

## 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”), Columbus LTACH, LLC d/b/a Silver Lake Hospital (Silver Lake), Dr. Richard Lipsky (Lipsky) and Columbus Management South LLC (Columbus Management) (hereafter collectively referred to as “the Parties”), through their authorized representatives.

### RECITALS

A. Silver Lake is a New Jersey Limited Liability Company that owns and operates a health care facility in Newark, New Jersey. That facility houses both a long-term acute care hospital, the conduct of which is addressed in this Agreement, and a unit that specializes in serving dual-diagnosis patients (i.e., patients with mental health and substance use disorders).

B. Dr. Richard Lipsky, a resident of Florida, is the principal investor in Silver Lake.

C. Columbus Management is a Florida Limited Liability Company that has received distributions of funds from Silver Lake for the benefit of Silver Lake investors.

D. The United States contends that Silver Lake submitted or caused to be submitted claims for payment to the Medicare Program, Title XVIII of the Social Security Act, 42 U.S.C. §§ 1395-1395III (“Medicare”).

E. The United States contends that Silver Lake distributed funds to its investors, Lipsky and Columbus Management, as described in Paragraph F.(2) below and that these distributions implicate the Federal Debt Collection Procedures Act, 28 U.S.C. § 3301 *et seq.*

F. The United States contends that it has certain civil claims against Silver Lake, Lipsky and Columbus Management for engaging in the following conduct:

- (1) From April 1, 2018 through March 31, 2023, in connection with its long-term acute care hospital facility (National Provider Identifier number 1104144641), Silver Lake (a) knowingly or recklessly submitted or caused to be submitted false claims to the Medicare program for inpatient cost outlier payments by rapidly increasing its charges for inpatient care such that, when adjusted to costs pursuant to the cost outlier statute and regulations (42 USC § 1395ww(d)(5)(A)(ii) et seq. and 42 CFR § 412.84), these charges no longer reasonably reflected or approximated Silver Lake's actual costs; and (b) knowingly or recklessly concealed and improperly avoided its obligation to adequately reimburse the Medicare program for any excessive cost outlier payments that it received due to the above conduct, knowing that it would not have the financial wherewithal to pay back all of these payments when its cost reports were adequately reconciled and its Medicare overpayments were properly identified; and
- (2) From April 1, 2020 through March 31, 2023, Silver Lake made various distributions of funds to Lipsky and Columbus Management for less than reasonably equivalent value when Silver Lake believed or reasonably should have believed that it would incur debts to the United States, in the form of an obligation to repay excessive Medicare cost outlier payments, beyond Silver Lake's ability to pay back these debts as they became due.

The conduct set forth in this Recital is referred to below as the "Covered Conduct."

G. Silver Lake and the Centers for Medicare & Medicaid Services entered a letter agreement dated January 11, 2024, pertaining to the obligations and rights of Silver Lake and the Centers for Medicare & Medicaid Services, including its contractors (collectively, "CMS").

H. This Agreement is neither an admission of liability by Silver Lake, Lipsky or Columbus Management, nor a concession by the United States that its claims are not well

founded. Silver Lake, Lipsky and Columbus Management deny the allegations in Paragraph F above.

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 Agreement, the Parties agree and covenant as follows:

#### TERMS AND CONDITIONS

1. Silver Lake shall pay the United States eighteen million six hundred thirty-six thousand two hundred and eighty two dollars (\$18,636,282), plus simple interest of 4.5 percent per annum from January 2, 2024 (together, the Silver Lake Settlement Amount), of which the entire Silver Lake Settlement Amount is restitution. Silver Lake shall make these payments by electronic funds transfer pursuant to written instructions to be provided by the Civil Division of the U.S. Attorney's Office for the District of New Jersey. The payment of the Silver Lake Settlement Amount shall be made via 21 payments consisting of an initial payment and 20 quarterly payments beginning on February 15, 2024 and ending on March 31, 2029. These specific payment obligations, including the dates that the payments are owed, and for each such payment, the total payment owed, interest amount owed, principal amount owed, and principal balance owed as of the payment date, are set forth in Exhibit 1 to this Agreement.

2. Lipsky and Columbus Management shall be jointly and severally liable for paying the United States twelve million dollars (\$12,000,000), plus simple interest of 4.5 percent per annum from January 2, 2024 (together, the Lipsky/Columbus Management Settlement Amount), of which the entire Lipsky/Columbus Management Settlement Amount is restitution. Lipsky and Columbus Management shall make these payments by electronic funds transfer pursuant to written instructions to be provided by the Civil Division of the U.S. Attorney's Office for the District of New Jersey. The payment of the Lipsky/Columbus Management Settlement Amount

shall be made via an initial payment and 20 quarterly payments beginning on February 15, 2024 and ending on January 30, 2029. These specific payment obligations, including the dates that the payments are owed, and for each such payment, the total payment owed, interest amount owed, principal amount owed, and principal balance owed as of the payment date, are set forth in Exhibit 2 to this Agreement. The Silver Lake or Lipsky/Columbus Management Settlement Amounts may be prepaid in whole or in part without penalty. All payments made on an accelerated basis will be credited against Silver Lake's or Lipsky's/Columbus Management's total payment obligations, whichever is prepaid, with the credit(s) applied first to the last principal payment due (*i.e.*, the payment will be credited first against the last principal payment identified in the relevant payment schedule).

3. Subject to the exceptions in Paragraph 6 (concerning reserved claims), Paragraph 7 (concerning disclosure of assets), Paragraph 14 (concerning default), and Paragraph 15 (concerning bankruptcy) below, and upon the United States' receipt of full payment of the Silver Lake Settlement Amount, including interest as set forth above in Paragraph 1, the United States releases Silver Lake, together with its current and former parent corporations; corporate predecessors, successors, affiliates; current or former corporate owners; and the corporate successors and assigns of any of them (collectively, the "Silver Lake Releasees"), from any civil or administrative monetary claim the United States has for Subparagraph (1) of 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.

4. Subject to the exceptions in Paragraph 6 (concerning reserved claims), Paragraph 7 (concerning disclosure of assets), Paragraph 14 (concerning default), and Paragraph 15 (concerning bankruptcy) below, and upon the United States' receipt of full payment of the

Lipsky/Columbus Management Settlement Amount, including interest as set forth above in Paragraph 2, the United States releases Lipsky, Columbus Management and Silver Lake Releasees from any civil or administrative monetary claim the United States has for Subparagraph (2) of the Covered Conduct under the fraudulent transfer provisions of the Federal Debt Collection Procedures Act, 28 U.S.C. §§ 3301-3308.

5. In consideration of the obligations of Silver Lake in this Agreement and the Corporate Integrity Agreement (CIA), entered into between OIG-HHS and Silver Lake simultaneously with this Agreement, and upon the United States' receipt of full payment of the Silver Lake Settlement Amount, 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 Silver Lake 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 6 (concerning reserved claims), below. The OIG-HHS expressly reserves all rights to comply with any statutory obligations to exclude Silver Lake 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 6, below.

6. Notwithstanding the releases given in Paragraphs 3-5 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;
- f. Except as explicitly stated in Paragraph 4, any liability of individuals;
- g. Any liability for express or implied warranty claims or other claims for defective or deficient products or services, including quality of goods and services;
- h. Any liability for failure to deliver goods or services due; and
- i. Any liability for personal injury or property damage or for other consequential damages arising from the Covered Conduct.

7. Silver Lake has provided sworn financial disclosures and supplemental written submissions prior to the Effective Date of this Agreement (together "Financial Disclosures") to the United States and the United States has relied on the accuracy and completeness of those Financial Disclosures in reaching this Agreement. Silver Lake warrants that the Financial Disclosures are complete, accurate, and current as of the Effective Date of this Agreement. If the United States learns of asset(s) in which Silver Lake had an interest of any kind as of the Effective Date of this Agreement (including, but not limited to, promises by insurers or other third parties to satisfy Silver Lake's obligations under this Agreement) that were not disclosed in the Financial Disclosures, or if the United States learns of any false statement or misrepresentation by Silver Lake on, or in connection with, the Financial Disclosures, and if such nondisclosure, false statement, or misrepresentation changes the estimated net worth set

forth in the Financial Disclosures by \$500,000 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 this Agreement plus one hundred percent (100%) of the net value of Silver Lake's previously undisclosed assets. Silver Lake agrees 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. In the event that the United States rescinds this Agreement pursuant to this paragraph, Silver Lake waives and agrees 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 Silver Lake that this Agreement has been rescinded, and (b) relate to the Covered Conduct, except to the extent these defenses were available on June 1, 2023.

8. Silver Lake, Lipsky and Columbus Management waive and shall not assert any defenses they 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.

9. Silver Lake, Lipsky and Columbus Management 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 any of them 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 thereof.

10. 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 Silver Lake agrees not to resubmit to any Medicare contractor or any state payer any previously denied claims related to the Covered Conduct, agrees not to appeal any such denials of claims, and agrees to withdraw any such pending appeals.

11. Silver Lake, Lipsky and Columbus Management 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 Silver Lake, Lipsky or Columbus Management, or 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) Silver Lake's, Lipsky's and Columbus Management's 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 payments Silver Lake, Lipsky and Columbus Management make to the United States pursuant to this Agreement; 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 11.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 Silver Lake.

b. Future Treatment of Unallowable Costs: Unallowable Costs shall be separately determined and accounted for in nonreimbursable cost centers by Silver Lake, Lipsky and Columbus Management, and Silver Lake, Lipsky and Columbus Management 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 Silver Lake, Lipsky or Columbus Management, or any of their subsidiaries or affiliates to the Medicare, Medicaid, TRICARE, or FEHBP Programs.

c. Treatment of Unallowable Costs Previously Submitted for Payment: Silver Lake, Lipsky and Columbus Management further agree that within 90 days of the Effective Date of this Agreement they 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 Silver Lake, Lipsky or Columbus Management 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. Silver Lake, Lipsky and Columbus Management agree that the United States, at a minimum, shall be entitled to recoup from them 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 Silver Lake, Lipsky or Columbus Management or any of their subsidiaries or affiliates on the effect of inclusion of Unallowable Costs (as defined in this paragraph) on Silver Lake, Lipsky or Columbus Management 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 Silver Lake's, Lipsky's or Columbus Management's books and records to determine that no Unallowable Costs have been claimed in accordance with the provisions of this paragraph.

12. 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 13 (waiver for beneficiaries paragraph), below.

13. Silver Lake agrees 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.

14. Regarding the potential for a default in payment of either the Silver Lake Settlement Amount or the Lipsky/Columbus Management Settlement Amount, the following provisions apply:

a. The Silver Lake 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 Silver Lake's financial condition as reflected in the Financial Disclosures referenced in Paragraph 7.

b. In the event that Silver Lake fails to pay the Silver Lake Settlement Amount as provided in the payment schedule referenced in Paragraph 1 and set forth in Exhibit 1 above, Silver Lake shall be in Default of Silver Lake's payment obligations ("Default"). Similarly, in the event that Lipsky and Columbus Management Lake fail to pay the Lipsky/Columbus Management Settlement Amount as provided in the payment schedule referenced in Paragraph 2 and set forth in Exhibit 2 above, Lipsky and Columbus Management shall be in Default of Lipsky's and Columbus Management's payment obligations. The United States will provide a written Notice of Default, and the party/parties in Default 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 Agreement up to the date of payment. Notice of Default will be delivered to Silver Lake, Lipsky and/or Columbus Management (whichever party/parties are in Default), or to such other representative as Silver Lake, Lipsky and/or Columbus Management shall designate in

advance in writing. If the Defaulting party/parties 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 Silver Lake and/or Lipsky/Columbus Management Settlement Amount, whichever is applicable, 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).

c. In the event of Uncured Default, Silver Lake, Lipsky and Columbus Management agree that the United States, at its sole discretion, may (i) retain any payments previously made, rescind this Agreement and bring any civil and/or administrative claim, action, or proceeding against whichever party/parties are in Default for the claims that would otherwise be covered by the releases provided in Paragraph 3 and 4 above, with any recovery reduced by the amount of any payments previously made by the Defaulting party/parties to the United States under this Agreement; (ii) take any action to enforce this Agreement against the Defaulting party; (iii) offset the remaining unpaid balance from any amounts due and owing to the Defaulting party/parties and/or affiliated companies by any department, agency, or agent of the United States at the time of Default or subsequently; and/or (iv) 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, Silver Lake, Lipsky and Columbus Management, whoever is in Default, agree(s) 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, Silver Lake, Lipsky and Columbus Management 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 (i) are filed by the United States against the Defaulting party/parties 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 1, 2023. Silver Lake, Lipsky and Columbus Management 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.

d. In the event of Uncured Default, OIG-HHS may exclude Silver Lake, Lipsky and Columbus Management, whichever is in Default, from participating in all Federal health care programs until the Defaulting party/parties pay the Settlement Amount, with interest, as set forth above (Exclusion for Default). OIG-HHS will provide written notice of any such exclusion to Silver Lake, Lipsky and Columbus Management, as applicable. Silver Lake, Lipsky and Columbus Management 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, Silver Lake, Lipsky and Columbus Management 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. Silver Lake, Lipsky and Columbus Management 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.

15. In exchange for valuable consideration provided in this Agreement, Silver Lake, Lipsky and Columbus Management acknowledge the following:

a. Lipsky and Columbus Management have reviewed their financial situation and warrant that they 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 of the Lipsky/Columbus Management 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 Silver Lake, Lipsky and Columbus Management, 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 Silver Lake, Lipsky or Columbus Management was 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 any of Silver Lake's payments or 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, Silver Lake 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 Silver Lake's debts, or to adjudicate Silver Lake as bankrupt or insolvent; or seeking appointment of a receiver, trustee, custodian, or other similar official for Silver Lake or for all or any substantial

part of Silver Lake's assets; and any such case, proceeding or other action under any law described herein is not dismissed within thirty (30) calendar days:

(i) the United States may rescind the releases in this Agreement and bring any civil and/or administrative claim, action, or proceeding against Silver Lake for the claims that would otherwise be covered by the releases provided in Paragraphs 3-5 above; and

(ii) the United States has an undisputed, noncontingent, and liquidated allowed claim against Silver Lake in the amount of \$240 million, less any payments received pursuant to Paragraph 1 of this Agreement, provided, however, that such payments are not otherwise avoided and recovered from the United States by Silver Lake, a receiver, trustee, custodian, or other similar official for Silver Lake.

f. Silver Lake agrees that any civil and/or administrative claim, action, or proceeding brought by the United States under Paragraph 15.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. Silver Lake 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). Silver Lake waives 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 Silver Lake that the releases have been rescinded pursuant to this paragraph, except to the extent such defenses were available on June 1, 2023.

16. Each Party shall bear its own legal and other costs incurred in connection with this matter, including the preparation and performance of this Agreement.

17. Each Party and signatory to this Agreement represents that it freely and voluntarily enters into this Agreement without any degree of duress or compulsion.

18. This Agreement is governed by the laws of the United States. The exclusive venue for any dispute relating to this Agreement is the United States District Court for the District of New Jersey. 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.

19. This Agreement constitutes the complete agreement between the Parties. This Agreement may not be amended except by written consent of the Parties. Forbearance by the United States from pursuing any remedy or relief available to it under this Agreement shall not constitute a waiver of rights under this Agreement. The letter agreement between Silver Lake and CMS referenced in Preamble Paragraph G above, sets forth obligations and rights of Silver Lake and CMS relating to the issues discussed in that letter agreement.

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

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

22. This Agreement is binding on Silver Lake's, Lipsky's and Columbus Management's successors, transferees, heirs, and assigns.

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





24. Notices to Silver Lake, Lipsky, and Columbus Management, as referenced in this Agreement, shall be in writing via hand-delivery, overnight mail, or by registered certified mail (return receipt requested) to the following individual or his successor:

Edward Cienki  
Chief Operating Officer  
Silver Lake Hospital  
495 N. 13<sup>th</sup> Street  
Newark, New Jersey

25. 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: 1/12/2024 BY:   
DANIEL A. SPIRO  
Senior Trial Counsel  
Commercial Litigation Branch  
Civil Division  
United States Department of Justice

DATED: 1/12/2024 BY:   
PAUL KAUFMAN  
Assistant United States Attorney  
Office of the United States Attorney  
for the District of New Jersey

DATED: \_\_\_\_\_ BY: \_\_\_\_\_  
SUSAN E. GILLIN  
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

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Newark, New Jersey

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**THE UNITED STATES OF AMERICA**

DATED: \_\_\_\_\_

BY: \_\_\_\_\_  
DANIEL A. SPIRO  
Senior Trial Counsel  
Commercial Litigation Branch  
Civil Division  
United States Department of Justice

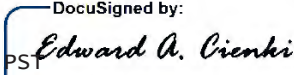
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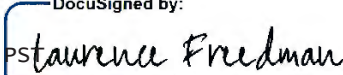
BY: \_\_\_\_\_  
PAUL KAUFMAN  
Assistant United States Attorney  
Office of the United States Attorney  
for the District of New Jersey

DATED: \_\_\_\_\_


BY: \_\_\_\_\_  
 Digitally signed by SUSAN GILLIN  
GILLIN  
Date: 2024.01.12 13:58:11 -05'00'  
SUSAN E. GILLIN  
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

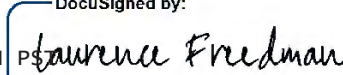
**COLUMBUS LTACH, LLC d/b/a SILVER LAKE HOSPITAL**

DATED: 1/11/2024 | 3:33:58 PM BY:  DocuSigned by:  
EDWARD A. CIENKI  
President and Chief Operating Officer

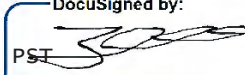
DATED: 1/11/2024 | 1:55:54 PM BY:  DocuSigned by:  
LAURENCE J. FREEDMAN  
Mintz, Levin, Cohn, Ferris, Glovsky & Popeo, P.C.  
Counsel for Columbus LTACH, LLC d/b/a  
Silver Lake Hospital

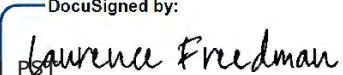
**DR. RICHARD LIPSKY**

DATED: 1/11/2024 | 3:16:59 PM BY:  DocuSigned by:  
DR. RICHARD LIPSKY

DATED: 1/11/2024 | 1:55:54 PM BY:  DocuSigned by:  
LAURENCE J. FREEDMAN  
Mintz, Levin, Cohn, Ferris, Glovsky & Popeo, P.C.  
Counsel for Dr. Richard Lipsky

**COLUMBUS MANAGEMENT SOUTH LLC**

DATED: 1/11/2024 | 3:16:59 PM BY:  DocuSigned by:  
DR. RICHARD LIPSKY  
Managing Member

DATED: 1/11/2024 | 1:55:54 PM BY:  DocuSigned by:  
LAURENCE J. FREEDMAN  
Mintz, Levin, Cohn, Ferris, Glovsky & Popeo, P.C.  
Counsel for Columbus Management South LLC

**Silver Lake  
Exhibit 1 - Payment Schedule**

<b>Payment Date Settlement Amount</b>	<b>Total Payment</b>	<b>4.50% Interest</b>	<b>Principal</b>	<b>Balance \$18,636,282.00</b>
2/15/2024*	\$237,377.45	\$101,095.45	\$136,282.00	\$18,500,000.00
6/30/2024	\$968,998.03	\$310,191.78	\$658,806.25	\$17,841,193.75
9/30/2024	\$859,519.68	\$200,713.43	\$658,806.25	\$17,182,387.50
12/30/2024	\$852,108.11	\$193,301.86	\$658,806.25	\$16,523,581.25
3/31/2025	\$844,696.54	\$185,890.29	\$658,806.25	\$15,864,775.00
6/30/2025	\$860,792.97	\$178,478.72	\$682,314.25	\$15,182,460.75
9/30/2025	\$853,116.93	\$170,802.68	\$682,314.25	\$14,500,146.50
12/30/2025	\$845,440.90	\$163,126.65	\$682,314.25	\$13,817,832.25
3/31/2026	\$837,764.86	\$155,450.61	\$682,314.25	\$13,135,518.00
6/30/2026	\$962,411.83	\$147,774.58	\$814,637.25	\$12,320,880.75
9/30/2026	\$953,247.16	\$138,609.91	\$814,637.25	\$11,506,243.50
12/30/2026	\$944,082.49	\$129,445.24	\$814,637.25	\$10,691,606.25
3/31/2027	\$934,917.82	\$120,280.57	\$814,637.25	\$9,876,969.00
6/30/2027	\$1,336,887.65	\$111,115.90	\$1,225,771.75	\$8,651,197.25
9/30/2027	\$1,323,097.72	\$97,325.97	\$1,225,771.75	\$7,425,425.50
12/30/2027	\$1,309,307.79	\$83,536.04	\$1,225,771.75	\$6,199,653.75
3/31/2028	\$1,295,517.85	\$69,746.10	\$1,225,771.75	\$4,973,882.00
6/30/2028	\$1,299,426.67	\$55,956.17	\$1,243,470.50	\$3,730,411.50
9/30/2028	\$1,285,437.63	\$41,967.13	\$1,243,470.50	\$2,486,941.00
12/30/2028	\$1,271,448.59	\$27,978.09	\$1,243,470.50	\$1,243,470.50
3/31/2029	\$1,257,459.54	\$13,989.04	\$1,243,470.50	\$0.00
<b>Total</b>	<b>\$21,333,058.21</b>	<b>\$2,696,776.21</b>	<b>\$18,636,282.00</b>	

*\*Interest calculated from 1/2/2024 - 2/15/2024 (44 days)*

**Lipsky and Columbus Management  
Exhibit 2 - Payment Schedule**

<b>Payment Date Settlement Amount</b>	<b>Total Payment</b>	<b>4.50% Interest</b>	<b>Principal</b>	<b>Balance</b>
				<b>\$12,000,000.00</b>
2/15/2024	\$165,095.89	\$65,095.89	\$100,000.00	\$11,900,000.00
4/30/2024	\$610,034.25	\$110,034.25	\$500,000.00	\$11,400,000.00
7/30/2024	\$728,250.00	\$128,250.00	\$600,000.00	\$10,800,000.00
10/30/2024	\$721,500.00	\$121,500.00	\$600,000.00	\$10,200,000.00
1/30/2025	\$714,750.00	\$114,750.00	\$600,000.00	\$9,600,000.00
4/30/2025	\$708,000.00	\$108,000.00	\$600,000.00	\$9,000,000.00
7/30/2025	\$701,250.00	\$101,250.00	\$600,000.00	\$8,400,000.00
10/30/2025	\$694,500.00	\$94,500.00	\$600,000.00	\$7,800,000.00
1/30/2026	\$687,750.00	\$87,750.00	\$600,000.00	\$7,200,000.00
4/30/2026	\$681,000.00	\$81,000.00	\$600,000.00	\$6,600,000.00
7/30/2026	\$674,250.00	\$74,250.00	\$600,000.00	\$6,000,000.00
10/30/2026	\$667,500.00	\$67,500.00	\$600,000.00	\$5,400,000.00
1/30/2027	\$660,750.00	\$60,750.00	\$600,000.00	\$4,800,000.00
4/30/2027	\$654,000.00	\$54,000.00	\$600,000.00	\$4,200,000.00
7/30/2027	\$647,250.00	\$47,250.00	\$600,000.00	\$3,600,000.00
10/30/2027	\$640,500.00	\$40,500.00	\$600,000.00	\$3,000,000.00
1/30/2028	\$633,750.00	\$33,750.00	\$600,000.00	\$2,400,000.00
4/30/2028	\$627,000.00	\$27,000.00	\$600,000.00	\$1,800,000.00
7/30/2028	\$620,250.00	\$20,250.00	\$600,000.00	\$1,200,000.00
10/30/2028	\$613,500.00	\$13,500.00	\$600,000.00	\$600,000.00
1/30/2029	\$606,750.00	\$6,750.00	\$600,000.00	\$0.00
<b>Total</b>	<b>\$13,457,630.14</b>	<b>\$1,457,630.14</b>	<b>\$12,000,000.00</b>	

*\*Interest calculated from 1/2/2024 - 2/15/2024 (44 days)*