in the federal government's intervention in a qui tam lawsuit styled *U.S. ex rel. Baker vs. Community Health Systems, Inc.* The federal government filed its complaint in intervention on June 30, 2009. The relator filed a second amended complaint on July 1, 2009. The Company's responses are due within 60 days. The Company is vigorously defending this action.

18. SUBSEQUENT EVENTS

SFAS No. 165 "Subsequent Events" ("SFAS No. 165") establishes general standards of accounting for and disclosure of events that occur after the balance sheet date but before financial statements are issued or are available to be issued. In particular, this Statement sets forth: (1) the period after the balance sheet date during which management of a reporting entity should evaluate events or transactions that may occur for potential recognition or disclosure in the financial statements, (2) the circumstances under which an entity should recognize events or transactions occurring after the balance sheet date in its financial statements and (3) the disclosures that an entity should make about events or transactions that occurred after the balance sheet date. SFAS No. 165 is effective for interim or annual financial periods ending after June 15, 2009. This standard does not result in significant changes in the subsequent events that are reported either through recognition or disclosure in the consolidated financial statements. In accordance with SFAS No. 165, the Company evaluated all material events occurring subsequent to the balance sheet date through July 31, 2009, the date the consolidated financial statements were issued, for events requiring disclosure or recognition in the consolidated financial statements.

19. FASB ACCOUNTING STANDARDS CODIFICATION

SFAS No. 168 "The FASB Accounting Standards Codification and the Hierarchy of Generally Accepted Accounting Principles — a replacement of FASB Statement No. 162" ("SFAS No. 168") is effective for financial statements issued for interim and annual periods ending after September 15, 2009. The FASB Accounting Standards Codification ("Codification") will become the source of authoritative U.S. GAAP recognized by the FASB to be applied by nongovernmental entities. Rules and interpretive releases of the SEC under authority of federal securities laws are also sources of authoritative U.S. GAAP for SEC registrants. On the effective date of this Statement, the Codification will supersede all then-existing non-SEC accounting and reporting standards. All other non-grandfathered non-SEC accounting literature not included in the Codification will become non-authoritative. The issuance of SFAS No. 168 and the Codification do not change current U.S. GAAP and will not have an impact on the Company's consolidated results of operations or consolidated financial position.

20. SUPPLEMENTAL CONDENSED CONSOLIDATING FINANCIAL INFORMATION

In connection with the consummation of the Triad acquisition, CHS obtained \$7.215 billion of senior secured financing under the Credit Facility and issued the Notes in the aggregate principal amount of \$3.021 billion. The Notes are senior unsecured obligations of CHS and are guaranteed on a senior basis by the Company and by certain of existing and subsequently acquired or organized 100% owned domestic subsidiaries.

COMMUNITY HEALTH SYSTEMS, INC. AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

The Notes are fully and unconditionally guaranteed on a joint and several basis. The following condensed consolidating financial statements present Community Health Systems, Inc. (as parent guarantor), CHS (as the issuer), the subsidiary guarantors, the subsidiary non-guarantors and eliminations. These condensed consolidating financial statements have been prepared and presented in accordance with SEC Regulation S-X Rule 3-10 "Financial Statements of Guarantors and Issuers of Guaranteed Securities Registered or Being Registered".

The accounting policies used in the preparation of this financial information are consistent with those elsewhere in the consolidated financial statements of the Company, except as noted below:

- Intercompany receivables and payables are presented gross in the supplemental consolidating balance sheets.
- Cash flows from intercompany transactions are presented in cash flows from financing activities, as changes in intercompany balances with affiliates, net.
- Income tax expense is allocated from the parent guarantor to the income producing operations (other guarantors and non-guarantors) and the issuer through stockholders' equity. As this approach represents an allocation, the income tax expense allocation is considered non-cash for statement of cash flow purposes.
- Interest expense, net has been presented to reflect net interest expense and interest income from outstanding long-term debt and intercompany balances.

The Company's intercompany activity consists primarily of daily cash transfers for purposes of cash management, the allocation of certain expenses and expenditures paid for by the parent on behalf of its subsidiaries, and the push down of investment in its subsidiaries. The Company's subsidiaries generally do not purchase services from one another and therefore the intercompany transactions do not represent revenue generating transactions. All intercompany transactions eliminate in consolidation.

COMMUNITY HEALTH SYSTEMS, INC. AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

Condensed Consolidating Balance Sheet
June 30, 2009

	Parent Guarantor	Issuer	Other Guarantors (In thousands, except share data)	Non- Guarantors	Eliminations	Consolidated
ASSETS						
Current assets:						
Cash and cash equivalents	\$ —	\$ —	\$ 173,773	\$ 95,052	\$ —	\$ 268,825
Patient accounts receivable, net of allowance for doubtful accounts	—	—	1,035,917	622,006	—	1,657,923
Supplies	—	—	180,048	106,546	—	286,594
Deferred income taxes	91,875	—	—	—	—	91,875
Prepaid expenses and taxes	—	24	70,791	23,783	—	94,598
Other current assets	—	20	107,452	92,144	—	199,616
Total current assets	91,875	44	1,567,981	939,531	—	2,599,431
Intercompany receivable	938,577	9,375,765	8,398,180	2,753,282	(21,465,804)	—
Property and equipment, net	—	—	3,886,085	2,190,060	—	6,076,145
Goodwill	—	—	2,423,680	1,764,288	—	4,187,968
Other assets, net of accumulated amortization	—	155,262	347,233	505,983	—	1,008,478
Net investment in subsidiaries	1,324,759	5,274,168	3,295,169	—	(9,894,096)	—
Total assets	<u>\$ 2,355,211</u>	<u>\$ 14,805,239</u>	<u>\$ 19,918,328</u>	<u>\$ 8,153,144</u>	<u>\$ (31,359,900)</u>	<u>\$ 13,872,022</u>
LIABILITIES AND EQUITY						
Current liabilities:						
Current maturities of long-term debt	\$ —	\$ 32,603	\$ 21,094	\$ 3,037	\$ —	\$ 56,734
Accounts payable	19	—	341,821	164,126	—	505,966
Current income taxes payable	25,920	—	—	—	—	25,920
Deferred income taxes	6,740	—	—	—	—	6,740
Interest payable (receivable)	—	144,656	1,134	(2,209)	—	143,581
Accrued liabilities	8,283	8,712	487,320	216,998	—	721,313
Total current liabilities	40,962	185,971	851,369	381,952	—	1,460,254
Long-term debt	—	8,812,201	29,571	42,038	—	8,883,810
Intercompany payable	—	4,173,569	17,121,462	7,067,616	(28,362,647)	—
Deferred income taxes	461,098	—	—	—	—	461,098
Other long-term liabilities	16,733	319,432	271,108	218,200	—	825,473
Total liabilities	518,793	13,491,173	18,273,510	7,709,806	(28,362,647)	11,630,635
Redeemable noncontrolling interests in equity of consolidated subsidiaries	—	—	31,302	292,692	—	323,994
Equity:						
Community Health Systems, Inc. stockholders' equity:						
Preferred stock	—	—	—	—	—	—
Common stock	937	—	1	2	(3)	937
Additional paid-in capital	1,168,125	589,298	625,783	26,753	(1,241,834)	1,168,125
Treasury stock, at cost	(6,678)	—	—	—	—	(6,678)
Accumulated other comprehensive loss	(220,565)	(220,565)	(16,129)	—	236,694	(220,565)
Retained earnings	894,599	945,333	1,003,861	42,916	(1,992,110)	894,599
Total Community Health Systems, Inc. stockholders' equity	1,836,418	1,314,066	1,613,516	69,671	(2,997,253)	1,836,418
Noncontrolling interests in equity of consolidated subsidiaries	—	—	—	80,975	—	80,975
Total equity	1,836,418	1,314,066	1,613,516	150,646	(2,997,253)	1,917,393
Total liabilities and equity	<u>\$ 2,355,211</u>	<u>\$ 14,805,239</u>	<u>\$ 19,918,328</u>	<u>\$ 8,153,144</u>	<u>\$ (31,359,900)</u>	<u>\$ 13,872,022</u>

COMMUNITY HEALTH SYSTEMS, INC. AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

Condensed Consolidating Balance Sheet
December 31, 2008

	<u>Parent Guarantor</u>	<u>Issuer</u>	<u>Other Guarantors</u>	<u>Non- Guarantors</u>	<u>Eliminations</u>	<u>Consolidated</u>
	(In thousands)					
ASSETS						
Current assets:						
Cash and cash equivalents	\$ —	\$ —	\$ 155,018	\$ 65,637	\$ —	\$ 220,655
Patient accounts receivable, net of allowance for doubtful accounts	—	—	1,024,402	601,068	—	1,625,470
Supplies	—	—	170,417	105,279	—	275,696
Deferred income taxes	91,875	—	—	—	—	91,875
Prepaid expenses and taxes	92,710	111	66,559	7,122	—	166,502
Other current assets	—	85	131,661	93,106	—	224,852
Total current assets	184,585	196	1,548,057	872,212	—	2,605,050
Intercompany receivable	1,026,905	9,325,281	5,207,453	3,402,559	(18,962,198)	—
Property and equipment, net	—	—	3,658,095	2,236,310	—	5,894,405
Goodwill	—	—	2,404,082	1,762,009	—	4,166,091
Other assets, net of accumulated amortization	—	171,396	330,132	651,180	—	1,152,708
Net investment in subsidiaries	1,109,833	4,459,037	3,330,368	—	(8,899,238)	—
Total assets	<u>\$ 2,321,323</u>	<u>\$ 13,955,910</u>	<u>\$ 16,478,187</u>	<u>\$ 8,924,270</u>	<u>\$ (27,861,436)</u>	<u>\$ 13,818,254</u>
LIABILITIES AND EQUITY						
Current liabilities:						
Current maturities of long-term debt	\$ —	\$ 12,066	\$ 7,653	\$ 14,185	\$ —	\$ 33,904
Accounts payable	70	—	376,273	156,252	—	532,595
Current income taxes payable	—	—	—	—	—	—
Deferred income taxes	6,740	—	—	—	—	6,740
Interest payable (receivable)	—	152,070	2,263	(1,099)	—	153,234
Accrued liabilities	8,869	567	471,764	301,744	—	782,944
Total current liabilities	15,679	164,703	857,953	471,082	—	1,509,417
Long-term debt	—	8,865,390	34,958	37,837	—	8,938,185
Intercompany payable	200,600	3,369,977	13,832,783	7,832,161	(25,235,521)	—
Deferred income taxes	460,793	—	—	—	—	460,793
Other long-term liabilities	18,211	435,134	218,306	216,906	—	888,557
Total liabilities	695,283	12,835,204	14,944,000	8,557,986	(25,235,521)	11,796,952
Redeemable noncontrolling interests in equity of consolidated subsidiaries	—	—	51,602	268,569	—	320,171
Equity:						
Community Health Systems, Inc. stockholders' equity:						
Preferred stock	—	—	—	—	—	—
Common stock	925	—	1	2	(3)	925
Additional paid-in capital	1,151,119	545,268	577,375	8,709	(1,131,352)	1,151,119
Treasury stock, at cost	(6,678)	—	—	—	—	(6,678)
Accumulated other comprehensive loss	(295,575)	(295,575)	(17,090)	—	312,665	(295,575)
Retained earnings	776,249	871,013	922,299	13,913	(1,807,225)	776,249
Total Community Health Systems, Inc. stockholders' equity	1,626,040	1,120,706	1,482,585	22,624	(2,625,915)	1,626,040
Noncontrolling interests in equity of consolidated subsidiaries	—	—	—	75,091	—	75,091
Total equity	1,626,040	1,120,706	1,482,585	97,715	(2,625,915)	1,701,131
Total liabilities and equity	<u>\$ 2,321,323</u>	<u>\$ 13,955,910</u>	<u>\$ 16,478,187</u>	<u>\$ 8,924,270</u>	<u>\$ (27,861,436)</u>	<u>\$ 13,818,254</u>

COMMUNITY HEALTH SYSTEMS, INC. AND SUBSIDIARIES
 NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

Condensed Consolidating Statement of Income
 Three Months Ended June 30, 2009

	Parent Guarantor	Issuer	Other Guarantors	Non- Guarantors (In thousands)	Eliminations	Consolidated
Net operating revenues	\$ —	\$ —	\$ 1,872,775	\$ 1,144,186	\$ —	\$ 3,016,961
Operating costs and expenses:						
Salaries and benefits	—	—	722,366	479,314	—	1,201,680
Provision for bad debts	—	—	237,169	125,293	—	362,462
Supplies	—	—	257,235	162,721	—	419,956
Other operating expenses	—	—	331,921	235,892	—	567,813
Rent	—	—	32,818	28,382	—	61,200
Depreciation and amortization	—	—	89,392	53,055	—	142,447
Total operating costs and expenses	—	—	1,670,901	1,084,657	—	2,755,558
Income from operations	—	—	201,874	59,529	—	261,403
Interest expense, net	—	31,196	124,537	5,740	—	161,473
Loss (gain) from early extinguishment of debt	—	6	—	—	—	6
Equity in earnings of unconsolidated affiliates	(59,435)	(68,908)	(36,911)	—	153,471	(11,783)
Income from continuing operations before income taxes	59,435	37,706	114,248	53,789	(153,471)	111,707
Provision for (benefit from) income taxes	—	(21,729)	43,348	15,590	—	37,209
Income from continuing operations	59,435	59,435	70,900	38,199	(153,471)	74,498
Discontinued operations, net of taxes:						
(Loss) income from operations of hospitals sold and held for sale	—	—	(7)	(501)	—	(508)
(Loss) gain on sale of hospitals, net	—	—	—	—	—	—
(Loss) income from discontinued operations	—	—	(7)	(501)	—	(508)
Net income	59,435	59,435	70,893	37,698	(153,471)	73,990
Less: Net income attributable to noncontrolling interests	—	—	1,362	13,193	—	14,555
Net income attributable to Community Health Systems, Inc.	\$ 59,435	\$ 59,435	\$ 69,531	\$ 24,505	\$ (153,471)	\$ 59,435

COMMUNITY HEALTH SYSTEMS, INC. AND SUBSIDIARIES
 NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

Condensed Consolidating Statement of Income
Three Months Ended June 30, 2008

	Parent Guarantor	Issuer	Other Guarantors	Non- Guarantors	Eliminations	Consolidated
	(In thousands)					
Net operating revenues	\$ —	\$ —	\$ 1,625,112	\$ 1,048,041	\$ —	\$ 2,673,153
Operating costs and expenses:						
Salaries and benefits	—	—	614,094	464,071	—	1,078,165
Provision for bad debts	—	—	182,401	103,192	—	285,593
Supplies	—	—	221,305	154,019	—	375,324
Other operating expenses	—	—	306,556	217,272	—	523,828
Rent	—	—	32,485	25,769	—	58,254
Depreciation and amortization	—	—	76,189	47,355	—	123,544
Total operating costs and expenses	—	—	1,433,030	1,011,678	—	2,444,708
Income from operations	—	—	192,082	36,363	—	228,445
Interest expense, net	—	14,598	132,578	6,185	—	153,361
Loss (gain) from early extinguishment of debt	—	—	—	—	—	—
Equity in earnings of unconsolidated affiliates	(47,893)	(51,796)	(24,096)	—	113,286	(10,499)
Income from continuing operations before income taxes	47,893	37,198	83,600	30,178	(113,286)	85,583
Provision for (benefit from) income taxes	—	(10,695)	32,109	8,776	—	30,190
Income from continuing operations	47,893	47,893	51,491	21,402	(113,286)	55,393
Discontinued operations, net of taxes:						
(Loss) income from operations of hospitals sold and held for sale	—	—	820	(1,060)	—	(240)
(Loss) gain on sale of hospitals, net	—	—	—	(9)	—	(9)
(Loss) income from discontinued operations	—	—	820	(1,069)	—	(249)
Net income	47,893	47,893	52,311	20,333	(113,286)	55,144
Less: Net income attributable to noncontrolling interests	—	—	(129)	7,380	—	7,251
Net income attributable to Community Health Systems, Inc.	<u>\$ 47,893</u>	<u>\$ 47,893</u>	<u>\$ 52,440</u>	<u>\$ 12,953</u>	<u>\$ (113,286)</u>	<u>\$ 47,893</u>

COMMUNITY HEALTH SYSTEMS, INC. AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

Condensed Consolidating Statement of Income
Six Months Ended June 30, 2009

	Parent Guarantor	Issuer	Other Guarantors	Non- Guarantors	Eliminations	Consolidated
	(In thousands)					
Net operating revenues	\$ —	\$ —	\$ 3,666,028	\$ 2,263,682	\$ —	\$ 5,929,710
Operating costs and expenses:						
Salaries and benefits	—	—	1,418,148	956,972	—	2,375,120
Provision for bad debts	—	—	462,779	237,451	—	700,230
Supplies	—	—	499,985	325,608	—	825,593
Other operating expenses	—	—	640,015	472,775	—	1,112,790
Rent	—	—	64,960	56,568	—	121,528
Depreciation and amortization	—	—	174,695	103,313	—	278,008
Total operating costs and expenses	—	—	3,260,582	2,152,687	—	5,413,269
Income from operations	—	—	405,446	110,995	—	516,441
Interest expense, net	—	49,113	263,163	13,110	—	325,386
Loss (gain) from early extinguishment of debt	—	(2,406)	—	—	—	(2,406)
Equity in earnings of unconsolidated affiliates	(118,350)	(128,532)	(73,184)	—	295,366	(24,700)
Income from continuing operations before income taxes	118,350	81,825	215,467	97,885	(295,366)	218,161
Provision for (benefit from) income taxes	—	(36,525)	81,156	28,212	—	72,843
Income from continuing operations	118,350	118,350	134,311	69,673	(295,366)	145,318
Discontinued operations, net of taxes:						
(Loss) income from operations of hospitals sold and held for sale	—	—	(218)	2,195	—	1,977
(Loss) gain on sale of hospitals, net	—	—	—	(405)	—	(405)
(Loss) income from discontinued operations	—	—	(218)	1,790	—	1,572
Net income	118,350	118,350	134,093	71,463	(295,366)	146,890
Less: Net income attributable to noncontrolling interests	—	—	4,124	24,416	—	28,540
Net income attributable to Community Health Systems, Inc.	<u>\$ 118,350</u>	<u>\$ 118,350</u>	<u>\$ 129,969</u>	<u>\$ 47,047</u>	<u>\$ (295,366)</u>	<u>\$ 118,350</u>

COMMUNITY HEALTH SYSTEMS, INC. AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

Condensed Consolidating Statement of Income
Six Months Ended June 30, 2008

	Parent Guarantor	Issuer	Other Guarantors	Non- Guarantors	Eliminations	Consolidated
	(In thousands)					
Net operating revenues	\$ —	\$ —	\$ 3,262,125	\$ 2,121,383	\$ —	\$ 5,383,508
Operating costs and expenses:						
Salaries and benefits	—	—	1,241,128	924,122	—	2,165,250
Provision for bad debts	—	—	376,307	201,359	—	577,666
Supplies	—	—	442,623	316,684	—	759,307
Other operating expenses	—	—	614,346	435,048	—	1,049,394
Rent	—	—	63,851	53,480	—	117,331
Depreciation and amortization	—	—	152,455	92,395	—	244,850
Total operating costs and expenses	—	—	2,890,710	2,023,088	—	4,913,798
Income from operations	—	—	371,415	98,295	—	469,710
Interest expense, net	—	27,522	270,062	20,479	—	318,063
Loss (gain) from early extinguishment of debt	—	1,328	—	—	—	1,328
Equity in earnings of unconsolidated affiliates	(108,020)	(107,428)	(72,077)	—	264,142	(23,383)
Income from continuing operations before income taxes	108,020	78,578	173,430	77,816	(264,142)	173,702
Provision for (benefit from) income taxes	—	(29,442)	67,133	23,363	—	61,054
Income from continuing operations	108,020	108,020	106,297	54,453	(264,142)	112,648
Discontinued operations, net of taxes:						
(Loss) income from operations of hospitals sold and held for sale	—	—	268	1,356	—	1,624
(Loss) gain on sale of hospitals, net	—	—	—	9,608	—	9,608
(Loss) income from discontinued operations	—	—	268	10,964	—	11,232
Net income	108,020	108,020	106,565	65,417	(264,142)	123,880
Less: Net income attributable to noncontrolling interests	—	—	(1,270)	17,130	—	15,860
Net income attributable to Community Health Systems, Inc.	<u>\$ 108,020</u>	<u>\$ 108,020</u>	<u>\$ 107,835</u>	<u>\$ 48,287</u>	<u>\$ (264,142)</u>	<u>\$ 108,020</u>

COMMUNITY HEALTH SYSTEMS, INC. AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

Condensed Consolidating Statement of Cash Flows
Six Months Ended June 30, 2009

	<u>Parent Guarantor</u>	<u>Issuer</u>	<u>Other Guarantors</u>	<u>Non- Guarantors</u>	<u>Eliminations</u>	<u>Consolidated</u>
	(In thousands)					
Cash flows from operating activities:						
Net cash provided by (used in) operating activities	\$ (1,269)	\$ (11,605)	\$ 400,905	\$ 156,376	\$ —	\$ 544,407
Cash flows from investing activities:						
Acquisitions of facilities and other related equipment	—	—	(198,326)	(12,578)	—	(210,904)
Purchases of property and equipment	—	—	(205,505)	(61,770)	—	(267,275)
Proceeds from disposition of hospitals and other ancillary operations	—	—	—	89,909	—	89,909
Proceeds from sale of property and equipment	—	—	102	253	—	355
Increase in other non-operating assets	—	(18,381)	(47,989)	(8,136)	—	(74,506)
Net cash (used in) provided by investing activities	—	(18,381)	(451,718)	7,678	—	(462,421)
Cash flows from financing activities:						
Proceeds from exercise of stock options	3,445	—	—	—	—	3,445
Excess tax benefits relating to stock-based compensation	(3,389)	—	—	—	—	(3,389)
Deferred financing costs	—	(207)	—	—	—	(207)
Stock buy-back	—	—	—	—	—	—
Proceeds from noncontrolling investors in joint ventures	—	—	326	25,988	—	26,314
Redemption of noncontrolling investments in joint ventures	—	—	—	(1,631)	—	(1,631)
Distributions to noncontrolling investors in joint ventures	—	—	(4,205)	(17,961)	—	(22,166)
Changes in intercompany balances with affiliates, net	1,213	61,381	74,334	(136,928)	—	—
Borrowings under credit agreement	—	200,000	—	—	—	200,000
Repayments of long-term indebtedness	—	(231,188)	(887)	(4,107)	—	(236,182)
Net cash (used in) provided by financing activities	1,269	29,986	69,568	(134,639)	—	(33,816)
Net change in cash and cash equivalents	—	—	18,755	29,415	—	48,170
Cash and cash equivalents at beginning of period	—	—	155,018	65,637	—	220,655
Cash and cash equivalents at end of period	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 173,773</u>	<u>\$ 95,052</u>	<u>\$ —</u>	<u>\$ 268,825</u>

COMMUNITY HEALTH SYSTEMS, INC. AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

Condensed Consolidating Statement of Cash Flows
Six Months Ended June 30, 2008

	<u>Parent Guarantor</u>	<u>Issuer</u>	<u>Other Guarantors</u>	<u>Non- Guarantors</u>	<u>Eliminations</u>	<u>Consolidated</u>
	(In thousands)					
Cash flows from operating activities:						
Net cash provided by (used in) operating activities	\$ 61,067	\$ (31,359)	\$ 406,999	\$ (19,924)	\$ —	\$ 416,783
Cash flows from investing activities:						
Acquisitions of facilities and other related equipment	—	—	(6,464)	(182)	—	(6,646)
Purchases of property and equipment	—	—	(189,971)	(85,634)	—	(275,605)
Proceeds from disposition of hospitals and other ancillary operations	—	—	10,693	355,220	—	365,913
Proceeds from sale of property and equipment	—	—	1,094	11,795	—	12,889
Increase in other non-operating assets	—	—	(114,592)	(29,788)	—	(144,380)
Net cash (used in) provided by investing activities	—	—	(299,240)	251,411	—	(47,829)
Cash flows from financing activities:						
Proceeds from exercise of stock options	1,357	—	—	—	—	1,357
Excess tax benefits relating to stock-based compensation	(947)	—	—	—	—	(947)
Deferred financing costs	—	(2,444)	—	—	—	(2,444)
Stock buy-back	(10,194)	—	—	—	—	(10,194)
Proceeds from noncontrolling investors in joint ventures	—	—	—	11,214	—	11,214
Redemption of noncontrolling investments in joint ventures	—	—	—	(53,485)	—	(53,485)
Distributions to noncontrolling investors in joint ventures	—	—	—	(14,916)	—	(14,916)
Changes in intercompany balances with affiliates, net	(51,283)	195,597	60,797	(205,111)	—	—
Borrowings under credit agreement	—	25,000	44,818	(47,161)	—	22,657
Repayments of long-term indebtedness	—	(186,794)	(68,321)	64,117	—	(190,998)
Net cash (used in) provided by financing activities	(61,067)	31,359	37,294	(245,342)	—	(237,756)
Net change in cash and cash equivalents	—	—	145,053	(13,855)	—	131,198
Cash and cash equivalents at beginning of period	—	—	114,853	18,021	—	132,874
Cash and cash equivalents at end of period	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 259,906</u>	<u>\$ 4,166</u>	<u>\$ —</u>	<u>\$ 264,072</u>

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

You should read this discussion together with our unaudited condensed consolidated financial statements and accompanying notes included herein.

Throughout this Quarterly Report on Form 10-Q, Community Health Systems, Inc., the parent company, and its consolidated subsidiaries are referred to on a collective basis using words like "we," "our," "us" and the "Company". This drafting style is not meant to indicate that the publicly-traded parent company or any subsidiary of the parent company owns or operates any asset, business, or property. The hospitals, operations and businesses described in this filing are owned and operated, and management services provided, by distinct and indirect subsidiaries of Community Health Systems, Inc. References to the Company may include one or more of its subsidiaries.

Executive Overview

We are the largest publicly traded operator of hospitals in the United States in terms of number of facilities and net operating revenues. We provide healthcare services through these hospitals that we own and operate in non-urban and selected urban markets. We generate revenue primarily by providing a broad range of general hospital healthcare services to patients in the communities in which we are located. We currently have 122 general acute care hospitals. In addition, we own and operate home care agencies, located primarily in markets where we also operate a hospital, and through our wholly-owned subsidiary, Quorum Health Resources, LLC, or QHR, we provide management and consulting services to non-affiliated general acute care hospitals located throughout the United States. We are paid for our services by governmental agencies, private insurers and directly by the patients we serve.

During the three months ended June 30, 2009, we continued to navigate the uncertainties of the global and domestic economies. Unemployment continues to increase, credit markets remained tightened and there remained a low level of liquidity in many financial markets. Consequently, as previously disclosed, we are continuing to take a cautious approach to our acquisition strategy in this uncertain economic environment. During the three months ended June 30, 2009, we acquired the remaining 50% interest in a hospital in El Dorado, Arkansas, in which we previously were a joint venture partner, but did not consolidate its operations, and we completed the previously announced acquisition of a health care system in Wilkes Barre, Pennsylvania.

Despite these uncertainties in the economy, our net operating revenue for the three months ended June 30, 2009 increased to \$3.017 billion, as compared to \$2.673 billion for the three months ended June 30, 2008. Income from continuing operations, before noncontrolling interests, for the three months ended June 30, 2009 increased 34.5% over the three months ended June 30, 2008. This increase in income from continuing operations during the three months ended June 30, 2009, as compared to the three months ended June 30, 2008, is due primarily to an increase in surgeries performed at our hospitals, strong outpatient growth, the realization of synergies from our acquisition of Triad Hospitals, Inc., or Triad, and the recognition of cost savings from our ability to effectively control costs. Total admissions for the three months ended June 30, 2009 increased 5.8% compared to the three months ended June 30, 2008. This increase in admissions was due primarily to our recent acquisitions.

Our net operating revenue for the six months ended June 30, 2009 increased to \$5.930 billion, as compared to \$5.384 billion for the six months ended June 30, 2008. Income from continuing operations, before noncontrolling interests, for the six months ended June 30, 2009 increased 29.0% over the six months ended June 30, 2008. This increase in income from continuing operations during the six months ended June 30, 2009, as compared to the six months ended June 30, 2008 is due primarily to an increase in surgeries performed at our hospitals, strong outpatient growth, the realization of synergies from the Triad acquisition, and the recognition of cost savings from our ability to effectively control costs. Total admissions for the six months ended June 30, 2009 increased 1.7% compared to the six months ended June 30, 2008. This increase in admissions was due primarily to our recent acquisitions.

Self-pay revenues represented approximately 10.8% and 10.7% of our net operating revenues for the three months ended June 30, 2009 and 2008, respectively, and 11.2% and 10.8% of our net operating revenues for the six months ended June 30, 2009 and 2008, respectively. The value of charity care services relative to total net operating revenues increased to 3.9% and 3.8% for the three and six months ended June 30, 2009, respectively, compared to 3.8% and 3.7% for the three and six months ended June 30, 2008, respectively. Uninsured and underinsured patients continue to be an industry-wide issue, and we anticipate this trend will continue into the foreseeable future.

As a result of our current levels of cash, available borrowing capacity, long-term outlook on our debt repayments and our continued projection of our ability to generate cash flows, we do not anticipate a significant impact on our ability to invest the necessary capital in our business over the next twelve months and into the foreseeable future. We believe there continues to be ample opportunity for growth in substantially all of our markets by decreasing the need for patients to travel outside their communities for health care services. Furthermore, we continue to benefit from synergies from the acquisition of Triad and will continue to strive to improve operating efficiencies and procedures in order to improve our profitability at all of our hospitals.

During the three months ended June 30, 2009, we decided to retain a hospital and related businesses previously classified as held for sale. Results of operations for all periods presented have been restated to include this retained hospital and related businesses, which previously were reported as discontinued operations. The condensed consolidated balance sheets for each of the periods presented have been restated to include assets and liabilities previously reported as held for sale.

Sources of Consolidated Net Operating Revenue

The following table presents the approximate percentages of net operating revenue derived from Medicare, Medicaid, managed care, self-pay and other sources for the periods indicated. The data for the periods presented are not strictly comparable due to the significant effect that hospital acquisitions have had on these statistics.

	Three Months Ended June 30,		Six Months Ended June 30,	
	2009	2008	2009	2008
Medicare	27.2%	27.6%	27.5%	28.1%
Medicaid	9.0%	8.7%	8.7%	8.5%
Managed Care and other third party payors	53.0%	53.0%	52.6%	52.6%
Self-pay	10.8%	10.7%	11.2%	10.8%
Total	100.0%	100.0%	100.0%	100.0%

As shown above, we receive a substantial portion of our revenue from the Medicare and Medicaid programs. Included in Managed Care and other third party payors is net operating revenue from insurance companies with which we have insurance provider contracts, Managed Care Medicare, insurance companies for which we do not have insurance provider contracts, workers' compensation carriers, and non-patient service revenue, such as rental income and cafeteria sales.

Net operating revenues include amounts estimated by management to be reimbursable by Medicare and Medicaid under prospective payment systems and provisions of cost-based reimbursement and other payment methods. In addition, we are reimbursed by non-governmental payors using a variety of payment methodologies. Amounts we receive for treatment of patients covered by these programs are generally less than the standard billing rates. We account for the differences between the estimated program reimbursement rates and the standard billing rates as contractual allowance adjustments, which we deduct from gross revenues to arrive at net operating revenues. Final settlements under some of these programs are subject to adjustment based on administrative review and audit by third parties. We account for adjustments to previous program reimbursement estimates as contractual allowance adjustments and report them in the periods that such adjustments become known. Contractual allowance adjustments related to final settlements and previous program reimbursement estimates impacted net operating revenues and net income by an insignificant amount in each of the three-month and six-month periods ended June 30, 2009 and 2008. In the future, we expect the percentage of revenues received from the Medicare program to increase due to the general aging of the population.

The payment rates under the Medicare program for inpatient acute care services are based on a prospective payment system, depending upon the diagnosis of a patient's condition. These rates are indexed for inflation annually, although increases have historically been less than actual inflation. Reductions in the rate of increase in Medicare reimbursement may cause our net operating revenue growth to decline.

In addition, specified managed care programs, insurance companies, and employers are actively negotiating the amounts paid to hospitals. The trend toward increased enrollment in managed care may adversely affect our net operating revenue growth.

Results of Operations

Our hospitals offer a variety of services involving a broad range of inpatient and outpatient medical and surgical services. These include orthopedics, cardiology, occupational medicine, diagnostic services, emergency services, rehabilitation treatment, home health and skilled nursing. The strongest demand for hospital services generally occurs during January through April and the weakest demand for these services occurs during the summer months. Accordingly, eliminating the effect of new acquisitions, our net operating revenues and earnings are historically highest during the first quarter and lowest during the third quarter.

The following tables summarize, for the periods indicated, selected operating data.

	Three Months Ended June 30,		Six Months Ended June 30,	
	2009	2008	2009	2008
(Expressed as a percentage of net operating revenues)				
Consolidated(a)				
Net operating revenues	100.0%	100.0%	100.0%	100.0%
Operating expenses(b)	(86.6)	(86.8)	(86.6)	(86.7)
Depreciation and amortization	(4.7)	(4.7)	(4.7)	(4.6)
Income from operations	8.7	8.5	8.7	8.7
Interest expense, net	(5.4)	(5.7)	(5.4)	(5.9)
Gain from early extinguishment of debt	—	—	—	—
Equity in earnings of unconsolidated affiliates	0.4	0.4	0.4	0.4
Income from continuing operations before income taxes	3.7	3.2	3.7	3.2
Provision for income taxes	(1.2)	(1.1)	(1.2)	(1.1)
Income from continuing operations	2.5	2.1	2.5	2.1
Income from discontinued operations, net of tax	—	—	—	0.2
Net income	2.5	2.1	2.5	2.3
Less: Net income attributable to noncontrolling interests	(0.5)	(0.3)	(0.5)	(0.3)
Net income attributable to Community Health Systems, Inc.	2.0%	1.8%	2.0%	2.0%
	Three Months Ended June 30, 2009		Six Months Ended June 30, 2009	
Percentage increase (decrease) from same period prior year(a):				
Net operating revenues		12.9%		10.1%
Admissions		5.8		1.7
Adjusted admissions(c)		7.7		3.8
Average length of stay		—		—
Net income attributable to Community Health Systems, Inc.(d)		24.1		9.6
Same-store percentage increase from same period prior year(a)(e):				
Net operating revenues		6.7%		5.5%
Admissions		(0.4)		(2.7)
Adjusted admissions(c)		1.7		(0.4)

- (a) Pursuant to Statement of Financial Accounting Standards, or SFAS, No. 144, "Accounting for the Impairment or Disposal of Long-Lived Assets," or SFAS No. 144, we have restated our prior period financial statements and statistical results to reflect discontinued operations.
- (b) Operating expenses include salaries and benefits, provision for bad debts, supplies, rent and other operating expenses.
- (c) Adjusted admissions is a general measure of combined inpatient and outpatient volume. We computed adjusted admissions by multiplying admissions by gross patient revenues and then dividing that number by gross inpatient revenues.
- (d) Includes income or loss from discontinued operations.
- (e) Includes acquired hospitals to the extent we operated them in both years.

Three months Ended June 30, 2009 Compared to Three months Ended June 30, 2008

Net operating revenues increased \$344 million to \$3.017 billion for the three months ended June 30, 2009, from \$2.673 billion for the three months ended June 30, 2008. Growth from hospitals owned throughout both periods contributed \$178 million of that increase and \$166 million was contributed by hospitals acquired in 2009 and 2008. On a same-store basis, this represents an increase in net revenue of 6.7%. The increase from hospitals that we owned throughout both periods was primarily attributable to higher acuity level of services provided and outpatient growth, along with rate increases and favorable payor mix.

On a consolidated basis, inpatient admissions increased by 5.8% and adjusted admissions increased by 7.7%. On a same-store basis, admissions decreased by 0.4% during the three months ended June 30, 2009. This decrease in admissions was due primarily to the impact of closing certain unprofitable services during the three months ended June 30, 2009.

Operating expenses, excluding depreciation and amortization, as a percentage of net operating revenues, decreased to 86.6% for the three months ended June 30, 2009, compared to 86.8% for the three months ended June 30, 2008. Salaries and benefits, as a percentage of net operating revenues, decreased 0.5% to 39.8% for the three months ended June 30, 2009, compared to 40.3% for the three months ended June 30, 2008. Provision for bad debts, as a percentage of net operating revenues, increased 1.3% to 12.0% for the three months ended June 30, 2009, compared to 10.7% for the three months ended June 30, 2008. This increase primarily represents an increase in self-pay revenues over the comparable period of 2008 due to increased charges and the impact of current economic conditions on individuals' ability to pay. Supplies, as a percentage of net operating revenues, decreased 0.1% to 13.9% for the three months ended June 30, 2009, as compared to 14.0% for the three months ended June 30, 2008. Rent and other operating expenses, as a percentage of net operating revenues, decreased 0.9% to 20.9% for the three months ended June 30, 2009, as compared to 21.8% for the three months ended June 30, 2008. This decrease is due primarily to reductions in contract labor. Equity in earnings of unconsolidated affiliates, as a percentage of net operating revenues, remained consistent at 0.4% for each of the three-month periods ended June 30, 2009 and 2008.

Depreciation and amortization remained consistent at 4.7% of net operating revenues for each of the three-month periods ended June 30, 2009 and 2008.

Interest expense, net, increased by \$8.1 million from \$153.4 million for the three months ended June 30, 2008 to \$161.5 million for the three months ended June 30, 2009. An increase in our average outstanding debt during the three months ended June 30, 2009, compared to the three months ended June 30, 2008, accounted for \$1.6 million of this increase, while an increase in interest rates during the three months ended June 30, 2009, compared to June 30, 2008, accounted for \$3.4 million. The remaining increase in interest expense of \$3.1 million is the result of decreased capitalized interest due to fewer major construction projects during the three months ended June 30, 2009, compared to the three months ended June 30, 2008.

The net results of the above mentioned changes resulted in income from continuing operations before income taxes increasing \$26.1 million from \$85.6 million for the three months ended June 30, 2008 to \$111.7 million for the three months ended June 30, 2009.

Provision for income taxes increased from \$30.2 million for the three months ended June 30, 2008 to \$37.2 million for the three months ended June 30, 2009, due primarily to an increase in taxable income in the comparable period resulting from the decrease in operating expenses as a percentage of net operating revenues.

Income from continuing operations as a percentage of net operating revenue increased from 2.1% for the three months ended June 30, 2008 to 2.5% for the three months ended June 30, 2009. Net income as a percentage of net operating revenue increased from 2.1% for the three months ended June 30, 2008 to 2.5% for the three months ended June 30, 2009. The increase in income from continuing operations as a percentage of net operating revenue is primarily a result of the net decreases in operating expenses, as discussed above.

Net income attributable to noncontrolling interests as a percentage of net operating revenue was 0.5% for the three months ended June 30, 2009, compared to 0.3% for the three months ended June 30, 2008. This increase is due primarily to additional syndications entered into after the second quarter of 2008.

Net income attributable to Community Health Systems, Inc. was \$59.4 million for the three months ended June 30, 2009, compared to \$47.9 million for the three months ended June 30, 2008, representing an increase of 24.1%. The increase in net income is reflective of the impact of the revenue growth and net decrease in expenses discussed above.

Six months Ended June 30, 2009 Compared to Six months Ended June 30, 2008

Net operating revenues increased \$546 million to \$5.930 billion for the six months ended June 30, 2009, from \$5.384 billion for the six months ended June 30, 2008. Growth from hospitals owned throughout both periods contributed \$293 million of that increase and \$253 million was contributed by hospitals acquired in 2009 and 2008. On a same-store basis, this represents an increase in net revenue of 5.5%. The increase from hospitals that we owned throughout both periods was primarily attributable to higher acuity level of services provided and outpatient growth, along with rate increases and favorable payor mix. These improvements were partially offset by the strong flu and respiratory season during the six months ended June 30, 2008 and the extra day from the leap year in 2008, both of which were non-recurring events in 2009.

On a consolidated basis, inpatient admissions increased by 1.7% and adjusted admissions increased by 3.8%. On a same-store basis, admissions decreased by 2.7% during the six months ended June 30, 2009. This decrease in admissions was due primarily to the strong flu and respiratory season during the six months ended June 30, 2008, which did not recur during 2009, the 2008 period having one additional day because it was a leap year, and the impact of closing certain unprofitable services.

Operating expenses, excluding depreciation and amortization, as a percentage of net operating revenues, decreased to 86.6% for the six months ended June 30, 2009, compared to 86.7% for the six months ended June 30, 2008. Salaries and benefits, as a percentage of net operating revenues, decreased 0.1% to 40.1% for the six months ended June 30, 2009, compared to 40.2% for the six months ended June 30, 2008. Provision for bad debts, as a percentage of net operating revenues, increased 1.1% to 11.8% for the six months ended June 30, 2009, compared to 10.7% for the six months ended June 30, 2008. This increase primarily represents an increase in self-pay revenues over the comparable period of 2008 due to increased charges and the impact of current economic conditions on individuals' ability to pay. Supplies, as a percentage of net operating revenues, decreased 0.2% to 13.9% for the six months ended June 30, 2009, as compared to 14.1% for the six months ended June 30, 2008. This decrease is primarily the result of improvements from greater utilization of and improved pricing under our purchasing program. Rent and other operating expenses, as a percentage of net operating revenues, decreased 0.9% to 20.8% for the six months ended June 30, 2009, as compared to 21.7% for the six months ended June 30, 2008. This decrease is due primarily to reductions in contract labor. Equity in earnings of unconsolidated affiliates, as a percentage of net operating revenues, remained consistent at 0.4% for each of the six-month periods ended June 30, 2009 and 2008.

Depreciation and amortization increased from 4.6% of net operating revenues for the six months ended June 30, 2008 to 4.7% of net operating revenues for the six months ended June 30, 2009. The increase in depreciation and amortization as a percentage of net operating revenue is primarily due to the opening of three replacement hospitals in the second and third quarters of 2008.

Interest expense, net, increased by \$7.3 million from \$318.1 million for the six months ended June 30, 2008 to \$325.4 million for the six months ended June 30, 2009. An increase in our average outstanding debt during the six months ended June 30, 2009, compared to the six months ended June 30, 2008, accounted for \$2.0 million of the increase in interest expense, while an increase in interest rates during the six months ended June 30, 2009, compared to June 30, 2008, accounted for \$1.0 million. In addition, \$6.1 million of the increase in interest expense is the result of decreased capitalized interest due to fewer major construction projects during the six months ended June 30, 2009, compared to the six months ended June 30, 2008. These increases were offset by an additional \$1.8 million of interest expense in 2008, which was not incurred in 2009, since 2008 was a leap year.

The net results of the above mentioned changes resulted in income from continuing operations before income taxes increasing \$44.5 million from \$173.7 million for the six months ended June 30, 2008 to \$218.2 million for the six months ended June 30, 2009.

Provision for income taxes increased from \$61.1 million for the six months ended June 30, 2008 to \$72.8 million for the six months ended June 30, 2009, due primarily to an increase in taxable income in the comparable period resulting from both the gain on early extinguishment of debt, as well as the decrease in operating expenses as a percentage of net operating revenues.

Income from continuing operations as a percentage of net operating revenue increased from 2.1% for the six months ended June 30, 2008 to 2.5% for the six months ended June 30, 2009. Net income as a percentage of net operating revenue increased from 2.3% for the six months ended June 30, 2008 to 2.5% for the six months ended June 30, 2009. The increase in income from continuing operations as a percentage of net operating revenue is primarily a result of the net decreases in operating expenses, as discussed above.

Net income attributable to noncontrolling interests as a percentage of net operating revenue was 0.5% for the six months ended June 30, 2009, compared to 0.3% for the six months ended June 30, 2008. This increase is due primarily to additional syndications entered into after the first quarter of 2008.

Net income attributable to Community Health Systems, Inc. was \$118.4 million for the six months ended June 30, 2009, compared to \$108.0 million for the six months ended June 30, 2008, representing an increase of 9.6%, as net income for the six months ended June 30, 2008 included a gain of \$9.6 million from the sale of hospitals during that period.

Liquidity and Capital Resources

Net cash provided by operating activities increased \$127.6 million, from \$416.8 million for the six months ended June 30, 2008 to \$544.4 million for the six months ended June 30, 2009. The increase in cash flows, in comparison to the prior year period, is from an increase in net income of \$23.0 million, increases in non-cash expenses of \$35.4 million, consisting primarily of depreciation and an increase in cash flows from the change in accounts receivable of \$83.7 million. These increases were offset by decreases in cash flows from net changes in supplies, prepaid expenses and other current assets of \$8.4 million and accounts payable, accrued liabilities and income taxes and other of \$6.1 million.

The cash used in investing activities was \$462.4 million for the six months ended June 30, 2009, compared to \$47.8 million for the six months ended June 30, 2008. The increase in cash used in investing activities, in comparison to the prior year period, is from an increase in acquisitions of facilities and other related equipment of \$204.3 million, a reduction in the amount of proceeds from the disposition of hospitals and other ancillary operations of \$276.0 million due to the sale of one hospital in 2009 versus the sale of 11 hospitals in 2008, a reduction in the amount of the proceeds from sale of property and equipment of \$12.5 million, a net decrease in other non-operating assets of \$69.9 million, and a reduction in the amount of purchases of property and equipment of \$8.3 million.

The cash used in financing activities was \$237.8 million for the six months ended June 30, 2008, compared to \$33.8 million for the six months ended June 30, 2009. This change is primarily due to an increase in borrowing under our Credit Facility.

Capital Expenditures

Cash expenditures related to purchases of facilities were \$210.9 million for the six months ended June 30, 2009, compared to \$6.6 million for the six months ended June 30, 2008. These expenditures during the six months ended June 30, 2009 include the purchase of two hospitals, a controlling equity interest in another hospital, surgery centers, and physician practices and the settlement of working capital items from a prior year acquisition. The expenditures during the six months ended June 30, 2008 were for the acquisition of ten physician practices and a clinic.

Excluding the cost to construct replacement hospitals, our capital expenditures for the six months ended June 30, 2009 totaled \$265.6 million, compared to \$172.2 million for the six months ended June 30, 2008. These capital expenditures related primarily to the purchase of additional equipment and minor renovations. Costs to construct replacement hospitals for the six months ended June 30, 2009 totaled \$1.7 million, compared to \$103.4 million for the six months ended June 30, 2008. At June 30, 2009, there are no replacement hospitals currently under construction. In 2008, the Company completed construction of and opened three replacement hospitals, accounting for the higher costs incurred during the six months ended June 30, 2008. Pursuant to hospital purchase agreements in effect as of June 30, 2009, where required certificate of need approval has been obtained, we are required to build replacement hospitals in Valparaiso, Indiana by April 2011 and in Siloam Springs, Arkansas by February 2013. Also as required by an amendment to a lease agreement entered into in 2005, we agreed to build a replacement hospital at Barstow Community Hospital in Barstow, California. Estimated construction costs, including equipment costs, are approximately \$304.0 million for these three replacement hospitals. In addition, in October 2008, after the purchase of the minority owner's interest in our Birmingham, Alabama facility, we initiated the purchase of an alternate site for a replacement hospital rather than the one previously selected by Triad. The new site includes a partially constructed hospital structure, for which we are currently assessing completion costs, to be used for relocating the existing Birmingham facility. This project is subject to the approval of a certificate of need. Upon receiving the certificate of need, and after resolution of any legal opposition, we will undertake completion of the unfinished facility.

Capital Resources

Net working capital was \$1.139 billion at June 30, 2009, compared to \$1.096 billion at December 31, 2008. The \$43.5 million increase was primarily attributable to an increase in working capital attributable to the acquisition of Siloam Springs Memorial Hospital, Wyoming Valley Health Care System and a controlling equity interest in MCSA L.L.C., an increase in cash as a result of cash flows from operations, an increase in prepaid expenses and a decrease in accounts payable and accrued liabilities offset by a decrease in prepaid taxes.

In connection with the consummation of the Triad acquisition in July 2007, we obtained \$7.215 billion of senior secured financing under a Credit Facility with a syndicate of financial institutions led by Credit Suisse, as administrative agent and collateral agent. The Credit Facility consisted of a \$6.065 billion funded term loan facility with a maturity of seven years, a \$300 million delayed draw term loan facility (reduced from \$400 million) with a maturity of seven years and a \$750 million revolving credit facility with a maturity of nine years. During the fourth quarter of 2008, \$100 million of the delayed draw term loan was drawn down by us reducing the delayed draw term loan availability to \$200 million at December 31, 2008. In January 2009, we drew down the remaining \$200 million of the delayed draw term loan. The revolving credit facility also includes a subfacility for letters of credit and a swingline subfacility. The Credit Facility requires us to make quarterly amortization payments of each term loan facility equal to 0.25% of the initial outstanding amount of the term loans, if any, with the outstanding principal balance of each term loan facility payable on July 25, 2014.

The term loan facility must be prepaid in an amount equal to (1) 100% of the net cash proceeds of certain asset sales and dispositions by us and our subsidiaries, subject to certain exceptions and reinvestment rights, (2) 100% of the net cash proceeds of issuances of certain debt obligations or receivables based financing by us and our subsidiaries, subject to certain exceptions, and (3) 50%, subject to reduction to a lower percentage based on our leverage ratio (as defined in the Credit Facility generally as the ratio of total debt on the date of determination to our EBITDA, as defined, for the four quarters most recently ended prior to such date), of excess cash flow (as defined) for any year, commencing in 2008, subject to certain exceptions. Voluntary prepayments and commitment

reductions are permitted in whole or in part, without premium or penalty, subject to minimum prepayment or reduction requirements.

The obligor under the Credit Facility is CHS/Community Health Systems, Inc., or CHS, a wholly-owned subsidiary of Community Health Systems, Inc. All of our obligations under the Credit Facility are unconditionally guaranteed by Community Health Systems, Inc. and certain existing and subsequently acquired or organized domestic subsidiaries. All obligations under the Credit Facility and the related guarantees are secured by a perfected first priority lien or security interest in substantially all of the assets of Community Health Systems, Inc., CHS and each subsidiary guarantor, including equity interests held by us or any subsidiary guarantor, but excluding, among others, the equity interests of non-significant subsidiaries, syndication subsidiaries, securitization subsidiaries and joint venture subsidiaries.

The loans under the Credit Facility bear interest on the outstanding unpaid principal amount at a rate equal to an applicable percentage plus, at our option, either (a) an Alternate Base Rate (as defined) determined by reference to the greater of (1) the Prime Rate (as defined) announced by Credit Suisse or (2) the Federal Funds Effective Rate (as defined) plus 0.5%, or (b) a reserve adjusted London interbank offered rate for dollars (Eurodollar rate) (as defined). The applicable percentage for term loans is 1.25% for Alternate Base Rate loans and 2.25% for Eurodollar rate loans. The applicable percentage for revolving loans was initially 1.25% for Alternate Base Rate revolving loans and 2.25% for Eurodollar revolving loans, in each case subject to reduction based on our leverage ratio. Loans under the swingline subfacility bear interest at the rate applicable to Alternate Base Rate loans under the revolving credit facility.

We have agreed to pay letter of credit fees equal to the applicable percentage then in effect with respect to Eurodollar rate loans under the revolving credit facility times the maximum aggregate amount available to be drawn under all letters of credit outstanding under the subfacility for letters of credit. The issuer of any letter of credit issued under the subfacility for letters of credit will also receive a customary fronting fee and other customary processing charges. We were initially obligated to pay commitment fees of 0.50% per annum (subject to reduction based upon our leverage ratio), on the unused portion of the revolving credit facility. For purposes of this calculation, swingline loans are not treated as usage of the revolving credit facility. With respect to the delayed draw term loan facility, we were also obligated to pay commitment fees of 0.50% per annum for the first nine months after the close of the Credit Facility, 0.75% per annum for the next three months after such nine-month period and thereafter 1.0% per annum. In each case, the commitment fee was based on the unused amount of the delayed draw term loan facility. After the draw down of the remaining \$200 million of the delayed draw term loan in January 2009, we no longer pay commitment fees for the delayed draw term loan facility. We also paid arrangement fees on the closing of the Credit Facility and pay an annual administrative agent fee.

The Credit Facility contains customary representations and warranties, subject to limitations and exceptions, and customary covenants restricting our and our subsidiaries' ability to, among other things and subject to various exceptions, (1) declare dividends, make distributions or redeem or repurchase capital stock, (2) prepay, redeem or repurchase other debt, (3) incur liens or grant negative pledges, (4) make loans and investments and enter into acquisitions and joint ventures, (5) incur additional indebtedness or provide certain guarantees, (6) make capital expenditures, (7) engage in mergers, acquisitions and asset sales, (8) conduct transactions with affiliates, (9) alter the nature of our businesses, (10) grant certain guarantees with respect to physician practices, (11) engage in sale and leaseback transactions or (12) change our fiscal year. We and our subsidiaries are also required to comply with specified financial covenants (consisting of a leverage ratio and an interest coverage ratio) and various affirmative covenants.

Events of default under the Credit Facility include, but are not limited to, (1) our failure to pay principal, interest, fees or other amounts under the credit agreement when due (taking into account any applicable grace period), (2) any representation or warranty proving to have been materially incorrect when made, (3) covenant defaults subject, with respect to certain covenants, to a grace period, (4) bankruptcy events, (5) a cross default to certain other debt, (6) certain undischarged judgments (not paid within an applicable grace period), (7) a change of control, (8) certain ERISA-related defaults and (9) the invalidity or impairment of specified security interests, guarantees or subordination provisions in favor of the administrative agent or lenders under the Credit Facility.

As of June 30, 2009, there was approximately \$750 million of available borrowing capacity under our Credit Facility, of which \$89.2 million was set aside for outstanding letters of credit.

During the three months ended June 30, 2009, the Company repurchased on the open market and cancelled \$61.0 million of principal amount of the Notes. This resulted in a net gain from early extinguishment of debt of \$0.3 million with an after-tax impact of \$0.2 million. During the six months ended June 30, 2009, we repurchased on the open market and cancelled \$121.5 million of principal amount of the Notes. This resulted in a net gain from early extinguishment of debt of \$2.7 million with an after-tax impact of \$1.7 million.

On April 2, 2009, the Company paid down \$110.4 million of its term loans under the Credit Facility. Of this amount, \$85.0 million was paid down as required under the terms of the Credit Facility with the net proceeds received from the sale of the ownership interest in the partnership that owned and operated Presbyterian Hospital of Denton. This resulted in a loss from early extinguishment of debt of \$1.1 million with an after-tax impact of \$0.7 million recorded in discontinued operations for both the three and six months ended June 30, 2009. The remaining \$25.4 million was paid on the term loans as required under the terms of the Credit Facility with the net proceeds received from the sale of various other assets. This resulted in a loss from early extinguishment of debt of \$0.3 million with an after-tax impact of \$0.2 million recorded in continuing operations for the three and six months ended June 30, 2009.

As of June 30, 2009, we are currently a party to the following interest rate swap agreements to limit the effect of changes in interest rates on a portion of our long-term borrowings. On each of these swaps, we received a variable rate of interest based on the three-month London Inter-Bank Offer Rate, or LIBOR, in exchange for the payment by us of a fixed rate of interest. We currently pay, on a quarterly basis, a margin above LIBOR of 225 basis points for revolving credit and term loans under the Credit Facility.

Swap #	Notional Amount (in 000's)	Fixed Interest Rate	Termination Date	Fair Value (in 000's)
1	\$704,000	0.4250%	August 28, 2009	\$ (147) (1)
2	100,000	4.3375%	November 30, 2009	(1,725)
3	200,000	2.8800%	September 17, 2010	(3,397)
4	100,000	4.9360%	October 4, 2010	(4,435)
5	100,000	4.7090%	January 24, 2011	(5,059)
6	300,000	5.1140%	August 8, 2011	(22,170)
7	100,000	4.7185%	August 19, 2011	(6,746)
8	100,000	4.7040%	August 19, 2011	(6,590)
9	100,000	4.6250%	August 19, 2011	(6,544)
10	200,000	4.9300%	August 30, 2011	(14,235)
11	200,000	3.0920%	September 18, 2011	(6,442)
12	100,000	3.0230%	October 23, 2011	(3,064)
13	200,000	4.4815%	October 26, 2011	(12,729)
14	200,000	4.0840%	December 3, 2011	(11,097)
15	100,000	3.8470%	January 4, 2012	(5,026)
16	100,000	3.8510%	January 4, 2012	(5,036)
17	100,000	3.8560%	January 4, 2012	(5,048)
18	200,000	3.7260%	January 8, 2012	(9,470)
19	200,000	3.5065%	January 16, 2012	(8,399)
20	250,000	5.0185%	May 30, 2012	(20,874)
21	150,000	5.0250%	May 30, 2012	(12,597)
22	200,000	4.6845%	September 11, 2012	(15,307)
23	100,000	3.3520%	October 23, 2012	(3,563)
24	125,000	4.3745%	November 23, 2012	(8,486)

Swap #	Notional Amount (in 000's)	Fixed Interest Rate	Termination Date	Fair Value (in 000's)
25	75,000	4.3800%	November 23, 2012	(5,129)
26	150,000	5.0200%	November 30, 2012	(13,386)
27	100,000	5.0230%	May 30, 2013	(9,290)
28	300,000	5.2420%	August 6, 2013	(31,538)
29	100,000	5.0380%	August 30, 2013	(9,517)
30	50,000	3.5860%	October 23, 2013	(1,879)
31	50,000	3.5240%	October 23, 2013	(1,754)
32	100,000	5.0500%	November 30, 2013	(9,742)
33	200,000	2.0700%	December 19, 2013	6,241
34	100,000	5.2310%	July 25, 2014	(10,895)
35	100,000	5.2310%	July 25, 2014	(10,895)
36	200,000	5.1600%	July 25, 2014	(21,120)
37	75,000	5.0405%	July 25, 2014	(7,498)
38	125,000	5.0215%	July 25, 2014	(12,384)

(1) This interest rate swap is a 90-day swap for which we pay a monthly fixed rate of 0.4250% and receive one-month LIBOR rates payable on \$704 million of term loans under the Credit Facility. As with each of these swap agreements, the variable interest rate received matches the variable interest rate paid for the revolving credit and term loans under the Credit Facility. We continue to pay a margin of 225 basis points for the revolving credit and term loans under the Credit Facility.

The Credit Facility and/or the Notes contain various covenants that limit our ability to take certain actions including, among other things, our ability to:

- incur, assume or guarantee additional indebtedness;
- issue redeemable stock and preferred stock;
- repurchase capital stock;
- make restricted payments, including paying dividends and making investments;
- redeem debt that is junior in right of payment to the notes;
- create liens without securing the notes;
- sell or otherwise dispose of assets, including capital stock of subsidiaries;
- enter into agreements that restrict dividends from subsidiaries;
- merge, consolidate, sell or otherwise dispose of substantial portions of our assets;
- enter into transactions with affiliates; and
- guarantee certain obligations.

In addition, our Credit Facility contains restrictive covenants and requires us to maintain specified financial ratios and satisfy other financial condition tests. Our ability to meet these restricted covenants and financial ratios and tests can be affected by events beyond our control, and we cannot assure you that we will meet those tests. A breach of any of these covenants could result in a default under our Credit Facility and/or the Notes. Upon the occurrence of an event of default under our Credit Facility or the Notes, all amounts outstanding under our Credit Facility and the Notes may become due and payable and all commitments under the Credit Facility to extend further credit may be terminated.

We believe that internally generated cash flows, availability for additional borrowings under our Credit Facility of a \$750 million revolving credit facility, and our ability to add up to \$300 million of borrowing capacity from receivable transactions (including securitizations) will be sufficient to finance acquisitions, capital expenditures and working capital requirements through the next 12 months. We believe these same sources of cash flows, borrowings under our credit agreement and, despite the current conditions in the financial and capital markets resulting from the global credit and liquidity issues, access to bank credit and capital markets will be available to us beyond the next 12 months and into the foreseeable future.

On December 22, 2008, we filed a universal automatic shelf registration statement on Form S-3ASR that will permit us, from time to time, in one or more public offerings, to offer debt securities, common stock, preferred stock, warrants, depositary shares, or any combination of such securities. The shelf registration statement will also permit our subsidiary, CHS, to offer debt securities that would be guaranteed by us, from time to time in one or more public offerings. The terms of any such future offerings would be established at the time of the offering.

The following table shows the ratio of earnings to fixed charges for the six months ended June 30, 2009:

	Six Months Ended June 30, 2009
Ratio of earnings to fixed charges(1)	<u>1.53x</u>

(1) There are no shares of preferred stock outstanding.

Off-balance Sheet Arrangements

Our consolidated operating results for the six months ended June 30, 2009 and 2008, included \$143.3 million and \$139.0 million, respectively, of net operating revenue and \$10.6 million and \$7.4 million, respectively, of income from operations generated from six hospitals operated by us under operating lease arrangements. In accordance with accounting principles generally accepted in the United States of America, or U.S. GAAP, the respective assets and the future lease obligations under these arrangements are not recorded on our condensed consolidated balance sheet. Lease payments under these arrangements are included in rent expense when paid and totaled approximately \$8.3 million for the six months ended June 30, 2009, compared to \$8.2 million for the six months ended June 30, 2008. The current terms of these operating leases expire between June 2010 and December 2019, not including lease extension options. If we allow these leases to expire, we would no longer generate revenue nor incur expenses from these hospitals.

In the past, we have utilized operating leases as a financing tool for obtaining the operations of specified hospitals without acquiring, through ownership, the related assets of the hospital and without a significant outlay of cash at the front end of the lease. We utilize the same management and operating strategies to improve operations at those hospitals held under operating leases as we do at those hospitals that we own. We have not entered into any operating leases for hospital operations since December 2000.

Joint Ventures

We have sold noncontrolling interests in certain of our subsidiaries or acquired subsidiaries with existing noncontrolling interest ownership positions. As of June 30, 2009, we have hospitals owned by physician joint ventures in 23 of the markets we serve, with ownership interests ranging from less than 1% to 40%, including one hospital that also had a non-profit entity as a partner. In addition, three other hospitals had non-profit entities as partners. Redeemable noncontrolling interests in equity of consolidated subsidiaries was \$324.0 million and \$320.2 million as of June 30, 2009 and December 31, 2008, respectively, and noncontrolling interests in equity of consolidated subsidiaries was \$81.0 million and \$75.1 million as of June 30, 2009 and December 31, 2008, respectively, and the amount of net income attributable to noncontrolling interests was \$14.6 million and \$7.3 million for the three months ended June 30, 2009 and 2008, respectively, and \$28.5 million and \$15.9 million for the six months ended June 30, 2009 and 2008, respectively.

Reimbursement, Legislative and Regulatory Changes

Legislative and regulatory action has resulted in continuing change in the Medicare and Medicaid reimbursement programs which will continue to limit payment increases under these programs and in some cases implement payment decreases. Within the statutory framework of the Medicare and Medicaid programs, there are substantial areas subject to administrative rulings, interpretations, and discretion which may further affect payments made under those programs, and the federal and state governments might, in the future, reduce the funds available under those programs or require more stringent utilization and quality reviews of hospital facilities. Additionally, there may be a continued rise in managed care programs and future restructuring of the financing and delivery of healthcare in the United States. These events could cause our future financial results to decline.

Inflation

The healthcare industry is labor intensive. Wages and other expenses increase during periods of inflation and when labor shortages occur in the marketplace. In addition, our suppliers pass along rising costs to us in the form of higher prices. We have implemented cost control measures, including our case and resource management program, to curb increases in operating costs and expenses. We have generally offset increases in operating costs by increasing reimbursement for services, expanding services and reducing costs in other areas. However, we cannot predict our ability to cover or offset future cost increases.

Critical Accounting Policies

The discussion and analysis of our financial condition and results of operations are based upon our condensed consolidated financial statements, which have been prepared in accordance with U.S. GAAP. The preparation of these financial statements requires us to make estimates and judgments that affect the reported amount of assets and liabilities, revenues and expenses, and related disclosure of contingent assets and liabilities at the date of our condensed consolidated financial statements. Actual results may differ from these estimates under different assumptions or conditions.

Critical accounting policies are defined as those that are reflective of significant judgments and uncertainties, and potentially result in materially different results under different assumptions and conditions. We believe that our critical accounting policies are limited to those described below.

Third Party Reimbursement

Net operating revenues include amounts estimated by management to be reimbursable by Medicare and Medicaid under prospective payment systems and provisions of cost-reimbursement and other payment methods. In addition, we are reimbursed by non-governmental payors using a variety of payment methodologies. Amounts we receive for treatment of patients covered by these programs are generally less than the standard billing rates. Contractual allowances are automatically calculated and recorded through our internally developed "automated contractual allowance system." Within this automated system, actual Medicare DRG data and payors' historical paid claims data are utilized to calculate the contractual allowances. This data is automatically updated on a monthly basis. All hospital contractual allowance calculations are subjected to monthly review by management to ensure reasonableness and accuracy. We account for the differences between the estimated program reimbursement rates and the standard billing rates as contractual allowance adjustments, which we deduct from gross revenues to arrive at net operating revenues. The process of estimating contractual allowances requires us to estimate the amount expected to be received based on government programs and payor contract provisions. The key assumption in this process is the estimated contractual reimbursement percentage, which is based on payor classification and historical paid claims data. Due to the complexities involved in these estimates, actual payments we receive could be different from the amounts we estimate and record. If the actual contractual reimbursement percentage under government programs and managed care contracts differed by 1% from our estimated reimbursement percentage, net income for the six months ended June 30, 2009 would have changed by approximately \$25.8 million, and net accounts receivable would have changed by \$42.0 million. Final settlements under some of these programs are subject to adjustment based on administrative review and audit by third parties. We account for adjustments to previous program reimbursement estimates as contractual allowance adjustments and report them in the periods that

such adjustments become known. Contractual allowance adjustments related to final settlements and previous program reimbursement estimates impacted net operating revenues and net income by an insignificant amount in each of the three-month and six-month periods ended June 30, 2009 and 2008.

Allowance for Doubtful Accounts

Substantially all of our accounts receivable are related to providing healthcare services to our hospitals' patients. Collection of these accounts receivable is our primary source of cash and is critical to our operating performance. Our primary collection risks relate to uninsured patients and outstanding patient balances for which the primary insurance payor has paid some but not all of the outstanding balance, with the remaining outstanding balance (generally deductibles and co-payments) owed by the patient. At the point of service, for patients required to make a co-payment, we generally collect less than 15% of the related revenue. For all procedures scheduled in advance, our policy is to verify insurance coverage prior to the date of the procedure. Insurance coverage is not verified in advance of procedures for walk-in and emergency room patients.

We estimate the allowance for doubtful accounts by reserving a percentage of all self-pay accounts receivable without regard to aging category, based on collection history, adjusted for expected recoveries and, if present, anticipated changes in trends. For all other payor categories we reserve 100% of all accounts aging over 365 days from the date of discharge. The percentage used to reserve for all self-pay accounts is based on our collection history. We believe that we collect substantially all of our third-party insured receivables, which include receivables from governmental agencies.

Collections are impacted by the economic ability of patients to pay and the effectiveness of our collection efforts. Significant changes in payor mix, business office operations, economic conditions or trends in federal and state governmental healthcare coverage could affect our collection of accounts receivable. The process of estimating the allowance for doubtful accounts requires us to estimate the collectability of self-pay accounts receivable, which is primarily based on our collection history, adjusted for expected recoveries and, if available, anticipated changes in collection trends. Significant change in payor mix, business office operations, economic conditions, trends in federal and state governmental healthcare coverage or other third party payors could affect our estimates of accounts receivable collectability. If the actual collection percentage differed by 1% from our estimated collection percentage as a result of a change in expected recoveries, net income for the six months ended June 30, 2009 would have changed by \$13.4 million, and net accounts receivable would have changed by \$21.7 million. We also continually review our overall reserve adequacy by monitoring historical cash collections as a percentage of trailing net revenue less provision for bad debts, as well as by analyzing current period net revenue and admissions by payor classification, aged accounts receivable by payor, days revenue outstanding, and the impact of recent acquisitions and dispositions.

Our policy is to write-off gross accounts receivable if the balance is under \$10.00 or when such amounts are placed with outside collection agencies. We believe this policy accurately reflects our ongoing collection efforts and is consistent with industry practices. We had approximately \$1.4 billion at June 30, 2009 and \$1.5 billion December 31, 2008, being pursued by various outside collection agencies. We expect to collect less than 3%, net of estimated collection fees, of the amounts being pursued by outside collection agencies. As these amounts have been written-off, they are not included in our gross accounts receivable or our allowance for doubtful accounts. Collections on amounts previously written-off are recognized as a reduction to bad debt expense when received. However, we take into consideration estimated collections of these future amounts written-off in evaluating the reasonableness of our allowance for doubtful accounts.

All of the following information is derived from our hospitals, excluding clinics, unless otherwise noted.

Patient accounts receivable from our hospitals represent approximately 95% of our total consolidated accounts receivable.

Days revenue outstanding was 50 days at June 30, 2009 and 53 days at December 31, 2008. Our target range for days revenue outstanding is 52 to 58 days.

Total gross accounts receivable (prior to allowance for contractual adjustments and doubtful accounts) was approximately \$6.083 billion as of June 30, 2009 and approximately \$5.458 billion as of December 31, 2008.

The approximate percentage of total gross accounts receivable (prior to allowances for contractual adjustments and doubtful accounts) summarized by payor category is as follows:

	As of	
	June 30, 2009	December 31, 2008
Insured receivables	65.4%	67.0%
Self-pay receivables	34.6%	33.0%
Total	100.0%	100.0%

For the hospital segment, the combined total of the allowance for doubtful accounts and related allowances for other self-pay discounts and contractals, as a percentage of gross self-pay receivables, was approximately 81% at June 30, 2009 and 80% at December 31, 2008. If the receivables that have been written-off but where collections are still being pursued by outside collection agencies, were included in both the allowances and gross self-pay receivables specified above, the percentage of combined allowances to total self-pay receivables would have been approximately 88% at June 30, 2009 and December 31, 2008.

Goodwill and Other Intangibles

Goodwill represents the excess of cost over the fair value of net assets acquired. Goodwill arising from business combinations is accounted for under the provisions of SFAS No. 141(R) "Business Combinations" and SFAS No. 142, "Goodwill and Other Intangible Assets" and is not amortized. SFAS No. 142 requires goodwill to be evaluated for impairment at the same time every year and when an event occurs or circumstances change that, more likely than not, reduce the fair value of the reporting unit below its carrying value. SFAS No. 142 requires a two-step method for determining goodwill impairment. Step one is to compare the fair value of the reporting unit with the unit's carrying amount, including goodwill. If this test indicates the fair value is less than the carrying value, then step two is required to compare the implied fair value of the reporting unit's goodwill with the carrying value of the reporting unit's goodwill. We have selected September 30th as our annual testing date.

We estimate the fair value of the related reporting units using both a discounted cash flow model as well as an EBITDA multiple model. These models are both based on our best estimate of future revenues and operating costs and are reconciled to our consolidated market capitalization. The cash flow forecasts are adjusted by an appropriate discount rate based on our weighted average cost of capital. Historically our valuation models did not fully capture the fair value of our business as a whole, as they did not consider the increased consideration a potential acquirer would be required to pay, in the form of a control premium, in order to gain sufficient ownership to set policies, direct operations and control management decisions. However, because our models have indicated value significantly in excess of the carrying amount of assets in our reporting units, the additional value from a control premium was not a determining factor in the outcome of step one of our impairment assessment.

Impairment or Disposal of Long-Lived Assets

In accordance with SFAS No. 144, whenever events or changes in circumstances indicate that the carrying values of certain long-lived assets may be impaired, we project the undiscounted cash flows expected to be generated by these assets. If the projections indicate that the reported amounts are not expected to be recovered, such amounts are reduced to their estimated fair value based on a quoted market price, if available, or an estimate based on valuation techniques available in the circumstances.

Professional Liability Insurance Claims

As part of our business of owning and operating hospitals, we are subject to legal actions alleging liability on our part. We accrue for losses resulting from such liability claims, as well as loss adjustment expenses that are out-of-pocket and directly related to such liability claims. These direct out-of-pocket expenses include fees of outside counsel and experts. We do not accrue for costs that are part of our corporate overhead, such as the costs of our in-

house legal and risk management departments. The losses resulting from professional liability claims primarily consist of estimates for known claims, as well as estimates for incurred but not reported claims. The estimates are based on specific claim facts, our historical claim reporting and payment patterns, the nature and level of our hospital operations, and actuarially determined projections. The actuarially determined projections are based on our actual claim data, including historic reporting and payment patterns which have been gathered over an approximate 20-year period. As discussed below, since we purchase excess insurance on a claims-made basis that transfers risk to third party insurers, the liability we accrue does not include an amount for the losses covered by our excess insurance. Since we believe that the amount and timing of our future claims payments are reliably determinable, we discount the amount we accrue for losses resulting from professional liability claims using the risk-free interest rate corresponding to the timing of our expected payments.

The net present value of the projected payments was discounted using a weighted-average risk-free rate of 2.6% and 4.1% in 2008 and 2007, respectively. This liability is adjusted for new claims information in the period such information becomes known to us. Professional malpractice expense includes the losses resulting from professional liability claims and loss adjustment expense, as well as paid excess insurance premiums, and is presented within other operating expenses in the accompanying consolidated statements of income.

Our processes for obtaining and analyzing claims and incident data are standardized across all of our hospitals and have been consistent for many years. We monitor the outcomes of the medical care services that we provide and for each reported claim, we obtain various information concerning the facts and circumstances related to that claim. In addition, we routinely monitor current key statistics and volume indicators in our assessment of utilizing historical trends. The average lag period between claim occurrence and payment of a final settlement is between 4 and 5 years, although the facts and circumstances of individual claims could result in the timing of such payments being different from this average. Since claims are paid promptly after settlement with the claimant is reached, settled claims generally represent less than 1.0% of the total liability at the end of any period.

For purposes of estimating our individual claim accruals, we utilize specific claim information, including the nature of the claim, the expected claim amount, the year in which the claim occurred and the laws of the jurisdiction in which the claim occurred. Once the case accruals for known claims are determined, information is stratified by loss layers and retentions, accident years, reported years, geography, and claims relating to the acquired Triad hospitals versus claims relating to our other hospitals. Several actuarial methods are used against this data to produce estimates of ultimate paid losses and reserves for incurred but not reported claims. Each of these methods uses our company-specific historical claims data and other information. This company-specific data includes information regarding our business, including historical paid losses and loss adjustment expenses, historical and current case loss reserves, actual and projected hospital statistical data, a variety of hospital census information, employed physician information, professional liability retentions for each policy year, geographic information and other data.

Based on these analyses, we determine our estimate of the professional liability claims. The determination of management's estimate, including the preparation of the reserve analysis that supports such estimate, involves subjective judgment of the management. Changes in reserving data or the trends and factors that influence reserving data may signal fundamental shifts in our future claim development patterns or may simply reflect single-period anomalies. Even if a change reflects a fundamental shift, the full extent of the change may not become evident until years later. Moreover, since our methods and models use different types of data and we select our liability from the results of all of these methods, we typically cannot quantify the precise impact of such factors on our estimates of the liability. Due to our standardized and consistent processes for handling claims and the long history and depth of our company-specific data, our methodologies have produced reliably determinable estimates of ultimate paid losses.

We are primarily self-insured for these claims; however, we obtain excess insurance that transfers the risk of loss to a third-party insurer for claims in excess of our self-insured retentions. Our excess insurance is underwritten on a claims-made basis. For claims reported prior to June 1, 2002, substantially all of our professional and general liability risks were subject to a \$0.5 million per occurrence self-insured retention and for claims reported from June 1, 2002 through June 1, 2003, these self-insured retentions were \$2.0 million per occurrence. Substantially all claims reported after June 1, 2003 and before June 1, 2005 are self-insured up to \$4 million per claim. Substantially

all claims reported on or after June 1, 2005 are self-insured up to \$5 million per claim. Management on occasion has selectively increased the insured risk at certain hospitals based upon insurance pricing and other factors and may continue that practice in the future. Excess insurance for all hospitals has been purchased through commercial insurance companies and generally covers us for liabilities in excess of the self-insured retentions and up to \$100 million per occurrence for claims reported on or after June 1, 2003 and up to \$150 million per occurrence for claims occurred and reported after January 1, 2008.

Effective January 1, 2008, the former Triad Hospitals are insured on a claims-made basis as described above and through commercial insurance companies as described above for substantially all claims occurring on or after January 1, 2002 and reported on or after January 1, 2008. Substantially all losses for the former Triad hospitals in periods prior to May 1999 were insured through a wholly-owned insurance subsidiary of HCA, Inc., or HCA, Triad's owner prior to that time, and excess loss policies maintained by HCA. HCA has agreed to indemnify the former Triad hospitals in respect of claims covered by such insurance policies arising prior to May 1999. After May 1999 through December 31, 2006, the former Triad hospitals obtained insurance coverage on a claims incurred basis from HCA's wholly-owned insurance subsidiary with excess coverage obtained from other carriers that is subject to certain deductibles. Effective for claims incurred after December 31, 2006, Triad began insuring its claims from \$1 million to \$5 million through its wholly-owned captive insurance company, replacing the coverage provided by HCA. Substantially all claims occurring during 2007 were self-insured up to \$10 million per claim.

There have been no significant changes in our estimate of the reserve for professional liability claims during the three and six months ended June 30, 2009.

Income Taxes

We must make estimates in recording provision for income taxes, including determination of deferred tax assets and deferred tax liabilities and any valuation allowances that might be required against the deferred tax assets. We believe that future income will enable us to realize these deferred tax assets, subject to the valuation allowance we have established.

On January 1, 2007, we adopted the provisions of FASB Interpretation No. 48, "Accounting for Uncertainty in Income Taxes." The total amount of unrecognized benefit that would affect the effective tax rate, if recognized, was approximately \$13.6 million as of June 30, 2009. It is our policy to recognize interest and penalties accrued related to unrecognized benefits in our condensed consolidated statements of income as income tax expense. During the six months ended June 30, 2009, we decreased liabilities by approximately \$0.1 million and recorded \$0.5 million in interest and penalties related to prior state income tax returns through our income tax provision from continuing operations, which are included in our FASB Interpretation No. 48 liability at June 30, 2009. A total of approximately \$1.8 million of interest and penalties is included in the amount of FASB Interpretation No. 48 liability at June 30, 2009.

We believe it is reasonably possible that approximately \$4.1 million of our current unrecognized tax benefit may be recognized within the next twelve months as a result of a lapse of the statute of limitations and settlements with taxing authorities.

We, or one of our subsidiaries, file income tax returns in the U.S. federal jurisdiction and various state jurisdictions. We have extended the federal statute of limitations for Triad for the tax periods ended December 31, 1999, December 31, 2000, April 30, 2001, June 30, 2001, December 31, 2001, December 31, 2002 and December 31, 2003. We are currently under examination by the IRS of the federal tax return of Triad for the tax periods ended December 31, 2004, December 31, 2005, December 31, 2006 and July 25, 2007. We believe the results of this examination will not be material to our consolidated results of operations or consolidated financial position. With few exceptions, we are no longer subject to state income tax examinations for years prior to 2004.

Prior to the adoption of SFAS No. 160, "Noncontrolling Interests in Consolidated Financials Statements — an Amendment of ARB No. 51," or SFAS No. 160, on January 1, 2009, income attributable to noncontrolling interests was deducted from earnings before arriving at income from continuing operations. With the adoption of SFAS No. 160, the income attributable to noncontrolling interests has been reclassified below net income and therefore is no longer deducted in arriving at income from continuing operations. However, the provision for

income taxes does not change because those subsidiaries with noncontrolling interests attribute their taxable income to their respective investors. Accordingly, we will not pay tax on the income attributable to the noncontrolling interests. As a result of separately reporting income that is taxed to others, our effective tax rate on continuing operations before income taxes, as reported on the face of the financial statements is 33.3% and 35.3% for the three months ended June 30, 2009 and 2008, respectively, and 33.4% and 35.1% for the six months ended June 30, 2009 and 2008, respectively. However, the actual effective tax rate that is attributable to the Company's share of income from continuing operations before income taxes (income from continuing operations before income taxes, as presented on the face of the statement of income, less income from continuing operations attributable to noncontrolling interests of \$14.6 million and \$7.4 million for the three months ended June 30, 2009 and 2008, respectively, and \$28.2 million and \$15.6 million for the six months ended June 30, 2009 and 2008, respectively) is 38.3% for the three and six months ended June 30, 2009 and 38.6% for the three and six months ended June 30, 2008.

Recent Accounting Pronouncements

In December 2007, the FASB issued SFAS No. 141(R), "Business Combinations", or SFAS No. 141(R). SFAS No. 141(R) replaces SFAS No. 141 and addresses the recognition and accounting for identifiable assets acquired, liabilities assumed, and noncontrolling interests in business combinations. This standard requires more assets and liabilities to be recorded at fair value and requires expense recognition (rather than capitalization) of certain pre-acquisition costs. This standard also requires any adjustments to acquired deferred tax assets and liabilities occurring after the related allocation period to be made through earnings. Furthermore, this standard requires this treatment of acquired deferred tax assets and liabilities also be applied to acquisitions occurring prior to the effective date of this standard. SFAS No. 141(R) is effective for fiscal years beginning after December 15, 2008 and is required to be adopted prospectively with no early adoption permitted. We adopted SFAS No. 141(R) on January 1, 2009. Approximately \$2.0 million and \$3.0 million of acquisition costs related to prospective acquisitions were expensed during the three and six months ended June 30, 2009, respectively, from the adoption of SFAS No. 141(R). The impact of SFAS No. 141(R) on our consolidated results of operations and consolidated financial position in future periods will be largely dependent on the number of acquisitions we pursue; however, we do not anticipate at this time that such impact will be material.

SFAS No. 160 addresses the accounting and reporting framework for noncontrolling ownership interests in consolidated subsidiaries of the parent. SFAS No. 160 also establishes disclosure requirements that clearly identify and distinguish between the interests of the parent company and the interests of the noncontrolling owners. These disclosure requirements require that minority interests be renamed noncontrolling interests and that noncontrolling ownership interests be presented separately within equity in the consolidated financial statements. Revenues, expenses and income from continuing operations from less-than-wholly-owned subsidiaries are presented on the condensed consolidated statements of income at the consolidated amounts, with a consolidated net income measure that presents separately the amounts attributable to both the controlling and noncontrolling interests for all periods presented. Noncontrolling ownership interests that are redeemable or may become redeemable at a fixed or determinable price at the option of the holder or upon the occurrence of an event outside of the control of the company continue to be presented in mezzanine equity in accordance with Emerging Issues Task Force Topic D-98, "Classification and Measurement of Redeemable Securities." SFAS No. 160 requires retrospective adoption of the presentation and disclosure requirements for all periods presented. Therefore, the condensed consolidated financial statements as of December 31, 2008 and for the three and six months ended June 30, 2008 reflect the provisions of SFAS No. 160 as if it was effective for those periods. Other than these changes in financial statement presentation, the adoption of SFAS No. 160 did not have a material impact on the condensed consolidated financial statements.

In March 2008, the FASB issued SFAS No. 161, "Disclosures about Derivative Instruments and Hedging Activities", or SFAS No. 161. SFAS No. 161 expands the disclosure requirements for derivative instruments and for hedging activities in order to provide additional understanding of how an entity uses derivative instruments and how they are accounted for and reported in an entity's financial statements. The new disclosure requirements for SFAS No. 161 are effective for fiscal years beginning after November 15, 2008, and was adopted by us on January 1, 2009. The adoption of this statement has not had a material effect on our consolidated results of operations or consolidated financial position.

SFAS No. 165 “Subsequent Events”, or SFAS No. 165, establishes general standards of accounting for and disclosure of events that occur after the balance sheet date but before financial statements are issued or are available to be issued. In particular, this Statement sets forth: (1) the period after the balance sheet date during which management of a reporting entity should evaluate events or transactions that may occur for potential recognition or disclosure in the financial statements, (2) the circumstances under which an entity should recognize events or transactions occurring after the balance sheet date in its financial statements and (3) the disclosures that an entity should make about events or transactions that occurred after the balance sheet date. SFAS No. 165 is effective for interim or annual financial periods ending after June 15, 2009. This standard does not result in significant changes in the subsequent events that are reported either through recognition or disclosure in the consolidated financial statements. In accordance with SFAS No. 165, the Company evaluated all material events occurring subsequent to the balance sheet date through July 31, 2009, the date the consolidated financial statements were issued, for events requiring disclosure or recognition in the consolidated financial statements.

SFAS No. 168 “The FASB Accounting Standards Codification and the Hierarchy of Generally Accepted Accounting Principles — a replacement of FASB Statement No. 162”, or SFAS No. 168, is effective for financial statements issued for interim and annual periods ending after September 15, 2009. The FASB Accounting Standards Codification, or Codification, will become the source of authoritative U.S. GAAP recognized by the FASB to be applied by nongovernmental entities. Rules and interpretive releases of the Securities and Exchange Commission, or SEC, under authority of federal securities laws are also sources of authoritative U.S. GAAP for SEC registrants. On the effective date of this Statement, the Codification will supersede all then-existing non-SEC accounting and reporting standards. All other non-grandfathered non-SEC accounting literature not included in the Codification will become non-authoritative. The issuance of SFAS No. 168 and the Codification do not change current U.S. GAAP and will not have an impact on our consolidated results of operations or consolidated financial position.

FORWARD-LOOKING STATEMENTS

Some of the matters discussed in this report include forward-looking statements. Statements that are predictive in nature, that depend upon or refer to future events or conditions or that include words such as “expects,” “anticipates,” “intends,” “plans,” “believes,” “estimates,” “thinks,” and similar expressions are forward-looking statements. These statements involve known and unknown risks, uncertainties, and other factors that may cause our actual results and performance to be materially different from any future results or performance expressed or implied by these forward-looking statements. These factors include, but are not limited to, the following:

- general economic and business conditions, both nationally and in the regions in which we operate;
- legislative proposals for healthcare reform and universal access to healthcare coverage;
- risks associated with our substantial indebtedness, leverage, and debt service obligations;
- demographic changes;
- changes in, or the failure to comply with, governmental regulations;
- potential adverse impact of known and unknown government investigations and Federal and State False Claims Act litigation;
- our ability, where appropriate, to enter into and maintain managed care provider arrangements and the terms of these arrangements;
- changes in, or the failure to comply with, managed care contracts could result in disputes and changes in reimbursement that could be applied retroactively;
- changes in inpatient or outpatient Medicare and Medicaid payment levels;
- increases in the amount and risk of collectability of patient accounts receivable;
- increases in wages as a result of inflation or competition for highly technical positions and rising supply costs due to market pressure from pharmaceutical companies and new product releases;
- liabilities and other claims asserted against us, including self-insured malpractice claims;

- competition;
- our ability to attract and retain, without significant employment costs, qualified personnel, key management, physicians, nurses and other health care workers;
- trends toward treatment of patients in less acute or specialty healthcare settings, including ambulatory surgery centers or specialty hospitals;
- changes in medical or other technology;
- changes in U.S. GAAP;
- the availability and terms of capital to fund additional acquisitions or replacement facilities;
- our ability to successfully acquire additional hospitals and complete the sale of hospitals held for sale;
- our ability to successfully integrate any acquired hospitals or to recognize expected synergies from such acquisitions;
- our ability to obtain adequate levels of general and professional liability insurance; and
- timeliness of reimbursement payments received under government programs.

Although we believe that these statements are based upon reasonable assumptions, we can give no assurance that our goals will be achieved. Given these uncertainties, prospective investors are cautioned not to place undue reliance on these forward-looking statements. These forward-looking statements are made as of the date of this filing. We assume no obligation to update or revise them or provide reasons why actual results may differ.

Item 3. Quantitative and Qualitative Disclosures about Market Risk

We are exposed to interest rate changes, primarily as a result of our senior secured credit facility which bears interest based on floating rates. In order to manage the volatility relating to the market risk, we entered into interest rate swap agreements described under the heading "Liquidity and Capital Resources" in Item 2. We do not anticipate any material changes in our primary market risk exposures in 2009. We utilize risk management procedures and controls in executing derivative financial instrument transactions. We do not execute transactions or hold derivative financial instruments for trading purposes. Derivative financial instruments related to interest rate sensitivity of debt obligations are used with the goal of mitigating a portion of the exposure when it is cost effective to do so.

A 1% change in interest rates on variable rate debt in excess of that amount covered by interest rate swaps would have resulted in interest expense fluctuating approximately \$0.1 million and \$3.5 million for the three months ended June 30, 2009 and 2008, respectively, and \$1.4 million and \$7.3 million for the six months ended June 30, 2009 and 2008, respectively.

Item 4. Controls and Procedures

Our Chief Executive Officer and Chief Financial Officer, with the participation of other members of management, have evaluated the effectiveness of our disclosure controls and procedures (as defined in Rules 13a — 15(e) and 15d — 15(e) under the Securities and Exchange Act of 1934, as amended), as of the end of the period covered by this report. Based on such evaluations, our Chief Executive Officer and Chief Financial Officer concluded that, as of such date, our disclosure controls and procedures were effective (at the reasonable assurance level) to ensure that the information required to be included in this report has been recorded, processed, summarized and reported within the time periods specified in the Commission's rules and forms and to ensure that the information required to be included in this report was accumulated and communicated to management, including our Chief Executive Officer and Chief Financial Officer, to allow timely decisions regarding required disclosure.

There have been no changes in our internal control over financial reporting during the quarter ended June 30, 2009, that have materially affected or are reasonably likely to materially affect our internal control over financial reporting.

PART II OTHER INFORMATION

Item 1. Legal Proceedings

From time to time, we receive various inquiries or subpoenas from state regulators, fiscal intermediaries, the Centers for Medicare and Medicaid Services and the Department of Justice regarding various Medicare and Medicaid issues. In addition, we are subject to other claims and lawsuits arising in the ordinary course of our business. We are not aware of any pending or threatened litigation that is not covered by insurance policies or reserved for in our financial statements or which we believe would have a material adverse impact on us; however, some pending or threatened proceedings against us may involve potentially substantial amounts as well as the possibility of civil, criminal, or administrative fines, penalties, or other sanctions, which could be material. Settlements of suits involving Medicare and Medicaid issues routinely require both monetary payments as well as corporate integrity agreements. Additionally, qui tam or “whistleblower” actions initiated under the civil False Claims Act may be pending but placed under seal by the court to comply with the False Claims Act’s requirements for filing such suits.

Community Health Systems, Inc. Legal Proceedings

In May 1999, we were served with a complaint in U.S. ex rel. Bledsoe v. Community Health Systems, Inc., subsequently moved to the Middle District of Tennessee, Case No. 2-00-0083. This qui tam action sought treble damages and penalties under the False Claims Act against us. The Department of Justice did not intervene in this action. The allegations in the amended complaint were extremely general, but involved Medicare billing at our White County Community Hospital in Sparta, Tennessee. By order entered on September 19, 2001, the U.S. District Court granted our motion for judgment on the pleadings and dismissed the case, with prejudice. The qui tam whistleblower (also referred to as a “relator”) appealed the district court’s ruling to the U.S. Court of Appeals for the Sixth Circuit. On September 10, 2003, the Sixth Circuit Court of Appeals rendered its decision in this case, affirming in part and reversing in part the district court’s decision to dismiss the case with prejudice. The court affirmed the lower court’s dismissal of certain of plaintiff’s claims on the grounds that his allegations had been previously publicly disclosed. In addition, the appeals court agreed that, as to all other allegations, the relator had failed to include enough information to meet the special pleading requirements for fraud under the False Claims Act and the Federal Rules of Civil Procedure. However, the case was returned to the district court to allow the relator another opportunity to amend his complaint in an attempt to plead his fraud allegations with particularity. In May 2004, the relator in U.S. ex rel. Bledsoe filed an amended complaint alleging fraud involving Medicare billing at White County Community Hospital. We then filed a renewed motion to dismiss the amended complaint. On January 6, 2005, the District Court dismissed with prejudice the bulk of the relator’s allegations. The only remaining allegations involve a small number of charges from 1997 and 1998 at White County. After further motion practice between the relator and the United States Government regarding the relator’s right to participate in a previous settlement with the Company, the District Court again dismissed all claims in the case on December 13, 2005. On January 9, 2006, the relator filed a notice of appeal to the U.S. Court of Appeals for the Sixth Circuit and on September 6, 2007, the Court of Appeals issued its opinion affirming in part, reversing in part (and in doing so, reinstating a number of the allegations claimed by the relator), and remanding the case to the District Court for further proceedings. The relator filed a motion for rehearing. That motion for rehearing was denied. The relator amended his complaint to conform to the decision of the Court of Appeals and we filed an answer. A case management conference was held August 18, 2008. The parties have exchanged initial written discovery. Relator has filed a pleading stating “Relator Sean Bledsoe has a potentially fatal brain tumor that has severely affected Relator’s long-term and short-term memory...” The court has now ordered that all discovery be stayed until Relator and wife are deposed. We will continue to vigorously defend this case.

In August 2004, we were served a complaint in Arleana Lawrence and Robert Hollins v. Lakeview Community Hospital and Community Health Systems, Inc. (now styled Arleana Lawrence and Lisa Nichols vs. Eufaula Community Hospital, Community Health Systems, Inc., South Baldwin Regional Medical Center and Community Health Systems Professional Services Corporation) in the Circuit Court of Barbour County, Alabama (Eufaula Division). This alleged class action was brought by the plaintiffs on behalf of themselves and as the representatives of similarly situated uninsured individuals who were treated at our Lakeview Hospital or any of our other Alabama

hospitals. The plaintiffs allege that uninsured patients who do not qualify for Medicaid, Medicare or charity care are charged unreasonably high rates for services and materials and that we use unconscionable methods to collect bills. The plaintiffs seek restitution of overpayment, compensatory and other allowable damages and injunctive relief. In October 2005, the complaint was amended to eliminate one of the named plaintiffs and to add our management company subsidiary as a defendant. In November 2005, the complaint was again amended to add another plaintiff, Lisa Nichols and another defendant, our hospital in Foley, Alabama, South Baldwin Regional Medical Center. After a hearing held on June 13, 2007, on October 29, 2007 the Circuit Court ruled in favor of the plaintiffs' class action certification request. On summary judgment, the Circuit Court dismissed the case against Community Health Systems, Inc. only. All other parties remain. We disagree with the certification ruling and pursued our automatic right of appeal to the Alabama Supreme Court. Briefs have now been filed and oral argument requested but not yet scheduled. We are vigorously defending this case.

On March 3, 2005, we were served with a complaint in Sheri Rix v. Heartland Regional Medical Center and Health Care Systems, Inc. in the Circuit Court of Williamson County, Illinois. This alleged class action was brought by the plaintiff on behalf of herself and as the representative of similarly situated uninsured individuals who were treated at our Heartland Regional Medical Center. The plaintiff alleges that uninsured patients who do not qualify for Medicaid, Medicare or charity care are charged unreasonably high rates for services and materials and that we use unconscionable methods to collect bills. The plaintiff seeks recovery for breach of contract and the covenant of good faith and fair dealing, violation of the Illinois Consumer Fraud and Deceptive Practices Act, restitution of overpayment, and for unjust enrichment. The plaintiff class seeks compensatory and other damages and equitable relief. The Circuit Court Judge granted our motion to dismiss the case, but allowed the plaintiff to re-plead her case. The plaintiff elected to appeal the Circuit Court's decision in lieu of amending her case. Oral argument was heard on this case on January 9, 2008. On June 16, 2008, the Appellate Court upheld the dismissal of the consumer fraud claim but reversed dismissal of the contract claim. We filed a Petition for Leave of Appeal to the Illinois Supreme Court which was denied. The case has now been remanded and on March 10, 2009, we filed a motion for summary judgment. We are vigorously defending this case.

On February 10, 2006, we received a letter from the Civil Division of the Department of Justice requesting documents in an investigation it was conducting involving the Company. The inquiry related to the way in which different state Medicaid programs apply to the federal government for matching or supplemental funds that are ultimately used to pay for a small portion of the services provided to Medicaid and indigent patients. These programs are referred to by different names, including "intergovernmental payments," "upper payment limit programs," and "Medicaid disproportionate share hospital payments." The February 2006 letter focused on our hospitals in three states: Arkansas, New Mexico, and South Carolina. On August 31, 2006, we received a follow up letter from the Department of Justice requesting additional documents relating to the programs in New Mexico and the payments to the Company's three hospitals in that state. Through the beginning of 2009, we provided the Department of Justice with requested documents, met with them on numerous occasions, and otherwise cooperated in its investigation. During the course of the investigation, the Civil Division notified us that it believed that we and these three New Mexico hospitals caused the State of New Mexico to submit improper claims for federal funds, in violation of the Federal False Claims Act. At one point, the Civil Division calculated that the three hospitals received ineligible federal participation payments from August 2000 to June 2006 of approximately \$27.5 million and said that if it proceeded to trial, it would seek treble damages plus an appropriate penalty for each of the violations of the Federal False Claims Act. This investigation has culminated in the federal government's intervention in a qui tam lawsuit styled U.S. ex rel. Baker vs. Community Health Systems, Inc., pending in the United States District Court for the District of New Mexico. The federal government filed its complaint in intervention on June 30, 2009. The relator filed a second amended complaint on July 1, 2009. Our responses are due within 60 days. We are vigorously defending this action.

On June 12, 2008, two of our hospitals received letters from the U.S. Attorney's Office for the Western District of New York requesting documents in an investigation it was conducting into billing practices with respect to kyphoplasty procedures performed during the period January 1, 2002, through June 9, 2008. On September 16, 2008, one of our hospitals in South Carolina also received an inquiry. Kyphoplasty is a surgical spine procedure that returns a compromised vertebrae (either from trauma or osteoporotic disease process) to its previous height, reducing or eliminating severe pain. We have been informed that similar investigations have been initiated at

unaffiliated facilities in Alabama, South Carolina, Indiana and other states. We believe that this investigation is related to a recent qui tam settlement between the same U.S. Attorney's office and the manufacturer and distributor of the Kyphon product, which is used in performing the kyphoplasty procedure. We are cooperating with the investigation by collecting and producing material responsive to the requests. At this early stage, we do not have sufficient information to determine whether our hospitals have engaged in inappropriate billing for kyphoplasty procedures. We are continuing to evaluate and discuss this matter with the federal government.

Triad Hospitals, Inc. Legal Proceedings

Triad, and its subsidiary, Quorum Health Resources, Inc. are defendants in a qui tam case styled U.S. ex rel. Whitten vs. Quorum Health Resources, Inc. et al., which is pending in the Southern District of Georgia, Brunswick Division. Whitten, a long-term employee of a two hospital system in Brunswick and Camden, Georgia sued both his employer and Quorum Health Resources, Inc. and its predecessors, which had managed the facility from 1989 through September 2000; upon his termination of employment, Whitten signed a release and was paid \$124,000. Whitten's original qui tam complaint was filed under seal in November 2002 and the case was unsealed in 2004. Whitten alleges various charging and billing infractions, including charging for routine equipment supplies and services not separately billable, billing for observation services that were not medically necessary or for which there was no physician order, billing labor and delivery patients for durable medical equipment that was not separately billable, inappropriate preparation of patients' histories and physicals, billing for cardiac rehabilitation services without physician supervision, performing outpatient dialysis without Medicare certification, and performing mental health services without the proper staff assignments. In October 2005, the district court granted Quorum's motion for summary judgment on the grounds that his claims were precluded under his severance agreement with the hospital, without reaching two other arguments made by Quorum, which included that a prior settlement agreement between the hospital and the federal government precluded the claims brought by Whitten as well as the doctrine of prior public disclosure. On appeal to the 11th Circuit Court of Appeals, the court reversed the findings of the district court regarding the severance agreement, but remanded the case to the district court for findings on Quorum's other two defenses. Limited discovery has been conducted and renewed motions by Quorum to dismiss the action and to stay further discovery were filed in September 2007. On August 5, 2008, our motion to dismiss was denied. At the conclusion of discovery, a motion for summary judgment was filed on February 13, 2009, and set for a hearing on June 5, 2009. Our motion for summary judgment was granted on July 1, 2009. On July 7, 2009, the relator filed a notice of appeal.

In a case styled U.S. ex rel. Bartlett vs. Quorum Health Resources, Inc., et al., pending in the Western District of Pennsylvania, Johnstown Division, the relator alleges in his second amended complaint, filed in January 2006 (the first amended complaint having been dismissed), that Quorum conspired with an unaffiliated hospital to pay an illegal remuneration in violation of the anti-kickback statute and the Stark laws, thus causing false claims to be filed. A renewed motion to dismiss that was filed in March 2006 asserting that the second amended complaint did not cure the defects contained in the first amended complaint. In September 2006, the hospital and one of the other defendants affiliated with the hospital filed for protection under Chapter 11 of the federal bankruptcy code, which imposed an automatic stay on proceedings in the case. Relators entered into a settlement agreement with the hospital, subject to confirmation of the hospital's reorganization plan. The District Court conducted a status conference on January 30, 2009 and later convened another conference on March 30, 2009 and heard arguments on whether to proceed with a motion to dismiss, but did not make a ruling. We believe that this case is without merit and should the stay be lifted, will continue to vigorously defend it.

Item 1A. Risk Factors

There have been no material changes with regard to risk factors previously disclosed in our most recent annual report on Form 10-K.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

We have not paid any cash dividends since our inception, and do not anticipate the payment of cash dividends in the foreseeable future. As of June 30, 2009, our Credit Facility limits our ability to pay dividends and/or repurchase stock to an amount not to exceed \$400 million in the aggregate (but not in excess of \$200 million unless

we receive confirmation from Moody's and S&P that dividends or repurchases would not result in a downgrade, qualification or withdrawal of the then corporate credit rating). The indenture governing our Notes also limits our ability to pay dividends and/or repurchase stock in an amount higher than permitted by our Credit Facility.

Item 3. Defaults Upon Senior Securities

None

Item 4. Submission of Matters to a Vote of Security Holders

(a) The annual meeting of the stockholders of Community Health Systems, Inc., was held in New York, New York on May 19, 2009, for the purpose of voting on the proposals described below.

(b) Proxies for the meeting were solicited pursuant to Section 14(a) of the Securities and Exchange Act of 1934 and there was no solicitation in opposition to the Governance and Nominating Committee's nominees for directors. All of the Governance and Nominating Committee's nominees for directors were elected as set forth in clause (c) below. In addition, the terms of office as a director of W. Larry Cash, John A. Fry, William N. Jennings, Harvey Klein, M.D. and H. Mitchell Watson, Jr. continued after the meeting.

(c) Five proposals were submitted to a vote of stockholders as follows:

(1) The stockholders approved the election of the following persons as directors of the Company:

<u>Name</u>	<u>For</u>	<u>Withheld</u>	<u>Abstain</u>	<u>Broker Non-Votes</u>
John A. Clerico	81,685,129	3,785,165	179,342	—
James S. Ely III	84,609,379	867,715	172,542	—
Julia B. North	81,576,018	3,917,250	156,368	—
Wayne T. Smith	82,117,132	3,372,938	159,566	—

(2) The stockholders approved the Community Health Systems, Inc. 2000 Stock Option and Award Plan, amended and restated as of March 24, 2009:

<u>For</u>	<u>Withheld</u>	<u>Abstain</u>	<u>Broker Non-Votes</u>
47,515,852	34,996,479	140,638	2,996,667

(3) The stockholders approved the Community Health Systems, Inc. 2004 Employee Performance Incentive Plan, amended and restated as of March 24, 2009:

<u>For</u>	<u>Withheld</u>	<u>Abstain</u>	<u>Broker Non-Votes</u>
81,672,105	3,841,262	136,269	—

(4) The stockholders approved the Community Health Systems, Inc. 2009 Stock Option and Award Plan, adopted as of March 24, 2009:

<u>For</u>	<u>Withheld</u>	<u>Abstain</u>	<u>Broker Non-Votes</u>
73,443,413	9,069,247	140,311	2,996,665

(5) The Board of Directors appointment of Deloitte & Touche, LLP, as the Company's independent accountants for 2009 was ratified by the affirmative votes of stockholders:

<u>For</u>	<u>Withheld</u>	<u>Abstain</u>	<u>Broker Non-Votes</u>
85,403,051	73,678	172,907	—

Item 5. Other Information

None

Item 6. Exhibits

No.	Description
4.1	Seventh Supplemental Indenture relating to CHS/Community Health Systems, Inc.'s 8 ⁷ / ₈ % Senior Notes due 2015, dated as of June 30, 2009, by and among CHS/Community Health Systems, Inc., the guarantors party thereto and U.S. Bank National Association
4.2	Release of Certain Guarantors relating to CHS/Community Health Systems, Inc.'s 8 ⁷ / ₈ % Senior Notes due 2015, dated as of June 30, 2009, by and among CHS/Community Health Systems, Inc., the guarantors party thereto and U.S. Bank National Association
10.1	Credit Agreement, dated as of July 25, 2007, by and among CHS/Community Health Systems, Inc., Community Health Systems, Inc., the lender parties thereto and Credit Suisse, as Administrative Agent and Collateral Agent, Credit Suisse Securities (USA) LLC and Wachovia Capital Markets, LLC as Joint Bookrunner and Co-Lead Arrangers, Wachovia Bank, N.A. as Syndication Agent, JPMorgan Chase Bank and Merrill Lynch Capital Corporation as Co-Documentation Agents
10.2	Guarantee and Collateral Agreement, dated as of July 25, 2007, by and among CHS/Community Health Systems, Inc., Community Health Systems, Inc., the Subsidiaries from time to time party thereto and Credit Suisse, as collateral agent
10.3†	Community Health Systems, Inc. 2004 Employee Performance Incentive Plan, as amended and restated on March 24, 2009
10.4†	Community Health Systems, Inc. 2000 Stock Option and Award Plan, as amended and restated on March 24, 2009
10.5†	Community Health Systems, Inc. 2009 Stock Option and Award Plan, effective as of March 24, 2009
12	Computation of Ratio of Earnings to Fixed Charges
31.1	Certification of Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
31.2	Certification of Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
32.1	Certification of Chief Executive Officer pursuant to 18 U.S.C. Section 1350, adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
32.2	Certification of Chief Financial Officer pursuant to 18 U.S.C. Section 1350, adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

† Indicates a management contract or compensatory plan or arrangement.

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.

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)

By: /s/ T. Mark Buford
T. Mark Buford
Vice President and Chief Accounting Officer
(principal accounting officer)

Date: July 31, 2009

Index to Exhibits

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† Indicates a management contract or compensatory plan or arrangement.

SEVENTH SUPPLEMENTAL INDENTURE (this "**Supplemental Indenture**"), dated as of June 30, 2009, among CHS/COMMUNITY HEALTH SYSTEMS, INC., a Delaware corporation (the "**Issuer**"), each of the parties identified as a New Subsidiary Guarantor on the signature pages hereto (each, a "**New Subsidiary Guarantor**" and collectively, the "**New Subsidiary Guarantors**") and U.S. BANK NATIONAL ASSOCIATION, as Trustee under the Indenture (the "**Trustee**").

WITNESSETH:

WHEREAS the Issuer has heretofore executed and delivered to the Trustee an Indenture (the "**Indenture**"), dated as of July 25, 2007, providing for the issuance of the 8^{7/8}% Senior Notes due 2015 (the "**Securities**").

WHEREAS, each of the undersigned New Subsidiary Guarantors has deemed it advisable and in its best interest to execute and deliver this Supplemental Indenture, and to become a New Subsidiary Guarantor under the Indenture.

WHEREAS, pursuant to Section 9.01(4) of the Indenture, the Trustee, the Issuer and the New Subsidiary Guarantors are authorized to execute and deliver this Supplemental Indenture.

NOW THEREFORE, in consideration of the foregoing and for good and valuable consideration, the receipt of which is hereby acknowledged, the Issuer, the New Subsidiary Guarantors and the Trustee mutually covenant and agree for the equal and ratable benefit of the Holders of the Securities as follows:

SECTION 1. Capitalized Terms. Capitalized terms used herein but not defined shall have the meanings assigned to them in the Indenture.

SECTION 2. Guaranties. Each New Subsidiary Guarantor hereby agrees to guarantee the Issuer's obligations under the Securities on the terms and subject to the conditions set forth in Article 10 of the Indenture and to be bound by all other applicable provisions of the Indenture as a Subsidiary Guarantor.

SECTION 3. Ratification of Indenture; Supplemental Indentures Part of Indenture. Except as expressly amended hereby, the Indenture is in all respects ratified and confirmed and all the terms, conditions and provisions thereof shall remain in full force and effect. This Supplemental Indenture shall form a part of the Indenture for all purposes, shall inure to the benefit of the Trustee and every Holder of Securities heretofore or hereafter authenticated and the Issuer, the Trustee and every Holder of Securities heretofore or hereafter authenticated and delivered shall be bound hereby.

SECTION 4. Governing Law. **THIS SUPPLEMENTAL INDENTURE SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK.**

SECTION 5. Trustee Makes No Representation. The Trustee makes no representation as to the validity or sufficiency of this Supplemental Indenture.

SECTION 6. Counterparts. The parties may sign any number of copies of this Supplemental Indenture. Each signed copy shall be an original, but all of them together represent the same agreement.

SECTION 7. Effect of Headings. The Section headings herein are for convenience only and shall not effect the construction of this Supplemental Indenture.

RELEASE OF CERTAIN GUARANTORS (this "Release"), dated as of June 30, 2009, by and among CHS/COMMUNITY HEALTH SYSTEMS, INC., a Delaware corporation (the "Issuer"), those Subsidiary Guarantors parties hereto, and U.S. BANK NATIONAL ASSOCIATION, as Trustee under the Indenture (the "Trustee").

W I T N E S S E T H:

WHEREAS, the Issuer has heretofore executed and delivered to the Trustee an Indenture, dated as of July 25, 2007, as supplemented by the First Supplemental Indenture, dated as of July 25, 2007, the Second Supplemental Indenture, dated as of December 31, 2007, the Third Supplemental Indenture, dated as of October 10, 2008, the Fourth Supplemental Indenture, dated December 1, 2008, the Fifth Supplemental Indenture, dated February 5, 2009, the Sixth Supplemental Indenture, dated March 30, 2009 and the Seventh Supplemental Indenture of even date herewith (the "Indenture"), providing for the issuance of the 8^{7/8}% Senior Notes due 2015 (the "Securities");

WHEREAS, pursuant to that certain Private Placement Memorandum, dated November 17, 2008 (as amended, supplemented or otherwise modified from time to time, the "PPM"), San Angelo Hospital, L.P., a Delaware limited partnership (the "Partnership"), has offered and sold membership interests in the Partnership to certain physician investors effective as of April 1, 2008 (such transaction, the "Syndication");

WHEREAS, (i) upon the consummation of the Syndication, the Subsidiary Guarantor listed on the signature pages hereto (the "Syndicated Subsidiary Guarantor") has been released as a Subsidiary Guarantor under the Credit Agreement, dated as of July 25, 2007, by and among the Issuer, Community Health Systems, Inc., the lenders that from time to time become parties to the Credit Agreement and Credit Suisse, as Collateral Agent, and (ii) the Issuer has delivered an Officer's Certificate to the Trustee certifying that the Syndicated Subsidiary Guarantor no longer has any Indebtedness outstanding that would require such Syndicated Subsidiary Guarantor to enter into a Guaranty Agreement pursuant to Section 4.12 of the Indenture.

WHEREAS pursuant to Section 10.06(4) of the Indenture, a Guarantor will be released from its obligations under the Indenture under the circumstances described in the immediately preceding recital.

WHEREAS pursuant to the last sentence of Section 10.06 of the Indenture, the Issuer requests and the Trustee is authorized to execute and deliver this Release evidencing such release pursuant to Section 10.06(4) of the Indenture.

NOW THEREFORE, in consideration of the foregoing and for good and valuable consideration, the receipt of which is hereby acknowledged, the Issuer, the Subsidiary Guarantor party hereto and the Trustee mutually covenant and agree as follows:

SECTION 1. Capitalized Terms. Capitalized terms used herein but not defined shall have the meanings assigned to them in the Indenture.

SECTION 2. Subsidiary Guarantor. Effective from and after the consummation of the Syndication, the Syndicated Subsidiary Guarantor is hereby irrevocably released and discharged from its obligations under Article 10 of the Indenture, any Guaranty Agreement to which it may be party or any obligations with respect to the Securities.

SECTION 3. Ratification of Indenture; Release Part of Indenture. Except as expressly modified hereby, the Indenture is in all respects ratified and confirmed and all the terms, conditions and provisions thereof shall remain in full force and effect. This Release shall form a part of the Indenture for all purposes, shall inure to the benefit of the Issuer, the Syndicated Subsidiary Guarantor, the Trustee and

every Holder of Securities heretofore or hereafter authenticated and the Issuer, the Syndicated Subsidiary Guarantor, the Trustee and every Holder of Securities heretofore or hereafter authenticated and delivered shall be bound hereby.

SECTION 4. Governing Law. **THIS RELEASE SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK.**

SECTION 5. Trustee Makes No Representation. The Trustee makes no representation as to the accuracy or correctness of the recitals of this Release.

SECTION 6. Counterparts. The parties may sign any number of copies of this Release. Each signed copy shall be an original, but all of them together represent the same agreement.

SECTION 7. Effect of Headings. The Section headings herein are for convenience only and shall not effect the construction of this Release.

IN WITNESS WHEREOF, the parties have caused this Release to be duly executed as of this 30th day of June 2009.

CHS/Community Health Systems, Inc.,
a Delaware corporation

By: /s/ Rachel A. Seifert
Rachel A. Seifert
Senior Vice President, Secretary & General Counsel

Syndicated Subsidiary Guarantor:

San Angelo Hospital, L.P.

By: /s/ James W. Doucette
Name: James W. Doucette
Title: Vice President, Finance and Treasurer

U.S. Bank National Association,
as Trustee

By: /s/ Wally Jones
Wally Jones
Vice President

CREDIT AGREEMENT

dated as of

July 25, 2007,

among

CHS/COMMUNITY HEALTH SYSTEMS, INC.,

COMMUNITY HEALTH SYSTEMS, INC.,

THE LENDERS PARTY HERETO

and

CREDIT SUISSE,

as Administrative Agent and Collateral Agent

CREDIT SUISSE SECURITIES (USA) LLC

and

WACHOVIA CAPITAL MARKETS, L.L.C.,
as Joint Bookrunners and Co-Lead Arrangers

WACHOVIA BANK, NATIONAL ASSOCIATION,
as Syndication Agent

JPMORGAN CHASE BANK

and

MERRILL LYNCH CAPITAL CORPORATION,
as Co-Documentation Agents

Table of Contents

	<u>Page</u>
ARTICLE I	
Definitions	
SECTION 1.01. Defined Terms	2
SECTION 1.02. Terms Generally	36
SECTION 1.03. Pro Forma Calculations	36
SECTION 1.04. Classification of Loans and Borrowings	37
ARTICLE II	
The Credits	
SECTION 2.01. Commitments	37
SECTION 2.02. Loans	38
SECTION 2.03. Borrowing Procedure	40
SECTION 2.04. Evidence of Debt; Repayment of Loans	40
SECTION 2.05. Fees	41
SECTION 2.06. Interest on Loans	42
SECTION 2.07. Default Interest	43
SECTION 2.08. Alternate Rate of Interest	43
SECTION 2.09. Termination and Reduction of Commitments	43
SECTION 2.10. Conversion and Continuation of Borrowings	44
SECTION 2.11. Repayment of Term Borrowings	46
SECTION 2.12. Optional Prepayment	48
SECTION 2.13. Mandatory Prepayments	49
SECTION 2.14. Reserve Requirements; Change in Circumstances	51
SECTION 2.15. Change in Legality	52
SECTION 2.16. Indemnity	53
SECTION 2.17. Pro Rata Treatment	53
SECTION 2.18. Sharing of Setoffs	53
SECTION 2.19. Payments	54
SECTION 2.20. Taxes	55
SECTION 2.21. Assignment of Commitments Under Certain Circumstances; Duty to Mitigate	56
SECTION 2.22. Swingline Loans	57
SECTION 2.23. Letters of Credit	59
SECTION 2.24. Incremental Term Loans	63
ARTICLE III	
Representations and Warranties	

Table of Contents
(continued)

	<u>Page</u>
SECTION 3.01. Organization; Powers	65
SECTION 3.02. Authorization	65
SECTION 3.03. Enforceability	66
SECTION 3.04. Governmental Approvals	66
SECTION 3.05. Financial Statements	66
SECTION 3.06. No Material Adverse Change	67
SECTION 3.07. Title to Properties; Possession Under Leases	67
SECTION 3.08. Subsidiaries	67
SECTION 3.09. Litigation; Compliance with Laws	67
SECTION 3.10. Agreements	68
SECTION 3.11. Federal Reserve Regulations	68
SECTION 3.12. Investment Company Act	69
SECTION 3.13. Use of Proceeds	69
SECTION 3.14. Tax Returns	69
SECTION 3.15. No Material Misstatements	69
SECTION 3.16. Employee Benefit Plans	69
SECTION 3.17. Environmental Matters	70
SECTION 3.18. Insurance	70
SECTION 3.19. Security Documents	70
SECTION 3.20. Location of Real Property and Leased Premises	71
SECTION 3.21. Labor Matters	71
SECTION 3.22. Solvency	71
SECTION 3.23. Transaction Documents	72
SECTION 3.24. Sanctioned Persons	72
 ARTICLE IV 	
Conditions of Lending	
SECTION 4.01. All Credit Events	72
SECTION 4.02. First Credit Event	73
 ARTICLE V 	
Affirmative Covenants	
SECTION 5.01. Existence; Compliance with Laws; Businesses and Properties	76
SECTION 5.02. Insurance	77
SECTION 5.03. Obligations and Taxes	77
SECTION 5.04. Financial Statements, Reports, etc.	78
SECTION 5.05. Litigation and Other Notices	79
SECTION 5.06. Information Regarding Collateral	80

Table of Contents
(continued)

	<u>Page</u>
SECTION 5.07. Maintaining Records; Access to Properties and Inspections; Maintenance of Ratings	80
SECTION 5.08. Use of Proceeds	80
SECTION 5.09. Employee Benefits	80
SECTION 5.10. Compliance with Environmental Laws	81
SECTION 5.11. Preparation of Environmental Reports	81
SECTION 5.12. Further Assurances	81
SECTION 5.13. Interest Rate Protection	82
SECTION 5.14. Proceeds of Certain Dispositions	82
SECTION 5.15. Operation of Facilities	83

ARTICLE VI

Negative Covenants

SECTION 6.01. Indebtedness	83
SECTION 6.02. Liens	86
SECTION 6.03. Sale and Lease-Back Transactions	89
SECTION 6.04. Investments, Loans and Advances	89
SECTION 6.05. Mergers, Consolidations, Sales of Assets and Acquisitions	93
SECTION 6.06. Restricted Payments; Restrictive Agreements	94
SECTION 6.07. Transactions with Affiliates	96
SECTION 6.08. Business of Parent, Borrower and Subsidiaries	97
SECTION 6.09. Other Indebtedness	97
SECTION 6.10. Practice Guarantees	97
SECTION 6.11. Capital Expenditures	97
SECTION 6.12. Interest Coverage Ratio	98
SECTION 6.13. Maximum Leverage Ratio	99
SECTION 6.14. Fiscal Year	99

ARTICLE VII

Events of Default

ARTICLE VIII

The Administrative Agent and the Collateral Agent

ARTICLE IX

Miscellaneous

Table of Contents
(continued)

	<u>Page</u>
SECTION 9.01. Notices	105
SECTION 9.02. Survival of Agreement	105
SECTION 9.03. Binding Effect	106
SECTION 9.04. Successors and Assigns	106
SECTION 9.05. Expenses; Indemnity	110
SECTION 9.06. Right of Setoff	112
SECTION 9.07. Applicable Law	112
SECTION 9.08. Waivers; Amendment	112
SECTION 9.09. Certain Releases of Guarantees and Security Interests	113
SECTION 9.10. Interest Rate Limitation	114
SECTION 9.11. Entire Agreement	114
SECTION 9.12. WAIVER OF JURY TRIAL	115
SECTION 9.13. Severability	115
SECTION 9.14. Counterparts	115
SECTION 9.15. Headings	115
SECTION 9.16. Jurisdiction; Consent to Service of Process	115
SECTION 9.17. Confidentiality	116
SECTION 9.18. USA PATRIOT Act Notice	117
SECTION 9.19. Effect of Certain Inaccuracies	117

Table of Contents
(continued)

Page

SCHEDULES

Schedule 1.01(a)	-	Existing Letters of Credit
Schedule 1.01(b)	-	Subsidiary Guarantors
Schedule 1.01(c)	-	Mortgaged Property
Schedule 1.01(d)	-	Hospitals
Schedule 1.01(e)	-	Certain Permitted Joint Ventures
Schedule 1.01(f)	-	Certain Subsidiaries
Schedule 2.01	-	Lenders and Commitments
Schedule 3.08	-	Subsidiaries
Schedule 3.17	-	Environmental Matters
Schedule 3.18	-	Insurance
Schedule 3.19(a)	-	UCC Filing Offices
Schedule 3.19(c)	-	Mortgage Filing Offices
Schedule 3.21	-	Collective Bargaining Agreements
Schedule 4.02(a)	-	Local Counsel
Schedule 6.01	-	Existing Indebtedness
Schedule 6.02	-	Existing Liens
Schedule 6.04(h)	-	Certain Permitted Acquisitions
Schedule 6.05(b)	-	Certain Syndication Transactions
Schedule 6.07	-	Certain Affiliate Transactions

EXHIBITS

Exhibit A	-	Form of Administrative Questionnaire
Exhibit B	-	Form of Assignment and Acceptance
Exhibit C	-	Form of Borrowing Request
Exhibit D	-	Form of Guarantee and Collateral Agreement
Exhibit E	-	Form of Mortgage
Exhibit F-1	-	Form of Opinion of Kirkland & Ellis LLP
Exhibit F-2	-	Form of Opinion of General Counsel of Parent
Exhibit F-3	-	Form of Local Counsel Opinion

CREDIT AGREEMENT dated as of July 25, 2007, among CHS/COMMUNITY HEALTH SYSTEMS, INC., a Delaware corporation (the "**Borrower**"), COMMUNITY HEALTH SYSTEMS, INC., a Delaware corporation ("**Parent**"), the Lenders (as defined in Article I), and CREDIT SUISSE, as administrative agent (in such capacity, the "**Administrative Agent**") and as collateral agent (in such capacity, the "**Collateral Agent**") for the Lenders.

PRELIMINARY STATEMENT

Pursuant to the Merger Agreement (such term and each other capitalized term used but not defined in this preliminary statement having the meaning given it in Article I), Parent will acquire Triad Hospitals, Inc., a Delaware corporation ("**Triad**") through a merger (the "**Merger**") of FWCT-1 Acquisition Corporation, a Delaware corporation and a wholly owned Subsidiary ("**Merger Sub**"), with and into Triad, as a result of which (a) all Equity Interests of Triad issued and outstanding (with certain exceptions as set forth in the Merger Agreement) immediately prior to the Effective Time (as defined in the Merger Agreement) will be automatically converted at the Effective Time into the right to receive the Merger Consideration (as defined in the Merger Agreement), in an aggregate amount of approximately \$4,959,000,000, and (b) Triad will survive as a wholly owned Subsidiary.

In connection with the Merger, the Borrower has requested that (a) the Funded Term Loan Lenders make Funded Term Loans on the Closing Date, in an aggregate principal amount not in excess of \$6,065,000,000, (b) the Delayed Draw Term Loan Lenders make Delayed Draw Term Loans on one or more occasions during the period commencing on the Closing Date and ending on the Delayed Draw Commitment Termination Date, in an aggregate principal amount not in excess of \$400,000,000, and (c) the Revolving Credit Lenders make Revolving Loans at any time and from time to time prior to the Revolving Credit Maturity Date, in an aggregate principal amount at any time outstanding not in excess of \$750,000,000. The Borrower has requested the Swingline Lender to extend credit, at any time and from time to time prior to the Revolving Credit Maturity Date, in the form of Swingline Loans, in an aggregate principal amount at any time outstanding not in excess of \$50,000,000. The Borrower has requested the Issuing Bank to issue Letters of Credit, in an aggregate face amount at any time outstanding not in excess of \$200,000,000, for general corporate purposes of the Borrower and the Subsidiaries. The proceeds of the Funded Term Loans are to be used solely to pay a portion of the Merger Consideration, to repay or otherwise satisfy and discharge the Existing Indebtedness, and to pay related fees and expenses. The proceeds of the Delayed Draw Term Loans, the Revolving Loans and the Swingline Loans are to be used by the Borrower and the Subsidiaries from time to time for working capital and other general corporate purposes, including permitted investments and Capital Expenditures and to repay Indebtedness.

The Lenders are willing to extend such credit to the Borrower, and the Issuing Bank is willing to issue Letters of Credit for the account of the Borrower, in each case on

the terms and subject to the conditions set forth herein. Accordingly, the parties hereto agree as follows:

ARTICLE I

Definitions

SECTION 1.01. **Defined Terms.** As used in this Agreement, the following terms shall have the meanings specified below:

“**ABR**”, when used in reference to any Loan or Borrowing, refers to whether such Loan, or the Loans comprising such Borrowing, are bearing interest at a rate determined by reference to the Alternate Base Rate.

“**Adjusted LIBO Rate**” shall mean, with respect to any Eurodollar Borrowing for any Interest Period, an interest rate per annum equal to the product of (a) the LIBO Rate in effect for such Interest Period and (b) Statutory Reserves.

“**Administrative Agent Fees**” shall have the meaning assigned to such term in Section 2.05(b).

“**Administrative Questionnaire**” shall mean an Administrative Questionnaire in the form of Exhibit A, or such other form as may be supplied from time to time by the Administrative Agent.

“**Affiliate**” shall mean, when used with respect to a specified person, another person that directly, or indirectly through one or more intermediaries, Controls or is Controlled by or is under common Control with the person specified; *provided, however*, that, for purposes of Section 6.07, the term “Affiliate” shall also include any person that directly or indirectly owns 10% or more of any class of Equity Interests of the person specified.

“**Aggregate Revolving Credit Exposure**” shall mean the aggregate amount of the Lenders’ Revolving Credit Exposures.

“**Alternate Base Rate**” shall mean, for any day, a rate per annum equal to the greater of (a) the Prime Rate in effect on such day and (b) the Federal Funds Effective Rate in effect on such day plus 1/2 of 1%. If the Administrative Agent shall have determined (which determination shall be conclusive absent manifest error) that it is unable to ascertain the Federal Funds Effective Rate for any reason, including the inability or failure of the Administrative Agent to obtain sufficient quotations in accordance with the terms of the definition thereof, the Alternate Base Rate shall be determined without regard to clause (b) of the preceding sentence until the circumstances giving rise to such inability no longer exist. Any change in the Alternate Base Rate due to a change in the Prime Rate or the Federal Funds Effective Rate shall be effective on the effective date of such change in the Prime Rate or the Federal Funds Effective Rate, as the case may be.

“**Applicable Percentage**” shall mean, for any day (a) with respect to any Eurodollar Term Loan, 2.25% per annum, (b) with respect to any ABR Term Loan, 1.25% per annum, and (c) (i) with respect to any Eurodollar Revolving Loan or ABR Revolving Loan, the applicable percentage set forth below under the caption “Eurodollar Spread—Revolving Loans” or “ABR Spread—Revolving Loans”, as the case may be, and (ii) with respect to the Revolving Credit Commitment Fee, the applicable rate set forth below under the caption “Revolving Credit Commitment Fee Rate”, in each case based upon the Leverage Ratio as of the relevant date of determination:

Leverage Ratio	Eurodollar Spread— Revolving Loans	ABR Spread— Revolving Loans	Revolving Credit Commitment Fee Rate
Category 1 <i>Greater than or equal to 4.5 to 1.00</i>	2.25%	1.25%	0.50%
Category 2 <i>Less than 4.5 to 1.00 and greater than or equal to 3.5 to 1.00</i>	2.00%	1.00%	0.50%
Category 3 <i>Less than 3.5 to 1.00</i>	1.75%	0.75%	0.375%

Each change in the Applicable Percentage resulting from a change in the Leverage Ratio shall be effective with respect to all Loans and Letters of Credit outstanding on and after the date of delivery to the Administrative Agent of the financial statements and certificates required by Section 5.04(a) or (b) and Section 5.04(c), respectively, indicating such change until the date immediately preceding the next date of delivery of such financial statements and certificates indicating another such change. Notwithstanding the foregoing, the Leverage Ratio shall be deemed to be in Category 1 for purposes of determining the Applicable Percentage until the date that is six months from the Closing Date (at which time, subject to the immediately succeeding sentence, the Leverage Ratio shall be determined on the basis of the financial statements and certificates most recently delivered pursuant to Section 5.04(a) or (b) and Section 5.04(c), respectively, prior to such date, and the Applicable Percentage resulting from such Leverage Ratio shall be

effective until any such change is required pursuant to the immediately preceding sentence). In addition, (a) at any time during which the Borrower has failed to deliver the financial statements and certificates required by Section 5.04(a) or (b) and Section 5.04(c), respectively (until the time of the delivery thereof), or (b) at any time after the occurrence and during the continuance of an Event of Default, the Leverage Ratio shall be deemed to be in Category 1 for purposes of determining the Applicable Percentage.

“**Applicable Term Commitment Fee Rate**” shall mean, for any day (a) from and including the Closing Date to but excluding the six-month anniversary of the Closing Date, 0.50% per annum, (b) from and including the six-month anniversary of the Closing Date to but excluding the nine-month anniversary of the Closing Date, 0.75% per annum, and (c) thereafter, 1.00% per annum.

“**Arrangers**” shall mean Credit Suisse Securities (USA) LLC and Wachovia Capital Markets LLC.

“**Asset Sale**” shall mean the sale, transfer or other disposition (by way of merger, casualty, condemnation or otherwise) by Parent, the Borrower or any of the Subsidiaries to any person other than the Borrower or any Subsidiary Guarantor of (a) any Equity Interests of any of the Subsidiaries (other than directors’ qualifying shares) or (b) any other assets of Parent, the Borrower or any of the Subsidiaries, other than:

(i) inventory, damaged, obsolete or worn out assets, scrap, surplus and Permitted Investments, in each case disposed of in the ordinary course of business;

(ii) donations of assets by the Borrower or any Subsidiary (whether of real or personal property (including cash)) to state or local municipalities (or other Governmental Authorities), nonprofit organizations, foundations, charities or similar entities of the Borrower’s or such Subsidiary’s choice, with an aggregate fair market value not to exceed \$30,000,000 in any fiscal year of Parent;

(iii) dispositions by any Subsidiary that is not a Subsidiary Guarantor to the Borrower or any other Subsidiary;

(iv) sales or other dispositions of (x) Receivables of the Borrower or any of the Subsidiaries that are more than 180 days past due or are written-off at the time of such sale or disposition or (y) any Receivables of the Borrower or any of the Subsidiaries that are self-pay accounts receivable and that are reasonably determined by the Borrower to be unable to be paid in full within 150 days of the related service date, *provided* that the face value of all such Receivables sold or disposed of on or after the Closing Date does not exceed \$200,000,000;

(v) sales or other dispositions of property (including like-kind exchanges) to the extent that (x) such property is exchanged for credit against the purchase price of similar replacement property or (y) the proceeds of such sale or disposition are applied to the purchase price of such replacement property, in each case under Section 1031 of the Code or otherwise, *provided* that, if the property so sold or exchanged constituted Collateral, then the property so received shall also constitute Collateral;

(vi) leases or sub-leases of any real property or personal property in the ordinary course of business;

(vii) dispositions of investments in joint ventures to the extent required by, or made pursuant to, customary buy/sell arrangements between the joint venture parties set forth in the joint venture arrangements and similar binding arrangements;

(viii) licensings and sublicensings of intellectual property of the Borrower or any Subsidiary in the ordinary course of business;

(ix) sales, transfers, leases or other dispositions of property in the ordinary course of business consisting of the abandonment of intellectual property rights which, in the reasonable good faith determination of the Borrower, are not material to the conduct of the business of Parent, the Borrower and the Subsidiaries; and

(x) any sale, transfer or other disposition or series of related sales, transfers or other dispositions having a value not in excess of \$5,000,000.

“Assignment and Acceptance” shall mean an assignment and acceptance entered into by a Lender and an assignee, and accepted by the Administrative Agent, in the form of Exhibit B or such other form as shall be approved by the Administrative Agent.

“Board” shall mean the Board of Governors of the Federal Reserve System of the United States of America.

“Borrowing” shall mean (a) Loans of the same Class and Type made, converted or continued on the same date and, in the case of Eurodollar Loans, as to which a single Interest Period is in effect, or (b) a Swingline Loan.

“Borrowing Request” shall mean a request by the Borrower in accordance with the terms of Section 2.03 and substantially in the form of Exhibit C, or such other form as shall be approved by the Administrative Agent.

“Business Day” shall mean any day other than a Saturday, Sunday or day on which banks in New York City are authorized or required by law to close; *provided, however*, that when used in connection with a Eurodollar Loan, the term **“Business Day”** shall also exclude any day on which banks are not open for dealings in dollar deposits in the London interbank market.

“CapEx Pull-Forward Amount” shall have the meaning assigned to such term in Section 6.11.

“Capital Expenditures” shall mean, for any period, the additions to property, plant and equipment and other capital expenditures of Parent, the Borrower and its consolidated subsidiaries (including all amounts expended or capitalized under Capital Lease Obligations, but excluding any amount representing capitalized interest) that are (or should be) set forth in a consolidated statement of cash flows of Parent for such period prepared in accordance with GAAP, but excluding in each case any such

expenditure (i) made with insurance proceeds, condemnation awards or damage recovery proceeds, (ii) made with the proceeds of the issuance of Equity Interests, (iii) to the extent such expenditure is made with proceeds that would have constituted Net Cash Proceeds under clause (a) of the definition of the term "Net Cash Proceeds" (but for the application of the second proviso to such clause (a)), (iv) to the extent of the credit against the gross purchase price of newly acquired equipment granted by the seller of such newly acquired equipment for other equipment that is simultaneously traded-in at the time of purchase of such newly acquired equipment, (v) is accounted for as a capital expenditure pursuant to GAAP but that actually is paid for by a third party (excluding Parent, the Borrower or any Subsidiary) and for which none of Parent, the Borrower or any Subsidiary has provided or is required to provide or incur, directly or indirectly, any consideration or obligation to such third party or any other person (whether before, during or after such period) or (vi) constituting the purchase price of any Permitted Acquisition or any investment permitted under Sections 6.04(a), 6.04(i), 6.04(j), 6.04(k) or 6.04(v).

"Capital Lease Obligations" of any person shall mean the obligations of such person to pay rent or other amounts under any lease of (or other arrangement conveying the right to use) real or personal property, or a combination thereof, which obligations are required to be classified and accounted for as capital leases on a balance sheet of such person under GAAP, and the amount of such obligations shall be the capitalized amount thereof determined in accordance with GAAP.

"Captive Insurance Subsidiary" shall mean a Subsidiary established for the purpose of insuring the healthcare businesses or Facilities owned or operated by the Borrower or any of the Subsidiaries, any joint venture of the Borrower or any of the Subsidiaries or any physician or other personnel employed by or on the medical staff of any such business or Facility.

"Cash Management Obligations" shall mean the obligations owed by Parent, the Borrower or any Subsidiary to the Administrative Agent, an Arranger, any Lender or an Affiliate of any of the foregoing in respect of any overdraft protections, netting services and similar arrangements arising from treasury, depository and cash management services, any automated clearing house transfers of funds or any credit card or similar services, in each case in the ordinary course of business.

A **"Change in Control"** shall be deemed to have occurred if (a) any "person" or "group" (within the meaning of Rule 13d-5 of the Securities Exchange Act of 1934 as in effect on the date hereof), shall own, directly or indirectly, beneficially or of record, shares representing more than 40% of the aggregate ordinary voting power represented by the issued and outstanding capital stock of Parent, (b) a majority of the seats (other than vacant seats) on the board of directors of Parent shall at any time be occupied by persons who were neither (i) nominated by the board of directors of Parent nor (ii) appointed by directors so nominated, (c) any change in control (or similar event, however denominated) with respect to Parent, the Borrower or any Subsidiary shall occur under and as defined in any indenture or agreement in respect of Material Indebtedness to which Parent, the Borrower or any Subsidiary is a party, or (d) Parent shall cease to

directly own, beneficially and of record, 100% of the issued and outstanding Equity Interests of the Borrower.

“Change in Law” shall mean (a) the adoption of any law, rule or regulation after the date of this Agreement, (b) any change in any law, rule or regulation or in the interpretation or application thereof by any Governmental Authority after the date of this Agreement or (c) compliance by any Lender or the Issuing Bank (or, for purposes of Section 2.14, by any lending office of such Lender or by such Lender’s or Issuing Bank’s holding company, if any) with any policy, guideline or directive (whether or not having the force of law) of any Governmental Authority made or issued after the date of this Agreement.

“Class”, when used in reference to any Loan or Borrowing, refers to whether such Loan, or the Loans comprising such Borrowing, are Revolving Loans, Funded Term Loans, Delayed Draw Term Loans, Other Term Loans or Swingline Loans and, when used in reference to any Commitment, refers to whether such Commitment is a Revolving Credit Commitment, Funded Term Loan Commitment, Delayed Draw Term Loan Commitment, Incremental Term Loan Commitment or Swingline Commitment.

“Closing Date” shall mean July 25, 2007.

“Code” shall mean the Internal Revenue Code of 1986, as amended from time to time.

“Collateral” shall mean all the “Collateral” as defined in any Security Document and shall also include the Mortgaged Properties.

“Commitment” shall mean, with respect to any Lender, such Lender’s Revolving Credit Commitment, Funded Term Loan Commitment, Delayed Draw Term Loan Commitment, Incremental Term Loan Commitment and Swingline Commitment.

“Commitment Fees” shall mean the Revolving Credit Commitment Fees and the Term Commitment Fees.

“Confidential Information Memorandum” shall mean the Confidential Information Memorandum of the Borrower dated June 2007.

“Consent Solicitations” shall mean the Parent Consent Solicitation and the Triad Consent Solicitations.

“Consolidated EBITDA” shall mean, for any period, Consolidated Net Income for such period plus (a) without duplication and (except in the case of clause (a)(x) below) to the extent deducted in determining such Consolidated Net Income, the sum of

(i) interest expense (net of interest income), including amortization and write offs of debt discount and debt issuance costs and commissions, discounts and other fees and charges associated with (x) letters of credit, (y) obtaining or unwinding Hedging Agreements or (z) surety bonds for financing activities, in each case for such period,

(ii) provision for taxes based on income, profits or capital and franchise taxes, including Federal, foreign, state, franchise, excise and similar taxes and foreign withholding taxes paid or accrued during such period, including any penalties and interest relating to any tax examinations for such period,

(iii) depreciation and amortization expenses including acceleration thereof and including the amortization of the increase in inventory resulting from the application of Statement of Financial Accounting Standards No. 141 ("FASB 141") for transactions contemplated hereby, including Permitted Acquisitions, for such period,

(iv) non-cash compensation expenses arising from the sale of Equity Interests, the granting of options to purchase Equity Interests, the granting of appreciation rights in respect of Equity Interests and similar arrangements for such period,

(v) the excess of the expense in respect of post-retirement benefits and post-employment benefits accrued under Statement of Financial Accounting Standards No. 106 ("FASB 106") and Statement of Financial Accounting Standards No. 112 ("FASB 112") over the cash expense in respect of such post-retirement benefits and post-employment benefits for such period,

(vi) minority interest (to the extent distributions are not required to be made and are not made in respect thereof),

(vii) upfront fees or charges arising from any Permitted Receivables Transaction for such period, and any other amounts for such period comparable to or in the nature of interest under any Permitted Receivables Transaction, and losses on dispositions of Receivables and related assets in connection with any Permitted Receivables Transaction for such period,

(viii) fees and expenses for such period incurred or paid in connection with the Transactions,

(ix) to the extent covered by insurance and actually reimbursed, or, so long as the Borrower has made a determination that such amount is reasonably likely to be reimbursed by the insurer and only to the extent that such amount is (A) not denied by the applicable carrier in writing within 180 days and (B) in fact reimbursed within 365 days of the date of the relevant event (with a deduction for any amount so added back to the extent not so reimbursed within such 365 days), expenses with respect to liability or casualty events,

(x) proceeds of received business interruption insurance,

(xi) any fees and expenses incurred during such period in connection with any acquisition, investment, recapitalization, asset disposition, issuance or repayment of debt, issuance of Equity Interests, refinancing transaction or amendment or other modification of any debt instrument (in each case, including any such transaction consummated prior to the Closing Date and any such transaction undertaken but not completed),

(xii) any (w) severance costs, relocation costs, integration and Facilities opening costs, signing costs, retention or completion bonuses and transition costs incurred during such period, (x) cash restructuring related or nonrecurring cash merger costs and expenses incurred during such period as a result of any acquisition, investment, recapitalization, or asset disposition permitted hereunder, (y) other nonrecurring cash losses and charges for such period and (z) cash payments made during such period in respect of litigation that was pending against the Borrower, Triad or any of their subsidiaries or other obligations (contingent or otherwise) of the Borrower, Triad or any of their subsidiaries, in each case prior to the Closing Date and for which a liability would not be, in accordance with GAAP, recognized on Parent's consolidated balance sheet as of the date hereof, in each case to the extent that the aggregate amount of all such costs, expenses and payments added to Consolidated Net Income pursuant to this clause (a)(xii), together with all cash payments made during such period and referred to in clause (b)(ii) below, does not exceed 10.0% of Consolidated EBITDA for such period,

(xiii) any loss for such period attributable to the early extinguishment of Indebtedness, and

(xiv) other non-cash charges for such period (other than the write-down of current assets during any period commencing on or after July 1, 2008), and minus

(b) without duplication, (i) non-recurring gains and (ii) to the extent the amount thereof, when combined with the aggregate amount of all costs, expenses and payments added to Consolidated Net Income during such period pursuant to clause (a)(xii) above exceeds 10.0% of Consolidated EBITDA for such period, all cash payments made during such period on account of reserves, restructuring charges and other non-cash charges added to Consolidated Net Income pursuant to clause (a)(xiv) above in a previous period.

For purposes of determining the Interest Coverage Ratio and the Leverage Ratio as of or for the periods ended on September 30, 2007, December 31, 2007 and March 31, 2008, Consolidated EBITDA will be deemed to be equal to (i) for the fiscal quarter ended December 31, 2006, \$366,000,000, (ii) for the fiscal quarter ended March 31, 2007, \$355,000,000, and (iii) for the fiscal quarter ended June 30, 2007, \$372,000,000. In addition, for each fiscal quarter ended after the Closing Date and on or prior to June 30, 2008, the Consolidated EBITDA of Parent shall be increased by the applicable Initial Pro Forma Adjustment (without duplication of the actual pro forma cost savings and synergies achieved during such fiscal quarter).

"Consolidated Interest Expense" shall mean, for any period, the sum of (a) the interest expense paid in cash (including imputed interest expense in respect of Capital Lease Obligations and Synthetic Lease Obligations) of Parent, the Borrower and the Subsidiaries for such period, net of interest income, determined on a consolidated basis in accordance with GAAP and (b) the dividends paid in cash during such period by Parent, the Borrower and the Subsidiaries on a consolidated basis in respect of Disqualified Stock, but excluding, however, to the extent otherwise included therein, (i) fees and expenses associated with the consummation of the Transactions, (ii) annual agency fees paid to the Administrative Agent, (iii) costs associated with obtaining or unwinding any

Hedging Agreements, (iv) fees and expenses associated with any investment permitted pursuant to Section 6.04, issuances of Equity Interests or Indebtedness (whether or not consummated) or amendments of any Indebtedness, (v) penalties and interest relating to Taxes and (vi) all non-recurring cash interest expense consisting of liquidated damages for failure to timely comply with registration rights obligations and financing fees. For purposes of the foregoing, interest expense shall be determined after giving effect to any net payments made or received by Parent, the Borrower or any Subsidiary with respect to interest rate Hedging Agreements. For purposes of determining the Interest Coverage Ratio for the period of four consecutive quarters ended September 30, 2007, December 31, 2007 and March 31, 2008, Consolidated Interest Expense shall be deemed to be equal to (x) the Consolidated Interest Expense for the fiscal quarter ended September 30, 2007, multiplied by 4, (y) the Consolidated Interest Expense for the two consecutive fiscal quarters ended December 31, 2007, multiplied by 2 and (z) the Consolidated Interest Expense for the three consecutive fiscal quarters ended March 31, 2008, multiplied by 4/3, respectively.

"Consolidated Net Income" shall mean, for any period, the net income or loss (i) excluding extraordinary gains and losses, and gains and losses arising from the proposed or actual disposition of material assets and (ii) excluding the cumulative effect of changes in accounting principles) of Parent, the Borrower and the Subsidiaries for such period determined on a consolidated basis in accordance with GAAP; *provided* that there shall be excluded the income of any Subsidiary to the extent that the declaration or payment of dividends or similar distributions by the Subsidiary of that income is not at the time permitted by operation of the terms of its charter or any agreement, instrument, judgment, decree, statute, rule or governmental regulation applicable to such Subsidiary. Notwithstanding the foregoing, the amount of any cash dividends paid by any Unrestricted Subsidiary and received by Parent, the Borrower or the Subsidiaries during any such period shall be included, without duplication, in the calculation of Consolidated Net Income for such period. There shall be excluded from Consolidated Net Income for any period (i) gains and losses, including unrealized gains and losses, for such period attributable to (w) discontinued operations, (x) Facilities to be closed within one year of the date of recognition of such gain or loss, (y) obtaining or unwinding Hedging Agreements and (z) except as provided above, interests in Unrestricted Subsidiaries, and (ii) the effects of purchase accounting adjustments to inventory, property, equipment and intangible assets and deferred revenue in component amounts required or permitted by GAAP, as a result of the Transactions, any Permitted Acquisition or acquisition consummated before the Closing Date, or the amortization or write-off of any amounts thereof.

"Contractual Obligation" shall mean, as to any person, any provision of any security issued by such person or of any agreement, instrument or undertaking to which such person is a party or by which it or any of the property owned by it is bound.

"Control" shall mean the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of a person, whether through the ownership of voting securities, by contract or otherwise, and the terms **"Controlling"** and **"Controlled"** shall have meanings correlative thereto.

“Credit Event” shall have the meaning assigned to such term in Section 4.01.

“Credit Facilities” shall mean the revolving credit, swingline, letter of credit and term loan facilities provided for by this Agreement.

“Current Assets” shall mean, at any time, the consolidated current assets (other than cash and cash equivalents, current and deferred tax assets and Permitted Investments) of Parent, the Borrower and the Subsidiaries.

“Current Liabilities” shall mean, at any time, the consolidated current liabilities of Parent, the Borrower and the Subsidiaries at such time, but excluding, without duplication, (a) the current portion of any long-term Indebtedness, (b) current accrued and deferred income taxes and accrued interest and (c) outstanding Revolving Loans and Swingline Loans.

“Debt Tender Offers” shall mean the Parent Debt Tender Offer and the Triad Debt Tender Offers.

“Default” shall mean any event or condition which upon notice, lapse of time or both would constitute an Event of Default.

“Defaulting Lender” shall mean any Revolving Credit Lender that has (a) defaulted in its obligation to make a Revolving Loan or to fund its participation in a Letter of Credit or Swingline Loan required to be made or funded by it hereunder, (b) notified the Administrative Agent or a Loan Party in writing that it does not intend to satisfy any such obligation or (c) become insolvent or the assets or management of which has been taken over by any Governmental Authority.

“Delayed Draw Commitment Termination Date” shall mean January 23, 2009.

“Delayed Draw Term Loan Commitment” shall mean, with respect to each Lender, the commitment of such Lender to make Delayed Draw Term Loans hereunder as set forth on Schedule 2.01, or in the Assignment and Acceptance pursuant to which such Lender assumed its Delayed Draw Term Loan Commitment, as applicable, as the same may be (a) reduced from time to time pursuant to Section 2.09 and (b) reduced or increased from time to time pursuant to assignments by or to such Lender pursuant to Section 9.04.

“Delayed Draw Term Loan Lender” shall mean a Lender with a Delayed Draw Term Loan Commitment or an outstanding Delayed Draw Term Loan.

“Delayed Draw Term Loan Repayment Date” shall have the meaning assigned to such term in Section 2.11(a)(ii).

“Delayed Draw Term Loans” shall mean the terms loans made by the Lenders to the Borrower pursuant to Section 2.01(a)(ii).

“Disqualified Stock” shall mean any Equity Interest that, by its terms (or by the terms of any security into which it is convertible or for which it is exchangeable), or upon the happening of any event, (a) matures (excluding any maturity as the result of an optional redemption by the issuer thereof) or is mandatorily redeemable, pursuant to a sinking fund obligation or otherwise (except (i) as a result of a change of control or asset sale so long as any rights of the holders thereof upon the occurrence of a change of control or asset sale shall be subject to the prior repayment in full of the Loans and all other Obligations that are accrued and payable and the termination of the Commitments or (ii) pursuant to any put option with respect to any Equity Interests of a Permitted Syndication Subsidiary granted in favor of any Permitted Syndication Transaction Partner), or is redeemable at the option of the holder thereof, in whole or in part, or requires the payment of any cash dividend or any other scheduled payment constituting a return of capital in cash (other than, in the case of Equity Interests of a Subsidiary issued to a Permitted Syndication Transaction Partner or held by a Subsidiary Guarantor, periodic distributions of available cash (determined in good faith by the Borrower)), in each case at any time on or prior to the first anniversary of the Term Loan Maturity Date, or (b) is convertible into or exchangeable (unless at the sole option of the issuer thereof) for (i) Indebtedness or (ii) any Equity Interest referred to in clause (a) above, in each case at any time prior to the first anniversary of the Term Loan Maturity Date.

“dollars” or **“\$”** shall mean lawful money of the United States of America.

“Domestic Subsidiaries” shall mean all Subsidiaries incorporated or organized under the laws of the United States of America, any State thereof or the District of Columbia.

“Eligible Assignee” shall mean any commercial bank, insurance company, investment or mutual fund or other entity (but not any natural person) that is an “accredited investor” (as defined in Regulation D under the Securities Act of 1933, as amended) that extends credit or invests in bank loans as one of its businesses; *provided* that neither the Borrower nor any of its Affiliates shall be an Eligible Assignee.

“Environmental Laws” shall mean all former, current and future Federal, state, local and foreign laws (including common law), treaties, regulations, rules, ordinances, codes, decrees, judgments, directives, orders (including consent orders), and legally binding agreements in each case, relating to protection of the environment, natural resources, occupational health and safety or Hazardous Materials.

“Environmental Liability” shall mean all liabilities, obligations, damages, losses, claims, actions, suits, judgments, orders, fines, penalties, fees, expenses and costs (including administrative oversight costs, natural resource damages and remediation costs), whether contingent or otherwise, arising out of or relating to (a) compliance or non-compliance with any Environmental Law, (b) the generation, use, handling, transportation, storage, treatment, recycling, arrangement for disposal, or disposal of any Hazardous Materials, (c) exposure to any Hazardous Materials, (d) the presence or Release of any Hazardous Materials or (e) any contract, agreement or other consensual

arrangement pursuant to which liability is assumed or imposed with respect to any of the foregoing.

“Equity Interests” shall mean shares of capital stock, partnership interests, membership interests in a limited liability company, beneficial interests in a trust or other equity interests in any person, and any option, warrant or other right entitling the holder thereof to purchase or otherwise acquire any such equity interest.

“ERISA” shall mean the Employee Retirement Income Security Act of 1974, as the same may be amended from time to time.

“ERISA Affiliate” shall mean any trade or business (whether or not incorporated) that, together with the Borrower, is treated as a single employer under Section 414(b) or (c) of the Code, or, solely for purposes of Section 302 of ERISA and Section 412 of the Code, is treated as a single employer under Section 414 of the Code.

“ERISA Event” shall mean (a) any “reportable event”, as defined in Section 4043 of ERISA or the regulations issued thereunder, with respect to a Plan (other than an event for which the 30-day notice period is waived), (b) prior to the effectiveness of the applicable provisions of the Pension Act, the existence with respect to any Plan of an “accumulated funding deficiency” (as defined in Section 412 of the Code or Section 302 of ERISA) or, on and after the effectiveness of the applicable provisions of the Pension Act, any failure by any Plan to satisfy the minimum funding standard (within the meaning of Section 412 of the Code or Section 302 of ERISA) applicable to such Plan, in each case whether or not waived, (c) the filing pursuant to prior to the effectiveness of the applicable provisions of the Pension Act, Section 412(d) of the Code or Section 303(d) of ERISA or, on and after the effectiveness of the applicable provisions of the Pension Act, Section 412(c) of the Code or Section 302(c) of ERISA, of an application for a waiver of the minimum funding standard with respect to any Plan, (d) on and after the effectiveness of the applicable provisions of the Pension Act, a determination that any Plan is, or is expected to be, in “at-risk” status (as defined in Section 303(i)(4) of ERISA or Section 430(i)(4) of the Code), (e) the incurrence by Parent or any of its ERISA Affiliates of any liability under Title IV of ERISA with respect to the termination of any Plan or the withdrawal or partial withdrawal of the Borrower or any of its ERISA Affiliates from any Plan or Multiemployer Plan, (f) the receipt by Parent or any of its ERISA Affiliates from the PBGC or a plan administrator of any notice relating to the intention to terminate any Plan or Plans or to appoint a trustee to administer any Plan, (g) prior to the effectiveness of the applicable provisions of the Pension Act, the adoption of any amendment to a Plan that would require the provision of security pursuant to Section 401(a)(29) of the Code or Section 307 of ERISA, (h) the receipt by Parent or any of its ERISA Affiliates of any notice, or the receipt by any Multiemployer Plan from Parent or any of its ERISA Affiliates of any notice, concerning the imposition of Withdrawal Liability or a determination that a Multiemployer Plan is, or is expected to be, insolvent or in reorganization, within the meaning of Title IV of ERISA or, on and after the effectiveness of the applicable provisions of the Pension Act, in endangered or critical status, within the meaning of Section 305 of ERISA, (i) the occurrence of a “prohibited transaction” with respect to which the Borrower or any of the Subsidiaries is a

“disqualified person” (within the meaning of Section 4975 of the Code) or with respect to which the Borrower or any such Subsidiary could otherwise be liable or (j) any other event or condition with respect to a Plan or Multiemployer Plan that could result in liability of the Borrower or any Subsidiary.

“Eurodollar”, when used in reference to any Loan or Borrowing, refers to whether such Loan, or the Loans comprising such Borrowing, are bearing interest at a rate determined by reference to the Adjusted LIBO Rate.

“Event of Default” shall have the meaning assigned to such term in Article VII.

“Excess Cash Flow” shall mean, for any fiscal year of Parent, the excess of (a) the sum, without duplication, of (i) Consolidated Net Income for such fiscal year, (ii) an amount equal to the amount of all non-cash charges or losses to the extent deducted in arriving at such Consolidated Net Income, (iii) an amount equal to the provision for Taxes based on income, profits or capital of Parent, the Borrower and the Subsidiaries, including Federal, foreign, state, franchise, excise and similar taxes and foreign withholding taxes paid or accrued during such period to the extent deducted in arriving at such Consolidated Net Income, (iv) the proceeds of business interruption insurance received by Parent, the Borrower and the Subsidiaries during such fiscal year to the extent not otherwise included in such Consolidated Net Income, and (v) reductions to noncash working capital of Parent, the Borrower and the Subsidiaries for such fiscal year (i.e., the decrease, if any, in Current Assets minus Current Liabilities from the beginning to the end of such fiscal year, excluding decreases resulting from any Permitted Acquisition or disposition occurring during such fiscal year) over (b) the sum, without duplication, of (i) the amount of any Taxes (including penalties and interest) payable in cash by Parent, the Borrower and the Subsidiaries with respect to such fiscal year, (ii) Capital Expenditures made in cash during such fiscal year, except to the extent financed with the proceeds of Indebtedness, equity issuances, casualty proceeds or condemnation proceeds to the extent such proceeds would not be included in Consolidated Net Income, (iii) permanent repayments of Indebtedness (other than mandatory prepayments of Loans under Section 2.13 and Voluntary Prepayments) made in cash by Parent, the Borrower and the Subsidiaries during such fiscal year, but only to the extent that the Indebtedness so prepaid by its terms cannot be reborrowed or redrawn and such prepayments do not occur in connection with a refinancing of all or any portion of such Indebtedness, (iv) payments by Parent, the Borrower and the Subsidiaries during such fiscal year in respect of long-term liabilities of Parent, the Borrower and the Subsidiaries other than Indebtedness, (v) the aggregate amount of cash consideration paid by Parent, the Borrower and the Subsidiaries (on a consolidated basis) in connection with Permitted Acquisitions or other investments permitted pursuant to Section 6.04 (other than Section 6.04(b)), except to the extent any such Permitted Acquisition or investment is financed with the proceeds of Indebtedness or equity issuances, to the extent such proceeds would not be included in Consolidated Net Income, (vi) the aggregate amount of any premium, make-whole or penalty payments actually paid in cash by Parent, the Borrower or the Subsidiaries during such period that are required to be made in connection with any prepayment of Indebtedness to the extent not deducted in determining Consolidated Net Income for such fiscal year, (vii) cash expenditures in

respect of Hedging Agreements to the extent not deducted in determining Consolidated Net Income for such fiscal year, (viii) additions to noncash working capital for such fiscal year (*i.e.*, the increase, if any, in Current Assets minus Current Liabilities from the beginning to the end of such fiscal year, excluding increases resulting from any Permitted Acquisition or disposition occurring during such fiscal year), and (ix) an amount equal to the amount of all non-cash credits or gains to the extent included in arriving at such Consolidated Net Income and cash charges described in clauses (i) (x) through (y) of the third sentence of the definition of Consolidated Net Income and included in arriving at such Consolidated Net Income; *provided* that in no event shall the calculation of Excess Cash Flow include any insurance proceeds (other than business interruption insurance) or proceeds of any condemnation, taking or similar occurrence.

“Excluded Taxes” shall mean, with respect to the Administrative Agent, any Lender, the Issuing Bank or any other recipient of any payment to be made by or on account of any obligation of the Borrower hereunder, (a) income or franchise taxes imposed on (or measured by) its net income by the United States of America, or by the jurisdiction under the laws of which such recipient is organized or in which its principal office is located or, in the case of any Lender, in which its applicable lending office is located, (b) any branch profits taxes imposed by the United States of America or any similar tax imposed by any other jurisdiction described in clause (a) above and (c) in the case of a Foreign Lender (other than an assignee pursuant to a request by the Borrower under Section 2.21(a)), any withholding tax that is imposed on amounts payable to such Foreign Lender at the time such Foreign Lender becomes a party to this Agreement (or designates a new lending office) or is attributable to such Foreign Lender’s failure to comply with Section 2.20(e), except to the extent that such Foreign Lender (or its assignor, if any) was entitled, at the time of designation of a new lending office (or assignment), to receive additional amounts from the Borrower with respect to such withholding tax pursuant to Section 2.20(a).

“Existing Borrower Credit Agreement” shall mean the Amended and Restated Credit Agreement dated as of August 19, 2004, as amended, supplemented or otherwise modified from time to time, among Parent, the Borrower, the lenders party thereto, and JPMorgan Chase Bank, N.A., as administrative agent.

“Existing Credit Agreements” shall mean the Existing Borrower Credit Agreement and the Existing Triad Credit Agreement.

“Existing Letter of Credit” shall mean each Letter of Credit previously issued for the account of the Borrower or Triad that (a) is outstanding on the Closing Date and (b) is listed on Schedule 1.01(a).

“Existing Indebtedness” shall mean the Existing Credit Agreements and the Existing Notes.

“Existing Notes” shall mean the Existing Parent Notes and the Existing Triad Notes.

“Existing Parent Notes” shall mean Parent’s outstanding 6¹/₂% Senior Subordinated Notes due 2012.

“Existing Triad Credit Agreement” shall mean the Amended and Restated Credit Agreement dated as of June 10, 2005, as amended, supplemented or otherwise modified from time to time, among Triad, certain of its subsidiaries, the lenders party thereto, and Bank of America, N.A., as administrative agent.

“Existing Triad Notes” shall mean Triad’s outstanding 7% Senior Notes due 2012 and 7% Senior Subordinated Notes due 2013.

“Facility” shall mean any Hospital, outpatient clinic, long-term care facility, ambulatory center, nursing home or rehabilitation center and related medical office building or other facility owned or used by the Borrower or any Subsidiary in connection with their respective business.

“Federal Funds Effective Rate” shall mean, for any day, the weighted average of the rates on overnight Federal funds transactions with members of the Federal Reserve System arranged by Federal funds brokers, as published on the next succeeding Business Day by the Federal Reserve Bank of New York, or, if such rate is not so published for any day that is a Business Day, the average of the quotations for the day for such transactions received by the Administrative Agent from three Federal funds brokers of recognized standing selected by it.

“Fee Letter” shall mean the Fee Letter dated March 16, 2007, among Parent, Credit Suisse Securities (USA) LLC, the Administrative Agent, Wachovia Capital Markets LLC, Wachovia Bank, National Association and Wachovia Investment Holdings, LLC.

“Fees” shall mean the Commitment Fees, the Administrative Agent Fees, the L/C Participation Fees and the Issuing Bank Fees.

“Financial Officer” of any person shall mean the chief financial officer, principal accounting officer, treasurer or controller of such person.

“Foreign Lender” shall mean any Lender that is organized under the laws of a jurisdiction other than that in which the Borrower is located. For purposes of this definition, the United States of America, each State thereof and the District of Columbia shall be deemed to constitute a single jurisdiction.

“Foreign Subsidiary” shall mean any Subsidiary that is not a Domestic Subsidiary.

“Fulton Bond Pledge Agreement” shall mean the Bond Pledge Agreement dated August 14, 1992, among Hospital of Fulton, Inc., a Kentucky corporation, the Borrower and First Union National Bank, as amended by a First Amendment to Bond Pledge Agreement dated as of August 24, 1994, a Second Amendment to Bond Pledge Agreement dated May 12, 1995, a Third Amendment to Bond Pledge Agreement dated

July 9, 1996, and a Fourth Amendment to Bond Pledge Agreement dated as of July 16, 2002, with respect to the Fulton Bonds, and as further amended from time to time.

“**Fulton Bonds**” shall mean the \$8,000,000 aggregate principal amount City of Fulton, Kentucky Floating Rate Weekly Demand Revenue Bonds, Series 1985 (United Healthcare of Kentucky, Inc. Project).

“**Fulton Indenture**” shall mean the Trust Indenture dated May 22, 1985, as amended by the First Supplemental Trust Indenture dated August 14, 1992, between the City of Fulton and the Fulton Trustee. For purposes of the Fulton Indenture, this Agreement shall be deemed to be a “Reimbursement Agreement” as therein defined.

“**Fulton Trustee**” shall mean the Third National Bank in Nashville, a national banking association with principal offices in Nashville, Tennessee, and any successor trustee pursuant to the terms of the Fulton Indenture.

“**Funded Term Loan Commitment**” shall mean, with respect to each Lender, the commitment of such Lender to make Funded Term Loans hereunder as set forth on Schedule 2.01, or in the Assignment and Acceptance pursuant to which such Lender assumed its Funded Term Loan Commitment, as applicable, as the same may be (a) reduced from time to time pursuant to Section 2.09 and (b) reduced or increased from time to time pursuant to assignments by or to such Lender pursuant to Section 9.04.

“**Funded Term Loan Lender**” shall mean a Lender with a Funded Term Loan Commitment or an outstanding Funded Term Loan.

“**Funded Term Loan Repayment Date**” shall have the meaning assigned to such term in Section 2.11(a)(i).

“**Funded Term Loans**” shall mean the term loans made by the Lenders to the Borrower pursuant to Section 2.01(a)(i).

“**GAAP**” shall mean United States generally accepted accounting principles.

“**Governmental Authority**” shall mean any Federal, state, local or foreign court or governmental agency, authority, instrumentality or regulatory body.

“**Granting Lender**” shall have the meaning assigned to such term in Section 9.04(i).

“**Guarantee**” of or by any person shall mean any obligation, contingent or otherwise, of such person guaranteeing or having the economic effect of guaranteeing any Indebtedness of any other person (the “**primary obligor**”) in any manner, whether directly or indirectly, and including any obligation of such person, direct or indirect, (a) to purchase or pay (or advance or supply funds for the purchase or payment of) such Indebtedness or to purchase (or to advance or supply funds for the purchase of) any security for the payment of such Indebtedness, (b) to purchase or lease property, securities or services for the purpose of assuring the owner of such Indebtedness of the

payment of such Indebtedness or (c) to maintain working capital, equity capital or any other financial statement condition or liquidity of the primary obligor so as to enable the primary obligor to pay such Indebtedness; *provided, however*, that the term "Guarantee" shall not include (i) endorsements for collection or deposit in the ordinary course of business or (ii) Practice Guarantees. The amount of any Guarantee shall be deemed to be an amount equal to the stated or determinable amount (based on the maximum reasonably anticipated net liability in respect thereof as determined by the Borrower in good faith) of the primary obligation or portion thereof in respect of which such Guarantee is made or, if not stated or determinable, the maximum reasonably anticipated net liability in respect thereof (assuming such person is required to perform thereunder) as determined by the Borrower in good faith.

"Guarantee and Collateral Agreement" shall mean the Guarantee and Collateral Agreement, substantially in the form of Exhibit D, among the Borrower, Parent, the Subsidiaries party thereto and the Collateral Agent for the benefit of the Secured Parties.

"Guarantors" shall mean Parent and the Subsidiary Guarantors.

"Hazardous Materials" shall mean (a) any petroleum products or byproducts and all other hydrocarbons, coal ash, radon gas, asbestos and asbestos-containing materials, urea formaldehyde foam insulation, polychlorinated biphenyls, chlorofluorocarbons and all other ozone-depleting substances, medical, biological and animal wastes and (b) without limitation of the foregoing, any other chemical, material, substance or waste that is prohibited, limited or regulated by or pursuant to any Environmental Law.

"HCA Tax Sharing Agreement" shall mean the Tax Sharing and Indemnification Agreement dated as of May 11, 1999 entered into by and among Columbia/HCA Healthcare Corporation (now known as HCA Inc.), LifePoint Hospitals, Inc., and Triad in connection with the distribution by Columbia/HCA Healthcare Corporation to its shareholders of all of the stock of LifePoint Hospitals, Inc. and Triad.

"Health Care Associates" shall have the meaning assigned to such term in Section 6.04(e).

"Hedging Agreement" shall mean any interest rate protection agreement, foreign currency exchange agreement, commodity price protection agreement or other interest or currency exchange rate or commodity price hedging arrangement.

"Hospital" shall mean each hospital now or hereafter owned, leased or operated by the Borrower or any of the Subsidiaries or in which the Borrower or any of the Subsidiaries owns an equity interest. Set forth on Schedule 1.01(d) is a list of all Hospitals in existence on the Closing Date owned or used by the Borrower and the Subsidiaries.

"Incremental Asset Sale Termination Date" shall mean July 24, 2009.

"Incremental Term Borrowing" shall mean a Borrowing comprised of Incremental Term Loans.

“Incremental Term Lender” shall mean a Lender with an Incremental Term Loan Commitment or an outstanding Incremental Term Loan.

“Incremental Term Loan Amount” shall mean, at any time, the excess, if any, of (a) \$600,000,000 over (b) the aggregate amount of all Incremental Term Loan Commitments established prior to such time pursuant to Section 2.24.

“Incremental Term Loan Assumption Agreement” shall mean an Incremental Term Loan Assumption Agreement among, and in form and substance reasonably satisfactory to, the Borrower, the Administrative Agent and one or more Incremental Term Lenders.

“Incremental Term Loan Commitment” shall mean the commitment of any Lender, established pursuant to Section 2.24, to make Incremental Term Loans to the Borrower.

“Incremental Term Loan Maturity Date” shall mean the final maturity date of any Incremental Term Loan, as set forth in the applicable Incremental Term Loan Assumption Agreement.

“Incremental Term Loan Repayment Dates” shall mean the dates scheduled for the repayment of principal of any Incremental Term Loan, as set forth in the applicable Incremental Term Loan Assumption Agreement.

“Incremental Term Loans” shall mean Term Loans made by one or more Lenders to the Borrower pursuant to Section 2.01(b). Incremental Term Loans may be made in the form of additional Funded Term Loans, additional Delayed Draw Term Loans or, to the extent permitted by Section 2.24 and provided for in the relevant Incremental Term Loan Assumption Agreement, Other Term Loans.

“Indebtedness” of any person shall mean, without duplication, (a) all obligations of such person for borrowed money or with respect to deposits or advances of any kind (other than customer deposits and interest payable thereon in the ordinary course of business), (b) all obligations of such person evidenced by bonds, debentures, notes or similar instruments, (c) all obligations of such person under conditional sale or other title retention agreements relating to property or assets purchased by such person, (d) all obligations of such person issued or assumed as the deferred purchase price of property or services (excluding trade accounts payable and accrued obligations incurred in the ordinary course of business and deferred payment for services to employees or former employees incurred in the ordinary course of business and payable in accordance with customary practices and other deferred compensation arrangements), (e) all Indebtedness of others secured by (or for which the holder of such Indebtedness has an existing right, contingent or otherwise, to be secured by) any Lien on property owned or acquired by such person, whether or not the obligations secured thereby have been assumed, (f) all Guarantees by such person of Indebtedness of others, (g) all Capital Lease Obligations and Synthetic Lease Obligations of such person, (h) all obligations of such person as an account party in respect of letters of credit, (i) all obligations of such person in respect of

bankers' acceptances, (j) all obligations of such person pursuant to any Permitted Receivables Transaction and (k) the aggregate liquidation preference of all outstanding Disqualified Stock issued by such person; *provided* that in all cases (w) Practice Guarantees, (x) wholly contingent earnouts and working capital adjustments under acquisition or disposition agreements, (y) deferred or prepaid revenue and (z) purchase price holdbacks in respect of a portion of the purchase price of an asset to satisfy warranty or other unperformed obligations of the respective seller, shall be excluded from the definition of "Indebtedness". The Indebtedness of any person shall include the Indebtedness of any partnership in which such person is a general partner.

"Indemnified Taxes" shall mean Taxes other than Excluded Taxes.

"Initial Pro Forma Adjustment" for each fiscal quarter ended on or prior to June 30, 2008, shall mean an amount deemed to represent the pro forma cost savings and synergies reasonably projected by Parent to result from the Merger and identified in the projections provided to the Administrative Agent by Parent prior to the Closing Date, together with a certificate of the chief financial officer of Parent certifying that such projections were prepared by Parent in good faith based upon reasonable assumptions.

"Interest Coverage Ratio" shall mean, for any period, the ratio of (a) Consolidated EBITDA for such period to (b) Consolidated Interest Expense for such period.

"Interest Payment Date" shall mean (a) with respect to any ABR Loan (including any Swingline Loan), the last Business Day of each March, June, September and December, and (b) with respect to any Eurodollar Loan, the last day of the Interest Period applicable to the Borrowing of which such Loan is a part and, in the case of a Eurodollar Borrowing with an Interest Period of more than three months' duration, each day that would have been an Interest Payment Date had successive Interest Periods of three months' duration been applicable to such Borrowing.

"Interest Period" shall mean, with respect to any Eurodollar Borrowing, the period commencing on the date of such Borrowing and ending on the numerically corresponding day (or, if there is no numerically corresponding day, on the last day) in the calendar month that is 1, 2, 3 or 6 months thereafter or, with the consent of each applicable Lender, 9 or 12 months thereafter, as the Borrower may elect; *provided, however*, that if any Interest Period would end on a day other than a Business Day, such Interest Period shall be extended to the next succeeding Business Day unless such next succeeding Business Day would fall in the next calendar month, in which case such Interest Period shall end on the next preceding Business Day. Interest shall accrue from and including the first day of an Interest Period to but excluding the last day of such Interest Period. For purposes hereof, the date of a Borrowing initially shall be the date on which such Borrowing is made and thereafter shall be the effective date of the most recent conversion or continuation of such Borrowing. Notwithstanding the foregoing, unless the Administrative Agent shall otherwise agree, the Interest Period of any Eurodollar Borrowing made within 30 days of the Closing Date shall be of one month's duration.

“Issuing Bank” shall mean, as the context may require, (a) Credit Suisse, acting through any of its Affiliates or branches, in its capacity as an issuer of Letters of Credit hereunder, (b) Wachovia Bank, National Association, acting through any of its Affiliates or branches, in its capacity as an issuer of Letters of Credit hereunder, (c) with respect to each Existing Letter of Credit, the Lender that issued such Existing Letter of Credit, and (d) any other Lender that may become an Issuing Bank pursuant to Section 2.23(i) or 2.23(k), with respect to Letters of Credit issued by such Lender. The Issuing Bank may, in its discretion, arrange for one or more Letters of Credit to be issued by Affiliates or branches of the Issuing Bank, in which case the term “Issuing Bank” shall include any such Affiliate or branch with respect to Letters of Credit issued by such Affiliate or branch.

“Issuing Bank Fees” shall have the meaning assigned to such term in Section 2.05(c).

“L/C Commitment” shall mean the commitment of the Issuing Bank to issue Letters of Credit pursuant to Section 2.23.

“L/C Disbursement” shall mean a payment or disbursement made by the Issuing Bank pursuant to a Letter of Credit.

“L/C Exposure” shall mean at any time the sum of (a) the aggregate undrawn amount of all outstanding Letters of Credit at such time and (b) the aggregate amount of all L/C Disbursements that have not yet been reimbursed by or on behalf of the Borrower at such time. The L/C Exposure of any Revolving Credit Lender at any time shall equal its Pro Rata Percentage of the aggregate L/C Exposure at such time.

“L/C Participation Fee” shall have the meaning assigned to such term in Section 2.05(c).

“Lenders” shall mean (a) the persons listed on Schedule 2.01 (other than any such person that has ceased to be a party hereto pursuant to an Assignment and Acceptance) and (b) any person that has become a party hereto pursuant to an Assignment and Acceptance. Unless the context clearly indicates otherwise, the term “Lenders” shall include the Swingline Lender.

“Letter of Credit” shall mean any letter of credit issued pursuant to Section 2.23 and any Existing Letter of Credit.

“Leverage Ratio” shall mean, on any date, the ratio of Total Debt on such date to Consolidated EBITDA for the period of four consecutive fiscal quarters most recently ended on or prior to such date for which financial statements have been delivered (or were required to be delivered) pursuant to Section 5.04(a) or (b). In any period of four consecutive fiscal quarters in which any Permitted Acquisition or Significant Asset Sale occurs, the Leverage Ratio shall be determined on a pro forma basis in accordance with Section 1.03.

“Leverage Ratio Condition” shall mean, on any date, after giving pro forma effect to any Specified Transaction to occur on such date as contemplated by Section 1.03, that the Leverage Ratio on such date would be 0.25 to 1.00 lower than the maximum Leverage Ratio permitted to be maintained by Parent on such date pursuant to Section 6.13.

“LIBO Rate” shall mean, with respect to any Eurodollar Borrowing for any Interest Period, the rate per annum determined by the Administrative Agent at approximately 11:00 a.m. (London time) on the date that is two Business Days prior to the commencement of such Interest Period by reference to the British Bankers’ Association Interest Settlement Rates for deposits in dollars (as set forth by any service selected by the Administrative Agent that has been nominated by the British Bankers’ Association as an authorized information vendor for the purpose of displaying such rates) for a period equal to such Interest Period; *provided* that, to the extent that an interest rate is not ascertainable pursuant to the foregoing provisions of this definition, the “LIBO Rate” shall be the interest rate per annum determined by the Administrative Agent to be the average of the rates per annum at which deposits in dollars are offered for such relevant Interest Period to major banks in the London interbank market in London, England by the Administrative Agent at approximately 11:00 a.m. (London time) on the date that is two Business Days prior to the beginning of such Interest Period.

“Liquidity Condition” shall mean, on any date, after giving pro forma effect to any Specified Transaction to occur on such date, that the sum of the aggregate unused and available Revolving Credit Commitments and unrestricted cash on hand at Parent and its subsidiaries would exceed \$250,000,000.

“Lien” shall mean, with respect to any asset, (a) any mortgage, deed of trust, lien, pledge, encumbrance, charge or security interest in or on such asset and (b) the interest of a vendor or a lessor under any conditional sale agreement, capital lease or title retention agreement (or any financing lease having substantially the same economic effect as any of the foregoing) relating to such asset. For the avoidance of doubt, the term “Lien” shall not be deemed to include any license of intellectual property.

“Loan Documents” shall mean this Agreement, the Letters of Credit, the Security Documents, each Incremental Term Loan Assumption Agreement and the promissory notes, if any, executed and delivered pursuant to Section 2.04(e).

“Loan Parties” shall mean Parent, the Borrower and the Guarantors.

“Loans” shall mean the Revolving Loans, the Term Loans and the Swingline Loans.

“Margin Stock” shall have the meaning assigned to such term in Regulation U.

“Material Adverse Effect” shall mean (a) a materially adverse effect on the business, assets, operations, financial condition or operating results of the Borrower and the Subsidiaries, taken as a whole, (b) a material impairment of the ability of the Loan Parties, taken as a whole, to perform their obligations under the Loan Document to which

they are or will be a party or (c) a material impairment of the rights and remedies of or benefits available to the Lenders under the Loan Documents.

“Material Indebtedness” shall mean Indebtedness (other than the Loans and Letters of Credit and intercompany loans), or obligations in respect of one or more Hedging Agreements, of any one or more of Parent, the Borrower or any Subsidiary in an aggregate principal amount exceeding \$50,000,000. For purposes of determining Material Indebtedness, the “principal amount” of the obligations of Parent, the Borrower or any Subsidiary in respect of any Hedging Agreement at any time shall be the maximum aggregate amount (giving effect to any netting agreements) that Parent, the Borrower or such Subsidiary would be required to pay if such Hedging Agreement were terminated at such time.

“Material Subsidiary” shall mean any Subsidiary other than any (a) Permitted Joint Venture Subsidiary, (b) Permitted Syndication Subsidiary, (c) Securitization Subsidiary, (d) Foreign Subsidiary, (e) Captive Insurance Subsidiary or (f) Non-Significant Subsidiary.

“Merger” shall have the meaning assigned to such term in the preliminary statement.

“Merger Agreement” shall mean the Agreement and Plan of Merger dated March 19, 2007, by and among Parent, Merger Sub and Triad.

“Merger Sub” shall have the meaning assigned to such term in the preliminary statement.

“Moody’s” shall mean Moody’s Investors Service, Inc., or any successor thereto.

“Mortgaged Properties” shall mean, initially, the owned real properties of the Loan Parties specified on Schedule 1.01(c), and shall include each other parcel of real property and improvements thereto with respect to which a Mortgage is granted pursuant to Section 5.12.

“Mortgages” shall mean the mortgages, deeds of trust, assignments of leases and rents, modifications and other security documents delivered pursuant to clause (i) of Section 4.02(g) or pursuant to Section 5.12, each substantially in the form of Exhibit E.

“Multiemployer Plan” shall mean a multiemployer plan as defined in Section 4001(a)(3) of ERISA.

“Net Cash Proceeds” shall mean (a) with respect to any Asset Sale (other than Receivables sold in a Permitted Receivables Transaction), the aggregate cash proceeds received in respect of such Asset Sale, and any cash payments received in respect of promissory notes or other non-cash consideration delivered in respect of such Asset Sale, net of (without duplication) (i) the reasonable expenses (including legal fees and brokers’ and underwriters’ commissions paid to third parties which are not Subsidiaries or Affiliates of Parent) incurred in effecting such Asset Sale, (ii) any taxes reasonably

attributable to such Asset Sale and, in case of an Asset Sale in a foreign jurisdiction, any taxes reasonably attributable to the repatriation of the proceeds of such Asset Sale reasonably estimated by the Borrower to be actually payable, (iii) any amounts payable to a Governmental Authority triggered as a result of any such Asset Sale, (iv) any Indebtedness or Contractual Obligation of Parent, the Borrower and the Subsidiaries (other than the Loans and other Obligations) required to be paid or retained in connection with such Asset Sale and (v) the aggregate amount of reserves required in the reasonable judgment of the Borrower or the applicable Subsidiary to be maintained on the books of the Borrower or such Subsidiary in order to pay contingent liabilities with respect to such Asset Sale (so long as amounts deducted from aggregate proceeds pursuant to this clause (v) and not actually paid by the Borrower or any of the Subsidiaries in liquidation of such contingent liabilities shall be deemed to be Net Cash Proceeds received at such time as such contingent liabilities shall cease to be obligations of the Borrower or any of the Subsidiaries); *provided, however*, that, except with respect to the Net Cash Proceeds of Asset Sales made pursuant to Section 6.05(b)(x), if (x) the Borrower intends to reinvest such proceeds in assets of a kind then used or usable in the business of the Borrower and the Subsidiaries or in Permitted Acquisitions or other investments permitted pursuant to Section 6.04 (other than Section 6.04(b)) within 15 months of receipt of such proceeds and (y) no Default or Event of Default shall have occurred and shall be continuing at the time of such receipt, such proceeds (but not to exceed \$800,000,000 in the aggregate in the case of all such Asset Sales (the "**Asset Sale Reinvestment Amount**")) shall not constitute Net Cash Proceeds except to the extent not so used at the end of such 15-month period, at which time such proceeds shall be deemed to be Net Cash Proceeds; *provided further* that if during such 15-month period Parent, the Borrower or a Subsidiary enters into a written agreement committing it to so apply all or a portion of such proceeds, such 15-month period will be extended with respect to the amount of proceeds for an additional six months, at which time such proceeds shall be deemed to be Net Cash Proceeds (it being understood and agreed that, (A) from the Closing Date until the Incremental Asset Sale Termination Date, the Asset Sale Reinvestment Amount shall (1) include the first \$300,000,000 of proceeds described above that the Borrower intends to reinvest pursuant to this definition, (2) not include the next \$750,000,000 of such proceeds (less the amount of such proceeds that the Borrower previously used to prepay Term Loans) (i.e., the next \$750,000,000 of such proceeds (less the amount of such proceeds that the Borrower previously used to prepay Term Loans) shall automatically be deemed Net Cash Proceeds and applied to the prepayment of Term Loans to the extent required by Section 2.13(b)) and (3) include the next \$500,000,000 of such proceeds that the Borrower intends to reinvest pursuant to this definition and (B) after the Incremental Asset Sale Termination Date, the Asset Sale Reinvestment Amount shall include the amount (if positive) of such proceeds equal to (1) \$800,000,000 less (2) the aggregate amount of all such proceeds received prior to the Incremental Asset Sale Termination Date (other than proceeds referred to in clause (A)(2) above) to the extent such proceeds were reinvested in accordance with this definition); and (b) with respect to any issuance or incurrence of Indebtedness or the sale of Receivables in a Permitted Receivables Transaction, the cash proceeds thereof, net of all taxes and customary fees, commissions, costs and other expenses incurred in connection therewith.

“Non-Significant Subsidiary” shall mean at any time, any Subsidiary (a) which at such time has total assets book value (including the total assets book value of any subsidiaries of such Subsidiary), or for which the Borrower or any of the Subsidiaries shall have paid (including the assumption of Indebtedness) in connection with the acquisition of Equity Interests or the total assets of such Subsidiary, less than \$10,000,000 or (b) which does not and will not itself or through its subsidiaries own a Hospital or an interest in a Hospital or manage or operate a Hospital and which is listed on Schedule 1.01(d) hereto (or on any updates to such Schedule subsequently furnished by the Borrower to the Administrative Agent) as a “Non-Significant Subsidiary”, *provided* that the total assets of all Non-Significant Subsidiaries at any time does not exceed 5.0% of the total assets of Parent, the Borrower and the Subsidiaries on a consolidated basis.

“Obligations” shall mean all obligations defined as “Obligations” in the Guarantee and Collateral Agreement and the other Security Documents.

“Other Taxes” shall mean any and all present or future stamp or documentary taxes or any other excise or property taxes, charges or similar levies arising from any payment made under any Loan Document or from the execution, delivery or enforcement of, or otherwise with respect to, any Loan Document.

“Other Term Loans” shall have the meaning assigned to such term in Section 2.24(a).

“Parent Consent Solicitation” shall mean the consent solicitation pursuant to which Parent will seek to amend certain of the provisions of the indenture governing the Existing Parent Notes.

“Parent Debt Tender Offer” shall mean the offer by Parent to purchase on the Closing Date all of the Existing Parent Notes.

“PBG” shall mean the Pension Benefit Guaranty Corporation referred to and defined in ERISA.

“Pension Act” shall mean the Pension Protection Act of 2006, as amended from time to time.

“Permitted Acquisition” shall have the meaning assigned to such term in Section 6.04(h).

“Permitted Additional Debt” of any Loan Party shall mean any unsecured Indebtedness of such Loan Party or an unsecured or subordinated Guarantee of or by such Loan Party, in each case which (a) matures on or after, and requires no scheduled payments of principal prior to, July 15, 2015 (other than pursuant to customary offers to purchase upon a change of control, asset sale or event of loss and customary acceleration rights after an event of default), (b) contains no financial maintenance covenants and (c) to the extent the same is subordinated to any Indebtedness, is subordinate or junior in

right of payment to the Obligations, pursuant to a written agreement on terms customary for similar Indebtedness at the time of issuance.

“Permitted Capital Expenditure Amount” shall have the meaning assigned to such term in Section 6.11.

“Permitted Interest Transfer” shall mean a sale, issuance or other transfer of securities of a Subsidiary or of assets of any Subsidiary to a new Subsidiary, if after such sale or other transfer, such Subsidiary shall meet the applicable requirements of the definition of “Permitted Joint Venture Subsidiary”, “Non-Significant Subsidiary” or “Permitted Syndication Subsidiary”; *provided* that (a) the aggregate fair market value (determined at the time of the relevant Permitted Interest Transfer) of all Permitted Interest Transfers made to, or in connection with the establishment of, a Permitted Joint Venture shall not exceed \$1,000,000,000 and (b) the total assets of all Subsidiaries (other than Loan Parties) that become Permitted Joint Venture Subsidiaries or Permitted Syndication Subsidiaries after the Closing Date as a result of a Permitted Interest Transfer made after the Closing Date shall not exceed (i) 10% of the total assets of Parent, the Borrower and the Subsidiaries on a consolidated basis in the case of Permitted Joint Venture Subsidiaries, and (ii) 10% of the total assets of Parent, the Borrower and the Subsidiaries on a consolidated basis in the case of Permitted Syndication Subsidiaries.

“Permitted Investments” shall mean:

(a) direct obligations of, or obligations the principal of and interest on which are unconditionally guaranteed by, the United States of America (or by any agency thereof to the extent such obligations are backed by the full faith and credit of the United States of America), in each case maturing within one year from the date of acquisition thereof;

(b) investments in commercial paper maturing within 270 days from the date of acquisition thereof and having, at such date of acquisition, the highest credit rating obtainable from S&P or from Moody’s;

(c) investments in certificates of deposit, banker’s acceptances and time deposits maturing within one year from the date of acquisition thereof issued or guaranteed by or placed with, and money market deposit accounts issued or offered by, the Administrative Agent or any domestic office of any commercial bank organized under the laws of the United States of America or any State thereof that has a combined capital and surplus and undivided profits of not less than \$500,000,000;

(d) fully collateralized repurchase agreements with a term of not more than 30 days for securities described in clause (a) above and entered into with a financial institution satisfying the criteria of clause (c) above;

(e) investments in “money market funds” within the meaning of Rule 2a-7 of the Investment Company Act of 1940, as amended, substantially all of whose assets are invested in investments of the type described in clauses (a) through (d) above;

- (f) investments in so-called “auction rate” securities rated AAA or higher by S&P or Aaa or higher by Moody’s and which have a reset date not more than 90 days from the date of acquisition thereof; and
- (g) other short-term investments utilized by Foreign Subsidiaries in accordance with normal investment practices for cash management in investments of a type analogous to the foregoing.

“**Permitted Joint Ventures**” shall mean acquisitions (by merger, purchase, lease (including any lease that contains upfront payments or buy out options) or otherwise), not constituting Permitted Acquisitions, by Parent, the Borrower or any of the Subsidiaries of interests in any of the assets of, or shares of the capital stock of or other Equity Interests in, a person or division or line of business of any person engaged in the same business as the Borrower and the Subsidiaries or in a related business; *provided that* (a) no Default or Event of Default shall have occurred and be continuing, and the Borrower shall have delivered to the Administrative Agent an officers’ certificate to such effect, together with all relevant financial information for such corporation or other entity or acquired assets and (b) except for the Permitted Joint Ventures listed on Schedule 1.01(e), to the extent (i) the aggregate value of the investments, loans and advances made by Parent, the Borrower and the Subsidiaries in (including assets transferred to) any Permitted Joint Venture, in each case, measured as of the date of each such investment, loan or advance (net of any repayments or return of capital in respect thereof actually received in cash by Parent, the Borrower or the Subsidiaries (net of applicable Taxes) after the Closing Date) (the “**Net Investment Amount**”), when added to the aggregate Net Investment Amounts of all Permitted Joint Ventures consummated after the Closing Date, would exceed \$300,000,000, the Leverage Ratio Condition and the Liquidity Condition would each be satisfied and (ii) to the extent such aggregate Net Investment Amounts would exceed \$500,000,000, the Borrower shall have received in writing, prior to effecting any such Permitted Joint Venture, a Ratings Agency Confirmation in respect of such Permitted Joint Venture and any financing therefor, and shall have furnished such Ratings Agency Confirmation to the Administrative Agent.

“**Permitted Joint Venture Subsidiary**” shall mean a partially owned Subsidiary pursuant to which the Borrower or such Subsidiary conducts a Permitted Joint Venture.

“**Permitted Real Estate Indebtedness**” shall have the meaning assigned to such term in Section 6.01(f).

“**Permitted Receivables Transaction**” shall have the meaning assigned to such term in Section 6.05(b).

“**Permitted Syndication Subsidiary**” shall mean a partially owned Subsidiary of the Borrower which, after giving effect to a Permitted Syndication Transaction, owns, leases or operates the Hospital which is the subject of such Permitted Syndication Transaction.

“Permitted Syndication Transaction” shall have the meaning assigned to such term in Section 6.05(b).

“Permitted Syndication Transaction Partner” shall mean one or more persons (other than Parent, the Borrower or any Subsidiary) that owns a minority interest in a Permitted Syndication Subsidiary.

“person” shall mean any natural person, corporation, business trust, joint venture, association, company, limited liability company, partnership, Governmental Authority or other entity.

“Plan” shall mean any employee pension benefit plan (other than a Multiemployer Plan) subject to the provisions of Title IV of ERISA or Section 412 of the Code or Section 302 of ERISA, and in respect of which the Borrower or any ERISA Affiliate is (or, if such plan were terminated, would under Section 4069 of ERISA be deemed to be) an “employer” as defined in Section 3(5) of ERISA.

“Post-Closing Letter Agreement” shall mean the post-closing letter agreement dated the Closing Date, among the Borrower, Parent and the Administrative Agent.

“Practice Guarantees” shall mean admitting physician practice guarantees pursuant to which Parent, the Borrower or any of the Subsidiaries guarantees to pay an admitting physician on the medical staff of a Hospital the difference between such admitting physician’s monthly net revenue from professional fees and a minimum monthly guaranteed amount.

“Prime Rate” shall mean the rate of interest per annum determined from time to time by Credit Suisse as its prime rate in effect at its principal office in New York City and notified to the Borrower.

“Pro Rata Percentage” of any Revolving Credit Lender at any time shall mean the percentage of the Total Revolving Credit Commitment represented by such Lender’s Revolving Credit Commitment. In the event the Revolving Credit Commitments shall have expired or been terminated, the Pro Rata Percentages shall be determined on the basis of the Revolving Credit Commitments most recently in effect, giving effect to any subsequent assignments.

“Qualified Capital Stock” of any person shall mean any Equity Interest of such person that is not Disqualified Stock.

“Ratings Agency Confirmation” shall mean, with respect to any transaction or matter in question, confirmation from each of Moody’s and S&P that such transaction or matter will not result in a downgrade, qualification or withdrawal of the then current corporate credit ratings of the Borrower.

“Receivables” shall mean a right to receive payment arising from a sale or lease of goods or the performance of services by a person pursuant to an arrangement with another person by which such other person is obligated to pay for goods or services under

terms that permit the purchase of such goods and services on credit, and all proceeds thereof and rights (contractual or other) and collateral related thereto, and shall include, in any event, any items of property that would be classified as accounts receivable on the balance sheet of the Borrower or any of the Subsidiaries prepared in accordance with GAAP or an “account”, “chattel paper”, an “instrument”, a “general intangible” or a “payment intangible” under the Uniform Commercial Code as in effect in the State of New York and any “supporting obligations” or “proceeds” (as so defined) of any such items.

“**Receivables Transaction**” shall mean, with respect to the Borrower and/or any of the Subsidiaries, any transaction or series of transactions of sales, factoring or securitizations involving Receivables pursuant to which the Borrower or any Subsidiary may sell, convey or otherwise transfer to a Securitization Subsidiary or any other Person, and may grant a corresponding security interest in, any Receivables (whether now existing or arising in the future) of the Borrower or any Subsidiary, and any assets related thereto including collateral securing such Receivables, contracts and all Guarantees or other obligations in respect of such Receivables, the proceeds of such Receivables and other assets which are customarily transferred, or in respect of which security interests are customarily granted, in connection with sales, factoring or securitizations involving Receivables.

“**Receivables Transaction Amount**” shall mean (a) in the case of any Receivables securitization (but excluding any sale or factoring of Receivables), the amount of obligations outstanding under the legal documents entered into as part of such Receivables securitization on any date of determination that would be characterized as principal if such Receivables securitization were structured as a secured lending transaction rather than as a purchase and (b) in the case of any sale or factoring of Receivables, the cash purchase price paid by the buyer in connection with its purchase of Receivables (including any bills of exchange) less the amount of collections received in respect of such Receivables and paid to such buyer, excluding any amounts applied to purchase fees or discount or in the nature of interest, in each case as determined in good faith and in a consistent and commercially reasonable manner by the Borrower (*provided* that if such method of calculation is not applicable to such sale or factoring of Receivables, the amount of Receivables Transaction Amount associated therewith shall be determined in a manner mutually acceptable to the Borrower and the Administrative Agent).

“**Register**” shall have the meaning assigned to such term in Section 9.04(d).

“**Regulation T**” shall mean Regulation T of the Board as from time to time in effect and all official rulings and interpretations thereunder or thereof.

“**Regulation U**” shall mean Regulation U of the Board as from time to time in effect and all official rulings and interpretations thereunder or thereof.

“**Regulation X**” shall mean Regulation X of the Board as from time to time in effect and all official rulings and interpretations thereunder or thereof.

“Related Fund” shall mean, with respect to any Lender that is a fund or commingled investment vehicle that invests in bank loans, any other fund that invests in bank loans and is managed or advised by the same investment advisor as such Lender or by an Affiliate of such investment advisor.

“Related Parties” shall mean, with respect to any specified person, such person’s Affiliates and the respective directors, trustees, officers, employees, agents and advisors of such person and such person’s Affiliates.

“Release” shall mean any release, spill, emission, leaking, dumping, injection, pouring, deposit, disposal, discharge, dispersal, leaching or migration into or through the environment or within or upon any building, structure, facility or fixture.

“Repayment Date” shall mean a Funded Term Loan Repayment Date, a Delayed Draw Term Loan Repayment Date or an Incremental Term Loan Repayment Date.

“Replacement Capital Expenditures” shall mean Capital Expenditures on or after the Closing Date made in connection with (i) the replacement of a Hospital as required by the agreements pursuant to which such Hospital, or the entity owning such Hospital, was acquired by the Borrower or any of the Subsidiaries from a third-party, whether pursuant to such agreement existing as of the Closing Date or entered into thereafter, (ii) the replacement of the Hospitals (owned, leased or operated by the Borrower or any of the Subsidiaries or in which the Borrower or any of the Subsidiaries owns an Equity Interest as of the date hereof) in Barstow, California, Cedar Park, Texas, Madison County, Alabama and Lindenhurst, Illinois or (iii) the acquisition of the Hospital leased by a Subsidiary on the date hereof in Dublin, Ireland.

“Required Lenders” shall mean, at any time, Lenders having Loans (excluding Swingline Loans), L/C Exposure, Swingline Exposure and unused Revolving Credit Commitments and Term Loan Commitments representing more than 50% of the sum of all Loans outstanding (excluding Swingline Loans), L/C Exposure, Swingline Exposure and unused Revolving Credit Commitments and Term Loan Commitments at such time; *provided* that the Revolving Loans, L/C Exposure, Swingline Exposure and unused Revolving Credit Commitments of any Defaulting Lender shall be disregarded in the determination of the Required Lenders at any time.

“Responsible Officer” of any person shall mean any executive officer, executive vice president or Financial Officer of such person and any other officer or similar official thereof responsible for the administration of the obligations of such person in respect of this Agreement.

“Restricted Indebtedness” shall mean Indebtedness of Parent, the Borrower or any Subsidiary, the payment, prepayment, repurchase or defeasance of which is restricted under Section 6.09(b).

“Restricted Payment” shall mean any dividend or other distribution (whether in cash, securities or other property (other than Qualified Capital Stock)) with respect to any Equity Interests in Parent, the Borrower or any Subsidiary, or any payment (whether in

cash, securities or other property (other than Qualified Capital Stock)), including any sinking fund or similar deposit, on account of the purchase, redemption, retirement, acquisition, cancellation or termination of any Equity Interests in Parent, the Borrower or any Subsidiary.

“Revolving Credit Borrowing” shall mean a Borrowing comprised of Revolving Loans.

“Revolving Credit Commitment” shall mean, with respect to each Lender, the commitment of such Lender to make Revolving Loans hereunder (and to acquire participations in Swingline Loans and Letters of Credit as provided for herein) as set forth on Schedule 2.01, or in the Assignment and Acceptance pursuant to which such Lender assumed its Revolving Credit Commitment, as applicable, as the same may be (a) reduced from time to time pursuant to Section 2.09 and (b) reduced or increased from time to time pursuant to assignments by or to such Lender pursuant to Section 9.04.

“Revolving Credit Commitment Fee” shall have the meaning assigned to such term in Section 2.05(a).

“Revolving Credit Commitment Fee Rate” shall have the meaning assigned to such term in the definition of the term “Applicable Percentage”.

“Revolving Credit Exposure” shall mean, with respect to any Lender at any time, the aggregate principal amount at such time of all outstanding Revolving Loans of such Lender, *plus* the aggregate amount at such time of such Lender’s L/C Exposure, *plus* the aggregate amount at such time of such Lender’s Swingline Exposure.

“Revolving Credit Lender” shall mean a Lender with a Revolving Credit Commitment or an outstanding Revolving Loan.

“Revolving Credit Maturity Date” shall mean July 25, 2013.

“Revolving Loans” shall mean the revolving loans made by the Lenders to the Borrower pursuant to clause (a)(iii) of Section 2.01.

“S&P” shall mean Standard & Poor’s Ratings Service, or any successor thereto.

“Secured Parties” shall have the meaning assigned to such term in the Guarantee and Collateral Agreement.

“Securitization Subsidiary” shall mean any special purpose Subsidiary that acquires Receivables generated by the Borrower or any of the Subsidiaries and that engages in no operations or activities other than those related to a Permitted Receivables Transaction.

“Security Documents” shall mean the Mortgages, the Guarantee and Collateral Agreement and each of the security agreements, mortgages and other instruments and

documents executed and delivered pursuant to any of the foregoing or pursuant to Section 5.12.

“Senior Note Indenture” shall mean the indenture under which the Senior Notes are issued, as the same may be amended, restated, substituted, replaced, refinanced, supplemented or otherwise modified from time to time in accordance with Section 6.01(h).

“Senior Notes” shall mean the Borrower’s 8.875% Senior Notes due 2015, in an initial aggregate principal amount of \$3,021,331,000, as the same may be amended, restated, substituted, replaced, refinanced, supplemented or otherwise modified from time to time pursuant to Section 6.01(h).

“Significant Asset Sale” shall mean the sale, transfer, lease or other disposition by Parent, the Borrower or any Subsidiary to any person other than the Borrower or a Subsidiary Guarantor of all or substantially all of the assets of, or a majority of the Equity Interests in, a person, or a division or line of business or other business unit of a person.

“SEC” shall mean the U.S. Securities and Exchange Commission or any Governmental Authority succeeding to any or all of its functions.

“SPC” shall have the meaning assigned to such term in Section 9.04(i).

“Specified Transaction” shall mean (a) the consummation of a Permitted Acquisition, (b) the investment in a Permitted Joint Venture or (c) the incurrence or assumption of Indebtedness pursuant to Section 6.01(m).

“Spinout Subsidiary” shall mean an Unrestricted Subsidiary that is formed for the purpose of acquiring the real property of Parent, the Borrower or any Subsidiary in connection with a Spinout Transaction.

“Spinout Transaction” shall mean the sale, transfer or other disposition by Parent, the Borrower or any Subsidiary of real property owned by it to any Spinout Subsidiary in a transaction permitted by Section 6.05(b) (i) and the subsequent distribution of the Equity Interests of such Spinout Subsidiary to the equity holders of Parent.

“Statutory Reserves” shall mean a fraction (expressed as a decimal), the numerator of which is the number one and the denominator of which is the number one minus the aggregate of the maximum reserve percentages (including any marginal, special, emergency or supplemental reserves) expressed as a decimal established by the Board and any other banking authority, domestic or foreign, to which the Administrative Agent or any Lender (including any branch, Affiliate or other fronting office making or holding a Loan) is subject for Eurocurrency Liabilities (as defined in Regulation D of the Board). Eurodollar Loans shall be deemed to constitute Eurocurrency Liabilities (as defined in Regulation D of the Board) and to be subject to such reserve requirements without benefit of or credit for proration, exemptions or offsets that may be available from time to time to any Lender under such Regulation D. Statutory Reserves shall be

adjusted automatically on and as of the effective date of any change in any reserve percentage.

“Subsidiary” shall mean, as to any person, a corporation, partnership or other entity of which Equity Interests having ordinary voting power (other than Equity Interests having such power only by reason of the happening of a contingency) to elect a majority of the board of directors or other managers of such corporation, partnership or other entity are at the time owned, directly or indirectly, or the management of which is otherwise Controlled, directly or indirectly, or both, by such person.

“Subsidiary” shall mean any subsidiary of the Borrower; *provided, however*, that Unrestricted Subsidiaries shall be deemed not to be Subsidiaries for any purpose of this Agreement or the other Loan Documents.

“Subsidiary Guarantor” shall mean each Subsidiary listed on Schedule 1.01(b), and each other Subsidiary that is or becomes a party to the Guarantee and Collateral Agreement pursuant to Section 5.12 (it being understood and agreed that no (i) Foreign Subsidiary, (ii) Non-Significant Subsidiary, (iii) Permitted Syndication Subsidiary, (iv) Securitization Subsidiary, (v) Captive Insurance Subsidiary, (vi) Permitted Joint Venture Subsidiary or (vii) Subsidiary listed on Schedule 1.01(f), shall, in any case, be required to enter into the Guarantee and Collateral Agreement pursuant to Section 5.12).

“Swingline Commitment” shall mean the commitment of the Swingline Lender to make loans pursuant to Section 2.22, as the same may be reduced from time to time pursuant to Section 2.09.

“Swingline Exposure” shall mean at any time the aggregate principal amount at such time of all outstanding Swingline Loans. The Swingline Exposure of any Revolving Credit Lender at any time shall equal its Pro Rata Percentage of the aggregate Swingline Exposure at such time.

“Swingline Lender” shall mean Credit Suisse, acting through any of its Affiliates or branches, in its capacity as lender of Swingline Loans hereunder.

“Swingline Loan” shall mean any loan made by the Swingline Lender pursuant to Section 2.22.

“Syndication Proceeds” shall have the meaning assigned to such term in Section 6.05(b).

“Syndication Transaction” shall mean a transaction (or series of transactions) whereby the Borrower or a Subsidiary sells part, but not all, of its interest in a Subsidiary that owns, leases or operates a Hospital to one or more third parties or of its interest in a Hospital to a partially owned Subsidiary.

“Synthetic Lease” shall mean, as to any person, any lease (including leases that may be terminated by the lessee at any time) of any property (whether real, personal or mixed) (a) that is accounted for as an operating lease under GAAP and (b) in respect of

which the lessee retains or obtains ownership of the property so leased for U.S. federal income tax purposes, other than any such lease under which such person is the lessor.

“Synthetic Lease Obligations” shall mean, as to any person, an amount equal to the capitalized amount of the remaining lease payments under any Synthetic Lease that would appear on a balance sheet of such person in accordance with GAAP if such obligations were accounted for as Capital Lease Obligations.

“Synthetic Purchase Agreement” shall mean any swap, derivative or other agreement or combination of agreements pursuant to which Parent, the Borrower or any Subsidiary is or may become obligated to make (a) any payment in connection with a purchase by any third party from a person other than Parent, the Borrower or any Subsidiary of any Equity Interest or Restricted Indebtedness or (b) any payment (other than on account of a permitted purchase by it of any Equity Interest or Restricted Indebtedness) the amount of which is determined by reference to the price or value at any time of any Equity Interest or Restricted Indebtedness; provided that no phantom stock or similar plan providing for payments only to current or former directors, officers or employees of Parent, the Borrower or the Subsidiaries (or to their heirs and estates) shall be deemed to be a Synthetic Purchase Agreement.

“Taxes” shall mean any and all present or future taxes, levies, imposts, duties, deductions, charges or withholdings imposed by any Governmental Authority.

“Tender Agent” shall mean, with respect to any Existing Letter of Credit, a Tender Agent as defined in such Existing Letter of Credit.

“Tender Draft” shall mean, with respect to any Existing Letter of Credit, a Tender Draft as defined in such Existing Letter of Credit.

“Term Borrowing” shall mean a Borrowing comprised of Funded Term Loans, Delayed Draw Term Loans or Incremental Term Loans.

“Term Commitment Fees” shall have the meaning assigned to such term in Section 2.05(a).

“Term Lender” shall mean a Lender with a Term Loan Commitment or an outstanding Term Loan.

“Term Loan Commitments” shall mean the Funded Term Loan Commitments and the Delayed Draw Term Loan Commitments. Unless the context shall otherwise require, the term **“Term Loan Commitments”** shall include the Incremental Term Loan Commitments.

“Term Loan Maturity Date” shall mean July 25, 2014.

“Term Loans” shall mean the Funded Term Loans and the Delayed Draw Term Loans. Unless the context shall otherwise require, the term **“Term Loans”** shall include any Incremental Term Loans.

“Total Debt” shall mean, at any time, (a) the total Indebtedness of the Borrower and the Subsidiaries at such time (excluding Indebtedness of the type described in clause (h) of the definition of such term or under performance or surety bonds, in each case except to the extent of any unreimbursed drawings thereunder) minus (b) the aggregate amount of unrestricted cash and cash equivalents that is included on the consolidated balance sheet of Parent, the Borrower and the Subsidiaries at such time.

“Total Revolving Credit Commitment” shall mean, at any time, the aggregate amount of the Revolving Credit Commitments, as in effect at such time. The initial Total Revolving Credit Commitment is \$750,000,000.

“Transactions” shall mean, collectively, (a) the consummation of the transactions contemplated by the Merger Agreement, (b) the execution, delivery and performance by Parent, the Borrower and the Subsidiaries party thereto of the Senior Note Indenture and the issuance of the Senior Notes, (c) the execution, delivery and performance by the Loan Parties of the Loan Documents to which they are a party and the making of the Borrowings hereunder, (d) the repayment of all amounts due or outstanding under or in respect of, and the termination of, the Existing Credit Agreements, (e) (i) the consummation of the Debt Tender Offers and the Consent Solicitations and/or (ii) the deposit of funds with the applicable trustees under the indentures governing the Existing Notes sufficient to discharge the applicable Existing Notes or to effect covenant defeasance with respect to the applicable Existing Notes, and (f) the payment of related fees and expenses.

“Triad” shall have the meaning assigned to such term in the Preliminary Statement.

“Triad Consent Solicitations” shall mean the consent solicitations pursuant to which Triad will seek to amend certain of the provisions of the indentures governing the Existing Triad Notes.

“Triad Debt Tender Offers” shall mean the offers by Triad to purchase on the Closing Date all of the Existing Triad Notes.

“Type”, when used in respect of any Loan or Borrowing, shall refer to the Rate by reference to which interest on such Loan or on the Loans comprising such Borrowing is determined. For purposes hereof, the term **“Rate”** shall mean the Adjusted LIBO Rate and the Alternate Base Rate.

“Unrestricted Subsidiary” shall mean any Subsidiary organized or acquired directly or indirectly by Parent after the Closing Date that Parent designates as an “Unrestricted Subsidiary” by written notice to the Administrative Agent. No Unrestricted Subsidiary may own any Equity Interests of a Subsidiary; *provided* that, so long as no Default or Event of Default shall have occurred and be continuing or would result therefrom, Parent may redesignate any Unrestricted Subsidiary as a “Subsidiary” by written notice to the Administrative Agent and by complying with the applicable provisions of Section 5.12.

“**USA PATRIOT Act**” shall mean The Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001 (Title III of Pub. L. No. 107-56 (signed into law October 26, 2001)).

“**Voluntary Prepayment**” shall mean a prepayment of principal of Term Loans pursuant to Section 2.12 in any year to the extent that such prepayment reduces the scheduled installments of principal due in respect of Term Loans in any subsequent year.

“**wholly owned Subsidiary**” of any person shall mean a subsidiary of such person of which securities (except for directors’ qualifying shares) or other ownership interests representing 100% of the Equity Interests are, at the time any determination is being made, owned, Controlled or held by such person or one or more wholly owned Subsidiaries of such person or by such person and one or more wholly owned Subsidiaries of such person.

“**Withdrawal Liability**” shall mean liability to a Multiemployer Plan as a result of a complete or partial withdrawal from such Multiemployer Plan, as such terms are defined in Part I of Subtitle E of Title IV of ERISA.

SECTION 1.02. **Terms Generally.** The definitions in Section 1.01 shall apply equally to both the singular and plural forms of the terms defined. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. The words “include”, “includes” and “including” shall be deemed to be followed by the phrase “without limitation”. The word “will” shall be construed to have the same meaning and effect as the word “shall”; and the words “asset” and “property” shall be construed as having the same meaning and effect and to refer to any and all tangible and intangible assets and properties, including cash, securities, accounts and contract rights. All references herein to Articles, Sections, Exhibits and Schedules shall be deemed references to Articles and Sections of, and Exhibits and Schedules to, this Agreement unless the context shall otherwise require. Except as otherwise expressly provided herein, (a) any reference in this Agreement to any Loan Document shall mean such document as amended, restated, supplemented or otherwise modified from time to time and (b) all terms of an accounting or financial nature shall be construed in accordance with GAAP, as in effect from time to time; *provided, however*, that if the Borrower notifies the Administrative Agent that the Borrower wishes to amend any covenant in Article VI or any related definition to eliminate the effect of any change in GAAP occurring after the date of this Agreement on the operation of such covenant (or if the Administrative Agent notifies the Borrower that the Required Lenders wish to amend Article VI or any related definition for such purpose), then the Borrower’s compliance with such covenant shall be determined on the basis of GAAP in effect immediately before the relevant change in GAAP became effective, until either such notice is withdrawn or such covenant is amended in a manner satisfactory to the Borrower and the Required Lenders.

SECTION 1.03. **Pro Forma Calculations.** With respect to any period of four consecutive fiscal quarters during which any Permitted Acquisition or Significant Asset Sale occurs, the Leverage Ratio shall, for all purposes set forth herein, be calculated with

respect to such period on a pro forma basis after giving effect to such Permitted Acquisition or Significant Asset Sale (including, without duplication, (a) all pro forma adjustments permitted or required by Article 11 of Regulation S-X under the Securities Act of 1933, as amended, and (b) pro forma adjustments for cost savings (net of continuing associated expenses) to the extent such cost savings are factually supportable, are expected to have a continuing impact and have been realized or are reasonably expected to be realized within 12 months following any such Permitted Acquisition; *provided* that at the election of Parent, such pro forma adjustment shall not be required to be determined for any Permitted Acquisition if the aggregate consideration paid in connection with such acquisition is less than \$100,000,000; *provided further* that all such adjustments shall be set forth in a reasonably detailed certificate of a Financial Officer of Parent), using, for purposes of making such calculations, the historical financial statements of Parent, the Borrower and the Subsidiaries which shall be reformulated as if such Permitted Acquisition or Significant Asset Sale, and any other Permitted Acquisitions and Significant Asset Sales that have been consummated during the period, had been consummated on the first day of such period. In addition, solely for purposes of determining whether a Specified Transaction is permitted hereunder (including whether such Specified Transaction would result in a Default or Event of Default and whether the Leverage Ratio Condition would be met), the Leverage Ratio shall be calculated on a pro forma basis as provided in the preceding sentence.

SECTION 1.04. **Classification of Loans and Borrowings.** For purposes of this Agreement, Loans may be classified and referred to by Class (*e.g.*, a “Revolving Loan”) or by Type (*e.g.*, a “Eurodollar Loan”) or by Class and Type (*e.g.*, a “Eurodollar Revolving Loan”). Borrowings also may be classified and referred to by Class (*e.g.*, a “Revolving Borrowing”) or by Type (*e.g.*, a “Eurodollar Borrowing”) or by Class and Type (*e.g.*, a “Eurodollar Revolving Borrowing”).

ARTICLE II

The Credits

SECTION 2.01. **Commitments.** (a) Subject to the terms and conditions and relying upon the representations and warranties herein set forth, (i) each Funded Term Loan Lender agrees, severally and not jointly, to make a Funded Term Loan to the Borrower on the Closing Date, in a principal amount not to exceed its Funded Term Loan Commitment, (ii) each Delayed Draw Term Loan Lender agrees, severally and not jointly, to make Delayed Draw Term Loans to the Borrower from time to time during the period commencing on the date hereof and ending on the Delayed Draw Commitment Termination Date, in an aggregate principal amount not to exceed its Delayed Draw Term Loan Commitment, and (iii) each Revolving Credit Lender agrees, severally and not jointly, to make Revolving Loans to the Borrower, at any time and from time to time after the date hereof, and until the earlier of the Revolving Credit Maturity Date and the termination of the Revolving Credit Commitment of such Lender in accordance with the terms hereof, in an aggregate principal amount at any time outstanding that will not result

in such Lender's Revolving Credit Exposure exceeding such Lender's Revolving Credit Commitment. Within the limits set forth in clause (iii) of the preceding sentence and subject to the terms, conditions and limitations set forth herein, the Borrower may borrow, pay or prepay and reborrow Revolving Loans. Amounts paid or prepaid in respect of Term Loans may not be reborrowed.

(b) Subject to the terms and conditions and relying upon the representations and warranties set forth herein and in the applicable Incremental Term Loan Assumption Agreement, each Lender having an Incremental Term Loan Commitment agrees, severally and not jointly, to make Incremental Term Loans to the Borrower, in an aggregate principal amount not to exceed its Incremental Term Loan Commitment. Amounts paid or prepaid in respect of Incremental Term Loans may not be reborrowed.

SECTION 2.02. Loans. (a) Each Loan (other than Swingline Loans) shall be made as part of a Borrowing consisting of Loans made by the Lenders ratably in accordance with their applicable Commitments; *provided, however*, that the failure of any Lender to make any Loan shall not in itself relieve any other Lender of its obligation to lend hereunder (it being understood, however, that no Lender shall be responsible for the failure of any other Lender to make any Loan required to be made by such other Lender). Except for Loans deemed made pursuant to Section 2.02(f), the Loans comprising any Borrowing shall be in an aggregate principal amount that is (i) an integral multiple of \$1,000,000 (or, in the case of a Delayed Draw Term Borrowing, \$10,000,000) and not less than \$3,000,000 (or, in the case of a Delayed Draw Term Borrowing, \$50,000,000) (except, with respect to any Incremental Term Borrowing, to the extent otherwise provided in the related Incremental Term Loan Assumption Agreement) or (ii) equal to the remaining available balance of the applicable Commitments.

(b) Subject to Sections 2.02(f), 2.08 and 2.15, each Borrowing shall be comprised entirely of ABR Loans or Eurodollar Loans as the Borrower may request pursuant to Section 2.03. Each Lender may at its option make any Eurodollar Loan by causing any domestic or foreign branch or Affiliate of such Lender to make such Loan; *provided that* any exercise of such option shall not affect the obligation of the Borrower to repay such Loan in accordance with the terms of this Agreement. Borrowings of more than one Type may be outstanding at the same time; *provided, however*, that the Borrower shall not be entitled to request any Borrowing that, if made, would result in more than fifteen Eurodollar Borrowings outstanding hereunder at any time. For purposes of the foregoing, Borrowings having different Interest Periods, regardless of whether they commence on the same date, shall be considered separate Borrowings.

(c) Except with respect to Loans made pursuant to Section 2.02(f), each Lender shall make each Loan to be made by it hereunder on the proposed date thereof by wire transfer of immediately available funds to such account in New York City as the Administrative Agent may designate not later than 1:00 p.m., New York City time, and the Administrative Agent shall promptly credit the amounts so received to an account designated by the Borrower in the applicable Borrowing Request or, if a Borrowing shall not occur on such date because any condition precedent herein specified shall not have been met, return the amounts so received to the respective Lenders.

(d) Unless the Administrative Agent shall have received notice from a Lender prior to the date of any Borrowing that such Lender will not make available to the Administrative Agent such Lender's portion of such Borrowing, the Administrative Agent may assume that such Lender has made such portion available to the Administrative Agent on the date of such Borrowing in accordance with paragraph (c) above and the Administrative Agent may, in reliance upon such assumption, make available to the Borrower on such date a corresponding amount. If the Administrative Agent shall have so made funds available then, to the extent that such Lender shall not have made such portion available to the Administrative Agent, such Lender agrees to repay to the Administrative Agent forthwith on demand such corresponding amount together with interest thereon, for each day from the date such amount is made available to the Borrower but excluding the date such amount is repaid to the Administrative Agent at a rate determined by the Administrative Agent to represent its cost of overnight or short-term funds (which determination shall be conclusive absent manifest error). If such Lender shall not repay to the Administrative Agent such corresponding amount within three Business Days after demand by the Administrative Agent, then the Administrative Agent shall be entitled to recover such amount with interest thereon at the rate per annum equal to the interest rate applicable at the time to the Loans comprising such Borrowing, on demand, from the Borrower. If such Lender shall repay to the Administrative Agent such corresponding amount, such amount shall constitute such Lender's Loan as part of such Borrowing for purposes of this Agreement.

(e) Notwithstanding any other provision of this Agreement, the Borrower shall not be entitled to request any Revolving Credit Borrowing if the Interest Period requested with respect thereto would end after the Revolving Credit Maturity Date.

(f) If the Issuing Bank shall not have received from the Borrower the payment required to be made by Section 2.23(e) within the time specified in such Section, the Issuing Bank will promptly notify the Administrative Agent of the L/C Disbursement and the Administrative Agent will promptly notify each Revolving Credit Lender of such L/C Disbursement and its Pro Rata Percentage thereof. Each Revolving Credit Lender shall pay by wire transfer of immediately available funds to the Administrative Agent not later than 2:00 p.m., New York City time, on such date (or, if such Revolving Credit Lender shall have received such notice later than 12:00 (noon), New York City time, on any day, not later than 10:00 a.m., New York City time, on the immediately following Business Day), an amount equal to such Lender's Pro Rata Percentage of such L/C Disbursement (it being understood that (i) if the conditions precedent to borrowing set forth in Sections 4.01(b) and (c) have been satisfied, such amount shall be deemed to constitute an ABR Revolving Loan of such Lender and, to the extent of such payment, the obligations of the Borrower in respect of such L/C Disbursement shall be discharged and replaced with the resulting ABR Revolving Credit Borrowing, and (ii) if such conditions precedent to borrowing have not been satisfied, then any such amount paid by any Revolving Credit Lender shall not constitute a Loan and shall not relieve the Borrower from its obligation to reimburse such L/C Disbursement), and the Administrative Agent will promptly pay to the Issuing Bank amounts so received by it from the Revolving Credit Lenders. The Administrative Agent will promptly pay to the Issuing Bank any amounts received by it from the Borrower pursuant to Section 2.23(e) prior to the time

that any Revolving Credit Lender makes any payment pursuant to this paragraph (f); any such amounts received by the Administrative Agent thereafter will be promptly remitted by the Administrative Agent to the Revolving Credit Lenders that shall have made such payments and to the Issuing Bank, as their interests may appear. If any Revolving Credit Lender shall not have made its Pro Rata Percentage of such L/C Disbursement available to the Administrative Agent as provided above, such Lender and the Borrower severally agree to pay interest on such amount, for each day from and including the date such amount is required to be paid in accordance with this paragraph to but excluding the date such amount is paid, to the Administrative Agent for the account of the Issuing Bank at (i) in the case of the Borrower, a rate per annum equal to the interest rate applicable to Revolving Loans pursuant to Section 2.06(a), and (ii) in the case of such Lender, for the first such day, the Federal Funds Effective Rate, and for each day thereafter, the Alternate Base Rate.

SECTION 2.03. Borrowing Procedure. In order to request a Borrowing (other than a Swingline Loan or a deemed Borrowing pursuant to Section 2.02(f), as to which this Section 2.03 shall not apply), the Borrower shall notify the Administrative Agent of such request by telephone (a) in the case of a Eurodollar Borrowing, not later than 12:00 (noon), New York City time, three Business Days before a proposed Borrowing, and (b) in the case of an ABR Borrowing, not later than 12:00 (noon), New York City time, one Business Day before a proposed Borrowing. Each such telephonic Borrowing Request shall be irrevocable, and shall be confirmed promptly by hand delivery or fax to the Administrative Agent of a written Borrowing Request and shall specify the following information: (i) whether the Borrowing then being requested is to be a Term Borrowing, an Incremental Term Borrowing or a Revolving Credit Borrowing, and whether such Borrowing is to be a Eurodollar Borrowing or an ABR Borrowing; (ii) the date of such Borrowing (which shall be a Business Day); (iii) the number and location of the account to which funds are to be disbursed; (iv) the amount of such Borrowing; and (v) if such Borrowing is to be a Eurodollar Borrowing, the Interest Period with respect thereto; *provided, however*, that, notwithstanding any contrary specification in any Borrowing Request, each requested Borrowing shall comply with the requirements set forth in Section 2.02. If no election as to the Type of Borrowing is specified in any such notice, then the requested Borrowing shall be an ABR Borrowing. If no Interest Period with respect to any Eurodollar Borrowing is specified in any such notice, then the Borrower shall be deemed to have selected an Interest Period of one month's duration. The Administrative Agent shall promptly advise the applicable Lenders of any notice given pursuant to this Section 2.03 (and the contents thereof), and of each Lender's portion of the requested Borrowing.

SECTION 2.04. Evidence of Debt; Repayment of Loans. (a) The Borrower hereby unconditionally promises to pay to the Administrative Agent for the account of each Lender (i) the principal amount of each Term Loan of such Lender as provided in Section 2.11 and (ii) the then unpaid principal amount of each Revolving Loan of such Lender on the Revolving Credit Maturity Date. The Borrower hereby promises to pay to the Swingline Lender the then unpaid principal amount of each Swingline Loan on the Revolving Credit Maturity Date.

(b) Each Lender shall maintain in accordance with its usual practice an account or accounts evidencing the indebtedness of the Borrower to such Lender resulting from each Loan made by such Lender from time to time, including the amounts of principal and interest payable and paid to such Lender from time to time under this Agreement.

(c) The Administrative Agent shall maintain accounts in which it will record (i) the amount of each Loan made hereunder, the Class and Type thereof and, if applicable, the Interest Period applicable thereto, (ii) the amount of any principal or interest due and payable or to become due and payable from the Borrower to each Lender hereunder and (iii) the amount of any sum received by the Administrative Agent hereunder from the Borrower or any Guarantor and each Lender's share thereof.

(d) The entries made in the accounts maintained pursuant to paragraphs (b) and (c) above shall be *prima facie* evidence of the existence and amounts of the obligations therein recorded; *provided, however*, that the failure of any Lender or the Administrative Agent to maintain such accounts or any error therein shall not in any manner affect the obligations of the Borrower to repay the Loans in accordance with their terms.

(e) Any Lender may request that Loans made by it hereunder be evidenced by a promissory note. In such event, the Borrower shall execute and deliver to such Lender a promissory note payable to such Lender and its registered assigns and in a form and substance reasonably acceptable to the Administrative Agent and the Borrower. Notwithstanding any other provision of this Agreement, in the event any Lender shall request and receive such a promissory note, the interests represented by such note shall at all times (including after any assignment of all or part of such interests pursuant to Section 9.04) be represented by one or more promissory notes payable to the payee named therein or its registered assigns.

SECTION 2.05. **Fees.** (a) The Borrower agrees to pay to each Revolving Credit Lender, through the Administrative Agent, on the last Business Day of March, June, September and December in each year and on each date on which any Revolving Credit Commitment of such Lender shall expire or be terminated as provided herein, a commitment fee (a "**Revolving Credit Commitment Fee**") equal to the Revolving Credit Commitment Fee Rate per annum on the daily unused amount of the Revolving Credit Commitment of such Lender during the preceding quarter (or other period commencing with the date hereof or ending with the Revolving Credit Maturity Date or the date on which the Revolving Credit Commitments of such Lender shall expire or be terminated). The Borrower agrees to pay to each Lender, through the Administrative Agent, on the last Business Day of March, June, September and December in each year and on the date on which the Delayed Draw Term Loan Commitment of such Lender shall expire or be terminated as provided herein, a commitment fee (a "**Term Commitment Fee**") equal to the Applicable Term Commitment Fee Rate per annum on the daily unused amount of the Delayed Draw Term Loan Commitment of such Lender during the preceding quarter (or other period commencing with the date hereof or ending with the Delayed Draw Commitment Termination Date or the date on which the Delayed Draw Term Loan Commitment of such Lender shall expire or be terminated). All Commitment Fees shall

be computed on the basis of the actual number of days elapsed in a year of 360 days. For purposes of calculating Revolving Credit Commitment Fees only, no portion of the Revolving Credit Commitments shall be deemed utilized as a result of outstanding Swingline Loans.

(b) The Borrower agrees to pay to the Administrative Agent, for its own account, the administrative fees set forth in the Fee Letter at the times and in the amounts specified therein (the "**Administrative Agent Fees**").

(c) The Borrower agrees to pay (i) to each Revolving Credit Lender, through the Administrative Agent, on the last Business Day of March, June, September and December of each year and on the date on which the Revolving Credit Commitment of such Lender shall be terminated as provided herein, a fee (an "**L/C Participation Fee**") calculated on such Lender's Pro Rata Percentage of the daily aggregate L/C Exposure (excluding the portion thereof attributable to unreimbursed L/C Disbursements) during the preceding quarter (or shorter period commencing with the date hereof or ending with the Revolving Credit Maturity Date or the date on which all Letters of Credit have been canceled or have expired and the Revolving Credit Commitments of all Lenders shall have been terminated) at a rate per annum equal to the Applicable Percentage from time to time used to determine the interest rate on Revolving Credit Borrowings comprised of Eurodollar Loans pursuant to Section 2.06, and (ii) to the Issuing Bank with respect to each Letter of Credit the standard fronting, issuance and drawing fees specified from time to time by the Issuing Bank (the "**Issuing Bank Fees**"); provided that each such fronting fee charged from time to time shall not exceed 0.25% per annum of the aggregate undrawn face amount of the then outstanding Letters of Credit. All L/C Participation Fees and Issuing Bank Fees shall be computed on the basis of the actual number of days elapsed in a year of 360 days.

(d) All Fees shall be paid on the dates due, in immediately available funds, to the Administrative Agent for distribution, if and as appropriate, among the Lenders, except that the Issuing Bank Fees shall be paid directly to the Issuing Bank. Once paid, none of the Fees shall be refundable under any circumstances.

SECTION 2.06. Interest on Loans. (a) Subject to the provisions of Section 2.07, the Loans comprising each ABR Borrowing, including each Swingline Loan, shall bear interest (computed on the basis of the actual number of days elapsed over a year of 365 or 366 days, as the case may be, when the Alternate Base Rate is determined by reference to the Prime Rate and over a year of 360 days at all other times and calculated from and including the date of such Borrowing to but excluding the date of repayment thereof) at a rate per annum equal to the Alternate Base Rate plus the Applicable Percentage in effect from time to time.

(b) Subject to the provisions of Section 2.07, the Loans comprising each Eurodollar Borrowing shall bear interest (computed on the basis of the actual number of days elapsed over a year of 360 days) at a rate per annum equal to the Adjusted LIBO Rate for the Interest Period in effect for such Borrowing plus the Applicable Percentage in effect from time to time. Notwithstanding anything herein to the contrary, the

Adjusted LIBO Rate for each initial Interest Period for Borrowings of Eurodollar Delayed Draw Term Loans shall be equal to the Adjusted LIBO Rate in respect of the corresponding Interest Periods to which such Eurodollar Delayed Draw Term Loans are allocated as contemplated by the definition of the term "Interest Period".

(c) Interest on each Loan shall be payable on the Interest Payment Dates applicable to such Loan except as otherwise provided in this Agreement. The applicable Alternate Base Rate or Adjusted LIBO Rate for each Interest Period or day within an Interest Period, as the case may be, shall be determined by the Administrative Agent, and such determination shall be conclusive absent manifest error.

SECTION 2.07. *Default Interest.* If the Borrower shall default in the payment of any principal of or interest on any Loan or any other amount due hereunder, by acceleration or otherwise, or under any other Loan Document, then, until such defaulted amount shall have been paid in full, to the extent permitted by law, such defaulted amount shall bear interest (after as well as before judgment), payable on demand, (a) in the case of principal, at the rate otherwise applicable to such Loan pursuant to Section 2.06 plus 2.00% per annum and (b) in all other cases, at a rate per annum (computed on the basis of the actual number of days elapsed over a year of 365 or 366 days, as the case may be, when determined by reference to the Prime Rate and over a year of 360 days at all other times) equal to the rate that would be applicable to an ABR Revolving Loan plus 2.00% per annum.

SECTION 2.08. *Alternate Rate of Interest.* In the event, and on each occasion, that on the day two Business Days prior to the commencement of any Interest Period for a Eurodollar Borrowing the Administrative Agent shall have determined that dollar deposits in the principal amounts of the Loans comprising such Borrowing are not generally available in the London interbank market, or that the rates at which such dollar deposits are being offered will not adequately and fairly reflect the cost to any Lender of making or maintaining its Eurodollar Loan during such Interest Period, or that reasonable means do not exist for ascertaining the Adjusted LIBO Rate, the Administrative Agent shall, as soon as practicable thereafter, give written or fax notice of such determination to the Borrower and the Lenders. In the event of any such determination, until the Administrative Agent shall have advised the Borrower and the Lenders that the circumstances giving rise to such notice no longer exist, any request by the Borrower for a Eurodollar Borrowing pursuant to Section 2.03 or 2.10 shall be deemed to be a request for an ABR Borrowing. Each determination by the Administrative Agent under this Section 2.08 shall be conclusive absent manifest error.

SECTION 2.09. *Termination and Reduction of Commitments.* (a) The Term Loan Commitments (other than (i) the Delayed Draw Term Loan Commitments, which shall be reduced *pro tanto* by the making of Delayed Draw Term Loans and which shall terminate on the Delayed Draw Commitment Termination Date, and (ii) any Incremental Term Loan Commitments, which shall terminate as provided in the related Incremental Term Loan Assumption Agreement) shall automatically terminate upon the making of the Term Loans on the Closing Date. The Revolving Credit Commitments and the Swingline Commitment shall automatically terminate on the Revolving Credit Maturity Date. The

L/C Commitment shall automatically terminate on the earlier to occur of (i) the termination of the Revolving Credit Commitments and (ii) the date 10 Business Days prior to the Revolving Credit Maturity Date. Notwithstanding the foregoing, all the Commitments shall automatically terminate at 5:00 p.m., New York City time, on October 31, 2007, if the initial Credit Event shall not have occurred by such time.

(b) Upon at least three Business Days' prior written or fax notice to the Administrative Agent, the Borrower may at any time in whole permanently terminate, or from time to time in part permanently reduce, the Term Loan Commitments, the Revolving Credit Commitments or the Swingline Commitment; *provided, however*, that (i) each partial reduction of the Term Loan Commitments or the Revolving Credit Commitments shall be in an integral multiple of \$1,000,000 and in a minimum amount of \$3,000,000, (ii) each partial reduction of the Swingline Commitment shall be in an integral multiple of \$250,000 and in a minimum amount of \$1,000,000 and (iii) the Total Revolving Credit Commitment shall not be reduced to an amount that is less than the Aggregate Revolving Credit Exposure at the time. Each notice delivered by the Borrower pursuant to this Section 2.09 shall be irrevocable; *provided* that a notice of termination of the Term Loan Commitments, the Revolving Credit Commitments or the Swingline Commitment delivered by the Borrower may state that such notice is conditioned upon the effectiveness of other credit facilities, indentures or similar agreements or any other event, in which case such notice may be revoked by the Borrower (by notice to the Administrative Agent on or prior to the specified effective date) if such condition is not satisfied.

(c) Each reduction in the Term Loan Commitments or the Revolving Credit Commitments hereunder shall be made ratably among the Lenders in accordance with their respective applicable Commitments. The Borrower shall pay to the Administrative Agent for the account of the applicable Lenders, on the date of each termination or reduction, the Commitment Fees on the amount of the Commitments so terminated or reduced accrued to but excluding the date of such termination or reduction.

SECTION 2.10. **Conversion and Continuation of Borrowings.** The Borrower shall have the right at any time upon prior irrevocable notice to the Administrative Agent (a) not later than 12:00 (noon), New York City time, one Business Day prior to conversion, to convert any Eurodollar Borrowing into an ABR Borrowing, (b) not later than 12:00 (noon), New York City time, three Business Days prior to conversion or continuation, to convert any ABR Borrowing into a Eurodollar Borrowing or to continue any Eurodollar Borrowing as a Eurodollar Borrowing for an additional Interest Period, and (c) not later than 12:00 (noon), New York City time, three Business Days prior to conversion, to convert the Interest Period with respect to any Eurodollar Borrowing to another permissible Interest Period, subject in each case to the following:

- (i) each conversion or continuation shall be made pro rata among the Lenders in accordance with the respective principal amounts of the Loans comprising the converted or continued Borrowing;
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(ii) if less than all the outstanding principal amount of any Borrowing shall be converted or continued, then each resulting Borrowing shall satisfy the limitations specified in Sections 2.02(a) and 2.02(b) regarding the principal amount and maximum number of Borrowings of the relevant Type;

(iii) each conversion shall be effected by each Lender and the Administrative Agent by recording for the account of such Lender the new Loan of such Lender resulting from such conversion and reducing the Loan (or portion thereof) of such Lender being converted by an equivalent principal amount; accrued interest on any Eurodollar Loan (or portion thereof) being converted shall be paid by the Borrower at the time of conversion;

(iv) if any Eurodollar Borrowing is converted at a time other than the end of the Interest Period applicable thereto, the Borrower shall pay, upon demand, any amounts due to the Lenders pursuant to Section 2.16;

(v) any portion of a Borrowing maturing or required to be repaid in less than one month may not be converted into or continued as a Eurodollar Borrowing;

(vi) any portion of a Eurodollar Borrowing that cannot be converted into or continued as a Eurodollar Borrowing by reason of the immediately preceding clause shall be automatically converted at the end of the Interest Period in effect for such Borrowing into an ABR Borrowing;

(vii) no Interest Period may be selected for any Eurodollar Term Borrowing that would end later than a Repayment Date occurring on or after the first day of such Interest Period if, after giving effect to such selection, the aggregate outstanding amount of (A) the Eurodollar Term Borrowings comprised of Funded Term Loans, Delayed Draw Term Loans or Other Term Loans, as applicable, with Interest Periods ending on or prior to such Repayment Date and (B) the ABR Term Borrowings comprised of Funded Term Loans, Delayed Draw Term Loans or Other Term Loans, as applicable, would not be at least equal to the principal amount of Term Borrowings to be paid on such Repayment Date; and

(viii) upon notice to the Borrower from the Administrative Agent given at the request of the Required Lenders, after the occurrence and during the continuance of a Default or Event of Default, no outstanding Loan may be converted into, or continued as, a Eurodollar Loan.

Each notice pursuant to this Section 2.10 shall be irrevocable and shall refer to this Agreement and specify (i) the identity and amount of the Borrowing that the Borrower requests be converted or continued, (ii) whether such Borrowing is to be converted to or continued as a Eurodollar Borrowing or an ABR Borrowing, (iii) if such notice requests a conversion, the date of such conversion (which shall be a Business Day) and (iv) if such Borrowing is to be converted to or continued as a Eurodollar Borrowing, the Interest Period with respect thereto. If no Interest Period is specified in any such

notice with respect to any conversion to or continuation as a Eurodollar Borrowing, the Borrower shall be deemed to have selected an Interest Period of one month's duration. The Administrative Agent shall advise the Lenders of any notice given pursuant to this Section 2.10 and of each Lender's portion of any converted or continued Borrowing. If the Borrower shall not have given notice in accordance with this Section 2.10 to continue any Borrowing into a subsequent Interest Period (and shall not otherwise have given notice in accordance with this Section 2.10 to convert such Borrowing), such Borrowing shall, at the end of the Interest Period applicable thereto (unless repaid pursuant to the terms hereof), automatically be continued into an ABR Borrowing.

SECTION 2.11. **Repayment of Term Borrowings.** (a) (i) The Borrower shall pay to the Administrative Agent, for the account of the Funded Term Loan Lenders, on the dates set forth below, or if any such date is not a Business Day, on the next preceding Business Day (each such date being called a "**Funded Term Loan Repayment Date**"), a principal amount of the Funded Term Loans (as adjusted from time to time pursuant to Sections 2.11(b), 2.12, 2.13(g) and 2.24(d)) equal to the amount set forth below for such date, together in each case with accrued and unpaid interest on the principal amount to be paid to but excluding the date of such payment:

Repayment Date	Amount
December 31, 2007	\$15,162,500
March 31, 2008	\$15,162,500
June 30, 2008	\$15,162,500
September 30, 2008	\$15,162,500
December 31, 2008	\$15,162,500
March 31, 2009	\$15,162,500
June 30, 2009	\$15,162,500
September 30, 2009	\$15,162,500
December 31, 2009	\$15,162,500
March 31, 2010	\$15,162,500
June 30, 2010	\$15,162,500
September 30, 2010	\$15,162,500
December 31, 2010	\$15,162,500
March 31, 2011	\$15,162,500
June 30, 2011	\$15,162,500
September 30, 2011	\$15,162,500
December 31, 2011	\$15,162,500
March 31, 2012	\$15,162,500
June 30, 2012	\$15,162,500
September 30, 2012	\$15,162,500
December 31, 2012	\$15,162,500
March 31, 2013	\$15,162,500
June 30, 2013	\$15,162,500
September 30, 2013	\$15,162,500
December 31, 2013	\$15,162,500
March 31, 2014	\$15,162,500

Repayment Date	Amount
June 30, 2014	\$ 15,162,500
Term Loan Maturity Date	\$5,655,612,500

(ii) The Borrower shall pay to the Administrative Agent, for the account of the Delayed Draw Term Loan Lenders, on the dates set forth below, or if any such date is not a Business Day, on the next preceding Business Day (each such date being called a "**Delayed Draw Term Loan Repayment Date**"), a principal amount of the Delayed Draw Term Loans (as adjusted from time to time pursuant to Sections 2.11(b), 2.12, 2.13(g) and 2.24(d)) equal to the percentage set forth below for such date of the aggregate principal amount of the Delayed Draw Term Loans outstanding on the Delayed Draw Commitment Termination Date (after giving effect to any Delayed Draw Term Loans to be made on such date), together in each case with accrued and unpaid interest on the principal amount to be paid to but excluding the date of such payment:

Repayment Date	Amount
March 31, 2009	0.25%
June 30, 2009	0.25%
September 30, 2009	0.25%
December 31, 2009	0.25%
March 31, 2010	0.25%
June 30, 2010	0.25%
September 30, 2010	0.25%
December 31, 2010	0.25%
March 31, 2011	0.25%
June 30, 2011	0.25%
September 30, 2011	0.25%
December 31, 2011	0.25%
March 31, 2012	0.25%
June 30, 2012	0.25%
September 30, 2012	0.25%
December 31, 2012	0.25%
March 31, 2013	0.25%
June 30, 2013	0.25%
September 30, 2013	0.25%
December 31, 2013	0.25%
March 31, 2014	0.25%
June 30, 2014	0.25%
Term Loan Maturity Date	94.50%

(iii) The Borrower shall pay to the Administrative Agent, for the account of the Incremental Term Lenders, on each Incremental Term Loan Repayment Date, a principal amount of the Other Term Loans (as adjusted from time to time pursuant to Sections 2.11(b), 2.12 and 2.13(g)) equal to the amount set forth for such date in the applicable Incremental Term Loan Assumption Agreement, together in each case with

accrued and unpaid interest on the principal amount to be paid to but excluding the date of such payment.

(b) In the event and on each occasion that the Term Loan Commitments shall be reduced or shall expire or terminate other than as a result of the making of a Term Loan, the installments payable on each Repayment Date shall be reduced pro rata by an aggregate amount equal to the amount of such reduction, expiration or termination.

(c) To the extent not previously paid, all Funded Term Loans, Delayed Draw Term Loans and Other Term Loans shall be due and payable on the Term Loan Maturity Date (in the case of the Funded Term Loans and the Delayed Draw Term Loans) and the Incremental Term Loan Maturity Date (in the case of the Other Term Loans), together with accrued and unpaid interest on the principal amount to be paid to but excluding the date of payment.

(d) All repayments pursuant to this Section 2.11 shall be subject to Section 2.16, but shall otherwise be without premium or penalty.

SECTION 2.12. *Optional Prepayment.* (a) The Borrower shall have the right at any time and from time to time to prepay any Borrowing, in whole or in part, upon at least three Business Days' prior written or fax notice (or telephone notice promptly confirmed by written or fax notice) in the case of Eurodollar Loans, or written or fax notice (or telephone notice promptly confirmed by written or fax notice) at least one Business Day prior to the date of prepayment in the case of ABR Loans, to the Administrative Agent before 11:00 a.m., New York City time; *provided, however*, that each partial prepayment shall be in an amount that is an integral multiple of \$1,000,000 and not less than \$3,000,000.

(b) Optional prepayments of Term Loans shall be applied as directed by the Borrower, and if no such direction is provided, pro rata against the remaining scheduled installments of principal due in respect of the Term Loans under Section 2.11.

(c) Each notice of prepayment shall specify the prepayment date and the principal amount of each Borrowing (or portion thereof) to be prepaid, shall be irrevocable and shall commit the Borrower to prepay such Borrowing by the amount stated therein on the date stated therein; *provided* that a notice of prepayment may state that such notice is conditioned upon the effectiveness of other credit facilities, indentures or similar agreements or any other event, in which case such notice may be revoked by the Borrower (by notice to the Administrative Agent on or prior to the specified effective date) if such condition is not satisfied. All prepayments under this Section 2.12 shall be subject to Section 2.16 but otherwise without premium or penalty. All prepayments under this Section 2.12 (other than prepayments of ABR Revolving Loans that are not made in connection with the termination or permanent reduction of the Revolving Credit Commitments) shall be accompanied by accrued and unpaid interest on the principal amount to be prepaid to but excluding the date of payment.

SECTION 2.13. **Mandatory Prepayments.** (a) In the event of any termination of all the Revolving Credit Commitments, the Borrower shall, on the date of such termination, repay or prepay all its outstanding Revolving Credit Borrowings and all outstanding Swingline Loans and replace or cause to be canceled (or make other arrangements satisfactory to the Administrative Agent and the Issuing Bank with respect to) all outstanding Letters of Credit. If, after giving effect to any partial reduction of the Revolving Credit Commitments or at any other time, the Aggregate Revolving Credit Exposure would exceed the Total Revolving Credit Commitment, then the Borrower shall, on the date of such reduction or at such other time, repay or prepay Revolving Credit Borrowings or Swingline Loans (or a combination thereof) and, after the Revolving Credit Borrowings and Swingline Loans shall have been repaid or prepaid in full, replace or cause to be canceled (or make other arrangements satisfactory to the Administrative Agent and the Issuing Bank with respect to) Letters of Credit in an amount sufficient to eliminate such excess.

(b) Not later than the fifth Business Day after the earlier of (i) the receipt of aggregate Net Cash Proceeds in respect of Asset Sales in excess of \$50,000,000 and (ii) the first anniversary of the Borrower's most recent prepayment pursuant to this Section 2.13(b), the Borrower shall apply 100% of the Net Cash Proceeds so received (and not yet used to prepay Term Loans pursuant to this Section 2.13(b)) to prepay outstanding Term Loans in accordance with Section 2.13(g); *provided* that, if no such prepayments shall have been made prior to the first anniversary of the Closing Date, the Borrower shall, at such time, apply the Net Cash Proceeds (if any) received to such date to prepay outstanding Term Loans in accordance with Section 2.13(g).

(c) No later than 95 days after the end of each fiscal year of the Borrower, commencing with the fiscal year ending on December 31, 2008, the Borrower shall prepay outstanding Term Loans in accordance with Section 2.13(g) in an aggregate principal amount equal to (x) 50% of Excess Cash Flow for the fiscal year then ended *minus* (y) Voluntary Prepayments made during such fiscal year; *provided* that such percentage shall be reduced to 25% if the Leverage Ratio as of the end of such fiscal year was less than 4.50 to 1.00 but equal to or greater than 3.50 to 1.00 and such percentage shall be reduced to zero (i.e., no payments shall be required pursuant to this Section 2.13(c)) if the Leverage Ratio as of the end of such fiscal year was less than 3.50 to 1.00.

(d) In the event that Parent or any of its subsidiaries shall receive Net Cash Proceeds from the issuance or incurrence of Indebtedness for money borrowed (other than any cash proceeds from the issuance of Indebtedness for money borrowed permitted pursuant to Section 6.01 (other than Sections 6.01(f) and 6.01(o)), the Borrower shall, substantially simultaneously with (and in any event not later than the fifth Business Day next following) the receipt of such Net Cash Proceeds by Parent or such subsidiary, apply an amount equal to 100% of such Net Cash Proceeds (or, in the case of Permitted Additional Debt, 75% of the Net Cash Proceeds thereof in excess of \$200,000,000) to prepay outstanding Term Loans in accordance with Section 2.13(g).

(e) To the extent Parent or any of its subsidiaries shall receive Net Cash Proceeds in excess of \$300,000,000 from the consummation of a Permitted Receivables Transaction, the Borrower shall, substantially simultaneously with (and in any event not later than the fifth Business Day next following) the receipt of such Net Cash Proceeds by Parent or such subsidiary, apply an amount equal to 100% of the amount of such Net Cash Proceeds so in excess of \$300,000,000 to prepay outstanding Term Loans in accordance with Section 2.13(g).

(f) Notwithstanding the foregoing, any Term Lender may elect, by written notice to the Administrative Agent at the time and in the manner specified by the Administrative Agent, to decline all (but not less than all) of any mandatory prepayment of its Term Loans pursuant to this Section 2.13 (such declined amounts, the **"Declined Proceeds"**). Any Declined Proceeds shall be offered to the Term Lenders not so declining such prepayment (with such Term Lenders having the right to decline any prepayment with Declined Proceeds at the time and in the manner specified by the Administrative Agent). To the extent such Term Lenders elect to decline their pro rata shares of such Declined Proceeds, such remaining Declined Proceeds may be retained by the Borrower.

(g) Mandatory prepayments of outstanding Term Loans under this Agreement shall be allocated pro rata among the Funded Term Loans, Delayed Draw Term Loans and the Other Term Loans and first applied in order of maturity of the scheduled installments of principal due in respect of the Funded Term Loans, Delayed Draw Term Loans and the Other Term Loans under Sections 2.11(a)(i), (ii) and (iii) for the first eight installments following such mandatory prepayment (commencing with the first such scheduled installment pursuant to Sections 2.11(a)(i), (ii) and (iii)) and, if applicable, thereafter applied pro rata against the remaining scheduled installments of principal due in respect of the Funded Term Loans, Delayed Draw Term Loans and the Other Term Loans under Sections 2.11(a)(i), (ii) and (iii), respectively; *provided, however*, that, if at the time of any prepayment pursuant to this Section 2.13 there shall be Term Borrowings of different Types or Eurodollar Term Borrowings with different Interest Periods, and if some but not all Term Lenders shall have accepted such mandatory prepayment, then the aggregate amount of such mandatory prepayment shall be allocated ratably to each outstanding Term Borrowing of the accepting Term Lenders. If no Term Lenders exercise the right to waive a given mandatory prepayment of the Term Loans pursuant to Section 2.13(f), then, with respect to such mandatory prepayment, the amount of such mandatory prepayment shall be applied first to Term Loans that are ABR Loans to the full extent thereof before application to Term Loans that are Eurodollar Loans in a manner that minimizes the amount of any payments required to be made by the Borrower pursuant to Section 2.16.

(h) The Borrower shall deliver to the Administrative Agent, at the time of each prepayment required under this Section 2.13(b), (c), (d) or (e), as applicable, (i) a certificate signed by a Financial Officer of the Borrower setting forth in reasonable detail the calculation of the amount of such prepayment and (ii) to the extent practicable, at least two days prior written notice of such prepayment. Each notice of prepayment shall specify the prepayment date, the Type of each Loan being prepaid and the principal amount of each Loan (or portion thereof) to be prepaid. All prepayments of Borrowings

under this Section 2.13 shall be subject to Section 2.16, but shall otherwise be without premium or penalty, and shall be accompanied by accrued and unpaid interest on the principal amount to be prepaid to but excluding the date of payment (which interest amounts shall reduce the amount of Net Cash Proceeds required to be applied to prepay the Loans).

SECTION 2.14. Reserve Requirements; Change in Circumstances. (a) Notwithstanding any other provision of this Agreement, if any Change in Law shall impose, modify or deem applicable any reserve, special deposit or similar requirement against assets of, deposits with or for the account of or credit extended by any Lender or the Issuing Bank (except any such reserve requirement which is reflected in the Adjusted LIBO Rate) or shall impose on such Lender or the Issuing Bank or the London interbank market any other condition affecting this Agreement or Eurodollar Loans made by such Lender or any Letter of Credit or participation therein, and the result of any of the foregoing shall be to increase the cost to such Lender or the Issuing Bank of making or maintaining any Eurodollar Loan or increase the cost to any Lender of issuing or maintaining any Letter of Credit or purchasing or maintaining a participation therein or to reduce the amount of any sum received or receivable by such Lender or the Issuing Bank hereunder (whether of principal, interest or otherwise) by an amount deemed by such Lender or the Issuing Bank to be material, then the Borrower will pay to such Lender or the Issuing Bank, as the case may be, from time to time such additional amount or amounts as will compensate such Lender or the Issuing Bank, as the case may be, for such additional costs incurred or reduction suffered.

(b) If any Lender or the Issuing Bank shall have determined that any Change in Law regarding capital adequacy has or would have the effect of reducing the rate of return on such Lender's or the Issuing Bank's capital or on the capital of such Lender's or the Issuing Bank's holding company, if any, as a consequence of this Agreement or the Loans made or participations in Letters of Credit purchased by such Lender pursuant hereto or the Letters of Credit issued by the Issuing Bank pursuant hereto to a level below that which such Lender or the Issuing Bank or such Lender's or the Issuing Bank's holding company could have achieved but for such Change in Law (taking into consideration such Lender's or the Issuing Bank's policies and the policies of such Lender's or the Issuing Bank's holding company with respect to capital adequacy) by an amount deemed by such Lender or the Issuing Bank to be material, then from time to time the Borrower shall pay to such Lender or the Issuing Bank, as the case may be, such additional amount or amounts as will compensate such Lender or the Issuing Bank or such Lender's or the Issuing Bank's holding company for any such reduction suffered.

(c) A certificate of a Lender or the Issuing Bank setting forth the amount or amounts necessary to compensate such Lender or the Issuing Bank or its holding company, as applicable, as specified in paragraph (a) or (b) above shall be delivered to the Borrower and shall be conclusive absent manifest error. The Borrower shall pay such Lender or the Issuing Bank the amount shown as due on any such certificate delivered by it within 30 days after its receipt of the same.

(d) Failure or delay on the part of any Lender or the Issuing Bank to demand compensation for any increased costs or reduction in amounts received or receivable or reduction in return on capital shall not constitute a waiver of such Lender's or the Issuing Bank's right to demand such compensation; provided that the Borrower shall not be under any obligation to compensate any Lender or the Issuing Bank under paragraph (a) or (b) above with respect to increased costs or reductions with respect to any period prior to the date that is 120 days prior to such request if such Lender or the Issuing Bank knew or could reasonably have been expected to know of the circumstances giving rise to such increased costs or reductions and of the fact that such circumstances would result in a claim for increased compensation by reason of such increased costs or reductions; provided further that the foregoing limitation shall not apply to any increased costs or reductions arising out of the retroactive application of any Change in Law within such 120-day period. The protection of this Section shall be available to each Lender and the Issuing Bank regardless of any possible contention of the invalidity or inapplicability of the Change in Law that shall have occurred or been imposed.

SECTION 2.15. *Change in Legality.* (a) Notwithstanding any other provision of this Agreement, if any Change in Law shall make it unlawful for any Lender to make or maintain any Eurodollar Loan or to give effect to its obligations as contemplated hereby with respect to any Eurodollar Loan, then, by written notice to the Borrower and to the Administrative Agent:

(i) such Lender may declare that Eurodollar Loans will not thereafter (for the duration of such unlawfulness) be made by such Lender hereunder (or be continued for additional Interest Periods) and ABR Loans will not thereafter (for such duration) be converted into Eurodollar Loans, whereupon any request for a Eurodollar Borrowing (or to convert an ABR Borrowing to a Eurodollar Borrowing or to continue a Eurodollar Borrowing for an additional Interest Period) shall, as to such Lender only, be deemed a request for an ABR Loan (or a request to continue an ABR Loan as such for an additional Interest Period or to convert a Eurodollar Loan into an ABR Loan, as the case may be), unless such declaration shall be subsequently withdrawn; and

(ii) such Lender may require that all outstanding Eurodollar Loans made by it be converted to ABR Loans, in which event all such Eurodollar Loans shall be automatically converted to ABR Loans as of the effective date of such notice as provided in paragraph (b) below.

In the event any Lender shall exercise its rights under (i) or (ii) above, all payments and prepayments of principal that would otherwise have been applied to repay the Eurodollar Loans that would have been made by such Lender or the converted Eurodollar Loans of such Lender shall instead be applied to repay the ABR Loans made by such Lender in lieu of, or resulting from the conversion of, such Eurodollar Loans.

(b) For purposes of this Section 2.15, a notice to the Borrower by any Lender shall be effective as to each Eurodollar Loan made by such Lender, if lawful, on the last

day of the Interest Period then applicable to such Eurodollar Loan; in all other cases such notice shall be effective on the date of receipt by the Borrower.

SECTION 2.16. **Indemnity.** The Borrower shall indemnify each Lender against any loss or expense that such Lender may sustain or incur as a consequence of (a) any event, other than a default by such Lender in the performance of its obligations hereunder, which results in (i) such Lender receiving or being deemed to receive any amount on account of the principal of any Eurodollar Loan prior to the end of the Interest Period in effect therefor, (ii) the conversion of any Eurodollar Loan to an ABR Loan, or the conversion of the Interest Period with respect to any Eurodollar Loan, in each case other than on the last day of the Interest Period in effect therefor, or (iii) any Eurodollar Loan to be made by such Lender (including any Eurodollar Loan to be made pursuant to a conversion or continuation under Section 2.10) not being made after notice of such Loan shall have been given by the Borrower hereunder (any of the events referred to in this clause (a) being called a "**Breakage Event**") or (b) any default in the making of any payment or prepayment of any Eurodollar Loan required to be made hereunder. In the case of any Breakage Event, such loss shall include an amount equal to the excess, as reasonably determined by such Lender, of (i) its cost of obtaining funds for the Eurodollar Loan that is the subject of such Breakage Event for the period from the date of such Breakage Event to the last day of the Interest Period in effect (or that would have been in effect) for such Loan over (ii) the amount of interest likely to be realized by such Lender in redeploying the funds released or not utilized by reason of such Breakage Event for such period. A certificate of any Lender setting forth any amount or amounts which such Lender is entitled to receive pursuant to this Section 2.16 shall be delivered to the Borrower and shall be conclusive absent manifest error.

SECTION 2.17. **Pro Rata Treatment.** Except as provided below in this Section 2.17 with respect to Swingline Loans and as required under Section 2.13(f) or 2.15, each Borrowing, each payment or prepayment of principal of any Borrowing, each payment of interest on the Loans, each payment of the Commitment Fees, each reduction of the Term Loan Commitments or the Revolving Credit Commitments and each conversion of any Borrowing to or continuation of any Borrowing as a Borrowing of any Type shall be allocated pro rata among the Lenders in accordance with their respective applicable Commitments (or, if such Commitments shall have expired or been terminated, in accordance with the respective principal amounts of their outstanding Loans). For purposes of determining the available Revolving Credit Commitments of the Lenders at any time, each outstanding Swingline Loan shall be deemed to have utilized the Revolving Credit Commitments of the Lenders (including those Lenders which shall not have made Swingline Loans) pro rata in accordance with such respective Revolving Credit Commitments. Each Lender agrees that in computing such Lender's portion of any Borrowing to be made hereunder, the Administrative Agent may, in its discretion, round each Lender's percentage of such Borrowing to the next higher or lower whole dollar amount.

SECTION 2.18. **Sharing of Setoffs.** Each Lender agrees that if it shall, through the exercise of a right of banker's lien, setoff or counterclaim against the Borrower or any other Loan Party, or pursuant to a secured claim under Section 506 of Title 11 of the

United States Code or other security or interest arising from, or in lieu of, such secured claim, received by such Lender under any applicable bankruptcy, insolvency or other similar law or otherwise, or by any other means, obtain payment (voluntary or involuntary) in respect of any Loan or Loans or L/C Disbursement as a result of which the unpaid principal portion of its Loans and participations in L/C Disbursements shall be proportionately less than the unpaid principal portion of the Loans and participations in L/C Disbursements of any other Lender, it shall be deemed simultaneously to have purchased from such other Lender at face value, and shall promptly pay to such other Lender the purchase price for, a participation in the Loans and L/C Exposure of such other Lender, so that the aggregate unpaid principal amount of the Loans and L/C Exposure and participations in Loans and L/C Exposure held by each Lender shall be in the same proportion to the aggregate unpaid principal amount of all Loans and L/C Exposure then outstanding as the principal amount of its Loans and L/C Exposure prior to such exercise of banker's lien, setoff or counterclaim or other event was to the principal amount of all Loans and L/C Exposure outstanding prior to such exercise of banker's lien, setoff or counterclaim or other event; *provided, however*, that if any such purchase or purchases or adjustments shall be made pursuant to this Section 2.18 and the payment giving rise thereto shall thereafter be recovered, such purchase or purchases or adjustments shall be rescinded to the extent of such recovery and the purchase price or prices or adjustment restored without interest. The Borrower and Parent expressly consent to the foregoing arrangements and agree that any Lender holding a participation in a Loan or L/C Disbursement deemed to have been so purchased may exercise any and all rights of banker's lien, setoff or counterclaim with respect to any and all moneys owing by the Borrower and Parent to such Lender by reason thereof as fully as if such Lender had made a Loan directly to the Borrower in the amount of such participation.

SECTION 2.19. **Payments.** (a) The Borrower shall make each payment (including principal of or interest on any Borrowing or any L/C Disbursement or any Fees or other amounts) hereunder and under any other Loan Document not later than 1:00 p.m., New York City time, on the date when due in immediately available dollars, without setoff, defense or counterclaim. Each such payment (other than (i) Issuing Bank Fees, which shall be paid directly to the Issuing Bank, and (ii) principal of and interest on Swingline Loans, which shall be paid directly to the Swingline Lender except as otherwise provided in Section 2.22(e)) shall be made to the Administrative Agent at its offices at Eleven Madison Avenue, New York, NY 10010. The Administrative Agent shall promptly distribute to each Lender any payments received by the Administrative Agent on behalf of such Lender.

(b) Except as otherwise expressly provided herein, whenever any payment (including principal of or interest on any Borrowing or any Fees or other amounts) hereunder or under any other Loan Document shall become due, or otherwise would occur, on a day that is not a Business Day, such payment may be made on the next succeeding Business Day, and such extension of time shall in such case be included in the computation of interest or Fees, if applicable.

(c) Unless the Administrative Agent shall have received notice from the Borrower prior to the date on which any payment is due to the Administrative Agent for

the account of the Lenders or the Issuing Bank hereunder that the Borrower will not make such payment, the Administrative Agent may assume that the Borrower has made such payment on such date in accordance herewith and may, in reliance upon such assumption, distribute to the Lenders or the Issuing Bank, as the case may be, the amount due. In such event, if the Borrower does not in fact make such payment, then each of the Lenders or the Issuing Bank, as the case may be, severally agrees to repay to the Administrative Agent forthwith on demand the amount so distributed to such Lender, and to pay interest thereon, for each day from and including the date such amount is distributed to it to but excluding the date of payment to the Administrative Agent, at a rate determined by the Administrative Agent to represent its cost of overnight or short-term funds (which determination shall be conclusive absent manifest error).

SECTION 2.20. **Taxes.** (a) Any and all payments by or on account of any obligation of the Borrower or any other Loan Party hereunder or under any other Loan Document shall be made free and clear of and without deduction for any Indemnified Taxes or Other Taxes; *provided* that, if the Borrower or any other Loan Party shall be required to deduct any Indemnified Taxes or Other Taxes from such payments, then (i) the sum payable shall be increased as necessary so that after making all required deductions (including deductions applicable to additional sums payable under this Section) the Administrative Agent, Lender or Issuing Bank (as the case may be) receives an amount equal to the sum it would have received had no such deductions been made, (ii) the Borrower or such Loan Party shall make such deductions and (iii) the Borrower or such Loan Party shall pay the full amount deducted to the relevant Governmental Authority in accordance with applicable law.

(b) In addition, the Borrower shall pay any Other Taxes to the relevant Governmental Authority in accordance with applicable law.

(c) The Borrower shall indemnify the Administrative Agent, each Lender and the Issuing Bank, within 10 days after written demand therefor, for the full amount of any Indemnified Taxes or Other Taxes paid by the Administrative Agent, such Lender or the Issuing Bank, as the case may be, on or with respect to any payment by or on account of any obligation of the Borrower or any other Loan Party hereunder or under any other Loan Document (including Indemnified Taxes or Other Taxes imposed or asserted on or attributable to amounts payable under this Section) and any penalties, interest and reasonable expenses arising therefrom or with respect thereto; *provided* that the Borrower shall not be obligated to so indemnify any Lender, the Administrative Agent or the Issuing Bank in respect of interest or penalties attributable to any Indemnified Taxes or Other Taxes to the extent that such interest or penalties resulted solely from the gross negligence or willful misconduct of the Administrative Agent or such Lender or the Issuing Bank. A certificate as to the amount of such payment or liability delivered to the Borrower by a Lender or the Issuing Bank, or by the Administrative Agent on behalf of itself, a Lender or the Issuing Bank, shall be conclusive absent manifest error.

(d) As soon as practicable after any payment of Indemnified Taxes or Other Taxes by the Borrower or any other Loan Party to a Governmental Authority, the Borrower shall deliver to the Administrative Agent the original or a certified copy of a

receipt issued by such Governmental Authority evidencing such payment, a copy of the return reporting such payment or other evidence of such payment reasonably satisfactory to the Administrative Agent.

(e) Any Foreign Lender that is entitled to an exemption from or reduction of withholding tax under the law of the jurisdiction in which the Borrower is located, or any treaty to which such jurisdiction is a party, with respect to payments under this Agreement shall deliver to the Borrower (with a copy to the Administrative Agent), at the time or times prescribed by applicable law, such properly completed and executed documentation prescribed by applicable law or reasonably requested by the Borrower as will permit such payments to be made without withholding or at a reduced rate.

SECTION 2.21. Assignment of Commitments Under Certain Circumstances; Duty to Mitigate. (a) In the event (i) any Lender or the Issuing Bank delivers a certificate requesting compensation pursuant to Section 2.14, (ii) any Lender or the Issuing Bank delivers a notice described in Section 2.15, (iii) the Borrower is required to pay any additional amount to any Lender or the Issuing Bank or any Governmental Authority on account of any Lender or the Issuing Bank pursuant to Section 2.20 or (iv) any Lender refuses to consent to any amendment, waiver or other modification of any Loan Document requested by the Borrower that requires the consent of a greater percentage of the Lenders than the Required Lenders and such amendment, waiver or other modification is consented to by the Required Lenders, the Borrower may, at its sole expense and effort (including with respect to the processing and recordation fee referred to in Section 9.04(b)), upon notice to such Lender or the Issuing Bank, as the case may be, and the Administrative Agent, require such Lender or the Issuing Bank to transfer and assign, without recourse (in accordance with and subject to the restrictions contained in Section 9.04), all of its interests, rights and obligations under this Agreement (or, in the case of clause (iv) above, all of its interests, rights and obligation with respect to the Class of Loans or Commitments that is the subject of the related consent, amendment, waiver or other modification) to an Eligible Assignee that shall assume such assigned obligations and, with respect to clause (iv) above, shall consent to such requested amendment, waiver or other modification of any Loan Document (which Eligible Assignee may be another Lender, if a Lender accepts such assignment); *provided* that (x) such assignment shall not conflict with any law, rule or regulation or order of any court or other Governmental Authority having jurisdiction, (y) the Borrower shall have received the prior written consent of the Administrative Agent (and, if a Revolving Credit Commitment is being assigned, of the Issuing Bank and the Swingline Lender), which consents shall not unreasonably be withheld or delayed, and (z) the Borrower or such Eligible Assignee shall have paid to the affected Lender or the Issuing Bank in immediately available funds an amount equal to the sum of the principal of and interest accrued to the date of such payment on the outstanding Loans or L/C Disbursements of such Lender or the Issuing Bank, respectively, plus all Fees and other amounts accrued for the account of such Lender or the Issuing Bank hereunder with respect thereto (including any amounts under Sections 2.14 and 2.16); *provided further* that, if prior to any such transfer and assignment the circumstances or event that resulted in such Lender's or the Issuing Bank's claim for compensation under Section 2.14, notice under Section 2.15 or the amounts paid pursuant to Section 2.20, as the case may be, cease to

cause such Lender or the Issuing Bank to suffer increased costs or reductions in amounts received or receivable or reduction in return on capital, or cease to have the consequences specified in Section 2.15, or cease to result in amounts being payable under Section 2.20, as the case may be (including as a result of any action taken by such Lender or the Issuing Bank pursuant to paragraph (b) below), or if such Lender or the Issuing Bank shall waive its right to claim further compensation under Section 2.14 in respect of such circumstances or event or shall withdraw its notice under Section 2.15 or shall waive its right to further payments under Section 2.20 in respect of such circumstances or event or shall consent to the proposed amendment, waiver, consent or other modification, as the case may be, then such Lender or the Issuing Bank shall not thereafter be required to make any such transfer and assignment hereunder. Each Lender hereby grants to the Administrative Agent an irrevocable power of attorney (which power is coupled with an interest) to execute and deliver, on behalf of such Lender as assignor, any Assignment and Acceptance necessary to effectuate any assignment of such Lender's interests hereunder in the circumstances contemplated by this Section 2.21(a).

(b) If (i) any Lender or the Issuing Bank shall request compensation under Section 2.14, (ii) any Lender or the Issuing Bank delivers a notice described in Section 2.15 or (iii) the Borrower is required to pay any additional amount to any Lender or the Issuing Bank or any Governmental Authority on account of any Lender or the Issuing Bank, pursuant to Section 2.20, then such Lender or the Issuing Bank shall use reasonable efforts (which shall not require such Lender or the Issuing Bank to incur an unreimbursed loss or unreimbursed cost or expense or otherwise take any action inconsistent with its internal policies or legal or regulatory restrictions or suffer any disadvantage or burden deemed by it to be significant) (x) to file any certificate or document reasonably requested in writing by the Borrower or (y) to assign its rights and delegate and transfer its obligations hereunder to another of its offices, branches or affiliates, if such filing or assignment would reduce its claims for compensation under Section 2.14 or enable it to withdraw its notice pursuant to Section 2.15 or would reduce amounts payable pursuant to Section 2.20, as the case may be, in the future. The Borrower hereby agrees to pay all reasonable costs and expenses incurred by any Lender or the Issuing Bank in connection with any such filing or assignment, delegation and transfer.

SECTION 2.22. **Swingline Loans.** (a) **Swingline Commitment.** Subject to the terms and conditions and relying upon the representations and warranties herein set forth, the Swingline Lender agrees to make loans to the Borrower at any time and from time to time on and after the Closing Date and until the earlier of the Revolving Credit Maturity Date and the termination of the Revolving Credit Commitments, in an aggregate principal amount at any time outstanding that will not result in (i) the aggregate principal amount of all Swingline Loans exceeding \$50,000,000 in the aggregate or (ii) the Aggregate Revolving Credit Exposure, after giving effect to any Swingline Loan, exceeding the Total Revolving Credit Commitment. Each Swingline Loan shall be in a principal amount that is an integral multiple of \$250,000. The Swingline Commitment may be terminated or reduced from time to time as provided herein. Within the foregoing limits, the Borrower may borrow, pay or prepay and reborrow Swingline Loans hereunder, subject to the terms, conditions and limitations set forth herein.

(b) **Swingline Loans.** The Borrower shall notify the Swingline Lender by fax, or by telephone (promptly confirmed by fax), not later than 12:00 (noon), New York City time, on the day of a proposed Swingline Loan. Such notice shall be delivered on a Business Day, shall be irrevocable and shall refer to this Agreement and shall specify the requested date (which shall be a Business Day) and amount of such Swingline Loan and the wire transfer instructions for the account of the Borrower to which the proceeds of the Swingline Loan should be disbursed. The Swingline Lender shall make each Swingline Loan by wire transfer to the account specified in such request.

(c) **Prepayment.** The Borrower shall have the right at any time and from time to time to prepay any Swingline Loan, in whole or in part, upon giving written or fax notice (or telephone notice promptly confirmed by written, or fax notice) to the Swingline Lender before 12:00 (noon), New York City time, on the date of prepayment at the Swingline Lender's address for notices specified in Section 9.01.

(d) **Interest.** Each Swingline Loan shall be an ABR Loan and, subject to the provisions of Section 2.07, shall bear interest as provided in Section 2.06(a).

(e) **Participations.** The Swingline Lender may by written notice given to the Administrative Agent not later than 1:00 p.m., New York City time, on any Business Day require the Revolving Credit Lenders to acquire participations on such Business Day in all or a portion of the Swingline Loans outstanding. Such notice shall specify the aggregate amount of Swingline Loans in which Revolving Credit Lenders will participate. The Administrative Agent will, promptly upon receipt of such notice, give notice to each Revolving Credit Lender, specifying in such notice such Lender's Pro Rata Percentage of such Swingline Loan or Loans. In furtherance of the foregoing, each Revolving Credit Lender hereby absolutely and unconditionally agrees, upon receipt of notice as provided above, to pay to the Administrative Agent, for the account of the Swingline Lender, such Revolving Credit Lender's Pro Rata Percentage of such Swingline Loan or Loans. Each Revolving Credit Lender acknowledges and agrees that its obligation to acquire participations in Swingline Loans pursuant to this paragraph is absolute and unconditional and shall not be affected by any circumstance whatsoever, including the occurrence and continuance of a Default or an Event of Default, and that each such payment shall be made without any offset, abatement, withholding or reduction whatsoever. Each Revolving Credit Lender shall comply with its obligation under this paragraph by wire transfer of immediately available funds, in the same manner as provided in Section 2.02(c) with respect to Loans made by such Lender (and Section 2.02(c) shall apply, *mutatis mutandis*, to the payment obligations of the Lenders) and the Administrative Agent shall promptly pay to the Swingline Lender the amounts so received by it from the Lenders. The Administrative Agent shall notify the Borrower of any participations in any Swingline Loan acquired pursuant to this paragraph and thereafter payments in respect of such Swingline Loan shall be made to the Administrative Agent and not to the Swingline Lender. Any amounts received by the Swingline Lender from the Borrower (or other person on behalf of the Borrower) in respect of a Swingline Loan after receipt by the Swingline Lender of the proceeds of a sale of participations therein shall be promptly remitted to the Administrative Agent; any such amounts received by the Administrative Agent shall be promptly remitted by the

Administrative Agent to the Lenders that shall have made their payments pursuant to this paragraph and to the Swingline Lender, as their interests may appear. The purchase of participations in a Swingline Loan pursuant to this paragraph shall not relieve the Borrower (or other person liable for obligations of the Borrower) of any default in the payment thereof.

SECTION 2.23. Letters of Credit. (a) *General.* Subject to the terms and conditions herein set forth, the Borrower may request the issuance of a Letter of Credit for its own account or for the account of any of the Subsidiaries (in which case the Borrower and such Subsidiary shall be co-applicants with respect to such Letter of Credit), in a form reasonably acceptable to the Administrative Agent and the Issuing Bank, at any time and from time to time while the L/C Commitment remains in effect. This Section shall not be construed to impose an obligation upon the Issuing Bank to issue any Letter of Credit that is inconsistent with the terms and conditions of this Agreement.

(b) **Notice of Issuance, Amendment, Renewal, Extension; Certain Conditions.** In order to request the issuance of a Letter of Credit (or to amend, renew or extend an existing Letter of Credit), the Borrower shall hand deliver or fax to the Issuing Bank and the Administrative Agent (reasonably in advance of the requested date of issuance, amendment, renewal or extension) a notice requesting the issuance of a Letter of Credit, or identifying the Letter of Credit to be amended, renewed or extended, the date of issuance, amendment, renewal or extension, the date on which such Letter of Credit is to expire (which shall comply with paragraph (c) below), the amount of such Letter of Credit, the name and address of the beneficiary thereof and such other information as shall be necessary to prepare such Letter of Credit. A Letter of Credit shall be issued, amended, renewed or extended only if, and upon issuance, amendment, renewal or extension of each Letter of Credit the Borrower shall be deemed to represent and warrant that, after giving effect to such issuance, amendment, renewal or extension (i) the L/C Exposure shall not exceed \$200,000,000 and (ii) the Aggregate Revolving Credit Exposure shall not exceed the Total Revolving Credit Commitment.

(c) **Expiration Date.** Each Letter of Credit shall expire at the close of business on the earlier of the date one year after the date of the issuance of such Letter of Credit and the date that is five Business Days prior to the Revolving Credit Maturity Date, unless such Letter of Credit expires by its terms on an earlier date; *provided, however,* that a Letter of Credit may, upon the request of the Borrower, include a provision whereby such Letter of Credit shall be renewed automatically for additional consecutive periods of 12 months or less (but not beyond the date that is five Business Days prior to the Revolving Credit Maturity Date) unless the Issuing Bank notifies the beneficiary thereof at least 30 days (or such longer period as may be specified in such Letter of Credit) prior to the then-applicable expiration date that such Letter of Credit will not be renewed.

(d) **Participations.** By the issuance of a Letter of Credit and without any further action on the part of the Issuing Bank or the Lenders, the Issuing Bank hereby grants to each Revolving Credit Lender, and each such Lender hereby acquires from the Issuing

Bank, a participation in such Letter of Credit equal to such Lender's Pro Rata Percentage of the aggregate amount available to be drawn under such Letter of Credit, effective upon the issuance of such Letter of Credit (or, in the case of the Existing Letters of Credit, effective upon the Closing Date). In consideration and in furtherance of the foregoing, each Revolving Credit Lender hereby absolutely and unconditionally agrees to pay to the Administrative Agent, for the account of the Issuing Bank, such Lender's Pro Rata Percentage of each L/C Disbursement made by the Issuing Bank and not reimbursed by the Borrower (or, if applicable, another party pursuant to its obligations under any other Loan Document) forthwith on the date due as provided in Section 2.02(f). Each Revolving Credit Lender acknowledges and agrees that its obligation to acquire participations pursuant to this paragraph in respect of Letters of Credit is absolute and unconditional and shall not be affected by any circumstance whatsoever, including the occurrence and continuance of a Default or an Event of Default, and that each such payment shall be made without any offset, abatement, withholding or reduction whatsoever.

(e) **Reimbursement.** If the Issuing Bank shall make any L/C Disbursement in respect of a Letter of Credit, the Borrower shall pay to the Administrative Agent an amount equal to such L/C Disbursement not later than 1:00 p.m., New York City time, on the immediately following Business Day after the Issuing Bank notifies the Borrower thereof.

(f) **Obligations Absolute.** The Borrower's obligations to reimburse L/C Disbursements as provided in paragraph (e) above shall be absolute, unconditional and irrevocable, and shall be performed strictly in accordance with the terms of this Agreement, under any and all circumstances whatsoever, and irrespective of:

(i) any lack of validity or enforceability of any Letter of Credit or any Loan Document, or any term or provision therein;

(ii) any amendment or waiver of or any consent to departure from all or any of the provisions of any Letter of Credit or any Loan Document;

(iii) the existence of any claim, setoff, defense or other right that the Borrower, any other party guaranteeing, or otherwise obligated with, the Borrower, any Subsidiary or other Affiliate thereof or any other person may at any time have against the beneficiary under any Letter of Credit, the Issuing Bank, the Administrative Agent or any Lender or any other person, whether in connection with this Agreement, any other Loan Document or any other related or unrelated agreement or transaction;

(iv) any draft or other document presented under a Letter of Credit proving to be forged, fraudulent, invalid or insufficient in any respect or any statement therein being untrue or inaccurate in any respect;

(v) payment by the Issuing Bank under a Letter of Credit against presentation of a draft or other document that does not comply with the terms of such Letter of Credit; and

(vi) any other act or omission to act or delay of any kind of the Issuing Bank, the Lenders, the Administrative Agent or any other person or any other event or circumstance whatsoever, whether or not similar to any of the foregoing, that might, but for the provisions of this Section, constitute a legal or equitable discharge of the Borrower's obligations hereunder.

Without limiting the generality of the foregoing, it is expressly understood and agreed that the absolute and unconditional obligation of the Borrower hereunder to reimburse L/C Disbursements will not be excused by the gross negligence or willful misconduct of the Issuing Bank. However, the foregoing shall not be construed to excuse the Issuing Bank from liability to the Borrower to the extent of any direct damages (as opposed to consequential damages, claims in respect of which are hereby waived by the Borrower to the extent permitted by applicable law) suffered by the Borrower that are caused by the Issuing Bank's gross negligence, bad faith or willful misconduct in determining whether drafts and other documents presented under a Letter of Credit comply with the terms thereof. It is further understood and agreed that the Issuing Bank may accept documents that appear on their face to be in order, without responsibility for further investigation, regardless of any notice or information to the contrary and, in making any payment under any Letter of Credit (i) the Issuing Bank's exclusive reliance on the documents presented to it under such Letter of Credit as to any and all matters set forth therein, including reliance on the amount of any draft presented under such Letter of Credit, whether or not the amount due to the beneficiary thereunder equals the amount of such draft and whether or not any document presented pursuant to such Letter of Credit proves to be insufficient in any respect, if such document on its face appears to be in order, and whether or not any other statement or any other document presented pursuant to such Letter of Credit proves to be forged or invalid or any statement therein proves to be inaccurate or untrue in any respect whatsoever and (ii) any noncompliance in any immaterial respect of the documents presented under such Letter of Credit with the terms thereof shall, in each case, be deemed not to constitute gross negligence or willful misconduct of the Issuing Bank.

(g) **Disbursement Procedures.** The Issuing Bank shall, promptly following its receipt thereof, examine all documents purporting to represent a demand for payment under a Letter of Credit. The Issuing Bank shall as promptly as possible give telephonic notification, confirmed by fax, to the Administrative Agent and the Borrower of such demand for payment and whether the Issuing Bank has made or will make an L/C Disbursement thereunder; *provided* that any failure to give or delay in giving such notice shall not relieve the Borrower of its obligation to reimburse the Issuing Bank and the Revolving Credit Lenders with respect to any such L/C Disbursement.

(h) **Interim Interest.** If the Issuing Bank shall make any L/C Disbursement in respect of a Letter of Credit, then, unless the Borrower shall reimburse such L/C Disbursement in full on such date, the unpaid amount thereof shall bear interest for the

account of the Issuing Bank, for each day from and including the date of such L/C Disbursement, to but excluding the earlier of the date of payment by the Borrower or the date on which interest shall commence to accrue thereon as provided in Section 2.02(f), at the rate per annum that would apply to such amount if such amount were an ABR Revolving Loan.

(i) **Resignation or Removal of the Issuing Bank.** The Issuing Bank may resign at any time by giving 30 days' prior written notice to the Administrative Agent, the Lenders and the Borrower, and may be removed at any time by the Borrower by notice to the Issuing Bank, the Administrative Agent and the Lenders. Upon the acceptance of any appointment as the Issuing Bank hereunder by a Lender that shall agree to serve as successor Issuing Bank, such successor shall succeed to and become vested with all the interests, rights and obligations of the retiring Issuing Bank. At the time such removal or resignation shall become effective, the Borrower shall pay all accrued and unpaid fees pursuant to Section 2.05(c)(ii). The acceptance of any appointment as the Issuing Bank hereunder by a successor Lender shall be evidenced by an agreement entered into by such successor, in a form satisfactory to the Borrower and the Administrative Agent, and, from and after the effective date of such agreement, (i) such successor Lender shall have all the rights and obligations of the previous Issuing Bank under this Agreement and the other Loan Documents and (ii) references herein and in the other Loan Documents to the term "Issuing Bank" shall be deemed to refer to such successor or to any previous Issuing Bank, or to such successor and all previous Issuing Banks, as the context shall require. After the resignation or removal of the Issuing Bank hereunder, the retiring Issuing Bank shall remain a party hereto and shall continue to have all the rights and obligations of an Issuing Bank under this Agreement and the other Loan Documents with respect to Letters of Credit issued by it prior to such resignation or removal, but shall not be required to issue additional Letters of Credit.

(j) **Cash Collateralization.** If any Event of Default shall occur and be continuing, the Borrower shall, on the Business Day it receives notice from the Administrative Agent or the Required Lenders (or, if the maturity of the Loans has been accelerated, Revolving Credit Lenders holding participations in outstanding Letters of Credit representing greater than 50% of the aggregate undrawn amount of all outstanding Letters of Credit) thereof and of the amount to be deposited, deposit in an account with the Collateral Agent, for the benefit of the Revolving Credit Lenders, an amount in cash equal to the L/C Exposure as of such date. Such deposit shall be held by the Collateral Agent as collateral for the payment and performance of the Obligations. The Collateral Agent shall have exclusive dominion and control, including the exclusive right of withdrawal, over such account. Other than any interest earned on the investment of such deposits in Permitted Investments, which investments shall be made at the option and sole discretion of the Collateral Agent, such deposits shall not bear interest. Interest or profits, if any, on such investments shall accumulate in such account. Moneys in such account shall (i) automatically be applied by the Administrative Agent to reimburse the Issuing Bank for L/C Disbursements for which it has not been reimbursed, (ii) be held for the satisfaction of the reimbursement obligations of the Borrower for the L/C Exposure at such time and (iii) if the maturity of the Loans has been accelerated (but subject to the consent of Revolving Credit Lenders holding participations in outstanding Letters of Credit

Credit representing greater than 50% of the aggregate undrawn amount of all outstanding Letters of Credit), be applied to satisfy the Obligations. If the Borrower is required to provide an amount of cash collateral hereunder as a result of the occurrence of an Event of Default, such amount (to the extent not applied as aforesaid) shall be returned to the Borrower within three Business Days after all Events of Default have been cured or waived.

(k) **Additional Issuing Banks.** The Borrower may, at any time and from time to time with the consent of the Administrative Agent (which consent shall not be unreasonably withheld or delayed) and such Lender, designate one or more additional Lenders to act as an issuing bank under the terms of this Agreement. Any Lender designated as an issuing bank pursuant to this paragraph (k) shall be deemed to be an "Issuing Bank" (in addition to being a Lender) in respect of Letters of Credit issued or to be issued by such Lender, and, with respect to such Letters of Credit, such term shall thereafter apply to the other Issuing Bank and such Lender.

(l) **Delivery of Certain Fulton Bonds.** Pursuant to the Fulton Bond Pledge Agreement, the Borrower has agreed that, in accordance with the terms of the Fulton Indenture, Fulton Bonds purchased with the proceeds of any Tender Draft and not remarketed on the date of such Tender Draft shall be delivered by the respective Tender Agent to the Collateral Agent as designee of the Issuing Bank, to be held by the Collateral Agent in pledge as collateral securing the L/C Disbursements arising from the purchase of such Fulton Bonds with the proceeds of such Tender Draft until such time as all such L/C Disbursements have been paid in full. The Fulton Bonds so delivered to the Collateral Agent shall, at the request of the Collateral Agent, be registered in the name of the Collateral Agent or its designee, as pledgee of the Borrower, as provided in the Fulton Bond Pledge Agreement.

SECTION 2.24. **Incremental Term Loans.** (a) The Borrower may, by written notice to the Administrative Agent from time to time, request Incremental Term Loan Commitments in an amount not to exceed the Incremental Term Loan Amount from one or more Incremental Term Lenders, which may include any existing Lender; *provided* that each Incremental Term Lender, if not already a Lender hereunder, shall be subject to the approval of the Administrative Agent (which approval shall not be unreasonably withheld or delayed). Such notice shall set forth (i) the amount of the Incremental Term Loan Commitments being requested (which shall be in minimum increments of \$1,000,000 and a minimum amount of \$25,000,000 or such lesser amount equal to the remaining Incremental Term Loan Amount), (ii) the date on which such Incremental Term Loan Commitments are requested to become effective (which shall not be less than 10 days nor more than 60 days after the date of such notice and which shall be no earlier than the Delayed Draw Termination Date (or such earlier date upon which all Delayed Draw Term Loan Commitments shall have expired)), and (iii) whether such Incremental Term Loan Commitments are commitments to make additional Funded Term Loans, additional Delayed Draw Term Loans or commitments to make term loans with terms different from the Funded Term Loans and the Delayed Draw Term Loans ("**Other Term Loans**").

(b) The Borrower and each Incremental Term Lender shall execute and deliver to the Administrative Agent an Incremental Term Loan Assumption Agreement and such other documentation as the Administrative Agent shall reasonably specify to evidence the Incremental Term Loan Commitment of each Incremental Term Lender. Each Incremental Term Loan Assumption Agreement shall specify the terms of the Incremental Term Loans to be made thereunder; *provided that*, without the prior written consent of the Required Lenders, (i) the final maturity date of any Other Term Loans shall be no earlier than the Term Loan Maturity Date, (ii) the average life to maturity of the Other Term Loans shall be no shorter than the average life to maturity of the Term Loans and (iii) if the initial yield (excluding upfront or arrangement fees payable to the arranger, if any, of such loan) on such Other Term Loans (as determined by the Administrative Agent to be equal to the sum of (x) the margin above the Adjusted LIBO Rate on such Other Term Loans and (y) if such Other Term Loans are initially made at a discount or the Lenders making the same (as opposed to the arranger, if any, thereof) receive a fee directly or indirectly from Parent, the Borrower or any Subsidiary for doing so (the amount of such discount or fee, expressed as a percentage of the Other Term Loans, being referred to herein as “*OID*”), the amount of such *OID* divided by the lesser of (A) the average life to maturity of such Other Term Loans and (B) four) exceeds by more than 50 basis points (the amount of such excess above 50 basis points being referred to herein as the “*Yield Differential*”) the Applicable Percentage then in effect for Eurodollar Term Loans, then the Applicable Percentage then in effect for Term Loans shall automatically be increased by the Yield Differential, effective upon the making of the Other Term Loans. The Administrative Agent shall promptly notify each Lender as to the effectiveness of each Incremental Term Loan Assumption Agreement. Each of the parties hereto hereby agrees that, upon the effectiveness of any Incremental Term Loan Assumption Agreement, this Agreement shall be deemed amended to the extent (but only to the extent) necessary to reflect the existence and terms of the Incremental Term Loan Commitment and the Incremental Term Loans evidenced thereby.

(c) Notwithstanding the foregoing, no Incremental Term Loan Commitment shall become effective under this Section 2.24 unless (i) on the date of such effectiveness, the conditions set forth in paragraphs (b) and (c) of Section 4.01 shall be satisfied and the Administrative Agent shall have received a certificate to that effect dated such date and executed by a Financial Officer of the Borrower, and (ii) except as otherwise specified in the applicable Incremental Term Loan Assumption Agreement, the Administrative Agent shall have received legal opinions, board resolutions and other closing certificates reasonably requested by the Administrative Agent and consistent with those delivered on the Closing Date under Section 4.02.

(d) Each of the parties hereto hereby agrees that the Administrative Agent may, in consultation with the Borrower, take any and all action as may be reasonably necessary to ensure that all Incremental Term Loans (other than Other Term Loans), when originally made, are included in each Borrowing of outstanding Funded Term Loans or Delayed Draw Term Loans, as the case may be, on a pro rata basis. This may be accomplished by requiring each outstanding Eurodollar Term Borrowing of the applicable Class to be converted into an ABR Term Borrowing of such Class on the date of each Incremental Term Loan, or by allocating a portion of each Incremental Term

Loan to each outstanding Eurodollar Term Borrowing of the applicable Class on a pro rata basis. Any conversion of Eurodollar Term Loans to ABR Term Loans required by the preceding sentence shall be subject to Section 2.16. If any Incremental Term Loan is to be allocated to an existing Interest Period for a Eurodollar Term Borrowing, then the interest rate thereon for such Interest Period and the other economic consequences thereof shall be as set forth in the applicable Incremental Term Loan Assumption Agreement. In addition, to the extent any Incremental Term Loans are not Other Term Loans, the scheduled amortization payments under Section 2.11 (a)(i) required to be made after the making of such Incremental Term Loans shall be ratably increased by the aggregate principal amount of such Incremental Term Loans.

ARTICLE III

Representations and Warranties

Each of Parent and the Borrower represents and warrants to the Administrative Agent, the Collateral Agent, the Issuing Bank and each of the Lenders that:

SECTION 3.01. **Organization; Powers.** Each of the Loan Parties (a) is duly organized, validly existing and in good standing under the laws of the jurisdiction of its organization, except, with respect to Loan Parties other than Parent or the Borrower, to the extent that the failure of such Loan Parties to be in good standing could not reasonably be expected to have a Material Adverse Effect, (b) has all requisite power and authority to own its property and assets and to carry on its business as now conducted and as proposed to be conducted, except to the extent that the failure to possess such power and authority could not reasonably be expected to result in a Material Adverse Effect, (c) is qualified to do business in, and is in good standing in, every jurisdiction where such qualification is required, except where the failure so to qualify could not reasonably be expected to result in a Material Adverse Effect, and (d) has the power and authority to execute, deliver and perform its obligations under each of the Loan Documents and each other agreement or instrument contemplated thereby to which it is or will be a party and, in the case of the Borrower, to borrow hereunder.

SECTION 3.02. **Authorization.** The execution, delivery and performance by the Loan Parties of the Loan Documents to which they are a party and the making of the Borrowings hereunder and the consummation of the Merger (a) have been duly authorized by all requisite corporate and, if required, stockholder action and (b) will not (i) violate (A) any provision of law, statute, rule or regulation, or of the certificate or articles of incorporation or other constitutive documents or by-laws of Parent, the Borrower or any Subsidiary, (B) any order of any Governmental Authority or (C) any provision of any indenture, agreement or other instrument to which Parent, the Borrower or any Subsidiary is a party or by which any of them or any of their property is or may be bound, except as could not reasonably be expected to result in a Material Adverse Effect, (ii) be in conflict with, result in a breach of or constitute (alone or with notice or lapse of time or both) a default under, or give rise to any right to accelerate or to require the prepayment, repurchase or redemption of any obligation under any such indenture, agreement or other instrument, except as could not reasonably be expected to result in a

Material Adverse Effect or (iii) result in the creation or imposition of any Lien upon or with respect to any property or assets now owned or hereafter acquired by Parent, the Borrower or any Subsidiary (other than any Lien created hereunder or under the Security Documents or permitted pursuant to Section 6.02).

SECTION 3.03. **Enforceability.** This Agreement has been duly executed and delivered by Parent and the Borrower and constitutes, and each other Loan Document when executed and delivered by each Loan Party thereto will constitute, a legal, valid and binding obligation of such Loan Party enforceable against such Loan Party in accordance with its terms, except as such enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium, or similar laws affecting creditors' rights generally and by general principles of equity (regardless of whether enforcement is sought in a proceeding in equity or at law).

SECTION 3.04. **Governmental Approvals.** No action, consent or approval of, registration or filing with or any other action by any Governmental Authority is or will be required in connection with the execution, delivery and performance by the Loan Parties of the Loan Documents to which they are a party or the Merger Agreement and the making of the Borrowings hereunder, except for (a) the filing of Uniform Commercial Code financing statements and filings with the United States Patent and Trademark Office and the United States Copyright Office, (b) recordation of the Mortgages and other filings and recordings in respect of Liens created pursuant to the Security Documents, (c) such as have been made or obtained and are in full force and effect and (d) such actions, consents, approvals, registrations or filings which the failure to obtain or make could not reasonably be expected to result in a Material Adverse Effect.

SECTION 3.05. **Financial Statements.** (a) Parent has heretofore furnished to the Lenders its consolidated balance sheets and related statements of income, stockholders' equity and cash flows of each of (i) Parent and (ii) Triad, in each case as of and for the 2006 fiscal year, audited by and accompanied by the opinion of Deloitte & Touche LLP (in the case of Parent) or Ernst & Young LLP (in the case of Triad), independent public accountants, and (ii) as of and for each 2007 fiscal quarter of each of Parent and Triad thereafter ended at least 45 days prior to the Closing Date. Such financial statements present fairly in all material respects the financial condition and results of operations and cash flows of Parent and its consolidated subsidiaries and Triad and its consolidated subsidiaries as of such dates and for such periods. Such balance sheets and the notes thereto disclose all material liabilities, direct or contingent, of Parent and its consolidated subsidiaries and Triad and its consolidated subsidiaries as of the dates thereof. Such financial statements were prepared in accordance with GAAP applied on a consistent basis in all material respects, subject, in the case of unaudited financial statements, to year-end audit adjustments and the absence of footnotes.

(b) Parent has heretofore delivered to the Lenders its unaudited pro forma consolidated balance sheet and related pro forma statements of income as of the four consecutive fiscal quarters most recently ended at least 45 days before the Closing Date, prepared giving effect to the Transactions as if they had occurred, with respect to such balance sheet, on such date and, with respect to such other financial statements, on the

first day of the four-quarter period ending on such date. Such pro forma financial statements have been prepared in good faith by Parent, based on the assumptions used to prepare the pro forma financial information contained in the Confidential Information Memorandum (which assumptions are believed by Parent on the date hereof and on the Closing Date to be reasonable) and present fairly on a pro forma basis the estimated consolidated financial position of Parent and its consolidated Subsidiaries as of such date and for such period, assuming that the Transactions had actually occurred at such date or at the beginning of such period, as the case may be, it being understood that projections as to future events are not to be viewed as facts and are subject to significant uncertainties and contingencies, many of which are beyond Parent's control, and that no assurance can be given that any particular projections will be realized, and that actual results may differ and such differences may be material.

SECTION 3.06. No Material Adverse Change. No event, change or condition has occurred that has had, or could reasonably be expected to have, a material adverse effect on the business, assets, operations, financial condition or operating results of Parent, the Borrower and the Subsidiaries, taken as a whole, since December 31, 2006.

SECTION 3.07. Title to Properties; Possession Under Leases. (a) Each of Parent, the Borrower and the Subsidiaries has good and marketable title to, or valid leasehold interests in, or a right to use, all its material properties and assets (including all Mortgaged Property), except for minor defects in title that do not interfere with its ability to conduct its business as currently conducted or to utilize such properties and assets for their intended purposes. All such material properties and assets are free and clear of Liens, other than Liens expressly permitted by Section 6.02.

(b) As of the Closing Date, neither Parent nor the Borrower has received any notice of, nor has any knowledge of, any pending or contemplated material condemnation proceeding affecting the Mortgaged Properties in any material respect or any sale or disposition thereof in lieu of condemnation.

(c) As of the Closing Date, none of Parent, the Borrower or any of the Subsidiaries is obligated under any right of first refusal, option or other contractual right to sell, assign or otherwise dispose of any Mortgaged Property or any material interest therein, except for customary rights of first refusal granted to the prior owners of such Mortgaged Property or their Affiliates.

SECTION 3.08. Subsidiaries. Schedule 3.08 sets forth as of the Closing Date a list of all Subsidiaries and the percentage ownership interest of Parent or the Borrower therein. The shares of capital stock or other ownership interests so indicated on Schedule 3.08 are, in the case of corporations, fully paid and non-assessable and are owned by Parent or the Borrower, directly or indirectly, free and clear of all Liens (other than Liens created under the Security Documents or permitted pursuant to Section 6.02).

SECTION 3.09. Litigation; Compliance with Laws. (a) Except as disclosed in the periodic and other reports, proxy statements and other materials filed by Parent, the Borrower or any Subsidiary or Triad or any of its subsidiaries with the SEC prior to the

Closing Date, there are no actions, suits or proceedings at law or in equity or by or before any Governmental Authority now pending or, to the knowledge of Parent or the Borrower through receipt of written notice or proceeding, threatened against or affecting Parent or the Borrower or any Subsidiary or any business, property or rights of any such person as to which there is a reasonable possibility of an adverse determination and that, if adversely determined, could reasonably be expected, individually or in the aggregate, to result in a Material Adverse Effect.

(b) None of Parent, the Borrower or any of the Subsidiaries or any of their respective material properties or assets is in violation of, nor will the continued operation of their material properties and assets as currently conducted violate, any law, rule or regulation (including any occupational safety and health, health care, pension, certificate of need, Medicare, Medicaid, insurance fraud or similar law, zoning, building, Environmental Law, ordinance, code or approval or any building permits) or any restrictions of record or agreements affecting the Mortgaged Property, or is in default with respect to any judgment, writ, injunction, decree or order of any Governmental Authority, where such violation or default could reasonably be expected to result in a Material Adverse Effect.

(c) Certificates of occupancy and permits are in effect for each Mortgaged Property as currently constructed, and true and complete copies of such certificates of occupancy have been delivered to the Collateral Agent as mortgagee with respect to each Mortgaged Property.

SECTION 3.10. Agreements. (a) None of Parent, the Borrower or any of the Subsidiaries is in default in any manner under any provision of any indenture or other agreement or instrument evidencing Indebtedness, or any other material agreement or instrument to which it is a party or by which it or any of its properties or assets are or may be bound, where such default could reasonably be expected to result in a Material Adverse Effect.

(b) As of the Closing Date, there are no Tax sharing agreements (or similar agreements) under which Parent, the Borrower or any of the Subsidiaries could be liable for the Tax liability of an entity that is neither Parent, the Borrower nor any of their respective subsidiaries, except for the HCA Tax Sharing Agreement.

SECTION 3.11. Federal Reserve Regulations. (a) None of Parent, the Borrower or any of the Subsidiaries is engaged principally, or as one of its important activities, in the business of extending credit for the purpose of buying or carrying Margin Stock.

(b) No part of the proceeds of any Loan or any Letter of Credit will be used, whether directly or indirectly, and whether immediately, incidentally or ultimately, for any purpose that entails a violation of, or that is inconsistent with, the provisions of the Regulations of the Board, including Regulation T, U or X.

SECTION 3.12. **Investment Company Act.** None of Parent, the Borrower or any Subsidiary is an “investment company” as defined in, or subject to regulation under, the Investment Company Act of 1940.

SECTION 3.13. **Use of Proceeds.** The Borrower will (a) use the proceeds of the Loans and will request the issuance of Letters of Credit only for the purposes specified in the preliminary statement to this Agreement and (b) use the proceeds of Incremental Term Loans only for the purposes specified in the applicable Incremental Term Loan Assumption Agreement.

SECTION 3.14. **Tax Returns.** Each of Parent, the Borrower and the Subsidiaries has filed or caused to be filed, or has timely requested an extension to file or has received an approved extension to file, all Federal, state, local and foreign tax returns or materials that to the Borrower’s best knowledge are required to have been filed by it and has paid or caused to be paid all taxes due and payable by it and all assessments received by it, except taxes that are being contested in good faith by appropriate proceedings and for which Parent, the Borrower or such Subsidiary, as applicable, shall have set aside on its books reserves in accordance with GAAP and except any such filings or taxes, fees or charges, the failure of which to make or pay, could not reasonably be expected to have a Material Adverse Effect.

SECTION 3.15. **No Material Misstatements.** None of (a) the Confidential Information Memorandum or (b) any other written information, report, financial statement, exhibit or schedule (other than estimates and information of a general economic or general industry nature) heretofore or contemporaneously furnished by or on behalf of Parent or the Borrower to the Administrative Agent or any Lender in connection with the negotiation of any Loan Document or included therein or delivered pursuant thereto, when furnished and taken as a whole, contained, contains or will contain any material misstatement of fact or omitted, omits or will omit to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were, are or will be made, not materially misleading in light of the circumstances under which such statements were made; *provided* that to the extent any such information, report, financial statement, exhibit or schedule was based upon or constitutes a forecast or projection, each of Parent and the Borrower represents only that it acted in good faith and utilized assumptions that each of Parent and the Borrower believed to be reasonable at the time made.

SECTION 3.16. **Employee Benefit Plans.** Each of the Borrower and its ERISA Affiliates is in compliance in all material respects with the applicable provisions of ERISA and the Code and the regulations and published interpretations thereunder. No ERISA Event has occurred or is reasonably expected to occur that, when taken together with all other such ERISA Events, could reasonably be expected to result in material liability of the Borrower or any of its ERISA Affiliates. The present value of all benefit liabilities under each Plan (based on the assumptions used for purposes of Statement of Financial Accounting Standards No. 87) did not, as of the last annual valuation date applicable thereto, exceed the fair market value of the assets of such Plan in such amount that could reasonably be expected to result in a Material Adverse Effect, and the present

value of all benefit liabilities of all underfunded Plans (based on the assumptions used for purposes of Statement of Financial Accounting Standards No. 87) did not, as of the last annual valuation dates applicable thereto, exceed the fair market value of the assets of all such underfunded Plans in such amount that could reasonably be expected to result in a Material Adverse Effect.

SECTION 3.17. **Environmental Matters.** (a) Except as set forth in Schedule 3.17 and except with respect to any other matters that, individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Effect, none of Parent, the Borrower or any of the Subsidiaries (i) has failed to comply with any Environmental Law or to obtain, maintain or comply with any permit, license or other approval required under any Environmental Law, (ii) has become subject to any Environmental Liability, (iii) has received notice of any claim with respect to any Environmental Liability or (iv) knows of any basis for any Environmental Liability.

(b) Since the date of this Agreement, there has been no change in the status of the matters disclosed on Schedule 3.17 that, individually or in the aggregate, has resulted in, or materially increased the likelihood of, a Material Adverse Effect.

SECTION 3.18. **Insurance.** Schedule 3.18 sets forth a true, complete and correct description, in all material respects, of all insurance maintained by Parent or by Parent or the Borrower for itself or the Subsidiaries as of the Closing Date. As of the Closing Date, such insurance is in full force and effect and all premiums have been duly paid. Parent, the Borrower and the Subsidiaries have insurance in such amounts and covering such risks and liabilities as are in accordance with normal industry practice.

SECTION 3.19. **Security Documents.** (a) The Guarantee and Collateral Agreement, upon execution and delivery thereof by the parties thereto, will create in favor of the Collateral Agent, for the ratable benefit of the Secured Parties, a legal, valid and enforceable security interest in the Collateral (as defined in the Guarantee and Collateral Agreement) and the proceeds thereof, subject to the effects of bankruptcy, insolvency or similar laws affecting creditors' rights generally and general equitable principles, and (i) when the Pledged Collateral (as defined in the Guarantee and Collateral Agreement) is delivered to the Collateral Agent, the Lien created under the Guarantee and Collateral Agreement shall constitute a fully perfected first priority Lien on, and security interest in, all right, title and interest of the Loan Parties in such Pledged Collateral as to which perfection may be obtained by such actions, in each case prior and superior in right to any other person, and (ii) when financing statements in appropriate form are filed in the offices specified on Schedule 3.19(a), the Lien created under the Guarantee and Collateral Agreement will constitute a fully perfected Lien on, and security interest in, all right, title and interest of the Loan Parties in such Collateral (other than Intellectual Property, as defined in the Guarantee and Collateral Agreement) as to which perfection may be obtained by such filings, in each case prior and superior in right to any other person, other than with respect to Liens expressly permitted by Section 6.02.

(b) Upon the timely recordation of the Guarantee and Collateral Agreement (or a short-form security agreement in form and substance reasonably satisfactory to the

Borrower and the Collateral Agent) with the United States Patent and Trademark Office and the United States Copyright Office, together with the financing statements in appropriate form filed in the offices specified on Schedule 3.19(a), the Lien created under the Guarantee and Collateral Agreement shall constitute a fully perfected Lien on, and security interest in, all right, title and interest of the Loan Parties in the Intellectual Property (as defined in the Guarantee and Collateral Agreement) in which a security interest may be perfected by filing security agreements in the United States and its territories and possessions, in each case prior and superior in right to any other person other than with respect to Liens permitted pursuant to Section 6.02 (it being understood that subsequent recordings in the United States Patent and Trademark Office and the United States Copyright Office may be necessary to perfect a Lien on registered trademarks and patents, trademark and patent applications and registered copyrights acquired by the Loan Parties after the date hereof).

(c) The Mortgages are effective to create in favor of the Collateral Agent, for the ratable benefit of the Secured Parties, a legal, valid and enforceable Lien on all of the Loan Parties' right, title and interest in and to the Mortgaged Property thereunder and the proceeds thereof, and when the Mortgages are filed in the offices specified on Schedule 3.19(c), the Mortgages shall constitute a fully perfected Lien on, and security interest in, all right, title and interest of the Loan Parties in such Mortgaged Property and the proceeds thereof, in each case prior and superior in right to any other person, other than with respect to the rights of persons pursuant to Liens expressly permitted by Section 6.02.

SECTION 3.20. **Location of Real Property and Leased Premises.** (a) Schedule 1.01(d) lists completely and correctly as of the Closing Date all Hospitals owned by Parent, the Borrower and the Subsidiaries and the addresses thereof. The Borrower and the Subsidiaries own in fee all the real property set forth on Schedule 1.01(d).

(b) Schedule 1.01(d) lists completely and correctly as of the Closing Date all Hospitals leased by Parent, the Borrower and the Subsidiaries and the addresses thereof. The Borrower and the Subsidiaries have valid leases in all the material real property set forth on Schedule 1.01(d).

SECTION 3.21. **Labor Matters.** Except as set forth on Schedule 3.21, as of the Closing Date, there are no strikes, lockouts or slowdowns against Parent, the Borrower or any Subsidiary pending or, to the knowledge of Parent or the Borrower by delivery of written notice or proceeding, threatened. The consummation of the Transactions will not give rise to any right of termination or right of renegotiation on the part of any union under any collective bargaining agreement to which Parent, the Borrower or any Subsidiary is bound. Except as set forth on Schedule 3.21, as of the Closing Date, none of Parent, the Borrower or any Subsidiary is a party to any collective bargaining agreement or other labor contract applicable to persons employed by it at any Facility.

SECTION 3.22. **Solvency.** Immediately after the consummation of the Transactions to occur on the Closing Date, as of the Closing Date (a) the fair value of the

assets of Parent, the Borrower and the Subsidiaries, on a consolidated basis, at a fair valuation, will exceed their debts and liabilities, subordinated, contingent or otherwise; (b) the present fair saleable value of the property of Parent, the Borrower and the Subsidiaries, on a consolidated basis, will be greater than the amount that will be required to pay the probable liability of their debts and other liabilities, subordinated, contingent or otherwise, as such debts and other liabilities become absolute and matured; (c) Parent, the Borrower and the Subsidiaries, on a consolidated basis, will be able to pay their debts and liabilities, subordinated, contingent or otherwise, as such debts and liabilities become absolute and matured; and (d) Parent, the Borrower and the Subsidiaries, on a consolidated basis, will not have unreasonably small capital with which to conduct the business in which they are engaged as such business is now conducted and is proposed to be conducted following the Closing Date.

SECTION 3.23. **Transaction Documents.** Parent and the Borrower have delivered to the Administrative Agent a complete and correct copy of the Merger Agreement (including all schedules, exhibits, amendments, supplements and modifications thereto). The Merger Agreement complies in all material respects with all applicable laws.

SECTION 3.24. **Sanctioned Persons.** None of Parent, the Borrower, or any Subsidiary or any Unrestricted Subsidiary nor, to the knowledge of the Borrower, any director, officer, agent, employee or Affiliate of Parent, the Borrower, any Subsidiary or any Unrestricted Subsidiary is currently subject to any U.S. sanctions administered by the Office of Foreign Assets Control of the U.S. Treasury Department (“OFAC”) and each is currently in compliance with all rules and regulations promulgated by OFAC; and the Borrower will not directly or indirectly use the proceeds of the Loans or the Letters of Credit or otherwise make available such proceeds to any person, for the purpose of financing the activities of any person currently subject to any U.S. sanctions administered by OFAC.

ARTICLE IV

Conditions of Lending

The obligations of the Lenders to make Loans and of the Issuing Bank to issue Letters of Credit hereunder are subject to the satisfaction of the following conditions:

SECTION 4.01. **All Credit Events.** On the date of each Borrowing (other than a conversion or a continuation of a Borrowing), including each Borrowing of a Swingline Loan and on the date of each issuance of or increase to a Letter of Credit (each such event being called a “Credit Event”):

(a) The Administrative Agent shall have received a notice of such Borrowing as required by Section 2.03 (or such notice shall have been deemed given in accordance with Section 2.02) or, in the case of the issuance of or increase to a Letter of Credit, the Issuing Bank and the Administrative Agent shall have received a notice requesting the issuance of or increase to such Letter of Credit as required by Section 2.23(b) or, in the

case of the Borrowing of a Swingline Loan, the Swingline Lender and the Administrative Agent shall have received a notice requesting such Swingline Loan as required by Section 2.22(b).

(b) (i) In the case of each Credit Event that occurs on the Closing Date, the condition set forth in Section 8.2(a) of the Merger Agreement shall be satisfied (without giving effect to any amendment, modification or waiver thereof that is materially adverse to the Lenders and not approved by the Arrangers (which consent shall not be unreasonably withheld or delayed)) and the representations and warranties made in Sections 3.01, 3.02 (with respect to the Loan Documents), 3.03, 3.11, 3.12 and 3.19 (subject to the proviso in Section 4.02(e)) shall be true and correct in all material respects and (ii) in the case of each other Credit Event, the representations and warranties set forth in Article III and in each other Loan Document shall be true and correct in all material respects on and as of the date of such Credit Event with the same effect as though made on and as of such date, except to the extent such representations and warranties expressly relate to an earlier date.

(c) At the time of and immediately after such Credit Event, no Default or Event of Default shall have occurred and be continuing.

Each Credit Event shall be deemed to constitute a representation and warranty by the Borrower and Parent on the date of such Credit Event as to the matters specified in paragraphs (b) and (c) of this Section 4.01.

SECTION 4.02. **First Credit Event.** On the Closing Date:

(a) The Administrative Agent shall have received, on behalf of itself, the Lenders and the Issuing Bank, a favorable written opinion of (i) Kirkland & Ellis LLP, counsel for Parent and the Borrower, substantially to the effect set forth in Exhibit F-1, (ii) the general counsel of Parent, substantially to the effect set forth in Exhibit F-2 and (iii) each local counsel listed on Schedule 4.02(a), substantially to the effect set forth in Exhibit F-3, in each case (A) dated the Closing Date, (B) addressed to the Issuing Bank, the Administrative Agent and the Lenders, and (C) covering such other matters (including, in the case of the opinions provided by counsel described in clause (iii), real estate matters) relating to the Loan Documents and the Transactions as the Administrative Agent shall reasonably request, and Parent and the Borrower hereby request such counsel to deliver such opinions.

(b) The Administrative Agent shall have received (i) a copy of the certificate or articles of incorporation, including all amendments thereto, of each Loan Party, certified as of a recent date by the Secretary of State of the state of its organization, and a certificate as to the good standing of each Loan Party as of a recent date, from such Secretary of State; (ii) a certificate of the Secretary or Assistant Secretary of each Loan Party dated the Closing Date and certifying (A) that attached thereto is a true and complete copy of the by-laws of such Loan Party as in effect on the Closing Date and at all times since a date prior to the date of the resolutions described in clause (B) below, (B) that attached thereto is a true and complete copy of resolutions duly adopted by the

Board of Directors of such Loan Party authorizing the execution, delivery and performance of the Loan Documents to which such person is a party and, in the case of the Borrower, the borrowings hereunder, and that such resolutions have not been modified, rescinded or amended and are in full force and effect, (C) that the certificate or articles of incorporation of such Loan Party have not been amended since the date of the last amendment thereto shown on the certificate of good standing furnished pursuant to clause (i) above, and (D) as to the incumbency and specimen signature of each officer executing any Loan Document or any other document delivered in connection herewith on behalf of such Loan Party; (iii) a certificate of another officer as to the incumbency and specimen signature of the Secretary or Assistant Secretary executing the certificate pursuant to clause (ii) above; and (iv) such other documents as the Lenders, the Issuing Bank or the Administrative Agent may reasonably request.

(c) The Administrative Agent shall have received a certificate, dated the Closing Date and signed by a Financial Officer of the Borrower, confirming compliance with the conditions precedent set forth in paragraphs (b) and (c) of Section 4.01.

(d) The Administrative Agent shall have received all Fees and other amounts due and payable on or prior to the Closing Date, including, to the extent invoiced, reimbursement or payment of all out-of-pocket expenses required to be reimbursed or paid by the Borrower hereunder or under any other Loan Document.

(e) The Security Documents shall have been duly executed by each Loan Party that is to be a party thereto and shall be in full force and effect on the Closing Date. The Collateral Agent on behalf of the Secured Parties shall have a security interest in the Collateral of the type and priority described in each Security Document; *provided* that to the extent a perfected security interest in any Collateral (other than any Collateral the security interest in which may be perfected by the filing of a UCC financing statement or the delivery of certificated securities of the Borrower and Triad) is not able to be provided on the Closing Date after the Borrower's use of commercially reasonable efforts to do so, the providing of a perfected security interest in such Collateral shall not constitute a condition precedent to the first Credit Event but such requirement to create a perfected security interest in such Collateral shall be satisfied after the Closing Date in accordance with the Post-Closing Letter Agreement.

(f) The Collateral Agent shall have received the results of a search of the Uniform Commercial Code filings (or equivalent filings) made with respect to the Loan Parties in the states (or other jurisdictions) of formation of such persons as indicated on the applicable schedules to the Guarantee and Collateral Agreement, together with copies of the financing statements (or similar documents) disclosed by such search, and accompanied by evidence satisfactory to the Collateral Agent that the Liens indicated in any such financing statement (or similar document) would be permitted under Section 6.02 or have been or will be contemporaneously released or terminated.

(g) (i) Subject to the proviso in clause (e) above, each of the Security Documents, in form and substance satisfactory to the Lenders, relating to each of the Mortgaged Properties shall have been duly executed by the parties thereto and delivered

to the Collateral Agent and shall be in full force and effect, (ii) each of such Mortgaged Properties shall not be subject to any Lien other than those permitted under Section 6.02, (iii) each of such Security Documents shall have been filed and recorded in the recording office as specified on Schedule 3.19(c) (or a lender's title insurance policy, in form and substance reasonably acceptable to the Collateral Agent, insuring such Security Document as a first lien on such Mortgaged Property (subject to any Lien permitted by Section 6.02) shall have been received by the Collateral Agent) and, in connection therewith, the Collateral Agent shall have received evidence reasonably satisfactory to it of each such filing and recordation and (iv) the Collateral Agent shall have received such other documents, including a policy or policies of title insurance issued by a nationally recognized title insurance company, together with such endorsements, coinsurance and reinsurance as may be requested by the Collateral Agent and the Lenders, insuring the Mortgages as valid first liens on the Mortgaged Properties, free of Liens other than those permitted under Section 6.02, together with such legal opinions required to be furnished pursuant to the terms of the Mortgages or as reasonably requested by the Collateral Agent.

(h) The Administrative Agent shall have received a copy of, or a certificate as to coverage under, the insurance policies required by Section 5.02 and the applicable provisions of the Security Documents, each of which shall be endorsed or otherwise amended to include a customary lender's loss payable endorsement and to name the Collateral Agent as additional insured.

(i) The Merger shall have been, or substantially simultaneously with the initial funding of Loans on the Closing Date shall be, consummated in accordance in all material respects with the Merger Agreement and in all material respects with applicable law, without giving effect to any amendment, modification or waiver of any material term or condition of the Merger Agreement that is materially adverse to the Lenders and not approved by the Arrangers (which consent shall not be unreasonably withheld or delayed). The Administrative Agent shall have received a copy of the Merger Agreement and all schedules related thereto, in each case certified by a Financial Officer as being final versions thereof.

(j) The Borrower shall have received gross cash proceeds of not less than \$3,000,000,403 from the issuance of the Senior Notes.

(k) (i) All principal, premium, if any, interest, fees and other amounts due or outstanding under each of the Existing Credit Agreements shall have been paid in full, each of the commitments thereunder terminated and all guarantees and security in support thereof discharged and released, and the Administrative Agent shall have in each case received reasonably satisfactory evidence thereof, (ii) Parent shall have either (A) effected the Parent Debt Tender Offer and the related Parent Consent Solicitation or (B) deposited funds with the trustee under the indenture governing the Existing Parent Notes sufficient to discharge the Existing Parent Notes or effect covenant defeasance with respect to the Existing Parents Notes and (iii) Triad shall have either (A) effected the Triad Debt Tender Offers and the related Triad Consent Solicitations or (B) deposited funds with the applicable trustees under the indentures governing the Existing Triad

Notes sufficient to discharge the applicable Existing Triad Notes or effect covenant defeasance with respect to the applicable Existing Triad Notes, in all cases prior to or substantially simultaneously with the initial funding of the Loans on the Closing Date. Immediately after giving effect to the Transactions and the other transactions contemplated hereby, Parent, the Borrower and the Subsidiaries shall have outstanding no Indebtedness or preferred stock other than (a) Indebtedness outstanding under this Agreement, (b) the Senior Notes and (c) Indebtedness set forth on Schedule 6.01 or permitted under Section 6.01.

(l) The Lenders shall have received the financial statements and opinion referred to in Section 3.05.

(m) The Administrative Agent shall have received a certificate from the chief financial officer of Parent on behalf of Parent certifying that Parent and its subsidiaries, on a consolidated basis after giving effect to the Transactions to occur on the Closing Date, are solvent.

(n) The Lenders shall have received, at least five Business Days prior to the Closing Date, to the extent requested, all documentation and other information required by regulatory authorities under applicable “know your customer” and anti-money laundering rules and regulations, including the USA PATRIOT Act.

ARTICLE V

Affirmative Covenants

Each of Parent and the Borrower covenants and agrees with each Lender that so long as this Agreement shall remain in effect and until the Commitments have been terminated and the principal of and interest on each Loan, all Fees and all other expenses or amounts payable under any Loan Document shall have been paid in full and all Letters of Credit have been canceled or have expired and all amounts drawn thereunder have been reimbursed in full or other arrangements acceptable to the Issuing Bank and the Administrative Agent have been made with respect thereto, unless the Required Lenders shall otherwise consent in writing, each of Parent and the Borrower will, and will cause (i) in the case of Sections 5.01 and 5.02, each of the Material Subsidiaries, and (ii) in the case of Sections 5.03 through 5.15, each of the Subsidiaries to:

SECTION 5.01. *Existence; Compliance with Laws; Businesses and Properties.* (a) Do or cause to be done all things necessary to preserve, renew and keep in full force and effect its legal existence, except as otherwise expressly permitted under Section 6.05.

(b) (i) Do or cause to be done all things necessary to obtain, preserve, renew, extend and keep in full force and effect the rights, licenses, permits, franchises and authorizations, material to the conduct of its business, except as could not reasonably be expected to have a Material Adverse Effect; (ii) comply in all material respects with all applicable laws, rules, regulations and decrees and orders of any Governmental Authority, whether now in effect or hereafter enacted, except as could not reasonably be

expected to have a Material Adverse Effect; and (iii) at all times maintain and preserve all tangible property material to the conduct of such business and keep such property in good repair, working order and condition (subject to ordinary wear and tear, casualty and condemnation) and from time to time make, or cause to be made, all needful and proper repairs, renewals, additions, improvements and replacements thereto necessary in order that the business carried on in connection therewith may be properly conducted at all times, except as could not reasonably be expected to have a Material Adverse Effect.

SECTION 5.02. Insurance. (a) Maintain with financially sound and reputable insurers insurance, to such extent and against such risks, including fire and other risks insured against by extended coverage, as is customary with companies in the same or similar businesses operating in the same or similar locations, including hospital liability (which shall include general liability, medical professional liability, contractual liability and druggists' liability), workers' compensation, employers' liability, automobile liability and physical damage coverage, environmental impairment liability, all risk property, business interruption, fidelity and crime insurance and public liability insurance against claims for personal injury or death or property damage occurring upon, in, about or in connection with the use of any properties owned, occupied or controlled by it; *provided* that the Borrower may implement programs of self insurance in the ordinary course of business and in accordance with industry standards for a company of similar size so long as reserves are maintained in accordance with GAAP for the liabilities associated therewith.

(b) Cause all casualty and property policies covering any Collateral to name the Collateral Agent as loss payee or mortgagee, and/or additional insured, and each provider of any such insurance shall agree, by endorsement upon such policies issued by it, that it will give the Administrative Agent 30 days prior written notice before any such policy or policies shall be altered or canceled.

(c) If at any time the area in which the Premises (as defined in the Mortgages) are located is designated a "flood hazard area" in any Flood Insurance Rate Map published by the Federal Emergency Management Agency (or any successor agency), obtain flood insurance in such total amount as the Administrative Agent, the Collateral Agent or the Required Lenders may from time to time require, and otherwise comply with the National Flood Insurance Program as set forth in the Flood Disaster Protection Act of 1973, as it may be amended from time to time.

SECTION 5.03. Obligations and Taxes. Pay and discharge promptly when due all taxes, assessments and governmental charges or levies imposed upon it or upon its income or profits or in respect of its property, before the same shall become delinquent, as well as all lawful claims for labor, materials and supplies or otherwise that, if unpaid, could reasonably be expected to give rise to a Lien upon such properties or any part thereof; *provided, however*, that such payment and discharge shall not be required with respect to any such tax, assessment, charge, levy or claim so long as (i) the validity or amount thereof shall be contested in good faith by appropriate proceedings and the Borrower shall have set aside on its books adequate reserves with respect thereto in accordance with GAAP or (ii) the failure to pay and discharge such tax, assessment,

charge, levy or claim could not reasonably be expected to have a Material Adverse Effect.

SECTION 5.04. **Financial Statements, Reports, etc.** In the case of Parent, furnish to the Administrative Agent, which shall furnish to each Lender:

(a) within 90 days after the end of each fiscal year, its consolidated balance sheet and related statements of income, stockholders' equity and cash flows showing the financial condition of Parent and its consolidated subsidiaries as of the close of such fiscal year and the results of its operations and the operations of such subsidiaries during such year, together with (commencing with such financial statements for the fiscal year ending on December 31, 2008) comparative figures for the immediately preceding fiscal year, all audited by Deloitte & Touche LLP or other independent public accountants of recognized national standing and accompanied by an opinion of such accountants (which opinion shall be without a "going concern" or like qualification or exception or any qualification or exception as to the scope of such audit) to the effect that such consolidated financial statements fairly present in all material respects the financial condition and results of operations of Parent and its consolidated subsidiaries on a consolidated basis in accordance with GAAP;

(b) within 50 days after the end of each of the first three fiscal quarters of each fiscal year, in each case commencing with the fiscal quarter ending September 30, 2007, its consolidated balance sheet and related statements of income, stockholders' equity and cash flows showing the financial condition of Parent and its consolidated subsidiaries as of the close of such fiscal quarter and the results of its operations and the operations of such subsidiaries during such fiscal quarter and the then elapsed portion of the fiscal year, and (commencing with such financial statements delivered after the first anniversary of the Closing Date) comparative figures for the same periods in the immediately preceding fiscal year all certified by one of its Financial Officers as fairly presenting in all material respects the financial condition and results of operations of Parent and its consolidated subsidiaries on a consolidated basis in accordance with GAAP, subject to normal year-end audit adjustments;

(c) concurrently with any delivery of financial statements under paragraph (a) or (b) above, a certificate of a Financial Officer of the Borrower (i) certifying that no Event of Default or Default has occurred or, if such an Event of Default or Default has occurred, specifying the nature and extent thereof and any corrective action taken or proposed to be taken with respect thereto, (ii) setting forth computations in reasonable detail satisfactory to the Administrative Agent demonstrating compliance with the covenants contained in Sections 6.11, 6.12 and 6.13, (iii) setting forth the identity and value of any Hospital acquired in fee by Parent or any Subsidiary during the preceding quarter and not previously identified to the Administrative Agent if the fair market value thereof is in excess of \$10,000,000 and (iv) setting forth the amount, if any, of the Initial Pro Forma Adjustment included in the calculation of Consolidated EBITDA for such period, and, in the case of a certificate delivered with the financial statements required by paragraph (a) above, setting forth Parent's calculation of Excess Cash Flow;

(d) within 90 days after the beginning of each fiscal year of Parent, a detailed consolidated budget for such fiscal year (including a projected consolidated balance sheet and related statements of projected operations and cash flows as of the end of and for such fiscal year and setting forth the assumptions used for purposes of preparing such budget) and, promptly when available, any significant revisions of such budget;

(e) promptly after the same become publicly available, copies of all periodic and other reports, proxy statements and other materials filed by Parent, the Borrower or any Subsidiary with the SEC, or with any national securities exchange, or distributed to its shareholders, as the case may be;

(f) promptly after the request by any Lender (made through the Administrative Agent), all documentation and other information that such Lender reasonably requests in order to comply with its ongoing obligations under applicable “know your customer” and anti-money laundering rules and regulations, including the USA PATRIOT Act;

(g) promptly after the request by the Administrative Agent or any Lender, on and after the effectiveness of the applicable provisions of the Pension Act, copies of (i) any documents described in Section 101(k)(1) of ERISA that the Borrower or any of its ERISA Affiliates may request with respect to any Multiemployer Plan and (ii) any notices described in Section 101(l)(1) of ERISA that the Borrower or any of its ERISA Affiliates may request with respect to any Multiemployer Plan; *provided* that if the Borrower or any of its ERISA Affiliates has not requested such documents or notices from the administrator or sponsor of the applicable Multiemployer Plan, the Borrower or the applicable ERISA Affiliate shall promptly make a request for such documents or notices from such administrator or sponsor and shall provide copies of such documents and notices promptly after receipt thereof;

(h) promptly, from time to time, such other information regarding the operations, business affairs and financial condition of Parent, the Borrower or any Subsidiary, or compliance with the terms of any Loan Document, as the Administrative Agent may reasonably request (on behalf of itself or any Lender); and

(i) substantially contemporaneously with each designation of a Subsidiary as an “Unrestricted Subsidiary” and each redesignation of an Unrestricted Subsidiary as a “Subsidiary”, provide written notice of such designation or redesignation, as applicable, to the Administrative Agent (who shall promptly notify the Lenders).

SECTION 5.05. **Litigation and Other Notices.** Furnish to the Administrative Agent prompt written notice of the following:

(a) any Event of Default or Default, specifying the nature and extent thereof and the corrective action (if any) taken or proposed to be taken with respect thereto;

(b) the filing or commencement of, or any threat or notice of intention of any person to file or commence, any action, suit or proceeding, whether at law or in equity or by or before any Governmental Authority, against Parent, the Borrower or any Subsidiary that could reasonably be expected to result in a Material Adverse Effect; and

(c) any event or occurrence that has resulted in, or could reasonably be expected to result in, a Material Adverse Effect.

SECTION 5.06. Information Regarding Collateral. Furnish to the Administrative Agent prompt written notice of any change (i) in any Loan Party's corporate name, (ii) in any Loan Party's jurisdiction of organization or formation, (iii) in any Loan Party's identity or corporate structure or (iv) in any Loan Party's Federal Taxpayer Identification Number. Parent and the Borrower agree not to effect or permit any change referred to in the preceding sentence unless all filings have been made under the Uniform Commercial Code or otherwise that are required in order for the Collateral Agent to continue at all times following such change to have a valid, legal and perfected security interest in all the Collateral. Parent and the Borrower also agree promptly to notify the Administrative Agent if any material portion of the Collateral is damaged or destroyed.

SECTION 5.07. Maintaining Records; Access to Properties and Inspections; Maintenance of Ratings. (a) Keep books of record and account in which full, true and correct entries in all material respects are made of all dealings and transactions in relation to its business and activities which permit financial statements to be prepared in conformity with GAAP and all requirements of law. Each Loan Party will, and will cause each of its subsidiaries to, permit any representatives designated by the Administrative Agent or the Required Lenders to visit and inspect the financial records and the properties of such person at reasonable times and as often as reasonably requested upon reasonable notice and to make extracts from and copies of such financial records (in each case excluding patient medical records and any other material which is confidential pursuant to any laws, rules, regulations and decrees and orders of any Governmental Authority) and permit any representatives designated by the Administrative Agent or the Required Lenders to discuss the affairs, finances and condition of such person with the officers thereof and independent accountants therefor (with a senior officer of the Borrower present); *provided that*, excluding any such visits and inspections during the continuation of an Event of Default, only one such visit during any fiscal year shall be at the Borrower's expense.

(b) In the case of Parent and the Borrower, use commercially reasonable efforts to cause the Credit Facilities to be continuously rated by S&P and Moody's, and to maintain a corporate rating from S&P and a corporate family rating from Moody's, in each case in respect of Parent.

SECTION 5.08. Use of Proceeds. Use the proceeds of the Loans and request the issuance of Letters of Credit only for the purposes specified in the preliminary statement to this Agreement.

SECTION 5.09. Employee Benefits. (a) Comply in all material respects with the applicable provisions of ERISA and the Code and (b) furnish to the Administrative Agent as soon as possible after, and in any event within ten days after any Responsible Officer of Parent, the Borrower or any ERISA Affiliate knows or has reason to know that, any ERISA Event has occurred that, alone or together with any other ERISA Event could

reasonably be expected to result in liability of the Borrower or any ERISA Affiliate in an aggregate amount exceeding \$10,000,000, a statement of a Financial Officer of Parent or the Borrower setting forth details as to such ERISA Event and the action, if any, that Parent or the Borrower proposes to take with respect thereto.

SECTION 5.10. Compliance with Environmental Laws. Comply, and cause all lessees and other persons occupying its properties to comply, in all material respects with all Environmental Laws applicable to its operations and properties; obtain and renew all material environmental permits necessary for its operations and properties; and promptly conduct any remedial action in accordance with Environmental Laws; *provided, however*, that none of Parent, the Borrower or any Subsidiary shall be required to undertake any remedial action required by Environmental Laws to the extent that its obligation to do so is being contested in good faith and by proper proceedings and appropriate reserves are being maintained with respect to such circumstances in accordance with GAAP.

SECTION 5.11. Preparation of Environmental Reports. If a Default caused by reason of a breach of Section 3.17 or Section 5.10 shall have occurred and be continuing for more than 20 days without Parent, the Borrower or any Subsidiary commencing activities reasonably likely to cure such Default, at the written request of the Required Lenders through the Administrative Agent, the Borrower shall provide to the Lenders within 45 days after receipt of such request, at the expense of the Loan Parties, environmental site assessment reports (Phase I, Phase II and/or compliance audits) regarding the matters which are the subject of such Default prepared by an environmental consulting firm reasonably acceptable to the Administrative Agent and indicating the compliance matter and/or the presence or absence of Hazardous Materials and the estimated cost of any compliance or remedial action in connection with such Default.

SECTION 5.12. Further Assurances. Execute any and all further documents, financing statements, agreements and instruments, and take all further action (including filing Uniform Commercial Code and other financing statements, mortgages and deeds of trust) that may be required under applicable law, or that the Required Lenders, the Administrative Agent or the Collateral Agent may reasonably request, in order to effectuate the transactions contemplated by the Loan Documents and in order to grant, preserve, protect and perfect the validity and first priority of the security interests created or intended to be created by the Security Documents. The Borrower will cause any subsequently acquired or organized Material Subsidiary to become a Loan Party by executing the Guarantee and Collateral Agreement and each applicable Security Document in favor of the Collateral Agent. In addition, except with respect to which, in the reasonable judgment of the Administrative Agent (confirmed in writing by written notice to the Borrower), the cost or other consequences (including any Tax consequence) of doing so shall be excessive in view of the benefits to be obtained by the Lenders therefrom and subject to applicable limitations set forth in the Security Documents, from time to time, the Borrower will, at its cost and expense, promptly secure the Obligations by pledging or creating, or causing to be pledged or created, perfected security interests with respect to such of its assets and properties as the Administrative Agent or the Required Lenders shall designate (it being understood that it is the intent of the parties that the Obligations shall be secured by substantially all the assets of Parent, the

Borrower and the Subsidiary Guarantors (including properties acquired subsequent to the Closing Date), except this Section 5.12 shall not require Parent, the Borrower or any Subsidiary Guarantor to (a) pledge (i) more than 65% of the outstanding voting Equity Interests in any Foreign Subsidiary, (ii) any Equity Interest in any Non-Significant Subsidiary or (iii) any Equity Interest in any Permitted Syndication Subsidiary, any Securitization Subsidiary or any Permitted Joint Venture Subsidiary to the extent the pledge of the Equity Interest in such Subsidiary is prohibited by any applicable Contractual Obligation or requirement of law, or (b) grant security interests in any asset that (i) would result in the violation of the enforceable anti-assignment provision of any contract, or would be prohibited by or would violate applicable law or contractual provisions (including any right of first refusal) or would otherwise result in termination or any forfeiture under any contract, (ii) is a vehicle or other asset subject to certificate of title, (iii) require perfection through control agreements (including, to the extent required in the relevant jurisdiction for deposit accounts and investment property), (iv) are minority Equity Interests or (v) is permitted to be so excluded under the Guarantee and Collateral Agreement. Such security interests and Liens will be created under the Security Documents and other security agreements, mortgages, deeds of trust and other instruments and documents in form and substance satisfactory to the Collateral Agent, and the Borrower shall deliver or cause to be delivered to the Lenders all such instruments and documents (including legal opinions, title insurance policies and lien searches) as the Collateral Agent shall reasonably request to evidence compliance with this Section. Any requirement to mortgage real property that is acquired after the date hereof pursuant to this Section 5.12 shall be limited to real property owned in fee by a Loan Party that (i) has a fair market value equal to or exceeding \$10,000,000, (ii) is not subject to a Lien permitted under Section 6.02(c) or (n) (for so long as such Lien exists), and (iii) the Borrower does not intend to sell within six months of the acquisition thereof pursuant to clause (x) of Section 6.05(b). No appraisals, environmental reports or surveys shall be required to be obtained in connection with any mortgage of real property pursuant to this Section 5.12. The Borrower agrees to provide such evidence as the Collateral Agent shall reasonably request as to the perfection and priority status of each such security interest and Lien.

SECTION 5.13. **Interest Rate Protection.** No later than nine months after the Closing Date, the Borrower shall enter into, and for a minimum of three years and six months from the Closing Date maintain, Hedging Agreements that result in at least 50% of the aggregate principal amount of its funded long-term Indebtedness being effectively subject to a fixed or maximum interest rate reasonably acceptable to the Administrative Agent.

SECTION 5.14. **Proceeds of Certain Dispositions.** If, as a result of the receipt of any cash proceeds by Parent, the Borrower or any Subsidiary in connection with any sale, transfer, lease or other disposition of any asset the Borrower would be required by the terms of the Senior Note Indenture to make an offer to purchase any Senior Notes, then, prior to the first day on which the Borrower would be required to commence such an offer to purchase, (i) prepay Loans in accordance with Section 2.12 or 2.13 or (ii) acquire assets in a manner that is permitted hereby, in each case in a manner that will eliminate any such requirement to make such an offer to purchase.

SECTION 5.15. **Operation of Facilities.** Use commercially reasonable efforts to operate, and cause the Subsidiaries to operate, the Facilities owned, leased or operated by Parent, the Borrower or any of the Subsidiaries now or in the future in a manner believed by the Borrower to be consistent with prevailing health care industry standards in the locations where the Facilities exist from time to time, except to the extent failure to do so would not have a Material Adverse Effect.

ARTICLE VI

Negative Covenants

Each of Parent and the Borrower covenants and agrees with each Lender that, so long as this Agreement shall remain in effect and until the Commitments have been terminated and the principal of and interest on each Loan, all Fees and all other expenses or amounts payable under any Loan Document have been paid in full and all Letters of Credit have been cancelled or have expired and all amounts drawn thereunder have been reimbursed in full or other arrangements acceptable to the Issuing Bank and the Administrative Agent have been made with respect thereto, unless the Required Lenders shall otherwise consent in writing, neither Parent nor the Borrower will, nor will they cause or permit any of the Subsidiaries to:

SECTION 6.01. **Indebtedness.** Incur, create, assume or permit to exist any Indebtedness, except:

(a) Indebtedness existing on the date hereof and set forth in Schedule 6.01 and any extensions, renewals, refinancings or replacements of such Indebtedness to the extent the principal amount of such Indebtedness is not increased (except by an amount equal to the unpaid accrued interest and premium thereon plus other reasonable amounts paid and fees and expenses incurred in connection with such extension, renewal, refinancing or replacement), neither the final maturity nor the weighted average life to maturity of such Indebtedness is decreased, such Indebtedness, if subordinated to the Obligations, remains so subordinated on terms no less favorable to the Lenders, and the obligors thereof, if not the original obligors in respect of such Indebtedness, are Loan Parties;

(b) Indebtedness created hereunder and under the other Loan Documents;

(c) intercompany Indebtedness of Parent, the Borrower and the Subsidiaries to the extent permitted by Section 6.04(c);

(d) Indebtedness of the Borrower or any Subsidiary incurred to finance the acquisition, construction or improvement of any fixed or capital assets, and extensions, renewals, refinancings and replacements of any such Indebtedness that do not increase the outstanding principal amount thereof (except by an amount equal to the unpaid accrued interest and premium thereon plus other reasonable amounts paid and fees and expenses incurred in connection with such extension, renewal, refinancing or replacement); *provided* that (i) such

Indebtedness is incurred prior to or within 270 days after such acquisition or the completion of such construction or improvement and (ii) the aggregate principal amount of Indebtedness permitted by this Section 6.01(d), when combined with the aggregate principal amount of all Capital Lease Obligations and Synthetic Lease Obligations incurred pursuant to Section 6.01(e), shall not exceed \$200,000,000 at any time outstanding;

(e) Capital Lease Obligations and Synthetic Lease Obligations in an aggregate principal amount, when combined with the aggregate principal amount of all Indebtedness incurred pursuant to Section 6.01(d), not in excess of \$200,000,000 at any time outstanding;

(f) Indebtedness (including Capital Lease Obligations) of any Subsidiary secured by one or more Facilities owned or leased by such Subsidiary, and extensions, renewals, refinancings and replacements of any such Indebtedness that do not increase the outstanding principal amount thereof (except by an amount equal to the unpaid accrued interest and premium thereon plus other reasonable amounts paid and fees and expenses incurred in connection with such extension, renewal, refinancing or replacement); *provided that* (i) when incurred, such Indebtedness shall not exceed the fair market value of the Facilities securing the same and (ii) the aggregate principal amount of all such Indebtedness incurred pursuant to this Section 6.01(f) shall not exceed \$250,000,000 at any time outstanding (such Indebtedness meeting the criteria of this Section 6.01(f) being referred to herein as "**Permitted Real Estate Indebtedness**");

(g) Indebtedness under performance bonds, bid bonds, appeal bonds, surety bonds and completion guarantees and similar obligations, or with respect to workers' compensation claims, in each case incurred in the ordinary course of business, including those incurred to secure health, safety and environmental obligations in the ordinary course of business;

(h) Indebtedness incurred pursuant to the Senior Note Indenture and any extensions, renewals, refinancings or replacements of such Indebtedness to the extent the principal amount of such Indebtedness is not increased (other than to the extent of any premiums, interest or costs and expenses incurred in connection therewith), neither the final maturity nor the weighted average life to maturity of such Indebtedness is decreased, and the obligors thereof, if not the original obligors in respect of such Indebtedness, are Loan Parties;

(i) Indebtedness in respect of Hedging Agreements permitted by Section 6.04(g);

(j) Cash Management Obligations;

(k) Indebtedness incurred by Foreign Subsidiaries in an aggregate principal amount not exceeding \$75,000,000 at any time outstanding;

(l) Indebtedness pursuant to any Permitted Receivables Transaction incurred in accordance with Section 6.05(b);

(m) Indebtedness incurred to finance, or assumed in connection with, one or more Permitted Acquisitions and any extensions, renewals, refinancings or replacements of such Indebtedness to the extent the principal amount of such Indebtedness is not increased (except by an amount equal to the unpaid accrued interest and premium thereon plus other reasonable amounts paid and fees and expenses incurred in connection with such extension, renewal, refinancing or replacement), neither the final maturity nor the weighted average life to maturity of such Indebtedness is decreased, such Indebtedness, if subordinated to the Obligations, remains so subordinated on terms no less favorable to the Lenders, and the obligors thereof, if not the original obligors in respect of such Indebtedness, are Loan Parties, so long as both immediately prior and after giving effect thereto, no Default shall exist or result therefrom, *provided* that no Indebtedness may be incurred under this Section 6.01(m) if as a result thereof the aggregate principal amount of Indebtedness incurred and outstanding under this Section 6.01(m) would exceed \$500,000,000 unless (x) the Leverage Ratio Condition would be satisfied and (y) the Liquidity Condition would be satisfied;

(n) Indebtedness owed to a seller in a Permitted Acquisition or a Permitted Joint Venture or to a buyer in a disposition permitted under Section 6.05 that (i) relates to post-closing adjustments with respect to accounts receivable, accounts payable, net worth and/or similar items or (ii) relates to indemnities granted to the seller or buyer in such transactions;

(o) Permitted Additional Debt;

(p) Indebtedness in the nature of letters of credit (other than Letters of Credit issued pursuant to this Agreement) issued for the account of Parent, the Borrower or any Subsidiary (and related reimbursement obligations) not to exceed an aggregate face amount of \$30,000,000;

(q) without duplication of any other Indebtedness, non-cash accruals of interest, accretion or amortization of original issue discount and/or pay-in-kind interest on Indebtedness otherwise permitted hereunder;

(r) from and after the Revolving Credit Termination Date, Indebtedness to finance the general needs of the Borrower and the Subsidiaries incurred after the Revolving Credit Termination Date in an aggregate principal amount not to exceed \$750,000,000 at any time outstanding, *provided* that the Borrower shall have (i) repaid all Revolving Loans and Swingline Loans and reimbursed, if any, all L/C Disbursements and made arrangements acceptable to the Issuing Bank and the Administrative Agent with respect to any outstanding Letters of Credit and (ii) paid all related fees and expenses, each in accordance with the terms of this Agreement;

(s) Indebtedness consisting of obligations to pay insurance premiums;

(t) except as otherwise expressly provided herein, Guarantees by Parent, the Borrower or the Subsidiaries of Indebtedness of Parent, the Borrower and the Subsidiaries permitted to be incurred hereunder; and

(u) other unsecured Indebtedness of the Borrower or the Subsidiaries in an aggregate principal amount not exceeding \$400,000,000 at any time outstanding.

SECTION 6.02. **Liens.** Create, incur, assume or permit to exist any Lien on any property or assets (including Equity Interests or other securities of any person, including the Borrower or any Subsidiary) now owned or hereafter acquired by it or on any income or revenues or rights in respect of any thereof, except:

(a) Liens on property or assets of the Borrower and the Subsidiaries existing on the date hereof and set forth in Schedule 6.02; provided that such Liens shall secure only those obligations which they secure on the date hereof and extensions, renewals and replacements thereof permitted hereunder;

(b) any Lien created under the Loan Documents;

(c) any Lien existing on any property or asset prior to the acquisition thereof by the Borrower or any Subsidiary or existing on any property or assets of any person that becomes a Subsidiary after the date hereof prior to the time such person becomes a Subsidiary, as the case may be; *provided* that (i) such Lien is not created in contemplation of or in connection with such acquisition or such person becoming a Subsidiary, (ii) such Lien does not apply to any other property or assets of Parent, the Borrower or any Subsidiary (other than affixed or incorporated into the property covered by such Lien) and (iii) such Lien secures only those obligations which it secures on the date of such acquisition or the date such person becomes a Subsidiary, as the case may be, and any extensions, renewals, refinancings or replacements of such obligations;

(d) Liens, assessments or governmental charges or claims for taxes not yet delinquent or which are not required to be paid pursuant to Section 5.03;

(e) carriers', warehousemen's, mechanics', materialmen's, repairmen's or other like Liens arising in the ordinary course of business and securing obligations that are not delinquent or which are not required to be paid under Section 5.03;

(f) Liens incurred and pledges and deposits made in the ordinary course of business in connection with any self-retention or self-insurance, or with respect to workmen's compensation, unemployment insurance, general liability, medical malpractice, professional liability or property insurance and other social security laws or regulations;

(g) deposits to secure the performance of bids, trade contracts (other than for Indebtedness), leases (other than Capital Lease Obligations), statutory

obligations, surety and appeal bonds, government contracts, performance bonds and other obligations of a like nature incurred in the ordinary course of business;

(h) zoning restrictions, easements, rights-of-way, rights of first refusal, restrictions on use of real property, minor defects or irregularities in title and other similar charges or encumbrances which, in the aggregate, do not interfere in any material respect with the business of the Borrower and the Subsidiaries, taken as a whole;

(i) zoning, building codes and other land use laws, regulations and ordinances regulating the use or occupancy of real property or the activities conducted thereon which are imposed by any Governmental Authority having jurisdiction over such real property which are not violated by the current use or occupancy of such real property or the operation of the business of the Borrower or any of the Subsidiaries or any violation of which would not have a Material Adverse Effect;

(j) ground leases in respect of real property on which Facilities owned or leased by the Borrower or any of the Subsidiaries are located;

(k) any interest or title of a lessor or secured by a lessor's interest under any lease permitted hereunder;

(l) leases or subleases granted to others not interfering in any material respect with the business of the Borrower and the Subsidiaries, taken as a whole;

(m) Liens in favor of customs and revenue authorities arising as a matter of law to secure payment of customs duties in connection with the importation of goods;

(n) Liens securing Indebtedness to finance the acquisition, construction or improvement of fixed or capital assets; *provided* that (i) such security interests secure Indebtedness permitted by Section 6.01, (ii) such security interests are incurred, and the Indebtedness secured thereby is created, within 270 days after such acquisition, construction or improvement, and (iii) such security interests do not apply to any other property or assets of the Borrower or any Subsidiary, except for accessions to the property financed with the proceeds of such Indebtedness and the proceeds and the products thereof; *provided* that individual financings of equipment provided by one lender may be cross-collateralized to other financings of equipment provided by such lender secured by a Lien permissibly incurred pursuant to this Section 6.02(n);

(o) Liens arising out of judgments or awards that do not constitute an Event of Default under paragraph (i) of Article VII;

(p) Liens pursuant to Permitted Receivables Transactions incurred in accordance with Section 6.05(b), including Liens on the assets of any Securitization Subsidiary created pursuant to any such Permitted Receivables

Transaction and Liens incurred by the Borrower and the Subsidiaries on Receivables to secure obligations owing by them in respect of any such Permitted Receivables Transaction, *provided* that any Receivables not transferred to a Securitization Subsidiary in connection with such Permitted Receivables Transaction to the extent constituting intercompany indebtedness required to be pledged pursuant to the Guarantee and Collateral Agreement shall be and remain subject to the perfected first priority Lien and security interest granted to the Collateral Agent in favor of the Lenders in accordance with the Guarantee and Collateral Agreement;

(q) Liens on assets of Foreign Subsidiaries; *provided* that (i) such Liens do not extend to, or encumber, assets that constitute Collateral or the Equity Interests of the Borrower or any of the Domestic Subsidiaries, and (ii) such Liens extending to the assets of any Foreign Subsidiary secure only Indebtedness incurred by such Foreign Subsidiary pursuant to Section 6.01(k);

(r) Liens (i) of a collecting bank arising under Section 4-210 of the Uniform Commercial Code on items in the course of collection, (ii) attaching to commodity trading accounts or other commodities brokerage accounts incurred in the ordinary course of business; and (iii) in favor of a banking institution arising as a matter of law encumbering deposits (including the right of set off);

(s) Liens on one or more Facilities owned or leased by any Subsidiary to secure Permitted Real Estate Indebtedness incurred by such Subsidiary pursuant to Section 6.01(f);

(t) Liens that are contractual rights of set-off (i) relating to the establishment of depository relations with banks not given in connection with the issuance of Indebtedness, (ii) relating to pooled deposit or sweep accounts of Parent, the Borrower or any Subsidiary to permit satisfaction of overdraft or similar obligations incurred in the ordinary course of business of Parent, the Borrower and the Subsidiaries or (iii) relating to purchase orders and other agreements entered into with customers of Parent, the Borrower or any Subsidiary in the ordinary course of business;

(u) Liens arising out of conditional sale, title retention, consignment or similar arrangements for the sale or purchase of goods entered into by the Borrower or any of the Subsidiaries in the ordinary course of business permitted hereunder;

(v) Liens solely on any cash earnest money deposits made by Parent, the Borrower or any of the Subsidiaries in connection with any letter of intent or purchase agreement permitted hereunder;

(w) Liens securing insurance premiums financing arrangements, *provided* that such Liens are limited to the applicable unearned insurance premiums; and

(x) other Liens that do not, individually or in the aggregate, secure obligations (or encumber property with a fair market value) in excess of \$150,000,000 at any one time.

SECTION 6.03. Sale and Lease-Back Transactions. Enter into any arrangement, directly or indirectly, with any person whereby it shall sell or transfer any property, real or personal, used or useful in its business, whether now owned or hereafter acquired, and thereafter rent or lease such property or other property which it intends to use for substantially the same purpose or purposes as the property being sold or transferred unless (a) the sale or transfer of such property is permitted by Section 6.05 and (b) any Capital Lease Obligations, Synthetic Lease Obligations, Permitted Real Estate Indebtedness or Liens arising in connection therewith are permitted by Sections 6.01 and 6.02, as the case may be.

SECTION 6.04. Investments, Loans and Advances. Purchase, hold or acquire any Equity Interests, evidences of indebtedness or other securities of, make or permit to exist any loans or advances to, or make or permit to exist any investment or any other interest in, any other person, except:

(a) (i) investments by Parent, the Borrower and the Subsidiaries existing on the date hereof in the Borrower and the Subsidiaries, (ii) additional investments by Parent, the Borrower and the Subsidiaries in the Borrower and the Subsidiaries and (iii) additional investments by Parent, the Borrower and the Subsidiaries in Permitted Joint Ventures (subject to the limitations on such investments referred to in the definition of the term "Permitted Joint Ventures"); *provided* that (x) any Equity Interests held by a Loan Party shall be pledged to the extent required by Section 5.12 and the Guarantee and Collateral Agreement and (y) any such investments made pursuant to clause (ii) above made by a Loan Party to a Subsidiary that is not a Loan Party, or made by Parent, the Borrower or any Subsidiary to an Unrestricted Subsidiary, may only be made if (A) no Default or Event of Default shall have occurred and be continuing and (B) the aggregate amount of all such investments made by Loan Parties to Subsidiaries that are not Loan Parties, or by Parent, the Borrower or any Subsidiary to an Unrestricted Subsidiary and outstanding at any time (without regard to any write-downs or write-offs thereof, and valued net in the case of intercompany loans) shall not exceed \$500,000,000 plus the amount of dividends, distributions and other returns of capital actually received in cash by any Loan Party with respect to any such investments; *provided further*, that, prior to the value of all such investments outstanding at any time exceeding \$300,000,000 at any time outstanding, the Leverage Ratio Condition and the Liquidity Condition would each be satisfied; for purposes of the foregoing, if the Borrower designates a Subsidiary as an Unrestricted Subsidiary in accordance with the definition of the term "Unrestricted Subsidiary", the Borrower will be deemed to have made an investment at that time in the resulting Unrestricted Subsidiary in an aggregate amount equal to the fair market value of the net assets of such Unrestricted Subsidiary;

(b) Permitted Investments;

(c) (i) loans or advances in respect of intercompany accounts attributable to the operation of the Borrower's cash management system (including with respect to intercompany self-insurance arrangements), (ii) loans or advances made by the Borrower or any of the Subsidiaries to a Permitted Syndication Subsidiary for working capital needs evidenced by a promissory note that is pledged to the Collateral Agent so long as such loans or advances constitute Indebtedness of the primary obligor that is not subordinate to any other Indebtedness of such obligor, and (iii) loans or advances made by Parent to the Borrower or any Subsidiary, the Borrower to Parent or any Subsidiary and by any Subsidiary to Parent, the Borrower or any other Subsidiary; *provided, however*, that (x) any such loans and advances made by a Loan Party that are evidenced by a promissory note shall be pledged to the Collateral Agent for the ratable benefit of the Secured Parties pursuant to the Guarantee and Collateral Agreement (and any such loans and advances made by a Loan Party to a Subsidiary that is not a Loan Party shall be so evidenced and pledged) and (y) any such loan or advance made by a Loan Party to a Subsidiary that is not a Loan Party or by Parent, the Borrower or any Subsidiary to an Unrestricted Subsidiary shall be subject to the requirements and limitations described in clause (y) of the proviso to Section 6.04(a), except to the extent that (1) such loan or advance shall be secured by a fully perfected, first-priority Lien on substantially all of the assets of the recipient of such loan or advance and its subsidiaries (in each case of a type that would have constituted Collateral if such recipient were party to the applicable Security Documents) and (2) such Lien is collaterally assigned to the Collateral Agent for the benefit of the Secured Parties, all on terms reasonably satisfactory to the Collateral Agent;

(d) investments received in connection with the bankruptcy or reorganization of, or settlement of delinquent accounts and disputes with, customers and suppliers, in each case in the ordinary course of business;

(e) the Borrower and the Subsidiaries may make loans and advances in the ordinary course of business to their respective employees, officers, consultants and agents (including payroll advances, travel and entertainment advances and relocation loans in the ordinary course of business to employees, officers and agents of the Borrower or any such Subsidiary (or to any physician or other health care professional associated with or agreeing to become associated with Parent, the Borrower or any Subsidiary or any Hospital owned or leased or operated by the Borrower or any Subsidiary ("**Health Care Associates**")));

(f) Guarantees to third parties made in the ordinary course of business in connection with the relocation of employees or agents of Health Care Associates of the Borrower or any of the Subsidiaries;

(g) the Borrower and the Subsidiaries may enter into Hedging Agreements that (i) are required by Section 5.13 or (ii) are not speculative in nature;

(h) the Borrower or any Subsidiary may acquire (including by any lease that contains upfront payments and/or buyout options) all or substantially all the assets of a person or line of business of such person, or directly acquire and beneficially own (and retain the right to vote) more than 50% of the aggregate ordinary voting power and aggregate equity value represented by the outstanding capital stock or other Equity Interests of any acquired or newly formed corporation or other entity that acquires or leases such person, division or line of business (referred to herein as the “**Acquired Entity**”); *provided* that (i) such acquisition was not preceded by an unsolicited tender offer for such Equity Interests by, or proxy contest initiated by, Parent, the Borrower or any Subsidiary; (ii) the Acquired Entity shall be in a similar, related, incidental or complementary line of business as that of the Borrower and the Subsidiaries as conducted during the current and most recent calendar year; (iii) at the time of such transaction (A) both before and after giving effect thereto, no Default or Event of Default shall have occurred and be continuing, (B) if the total consideration paid in connection with such acquisition and any other acquisitions pursuant to this Section 6.04(h) (including any Indebtedness of the Acquired Entity that is assumed by the Borrower or any Subsidiary following such acquisition and any payments following such acquisition pursuant to earn-out provisions or similar obligations) shall exceed \$500,000,000 in the aggregate (excluding the total consideration paid in respect of Permitted Acquisitions listed on Schedule 6.04(h) and consideration consisting of, or funded with the proceeds of, Qualified Capital Stock), then (1) the Leverage Ratio Condition would be satisfied and (2) the Liquidity Condition would be satisfied, (C) the Borrower shall have delivered a certificate of a Financial Officer, certifying as to the foregoing and containing reasonably detailed calculations in support thereof, in form and substance reasonably satisfactory to the Administrative Agent, (D) the Borrower shall comply, and shall cause the Acquired Entity to comply, with the applicable provisions of Section 5.12 and the Security Documents, and (E) the aggregate consideration paid in connection with all such acquisitions of Acquired Entities that do not become Loan Parties (or, in the case of an acquisition of assets, are not directly acquired by Loan Parties), shall not exceed \$300,000,000 (any acquisition of an Acquired Entity meeting all the applicable criteria of this Section 6.04(h) being referred to herein as a “**Permitted Acquisition**”);

(i) Permitted Joint Ventures;

(j) investments in a Permitted Syndication Subsidiary in connection with a Permitted Syndication Transaction made pursuant to Section 6.05(b);

(k) investments in any Securitization Subsidiary or other person as required pursuant to the terms and conditions of any Permitted Receivables Transaction made pursuant to Section 6.05(b);

(l) the Borrower or any of the Subsidiaries may acquire and hold Receivables owing to it or Parent, if created or acquired in the ordinary course of business and payable or dischargeable in accordance with customary trade terms;

- (m) investments to the extent that payment for such investments is made with issuances of or the cash proceeds from the issuance of Equity Interests of Parent;
 - (n) extensions of trade credit and purchases of equipment and inventory in the ordinary course of business;
 - (o) loans and advances to Parent in lieu of, and not in excess of the amount of, dividends to the extent permitted to be made to Parent in accordance with Section 6.06;
 - (p) investments in the ordinary course of business consisting of endorsements for collection or deposit and customary trade arrangements with customers consistent with past practices;
 - (q) investments in the Fulton Bonds;
 - (r) investments by Parent, the Borrower and the Subsidiaries in any Captive Insurance Subsidiary in an aggregate amount not to exceed 150% of the minimum amount of capital required under the laws of the jurisdiction in which such Captive Insurance Subsidiary is formed (plus any excess capital generated as a result of any such prior investment that would result in an unfavorable tax or reimbursement impact if distributed), and other investments in any Captive Insurance Subsidiary to cover reasonable general corporate and overhead expenses of such Captive Insurance Subsidiary;
 - (s) investments by any Captive Insurance Subsidiary;
 - (t) investments in any Captive Insurance Subsidiary in connection with a push down by the Borrower of insurance reserves;
 - (u) investments held by a person (including by way of acquisition, merger or consolidation) after the Closing Date otherwise in accordance with this Section 6.04 to the extent that such investments were not made in contemplation of or in connection with such acquisition, merger or consolidation and were in existence on the date of such acquisition, merger or consolidation;
 - (v) investments to acquire the Hospital leased by a Subsidiary on the date hereof in Dublin, Ireland;
 - (w) investments in minority interests existing on the date hereof; and
 - (x) in addition to investments permitted by paragraphs (a) through (w) above, additional investments, loans and advances by the Borrower and the Subsidiaries so long as the aggregate outstanding amount of investments, loans and advances pursuant to this paragraph (w) (determined without regard to any write-downs or write-offs of such investments, loans and advances) does not exceed \$100,000,000 in the aggregate at any time.
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It is understood and agreed that, in the event that any investment is made by the Borrower or any Subsidiary in any person through substantially concurrent interim transfers of any amount through one or more other Subsidiaries, then such other substantially concurrent interim transfers shall be disregarded for purposes of this Section 6.04.

SECTION 6.05. Mergers, Consolidations, Sales of Assets and Acquisitions. (a) Merge into or consolidate with any other person, or permit any other person to merge into or consolidate with it, or sell, transfer, lease or otherwise dispose of (in one transaction or in a series of transactions) all or substantially all the assets (whether now owned or hereafter acquired) of the Borrower or less than all the Equity Interests of any Subsidiary (other than pursuant to any Permitted Interest Transfer or transfers of Equity Interests of any Subsidiary to a Loan Party or by a Subsidiary that is not a Subsidiary Guarantor to any Subsidiary), or purchase or otherwise acquire (in one transaction or a series of transactions) all or substantially all of the assets of any other person, except that (i) the Borrower and any Subsidiary may purchase and sell inventory in the ordinary course of business and (ii) if at the time thereof and immediately after giving effect thereto no Event of Default or Default shall have occurred and be continuing (x) any wholly owned Subsidiary may merge into the Borrower in a transaction in which the Borrower is the surviving corporation, (y) any Subsidiary may merge into or consolidate with any other Subsidiary in a transaction in which the surviving entity is a Subsidiary (provided that (A) if any party to any such transaction is a Loan Party, the surviving entity of such transaction shall be a Loan Party and (B) to the extent any person other than the Borrower or a wholly owned Subsidiary receives any consideration in connection therewith, then such transaction shall be considered as an investment under the applicable paragraph of Section 6.04) and (z) the Borrower and the Subsidiaries may make Permitted Acquisitions or any other investment, loan or advance permitted pursuant to Section 6.04, and may enter into Permitted Joint Ventures.

(b) Make any Asset Sale otherwise permitted under paragraph (a) above unless such Asset Sale is:

(i) for consideration that is at least equal to the fair market value of the assets being sold, transferred, leased or disposed of; *provided* that (x) for any disposition of assets with a fair market value of more than \$50,000,000, at least 75% of such consideration is cash and (y) the fair market value of all assets sold, transferred, leased or disposed of pursuant to this clause (b)(i) shall not exceed \$300,000,000 in any fiscal year; *provided further* that, prior to the Incremental Asset Sale Termination Date, such annual amount shall be increased by an aggregate amount not to exceed \$750,000,000;

(ii) a Receivables Transaction, *provided* that (x) the material terms and conditions and the structure of such Receivables Transaction have been approved by the Administrative Agent (such approval not to be unreasonably withheld or delayed), (y) any Liens granted in connection with such Receivables Transaction shall comply with the terms of Section 6.02(p) and (z) the aggregate Receivables Transaction Amount outstanding at any time in respect of all Receivables

Transactions does not exceed \$1,500,000,000 (any Receivables Transaction meeting all the criteria of this Section 6.05(b)(ii) being referred to herein as a "**Permitted Receivables Transaction**");

(iii) a Syndication Transaction, *provided* that the aggregate amount or value of the consideration received by any Permitted Syndication Subsidiary and/or the Borrower and the other Subsidiaries from third parties in connection with such Syndication Transaction (or series of Syndication Transactions), except for the Syndication Transactions listed on Schedule 6.05(b) (the "**Syndication Proceeds**"), when added to the aggregate Syndication Proceeds from all previous Permitted Syndications on or after the Closing Date does not exceed \$200,000,000 (any Syndication Transaction meeting the criteria of this Section 6.05(b)(iii) being referred to herein as a "**Permitted Syndication Transaction**");

(iv) any Permitted Interest Transfer;

(v) for the sale or other disposition consummated by the Borrower or any of the Subsidiaries after the Closing Date of assets constituting a subsidiary or business unit or units of the Borrower or the Subsidiaries (including a Facility) or the interest of the Borrower or the Subsidiaries therein, *provided* that (i) such sale or other disposition shall be made for fair value on an arm's-length basis and (ii) the consideration received for such sale or other disposition constitutes or would constitute a Permitted Acquisition, Permitted Joint Venture or Permitted Syndication Subsidiary in accordance with the definition thereof;

(vi) the Borrower and the Subsidiaries may abandon, allow to lapse or otherwise dispose of intangible property that the Borrower or such Subsidiary shall determine in its reasonable business judgment is immaterial to the conduct of its business;

(vii) forgiveness of any loans or advances made pursuant to Section 6.04(e);

(viii) transfers of property subject to casualty or a condemnation proceeding;

(ix) Restricted Payments permitted pursuant to Section 6.06; or

(x) for the sale or other disposition of real estate and related assets (other than Hospitals and Receivables) for the fair market value thereof in cash, in an aggregate amount not to exceed \$300,000,000.

SECTION 6.06. **Restricted Payments; Restrictive Agreements.** (a) Declare or make, or agree to declare or make, directly or indirectly, any Restricted Payment (including pursuant to any Synthetic Purchase Agreement), or incur any obligation (contingent or otherwise) to do so; *provided, however,* that

(i) any Subsidiary may declare and pay dividends or make other distributions ratably to its equity holders;

(ii) Parent may distribute the Equity Interests of a Spinout Subsidiary pursuant to a Spinout Transaction;

(iii) so long as no Event of Default or Default shall have occurred and be continuing or would result therefrom, the Borrower may, or the Borrower may make distributions to Parent so that Parent may, repurchase its Equity Interests owned by current or former employees, directors or consultants of Parent, the Borrower or the Subsidiaries or make payments to employees, directors or consultants of Parent, the Borrower or the Subsidiaries in connection with the exercise of stock options, stock appreciation rights or similar equity incentives or equity based incentives pursuant to management incentive plans in an aggregate amount not to exceed \$30,000,000 in any fiscal year *plus* (to the extent not previously used) the net cash proceeds received by the Borrower in respect of any issuance of Equity Interests to employees or directors after the Closing Date, including payments in connection with the exercise of stock options;

(iv) the Borrower may make Restricted Payments to Parent (x) to the extent necessary to pay general corporate and overhead expenses incurred by Parent in the ordinary course of business (including legal, accounting and similar expenses) and expenses necessary to maintain its status as a publicly held corporation, and (y) in an amount necessary to pay the Tax liabilities of Parent; *provided, however*, that all Restricted Payments made to Parent pursuant to this clause (iii) are used by Parent for the purposes specified herein within 20 days of the receipt thereof;

(v) in addition to Restricted Payments permitted by clauses (i) through (iv) above, so long as no Event of Default or Default shall have occurred and be continuing or would result therefrom, the Borrower may make other Restricted Payments, and Parent may make Restricted Payments, in an aggregate principal amount from the date hereof not to exceed \$400,000,000 less the amount of payments made pursuant to Section 6.09(c)(i); *provided* that no such amounts in excess of \$200,000,000 may be declared or paid unless the Borrower shall have received in writing, prior to effecting any such declaration or payment, a Ratings Agency Confirmation in respect of such Restricted Payment, and shall have furnished such Ratings Agency Confirmation to the Administrative Agent; and

(vi) the Borrower may net shares under employee benefits plans to settle option price payments owed by employees and directors with respect thereto and to settle employees' and directors' Federal, state and income tax liabilities (if any) related thereto.

(b) Enter into, incur or permit to exist any agreement or other arrangement that prohibits, restricts or imposes any condition upon (i) the ability of Parent, the Borrower or any Subsidiary (other than any Permitted Joint Venture Subsidiary) to create, incur or

permit to exist any Lien upon any of its property or assets to secure the Obligations, or (ii) the ability of any Subsidiary (other than any Permitted Joint Venture Subsidiary) to pay dividends or other distributions with respect to any of its Equity Interests or to make or repay loans or advances to the Borrower or any other Subsidiary or to Guarantee Indebtedness of the Borrower or any other Subsidiary; *provided* (x) that the foregoing shall not apply to restrictions and conditions (A) imposed by law or by any Loan Document or the Senior Note Indenture, (B) contained in agreements relating to the sale of a Subsidiary or other assets pending such sale, *provided* such restrictions and conditions apply only to the Subsidiary or assets that are to be sold and such sale is permitted hereunder, (C) imposed on any Foreign Subsidiary by the terms of any Indebtedness of such Foreign Subsidiary permitted to be incurred hereunder, (D) imposed pursuant to other Indebtedness incurred pursuant to Section 6.01 with such encumbrances and restrictions that, taken as a whole, are not more restrictive than the terms hereof, (E) contained in any agreement relating to a Permitted Receivables Transaction if such restrictions or encumbrances apply only to the relevant Permitted Receivables Transaction and are required pursuant to the terms and conditions of such Permitted Receivables Transaction, (F) on Permitted Joint Ventures or other joint ventures permitted under Section 6.04 and Permitted Syndication Subsidiaries imposed by the terms of the agreements governing the same and (G) applicable to an Acquired Entity at the time such Acquired Entity became a Subsidiary, so long as such restriction or encumbrance was not created in contemplation of or in connection with such Acquired Entity becoming a Subsidiary and apply only to such Acquired Entity; and (y) clause (i) of the foregoing shall not apply to restrictions or conditions (A) that are customary provisions in leases and other contracts restricting the assignment thereof and any right of first refusal and (B) imposed by any agreement relating to secured Indebtedness permitted by this Agreement if such restrictions or conditions apply only to the property or assets securing such Indebtedness.

SECTION 6.07. **Transactions with Affiliates.** Except for (a) transactions between or among Parent and its Subsidiaries or described on Schedule 6.07 and (b) the sale, transfer or other disposition by Parent, the Borrower or any Subsidiary in compliance with Section 6.05(b)(i) of real property owned by it to any Spinout Subsidiary pursuant to a Spinout Transaction, sell or transfer any property or assets to, or purchase or acquire any property or assets from, or otherwise engage in any other transactions with, any of its Affiliates, except (i) the Borrower or any Subsidiary may engage in any of the foregoing transactions on terms and conditions not less favorable to the Borrower or such Subsidiary than could be obtained on an arm's-length basis from unrelated third parties, (ii) the Borrower and the Subsidiaries may make (x) investments, loans and advances and (y) Restricted Payments, permitted by Section 6.04 and Section 6.06, respectively, (iii) the Borrower may engage in Receivables Transactions, (iv) any issuance of Equity Interests, or other payments, awards or grants in cash, securities or otherwise pursuant to, or the funding of, employment arrangements, stock options and stock ownership plans, or indemnities provided on behalf of employees or directors and approved by the board of directors or senior management of Parent and (v) the payment of reasonable fees to directors of Parent, the Borrower and the Subsidiaries who are not employees of Parent, the Borrower or the Subsidiaries.

SECTION 6.08. **Business of Parent, Borrower and Subsidiaries.** Engage at any time in any business or business activity other than the business currently conducted by it and business activities reasonably similar, incidental or complementary thereto and reasonable extensions thereof.

SECTION 6.09. **Other Indebtedness.** (a) Permit any waiver, supplement, modification, amendment, termination or release of the Senior Notes Indenture or any waiver, supplement, modification or amendment of any indenture, instrument or agreement pursuant to which any subordinated Material Indebtedness of Parent, the Borrower or any of the Subsidiaries is outstanding if the effect of such waiver, supplement, modification, amendment, termination or release would materially increase the obligations of the obligor or confer additional material rights on the holder of such Indebtedness in a manner adverse to the Lenders.

(b) Make any distribution, whether in cash, property, securities or a combination thereof, other than regular scheduled payments of principal and interest as and when due (to the extent not prohibited by applicable subordination provisions), in respect of, or pay, or commit to pay, or directly or indirectly (including pursuant to any Synthetic Purchase Agreement) redeem, repurchase, retire or otherwise acquire for consideration, or set apart any sum for the aforesaid purposes, any Senior Notes or subordinated Indebtedness (other than intercompany Indebtedness); *provided, however*, that so long as no Default or Event of Default shall have occurred and be continuing at the date of such redemption, repurchase, retirement or other acquisition for consideration, or would result therefrom, Parent, the Borrower or any Subsidiary may redeem, repurchase, retire or otherwise acquire for consideration (i) Senior Notes and subordinated Indebtedness for an aggregate price not in excess of (A) \$400,000,000 less (B) the amount of Restricted Payments made pursuant to clause (v) of Section 6.06(a), (ii) Senior Notes with the proceeds of (A) refinancing Indebtedness otherwise permitted pursuant to Section 6.01(h) or (B) the issuance of Equity Interests, or (iii) subordinated Indebtedness with the proceeds of (A) subordinated Indebtedness that is permitted pursuant to Section 6.01 and is subordinated on terms not materially less advantageous to the Lenders than those of the Indebtedness being redeemed, repurchased, retired or otherwise acquired for consideration or (B) the issuance of Equity Interests.

SECTION 6.10. **Practice Guarantees.** Enter into Practice Guarantees with a term of 30 months or longer in an aggregate amount in excess of \$150,000,000 in effect at any time with respect to all such Practice Guarantees.

SECTION 6.11. **Capital Expenditures.** Permit the aggregate amount of Capital Expenditures (other than Replacement Capital Expenditures) made by Parent, the Borrower and the Subsidiaries in any period set forth below to exceed the greater of (a) in the case of any fiscal year beginning on or after January 1, 2008, 5.5% of consolidated net revenues of the Borrower and the Subsidiaries for the immediately preceding fiscal year (as set forth in the financial statements delivered pursuant to Section 5.04(a) with respect to such fiscal year) and (b) the amount set forth below for such period (such greater amount, the "**Permitted Capital Expenditure Amount**"):

Period	Amount
Closing Date through December 31, 2007	\$ 475,000,000
January 1, 2008 through December 31, 2008	\$ 800,000,000
January 1, 2009 through December 31, 2009	\$ 800,000,000
January 1, 2010 through December 31, 2010	\$ 850,000,000
January 1, 2011 through December 31, 2011	\$ 925,000,000
January 1, 2012 through December 31, 2012	\$1,100,000,000
January 1, 2013 through December 31, 2013	\$1,100,000,000
January 1, 2014 through Term Loan Maturity Date	\$1,100,000,000

In any year in which a Permitted Acquisition occurs, the Permitted Capital Expenditure Amount in respect of such fiscal year shall be increased (but not decreased) by an amount equal to 5.5% of the net revenues generated by the Acquired Entity acquired during the preceding fiscal year of such Acquired Entity (pro rated based on the number of days remaining in such fiscal year). In addition, to the extent any portion of the Permitted Capital Expenditure Amount for any fiscal year (as the same may have been increased pursuant to the preceding sentence) is not fully expended during such fiscal year, then 50% of the amount not so expended may be carried forward to and used in succeeding fiscal years. In addition, for any fiscal year, the amount of Capital Expenditures that would otherwise be permitted in such fiscal year pursuant to this Section 6.11 may be increased by an amount not to exceed 50% of the Permitted Capital Expenditure Amount for the immediately succeeding fiscal year (the "**CapEx Pull-Forward Amount**"). The actual CapEx Pull-Forward Amount in respect of any such fiscal year shall reduce, on a dollar-for-dollar basis, the amount of Capital Expenditures that would have been permitted to be made in the immediately succeeding fiscal year. In addition, for any fiscal year, the amount of Capital Expenditures that would otherwise be permitted in such fiscal year pursuant to this Section 6.11 may be increased by an amount not to exceed \$200,000,000 if, at the time of such expenditure, both before and after giving pro forma effect thereto, (x) no Default or Event of Default shall have occurred and be continuing and (y) the Leverage Ratio is less than 4.50 to 1.00.

SECTION 6.12. **Interest Coverage Ratio.** Permit the Interest Coverage Ratio for any period of four consecutive fiscal quarters, in each case taken as one accounting period, ending during any period set forth below to be less than the ratio set forth opposite such period below:

Period	Ratio
September 30, 2007 through September 30, 2009	1.75 to 1.00
October 1, 2009 through September 30, 2011	2.00 to 1.00
October 1, 2011 through September 30, 2012	2.25 to 1.00
Thereafter	2.50 to 1.00

SECTION 6.13. **Maximum Leverage Ratio.** Permit the Leverage Ratio as of the last day of any fiscal quarter ending during a period set forth below to be greater than the ratio set forth opposite such period below:

Period	Ratio
September 30, 2007 through March 31, 2009	7.25 to 1.00
April 1, 2009 through June 30, 2009	7.00 to 1.00
July 1, 2009 through September 30, 2009	6.75 to 1.00
October 1, 2009 through September 30, 2010	6.50 to 1.00
October 1, 2010 through September 30, 2011	6.00 to 1.00
October 1, 2011 through September 30, 2012	5.50 to 1.00
Thereafter	5.00 to 1.00

SECTION 6.14. **Fiscal Year.** With respect to Parent and the Borrower, change their fiscal year-end to a date other than December 31.

ARTICLE VII

Events of Default

In case of the happening of any of the following events ("**Events of Default**"):

- (a) any representation, warranty or statement made or deemed made by any Loan Party herein or in any other Loan Document or any certificate delivered or required to be delivered pursuant hereto or thereto shall prove to be untrue in any material respect on the date as of which it was made or deemed made;
- (b) default shall be made in the payment of any principal of any Loan or the reimbursement with respect to any L/C Disbursement when and as the same shall become due and payable, whether at the due date thereof or at a date fixed for prepayment thereof or by acceleration thereof or otherwise;
- (c) default shall be made in the payment of any interest on any Loan or any Fee or L/C Disbursement or any other amount (other than an amount referred to in (b) above) due under any Loan Document, when and as the same shall become due and payable, and such default shall continue unremedied for a period of five Business Days;
- (d) default shall be made in the due observance or performance by Parent, the Borrower or any Subsidiary of any covenant, condition or agreement contained in Section 5.01(a) (with respect to Parent and the Borrower only), 5.05(a) or 5.08 or in Article VI;
- (e) default shall be made in the due observance or performance by Parent, the Borrower or any Subsidiary of any covenant or agreement contained in any Loan Document (other than those specified in (b), (c) or (d) above) and such

default shall continue unremedied for a period of 30 days after notice thereof from the Administrative Agent or any Lender to the Borrower;

(f) (i) Parent, the Borrower or any Subsidiary shall fail to pay any principal, interest or other amount due in respect of any Material Indebtedness, when and as the same shall become due and payable (after giving effect to any grace period) or (ii) any other event or condition occurs that results in any Material Indebtedness becoming due prior to its scheduled maturity or that enables or permits (with or without the giving of notice, the lapse of time or both) the holder or holders of any Material Indebtedness or any trustee or agent on its or their behalf to cause any Material Indebtedness to become due, or to require the prepayment, repurchase, redemption or defeasance thereof, prior to its scheduled maturity or that results in the termination or permits any counterparty to terminate any Hedging Agreement the obligations under which constitute Material Indebtedness; *provided* that this clause (ii) shall not apply to secured Indebtedness that becomes due as a result of the voluntary sale or transfer of the property or assets securing such Indebtedness;

(g) an involuntary proceeding shall be commenced or an involuntary petition shall be filed in a court of competent jurisdiction seeking (i) relief in respect of Parent, the Borrower or any Subsidiary (other than a Non-Significant Subsidiary within the meaning of clause (a) of the definition thereof), or of a substantial part of the property or assets of Parent, the Borrower or a Subsidiary (other than a Non-Significant Subsidiary within the meaning of clause (a) of the definition thereof), under Title 11 of the United States Code, as now constituted or hereafter amended, or any other Federal, state or foreign bankruptcy, insolvency, receivership or similar law, (ii) the appointment of a receiver, trustee, custodian, sequestrator, conservator or similar official for Parent, the Borrower or any Subsidiary (other than a Non-Significant Subsidiary within the meaning of clause (a) of the definition thereof) or for a substantial part of the property or assets of Parent, the Borrower or a Subsidiary or (iii) the winding-up or liquidation of Parent, the Borrower or any Subsidiary (other than a Non-Significant Subsidiary within the meaning of clause (a) of the definition thereof); and such proceeding or petition shall continue undismissed for 60 days or an order or decree approving or ordering any of the foregoing shall be entered;

(h) Parent, the Borrower or any Subsidiary (other than a Non-Significant Subsidiary within the meaning of clause (a) of the definition thereof) shall (i) voluntarily commence any proceeding or file any petition seeking relief under Title 11 of the United States Code, as now constituted or hereafter amended, or any other Federal, state or foreign bankruptcy, insolvency, receivership or similar law, (ii) consent to the institution of any proceeding or the filing of any petition described in (g) above, (iii) apply for or consent to the appointment of a receiver, trustee, custodian, sequestrator, conservator or similar official for Parent, the Borrower or any Subsidiary (other than a Non-Significant Subsidiary within the meaning of clause (a) of the definition thereof) or for a substantial part of the property or assets of Parent, the Borrower or any Subsidiary (other than a Non-

Significant Subsidiary within the meaning of clause (a) of the definition thereof), (iv) file an answer admitting the material allegations of a petition filed against it in any such proceeding, (v) make a general assignment for the benefit of creditors, (vi) become unable, admit in writing its inability or fail generally to pay its debts as they become due or (vii) take any corporate action for the purpose of effecting any of the foregoing;

(i) one or more judgments shall be rendered against Parent, the Borrower, any Subsidiary or any combination thereof (not paid or fully covered by insurance) and the same shall remain undischarged for a period of 30 consecutive days during which execution shall not be effectively stayed, or any action shall be legally taken by a judgment creditor to levy upon assets or properties of Parent, the Borrower or any Subsidiary to enforce any such judgment and such judgment is for the payment of money in an aggregate amount in excess of \$50,000,000;

(j) an ERISA Event shall have occurred that, in the opinion of the Required Lenders, when taken together with all other such ERISA Events, could reasonably be expected to result in liability of the Borrower and its ERISA Affiliates in an aggregate amount exceeding \$50,000,000;

(k) any Guarantee under the Guarantee and Collateral Agreement for any reason shall cease to be in full force and effect (other than in accordance with its terms), or any Guarantor shall deny in writing that it has any further liability under the Guarantee and Collateral Agreement (other than as a result of the discharge of such Guarantor in accordance with the terms of the Loan Documents);

(l) any security interest purported to be created by any Security Document with respect to any Collateral with an aggregate fair market value in excess of \$50,000,000 shall cease to be, or shall be asserted by the Borrower or any other Loan Party not to be, a valid, perfected (subject to the qualifications set forth in Section 3.19(a)), first priority (except as otherwise expressly provided in this Agreement or such Security Document) security interest in the securities, assets or properties covered thereby, except to the extent that any such loss of perfection or priority results from the failure of the Collateral Agent to maintain possession of certificates representing securities pledged under the Guarantee and Collateral Agreement or any other act or omission by the Collateral Agent and except to the extent that such loss is covered by a lender's title insurance policy and the related insurer does not deny that such loss is covered by such title insurance policy;

(m) the Indebtedness under any subordinated Indebtedness of Parent, the Borrower or any Subsidiary constituting Material Indebtedness shall cease (or any Loan Party or an Affiliate of any Loan Party shall so assert), for any reason, to be validly subordinated to the Obligations as provided in the agreements evidencing such subordinated Indebtedness; or

(n) there shall have occurred a Change in Control;

then, and in every such event (other than an event with respect to Parent or the Borrower described in paragraph (g) or (h) above), and at any time thereafter during the continuance of such event, the Administrative Agent, at the request of the Required Lenders shall, by notice to the Borrower, take either or both of the following actions, at the same or different times: (i) terminate forthwith the Commitments and (ii) declare the Loans then outstanding to be forthwith due and payable in whole or in part, whereupon the principal of the Loans so declared to be due and payable, together with accrued interest thereon and any unpaid accrued Fees and all other liabilities of the Borrower accrued hereunder and under any other Loan Document, shall become forthwith due and payable, without presentment, demand, protest or any other notice of any kind, all of which are hereby expressly waived by the Borrower, anything contained herein or in any other Loan Document to the contrary notwithstanding; and in any event with respect to Parent or the Borrower described in paragraph (g) or (h) above, the Commitments shall automatically terminate and the principal of the Loans then outstanding, together with accrued interest thereon and any unpaid accrued Fees and all other liabilities of the Borrower accrued hereunder and under any other Loan Document, shall automatically become due and payable, without presentment, demand, protest or any other notice of any kind, all of which are hereby expressly waived by the Borrower, anything contained herein or in any other Loan Document to the contrary notwithstanding.

Notwithstanding anything to the contrary contained in this Article VII, upon the request of the Borrower made in writing to the Administrative Agent, in the event of any Event of Default under any covenant set forth in Section 6.12 or 6.13 and until the expiration of the tenth Business Day after the date on which financial statements are required to be delivered with respect to the applicable fiscal quarter hereunder, Parent may issue Qualified Capital Stock and elect to treat all or any portion of the net cash proceeds thereof as having increased Consolidated EBITDA with respect to such applicable quarter solely for the purpose of determining actual and pro forma compliance with Sections 6.12 and 6.13 at the end of such applicable quarter and applicable subsequent periods and for purposes of determining whether the Leverage Ratio Condition has been satisfied and not for any other purpose of this Agreement (including determining the Applicable Percentage); *provided* that (a) such proceeds (i) are actually received by Parent and contributed to the Borrower no later than ten days after the date on which financial statements are required to be delivered with respect to such fiscal quarter hereunder and (ii) do not exceed the aggregate amount necessary to cause Parent to be in compliance with the covenants under Sections 6.12 or 6.13 for any applicable period and (b) in each period of four fiscal quarters, there shall be at least two fiscal quarters in which no such right to cure permitted by this paragraph is utilized.

ARTICLE VIII

The Administrative Agent and the Collateral Agent

Each of the Lenders and the Issuing Bank hereby irrevocably appoints the Administrative Agent and the Collateral Agent (for purposes of this Article VIII, the Administrative Agent and the Collateral Agent are referred to collectively as the “**Agents**”) its agent and authorizes the Agents to take such actions on its behalf and to

exercise such powers as are delegated to such Agent by the terms of the Loan Documents, together with such actions and powers as are reasonably incidental thereto. Without limiting the generality of the foregoing, the Agents are hereby expressly authorized to execute any and all documents (including releases) with respect to the Collateral and the rights of the Secured Parties with respect thereto, as contemplated by and in accordance with the provisions of this Agreement and the Security Documents.

The bank serving as the Administrative Agent and/or the Collateral Agent hereunder shall have the same rights and powers in its capacity as a Lender as any other Lender and may exercise the same as though it were not an Agent, and such bank and its Affiliates may accept deposits from, lend money to and generally engage in any kind of business with Parent, the Borrower or any Subsidiary or other Affiliate thereof as if it were not an Agent hereunder.

Neither Agent shall have any duties or obligations except those expressly set forth in the Loan Documents. Without limiting the generality of the foregoing, (a) neither Agent shall be subject to any fiduciary or other implied duties, regardless of whether a Default has occurred and is continuing, (b) neither Agent shall have any duty to take any discretionary action or exercise any discretionary powers, except discretionary rights and powers expressly contemplated hereby that such Agent is instructed in writing to exercise by the Required Lenders (or such other number or percentage of the Lenders as shall be necessary under the circumstances as provided in Section 9.08), and (c) except as expressly set forth in the Loan Documents, neither Agent shall have any duty to disclose, nor shall it be liable for the failure to disclose, any information relating to Parent, the Borrower or any of the Subsidiaries that is communicated to or obtained by the bank serving as Administrative Agent and/or Collateral Agent or any of its Affiliates in any capacity. Neither Agent shall be liable for any action taken or not taken by it with the consent or at the request of the Required Lenders (or such other number or percentage of the Lenders as shall be necessary under the circumstances as provided in Section 9.08) or in the absence of its own gross negligence or willful misconduct. Neither Agent shall be deemed to have knowledge of any Default unless and until written notice thereof is given to such Agent by Parent, the Borrower or a Lender, and neither Agent shall be responsible for or have any duty to ascertain or inquire into (i) any statement, warranty or representation made in or in connection with any Loan Document, (ii) the contents of any certificate, report or other document delivered thereunder or in connection therewith, (iii) the performance or observance of any of the covenants, agreements or other terms or conditions set forth in any Loan Document, (iv) the validity, enforceability, effectiveness or genuineness of any Loan Document or any other agreement, instrument or document, or (v) the satisfaction of any condition set forth in Article IV or elsewhere in any Loan Document, other than to confirm receipt of items expressly required to be delivered to such Agent.

Each Agent shall be entitled to rely upon, and shall not incur any liability for relying upon, any notice, request, certificate, consent, statement, instrument, document or other writing believed by it to be genuine and to have been signed or sent by the proper person. Each Agent may also rely upon any statement made to it orally or by telephone and believed by it to have been made by the proper person, and shall not incur any

liability for relying thereon. Each Agent may consult with legal counsel (who may be counsel for the Borrower), independent accountants and other experts selected by it, and shall not be liable for any action taken or not taken by it in accordance with the advice of any such counsel, accountants or experts.

Each Agent may perform any and all its duties and exercise its rights and powers by or through any one or more sub-agents appointed by it. Each Agent and any such sub-agent may perform any and all its duties and exercise its rights and powers by or through their respective Related Parties. The exculpatory provisions of the preceding paragraphs shall apply to any such sub-agent and to the Related Parties of each Agent and any such sub-agent, and shall apply to their respective activities in connection with the syndication of the Credit Facilities as well as activities as Agent.

Subject to the appointment and acceptance of a successor Agent as provided below, either Agent may resign at any time by notifying the Lenders, the Issuing Bank and the Borrower. Upon any such resignation, the Required Lenders shall have the right, with the consent (not to be unreasonably withheld or delayed) of the Borrower, to appoint a successor; *provided* that during the existence and continuation of an Event of Default pursuant to paragraph (b), (c), (g) or (h) of Article VII, no consent of the Borrower shall be required. If no successor shall have been so appointed by the Required Lenders and shall have accepted such appointment within 30 days after the retiring Agent gives notice of its resignation, then the retiring Agent may, on behalf of the Lenders and the Issuing Bank, appoint a successor Agent which shall be a bank with an office in New York, New York, having a combined capital and surplus of at least \$1,000,000,000, or an Affiliate of any such bank and, so long as no Event of Default pursuant to paragraph (b), (c), (g) or (h) of Article VII shall have occurred and be continuing, reasonably acceptable to the Borrower. Upon the acceptance of its appointment as Agent hereunder by a successor, such successor shall succeed to and become vested with all the rights, powers, privileges and duties of the retiring Agent, and the retiring Agent shall be discharged from its duties and obligations hereunder. The fees payable by the Borrower to a successor Agent shall be the same as those payable to its predecessor unless otherwise agreed between the Borrower and such successor. After an Agent's resignation hereunder, the provisions of this Article and Section 9.05 shall continue in effect for the benefit of such retiring Agent, its sub-agents and their respective Related Parties in respect of any actions taken or omitted to be taken by any of them while acting as Agent.

Each Lender acknowledges that it has, independently and without reliance upon the Agents or any other Lender and based on such documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Agreement. Each Lender also acknowledges that it will, independently and without reliance upon the Agents or any other Lender and based on such documents and information as it shall from time to time deem appropriate, continue to make its own decisions in taking or not taking action under or based upon this Agreement or any other Loan Document, any related agreement or any document furnished hereunder or thereunder.

ARTICLE IX

Miscellaneous

SECTION 9.01. **Notices.** Notices and other communications provided for herein shall be in writing and shall be delivered by hand or overnight courier service, mailed by certified or registered mail or sent by fax, as follows:

- (a) if to the Borrower or Parent, to it at Community Health Systems, Inc., 4000 Meridian Boulevard, Franklin, Tennessee 37067, Attention of the Chief Financial Officer (Fax No. (615) 373-9704);
- (b) if to the Administrative Agent, to Credit Suisse, Eleven Madison Avenue, New York, NY 10010, Attention of Agency Group (Fax No. (212) 325-8304); and
- (c) if to a Lender, to it at its address (or fax number) set forth on Schedule 2.01 or in the Assignment and Acceptance pursuant to which such Lender shall have become a party hereto.

All notices and other communications given to any party hereto in accordance with the provisions of this Agreement shall be deemed to have been given on the date of receipt if delivered by hand or overnight courier service or sent by fax or on the date five Business Days after dispatch by certified or registered mail if mailed, in each case delivered, sent or mailed (properly addressed) to such party as provided in this Section 9.01 or in accordance with the latest unrevoked direction from such party given in accordance with this Section 9.01. As agreed to among Parent, the Borrower, the Administrative Agent and the applicable Lenders from time to time, notices and other communications may also be delivered by e-mail to the e-mail address of a representative of the applicable person provided from time to time by such person.

SECTION 9.02. **Survival of Agreement.** All covenants, agreements, representations and warranties made by the Borrower or Parent herein and in the certificates or other instruments prepared or delivered in connection with or pursuant to this Agreement or any other Loan Document shall be considered to have been relied upon by the Lenders and the Issuing Bank and shall survive the making by the Lenders of the Loans and the issuance of Letters of Credit by the Issuing Bank, regardless of any investigation made by the Lenders or the Issuing Bank or on their behalf, and shall continue in full force and effect as long as the principal of or any accrued interest on any Loan or any Fee or any other amount payable under this Agreement or any other Loan Document is outstanding and unpaid or any Letter of Credit is outstanding and so long as the Commitments have not been terminated. The provisions of Sections 2.14, 2.16, 2.20, 9.05 and 9.18 shall remain operative and in full force and effect regardless of the expiration of the term of this Agreement, the consummation of the transactions contemplated hereby, the repayment of any of the Loans, the expiration of the Commitments, the expiration of any Letter of Credit, the invalidity or unenforceability of any term or provision of this Agreement or any other Loan Document, or any

investigation made by or on behalf of the Administrative Agent, the Collateral Agent, any Lender or the Issuing Bank.

SECTION 9.03. **Binding Effect.** This Agreement shall become effective when it shall have been executed by the Borrower, Parent and the Administrative Agent and when the Administrative Agent shall have received counterparts hereof which, when taken together, bear the signatures of each of the other parties hereto.

SECTION 9.04. **Successors and Assigns.** (a) Whenever in this Agreement any of the parties hereto is referred to, such reference shall be deemed to include the permitted successors and assigns of such party; and all covenants, promises and agreements by or on behalf of the Borrower, Parent, the Administrative Agent, the Collateral Agent, the Issuing Bank or the Lenders that are contained in this Agreement shall bind and inure to the benefit of their respective successors and assigns.

(b) Each Lender may assign to one or more Eligible Assignees all or a portion of its interests, rights and obligations under this Agreement (including all or a portion of its Commitment and the Loans at the time owing to it), with notice to the Borrower and the prior written consent of the Administrative Agent (not to be unreasonably withheld or delayed); *provided, however*, that (i) in the case of an assignment of a Revolving Credit Commitment, each of the Borrower, the Issuing Bank and the Swingline Lender must also give its prior written consent to such assignment (which consent shall not be unreasonably withheld or delayed) (*provided*, that the consent of the Borrower shall not be required to any such assignment made to another Lender or an Affiliate of a Lender or after the occurrence and during the continuance of any Event of Default referred to in paragraph (b), (c), (g) or (h) of Article VII), (ii) the amount of the Commitment or Loans of the assigning Lender subject to each such assignment (determined as of the date the Assignment and Acceptance with respect to such assignment is delivered to the Administrative Agent) shall be not less than (x) \$1,000,000 (with respect to an assignment of Term Loans) and (y) \$5,000,000 (with respect to an assignment of Revolving Credit Commitments or Revolving Loans) (or, in any case, if less, the entire remaining amount of such Lender's Commitment or Loans of the relevant Class), (iii) the parties to each such assignment shall execute and deliver to the Administrative Agent an Assignment and Acceptance via an electronic settlement system acceptable to the Administrative Agent (or, if previously agreed with the Administrative Agent, manually), and shall pay to the Administrative Agent a processing and recordation fee of \$3,500 (which fee may be waived or reduced in the sole discretion of the Administrative Agent), and (iv) the assignee, if it shall not be a Lender, shall deliver to the Administrative Agent an Administrative Questionnaire and all applicable tax forms. Upon acceptance and recording pursuant to paragraph (e) of this Section 9.04, from and after the effective date specified in each Assignment and Acceptance, (A) the assignee thereunder shall be a party hereto and, to the extent of the interest assigned by such Assignment and Acceptance, have the rights and obligations of a Lender under this Agreement and (B) the assigning Lender thereunder shall, to the extent of the interest assigned by such Assignment and Acceptance, be released from its obligations under this Agreement (and, in the case of an Assignment and Acceptance covering all or the remaining portion of an assigning Lender's rights and obligations under this Agreement, such Lender shall cease

to be a party hereto but shall continue to be entitled to the benefits of Sections 2.14, 2.16, 2.20 and 9.05, as well as to any Fees accrued for its account and not yet paid).

(c) By executing and delivering an Assignment and Acceptance, the assigning Lender thereunder and the assignee thereunder shall be deemed to confirm to and agree with each other and the other parties hereto as follows: (i) such assigning Lender warrants that it is the legal and beneficial owner of the interest being assigned thereby free and clear of any adverse claim and that its Term Loan Commitment and Revolving Credit Commitment, and the outstanding balances of its Term Loans and Revolving Loans, in each case without giving effect to assignments thereof which have not become effective, are as set forth in such Assignment and Acceptance, (ii) except as set forth in (i) above, such assigning Lender makes no representation or warranty and assumes no responsibility with respect to any statements, warranties or representations made in or in connection with this Agreement, or the execution, legality, validity, enforceability, genuineness, sufficiency or value of this Agreement, any other Loan Document or any other instrument or document furnished pursuant hereto, or the financial condition of the Borrower or any Subsidiary or the performance or observance by the Borrower or any Subsidiary of any of its obligations under this Agreement, any other Loan Document or any other instrument or document furnished pursuant hereto; (iii) such assignee represents and warrants that it is an Eligible Assignee and is legally authorized to enter into such Assignment and Acceptance; (iv) such assignee confirms that it has received a copy of this Agreement, together with copies of the most recent financial statements referred to in Section 3.05(a) or delivered pursuant to Section 5.04 and such other documents and information as it has deemed appropriate to make its own credit analysis and decision to enter into such Assignment and Acceptance; (v) such assignee will independently and without reliance upon the Administrative Agent, the Collateral Agent, such assigning Lender or any other Lender and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under this Agreement; (vi) such assignee appoints and authorizes the Administrative Agent and the Collateral Agent to take such action as agent on its behalf and to exercise such powers under this Agreement as are delegated to the Administrative Agent and the Collateral Agent, respectively, by the terms hereof, together with such powers as are reasonably incidental thereto; and (vii) such assignee agrees that it will perform in accordance with their terms all the obligations which by the terms of this Agreement are required to be performed by it as a Lender.

(d) The Administrative Agent, acting for this purpose as an agent of the Borrower, shall maintain at one of its offices in The City of New York a copy of each Assignment and Acceptance delivered to it and a register for the recordation of the names and addresses of the Lenders, and the Commitment of, and principal amount of the Loans owing to, each Lender pursuant to the terms hereof from time to time (the "**Register**"). The entries in the Register shall be conclusive and the Borrower, the Administrative Agent, the Issuing Bank, the Collateral Agent and the Lenders may treat each person whose name is recorded in the Register pursuant to the terms hereof as a Lender hereunder for all purposes of this Agreement, notwithstanding notice to the contrary. The Register shall be available for inspection by the Borrower, the Issuing Bank, the

Collateral Agent and any Lender, at any reasonable time and from time to time upon reasonable prior notice.

(e) Upon its receipt of, and consent to, a duly completed Assignment and Acceptance executed by an assigning Lender and an assignee, an Administrative Questionnaire completed in respect of the assignee (unless the assignee shall already be a Lender hereunder), the processing and recordation fee referred to in paragraph (b) above, if applicable, and the written consent of the Administrative Agent and, if required, the Borrower, the Swingline Lender and the Issuing Bank to such assignment and any applicable tax forms, the Administrative Agent shall promptly (i) accept such Assignment and Acceptance and (ii) record the information contained therein in the Register. No assignment shall be effective unless it has been recorded in the Register as provided in this paragraph (e).

(f) Each Lender may without the consent of the Borrower, the Swingline Lender, the Issuing Bank or the Administrative Agent sell participations to one or more banks or other persons in all or a portion of its rights and obligations under this Agreement (including all or a portion of its Commitment and the Loans owing to it); *provided, however*, that (i) such Lender's obligations under this Agreement shall remain unchanged, (ii) such Lender shall remain solely responsible to the other parties hereto for the performance of such obligations, (iii) the participating banks or other persons shall be entitled to the benefit of the cost protection provisions contained in Sections 2.14, 2.16 and 2.20 to the same extent as if they were Lenders (but, with respect to any particular participant, to no greater extent than the Lender that sold the participation to such participant) and (iv) the Borrower, the Administrative Agent, the Issuing Bank and the Lenders shall continue to deal solely and directly with such Lender in connection with such Lender's rights and obligations under this Agreement, and such Lender shall retain the sole right to enforce the obligations of the Borrower relating to the Loans or L/C Disbursements and to approve any amendment, modification or waiver of any provision of this Agreement (other than amendments, modifications or waivers decreasing any fees payable to such participating bank or person hereunder or the amount of principal of or the rate at which interest is payable on the Loans in which such participating bank or person has an interest, extending any scheduled principal payment date or date fixed for the payment of interest on the Loans in which such participating bank or person has an interest, increasing or extending the Commitments in which such participating bank or person has an interest or releasing any Subsidiary Guarantor (other than pursuant to the terms thereof or in connection with the sale of such Subsidiary Guarantor in a transaction permitted by Section 6.05) or all or substantially all of the Collateral).

(g) Any Lender or participant may, in connection with any assignment or participation or proposed assignment or participation pursuant to this Section 9.04, disclose to the assignee or participant or proposed assignee or participant any information relating to the Borrower furnished to such Lender by or on behalf of the Borrower; *provided* that, prior to any such disclosure of information designated by the Borrower as confidential, each such assignee or participant or proposed assignee or participant shall execute an agreement whereby such assignee or participant shall agree (subject to

customary exceptions) to preserve the confidentiality of such confidential information on terms no less restrictive than those applicable to the Lenders pursuant to Section 9.17.

(h) Any Lender may at any time assign all or any portion of its rights under this Agreement to secure extensions of credit to such Lender or in support of obligations owed by such Lender; *provided* that no such assignment shall release a Lender from any of its obligations hereunder or substitute any such assignee for such Lender as a party hereto.

(i) Notwithstanding anything to the contrary contained herein, any Lender (a "**Granting Lender**") may grant to a special purpose funding vehicle (an "**SPC**"), identified as such in writing from time to time by the Granting Lender to the Administrative Agent and the Borrower, the option to provide to the Borrower all or any part of any Loan that such Granting Lender would otherwise be obligated to make to the Borrower pursuant to this Agreement; *provided* that (i) nothing herein shall constitute a commitment by any SPC to make any Loan and (ii) if an SPC elects not to exercise such option or otherwise fails to provide all or any part of such Loan, the Granting Lender shall be obligated to make such Loan pursuant to the terms hereof. The making of a Loan by an SPC hereunder shall utilize the Commitment of the Granting Lender to the same extent, and as if, such Loan were made by such Granting Lender. Each party hereto hereby agrees that no SPC shall be liable for any indemnity or similar payment obligation under this Agreement (all liability for which shall remain with the Granting Lender). In furtherance of the foregoing, each party hereto hereby agrees (which agreement shall survive the termination of this Agreement) that, prior to the date that is one year and one day after the payment in full of all outstanding commercial paper or other senior indebtedness of any SPC, it will not institute against, or join any other person in instituting against, such SPC any bankruptcy, reorganization, arrangement, insolvency or liquidation proceedings under the laws of the United States or any State thereof. In addition, notwithstanding anything to the contrary contained in this Section 9.04, any SPC may (i) with notice to, but without the prior written consent of, the Borrower and the Administrative Agent and without paying any processing fee therefor, assign all or a portion of its interests in any Loans to the Granting Lender or to any financial institutions (consented to by the Borrower and Administrative Agent) providing liquidity and/or credit support to or for the account of such SPC to support the funding or maintenance of Loans and (ii) disclose on a confidential basis any non-public information relating to its Loans to any investor, potential investor, rating agency, commercial paper dealer, collateral manager, servicer or provider of any surety, guarantee or credit or liquidity enhancement to such SPC.

(j) Neither Parent nor the Borrower shall assign or delegate any of its rights or duties hereunder without the prior written consent of the Administrative Agent, the Issuing Bank and each Lender, and any attempted assignment without such consent shall be null and void.

(k) In the event that any Revolving Credit Lender shall become a Defaulting Lender or S&P, Moody's and Thompson's BankWatch (or InsuranceWatch Ratings Service, in the case of Lenders that are insurance companies (or Best's Insurance

Reports, if such insurance company is not rated by Insurance Watch Ratings Service)) shall, after the date that any Lender becomes a Revolving Credit Lender, downgrade the long-term certificate of deposit ratings of such Lender, and the resulting ratings shall be below BBB-, Baa3 and C (or BB, in the case of a Lender that is an insurance company (or B, in the case of an insurance company not rated by InsuranceWatch Ratings Service)) (or, with respect to any Revolving Credit Lender that is not rated by any such ratings service or provider, the Issuing Bank or the Swingline Lender shall have reasonably determined that there has occurred a material adverse change in the financial condition of any such Lender, or a material impairment of the ability of any such Lender to perform its obligations hereunder, as compared to such condition or ability as of the date that any such Lender became a Revolving Credit Lender) then the Issuing Bank and the Swingline Lender shall have the right, but not the obligation, at its own expense, upon notice to such Lender and the Administrative Agent, to replace such Lender with an assignee (in accordance with and subject to the restrictions contained in paragraph (b) above), and such Lender hereby agrees to transfer and assign without recourse (in accordance with and subject to the restrictions contained in paragraph (b) above) all its interests, rights and obligations in respect of its Revolving Credit Commitment to such assignee; *provided, however*, that (i) no such assignment shall conflict with any law, rule and regulation or order of any Governmental Authority and (ii) the Issuing Bank, the Swingline Lender or such assignee, as the case may be, shall pay to such Lender in immediately available funds on the date of such assignment the principal of and interest accrued to the date of payment on the Loans made by such Lender hereunder and all other amounts accrued for such Lender's account or owed to it hereunder.

SECTION 9.05. **Expenses; Indemnity.** (a) The Borrower and Parent agree, jointly and severally, to pay all reasonable out-of-pocket expenses incurred by the Administrative Agent, the Collateral Agent, the Issuing Bank and the Swingline Lender in connection with the syndication of the Credit Facilities and the preparation and administration of this Agreement and the other Loan Documents or in connection with any amendments, modifications or waivers of the provisions hereof or thereof (whether or not the transactions hereby or thereby contemplated shall be consummated) or incurred by the Administrative Agent, the Collateral Agent or any Lender in connection with the enforcement or protection of its rights in connection with this Agreement and the other Loan Documents or in connection with the Loans made or Letters of Credit issued hereunder, including the fees, charges and disbursements of Cravath, Swaine & Moore LLP, counsel for the Administrative Agent and the Collateral Agent, and, in connection with any such enforcement or protection, the fees, charges and disbursements of one counsel in each relevant jurisdiction (and any such additional counsel, if necessary, as a result of actual or potential conflicts of interest) for the Administrative Agent, the Collateral Agent and the Lenders.

(b) The Borrower and Parent agree, jointly and severally, to indemnify the Administrative Agent, the Collateral Agent, each Lender, the Issuing Bank and each Related Party of any of the foregoing persons (each such person being called an "**Indemnitee**") against, and to hold each Indemnitee harmless from, any and all actual losses, claims, damages, liabilities, penalties and related reasonable out-of-pocket expenses, including reasonable fees, charges and disbursements of one counsel in each

relevant jurisdiction (and any such additional counsel, if necessary, as a result of actual or potential conflicts of interest) for all Indemnitees, incurred by or asserted against any Indemnitee arising out of, in any way connected with, or as a result of (i) the execution or delivery of this Agreement or any other Loan Document or any agreement or instrument contemplated thereby, the performance by the parties thereto of their respective obligations thereunder or the consummation of the Transactions and the other transactions contemplated thereby (including the syndication of the Credit Facilities), (ii) the use of the proceeds of the Loans or issuance of Letters of Credit, (iii) any claim, litigation, investigation or proceeding relating to any of the foregoing, whether or not any Indemnitee is a party thereto (and regardless of whether such matter is initiated by a third party or by the Borrower, any other Loan Party or any of their respective Affiliates), or (iv) any actual or alleged presence or Release of Hazardous Materials on any property currently or formerly owned or operated by the Borrower or any of the Subsidiaries, or any Environmental Liability related in any way to the Borrower or the Subsidiaries; *provided* that such indemnity shall not, as to any Indemnitee, be available to the extent that such losses, claims, damages, liabilities, penalties or related expenses are determined by a court of competent jurisdiction by final judgment to have resulted primarily from the gross negligence or willful misconduct of such Indemnitee.

(c) To the extent that Parent and the Borrower fail to pay any amount required to be paid by them to the Administrative Agent, the Collateral Agent, the Issuing Bank or the Swingline Lender under paragraph (a) or (b) of this Section, each Lender severally agrees to pay to the Administrative Agent, the Collateral Agent, the Issuing Bank or the Swingline Lender, as the case may be, such Lender's pro rata share (determined as of the time that the applicable unreimbursed expense or indemnity payment is sought) of such unpaid amount; *provided* that the unreimbursed expense or indemnified loss, claim, damage, liability or related expense, as the case may be, was incurred by or asserted against the Administrative Agent, the Collateral Agent, the Issuing Bank or the Swingline Lender in its capacity as such. For purposes hereof, a Lender's "pro rata share" shall be determined based upon its share of the sum of the Aggregate Revolving Credit Exposure, outstanding Term Loans and unused Commitments at the time.

(d) To the extent permitted by applicable law, neither Parent nor the Borrower nor any Indemnitee shall assert, and each hereby waives, any claim against any Indemnitee or Parent and the Borrower and each of their respective Affiliates, as applicable, on any theory of liability, for special, indirect, consequential or punitive damages (as opposed to direct or actual damages) arising out of, in connection with, or as a result of, this Agreement or any agreement or instrument contemplated hereby, the Transactions, any Loan or Letter of Credit or the use of the proceeds thereof.

(e) The provisions of this Section 9.05 shall remain operative and in full force and effect regardless of the expiration of the term of this Agreement, the consummation of the transactions contemplated hereby, the repayment of any of the Loans, the expiration of the Commitments, the expiration of any Letter of Credit, the invalidity or unenforceability of any term or provision of this Agreement or any other Loan Document, or any investigation made by or on behalf of the Administrative Agent, the Collateral Agent, any Lender or the Issuing Bank. All amounts due under this

Section 9.05 shall be payable, within 30 days of written demand therefor with a reasonably detailed summary of the amounts claimed.

SECTION 9.06. Right of Setoff. If an Event of Default shall have occurred and be continuing, each Lender or an Affiliate of such Lender is hereby authorized at any time and from time to time, except to the extent prohibited by law, to set off and apply any and all deposits (general or special, time or demand, provisional or final) at any time held and other indebtedness at any time owing by such Lender or an Affiliate of such Lender to or for the credit or the account of the Borrower or Parent against any of and all the obligations of the Borrower or Parent now or hereafter existing under this Agreement and other Loan Documents held by such Lender, *provided* that at such time such obligations are due or payable. The rights of each Lender and Affiliates of such Lender under this Section 9.06 are in addition to other rights and remedies (including other rights of setoff) which such Lender or an Affiliate of such Lender may have.

SECTION 9.07. Applicable Law. THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS (OTHER THAN LETTERS OF CREDIT AND AS EXPRESSLY SET FORTH IN OTHER LOAN DOCUMENTS) SHALL BE CONSTRUED IN ACCORDANCE WITH AND GOVERNED BY THE LAWS OF THE STATE OF NEW YORK. EACH LETTER OF CREDIT SHALL BE GOVERNED BY, AND SHALL BE CONSTRUED IN ACCORDANCE WITH, THE LAWS OR RULES DESIGNATED IN SUCH LETTER OF CREDIT, OR IF NO SUCH LAWS OR RULES ARE DESIGNATED, THE UNIFORM CUSTOMS AND PRACTICE FOR DOCUMENTARY CREDITS MOST RECENTLY PUBLISHED AND IN EFFECT, ON THE DATE SUCH LETTER OF CREDIT WAS ISSUED, BY THE INTERNATIONAL CHAMBER OF COMMERCE (THE "UNIFORM CUSTOMS") AND, AS TO MATTERS NOT GOVERNED BY THE UNIFORM CUSTOMS, THE LAWS OF THE STATE OF NEW YORK.

SECTION 9.08. Waivers; Amendment. (a) No failure or delay of the Administrative Agent, the Collateral Agent, any Lender or the Issuing Bank in exercising any power or right hereunder or under any other Loan Document shall operate as a waiver thereof, nor shall any single or partial exercise of any such right or power, or any abandonment or discontinuance of steps to enforce such a right or power, preclude any other or further exercise thereof or the exercise of any other right or power. The rights and remedies of the Administrative Agent, the Collateral Agent, the Issuing Bank and the Lenders hereunder and under the other Loan Documents are cumulative and are not exclusive of any rights or remedies that they would otherwise have. No waiver of any provision of this Agreement or any other Loan Document or consent to any departure by the Borrower or any other Loan Party therefrom shall in any event be effective unless the same shall be permitted by paragraph (b) below, and then such waiver or consent shall be effective only in the specific instance and for the purpose for which given. No notice or demand on the Borrower or Parent in any case shall entitle the Borrower or Parent to any other or further notice or demand in similar or other circumstances.

(b) Neither this Agreement nor any provision hereof, may be waived, amended or modified except pursuant to an agreement or agreements in writing entered into by the

Borrower, Parent and the Required Lenders; *provided, however*, that no such agreement shall (i) decrease the principal amount of, or extend the maturity of or any scheduled principal payment date or date for the payment of any interest on any Loan or any date for reimbursement of an L/C Disbursement, or waive or excuse any such payment or any part thereof, or decrease the rate of interest on any Loan or L/C Disbursement, without the prior written consent of each Lender directly adversely affected thereby, (ii) increase or extend the Commitment or decrease or extend the date for payment of any Fees of any Lender without the prior written consent of such Lender, (iii) amend or modify the pro rata requirements of Section 2.17, the provisions of Section 9.04(j) or the provisions of this Section or release all or substantially all of the value of the Subsidiary Guarantors (other than pursuant to the terms hereof or thereof or in connection with the sale of such Subsidiary Guarantor in a transaction permitted by Section 6.05) or all or substantially all of the Collateral, without the prior written consent of each Lender, (iv) change the provisions of any Loan Document in a manner that by its terms adversely affects the rights in respect of payments due to Lenders holding Loans of one Class differently from the rights of Lenders holding Loans of any other Class without the prior written consent of Lenders holding a majority in interest of the outstanding Loans and unused Commitments of each adversely affected Class, (v) modify the protections afforded to an SPC pursuant to the provisions of Section 9.04(i) without the written consent of such SPC or (vi) reduce the percentage contained in the definition of the term "Required Lenders" without the prior written consent of each Lender (it being understood that with the consent of the Required Lenders, additional extensions of credit pursuant to this Agreement may be included in the determination of the Required Lenders on substantially the same basis as the Term Loan Commitments and Revolving Credit Commitments on the date hereof); *provided further* that no such agreement shall amend, modify or otherwise affect the rights or duties of the Administrative Agent, the Collateral Agent, the Issuing Bank or the Swingline Lender hereunder or under any other Loan Document without the prior written consent of the Administrative Agent, the Collateral Agent, the Issuing Bank or the Swingline Lender.

SECTION 9.09. *Certain Releases of Guarantees and Security Interests.* (a) Upon the closing of any Asset Sale consisting of the sale of all of the Equity Interests of any Subsidiary Guarantor permitted pursuant to Section 6.05, (i) the obligations of such Subsidiary Guarantor pursuant to the Guarantee and Collateral Agreement shall automatically be discharged and released without any further action by the Administrative Agent or any Lender, and (ii) the Administrative Agent and the Lenders will, upon the request and at the sole expense of the Borrower, execute and deliver any instrument or other document in a form acceptable to the Administrative Agent which may reasonably be required to evidence such discharge and release, all without representation, recourse or warranty.

(b) Upon the closing of any Asset Sale consisting of the sale of Equity Interests of any Subsidiary Guarantor or any other Subsidiary of the Borrower permitted pursuant to Section 6.05, (i) the Collateral Agent shall release to the Borrower, without representation, warranty or recourse, express or implied, the pledged Equity Interests of such Subsidiary Guarantor or other Subsidiary, as applicable, held by it, (ii) the Collateral Agent shall release its security interest in all Collateral of such Subsidiary, including any

Mortgages, and (iii) the Collateral Agent will, upon the request and at the sole expense of the Borrower, execute and deliver any instrument or other document in a form acceptable to the Collateral Agent which may reasonably be required to evidence such release.

(c) Upon consummation by the Borrower or any Subsidiary of a Permitted Interest Transfer or designation of an Unrestricted Subsidiary in accordance with the terms hereof, (i) the Collateral Agent shall release to the Borrower, without representation, warranty or recourse, express or implied, those Equity Interests of the Subsidiary that are the subject of such Permitted Interest Transfer or designation in accordance with clauses (i) and (ii) of Section 9.09(b) and shall release any pledged note theretofore pledged to the extent such note is being discharged in connection with such Permitted Interest Transfer or designation, and (ii) if such Subsidiary whose shares are the subject of such Permitted Interest Transfer or designation is a Subsidiary Guarantor, the obligations of such Subsidiary under its Guarantee shall automatically be discharged and released in accordance with clauses (i) and (ii) of Section 9.09(a) and any Lien granted by such Subsidiary under the Loan Documents shall automatically be discharged and released.

SECTION 9.10. Interest Rate Limitation. Notwithstanding anything herein to the contrary, if at any time the interest rate applicable to any Loan or participation in any L/C Disbursement, together with all fees, charges and other amounts which are treated as interest on such Loan or participation in such L/C Disbursement under applicable law (collectively the "**Charges**"), shall exceed the maximum lawful rate (the "**Maximum Rate**") which may be contracted for, charged, taken, received or reserved by the Lender holding such Loan or participation in accordance with applicable law, the rate of interest payable in respect of such Loan or participation hereunder, together with all Charges payable in respect thereof, shall be limited to the Maximum Rate and, to the extent lawful, the interest and Charges that would have been payable in respect of such Loan or participation but were not payable as a result of the operation of this Section 9.10 shall be cumulated and the interest and Charges payable to such Lender in respect of other Loans or participations or periods shall be increased (but not above the Maximum Rate therefor) until such cumulated amount, together with interest thereon at the Federal Funds Effective Rate to the date of repayment, shall have been received by such Lender.

SECTION 9.11. Entire Agreement. This Agreement, the Fee Letter and the other Loan Documents constitute the entire contract between the parties relative to the subject matter hereof. Any other previous agreement among the parties with respect to the subject matter hereof is superseded by this Agreement and the other Loan Documents. Nothing in this Agreement or in the other Loan Documents, expressed or implied, is intended to confer upon any person (other than the parties hereto and thereto, their respective successors and assigns permitted hereunder (including any Affiliate of the Issuing Bank that issues any Letter of Credit) and, to the extent expressly contemplated hereby, the Related Parties of each of the Administrative Agent, the Collateral Agent, the Issuing Bank and the Lenders) any rights, remedies, obligations or liabilities under or by reason of this Agreement or the other Loan Documents.

SECTION 9.12. **WAIVER OF JURY TRIAL.** EACH PARTY HERETO HEREBY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION DIRECTLY OR INDIRECTLY ARISING OUT OF, UNDER OR IN CONNECTION WITH THIS AGREEMENT OR ANY OF THE OTHER LOAN DOCUMENTS. EACH PARTY HERETO (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS, AS APPLICABLE, BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION 9.12.

SECTION 9.13. **Severability.** In the event any one or more of the provisions contained in this Agreement or in any other Loan Document should be held invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein and therein shall not in any way be affected or impaired thereby (it being understood that the invalidity of a particular provision in a particular jurisdiction shall not in and of itself affect the validity of such provision in any other jurisdiction). The parties shall endeavor in good-faith negotiations to replace the invalid, illegal or unenforceable provisions with valid provisions the economic effect of which comes as close as possible to that of the invalid, illegal or unenforceable provisions.

SECTION 9.14. **Counterparts.** This Agreement may be executed in counterparts (and by different parties hereto on different counterparts), each of which shall constitute an original but all of which when taken together shall constitute a single contract, and shall become effective as provided in Section 9.03. Delivery of an executed signature page to this Agreement by facsimile transmission shall be as effective as delivery of a manually signed counterpart of this Agreement.

SECTION 9.15. **Headings.** Article and Section headings and the Table of Contents used herein are for convenience of reference only, are not part of this Agreement and are not to affect the construction of, or to be taken into consideration in interpreting, this Agreement.

SECTION 9.16. **Jurisdiction; Consent to Service of Process.** (a) Each of Parent and the Borrower hereby irrevocably and unconditionally submits, for itself and its property, to the exclusive jurisdiction of any New York State court or Federal court of the United States of America sitting in New York City, and any appellate court from any thereof, in any action or proceeding arising out of or relating to this Agreement or the other Loan Documents, or for recognition or enforcement of any judgment, and each of the parties hereto hereby irrevocably and unconditionally agrees that all claims in respect of any such action or proceeding may be heard and determined in such New York State or, to the extent permitted by law, in such Federal court. Each of the parties hereto agrees

that a final judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law. Nothing in this Agreement shall affect any right that the Administrative Agent, the Collateral Agent, the Issuing Bank or any Lender may otherwise have to bring any action or proceeding relating to this Agreement or the other Loan Documents against the Borrower, Parent or their respective properties in the courts of any jurisdiction.

(b) Each of Parent and the Borrower hereby irrevocably and unconditionally waives, to the fullest extent it may legally and effectively do so, any objection which it may now or hereafter have to the laying of venue of any suit, action or proceeding arising out of or relating to this Agreement or the other Loan Documents in any New York State or Federal court. Each of the parties hereto hereby irrevocably waives, to the fullest extent permitted by law, the defense of an inconvenient forum to the maintenance of such action or proceeding in any such court.

(c) Each party to this Agreement irrevocably consents to service of process in the manner provided for notices in Section 9.01. Nothing in this Agreement will affect the right of any party to this Agreement to serve process in any other manner permitted by law.

SECTION 9.17. **Confidentiality.** Each of the Administrative Agent, the Collateral Agent, the Issuing Bank and the Lenders agrees to maintain the confidentiality of the Information (as defined below), except that Information may be disclosed (a) to its and its Affiliates' officers, directors, employees and agents, including accountants, legal counsel and other advisors (it being understood that the persons to whom such disclosure is made will be informed of the confidential nature of such Information and instructed to keep such Information confidential), (b) to the extent requested by any regulatory authority or quasi-regulatory authority (such as the National Association of Insurance Commissioners), (c) to the extent required by applicable laws or regulations or by any subpoena or similar legal process, (d) in connection with the exercise of any remedies hereunder or under the other Loan Documents or any suit, action or proceeding relating to the enforcement of its rights hereunder or thereunder, (e) subject to an agreement containing provisions substantially the same as those of this Section 9.17, to (i) any actual or prospective assignee of or participant in any of its rights or obligations under this Agreement and the other Loan Documents or (ii) any actual or prospective counterparty (or its advisors) to any swap or derivative transaction relating to the Borrower or any Subsidiary or any of their respective obligations, (f) with the consent of the Borrower or (g) to the extent such Information becomes publicly available other than as a result of a breach of this Section 9.17. For the purposes of this Section, "**Information**" shall mean all information received from the Borrower or Parent and related to the Borrower or Parent or their business, other than any such information that was available to the Administrative Agent, the Collateral Agent, the Issuing Bank or any Lender on a nonconfidential basis prior to its disclosure by the Borrower or Parent; *provided* that any Lender, the Administrative Agent, the Collateral Agent or the Issuing Bank shall give Parent prior notice of any disclosure pursuant to clause (c) to the extent permissible. Any person required to maintain the confidentiality of Information as provided in this Section 9.17 shall be considered to have complied with its obligation to do so if such

person has exercised the same degree of care to maintain the confidentiality of such Information as such person would accord its own confidential information.

SECTION 9.18. **USA PATRIOT Act Notice.** Each Lender and the Administrative Agent (for itself and not on behalf of any Lender) hereby notifies Parent and the Borrower that pursuant to the requirements of the USA PATRIOT Act, it is required to obtain, verify and record information that identifies Parent and the Borrower, which information includes the name and address of Parent and the Borrower and other information that will allow such Lender or the Administrative Agent, as applicable, to identify Parent and the Borrower in accordance with the USA PATRIOT Act.

SECTION 9.19. **Effect of Certain Inaccuracies.** In the event that any financial statement or certificate delivered pursuant to Section 5.04(a) or (b) and Section 5.04(c), respectively, is inaccurate within one year after delivery thereof, and such inaccuracy, if corrected, would have led to the application of a higher Applicable Percentage or a higher Commitment Fee for any period (an "**Applicable Period**") than the Applicable Percentage or Commitment Fee applied for such Applicable Period, then (i) the Borrower shall promptly deliver to the Administrative Agent a corrected financial statement and a corrected compliance certificate for such Applicable Period, (ii) the Applicable Percentage and the Commitment Fee shall be determined based on the corrected compliance certificate for such Applicable Period, and (iii) the Borrower shall promptly pay to the Administrative Agent (for the accounts of the applicable Lenders during the Applicable Period or their successors and assigns) the accrued additional interest or additional Commitment Fees (or both) owing as a result of such increased Applicable Percentage or Commitment Fee for such Applicable Period. This Section 9.19 shall not limit the rights of the Administrative Agent or the Lenders with respect to Section 2.07 or Article VII.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed by their respective authorized officers as of the day and year first above written.

CHS/COMMUNITY HEALTH SYSTEMS, INC.,

by /s/ W. Larry Cash
Name: W. Larry Cash
Title: Executive Vice President and
Chief Financial Officer

COMMUNITY HEALTH SYSTEMS, INC.,

by /s/ W. Larry Cash
Name: W. Larry Cash
Title: Executive Vice President and
Chief Financial Officer

CREDIT SUISSE, CAYMAN ISLANDS
BRANCH, individually and as
Administrative Agent, Collateral Agent,
Swingline Lender and Issuing Bank,

by /s/ James Moran

Name: James Moran

Title: Managing Director

by /s/ Nupur Kumar

Name: Nupur Kumar

Title: Associate

SIGNATURE PAGE TO THE CHS/COMMUNITY HEALTH
SYSTEMS, INC. CREDIT AGREEMENT DATED AS OF
JULY 25, 2007.

Name of Lender: WACHOVIA BANK, NATIONAL ASSOCIATION

by /s/ Jeanette A. Griffin

Name: Jeanette A. Griffin

Title: Director

SIGNATURE PAGE TO THE CHS/COMMUNITY HEALTH SYSTEMS, INC.
CREDIT AGREEMENT DATED AS OF JULY 25, 2007.

Name of Lender: Wachovia Bank, NA

by /s/ Chris McCoy

Name: Chris McCoy

Title: Director

SIGNATURE PAGE TO THE CHS/COMMUNITY
HEALTH SYSTEMS, INC. CREDIT AGREEMENT
DATED AS OF JULY 25, 2007.

Name of Lender: MERRILL LYNCH CAPITAL CORPORATION

by /s/ Michael E. O'Brien

Name: Michael E. O'Brien

Title: Vice President

SIGNATURE PAGE TO THE CHS/COMMUNITY HEALTH SYSTEMS, INC.
CREDIT AGREEMENT DATED AS OF JULY 25, 2007.

Name of Lender: JPMorgan Chase Bank, N.A.

by /s/ Dawn L. LeeLum

Name: Dawn L. LeeLum

Title: Executive Director

SIGNATURE PAGE TO THE CHS/COMMUNITY HEALTH SYSTEMS, INC.
CREDIT AGREEMENT DATED AS OF JULY 25, 2007.

Name of Lender: CITICORP N.A. INC.

by /s/ Mark R. Floyd

Name: Mark R. Floyd

Title: Vice President

SIGNATURE PAGE TO THE CHS/COMMUNITY HEALTH
SYSTEMS, INC. CREDIT AGREEMENT
DATED AS OF JULY 25, 2007.

Name of Lender: GENERAL ELECTRIC CAPITAL CORPORATION

by /s/ David R. Campbell

Name: David R. Campbell

Title: Its Duly Authorized Signatory

by _____

Name:

Title: Senior Vice President

Duly Authorized Signatory

SIGNATURE PAGE TO THE CHS/COMMUNITY HEALTH
SYSTEMS, INC. CREDIT AGREEMENT DATED
AS OF JULY 25, 2007.

Name of Lender: SunTrust Bank

by /s/ William D. Priester

Name: William D. Priester

Title: Managing Director

SIGNATURE PAGE TO THE CHS/COMMUNITY HEALTH
SYSTEMS, INC. CREDIT AGREEMENT DATED
AS OF JULY 25, 2007.

Name of Lender: KEYBANK NATIONAL ASSOCIATION

by /s/ Sukanya V. Raj

Name: Sukanya V. Raj

Title: Vice President & Portfolio Manager

SIGNATURE PAGE TO THE CHS/COMMUNITY HEALTH
SYSTEMS, INC. CREDIT AGREEMENT DATED
AS OF JULY 25, 2007.

Name of Lender: CALYON NEW YORK BRANCH

by /s/ Thomas Randolph

Name: Thomas Randolph
Title: Managing Director

by /s/ Priya Vrat

Name: Priya Vrat
Title: Director

SIGNATURE PAGE TO THE CHS/COMMUNITY HEALTH
SYSTEMS, INC. CREDIT AGREEMENT
DATED AS OF JULY 25, 2007.

Name of Lender: The Bank of Nova Scotia

by /s/ M.D. Smith

Name: M.D. Smith
Title: Director

SIGNATURE PAGE TO THE CHS/COMMUNITY HEALTH
SYSTEMS, INC. CREDIT AGREEMENT DATED
AS OF JULY 25, 2007.

Name of Lender: UBS Loan Finance LLC

by /s/ Richard L. Tavrow

Name: Richard L. Tavrow

Title: Director

Banking Products Services, US

by /s/ David B. Julie

Name: David B. Julie

Title: Associate Director

Banking Products Services, US

SIGNATURE PAGE TO THE CHS/COMMUNITY HEALTH SYSTEMS, INC.
CREDIT AGREEMENT DATED AS OF JULY 25, 2007.

Name of Lender: National City Bank

by /s/ Deroy Scott

Name: Deroy Scott

Title: Senior Vice President

SIGNATURE PAGE TO THE CHS/COMMUNITY HEALTH SYSTEMS, INC.
CREDIT AGREEMENT DATED AS OF JULY 25, 2007.

Name of Lender: Fifth Third Bank, an Ohio Banking Corporation

by /s/ Gregory Loeppky

Name: Gregory Loeppky

Title: Assistant Vice President

SIGNATURE PAGE TO THE CHS/COMMUNITY HEALTH SYSTEMS, INC.
CREDIT AGREEMENT DATED AS OF JULY 25, 2007.

Name of Lender: BARCLAYS BANK PLC

by /s/ Douglas Bernegger

Name: Douglas Bernegger

Title: Director

SIGNATURE PAGE TO THE CHS/COMMUNITY HEALTH SYSTEMS, INC.
CREDIT AGREEMENT DATED AS OF JULY 25, 2007.

Name of Lender: La Salle Bank N.A.

by /s/ Brian Robinson

Name: Brian Robinson

Title: Vice President

SIGNATURE PAGE TO THE CHS/COMMUNITY HEALTH SYSTEMS, INC.
CREDIT AGREEMENT DATED AS OF JULY 25, 2007.

Name of Lender: Sovereign Bank

by /s/ Sarah J. Healy

Name: Sarah J. Healy

Title: Senior Vice President

SIGNATURE PAGE TO THE CHS/COMMUNITY HEALTH SYSTEMS, INC.
CREDIT AGREEMENT DATED AS OF JULY 25, 2007.

Name of Lender: WELLS FARGO FOOTHILL, INC

by /s/ Richard Kritsch

Name: Richard Kritsch

Title: Senior Vice President

SIGNATURE PAGE TO THE CHS/COMMUNITY HEALTH SYSTEMS, INC.
CREDIT AGREEMENT DATED AS OF JULY 25, 2007.

Name of Lender: Mizuho Corporate Bank, Ltd.

by /s/ Hidekatsu Take

Name: Hidekatsu Take

Title: Deputy General Manager

SIGNATURE PAGE TO THE CHS/COMMUNITY HEALTH SYSTEMS, INC.
CREDIT AGREEMENT DATED AS OF JULY 25, 2007.

Name of Lender: United Overseas Bank Limited, New York Agency

by /s/ George Lim

Name: George Lim
Title: SVP & GM

by /s/ Mario Sheng

Name: Mario Sheng
Title: AVP

SIGNATURE PAGE TO THE CHS/COMMUNITY HEALTH SYSTEMS, INC.
CREDIT AGREEMENT DATED AS OF JULY 25, 2007.

Name of Lender: Bank of Oklahoma, N.A.

by /s/ Kristin A. McCoy

Name: Kristin A. McCoy
Title: Assistant Vice President

SIGNATURE PAGE TO THE CHS/COMMUNITY HEALTH SYSTEMS, INC.
CREDIT AGREEMENT DATED AS OF JULY 25, 2007.

Name of Lender: Bayerische Landes bank, New York Branch

by /s/ Annette Schmidt

Name: Annette Schmidt
Title: First Vice President

by /s/ Christopher Dowd

Name: Christopher Dowd
Title: Vice President

SIGNATURE PAGE TO THE CHS/COMMUNITY
HEALTH SYSTEMS, INC. CREDIT AGREEMENT
DATED AS OF JULY 25, 2007.

Name of Lender: **Carolina First Bank**

By: /s/ Jennifer Schlansker

Name: Jennifer Schlansker

Title: Vice President

SIGNATURE PAGE TO THE CHS/COMMUNITY
HEALTH SYSTEMS, INC. CREDIT AGREEMENT
DATED AS OF JULY 25, 2007.

Name of Lender: Raymond James Bank, FSB

by: /s/ Steven F. Paley

Name: Steven F. Paley
Title: Vice President

SIGNATURE PAGE TO THE
CHS/COMMUNITY HEALTH SYSTEMS, INC.
CREDIT AGREEMENT DATED AS OF JULY 25, 2007.

Name of Lender: Regions Bank

By: /s/ Craig E. Gardella

Name: Craig E. Gardella

Title: Senior Vice President

SIGNATURE PAGE TO THE
CHS/COMMUNITY HEALTH SYSTEMS, INC.
CREDIT AGREEMENT DATED AS OF JULY 25, 2007.

Name of Lender: **COMMERZBANK AG, NEW YORK AND GRAND CAYMAN
BRANCHES**

By: /s/ Edward C.A. Forsberg, Jr.
Name: Edward C.A. Forsberg, Jr.
Title: SVP & Manager

By: /s/ Nivedita Persaud
Name: Nivedita Persaud
Title: Vice President

SIGNATURE PAGE TO THE CHS/COMMUNITY
HEALTH SYSTEMS, INC. CREDIT AGREEMENT
DATED AS OF JULY 25, 2007.

Name of Lender: First Bank

by /s/ Douglas A. Remke

Name: Douglas A. Remke

Title: Vice President

SIGNATURE PAGE TO THE CHS/COMMUNITY HEALTH
SYSTEMS, INC. CREDIT AGREEMENT DATED
AS OF JULY 25, 2007.

Name of Lender: THE BANK OF NASHVILLE

by /s/ C. Dalandus Majors

Name: C. Dalandus Majors

Title: Senior Vice President

SIGNATURE PAGE TO THE CHS/COMMUNITY HEALTH
SYSTEMS, INC. CREDIT AGREEMENT DATED
AS OF JULY 25, 2007.

Name of Lender: SIEMENS FINANCIAL SERVICES, INC.

by /s/ David Kantes

Name: David Kantes

Title: Senior Vice President and Chief Risk Officer

by /s/ [ILLEGIBLE]

Name:

Title:

SIGNATURE PAGE TO THE CHS/COMMUNITY HEALTH
SYSTEMS, INC. CREDIT AGREEMENT DATED
AS OF JULY 25, 2007.

Name of Lender: State Bank of India

by /s/ Ashok Wanchoo

Name: Ashok Wanchoo

Title: Vice President & Head (Credit)

SIGNATURE PAGE TO THE CHS/COMMUNITY HEALTH
SYSTEMS, INC. CREDIT AGREEMENT DATED
AS OF JULY 25, 2007.

Name of Lender: BANCO ESPIRITO SANTO, S.A.,
NEW YORK BRANCH

by /s/ Terry R. Hull

Name: Terry R. Hull

Title: Senior Vice President

by /s/ Andrew M. Orsen

Name: Andrew M. Orsen

Title: Vice President

SIGNATURE PAGE TO THE CHS/COMMUNITY HEALTH
SYSTEMS, INC. CREDIT AGREEMENT DATED
AS OF JULY 25, 2007.

Name of Lender: _____

by /s/ Bruce Mendel Sohn
Name: Bruce Mendel Sohn
Title: Authorized Signatory

Schedule 1.01(a)
Existing Letters of Credit

1. Irrevocable Letter of Credit outstanding as of the date hereof under the Existing Credit Agreement for the account of Hospital of Fulton, Inc. to Third National Bank in Nashville, in an aggregate principal amount of \$8,138,083.

COMBINED LOC'S As of 7/18/07 LOC Number	Beneficiary	Amount	Expiration Date	Notes
S 035269	SunTrust	8,138,088	8/21/2008	Autorenewal 30 day renewal period
S 045521	National Union Fire Insurance	141,500	6/31/2007	Autorenewal 30 day renewal period
S 078716	Health Care Property Investors Inc	2,157,708	8/15/2008	Autorenewal 90 day renewal period
S 103746	Hartford Fire Insurance Co	300,000	8/31/2007	Autorenewal 30 day renewal period
SM413504	LA Patient's Compensation Fund	125,000	7/20/2008	Autorenewal 30 day renewal period
SM416221	City of McCaysville	357,730	3/19/2008	Autorenewal 60 day renewal period
SM201505W	Secretary US Dept of Educ	448,000	7/27/2008	Autorenewal 30 day renewal period
SM200963W	The Doctors Company	100,000	11/22/2007	Autorenewal 30 day renewal period
SM201874W	Royal and Sunalliance	100,000	1/31/2008	Autorenewal 60 day renewal period
SM203959W	CNA — Health Pro	8,000,000	7/3/2008	Autorenewal 30 day renewal period
SM209374W	Secretary US Dept of Educ	837,000	7/27/2008	Autorenewal 30 day renewal period
SM212662W	Lexington Insurance Company	500,000	3/31/2008	Autorenewal 30 day renewal period
SM224038W	Kim and Bonn e Talbott	<u>1,939,524</u>	8/19/2007	Autorenewal 30 day renewal period (final 8/19/09)
	Subtotal CHS (WACHOVIA BANK)	<u>23,144,545</u>		
3029056	Victoria of Texas, L.P. — MOB lease expiring 2-2-07	617,854	3/30/2008	
3029057	Longview Medical Center, L.P. — MOB lease expiring 8-11-07	699,078	9/30/2007	
3029054	Piney Woods Healthcare Sys (Wood and Heights MC) — MOB lease expiring 9-23-07	236,411	9/30/2007	
3041422	Triad Hospitals, Inc. — Corp. Office Building lease in Plano expiring 6/21/08	2,500,000	10/31/2007	
3045007	Triad Hospitals, Inc. — Malpractice Insurance	4,000,000	12/31/2007	
3050992	Triad Hospitals, Inc. — Louisiana Patient Comp Fund	250,000	8/26/2007	
3051152	Triad Hospitals, Inc. — Workers' Comp	300,000	9/13/2007	
3073584	Springdale/Bentonville ASC-GP — AR Insurance Dept.	100,000	2/23/2008	
3073703	Springdale/Bentonville ASC-GP — AR Employment Security Dept.	100,000	3/9/2008	
3075987	Joresbore Real Property, LLC	100,000	6/30/2007	
3080523	Triad - El Dorado, Inc (MCSA) — AR Insurance Dept.	100,000	2/16/2008	
3080658	Matanuska Electric Association, Inc — Mat-Su Valley	124,000	3/7/2008	
3081381	NPMC, LLC — AR Insurance Dept	100,000	4/5/2008	
3081157	Triad Hospitals — City of Cedar Park	2,905,500	4/12/2008	
3083394	NPMC, LLC — AR Dept. of Workforce Services	100,000	7/26/2007	
3084911	Novasys Health, LLC — Dept of Health & Human Services	460,500	10/19/2007	
3085723	Northwest Arkansas Employees, LLC (Arkansas Ins Dept)	100,000	12/5/2007	
3085708	Northwest Arkansas Employees, LLC (Arkansas Dept of Workforce Svc)	100,000	12/5/2007	
3086353	Triad Hospitals — TAC Hospital Segregated Portfolio	<u>3,500,000</u>	1/17/2008	
	Subtotal TRI (BANK OF AMERICA)	<u>16,393,343</u>		
	Combined Totals	39,537,887		

Schedule 1.01(b)
Subsidiary Guarantors

CHS Subsidiary Guarantors

1. Centre Hospital Corporation
2. Cullman Hospital Corporation
3. Foley Hospital Corporation
4. Fort Payne Hospital Corporation
5. Greenville Hospital Corporation
6. Forrest City Arkansas Hospital Company, LLC
7. Forrest City Clinic Company, LLC
8. Forrest City Hospital Corporation
9. Phillips Hospital Corporation
10. Payson Hospital Corporation
11. Chesterfield/Marlboro, L.P.
12. CHHS Holdings, LLC
13. Cleveland Regional Medical Center, L.P.
14. Community GP Corp.
15. Community Health Investment Corporation
16. Community LP Corp.
17. Fallbrook Hospital Corporation
18. FWCT-1 Acquisition Corporation
19. Hallmark Healthcare Corporation
20. Hospital of Barstow, Inc.
21. Lancaster Hospital Corporation
22. National Healthcare of Cleveland, Inc.
23. National Healthcare of Cullman, Inc.
24. National Healthcare of Decatur, Inc.
25. National Healthcare of Hartselle, Inc.
26. National Healthcare of Leesville, Inc.
27. National Healthcare of Mt. Vernon, Inc.
28. National Healthcare of Newport, Inc.
29. NWI Hospital Holdings, LLC
30. Pennsylvania Hospital Company, LLC
31. Phoenixville Hospital Company, LLC
32. Pottstown Hospital Company, LLC
33. Ruston Hospital Corporation
34. Watsonville Hospital Corporation
35. Webb Hospital Corporation
36. Webb Hospital Holdings, LLC
37. Fannin Regional Hospital, Inc.
38. Anna Hospital Corporation
39. Galesburg Hospital Corporation
40. Granite City Hospital Corporation
41. Granite City Illinois Hospital Company, LLC

42. Marion Hospital Corporation
43. Red Bud Hospital Corporation
44. Red Bud Illinois Hospital Company, LLC
45. Waukegan Hospital Corporation
46. Waukegan Illinois Hospital Company, LLC
47. Hospital of Fulton, Inc.
48. Hospital of Louisa, Inc.
49. Jackson Hospital Corporation
50. Ruston Louisiana Hospital Company, LLC
51. Farmington Hospital Corporation
52. Farmington Missouri Hospital Company, LLC
53. Kirksville Hospital Corporation
54. Moberly Hospital, Inc.
55. Williamston Hospital Corporation
56. Salem Hospital Corporation
57. Deming Hospital Corporation
58. Roswell Hospital Corporation
59. San Miguel Hospital Corporation
60. CHS Holdings Corp.
61. Hallmark Holdings Corp.
62. Kay County Hospital Corporation
63. Kay County Oklahoma Hospital Company, LLC
64. CHS Berwick Hospital Corporation
65. Clinton Hospital Corporation
66. Coatesville Hospital Corporation
67. Northampton Hospital Corporation
68. Sunbury Hospital Corporation
69. West Grove Hospital Corporation
70. Brownsville Hospital Corporation
71. Cleveland Hospital Corporation
72. Dyersburg Hospital Corporation
73. Hospital of Morristown, Inc.
74. Jackson Hospital Corporation
75. Jackson, Tennessee Hospital Company, LLC
76. Lakeway Hospital Corporation
77. Lexington Hospital Corporation
78. Martin Hospital Corporation
79. McKenzie Hospital Corporation
80. McNairy Hospital Corporation
81. Shelbyville Hospital Corporation
82. Sparta Hospital Corporation
83. Big Bend Hospital Corporation
84. Big Spring Hospital Corporation
85. Granbury Hospital Corporation
86. Jouranton Hospital Corporation
87. NHCI of Hillsboro, Inc.

88. Weatherford Hospital Corporation
89. Weatherford Texas Hospital Company, LLC
90. Tooele Hospital Corporation
91. Emporia Hospital Corporation
92. Franklin Hospital Corporation
93. Petersburg Hospital Company, LLC
94. Russell County Medical Center, Inc.
95. Virginia Hospital Company, LLC
96. Oak Hill Hospital Corporation
97. Evanston Hospital Corporation

Triad Subsidiary Guarantors

1. QHG of Enterprise, Inc.
2. QHG of Jacksonville, Inc.
3. QHG of Springdale, Inc.
4. Triad-El Dorado, Inc.
5. Abilene Hospital, LLC
6. Abilene Merger, LLC
7. Arizona DH, LLC
8. ARMC, LP
9. Birmingham Holdings, LLC
10. Bluffton Health System, LLC
11. Brownwood Hospital, L.P.
12. Brownwood Medical Center, LLC
13. Carlsbad Medical Center, LLC
14. Claremore Regional Hospital, LLC
15. Clarksville Holdings, LLC
16. College Station Hospital, L.P.
17. College Station Medical Center, LLC
18. College Station Merger, LLC
19. CP Hospital GP, LLC
20. CPLP, LLC
21. Crestwood Hospital LP, LLC
22. Crestwood Hospital, LLC
23. CSMC, LLC
24. CSRA Holdings, LLC
25. Deaconess Holdings, LLC
26. Deaconess Hospital Holdings, LLC
27. Desert Hospital Holdings, LLC
28. Detar Hospital, LLC
29. Dukes Health System, LLC
30. Gadsden Regional Medical Center, LLC
31. Greenbrier VMC, LLC
32. GRMC Holdings, LLC
33. Hobbs Medco, LLC

34. Las Cruces Medical Center, LLC
35. Lea Regional Hospital, LLC
36. Longview Merger, LLC
37. LRH, LLC
38. Lutheran Health Network of Indiana, LLC
39. Massillon Health System, LLC
40. Medical Center of Brownwood, LLC
41. MMC of Nevada, LLC
42. Navarro Hospital, L.P.
43. Navarro Regional, LLC
44. NRH, LLC
45. Oregon Healthcorp, LLC
46. Palmer-Wasilla Health System, LLC
47. Quorum Health Resources, LLC
48. Regional Hospital of Longview, LLC
49. Russellville Holdings, LLC
50. SACMC, LLC
51. San Angelo Community Medical Center, LLC
52. San Angelo Hospital, L.P.
53. San Angelo Medical, LLC
54. Southern Texas Medical Center, LLC
55. St. Joseph Health System, LLC
56. Tennyson Holdings, Inc.
57. Triad Holdings III, LLC
58. Triad Holdings IV, LLC
59. Triad Holdings V, LLC
60. Triad Hospitals, Inc.
61. Triad of Alabama, LLC
62. Triad of Oregon, LLC
63. Triad-ARMC, LLC
64. Triad-Denton Hospital GP, LLC
65. Triad-Denton Hospital, L.P.
66. Triad-Navarro Regional Hospital Subsidiary, LLC
67. VHC Medical, LLC
68. Vicksburg Healthcare, LLC
69. Victoria Hospital, LLC
70. Victoria of Texas, L.P.
71. WHMC, LLC
72. Willamette Valley Medical Center, LLC
73. Women & Children's Hospital, LLC
74. Woodland Heights Medical Center, LLC
75. Woodward Health System, LLC
76. QHG Georgia Holdings, Inc.
77. QHG Georgia, L.P.
78. Frankfort Health Partner, Inc.
79. IOM Health System, L.P.

80. QHG of Bluffton, Inc.
81. QHG of Clinton County, Inc.
82. QHG of Fort Wayne, Inc.
83. QHG of Warsaw, Inc.
84. QHG of Forrest County, Inc.
85. QHG of Hattiesburg, Inc.
86. River Region Medical Corporation
87. NC-DSH, Inc.
88. QHG of Barberton, Inc.
89. QHG of Massillon, Inc.
90. SouthCrest, L.L.C.
91. Triad-South Tulsa Hospital Company, Inc.
92. QHG of South Carolina, Inc.
93. QHG of Spartanburg, Inc.

Schedule 1.01(c)
Mortgaged Property

Hospital Name/Address	Corporate Owner
DeKalb Regional Medical Center 200 Medical Center Drive P.O. Box 680778 Fort Payne, AL 35968	Fort Payne Hospital Corporation (AL)
Flowers Hospital 4370 West Main Street Dothan, AL 36305	Triad of Alabama, LLC (DE)
Gadsden Regional Medical Center 1007 Goodyear Avenue Gadsden, AL 35903	Gadsden Regional Medical Center, LLC (DE)
Jacksonville Medical Center 1701 Pelham Road, South Jacksonville, AL 36265	QHG of Jacksonville, Inc. (AL)
Medical Center Enterprise 400 North Edwards St. Enterprise, AL 36330	QHG of Enterprise, Inc. (AL)
Parkway Medical Center 1874 Beltline Rd., SW (P.O. Box 2211) Decatur, AL 35601	National Healthcare of Decatur, Inc. (DE)
Northwest Medical Center of Benton County 3000 Medical Center Pkwy. Bentonville, AR 72712	QHG of Springdale, Inc. (AR)
Saint Mary's Regional Medical Center 1808 West Main Street Russellville, AR 72801	Russellville Holdings, LLC (and St. Mary's Real Property, LLC)
Watsonville Community Hospital 75 Nielson Street Watsonville, CA 95076	Watsonville Hospital Corporation (DE)
Galesburg Cottage Hospital 695 N. Kellogg St. Galesburg, IL 61401	Galesburg Hospital Corporation (IL)
Gateway Regional Medical Center 2100 Madison Avenue Granite City, IL 62040	Granite City Illinois Hospital Company, LLC (IL)
Heartland Regional Medical Center 3333 West DeYoung Marion, IL 62959	Marion Hospital Corporation (IL)
Vista Medical Center (includes East and West) 1324 N. Sheridan Road Waukegan, IL 60085	Hospital Company, LLC (IL)
Bluffton Regional Medical Center 303 South Main Street Bluffton, IN 46714	Bluffton Health System, LLC (DE)
Dukes Memorial Hospital 275 W. 12th Street Peru, IN 46970	Dukes Health System, LLC (DE)

Hospital Name/Address	Corporate Owner
Lutheran Hospital of Indiana 7950 West Jefferson Blvd. Fort Wayne, IN 46804	IOM Health System, L.P. (IN Ltd. Partnership)
St. Joseph Hospital 700 Broadway Fort Wayne, IN 46802	St. Joseph Health System, LLC (DE)
Women and Children's Hospital 4200 Nelson Road Lake Charles, LA 70605	Women and Children's Hospital, LLC
River Region Health System 2100 Highway 61 North/1111 N. Frontage Road Vicksburg, MS 39183	Vicksburg Healthcare, LLC (DE)
Mineral Area Regional Medical Center 1212 Weber Road Farmington, MO 63640	Farmington Missouri Hospital Company, LLC (MO)
Moberly Regional Medical Center 1515 Union Avenue Moberly, MO 65270	Moberly Hospital, Inc. (MO)
The Memorial Hospital of Salem County 310 Woodstown Road Salem, NJ 08079	Salem Hospital Corporation (NJ)
Alta Vista Regional Hospital 104 Legion Drive Las Vegas, NM 87701	San Miguel Hospital Corporation (NM)
Carlsbad Medical Center 2430 West Pierce Carlsbad, NM 88220	Carlsbad Medical Center, LLC
Eastern New Mexico Medical Center 405 West Country Club Road Roswell, NM 88201	Roswell Hospital Corporation (NM)
Lea Regional Medical Center 5419 N. Lovington Highway Hobbs, NM 88240	Lea Regional Hospital, LLC
Mountain View Regional Medical Center 4311 East Lohman Avenue Las Cruces, NM 88011	Las Cruces Medical Center, LLC (DE)
Claremore Regional Hospital 1202 N. Muskogee Place Claremore, OK 74017	Claremore Regional Hospital, LLC
Ponca City Medical Center 1900 North 14th Street Ponca City, OK 74601	Kay County Oklahoma Hospital Company, LLC (OK)
SouthCrest Hospital 8801 South 101st East Ave. Tulsa, OK 74133	SouthCrest, L.L.C.
Willamette Valley Medical Center 2700 SE Stratus Avenue McMinnville, OR 97128	Willamette Valley Medical Center, LLC
Berwick Hospital Center 701 East 16th Street Berwick, PA 18603	CHS Berwick Hospital Corporation (PA)

Hospital Name/Address	Corporate Owner
Brandywine Hospital 201 Reeceville Rd. Coatesville, PA 19320	Coatesville Hospital Corporation (PA)
Easton Hospital 250 South 21st Street Easton, PA 18042-3892	Northampton Hospital Corporation (PA)
Jennersville Regional Hospital 1015 West Baltimore Pike West Grove, PA. 19390	West Grove Hospital Corporation (PA)
Lock Haven Hospital 24 Cree Drive Lock Haven, PA 17745-2699	Clinton Hospital Corporation (PA)
Phoenixville Hospital 140 Nutt Road Phoenixville, PA 19460	Phoenixville Hospital Company, LLC (DE)
Pottstown Memorial Medical Center 1600 East High Street Pottstown, PA 19464	Pottstown Hospital Company, LLC (DE)
Sunbury Community Hospital 350 N. Eleventh Street (P. O. Box 737) Sunbury, PA 17801	Sunbury Hospital Corporation (PA)
Carolinas Hospital System 805 Pamlico Highway Florence, SC 29505	QHG of South Carolina, Inc. (SC)
Springs Memorial Hospital 800 W. Meeting Street Lancaster, SC 29720	Lancaster Hospital Corporation (DE)
Dyersburg Regional Medical Center 400 Tickle Street Dyersburg, TN 38024	Dyersburg Hospital Corporation (TN)
Lakeway Regional Hospital 726 McFarland Street Morristown, TN 37814	Hospital of Morristown, Inc. (TN)
Regional Hospital of Jackson 367 Hospital Blvd. Jackson, TN 38305	Jackson, Tennessee Hospital Company, LLC (TN)
SkyRidge Medical Center (includes Cleveland) 2305 Chambliss Avenue Cleveland, TN 37320	National Healthcare of Cleveland, Inc. (TN)
Volunteer Community Hospital 161 Mt. Pelia Road Martin, TN 38237	Martin Hospital Corporation (TN)
Abilene Regional Medical Center 6250 Hwy 83 84 Abilene, TX 79606	ARMC, L.P.
College Station Medical Center 1604 Rock Prairie College Station, TX 77845	College Station Hospital, L.P.
DeTar Hospital Navarro 506 E. San Antonio Street Victoria, TX 77901	Victoria of Texas, L.P.
DeTar Hospital North 101 Medical Drive Victoria, TX 77904	Victoria of Texas, L.P.

Hospital Name/Address	Corporate Owner
San Angelo Community Medical Center 3501 Knickerbocker Rd. San Angelo, TX 76904	San Angelo Hospital, L.P.
Scenic Mountain Medical Center 1601 West Eleventh Place Big Spring, TX 79720	Big Spring Hospital Corporation (TX)
South Texas Regional Medical Center 1905 Highway 97 E Jourdanton, TX 78026	Jourdanton Hospital Corporation (TX)
Mountain West Medical Center 2055 N. Main Tooele, UT 84074-2794	Tooele Hospital Corporation (UT)
Southern Virginia Regional Medical Center 727 North Main Street Emporia, VA 23847	Emporia Hospital Corporation (VA)
Southampton Memorial Hospital 100 Fairview Drive Franklin, VA 23851	Franklin Hospital Corporation (VA)
Greenbrier Valley Medical Center 202 Maplewood Avenue Roncheverte, WV 24970	Greenbrier VMC, LLC (and GRB Real Estate, LLC)

Schedule 1.01(d)

Hospitals

CHS HOSPITALS

Hospital Name/
Address (County)/
Corporate Owner/Lessee/Operator

Cherokee Medical Center
400 Northwood Drive
Centre, AL 35960 (Centre)
Centre Hospital Corporation (AL)

DeKalb Regional Medical Center
200 Medical Center Drive
P. O. Box 680778
Fort Payne, AL 35968 (DeKalb)
Fort Payne Hospital Corporation (AL)

Hartselle Medical Center
201 Pine St. N.W. (P.O. Box 969)
Hartselle, AL 35640 (Morgan)
National Healthcare of Hartselle, Inc. (DE)

L.V. Stabler Memorial Hospital
29 L.V. Stabler Drive
Greenville, AL 36037 (Butler)
Greenville Hospital Corporation (AL)

Parkway Medical Center
1874 Beltline Rd., SW (P.O. Box 2211)
Decatur, AL 35601 (Morgan)
National Healthcare of Decatur, Inc. (DE)

South Baldwin Regional Medical Center
1613 North McKenzie Street
Foley, AL 36535 (Baldwin)
Foley Hospital Corporation (AL)

Woodland Medical Center
1910 Cherokee Avenue S.W.
Cullman, AL 35055 (Cullman)
National Healthcare of Cullman, Inc. (DE)

Payson Regional Medical Center
807 South Ponderosa
Payson, AZ 85541 (Gila)
Payson Hospital Corporation (AZ)

Western Arizona Regional Medical Center
2735 Silver Creek Road
Bullhead City, AZ 86442 (Mohave)
Bullhead City Hospital Corporation (AZ)

**Hospital Name/
Address (County)/
Corporate Owner/Lessee/Operator**

Forrest City Medical Center
1601 Newcastle Road
Forrest City, AR 72336 (Saint Francis)
Forrest City Arkansas Hospital Company, LLC (AR)

Harris Hospital
1205 McLain
Newport, AR 72112 (Jackson)
National Healthcare of Newport, Inc. (DE)

Helena Regional Medical Center
1801 Martin Luther King Drive / PO Box 788
Helena, AR 72342 (Phillips)
Phillips Hospital Corporation (AR)

Barstow Community Hospital
555 South 7th Street
Barstow, CA 92311 (San Bernardino)
Hospital of Barstow, Inc. (DE)

Fallbrook Hospital
624 East Elder
Fallbrook, CA 92028 (San Diego)
Fallbrook Hospital Corporation (DE)

Watsonville Community Hospital
75 Nielson Street
Watsonville, CA 95076 (Santa Cruz)
Watsonville Hospital Corporation (DE)

Lake Wales Medical Center
410 South 11th Street
Lake Wales, FL 33853 (Polk)
Lake Wales Hospital Corporation (FL)

North Okaloosa Medical Center
151 Redstone Avenue, S.E.
Crestview, FL 32539-6026 (Okaloosa)
Crestview Hospital Corporation (FL)

Fannin Regional Hospital
2855 Old Highway 5, North
Blue Ridge, GA 30513 (Fannin)
Fannin Regional Hospital, Inc. (GA)

Crossroads Community Hospital
#8 Doctor's Park Road
Mt. Vernon, IL 62864 (Jefferson)
National Healthcare of Mt. Vernon, Inc. (DE)

**Hospital Name/
Address (County)/
Corporate Owner/Lessee/Operator**

Galesburg Cottage Hospital
695 N. Kellogg St.
Galesburg, IL 61401 (Knox)
Galesburg Hospital Corporation (IL)

Gateway Regional Medical Center
2100 Madison Avenue
Granite City, IL 62040 (Madison)
Granite City Illinois Hospital Company, LLC (IL)

Heartland Regional Medical Center
3333 West DeYoung
Marion, IL 62959 (Williamson)
Marion Hospital Corporation (IL)

Red Bud Regional Hospital
325 Spring Street
Red Bud, IL 62278 (Randolph)
Red Bud Illinois Hospital Company, LLC (IL)

Union County Hospital
517 North Main
Anna, IL 62906 (Union)
Anna Hospital Corporation (IL)
*Managed Facility

Vista Medical Center (includes East and West)
1324 N. Sheridan Road
Waukegan, IL 60085 (Lake)
Waukegan Illinois Hospital Company, LLC (IL)

Porter Memorial Hospital
814 LaPorte Avenue
Valparaiso, IN 46383 (Porter; **Jasper**)
Porter Hospital, LLC (DE)

Kentucky River Medical Center
540 Jetts Drive
Jackson, KY 41339 (Breathitt)
Jackson Hospital Corporation (KY)

Parkway Regional Hospital
2000 Holiday Lane (P.O. Box 866)
Fulton, KY 42041 (Fulton)
Hospital of Fulton, Inc. (KY)

Three Rivers Medical Center
Highway 644 (P.O. Box 769)
Louisa, KY 41230 (Lawrence)
Hospital of Louisa, Inc. (KY)

**Hospital Name/
Address (County)/
Corporate Owner/Lessee/Operator**

Byrd Regional Hospital
1020 Fertitta Blvd.
Leesville, LA 71446 (Vernon Parish)
National Healthcare of Leesville, Inc. (DE)

River West Medical Center
59355 River West Drive
Plaquemine, LA 70764-9543 (Iberville Parish)
River West, L.P. (DE-Limited Partnership)

Mineral Area Regional Medical Center
1212 Weber Road
Farmington, MO 63640 (Saint Francois)
Farmington Missouri Hospital Company, LLC (MO)

Moberly Regional Medical Center
1515 Union Avenue
Moberly, MO 65270 (Randolph)
Moberly Hospital, Inc. (MO)

Northeast Regional Medical Center
315 S. Osteopathy
Kirksville, MO 63501 (Adair)
Kirksville Missouri Hospital Co., LLC (MO)

The Memorial Hospital of Salem County
310 Woodstown Road
Salem, NJ 08079 (Salem)
Salem Hospital Corporation (NJ)

Alta Vista Regional Hospital
104 Legion Drive
Las Vegas, NM 87701 (San Miguel)
San Miguel Hospital Corporation (NM)

Eastern New Mexico Medical Center
405 West Country Club Road
Roswell, NM 88201 (Chaves)
Roswell Hospital Corporation (NM)

Mimbres Memorial Hospital
900 W. Ash Street
Deming, NM 88030 (Luna)
Deming Hospital Corporation (NM)

Martin General Hospital
310 S. McCaskey Road
Williamston, NC 27892 (Martin)
Williamston Hospital Corporation (NC)

**Hospital Name/
Address (County)/
Corporate Owner/Lessee/Operator**

Ponca City Medical Center
1900 North 14th Street
Ponca City, OK 74601 (Kay)
Kay County Oklahoma Hospital Company, LLC (OK)

Berwick Hospital Center
701 East 16th Street
Berwick, PA 18603 (Columbia)
CHS Berwick Hospital Corporation (PA)

Brandywine Hospital
201 Reeceville Rd.
Coatesville, PA 19320 (Chester)
Coatesville Hospital Corporation (PA)

Chestnut Hill Hospital
8835 Germantown Avenue
Philadelphia, PA 19118 (Montgomery)
CHHS Hospital Company, LLC (DE)

Easton Hospital
250 South 21st Street
Easton, PA 18042-3892 (Northampton)
Northampton Hospital Corporation (PA)

Jennersville Regional Hospital
1015 West Baltimore Pike
West Grove, PA. 19390 (Chester)
West Grove Hospital Corporation (PA)

Lock Haven Hospital
24 Cree Drive
Lock Haven, PA 17745-2699 (Washington)
Clinton Hospital Corporation (PA)

Phoenixville Hospital
140 Nutt Road
Phoenixville, PA 19460 (Chester)
Phoenixville Hospital Company, LLC (DE)

Pottstown Memorial Medical Center
1600 East High Street
Pottstown, PA 19464 (Montgomery)
Pottstown Hospital Company, LLC (DE)

Sunbury Community Hospital
350 N. Eleventh Street (P. O. Box 737)
Sunbury, PA 17801 (Northumberland)
Sunbury Hospital Corporation (PA)

**Hospital Name/
Address (County)/
Corporate Owner/Lessee/Operator**

Chesterfield General Hospital
Highway 9 West (P.O. Box 151)
Cheraw, SC 29520 (Chesterfield)
Chesterfield/Marlboro, LP (DE-Lmtd Prtnrshp)

Marlboro Park Hospital
1138 Cheraw Hwy (P.O. Box 738)
Bennettsville, SC 29512 (Marlboro)
Chesterfield/Marlboro, L.P. (DE-Lmtd.Prtnrshp)

Springs Memorial Hospital
800 W. Meeting Street
Lancaster, SC 29720 (Lancaster)
Lancaster Hospital Corporation (DE)

Bedford County Medical
845 Union Street
Shelbyville, TN 37160 (Bedford)
Shelbyville Hospital Corporation (TN)

Dyersburg Regional Medical Center
400 Tickle Street
Dyersburg, TN 38024 (Dyer)
Dyersburg Hospital Corporation (TN)

Haywood Park Community Hospital
2545 N. Washington Ave.
Brownsville, TN 38012 (Haywood)
Brownsville Hospital Corporation (TN)

Henderson County Community Hospital
200 West Church St.
Lexington, TN 38351 (Henderson)
Lexington Hospital Corporation (TN)

Lakeway Regional Hospital
726 McFarland Street
Morristown, TN 37814 (Hamblen)
Hospital of Morristown, Inc. (TN)

McKenzie Regional Hospital
161 Hospital Dr.
McKenzie, TN 38201 (Carroll)
McKenzie Hospital Corporation (TN)

McNairy Regional Hospital
705 Poplar Ave.
Selmer, TN 38375 (McNairy)
McNairy Hospital Corporation (TN)

**Hospital Name/
Address (County)/
Corporate Owner/Lessee/Operator**

Regional Hospital of Jackson
367 Hospital Blvd.
Jackson, TN 38305 (Madison)
Jackson, Tennessee Hospital Company, LLC (TN)

SkyRidge Medical Center (includes Cleveland)
2305 Chambliss Avenue
Cleveland, TN 37320 (Bradley)
National Healthcare of Cleveland, Inc. (TN)

Volunteer Community Hospital
161 Mt. Pelia Road
Martin, TN 38237 (Weakley)
Martin Hospital Corporation (TN)

White County Community Hospital
401 Sewell Road
Sparta, TN 38583 (White)
Sparta Hospital Corporation (TN)

Big Bend Regional Medical Center
2600 Highway 118 North
Alpine, TX 79830 (Brewster)
Big Bend Hospital Corporation (TX)

Cleveland Regional Medical Center
300 E. Crockett
Cleveland, TX 77327 (Liberty)
Cleveland Regional Medical Center, L.P.
(DE-Limited Partnership)

Hill Regional Hospital
101 Circle Drive
Hillsboro, TX 76645 (Hill)
NHCI of Hillsboro, Inc. (TX)

Lake Granbury Medical Center
1310 Paluxy Road
Granbury, TX 76048 (Hood)
Granbury Hospital Corporation (TX)

Laredo Medical Center
1700 East Saunders
Laredo, TX 78041 (Webb)
Laredo Texas Hospital Company, L.P. (TX)

Scenic Mountain Medical Center
1601 West Eleventh Place
Big Spring, TX 79720 (Howard)
Big Spring Hospital Corporation (TX)

**Hospital Name/
Address (County)/
Corporate Owner/Lessee/Operator**

South Texas Regional Medical Center
1905 Highway 97 E
Jourdanton, TX 78026 (Atascosa)
Jourdanton Hospital Corporation (TX)

Weatherford Regional Medical Center
713 E. Anderson Street
Weatherford, TX 76086 (Parker)
Weatherford Texas Hospital Company, LLC (TX)

Mountain West Medical Center
2055 N. Main
Tooele, UT 84074-2794 (Tooele)
Tooele Hospital Corporation (UT)

Russell County Medical Center
58 Carroll Street
Lebanon, VA 24266 (Russell)
Russell County Medical Center, Inc. (VA)

Southern Virginia Regional Medical Center
727 North Main Street
Emporia, VA 23847 (Greensville)
Emporia Hospital Corporation (VA)

Southside Regional Medical Center
801 South Adams Street
Petersburg, VA 23803 (Prince George)
Petersburg Hospital Company, LLC (VA)

Southampton Memorial Hospital
100 Fairview Drive
Franklin, VA 23851 (Southampton)
Franklin Hospital Corporation (VA)

Plateau Medical Center
430 Main Street
Oak Hill, WV 25901 (Fayette)
Oak Hill Hospital Corporation (WV)

Evanston Regional Hospital
190 Arrowhead Drive
Evanston, WY 82930 (Uinta)
Evanston Hospital Corporation (WY)

TRIAD HOSPITALS

**Hospital Name/
Address (County)/
Corporate Owner/Lessee/Operator**

Crestwood Medical Center
One Hospital Dr.
Huntsville, AL 35801 (Madison)
Crestwood Healthcare, L.P.

Flowers Hospital
4370 West Main Street
Dothan, AL 36305 (Houston)
Triad of Alabama, LLC (DE)

Gadsden Regional Medical Center
1007 Goodyear Avenue
Gadsden, AL 35903 (Etowah)
Gadsden Regional Medical Center, LLC (DE)

Jacksonville Medical Center
1701 Pelham Road, South
Jacksonville, AL 36265 (Calhoun)
QHG of Jacksonville, Inc. (AL)

Medical Center Enterprise
400 North Edwards St.
Enterprise, AL 36330 (Coffee)
QHG of Enterprise, Inc. (AL)

Trinity Medical Center
800 Montclair Rd.
Birmingham, AL 35213 (Jefferson)
Affinity Hospital, LLC (DE)

Mat-Su Regional Medical Center
2500 S. Woodworth Loop
Palmer, AK 99645 (Matanuska-Susitna) (Palmer)
Mat-Su Valley Medical Center, LLC

Northwest Medical Center
6200 N. LaCholla Blvd.
Tucson, AZ 85755 (Pima)
Northwest Hospital, LLC

Northwest Medical Center Oro Valley
1551 E. Tangerine Road
Oro Valley, AZ 85755 (Pima)
Oro Valley Hospital, LLC (Northwest Hospital, LLC)

Medical Center of South Arkansas
700 West Grove Street
El Dorado, AR 71730 (Union)
MCSA, L.L.C.

**Hospital Name/
Address (County)/
Corporate Owner/Lessee/Operator**

National Park Medical Center
1910 Malvern Ave.
Hot Springs, AR 71901 (Garland)
Hot Springs National Park Hospital Holdings, LLC
(and National Park Real Property, LLC)

NEA Medical Center
3024 Stadium Blvd.
Jonesboro, AR 72401 (Craighead)
Northeast Arkansas Health System, LLC
(and Jonesboro Real Property, LLC)

Northwest Medical Center of Benton County
3000 Medical Center Pkwy.
Bentonville, AR 72712 (Benton)
QHG of Springdale, Inc. (AR)

Northwest Medical Center of Washington County
609 West Maple Ave.
Springdale, AR 72765 (Washington)
Northwest Arkansas Hospitals, LLC (DE)

Saint Mary's Regional Medical Center
1808 West Main Street
Russellville, AR 72801 (Pope)
Russellville Holdings, LLC
(and St. Mary's Real Property, LLC)

Willow Creek Women's Hospital
4301 Greathouse Springs Road
Johnson, AR 72741 (Washington)
Northwest Arkansas Hospitals, LLC (DE)

St. Joseph Hospital
2260 Wrightsboro Road
Augusta, GA 30904 (Augusta-Richmond)
Augusta Hospital, LLC (DE)

Bluffton Regional Medical Center
303 South Main Street
Bluffton, IN 46714 (Wells)
Bluffton Health System, LLC (DE)

Dukes Memorial Hospital
275 W. 12th Street
Peru, IN 46970 (Miami)
Dukes Health System, LLC (DE)

**Hospital Name/
Address (County)/
Corporate Owner/Lessee/Operator**

Dupont Hospital
2520 E. Dupont Road
Fort Wayne, IN 46825 (Allen)
Dupont Hospital, LLC (DE)

Kosciusko Community Hospital
2101 E. DuBois Drive
Warsaw, IN 46580 (Kosciusko)
Warsaw Health System, LLC (DE)

Lutheran Hospital of Indiana
7950 West Jefferson Blvd.
Fort Wayne, IN 46804 (Allen)
IOM Health System, L.P. (IN Ltd. Partnership)

St. Joseph Hospital
700 Broadway
Fort Wayne, IN 46802 (Allen)
St. Joseph Health System, LLC (DE)

Women and Children's Hospital
4200 Nelson Road
Lake Charles, LA 70605 (Calcasieu)
Women and Children's Hospital, LLC

River Region Health System
2100 Highway 61 North/1111 N.
Frontage Road
Vicksburg, MS 39183 (Warren)
Vicksburg Healthcare, LLC (DE)

Wesley Medical Center
5001 Hardy Street
Hattiesburg, MS 39402 (Forrest)
Wesley Health System, LLC (DE)

Mesa View Regional Hospital
1299 Bertha Howe Avenue
Mesquite, NV 89024 (Clark)
MMC of Nevada, LLC (DE)

Carlsbad Medical Center
2430 West Pierce
Carlsbad, NM 88220 (Eddy)
Carlsbad Medical Center, LLC

Lea Regional Medical Center
5419 N. Lovington Highway
Hobbs, NM 88240 (Lea)
Lea Regional Hospital, LLC

**Hospital Name/
Address (County)/
Corporate Owner/Lessee/Operator**

MountainView Regional Medical Center
4311 East Lohman Avenue
Las Cruces, NM 88011 (Dona Ana)
Las Cruces Medical Center, LLC (DE)

Affinity Medical Center Doctors Campus
400 Austin Avenue N.W.
Massillon, OH 44646 (Stark)
DHSC, LLC (DE)

Affinity Medical Center Massillon Campus
875 Eighth Street NE
Massillon, OH 44646 (Stark)
MC Hospital, LLC (DE)

Barberton Citizens Hospital
155 Fifth Street NE
Barberton, OH 44203 (Summit)
Barberton Health System, LLC (DE)

Claremore Regional Hospital
1202 N. Muskogee Place
Claremore, OK 74017 (Rogers)
Claremore Regional Hospital, LLC

Deaconess Hospital
5501 N. Portland Ave.
Oklahoma City, OK 73112 (Oklahoma)
Deaconess Health System, LLC

SouthCrest Hospital
8801 South 101st East Ave.
Tulsa, OK 74133 (Tulsa)
SouthCrest, L.L.C.

Woodward Regional Hospital
900 17th Street
Woodward, OK 73801 (Woodward)
Woodward Health System, LLC (DE)

McKenzie-Willamette Medical Center
1460 G Street
Springfield, OR 97477 (Lane)
McKenzie-Willamette Reg. Med. Ctr. Assoc., LLC

Willamette Valley Medical Center
2700 SE Stratus Avenue
McMinnville, OR 97128 (Yamhill)
Willamette Valley Medical Center, LLC

**Hospital Name/
Address (County)/
Corporate Owner/Lessee/Operator**

Carolinas Hospital System
805 Pamplico Highway
Florence, SC 29505 (Florence)
QHG of South Carolina, Inc. (SC)

Mary Black Healthcare
1700 Skylyn Drive
Spartanburg, SC 29307 (Spartanburg)
Mary Black Health System, LLC (DE)

Gateway Medical Center
1771 Madison Street
Clarksville, TN 37043 (Montgomery)
Clarksville Health System, G.P. (DE)

Abilene Regional Medical Center
6250 Hwy 83 84
Abilene, TX 79606 (Taylor)
ARMC, L.P.

Brownwood Regional Medical Center
1501 Burnet
Brownwood, TX 76801 (Brown)
Brownwood Hospital, L.P.

Cedar Park Regional Medical Center
1490 East Whitestone Boulevard, Suite 150
Cedar Park, TX 78613 (Williamson)
Cedar Park Health System, L.P.

College Station Medical Center
1604 Rock Prairie
College Station, TX 77845 (Brazos)
College Station Hospital, L.P.

DeTar Hospital Navarro
506 E. San Antonio Street
Victoria, TX 77901 (Victoria)
Victoria of Texas, L.P.

DeTar Hospital North
101 Medical Drive
Victoria, TX 77904 (Victoria)
Victoria of Texas, L.P.

Longview Regional Medical Center
2901 N. Fourth Street
Longview, TX 75605 (Gregg)
Longview Medical Center, L.P.

**Hospital Name/
Address (County)/
Corporate Owner/Lessee/Operator**

Navarro Regional Hospital
3201 W. Highway 22
Corsicana, TX 75110 (Navarro)
Navarro Hospital, L.P.

Presbyterian Hospital of Denton
3000 North I-35
Denton, TX 76201 (Denton)
Triad-Denton Hospital, L.P.

San Angelo Community Medical Center
3501 Knickerbocker Rd.
San Angelo, TX 76904 (Tom Green)
San Angelo Hospital, L.P.

Woodland Heights Medical Center
505 S. John Redditt Drive
Lufkin, TX 75904 (Angelina)
Piney Woods Healthcare System, L.P.

Greenbrier Valley Medical Center
202 Maplewood Avenue
Ronceverte, WV 24970 (Greenbrier)
Greenbrier VMC, LLC (and GRB Real Estate, LLC)

Beacon Hospital
Sandyford, Ireland
THI Beacon Court Limited

Schedule 1.01(f)
Certain Subsidiaries

1. River West, L.P.

Schedule 2.01

Lenders and Commitments

Lender	Revolving Credit Commitment	Term Loan Commitment	Delayed Draw Commitment	Total Lender Commitment
Credit Suisse	\$52,500,000	\$2,526,569,800	\$162,768,000	\$2,741,837,800
Wachovia	52,500,000	1,676,851,200	110,592,000	1,839,943,200
Merrill Lynch & Co.	45,000,000	242,600,000	16,000,000	303,600,000
JP Morgan	45,000,000	242,600,000	16,000,000	303,600,000
Citicorp N.A. Inc.	40,000,000	151,625,000	10,000,000	201,625,000
GE Healthcare Financial Services	40,000,000	151,625,000	10,000,000	201,625,000
Goldman Sachs	40,000,000	151,625,000	10,000,000	201,625,000
Sun Trust	40,000,000	151,625,000	10,000,000	201,625,000
Key Bank, N.A.	25,000,000	92,000,000	8,000,000	125,000,000
Calyon	25,000,000	97,646,500	6,440,000	129,086,500
Bank of Nova Scotia	25,000,000	97,646,500	6,440,000	129,086,500
UBS	25,000,000	92,000,000	8,000,000	125,000,000
National City	25,000,000	97,646,500	6,440,000	129,086,500
Fifth/Third Bank	25,000,000	97,646,500	6,440,000	129,086,500
Barclays Capital	25,000,000	97,646,500	6,440,000	129,086,500
ABN AMRO/LaSalle Bank	25,000,000	97,646,500	6,440,000	129,086,500
Sovereign Bank	40,000,000	0	0	40,000,000
Wells Fargo Foothill	25,000,000	0	0	25,000,000
Mizuho Corporate Bank, Ltd	25,000,000	0	0	25,000,000

Lender	Revolving Credit Commitment	Term Loan Commitment	Delayed Draw Commitment	Total Lender Commitment
United Overseas Bank	20,000,000	0	0	20,000,000
Bank of Oklahoma	10,000,000	0	0	10,000,000
Bayern LB (Bayerische Landesbank)	10,000,000	0	0	10,000,000
Carolina First	10,000,000	0	0	10,000,000
Raymond James Bank	10,000,000	0	0	10,000,000
Regions Bank/AmSouth	10,000,000	0	0	10,000,000
Commerzbank	8,500,000	0	0	8,500,000
FirstBank	7,500,000	0	0	7,500,000
Bank of Nashville	5,000,000	0	0	5,000,000
Siemens Financial Services Inc.	5,000,000	0	0	5,000,000
State Bank of India	5,000,000	0	0	5,000,000
Banco Espirito Santo	4,000,000	0	0	4,000,000
TOTAL COMMITMENT	\$750,000,000	\$6,065,000,000	\$400,000,000	\$7,215,000,000

Schedule 3.08
Subsidiaries

Please see attached.

Community Health Systems, Inc. Subsidiaries
SUBSIDIARY LISTING

<u>Name of Corporation</u>	<u>Parent</u>	<u>State</u>	<u>Entity Type</u>	<u>Hospital or Related Business</u>
Community Health Systems, Inc.		DE	Parent	HOLDCO
CHS/Community Health Systems, Inc.	Community Health Systems, Inc.	DE	Borrower	HOLDCO
FWCT-1 Acquisition Corporation	CHS/Community Health Systems, Inc.	DE	Material (will merge into Triad Hospitals, Inc. and change name to "Triad Healthcare Corporation")	HOLDCO
Anna Hospital Corporation Union County Hospital 517 North Main Anna, IL 62906 (Union) Anna Hospital Corporation (IL)	CHS Holdings Corp.	IL	Material	<i>d/b/a Union County Hospital; Union County Hospital Long Term Care; Hospital Home Health</i>
Big Bend Hospital Corporation Big Bend Regional Medical Center 2600 Highway 118 North Alpine, TX 79830 (Brewster) Big Bend Hospital Corporation (TX)	CHS Holdings Corp.	TX	Material	<i>d/b/a Big Bend Regional Medical Center; Big Bend Regional Medical Center Home Health Agency; Alpine Rural Health Clinic; Presidio Rural Health Clinic; Marfa Rural Health Clinic</i>
Big Spring Hospital Corporation Scenic Mountain Medical Center 1601 West Eleventh Place Big Spring, TX 79720 (Howard) Big Spring Hospital Corporation (TX)	CHS Holdings Corp.	TX	Material	<i>d/b/a Scenic Mountain Medical Center; Scenic Mountain Home Health; Scenic Mountain Medical Center Skilled Nursing Facility; Scenic Mountain Medical Center Psychiatric Unit</i>
Brownsville Hospital Corporation Haywood Park Community Hospital 2545 N. Washington Ave. Brownsville, TN 38012 (Haywood) Brownsville Hospital Corporation (TN)	CHS Holdings Corp.	TN	Material	<i>d/b/a Haywood Park Community Hospital</i>
Centre Hospital Corporation Cherokee Medical Center 400 Northwood Drive Centre, AL 35960 (Centre) Centre Hospital Corporation (AL)	CHS Holdings Corp.	AL	Material	<i>d/b/a Cherokee Medical Center</i>

**Community Health Systems, Inc. Subsidiaries
SUBSIDIARY LISTING**

<u>Name of Corporation</u>	<u>Parent</u>	<u>State</u>	<u>Entity Type</u>	<u>Hospital or Related Business</u>
Chesterfield/Marlboro, L.P. Chesterfield General Hospital Highway 9 West (P.O. Box 151) Cheraw, SC 29520 (Chesterfield) Chesterfield/Marlboro, LP (DE-Lmted Prtnrshp)	Community LP Corp.-99.5%; Community GP Corp.-.5%	DE	Material	<i>d/b/a Marlboro Park Hospital; Chesterfield General Hospital</i>
Marlboro Park Hospital 1138 Cheraw Hwy (P.O. Box 738) Bennettsville, SC 29512 (Marlboro) Chesterfield/Marlboro, L.P. (DE-Lmted.Prtmshp)				
CHHS Holdings, LLC	Pennsylvania Hospital Company, LLC — 99%; Hallmark Healthcare Corporation 1%	DE	Material	owns 85% of Chestnut Hill Health System, LLC
CHS Berwick Hospital Corporation Berwick Hospital Center 701 East 16th Street Berwick, PA 18603 (Columbia) CHS Berwick Hospital Corporation (PA)	CHS Holdings Corp.	PA	Material	<i>d/b/a Berwick Hospital Center; Berwick Recovery System; Berwick Hospital Center Home Health Agency; Berwick Retirement Village Nursing Home; ; Berwick Home Health Hospice Care; Berwick Family Medicine and Obstetrics; Berwick Hospital CRNA Group</i>
CHS Holdings Corp.	Community Health Investment Corporation	NY	Material	HOLDCO
Cleveland Hospital Corporation	Hallmark Holdings Corp.	TN	Material	owns 100% National Healthcare of Cleveland, Inc.
Cleveland Regional Medical Center, L.P. Cleveland Regional Medical Center 300 E. Crockett Cleveland, TX 77327 (Liberty) Cleveland Regional Medical Center, L.P. (DE-Limited Partnership)	Community LP Corp.-99.5%; Community GP Corp.-.5%	DE	Material	<i>d/b/a Cleveland Regional Medical Center; Cleveland Regional Medical Center Home Health Agency</i>
Clinton Hospital Corporation Lock Haven Hospital 24 Cree Drive Lock Haven, PA 17745-2699 (Washington) Clinton Hospital Corporation (PA)	CHS Holdings Corp.	PA	Material	<i>d/b/a Lock Haven Hospital; Lock Haven Hospital — Extended Care Unit; Haven Wound Care Clinic, an Affiliate of Lock Haven Hospital; Haven Diagnostic Sleep Lab; Haven Occupational Health</i>

**Community Health Systems, Inc. Subsidiaries
SUBSIDIARY LISTING**

<u>Name of Corporation</u>	<u>Parent</u>	<u>State</u>	<u>Entity Type</u>	<u>Hospital or Related Business</u>
Coatesville Hospital Corporation Brandywine Hospital 201 Reeceville Rd. Coatesville, PA 19320 (Chester) Coatesville Hospital Corporation (PA)	CHS Holdings Corp.	PA	Material	<i>d/b/a Brandywine Hospital; Brandywine Health System; Brandywine School of Nursing; Brandywine Home Health; Brandywine Hospital Hospice; Brandywine Hospital Women's Health — New Garden; Brandywine Hospital Cardiothoracic Surgery</i>
Community GP Corp.	CHS Holdings Corp.	DE	Material	Dynamic Hospitals GP (0.5% of each of Chesterfield/ Marlboro, L.P.; River West, L.P., Cleveland Regional Hospital, L.P.)
Community Health Investment Corporation	CHS/Community Health Systems, Inc.	DE	Material	HOLDCO
Community LP Corp.	CHS Holdings Corp.	DE	Material	Dynamic Hospitals LP (99.5% of each of (0.5% of each of Chesterfield/Marlboro, L.P.; River West, L.P., Cleveland Regional Hospital, L.P.)
Cullman Hospital Corporation	Hallmark Holdings Corp.	AL	Material	owns 100% of National Healthcare of Cullman, Inc.
Deming Hospital Corporation Mimbres Memorial Hospital 900 W. Ash Street Deming, NM 88030 (Luna) Deming Hospital Corporation (NM)	CHS Holdings Corp.	NM	Material	<i>d/b/a Mimbres Memorial Hospital and Nursing Home; Deming Rural Health Clinic; Mimbres Home Health Hospice</i>
Dyersburg Hospital Corporation Dyersburg Regional Medical Center 400 Tickle Street Dyersburg, TN 38024 (Dyer) Dyersburg Hospital Corporation (TN)	CHS Holdings Corp.	TN	Material	<i>d/b/a Dyersburg Regional Medical Center; Regional Home Care, Dyersburg; Regional Home Care, Jackson; Regional Home Care, Lexington; Regional Home Care, Martin; Regional Home Care, McKenzie; Regional Home Care, Selmer; Regional Home Care, Brownsville; Ambulance Service of Dyersburg; Dyersburg Emergency Physicians</i>
Emporia Hospital Corporation Southern Virginia Regional Medical Center 727 North Main Street Emporia, VA 23847 (Greensville) Emporia Hospital Corporation (VA)	CHS Holdings Corp.	VA	Material	<i>d/b/a Southern Virginia Regional Medical Center; Greensville Memorial Hospital; South Central Virginia Pain Center; Southern Virginia Regional Medical Center Home Health Agency</i>

**Community Health Systems, Inc. Subsidiaries
SUBSIDIARY LISTING**

<u>Name of Corporation</u>	<u>Parent</u>	<u>State</u>	<u>Entity Type</u>	<u>Hospital or Related Business</u>
Evanston Hospital Corporation	CHS Holdings Corp.	WY	Material	<i>d/b/a Evanston Regional Hospital; Evanston Regional Hospital Home Care; Evanston Dialysis Center; Uinta Family Practice; Bridger Valley Family Practice; Evanston Regional Hospice; Bridger Valley Physical Therapy</i>
Evanston Regional Hospital 190 Arrowhead Drive Evanston, WY 82930 (Uinta) Evanston Hospital Corporation (WY)				
Fallbrook Hospital Corporation	CHS Holdings Corp.	DE	Material	<i>d/b/a Fallbrook Hospital; Fallbrook Hospital Home Health; Fallbrook Hospital Skilled Nursing Facility; Fallbrook Hospital Hospice</i>
Fallbrook Hospital 624 East Elder Fallbrook, CA 92028 (San Diego) Fallbrook Hospital Corporation (DE)				
Fannin Regional Hospital, Inc.	CHS Holdings Corp.	GA	Material	<i>d/b/a Fannin Regional Hospital; Fannin Regional M.O.B.; Tri-County Diagnostic Center; Medical Specialties of Ellijay</i>
Fannin Regional Hospital 2855 Old Highway 5, North Blue Ridge, GA 30513 (Fannin) Fannin Regional Hospital, Inc. (GA)				
Farmington Hospital Corporation	CHS Holdings Corp.	MO	Material	Owns 100% Farmington Missouri Hospital Company, LLC
Farmington Missouri Hospital Company, LLC	Farmington Hospital Corporation	MO	Material	<i>d/b/a Mineral Area Regional Medical Center; Mineral Area Regional Medical Center Home Health Services; Mineral Area Anesthesia Associates; Mineral Area ER Associates; Mineral Area Oncology Associates; Children's Haven; Pilot Knob Rural Health Clinic</i>
Mineral Area Regional Medical Center 1212 Weber Road Farmington, MO 63640 (Saint Francois) Farmington Missouri Hospital Company, LLC (MO)				
Foley Hospital Corporation	CHS Holdings Corp.	AL	Material	<i>d/b/a South Baldwin Regional Medical Center; South Baldwin Regional Medical Center Home Health Agency</i>
South Baldwin Regional Medical Center 1613 North McKenzie Street Foley, AL 36535 (Baldwin) Foley Hospital Corporation (AL)				
Forrest City Arkansas Hospital Company, LLC	Forrest City Hospital Corporation	AR	Material	<i>d/b/a Forrest City Medical Center; Forrest City Emergency Medicine Associates</i>
Forrest City Medical Center 1601 Newcastle Road Forrest City, AR 72336 (Saint Francis) Forrest City Arkansas Hospital Company, LLC (AR)				

**Community Health Systems, Inc. Subsidiaries
SUBSIDIARY LISTING**

<u>Name of Corporation</u>	<u>Parent</u>	<u>State</u>	<u>Entity Type</u>	<u>Hospital or Related Business</u>
Forrest City Hospital Corporation	CHS Holdings Corp.	AR	Material	Owens 100% Forrest City Arkansas Hospital Company, LLC
Fort Payne Hospital Corporation	CHS Holdings Corp.	AL	Material	<i>d/b/a DeKalb Regional Medical Center</i>
DeKalb Regional Medical Center 200 Medical Center Drive P.O. Box 680778 Fort Payne, AL 35968 (DeKalb) Fort Payne Hospital Corporation (AL)				
Franklin Hospital Corporation	CHS Holdings Corp.	VA	Material	<i>d/b/a Southampton Memorial Hospital; New Outlook; Southampton Memorial Hospice; Southampton Memorial Home Health Agency; Southampton Memorial Hospital Skilled Nursing Facility; Southampton Primary Care; Southampton Surgical Group; Boykins Family Practice; Southampton Memorial Hospital; East Pavillion Nursing Facility</i>
Southampton Memorial Hospital 100 Fairview Drive Franklin, VA 23851 (Southampton) Franklin Hospital Corporation (VA)				
Galesburg Hospital Corporation	CHS Holdings Corp.	IL	Material	<i>d/b/a Galesburg Cottage Hospital; Galesburg Cottage Hospital Skilled Nursing Unit; Galesburg Emergency Physicians Associates; Galesburg Nurse Anesthetists Associates</i>
Galesburg Cottage Hospital 695 N. Kellogg St. Galesburg, IL 61401 (Knox) Galesburg Hospital Corporation (IL)				
Granbury Hospital Corporation	CHS Holdings Corp.	TX	Material	<i>d/b/a Lake Granbury Medical Center</i>
Lake Granbury Medical Center 1310 Paluxy Road Granbury, TX 76048 (Hood) Granbury Hospital Corporation (TX)				
Granite City Hospital Corporation	CHS Holdings Corp.	IL	Material	Owens 100% of Granite City Illinois Hospital Company, LLC
Granite City Illinois Hospital Company, LLC	Granite City Hospital Corporation	IL	Material	<i>d/b/a Gateway Regional Medical Center; Gateway Regional Medical Center Home Health Agency; Gateway Regional Medical Center Hospice; Gateway Pharmacy; Gateway Regional Medical Center Outpatient Pharmacy; Gateway Regional Medical Center Occupational Health</i>
Gateway Regional Medical Center 2100 Madison Avenue Granite City, IL 62040 (Madison) Granite City Illinois Hospital Company, LLC (IL)				

**Community Health Systems, Inc. Subsidiaries
SUBSIDIARY LISTING**

<u>Name of Corporation</u>	<u>Parent</u>	<u>State</u>	<u>Entity Type</u>	<u>Hospital or Related Business</u>
Greenville Hospital Corporation L.V. Stabler Memorial Hospital 29 L.V. Stabler Drive Greenville, AL 36037 (Butler) Greenville Hospital Corporation (AL)	CHS Holdings Corp.	AL	Material	<i>d/b/a L. V. Stabler Memorial Hospital</i>
Hallmark Healthcare Corporation	CHS/Community Health Systems, Inc.	DE	Material	HOLDCO
Hallmark Holdings Corp.	Hallmark Healthcare Corporation	NY	Material	HOLDCO
Hospital of Barstow, Inc. Barstow Community Hospital 555 South 7th Street Barstow, CA 92311 (San Bernardino) Hospital of Barstow, Inc. (DE)	CHS Holdings Corp.	DE	Material	<i>d/b/a Barstow Community Hospital</i>
Hospital of Fulton, Inc. Parkway Regional Hospital 2000 Holiday Lane (P.O. Box 866) Fulton, KY 42041 (Fulton) Hospital of Fulton, Inc. (KY)	CHS Holdings Corp.	KY	Material	<i>d/b/a Parkway Regional Hospital; Clinton-Hickman County Medical Center; Hillview Medical Clinic; Parkway Regional Home Health Agency; Hickman-Fulton County Medical Clinic; Regional Home Care, Parkway; Parkway Regional Therapy & Wellness Center</i>
Hospital of Louisa, Inc. Three Rivers Medical Center Highway 644 (P.O. Box 769) Louisa, KY 41230 (Lawrence) Hospital of Louisa, Inc. (KY)	CHS Holdings Corp.	KY	Material	<i>d/b/a Three Rivers Medical Center</i>
Hospital of Morristown, Inc. Lakeway Regional Hospital 726 McFarland Street Morristown, TN 37814 (Hamblen) Hospital of Morristown, Inc. (TN)	Lakeway Hospital Corporation	TN	Material	<i>d/b/a Lakeway Regional Hospital; Morristown Professional Building; Lakeway Regional Women's Imaging Center</i>
Jackson Hospital Corporation Kentucky River Medical Center 540 Jetts Drive Jackson, KY 41339 (Breathitt) Jackson Hospital Corporation (KY)	CHS Holdings Corp.	KY	Material	<i>d/b/a Kentucky River Medical Center; Middle Kentucky River Medical Center</i>

**Community Health Systems, Inc. Subsidiaries
SUBSIDIARY LISTING**

<u>Name of Corporation</u>	<u>Parent</u>	<u>State</u>	<u>Entity Type</u>	<u>Hospital or Related Business</u>
Jackson Hospital Corporation	CHS Holdings Corp.	TN	Material	Sole member of Jackson, Tennessee Hospital Company, LLC
Jackson, Tennessee Hospital Company, LLC Regional Hospital of Jackson 367 Hospital Blvd. Jackson, TN 38305 (Madison) Jackson, Tennessee Hospital Company, LLC (TN)	Jackson Hospital Corporation	TN	Material	<i>d/b/a Regional Hospital of Jackson; Cardiovascular Surgery Center of West Tennessee</i>
Jourdanton Hospital Corporation South Texas Regional Medical Center 1905 Highway 97 E Jourdanton, TX 78026 (Atascosa) Jourdanton Hospital Corporation (TX)	CHS Holdings Corp.	TX	Material	<i>d/b/a South Texas Regional Medical Center</i>
Kay County Hospital Corporation	CHS Holdings Corp.	OK	Material	Owens 100% Kay County Oklahoma Hospital Company, LLC
Kay County Oklahoma Hospital Company, LLC Ponca City Medical Center 1900 North 14th Street Ponca City, OK 74601 (Kay) Kay County Oklahoma Hospital Company, LLC (OK)	Kay County Hospital Corporation	OK	Material	<i>d/b/a Ponca City Medical Center</i>
Kirksville Hospital Corporation	CHS Holdings Corp.	MO	Material	Owens 82% of Kirksville Missouri Hospital Company, LLC
Lakeway Hospital Corporation	CHS Holdings Corp.	TN	Material	owns 100% of Hospital of Morristown, Inc.

**Community Health Systems, Inc. Subsidiaries
SUBSIDIARY LISTING**

<u>Name of Corporation</u>	<u>Parent</u>	<u>State</u>	<u>Entity Type</u>	<u>Hospital or Related Business</u>
Lancaster Hospital Corporation Springs Memorial Hospital 800 W. Meeting Street Lancaster, SC 29720 (Lancaster) Lancaster Hospital Corporation (DE)	CHS Holdings Corp.	DE	Material	<i>d/b/a Springs Memorial Hospital; Lancaster Recovery Center; Springs Healthcare; Rock Hill Rehabilitation; Lancaster Rehabilitation; Springs Business Health Services; Hospice of Lancaster; Springs Wound Treatment Center; Kershaw Family Medicine Center; Home Care of Lancaster</i>
Lexington Hospital Corporation Henderson County Community Hospital 200 West Church St. Lexington, TN 38351 (Henderson) Lexington Hospital Corporation (TN)	CHS Holdings Corp.	TN	Material	<i>d/b/a Henderson County Community Hospital; Ambulance Service of Lexington</i>
Marion Hospital Corporation Heartland Regional Medical Center 3333 West DeYoung Marion, IL 62959 (Williamson) Marion Hospital Corporation (IL)	Community Health Investment Corporation	IL	Material	<i>d/b/a Heartland Regional Medical Center; Heartland Regional Medical Center Home Health Agency</i>
Martin Hospital Corporation Volunteer Community Hospital 161 Mt. Pelia Road Martin, TN 38237 (Weakley) Martin Hospital Corporation (TN)	CHS Holdings Corp.	TN	Material	<i>d/b/a Volunteer Community Hospital</i>
McKenzie Hospital Corporation McKenzie Regional Hospital 161 Hospital Dr. McKenzie, TN 38201 (Carroll) McKenzie Hospital Corporation (TN)	CHS Holdings Corp.	TN	Material	<i>d/b/a McKenzie Regional Hospital; Ambulance Service of McKenzie</i>
McNairy Hospital Corporation McNairy Regional Hospital 705 Poplar Ave. Selmer, TN 38375 (McNairy) McNairy Hospital Corporation (TN)	CHS Holdings Corp.	TN	Material	<i>d/b/a McNairy Regional Hospital; Ambulance Service of McNairy</i>

Community Health Systems, Inc. Subsidiaries
SUBSIDIARY LISTING

<u>Name of Corporation</u>	<u>Parent</u>	<u>State</u>	<u>Entity Type</u>	<u>Hospital or Related Business</u>
Moberly Hospital, Inc. Moberly Regional Medical Center 1515 Union Avenue Moberly, MO 65270 (Randolph) Moberly Hospital, Inc. (MO)	CHS Holdings Corp.	MO	Material	<i>d/b/a Moberly Regional Medical Center; Downtown Athletic Club; Moberly Regional ER Associates</i>
National Healthcare of Cleveland, Inc. SkyRidge Medical Center (includes Cleveland) 2305 Chambliss Avenue Cleveland, TN 37320 (Bradley) National Healthcare of Cleveland, Inc. (TN)	Cleveland Hospital Corporation	DE	Material	<i>d/b/a SkyRidge Medical Center; SkyRidge Medical Center Westside Campus; SkyRidge Home Health; SkyRidge Hospice; Cleveland Community Hospital; Pine Ridge Treatment Center</i>
National Healthcare of Cullman, Inc. Woodland Medical Center 1910 Cherokee Avenue S.W. Cullman, AL 35055 (Cullman) National Healthcare of Cullman, Inc. (DE)	Cullman Hospital Corporation	DE	Material	<i>d/b/a Woodland Medical Center</i>
National Healthcare of Decatur, Inc. Parkway Medical Center 1874 Beltline Rd., SW (P.O. Box 2211) Decatur, AL 35601 (Morgan) National Healthcare of Decatur, Inc. (DE)	Hallmark Holdings Corp.	DE	Material	<i>d/b/a Parkway Medical Center</i>
National Healthcare of Hartselle, Inc. Hartselle Medical Center 201 Pine St. N.W. (P.O. Box 969) Hartselle, AL 35640 (Morgan) National Healthcare of Hartselle, Inc. (DE)	Hallmark Holdings Corp.	DE	Material	<i>d/b/a Hartselle Medical Center</i>
National Healthcare of Leesville, Inc. Byrd Regional Hospital 1020 Fertitta Blvd. Leesville, LA 71446 (Vernon Parish) National Healthcare of Leesville, Inc. (DE)	Hallmark Holdings Corp.	DE	Material	<i>d/b/a Byrd Regional Hospital</i>

Community Health Systems, Inc. Subsidiaries
SUBSIDIARY LISTING

<u>Name of Corporation</u>	<u>Parent</u>	<u>State</u>	<u>Entity Type</u>	<u>Hospital or Related Business</u>
National Healthcare of Mt. Vernon, Inc. Crossroads Community Hospital #8 Doctor's Park Road Mt. Vernon, IL 62864 (Jefferson) National Healthcare of Mt. Vernon, Inc. (DE)	Hallmark Healthcare Corporation	DE	Material	<i>d/b/a Crossroads Community Hospital; Crossroads Community Home Health Agency; Heartland Regional Home Health</i>
National Healthcare of Newport, Inc. Harris Hospital 1205 McLain Newport, AR 72112 (Jackson) National Healthcare of Newport, Inc. (DE)	Hallmark Holdings Corp.	DE	Material	<i>d/b/a Harris Hospital; Harris Hospital Home Health Agency; Nightengale Home Health Agency; Harris Anesthesia Associates</i>
NHCI of Hillsboro, Inc. Hill Regional Hospital 101 Circle Drive Hillsboro, TX 76645 (Hill) NHCI of Hillsboro, Inc. (TX)	Hallmark Holdings Corp.	TX	Material	<i>d/b/a Hill Regional Hospital; Hill Regional Medical Clinic of Whitney</i>
Northampton Hospital Corporation Easton Hospital 250 South 21st Street Easton, PA 18042-3892 (Northampton) Northampton Hospital Corporation (PA)	CHS Holdings Corp.	PA	Material	<i>d/b/a Easton Hospital; Easton Hospital Home Health Services; Outlook House; Nazareth Area Family Medicine Associates; Easton Hospital Hospice; The Imaging Center at Easton; Northampton Internal Medicine Associates</i>
NWI Hospital Holdings, LLC	CHS Holdings Corp.	DE	Material	HOLDCO
Oak Hill Hospital Corporation Plateau Medical Center 430 Main Street Oak Hill, WV 25901 (Fayette) Oak Hill Hospital Corporation (WV)	CHS Holdings Corp.	WV	Material	<i>d/b/a Plateau Medical Center</i>
Payson Hospital Corporation Payson Regional Medical Center 807 South Ponderosa Payson, AZ 85541 (Gila) Payson Hospital Corporation (AZ)	CHS Holdings Corp.	AZ	Material	<i>d/b/a Payson Regional Medical Center; Payson Regional Home Health Agency; Payson Regional Medical Center Outpatient Treatment Center</i>

Community Health Systems, Inc. Subsidiaries
SUBSIDIARY LISTING

<u>Name of Corporation</u>	<u>Parent</u>	<u>State</u>	<u>Entity Type</u>	<u>Hospital or Related Business</u>
Pennsylvania Hospital Company, LLC	CHS/Community Health Systems, Inc.	DE	Material	Holds 99% membership interest in each of Pottstown Hospital Company, LLC, Pottstown Clinic Company, LLC, Pottstown Imaging Company, LLC and Phoenixville Hospital Company, LLC
Petersburg Hospital Company, LLC Southside Regional Medical Center 801 South Adams Street Petersburg, VA 23803 (Prince George) Petersburg Hospital Company, LLC (VA)	Virginia Hospital Company, LLC — 99%; CHIC 1%	VA	Material	<i>d/b/a Southside Regional Medical Center; Southside Regional Medical Center — Renal Services; Southside Regional Medical Center Home Health; Southside Rehabilitation Services (Petersburg & Colonial Heights); Southside Behavioral Health Services; Southside Industrial Medicine; Southside Regional Medical Center School of Nursing; Southside Regional Medical Center School of Radiation Sciences; Southside Regional Medical Center Professional Schools</i>
Phillips Hospital Corporation Helena Regional Medical Center 1801 Martin Luther King Drive / PO Box 788 Helena, AR 72342 (Phillips) Phillips Hospital Corporation (AR)	CHS Holdings Corp.	AR	Material	<i>d/b/a Helena Regional Medical Center; Helena Regional Medical Center Home Health Agency; Marvell Medical Clinic; Regional Home Care, Helena; Regional Home Care, Forrest City</i>
Phoenixville Hospital Company, LLC Phoenixville Hospital 140 Nutt Road Phoenixville, PA 19460 (Chester) Phoenixville Hospital Company, LLC (DE)	Pennsylvania Hospital Company, LLC — 99%; Hallmark Healthcare Corporation 1%	DE	Material	<i>d/b/a Phoenixville Hospital; Phoenixville Hospital Therapy & Fitness; Limerick Medical Center; Cardiothoracic Surgical Specialists</i>
Pottstown Hospital Company, LLC Pottstown Memorial Medical Center 1600 East High Street Pottstown, PA 19464 (Montgomery) Pottstown Hospital Company, LLC (DE)	Pennsylvania Hospital Company, LLC — 99%; Hallmark Healthcare Corporation 1%	DE	Material	<i>d/b/a Pottstown Memorial Medical Center, Pottstown Memorial Medical Center Transitional Care Unit; Pottstown Memorial Medical Center Renal Care Unit; Pottstown Memorial Medical Center Home Care; Tri-County Medical Laboratory; Schuylkill Valley Health System; Pottstown Obstetrical Associates; Pottstown Oncology Associates</i>
Red Bud Hospital Corporation	CHS Holdings Corp.	IL	Material	Owens 100% Red Bud Illinois Hospital Company, LLC

Community Health Systems, Inc. Subsidiaries
SUBSIDIARY LISTING

<u>Name of Corporation</u>	<u>Parent</u>	<u>State</u>	<u>Entity Type</u>	<u>Hospital or Related Business</u>
Red Bud Illinois Hospital Company, LLC Red Bud Regional Hospital 325 Spring Street Red Bud, IL 62278 (Randolph) Red Bud Illinois Hospital Company, LLC (IL)	Red Bud Hospital Corporation	IL	Material	<i>d/b/a Red Bud Regional Hospital, Red Bud Nursing Home; Red Bud Regional Hospital Home Care Services</i>
River West, L.P. River West Medical Center 59355 River West Drive Plaquemine, LA 70764-9543 (Iberville Parish) River West, L.P. (DE-Limited Partnership)	Community LP Corp.-99.5%; Community GP Corp. - - .5%	DE	Material (Schedule 1.01(f) subsidiary)	<i>d/b/a River West Medical Center; River West Home Care</i>
Roswell Hospital Corporation Eastern New Mexico Medical Center 405 West Country Club Road Roswell, NM 88201 (Chaves) Roswell Hospital Corporation (NM)	CHS Holdings Corp.	NM	Material	<i>d/b/a Eastern New Mexico Medical Center; Eastern New Mexico Transitional Care Unit; Sunrise Mental Health Services; Eastern New Mexico Family Practice Residency Program; Eastern New Mexico Family Practice Residency Center; Valley Health Clinic of Eastern New Mexico Medical Center</i>
Russell County Medical Center, Inc. Russell County Medical Center 58 Carroll Street Lebanon, VA 24266 (Russell) Russell County Medical Center, Inc. (VA)	CHS Holdings Corp.	VA	Material	<i>d/b/a Russell County Medical Center; Riverside Community Medical Clinic; Hansonville Medical Clinic</i>
Ruston Hospital Corporation	CHS Holdings Corp.	DE	Material	Owns 100% Ruston Louisiana Hospital Company, LLC
Ruston Louisiana Hospital Company, LLC Northern Louisiana Medical Center 401 East Vaughn Avenue Ruston, LA 71270 Ruston Louisiana Hospital Company, LLC (DE)	Ruston Hospital Corporation		Material	<i>d/b/a Northern Louisiana Medical Center</i>
Salem Hospital Corporation The Memorial Hospital of Salem County 310 Woodstown Road Salem, NJ 08079 (Salem) Salem Hospital Corporation (NJ)	CHS Holdings Corp.	NJ	Material	<i>d/b/a The Memorial Hospital of Salem County; South Jersey Physical Therapy and Back Rehabilitation Center; Beckett Diagnostic Center; Memorial Home Health; Hospice of Salem County; South Jersey Physical Therapy of the Memorial Hospital of Salem County</i>

Community Health Systems, Inc. Subsidiaries
SUBSIDIARY LISTING

<u>Name of Corporation</u>	<u>Parent</u>	<u>State</u>	<u>Entity Type</u>	<u>Hospital or Related Business</u>
San Miguel Hospital Corporation Alta Vista Regional Hospital 104 Legion Drive Las Vegas, NM 87701 (San Miguel) San Miguel Hospital Corporation (NM)	CHS Holdings Corp.	NM	Material	<i>d/b/a Alta Vista Regional Hospital</i>
Shelbyville Hospital Corporation Bedford County Medical 845 Union Street Shelbyville, TN 37160 (Bedford) Shelbyville Hospital Corporation (TN)	CHS Holdings Corp.	TN	Material	<i>d/b/a: Bedford County Medical Center; Bedford County Medical Center Home Health; Wartrace Family Practice Clinic</i>
Sparta Hospital Corporation White County Community Hospital 401 Sewell Road Sparta, TN 38583 (White) Sparta Hospital Corporation (TN)	CHS Holdings Corp.	TN	Material	<i>d/b/a White County Community Hospital</i>
Sunbury Hospital Corporation Sunbury Community Hospital 350 N. Eleventh Street (P. O. Box 737) Sunbury, PA 17801 (Northumberland) Sunbury Hospital Corporation (PA)	CHS Holdings Corp.	PA	Material	<i>d/b/a Sunbury Community Hospital; Sunbury Community Hospital Skilled Nursing Facility; Sunbury Community Hospital Behavioral Health</i>
Tooele Hospital Corporation Mountain West Medical Center 2055 N. Main Tooele, UT 84074-2794 (Tooele) Tooele Hospital Corporation (UT)	CHS Holdings Corp.	UT	Material	<i>d/b/a Mountain West Medical Center; Mountain West Home Health Agency; Mountain West Private Care Agency; Mountain West Ambulance Service; Mountain West Medical Center Physical Therapy and Wellness Center of Tooele Valley; Mountain West Hospice</i>
Virginia Hospital Company, LLC	CHS/Community Health Systems, Inc.	VA	Material	Holds 99% membership interest in each of Petersburg Hospital Company, LLC and Petersburg Clinic Company, LLC
Watsonville Hospital Corporation Watsonville Community Hospital 75 Nielson Street Watsonville, CA 95076 (Santa Cruz) Watsonville Hospital Corporation (DE)	CHS Holdings Corp.	DE	Material	<i>d/b/a Watsonville Community Hospital; Prime Health at Home; The Monterey Bay Wound Treatment Center</i>

Community Health Systems, Inc. Subsidiaries
SUBSIDIARY LISTING

<u>Name of Corporation</u>	<u>Parent</u>	<u>State</u>	<u>Entity Type</u>	<u>Hospital or Related Business</u>
Waukegan Hospital Corporation	CHS Holdings Corp.	IL	Material	Owns 100% Waukegan Illinois Hospital Company, LLC
Waukegan Illinois Hospital Company, LLC	Waukegan Hospital Corporation	IL	Material	<i>d/b/a Vista Medical Center East; Vista Medical Center West; Vista Surgery Center; Vista Treatment Center; Vista MRI Institute; Vista Imaging Center; Vista Physical Medicine & Rehab; Vista Work Power Center; Vista Health System</i>
Vista Medical Center (includes East and West) 1324 N. Sheridan Road Waukegan, IL 60085 (Lake) Waukegan Illinois Hospital Company, LLC (IL)				
Weatherford Hospital Corporation	CHS Holdings Corp.	TX	Material	Owns 100% Weatherford Texas Hospital Company, LLC
Weatherford Texas Hospital Company, LLC	Weatherford Hospital Corporation	TX	Material	<i>d/b/a Weatherford Regional Medical Center, Weatherford Regional Medical Center Home Health</i>
Weatherford Regional Medical Center 713 E. Anderson Street Weatherford, TX 76086 (Parker) Weatherford Texas Hospital Company, LLC (TX)				
Webb Hospital Corporation	CHIC	DE	Material	General Partner (.0159%) of Laredo Texas Hospital Company, L.P.
Webb Hospital Holdings, LLC	Webb Hospital Corporation	DE	Material	Limited Partner (99%) of Laredo Texas Hospital Company, L.P.
West Grove Hospital Corporation	CHS Holdings Corp.	PA	Material	<i>d/b/a Jennersville Regional Hospital; Jennersville Regional Hospital Home Health Services; Jennersville Regional Hospital Hospice Program; HealthTech; Jennersville Pediatrics; Jennersville OB Associates; Home Health of Brandywine; Hospice of Brandywine</i>
Jennersville Regional Hospital 1015 West Baltimore Pike West Grove, PA. 19390 (Chester) West Grove Hospital Corporation (PA)				
Williamston Hospital Corporation	CHS Holdings Corp.	NC	Material	<i>d/b/a Martin General Hospital; Northeastern Primary Care Group; University Family Medicine Center; Roanoke Women's Healthcare; Martin General Health System</i>
Martin General Hospital 310 S. McCaskey Road Williamston, NC 27892 (Martin) Williamston Hospital Corporation (NC)				
Ambulance Services of Dyersburg, Inc.	CHS Holdings Corp.	TN	Non-Significant	<i>d/b/a Dyersburg Regional EMS</i>
Ambulance Services of Forrest City, LLC	Forest City Hospital Corporation	AR	Non-Significant	<i>d/b/a St. Francis County EMS</i>
Ambulance Services of Lexington, Inc.	CHS Holdings Corp.	TN	Non-Significant	<i>d/b/a Henderson County EMS</i>

Community Health Systems, Inc. Subsidiaries
SUBSIDIARY LISTING

<u>Name of Corporation</u>	<u>Parent</u>	<u>State</u>	<u>Entity Type</u>	<u>Hospital or Related Business</u>
Ambulance Services of McKenzie, Inc.	CHS Holdings Corp.	TN	Non-Significant	<i>d/b/a McKenzie Regional EMS</i>
Ambulance Services of McNairy, Inc.	CHS Holdings Corp.	TN	Non-Significant	<i>d/b/a McNairy Regional EMS</i>
Anna Clinic Corp.	Anna Hospital Corporation	IL	Non-Significant	Clinic Corp. <i>d/b/a Union County Family Medicine; Union County Surgical Services</i>
Barstow Healthcare Management, Inc.	CHS Holdings Corp.	CA	Non-Significant	Clinic Management Corp.
Berwick Clinic Company, LLC	CHS Berwick Hospital Corporation	DE	Non-Significant	Clinic Corp. <i>d/b/a Internal Medicine and Family Practice Associates; Neurology Specialties; Five Mountain Family Practice; Valley Endocrinology; Berwick Pediatrics; Berwick Medical Professionals; Susquehanna Valley Women's Health</i>
Berwick Clinic Corp.	CHS Holdings Corp.	PA	Non-Significant	Inactive
Berwick Home Health Private Care, Inc.	CHS Holdings Corp.	PA	Non-Significant	Inactive
Berwick Medical Professionals, P.C.	Richard Saylor, M.D. (via an Agreement with CHS Berwick Hospital Corporation)	PA	Non-Significant	Physician-owned captive PC (Pottstown physician)
BH Trans Corporation	Coatesville Hospital Corporation	PA	Non-Significant	EMS Services <i>d/b/a Medic 93; Sky Flightcare</i>
Brandywine Hospital Malpractice Assistance Fund, Inc.	Coatesville Hospital Corporation	PA	Non-Significant	Non-profit
Brownsville Clinic Corp.	CHS Holdings Corp.	TN	Non-Significant	Clinic Corp. <i>d/b/a Brownsville Women's Center; Brownsville Surgery Clinic</i>
Bullhead City Clinic Corp.	CHS Holdings Corp.	AZ	Non-Significant	Clinic Corp. <i>d/b/a Empire Urology Associates; Colorado River Women's Center; Mohave Surgical Associates of Arizona; Mohave Valley Specialty Center; Continental Divide Surgical Services</i>
Bullhead City Imaging Corporation	CHS Holdings Corp.	AZ	Non-Significant	Owns 51% of Mohave Imaging Center, LLC

Community Health Systems, Inc. Subsidiaries
SUBSIDIARY LISTING

<u>Name of Corporation</u>	<u>Parent</u>	<u>State</u>	<u>Entity Type</u>	<u>Hospital or Related Business</u>
Byrd Medical Clinic, Inc.	Hallmark Holdings Corp.	LA	Non-Significant	Clinic Corp. <i>d/b/a Byrd Regional Health Centers</i>
Central Alabama Physician Services, Inc.	CHS Holdings Corp.	AL	Non-Significant	Clinic Corp. <i>d/b/a L.V. Stabler Managed Services</i>
Centre Clinic Corp.	CHS Holdings Corp.	AL	Non-Significant	Clinic Corp.
Centre Home Care Corporation	CHS Holdings Corp.	AL	Non-Significant	Home Health Services <i>d/b/a Cherokee Home Health; Cherokee Hospice</i>
Centre RHC Corp.	CHS Holdings Corp.	AL	Non-Significant	RHC <i>d/b/a Cherokee Clinic</i>
Chesterfield Clinic Corp.	CHS Holdings Corp.	SC	Non-Significant	Clinic Corp. <i>d/b/a Palmetto Pediatrics; Cheraw Medical Associates; Reynolds Family Medicine; Chesterfield Family Medicine; Primary Care of Cheraw; Women's Health Specialists; Palmetto Orthopedics Practice</i>
Chestnut Hill Clinic Company, LLC	Chestnut Hill Health System, LLC	DE	Non-Significant	Clinic Corp. <i>d/b/a Chestnut Hill OB/GYN Associates; Penn Surgery at Chestnut Hill Hospital; Chestnut Hill Family Care Associates; Chestnut Hill Gynecology Oncology Associates; Chestnut Hill Maternal Fetal Medicine; Chestnut Hill Endocrinology, Diabetes and Metabolic Associates; Chestnut Hill Internal Medicine Associates; Springfield Medical Associates; Family Practice of Upper Dublin</i>
CHHS ALF Company, LLC	Chestnut Hill Health System, LLC	DE	Non-Significant	Assisted Living Facility <i>d/b/a Springfield Residence; Evergreen Adult Day Program</i>
CHHS Development Company, LLC	Chestnut Hill Health System, LLC	DE	Non-Significant	
CHHS Hospital Company, LLC	Chestnut Hill Health System, LLC	DE	Non-Significant	<i>d/b/a Chestnut Hill Hospital; Chestnut Hill Family Practice</i>

Community Health Systems, Inc. Subsidiaries
SUBSIDIARY LISTING

<u>Name of Corporation</u>	<u>Parent</u>	<u>State</u>	<u>Entity Type</u>	<u>Hospital or Related Business</u>
CHHS Rehab Company, LLC	Chestnut Hill Health System, LLC	DE	Non-Significant	<i>d/b/a Chestnut Hill Rehabilitation Hospital</i>
CHS Realty Holdings I, Inc.	CHS/Community Health Systems, Inc.	TN	Non-Significant	50% Partner of CHS Realty Holdings Joint Venture
CHS Realty Holdings II, Inc.	CHS/Community Health Systems, Inc.	TN	Non-Significant	50% Partner of CHS Realty Holdings Joint Venture
CHS Realty Holdings Joint Venture	CHS Realty Holdings I, Inc. — 50%	TN	Non-Significant	Joint Venture
	CHS Realty Holdings II, Inc. — 50%			Realty holdings (formed to acquire headquarters in Franklin, TN)
Cleveland Clinic Corp.	CHS Holdings Corp.	TX	Non-Significant	Clinic Corp. <i>d/b/a New Caney Clinic Inactive</i>
Cleveland Medical Clinic, Inc.	Hallmark Holdings Corp.	TN	Non-Significant	Clinic Corp. <i>d/b/a Physicians Plus; Westside Family Physicians; Cleveland Medical Group; Westside Internal Medicine; Westside Neurology Services; HealthWorks</i>
Cleveland PHO, Inc.	Hallmark Holdings Corp.	TN	Non-Significant	PHO
Coatesville Clinic Company, LLC	Coatesville Hospital Corporation	DE	Non-Significant	Clinic Corp. <i>d/b/a Surgical Associates of Chester County; Brandywine OB/Gyn Associates; Brandywine Valley Orthopedics; Oaklands Family Medicine; Brandywine Valley Internal Medicine; Brandywine Valley Family Medicine; Brandywine Valley Radiology</i>
Colonial Heights Imaging, LLC	Petersburg Hospital Company, LLC	VA	Non-Significant	
Community Health Care Partners, Inc.	CHS Holdings Corp.	MS	Non-Significant	
Community Health Network, Inc.	CHS Holdings Corp.	AL	Non-Significant	PPO Network

Community Health Systems, Inc. Subsidiaries
SUBSIDIARY LISTING

<u>Name of Corporation</u>	<u>Parent</u>	<u>State</u>	<u>Entity Type</u>	<u>Hospital or Related Business</u>
Community Health Systems Foundation (not-for-profit)	CHS/Community Health Systems, Inc.	TN	Non-Significant	Private foundation (charitable gifts)
Community Health Systems Professional Services Corporation	CHS/Community Health Systems, Inc.	DE	Non-Significant	Corporate Office Functions
Community Insurance Group, LTD.	CHS/Community Health Systems, Inc.	CI	Foreign	Offshore captive insurance company
Cottage Home Options, L.L.C.	In-Home Medical Equipment Supplies and Services, Inc. 40%	IL	Non-Significant	
Coventry Clinic Company, LLC	Pottstown Hospital Company, LLC	DE	Non-Significant	Clinic Corp. <i>d/b/a Pottstown Pathology Associates; Pottstown Psychiatric Associates; Pottstown Emergency Medicine Associates</i>
Crestview Surgery Center, L.P.	North Okaloosa Surgery Venture Corp.	TN	Non-Significant	<i>d/b/a Crestview Surgery Center</i>
Crossroads Community Hospital Malpractice Assistance Fund, Inc.	National Healthcare of Mt. Vernon, Inc.	IL	Non-Significant	Non-profit
Crossroads Physician Corp.	Hallmark Holdings Corp.	IL	Non-Significant	Clinic Corp. <i>d/b/a Crossroads Internal Medicine; Crossroads Urology; Crossroads Surgical Associates; Crossroads Family Associates; Crossroads Family Medicine of Nashville; Crossroads Family Medicine of Mt. Vernon; Crossroads Family Medicine of Salem; Crossroads Family Medicine of Wayne City; Crossroads Family Medicine of Benton; Crossroads Family Medicine of Okawville</i>
Cullman County Medical Clinic, Inc.	Hallmark Holdings Corp.	AL	Non-Significant	Clinic Corp. <i>d/b/a Woodland Physician Clinic</i>
Cullman Surgery Venture Corp.	Cullman Hospital Corporation	DE	Non-Significant	Owns 25% of Healthsouth/Woodlands Surgery Center of Cullman, LLC
Deming Clinic Corporation	CHS Holdings Corp.	NM	Non-Significant	Clinic Corp.

Community Health Systems, Inc. Subsidiaries
SUBSIDIARY LISTING

<u>Name of Corporation</u>	<u>Parent</u>	<u>State</u>	<u>Entity Type</u>	<u>Hospital or Related Business</u>
Dyersburg Clinic Corp.	CHS Holdings Corp.	TN	Non-Significant	Clinic Corp. <i>d/b/a Dyersburg Internal Medicine Clinic; Dyersburg Surgical Associates; Dyersburg Regional Women's Center; Ridgely Medical Clinic; Dyersburg Diabetes Clinic; Dyersburg Urology Clinic; Lauderdale Medical Clinic</i>
East Tennessee Clinic Corp.	Morristown Clinic Corp.	TN	Non-Significant	Clinic Corp.
East Tennessee Health Systems, Inc.	CHS Holdings Corp.	TN	Non-Significant	<i>d/b/a Scott County Hospital (terminated Operating Agreement effective 1/31/05)</i>
Easton Hospital Malpractice Assistance Fund, Inc.	Northampton Hospital Corporation	PA	Non-Significant	Non-profit
Edge Medical Clinic, Inc.	CHS Holdings Corp.	AL	Non-Significant	Clinic Corp. <i>(sold assets effective 3/31/05)</i>
Emporia Clinic Corp.	CHS Holdings Corp.	VA	Non-Significant	Clinic Corp. <i>d/b/a Gasburg Family Health Care; Primary Care of Brunswick County; South Central Virginia Pain Management; Emporia Surgical Clinic; Southern Virginia Medical Group; Southern Virginia Surgical Associates; Southern Virginia ENT and Cosmetics; Southern Virginia Internal Medicine & Nephrology; Southern Virginia Cardiology Center</i>
Eufaula Hospital Corporation	CHS Holdings Corp.	AL	Non-Significant	<i>d/b/a Lakeview Community Hospital; Lakeview Community Hospital Home Health Agency (sold assets effective 3/31/05)</i>
Eufaula Clinic Corp.	CHS Holdings Corp.	AL	Non-Significant	Clinic Corp. <i>(sold assets effective 3/31/05)</i>
Evanston Clinic Corp.	CHS Holdings Corp.	WY	Non-Significant	<i>d/b/a Wyoming Internal Medicine; Alpine Urology; Arrowhead Surgical Clinic</i>
Family Home Care, Inc.	Hallmark Holdings Corp.	TN	Non-Significant	Home Health Agency
Fannin Regional Orthopaedic Center, Inc.	CHS Holdings Corp.	GA	Non-Significant	Clinic Corp.

Community Health Systems, Inc. Subsidiaries
SUBSIDIARY LISTING

<u>Name of Corporation</u>	<u>Parent</u>	<u>State</u>	<u>Entity Type</u>	<u>Hospital or Related Business</u>
Farmington Clinic Company, LLC	Farmington Hospital Corporation	MO	Non-Significant	Clinic Corp. <i>d/b/a Mineral Area Physicians; Park Hills Primary Care; Fredericktown Primary Care; Farmington Primary Care; Bonne Terre Primary Care; Maple Valley Primary Care; Mineral Area Primary Care; Mineral Area Health Care</i>
Foley Clinic Corp.	CHS Holdings Corp.	AL	Non-Significant	Clinic Corp. <i>d/b/a Orange Beach Family Practice</i>
Foley Home Health Corporation	CHS Holdings Corp.	AL	Non-Significant	Home Health Services
Forrest City Clinic Company, LLC	Forest City Hospital Corporation	AR	Non-Significant	Clinic Corp.
Fort Payne Clinic Corp.	CHS Holdings Corp.	AL	Non-Significant	Clinic Corp. <i>d/b/a DeKalb Internal Medicine</i>
Fort Payne Home Care Corporation	CHS Holdings Corp.	AL	Non-Significant	Home Health Services <i>d/b/a DeKalb Regional Home Health</i>
Fort Payne RHC Corp.	CHS Holdings Corp.	AL	Non-Significant	RHC <i>d/b/a DeKalb Clinic</i>
Franklin Clinic Corp.	CHS Holdings Corp.	VA	Non-Significant	Clinic Corp. <i>d/b/a Southampton Medical Group; Courtland Medical Center; Holland Family Practice; Southampton Orthopaedic and Sports Medicine Center; Southampton Surgical Associates</i>
Galesburg Home Care Corporation	CHS Holdings Corp.	IL	Non-Significant	Home Health Services <i>d/b/a Midwest Regional Home Care; Option Care Midwest</i>
Galesburg In-Home Assistance, Inc.	CHS Holdings Corp.	IL	Non-Significant	Private Duty Nursing Services
Gateway Malpractice Assistance Fund, Inc.	Granite City Illinois Hospital Company, LLC	IL	Non-Significant	Non-profit
Gateway Medical Services, Inc.	CHS Holdings Corp.	FL	Non-Significant	MSO

Community Health Systems, Inc. Subsidiaries
SUBSIDIARY LISTING

<u>Name of Corporation</u>	<u>Parent</u>	<u>State</u>	<u>Entity Type</u>	<u>Hospital or Related Business</u>
Granbury Texas Hospital Investment Corporation	CHS Holdings Corp.	DE	Non-Significant	
Granite City Clinic Corp.	CHS Holdings Corp.	IL	Non-Significant	Clinic Corp. <i>d/b/a Gateway Vascular and Surgical Associates; Gateway Urological Associates; Women's Wellcare of Southwestern Illinois; Gateway Internal Medicine; Family Medicine Associates of Illinois; Gateway Surgical and Vein Care; Premiere Internal Medicine; The Center for Joint Therapy</i>
Granite City Orthopedic Physicians Company, LLC	Granite City Hospital Corporation	IL	Non-Significant	Clinic Corp. <i>d/b/a Illinois SW Orthopedics</i>
Granite City Physicians Corp.	CHS Holdings Corp.	IL	Non-Significant	Clinic Corp. <i>d/b/a Heartland Healthcare</i>
Greenville Clinic Corp.	CHS Holdings Corp.	AL	Non-Significant	Clinic Corp.
Harris Managed Services, Inc.	National Healthcare of Newport, Inc.	AR	Non-Significant	Clinic Corp. Inactive
Harris Medical Clinics, Inc.	CHS Holdings Corp.	AR	Non-Significant	Clinic Corp. <i>d/b/a Harris Internal Medicine Clinic; Harris Pediatric Clinic</i>
Hartselle Physicians, Inc.	CHS Holdings Corp.	AL	Non-Significant	Clinic Corp. <i>d/b/a Family Health of Hartselle</i>
Haven Clinton Medical Associates, LLC	Clinton Hospital Corporation	DE	Non-Significant	Clinic Corp.
Healthcare of Forsyth County, Inc.	Hallmark Holdings Corp.	GA	Non-Significant	Owns Real Estate and Land
Heartland Malpractice Assistance Fund, Inc.	Marion Hospital Corporation	IL	Non-Significant	Non-profit
Heartland Rural Healthcare, LLC	Memorial Management, Inc.	IL	Non-Significant	Clinic Corp.
Heartland Regional Health System, LLC	Marion Hospital Corporation	IL	Non-Significant	Pending Permitted Syndication

Community Health Systems, Inc. Subsidiaries
SUBSIDIARY LISTING

<u>Name of Corporation</u>	<u>Parent</u>	<u>State</u>	<u>Entity Type</u>	<u>Hospital or Related Business</u>
HEH Corporation	CHS Holdings Corp.	OH	Non-Significant	Aircraft & Operations <i>d/b/a HEH Nashville Corporation; CH Aviation</i>
Hidden Valley Medical Center, Inc.	CHS Holdings Corp.	GA	Non-Significant	Clinic Corp. <i>d/b/a Hidden Valley Medical Clinic-Blue Ridge; Hidden Valley Medical Clinic — Ellijay; Tri-County Women's Health; Blue Ridge Primary Care</i>
Highland Health Systems, Inc.	CHS Holdings Corp.	TX	Non-Significant	Inactive
Hill Regional Clinic Corp.	Hallmark Holdings Corp.	TX	Non-Significant	Clinic Corp. Inactive
Hill Regional Medical Group	NCHI of Hillsboro, Inc.	TX	Non-Significant	TX CNHO
Hood Medical Group	Community Health Investment Corporation	TX	Non-Significant	TX CNHO <i>d/b/a Brazos Medical and Surgical Clinic; Lake Granbury Primary Care; Lake Granbury Specialty Care; Lake Granbury Hospital Care</i>
Hood Medical Services, Inc.	CHS Holdings Corp.	TX	Non-Significant	Ambulance Inactive
Humble Texas Home Care Corporation	CHS Holdings Corp.	TX	Non-Significant	<i>d/b/a Homecare PRN</i>
INACTCO, Inc.	Hallmark Holdings Corp.	DE	Non-Significant	Surviving corporation for merged entities
In-Home Assistance, L.L.C.	In-Home Medical Equipment Supplies and Services, Inc. 40%	IL	Non-Significant	

Community Health Systems, Inc. Subsidiaries
SUBSIDIARY LISTING

<u>Name of Corporation</u>	<u>Parent</u>	<u>State</u>	<u>Entity Type</u>	<u>Hospital or Related Business</u>
In-Home Medical Equipment Supplies and Services, Inc.	Galesburg Hospital Corporation	IL	Non-Significant	Member of Cottage Home Options, L.L.C. (40%) and Cottage Rehabilitation and Sports Medicine, L.L.C. (50%)
Jackson Physician Corp.	CHS Holdings Corp.	KY	Non-Significant	Clinic Corp. <i>d/b/a Wolfe County Clinic; Beatyville Medical Clinic; Community Medical Clinic; Jackson Pediatrics Clinic; Jackson Women's Care Clinic; Jackson Urology; Jackson Foot and Ankle Clinic</i>
Jennersville Regional Hospital Malpractice Assistance Fund, Inc.	West Grove Hospital Corporation	PA	Non-Significant	Non-profit
Kay County Clinic Company, LLC	Kay County Hospital Corporation	OK	Non-Significant	Clinic Corp. <i>d/b/a Ponca City Anesthesia Associates; Ponca City Diagnostic Associates; Ponca City Behavioral Medicine Associates</i>
Kentucky River Physician Corporation	CHS Holdings Corp.	KY	Non-Significant	Primary Care Center <i>d/b/a Jackson Medical Clinic; Booneville Medical Clinic</i>
King's Daughters Malpractice Assistance Fund, Inc.	Washington Hospital Corporation	MS	Non-Significant	Non-profit; inactive
Kirksville Academic Medicine, LLC	Kirksville Hospital Corporation	MO	Non-Significant	Clinic corp. <i>d/b/a Academic Medicine</i>
Kirksville Clinic Corp.	CHS Holdings Corp.	MO	Non-Significant	Clinic corp. <i>d/b/a Northeast Regional Specialty Group; Women's Health Center</i>
Knox Clinic Corp.	CHS Holdings Corp.	IL	Non-Significant	Clinic Corp. <i>d/b/a Galesburg Internal Medicine; Pediatric Associates of Galesburg; Knoxville Clinic; Galesburg Children's Clinic; Galesburg Medical Arts Clinic; Galesburg Family Practice Clinic</i>

Community Health Systems, Inc. Subsidiaries
SUBSIDIARY LISTING

<u>Name of Corporation</u>	<u>Parent</u>	<u>State</u>	<u>Entity Type</u>	<u>Hospital or Related Business</u>
Lake Wales Clinic Corp.	CHS Holdings Corp.	FL	Non-Significant	Clinic Corp. <i>d/b/a Surgical Consultants of Central Florida; Cypresswood Family Clinic; Specialty Orthopedics of Central Florida; Polk Cardiology Associates; Neurodiagnostic & Sleep Center of Polk County</i>
Lancaster Clinic Corp.	CHS Holdings Corp.	SC	Non-Significant	Clinic Corp. <i>d/b/a Lancaster Pediatrics; Springs Healthcare; Lancaster Urgent Care Clinic</i>
Laredo Texas Home Care Services Company, L.P.	GP — Webb Hospital Corporation (1%); LP — Webb Hospital Holdings, LLC (99%)	TX	Non-Significant	Home Health & Hospice <i>d/b/a Laredo Medical Center Home Health; Laredo Medical Center Hospice; Laredo Home Medical Equipment; Laredo Home Infusion</i>
Lexington Clinic Corp.	CHS Holdings Corp.	TN	Non-Significant	Clinic Corp. <i>d/b/a Lexington Family Care Clinic; Lexington Internal Medicine; Lexington Internal Medicine Partners</i>
Lindenhurst Illinois Hospital Company, LLC	Waukegan Hospital Corporation	IL	Non-Significant	<i>d/b/a Vista Medical Center Lindenhurst</i>
Lock Haven Clinic Company, LLC	Clinton Hospital Corporation	DE	Non-Significant	Clinic Corp. <i>d/b/a Haven Orthopedic and Sports Medicine; Haven Surgical Associates; Haven Hospitalists Professionals; Haven Healthcare for Women</i>
Lock Haven Medical Professionals, P.C.	Richard Saylor, M.D. (via an Agreement with Clinton Hospital Corporation)	PA	Non-Significant	Physician-owned captive PC (Pottstown physician) <i>d/b/a Community Medical Care Associates</i>
Logan Hospital Corporation	CHS Holdings Corp.	WV	Non-Significant	Inactive
Logan, West Virginia Hospital Company, LLC	Logan Hospital Corporation	WV	Non-Significant	Inactive

Community Health Systems, Inc. Subsidiaries
SUBSIDIARY LISTING

<u>Name of Corporation</u>	<u>Parent</u>	<u>State</u>	<u>Entity Type</u>	<u>Hospital or Related Business</u>
Madison Clinic Corp.	CHS Holdings Corp.	TN	Non-Significant	Clinic Corp. <i>d/b/a Jackson Pediatric Center; Jackson Regional Surgery Center; Midsouth Surgical and Bariatrics; Regional Hospital Occ-Med Clinic; Regional Family Medicine; Eastside Primary Care; Medical Clinic of Henderson; Lexington Obstetrics and Gynecology; Regional Obstetrics and Gynecology; North Jackson Internal Medicine; Madison Surgical Clinic</i>
Marlboro Clinic Corp.	CHS Holdings Corp.	SC	Non-Significant	Clinic Corp. <i>d/b/a Pee Dee Pediatrics; Carolina Cardiology Associates; Marlboro Pediatrics and Allergy; Carolinas Surgical Associates; Women's Healthcare Specialists; Palmetto Orthopedics Practice</i>
Martin Clinic Corp.	CHS Holdings Corp.	TN	Non-Significant	Clinic Corp. <i>d/b/a Rural Health Associates of NW TN; Martin Pediatric Clinic; Martin Specialty Clinics; Union City Women's Specialty Clinic; Sharon Family Practice; Volunteer Physicians Center</i>
McKenzie Clinic Corp.	CHS Holdings Corp.	TN	Non-Significant	Clinic Corp. <i>d/b/a Family Medicine Clinic; West Carroll Medical Clinic</i>
McNairy Clinic Corp.	CHS Holdings Corp.	TN	Non-Significant	Clinic Corp.
Memorial Hospital of Salem Malpractice Assistance Fund, Inc.	Salem Hospital Corporation	NJ	Non-Significant	Non-profit
Memorial Management, Inc.	CHS Holdings Corp.	IL	Non-Significant	Clinic Corp. <i>d/b/a Heartland Community Health Center; Heartland Cardiovascular Surgeons; Internal Medicine of Southern Illinois; Heartland Cardiology Specialists; Delaney Clinic; Heartland Urology</i>
Mineral Area Pharmacy and Durable Medical Equipment, LLC	Farmington Hospital Corporation	MO	Non-Significant	Retail Pharmacy and DME
Moberly Medical Clinics, Inc.	CHS Holdings Corp.	MO	Non-Significant	Clinic Corp. <i>d/b/a Tri-County Medical Clinic; Shelbina Medical Clinic; Regional Medical Clinic; MPMC Clinic</i>

Community Health Systems, Inc. Subsidiaries
SUBSIDIARY LISTING

<u>Name of Corporation</u>	<u>Parent</u>	<u>State</u>	<u>Entity Type</u>	<u>Hospital or Related Business</u>
Moberly Physicians Corp.	CHS Holdings Corp.	MO	Non-Significant	Clinic Corp.
Morristown Clinic Corp.	CHS Holdings Corp.	TN	Non-Significant	Clinic Corp. <i>d/b/a Grainger County Family Medicine</i>
Morristown Professional Centers, Inc.	CHS Holdings Corp.	TN	Non-Significant	Real Estate
Morristown Surgery Center, LLC	Lakeway Hospital Corporation	TN	Non-Significant	Inactive
National Healthcare of England Arkansas, Inc.	Hallmark Holdings Corp.	AR	Non-Significant	Inactive
National Healthcare of Holmes County, Inc.	Hallmark Holdings Corp.	FL	Non-Significant	Inactive
North Okaloosa Clinic Corp.	CHS Holdings Corp.	FL	Non-Significant	Clinic Corp. <i>d/b/a Bluewater-Gateway Family Practice; Advanced Family Medicine Clinic</i>
North Okaloosa Home Health Corp.	CHS Holdings Corp.	FL	Non-Significant	Owens Home Health Agency <i>d/b/a Okaloosa Regional Home Health Services</i>
North Okaloosa Surgery Venture Corp.	North Okaloosa Medical Corp.	FL	Non-Significant	
Northampton Clinic Company, LLC	Northampton Hospital Corporation	DE	Non-Significant	Clinic Corp. <i>d/b/a Easton Area Obstetrics & Gynecology Associates; Easton Area Family Medicine Associates; Bethlehem Area Pediatric Associates; George M. Joseph, M.D. & Associates; Brighton Obstetrics & Gynecology; Cardiothoracic Surgeons of Easton; Monroe County Women's Health Center; Easton Community Care Center 4th Street; Easton Community Care Center 22nd Street; Sullivan Trail Family Care; Easton Pulmonary Medicine Associates</i>
Northampton Physician Services Corp.	CHS Holdings Corp.	PA	Non-Significant	Clinic Corp.

Community Health Systems, Inc. Subsidiaries
SUBSIDIARY LISTING

<u>Name of Corporation</u>	<u>Parent</u>	<u>State</u>	<u>Entity Type</u>	<u>Hospital or Related Business</u>
Northeast Medical Center, L.P.	Community LP Corp.-99.5%; Community GP Corp. - .5%	DE	Non-Significant	<i>d/b/a Northeast Medical Center; Northeast Medical Center Home Health</i> <i>(sold assets effective 3/31/05)</i>
Oak Hill Clinic Corp.	CHS Holdings Corp.	WV	Non-Significant	Clinic Corp. <i>d/b/a Plateau Surgical Associates; Plateau Cardio-Pulmonary Associates</i>
Olive Branch Clinic Corp.	CHS Holdings Corp.	MS	Non-Significant	Inactive
Olive Branch Hospital, Inc.	CHS Holdings Corp.	MS	Non-Significant	Inactive
Parkway Medical Clinic, Inc.	Hallmark Holdings Corp.	AL	Non-Significant	Clinic Corp.
Parkway Regional Medical Clinic, Inc.	CHS Holdings Corp.	KY	Non-Significant	Clinic Corp. <i>d/b/a Women's Wellness Center; Doctors Clinic of Family Medicine; South Fulton Family Clinic</i>
Payson Healthcare Management, Inc.	CHS Holdings Corp.	AZ	Non-Significant	<i>d/b/a Payson Regional Bone & Joint; Payson Pediatrics</i>
Pennsylvania Medical Professionals, P.C.	Richard Saylor, M.D. (via an Agreement with Pottstown Hospital Company, LLC)	PA	Non-Significant	Physician-owned captive PC <i>d/b/a Brandywine Hospitalist Group; Medical Specialists of Northampton; Pottstown Hospitalist Associates; Chestnut Hill Community Medical Associates; Chestnut Hill Hospital Care Associates</i>
Petersburg Clinic Company, LLC	Virginia Hospital Company, LLC — 99%; CHIC—1%	VA	Non-Significant	Clinic Corp. <i>d/b/a Southside Hospitalist Group; Southside Thoracic Surgery; Southside GI Specialists; Health Care Plus (Colonial Heights & Chesterfield); Southside General Surgery; Interventional Pain Specialists; Community Cardiology and Internal Medicine</i>
Phillips Clinic Corp.	CHS Holdings Corp.	AR	Non-Significant	Clinic Corp. <i>d/b/a Helena Medical Clinic</i>

Community Health Systems, Inc. Subsidiaries
SUBSIDIARY LISTING

<u>Name of Corporation</u>	<u>Parent</u>	<u>State</u>	<u>Entity Type</u>	<u>Hospital or Related Business</u>
Phoenixville Clinic Company, LLC	Phoenixville Hospital Company, LLC	DE	Non-Significant	Clinic Corp. <i>d/b/a Phoenixville Surgical Associates; Phoenix Family and Sports Medicine; Hematology/Oncology Associates of Phoenixville; Collegeville Primary Care</i>
Phoenixville Hospital Malpractice Assistance Fund, Inc.	Phoenixville Hospital Company, LLC	PA	Non-Significant	Non-profit
Physician Practice Support, Inc.	CHS Holdings Corp.	TN	Non-Significant	Employed Physician Collections
Plymouth Hospital Corporation	CHS Holdings Corp.	NC	Non-Significant	Inactive <i>(former as of 6/30/05 manager of Washington County Hospital, Plymouth, NC)</i>
Polk Medical Services, Inc.	CHS Holdings Corp.	TN	Non-Significant	Ambulance
Ponca City Home Care Services, Inc.	CHS Holdings Corp.	OK	Non-Significant	Home Health Services <i>d/b/a At Home Medical of Ponca City</i>
Porter Health Services, LLC	NWI Hospital Holdings, LLC	DE	Non-Significant	
Porter Physician Services, LLC	NWI Hospital Holdings, LLC	DE	Non-Significant	Clinic Corp.
Pottstown Clinic Company, LLC	Pennsylvania Hospital Company, LLC — 99%; Hallmark Healthcare Corporation — 1%	DE	Non-Significant	Clinic Corp. <i>d/b/a Coventry Family Care; Coventry Pediatrics; Berks Family Care; Coventry Family Care at the Court at Limerick; Coventry Hospitalists; Coventry Medical Group</i>
Pottstown Hospital Corporation	CHS Holdings Corp.	PA	Non-Significant	Inactive
Pottstown Imaging Company, LLC	Pennsylvania Hospital Company, LLC — 99%; Hallmark Healthcare Corporation — 1%	DE	Non-Significant	<i>d/b/a Pottstown Imaging Center</i>
Pottstown Memorial Malpractice Assistance Fund, Inc.	Pottstown Hospital Company, LLC	PA	Non-Significant	Non-profit

Community Health Systems, Inc. Subsidiaries
SUBSIDIARY LISTING

<u>Name of Corporation</u>	<u>Parent</u>	<u>State</u>	<u>Entity Type</u>	<u>Hospital or Related Business</u>
Professional Account Services Inc.	CHS Holdings Corp.	TN	Non-Significant	Hospital Collections <i>d/b/a Community Account Services, Inc. (only in the states of TX, AR, NM & CA)</i>
Red Bud Clinic Corp.	CHS Holdings Corp.	IL	Non-Significant	Clinic Corp. <i>d/b/a Red Bud Surgical Specialists; Red Bud Regional Family Health; Red Bud Regional Internal Medicine & Pediatrics; Red Bud Anesthesia Group; Red Bud Internal Medicine and Geriatrics</i>
River to River Heart Group, LLC	Memorial Management, Inc.	IL	Non-Significant	Clinic Corp.
River West Clinic Corp.	CHS Holdings Corp.	LA	Non-Significant	Clinic Corp. <i>d/b/a Westside Surgical Specialty Clinic</i>
Roswell Clinic Corp.	CHS Holdings Corp.	NM	Non-Significant	Clinic Corp. <i>d/b/a Ruidoso Family Care Center</i>
Roswell Community Hospital Investment Corporation	CHS Holdings Corp.	DE	Non-Significant	Inactive
Russell County Clinic Corp.	Russell County Medical Center, Inc.	VA	Non-Significant	Clinic Corp. <i>d/b/a Community Medical Care; Appalachian Urology Center; Generations Healthcare for Women; Lebanon Orthopedics; Lebanon Pediatrics; Appalachian Psychiatric Associates; Pinnacle Surgical Care</i>
Ruston Clinic Company, LLC	Ruston Hospital Corporation	DE	Non-Significant	Clinic Corp. <i>d/b/a OB/GYN Associates of Ruston; Lincoln Surgical Associates; La Femme Obstetrics and Gynecology</i>
Salem Clinic Corp.	CHS Holdings Corp.	NJ	Non-Significant	Clinic Corp. <i>d/b/a Children's Healthcare Center; South Jersey Family Care Center; Salem County Surgical Associates</i>

Community Health Systems, Inc. Subsidiaries
SUBSIDIARY LISTING

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Salem Medical Professionals, P.C.	Curtis Lockwood, D.O. (via an Agreement with Salem Hospital Corporation)	NJ	Non-Significant	Physician-owned captive PC (Salem physician) <i>d/b/a Children's Healthcare Center; South Jersey Family Care Center; Salem County Surgical Associates</i>
San Miguel Clinic Corp.	CHS Holdings Corp.	NM	Non-Significant	Clinic Corp. <i>d/b/a Alta Vista Surgical Specialists; Alta Vista Hospitalist Group; Alta Vista Urological Specialists; Rio Vista OB/Gyn</i>
Scenic Managed Services, Inc.	Big Springs Hospital Corporation	TX	Non-Significant	MSO
Senior Circle Association (not-for-profit)	CHS Holdings Corp.	TN	Non-Significant	Seniors' Organization
Shelbyville Clinic Corp.	CHS Holdings Corp.	TN	Non-Significant	Clinic Corp. <i>d/b/a Surgical Specialty Services; Shelbyville Pulmonary Services; Shelbyville Surgical Clinic; Shelbyville Women's Center</i>
SMMC Medical Group	Big Spring Hospital Corporation	TX	Non-Significant	TX CNHO
Southern Illinois Medical Care Associates, LLC	Memorial Management, Inc.	IL	Non-Significant	Clinic Corp.
Sunbury Clinic Company, LLC	Sunbury Hospital Corporation	DE	Non-Significant	Clinic Corp. <i>d/b/a Community Care Family Practice of Sunbury; Community Care Family Practice of Selinsgrove; Community Care Internal Medicine of Sunbury; Community Care Internal Medicine of Shamokin Dam; Community Care Pulmonary Medicine of Sunbury; Sunbury Anesthesia Group</i>

Community Health Systems, Inc. Subsidiaries
SUBSIDIARY LISTING

<u>Name of Corporation</u>	<u>Parent</u>	<u>State</u>	<u>Entity Type</u>	<u>Hospital or Related Business</u>
Three Rivers Medical Clinics, Inc.	CHS Holdings Corp.	KY	Non-Significant	Clinic Corp. <i>d/b/a Big Sandy Family Care</i>
Timberland Medical Group	Cleveland Regional Medical Center, L.P; Big Bend Hospital Corporation; Jourdanton Hospital Corporation	TX	Non-Significant	TX CNHO <i>d/b/a Big Bend Women's Health Center; Ear Nose & Throat Associates of Texas; Big Bend Surgical Associates; Aledo Primary Care Clinic</i>
Tooele Clinic Corp.	CHS Holdings Corp.	UT	Non-Significant	Clinic Corp. <i>d/b/a Mountain West Surgical Service Associates; Mountain West Internal Medicine and Women's Health; Mountain West OB/GYN Clinic; Oquirrh Surgical Services; Deseret Peak Women's Center; Stansbury Family Medicine</i>
Troy Hospital Corporation	CHS Holdings Corp.	AL	Non-Significant	<i>d/b/a Troy Regional Medical Center, Edge Regional Medical Center</i> <i>(sold assets effective 3/31/05)</i>
Washington Clinic Corp.	CHS Holdings Corp.	MS	Non-Significant	Clinic Corp. <i>d/b/a Occupational Health Services Clinic</i> <i>(sold assets effective 3/31/05)</i>
Washington Hospital Corporation	CHS Holdings Corp.	MS	Non-Significant	<i>d/b/a The King's Daughters Hospital; The King's Daughters Hospital Skilled Nursing Facility; Leland Rural Health Clinic; Greenville Rural Health Clinic</i> <i>(sold assets effective 3/31/05)</i>
Washington Physician Corp.	CHS Holdings Corp.	MS	Non-Significant	Clinic Corp. <i>d/b/a The Women's Clinic at The King's Daughters Hospital; The King's Daughters Anesthesia Group; The King's Daughters Gastroenterology Group</i> <i>(sold assets effective 3/31/05)</i>
Waukegan Clinic Corp.	Waukegan Hospital Corporation	IL	Non-Significant	Clinic Corp.

Community Health Systems, Inc. Subsidiaries
SUBSIDIARY LISTING

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Waukegan Hospice Corp.	Waukegan Hospital Corporation	IL	Non-Significant	<i>d/b/a Star Hospice of Vista Health</i>
West Grove Clinic Company, LLC	West Grove Hospital Corporation	DE	Non-Significant	Clinic Corp. <i>d/b/a Jennersville Surgical Associates; Jennersville Orthopaedics & Sports Medicine; Jennersville Hospitalist Associates; Jennersville Gastroenterology Associates</i>
Western Arizona Regional Home Health and Hospice, Inc.	CHS Holdings Corp.	AZ	Non-Significant	Owens Home Health Agency <i>d/b/a Mohave Home Health; Mohave Hospice</i>
White County Physician Services, Inc.	CHS Holdings Corp.	TN	Non-Significant	Clinic Corp. <i>d/b/a Doyle Medical Clinic; White County Medical Associates; White County Women's Healthcare; White County Pediatrics and Internal Medicine; American Ear, Nose & Throat; Center for Digestive Healthcare; Center for Urologic Care; Pulmonology Associates of White County</i>
Wichita Falls Texas Home Care Corporation	CHS Holdings Corp.	TX	Non-Significant	<i>d/b/a North Texas Home Health</i>
Wichita Falls Texas Private Duty Corporation	CHS Holdings Corp.	TX	Non-Significant	<i>d/b/a Carepartners</i>
Williamston Clinic Corp.	CHS Holdings Corp.	NC	Non-Significant	Clinic Corp. <i>d/b/a University Family Medicine Center; Northeastern Primary Care Group; Roanoke Women's Healthcare; Coastal Pulmonary Clinic of Williamston; Roanoke Orthopedics</i>
Women's Health Care Associates of Phoenixville, LLC	Phoenixville Hospital Company, LLC	DE	Non-Significant	Clinic Corp.
Arusha LLC	Coatesville Hospital Corporation 65%	PA	Permitted Joint Venture Subsidiary	<i>d/b/a The Surgery Center of Chester County</i> 12 physician investors own 35%
Carolina Surgery Center, LLC	Lancaster Hospital Corporation 50.88%	SC	Permitted Joint Venture Subsidiary	Joint Venture 14 physician investors own 49.12%
Chestnut Hill Health System, LLC	CHHS Holdings, LLC 85%	DE	Permitted Joint Venture Subsidiary	Joint Venture The Trustees of the University of Pennsylvania (15%)

Community Health Systems, Inc. Subsidiaries
SUBSIDIARY LISTING

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Cottage Rehabilitation and Sports Medicine, L.L.C.	In-Home Medical Equipment Supplies and Services, Inc. 50%	IL	Permitted Joint Venture Subsidiary	Joint Venture (acquired in a Permitted Acquisition)
Crestview Professional Condominiums Association, Inc.	Crestview Hospital Corporation 66.402%	FL	Permitted Joint Venture Subsidiary	Not-for-profit condominium association. Kalliope Zachos (wife of Tom Zachos, M.D.) — 12.145% West Florida Medical Centers, Inc. (HCA) — 21.453%
Diagnostic Imaging Management of Brandywine Valley, LLC	Coatesville Hospital Corporation 50%	PA	Permitted Joint Venture Subsidiary	Member of Diagnostic Imaging of Brandywine Valley, LP Physicians of Brandywine Valley, LLC (50%)
Diagnostic Imaging of Brandywine Valley, LP	Diagnostic Imaging Management of Brandywine Valley, LLC — GP 1%	PA	Permitted Joint Venture Subsidiary	Joint Venture Imaging Center Coatesville Hospital Corporation — LP (49.5%) Physicians of Brandywine Valley, LLC — LP (49.5%)
Edwardsville Ambulatory Surgery Center, LLC	Granite City Illinois Hospital Company, LLC 70.15%	IL	Permitted Joint Venture Subsidiary	ASC; (acquired in a Permitted Acquisition)
Healthsouth/Woodlands Surgery Center of Cullman, LLC	Cullman Surgery Venture Corp. 25%	AL	Minority Interest Entity	Joint Venture Surgery Center Cullman Outpatient Surgery, LLC (50%) Healthsouth S.C. of Cullman, Inc. (25%)
HealthTrust Purchasing Group, L.P.	CHS/Community Health Systems, Inc.	DE	Minority Interest Entity	5.56% limited partner interest
Lancaster Imaging Center, LLC	Lancaster Hospital Corporation 51%	SC	Permitted Joint Venture Subsidiary	Mark Langdon, M.D. (49%)
Leesville Diagnostic Center, L.P.	National Healthcare of Leesville, Inc. 51%	DE	Permitted Joint Venture Subsidiary	Joint Venture Imaging Center with 26 physician investors (49%)
Leesville Surgery Center, LLC	National Healthcare of Leesville, Inc. 59.43%	DE	Permitted Joint Venture Subsidiary	Joint Venture Surgery Center with 18 physician investors (40.57%)

Community Health Systems, Inc. Subsidiaries
SUBSIDIARY LISTING

<u>Name of Corporation</u>	<u>Parent</u>	<u>State</u>	<u>Entity Type</u>	<u>Hospital or Related Business</u>
Mohave Imaging Center, LLC	Bullhead City Imaging Corporation 51%	AZ	Permitted Joint Venture Subsidiary	Colorado River Radiology, P.C. 49% (Dr. Lash)
New Concepts Open MRI, LLC	Kirkville Missouri Hospital Company, LLC 60%	MO	Syndication Subsidiary	Joint Venture (MRI) with Dr. Adams (40%)
Peerless Healthcare, LLC	Cleveland Hospital Corporation	TN	Non-significant	Owens land for future development
Riverside MSO, LLC	Martin Clinic Corp. 26.93%	TN	Minority Interest Entity	17 physician investors hold 3.8457% each Jackson Clinic, P.A. holds 7.6914%
Silver Creek MRI, LLC	Bullhead City Imaging Corporation 51%	AZ	Permitted Joint Venture Subsidiary	Colorado River Radiology, P.C. 49% (Dr. Lash)
Southern Chester County Medical Building I	West Grove Hospital Corporation 32.957%	PA	Minority Interest Entity	Joint Venture; acquired in a Permitted Acquisition
Southern Chester County Medical Building II	West Grove Hospital Corporation 41.1766%	PA	Minority Interest Entity	Joint Venture acquired in a Permitted Acquisition
The Surgery Center of Salem County, L.L.C.	Salem Hospital Corporation 80%	NJ	Permitted Joint Venture Subsidiary	Joint Venture (ASC); 50% (acquired in a Permitted Acquisition); 30% (acquired as an investment)
Western Illinois Kidney Center, L.L.C.	Galesburg Hospital Corporation 50%	IL	Permitted Joint Venture Subsidiary	Joint Venture (acquired in a Permitted Acquisition)
Bullhead City Hospital Investment Corporation	CHS Holdings Corp.	DE	Permitted Syndication Subsidiary	98.04% of stock is owned owns Bullhead City Hospital Corporation

Community Health Systems, Inc. Subsidiaries
SUBSIDIARY LISTING

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Kirksville Missouri Hospital Company, LLC	Kirksville Hospital Corporation	MO	Permitted Syndication Subsidiary	82% of equity is owned <i>d/b/a Northeast Regional Medical Center</i> Northeast Home Health Services; Northeast Regional Health and Fitness Center; Northeast Regional Health System; Family Health Center of Edina; A.T. Still Rehabilitation Center
Lake Wales Hospital Investment Corporation	CHS Holdings Corp.	FL	Permitted Syndication Subsidiary	94.11% of stock is owned owns Lake Wales Hospital Corporation
Lake Wales Medical Center 410 South 11th Street Lake Wales, FL 33853 (Polk) Lake Wales Hospital Corporation (FL)				
Laredo Texas Hospital Company, L.P.	GP — Webb Hospital Corporation (.0159%); LP — Webb Hospital Holdings, LLC (95.1316%)	TX	Permitted Syndication Subsidiary	95.14575% owned <i>d/b/a Laredo Medical Center; LMC Ambulatory Care Center— North; LMC Outpatient Diagnostic Center; LMC Lamar Bruni Vergara Rehabilitation Center; LMC Child Care Center; LMC Outpatient Diagnostic Center — South; Zapata Minor Care Center; Zapata EMS; Zapata Medical Center</i>
North Okaloosa Medical Corp. North Okaloosa Medical Center 151 Redstone Avenue, S.E. Crestview, FL 32539-6026 (Okaloosa) Crestview Hospital Corporation (FL)	CHS Holdings Corp.	FL	Permitted Syndication Subsidiary	95.31% of stock owned owns Crestview Hospital Corporation
Northwest Indiana Health System, LLC	NWI Hospital Holdings, LLC	DE	Permitted Syndication Subsidiary	Permitted Syndication Transaction (see Schedule 6.05(b)) owns 100% of Porter Hospital, LLC
Bullhead City Hospital Corporation	Bullhead City Hospital Investment Corporation	AZ	Subsidiary of Permitted Syndication Subsidiary	<i>d/b/a Western Arizona Regional Medical Center; Western Arizona Regional Medical Center Home Health Agency; Western Arizona Regional Medical Center Hospice; W.A.R.M.C. Imaging Center</i>
Western Arizona Regional Medical Center 2735 Silver Creek Road Bullhead City, AZ 86442 (Mohave) Bullhead City Hospital Corporation (AZ)				

Community Health Systems, Inc. Subsidiaries
SUBSIDIARY LISTING

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Crestview Hospital Corporation	North Okaloosa Medical Corp.	FL	Subsidiary of Permitted Syndication Subsidiary	<i>d/b/a North Okaloosa Medical Center; North Okaloosa Medical Center Home Health; Gateway Medical Clinic; Hospitalist Services of Okaloosa County; Baker Clinic; Baker Medical Clinic; Gateway Medical Clinic — Baker; Bluewater Bay Medical Center; North Okaloosa Medical Center — Transitional Care Unit</i>
Lake Wales Hospital Corporation	Lake Wales Hospital Investment Corporation	FL	Subsidiary of Permitted Syndication Subsidiary	<i>d/b/a Lake Wales Medical Centers</i>
Porter Hospital, LLC	Northwest Indiana Health System, LLC	DE	Subsidiary of Permitted Syndication Subsidiary	

Triad Healthcare Corporation (f/k/a Triad Hospitals, Inc.) Subsidiaries
SUBSIDIARY LISTING

<u>NAME/FEIN</u>	<u>STATE AND DATE</u>	<u>PARENT</u>	<u>ENTITY TYPE</u>	<u>HOSPITAL DBA</u>
5300 Grand Limited Partnership 73-1306794	Oklahoma	[Deaconess Hospital Holdings, LLC (1% GP and 68% LP)]	Permitted Joint Venture Subsidiary	
A Woman's Place, LLC 47-0890486	Delaware 10/2/02	Carolinas Medical Alliance, Inc.	Non-Significant Subsidiary	
Abilene Hospital, LLC 46-0496920	Delaware 8/23/02	Abilene Merger, LLC	Material	
Abilene Merger, LLC 46-0496918	Delaware 8/23/02	Triad Holdings V, LLC (Formerly Quorum, Inc.)	Material	
Affinity Health Systems, LLC 20-3391769	Delaware 8/30/05	Birmingham Holdings, LLC	Permitted Joint Venture Subsidiary	Owns 100% Affinity Hospital, LLC
Affinity Hospital, LLC 20-3391873	Delaware 8/30/05	Affinity Health Systems, LLC	Permitted Joint Venture Subsidiary	Trinity Medical Center (Birmingham, AL)
Affinity Physician Services, LLC 20-3391830	Delaware 8/30/05	Affinity Health Systems, LLC	Permitted Joint Venture Subsidiary	
Alaska Physician Services, LLC 37-1476579	Delaware 9/26/03	Mat-Su Valley Medical Center, LLC	Permitted Joint Venture Subsidiary	
Alice Hospital, LLC 62-1762534	Delaware 11/9/98	APS Medical, LLC	Inactive	
Alice Surgeons, LLC 62-1762533	Delaware 11/9/98	APS Medical, LLC	Inactive	
American Health Facilities Development, LLC 62-1744953	Delaware 7/1/98	Quorum Health Resources, LLC	Non-Significant Subsidiary	
Anesthesiology Group of Hattiesburg, LLC 62-1762423	Delaware 9/16/03	QHG of Hattiesburg, Inc.	Non-Significant Subsidiary	
APS Medical, LLC 62-1769684	Delaware 2/3/99	Tennyson Holdings, Inc.	Non-Significant Subsidiary	

Triad Healthcare Corporation (f/k/a Triad Hospitals, Inc.) Subsidiaries
SUBSIDIARY LISTING

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Arizona ASC Management, Inc. 62-1606155	Arizona 4/4/95	Triad Holdings, III	Non-Significant Subsidiary	
Arizona DH, LLC 91-2065656	Delaware 7/6/2000	Triad Holdings III, LLC	Material	
Arizona Medco, LLC 62-1769646	Delaware 2/3/99	Tennyson Holdings, Inc.	Permitted Joint Venture Subsidiary	
ARMC, LP 46-0496933	Delaware 8/23/02	Triad-ARMC, LLC — GP (1%) Abilene Hospital, LLC — LP (99%)	Material	Abilene Regional Medical Center, Abilene, TX
Augusta Health System, LLC 20-5112273	Delaware 6/22/06	CSRA Holdings, LLC (65.16%)	Permitted Syndication Subsidiary	
Augusta Hospital, LLC 20-5112383	Delaware 6/22/06	Augusta Health System, LLC	Subsidiary of Permitted Syndication Subsidiary	Trinity Hospital of Augusta, Augusta, GA
Augusta Physician Services, LLC 20-5112086	Delaware 6/22/06	CSRA, LLC	Non-Significant Subsidiary	
Barberton Health System, LLC 34-1840858	Delaware 9/12/96	QHG of Barberton, Inc. — 93.5%	Permitted Joint Venture Subsidiary	Barberton Citizens Hospital, Barberton, OH
Barberton Physician Services, LLC 48-0890496	Delaware 10/2/02	Barberton Health System, LLC	Permitted Joint Venture Subsidiary	
Beauco, LLC 62-1771881	Delaware 2/3/99	Tennyson Holdings, Inc.	Inactive	
Beaumont Medical Center, L.P. 62-1762518	Delaware 11/17/98	Beaumont Regional, LLC — GP (1%) Hospital of Beaumont, LLC — LP (99%)	Inactive	
Beaumont Regional, LLC 62-1762517	Delaware 11/9/98	Beauco, LLC	Inactive	
Birmingham Holdings, LLC 20-3320362	Delaware 8/11/05	Triad Holdings V, LLC	Material	

Triad Healthcare Corporation (f/k/a Triad Hospitals, Inc.) Subsidiaries
SUBSIDIARY LISTING

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Bluffton Health System, LLC 62-1792272	Delaware 11/16/99	QHG of Bluffton, Inc. — 99% Frankfort Health Partner, Inc. — 1%	Material	Bluffton Regional Medical Center, Bluffton, IN
Bluffton Physician Services, LLC 20-3904383	Delaware 12/1/05	QHG of Bluffton, Inc.	Non-Significant Subsidiary	
Brazos Medco, LLC 62-1771852	Delaware 2/3/99	Tennyson Holdings, Inc.	Non-Significant Subsidiary	
Brazos Valley of Texas, L.P. 62-1766951	Delaware 12/22/98	Brazos Valley Surgical Center, LLC — GP (1%) BVSC, LLC — LP (99%)	Non-Significant Subsidiary	
Brazos Valley Surgical Center, LLC 62-1766953	Delaware 12/22/98	Brazos Medco, LLC	Non-Significant Subsidiary	
Broken Arrow Medical Group, LLC 20-4541066	Delaware 3/20/06	Triad-South Tulsa Hospital Company, Inc.	Non-Significant Subsidiary	
Brownwood Hospital, L.P. 62-1762521	Delaware 11/19/98	Brownwood Medical Center, LLC — GP (1%) Medical Center of Brownwood, LLC — LP (99%)	Material	Brownwood Regional Medical Center, Brownwood, TX
Brownwood Medical Center, LLC 62-1762523	Delaware 11/9/98	Southern Texas Medical Center, LLC	Material	
BVSC, LLC 62-1766949	Delaware 12/22/98	Brazos Medco, LLC	Non-Significant Subsidiary	
Carlsbad Medical Center, LLC 62-1762526	Delaware 11/9/98	Tennyson Holdings, Inc.	Material	Carlsbad Medical Center, Carlsbad, NM
Carolinas Medical Alliance, Inc. 62-1671678	South Carolina 1/23/97	Triad Holdings V, LLC	Non-Significant Subsidiary	
Carolinas OB/GYN Medical Group, LLC 47-0890495	Delaware 10/2/02	Carolinas Medical Alliance, Inc.	Non-Significant Subsidiary	
Cedar Park Health System, L.P. 20-3904667	Delaware 12/6/05	CP Hospital GP, LLC — GP (1%) CPLP, LLC — LP (79%)	Permitted Joint Venture Subsidiary	Cedar Park Regional Medical Center, Cedar Park, TX (under construction summer 2007)

Triad Healthcare Corporation (f/k/a Triad Hospitals, Inc.) Subsidiaries
SUBSIDIARY LISTING

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Central Arkansas Anesthesia Services, LLC 20-3234513	Delaware 7/26/05	Searcy Holdings, LLC	Inactive	
Central Arkansas Pharmacy, LLC 81-0572897	Delaware 4/6/99	Searcy Holdings, LLC	Inactive	
Central Arkansas Physician Services, LLC 62-1769627	Delaware 10/20/03	Searcy Holdings, LLC	Inactive	
Central Arkansas Real Property, LLC 62-1767888	Delaware 1/27/99	Tennyson Holdings, Inc.	Inactive	
Claremore Anesthesia, LLC 52-2379856	Delaware 10/2/02	Claremore Regional Hospital, LLC	Non-Significant Subsidiary	
Claremore Diagnostic Center, LLC 71-0906513	Delaware 6/8/04	Claremore Regional Hospital, LLC	Non-Significant Subsidiary	
Claremore Internal Medicine, LLC 52-2379870	Delaware 10/02/02	Triad Holdings IV, LLC	Non-Significant Subsidiary	
Claremore Physicians, LLC 62-1772261	Delaware 3/2/99	Triad Holdings IV, LLC	Non-Significant Subsidiary	
Claremore Regional Hospital, LLC 62-1757649	Delaware 10/15/98	Triad Holdings IV, LLC	Material	Claremore Regional Hospital, Claremore, OK
Clarksville Health System, G.P. 20-3500835	Delaware 9/19/05	Clarksville Holdings, LLC — 80%	Permitted Joint Venture Subsidiary	Gateway Health System, Clarksville, TN
Clarksville Holdings, LLC 20-3320418	Delaware 8/11/05	River Region Medical Corporation	Material	
Clarksville Physician Services, G.P. 20-3500913	Delaware 9/19/05	Clarksville Holdings, LLC — 80%	Permitted Joint Venture Subsidiary	

Triad Healthcare Corporation (f/k/a Triad Hospitals, Inc.) Subsidiaries
SUBSIDIARY LISTING

NAME/FEIN	STATE AND DATE	PARENT	ENTITY TYPE	HOSPITAL DBA
Clinico, LLC 62-1771864	Delaware 2/3/99	Triad Holdings IV, LLC	Inactive	
Clinton County Health System, LLC 52-2024217	Delaware 2/28/97	QHG of Clinton County, Inc. — 99% Frankfort Health Partners, Inc. — 1%	Inactive	
C-OK, LLC 81-0572900	Delaware 3/31/99	Tennyson Holdings, Inc.	Non-Significant Subsidiary	
College Station Hospital, L.P. 62-1762360	Delaware 11/17/98	College Station Medical Center, LLC — GP (1%) CSMC, LLC — LP (99%)	Material	College Station Medical Center, College Station, TX
College Station Medical Center, LLC 62-1762359	Delaware 11/9/98	College Station Merger, LLC	Material	
College Station Merger, LLC 62-1771861	Delaware 2/3/99	Tennyson Holdings, Inc.	Material	
Coronado Hospital, LLC 62-1762361	Delaware 11/9/98	Coronado Medical, LLC	Inactive	
Coronado Medical, LLC 62-1769696	Delaware 2/3/99	Tennyson Holdings, Inc.	Inactive	
CP Hospital GP, LLC 20-3904557	Delaware 12/6/05	Tennyson Holdings, LLC	Material	
CPLP, LLC 20-3904614	Delaware 12/6/05	Tennyson Holdings, LLC	Material	
Crestwood Healthcare, L.P. 62-1647983	Delaware 4/23/96	Crestwood Hospital, LLC — GP (20.02%) Crestwood Hospital LP, LLC — LP (60.35%)	Permitted Syndication Subsidiary	Crestwood Medical Center, Huntsville, AL
Crestwood Hospital, LLC 62-1769644	Delaware 2/3/99	Triad Holdings III, LLC	Material	
Crestwood Hospital LP, LLC 62-1762369	Delaware 11/9/98	Crestwood Hospital, LLC	Material	

Triad Healthcare Corporation (f/k/a Triad Hospitals, Inc.) Subsidiaries
SUBSIDIARY LISTING

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Crestwood Surgery Center, LLC 20-3254140	Delaware 4/29/05	Crestwood Healthcare, LP	Subsidiary of Permitted Syndication Subsidiary	
Crossroads Healthcare Management, LLC 74-2813578	Texas 1/23/97	VHC Holding, LLC 55.5%	Permitted Joint Venture Subsidiary	
CSDS, LLC 75-2828352	Delaware 4/23/99	Triad Holdings III, LLC	Non-Significant Subsidiary	
CSMC, LLC 62-1762362	Delaware 11/9/98	College Station Merger, LLC	Material	
CSRA Holdings, LLC 20-5111915	Delaware 6/22/06	QHG Georgia Holdings, Inc.	Material	
Dallas Physician Practice, L.P. 62-1771848	Delaware 2/2/99	DFW Physerv, LLC — GP (1%) Dallas Phy Service, LLC — LP (99%)	Non-Significant Subsidiary	
Dallas Phy Service, LLC 62-1769544	Delaware 2/2/99	Tennyson Holdings, Inc. (94.87%)	Non-Significant Subsidiary	
Day Surgery, Inc. 48-0813816	Kansas 4/6/74	Triad Holdings III, LLC	Inactive	
Deaconess Health System, LLC 20-2257411	Delaware 1/28/05	Deaconess Hospital Holdings, LLC — 88.96%	Permitted Syndication Subsidiary	Deaconess Hospital, Oklahoma City, OK
Deaconess Holdings, LLC 47-0890490	Delaware 10/2/02	Triad Holdings IV, LLC	Material	
Deaconess Hospital Holdings, LLC 20-2401268	Delaware 2/25/05	Deaconess Holdings, LLC — 80%	Material	
Deaconess Metropolitan Physicians, LLC 20-5438965	Delaware 8/14/06	Deaconess Hospital Holdings, LLC	Non-Significant Subsidiary	

Triad Healthcare Corporation (f/k/a Triad Hospitals, Inc.) Subsidiaries
SUBSIDIARY LISTING

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Deaconess Physician Services, LLC 20-2257462	Delaware 1/31/05	Deaconess Hospital Holdings, LLC	Non-Significant Subsidiary	
Denton ASC — GP, LLC 47-0926558	Delaware 8/8/03	TTHR Limited Partnership	Permitted Joint Venture Subsidiary	
Denton Surgery Center, L.P. 47-0926556	Delaware 8/8/03	Denton ASC-GP, LLC — GP (1.16%) TTHR Limited Partnership — LP (88.4%)	Permitted Joint Venture Subsidiary	
DeQueen Regional I, LLC 75-2849010	Delaware 11/24/99	Triad Holdings III, LLC	Inactive	
Desert Hospital Holdings, LLC 20-8111921	Delaware 12/20/06	Tennyson Holdings, Inc.	Material	
Detar Hospital, LLC 62-1764943	Delaware 9/23/98	VHC Medical, LLC	Material	
DFW Physerv, LLC 62-1771842	Delaware 2/2/99	Tennyson Holdings, Inc.	Non-Significant Subsidiary	
DHSC, LLC 20-2871473	Delaware 5/19/05	Massillon Community Health System, LLC	Permitted Joint Venture Subsidiary	Affinity Medical Center — Doctors Campus, Massillon, OH
Doctors Hospital Physician Services, LLC 55-0799022	Delaware 10/2/02	Massillon Health System, LLC	Permitted Joint Venture Subsidiary	
Doctors Medical Center, LLC 62-1762365	Delaware 11/9/98	Mid-Plains, LLC	Inactive	
Doctors of Laredo, LLC 62-1762366	Delaware 11/9/98	Mid-Plains, LLC	Inactive	
Douglas Medical Center, LLC 62-1762367	Delaware 11/9/98	Tennyson Holdings, Inc.	Inactive	
Dukes Health System, LLC 52-2379885	Delaware 10/2/02	QHG of Clinton County, Inc.	Material	Dukes Memorial Hospital, Peru, IN

Triad Healthcare Corporation (f/k/a Triad Hospitals, Inc.) Subsidiaries
SUBSIDIARY LISTING

<u>NAME/FEIN</u>	<u>STATE AND DATE</u>	<u>PARENT</u>	<u>ENTITY TYPE</u>	<u>HOSPITAL DBA</u>
Dukes Physician Services, LLC 52-2379890	Delaware 10/2/02	QHG of Clinton County, Inc.	Non-Significant Subsidiary	
Dupont Hospital, LLC 62-1801445	Delaware 11/9/99	St. Joseph Health System, LLC — 72.03%	Permitted Syndication Subsidiary	Dupont Hospital, Fort Wayne, IN
E.D. Clinics, LLC 62-1762068	Delaware 11/19/98	Arizona Medco, LLC	Inactive	
EL Med, LLC (Formerly EL Dorado Medical Center, LLC) 62-1754930	Delaware 9/23/98	Arizona Medco, LLC	Non-Significant Subsidiary	
EI Dorado Surgery Center, L.P. 85-0474225	Delaware 10/3/00	Samaritan Surgicenters of Arizona II, L.L.C. — GP (62.152%)	Permitted Joint Venture Subsidiary	
Eye Institute of Southern Arizona, LLC 62-1772259	Delaware 3/2/99	Tennyson Holdings, Inc.	Non-Significant Subsidiary	Arizona — forced d/b/a SA Eye Institute, LLC
Fairmont Health System, LLC 62-1772323	Delaware 2/16/99	Triad Holdings IV, LLC	Inactive	
Florence ASC Management, LLC 62-1771847	Delaware 2/3/99	QHG of South Carolina, Inc.	Non-Significant Subsidiary	
Fort Wayne Surgery Center, LLC	Indiana	Dupont Hospital, LLC	Permitted Joint Venture Subsidiary	
Frankfort Health Partner, Inc. 35-2009540	Indiana 3/3/97	Triad Holdings V, LLC	Material	
Gadsden Regional Medical Center, LLC 63-1102774	Delaware 1/1/07	GRMC Holdings, LLC	Material	Gadsden Regional Medical Center, Gadsden, AL
Gadsden Regional Primary Care, LLC 63-1141940	LLC — Alabama filed 12/27/06 Effective 1/1/07	Triad Holdings V, LLC	Non-Significant Subsidiary	Formerly an Inc. — Alabama 3/31/95 Inc. was dissolved in Alabama 12/27/06

Triad Healthcare Corporation (f/k/a Triad Hospitals, Inc.) Subsidiaries
SUBSIDIARY LISTING

<u>NAME/FEIN</u>	<u>STATE AND DATE</u>	<u>PARENT</u>	<u>ENTITY TYPE</u>	<u>HOSPITAL DBA</u>
Garland Managed Care Organization, Inc. 75-2794499	Arkansas 12/2/98	Tennyson Holdings, Inc.	Non-Significant Subsidiary	
GCMC, LLC 62-1762372	Delaware 11/9/98	Wharton Medco, LLC	Inactive	
GH Texas, LLC f/k/a Galen Texas, LLC 62-1766932	Delaware 12/28/98	Tennyson Holdings, Inc.	Non-Significant Subsidiary	
GHC Hospital, LLC 62-1757667	Delaware 10/15/98	Tennyson Holdings, Inc.	Non-Significant Subsidiary	
Good Hope Health System, LLC 75-3085220	Delaware 10/10/02	Triad Holdings IV, LLC	Inactive	
GRB Real Estate, LLC 75-2887762	Delaware 7/6/2000	Triad Holdings III, LLC	Non-Significant Subsidiary	
Greenbrier Valley Anesthesia, LLC 20-3320314	Delaware 8/11/05	Triad Holdings III, LLC	Non-Significant Subsidiary	
Greenbrier Valley Emergency Physicians, LLC 26-0176243	Delaware 5/14/07	Triad Holdings III, LLC	Non-Significant Subsidiary	
Greenbrier VMC, LLC 75-2887493	Delaware 6/29/2000	Triad Holdings III, LLC	Material	Greenbrier Valley Medical Center, Ronceverte, WV
GRMC Holdings, LLC 20-8112090	Delaware 12/20/06	Triad Holdings V, LLC	Material	
Gulf Coast Hospital, L.P. 62-1762373	Delaware 11/9/98	Gulf Coast Medical Center, LLC — GP (1%) GCMC, LLC — LP (99%)	Inactive	
Gulf Coast Medical Center, LLC 62-1762374	Delaware 11/9/98	Wharton Medco, LLC	Inactive	

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SUBSIDIARY LISTING

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Hattiesburg Ambulatory Surgery Center, L.P. 75-2964475	Delaware 11/02/01	Hattiesburg ASC GP, LLC — GP (1.11%) Wesley Health System, LLC — LP (80%)	Permitted Joint Venture Subsidiary	
Hattiesburg ASC-GP, LLC (Formerly Hattiesburg Ambulatory Surgery Center, LLC) 62-1830299	Delaware 8/29/00	Wesley Health System, LLC — 95% QHG of Forest County, Inc. — 5%	Non-Significant Subsidiary	
HDP DeQueen, LLC 62-1767903	Delaware 1/25/99	Triad Holdings IV, LLC	Inactive	
HDPWH, LLC 62-1767914	Delaware 1/15/99	Tennyson Holdings, Inc.	Non-Significant Subsidiary	
HDP Woodland Heights, LP. 62-1767909	Delaware 1/15/99	HDP Woodland Property, LLC — GP (1%) HDPWH, LLC — LP (99%)	Non-Significant Subsidiary	
HDP Woodland Property, LLC 62-1767906	Delaware 1/15/99	Tennyson Holdings, Inc.	Non-Significant Subsidiary	
Healdsburg of California, LLC 62-1762381	Delaware 11/9/98	Tennyson Holdings, Inc.	Inactive	
Healthwest Holdings, Inc. 62-1647981	Arizona 7/01/96	Triad of Arizona (L.P.), Inc.	Inactive	
HIH, LLC 75-2838365	Delaware 8/25/99	Triad Holdings III, LLC	Inactive	
Hobbs Medco, LLC 62-1769641	Delaware 2/3/99	Tennyson Holdings, Inc.	Material	
Hobbs Physician Practice, LLC 62-1762073	Delaware 11/19/98	Hobbs Medco, LLC	Non-Significant Subsidiary	
Hospital of Beaumont, LLC 62-1762384	Delaware 11/9/98	Beauco, LLC	Inactive	

Triad Healthcare Corporation (f/k/a Triad Hospitals, Inc.) Subsidiaries
SUBSIDIARY LISTING

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Hot Springs National Park Hospital Holdings, LLC 62-1769635	Delaware 2/3/99	Tennyson Holdings, Inc. — 94.87%	Permitted Syndication Subsidiary	National Park Medical Center, Hot Springs, AR
HTI Tucson Rehabilitation, Inc. 86-0673716	Arizona 5/17/90	Triad Holdings III, LLC	Inactive	
Huntington Associates 95-6225660	California 9/13/84	HIH, LLC — GP (25%) HIH, LLC — LP (55%) Triad Holdings III, LLC — LP (20%)	Inactive	
Huntington Beach Amdeco, LLC 62-1767896	Delaware 1/25/99	Tennyson Holdings, Inc.	Inactive	
Innovative Recoveries, LLC 55-0799025	Delaware 10/2/02	Lutheran Health Network CBO, LLC	Non-Significant Subsidiary	
IOM Health System, L.P. 35-1963748	Indiana 9/26/95	Lutheran Health Network of Indiana, LLC — GP (1%) Lutheran Health Network of Indiana, LLC — LP (98%) QHG of Fort Wayne, Inc. — LP (1%)	Material	Lutheran Hospital of Indiana, Fort Wayne, IN
IRHC, LLC 62-1762415	Delaware 11/9/98	Triad Holdings IV, LLC	Inactive	
Jacksonville Medical Professional Services, LLC 20-5957808	Delaware 11/28/06	Triad Holdings V, LLC	Non-Significant Subsidiary	
Jonesboro Real Property, LLC 62-1766954	Delaware 12/22/98	Tennyson Holdings, Inc.	Non-Significant Subsidiary	
Kensingcare, LLC 62-1769731	Delaware 2/3/99	Triad Holdings IV, LLC	Inactive	
Lake Area Physician Services, LLC 75-2864057	Delaware 2/23/00	Women & Children's Hospital, LLC	Non-Significant Subsidiary	
Lake Area Surgicare, A Partnership in Commendam 62-1658994	Louisiana 12/4/95	Surgicare Outpatient Center of Lake Charles, Inc. — 71%	Permitted Joint Venture Subsidiary	

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SUBSIDIARY LISTING

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Laredo Hospital, L.P. 62-1762417	Delaware 11/9/98	Doctors of Laredo, LLC — GP (1%) Doctors Medical Center, LLC — LP (99%)	Inactive	
Las Cruces ASC-GP, LLC 62-1762376	Delaware 11/9/98	Las Cruces Medical Center, LLC	Non-Significant Subsidiary	
Las Cruces Medical Center, LLC 75-2905434	Delaware 10/24/00	Tennyson Holdings, Inc.	Material	Mountain View Regional Medical Center, Las Cruces, NM
Las Cruces Physician Services, LLC 20-5653775	Delaware 10/2/06	Sprocket Medical Management, Inc.	Non-Significant Subsidiary	
Las Cruces Surgery Center, L.P. 42-1584742	Delaware 3/28/03	Las Cruces ASC-GP, LLC — GP (60.045%) and LP (16.253%)	Permitted Joint Venture Subsidiary	
Lea Regional Hospital, LLC 62-1760149	Delaware 11/9/98	Hobbs Medco, LLC	Material	Lea Regional Medical Center, Hobbs, NM
Longview Medical Center, L.P. 62-1762420	Delaware 11/9/98	Regional Hospital of Longview, LLC — GP (1%) LRH, LLC — LP (72.98%)	Permitted Syndication Subsidiary	Longview Regional Medical Center, Longview, TX
Longview Merger, LLC 62-1769639	Delaware 2/3/99	Tennyson Holdings, Inc.	Material	
LRH, LLC 62-1762421	Delaware 11/9/98	Longview Merger, LLC	Material	
LS Psychiatric, LLC 75-2828353	Delaware 4/22/99	Triad Holdings III, LLC	Non-Significant Subsidiary	
Lutheran Health Network CBO, LLC 20-5958891	Delaware 11/29/06	Triad Holdings V, LLC	Non-Significant Subsidiary	
Lutheran Health Network of Indiana, LLC (Formerly Triad of Indiana, LLC) 62-1762363	Delaware 11/9/98	Triad Holdings V, LLC	Material	
Lutheran Medical Office Park, Phase II	Indiana	IOM Health System, L.P. — 51.96%	Permitted Joint Venture Subsidiary	

Triad Healthcare Corporation (f/k/a Triad Hospitals, Inc.) Subsidiaries
SUBSIDIARY LISTING

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Madison Hospital, LLC 04-3715534	Alabama 12/9/02	Triad Hospitals IV, LLC	Non-Significant Subsidiary	
Malulani Health and Medical Center, LLC 20-3320243	Delaware 8/11/05	Tennyson Holdings, Inc. — Sole Member	Non-Significant Subsidiary	
Mary Black Health System LLC 57-1047528	Delaware 5/13/96	QHG of Spartanburg, Inc. — 93.93%	Permitted Syndication Subsidiary	Mary Black Memorial Hospital [Health System], Spartanburg, SC
Mary Black Medical Office Building Limited Partnership 57-0853592	South Carolina	Mary Black Health System, LLC — GP (.011%) and LP (99.989%)	Subsidiary of Permitted Syndication Subsidiary	
Mary Black MOB II, L.P. 58-2312019	South Carolina	Mary Black Health System, LLC — GP (.002%) and LP (99.998%)	Subsidiary of Permitted Syndication Subsidiary	
Mary Black Physicians Group, LLC 20-5511312	Delaware 9/6/06	QHG of Spartanburg, Inc.	Non-Significant Subsidiary	
Mary Black Physician Services, LLC 81-0572901	Delaware 3/31/99	QHG of Spartanburg, Inc.	Non-Significant Subsidiary	
Massillon Community Health System, LLC 55-0799029	Delaware 10/2/02	Massillon Health System, LLC — 80%	Permitted Joint Venture Subsidiary	
Massillon Health System, LLC 34-1840860	Delaware 9/12/96	QHG of Massillon, Inc.	Material	
Mat-Su Regional ASC GP, LLC 20-4339645	Delaware 2/15/06	Mat-Su Valley Medical Center, LLC	Permitted Joint Venture Subsidiary	
Mat-Su Regional Surgery Center, L.P. 20-4339681	Delaware 2/15/06	Mat-Su Regional ASC GP, LLC — GP (1%) Mat-Su Valley Medical Center, LLC — LP (74%)	Permitted Joint Venture Subsidiary	
Mat-Su Valley Medical Center, LLC 72-1563402	Alaska 3/28/03	Palmer-Wasilla Health System, LLC — 75%	Permitted Joint Venture Subsidiary	Mat-Su Regional Medical Center, Palmer, AK

Triad Healthcare Corporation (f/k/a Triad Hospitals, Inc.) Subsidiaries
SUBSIDIARY LISTING

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MC Hospital, LLC	DE	Massillon Community Health System, LLC	Permitted Joint Venture Subsidiary	Affinity Medical Center — Massillon, Massillon, OH
MCI Panhandle Surgical, L.P. 62-1766335	Delaware 1/12/99	Panhandle Property, LLC — GP (1%) Panhandle, LLC — LP (99%)	Inactive	
McKenzie Physician Services, LLC 20-1334650	Delaware 7/2/04	Triad of Oregon, LLC	Non-Significant Subsidiary	
McKenzie-Willamette Regional Medical Center Associates, LLC 20-0214051	Delaware 8/29/03	MWMC Holdings, LLC — 90.5%	Permitted Joint Venture Subsidiary	McKenzie-Willamette Medical Center, Springfield, OR
Medical Center at Terrell, LLC 62-1760814	Delaware 9/25/98	Triad-Medical Center at Terrell Subsidiary, LLC	Non-Significant Subsidiary	
Medical Center of Brownwood, LLC 62-1762425	Delaware 11/9/98	Southern Texas Medical, LLC	Material	
Medical Center of Sherman, LLC 62-1757656	Delaware 10/15/98	Triad-Medical Center of Sherman Subsidiary, LLC	Inactive	
Medical Holdings, Inc. 62-1755733	Kansas 1/24/97	Triad Holdings III, LLC	Non-Significant Subsidiary	
Medical Park Hospital, LLC 62-1762426	Delaware 11/9/98	Triad Holdings IV, LLC	Inactive	
Medical Park MSO, LLC 62-1762078	Delaware 11/19/98	Triad Holdings IV, LLC	Inactive	
MEDSTAT, LLC 35-1992146	Indiana 7/31/96	QHG of Warsaw, Inc.	Non-Significant Subsidiary	
Memorial Hospital, LLC 62-1757915	Delaware 10/21/98	Tennyson Holdings, Inc.	Inactive	
Mesa View PT, LLC 52-2379875	Delaware 10/2/02	MMC of Nevada, LLC	Non-Significant Subsidiary	

Triad Healthcare Corporation (f/k/a Triad Hospitals, Inc.) Subsidiaries
SUBSIDIARY LISTING

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Mesa View Physical Rehabilitation, LLC 20-1621111	Nevada 9/9/2004	Mesa View PT, LLC — 50%	Permitted Joint Venture Subsidiary	
MHS Ambulatory Surgery Center, Inc. 45-0457797	North Dakota 7/12/00	Minot Health Services, Inc.	Inactive	
Mid-Plains, LLC 62-1769743	Delaware 2/3/99	Tennyson Holdings, Inc.	Inactive	
Minot Health Services, Inc. 45-0454250	North Dakota 7/28/99	QHG of Minot, Inc. (80%) Frankfort Health Partner, Inc. (20%)	Inactive	
Mission Bay Memorial Hospital, LLC 62-1757657	Delaware 10/15/98	Tennyson Holdings, Inc.	Inactive	
Missouri Healthserv, LLC 62-1769689	Delaware 2/3/99	Triad Holdings III, LLC	Inactive	
MMC of Nevada, LLC 42-1543617	Delaware 6/24/02	Tennyson Holdings, Inc.	Material	Mesa View Regional Hospital, Mesquite, NV
MWMC Holdings, LLC 20-8007512	Delaware 11/30/06	Triad of Oregon, LLC — 78.487%	Permitted Joint Venture Subsidiary	
National Park Physician Services, LLC 62-1762445	Delaware 11/9/98	Tennyson Holdings, LLC	Non-Significant Subsidiary	
National Park Real Property, LLC 62-1762465	Delaware 11/9/98	Hot Springs National Park Hospital Holdings, LLC	Subsidiary of Permitted Syndication Subsidiary	
Navarro Hospital, L.P. 62-1762428	Delaware 11/9/98	Navarro Regional, LLC — GP (1%) NRH, LLC — LP(99%)	Material	Navarro Regional Hospital, Corsicana, TX
Navarro Regional, LLC 62-1762429	Delaware 11/9/98	Triad-Navarro Regional Hospital Subsidiary, LLC	Material	
NC-CSH, Inc. 95-4443580	California 9/17/93	Triad Holdings V, LLC	Inactive	

Triad Healthcare Corporation (f/k/a Triad Hospitals, Inc.) Subsidiaries
SUBSIDIARY LISTING

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NC-DSH, Inc. 88-0305790	Nevada 9/17/93	QHG Georgia Holdings, Inc.	Material	
North Anaheim Surgicare, LLC 75-2838364	Delaware 8/25/99	Triad Holdings III, LLC	Inactive	
Northeast Arkansas Health System, LLC 81-0572898	Delaware 4/23/99	Jonesboro Real Property, LLC — 60%	Permitted Permitted Syndication Subsidiary	NEA Medical Center, Jonesboro, AR
Northwest Allied Physicians, LLC 20-3943524	Delaware 12/13/05	Tennyson Holdings, Inc.	Non-Significant Subsidiary	
Northwest Arkansas Employees, LLC 20-5896764	Delaware 11/15/06	Triad Holdings V, LLC	Non-Significant Subsidiary	
Northwest Arkansas Hospitals, LLC 20-5896848	Delaware 11/15/06	QHG of Springdale, Inc. (99.56%)	Permitted Syndication Subsidiary	Willow Creek Women's Hospital, Johnson, AR
Northwest Benton County Physician Services, LLC 55-0799030	Delaware 10/2/02	QHG of Springdale, Inc.	Non-Significant Subsidiary	
Northwest Hospital, LLC 62-1762430	Delaware 11/9/98	NOV Holdings, LLC	Subsidiary of Permitted Syndication Subsidiary	See Schedule 6.05(b) Northwest Medical Center, Tucson, AZ
Northwest Marana Hospital, LLC 47-0890489	Delaware 10/2/02	Tennyson Holdings, Inc.	Non-Significant Subsidiary	
Northwest Medical Center CT/MRI at Marana, LLC 20-4543645	Delaware 3/20/06	Tennyson Holdings, Inc.	Permitted Joint Venture Subsidiary	
Northwest Physicians, LLC 62-1681750	Arkansas 3/26/97	QHG of Springdale, Inc.	Non-Significant Subsidiary	
Northwest Rancho Vistoso Imaging Services, LLC 75-2894366	Delaware 8/16/00	Tennyson Holdings, Inc.	Non-Significant Subsidiary	

Triad Healthcare Corporation (f/k/a Triad Hospitals, Inc.) Subsidiaries
SUBSIDIARY LISTING

<u>NAME/FEIN</u>	<u>STATE AND DATE</u>	<u>PARENT</u>	<u>ENTITY TYPE</u>	<u>HOSPITAL DBA</u>
Northwest Tucson ASC-GP, LLC 81-0572902	Delaware 3/31/99	Tennyson Holdings, Inc.	Non-Significant Subsidiary	
Northwest Tucson Surgery Center, L.P. 20-0959607	Delaware 3/9/04	Northwest Tucson ASC-GP, LLC — GP (1.39%) and LP (74.9%)	Permitted Joint Venture Subsidiary	
NOV Holdings, LLC 20-8112009	Delaware 12/20/06	Desert Hospital Holdings, LLC	Permitted Syndication Subsidiary	
NPMC, LLC 20-4599508	Delaware 3/29/06	Tennyson Holdings, Inc.	Non-Significant Subsidiary	
NPMC, Home Health, LLC 20-8449844	Delaware 2/13/07	Tennyson Holdings, Inc.	Non-Significant Subsidiary	
NRH, LLC 62-1762431	Delaware 11/9/98	Triad-Navarro Regional Hospital Subsidiary, LLC	Material	
Odessa, LLC 62-1771891	Delaware 2/2/99	Triad Holdings IV, LLC	Inactive	
Oklahoma City ASC-GP, LLC 20-5462186	Delaware 8/28/06	Deaconess Holdings, LLC	Non-Significant Subsidiary	
Oklahoma City Surgery Center, L.P. 20-5462232	Delaware 8/28/06	Oklahoma City ASC-GP, LLC — GP (1.04%) and LP (73.02%)	Permitted Joint Venture Subsidiary	
OPRMC, LLC 62-1762432	Delaware 11/9/98	Tennyson Holdings, Inc.	Inactive	
Oregon Healthcorp, LLC 62-1769632	Delaware 2/3/99	Tennyson Holdings, Inc.	Material	
Oro Valley Hospital, LLC 52-2379881	Delaware 10/0/02	NOV Holdings, LLC	Subsidiary of Permitted Syndication Subsidiary	Northwest Medical Center [of Oro Valley], Oro Valley, AZ
Pacific East Division Office, L.P. 62-1772258	Delaware 3/2/99	Triad Texas, LLC — GP (1%) GH Texas, LLC — LP (99%)	Non-Significant Subsidiary	

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SUBSIDIARY LISTING**

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Pacific Group ASC Division, Inc. 62-1763604	Arizona 8/28/98	Triad Holdings III, LLC	Non-Significant Subsidiary	
Pacific Physicians Services, LLC 62-1763392	Delaware 12/14/98	Sprocket Medical Management, LLC	Non-Significant Subsidiary	Arizona forced d/b/a West Coast Services, LLC
Pacific West Division Office, LLC 75-2828365	Delaware 4/6/99	Tennyson Holdings, Inc.	Non-Significant Subsidiary	
Palm Drive Hospital, L.P. 62-1762433	Delaware 11/9/98	Palm Drive Medical Center, LLC — GP (1%) PDMC, LLC — LP (99%)	Inactive	
Palm Drive Medical Center, LLC 62-1762434	Delaware 11/9/98	Sebastopol, LLC	Inactive	
Palmer-Wasilla Health System, LLC 62-1762371	Delaware 11/9/98	Triad Holdings IV, LLC	Material	
Palmetto Women's Care, LLC 55-0799027	Delaware 10/2/02	Carolinas Medical Alliance, Inc.	Non-Significant Subsidiary	
Pampa Hospital, L.P. 62-1762437	Delaware 11/10/98	Pampa Medical Center, LLC — GP (1%) Coronado Hospital, LLC — LP (99%)	Inactive	
Pampa Medical Center, LLC 62-1762440	Delaware 11/10/98	Coronado Medical, LLC	Inactive	
Panhandle, LLC 62-1766347	Delaware 1/12/99	Tennyson Holdings, Inc.	Inactive	
Panhandle Medical Center, LLC 62-1762449	Delaware 11/10/98	Tennyson Holdings, Inc.	Inactive	
Panhandle Property, LLC 62-1766349	Delaware 1/12/99	Tennyson Holdings, Inc.	Inactive	
Panhandle Surgical Hospital, L.P. 62-1762442	Delaware 11/9/98	Panhandle Medical Center, LLC — GP (1%) Surgical Center of Amarillo, LLC — LP (99%)	Inactive	

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SUBSIDIARY LISTING

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PDMC, LLC 62-1762448	Delaware 11/9/98	Sebastopol, LLC	Inactive	
Pecos Valley of New Mexico, LLC 62-1766956	Delaware 12/22/98	Tennyson Holdings, Inc.	Non-Significant Subsidiary	
Phillips & Coker OB-GYN, LLC 47-0890494	Delaware 10/2/02	Carolinas Medical Alliance, Inc.	Non-Significant Subsidiary	
Phoenix Amdeco, LLC 62-1766958	Delaware 12/22/98	Tennyson Holdings, Inc.	Inactive	
Phoenix Surgical, LLC 62-1769652	Delaware 2/3/99	Tennyson Holdings, Inc.	Non-Significant Subsidiary	
Phys-Med, LLC 62-1769748	Delaware 2/5/99	Triad Holdings IV, LLC	Inactive	
Physicians and Surgeons Hospital of Alice, L.P. 62-1762451	Delaware 11/9/98	Alice Hospital, LLC — GP (1%) Alice Surgeons, LLC — LP (99%)	Inactive	
Physicians' Surgery Center of Florence, LLC 43-1983435	South Carolina 6/25/01	Florence ASC Management, LLC, — 5% QHG of South Carolina, Inc. — 54.78%	Permitted Joint Venture Subsidiary	
Piney Woods Healthcare System, L.P. 62-1762559	Delaware 11/9/98	Woodland Heights Medical Center, LLC — sole GP (1%) WHMC, LLC — sole LP (90.33%)	Permitted Syndication Subsidiary	Woodland Heights Medical Center, Lufkin, TX
Premiere Care Hospital, LLC 62-1762531	Delaware 11/9/98	Triad Holdings III, LLC	Non-Significant Subsidiary	
PremierCare Super PHO, LLC 20-8064096	Delaware 11/29/06	Triad Holdings V, LLC	Non-Significant Subsidiary	
Primary Medical, LLC 62-1769733	Delaware 2/3/99	Triad Holdings, IV, LLC	Inactive	

Triad Healthcare Corporation (f/k/a Triad Hospitals, Inc.) Subsidiaries
SUBSIDIARY LISTING

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Procure Solutions, LLC 62-1816477	Delaware 4/10/00	Triad Hospitals, Inc.	Non-Significant Subsidiary	
Psychiatric Services of Paradise Valley, LLC 62-1762459	Delaware 11/10/98	Tennyson Holdings, Inc.	Inactive	
QHG Georgia, L.P. 58-2387537	Georgia 4/28/98	QHG Georgia Holdings, Inc. — GP (1%) NC-DSH, Inc. — LP (99%)	Material	
QHG Georgia Holdings, Inc. 58-2386459	Georgia 4/22/98	Triad Holdings V, LLC	Material	
QHG of Barberton, Inc. 31-1472381	Ohio 7/25/96	Triad Holdings V, LLC	Material	
QHG of Bluffton, Inc. 62-1792274	Indiana 8/26/99	Triad Holdings V, LLC	Material	
QHG of Clinton County, Inc. 35-2006952	Indiana 8/26/99	Triad Holdings V, LLC	Material	
QHG of Enterprise, Inc. 63-1159023	Alabama 12/13/95	Triad Holdings V, LLC	Material	Medical Center Enterprise, Enterprise, AL
QHG of Forrest County, Inc. 62-1704095	Mississippi 7/9/97	Triad Holdings V, LLC	Material	
QHG of Fort Wayne, Inc. 35-1946949	Indiana 2/8/95	Triad Holdings V, LLC	Material	
QHG of Hattiesburg, Inc. 62-1704097	Mississippi 7/9/97	Triad Holdings V, LLC	Material	
QHG of Jacksonville, Inc. 62-1637909	Alabama 4/17/96	Triad Holdings V, LLC	Material	Jacksonville Medical Center, Jacksonville, AL

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SUBSIDIARY LISTING

<u>NAME/FEIN</u>	<u>STATE AND DATE</u>	<u>PARENT</u>	<u>ENTITY TYPE</u>	<u>HOSPITAL DBA</u>
QHG of Kenmare, Inc. 45-0448211	North Dakota 12/11/97	Triad Holdings V, LLC	Inactive	
QHG of Lake City, Inc. 57-1022325	South Carolina 5/8/95	Triad Holdings V, LLC	Inactive	
QHG of Massillon, Inc. 31-1472380	Ohio 7/25/96	Triad Holdings V, LLC	Material	
QHG of Minot, Inc. 45-0448210	North Dakota 12/11/97	Triad Holdings V, LLC	Inactive	
QHG of Ohio, Inc. 62-1482681	Ohio 11/20/91	Triad Holdings V, LLC	Inactive	
QHG of South Carolina, Inc. 62-1587267	South Carolina 12/28/94	Triad Holdings V, LLC	Material	Carolinas Hospital System, Florence, SC
QHG of Spartanburg, Inc. 57-1040117	South Carolina 1/22/96	Triad Holdings V, LLC	Material	
QHG of Springdale, Inc. 62-1755664	Arkansas 10/2/98	Triad Holdings V, LLC	Material	Northwest Medical Center — Bentonville, Bentonville, AR
QHG of Texas, Inc. 62-1472331	Texas 8/5/91	Triad Holdings V, LLC	Inactive	
QHG of Warsaw, Inc. 62-1764509	Indiana 12/30/98	Triad Holdings V, LLC	Material	
Quorum ELF, Inc. 52-2064049	Delaware 11/14/97	Triad Hospitals, Inc.	Non-Significant Subsidiary	
Quorum Health Resources, LLC 62-1742954	Delaware 6/12/98	Triad Hospitals, Inc.	Material	
QHR International, LLC 62-1799409	Delaware 10/29/99	Quorum Health Resources, LLC	Non-Significant Subsidiary	

Triad Healthcare Corporation (f/k/a Triad Hospitals, Inc.) Subsidiaries
SUBSIDIARY LISTING

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Quorum Health Services, Inc. 51-0370595	Delaware 12/7/95	Triad Hospitals, Inc.	Non-Significant Subsidiary	
Rehab Hospital of Fort Wayne General Partnership 25-1684676	Delaware	QHG of Fort Wayne, Inc. — GP (99%) Lutheran Health Network of Indiana, LLC — GP(1%)	Non-Significant Subsidiary	
Regional Hospital of Longview, LLC 62-1762464	Delaware 11/9/98	Longview Merger, LLC	Material	
River Region Medical Corporation 62-1576702	Mississippi 8/30/94	Triad Holdings V, LLC	Material	
Russellville Holdings, LLC 62-1771866	Delaware 2/3/99	Tennyson Holdings, Inc.	Material	St. Mary's Regional Medical Center, Russellville, AR
SACMC, LLC 62-1762472	Delaware 11/9/98	San Angelo Medical, LLC	Material	
Samaritan Surgicenters of Arizona II, LLC 85-0474224	Arizona 10/3/00	ELMED, LLC	Non-Significant Subsidiary	
San Angelo Community Medical Center, LLC 62-1762473	Delaware 11/9/98	San Angelo Medical, LLC	Material	
San Angelo Hospital, L.P. 62-1762476	Delaware 11/9/98	San Angelo Community Medical Center, LLC — GP (1%) SACMC, LLC — LP (99%)	Material	San Angelo Community Medical Center, San Angelo, TX
San Angelo Medical, LLC 62-1769697	Delaware 2/3/99	Tennyson Holdings, Inc.	Material	
San Diego Hospital, L.P. 62-1757914	Delaware 10/21/98	Mission Bay Memorial Hospital, LLC — GP (1%) Memorial Hospital, LLC — LP (99%)	Inactive	
San Leandro, LLC 62-1761996	Delaware 11/9/98	Tennyson Holdings, Inc.	Inactive	

Triad Healthcare Corporation (f/k/a Triad Hospitals, Inc.) Subsidiaries
SUBSIDIARY LISTING

<u>NAME/FEIN</u>	<u>STATE AND DATE</u>	<u>PARENT</u>	<u>ENTITY TYPE</u>	<u>HOSPITAL DBA</u>
San Leandro Hospital, L.P. 62-1762479	Delaware 12/30/98	San Leandro Medical Center, LLC — GP (1%) SLH, LLC — LP (99%)	Inactive	
San Leandro Medical Center, LLC 62-1762481	Delaware 11/9/98	San Leandro, LLC	Inactive	
SDH, LLC 62-1762482	Delaware 11/9/98	Silsbee Texas, LLC	Inactive	
Searcy Holdings, LLC 62-1762424	Delaware 11/9/98	Tennyson Holdings, Inc.	Inactive	
Sebastopol, LLC 62-1761995	Delaware 11/19/98	Tennyson Holdings, Inc.	Inactive	
Sherman Hospital, L.P. 62-1757916	Delaware 10/20/98	Medical Center of Sherman, LLC — GP (1%) Sherman Medical Center, LLC — LP (99%)	Inactive	
Sherman Medical Center, LLC 62-1757918	Delaware 10/20/98	Triad-Medical Center of Sherman Subsidiary, LLC	Inactive	
Silsbee Doctors Hospital, L.P. 62-1762484	Delaware 11/9/98	Silsbee Medical Center, LLC — GP (1%) SDH, LLC — LP (99%)	Inactive	
Silsbee Medical Center, LLC 62-1762486	Delaware 11/9/98	Silsbee Texas, LLC	Inactive	
Silsbee Texas, LLC 62-1769667	Delaware 2/3/99	Tennyson Holdings, Inc.	Inactive	
SLH, LLC 62-1762489	Delaware 11/9/98	San Leandro, LLC	Inactive	
Software Sales Corp. 62-1648746	Tennessee 8/1/96	Quorum Health Resources, LLC	Non-Significant Subsidiary	
South Alabama Managed Care Contracting, Inc. 90-0209693	Alabama 7/12/96	Triad Holdings III, LLC	Non-Significant Subsidiary	

Triad Healthcare Corporation (f/k/a Triad Hospitals, Inc.) Subsidiaries
SUBSIDIARY LISTING

<u>NAME/FEIN</u>	<u>STATE AND DATE</u>	<u>PARENT</u>	<u>ENTITY TYPE</u>	<u>HOSPITAL DBA</u>
South Alabama Medical Management Services, Inc. 62-1655072	Alabama 8/1/96	Triad Holdings III, LLC	Non-Significant Subsidiary	
South Alabama Physician Services, Inc. 62-1652851	Alabama 7/12/96	Triad Holdings III, LLC	Non-Significant Subsidiary	
South Arkansas Clinic, LLC 62-1766959	Delaware 12/22/98	Triad Holdings IV, LLC	Non-Significant Subsidiary	
SouthCrest, L.L.C. 62-1723864	Oklahoma 2/14/97	Triad-South Tulsa Hospital Company, Inc.	Material	SouthCrest Hospital, Tulsa, OK
SouthCrest Anesthesia Group, LLC 20-3234420	Delaware 7/26/06	Triad-South Tulsa Hospital Company, Inc.	Non-Significant Subsidiary	Non-Significant Subsidiary
SouthCrest Medical Group, LLC 20-4977132	Delaware 5/31/06	Triad-South Tulsa Hospital Company, Inc.	Non-Significant Subsidiary	
SouthCrest Surgery Center, L.P. 75-2858593	Delaware 8/16/99	SouthCrest, L.L.C. — GP (60%) SouthCrest, L.L.C. — LP (19.385%)	Permitted Joint Venture Subsidiary	Permitted Joint Venture Subsidiary
South Tulsa Medical Group, LLC 20-3234465	Delaware 7/26/05	Triad-South Tulsa Hospital Company, Inc.	Non-Significant Subsidiary	Non-Significant Subsidiary
Southern Texas Medical Center, LLC 62-1769737	Delaware 2/3/99	Tennyson Holdings, Inc.	Material	
Springdale/ Bentonville ASC-GP, LLC 62-1762377	Delaware 11/9/98	QHG of Springdale, Inc.	Non-Significant Subsidiary	
Springdale/ Bentonville Surgery Center, L.P. 72-1563406	Delaware 5/2/03	Springdale/Bentonville ASC-GP, LLC — GP (1.062) and LP (89.378%)	Permitted Joint Venture Subsidiary	
Sprocket Medical Management, LLC 62-1748895	Texas 7/29/98 1/1/07- became LLC	Triad Holdings III, LLC	Non-Significant Subsidiary	

Triad Healthcare Corporation (f/k/a Triad Hospitals, Inc.) Subsidiaries
SUBSIDIARY LISTING

<u>NAME/FEIN</u>	<u>STATE AND DATE</u>	<u>PARENT</u>	<u>ENTITY TYPE</u>	<u>HOSPITAL DBA</u>
St. Joseph Health System, LLC 51-0382045	Delaware 6/16/98	QHG of Fort Wayne, Inc. — 99% Frankfort Health Partner, Inc. -1%	Material	St. Joseph Health System, Fort Wayne, IN
St. Joseph Medical Group, Inc. 35-2082181	Indiana 7/29/99	Triad Holdings V, LLC	Non-Significant Subsidiary	
St. Mary's Physician Services, LLC 62-1769626	Delaware 2/3/99	Russellville Holdings, LLC	Non-Significant Subsidiary	
St. Mary's Real Property, LLC 62-1762460	Delaware 11/9/98	Tennyson Holdings, Inc.	Non-Significant Subsidiary	
Surgical Center of Amarillo, LLC 62-1762539	Delaware 11/9/98	Tennyson Holdings, Inc.	Inactive	
Surgical Center of Carlsbad, LLC 85-0447541	New Mexico 11/24/97	Carlsbad Medical Center, LLC	Non-Significant Subsidiary	
Surgicare of Independence, Inc. 62-1615259	Missouri 9/14/95	Triad Holdings III, LLC	Inactive	
Surgicare of San Leandro, Inc. 61-1272726	California 11/2/94	Triad Holdings III, LLC	Non-Significant Subsidiary	
Surgicare of Sherman, Inc. 61-1612059	Texas 6/21/95	Triad Holdings III, LLC	Inactive	
Surgicare of Southeast Texas I, LLC 75-2855264	Delaware 9/10/99	Triad Holdings III, LLC	Inactive	
Surgicare of Victoria, Inc. 74-2283161	Texas 8/12/83	Triad Holdings III, LLC	Non-Significant Subsidiary	
Surgicare of Victoria, Ltd. 76-0098497	Texas 3/9/84	Surgicare of Victoria, Inc. — GP (87.5%)	Permitted Joint Venture Subsidiary	
Surgicare Outpatient Center of Lake Charles, Inc. 72-0958812	Louisiana 1/6/83	Triad Holdings III, LLC	Non-Significant Subsidiary	

Triad Healthcare Corporation (f/k/a Triad Hospitals, Inc.) Subsidiaries
SUBSIDIARY LISTING

<u>NAME/FEIN</u>	<u>STATE AND DATE</u>	<u>PARENT</u>	<u>ENTITY TYPE</u>	<u>HOSPITAL DBA</u>
Surgicenter of Johnson County, Inc. 95-3978676	Kansas 4/24/85	Triad Holdings IIIC, LLC	Inactive	
Surgicenters of America, Inc. 86-0254331	Arizona 12/11/70	Triad Holdings III, LLC	Inactive	
TAC-SPC, Ltd.	Cayman Islands, B.W.I.	Tri-World, LLC	Foreign	
Tennyson Holdings, Inc. 20-3943816	Delaware 12/12/05	Triad Hospitals, Inc.	Material	
Terrell Hospital, L.P. 62-1754939	Delaware 9/25/98	Terrell Medical Center, LLC — GP (1%) Medical Center at Terrell, LLC — LP (99%)	Non-Significant Subsidiary	
Terrell Medical Center, LLC 62-1754941	Delaware 9/23/98	Triad-Medical Center of Terrell Subsidiary, LLC	Non-Significant Subsidiary	
The Intensive Resource Group, LLC 62-1744954	Delaware 7/1/98	Quorum Health Resources, LLC	Non-Significant Subsidiary	
The Vicksburg Clinic, LLC 62-1758264	Delaware 10/26/98	Vicksburg Healthcare, LLC	Non-Significant Subsidiary	
THI Beacon Court Limited	Ireland	THI Ireland Holdings Limited	Foreign	Beacon Hospital, Dublin, IRE
THI Ireland Holdings Limited	Ireland	Tri-Irish, Inc. — Sole Shareholder	Foreign	
Tri-Irish, Inc. 02-0645477	Delaware 10/2/02	Tri-World, Inc.	Non-Significant Subsidiary	
Tri-World, LLC 55-0799021	Delaware 9/2/04	Triad Hospitals, Inc.	Non-Significant Subsidiary	
Triad-Arizona I, Inc. 62-1687283	Arizona 4/24/97	Triad of Arizona (L.P.). Inc.	Inactive	
Triad-ARMC, LLC 46-0496926	Delaware 8/23/02	Abilene Merger, LLC	Material	

Triad Healthcare Corporation (f/k/a Triad Hospitals, Inc.) Subsidiaries
SUBSIDIARY LISTING

<u>NAME/FEIN</u>	<u>STATE AND DATE</u>	<u>PARENT</u>	<u>ENTITY TYPE</u>	<u>HOSPITAL DBA</u>
Triad Corporate Services, Limited Partnership 62-1779580	Delaware 4/29/99	Triad CSGP, LLC — GP (1%) Triad CSLP, LLC — LP (99%)	Non-Significant Subsidiary	
Triad CSGP, LLC 62-1779579	Delaware 4/28/99	Triad Holdings IV, LLC	Non-Significant Subsidiary	
Triad CSLP, LLC 62-1779578	Delaware 4/28/99	Triad Holdings VI, Inc.	Non-Significant Subsidiary	
Triad-Denton Hospital GP, LLC 75-2887764	Delaware 7/6/00	Triad Holdings III, LLC	Material	
Triad-Denton Hospital, L.P. 75-2887765	Delaware 7/6/00	Triad-Denton Hospital, GP, LLC — GP (1%) Arizona DH, LLC — LP (99%)	Material	
Triad DeQueen Regional Medical Center, LLC 62-1754933	Delaware 9/23/98	DeQueen Regional I, LLC	Inactive	
Triad-EI Dorado, Inc. 62-1628508	Arkansas 1/30/96	Triad Holdings III, LLC	Material	
Triad Healthcare System of Phoenix, L.P. 62-1647982	Delaware 7/29/97	Triad of Phoenix, Inc. — GP (1%) Triad of Arizona (L.P.), Inc. — LP (99%)	Inactive	
Triad Holdings III, LLC (formerly Triad Holdings III, Inc.) 75-2821745	Delaware 4/30/99	Triad Holdings IV, LLC	Material	
Triad Holdings IV, LLC 62-1766957	Delaware 12/22/98	Tennyson Holdings, Inc.	Material	
Triad Holdings V, LLC 51-0327978	Delaware 4/3/90	Tennyson Holdings, Inc.	Material	
Triad Holdings VI, Inc. 02-0645469	Delaware 10/2/02	Triad Hospitals, Inc.	Non-Significant Subsidiary	

Triad Healthcare Corporation (f/k/a Triad Hospitals, Inc.) Subsidiaries
SUBSIDIARY LISTING

<u>NAME/FEIN</u>	<u>STATE AND DATE</u>	<u>PARENT</u>	<u>ENTITY TYPE</u>	<u>HOSPITAL DBA</u>
Triad Hospitals, Inc. 75-2816101	Delaware 4/27/99		Parent	
Triad-Medical Center at Terrell Subsidiary, LLC 62-1681607	Delaware 4/29/99	Tennyson Holdings, Inc.	Non-Significant Subsidiary	
Triad-Medical Center of Sherman Subsidiary, LLC 62-1682195	Delaware 4/29/99	Tennyson Holdings, Inc.	Inactive	
Triad-Navarro Regional Hospital Subsidiary, LLC 62-1681610	Delaware 4/29/99	Tennyson Holdings, Inc.	Material	
Triad of Alabama, LLC 62-1762412	Delaware 11/9/98	Triad Holdings V, LLC	Material	Flowers Hospital, Dothan, AL
Triad of Arizona (L.P.), Inc. 61-1081190	Arizona 8/20/85	Triad Holdings III, LLC	Inactive	
Triad of Oregon, LLC 62-1761990	Delaware 11/19/98	Tennyson Holdings, Inc.	Material	
Triad of Phoenix, Inc. 62-1647980	Arizona 7/1/96	Triad of Arizona (L.P.), Inc.	Inactive	
Triad RC, Inc. 62-1761941	Delaware 11/23/98	Triad Holdings, III, LLC	Non-Significant Subsidiary	
Triad-South Tulsa Hospital Company, Inc. 62-1678883	Oklahoma 1/27/97	Triad Holdings III, LLC	Material	
Triad Texas, LLC 62-1766930	Delaware 12/28/98	Tennyson Holdings, Inc.	Non-Significant Subsidiary	
Triad-Willow Creek, LLC 04-3686399	Delaware 6/4/02	QHG of Springdale, Inc.	Non-Significant Subsidiary	

Triad Healthcare Corporation (f/k/a Triad Hospitals, Inc.) Subsidiaries
SUBSIDIARY LISTING

<u>NAME/FEIN</u>	<u>STATE AND DATE</u>	<u>PARENT</u>	<u>ENTITY TYPE</u>	<u>HOSPITAL DBA</u>
TROSCO, LLC 62-1778109 d/b/a — in Louisiana Trosco, LLC of Delaware	Delaware 4/23/99	Triad Holdings IV, LLC	Non-Significant Subsidiary	
Trufor Pharmacy, LLC 62-1769732	Delaware 2/3/99	Triad Holdings IV, LLC	Inactive	
TTHR Limited Partnership 43-2008974	Delaware 1/22/03	Triad-Denton Hospital GP, LLC — GP (1%) Triad-Denton Hospital, L.P. — LP (79%)	Permitted Joint Venture Subsidiary	Presbyterian Hospital of Denton, Denton, TX
Tucson Rehabilitation, LLC	Delaware 9/17/99	HTI Tucson Rehabilitation, Inc.	Inactive	
Tuscora Park Medical Specialists, LLC 20-4644697	Delaware 4/4/06	Barberton Health System, LLC	Permitted Joint Venture Subsidiary	
VFARC, LLC 75-2828355	Delaware 4/23/99	Triad Holdings III, LLC	Non-Significant Subsidiary	
VHC Holdings, LLC 75-2828356	Delaware 4/23/99	Triad Holdings III, LLC	Non-Significant Subsidiary	
VHC Medical, LLC 62-1769671	Delaware 2/3/99	Triad Holdings III, LLC	Material	
Vicksburg Healthcare, LLC 62-1752111	Delaware 8/28/98	River Regional Medical Corporation	Material	River Region Medical Center [Health System], Vicksburg, MS
Vicksburg Surgical Center, LLC 20-5381054	Delaware 8/8/06	River Region Medical Corporation	Non-Significant Subsidiary	
Victoria Functional Assessment & Restoration Ltd. 74-2493730	Texas 8/19/88	VFARC, LLC — 73.4%	Permitted Joint Venture Subsidiary	
Victoria Hospital, LLC 62-1760818	Delaware 9/25/98	VHC Medical, LLC	Material	

Triad Healthcare Corporation (f/k/a Triad Hospitals, Inc.) Subsidiaries
SUBSIDIARY LISTING

<u>NAME/FEIN</u>	<u>STATE AND DATE</u>	<u>PARENT</u>	<u>ENTITY TYPE</u>	<u>HOSPITAL DBA</u>
Victoria of Texas, L.P. 62-1754940	Delaware 9/25/98	Detar Hospital, LLC — GP (1%) Victoria Hospital, LLC — LP (99%)	Material	DeTar Hospital Navarro DeTar Hospital North, Victoria, TX
VMF Medical, LLC 75-2828362	Delaware 4/23/99	Triad Holdings III, LLC	Non-Significant Subsidiary	
Wagoner Community Hospital, LLC 62-1757666	Delaware 10/15/98	Triad Holdings IV, LLC	Inactive	
WAMC, LLC 62-1762544	Delaware 11/9/98	West Anaheim, LLC	Inactive	
Warsaw Health System, LLC 62-1764613	Delaware 12/31/98	QHG of Warsaw, Inc. — 98.56% Frankfort Health Partner, Inc. — 1%	Syndication Subsidiary	Kosciusko Community Hospital, Warsaw, IN
Wesley Health System, LLC 52-2050792	Delaware 7/9/97	QHG of Hattiesburg, Inc. — 95% QHG of Forrest County, Inc. - 5%	Permitted Syndication Subsidiary	In Process — See Schedule 6.05(b) Wesley Medical Center, Hattiesburg, MS
Wesley HealthTrust, Inc. a/k/a Methodist HealthTrust 64-0873336	Mississippi 1/15/96	QHG of Hattiesburg, Inc.	Non-Significant Subsidiary	
Wesley Physician Services, LLC 20-5884933	Delaware 11/14/06	QHG of Hattiesburg, Inc.	Non-Significant Subsidiary	
West Anaheim, LLC 62-1761999	Delaware 11/19/98	Tennyson Holdings, Inc.	Inactive	
West Anaheim Hospital, L.P. 62-1762546	Delaware 11/9/98	West Anaheim Medical Center, LLC — GP(1%) WAMC, LLC — LP (99%)	Inactive	
West Anaheim Medical Center, LLC 62-1762547	Delaware 11/9/98	West Anaheim, LLC	Inactive	
West Virginia MS, LLC 75-2887763	Delaware 7/6/00	Triad Holdings III, LLC	Non-Significant Subsidiary	
Wharton Medco, LLC 62-1769651	Delaware 2/3/99	Tennyson Holdings, Inc.	Inactive	

Triad Healthcare Corporation (f/k/a Triad Hospitals, Inc.) Subsidiaries
SUBSIDIARY LISTING

<u>NAME/FEIN</u>	<u>STATE AND DATE</u>	<u>PARENT</u>	<u>ENTITY TYPE</u>	<u>HOSPITAL DBA</u>
WHMC, LLC 62-1762551	Delaware 11/9/98	Triad Holdings III, LLC	Material	
Willamette Community Medical Group, LLC 20-5128256	Delaware 6/28/06	Triad of Oregon	Non-Significant Subsidiary	
Willamette Valley Clinics, LLC 62-1766695	Delaware 1/6/99	Oregon Healthcorp, LLC	Non-Significant Subsidiary	
Willamette Valley Medical Center, LLC 62-1762552	Delaware 11/9/98	Oregon Healthcorp, LLC	Material	Willamette Valley Medical Center, McMinnville, OR
WM Medical, LLC 75-2828363	Delaware 4/23/99	Triad Holdings III, LLC	Non-Significant Subsidiary	
Women & Children's Hospital, LLC 62-1762556	Delaware 11/9/98	Triad Holdings IV, LLC	Material	Women & Children's Hospital, St. Charles, LA
Woodland Heights Medical Center, LLC 62-1762558	Delaware 11/9/98	Triad Holdings III, LLC	Material	
Woodward Health System, LLC 62-1762418	Delaware 11/9/98	Triad Holdings IV, LLC	Material	Woodward Hospital, Woodward, OK
Tri-Shell 37 LLC F/k/a Physical Therapy Affiliates, LLC 62-1757659	Delaware 10/15/98	Triad Hospitals, Inc.	Inactive	Don't use— IRS issues. They have no record of entity or fein.

* **MCSA, LLC — dba Medical Center of South Arkansas.**

Please note that Medical Center of South Arkansas is owned by MCSA, LLC which is owned 50% by Triad El Dorado, Inc. and 50% by SHARE Foundation.

MCSA, LLC is an Arkansas company formed 2/23/96. FEIN:

Schedule 3.17
Environmental Matters

None.

Schedule 3.18
Insurance

Please see attached.

**SUMMARY OF INSURANCE PROGRAM
FOR
COMMUNITY HEALTH SYSTEMS, INC.**

1. Hospital Liability Insurance

This policy provides comprehensive general liability, medical professional liability, contractual liability, personal injury liability, druggists' liability, and employment practices liability insurance. The policy period is June 1, 2007 to June 1, 2008. The policy is written on a claims-made basis, with retroactive date of September 1, 1986. This policy, shared by all of the CHS affiliate facilities, provides a \$4.750 million per occurrence/\$8 million annual aggregate, excess of a \$250,000 "self-insured" retention (SIR). The policy is written by Community Insurance Group, SPC, Ltd. (CIG). The policy number is 274/CIG07.

Excess insurance is provided by Zurich American (Steadfast Insurance Company) with limits of \$20 million per occurrence/\$20 million annual aggregate, excess \$5 million. The policy period is June 1, 2007 to June 1, 2008. This liability umbrella policy is written on a claims-made basis, with retroactive date of September 1, 1986. (This umbrella also provides excess automobile, employers liability, helipad liability, non-owned aviation). Policy number is HPC534683702.

An excess liability policy with Endurance provides limits of \$25 million per occurrence/\$25 million annual aggregate, excess \$25 million. The policy period is June 1, 2007 to June 1, 2008. The policy is written on a claims-made basis, retroactive to September 1, 1986. (This policy also acts as an umbrella over underlying coverages). Policy number is P001089005.

An excess liability policy with AWAC provides limits of \$25 million per occurrence/\$25 million annual aggregate, excess \$50 million. The policy period is June 1, 2007 to June 1, 2008. The policy is written on a claims-made basis, retroactive to September 1, 1986, except for Laredo which is 6/1/04. (This policy also acts as an umbrella over underlying coverages). Policy number is C002071/001.

An excess liability policy with XL Bermuda provides limits of \$25 million per occurrence/\$25 million annual aggregate, excess \$75 million. The policy period is June 1, 2007 to June 1, 2008. The policy is written on a claims-made basis, retroactive to September 1, 1986, except for Laredo which is 6/1/04. (This policy also acts as an umbrella over underlying coverages). Policy number is XLUMB-604250.

Total policy limits are \$100 million.

[The State of PA requires first dollar professional liability insurance coverage through a PA licensed carrier and participation in the State Fund. Therefore, effective 3/1/02, Berwick is insured through a PA fronted policy with CNA for professional liability limits of \$500,000/\$2,500,000 retroactive to 3/1/99 for claims not reported prior to 3/1/02; and The Fund with limits to \$1.2M. Effective 10/1/02, Jennersville, Easton, and Brandywine are in the same program. This change is retro to 6/11/01 for Brandywine and 10/1/01 for Easton and Jennersville for claims not reported prior to 10/1/02. Lock Haven is in this program effective 8/1/02, Pottstown effective 7/1/03, Phoenixville effective 8/1/04, Chestnut Hill effective 3/1/05, and Sunbury effective 10/1/05. CIG provides coverage over the Fund.

Effective 8/1/00, the Louisiana hospitals, Byrd Regional and River West, became members of the Louisiana Patients' Compensation Fund. Northern Louisiana Medical Center joined the Fund on 4/1/07. These hospitals are insured in CHS' program for the 1st \$100,000 of each medical malpractice claim and the Fund provides coverage from \$100,000 to the statutory cap of \$500,000.]

Effective 5/1/07, Porter Hospital in Indiana was acquired and enrolled in the Indiana PCF. This hospital has a fronted policy with Zurich for professional liability limits of \$250,000/\$7.5M. The Fund then provides coverage up to a statutory cap of \$1,250,000.

2. Workers' Compensation and Employers Liability Insurance (including Stop Gap Coverage)

Workers' Compensation and Employers Liability insurance including Stop Gap coverage is purchased to comply with CHS and its affiliates' obligations under state and federal workers' compensation laws. The policy period is December 1, 2006 to December 1, 2007. Statutory limits apply to Workers' Compensation. Employers Liability limits are \$1 million each employee per accident/\$1 million occupational disease aggregate/\$1 million by disease each occurrence. This is a large deductible program with a \$300,000 deductible. The policy is written by Zurich, policy number WC 3730423-03.

All Texas facilities have entered into an Opted-Out ERISA Plan in lieu of a statutory work comp program effective 12/1/01. The TX facilities maintain a \$500,000 self-insured retention for all employee injuries. An excess policy has been purchased with Steadfast Insurance Company (Zurich) for coverage above this self-insured retention up to \$10 million. The policy period for this excess policy is 12/1/06-12/1/07. The policy number is EWT387844800.

3. Automobile Liability and Physical Damage Coverage — Primary

Automobile Liability coverage is purchased to pay all sums CHS and its affiliates are legally liable to pay as damages because of bodily injury or property damage caused by an accident and resulting from the ownership, maintenance or use of a covered auto, including hired and non-owned autos. Hired and non-owned autos coverage is excess of any other available limits including employees' personal vehicles while in use on company business. The

policies have a \$2 million CSL of Liability limit/\$2 million CSL of Uninsured Motorists Liability limit. There is a \$10,000 deductible on the policy for the hospitals and a \$250,000 deductible for Corporate. The policy period is December 1, 2006- December 1, 2007. The policies are written by Zurich. The policy number is BAP 3730425-03.

4. EMPLOYMENT PRACTICES LIABILITY

XL Insurance (Bermuda) Ltd. also provides a policy that covers Employment Practices Liability. This stand-alone EPLI policy provides limits of \$15 million, excess \$5 million self-insured retention. The policy period is June 1, 2006 to June 1, 2007 with a 2 month extension to 8/1/07. The policy is written on a claims-made basis, retroactive to 6/1/03. Policy number is BM0022000EP06A.

5. PROPERTY

A property policy is purchased to protect CHS and its affiliates from direct damage to owned/leased properties. It also provides for the loss of income or increased operating expenses as the result of a direct damage loss. The property damage portion of the policy is written on a replacement value basis. Policy limits are \$750,000,000. The policy includes a \$250 million total earthquake limit for all locations except CA and those facilities located in the New Madrid Seismic Zone, which have a \$25 million sublimit and a 5% deductible. For "wind locations" there are 3— 5% wind deductibles. There is a \$250 million total flood limit/\$10 million KY River sublimit. All other deductibles vary (by peril) from \$25,000 to \$100,000. Terrorism coverage is included. The policy is written by FM Global with coverage dates of August 31, 2006 — August 31, 2007. The policy number is JC553.

Kentucky River Medical Center, 540 Jetts Drive, Jackson, KY is situated in a flood plain (zone A) and is eligible for flood coverage through the National Flood Insurance Program (NFIP). Coverage has been purchased essentially to "buy down" the deductible in the FM Global policy of \$500,000 building and \$500,000 contents to a deductible of \$5,000. Valuation of this policy is actual cash value. The policy is written through Hartford Insurance Company, policy number 01486140002007. The policy period is March 14, 2007 to March 14, 2008.

5. Fidelity/Crime

Crime coverage is purchased for acts of employee dishonesty, forgery or alteration, theft, disappearance or destruction, robbery and safe burglary, computer fraud, wire transfers, and money order or counterfeit currency at a limit of \$10 million dollars. The crime policy is provided by National Union Fire Insurance Company with a deductible of \$250,000. The coverage dates are September 30, 2006 to September 30, 2007. The policy number is 006738480.

6. Fiduciary Liability

Community Health Systems' Retirement and Profit Sharing Plan, Deferred Compensation Plan and Volunteer Employee Benefit Association Trust (VEBA), are protected by Fiduciary Liability coverage. The policy period is September 30, 2006 to September 30, 2007. This is claims-made coverage, which provides a \$10 million combined single limit with a \$100,000 deductible. The carrier is National Union Fire Insurance Company. The policy number is 006738448.

7. Directors and Officers Insurance and Company Reimbursement Policy

CHS' Directors and Officers Liability insurance policies provide coverage for Corporate Directors and Officers, members of Hospital Governing Boards, and members of the Physician Advisory Counsel. The policy period is May 18, 2007 to May 18, 2008. Policy limits are \$100 million and are provided through ten layers of coverage. The primary policy is written through AIG (National Union) and provides a \$10 million limit. The policy number is 007421768. Next, a \$10 million limit is provided by Zurich through policy number DOC 5336148-03. Next, a \$10 million limit is provided by Liberty Mutual through policy number 073387-017. Next, a \$10 million limit is provided by XL Specialty through policy number ELU097969-07. Then, a \$10 million limit is provided by XL (Bermuda) through policy number BM00022826DO07A, Side A coverage only. Next, a \$10 million limit, Side A coverage only, is provided by Allied World Assurance through policy number C000424/006. Next, a \$10 million limit is provided by Axis, Side A coverage only, with a policy number RAN713680/01/2007. Next a \$10 million limit is provided by Continental Casualty, Side A coverage only, through policy number 169770713. AWAC provides another layer of \$10 million through policy number C007468/001. Finally, Starr Excess provides a \$10 million layer, Side A only, through policy number 6299067. The policy has a \$2.5 million self-insured retention.

8. Environmental Impairment Liability Policy

This policy provides payment for damages to personal property, or environmental injury arising out of environmental impairment from underground & aboveground storage tanks. It will also pay for clean up resulting from pollution liability arising from said storage tank. The policy period is June 1, 2007 to June 1, 2008. The policy limits are \$2 million per occurrence/\$5 million annual aggregate, with a \$25,000 deductible. The carrier is Zurich. The policy number is USC5400144-02.

9. Owned & Non-Owned Aviation Liability/ Helipad Liability

This policy provides payment for bodily injury and property damage including passengers for the owned air ambulance helicopter and the 3 CHS leased/owned aircraft. The policy is provided by Global Aerospace for a liability policy limit of \$50,000,000 per occurrence for the helicopter with a deductible of \$10,000 Not in Motion/3% of the Insured Value in Motion coverage. The policy period is 6/11/07-6/11/08. The policy number is BH 10035634. The policy also provides \$100,000,000 limits for the Beech King Air, and \$125,000,000 limits for the two Hawkers.

A helipad liability policy provides coverage for any helipad premises owned or used by the

facility. The policy is provided by Global Aerospace for a limit of \$10,000,000 per occurrence with a \$50,000 deductible for each and every loss. The policy number is BH 10035634. The policy period is 6/11/07-6/11/08.

10. Employed Physician Professional Liability Insurance

CHS procures and maintains professional liability insurance for all **employed** physicians. This policy, shared by all of the CHS affiliate employed physicians, is written on a claims-made basis in the amount of \$1,000,000 per occurrence/\$3,000,000 in the aggregate for professional medical services provided. This primary insurance is obtained through Community Insurance Group, SPC, LTD. The policy period is August 11, 2006 to August 11, 2007. The policy number is 274/CIG/PHY06. Employed physicians are insured under the liability policy with Community Insurance Group, Ltd. (described in section 1) with limits of \$4 million per occurrence/\$4 million aggregate, excess of the \$1 million primary policy provided by CIG. The employed physicians are also provided coverage on the excess liability policies.

11. Pollution Legal Liability

This policy provides coverage for onsite and offsite 3rd party bodily injury, property damage, and clean up costs, plus business interruption coverage for actual loss or rental value, resulting from pollution issues. Mold is excluded. The policy is written by AIG (American International Specialty Lines) with limits of \$3M/\$6M. The deductible is \$100,000. Policy period is 9/1/06-9/1/09. The policy number is PLS2057628.

TRIAD HOSPITALS, INC.
2006 Corporate and Facility Insurance

Insurance Program Description and Limits of Liability	Inception	Policy Period Expiration
Hospital Professional Liability (HPL) and General Liability (GL):		
Alabama Facilities (Claims — Made): \$25,000 Deductible		
\$1,00,000 each claim/\$3,000,000 Aggregate	7/31/2006	7/31/2007
Primary Coverage (Occurrence): \$1,000,000 Retention (\$2,000,000 Retention for Texas)		
\$5,000,000 Per Occurrence/\$31.5 Million Aggregate	1/1/2006	1/1/2007
Excess Coverage (HPL is Claims-Made; GL is Occurrence):		
\$190 Million in excess of \$10 Million Per Occurrence and Aggregate	1/1/2006	1/1/2007
Patient Compensation Funds:		
\$1,000,000 Excess of \$250,000 Per Occurrence (Indiana)	1/1/2006	1/1/2007
Unlimited Excess of \$100,000 Retention (Louisiana)	1/1/2006	1/1/2007
Directors & Officers Liability (\$2,500,000 Retention):		
Total Limits: \$100 million	5/12/2006	5/12/2007
Fiduciary Liability (\$100,000 Non Securities Retention; \$500,000 Securities Retention):		
Total Limits: \$50 million	5/12/2006	5/12/2007
Fidelity/Crime (\$500,000 Deductible):		
Total Limits: \$40 million	5/12/2006	5/12/2007
Special Crime (NIL Deductible):		
Total Limits: \$25 million	5/11/2005	5/11/2008
Employment Practices Liability (\$2,000,000 deductible):		
Total Limits: \$35 million	5/12/2006	5/12/2007
Property (\$100,000 Deductible, Higher Deductibles and Lower Sublimits Apply for Specified Losses)		
\$500,000,000 Limit Per Loss	7/31/2006	7/31/2007
Foreign Liability:		
(Various Limits)	7/31/2006	7/31/2007
Aviation Liability and Physical Damage:		
Total Limits: \$100 million Citation V/ \$150 million Citation X (liability); \$18,900,000 (phys. dmg.)	4/17/2006	4/17/2007
Automobile Coverage:		
Total Limits: \$5 million	7/1/2006	7/1/2007
Workers Compensation/Employers Liability:		
Total Limits: Statutory WC/\$5,000,000 Employers Liability	7/1/2006	7/1/2007
Excess Workers Compensation/Employers Liability [Alabama (\$500,000 SIR) and Ohio (\$350,000 SIR)]:		
Total Limits: Statutory WC/\$1,650,000 EL Including SIR	7/1/2006	7/1/2007
Pollution Liability (Storage Tanks)		
Total Limits: \$2 million Each Claim/\$10 million Aggregate	7/31/2006	7/31/2007

Schedule 3.19(a)
UCC Filing Offices

CHS Guarantors

Entity Name	Jurisdiction of Formation	Filing Office
1. Centre Hospital Corporation	Alabama	Secretary of State of the State of Alabama
2. Cullman Hospital Corporation	Alabama	Secretary of State of the State of Alabama
3. Foley Hospital Corporation	Alabama	Secretary of State of the State of Alabama
4. Fort Payne Hospital Corporation	Alabama	Secretary of State of the State of Alabama
5. Greenville Hospital Corporation	Alabama	Secretary of State of the State of Alabama
6. Forrest City Arkansas Hospital Company, LLC	Arkansas	Secretary of State of the State of Arkansas
7. Forrest City Clinic Company, LLC	Arkansas	Secretary of State of the State of Arkansas
8. Forrest City Hospital Corporation	Arkansas	Secretary of State of the State of Arkansas
9. Phillips Hospital Corporation	Arkansas	Secretary of State of the State of Arkansas
10. Payson Hospital Corporation	Arizona	Secretary of State of the State of Arizona
11. Chesterfield/Marlboro, L.P.	Delaware	Secretary of State of the State of Delaware
12. CHHS Holdings, LLC	Delaware	Secretary of State of the State of Delaware
13. Cleveland Regional Medical Center, L.P.	Delaware	Secretary of State of the State of Delaware
14. Community GP Corp.	Delaware	Secretary of State of the State of Delaware
15. Community Health Investment Corporation	Delaware	Secretary of State of the State of Delaware
16. Community Health Systems, Inc.	Delaware	Secretary of State of the State of Delaware
17. Community LP Corp.	Delaware	Secretary of State of the State of Delaware
18. Fallbrook Hospital Corporation	Delaware	Secretary of State of the State of Delaware
19. FWCT-1 Acquisition Corporation	Delaware	Secretary of State of the State of Delaware
20. Hallmark Healthcare Corporation	Delaware	Secretary of State of the State of Delaware
21. Hospital of Barstow, Inc.	Delaware	Secretary of State of the State of Delaware
22. Lancaster Hospital Corporation	Delaware	Secretary of State of the State of Delaware
23. National Healthcare of Cleveland, Inc.	Delaware	Secretary of State of the State of Delaware
24. National Healthcare of Cullman, Inc.	Delaware	Secretary of State of the State of Delaware
25. National Healthcare of Decatur, Inc.	Delaware	Secretary of State of the State of Delaware
26. National Healthcare of Hartselle, Inc.	Delaware	Secretary of State of the State of Delaware
27. National Healthcare of Leesville, Inc.	Delaware	Secretary of State of the State of Delaware
28. National Healthcare of Mt. Vernon, Inc.	Delaware	Secretary of State of the State of Delaware
29. National Healthcare of Newport, Inc.	Delaware	Secretary of State of the State of Delaware
30. NWI Hospital Holdings, LLC	Delaware	Secretary of State of the State of Delaware
31. Pennsylvania Hospital Company, LLC	Delaware	Secretary of State of the State of Delaware
32. Phoenixville Hospital Company, LLC	Delaware	Secretary of State of the State of Delaware
33. Pottstown Hospital Company, LLC	Delaware	Secretary of State of the State of Delaware
34. Ruston Hospital Corporation	Delaware	Secretary of State of the State of Delaware
35. Watsonville Hospital Corporation	Delaware	Secretary of State of the State of Delaware

	<u>Entity Name</u>	<u>Jurisdiction of Formation</u>	<u>Filing Office</u>
36.	Webb Hospital Corporation	Delaware	Secretary of State of the State of Delaware
37.	Webb Hospital Holdings, LLC	Delaware	Secretary of State of the State of Delaware
38.	Fannin Regional Hospital, Inc.	Georgia	Office of the Clerk of any Superior Court
39.	Anna Hospital Corporation §	Illinois	Secretary of State of the State of Illinois
40.	Galesburg Hospital Corporation	Illinois	Secretary of State of the State of Illinois
41.	Granite City Hospital Corporation	Illinois	Secretary of State of the State of Illinois
42.	Granite City Illinois Hospital Company, LLC	Illinois	Secretary of State of the State of Illinois
43.	Marion Hospital Corporation	Illinois	Secretary of State of the State of Illinois
44.	Red Bud Hospital Corporation	Illinois	Secretary of State of the State of Illinois
45.	Red Bud Illinois Hospital Company, LLC	Illinois	Secretary of State of the State of Illinois
46.	Waukegan Hospital Corporation	Illinois	Secretary of State of the State of Illinois
47.	Waukegan Illinois Hospital Company, LLC	Illinois	Secretary of State of the State of Illinois
48.	Hospital of Fulton, Inc.	Kentucky	Secretary of State of the State of Kentucky
49.	Hospital of Louisa, Inc.	Kentucky	Secretary of State of the State of Kentucky
50.	Jackson Hospital Corporation	Kentucky	Secretary of State of the State of Kentucky
51.	Ruston Louisiana Hospital Company, LLC	Louisiana	Recorder of mortgages of Orleans Parish or Clerk of Court of any other parish
52.	Farmington Hospital Corporation	Missouri	Secretary of State of the State of Missouri
53.	Farmington Missouri Hospital Company, LLC	Missouri	Secretary of State of the State of Missouri
54.	Kirksville Hospital Corporation	Missouri	Secretary of State of the State of Missouri
55.	Moberly Hospital, Inc.	Missouri	Secretary of State of the State of Missouri
56.	Williamston Hospital Corporation	North Carolina	Secretary of State of the State of North Carolina
57.	Salem Hospital Corporation	New Jersey	New Jersey Department of Treasury/Division of Revenue
58.	Deming Hospital Corporation	New Mexico	Secretary of State of the State of New Mexico
59.	Roswell Hospital Corporation	New Mexico	Secretary of State of the State of New Mexico
60.	San Miguel Hospital Corporation	New Mexico	Secretary of State of the State of New Mexico
61.	CHS Holdings Corp.	New York	Secretary of State of the State of New York
62.	Hallmark Holdings Corp.	New York	Secretary of State of the State of New York
63.	Kay County Hospital Corporation	Oklahoma	Secretary of State of the State of Oklahoma
64.	Kay County Oklahoma Hospital Company, LLC	Oklahoma	Secretary of State of the State of Oklahoma
65.	CHS Berwick Hospital Corporation	Pennsylvania	Secretary of the Commonwealth
66.	Clinton Hospital Corporation	Pennsylvania	Secretary of the Commonwealth
67.	Coatesville Hospital Corporation	Pennsylvania	Secretary of the Commonwealth
68.	Northampton Hospital Corporation	Pennsylvania	Secretary of the Commonwealth
69.	Sunbury Hospital Corporation	Pennsylvania	Secretary of the Commonwealth
70.	West Grove Hospital Corporation	Pennsylvania	Secretary of the Commonwealth

	<u>Entity Name</u>	<u>Jurisdiction of Formation</u>	<u>Filing Office</u>
71.	Brownsville Hospital Corporation	Tennessee	Secretary of State of the State of Tennessee
72.	Cleveland Hospital Corporation	Tennessee	Secretary of State of the State of Tennessee
73.	Dyersburg Hospital Corporation	Tennessee	Secretary of State of the State of Tennessee
74.	Hospital of Morristown, Inc.	Tennessee	Secretary of State of the State of Tennessee
75.	Jackson Hospital Corporation	Tennessee	Secretary of State of the State of Tennessee
76.	Jackson, Tennessee Hospital Company, LLC	Tennessee	Secretary of State of the State of Tennessee
77.	Lakeway Hospital Corporation	Tennessee	Secretary of State of the State of Tennessee
78.	Lexington Hospital Corporation	Tennessee	Secretary of State of the State of Tennessee
79.	Martin Hospital Corporation	Tennessee	Secretary of State of the State of Tennessee
80.	McKenzie Hospital Corporation	Tennessee	Secretary of State of the State of Tennessee
81.	McNairy Hospital Corporation	Tennessee	Secretary of State of the State of Tennessee
82.	Shelbyville Hospital Corporation	Tennessee	Secretary of State of the State of Tennessee
83.	Sparta Hospital Corporation	Tennessee	Secretary of State of the State of Tennessee
84.	Big Bend Hospital Corporation	Texas	Secretary of State of the State of Texas
85.	Big Spring Hospital Corporation	Texas	Secretary of State of the State of Texas
86.	Granbury Hospital Corporation	Texas	Secretary of State of the State of Texas
87.	Jourdanton Hospital Corporation	Texas	Secretary of State of the State of Texas
88.	NHCI of Hillsboro, Inc.	Texas	Secretary of State of the State of Texas
89.	Weatherford Hospital Corporation	Texas	Secretary of State of the State of Texas
90.	Weatherford Texas Hospital Company, LLC	Texas	Secretary of State of the State of Texas
91.	Tooele Hospital Corporation	Utah	Division of Corporations and Commercial Code
92.	Emporia Hospital Corporation	Virginia	State Corporation Commission
93.	Franklin Hospital Corporation	Virginia	State Corporation Commission
94.	Petersburg Hospital Company, LLC	Virginia	State Corporation Commission
95.	Russell County Medical Center, Inc.	Virginia	State Corporation Commission
96.	Virginia Hospital Company, LLC	Virginia	State Corporation Commission
97.	Oak Hill Hospital Corporation	West Virginia	Secretary of State of the State of West Virginia
98.	Evanston Hospital Corporation	Wyoming	Secretary of State of the State of Wyoming

Triad Guarantors

	<u>Entity Name</u>	<u>Jurisdiction of Formation</u>	<u>Filing Office</u>
1.	QHG of Enterprise, Inc.	Alabama	Secretary of State of the State of Alabama
2.	QHG of Jacksonville, Inc.	Alabama	Secretary of State of the State of Alabama
3.	QHG of Springdale, Inc.	Arkansas	Secretary of State of the State of Arkansas
4.	Triad-El Dorado, Inc.	Arkansas	Secretary of State of the State of Arkansas
5.	Abilene Hospital, LLC	Delaware	Secretary of State of the State of Delaware
6.	Abilene Merger, LLC	Delaware	Secretary of State of the State of Delaware

<u>Entity Name</u>	<u>Jurisdiction of Formation</u>	<u>Filing Office</u>
7. Arizona DH, LLC	Delaware	Secretary of State of the State of Delaware
8. ARMC, LP	Delaware	Secretary of State of the State of Delaware
9. Birmingham Holdings, LLC	Delaware	Secretary of State of the State of Delaware
10. Bluffton Health System, LLC	Delaware	Secretary of State of the State of Delaware
11. Brownwood Hospital, L.P.	Delaware	Secretary of State of the State of Delaware
12. Brownwood Medical Center, LLC	Delaware	Secretary of State of the State of Delaware
13. Carlsbad Medical Center, LLC	Delaware	Secretary of State of the State of Delaware
14. Claremore Regional Hospital, LLC	Delaware	Secretary of State of the State of Delaware
15. Clarksville Holdings, LLC	Delaware	Secretary of State of the State of Delaware
16. College Station Hospital, L.P.	Delaware	Secretary of State of the State of Delaware
17. College Station Medical Center, LLC	Delaware	Secretary of State of the State of Delaware
18. College Station Merger, LLC	Delaware	Secretary of State of the State of Delaware
19. CP Hospital GP, LLC	Delaware	Secretary of State of the State of Delaware
20. CPLP, LLC	Delaware	Secretary of State of the State of Delaware
21. Crestwood Hospital LP, LLC	Delaware	Secretary of State of the State of Delaware
22. Crestwood Hospital, LLC	Delaware	Secretary of State of the State of Delaware
23. CSMC, LLC	Delaware	Secretary of State of the State of Delaware
24. CSRA Holdings, LLC	Delaware	Secretary of State of the State of Delaware
25. Deaconess Holdings, LLC	Delaware	Secretary of State of the State of Delaware
26. Deaconess Hospital Holdings, LLC	Delaware	Secretary of State of the State of Delaware
27. Desert Hospital Holdings, LLC	Delaware	Secretary of State of the State of Delaware
28. Detar Hospital, LLC	Delaware	Secretary of State of the State of Delaware
29. Dukes Health System, LLC	Delaware	Secretary of State of the State of Delaware
30. Gadsden Regional Medical Center, LLC	Delaware	Secretary of State of the State of Delaware
31. Greenbrier VMC, LLC	Delaware	Secretary of State of the State of Delaware
32. GRMC Holdings, LLC	Delaware	Secretary of State of the State of Delaware
33. Hobbs Medco, LLC	Delaware	Secretary of State of the State of Delaware
34. Las Cruces Medical Center, LLC	Delaware	Secretary of State of the State of Delaware
35. Lea Regional Hospital, LLC	Delaware	Secretary of State of the State of Delaware
36. Longview Merger, LLC	Delaware	Secretary of State of the State of Delaware
37. LRH, LLC	Delaware	Secretary of State of the State of Delaware
38. Lutheran Health Network of Indiana, LLC	Delaware	Secretary of State of the State of Delaware
39. Massillon Health System, LLC	Delaware	Secretary of State of the State of Delaware
40. Medical Center of Brownwood, LLC	Delaware	Secretary of State of the State of Delaware
41. MMC of Nevada, LLC	Delaware	Secretary of State of the State of Delaware
42. Navarro Hospital, L.P.	Delaware	Secretary of State of the State of Delaware
43. Navarro Regional, LLC	Delaware	Secretary of State of the State of Delaware
44. NRH, LLC	Delaware	Secretary of State of the State of Delaware
45. Oregon Healthcorp, LLC	Delaware	Secretary of State of the State of Delaware
46. Palmer-Wasilla Health System, LLC	Delaware	Secretary of State of the State of Delaware
47. Quorum Health Resources, LLC	Delaware	Secretary of State of the State of Delaware
48. Regional Hospital of Longview, LLC	Delaware	Secretary of State of the State of Delaware

	Entity Name	Jurisdiction of Formation	Filing Office
49.	Russellville Holdings, LLC	Delaware	Secretary of State of the State of Delaware
50.	SACMC, LLC	Delaware	Secretary of State of the State of Delaware
51.	San Angelo Community Medical Center, LLC	Delaware	Secretary of State of the State of Delaware
52.	San Angelo Hospital, L.P.	Delaware	Secretary of State of the State of Delaware
53.	San Angelo Medical, LLC	Delaware	Secretary of State of the State of Delaware
54.	Southern Texas Medical Center, LLC	Delaware	Secretary of State of the State of Delaware
55.	St. Joseph Health System, LLC	Delaware	Secretary of State of the State of Delaware
56.	Tennyson Holdings, Inc.	Delaware	Secretary of State of the State of Delaware
57.	Triad Holdings III, LLC	Delaware	Secretary of State of the State of Delaware
58.	Triad Holdings IV, LLC	Delaware	Secretary of State of the State of Delaware
59.	Triad Holdings V, LLC	Delaware	Secretary of State of the State of Delaware
60.	Triad Hospitals, Inc.	Delaware	Secretary of State of the State of Delaware
61.	Triad of Alabama, LLC	Delaware	Secretary of State of the State of Delaware
62.	Triad of Oregon, LLC	Delaware	Secretary of State of the State of Delaware
63.	Triad-ARMC, LLC	Delaware	Secretary of State of the State of Delaware
64.	Triad-Denton Hospital GP, LLC	Delaware	Secretary of State of the State of Delaware
65.	Triad-Denton Hospital, L.P.	Delaware	Secretary of State of the State of Delaware
66.	Triad-Navarro Regional Hospital Subsidiary, LLC	Delaware	Secretary of State of the State of Delaware
67.	VHC Medical, LLC	Delaware	Secretary of State of the State of Delaware
68.	Vicksburg Healthcare, LLC	Delaware	Secretary of State of the State of Delaware
69.	Victoria Hospital, LLC	Delaware	Secretary of State of the State of Delaware
70.	Victoria of Texas, L.P.	Delaware	Secretary of State of the State of Delaware
71.	WHMC, LLC	Delaware	Secretary of State of the State of Delaware
72.	Willamette Valley Medical Center, LLC	Delaware	Secretary of State of the State of Delaware
73.	Women & Children's Hospital, LLC	Delaware	Secretary of State of the State of Delaware
74.	Woodland Heights Medical Center, LLC	Delaware	Secretary of State of the State of Delaware
75.	Woodward Health System, LLC	Delaware	Secretary of State of the State of Delaware
76.	QHG Georgia Holdings, Inc.	Georgia	Office of the Clerk of any Superior Court
77.	QHG Georgia, L.P.	Georgia	Office of the Clerk of any Superior Court
78.	Frankfort Health Partner, Inc.	Indiana	Secretary of State of the State of Indiana
79.	IOM Health System, L.P.	Indiana	Secretary of State of the State of Indiana
80.	QHG of Bluffton, Inc.	Indiana	Secretary of State of the State of Indiana
81.	QHG of Clinton County, Inc.	Indiana	Secretary of State of the State of Indiana
82.	QHG of Fort Wayne, Inc.	Indiana	Secretary of State of the State of Indiana
83.	QHG of Warsaw, Inc.	Indiana	Secretary of State of the State of Indiana
84.	QHG of Forrest County, Inc.	Mississippi	Secretary of State of the State of Mississippi
85.	QHG of Hattiesburg, Inc.	Mississippi	Secretary of State of the State of Mississippi
86.	River Region Medical Corporation	Mississippi	Secretary of State of the State of Mississippi
87.	NC-DSH, Inc.	Nevada	Secretary of State of the State of Nevada
88.	QHG of Barberton, Inc.	Ohio	Secretary of State of the State of Ohio
89.	QHG of Massillon, Inc.	Ohio	Secretary of State of the State of Ohio

	<u>Entity Name</u>	<u>Jurisdiction of Formation</u>	<u>Filing Office</u>
90.	SouthCrest, L.L.C.	Oklahoma	County Clerk of Oklahoma County
91.	Triad-South Tulsa Hospital Company, Inc.	Oklahoma	County Clerk of Oklahoma County
92.	QHG of South Carolina, Inc.	South Carolina	Secretary of State of the State of South Carolina
93.	QHG of Spartanburg, Inc.	South Carolina	Secretary of State of the State of South Carolina

Schedule 3.19(c)
Mortgage Filing Offices

Hospital Name/Address	Corporate Owner	County
DeKalb Regional Medical Center 200 Medical Center Drive P.O. Box 680778 Fort Payne, AL 35968	Fort Payne Hospital Corporation (AL)	DeKalb
Flowers Hospital 4370 West Main Street Dothan, AL 36305	Triad of Alabama, LLC (DE)	Houston
Gadsden Regional Medical Center 1007 Goodyear Avenue Gadsden, AL 35903	Gadsden Regional Medical Center, LLC (DE)	Etowah
Jacksonville Medical Center 1701 Pelham Road, South Jacksonville, AL 36265	QHG of Jacksonville, Inc. (AL)	Calhoun
Medical Center Enterprise 400 North Edwards St. Enterprise, AL 36330	QHG of Enterprise, Inc. (AL)	Coffee
Parkway Medical Center 1874 Beltline Rd., SW (P.O. Box 2211) Decatur, AL 35601	National Healthcare of Decatur, Inc. (DE)	Morgan
Northwest Medical Center of Benton County 3000 Medical Center Pkwy. Bentonville, AR 72712	QHG of Springdale, Inc. (AR)	Benton
Saint Mary's Regional Medical Center 1808 West Main Street Russellville, AR 72801	Russellville Holdings, LLC (and St. Mary's Real Property, LLC)	Pope
Watsonville Community Hospital 75 Nielson Street Watsonville, CA 95076	Watsonville Hospital Corporation (DE)	Santa Cruz
Galesburg Cottage Hospital 695 N. Kellogg St. Galesburg, IL 61401	Galesburg Hospital Corporation (IL)	Knox
Gateway Regional Medical Center 2100 Madison Avenue Granite City, IL 62040	Granite City Illinois Hospital Company, LLC (IL)	Madison
Heartland Regional Medical Center 3333 West DeYoung Marion, IL 62959	Marion Hospital Corporation (IL)	Williamson
Vista Medical Center (includes East and West) 1324 N. Sheridan Road Waukegan, IL 60085	Hospital Company, LLC (IL)	Lake
Bluffton Regional Medical Center 303 South Main Street Bluffton, IN 46714	Bluffton Health System, LLC (DE)	Wells
Dukes Memorial Hospital 275 W. 12th Street Peru, IN 46970	Dukes Health System, LLC (DE)	Miami
Lutheran Hospital of Indiana 7950 West Jefferson Blvd. Fort Wayne, IN 46804	IOM Health System, L.P. (IN Ltd. Partnership)	Allen

Hospital Name/Address	Corporate Owner	County
St. Joseph Hospital 700 Broadway Fort Wayne, IN 46802	St. Joseph Health System, LLC (DE)	Allen
Women and Children's Hospital 4200 Nelson Road Lake Charles, LA 70605	Women and Children's Hospital, LLC	Calcasieu
River Region Health System 2100 Highway 61 North/1111 N. Frontage Road Vicksburg, MS 39183	Vicksburg Healthcare, LLC (DE)	Warren
Mineral Area Regional Medical Center 1212 Weber Road Farmington, MO 63640	Farmington Missouri Hospital Company, LLC (MO)	Saint Francois
Moberly Regional Medical Center 1515 Union Avenue Moberly, MO 65270	Moberly Hospital, Inc. (MO)	Randolph
The Memorial Hospital of Salem County 310 Woodstown Road Salem, NJ 08079	Salem Hospital Corporation (NJ)	Salem
Alta Vista Regional Hospital 104 Legion Drive Las Vegas, NM 87701	San Miguel Hospital Corporation (NM)	San Miguel
Carlsbad Medical Center 2430 West Pierce Carlsbad, NM 88220	Carlsbad Medical Center, LLC	Eddy
Eastern New Mexico Medical Center 405 West Country Club Road Roswell, NM 88201	Roswell Hospital Corporation (NM)	Chaves
Lea Regional Medical Center 5419 N. Lovington Highway Hobbs, NM 88240	Lea Regional Hospital, LLC	Lea
MountainView Regional Medical Center 4311 East Lohman Avenue Las Cruces, NM 88011	Las Cruces Medical Center, LLC (DE)	Dona Ana
Claremore Regional Hospital 1202 N. Muskogee Place Claremore, OK 74017	Claremore Regional Hospital, LLC	Rogers
Ponca City Medical Center 1900 North 14th Street Ponca City, OK 74601	Kay County Oklahoma Hospital Company, LLC (OK)	Kay
SouthCrest Hospital 8801 South 101st East Ave. Tulsa, OK 74133	SouthCrest, L.L.C.	Tulsa
Willamette Valley Medical Center 2700 SE Stratus Avenue McMinnville, OR 97128	Willamette Valley Medical Center, LLC	Yamhill
Berwick Hospital Center 701 East 16th Street Berwick, PA 18603	CHS Berwick Hospital Corporation (PA)	Columbia
Brandywine Hospital 201 Reeceville Rd. Coatesville, PA 19320	Coatesville Hospital Corporation (PA)	Chester

Hospital Name/Address	Corporate Owner	County
Easton Hospital 250 South 21st Street Easton, PA 18042-3892	Northampton Hospital Corporation (PA)	Northampton
Jennersville Regional Hospital 1015 West Baltimore Pike West Grove, PA. 19390	West Grove Hospital Corporation (PA)	Chester
Lock Haven Hospital 24 Cree Drive Lock Haven, PA 17745-2699	Clinton Hospital Corporation (PA)	Washington
Phoenixville Hospital 140 Nutt Road Phoenixville, PA 19460	Phoenixville Hospital Company, LLC (DE)	Chester
Pottstown Memorial Medical Center 1600 East High Street Pottstown, PA 19464	Pottstown Hospital Company, LLC (DE)	Montgomery
Sunbury Community Hospital 350 N. Eleventh Street (P. O. Box 737) Sunbury, PA 17801	Sunbury Hospital Corporation (PA)	Northumberland
Carolinas Hospital System 805 Pamplico Highway Florence, SC 29505	QHG of South Carolina, Inc. (SC)	Florence
Springs Memorial Hospital 800 W. Meeting Street Lancaster, SC 29720	Lancaster Hospital Corporation (DE)	Lancaster
Dyersburg Regional Medical Center 400 Tickle Street Dyersburg, TN 38024	Dyersburg Hospital Corporation (TN)	Dyer
Lakeway Regional Hospital 726 McFarland Street Morristown, TN 37814	Hospital of Morristown, Inc. (TN)	Hamblen
Regional Hospital of Jackson 367 Hospital Blvd. Jackson, TN 38305	Jackson, Tennessee Hospital Company, LLC (TN)	Madison
SkyRidge Medical Center (includes Cleveland) 2305 Chambliss Avenue Cleveland, TN 37320	National Healthcare of Cleveland, Inc. (TN)	Bradley
Volunteer Community Hospital 161 Mt. Pelia Road Martin, TN 38237	Martin Hospital Corporation (TN)	Weakley
Abilene Regional Medical Center 6250 Hwy 83 84 Abilene, TX 79606	ARMC, L.P.	Taylor
College Station Medical Center 1604 Rock Prairie College Station, TX 77845	College Station Hospital, L.P.	Brazos
DeTar Hospital Navarro 506 E. San Antonio Street Victoria, TX 77901	Victoria of Texas, L.P.	Victoria
DeTar Hospital North 101 Medical Drive Victoria, TX 77904	Victoria of Texas, L.P.	Victoria
San Angelo Community Medical Center 3501 Knickerbocker Rd. San Angelo, TX 76904	San Angelo Hospital, L.P.	Tom Green

Hospital Name/Address	Corporate Owner	County
Scenic Mountain Medical Center 1601 West Eleventh Place Big Spring, TX 79720	Big Spring Hospital Corporation (TX)	Howard
South Texas Regional Medical Center 1905 Highway 97 E Jourdanton, TX 78026	Jourdanton Hospital Corporation (TX)	Atascosa
Mountain West Medical Center 2055 N. Main Tooele, UT 84074-2794	Tooele Hospital Corporation (UT)	Tooele
Southern Virginia Regional Medical Center 727 North Main Street Emporia, VA 23847	Emporia Hospital Corporation (VA)	Greensville
Southampton Memorial Hospital 100 Fairview Drive Franklin, VA 23851	Franklin Hospital Corporation (VA)	Southampton
Greenbrier Valley Medical Center 202 Maplewood Avenue Ronceverte, WV 24970	Greenbrier VMC, LLC (and GRB Real Estate, LLC)	Greenbrier

**Schedule 3.21
Collective Bargaining Agreements**

<u>City, State Facility</u>	<u>Union/ Affiliation</u>	<u>Agreement Expiration Date</u>	<u>Type of Employees in Unit</u>
Watsonville, CA Watsonville Community Hospital	"Cal-Tec" California Technical Employees Coalition	1/31/09	LVN's, Radiology Technicians, Respiratory Care Practitioners, Physical Therapy Assistants, Nuclear Medicine Technologists & Cardiovascular Technologists
Watsonville, CA	"CNA" California Nurses Association	3/31/10 (replaces agreement exp. 3/31/06, but has not been reduced to writing)	Registered Nurses
Watsonville, CA	"SEIU", United Healthcare Workers	7/31/09 (replaces agreement exp. 7/31/06, but has not been reduced to writing)	Service & Maintenance
Watsonville, CA	"SEIU", United Healthcare Workers	7/31/08 (replaces agreement exp. 7/31/06, but has not been reduced to writing)	Professional
Watsonville, CA	Teamsters, Local 912	4/30/07 (extended indefinitely with right to terminate on ten (10) days written notice)	Office and Clerical
Easton, PA Easton Hospital	"UIU"—United Independent Union, Local 2	6/1/10 (replaces agreement exp. 6/1/07, but has not been reduced to writing)	Two separate agreements — One agreement covering Registered Nurses and a separate agreement covering Licensed Practical Nurses
Marion, IL Heartland Regional Medical Center	Southern Illinois Laborers' District Council, Local 773, AFL-CIO	2/28/07 (no extension in place)	Virtually all employees, excluding Nurses
Pottstown, PA Pottstown Memorial Medical Center	District 1199 P S.E.I.U.	8/31/08 (replaces agreement exp. 2/28/07, but has not been reduced to writing)	Virtually all employees, excluding Nurses
Palmer, Alaska Mat-Su Regional Medical Center	I.B.E.W. Local 1547	2/29/08	Virtually all employees, excluding RN's
Barberton, Ohio Barberton Citizens Hospital	A.F.S.C.M.E., Ohio Council 8 and Local 2317	1/31/10	Service & Maintenance, Technical and some "Professionals", except for RN's

City, State Facility	Union/ Affiliation	Agreement Expiration Date	Type of Employees in Unit
Springfield, Oregon McKenzie- Williamette Medical Center	Oregon Nurses Association	12/31/08	RN's & LPN's
Springfield, Oregon McKenzie- Williamette Medical Center	S.E.I.U. Local No. 49	6/30/10 (Tentative agreement for a new 3-year CBA was (replacing agreement expiring 6/30/07) was ratified on 7/6/07)	Virtually all employees, excluding RN's & LPN's

ADDITIONAL FACILITIES WITH ORGANIZED LABOR PRESENCE, BUT NO CBA

<u>City, State Facility</u>	<u>Union / Affiliation</u>	<u>Type of Employees in "Unit"</u>
Jackson, KY	United Steelworkers of America, AFL-CIO	Virtually All Employees, Excluding Office Clericals (Election to be scheduled in connection with pending D. C. Circuit Litigation to enforce 2002 NLRB Order.)
Kentucky River Medical Center		
Las Vegas, NM	National Union of Hospital and Healthcare Employees, District 1199NM	Virtually All Employees, except Physicians and Guards (Election scheduled for June 21, 22 and 23, 2007)
Alta Vista Regional Hospital		
Deming, NM	United Steelworkers of America, AFL-CIO	NLRB bargaining order has been upheld by 10 th Cir. Negotiations being scheduled
Mimbres Memorial Hospital		

Schedule 4.02(a)
Local Counsel

None.

Schedule 6.01
Existing Indebtedness

1. Please refer to Schedule 1.01(a) and see attached.

Community Health Systems, Inc.
Schedule 6.01: Existing Indebtedness

CHS Entity	Description of Property Leased	Principal Outstanding
Corporate Debt		
1		
2	Northwestern Mutual Mortgage (Corporate HQ)	23,435
3		
	Total Corporate Debt	23,435
Equipment Leases		
4	Blue Ridge, GA	1,783
5	Cheraw, SC	6
6	Decatur, AL	83
7	Farmington, MO	224
8	Fulton, KY	8,000
9	Galesburg, IL	13
10	Granbury, TX	667
11	Granite City, IL	(4)
12	Las Vegas, NM	49
13	Lexington, TN	27
14	Morristown, TN	109
15	Petersburg, VA	6,455
16	Philadelphia, PA	444
17	Roswell, NM	736
18	Ruston, LA	(11)
19	Salem, NJ	(22)
20	Salem, NJ	80
21	Shelbyville, TN	3,317
22	Sparta, TN	17
23	Sunbury, PA	473
24	Valparaiso, IN	1,296
25	Watsonville, CA	72
26	Weatherford, TX	136
27	Wichita Falls, TX	9
	Total Equipment Leases	23,956

Community Health Systems, Inc.
Schedule 6.01: Existing Indebtedness (Continued)

	<u>CHS Entity</u>	<u>Description of Property Leased</u>	<u>Principal Outstanding</u>
28	Berwick, PA	Physician Loans	81
29	Big Spring, TX	Physician Loans	73
30	Blue Ridge, GA	Physician Loans	15
31	Bullhead City, AZ	Physician Loans	38
32	Cheraw, SC	Physician Loans	26
33	Cleveland, TN	Physician Loans	7
34	Cleveland, TX	Physician Loans	61
35	Coatesville, PA	Physician Loans	85
36	Crestview, FL	Physician Loans	59
37	Cullman, AL	Physician Loans	64
38	Decatur, AL	Physician Loans	11
39	Dyersburg, TN	Physician Loans	10
40	Easton, PA	Physician Loans	23
41	Fallbrook, CA	Physician Loans	69
42	Foley, AL	Physician Loans	72
43	Franklin, VA	Physician Loans	4
44	Granbury, TX	Physician Loans	56
45	Hartselle, AL	Physician Loans	27
46	Helena, AR	Physician Loans	27
47	Hillsboro, TX	Physician Loans	60
48	Jourdanton, TX	Physician Loans	31
49	Kirksville, MO	Physician Loans	66
50	Lake Wales, FL	Physician Loans	3
51	Lancaster, SC	Physician Loans	72
52	Laredo, TX	Physician Loans	8
53	Las Vegas, NM	Physician Loans	27
54	Lebanon, VA	Physician Loans	1
55	Leesville, LA	Physician Loans	26
56	Louisa, KY	Physician Loans	143
57	Moberly, MO	Physician Loans	23
58	Payson, AZ	Physician Loans	116
59	Petersburg, VA	Physician Loans	31
60	Philadelphia, PA	Physician Loans	0
61	Plaquemine, LA	Physician Loans	73
79	Pottstown, PA	Physician Loans	75
80	Roswell, NM	Physician Loans	54
81	Salem, NJ	Physician Loans	26
82	Selmer, TN	Physician Loans	60
83	Tooele, UT	Physician Loans	12
84	Watsonville, CA	Physician Loans	6
85	Weatherford, TX	Physician Loans	42
86	West Grove, PA	Physician Loans	15
		Total Physician Loans	1,488

Community Health Systems, Inc.
Schedule 6.01: Existing Indebtedness (Continued)

CHS Entity	Description of Property Leased	Principal Outstanding
Other Debt		
87 Granite City, IL	Other Facility Debt	(126)
88 Granite City, IL	Other Facility Debt	126
89 Granite City, IL	Bank Notes	280
90 Corporate	Other Corporate Debt	8,810
91 Lockhaven, PA	Patient Funds Liability	20
92 Salem, NJ	Other Facility Debt	(45,591)
93 Salem, NJ	Other Facility Debt	45,591
94 Salem, NJ	Sovereign Bank Notes	9
95	Total Other	9,118
96	Total Facility Debt	57,997

* Debt aggregated by major type per facility

Triad
Schedule 6.01: Existing Indebtedness

Capital Leases	
St. Mary's Regional Medical Center	81,498
Dukes Memorial Hospital	1,948
Dukes Memorial Hospital	51,578
Dukes Memorial Hospital	14,303
Triad Corporate Office	170,370
Massillon Hospital	5,542
Augusta Hospital, LLC	5,907
Willamette Community Medical Group	3,758,073
Subtotal	4,089,219
Other Debt	
Gadsden Regional Medical Center	353,489
River Region Medical Center	209,003
Woodward Regional Hospital	648,241
Massillon Hospital	4,341,705
Massillon Hospital	328,529
Subtotal	5,880,967
Total Capital Leases and Other Debt	9,970,186
Patient Loan Programs	
HELP	14,098,676
AccessOne	4,822,644
Tower	4,173,028
Barberton	318,899
CB&T	89,779
Subtotal	23,503,016
Other Guarantees	
Medical Imaging	
Capitalized lease	77,277
Other debt	1,701,753
Fort Wayne Cardiac Ctr, LLC Capital lease	784,004
San Angelo Surgery Center Equipment note	346,028
Term loan	272,384
Line of Credit commitment	154,007
Subtotal	3,335,453

Triad Liens

<u>DEBTOR</u>	<u>SECURED PARTY</u>	<u>JURISDICTION</u>	<u>TYPE OF UCC</u>	<u>FILE NO. & DATE</u>	<u>COLLATERAL</u>
Carlsbad Medical Center, LLC c/o Triad Hospitals Inc., 13455 Noel Road, Ste. 2000 Dallas, TX 20815	General Electric Capital Corporation 2 Wisconsin Circle, Suite 400 Chevy Chase, MD 20815	Secretary of State, DE	UCC-1	2294460 5 11/22/2002	Rents, income, receipts, revenues, issues, profits, and prepayments that are attached to the real property described in Exhibit A (a parcel of land related to the <u>Guadalupe Medical Center Subdivision, New Mexico</u>); accounts, contract rights, general intangibles, chattel paper, documents, instruments, deposit accounts, letter of credit rights, commercial tort claims and all books and records, to the extent they pertain to the Leases or Rents of the real property; All proceeds, products, replacements, additions, substitutions, renewals and accessions of and to the Leases and Rents
Massillon Health System, LLC 400 Austin Ave. NW Massillon, OH 44645 Additional debtor: Doctors Hospital of Stark County 400 Austin Ave. NW Massillon, OH 44645	H.E.L.P. Financial Corporation 765 Wing Street Auburn Hills, MI 48170	Massillon Health System, LLC; Secretary of State, DE Doctors Hospital of Stark County; OH	UCC-1	3302348 1 11/18/2003	Patient loans, whether installment or revolving, evidenced by a revolving credit agreement or other loan agreement, in which the debtor is the lender, and which are assigned to the secured party.

Schedule 6.02

Existing Liens

CHS Liens

<u>DEBTOR</u>	<u>SECURED PARTY</u>	<u>JURISDICTION</u>	<u>TYPE OF UCC</u>	<u>FILE NO. & DATE</u>	<u>COLLATERAL</u>
Jackson Hospital Corporation f/k/a Kentucky River Medical Center, Inc. 155 Franklin Road Brentwood, TN 37027	National Health Investors, Inc. 100 Vinc Street Murfreesboro, TN 37130	State of Kentucky	UCC-1	2001- 1736257-34 11/26/2001 Continuation: 07/19/2006	Security interest in all accounts, equipment, building materials, ledgers, and proceeds from the collateral including insurance proceeds, now owned or arising from the debtor's leasehold interest, ownership, and operation of <u>Kentucky River Medical Center located at Letts Drive, Jackson, KY.</u>
National Healthcare of Mt. Vernon, Inc. 155 Franklin Road, Ste. 400 Brentwood, TN 37027-4600	National Health Investors, Inc. 100 E. Vine Street Murfreesboro, TN 37130	Secretary of State, DE	UCC-1	4051389 7 02/11/2004	To the extent that they are attached to the Land (Schedule 1), the landlord has security interest in all accounts, accounts receivable, chattel paper, and other receivables; Security interest in central supplies, linen, and other inventories; beds, towels, televisions, and other equipments. (UCC references <u>Crossroads Community Hospital</u>).
Cleveland Regional Medical Center, L.P. c/o Dynamic Health, Inc. 2049 Century Park East, Suite 3330 Los Angeles, CA 90067	AHP of Texas c/o American Health Properties, Inc. 6400 South Fiddler's Green Circle, #1800 Englewood, CO 80111	Secretary of State, DE	UCC-1	9403554 03/15/1994 Continuation: 01/28/1999 02/27/2004	All accounts, equipment and auxiliary parts, accessories, medicines, medical supplies, office supplies, other inventory supplies, fixtures, core receivables, deposits, fidelity and performance bonds, books and records, and insurance proceeds. (Refers to Security and Pledge Agreement between Cleveland Regional Medical Center, L.P. and AHP of Texas dated as of December 31, 1999)

<u>DEBTOR</u>	<u>SECURED PARTY</u>	<u>JURISDICTION</u>	<u>TYPE OF UCC</u>	<u>FILE NO. & DATE</u>	<u>COLLATERAL</u>
CHS/Community Health Systems, Inc. 115 Franklin Road, Suite 400 Brentwood, TN 37027	Fleet Capital Leasing Healthcare Finance, (a division of Fleet Business Credit, LLC) 299 Cherry Hill Road Parsippany, NJ 07054	Secretary of State, DE	UCC-1	3035792 4 02/10/2003	Any property financed under <u>Master Lease No. 2598</u> including medical equipment, office furniture and equipment, computer equipment, telecommunications equipment, video/audio equipment, and other support systems and equipments.
Cleveland Regional Medical Center, L.P. 155 Franklin Road, Suite 400 Brentwood, TN 37027 Additional debtor: Chesterfield/Marlboro, L.P. 155 Fraklin Road, Suite 400 Brentwood, TN 37027	Texas HCP Holding, L.P., a Delaware limited partnership 3760 Kilroy Airport Way, Suite 300 Long Beach, CA 90806 Additional secured party: HCPI Trust, a Maryland Real Estate Investment Trust 3760 Kilroy Airport Way, Suite 300 Long Beach, CA 90806	Secretary of State, DE	UCC-1	5200794 7 06/29/2005	All machinery, furniture and equipment, inventory, supplies, accounts related to and other personal property used or useful in the use of the health care facilities located on the real property related to (i) <u>Cleveland Facility, Liberty County, Texas</u> , (ii) <u>Cheraw Facility, Chesterfield County, South Carolina</u> , and (iii) <u>Bennettsville Facility, Marlboro County, South Carolina</u> .

<u>DEBTOR</u>	<u>SECURED PARTY</u>	<u>JURISDICTION</u>	<u>TYPE OF UCC</u>	<u>FILE NO. & DATE</u>	<u>COLLATERAL</u>
Cleveland Regional Medical Center, L.P. 155 Franklin Road, Suite 400 Brentwood, TN 37027 Additional debtor: Chesterfield/Marlboro, L.P. 155 Franklin Road, Suite 400 Brentwood, TN 37027	Texas HCP Holding, L.P., a Delaware limited partnership 3760 Kilroy Airport Way, Suite 300 Long Beach, CA 90806 Additional secured party: HCPI Trust, a Maryland Real Estate Investment Trust 3760 Kilroy Airport Way, Suite 300 Long Beach, CA 90806	Secretary of State, DE	UCC-1	5200787 1 06/29/2005	All improvements, related rights and fixtures, and personal property, tangible or intangible and any additions to, substitutions for, changes in, or replacements of the whole or any part thereof, including all buildings, structures, fixtures and other improvements related to (i) <u>Cleveland Facility, Liberty County, Texas</u> , (ii) <u>Cheraw Facility, Chesterfield County, South Carolina</u> and (iii) <u>Bennettsville Facility, Marlboro County, South Carolina</u> .
Granbury Hospital Corporation 155 Franklin Road Brentwood, TN 37027	Fleet Capital Leasing Healthcare Finance, (a division of Fleet Business Credit, LLC) 299 Cherry Hill Road Parsippany, NJ 07054	Texas	UCC-1	02-0011105858 11/30/2001 Continuation: 10/03/2006	Any property financed under <u>Master Lease No. 2278</u> including medical equipment, office furniture and equipment, computer equipment, telecommunications equipment, video/audio equipment, and other support systems and equipments.

<u>DEBTOR</u>	<u>SECURED PARTY</u>	<u>JURISDICTION</u>	<u>TYPE OF UCC</u>	<u>FILE NO. & DATE</u>	<u>COLLATERAL</u>
Boyer Evanston Medical Office Building, L.C. 90 South 400 West, Suite 200 Salt Lake City, UT 84101 Additional debtor: Evanston Hospital Corporation 196 Arrowhead Drive Evanston, WY 82930	Prudential Mortgage Capital Company, LLC Four Embarcadero Center, 27th Floor San Francisco, CA 94111 Fully Assigned to (09/26/2005): Prudential Mortgage Capital Funding, LLC 100 Mulberry Street, GC4, 9th Floor Newark, NJ 07102	UT	UCC-1	2005- 26506023 09/15/2005	All improvements, related rights and fixtures, and personal property, tangible or intangible and any additions to, substitutions for, changes in, or replacements of the whole or any part thereof, including all buildings, structures, fixtures and other improvements related to the <u>Evanston Medical Office Building Addition</u> (References PMCC Loan No. TTMLS 406105518).

Schedule 6.04(h)
Certain Permitted Acquisitions

1. Spokane, Washington (Empire Health Services)
-

Schedule 6.05(b)
Certain Syndication Transactions

The following are new offerings unless otherwise indicated:

1. Wesley Health System, LLC (Hattiesburg, MS)
2. Piney Woods Healthcare System, L.P. (Lufkin, TX) (second offering)
3. McKenzie-Willamette Regional Medical Center Associates, LLC (Springfield, OR) (supplemental offering)
4. NOV Holdings, LLC (Tuscon, AZ — 2 hospitals)
5. Kay County Oklahoma Hospital Company, LLC (Ponca City, OK)
6. Petersburg Hospital Company, LLC (Petersburg, VA)
7. Laredo-Texas Hospital Company, LLC (Laredo, TX) (second offering)
8. Northwest Indiana Health System, LLC (Valparaiso, IN)
9. National Healthcare of Mt. Vernon, Inc. (Crossroads Community)
10. Coatesville, PA
11. Westgrove, PA
12. Easton, PA
13. Salem, NJ
14. Abilene, TX
15. Las Cruces, NM
16. Victoria, TX
17. Ft. Wayne, IN (Lutheran)

Schedule 6.07
Certain Affiliate Transactions

None.

FORM OF
CHS/COMMUNITY HEALTH SYSTEMS, INC.

ADMINISTRATIVE QUESTIONNAIRE

Please accurately complete the following information and return via Fax to the attention of Agency Administration at Credit Suisse as soon as possible, at Fax No. (212) 325-8304.

LENDER LEGAL NAME TO APPEAR IN DOCUMENTATION:

GENERAL INFORMATION — DOMESTIC LENDING OFFICE:

Institution Name: _____

Street Address: _____

City, State, Zip Code: _____

GENERAL INFORMATION — EURODOLLAR LENDING OFFICE:

Institution Name: _____

Street Address: _____

City, State, Zip Code: _____

POST-CLOSING, ONGOING CREDIT CONTACTS/NOTIFICATION METHODS:

CREDIT CONTACTS:

Primary Contact: _____

Street Address: _____

City, State, Zip Code: _____

Phone Number: _____

Fax Number: _____

Backup Contact: _____

Street Address: _____

City, State, Zip Code: _____

Phone Number: _____

Fax Number: _____

TAX WITHHOLDING:

Nonresident Alien Y* N

* Form 4224 Enclosed

Tax ID Number _____

POST-CLOSING, ONGOING ADMIN. CONTACTS / NOTIFICATION METHODS:

ADMINISTRATIVE CONTACTS — BORROWINGS, PAYDOWNS, FEES, ETC.

Contact: _____

Street Address: _____

City, State, Zip Code: _____

Phone Number: _____

Fax Number: _____

PAYMENT INSTRUCTIONS:

Name of Bank to which funds are to be transferred: _____

Routing Transit/ABA number of Bank to which funds are to be transferred: _____

Name of Account, if applicable: _____

Account Number: _____

Additional information: _____

MAILINGS:

Please specify the person to whom the Borrower should send financial and compliance information received subsequent to the closing (if different from primary credit contact):

Name: _____

Street Address: _____

City, State, Zip Code: _____

It is very important that all the above information be accurately completed and that this questionnaire be returned to the person specified in the introductory paragraph of this questionnaire as soon as possible. If there is someone other than yourself who should receive this questionnaire, please notify us of that person's name and Fax number and we will Fax a copy of the questionnaire. If you have any questions about this form, please call Agency Administration at Credit Suisse.

FORM OF
ASSIGNMENT AND ACCEPTANCE

Reference is made to the Credit Agreement dated as of July [•], 2007 (as amended, restated, supplemented or otherwise modified from time to time, the "**Credit Agreement**"), among CHS/Community Health Systems, Inc., a Delaware corporation (the "**Borrower**"), Community Health Systems, Inc., a Delaware corporation, the Lenders (as defined in Article I of the Credit Agreement), and Credit Suisse, as administrative agent (in such capacity, the "**Administrative Agent**") and as collateral agent for the Lenders. Terms defined in the Credit Agreement are used herein with the same meanings.

1. The Assignor hereby sells and assigns, without recourse, to the Assignee, and the Assignee hereby purchases and assumes, without recourse, from the Assignor, effective as of the Effective Date set forth below (but not prior to the registration of the information contained herein in the Register pursuant to Section 9.04(d) of the Credit Agreement), the interests set forth below (the "**Assigned Interest**") in the Assignor's rights and obligations under the Credit Agreement and the other Loan Documents, including, without limitation, the amounts and percentages set forth below of (i) the Commitments of the Assignor on the Effective Date and (ii) the Loans owing to the Assignor which are outstanding on the Effective Date. Each of the Assignor and the Assignee hereby makes and agrees to be bound by all the representations, warranties and agreements set forth in Section 9.04(c) of the Credit Agreement, a copy of which has been received by each such party. From and after the Effective Date (i) the Assignee shall be a party to and be bound by the provisions of the Credit Agreement and, to the extent of the interests assigned by this Assignment and Acceptance, have the rights and obligations of a Lender thereunder and under the Loan Documents and (ii) the Assignor shall, to the extent of the interests assigned by this Assignment and Acceptance, relinquish its rights and be released from its obligations under the Credit Agreement.

2. This Assignment and Acceptance is being delivered to the Administrative Agent together with (i) if the Assignee is organized under the laws of a jurisdiction outside the United States, any forms referred to in Section 2.20(e) of the Credit Agreement, duly completed and executed by such Assignee, (ii) if the Assignee is not already a Lender under the Credit Agreement, a completed Administrative Questionnaire and (iii) unless waived or reduced in the sole discretion of the Administrative Agent, a processing and recordation fee of \$3,500.¹

3. This Assignment and Acceptance shall be governed by and construed in accordance with the laws of the State of New York.

Date of Assignment:

Legal Name of Assignor ("**Assignor**"): _____

Legal Name of Assignee ("**Assignee**"): _____

Assignee's Address for Notices: _____

¹ Only one such fee shall be payable in the case of concurrent assignments to persons that, after giving effect to such assignments, will be Related Funds.

Effective Date of Assignment ("**Effective Date**");

<u>Loans/Commitments</u>	<u>Principal Amount Assigned</u>	<u>Percentage Assigned (set forth, to at least 8 decimals, as a percentage of the aggregate Loans and Commitments of all Lenders)</u>
	\$	%
	\$	%

[Remainder of Page Intentionally Left Blank]



Accepted

CREDIT SUISSE, as Administrative Agent[,
Swingline Lender and Issuing Bank],²

by:

Name:
Title:

Name:
Title:

[CHS/COMMUNITY HEALTH SYTEMS, INC.],

by:

Name:
Title:]³

[COMMUNITY HEALTH SYSTEMS, INC.],

by:

Name:
Title:]⁴

² Consent of Swingline Lender and Issuing Bank only required in the case of an assignment of a Revolving Credit Commitment.

³ Consent of the Borrower is only required in the case of an assignment of a Revolving Credit Commitment; *provided*, that the consent of the Borrowers shall not be required for any assignment (a) made to another Lender, an Affiliate of a Lender or a Related Fund of a Lender or (b) after the occurrence and during the continuance of any Event of Default.

The terms set forth above are hereby agreed to:

_____, as Assignor,

by: _____
Name:
Title:

_____, as Assignee,

by: _____
Name:
Title:

FORM OF
BORROWING REQUEST

Credit Suisse, as Administrative Agent for
the Lenders referred to below,
Eleven Madison Avenue
New York, New York 10010
Attention: Agency Group

[DATE]¹

Ladies and Gentlemen:

The undersigned, CHS/Community Health Systems, Inc., a Delaware corporation, (the "**Borrower**"), refers to the Credit Agreement dated as of July [•] 2007 (as amended, supplemented or otherwise modified from time to time, the "**Credit Agreement**"), among the Borrower, Community Health Systems, Inc., a Delaware corporation, the lenders from time to time party thereto (the "**Lenders**") and Credit Suisse, as administrative agent (in such capacity, the "**Administrative Agent**") and collateral agent for the Lenders. Capitalized terms used herein and not otherwise defined herein shall have the meanings assigned to such terms in the Credit Agreement. The Borrower hereby gives the Administrative Agent notice pursuant to Section 2.03 of the Credit Agreement that it requests a Borrowing under the Credit Agreement, and in connection therewith sets forth below the terms on which such Borrowing is requested to be made:

- (A) Type of Borrowing² _____
- (B) Date of Borrowing³ _____
- (C) Account Number and Location _____
- (D) Principal Amount of Borrowing _____
- (E) Interest Period⁴ _____

¹ The Administrative Agent must be notified irrevocably by telephone (a) in the case of a Eurodollar Borrowing, not later than 12:00 (noon) (New York City time), three Business Days before a proposed Borrowing and (b) in the case of an ABR Borrowing, not later than 12:00 (noon) (New York City time), one Business Day before a proposed Borrowing, in each case to be confirmed promptly by hand delivery or fax of a Borrowing Request to the Administrative Agent.

² Specify whether such Borrowing is to be a Term Borrowing or a Revolving Credit Borrowing, and whether such Borrowing is to be a Eurodollar Borrowing or an ABR Borrowing.

³ Date of Borrowing must be a Business Day.

⁴ If such Borrowing is to be a Eurodollar Borrowing, the Interest Period with respect thereto.

The Borrower shall indemnify each Lender against any loss or expense that such Lender may sustain or incur as a consequence of (a) any event, other than a default by such Lender in the performance of its obligations hereunder, which results in (i) such Lender receiving or being deemed to receive any amount on account of the principal of any Eurodollar Loan prior to the end of the Interest Period in effect therefor, (ii) the conversion of any Eurodollar Loan to an ABR Loan, or the conversion of the Interest Period with respect to any Eurodollar Loan, in each case other than on the last day of the Interest Period in effect therefor, or (iii) any Eurodollar Loan to be made by such Lender (including any Eurodollar Loan to be made pursuant to a conversion or continuation of such Loan) not being made after notice of such Loan shall have been given by the Borrower hereunder (any of the events referred to in this paragraph being called a **"Breakage Event"**) or (b) any default in the making of any payment or prepayment of any Eurodollar Loan required to be made hereunder. In the case of any Breakage Event, such loss shall include an amount equal to the excess, as reasonably determined by such Lender, of (i) its cost of obtaining funds for the Eurodollar Loan that is the subject of such Breakage Event for the period from the date of such Breakage Event to the last day of the Interest Period in effect (or that would have been in effect) for such Loan over (ii) the amount of interest likely to be realized by such Lender in redeploying the funds released or not utilized by reason of such Breakage Event for such period. A certificate of any Lender setting forth any amount or amounts which such Lender is entitled to receive pursuant to this paragraph shall be delivered to the Borrower and shall be conclusive absent manifest error.

The Borrower hereby represents and warrants to the Administrative Agent and the Lenders that, on the date of this Borrowing Request and on the date of the related Borrowing, the conditions to lending specified in paragraphs (b) and (c) of Section 4.01 of the Credit Agreement have been satisfied.

CHS/COMMUNITY HEALTH SYSTEMS, INC.,

by

Name:

Title:

Exhibit D:
Form Of Guarantee and Collateral Agreement

See Tab 4

MORTGAGE, ASSIGNMENT OF LEASES AND RENTS, SECURITY AGREEMENT
AND FINANCING STATEMENT

From

[NAME OF MORTGAGOR]

To

CREDIT SUISSE

Dated: _____, 2007

Premises: [City], [State]

_____ County

THIS MORTGAGE, ASSIGNMENT OF LEASES AND RENTS, SECURITY AGREEMENT AND FINANCING STATEMENT dated as of _____, 2007 (this "Mortgage"), by [], a [] corporation, having an office at [] (the "Mortgagor"), to CREDIT SUISSE, a bank organized under the laws of Switzerland, having an office at Eleven Madison Avenue, New York, New York 10010 (the "Mortgagee") as Collateral Agent for the Secured Parties (as such terms are defined below).

WITNESSETH THAT:

Reference is made to (i) the Credit Agreement dated as of _____, 2007 (as amended, supplemented or otherwise modified from time to time, the "Credit Agreement"), among CHS/Community Health Systems, Inc., a Delaware corporation (the "Borrower") Community Health Systems, Inc., a Delaware corporation (the "Parent"), the lenders from time to time party thereto (the "Lenders") and Credit Suisse as administrative agent (the "Administrative Agent") for the Lenders, collateral agent (the "Collateral Agent") for the Secured Parties, swingline lender (the "Swingline Lender") and issuing bank (the "Issuing Bank") with respect to any letters of credit (the "Letters of Credit") issued pursuant to the terms of the Credit Agreement and (ii) the Guarantee and Collateral Agreement dated as of even date hereof (as amended, supplemented or otherwise modified from time to time, the "Guarantee and Collateral Agreement") among Parent, the Borrower, the Subsidiaries identified therein and Collateral Agent. Capitalized terms used but not defined herein have the meanings given to them in the Credit Agreement and the Guarantee and Collateral Agreement.

In the Credit Agreement, (i) the Lenders have agreed to make term loans (the "Term Loans") and revolving loans (the "Revolving Loans") to the Borrower, (ii) the Swingline Lender has agreed to make swingline loans (the "Swingline Loans", together with Term Loans and Revolving Loans, the "Loans") to the Borrower and (iii) the Issuing Bank has issued or agreed to issue from time to time Letters of Credit for the account of the Borrower, in each case pursuant to, upon the terms, and subject to the conditions specified in, the Credit Agreement. Amounts paid in respect of Term Loans may not be reborrowed. Subject to the terms of the Credit Agreement, Borrower may borrow, prepay and reborrow Revolving Loans.

Mortgagor is a wholly-owned direct or indirect Subsidiary of the Borrower and will derive substantial benefit from the making of the Loans by the Lenders and the issuance of the Letters of Credit by the Issuing Bank. In order to induce the Lenders to make Loans and the Issuing Bank to issue Letters of Credit, the Mortgagor has agreed to guarantee, among other things, the due and punctual payment and performance of all of the obligations of the Borrower under the Credit Agreement pursuant to the terms of the Guarantee and Collateral Agreement.

The obligations of the Lenders to make Loans and of the Issuing Bank to issue Letters of Credit are conditioned upon, among other things, the execution and delivery by the Mortgagor of this Mortgage in the form hereof to secure the Obligations.

As used in this Mortgage, the term "Secured Parties" shall mean (a) the Lenders, (b) the Administrative Agent, (c) the Collateral Agent, (d) any Issuing Bank, (e) each counterparty to any Hedging Agreement with a Loan Party that either (i) is in effect on the Closing Date if such counterparty is the Administrative Agent, a Lender or an Affiliate of the Administrative Agent or a Lender as of the Closing Date or (ii) is entered into after the Closing Date if such counterparty is the Administrative Agent, a Lender or an Affiliate of the Administrative Agent or a Lender at the time such Hedging Agreement is entered into, (f) each counterparty to any arrangement with Parent, the Borrower or any Subsidiary Guarantor in respect of Cash Management Obligations in effect on the Closing Date or entered into after the Closing Date, (g) the beneficiaries of each indemnification obligation undertaken by any Loan Party under any Loan Document and (h) the successors and assigns of each of the foregoing.

Pursuant to the requirements of the Credit Agreement, the Mortgagor is granting this Mortgage to create a lien on and a security interest in the Mortgaged Property (as hereinafter defined) to secure the performance and payment by the Mortgagor of the Obligations. The Credit Agreement also requires the granting by other Loan Parties of mortgages, deeds of trust and/or deeds to secure debt (the "Other Mortgages") that create liens on and security interests in certain real and personal property other than the Mortgaged Property to secure the performance of the Obligations.

Granting Clauses

NOW, THEREFORE, IN CONSIDERATION OF the foregoing and in order to secure the due and punctual payment and performance of the Obligations for the benefit of the Secured Parties, Mortgagor hereby grants, conveys, mortgages, assigns and pledges to the Mortgagee, a mortgage lien on and a security interest in, all the following described property (the "Mortgaged Property") whether now owned or held or hereafter acquired:

(1) the land more particularly described on Exhibit A hereto (the "Land"), together with all rights appurtenant thereto, including the easements over certain other adjoining land granted by any easement agreements, covenant or restrictive agreements and all air rights, mineral rights, water rights, oil and gas rights and development rights, if any, relating thereto, and also together with all of the other easements, rights, privileges, interests, hereditaments and appurtenances thereunto belonging or in any way appertaining and all of the estate, right, title, interest, claim or demand whatsoever of Mortgagor therein and in the streets and ways adjacent thereto, either in law or in equity, in possession or expectancy, now or hereafter acquired (the "Premises");

(2) all buildings, improvements, structures, paving, parking areas, walkways and landscaping now or hereafter erected or located upon the Land, and all fixtures of every kind and type affixed to the Premises or attached to or forming part of any structures, buildings or improvements and replacements thereof now or hereafter erected or located upon the Land (the "Improvements");

(3) all apparatus, movable appliances, building materials, equipment, fittings, furnishings, furniture, machinery and other articles of tangible personal property of every kind and nature, and replacements thereof, now or at any time hereafter placed upon or used in any way in connection with the use, enjoyment, occupancy or operation of the Improvements or the Premises, including all of Mortgagor's books and records relating thereto and including all pumps, tanks, goods, machinery, tools, equipment, lifts (including fire sprinklers and alarm systems, fire prevention or control systems, cleaning rigs, air conditioning, heating, boilers, refrigerating, electronic monitoring, water, loading, unloading, lighting, power, sanitation, waste removal, entertainment, communications, computers, recreational, window or structural, maintenance, truck or car repair and all other equipment of every kind), restaurant, bar and all other indoor or outdoor furniture (including tables, chairs, booths, serving stands, planters, desks, sofas, racks, shelves, lockers and cabinets), bar equipment, glasses, cutlery, uniforms, linens, memorabilia and other decorative items, furnishings, appliances, supplies, inventory, rugs, carpets and other floor coverings, draperies, drapery rods and brackets, awnings, venetian blinds, partitions, chandeliers and other lighting fixtures, freezers, refrigerators, walk-in coolers, signs (indoor and outdoor), computer systems, cash registers and inventory control systems, and all other apparatus, equipment, furniture, furnishings, and articles used in connection with the use or operation of the Improvements or the Premises, it being understood that the enumeration of any specific articles of property shall in no way result in or be held to exclude any items of property not specifically mentioned (the property referred to in this subparagraph (3), the "Personal Property");

(4) all general intangibles owned by Mortgagor and relating to design, development, operation, management and use of the Premises or the Improvements, all certificates of occupancy, zoning variances, building, use or other permits, approvals, authorizations and consents obtained from and all materials prepared for filing or filed with any governmental agency in connection with the development, use, operation or management of the Premises and Improvements, all construction, service, engineering, consulting, leasing, architectural and other similar contracts concerning the design, construction, management, operation, occupancy and/or use of the Premises and Improvements, all architectural drawings, plans, specifications, soil tests, feasibility studies, appraisals, environmental studies, engineering reports and similar materials relating to any portion of or all of the Premises and Improvements, and all payment and performance bonds or warranties or guarantees relating to the Premises or the Improvements, all to the extent assignable (the "Permits, Plans and Warranties");

(5) all now or hereafter existing leases or licenses (under which Mortgagor is landlord or licensor) and subleases (under which Mortgagor is sublandlord), concession, management, mineral or other agreements of a similar kind that permit the use or occupancy of the Premises or the Improvements for any purpose in return for any payment, or the extraction or taking of any gas, oil, water or other minerals from the Premises in return for payment of any fee, rent or royalty (collectively, "Leases"), and all agreements or contracts for the sale or other disposition of all or any part of the Premises or the Improvements, now or hereafter entered into by

Mortgagor, together with all charges, fees, income, issues, profits, receipts, rents, revenues or royalties payable thereunder ("Rents");

(6) all real estate tax refunds and all proceeds of the conversion, voluntary or involuntary, of any of the Mortgaged Property into cash or liquidated claims ("Proceeds"), including Proceeds of insurance maintained by the Mortgagor and condemnation awards, any awards that may become due by reason of the taking by eminent domain or any transfer in lieu thereof of the whole or any part of the Premises or Improvements or any rights appurtenant thereto, and any awards for change of grade of streets, together with any and all moneys now or hereafter on deposit for the payment of real estate taxes, assessments or common area charges levied against the Mortgaged Property, unearned premiums on policies of fire and other insurance maintained by the Mortgagor covering any interest in the Mortgaged Property or required by the Credit Agreement; and

(7) all extensions, improvements, betterments, renewals, substitutes and replacements of and all additions and appurtenances to, the Land, the Premises, the Improvements, the Personal Property, the Permits, Plans and Warranties and the Leases, hereinafter acquired by or released to the Mortgagor or constructed, assembled or placed by the Mortgagor on the Land, the Premises or the Improvements, and all conversions of the security constituted thereby, immediately upon such acquisition, release, construction, assembling, placement or conversion, as the case may be, and in each such case, without any further mortgage, deed of trust, conveyance, assignment or other act by the Mortgagor, all of which shall become subject to the lien of this Mortgage as fully and completely, and with the same effect, as though now owned by the Mortgagor and specifically described herein.

TO HAVE AND TO HOLD the Mortgaged Property unto the Mortgagee, its successors and assigns, for the ratable benefit of the Secured Parties, forever, subject only to the Liens set forth in Section 6.02 of the Credit Agreement, including, for the avoidance of uncertainty, those Liens set forth in Sections 6.02(h), (i) and (1) of the Credit Agreement and to satisfaction and release as provided in Section 3.04.

ARTICLE I

Representations, Warranties and Covenants of Mortgagor

Mortgagor agrees, covenants, represents and/or warrants as follows:

SECTION 1.01. Title, Mortgage Lien. (a) Mortgagor has good and marketable fee simple title to the Mortgaged Property, subject only to the Liens set forth in Section 6.02 of the Credit Agreement, including, for the avoidance of uncertainty, those Liens set forth in Sections 6.02(h), (i) and (1) of the Credit Agreement.

(b) The execution and delivery of this Mortgage is within Mortgagor's corporate powers and has been duly authorized by all necessary corporate and, if required, stockholder

action. This Mortgage has been duly executed and delivered by Mortgagor and constitutes a legal, valid and binding obligation of Mortgagor, enforceable in accordance with its terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium or other laws affecting creditors' rights generally and subject to general principles of equity, regardless of whether considered in a proceeding in equity or at law.

(c) The execution, delivery and recordation of this Mortgage (i) do not require any consent or approval of, registration or filing with, or any other action by, any Governmental Authority, except such as have been obtained or made and are in full force and effect and except filings necessary to perfect the lien of this Mortgage, (ii) will not violate any applicable law or regulation or the charter, by-laws or other organizational documents of Mortgagor or any order of any Governmental Authority, (iii) will not violate or result in a default under any indenture, agreement or other instrument binding upon Mortgagor or its assets, or give rise to a right thereunder to require any payment to be made by Mortgagor, and (iv) will not result in the creation or imposition of any Lien on any asset of Mortgagor, except the lien of this Mortgage.

(d) This Mortgage and the Uniform Commercial Code Financing Statements described in Section 1.09 of this Mortgage, when duly recorded in the public records identified in the Perfection Certificate will create a valid, perfected and enforceable lien upon and security interest in all of the Mortgaged Property.

(e) Mortgagor will forever warrant and defend its title to the Mortgaged Property, the rights of Mortgagee therein under this Mortgage and the validity and priority of the lien of this Mortgage thereon against the claims of all persons and parties except those having rights under the Liens set forth in Section 6.02 of the Credit Agreement to the extent of those rights.

SECTION 1.02. Credit Agreement. This Mortgage is given pursuant to the Credit Agreement. Mortgagor expressly covenants and agrees to pay when due, and to timely perform, and to cause the other Loan Parties to pay when due, and to timely perform, the Obligations in accordance with their terms.

SECTION 1.03. Payment of Taxes, and Other Obligations. (a) Mortgagor will pay and discharge from time to time prior to the time when the same shall become delinquent, and before any interest or penalty accrues thereon or attaches thereto, all Taxes and other obligations with respect to the Mortgaged Property or any part thereof or upon the Rents from the Mortgaged Property or arising in respect of the occupancy, use or possession thereof in accordance with, and to the extent required by, the Credit Agreement.

(b) In the event of the passage of any state, Federal, municipal or other governmental law, order, rule or regulation subsequent to the date hereof (i) deducting from the value of real property for the purpose of taxation any lien or encumbrance thereon or in any manner changing or modifying the laws now in force governing the taxation of this Mortgage or debts secured by mortgages or deeds of trust (other than laws governing income, franchise and similar taxes generally) or the manner of collecting taxes thereon and (ii) imposing a tax to be paid by Mortgagee, either directly or indirectly, on this Mortgage or any of the Loan Documents, or requiring an amount of taxes to be withheld or deducted therefrom,

Mortgagor will promptly (i) notify Mortgagee of such event, (ii) enter into such further instruments as Mortgagee may determine are reasonably necessary or desirable to obligate Mortgagor to make any additional payments necessary to put the Lenders and Secured Parties in the same financial position they would have been if such law, order, rule or regulation had not been passed and (iii) make such additional payments to Mortgagee for the benefit of the Lenders and Secured Parties.

SECTION 1.04. Maintenance of Mortgaged Property. Mortgagor will maintain the Improvements and the Personal Property in the manner required by the Credit Agreement.

SECTION 1.05. Insurance. Mortgagor will keep or cause to be kept the Improvements and Personal Property insured against such risks, and in the manner, described in Section 4.03(1) of the Guarantee and Collateral Agreement and shall purchase such additional insurance as may be required from time to time pursuant to Section 5.02 of the Credit Agreement. Federal Emergency Management Agency Standard Flood Hazard Determination Forms will be purchased by Mortgagor for each Mortgaged Property on which Improvements are located. If any portion of Improvements constituting part of the Mortgaged Property is located in an area identified as a special flood hazard area by Federal Emergency Management Agency or other applicable agency, Mortgagor will purchase flood insurance in an amount reasonably satisfactory to Mortgagee, but in no event less than the maximum limit of coverage available under the National Flood Insurance Act of 1968, as amended.

SECTION 1.06. Casualty Condemnation/Eminent Domain. Mortgagor shall give Mortgagee prompt written notice of any casualty or other damage to the Mortgaged Property or any proceeding for the taking of the Mortgaged Property or any portion thereof or interest therein under power of eminent domain or by condemnation or any similar proceeding in accordance with, and to the extent required by, the Credit Agreement. Any Net Cash Proceeds received by or on behalf of the Mortgagor in respect of any such casualty, damage or taking shall constitute trust funds held by the Mortgagor for the benefit of the Secured Parties to be applied to repair, restore or replace the Mortgaged Property or, if a prepayment event shall occur with respect to any such Net Cash Proceeds, to be applied in accordance with the Credit Agreement.

SECTION 1.07. Assignment of Leases and Rents. (a) Mortgagor hereby irrevocably and absolutely grants, transfers and assigns all of its right title and interest in all Leases, together with any and all extensions and renewals thereof for purposes of securing and discharging the performance by Mortgagor of the Obligations. Mortgagor has not assigned or executed any assignment of, and will not assign or execute any assignment of, any Leases or the Rents payable thereunder to anyone other than Mortgagee.

(b) Except for those Leases set forth in Section 6.02(l) of the Credit Agreement, all Leases shall be subordinate to the lien of this Mortgage. Except for those Leases set forth in Section 6.02(l) of the Credit Agreement, Mortgagor will not enter into, modify or amend any Lease if such Lease, as entered into, modified or amended, will not be subordinate to the lien of this Mortgage.

(c) Subject to Section 1.07(d), Mortgagor has assigned and transferred to Mortgagee all of Mortgagor's right, title and interest in and to the Rents now or hereafter arising from each Lease heretofore or hereafter made or agreed to by Mortgagor, it being intended that this assignment establish, subject to Section 1.07(d), an absolute transfer and assignment of all Rents and all Leases to Mortgagee and not merely to grant a security interest therein. Subject to Section 1.07(d), Mortgagee may in Mortgagor's name and stead (with or without first taking possession of any of the Mortgaged Property personally or by receiver as provided herein) operate the Mortgaged Property and rent, lease or let all or any portion of any of the Mortgaged Property to any party or parties at such rental and upon such terms as Mortgagee shall, in its sole discretion, determine, and may collect and have the benefit of all of said Rents arising from or accruing at any time thereafter or that may thereafter become due under any Lease.

(d) So long as an Event of Default shall not have occurred and be continuing, Mortgagee will not exercise any of its rights under Section 1.07(c), and Mortgagor shall receive and collect the Rents accruing under any Lease; but after the happening and during the continuance of any Event of Default, Mortgagee may, at its option, receive and collect all Rents and enter upon the Premises and Improvements through its officers, agents, employees or attorneys for such purpose and for the operation and maintenance thereof. Mortgagor hereby irrevocably authorizes and directs each tenant, if any, and each successor, if any, to the interest of any tenant under any Lease, respectively, to rely upon any notice of an Event of Default sent by Mortgagee to any such tenant or any of such tenant's successors in interest, and thereafter to pay Rents to Mortgagee without any obligation or right to inquire as to whether an Event of Default actually exists and even if some notice to the contrary is received from the Mortgagor, who shall have no right or claim against any such tenant or successor in interest for any such Rents so paid to Mortgagee. Each tenant or any of such tenant's successors in interest from whom Mortgagee or any officer, agent, attorney or employee of Mortgagee shall have collected any Rents, shall be authorized to pay Rents to Mortgagor only after such tenant or any of their successors in interest shall have received written notice from Mortgagee (such notice to promptly be sent by Mortgagee once an Event of Default is no longer occurring) that the Event of Default is no longer continuing, unless and until a further notice of an Event of Default is given by Mortgagee to such tenant or any of its successors in interest.

(e) Mortgagee will not become a mortgagee in possession so long as it does not enter or take actual possession of the Mortgaged Property. In addition, Mortgagee shall not be responsible or liable for performing any of the obligations of the landlord under any Lease, for any waste by any tenant, or others, for any dangerous or defective conditions of any of the Mortgaged Property, for negligence in the management, upkeep, repair or control of any of the Mortgaged Property or any other act or omission by any other person.

(f) Mortgagor shall furnish to Mortgagee, within 30 days after a request by Mortgagee to do so, a written statement containing the names of all tenants, subtenants and concessionaires of the Premises or Improvements, the terms of any Lease, the space occupied and the rentals and/or other amounts payable thereunder.

SECTION 1.08. Restrictions on Transfers and Encumbrances. Mortgagor shall not directly or indirectly sell, convey, divest, alienate, assign, lease, sublease, license, mortgage, pledge, encumber or otherwise transfer, create, consent to or suffer the creation of any lien, charge or other form of encumbrance upon any interest in or any part of the Mortgaged Property (other than resulting from a condemnation), or engage in any common, cooperative, joint, time-sharing or other congregate ownership of all or part thereof, except in each case in accordance with and to the extent permitted by the Credit Agreement; provided, that Mortgagor may, in the ordinary course of business and in accordance with reasonable commercial standards, enter into easement or covenant agreements that relate to and/or benefit the operation of the Mortgaged Property and that do not materially and adversely affect the value, use or operation of the Mortgaged Property. If any of the foregoing transfers or encumbrances results in an event requiring prepayment of the Loans in accordance with the terms of the Credit Agreement, any Net Cash Proceeds received by or on behalf of the Mortgagor in respect thereof shall constitute trust funds to be held by the Mortgagor for the benefit of the Secured Parties and applied in accordance with the Credit Agreement.

SECTION 1.09. Security Agreement. This Mortgage is both a mortgage of real property and a grant of a security interest in personal property, and shall constitute and serve as a "Security Agreement" within the meaning of the uniform commercial code as adopted in the state wherein the Premises are located ("UCC"). Mortgagor has hereby granted unto Mortgagee a security interest in and to all the Mortgaged Property described in this Mortgage that is not real property, and simultaneously with the recording of this Mortgage, Mortgagor has filed or will file UCC financing statements, and will file continuation statements prior to the lapse thereof, at the appropriate offices in the jurisdiction of formation of the Mortgagor to perfect the security interest granted by this Mortgage in all the Mortgaged Property that is not real property. Mortgagor hereby appoints Mortgagee as its true and lawful attorney-in-fact and agent, for Mortgagor and in its name, place and stead, in any and all capacities, to execute any document and to file the same in the appropriate offices (to the extent it may lawfully do so), and to perform each and every act and thing reasonably requisite and necessary to be done to perfect the security interest contemplated by the preceding sentence. Mortgagee shall have all rights with respect to the part of the Mortgaged Property that is the subject of a security interest afforded by the UCC in addition to, but not in limitation of, the other rights afforded Mortgagee hereunder and under the Guarantee and Collateral Agreement.

SECTION 1.10. Filing and Recording. Mortgagor will cause this Mortgage, the UCC financing statements referred to in Section 1.09, any other security instrument creating a security interest in or evidencing the lien hereof upon the Mortgaged Property and each UCC continuation statement and instrument of further assurance to be filed, registered or recorded and, if necessary, refiled, rerecorded and reregistered, in such manner and in such places as may be required by any present or future law in order to publish notice of and fully to perfect the lien hereof upon, and the security interest of Mortgagee in, the Mortgaged Property until this Mortgage is terminated and released in full in accordance with Section 3.04 hereof. Mortgagor will pay all filing, registration and recording fees, all Federal, state, county and municipal recording, documentary or intangible taxes and other taxes, duties, imposts, assessments and charges, and all reasonable expenses incidental to or arising out of or in connection with the execution, delivery and recording of this Mortgage, UCC

continuation statements any mortgage supplemental hereto, any security instrument with respect to the Personal Property, Permits, Plans and Warranties and Proceeds or any instrument of further assurance.

SECTION 1.11. Further Assurances. Upon reasonable demand by Mortgagee, Mortgagor will, at the cost of Mortgagor and without expense to Mortgagee, do, execute, acknowledge and deliver all such further acts, deeds, conveyances, mortgages, assignments, notices of assignment, transfers and assurances as Mortgagee shall from time to time reasonably require for the better assuring, conveying, assigning, transferring and confirming unto Mortgagee the property and rights hereby conveyed or assigned or intended now or hereafter so to be, or which Mortgagor may be or may hereafter become bound to convey or assign to Mortgagee, or for carrying out the intention or facilitating the performance of the terms of this Mortgage, or for filing, registering or recording this Mortgage, and on demand, Mortgagor will also execute and deliver and hereby appoints Mortgagee as its true and lawful attorney-in-fact and agent, for Mortgagor and in its name, place and stead, in any and all capacities, to execute and file to the extent it may lawfully do so, one or more financing statements, chattel mortgages or comparable security instruments reasonably requested by Mortgagee to evidence more effectively the lien hereof upon the Personal Property and to perform each and every act and thing requisite and necessary to be done to accomplish the same.

SECTION 1.12. Additions to Mortgaged Property. All right, title and interest of Mortgagor in and to all extensions, improvements, betterments, renewals, substitutions and replacements of, and all additions and appurtenances to, the Mortgaged Property hereafter acquired by or released to Mortgagor or constructed, assembled or placed by Mortgagor upon the Premises or the Improvements, and all conversions of the security constituted thereby, immediately upon such acquisition, release, construction, assembling, placement or conversion, as the case may be, and in each such case without any further mortgage, conveyance, assignment or other act by Mortgagor, shall become subject to the lien and security interest of this Mortgage as fully and completely and with the same effect as though now owned by Mortgagor and specifically described in the grant of the Mortgaged Property above, but at any and all times Mortgagor will execute and deliver to Mortgagee any and all such further assurances, mortgages, conveyances or assignments thereof as Mortgagee may reasonably require for the purpose of expressly and specifically subjecting the same to the lien and security interest of this Mortgage.

SECTION 1.13. No Claims Against Mortgagee. Nothing contained in this Mortgage shall constitute any consent or request by Mortgagee, express or implied, for the performance of any labor or services or the furnishing of any materials or other property in respect of the Mortgaged Property or any part thereof, nor as giving Mortgagor any right, power or authority to contract for or permit the performance of any labor or services or the furnishing of any materials or other property in such fashion as would permit the making of any claim against Mortgagee in respect thereof.

SECTION 1.14. Fixture Filing, (a) Certain portions of the Mortgaged Property are or will become "fixtures" (as that term is defined in the UCC) on the Land, and this Mortgage, upon being filed for record in the real estate records of the county wherein such

fixtures are situated, shall operate also as a financing statement filed as a fixture filing in accordance with the applicable provisions of said UCC upon such portions of the Mortgaged Property that are or become fixtures.

(b) The real property to which the fixtures relate is described in Exhibit A attached hereto. The record owner of the real property described in Exhibit A attached hereto is Mortgagor. The name, type of organization and jurisdiction of organization of the debtor for purposes of this financing statement are the name, type of organization and jurisdiction of organization of the Mortgagor set forth in the first paragraph of this Mortgage, and the name of the secured party for purposes of this financing statement is the name of the Mortgagee set forth in the first paragraph of this Mortgage. The mailing address of the Mortgagor/debtor is the address of the Mortgagor set forth in the first paragraph of this Mortgage. The mailing address of the Mortgagee/secured party from which information concerning the security interest hereunder may be obtained is the address of the Mortgagee set forth in the first paragraph of this Mortgage. Mortgagor's organizational identification number is [_____].

ARTICLE II

Defaults and Remedies

SECTION 2.01. Events of Default. Any Event of Default under the Credit Agreement (as such term is defined therein) shall constitute an Event of Default under this Mortgage.

SECTION 2.02. Demand for Payment. If an Event of Default shall occur and be continuing, then, upon written demand of Mortgagee, Mortgagor will pay to Mortgagee all amounts due hereunder and under the Credit Agreement and the Guarantee and Collateral Agreement and such further amount as shall be sufficient to cover the out-of-pocket costs and expenses of collection, including attorneys' fees, disbursements and expenses incurred by Mortgagee, and Mortgagee shall be entitled and empowered to institute an action or proceedings at law or in equity for the collection of the sums so due and unpaid, to prosecute any such action or proceedings to judgment or final decree, to enforce any such judgment or final decree against Mortgagor and to collect, in any manner provided by law, all moneys adjudged or decreed to be payable.

SECTION 2.03. Rights To Take Possession, Operate and Apply Revenues. (a) If an Event of Default shall occur and be continuing, Mortgagor shall, upon demand of Mortgagee, forthwith surrender to Mortgagee actual possession of the Mortgaged Property and, if and to the extent not prohibited by applicable law, Mortgagee itself, or by such officers or agents as it may appoint, may then enter and take possession of all the Mortgaged Property without the appointment of a receiver or an application therefor, exclude Mortgagor and its agents and employees wholly therefrom, and have access to the books, papers and accounts of Mortgagor.

(b) If Mortgagor shall for any reason fail to surrender or deliver the Mortgaged Property or any part thereof after such demand by Mortgagee, Mortgagee may to the extent not prohibited by applicable law, obtain a judgment or decree conferring upon Mortgagee the right to immediate possession or requiring Mortgagor to deliver immediate possession of the Mortgaged Property to Mortgagee, to the entry of which judgment or decree Mortgagor hereby specifically consents. Mortgagor will pay to Mortgagee, upon demand, all reasonable expenses of obtaining such judgment or decree, including reasonable compensation to Mortgagee's attorneys and agents with interest thereon at the rate per annum applicable to overdue amounts under the Credit Agreement as provided in Section 2.07 of the Credit Agreement (the "Interest Rate"); and all such expenses and compensation shall, until paid, be secured by this Mortgage.

(c) Upon every such entry or taking of possession, Mortgagee may, to the extent not prohibited by applicable law, hold, store, use, operate, manage and control the Mortgaged Property, conduct the business thereof and from time to time, (i) make all necessary and proper maintenance, repairs, renewals, replacements, additions, betterments and improvements thereto and thereon, (ii) purchase or otherwise acquire additional fixtures, personalty and other property that are reasonably necessary for the operation of the business, (iii) insure or keep the Mortgaged Property insured, (iv) manage and operate the Mortgaged Property and exercise all the rights and powers of Mortgagor to the same extent as Mortgagor could in its own name or otherwise with respect to the same, or (v) enter into any and all agreements with respect to the exercise by others of any of the powers herein granted Mortgagee, all as may from time to time be directed or determined by Mortgagee to reasonably be in its best interest and Mortgagor hereby appoints Mortgagee as its true and lawful attorney-in-fact and agent, for Mortgagor and in its name, place and stead, in any and all capacities, to perform any of the foregoing acts. Mortgagee may collect and receive all the Rents, issues, profits and revenues from the Mortgaged Property, including those past due as well as those accruing thereafter, and, after deducting (i) all out-of-pocket expenses of taking, holding, managing and operating the Mortgaged Property (including compensation for the services of all persons employed for such purposes), (ii) the out-of-pocket costs of all such maintenance, repairs, renewals, replacements, additions, betterments, improvements, purchases and acquisitions, (iii) the costs of insurance, (iv) such taxes, assessments and other similar charges as Mortgagee may at its option pay, (v) other proper charges upon the Mortgaged Property or any part thereof and (vi) the compensation, expenses and disbursements of the attorneys and agents of Mortgagee, Mortgagee shall apply the remainder of the moneys and proceeds so received first to the payment of the Mortgagee for the satisfaction of the Obligations, and second, if there is any surplus, to Mortgagor, subject to the entitlement of others thereto under applicable law.

(d) Whenever, before any sale of the Mortgaged Property under Section 2.06, all Obligations that are then due shall have been paid and all Events of Default fully cured, Mortgagee will surrender possession of the Mortgaged Property back to Mortgagor, its successors or assigns. The same right of taking possession shall, however, arise again if any subsequent Event of Default shall occur and be continuing.

SECTION 2.04. Right To Cure Mortgagor's Failure to Perform. Should Mortgagor fail in the payment, performance or observance of any term, covenant or condition required

by this Mortgage or the Credit Agreement (with respect to the Mortgaged Property), Mortgagee may pay, perform or observe the same, and all payments made or costs or expenses incurred by Mortgagee in connection therewith shall be secured hereby and shall be, without demand, immediately repaid by Mortgagor to Mortgagee with interest thereon at the Interest Rate. Mortgagee shall be the judge using reasonable discretion of the necessity for any such actions and of the amounts to be paid. Mortgagee is hereby empowered to enter and to authorize others to enter upon the Premises or the Improvements or any part thereof for the purpose of performing or observing any such defaulted term, covenant or condition without having any obligation to so perform or observe and without thereby becoming liable to Mortgagor, to any person in possession holding under Mortgagor or to any other person; provided, however, that except in the case of an emergency, Mortgagee will provide reasonable advance notice of such entry, such entry shall be conducted in a reasonable manner and Mortgagee shall use reasonable efforts to endeavor to minimize the amount of disturbance to the Mortgagor's possession of the Mortgaged Property.

SECTION 2.05. Right to a Receiver. If an Event of Default shall occur and be continuing, Mortgagee, upon application to a court of competent jurisdiction, shall be entitled as a matter of right to the appointment of a receiver to take possession of and to operate the Mortgaged Property and to collect and apply the Rents. The receiver shall have all of the rights and powers permitted under the laws of the state wherein the Mortgaged Property is located. Mortgagor shall pay to Mortgagee upon demand all reasonable out-of-pocket expenses, including receiver's fees, reasonable attorney's fees and disbursements, costs and agent's compensation incurred pursuant to the provisions of this Section 2.05; and all such expenses shall be secured by this Mortgage and shall be, without demand, immediately repaid by Mortgagor to Mortgagee with interest thereon at the Interest Rate.

SECTION 2.06. Foreclosure and Sale. (a) If an Event of Default shall occur and be continuing, Mortgagee may elect to sell the Mortgaged Property or any part of the Mortgaged Property by exercise of the power of foreclosure or of sale granted to Mortgagee by applicable law or this Mortgage. In such case, Mortgagee may commence a civil action to foreclose this Mortgage, or it may proceed and sell the Mortgaged Property to satisfy any Obligation. Mortgagee or an officer appointed by a judgment of foreclosure to sell the Mortgaged Property, may sell all or such parts of the Mortgaged Property as may be chosen by Mortgagee at the time and place of sale fixed by it in a notice of sale, either as a whole or in separate lots, parcels or items as Mortgagee shall deem expedient, and in such order as it may determine, at public auction to the highest bidder. Mortgagee or an officer appointed by a judgment of foreclosure to sell the Mortgaged Property may postpone any foreclosure or other sale of all or any portion of the Mortgaged Property by public announcement at such time and place of sale, and from time to time thereafter may postpone such sale by public announcement or subsequently noticed sale. Without further notice, Mortgagee or an officer appointed to sell the Mortgaged Property may make such sale at the time fixed by the last postponement, or may, in its discretion, give a new notice of sale. Any person, including Mortgagor or Mortgagee or any designee or affiliate thereof, may purchase at such sale.

(b) The Mortgaged Property may be sold subject to unpaid taxes and the Liens set forth in Section 6.02 of the Credit Agreement, and, after deducting all costs, fees and out-of-pocket expenses of Mortgagee (including costs of evidence of title in connection with the

sale), Mortgagee or an officer that makes any sale shall apply the proceeds of sale in the manner set forth in Section 2.08.

(c) Any foreclosure or other sale of less than the whole of the Mortgaged Property or any defective or irregular sale made hereunder shall not exhaust the power of foreclosure or of sale provided for herein; and subsequent sales may be made hereunder until the Obligations have been satisfied, or the entirety of the Mortgaged Property has been sold.

(d) If an Event of Default shall occur and be continuing, Mortgagee may instead of, or in addition to, exercising the rights described in Section 2.06(a) above and either with or without entry or taking possession as herein permitted, proceed by a suit or suits in law or in equity or by any other appropriate proceeding or remedy (i) to specifically enforce payment of some or all of the Obligations, or the performance of any term, covenant, condition or agreement of this Mortgage or any other Loan Document or any other right, or (ii) to pursue any other remedy available to Mortgagee, all as Mortgagee shall determine most effectual for such purposes.

SECTION 2.07. Other Remedies. (a) In case an Event of Default shall occur and be continuing, Mortgagee may also exercise, to the extent not prohibited by law, any or all of the remedies available to a secured party under the UCC.

(b) In connection with a sale of the Mortgaged Property or any Personal Property and the application of the proceeds of sale as provided in Section 2.08, Mortgagee shall be entitled to enforce payment of and to receive up to the principal amount of the Obligations, plus all other charges, payments and costs due under this Mortgage, and to recover a deficiency judgment for any portion of the aggregate principal amount of the Obligations remaining unpaid, with interest.

SECTION 2.08. Application of Sale Proceeds and Rents. After any foreclosure sale of all or any of the Mortgaged Property, Mortgagee shall receive and apply the proceeds of the sale together with any Rents that may have been collected and any other sums that then may be held by Mortgagee under this Mortgage as follows:

FIRST, to the payment of all out-of-pocket costs and expenses incurred by the Administrative Agent or the Mortgagee (in their respective capacities as such hereunder or under any other Loan Document) in connection with such collection, sale, foreclosure or realization or otherwise in connection with this Mortgage, any other Loan Document or any of the Obligations, including all court costs and the fees and expenses of its agents and legal counsel, the repayment of all advances made by the Administrative Agent and/or the Mortgagee hereunder or under any other Loan Document on behalf of any Mortgagor and any other out-of-pocket costs or expenses incurred in connection with the exercise of any right or remedy hereunder or under any other Loan Document;

SECOND, to the payment in full of Unfunded Advances/Participations (the amounts so applied to be distributed between or among the Administrative Agent, the Swingline Lender and any Issuing Bank pro rata in accordance with the amounts of

Unfunded Advances/Participations owed to them on the date of any such distribution);

THIRD, to the payment in full of all other Obligations (the amounts so applied to be distributed among the Secured Parties pro rata in accordance with the amounts of the Obligations owed to them on the date of any such distribution);

FOURTH, to the Mortgagor, its successors or assigns, or as a court of competent jurisdiction may otherwise direct.

The Mortgagee shall have absolute discretion as to the time of application of any such proceeds, moneys or balances in accordance with this Mortgage. Upon any sale of the Mortgaged Property by the Mortgagee (including pursuant to a power of sale granted by statute or under a judicial proceeding), the receipt of the Mortgagee or of the officer making the sale shall be a sufficient discharge to the purchaser or purchasers of the Mortgaged Property so sold and such purchaser or purchasers shall not be obligated to see to the application of any part of the purchase money paid over to the Mortgagee or such officer or be answerable in any way for the misapplication thereof.

SECTION 2.09. Mortgagor as Tenant Holding Over. If Mortgagor remains in possession of any of the Mortgaged Property after any foreclosure sale by Mortgagee, at Mortgagee's election Mortgagor shall be deemed a tenant holding over and shall forthwith surrender possession to the purchaser or purchasers at such sale or be summarily dispossessed or evicted according to provisions of law applicable to tenants holding over.

SECTION 2.10. Waiver of Appraisal, Valuation, Stay, Extension and Redemption Laws. Mortgagor waives, to the extent not prohibited by law, (i) the benefit of all laws now existing or that hereafter may be enacted (x) providing for any appraisal or valuation of any portion of the Mortgaged Property and/or (y) in any way extending the time for the enforcement or the collection of amounts due under any of the Obligations or creating or extending a period of redemption from any sale made in collecting said debt or any other amounts due Mortgagee, (ii) any right to at any time insist upon, plead, claim or take the benefit or advantage of any law now or hereafter in force providing for any homestead exemption, stay, statute of limitations, extension or redemption, or sale of the Mortgaged Property as separate tracts, units or estates or as a single parcel in the event of foreclosure or notice of deficiency, and (iii) all rights of redemption, valuation, appraisal, stay of execution, notice of election to mature or declare due the whole of or each of the Obligations and marshaling in the event of foreclosure of this Mortgage.

SECTION 2.11. Discontinuance of Proceedings. In case Mortgagee shall proceed to enforce any right, power or remedy under this Mortgage by foreclosure, entry or otherwise, and such proceedings shall be discontinued or abandoned for any reason, or shall be determined adversely to Mortgagee, then and in every such case Mortgagor and Mortgagee shall be restored to their former positions and rights hereunder, and all rights, powers and remedies of Mortgagee shall continue as if no such proceeding had been taken.

SECTION 2.12. Suits To Protect the Mortgaged Property. Mortgagee shall have power (a) to institute and maintain suits and proceedings to prevent any impairment of the Mortgaged Property by any acts that may be unlawful or in violation of this Mortgage, (b) to preserve or protect its interest in the Mortgaged Property and in the Rents arising therefrom and (c) to restrain the enforcement of or compliance with any legislation or other governmental enactment, rule or order that may be unconstitutional or otherwise invalid if the enforcement of or compliance with such enactment, rule or order would impair the security or be prejudicial to the interest of Mortgagee hereunder.

SECTION 2.13. Filing Proofs of Claim. In case of any receivership, insolvency, bankruptcy, reorganization, arrangement, adjustment, composition or other proceedings affecting Mortgagor, Mortgagee shall, to the extent permitted by law, be entitled to file such proofs of claim and other documents as may be necessary or advisable in order to have the claims of Mortgagee allowed in such proceedings for the Obligations secured by this Mortgage at the date of the institution of such proceedings and for any interest accrued, late charges and additional interest or other amounts due or that may become due and payable hereunder after such date.

SECTION 2.14. Possession by Mortgagee. Notwithstanding the appointment of any receiver, liquidator or trustee of Mortgagor, any of its property or the Mortgaged Property, Mortgagee shall be entitled, to the extent not prohibited by law, to remain in possession and control of all parts of the Mortgaged Property now or hereafter granted under this Mortgage to Mortgagee in accordance with the terms hereof and applicable law.

SECTION 2.15. Waiver. (a) No delay or failure by Mortgagee to exercise any right, power or remedy accruing upon any breach or Event of Default shall exhaust or impair any such right, power or remedy or be construed to be a waiver of any such breach or Event of Default or acquiescence therein; and every right, power and remedy given by this Mortgage to Mortgagee may be exercised from time to time and as often as may be deemed expedient by Mortgagee. No consent or waiver by Mortgagee to or of any breach or Event of Default by Mortgagor in the performance of the Obligations shall be deemed or construed to be a consent or waiver to or of any other breach or Event of Default in the performance of the same or of any other Obligations by Mortgagor hereunder. No failure on the part of Mortgagee to complain of any act or failure to act or to declare an Event of Default, irrespective of how long such failure continues, shall constitute a waiver by Mortgagee of its rights hereunder or impair any rights, powers or remedies consequent on any future Event of Default by Mortgagor.

(b) Even if Mortgagee (i) grants some forbearance or an extension of time for the payment of any sums secured hereby, (ii) takes other or additional security for the payment of any sums secured hereby, (iii) waives or does not exercise some right granted herein or under the Loan Documents, (iv) releases a part of the Mortgaged Property from this Mortgage, (v) agrees to change some of the terms, covenants, conditions or agreements of any of the Loan Documents, (vi) consents to the filing of a map, plat or replat affecting the Premises, (vii) consents to the granting of an easement or other right affecting the Premises or (viii) makes or consents to an agreement subordinating Mortgagee's lien on the Mortgaged Property hereunder; no such act or omission shall preclude Mortgagee from exercising any

other right, power or privilege herein granted or intended to be granted in the event of any breach or Event of Default then made or of any subsequent default; nor, except as otherwise expressly provided in an instrument executed by Mortgagee, shall this Mortgage be altered thereby. In the event of the sale or transfer by operation of law or otherwise of all or part of the Mortgaged Property, Mortgagee is hereby authorized and empowered to deal with any vendee or transferee with reference to the Mortgaged Property secured hereby, or with reference to any of the terms, covenants, conditions or agreements hereof, as fully and to the same extent as it might deal with the original parties hereto and without in any way releasing or discharging any liabilities, obligations or undertakings.

SECTION 2.16. Waiver of Trial by Jury. To the fullest extent permitted by applicable law, Mortgagor and Mortgagee each hereby irrevocably and unconditionally waive trial by jury in any action, claim, suit or proceeding relating to this Mortgage and for any counterclaim brought therein. Mortgagor hereby waives all rights to interpose any counterclaim in any suit brought by Mortgagee hereunder and all rights to have any such suit consolidated with any separate suit, action or proceeding.

SECTION 2.17. Remedies Cumulative. No right, power or remedy conferred upon or reserved to Mortgagee by this Mortgage is intended to be exclusive of any other right, power or remedy, and each and every such right, power and remedy shall be cumulative and concurrent and in addition to any other right, power and remedy given hereunder or now or hereafter existing at law or in equity or by statute.

ARTICLE III

Miscellaneous

SECTION 3.01. Partial Invalidity. In the event any one or more of the provisions contained in this Mortgage shall for any reason be held to be invalid, illegal or unenforceable in any respect, such validity, illegality or unenforceability shall, at the option of Mortgagee, not affect any other provision of this Mortgage, and this Mortgage shall be construed as if such invalid, illegal or unenforceable provision had never been contained herein or therein.

SECTION 3.02. Notices. All notices and communications hereunder shall be in writing and given to Mortgagor in accordance with the terms of the Credit Agreement at the address set forth on the first page of this Mortgage and to the Mortgagee as provided in the Credit Agreement.

SECTION 3.03. Successors and Assigns. All of the grants, covenants, terms, provisions and conditions herein shall run with the Premises and the Improvements and shall apply to, bind and inure to, the benefit of the permitted successors and assigns of Mortgagor and the successors and assigns of Mortgagee.

SECTION 3.04. Satisfaction and Cancellation. (a) The conveyance to Mortgagee of the Mortgaged Property as security created and consummated by this Mortgage shall terminate and be null and void when all the Obligations have been indefeasibly paid in full

and the Lenders have no further commitment to lend under the Credit Agreement, the aggregate L/C Exposure has been reduced to zero and the Issuing Bank has no further obligation to issue Letters of Credit under the Credit Agreement.

(b) Mortgagor shall automatically be released from its obligations hereunder upon the consummation of (i) any transaction permitted by the Credit Agreement as a result of which Mortgagor ceases to be a Subsidiary or (ii) any Permitted Receivables Transaction or a Permitted Securitization Transaction consummated after the date hereof as a result of which Mortgagor becomes a Permitted Syndication Subsidiary or Securitization Subsidiary.

(c) Upon any sale or other transfer by Mortgagor of any Collateral that is permitted under the Credit Agreement to any person that is not the Borrower or a Guarantor, or, upon the effectiveness of any written consent to the release of the Security Interest granted hereby in any Collateral pursuant to Section 9.09 of the Credit Agreement, the Security Interest in such Collateral shall be automatically released; *provided* that, upon the consummation after the date hereof of any Permitted Receivables Transaction or a Permitted Securitization Transaction, the Security Interest in the Equity Interests of the Subsidiary that is the subject of such Permitted Receivables Transaction or a Permitted Securitization Transaction, as the case may be, shall be automatically released to the extent the pledge of the Equity Interests in such Subsidiary is prohibited by any applicable Contractual Obligation or requirement of law.

(d) In connection with any termination or release pursuant to paragraph (a), (b) or (c) above, the Mortgagee shall promptly execute and deliver to Mortgagor, at Mortgagor's expense, a release of this Mortgage and all Uniform Commercial Code termination statements and similar documents that Mortgagor shall reasonably request to evidence such termination or release. Any execution and delivery of documents pursuant to this Section 3.04 shall be without recourse to or representation or warranty by the Mortgagee or any Secured Party. Without limiting the provisions of Section 7.06 of the Guarantee and Collateral Agreement, the Borrower shall reimburse the Mortgagee upon demand for all reasonable out of pocket expenses, including the fees, charges and expenses of counsel, incurred by it in connection with any action contemplated by this Section 3.04.

SECTION 3.05. Definitions. As used in this Mortgage, the singular shall include the plural as the context requires and the following words and phrases shall have the following meanings: (a) "including" shall mean "including but not limited to"; (b) "provisions" shall mean "provisions, terms, covenants and/or conditions"; (c) "lien" shall mean "lien, charge, encumbrance, security interest, mortgage or deed of trust"; (d) "obligation" shall mean "obligation, duty, covenant and/or condition"; and (e) "any of the Mortgaged Property" shall mean "the Mortgaged Property or any part thereof or interest therein". Any act that Mortgagee is permitted to perform hereunder may be performed at any time and from time to time by Mortgagee or any person or entity designated by Mortgagee. Any act that is prohibited to Mortgagor hereunder is also prohibited to all lessees of any of the Mortgaged Property. Each appointment of Mortgagee as attorney-in-fact for Mortgagor under the Mortgage is irrevocable, with power of substitution and coupled with an interest. Subject to the applicable provisions hereof, Mortgagee has the right to refuse to grant its consent,

approval or acceptance or to indicate its satisfaction, in its sole discretion, whenever such consent, approval, acceptance or satisfaction is required hereunder.

SECTION 3.06. Multisite Real Estate Transaction. Mortgagor acknowledges that this Mortgage is one of a number of Other Mortgages and Security Documents that secure the Obligations. Mortgagor agrees that the lien of this Mortgage shall be absolute and unconditional and shall not in any manner be affected or impaired by any acts or omissions whatsoever of Mortgagee, and without limiting the generality of the foregoing, the lien hereof shall not be impaired by any acceptance by the Mortgagee of any security for or guarantees of any of the Obligations hereby secured, or by any failure, neglect or omission on the part of Mortgagee to realize upon or protect any Obligation or indebtedness hereby secured or any collateral security therefor including the Other Mortgages and other Security Documents. The lien hereof shall not in any manner be impaired or affected by any release (except as to the property released), sale, pledge, surrender, compromise, settlement, renewal, extension, indulgence, alteration, changing, modification or disposition of any of the Obligations secured or of any of the collateral security therefor, including the Other Mortgages and other Security Documents or of any guarantee thereof, and Mortgagee may at its discretion foreclose, exercise any power of sale, or exercise any other remedy available to it under any or all of the Other Mortgages and other Security Documents without first exercising or enforcing any of its rights and remedies hereunder. Such exercise of Mortgagee's rights and remedies under any or all of the Other Mortgages and other Security Documents shall not in any manner impair the indebtedness hereby secured or the lien of this Mortgage and any exercise of the rights or remedies of Mortgagee hereunder shall not impair the lien of any of the Other Mortgages and other Security Documents or any of Mortgagee's rights and remedies thereunder. Mortgagor specifically consents and agrees that Mortgagee may exercise its rights and remedies hereunder and under the Other Mortgages and other Security Documents separately or concurrently and in any order that it may deem appropriate and waives any rights of subrogation.

SECTION 3.07. No Oral Modification. This Mortgage may not be changed or terminated orally. Any agreement made by Mortgagor and Mortgagee after the date of this Mortgage relating to this Mortgage shall be superior to the rights of the holder of any intervening or subordinate Mortgage, lien or encumbrance.

ARTICLE IV

Particular Provisions

This Mortgage is subject to the following provisions relating to the particular laws of the state wherein the Premises are located:

SECTION 4.01. Applicable Law: Certain Particular Provisions. This Mortgage shall be governed by and construed in accordance with the internal law of the state where the Mortgaged Property is located, except that Mortgagor expressly acknowledges that by their terms, the Credit Agreement and other Loan Documents (aside from those Other Mortgages

to be recorded outside New York) shall be governed by the internal law of the State of New York, without regard to principles of conflict of law. Mortgagor and Mortgagee agree to submit to jurisdiction and the laying of venue for any suit on this Mortgage in the state where the Mortgaged Property is located. The terms and provisions set forth in Appendix A attached hereto are hereby incorporated by reference as though fully set forth herein. In the event of any conflict between the terms and provisions contained in the body of this Mortgage and the terms and provisions set forth in Appendix A, the terms and provisions set forth in Appendix A shall govern and control.

IN WITNESS WHEREOF, this Mortgage has been duly executed and delivered to Mortgagee by Mortgagor on the date of the acknowledgment attached hereto.

[NAME OF MORTGAGOR], a [] corporation,

by:

Name:
Title:

Attest:

by:

Name:
Title:

[Corporate Seal]

[ADD LOCAL FORM OF ACKNOWLEDGMENT]

Description of the Land

Local Law Provisions

1. Notwithstanding anything else contained in this Mortgage, (i) the maximum principal debt or obligation which is, or under any contingency may be secured at the date of execution hereof or any time thereafter by this Mortgage is \$6,950,000,000 (the "Secured Amount"), (ii) this Mortgage shall also secure amounts other than the principal debt or obligation to the extent permitted by the Tax Law without payment of additional recording tax and (iii) so long as the aggregate amount of the Obligations exceeds the Secured Amount, any payments and repayments of the Obligations shall not be deemed to be applied against, or to reduce, the Secured Amount.¹

2. [Other relevant local law provisions to be provided by local counsel.]

¹ Applicable only in mortgage tax states. This is the New York language—local counsel to advise whether it needs to be modified in other mortgage tax states.

Exhibit F-1:
Opinion of Kirkland & Ellis LLP

See Tab 7

Exhibit F-2:
Opinion of General Counsel of Parent

See Tab 8

Exhibit F-3: Form of Local Counsel Opinion

None.

GUARANTEE AND COLLATERAL AGREEMENT

dated as of

July 25, 2007

among

CHS/COMMUNITY HEALTH SYSTEMS, INC.,

COMMUNITY HEALTH SYSTEMS, INC.,

the Subsidiaries of the Borrower

from time to time party hereto

and

CREDIT SUISSE,

as Collateral Agent

TABLE OF CONTENTS

	<u>Page</u>
ARTICLE I	
Definitions	
SECTION 1.01. Credit Agreement	1
SECTION 1.02. Other Defined Terms	1
ARTICLE II	
Guarantee	
SECTION 2.01. Guarantee	6
SECTION 2.02. Guarantee of Payment	6
SECTION 2.03. No Limitations, Etc.	6
SECTION 2.04. Reinstatement	7
SECTION 2.05. Agreement To Pay; Subrogation	7
SECTION 2.06. Information	7
ARTICLE III	
Pledge of Securities	
SECTION 3.01. Pledge	8
SECTION 3.02. Delivery of the Pledged Collateral	9
SECTION 3.03. Representations, Warranties and Covenants	9
SECTION 3.04. Certification of Limited Liability Company Interests and Limited Partnership Interests	10
SECTION 3.05. Registration in Nominee Name; Denominations	11
SECTION 3.06. Voting Rights; Dividends and Interest, Etc.	11
ARTICLE IV	
Security Interests in Personal Property	
SECTION 4.01. Security Interest	13
SECTION 4.02. Representations and Warranties	15
SECTION 4.03. Covenants	18
SECTION 4.04. Other Actions	21
SECTION 4.05. Covenants Regarding Patent, Trademark and Copyright Collateral	23

ARTICLE V

Remedies

SECTION 5.01. Remedies Upon Default	24
SECTION 5.02. Application of Proceeds	26
SECTION 5.03. Grant of License to Use Intellectual Property	27
SECTION 5.04. Securities Act, Etc.	27

ARTICLE VI

Indemnity, Subrogation and Subordination

SECTION 6.01. Indemnity and Subrogation	28
SECTION 6.02. Contribution and Subrogation	28
SECTION 6.03. Subordination	29

ARTICLE VII

Miscellaneous

SECTION 7.01. Notices	29
SECTION 7.02. Security Interest Absolute	29
SECTION 7.03. Survival of Agreement	30
SECTION 7.04. Binding Effect; Several Agreement	30
SECTION 7.05. Successors and Assigns	30
SECTION 7.06. Collateral Agent's Fees and Expenses; Indemnification	31
SECTION 7.07. Collateral Agent Appointed Attorney-in-Fact	31
SECTION 7.08. Applicable Law	32
SECTION 7.09. Waivers; Amendment	32
SECTION 7.10. WAIVER OF JURY TRIAL	33
SECTION 7.11. Severability	33
SECTION 7.12. Counterparts	33
SECTION 7.13. Headings	34
SECTION 7.14. Jurisdiction; Consent to Service of Process	34
SECTION 7.15. Termination or Release	34
SECTION 7.16. Additional Subsidiaries	35
SECTION 7.17. Right of Setoff	36

Schedules

Schedule I	Exact Legal Names of Each Grantor
Schedule II	Subsidiary Guarantors
Schedule III	Equity Interests; Stock Ownership; Pledged Debt Securities
Schedule IV	Debt Instruments; Advances
Schedule V	Mortgage Filings
Schedule VI	Intellectual Property
Schedule VII	Commercial Tort Claims

Exhibits

Exhibit A	Form of Supplement
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GUARANTEE AND COLLATERAL AGREEMENT dated as of July 25, 2007 (this "**Agreement**"), among CHS/COMMUNITY HEALTH SYSTEMS, INC., a Delaware corporation (the "**Borrower**"), COMMUNITY HEALTH SYSTEMS, INC., a Delaware corporation ("**Parent**"), the Subsidiaries from time to time party hereto and CREDIT SUISSE ("**Credit Suisse**"), as collateral agent (in such capacity, the "**Collateral Agent**").

PRELIMINARY STATEMENT

Reference is made to the Credit Agreement dated as of July 25, 2007 (as amended, restated, supplemented or otherwise modified from time to time, the "**Credit Agreement**"), among the Borrower, Parent, the lenders from time to time party thereto (each, a "**Lender**" and collectively, the "**Lenders**") and Credit Suisse, as administrative agent (in such capacity, the "**Administrative Agent**") and Collateral Agent.

The Lenders and the Issuing Bank (such term and each other capitalized term used but not defined in this preliminary statement having the meaning given or ascribed to it in Article I) have agreed to extend credit to the Borrower pursuant to, and upon the terms and conditions specified in, the Credit Agreement. The obligations of the Lenders and the Issuing Bank to extend credit to the Borrower are conditioned upon, among other things, the execution and delivery of this Agreement by the Borrower and each Guarantor. Each Guarantor is an affiliate of the Borrower, will derive substantial benefits from the extension of credit to the Borrower pursuant to the Credit Agreement and is willing to execute and deliver this Agreement in order to induce the Lenders and the Issuing Bank to extend such credit. Accordingly, the parties hereto agree as follows:

ARTICLE I

Definitions

SECTION 1.01. **Credit Agreement.** (a) Capitalized terms used in this Agreement and not otherwise defined herein have the meanings set forth in the Credit Agreement. All capitalized terms defined in the New York UCC (as such term is defined herein) and not defined in this Agreement have the meanings specified therein. All references to the Uniform Commercial Code shall mean the New York UCC.

(b) The rules of construction specified in Section 1.02 of the Credit Agreement also apply to this Agreement.

SECTION 1.02. **Other Defined Terms.** As used in this Agreement, the following terms have the meanings specified below:

“Accounts Receivable” shall mean all Accounts and all right, title and interest in any returned goods, together with all rights, titles, securities and guarantees with respect thereto, including any rights to stoppage in transit, replevin, reclamation and resales, and all related security interests, liens and pledges, whether voluntary or involuntary, in each case whether now existing or owned or hereafter arising or acquired.

“Administrative Agent” shall have the meaning assigned to such term in the preliminary statement.

“Article 9 Collateral” shall have the meaning assigned to such term in Section 4.01.

“Borrower” shall have the meaning assigned to such term in the preamble.

“Cash Management Arrangements” shall mean overdraft protections, netting services and similar arrangements arising from treasury, depository and cash management services, any automated clearing house transfers of funds or any credit card or similar services, in each case in the ordinary course of business.

“Collateral” shall mean the Article 9 Collateral and the Pledged Collateral.

“Collateral Agent” shall have the meaning assigned to such term in the preamble.

“Copyright License” shall mean any written agreement, now or hereafter in effect, granting any right to any third person under any registered copyright now or hereafter owned by any Grantor or that such Grantor otherwise has the right to license, or granting any right to any Grantor under any registered copyright now or hereafter owned by any third person, and all rights of such Grantor under any such agreement.

“Copyrights” shall mean all of the following now owned or hereafter acquired by any Grantor: (a) all registered copyright rights in any work subject to the copyright laws of the United States or any other country, whether as author, assignee, transferee or otherwise, and (b) all registrations and applications for registration of any such copyright in the United States or any other country, including registrations, recordings, supplemental registrations and pending applications for registration in the United States Copyright Office (or any successor office or any similar office in any other country), including those registered and pending copyrights listed on Schedule VI.

“Federal Securities Laws” shall have the meaning assigned to such term in Section 5.04.

“General Intangibles” shall mean all choses in action and causes of action and all other intangible personal property of any Grantor of every kind and nature (other than Accounts) now owned or hereafter acquired by any Grantor, including all rights and interests in partnerships, limited partnerships, limited liability companies and other

unincorporated entities, corporate or other business records, indemnification claims, contract rights (including rights under leases, whether entered into as lessor or lessee, Hedging Agreements and other agreements), Intellectual Property, goodwill, registrations, franchises, tax refund claims and any letter of credit, guarantee, claim, security interest or other security held by or granted to any Grantor to secure payment by an Account Debtor of any of the Accounts.

“Grantors” shall mean the Borrower and the Guarantors.

“Guarantors” shall mean Parent and the Subsidiary Guarantors.

“Intellectual Property” shall mean all intellectual property of any Grantor of every kind and nature now owned or hereafter acquired by any Grantor, including inventions, designs, Patents, Copyrights, Licenses, Trademarks, trade secrets, confidential or proprietary technical and business information, know-how, show-how or other data or information, software and databases and all embodiments or fixations thereof and related documentation and registrations, and all additions and improvements to any of the foregoing.

“License” shall mean any Patent License, Trademark License, Copyright License or other license or sublicense agreement relating to Intellectual Property to which any Grantor is a party, including those listed on Schedule VI.

“Loan Document Obligations” shall mean (a) the due and punctual payment of (i) the principal of and interest (including interest accruing during the pendency of any bankruptcy, insolvency, receivership or other similar proceeding, regardless of whether allowed or allowable in such proceeding) on the Loans, when and as due, whether at maturity, by acceleration, upon one or more dates set for prepayment or otherwise, (ii) each payment required to be made by the Borrower under the Credit Agreement in respect of any Letter of Credit, when and as due, including payments in respect of reimbursement of disbursements, interest thereon and obligations to provide cash collateral, and (iii) all other monetary obligations of the Borrower to any of the Secured Parties under the Credit Agreement and each of the other Loan Documents, including fees, costs, expenses and indemnities, whether primary, secondary, direct, contingent, fixed or otherwise (including monetary obligations incurred during the pendency of any bankruptcy, insolvency, receivership or other similar proceeding, regardless of whether allowed or allowable in such proceeding), (b) the due and punctual performance of all other obligations of the Borrower under or pursuant to the Credit Agreement and each of the other Loan Documents, and (c) the due and punctual payment and performance of all the obligations of each other Loan Party under or pursuant to this Agreement and each of the other Loan Documents.

“New York UCC” shall mean the Uniform Commercial Code as from time to time in effect in the State of New York.

“Obligations” shall mean (a) the Loan Document Obligations and (b) the due and punctual payment and performance of all obligations of each Loan Party under

each Hedging Agreement or Cash Management Arrangement that (i) is in effect on the Closing Date with a counterparty that is the Administrative Agent or a Lender or an Affiliate of the Administrative Agent or a Lender as of the Closing Date or (ii) is entered into after the Closing Date with any counterparty that is the Administrative Agent or a Lender or an Affiliate of the Administrative Agent or a Lender at the time such Hedging Agreement or Cash Management Arrangement is entered into; *provided, however*, that the aggregate amount of obligations under Cash Management Arrangements that shall constitute "Obligations" hereunder shall not exceed \$200,000,000 at any time.

"Parent" shall have the meaning assigned to such term in the preamble.

"Patent License" shall mean any written agreement, now or hereafter in effect, granting to any third person any right to make, use or sell any invention on which a Patent, now or hereafter owned by any Grantor or that any Grantor otherwise has the right to license, is in existence, or granting to any Grantor any right to make, use or sell any invention on which a Patent, now or hereafter owned by any third person, is in existence, and all rights of any Grantor under any such agreement.

"Patents" shall mean all of the following now owned or hereafter acquired by any Grantor: (a) all letters patent of the United States or the equivalent thereof in any other country, all registrations and recordings thereof, and all applications for letters patent of the United States or the equivalent thereof in any other country, including registrations, recordings and pending applications in the United States Patent and Trademark Office (or any successor or any similar offices in any other country), including those listed on Schedule VI, and (b) all reissues, continuations, divisions, continuations-in-part, renewals or extensions thereof, and the inventions disclosed or claimed therein, including the right to exclude others from making, using and/or selling the inventions disclosed or claimed therein.

"Pledged Collateral" shall have the meaning assigned to such term in Section 3.01.

"Pledged Debt Securities" shall have the meaning assigned to such term in Section 3.01.

"Pledged Securities" shall mean any promissory notes, stock certificates or other securities now or hereafter included in the Pledged Collateral, including all certificates, instruments or other documents representing or evidencing any Pledged Collateral.

"Pledged Stock" shall have the meaning assigned to such term in Section 3.01.

"Secured Parties" shall mean (a) the Lenders, (b) the Administrative Agent, (c) the Collateral Agent, (d) any Issuing Bank, (e) each counterparty to any Hedging Agreement or Cash Management Arrangement with a Loan Party that either (i) is in effect on the Closing Date if such counterparty is the Administrative Agent, a

Lender or an Affiliate of the Administrative Agent or a Lender as of the Closing Date or (ii) is entered into after the Closing Date if such counterparty is the Administrative Agent, a Lender or an Affiliate of the Administrative Agent or a Lender at the time such Hedging Agreement or Cash Management Arrangement is entered into, (f) the beneficiaries of each indemnification obligation undertaken by any Loan Party under any Loan Document and (g) the successors and permitted assigns of each of the foregoing.

“Security Interest” shall have the meaning assigned to such term in Section 4.01.

“Subsidiary Guarantors” shall mean (a) the Subsidiaries identified on Schedule II hereto as Subsidiary Guarantors and (b) each other Subsidiary that becomes a party to this Agreement as a Subsidiary Guarantor after the Closing Date.

“Trademark License” shall mean any written agreement, now or hereafter in effect, granting to any third person any right to use any trademark now or hereafter owned by any Grantor or that any Grantor otherwise has the right to license, or granting to any Grantor any right to use any trademark now or hereafter owned by any third person, and all rights of any Grantor under any such agreement.

“Trademarks” shall mean all of the following now owned or hereafter acquired by any Grantor: (a) all registered trademarks, service marks, trade names, corporate names, company names, business names, fictitious business names, trade styles, trade dress, logos, other source or business identifiers, designs and general intangibles of like nature, now existing or hereafter adopted or acquired, all registrations and recordings thereof, and all registration and recording applications filed in connection therewith, including registrations and applications for registration (other than intent-to-use applications) in the United States Patent and Trademark Office (or any successor office) or any similar offices in any State of the United States, and all extensions or renewals thereof, including those listed on Schedule VI, and (b) all goodwill associated therewith or symbolized thereby.

“Unfunded Advances/Participations” shall mean (a) with respect to the Administrative Agent, the aggregate amount, if any (i) made available to the Borrower on the assumption that each Lender has made its portion of the applicable Borrowing available to the Administrative Agent as contemplated by Section 2.02(d) of the Credit Agreement and (ii) with respect to which a corresponding amount shall not in fact have been returned to the Administrative Agent by the Borrower or made available to the Administrative Agent by any such Lender, (b) with respect to the Swingline Lender, the aggregate amount, if any, of participations in respect of any outstanding Swingline Loan that shall not have been funded by the Revolving Credit Lenders in accordance with Section 2.22(e) of the Credit Agreement and (c) with respect to any Issuing Bank, the aggregate amount, if any, of participations in respect of any outstanding L/C Disbursement that shall not have been funded by the Revolving Credit Lenders in accordance with Sections 2.23(d) and 2.02(f) of the Credit Agreement.

ARTICLE II

Guarantee

SECTION 2.01. **Guarantee.** Each Guarantor unconditionally guarantees, jointly with the other Guarantors and severally, as a primary obligor and not merely as a surety, the due and punctual payment and performance of the Obligations. Each Guarantor further agrees that the Obligations may be extended or renewed, in whole or in part, without notice to or further assent from it, and that it will remain bound upon its guarantee notwithstanding any extension or renewal of any Obligation, and hereby waives any provision of applicable law to the contrary that may be waived by such Guarantor. Each Guarantor waives presentment to, demand of payment from and protest to the Borrower or any other Loan Party of any Obligation, and also waives notice of acceptance of its guarantee and notice of protest for nonpayment.

SECTION 2.02. **Guarantee of Payment.** Each Guarantor further agrees that its guarantee hereunder constitutes a guarantee of payment when due and not of collection, and waives any right to require that any resort be had by the Collateral Agent or any other Secured Party to any security held for the payment of the Obligations or credit on the books of the Collateral Agent or any other Secured Party in favor of the Borrower or any other person.

SECTION 2.03. **No Limitations, Etc.** (a) Except for termination of a Guarantor's obligations hereunder as expressly provided in Section 7.15, the obligations of each Guarantor hereunder shall not be subject to any reduction, limitation, impairment or termination for any reason, including any claim of waiver, release, surrender, alteration or compromise, and shall not be subject to any defense or setoff, counterclaim, recoupment or termination whatsoever by reason of the invalidity, illegality or unenforceability of the Obligations or otherwise. Without limiting the generality of the foregoing, the obligations of each Guarantor hereunder shall not be discharged or impaired or otherwise affected by (i) the failure of the Collateral Agent or any other Secured Party to assert any claim or demand or to enforce any right or remedy under the provisions of any Loan Document or otherwise, (ii) any rescission, waiver, amendment or modification of, or any release from any of the terms or provisions of, any Loan Document or any other agreement, including with respect to any other Guarantor under this Agreement, (iii) the release of, or any impairment of or failure to perfect any Lien on or security interest in, any security held by the Collateral Agent or any other Secured Party for the Obligations or any of them, (iv) any default, failure or delay, wilful or otherwise, in the performance of the Obligations or (v) any other act or omission that may or might in any manner or to any extent vary the risk of any Guarantor or otherwise operate as a discharge of any Guarantor as a matter of law or equity (other than the indefeasible payment in full in cash of all the Obligations (other than unasserted contingent indemnity obligations)). To the fullest extent permitted by applicable law, each Guarantor expressly authorizes the Collateral Agent to take and hold security for the payment and performance of the Obligations, to exchange, waive or release any or all such security (with or without consideration), to enforce or apply such security and direct

the order and manner of any sale thereof in its sole discretion or to release or substitute any one or more other guarantors or obligors upon or in respect of the Obligations, all without affecting the obligations of any Guarantor hereunder.

(b) To the fullest extent permitted by applicable law, each Guarantor waives any defense based on or arising out of any defense of the Borrower or any other Loan Party or the unenforceability of the Obligations or any part thereof from any cause, or the cessation from any cause of the liability of the Borrower or any other Loan Party, other than the payment in full in cash of all the Obligations. To the fullest extent permitted by applicable law, upon the occurrence and during the continuance of an Event of Default, the Collateral Agent and the other Secured Parties may, at their election, foreclose on any security held by one or more of them by one or more judicial or nonjudicial sales, accept an assignment of any such security in lieu of foreclosure, compromise or adjust any part of the Obligations, make any other accommodation with the Borrower or any other Loan Party or exercise any other right or remedy available to them against the Borrower or any other Loan Party, without adversely affecting or impairing in any way the liability of any Guarantor hereunder except to the extent the Obligations have been paid in full in cash. To the fullest extent permitted by applicable law, each Guarantor waives any defense arising out of any such election even though such election operates, pursuant to applicable law, to impair or to extinguish any right of reimbursement or subrogation or other right or remedy of such Guarantor against the Borrower or any other Loan Party, as the case may be, or any security.

SECTION 2.04. **Reinstatement.** Each Guarantor agrees that its guarantee hereunder shall continue to be effective or be reinstated, as the case may be, if at any time payment, or any part thereof, of any Obligation is rescinded or must otherwise be restored by the Collateral Agent or any other Secured Party upon the bankruptcy or reorganization of the Borrower, any other Loan Party or otherwise.

SECTION 2.05. **Agreement To Pay; Subrogation.** In furtherance of the foregoing and not in limitation of any other right that the Collateral Agent or any other Secured Party has at law or in equity against any Guarantor by virtue hereof, upon the failure of the Borrower or any other Loan Party to pay any Obligation owed by such party when and as the same shall become due, whether at maturity, by acceleration, after notice of prepayment or otherwise, each Guarantor hereby promises to and will, promptly upon written notice thereof from the Collateral Agent, forthwith pay, or cause to be paid, to the Collateral Agent for distribution to the applicable Secured Parties in cash the amount of such unpaid Obligation. Upon payment by any Guarantor of any sums to the Collateral Agent as provided above, all rights of such Guarantor against the Borrower or any other Guarantor arising as a result thereof by way of right of subrogation, contribution, reimbursement, indemnity or otherwise shall in all respects be subject to Article VI.

SECTION 2.06. **Information.** Each Guarantor assumes all responsibility for being and keeping itself informed of the Borrower's and each other Loan Party's financial condition and assets and of all other circumstances bearing upon the risk of nonpayment of the Obligations and the nature, scope and extent of the risks that such

Guarantor assumes and incurs hereunder, and agrees that neither the Collateral Agent nor any other Secured Party will have any duty to advise such Guarantor of information known to it or any of them regarding such circumstances or risks.

ARTICLE III

Pledge of Securities

SECTION 3.01. **Pledge.** As security for the payment or performance, as the case may be, in full of the Obligations, each Grantor hereby assigns and pledges to the Collateral Agent, its successors and permitted assigns, for the ratable benefit of the Secured Parties, and hereby grants to the Collateral Agent, its successors and permitted assigns, for the ratable benefit of the Secured Parties, a security interest in, all of such Grantor's right, title and interest in, to and under (a)(i) the Equity Interests owned by such Grantor on the date hereof (including all such Equity Interests listed on Schedule III), (ii) any other Equity Interests obtained in the future by such Grantor and (iii) the certificates representing all such Equity Interests (all the foregoing collectively referred to herein as the "**Pledged Stock**"); (provided, however, that the Pledged Stock shall not include (A) more than 65% of the outstanding voting Equity Interests in any Foreign Subsidiary, (B) any Equity Interest in any Non-Significant Subsidiary or (C) any Equity Interest in any Permitted Syndication Subsidiary, any Securitization Subsidiary or any Permitted Joint Venture Subsidiary to the extent the pledge of the Equity Interest in such Subsidiary is prohibited by any applicable Contractual Obligation or requirement of law), (b)(i) the debt securities held by such Grantor on the date hereof (including all such debt securities listed opposite the name of such Grantor on Schedule III), (ii) any debt securities in the future issued to such Grantor and (iii) the promissory notes and any other instruments evidencing such debt securities (excluding any promissory notes issued by employees of any Grantor) (all the foregoing collectively referred to herein as the "**Pledged Debt Securities**"), (c) all other property that may be delivered to and held by the Collateral Agent pursuant to the terms of this Section 3.01, (d) subject to Section 3.06, all payments of principal or interest, dividends, cash, instruments and other property from time to time received, receivable or otherwise distributed in respect of, in exchange for or upon the conversion of, and all other Proceeds received in respect of, the securities referred to in clauses (a) and (b) above, (e) subject to Section 3.06, all rights and privileges of such Grantor with respect to the securities and other property referred to in clauses (a), (b), (c) and (d) above, and (f) all Proceeds of any of the foregoing (the items referred to in clauses (a) through (f) above being collectively referred to as the "**Pledged Collateral**").

TO HAVE AND TO HOLD the Pledged Collateral, together with all right, title, interest, powers, privileges and preferences pertaining or incidental thereto, unto the Collateral Agent, its successors and permitted assigns, for the ratable benefit of the Secured Parties, forever; *subject, however,* to the terms, covenants and conditions hereinafter set forth.

SECTION 3.02. **Delivery of the Pledged Collateral.** (a) Each Grantor agrees promptly to deliver or cause to be delivered to the Collateral Agent any and all certificates, promissory notes, instruments or other documents representing or evidencing Pledged Securities (other than Pledged Debt Securities with a face amount less than \$1,000,000).

(b) Subject to the Post-Closing Letter Agreement, each Grantor agrees promptly to deliver or cause to be delivered to the Collateral Agent any and all Pledged Debt Securities with a face amount in excess of \$1,000,000.

(c) Upon delivery to the Collateral Agent, (i) any certificate, instrument or document representing or evidencing Pledged Securities shall be accompanied by undated stock powers duly executed in blank or other undated instruments of transfer satisfactory to the Collateral Agent and duly executed in blank and by such other instruments and documents as the Collateral Agent may reasonably request and (ii) all other property comprising part of the Pledged Collateral shall be accompanied by proper instruments of assignment duly executed by the applicable Grantor and such other instruments or documents as the Collateral Agent may reasonably request. Each delivery of Pledged Securities shall be accompanied by a schedule describing the applicable securities, which schedule shall be attached hereto as Schedule III and made a part hereof; *provided* that failure to attach any such schedule hereto shall not affect the validity of the pledge of such Pledged Securities. Each schedule so delivered shall supplement any prior schedules so delivered.

SECTION 3.03. **Representations, Warranties and Covenants.** The Grantors jointly and severally represent, warrant and covenant to and with the Collateral Agent, for the benefit of the Secured Parties, that:

(a) As of the date hereof, Schedule III correctly sets forth the percentage of the issued and outstanding shares of each class of the Equity Interests of the issuer thereof represented by such Pledged Stock and includes all Equity Interests, debt securities and promissory notes required to be pledged hereunder (to the extent not waived or extended in accordance with the terms of the Credit Agreement);

(b) Subject to the Post-Closing Letter Agreement, as of the date hereof, Schedule IV correctly sets forth all promissory notes and other evidence of indebtedness required to be pledged hereunder including all intercompany notes between Parent and any subsidiary of Parent and any subsidiary of Parent and any other such subsidiary;

(c) the Pledged Stock and Pledged Debt Securities have been duly and validly authorized and issued by the issuers thereof and (i) in the case of Pledged Stock, are fully paid and nonassessable and (ii) in the case of Pledged Debt Securities, are legal, valid and binding obligations of the issuers thereof;

(d) except for the security interests granted hereunder (or otherwise permitted under the Credit Agreement or the other Loan Documents), each Grantor (i) is and, subject to any transfers made in compliance with the Credit Agreement, will continue to be the direct owner, beneficially and of record, of the Pledged Securities indicated on Schedule III as owned by such Grantor, (ii) holds the same free and clear of all Liens other than Liens permitted by Section 6.02 of the Credit Agreement, and (iii) will not create or permit to exist any security interest in or other Lien on, the Pledged Collateral, other than transfers made in compliance with the Credit Agreement or the other Loan Documents;

(e) except for restrictions and limitations imposed by the Loan Documents or securities or other laws generally, the Pledged Collateral is and will continue to be freely transferable and assignable, and none of the Pledged Collateral is or will be subject to any option, right of first refusal, shareholders agreement, charter or by-law provisions or contractual restriction of any nature that might prohibit, impair, delay or otherwise affect the pledge of such Pledged Collateral hereunder, the sale or disposition thereof pursuant hereto or the exercise by the Collateral Agent of rights and remedies hereunder other than Liens permitted by Section 6.02 of the Credit Agreement;

(f) each Grantor (i) has the power and authority to pledge the Pledged Collateral pledged by it hereunder in the manner hereby done or contemplated and (ii) will defend its title or interest thereto or therein against any and all Liens (other than any Lien created or permitted by the Loan Documents), however arising, of all persons whomsoever;

(g) no material consent or approval of any Governmental Authority or, any securities exchange was or is necessary to the validity of the pledge effected hereby (other than such as have been obtained and are in full force and effect);

(h) by virtue of the execution and delivery by each Grantor of this Agreement, when any Pledged Securities are delivered to the Collateral Agent in accordance with this Agreement, the Collateral Agent will obtain a legal, valid and perfected first priority lien upon and security interest in such Pledged Securities as security for the payment and performance of the Obligations; and

(i) the pledge effected hereby is effective to vest in the Collateral Agent, for the ratable benefit of the Secured Parties, the rights of the Collateral Agent in the Pledged Collateral as set forth herein.

SECTION 3.04. Certification of Limited Liability Company Interests and Limited Partnership Interests. If any Pledged Collateral is not a security pursuant to Section 8-103 of the UCC, no Grantor shall take any action that, under such Section, converts such Pledged Collateral into a security without causing the issuer thereof to issue to it certificates or instruments evidencing such Pledged Collateral, which it shall promptly deliver to the Collateral Agent as provided in Section 3.02.

SECTION 3.05. **Registration in Nominee Name; Denominations.** The Collateral Agent, on behalf of the Secured Parties, shall have the right (in its sole and absolute discretion), upon the occurrence and during the continuance of an Event of Default, to hold the Pledged Securities in its own name as pledgee, the name of its nominee (as pledgee or as sub-agent) or the name of the applicable Grantor, endorsed or assigned in blank or in favor of the Collateral Agent. Each Grantor will promptly give to the Collateral Agent copies of any material written notices or other material written communications received by it with respect to Pledged Securities in its capacity as the registered owner thereof. After the occurrence and during the continuance of an Event of Default, the Collateral Agent shall at all times have the right to exchange the certificates representing Pledged Securities for certificates of smaller or larger denominations for any purpose consistent with this Agreement.

SECTION 3.06. **Voting Rights; Dividends and Interest, Etc.** (a) Unless and until an Event of Default shall have occurred and be continuing and the Collateral Agent shall have given the Grantors notice of its intent to exercise its rights under this Agreement (which notice shall be deemed to have been given immediately upon the occurrence of an Event of Default under paragraph (g) or (h) of Article VII of the Credit Agreement):

(i) Each Grantor shall be entitled to exercise any and all voting and/or other consensual rights and powers inuring to an owner of Pledged Securities or any part thereof for any purpose consistent with the terms of this Agreement, the Credit Agreement and the other Loan Documents; *provided, however*, that such rights and powers shall not be exercised in any manner that could reasonably be expected to materially and adversely affect the rights inuring to a holder of any Pledged Securities or the rights and remedies of any of the Collateral Agent or the other Secured Parties under this Agreement or the Credit Agreement or any other Loan Document or the ability of the Secured Parties to exercise the same.

(ii) The Collateral Agent shall execute and deliver to each Grantor, or cause to be executed and delivered to each Grantor, all such proxies, powers of attorney and other instruments as such Grantor may reasonably request for the purpose of enabling such Grantor to exercise the voting and/or consensual rights and powers it is entitled to exercise pursuant to paragraph (i) above.

(iii) Each Grantor shall be entitled to receive and retain any and all dividends, interest, principal and other distributions paid on or distributed in respect of the Pledged Securities to the extent and only to the extent that such dividends, interest, principal and other distributions are permitted by, and otherwise paid or distributed in accordance with, the terms and conditions of the Credit Agreement, the other Loan Documents and applicable law; *provided, however*, that any noncash dividends, interest, principal or other distributions that would constitute Pledged Stock or

Pledged Debt Securities, whether resulting from a subdivision, combination or reclassification of the outstanding Equity Interests of the issuer of any Pledged Securities or received in exchange for Pledged Securities or any part thereof, or in redemption thereof, or as a result of any merger, consolidation, acquisition or other exchange of assets to which such issuer may be a party or otherwise, shall be and become part of the Pledged Collateral, and, if received by any Grantor, shall not be commingled by such Grantor with any of its other funds or property but shall be held separate and apart therefrom, shall be held in trust for the ratable benefit of the Secured Parties and shall be forthwith delivered to the Collateral Agent in the same form as so received (with any necessary endorsement or instrument of assignment). This paragraph (iii) shall not apply to dividends between or among the Borrower, the Guarantors and any Subsidiaries only of property subject to a perfected security interest under this Agreement.

(b) To the fullest extent permitted by applicable law, upon the occurrence and during the continuance of an Event of Default, after the Collateral Agent shall have notified (or shall be deemed to have notified pursuant to Section 3.06(a)) the Grantors of the suspension of their rights under paragraph (a)(iii) of this Section 3.06, then all rights of any Grantor to dividends, interest, principal or other distributions that such Grantor is authorized to receive pursuant to paragraph (a)(iii) of this Section 3.06 shall cease, and all such rights shall thereupon become vested in the Collateral Agent, which shall have the sole and exclusive right and authority to receive and retain such dividends, interest, principal or other distributions. All dividends, interest, principal or other distributions received by any Grantor contrary to the provisions of this Section 3.06 shall be held in trust for the benefit of the Collateral Agent, shall be segregated from other property or funds of such Grantor and shall be forthwith delivered to the Collateral Agent upon demand in the same form as so received (with any necessary endorsement or instrument of assignment). Any and all money and other property paid over to or received by the Collateral Agent pursuant to the provisions of this paragraph (b) shall be retained by the Collateral Agent in an account to be established by the Collateral Agent upon receipt of such money or other property and shall be applied in accordance with the provisions of Section 5.02. After all Events of Default have been cured or waived and each applicable Grantor has delivered to the Administrative Agent certificates to that effect, the Collateral Agent shall, promptly after all such Events of Default have been cured or waived, repay to each applicable Grantor (without interest) all dividends, interest, principal or other distributions that such Grantor would otherwise be permitted to retain pursuant to the terms of paragraph (a)(iii) of this Section 3.06 and that remain in such account.

(c) Upon the occurrence and during the continuance of an Event of Default, after the Collateral Agent shall have notified (or shall be deemed to have notified pursuant to Section 3.06(a)) the Grantors of the suspension of their rights under paragraph (a)(i) of this Section 3.06, then all rights of any Grantor to exercise the voting and consensual rights and powers it is entitled to exercise pursuant to paragraph (a)(i) of this Section 3.06, and the obligations of the Collateral Agent under paragraph (a)(ii) of this Section 3.06,

shall cease, and, subject to compliance with any applicable healthcare laws, all such rights shall thereupon become vested in the Collateral Agent, which shall have the sole and exclusive right and authority to exercise such voting and consensual rights and powers; *provided* that, unless otherwise directed by the Required Lenders, the Collateral Agent shall have the right from time to time following and during the continuance of an Event of Default to permit the Grantors to exercise such rights. After all Events of Default have been cured or waived and each applicable Grantor has delivered to the Administrative Agent a certificate to that effect, such voting and consensual rights shall automatically vest in the applicable Grantor, and the Collateral Agent shall (1) take such steps reasonably requested by the applicable Grantor, at such Grantor's expense, to allow all Pledged Securities registered under its name to be registered under the name of the applicable Grantor and (2) promptly repay to each applicable Grantor (without interest) all dividends, interest, principal or other distributions that such Grantor would otherwise have been permitted to retain pursuant to the terms of paragraph (a) of this Section 3.06 that were not applied to repay the Obligations.

(d) Any notice given by the Collateral Agent to the Grantors exercising its rights under paragraph (a) of this Section 3.06 (i) may be given by telephone if promptly confirmed in writing, (ii) may be given to one or more of the Grantors at the same or different times and (iii) may suspend the rights of the Grantors under paragraph (a)(i) or paragraph (a)(iii) in part without suspending all such rights (as specified by the Collateral Agent in its sole and absolute discretion) and without waiving or otherwise affecting the Collateral Agent's rights to give additional notices from time to time suspending other rights so long as an Event of Default has occurred and is continuing.

ARTICLE IV

Security Interests in Personal Property

SECTION 4.01. **Security Interest.** (a) As security for the payment or performance, as the case may be, in full of the Obligations, each Grantor hereby assigns and pledges to the Collateral Agent, its successors and permitted assigns, for the ratable benefit of the Secured Parties, and hereby grants to the Collateral Agent, its successors and permitted assigns, for the ratable benefit of the Secured Parties, a security interest (the "**Security Interest**"), in all right, title or interest in or to any and all of the following assets and properties now owned or at any time hereafter acquired by such Grantor or in which such Grantor now has or at any time in the future may acquire any right, title or interest (collectively, the "**Article 9 Collateral**"):

- (i) all Accounts;
 - (ii) all Chattel Paper;
 - (iii) all Documents;
 - (iv) all Equipment;
-

- (v) all General Intangibles;
- (vi) all Instruments;
- (vii) all Inventory;
- (viii) all Investment Property;
- (ix) all Letter-of-Credit Rights;
- (x) all Commercial Tort Claims;
- (xi) all books and records pertaining to the Article 9 Collateral; and

(xii) to the extent not otherwise included, all Proceeds and products of any and all of the foregoing and all collateral security and guarantees given by any person with respect to any of the foregoing.

Notwithstanding anything herein to the contrary, in no event shall the Collateral include, and no Grantor shall be deemed to have granted a security interest in any (I) General Intangible, Instrument, license, property right, permit or any other contract or agreement to which a Grantor is a party or any of its rights or interests thereunder if and for so long as the grant of such security interest shall constitute or result in (x) the abandonment, invalidation or unenforceability of any right, title or interest of the Grantor therein, (y) a violation of a valid and enforceable restriction in respect of such General Intangible, Instrument, license, property right, permit or any other contract or agreement or other such rights (1) in favor of a third party or (2) under any law, regulation, permit, order or decree of any Governmental Authority or (z) a breach or termination (or result in any party thereto having the right to terminate) pursuant to the terms of, or a default under, such General Intangible, Instrument, license, property right, permit or any other contract or agreement (other than to the extent that any such term would be rendered ineffective pursuant to Section 9-406, 9-407, 9-408 or 9-409 of the New York UCC or any other applicable law or principles of equity); *provided, however*, that such security interest shall attach immediately at such time as the condition causing such abandonment, invalidation, unenforceability or breach or termination, as the case may be, shall be remedied and, to the extent severable, shall attach immediately to any portion of such General Intangible, Instrument, license, property right, permit or any other contract or agreement that does not result in any of the consequences specified in the immediately preceding clause (x), (y) or (z) including, any proceeds of such General Intangible, Instrument, license, property rights, permit or any other contract or agreement; (II) more than 65% of the outstanding voting Equity Interests in any Foreign Subsidiary, (III) any Equity Interest in any Non-Significant Subsidiary, (IV) any Equity Interest in any Permitted Syndication Subsidiary, any Securitization Subsidiary or any Permitted Joint Venture Subsidiary to the extent the pledge of the Equity Interest in such Subsidiary is prohibited by any applicable Contractual Obligation or requirement of law, (V) any vehicle or other asset subject to certificate of title, (VI) any asset that requires perfection through control agreements (including, to the extent required in the relevant

jurisdiction for deposit accounts and investment property), (VII) any minority Equity Interests, (VIII) any assets with respect to which the Collateral Agent shall reasonably determine that the cost of creating and/or perfecting a security interest therein is excessive in relation to the benefit to the Secured Parties or that the granting or perfection of a security interest therein would violate applicable law or regulation and (IX) any assets (other than any General Intangible, Instrument, license, property right, permit or any other contract or agreement) owned by any Grantor that are subject to a Lien permitted by Section 6.02(c) or (n) of the Credit Agreement, to the extent and for so long as such Lien exists and the terms of the Indebtedness or other obligations secured thereby prevent the grant of a security interest in such assets hereunder.

(b) Each Grantor hereby irrevocably authorizes the Collateral Agent at any time and from time to time to file in any relevant jurisdiction any initial financing statements (including fixture filings) with respect to the Article 9 Collateral or any part thereof and amendments thereto that (i) indicate the Article 9 Collateral as "all assets" of such Grantor or words of similar effect, and (ii) contain the information required by Article 9 of the Uniform Commercial Code of each applicable jurisdiction for the filing of any financing statement or amendment, including (A) whether such Grantor is an organization, the type of organization and any organizational identification number issued to such Grantor and (B) in the case of a financing statement filed as a fixture filing, a sufficient description of the real property to which such Article 9 Collateral relates. Each Grantor agrees to provide such information to the Collateral Agent promptly upon request.

(c) Each Grantor also ratifies its authorization for the Collateral Agent to file in any relevant jurisdiction any initial financing statements or amendments thereto if filed prior to the date hereof.

The Collateral Agent is further authorized to file with the United States Patent and Trademark Office or United States Copyright Office (or any successor office) such documents as may be necessary or advisable for the purpose of perfecting, confirming, continuing, enforcing or protecting the Security Interest granted by each Grantor, without the signature of any Grantor, and naming any Grantor or the Grantors as debtors and the Collateral Agent as secured party.

(d) The Security Interest is granted as security only and shall not subject the Collateral Agent or any other Secured Party to, or in any way alter or modify, any obligation or liability of any Grantor with respect to or arising out of the Article 9 Collateral.

SECTION 4.02. Representations and Warranties. The Grantors jointly and severally represent and warrant to the Collateral Agent and the Secured Parties that:

(a) Each Grantor has good and valid rights in and marketable title to the Article 9 Collateral with respect to which it has purported to grant a Security Interest hereunder and has full power and authority to grant to the Collateral Agent, for the ratable benefit of the Secured Parties, the Security Interest in such Article 9 Collateral pursuant hereto and to execute, deliver and perform its

obligations in accordance with the terms of this Agreement, without the consent or approval of any other person other than any consent or approval that has been obtained or any other consent where the failure to obtain such consent could not reasonably be expected to have a Material Adverse Effect.

(b) The Schedules attached hereto have been duly prepared and completed and the information set forth therein (including (x) the exact legal name of each Grantor in Schedule I and (y) the jurisdiction of organization of each Grantor in Schedule I) is true and correct in all material respects as of the Closing Date. Uniform Commercial Code financing statements (including fixture filings, as applicable) or other appropriate filings, recordings or registrations containing a description of the Article 9 Collateral have been prepared by the Collateral Agent based upon the information provided to the Administrative Agent and the Secured Parties in the applicable Schedules attached hereto for filing in each governmental, municipal or other office specified in Schedule I (or specified by notice from the Borrower to the Administrative Agent after the Closing Date in the case of filings, recordings or registrations required by Sections 5.06 or 5.12 of the Credit Agreement), which are all the filings, recordings and registrations (other than filings required to be made in the United States Patent and Trademark Office and the United States Copyright Office in order to perfect the Security Interest in the Article 9 Collateral consisting of United States Patents, Trademarks and Copyrights (to the extent that perfection can be achieved by such filings)) that are necessary to publish notice of and protect the validity of and to establish a legal, valid and perfected security interest in favor of the Collateral Agent (for the ratable benefit of the Secured Parties) in respect of all Article 9 Collateral in which the Security Interest may be perfected by filing, recording or registration in the United States (or any political subdivision thereof) and its territories and possessions, and no further or subsequent filing, refiling, recording, rerecording, registration or reregistration is necessary in any such jurisdiction, except as provided under applicable law with respect to the filing of continuation statements. Each Grantor represents and warrants that a fully executed short form agreement in form and substance reasonably satisfactory to the Collateral Agent, and containing a description of all Article 9 Collateral consisting of pending and issued United States Patents and United States Trademarks and United States Copyrights will be delivered to the Collateral Agent as of or prior to the Closing Date for timely recording with the United States Patent and Trademark Office and the United States Copyright Office pursuant to 35 U.S.C. §261, 15 U.S.C. §1060 or 17 U.S.C. §205 and the regulations thereunder.

(c) As of the date hereof, Schedule I correctly sets forth (i) the exact legal name of each Grantor, as such name appears in its respective certificate of formation; (ii) the jurisdiction of formation of each Grantor that is a registered organization; (iii) the Organizational Identification Number, if any, issued by the jurisdiction of formation of each Grantor that is a registered organization; (iv) the

chief executive office of each Grantor; and (v) all locations where Grantor maintains any material books or records relating to any Accounts Receivables.

(d) As of the date hereof, Schedule V correctly sets forth, with respect to each Mortgaged Property, (i) the exact name of the person that owns such property as such name appears in its certificate of formation or other organizational document; (ii) if different from the name identified pursuant to clause (i), the exact name of the current record owner of such property reflected in the records of the filing office for such property identified pursuant to the following clause (iii); and (iii) the filing office in which a mortgage with respect to such property must be filed or recorded in order for the Collateral Agent to obtain a perfected security interest therein.

(e) As of the date hereof, Schedule VI correctly sets forth, in proper form for filing with (a) the United States Patent and Trademark Office a list of each issued and pending Patents and Trademarks, including, as applicable, the name of the registered owner and the registration number of each Patent and Trademark owned by any Grantor and (b) the United States Copyright Office a list of each Copyright, including the name of the registered owner and the registration number of each Copyright owned by any Grantor.

(f) The Security Interest constitutes (i) a legal and valid security interest in all Article 9 Collateral securing the payment and performance of the Obligations, (ii) subject to the qualifications and filings described in Section 4.02(b) (including payment of applicable fees in connection therewith), a perfected security interest in all Article 9 Collateral in which and to the extent a security interest may be perfected by filing, recording or registering a financing statement or analogous document in the United States (or any political subdivision thereof) and its territories and possessions pursuant to the Uniform Commercial Code or other applicable law in such jurisdictions and (iii) a security interest that shall be perfected in all Article 9 Collateral in which a security interest may be perfected upon the receipt and recording of this Agreement with the United States Patent and Trademark Office and the United States Copyright Office, as applicable. The Security Interest is and shall be prior to any other Lien on any of the Article 9 Collateral, other than Liens expressly permitted pursuant to Section 6.02 of the Credit Agreement or the other Loan Documents that have priority as a matter of law.

(g) The Article 9 Collateral is owned by the Grantors free and clear of any Lien, except for Liens expressly permitted pursuant to Section 6.02 of the Credit Agreement or the other Loan Documents. No Grantor has filed or consented to the filing of (i) any financing statement or analogous document under the Uniform Commercial Code or any other applicable laws covering any Article 9 Collateral, (ii) any assignment in which any Grantor assigns any Collateral or any security agreement or similar instrument covering any Article 9 Collateral with the United States Patent and Trademark Office or the United

States Copyright Office, (iii) any notice under the Assignment of Claims Act, or (iv) any assignment in which any Grantor assigns any Article 9 Collateral or any security agreement or similar instrument covering any Article 9 Collateral with any foreign governmental, municipal or other office, which financing statement or analogous document, assignment, security agreement or similar instrument is still in effect, except, in each case, for Liens expressly permitted pursuant to Section 6.02 of the Credit Agreement or the other Loan Documents. As of the date hereof, no Grantor holds any Commercial Tort Claims in an amount in excess of \$5,000,000 except as indicated on Schedule VII.

SECTION 4.03. Covenants. (a) Each Grantor agrees promptly to notify the Collateral Agent in writing of any change in (i) its legal name and/or address, (ii) its identity or type of organization or corporate structure, (iii) its Federal Taxpayer Identification Number or organizational identification number or (iv) its jurisdiction of organization. Each Grantor agrees promptly to provide the Collateral Agent with certified organizational documents reflecting any of the changes described in the first sentence of this paragraph. Each Grantor agrees not to effect or permit any change referred to in the preceding sentence unless all filings have been made under the Uniform Commercial Code or otherwise that are required in order for the Collateral Agent to continue at all times following such change to have a valid, legal and perfected first priority security interest in all the Article 9 Collateral. Each Grantor agrees promptly to notify the Collateral Agent if any material portion of the Article 9 Collateral owned or held by such Grantor is damaged or destroyed.

(b) Each Grantor agrees to maintain, at its own cost and expense, such complete and accurate records (in all material respects) with respect to the Article 9 Collateral owned by it as is consistent with its current practices and in accordance with such prudent and standard practices used in industries that are the same as or similar to those in which such Grantor is engaged, but in any event to include complete accounting records (in all material respects) indicating all material payments and proceeds received with respect to any part of the Article 9 Collateral.

(c) Each year, at the time of delivery of annual financial statements with respect to the preceding fiscal year pursuant to Section 5.04(a) of the Credit Agreement, the Borrower shall deliver to the Collateral Agent a certificate executed by a Responsible Officer of the Borrower setting forth in the format of Schedule VI all Intellectual Property of any Grantor in existence on the date thereof that, if it had existed on the date hereof, would have been required to be listed in such Schedule, and not then listed on such Schedules or previously so identified to the Collateral Agent.

(d) Each Grantor shall, at its own expense, take any and all commercially reasonable actions necessary to defend title to the Article 9 Collateral against all persons and to defend the Security Interest of the Collateral Agent in the Article 9 Collateral and the priority thereof against any Lien not expressly permitted pursuant to Section 6.02 of the Credit Agreement.

(e) Each Grantor agrees, at its own expense, promptly to execute, acknowledge, deliver and cause to be duly filed all such further instruments and documents and take all such actions as the Collateral Agent may from time to time reasonably request to obtain, preserve, protect and perfect (to the extent that perfection can be achieved under any applicable law by such filings and actions) the Security Interest and the rights and remedies created hereby, including the payment of any fees and Taxes required in connection with the execution and delivery of this Agreement, the granting of the Security Interest and the filing of any financing or continuation statements (including fixture filings) or other documents in connection herewith or therewith. If any amount payable to any Grantor under or in connection with any of the Article 9 Collateral shall be or become evidenced by any promissory note or other instrument with a face amount in excess of \$1,000,000, such note or instrument shall be promptly pledged and delivered to the Collateral Agent, duly endorsed in a manner reasonably satisfactory to the Collateral Agent.

Without limiting the generality of the foregoing, each Grantor hereby authorizes the Collateral Agent, with prompt notice thereof to the Grantors, to supplement this Agreement by supplementing Schedule VI or adding additional schedules hereto to identify specifically any asset or item of a Grantor that may, in the Collateral Agent's reasonable judgment, constitute Copyrights, Licenses, Patents or Trademarks; *provided* that any Grantor shall have the right, exercisable within 30 days after it has been notified by the Collateral Agent of the specific identification of such Collateral, to advise the Collateral Agent in writing of any inaccuracy of the representations and warranties made by such Grantor hereunder with respect to such Collateral. Each Grantor agrees that it will use its commercially reasonable efforts to take such action as shall be necessary, and which the Collateral Agent may from time to time reasonably request, in order that all representations and warranties hereunder shall be true and correct in all material respects with respect to such Collateral within 45 days after the date it has been notified by the Collateral Agent of the specific identification of such Collateral and any such request.

(f) The Collateral Agent and such persons as the Collateral Agent may designate shall have the right to inspect, subject to a reasonable prior notice to each Grantor, the Article 9 Collateral, all records related thereto (and to make extracts and copies from such records) and the premises upon which any of the Article 9 Collateral is located, to discuss the applicable Grantor's affairs with the officers of such Grantor and its independent accountants and to verify the existence, validity, amount, quality, quantity, value, condition and status of, or any other matter relating to, the Article 9 Collateral, including, in the case of Accounts or other Article 9 Collateral in the possession of any third person, after the occurrence and during the continuance of an Event of Default, by contacting Account Debtors or the third person possessing such Article 9 Collateral for the purpose of making such a verification, subject in each case to the requirements of applicable law, including healthcare laws, data privacy and third party confidentiality obligations all at the expense of the Borrower; *provided* that, excluding any such visits and inspections during the continuance of an Event of Default, only one such visit during any fiscal year shall be at the Borrower's expense. The Collateral Agent shall have the absolute

right to share any information it gains from such inspection or verification with any Secured Party, subject in each case to the requirements of applicable law, including healthcare laws, data privacy and third party confidentiality obligations.

(g) At its option, upon the occurrence and during the continuation of a Default or an Event of Default, the Collateral Agent may with five Business Days', prior written notice to the relevant Grantor discharge past due Taxes, assessments, charges, fees, Liens, security interests or other encumbrances at any time levied or placed on the Article 9 Collateral and not expressly permitted pursuant to Section 5.03 or Section 6.02 of the Credit Agreement, and may pay for the maintenance and preservation of the Article 9 Collateral to the extent any Grantor fails to do so as required by the Credit Agreement or this Agreement, and each Grantor jointly and severally agrees to reimburse the Collateral Agent within five Business Days after written demand for any reasonable payment made or any reasonable expense incurred by the Collateral Agent pursuant to the foregoing authorization; *provided, however*, that nothing in this paragraph shall be interpreted as excusing any Grantor from the performance of, or imposing any obligation on the Collateral Agent or any Secured Party to cure or perform, any covenants or other promises of any Grantor with respect to Taxes, assessments, charges, fees, Liens, security interests or other encumbrances and maintenance as set forth herein or in the other Loan Documents.

(h) If at any time any Grantor shall take a security interest in any property of an Account Debtor or any other person valued in excess of \$1,000,000 to secure payment and performance of an Account, such Grantor shall promptly assign such security interest to the Collateral Agent for the ratable benefit of the Secured Parties. Such assignment need not be filed of public record unless necessary to continue the perfected status of the security interest against creditors of and transferees from the Account Debtor or other person granting the security interest.

(i) Except to the extent otherwise expressly agreed by the Collateral Agent, each Grantor shall remain liable to observe and perform all the conditions and obligations to be observed and performed by it under each contract, agreement or instrument relating to the Article 9 Collateral, all in accordance with the terms and conditions thereof, and each Grantor jointly and severally agrees to indemnify and hold harmless the Collateral Agent and the Secured Parties from and against any and all liability for such performance in accordance with Section 7.06 of this Agreement.

(j) No Grantor shall make or permit to be made an assignment, pledge or hypothecation of the Article 9 Collateral or shall grant any other Lien in respect of the Article 9 Collateral or permit any notice to be filed under the Assignment of Claims Act, except, in each case, as expressly permitted by Section 6.02 of the Credit Agreement. No Grantor shall make or permit to be made any transfer of the Article 9 Collateral, except as permitted by the Credit Agreement.

(k) No Grantor will, without the Collateral Agent's prior written consent, grant any extension of the time of payment of any Accounts included in the Article 9

Collateral, compromise, compound or settle the same for less than the full amount thereof (unless the aggregate amount of such compromised or settled Accounts in any fiscal year is not in excess of \$5,000,000), release, wholly or partly, any person liable for the payment thereof (unless the aggregate amount of such compromised or settled Accounts in any fiscal year is not in excess of \$5,000,000) or allow any credit or discount whatsoever thereon (unless the aggregate amount of such compromised or settled Accounts in any fiscal year is not in excess of \$5,000,000), other than extensions, credits, discounts, compromises, compoundings or settlements in each case granted or made in the ordinary course of business.

(l) Each Grantor, at its own expense, shall maintain or cause to be maintained insurance covering physical loss or damage to the Inventory and Equipment in accordance with the requirements set forth in Section 5.02 of the Credit Agreement. Each Grantor irrevocably makes, constitutes and appoints the Collateral Agent (and all officers, employees or agents designated by the Collateral Agent) as such Grantor's true and lawful agent (and attorney-in-fact) for the purpose, upon the occurrence and during the continuance of an Event of Default, of making, settling and adjusting claims in respect of Article 9 Collateral under policies of insurance, endorsing the name of such Grantor on any check, draft, instrument or other item of payment for the proceeds of such policies of insurance and for making all determinations and decisions with respect thereto (provided that the Collateral Agent shall give five Business Days' prior written notice to such Grantor prior to exercising its rights in such capacity). In the event that any Grantor at any time or times shall fail to obtain or maintain any of the policies of insurance required hereby or under the Credit Agreement or to pay any premium in whole or part relating thereto, the Collateral Agent may, without waiving or releasing any obligation or liability of any Grantor hereunder or any Default or Event of Default, in its sole reasonable discretion, upon notice to the Grantors, obtain and maintain such policies of insurance and pay such premium and take any other actions with respect thereto as the Collateral Agent reasonably deems advisable. All sums disbursed by the Collateral Agent in connection with this paragraph, including reasonable attorneys' fees, court costs, out-of-pocket expenses and other charges relating thereto, shall be payable, within five Business Days of written demand (accompanied by supporting documentation therefor in reasonable detail) by the Grantors to the Collateral Agent and shall be additional Obligations secured hereby.

SECTION 4.04. **Other Actions.** In order to further insure the attachment, perfection and priority of, and the ability of the Collateral Agent to enforce, the Security Interest in the Article 9 Collateral, each Grantor agrees, in each case at such Grantor's own expense, to take the following actions with respect to the following Article 9 Collateral:

(a) **Instruments.** If any Grantor shall at any time hold or acquire any Instruments (other than (x) any Instruments in an amount no greater than \$1,000,000 and (y) any Instruments representing loans or advances permitted under Section 6.04(c) of the Credit Agreement, to the extent such Instruments represent Indebtedness excluded from the requirements of subclause (ii) of such Section, that have not been pledged hereunder, such Grantor shall forthwith

endorse, assign and deliver the same to the Collateral Agent, accompanied by such undated instruments of endorsement, transfer or assignment duly executed in blank as the Collateral Agent may from time to time reasonably request.

(b) **Electronic Chattel Paper and Transferable Records.** If any Grantor at any time holds or acquires an interest in any material Electronic Chattel Paper or any material “transferable record”, as that term is defined in Section 201 of the Federal Electronic Signatures in Global and National Commerce Act, or in Section 16 of the Uniform Electronic Transactions Act as in effect in any relevant jurisdiction, such Grantor shall promptly notify the Collateral Agent thereof and, at the reasonable request of the Collateral Agent, shall take such action as the Collateral Agent may reasonably request to vest in the Collateral Agent control under New York UCC Section 9-105 of such Electronic Chattel Paper or control under Section 201 of the Federal Electronic Signatures in Global and National Commerce Act or, as the case may be, Section 16 of the Uniform Electronic Transactions Act, as so in effect in such jurisdiction, of such transferable record. The Collateral Agent agrees with such Grantor that the Collateral Agent will arrange, pursuant to procedures reasonably satisfactory to the Collateral Agent and so long as such procedures will not result in the Collateral Agent’s loss of control, for the Grantor to make alterations to the Electronic Chattel Paper or transferable record permitted under UCC Section 9-105 or, as the case may be, Section 201 of the Federal Electronic Signatures in Global and National Commerce Act or Section 16 of the Uniform Electronic Transactions Act for a party in control to allow without loss of control, unless an Event of Default has occurred and is continuing or would occur after taking into account any action by such Grantor with respect to such Electronic Chattel Paper or transferable record. Notwithstanding the foregoing, no Grantor shall be obligated to deliver to the Collateral Agent any Electronic Chattel Paper held by such Grantor with a face amount less than \$1,000,000, *provided* that the aggregate face amount of the Electronic Chattel Paper so excluded pursuant to this sentence shall not exceed \$10,000,000 at any time.

(c) **Letter-of-Credit Rights.** If any Grantor is at any time a beneficiary under a letter of credit with a face amount exceeding \$2,000,000 now or hereafter issued in favor of such Grantor, such Grantor shall promptly notify the Collateral Agent thereof and, at the request and option of the Collateral Agent, such Grantor shall, pursuant to an agreement in form and substance reasonably satisfactory to the Collateral Agent, either (i) arrange for the issuer and any confirmer of such letter of credit to consent to an assignment to the Collateral Agent of the proceeds of any drawing under the letter of credit or (ii) arrange for the Collateral Agent to become the transferee beneficiary of the letter of credit, with the Collateral Agent agreeing, in each case, that the proceeds of any drawing under the letter of credit are to be paid to the applicable Grantor unless an Event of Default has occurred or is continuing.

(d) **Commercial Tort Claims.** If any Grantor shall at any time hold or acquire a Commercial Tort Claim in an amount reasonably estimated to exceed \$5,000,000, the Grantor shall promptly notify the Collateral Agent thereof in a writing signed by such Grantor including a summary description of such claim and grant to the Collateral Agent, for the ratable benefit of the Secured Parties, in such writing a security interest therein and in the proceeds thereof, all upon the terms of this Agreement, with such writing to be in form and substance reasonably satisfactory to the Collateral Agent.

SECTION 4.05. **Covenants Regarding Patent, Trademark and Copyright Collateral.** In each case unless otherwise decided by such Grantor in its reasonable business judgment or such Collateral is not material to the business of such Grantor: (a) Each Grantor agrees that it will not, and will not permit any of its licensees to, do any act, or omit to do any act, whereby any Patent that is material to the conduct of such Grantor's business may become invalidated or dedicated to the public, and agrees that it shall continue to mark any products covered by a Patent with the relevant patent number to the extent necessary and sufficient to establish and preserve its maximum rights under applicable patent laws, to the extent required by applicable law.

(b) Each Grantor (either itself or through its licensees or its sublicensees) will, for each Trademark material to the conduct of such Grantor's business, (i) maintain such Trademark in full force free from any claim of abandonment or invalidity for non-use, (ii) maintain the quality of products and services offered under such Trademark, (iii) display such Trademark with notice of Federal or foreign registration to the extent necessary and sufficient to establish and preserve its maximum rights under applicable law, to the extent required by applicable law and (iv) not knowingly use or knowingly permit the use of such Trademark in violation of any third party rights.

(c) Each Grantor (either itself or through its licensees or sublicensees) will, for each work covered by a material Copyright, continue to publish, reproduce, display, adopt and distribute the work with appropriate copyright notice to the extent necessary and sufficient to establish and preserve its maximum rights under applicable copyright laws, to the extent required by applicable law.

(d) Each Grantor shall notify the Collateral Agent promptly if it knows that any Patent, Trademark or Copyright material to the conduct of its business has or is likely to become abandoned, lost or dedicated to the public, or of any materially adverse determination or development (including the institution of, or any such determination or development in, any proceeding in the United States Patent and Trademark Office, United States Copyright Office or any court or similar office of any country) regarding such Grantor's ownership of any such Patent, Trademark or Copyright, its right to register the same, or its right to keep and maintain the same.

(e) If any Grantor, either itself or through any agent, employee, licensee or designee, files an application for any Patent, Trademark or Copyright (or for the registration of any Trademark or Copyright) with the United States Patent and Trademark

Office, United States Copyright Office or any office or agency in any political subdivision of the United States, the Grantor shall so notify the Collateral Agent, and, upon request of the Collateral Agent, shall execute and deliver any and all agreements, instruments, documents and papers as the Collateral Agent may reasonably request to evidence the Security Interest in such Patent, Trademark or Copyright, and each Grantor hereby appoints the Collateral Agent as its attorney-in-fact to execute and file such writings for the foregoing purposes, all acts of such attorney being hereby ratified and confirmed.

(f) Each Grantor will take all necessary steps that are consistent with the practice in any proceeding before the United States Patent and Trademark Office, United States Copyright Office or any office or agency in any political subdivision of the United States, to maintain and pursue each material application relating to the Patents, Trademarks and/or Copyrights (and to obtain the relevant grant or registration) and to maintain each issued Patent and each registration of the Trademarks and Copyrights that is material to the conduct of any Grantor's business, including timely filings of applications for renewal, affidavits of use, affidavits of incontestability and payment of maintenance fees, and, if consistent with good business judgment, to initiate opposition, interference and cancellation proceedings against third parties.

(g) In the event that any Grantor knows or has reason to believe that any Article 9 Collateral consisting of a Patent, Trademark or Copyright material to the conduct of any Grantor's business has been or is about to be infringed, misappropriated or diluted by a third person, such Grantor promptly shall notify the Collateral Agent and shall, if consistent with good business judgment, promptly sue for infringement, misappropriation or dilution and to recover any and all damages for such infringement, misappropriation or dilution, and take such other actions, if consistent with good business judgment, as are reasonably appropriate under the circumstances to protect such Article 9 Collateral.

(h) Upon the occurrence and during the continuance of an Event of Default, upon the reasonable request of the Collateral Agent, each Grantor shall use its best efforts to obtain all requisite consents or approvals by the licensor of each Copyright License, Patent License or Trademark License, and each other material License, to effect the assignment of all such Grantor's right, title and interest thereunder to the Collateral Agent, for the ratable benefit of the Secured Parties, or its designee.

ARTICLE V

Remedies

SECTION 5.01. **Remedies Upon Default.** Upon the occurrence and during the continuance of an Event of Default, each Grantor agrees to deliver each item of Collateral to the Collateral Agent on demand, and it is agreed that the Collateral Agent shall have the right to take any of or all the following actions at the same or different times: (a) with respect to any Article 9 Collateral consisting of Intellectual Property, on demand, to cause the Security Interest to become an assignment, transfer and conveyance of any of or all such Article 9 Collateral by the applicable Grantor to the Collateral

Agent, or to license or sublicense, whether general, special or otherwise, and whether on an exclusive or nonexclusive basis, any such Article 9 Collateral throughout the world on such terms and conditions and in such manner as the Collateral Agent shall determine (other than in violation of any then-existing licensing arrangements to the extent that waivers cannot be obtained), and (b) with or without legal process and with or without prior notice or demand for performance, to take possession of the Article 9 Collateral and without liability for trespass to enter any premises where the Article 9 Collateral may be located for the purpose of taking possession of or removing the Article 9 Collateral and, generally, to exercise any and all rights afforded to a secured party under the Uniform Commercial Code or other applicable law. Without limiting the generality of the foregoing, each Grantor agrees that the Collateral Agent shall have the right, subject to the requirements of applicable law, including any applicable healthcare laws, to sell or otherwise dispose of all or any part of the Collateral at a public or private sale or at any broker's board or on any securities exchange, for cash, upon credit or for future delivery as the Collateral Agent shall deem appropriate. The Collateral Agent shall be authorized at any such sale (if it deems it advisable to do so) to restrict the prospective bidders or purchasers to persons who will represent and agree that they are purchasing the Collateral for their own account for investment and not with a view to the distribution or sale thereof, and upon consummation of any such sale the Collateral Agent shall have the right to assign, transfer and deliver to the purchaser or purchasers thereof the Collateral so sold. Each such purchaser at any such sale shall hold the property sold absolutely, free from any claim or right on the part of any Grantor, and each Grantor hereby waives (to the extent permitted by law) all rights of redemption, stay and appraisal which such Grantor now has or may at any time in the future have under any rule of law or statute now existing or hereafter enacted.

The Collateral Agent shall give each applicable Grantor 10 days' written notice (which each Grantor agrees is reasonable notice within the meaning of Section 9-611 of the New York UCC or its equivalent in other jurisdictions) of the Collateral Agent's intention to make any sale of Collateral. Such notice, in the case of a public sale, shall state the time and place for such sale and, in the case of a sale at a broker's board or on a securities exchange, shall state the board or exchange at which such sale is to be made and the day on which the Collateral, or portion thereof, will first be offered for sale at such board or exchange. Any such public sale shall be held at such time or times within ordinary business hours and at such place or places as the Collateral Agent may fix and state in the notice (if any) of such sale. At any such sale, the Collateral, or portion thereof, to be sold may be sold in one lot as an entirety or in separate parcels, as the Collateral Agent may (in its sole and absolute discretion) determine. The Collateral Agent shall not be obligated to make any sale of any Collateral if it shall determine not to do so, regardless of the fact that notice of sale of such Collateral shall have been given. The Collateral Agent may, without notice or publication, adjourn any public or private sale or cause the same to be adjourned from time to time by announcement at the time and place fixed for sale, and such sale may, without further notice, be made at the time and place to which the same was so adjourned. In case any sale of all or any part of the Collateral is made on credit or for future delivery, the Collateral so sold may be retained by the Collateral Agent until the

sale price is paid by the purchaser or purchasers thereof, but the Collateral Agent shall not incur any liability in case any such purchaser or purchasers shall fail to take up and pay for the Collateral so sold and, in case of any such failure, such Collateral may be sold again upon like notice. At any public (or, to the extent permitted by law, private) sale made pursuant to this Agreement, any Secured Party may bid for or purchase, free (to the extent permitted by applicable law) from any right of redemption, stay, valuation or appraisal on the part of any Grantor (all said rights being also hereby waived and released to the extent permitted by applicable law), the Collateral or any part thereof offered for sale and may make payment on account thereof by using any claim then due and payable to such Secured Party from any Grantor as a credit against the purchase price, and such Secured Party may, upon compliance with the terms of sale, hold, retain and dispose of such property without further accountability to any Grantor therefor. For purposes hereof, a written agreement to purchase the Collateral or any portion thereof shall be treated as a sale thereof; the Collateral Agent shall be free to carry out such sale pursuant to such agreement and no Grantor shall be entitled to the return of the Collateral or any portion thereof subject thereto, notwithstanding the fact that after the Collateral Agent shall have entered into such an agreement all Events of Default shall have been remedied and the Obligations paid in full. As an alternative to exercising the power of sale herein conferred upon it, the Collateral Agent may proceed by a suit or suits at law or in equity to foreclose this Agreement and to sell the Collateral or any portion thereof pursuant to a judgment or decree of a court or courts having competent jurisdiction or pursuant to a proceeding by a court-appointed receiver. To the fullest extent permitted under applicable law, any sale pursuant to the provisions of this Section 5.01 shall be deemed to conform to the commercially reasonable standards as provided in Section 9-610(b) of the New York UCC or its equivalent in other jurisdictions.

SECTION 5.02. *Application of Proceeds.* If an Event of Default shall have occurred and is continuing, the Collateral Agent shall apply the proceeds of any collection, sale, foreclosure or other realization upon any Collateral, including any Collateral consisting of cash, as follows:

FIRST, to the payment of all reasonable out-of-pocket costs and expenses incurred by the Administrative Agent or the Collateral Agent (in their respective capacities as such hereunder or under any other Loan Document) in connection with such collection, sale, foreclosure or realization or otherwise in connection with this Agreement, any other Loan Document or any of the Obligations, including all court costs and the fees and expenses of its agents and legal counsel, the repayment of all advances made by the Administrative Agent and/or the Collateral Agent hereunder or under any other Loan Document on behalf of any Grantor and any other reasonable out-of-pocket costs or expenses incurred in connection with the exercise of any right or remedy hereunder or under any other Loan Document;

SECOND, to the payment in full of Unfunded Advances/Participations (the amounts so applied to be distributed between or among the Administrative Agent, the Swingline Lender and any Issuing Bank pro rata in accordance with

the amounts of Unfunded Advances/Participations owed to them on the date of any such distribution);

THIRD, to the payment in full of all other Obligations (the amounts so applied to be distributed among the Secured Parties pro rata in accordance with the amounts of the Obligations owed to them on the date of any such distribution);

FOURTH, to the Grantors, their successors or assigns, or as a court of competent jurisdiction may otherwise direct.

The Collateral Agent shall have absolute discretion as to the time of application of any such proceeds, moneys or balances in accordance with this Agreement. Upon any sale of Collateral by the Collateral Agent (including pursuant to a power of sale granted by statute or under a judicial proceeding), the receipt of the Collateral Agent or of the officer making the sale shall be a sufficient discharge to the purchaser or purchasers of the Collateral so sold and such purchaser or purchasers shall not be obligated to see to the application of any part of the purchase money paid over to the Collateral Agent or such officer or be answerable in any way for the misapplication thereof.

SECTION 5.03. **Grant of License to Use Intellectual Property.** For the purpose of enabling the Collateral Agent to exercise rights and remedies under this Agreement at such time as the Collateral Agent shall be lawfully entitled to exercise such rights and remedies, each Grantor hereby grants to the Collateral Agent an irrevocable, nonexclusive license (exercisable without payment of royalty or other compensation to the Grantors), to use, license or sublicense any of the Article 9 Collateral consisting of Intellectual Property now owned or hereafter acquired by such Grantor, and wherever the same may be located, and including in such license access to all media in which any of the licensed items may be recorded or stored and to all computer software and programs used for the compilation or printout thereof. The use of such license by the Collateral Agent may be exercised, at the option of the Collateral Agent, and shall be effective only upon the occurrence and during the continuation of an Event of Default; *provided, however*, that any license, sublicense or other transaction entered into by the Collateral Agent in accordance herewith shall be binding upon each Grantor notwithstanding any subsequent cure of an Event of Default.

SECTION 5.04. **Securities Act, Etc.** In view of the position of the Grantors in relation to the Pledged Collateral, or because of other current or future circumstances, a question may arise under the U.S. Securities Act of 1933, as now or hereafter in effect, or any similar statute hereafter enacted analogous in purpose or effect (such Act and any such similar statute as from time to time in effect being called the "**Federal Securities Laws**") with respect to any disposition of the Pledged Collateral permitted hereunder. Each Grantor understands that compliance with the Federal Securities Laws might very strictly limit the course of conduct of the Collateral Agent if the Collateral Agent were to attempt to dispose of all or any part of the Pledged Collateral, and might also limit the extent to which or the manner in which any subsequent transferee of any Pledged Collateral could dispose of the same. Similarly,

there may be other legal restrictions or limitations affecting the Collateral Agent in any attempt to dispose of all or part of the Pledged Collateral under applicable “blue sky” or other state securities laws or similar laws analogous in purpose or effect. Each Grantor recognizes that in light of such restrictions and limitations the Collateral Agent may, with respect to any sale of the Pledged Collateral, limit the purchasers to those who will agree, among other things, to acquire such Pledged Collateral for their own account, for investment, and not with a view to the distribution or resale thereof. Each Grantor acknowledges and agrees that in light of such restrictions and limitations, the Collateral Agent, in its sole and absolute discretion (a) to the fullest extent permitted by applicable Federal Securities Laws, may proceed to make such a sale whether or not a registration statement for the purpose of registering such Pledged Collateral or part thereof shall have been filed under the Federal Securities Laws and (b) may approach and negotiate with a limited number of potential purchasers (including a single potential purchaser) to effect such sale. Each Grantor acknowledges and agrees that any such sale might result in prices and other terms less favorable to the seller than if such sale were a public sale without such restrictions. In the event of any such sale, the Collateral Agent shall incur no responsibility or liability for selling all or any part of the Pledged Collateral at a price that the Collateral Agent, in its sole and absolute discretion, may in good faith deem reasonable under the circumstances, notwithstanding the possibility that a substantially higher price might have been realized if the sale were deferred until after registration as aforesaid or if more than a limited number of purchasers (or a single purchaser) were approached. The provisions of this Section 5.04 will apply notwithstanding the existence of a public or private market upon which the quotations or sales prices may exceed substantially the price at which the Collateral Agent sells.

ARTICLE VI

Indemnity, Subrogation and Subordination

SECTION 6.01. **Indemnity and Subrogation.** In addition to all such rights of indemnity and subrogation as the Guarantors may have under applicable law (but subject to Section 6.03), the Borrower agrees that (a) in the event a payment shall be made by any Guarantor under this Agreement, the Borrower shall indemnify such Guarantor for the full amount of such payment and such Guarantor shall be subrogated to the rights of the person to whom such payment shall have been made to the extent of such payment and (b) in the event any assets of any Guarantor shall be sold pursuant to this Agreement or any other Security Document to satisfy in whole or in part a claim of any Secured Party, the Borrower shall indemnify such Guarantor in an amount equal to the greater of the book value or the fair market value of the assets so sold.

SECTION 6.02. **Contribution and Subrogation.** Each Guarantor (a “*Contributing Guarantor*”) agrees (subject to Section 6.03) that, in the event a payment shall be made by any other Guarantor hereunder in respect of any Obligation, or assets of any other Guarantor shall be sold pursuant to any Security Document to satisfy any Obligation owed to any Secured Party, and such other Guarantor (the “*Claiming*”

Guarantor) shall not have been fully indemnified by the Borrower as provided in Section 6.01, the Contributing Guarantor shall indemnify the Claiming Guarantor in an amount equal to (i) the amount of such payment or (ii) the greater of the book value or the fair market value of such assets, as the case may be, in each case multiplied by a fraction of which the numerator shall be the net worth of the Contributing Guarantor on the date hereof and the denominator shall be the aggregate net worth of all the Guarantors on the date hereof (or, in the case of any Guarantor becoming a party hereto pursuant to Section 7.16, the date of the supplement hereto executed and delivered by such Guarantor). Any Contributing Guarantor making any payment to a Claiming Guarantor pursuant to this Section 6.02 shall be subrogated to the rights of such Claiming Guarantor under Section 6.01 to the extent of such payment.

SECTION 6.03. **Subordination.** (a) Notwithstanding any provision of this Agreement to the contrary, all rights of the Guarantors under Sections 6.01 and 6.02 and all other rights of indemnity, contribution or subrogation under applicable law or otherwise shall be fully subordinated to the payment in full in cash of the Obligations (other than contingent indemnification obligations for which no claim has been made). No failure on the part of the Borrower or any Guarantor to make the payments required by Sections 6.01 and 6.02 (or any other payments required under applicable law or otherwise) shall in any respect limit the obligations and liabilities of any Guarantor with respect to its obligations hereunder, and each Guarantor shall remain liable for the full amount of its obligations hereunder.

(b) The Borrower and each Guarantor hereby agree that all Indebtedness and other monetary obligations owed by it to the Borrower or any Subsidiary shall be fully subordinated to the payment in full in cash of the Obligations; *provided that*, as long as no Event of Default shall have occurred and be continuing, nothing in this Section 6.03(b) shall prohibit any payments or distributions permitted by the Credit Agreement.

ARTICLE VII

Miscellaneous

SECTION 7.01. **Notices.** All communications and notices hereunder shall (except as otherwise expressly permitted herein) be in writing and given as provided in Section 9.01 of the Credit Agreement. All communications and notices hereunder to any Subsidiary Guarantor shall be given to it in care of the Borrower as provided in Section 9.01 of the Credit Agreement.

SECTION 7.02. **Security Interest Absolute.** All rights of the Collateral Agent hereunder, the Security Interest, the grant of a security interest in the Pledged Collateral and all obligations of each Grantor hereunder shall be absolute and unconditional irrespective of (a) any lack of validity or enforceability of the Credit Agreement, any other Loan Document, any agreement with respect to any of the Obligations or any other agreement or instrument relating to any of the foregoing, (b) any change in the time, manner or place of payment of, or in any other term of, all or any of

the Obligations, or any other amendment or waiver of or any consent to any departure from the Credit Agreement, any other Loan Document or any other agreement or instrument relating to the foregoing, (c) any exchange, release or non-perfection of any Lien on other collateral, or any release or amendment or waiver of or consent under or departure from any guarantee, securing or guaranteeing all or any of the Obligations, or (d) any other circumstance that might otherwise constitute a defense available to, or a discharge of, any Grantor in respect of the Obligations or this Agreement.

SECTION 7.03. *Survival of Agreement.* All covenants, agreements, representations and warranties made by the Loan Parties in the Loan Documents and in the certificates or other instruments prepared or delivered in connection with or pursuant to this Agreement or any other Loan Document shall be considered to have been relied upon by the Lenders and the Issuing Bank and shall survive the execution and delivery of the Loan Documents and the making of any Loans and issuance of any Letters of Credit, regardless of any investigation made by any Lender or Issuing Bank or on their behalf and notwithstanding that the Collateral Agent, any Issuing Bank or any Lender may have had notice or knowledge of any Default or incorrect representation or warranty at the time any credit is extended under the Credit Agreement, and shall continue in full force and effect as long as the principal of or any accrued interest on any Loan or any fee or any other amount payable under any Loan Document is outstanding and unpaid or the aggregate L/C Exposure does not equal zero (except for outstanding Letters of Credit subject to arrangements satisfactory to the Administrative Agent and the Issuing Bank) and so long as the Commitments have not expired or terminated.

SECTION 7.04. *Binding Effect; Several Agreement.* This Agreement shall become effective as to any Loan Party when a counterpart hereof executed on behalf of such Loan Party shall have been delivered to the Collateral Agent and a counterpart hereof shall have been executed on behalf of the Collateral Agent, and thereafter shall be binding upon such Loan Party and the Collateral Agent and their respective permitted successors and assigns, and shall inure to the benefit of such Loan Party, the Collateral Agent and the other Secured Parties and their respective successors and permitted assigns, except that no Loan Party shall have the right to assign or transfer its rights or obligations hereunder or any interest herein or in the Collateral (and any such assignment or transfer shall be void) except as expressly contemplated or permitted by this Agreement or the Credit Agreement. This Agreement shall be construed as a separate agreement with respect to each Loan Party and may be amended, modified, supplemented, waived or released with respect to any Loan Party without the approval of any other Loan Party and without affecting the obligations of any other Loan Party hereunder.

SECTION 7.05. *Successors and Assigns.* Whenever in this Agreement any of the parties hereto is referred to, such reference shall be deemed to include the permitted successors and permitted assigns of such party; and all covenants, promises and agreements by or on behalf of any Grantor or the Collateral Agent that are contained in this Agreement shall bind and inure to the benefit of their respective successors and permitted assigns.

SECTION 7.06. **Collateral Agent's Fees and Expenses; Indemnification.** (a) The parties hereto agree that the Collateral Agent shall be entitled to reimbursement of its expenses incurred hereunder as provided in Section 9.05 of the Credit Agreement.

(b) Without limitation or duplication of its indemnification obligations under the other Loan Documents, each Grantor jointly and severally agrees to indemnify the Collateral Agent and the other indemnitees against, and hold each indemnitee harmless from, any and all losses, claims, damages, liabilities, penalties and related reasonable out of pocket expenses, including the reasonable fees, charges and disbursements of any one counsel in each relevant jurisdiction (and any such additional counsel, if necessary, as a result of actual or potential conflicts of interest) for all indemnitees, incurred by or asserted against any indemnitee arising out of, in any way connected with, or as a result of, the execution, delivery or performance of this Agreement or any agreement or instrument contemplated hereby or any claim, litigation, investigation or proceeding relating to any of the foregoing or to the Collateral, regardless of whether any indemnitee is a party thereto or whether initiated by a third party or by a Loan Party or any Affiliate thereof; *provided, however*, that such indemnity shall not, as to any indemnitee, be available to the extent that such losses, claims, damages, liabilities, penalties or related expenses are determined by a court of competent jurisdiction by final judgment to have resulted from the gross negligence or willful misconduct of such indemnitee. To the extent permitted by applicable law, neither any Grantor nor the Collateral Agent shall assert, and each Grantor and the Collateral Agent hereby waives any claim against any indemnitee, on any theory of liability, for special, indirect, consequential or punitive damages (as opposed to direct or actual damages) arising out of, in connection with, or as a result of, this Agreement or any agreement or instrument contemplated hereby, the Transactions, any Loan or Letter of Credit or the use of proceeds thereof.

(c) Any such amounts payable as provided hereunder shall be additional Obligations secured hereby and by the other Security Documents. The provisions of this Section 7.06 shall remain operative and in full force and effect regardless of the termination of this Agreement or any other Loan Document, the consummation of the transactions contemplated hereby, the repayment of any of the Obligations, the invalidity or unenforceability of any term or provision of this Agreement or any other Loan Document, or any investigation made by or on behalf of the Collateral Agent or any other Secured Party. All amounts due under this Section 7.06 shall be payable within 30 days after written demand therefor and shall bear interest, on and from the date of demand, at the rate specified in Section 2.06(a) of the Credit Agreement.

SECTION 7.07. **Collateral Agent Appointed Attorney-in-Fact.** Each Grantor hereby appoints the Collateral Agent as the attorney-in-fact of such Grantor for the purpose of carrying out the provisions of this Agreement and taking any action and executing any instrument that the Collateral Agent may deem necessary or advisable to accomplish the purposes hereof, which appointment is irrevocable and coupled with an interest. Without limiting the generality of the foregoing, the Collateral Agent shall have the right, upon the occurrence and during the continuance of an Event of Default, with full power of substitution either in the Collateral Agent's name or in the name of such

Grantor (*provided*, that to the extent written notice is not required hereunder, the Collateral Agent shall use commercially reasonable efforts to provide notice to such Grantor, though its rights hereunder are not conditioned thereon) (a) to receive, endorse, assign and/or deliver any and all notes, acceptances, checks, drafts, money orders or other evidences of payment relating to the Collateral or any part thereof, (b) upon three Business Days' prior written notice to such Grantor, to demand, collect, receive payment of, give receipt for and give discharges and releases of all or any of the Collateral, (c) to sign the name of any Grantor on any invoice or bill of lading relating to any of the Collateral, (d) upon three Business Days' prior written notice to such Grantor, to send verifications of Accounts Receivable to any Account Debtor, (e) to commence and prosecute any and all suits, actions or proceedings at law or in equity in any court of competent jurisdiction to collect or otherwise realize on all or any of the Collateral or to enforce any rights in respect of any Collateral, (f) to settle, compromise, compound, adjust or defend any actions, suits or proceedings relating to all or any of the Collateral, (g) upon three Business Days' prior written notice to such Grantor, to notify, or to require any Grantor to notify, Account Debtors to make payment directly to the Collateral Agent, and (h) to use, sell, assign, transfer, pledge, make any agreement with respect to or otherwise deal with all or any of the Collateral, and to do all other acts and things necessary to carry out the purposes of this Agreement in accordance with its terms, as fully and completely as though the Collateral Agent were the absolute owner of the Collateral for all purposes; *provided, however*, that nothing herein contained shall be construed as requiring or obligating the Collateral Agent to make any commitment or to make any inquiry as to the nature or sufficiency of any payment received by the Collateral Agent, or to present or file any claim or notice, or to take any action with respect to the Collateral or any part thereof or the moneys due or to become due in respect thereof or any property covered thereby. The Collateral Agent and the other Secured Parties shall be accountable only for amounts actually received as a result of the exercise of the powers granted to them herein, and neither they nor their officers, directors, employees or agents shall be responsible to any Grantor for any act or failure to act hereunder, except for their own gross negligence, wilful misconduct or bad faith.

SECTION 7.08. *Applicable Law.* THIS AGREEMENT SHALL BE CONSTRUED IN ACCORDANCE WITH AND GOVERNED BY THE LAWS OF THE STATE OF NEW YORK.

SECTION 7.09. *Waivers; Amendment.* (a) No failure or delay by the Collateral Agent, the Administrative Agent, any Issuing Bank or any Lender in exercising any right or power hereunder or under any other Loan Document shall operate as a waiver hereof or thereof, nor shall any single or partial exercise of any such right or power, or any abandonment or discontinuance of steps to enforce such a right or power, preclude any other or further exercise thereof or the exercise of any other right or power. The rights and remedies of the Collateral Agent, the Administrative Agent, the Issuing Banks and the Lenders hereunder and under the other Loan Documents are cumulative and are not exclusive of any rights or remedies that they would otherwise have. No waiver of any provision of any Loan Document or consent to any departure by any Loan Party therefrom shall in any event be effective unless the same shall be permitted by

paragraph (b) of this Section 7.09, and then such waiver or consent shall be effective only in the specific instance and for the purpose for which given. Without limiting the generality of the foregoing, the making of a Loan or issuance of a Letter of Credit shall not be construed as a waiver of any Default, regardless of whether the Collateral Agent, any Lender or any Issuing Bank may have had notice or knowledge of such Default at the time. No notice or demand on any Loan Party in any case shall entitle any Loan Party to any other or further notice or demand in similar or other circumstances.

(b) Neither this Agreement nor any provision hereof may be waived, amended or modified except pursuant to an agreement or agreements in writing entered into by the Collateral Agent (acting at the direction, or with the consent, of the Required Lenders) and the Loan Party or Loan Parties with respect to which such waiver, amendment or modification is to apply, subject to any consent required in accordance with Section 9.08 of the Credit Agreement.

SECTION 7.10. **WAIVER OF JURY TRIAL.** EACH PARTY HERETO HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION DIRECTLY OR INDIRECTLY ARISING OUT OF, UNDER OR IN CONNECTION WITH THIS AGREEMENT OR ANY OF THE OTHER LOAN DOCUMENTS. EACH PARTY HERETO HEREBY (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS, AS APPLICABLE, BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION 7.10.

SECTION 7.11. **Severability.** In the event any one or more of the provisions contained in this Agreement or in any other Loan Document should be held invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein and therein shall not in any way be affected or impaired thereby (it being understood that the invalidity of a particular provision in a particular jurisdiction shall not in and of itself affect the validity of such provision in any other jurisdiction). The parties shall endeavor in good-faith negotiations to replace the invalid, illegal or unenforceable provisions with valid provisions the economic effect of which comes as close as possible to that of the invalid, illegal or unenforceable provisions.

SECTION 7.12. **Counterparts.** This Agreement may be executed in counterparts (and by different parties hereto on different counterparts), each of which shall constitute an original but all of which when taken together shall constitute a single contract, and shall become effective as provided in Section 7.04. Delivery of an executed

signature page to this Agreement by facsimile transmission or electronic transmission shall be as effective as delivery of a manually signed counterpart of this Agreement.

SECTION 7.13. **Headings.** Article and Section headings and the Table of Contents used herein are for convenience of reference only, are not part of this Agreement and are not to affect the construction of, or to be taken into consideration in interpreting, this Agreement.

SECTION 7.14. **Jurisdiction; Consent to Service of Process.** (a) Each of the parties hereto hereby irrevocably and unconditionally submits, for itself and its property, to the exclusive jurisdiction of any New York State court or Federal court of the United States of America, sitting in New York City, and any appellate court from any thereof, in any action or proceeding arising out of or relating to this Agreement or any other Loan Document, or for recognition or enforcement of any judgment, and each of the parties hereto hereby irrevocably and unconditionally agrees that all claims in respect of any such action or proceeding may be heard and determined in such New York State or, to the extent permitted by law, in such Federal court. Each of the parties hereto agrees that a final judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law. Nothing in this Agreement or any other Loan Document shall affect any right that the Collateral Agent, the Administrative Agent, any Issuing Bank or any Lender may otherwise have to bring any action or proceeding relating to this Agreement or any other Loan Document against any Grantor or its properties in the courts of any jurisdiction.

(b) Each of the parties hereto hereby irrevocably and unconditionally waives, to the fullest extent it may legally and effectively do so, any objection which it may now or hereafter have to the laying of venue of any suit, action or proceeding arising out of or relating to this Agreement or any other Loan Document in any court referred to in paragraph (a) of this Section 7.14. Each of the parties hereto hereby irrevocably waives, to the fullest extent permitted by law, the defense of an inconvenient forum to the maintenance of such action or proceeding in any such court.

(c) Each of the parties hereto hereby irrevocably consents to service of process in the manner provided for notices in Section 7.01. Nothing in this Agreement or any other Loan Document will affect the right of any party hereto to serve process in any other manner permitted by law.

SECTION 7.15. **Termination or Release.** (a) This Agreement, the guarantees made herein, the Security Interest, the pledge of the Pledged Collateral and all other security interests granted hereby shall automatically terminate and be released when all the Obligations (other than contingent indemnification obligations for which no claim has been made) have been paid in full in cash and the Lenders have no further commitment to lend under the Credit Agreement, the aggregate L/C Exposure has been reduced to zero (or the only outstanding Letters of Credit have become subject to arrangements reasonably satisfactory to the Administrative Agent and the Issuing Bank)

and the Issuing Banks have no further obligations to issue Letters of Credit under the Credit Agreement.

(b) A Subsidiary Guarantor shall automatically be released from its obligations hereunder and the Security Interests created hereunder in the Collateral of such Subsidiary Guarantor shall be automatically released upon the consummation of any transaction permitted by the Credit Agreement (or consented to in writing pursuant to Section 9.08 of the Credit Agreement) as a result of which such Subsidiary Guarantor ceases to be a Subsidiary, or in accordance with Section 9.09(c) of the Credit Agreement.

(c) Upon any sale or other transfer by any Grantor of any Collateral that is permitted under the Credit Agreement to any person that is not the Borrower or a Guarantor (including any Permitted Receivables Transaction or Permitted Securitization Transaction), or, upon the effectiveness of any written consent to the release of the Security Interest granted hereby in any Collateral pursuant to Section 9.08 of the Credit Agreement, the Security Interest in such Collateral shall be automatically released.

(d) In connection with any termination or release pursuant to paragraph (a), (b) or (c) above, the Collateral Agent shall promptly execute and deliver to any Grantor, at such Grantor's expense, all Uniform Commercial Code termination statements and similar documents that such Grantor shall reasonably request to evidence such termination or release, and all assignments or other instruments of transfer as may be necessary to reassign to such Grantor all rights, titles and interests in any relevant Intellectual Property as may have been assigned to the Collateral Agent and/or its designees, subject to any disposition thereof that may have been made by the Collateral Agent and/or its designees in accordance with the terms of this Agreement, and all rights and license granted to the Collateral Agent and/or its designees in or to any such Intellectual Property pursuant to this Agreement shall automatically and immediately terminate and all rights shall automatically and immediately revert to such Grantor. Any execution and delivery of documents pursuant to this Section 7.15 shall be without recourse to or representation or warranty by the Collateral Agent or any Secured Party. Without limiting the provisions of Section 7.06, the Borrower shall reimburse the Collateral Agent upon demand for all costs and out of pocket expenses, including the reasonable fees, charges and expenses of counsel, incurred by it in connection with any action contemplated by this Section 7.15.

SECTION 7.16. **Additional Subsidiaries.** Any Subsidiary that is required to become a party hereto pursuant to Section 5.12 of the Credit Agreement shall enter into this Agreement as a Subsidiary Guarantor and a Grantor upon becoming such a Subsidiary. Upon execution and delivery by the Collateral Agent and such Subsidiary of a supplement in the form of Exhibit A hereto, such Subsidiary shall become a Subsidiary Guarantor and a Grantor hereunder with the same force and effect as if originally named as a Subsidiary Guarantor and a Grantor herein. The execution and delivery of any such instrument shall not require the consent of any other Loan Party hereunder. The rights and obligations of each Loan Party hereunder shall remain in full force and effect notwithstanding the addition of any new Loan Party as a party to this Agreement.

SECTION 7.17. **Right of Setoff.** If an Event of Default shall have occurred and is continuing, each Secured Party and its Affiliates hereby are authorized at any time and from time to time, to the fullest extent permitted by law, to set off and apply any and all Collateral (including any deposits (general or special, time or demand, provisional or final (other than tax accounts, trust accounts or payroll accounts))) at any time held and other obligations at any time owing by such Secured Party or any of its Affiliates to or for the credit or the account of any Grantor against any and all of the obligations of such Grantor now or hereafter existing under this Agreement and the other Loan Documents held by such Secured Party, *provided* that at such time such obligations are due or payable. The rights of each Secured Party and its Affiliates under this Section 7.17 are in addition to other rights and remedies (including other rights of setoff) which such Secured Party or its Affiliates may have. The applicable Lender shall notify such Grantor and the Collateral Agent of any such setoff and application made by such Lender, *provided* that any failure to give or any delay in giving such notice shall not affect the validity of any such setoff and application under this Section.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement as of the day and year first above written.

CHS/COMMUNITY HEALTH SYSTEMS, INC.,

by

/s/ W. Larry Cash

Name: W. Larry Cash

Title: Executive Vice President and Chief Financial Officer

COMMUNITY HEALTH SYSTEMS, INC.,

by

/s/ W. Larry Cash

Name: W. Larry Cash

Title: Executive Vice President and Chief Financial Officer

CHS HOLDINGS CORP.,

by

/s/ Kathleen Fritz

Name: Kathleen Fritz

Title: President

HALLMARK HOLDINGS CORP.,

by

/s/ Kathleen Fritz

Name: Kathleen Fritz

Title: President

EACH OF THE SUBSIDIARIES LISTED ON SCHEDULE II
HERE TO,

by

/s/ James W. Doucette

Name: James W. Doucette

Title: Vice President, Finance and Treasurer

CREDIT SUISSE, CAYMAN ISLANDS BRANCH, as Collateral Agent,

by

/s/ James Moran

Name: James Moran

Title: Managing Director

by

/s/ Nupur Kumar

Name: Nupur Kumar

Title: Associate

SUPPLEMENT NO. [*] (this "**Supplement**") dated as of [•], 200[•] to the Guarantee and Collateral Agreement dated as of July 25, 2007 (the "**Guarantee and Collateral Agreement**"), among CHS/COMMUNITY HEALTH SYSTEMS, INC., a Delaware corporation (the "**Borrower**"), COMMUNITY HEALTH SYSTEMS, INC., a Delaware corporation ("**Parent**"), each Subsidiary from time to time party thereto (each such Subsidiary individually a "**Subsidiary Guarantor**" and collectively, the "**Subsidiary Guarantors**"; the Subsidiary Guarantors, the Borrower and Parent are referred to collectively herein as the "**Grantors**") and CREDIT SUISSE (together with its affiliates, "**Credit Suisse**"), as administrative agent and as collateral agent (in such capacity, the "**Collateral Agent**") for the Secured Parties (as defined therein).

A. Reference is made to the Credit Agreement dated as of July 25, 2007 (as amended, restated, supplemented or otherwise modified from time to time, the "**Credit Agreement**"), among the Borrower, Parent, the lenders from time to time party thereto (the "**Lenders**") and Credit Suisse, as administrative agent for the Lenders and as Collateral Agent.

B. Capitalized terms used herein and not otherwise defined herein shall have the meanings assigned to such terms in the Credit Agreement or the Guarantee and Collateral Agreement referred to therein, as applicable.

C. The Grantors have entered into the Guarantee and Collateral Agreement in order to induce the Lenders to make Loans and the Issuing Banks to issue Letters of Credit. Section 7.16 of the Guarantee and Collateral Agreement provides that additional Subsidiaries may become Subsidiary Guarantors and Grantors under the Guarantee and Collateral Agreement by execution and delivery of an instrument in the form of this Supplement. The undersigned Subsidiary (the "**New Subsidiary**") is executing this Supplement in accordance with the requirements of the Credit Agreement to become a Subsidiary Guarantor and a Grantor under the Guarantee and Collateral Agreement in order to induce the Lenders to make additional Loans and the Issuing Banks to issue additional Letters of Credit and as consideration for Loans previously made and Letters of Credit previously issued.

Accordingly, the Collateral Agent and the New Subsidiary agree as follows:

SECTION 1. In accordance with Section 7.16 of the Guarantee and Collateral Agreement, the New Subsidiary by its signature below becomes a Grantor and Subsidiary Guarantor under the Guarantee and Collateral Agreement with the same force

and effect as if originally named therein as a Grantor and Subsidiary Guarantor and the New Subsidiary hereby (a) agrees to all the terms and provisions of the Guarantee and Collateral Agreement applicable to it as a Grantor and Subsidiary Guarantor thereunder and (b) represents and warrants that the representations and warranties made by it as a Grantor and Subsidiary Guarantor thereunder are true and correct in all material respects on and as of the date hereof. In furtherance of the foregoing, the New Subsidiary, as security for the payment and performance in full of the Obligations (as defined in the Guarantee and Collateral Agreement), does hereby create and grant to the Collateral Agent, its successors and assigns, for the ratable benefit of the Secured Parties, their successors and assigns, a security interest in and lien on all of the New Subsidiary's right, title and interest in and to the Collateral (as defined in the Guarantee and Collateral Agreement) of the New Subsidiary. Each reference to a "Grantor" or a "Subsidiary Guarantor" in the Guarantee and Collateral Agreement shall be deemed to include the New Subsidiary. The Guarantee and Collateral Agreement is hereby incorporated herein by reference.

SECTION 2. The New Subsidiary represents and warrants to the Collateral Agent and the other Secured Parties that this Supplement has been duly authorized, executed and delivered by it and constitutes its legal, valid and binding obligation, enforceable against it in accordance with its terms.

SECTION 3. This Supplement may be executed in counterparts (and by different parties hereto on different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract. This Supplement shall become effective when the Collateral Agent shall have received counterparts of this Supplement that, when taken together, bear the signatures of the New Subsidiary and the Collateral Agent. Delivery of an executed signature page to this Supplement by facsimile transmission shall be as effective as delivery of a manually signed counterpart of this Supplement.

SECTION 4. The New Subsidiary hereby represents and warrants that as of the date hereof (a) set forth on Schedule I attached hereto is a true and correct schedule of (i) any and all Equity Interests and Pledged Debt Securities now owned by the New Subsidiary and required to be pledged under the Guarantee and Collateral Agreement and (ii) any and all Intellectual Property now owned by the New Subsidiary and that would have been required to be listed on Schedule V to the Guarantee and Collateral Agreement on the Closing Date and (b) set forth under its signature hereto, is the true and correct legal name of the New Subsidiary and its jurisdiction of organization.

SECTION 5. Except as expressly supplemented hereby, the Guarantee and Collateral Agreement shall remain in full force and effect.

SECTION 6. THIS SUPPLEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK.

SECTION 7. In case any one or more of the provisions contained in this Supplement should be held invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein and in the Guarantee and Collateral Agreement shall not in any way be affected or impaired thereby (it being understood that the invalidity of a particular provision in a particular jurisdiction shall not in and of itself affect the validity of such provision in any other jurisdiction). The parties hereto shall endeavor in good-faith negotiations to replace the invalid, illegal or unenforceable provisions with valid provisions the economic effect of which comes as close as possible to that of the invalid, illegal or unenforceable provisions.

SECTION 8. All communications and notices hereunder shall (except as otherwise expressly permitted by the Guarantee and Collateral Agreement) be in writing and given as provided in Section 9.01 of the Credit Agreement. All communications and notices hereunder to the New Subsidiary shall be given to it in care of the Borrower as provided in Section 9.01 of the Credit Agreement.

SECTION 9. The New Subsidiary agrees to reimburse the Collateral Agent for its reasonable out-of-pocket expenses in connection with this Supplement, including the reasonable fees, other charges and disbursements of one counsel for the Collateral Agent in each relevant jurisdiction.

IN WITNESS WHEREOF, the New Subsidiary and the Collateral Agent have duly executed this Supplement to the Guarantee and Collateral Agreement as of the day and year first above written.

[NAME OF NEW SUBSIDIARY],

by

Name:

Title:

Address:

Legal Name:

Jurisdiction of Formation:

CREDIT SUISSE, CAYMAN ISLANDS BRANCH, as Collateral Agent,

by

Name:

Title:

by

Name:

Title:

EXACT LEGAL NAMES AND OTHER INFORMATION

	<u>Entity Name</u>	<u>Jurisdiction of Formation</u>	<u>Organizational ID's</u>	<u>Chief Executive Office</u>	<u>Accounts Receivable</u>
1.	Centre Hospital Corporation	AL	Do not issue	Community Health Systems 4000 Meridian Blvd. Franklin, TN 37067	Cherokee Medical Center 400 Northwood Drive Centre, AL 35960 Professional Account Services, Inc. 7000 Commerce Way, Suite 100 Brentwood, TN 37027
2.	Cullman Hospital Corporation	AL	Do not issue	Community Health Systems 4000 Meridian Blvd. Franklin, TN 37067	N/A
3.	Foley Hospital Corporation	AL	Do not issue	Community Health Systems 4000 Meridian Blvd. Franklin, TN 37067	South Baldwin Regional Medical Center 1613 North McKenzie Street Foley, AL 36535 Professional Account Services, Inc. 7000 Commerce Way, Suite 100 Brentwood, TN 37027
4.	Fort Payne Hospital Corporation	AL	Do not issue	Community Health Systems 4000 Meridian Blvd. Franklin, TN 37067	DeKalb Regional Medical Center 200 Medical Center Drive P. O. Box 680778 Fort Payne, AL 35968 Professional Account Services, Inc. 7000 Commerce Way, Suite 100 Brentwood, TN 37027
5.	Greenville Hospital Corporation	AL	Do not issue	Community Health Systems 4000 Meridian Blvd. Franklin, TN 37067	L.V. Stabler Memorial Hospital 29 L.V. Stabler Drive Greenville, AL 36037 Professional Account Services, Inc. 7000 Commerce Way, Suite 100 Brentwood, TN 37027
6.	Forrest City Arkansas Hospital Company, LLC	AR	Do not issue	Community Health Systems 4000 Meridian Blvd. Franklin, TN 37067	Forrest City Medical Center 1601 Newcastle Road Forrest City, AR 72336 Professional Account Services, Inc. 7000 Commerce Way, Suite 100 Brentwood, TN 37027
7.	Forrest City Clinic Company, LLC	AR	800094406	Community Health Systems 4000 Meridian Blvd. Franklin, TN 37067	PPSI 7000 Commerce Way, Suite 100 Brentwood, TN 37027
8.	Forrest City Hospital Corporation	AR	Do not issue	Community Health Systems 4000 Meridian Blvd. Franklin, TN 37067	N/A

Entity Name	Jurisdiction of Formation	Organizational ID's	Chief Executive Office	Accounts Receivable
9. Phillips Hospital Corporation	AR	Do not issue	Community Health Systems 4000 Meridian Blvd. Franklin, TN 37067	Helena Regional Medical Center 1801 Martin Luther King Drive / PO Box 788 Helena, AR 72342 Professional Account Services, Inc. 7000 Commerce Way, Suite 100 Brentwood, TN 37027
10. Payson Hospital Corporation	AZ	0808024-0	Community Health Systems 4000 Meridian Blvd. Franklin, TN 37067	Payson Regional Medical Center 807 South Ponderosa Payson, AZ 85541 Professional Account Services, Inc. 7000 Commerce Way, Suite 100 Brentwood, TN 37027
11. Chesterfield/Marlboro, L.P.	DE	2484564	Community Health Systems 4000 Meridian Blvd. Franklin, TN 37067	Chesterfield General Hospital Highway 9 West (P.O. Box 151) Cheraw, SC 29520 Professional Account Services, Inc. 7000 Commerce Way, Suite 100 Brentwood, TN 37027
12. CHHS Holdings, LLC	DE	3914324	Community Health Systems 4000 Meridian Blvd. Franklin, TN 37067	N/A
13. CHS/Community Health Systems, Inc.	DE	2057824	Community Health Systems 4000 Meridian Blvd. Franklin, TN 37067	N/A
14. Cleveland Regional Medical Center, L.P.	DE	2364708	Community Health Systems 4000 Meridian Blvd. Franklin, TN 37067	Cleveland Regional Medical Center 300 E. Crockett Cleveland, TX 77327 Professional Account Services, Inc. 7000 Commerce Way, Suite 100 Brentwood, TN 37027
15. Community GP Corp.	DE	2642128	Community Health Systems 4000 Meridian Blvd. Franklin, TN 37067	N/A
16. Community Health Investment Corporation	DE	2066922	Community Health Systems 4000 Meridian Blvd. Franklin, TN 37067	N/A
17. Community Health Systems, Inc.	DE	2631063	Community Health Systems 4000 Meridian Blvd. Franklin, TN 37067	N/A
18. Community LP Corp.	DE	2642129	Community Health Systems 4000 Meridian Blvd. Franklin, TN 37067	N/A

	<u>Entity Name</u>	<u>Jurisdiction of Formation</u>	<u>Organizational ID's</u>	<u>Chief Executive Office</u>	<u>Accounts Receivable</u>
19.	Fallbrook Hospital Corporation	DE	2921444	Community Health Systems 4000 Meridian Blvd. Franklin, TN 37067	Fallbrook Hospital 624 East Elder Fallbrook, CA 92028 Professional Account Services, Inc. 7000 Commerce Way, Suite 100 Brentwood, TN 37027
20.	FWCT-1 Acquisition Corporation	DE	4316066	Community Health Systems 4000 Meridian Blvd. Franklin, TN 37067	N/A
21.	Hallmark Healthcare Corporation	DE	924764	Community Health Systems 4000 Meridian Blvd. Franklin, TN 37067	N/A
22.	Hospital of Barstow, Inc.	DE	2318485	Community Health Systems 4000 Meridian Blvd. Franklin, TN 37067	Barstow Community Hospital 555 South 7th Street Barstow, CA 92311 Professional Account Services, Inc. 7000 Commerce Way, Suite 100 Brentwood, TN 37027
23.	Lancaster Hospital Corporation	DE	2436981	Community Health Systems 4000 Meridian Blvd. Franklin, TN 37067	Ponca City Medical Center 1900 North 14th Street Ponca City, OK 74601 Professional Account Services, Inc. 7000 Commerce Way, Suite 100 Brentwood, TN 37027
24.	National Healthcare of Cleveland, Inc.	DE	2093362	Community Health Systems 4000 Meridian Blvd. Franklin, TN 37067	SkyRidge Medical Center (includes Cleveland) 2305 Chambliss Avenue Cleveland, TN 37320 Professional Account Services, Inc. 7000 Commerce Way, Suite 100 Brentwood, TN 37027
25.	National Healthcare of Cullman, Inc.	DE	2091881	Community Health Systems 4000 Meridian Blvd. Franklin, TN 37067	Woodland Medical Center 1910 Cherokee Avenue S.W. Cullman, AL 35055 Professional Account Services, Inc. 7000 Commerce Way, Suite 100 Brentwood, TN 37027
26.	National Healthcare of Decatur, Inc.	DE	2091878	Community Health Systems 4000 Meridian Blvd. Franklin, TN 37067	Parkway Medical Center 1874 Beltline Rd., SW (P.O. Box 2211) Decatur, AL 35601 Professional Account Services, Inc. 7000 Commerce Way, Suite 100 Brentwood, TN 37027

	<u>Entity Name</u>	<u>Jurisdiction of Formation</u>	<u>Organizational ID's</u>	<u>Chief Executive Office</u>	<u>Accounts Receivable</u>
27.	National Healthcare of Hartselle, Inc.	DE	2091884	Community Health Systems 4000 Meridian Blvd. Franklin, TN 37067	Hartselle Medical Center 201 Pine St. N.W. (P.O. Box 969) Hartselle, AL 35640 Professional Account Services, Inc. 7000 Commerce Way, Suite 100 Brentwood, TN 37027
28.	National Healthcare of Leesville, Inc.	DE	2101020	Community Health Systems 4000 Meridian Blvd. Franklin, TN 37067	Byrd Regional Hospital 1020 Fertitta Blvd. Leesville, LA 71446 Professional Account Services, Inc. 7000 Commerce Way, Suite 100 Brentwood, TN 37027
29.	National Healthcare of Mt. Vernon, Inc.	DE	2063507	Community Health Systems 4000 Meridian Blvd. Franklin, TN 37067	Crossroads Community Hospital #8 Doctor's Park Road Mt. Vernon, IL 62864 Professional Account Services, Inc. 7000 Commerce Way, Suite 100 Brentwood, TN 37027
30.	National Healthcare of Newport, Inc.	DE	2062708	Community Health Systems 4000 Meridian Blvd. Franklin, TN 37067	Harris Hospital 1205 McLain Newport, AR 72112 Professional Account Services, Inc. 7000 Commerce Way, Suite 100 Brentwood, TN 37027
31.	NWI Hospital Holdings, LLC	DE	4296745	Community Health Systems 4000 Meridian Blvd. Franklin, TN 37067	N/A
32.	Pennsylvania Hospital Company, LLC	DE	3657509	Community Health Systems 4000 Meridian Blvd. Franklin, TN 37067	N/A
33.	Phoenixville Hospital Company, LLC	DE	3796044	Community Health Systems 4000 Meridian Blvd. Franklin, TN 37067	Phoenixville Hospital 140 Nutt Road Phoenixville, PA 19460 Professional Account Services, Inc. 7000 Commerce Way, Suite 100 Brentwood, TN 37027
34.	Pottstown Hospital Company, LLC	DE	3657514	Community Health Systems 4000 Meridian Blvd. Franklin, TN 37067	Pottstown Memorial Medical Center 1600 East High Street Pottstown, PA 19464 Professional Account Services, Inc. 7000 Commerce Way, Suite 100 Brentwood, TN 37027
35.	Ruston Hospital Corporation	DE	4270743	Community Health Systems 4000 Meridian Blvd. Franklin, TN 37067	N/A

	<u>Entity Name</u>	<u>Jurisdiction of Formation</u>	<u>Organizational ID's</u>	<u>Chief Executive Office</u>	<u>Accounts Receivable</u>
36.	Watsonville Hospital Corporation	DE	2872860	Community Health Systems 4000 Meridian Blvd. Franklin, TN 37067	Watsonville Community Hospital 75 Nielson Street Watsonville, CA 95076 Professional Account Services, Inc. 7000 Commerce Way, Suite 100 Brentwood, TN 37027
37.	Webb Hospital Corporation	DE	3695172	Community Health Systems 4000 Meridian Blvd. Franklin, TN 37067	N/A
38.	Webb Hospital Holdings, LLC	DE	3695131	Community Health Systems 4000 Meridian Blvd. Franklin, TN 37067	N/A
39.	Fannin Regional Hospital, Inc.	GA	K118117	Community Health Systems 4000 Meridian Blvd. Franklin, TN 37067	Fannin Regional Hospital 2855 Old Highway 5, North Blue Ridge, GA 30513 Professional Account Services, Inc. 7000 Commerce Way, Suite 100 Brentwood, TN 37027
40.	Anna Hospital Corporation§	IL	61552979	Community Health Systems 4000 Meridian Blvd. Franklin, TN 37067	Union County Hospital 517 North Main Anna, IL 62906 Professional Account Services, Inc. 7000 Commerce Way, Suite 100 Brentwood, TN 37027
41.	Galesburg Hospital Corporation	IL	63372153	Community Health Systems 4000 Meridian Blvd. Franklin, TN 37067	Galesburg Cottage Hospital 695 N. Kellogg St. Galesburg, IL 61401 Professional Account Services, Inc. 7000 Commerce Way, Suite 100 Brentwood, TN 37027
42.	Granite City Hospital Corporation	IL	61746633	Community Health Systems 4000 Meridian Blvd. Franklin, TN 37067	N/A
43.	Granite City Illinois Hospital Company, LLC	IL	585904	Community Health Systems 4000 Meridian Blvd. Franklin, TN 37067	Gateway Regional Medical Center 2100 Madison Avenue Granite City, IL 62040 Professional Account Services, Inc. 7000 Commerce Way, Suite 100 Brentwood, TN 37027
44.	Marion Hospital Corporation	IL	58955876	Community Health Systems 4000 Meridian Blvd. Franklin, TN 37067	Heartland Regional Medical Center 3333 West DeYoung Marion, IL 62959 Professional Account Services, Inc. 7000 Commerce Way, Suite 100 Brentwood, TN 37027

	<u>Entity Name</u>	<u>Jurisdiction of Formation</u>	<u>Organizational ID's</u>	<u>Chief Executive Office</u>	<u>Accounts Receivable</u>
45.	Red Bud Hospital Corporation	IL	61627014	Community Health Systems 4000 Meridian Blvd. Franklin, TN 37067	N/A
46.	Red Bud Illinois Hospital Company, LLC	IL	556424	Community Health Systems 4000 Meridian Blvd. Franklin, TN 37067	Red Bud Regional Hospital 325 Spring Street Red Bud, IL 62278 Professional Account Services, Inc. 7000 Commerce Way, Suite 100 Brentwood, TN 37027
47.	Waukegan Hospital Corporation	IL	64625918	Community Health Systems 4000 Meridian Blvd. Franklin, TN 37067	N/A
48.	Waukegan Illinois Hospital Company, LLC	IL	1715232	Community Health Systems 4000 Meridian Blvd. Franklin, TN 37067	Vista Medical Center (includes East and West) 1324 N. Sheridan Road Waukegan, IL 60085 Professional Account Services, Inc. 7000 Commerce Way, Suite 100 Brentwood, TN 37027
49.	Hospital of Fulton, Inc.	KY	299733	Community Health Systems 4000 Meridian Blvd. Franklin, TN 37067	Parkway Regional Hospital 2000 Holiday Lane (P.O. Box 866) Fulton, KY 42041 Professional Account Services, Inc. 7000 Commerce Way, Suite 100 Brentwood, TN 37027
50.	Hospital of Louisa, Inc.	KY	314079	Community Health Systems 4000 Meridian Blvd. Franklin, TN 37067	Three Rivers Medical Center Highway 644 (P.O. Box 769) Louisa, KY 41230 Professional Account Services, Inc. 7000 Commerce Way, Suite 100 Brentwood, TN 37027
51.	Jackson Hospital Corporation	KY	402625	Community Health Systems 4000 Meridian Blvd. Franklin, TN 37067	Kentucky River Medical Center 540 Jetts Drive Jackson, KY 41339 Professional Account Services, Inc. 7000 Commerce Way, Suite 100 Brentwood, TN 37027
52.	Ruston Louisiana Hospital Company, LLC	LA	36336245Q	Community Health Systems 4000 Meridian Blvd. Franklin, TN 37067	Northern Louisiana Medical Center 401 East Vaughn Avenue Ruston, LA 71270 Professional Account Services, Inc. 7000 Commerce Way, Suite 100 Brentwood, TN 37027

	<u>Entity Name</u>	<u>Jurisdiction of Formation</u>	<u>Organizational ID's</u>	<u>Chief Executive Office</u>	<u>Accounts Receivable</u>
53.	Farmington Hospital Corporation	MO	735137	Community Health Systems 4000 Meridian Blvd. Franklin, TN 37067	N/A
54.	Farmington Missouri Hospital Company, LLC	MO	LC0735224	Community Health Systems 4000 Meridian Blvd. Franklin, TN 37067	Mineral Area Regional Medical Center 1212 Weber Road Farmington, MO 63640 Professional Account Services, Inc. 7000 Commerce Way, Suite 100 Brentwood, TN 37027
55.	Kirkville Hospital Corporation	MO	484292	Community Health Systems 4000 Meridian Blvd. Franklin, TN 37067	N/A
56.	Moberly Hospital, Inc.	MO	385375	Community Health Systems 4000 Meridian Blvd. Franklin, TN 37067	Moberly Regional Medical Center 1515 Union Avenue Moberly, MO 65270 Professional Account Services, Inc. 7000 Commerce Way, Suite 100 Brentwood, TN 37027
57.	Williamston Hospital Corporation	NC	466901	Community Health Systems 4000 Meridian Blvd. Franklin, TN 37067	Martin General Hospital 310 S. McCaskey Road Williamston, NC 27892 Professional Account Services, Inc. 7000 Commerce Way, Suite 100 Brentwood, TN 37027
58.	Salem Hospital Corporation	NJ	100863665	Community Health Systems 4000 Meridian Blvd. Franklin, TN 37067	The Memorial Hospital of Salem County 310 Woodstown Road Salem, NJ 08079 Professional Account Services, Inc. 7000 Commerce Way, Suite 100 Brentwood, TN 37027
59.	Deming Hospital Corporation	NM	1773365	Community Health Systems 4000 Meridian Blvd. Franklin, TN 37067	Mimbres Memorial Hospital 900 W. Ash Street Deming, NM 88030 Professional Account Services, Inc. 7000 Commerce Way, Suite 100 Brentwood, TN 37027
60.	Roswell Hospital Corporation	NM	1913540	Community Health Systems 4000 Meridian Blvd. Franklin, TN 37067	Eastern New Mexico Medical Center 405 West Country Club Road Roswell, NM 88201 Professional Account Services, Inc. 7000 Commerce Way, Suite 100 Brentwood, TN 37027

	<u>Entity Name</u>	<u>Jurisdiction of Formation</u>	<u>Organizational ID's</u>	<u>Chief Executive Office</u>	<u>Accounts Receivable</u>
61.	San Miguel Hospital Corporation	NM	2027670	Community Health Systems 4000 Meridian Blvd. Franklin, TN 37067	Alta Vista Regional Hospital 104 Legion Drive Las Vegas, NM 87701 Professional Account Services, Inc. 7000 Commerce Way, Suite 100 Brentwood, TN 37027
62.	CHS Holdings Corp.	NY	Do not issue	Community Health Systems 4000 Meridian Blvd. Franklin, TN 37067	N/A
63.	Hallmark Holdings Corp.	NY	Do not issue	Community Health Systems 4000 Meridian Blvd. Franklin, TN 37067	N/A
64.	Kay County Hospital Corporation	OK	Do not issue	Community Health Systems 4000 Meridian Blvd. Franklin, TN 37067	N/A
65.	Kay County Oklahoma Hospital Company, LLC	OK	Do not issue	Community Health Systems 4000 Meridian Blvd. Franklin, TN 37067	Ponca City Medical Center 1900 North 14th Street Ponca City, OK 74601 Professional Account Services, Inc. 7000 Commerce Way, Suite 100 Brentwood, TN 37027
66.	CHS Berwick Hospital Corporation	PA	2835298	Community Health Systems 4000 Meridian Blvd. Franklin, TN 37067	Berwick Hospital Center 701 East 16th Street Berwick, PA 18603 Professional Account Services, Inc. 7000 Commerce Way, Suite 100 Brentwood, TN 37027
67.	Clinton Hospital Corporation	PA	3049114	Community Health Systems 4000 Meridian Blvd. Franklin, TN 37067	Lock Haven Hospital 24 Cree Drive Lock Haven, PA 17745-2699 Professional Account Services, Inc. 7000 Commerce Way, Suite 100 Brentwood, TN 37027
68.	Coatesville Hospital Corporation	PA	2987105	Community Health Systems 4000 Meridian Blvd. Franklin, TN 37067	Brandywine Hospital 201 Reeceville Rd. Coatesville, PA 19320 Professional Account Services, Inc. 7000 Commerce Way, Suite 100 Brentwood, TN 37027
69.	Northampton Hospital Corporation	PA	3010288	Community Health Systems 4000 Meridian Blvd. Franklin, TN 37067	Easton Hospital 250 South 21st Street Easton, PA 18042-3892 Professional Account Services, Inc. 7000 Commerce Way, Suite 100 Brentwood, TN 37027

<u>Entity Name</u>	<u>Jurisdiction of Formation</u>	<u>Organizational ID's</u>	<u>Chief Executive Office</u>	<u>Accounts Receivable</u>
70. Sunbury Hospital Corporation	PA	3328572	Community Health Systems 4000 Meridian Blvd. Franklin, TN 37067	Sunbury Community Hospital 350 N. Eleventh Street (P. O. Box 737) Sunbury, PA 17801 Professional Account Services, Inc. 7000 Commerce Way, Suite 100 Brentwood, TN 37027
71. West Grove Hospital Corporation	PA	3014071	Community Health Systems 4000 Meridian Blvd. Franklin, TN 37067	Jennersville Regional Hospital 1015 West Baltimore Pike West Grove, PA. 19390 Professional Account Services, Inc. 7000 Commerce Way, Suite 100 Brentwood, TN 37027
72. Brownsville Hospital Corporation	TN	435829	Community Health Systems 4000 Meridian Blvd. Franklin, TN 37067	Haywood Park Community Hospital 2545 N. Washington Ave. Brownsville, TN 38012 Professional Account Services, Inc. 7000 Commerce Way, Suite 100 Brentwood, TN 37027
73. Cleveland Hospital Corporation	TN	289046	Community Health Systems 4000 Meridian Blvd. Franklin, TN 37067	N/A
74. Dyersburg Hospital Corporation	TN	435828	Community Health Systems 4000 Meridian Blvd. Franklin, TN 37067	Dyersburg Regional Medical Center 400 Tickle Street Dyersburg, TN 38024 Professional Account Services, Inc. 7000 Commerce Way, Suite 100 Brentwood, TN 37027
75. Hospital of Morristown, Inc.	TN	264618	Community Health Systems 4000 Meridian Blvd. Franklin, TN 37067	Lakeway Regional Hospital 726 McFarland Street Morristown, TN 37814 Professional Account Services, Inc. 7000 Commerce Way, Suite 100 Brentwood, TN 37027
76. Jackson Hospital Corporation	TN	435834	Community Health Systems 4000 Meridian Blvd. Franklin, TN 37067	N/A
77. Jackson, Tennessee Hospital Company, LLC	TN	435835	Community Health Systems 4000 Meridian Blvd. Franklin, TN 37067	Regional Hospital of Jackson 367 Hospital Blvd. Jackson, TN 38305 Professional Account Services, Inc. 7000 Commerce Way, Suite 100 Brentwood, TN 37027

	<u>Entity Name</u>	<u>Jurisdiction of Formation</u>	<u>Organizational ID's</u>	<u>Chief Executive Office</u>	<u>Accounts Receivable</u>
78.	Lakeway Hospital Corporation	TN	278113	Community Health Systems 4000 Meridian Blvd. Franklin, TN 37067	N/A
79.	Lexington Hospital Corporation	TN	435830	Community Health Systems 4000 Meridian Blvd. Franklin, TN 37067	Henderson County Community Hospital 200 West Church St. Lexington, TN 38351 Professional Account Services, Inc. 7000 Commerce Way, Suite 100 Brentwood, TN 37027
80.	Martin Hospital Corporation	TN	435833	Community Health Systems 4000 Meridian Blvd. Franklin, TN 37067	Volunteer Community Hospital 161 Mt. Pelia Road Martin, TN 38237 Professional Account Services, Inc. 7000 Commerce Way, Suite 100 Brentwood, TN 37027
81.	McKenzie Hospital Corporation	TN	435831	Community Health Systems 4000 Meridian Blvd. Franklin, TN 37067	McKenzie Regional Hospital 161 Hospital Dr. McKenzie, TN 38201 Professional Account Services, Inc. 7000 Commerce Way, Suite 100 Brentwood, TN 37027
82.	McNairy Hospital Corporation	TN	435832	Community Health Systems 4000 Meridian Blvd. Franklin, TN 37067	McNairy Regional Hospital 705 Poplar Ave. Selmer, TN 38375 Professional Account Services, Inc. 7000 Commerce Way, Suite 100 Brentwood, TN 37027
83.	Shelbyville Hospital Corporation	TN	494640	Community Health Systems 4000 Meridian Blvd. Franklin, TN 37067	Bedford County Medical 845 Union Street Shelbyville, TN 37160 Professional Account Services, Inc. 7000 Commerce Way, Suite 100 Brentwood, TN 37027
84.	Sparta Hospital Corporation	TN	287819	Community Health Systems 4000 Meridian Blvd. Franklin, TN 37067	White County Community Hospital 401 Sewell Road Sparta, TN 38583 Professional Account Services, Inc. 7000 Commerce Way, Suite 100 Brentwood, TN 37027

	<u>Entity Name</u>	<u>Jurisdiction of Formation</u>	<u>Organizational ID's</u>	<u>Chief Executive Office</u>	<u>Accounts Receivable</u>
85.	Big Bend Hospital Corporation	TX	145339600	Community Health Systems 4000 Meridian Blvd. Franklin, TN 37067	Big Bend Regional Medical Center 2600 Highway 118 North Alpine, TX 79830 Professional Account Services, Inc. 7000 Commerce Way, Suite 100 Brentwood, TN 37027
86.	Big Spring Hospital Corporation	TX	133735500	Community Health Systems 4000 Meridian Blvd. Franklin, TN 37067	Scenic Mountain Medical Center 1601 West Eleventh Place Big Spring, TX 79720 Professional Account Services, Inc. 7000 Commerce Way, Suite 100 Brentwood, TN 37027
87.	Granbury Hospital Corporation	TX	142527600	Community Health Systems 4000 Meridian Blvd. Franklin, TN 37067	Lake Granbury Medical Center 1310 Paluxy Road Granbury, TX 76048 Professional Account Services, Inc. 7000 Commerce Way, Suite 100 Brentwood, TN 37027
88.	Jourdanton Hospital Corporation	TX	800001865	Community Health Systems 4000 Meridian Blvd. Franklin, TN 37067	South Texas Regional Medical Center 1905 Highway 97 E Jourdanton, TX 78026 Professional Account Services, Inc. 7000 Commerce Way, Suite 100 Brentwood, TN 37027
89.	NHCI of Hillsboro, Inc.	TX	100552700	Community Health Systems 4000 Meridian Blvd. Franklin, TN 37067	Hill Regional Hospital 101 Circle Drive Hillsboro, TX 76645 Professional Account Services, Inc. 7000 Commerce Way, Suite 100 Brentwood, TN 37027
90.	Weatherford Hospital Corporation	TX	800718212	Community Health Systems 4000 Meridian Blvd. Franklin, TN 37067	N/A
91.	Weatherford Texas Hospital Company, LLC	TX	800718224	Community Health Systems 4000 Meridian Blvd. Franklin, TN 37067	Weatherford Regional Medical Center 713 E. Anderson Street Weatherford, TX 76086 Professional Account Services, Inc. 7000 Commerce Way, Suite 100 Brentwood, TN 37027

	<u>Entity Name</u>	<u>Jurisdiction of Formation</u>	<u>Organizational ID's</u>	<u>Chief Executive Office</u>	<u>Accounts Receivable</u>
92.	Tooele Hospital Corporation	UT	1424668-0142	Community Health Systems 4000 Meridian Blvd. Franklin, TN 37067	Mountain West Medical Center 2055 N. Main Tooele, UT 84074-2794 Professional Account Services, Inc. 7000 Commerce Way, Suite 100 Brentwood, TN 37027
93.	Emporia Hospital Corporation	VA	No Record	Community Health Systems 4000 Meridian Blvd. Franklin, TN 37067	Southern Virginia Regional Medical Center 727 North Main Street Emporia, VA 23847 Professional Account Services, Inc. 7000 Commerce Way, Suite 100 Brentwood, TN 37027
94.	Franklin Hospital Corporation	VA	0529059-8	Community Health Systems 4000 Meridian Blvd. Franklin, TN 37067	Southampton Memorial Hospital 100 Fairview Drive Franklin, VA 23851 Professional Account Services, Inc. 7000 Commerce Way, Suite 100 Brentwood, TN 37027
95.	Petersburg Hospital Company, LLC	VA	S096843-0	Community Health Systems 4000 Meridian Blvd. Franklin, TN 37067	Southside Regional Medical Center 801 South Adams Street Petersburg, VA 23803 Professional Account Services, Inc. 7000 Commerce Way, Suite 100 Brentwood, TN 37027
96.	Russell County Medical Center, Inc.	VA	0379489-8	Community Health Systems 4000 Meridian Blvd. Franklin, TN 37067	Russell County Medical Center 58 Carroll Street Lebanon, VA 24266 Professional Account Services, Inc. 7000 Commerce Way, Suite 100 Brentwood, TN 37027
97.	Virginia Hospital Company, LLC	VA	S097163-2	Community Health Systems 4000 Meridian Blvd. Franklin, TN 37067	N/A
98.	Oak Hill Hospital Corporation	WV	Do not issue	Community Health Systems 4000 Meridian Blvd. Franklin, TN 37067	Plateau Medical Center 430 Main Street Oak Hill, WV 25901 Professional Account Services, Inc. 7000 Commerce Way, Suite 100 Brentwood, TN 37027

	<u>Entity Name</u>	<u>Jurisdiction of Formation</u>	<u>Organizational ID's</u>	<u>Chief Executive Office</u>	<u>Accounts Receivable</u>
99.	Evanston Hospital Corporation	WY	1999-000349020	Community Health Systems 4000 Meridian Blvd. Franklin, TN 37067	Evanston Regional Hospital 190 Arrowhead Drive Evanston, WY 82930 Professional Account Services, Inc. 7000 Commerce Way, Suite 100 Brentwood, TN 37027

TRIAD GUARANTORS

	<u>Entity Name</u>	<u>Jurisdiction of Formation</u>	<u>Organizational ID's</u>	<u>Chief Executive Office</u>	<u>Accounts Receivable</u>
1.	QHG of Enterprise, Inc.	AL	Do not issue	5800 Tennyson Parkway Plano, Texas 75024	5800 Tennyson Parkway Plano, Texas 75024
2.	QHG of Jacksonville, Inc.	AL	Do not issue	5800 Tennyson Parkway Plano, Texas 75024	5800 Tennyson Parkway Plano, Texas 75024
3.	QHG of Springdale, Inc.	AR	100163444	5800 Tennyson Parkway Plano, Texas 75024	5800 Tennyson Parkway Plano, Texas 75024
4.	Triad-El Dorado, Inc.	AR	100129067	5800 Tennyson Parkway Plano, Texas 75024	5800 Tennyson Parkway Plano, Texas 75024
5.	Abilene Hospital, LLC	DE	3561884	5800 Tennyson Parkway Plano, Texas 75024	5800 Tennyson Parkway Plano, Texas 75024
6.	Abilene Merger, LLC	DE	3561879	5800 Tennyson Parkway Plano, Texas 75024	5800 Tennyson Parkway Plano, Texas 75024
7.	Arizona DH, LLC	DE	3249754	5800 Tennyson Parkway Plano, Texas 75024	5800 Tennyson Parkway Plano, Texas 75024
8.	ARMC, LP	DE	3561898	5800 Tennyson Parkway Plano, Texas 75024	5800 Tennyson Parkway Plano, Texas 75024
9.	Birmingham Holdings, LLC	DE	4014204	5800 Tennyson Parkway Plano, Texas 75024	5800 Tennyson Parkway Plano, Texas 75024
10.	Bluffton Health System, LLC	DE	3089523	5800 Tennyson Parkway Plano, Texas 75024	5800 Tennyson Parkway Plano, Texas 75024
11.	Brownwood Hospital, L.P.	DE	2967928	5800 Tennyson Parkway Plano, Texas 75024	5800 Tennyson Parkway Plano, Texas 75024
12.	Brownwood Medical Center, LLC	DE	2964283	5800 Tennyson Parkway Plano, Texas 75024	5800 Tennyson Parkway Plano, Texas 75024
13.	Carlsbad Medical Center, LLC	DE	2964276	5800 Tennyson Parkway Plano, Texas 75024	5800 Tennyson Parkway Plano, Texas 75024
14.	Claremore Regional Hospital, LLC	DE	2955684	5800 Tennyson Parkway Plano, Texas 75024	5800 Tennyson Parkway Plano, Texas 75024
15.	Clarksville Holdings, LLC	DE	4014187	5800 Tennyson Parkway Plano, Texas 75024	5800 Tennyson Parkway Plano, Texas 75024
16.	College Station Hospital, L.P.	DE	2967943	5800 Tennyson Parkway Plano, Texas 75024	5800 Tennyson Parkway Plano, Texas 75024
17.	College Station Medical Center, LLC	DE	2964215	5800 Tennyson Parkway Plano, Texas 75024	5800 Tennyson Parkway Plano, Texas 75024

	<u>Entity Name</u>	<u>Jurisdiction of Formation</u>	<u>Organizational ID's</u>	<u>Chief Executive Office</u>	<u>Accounts Receivable</u>
18.	College Station Merger, LLC	DE	3000998	5800 Tennyson Parkway Plano, Texas 75024	5800 Tennyson Parkway Plano, Texas 75024
19.	CP Hospital GP, LLC	DE	4072307	5800 Tennyson Parkway Plano, Texas 75024	5800 Tennyson Parkway Plano, Texas 75024
20.	CPLP, LLC	DE	4072308	5800 Tennyson Parkway Plano, Texas 75024	5800 Tennyson Parkway Plano, Texas 75024
21.	Crestwood Hospital LP, LLC	DE	2964362	5800 Tennyson Parkway Plano, Texas 75024	5800 Tennyson Parkway Plano, Texas 75024
22.	Crestwood Hospital, LLC	DE	3000931	5800 Tennyson Parkway Plano, Texas 75024	5800 Tennyson Parkway Plano, Texas 75024
23.	CSMC, LLC	DE	2964231	5800 Tennyson Parkway Plano, Texas 75024	5800 Tennyson Parkway Plano, Texas 75024
24.	CSRA Holdings, LLC	DE	4180039	5800 Tennyson Parkway Plano, Texas 75024	5800 Tennyson Parkway Plano, Texas 75024
25.	Deaconess Holdings, LLC	DE	2575694	5800 Tennyson Parkway Plano, Texas 75024	5800 Tennyson Parkway Plano, Texas 75024
26.	Deaconess Hospital Holdings, LLC	DE	3931158	5800 Tennyson Parkway Plano, Texas 75024	5800 Tennyson Parkway Plano, Texas 75024
27.	Desert Hospital Holdings, LLC	DE	4272332	5800 Tennyson Parkway Plano, Texas 75024	5800 Tennyson Parkway Plano, Texas 75024
28.	Detar Hospital, LLC	DE	2947802	5800 Tennyson Parkway Plano, Texas 75024	5800 Tennyson Parkway Plano, Texas 75024
29.	Dukes Health System, LLC	DE	3575662	5800 Tennyson Parkway Plano, Texas 75024	5800 Tennyson Parkway Plano, Texas 75024
30.	Gadsden Regional Medical Center, LLC	DE	4275573	5800 Tennyson Parkway Plano, Texas 75024	5800 Tennyson Parkway Plano, Texas 75024
31.	Greenbrier VMC, LLC	DE	3249745	5800 Tennyson Parkway Plano, Texas 75024	5800 Tennyson Parkway Plano, Texas 75024
32.	GRMC Holdings, LLC	DE	4272335	5800 Tennyson Parkway Plano, Texas 75024	5800 Tennyson Parkway Plano, Texas 75024
33.	Hobbs Medco, LLC	DE	3000933	5800 Tennyson Parkway Plano, Texas 75024	5800 Tennyson Parkway Plano, Texas 75024
34.	Las Cruces Medical Center, LLC	DE	3306969	5800 Tennyson Parkway Plano, Texas 75024	5800 Tennyson Parkway Plano, Texas 75024
35.	Lea Regional Hospital, LLC	DE	2964402	5800 Tennyson Parkway Plano, Texas 75024	5800 Tennyson Parkway Plano, Texas 75024
36.	Longview Merger, LLC	DE	3000918	5800 Tennyson Parkway Plano, Texas 75024	5800 Tennyson Parkway Plano, Texas 75024
37.	LRH, LLC	DE	2964430	5800 Tennyson Parkway Plano, Texas 75024	5800 Tennyson Parkway Plano, Texas 75024
38.	Lutheran Health Network of Indiana, LLC	DE	2964221	5800 Tennyson Parkway Plano, Texas 75024	5800 Tennyson Parkway Plano, Texas 75024
39.	Massillon Health System, LLC	DE	2662406	5800 Tennyson Parkway Plano, Texas 75024	5800 Tennyson Parkway Plano, Texas 75024
40.	Medical Center of Brownwood, LLC	DE	2964442	5800 Tennyson Parkway Plano, Texas 75024	5800 Tennyson Parkway Plano, Texas 75024
41.	MMC of Nevada, LLC	DE	3540578	5800 Tennyson Parkway Plano, Texas 75024	5800 Tennyson Parkway Plano, Texas 75024

	<u>Entity Name</u>	<u>Jurisdiction of Formation</u>	<u>Organizational ID's</u>	<u>Chief Executive Office</u>	<u>Accounts Receivable</u>
42.	Navarro Hospital, L.P.	DE	2964396	5800 Tennyson Parkway Plano, Texas 75024	5800 Tennyson Parkway Plano, Texas 75024
43.	Navarro Regional, LLC	DE	2964393	5800 Tennyson Parkway Plano, Texas 75024	5800 Tennyson Parkway Plano, Texas 75024
44.	NRH, LLC	DE	2964428	5800 Tennyson Parkway Plano, Texas 75024	5800 Tennyson Parkway Plano, Texas 75024
45.	Oregon Healthcorp, LLC	DE	3000990	5800 Tennyson Parkway Plano, Texas 75024	5800 Tennyson Parkway Plano, Texas 75024
46.	Palmer-Wasilla Health System, LLC	DE	2964382	5800 Tennyson Parkway Plano, Texas 75024	5800 Tennyson Parkway Plano, Texas 75024
47.	Quorum Health Resources, LLC	DE	2908225	5800 Tennyson Parkway Plano, Texas 75024	5800 Tennyson Parkway Plano, Texas 75024
48.	Regional Hospital of Longview, LLC	DE	2964549	5800 Tennyson Parkway Plano, Texas 75024	5800 Tennyson Parkway Plano, Texas 75024
49.	Russellville Holdings, LLC	DE	3000959	5800 Tennyson Parkway Plano, Texas 75024	5800 Tennyson Parkway Plano, Texas 75024
50.	SACMC, LLC	DE	2964570	5800 Tennyson Parkway Plano, Texas 75024	5800 Tennyson Parkway Plano, Texas 75024
51.	San Angelo Community Medical Center, LLC	DE	2964587	5800 Tennyson Parkway Plano, Texas 75024	5800 Tennyson Parkway Plano, Texas 75024
52.	San Angelo Hospital, L.P.	DE	2964591	5800 Tennyson Parkway Plano, Texas 75024	5800 Tennyson Parkway Plano, Texas 75024
53.	San Angelo Medical, LLC	DE	3001078	5800 Tennyson Parkway Plano, Texas 75024	5800 Tennyson Parkway Plano, Texas 75024
54.	Southern Texas Medical Center, LLC	DE	3001009	5800 Tennyson Parkway Plano, Texas 75024	5800 Tennyson Parkway Plano, Texas 75024
55.	St. Joseph Health System, LLC	DE	2909376	5800 Tennyson Parkway Plano, Texas 75024	5800 Tennyson Parkway Plano, Texas 75024
56.	Tennyson Holdings, Inc.	DE	4075793	5800 Tennyson Parkway Plano, Texas 75024	5800 Tennyson Parkway Plano, Texas 75024
57.	Triad Holdings III, LLC	DE	3037153	5800 Tennyson Parkway Plano, Texas 75024	5800 Tennyson Parkway Plano, Texas 75024
58.	Triad Holdings IV, LLC	DE	2984727	5800 Tennyson Parkway Plano, Texas 75024	5800 Tennyson Parkway Plano, Texas 75024
59.	Triad Holdings V, LLC	DE	2226797	5800 Tennyson Parkway Plano, Texas 75024	5800 Tennyson Parkway Plano, Texas 75024
60.	Triad Hospitals, Inc.	DE	3035153	5800 Tennyson Parkway Plano, Texas 75024	5800 Tennyson Parkway Plano, Texas 75024
61.	Triad of Alabama, LLC	DE	2964867	5800 Tennyson Parkway Plano, Texas 75024	5800 Tennyson Parkway Plano, Texas 75024
62.	Triad of Oregon, LLC	DE	2969100	5800 Tennyson Parkway Plano, Texas 75024	5800 Tennyson Parkway Plano, Texas 75024
63.	Triad-ARMC, LLC	DE	3561894	5800 Tennyson Parkway Plano, Texas 75024	5800 Tennyson Parkway Plano, Texas 75024
64.	Triad-Denton Hospital GP, LLC	DE	3249751	5800 Tennyson Parkway Plano, Texas 75024	5800 Tennyson Parkway Plano, Texas 75024
65.	Triad-Denton Hospital, L.P.	DE	3249752	5800 Tennyson Parkway Plano, Texas 75024	5800 Tennyson Parkway Plano, Texas 75024

	<u>Entity Name</u>	<u>Jurisdiction of Formation</u>	<u>Organizational ID's</u>	<u>Chief Executive Office</u>	<u>Accounts Receivable</u>
66.	Triad-Navarro Regional Hospital Subsidiary, LLC	DE	3036964	5800 Tennyson Parkway Plano, Texas 75024	5800 Tennyson Parkway Plano, Texas 75024
67.	VHC Medical, LLC	DE	3001003	5800 Tennyson Parkway Plano, Texas 75024	5800 Tennyson Parkway Plano, Texas 75024
68.	Vicksburg Healthcare, LLC	DE	2939229	5800 Tennyson Parkway Plano, Texas 75024	5800 Tennyson Parkway Plano, Texas 75024
69.	Victoria Hospital, LLC	DE	2948658	5800 Tennyson Parkway Plano, Texas 75024	5800 Tennyson Parkway Plano, Texas 75024
70.	Victoria of Texas, L.P.	DE	2949026	5800 Tennyson Parkway Plano, Texas 75024	5800 Tennyson Parkway Plano, Texas 75024
71.	WHMC, LLC	DE	2964658	5800 Tennyson Parkway Plano, Texas 75024	5800 Tennyson Parkway Plano, Texas 75024
72.	Willamette Valley Medical Center, LLC	DE	2964656	5800 Tennyson Parkway Plano, Texas 75024	5800 Tennyson Parkway Plano, Texas 75024
73.	Women & Children's Hospital, LLC	DE	2964655	5800 Tennyson Parkway Plano, Texas 75024	5800 Tennyson Parkway Plano, Texas 75024
74.	Woodland Heights Medical Center, LLC	DE	2964611	5800 Tennyson Parkway Plano, Texas 75024	5800 Tennyson Parkway Plano, Texas 75024
75.	Woodward Health System, LLC	DE	2964411	5800 Tennyson Parkway Plano, Texas 75024	5800 Tennyson Parkway Plano, Texas 75024
76.	QHG Georgia Holdings, Inc.	GA	K815327	5800 Tennyson Parkway Plano, Texas 75024	5800 Tennyson Parkway Plano, Texas 75024
77.	QHG Georgia, L.P.	GA	K815977	5800 Tennyson Parkway Plano, Texas 75024	5800 Tennyson Parkway Plano, Texas 75024
78.	Frankfort Health Partner, Inc.	IN	1997030055	5800 Tennyson Parkway Plano, Texas 75024	5800 Tennyson Parkway Plano, Texas 75024
79.	IOM Health System, L.P.	IN	LP95090037	5800 Tennyson Parkway Plano, Texas 75024	5800 Tennyson Parkway Plano, Texas 75024
80.	QHG of Bluffton, Inc.	IN	1999081562	5800 Tennyson Parkway Plano, Texas 75024	5800 Tennyson Parkway Plano, Texas 75024
81.	QHG of Clinton County, Inc.	IN	1997020547	5800 Tennyson Parkway Plano, Texas 75024	5800 Tennyson Parkway Plano, Texas 75024
82.	QHG of Fort Wayne, Inc.	IN	1995021818	5800 Tennyson Parkway Plano, Texas 75024	5800 Tennyson Parkway Plano, Texas 75024
83.	QHG of Warsaw, Inc.	IN	1998122242	5800 Tennyson Parkway Plano, Texas 75024	5800 Tennyson Parkway Plano, Texas 75024
84.	QHG of Forrest County, Inc.	MS	644555	5800 Tennyson Parkway Plano, Texas 75024	5800 Tennyson Parkway Plano, Texas 75024
85.	QHG of Hattiesburg, Inc.	MS	644553	5800 Tennyson Parkway Plano, Texas 75024	5800 Tennyson Parkway Plano, Texas 75024
86.	River Region Medical Corporation	MS	631781	5800 Tennyson Parkway Plano, Texas 75024	5800 Tennyson Parkway Plano, Texas 75024
87.	NC-DSH, Inc.	NV	C11431-1993	5800 Tennyson Parkway Plano, Texas 75024	5800 Tennyson Parkway Plano, Texas 75024
88.	QHG of Barberton, Inc.	Ohio	949250	5800 Tennyson Parkway Plano, Texas 75024	5800 Tennyson Parkway Plano, Texas 75024
89.	QHG of Massillon, Inc.	Ohio	949249	5800 Tennyson Parkway Plano, Texas 75024	5800 Tennyson Parkway Plano, Texas 75024

	<u>Entity Name</u>	<u>Jurisdiction of Formation</u>	<u>Organizational ID's</u>	<u>Chief Executive Office</u>	<u>Accounts Receivable</u>
90.	SouthCrest, L.L.C.	OK	Do not issue	5800 Tennyson Parkway Plano, Texas 75024	5800 Tennyson Parkway Plano, Texas 75024
91.	Triad-South Tulsa Hospital Company, Inc.	OK	Do not issue	5800 Tennyson Parkway Plano, Texas 75024	5800 Tennyson Parkway Plano, Texas 75024
92.	QHG of South Carolina, Inc.	SC	Do not issue	5800 Tennyson Parkway Plano, Texas 75024	5800 Tennyson Parkway Plano, Texas 75024
93.	QHG of Spartanburg, Inc.	SC	Do not issue	5800 Tennyson Parkway Plano, Texas 75024	5800 Tennyson Parkway Plano, Texas 75024

SUBSIDIARY GUARANTORS

1. Centre Hospital Corporation
 2. Cullman Hospital Corporation
 3. Foley Hospital Corporation
 4. Fort Payne Hospital Corporation
 5. Greenville Hospital Corporation
 6. Forrest City Arkansas Hospital Company, LLC
 7. Forrest City Clinic Company, LLC
 8. Forrest City Hospital Corporation
 9. Phillips Hospital Corporation
 10. Payson Hospital Corporation
 11. Chesterfield/Marlboro, L.P.
 12. CHHS Holdings, LLC
 13. Cleveland Regional Medical Center, L.P.
 14. Community GP Corp.
 15. Community Health Investment Corporation
 16. Community LP Corp.
 17. Fallbrook Hospital Corporation
 18. FWCT-1 Acquisition Corporation
 19. Hallmark Healthcare Corporation
 20. Hospital of Barstow, Inc.
 21. Lancaster Hospital Corporation
 22. National Healthcare of Cleveland, Inc.
 23. National Healthcare of Cullman, Inc.
 24. National Healthcare of Decatur, Inc.
 25. National Healthcare of Hartselle, Inc.
 26. National Healthcare of Leesville, Inc.
 27. National Healthcare of Mt. Vernon, Inc.
 28. National Healthcare of Newport, Inc.
 29. NWI Hospital Holdings, LLC
 30. Pennsylvania Hospital Company, LLC
 31. Phoenixville Hospital Company, LLC
 32. Pottstown Hospital Company, LLC
 33. Ruston Hospital Corporation
 34. Watsonville Hospital Corporation
 35. Webb Hospital Corporation
 36. Webb Hospital Holdings, LLC
 37. Fannin Regional Hospital, Inc.
 38. Anna Hospital Corporation§
 39. Galesburg Hospital Corporation
 40. Granite City Hospital Corporation
 41. Granite City Illinois Hospital Company, LLC
 42. Marion Hospital Corporation
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43. Red Bud Hospital Corporation
 44. Red Bud Illinois Hospital Company, LLC
 45. Waukegan Hospital Corporation
 46. Waukegan Illinois Hospital Company, LLC
 47. Hospital of Fulton, Inc.
 48. Hospital of Louisa, Inc.
 49. Jackson Hospital Corporation
 50. Ruston Louisiana Hospital Company, LLC
 51. Farmington Hospital Corporation
 52. Farmington Missouri Hospital Company, LLC
 53. Kirksville Hospital Corporation
 54. Moberly Hospital, Inc.
 55. Williamston Hospital Corporation
 56. Salem Hospital Corporation
 57. Deming Hospital Corporation
 58. Roswell Hospital Corporation
 59. San Miguel Hospital Corporation
 60. CHS Holdings Corp.
 61. Hallmark Holdings Corp.
 62. Kay County Hospital Corporation
 63. Kay County Oklahoma Hospital Company, LLC
 64. CHS Berwick Hospital Corporation
 65. Clinton Hospital Corporation
 66. Coatesville Hospital Corporation
 67. Northampton Hospital Corporation
 68. Sunbury Hospital Corporation
 69. West Grove Hospital Corporation
 70. Brownsville Hospital Corporation
 71. Cleveland Hospital Corporation
 72. Dyersburg Hospital Corporation
 73. Hospital of Morristown, Inc.
 74. Jackson Hospital Corporation
 75. Jackson, Tennessee Hospital Company, LLC
 76. Lakeway Hospital Corporation
 77. Lexington Hospital Corporation
 78. Martin Hospital Corporation
 79. McKenzie Hospital Corporation
 80. McNairy Hospital Corporation
 81. Shelbyville Hospital Corporation
 82. Sparta Hospital Corporation
 83. Big Bend Hospital Corporation
 84. Big Spring Hospital Corporation
 85. Granbury Hospital Corporation
 86. Jourdanton Hospital Corporation
 87. NHCI of Hillsboro, Inc.
 88. Weatherford Hospital Corporation
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89. Weatherford Texas Hospital Company, LLC
 90. Tooele Hospital Corporation
 91. Emporia Hospital Corporation
 92. Franklin Hospital Corporation
 93. Petersburg Hospital Company, LLC
 94. Russell County Medical Center, Inc.
 95. Virginia Hospital Company, LLC
 96. Oak Hill Hospital Corporation
 97. Evanston Hospital Corporation
 1. QHG of Enterprise, Inc.
 2. QHG of Jacksonville, Inc.
 3. QHG of Springdale, Inc.
 4. Triad-El Dorado, Inc.
 5. Abilene Hospital, LLC
 6. Abilene Merger, LLC
 7. Arizona DH, LLC
 8. ARMC, LP
 9. Birmingham Holdings, LLC
 10. Bluffton Health System, LLC
 11. Brownwood Hospital, L.P.
 12. Brownwood Medical Center, LLC
 13. Carlsbad Medical Center, LLC
 14. Claremore Regional Hospital, LLC
 15. Clarksville Holdings, LLC
 16. College Station Hospital, L.P.
 17. College Station Medical Center, LLC
 18. College Station Merger, LLC
 19. CP Hospital GP, LLC
 20. CPLP, LLC
 21. Crestwood Hospital LP, LLC
 22. Crestwood Hospital, LLC
 23. CSMC, LLC
 24. CSRA Holdings, LLC
 25. Deaconess Holdings, LLC
 26. Deaconess Hospital Holdings, LLC
 27. Desert Hospital Holdings, LLC
 28. Detar Hospital, LLC
 29. Dukes Health System, LLC
 30. Gadsden Regional Medical Center, LLC
 31. Greenbrier VMC, LLC
 32. GRMC Holdings, LLC
 33. Hobbs Medco, LLC
 34. Las Cruces Medical Center, LLC
 35. Lea Regional Hospital, LLC
 36. Longview Merger, LLC
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37. LRH, LLC
 38. Lutheran Health Network of Indiana, LLC
 39. Massillon Health System, LLC
 40. Medical Center of Brownwood, LLC
 41. MMC of Nevada, LLC
 42. Navarro Hospital, L.P.
 43. Navarro Regional, LLC
 44. NRH, LLC
 45. Oregon Healthcorp, LLC
 46. Palmer-Wasilla Health System, LLC
 47. Quorum Health Resources, LLC
 48. Regional Hospital of Longview, LLC
 49. Russellville Holdings, LLC
 50. SACMC, LLC
 51. San Angelo Community Medical Center, LLC
 52. San Angelo Hospital, L.P.
 53. San Angelo Medical, LLC
 54. Southern Texas Medical Center, LLC
 55. St. Joseph Health System, LLC
 56. Tennyson Holdings, Inc.
 57. Triad Holdings III, LLC
 58. Triad Holdings IV, LLC
 59. Triad Holdings V, LLC
 60. Triad Hospitals, Inc.
 61. Triad of Alabama, LLC
 62. Triad of Oregon, LLC
 63. Triad-ARMC, LLC
 64. Triad-Denton Hospital GP, LLC
 65. Triad-Denton Hospital, L.P.
 66. Triad-Navarro Regional Hospital Subsidiary, LLC
 67. VHC Medical, LLC
 68. Vicksburg Healthcare, LLC
 69. Victoria Hospital, LLC
 70. Victoria of Texas, L.P.
 71. WHMC, LLC
 72. Willamette Valley Medical Center, LLC
 73. Women & Children's Hospital, LLC
 74. Woodland Heights Medical Center, LLC
 75. Woodward Health System, LLC
 76. QHG Georgia Holdings, Inc.
 77. QHG Georgia, L.P.
 78. Frankfort Health Partner, Inc.
 79. IOM Health System, L.P.
 80. QHG of Bluffton, Inc.
 81. QHG of Clinton County, Inc.
 82. QHG of Fort Wayne, Inc.
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83. QHG of Warsaw, Inc.
 84. QHG of Forrest County, Inc.
 85. QHG of Hattiesburg, Inc.
 86. River Region Medical Corporation
 87. NC-DSH, Inc.
 88. QHG of Barberton, Inc.
 89. QHG of Massillon, Inc.
 90. SouthCrest, L.L.C.
 91. Triad-South Tulsa Hospital Company, Inc.
 92. QHG of South Carolina, Inc.
 93. QHG of Spartanburg, Inc.
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EQUITY INTERESTS
PLEGDED EQUITY SECURITIES

CHS GUARANTORS

	Issuer	State	Owner	Number and Class of Equity Interest	Certificate Number	% of Equity Interest
1.	Centre Hospital Corporation	AL	CHS Holdings Corp.	1,000 Common	1	100%
2.	Cullman Hospital Corporation	AL	Hallmark Holdings Corp.	1 Common	35	100%
3.	Foley Hospital Corporation	AL	CHS Holdings Corp.	1,000 Common	1	100%
4.	Fort Payne Hospital Corporation	AL	CHS Holdings Corp.	1,000 Common	1	100%
5.	Greenville Hospital Corporation	AL	CHS Holdings Corp.	1,000 Common	2	100%
6.	Forrest City Arkansas Hospital Company, LLC	AR	Forrest City Hospital Corporation	Membership Interest	2	100%
7.	Forrest City Clinic Company, LLC	AR	Forrest City Hospital Corporation	100% Membership Interest	1	100%
8.	Forrest City Hospital Corporation	AR	CHS Holdings Corp.	1,000 Common	1	100%
9.	Phillips Hospital Corporation	AR	CHS Holdings Corp.	1,000 Common	1	100%
10.	Payson Hospital Corporation	AZ	CHS Holdings Corp.	1,000 Common	1	100%
11.	Chesterfield/Marlboro, L.P.	DE	Community LP Corp.	Uncertificated	N/A	99.5%
			Community GP Corp.	Uncertificated	N/A	0.5%
12.	CHHS Holdings, LLC	DE	Hallmark Healthcare Corporation	1.0%	2	1%
			Pennsylvania Hospital Company, LLC	99.0% Membership Interest	1	99%
13.	CHS/Community Health Systems, Inc.	DE	Community Health Systems, Inc.	1,000 Common	2	100%
14.	Cleveland Regional Medical Center, L.P.	DE	Community LP Corp.	Uncertificated	N/A	99.5%
			Community GP Corp.	Uncertificated	N/A	0.5%
15.	Community GP Corp.	DE	CHS Holdings Corp.	1,000 Common	2	100%
16.	Community Health Investment Corporation	DE	Community Health Systems, Inc.	1,290 Common	2	100%
17.	Community LP Corp.	DE	CHS Holdings Corp.	1,000 Common	2	100%
18.	Fallbrook Hospital Corporation	DE	CHS Holdings Corp.	1,000 Common	1	100%
19.	Hallmark Healthcare Corporation	DE	Community Health Systems, Inc.	10,000 Common	2	100%

	Issuer	State	Owner	Number and Class of Equity Interest	Certificate Number	% of Equity Interest
20.	Hospital of Barstow, Inc.	DE	CHS Holdings Corp.	1,000 Common	2	100%
21.	Lancaster Hospital Corporation	DE	CHS Holdings Corp.	1,000 Common	3	100%
22.	National Healthcare of Cleveland, Inc.	DE	Cleveland Hospital Corporation	1,000 Common	5	100%
23.	National Healthcare of Cullman, Inc.	DE	Cullman Hospital Corporation	1,000 Common	4	100%
24.	National Healthcare of Decatur, Inc.	DE	Hallmark Holdings Corp.	1,000 Common	3	100%
25.	National Healthcare of Hartselle, Inc.	DE	Hallmark Holdings Corp.	1,000 Common	3	100%
26.	National Healthcare of Leesville, Inc.	DE	Hallmark Holdings Corp.	1,000 Common	4	100%
27.	National Healthcare of Mt. Vernon, Inc.	DE	Hallmark Healthcare Corporation	100 Common	2	100%
28.	National Healthcare of Newport, Inc.	DE	Hallmark Holdings Corp.	1,000 Common	3	100%
29.	NWI Hospital Holdings, LLC	DE	CHS Holdings Corp.	100% Membership Interest	1	100%
30.	Pennsylvania Hospital Company, LLC	DE	CHS/Community Health Systems, Inc.	100.0% Membership Interest	1	100%
31.	Phoenixville Hospital Company, LLC	DE	Hallmark Healthcare Corporation	1.0% Membership Interest	2	1%
			Pennsylvania Hospital Company, LLC	99.0% Membership Interest	1	99%
32.	Pottstown Hospital Company, LLC	DE	Hallmark Healthcare Corporation	1.0% Membership Interest	2	1%
			Pennsylvania Hospital Company, LLC	99.0% Membership Interest	1	99%
33.	Ruston Hospital Corporation	DE	CHS Holdings Corp.	1,000 Common	1	100%
34.	Watsonville Hospital Corporation	DE	CHS Holdings Corp.	1,000 Common	1	100%
35.	Webb Hospital Corporation	DE	Community Health Investment Corporation	1,000 Common	1	100%
36.	Webb Hospital Holdings, LLC	DE	Webb Hospital Corporation	100.0% Membership Interest	1	100%
37.	Fannin Regional Hospital, Inc.	GA	CHS Holdings Corp.	1,000 Common	2	100%
38.	Anna Hospital Corporation	IL	CHS Holdings Corp.	1,000 Common	1	100%

	Issuer	State	Owner	Number and Class of Equity Interest	Certificate Number	% of Equity Interest
39.	Galesburg Hospital Corporation	IL	CHS Holdings Corp.	1,000 Common	1	100%
40.	Granite City Hospital Corporation	IL	CHS Holdings Corp.	1,000 Common	1	100%
41.	Granite City Illinois Hospital Company, LLC	IL	Granite City Hospital Corporation	100.0% Membership interest	1	100%
42.	Marion Hospital Corporation	IL	Community Health Investment Corporation	1,000 Common	1	100%
43.	Red Bud Hospital Corporation	IL	CHS Holdings Corp.	1,000 Common	1	100%
44.	Red Bud Illinois Hospital Company, LLC	IL	Red Bud Hospital Corporation	100.0% Membership interest	1	100%
45.	Waukegan Hospital Corporation	IL	CHS Holdings Corp.	1,000 Common	1	100%
46.	Waukegan Illinois Hospital Company, LLC	IL	Waukegan Hospital Corporation	Membership Interest	2	100%
47.	Hospital of Fulton, Inc.	KY	CHS Holdings Corp.	1,000 Common	4	100%
48.	Hospital of Louisa, Inc.	KY	CHS Holdings Corp.	1,000 Common	4	100%
49.	Jackson Hospital Corporation	KY	CHS Holdings Corp.	1,000 Common	2	100%
50.	Ruston Louisiana Hospital Company, LLC	LA	Ruston Hospital Corporation	Membership Interest	2	100%
51.	Farmington Hospital Corporation	MO	CHS Holdings Corp.	1,000 Common	1	100%
52.	Farmington Missouri Hospital Company, LLC	MO	Farmington Hospital Corporation	Membership Interest	2	100%
53.	Kirksville Hospital Corporation	MO	CHS Holdings Corp.	1,000 Common	1	100%
54.	Moberly Hospital, Inc.	MO	CHS Holdings Corp.	1,000 Common	3	100%
55.	Williamston Hospital Corporation	NC	CHS Holdings Corp.	1,000 Common	1	100%
56.	Salem Hospital Corporation	NJ	CHS Holdings Corp.	1,000 Common	1	100%
57.	Deming Hospital Corporation	NM	CHS Holdings Corp.	1,000 Common	2	100%
58.	Roswell Hospital Corporation	NM	CHS Holdings Corp.	1,000 Common	1	100%
59.	San Miguel Hospital Corporation	NM	CHS Holdings Corp.	1,000 Common	1	100%
60.	CHS Holdings Corp.	NY	Community Health Investment Corporation	1,000 Common	1	100%
61.	Hallmark Holdings Corp.	NY	Hallmark Healthcare Corporation	1,000 Common	1	100%
62.	Kay County Hospital Corporation	OK	CHS Holdings Corp.	1,000 Common	1	100%
63.	Kay County Oklahoma Hospital Company, LLC	OK	Kay County Hospital Corporation	Membership Interest	2	100%
64.	CHS Berwick Hospital Corporation	PA	CHS Holdings Corp.	1,000 Common	1	100%

	Issuer	State	Owner	Number and Class of Equity Interest	Certificate Number	% of Equity Interest
65.	Clinton Hospital Corporation	PA	CHS Holdings Corp.	1,000 Common	1	100%
66.	Coatesville Hospital Corporation	PA	CHS Holdings Corp.	1,000 Common	1	100%
67.	Northampton Hospital Corporation	PA	CHS Holdings Corp.	1,000 Common	1	100%
68.	Sunbury Hospital Corporation	PA	CHS Holdings Corp.	1,000 Common	1	100%
69.	West Grove Hospital Corporation	PA	CHS Holdings Corp.	1,000 Common	1	100%
70.	Brownsville Hospital Corporation	TN	CHS Holdings Corp.	1,000 Common	1	100%
71.	Cleveland Hospital Corporation	TN	Hallmark Holdings Corp.	1,981,000 Common	47	100%
72.	Dyersburg Hospital Corporation	TN	CHS Holdings Corp.	1,000 Common	1	100%
73.	Hospital of Morristown, Inc.	TN	Lakeway Hospital Corporation	1,000 Common	5	100%
74.	Jackson Hospital Corporation	TN	CHS Holdings Corp.	1,000 Common	1	100%
75.	Jackson, Tennessee Hospital Company, LLC	TN	Jackson Hospital Corporation	100.0% Membership Interest	1	100%
76.	Lakeway Hospital Corporation	TN	CHS Holdings Corp.	1 Common	51	100%
77.	Lexington Hospital Corporation	TN	CHS Holdings Corp.	1,000 Common	1	100%
78.	Martin Hospital Corporation	TN	CHS Holdings Corp.	1,000 Common	1	100%
79.	McKenzie Hospital Corporation	TN	CHS Holdings Corp.	1,000 Common	1	100%
80.	McNairy Hospital Corporation	TN	CHS Holdings Corp.	1,000 Common	1	100%
81.	Shelbyville Hospital Corporation	TN	CHS Holdings Corp.	1,000 Common	1	100%
82.	Sparta Hospital Corporation	TN	CHS Holdings Corp.	1,000 Common	2	100%
83.	Big Bend Hospital Corporation	TX	CHS Holdings Corp.	1,000 Common	1	100%
84.	Big Spring Hospital Corporation	TX	CHS Holdings Corp.	1,000 Common	2	100%
85.	Granbury Hospital Corporation	TX	CHS Holdings Corp.	1,000 Common	2	100%
86.	Jourdanton Hospital Corporation	TX	CHS Holdings Corp.	1,000 Common	1	100%
87.	NHCI of Hillsboro, Inc.	TX	Hallmark Holdings Corp.	1,000 Common	3	100%
88.	Weatherford Hospital Corporation	TX	CHS Holdings Corp.	1,000 Common	2	100%
89.	Weatherford Texas Hospital Company, LLC	TX	Weatherford Hospital Corporation	Membership Interest	2	100%
90.	Tooele Hospital Corporation	UT	CHS Holdings Corp.	1,000 Common	1	100%
91.	Emporia Hospital Corporation	VA	CHS Holdings Corp.	1,000 Common	1	100%
92.	Franklin Hospital Corporation	VA	CHS Holdings Corp.	1,000 Common	1	100%

	<u>Issuer</u>	<u>State</u>	<u>Owner</u>	<u>Number and Class of Equity Interest</u>	<u>Certificate Number</u>	<u>% of Equity Interest</u>
93.	Petersburg Hospital Company, LLC	VA	Community Health Investment Corporation	1.0% Membership Interest	2	1%
			Virginia Hospital Company, LLC	99.0% Membership Interest	1	99%
94.	Russell County Medical Center, Inc.	VA	CHS Holdings Corp.	1,000 Common	3	100%
95.	Virginia Hospital Company, LLC	VA	CHS/Community Health Systems, Inc.	100.0% Membership Interest	1	100%
96.	Oak Hill Hospital Corporation	WV	CHS Holdings Corp.	1,000 Common	1	100%
97.	Evanston Hospital Corporation	WY	CHS Holdings Corp.	1,000 Common	1	100%

CHS PLEDGED PERMITTED SYNDICATION SUBSIDIARIES

	<u>Issuer</u>	<u>State</u>	<u>Owner</u>	<u>Number and Class of Equity Interest</u>	<u>Certificate Number</u>	<u>% of Equity Interest</u>
1.	Bullhead City Hospital Investment Corporation	DE	CHS Holdings Corp.	5,000 Common	2	98.04%
2.	Kirkville Missouri Hospital Company, LLC	MO	Kirkville Hospital Corporation	1,800 Common	33	82.49%
3.	Lake Wales Hospital Investment Corporation	FL	CHS Holdings Corp.	1,932 Common	15	94.11%
4.	Laredo Texas Hospital Company, L.P.	TX	Webb Hospital Corporation Webb Hospital Holdings, LLC	Partnership Unit		0.0159%
5.	North Okaloosa Medical Corp.	FL	CHS Holdings Corp.	3,421,000 Common	15	95.1316%
6.	Northwest Indiana Health Systems, LLC	DE	NWI Hospital Holdings, LLC	Uncertificated		100%

TRIAD GUARANTORS

	<u>Entity</u>	<u>State</u>	<u>Owner</u>	<u>Number and Class of Equity Interest</u>	<u>Cert. #</u>	<u>% of Equity Interest</u>
1.	QHG of Enterprise, Inc.	AL	Triad Holdings V, LLC	1,000 Common	2	100%
2.	QHG of Jacksonville, Inc.	AL	Triad Holdings V, LLC	1,000 Common	2	100%
3.	QHG of Springdale, Inc.	AR	Triad Holdings V, LLC	1,000 Common	2	100%
4.	Triad-El Dorado, Inc.	AR	Triad Holdings III, LLC	1,000 Common	4	100%
5.	Abilene Hospital, LLC	DE	Abilene Merger, LLC	100.0%		100%
				Aggregate Limited Liability Company Interest		

	<u>Entity</u>	<u>State</u>	<u>Owner</u>	<u>Number and Class of Equity Interest</u>	<u>Cert. #</u>	<u>% of Equity Interest</u>
6.	Abilene Merger, LLC	DE	Triad Holdings V, LLC	100.0%		100%
				Aggregate Limited Liability Company Interest		
7.	Arizona DH, LLC	DE	Triad Holdings III, LLC	100.0%		100%
				Aggregate Limited Liability Company Interest		
8.	ARMC, LP	DE	Abilene Hospital, LLC	99.0%		99%
			Triad-ARMC, LLC	Percentage Ownership 1.0%		1%
				Percentage Ownership		
9.	Birmingham Holdings, LLC	DE	Triad Holdings V, LLC	Aggregate Limited Liability Company Interest		100%
10.	Bluffton Health System, LLC	DE	QHG of Bluffton, Inc.	99.0%		99%
			Frankfort Health Partner, Inc.	Aggregate Limited Liability Company Interest 1.0%		1%
				Aggregate Limited Liability Company Interest		
11.	Brownwood Hospital, L.P.	DE	Brownwood Medical Center, LLC	1.0%		1%
				Percentage Ownership		
			Medical Center of Brownwood, LLC	99.0%		99%
				Percentage Ownership		
12.	Brownwood Medical Center, LLC	DE	Southern Texas Medical Center, LLC	100.0%		100%
				Aggregate Limited Liability Company Interest		
13.	Carlsbad Medical Center, LLC	DE	Tennyson Holdings, Inc.	100.0%		100%
				Membership Interest		
14.	Claremore Regional Hospital, LLC	DE	Triad Holdings IV, LLC	100.0%		100%
				Aggregate Limited Liability Company Interest		
15.	Clarksville Holdings, LLC	DE	River Region Medical Corporation	Aggregate Limited Liability Company Interest		100%
16.	College Station Hospital, L.P.	DE	College Station Medical Center, LLC	1.0%		1%
			CSMC, LLC	Percentage Membership 99.0%		99%
				Percentage Membership		
17.	College Station Medical Center, LLC	DE	College Station Merger, LLC	100.0%		100%
				Aggregate Limited Liability Company Interest		
18.	College Station Merger, LLC	DE	Tennyson Holdings, Inc.	100.0%		100%
				Membership Interest		
19.	CP Hospital GP, LLC	DE	Tennyson Holdings, Inc.	100.0%		100%
				Membership Interest		
20.	CPLP, LLC	DE	Tennyson Holdings, Inc.	100.0%		100%
				Membership Interest		

	<u>Entity</u>	<u>State</u>	<u>Owner</u>	<u>Number and Class of Equity Interest</u>	<u>Cert. #</u>	<u>% of Equity Interest</u>
21.	Crestwood Hospital LP, LLC	DE	Crestwood Hospital, LLC	100.0%		100%
				Membership Interest		
22.	Crestwood Hospital, LLC	DE	Triad Holdings III, LLC	100.0%		100%
				Membership Interest		
23.	CSMC, LLC	DE	College Station Merger, LLC	100.0%		100%
				Aggregate Limited Liability Company Interest		
24.	CSRA Holdings, LLC	DE	QHG Georgia Holdings, Inc.	Aggregate Limited Liability Company Interest		100%
25.	Deaconess Holdings, LLC	DE	Triad Holdings IV, LLC	100.0%		100%
				Aggregate Limited Liability Company Interest		
26.	Deaconess Hospital Holdings, LLC	DE	Deaconess Holdings, LLC	Uncertificated		80%
27.	Desert Hospital Holdings, LLC	DE	Deaconess Holdings, LLC	Aggregate Limited Liability Company Interest		100%
28.	Detar Hospital, LLC	DE	VHC Medical, LLC	100.0%		100%
				Aggregate Limited Liability Company Interest		
29.	Dukes Health System, LLC	DE	QHG of Clinton County, Inc.	100.0%		100%
				Aggregate Limited Liability Company Interest		
30.	Gadsden Regional Medical Center, LLC	DE	GRMC Holdings, LLC	Aggregate Limited Liability Company Interest		100%
31.	Greenbrier VMC, LLC	DE	Triad Holdings III, LLC	100.0%		100%
				Aggregate Limited Liability Company Interest		
32.	GRMC Holdings, LLC	DE	Triad Holdings V, LLC	Aggregate Limited Liability Company Interest		100%
33.	Hobbs Medco, LLC	DE	Tennyson Holdings, Inc.	100.0%		100%
				Membership Interest		
34.	Las Cruces Medical Center, LLC	DE	Tennyson Holdings, Inc.	100.0%		100%
				Membership Interest		
35.	Lea Regional Hospital, LLC	DE	Hobbs Medco, LLC	100.0%		100%
				Aggregate Limited Liability Company Interest		
36.	Longview Merger, LLC	DE	Tennyson Holdings, Inc.	100.0%		100%
				Membership Interest		
37.	LRH, LLC	DE	Longview Merger, LLC	100.0%		100%
				Aggregate Limited Liability Company Interest		
38.	Lutheran Health Network of Indiana, LLC	DE	Triad Holdings V, LLC	100.0%		100%
				Aggregate Limited Liability Company Interest		

	Entity	State	Owner	Number and Class of Equity Interest	Cert. #	% of Equity Interest
39.	Massillon Health System, LLC	DE	QHG of Massillon, Inc.	100.0%		100%
				Aggregate Limited Liability Company Interest		
40.	Medical Center of Brownwood, LLC	DE	Southern Texas Medical Center, LLC	100.0%		100%
				Aggregate Limited Liability Company Interest		
41.	MMC of Nevada, LLC	DE	Tennyson Holdings, Inc.	100%		100%
				Membership Interest		
42.	Navarro Hospital, L.P.	DE	Navarro Regional, LLC	1.0%		1%
				Percentage Ownership		
			NRH, LLC	99.0%		99%
				Percentage Ownership		
43.	Navarro Regional, LLC	DE	Triad-Navarro Regional Hospital Subsidiary, LLC	100.0%		100%
				Aggregate Limited Liability Company Interest		
44.	NRH, LLC	DE	Triad-Navarro Regional Hospital Subsidiary, LLC	100.0%		100%
				Aggregate Limited Liability Company Interest		
45.	Oregon Healthcorp, LLC	DE	Tennyson Holdings, Inc.	100.0%		100%
				Membership Interest		
46.	Palmer-Wasilla Health System, LLC	DE	Triad Holdings IV, LLC	100.0%		100%
				Aggregate Limited Liability Company Interest		
47.	Quorum Health Resources, LLC	DE	Triad Hospitals, Inc.	100.0%		100%
				Aggregate Limited Liability Company Interest		
48.	Regional Hospital of Longview, LLC	DE	Longview Merger, LLC	100.0%		100%
				Aggregate Limited Liability Company Interest		
49.	Russellville Holdings, LLC	DE	Tennyson Holdings, Inc.	100.0%		100%
				Membership Interest		
50.	SACMC, LLC	DE	San Angelo Medical, LLC	100.0%		100%
				Aggregate Limited Liability Company Interest		
51.	San Angelo Community Medical Center, LLC	DE	San Angelo Medical, LLC	100.0%		100%
				Aggregate Limited Liability Company Interest		
52.	San Angelo Hospital, L.P.	DE	SACMC, LLC	99.0%		99%
				Percentage Ownership		
			San Angelo Community Medical Center, LLC	1.0%		1%
				Percentage Ownership		
53.	San Angelo Medical, LLC	DE	Tennyson Holdings, Inc.	100.0%		100%
				Membership Interest		
54.	Southern Texas Medical Center, LLC	DE	Tennyson Holdings, Inc.	100.0%		100%
				Membership Interest		

	Entity	State	Owner	Number and Class of Equity Interest	Cert. #	% of Equity Interest
55.	St. Joseph Health System, LLC	DE	Frankfort Health Partner, Inc.	1.0%		1%
			QHG of Fort Wayne, Inc.	Aggregate Limited Liability Company Interest 99.0%		99%
56.	Tennyson Holdings, Inc.	DE	Triad Hospitals, Inc.	1,000 Common Shares	1	100%
57.	Triad Holdings III, LLC	DE	Triad Holdings IV, LLC	100.0%		100%
				Aggregate Limited Liability Company Interest		
58.	Triad Holdings IV, LLC	DE	Tennyson Holdings, Inc.	100.0%		100%
				Membership Interest		
59.	Triad Holdings V, LLC	DE	Tennyson Holdings, Inc.	100.0%		100%
				Membership Interest		
60.	Triad Healthcare Corporation (fka Triad Hospitals, Inc.)	DE	CHS/Community Health Systems, Inc.	1,000 Common Shares	4	100%
61.	Triad of Alabama, LLC	DE	Triad Holdings V, LLC	100.0%		100%
				Aggregate Limited Liability Company Interest		
62.	Triad of Oregon, LLC	DE	Tennyson Holdings, Inc.	100.0%		100%
				Membership Interest		
63.	Triad-ARMC, LLC	DE	Abilene Merger, LLC	100.0%		100%
				Aggregate Limited Liability Company Interest		
64.	Triad-Denton Hospital GP, LLC	DE	Triad Holdings III, LLC	100.0%		100%
				Aggregate Limited Liability Company Interest		
65.	Triad-Denton Hospital, L.P.	DE	Arizona DH, LLC	99.0%		99%
			Triad-Denton Hospital GP, LLC	1.0%		1%
				Percentage Ownership		
66.	Triad-Navarro Regional Hospital Subsidiary, LLC	DE	Tennyson Holdings, Inc.	100.0%		100%
				Membership Interest		
67.	VHC Medical, LLC	DE	Triad Holdings III, LLC	100.0%		100%
				Aggregate Limited Liability Company Interest		
68.	Vicksburg Healthcare, LLC	DE	River Regional Medical Corporation	Aggregate Limited Liability Company Interest		100%
69.	Victoria Hospital, LLC	DE	VHC Medical, LLC	100.0%		100%
				Aggregate Limited Liability Company Interest		
70.	Victoria of Texas, L.P.	DE	Detar Hospital, LLC	1.0%		1%
				Percentage Ownership		
			Victoria Hospital, LLC	99.0%		1%
				Percentage Ownership		

	Entity	State	Owner	Number and Class of Equity Interest	Cert. #	% of Equity Interest
71.	WHMC, LLC	DE	Triad Holdings III, LLC	100.0%		100%
				Aggregate Limited Liability Company Interest		
72.	Willamette Valley Medical Center, LLC	DE	Oregon Healthcorp, LLC	100.0%		100%
				Aggregate Limited Liability Company Interest		
73.	Women & Children's Hospital, LLC	DE	Triad Holdings IV, LLC	100.0%		100%
				Aggregate Limited Liability Company Interest		
74.	Woodland Heights Medical Center, LLC	DE	Triad Holdings III, LLC	100.0%		100%
				Aggregate Limited Liability Company Interest		
75.	Woodward Health System, LLC	DE	Triad Holdings IV, LLC	100.0%		100%
				Aggregate Limited Liability Company Interest		
76.	QHG Georgia Holdings, Inc.	GA	Triad Holdings V, LLC	1,000 Common	2	100%
77.	QHG Georgia, L.P.	GA	NC-DSH, Inc.	99.0%		99%
			QHG Georgia Holdings, Inc.	Percentage Ownership		
				1.0%		1%
				Percentage Ownership		
78.	Frankfort Health Partner, Inc.	IN	Triad Holdings V, LLC	1,000 Common	2	100%
79.	IOM Health System, L.P.		Lutheran Health Network of Indiana, LLC	1.0%		1%
		IN	Lutheran Health Network of Indiana, LLC	Percentage Ownership		
				98.0%		98%
			QHG of Fort Wayne, Inc.	Percentage Ownership		
				1.0%		1%
				Percentage Ownership		
80.	QHG of Bluffton, Inc.	IN	Triad Holdings V, LLC	1,000 Common	2	100%
81.	QHG of Clinton County, Inc.	IN	Triad Holdings V, LLC	1,000 Common	2	100%
82.	QHG of Fort Wayne, Inc.	IN	Triad Holdings V, LLC	1,000 Common	3	100%
83.	QHG of Warsaw, Inc.	IN	Triad Holdings V, LLC	1,000 Common	2	100%
84.	QHG of Forrest County, Inc.	MS	Triad Holdings V, LLC	1,000 Common	2	100%
85.	QHG of Hattiesburg, Inc.	MS	Triad Holdings V, LLC	1,000 Common	2	100%
86.	River Region Medical Corporation	MS	Triad Holdings V, LLC	5,949,472 Common	2	100%
87.	NC-DSH, Inc.	NV	QHG Georgia Holdings, Inc.	1,000 Common	3	100%
88.	QHG of Barberton, Inc.	OH	Triad Holdings V, LLC	1,000 Common	2	100%
89.	QHG of Massillon, Inc.	OH	Triad Holdings V, LLC	1,000 Common	2	100%

	Entity	State	Owner	Number and Class of Equity Interest	Cert. #	% of Equity Interest
90.	SouthCrest, L.L.C.	OK	Triad-South Tulsa Hospital Company, Inc.	100.0% Aggregate Limited Liability Company Interest		100%
91.	Triad-South Tulsa Hospital Company, Inc.	OK	Triad Holdings III, LLC	1,000 Common	5	100%
92.	QHG of South Carolina, Inc.	SC	Triad Holdings V, LLC	1,000 Common	2	100%
93.	QHG of Spartanburg, Inc.	SC	Triad Holdings V, LLC	1,000 Common	2	100%

TRIAD PLEDGED PERMITTED SYNDICATION SUBSIDIARIES AND JOINT VENTURES

	Entity	State	Owner	Number and Class of Equity Interest	Cert. #	% of Equity Interest
1.	Affinity Health Systems, LLC	DE	Birmingham Hospital Holdings, LLC	Uncertificated		100%
2.	Augusta Health System, LLC	DE	CSRA Holdings, LLC	Uncertificated		65.16%
3.	Cedar Park Health System, L.P.	DE	CP Hospital GP, LLC CPLP, LLC	Uncertificated Uncertificated		1% 79%
4.	Clarksville Health System, G.P.	DE	Clarksville Holdings, LLC	Uncertificated		80%
5.	Crestwood Healthcare, L.P.	DE	Crestwood Hospital, LLC Crestwood Hospital LP, LLC	Percentage Ownership Percentage Ownership		20.02% 60.35%
6.	Hot Springs National Park Hospital Holdings, LLC	DE	Tennyson Holdings, Inc.	Membership Interests		94.87%
7.	Longview Medical Center, L.P.	DE	Regional Hospital of Longview, LLC LRH, LLC	Partnership Interest Partnership Interest		1% 72.98%
8.	Mary Black Health System, LLC	DE	QHG of Spartanburg, Inc.	Uncertificated		93.93%
9.	Massillon Community Health System, LLC	DE	Massillon Health System, LLC	Limited Liability Company Interest		80%
10.	Northwest Arkansas Hospitals, LLC	DE	QHG of Springdale, Inc.	Uncertificated		99.56%
11.	Piney Woods Healthcare System, L.P.	DE	Woodland Heights Medical Center, LLC WHMC, LLC	Percentage Ownership Percentage Ownership		1% 90.34%
12.	Warsaw Health System, LLC, LLC	DE	QHG of Warsaw, Inc. Frankfort Health Partner, Inc.	Limited Liability Company Interest Limited Liability Company Interest		98.56% 1%

PLEGDED DEBT SECURITIES

To be delivered post-closing pursuant to the post-closing letter.

DEBT INSTRUMENTS; ADVANCES

To be delivered post-closing pursuant to the post-closing letter.

MORTGAGE FILINGS

Hospital Name/Address	Corporate Owner	County
DeKalb Regional Medical Center 200 Medical Center Drive P.O. Box 680778 Fort Payne, AL 35968	Fort Payne Hospital Corporation (AL)	DeKalb
Flowers Hospital 4370 West Main Street Dothan, AL 36305	Triad of Alabama, LLC (DE)	Houston
Gadsden Regional Medical Center 1007 Goodyear Avenue Gadsden, AL 35903	Gadsden Regional Medical Center, LLC (DE)	Etowah
Jacksonville Medical Center 1701 Pelham Road, South Jacksonville, AL 36265	QHG of Jacksonville, Inc. (AL)	Calhoun
Medical Center Enterprise 400 North Edwards St. Enterprise, AL 36330	QHG of Enterprise, Inc. (AL)	Coffee
Parkway Medical Center 1874 Beltline Rd., SW (P.O. Box 2211) Decatur, AL 35601	National Healthcare of Decatur, Inc. (DE)	Morgan
Northwest Medical Center of Benton County 3000 Medical Center Pkwy. Bentonville, AR 72712	QHG of Springdale, Inc. (AR)	Benton
Saint Mary's Regional Medical Center 1808 West Main Street Russellville, AR 72801	Russellville Holdings, LLC (and St. Mary's Real Property, LLC)	Pope
Watsonville Community Hospital 75 Nielson Street Watsonville, CA 95076	Watsonville Hospital Corporation (DE)	Santa Cruz
Galesburg Cottage Hospital 695 N. Kellogg St. Galesburg, IL 61401	Galesburg Hospital Corporation (IL)	Knox
Gateway Regional Medical Center 2100 Madison Avenue Granite City, IL 62040	Granite City Illinois Hospital Company, LLC (IL)	Madison
Heartland Regional Medical Center 3333 West DeYoung Marion, IL 62959	Marion Hospital Corporation (IL)	Williamson
Vista Medical Center (includes East and West) 1324 N. Sheridan Road Waukegan, IL 60085	Hospital Company, LLC (IL)	Lake
Bluffton Regional Medical Center 303 South Main Street Bluffton, IN 46714	Bluffton Health System, LLC (DE)	Wells
Dukes Memorial Hospital 275 W. 12th Street Peru, IN 46970	Dukes Health System, LLC (DE)	Miami

Hospital Name/Address	Corporate Owner	County
Lutheran Hospital of Indiana 7950 West Jefferson Blvd. Fort Wayne, IN 46804	IOM Health System, L.P. (IN Ltd. Partnership)	Allen
St. Joseph Hospital 700 Broadway Fort Wayne, IN 46802	St. Joseph Health System, LLC (DE)	Allen
Women and Children's Hospital 4200 Nelson Road Lake Charles, LA 70605	Women and Children's Hospital, LLC	Calcasieu
River Region Health System 2100 Highway 61 North/1111 N. Frontage Road Vicksburg, MS 39183	Vicksburg Healthcare, LLC (DE)	Warren
Mineral Area Regional Medical Center 1212 Weber Road Farmington, MO 63640	Farmington Missouri Hospital Company, LLC (MO)	Saint Francois
Moberly Regional Medical Center 1515 Union Avenue Moberly, MO 65270	Moberly Hospital, Inc. (MO)	Randolph
The Memorial Hospital of Salem County 310 Woodstown Road Salem, NJ 08079	Salem Hospital Corporation (NJ)	Salem
Alta Vista Regional Hospital 104 Legion Drive Las Vegas, NM 87701	San Miguel Hospital Corporation (NM)	San Miguel
Carlsbad Medical Center 2430 West Pierce Carlsbad, NM 88220	Carlsbad Medical Center, LLC	Eddy
Eastern New Mexico Medical Center 405 West Country Club Road Roswell, NM 88201	Roswell Hospital Corporation (NM)	Chaves
Lea Regional Medical Center 5419 N. Lovington Highway Hobbs, NM 88240	Lea Regional Hospital, LLC	Lea
MountainView Regional Medical Center 4311 East Lohman Avenue Las Cruces, NM 88011	Las Cruces Medical Center, LLC (DE)	Dona Ana
Claremore Regional Hospital 1202 N. Muskogee Place Claremore, OK 74017	Claremore Regional Hospital, LLC	Rogers
Ponca City Medical Center 1900 North 14th Street Ponca City, OK 74601	Kay County Oklahoma Hospital Company, LLC (OK)	Kay
SouthCrest Hospital 8801 South 101st East Ave. Tulsa, OK 74133	SouthCrest, L.L.C.	Tulsa
Willamette Valley Medical Center 2700 SE Stratus Avenue McMinnville, OR 97128	Willamette Valley Medical Center, LLC	Yamhill
Berwick Hospital Center 701 East 16th Street Berwick, PA 18603	CHS Berwick Hospital Corporation (PA)	Columbia

Hospital Name/Address	Corporate Owner	County
Brandywine Hospital 201 Reeceville Rd. Coatesville, PA 19320	Coatesville Hospital Corporation (PA)	Chester
Easton Hospital 250 South 21st Street Easton, PA 18042-3892	Northampton Hospital Corporation (PA)	Northampton
Jennersville Regional Hospital 1015 West Baltimore Pike West Grove, PA. 19390	West Grove Hospital Corporation (PA)	Chester
Lock Haven Hospital 24 Cree Drive Lock Haven, PA 17745-2699	Clinton Hospital Corporation (PA)	Washington
Phoenixville Hospital 140 Nutt Road Phoenixville, PA 19460	Phoenixville Hospital Company, LLC (DE)	Chester
Pottstown Memorial Medical Center 1600 East High Street Pottstown, PA 19464	Pottstown Hospital Company, LLC (DE)	Montgomery
Sunbury Community Hospital 350 N. Eleventh Street (P. O. Box 737) Sunbury, PA 17801	Sunbury Hospital Corporation (PA)	Northumberland
Carolinas Hospital System 805 Pamplico Highway Florence, SC 29505	QHG of South Carolina, Inc. (SC)	Florence
Springs Memorial Hospital 800 W. Meeting Street Lancaster, SC 29720	Lancaster Hospital Corporation (DE)	Lancaster
Dyersburg Regional Medical Center 400 Tickle Street Dyersburg, TN 38024	Dyersburg Hospital Corporation (TN)	Dyer
Lakeway Regional Hospital 726 McFarland Street Morristown, TN 37814	Hospital of Morristown, Inc. (TN)	Hamblen
Regional Hospital of Jackson 367 Hospital Blvd. Jackson, TN 38305	Jackson, Tennessee Hospital Company, LLC (TN)	Madison
SkyRidge Medical Center (includes Cleveland) 2305 Chambliss Avenue Cleveland, TN 37320	National Healthcare of Cleveland, Inc. (TN)	Bradley
Volunteer Community Hospital 161 Mt. Pelia Road Martin, TN 38237	Martin Hospital Corporation (TN)	Weakley
Abilene Regional Medical Center 6250 Hwy 83 84 Abilene, TX 79606	ARMC, L.P.	Taylor
College Station Medical Center 1604 Rock Prairie College Station, TX 77845	College Station Hospital, L.P.	Brazos
DeTar Hospital Navarro 506 E. San Antonio Street Victoria, TX 77901	Victoria of Texas, L.P.	Victoria
DeTar Hospital North 101 Medical Drive Victoria, TX 77904	Victoria of Texas, L.P.	Victoria

Hospital Name/Address	Corporate Owner	County
San Angelo Community Medical Center 3501 Knickerbocker Rd. San Angelo, TX 76904	San Angelo Hospital, L.P.	Tom Green
Scenic Mountain Medical Center 1601 West Eleventh Place Big Spring, TX 79720	Big Spring Hospital Corporation (TX)	Howard
South Texas Regional Medical Center 1905 Highway 97 E Jourdanton, TX 78026	Jourdanton Hospital Corporation (TX)	Atascosa
Mountain West Medical Center 2055 N. Main Tooele, UT 84074-2794	Tooele Hospital Corporation (UT)	Tooele
Southern Virginia Regional Medical Center 727 North Main Street Emporia, VA 23847	Emporia Hospital Corporation (VA)	Greensville
Southampton Memorial Hospital 100 Fairview Drive Franklin, VA 23851	Franklin Hospital Corporation (VA)	Southampton
Greenbrier Valley Medical Center 202 Maplewood Avenue Ronceverte, WV 24970	Greenbrier VMC, LLC (and GRB Real Estate, LLC)	Greenbrier

U.S. COPYRIGHTS OWNED BY GRANTORS

U.S. Copyright Registrations

Title	Reg. No.	Author
NONE		

Pending U.S. Copyright Applications for Registration

Title	Author	Class	Date Filed
NONE			

Non-U.S. Copyright Registrations

[List in alphabetical order by country/numerical order by Registration No. within each country.]

Country	Title	Reg. No.	Author
NONE			

Non-U.S. Pending Copyright Applications for Registration

[List in alphabetical order by country.]

Country	Title	Author	Class	Date Filed
NONE				

LICENSES

[Make a separate page of Schedule VIII for each Grantor, and state if any Grantor is not a party to a license/sublicense.]

I. Licenses/Sublicenses of [Name of Grantor] as Licensor/Sublicensor on Date Hereof¹

A. Copyrights

[List U.S. copyrights in numerical order by Registration No. List non-U.S. copyrights by country in alphabetical order with Registration Nos. within each country in numerical order.]

U.S. Copyrights

Licensee Name and Address	Date of License/Sublicense	Title of U.S. Copyright	Author	Reg. No.
NONE				

Non-U.S. Copyrights

Country	Licensee Name and Address	Date of License/Sublicense	Title of Non-U.S. Copyrights	Author	Reg. No.
NONE					

¹ This is not applicable to this deal as there are no licenses.

B. Patents

[List U.S. patent Nos. and U.S. patent application Nos. in numerical order. List non-U.S. patent Nos. and non-U.S. application in alphabetical order by country, with numbers within each country in numerical order.]

U.S. Patents

Licensee Name and Address	Date of License/ Sublicense	Issue Date	Patent No.
NONE			

U.S. Patent Applications

Licensee Name and Address	Date of License/ Sublicense	Date Filed	Application No.
NONE			

Non-U.S. Patents

Country	Licensee Name and Address	Date of License/ Sublicense	Issue Date	Non-U.S. Patent No.
NONE				

Non-U.S. Patent Applications

Country	Licensee Name and Address	Date of License/ Sublicense	Date Filed	Application No.
NONE				

C. Trademarks

[List U.S. trademark Nos. and U.S. trademark application Nos. in numerical order. List non-U.S. trademark Nos. and non-U.S. application Nos. with trademark Nos. within each country in numerical order.]

U.S. Federal Trademarks

Licensee Name and Address	Date of License/ Sublicense	Mark	Reg. Date	Reg. No.
NONE				

U.S. State Trademarks

Licensee Name and Address	Date of License/ Sublicense	Mark	Reg. Date	Reg. No.
NONE				

U.S. Trademark Applications

Licensee Name and Address	Date of License/ Sublicense	U.S. Mark	Date Filed	Application No.
NONE				

Non-U.S. Trademarks

Country	Licensee Name and Address	Date of License/ Sublicense	Non-U.S. Mark	Reg. Date	Reg. No.
NONE					

Non-U.S. Trademark Applications

Country	Licensee Name and Address	Date of License/ Sublicense	Non-U.S. Mark	Date Filed	Application No.
NONE					

D. Others

Licensee Name
and Address

Date of License/
Sublicense

Subject
Matter

None.

II. Licenses/Sublicenses of [Name of Grantor] as Licensee/Sublicensee on Date Hereof

A. Copyrights

[List U.S. copyrights in numerical order by Registration No. List non-U.S. copyrights by country in alphabetical order, with Registration Nos. within each country in numerical order.]

U.S. Copyrights

Licensors Name and Address	Date of License/ Sublicense	Title of U.S. Copyright	Author	Reg. No.
NONE				

Non-U.S. Copyrights

Country	Licensors Name and Address	Date of License/ Sublicense	Title of Non-U.S. Copyrights	Author	Reg. No.
NONE					

B. Patents

[List U.S. patent Nos. and U.S. patent application Nos. in numerical order. List non-U.S. patent Nos. and non-U.S. application Nos. in alphabetical order by country with patent Nos. within each country in numerical order.]

U.S. Patents

Licensor Name and Address	Date of License/ Sublicense	Issue Date	Patent No.
NONE			

U.S. Patent Applications

Licensor Name and Address	Date of License/ Sublicense	Date Filed	Application No.
NONE			

Non-U.S. Patents

Country	Licensor Name and Address	Date of License/ Sublicense	Issue Date	Non-U.S. Patent No.
NONE				

Non-U.S. Patent Applications

Country	Licensor Name and Address	Date of License/ Sublicense	Date Filed	Application No.
NONE				

C. Trademarks

[List U.S. trademark Nos. and U.S. trademark application Nos. in numerical order. List non-U.S. trademark Nos. and non-U.S. application Nos. with trademark Nos. within each country in numerical order.]

U.S. Trademarks

Licensor Name and Address	Date of License/ Sublicense	U.S. Mark	Reg. Date	Reg. No.
NONE				

U.S. Trademark Applications

Licensor Name and Address	Date of License/ Sublicense	U.S. Mark	Date Filed	Application No.
NONE				

Non-U.S. Trademarks

Country	Licensor Name and Address	Date of License/ Sublicense	Non-U.S. Mark	Reg. Date	Reg. No.
NONE					

Non-U.S. Trademark Applications

Country	Licensor Name and Address	Date of License/ Sublicense	Non-U.S. Mark	Date Filed	Application No.
NONE					

D. Others

Licensor Name and Address

Date of License/
Sublicense

Subject Matter

NONE

PATENTS OWNED BY [NAME OF GRANTOR]

[Make a separate page of Schedule VIII for each Grantor and state if no patents are owned. List in numerical order by Patent No./Patent Application No.]

U.S. Patents

Patent No.	Issue Date
NONE	

U.S. Patent Applications

Patent Application No.	Filing Date
NONE	

Non-U.S. Patents

[List non-U.S. patents and non-U.S. patent applications by country in alphabetical order, with patent Nos. and patent application Nos. within each country in numerical order.]




Country	Issue Date	Patent No.
NONE		

Non-U.S. Patent Applications

Country	Filing Date	Patent Application No.
NONE		

TRADEMARK/TRADE NAMES OWNED BY CHS/COMMUNITY HEALTH SYSTEMS, INC. OR COMMUNITY HEALTH SYSTEMS PROFESSIONAL SERVICES CORPORATION

U.S. Trademark Registrations

Registered Owner	U.S. Mark	Reg. Date	Reg. No.
CHS/Community Health Systems, Inc.		7/23/1996	1988032
CHS/Community Health Systems, Inc.	A TIP-TOP MATERNITY CLUB	4/10/2001	2442377
CHS/Community Health Systems, Inc.		6/26/2001	2463770
CHS/Community Health Systems, Inc.	Class 035		
CHS/Community Health Systems, Inc.		10/30/2001	2501702
CHS/Community Health Systems, Inc.	Class 041		
CHS/Community Health Systems, Inc.	COMMUNITY CARES Standard	6/26/2001	2463771
CHS/Community Health Systems, Inc.	Character CL 35		
CHS/Community Health Systems, Inc.	COMMUNITY CARES standard	10/23/2001	2499955
CHS/Community Health Systems, Inc.	character CL 41		

U.S. Trademark Applications

Mark	Filing Date	Application No.
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State Trademark Registrations

[List in alphabetical order by state/numerical order by trademark No. within each state.]

State	Registered Owner	U.S. Mark	Reg. Date	Reg. No.
Tennessee	Community Health Systems Professional Services Corporation	COMMUNITY HEALTH SYSTEMS	12/12/2003	N/A

Non-U.S. Trademark Registrations

[List non-U.S. trademarks and non-U.S. trademark applications by country in alphabetical order, with Registration Nos. and application Nos. within each country in numerical order.]

<u>Country</u>	<u>Mark</u>	<u>Reg. Date</u>	<u>Reg. No.</u>
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NONE

Non-U.S. Trademark Applications

<u>Country</u>	<u>Mark</u>	<u>Application Date</u>	<u>Application No.</u>
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NONE

Trade Names

<u>Country(s) Where Used</u>	<u>Trade Names</u>
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NONE

TRADEMARK/TRADE NAMES OWNED BY TRIAD HOSPITALS, INC.

Listed in numerical order by trademark Registration No.

U.S. Trademark Registrations

Mark	Reg. No.	Reg. Date
SENIORITY. A BENEFIT THAT ONLY COMES WITH AGE	1424413	1/6/87
NORTHWEST HEALTH & Design	2274627	8/31/99
Flame Design (Device Only)	2406094	11/21/00
GATEWAY HEALTH FOUNDATION	2411367	12/5/00
TRIAD HOSPITALS	2538496	2/12/02
(Device only) (Triangle Design #2)	2547773	3/12/02
(Device Only) (Triangle Design)	2556500	4/2/02
GATEWAY HEALTH SYSTEM	2727444	6/17/03
GATEWAY HOME CARE	2750685	8/12/03
GATEWAY MEDICAL CENTER	2775950	10/21/03
GATEWAY MEDICAL CLINIC	2775951	10/21/03
TRIAD HOSPITALS, INC.	2923520	2/1/05
SOUTHCREST TULSA'S HEART HOSPITAL	2976999	7/26/05
VICTORIA'S HEART TEAM	2982492	8/2/05
QMRG QHR MATERIEL RESOURCE GROUP	2988029	8/23/05
WOODLAND HEIGHTS MEDICAL CENTER	3023638	12/6/05
THE HEART CENTER AT WOODLAND HEIGHTS	3023639	12/6/05
THE DIAGNOSTIC CENTER AT WOODLAND HEIGHTS	3023642	12/6/05
SLEEP DISORDERS LABORATORY AT WOODLAND HEIGHTS	3023643	12/6/05
REHABILITATION CENTER WOODLAND HEIGHTS	3023644	12/6/05
PREFERRED LABS	3027743	12/13/05
REDIMED	3037881	1/3/06
REDISPORT	3055189	1/31/06
QHR	3074195	3/28/06
BLUFFTON REGIONAL MEDICAL CENTER	3077966	4/4/06
WOMEN'S IMAGING AT KOSCIUSKO COMMUNITY HOSPITAL	3081005	4/11/06
SURGICENTER AT KOSCIUSKO COMMUNITY HOSPITAL	3081006	4/11/06
KOSCIUSKO COMMUNITY HOSPITAL HEALTH WELLNESS CENTER & Design	3086868	4/25/06
REHABILITATION HOSPITAL OF FORT WAYNE	3111485	7/4/06
MEDSTAT URGENT CARE & OCUPATIONAL HEALTH	3119372	7/25/06
KCH REGIONAL REHABILITATION CENTER	3119373	7/25/06
GOODMOMS	3123507	8/1/06
GOODMOMS A GOOD START FOR NEW MOTHERS	3123515	8/1/06

Mark	Reg. No.	Reg. Date
LUTHERAN HEART PAVILION	3131393	8/15/06
CENTER OF HOPE CANCER CARE AT KOSCIUSKO COMMUNITY & Design	3137998	9/5/06
MRY BLACK HEALTH SYSTEM & Design	3140091	9/5/06
LUTHERAN CHILDREN'S HOSPITAL	3144409	9/19/06
LUTHERAN HOSPITAL OF INDIANA	3144410	9/19/06
MAT-SU REGIONAL MEDICAL CENTER	3150152	9/26/06
QHR	3153336	10/10/06
LUTHERAN HEART CENTER	3156408	10/17/06
INDIANA HERNIA INSTITUTE	3161126	10/17/06
LUTHERAN SLEEP DISORDERS CENTER	3166943	10/31/06
(Device Only) (Leaf Design)	3167543	11/7/06
ST. JOSEPH BEHAVIORAL HEALTH	3179375	12/5/06
LUTHERAN HEALTH NETWORK	3185051	12/12/06
BIRTHPLACE AT KOSCIUSKO COMMUNITY HOSPITAL & Design	3185595	12/19/06
INNOVATIVE RECOVERIES	3191986	1/2/07
QHR QUORUM HEALTH RESOURCES	3257760	7/3/07

U.S. Trademark Applications

Listed in numerical order by trademark Application/Serial No.

Mark	Application Serial No.	Filing Date
CARDIO-THORACIC INSTITUTE OF EAST TEXAS	77050409	11/24/06
NORTHWEST HEALTH SYSTEM	77071179	12/26/06
NORTHWEST HEALTH SYSTEM (Design ONLY)	77071364	12/26/06
NORTHWEST HEALTH SYSTEM & Design	77071371	12/26/06
MADISON HOSPITAL	77097004	2/1/07
WILLAMETTE VALLEY MEDICAL CENTER	77152663	4/10/07
WILLAMETTE VALLEY CANCER CENTER	77152671	4/10/07
WILLAMETTE VALLEY CANCER FOUNDATION	77152723	4/10/07
COMMUNITY RADIOLOGY CENTER	77152805	4/10/07
FAMILY TREE HEALTHCARE	77152862	4/10/07
CLAREMORE REGIONAL HOSPITAL	77153203	4/10/07
FLOWERS HOSPITAL	77154118	4/11/07
McMINNVILLE FIRST MEDICAL CLINIC	77154170	4/11/07
NW PHYSICAL MEDICINE	77154200	4/11/07
SHERIDAN MEDICAL CENTER	77154206	4/11/07
SOUTHCREST HOSPITAL	77154224	4/11/07
PHYSICIAN LEADERSHIP GROUP	77192328	5/29/07
PLG	77192347	5/29/07
RONCEVERTE EMERGENCY PHYSICIANS	77224715	7/9/07
THOUGHTFUL CARE	77224736	7/9/07

Mark	Application Serial No.	Filing Date
LABCARE PLUS	78675592	7/21/05
LABCARE PLUS & Design	78675717	7/21/05
SURVIVE AND THRIVE	78693798	8/16/05
TRINITY MEDICAL CENTER	78800401	1/26/06
TRINITY MEDICAL CENTER & Design	78800407	1/26/05

State Trademark Registrations

Listed in alphabetical order by state/numerical order by trademark No. within each state.

State	Mark	Reg. No.	Reg. Date
AL	TRINITY MEDICAL CENTER	110-141	8/4/06
IN	DUPONT HOSPITAL	2007-0022	1/4/07
IN	DUKES MEMORIAL	2007-0023	1/4/07
IN	ST. JOSEPH SLEEP DISORDERS CENTER	20070104-09739	1/4/07
IN	INDIANA HERNIA INSTITUTE	20070117-09801	1/4/07
OH	AFFINITY MEDICAL CENTER	1657525	10/30/06
TX	THE SLEEP DISORDERS LABORATORY AT WOODLAND HEIGHTS	800415454	12/31/05
TX	THE DIAGNOSTIC CENTER AT WOODLAND HEIGHTS	800415458	1/25/05
TX	THE REHABILITATION CENTER AT WOODLAND HEIGHTS	800415461	1/25/05
TX	WOODLAND HEIGHTS MEDICAL CENTER	800415465	1/25/05
TX	THE HEART CENTER AT WOODLAND HEIGHTS	800415473	1/5/05
TX	GULF COAST MEDICAL CENTER ACTIVE ADVANTAGE	800525572	8/25/05

Pending State Trademark Registration Applications

Listed in alphabetical order by state/chronological order by filing date within each state.

Pending State Trademark/Service Mark Applications

State	Mark	Filed Date
GA	TRINITY HOSPITAL OF AUGUSTA	6/21/07
OK	SOUTHCREST HOSPITAL	4/16/07
OK	GONE SOUTH	4/16/07

COMMERCIAL TORT CLAIMS

None.

COMMUNITY HEALTH SYSTEMS, INC.
2004 EMPLOYEE PERFORMANCE INCENTIVE PLAN
(AS AMENDED AND RESTATED AS OF MARCH 24, 2009)
MARCH 24, 2009

Table of Contents

ARTICLE I PURPOSE	<u>Page</u> 1
ARTICLE II DEFINITIONS	1
ARTICLE III ADMINISTRATION	3
ARTICLE IV PERFORMANCE INCENTIVE AWARDS	4
ARTICLE V PAYMENT OF PERFORMANCE INCENTIVE AWARDS	7
ARTICLE VI MISCELLANEOUS	10

COMMUNITY HEALTH SYSTEMS, INC.
2004 EMPLOYEE PERFORMANCE INCENTIVE PLAN
(AS AMENDED AND RESTATED AS OF MARCH 24, 2009)

ARTICLE I

PURPOSE

The purpose of the Community Health Systems, Inc. 2004 Employee Performance Incentive Plan (As Amended and Restated as of March 24, 2009) (the "**Plan**") is to promote the interests of Community Health Systems, Inc., (the "**Company**") and its stockholders by providing additional compensation as incentive to certain employees of the Company or its subsidiaries and affiliates who contribute materially to the success of the Company. This Plan is an amendment and restatement of the Community Health Systems, Inc. 2004 Employee Performance Incentive Plan established by the Company on January 1, 2004. The Company intends that the Plan provide in part "qualified performance-based compensation" within the meaning of Section 162(m) of the Internal Revenue Code of 1986, as amended, and the regulations promulgated thereunder (collectively, the "**Code**").

ARTICLE II

DEFINITIONS

The following terms when used in the Plan shall, for the purposes of the Plan, have the following meanings:

2.1 "**Award**" shall mean bonus incentive compensation paid in cash.

2.2 "**Beneficiary**" means the person, persons or estate entitled to receive payment under the Plan following a Participant's death.

2.3 "**Board**" shall mean the Board of Directors of Community Health Systems, Inc.

2.4 "**Cause**" shall mean the Participant's (i) intentional failure to perform reasonably assigned duties, (ii) dishonesty or willful misconduct in the performance of duties, (iii) involvement in a transaction in connection with the performance of duties to the Company which transaction is adverse to the interests of the Company and which is engaged in for personal profit or (iv) willful violation of any law, rule or regulation in connection with the performance of duties (other than traffic violations or similar offenses).

2.5 "**Code**" shall have the meaning set forth in Article I.

2.6 "**Committee**" shall have the meaning set forth in Section 3.3.

2.7 "**Company**" shall have the meaning set forth in Article I.

2.8 "**Covered Employee**" shall mean for any Fiscal Year, an employee who (i) as of the beginning of the Fiscal Year is an officer of the Company subject to Section 16 of the Securities Exchange Act of 1934, and (ii) is designated by the Committee on or prior to the last

day of the 90-day period commencing on the first day of the Fiscal Year (or, in the case of a Mid-Year Participant, designated by the Committee prior to commencing his or her participation in the Plan), as a Participant whose Award is intended to constitute Performance-Based Compensation. If the Committee does not make the designation in clause (ii) for a Fiscal Year, all employees described in clause (i) shall be deemed to be Covered Employees for purposes of this Plan.

2.9 “**Deferred Bonus Award**” shall mean any Award whose payment has been designated by the Plan Administrator or Committee to be deferred as set forth in Section 5.2.

2.10 “**Fiscal Year**” shall mean the Company’s accounting year of 12 months commencing on January 1st of each year and ending the following December 31st.

2.11 “**Mid-Year Participant**” shall mean any Participant in the Plan who does not commence participation on the first day of the Fiscal Year.

2.12 “**Operating Unit**” shall mean any hospital or group of hospitals, clinic or group of clinics, medical office building or group of medical office buildings, nursing facility or group of nursing facilities, any other operating unit designated by the Plan Administrator or the Committee (as applicable) or any combination of any of the foregoing.

2.13 “**Outside Director**” shall mean a director of the Company who is an “outside director” within the meaning of Section 162(m) of the Code.

2.14 “**Participant**” shall mean an employee (other than a Covered Employee) of the Company as may be designated by the President and Chief Executive Officer and the Chief Financial Officer of Community Health Systems, Inc. to participate in the Plan with respect to each Fiscal Year.

2.15 “**Participation Period**” shall mean the period of time during which an individual is actually a Participant in the Plan for any Fiscal Year.

2.16 “**Performance-Based Compensation**” shall mean any Award that is intended to constitute “performance-based compensation” within the meaning of Section 162(m)(4)(C) of the Code and the regulations promulgated thereunder.

2.17 “**Performance Objective**” shall mean one or more performance goals based on the criteria described in Section 4.4 and established as described herein with respect to an individual Participant for the Fiscal Year.

2.18 “**Plan**” shall have the meaning set forth in Article I.

2.19 “**Plan Administrator**” shall have the meaning set forth in Section 3.2.

2.20 “**Pro-Rata Award**” shall have the meaning set forth in Section 5.8.

2.21 “**Qualifying Termination**” shall mean the termination of the Participant’s employment due to death, disability, termination without Cause, and if such Participant is a party to a change in control agreement with the Company, a termination by the Participant for “good reason” as such term is defined in the Participant’s change in control agreement.

2.22 “**Regulations**” shall have the meaning set forth in Section 3.4.

2.23 “**Section 409A**” shall mean Section 409A of the Code and the applicable regulations and guidance promulgated thereunder.

ARTICLE III
ADMINISTRATION

3.1 Remuneration payable under the Plan is intended to constitute Performance-Based Compensation for those Participants who are Covered Employees under the Plan, and the Plan shall be construed and administered in accordance with such intention. The Committee shall be authorized to exercise discretion under this Plan in respect of a Covered Employee only to the extent that such exercise will not cause an Award held by a Covered Employee to fail to constitute Performance-Based Compensation.

3.2 The Plan shall be administered, under the supervision of the Board, by the Chief Executive Officer and the Chief Financial Officer of Community Health Systems, Inc. (collectively, the “**Plan Administrator**”), except as otherwise provided herein.

3.3 Notwithstanding Section 3.2, for Participants who are Covered Employees, the Plan shall be administered by the Compensation Committee of the Board of Directors of the Company (the “**Committee**”). The Committee shall consist of not fewer than two (2) members of the Board each of whom is an Outside Director.

3.4 The Plan Administrator (or, with respect to any Covered Employee, the Committee) may, from time to time, (i) adopt rules and regulations (“**Regulations**”) for carrying out the provisions and purposes of the Plan and make such determinations, not inconsistent with the terms of the Plan, as the Plan Administrator (or the Committee, if applicable) shall deem appropriate, and (ii) alter, amend or revoke any Regulation so adopted.

3.5 The interpretation and construction of any provision of the Plan by the Plan Administrator (or, with respect to any Covered Employee, the Committee) shall be final and conclusive.

3.6 No member of the Board, including members of the Committee, nor the President and Chief Executive Officer or the Chief Financial Officer of Community Health Systems, Inc., shall be liable for any action, failure to act, determination or interpretation made in good faith with respect to this Plan or any transaction hereunder or for any action, failure to act, determination or interpretation made by another member, officer, agent or employee of the Board, the Committee or the Company in administering this Plan. The Company hereby agrees to indemnify each member of the Board, including members of the Committee, and the President and Chief Executive Officer and the Chief Financial Officer of Community Health Systems, Inc., for all costs and expenses and, to the extent permitted by applicable law, any liability incurred in connection with defending against, responding to, negotiating for the settlement of or otherwise dealing with any claim, cause of action or dispute of any kind arising by reason of an event(s) described in the immediately preceding sentence.

ARTICLE IV
PERFORMANCE INCENTIVE AWARDS

4.1 For each Fiscal Year of the Company, the Plan Administrator (or, with respect to any Covered Employee, the Committee) shall determine the following:

- (a) The employees who will participate in the Plan for such Fiscal Year;
- (b) The basis(es) for determining the amount of the Awards to such Participants;
- (c) The Performance Objectives applicable to an Award; and
- (d) Whether the Award will be a Deferred Bonus Award.

With respect to Participants who are not Covered Employees, the basis(es) for determining the amount of the Awards shall be dependent upon the attainment by the Company of specified Performance Objectives, as further described in Section 4.4. With respect to Participants who are Covered Employees, the basis(es) for determining the amount of the Awards is set forth in Section 4.2. The Plan Administrator (or, with respect to any Covered Employee, the Committee) shall decide at the time of the grant of an Award whether the Award will be a Deferred Bonus Award subject to the provisions set forth in Section 5.2.

Participants may be granted more than one Award in respect of any Fiscal Year, which Awards may be subject to the attainment of different Performance Objectives or may be subject to different payment criteria (e.g., a Deferred Bonus Award may be granted in addition to an Award that is not a Deferred Bonus Award and may be subject to the same or different Performance Objectives).

4.2 For each Participant who is a Covered Employee, the Committee shall establish in writing one or more objectively determinable Performance Objectives based on the criteria described in Section 4.4 of the Plan no later than the last day of the 90-day period commencing on the first day of the Fiscal Year, and at a time when the achievement of such Performance Objective (or Objectives) is substantially uncertain. Notwithstanding anything in this Section 4.2 to the contrary, with respect to any Mid-Year Participant who is a Covered Employee, in no event shall Performance Objectives be established after the earlier of (a) the expiration of the 90-day period immediately following commencement of the applicable performance period and (b) the date on which twenty-five percent (25%) of the applicable performance period has elapsed.

In establishing objectively determinable Performance Objectives, the Committee shall also state, in terms of an objective formula or standard, the method for computing the amount of the Award payable to the Covered Employee if a Performance Objective(s) is attained. In addition, the formula or standard shall specify the individual Covered Employee or class of Covered Employees to which it applies. No Award shall be paid to a Covered Employee unless the Committee determines and certifies in writing, prior to the payment of such Award, that the Performance Objectives applicable to that Participant have been achieved.

4.3 For any Participant who is not a Covered Employee, Performance Objectives, whether quantitative or qualitative, may be established. The Plan Administrator shall establish the specific targets for the selected measures.

4.4 Performance criteria for Awards under the Plan shall be one or more Performance Objectives relating to the following categories, and any such categories maybe further limited to performance derived from “continuing operations”:

(1) Financial Performance Criteria:

- a. *Net Revenue*. This target is based upon the Company’s or any Operating Unit’s consolidated net revenue budget.
- b. *Earnings Per Share*. This target is based upon the Company’s reported earnings per share on a fully diluted basis.
- c. *Adjusted EBITDA*. This target is based upon the Company’s or any Operating Unit’s consolidated budgeted adjusted earnings before interest, income tax, depreciation and amortization (and any other adjustments used by the Company).
- d. *EBITDA Margin*. To achieve this goal the actual adjusted EBITDA margin percentage must equal or exceed the budgeted adjusted EBITDA margin percentages, and this goal may be established for the Company or any Operating Unit.
- e. *EBITDA Margin Improvement*. To achieve this goal the actual EBITDA margin percentage must improve over the comparable period by or in excess of the target improvement amount, and this goal may be established for the Company or any Operating Unit.
- f. *Bad Debt Expense*. The corporate consolidated target is determined by dividing the year-to-date bad debt expense by the year-to-date net patient revenue. For any Operating Unit, the target is calculated by dividing the year-to-date bad debt expense by the year-to-date sum of net patient revenue.
- g. *Cash Flows from Operating Activities*. This target is based upon the Company’s or any Operating Unit’s cash flow from operating activities.
- h. *Cash Receipts Target*. Each month’s performance is determined by comparing total cash receipts received by each of the Company’s affiliated hospitals (or by the Company for that hospital) to the prior month’s net revenue less bad debt. For each Fiscal Year, the annual performance will be determined by adding each month’s calculation together and calculating a 12-month total achievement. Division and corporate level performance may be determined by aggregating hospitals’ performance.
- i. *Uncompensated Care Expense*. This target is based upon the Company’s or any Operating Unit’s expense for (i) doubtful accounts, (ii) charity accounts, and (iii) self-pay and administrative discounts. This target is calculated by

dividing uncompensated care expense by net revenue plus uncompensated care.

- j. *Days Net Revenue in Net Patient Accounts Receivable.* This target may be established at the Company level or for any Operating Unit and is calculated using all patient-related accounts receivable (as shown in the Balance Sheet (Summary Code B-77, excluding all year-end settlement accounts)) net of the allowance for bad debts and net revenue from the most recent three months. The actual calculation is based upon dividing the net accounts receivable balance by the last three months average daily net revenue. The measurement will be either on an end of period or an average calculation.
- (2) Qualitative Performance Criteria:
- a. *Key Operating and Financial Statistics.* This target is based upon budgeted statistics and other financial statistics for admissions, adjusted admissions, census, surgeries, emergency room visits, patient visits, and/or outpatient procedures, and may be established at the Company level or for any Operating Unit.
 - b. *Case/Resource Management Program.* Targets for this program are measured based upon the program achieving the length of stay, cost reduction per adjusted admission and other designated metrics related to costs or reimbursement qualification.
 - c. *Productivity Management.* To achieve this goal the payroll for the Company or any Operating Unit for a defined set of services must be at or below the budgeted payroll target for such services as a percent of net revenue.
 - d. *Quality Indicators/Clinical Compliance.* Quality indicators and clinical compliance will be determined by meeting predetermined targets at the Company or Operating Unit level for measurable and reportable statistics, as developed from time to time, including: (i) HCAHPS patient survey results, (ii) physician satisfaction results, (iii) joint commission survey results, (iv) core measures, (v) employee turnover, and (vi) employee satisfaction. Targets may include measurements based on a fixed goal or improvement over a prior period.
 - e. *Operating Expenses Per Equivalent Patient Day.* This target may be established at the Company level or for any Operating Unit and is determined by dividing operating expenses by the number of equivalent patient days.
 - i. Operating expenses are all income statement expenses excluding rent, depreciation, amortization, management fee expense and interest expense.
 - ii. Equivalent patient days is a method of adjusting the number of patient days to compensate for outpatient service rendered.
 - f. *Physician Recruitment.* To achieve this goal, a Participant must meet established physician recruitment targets.
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- g. *Capital Expenditures.* To achieve this goal, a Participant must maintain capital expenditures within the established capital budget.
- h. *Exceeding Industry Performance.* To achieve this goal, the Company must achieve better than industry average performance in volume, revenue and earnings growth.
- i. *Discretionary.* An amount equal to a specified percentage of each Participant's salary or a lump sum amount may be awarded based upon other objective or subjective criteria that recognize accomplishments of a Participant (other than a Covered Employee) during the year. Focus will be on quality, service, regulatory compliance, and accomplishment of specific unique projects, among other items.

Performance Objectives may be set at a specific level or may be expressed as relative to prior performance or to the performance of one or more other entities or external indices and may be expressed in terms of a progression within a specified range. The Plan Administrator or, in the case of a Covered Employee the Committee, may at the time Performance Objectives are determined for a Fiscal Year, or at any time prior to the final determination of Awards in respect of that Fiscal Year to the extent permitted under Section 162(m) of the Code without adversely affecting the treatment of the Award as Performance-Based Compensation, provide for the manner in which performance will be measured against the Performance Objectives (or to the extent permitted under Section 162(m) of the Code without adversely affecting the treatment of an Award as Performance-Based Compensation, may adjust the Performance Objectives) to reflect the impact of (i) any stock dividend or split, recapitalization, combination or exchange of shares or other similar changes in the Company's stock, (ii) specified corporate transactions (iii) special charges, (iv) accounting or tax law changes, (v) changes in government reimbursement policies, and (vi) other extraordinary or nonrecurring events.

Where applicable, for purposes of making any determinations in respect of any Performance Objective, performance will generally be determined in accordance with generally accepted accounting principles, consistently applied.

4.5 Subject to Section 3.1, at any time after the commencement of a Fiscal Year for which Performance Objectives have been determined, but prior to the close thereof, the Plan Administrator may, in its discretion, add Participants, decrease targets, or increase or add to an Award(s).

ARTICLE V

PAYMENT OF PERFORMANCE INCENTIVE AWARDS

5.1 Payment of Awards. Subject to Section 5.2 and such forfeitures of Awards and other conditions as are provided in the Plan, the Awards made to Participants shall be paid as follows:

As soon as practicable after the end of the Fiscal Year, the Plan Administrator (or, with respect to any Covered Employee, the Committee) shall determine the extent to which Awards have been earned on the basis of the actual performance in relation to the Performance Objectives as established for that Fiscal Year. Once determined, an Award shall be paid to a Participant only to the extent that

the Participant met the targets for his or her Award as set forth in his or her Award. Notwithstanding the foregoing, a lump sum discretionary Award may be paid to a Participant who is not a Covered Employee at any time during the Fiscal Year. No Awards shall be paid to a Covered Employee unless and until the Committee has certified in writing that the Performance Objectives established with respect to the Covered Employee have been achieved. Subject to the foregoing, Awards or Pro-Rata Awards shall be paid at such time or times as are determined by the Plan Administrator or Committee; provided that, in no event shall the payment of any Awards or Pro-Rata Awards under the terms of the Plan be made to a Participant or Beneficiary later than 2 1/2 months following the end of the Fiscal Year for which such Award or Pro-Rata Award has been determined.

5.2 Payment of Deferred Bonus Awards. Subject to such other conditions as are provided in the Plan, the Deferred Bonus Awards shall be paid as follows:

- (a) As soon as practicable after the end of the Fiscal Year, the Plan Administrator (or, with respect to any Covered Employee, the Committee) shall determine the extent to which Awards designated as Deferred Bonus Awards have been earned on the basis of the actual performance in relation to the Performance Objective as established for that Fiscal Year. Once determined, a Deferred Bonus Award shall be paid to a Participant only to the extent that the Participant met the targets for his or her Deferred Bonus Award as set forth in his or her Deferred Bonus Award. No Deferred Bonus Awards shall be paid to a Covered Employee unless and until the Committee has certified in writing that the Performance Objectives established with respect to the Covered Employee have been achieved. Subject to the foregoing, Deferred Bonus Awards shall be paid on such date or dates following the Fiscal Year in which such Deferred Bonus Award had been determined and shall be subject to such continued employment requirements as the Plan Administrator or, in the case of a Covered Employee, the Committee shall determine at the time the Deferred Bonus Award is granted.
- (b) Notwithstanding the foregoing, (i) if a Pro-Rata Deferred Bonus Award becomes payable pursuant to Section 5.8 hereof, then such Pro-Rata Deferred Bonus Award shall be paid to the Participant or Beneficiary no later than 2 1/2 months following the end of the Fiscal Year for which such Deferred Bonus Award has been determined and (ii) if a Qualifying Termination occurs after the end of the Fiscal Year in respect of which a Deferred Bonus Award is earned, the Deferred Bonus Award shall be paid to the Participant or Beneficiary within 30 days after the later of (x) the date of such termination or (y) the date that the amount of the Deferred Bonus Award is determined pursuant to Section 5.2(a).
- (c) Deferred Bonus Awards are intended to be "short term deferrals" as defined in Section 409A and thus not subject to Section 409A. However, if the short term deferral exemption under Section 409A is unavailable, the Deferred Bonus Awards shall be granted and administered in a manner that complies with Section 409A. Payment of any Deferred Bonus Award shall be made only on a fixed date or dates or upon the

occurrence of specified events permitted under Section 409A all of which shall be established at the time the Award is granted. Payment of Deferred Bonus Awards may not be further deferred beyond the payment date or dates specified in the Award at the time it is granted and may not be accelerated except as may be permitted under Section 409A. If a Participant or Covered Employee is a "specified employee" for purposes of Section 409A, the payment upon a termination of employment of any Deferred Bonus Award which is subject to Section 409A shall not be paid until one day after the date which is six (6) months from the date of termination.

5.3 The maximum amount that any individual Participant may receive relating to Awards made in respect of the performance in any Fiscal Year may not exceed ten million dollars (\$10,000,000).

5.4 There shall be deducted from all payments of Awards any taxes required to be withheld by any government entity and paid over to any such government entity in respect of any such payment. Unless otherwise elected by the Participant, such deductions shall be at the established withholding tax rate. Participants may elect to have the deduction of taxes cover the amount of any applicable tax (the amount of withholding tax plus the incremental amount determined on the basis of the highest marginal tax rate applicable to such Participant).

5.5 Subject to Section 4.2 of the Plan, any individual other than a Covered Employee who becomes a Participant in the Plan due to employment, transfer or promotion during a Fiscal Year shall be eligible to receive a partial Award based upon the Participant's base salary for the Participant's Participation Period and his or her level of achievement in relation to Performance Objectives for the entire Fiscal Year or such shorter period established by the Plan Administrator or Committee. In no event, however, shall partial Awards be made to any Participant with a Participation Period in respect of any Fiscal Year of less than three months, except for discretionary awards under Section 4.4(2)(k).

5.6 With respect to any Participant who is not a Covered Employee, Awards may be adjusted for partial year responsibility, multiple facility responsibility and reassignments of a duration of at least three consecutive months.

5.7 Except as provided in Section 5.8, no Award shall be paid to a Participant who is not employed by the Company on the date that his or her Award payment is due under the Plan.

5.8 If a Participant's employment is terminated in a Qualifying Termination prior to the payment of an Award (including a Deferred Bonus Award), the Participant shall receive an Award (including a Deferred Bonus Award, if applicable) based upon his or her level of achievement in relation to Performance Objectives for the entire Fiscal Year multiplied by a fraction, the numerator of which is the number of days in the Participation Period and the denominator of which is 365 (a "Pro-Rata Award"). If such termination occurs after the end of the applicable Fiscal Year but before the payment of the Award, such fraction shall be one (1). With respect to Covered Employees, no Pro-Rata Award shall be paid unless and until the applicable Performance Objective(s) has been attained and the Committee has certified such attainment. Pro-Rata Awards (including Deferred Bonus Awards) payable pursuant to this Section 5.8 shall be paid in accordance with Sections 5.1 and 5.2, as applicable. Notwithstanding the foregoing, if a Participant is a party to an agreement or is a participant in

any other plan that provides for a pro-rata payment of any Award under this Plan, the application of this Section 5.8 shall not result in a duplication of payment to the Participant under circumstances in which an Award is payable pursuant to this Section 5.8.

5.9 Notwithstanding anything contained in the Plan to the contrary, the Plan Administrator, or in the case of a Covered Employee, the Committee, in its sole discretion may reduce any Award whose Performance Objectives are based on one or more of the "qualitative performance criteria" listed in Section 4.4(2) for any Participant to any amount, including zero, prior to the payment of such Award.

5.10 Payment of each Award to a Participant shall be subject to the following provisions and conditions:

- (a) No Participant shall have any right or interest, whether vested or otherwise, in the Plan or in any Award thereunder, contingent or otherwise, unless and until all of the terms, conditions and provisions of the Plan and the Regulations that affect such Participant have been satisfied. Nothing contained in the Plan or in the Regulations shall require the Company to segregate cash or other property for purposes of payment of Awards under the Plan. Neither the adoption of the Plan nor its operation shall in any way affect the rights and power of the Company to dismiss and/or discharge any employee at any time.
- (b) No rights under the Plan, contingent or otherwise, shall be assignable or subject to any encumbrance, pledge or charge of any nature.

ARTICLE VI
MISCELLANEOUS

6.1 By accepting any benefits under the Plan, each Participant shall be conclusively deemed to have indicated acceptance and ratification of, and consent to, any action taken or decision made under the Plan by the Company, the Board, the Plan Administrator, the Committee or any other committee appointed by the Board.

6.2 Any action taken or decision made by the Company, the Board, the Plan Administrator, the Committee, or any other committee appointed by the Board in the exercise of this power shall be final, binding and conclusive upon the Company, the Participants, and all other persons having any interest therein.

6.3 The Board, the Plan Administrator, the Committee, or any other committee appointed by the Board may rely upon any information supplied to them by any officer of the Company and may rely upon the advice of counsel in connection with the administration of the Plan and shall be fully protected in relying upon such information or advice.

6.4 The Board may alter, amend, suspend or terminate the Plan; provided, however, that, except as permitted by the Plan, no such alteration, amendment, suspension or termination shall impair or adversely alter any Awards theretofore granted under the Plan, except with the consent of the respective Participant; and provided further, however, that, to the extent

necessary under any applicable law, no such alteration, amendment, suspension or termination shall be effective unless approved by the shareholders of the Company in accordance with applicable law or regulation.

6.5 As illustrative of the limitations of liability of the Company, but not intended to be exhaustive thereof, nothing in the Plan shall be construed to:

- (a) Give any person any right to participate in the Plan other than at the sole discretion of the Plan Administrator or Committee, as applicable;
- (b) Give any person any rights whatsoever with respect to an Award except as specifically provided in this Plan;
- (c) Limit in any way the right of the Company to terminate the employment of any person at any time; or
- (d) Be evidence of any agreement or understanding, expressed or implied, that the Company will employ any person at any particular rate of compensation or for any particular period of time.

6.6 Except as to matters of federal law, the Plan and the rights of all persons claiming hereunder shall be construed and determined in accordance with the laws of the State of Delaware without giving effect to conflicts of laws principles thereof.

6.7 This Amended and Restated Plan will be effective for all Fiscal Years beginning with 2009 by action of the Board of Directors conditioned on and subject to approval of the Plan by a vote of the holders of a majority of the securities of the Company present in person or by proxy at a duly held stockholders meeting at which a quorum representing a majority of all outstanding voting stock is present. The Committee is authorized to make no Awards to Covered Employees in respect of the 2014 Fiscal Year or any later Fiscal Year if the Plan has not been reapproved by the Company's stockholders at its first meeting of stockholders during 2014, if such approval is necessary for such Awards to constitute Performance-Based Compensation.

Community Health Systems, Inc.
2000 STOCK OPTION AND AWARD PLAN
(As Amended and Restated February 25, 2003, February 23, 2005,
March 30, 2007 and March 24, 2009)

1. Purpose.

The purpose of this Plan is to strengthen Community Health Systems, Inc., a Delaware corporation (the "Company"), and its Subsidiaries by providing an incentive to its and their employees, officers, consultants and directors and thereby encouraging them to devote their abilities and industry to the success of the Company's and its Subsidiaries' business enterprises. It is intended that this purpose be achieved by extending to employees (including future employees who have received a formal written offer of employment), officers, consultants and directors of the Company and its Subsidiaries an added long-term incentive for high levels of performance and unusual efforts through the grant of Incentive Stock Options, Nonqualified Stock Options, Stock Appreciation Rights, Performance Units, Performance Shares, Share Awards, Restricted Stock and Restricted Stock Units (as each term is herein defined).

2. Definitions.

For purposes of the Plan:

2.1 "2009 Stock Option and Award Plan" means the Community Health Systems, Inc. 2009 Stock Option and Award Plan.

2.2 "Affiliate" means any entity, directly or indirectly, controlled by, controlling or under common control with the Company or any corporation or other entity acquiring, directly or indirectly, all or substantially all the assets and business of the Company, whether by operation of law or otherwise.

2.3 "Agreement" means the written agreement between the Company and an Optionee or Grantee evidencing the grant of an Option or Award and setting forth the terms and conditions thereof.

2.4 "Award" means a grant of Restricted Stock, Restricted Stock Units, a Stock Appreciation Right, a Performance Award, a Share Award or any or all of them.

2.5 "Board" means the Board of Directors of the Company.

2.6 "Cause" means, except as otherwise set forth herein,

(a) in the case of an Optionee or Grantee whose employment with the Company or a Subsidiary is subject to the terms of an employment agreement between such Optionee or Grantee and the Company or Subsidiary, which employment agreement includes a definition of "Cause", the term "Cause" as used in this Plan or any Agreement shall have the meaning set forth in such employment agreement during the period that such employment agreement remains in effect; and

(b) in all other cases, (i) intentional failure to perform reasonably assigned duties, (ii) dishonesty or willful misconduct in the performance of duties, (iii) involvement in a transaction in connection with the performance of duties to the Company or

any of its Subsidiaries which transaction is adverse to the interests of the Company or any of its Subsidiaries and which is engaged in for personal profit or (iv) willful violation of any law, rule or regulation in connection with the performance of duties (other than traffic violations or similar offenses); *provided, however*, that following a Change in Control clause (i) of this Section 2.6(b) shall not constitute "Cause."

2.7 "Change in Capitalization" means any increase or reduction in the number of Shares, or any change (including, but not limited to, in the case of a spin-off, dividend or other distribution in respect of Shares, a change in value) in the Shares or exchange of Shares for a different number or kind of shares or other securities of the Company or another corporation, by reason of a reclassification, recapitalization, merger, consolidation, reorganization, spin-off, split-up, issuance of warrants or rights or debentures, stock dividend, stock split or reverse stock split, cash dividend, property dividend, combination or exchange of shares, repurchase of shares, change in corporate structure or otherwise.

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

(a) An acquisition (other than directly from the Company) of any voting securities of the Company (the "Voting Securities") by any "Person" (as the term person is used for purposes of Section 13(d) or 14(d) of 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 fifty percent (50%) of the then outstanding Shares or the combined voting power of the Company's then outstanding Voting Securities; *provided, however*, that in determining whether a Change in Control has occurred pursuant to this Section 2.7(a), Shares or Voting Securities which are acquired in a "Non-Control Acquisition" (as hereinafter defined) shall not constitute an acquisition which would cause 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 Company 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 Company (for purposes of this definition, a "Related Entity"), (ii) the Company or any Related Entity, or (iii) any Person in connection with a "Non-Control Transaction" (as hereinafter defined);

(b) The individuals who, as of March 24, 2009, are members of the Board (the "Incumbent Board"), cease for any reason to constitute at least a majority of the members of the Board or, following a Merger (as hereinafter defined) which results in a Parent Corporation (as hereinafter defined), the board of directors of the ultimate Parent Corporation; *provided, however*, that if the election, or nomination for election by the Company'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 this Plan, be considered a member of the Incumbent Board; *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 the actual or threatened solicitation of proxies or consents by or on behalf of a Person other than the Board (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 with or into the Company or in which securities of the Company are issued (a "Merger"), unless such Merger is a "Non-Control Transaction." A "Non-Control Transaction" shall mean a Merger where:

(A) the stockholders of the Company 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 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; and

(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;

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

(iii) The sale or other disposition of all or substantially all of the assets of the Company to any Person (other than a transfer to a Related Entity or under conditions that would constitute a Non-Control Transaction with the disposition of assets being regarded as a Merger for this purpose or the distribution to the Company's stockholders of the stock of a Related Entity or any other assets).

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 Company 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 Company, and after such share acquisition by the Company, the Subject Person becomes the Beneficial Owner of any additional Shares or Voting Securities which increases the percentage of the then outstanding Shares or Voting Securities Beneficially Owned by the Subject Person, then a Change in Control shall occur.

If an Eligible Individual's employment is terminated by the Company without Cause prior to the date of a Change in Control but the Eligible Individual reasonably demonstrates that the 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 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 for purposes of this Plan provided a Change in Control shall actually have occurred.

2.9 "Code" means the Internal Revenue Code of 1986, as amended.

2.10 "Committee" means a committee, as described in Section 3.1, appointed by the Board from time to time to administer the Plan and to perform the functions set forth herein.

2.11 "Company" means Community Health Systems, Inc.

2.12 "Director" means a director of the Company.

2.13 "Disability" means:

(a) in the case of an Optionee or Grantee whose employment with the Company or a Subsidiary is subject to the terms of an employment agreement between such Optionee or Grantee and the Company or Subsidiary, which employment agreement includes a definition of "Disability", the term "Disability" as used in this Plan or any Agreement shall have the meaning set forth in such employment agreement during the period that such employment agreement remains in effect;

(b) in the case of an Optionee or Grantee to whom Section 2.12(a) does not apply and who participates in the Company's long-term disability plan, if any, the term "Disability" as used in such plan; or

(c) in all other cases, a physical or mental infirmity which impairs the Optionee's or Grantee's ability to perform substantially his or her duties for a period of ninety-one (91) consecutive days.

2.14 "Division" means any of the operating units or divisions of the Company designated as a Division by the Committee.

2.15 "Dividend Equivalent Right" means a right to receive all or some portion of the cash dividends that are or would be payable with respect to Shares.

2.16 "Eligible Individual" means any of the following individuals who is designated by the Committee as eligible to receive Options or Awards subject to the conditions set forth herein: (a) any director, officer or employee of the Company or a Subsidiary, (b) any individual to whom the Company or a Subsidiary has extended a formal, written offer of employment, or (c) any consultant or advisor of the Company or a Subsidiary.

2.17 "Exchange Act" means the Securities Exchange Act of 1934, as amended.

2.18 "Fair Market Value" on any date means the closing sales prices of the Shares on such date on the principal national securities exchange on which such Shares are listed or admitted to trading, or, if such Shares are not so listed or admitted to trading, the closing sales prices of the Shares as reported by The Nasdaq Stock Market at the close of the primary trading session on such dates and, in either case, if the Shares were not traded on such date, on the next preceding day on which the Shares were traded. In the event that Fair Market Value cannot be determined in a manner described above, the Fair Market Value shall be the value established by the Board in good faith and, in the case of an Incentive Stock Option, in accordance with Section 422 of the Code.

2.19 "Grantee" means a person to whom an Award has been granted under the Plan.

2.20 "Incentive Stock Option" means an Option satisfying the requirements of Section 422 of the Code and designated by the Committee as an Incentive Stock Option.

2.21 "Non-employee Director" means a director of the Company who is a "non-employee director" within the meaning of Rule 16b-3 promulgated under the Exchange Act.

2.22 "Nonqualified Stock Option" means an Option which is not an Incentive Stock Option.

2.23 "Option" means a Nonqualified Stock Option, an Incentive Stock Option or either or both of them.

2.24 "Optionee" means a person to whom an Option has been granted under the Plan.

2.25 "Outside Director" means a director of the Company who is an "outside director" within the meaning of Section 162(m) of the Code and the regulations promulgated thereunder.

2.26 "Parent" means any corporation which is a parent corporation within the meaning of Section 424(e) of the Code with respect to the Company.

2.27 "Performance Awards" means Performance Units, Performance Shares or either or both of them.

2.28 "Performance-Based Compensation" means any Option or Award that is intended to constitute "performance based compensation" within the meaning of Section 162(m)(4)(C) of the Code and the regulations promulgated thereunder.

2.29 "Performance Cycle" means the time period specified by the Committee at the time Performance Awards are granted during which the performance of the Company, a Subsidiary or a Division will be measured.

2.30 "Performance Objectives" has the meaning set forth in Section 9.

2.31 "Performance Shares" means Shares issued or transferred to an Eligible Individual under Section 9.

2.32 "Performance Units" means performance units granted to an Eligible Individual under Section 9.

2.33 "Plan" means Community Health Systems, Inc. 2000 Stock Option and Award Plan, as amended and restated from time to time.

2.34 "Restricted Stock" means Shares issued or transferred to an Eligible Individual pursuant to Section 8.1.

2.35 "Restricted Stock Unit" means rights granted to an Eligible Individual under Section 8.2 representing a number of hypothetical Shares.

2.36 "Share Award" means an Award of Shares granted pursuant to Section 10.

2.37 "Shares" means shares of the Common Stock of the Company, par value \$.01 per share, and any other securities into which such shares are changed or for which such shares are exchanged.

2.38 "Stock Appreciation Right" means a right to receive all or some portion of the increase in the value of the Shares as provided in Section 7 hereof.

2.39 "Subsidiary" means (i) except as provided in subsection (ii) below, any corporation which is a subsidiary corporation within the meaning of Section 424(f) of the Code with respect to the Company, and (ii) in relation to the eligibility to receive Options or Awards other than Incentive Stock Options and continued employment for purposes of Options and Awards (unless the Committee determines otherwise), any entity, whether or not incorporated, in which the Company directly or indirectly owns fifty percent (50%) or more of the outstanding equity or other ownership interests.

2.40 "Successor Corporation" means a corporation, or a Parent or Subsidiary thereof within the meaning of Section 424(a) of the Code, which issues or assumes a stock option in a transaction to which Section 424(a) of the Code applies.

2.41 "Ten-Percent Stockholder" means an Eligible Individual, who, at the time an Incentive Stock Option is to be granted to him or her, owns (within the meaning of Section 422(b)(6) of the Code) stock possessing more than ten percent (10%) of the total combined voting power of all classes of stock of the Company, a Parent or a Subsidiary.

3. Administration.

3.1 The Plan shall be administered by the Committee, which shall hold meetings at such times as may be necessary for the proper administration of the Plan. The Committee shall keep minutes of its meetings. If the Committee consists of more than one (1) member, a quorum shall consist of not fewer than two (2) members of the Committee and a majority of a quorum may authorize any action. Any decision or determination reduced to writing and signed by a majority of all of the members of the Committee shall be as fully effective as if made by a majority vote at a meeting duly called and held. The Committee shall consist of at least one (1) Director and may consist of the entire Board; *provided, however*, that (A) with respect to any Option or Award granted to an Eligible Individual who is subject to Section 16 of the Exchange Act, the Committee shall consist of at least two (2) Directors each of whom shall be a Non-employee Director and (B) to the extent necessary for any Option or Award intended to qualify as Performance-Based Compensation to so qualify, the Committee shall consist of at least two (2) Directors, each of whom shall be an Outside Director. For purposes of the preceding sentence, if any member of the Committee is neither a Non-employee Director nor an Outside Director but recuses himself or herself or abstains from voting with respect to a particular action taken by the Committee, then the Committee, with respect to that action, shall be deemed to consist only of the members of the Committee who have not recused themselves or abstained from voting. Subject to applicable law, the Committee may delegate its authority under the Plan to any other person or persons.

3.2 No member of the Committee shall be liable for any action, failure to act, determination or interpretation made in good faith with respect to this Plan or any transaction hereunder. The Company hereby agrees to indemnify each member of the Committee for all costs and expenses and, to the extent permitted by applicable law, any liability incurred in connection with defending against, responding to, negotiating for the settlement of or otherwise dealing with any claim, cause of action or dispute of any kind arising in connection with any

actions in administering this Plan or in authorizing or denying authorization to any transaction hereunder.

3.3 Subject to the express terms and conditions set forth herein, the Committee shall have the power from time to time to:

(a) determine those Eligible Individuals to whom Options shall be granted under the Plan and the number of such Options to be granted, prescribe the terms and conditions (which need not be identical) of each such Option, including the exercise price per Share, the vesting schedule and the duration of each Option, and make any amendment or modification to any Option Agreement consistent with the terms of the Plan;

(b) select those Eligible Individuals to whom Awards shall be granted under the Plan, determine the number of Shares in respect of which each Award is granted, the terms and conditions (which need not be identical) of each such Award, and make any amendment or modification to any Award Agreement consistent with the terms of the Plan;

(c) construe and interpret the Plan and the Options and Awards granted hereunder, establish, amend and revoke rules and regulations for the administration of the Plan, including, but not limited to, correcting any defect or supplying any omission, or reconciling any inconsistency in the Plan or in any Agreement, in the manner and to the extent it shall deem necessary or advisable, including so that the Plan and the operation of the Plan comply with Rule 16b-3 under the Exchange Act, the Code to the extent applicable and other applicable law, and otherwise make the Plan fully effective. All decisions and determinations by the Committee in the exercise of this power shall be final, binding and conclusive upon the Company, its Subsidiaries, the Optionees and Grantees, and all other persons having any interest therein;

(d) determine the duration and purposes for leaves of absence which may be granted to an Optionee or Grantee on an individual basis without constituting a termination of employment or service for purposes of the Plan;

(e) exercise its discretion with respect to the powers and rights granted to it as set forth in the Plan; and

(f) generally, exercise such powers and perform such acts as are deemed necessary or advisable to promote the best interests of the Company with respect to the Plan.

3.4 The Committee may delegate to one or more officers of the Company the authority to grant Options or Awards to Eligible Individuals (other than to himself or herself) and/or determine the number of Shares subject to each Option or Award (by resolution that specifies the total number of Shares subject to the Options or Awards that may be awarded by the officer and the terms of any such Options or Awards, including the exercise price), provided that such delegation is made in accordance with the Delaware General Corporation Law and with respect to Options and Awards that are not intended to qualify as Performance-Based Compensation.

4. Stock Subject to the Plan; Grant Limitations.

4.1 The maximum number of Shares that may be made the subject of Options and Awards granted under the Plan is 25,862,791 (17,062,791 subject to the prior amendment and restatement and 5,800,000 additional shares authorized pursuant to the amendment and restatement dated March 30, 2007 and 3,000,000 authorized pursuant to the amendment dated March 24, 2009); *provided, however*, that, (i) when aggregated with Options and Awards granted under the 2009 Stock Option and Award Plan in any calendar year, no Eligible Individual may be granted Options or Awards in the aggregate in respect of more than 1,000,000 Shares, and (ii) in no event shall more than an aggregate of 30,000 Shares be issued upon the exercise of Incentive Stock Options granted under the Plan. The Company shall reserve for the purposes of the Plan, out of its authorized but unissued Shares or out of Shares held in the Company's treasury, or partly out of each, such number of Shares as shall be determined by the Board.

4.2 Upon the granting of an Option or an Award, the number of Shares available under Section 4.1 for the granting of further Options and Awards shall be reduced as follows:

(a) In connection with the granting of an Option or an Award, the number of Shares shall be reduced by the number of Shares in respect of which the Option or Award is granted or denominated.

(b) Stock Appreciation Rights to be settled in shares of Common Stock shall be counted in full against the number of shares available for award under the Plan, regardless of the number of Exercise Gain Shares issued upon settlement of the Stock Appreciation Right.

(c) Notwithstanding the foregoing, Awards granted in the form of Restricted Stock (including Restricted Stock Units), Performance Awards (including Shares issued in respect to Performance Awards), and other Awards that are granted (i) after March 30, 2007 and before March 24, 2009 as "full value awards" shall reduce the number of shares that may be the subject to Options and Awards under the Plan by 2.24 Shares for each Share subject to such an Award; and (ii) after March 24, 2009 as "full value awards" shall reduce the number of shares that may be the subject to Options and Awards under the Plan by 1.52 Shares for each Share subject to such an Award.

4.3 Whenever any outstanding Option or Award or portion thereof expires, is canceled, is forfeited, is settled in cash or is otherwise terminated for any reason without having been exercised or payment having been made in respect of the entire Option or Award, the Shares allocable to the expired, canceled, forfeited, settled or otherwise terminated portion of the Option or Award may again be the subject of Options or Awards granted hereunder. With

regard to Awards referred to in Section 4.2(c), for each Share subject to an Award that is cancelled, forfeited, settled in cash or otherwise terminated as provided in the foregoing sentence, 2.24 Shares or 1.52 Shares, as the case may be, may again be the subject of Options or Awards under the Plan.

5. Option Grants for Eligible Individuals.

5.1 Authority of Committee. Subject to the provisions of the Plan, the Committee shall have full and final authority to select those Eligible Individuals who will receive Options, and the terms and conditions of the grant to such Eligible Individuals shall be set forth in an Agreement. Incentive Stock Options may be granted only to Eligible Individuals who are employees of the Company or any Subsidiary.

5.2 Exercise Price. The purchase price or the manner in which the exercise price is to be determined for Shares under each Option shall be determined by the Committee and set forth in the Agreement; *provided, however*, that the exercise price per Share under each Nonqualified Stock Option and each Incentive Stock Option shall not be less than one-hundred percent (100%) of the Fair Market Value of a Share on the date the Option is granted (one-hundred ten percent (110%) in the case of an Incentive Stock Option granted to a Ten-Percent Stockholder).

5.3 Maximum Duration. Options granted hereunder shall be for such term as the Committee shall determine, provided that an Incentive Stock Option shall not be exercisable after the expiration of ten (10) years from the date it is granted (five (5) years in the case of an Incentive Stock Option granted to a Ten-Percent Stockholder) and a Nonqualified Stock Option shall not be exercisable after the expiration of ten (10) years from the date it is granted; *provided, however*, that unless the Committee provides otherwise, an Option (other than an Incentive Stock Option) may, upon the death of the Optionee prior to the expiration of the Option, be exercised for up to one (1) year following the date of the Optionee's death even if such period extends beyond ten (10) years from the date the Option is granted. The Committee may, subsequent to the granting of any Option, extend the term thereof, but in no event shall the term as so extended exceed the maximum term provided for in the preceding sentence.

5.4 Vesting. Subject to Section 5.10, each Option shall become exercisable in such installments (which need not be equal) and at such times as may be designated by the Committee and set forth in the Agreement. To the extent not exercised, installments shall accumulate and be exercisable, in whole or in part, at any time after becoming exercisable, but not later than the date the Option expires. The Committee may accelerate the exercisability of any Option or portion thereof at any time.

5.5 Deferred Delivery of Option Shares. The Committee may, in its discretion, permit Optionees to elect to defer the issuance of Shares upon the exercise of one or more Nonqualified Stock Options granted pursuant to the Plan. The terms and conditions of such deferral shall be determined at the time of the grant of the Option or thereafter and shall be set forth in the Agreement evidencing the Option.

5.6 Limitations on Incentive Stock Options. To the extent that the aggregate Fair Market Value (determined as of the date of the grant) of Shares with respect to which Incentive Stock Options granted under the Plan and "incentive stock options" (within the meaning of Section 422 of the Code) granted under all other plans of the Company or its Subsidiaries (in either case determined without regard to this Section 5.6) are exercisable by an

Optionee for the first time during any calendar year exceeds \$100,000, such Incentive Stock Options shall be treated as Nonqualified Stock Options. In applying the limitation in the preceding sentence in the case of multiple Option grants, Options which were intended to be Incentive Stock Options shall be treated as Nonqualified Stock Options according to the order in which they were granted such that the most recently granted Options are first treated as Nonqualified Stock Options.

5.7 Non-Transferability. No Option shall be transferable by the Optionee otherwise than by will or by the laws of descent and distribution or, in the case of an Option other than an Incentive Stock Option, pursuant to a domestic relations order (within the meaning of Rule 16a-12 promulgated under the Exchange Act), and an Option shall be exercisable during the lifetime of such Optionee only by the Optionee or his or her guardian or legal representative. Notwithstanding the foregoing, the Committee may set forth in the Agreement evidencing an Option (other than an Incentive Stock Option), at the time of grant or thereafter, that the Option may be transferred to members of the Optionee's immediate family, to trusts solely for the benefit of such immediate family members and to partnerships in which such family members and/or trusts are the only partners, and for purposes of this Plan, a transferee of an Option shall be deemed to be the Optionee. For this purpose, immediate family means the Optionee's spouse, parents, children, stepchildren and grandchildren and the spouses of such parents, children, stepchildren and grandchildren. The terms of an Option shall be final, binding and conclusive upon the beneficiaries, executors, administrators, heirs and successors of the Optionee.

5.8 Method of Exercise. The exercise of an Option shall be made only by a written notice delivered in person or by mail to the Secretary of the Company at the Company's principal executive office, specifying the number of Shares to be exercised and, to the extent applicable, accompanied by payment therefor and otherwise in accordance with the Agreement pursuant to which the Option was granted; *provided, however*, that Options may not be exercised by an Optionee following a hardship distribution to the Optionee to the extent such exercise is prohibited under the Community Health Systems, Inc. 401(k) Plan or Treasury Regulation § 1.401(k)-1(d)(2)(iv)(B)(4). The exercise price for any Shares purchased pursuant to the exercise of an Option shall be paid in either of the following forms (or any combination thereof): (a) cash or (b) the transfer, either actually or by attestation, to the Company of Shares that have been held by the Optionee for at least six (6) months (or such lesser period as may be permitted by the Committee) prior to the exercise of the Option, such transfer to be upon such terms and conditions as determined by the Committee or (c) a combination of cash and the transfer of Shares; *provided, however*, that the Committee may determine that the exercise price shall be paid only in cash. In addition, Options may be exercised through a registered broker-dealer pursuant to such cashless exercise procedures which are, from time to time, deemed acceptable by the Committee. Any Shares transferred to the Company as payment of the exercise price under an Option shall be valued at their Fair Market Value on the day of exercise of such Option. If requested by the Committee, the Optionee shall deliver the Agreement evidencing the Option to the Secretary of the Company who shall endorse thereon a notation of such exercise and return such Agreement to the Optionee. No fractional Shares (or cash in lieu thereof) shall be issued upon exercise of an Option and the number of Shares that may be purchased upon exercise shall be rounded to the nearest number of whole Shares.

5.9 Rights of Optionees. No Optionee shall be deemed for any purpose to be the owner of any Shares subject to any Option unless and until (a) the Option shall have been exercised pursuant to the terms thereof, (b) the Company shall have issued and delivered Shares to the Optionee, and (c) the Optionee's name shall have been entered as a stockholder

of record on the books of the Company. Thereupon, the Optionee shall have full voting, dividend and other ownership rights with respect to such Shares, subject to such terms and conditions as may be set forth in the applicable Agreement.

5.10 Effect of Change in Control. In the event of a Change in Control, each Option held by the Optionee as of the date of the Change in Control shall become immediately and fully exercisable and shall, notwithstanding any shorter period set forth in the Agreement evidencing the Option, remain exercisable for a period ending not before the earlier of (x) the six (6) month anniversary of the Change in Control or (y) the expiration of the stated term of the Option. In addition, the Agreement evidencing the grant of an Option may provide for any other treatment of the Option in the event of a Change in Control.

6. [intentionally omitted].

7. Stock Appreciation Rights.

The Committee may in its discretion, either alone or in connection with the grant of an Option, grant Stock Appreciation Rights in accordance with the Plan, the terms and conditions of which shall be set forth in an Agreement. If granted in connection with an Option, a Stock Appreciation Right shall cover the same Shares covered by the Option (or such lesser number of Shares as the Committee may determine) and shall, except as provided in this Section 7, be subject to the same terms and conditions as the related Option.

7.1 Time of Grant. A Stock Appreciation Right may be granted (a) at any time if unrelated to an Option, or (b) if related to an Option, either at the time of grant or at any time thereafter during the term of the Option.

7.2 Stock Appreciation Right Related to an Option.

(a) Exercise. A Stock Appreciation Right granted in connection with an Option shall be exercisable at such time or times and only to the extent that the related Option is exercisable, and will not be transferable except to the extent the related Option may be transferable. A Stock Appreciation Right granted in connection with an Incentive Stock Option shall be exercisable only if the Fair Market Value of a Share on the date of exercise exceeds the exercise price specified in the related Incentive Stock Option Agreement. In no event shall a Stock Appreciation Right related to an Option have a term of greater than ten (10) years; *provided, however*, that the Committee may provide that a Stock Appreciation Right may, upon the death of the Grantee, be exercised for up to one (1) following the date of the Grantee's death even if such period extends beyond ten (10) years from the date the Stock Appreciation Right is granted.

(b) Amount Payable. Upon the exercise of a Stock Appreciation Right related to an Option, the Grantee shall be entitled to receive an amount determined by multiplying (i) the excess of the Fair Market Value of a Share on the date of exercise of such Stock Appreciation Right over the per Share exercise price under the related Option, by (ii) the number of Shares as to which such Stock Appreciation Right is being exercised. Notwithstanding the foregoing, the Committee may limit in any manner the amount payable with respect to any Stock Appreciation Right by including such a limit in the Agreement evidencing the Stock Appreciation Right at the time it is granted.

(c) Treatment of Related Options and Stock Appreciation Rights Upon Exercise. Upon the exercise of a Stock Appreciation Right granted in connection with an Option, the Option shall be canceled to the extent of the number of Shares as to which the Stock Appreciation Right is exercised, and upon the exercise of an Option granted in connection with a Stock Appreciation Right, the Stock Appreciation Right shall be canceled to the extent of the number of Shares as to which the Option is exercised or surrendered.

7.3 Stock Appreciation Right Unrelated to an Option. The Committee may grant to Eligible Individuals Stock Appreciation Rights unrelated to Options. Stock Appreciation Rights unrelated to Options shall contain such terms and conditions as to exercisability (subject to Section 7.7), vesting and duration as the Committee shall determine, but in no event shall they have a term of greater than ten (10) years; *provided, however*, that the Committee may provide that a Stock Appreciation Right may, upon the death of the Grantee, be exercised for up to one (1) year following the date of the Grantee's death even if such period extends beyond ten (10) years from the date the Stock Appreciation Right is granted. Upon exercise of a Stock Appreciation Right unrelated to an Option, the Grantee shall be entitled to receive an amount determined by multiplying (a) the excess of the Fair Market Value of a Share on the date of exercise of such Stock Appreciation Right over the Fair Market Value of a Share on the date the Stock Appreciation Right was granted, by (b) the number of Shares as to which the Stock Appreciation Right is being exercised. Notwithstanding the foregoing, the Committee may limit in any manner the amount payable with respect to any Stock Appreciation Right by including such a limit in the Agreement evidencing the Stock Appreciation Right at the time it is granted.

7.4 Non-Transferability. No Stock Appreciation Right shall be transferable by the Grantee otherwise than by will or by the laws of descent and distribution or pursuant to a domestic relations order (within the meaning of Rule 16a-12 promulgated under the Exchange Act), and such Stock Appreciation Right shall be exercisable during the lifetime of such Grantee only by the Grantee or his or her guardian or legal representative. The terms of such Stock Appreciation Right shall be final, binding and conclusive upon the beneficiaries, executors, administrators, heirs and successors of the Grantee.

7.5 Method of Exercise. Stock Appreciation Rights shall be exercised by a Grantee only by a written notice delivered in person or by mail to the Secretary of the Company at the Company's principal executive office, specifying the number of Shares with respect to which the Stock Appreciation Right is being exercised. If requested by the Committee, the Grantee shall deliver the Agreement evidencing the Stock Appreciation Right being exercised and the Agreement evidencing any related Option to the Secretary of the Company who shall endorse thereon a notation of such exercise and return such Agreement to the Grantee.

7.6 Form of Payment. Payment of the amount determined under Sections 7.2(b) or 7.3 may be made in the discretion of the Committee solely in whole Shares in a number determined at their Fair Market Value on the date of exercise of the Stock Appreciation Right, or solely in cash, or in a combination of cash and Shares. If the Committee decides to make full payment in Shares and the amount payable results in a fractional Share, payment for the fractional Share will be made in cash.

7.7 Effect of Change in Control. In the event of a Change in Control, each Stock Appreciation Right held by the Grantee shall become immediately and fully exercisable and shall, notwithstanding any shorter period set forth in the Agreement evidencing the Stock Appreciation Right, remain exercisable for a period ending not before the earlier of (x) the six (6) month anniversary of the Change in Control or (y) the expiration of the stated term of the Stock

Appreciation Right. In addition, the Agreement evidencing the grant of a Stock Appreciation Right unrelated to an Option may provide for any other treatment of such Stock Appreciation Right in the event of a Change in Control.

8. Restricted Stock and Restricted Stock Units

8.1 Restricted Stock. The Committee may grant Awards to Eligible Individuals of Restricted Stock, which shall be evidenced by an Agreement between the Company and the Grantee. Each Agreement shall contain such restrictions, terms and conditions as the Committee may, in its discretion, determine and (without limiting the generality of the foregoing) such Agreements may require that an appropriate legend be placed on Share certificates. Awards of Restricted Stock shall be subject to the terms and provisions set forth below in this Section 8.1.

(a) Rights of Grantee. Shares of Restricted Stock granted pursuant to an Award hereunder shall be issued in the name of the Grantee as soon as reasonably practicable after the Award is granted provided that the Grantee has executed an Agreement evidencing the Award, the appropriate blank stock powers and, in the discretion of the Committee, an escrow agreement and any other documents which the Committee may require as a condition to the issuance of such Shares. If a Grantee shall fail to execute the Agreement evidencing a Restricted Stock Award, or any documents which the Committee may require within the time period prescribed by the Committee at the time the Award is granted, the Award shall be null and void. At the discretion of the Committee, Shares issued in connection with a Restricted Stock Award shall be deposited together with the stock powers with an escrow agent (which may be the Company) designated by the Committee. Unless the Committee determines otherwise and as set forth in the Agreement, upon delivery of the Shares to the escrow agent, the Grantee shall have all of the rights of a stockholder with respect to such Shares, including the right to vote the Shares and to receive all dividends or other distributions paid or made with respect to the Shares.

(b) Non-Transferability. Until all restrictions upon the Shares of Restricted Stock awarded to a Grantee shall have lapsed in the manner set forth in Section 8.4, such Shares shall not be sold, transferred or otherwise disposed of and shall not be pledged or otherwise hypothecated.

(c) Lapse of Restrictions.

(1) Generally. Restrictions upon Shares of Restricted Stock awarded hereunder shall lapse at such time or times and on such terms and conditions as the Committee may determine. The Agreement evidencing the Award shall set forth any such restrictions.

(2) Effect of Change in Control. The Committee may determine at the time of the grant of an Award of Restricted Stock the extent to which the restrictions upon Shares of Restricted Stock shall lapse upon a Change in Control. The Agreement evidencing the Award shall set forth any such provisions.

(d) Treatment of Dividends. At the time an Award of Shares of Restricted Stock is granted, the Committee may, in its discretion, determine that the payment to the Grantee of dividends, or a specified portion thereof, declared or paid on such Shares by the Company shall be (a) deferred until the lapsing of the restrictions imposed upon such Shares

and (b) held by the Company for the account of the Grantee until such time. In the event that dividends are to be deferred, the Committee shall determine whether such dividends are to be reinvested in Shares (which shall be held as additional Shares of Restricted Stock) or held in cash. If deferred dividends are to be held in cash, there may be credited at the end of each year (or portion thereof) interest on the amount of the account at the beginning of the year at a rate per annum as the Committee, in its discretion, may determine. Payment of deferred dividends in respect of Shares of Restricted Stock (whether held in cash or as additional Shares of Restricted Stock), together with interest accrued thereon, if any, shall be made upon the lapsing of restrictions imposed on the Shares in respect of which the deferred dividends were paid, and any dividends deferred (together with any interest accrued thereon) in respect of any Shares of Restricted Stock shall be forfeited upon the forfeiture of such Shares.

(e) Delivery of Shares. Upon the lapse of the restrictions on Shares of Restricted Stock, the Committee shall cause a stock certificate to be delivered to the Grantee with respect to such Shares, free of all restrictions hereunder.

8.2 Restricted Stock Units. The Committee may grant to Eligible Individuals Awards of Restricted Stock Units, which shall be evidenced by an Agreement. Each such Agreement shall contain such restrictions, terms and conditions as the Committee may, in its discretion, determine. Awards of Restricted Stock Units shall be subject to the terms and provisions set forth below in this Section 8.2.

(a) Payment of Awards. Each Restricted Stock Unit shall represent the right of a Grantee to receive a payment upon vesting of the Restricted Stock Unit or on any later date specified by the Committee equal to the Fair Market Value of a Share as of the date the Restricted Stock Unit was granted, the vesting date or such other date as determined by the Committee at the time the Restricted Stock Unit was granted. The Committee may, at the time a Restricted Stock Unit is granted, provide a limitation on the amount payable in respect of each Restricted Stock Unit. The Committee may provide for the settlement of Restricted Stock Units in cash or with Shares having a Fair Market Value equal to the payment to which the Grantee has become entitled.

(b) Effect of Change in Control. The effect of a Change in Control on an Award of Restricted Stock Units shall be set forth in the applicable Agreement.

9. Performance Awards.

9.1 Performance Units. The Committee, in its discretion, may grant Awards of Performance Units to Eligible Individuals, the terms and conditions of which shall be set forth in an Agreement between the Company and the Grantee. Contingent upon the attainment of specified Performance Objectives within the Performance Cycle, Performance Units represent the right to receive payment as provided in Section 9.1(b) of (i) the Fair Market Value of a Share on the date the Performance Unit was granted, the date the Performance Unit became vested or any other date specified by the Committee or (ii) a percentage (which may be more than one-hundred percent (100%)) of the amount described in clause (i) depending on the level of Performance Objective attainment; *provided, however*, that the Committee may at the time a Performance Unit is granted specify a maximum amount payable in respect of a vested Performance Unit. Each Agreement shall specify the number of Performance Units to which it relates, the Performance Objectives which must be satisfied in order for the Performance Units to vest and the Performance Cycle within which such Performance Objectives must be satisfied.

(a) Vesting and Forfeiture. Subject to Sections 9.3(c) and 9.4, a Grantee shall become vested with respect to the Performance Units to the extent that the Performance Objectives set forth in the Agreement are satisfied for the Performance Cycle.

(b) Payment of Awards. Subject to Section 9.3(c), payment to Grantees in respect of vested Performance Units shall be made as soon as practicable after the last day of the Performance Cycle to which such Award relates unless the Agreement evidencing the Award provides for the deferral of payment, in which event the terms and conditions of the deferral shall be set forth in the Agreement. Subject to Section 9.4, such payments may be made entirely in Shares valued at their Fair Market Value, entirely in cash, or in such combination of Shares and cash as the Committee in its discretion shall determine at any time prior to such payment, *provided, however*, that if the Committee in its discretion determines to make such payment entirely or partially in Shares of Restricted Stock, the Committee must determine the extent to which such payment will be in Shares of Restricted Stock and the terms of such Restricted Stock at the time the Award is granted.

9.2 Performance Shares. The Committee, in its discretion, may grant Awards of Performance Shares to Eligible Individuals, the terms and conditions of which shall be set forth in an Agreement between the Company and the Grantee. Each Agreement may require that an appropriate legend be placed on Share certificates. Awards of Performance Shares shall be subject to the following terms and provisions:

(a) Rights of Grantee. The Committee shall provide at the time an Award of Performance Shares is made the time or times at which the actual Shares represented by such Award shall be issued in the name of the Grantee; *provided, however*, that no Performance Shares shall be issued until the Grantee has executed an Agreement evidencing the Award, the appropriate blank stock powers and, in the discretion of the Committee, an escrow agreement and any other documents which the Committee may require as a condition to the issuance of such Performance Shares. If a Grantee shall fail to execute the Agreement evidencing an Award of Performance Shares, the appropriate blank stock powers and, in the discretion of the Committee, an escrow agreement and any other documents which the Committee may require within the time period prescribed by the Committee at the time the Award is granted, the Award shall be null and void. At the discretion of the Committee, Shares issued in connection with an Award of Performance Shares shall be deposited together with the stock powers with an escrow agent (which may be the Company) designated by the Committee. Except as restricted by the terms of the Agreement, upon delivery of the Shares to the escrow agent, the Grantee shall have, in the discretion of the Committee, all of the rights of a stockholder with respect to such Shares, including the right to vote the Shares and to receive all dividends or other distributions paid or made with respect to the Shares.

(b) Non-Transferability. Until any restrictions upon the Performance Shares awarded to a Grantee shall have lapsed in the manner set forth in Section 9.2(c) or 9.4, such Performance Shares shall not be sold, transferred or otherwise disposed of and shall not be pledged or otherwise hypothecated, nor shall they be delivered to the Grantee. The Committee may also impose such other restrictions and conditions on the Performance Shares, if any, as it deems appropriate.

(c) Lapse of Restrictions. Subject to Sections 9.3(c) and 9.4, restrictions upon Performance Shares awarded hereunder shall lapse and such Performance Shares shall become vested at such time or times and on such terms, conditions and

satisfaction of Performance Objectives as the Committee may, in its discretion, determine at the time an Award is granted.

(d) Treatment of Dividends. At the time the Award of Performance Shares is granted, the Committee may, in its discretion, determine that the payment to the Grantee of dividends, or a specified portion thereof, declared or paid on Shares represented by such Award which have been issued by the Company to the Grantee shall be (i) deferred until the lapsing of the restrictions imposed upon such Performance Shares and (ii) held by the Company for the account of the Grantee until such time. In the event that dividends are to be deferred, the Committee shall determine whether such dividends are to be reinvested in shares of Stock (which shall be held as additional Performance Shares) or held in cash. If deferred dividends are to be held in cash, there may be credited at the end of each year (or portion thereof) interest on the amount of the account at the beginning of the year at a rate per annum as the Committee, in its discretion, may determine. Payment of deferred dividends in respect of Performance Shares (whether held in cash or in additional Performance Shares), together with interest accrued thereon, if any, shall be made upon the lapsing of restrictions imposed on the Performance Shares in respect of which the deferred dividends were paid, and any dividends deferred (together with any interest accrued thereon) in respect of any Performance Shares shall be forfeited upon the forfeiture of such Performance Shares.

(e) Delivery of Shares. Upon the lapse of the restrictions on Performance Shares awarded hereunder, the Committee shall cause a stock certificate to be delivered to the Grantee with respect to such Shares, free of all restrictions hereunder.

9.3 Performance Objectives

(a) Establishment. Performance Objectives for Performance Awards may be expressed in terms of (i) earnings per Share, (ii) net revenue, (iii) adjusted EBITDA (iv) Share price, (v) pre-tax profits, (vi) net earnings, (vii) return on equity or assets, or (viii) any combination of the foregoing. Performance Objectives may be in respect of the performance of the Company, any of its Subsidiaries, any of its Divisions or any combination thereof. Performance Objectives may be absolute or relative (to prior performance of the Company or to the performance of one or more other entities or external indices) and may be expressed in terms of a progression within a specified range. The Performance Objectives with respect to a Performance Cycle shall be established in writing by the Committee by the earlier of (x) the date on which a quarter of the Performance Cycle has elapsed or (y) the date which is ninety (90) days after the commencement of the Performance Cycle, and in any event while the performance relating to the Performance Objectives remain substantially uncertain.

(b) Effect of Certain Events. At the time of the granting of a Performance Award, or at any time thereafter, in either case to the extent permitted under Section 162(m) of the Code and the regulations thereunder without adversely affecting the treatment of the Performance Award as Performance-Based Compensation, the Committee may provide for the manner in which performance will be measured against the Performance Objectives (or may adjust the Performance Objectives) to reflect the impact of specified corporate transactions, accounting or tax law changes and other extraordinary or nonrecurring events.

(c) Determination of Performance. Prior to the vesting, payment, settlement or lapsing of any restrictions with respect to any Performance Award that is intended to constitute Performance-Based Compensation made to a Grantee who is subject to Section

162(m) of the Code, the Committee shall certify in writing that the applicable Performance Objectives have been satisfied to the extent necessary for such Award to qualify as Performance Based Compensation.

9.4 Effect of Change in Control. The Agreements evidencing Performance Shares and Performance Units may provide for the treatment of such Awards (or portions thereof) in the event of a Change in Control, including, but not limited to, provisions for the adjustment of applicable Performance Objectives.

9.5 Non-Transferability. Until the vesting of Performance Units or the lapsing of any restrictions on Performance Shares, as the case may be, such Performance Units or Performance Shares shall not be sold, transferred or otherwise disposed of and shall not be pledged or otherwise hypothecated.

10. Share Awards. The Committee may grant a Share Award to any Eligible Individual on such terms and conditions as the Committee may determine in its sole discretion. Share Awards may be made as additional compensation for services rendered by the Eligible Individual or may be in lieu of cash or other compensation to which the Eligible Individual is entitled from the Company.

11. Effect of a Termination of Employment.

The Agreement evidencing the grant of each Option and each Award shall set forth the terms and conditions applicable to such Option or Award upon a termination or change in the status of the employment of the Optionee or Grantee by the Company, a Subsidiary or a Division (including a termination or change by reason of the sale of a Subsidiary or a Division), which shall be as the Committee may, in its discretion, determine at the time the Option or Award is granted or thereafter.

12. Adjustment Upon Changes in Capitalization.

(a) In the event of a Change in Capitalization, the Committee shall conclusively determine the appropriate adjustments, if any, to (i) the maximum number and class of Shares or other stock or securities with respect to which Options or Awards may be granted under the Plan, (ii) the number and class of Shares or other stock or securities which are subject to outstanding Options or Awards granted under the Plan and the exercise price therefor, if applicable, and (iii) the Performance Objectives.

(b) Any such adjustment in the Shares or other stock or securities (a) subject to outstanding Incentive Stock Options (including any adjustments in the exercise price) shall be made in such manner as not to constitute a modification as defined by Section 424(h)(3) of the Code and only to the extent permitted by Sections 422 and 424 of the Code or (b) subject to outstanding Options or Awards that are intended to qualify as Performance-Based Compensation shall be made in such a manner as not to adversely affect the treatment of the Options or Awards as Performance-Based Compensation. In addition, (a) no adjustment to any Option or Award that is not subject to Section 409A of the Code shall be made in a manner that would subject the Option or Award to Section 409A of the Code and (b) any adjustment to an Option or Award that is subject to Section 409A of the Code shall be made only in a manner and to the extent permitted by Section 409A of the Code.

(c) If, by reason of a Change in Capitalization, a Grantee of an Award shall be entitled to, or an Optionee shall be entitled to exercise an Option with respect to, new, additional or different shares of stock or securities of the Company or any other corporation, such new, additional or different shares shall thereupon be subject to all of the conditions, restrictions and performance criteria which were applicable to the Shares subject to the Award or Option, as the case may be, prior to such Change in Capitalization.

13. Effect of Certain Transactions.

Subject to Sections 5.10, 7.7, 8.4(b) and 9.4 or as otherwise provided in an Agreement, in the event of (a) the liquidation or dissolution of the Company or (b) a merger or consolidation of the Company (a "Transaction"), the Plan and the Options and Awards issued hereunder shall continue in effect in accordance with their respective terms, except that following a Transaction either (i) each outstanding Option or Award shall be treated as provided for in the agreement entered into in connection with the Transaction or (ii) if not so provided in such agreement, each Optionee and Grantee shall be entitled to receive in respect of each Share subject to any outstanding Options or Awards, as the case may be, upon exercise of any Option or payment or transfer in respect of any Award, the same number and kind of stock, securities, cash, property or other consideration that each holder of a Share was entitled to receive in the Transaction in respect of a Share; *provided, however*, that such stock, securities, cash, property, or other consideration shall remain subject to all of the conditions, restrictions and performance criteria which were applicable to the Options and Awards prior to such Transaction. The treatment of any Option or Award as provided in this Section 13 shall be conclusively presumed to be appropriate for purposes of Section 12.

14. Interpretation.

Following the required registration of any equity security of the Company pursuant to Section 12 of the Exchange Act:

(a) The Plan is intended to comply with Rule 16b-3 promulgated under the Exchange Act and the Committee shall interpret and administer the provisions of the Plan or any Agreement in a manner consistent therewith. Any provisions inconsistent with such Rule shall be inoperative and shall not affect the validity of the Plan.

(b) Unless otherwise expressly stated in the relevant Agreement, each Option, Stock Appreciation Right and Performance Award granted under the Plan is intended to be Performance-Based Compensation. The Committee shall not be entitled to exercise any discretion otherwise authorized hereunder with respect to such Options or Awards if the ability to exercise such discretion or the exercise of such discretion itself would cause the compensation attributable to such Options or Awards to fail to qualify as Performance-Based Compensation.

(c) To the extent that any legal requirement of Section 16 of the Exchange Act or Section 162(m) of the Code as set forth in the Plan ceases to be required under Section 16 of the Exchange Act or Section 162(m) of the Code, that Plan provision shall cease to apply.

15. Termination and Amendment of the Plan or Modification of Options and Awards.

15.1 Plan Amendment or Termination. The Plan shall terminate on the day preceding the tenth anniversary of the date of its adoption by the Board and no Option or Award may be granted thereafter. The Board may sooner terminate the Plan and the Board may at any time and from time to time amend, modify or suspend the Plan; *provided, however*, that:

(a) no such amendment, modification, suspension or termination shall impair or adversely alter any Options or Awards theretofore granted under the Plan, except with the written consent of the Optionee or Grantee, nor shall any amendment, modification, suspension or termination deprive any Optionee or Grantee of any Shares which he or she may have acquired through or as a result of the Plan; and

(b) to the extent necessary under any applicable law, regulation or exchange requirement no amendment shall be effective unless approved by the stockholders of the Company in accordance with applicable law, regulation or exchange requirement.

15.2 Modification of Options and Awards. No modification of an Option or Award shall adversely alter or impair any rights or obligations under the Option or Award without the written consent of the Optionee or Grantee, as the case may be.

15.3 No Repricing of Options or Stock Appreciation Rights. The Committee shall have no authority to make any adjustment (other than in connection with a stock dividend, recapitalization or other transaction where an adjustment is permitted or required under the terms of the Plan) or amendment, and no such adjustment or amendment shall be made, that reduces or would have the effect of reducing the exercise price of an Option or Stock Appreciation Right previously granted under the Plan, whether through amendment, cancellation or replacement grants, or other means, unless the Company's stockholders shall have approved such adjustment or amendment.

16. Non-Exclusivity of the Plan.

The adoption of the Plan by the Board shall not be construed as amending, modifying or rescinding any previously approved incentive arrangement or as creating any limitations on the power of the Board to adopt such other incentive arrangements as it may deem desirable, including, without limitation, the granting of stock options otherwise than under the Plan, and such arrangements may be either applicable generally or only in specific cases.

17. Limitation of Liability.

As illustrative of the limitations of liability of the Company, but not intended to be exhaustive thereof, nothing in the Plan shall be construed to:

(a) give any person any right to be granted an Option or Award other than at the sole discretion of the Committee;

(b) give any person any rights whatsoever with respect to Shares except as specifically provided in the Plan;

(c) limit in any way the right of the Company or any Subsidiary to terminate the employment of any person at any time; or

(d) be evidence of any agreement or understanding, expressed or implied, that the Company will employ any person at any particular rate of compensation or for any particular period of time.

18. Regulations and Other Approvals; Governing Law.

18.1 Except as to matters of federal law, the Plan and the rights of all persons claiming hereunder shall be construed and determined in accordance with the laws of the State of Delaware without giving effect to conflicts of laws principles thereof.

18.2 The obligation of the Company to sell or deliver Shares with respect to Options and Awards granted under the Plan shall be subject to all applicable laws, rules and regulations, including all applicable federal and state securities laws, and the obtaining of all such approvals by governmental agencies as may be deemed necessary or appropriate by the Committee.

18.3 The Board may make such changes as may be necessary or appropriate to comply with the rules and regulations of any government authority, or to obtain for Eligible Individuals granted Incentive Stock Options the tax benefits under the applicable provisions of the Code and regulations promulgated thereunder.

18.4 Each Option and Award is subject to the requirement that, if at any time the Committee determines, in its discretion, that the listing, registration or qualification of Shares issuable pursuant to the Plan is required by any securities exchange or under any state or federal law, or the consent or approval of any governmental regulatory body is necessary or desirable as a condition of, or in connection with, the grant of an Option or Award or the issuance of Shares, no Options or Awards shall be granted or payment made or Shares issued, in whole or in part, unless listing, registration, qualification, consent or approval has been effected or obtained free of any conditions as acceptable to the Committee.

18.5 Notwithstanding anything contained in the Plan or any Agreement to the contrary, in the event that the disposition of Shares acquired pursuant to the Plan is not covered by a then current registration statement under the Securities Act of 1933, as amended (the "Securities Act"), and is not otherwise exempt from such registration, such Shares shall be restricted against transfer to the extent required by the Securities Act and Rule 144 or other regulations thereunder. The Committee may require any individual receiving Shares pursuant to an Option or Award granted under the Plan, as a condition precedent to receipt of such Shares, to represent and warrant to the Company in writing that the Shares acquired by such individual are acquired without a view to any distribution thereof and will not be sold or transferred other than pursuant to an effective registration thereof under the Securities Act or pursuant to an exemption applicable under the Securities Act or the rules and regulations promulgated thereunder. The certificates evidencing any such Shares shall be appropriately amended or have an appropriate legend placed thereon to reflect their status as restricted securities as aforesaid.

18.6 Compliance With Section 409A. All Options and Awards granted under the plan are intended either not to be subject to Section 409A of the Code or, if subject to Section 409A of the Code, to be administered, operated and construed in compliance with

Section 409A of the Code and any guidance issued thereunder. Notwithstanding this or any other provision of the Plan to the contrary, the Committee may amend the Plan or any Option or Award granted hereunder in any manner, or take any other action, that it determines, in its sole discretion, is necessary, appropriate or advisable to cause the Plan or any Option or Award granted hereunder to comply with Section 409A and any guidance issued thereunder. Any such action, once taken, shall be deemed to be effective from the earliest date necessary to avoid a violation of Section 409A and shall be final, binding and conclusive on all Eligible Individuals and other individuals having or claiming any right or interest under the Plan.

19. Miscellaneous.

19.1 Multiple Agreements. The terms of each Option or Award may differ from other Options or Awards granted under the Plan at the same time or at some other time. The Committee may also grant more than one Option or Award to a given Eligible Individual during the term of the Plan, either in addition to, or in substitution for, one or more Options or Awards previously granted to that Eligible Individual.

19.2 Beneficiary Designation. Each Participant may, from time to time, name one or more individuals (each, a "Beneficiary") to whom any benefit under the Plan is to be paid or who may exercise any rights of the Participant under any Option or Award granted under the Plan in the event of the Participant's death before he or she receives any or all of such benefit or exercises such Option. Each such designation shall revoke all prior designations by the same Participant, shall be in a form prescribed by the Company, and will be effective only when filed by the Participant in writing with the Company during the Participant's lifetime. In the absence of any such designation, benefits remaining unpaid at the Participant's death and rights to be exercised following the Participant's death shall be paid to or exercised by the Participant's estate.

19.3 Withholding of Taxes.

(a) At such times as an Optionee or Grantee recognizes taxable income in connection with the receipt of Shares or cash hereunder (a "Taxable Event"), the Optionee or Grantee shall pay to the Company an amount equal to the federal, state and local income taxes and other amounts as may be required by law to be withheld by the Company in connection with the Taxable Event (the "Withholding Taxes") prior to the issuance, or release from escrow, of such Shares or the payment of such cash. The Company shall have the right to deduct from any payment of cash to an Optionee or Grantee an amount equal to the Withholding Taxes in satisfaction of the obligation to pay Withholding Taxes. The Committee may provide in an Agreement evidencing an Option or Award at the time of grant or thereafter that the Optionee or Grantee, in satisfaction of the obligation to pay Withholding Taxes to the Company, may elect to have withheld a portion of the Shares issuable to him or her pursuant to the Option or Award having an aggregate Fair Market Value equal to the Withholding Taxes. In the event Shares are withheld by the Company to satisfy any obligation to pay Withholding Taxes, such Shares shall be retired and cancelled and shall not thereafter be available to grant an Option or Award with respect thereto.

(b) If an Optionee makes a disposition, within the meaning of Section 424(c) of the Code and regulations promulgated thereunder, of any Share or Shares issued to such Optionee pursuant to the exercise of an Incentive Stock Option within the two-year period commencing on the day after the date of the grant or within the one-year period commencing on the day after the date of transfer of such Share or Shares to the Optionee pursuant to such

exercise, the Optionee shall, within ten (10) days of such disposition, notify the Company thereof, by delivery of written notice to the Company at its principal executive office.

19.4 Effective Date. The effective date of this Plan shall be March 24, 2009, the Board, subject only to the approval by the holders of a majority of the securities of the Company entitled to vote thereon, in accordance with the applicable laws, within twelve (12) months of the adoption of the Plan by the Board.

Community Health Systems, Inc.
2009 STOCK OPTION AND AWARD PLAN
(As Adopted March 24, 2009)

1. Purpose.

The purpose of this Plan is to strengthen Community Health Systems, Inc., a Delaware corporation (the "Company"), and its Subsidiaries by providing an incentive to its and their employees, officers, consultants and directors and thereby encouraging them to devote their abilities and industry to the success of the Company's and its Subsidiaries' business enterprises. It is intended that this purpose be achieved by extending to employees (including future employees who have received a formal written offer of employment), officers, consultants and directors of the Company and its Subsidiaries an added long-term incentive for high levels of performance and unusual efforts through the grant of Incentive Stock Options, Nonqualified Stock Options, Stock Appreciation Rights, Performance Units, Performance Shares, Share Awards, Restricted Stock and Restricted Stock Units (as each term is herein defined).

2. Definitions.

For purposes of the Plan:

2.1 "2000 Stock Option and Award Plan" means the Community Health Systems, Inc. 2000 Stock Option and Award Plan, as amended and restated March 24, 2009.

2.2 "Affiliate" means any entity, directly or indirectly, controlled by, controlling or under common control with the Company or any corporation or other entity acquiring, directly or indirectly, all or substantially all the assets and business of the Company, whether by operation of law or otherwise.

2.3 "Agreement" means the written agreement between the Company and an Optionee or Grantee evidencing the grant of an Option or Award and setting forth the terms and conditions thereof.

2.4 "Award" means a grant of Restricted Stock, Restricted Stock Units, a Stock Appreciation Right, a Performance Award, a Share Award or any or all of them.

2.5 "Board" means the Board of Directors of the Company.

2.6 "Cause" means, except as otherwise set forth herein,

(a) in the case of an Optionee or Grantee whose employment with the Company or a Subsidiary is subject to the terms of an employment agreement between such Optionee or Grantee and the Company or Subsidiary, which employment agreement includes a definition of "Cause", the term "Cause" as used in this Plan or any Agreement shall have the meaning set forth in such employment agreement during the period that such employment agreement remains in effect; and

(b) in all other cases, (i) intentional failure to perform reasonably assigned duties, (ii) dishonesty or willful misconduct in the performance of duties, (iii) involvement in a transaction in connection with the performance of duties to the Company or any of its Subsidiaries which transaction is adverse to the interests of the Company or any of its Subsidiaries and which is engaged in for personal profit or (iv) willful violation of any law, rule or

regulation in connection with the performance of duties (other than traffic violations or similar offenses); *provided, however*, that following a Change in Control clause (i) of this Section 2.6(b) shall not constitute "Cause."

2.7 "Change in Capitalization" means any increase or reduction in the number of Shares, or any change (including, but not limited to, in the case of a spin-off, dividend or other distribution in respect of Shares, a change in value) in the Shares or exchange of Shares for a different number or kind of shares or other securities of the Company or another corporation, by reason of a reclassification, recapitalization, merger, consolidation, reorganization, spin-off, split-up, issuance of warrants or rights or debentures, stock dividend, stock split or reverse stock split, cash dividend, property dividend, combination or exchange of shares, repurchase of shares, change in corporate structure or otherwise.

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

(a) An acquisition (other than directly from the Company) of any voting securities of the Company (the "Voting Securities") by any "Person" (as the term person is used for purposes of Section 13(d) or 14(d) of 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 fifty percent (50%) of the then outstanding Shares or the combined voting power of the Company's then outstanding Voting Securities; *provided, however*, that in determining whether a Change in Control has occurred pursuant to this Section 2.7(a), Shares or Voting Securities which are acquired in a "Non-Control Acquisition" (as hereinafter defined) shall not constitute an acquisition which would cause 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 Company 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 Company (for purposes of this definition, a "Related Entity"); (ii) the Company or any Related Entity, or (iii) any Person in connection with a "Non-Control Transaction" (as hereinafter defined);

(b) The individuals who, as of March 24, 2009, are members of the Board (the "Incumbent Board"), cease for any reason to constitute at least a majority of the members of the Board or, following a Merger (as hereinafter defined) which results in a Parent Corporation (as hereinafter defined), the board of directors of the ultimate Parent Corporation; *provided, however*, that if the election, or nomination for election by the Company'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 this Plan, be considered a member of the Incumbent Board; *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 the actual or threatened solicitation of proxies or consents by or on behalf of a Person other than the Board (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 with or into the Company or in which securities of the Company are issued (a "Merger"), unless such Merger is a "Non-Control Transaction." A "Non-Control Transaction" shall mean a Merger where:

(A) the stockholders of the Company 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 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; and

(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;

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

(iii) The sale or other disposition of all or substantially all of the assets of the Company to any Person (other than a transfer to a Related Entity or under conditions that would constitute a Non-Control Transaction with the disposition of assets being regarded as a Merger for this purpose or the distribution to the Company's stockholders of the stock of a Related Entity or any other assets).

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 Company 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 Company, and after such share acquisition by the Company, the Subject Person becomes the Beneficial Owner of any additional Shares or Voting Securities which increases the percentage of the then outstanding Shares or Voting Securities Beneficially Owned by the Subject Person, then a Change in Control shall occur.

If an Eligible Individual's employment is terminated by the Company without Cause prior to the date of a Change in Control but the Eligible Individual reasonably demonstrates that the 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 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 for purposes of this Plan provided a Change in Control shall actually have occurred.

2.9 "Code" means the Internal Revenue Code of 1986, as amended.

2.10 "Committee" means a committee, as described in Section 3.1, appointed by the Board from time to time to administer the Plan and to perform the functions set forth herein.

2.11 "Company" means Community Health Systems, Inc.

2.12 "Director" means a director of the Company.

2.13 "Disability" means:

(a) in the case of an Optionee or Grantee whose employment with the Company or a Subsidiary is subject to the terms of an employment agreement between such Optionee or Grantee and the Company or Subsidiary, which employment agreement includes a definition of "Disability", the term "Disability" as used in this Plan or any Agreement shall have the meaning set forth in such employment agreement during the period that such employment agreement remains in effect;

(b) in the case of an Optionee or Grantee to whom Section 2.12(a) does not apply and who participates in the Company's long-term disability plan, if any, the term "Disability" as used in such plan; or

(c) in all other cases, a physical or mental infirmity which impairs the Optionee's or Grantee's ability to perform substantially all his or her duties for a period of ninety-one (91) consecutive days.

2.14 "Division" means any of the operating units or divisions of the Company designated as a Division by the Committee.

2.15 "Dividend Equivalent Right" means a right to receive all or some portion of the cash dividends that are or would be payable with respect to Shares.

2.16 "Eligible Individual" means any of the following individuals who is designated by the Committee as eligible to receive Options or Awards subject to the conditions set forth herein: (a) any director, officer or employee of the Company or a Subsidiary, (b) any individual to whom the Company or a Subsidiary has extended a formal, written offer of employment, or (c) any consultant or advisor of the Company or a Subsidiary.

2.17 "Exchange Act" means the Securities Exchange Act of 1934, as amended.

2.18 "Fair Market Value" on any date means the closing sales prices of the Shares on such date on the principal national securities exchange on which such Shares are listed or admitted to trading, or, if such Shares are not so listed or admitted to trading, the closing sales prices of the Shares as reported by The Nasdaq Stock Market at the close of the primary trading session on such dates and, in either case, if the Shares were not traded on such date, on the next preceding day on which the Shares were traded. In the event that Fair Market Value cannot be determined in a manner described above, the Fair Market Value shall be the value established by the Board in good faith and, in the case of an Incentive Stock Option, in accordance with Section 422 of the Code.

2.19 "Grantee" means a person to whom an Award has been granted under the Plan.

2.20 "Incentive Stock Option" means an Option satisfying the requirements of Section 422 of the Code and designated by the Committee as an Incentive Stock Option.

2.21 "Non-employee Director" means a director of the Company who is a "non-employee director" within the meaning of Rule 16b-3 promulgated under the Exchange Act.

2.22 "Nonqualified Stock Option" means an Option which is not an Incentive Stock Option.

2.23 "Option" means a Nonqualified Stock Option, an Incentive Stock Option or either or both of them.

2.24 "Optionee" means a person to whom an Option has been granted under the Plan.

2.25 "Outside Director" means a director of the Company who is an "outside director" within the meaning of Section 162(m) of the Code and the regulations promulgated thereunder.

2.26 "Parent" means any corporation which is a parent corporation within the meaning of Section 424(e) of the Code with respect to the Company.

2.27 "Performance Awards" means Performance Units, Performance Shares or either or both of them.

2.28 "Performance-Based Compensation" means any Option or Award that is intended to constitute "performance based compensation" within the meaning of Section 162(m)(4)(C) of the Code and the regulations promulgated thereunder.

2.29 "Performance Cycle" means the time period specified by the Committee at the time Performance Awards are granted during which the performance of the Company, a Subsidiary or a Division will be measured.

2.30 "Performance Objectives" has the meaning set forth in Section 9.

2.31 "Performance Shares" means Shares issued or transferred to an Eligible Individual under Section 9.

2.32 "Performance Units" means performance units granted to an Eligible Individual under Section 9.

2.33 "Plan" means Community Health Systems, Inc. 2009 Stock Option and Award Plan, as amended and restated from time to time.

2.34 "Restricted Stock" means Shares issued or transferred to an Eligible Individual pursuant to Section 8.1.

2.35 "Restricted Stock Unit" means rights granted to an Eligible Individual under Section 8.2 representing a number of hypothetical Shares.

2.36 "Share Award" means an Award of Shares granted pursuant to Section 10.

2.37 "Shares" means shares of the Common Stock of the Company, par value \$.01 per share, and any other securities into which such shares are changed or for which such shares are exchanged.

2.38 "Stock Appreciation Right" means a right to receive all or some portion of the increase in the value of the Shares as provided in Section 7 hereof.

2.39 "Subsidiary" means (i) except as provided in subsection (ii) below, any corporation which is a subsidiary corporation within the meaning of Section 424(f) of the Code with respect to the Company, and (ii) in relation to the eligibility to receive Options or Awards other than Incentive Stock Options and continued employment for purposes of Options and Awards (unless the Committee determines otherwise), any entity, whether or not incorporated, in which the Company directly or indirectly owns 50% or more of the outstanding equity or other ownership interests.

2.40 "Successor Corporation" means a corporation, or a Parent or Subsidiary thereof within the meaning of Section 424(a) of the Code, which issues or assumes a stock option in a transaction to which Section 424(a) of the Code applies.

2.41 "Ten-Percent Stockholder" means an Eligible Individual, who, at the time an Incentive Stock Option is to be granted to him or her, owns (within the meaning of Section 422(b)(6) of the Code) stock possessing more than ten percent (10%) of the total combined voting power of all classes of stock of the Company, a Parent or a Subsidiary.

3. Administration.

3.1 The Plan shall be administered by the Committee, which shall hold meetings at such times as may be necessary for the proper administration of the Plan. The Committee shall keep minutes of its meetings. If the Committee consists of more than one (1) member, a quorum shall consist of not fewer than two (2) members of the Committee and a majority of a quorum may authorize any action. Any decision or determination reduced to writing and signed by a majority of all of the members of the Committee shall be as fully effective as if made by a majority vote at a meeting duly called and held. The Committee shall consist of at least one (1) Director and may consist of the entire Board; *provided, however*, that (A) with respect to any Option or Award granted to an Eligible Individual who is subject to Section 16 of the Exchange Act, the Committee shall consist of at least two (2) Directors each of whom shall be a Non-employee Director and (B) to the extent necessary for any Option or Award intended to qualify as Performance-Based Compensation to so qualify, the Committee shall consist of at least two (2) Directors, each of whom shall be an Outside Director. For purposes of the preceding sentence, if any member of the Committee is neither a Non-employee Director nor an Outside Director but recuses himself or herself or abstains from voting with respect to a particular action taken by the Committee, then the Committee, with respect to that action, shall be deemed to consist only of the members of the Committee who have not recused themselves or abstained from voting. Subject to applicable law, the Committee may delegate its authority under the Plan to any other person or persons.

3.2 No member of the Committee shall be liable for any action, failure to act, determination or interpretation made in good faith with respect to this Plan or any transaction hereunder. The Company hereby agrees to indemnify each member of the Committee for all costs and expenses and, to the extent permitted by applicable law, any liability incurred in connection with defending against, responding to, negotiating for the settlement of or otherwise dealing with any claim, cause of action or dispute of any kind arising in connection with any

actions in administering this Plan or in authorizing or denying authorization to any transaction hereunder.

3.3 Subject to the express terms and conditions set forth herein, the Committee shall have the power from time to time to:

(a) determine those Eligible Individuals to whom Options shall be granted under the Plan and the number of such Options to be granted, prescribe the terms and conditions (which need not be identical) of each such Option, including the exercise price per Share, the vesting schedule and the duration of each Option, and make any amendment or modification to any Option Agreement consistent with the terms of the Plan;

(b) select those Eligible Individuals to whom Awards shall be granted under the Plan, determine the number of Shares in respect of which each Award is granted, the terms and conditions (which need not be identical) of each such Award, and make any amendment or modification to any Award Agreement consistent with the terms of the Plan;

(c) construe and interpret the Plan and the Options and Awards granted hereunder, establish, amend and revoke rules and regulations for the administration of the Plan, including, but not limited to, correcting any defect or supplying any omission, or reconciling any inconsistency in the Plan or in any Agreement, in the manner and to the extent it shall deem necessary or advisable, including so that the Plan and the operation of the Plan comply with Rule 16b-3 under the Exchange Act, the Code to the extent applicable and other applicable law, and otherwise make the Plan fully effective. All decisions and determinations by the Committee in the exercise of this power shall be final, binding and conclusive upon the Company, its Subsidiaries, the Optionees and Grantees, and all other persons having any interest therein;

(d) determine the duration and purposes for leaves of absence which may be granted to an Optionee or Grantee on an individual basis without constituting a termination of employment or service for purposes of the Plan;

(e) exercise its discretion with respect to the powers and rights granted to it as set forth in the Plan; and

(f) generally, exercise such powers and perform such acts as are deemed necessary or advisable to promote the best interests of the Company with respect to the Plan.

3.4 The Committee may delegate to one or more officers of the Company the authority to grant Options or Awards to Eligible Individuals (other than to himself or herself) and/or determine the number of Shares subject to each Option or Award (by resolution that specifies the total number of Shares subject to the Options or Awards that may be awarded by the officer and the terms of any such Options or Awards, including the exercise price), provided that such delegation is made in accordance with the Delaware General Corporation Law and with respect to Options and Awards that are not intended to qualify as Performance-Based Compensation.

4. Stock Subject to the Plan; Grant Limitations.

4.1 The maximum number of Shares that may be made the subject of Options and Awards granted under the Plan is 3,500,000; *provided, however*, that, (i) when aggregated with Options and Awards granted under the 2000 Stock Option and Award Plan in any calendar year, no Eligible Individual may be granted Options or Awards in the aggregate in respect of more than 1,000,000 Shares, and (ii) in no event shall more than an aggregate of 30,000 Shares be issued upon the exercise of Incentive Stock Options granted under the Plan. The Company shall reserve for the purposes of the Plan, out of its authorized but unissued Shares or out of Shares held in the Company's treasury, or partly out of each, such number of Shares as shall be determined by the Board.

4.2 Upon the granting of an Option or an Award, the number of Shares available under Section 4.1 for the granting of further Options and Awards shall be reduced as follows:

(a) In connection with the granting of an Option or an Award, the number of Shares shall be reduced by the number of Shares in respect of which the Option or Award is granted or denominated.

(b) Stock Appreciation Rights to be settled in shares of Common Stock shall be counted in full against the number of shares available for award under the Plan, regardless of the number of Exercise Gain Shares issued upon settlement of the Stock Appreciation Right.

(c) Notwithstanding the foregoing, Awards granted in the form of Restricted Stock (including Restricted Stock Units), Performance Awards (including Shares issued in respect to Performance Awards), and other Awards that are granted as "full value awards" shall reduce the number of shares that may be the subject to Options and Awards under the Plan by 1.52 Shares for each Share subject to such an Award.

4.3 Whenever any outstanding Option or Award or portion thereof expires, is canceled, is forfeited, is settled in cash or is otherwise terminated for any reason without having been exercised or payment having been made in respect of the entire Option or Award, the Shares allocable to the expired, canceled, forfeited, settled or otherwise terminated portion of the Option or Award may again be the subject of Options or Awards granted hereunder. With regard to Awards referred to in Section 4.2(c), for each Share subject to an Award that is cancelled, forfeited, settled in cash or otherwise terminated as provided in the foregoing sentence, 1.52 Shares may again be the subject of Options or Awards under the Plan.

5. Option Grants for Eligible Individuals.

5.1 Authority of Committee. Subject to the provisions of the Plan, the Committee shall have full and final authority to select those Eligible Individuals who will receive Options, and the terms and conditions of the grant to such Eligible Individuals shall be set forth in an Agreement. Incentive Stock Options may be granted only to Eligible Individuals who are employees of the Company or any Subsidiary.

5.2 Exercise Price. The purchase price or the manner in which the exercise price is to be determined for Shares under each Option shall be determined by the Committee and set forth in the Agreement; *provided, however*, that the exercise price per Share under each Nonqualified Stock Option and each Incentive Stock Option shall not be less than 100% of the Fair Market Value of a Share on the date the Option is granted (110% in the case of an Incentive Stock Option granted to a Ten-Percent Stockholder).

5.3 Maximum Duration. Options granted hereunder shall be for such term as the Committee shall determine, provided that an Incentive Stock Option shall not be exercisable after the expiration of ten (10) years from the date it is granted (five (5) years in the case of an Incentive Stock Option granted to a Ten-Percent Stockholder) and a Nonqualified Stock Option shall not be exercisable after the expiration of ten (10) years from the date it is granted; *provided, however*, that unless the Committee provides otherwise, an Option (other than an Incentive Stock Option) may, upon the death of the Optionee prior to the expiration of the Option, be exercised for up to one (1) year following the date of the Optionee's death even if such period extends beyond ten (10) years from the date the Option is granted. The Committee may, subsequent to the granting of any Option, extend the term thereof, but in no event shall the term as so extended exceed the maximum term provided for in the preceding sentence.

5.4 Vesting. Subject to Section 5.10, each Option shall become exercisable in such installments (which need not be equal) and at such times as may be designated by the Committee and set forth in the Agreement. To the extent not exercised, installments shall accumulate and be exercisable, in whole or in part, at any time after becoming exercisable, but not later than the date the Option expires. The Committee may accelerate the exercisability of any Option or portion thereof at any time.

5.5 Deferred Delivery of Option Shares. The Committee may, in its discretion, permit Optionees to elect to defer the issuance of Shares upon the exercise of one or more Nonqualified Stock Options granted pursuant to the Plan. The terms and conditions of such deferral shall be determined at the time of the grant of the Option or thereafter and shall be set forth in the Agreement evidencing the Option.

5.6 Limitations on Incentive Stock Options. To the extent that the aggregate Fair Market Value (determined as of the date of the grant) of Shares with respect to which Incentive Stock Options granted under the Plan and "incentive stock options" (within the meaning of Section 422 of the Code) granted under all other plans of the Company or its Subsidiaries (in either case determined without regard to this Section 5.6) are exercisable by an Optionee for the first time during any calendar year exceeds \$100,000, such Incentive Stock Options shall be treated as Nonqualified Stock Options. In applying the limitation in the preceding sentence in the case of multiple Option grants, Options which were intended to be Incentive Stock Options shall be treated as Nonqualified Stock Options according to the order in which they were granted such that the most recently granted Options are first treated as Nonqualified Stock Options.

5.7 Non-Transferability. No Option shall be transferable by the Optionee otherwise than by will or by the laws of descent and distribution or, in the case of an Option other than an Incentive Stock Option, pursuant to a domestic relations order (within the meaning of Rule 16a-12 promulgated under the Exchange Act), and an Option shall be exercisable during the lifetime of such Optionee only by the Optionee or his or her guardian or legal representative. Notwithstanding the foregoing, the Committee may set forth in the Agreement evidencing an Option (other than an Incentive Stock Option), at the time of grant or thereafter, that the Option may be transferred to members of the Optionee's immediate family, to trusts solely for the benefit of such immediate family members and to partnerships in which such family members and/or trusts are the only partners, and for purposes of this Plan, a transferee of an Option shall be deemed to be the Optionee. For this purpose, immediate family means the Optionee's spouse, parents, children, stepchildren and grandchildren and the spouses of such parents, children, stepchildren and grandchildren. The terms of an Option shall be final, binding and conclusive upon the beneficiaries, executors, administrators, heirs and successors of the Optionee.

5.8 Method of Exercise. The exercise of an Option shall be made only by a written notice delivered in person or by mail to the Secretary of the Company at the Company's principal executive office, specifying the number of Shares to be exercised and, to the extent applicable, accompanied by payment therefor and otherwise in accordance with the Agreement pursuant to which the Option was granted; *provided, however*, that Options may not be exercised by an Optionee following a hardship distribution to the Optionee to the extent such exercise is prohibited under the Community Health Systems, Inc. 401(k) Plan or Treasury Regulation § 1.401(k)-1(d)(2)(iv)(B)(4). The exercise price for any Shares purchased pursuant to the exercise of an Option shall be paid in either of the following forms (or any combination thereof): (a) cash or (b) the transfer, either actually or by attestation, to the Company of Shares that have been held by the Optionee for at least six (6) months (or such lesser period as may be permitted by the Committee) prior to the exercise of the Option, such transfer to be upon such terms and conditions as determined by the Committee or (c) a combination of cash and the transfer of Shares; *provided, however*, that the Committee may determine that the exercise price shall be paid only in cash. In addition, Options may be exercised through a registered broker-dealer pursuant to such cashless exercise procedures which are, from time to time, deemed acceptable by the Committee. Any Shares transferred to the Company as payment of the exercise price under an Option shall be valued at their Fair Market Value on the day of exercise of such Option. If requested by the Committee, the Optionee shall deliver the Agreement evidencing the Option to the Secretary of the Company who shall endorse thereon a notation of such exercise and return such Agreement to the Optionee. No fractional Shares (or cash in lieu thereof) shall be issued upon exercise of an Option and the number of Shares that may be purchased upon exercise shall be rounded to the nearest number of whole Shares.

5.9 Rights of Optionees. No Optionee shall be deemed for any purpose to be the owner of any Shares subject to any Option unless and until (a) the Option shall have been exercised pursuant to the terms thereof, (b) the Company shall have issued and delivered Shares to the Optionee, and (c) the Optionee's name shall have been entered as a stockholder of record on the books of the Company. Thereupon, the Optionee shall have full voting, dividend and other ownership rights with respect to such Shares, subject to such terms and conditions as may be set forth in the applicable Agreement.

5.10 Effect of Change in Control. In the event of a Change in Control, each Option held by the Optionee as of the date of the Change in Control shall become immediately

and fully exercisable and shall, notwithstanding any shorter period set forth in the Agreement evidencing the Option, remain exercisable for a period ending not before the earlier of (x) the six (6) month anniversary of the Change in Control or (y) the expiration of the stated term of the Option. In addition, the Agreement evidencing the grant of an Option may provide for any other treatment of the Option in the event of a Change in Control.

6. [intentionally omitted].

7. Stock Appreciation Rights.

The Committee may in its discretion, either alone or in connection with the grant of an Option, grant Stock Appreciation Rights in accordance with the Plan, the terms and conditions of which shall be set forth in an Agreement. If granted in connection with an Option, a Stock Appreciation Right shall cover the same Shares covered by the Option (or such lesser number of Shares as the Committee may determine) and shall, except as provided in this Section 7, be subject to the same terms and conditions as the related Option.

7.1 Time of Grant. A Stock Appreciation Right may be granted (a) at any time if unrelated to an Option, or (b) if related to an Option, either at the time of grant or at any time thereafter during the term of the Option.

7.2 Stock Appreciation Right Related to an Option.

(a) Exercise. A Stock Appreciation Right granted in connection with an Option shall be exercisable at such time or times and only to the extent that the related Option is exercisable, and will not be transferable except to the extent the related Option may be transferable. A Stock Appreciation Right granted in connection with an Incentive Stock Option shall be exercisable only if the Fair Market Value of a Share on the date of exercise exceeds the exercise price specified in the related Incentive Stock Option Agreement. In no event shall a Stock Appreciation Right related to an Option have a term of greater than ten (10) years; *provided, however*, that the Committee may provide that a Stock Appreciation Right may, upon the death of the Grantee, be exercised for up to one (1) year following the date of the Grantee's death even if such period extends beyond ten (10) years from the date the Stock Appreciation Right is granted.

(b) Amount Payable. Upon the exercise of a Stock Appreciation Right related to an Option, the Grantee shall be entitled to receive an amount determined by multiplying (i) the excess of the Fair Market Value of a Share on the date of exercise of such Stock Appreciation Right over the per Share exercise price under the related Option, by (ii) the number of Shares as to which such Stock Appreciation Right is being exercised. Notwithstanding the foregoing, the Committee may limit in any manner the amount payable with respect to any Stock Appreciation Right by including such a limit in the Agreement evidencing the Stock Appreciation Right at the time it is granted.

(c) Treatment of Related Options and Stock Appreciation Rights Upon Exercise. Upon the exercise of a Stock Appreciation Right granted in connection with an Option, the Option shall be canceled to the extent of the number of Shares as to which the Stock Appreciation Right is exercised, and upon the exercise of an Option granted in connection with a Stock Appreciation Right, the Stock Appreciation Right shall be canceled to the extent of the number of Shares as to which the Option is exercised or surrendered.

7.3 Stock Appreciation Right Unrelated to an Option. The Committee may grant to Eligible Individuals Stock Appreciation Rights unrelated to Options. Stock Appreciation Rights unrelated to Options shall contain such terms and conditions as to exercisability (subject to Section 7.7), vesting and duration as the Committee shall determine, but in no event shall they have a term of greater than ten (10) years; *provided, however*, that the Committee may provide that a Stock Appreciation Right may, upon the death of the Grantee, be exercised for up to one (1) year following the date of the Grantee's death even if such period extends beyond ten (10) years from the date the Stock Appreciation Right is granted. Upon exercise of a Stock Appreciation Right unrelated to an Option, the Grantee shall be entitled to receive an amount determined by multiplying (a) the excess of the Fair Market Value of a Share on the date of exercise of such Stock Appreciation Right over the Fair Market Value of a Share on the date the Stock Appreciation Right was granted, by (b) the number of Shares as to which the Stock Appreciation Right is being exercised. Notwithstanding the foregoing, the Committee may limit in any manner the amount payable with respect to any Stock Appreciation Right by including such a limit in the Agreement evidencing the Stock Appreciation Right at the time it is granted.

7.4 Non-Transferability. No Stock Appreciation Right shall be transferable by the Grantee otherwise than by will or by the laws of descent and distribution or pursuant to a domestic relations order (within the meaning of Rule 16a-12 promulgated under the Exchange Act), and such Stock Appreciation Right shall be exercisable during the lifetime of such Grantee only by the Grantee or his or her guardian or legal representative. The terms of such Stock Appreciation Right shall be final, binding and conclusive upon the beneficiaries, executors, administrators, heirs and successors of the Grantee.

7.5 Method of Exercise. Stock Appreciation Rights shall be exercised by a Grantee only by a written notice delivered in person or by mail to the Secretary of the Company at the Company's principal executive office, specifying the number of Shares with respect to which the Stock Appreciation Right is being exercised. If requested by the Committee, the Grantee shall deliver the Agreement evidencing the Stock Appreciation Right being exercised and the Agreement evidencing any related Option to the Secretary of the Company who shall endorse thereon a notation of such exercise and return such Agreement to the Grantee.

7.6 Form of Payment. Payment of the amount determined under Sections 7.2(b) or 7.3 may be made in the discretion of the Committee solely in whole Shares in a number determined at their Fair Market Value on the date of exercise of the Stock Appreciation Right, or solely in cash, or in a combination of cash and Shares. If the Committee decides to make full payment in Shares and the amount payable results in a fractional Share, payment for the fractional Share will be made in cash.

7.7 Effect of Change in Control. In the event of a Change in Control, each Stock Appreciation Right held by the Grantee shall become immediately and fully exercisable and shall, notwithstanding any shorter period set forth in the Agreement evidencing the Stock Appreciation Right, remain exercisable for a period ending not before the earlier of (x) the six (6) month anniversary of the Change in Control or (y) the expiration of the stated term of the Stock Appreciation Right. In addition, the Agreement evidencing the grant of a Stock Appreciation Right unrelated to an Option may provide for any other treatment of such Stock Appreciation Right in the event of a Change in Control.

8. Restricted Stock and Restricted Stock Units

8.1 Restricted Stock. The Committee may grant Awards to Eligible Individuals of Restricted Stock, which shall be evidenced by an Agreement between the Company and the Grantee. Each Agreement shall contain such restrictions, terms and conditions as the Committee may, in its discretion, determine and (without limiting the generality of the foregoing) such Agreements may require that an appropriate legend be placed on Share certificates. Awards of Restricted Stock shall be subject to the terms and provisions set forth below in this Section 8.1.

(a) Rights of Grantee. Shares of Restricted Stock granted pursuant to an Award hereunder shall be issued in the name of the Grantee as soon as reasonably practicable after the Award is granted provided that the Grantee has executed an Agreement evidencing the Award, the appropriate blank stock powers and, in the discretion of the Committee, an escrow agreement and any other documents which the Committee may require as a condition to the issuance of such Shares. If a Grantee shall fail to execute the Agreement evidencing a Restricted Stock Award, or any documents which the Committee may require within the time period prescribed by the Committee at the time the Award is granted, the Award shall be null and void. At the discretion of the Committee, Shares issued in connection with a Restricted Stock Award shall be deposited together with the stock powers with an escrow agent (which may be the Company) designated by the Committee. Unless the Committee determines otherwise and as set forth in the Agreement, upon delivery of the Shares to the escrow agent, the Grantee shall have all of the rights of a stockholder with respect to such Shares, including the right to vote the Shares and to receive all dividends or other distributions paid or made with respect to the Shares.

(b) Non-Transferability. Until all restrictions upon the Shares of Restricted Stock awarded to a Grantee shall have lapsed in the manner set forth in Section 8.4, such Shares shall not be sold, transferred or otherwise disposed of and shall not be pledged or otherwise hypothecated.

(c) Lapse of Restrictions.

(1) Generally. Restrictions upon Shares of Restricted Stock awarded hereunder shall lapse at such time or times and on such terms and conditions as the Committee may determine. The Agreement evidencing the Award shall set forth any such restrictions.

(2) Effect of Change in Control. The Committee may determine at the time of the grant of an Award of Restricted Stock the extent to which the restrictions upon Shares of Restricted Stock shall lapse upon a Change in Control. The Agreement evidencing the Award shall set forth any such provisions.

(d) Treatment of Dividends. At the time an Award of Shares of Restricted Stock is granted, the Committee may, in its discretion, determine that the payment to the Grantee of dividends, or a specified portion thereof, declared or paid on such Shares by the Company shall be (a) deferred until the lapsing of the restrictions imposed upon such Shares and (b) held by the Company for the account of the Grantee until such time. In the event that dividends are to be deferred, the Committee shall determine whether such dividends are to be reinvested in Shares (which shall be held as additional Shares of Restricted Stock) or held in cash. If deferred dividends are to be held in cash, there may be credited at the end of each year (or portion thereof) interest on the amount of the account at the beginning of the year at a rate per annum as the Committee, in its discretion, may determine. Payment of deferred

dividends in respect of Shares of Restricted Stock (whether held in cash or as additional Shares of Restricted Stock), together with interest accrued thereon, if any, shall be made upon the lapsing of restrictions imposed on the Shares in respect of which the deferred dividends were paid, and any dividends deferred (together with any interest accrued thereon) in respect of any Shares of Restricted Stock shall be forfeited upon the forfeiture of such Shares.

(e) Delivery of Shares. Upon the lapse of the restrictions on Shares of Restricted Stock, the Committee shall cause a stock certificate to be delivered to the Grantee with respect to such Shares, free of all restrictions hereunder.

8.2 Restricted Stock Units. The Committee may grant to Eligible Individuals Awards of Restricted Stock Units, which shall be evidenced by an Agreement. Each such Agreement shall contain such restrictions, terms and conditions as the Committee may, in its discretion, determine. Awards of Restricted Stock Units shall be subject to the terms and provisions set forth below in this Section 8.2.

(a) Payment of Awards. Each Restricted Stock Unit shall represent the right of a Grantee to receive a payment upon vesting of the Restricted Stock Unit or on any later date specified by the Committee equal to the Fair Market Value of a Share as of the date the Restricted Stock Unit was granted, the vesting date or such other date as determined by the Committee at the time the Restricted Stock Unit was granted. The Committee may, at the time a Restricted Stock Unit is granted, provide a limitation on the amount payable in respect of each Restricted Stock Unit. The Committee may provide for the settlement of Restricted Stock Units in cash or with Shares having a Fair Market Value equal to the payment to which the Grantee has become entitled.

(b) Effect of Change in Control. The effect of a Change in Control on an Award of Restricted Stock Units shall be set forth in the applicable Agreement.

9. Performance Awards.

9.1 Performance Units. The Committee, in its discretion, may grant Awards of Performance Units to Eligible Individuals, the terms and conditions of which shall be set forth in an Agreement between the Company and the Grantee. Contingent upon the attainment of specified Performance Objectives within the Performance Cycle, Performance Units represent the right to receive payment as provided in Section 9.1(b) of (i) the Fair Market Value of a Share on the date the Performance Unit was granted, the date the Performance Unit became vested or any other date specified by the Committee or (ii) a percentage (which may be more than 100%) of the amount described in clause (i) depending on the level of Performance Objective attainment; *provided, however*, that the Committee may at the time a Performance Unit is granted specify a maximum amount payable in respect of a vested Performance Unit. Each Agreement shall specify the number of Performance Units to which it relates, the Performance Objectives which must be satisfied in order for the Performance Units to vest and the Performance Cycle within which such Performance Objectives must be satisfied.

(a) Vesting and Forfeiture. Subject to Sections 9.3(c) and 9.4, a Grantee shall become vested with respect to the Performance Units to the extent that the Performance Objectives set forth in the Agreement are satisfied for the Performance Cycle.

(b) Payment of Awards. Subject to Section 9.3(c), payment to Grantees in respect of vested Performance Units shall be made as soon as practicable after the

last day of the Performance Cycle to which such Award relates unless the Agreement evidencing the Award provides for the deferral of payment, in which event the terms and conditions of the deferral shall be set forth in the Agreement. Subject to Section 9.4, such payments may be made entirely in Shares valued at their Fair Market Value, entirely in cash, or in such combination of Shares and cash as the Committee in its discretion shall determine at any time prior to such payment, *provided, however*, that if the Committee in its discretion determines to make such payment entirely or partially in Shares of Restricted Stock, the Committee must determine the extent to which such payment will be in Shares of Restricted Stock and the terms of such Restricted Stock at the time the Award is granted.

9.2 Performance Shares. The Committee, in its discretion, may grant Awards of Performance Shares to Eligible Individuals, the terms and conditions of which shall be set forth in an Agreement between the Company and the Grantee. Each Agreement may require that an appropriate legend be placed on Share certificates. Awards of Performance Shares shall be subject to the following terms and provisions:

(a) **Rights of Grantee.** The Committee shall provide at the time an Award of Performance Shares is made the time or times at which the actual Shares represented by such Award shall be issued in the name of the Grantee; *provided, however*, that no Performance Shares shall be issued until the Grantee has executed an Agreement evidencing the Award, the appropriate blank stock powers and, in the discretion of the Committee, an escrow agreement and any other documents which the Committee may require as a condition to the issuance of such Performance Shares. If a Grantee shall fail to execute the Agreement evidencing an Award of Performance Shares, the appropriate blank stock powers and, in the discretion of the Committee, an escrow agreement and any other documents which the Committee may require within the time period prescribed by the Committee at the time the Award is granted, the Award shall be null and void. At the discretion of the Committee, Shares issued in connection with an Award of Performance Shares shall be deposited together with the stock powers with an escrow agent (which may be the Company) designated by the Committee. Except as restricted by the terms of the Agreement, upon delivery of the Shares to the escrow agent, the Grantee shall have, in the discretion of the Committee, all of the rights of a stockholder with respect to such Shares, including the right to vote the Shares and to receive all dividends or other distributions paid or made with respect to the Shares.

(b) **Non-Transferability.** Until any restrictions upon the Performance Shares awarded to a Grantee shall have lapsed in the manner set forth in Section 9.2(c) or 9.4, such Performance Shares shall not be sold, transferred or otherwise disposed of and shall not be pledged or otherwise hypothecated, nor shall they be delivered to the Grantee. The Committee may also impose such other restrictions and conditions on the Performance Shares, if any, as it deems appropriate.

(c) **Lapse of Restrictions.** Subject to Sections 9.3(c) and 9.4, restrictions upon Performance Shares awarded hereunder shall lapse and such Performance Shares shall become vested at such time or times and on such terms, conditions and satisfaction of Performance Objectives as the Committee may, in its discretion, determine at the time an Award is granted.

(d) **Treatment of Dividends.** At the time the Award of Performance Shares is granted, the Committee may, in its discretion, determine that the payment to the Grantee of dividends, or a specified portion thereof, declared or paid on Shares represented by such Award which have been issued by the Company to the Grantee shall be (i) deferred until

the lapsing of the restrictions imposed upon such Performance Shares and (ii) held by the Company for the account of the Grantee until such time. In the event that dividends are to be deferred, the Committee shall determine whether such dividends are to be reinvested in shares of Stock (which shall be held as additional Performance Shares) or held in cash. If deferred dividends are to be held in cash, there may be credited at the end of each year (or portion thereof) interest on the amount of the account at the beginning of the year at a rate per annum as the Committee, in its discretion, may determine. Payment of deferred dividends in respect of Performance Shares (whether held in cash or in additional Performance Shares), together with interest accrued thereon, if any, shall be made upon the lapsing of restrictions imposed on the Performance Shares in respect of which the deferred dividends were paid, and any dividends deferred (together with any interest accrued thereon) in respect of any Performance Shares shall be forfeited upon the forfeiture of such Performance Shares.

(e) Delivery of Shares. Upon the lapse of the restrictions on Performance Shares awarded hereunder, the Committee shall cause a stock certificate to be delivered to the Grantee with respect to such Shares, free of all restrictions hereunder.

9.3 Performance Objectives.

(a) Establishment. Performance Objectives for Performance Awards may be expressed in terms of (i) earnings per Share, (ii) net revenue, (iii) adjusted EBITDA (iv) Share price, (v) pre-tax profits, (vi) net earnings, (vii) return on equity or assets, or (viii) any combination of the foregoing. Performance Objectives may be in respect of the performance of the Company, any of its Subsidiaries, any of its Divisions or any combination thereof. Performance Objectives may be absolute or relative (to prior performance of the Company or to the performance of one or more other entities or external indices) and may be expressed in terms of a progression within a specified range. The Performance Objectives with respect to a Performance Cycle shall be established in writing by the Committee by the earlier of (x) the date on which a quarter of the Performance Cycle has elapsed or (y) the date which is ninety (90) days after the commencement of the Performance Cycle, and in any event while the performance relating to the Performance Objectives remain substantially uncertain.

(b) Effect of Certain Events. At the time of the granting of a Performance Award, or at any time thereafter, in either case to the extent permitted under Section 162(m) of the Code and the regulations thereunder without adversely affecting the treatment of the Performance Award as Performance-Based Compensation, the Committee may provide for the manner in which performance will be measured against the Performance Objectives (or may adjust the Performance Objectives) to reflect the impact of specified corporate transactions, accounting or tax law changes and other extraordinary or nonrecurring events.

(c) Determination of Performance. Prior to the vesting, payment, settlement or lapsing of any restrictions with respect to any Performance Award that is intended to constitute Performance-Based Compensation made to a Grantee who is subject to Section 162(m) of the Code, the Committee shall certify in writing that the applicable Performance Objectives have been satisfied to the extent necessary for such Award to qualify as Performance Based Compensation.

9.4 Effect of Change in Control. The Agreements evidencing Performance Shares and Performance Units may provide for the treatment of such Awards (or portions

thereof) in the event of a Change in Control, including, but not limited to, provisions for the adjustment of applicable Performance Objectives.

9.5 Non-Transferability. Until the vesting of Performance Units or the lapsing of any restrictions on Performance Shares, as the case may be, such Performance Units or Performance Shares shall not be sold, transferred or otherwise disposed of and shall not be pledged or otherwise hypothecated.

10. Share Awards. The Committee may grant a Share Award to any Eligible Individual on such terms and conditions as the Committee may determine in its sole discretion. Share Awards may be made as additional compensation for services rendered by the Eligible Individual or may be in lieu of cash or other compensation to which the Eligible Individual is entitled from the Company.

11. Effect of a Termination of Employment.

The Agreement evidencing the grant of each Option and each Award shall set forth the terms and conditions applicable to such Option or Award upon a termination or change in the status of the employment of the Optionee or Grantee by the Company, a Subsidiary or a Division (including a termination or change by reason of the sale of a Subsidiary or a Division), which shall be as the Committee may, in its discretion, determine at the time the Option or Award is granted or thereafter.

12. Adjustment Upon Changes in Capitalization.

(a) In the event of a Change in Capitalization, the Committee shall conclusively determine the appropriate adjustments, if any, to (i) the maximum number and class of Shares or other stock or securities with respect to which Options or Awards may be granted under the Plan, (ii) the number and class of Shares or other stock or securities which are subject to outstanding Options or Awards granted under the Plan and the exercise price therefor, if applicable, and (iii) the Performance Objectives.

(b) Any such adjustment in the Shares or other stock or securities (a) subject to outstanding Incentive Stock Options (including any adjustments in the exercise price) shall be made in such manner as not to constitute a modification as defined by Section 424(h)(3) of the Code and only to the extent permitted by Sections 422 and 424 of the Code or (b) subject to outstanding Options or Awards that are intended to qualify as Performance-Based Compensation shall be made in such a manner as not to adversely affect the treatment of the Options or Awards as Performance-Based Compensation. In addition, (a) no adjustment to any Option or Award that is not subject to Section 409A of the Code shall be made in a manner that would subject the Option or Award to Section 409A of the Code and (b) any adjustment to an Option or Award that is subject to Section 409A of the Code shall be made only in a manner and to the extent permitted by Section 409A of the Code.

(c) If, by reason of a Change in Capitalization, a Grantee of an Award shall be entitled to, or an Optionee shall be entitled to exercise an Option with respect to, new, additional or different shares of stock or securities of the Company or any other corporation, such new, additional or different shares shall thereupon be subject to all of the conditions, restrictions and performance criteria which were applicable to the Shares subject to the Award or Option, as the case may be, prior to such Change in Capitalization.

13. Effect of Certain Transactions.

Subject to Sections 5.10, 7.7, 8.4(b) and 9.4 or as otherwise provided in an Agreement, in the event of (a) the liquidation or dissolution of the Company or (b) a merger or consolidation of the Company (a "Transaction"), the Plan and the Options and Awards issued hereunder shall continue in effect in accordance with their respective terms, except that following a Transaction either (i) each outstanding Option or Award shall be treated as provided for in the agreement entered into in connection with the Transaction or (ii) if not so provided in such agreement, each Optionee and Grantee shall be entitled to receive in respect of each Share subject to any outstanding Options or Awards, as the case may be, upon exercise of any Option or payment or transfer in respect of any Award, the same number and kind of stock, securities, cash, property or other consideration that each holder of a Share was entitled to receive in the Transaction in respect of a Share; *provided, however*, that such stock, securities, cash, property, or other consideration shall remain subject to all of the conditions, restrictions and performance criteria which were applicable to the Options and Awards prior to such Transaction. The treatment of any Option or Award as provided in this Section 13 shall be conclusively presumed to be appropriate for purposes of Section 12.

14. Interpretation.

Following the required registration of any equity security of the Company pursuant to Section 12 of the Exchange Act:

(a) The Plan is intended to comply with Rule 16b-3 promulgated under the Exchange Act and the Committee shall interpret and administer the provisions of the Plan or any Agreement in a manner consistent therewith. Any provisions inconsistent with such Rule shall be inoperative and shall not affect the validity of the Plan.

(b) Unless otherwise expressly stated in the relevant Agreement, each Option, Stock Appreciation Right and Performance Award granted under the Plan is intended to be Performance-Based Compensation. The Committee shall not be entitled to exercise any discretion otherwise authorized hereunder with respect to such Options or Awards if the ability to exercise such discretion or the exercise of such discretion itself would cause the compensation attributable to such Options or Awards to fail to qualify as Performance-Based Compensation.

(c) To the extent that any legal requirement of Section 16 of the Exchange Act or Section 162(m) of the Code as set forth in the Plan ceases to be required under Section 16 of the Exchange Act or Section 162(m) of the Code, that Plan provision shall cease to apply.

15. Termination and Amendment of the Plan or Modification of Options and Awards.

15.1 Plan Amendment or Termination. The Plan shall terminate on the day preceding the tenth anniversary of the date of its adoption by the Board and no Option or Award may be granted thereafter. The Board may sooner terminate the Plan and the Board may at any time and from time to time amend, modify or suspend the Plan; *provided, however*, that:

(a) no such amendment, modification, suspension or termination shall impair or adversely alter any Options or Awards theretofore granted under the Plan, except with

the written consent of the Optionee or Grantee, nor shall any amendment, modification, suspension or termination deprive any Optionee or Grantee of any Shares which he or she may have acquired through or as a result of the Plan; and

(b) to the extent necessary under any applicable law, regulation or exchange requirement no amendment shall be effective unless approved by the stockholders of the Company in accordance with applicable law, regulation or exchange requirement.

15.2 Modification of Options and Awards. No modification of an Option or Award shall adversely alter or impair any rights or obligations under the Option or Award without the written consent of the Optionee or Grantee, as the case may be.

15.3 No Repricing of Options or Stock Appreciation Rights. The Committee shall have no authority to make any adjustment (other than in connection with a stock dividend, recapitalization or other transaction where an adjustment is permitted or required under the terms of the Plan) or amendment, and no such adjustment or amendment shall be made, that reduces or would have the effect of reducing the exercise price of an Option or Stock Appreciation Right previously granted under the Plan, whether through amendment, cancellation or replacement grants, or other means, unless the Company's stockholders shall have approved such adjustment or amendment.

16. Non-Exclusivity of the Plan.

The adoption of the Plan by the Board shall not be construed as amending, modifying or rescinding any previously approved incentive arrangement or as creating any limitations on the power of the Board to adopt such other incentive arrangements as it may deem desirable, including, without limitation, the granting of stock options otherwise than under the Plan, and such arrangements may be either applicable generally or only in specific cases.

17. Limitation of Liability.

As illustrative of the limitations of liability of the Company, but not intended to be exhaustive thereof, nothing in the Plan shall be construed to:

(a) give any person any right to be granted an Option or Award other than at the sole discretion of the Committee;

(b) give any person any rights whatsoever with respect to Shares except as specifically provided in the Plan;

(c) limit in any way the right of the Company or any Subsidiary to terminate the employment of any person at any time; or

(d) be evidence of any agreement or understanding, expressed or implied, that the Company will employ any person at any particular rate of compensation or for any particular period of time.

18. Regulations and Other Approvals; Governing Law.

18.1 Except as to matters of federal law, the Plan and the rights of all persons claiming hereunder shall be construed and determined in accordance with the laws of the State of Delaware without giving effect to conflicts of laws principles thereof.

18.2 The obligation of the Company to sell or deliver Shares with respect to Options and Awards granted under the Plan shall be subject to all applicable laws, rules and regulations, including all applicable federal and state securities laws, and the obtaining of all such approvals by governmental agencies as may be deemed necessary or appropriate by the Committee.

18.3 The Board may make such changes as may be necessary or appropriate to comply with the rules and regulations of any government authority, or to obtain for Eligible Individuals granted Incentive Stock Options the tax benefits under the applicable provisions of the Code and regulations promulgated thereunder.

18.4 Each Option and Award is subject to the requirement that, if at any time the Committee determines, in its discretion, that the listing, registration or qualification of Shares issuable pursuant to the Plan is required by any securities exchange or under any state or federal law, or the consent or approval of any governmental regulatory body is necessary or desirable as a condition of, or in connection with, the grant of an Option or Award or the issuance of Shares, no Options or Awards shall be granted or payment made or Shares issued, in whole or in part, unless listing, registration, qualification, consent or approval has been effected or obtained free of any conditions as acceptable to the Committee.

18.5 Notwithstanding anything contained in the Plan or any Agreement to the contrary, in the event that the disposition of Shares acquired pursuant to the Plan is not covered by a then current registration statement under the Securities Act of 1933, as amended (the "Securities Act"), and is not otherwise exempt from such registration, such Shares shall be restricted against transfer to the extent required by the Securities Act and Rule 144 or other regulations thereunder. The Committee may require any individual receiving Shares pursuant to an Option or Award granted under the Plan, as a condition precedent to receipt of such Shares, to represent and warrant to the Company in writing that the Shares acquired by such individual are acquired without a view to any distribution thereof and will not be sold or transferred other than pursuant to an effective registration thereof under the Securities Act or pursuant to an exemption applicable under the Securities Act or the rules and regulations promulgated thereunder. The certificates evidencing any such Shares shall be appropriately amended or have an appropriate legend placed thereon to reflect their status as restricted securities as aforesaid.

18.6 Compliance With Section 409A. All Options and Awards granted under the plan are intended either not to be subject to Section 409A of the Code or, if subject to Section 409A of the Code, to be administered, operated and construed in compliance with Section 409A of the Code and any guidance issued thereunder. Notwithstanding this or any other provision of the Plan to the contrary, the Committee may amend the Plan or any Option or Award granted hereunder in any manner, or take any other action, that it determines, in its sole discretion, is necessary, appropriate or advisable to cause the Plan or any Option or Award granted hereunder to comply with Section 409A and any guidance issued thereunder. Any such action, once taken, shall be deemed to be effective from the earliest date necessary to avoid a violation of Section 409A and shall be final, binding and conclusive on all Eligible Individuals and other individuals having or claiming any right or interest under the Plan.

19. Miscellaneous.

19.1 Multiple Agreements. The terms of each Option or Award may differ from other Options or Awards granted under the Plan at the same time or at some other time. The Committee may also grant more than one Option or Award to a given Eligible Individual during the term of the Plan, either in addition to, or in substitution for, one or more Options or Awards previously granted to that Eligible Individual.

19.2 Beneficiary Designation. Each Participant may, from time to time, name one or more individuals (each, a "Beneficiary") to whom any benefit under the Plan is to be paid or who may exercise any rights of the Participant under any Option or Award granted under the Plan in the event of the Participant's death before he or she receives any or all of such benefit or exercises such Option. Each such designation shall revoke all prior designations by the same Participant, shall be in a form prescribed by the Company, and will be effective only when filed by the Participant in writing with the Company during the Participant's lifetime. In the absence of any such designation, benefits remaining unpaid at the Participant's death and rights to be exercised following the Participant's death shall be paid to or exercised by the Participant's estate.

19.3 Withholding of Taxes.

(a) At such times as an Optionee or Grantee recognizes taxable income in connection with the receipt of Shares or cash hereunder (a "Taxable Event"), the Optionee or Grantee shall pay to the Company an amount equal to the federal, state and local income taxes and other amounts as may be required by law to be withheld by the Company in connection with the Taxable Event (the "Withholding Taxes") prior to the issuance, or release from escrow, of such Shares or the payment of such cash. The Company shall have the right to deduct from any payment of cash to an Optionee or Grantee an amount equal to the Withholding Taxes in satisfaction of the obligation to pay Withholding Taxes. The Committee may provide in an Agreement evidencing an Option or Award at the time of grant or thereafter that the Optionee or Grantee, in satisfaction of the obligation to pay Withholding Taxes to the Company, may elect to have withheld a portion of the Shares issuable to him or her pursuant to the Option or Award having an aggregate Fair Market Value equal to the Withholding Taxes. In the event Shares are withheld by the Company to satisfy any obligation to pay Withholding Taxes, such Shares shall be retired and cancelled and shall not thereafter be available to grant an Option or Award with respect thereto.

(b) If an Optionee makes a disposition, within the meaning of Section 424(c) of the Code and regulations promulgated thereunder, of any Share or Shares issued to such Optionee pursuant to the exercise of an Incentive Stock Option within the two-year period commencing on the day after the date of the grant or within the one-year period commencing on the day after the date of transfer of such Share or Shares to the Optionee pursuant to such exercise, the Optionee shall, within ten (10) days of such disposition, notify the Company thereof, by delivery of written notice to the Company at its principal executive office.

19.4 Effective Date. The effective date of this Plan shall be March 24, 2009, subject only to the approval by the holders of a majority of the securities of the Company entitled to vote thereon, in accordance with the applicable laws, within twelve (12) months of the adoption of the Plan by the Board.

**STATEMENT RE: COMPUTATION OF RATIO OF EARNINGS TO FIXED CHARGES
(DOLLARS IN THOUSANDS)**

	Six Months Ended June 30, 2009
Earnings	
Income from continuing operations before provision for income taxes	\$ 218,161
Income from equity investees	(24,700)
Distributed income from equity investees	8,418
Interest and amortization of deferred finance costs	325,386
Amortization of capitalized interest	954
Implicit rental interest expense	<u>30,382</u>
Total Earnings	\$ 558,601
Fixed Charges	
Interest and amortization of deferred finance costs	\$ 325,386
Capitalized interest	8,566
Implicit rental interest expense	<u>30,382</u>
Total fixed charges	\$ 364,334
Ratio of earnings to fixed charges	1.53x

I, Wayne T. Smith, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Community Health Systems, Inc.;
2. Based on my knowledge, this quarterly report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this quarterly report;
3. Based on my knowledge, the financial statements, and other financial information included in this quarterly report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this quarterly report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and we have:
 - a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this quarterly report is being prepared;
 - b) designed such internal controls over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors:
 - a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: July 31, 2009

/s/ Wayne T. Smith

Wayne T. Smith
Chairman of the Board, President
and Chief Executive Officer

I, W. Larry Cash, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Community Health Systems, Inc.;
2. Based on my knowledge, this quarterly report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this quarterly report;
3. Based on my knowledge, the financial statements, and other financial information included in this quarterly report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this quarterly report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and we have:
 - a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this quarterly report is being prepared;
 - b) designed such internal controls over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors:
 - a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: July 31, 2009

/s/ W. Larry Cash
W. Larry Cash
Executive Vice President,
Chief Financial Officer and Director

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report of Community Health Systems, Inc. (the "Company") on Form 10-Q for the period ending June 30, 2009, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Wayne T. Smith, Chairman of the Board, President and Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of the Company.

/s/ Wayne T. Smith

Wayne T. Smith

Chairman of the Board, President and Chief Executive Officer

July 31, 2009

A signed original of this written statement required by Section 906 has been provided to Community Health Systems, Inc. and will be retained by Community Health Systems, Inc. and furnished to the Securities and Exchange Commission or its staff upon request.

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report of Community Health Systems, Inc. (the "Company") on Form 10-Q for the period ending June 30, 2009, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, W. Larry Cash, Executive Vice President, Chief Financial Officer and Director of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of the Company.

/s/ W. Larry Cash

W. Larry Cash

Executive Vice President, Chief Financial Officer and Director

July 31, 2009

A signed original of this written statement required by Section 906 has been provided to Community Health Systems, Inc. and will be retained by Community Health Systems, Inc. and furnished to the Securities and Exchange Commission or its staff upon request.