

GUARANTY

THIS **GUARANTY** is made effective as of the 1st day of January, 1994 by **COLUMBIA/HCA HEALTHCARE CORPORATION**, a Delaware corporation with its principal office at 201 West Main Street, Louisville, Kentucky 40202 (hereinafter referred to as the "**Guarantor**"), to and in favor of the **COMMONWEALTH OF KENTUCKY** and the **UNIVERSITY OF LOUISVILLE**, a public institution of higher education of said Commonwealth (the **Commonwealth of Kentucky** and the **University of Louisville** are hereinafter jointly referred to as the "**Obligees**").

W I T N E S S E T H:

WHEREAS, Galen of Virginia, Inc., a Virginia corporation f/k/a Humana of Virginia, Inc. (hereinafter referred to as the "**Obligor**"), and **American Medicorp Development Co.**, a Delaware corporation (hereinafter referred to as "**Amdeco**"), are both wholly-owned subsidiaries of the Guarantor; and

WHEREAS, in order to induce (i) the Obligees to amend of even date herewith the three (3) Lease Agreements with the Obligor, a copy of each of which is attached hereto and collectively marked as Exhibit A, (ii) the University of Louisville to amend of even date herewith the Affiliation Agreement with the Obligor, a copy of which is attached hereto as Exhibit B, (such three Lease Agreements as amended and Affiliation Agreement as amended are hereinafter collectively referred to as the "**Agreements**"), and (iii) the Obligees to amend of even date herewith the Lease Agreement with Amdeco, a copy of which is attached hereto as Exhibit C (such Lease Agreement as amended is hereinafter referred to as "**the Lease**"), the Guarantor has agreed to provide the Obligees with its guarantee of (a) the performance by the Obligor of all its obligations under all of the Agreements as amended and (b) the performance by Amdeco of all its obligations under the Lease as amended, without which guarantee the Guarantor acknowledges neither of the Obligees would execute or enter into any of the amendments to the Agreements or the Lease. The Agreements as amended shall hereinafter be referred to as the "**Agreements**" and the Lease as amended shall hereinafter be referred to as the "**Lease**."

NOW, THEREFORE, in accordance with the foregoing premises, and for good and valuable consideration, the receipt and sufficiency of which the Guarantor hereby acknowledges, the Guarantor hereby covenants and agrees as follows:

1. Statement of Guaranty. The Guarantor does hereby guarantee to each of the Obligees, under the terms of the Agreements and the Lease, and subject to the procedures set forth in Paragraph 4 herein (i) the punctual payment in full of all rents, rentals and other payments of every kind owed by the Obligor or Amdeco to either of the Obligees under the terms of each and every one of the Agreements and the Lease, and (ii) the timely and complete satisfaction and performance of all of the other obligations of the Obligor under each and every one of the Agreements and of Amdeco under the Lease.

2. Duration. This Guaranty shall continue in full force and effect (i) until such time as the last of the Agreements expires or is otherwise terminated and the Lease expires or is otherwise terminated, and (ii) until such time as all rents, rentals and other amounts of every nature owed by the Obligor under all of the Agreements and by Amdeco under the Lease have been paid in full and all other obligations of the Obligor under each and every one of the Agreements, and of Amdeco under the Lease, have been satisfactorily and completely performed and discharged, whichever shall occur last. The Guarantor agrees that the Obligees may grant the Obligor extensions of time and other indulgences generally with regard to the performance by the Obligor of its obligations under any or all of the Agreements, without thereby releasing the Guarantor or otherwise diminishing its obligations hereunder. The Guarantor likewise agrees that the Obligees may grant Amdeco extensions of time and other indulgences generally with regard to Amdeco's performance of its obligations under the Lease, without thereby releasing the Guarantor or otherwise diminishing its obligations hereunder.

3. Modification of Agreements. The written consent of the Guarantor shall be required prior to any modification of any of the Agreements, or of the Lease, which would materially increase the obligations of the Guarantor hereunder or would render prompt and satisfactory performance of any obligation of the Obligor under any of the Agreements, or of Amdeco under the Lease, substantially more difficult. Such written consent is hereby granted by Guarantor as to amendments as of the date hereof to the Agreements, the Lease and the Quality and Charity Care Trust Agreement. For as long, however, as the Obligor and Amdeco remain subsidiaries of the Guarantor, any modification of any of the Agreements consented to by the Obligees, or to the Lease consented to by Amdeco, shall be deemed consented to by the Guarantor and all notices delivered to the Obligor and/or Amdeco shall be deemed received by the Guarantor.

4. Nature of Guarantor's Obligation. This is a guaranty of collection and not of payment insofar as the liability of the Guarantor shall be specifically conditional and contingent upon the compliance by the Obligees with their respective obligations under the Agreements and the Lease to arbitrate claims and disputes with the Obligor and Amdeco. In the event, however, that (i) the Obligees obtain an award through arbitration against the Obligor or Amdeco, which the Obligor or Amdeco fails or refuses to pay or comply with or (ii) the Obligor or Amdeco fails to pay rent or other amount when due and does not, within fifteen (15) days following written demand for payment from the Obligees, assert defenses regarding the amounts Obligees claim to be due and request arbitration of the matter, then the Obligees may institute suit to compel payment and compliance against the Guarantor, as well as against the Obligor or Amdeco, as appropriate, and obtain a judgement directly against, and collect the same from the Guarantor without having to exhaust any assets of the Obligor or Amdeco first. The foregoing notwithstanding, the bankruptcy, discharge or dissolution of the Obligor or Amdeco shall not excuse the Guarantor from its obligations to the Obligees, which shall continue unaffected.

5. Waiver. The Guarantor waives notice of acceptance of this Guaranty and all other notices apart from demand for payment or performance hereunder, and further waives all suretyship and guarantors' defenses generally.

6. Interest. All payments of rents, rentals and other amounts due under the terms of any or all of the Agreements, or of the Lease, not paid by the Obligor or Amdeco within thirty (30) days of the date when invoiced or otherwise due and payable as provided in the Agreements and the Lease, shall bear interest from the date first due until paid at a rate per annum equal to the rate of interest designated from time to time as the "prime rate" by publication in The Wall Street Journal.

7. Warranties. The Guarantor warrants and represents to the Obligees that (i) the execution and delivery of this Guaranty by the Guarantor have been duly and properly authorized and approved by the Board of Directors of the Guarantor, (ii) the Guarantor has all requisite corporate power and authority to enter into and perform its obligations under this Guaranty, and (iii) this Guaranty, and the execution and performance hereof by the Guarantor, do not and will not violate any provisions of the Certificate of Incorporation or By-Laws of the Guarantor, nor of any contract, indenture, mortgage or other agreement to which the Guarantor is a party or by which the Guarantor is bound except where the effect of such violation would not have a material adverse effect on the business results or operations or financial condition of the Guarantor and its subsidiaries and affiliates taken as a whole.

8. Indemnification. Subject to the procedures set forth in Paragraph 4 herein, the Guarantor will indemnify the Obligees against, and hold the Obligees entirely harmless from all costs, expenses, losses and other liabilities of every nature including reasonable attorney's fees, incurred by either of the Obligees and either (i) proximately caused by any negligent or intentional tortious act or omission of the Obligor or Amdeco relating to their operation of the hospital and related facilities which are the subject of the Agreements and the Lease, or (ii) resulting from any legal proceedings brought against the Obligor or Amdeco by a third party alleging breach of a contract (other than the Agreements or Lease) and seeking injunctive or other relief against the Obligor or Amdeco or to lien or encumber any of the real property demised to the Obligor under the Agreements or to Amdeco under the Lease. Guarantor specifically excludes, and the Obligees understand and agree to such exclusion, from this Guaranty, any indemnification for costs, expenses, losses and other liabilities of every nature, including attorneys' fees, incurred by either of the Obligees and relating to any cause of action based on a challenge to the validity, legality, or enforceability of any or all provisions of the Agreements or the Lease or the transactions leading to the execution of the Agreements or the Lease; or any indemnification for costs, expenses, losses or other liabilities, including attorney's fees, incurred by either of Obligees as a result of any claim, lawsuit or cause of action made, filed or asserted against any of Guarantor, Obligor or Amdeco by either or both of the Obligees based on a challenge to the validity, legality, or enforceability of any or all provisions of the Agreements or the Lease or the transactions

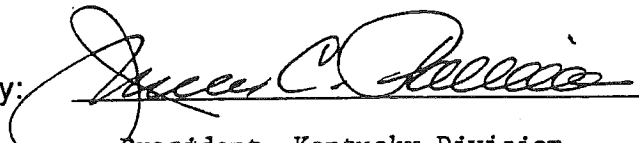
leading to the execution of the Agreements or the Lease.

9. Binding Effect. This Guaranty shall be binding upon the Guarantor, and shall inure to the benefit of the Obligees, and all of their respective successors and assigns. The Guarantor shall be fully responsible throughout the term of this Guaranty for the performance of all obligations under the Agreements by any person or persons to whom the Obligor may hereafter assign any of the Agreements or in any way transfer any of its duties or obligations thereunder (including transfers by operation of law), and the term "Obligor" shall for purposes of this Guaranty be deemed to include all such assignees, transferees and other successors of Obligor. The Guarantor shall likewise be fully responsible throughout the term of this Guaranty for the performance of all obligations under the Lease by any person or persons to whom Amdeco may hereafter assign the Lease, sublet the facility which is the subject thereof or in any way transfer any of its duties or obligations thereunder (including transfers by operation of law), and the term "Amdeco" shall for the purposes of this Guaranty be deemed to include all such assignees, sublessees, transferees and other successors of American Medicorp Development Co.

10. Miscellaneous. This Agreement shall be governed by, and interpreted in accordance with the law of the Commonwealth of Kentucky. The attached Exhibits to this Guaranty are hereby incorporated by reference as a part hereof as if the terms and provisions of all the documents comprising said Exhibits were set forth in full in this Guaranty.

IN TESTIMONY WHEREOF, the Guarantor has caused this Guaranty to be duly executed and delivered on its behalf, by its undersigned, properly authorized officer, at Louisville, Jefferson County, Kentucky, as of the date set forth in the opening paragraph hereinabove.

COLUMBIA/HCA HEALTHCARE CORPORATION

By: 
Its: President, Kentucky Division
("Guarantor")