

September 23, 2002

Mr. Richard M. Scrushy
Chairman of the Board
HealthSouth
One HealthSouth Parkway
Birmingham, AL 35243

Re: Engagement of Patton Boggs LLP

Dear Richard:

This is to confirm HealthSouth's retention, as of September 12, 2002, of Patton Boggs LLP, to represent HealthSouth and/or senior management, including yourself personally, in connection with pending litigation, and SEC investigatory matters. In the event that at some future point the firm cannot be consistent with its ethical obligations continue to represent both HealthSouth and Mr. Scrushy, the firm will continue to represent Mr. Scrushy and will assist the Company as appropriate in retaining counsel.

We look forward to working with you on this engagement.

To ensure that HealthSouth and we have a common understanding of the terms of our representation and to comply with the rules of professional conduct for the jurisdictions in which we practice, I have enclosed a statement describing the standard terms of engagement for legal services to be provided by Patton Boggs LLP. The terms of engagement cover such matters as our procedure for handling potential conflicts of interest, fees, costs and expenses, billing arrangements and terms of payment. Please review the document carefully to ensure that it comports with your understanding. This letter supplements and modifies the enclosed terms of engagement.

I will be primarily responsible for the work done on behalf of client and will supervise the lawyers and other professionals who may work on this project. I anticipate that associates, staff attorneys, legal assistants, specialists and/or in-house consultants will assist in the matter.

PB 00138

PATTON BOGGS LLP

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As explained more fully in the terms of engagement, we will determine our legal fees based on our standard hourly billing rates in effect when the work is performed and the number of hours worked by each attorney. Our hourly billing rates for most of our partners range from \$220 to \$510; and the hourly rates for most of our associates range from \$180 to \$300. Our legal assistants generally have hourly billing rates ranging from \$50 to \$130. The billing rates of certain lawyers with special expertise or extensive experience may be outside these ranges. My time is billed at \$510 per hour. If you would like to know the hourly billing rates of other billers most likely to work on a particular project, please call me. Generally, we adjust our billing rates for partners in January and those of our associates in October. In addition to our fees for legal services, we also charge separately for certain costs and expenses as described in the enclosed statement.

For this engagement, HealthSouth will provide a \$100,000 retainer upon signature to be transmitted by wire to:

Redacted

The retainer will be held by the firm during the course of the engagement and will be returned to HealthSouth upon the payment of all outstanding fees and disbursements.

If these terms and conditions, including those set forth in the terms of engagement, meet with your approval, I would appreciate your acknowledging acceptance of both documents by signing and returning the enclosed copy of this letter. If you have any questions about these terms or would like to discuss them, please call me as soon as possible so as not to impede our commencing work on your behalf.

These terms and conditions will apply to any future work we undertake for you unless we send you a new letter reflecting different terms and conditions.

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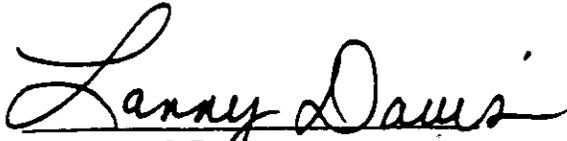
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We look forward to working with HealthSouth to achieve a successful result.

Very truly yours,



Lanny J. Davis

for PATTON BOGGS LLP

Enclosure

AGREED TO AND ACCEPTED:

By: _____

Richard M. Scrusby

Chairman, HealthSouth

SIGNING ON BEHALF OF THE COMPANY

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