

Key Contingencies to Settlement Agreement between Quorum, MetroSouth and the City of Blue Island:

- Metro South Medical Center ("Hospital") and Quorum Health Corporation ("Quorum") receiving approval on their application for exemption on September 17, 2019 to close.
- Hospital ceasing all operations before midnight on September 30, 2019.
- The City of Blue Island ("City") presenting to the Health Facilities & Services Review Board ("HFSRB") on September 17, 2019, that they have reached a settlement with the Hospital and Quorum to withdraw their opposition to the exemption application to close Hospital, confirming such agreement with the Governor's office in any contacts prior to the hearing, and responding promptly to any communications from the Governor's office in connection therewith.

Quorum agrees to the following Terms if above contingencies are achieved:

- Pay to the City by November 1, 2019 a fee of \$2 million.
- To not surrender, but suspend, the Hospital's state license for up to six months, if permitted under the state's current licensure guidelines. If the state does not permit the temporary suspension of the Hospital's state license, Quorum and the City will proceed under the terms hereof with respect to the closed facility. For the sake of clarification, Quorum intends to voluntarily terminate the Hospital's Medicare provider agreement and associated Medicare provider number in connection with any closure or temporary suspension of the Hospital's state license.
- Quorum will continue to work with the City to attract a new owner/operator for healthcare services during this period.
- In an effort to continue to attract a new operator Quorum will agree to maintain the hospital infrastructure in its current working condition and hold all owned equipment until March 31, 2020.
- If a new operator is identified between September 30, 2019 and March 31, 2020, and commits to providing healthcare services to Blue Island, Quorum will give the City or the new operator the property and owned equipment at no cost.
- In order to receive the equipment, the new operator must commit to services they will provide for at least one year.
- Any equipment for services the new operator doesn't commit to maintain will remain the property of Quorum to utilize in their other affiliated hospitals and/or to liquidate.
- If a new operator has been identified by the parties prior to March 31, 2020, but the transfer of equipment and real property has not been completed by such date, Quorum and the City will cooperate with each other in good faith to maintain the license for the Hospital in suspended status for a reasonable period of time after such date as necessary to complete a transfer to such new operator.
- After April 1, 2020, if there is no agreement in place to transfer the property and owned equipment to another provider, Quorum and the City may mutually agree upon a transfer of the real property from Quorum to the City. If the parties agree to a transfer of the real property to the City, Quorum will commit to pay to the City at the time of transfer \$3 million to off-set future operating cost associated with the real property.
- Throughout this period Quorum will continue to market the facility to any prospective buyer and will work collaboratively with the City to attract another healthcare operator to the community.
- Until at least March 31, 2020, Quorum will provide a monthly update to the City on all activities regarding the disposition of property and equipment associated with the hospital and contact with respective new operators.
- If a new operator is not found by March 31, 2020, Quorum will fund up to \$25,000 for a property redevelopment study to be performed by the consultant of the City's choice. The reimbursement will be paid directly to the consulting company.
- Quorum and the Hospital will not receive any additional TIF payments from the City under the Redevelopment Agreement.

Regarding the CON process the City agrees to:

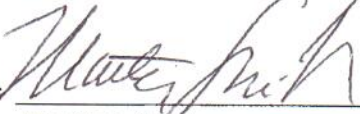
- Withdraw their request for a delay and have the Mayor present a positive and supportive report at the September 17 HFSRB meeting regarding the collaborative agreement Quorum and the City reached as part of this transition with assistance from the City's CON counsel at Benesch.
- Maintain the current tax structure for the Hospital and associated properties in place until March 31, 2020.

Regarding Communications:

- The City and Quorum will work together on a joint press release that supports the Mayor and the City Council's leadership efforts to develop a transition plan for the Hospital. The City will be credited with protecting the severance benefits of employees that would have been wiped out if the request of exemption had been delayed.

ACKNOWLEDGED AND AGREED TO THIS 17TH DAY OF SEPTEMBER, 2019:

QUORUM HEALTH CORPORATION

By: 

Martin D. Smith
Executive Vice President and COO

CITY OF BLUE ISLAND, ILLINOIS

By: 

Domingo Vargas
Mayor

(Subject to approval of the City Council)