

IN THE COURT OF CHANCERY OF THE STATE OF DELAWARE

TOVE FORGO, individually and on behalf of
all others similarly situated,

Plaintiff,

v.

HEALTH GRADES, INC., KERRY R.
HICKS, MATS WAHLSTRÖM, MARY
BOLAND, LESLIE S. MATTHEWS, JOHN
QUATTRONE, DAVID G. HICKS, WES
CREWS, ALLEN DODGE, MOUNTAIN
ACQUISITION CORP., MOUNTAIN
MERGER SUB CORP., MOUNTAIN
ACQUISITION HOLDINGS, LLC, and
VESTAR CAPITAL PARTNERS V, L.P.,

Defendants.

C.A. No. 5716-VCS

PETER P. WEIGARD, individually and on
behalf of all others similarly situated,

Plaintiff,

v.

KERRY HICKS, LESLIE MATTHEWS,
MATS WAHLSTRÖM, JOHN
QUATTRONE, MARY BOLAND, and
HEALTH GRADES, INC.,

Defendants.

C.A. No: 5732-VCS

ORDER AND FINAL JUDGMENT

The Stipulation of Settlement, dated March 29, 2011 (the "Stipulation"), of the above-captioned actions (the "Actions"), and the Settlement contemplated thereby (the "Settlement") having been presented at the Settlement Hearing on June 29, 2011, pursuant to the Scheduling Order entered herein on March 31, 2011 (the "Scheduling Order");

The Stipulation having been joined in and consented to by all parties to the Actions and incorporated herein by reference (along with the defined terms therein);

The Court, having determined that notice of the Settlement Hearing was given to the Class in accordance with the Scheduling Order and that said notice was adequate and sufficient; having heard the parties' support for the Settlement as articulated by their attorneys of record; having allowed all other persons an opportunity to be heard on this matter as provided in the Notice of Pendency of Class Action, Proposed Settlement of Class Action, Settlement Hearing and Right to Appear (the "Notice"); and having considered all matters related to this Settlement;

IT IS HEREBY ORDERED, ADJUDGED AND DECREED as follows:

1. The Notice has been provided to the Class pursuant to and in the manner directed by the Scheduling Order, proof of the mailing of the Notice to the Class has been filed with the Court, and a full opportunity to be heard has been offered to all parties, the Class and all other persons in interest. The Court finds and concludes that the form and manner of the Notice is the best notice practicable under the circumstances and fully complies with each of the requirements of Delaware Court of Chancery Rule 23, and it is further determined that all members of the Class are bound by the Order and Final Judgment herein.

2. Pursuant to Delaware Court of Chancery Rules 23(a), 23(b)(1), and 23(b)(2), the Court certifies the Actions as class actions for purposes of settlement only, on behalf of a non-opt out class, consisting of all persons or entities who held shares of Health Grades common stock, either of record or beneficially, including any and all of their respective successors in interest, predecessors, representatives, trustees, executors, administrators, heirs, assigns or transferees, immediate and remote, and any person or entity acting for or on behalf of, or claiming under, any of them, and each of them, at any time between July 27, 2010 (the date prior

to the public announcement of an Agreement and Plan of Merger (including any amendments thereto, the "Merger Agreement") with Mountain Acquisition Corp., Mountain Merger Sub Corp., and Mountain Acquisition Holdings, LLC (collectively, the "Mountain Entities"), pursuant to which the Mountain Entities (owned by Vestar Capital Partners V, L.P. ("Vestar")) would acquire Health Grades through a tender offer and subsequent merger, with non-dissenting shareholders of Health Grades to receive \$8.20 per share in cash, without interest (the "Merger")) and October 7, 2010 (the "Class"), other than Defendants, their immediate family members, their directors or partners, their direct or indirect parent or subsidiary entities, or any person or entity over whom or which any Defendant exercises sole or exclusive control.

3. The Court finds and concludes, for purposes of settlement only, that the requirements of Rule 23 of the Delaware Court of Chancery Rules have been met:

a. The members of the Class are so numerous that separate joinder of each member is impracticable;

b. Plaintiffs' claims raise questions of law or fact common to the questions of law or fact raised by the claims of each member of the Class;

c. Plaintiffs' claims are typical of the claims of each member of the Class;

d. Plaintiffs can fairly and adequately protect and represent the interests of each member of the Class; and

e. The prosecution of separate claims or defenses by or against individual members of the Class would create a risk of either (i) inconsistent or varying adjudications concerning individual members of the Class which would establish incompatible standards of conduct for Defendants, or (ii) adjudications concerning individual members of the Class which would, as a practical matter, be dispositive of the interests of other members of the Class who are

not parties to the adjudications, or substantially impair or impede the ability of other members of the Class who are not parties to the adjudications to protect their interests; and the allegations regarding Defendants are generally applicable to all the members of the Class, thereby making final injunctive relief or declaratory relief concerning the Class as a whole appropriate.

4. The Court finds and concludes that the Settlement is fair, reasonable, adequate, and in the best interests of the Class, and approves the Settlement and adopts the terms of the Stipulation for the purpose of this Order.

5. This Final Judgment and Order shall not constitute any evidence or admission by any party herein that any acts of wrongdoing have been committed by any of the parties to the Actions and should not be deemed to create any inference that there is any liability therefor.

6. The Actions are hereby dismissed with prejudice as to the Defendants and against plaintiffs and all other members of the Class on the merits and, except as provided in the Stipulation, without costs.

7. Any and all known and unknown claims (including Unknown Claims (as defined below) for damages, injunctive relief, or any other remedy against all Defendants in the Actions (including all current and former directors, managers, officers, employees and partners of Health Grades and Vestar, whether named as Defendants or not), and any of their present or former affiliates, parents, subsidiaries (including the directors, managers, officers, employees and partners of such affiliates, parents, and subsidiaries), general partners, limited partners, partnerships, and their respective officers, directors, managers, managing directors, employees, agents, attorneys, advisors, insurers, accountants, auditors, trustees, financial advisors, lenders, investment bankers, associates, representatives, heirs, executors, personal representatives, estates, administrators, successors, and assigns (all collectively the "Released Persons") that have

been or could have been asserted by any member of the Class in any forum, including class, derivative, individual, or other claims, whether state, federal, or foreign, common law, statutory, or regulatory, including, without limitation, claims under the federal securities laws, arising out of, related to, or concerning (i) the allegations contained in any of the Actions, (ii) the Merger, the Merger Agreement, the Support Agreements, the Tender Offer, the process leading to the execution of the Merger and Support Agreements and any negotiations, deliberations, contemplation, consideration and approval thereof and all related matters, any agreements, and disclosures relating to the Merger, and any compensation or other payments made to any of the Defendants in connection with the Merger, (iii) the Schedule 14D-9, the Schedule TO, and any other related filings with the SEC and any amendment thereto, or any other disclosures relating to the matters and agreements referenced in clause (ii) above, (iv) the negotiations leading up to the matters and agreements referenced in clause (ii) above, and (v) any matter that could have been asserted in any of the Actions regarding the matters and agreements referenced in clause (ii) above or any disclosure or alleged failure to disclose material facts to shareholders in connection with the Merger, by or on behalf of any person, or any alleged aiding and abetting of any of the foregoing (all collectively the "Released Claims"), shall be fully, finally, and forever compromised, settled, extinguished, dismissed, discharged, and released with prejudice pursuant to the terms and conditions of the Stipulation, provided, however, that the claims to be released shall not include the right of any Class member or any of the Defendants to enforce the terms of the Settlement, nor shall the claims to be released include the right of any Health Grades shareholder or former Health Grades shareholder to seek appraisal of their Health Grades shares in accordance with Delaware law and the Notice of Appraisal.

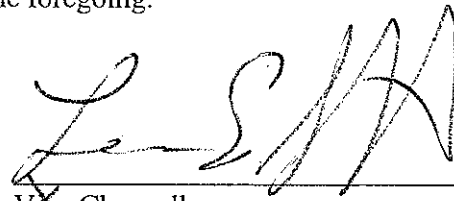
8. Any and all claims by Defendants, including any and all of their respective successors in interest, predecessors, representatives, trustees, executors, administrators, heirs, assigns, or transferees, immediate and remote, and any person or entity acting for or on behalf of, or claiming under any of them, and each of them, arising out of or relating to plaintiffs and plaintiffs' counsels' filing and prosecution of these Actions are hereby released, provided, however, that Defendants shall retain the right to enforce the terms of the Settlement and to oppose or defend any appraisal rights of any Class member.

9. The releases provided for in the Stipulation shall extend to claims that the parties granting the release do not know or suspect to exist at the time of the release relating in any way to the Merger, which if known, might have affected those parties' decision to enter into the release or to object or not to object to the Settlement ("Unknown Claims"); those parties shall be deemed to relinquish, to the extent it is applicable, and to the full extent permitted by law, the provisions, rights and benefits of Section 1542 of the California Civil Code; and those persons shall be deemed to waive any and all provisions, rights and benefits conferred by any law of any state or territory of the United States, or principle of common law, which is similar, comparable or equivalent to California Civil Code Section 1542.

10. Plaintiffs' counsel are hereby awarded fees and expenses in the aggregate amount of \$ 2.2 million for their services in the Actions, which award the Court finds to be fair and reasonable and which shall be paid to plaintiffs' counsel by Health Grades, or any successor(s) in interest, in accordance with the terms of the Stipulation.

11. The Court reserves jurisdiction, without affecting the finality of this Order and Final Judgment, over: (a) administration and implementation of the Settlement in accordance with the Stipulation; (b) enforcement of the orders, injunctions, and releases set forth herein; and (c) all other matters related or ancillary to the foregoing.

Dated: 6/29/11


Vice Chancellor