SETTLEMENT AGREEMENT

This Settlement Agreement (this **"Settlement Agreement"**) is made as of the 15th day of January, 2002 (the **"Execution Date"**), by and among the AHERF Benefit Plans (as that term is defined below) and the **"Settling Parties,"** which shall mean, collectively, the Settling Claimants, the AGH Affiliates, the Settling Directors and Officers, Mellon, and the Settling Insurers (as those terms are defined below).

INTRODUCTION

As used herein,

I. **Settling Claimants**

A. **Allegheny Health Education and Research Foundation and its debtor estate (collectively, "AHERF"); Allegheny University of the Health Sciences and its debtor estate (collectively, "AUHS"); Allegheny University Medical Practices and its debtor estate (collectively, "AUMP"); Allegheny Hospitals, Centennial and its debtor estate (collectively, "Centennial"); and Allegheny University Hospitals-East and its debtor estate (collectively, "AUH-E") (AHERF, AUHS, AUMP, Centennial, and AUH-E are hereinafter collectively referred to as the "AHERF Estates"), and Allegheny Healthcare Services Providers Insurance Company ("AHSPIC")**. The AHERF Estates and AHSPIC are herein collectively referred to as the **"AHERF Affiliates."** The AHERF Affiliates, together with all of their present or former parent companies, affiliates, subsidiaries, departments, divisions, predecessors, successors, assigns, agents, and representatives, in their capacities as such, but excluding the AGH Entities (as that term is defined in Paragraph II below), the AUH-W Companies (as that term is defined in Paragraph I.B below), the SDN Companies (as that term is defined in Paragraph I.C below) and any other Settling Party, shall be collectively referred to herein as the **"AHERF Companies."**

B. **Allegheny University Hospitals-West ("AUH-W")**. AUH-W, together with all of its present or former controlled affiliates, subsidiaries, departments, divisions, predecessors, successors, assigns, agents, and representatives, in their capacities as such, which shall not be construed to include any of the AHERF Companies, the SDN Companies, the AGH Entities, and/or any other Settling Party, shall be collectively referred to herein as the **"AUH-W Companies."**

C. **SDN, Inc. formerly known as U/G Holding, Inc. ("SDN").**[1] SDN, together with all of its present or former controlled affiliates, subsidiaries,

[1] Unless SDN subsequently becomes a signatory to this Settlement Agreement, the Settling Parties and the AHERF Benefit Plans acknowledge and agree that SDN is not and may never become a signatory to this Settlement

departments, divisions, predecessors, successors, assigns, agents, and representatives, in their capacities as such, which shall not be construed to include any of the AHERF Companies, the AUH-W Companies, the AGH Entities, and/or any other Settling Party, shall be collectively referred to herein as the **"SDN Companies."**

D. **William J. Scharffenberger as Trustee of and on behalf of the AHERF Estates (the "Trustee")** but not in his individual capacity.

E. **The Official Committee of Unsecured Creditors of the AHERF Estates** as constituted pursuant to the Plan of Reorganization (the **"Plan"**) approved by Order of Court dated December 14, 2000 on behalf of the AHERF Estates (the **"Committee"**) but not the members of the Committee in their respective individual capacities. Hereinafter, any use of the term "member" or "members" in this Settlement Agreement shall not include any member or members of the Committee in their individual capacity.

F. **Tenet HealthSystem Philadelphia, Inc. ("Tenet"), Philadelphia Health & Education Corp. ("PHEC"), and Franklin Health Trust ("FHT") (collectively, the "Philadelphia Endowment Claimants")**. The Philadelphia Endowment Claimants, together with all of their respective present or former parent companies, affiliates, subsidiaries, departments, divisions, predecessors, successors, assigns, agents, and representatives, in their capacities as such, shall be collectively referred to herein as the **"Philadelphia Endowment Claimant Companies."**

G. D. Michael Fisher, in his official capacity as the **Attorney General of the Commonwealth of Pennsylvania** (the **"Attorney General"**).

H. Stanley Spitzer, M.D., Daniel Mason, M.D., Jerrold Schwaber, Ph.D. and Donald Fox, M.D., on behalf of themselves and all others similarly situated in the putative class action captioned as Spitzer, et al. v. Abdelhak, et al., No. 98 CV-6475 (E.D. Pa.) (**"Spitzer"**) other than those individuals who elect to opt out of the putative class (collectively, the **"Spitzer Class Action Plaintiffs"**).

The AHERF Companies, AUH-W Companies and the SDN Companies are herein individually referred to as an **"AHERF Entity"** and collectively referred to as the **"AHERF Entities."** Collectively, the AHERF Affiliates, AUH-W, SDN, the Trustee, the

(continued…)

Agreement and that fact shall not affect the effectiveness of this Settlement Agreement. However, if SDN does not become a signatory to this Settlement Agreement, SDN shall nevertheless be deemed to be a party pursuant to the Final Approval Order solely for purposes of giving and receiving the releases described herein. Unless SDN subsequently becomes a signatory to this Settlement Agreement, SDN shall not otherwise be considered to be a "Settling Party" as that term is used in this Settlement Agreement.

Committee, the Philadelphia Endowment Claimants, the Attorney General, and the Spitzer Class Action Plaintiffs shall be referred to herein as the **"Settling Claimants."** Collectively, the AHERF Entities, the Trustee, the Committee, the Philadelphia Endowment Claimant Companies, the Attorney General, and the Spitzer Class Action Plaintiffs shall be referred to herein as the **"Settling Claimants and Related Companies."**

II. **Allegheny General Hospital ("AGH"), Allegheny University Medical Centers, Allegheny University Medical Centers/Canonsburg, Forbes Regional Hospital, Alle-Kiski Medical Center and Canonsburg General Hospital, AUMC Canonsburg Ambulance Service, and Allegheny Singer Research Institute (collectively, the "AGH Affiliates").** The AGH Affiliates, together with all of their respective present or former controlled affiliates, subsidiaries, departments, divisions, predecessors, successors, assigns, agents, and representatives, in their capacities as such, which shall not be construed to include any of the AHERF Entities or any other Settling Party shall be referred to herein as individually, an **"AGH Entity"** and collectively, the **"AGH Entities."**

III. The **"Settling Directors and Officers,"** shall mean, collectively:

A. **Sherif S. Abdelhak ("Abdelhak")**

B. **J. David Barnes**

C. **Frank V. Cahouet ("Cahouet")**

D. **Joseph D. Dionisio**

E. **Ira J. Gumberg**

F. **Dwight P. Kasperbauer**

G. **David W. McConnell ("McConnell")**

H. **Anthony M. Sanzo**

I. **Donald Kaye, M.D.**

J. **William P. Snyder, III**

K. **Nancy A. Wynstra ("Wynstra")**

L. **Douglas D. Danforth, Sr.**

M. **Harry R. Edelman, III**

N. **Robert L. Fletcher**

O. **Francis B. Nimick, Jr.**

P. **Thomas H. O'Brien ("O'Brien")**

Q. **Robert B. Palmer**

R. **Leonard L. Ross, Ph. D.**

S. **William F. Adam**

T. **Dorothy McKenna Brown**

U. **Ronald R. Davenport**

V. **Claire W. Gargalli**

W. **Robert M. Hernandez**

X. **Graemer K. Hilton**

Y. **Joseph C. Maroon, M.D.**

Z. **Alfred W. Martinelli**

AA. **Donna W. Murasko**

BB. **Paul D. Neuwirth**

CC. **Joel Roslyn, M.D. (Estate of)**

DD. **Randall L. Russell**

EE. **David W. Sculley**

FF. **Walter L. Williamson**

GG. **Richard P. Shannon, M.D.**

HH. **Michael P. Martin**

II. **Charles P. Morrison**

JJ. **Diane K. Schrecengast**

and individually, a **"Settling Director or Officer."**

IV. **Mellon Bank, N.A. and Mellon Financial Corporation (collectively, "Mellon")**. Mellon, together with all of its present or former parent companies, affiliates, subsidiaries, departments, divisions, predecessors, successors,

assigns, agents, and representatives, in their capacities as such, shall be collectively referred to herein as the **"Mellon Companies."**

V. **Settling Insurers**

A. **Federal Insurance Company ("Federal")**. Federal, together with all of its present or former parent companies, affiliates, subsidiaries, departments, divisions, predecessors, successors, assigns, agents, and representatives, in their capacities as such, shall be collectively referred to herein as the **"Federal Companies;"**

B. **Executive Risk Indemnity Inc. ("ERII")**. ERII, together with all of its present or former parent companies, affiliates, subsidiaries, departments, divisions, predecessors, successors, assigns, agents, and representatives, in their capacities as such, shall be collectively referred to herein as the **"ERII Companies;"**

C. **Zurich-American Insurance Company, as successor to Zurich Insurance Company (US Branch) ("Zurich")**. Zurich, together with all of its present or former parent companies, affiliates, subsidiaries, departments, divisions, predecessors, successors, assigns, agents, and representatives, in their capacities as such, shall be collectively referred to herein as the **"Zurich Companies;"** and

D. **Royal Insurance Company of America ("Royal")**. Royal, together with all of its present or former parent companies, affiliates, subsidiaries, departments, divisions, predecessors, successors, assigns, agents, and representatives, in their capacities as such, shall be collectively referred to herein as the **"Royal Companies."**

Collectively, Federal, ERII, Zurich and Royal shall be referred to herein as the **"Settling Insurers."** Collectively, the Federal Companies, the ERII Companies, the Zurich Companies and the Royal Companies shall be referred to herein as the **"Settling Insurer Companies."**

VI. **All benefit programs** ever sponsored, operated, maintained or administered by any of the AHERF Entities or, before August 1, 1999, any of the AGH Entities (the **"AHERF Benefit Plans"**).

RECITALS

WHEREAS, on July 21, 1998, the AHERF Estates commenced bankruptcy reorganization proceedings subsequently consolidated under the caption In re AHERF, Bankruptcy Case No. 98-25773 MBM through 98-25777, before the United States Bankruptcy Court for the Western District of Pennsylvania (the **"Bankruptcy Court"**) and the United States District Court for the Western District of Pennsylvania (the **"District Court"**);

WHEREAS, the Committee and the Trustee were subsequently appointed in connection with these consolidated actions;

WHEREAS, SDN is a company formed by certain of AHERF's former officers;

WHEREAS, claims or potential claims have been asserted by the Trustee, the Committee or other Settling Claimants against the Settling Directors and Officers, Mellon and/or the Settling Insurers;

WHEREAS, the Settling Directors and Officers and Mellon have denied liability in connection with these claims or potential claims;

WHEREAS, the Settling Insurers have either denied coverage or reserved rights to deny coverage in connection with these claims or potential claims;

WHEREAS, the Settling Insurers have either raised or have reserved the right to raise rescission and other coverage defenses in connection with the AHERF Policies (as that term is defined in Section 3.a below);

WHEREAS, in addition to the Settling Parties, there are other trustees, directors, officers and employees of the AHERF Entities and the AGH Entities and other organizations and individuals who may fall within the definition of "insured persons" under the AHERF Policies, who have not been named in any claims, but whose coverage may be affected by this settlement;

WHEREAS, the litigation of these claims or potential claims and of insurance issues related to those claims or potential claims would involve numerous complex issues of fact or law, the outcome of which is uncertain;

WHEREAS, the policy limits in each of the AHERF Policies are reduced by payments by the Settling Insurers of defense costs and the tremendous costs of continued litigation of these claims in these highly complex cases threatens to exhaust all insurance policy limits without regard to payment of claims;

WHEREAS, the Settling Parties desire to settle these disputes in the manner set forth herein to avoid the substantial costs, risks and uncertainties of litigation;

WHEREAS, this settlement affords significant benefits to the Settling Parties and certain individuals and entities receiving releases, including the Additional Releasors/Releasees, as that term is defined in Section 4.j, below;

WHEREAS, the Settling Parties desire to liquidate any future coverage obligations under the AHERF Policies and, with respect only to AHERF Claims (as that term is defined in Section 3.c below), under any Ancillary Policies (as that term is defined in Section 3.d below);

WHEREAS, nothing in this Settlement Agreement shall be deemed to limit or to impair any rights, claims or defenses that the Settling Insurers, the Mellon Companies or Cahouet may have under or in connection with any policies of insurance issued to any of the Mellon Companies;

WHEREAS, the AHERF Entities and the AGH Entities provided certain protection for officers, directors, trustees and others in the form of insurance and corporate indemnification in connection with their service on behalf of the AHERF Entities and the AGH Entities, the exact scope and nature of which was a subject of dispute among the parties;

WHEREAS, the Settling Parties recognize that the payments contemplated by this Settlement Agreement can only be achieved through a settlement that affords continued protection to the Settling Directors and Officers, the Mellon Companies, the AGH Entities, and the Settling Insurer Companies for costs that might otherwise accrue in the future in connection with AHERF Claims or the Settled Policies (as that term is defined in Section 3.e);

WHEREAS, achieving such a resolution depends upon obtaining appropriate orders from both the District Court and Bankruptcy Court to carry out the purposes of this Settlement Agreement;

WHEREAS, the affected parties wish to preserve certain claims as specified in this Settlement Agreement, including but not limited to the Claims identified on Schedule 5B; and

WHEREAS, all Settling Parties acknowledge that the amounts paid pursuant to this Settlement Agreement, and its terms and conditions, including but not limited to, the releases exchanged pursuant to this Settlement Agreement, are part of a global resolution of complex legal and factual issues, the outcomes of which are uncertain, and constitute good and valuable consideration for this Settlement Agreement.

NOW, THEREFORE, in consideration of the foregoing and the mutual covenants and agreements hereinafter set forth, and for other good and valuable consideration, the receipt and sufficiency of all of which consideration are hereby acknowledged and agreed by each of the Settling Parties and the AHERF Benefit Plans, the Settling Parties and the AHERF Benefit Plans, intending to be legally bound, hereby agree as follows:

1. Definitions.

a. **"Additional AHERF Insured Release"** shall have the meaning set forth in Section 4.j.

b. **"Additional Releasor/Releasee"** shall have the meaning set forth in Section 4.j.

c. **"AGH"** shall have the meaning set forth in Paragraph II, above.

d. **"AGH Affiliates"** shall have the meaning set forth in Paragraph II, above.

e. **"AGH Claimant Covered Claim"** shall have the meaning set forth in Section 4.i(v).

f. **"AGH Claimant Joint Tortfeasor Release"** shall have the meaning set forth in Section 4.i(v).

g. **"AGH Claimant Releasees"**shall have the meaning set forth in Section 4.i(i).

h. **"AGH Claimant Releasors"** shall have the meaning set forth in Section 4.i(i).

i. **"AGH Covered Claim"** shall have the meaning set forth in Section 4.i(iii).

j. **"AGH Defendant Releasees"** shall have the meaning set forth in Section 4.h.

k. **"AGH Defendant Releasors"** shall have the meaning set forth in Section 4.h.

l. **"AGH Entities"** shall have the meaning set forth in Paragraph II, above.

m. **"AGH Entity"** shall have the meaning set forth in Paragraph II, above.

n. **"AGH Escrow"** shall have the meaning set forth in Section 2.a.

o. **"AGH Joint Tortfeasor Release"** shall have the meaning set forth in Section 4.i(iii).

p. **"AHERF"** shall have the meaning set forth in Paragraph I.A, above.

q. **"AHERF Affiliates"** shall have the meaning set forth in Paragraph I.A, above.

r. **"AHERF Benefit Plans"** shall have the meaning set forth in the Paragraph VI, above.

s. **"AHERF Claim(s)"** shall have the meaning set forth in Section 3.c.

t. **"AHERF Companies"** shall have the meaning set forth in Paragraph

I.A, above.

u. **"AHERF Entities"** shall have the meaning set forth in Paragraph I, above.

v. **"AHERF Entity"** shall have the meaning set forth in Paragraph I, above.

w. **"AHERF Estates"** shall have the meaning set forth in Paragraph I.A, above.

x. **"AHERF Insured"** shall have the meaning set forth in Section 3.a.

y. **"AHERF Insureds"** shall have the meaning set forth in Section 3.a.

z. **"AHERF Policies"** shall have the meaning set forth in Section 3.a.

aa. **"AHSPIC"** shall have the meaning set forth in Paragraph I.A, above.

bb. **"Ancillary Policy"** shall have the meaning set forth in Section 3.d.

cc. **"APA"** shall have the meaning set forth in Section 4.f.

dd. **"Arbitor"** shall have the meaning set forth in Section 6.a.

ee. **"Attorney General"** shall have the meaning set forth in Paragraph I.G, above.

ff. **"Attorney General Settlement Amount"** shall have the meaning set forth in Schedule 2B.

gg. **"AUH-E"** shall have the meaning set forth in Paragraph I.A, above.

hh. **"AUHS"** shall have the meaning set forth in Paragraph I.A, above.

ii. **"AUH-W"** shall have the meaning set forth in Paragraph I.B, above.

jj. **"AUH-W Companies"** shall have the meaning set forth in Paragraph I.B, above.

kk. **"AUMP"** shall have the meaning set forth in Paragraph I.A, above.

ll. **"Bankruptcy Court"** shall have the meaning set forth in the Recitals.

mm. **"Bond Insurance Policy"** shall have the meaning set forth in Schedule 4.f.

nn. **"Burstein"** shall have the meaning set forth in Section 3.a.

oo. **"Burstein Coverage"** shall have the meaning set forth in Section 3.a.

pp. **"Cahouet Releasees"** shall have the meaning set forth in Section 4.k(i).

qq. **"Cahouet Releasors"** shall have the meaning set forth in Section 4.l(i).

rr. **"Centennial"** shall have the meaning set forth in Paragraph I.A, above.

ss. **"Civil Fees Settlement Amount"** shall have the meaning set forth in Schedule 2B.

tt. **"Claimant AGH Releasees"**shall have the meaning set forth in Section 4.i(ii).

uu. **"Claimant AGH Releasors"** shall have the meaning set forth in Section 4.i(ii).

vv. **"Claimant Insurer Releasees"** shall have the meaning set forth in Section 4.c.

ww. **"Claimant Insurer Releasors"** shall have the meaning set forth in Section 4.c.

xx. **"Claimant Joint Tortfeasor Release"** shall have the meaning set forth in Section 4.l(ii).

yy. **"Claimant Non-Insurer Releasees"** shall have the meaning set forth in Section 4.f.

zz. **"Claimant Non-Insurer Releasors"** shall have the meaning set forth in Section 4.f.

aaa. **"Claims Designee"** shall have the meaning set forth in Section 8.e(i).

bbb. **"Claim"** shall have the meaning set forth in Section 3.b(i).

ccc. **"Claims"** shall have the meaning set forth in Section 3.b(i).

ddd. **"CNA"** shall have the meaning set forth in Section 4.i(iii).

eee. **"Committee"** shall have the meaning set forth in Paragraph I.E,

above.

fff. **"Committee Settlement Amount"** shall have the meaning set forth in Schedule 2B.

ggg. **"Committee/Trustee Driven Action"** shall have the meaning set forth in Section 7.a.

hhh. **"Criminal Defense Fund"** shall have the meaning set forth in Schedule 2B.

iii. **"Criminal Fees Settlement Amount"** shall have the meaning set forth in Schedule 2B.

jjj. **"Defendant AGH Releasors"** shall have the meaning set forth in Section 4.g.

kkk. **"Defendant Insurer Releasors"** shall have the meaning set forth in Section 4.b.

lll. **"Defendant Non-Insurer Releasors"** shall have the meaning set forth in Section 4.e.

mmm. **"Defendant Releasees"** shall have the meaning set forth in Section 4.b.

nnn. **"Defense Firms"** shall have the meaning set forth in Schedule 2B.

ooo. **"District Court"** shall have the meaning set forth in the Recitals.

ppp. **"Effective Date"** shall have the meaning set forth in Section 12.

qqq. **"ERII"** shall have the meaning set forth in Paragraph V.B, above.

rrr. **"ERII Companies"** shall have the meaning set forth in Paragraph V.B, above.

sss. **"Escrow Release Order"** shall have the meaning set forth in Section 2.a.

ttt. **"Escrow Termination Order"** shall have the meaning set forth in Section 2.a.

uuu. **"Estate/AGH Indemnified Claim"** shall have the meaning set forth in Section 4.i(vii).

vvv. **"Estate/O'Brien Indemnified Claim"** shall have the meaning set forth in Section 4.m(iv).

www. **"Excess Payments"** shall have the meaning set forth in Schedule 2B.

xxx. **"Executable Assets"** shall have the meaning set forth in Section 7.a(iv).

yyy. **"Execution Date"** shall have the meaning set forth in the opening paragraph.

zzz. **"Federal"** shall have the meaning set forth in Paragraph V.A, above.

aaaa. **"Federal Companies"** shall have the meaning set forth in Paragraph V.A, above.

bbbb. **"FHT"** shall have the meaning set forth in Paragraph I.F above.

cccc. **"Final Approval Order"** shall have the meaning set forth in Section 11.a.

dddd. **"Hold Harmless Reserve"** shall have the meaning set forth in Section 8.c.

eeee. **"Indirect Releasee"** shall have the meaning set forth in Section 4.q(i).

ffff. **"Indirect Releasor"** shall have the meaning set forth in Section 4.q(i).

gggg. **"Initial Order Date"** shall have the meaning set forth in Section 2.a.

hhhh. **"Insurance Escrow"** shall have the meaning set forth in Section 2.a.

iiii. **"Insurer Mellon Releasors"** shall have the meaning set forth in Section 4.d.

jjjj. **"Insurer Releasees"** shall have the meaning set forth in Section 4.a.

kkkk. **"Insurer Releasors"** shall have the meaning set forth in Section 4.a.

llll. **"Judgment Reduction Claim"** shall have the meaning set forth in Section 8.a(i).

mmmm. **"Legal Counsel Claims"** shall have the meaning set forth in Schedule 11.a.

nnnn. **"Litigation trust"** shall have the meaning set forth in Section 4.i(viii).

oooo. **"MBIA"** shall have the meaning set forth in Schedule 4.f.

pppp. **"Mellon"** shall have the meaning set forth in Paragraph IV, above.

qqqq. **"Mellon/AGH Indemnified Claim"** shall have the meaning set forth in Section 4.l(iv).

rrrr. **"Mellon Companies"** shall have the meaning set forth in Paragraph IV, above.

ssss. **"Mellon Covered Claim"** shall have the meaning set forth in Section 4.k(ii)

tttt. **"Mellon Escrow"** shall have the meaning set forth in Section 2.a.

uuuu. **"Mellon Indemnified Claim"** shall have the meaning set forth in Section 4.k(iv).

vvvv. **"Mellon Joint Tortfeasor Releases"** shall have the meaning set forth in Section 4.k(ii).

wwww. **"Mellon Non-Insurer Releasees"** shall have the meaning set forth in Section 4.l(i).

xxxx. **"Mellon Non-Insurer Releasors"** shall have the meaning set forth in Section 4.k(i).

yyyy. **"Mellon Proceeds"** shall have the meaning set forth in Section 4.k(vi).

zzzz. **"Mellon Releasees"** shall have the meaning set forth in Section 4.d.

aaaaa. **"Mellon Releasors"** shall have the meaning set forth in Section 4.a(ii).

bbbbb. **"Net Recovery"** shall have the meaning set forth in Schedule 2B.

ccccc. **"Non-Settling Insurers"** shall have the meaning set forth in Section 4.q(iv).

ddddd. **"O'Brien Claimant Joint Tortfeasor Releases"** shall have the meaning set forth in Section 4.n(ii).

eeeee. **"O'Brien Covered Claim"** shall have the meaning set forth in Section 4.m(ii).

fffff. **"O'Brien Claimant Covered Claims"** shall have the meaning set forth in Section 4.n(ii).

ggggg. **"O'Brien Joint Tortfeasor Releases"** shall have the meaning set

forth in Section 4.m.

hhhhh. **"O'Brien Non-Insurer Releasees"** shall have the meaning set forth in Section 4.n(i).

iiiii. **"O'Brien Non-Insurer Releasors"** shall have the meaning set forth in Section 4.m(i).

jjjjj. **"O'Brien Proceeds"** shall have the meaning set forth in Section 4.m(vi).

kkkkk. **"O'Brien Releasees"** shall have the meaning set forth in Section 4.m(i).

lllll. **"O'Brien Releasors"** shall have the meaning set forth in Section 4.n(i).

mmmmm. **"Payments"** shall have the meaning set forth in Section 2.a.

nnnnn. **"Philadelphia Endowment Claimant Companies"** shall have the meaning set forth in Paragraph I.F, above.

ooooo. **"Philadelphia Endowment Claimants"** shall have the meaning set forth in Paragraph I.F, above.

ppppp. **"PHEC"** shall have the meaning set forth in Paragraph I.F above.

qqqqq. **"Plan"** shall have the meaning set forth in Paragraph I.E, above.

rrrrr. **"PNC"** shall have the meaning set forth in Schedule 4.f.

sssss. **"Pollack Action"** shall have the meaning set forth in Schedule 11.a.

ttttt. **"PwC"** shall have the meaning set forth in Section 20.

uuuuu. **"PwC Litigation"** shall have the meaning set forth in Section 7.a.

vvvvv. **"Releasees"** shall have the meaning set forth in Section 5.

wwwww. **"Releasors"** shall have the meaning set forth in Section 4.p.

xxxxx. **"Royal"** shall have the meaning set forth in Paragraph V.D, above.

yyyyy. **"Royal Companies"** shall have the meaning set forth in Paragraph V.D, above.

zzzzz. **"RPC"** shall have the meaning set forth in Section 7.b(i)(A).

aaaaaa. **"Sale Orders"** shall have the meaning set forth in Section 4.f.

bbbbbb. **"SDN"** shall have the meaning set forth in Paragraph I.C, above.

cccccc. **"SDN Companies"** shall have the meaning set forth in Paragraph I.C, above.

dddddd. **"Settlement Agreement"** shall have the meaning set forth in the opening paragraph.

eeeeee. **"Settled Policies"** shall have the meaning set forth in Section 3.e.

ffffff. **"Settled Policy Claims"** shall have the meaning set forth in Section 3.f.

gggggg. **"Settling Claimant Covered Claim"** shall have the meaning set forth in Section 4.l(ii).

hhhhhh. **"Settling Claimants"** shall have the meaning set forth in Paragraph I, above.

iiiiii. **"Settling Claimants and Related Companies"** shall have the meaning set forth in Paragraph I, above.

jjjjjj. **"Settling Directors and Officers"** shall have the meaning set forth in Paragraph III, above.

kkkkkk. **"Settling Director or Officer"** shall have the meaning set forth in Paragraph III, above.

llllll. **"Settling Insurer Companies"** shall have the meaning set forth in Paragraph V.D, above.

mmmmmm. **"Settling Insurers"** shall have the meaning set forth in Paragraph V.D, above.

nnnnnn. **"Settling Parties"** shall have the meaning set forth in the opening paragraph.

oooooo. **"Settlement Notice"** shall have the meaning set forth in Section 11.b.

pppppp. **"Settlement Notice Order"** shall have the meaning set forth in Section 11.b.

qqqqqq. **"Spitzer"** shall have the meaning set forth in Paragraph I.H, above.

rrrrrr. **"Spitzer Class Action Plaintiffs"** shall have the meaning set forth in paragraph I.H, above.

ssssss. **"Spitzer Class Settlement Stipulation"** shall have the meaning set forth in Section 12.d.

tttttt. **"Spitzer Settlement Amount"** shall have the meaning set forth in Schedule 2B.

uuuuuu. **"Tenet"** shall have the meaning set forth in Paragraph I.F, above.

vvvvvv. **"Tenet Claim(s)"** shall have the meaning set forth in Section 4.o(i).

wwwwww. **"Tenet Joint Tortfeasor Releasees"** shall have the meaning set forth in Section 4.o(iii).

xxxxxx. **"Tenet Joint Tortfeasor Releases"** shall have the meaning set forth in Section 4.o(iii).

yyyyyy. **"Tenet Joint Tortfeasor Releasors"** shall have the meaning set forth in Section 4.o(i).

zzzzzz. **"Tenet Releasors"** shall have the meaning set forth in Section 4.o(i).

aaaaaaa. **"Tenet Releasees"** shall have the meaning set forth in Section 4.o(i).

bbbbbbb. **"Termination Date"** shall have the meaning set forth in Section 14.

ccccccc. **"Top 100 Litigation"** shall have the meaning set forth in Section 7.a.

ddddddd. **"Transition Services Agreement"** shall have the meaning set forth in Section 4.i(i).

eeeeeee. **"Trustee"** shall have the meaning set forth in Paragraph I.D, above.

fffffff. **"UCATA"** shall have the meaning set forth in Section 4.i(iii).

ggggggg. **"Western Settlement Agreement"** shall have the meaning set forth in Section 4.i(i).

hhhhhhh. **"Zurich"** shall have the meaning set forth in Paragraph V.C, above.

iiiiiii. **"Zurich Companies"** shall have the meaning set forth in Paragraph V.C, above.

2. Payments.

a. No later than the later of: (i) January 15, 2002; or (ii) as soon as practicable after the payors receive notice that all Settling Parties have executed this Settlement Agreement but in no event later than two

business days after receipt of such notice (the later date shall be hereinafter referred to as the **"Initial Order Date"**), and subject to the other provisions of this Settlement Agreement, the Settling Insurers shall pay into an escrow account (the **"Insurance Escrow"**), pursuant to the escrow agreement attached hereto as Schedule 2A(1), forty-eight million, two hundred and fifty thousand dollars ($48,250,000), less any amounts paid to criminal defense counsel pursuant to the Order of the District Court dated August 22, 2001 or any subsequent orders entered by the District Court. On the Initial Order Date, Mellon shall pay the sum of twenty-eight million, five hundred thousand dollars ($28,500,000) into an escrow account (the **"Mellon Escrow"**) pursuant to the escrow agreement attached hereto as Schedule 2A(2). On the Initial Order Date, AGH shall pay into an escrow account (the **"AGH Escrow"**), pursuant to the escrow agreement attached hereto as Schedule 2A(3), one million dollars ($1,000,000), and AGH agrees to pay to the Attorney General, or into the AGH Escrow if prior to the Effective Date, $4,050,000, payable as follows: $1,050,000 on the first anniversary of the Initial Order Date and $1,000,000 on each of the second, third and fourth anniversaries of the Initial Order Date. If the anniversary date falls on a Saturday, Sunday or legal holiday, AGH's payments shall be due on the next business day. Upon the filing with the District Court of a joint stipulation executed by an authorized representative of each Settling Party stating that the Effective Date (as that term is defined in Section 12 below) has occurred, the District Court shall enter an order in the form attached hereto as Schedule 2A(4) (the **"Escrow Release Order"**); provided that nothing herein shall prevent any Settling Party from petitioning the District Court to enter the Escrow Release Order on the ground that the Effective Date has occurred, and, if such petition is filed, nothing herein shall prevent any Settling Party from objecting to the entry of Escrow Release Order on the ground that the Effective Date has not occurred. Upon entry of the Escrow Release Order by the District Court, (x) the Escrow Agent for the Insurance Escrow shall cause all of the moneys in the Insurance Escrow to be delivered to the Trustee net of escrow-related taxes and expenses, the Escrow Agent for the Mellon Escrow shall cause all of the moneys in the Mellon Escrow to be delivered to the Trustee net of escrow-related taxes and expenses, and the Escrow Agent for the AGH Escrow shall cause all of the moneys in the AGH Escrow to be delivered to the Trustee net of escrow-related taxes and expenses, and (y) seven million seven hundred fifty thousand dollars ($7,750,000) shall be released by the Trustee from the reserve maintained by the Trustee in respect of claims asserted by the Philadelphia Endowment Claimants and the Attorney General in the AHERF bankruptcy case, Case No. 98-25773-MBM through 98-25777-MBM, inclusive, consolidated for administration at 98-25773-MBM, such payments and released funds initially totaling eighty-five million five hundred thousand dollars ($85,500,000) plus accrued interest plus any

additional amounts paid by AGH into the AGH Escrow prior to the Effective Date minus any amounts paid to criminal defense counsel pursuant to the Order of the District Court dated August 22, 2001 or any subsequent orders entered by the District Court and net of escrow-related taxes and expenses (collectively, the **"Payments"**). Within fifteen (15) days of his receipt of all of the Payments, the Trustee shall distribute the Payments pursuant to the payment instructions described on Schedule 2B. No later than the Execution Date (unless the District Court acts sooner upon motion), the Trustee shall file a motion requesting that the Bankruptcy Court release the defense fees and costs held back pursuant to the Stipulation and Order Regarding Payment of Defense Costs entered by the Bankruptcy Court on August 10, 1999 and any subsequent Court Orders. Upon the entry of an Order declining to enter the Final Approval Order or upon the filing with the District Court of a joint stipulation executed by an authorized representative of each Settling Party stating that the Termination Date (as that term is defined in Section 14 below) has occurred, the District Court shall enter an order in the form attached hereto as Schedule 2A(5) (the **"Escrow Termination Order"**); provided that nothing herein shall prevent any Settling Party from petitioning the District Court to enter the Escrow Termination Order on the ground that the Termination Date has occurred, and, if such petition is filed, nothing herein shall prevent any Settling Party from objecting to the entry of the Escrow Termination Order on the ground that the Termination Date has not occurred. Upon entry of the Escrow Termination Order, the Insurance Escrow, the Mellon Escrow and the AGH Escrow and, in each case, all interest that has accrued thereon, net of escrow-related taxes and expenses, shall be returned to the respective parties making such payments. In the event that the Effective Date does not occur, any advancement of defense fees shall reduce dollar for dollar the obligation of the Settling Insurers under the AHERF Policies, and such advancements will be made without prejudice to any of the Settling Insurers' rights with respect to coverage under the AHERF Policies or applicable law.

b. The Settling Parties recognize and agree that the Committee Settlement Amount (as that term is defined in Schedule 2B, below) to be distributed to the Committee pursuant to Schedule 2B is paid in consideration for the dismissal of multiple lawsuits against multiple parties and for the releases and obligations undertaken in this Settlement Agreement.

c. AGH shall be in default of its obligations under this Settlement Agreement if it fails to make any of the payments to the Attorney General when due pursuant to Section 2.a. The Attorney General may not assign his right to receive the payments due from AGH.

3. AHERF Insureds, AHERF Policies, Claims, AHERF Claims, Ancillary Policies and Settled Policies.

a. The terms **"AHERF Insured"** and **"AHERF Insureds"** refer respectively to any and all persons or organizations who are insureds under any or all of the AHERF Policies. The term **"AHERF Policies"** collectively refers to: Federal Insurance Company Policy No. 8142-09-21-B issued to AHERF or No. 8146-88-75 issued to SDN; Executive Risk Indemnity Inc. Policy No. 752-088601-98 issued to AHERF or No. 752-138184-98 issued to SDN; Zurich Insurance Company Policy Nos. DOC 2880629 00 and DOC 2880633 00 issued to AHERF or Policy Nos. DOC 2852365 01 and DOC 2301756 01 issued to SDN; Royal Insurance Company of America Policy No. P SF000426 issued to AHERF, or any extensions, continuations or runoff of any of these policies but excludes such coverage as may be provided under the "Fiduciary Liability Coverage Section" of Federal Policy No. 8142-09-21-B issued to AHERF and any other policies that provide coverage specifically in excess of that, as such coverage applies or may apply to (i) Claims raised or that may be raised in Burstein v. AHERF Retirement Account Plan, No. 98-CV-6768 (E.D. Pa.) (**"Burstein"**) by the Burstein named plaintiffs or any putative class member; (ii) in the event that Burstein is not certified as a class action or in the event that putative class members opt out of any class certified in Burstein, Claims that meet all of the following three conditions: (A) the Claims are asserted by members of the putative Burstein plaintiff class; (B) the Claims assert a right to a benefit under the Retirement Account Plan for Employees of AHERF; and (C) they are Claims as to which the statute of limitations was tolled by the initiation of the Burstein action; or (iii) Claims asserted by Burstein defendants that are made in the same action or a related indemnity or contribution action, and based on the same nucleus of operative facts, as the Claims described in (i) or (ii), above. The exclusion referenced in the preceding sentence shall be referred to as the **"Burstein Coverage."**

b. "Claims"

(i) The term **"Claim"** or **"Claims"** means any and all claims, liabilities, demands, obligations, damages, losses, actions and causes of action whatsoever, that any person or organization ever had, now has or hereafter can, shall or may have, whether liquidated or unliquidated, fixed or contingent, matured or unmatured, known or unknown, foreseen or unforeseen, choate or inchoate (including but not limited to Claims for indemnity, contribution or otherwise), then existing or thereafter arising, in law or equity, civil or criminal, seeking damages, attorneys' fees, litigation costs, injunctive, contractual, extra-contractual, declaratory or any other relief, or brought by way of demand, complaint, cross-claim, counterclaim, third-party claim or otherwise.

(ii) Each of the Settling Insurers, each of the Settling Directors and Officers, Mellon, the Committee and the Trustee acknowledges that each is aware of the effort to develop the list of pending lawsuits identified on Schedule 3.b(ii), which is intended to contain all known pending lawsuits that are AHERF Claims against an AHERF Insured, and any pending lawsuits against any Settling Insurer that would be encompassed by Section 8, including but not limited to lawsuits asserting bad faith or other improper handling of Claims. Each of the Settling Insurers, each of the Settling Directors and Officers, Mellon, the Committee and the Trustee, respectively, represents and warrants that, in responding to this effort, he/she or, in the case of a corporate entity, the person(s) who responded to this effort on its behalf, in identifying pending lawsuits against or by him/her/it for this list has not intentionally withheld the identity of any such lawsuit from any Settling Party that would be obligated to provide indemnity for such lawsuits in accordance with this Settlement Agreement and that is reasonably unaware of the identity of any such pending lawsuit. With respect to the Settling Insurers, Mellon, and the Committee, the person(s) who made that response on its behalf is(are):

For Federal:	Margaret M. Klimczyk, Assistant Vice President
For ERII:	Kimberly D. Coran, Assistant Vice President, Senior Claims Examiner
For Zurich:	R. Stacy Lane, Arter & Hadden
For Royal:	Jan E. Haylett, Esq., Professional & Financial Risks, Senior Technical Claims Specialist
For Mellon:	General Counsel of Mellon
For the Committee:	Laura E. Ellsworth, Jones, Day, Reavis & Pogue
For the Trustee:	Michael E. Foreman, Proskauer Rose LLP

Nothing in the foregoing representation or warranty shall be construed to require any inquiry or investigation or to constitute any representation or warranty that an investigation has been conducted. In the event that one of the above-stated parties is determined by a court of appropriate jurisdiction over disputes arising from this Settlement Agreement to have intentionally breached such representation and warranty, provided that the failure to conduct any inquiry or investigation shall not constitute a breach of this representation or warranty, such Settling Party in breach shall be liable to any other Settling Party who was reasonably unaware of the existence of the lawsuit for the hold harmless obligations incurred or loss suffered by that Settling Party because of the failure to disclose and such Settling Party in breach shall not be entitled to indemnification for that undisclosed Claim under Section 7 if such Settling Party is a Settling Director or Officer or Section 8 if such Settling Party is a Settling Insurer;

provided that such breach shall not negate any of the releases given and covenants exchanged in Section 4 hereto.

c. The term **"AHERF Claim"** or **"AHERF Claims"** shall mean any and all Claim or Claims that arise out of, concern, relate to, or are in any way connected with, in whole or in part, any of the AHERF Entities or any of the AGH Entities, or any individual AHERF Insured, in each case acting in his or her capacity as a trustee, director, officer, employee, agent or representative of any of the AHERF Entities or any of the AGH Entities or in any other capacity in which the individual was or is an AHERF Insured, including but not limited to the Claims that have been or could have been raised in connection with the matters described on Schedule 3.b(ii) and Schedule 5A, any and all Claims arising out of, concerning, in any way related to, or in connection with the organization, operation, bankruptcy and/or liquidation of the AHERF Entities and/or of the AGH Entities, and any and all Claims arising from the investigation, filing or prosecution of Claims against the Settling Directors and Officers by the Settling Claimants; provided however that this definition of AHERF Claims shall exclude any Claims solely to the extent that they allege acts or omissions that occurred on or after August 1, 1999, and were by one or more of the AGH Entities or by any individual AHERF Insureds acting in their respective capacity as a trustee, director, officer, employee, agent or representative, or in any other capacity in which the individual was or is an AHERF Insured, of any of the AGH Entities; provided that such exclusions shall not apply to any Claim made against an AGH Entity on or after August 1, 1999 to the extent that such Claim arises out of, concerns, relates to, or is in any way connected with, in whole or in part, any act or omission by any AHERF Entity or any individual AHERF Insured, acting in his or her capacity as a trustee, director, officer, employee, agent or representative, or in any other capacity in which the individual was an AHERF Insured, of any of the AGH Entities, before August 1, 1999.

d. An **"Ancillary Policy"** shall mean solely that part of any insurance policy issued by one or more of the Settling Insurer Companies that does or is alleged to provide coverage for an AHERF Claim against an AHERF Entity, an AGH Entity, or an AHERF Insured, acting in his or her capacity as a trustee, director, officer or employee of any of the AHERF Entities or of any of the AGH Entities; provided however, that, without in any way limiting the term "AHERF Policy," the term Ancillary Policy shall not include:

(i) Policies issued to any of the Mellon Companies;

(ii) Steadfast Insurance Company Policy Nos. HPC 6869073, HPC 6869074, HPC 6869074-01, HPC 6869074-02, HPC 6869074-03, HPC 6869074-04, and HPC 6869074-05, PHICO Policy Nos. HCLT 2174 and

PUPT 0263, and Employers Reinsurance Corporation - First Speciality Insurance Corporation Policy No. MPC 23547-1;

(iii) Policies issued to the Philadelphia Endowment Claimants after September 29, 1998, to the extent that those policies may provide coverage for wrongful acts that may have occurred on or after November 10, 1998;

(iv) Policies issued to the AGH Entities to the extent that those policies may provide coverage for acts or omissions on or after August 1, 1999;

(v) Policies issued to any of the AGH Entities (prior to August 1, 1999), to any of the AHERF Companies, to any of the AUH-W Companies, or to any of the SDN Companies to the extent that these policies provide coverage that does not arise from AHERF Claims made against insureds thereunder;

(vi) The "Fiduciary Liability Coverage Section" of Federal Policy No. 8142-09-21-B, any other policies that provide coverage specifically in excess of that Coverage Section, and any other policies in specific reference to which notice of Burstein has been provided to a Settling Insurer Company, as such coverage applies or may apply to Burstein; or

(vii) The AHERF Policies.

The term "Ancillary Policy" shall include policies issued to Spitzer Class Action Plaintiffs to the extent that these policies provide coverage for matters that concern or relate to: (A) any of the events and/or circumstances alleged in or giving rise to the allegations in the Spitzer complaint; (B) the organization, bankruptcy and/or liquidation of any AHERF Affiliate; or (C) any and all acts and/or omissions that were or could have been raised in Spitzer.

Except for the policies excluded from the definition of Ancillary Policy in the preceding clauses, Ancillary Policy as defined will include, among the other policies specified above, each insurance policy issued by one or more of the Settling Insurer Companies to the employer or other business affiliate of each of the Settling Directors and Officers and each of the Additional Releasors/Releasees, but only to the extent that (i) he or she is or is alleged to be an AHERF Insured and (ii) the policy does or is alleged to provide coverage for any AHERF Claims. The rights of each such Settling Director and Officer and Additional Releasor/Releasee under such Ancillary Policies are being released pursuant to Section 4.a and the Additional AHERF Insured Releases (as that term is defined in Section 4.j, below), but only with respect to AHERF Claims; no other rights thereunder are impaired by the terms of this Settlement Agreement.

e. The term **"Settled Policies"** shall mean the AHERF Policies and the Ancillary Policies.

f. The term **"Settled Policy Claims"** shall mean (i) all Claims arising out of, in any way related to, or in connection with any of the AHERF Policies, and (ii) all AHERF Claims arising out of, in any way related to, or in connection with any of the Ancillary Policies.

g. The Settling Insurers shall deliver to the Committee concurrently with the execution of this Settlement Agreement full and complete copies of the AHERF Policies.

4. Releases. As of the Effective Date, and notwithstanding the releasee's compliance or noncompliance with the other provisions of this Settlement Agreement, but subject to (i) the provisions of Section 4.q, and (ii) the preservation of all Claims arising under or from a breach of this Settlement Agreement, none of which are released hereby, this Settlement Agreement shall operate to provide the following releases:

a. Release of Settling Insurer Companies.

(i) *By Settling Claimants and Related Companies, the AGH Entities, the AHERF Benefit Plans, and the Settling Directors and Officers.* Each of the AHERF Affiliates, AUH-W, SDN, the Trustee, the Committee, the Philadelphia Endowment Claimants, the Attorney General, the Spitzer Class Action Plaintiffs, the AGH Affiliates, the Settling Directors and Officers, and the AHERF Benefit Plans, in each case acting in his/her/its own behalf and

(A) in the case of the Trustee, on behalf of the AHERF Companies and each of his and their respective present or former directors, trustees, officers, employees, principals, agents, attorneys or representatives, in each case acting in their capacity as such,

(B) in the case of the Attorney General, on behalf of the Commonwealth of Pennsylvania and his present or former agents, attorneys or representatives, in each case acting in their capacity as such,

(C) in the case of the Spitzer Class Action Plaintiffs, on behalf of the Spitzer class and their present or former agents, attorneys or representatives, in each case acting in their capacity as such,

(D) in the case of the Settling Directors and Officers, on behalf of his or her present or former agents, attorneys or representatives, in each case acting in their capacity as such,

(E) in the case of the AHERF Affiliates, on behalf of the AHERF Companies and each of their respective present or former directors, trustees, officers, employees, principals, agents, attorneys or representatives, in each case acting in their capacity as such,

(F) in the case of AUH-W, on behalf of the AUH-W Companies and each of their respective present or former directors, trustees, officers, employees, principals, agents, attorneys or representatives, in each case acting in their capacity as such,

(G) in the case of SDN, on behalf of the SDN Companies and each of their respective present or former directors, trustees, officers, employees, principals, agents, attorneys or representatives, in each case acting in their capacity as such,

(H) in the case of the Committee, on behalf of its present or former officers, employees, principals, agents, attorneys or representatives, in each case acting in their capacity as such,

(I) in the case of the Philadelphia Endowment Claimants, on behalf of their respective Philadelphia Endowment Claimant Companies and each of their respective present or former directors, trustees, officers, employees, principals, agents, attorneys or representatives, in each case acting in their capacity as such,

(J) in the case of the AHERF Benefit Plans, on behalf of their respective present or former trustees, directors, officers, employees, principals, agents, attorneys or representatives, in each case acting in their capacity as such, and

(K) in the case of the AGH Affiliates, on behalf of the AGH Entities and each of their respective present or former directors, trustees, officers, employees, principals, agents, attorneys or representatives, in each case acting in their capacity as such

(collectively, the **"Insurer Releasors"**), hereby releases, acquits and discharges each of the Settling Insurer Companies, and each of the respective Settling Insurer Companies' present or former directors, officers, employees, principals, agents, reinsurers, attorneys or representatives, in each case acting in their capacity as such (individually and collectively, the **"Insurer Releasees"**), of and from any and all Settled

Policy Claims and/or, with the exception of Claims arising under or concerning the Burstein Coverage, any and all AHERF Claims, provided however that the release of AHERF Claims shall not affect in any way the rights and obligations that the Insurer Releasees and the Insurer Releasors have under any policies or policy provisions that are excluded from the definition of Ancillary Policy in Section 3.d, with the exception of Section 3.d(vii) above.

(ii) *By the Mellon Companies*. Mellon, acting in its own behalf, and on behalf of each of the Mellon Companies, and each of their respective present or former directors, officers, employees, principals, agents, attorneys and representatives, in each case acting in their capacity as such (collectively, the **"Mellon Releasors"**), hereby releases, acquits and discharges each of the Insurer Releasees from any and all Settled Policy Claims and/or, with the exception of Claims that arise under or concern the Burstein Coverage, any and all AHERF Claims, provided however that the release of AHERF Claims shall not affect in any way the rights and obligations the Insurer Releasees and the Mellon Releasors have under any policies or policy provisions that are excluded from the definition of Ancillary Policy in Section 3.d, with the exception of Section 3.d(vii) above.

b. Release of Settling Directors and Officers by Settling Insurer Companies. Each of the Settling Insurers, acting in its own behalf and on behalf of each of their respective Settling Insurer Companies, and each of their respective present or former directors, officers, employees, principals, agents, attorneys or representatives, in each case acting in their capacity as such (collectively, the **"Defendant Insurer Releasors"**), hereby releases, acquits and discharges each of the Settling Directors and Officers and his or her spouse, ex-spouse, family members, executors, administrators, personal representatives, heirs, agents, representatives and attorneys, but only to the extent that such spouse, ex-spouse, family members, executors, administrators, personal representatives, heirs, agents, representatives and attorneys are derivatively responsible for the act or omission of one of the Settling Directors and Officers (individually and collectively, the **"Defendant Releasees"**), of and from any and all Settled Policy Claims and/or, with the exception of Claims arising under or concerning the Burstein Coverage, any and all AHERF Claims, provided however that the release of AHERF Claims shall not affect in any way the rights and obligations the Defendant Releasees and the Defendant Insurer Releasors have under any policies or policy provisions that are excluded from the definition of Ancillary Policy in Section 3.d, with the exception of Section 3.d(vii) above.

c. Release of Settling Claimants and Related Companies, AGH Entities and AHERF Benefit Plans by Settling Insurer Companies. Each of the Settling Insurers, acting in its own behalf and on behalf of each of their respective Settling Insurer Companies, and each of their respective present or former

directors, officers, employees, principals, agents, attorneys or representatives, in each case acting in their capacity as such (collectively, the **"Claimant Insurer Releasors"**), hereby releases, acquits and discharges each of the Settling Claimants and Related Companies, each of the AGH Entities and each of the AHERF Benefit Plans and, with respect to each of the Settling Claimants and Related Companies that is an organization or entity, each of the AGH Entities and each of the AHERF Benefit Plans, each of their respective present and/or former directors, trustees, officers, employees, principals, agents, attorneys, and representatives, in each case acting in their capacities as such, and, with respect to those Settling Claimants who are individuals, his or her spouse, ex-spouse, family members, executors, administrators, personal representatives, and heirs, but only to the extent that such spouse, ex-spouse, family members, executors, administrators, personal representatives, and heirs are derivatively responsible for the act or omission of such Settling Claimant, and his/her employees, principals, agents, attorneys, and representatives, in each case acting in their capacities as such (individually and collectively, the **"Claimant Insurer Releasees"**), of and from any and all Settled Policy Claims and/or, with the exception of Claims arising under or concerning the Burstein Coverage, any and all AHERF Claims, provided however that the release of AHERF Claims shall not affect in any way the rights and obligations the Claimant Insurer Releasees and the Claimant Insurer Releasors have under any policies or policy provisions that are excluded from the definition of Ancillary Policy in Section 3.d, with the exception of Section 3.d(vii) above.

d. Release of the Mellon Companies by Settling Insurer Companies. Each of the Settling Insurers, acting in its own behalf and on behalf of each of their respective Settling Insurer Companies, and each of their respective present or former directors, officers, employees, principals, agents, attorneys or representatives, in each case acting in their capacity as such (collectively, the **"Insurer Mellon Releasors"**), hereby releases, acquits and discharges the Mellon Companies and the respective present and former directors, officers, employees, principals, agents, attorneys, representatives, insurers, and reinsurers thereof, in each case acting in their capacity as such (individually and collectively, the **"Mellon Releasees"**), of and from any Settled Policy Claim and/or, with the exception of Claims arising under or concerning the Burstein Coverage, any and all AHERF Claims, provided however that the release of AHERF Claims shall not affect in any way the rights and obligations the Mellon Releasees and the Insurer Mellon Releasors have under any policies or policy provisions that are excluded from the definition of Ancillary Policy in Section 3.d, with the exception of Section 3.d(vii) above.

e. Release of Defendant Releasees by the Settling Claimants and Related

Companies (except the Spitzer Class Action Plaintiffs), and the Settling Directors and Officers. Each of the AHERF Affiliates, AUH-W, SDN, the Trustee, the Committee, the Philadelphia Endowment Claimants, the Attorney General, and the Settling Directors and Officers, in each case acting in his/her/its own behalf and

(A) in the case of the Trustee, on behalf of the AHERF Companies and each of his and their respective present or former directors, trustees, officers, employees, principals, agents, attorneys or representatives, in each case acting in their capacity as such,

(B) in the case of the Attorney General on behalf of the Commonwealth of Pennsylvania and his present or former agents, attorneys or representatives, in each case acting in their capacity as such,

(C) in the case of the Settling Directors and Officers, on behalf of his or her present or former agents, attorneys or representatives, in each case acting in their capacity as such,

(D) in the case of the AHERF Affiliates, on behalf of the AHERF Companies and each of their respective present or former directors, trustees, officers, employees, principals, agents, attorneys or representatives, in each case acting in their capacity as such,

(E) in the case of AUH-W, on behalf of the AUH-W Companies and each of their respective present or former directors, trustees, officers, employees, principals, agents, attorneys or representatives, in each case acting in their capacity as such,

(F) in the case of SDN, on behalf of the SDN Companies and each of their respective present or former directors, trustees, officers, employees, principals, agents, attorneys or representatives, in each case acting in their capacity as such,

(G) in the case of the Committee, on behalf of its present or former officers, employees, principals, agents, attorneys or representatives, in each case acting in their capacity as such,

(H) in the case of the Philadelphia Endowment Claimants, on behalf of their respective Philadelphia Endowment Claimant

Companies and each of their respective present or former directors, trustees, officers, employees, principals, agents, attorneys or representatives, in each case acting in their capacity as such,

(collectively, the **"Defendant Non-Insurer Releasors"**), hereby releases, acquits and discharges each Defendant Releasee, of and from any and all Settled Policy Claims and/or any and all AHERF Claims, except for, as applicable: (i) any and all Claims arising under or concerning the Burstein Coverage; (ii) any and all proofs of claim against the AHERF Estates identified on Schedule 5B, provided, however, that no such retained proof of claim shall be amended in respect of rights surrendered or obligations incurred in this Settlement Agreement; (iii) any criminal Claims; (iv) any and all Claims by the Philadelphia Endowment Claimants that do not arise out of the same transaction or occurrence and nucleus of operative facts as formed or could have formed the basis for the Claims in Adversary Proceeding Nos. 00-2089 or 00-2090, provided that such exception shall not include, and therefore each Defendant Releasee is hereby being released, acquitted and discharged from, any such Claims that are covered under the AHERF Policies or any Ancillary Policy or that otherwise arise against a Settling Director or Officer or Additional Releasor/Releasee solely out of that individual's service on the board of any of the AHERF Entities or the AGH Entities; (v) all Claims concerning the policies of insurance issued by Phoenix Mutual Life Insurance Company, Policy No. 2,519,444 and Maccabees Life Insurance Company, Policy No. 4105-099; and (vi) any and all Claims arising from Claims by or on behalf of Dr. Donald Kaye, Dr. Joseph C. Maroon, the Estate of Dr. Joel Roslyn, and/or Dr. Richard P. Shannon relating to or concerning any medical malpractice Claim, medical professional liability Claim, or any Claim of a similar nature.

f. Release of Settling Claimants and Related Companies (except the Spitzer Class Action Plaintiffs) by the Settling Directors and Officers, Settling Claimants and Related Companies (except the Spitzer Class Action Plaintiffs).

(i) Each of Settling Directors and Officers, the AHERF Affiliates, AUH-W, SDN, the Trustee, the Committee, the Philadelphia Endowment Claimants, and the Attorney General, in each case acting in his/her/its own behalf and

(A) in the case of the Trustee, on behalf of the AHERF Companies and each of his and their respective present or former directors, trustees, officers, employees, principals, agents, attorneys or representatives, in each case acting in their capacity as such,

(B) in the case of the Attorney General on behalf of the Commonwealth of Pennsylvania and his present or former

agents, attorneys or representatives, in each case acting in their capacity as such,

(C) in the case of the Settling Directors and Officers, on behalf of his or her present or former agents, attorneys or representatives, in each case acting in their capacity as such,

(D) in the case of the AHERF Affiliates, on behalf of the AHERF Companies and each of their respective present or former directors, trustees, officers, employees, principals, agents, attorneys or representatives, in each case acting in their capacity as such,

(E) in the case of AUH-W, on behalf of the AUH-W Companies and each of their respective present or former directors, trustees, officers, employees, principals, agents, attorneys or representatives, in each case acting in their capacity as such,

(F) in the case of SDN, on behalf of the SDN Companies and each of their respective present or former directors, trustees, officers, employees, principals, agents, attorneys or representatives, in each case acting in their capacity as such,

(G) in the case of the Committee, on behalf of its present or former officers, employees, principals, agents, attorneys or representatives, in each case acting in their capacity as such,

(H) in the case of the Philadelphia Endowment Claimants, on behalf of the Philadelphia Endowment Claimant Companies and each of their respective present or former directors, trustees, officers, employees, principals, agents, attorneys or representatives, in each case acting in their capacity as such, and

(collectively, the **"Claimant Non-Insurer Releasors"**), hereby releases, acquits and discharges each of the Settling Claimants and Related Companies (except the Spitzer Class Action Plaintiffs) and, with respect to each of the Settling Claimants and Related Companies that is an organization or entity, each of their respective present and/or former directors, trustees, officers, employees, principals, agents, attorneys, and representatives, in each case acting in their capacities as such, and, with respect to those Settling Claimants who are individuals, his or her spouse, ex-spouse, family members, executors, administrators, personal representatives, and heirs, but only to the

extent that such spouse, ex-spouse, family members, executors, administrators, personal representatives, and heirs are derivatively responsible for the act or omission of such Settling Claimant, and his/her employees, principals, agents, attorneys, and representatives, in each case acting in their capacities as such (individually and collectively, the **"Claimant Non-Insurer Releasees"**), of and from any and all Settled Policy Claims and/or any and all AHERF Claims, except for, as applicable: (1) any and all Claims arising under or concerning the Burstein Coverage; (2) any and all proofs of claim against the AHERF Estates identified on Schedule 5B, provided, however, that no such retained proof of claim shall be amended in respect of rights surrendered or obligations incurred in this Settlement Agreement; (3) any and all Claims concerning those matters set forth on Schedule 4.f; (4) any and all Claims concerning the rights and obligations, if any, of Claimant Non-Insurer Releasors and/or Claimant Non-Insurer Releasees arising under any of the following instruments or associated court orders: (a) the Asset Purchase Agreement (the **"APA"**), by and among AUH-E, Centennial, AUMP, AUHS, Diversified Health Group, AHERF, Tenet and Tenet Healthcare Corporation, dated as of September 29, 1998, and amended November 10, 1998 and related sale orders, dated October 1, 1998 and October 30, 1998 (the **"Sale Orders"**); (b) the Grant Escrow Agreement, dated November 10, 1998, by and among the parties to the APA and Chicago Title Company; (c) the Agreement of Settlement of Issues Relating to Accounts Receivable, Grants and Grant Indemnification approved by the Bankruptcy Court on October 10, 2000; (d) the December 7, 1998 Order Granting Motion to Amend Revised Motion No. 98-6293 Schedule 2.01(e) and any other orders enforcing, interpreting or pertaining to the APA or the Sale Orders including any orders, or stipulations executed by Tenet or Tenet Healthcare Corporation, pertaining to rejection, assumption and assignment of contracts, cure reserves and indemnity escrow agreements; and (e) any other agreements and/or orders related to the sale transaction contemplated by the APA and the Sale Orders; (5) all Claims concerning the policies of insurance issued by Phoenix Mutual Life Insurance Company, Policy No. 2,519,444 and Maccabees Life Insurance Company, Policy No. 4105-099; (6) any and all Claims by or on behalf of Dr. Donald Kaye, Dr. Joseph C. Maroon, the Estate of Dr. Joel Roslyn, and/or Dr. Richard P. Shannon relating to or concerning any medical malpractice Claim, medical professional liability Claim, or any Claim of a similar nature; and (7) any and all Claims, if any, of the Attorney General against the Trustee relating to wrongful distribution of charitable funds entrusted to the Trustee on or after August 1, 1999.

g. Release of Defendant Releasees by the AGH Entities. Each of the AGH Affiliates, in each case acting in its own behalf and on behalf of the AGH Entities and each of their respective present or former directors, trustees, officers, employees, principals, agents, attorneys or representatives, in each case acting in their capacity as such (collectively, the **"Defendant AGH Releasors"**), hereby releases, acquits and discharges each Defendant Releasee, of and from any and all Settled Policy Claims and/or any and all AHERF Claims.

h. Release of AGH Entities by the Settling Directors and Officers. Each of the Settling Directors and Officers, in each case acting on his/her own

behalf and on behalf of his/her present or former agents, attorneys or representatives, in each case acting in their capacity as such (collectively, the **"AGH Defendant Releasors"**), hereby releases, acquits and discharges each of the AGH Entities and each of their respective present and/or former directors, trustees, officers, employees, principals, agents, attorneys, and representatives, in each case acting in their capacities as such (individually and collectively, the **"AGH Defendant Releasees"**), of and from any and all Settled Policy Claims and/or any and all AHERF Claims.

i. Release of AGH Entities by the Settling Claimants and Related Companies (except the Spitzer Class Action Plaintiffs) and the AGH Entities; Release of Settling Claimants and Related Companies (except the Spitzer Class Action Plaintiffs) by the AGH Entities.

(i) Each of the AHERF Affiliates, AUH-W, SDN, the Trustee, the Committee, the Philadelphia Endowment Claimants, the Attorney General, and the AGH Affiliates, in each case acting in his/her/its own behalf and

(A) in the case of the Trustee, on behalf of the AHERF Companies and each of his and their respective present or former directors, trustees, officers, employees, principals, agents, attorneys or representatives, in each case acting in their capacity as such,

(B) in the case of the Attorney General on behalf of the Commonwealth of Pennsylvania and his present or former agents, attorneys or representatives, in each case acting in their capacity as such,

(C) in the case of the AHERF Affiliates, on behalf of the AHERF Companies and each of their respective present or former directors, trustees, officers, employees, principals, agents, attorneys or representatives, in each case acting in their capacity as such,

(D) in the case of AUH-W, on behalf of the AUH-W Companies and each of their respective present or former directors, trustees, officers, employees, principals, agents, attorneys or representatives, in each case acting in their capacity as such,

(E) in the case of SDN, on behalf of the SDN Companies and each of their respective present or former directors, trustees, officers, employees, principals, agents, attorneys or

representatives, in each case acting in their capacity as such,

(F) in the case of the Committee, on behalf of its present or former officers, employees, principals, agents, attorneys or representatives, in each case acting in their capacity as such,

(G) in the case of the Philadelphia Endowment Claimants, on behalf of the Philadelphia Endowment Claimant Companies and each of their respective present or former directors, trustees, officers, employees, principals, agents, attorneys or representatives, in each case acting in their capacity as such, and

(H) in the case of the AGH Affiliates, on behalf of the AGH Entities and each of their respective present or former directors, trustees, officers, employees, principals, agents, attorneys or representatives, in each case acting in their capacity as such

(collectively, the **"AGH Claimant Releasors"**), hereby releases, acquits and discharges each of the AGH Entities and each of their respective present and/or former directors, trustees, officers, employees, principals, agents, attorneys, and representatives, in each case acting in their capacities as such (individually and collectively, the **"AGH Claimant Releasees"**), of and from any and all Settled Policy Claims and/or any and all AHERF Claims, except for: (1) any and all Claims concerning those matters set forth on Schedule 4.f; (2) any and all Claims concerning the rights and obligations, if any, of AGH Claimant Releasors and/or AGH Claimant Releasees arising under any of the following instruments or associated court orders: (w) the Settlement Agreement, by and among AGH, Allegheny University Medical Centers, AUH-W, Allegheny Singer Research Institute, the Trustee, AUH-E, Centennial, AUMP, AUHS, the Committee and The Healthcare Alliance for Western Pennsylvania, Inc., dated as of June 30, 1999 (the **"Western Settlement Agreement"**); (x) the Transition Services Agreement, by and among AGH, Allegheny University Medical Centers, Allegheny Singer Research Institute, the Trustee, and The Healthcare Alliance for Western Pennsylvania, Inc., dated as of August 1, 1999 (the **"Transition Services Agreement"**); (y) the Bankruptcy Court's July 23, 1999 Order approving the Western Settlement Agreement or either of Stipulation and Release I and II, entered by the Bankruptcy Court on August 4, 1999, in furtherance of the July 23, 1999 Order and the Western Settlement Agreement; and (z) any other agreements and/or orders related to the membership substitution and sale transaction contemplated by the Western Settlement Agreement. Nothing set forth herein shall constitute a release of any Claims the Philadelphia Endowment Claimants may have against the AGH Entities, or any Claims the AGH Entities may have against the Philadelphia Endowment Claimants, in each case that are unrelated to the Claims asserted in Adversary Proceeding Nos. 00-2089 or 00-2090. The Philadelphia

Endowment Claimants represent and warrant that they have no claims or causes of action pending or contemplated against the AGH Entities or any of them, and the AGH Entities represent and warrant that they have no claims or causes of action pending or contemplated against the Philadelphia Endowment Claimants or any of them.

(ii) Each of the the AGH Affiliates, in each case acting on its own behalf and on behalf of the AGH Entities and each of their respective present or former directors, trustees, officers, employees, principals, agents, attorneys or representatives, in each case acting in their capacity as such (collectively, the **"Claimant AGH Releasors"**), hereby releases, acquits and discharges each of the Settling Claimants and Related Companies (except the Spitzer Class Action Plaintiffs) and, with respect to each of the Settling Claimants and Related Companies that is an organization or entity, each of their respective present and/or former directors, trustees, officers, employees, principals, agents, attorneys, and representatives, in each case acting in their capacities as such, and, with respect to those Settling Claimants who are individuals, his or her spouse, ex-spouse, family members, executors, administrators, personal representatives, and heirs, but only to the extent that such spouse, ex-spouse, family members, executors, administrators, personal representatives, and heirs are derivatively responsible for the act or omission of such Settling Claimant, and his/her employees, principals, agents, attorneys, and representatives, in each case acting in their capacities as such (individually and collectively, the **"Claimant AGH Releasees"**), of and from any and all Settled Policy Claims and/or any and all AHERF Claims, except for: (1) any and all Claims concerning those matters set forth on Schedule 4.f; (2) any and all Claims concerning the rights and obligations, if any, of AGH Claimant Releasors and/or AGH Claimant Releasees arising under any of the following instruments or associated court orders: (w) the Western Settlement Agreement; (x) the Transition Services Agreement; (y) the Bankruptcy Court's July 23, 1999 Order approving the Western Settlement Agreement or either of Stipulation and Release I and II, entered by the Bankruptcy Court on August 4, 1999, in furtherance of the July 23, 1999 Order and the Western Settlement Agreement; and (z) any other agreements and/or orders related to the membership substitution and sale transaction contemplated by the Western Settlement Agreement. Nothing set forth herein shall constitute a release of any Claims the Philadelphia Endowment Claimants may have against the AGH Entities, or any Claims the AGH Entities may have against the Philadelphia Endowment Claimants, in each case that are unrelated to the Claims asserted in Adversary Proceeding Nos. 00-2089 or 00-2090. The Philadelphia Endowment Claimants represent and warrant that they have no claims or causes of action pending or contemplated against the AGH Entities or any of them, and the AGH Entities represent and warrant that they have no claims or causes of

action pending or contemplated against the Philadelphia Endowment Claimants or any of them.

(iii) In accordance with the terms of the Pennsylvania Uniform Contribution Among Tortfeasors Act, 1951, July 19, P.L. 1130, as re-enacted by the Act of 1976, July 9, P.L. 586 (42 P.A. C.S.A. §§8321 et seq.) (the **"UCATA"**), and without limiting the scope of the releases identified in Sections 4.i(i) and 4.i(ii), it is the intent of the Trustee, the Committee and the AGH Affiliates that the releases set forth in this Section 4.i as between each other shall and do provide the broadest possible releases permitted by law and that such releases are specifically intended to be joint tortfeasor releases, pursuant to the UCATA and the Pennsylvania Comparative Negligence Act, 42 Pa. C.S.A. § 7102 (the **"CNA"**). As such, in the event that any AGH Affiliate is determined to be a joint tortfeasor under the laws of the Commonwealth of Pennsylvania with respect to any Settled Policy Claim and/or any AHERF Claim initiated, maintained or prosecuted by the Committee or the Trustee, as the case may be, whether following joinder as a third-party defendant in such action or otherwise, then there shall be a reduction in any judgment or award in favor of the Committee or the Trustee, as the case may be, in such Claim or action to the extent of either (A) the total pro-rata share of liability of the AGH Affiliate to the Committee or the Trustee, as the case may be, in such Claim or action, or (B) the total share of liability of the AGH Affiliate to the Committee or the Trustee, as the case may be, in such Claim or action determined pursuant to the UCATA and/or the CNA, whichever is the least amount required to extinguish any such Claims against the AGH Affiliate by any defendant in such Claim or action that both (1) arise from the same transactions or occurrences or common nucleus of operative facts as such Claim or action and (2) seek to allocate, apportion to or recover from the AGH Affiliate some or all of the liability to the Committee or the Trustee, as the case may be, in such Claim or action, whether or not such Claim or action seeks contribution and/or indemnity under the UCATA, the CNA, or otherwise (hereinafter an **"AGH Covered Claim"**). The releases provided in Sections 4.i(i), 4.i(iii) and 4.i(iv) (collectively, the **"AGH Joint Tortfeasor Release"**) are expressly intended and shall be construed to release and protect the AGH Affiliates from all such AGH Covered Claims and to require that each of the Committee or the Trustee, as the case may be, shall reduce any judgment or award obtained in any such AGH Covered Claim by the minimum amount necessary to ensure that, subject to Section 4.i(viii) below, no AGH Affiliate shall have any obligation to pay any amount to any person on account of such judgment or award. This provision in no way constitutes an admission of liability by any AGH Affiliate.

(iv) It is further agreed that if the UCATA does not apply in any AGH Covered Claim and the CNA does apply, then if any AGH Affiliate and any

other defendant in such action are adjudged jointly liable, in whole or in part, for damages in that action, this AGH Joint Tortfeasor Release shall operate to satisfy all liability of such AGH Affiliate to the Committee or the Trustee, as the case may be, and shall further operate to reduce the liability of all other defendants to the extent that they would be entitled to seek recovery from any AGH Affiliate according to the provisions of the CNA for any AGH Covered Claim. The Committee or the Trustee, as the case may be, further agrees that if both the UCATA and the CNA do not apply in any AGH Covered Claim, this AGH Joint Tortfeasor Release shall operate to discharge any AGH Affiliate from all liability to the Committee or the Trustee, as the case may be, and this AGH Joint Tortfeasor Release shall operate to reduce the liability of all other defendants in such action by the pro rata share of liability attributable to such AGH Affiliate to the extent necessary to extinguish all liability of the AGH Affiliate to such defendants for AGH Covered Claims.

(v) In the event that the Committee or the Trustee, as the case may be, is determined to be a joint tortfeasor under the laws of the Commonwealth of Pennsylvania with respect to any Settled Policy Claim and/or any AHERF Claim initiated, maintained or prosecuted by any AGH Affiliate, whether following joinder as a third-party defendant in such action or otherwise, then there shall be a reduction in any judgment or award in favor of such AGH Affiliate in such Claim or action to the extent of either (A) the total pro-rata share of liability of the Committee or the Trustee, as the case may be, to the AGH Affiliate in such Claim or action, or (B) the total share of liability of the Committee or the Trustee, as the case may be, to the AGH Affiliate in such Claim or action determined pursuant to the UCATA and/or the CNA, whichever is the least amount required to extinguish any such Claims against the Committee or the Trustee, as the case may be, by any defendant in such Claim or action that both (1) arise from the same transactions or occurrences or common nucleus of operative facts as such Claim or action and (2) seek to allocate, apportion to or recover from the Committee or the Trustee, as the case may be, some or all of the liability to the AGH Affiliate in such Claim or action, whether or not such Claim or action seeks contribution and/or indemnity under the UCATA, the CNA, or otherwise (hereinafter an **"AGH Claimant Covered Claim"**). The releases provided in Sections 4.i(ii), 4.i(v) and 4.i(vi) (**"AGH Claimant Joint Tortfeasor Release"**) are expressly intended and shall be construed to release and protect the Committee or the Trustee, as the case may be, from all such AGH Claimant Covered Claims and to require that each of the AGH Affiliates shall reduce any judgment or award obtained in any such AGH Claimant Covered Claim by the minimum amount necessary to ensure that neither the Committee nor the Trustee, as the case may be, shall have any obligation to pay any amount to any person on account of such judgment or award. This

provision in no way constitutes an admission of liability by the Committee or the Trustee, as the case may be.

(vi) It is further agreed that if the UCATA does not apply in any AGH Claimant Covered Claim and the CNA does apply, then if the Committee or the Trustee, as the case may be, and any other defendant in such action are adjudged jointly liable, in whole or in part, for damages in that action, this AGH Claimant Joint Tortfeasor Release shall operate to satisfy all liability of the Committee or the Trustee, as the case may be, to each such AGH Affiliate, and shall further operate to reduce the liability of all other defendants to the extent that they would be entitled to seek recovery from the Committee or the Trustee, as the case may be, according to the provisions of the CNA for any AGH Claimant Covered Claim. The AGH Affiliates further agree that if both the UCATA and the CNA do not apply in any AGH Claimant Covered Claim, this AGH Claimant Joint Tortfeasor Release shall operate to discharge the Committee or the Trustee, as the case may be, from all liability to such AGH Affiliate, and this AGH Joint Tortfeasor Release shall operate to reduce the liability of all other defendants in such action by the pro rata share of liability attributable to the Committee or the Trustee, as the case may be, to the extent necessary to extinguish all liability of the Committee or the Trustee, as the case may be, to such defendants for AGH Claimant Covered Claims.

(vii) In the event that the Committee or Trustee, as the case may be, on one hand or any AGH Affiliate on the other hand, initiates, maintains or prosecutes a Settled Policy Claim or an AHERF Claim, the party initiating, maintaining or prosecuting such Claim or action shall indemnify and hold harmless the other to the extent that such Claim or action results in Claims or actions being asserted against the other that both (A) arise from the same transactions or occurrences or common nucleus of operative facts as such Claim or action initiated, maintained or prosecuted and (B) seek to allocate, apportion to, or recover from the other some or all of the liability to the party initiating, maintaining or prosecuting such Claim or action, whether or not such Claim seeks contribution and/or indemnity under the UCATA or CNA or otherwise (an **"Estate/AGH Indemnified Claim"**). As used herein, the obligation to indemnify and hold harmless with respect to Estate/AGH Indemnified Claims includes the obligation to satisfy all judgments or awards to the extent permitted by law up to and including the amount of any judgment or award awarded and, in addition, to pay reasonable attorney's fees and related costs reasonably incurred in connection such Estate/AGH Indemnified Claims subject to the limitations set forth in Section 4.i(viii).

(viii) The indemnity obligations in Section 4.i(vii) shall be subject to the following monetary limitations: subject to provisions of Sections 4.i(vii) and 4.i(xi) and subject to the Committee's right, in its sole discretion, to

increase these dollar limitations, indemnification of AGH Affiliates shall not be limited for any judgment awarded against any AGH Affiliate but shall be limited to an aggregate total of $500,000 for attorney's fees and related litigation costs incurred by any AGH Affiliate in defending an Estate/AGH Indemnified Claim, unless such indemnity claim arises solely as a result of any AGH Affiliate being joined in an Estate/AGH Indemnified Claim by a party claiming indemnity from any AGH Affiliate by contract or otherwise, in which case AGH's indemnity claim for attorneys' fees and related litigation costs shall be limited to an aggregate total of $250,000 for attorney's fees and related litigation costs incurred by all of the AGH Affiliates for the PwC Litigation and the Top 100 Litigation (as that term is defined in Section 7.a, below) and to $250,000 for attorney's fees and related litigation costs incurred by any AGH Affiliate with respect to such party for each other Estate/AGH Indemnified Claim. Determination as to the existence and scope of any obligation on the part of any AGH Affiliate to indemnify another for purposes of the indemnifications provided in this Section shall be made by the Committee, and the AGH Affiliates shall cooperate in good faith in such determination. To the extent the Committee contests the existence or scope of any obligation on the part of an AGH Affiliate to indemnify another, the Committee shall assume, at its cost, the defense of any dispute as to the existence or scope of that indemnity obligation. The Committee and the Trustee shall obtain District Court and, if necessary, Bankruptcy Court approval to use part of the litigation trust previously established pursuant to the Plan to fund the ongoing litigation fees and expenses of the Trustee and the Creditors' Committee (the **"litigation trust"**) to fund the attorney's fee obligations set forth in this Section 4.i(viii) such that the AGH Affiliates shall have, subject to the provisions of this Section 4.i(viii), a claim to moneys in the litigation trust pari passu to the claims of counsel for the Committee and the Trustee and be paid from the litigation trust. To the extent that the litigation trust is inadequate to pay such legal fees and costs in full, then the unpaid fees and costs shall be paid from funds released to the AHERF Estates from the Hold Harmless Reserve (as that term is defined in Section 8.c) immediately upon the release of such funds in accordance with Sections 8.c or 8.d, subject to the same conditions set forth above. The AGH Affiliates agree that the Committee Settlement Amount shall be distributed by the Trustee to the creditors of the AHERF Estates immediately upon receipt and the Trustee shall not retain the Committee Settlement Amount in connection with this provision of this Settlement Agreement and no AGH Affiliate will seek to restrain, encumber or otherwise prevent the distribution of the Committee Settlement Amount pursuant to Schedule 2B.

(ix) Following the satisfaction of each judgment that is entered on the docket in any Settled Policy Claim or an AHERF Claim initiated, maintained or prosecuted by the Committee or the Trustee, as the case

may be, on the one hand or an AGH Affiliate on the other hand, and, in any event, before any dissipation or distribution of such judgment proceeds, the Committee or the Trustee, as the case may be, on the one hand or an AGH Affiliate on the other hand, shall provide notice of the judgment to the other. Within twenty (20) days of the receipt of such notice, the entity receiving such notice may file an application with the District Court requesting a determination by the District Court of the amount, if any, the Trustee, the Committee or AGH Affiliate, as the case may be, must pay or retain in order to be sufficient to indemnify and to hold the others harmless in any subsequent action initiated, maintained or prosecuted by the party satisfying the aforementioned judgment for the purpose of asserting either an AGH Covered Claim or an AGH Claimant Covered Claim, as the case may be. Such amount to be paid or retained by the Trustee, the Committee or AGH Affiliate, as the case may be, shall be sufficient to indemnify and hold the other harmless to the same extent as the judgment reduction mechanisms of Sections 4.i(iii)–4.i(vi), if they had been applied in the Settled Policy Claim or AHERF Claim which produced the initial judgment. The Committee, the Trustee and the AGH Affiliates agree to request that the District Court make this determination in an expedited manner. Until the District Court determines that amount to be paid or retained, the Trustee, the Committee or AGH Affiliate, as the case may be, shall not distribute any of the subject proceeds. Following the District Court's determination of the amount to be paid or retained, the Trustee, the Committee or AGH Affiliate, as the case may be, shall escrow the determined amount(s) for the sole purpose of funding the hold harmless obligation and all remaining funds shall be released to the Committee, the Trustee, or AGH Affiliate, as the case may be, for distribution, subject to the other provisions of this Settlement Agreement. The Trustee and the Committee or the AGH Affiliates may petition the District Court to reconsider the determined amount or release amounts from the escrow upon a change in circumstances. The Committee, the Trustee, and the AGH Affiliates consent to the exclusive jurisdiction of the District Court for this purpose.

(x) As used in Section 4.i(iii) - 4.i(viii), the term Settled Policy Claims as used therein shall exclude any Claims solely to the extent that they allege acts or omissions that occurred on or after August 1, 1999, and were by one or more of the AGH Entities or by any individual AHERF Insureds acting in their respective capacity as a trustee, director, officer or employee of any of the AGH Entities; provided that such exclusions shall not apply to any Claim made against an AGH Affiliate on or after August 1, 1999 to the extent that such Claim arises out of, concerns, relates to, or is in any way connected with, in whole or in part, any act or omission by any AHERF Entity or any individual AHERF Insured, acting in his or her capacity as a trustee, director, officer or employee of any of the AGH Entities, before August 1, 1999.

(xi) It is further agreed that counsel for the Committee shall have primary responsibility to prosecute the Committee/Trustee Driven Actions and the Top 100 Litigation and counsel for AGH Affiliates shall cooperate with counsel for the Committee to the extent (A) AGH Affiliates shall be indemnified in connection with such action, (B) permitted by law, and (C) consistent with his/her determination that such cooperation is appropriate under the rules of professional responsibility. In the event of a dispute as to whether such cooperation is appropriate under the rules of professional conduct, such dispute shall be submitted to arbitration pursuant to the procedures provided in Section 7.b(i)(K). To the extent that the Committee or Trustee requests that any AGH Affiliate take any action to defend in such Committee/Trustee Driven Actions or Top 100 Litigation beyond acts to defend that are required of the AGH Affiliates by the Rules of Procedure, Rules of Evidence, or judicial compulsion, the Committee or Trustee shall pay on a current basis the reasonable and necessary attorney's fees and related costs incurred by the AGH Affiliates and such amounts shall not be included within or counted against the limitations set forth in Section 4.i(viii). Invoices for attorney's fees and related costs incurred by the AGH Affiliates shall be submitted and paid in accordance with Section 7.b(i)(L).

j. Releases to and from AHERF Insureds who are not Settling Directors or Officers. Federal, ERII, Zurich, Royal, the AHERF Affiliates, AUH-W, SDN, the Trustee, the Committee, the Philadelphia Endowment Claimants, the Attorney General, the AGH Affiliates, each of the Settling Directors and Officers, and Mellon, in each case acting in his/her/its own behalf and

(A) in the case of Federal, on behalf of the Federal Companies and each of their respective present or former directors, officers, employees, principals, agents, attorneys or representatives, in each case acting in their capacity as such,

(B) in the case of ERII, on behalf of the ERII Companies and each of their respective present or former directors, officers, employees, principals, agents, attorneys or representatives, in each case acting in their capacity as such,

(C) in the case of Zurich, on behalf of the Zurich Companies and each of their respective present or former directors, officers, employees, principals, agents, attorneys or representatives, in each case acting in their capacity as such,

(D) in the case of Royal, on behalf of the Royal Companies and each of their respective present or former directors, officers,

employees, principals, agents, attorneys or representatives, in each case acting in their capacity as such,

(E) in the case of the Trustee, on behalf of the AHERF Companies and each of his and their respective present or former directors, trustees, officers, employees, principals, agents, attorneys or representatives, in each case acting in their capacity as such,

(F) in the case of the Attorney General on behalf of the Commonwealth of Pennsylvania and his present or former agents, attorneys or representatives, in each case acting in their capacity as such,

(G) in the case of the Settling Directors and Officers, on behalf of his or her present or former agents, attorneys or representatives, in each case acting in their capacity as such,

(H) in the case of the AHERF Affiliates, on behalf of the AHERF Companies and each of their respective present or former directors, trustees, officers, employees, principals, agents, attorneys or representatives, in each case acting in their capacity as such,

(I) in the case of AUH-W, on behalf of the AUH-W Companies and each of their respective present or former directors, trustees, officers, employees, principals, agents, attorneys or representatives, in each case acting in their capacity as such,

(J) in the case of SDN, on behalf of the SDN Companies and each of their respective present or former directors, trustees, officers, employees, principals, agents, attorneys or representatives, in each case acting in their capacity as such,

(K) in the case of the Committee, on behalf of its present or former officers, employees, principals, agents, attorneys or representatives, in each case acting in their capacity as such,

(L) in the case of the Philadelphia Endowment Claimants, on behalf of their respective Philadelphia Endowment Claimant Companies and each of their respective present or former directors, trustees, officers, employees, principals, agents,

attorneys or representatives, in each case acting in their capacity as such,

(M) in the case of the AGH Affiliates, on behalf of the AGH Entities and each of their respective present or former directors, trustees, officers, employees, principals, agents, attorneys or representatives, in each case acting in their capacity as such, and

(N) in the case of Mellon, on behalf of the Mellon Companies and each of their respective present or former directors, officers, employees, principals, agents, attorneys or representatives, in each case acting in their capacity as such

hereby irrevocably appoints the Trustee to serve as his/her/its attorney in fact for the sole purpose of entering into the form of release attached hereto as Schedule 4.j (the **"Additional AHERF Insured Release"**) with any AHERF Insured who is not one of the Settling Directors and Officers and who agrees to enter into the Additional AHERF Insured Release (an **"Additional Releasor/Releasee"**).

k. Release of Mellon Releasees and Other Releasees by Settling Claimants and Related Companies (except the Philadelphia Endowment Claimant Companies and the Spitzer Class Action Plaintiffs), the AGH Entities and Certain Settling Directors and Officers**.**

(i) Each of Settling Directors and Officers (except Cahouet), the AHERF Affiliates, AUH-W, SDN, the Trustee, the Committee, the Attorney General, and the AGH Affiliates, in each case acting in his/her/its own behalf and

(A) in the case of the Trustee, on behalf of the AHERF Companies and each of his and their respective present or former directors, trustees, officers, employees, principals, agents, attorneys or representatives, in each case acting in their capacity as such,

(B) in the case of the Attorney General on behalf of the Commonwealth of Pennsylvania and his present or former agents, attorneys or representatives, in each case acting in their capacity as such,

(C) in the case of the Settling Directors and Officers, on behalf of his or her present or former agents, attorneys or representatives, in each case acting in their capacity as such,

(D) in the case of the AHERF Affiliates, on behalf of the AHERF Companies and each of their respective present or former directors, trustees, officers, employees, principals, agents, attorneys or representatives, in each case acting in their capacity as such,

(E) in the case of AUH-W, on behalf of the AUH-W Companies and each of their respective present or former directors, trustees, officers, employees, principals, agents, attorneys or representatives, in each case acting in their capacity as such,

(F) in the case of SDN, on behalf of the SDN Companies and each of their respective present or former directors, trustees, officers, employees, principals, agents, attorneys or representatives, in each case acting in their capacity as such,

(G) in the case of the Committee, on behalf of its present or former officers, employees, principals, agents, attorneys or representatives, in each case acting in their capacity as such, and

(H) in the case of the AGH Affiliates, on behalf of the AGH Entities and each of their respective present or former directors, trustees, officers, employees, principals, agents, attorneys or representatives, in each case acting in their capacity as such

(collectively, the **"Mellon Non-Insurer Releasors"**), hereby releases, acquits and discharges the Mellon Releasees, and Cahouet and his spouse, ex-spouse, family members, executors, administrators, personal representatives, heirs, agents, representatives and attorneys, but only to the extent that such spouse, ex-spouse, family members, executors, administrators, personal representatives, heirs, agents, representatives and attorneys are derivatively responsible for the act or omission of Cahouet (collectively, the **"Cahouet Releasees"**), from any and all Settled Policy Claims and/or any and all AHERF Claims, except for, as applicable: (1) any and all Claims which relate to, refer to, arise from, or concern Burstein; and (2) any and all proofs of claim against the AHERF Estates identified on Schedule 5B, provided, however, that no such retained proof of claim shall be amended in respect of rights surrendered or obligations incurred in this Settlement Agreement.

(ii) In accordance with the terms of the UCATA and without limiting the scope of the releases identified in Section 4.k(i), it is the intent of each Mellon Non-Insurer Releasor, each Mellon Releasee and each Cahouet Releasee that the releases set forth in this Section 4.k shall and do

provide the broadest possible releases permitted by law and that such releases are specifically intended to be joint tortfeasor releases, pursuant to the UCATA and the CNA. As such, in the event that any Mellon Releasee or Cahouet Releasee is determined to be a joint tortfeasor under the laws of the Commonwealth of Pennsylvania, with respect to any Settled Policy Claim and/or any AHERF Claim initiated, maintained or prosecuted by any Mellon Non-Insurer Releasor, whether following joinder as a third-party defendant in such action or otherwise, then there shall be a reduction in any judgment or award in favor of such Mellon Non-Insurer Releasor in such Claim or action to the extent of either (A) the portion of Mellon's $28,500,000 payment allocated to Adversary Proceeding 99-2344 in Schedule 11.a, or (B) the total pro-rata share of liability of the Mellon Releasee and/or Cahouet Releasee to the Mellon Non-Insurer Releasor in such Claim or action, or (C) the total share of liability of the Mellon Releasee and/or Cahouet Releasee to the Mellon Non-Insurer Releasor in such Claim or action determined pursuant to the UCATA and/or the CNA, whichever is the least amount required to extinguish any such Claims against the Mellon Releasee and/or Cahouet Releasee by any defendant in such Claim or action that both (1) arise from the same transactions or occurrences or common nucleus of operative facts as such Claim or action and (2) seek to allocate, apportion to or recover from the Mellon Releasee and/or Cahouet Releasee some or all of the liability to the Mellon Non-Insurer Releasor in such Claim or action, whether or not such Claim or action seeks contribution and/or indemnity under the UCATA, the CNA, or otherwise (hereinafter a **"Mellon Covered Claim"**). The releases given in this Section 4.k (the **"Mellon Joint Tortfeasor Releases"**) are expressly intended and shall be construed to release and protect the Mellon Releasees and the Cahouet Releasees from all such Mellon Covered Claims and to require that each of the Mellon Non-Insurer Releasors shall reduce any judgment or award obtained in any such Mellon Covered Claim by the minimum amount necessary to ensure that no Mellon Releasee and/or Cahouet Releasee shall have any obligation to pay any amount to any person on account of such judgment or award. This provision in no way constitutes an admission of liability by any Mellon Releasee or Cahouet Releasee.

(iii) It is further agreed that if the UCATA does not apply in any Mellon Covered Claim and the CNA does apply, then if any Mellon Releasee and/or Cahouet Releasee and any other defendant in such action are adjudged jointly liable, in whole or in part, for damages in that action, this Mellon Joint Tortfeasor Release shall operate to satisfy all liability of such Mellon Releasee and/or Cahouet Releasee to each such Mellon Non-Insurer Releasor, and shall further operate to reduce the liability of all other defendants to the extent that they would be entitled to seek recovery from any Mellon Releasee and/or Cahouet Releasee according to the provisions of the CNA for any Mellon Covered Claim. The Mellon Non-

Insurer Releasors further agree that if both the UCATA and the CNA do not apply in any Mellon Covered Claim, this Mellon Joint Tortfeasor Release shall operate to discharge the Mellon Releasees and/or the Cahouet Releasees from all liability to such Mellon Non-Insurer Releasor, and this Mellon Joint Tortfeasor Release shall operate to reduce the liability of all other defendants in such action by the pro rata share of liability attributable to such Mellon Releasee and/or Cahouet Releasee to the extent necessary to extinguish all liability of the Mellon Releasee and/or Cahouet Releasee to such defendants for Mellon Covered Claims.

(iv) In the event that the Committee or the Trustee initiates, maintains or prosecutes a Settled Policy Claim or an AHERF Claim, the Committee or the Trustee initiating, maintaining or prosecuting such Claim or action shall indemnify and hold harmless the Mellon Releasees and the Cahouet Releasees to the extent that such Claim or action results in Claims or actions against a Mellon Releasee and/or Cahouet Releasee that both (A) arise from the same transactions or occurrences or common nucleus of operative facts as such Claim or action initiated, maintained or prosecuted by the Trustee and/or Committee and (B) seek to allocate, apportion to, or recover from any Mellon Releasee and/or Cahouet Releasee some or all of the liability to the Mellon Non-Insurer Releasor in such Claim or action, whether or not such Claim seeks contribution and/or indemnity under the UCATA, the CNA, or otherwise (a **"Mellon Indemnified Claim"**). As used herein, the obligation to indemnify and hold harmless the Mellon Releasees and the Cahouet Releasees with respect to a Mellon Indemnified Claim includes the obligation to satisfy all judgments or awards entered against the Mellon Releasees and/or Cahouet Releasees for such Mellon Indemnified Claim, to the extent permitted by law up to and including the amount of any judgment or award awarded to the Committee or the Trustee, as the case may be, and, in addition, to the extent set forth in Section 4.k(v), to pay reasonable attorney's fees and related costs reasonably incurred by or on behalf of the Mellon Releasees and/or the Cahouet Releasees in connection with a Mellon Indemnified Claim.

(v) The indemnity obligations in Section 4.k(iv) shall be subject to the following monetary limitations: (A) subject to provisions of Section 4.k(iv), indemnification of Mellon Releasees shall not be limited for either any judgment or award awarded against any Mellon Releasee or attorney's fees and related litigation costs incurred by any Mellon Releasee in connection with a Mellon Indemnified Claim, unless such indemnity claim arises solely as a result of any Mellon Releasee being joined in a Mellon Indemnified Claim by a Cahouet Releasee, in which case Mellon's indemnity claim for attorneys' fees and related litigation costs shall be limited to and included within the limitation applicable to the Cahouet Releasees in this Section 4.k(v); and (B) subject to provisions of Section

4.k(iv), indemnification of Cahouet Releasees shall not be limited for either any judgment or award awarded against any Cahouet Releasee in connection with a Mellon Indemnified Claim, but shall be limited to an aggregate of $450,000 for attorney's fees and related litigation costs incurred by all of the Cahouet Releasees for the PwC Litigation and the Top 100 Litigation (as that term is defined below in Section 7.a) and to $450,000 for attorney's fees and related litigation costs incurred by all of the Cahouet Releasees for each other Mellon Indemnified Claim.

(vi) The indemnity obligation of the Committee and the Trustee as set forth in Sections 4.k(iv) and 4.k(v) above will be funded by a portion of any settlement, judgment or award recovered by the Committee or the Trustee, as the case may be, with respect to any Claim giving rise to such indemnity obligation as set forth in Sections 4.k(iv) and 4.k(v) above (the **"Mellon Proceeds"**), subject to the payment provisions of Schedule 2B hereto. That portion of the Mellon Proceeds that shall be used for this purpose pursuant to this Section shall be sufficient to meet and discharge fully the indemnity obligations of the Committee and the Trustee set forth in Sections 4.k(iv) and 4.k(v), above. The Committee and the Trustee are authorized to discharge, at any time, such indemnity obligation without further order of any Court, subject only to providing notice to the Mellon Releasees and Cahouet Releasees. If the Committee, the Trustee and the Mellon Releasees and/or the Cahouet Releasees cannot agree in writing on the amount of the Mellon Proceeds to be used to fund the indemnity obligation pursuant to this Section, then the Committee and the Trustee shall promptly file an application with the District Court requesting a determination by the District Court of the amount of the Mellon Proceeds the Committee and Trustee must retain or pay in order to meet the indemnity obligations of the Committee and the Trustee to the Mellon Releasees and the Cahouet Releasees and authorization to retain or pay such amount in satisfaction of or in connection with the indemnity obligation. The indemnity obligations of the Committee and the Trustee as set forth in Sections 4.k(iv) and 4.k(v) above (as opposed to the amount of the Mellon Proceeds to be retained or paid), shall not be challenged in such application. The Committee, the Trustee and the Mellon Releasees and the Cahouet Releasees agree to request that the District Court make this determination in an expedited manner. Until the District Court determines the amount, if any, to be retained or paid, the Trustee shall not distribute any of the Mellon Proceeds pursuant to the Plan. Following the District Court's determination of the amount to be paid or retained becoming final and non-appealable, the Trustee shall pay or retain the determined amount for the sole purpose of funding the indemnification obligation and the balance of the Mellon Proceeds may be distributed in accordance with the Plan, subject to the other provisions of this Settlement Agreement. The Trustee and the Committee may petition the District Court, with notice to Mellon Releasees and Cahouet Releasees, to

reconsider the amount determined to be retained or escrowed or to release amounts retained or escrowed upon a change in circumstances. Furthermore, in the event that the Committee or the Trustee settles, pursuant to Section 7.d, any Claim for which funds have been reserved pursuant to this Section, then, after payment of all indemnification obligations accrued to that date pursuant to this Section 4.k, all such remaining reserved funds relating to the Settled Claim shall be released to the Committee or the Trustee, as the case may be, for distribution pursuant to the Plan, subject to the other provisions of this Settlement Agreement. The Committee, the Trustee, and the Mellon Releasees and the Cahouet Releasees consent to the exclusive jurisdiction of the District Court for the purpose of making the determination as to the appropriate amount to be paid or set aside to meet the indemnification obligations set forth in Sections 4.k(iv) and 4.k(v).

(vii) It is further agreed that counsel for the Committee shall have primary responsibility to prosecute any Committee/Trustee Driven Action and the Top 100 Litigation and counsel for Mellon Releasees and/or Cahouet Releasees shall cooperate with counsel for the Committee to the extent (A) Mellon Releasees and/or Cahouet Releasees shall be indemnified in connection with such action, (B) permitted by law, and (C) consistent with his/her determination that such cooperation is appropriate under the rules of professional responsibility. In the event of a dispute as to whether such cooperation is appropriate under the rules of professional responsibility, such dispute shall be submitted to arbitration pursuant to the procedures provided in Section 7.b(i)(K). Invoices for attorney's fees and related costs incurred by the Mellon Releasees and/or Cahouet Releasees shall be submitted and paid in accordance with Section 7.b(i)(L).

l. Release of Settling Claimants and Related Companies (except the Philadelphia Endowment Claimant Companies and the Spitzer Class Action Plaintiffs), the AGH Entities and Defendant Releasees by Mellon Releasors and Other Releasors.

(i) Cahouet, acting in his own behalf and on behalf of his spouse, ex-spouse, family members, executors, administrators, personal representatives, and heirs, agents, representatives and attorneys, but only to the extent that such spouse, ex-spouse, family members, executors, administrators, personal representatives, and heirs, agents, representatives and attorneys have rights derivatively through Cahouet (collectively, the "**Cahouet Releasors**"), and each of the Mellon Releasors hereby releases, acquits and discharges each of the Settling Claimants and Related Companies (except the Philadelphia Endowment Claimant Companies and the Spitzer Class Action Plaintiffs), the AGH Entities and the Defendant Releasees and, in the case of each of the Settling

Claimants and Related Companies that is other than an individual and each AGH Entity, each of their respective present or former directors, trustees, officers, employees, principals, agents, attorneys and representatives, in each case acting in their capacity as such (collectively, the "**Mellon Non-Insurer Releasees**"), from any and all Settled Policy Claims and/or any and all AHERF Claims, except for Claims which relate to, refer to, arise from, or concern Burstein and the Claims identified on Schedule 5B, provided, however, that no such retained proof of claim shall be amended in respect of rights surrendered or obligations incurred in this Settlement Agreement.

(ii) In accordance with the terms of the UCATA and without limiting the scope of the releases in Section 4.l(i), it is the intent of each Mellon Releasor, each Cahouet Releasor and each Mellon Non-Insurer Releasee that the releases set forth in this Section 4.l shall and do provide the broadest possible releases permitted by law and that such releases are specifically intended to be joint tortfeasor releases, pursuant to the UCATA and the CNA. As such, in the event that any Mellon Non-Insurer Releasee is determined to be a joint tortfeasor under the laws of the Commonwealth of Pennsylvania, with respect to any Settled Policy Claim and/or any AHERF Claim initiated, maintained or prosecuted by any Mellon Releasor and/or Cahouet Releasor, whether following joinder as a third-party defendant in such action or otherwise, then there shall be a reduction in any judgment or award in favor of such Mellon Releasor and/or Cahouet Releasor in such Claim or action to the extent of either (A) the amount of any payment made by or on behalf of any such Mellon Non-Insurer Releasee which is allocated to such Claim, (B) the total pro-rata share of liability of the Mellon Non-Insurer Releasee to the Mellon Releasor and/or Cahouet Releasor in such Claim or action, or (C) the total share of liability of the Mellon Non-Insurer Releasee to the Mellon Releasor and/or Cahouet Releasor in such Claim or action determined pursuant to the UCATA and/or the CNA, whichever is the least amount required to extinguish any such Claims against the Mellon Non-Insurer Releasees by any defendant in such Claim or action that both (1) arise from the same transactions or occurrences or common nucleus of operative facts as such Claim or action and (2) seek to allocate, apportion to or recover from the Mellon Non-Insurer Releasee some or all of the liability to the Mellon Releasor and/or Cahouet Releasor in such Claim or action, whether or not such Claim or action seeks contribution and/or indemnity under the UCATA, the CNA, or otherwise (hereinafter a "**Settling Claimant Covered Claim**"). The releases given in this Section 4.l (the **"Claimant Joint Tortfeasor Releases"**) are expressly intended and shall be construed to release and protect the Mellon Non-Insurer Releasees from all such Settling Claimant Covered Claims and to require that each of the Mellon Releasors and/or Cahouet Releasors shall reduce any judgment or award obtained in any such Settling Claimant Covered

Claim by the minimum amount necessary to ensure that no Mellon Non-Insurer Releasee shall have any obligation to pay any amount to any person on account of such judgment or award. This provision in no way constitutes an admission of liability by any Mellon Non-Insurer Releasee.

(iii) It is further agreed that if the UCATA does not apply in any Claim or action relating to a Settled Policy Claim or AHERF Claim initiated, maintained or prosecuted by any Mellon Releasor and/or Cahouet Releasor and the CNA does apply, then if any Mellon Non-Insurer Releasee and any other defendant in such action are adjudged jointly liable, in whole or in part, for damages in that action, this Claimant Joint Tortfeasor Release shall operate to satisfy all liability of such Mellon Non-Insurer Releasee to each such Mellon Releasor and/or Cahouet Releasor, and shall further operate to reduce the liability of all other defendants to the extent that they would be entitled to seek recovery from any Mellon Non-Insurer Releasee according to the provisions of the CNA for any Settling Claimant Covered Claim. The Mellon Releasors and/or Cahouet Releasors further agree that if both the UCATA and the CNA do not apply in any Claim or action relating to a Settled Policy Claim or an AHERF Claim initiated, maintained or prosecuted by any Mellon Releasor and/or Cahouet Releasor, this Claimant Joint Tortfeasor Release shall operate to discharge the Mellon Non-Insurer Releasees from all liability to such Mellon Releasor and/or Cahouet Releasor, and this Claimant Joint Tortfeasor Release shall operate to reduce the liability of all other defendants in such action by the pro rata share of liability attributable to such Mellon Non-Insurer Releasee to the extent necessary to extinguish all liability of the Mellon Non-Insurer Releasee for Settling Claimant Covered Claims.

(iv) In the event that a Mellon Releasor or an AGH Entity initiates, maintains or prosecutes a Settled Policy Claim or AHERF Claim, the Mellon Releasor or AGH Entity initiating, maintaining or prosecuting such Claim, shall indemnify and hold harmless the other to the extent that such Claim or action results in Claims or actions against the other that both (A) arise from the same transactions or occurrences or common nucleus of operative facts as such Claim or action initiated, maintained or prosecuted by the other and (B) seek to allocate to, apportion to, or recover from the other some or all of the liability to the Mellon Releasor or AGH Entity in such Claim or action, whether or not such Claim seeks contribution and/or indemnity under the UCATA, the CNA, or otherwise (a **"Mellon/AGH Indemnified Claim"**). As used herein, the obligation to indemnify and hold harmless Mellon Releasors or AGH Entities, as the case may be, with respect to Mellon/AGH Indemnified Claims, as the case may be, includes the obligation to satisfy all judgments or awards entered against AGH Entities or Mellon Releasors for such Mellon/AGH Indemnified Claims, as the case may be, to the extent permitted by law up to and including the

amount of such judgment or award awarded to any Mellon Releasor or AGH Entity, as the case may be, and, in addition to pay reasonable attorney's fees and related costs reasonably incurred by or on behalf of the Mellon/Cahouet Releasors or AGH Entities, as the case may be, in connection such Mellon/AGH Indemnified Claims. The Mellon Releasors and the AGH Entities hereby acknowledge that the indemnified party for a Mellon/AGH Indemnified Claim is herein granted and shall have and is hereby granted a claim against, among other things, the proceeds of any Claim or action pursued by the other which gave rise to a Mellon/AGH Indemnified Claim and an indemnity obligation to the other for a Mellon/AGH Indemnified Claim to the extent of such indemnity obligation. The Mellon Releasors and the AGH Entities further agree that such proceeds, to the extent of the indemnity obligation, shall not be used or distributed for any purpose unless and until this indemnity obligation is first satisfied in full.

m. Release of O'Brien Releasees by Settling Claimants (except the Philadelphia Endowment Claimants and the Spitzer Class Action Plaintiffs), the AGH Entities and Settling Directors and Officers (the **"O'Brien Joint Tortfeasor Releases"**).

(i) Each of Settling Directors and Officers, the AHERF Affiliates, AUH-W, SDN, the Trustee, the Committee, the Attorney General, and the AGH Affiliates, in each case acting in his/her/its own behalf and

(A) in the case of the Trustee, on behalf of the AHERF Companies and each of his and their respective present or former directors, trustees, officers, employees, principals, agents, attorneys or representatives, in each case acting in their capacity as such,

(B) in the case of the Attorney General on behalf of the Commonwealth of Pennsylvania and his present or former agents, attorneys or representatives, in each case acting in their capacity as such,

(C) in the case of the Settling Directors and Officers, on behalf of his or her present or former agents, attorneys or representatives, in each case acting in their capacity as such,

(D) in the case of the AHERF Affiliates, on behalf of the AHERF Companies and each of their respective present or former directors, trustees, officers, employees, principals, agents, attorneys or representatives, in each case acting in their capacity as such,

(E) in the case of AUH-W, on behalf of the AUH-W Companies and each of their respective present or former directors, trustees, officers, employees, principals, agents, attorneys or representatives, in each case acting in their capacity as such,

(F) in the case of SDN, on behalf of the SDN Companies and each of their respective present or former directors, trustees, officers, employees, principals, agents, attorneys or representatives, in each case acting in their capacity as such,

(G) in the case of the AGH Affiliates, on behalf of the AGH Entities and each of their respective present or former directors, trustees, officers, employees, principals, agents, attorneys or representatives, in each case acting in their capacity as such, and

(H) in the case of the Committee, on behalf of its present or former officers, employees, principals, agents, attorneys or representatives, in each case acting in their capacity as such

(collectively, the **"O'Brien Non-Insurer Releasors"**), hereby releases, acquits and discharges O'Brien and his spouse, ex-spouse, family members, executors, administrators, personal representatives, heirs, agents, representatives and attorneys, but only to the extent that such spouse, ex-spouse, family members, executors, administrators, personal representatives, heirs, agents, representatives and attorneys are derivatively responsible for the act or omission of O'Brien (collectively, the **"O'Brien Releasees"**) from any and all Settled Policy Claims and/or any and all AHERF Claims, except for, as applicable: (1) any and all Claims which relate to, refer to, arise from, or concern Burstein; and (2) any and all proofs of Claim against the AHERF Estates identified on Schedule 5B, provided, however, that no such retained proof of claim shall be amended in respect of rights surrendered or obligations incurred in this Settlement Agreement.

(ii) In accordance with the terms of the UCATA, and without limiting the scope of the releases identified in Section 4.m(i), it is the intent of each O'Brien Non-Insurer Releasor and each O'Brien Releasee that the releases set forth in this Section 4.m shall and do provide the broadest possible releases permitted by law and that such releases are specifically intended to be joint tortfeasor releases, pursuant to the UCATA and the CNA. As such, in the event that any O'Brien Releasee is determined to be a joint tortfeasor under the laws of the Commonwealth of Pennsylvania, with respect to any Settled Policy Claim and/or AHERF Claim initiated, maintained or prosecuted by any O'Brien Non-Insurer Releasor, whether following joinder as a third-party defendant in such action or otherwise,

then there shall be a reduction in any judgment or award in favor of such O'Brien Non-Insurer Releasor in such Claim or action to the extent of either (A) the total pro-rata share of liability of the O'Brien Releasee to the O'Brien Non-Insurer Releasor in such Claim or action, or (B) the total share of liability of the O'Brien Releasee to the O'Brien Non-Insurer Releasor in such Claim or action determined pursuant to the UCATA and/or the CNA, whichever is the least amount required to extinguish any such Claims against the O'Brien Releasee by any defendant in such Claim or action that both (1) arise from the same transactions or occurrences or common nucleus of operative facts as such Claim or action and (2) seek to allocate, apportion to, or recover from the O'Brien Releasee some or all of the liability to the O'Brien Non-Insurer Releasor in such Claim or action, whether or not such Claim or action seeks contribution and/or indemnity under the UCATA, the CNA, or otherwise (hereinafter **"O'Brien Covered Claim"**). This O'Brien Joint Tortfeasor Release is expressly intended and shall be construed to release and protect the O'Brien Releasees from all such O'Brien Covered Claims and to require that each of the O'Brien Non-Insurer Releasors shall reduce any judgment or award obtained in any such O'Brien Covered Claim by the minimum amount necessary to ensure that no O'Brien Releasee shall have any obligation to pay any amount to any person on account of such judgment or award. This provision in no way constitutes an admission of liability by any O'Brien Releasee.

(iii) It is further agreed that if the UCATA does not apply in any O'Brien Covered Claim and the CNA does apply, then if any O'Brien Releasee and any other defendant in such action are adjudged jointly liable, in whole or in part, for damages in that action, this O'Brien Joint Tortfeasor Release shall operate to satisfy all liability of such O'Brien Releasee to each such O'Brien Non-Insurer Releasor, and shall further operate to reduce the liability of all other defendants to the extent that they would be entitled to seek recovery from any O'Brien Releasee according to the provisions of the CNA for any O'Brien Covered Claim. The O'Brien Non-Insurer Releasors further agree that if both the UCATA and the CNA do not apply in any O'Brien Covered Claim, this O'Brien Joint Tortfeasor Release shall operate to discharge the O'Brien Releasees from all liability to such O'Brien Non-Insurer Releasor, and this O'Brien Joint Tortfeasor Release shall operate to reduce the liability of all other defendants in such action by the pro rata share of liability attributable to such O'Brien Releasee to the extent necessary to extinguish all liability of the O'Brien Releasee to such defendants for O'Brien Covered Claims.

(iv) In the event that the Committee or the Trustee, as the case may be, on one hand or an O'Brien Releasee on the other hand, initiates, maintains or prosecutes a Settled Policy Claim or an AHERF Claim, the party initiating, maintaining or prosecuting such Claim or action shall indemnify and hold harmless the other to the extent that such Claim or

action results in Claims or actions against the indemnitee that both (A) arise from the same transactions or occurrences or common nucleus of operative facts as such Claim or action initiated, maintained or prosecuted by the indemnitor and (B) seek to allocate to, apportion to or recover from the indemnitee some or all of the liability to the indemnitor in such Claim or action, whether or not such Claim seeks contribution and/or indemnity under the UCATA, the CNA, or otherwise (an **"Estate/O'Brien Indemnified Claim"**). As used herein, the obligation to indemnify and hold harmless the Committee or the Trustee, as the case may be, on the one hand or an O'Brien Releasee on the other hand with respect to an Estate/O'Brien Indemnified Claim includes the obligation to satisfy all judgments or awards entered against the indemnitee for such Estate/O'Brien Indemnified Claim, to the extent permitted by law up to and including the amount of any judgment or award awarded to the Committee or the Trustee, as the case may be, on the one hand or an O'Brien Releasee on the other hand and, in addition, to the extent set forth in Section 4.m(v), to pay reasonable attorney's fees and related costs reasonably incurred in connection with an Estate/O'Brien Indemnified Claim.

(v) The indemnity obligations in Section 4.m(iv) shall be subject to the following monetary limitations: subject to provisions of Section 4.m(iv), indemnification of O'Brien Releasees on the one hand or the Committee or Trustee on the other, shall not be limited for any judgment or award awarded against any O'Brien Releasee or against the Committee or the Trustee, as the case may be, in connection with an Estate/O'Brien Indemnified Claim, but shall be limited to an aggregate of $450,000 for attorney's fees and related litigation costs incurred by all of the O'Brien Releasees or the Committee or the Trustee, as the case may be, for the PwC Litigation and the Top 100 Litigation (as that term is defined in Section 7.a below) and to $450,000 for attorney's fees and related litigation costs incurred by all of the O'Brien Releasees or the Committee or the Trustee, as the case may be, for each other Estate/O'Brien Indemnified Claim.

(vi) The indemnity obligation of the Committee and the Trustee as set forth in Sections 4.m(iv) and 4.m(v) above will be funded by a portion of any settlement, judgment or award recovered by the Committee or the Trustee, as the case may be, with respect to any Claim giving rise to such indemnity obligation as set forth in Sections 4.m(iv) and 4.m(v) above (the **"O'Brien Proceeds"**), subject to the payment provisions of Schedule 2B hereto. That portion of the O'Brien Proceeds that shall be used for this purpose pursuant to this Section shall be sufficient to meet and discharge fully the indemnity obligations of the Committee and the Trustee set forth in Sections 4.m(iv) and 4.m(v) above. The Committee and the Trustee are authorized to discharge, at any time, such indemnity obligation without

further order of any Court, subject only to providing notice to the O'Brien Releasees. If the Committee, the Trustee and the O'Brien Releasees cannot agree in writing on the amount of the O'Brien Proceeds to be used to fund the indemnity obligation pursuant to this Section, then the Committee and the Trustee shall promptly file an application with the District Court requesting a determination by the District Court of the amount of the O'Brien Proceeds the Committee and Trustee must retain or pay in order to meet the indemnity obligations of the Committee and the Trustee to the O'Brien Releasees and authorization to retain or pay such amount in satisfaction of or in connection with the indemnity obligation. The indemnity obligations of the Committee and the Trustee as set forth in Sections 4.m(iv) and 4.m(v) above (as opposed to the amount of the O'Brien Proceeds to be retained or paid), shall not be challenged in such application. The Committee, the Trustee and the O'Brien Releasees agree to request that the District Court make this determination in an expedited manner. Until the District Court determines the amount, if any, to be retained or paid, the Trustee shall not distribute any of the O'Brien Proceeds pursuant to the Plan. Following the District Court's determination of the amount to be paid or retained becoming final and non-appealable, the Trustee shall pay or retain the determined amount for the sole purpose of funding the indemnification obligation and the balance of the O'Brien Proceeds may be distributed in accordance with the Plan, subject to the other provisions of this Settlement Agreement. The Trustee and the Committee may petition the District Court, with notice to O'Brien Releasees, to reconsider the amount determined to be retained or escrowed or to release amounts retained or escrowed upon a change in circumstances. Furthermore, in the event that the Committee or the Trustee settles, pursuant to Section 7.d, any Claim for which funds have been reserved pursuant to this Section, then, after payment of all indemnification obligations accrued to that date pursuant to this Section 4.m, all such remaining reserved funds relating to the Settled Claim shall be released to the Committee or the Trustee, as the case may be, for distribution pursuant to the Plan, subject to the other provisions of this Settlement Agreement. The Committee, the Trustee, and the O'Brien Releasees consent to the exclusive jurisdiction of the District Court for the purpose of making the determination as to the appropriate amount to be paid or set aside to meet the indemnification obligations set forth in Sections 4.m(iv) and 4.m(v).

(vii) It is further agreed that counsel for the Committee shall have primary responsibility to prosecute the Committee/Trustee Driven Action and Top 100 Litigation and counsel for O'Brien Releasees shall cooperate with counsel for the Committee to the extent (A) O'Brien Releasees shall be indemnified in connection with such action, (B) permitted by law, and (C) consistent with his/her determination that such cooperation is appropriate under the rules of professional responsibility. In the event of a

dispute as to whether such cooperation is appropriate under the rules of professional responsibility, such dispute shall be submitted to arbitration pursuant to the procedures provided in Section 7.b(i)(K). Invoices for attorney's fees and related costs incurred by the O'Brien Releasees shall be submitted and paid in accordance with Section 7.b(i)(L).

n. Release of Settling Claimants and Related Companies (except the Philadelphia Endowment Claimants and the Spitzer Class Action Plaintiffs), the AGH Entities and Defendant Releasees by O'Brien Releasors.

(i) O'Brien, acting in his own behalf and on behalf of his spouse, ex-spouse, family members, executors, administrators, personal representatives, and heirs, agents, representatives and attorneys, but only to the extent that such spouse, ex-spouse, family members, executors, administrators, personal representatives, and heirs, agents, representatives and attorneys have rights derivatively through O'Brien (collectively, the "**O'Brien Releasors**"), hereby releases, acquits and discharges each of the Settling Claimants (except the Philadelphia Endowment Claimants and the Spitzer Class Action Plaintiffs), the AGH Entities and the Defendant Releasees and, in the case of each of the Settling Claimants and Related Companies that is other than an individual and each AGH Entity, each of their respective present or former directors, trustees, officers, employees, principals, agents, attorneys and representatives, in each case acting in their capacity as such (collectively, the "**O'Brien Non-Insurer Releasees**"), from any and all Settled Policy Claims and/or any and all AHERF Claims, except for Claims which relate to, refer to, arise from, or concern Burstein and the Claims identified on Schedule 5B, provided, however, that no such retained proof of claim shall be amended in respect of rights surrendered or obligations incurred in this Settlement Agreement.

(ii) In accordance with the terms of the UCATA, and without limiting the scope of the releases identified in Section 4.n(i), it is the intent of each O'Brien Releasor and each O'Brien Non-Insurer Releasee that the releases set forth in this Section 4.n shall and do provide the broadest possible releases permitted by law and that such releases are specifically intended to be joint tortfeasor releases, pursuant to the UCATA and the CNA. As such, in the event that any O'Brien Non-Insurer Releasee is determined to be a joint tortfeasor under the laws of the Commonwealth of Pennsylvania, with respect to any Settled Policy Claim and/or any AHERF Claim initiated, maintained or prosecuted by any O'Brien Releasor, whether following joinder as a third-party defendant in such action or otherwise, then there shall be a reduction in any judgment or award in favor of such O'Brien Releasor in such Claim or action to the extent of either (A) the total pro-rata share of liability of the O'Brien Non-Insurer

Releasee to the O'Brien Releasor in such Claim or action, or (B) the total share of liability of the O'Brien Non-Insurer Releasee to the O'Brien Releasor in such Claim or action determined pursuant to the UCATA and/or the CNA, whichever is the least amount required to extinguish any such Claims against the O'Brien Non-Insurer Releasees by any defendant in such Claim or action that both (1) arise from the same transactions or occurrences or common nucleus of operative facts as such Claim or action and (2) seek to allocate, apportion to or recover from the O'Brien Non-Insurer Releasee some or all of the liability to the O'Brien Releasor in such Claim or action, whether or not such Claim or action seeks contribution and/or indemnity under the UCATA, the CNA, or otherwise (hereinafter collectively referred to as the **"O'Brien Claimant Covered Claims"**). The releases given in this Section 4.n(ii) (the **"O'Brien Claimant Joint Tortfeasor Releases"**) are expressly intended and shall be construed to release and protect the O'Brien Non-Insurer Releasees from all such O'Brien Claimant Covered Claims and to require that each of the O'Brien Releasors shall reduce any judgment or award obtained in any such O'Brien Claimant Covered Claim by the minimum amount necessary to ensure that no O'Brien Non-Insurer Releasee shall have any obligation to pay any amount to any person on account of such judgment or award arising out of any such action. This provision in no way constitutes an admission of liability by any O'Brien Non-Insurer Releasee.

(iii) It is further agreed that if the UCATA does not apply in any Claim or action relating to a Settled Policy Claim or AHERF Claim initiated, maintained or prosecuted by any O'Brien Releasor and the CNA does apply, then if any O'Brien Non-Insurer Releasee and any other defendant in such action are adjudged jointly liable, in whole or in part, for damages in that action, this O'Brien Claimant Joint Tortfeasor Release shall operate to satisfy all liability of such O'Brien Non-Insurer Releasee to each such O'Brien Releasor, and shall further operate to reduce the liability of all other defendants to the extent that they would be entitled to seek recovery from any O'Brien Non-Insurer Releasee according to the provisions of the CNA for any O'Brien Claimant Covered Claim. The O'Brien Releasors further agree that if both the UCATA and the CNA do not apply in any Claim or action relating to a Settled Policy Claim or an AHERF Claim initiated, maintained or prosecuted by any O'Brien Releasor, this O'Brien Claimant Joint Tortfeasor Release shall operate to discharge the O'Brien Non-Insurer Releasees from all liability to such O'Brien Releasor, and this O'Brien Claimant Joint Tortfeasor Release shall operate to reduce the liability of all other defendants in such action by the pro rata share of liability attributable to such O'Brien Non-Insurer Releasee to the extent necessary to extinguish all liability of the O'Brien Non-Insurer Releasee for O'Brien Claimant Covered Claims.

o. <u>Releases of Mellon Releasees and Other Releasees by the Philadelphia</u>

Endowment Claimant Companies and of the Philadelphia Endowment Claimant Companies by the Mellon Releasors and Other Releasors

(i) Each of the Philadelphia Endowment Claimants, in each case acting in its own behalf and on behalf of their respective Philadelphia Endowment Claimant Companies and each of their respective present or former directors, trustees, officers, employees, principals, agents, attorneys or representatives, in each case acting in their capacity as such (collectively, the **"Tenet Releasors"**), hereby releases, acquits and discharges each Mellon Releasee and Cahouet Releasee; and each Mellon Releasor and Cahouet Releasor hereby releases, acquits and discharges each of the Philadelphia Endowment Claimant Companies and each of their respective present and former directors, trustees, officers, employees, principals, agents, attorneys, and representatives thereof, in each case acting in their capacity as such (collectively, the **"Tenet Releasees"**) (the Tenet Releasees, the Mellon Releasees and the Cahouet Releasees are herein collectively referred to as the **"Tenet Joint Tortfeasor Releasees"**) (the Tenet Releasors, the Mellon Releasors and the Cahouet Releasors are herein collectively referred to as the **"Tenet Joint Tortfeasor Releasors"**), from any and all Claims which refer to, relate to, concern, arise from, are in any way connected with, or are derived from the same transactions or occurrences or nucleus of operative facts which were or could have been alleged in the Tenet HealthSystem Philadelphia, Inc. and Attorney General of Pennsylvania v. Abdelhak, United States Bankruptcy Court for the Western District of Pennsylvania, Adversary Proceeding No. 00-2089, In re AHERF, Nos. 98-25773 through 25778, inclusive, consolidated in Misc. No. 00-40, United States District Court for the Western District of Pennsylvania or Tenet HealthSystem Philadelphia, Inc. v. Mellon Bank, United States Bankruptcy Court for the Western District of Pennsylvania, Adversary Proceeding No. 00-2090, In re AHERF, Nos. 98-25773 through 25778, inclusive, consolidated in Misc. No. 00-40, United States District Court for the Western District of Pennsylvania (collectively, the **"Tenet Claim"** or the **"Tenet Claims"**).

(ii) It is the intent of the Tenet Joint Tortfeasor Releasors and Tenet Joint Tortfeasor Releasees, that the releases set forth in Section 4.o(i) shall provide the broadest possible releases permitted by law in connection with any and all Tenet Claims and that such releases are specifically intended to be joint tortfeasors releases, pursuant to the UCATA and the CNA, whether the liability of a Tenet Joint Tortfeasor Releasee is based in tort or otherwise and whether or not such Tenet Joint Tortfeasor Releasee was, in fact, a joint tortfeasor; and the amount of any judgment or award entered on such judgment or award shall be similarly reduced. This provision is intended to obviate the necessity and expense of having a Tenet Joint Tortfeasor Releasee remain or become a party in connection with any action initiated, maintained or prosecuted by a Tenet

Joint Tortfeasor Releasor party for the purpose of determining if in fact such a Tenet Joint Tortfeasor Releasee was a tortfeasor so as to entitle the other tortfeasors to a pro rata reduction of any judgment or award. As such, in the event that any Mellon Releasee and/or Cahouet Releasee is determined to be a joint tortfeasor under the laws of the Commonwealth of Pennsylvania in connection with any action initiated, maintained or prosecuted by any Tenet Releasor which, in whole or in part, refers to, relates to, concerns, arises from or is in any way connected with a Tenet Claim, whether following joinder as a third-party defendant in such action or otherwise, then there shall be a reduction in the judgment or award in such action to the extent of either (A) the dollar amount of the Mellon Escrow allocated to a Tenet Releasor, or (B) the total pro-rata share of liability of a Mellon Releasee or Cahouet Releasee to any injured party in such action, or (C) the total share of liability of a Mellon Releasee or Cahouet Releasee to any injured party in such action determined pursuant to the UCATA and/or the CNA, whichever is the least amount required to extinguish such claims against a Mellon Releasee and/or Cahouet Releasee by any injured party in such an action. In the event that any Tenet Releasee is determined to be a joint tortfeasor under the laws of the Commonwealth of Pennsylvania in connection with any action initiated, maintained or prosecuted by any Mellon Releasor or Cahouet Releasor which, in whole or in part, refers to, relates to, concerns, arises from or is in any way connected with a Tenet Claim, whether following joinder as a third-party defendant in such action or otherwise, then there shall be a reduction in the judgment or award in such action to the extent of either (X) the total pro rata share of liability of any Tenet Releasee to any injured party in such action, or (Y) the total share of liability of any Tenet Releasee to any injured party in such action determined pursuant to the UCATA and/or the CNA, whichever is the least amount required to extinguish such claims against a Tenet Releasee by any injured party in such an action. This Release is expressly intended and shall be construed to release and protect each Tenet Joint Tortfeasor Releasor and each Tenet Joint Tortfeasor Releasee from all Claims which, in whole or in part, refer to, relate to, concern, arise from or are in any way connected with a Tenet Claim pursuant to the UCATA, the CNA, or otherwise. This provision in no way constitutes an admission of liability by any Tenet Joint Tortfeasor Releasor or any Tenet Joint Tortfeasor Releasee.

(iii) The releases exchanged in this Section 4.o (the **"Tenet Joint Tortfeasor Releases"**) are intended to accomplish the prompt, complete and permanent disengagement of each Tenet Joint Tortfeasor Releasee from all Claims or actions initiated, maintained or prosecuted by any Tenet Joint Tortfeasor Releasor or any injured party which, in whole or in part, relates to, refers to, arises from, concerns, or is in any way connected with any Tenet Claim, to avoid inconvenience, participation and expense to a

Tenet Joint Tortfeasor Releasee in any such Claim or action in which they may be or may hereafter be a defendant and to avoid the necessity and expense of having a Tenet Joint Tortfeasor Releasee be a party in any such Claim or action. To this end, each Tenet Joint Tortfeasor Releasor expressly waives any and all legal rights, which they may possess to compel or permit the participation of any Tenet Joint Tortfeasor Releasee in any such Claim or action.

(iv) It is further agreed that if the UCATA does not apply and the CNA does apply in any Claim or action relating to any Tenet Claim initiated, maintained or prosecuted by any Tenet Joint Tortfeasor Releasor, then if a Tenet Joint Tortfeasor Releasee in such action is adjudged jointly liable, in whole or in part, for damages in that Claim or action, this Tenet Joint Tortfeasor Release shall operate to satisfy all liability of each Tenet Joint Tortfeasor Releasee to the other and shall further operate to reduce the liability of any such other defendants to the extent that they would be entitled to contribution or indemnity from a Tenet Joint Tortfeasor Releasee according to the provisions of CNA. It is further agreed that if both the UCATA and the CNA do not apply in any Claim or action relating to any Tenet Claim initiated, maintained or prosecuted by any Tenet Joint Tortfeasor Releasor, this Tenet Joint Tortfeasor Release shall operate to discharge each Tenet Joint Tortfeasor Releasee from all liability to such Tenet Joint Tortfeasor Releasor and this Tenet Joint Tortfeasor Release shall operate to reduce the liability of the other defendants in such action by the pro rata share of liability attributable to such Tenet Joint Tortfeasor Releasee to the extent necessary to extinguish all liability of the Tenet Joint Tortfeasor Releasee for Tenet Claims.

(v) Each Tenet Joint Tortfeasor Releasor and each Tenet Joint Tortfeasor Releasee represents and warrants that, as of the date of this Settlement Agreement, other than the two actions described in Section 4.o(i) above, no Tenet Joint Tortfeasor Releasor or Tenet Joint Tortfeasor Releasee has any Claims or actions pending or contemplated against the other or against any entity not a party hereto which, in whole or in part, refers to, relates to, concerns, arises from or is in any way connected with any Tenet Claim.

p. Acknowledgment of Waiver of Rights. All persons or organizations giving releases pursuant to this Settlement Agreement (collectively, the **"Releasors"**) agree and acknowledge that they may have sustained, with respect to matters released in this Settlement Agreement or the Additional AHERF Insured Release, injury or loss or learn of damages which are presently unknown and unsuspected, and that such injury, loss or damage as each may have sustained or learned of might give rise to additional damages, losses, fees, costs, or expenses in the future. Nevertheless, having been advised by counsel, the Releasors have negotiated and

agreed upon this Settlement Agreement and hereby expressly waive any rights enumerated above, that they may have under any statutory or common law principles arising out of, in any way related to, or in connection with the waiver of unknown or unsuspected claims or unascertained injury or damage with respect to the matters released in this Settlement Agreement or the Additional AHERF Insured Release (including, without limitation, specified in Pennsylvania or other common law or in California Civil Code § 1542 or any other similar provision or principle of state or federal law).

q. Clarifications.

(i) This Section 4 shall not provide any release to a person or organization who is not a Settling Party or an Additional Releasor/Releasee but who is receiving a release from a Settling Party or an Additional Releasor/Releasee hereunder or under the Additional AHERF Insured Release by virtue of his/her/its relationship to a Settling Party or Additional Releasor/Releasee (the **"Indirect Releasee"**) (i.e., the release otherwise given by the Indirect Releasor under this Section 4 or under the Additional AHERF Insured Release to the Indirect Releasee shall be void) if the Indirect Releasee (A) makes a Settled Policy Claim and/or an AHERF Claim against the Settling Party or Additional Releasor/Releasee giving the release (the **"Indirect Releasor"**); and (B) fails, within five (5) business days after receiving notice of this provision, to dismiss with prejudice any lawsuit or permanently withdraw any such Claim. In addition, if an Indirect Releasee makes a Settled Policy Claim and/or an AHERF Claim against an Indirect Releasor that voids the release given by the Indirect Releasor to the Indirect Releasee, then any and all other Settling Parties and Additional Releasors/Releasees may also, at their sole respective options, also void the release given by him/her/it to the Indirect Releasee. The voiding of a release given to an Indirect Releasee shall not affect the validity of any other release given under this Section 4 or the Additional AHERF Insured Release.

(ii) If a Settling Party or Additional Releasor/Releasee would otherwise give a release to or receive a release from another Settling Party or another Additional Releasor/Releasee under this Settlement Agreement or under the Additional AHERF Insured Release by virtue of his/her/its relationship to another Settling Party or Additional Releasor/Releasee, then such Settling Party or Additional Releasor/Releasee shall only receive or give the releases directly given or received by such Settling Party or Additional Releasor/Releasee as a party to this Settlement Agreement or the Additional AHERF Insured Release. As such, (A) such a Settling Party or Additional Releasor/Releasee shall not be considered as within the scope of any release given to another Settling Party or Additional Releasor/Releasee, and (B) notwithstanding anything in this

Section 4 or the Additional AHERF Insured Release to the contrary, no Settling Party or Additional Releasor/Releasee shall be considered to be acting on behalf of or having the authority to act on behalf of any other individuals or organizations that are Settling Parties or Additional Releasors/Releasees in granting the releases described in this Section 4 or in the Additional AHERF Insured Release.

(iii) With the exception of Section 4.q(i), nothing in this Section 4 shall create, compromise, limit or impair the rights of: (A) persons or organizations who are not signatories to this Settlement Agreement or to an Additional AHERF Insured Release, including but not limited to (1) such nonsignatory persons or entities who were or are insureds under Ancillary Policies or to whom Ancillary Policies were issued, or (2) Committee members that sign this Settlement Agreement on behalf of the Committee; or (B) the Settling Parties or Additional Releasors/Releasees with respect to any policy or portion of a policy issued to non-signatories, or to Committee members that sign this Settlement Agreement on behalf of the Committee, that has not been released.

(iv) Except as otherwise provided in this Settlement Agreement with respect to those creditors of the AHERF Estates who are parties to this Settlement Agreement or the Additional AHERF Insured Release, acting in their capacity as such, this Settlement Agreement shall not be construed as effecting a release of any individual or organization, including but not limited to the AGH Entities or the Settling Insurers or Non-Settling Insurers, by the members of the Creditors Committee or by creditors of the AHERF Estates, respectively, in their individual capacities. For purposes of this Settlement Agreement, **"Non-Settling Insurers"** shall mean National Union Fire Insurance Company of Pittsburgh, PA, Reliance Insurance Company and Continental Casualty Company.

(v) Nothing in this Section 4 shall be construed to release or limit the Settling Insurer Companies' or, derivatively under Section 8, the Trustee's rights to assert against anyone who is not a Settling Party or an Additional Releasor/Releasee any Claim(s) or defense(s) to coverage or grounds for rescission or avoidance of coverage under the Settled Policies, including but not limited to the assertion of affirmative claims and causes of action pertaining to the procurement of any of the Settled Policies.

(vi) Nothing in this Settlement Agreement shall be construed to create coverage under any policy issued by the Settling Insurer Companies that would not otherwise exist pursuant to the policy's terms and applicable law.

(vii) Releases between and among the Settling Directors and Officers, the AHERF Affiliates, the Trustee, the Committee and the AGH Affiliates

and the Spitzer Class Action Plaintiffs are contained, to the extent provided, in the Spitzer Class Settlement Stipulation (as that term is defined in Section 12.d, below).

5. Withdrawals and Dismissals. As of the Effective Date, the Settling Parties will have respectively withdrawn and dismissed with prejudice all Claims set forth on Schedule 5A filed by them, including any proofs of claim filed in the bankruptcy proceeding of the AHERF Estates in connection with such Claims other than those proofs of claim described on Schedule 5B. Thereafter, each Settling Party respectively will seek to obtain the dismissal as to the Settling Parties of all other Claims being released by them under this Settlement Agreement and covenants and agrees never to (i) commence, prosecute, deliberately and actively assist, authorize, or (ii) voluntarily aid in any way, in each case any Claim against any individual or organization receiving a release under this Settlement Agreement or the Additional AHERF Insured Release (collectively, the **"Releasees"**) that has been released by such Settling Party in Section 4 of this Settlement Agreement or in the Additional AHERF Insured Release. However, a Settling Party is not precluded from waiving service of process requirements or appearing at trial in a matter in which that Settling Party has given deposition testimony. Each Settling Party hereby covenants and agrees to pay all reasonable expenses and fees, including, without limitation, attorneys' fees, incurred by any of the Releasees in connection with any Claim asserted by such Settling Party against such Releasee and based upon any Claim against such Releasee that is being released by such Settling Party in this Settlement Agreement.

6. Participation in Other AHERF Proceedings.

a. *By Settling Directors and Officers.* As of the Effective Date and unless otherwise required by law and subject to the provisions of Section 7, each Settling Director and Officer agrees that, upon the reasonable request of the Committee, he/she will appear for a reasonable period of time and at a reasonable time and place located within one hundred miles of his/her home, provided that the same is located within the continental United States of America and, if not, then in Pittsburgh, Pennsylvania, as reasonably designated by the Committee or at such other time and/or other location as the Committee and such Settling Director or Officer may agree without compulsory process, on reasonable notice by the Committee to provide information and/or documents, sworn statements, deposition testimony and/or trial testimony, subject to his or her constitutional rights, in connection with still-pending or subsequently initiated AHERF Claims and that such participation shall be without compensation or reimbursement of any kind. Any disputes as to the obligations of a Settling Director and Officer under this Section 6 shall be expeditiously determined after hearing by an arbitor mutually and reasonably acceptable to the Settling Parties or, if the parties cannot agree on such person within seven (7) business days of receipt of a

written notice of a request for a hearing, by a person appointed by the District Court (the **"arbitor"**). The hearing on the issue shall be held in Pittsburgh, Pennsylvania as soon as practicable after written notice of the request for the same has been given to the arbitor, the subject Settling Director or Officer, and the Committee. Any parties to the proceeding may participate by telephone. The ruling of the arbitor shall be deemed to constitute an order of the District Court, and the Committee and Settling Directors and Officers consent to the entry of an order by the District Court adopting the arbitor's determination. Any party to the proceeding may compel compliance with such order in the same manner as it would compel compliance with any other order of the District Court. Nothing herein is intended to nor shall be construed to limit the right of any party to the proceeding to appeal such District Court Order, nor shall any party be deemed in breach of such District Court Order while an appeal thereof is pending.

b. *By Mellon and Settling Insurers and AGH.* The Settling Insurers, Mellon and AGH designate the following individuals as persons whom the Committee may contact with requests for information and/or documents, sworn statements, deposition testimony and/or trial testimony in connection with still-pending or subsequently initiated proceedings, issues, disputes or claims related to the AHERF Entities or, prior to August 1, 1999, the AGH Entities and their respective operations:

For Federal Insurance Company:

Merril Hirsh, Esq.
Ross, Dixon & Bell, L.L.P.
2001 K St, N.W.
Washington, D.C. 20006

and

Directors and Officers Liability Claims
Manager Worldwide Claims
Chubb Group of Insurance Companies
15 Mountain View Road
Warren, New Jersey 07059

For Executive Risk Indemnity Inc:

Michael J. Rosen, Esq.
Peterson & Ross
200 East Randolph St., Suite 7300
Chicago, IL 60601-6969

and

Vice President of Claims
Executive Risk Indemnity Inc.
P.O. Box 2002
82 Hopmeadow Street
Simsbury, CT 06070

For Zurich-American Insurance Company, as successor to Zurich Insurance Company (US Branch):

R. Stacy Lane, Esq.
Arter & Hadden LLP
21st Floor, One Columbus
10 West Broad Street
Columbus, Ohio 43215-3422

For Royal Insurance Company of America:

R. Douglas Noah, Jr., Esq.
Wilson, Elser, Moskowitz, Edelman
& Dicker, LLP
5000 Renaissance Tower, 1201 Elm Street
Dallas, Texas 75270

For Mellon:

Jay H. Calvert, Jr., Esq.
Morgan, Lewis & Bockius, LLP
1701 Market Street
Philadelphia, PA 19103

For AGH:

Jerry Fedele, Esq.
Office of General Counsel
Allegheny General Hospital
320 East North Avenue
Pittsburgh, PA 15212

Each of the Settling Insurers, Mellon and AGH agree that it will consider such requests from the Committee for information from it and either agree to provide the information informally or, without otherwise waiving any objections to formal discovery, will provide the Committee with the name and location of an individual authorized to accept service on its behalf.

7. Indemnification of Settling Directors and Officers. As of the Effective Date, and expressly subject to the indemnitee's compliance with the terms of Sections 3.b(ii), clause (i) in the second sentence of Section 5, 6.a, 7 and 24 of this

Settlement Agreement, the AHERF Estates, acting by and through the Trustee, agree to indemnify and hold harmless the Settling Directors and Officers (other than Cahouet and O'Brien) against Claims to the extent provided below.

a. Indemnification Obligation. The Trustee agrees to indemnify each such Settling Director or Officer to the extent of that individual's assets that can be immediately executed upon and recovered at the time of and through any and all execution proceedings whenever instituted based on a contribution or indemnity judgment directly arising from payments made to the AHERF Estates by any party, whether initially named or subsequently joined, in satisfaction of a judgment in The Official Committee of Unsecured Creditors of Allegheny Health, Education and Research Foundation v. PricewaterhouseCoopers, LLP, No. 00-684 (W.D. Pa.) (the **"PwC Litigation"**) or any other action initiated, maintained or prosecuted by the Committee or the Trustee (collectively, with the PwC Litigation, a **"Committee/Trustee Driven Action"**). The term Committee/Trustee Driven Action includes actions subsequent to the Committee/Trustee Driven Action for such contribution and indemnity only to the extent that such actions: (1) are asserted by a party named or joined in the action initiated, maintained or prosecuted by the Committee or Trustee; (2) arise out of the same nucleus of operative facts as the underlying Committee/Trustee Driven Action; and (3) seek to allocate or apportion to such Settling Director or Officer some or all of the liability to the Committee or Trustee in the underlying Committee/Trustee Driven Action whether or not such claims expressly seek contribution or indemnity under the UCATA, the CNA, or otherwise. The indemnification obligation of the Trustee described in this Section 7 shall only cover Claims for contribution or indemnity in Committee/Trustee Driven Actions and shall not cover any other types of Claims, including but not limited to Claims in a Committee/Trustee Driven Action that are not for contribution or indemnity of amounts owed to the AHERF Estates nor Claims for punitive damages or other conduct not indemnifiable as a matter of law under the law of the Commonwealth of Pennsylvania. Notwithstanding the foregoing, the Trustee agrees to indemnify and hold harmless such Settling Directors and Officers against Claims for attorneys fees concerning Adversary Proceeding No. 99-2072 and any Claim by the Non-Settling Insurers arising out of or in any way relating to such Settling Directors' and Officers' negotiation of, entry into or performance of this Settlement Agreement (collectively, the **"Top 100 Litigation"**) but only to the extent provided in Section 7.b unless the Top 100 Litigation results in a contribution or indemnity judgment directly arising from payments made to the AHERF Estates by a Top 100 party, in which case all of the indemnities provided by this Section 7 shall apply. In the event the Committee or Trustee brings any action against any Non-Settling Insurer, which action becomes a part of or is adjudicated with Adversary Proceeding No. 99-2072, and such action results in a contribution or indemnity judgment directly arising

from payments made to the AHERF Estates by a Top 100 Litigation party, the entire Adversary Proceeding No. 99-2072 shall become a Committee/Trustee Driven Action. The Trustee shall not indemnify or hold harmless such Settling Directors and Officers against any other Claims or in any other circumstance concerning the Top 100 Litigation. Notwithstanding the foregoing and subject to Section 7.b below, the Trustee's obligation to indemnify any such Settling Director or Officer shall be effective only upon the satisfaction of all of the following conditions as to such Settling Director or Officer:

(i) The Settling Director or Officer is joined in the Committee/Trustee Driven Action or suit is initiated against the Settling Director or Officer for contribution or indemnity following payment to the Trustee pursuant to a judgment in the Committee/Trustee Driven Action; and

(ii) A judgment is entered against the Settling Director or Officer for contribution or indemnity arising as a result of such action with respect to an amount paid to the Committee, Trustee, or the AHERF Estates; and

(iii) The party obtaining that contribution or indemnity judgment institutes an execution proceeding upon the judgment referenced in Section 7.a(ii); and

(iv) The party obtaining that contribution or indemnity judgment identifies assets (other than insurance) of the Settling Director or Officer that are not otherwise exempt from execution (**"Executable Assets"**).

In the event that the contribution or indemnity judgment against such a Settling Director or Officer is for an amount equal to or less than the value of his/her identified Executable Assets, the Trustee shall pay the judgment creditor in cash an amount equal to the full value of such judgment in satisfaction of the judgment.

In the event that the contribution or indemnity judgment against such a Settling Director or Officer exceeds the value of his/her identified Executable Assets, the Trustee shall pay the judgment creditor in cash an amount equal to the full value of such identified Executable Assets, obtain the predicate release from the judgment creditor of such Executable Assets and the proceeds therefrom, and shall require that the judgment against such Settling Director or Officer be discharged to the extent of such payment, provided that the judgment creditor agrees in writing to accept the value of such Executable Assets in full satisfaction of its right to proceed in execution against those particular identified Executable Assets and any proceeds therefrom. Should the judgment creditor refuse to provide such written agreement and instead try to execute against such Settling Director's or Officer's assets or to attach his/her wages and/or other income, then the Trustee shall join with such Settling Director or Officer in seeking to enjoin such execution and/or attachment.

Each Settling Director or Officer agrees that the Trustee's indemnification obligation under this Section 7.a shall be funded solely from the amount of judgment proceeds received from the party obtaining the contribution or indemnity judgment that are retained by the Trustee for such purposes after the application procedure described in Section 7.c and if those funds are exhausted neither the Trustee and the AHERF Estate nor any creditor of the AHERF Estate shall have any liability or responsibility for any Claim for indemnification under this Section 7.a.

b. Attorneys' Fees and Costs.

(i) *Joinder In PwC Litigation, Committee/Trustee Driven Action, Top 100 Litigation*. In the event such a Settling Director or Officer is, or is joined as, a party in either the PwC Litigation, any other Committee/Trustee Driven Action, or the Top 100 Litigation, the Trustee shall indemnify such Settling Director or Officer for reasonable and necessary attorneys' fees and costs incurred in defense of that matter, including, in all cases other than the Top 100 litigation, any execution proceeding arising therefrom, provided:

(A) Such Settling Directors and Officers shall be represented in each respective case by the minimum number of lawyers consistent with the Pennsylvania Rules of Professional Conduct (**"RPC"**) and the constitutional rights of such Settling Directors and Officers. To the extent that conflicts or other issues among such jointly-represented Settling Directors and Officers arise over the course of the case requiring separate counsel under the RPC, the total number of counsel will be increased accordingly consistent with the RPC and constitutional rights of such Settling Directors and Officers. Reciprocally, to the extent that conflicts or other matters requiring separate representation under the RPC are resolved over the course of the litigation, the number of counsel will be decreased consistent with the RPC and constitutional rights of such Settling Directors and Officers. Such Settling Directors and Officers agree that defense of reputation is not a basis for needing separate representation.

(B) Such Settling Directors and Officers agree to a prospective waiver of all conflicts of interest arising out of, in any way related to, or in connection with representation of counsel that are waivable under the RPC, except that such Settling Directors and Officers do not waive conflicts of interest to the extent that such a Settling Director or Officer can demonstrate to an arbitrator, pursuant to Section 7.b(i)(K) below, that his/her interests in the action are adverse to those of another Settling Director or Officer in that action

represented by the same counsel such that such common counsel, as a result, cannot adequately represent his/her interests in the action.

(C) As of the Execution Date, and specifically in light of pending or threatened criminal proceedings, the Committee and such Settling Directors and Officers agree that the minimum number of counsel currently necessary for such Settling Directors and Officers consistent with the RPC is four (4) and they will be as follows:

Abdelhak & McConnell and Wynstra & All Other Settling Directors and Officers listed on parties to such subject to the consent of Committee, which shall not unreasonably be withheld)	Judith F. Olson Schnader, Harrison Segal Lewis LLP Kevin K. Douglass Babst, Calland, Clements Zomnir, P.C. Francis C. Rapp Feldstein, Grinberg, Stein McKee One of the firms Schedule 7.b (to be selected by those Settling Directors and Officers who may be made case, the

To the extent conflicts arise such that additional counsel are required under the RPC, each such Settling Director or Officer requiring separate counsel under the RCP shall select the lawyer or lawyers from the attached list set forth on Schedule 7.b, subject to the consent of the Committee, which consent shall not unreasonably be withheld. Nothing herein shall prevent such a Settling Director or Officer from selecting his/her own counsel at his/her own expense. Nothing in this Settlement Agreement shall be deemed or construed to prejudice the right of any Settling Director or Officer to argue that he or she requires separate counsel pursuant to the RPC, nor to prejudice the right of the Committee or Trustee to oppose such a request or to argue for a reduction in the total number of counsel representing such Settling Directors and Officers. In the event counsel concludes that the RPC requires it to withdraw as counsel, any counsel may

withdraw and be replaced by another firm listed on Schedule 7.b, subject to the consent of the Committee, which consent shall not unreasonably be withheld, provided that such substitution does not increase the total number of counsel for such Settling Directors and Officers.

(D) Where more than one counsel represent such Settling Directors and Officers, counsel for such Settling Directors and Officers shall make every reasonable effort to consolidate their efforts with one another and with counsel to the Committee to avoid duplicative services and otherwise to carry out their professional responsibilities to their respective clients in the most efficient manner possible, consistent with the RPC.

(E) Counsel for the Committee shall have primary responsibility to prosecute the Committee/Trustee Driven Action and Top 100 Litigation and counsel for such Settling Directors and Officers shall cooperate with counsel for the Committee to the greatest extent possible consistent with his/her professional responsibility to his/her client(s) under the RPC.

(F) The Trustee's obligation to pay reasonable and necessary defense fees and costs shall be limited to an aggregate of $750,000 for up to the first three such individual Settling Directors and Officers who are, and $250,000 for each such additional individual Settling Director or Officer who is, joined as parties/a party in the Committee/Trustee Driven Action through the discovery and pretrial phases (including summary judgment motions) of the case to a maximum aggregate cap of $2,500,000; provided that the Trustee's obligation to pay reasonable and necessary defense fees and costs arising from the Top 100 Litigation shall be limited to an aggregate of $300,000 for up to the first two such individual Settling Directors and Officers who are, and $100,000 for each such additional individual Settling Director or Officer who is, joined as parties/a party in the Top 100 Litigation through the discovery and pretrial phases (including summary judgment motions) of the case to a maximum aggregate cap of $500,000, which amount shall reduce the $2,500,000 maximum aggregate cap for Committee/Trustee Driven Actions. With the consent of all such Settling Directors and Officers, the foregoing limit of $250,000 or $100,000, as the case may be, per individual Settling Director or Officer may be exceeded by one or more such Settling Directors and Officers provided that there is a corresponding and equal reduction in the defense costs

expended on behalf of other such Settling Directors and Officers. In no event shall the Trustee's aggregate exposure for defense fees and costs during these phases of the cases exceed the aggregate amount of $500,000 in the case of the Top 100 Litigation or $2,500,000 in all cases, unless the Committee, in its sole discretion, decides to increase the overall maximum aggregate dollar cap, the Top 100 Litigation maximum aggregate dollar cap, or one or more of the individual dollar caps set forth herein.

(G) With respect to trial, post-trial and appeals of any Committee/Trustee Driven Action or the Top 100 Litigation, the Trustee's obligation to pay reasonable and necessary defense fees and costs shall be limited to an aggregate of $600,000 for up to the first three such individual Settling Directors and Officers who remain, and $200,000 for each additional individual Settling Director or Officer who remains, a party as of time of trial of the case, to a maximum aggregate cap of $2,000,000; provided that the Trustee's obligation to pay reasonable and necessary defense fees and costs arising from the Top 100 Litigation shall be limited to an aggregate of $300,000 for up to the first two such individual Settling Directors and Officers who remain, and $100,000 for each such additional individual Settling Director or Officer who remains, a party as of the time of trial of the the Top 100 Litigation to a maximum aggregate cap of $500,000, which amount shall reduce the $2,000,000 maximum aggregate cap for Committee/Trustee Driven Actions. With the consent of all such Settling Directors and Officers, the foregoing limit of $200,000 or $100,000, as the case may be, per individual Settling Director or Officer may be exceeded by one or more such Settling Directors and Officers provided that there is a corresponding and equal reduction in the defense costs expended on behalf of other such Settling Directors and Officers. In no event shall the Trustee's aggregate exposure for defense fees and costs during these phases of the case exceed the aggregate amount of $500,000 in the case of the Top 100 Litigation or $2,000,000 in all cases, unless the Committee, in its sole discretion, decides to increase the overall maximum aggregate dollar cap, the Top 100 maximum aggregate dollar cap, or one or more of the individual dollar caps set forth herein.

(H) Legal fees and costs that are incurred by any such Settling Director or Officer other than those arising by virtue of being

joined or named a party in a contribution or indemnity action, including but not limited to fees and costs incurred to provide testimony or documents as a non-party witness, are not covered by this indemnification. Legal fees and costs incurred in violation of the provisions of this Section 7.b are not covered by this indemnification.

(I) The Committee and the Trustee shall obtain District Court and, if necessary, Bankruptcy Court approval to use part of the litigation trust to fund the attorney's fee obligations set forth in this Section 7.b(i) such that such Settling Directors and Officers shall have, subject to the provisions of this Section 7.b(i), a claim to moneys in the litigation trust pari passu to the claims of counsel for the Committee and the Trustee and be paid from the litigation trust. To the extent that the litigation trust is inadequate to pay such legal fees and costs in full, then the unpaid fees and costs shall be paid from funds released to the AHERF Estates from the Hold Harmless Reserve (as that term is defined in Section 8.c) immediately upon the release of such funds in accordance with Sections 8.c or 8.d, subject to the same conditions set forth above. The Settling Parties agree that the Committee Settlement Amount shall be distributed by the Trustee to the creditors of the AHERF Estates immediately upon receipt and the Trustee shall not retain the Committee Settlement Amount in connection with any provision of this Settlement Agreement. No Settling Party may seek to restrain, encumber or otherwise prevent the distribution of the Committee Settlement Amount pursuant to Schedule 2B.

(J) Each such Settling Director or Officer shall have given his/her/its counsel a copy of this Section 7 and such counsel shall have agreed in writing to act in accordance with and subject to its terms.

(K) Any disputes among the parties to the indemnities contemplated in Section 4.i(viii), Section 4.i(xi), Section 4.k, Section 4.m(iv), Section 4.m(vi), Section 4.m(vii) and this Section 7 regarding the detail of time entries, representation of counsel and reasonableness and necessity of attorneys' fees and costs in connection with the indemnification obligations set forth in those sections shall be resolved promptly by a single, neutral, mutually acceptable arbitrator who shall be an attorney learned in the Pennsylvania Rules of Professional Conduct, and whose decisions shall be final and binding on all parties.

(L) Counsel for the such Settling Directors and Officers and, as provided in Section 4.i(xi), the AGH Affiliates, and, as provided in Section 4.k(vii), the Mellon Releasees and/or the Cahouet Releasees, and, as provided in Section 4.m(vii), the O'Brien Releasees, shall, within thirty (30) days of the close of each month, provide to the Trustee and the Committee an invoice containing monthly detailed descriptions of incurred time and expenses for the preceding month for which indemnification is sought. Payment of all invoiced amounts not subject to dispute shall be paid by the Trustee within 45 days of receipt of the invoice and payment of any disputed amounts ordered to be paid by the arbitrator shall be paid, together with any statutory interest ordered by the arbitrator, within 30 days of the arbitrator's ruling.

(ii) *Separate Contribution or Indemnity Litigation*. In the event such a Settling Director or Officer is made a party in any action subsequent to a Committee/Trustee Driven Action in which a party in any Committee/Trustee Driven Action seeks contribution or indemnity on account of payment of a judgment in favor of the Trustee or Committee in the Committee/Trustee Driven Action, the Trustee shall indemnify such Settling Director or Officer for reasonable attorneys' fees and costs incurred in defense of that matter, provided:

(A) Such Settling Directors and Officers shall be represented in the case by the minimum number of lawyers consistent with the RPC and the constitutional rights of such Settling Directors and Officers. To the extent that conflicts or other issues among such jointly-represented Settling Directors and Officers arise over the course of the case requiring separate counsel under the RPC, the total number of counsel will be increased accordingly consistent with the RPC and constitutional rights of such Settling Directors and Officers. Reciprocally, to the extent that conflicts or other matters requiring separate representation under the RPC are resolved over the course of the litigation, the number of counsel will be decreased consistent with the RPC and constitutional rights of such Settling Directors and Officers. Such Settling Directors and Officers agree that defense of reputation is not a basis for needing separate representation.

(B) Such Settling Directors and Officers agree to a prospective waiver of all conflicts of interest arising out of, in any way related to, or in connection with representation of counsel that are waivable under the RPC, except that such Settling Directors and Officers do not waive conflicts of interest to the

extent that such a Settling Director or Officer can demonstrate to an arbitrator, pursuant to Section 7.b(ii)(J) below, that his/her interests in the action are adverse to those of another Settling Director or Officer in that action represented by the same counsel such that such common counsel, as a result, cannot adequately represent his/her interests in the action.

(C) As of the Execution Date, and specifically in light of pending or threatened criminal proceedings, the Committee and such Settling Directors and Officers agree that the minimum number of counsel currently necessary for such Settling Directors and Officers consistent with the RPC is four (4) and they will be as follows:

Abdelhak & McConnell and Wynstra &	Judith F. Olson Schnader, Harrison Segal Lewis LLP
	Kevin K. Douglass Babst, Calland, Clements Zomnir, P.C.
	Francis C. Rapp Feldstein, Grinberg, Stein McKee
All Other Settling Directors and Officers listed on parties to such case, subject to the consent of the Committee, which shall not unreasonably be withheld)	One of the firms listed on Schedule 7.b (to be selected by those Settling Directors and Officers who may be made

To the extent conflicts arise such that additional counsel are required under the RPC, each such Settling Director or Officer requiring separate counsel under the RCP shall select the lawyer or lawyers from the attached list set forth on Schedule 7.b, subject to the consent of the Committee, which consent shall not unreasonably be withheld. Nothing herein shall prevent such a Settling Director or Officer from selecting his/her own counsel at his/her own expense. Nothing in this Settlement Agreement shall be deemed or construed to prejudice the right of any Settling Director or Officer to argue

that he or she requires separate counsel pursuant to the RPC, nor to prejudice the right of the Committee or Trustee to oppose such a request or to argue for a reduction in the total number of counsel representing such Settling Directors and Officers. In the event counsel concludes that the RPC requires it to withdraw as counsel, any counsel may withdraw and be replaced by another firm listed on Schedule 7.b, subject to the consent of the Committee, which consent shall not unreasonably be withheld, provided that such substitution does not increase the total number of counsel for such Settling Directors and Officers.

(D) Where more than one counsel represent such Settling Directors and Officers, counsel for such Settling Directors and Officers shall make every reasonable effort to consolidate their efforts with one another and with counsel to the Committee to avoid duplicative services and otherwise to carry out their professional responsibilities to their respective clients in the most efficient manner possible, consistent with the RPC. The parties agree that duplicative services and costs are not reasonable and necessary.

(E) Counsel for the Committee shall, at the Committee's expense, be retained to serve as special counsel to defense counsel to coordinate the effort of defense counsel and facilitate, as appropriate, the use of information developed in the underlying Committee/Trustee Driven Action giving rise to the separate contribution or indemnity litigation. Counsel for such Settling Directors and Officers shall cooperate with counsel for the Committee to the greatest extent possible consistent with his/her professional responsibility to his/her client(s) under the RPC.

(F) The Trustee's obligation to pay reasonable and necessary defense fees and costs shall be limited to an aggregate of $900,000 for up to the first two such individual Settling Directors or Officers who are made parties to the case, and $450,000 for each such additional individual Settling Director or Officer who is thereafter made a party in the case, to a maximum aggregate cap for all such Settling Directors and Officers of $4,500,000, unless the Committee, in its sole discretion, decides to increase the total dollar cap or one or more of the individual dollar caps set forth herein.

(G) Legal fees and costs that are incurred by any such Settling Director or Officer other than those arising by virtue of being joined or named a party in a contribution or indemnity action, including but not limited to fees and costs incurred to provide testimony or documents as a non-party witness, are not

covered by this indemnification. Legal fees and costs incurred in violation of the provisions of this Section 7.b are not covered by this indemnification.

(H) Such Settling Directors and Officers and Committee recognize and agree that the amounts necessary to fund the indemnification obligation arising from a given Committee/Trustee Driven Action will come solely from the proceeds of that specific action and that the provisions of Section 7.c will apply to determine the amount of those funds to be set aside for such purpose. The Settling Parties agree that the Committee Settlement Amount shall be distributed by the Trustee to the creditors of the AHERF Estates immediately upon receipt and the Trustee shall not retain the Committee Settlement Amount in connection with any provision of this Settlement Agreement. No Settling Party may seek to restrain, encumber or otherwise prevent the distribution of the Committee Settlement Amount pursuant to Schedule 2B.

(I) Each such Settling Director or Officer shall have given his/her/its counsel a copy of this Section 7 and such counsel shall have agreed in writing to act in accordance with and subject to its terms.

(J) Any disputes among the parties regarding the detail of time entries, the representation of counsel, and reasonableness and necessity of attorneys' fees and costs in connection with the indemnification obligations set forth in this Section 7 shall be promptly resolved by a single, neutral, mutually acceptable arbitrator who shall be an attorney learned in the RPC, and whose decisions shall be final and binding on all parties.

(K) Counsel for such Settling Directors and Officers shall, within thirty (30) days of the close of each month, provide to the Trustee and the Committee an invoice containing monthly detailed descriptions of incurred time and expenses for the preceding month for which indemnification is sought. Payment of all invoiced amounts not subject to dispute shall be paid by the Trustee within 45 days of receipt of the invoice and payment of any disputed amounts ordered to be paid by the arbitrator shall be paid, together with any statutory interest ordered by the arbitrator, within 30 days of the arbitrator's ruling.

c. Distribution of Proceeds from Payment of Judgment in Committee/Trustee Driven Action. Following the satisfaction of each judgment that is entered on the docket in any Committee/Trustee Driven Action and, in any event, before any dissipation or distribution of such judgment proceeds unless otherwise agreed in writing by the Committee and such Settling Directors and Officers, the Committee and the Trustee shall file an application with the District Court, with notice to such Settling Directors and Officers, Mellon and Cahouet, requesting a determination by the District Court of the amount that the Trustee must retain to fund the indemnification obligation of the Trustee under Section 7. The Committee, the Trustee and such Settling Directors and Officers agree to request that the District Court make this determination in an expedited manner. Until the District Court determines that amount to be retained, the Trustee shall not distribute any of the subject proceeds. Following the District Court's determination of the amount to be retained, the Trustee shall escrow the determined amount(s) for the sole purpose of funding the indemnification obligation and all remaining funds shall be released to the Committee or the Trustee, as the case may be, for distribution pursuant to the Plan, subject to the other provisions of this Settlement Agreement. The Trustee and the Committee may petition the District Court, with notice to such Settling Directors and Officers, to reconsider the determined amount or release amounts from the escrow upon a change in circumstances (e.g., the filing of the contribution or indemnity action against fewer than expected Settling Directors and Officers, the dismissal of the contribution or indemnity action against all or a portion of such Settling Directors and Officers, the passage of the statute of limitations on contribution or indemnity actions). The Committee, the Trustee, and such Settling Directors and Officers consent to the exclusive jurisdiction of the District Court for this purpose.

d. Settlement with Defendants in Committee/Trustee Driven Action. In the event of a settlement between any Settling Party on the one hand and a defendant with respect to any Settled Policy Claim or any AHERF Claim on the other, 42 Pa. C.S.A. Section 8324 provides that a joint tortfeasor who enters into a settlement with the injured person is not entitled to recover contribution from another joint tortfeasor whose liability to the injured person is not extinguished by the settlement. In the event that any Settling Party settles or compromises any AHERF Claim or Settled Policy Claim, such settlement or compromise shall, consistent with 42 Pa. C.S.A. Section 8324(c), provide that the parties to such agreement shall release and, if applicable, dismiss with prejudice any Claim for contribution against any other Settling Party arising out of, in any way related to, or in connection with the matters settled. In addition, any such settlement or compromise shall include a release and, if applicable, a dismissal with prejudice of any Claim against any Settling Party for indemnification arising out of, in any way related to, or in connection with the matters

settled. In the event of a settlement between any Settling Party and a party other than a defendant with respect to any Settled Policy Claim or any AHERF Claim, such Settling Party shall exercise best efforts to obtain for the other Settling Parties releases and dismissals of scope equal to those described in the preceding sentences of this Section 7.d.

8. Indemnification of Settling Insurer Companies. As of the Effective Date, and expressly subject to the indemnitee's compliance with the terms of this Settlement Agreement, the Trustee agrees to take judgment reduction, indemnify and to hold harmless each of the Settling Insurer Companies against certain Claims but only to the extent provided below.

a. Claims Arising From Committee/Trustee Driven Action.

(i) *Definition of Judgment Reduction Claim*. The term **"Judgment Reduction Claim"** shall refer to any AHERF Claim, Settled Policy Claim or Claim that seeks to have one or more of the Settling Insurer Companies pay for some or all of the liability to plaintiff in any Committee/Trustee Driven Action that is (A) asserted against any Settling Insurer Company by any party to a Committee/Trustee Driven Action and (B) asserted against any Settling Insurer Company in, in relationship to, arising out of, or because of such Committee/Trustee Driven Action, in each case to the extent that such amount is in relationship to, arising out of, or because of liability to the Trustee or Committee in such Committee/Trustee Driven Action.

(ii) *Present Joinder or Litigation*. If a Settling Insurer Company is joined in the Committee/Trustee Driven Action, the Committee and Trustee agree to reduce any judgment achieved in such Committee/Trustee Driven Action by the minimum amount necessary either (A) to extinguish such Judgment Reduction Claim against the Settling Insurer Companies, or (B) to hold the Settling Insurer Companies harmless for any Judgment Reduction Claim in any such action.

(iii) *Separate Litigation*.

(A) In the event that a Judgment Reduction Claim is made as a separate action from the Committee/Trustee Driven Action and the Judgment Reduction Claim should go to judgment or Committee-approved settlement before a judgment or settlement is obtained in the Committee/Trustee Driven Action to which it is related, the Committee and Trustee shall indemnify the Settling Insurer Companies against whom the Judgment Reduction Claim is asserted and hold them harmless for the judgment or Committee-approved settlement of the Judgment Reduction Claim up to the

greater of the maximums allowed under Section 8.b, 8.c and 8.d, below, or the amount of the eventual judgment or settlement received in the Committee/Trustee Driven Action to which it is related. This indemnity and hold harmless shall be paid out of any amounts available under Sections 8.b, 8.c and 8.d, below. In the event that the Committee or the Trustee subsequently obtains a settlement or judgment in the Committee/Trustee Driven Action to which such Judgment Reduction Claim is related, (1) that settlement or judgment will be applied first to make up any difference between the indemnity previously paid and the judgment or settlement of the Judgment Reduction Claim; (2) that settlement or judgment will then be applied to replenish any amounts that otherwise would have been in the Hold Harmless Reserve described in Section 8.c, below; and (3) any amounts previously paid for such Judgment Reduction Claim shall no longer be applied against the limits set forth in Sections 8.b or 8.c, below. The Settling Insurers agree to obtain Committee consent prior to settling any Judgment Reduction Claim, which consent shall not be unreasonably withheld.

(B) Following the satisfaction of each judgment that is entered on the docket in any Committee/Trustee Driven Action or receipt of a settlement in such action and, in any event, before any dissipation or distribution of such judgment proceeds, the Committee or Trustee shall provide notice of the judgment to the Settling Insurers. Within twenty (20) days of the receipt of such notice, any of the Settling Insurer Companies may file an application with the District Court requesting a determination by the District Court of the amount, if any, the Trustee must pay or retain in order to be sufficient to indemnify and to hold the Settling Insurer Companies harmless to the same extent as would the judgment reduction mechanism of Section 8.a(i) with respect to any concluded, pending or reasonably anticipated separate Judgment Reduction Claim to which such Committee/Trustee Action is related. The Committee, the Trustee and the Settling Insurers (on behalf of their respective Settling Insurer Companies) agree to request that the District Court make this determination in an expedited manner. Until the District Court determines that amount to be paid or retained, the Trustee shall not distribute any of the subject proceeds. Following the District Court's determination of the amount to be paid or retained, the Trustee shall escrow the determined amount(s) for the sole

purpose of funding the hold harmless obligation and all remaining funds shall be released to the Committee or the Trustee, as the case may be, for distribution pursuant to the Plan, subject to the other provisions of this Settlement Agreement. This escrow shall be used to indemnify and to hold the Settling Insurer Companies harmless to the same extent as would the judgment reduction mechanism of Section 8.a(i). The Trustee and the Committee or the Settling Insurer Companies may petition the District Court to reconsider the determined amount or release amounts from the escrow upon a change in circumstances. The Committee, the Trustee, and the Settling Insurers (on behalf of their respective Settling Insurer Companies) consent to the exclusive jurisdiction of the District Court for this purpose.

(iv) In the event of a settlement between any Settling Party on the one hand and a defendant in any AHERF Claim or Settled Policy Claim, such settlement or compromise shall, consistent with 42 Pa. C.S.A. Section 8324(c), provide that the parties to such agreement shall release and, if pending, dismiss with prejudice, any Claim against any Settling Insurer Company arising out of, in any way related to, or in connection with the matters settled and/or any AHERF Claim, including but not limited to any pending or possible Judgment Reduction Claim.

b. Additional Hold Harmless Obligations.

(i) Subject only to the limitations in Section 3.b(ii) above and Section 8.b(ii) and the qualifications in Section 8.d, below, the AHERF Estates shall indemnify and hold the Settling Insurer Companies harmless, up to the maximum amount of ten million dollars ($10,000,000) (subject to reduction by mutual agreement of the Committee, the Trustee and the Settling Insurers), from (A) reasonable and necessary attorneys fees of Settling Insurer Companies incurred in defense of any action described in Section 8.a(i); and (B) reasonable and necessary attorney fees of Settling Insurer Companies and liability resulting from those Judgment Reduction Claims described in 8.a(iii)(A) above and any and all AHERF Claims and/or Settled Policy Claims as to which Section 8.a, does not apply (irrespective of whether such Claims have been settled or remain unsettled).

(ii) The obligations in this Section 8 shall be subject to the following limitations:

(A) Without in any way limiting the obligation of the AHERF Estates to indemnify the Settling Insurer Companies or to

hold them harmless as set forth in this Section 8 with respect to obligations arising out of, in any way related to, or in connection with any of the AHERF Policies, Section 8 shall not apply to obligations the Settling Insurer Companies may have to make payment under (1) policies that have been excluded from the definition of Ancillary Policies in Section 3.d, above; or (2) Ancillary Policies that have not been released under the provisions of Section 4, above;

(B) Section 8 shall not apply to (1) Claims in which there has been an adjudication of criminal conduct, fraud or willful misconduct by the Settling Insurer Company seeking indemnification, provided however that Claims of bad faith, breach of covenant of good faith and fair dealing or Claims arising in connection with the negotiation of or entry into this Settlement Agreement shall not be considered "criminal conduct, fraud or willful misconduct;" or (2) Claims for the Settling Insurer Company's employee salaries and benefits and administrative overhead.

c. The Trustee, on behalf of the AHERF Estates, shall seek District Court and, if necessary, Bankruptcy Court approval to use part of the litigation trust as a reserve (the **"Hold Harmless Reserve"**) to secure the hold harmless obligation in Section 8.b above. Upon approval by the Bankruptcy Court, five million dollars ($5,000,000) (subject to reduction by mutual agreement of the Committee, the Trustee and the Settling Insurers) of the litigation trust shall be maintained by the Trustee for this purpose through December 31, 2003 unless the Hold Harmless Reserve is earlier terminated under Section 8.d below. From January 1, 2004 through December 31, 2004, the Hold Harmless Reserve shall be two million five hundred thousand dollars ($2,500,000), unless earlier terminated under Section 8.d below. Nothing in this paragraph is intended to nor should it be construed to impair the Trustee's or the Committee's discretion with respect to the remainder of the litigation trust, nor does any expenditure of that remainder alter the rights or obligations set forth in this section. The Settling Parties agree that the Committee Settlement Amount to be paid to the Committee pursuant to Schedule 2B shall be distributed by the Trustee to the creditors of the AHERF Estates immediately upon receipt and the Trustee shall not retain any funds in connection with any provision of this Settlement Agreement. No Settling Party may seek to restrain, encumber or otherwise prevent the distribution of the Committee Settlement Amount pursuant to Schedule 2B.

d. In the event that the Hold Harmless Reserve is insufficient to satisfy the hold harmless obligation in Section 8.b above, the Committee and Trustee agree to fund the balance of such obligation from the proceeds of a

settlement or judgment or award entered in any litigation, with interest computed at the rate that the Committee or the Trustee actually realizes with respect to such funds commencing on the date the Committee or Trustee first receives money that could be used to fund the obligation until the date it is paid. Following the receipt of any such proceeds and, in any event, before any dissipation or distribution of such judgment proceeds, the Committee or Trustee shall provide notice of the receipt to the Settling Insurers, Mellon and Cahouet. Within twenty (20) days of the receipt of such notice, any Settling Insurer may file an application with the District Court requesting a determination by the District Court of the amount the Trustee must pay or retain in escrow in order to be sufficient to satisfy the hold harmless obligation of Section 8.b or of this Section 8.d and shall promptly serve such application on the Trustee and the Committee. At that same time, (i) any of the Settling Insurers may, upon a showing that the additional money is reasonably necessary to satisfy pending or reasonably anticipated hold harmless needs, petition to increase the limit in Section 8.b up to twenty million ($20,000,000); or (ii) the Committee and the Trustee may, upon a showing that the amounts set forth in Section 8.b(i) exceed the amount reasonably necessary to satisfy pending or reasonably anticipated hold harmless needs, petition the Court to reduce the limit in Section 8.b, above, down to five million dollars ($5,000,000). The Committee, the Trustee and the Settling Insurers (on behalf of their respective Settling Insurer Companies) agree to request that the District Court make the determinations described in this Section 8.d in an expedited manner. Provided that a timely application has been filed, the Trustee shall not distribute any of the subject proceeds until the District Court determines the amount to be retained. Following the District Court's determination of the amount to be retained, the Trustee shall escrow the determined amount(s) for the sole purpose of funding the hold harmless obligation. The Trustee and the Committee or the Settling Insurer Companies may petition the District Court to reconsider the determined amount or to release amounts from the escrow upon a change in circumstances. The Committee, the Trustee, and the Settling Insurers (on behalf of their respective Settling Insurer Companies) consent to the exclusive jurisdiction of the District Court for this purpose.

e. Handling of Claims.

(i) *Claims Designee.* The Trustee, on behalf of the AHERF Estates, hereby designates the Committee (**"Claims Designee"**) to receive and to respond to inquiries arising out of, in any way related to, or in connection with payment under or in connection with its indemnification obligations under this Section 8.

(ii) *Director and Officer Claims.* Any Settling Insurer Company that receives notice of a Claim made against an AHERF Insured that may give

rise to a request for coverage as to which the judgment reduction or indemnification obligations under this Section 8 may apply, shall promptly inform the Claims Designee. With respect to the handling of such notice, the Claims Designee shall have the right to select counsel and other professionals and to control the defense; provided, however, that Claims Designee shall not take any position on the meaning, interpretation, or application of the AHERF Policies or the Ancillary Policies without first obtaining any relevant Settling Insurer Company's consent and approval, which consent and approval the Settling Insurer Companies shall not withhold unreasonably; and that each Settling Insurer Company shall have the right to review and approve all pleadings, other papers filed, or positions taken formally or informally on its behalf, or in its name with respect to any such claim; provided, however, that with respect to each Settling Insurer Company's right of approval, each Settling Insurer Company shall not withhold such approval unreasonably. Where Claims Designee can show that the relevant Settling Insurer Company has taken the same position in another litigation matter or other public forum, that fact shall be evidence as to the unreasonableness of Settling Insurer Company's withholding of its consent or approval of such position. The Claims Designee and the Settling Insurer Companies shall cooperate in good faith in the conduct of the defense; provided, however, that nothing shall prevent Settling Insurer Companies from protecting themselves against any liability from which they are not indemnified or held harmless.

(iii) *Insurer Claims.* Any Settling Insurer Company that receives notice of a Claim made against it, to which the judgment reduction or indemnification obligations under this Section 8 may apply, shall promptly disclose the notice to the Claims Designee. With respect to any such Claim, the Settling Insurer Company shall have the right, subject to the Committee's approval which shall not be unreasonably withheld, to select counsel and other professionals and, subject to Section 8.a(iii)(A), to control the defense; provided, however, that any expenses incurred in connection with the defense shall be reasonable, using its regular counsel described on attached Schedule 8.e(iii) at its most favorable (lowest) negotiated rates. Subject to the other provisions of this Section 8, including without limitation all dollar limits set forth in this Section 8, the Committee shall advance such reasonable defense costs on behalf of the Settling Insurer Company on a current basis within 30 days of submission. Claims Designee and the Settling Insurer Company shall cooperate in good faith in the conduct of the defense; provided, however, that nothing shall prevent Settling Insurer Companies from protecting themselves against any liability from which they are not indemnified or held harmless.

f. Each Settling Insurer Company shall deliver to the Committee concurrently with its request for indemnification under this Section 8 full and complete copies of the policy(ies) under which the Settling Insurer

Company seeks indemnification.

g. The hold harmless obligation set forth in Section 8.b applies only to Claims that are made or arise out of Claims made against any individual or entity on or before December 31, 2004.

h. This Section 8 shall not be considered to create any rights in any Releasee to bring Claims against the Settling Insurer Companies or the Trustee that such Releasee has released in Section 4 of this Settlement Agreement. Nothing in Section 4 shall be construed to release or to limit the Settling Insurer Companies' or, derivatively under this Section 8, the Trustee's or Committee's rights to assert against anyone who is not a Settling Party or an Additional Releasor/Releasee any Claim(s) or defense(s) to coverage or grounds for rescission or avoidance of coverage under the Settled Policies, including but not limited to the assertion of affirmative claims and causes of action pertaining to the procurement of any of the Settled Policies.

9. Stay. Upon executing this Settlement Agreement, the Settling Parties will make all reasonable efforts and execute any appropriate or necessary stipulations to effectuate a stay as to any pending claim or potential claim that would be settled by virtue of this Settlement Agreement until such time as there is either an Effective Date or 15 days after there is a Termination Date for this Settlement Agreement, whichever is earlier.

10. Best Efforts. Each Settling Party hereby agrees to use his, her or its best efforts to satisfy the conditions of this Settlement Agreement and to effectuate same consistent with the purposes stated herein, and further agrees not to take any action that would interfere with the implementation of its provisions. Notwithstanding the foregoing, however, nothing in this Settlement Agreement or this Section 10 is intended or shall be construed: (i) to waive any applicable privileges, including but not limited to Federal Rule of Evidence 408; (ii) to impose any obligation upon or imply any consent by the Settling Insurers or Mellon with respect to the accuracy, amount or fairness of any allocation of any proceeds they pay under Section 2.a, above, including, without limitation, any obligation to assist in any effort to obtain the condition to the Effective Date of this Settlement Agreement set forth in Section 12.e, below, or to take any position concerning, or to ensure compliance with Schedule 2B, below; (iii) to impose any obligation upon or imply any consent by the Settling Directors and Officers with respect to the accuracy, amount or fairness of any allocation of any proceeds paid on their behalf, other than the allocations for civil and criminal defense fees, under Section 2.a, above, including but not limited to any obligation to assist in any effort to obtain the condition to the Effective Date of this Settlement Agreement set forth in Section 12.e, below, or to take any position concerning Schedule 2B, below, except as to the allocations for civil and criminal defense fees as described in such Schedule; (iv) to impose any obligation on any

Settling Party apart from the Committee and Trustee to assist in any effort to obtain Court approval of Section 16 of Schedule 11.a attached hereto; or (v) to require any of the Settling Parties to pay any additional amounts towards effectuating this Settlement Agreement beyond those amounts set forth in Section 2, above. The Settling Parties whose obligations are limited by clauses (ii), (iii) and (iv) of the preceding sentence, make no representation concerning those subjects set forth in those clauses.

11. Court Approval and Continued Jurisdiction.

a. This Settlement Agreement shall be contingent upon entry of an order with the findings of fact adopted in all material respects, and the numbered paragraphs entered without any change whatsoever, in the form attached hereto as Schedule 11.a (the **"Final Approval Order"**) on the dockets of the District Court and the Bankruptcy Court. Each Settling Party consents to the jurisdiction of the Bankruptcy Court and the District Court for purposes of obtaining the Final Approval Order.

b. As soon as practicable after execution of this Settlement Agreement, the Settling Parties shall jointly apply to the District Court and the Bankruptcy Court for entry of the **"Settlement Notice Order"** and for approval of the **"Settlement Notice"** in the form attached hereto as Schedule 11.b(1) and Schedule 11.b(2), respectively. As stated in the Settlement Notice Order, subject to the District Court's or the Bankruptcy Court's directing the Settling Parties to do otherwise, the Trustee, at the Trustee's expense, will serve the notice by:

(i) mailing the Settlement Notice, first class, postage prepaid, to

(A) all parties on any of the service lists in the proceedings relating to the AHERF Estates or the AGH Entities before the District Court or the Bankruptcy Court;

(B) all parties in any of the matters described in Schedule 5A (Claims to be Dismissed) or Schedule 3.b(ii) (All Known Pending Lawsuits);

(C) any individual upon whom any of the Settling Claimants has made a demand for money damages in connection with the AHERF Estates or the AGH Entities as reflected on the lists to be provided by the Settling Claimants;

(D) any other law firms identified by Federal as counsel for AHERF Insureds as reflected in the list provided by Federal;

(E) any other parties the Trustee deems appropriate in his sole discretion.

(ii) publishing the Settlement Notice, once a week for three weeks, in

(A) The Pittsburgh Post-Gazette;

(B) The Philadelphia Inquirer;

(C) The Courier Post; and

(D) The Wall Street Journal.

12. Effective Date. As used herein, the **"Effective Date"** shall mean the date upon which all of the following conditions have been satisfied or waived by each Settling Party:

a. Entry by the District Court and the Bankruptcy Court of the Final Approval Order, and such order becoming a final, binding and non-appealable order that has not been stayed, or reversed or modified in any of its numbered paragraphs in any respect.

b. Dismissal with prejudice or settlement of all matters listed on Schedule 5A.

c. Receipt of District Court and, if necessary, Bankruptcy Court approval for use of the litigation trust as contemplated in Sections 4, 7 and 8 above.

d. Entry of an order or orders by the United States District Court for the Eastern District of Pennsylvania, certifying for settlement purposes only the Settlement Class defined in paragraph 1.a of the Spitzer Class Settlement Stipulation (a copy of which is attached as Schedule 12.d) (the **"Spitzer Class Settlement Stipulation"**) and preliminarily approving the terms of the referenced agreement and the method of providing class notice set forth therein; entry of final judgment by the United States District Court for the Eastern District of Pennsylvania, finally approving the terms set forth in the Spitzer Class Settlement Stipulation without any changes to the form of the same attached hereto as Schedule 12.d; and such judgment becoming final by way of the exhaustion of all appeals or other forms of appellate review or by expiration of the time period for appellate review in the absence of an appeal or other request for review. Notwithstanding the foregoing, in the event that the Spitzer court declines to enter those orders or for other reasons the Spitzer Class Settlement Stipulation does not otherwise take effect on or before November 15, 2002, this condition to the Effective Date shall nevertheless be considered as met if prior to November 16, 2002, either one or more of the Settling Directors and Officers, or one or more of the Settling Insurers, at their sole option, decides to assume responsibility for indemnification for the defense and resolution of Spitzer, in which event the four million seven hundred fifty thousand dollars ($4,750,000) plus accrued interest to be paid to the plaintiffs in the Spitzer Class Action Plaintiffs pursuant to

Schedule 2B shall instead be paid to any Settling Director(s) or Officer(s) or Settling Insurer(s) who agree to assume such indemnification obligation. The four million seven hundred fifty thousand dollars ($4,750,000) plus accrued interest so paid shall be placed in trust and may be used by the person or organization assuming the indemnification obligation, in its sole discretion, either to make indemnity payments to the defendants in Spitzer, to purchase insurance to serve that purpose, or to satisfy the claims of the Spitzer Class Action Plaintiffs. Any portion of the four million seven hundred fifty thousand dollars ($4,750,000) plus accrued interest set aside that is not so used, shall belong to the person or organization that assumed the indemnification obligation. Nothing in this Section is intended to nor shall be construed to create in the Spitzer Class Action Plaintiffs any right or interest in such funds whether by constructive trust or otherwise. The persons or organizations assuming such indemnification obligation shall indemnify and hold the Settling Directors and Officers, the Settling Insurers, the Trustee and the Committee harmless from any and all Claims arising out of, in any way related to, or in connection with Spitzer, including but not limited to the advancement of reasonable attorneys fees as incurred.

e. The Settling Insurers, Mellon and AGH are not obligated to pay any additional funds as part of this settlement other than the amounts as specified in Section 2.a, above. Subject to the provisions of this Section 12.e and as clarified by the payment instructions set forth in Schedule 2B, there shall be sufficient monies constituting the Payments to permit distributions of the Payments in at least the following amounts to the following distributees: (i) $4,750,000 to the Spitzer Class Action Plaintiffs or the persons or organizations that assume the indemnification obligation regarding Spitzer pursuant to Section 12.d; (ii) $9,500,000 to recipients of civil fees described in paragraph 2 of Schedule 2B; (iii) $1,250,000, less any amounts paid by Federal to the criminal defense counsel pursuant to the Order of the District Court of August 22, 2001 or paragraph 5 of the Order of the District Court attached hereto as Schedule 12.e, to the Criminal Defense Fund (as that term is defined in Schedule 2B); (iv) $20,500,000 to the Attorney General; and (v) $49,500,000, less any amounts paid by Federal to the criminal defense counsel pursuant to paragraph 6 of the Order of the District Court attached hereto as Schedule 12.e, to the Committee; provided that the Settling Parties agree that this condition will be fully met if Sections 2.a and Schedule 2B are complied with in accordance with their terms.

f. The execution of covenants not to sue executed by the Mellon Releasors, the Settling Directors and Officers and certain creditors of the AHERF Estate as set forth on Schedule 12.f in a form mutually acceptable to the respective signing parties. The Settling Parties acknowledge that the creditors listed on Schedule 12.f are not parties to this Settlement

Agreement in their individual capacity and nothing herein shall be construed to render any such creditor a party to this Settlement Agreement.

g. On or before April 30, 2002 or such later date as the Settling Insurers and the Committee may mutually determine in writing, the Settling Insurers and the Committee shall have agreed in writing that all Settled Policy Claims of or affecting the SDN Companies or any individual AHERF Insured who was or is acting in his/her capacity as a trustee, director, officer, employee, agent or representative, or in any other capacity in which the individual was or is an AHERF Insured, of any of the SDN Companies shall have been released or otherwise addressed to their mutual satisfaction.

13. Waiver of Conditions. To the extent that they are not otherwise required by law, any or all of the conditions for making this Settlement Agreement effective may be waived by written agreement of the Settling Parties materially affected by the failure to meet the condition, or their executors, personal representatives, successors, assigns, agents or attorneys. However, any agreement to waive any condition or to waive a condition in any particular instance shall not be construed as an agreement to waive any other condition or to waive a condition in any other instance.

14. Term, Termination, Breach, Opportunity to Cure.

a. The term of this Settlement Agreement shall commence as of the Execution Date. Unless the Effective Date has previously occurred, the obligations of the Settling Parties under this Settlement Agreement shall terminate on the earliest of: (i) determination by the District Court and the Bankruptcy Court or on appeal therefrom that any of the orders required to be entered as a condition to the Effective Date will not be granted and a determination by the Settling Parties that such condition will not be waived; (ii) subject to Section 14.b, below, material breach by a Settling Party of this Settlement Agreement, upon thirty (30) days notice from a non-breaching party damaged by the material breach; (iii) failure of any other condition set forth in this Settlement Agreement to be satisfied or waived within the time period set forth with respect thereto; (iv) failure of the Effective Date to come within 180 days from the date this Settlement Agreement is fully executed; provided that the 180-day period may be extended to any date mutually agreeable to the Settling Parties, provided however, that if all other conditions of finality are met, except that the requisite Final Approval Order has been challenged on appeal or the District Court for the Eastern District of Pennsylvania has not finally approved the Spitzer Class Settlement Stipulation, this 180-day period shall be tolled until 10 days after such appeal has been resolved or final approval or denial has occurred, as the case may be, or until such later

time as the Settling Parties may agree; or (v) as of November 16, 2002 upon notice from any Settling Party hereto that it has elected to terminate this Settlement Agreement in the event that the occurrence of all conditions to the effectiveness of the Spitzer Class Settlement Stipulation that are set forth in that agreement have not occurred on or before November 15, 2002 unless one or more of the Settling Directors and Officers and/or one or more of the Settling Insurers has agreed on or before November 15, 2002 to assume responsibility for indemnification for the defense and resolution of Spitzer as provided in Section 12.d (the **"Termination Date"**).

b. If a Settling Party or the AHERF Benefit Plans believe(s) that another Settling Party or the AHERF Benefit Plans has(have) breached its(their) obligations under this Settlement Agreement, he/she/it shall give notice of such breach to all Settling Parties and the AHERF Benefit Plans, including the Settling Party or AHERF Benefit Plans alleged to be in breach. The notice must set forth the facts underlying the alleged breach. The Settling Party or AHERF Benefit Plans alleged to be in breach shall have thirty (30) days to cure the breach without triggering any remedies that the Settling Party or AHERF Benefit Plans damaged by such breach may have under the terms of this Settlement Agreement or by law. Neither the waiver by a Settling Party or the AHERF Benefit Plans of a breach of or default under any of the provisions of this Settlement Agreement nor the failure of a Settling Party or the AHERF Benefit Plans, on one or more occasions, to enforce any of the provisions of this Settlement Agreement, or to exercise any right or privilege hereunder, shall be construed as a waiver of any subsequent breach or default of a similar nature, or as a waiver of such rights or privileges hereunder.

c. Upon the Effective Date, the Payments referenced in Section 2 and the Releases and indemnities referenced in Sections 4 and 8, respectively, shall not be subject to rescission. Upon a breach of this Settlement Agreement which occurs after the Effective Date, the sole remedy for the Settling Party or the AHERF Benefit Plans alleging the breach shall be a Claim for damages or specific performance against the breaching party.

15. No Judgment or Admission of Liability. The entry into this Settlement Agreement and the various documentation and discussions in connection with its negotiation and execution shall not constitute an admission by any Settling Party or the AHERF Benefit Plans of liability to any other Settling Party or the AHERF Benefit Plans for any purpose, nor of the availability of coverage under any insurance policy, including but not limited to the AHERF Policies, the Ancillary Policies or any similar policies, nor shall any judgment be sought or entered against any Settling Party, the AHERF Benefit Plans or any Additional Releasor/Releasee in any of the Adversary Proceedings being settled hereunder; nor shall any judgment be sought or entered against any Settling Director or Officer in

connection with all or any portion of the settlement amount set forth in Schedule 2B. Subject to the foregoing exceptions, nothing herein precludes any Settling Party or the AHERF Benefit Plans from bringing a Claim or taking a judgment as a result of the breach of this Settlement Agreement. The documents drafted in connection with this proceeding may not be used as evidence in any proceeding except as part of their approval or enforcement.

16. Press Releases. Each of the Settling Parties and the AHERF Benefit Plans agrees to provide two business days notice to each of the other Settling Parties prior to the issuance of a written press release concerning this Settlement Agreement and to confer with any such noticed Settling Parties regarding the same within such notice period unless such press release is issued in response to a prior press release, in which case no notice is required. In the case of the Spitzer Class Action Plaintiffs, such notice and opportunity shall be given to the lead class counsel for the Spitzer Class Action Plaintiffs.

17. Choice of Law. This Settlement Agreement and the obligations under the AHERF Policies are to be interpreted in accordance with the substantive law of the Commonwealth of Pennsylvania, without regard to its choice of law provisions.

18. Execution in Counterparts. This Settlement Agreement may be signed in counterparts.

19. No Third Party Beneficiaries. Except as otherwise specified herein, nothing in this Settlement Agreement is intended to, nor shall it in any way be construed to, create or convey any rights in or to any individual or entity other than the Settling Parties, the AHERF Benefit Plans or the Releasees.

20. No Effect on Certain Parties. The Settling Parties and the AHERF Benefit Plans recognize that the settlement reflected herein does not constitute a full recovery for the harms sustained by the creditors of the AHERF Estates and agree that nothing in this Settlement Agreement is intended to, nor shall it in any way be construed to, release or impair any claims that the AHERF Benefit Plans or any of the Settling Parties, including the Committee, has or may have against the Non-Settling Insurers or insurers that are not Releasees, PricewaterhouseCoopers, LLP (**"PwC"**), Coopers & Lybrand, or Foley & Lardner or any members, successors or assigns, thereof. Nor, except as stated in this Settlement Agreement, is any provision of this Settlement Agreement intended to create any rights for any parties apart from the Settling Parties and the AHERF Benefit Plans.

21. Neutral Interpretation. In the event any dispute arises among the Settling Parties and the AHERF Benefit Plans with regard to the interpretation of any term of this Settlement Agreement, or any agreement attached hereto, all of the Settling Parties and the AHERF Benefit Plans shall be considered collectively to be the

drafting party and any rule of construction to the effect that ambiguities are to be resolved against the drafting party or Settling Insurer Companies shall be inapplicable.

22. Merger. Except for: (i) the Supplemental Agreement, of even date herewith, by and among certain of the Settling Parties; (ii) the Insurance Escrow Agreement, the Mellon Escrow Agreement, and the AGH Escrow Agreement; (iii) the Spitzer Class Settlement Stipulation; (iv) the letter agreements by and between certain of the Settling Insurers and O'Brien; (v) an agreement among the Settling Insurers concerning the respective obligations between them; (vi) a letter agreement among the Trustee, the Committee and the Settling Insurers concerning the hold harmless obligations in Sections 8.b(i) and 8.c, above; (vii) the agreement between Tenet, the Trustee and the Committee concerning the Gain litigation; (viii) Letter from Michael Foreman to Robert Krakow, dated January 10, 2001, regarding the expungement and withdrawal of proofs of claim of Philadelphia Endowment Claimants and Attorney General; (ix) side letters among the Committee, Trustee, Directors and Officers, Settling Insurers, Mellon and AGH concerning attorneys fees; and (x) the agreement between Mellon, the Trustee and the Committee concerning bankruptcy claims, all prior discussions, agreements and understandings among the Settling Parties and the AHERF Benefit Plans concerning the subject of this Settlement Agreement, including but not limited to any agreements, formal or informal, between or among any of the Settling Insurers and any AHERF Insureds concerning the handling, management, payment or resolution of any disputes or obligations under the AHERF Policies or in connection with any AHERF Claim, with the exception of the Agreed Procedures For Alternative Dispute Resolution Regarding Reasonableness of Attorneys' Fees as it applies to any dispute relating to the reasonableness of defense costs between any of the Settling Insurers and those AHERF Insureds named, or to be named in the future, as parties in Burstein or in Claims as to which there is Burstein Coverage, are completely merged and integrated into this Settlement Agreement. The Schedules attached to this Settlement Agreement are integral parts of this Settlement Agreement and are hereby incorporated in and made a part of this Settlement Agreement as if fully set forth herein.

23. Other Agreements, Amendments. Notwithstanding Section 22 above, no part of this Settlement Agreement shall be modified or waived in any respect except by a writing executed by all Settling Parties or as otherwise provided by Section 13 or this Section 23. If fewer than all of the Settling Parties and the AHERF Benefit Plans enter into agreements that are not merged into this Settlement Agreement, those agreements shall apply only to and shall affect only the rights and obligations of the parties thereto. Such agreements shall not affect, in any way, the rights and/or obligations of the other Settling Parties and the AHERF Benefit Plans, shall not operate to expand or reduce the rights and/or obligations of any other Settling Party or the AHERF Benefit Plans under this Settlement Agreement, and shall not be used to interpret, or become grounds for

interpreting, any provision of this Settlement Agreement that affects the rights and/or obligations of any other Settling Party or the AHERF Benefit Plans. Solely as between or among the parties thereto, nothing in this Settlement Agreement is intended to alter any of the agreements identified in Section 22 as not having been merged into this Settlement Agreement or the letter agreement by and between certain of the Settling Insurers and PNC.

24. Acknowledgment, Authority. By their signature affixed hereto, each Settling Party and the AHERF Benefit Plans or representative thereof acknowledges that he or she has read this Settlement Agreement, fully understands the obligations, conditions, warranties, releases, indemnities and terms contained herein, and has had the advice of counsel pertaining thereto, prior to the time of execution. Each individual signing this Settlement Agreement on his or her own behalf represents and warrants that he or she is duly authorized to bind anyone authorized to assert a Claim on such individual's behalf or derivatively through them. Each individual signing this Settlement Agreement on behalf of corporations, organizations, entities, benefit plans or governmental agencies, offices or units represents and warrants that he or she is duly authorized to enter into this Settlement Agreement on behalf of that Settling Party or the AHERF Benefit Plans. Each Settling Party that is not an individual and the AHERF Benefit Plans represents and warrants that it is duly authorized to enter into this Settlement Agreement on behalf of that Settling Party or the AHERF Benefit Plans, as the case may be, and on behalf of each of such Settling Party's or AHERF Benefit Plans' present or former parent companies, affiliates, subsidiaries, departments, divisions, predecessors, successors, assigns, agents, and representatives, in each case acting in their capacities as such, and each of the foregoing organizations' or entities' present or former directors, trustees, officers, employees, principals, agents, attorneys or representatives, in each case acting in their capacity as such, and on behalf of anyone authorized to assert a Claim on such organization's or entities' behalf. In the event that a Settling Party or the AHERF Benefit Plans breaches such representations and warranties in this Section 24, such Settling Party or AHERF Benefit Plans shall be liable to any other Settling Party for any Claims arising therefrom (except that all Claims for which indemnification is provided under Section 8 shall be governed by that Section 8 and shall not constitute a separate Claim under this Section 24) and he/she/it shall not be entitled to indemnification under Section 7 if such Settling Party is a Settling Director or Officer, Section 4.f if such Settling Party is an AGH Entity, or Section 8 if such Settling Party is a Settling Insurer; provided that such breach shall not negate the releases given and received in Section 4.

25. Survival of Representations and Warranties. The representations and warranties made in this Settlement Agreement shall survive the Execution Date and, unless earlier terminated, the Effective Date until the running of the statute(s) of limitations for any and all Claims arising out of, in any way related to, or in

connection with the rights and obligations of the Settling Parties and the AHERF Benefit Plans under this Settlement Agreement.

26. Notices. All notices, requests, demands and other communications required or permitted to be given hereunder shall be by hand delivery, certified or registered mail (return receipt requested), telex, facsimile, telecopier, or overnight courier to the parties described on Schedule 26. Such notices shall be deemed given: at the time delivered by hand, if personally delivered; at the time received, if sent by certified or registered mail; when answered back, if telexed; when receipt acknowledged, if faxed or telecopied; and the first business day after timely delivery to the overnight courier.

27. Dispute Resolution Expenses. Unless otherwise specifically provided, the Settling Parties and the AHERF Benefit Plans shall bear their own fees and expenses in connection with the dispute resolution proceedings called for in this Settlement Agreement, including but not limited to Sections 4.k(vi), 4.m(vi), 6.a, 7.b(i)(K), 7.b(ii)(J), 7.c, 8.a(iii)(B) and 8.d.

28. Divisions and Headings. The Table of Contents, the divisions of this Settlement Agreement into sections and subsections and the use of captions and headings in connection therewith are solely for convenience and shall have no legal effect in construing the provisions of this Settlement Agreement.

[The rest of this page is intentionally left blank.]

IN WITNESS WHEREOF, each of the undersigned, intending to be legally bound, has executed, or caused to be executed, this Settlement Agreement as of the date set forth opposite his/her/its name.

Federal Insurance Company

Dated: _____ By:_____

Its: _____

Executive Risk Indemnity Inc.

Dated: _____ By:_____

Its: _____

Zurich-American Insurance Company

Dated: _____ By:_____
_

Its:_____
_

Royal Insurance Company of America

Dated: _____ By:_____

Its:_____

The Chapter 11 Trustee on behalf of the AHERF Estates

Dated: _____

By:_____
William J. Scharffenberger, Trustee

The Official Committee of Unsecured Creditors of the AHERF Estates

Dated: _____ By: _____

Its: _____

Dated: _____ By: _____

Its: _____

Mellon Bank, N.A.

Dated: _____ By: _____

Its: _____

Mellon Financial Corporation

Dated: _____ By: _____

Its: _____

Allegheny General Hospital

Dated: _____ By: _____

Its: _____

Allegheny University Medical Centers/Canonsburg

Dated: _____

By: _____

Its: _____

Forbes Regional Hospital

Dated: _____

By: _____

Its: _____

Alle-Kiski Medical Center

Dated: _____

By: _____

Its: _____

Canonsburg General Hospital

Dated: _____

By: _____

Its: _____

Allegheny University Medical Centers

Dated: _____

By: _____

Its: _____

Allegheny University Hospitals - West

Dated: _____ By: _____

Its: _____

AUMC Canonsburg Ambulance Service

Dated: _____ By: _____

Its: _____

Allegheny Healthcare Services Providers Insurance Company

Dated: _____ By: _____

Its: _____

Allegheny Singer Research Institute

Dated: _____ By: _____

Its: _____

Dated: _____ _____

Sherif S. Abdelhak

Dated: _____ _____

David W. McConnell

Dated: _____ _____
Nancy A. Wynstra

Dated: _____ _____
Frank V. Cahouet

Dated: _____ _____
Ira J. Gumberg

Dated: _____ _____
Joseph D. Dionisio

Dated: _____ _____
William P. Snyder, III

Dated: _____ _____
J. David Barnes

Dated: _____ _____
Anthony M. Sanzo

Dated: _____ _____
Dwight P. Kasperbauer

Dated: _____ _____
Leonard L. Ross, Ph. D.

Dated: _____ _____
Douglas D. Danforth, Sr.

Dated: _____ _____
Thomas H. O'Brien

Dated: _____ _____
Harry R. Edelman, III

Dated: _____ _____
Robert L. Fletcher

Dated: _____ _____
Francis B. Nimick, Jr.

Dated: _____ _____
Robert B. Palmer

Dated: _____ _____
Donald Kaye, M.D.

Dated: _____ _____
William F. Adam

Dated: _____ _____
Dorothy McKenna Brown

Dated: _____ _____
Ronald R. Davenport

Dated: _____ _____
Claire W. Gargalli

Dated: _____ _____
Robert W. Hernandez

Dated: _____ _____
Graemer K. Hilton

Dated: _____ _____
Joseph C. Maroon, M.D.

Dated: _____ _____
Alfred W. Martinelli

Dated: _____ _____
Donna W. Murasko

Dated: _____ _____
Paul D. Neuwirth

Dated: _____ _____
Joel Roslyn, M.D. (Estate of)

Dated: _____ _____
Randall L. Russell

Dated: _____ _____
David W. Sculley

Dated: _____ _____
Walter L. Williamson

Dated: _____ _____
Richard P. Shannon, M.D.

Dated: _____ _____
Michael P. Martin

Dated: _____ _____
Charles P. Morrison

Dated: _____ _____
Diane K. Schrecengast

Tenet HealthSystem Philadelphia, Inc.

Dated: _____ By:_____

Its: _____

Philadelphia Health & Education Corp.

Dated: _____ By: _____

Its: _____

Franklin Health Trust

Dated: _____ By: _____

Its: _____

Attorney General for the Commonwealth of Pennsylvania

Dated: _____ _____

The Honorable D. Michael Fisher

SDN, Inc.

Dated: _____ By: _____

Its: _____

Spitzer Class Action Plaintiffs

By: Chimicles & Tikellis LLP,
Lead Class Counsel

Dated: _____

By:_____

Dated: _____

_____
The AHERF Benefit Plans

LIST OF SCHEDULES

Schedule 2A(1)	Insurance Escrow Agreement
Schedule 2A(2)	Mellon Escrow Agreement
Schedule 2A(3)	AGH Escrow Agreement
Schedule 2A(4)	Escrow Release Order
Schedule 2A(5)	Escrow Termination Order
Schedule 2B	Distribution of Payments
Schedule 3.b(ii)	All Known Pending Lawsuits
Schedule 4.f	Clarification Exceptions
Schedule 4.j	Additional AHERF Insured Release
Schedule 5A	Claims to be Dismissed
Schedule 5B	Proofs of Claim in Bankruptcy Proceeding Not Released by Settling Parties
Schedule 7.b	List of Lawyers
Schedule 8.e(iii)	List of Insurer Counsel
Schedule 11.a	Form of Final Approval Order
Schedule 11.a(1)	List of Settling Directors and Officers' Legal Counsel
Schedule 11.b(1)	Settlement Notice Order
Schedule 11.b(2)	Settlement Notice
Schedule 12.d	Spitzer Class Settlement Stipulation
Schedule 12.e	Criminal Defense Fees Order
Schedule 12.f	Organizations Giving Covenants Not to Sue
Schedule 26	Notice

SCHEDULE 2A(1)

INSURANCE ESCROW AGREEMENT

SCHEDULE 2A(2)

MELLON ESCROW AGREEMENT

SCHEDULE 2A(3)

AGH ESCROW AGREEMENT

SCHEDULE 2A(4)

IN THE UNITED STATES DISTRICT COURT
FOR THE WESTERN DISTRICT OF PENNSYLVANIA

In re:	:	**Miscellaneous No. 00-40**
	:	
ALLEGHENY HEALTH, EDUCATION AND RESEARCH FOUNDATION, et al.,	:	**Civil Action Nos. 99-854, 99-1124, 99-1125, 99-1907, 99-2069, 00-231, 00-668, 00-2019, 00-2081, 01-04**
Debtors.	:	

ESCROW RELEASE ORDER

The Escrow Agent is hereby Ordered to pay, within seven (7) business days of the date of this Order, the entire balance of the following escrow accounts, together with all interest accrued to date, net of Escrow-Related Taxes and Tax Expenses, to William J. Scharffenberger, Trustee of the AHERF Estates, c/o National City Bank, Pittsburgh, PA, ABA Routing No. 43000122, Account Number 239436818, Account Title: AHERF Operating:

(a) Account No. _____ (Insurance Escrow);

(b) Account No. _____ (Mellon Escrow);

(c) Account No. _____ (AGH Escrow);

(d) Account No. _____ (Top 100 Escrow).

DATED: _____, _____
2002

SCHEDULE 2A(5)

IN THE UNITED STATES DISTRICT COURT
FOR THE WESTERN DISTRICT OF PENNSYLVANIA

In re:	:	**Miscellaneous No. 00-40**
	:	
ALLEGHENY HEALTH, EDUCATION AND RESEARCH FOUNDATION, et al.,	:	**Civil Action Nos. 99-854, 99-1124, 99-1125, 99-1907, 99-2069, 00-231, 00-668, 00-2019, 00-2081, 01-04**
Debtors.	:	

ESCROW TERMINATION ORDER

The Escrow Agent is hereby Ordered to pay, within seven (7) business days of the date of this Order, the entire balance of the following escrow accounts, together with all interest accrued to date, net of Escrow-Related Taxes and Tax Expenses, as follows:

(a) Escrow Account No. _____ (Insurance Escrow) to:

Bank: Citibank, F.S.B.
Washington D.C.

Account Name: Ross, Dixon & Bell, LLP Attorney
Client Trust Account

Routing Number: 254070116

Account Number: 15118738

or to such other address as the Settling Insurers shall jointly provide.

(b) Escrow Account No. _____ (Mellon Escrow) to:

Mellon Bank N.A.

ABA No. 043000261

Mgmt Unit 9908 5284-7

Re: AHERF Settlement

(c) Escrow Account No. _____ (AGH Escrow) to:

PNC Bank, National Association – Fifth Avenue Office

ABA #: 043000096

For Credit to: Sherrard, German & Kelly, P.C., Trust Account

Account No.: 0002306580;

Dated:_____, 2002 _____
J.

SCHEDULE 2B

DISTRIBUTION OF PAYMENTS

Sources of the Payments:

$48,250,000[1]	from the Settling Insurers
28,500,000	from Mellon
1,000,000	from AGH[2]
7,750,000	from funds to be released by the Trustee
$85,500,000	plus all interest that has accrued thereon pursuant to Section 2 and less all escrow fees and taxes (collectively, the **"Payments"**)

Payments to be made by the Trustee on the Effective Date:[3]

$49,500,000 of the Payments, less any amounts paid by Federal to the criminal defense counsel pursuant to paragraph 6 of the Order of the District Court attached hereto as Schedule 12.e, plus 57.89% of the Excess Payments (as that term is defined below) to the Committee (collectively, the **"Committee Settlement Amount"**).

$20,500,000 of the Payments plus 23.98% of the Excess Payments to the Attorney General (collectively, the **"Attorney General Settlement Amount"**)

$9,500,000 of the Payments plus 11.11% of the Excess Payments to recipients of the civil fees (collectively, the **"Civil Fees Settlement Amount"**)

$4,750,000 of the Payments plus 5.56% of the Excess Payments to the Spitzer Class Action Plaintiffs (collectively, the **"Spitzer Settlement Amount"**)

---

[1] This amount shall be reduced by any amounts paid to criminal defense counsel pursuant to the Order of the District Court dated August 22, 2001 or the Order of the District Court attached hereto as Schedule 12.e.

[2] If the Effective Date occurs following the first anniversary date of the Initial Order Date, any additional amounts paid by AGH into the AGH Escrow over and above the initial $1,000,000 AGH payment, plus interest thereon, shall be paid in full to the Attorney General.

[3] If the Settling Insurers pay any amounts to the criminal defense counsel pursuant to the Order of the District Court dated August 22, 2001 or the Order of the District Court attached hereto as Schedule 12.e, then the following Excess Payment percentages shall be recalculated based upon: numerators of $49,500,000 for the Committee Settlement Amount, $20,500,000 for the Attorney General Settlement Amount, $9,500,000 for the Civil Fees Settlement Amount, $4,750,000 for Spitzer Settlement Amount, and $1,250,000 less any amounts paid by Federal to the criminal defense counsel pursuant to paragraph 5 of the Order of the District Court attached hereto as Schedule 12.e, for the Criminal Fees Settlement Amount, and a denominator of $85,500,000 less any amounts paid by Federal to the criminal defense counsel pursuant to paragraph 5 of the Order of the District Court attached hereto as Schedule 12.e.

$1,250,000 of the Payments, less any amounts paid by Federal to the criminal defense counsel pursuant to paragraph 5 of the Order of the District Court attached hereto as Schedule 12.e, plus 1.46% of the Excess Payments to the criminal defense fund (collectively, the **"Criminal Fees Settlement Amount"**)

The Payments minus $85,500,000 shall be the **"Excess Payments."**

Payment Instructions:

1. *Spitzer Class Action*. The Trustee shall pay the Spitzer Settlement Amount to the Lead Class Counsel for the Spitzer Class Action Plaintiffs to be deposited into an escrow account for the benefit of the Spitzer Class Action Plaintiffs and to be distributed in accordance with the terms of paragraph 2.a of the Spitzer Class Stipulation and Agreement of Settlement attached as Schedule 12.d.

2. *Civil Fees*. The Trustee shall pay the Civil Fees Settlement Amount to Reed Smith LLP, for the benefit of the following firms: Schnader, Harrison, Segal & Lewis; Babst, Calland, Clements and Zomnir, PC; Feldstein, Grinberg, Stein & McKee; Theiman & Kaufman; Reed Smith Shaw & McClay LLP; Reed Smith LLP; Marcus & Shapira LLP; Covington & Burling; Fine, Kaplan & Black; Sweeny, Metz; Skadden, Arps, Slate, Meagher & Flom, LLP; Dickie, McCamey & Chilcote; Baker & Botts, LLP; Manifesto & Donohoe, PC; Kirkpatrick & Lockhart, LLP; and Drinker Biddle & Reath LLP (collectively, the **"Defense Firms"**). Up to an additional $1.625 million shall be paid by the Trustee to Reed Smith LLP, also for the benefit of the Defense Firms, from the proceeds of any final judgment or settlement in the PwC Litigation (paid at $0.45 per $1.00 of proceeds beginning with the first dollar). Such payment shall be made contemporaneously with the distribution to creditors arising from such judgment or settlement.

3. *Criminal Defense Fund*. The Criminal Fees Settlement Amount shall be paid by the Trustee into the District Court to serve as a source (**"Criminal Defense Fund"**) to fund attorneys' fees and expenses reasonably and necessarily incurred by Abdelhak, McConnell, and Wynstra in defense of the criminal matters set forth on Schedule 3.b(ii).

Payments from Criminal Defense Fund to criminal defense counsel: The District Court or its designee shall review for compliance with this Settlement Agreement any disbursements from the Criminal Defense Fund and shall approve only those disbursements in compliance with the provisions hereof.

Additions to the Criminal Defense Fund: An additional one million two hundred fifty thousand dollars ($1,250,000) shall be contributed to the Criminal Defense Fund pursuant to the Order of the Court attached hereto as Schedule 12.e or, if the Effective Date has passed, by the Trustee, upon:

(i) depletion of the Criminal Fees Settlement Amount, or

(ii) the issuance of indictments by the Office of the United States Attorney for the Eastern District of Pennsylvania or by the Office of the United States Attorney for the Western District of Pennsylvania, provided the Criminal Fees Settlement Amount has been depleted.

Payment of Residual to Trustee: Any amounts remaining in the Criminal Defense Fund as of the conclusion of the criminal proceedings identified on Schedule 3.b(ii) shall be returned to the Trustee.

4. *Additional Payments to Attorney General*: The Trustee shall pay the Attorney General Settlement Amount to the Attorney General. An additional amount shall be paid by the Trustee to the Attorney General, using the same procedure, as follows: 20% of the proceeds of any final judgment or settlement in litigation against the Non-Settling Insurers (paid at $0.20 per $1.00 of proceeds beginning with the first dollar) and 10% of the proceeds of any final judgment or settlement in the PwC Litigation (paid at $0.10 per $1.00 of proceeds beginning with the first dollar), to a collective total not to exceed $10,125,000. Such payments shall be made contemporaneously with the distribution to creditors arising from such respective judgment or settlement. AGH shall further pay the Attorney General a total of $4,050,000 payable as follows: $1,050,000 on the first anniversary of the Initial Order Date and $1,000,000 on each of the second, third and fourth anniversaries of the Initial Order Date, except that if any of such anniversaries occur prior to the Effective Date, the payments shall be made to the AGH Escrow.

The Attorney General shall distribute the Payments and any Additional Payments, net of attorneys' fees and expenses incurred in the pursuit of Adversary Proceeding Nos. 00-2089 and 00-2090 and related matters (the **"Net Recovery"**), pursuant to percentages to be approved by the Orphan's Court for the Commonwealth of Pennsylvania. It is presently anticipated that the allocation percentages will be as follows:

PHEC	57.78%
FHT	31.40%
AGH	10.44%
Others	0.38%

Subject to Orphan's Court approval, the entire Net Recovery from the Attorney General Settlement Amount shall be paid by the Attorney General to PHEC and FHT pursuant to their allocation percentages. The $1,050,000 due from AGH on the first anniversary of the Initial Order Date shall likewise be paid by the Attorney General to PHEC and FHT pursuant to their allocation percentages. The $1,000,000 due from AGH on the second and third anniversaries of the Initial Order Date shall be paid by the Attorney General back to AGH for the benefit of the AGH endowment and restricted asset accounts that allegedly suffered losses included in the claims asserted in Adversary Proceeding Nos. 00-2089. The $1,000,000 due from AGH on the fourth anniversary of the Initial Order Date shall be paid by the Attorney General back to AGH for the benefit of its restricted accounts, provided, however, that AGH's total recovery

may not exceed AGH's allocated percentage of the total Net Recovery. To the extent AGH's allocated percentage of the total Net Recovery is satisfied without using the entirety of the final $1,000,000 payment, the balance remaining of that payment shall be allocated among PHEC and FHT. If the allocation percentages approved by the Orphan's Court do not authorize the distribution of at least ten percent (10%) of the Net Recovery to AGH restricted accounts, AGH shall have the right to reduce the amount of each of the second, third and fourth installment payments to an amount equal to thirty-three and one-third percent (33.33%) of the total amount of the Net Recovery authorized by the Orphan's Court to be repaid to AGH restricted accounts, provided, however, that AGH shall not be entitled to reduce the amount of its payments on account of any person or Western Pennsylvania entity currently or formerly affiliated with AGH establishing a superior entitlement to any of the AGH restricted assets.

Additional payments received by the Attorney General on account of the ongoing litigation with the Non-Settling Insurers and PwC shall be paid to PHEC and FHT pursuant to their allocation percentages after payment of the amount, if any, of AGH's allocated percentage of the Net Recovery in excess of $3,000,000, and after payment of amounts collected by the Attorney General on behalf of other entities, currently estimated to be 0.38% of the total Net Recovery.

5. *Committee Settlement Amount*. The Settling Parties agree that the Committee Settlement Amount to be paid to the Committee pursuant to this Schedule 2B shall be distributed by the Trustee to the creditors of the AHERF Estates immediately upon receipt and the Trustee shall not retain any funds in connection with any provision of this Settlement Agreement. No Settling Party may seek to restrain, encumber or otherwise prevent the distribution of the Committee Settlement Amount pursuant to Schedule 2B.

SCHEDULE 3.b(ii)

ALL KNOWN PENDING LAWSUITS

1. Civil (Non-Employment Matters)

- All matters listed on Schedule 5A

- Bane, et al. v. Kotayya Kondavetti, United States Equal Opportunity Commission, Nos. 172980845 (Lynne Bane), 172980844 (Kim Fitzsimmons), 172980843 (Joyce Grimm), 172980846 (Jennie Hunter), 172980847 (Barbara Waite)

- Burstein v. AHERF Retirement Account Plan, United States District Court for the Eastern District of Pennsylvania, No. 98 CV-6768.

- Comprehensive Safety Compliance, Inc. v. West Penn Allegheny Health System and Allegheny General Hospital

- Eclypsis Corporation, successor in interest to Emtek Health Care Systems, Inc., In re Allegheny Health, Education and Research Foundation, United States Bankruptcy Court for the Western District of Pennsylvania No. 98-25773

- Educational Computer Concepts, Inc. d.b.a MLC Integrated v. Allegheny General Hospital

- Gain v. Roslyn & Amron, Pennsylvania Court of Common Pleas, Philadelphia County, No. 0161.

- Gain v. Tenet HealthSystem Philadelphia, et al., Pennsylvania Court of Common Pleas, Philadelphia County, No. 2007, December Term 2000

- Li-Cor, Inc. v. Allegheny General Hospital, Allegheny County Common Pleas No. 01-0545

- The Official Committee of Unsecured Creditors of Allegheny Health, Education and Research Foundation v. PricewaterhouseCoopers, LLP, United States Bankruptcy Court for the Western District of Pennsylvania, Adversary Proceeding No. 00-684, In re AHERF, Nos. 98-25773 through 25778, inclusive, consolidated in Misc. No. 00-40, United States District Court for the Western District of Pennsylvania.

- Bernard Pennock, et al. v. Allegheny Health, Education and Research Foundation Welfare Plan, et al., No. 01-CV-0980 (W.D. Pa.)

2. Civil (Employment)

- Karen Cononie v. Allegheny General Hospital, United States District Court for the

Western District of Pennsylvania, Civil Action No. 99-1376 (Summary Judgment for Defendant; being appealed)

- Louise Cook v. Allegheny General Hospital, W.D. Pa. Civ. Action No. 00-CV1897
- Patricia Crite v. Allegheny General Hospital, PHRC Docket No. E-92551-H
- Edwards v. Allegheny, Health, Education and Research Foundation, **[?]**
- Julie Hines v. AUMC, PHRC Docket No. 99008, EEOC Docket No. 17H990054
- Jones-Mullen v. Forbes Metropolitan Hospital,
- Josephine Jackson v. Forbes Metropolitan Hospital, EEOC Docket No. 172A00144
- Dorothy Lott v. Allegheny General Hospital, W.D. Pa. Civ. Action No. 99-74
- Christine Macejka v. AGH, PHRC Docket No. E82694H, EEOC Docket No. 17F972719 (PHRC action was dismissed, but no information has been located on the EEOC claim)
- George Thomas v. Our Lady Lourdes Hospital and AHERF (d/b/a Allegheny, Rancocas) (D. N.J. Civ. Action No. 99-4993)
- David McStay v. Allegheny General Hospital, PHRC Docket Nos. E-89015-DH, E87015OH, EEOC Docket No. 17F990079
- Patricia Pope v. Allegheny General Hospital and West Penn Allegheny Health System, its successor-in-interest, W.D. Pa. Civ. Action No. 01-0858,
- Dolores Riddick v. Allegheny General Hospital, EEOC Charge No. 170981465
- Lori Santos v. Forbes Nursing Center, [**AUMC** d/b/a FNC], Pgh. CHR Docket No. EO-97-108, PHRC Docket No. EO97-108, EEOC Docket No. 17H970146
- Christine Simmons v. Allegheny General Hospital, PHRC Docket No. E-84324-DH
- Laverne Webb v. Allegheny University Medical Center, Forbes Nursing Center (FNC) PHRC Docket No. E88785AD, EEOC Docket No. 17F983802
- Pamela Welsh v. Allegheny General Hospital, PHRC Docket No. E-92553H, EEOC Docket No. 1719983434
- Eric White v. AGH, PHRC Docket No. L05748
- Benjamin Wilson v. Forbes Regional Hospital, PHRC Docket No. L04668
- Ernest Wertz v. Allegheny Singer Research Institute, AHERF and Allegheny General Hospital, (W.D. Pa. Civ. Action No. 99-CV-1566, age discrimination), Date Filed 9/23/99; Plaintiff's Counsel – William Penrod (Stayed in Bankruptcy)
- Evelyn Kennedy v. AHERF, (W.D. Pa. #00-CV-40, age discrimination), Date Filed – 1/7/00, Plaintiff's Counsel – Leonard Sweeney,
- Joseph Phillips v. Rancocas (NJ Division on Civil Rights, Docket No. EC30RB-42448, race discrimination), Date Filed – 3/13/97; Complainant's Counsel – NA

(Commission is investigating).

- Kevin Pugh v. Rancocas (EEOC Charge No. 170980365, sex discrimination), Date Filed – 12/17/97; Complainant's Counsel – NA (Commission is investigating).
- Vladimir Shubin v. AUH, MCP (PA Human Relations Commission, Docket No. E-86857D, Docket No. E-90381D, national origin discrimination), Date Filed – 3/2/98, 3/2/99; Complainant's Counsel – Mitchell R. Keiderman (Answer due 5/3/99)
- Juanita Wright v. Rancocas (NJ Division on Civil Rights, Docket No. EC-30RB-38252-A, race discrimination), Date Filed – 9/15/94; Complainant's Counsel – Formerly handled by Steve Williams, Esquire (Case reactivated by EEOC in March 1998, had been dormant).
- Michael Essig v. Allegheny General Hospital, Allegheny County Court of Common Pleas, GD 98-20098 (Plaintiff has settled with AGH but there is an open parallel bankruptcy claim
against the debtors)

3. Governmental Actions

- Commonwealth of Pennsylvania v. Abdelhak, Allegheny County Court of Common Pleas, Criminal Division, No. 2001-08691
- Securities and Exchange Commission v. Buettner, et al., United States District Court for the Eastern District of Pennsylvania, No. 01-CV-3898
- Investigations by
- The Securities and Exchange Commission;
- The civil and criminal sections of the United States Attorneys Offices for the Eastern and Western Districts of Pennsylvania;
- The Office of Inspector General of the United States Department of Health and Human Services (HHS);
- The Internal Revenue Service;
- The Postal Service;
- The Pennsylvania Attorney General's office.

4. Bankruptcy

The claims which are either Allowed or Disputed as of the Execution Date, as referenced in the computerized list maintained by the Trustee unless otherwise settled and released in this Settlement Agreement.

***** Unable to locate but Trustee confirmed that no proof of claim was filed.

SCHEDULE 4.f

CLARIFICATION EXCEPTIONS

Any Claim of PNC Financial Services Group, Inc. and/or its present or former parent companies, affiliates, subsidiaries, departments, divisions, predecessors, successors, assigns, agents, and representatives, in their capacities as such (collectively, **"PNC"**) arising under, in connection with, relating to or evidenced by the Floating Rate Restructuring Certificates issued pursuant to that certain Indenture, dated as of July 1, 2000, by and among Allfirst Bank, as Trustee, and West Penn Allegheny Health System, Inc., Allegheny General Hospital and the other parties which are signatories thereto, and

Any Claim of MBIA Insurance Corporation and/or its present or former parent companies, affiliates, subsidiaries, departments, divisions, predecessors, successors, assigns, agents, and representatives, in their capacities as such (collectively, **"MBIA"**), against any person or organization under any bond insurance policy, insurance policy, loan agreement, reimbursement agreement or document or agreement related thereto or entered into in connection therewith (for purposes hereof, each a **"Bond Insurance Policy"**) issued by MBIA for the benefit of any AGH Entity or any of its respective bondholders, regardless of whether such Claim currently exists and regardless of whether such Bond Insurance Policy is in effect or has expired.

Nothing in this Settlement Agreement shall release or be construed as a release of any of the parties to the agreements listed below, including but not limited to Allegheny University Medical Centers, Allegheny General Hospital, Forbes Health System, Canonsburg General Hospital, Allegheny Valley Hospital, and The Healthcare Alliance for Western Pennsylvania, or any of their affiliates or subsidiaries, or the predecessors, successors, assigns or insurers of any of them, or their respective officers, directors, trustees, or employees, or any of their heirs, successors, assigns, or insurers, from obligations, as the case may be, pursuant to:

(i) a certain Agreement, dated July 22, 1999, between and among HealthAmerica Pennsylvania, Inc. and the aforesaid AGH Entities identified therein.

(ii) a certain Hospital Agreement, made as of July 1, 1999, by and among Allegheny General Hospital, HealthAmerica Pennsylvania, Inc. and Coventry Healthcare Management Corporation.

SCHEDULE 4.j

FORM OF RELEASE AND CONSENT TO JURISDICTION BY ADDITIONAL RELEASORS/RELEASEES

SCHEDULE 5A

CLAIMS TO BE DISMISSED

- Allegheny General Hospital, et al. v. Federal Insurance Company, United States Bankruptcy Court for the Western District of Pennsylvania, Adversary Proceeding No. 00-2128, In re AHERF, Nos. 98-25773 through 98-25777 inclusive, consolidated in Misc. No. 00-40, United States District Court for the Western District of Pennsylvania.
- The Official Committee of Unsecured Creditors of Allegheny Health, Education and Research Foundation v. Abdelhak, United States Bankruptcy Court for the Western District of Pennsylvania, Adversary Proceeding No. 99-2465, In re AHERF, Nos. 98-25773 through 25778, inclusive, consolidated in Misc. No. 00-40, United States District Court for the Western District of Pennsylvania.
- Pollack v. Abdelhak, Pennsylvania Court of Common Pleas, Philadelphia County, March 1999 No. 441.
- Scharffenberger v. Abdelhak, United States Bankruptcy Court for the Western District of Pennsylvania, Adversary Proceeding No. 99-2164, In re AHERF, Nos. 98-25773 through 25778, inclusive, consolidated in Misc. No. 00-40, United States District Court for the Western District of Pennsylvania.
- Scharffenberger v. Advanced Technology Management, et al., United States Bankruptcy Court for the Western District of Pennsylvania, Adversary Proceeding No. 99-2072, In re AHERF, Nos. 98-25773 through 25778, inclusive, consolidated in Misc. No. 00-40, United States District Court for the Western District of Pennsylvania (as to Settling Parties only).
- Scharffenberger v. Continental Casualty Company, United States Bankruptcy Court for the Western District of Pennsylvania, Adversary Proceeding No. 99-2187, In re AHERF, Nos. 98-25773 through 25778, inclusive, consolidated in Misc. No. 00-40, United States District Court for the Western District of Pennsylvania (as to Settling Parties only).
- Scharffenberger v. Mellon Bank, United States District Court for the Western District of Pennsylvania, No. 99-2344, consolidated in Misc. No. 00-40, United States District Court for the Western District of Pennsylvania.
- Spitzer v. Abdelhak, United States District Court for the Eastern District of Pennsylvania, No. 98 CV-6475, coordinated with but not consolidated in Misc. No. 00-40, United States District Court for the Western District of Pennsylvania.
- Tenet HealthSystem Philadelphia, Inc. and Attorney General of Pennsylvania v. Abdelhak, United States Bankruptcy Court for the Western District of Pennsylvania, Adversary Proceeding No. 00-2089, In re AHERF, Nos. 98-25773 through 25778, inclusive, consolidated in Misc. No. 00-40, United States District Court for the Western District of Pennsylvania.

- Tenet HealthSystem Philadelphia, Inc. v. Mellon Bank, United States Bankruptcy Court for the Western District of Pennsylvania, Adversary Proceeding No. 00-2090, In re AHERF, Nos. 98-25773 through 25778, inclusive, consolidated in Misc. No. 00-40, United States District Court for the Western District of Pennsylvania.

SCHEDULE 5B

PROOFS OF CLAIM IN BANKRUPTCY PROCEEDING NOT RELEASED BY SETTLING PARTIES

The Mellon Bankruptcy Claim, meaning the following allowed pre-petition unsecured proofs of claims filed by Mellon in the AHERF Bankruptcy Cases in the aggregate amount of $1,109,030.66: Claim No. 5063, in the amount of $23,847.19; Claim No. 5064, in the amount of $2,182.57; Claim No. 5065, in the amount of $21,664.62; Claim No. 5066, in the amount of $23,282.06, Claim No. 5071, in the amount of $35,498.65; Claim No. 5072, in the amount of $1,002,555.57.

Dionisio: Claim No. 3191, totaling $149,322.19.

Joel Roslyn: Claim No. 5984, in the amount of $700,000.

Michael Martin, Claim Nos. 6491 and 20112.

Charles Morrison, Claims Nos. 350476, 350475, 4211, and 20110.

Diane Schrecengost, Claims No. 6490, 20113.

William Scharffenberger, Claim No. 20094.

Thomas Chakurda, Claim No. 4788.

Almeta Cooper, Claim No. 4787.

Matthew Dowling, Claim Nos. 7538 and 20114.

Michael Moyer, Claim No. 2917.

William Kennedy, Claim No. 2825.

Robert McNair, Claim No. 3565.

Commonwealth of Pennsylvania: Claim No. 4679 in the amount of $51,606.12; Claim No. 5038 in the amount of $41,171.44; Claim No. 4678 in the amount of $3,320.00; Claim No. 4680 in the amount of $47,573.74.

The Proofs of Claim or Scheduled Undisputed Liquidated Claims filed by the members of the Committee and the other creditors of the AHERF Estates who are not parties to this Settlement Agreement are not being released by this Settlement Agreement and are retained.

The Proofs of Claim or Scheduled Undisputed Liquidated Claims filed by the Spitzer Class Action Plaintiffs, provided that such Claims are Claims for unpaid services, goods provided, rent owed or any other similar matter incurred in the ordinary

course of business or arising in connection with the rejection of any executory contract or expired lease, but not claims for injuries or damages that were brought or could have been brought in Spitzer.

SCHEDULE 7.b

LIST OF LAWYERS

1. Dickie, McCamey & Chilcote, P.C.

2. Kirkpatrick & Lockhart LLP

3. Manifesto & Donahoe, P.C.

4. Reed Smith LLP

5. Thieman & Kaufman

6. Covington & Burling[4]

7. Drinker Biddle and Reath LLP[5]

8. Any other firm mutually agreeable to the Settling Director or Officer made party to such case and the Committee

[4] This firm may only be selected as separate counsel by Ira Gumberg and then only to the extent it is determined that Gumberg requires separate counsel pursuant to Section 7.b of this Settlement Agreement.

[5] This firm may only be selected as separate counsel by Dwight Kasperbauer and then only to the extent it is determined that Kasperbauer requires separate counsel pursuant to Section 7.b of this Settlement Agreement.

SCHEDULE 8.e(iii)

LIST OF INSURER COUNSEL

Arter & Hadden, LLP

Hogan & Hartson, L.L.P.

Leech, Tishman, Fiscaldo & Lampl

Peterson & Ross

Ross, Dixon & Bell, L.L.P.

Stroock & Stroock & Lavan, LLP

Wilson, Elser, Edelman, Moskowitz & Dicker, L.L.P.

Any other law firm mutually agreeable to the Committee and the Settling Insurer Company seeking judgment reduction, indemnification and/or hold harmless under Section 8 of this Settlement Agreement

SCHEDULE 11.a

FORM OF FINAL APPROVAL ORDER

UNITED STATES DISTRICT COURT
FOR THE WESTERN DISTRICT OF PENNSYLVANIA

In re: ALLEGHENY HEALTH, EDUCATION AND RESEARCH FOUNDATION, et al., Debtors. _____	Miscellaneous No. 00-40 Civil Action Nos. 99-854, 99-1124, 99-1125, 99-1907, 99-2069, 00-231, 00-668,00-2019, 00-2081, 01-04

ORDER APPROVING SETTLEMENT

Upon the joint motion dated _____, 2002 (the "Motion") of William J. Scharffenberger, as Chapter 11 Trustee of Allegheny Health, Education and Research Foundation ("AHERF"), Allegheny University of the Health Sciences ("AUHS"), Allegheny University Medical Practices ("AUMP"), Allegheny Hospitals, Centennial ("Centennial") and Allegheny University Hospitals-East ("AUH-East and collectively, with AHERF, AUHS, AUMP and Centennial, the "Debtors" or the "AHERF Estates"), the Official Committee of Unsecured Creditors of the Debtors and the remaining Settling Parties to the Settlement Agreement (collectively, the "Movants"), for joint approval by the United States District Court for the Western District of Pennsylvania (the "District Court") and the United States Bankruptcy Court for the Western District of Pennsylvania (the "Bankruptcy Court" and collectively with the District Court, the "Courts") of the Settlement Agreement; and upon the order dated _____ by the District Court approving the form and manner of notice of the hearing on approval of the Settlement Agreement (the "Approval Hearing"); and upon the District Court having scheduled the Approval Hearing; and upon the Trustee and the Committee having provided notice of the Approval Hearing to all interested parties in accordance with the procedures established by the District Court as evidenced by the affidavits of mailing and publication filed with the District Court; and upon the Movants having filed with the Courts a copy of the Settlement Agreement together with the Motion; and upon the objections to the Motion and/or the Settlement Agreement having been filed by February _, 2002; and upon all of the documents and evidence of record adduced at the Approval Hearing held on February __, 2002; and the statements of the parties appearing at the Approval Hearing; and upon all the pleadings and proceedings heretofore had in the Chapter 11 Cases of the Debtors and related adversary

proceedings, before both the Bankruptcy Court and the District Court; and after due deliberation and consideration; and sufficient cause appearing therefore; and

IT HAVING BEEN FOUND AND DETERMINED, jointly by the District Court and the Bankruptcy Court that:

A. Final Order: The Findings of Fact and Conclusions of Law set forth herein constitute the findings of the District Court pursuant to Fed. R. Civ. P. 52 and the Bankruptcy Court pursuant to Bankruptcy Rules 7052 and 9014, and this Order shall be entered on the docket of the District Court as a Final Judgment pursuant to Fed. R. Civ. P. 54(a) and (b).

B. Jurisdiction and Venue: The District Court has jurisdiction over the Debtors' Chapter 11 cases and the subject matter of the Settlement Agreement and the Approval Hearing pursuant to orders of the District Court dated January 10, 2001, January 16, 2001, and March 1, 2001, March 6, 2001, March 12, 2001, and March 27, 2001 (the "Withdrawal Orders") whereby, pursuant to 28 U.S.C. § 157(d), the District Court withdrew the reference from the Bankruptcy Court with respect to Debtors' Bankruptcy Cases and all of the adversary proceedings commenced in connection with such Bankruptcy Cases. The Bankruptcy Court has jurisdiction over the Debtors' Chapter 11 Cases and the subject matter of the Settlement Agreement and the Approval Hearing pursuant to paragraph 25 of the Order Confirming Debtors' Second Amended Consolidated Liquidating Plan of Reorganization Under Chapter 11 of the Bankruptcy Code (the "Debtors' Plan"), dated December 14, 2000 (the "Confirmation Order"). The District Court has jurisdiction to enter a Final Order with respect to the Motion pursuant to 28 U.S.C. §§ 157 and 1334. The Bankruptcy Court has jurisdiction to enter a Final Order with respect to the Motion pursuant to 28 U.S.C. § 157(b)(1). Venue of these cases in this district is proper pursuant to 28 U.S.C. §§ 1408 and 1409.

C. In accordance with the notice procedures established by the District Court, the Trustee and the Committee (i) mailed timely notice of the Settlement Agreement, the time, date and place of the Approval Hearing, and the procedures respecting objections to the Motion upon the parties set forth on the list attached to the affidavit of mailing filed with the District Court; and (ii) published timely notice in the publications set forth in the affidavit of publication filed with the District Court. Adequate and sufficient notice of the Approval Hearing and the deadline for objections to the Motion were provided in compliance with the Order of the District Court and no other or further notice is required. All parties-in-interest had the opportunity to appear and be heard at the Approval Hearing.

The Settlement

D. On July 21, 1998, the Debtors commenced bankruptcy reorganization proceedings subsequently consolidated under the caption In re AHERF, Bankruptcy Case No. 98-25773 (MBM) through 98-25777 before the Bankruptcy Court.

E. Following the commencement of the Bankruptcy Cases, numerous adversary proceedings, lawsuits and claims, identified on Schedule 3.b(ii) and Schedule 5A to the Settlement Agreement were filed and/or commenced.

F. Pursuant to the Withdrawal Orders, and order of the District Court dated June 29, 2001, the District Court (i) withdrew the reference with regard to, among other Claims, the Claims asserted by the Trustee, the Committee, the Philadelphia Endowment Claimants and other Settling Claimants against the Settling Directors and Officers, Mellon and/or the Settling Insurers; and (ii) agreed to mediate discovery disputes and a potential settlement of such Claims.

G. Insofar as Mellon and the Settling Directors and Officers denied liability in connection with these Claims and the Settling Insurers either denied coverage or reserved the right to deny coverage in connection with these complex Claims, the litigation costs associated with the continued prosecution of such Claims threatened to fully exhaust all available insurance coverage long before their resolution or the payment of any sums to creditors.

H. The already complex Claims, involving the production of millions of documents and depositions of hundreds of individuals, were further complicated by the potential impact upon the privilege against self incrimination with respect to certain civil defendants who are subject to criminal indictments and investigations.

I. Under the supervision of the District Court, the Settling Parties continued to pursue discovery and settlement discussions.

J. The Settlement Agreement is the fair and reasonable result of adversarial discovery and litigation and good faith, arm's-length negotiations among the Settling Parties.

K. The consideration exchanged by and among the Settling Parties pursuant to the Settlement Agreement, including, but not limited to, the cash payments, the exchange of releases and indemnities and the compromise of claims, constitutes good, valuable, fair and equitable consideration as part of a global resolution of all AHERF Claims and Settled Policy Claims, with each component of such consideration integral to the entirety of the Settlement Agreement.

L. The consideration provided by each of the Settling Parties constitutes good, valuable, fair and equitable consideration to the AHERF Estates and their creditors by, among other things, preserving insurance coverage for distributions to creditors, promptly resolving complex and uncertain litigation with substantial cash payments, and precluding future litigation relating to AHERF Claims and/or Settled Policy Claims that threaten to delay and to dilute creditor recoveries.

M. The releases and injunctions contemplated in the Settlement Agreement and approved and ordered herein are integral to and interlocking elements of the Settlement Agreement insofar as the consideration to be provided by the Settling

Parties would not be provided without the resolution of AHERF Claims and Settled Policy Claims against each Settling Party and Releasee under the Settlement Agreement. Without each of the releases and injunctions approved and ordered herein, the numerous agreements and compromises embodied in the Settlement Agreement would not have been obtained and the substantial benefits therefrom to the AHERF Estates would have been lost.

N. The Debtors' estate will be irreparably harmed if the Settlement Agreement, inclusive of the release and injunction provisions, is not approved.

O. The releases and injunctions contemplated in the Settlement Agreement and approved and ordered herein confer substantial benefits on the AHERF Insureds, both those who are Settling Parties and those who are not, who obtain substantial protections from the approval and implementation of the Settlement Agreement.

P. At the Approval Hearing, the Settling Parties jointly recommended that the Settlement be approved.

IT IS HEREBY ORDERED, ADJUDGED, AND DECREED THAT:

1. Full and fair notice of the Settlement Agreement and the Approval Hearing was provided to all concerned; the approval of the Settlement Agreement is in the best interests of the AHERF Estates; and the Settlement Agreement is fair and reasonable with respect to all interested parties. All objections to the Motion and the Settlement Agreement are overruled; the Motion is granted in its entirety; and the Settlement Agreement is hereby approved in all respects.

2. The Trustee and the Committee are authorized and empowered to enter into and have entered into the Settlement Agreement and all of its terms and ancillary documents, including, but not limited to the releases, indemnities, hold harmless and other obligations, respectively entered into on behalf of the AHERF Estates, Benefit Plans, and the Committee, therein.

3. The releases entered into by the various Settling Parties and the Additional Releasors/Releasees in connection with or as part of the Settlement Agreement, including but not limited to the resolution and release to the extent stated in the Settlement Agreement of Settled Policies issued or potentially providing benefits to the AHERF Entities, the Settling Parties or the Additional Releasors/Releasees, are effective and do not require the consent of any other individual or entity apart from the Settling Parties and the Additional Releasors/Releasees, and, each having been specifically considered by the District Court, are hereby approved. Without in any way limiting the foregoing, the Court finds and concludes that the releases of Claims by SDN in the Settlement Agreement are essential and integral provisions of the Settlement Agreement, and that without the releases of such Claims by SDN in the Settlement Agreement, the AHERF Estates would be deprived of their ability to realize the consideration they receive from the compromise and release of their Claims on their

behalf in the Settlement Agreement. Accordingly, the District Court hereby approves the releases of Claims by SDN in the Settlement Agreement and, if SDN does not become a signatory to the Settlement Agreement prior to the Effective Date, the District Court hereby ORDERS AND DIRECTS that SDN, on the Effective Date, shall be deemed to have released any and all Claims as if SDN had signed the Settlement Agreement.

4. Without otherwise limiting this Order, the District Court hereby approves the releases of insurance coverage entered into by the Trustee on behalf of the AHERF Estates and finds that those releases are effective as to all coverage that has been released and to all insureds under any released policy issued to the AHERF Estates. With the sole exception of the Burstein Coverage as set forth in the Settlement Agreement, all obligations under the AHERF Policies or any other coverage issued to the AHERF Estates that are released by the Settlement Agreement are and have been exhausted, resolved, released and discharged in their entirety. The Settling Insurer Companies, and all persons and entities holding them harmless pursuant to the Settlement Agreement, shall have no further obligations of any kind under these policies, including, but not limited to, obligations to any AHERF Insured or any claimant. Without in any way limiting the foregoing, the District Court finds and concludes that all AHERF Policies issued to SDN (the **"SDN Policies"**) are fully subject to the provisions of this paragraph 4. The District Court finds and concludes that, by virtue of their combined limits with other AHERF Policies, the SDN Policies are subject to release by the Trustee and that the resolution of this coverage is essential to the Settlement Agreement. Accordingly, the SDN Policies are and have been exhausted, resolved, released and discharged in their entirety. In addition, the Court finds and concludes that every known representative of SDN has received the best notice practicable concerning the Settlement Agreement and that SDN and all who may be insured under the SDN Policies are, therefore, bound by this determination and have waived all objection to it. The Settling Insurer Companies are enjoined from making any further payments under any AHERF Policy or Ancillary Policy released under the Settlement Agreement with the exception of the Burstein Coverage.

5. Entry into this Settlement Agreement shall not be the basis for the imposition of liability against any Settling Party. In negotiating and entering into the Settlement Agreement, all Settling Parties have acted in good faith and in accordance with all of their contractual and extracontractual obligations, whether insurance related or otherwise. Each and every creditor of the Debtors or other person or entity who received actual or constructive prior notice of the Settlement Agreement and the Approval Hearing, and anyone acting in concert with, in the name of, or by the right of such party, is hereby PERMANENTLY ENJOINED AND RESTRAINED from initiating, maintaining or prosecuting any Claim against any Settling Party that concerns, relates to, arises from or is based in whole or in part on the negotiation, execution or approval of the Settlement Agreement. Any disbursement made by an Escrow Agent pursuant to order of the District Court of funds held in escrow pursuant to Section 2.a of the Settlement Agreement shall not be the basis for the imposition of liability against the Escrow Agent. Each and every creditor of the Debtors or other person or entity who

received actual or constructive prior notice of the Settlement Agreement and the Approval Hearing, and anyone acting in concert with, in the name of, or by the right of such party, is hereby PERMANENTLY ENJOINED AND RESTRAINED from initiating, maintaining or prosecuting any Claim against an Escrow Agent that concerns, relates to, arises from or is based in whole or in part on a disbursement by the Escrow Agent that is made pursuant to an order of the District Court.

6. Each and every creditor of the Debtors or other person or entity who asserts the right to allege and pursue a Claim that is settled and compromised by the Settlement Agreement and who received actual or constructive prior notice of the Settlement Agreement and the Approval Hearing, and any attorney or agent claiming through them, is bound by the resolution and release of that Claim in the Settlement Agreement and is hereby PERMANENTLY ENJOINED AND RESTRAINED from initiating, maintaining or prosecuting any such Claim in any forum or jurisdiction.

7. The Claims alleged by Alfred Pollack and Sonya Pollack, on behalf of themselves and all other similarly situated, in the complaint filed on or about March 3, 1999 in Philadelphia County Court of Common Pleas captioned Pollack et al v. Abdelhak, et al., Case No. 00441 (the **"Pollack Action"**) are Claims that became property of the AHERF Estates when the Debtors commenced their Chapter 11 cases and such Claims have been properly and fairly compromised, settled and released by the Trustee and by the Committee on behalf of the AHERF Estates in the Settlement Agreement. The plaintiffs in the Pollack Action, and all others similarly situated on whose behalf the plaintiffs purport to assert their claims, are creditors of the AHERF Estates who share in the benefits to those estates of the consideration provided by the Settlement Agreement, and they are bound by the resolution and release of the Claims alleged in the Pollack Action in the Settlement Agreement. Accordingly, each of the plaintiffs in the Pollack Action and their legal counsel are ORDERED AND DIRECTED to take all actions necessary to cause the Pollack Action to be dismissed with prejudice.

8. Each and every creditor of the Debtors or other non-governmental person or entity who, after having been served with a copy of this Final Approval Order, asserts the right to allege and pursue an AHERF Claim or a Settled Policy Claim against any of the Settling Parties (except Burstein, Claims permitted under those covenants not to sue identified in Section 12.f of the Settlement Agreement, and any Claim that has already been alleged in an action or proceeding listed in Schedule 5B or in Schedule 3.b(ii), other than those actions also listed in Schedule 5A, of the Settlement Agreement) is hereby PERMANENTLY ENJOINED AND RESTRAINED from initiating, maintaining or prosecuting said AHERF Claim or Settled Policy Claim unless and until said creditor or other person or organization first obtains a final order from the District Court that determines and adjudges that said Claim (i) is not property of the AHERF Estates; (ii) is not a claim which had been or could have been commenced by the Trustee or the Committee on behalf of the AHERF Estates and its creditors; (iii) has not been compromised, settled, and/or released by the Settlement Agreement; and (iv) may be prosecuted by said creditor or other person or entity.

9. All insureds under the AHERF Policies, or under other policies of insurance issued to any of the AHERF Estates by one of the Settling Insurer Companies, who are not signatories to the Settlement Agreement and who received actual or constructive prior notice of the Settlement Agreement and the Approval Hearing, and any attorneys or others claiming through them, and anyone acting in concert with, in the name of, or by the right of such insureds, are PERMANENTLY ENJOINED AND RESTRAINED from initiating, maintaining or prosecuting any Claim of any kind against the AHERF Policies or against such other policies, or any AHERF Claim against the Settling Claimants, the Settling Insurer Companies, the AGH Entities, the Mellon Companies or the Settling Directors and Officers that relates to the AHERF Policies or such other policies, except Claims that are the subject of specific exclusions to releases in the Settlement Agreement.

10. Until the occurrence of the Effective Date, the parties to the PwC Litigation are enjoined from joining and from taking any discovery from any Settling Director or Officer in the PwC Litigation. Any separate Claim for contribution by PwC or any other person or organization arising out of the PwC Litigation against any Settling Party shall be filed within 60 days of PwC's or the person's or organization's payment of all or part of the judgment in the PwC Litigation.

11. With the exception of the filing of the dismissals called for in the Settlement Agreement, the following cases shall be stayed until the Effective Date:

a. Scharffenberger v. Continental Casualty Co., United States Bankruptcy Court for the Western District of Pennsylvania, Adversary Proceeding No. 99-2187.

b. Scharffenberger v. Advanced Technology Management, et al., United States Bankruptcy Court for the Western District of Pennsylvania, Adversary Proceeding No. 99-2072.

c. Any action filed against any Settling Director or Officer after the Execution Date which refers to, arises from, relates to, concerns, asserts, or is in any way connected with any AHERF Claim, except Claims which relate to, refer to, arise from or concern Burstein, any Settled Policy Claim, any AHERF Policy, any Ancillary Policy, the Settlement Agreement, or the Stipulation and Agreement of Settlement of the Spitzer Class Action.

12. All Claims identified on Schedule 5A of the Settlement Agreement which are pending before the District Court or the Bankruptcy Court, are hereby dismissed with prejudice, to the extent provided for in Schedule 5A, and without costs to any party, subject, however, to being reinstated in the event the Effective Date does not occur.

13. Entry of this Final Approval Order shall have the effect of discharging and releasing each and every AGH Entity, on the one hand, and the lawyers and law firms (including without limitation the law firms listed on Schedule 11.a(1) to the Settlement Agreement) representing any of the Settling Directors and Officers, on the other hand,

of and from each and every liability of one to the other on account of any Claim, whether direct or indirect, incurred in connection with, or with respect to, legal representation of any Settling Director or Officer concerning (a) any and all Claims arising out of, in any way related to, or in connection with the AHERF Policies, (b) any and all AHERF Claims that are covered under an Ancillary Policy, and (c) any and all Claims arising out of, in any way related to, or in connection with the organization, operation, bankruptcy and liquidation of the AHERF Entities, including without limitation any and all Claims for indemnification, legal fees or defense costs, or the payment of same, whether arising by virtue of any alleged obligation by contract, statute, pursuant to any bylaws of any entity or otherwise (collectively, the **"Legal Counsel Claims"**); except for: any and all Legal Counsel Claims concerning the enforcement of the obligations of the AGH Entities arising under the Settlement Agreement, to the extent recovery of such Legal Counsel Claim is provided for under applicable law.

14. The Committee and the Trustee are empowered and authorized to use the litigation trust established pursuant to the Debtors' Plan to fund and secure (i) the attorneys' fees and costs obligations created pursuant to Sections 4.i(viii), 4.i(xi) and 7.b(i) of the Settlement Agreement; and (ii) the hold harmless reserve created pursuant to Section 8.c of the Settlement Agreement, provided, however, that nothing in this Order shall impair or limit the Committee's discretion with respect to the remainder of the litigation trust so long as such discretion does not violate the terms of the Plan.

15. The District Court shall retain exclusive jurisdiction to enforce this Order; any other order or decree entered in connection therewith; and the Settlement Agreement, and shall exercise that jurisdiction to, among other things: order the disbursement of funds held in escrow pursuant to Section 2.a of the Settlement Agreement; determine, on an expedited basis, the amounts necessary to fund indemnity obligations created pursuant to the Settlement Agreement; adjudicate the entitlement of a Settling Director or Officer to indemnification under Section 7 of the Settlement Agreement; upon application by a Settling Insurer, determine the amount that the Trustee must retain in escrow to satisfy the hold harmless obligations in Section 8 of the Settlement Agreement; resolve any disputes as to the interpretation of either such orders or the Settlement Agreement or the performance of a party's obligations with respect thereto; and adjudicate any attempt by any person or entity to challenge either such orders or the validity of any provision of the Settlement Agreement.

16. Upon request of the Trustee and the Committee, and recognizing that the other Settling Parties have taken no position on the issue, the following allocation of settlement proceeds is approved as fair and reasonable:

Adversary No. 99-2344	$15,000,000
Adversary No. 99-2072	$ 2,000,000
Adversary No. 99-2187	$ 2,000,000

Adversary No. 99-2465	$21,000,000
Adversary No. 99-2164	$ 2,000,000
Settlement Agreement releases and obligations	$ 7,500,000

With respect to the respective amounts allocated to each of the aforesaid Adversary Proceedings other than Adversary No. 99-2344, it is found that those amounts are in respect of the settlement of Claims against multiple separate defendants such that further sub-allocation would be necessary in order to determine the fair and reasonable allocation to any given defendant in each such action.

17. Notwithstanding any of the injunctive provisions of this Order, nothing in this Order is intended to enjoin the effectuation of any of the agreements identified in Section 22 of the Settlement Agreement as not having been merged into the Settlement Agreement or the Letter Agreement by and between certain Settling Insurers and PNC.

18. The approvals, authorizations, and injunctions issued by the Courts in paragraphs 3, 4, 6, 8, 9, 10, 11, 12, 13, 14, and 16 of this Order shall be vacated by the Courts upon a finding by the District Court that the Termination Date, as that term is defined in Section 14.a of the Settlement Agreement, has occurred.

19. All of the provisions of this Final Approval Order are nonseverable and mutually dependent.

20. Capitalized terms not otherwise defined herein shall have the meanings ascribed to such terms in the Settlement Agreement dated as of January 10, 2002 (the **"Settlement Agreement"**).

SCHEDULE 11.a(1)

LIST OF SETTLING DIRECTORS AND OFFICERS' LEGAL COUNSEL

Schnader Harrison Segal & Lewis, LLP; Babst, Calland, Clements and Zomnir, PC; Feldstein, Grinberg, Stein & McKee; Theiman & Kaufman; Reed Smith Shaw & McClay LLP; Reed Smith LLP; Marcus & Shapira LLP; Covington & Burling; Fine, Kaplan & Black; Skadden, Arps, Slate, Meagher & Flom, LLP; Dickie, McCamey & Chilcote; Baker & Botts, LLP; Manifesto & Donohoe, PC; Kirkpatrick & Lockhart, LLP; Drinker Biddle & Reath LLP; and Burns, White & Hickton

SCHEDULE 11.b(1)

SETTLEMENT NOTICE ORDER

SCHEDULE 11.b(2)

SETTLEMENT NOTICE

FORM OF SETTLEMENT NOTICE

SCHEDULE 12.d

SPITZER SETTLEMENT STIPULATION

SCHEDULE 12.e

CRIMINAL DEFENSE FEES ORDER

UNITED STATES DISTRICT COURT
FOR THE WESTERN DISTRICT OF PENNSYLVANIA

In re:	)	
	)	
ALLEGHENY HEALTH, EDUCATION	)	
AND RESEARCH FOUNDATION	)	Master File Misc. No. 00-40
(PHASE II), et al.	)	
	)	Judge Donald E. Ziegler
THIS DOCUMENT RELATES TO:	)	
	)	
ALL CASES	)	
	)	
_____	)	

ORDER OF COURT

WHEREAS, Federal Insurance Company ("Federal") has been advancing defense costs under its Executive Protection Policy No. 8142-09-21-B (the "Federal Policy") incurred by J. Alan Johnson, Judith F. Olson, Philip A. Ignelzi, Kevin K. Douglass, Sal Cognetti, Jr. and Francis C. Rapp, Jr. and their respective law firms ("Criminal Defense Attorneys") in connection with the representation of Sherif S. Abdelhak, David W. McConnell and Nancy A. Wynstra in AHERF-related criminal matters ("Criminal Matters") in accordance with this Court's Order of Court dated August 22, 2001 ("Criminal Defense Advancements");

WHEREAS, the parties to the various AHERF-related civil matters have been negotiating a settlement of said matters, the terms of which are set forth in the Settlement Agreement; and,

WHEREAS, the terms of the Settlement Agreement require a modification to this Court's August 22, 2001 Order;

It is hereby ORDERED, ADJUDGED and DECREED on this _____ day of _____, 2002 that:

1. The Criminal Defense Attorneys shall continue to submit their invoices for services related to the Criminal Matters to Federal for payment, Federal shall continue to make the Criminal Defense Advancements in the normal course in accordance with the August 22, 2001 Order of Court until Federal places its money in an escrow account in accordance with Section 2.a of the Settlement Agreement.

2. Once Federal places the money into the escrow account in accordance with Section 2.a of the Settlement Agreement, Federal shall forward any invoices not yet paid in the normal course and the Criminal Defense Attorneys shall submit their monthly invoices for services related to the Criminal Matters directly to the Court for in camera review and approval consistent with the terms of the Settlement Agreement. Following review of the invoices, the Court shall issue notice to each Criminal Defense Attorney who submitted invoices and the escrow agent specifically indicating to them the amounts of the Criminal Defense Advancements which are approved. The Court shall also provide general notice to the representative designated by the Official Committee of Unsecured Creditors ("Creditors' Committee") as the person to receive notice under the Settlement Agreement advising him or her of only the total amounts of Criminal Defense Advancements which are approved. The notice to the Creditors Committee representative shall only state the total amount of Criminal Defense Advancements approved and shall not indicate the specific amounts requested by the Criminal Defense Attorneys or the amounts paid to individual Criminal Defense Attorneys.

3. All Criminal Defense Advancements approved by the Court shall be paid from the escrow account by the escrow agent to the Criminal Defense Attorneys within five (5) days of receipt of a copy of the Court notice approving the Criminal Defense Advancements.

4. The Criminal Defense Advancements shall continue under the terms of this Order until the Effective Date of the Settlement Agreement (as that term is defined in Section 12 of the Settlement Agreement) at which time the payments to the Criminal Defense Attorneys shall be made in accordance with Section 2 and Schedule 2B of the Settlement Agreement.

5. The Criminal Defense Advancements made in accordance with paragraphs 1 through 4 of this Order shall be deducted from the original $1.25 million of the Criminal Defense Fund (i.e., Criminal Fees Settlement Amount), as these terms are defined in Schedule 2B of the Settlement Agreement entitled "Criminal Defense Fund."

6. In the event that the total Criminal Defense Advancements paid under the August 22, 2001 Order and paragraphs 1 through 5 of this Order cumulatively reach $1.25 million prior to the Effective Date of the Settlement Agreement, an additional $1.25 million for Criminal Defense Advancements will be made available in accordance with that section of paragraph 3 of Schedule 2B of the Settlement Agreement entitled "Additions to the Criminal Defense Fund." Any Criminal Defense Advancements made from the additional $1.25 million shall be deducted from the Committee Settlement Amount, as that term is defined in Schedule 2B of the Settlement Agreement.

7. In no event shall the total amount of Criminal Defense Advancements made in accordance with this Order exceed the aggregate amount of $2.5 million.

8. In the event that the Settlement Agreement does not become effective, any Criminal Defense Advancements made in accordance with this Order shall reduce the limit of liability available under the Federal Policy, and such advancements are made without prejudice to any of Federal's rights with respect to coverage under the Federal Policy or applicable law.

9. The Criminal Defense Advancements made in accordance with this Order shall not be subject to the reporting obligations or holdback provisions set forth in the Bankruptcy Court's Stipulation and Order Regarding Payment of Defense Costs dated August 10, 1999.

10. In the event that the Settlement Agreement does not become effective, Federal's rights and obligations shall be limited to those it may have under the Federal Policy and applicable law.

_____

Judge Donald E. Ziegler
United States District Court for the Western District of Pennsylvania

SCHEDULE 12.f

INDIVIDUAL CREDITORS GIVING AND RECEIVING

COVENANTS NOT TO SUE

Aetna U. S. Healthcare Inc.

Coventry Healthcare Inc., HealthAmerica Pennslvania Inc., Coventry Health and Life Insurance Company and Coventry Healthcare Management Company.

MBIA Insurance Corporation

PNC Financial Services Group, Inc.

Siemans Medical Systems

Allegheny Center Associates

SCHEDULE 26

NOTICE

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Lane, R. Stacy Arter & Hadden LLP 10 W. Broad St., Ste. 2100 Columbus, OH 43215	614-229-3203	614-221-0479	R. Stacy Lane slane@arterhadden.com	Zurich-American Insurance Co.

List of additional directors and officers to be contacted to sign Additional AHERF Insured
Releases:

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George Amron, M.D.
Barbara F. Atkinson, M.D.
David Baranik
George Berg, M.D.
Jules Blake, Ph.D.
Ralph W. Brenner
Carolyn Cafaro
Daniel Cancelmi
Thomas Chakurda
Joan Chrestay
Connie Cibrone
D. Walter Cohen
Almeta Cooper
Curtis Copeland
David M. Deasy
Doreen Denega
Matt Dowling
John P. Ellsworth
Susan M. Gilbert
Frank Insana
Lynn R. Isaacs
Anne F. Kelly
Frank King
Donald E. Kline
Charles Lisman
Ronald Longabucco
Jennifer Madill
Michael Moyer
Michael O'Mahoney
Robert M. Potamkin
Barry Roth
Robin Schaffer
Brenda Snow
Leon C. Sunstein, Jr.
Charles J. Queenan
Peter Stephans
Nick Vidovich
Albert Zwirn
David Barensfeld
Richard Means (Estate of)

Steve Spargo
Joe Scharf
Jack Lydon
Jack Nelson
Russell Laing
Gregory Snow
B. Gedman
Rich McKeown
Kelly Mertz
Angela Maher
William Kennedy
Robert McNair
Leonard T. Ebert
Maurice C. Clifford
Anthony M. Cook
Joseph D. Little, Jr.
A. William Schenk, III
J. Brandon Snyder
W. Bruce Thomas