

SETTLEMENT AGREEMENT

This Settlement Agreement (Agreement) is entered into among the United States of America, acting through the United States Department of Justice and on behalf of the Office of Inspector General (OIG-HHS) of the Department of Health and Human Services (HHS) (collectively, the “United States”); Oglethorpe, Inc., Oglethorpe of Cambridge, LLC d/b/a Cambridge Behavioral Hospital (Cambridge) and Oglethorpe of Middlepoint, LLC d/b/a Ridgeview Behavioral Hospital (Ridgeview), and Parkside Behavioral Healthcare Acquisition, Inc. d/b/a The Woods at Parkside (Parkside) (collectively “Defendants”); and Darlene Baker (“Relator”) (hereafter collectively referred to as “the Parties”), through their authorized representatives.

RECITALS

A. Defendant Oglethorpe, Inc. owns and operates inpatient psychiatric and substance abuse treatment facilities in Florida, Louisiana, Nevada, Ohio, and Texas. Oglethorpe’s Ohio facilities include two inpatient psychiatric hospitals in rural Ohio, Cambridge and Ridgeview, and one substance abuse treatment facility, Parkside.

B. On October 28, 2016, Relator filed a *qui tam* action in the United States District Court for the Southern District of Ohio captioned *United States ex rel. Baker v. Oglethorpe, Inc., et al.*, No. 2:16-cv-1040 (S.D. Ohio), pursuant to the *qui tam* provisions of the False Claims Act, 31 U.S.C. § 3730(b) (the Civil Action). Relator alleges that Defendants knowingly submitted false claims to the United States by billing for unnecessary inpatient psychiatric hospitalizations and for psychiatric evaluations that either were not performed or did not meet Medicare’s requirements. Relator also alleges that Defendants misled patients into voluntarily admitting themselves and transported them to its facilities by van. Relator further alleges that Defendant Oglethorpe, Inc. manages and supports clinics and hospitals throughout Florida, Texas,

Louisiana, and Ohio and that but for the alleged false billings, Defendant's clinics and hospitals would not have been paid by the government. Contemporaneous with execution of this Settlement Agreement, the United States intends to intervene in the Civil Action.

C. The United States contends that Defendants submitted or caused to be submitted claims for payment to the Medicare Program, Title XVIII of the Social Security Act, 42 U.S.C. §§ 1395-1395lll ("Medicare").

D. The United States contends that it has certain civil claims against Defendants arising from their knowingly submitting, or causing to be submitted, false claims to Medicare during the period from August 1, 2013 through June 20, 2019, for: (1) inpatient hospital stays at Cambridge, Ridgeview, and Parkside that were tainted by illegal kickbacks, in the form of free transportation provided to beneficiaries, in violation of the Anti-Kickback Statute, 42 U.S.C. § 1320a-7b; and (2) inpatient hospital stays at Cambridge and Ridgeview for psychiatric services that were also medically unnecessary. That conduct is referred to below as the "Covered Conduct."

E. This Settlement Agreement is neither an admission of liability by Defendants nor a concession by the United States that its claims are not well founded.

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

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

TERMS AND CONDITIONS

1. Defendants, jointly and severally, shall pay to the United States Ten Million, Two Hundred Fifty Thousand Dollars (\$10,250,000.00) (Settlement Amount) plus accrued interest as

set forth below, which constitutes restitution to the United States. The Settlement Amount will be paid as follows:

- a. No later than 30 days after the Effective Date of this Agreement, Defendants will make a payment to the United States in the amount of Five Hundred Thousand Dollars (\$500,000).
- b. Over a period of five years, Defendants, jointly and severally, will pay the remaining Nine Million, Seven Hundred Fifty Thousand Dollars (\$9,750,000), plus interest at .75 percent *per annum*, pursuant to the payment schedule attached at Exhibit A (the “Payments Over Time”).
- c. The Payments Over Time shall be secured pursuant to personal guarantees executed by Robert Cohen, John Picciano, and Jim O’Shea (“Guarantors”), in the form of Exhibit B, that the Guarantors shall cause to be issued contemporaneously with this Settlement Agreement.
- d. Interest shall accrue on the unpaid settlement amount as indicated in Exhibit A. Collectively, the Settlement Amount and interest received by the United States shall be referred to as the Settlement Payments.
- e. The Settlement Amount may be prepaid, in whole or in part, without penalty or premium.
- f. Defendants shall make all Settlement Payments under this Settlement Agreement by electronic funds transfer pursuant to written instructions to be provided by the United States Attorney’s Office for the Southern District of Ohio.

2. Conditioned upon the United States receiving the Settlement Payments from Defendants, the United States agrees that it shall pay to Relator by electronic funds transfer 17.5

percent of each such payment received under the Settlement Agreement (Relator's Share) as soon as feasible after receipt of the payment.

3. Within thirty (30) days of the Effective Date of this Agreement, Defendants shall pay to the Relator's counsel One Hundred Seventy Five Thousand Dollars (\$175,000) for expenses and attorney's fees and costs, pursuant to 31 U.S.C. § 3730(d)(1).

4. Subject to the exceptions in Paragraph 7 (concerning reserved claims) below, and subject to Paragraph 10 (concerning disclosure of assets), Paragraph 20 (concerning default), Paragraph 21 (concerning bankruptcy) below, and upon the United States' receipt of the Settlement Amount plus interest due under Paragraph 1, the United States releases Defendants, together with their current and former parent corporations; direct and indirect subsidiaries; brother or sister corporations; divisions; current or former corporate owners; the corporate successors and assigns of any of them; and Guarantors from any civil or administrative monetary claim the United States has for the Covered Conduct under the False Claims Act, 31 U.S.C. §§ 3729-3733; the Civil Monetary Penalties Law, 42 U.S.C. § 1320a-7a; the Program Fraud Civil Remedies Act, 31 U.S.C. §§ 3801-3812; or the common law theories of payment by mistake, unjust enrichment, and fraud.

5. Subject to the exceptions in Paragraph 7 (concerning reserved claims) below, and subject to Paragraph 10 (concerning disclosure of assets), Paragraph 20 (concerning default), Paragraph 21 (concerning bankruptcy) below, and upon the United States' receipt of the Settlement Amount plus interest due under Paragraph 1, Relator, for herself and for her heirs, successors, attorneys, agents, and assigns, releases Defendants from any civil monetary claim the Relator has on behalf of the United States for the Covered Conduct under the False Claims Act, 31 U.S.C. §§ 3729-3733.

6. In consideration of the obligations of Defendants in this Agreement and the Corporate Integrity Agreement (CIA), entered into between OIG-HHS and Defendants, and upon the United States' receipt of full payment of the Settlement Amount plus interest due under Paragraph 1, the OIG-HHS shall release and refrain from instituting, directing, or maintaining any administrative action seeking exclusion from Medicare, Medicaid, and other Federal health care programs (as defined in 42 U.S.C. § 1320a-7b(f)) against Defendants under 42 U.S.C. § 1320a-7a (Civil Monetary Penalties Law) or 42 U.S.C. § 1320a-7(b)(7) (permissive exclusion for fraud, kickbacks, and other prohibited activities) for the Covered Conduct, except as reserved in this Paragraph and in Paragraph 7 (concerning reserved claims), below. The OIG-HHS expressly reserves all rights to comply with any statutory obligations to exclude Defendants from Medicare, Medicaid, and other Federal health care programs under 42 U.S.C. § 1320a-7(a) (mandatory exclusion) based upon the Covered Conduct. Nothing in this Paragraph precludes the OIG-HHS from taking action against entities or persons, or for conduct and practices, for which claims have been reserved in Paragraph 7, below.

7. Notwithstanding the releases given in Paragraphs 4, 5, and 6 of this Agreement, or any other term of this Agreement, the following claims and rights of the United States are specifically reserved and are not released:

- a. Any liability arising under Title 26, U.S. Code (Internal Revenue Code);
- b. Any criminal liability;
- c. Except as explicitly stated in this Agreement, any administrative liability or enforcement right, including mandatory exclusion from Federal health care programs;
- d. Any liability to the United States (or its agencies) for any conduct other than the Covered Conduct;

- e. Any liability based upon obligations created by this Agreement; and
- f. Except as explicitly stated in this Agreement, any liability of individuals.

8. Relator and her heirs, successors, attorneys, agents, and assigns shall not object to this Agreement but agree and confirm that this Agreement is fair, adequate, and reasonable under all the circumstances, pursuant to 31 U.S.C. § 3730(c)(2)(B). Conditioned upon Relator's receipt of the Relator's Share, Relator and her heirs, successors, attorneys, agents, and assigns fully and finally release, waive, and forever discharge the United States, its agencies, officers, agents, employees, and servants, from any claims arising from the filing of the Civil Action or under 31 U.S.C. § 3730, and from any claims to a share of the proceeds of this Agreement and/or the Civil Action.

9. Relator, for herself, and for her heirs, successors, attorneys, agents, and assigns, releases Defendants, and their officers, agents, and employees, from any liability to Relator arising from the filing of the Civil Action, or under 31 U.S.C. § 3730(d) for expenses or attorneys' fees and costs.

10. Defendants have provided sworn financial disclosure statements (Financial Statements) to the United States and the United States has relied on the accuracy and completeness of those Financial Statements in reaching this Agreement. Defendants warrant that the Financial Statements are complete, accurate, and current. If the United States learns of asset(s) in which Defendants had an interest of any kind at the time of this Agreement (including, but not limited to, promises by insurers or other third parties to satisfy Defendants' obligations under this Agreement) that were not disclosed in the Financial Statements, or if the United States learns of any false statement or misrepresentation by Defendants on, or in connection with, the Financial Statements, and if such nondisclosure, false statement, or misrepresentation changes the estimated net worth set forth in the Financial Statements by \$1,025,000.00 or more, the

United States may at its option: (a) rescind this Agreement, and reinstate its suit or file suit based on the Covered Conduct, or (b) collect the full Settlement Amount in accordance with the Agreement plus one hundred percent (100%) of the value of the net worth of Defendants' previously undisclosed asset(s). Defendants agree not to contest any collection action undertaken by the United States pursuant to this provision and agrees that it will immediately pay the United States the greater of (i) a ten-percent (10%) surcharge of the amount collected in the collection action, as allowed by 28 U.S.C. § 3011(a), or (ii) the United States' reasonable attorneys' fees and expenses incurred in such an action.

11. In the event that the United States, pursuant to Paragraph 10 (concerning disclosure of assets), above, opts to rescind this Agreement, Defendants agree not to plead, argue, or otherwise raise any defenses under the theories of statute of limitations, laches, estoppel, or similar theories, to any civil or administrative claims that (a) are filed by the United States within 120 calendar days of written notification to Defendants that this Agreement has been rescinded, and (b) relate to the Covered Conduct, except to the extent these defenses were available on June 14, 2019.

12. Defendants waive and shall not assert any defenses that Defendants may have to any criminal prosecution or administrative action relating to the Covered Conduct that may be based in whole or in part on a contention that, under the Double Jeopardy Clause in the Fifth Amendment of the Constitution, or under the Excessive Fines Clause in the Eighth Amendment of the Constitution, this Agreement bars a remedy sought in such criminal prosecution or administrative action.

13. Defendants and Guarantors fully and finally release the United States, its agencies, officers, agents, employees, and servants, from any claims (including attorneys' fees, costs, and expenses of every kind and however denominated) that Defendants have asserted,

could have asserted, or may assert in the future against the United States, its agencies, officers, agents, employees, and servants, related to the Covered Conduct or the United States' investigation or prosecution thereof.

14. Defendants fully and finally release the Relator from any claims (including attorneys' fees, costs, and expenses of every kind and however denominated) that Defendants have asserted, could have asserted, or may assert in the future against the Relator, related to the Covered Conduct or the Relator's investigation or prosecution thereof.

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

16. Defendants agree to the following:

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

- (1) the matters covered by this Agreement;
- (2) the United States' audit(s) and civil investigation(s) of the matters covered by this Agreement;
- (3) Defendants' investigation, defense, and corrective actions undertaken in response to the United States' audit(s) and civil investigation(s) in

connection with the matters covered by this Agreement (including attorneys' fees);

- (4) the negotiation and performance of this Agreement;
- (5) the payment Defendants make to the United States pursuant to this Agreement and any payments that Defendants may make to Relator, including costs and attorneys' fees; and
- (6) the negotiation of, and obligations undertaken pursuant to the CIA to: (i) retain an independent review organization to perform annual reviews as described in Section III of the CIA; and (ii) prepare and submit reports to the OIG-HHS

are unallowable costs for government contracting purposes and under the Medicare Program, Medicaid Program, TRICARE Program, and Federal Employees Health Benefits Program (FEHBP) (hereinafter referred to as Unallowable Costs). However, nothing in Paragraph 16.a.(6) that may apply to the obligations undertaken pursuant to the CIA affects the status of costs that are not allowable based on any other authority applicable to Defendants.

b. Future Treatment of Unallowable Costs: Unallowable Costs shall be separately determined and accounted for in nonreimbursable cost centers by Defendants, and Defendants shall not charge such Unallowable Costs directly or indirectly to any contracts with the United States or any State Medicaid program, or seek payment for such Unallowable Costs through any cost report, cost statement, information statement, or payment request submitted by Defendants or any of their subsidiaries or affiliates to the Medicare, Medicaid, TRICARE, or FEHBP Programs.

c. Treatment of Unallowable Costs Previously Submitted for Payment: Defendants further agree that within 90 days of the Effective Date of this Agreement it shall

identify to applicable Medicare and TRICARE fiscal intermediaries, carriers, and/or contractors, and Medicaid and FEHBP fiscal agents, any Unallowable Costs (as defined in this Paragraph) included in payments previously sought from the United States, or any State Medicaid program, including, but not limited to, payments sought in any cost reports, cost statements, information reports, or payment requests already submitted by Defendants or any of their subsidiaries or affiliates, and shall request, and agree, that such cost reports, cost statements, information reports, or payment requests, even if already settled, be adjusted to account for the effect of the inclusion of the Unallowable Costs. Defendants agree that the United States, at a minimum, shall be entitled to recoup from Defendants any overpayment plus applicable interest and penalties as a result of the inclusion of such Unallowable Costs on previously-submitted cost reports, information reports, cost statements, or requests for payment.

Any payments due after the adjustments have been made shall be paid to the United States pursuant to the direction of the Department of Justice and/or the affected agencies. The United States reserves its rights to disagree with any calculations submitted by Defendants or any of their subsidiaries or affiliates on the effect of inclusion of Unallowable Costs (as defined in this Paragraph) on Defendants or any of their subsidiaries or affiliates' cost reports, cost statements, or information reports.

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

17. Defendants agree to cooperate fully and truthfully with the United States' investigation of individuals and entities not released in this Agreement. Upon reasonable notice, Defendants shall encourage, and agree not to impair, the cooperation of its directors, officers, and employees, and shall use its best efforts to make available, and encourage, the cooperation of

former directors, officers, and employees for interviews and testimony, consistent with the rights and privileges of such individuals. Defendants further agree to furnish to the United States, upon request, complete and unredacted copies of all non-privileged documents, reports, memoranda of interviews, and records in its possession, custody, or control concerning any investigation of the Covered Conduct that they have undertaken, or that have been performed by another on their behalf.

18. This Agreement is intended to be for the benefit of the Parties only. The Parties do not release any claims against any other person or entity, except to the extent provided for in Paragraph 19 (waiver for beneficiaries paragraph), below.

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

20. The Settlement Amount represents the amount the United States is willing to accept in compromise of its civil claims arising from the Covered Conduct due solely to Defendants' financial condition as reflected in the Financial Statements referenced in Paragraph 10.

a. In the event that Defendants fail to pay the Settlement Amount as provided in the payment schedule set forth in Paragraph 1 above, Defendants shall be in Default of Defendants' payment obligations ("Default"). The United States will provide a written Notice of Default, and Defendants shall have an opportunity to cure such Default within seven (7) calendar days from the date of receipt of the Notice of Default by making the payment due under the payment schedule and paying any additional interest accruing under the Settlement Agreement up to the date of payment. Notice of Default will be delivered to Defendants, or to such other

representative as Defendants shall designate in advance in writing. If Defendants fail to cure the Default within seven (7) calendar days of receiving the Notice of Default and in the absence of an agreement with the United States to a modified payment schedule (“Uncured Default”), the remaining unpaid balance of the Settlement Amount shall become immediately due and payable, and interest on the remaining unpaid balance shall thereafter accrue at the rate of 12% per annum, compounded daily from the date of Default, on the remaining unpaid total (principal and interest balance).

b. In the event of Uncured Default, Defendants agree that the United States, at its sole discretion, may (i) retain any payments previously made, rescind this Agreement and pursue the Civil Action or bring any civil and/or administrative claim, action, or proceeding against Defendants for the claims that would otherwise be covered by the releases provided in Paragraphs 4, 5, and 6, with any recovery reduced by the amount of any payments previously made by Defendants to the United States under this Agreement; (ii) take any action to enforce this Agreement in a new action or by reinstating the Civil Action; (iii) offset the remaining unpaid balance from any amounts due and owing to Defendants and/or affiliated companies by any department, agency, or agent of the United States at the time of Default or subsequently; (iv) demand payment of the remaining Settlement Amount from Guarantors under the terms of the Guaranty Agreement, attached as Exhibit B; and/or (v) exercise any other right granted by law, or under the terms of this Agreement, or recognizable at common law or in equity. The United States shall be entitled to any other rights granted by law or in equity by reason of Default, including referral of this matter for private collection. In the event the United States pursues a collection action, Defendants agree immediately to pay the United States the greater of (i) a ten-percent (10%) surcharge of the amount collected, as allowed by 28 U.S.C. § 3011(a), or (ii) the United States’ reasonable attorneys’ fees and expenses incurred in such an action. In the event

that the United States opts to rescind this Agreement pursuant to this Paragraph, Defendants waive and agree not to plead, argue, or otherwise raise any defenses of statute of limitations, laches, estoppel or similar theories, to any civil or administrative claims that are (i) filed by the United States against Defendants within 120 days of written notification that this Agreement has been rescinded, and (ii) relate to the Covered Conduct, except to the extent these defenses were available on June 14, 2019. Defendants agree not to contest any offset, recoupment, and /or collection action undertaken by the United States pursuant to this Paragraph, either administratively or in any state or federal court, except on the grounds of actual payment to the United States.

c. In the event of Uncured Default, OIG-HHS may exclude Defendants from participating in all Federal health care programs until Defendants pay the Settlement Amount, with interest, as set forth above (Exclusion for Default). OIG-HHS will provide written notice of any such exclusion to Defendants. Defendants waive any further notice of the exclusion under 42 U.S.C. § 1320a-7(b)(7), and agree not to contest such exclusion either administratively or in any state or federal court. Reinstatement to program participation is not automatic. If at the end of the period of exclusion, Defendants wish to apply for reinstatement, they must submit a written request for reinstatement to OIG-HHS in accordance with the provisions of 42 C.F.R. §§ 1001.3001-.3005. Defendants will not be reinstated unless and until OIG-HHS approves such request for reinstatement. The option for Exclusion for Default is in addition to, and not in lieu of, the options identified in this Agreement or otherwise available.

21. In exchange for valuable consideration provided in this Agreement, Defendants acknowledge the following:

a. Defendants have reviewed their financial situation and warrant that they currently are solvent within the meaning of 11 U.S.C. §§ 547(b)(3) and 548(a)(1)(B)(ii)(I), and shall remain solvent following payment to the United States of the Settlement Amount.

b. In evaluating whether to execute this Agreement, the Parties intend that the mutual promises, covenants, and obligations set forth herein constitute a contemporaneous exchange for new value given to Defendants, within the meaning of 11 U.S.C. § 547(c)(1), and the Parties conclude that these mutual promises, covenants, and obligations do, in fact, constitute such a contemporaneous exchange.

c. The mutual promises, covenants, and obligations set forth herein are intended by the Parties to and do, in fact, constitute a reasonably equivalent exchange of value.

d. The Parties do not intend to hinder, delay, or defraud any entity to which Defendants were or became indebted to on or after the date of any transfer contemplated in this Agreement, within the meaning of 11 U.S.C. § 548(a)(1).

e. If Defendants' obligations under this Agreement are avoided for any reason (including but not limited to, through the exercise of a trustee's avoidance powers under the Bankruptcy Code) or if, before the Settlement Amount is paid in full, any Defendant or a third party commences a case, proceeding, or other action under any law relating to bankruptcy, insolvency, reorganization, or relief of debtors seeking any order for relief of any Defendant's debts, or to adjudicate any Defendant as bankrupt or insolvent; or seeking appointment of a receiver, trustee, custodian, or other similar official for any Defendant or for all or any substantial part of any Defendant's assets:

(i) the United States may rescind the releases in this Agreement and bring any civil and/or administrative claim, action, or proceeding against Defendant(s)

for the claims that would otherwise be covered by the releases provided in Paragraphs 4, 5, and 6 above;

(ii) the United States has an undisputed, noncontingent, and liquidated allowed claim against Defendants in the amount of \$53,474,524.00, less any payments received pursuant to this Agreement, provided, however, that such payments are not otherwise avoided and recovered from the United States by Defendants, a receiver, trustee, custodian, or other similar official for Defendants; and

(iii) if any payments are avoided and recovered by that Defendant(s), a receiver, trustee, custodian, or similar official for that Defendant(s), Relator shall, within thirty (30) days of written notice from the United States to the undersigned Relator's counsel, return any portions of such payments already paid by the United States to Relator pursuant to Paragraph 2.

f. Defendants agree that any civil and/or administrative claim, action, or proceeding brought by the United States under Paragraph 21(e) is not subject to an "automatic stay" pursuant to 11 U.S.C. § 362(a) because it would be an exercise of the United States' police and regulatory power. Defendants shall not argue or otherwise contend that the United States' claim, action, or proceeding is subject to an automatic stay and, to the extent necessary, consents to relief from the automatic stay for cause under 11 U.S.C. § 362(d)(1). Defendants waive and shall not plead, argue, or otherwise raise any defenses under the theories of statute of limitations, laches, estoppel, or similar theories, to any such civil or administrative claim, action, or proceeding brought by the United States within 120 days of written notification to Defendants that the releases have been rescinded pursuant to this Paragraph, except to the extent such defenses were available on June 14, 2019.

22. Upon receipt of the first payment described in Paragraph 1(a), above, Relator and United States shall promptly sign and file in the Civil Action a Joint Stipulation of Dismissal of the Civil Action pursuant to Rule 41(a)(1).

23. Except as provided in Paragraph 3, above, each Party shall bear its own legal and other costs incurred in connection with this matter, including the preparation and performance of this Agreement.

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

25. This Agreement is governed by the laws of the United States. The exclusive jurisdiction and venue for any dispute relating to this Agreement is the United States District Court for the Southern District of Ohio. For purposes of construing this Agreement, this Agreement shall be deemed to have been drafted by all Parties to this Agreement and shall not, therefore, be construed against any Party for that reason in any subsequent dispute.

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

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

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

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

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

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

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

THE UNITED STATES OF AMERICA

DATED: 1/28/2021

BY: 
CHRISTOPHER G. WILSON
Trial Attorney
Commercial Litigation Branch
Civil Division
United States Department of Justice

DATED: 1/19/21

BY: 
ANDREW M. MALEK
Deputy Civil Chief
United States Attorney's Office
for the Southern District of Ohio

DATED: _____

BY: _____
LISA M. RE
Assistant Inspector General for Legal Affairs
Office of Counsel to the Inspector General
Office of Inspector General
United States Department of Health and Human Services

THE UNITED STATES OF AMERICA

DATED: _____

BY: _____

CHRISTOPHER G. WILSON
Trial Attorney
Commercial Litigation Branch
Civil Division
United States Department of Justice

DATED: _____

BY: _____

ANDREW M. MALEK
Deputy Civil Chief
United States Attorney's Office
for the Southern District of Ohio

DATED: 01/23/2021

BY: 

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

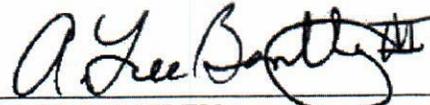
DEFENDANTS - OGLETHORPE, INC., CAMBRIDGE, RIDGEVIEW, AND PARKSIDE

DATED: 1/26/21

BY: 

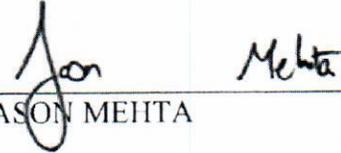
ROBERT COHEN
Authorized Signatory
Oglethorpe, Inc.
Oglethorpe of Cambridge, LLC d/b/a Cambridge
Oglethorpe of Middlepoint, LCC d/b/a Ridgeview
Parkside Behavioral Healthcare Acquisition, Inc. d/b/a The
Woods at Parkside

DATED: 1/26/2021

BY: 

A. LEE BENTLEY

DATED: 1/26/2021

BY: 

JASON MEHTA

Counsel for Defendants

GUARANTORS

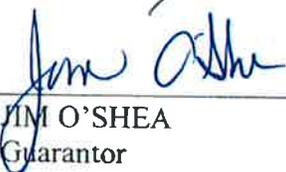
DATED: 1/26/21

BY: 
ROBERT COHEN
Guarantor

DATED: 1/26/21

BY: 
JOHN PICCIANO
Guarantor

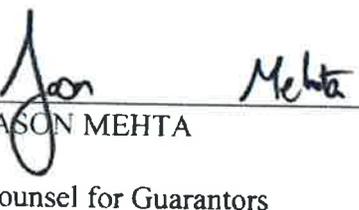
DATED: 01/24/2021

BY: 
JIM O'SHEA
Guarantor

DATED: 1/26/2021

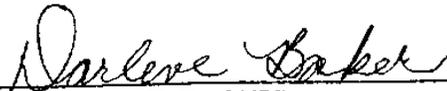
BY: 
A. LEE BENTLEY

DATED: 1/26/2021

BY: 
JASON MEHTA
Counsel for Guarantors

DARLENE BAKER - RELATOR

DATED: 1-15-21

BY: 
DARLENE BAKER
Relator

DATED: 1-19-21

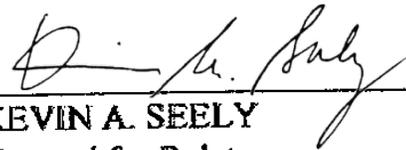
BY: 
KEVIN A. SEELY
Counsel for Relator

EXHIBIT A

	To U.S. Government			
Payment Date	Principal Due	Accrued Interest (0.75%)	Payment Amount	Principal Remaining
Settlement Cost - 9/8/20				\$ 10,250,000.00
2/14/2021	\$ 500,000.00	\$ 33,488.01	\$ 500,000.00	\$ 9,750,000.00
1/15/2022	\$ 750,000.00	\$ 67,114.73	\$ 750,000.00	\$ 9,000,000.00
4/15/2022	\$ 375,000.00	\$ 16,643.84	\$ 492,246.58	\$ 8,625,000.00
7/15/2022	\$ 375,000.00	\$ 16,127.57	\$ 391,127.57	\$ 8,250,000.00
10/15/2022	\$ 375,000.00	\$ 15,595.89	\$ 390,595.89	\$ 7,875,000.00
1/15/2023	\$ 375,000.00	\$ 14,886.99	\$ 389,886.99	\$ 7,500,000.00
4/15/2023	\$ 625,000.00	\$ 13,869.86	\$ 638,869.86	\$ 6,875,000.00
7/15/2023	\$ 625,000.00	\$ 12,855.31	\$ 637,855.31	\$ 6,250,000.00
10/15/2023	\$ 625,000.00	\$ 11,815.07	\$ 636,815.07	\$ 5,625,000.00
1/15/2024	\$ 625,000.00	\$ 10,633.56	\$ 635,633.56	\$ 5,000,000.00
4/15/2024	\$ 625,000.00	\$ 9,349.32	\$ 634,349.32	\$ 4,375,000.00
7/15/2024	\$ 625,000.00	\$ 8,180.65	\$ 633,180.65	\$ 3,750,000.00
10/15/2024	\$ 625,000.00	\$ 7,089.04	\$ 632,089.04	\$ 3,125,000.00
1/15/2025	\$ 625,000.00	\$ 5,907.53	\$ 630,907.53	\$ 2,500,000.00
4/15/2025	\$ 625,000.00	\$ 4,623.29	\$ 629,623.29	\$ 1,875,000.00
7/15/2025	\$ 625,000.00	\$ 3,505.99	\$ 628,505.99	\$ 1,250,000.00
10/15/2025	\$ 625,000.00	\$ 2,363.01	\$ 627,363.01	\$ 625,000.00
1/15/2026	\$ 625,000.00	\$ 1,181.51	\$ 626,181.51	\$ -
	\$ 10,250,000.00	\$ 255,231.16	\$ 10,505,231.16	

Exhibit B

GUARANTY AGREEMENT

This Guaranty Agreement is entered into as of the Effective Date, defined below, by and among Robert Cohen, Jim O’Shea, and John Picciano (“Guarantors”) and the United States of America (“United States”) (collectively the “Parties”).

WHEREAS, Guarantors are the principals of Oglethorpe, Inc., a Florida corporation;

WHEREAS, the United States has conducted an investigation of Oglethorpe, Inc., and its subsidiaries, Oglethorpe of Cambridge, LLC d/b/a Cambridge Behavioral Hospital (Cambridge) and Oglethorpe of Middlepoint, LLC d/b/a Ridgeview Behavioral Hospital (Ridgeview), and Parkside Behavioral Healthcare Acquisition, Inc. d/b/a The Woods at Parkside (Parkside) (collectively “Defendants”), regarding possible violations of the False Claims Act;

WHEREAS, a *qui tam* action was filed against Defendants on October 28, 2016, titled *United States of America ex rel. Baker v. Oglethorpe, Inc. et al.*, Civil Action No. 2:16-cv-1040 (the “Qui Tam Action”), alleging violations of the False Claims Act;

WHEREAS, the parties to that action wish to settle, compromise, and resolve the issues and disputes between them in the Qui Tam Action through the execution of a Settlement Agreement, dated January 28, 2021 and Exhibits thereto, including this Guaranty Agreement;

WHEREAS, Guarantors are released by the terms of the Settlement Agreement;

WHEREAS, Defendants promise to pay the United States the Settlement Amount, plus interest as set forth in the Settlement Agreement and attached payment schedule;

WHEREAS, at the time of execution of this Guaranty Agreement, Guarantors own 100% of Oglethorpe, Inc.;

IT IS HEREBY AGREED that, in exchange for adequate consideration, the Parties shall undertake the following obligations:

TERMS AND CONDITIONS

1. Statement of Guaranty. The Guarantors unconditionally guarantee the prompt payment of the full Settlement Amount, including interest, by Defendants as set forth in the Settlement Agreement.
2. Nature of Guaranty. The Guaranty set forth in Paragraph 1 of this Agreement constitutes a guaranty of payment of the full Settlement Amount, including interest, by Defendants as set forth in the Settlement Agreement, and shall not be affected by any event, occurrence or circumstance which might otherwise constitute a legal or equitable discharge or defense of a guarantor or surety (other than full and complete payment of the Settlement Amount). In the event that any payment by Defendants pursuant to the Settlement Agreement is rescinded or must otherwise be returned by virtue of any action

by any bankruptcy court, the Guarantors shall remain jointly and severally liable hereunder with respect to such Settlement Amount as if payment had not been made. The Guarantors agree that the United States may resort to any one or more of the Guarantors for payment of any of the Settlement Amount, without regard to whether the United States shall have proceeded against any other person or entity primarily or secondarily obligated with respect to any of the Settlement Amount.

3. Acceleration. Guarantors agree that, within ten calendar days of receipt of written notice from the United States that Defendants have failed to make any payment required by the Settlement Agreement, Guarantors will be obligated to pay in full the amount then due under the Settlement Agreement. Guarantors understand that the failure to adhere fully to the terms of this paragraph would be a material breach of this Guaranty Agreement.
4. No Waiver; Cumulative Rights. No failure on the part of the United States to exercise, and no delay in exercising, any right, remedy or power hereunder shall operate as a waiver thereof, nor shall any single or partial exercise by the United States of any right, remedy or power hereunder preclude any other or future exercise of any right, remedy or power. Each and every right, remedy and power hereby granted to the United States or allowed by law or other agreement shall be cumulative and not exclusive of any other, and may be exercised by the United States from time to time.
5. Effective Date. This Guaranty Agreement shall become effective on the date of signature of the last signatory to the Agreement.
6. Subrogation. Guarantors shall not exercise any subrogation rights it may acquire against Defendants as a result of this Guaranty Agreement until all of the Settlement Amount to the United States has been paid in full.
7. Waiver of Notice. Guarantors waive notice of the acceptance of this Guaranty, presentment, demand, notice of dishonor, protest, and all other notices whatsoever.
8. Duration. This Guaranty shall continue in full force and effect until all of the Settlement Amount, including interest, has been paid in full.
9. Entire Agreement. Each Party hereto represents and warrants that this Agreement constitutes a valid and binding agreement enforceable against each Party in accordance with its terms. This Agreement embodies the entire guaranty agreement between the Parties. There are no promises, terms, conditions, or obligations other than those contained in this Agreement. This Agreement supersedes all previous communications, representations or agreements either verbal or written between Guarantors and the United States.
10. Severability. Should any one or more provisions of this Agreement be determined to be illegal, unenforceable, void or voidable, all other provisions shall remain in effect.

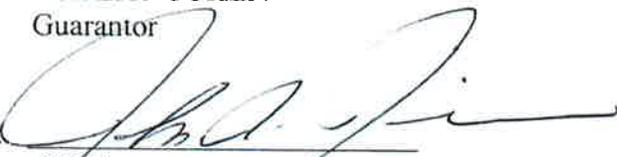
11. Assignment. No Party hereto may assign its rights, interest or obligations hereunder to any other person or entity without prior written consent of the other Party. The provisions of this Agreement shall be binding on the Parties hereto and their successors and assigns. This Agreement is to continue in full force and effect notwithstanding a change in the composition, ownership or corporate structure of the Guarantor.
12. Miscellaneous. This Agreement shall not be amended except in a writing signed by all Parties. Each signatory hereto represents and warrants that he or she is authorized to execute and deliver this Agreement on behalf of the Party for whom he or she is purporting to act. This Agreement may be executed in counterparts, each of which shall constitute an original and all of which shall constitute one and the same agreement.
13. Governing Law; Consent to Jurisdiction. This Agreement shall be governed by and construed in accordance with federal common law. The Parties consent to the jurisdiction of the United States District Court for Southern District of Ohio in any action to enforce any term of this Agreement. Guarantors hereby appoint A. Lee Bentley, Esq. of Bradley Arant Boult Cummings LLP, or his successor, as their agent for service of process.

GUARANTORS

DATED: 1/26/21

BY: 
ROBERT COHEN
Guarantor

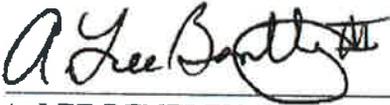
DATED: 1/26/21

BY: 
JOHN PICCIANO
Guarantor

DATED: 01/24/2021

BY: 
JIM O'SHEA
Guarantor

DATED: 1/26/2021

BY: 
A. LEE BENTLEY

DATED: 1/26/2021

BY: 
JASON MEHTA
Counsel for Guarantors

THE UNITED STATES OF AMERICA

DATED: 1/28/2021

BY: 
CHRISTOPHER G. WILSON
Trial Attorney
Commercial Litigation Branch
Civil Division
United States Department of Justice

DATED: 1/22/2021

BY: 
ANDREW M. MALEK
Deputy Civil Chief
United States Attorney's Office
for the Southern District of Ohio