

SETTLEMENT AGREEMENT AND RELEASE

I. PARTIES

This Settlement Agreement ("Agreement") is entered into by and among:

A. The United States of America, acting through its Department of Justice and the United States Attorney's Office for the District of Massachusetts, on behalf of the United States Department of Health and Human Services through its Office of Inspector General ("HHS-OIG"); the United States Department of Defense through its TRICARE Support Office ("TSO") (formerly the Office of the Civilian Health and Medical Program of the Uniformed Services), a field activity of the Office of the Secretary of Defense, through counsel; the United States Office of Personnel Management ("OPM"), through the Director of Programs; and the United States Department of Veteran Affairs ("VA"), through counsel; (collectively the preceeding will be referred to as the "United States"); and

B. LIFECEM, INC. ("LIFECEM") a Delaware corporation and wholly owned subsidiary of National Medical Care, Inc.; NMC Medical Products, Inc. ("MPD") (formerly known as National Medical Care, Medical Products Division, Inc., and before that as Erika, Inc.), a Delaware corporation and wholly owned indirect subsidiary of National Medical Care, Inc.; National Medical Care, Inc. ("NMC"), a Delaware corporation and a wholly owned subsidiary of Fresenius Medical Care Holdings, Inc.; and Fresenius Medical Care Holdings, Inc. (d/b/a Fresenius Medical Care North America), a New York corporation ("FMCH"); and

C. Jay A. Buford, individually; Russell J. Davis, individually; and William L. Schoff, individually (collectively the "Relators").

Collectively, all of the above will be referred to as "the Parties."

II. PREAMBLE

A. WHEREAS, this Agreement addresses the United States' civil claims against LIFECEM, MPD, NMC, and FMCH under the federal statutes and common law doctrines set forth in Paragraph 8 below, for the conduct described in Preamble Paragraphs K through Y below, the conduct described in public filings in United States of America v. NMC Homecare, Inc., LIFECEM INC., and NMC Medical Products, Inc., Criminal Action No. [to be assigned](District of Massachusetts)(the "Criminal Action"), and the conduct alleged in the Relators' Complaint and Amended Complaint in United States ex rel. Jay A. Buford, Russell J. Davis and William L. Schoff v. Lifechem, Inc.; Erika, Inc. (d/b/a National Medical Care, Medical Products Division); National Medical Care, Inc.; Fresenius Medical Care AG; Fresenius National Medical Care Holdings, Inc. (d/b/a Fresenius Medical Care--North America); and Spectra Laboratories, Inc., Civil Action No. 95-10706-NG (District of Massachusetts)(originally filed December 15, 1994 in the Middle District of Tennessee, Civil No. 3-94-1105 and transferred to District of Massachusetts in 1995)(the "Civil Action");

B. WHEREAS, at all relevant times, NMC was a national provider of outpatient dialysis services to patients with end stage renal disease. One of NMC's subsidiaries was LIFECEM which owned and operated independent clinical laboratories in Northvale, New Jersey (later, Rockleigh, New Jersey), and Woodland Hills, California, and which specialized in providing laboratory blood testing services for dialysis patients. Another one of NMC's subsidiaries was MPD, which manufactured, distributed, marketed and sold products for use in the dialysis setting, including laboratory blood testing services from LIFECEM;

C. WHEREAS, LIFECEM has entered into an agreement (the "LIFECEM Plea Agreement") to plead guilty on or before January 19, 2000, or on such other date as may be

determined by the Court, to Count Two of the Information in the Criminal Action alleging a violation of Title 18, United States Code, Section 286, namely, a conspiracy to defraud the United States through the submission of false and fraudulent claims for payment for certain laboratory blood tests conducted for dialysis patients;

D. WHEREAS, MPD has entered into an agreement (the "MPD Plea Agreement") to plead guilty on or before January 19, 2000, or on such other date as may be determined by the Court, to Count Three of the Information in the Criminal Action alleging a violation of Title 18, United States Code, Section 371, namely, a conspiracy to commit an offense against the United States, to wit, to offer and pay remuneration to induce dialysis facilities to order and arrange for the ordering from LIFECHAM of clinical laboratory blood testing services conducted for dialysis patients, and paid for in whole or in part by Medicare, in violation of Title 42, United States Code, Section 1320a-7b(b)(2)(B);

E. WHEREAS, LIFECHAM submitted or caused to be submitted claims for payment to the Medicare program, Title XVIII of the Social Security Act, 42 U.S.C. §§ 1395-1395ddd (1997), which is administered by the United States Department of Health and Human Services;

F. WHEREAS, LIFECHAM submitted or caused to be submitted claims for payment to the TRICARE Program (also known as the Civilian Health and Medical Program of the Uniformed Services), 10 U.S.C. §§ 1071-1106, which is administered by the Department of Defense through the TSO;

G. WHEREAS, LIFECHAM submitted or caused to be submitted claims for payment to the Federal Employees Health Benefit Program ("FEHBP"), 5 U.S.C. §§ 8901-8914, which is administered by OPM;

H. WHEREAS, LIFECHAM submitted or caused to be submitted claims for payment to the Railroad Retirement Medicare program ("Railroad Retirement Medicare"), established under the Railroad Retirement Act of 1974, 45 U.S.C. §§ 231-231v, which is paid from the Medicare Trust Fund, and administered by the United States Railroad Retirement Board ("RRB");

I. WHEREAS, LIFECHAM submitted or caused to be submitted claims for payment to the Veteran Affairs Program, 38 U.S.C. §§ 1701-1743, which is administered by the VA;

J. WHEREAS, LIFECHAM submitted or caused to be submitted claims for payment to the Medicaid programs, 42 U.S.C. §§ 1396-1396v (1997), of the states of Alabama, Arizona, Arkansas, California, Colorado, Connecticut, Delaware, Florida, Georgia, Illinois, Indiana, Iowa, Kansas, Kentucky, Louisiana, Maine, Maryland, Massachusetts, Michigan, Mississippi, Missouri, Montana, New Hampshire, New Jersey, New Mexico, New York, North Carolina, Ohio, Oregon, Pennsylvania, South Carolina, Tennessee, Texas, Utah, Virginia, Washington, West Virginia, Wisconsin, and the District of Columbia (the "Participating States");

K. WHEREAS, the United States alleges that at various times from August 1, 1991 through November 1, 1999, LIFECHAM and MPD violated federal statutes and/or common law doctrines specified in Paragraph 9 below in connection with the marketing, sale, pricing and billing of testing for Hepatitis B IgM core (designated by Current Procedural Terminology ("CPT") Code 86290) both individually and as part of LIFECHAM's Hepatitis Panels (LIFECHAM 011 and 031) and Profiles III and IV (LIFECHAM 003 and 004), by submitting or causing to be submitted false and fraudulent claims for these tests that LIFECHAM and MPD knew were not specifically ordered by physicians, and further knew were not reasonable and necessary for the diagnosis or treatment of illness or injury, and these tests were billed by and paid to LIFECHAM;

L. WHEREAS, the United States alleges that at various times from August 1, 1991 through November 1, 1999, LIFECEM and MPD violated federal statutes and/or common law doctrines specified in Paragraph 9 below in connection with the marketing, sale, pricing and billing of testing for Hepatitis C antibody (CPT Code 86302) both individually and as a part of LIFECEM's Hepatitis Panels (LIFECEM 011 and 031) and Profiles III and IV (LIFECEM 003 and 004), by submitting or causing to be submitted false and fraudulent claims for these tests that LIFECEM and MPD knew were not specifically ordered by physicians, and further knew were not reasonable and necessary for the diagnosis or treatment of illness or injury at the frequency provided, and these tests were billed by and paid to LIFECEM;

M. WHEREAS, the United States alleges that at various times from August 1, 1991 through November 1, 1999, LIFECEM and MPD violated federal statutes and/or common law doctrines specified in Paragraph 9 below in connection with the marketing, sale, pricing and billing of testing for Hepatitis B surface antibody (CPT 86291) and Hepatitis B surface antigen (CPT 86287) both individually and as part of LIFECEM's Hepatitis Panels (LIFECEM 011 and 031) and Profiles III and IV (LIFECEM 003 and 004), by submitting or causing to be submitted false and fraudulent claims for these tests that LIFECEM and MPD knew were not reasonable and necessary for the diagnosis or treatment of illness or injury at the frequency provided, and these tests were billed by and paid to LIFECEM;

N. WHEREAS, the United States alleges that at various times from March 1, 1991 through November 1, 1999, LIFECEM and MPD violated federal statutes and/or common law doctrines specified in Paragraph 9 below in connection with the marketing, sale, pricing and billing of testing for magnesium (CPT 83735 and 83750) both individually and as part of LIFECEM's CA/PHOS Product Panel (LIFECEM 019), by submitting or causing to be submitted false and

fraudulent claims for these tests that LIFECHAM and MPD knew were not specifically ordered by physicians, and further knew were not reasonable and necessary for the diagnosis or treatment of illness or injury, and these tests were billed by and paid to LIFECHAM;

O. WHEREAS, the United States alleges that at various times from January 1, 1991 through November 1, 1999, LIFECHAM and MPD violated federal statutes and/or common law doctrines specified in Paragraph 9 below in connection with the marketing, sale, pricing and billing of tests for apolipoprotein (CPT 82172) both individually and as part of LIFECHAM's Lipid Panel (LIFECHAM 009), by submitting or causing to be submitted false and fraudulent claims for these tests that LIFECHAM and MPD knew were not specifically ordered by physicians, and further knew were not reasonable and necessary for the diagnosis or treatment of illness or injury, and these tests were billed by and paid to LIFECHAM;

P. WHEREAS, the United States alleges that at various times from January 1, 1991 through November 1, 1999, LIFECHAM violated federal statutes and/or common law doctrines specified in Paragraph 9 below in connection with the marketing, sale, pricing and billing of automated testing for platelets (CPT 85595) performed on the same day as a composite rate test for a Complete Blood Count ("CBC")(CPT 85025), by submitting false and fraudulent claims for these tests that LIFECHAM knew were not separately ordered by physicians, and further knew were not separately billable under applicable Medicare rules because they were included as part of the CBC for which Medicare had already paid, and these tests were billed by and paid to LIFECHAM;

Q. WHEREAS, the United States alleges that at various times from January 1, 1994 through November 1, 1999, LIFECHAM and MPD violated federal statutes and/or common law doctrines specified in Paragraph 9 below in connection with the marketing, sale, pricing and billing of tests for prealbumin (CPT 84134), by submitting or causing to be submitted false and fraudulent

claims for these tests that LIFECEM and MPD knew were not reasonable and necessary for the diagnosis or treatment of illness or injury at the frequency provided, and these tests were billed by and paid to LIFECEM;

R. WHEREAS, the United States alleges that at various times from January 1, 1995 through November 1, 1999, LIFECEM violated federal statutes and/or common law doctrines specified in Paragraph 9 below in connection with the marketing and billing of individual chemistry tests ordered and performed on the same day as automated chemistry panels, known as LIFECEM's "Chem Composite" and "CAPD Chem Composite" panels (LIFECEM 120H and 120P), by submitting false and fraudulent claims for these tests that LIFECEM knew were not separately billable under applicable Medicare rules, and these tests were billed by and paid to LIFECEM;

S. WHEREAS, the United States alleges that at various times from June 1, 1990 through November 1, 1999, LIFECEM and MPD violated federal statutes and/or common law doctrines specified in Paragraph 9 below in connection with the billing of automated chemistry tests ordered and performed on the same day as the composite rate "Chem 20" (LIFECEM 120), by submitting or causing to be submitted false and fraudulent claims for these tests that LIFECEM and MPD knew were not billable under applicable Medicare rules because they were included in the Chem 20 for which Medicare had already paid, and these tests were billed by and paid to LIFECEM;

T. WHEREAS, the United States alleges that at various times from June 1, 1990 through November 1, 1999, LIFECEM violated federal statutes and/or common law doctrines as specified in Paragraph 9 below in connection with the billing of composite rate tests when the LIFECEM computer periodically failed to identify them, by submitting or causing to be submitted false and fraudulent claims for these tests that LIFECEM knew were not separately billable under

applicable Medicare rules because they were already reimbursed by Medicare through the composite rate payment to the dialysis facility, and these tests were billed by and paid to LIFECHAM;

U. WHEREAS, the United States alleges that at various times from June 1, 1990 through November 1, 1999, LIFECHAM violated federal statutes and/or common law doctrines as specified in Paragraph 9 below by performing and billing a CBC (CPT 85025) when a hematocrit (CPT 85013 and 85014) or a hemoglobin (CPT 85018) was ordered by a physician, by submitting false and fraudulent claims for these tests that LIFECHAM knew were not ordered by physicians, and further knew were not lawfully billable under CPT 85025, and these tests were billed by and paid to LIFECHAM;

V. WHEREAS, the United States alleges that at various times from June 1, 1990 through November 1, 1999, LIFECHAM violated federal statutes and/or common law doctrines as specified in Paragraph 9 below by performing and billing a CBC with differential (CPT 85025) when a CBC without differential was ordered by a physician, by submitting false and fraudulent claims for these tests that LIFECHAM knew were not ordered by physicians, and further knew were not lawfully billable under CPT 85025, and these tests were billed by and paid to LIFECHAM;

W. WHEREAS, the United States alleges that at various times from May, 1987 through November 1, 1999, LIFECHAM and MPD violated federal statutes and/or common law doctrines as specified in Paragraph 9 below in connection with sales and marketing practices that were designed to increase orders for laboratory tests, including medically unnecessary laboratory tests, such practices including compensation of the MPD sales force through commissions and bonuses directly tied to increased laboratory testing, use of the Lifeline computer system to assign tests and diagnosis codes to multiple patients without regard to the patients' individual medical condition, use of permanent standing orders for laboratory tests for patients without regard to the patients' individual

medical condition, misrepresentations to some physicians that NMC medical policy supported use of certain panels and tests when it did not, misrepresentations to some physicians that paneled tests were cheaper or more economical than individual tests when they were not, and insertion of certain laboratory tests and diagnosis codes into the Lifeline computer system without a physician's order;

X. WHEREAS, the United States alleges that at various times from May, 1987 through November 1, 1999, LIFECEM and MPD violated federal statutes and/or common law doctrines as specified in Paragraph 9 below in connection with their willful, knowing and deliberate payment of illegal remuneration to dialysis facilities and their owners, officers, directors, employees, representatives, or agents, in the form of lavish entertainment; hunting trips; payment for full time employees; grants; up-front rebate checks; discounts and special pricing on products; free or low cost laboratory testing for indigent patients, facility staff, and HMO patients; free or low cost environmental and machine testing; profit sharing with medical directors pursuant to contracts effective through December 31, 1991; composite rate tests below fair market value; and computer hardware and software, all to obtain unlawful referrals of laboratory business to LIFECEM, and that LIFECEM and MPD submitted or caused to be submitted false and fraudulent claims for payment to the United States for laboratory test business, including tests that LIFECEM and MPD knew were not reasonable or necessary in the diagnosis or treatment of illness or injury, that were generated by illegal kickbacks, which laboratory tests were billed by and paid to LIFECEM;

Y. WHEREAS, the United States alleges that the practices described in Preamble Paragraphs K through X above resulted in the submission of false or fraudulent claims actionable under the False Claims Act, 31 U.S.C. §§ 3729-3733, to the Medicare, Railroad Retirement Medicare, TRICARE, FEHBP, the VA, and the Medicaid programs of the Participating States;

Z. WHEREAS, the United States contends that it has certain administrative claims against LIFECEM and MPD, and against NMC and FMCH as parents of LIFECEM and MPD, under the provisions for permissive exclusion from Medicare, Medicaid, and other federal health care programs, 42 U.S.C. § 1320a-7(b), and the provisions for civil monetary penalties, 42 U.S.C. § 1320a-7a, for the conduct described in Preamble Paragraphs K through Y;

AA. WHEREAS, with the sole exception of the guilty pleas entered by LIFECEM and MPD in the Criminal Action, LIFECEM, MPD, NMC and FMCH contend that LIFECEM and MPD's marketing, sales, pricing, paneling and billing practices were appropriate and lawful and did not result in any violations of federal or state law or common law doctrines; and further specifically deny and affirmatively contest the allegations of the Relators in the Civil Action; and

BB. WHEREAS, to avoid the delay, expense, inconvenience and uncertainty of protracted litigation of these claims, the Parties mutually desire to reach a full and final compromise of claims that the United States has against LIFECEM, MPD, NMC and FMCH for the conduct described in Preamble Paragraphs K through Y above, pursuant to Terms and Conditions set forth below:

III. TERMS AND CONDITIONS

NOW, THEREFORE, in reliance on the representations contained herein and in consideration of the mutual promises, covenants, and obligations in this Agreement, and for good and valuable consideration, receipt of which is hereby acknowledged, the Parties agree as follows:

1. NMC and FMCH, collectively, shall pay to the United States and the Participating States, collectively, the sum of one hundred twelve million one hundred sixty thousand dollars (\$112,160,000) (the "Settlement Amount"), and this sum shall constitute a debt immediately due and owing to the United States upon the later of the dates on which (a) this Agreement is fully executed by the Parties, (b) the notice of dismissal described in Paragraph 18 of this Agreement is filed and

docketed by the Court, or (c) the Court accepts LIFECEM and MPD's guilty pleas and the sentences set forth in their respective Plea Agreements described in Preamble Paragraphs C and D (the "First Payment Date"). NMC and FMCH shall pay the Settlement Amount to the United States according to the schedule, terms and instructions contained in the Promissory Note executed contemporaneous with this Agreement, attached as Exhibit A, and incorporated by reference. Within a reasonable amount of time after receipt of the first payment from NMC and FMCH pursuant to the terms of the Promissory Note, the United States shall pay to the Participating States, collectively, according to written payment instructions from the Participating States, an amount of two million five hundred twenty seven thousand one hundred thirty three dollars (\$2,527,133) as the Participating States' share of the Settlement Amount.

2. As an express condition of the Settlement Agreement, to secure NMC's and FMCH's payment obligations under Paragraph 1 of this Agreement (and the other civil Settlement Agreements and criminal Plea Agreements executed contemporaneously), NMC and FMCH shall:

a. procure from the Bank of Nova Scotia and deliver or cause to be delivered to the United States Attorney's Office for the District of Massachusetts, on or before January 19, 2000, an amendment to the unconditional, irrevocable Letter of Credit No. S020/43695/96 issued to the United States of America on September 27, 1996 (the "Letter of Credit") to increase the amount of the Letter of Credit to \$189,634,446. The amendment to the Letter of Credit shall be in the form attached as Exhibit B. Within 10 days of receipt by the U.S. Attorney's Office of written confirmation from the transferring bank that a quarterly payment, as described in Paragraphs 1.B. through 1.E of the Promissory Note, or prepayment of such quarterly payments, has been made to the United States, the United States shall provide written permission to the Bank of Nova Scotia to reduce the amount available for drawing under Letter of Credit No. S020/43695/96 by the amount

of the principal payment received. In the event that the entire outstanding payment obligation secured by the Letter of Credit is prepaid, then the United States shall provide written permission to reduce the amount available for drawing to zero. The United States shall return the Letter of Credit for cancellation when all obligations secured by it are paid in full or it is determined, by the United States, or pursuant to a final and non-appealable order of a court of competent jurisdiction, that NMC and FMCH have fulfilled all such payment obligations to the United States; and

b. on January 19, 2000, NMC and FMCH shall establish an escrow account in an initial amount of \$236,401,919 to be held by an independent third party agreeable to the United States, and they shall increase the escrow amount each day in an amount of \$48,546 (through accrued interest and/or deposits), beginning on January 20, 2000 and continuing through April 15, 2000, when the escrow amount each day will increase by an additional amount of \$7,271 (through accrued interest and/or deposits), for each quarterly payment due before the first payment is due on the First Payment Date under the Promissory Note. On the First Payment Date all funds in the escrow account shall be paid to the United States to satisfy the payment obligation in Paragraph 1.A. of the Promissory Note. The terms and conditions of this escrow account shall in no way limit NMC and FMCH's payment obligations to the United States either pursuant to the Promissory Note or as secured by the Letter of Credit.

3. NMC and FMCH are in default of this Agreement on the date of occurrence of any of the following events ("Events of Default"):

a. NMC's and/or FMCH's failure to procure, deliver or maintain the Letter of Credit;

b. NMC's and/or FMCH's failure to pay any amount provided for in the Promissory Note within two days of when such payment is due and payable;

c. If prior to making the full payment of the amount due under Paragraph 1, (i) NMC and/or FMCH commences any case, proceeding, or other action (A) under any law relating to bankruptcy, insolvency, reorganization or relief of debtors, seeking to have any order for relief of debtors, or seeking to adjudicate NMC and/or FMCH as bankrupt or insolvent, or (B) seeking appointment of a receiver, trustee, custodian or other similar official for NMC and/or FMCH or for all or any substantial part of NMC's and/or FMCH's assets; or (ii) there shall be commenced against NMC and/or FMCH any such case, proceeding or other action referred to in clause (i) which results in the entry of an order for relief and any such order remains undismissed, or undischarged or unbonded for a period of thirty (30) days; or (iii) NMC and/or FMCH takes any action authorizing, or in furtherance of, or indicating its consent to, approval of, or acquiescence in, any of the acts set forth above in sub-Paragraph 3.c.(ii); or

d. NMC's and/or FMCH's failure to establish, maintain, or make the required payments to the escrow account described in Paragraph 2.b.

4. If payments due under the Promissory Note are received late, but within the two-day grace period provided in Paragraph 3.b., interest incurred during such grace period will be assessed at two times the daily amount in effect on the date the payment was due.

5. NMC and FMCH shall provide the United States written notice of an Event of Default within two (2) business days of such event by overnight mail, or facsimile followed by overnight delivery, to the United States Attorney's Office, District of Massachusetts, One Courthouse Way, Suite 9200, Boston, MA 02210, Attention: Susan G. Winkler, Assistant U.S. Attorney (or to the attention of such other person as may be designated in writing by the United States Attorney's Office).

6. Immediately upon the occurrence of an Event of Default, without further notice or presentment and demand by the United States:

a. The Settlement Amount plus accrued interest through the end of the applicable quarter as set forth in Paragraph 1 of the Promissory Note (minus any payments to date of principal and interest) shall become immediately due and payable ("Settlement Default Amount"). Interest shall be calculated on the Settlement Default Amount at the Prime Rate as published in the Wall Street Journal on the Effective Date of the Promissory Note plus 5% from the date of the Event of Default.

b. In addition, NMC and FMCH will pay the United States all reasonable costs of collection and enforcement of the Settlement Default Amount, including attorneys' fees and expenses, plus interest as described in Paragraph 6.a. The Settlement Default Amount, plus interest, described in Paragraph 6.a., together with the costs of collection and enforcement described in this sub-paragraph, will be referred to as the "Default Obligation."

7. Upon occurrence of an Event of Default, the United States may exercise, at its sole option, one or more of the following rights:

a. The United States may draw the full amount available for drawing under the Letter of Credit and retain all proceeds thereof.

b. The United States may enforce the terms of the Guarantee Agreement between the United States of America, Fresenius Medical Care GMBH, a German corporation and the predecessor of Fresenius Medical Care AG, W.R. Grace & Co., a New York corporation, and National Medical Care, Inc., dated July 31, 1996, attached as Exhibit C.

c. The United States retains any and all other rights and remedies it has or may have under law and equity.

d. No failure or delay on the part of the United States to exercise any right or remedy shall operate as a waiver of the United States' rights. No single or partial exercise by the United States of any right or remedy shall operate as a waiver of the United States' rights.

8. In an Event of Default under Paragraph 3.c. above (Commencement of Bankruptcy or Reorganization Proceeding):

a. NMC and FMCH agree not to contest or oppose any motion filed by the United States seeking relief from or modification of the automatic stay of 11 U.S.C. § 362(a); not to seek relief under 11 U.S.C. § 105 to enjoin or restrain the United States from recovering monies owed by NMC and FMCH arising out of this Agreement or the attached Promissory Note, or from recovering monies through presentment against the Letter of Credit. NMC and FMCH recognize that this express waiver is in consideration for the settlement of claims by the United States described in Preamble Paragraphs K through Y above, under the terms and conditions contained in this Settlement Agreement.

b. By expressly waiving the automatic stay provision, NMC and FMCH agree not to oppose or interfere with any motion made in federal court (including bankruptcy courts) by the United States to exclude LIFECHAM and MPD from participation in the Title XVIII (Medicare), Title XIX (Medicaid) programs, and other federal health care programs;

c. This Agreement shall be voidable at the sole option of the United States;

d. If any term(s) of this Agreement are set aside for any reason, including as a result of a preference action brought pursuant to 11 U.S.C. § 547, the United States, at its sole option and in its discretion, may rescind all terms of this Agreement and seek recovery of the full amount of claims and allegations identified herein and in the Civil Action, or, in the alternative, enforce the remaining terms of this Agreement. In the event of rescission of this Agreement, all Parties reserve

all rights, claims, and defenses that are available under law and equity as of the Effective Date of this Agreement; and

e. In addition to the rights enumerated in Paragraph 8.a. through 8.d. above, the United States and all other Parties shall retain all rights and claims they have or may have under law and equity.

9. Subject to the exceptions and limitations in Paragraph 10 below, in consideration of the obligations of LIFECEM, MPD, NMC and FMCH set forth in this Agreement, conditioned upon payment in full of the Settlement Amount, subject to Paragraph 29 below (concerning bankruptcy proceedings commenced within 91 days of any payment under this Agreement), and subject to the acceptance by the United States District Court for the District of Massachusetts of LIFECEM and MPD's guilty pleas as described in Preamble Paragraphs C and D, the United States, on behalf of itself, and its officers, agents, agencies, and departments, will release and will be deemed to have released LIFECEM, MPD, their parents, including NMC and FMCH, and the subsidiaries of NMC and FMCH listed on the attached Exhibit D (collectively, the parents and subsidiaries of NMC and FMCH listed on Exhibit D will be referred to as the "NMC Companies," and the corporate entities listed on Exhibit D comprise the only entities which constitute the "NMC Companies" within the meaning of this Agreement), and the current directors, officers, employees, and agents of the NMC Companies who were not employed by or in any way affiliated with LIFECEM, MPD, NMC, or NMC's parents, subsidiaries, divisions, or affiliates at any time prior to September 30, 1996, from any civil or administrative monetary claim (including recoupment claims) that the United States has or may have under the False Claims Act, 31 U.S.C. §§ 3729-3733; the Program Fraud Civil Remedies Act, 31 U.S.C. §§ 3801-3812; the Civil Monetary Penalties Law, 42 U.S.C. § 1320a-7a; or common law claims for fraud, payment by mistake of fact, breach of contract or unjust enrichment for the

conduct described in Preamble Paragraphs K through Y above with respect to claims submitted or caused to be submitted to Medicare, Railroad Retirement Medicare, TRICARE, FEHBP, the VA, and/or the Medicaid programs of the Participating States.

10. Notwithstanding any term of this Agreement, the United States specifically does not release LIFECEM, MPD, the NMC Companies, or any individual from any and all of the following: (a) any potential criminal, civil or administrative claims arising under Title 26, U.S. Code (Internal Revenue Code); (b) any criminal liability; (c) any potential liability to the United States (or any agencies thereof) for any conduct other than that identified in Preamble Paragraphs K through Y above, including but not limited to any allegations in the Civil Action not encompassed by Preamble Paragraphs K through Y; (d) any entities not specifically included on the list of NMC Companies set forth in Exhibit D, such omitted entities specifically including Spectra Laboratories, Inc., SRC Holding Company, Inc. and their subsidiaries; (e) any claims based upon such obligations as are created by this Agreement; (f) except as explicitly stated in this Agreement, any administrative liability, including mandatory exclusion from Federal health care programs; (g) any express or implied warranty claims or other claims for defective or deficient products and services provided by LIFECEM or MPD, including quality of testing or product claims; (h) any claims for personal injury or property damage or for other consequential damages arising from the conduct described in Paragraphs K through Y above; (i) any claims based upon failure to deliver items or services; (j) any civil or administrative claims against any individual who was an officer, director, trustee, agent, employee, or was in any way affiliated with LIFECEM, MPD, NMC, or NMC's parents, subsidiaries, divisions, or affiliates at any time prior to September 30, 1996; or (k) any civil or administrative claims against any individual, including current directors, officers, employees and

agents who is criminally indicted or convicted of an offense, or who enters a criminal plea related to the conduct alleged in Preamble Paragraphs K through Y above.

11. In compromise and settlement of the rights of OIG-HHS to exclude LIFECHAM and MPD pursuant to 42 U.S.C. § 1320a-7(a)(1), both LIFECHAM and MPD agree to be permanently excluded under this statutory provision from participation in Medicare, Medicaid, and all other federal health care programs as defined in 42 U.S.C. § 1320a-7b(f). Such exclusion will have national effect and will also apply to all other Federal procurement and non-procurement programs. Federal health care programs will not reimburse LIFECHAM and/or MPD or any one else for items or services, including administrative and management services, furnished, ordered or prescribed by LIFECHAM and MPD in any capacity. Both LIFECHAM and MPD waive any further notice of this exclusion, other than the notice described in the last sentence of this paragraph, and agree not to contest such exclusion either administratively or in any State or Federal court. If LIFECHAM or MPD submits or causes claims to be submitted for services provided while excluded, LIFECHAM and MPD are subject to the imposition of additional civil monetary penalties and assessments. LIFECHAM and MPD further agree to hold the federal programs, and all the federal programs' beneficiaries and/or sponsors, harmless from any financial responsibility for services furnished, ordered or prescribed to such beneficiaries or sponsors after the effective date of this exclusion. LIFECHAM and MPD specifically waive their rights under any statute or regulation to payment from the Medicare, Railroad Retirement Medicare, TRICARE, VA, FEHBP or Medicaid programs for services rendered after the effective date of this exclusion. This exclusion will be effective upon the date that LIFECHAM and MPD receive the notice of exclusion from OIG-HHS.

12. FMCH, on behalf of itself and its parents, affiliates, subsidiaries, and divisions, including but not limited to NMC, has entered into a Corporate Integrity Agreement with HHS-OIG,

which is incorporated into this Agreement by reference. FMCH will immediately upon execution of this Agreement implement its obligations under the Corporate Integrity Agreement.

13. In consideration of the obligations of LIFECEM, MPD, NMC and FMCH set forth in this Agreement, conditioned upon payment in full of the Settlement Amount, subject to Paragraph 29 below (concerning bankruptcy proceedings commenced within 91 days of any payment under this Agreement), and conditioned upon FMCH's entering into the Corporate Integrity Agreement, the OIG-HHS agrees to release and refrain from instituting, directing, or maintaining any administrative claim or any action seeking exclusion from the Medicare, Medicaid or other Federal health care programs (as defined in 42 U.S.C. § 1320a-7b(f)) against the NMC Companies and the current directors, officers, employees, and agents of the NMC Companies who were not employed by or in any way affiliated with LIFECEM, MPD, NMC, or any of NMC's parents, subsidiaries, divisions, or affiliates at any time prior to September 30, 1996, under 42 U.S.C. § 1320a-7a (Civil Monetary Penalties Law) or 42 U.S.C. § 1320a-7(b) (permissive exclusion) for the conduct described in Preamble Paragraphs K through Y, except as reserved in Paragraph 10 above and as reserved in this Paragraph. The OIG-HHS expressly reserves all rights to comply with any statutory obligations to exclude the NMC Companies from the Medicare, Medicaid, or other Federal health care programs under 42 U.S.C. § 1320a-7(a)(mandatory exclusion). Nothing in this Paragraph precludes the OIG-HHS from taking action against entities or individuals for conduct and practices for which civil claims have been reserved in Paragraph 10 above.

14. In consideration of the obligations of LIFECEM, MPD, NMC and FMCH set forth in this Agreement, conditioned upon payment in full of the Settlement Amount, and subject to Paragraph 29 below (concerning bankruptcy proceedings commenced within 91 days of any payment under this Agreement), TSO agrees to release and refrain from instituting, directing, or maintaining

any administrative claim or any action seeking exclusion from the TRICARE program against the NMC Companies and the current directors, officers, employees, and agents of the NMC Companies who were not employed by or in any way affiliated with LIFECHAM, MPD, NMC or NMC's subsidiaries, divisions, and affiliates at any time prior to September 30, 1996, under 32 C.F.R. § 199.9 for the conduct described in Preamble Paragraphs K through Y, except as reserved in Paragraph 10 above and as reserved in this Paragraph. The TSO expressly reserves all rights to comply with any statutory obligations to exclude the NMC Companies from the TRICARE program under 32 C.F.R. §§ 199.9(f)(1)(i)(A), (f)(1)(i)(B), (f)(1)(i)(D), and (f)(1)(iii). Nothing in this Paragraph precludes the TSO from taking action against entities or persons, or for conduct or practices, for which civil claims have been reserved in Paragraph 10 above.

15. In consideration of the obligations of LIFECHAM, MPD, NMC and FMCH as set forth in this Agreement, conditioned upon payment in full of the Settlement Amount, and subject to Paragraph 29 below (concerning bankruptcy proceedings commenced within 91 days of any payment under this Agreement), OPM agrees to release and refrain from instituting, directing, or maintaining any administrative claim or any action seeking exclusion from FEHBP against the NMC Companies and the current directors, officers, employees, and agents of the NMC Companies who were not employed by or in any way affiliated with LIFECHAM, MPD, NMC or NMC's subsidiaries, divisions, or affiliates at any time prior to September 30, 1996, under 5 U.S.C. § 8902a or 5 C.F.R. Part 970 for the conduct described in Preamble Paragraphs K through Y including that in the Civil Action, except as reserved in Paragraph 10 above, and except if the NMC Companies or any individuals are excluded by the Office of Inspector General of HHS pursuant to 42 U.S.C. § 1320a-7(a). Nothing in this paragraph precludes OPM from taking action against entities or persons, or for conduct and practice for which civil claims have been reserved in Paragraph 10 above.

16. Jay A. Buford, William L. Schoff and Russell J. Davis each agree that the settlement of the claims set forth in their Civil Action to the extent encompassed by Preamble Paragraphs K through Y is fair, adequate and reasonable under all the circumstances, pursuant to 31 U.S.C. § 3730(c)(2)(B).

17. The United States agrees to pay Jay A. Buford, William L. Schoff and Russell L. Davis (the "Relators") collectively 16.5% of the federal share of the Settlement Amount (\$109,632,867) in a total principal amount of eighteen million eighty-nine thousand four hundred twenty-three dollars (\$18,089,423), plus 16.5% of the interest paid by NMC and FMCH, if any. To satisfy this obligation, the United States will pay the Relators collectively 16.5% of the federal share of the payments made by NMC and FMCH as they are received under the terms of the Promissory Note, as more particularly set forth in Exhibit A to the Promissory Note as those payments relate to this Agreement. The first payment to Relators will be made within 21 days after the First Payment Date, and subsequent payments to the Relators will be made within 21 days after each additional payment is received by the United States, by wire transfer to each of the Relators in accordance with instructions to be provided by Relators' counsel. Jay A. Buford, William L. Schoff, and Russell Davis, for themselves individually, and for their respective heirs, successors, and assigns, will release and will be deemed to have released and forever discharged the United States from any claims pursuant to 31 U.S.C. § 3730, including 31 U.S.C. §§ 3730(b), (c), (d) and (d)(1), for a share of the proceeds of the Civil Action, from any claims for a share of the Settlement Amount, and from any claims arising from the filing of their Civil Action, and in full settlement of claims under this Agreement. This Agreement does not resolve or in any manner affect any claims the United States has or may have against the Relators Jay A. Buford, William L. Schoff, or Russell L. Davis arising under Title 26, U.S. Code (Internal Revenue Code), or any claims arising under this Agreement.

18. After this Agreement is fully executed, the United States and the Relators will notify the Court that all pertinent Parties have stipulated that, to the extent alleged in Paragraphs K through Y only, the Civil Action shall be dismissed with prejudice effective upon receipt by the United States and the Participating States of the payments described in Paragraph 1 above, pursuant to and consistent with the terms of this Agreement. The United States will notify the Court that it declines to intervene in the remaining claims by the Relators in the Civil Action, to the extent not alleged in Preamble Paragraphs K through Y, and that the Relators intend to proceed on those claims. The Parties agree that the United States District Court for the District of Massachusetts shall maintain jurisdiction of the unresolved claims in the Civil Action, all claims in the Civil Action in the event that the Plea Agreements referenced in Preamble Paragraphs C and D are not accepted by the Court, in an Event of Default, in the event of disputes under this Agreement, and for purposes of resolving any disputes regarding the Relators' claim against LIFECEM, MPD, and the NMC Companies for reasonable attorneys' fees, expenses and costs pursuant to 31 U.S.C. § 3730(d), arising from the filing of the Civil Action.

19. LIFECEM, MPD, and the NMC Companies waive and will not assert any defenses these entities may have to any criminal prosecution or administrative action relating to the conduct described in Preamble Paragraphs K through Y, which defenses may be based in whole or in part on a contention that, under the Double Jeopardy Clause of the Fifth Amendment of the Constitution or Excessive Fines Clause of the Eighth Amendment of the Constitution, this Settlement Agreement bars a remedy sought in such criminal prosecution or administrative action. LIFECEM, MPD, and the NMC Companies further agree that nothing in this Agreement is punitive in purpose or effect.

20. Effective on the date of acceptance by the Court of the Plea Agreements referenced in Preamble Paragraphs C and D, LIFECEM, MPD, and the NMC Companies release and will be

deemed to have released the United States, its agencies, employees, servants, and agents from any claims (including attorneys fees, costs, and expenses of every kind and however denominated) which LIFECEM, MPD, and the NMC Companies have or may have against the United States, its agencies, employees, servants, and agents, related to or arising from the United States' civil, criminal and administrative investigation and prosecution of LIFECEM, MPD, NMC and FMCH.

21. The Settlement Amount that NMC and FMCH must pay pursuant to this Agreement by electronic wire transfer pursuant to Paragraph 1 above will not be decreased as a result of the denial of claims for payment now being withheld from payment by any Medicare carrier or intermediary, Railroad Retirement Medicare carrier, TRICARE, FEHBP, VA, or any Medicaid payer, related to the conduct described in Preamble Paragraphs K through Y; and LIFECEM, MPD and the NMC Companies agree not to resubmit to any Medicare carrier or intermediary, Railroad Retirement Medicare carrier, TRICARE, FEHBP, VA, or any Medicaid payer any previously denied claims related to the conduct described in Preamble Paragraphs K through Y, and agree not to appeal any such denials of claims.

22. The NMC Companies agree that all costs (as defined in the Federal Acquisition Regulations ("FAR") § 31.205-47 and in Titles XVIII and XIX of the Social Security Act, 42 U.S.C. §§ 1395-1395ddd (1997) and 1396-1396v(1997), and the regulations promulgated thereunder) incurred by or on behalf of LIFECEM, MPD, and the NMC Companies, and their divisions, subsidiaries and affiliates, and their present and former officers, directors, employees, shareholders and agents in connection with: (a) the matters covered by this Agreement and the related Plea Agreements described in Preamble Paragraphs C and D; (b) the Government's administrative, civil and criminal investigation and prosecution of LIFECEM, MPD, NMC, and FMCH; (c) these corporate entities' investigation, defense, and corrective actions undertaken in response to the

Government's administrative, civil and criminal investigations, and in connection with the matters covered by this Agreement, the Plea Agreements, and including the obligations undertaken pursuant to the Corporate Integrity Agreement (including attorneys fees); (d) the negotiation and performance of this Agreement, the Plea Agreements, and the Corporate Integrity Agreement; and (e) the payments made to the United States provided for in this Agreement and the Plea Agreements, and to Relators for attorney's fees and costs, are unallowable costs on Government contracts and under Medicare, Railroad Retirement Medicare, Medicaid, TRICARE, FEHBP, and the VA programs (hereafter, "unallowable costs"). These unallowable costs will be separately estimated and accounted for by LIFECEM, MPD, and the NMC Companies and these entities will not charge such unallowable costs directly or indirectly to any contracts with the United States or any Medicaid program, or seek payment for such unallowable costs through any cost report, cost statement, information statement or payment request submitted by the NMC Companies or any of their divisions, subsidiaries or affiliates to the Medicare, Railroad Retirement Medicare, Medicaid, TRICARE, VA or FEHBP programs.

LIFECEM, MPD, and the NMC Companies further agree that within 270 days of the effective date of this Agreement these entities will identify to applicable Medicare, Railroad Retirement Medicare, and TRICARE fiscal intermediaries, carriers and/or contractors, and Medicaid, VA and FEHBP fiscal agents, any unallowable costs (as defined above) included in payments previously sought from the United States, or any Medicaid Program, including, but not limited to, payments sought in any cost reports, cost statements, information reports, or payment requests already submitted by the NMC Companies or any of their subsidiaries, affiliates, or divisions and will 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.

LIFECHEM, MPD, and the NMC Companies agree that the United States will be entitled to recoup from the NMC Companies any overpayment 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 LIFECHEM, MPD, the NMC Companies, or any of their subsidiaries, affiliates or divisions, on the effect of inclusion of unallowable costs (as defined above) on the NMC Companies or any of their subsidiaries, affiliates or divisions' cost reports, cost statements or information reports. Nothing in this Agreement shall constitute a waiver of the rights of the United States to examine or reexamine the unallowable costs described above.

23. This Agreement is intended to be for the benefit of the Parties only, and by this instrument the Parties do not release any claims against any other person or entity except as specifically identified in Paragraph 9, 13, 14, 15, and 17 above.

24. LIFECHEM, MPD and the NMC Companies agree that they will not seek payment for any of the health care billings covered by this Agreement from any health care beneficiaries or their parents, sponsors, estates, heirs, successors or assigns. LIFECHEM, MPD and the NMC Companies waive any causes of action against these beneficiaries or their parents, sponsors, estates, heirs, successors, or assigns based upon the claims for payment covered by this Agreement.

25. The NMC Companies covenant to cooperate fully and truthfully with the United States' civil investigation of individuals not specifically released in this Agreement. The NMC Companies will make reasonable efforts to facilitate access to, and encourage the cooperation of, its directors, officers and employees for interviews and testimony, consistent with the rights and

privileges of such individuals, and will furnish to the United States, upon reasonable request, all non-privileged documents and records in its possession, custody or control.

26. Nothing in this Agreement constitutes an agreement by the United States concerning the characterization of the amounts paid hereunder for purposes of any proceeding under Title 26 of the Internal Revenue Code.

27. Except as provided in Paragraph 6.b., and except for Relators' unresolved claim against LIFECEM, MPD, and the NMC Companies for reasonable attorneys' fees, expenses and costs pursuant to 31 U.S.C. § 3730(d), each party to this Agreement will bear his or its own legal and other costs incurred in connection with this matter, including by way of example only, all costs incurred in the investigation and defense of this matter, the preparation and performance of this Agreement, and all corrective actions taken in response to the investigation and resolution of this matter.

28. NMC and FMCH expressly warrant that they have reviewed their financial condition and that they currently are solvent on a consolidated basis within the meaning of 11 U.S.C. Section 547(b)(3), and expect to remain solvent on a consolidated basis following payment to the United States hereunder. Further, the Parties expressly warrant that, in evaluating whether to execute this Agreement, the Parties (a) have intended that the mutual promises, covenants and obligations set forth herein constitute a contemporaneous exchange for new value given to LIFECEM, MPD, NMC and FMCH within the meaning of 11 U.S.C. Section 547(c)(1), and (b) have concluded that these mutual promises, covenants, and obligations do, in fact, constitute such a contemporaneous exchange.

29. In the event NMC or FMCH commences, or a thirty party commences, within 91 days of any payment under of this Agreement, any case, proceeding, or other action (i) under any law

relating to bankruptcy, insolvency, reorganization or relief of debtors, seeking to have any order for relief of NMC and/or FMCH's debts, or seeking to adjudicate NMC and/or FMCH as bankrupt or insolvent, or (ii) seeking appointment of a receiver, trustee, custodian or other similar official for NMC and/or FMCH or for all or any substantial part of NMC and/or FMCH's assets, NMC and FMCH agree as follows:

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

b. In the event that NMC and/or FMCH's obligations hereunder are avoided pursuant to 11 U.S.C. Section 547, the United States, at its sole option, may rescind the releases in this Agreement, and bring any civil and/or administrative claim, action or proceeding against LIFECHEM, MPD, NMC, and/or FMCH for the claims that would otherwise be covered by the releases provided in Paragraph 9, 13, 14 and 15 above. If the United States chooses to do so, LIFECHEM, MPD, NMC and FMCH agree that (i) any such claims, actions or proceedings brought by the United States (including any proceedings to exclude LIFECHEM and/or MPD from participation in Medicare, Medicaid, or other federal health care programs) are not subject to an "automatic stay" pursuant to 11 U.S.C. Section 362(a) as a result of the action, case or proceeding described in the first clause of this Paragraph, and that LIFECHEM, MPD, NMC and FMCH will not

argue or otherwise contend that the United States' claims, actions or proceedings are subject to an automatic stay; (ii) that LIFECHM, MPD, NMC and FMCH will not plead, argue or otherwise raise any defenses under the theories of statute of limitations, laches, estoppel or similar theories, to any such civil or administrative claims, actions or proceeding which are brought by the United States within 90 calendar days of written notification to NMC and FMCH that the releases herein have been rescinded pursuant to this Paragraph, except to the extent such defenses were available on December 15, 1994; and (iii) the United States has a valid claim against NMC and FMCH in the amount of the Default Obligation, and the United States may pursue its claim, inter alia, in the case, action or proceeding referenced in the first clause of this Paragraph, as well as in any other case, action, or proceeding.

c. LIFECHM, MPD, NMC and FMCH acknowledge that its agreements in this Paragraph are provided in exchange for valuable consideration provided in this Agreement.

30. LIFECHM, MPD, NMC, FMCH, and each of the Relators represent that this Agreement is freely and voluntarily entered into without any degree of duress or compulsion whatsoever.

31. This Agreement is governed by the laws of the United States. The Parties agree that the exclusive jurisdiction and venue for any disputes arising between and among the Parties under this Agreement will be the United States District Court for the District of Massachusetts, except that disputes rising under the Corporate Integrity Agreement shall be resolved exclusively upon the dispute resolution provisions set forth in the Corporate Integrity Agreement.

32. The undersigned LIFECHM, MPD, NMC and FMCH signatories represent and warrant that they are authorized by their respective Board of Directors to execute this Agreement.

The undersigned United States signatories represent that they are signing this Agreement in their respective official capacities and that they are authorized to execute this Agreement.

33. Except for the guilty pleas by LIFECEM and MPD, and the representations in Paragraphs 28 (regarding solvency), and Paragraph 29 (concerning bankruptcy proceedings commenced within 91 days of any payments under this Agreement), the Parties agree that nothing in this Agreement constitutes an admission by any person or entity with respect to any issue of law or fact.

34. This Agreement is effective on the date of signature of the last signatory to the Agreement (the "Effective Date").

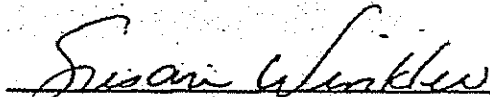
35. This Agreement shall be binding on all successors, transferees, heirs and assigns.

36. This Agreement, together with attachments A through D, the Plea Agreements described in Preamble Paragraphs C and D, and the Corporate Integrity Agreement, constitute the complete agreement among the Parties with regard to the conduct described in Preamble Paragraphs K through Y. This Agreement may not be amended except by written consent of the Parties, except that only FMCH and OIG-HHS must agree in writing to modification of the Corporate Integrity Agreement.

37. 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.

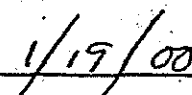
UNITED STATES OF AMERICA

By:



SUSAN G. WINKLER
Assistant United States Attorney
District of Massachusetts

Dated:



By: May. Gu
LAURENCE J. FREEDMAN
MAYA S. GUERRA
Civil Division
United States Department of Justice

Dated: 1.19.00

By: _____
LEWIS MORRIS
Assistant Inspector General
Office of Inspector General
U.S. Department of Health and Human Services

Dated: _____

By: _____
FRANK D. TITUS
Assistant Director for Insurance Programs
U.S. Office of Personnel Management

Dated: _____

By: _____
ROBERT L. SHEPHERD
Deputy General Counsel
TRICARE Support Office
United States Department of Defense


Dated: _____

By: _____
LEWIS MORRIS
Assistant Inspector General, HHS-OIG
For the Railroad Retirement Medicare Program

Dated: _____

By: _____
LAURENCE J. FREEDMAN
MAYA S. GUERRA
Civil Division
United States Department of Justice

Dated: _____

By: 
LEWIS MORRIS
Assistant Inspector General
Office of Inspector General
U.S. Department of Health and Human Services

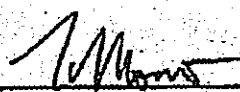
Dated: 1/18/00

By: _____
FRANK D. TITUS
Assistant Director for Insurance Programs
U.S. Office of Personnel Management

Dated: _____

By: _____
ROBERT L. SHEPHERD
Deputy General Counsel
TRICARE Support Office
United States Department of Defense

Dated: _____

By: 
LEWIS MORRIS
Assistant Inspector General, HHS-OIG
For the Railroad Retirement Medicare Program

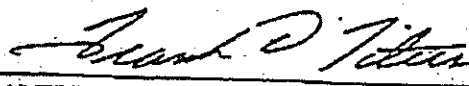
Dated: 1/18/00

By: LAURENCE J. FREEDMAN
MAYA S. GUERRA
Civil Division
United States Department of Justice

Dated: _____

By: LEWIS MORRIS
Assistant Inspector General
Office of Inspector General
U.S. Department of Health and Human Services

Dated: _____

By: 
FRANK D. TITUS
Assistant Director for Insurance Programs
U.S. Office of Personnel Management

Dated: Jan 18, 2000

By: ROBERT L. SHEPHERD
Deputy General Counsel
TRICARE Support Office
United States Department of Defense

Dated: _____

By: LEWIS MORRIS
Assistant Inspector General, HHS-OIG
For the Railroad Retirement Medicare Program

Dated: _____

By: _____

Dated: _____

LAURENCE J. FREEDMAN
MAYA S. GUERRA
Civil Division
United States Department of Justice

By: _____

Dated: _____

LEWIS MORRIS
Assistant Inspector General
Office of Inspector General
U.S. Department of Health and Human Services

By: _____

Dated: _____

FRANK D. TITUS
Assistant Director for Insurance Programs
U.S. Office of Personnel Management

By: _____

Dated: 1-18-00

Robert D. Seaman
~~ROBERT L. SHEPHERD~~ ROBERT D. SEAMAN
Deputy General Counsel
TRICARE Support Office
United States Department of Defense

By: _____

Dated: _____

LEWIS MORRIS
Assistant Inspector General, HHS-OIG
For the Railroad Retirement Medicare Program

LIFECHEM, INC., NMC MEDICAL PRODUCTS, INC.,
NATIONAL MEDICAL CARE, INC. and FRESenius
MEDICAL CARE HOLDINGS, INC.

By:

BEN J. LIPPS
President, LIFECHEM, INC.

Dated:

January 17, 2000

By:

BEN J. LIPPS
President, NMC Medical Products, Inc.

Dated:

January 17, 2000

By:

BEN J. LIPPS
President, National Medical Care, Inc.

Dated:

January 18, 2000

By:

BEN J. LIPPS
President, Fresenius Medical Care Holdings, Inc.

Dated:

January 18, 2000

Acknowledged:

By:

JONATHAN CHIEL

Dated:

January 17, 2000

By:

BRECKINRIDGE L. WILLCOX

Dated:

1/18/00

By:

ALAN E. REIDER

Dated:

1/18/00

By:

HAROLD DAMELIN

Dated:

1/18/2000

By:

JEFFREY E. STONE

Dated:

January 18, 2000

Attorneys for LIFECHEM, INC., NMC Medical Products, Inc.,
National Medical Care, Inc., and Fresenius Medical Care Holdings, Inc.

RELATORS JAY A. BUFORD, WILLIAM L. SCHOFF
and RUSSELL L. DAVIS

By: Jay Buford
JAY A. BUFORD

Dated: 01/18/00

By: William L. Schoff
WILLIAM L. SCHOFF

Dated: 01/18/00

By: Russell L. Davis
RUSSELL L. DAVIS

Dated: 1/18/00

Acknowledged:

By: John Rankin
JOHN RANKIN

Dated: 01/18/2000

Counsel to Messrs. Buford, Schoff and Davis